



TOMAS M. GOTTLIEB

MARKET UPDATE

The **market is still strong** despite the lending industry debacle. Properly underwriting properties for sale is crucial, which is why our team spends a lot of time analyzing a park's financials.

We market all kinds of properties. Recently, we sold a 1.5-star mobile home park in Airway Heights, WA at a 10% CAP for **\$2,000,000**. Among our current listings we offer a 4-star RV park in Mead, WA for **\$4,950,000** and a family mobile home park in the Tri-Cities area listed at **\$8,350,000**.

Are you considering **selling your park**? Let us know and we would be glad to prepare an **evaluation for your property**.

In this issue of the newsletter I highlight some of the bills currently being discussed in the WA State Legislature, as well as an article that follows the story of a park in Oregon that is dealing with implementing new rules passed by the Oregon Legislature.

Dear Friends,

Our group has been busy over the past few months settling into our new offices at **Regency Group, Inc.** in Bellevue, WA. It has been a great beginning - thank you for your continued support!

The **2008 session of the Washington State Legislature** is once again debating mobile home community issues. Representatives and Senators are getting a lot of pressure from tenants and social groups to extend leases, implement rent control, provide for "right of first refusal", and restrict zoning of mobile home parks. There are several bills introduced by the Manufactured Housing Communities of Washington (MHCW):

HB 1150: clarifies that cities cannot apply provisions of SB 6593 to MHCs, such as cement foundations, certain pitched roofs, and prohibits restrictions on the location of mobile homes or manufactured homes based exclusively on age and dimensions. This bill is very important, as some communities are in danger of closing down if cities are allowed to improperly dictate the age and dimension of homes.

HB 1640: sponsored by Representative Lynn Schindler (R-4), is a much needed attempt to look at the **restrictive zoning** that threatens the future of our industry. It would allow siting of MHCs outside the urban growth boundaries.

HB 1043: Puts a **cap on personal property taxes** paid by a manufactured housing owner when there has been a landlord lien sale.

HB 1149: Takes away the **excessive upfront cost** that municipalities require when they mandate that property taxes be paid in advance of a binding site plan.

HB 1148: Prohibits **restrictions on the location of mobile homes** or manufactured homes based exclusively on age and dimensions.

HB 1402: Modifying the definition of "private carriers" of solid waste.

HB 1228: This bill defines MHCs as "Residential Multi-family" for sewage charges.

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The Gottlieb Group is committed to helping our clients maximize asset values and utilize real estate to their strategic advantage through innovative planning, execution, and management of real estate. We offer the best of both worlds – a small, **personal and professional team** with a **nationwide reach**.

We are experts in Mobile Home Communities, RV Parks, Self-Storages, and Land Development. As a partner of Regency Group, Inc., we are able to provide **comprehensive and integrated real estate services**.

Regency Group, Inc. celebrated its **30th anniversary** in January 2006. We look forward to the future and our never-ending quest to provide quality service and products to meet the evolving needs of our clients.

THE GOTTLIEB GROUP ADVANTAGE

- Nationwide Advertising & Marketing
- Specialized group
- Large database of investors
- Cutting edge technologies
- Personal and professional service
- Over 30 years experience

OUR FOCUS

- Manufactured Home Communities
- RV Parks
- Self-Storages & Mini-Storages
- Park re-developments
- Land Projects



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Sun Meadows MHP



Investment Highlights:

Existing mobile home park for sale either as a park or a re-development opportunity in a fast-growing area.

The subject property is surrounded by new housing and commercial developments, including a Fred Meyer, Walgreens, Wal-Mart, etc.

Sun Meadows MHP offers good income as a park in addition to upside in rents and reduction of vacancies. The park needs new, aggressive management.

The savvy investor will notice this project's unique corner location at US HWY 395 & 19th Avenue, presenting tremendous potential for residential, commercial and mixed use re-developments.

Price	\$8,350,000
Down Payment (30%)	\$2,505,000
Price per Unit	\$42,172
Year Built	1970
Lot Size (acres)	34.64
2006 CAP Rate	6.02%
2006 GRM	9.97
2006 Net Operating Income	\$502,590
2006 Net Cash Flow After Debt Service	2.95%
2006 Total Return	5.72%
2007 CAP Rate	6.34%
2007 GRM	9.97
2007 Net Operating Income	\$529,147
2007 Net Cash Flow After Debt Service	4.01%
2007 Total Return	6.78%
2008 CAP Rate	6.71%
2008 GRM	9.45
2008 Net Operating Income	\$560,540
2008 Net Cash Flow After Debt Service	5.26%
2008 Total Return	8.03%

Alderwood RV Resort & Mini-Storage



Investment Highlights:

The Alderwood RV Resort, Boat & Mini Storage is a state-of-the-art, first class, 4-star RV Resort and mini-storage facility that has earned the highest ratings in the industry. With a historical occupancy that has been growing every year since its beginnings, the park offers a variety of attractions and amenities. The brand new mini-storage provides the resort visitors and area locals much needed storage, and is becoming a very profitable addition to this business venture.

Price	\$4,950,000
Down Payment (35%)	\$1,732,500
Year Built	1995/2006
Lot Size (acres)	9.71
Current CAP Rate*	5.89%
Current GRM	9.68
Current Net Operating Income	\$291,473
Current Net Cash Flow After Debt Service	\$34,062
Current Total Return	\$66,251

*Current numbers are based on actual 2007 January-July Income & Expenses and projected August-December 2007.

L&H Lumber will not develop Saddle Butte mobile home park

JOHN SOWELL , August 28, 2007 (Reprinted with permission)

Owners of the Saddle Butte Mobile Manor have dropped plans for a housing construction project that would have displaced residents of at least half of the park's nearly 300 spaces.

L&H Lumber Co. announced Monday it will keep the Winchester park open, make improvements and offer residents long-term leases.

The announcement came after the company completed a monthlong feasibility study and considered its options, company attorney Dan Clark said. The hardships for residents — many of whom are elderly or low-income and would have had trouble finding a new place to live — was a major factor in the decision by L&H President Sid Leiken, Clark said.

“He was not deaf to the concerns of the tenants and knew full well the effect closing the park would have on the tenants. That weighed heavily on him,” Clark said.

Mary Diedrich, who headed a tenant association that formed after L&H announced its plans for 133 zero-lot-line homes, said she was overjoyed to hear the news.

“I think it’s wonderful,” said Diedrich, who learned of the decision at an afternoon meeting with Clark.

Minutes later, she was already working on a flyer to notify other park residents of the decision. She planned to go door to door and post the notices in common areas.

“I know they’re going to be thrilled to death,” Diedrich said. “Instead of a long face, maybe they’ll have a smile on their face.”

Park residents were shocked back in November when they received a notice in the mail from the Douglas County Planning Department informing them of L&H’s application for a 133-lot gated community that would take up half of the mobile home park.

All of the mobile home residences south of Glenda Lane would have been replaced with stick-built homes, along with a portion on Olivia Lane, during a three-phase project that was to be completed by June 2011. Residents were worried L&H would then convert the other half of the park and displace even more residents.

Company officials at the time said they had not made a decision about whether they would move forward on the construction project but were just exploring their options. Residents, who then organized the tenants association, were convinced it was only a matter of time before they were given eviction notices.

During a series of angry meetings before an advisory planning committee and the Douglas County Planning Commission, which approved L&H Lumber’s housing application, many park residents said they had nowhere to go. They could not afford to move their homes to another park, they said, plus there were few vacancies in other area mobile home parks.

The Saddle Butte situation was cited during debate on a bill at the Oregon Legislature that would require mobile home park owners to provide residents asked to move \$5,000 for a singlewide home and \$7,000 for a doublewide. The bill, which came after dozens of mobile home parks have closed in the past few years, also would provide a \$5,000 state subsidy for moving expenses a year after the move.

The legislation, which was passed and signed into law by Gov. Ted Kulongoski, is scheduled to go into effect Sept. 29.

The Saddle Butte tenants association had explored the idea of buying the park itself. State law allows tenants to negotiate to buy an existing park if they can raise the money.

Diedrich attributed L&H Lumber’s decision to the personal involvement of Leiken and his willingness to meet with the tenants association and hear their concerns.

“He has compassion. He really does,” Diedrich said. “He saved the day for us. He saved our homes.”

No decision has been made on the scope of improvements L&H plans to undertake at Saddle Butte. However, Clark said discussion has centered on road improvements, development of common areas and a picnic area and possibly a playground.

“We’d like to meet with the tenants association and see what kind of improvements they would like,” he said.

The company is still considering how long of a rental period to offer residents, but Clark said it would likely be in the range of five to 10 years.

With any improvements, Diedrich said rents, which have been \$275 per month, would assuredly rise. She said the tenants association would work to find a way to help subsidize payments for those who can’t afford a rent increase.