

MANUFACTURED HOME COMMUNITY AND MOBILE HOME PARK NEWSLETTER

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WHY ARE MOBILE HOME PARK OWNERS SELLING THEIR MOBILE HOME PARKS?

The last 3 years have been brisk for sales of mobile home parks, with record numbers of owners opting to sell their communities. As often as low interest rates have been touted as heating up the market, mobile home park owners sell for their own reasons, without much thought to the general economy and whether or not it's a "good time" to sell.

The decision to divest of an asset like a mobile home park is highly personal. Mobile home park owners are characterized as mostly rugged individualists or mavericks. They make decisions for their own reasons and in their own good time. Here are some KEY reasons owners decide to sell their mobile home parks:

1. The number one reason, surprisingly, is not the money! Rather, it is a desire to SLOW DOWN. Many mobile home park owners have other business interests in addition to their communities; their time is mostly overbooked. Selling their park means less to do.
2. Health figures in, but not in a fatal illness way. Rather, as owners age, even a small decline in health (which can usually be remedied) is a reminder that life is finite.
3. Home sales and vacancies. Even though the 21st Mortgage CASH program is a big boost for filling sites and selling homes in parks, there is still the work of marketing the homes. Even in the most robust local economies the home sales require ongoing sales training of staff, time, marketing dollars, repairs and maintenance; homes sales is a business!
4. A Fine Romance. This will all be in my screenplay, but sometimes owners find they have something better to do with their life than run a mobile home park. One owner that sold his community met a woman that appealed to him far more than enforcing pet clean up rules. This owner said he didn't realize how lonely he was. He still keeps in touch with some of the residents and his former manager, but in the meantime has a new life and is happy!
5. Distance. I just listed an award winning manufactured housing community in the Midwest. The sellers are a great couple that purchased this property only a year ago. What they decided is that owning a community several states away is not their thing. Another MHC owner sold his property awhile back. The community had stable occupancy, no park owned homes, and a reliable, trustworthy manager. The owner felt that despite the stable cash flow, he had neither the time, nor the desire to visit his property.
6. The need for money is a rare reason to sell a mobile home park. Selling a park is personal. The best reason to sell may be from Jim Dyer, a developer / builder / owner of 3 large manufactured housing communities. When Jim was 70, he started divesting his communities. He still owns quite a lot of real estate, but of the triple net lease variety. Even though Jim had excellent employees and very professional family members involved in the business, he decided that he wanted time to enjoy life, fish, and not be so tethered to his communities.

JUNE IS FOR FATHER'S DAY!

To honor fathers, I asked some respected mobile home park business leaders this question:

“What is the best advice your father ever gave you?”

The respondents reported some sage advice that is well worth sharing.

- From Barbara Hames – Bryant, owner of Hames Homes and Communities, and daughter of Curt Hames, a Manufactured Housing Hall of Fame member: “Take care of your body. You only get one that has to last your whole life.” Second best advice, “Be friendly to everyone. You never know who your next customer is.”
- From Amy Bliss, new Executive Director of the Wisconsin Housing Alliance: “Work smarter, not harder.” Amy works very hard and very smart! 😊
- From Jenny Hodge, a Vice President at the Manufactured Housing Institute: “You’ve got to be able to communicate, AND communicate in the way of the person with whom you are speaking! Whether it’s a truck driver, an office worker, a teacher, whomever. Be attentive, be respectful, and listen closely. Your purpose is lost when you can’t – or won’t – communicate.”
- From Brandon Reynolds, son of Dave Reynolds, iconic founder of MHPStore.com: “Going to college is no substitute for hard work, motivation and the desire to learn. Starting your own business is the secret to success.”



Amy Bliss



Jenny Hodge



Brandon Reynolds

Continued on page 3.....

- From Joanne Stevens: "My father was a major influence in my life. If it weren't for him, I wouldn't be in the mobile home park business! Looking back, I wish I had availed myself more of his knowledge of underground utilities and concrete. Often, I think about what he would have done in a given situation. Father's best advice to me: 'Be humble.' By that he meant no one is better than anyone else. He was a very successful and philanthropic businessman, but he made friends quickly with his customers, employees and residents. Even though he grew up poor during the Depression, he lived his life in a way that reminds me of the saying "To whom much has been given, much is expected."

The mobile home park business is chock full of founding fathers. These men may be characterized by their vision, their financial strength (to develop and own mobile home parks), their understanding of housing demand and price points, and their belief in the value of manufactured housing.

If it weren't for these builders / developers, most of us wouldn't be in the mobile home park business.....because there would be so few mobile home parks! **HAPPY FATHER'S DAY!!**

WHAT TENANTS WANT

From Multi-Family Executive Magazine, the most recent "What Renters Want" survey found that affordability (saving money) was the biggest factor in why renters move. The second biggest reason was a change in relationships.

The "must have" amenities for renters are:

- Air conditioning
- Washer and dryer in the unit
- Parking
- Dishwasher
- Pet friendly community

For renters not planning to move, either because they like their neighborhood or they can't afford to move, the biggest incentive to change their mind about moving would be discounted rent throughout the lease, followed by free rent for a month. The next reason would be more space for the same rent.

An interesting highlight is that 38% of renters say renting is more affordable than owning a home. The top benefits of renting, according to the survey:

- Not having to deal with unexpected repairs (70%)
- Low maintenance requirements (54%)
- Greater flexibility to move (39%)

MOBILE HOME MARKET

Facts from Foremost Insurance Group

Every 4 years, Foremost Insurance Group surveys mobile home owners around the U.S. The 2012 Manufactured Housing Survey revealed some interesting data:

- ❖ Net Worth. In 2012 more respondents (36%) reported a net worth of less than \$25,000.
- ❖ Housing Situation. 68% own or are buying their home, 24% rent their home.
- ❖ Year of Purchase. Almost 40% of the homes were acquired since 2005.
- ❖ Age of Home. Median age of the homes was built between 1986 and 1990.
- ❖ Purchase Price. Median price was between \$20,000 and \$30,000.
- ❖ Floor Plan. In 2008, 46% said they had a sectional home. In 2012 the percentage of sectional homes was 36%.
- ❖ Home Owners Insurance. 26% of owner occupied homes report NOT having homeowner's insurance.
- ❖ Household Income. 55% reported a household income of less than \$30,000 - an increase of 16% from 2008.

SOLD OR UNDER CONTRACT

PARK	CITY / STATE	NUMBER OF SITES	PRICE PER SITE
SQUAW CREEK VILLAGE	MARION, IA	483	\$39,441
CHIEF ILLINI VILLAGE	URBANA, IL	61	\$18,852
GOLDEN ARROW	OTTUMWA, IA	68	\$10,000
MEADOWVIEW WEST WIND MHP WEST WIND STORAGE	LANCASTER, WI	88 MH 57 STORAGE	\$8,131
MAPLE AIRE VILLAGE	REEDSBURG, WI	150	\$16,000

Joanne Stevens is a specialist in listing and selling mobile home parks and manufactured housing communities throughout the U.S.

With her 20 plus years of experience in developing, zoning, owning, retailing, managing, turning around and brokering parks, she can maximize your sale price.

For a FREE, NO OBLIGATION MARKET ANALYSIS on the value of your park or community, contact Joanne at:

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HAVE BUYERS!! NEED LISTINGS!!

This newsletter and its content are not meant as a solicitation of any property or properties that may be listed. This is a creation of Joanne M. Stevens with NAI Iowa Realty Commercial, as a resource for mobile home park / manufactured home community owners.