

Manufactured Home Community and Mobile Home Park Newsletter



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**LISTINGS OF PARKS &
COMMUNITIES**

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NAI Iowa Realty Commercial
A Berkshire Hathaway Company

MEET KEN RISHEL

The new millennium has been harsh on the mobile home park business, beginning with the wave of repossessed mobile homes in communities. (Our own subprime financial crisis) Next, owners began selling mobile homes on site in their parks. Retailers found it harder and harder to keep their doors open. The flow of new homes to communities slowed to a trickle. Why buy a new home if a newer mobile home could be purchased for 50% or less of it's value? With financing for mobile homes gone, mobile home park owners started financing homes to consumers. A hallmark of community owners is adaptability. Few owners liked to finance homes, but it was the only way to get lot rent; making a profit on the home was off the table. Interest income on the home financing ends up being used for marketing, rehabbing, turnover and sales expense. Owners felt lucky to cash lot rent checks.

In 2008 before one could say "too big to fail," the manufactured home business was saddled with the Dodd Frank Act. Scarcely anyone knew it when the Dodd Frank Act became the law of the land. We didn't realize how Dodd-Frank would change our world, mostly because we were indignant that the government would or could get into our business. But, we didn't think the Government could mandate frost pier sets either, another game changer.

Enter Ken Rishel and his wife, Donna. Ken dug into the massive Dodd-Frank

Act and figured out that this was a bad law for community owners that were financing homes in their communities. It was a lot of time and work to learn and understand the SAFE ACT and no one else in the manufactured home business stepped up to do it; just the opposite, in fact—everyone wanted to kick the can down the road and not think about it. Hardly anyone wanted to hear Ken's call to action (or at least call to be careful!) on the legality of seller (park owner) financing of mobile homes.

Ken began giving workshops, speaking at manufactured home industry events, writing a newsletter and even set up a website (www.rishel.net) to spread the truth about the Dodd Frank Act. A lot of people "poo-pooed" Ken's presentation on this subject, but not anymore.

Ken Rishel, pretty much singlehandedly, and with a lot of pushback from naysayers, got the manufactured home industry to quit burying our collective heads in the sand about the SAFE ACT. Even so, Ken estimates that only about 10% of community owners are adhering to the Dodd-Frank SAFE Act. To learn more about the SAFE Act, contact Ken at:

Rishel Consulting Group
www.rishel.net
Phone: 217-971-3968

**Sign up for Ken's newsletter also—
it's chock full of financial news too.**



WINNERS!

**Congratulations to these
Winners at the
Manufactured Housing Institute's
Annual Las Vegas Convention:**

Midwest Retailer of the Year

**Saddlebrook Farms; Grayslake, IL
(If you want to feel proud of being in the
manufactured home business, drive through
Saddlebrook Farms or google it!)**

Outstanding Interior Design

**The Waters Manufactured Home Community
owned by Cobblestone Real Estate**

Manufacturer of the Year

Cavco Industries (owns Fleetwood)

**Manufactured Home Community Operator of
the Year**

YES! Communities

**WHAT HAPPENS TO THE MANAGER
WHEN YOUR COMMUNITY SELLS?**

Park Owners and Managers often think that the buyer has an employee or relative who needs something "to do" and will manage the property after the sale. This rarely happens. The Buyer wants the Manager to stay on and manage. The simple reason is that the Manager knows the property and the people (residents). When I visit parks I've listed and sold, usually the same Manager is there, years after the sale. Still Managers worry that their job is in jeopardy if the park sells. Many of them (I've been told) throw my newsletters away because they want to quash their owner's notion of selling the Park. Owners often fear that the manager will quit if the manager knows a sale of the park/community is afoot.

For owners and Managers, here's an FYI. THERE IS A BIG DEMAND FOR QUALITY PARK AND COMMUNITY MANAGERS. What's a good Manager? Mobile Home Park Buyers define that by 100% collections every month, resident retention and, more and more, the ability and the willingness to sell homes and rent homes.

USED HOME AND NEW HOME FINANCING IS BACK!

21st Mortgage has a new CASH financing program and it is a WINNER!

This program is designed for community Owners to fill their sites which does two things for the community:

1. Increases monthly cash flow from more filled sites.
2. Increases the value of the community because more sites are filled.

One of the features of the CASH program is that it allows Community Owners to rent homes; it has a program to finance home buyers. Interest rates for the homebuyer are as low as 4.5%.

The rental home program for the Community Owner has a 10 year amortization, low down payment and a competitive interest rate. Call Ryan Howe 1-800-955-0021 Ext 556 or Lance Hull 1-800-955-0021 Ext. 1218. It's time to start filling communities again! Use 21st Mortgage to "fill 'er up!" 21st Mortgage is a division of Clayton Homes; Clayton Homes is a Berkshire Hathaway Company. By the way, Iowa Realty is a subsidiary company of Berkshire, as well. It's all in the family!

Have You Tried.....

Inspecting water lines under your homes regularly?

ELS, one of the largest manufactured home park owners in the U.S. has hired ABT Water of Janesville, WI to inspect under the homes TWICE a year for water leaks and check for tampering of meters. That's quite a commitment of time and money. The payoff is that homes with dripping or leaking water lines will be discovered (also, defective heat tape) and pooling water or water bubbling up from the ground signifying the mobile home park owner has a water line leak may be discovered sooner. Imagine the savings of finding water leaks sooner rather than later.

The ABT process is to take photos underneath homes after a section of the skirting has been removed. If water leaks are found, the resident is notified of the problem and reminded that the lease states the water lines from the ground up belong to the resident; thus the repair is a resident cost.

ABT did this audit in a couple of my parks. It is not cheap; however, with the high cost of water, it was an investment, not a cost. The photos make it unmistakably clear if there is a leak or other damage that affects the park's investment. Keeping a sharp eye on expenses is what it's all about. Their website, www.abtwater.com has lots of useful information for park owners. ABT specializes in mobile home parks. Trent Kjell, Owner
Harrison Kjell, Vice President
www.abtwater.com
1-800-697-9096

Have You Tried.....

Cutting down on cutting the grass?

The City of Des Moines, IA offers homeowners \$75 for turning in their lawnmowers and creating a prairie yard and/or gardens, thus eliminating the need for mowing. Des Moines understands that lawn mower emissions are a huge contributor to climate change and want to encourage alternative lawn uses.

Instead of mowing every week to 10 days, consider letting the grass grow a bit longer before mowing and cutting down emissions.

One More Thing...

SURVEYS, TITLE POLICIES & ABSTRACTS



Lately there have been a lot of deals in which these vital documents are lost. They probably aren't lost, but owners can't find the documents, drawings and reports that they have spent thousands of dollars on.

If you have paper reports, drawings and so on, have everything scanned to your computer; also, make CDs of your information. Finally, keep a small paper directory of where to find these documents. It will save you days, if not weeks, of looking for these things only to end up ordering new surveys, title policies and abstracts.



**FREE COOL STUFF
AVAILABLE TO YOU FROM JOANNE**

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| <p>1. FREE MARKET ANALYSIS
I review your income and expenses and rent roll and give you an idea of what your mobile home park will sell for. There is no obligation. No one will ask you to list your park. It is CONFIDENTIAL.</p> | <p>2. FREE MOBILE HOME PARK NEWSLETTERS
All past newsletters are archived on the website: www.joannemstevens.com</p> <p>3. Sale Comps.....you guessed it, on the website!</p> |
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JoanneMStevens.com

**WHAT'S MY PARK WORTH?
SOLDS**

PARK NAME/ CITY & STATE	# OF SITES	# VACANT	LOT RENT	CITY WATER/ SEWER Y/N	RENT INCLUDES	# OF POH	PRICE PER SITE
Pleasant Valley Estates/ LaCrosse, WI	61	2	372	No/Private	Water, Sewer, Garbage	2	\$18,000
Hickory Grove/ Ames, IA	40	0	220	No /Private	0	0	\$13,125
Gone Fishing/ Wichita, KS	54	2	230	YES	0	2	\$16,480
Large Mobile Home Community/ Midwest/ Call for details.	450 Plus	30	330	YES	Water, Sewer, Garbage	43	\$37,000