

Communities & Parks Communiqué:

A MANUFACTURED HOME COMMUNITY AND MOBILE HOME PARK NEWSLETTER

2017 March

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NAI Iowa Realty Commercial

**A Berkshire Hathaway
Company**



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The Secret Rent

Amy Renter was eager to rent her first solo place. She had just got promoted to a new job as an assistant manager at Bix Boxes 'R' Us a few counties over in Midsized, MN, that paid \$32,000 a year. Getting her name on a lease and moving into her own space was number one on her To Do list. She quickly scanned the online ads, asked her new colleagues for housing suggestions and actually drove around her new home town looking for rental signs and searching for the perfect neighborhood.

For Amy, price and comfort were major as she wanted to pay off her student loans as quickly as possible and an affordable home was key to that goal. Buying a home was not yet in sight but with her loans paid, she knew she'd be able to afford one in a few more years. As for comfort, Amy knew her parents and college age brother would be regular guests with the Midsized Marauders, a Triple-A minor league baseball team, affiliated with their favorite pro team, being a favorite activity of the family. So, when her co-worker, Dex, suggested looking at some of the mobile parks in the area, she thought it definitely was a good possibility. Amy had fond memories of visiting her grandmother who lived in the cutest little mobile home with a beautiful garden in a small tight knit community. She remembered the campfires and sleepovers and 'trick or treating' with the neighborhood children and how all the neighbors knew each other and helped each other out. Yeah, she thought, that's what I want for my place.

After looking online at a sea of beige, too-small apartments, spacious single family rental homes and cozy mobile homes for rent, she found a 3-bedroom Victorian single family home for \$1,100 per month which was quite a bit more than her \$850 self-imposed rent budget. Surely, Amy figured, a raise in her salary would happen in the next 12-15 months, if she gave her all at her new job. "And I could always tutor math students for extra money like I did in college" Amy said to herself. And maybe she could pay a little less on her loans... (*Tracy Chapman's Fast Car playing in the background*)

Here's the real deal. For \$890 per month, Amy could have rented a new mobile home with 3-bedrooms and 2 baths, which unlike the house she did rent, had a new energy efficient HVAC, new appliances and a deck. It's not that she didn't consider this home. She loved the pictures online and the virtual tour really peaked her interest. It's just that she couldn't figure out what the lot rent was, what was included in the lot rent and if the lot rent was included in the home rent. The ad was unclear about who paid the utilities and when Amy texted the manager, she was slow to respond. By the time the park manager returned Amy's call, Amy had already signed her lease on the Victorian.

Why did this Mobile Home Park owner miss out on renting to a desirable tenant; a tenant that would have taken care of the property, paid rent on time, and

Owner's Call:

Our Newsletter is now a call-in show! Thursday at 1 pm central.

Dial: 1 408 638 0968 ID: 948 357 166

been no problem for management? Someone who might have even bought the home in a few years?

Why did this prospective tenant miss out on getting a better value for her money (and mobile homes usually are a better value than any other housing choice) with new brand name appliances, better energy efficiency thus lower utility bills, and lower rent?

The easy thing is to blame the manager for not getting back to the prospect post haste. We have been doing this as an Industry for decades. It's gotten us nowhere fast. Let's flip the script. We have Mable Parker, part-time park manager, trying to rent lot #6. She has a dozen calls today about it on top of home-showings and her regular park duties. Most of the calls are people who aren't checking out: bad income ratios, breed restricted dogs (no-no), or failed background checks. Every candidate wants to know how much is the lot rent and what it includes.

Our prospective tenants are viewing many, many housing options online and (in some places) in print. If we are lucky, they are considering mobile homes in mobile home parks as well. Here's the Question: Why do so many owners act as if these new tenant prospects will call or drive to the park office to inquire about the home? Why do we shake our heads, year after year, lamenting that we know mobile homes are better homes and better deals than lots of site built dwelling units but the public turns up their collective noses at our homes?

Maybe we, Mobile Home Park Owners, make it too hard, too time consuming, which is to say not worth it, to check out our mobile home parks and mobile homes.

Mobile Home Parks are not OPEN FOR BUSINESS when our office, homes and website ads are guilty of:

1. Lot rent and what is included in the lot rent is NOT EASILY seen in ads, online ads, websites, or housing flyers.
2. Websites do not have at least 10 pictures of each home, and even better, a virtual tour.
3. Homes are not show ready (clean, in good repair, utilities on, pet smells or any bad smells gone, lawn mowed /snow shoveled, appliances installed).

If you feel guilty reading this, be assured you have a ton of company on this, ranging from the small park owner to the largest, most prestigious Mobile Home Park owners.

The "secret" lot rent is reminiscent of the real estate business 30 years ago. Back then the real estate agent was the "gate keeper" to any information on the home listing. One HAD to call the agent to find out the price and pretty much any other detail about the home. The newspaper ads and flyers purposely left out the price, so that the prospect had to call the agent. This way the agent "captured" the Buyer, holding hostage all the home information, forcing the Buyer to go through the agent.

That's all changed now and the transparency of pricing, home inspections, sites like Zillow and Realtor.com have actually made the real estate business better for the consumers, the home owners (buyers and sellers) and even for the real estate agents. Of course, the real estate business fought this like crazy at first, feeling worried that if the consumers knew everything about the home that the real estate agent would become superfluous and that would be the end of the real estate brokerage firms. Instead, marketing homes became easier with better qualified, better prepared, and better informed buyers who were ready to make deals leading to more sales, happier sellers, a lots of brokerage business.

Is it too late to make a New Year's Resolution? Let's resolve to market our mobile homes like it's the 21st Century!

Let's make it easy for the consumers to know everything there is to know about the lot rent and other charges. How will we know when this is working? When the customers call (email, text or shows up) saying they want to make an offer. Other than physically seeing the home and the Mobile Home Park, they have learned everything they needed to know to make a decision. You will know it's working when instead of the prospect having a laundry list of questions about the home and the park, they say "here's our application, application fee and down payment". They bought the home before they even step foot in it.

Let's revisit Mabel Parker and Amy Renter. Amy sees Mabel's well written ad. "3-bed, 2-bath mobile home for rent in Midsize Perfection Park. \$890 per month (includes lot rent of \$250, Garbage) tenant pays all utilities, Pets allowed, breed restrictions, subject to completed background check, Application fee of \$25. Option to purchase home at later date". Now Mabel has fewer lackluster prospects and Amy knows that this is her dream rental and maybe her dream purchase? Amy rents and after 2 years buys the mobile home.

Do we have a financing problem or a transparency (marketing) problem?

We control the marketing. It's up to each one of us to build the buzz about the tremendous value Mobile Home offer. And we can start by marketing our homes like the professionals we are.



Buyers in Today's Market
All will buy Parks in any Midwest state

- Buyer Description:
- Will Buy:



NY City financier

- Financial background, is a full time MHP investor
- In last deal outbid major MHP investors. Really good with resident relations and retains all tenants after sale. Any size.



Young LA buyer

- 3rd generation in multifamily/commercial real estate, just bought 1st park
- Has family money and can pay cash. 60 sites or more



Seattle Buyer

- More laid back,
- You won't find an easier buyer. Vacancy is OK, park owned homes (homes that are rented, vacant, or need work, are all OK) deferred maintenance-OK. Paying top dollar



Call and find out what these buyers will pay for your MHP.

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.

<http://joannemstevens.com/>

SAVE THE DATE:

**RV/MH Heritage Foundation
Induction Dinner**

August 7th, 2017 Elkhart, IN

Here are this year's MHP inductees:

Mike Sullivan, CPM, Newport Pacific

Christine Lindsey, VP, UMH Properties

Spencer Roane, Lease with Option to Buy Instructor

FREE REAL ESTATE REVIEW

I am always happy to do a FREE, NO OBLIGATION, Real Estate Review for a fellow mobile home park owner. This will tell you today's market value of your mobile home park.

If this is something you would like, simply give me a call at 319-378-6786 or email me at joannestevens@iowarealty.com



**"I don't care what you say. It's a great day to go look at some Parks!"
-MHP Brokers-in-Training**

Park Sales

Location	# of Sites	Vacant Sites	Lot Rent	Utilities	City Water/Sewer	Price/Site (occupied)
MN	100	15	\$295	Tenant	Yes	\$28,500
MN	250	74	\$320	Tenant	Yes	\$44,825
MN	145	25	\$270	Landlord	yes	\$29,600

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.