



## Is Being Debt Free Really the New BMW?



Do you get a kick out of listening to couples on the Dave Ramsey radio show do their debt free yell? Do you have a hankering to be debt free yourself? Would that be the ultimate for you? No more principle, no more interest payments eating into your cashflow. Do you imagine or even fantasize about the places you'll go and the things you'll do when your mobile home park is paid off?

There are lots of park owners that are debt free. It seems like one day they are at the bank, signing their loan documents to buy the park, and time starts to fly by. The

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next thing you know, 15 or 20 years have passed, and your park is free & clear. Yaaaaay! A good thing, maybe....

Someone mentioned to me last week that their mobile home park partners met and said they all wanted to be out of debt in a few years. This mobile home park owner and the partners do a really good job of selling homes in their parks, managing and maintaining lots of Rent-To-Own homes, hiring and training hard working, loyal employees, and managing the financials. In other words, they are the real deal MHP owners. They have done quite well, no matter how you want to measure the word "well" (financially, in particular). The park owner went on to say he recalled the days when

things weren't that great; those being the early to late 2000's when consumer financing went away. This was years before most park owners would

have anything to do with Lease Options and Rent-To-Owns. It was tough to fill vacant sites, and even tougher to find buyers. In those years, park owners either dipped into the cash the park generated or borrowed to buy homes, mostly from tenants selling their mobile homes. It was hard to find any home buyers with cash to buy the homes. Then came the 2008 Financial Crisis and many park owners' banks froze new loans for refinancing and even lines of credit. Money for operating a home sales business or refinancing a park was very difficult until sometime in 2011 when financing started to come out of the deep freeze.

If you were in the park business in the early to late 2000's, you know what it was like then.

Being debt free is a wonderful thing for a park owner and an earned reward for the care of the property and diligence in



shrewdly operating it. Being debt free opens up the possibility for freedom to travel, to recreate, to spend more time with family and friends; all good things. You might call it the Fifth Season- a time to

### ENJOY LIFE.

There can be a dark side to being debt free, though. Yes, there isn't that big nut to crack every month. No big loan payments to make. And yet, somehow homes moving out don't sting as much when there isn't a monthly debt payment to make. It's easier to overlook the slowly, but steadily declining occupancy; and it's easier not to keep abreast of market rent and think that you can afford to not raise the rent because you don't have debt to pay. Pretty soon the rent

"Life is the sum of all the seasons with which it is filled. And if we have time to enjoy the things most important to us, life is rich and full indeed.  
When there is time enough... time to enjoy the seasons as they pass. Extra time. Precious time. A fifth season."



collections, that used to be on time for the most part, are coming in later every month. Some tenants are even three, four, or five months behind. But you know they are "good" for the money and will get caught up when they

can... Meanwhile, real estate taxes, insurance, and water & sewer keep creeping up. But water meters are expensive, and the tenants will complain. It's better to do nothing and just pay it. You are still making a profit, right?

The above scenario is more common than you would think. Park owners that don't keep up with the changing park business may lose tens of thousands of dollars a year and have only a vague notion that things are going south. Don't wait until your lost revenue is equal to your previous debt payment to fix these things. Stay on top of market trends and expense costs, so you can use that \$50K, \$75K, or \$100K savings from being free of your debt service to enjoy your own Fifth Season, or buy your fifth park...



### Residents Being Debt Free!

What a tremendous opportunity and good deal mobile home park owners offer with Rent-To-Own and Lease Option for residents. For a reasonable monthly home rent plus lot rent, the resident may own their home in 7 to 10 or 12

years! Where else can one live and own their home, free and clear in that short of the time period? It is something we ought to be touting about mobile homes and



mobile home parks living that makes us decidedly better in terms of offering a pathway to home ownership. Talk about building equity!

Most importantly though, is the chance to actually own one's home. That emotional need or desire seems to be hard-wired in the American psychological DNA. Owning a home is a rite of passage in this country, a sign that one is advancing in life, achieving one's goals. It runs deep in our residents and prospective residents, many of whom feel shut out of buying a home. But that home ownership yen is in them. Mobile home park owners just need to lay it out for them. And then sleep well at night, knowing that you assisted a household in achieving one of the most significant goals of their lives!





Miss Iowa: Jenny V.  
Good luck to my cousin  
Jenny, Miss Iowa in the Miss  
USA Pageant!  
Watch it on FOX: Monday,  
May 21<sup>st</sup> at 7 pm CST



Elizabeth Lilly,  
Born 3.2018  
To proud parents,  
Aaron & Melissa.

Return Service Requested:  
100 1<sup>st</sup> Ave. NE, Ste. 116, Cedar Rapids, IA 52401



**SAVE THE DATE: Links on Our Website**

2018 Intl. Networking Roundtable September 5-7, 2018  
The Alexander A Dolce Hotel, Indianapolis, IN  
Joanne and Tammy Fonk will host the Broker Panel Event on the 5th.

MHI Annual Meeting September 23-25, 2018  
Paséa Hotel & Spa, Huntington Beach, CA

2018 NCC Fall Leadership Forum November 7-9, 2018  
Westin Michigan Avenue, Chicago, IL

Keep current on mobile home industry events. Go to my website; you will find information on upcoming events.

Past Newsletters are on my website.  
[JoanneMStevens.com](http://JoanneMStevens.com)  
Click newsletters on the left-hand column.

**WHAT IS YOUR PARK WORTH?**

I am always happy to do a FREE, NO OBLIGATION, Real Estate Review for your park(s). You ought to know today's market value of your real estate investments.

If this is something you would like, simply give me a call at 319-378-6786, email me at [joannestevens@iowarealty.com](mailto:joannestevens@iowarealty.com), or visit <http://joannemstevens.com/>

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.