

# Marcus & Millichap

Real Estate Investment Services

**58 SPACES**  
**REGENCY MHP & MOTEL**  
**3260 U.S. Highway 22**  
**Branchburg, NJ 08876**



## INVESTMENT HIGHLIGHTS

- ◆ City Utilities
- ◆ Possible Future Redevelopment
- ◆ Upside Filling in Remaining Vacant Sites
- ◆ No Rent Control
- ◆ All Age Community

## OFFERING SUMMARY

Price	\$3,150,000
Down Payment	(40%) \$1,260,000
Loan Amount	\$1,890,000
Loan Type	Proposed New
Interest Rate/Amortization	6.650%/20 Years
Spaces	58
Price Per Space	\$54,310
Year Built	1963
Lot Size	3.1 acres
Cap Rate - Current	9.45%
Cap Rate - Pro Forma	13.52%
GRM - Current	5.23
GRM - Pro Forma	4.54
Net Cash Flow After Debt Service - Current	10.05%
Net Cash Flow After Debt Service - Pro Forma	20.22%
Total Return - Current	13.77%
Total Return - Pro Forma	23.94%



Listed by:

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**SPACE MIX**

No. of Spaces	Space Type	Current Rents	Monthly Income	Pro Forma Rents	Monthly Income
32	Rented Mobile Homes	\$800-\$975	\$28,885	\$810-\$985	\$32,725
2	Rented Park Models	\$800-\$850	\$1,650	\$810-\$860	\$1,890
4	Site Rent Only Mobile Ho	\$650	\$2,600	\$660	\$3,080
10	Basic Motel Rooms	\$800-\$1,200	\$8,400	\$810-\$1,210	\$9,600
8	Efficiency Rooms	\$900-\$1,100	\$8,700	\$910-\$1,110	\$9,660
2	Motel Rooms used for off			\$810	\$810
<b>58</b>	<b>Total</b>		<b>\$50,235</b>		<b>\$57,765</b>

**OPERATING DATA**

INCOME	Current	Pro Forma
Gross Potential Rent	\$602,820	\$693,180
Gross Potential Income	\$602,820	\$693,180
Less: Vacancy/Deductions	14.6% 87,900	6.4% 44,700
Effective Gross Income	\$514,920	\$648,480
Less: Expenses	217,128	222,559
Net Operating Income	\$297,792	\$425,921
Debt Service	171,105	171,105
Debt Coverage Ratio	1.74	2.49
Net Cash Flow After Debt Service	10.1% \$126,687	20.2% \$254,816
Principal Reduction	46,830	46,830
Total Return	13.8% \$173,517	23.9% \$301,646



**INVESTMENT OVERVIEW**

Regency Mobile Home Park and Motel is a mixed-use property located in the Township of Branchburg, Somerset County, New Jersey. The property consists of 38 mobile home sites and 20 motel rooms. The current owner has taken ownership of a majority of the mobile homes in order to be able to redevelop the property. However, with the shift in the market, the property's best use is to remain a mobile home park and motel. A new owner will have the opportunity to redevelop in the future.

Branchburg is approximately 30 miles from Newark, New Jersey. New Jersey Transit's Raritan Valley Line provides train service to Newark, and ultimately New York City. The Trans-Bridge bus line also provides daily service to New York City. Located on Route 22, Regency allows easy access to Routes 202 and 28, which provides a quick ride to Somerville, Flemington, and other nearby communities. Route 22 is also heavily populated with retail sites providing tenants with the convenience of shopping close by.

Over all, Regency provides a rare opportunity to purchase a mobile home park and motel on city utilities in New Jersey. With no rent control there is plenty of upside in this market. With close to 25,000 cars passing by per day, vacancy should not be an issue, and there should

**EXPENSES**

Real Estate Taxes	\$28,908	\$29,631
Insurance	28,668	29,385
Management	25,000	25,625
Gas	24,214	24,819
Electric	43,479	44,566
Water	11,985	12,285
Trash	5,571	5,710
Sewer	11,985	12,285
Cable TV	8,382	8,592
Total Utilities	105,616	108,257
Repairs & Maintenance	2,186	2,241
Marketing & Promotion	3,545	3,634
Supply	3,662	3,754
Landscaping/Snow Removal	2,510	2,573
Misc	4,710	4,828
Total Other Expenses	12,323	12,631
<b>Total Expenses</b>	<b>\$217,128</b>	<b>\$222,559</b>
Expenses per Space	\$3,744	\$3,837
% of EGI	42.2%	34.3%

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