

ROC Northwest

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Northwest Cooperative
Development Center

Agenda

- Who Are We
- How We Do This
- The Acquisition Process
- Q&A

Who Are We

- Regional nonprofit supporting cooperative development, Affiliate of a national organization, ROC USA with over 250 ROCs
- Experienced buyers with 20 transactions since 2008, representing nearly \$50M in transactions



How We Do This

- Secure and dedicated financing
- Market standard time frames
- Dedicated due diligence team
- Experienced community technical assistance providers

The Acquisition Process

- 1 Negotiate Price
- 2 Sign Purchase and Sale Agreement
- 3 Offer Agreement to Residents
- 4 Due Diligence and Financing
- 5 Closing

- Work directly with seller and broker, not residents
- Income capitalization and sales valuation
- We need three years of:
 - P & L
 - Rent rolls
 - Any surveys / reports

1

Negotiate Price

- Market standard closing tim e lines
- Assignable agreement
- Real estate excise tax exemption

2

Sign Purchase and Sale Agreement

- ROC Northwest hosts a resident meeting for discussion and vote
- ROC Northwest establishes resident cooperative and provides technical assistance
- Resident cooperative takes assignment

3

Offer Assignment to Residents

- ROC Northwest coordinates
- Typically includes:
 - Environmental Phase 1
 - Boundary Survey
 - Commercial Appraisal
- Dedicated lenders focused on manufactured home parks

4

Due Diligence and Financing

- Cash at closing
- Resident owned cooperative celebration

5

Closing

- On average investor -owned communities annually increase lot rent 3% more compared to ROCs.
- For example, if rent is \$475 at the time of conversion. After 15 years rent would be about \$840 in an investor -owned community compared to about \$540, saving that homeowner over \$22,000 during that period. **That's \$4 per day.**

ROC

Benefit

- Five fulltime staff dedicated to support cooperative communities
- Each technical assistant supports roughly five communities at a minimum of 10 years after closing
- This includes Board training, financial guidance, and general community support

ROC

Benefit

Q&A

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