

Ex. 7

11/12/25

TESTIMONY FOR OBJECTION FOR RENT INCREASE AT CARRIAGE TOWN PARK

We are submitting testimony as to the Rent Increase for Carriage Town Mobile Home Park located at 124 West Main Street Merrimac, Ma. 01860. According to Massachusetts laws for mobile home parks any work that is submitted for justifying a Rent increase is Required for the work to already be completed (and not proposed projects). The owners of the park are required to produce the Names and contact information of the companies doing the work along with ALL paid receipts to the RENT CONTROL COMMITTEE for the town of Merrimac.

Additionally, the loan amount for any Capital projects cannot be added onto a mortgage interest or principal. Any capital improvements must be amortized over the life expectancy of that item. See Below

APPENDIX D: 940 CMR 10.00: MANUFACTURED HOUSING COMMUNITY REGULATIONS

2) Unfair or Deceptive Acts or Practices: Fees and Charges. It shall be an unfair or deceptive act or practice in violation of M.G.L. c. 93A for an operator: (l) to seek to recover, through lump sum charges, the costs of capital improvements to the community or any homesite to the extent such costs exceed \$100 in the aggregate; provided that the amortized costs of such capital improvements may (if specifically listed in the occupancy agreement) be recovered from tenants

major or extraordinary cost your owner incurs may be a "capital improvement" and they may pass it on to residents if that is included in your lease. They may do so by spreading the total cost of the improvement through equal rent increases over the life of the improvement. The owner must disclose the (a) cost of the improvement, (b) expected life of the improvement,

(c) number of households sharing the cost, and (d) amount of the rent increase and how long it will have to be paid. Guide at pp. 34-36.

We are requesting a copy of the Rent control committee's formula for calculating rent and the process used in deciding whether to grant the increase as well as the By-Law for the Rent Control Committee by November 19th.

Additionally, because the work has not yet been initiated or completed. we request the following reasonable rent increase proposal. Back in 2015 the last rent increase was based on the owners paving a new road and ALL driveways see Attachment A. This work was never done and in violation of the Rules and Regulations. We were advised by the President of the Manufactured Home Association. Therefore, the Rent Control Board should have the owner refund that increase back to the residents. Fair rate of return is calculated from the proof of invoices and financials of the owner for the prior 3 years. Fair rate of return cannot be calculated on anything else.

Below is the way the formula should be applied

RENT CALCULATION

ASSESSED VALUE	\$1,016,300
PRIME RATE X 8%	
THIS EQUALS FAIR RATE OF RETURN	\$ 81, 304
EXPENSES PLUS	\$173,998
FAIR RATE OF RETURN ALLOWED	<u>81,304</u>
EQUALS ALLOWED RENT PER YEAR	\$255,302
DIVIDE RENT PER YEAR BY NUMBER OF HOMES	42 HOMES
EQUALS	6,078.61 PER
MONTH DIVIDED BY 12 MONTHS EQUALS PER MONTH	

We are asking that the rent control board to request prior 3 years financials and proof of expenditures before deciding on a rent increase. The owners have not done the capital improvements that they were already given an increase for back in 2015. There is nothing to show that they will make capital improvements this time. Increases are calculated on actual invoices not projected. The capital improvement increase they were given was not amortized over the life expectancy of the driveways that weren't done. According to the President of the Manufactured Home association, "**The rent control board gave them the increase illegally. The residents should be reimbursed back this illegal increase**". There are no estimates of the work the owner is submitting to the board for more projected improvements. There are no invoices to prove that the expenses the owner is saying have increased. Utilities up 12%, trash removal up 69%, wages up 117%, insurance up 196%. Where is the contract from 2025 for snow removal to prove it will increase by \$16,000. Where is proof that these have increased. What were the charges for 2023-2025. The owner needs to submit financials certified by a CPA or licensed accountant. Where are the financials to prove expenses have increased 27.78% over 2022-2024. Where did they get 27.78% from.

We respectfully ask for **NO RENT INCREASE AT THE PRESENT TIME** until the work is completed and invoices submitted.

The Tenants of Carriage Town Park

124 West Main street

Merrimac, Ma 01860

11/12/25

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The Tenants of Carriage Town Park

124 West Main street

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Carriage Town Park Trust

Proposed Projects

The following are proposed projects that need to be completed soon:

- | | |
|-----------------------------------|---------------|
| 1. Repair (16) water shut offs | \$25,000.00 |
| 2. Trash Area: | |
| New Fence | \$ 16000.00 |
| Concrete Pads for dumpsters | \$ 15500.00 |
| 3. Paving Expense to Roadways | \$75,000.00 |
| 4. Create Reserves (per year) | \$20,000.00 |
| 5. Repairs and Purchase of Sander | \$ 7500.00 |
| Total Proposed Projects | \$ 159,000.00 |

Additional Items we would like to bring to the Boards Attention:

Percent Changes in the Following Expenses:

Utilities	up 12%
Trash Removal	up 69%
Wages	up 117%
Insurance	up 196%

Also, we have been notified that the snow removal contract will increase \$ 16,000.00 next Season.

That is an average increase of expenses of 27.78% over 2022 to 2024 expenses.

On top of our actual operating expenses for 2024, we should adjust the amount to reflect that in order to complete the projects listed the park will have to borrow the funds. This will add\$ 38,687.40 (3,223.95 per month) of mortgage interest and principal to the cash requirement.

Therefore:

Reasonable Operating Expenses with Capital Adjustment = \$ 173,998.00

2. Fair Market Value (FMV) of the property: We are going to make the case that FMV of the property is\$ 2,400,000.00.

We have knowledge that another park in Orange County was sold in 2021 in the amount of\$ 55,000.00/per pad. With inflation continuing to rise we are using\$ 60,000.00/per pad as FMV.

3. Institutional Rate of Return or Debt Service Rate. After talking with professionals in the world of business, we have found the Debt Service Rate to be currently at 8%.

Therefore, plugging these values into the fair rent formula:

$$\begin{aligned}
 \text{The Fair Park Rent} &= \text{Reasonable Operating} + [\text{Fair Market Value of Property} * \text{Institutional Rate of Return}] \\
 &= \$ 173,998.00 + (\$ 2,400,000.00 * 8\%) \\
 &= \$ 173,998.00 + \$ 192,000.00 \\
 &= \$ 365,998.00
 \end{aligned}$$

On a per lot monthly basis, the park rent should be:

$$\$365,998.00 / 40 \text{ lots} / 12 \text{ Months} = \$ 762.50$$

Therefore, we are proposing a rate of\$ 760.00 per lot

Carriage Town Park Request for Lot Rent Increase

Within the Town of Merrimac's Rent Control Rules and Regulations, the guidelines for granting an increase are:

Under:

Section 1.....Definitions

M. FAIR NET OPERATING INCOME: Fair Net Operating Income shall be that income which will yield a return, after all reasonable operating expenses, on the fair market value of the property, equal to the debt service rate for similar-type property generally available from institutional first mortgage lenders. The Board, in any given case, may, on the basis of evidence presents to it, adopt a different rate of return is such a different rate of return is deemed by the Board to be more appropriate to the circumstances of the case before it.

The way that we interpret this is as follows:

$$\begin{array}{ccccccc} \text{The Fair} & & \text{Reasonable} & & \text{[Fair Market} & & \text{Institutional]} \\ \text{Park Rent} & = & \text{Operating} & + & \text{[Value of Property]} & * & \text{Rate of Return]} \end{array}$$

Therefore, to calculate "The Fair Park Rent", we need 3 things:

1. The reasonable Operating Expenses.
2. The Fair Market Value of the property (FMV).
3. The current Institutional Rate of Return

1. Reasonable Operating Expenses: For this we are going to use the fullest year 2024 (without the mortgage principal).

Unofficial Property Record Card - Merrimac, MA

General Property Data

Parcel ID 46 1 5.A	Account Number
Prior Parcel ID --	
Property Owner SB PROPERTIES LLC	Property Location 124 WEST MAIN ST
RUSSELL E HERTRICH ROVOCABLE TRUST	Property Use MOBIL H
Mailing Address 281A BROADWAY	Most Recent Sale Date 10/13/2020
	Legal Reference 39046-510
City LAWRENCE	Grantor CARRIAGE TOWN PARK TRUST,
Mailing State MA Zip 01841	Sale Price 1
ParcelZoning RH	Land Area 4.494 acres

Current Property Assessment

Card 1 Value	Building Value 0	Xtra Features Value 159,500	Land Value 856,800	Total Value 1,016,300
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Building Description

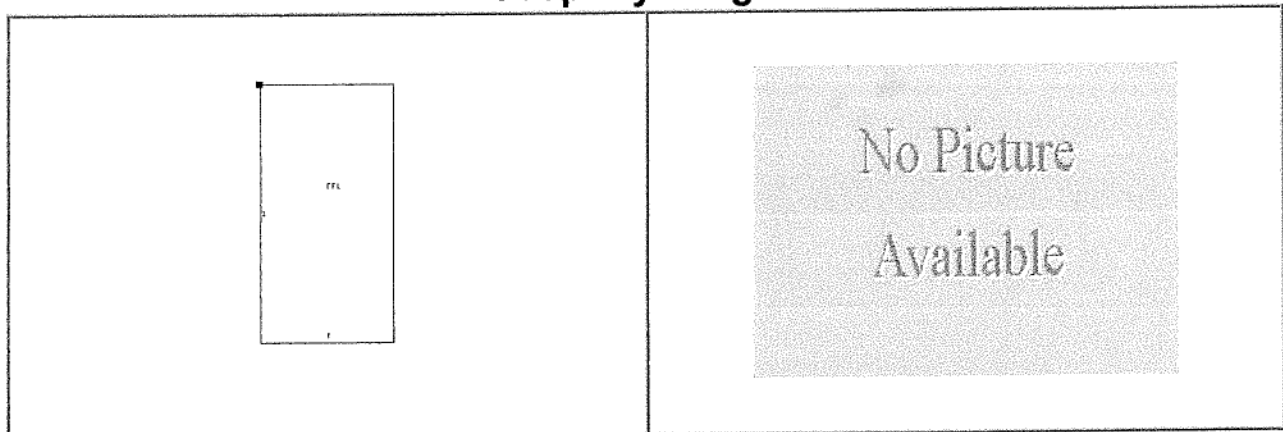
Building Style RANCH	Foundation Type	Flooring Type N/A
# of Living Units 0	Frame Type	Basement Floor N/A
Year Built N/A	Roof Structure	Heating Type N/A
Building Grade	Roof Cover	Heating Fuel N/A
Building Condition Average	Siding	Air Conditioning 0%
Finished Area (SF) 2	Interior Walls N/A	# of Bsmt Garages 0
Number Rooms 0	# of Bedrooms 0	# of Full Baths 0
# of 3/4 Baths 0	# of 1/2 Baths 0	# of Other Fixtures 0

Legal Description

Narrative Description of Property

This property contains 4.494 acres of land mainly classified as MOBIL H with a(n) RANCH style building, built about N/A , having exterior and roof cover, with 0 unit(s), 0 room(s), 0 bedroom(s), 0 bath(s), 0 half bath(s).

Property Images



Disclaimer: This information is believed to be correct but is subject to change and is not warranted.

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10/31/25

Carriage Town Park

281A Broadway

Lawrence, Ma 01841

Dear Carriage Town Park Trust

A letter was sent on 8/27/25 regarding issues within Park. No response was received.

Several tenants at Carriage town Park have been experiencing a major infestation of Cockroaches. Several of us are proactively treating our homes and practice regular meticulous cleaning of our homes. We are writing to request that Carriage Town Park hire an exterminator to address the outside areas around all homes in the park including the areas around both dumpsters.

A few of us have also seen and caught a few rats (not mice) in our yards as well. For these public health reasons, we are requesting you hire an extermination company as soon as feasible to stop the Cockroach and Rat infestation and to prevent it continuing to the whole park.

Unit 1

Unit 1b

Unit 4

Unit 6

Unit 7

Unit 8

Unit 9

Please share with us how you will help us address this issue, so it doesn't continue spreading throughout the park.

Patty White

Unit

Date