

Manufactured Home Community and Mobile Home Park Newsletter



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COMMUNITIES**

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NAI Iowa Realty Commercial
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THE BEST MANUFACTURED HOME ADVICE I EVER GOT FROM ICONS IN THE MANUFACTURED HOUSING BUSINESS

"The Best Advice I Ever Got". Yes, that's the name of Katie Couric's book and yes, I'm using her idea because it's a worthwhile topic. Who hasn't benefited by sage advice from someone who showed us the ropes or helped by explaining their management techniques or has been an example of how to sell, manage and lead. A great many people have helped me both in the manufactured home business and outside of the manufactured home business.

Here's a big THANKS to some of my mentors over the years.

Dolph and Rudy Leytze, Independence, IA. The first mobile home park I ever listed was bank owned and in bad shape. At the time, I was a commercial real estate agent and had never listed a park.

The Leytze's owned the bank and had taken the park back. I needed to get up-to-speed quickly so I could offer some recommendations on pricing and market conditions to Rudy and Dolph. What I remember the most was how good the "numbers" were, even though this mobile home park needed a lot of attention. I kept thinking, "these numbers can't be this good." I studied the financials over and over trying to find where I was off. But the numbers were accurate. It slowly dawned on me that this was a great opportunity. Needless to say, the mobile home park sold quickly. Interestingly enough, Bank Iowa (the Leytze's bank) financed the buyer. Back then, local banks were wary of mobile home parks. The image of mobile home parks was a problem. Today, local banks understand more about mobile home parks and have more of an appetite.

From Rudy and Dolph I learned to not look down on any real estate asset class, to be open-minded and ask a lot of questions. Over 20 years later, I'm still doing business with Bank Iowa, selling a lot of parks and communities, and still learning every day about this industry.

Jim Dyer, Dyer Inc. is a successful businessman however you want to measure success. He has a good family and is looked up to by the business community in Iowa. From the concrete business, real estate development became a sideline for Jim. He had poured concrete for a number of

Joanne Stevens is a specialist in consulting and brokering mobile home parks and land lease communities throughout the U.S. With her 20 years of experience in developing, zoning, owning, retailing, managing, turning around and brokering parks, she can enhance your decision to sell your property.

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manufactured home communities built in the 1970's (when lots of manufactured home communities were being built). It didn't take Jim very long to figure out that manufactured home community development was for him. When I was getting started in the manufactured home community business, Jim shared lots of forms (lease, rules, applications and more) and was always willing to help with advice. The best advice Jim gave me was to operate a good manufactured home community, have standards, stick to them, keep the property appearance up and cooperate with the rest of the community owners. Jim has been a mentor and a great client over the years. Incidentally, I've urged Jim to continue working on his memoir. Jim has an inspiring story. For sure he was not born with a silver spoon in his mouth. His story is one of tenacity and hard work paying off...a great American success story

Jim Kann, Skyline Homes. If you don't like how things are going, eventually something will change. Probably no one but me remembers the days of "territories" for purchasing new manufactured homes. Believe it or not there was a time when retailers/community owners staked out their turf. No competing retailer or community could sell manufacturers homes within a certain radius of the initial retailer/community. Back then, there were plenty of manufacturers so it wasn't a huge deal. Today, Skyline and other manufacturers don't have those constraints. What I learned from Jim at Skyline is that something will change, eventually. By the way, Skyline has well-designed single section floor plans. Check out Skyline's homes and rental units at www.skylinehomes.com.

Curt Hames, Hames Homes. What can one say about a legend in the manufactured home community and retail business? Curt has built his massive manufactured home community business from the ground up. He sells more manufactured homes through Hames Homes than anyone else in the state. Three generations of Hames are involved in operating multiple communities and selling lots of homes. Curt has taught me a great many things. He was "branded" long before branding became a marketing strategy and before there were any books about branding. Say "manufactured or mobile home" anywhere in Iowa and "Hames Homes" instantly is top of mind. Their branding strategy is a phenomenon.

Curt recently succeeded in obtaining a 40% reduction on commercial real estate taxes for manufactured home communities in Iowa. It took years to get the state legislature to approve this, but the thing about Curt is that he is no quitter! He was determined to make this lower tax come about because he wanted to contain costs for his residents—the ultimate payers of higher real estate taxes. There's a lot more I could say about Curt. The thing Curt has taught me is how "hands on" the community business is. It's fine to have on-site managers and trusted employees, but unless the owner is driving the communities and in daily communication with the managers to lead the enterprise...it won't meet his standards of excellence.



ON FREEDOM...

*"Those who deny
freedom to
others deserve it
not for
themselves."*

Abraham Lincoln



*"The most
courageous act is
still to think for
yourself. Aloud."*

Coco Chanel



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Ross Kinzler, Wisconsin Housing Alliance. Determination, laser-like focus on legislative goals, and dishing out value for the Wisconsin Housing Alliance members describes Ross. What I've learned from Ross is to always be thinking about the customer (member), anticipate what may be on the horizon that will be harmful to the customer (member), and be pro-active to try and do something about it.

Ross and his team of Julie Patten and Amy Bliss "get it" when it comes to being association executives and advocates for the interests of the manufactured housing industry in Wisconsin. Incidentally, the Wisconsin Housing Alliance offers lots of education throughout the year and brings in lots of speakers to their spring and fall meetings. They put a lot of thought into what topics will be useful to the members.

Frank Rolph. By now pretty much everyone knows Frank and how far and how fast his star has risen. Along with partner, Dave Reynolds, Frank is a #18 on the Hit Parade of the largest manufactured home community owners in the U.S. If I were going to bet money, I would bet that these guys will go higher than #18. Frank has a top-notch education; he matriculated from Stanford, where he majored in Economics. Frank has taught me to distill information and ideas into brief and easy to understand messages. As a writer and speaker, he is one of the best voices for community owners and investors. Always cheerfully sharing what he has learned along the way and what he is currently doing with his communities into common sense management tactics. He has an extraordinary sense of humor. If there is anyone in the manufactured home business that has the capability to do stand up, it's Frank. Will Frank stick with manufactured housing when Comedy Central comes calling?

Howard Walker. Everyone likes Howard and it's easy to understand why. Howard is nice to everyone. Howard stays involved with the Manufactured Home Industry year after year, and is unflagging in his loyalty to the Manufactured Home Industry. Commitment is what Howard has taught me. The industry has been through many difficult evolutions in the last 15 years. Yet, Howard stays involved and committed to building consensus in the National Communities Council. For that he has earned the trust and respect of his peers. It takes a lot of time to do what Howard does, yet he is always in good humor, everyone's friend and a gentleman. He is a consensus builder and always figures out ways to get things done by getting along with people.



HELP is On The Way!

Do you need a confidential, free, no obligation evaluation on the value of your park or community? If yes, please call me or email. Let's find out what your park or community would sell for and what can be done to make it worth more.

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HAVE BUYERS

FOR:

- **Portfolio of Communities**
- **Every State**
- **40—70 sites, Preferably With City Water, City Sewer**
- **200 Plus Sites, Anywhere.**

This newsletter and its content are not meant as a solicitation of any property(ies) 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.

**CURRENT MARKET CONDITIONS FOR SELLING A
MANUFACTURED HOME PARK OR COMMUNITY**

1. There are a lot of buyers and not enough properties.
2. The combination of low interest rates and eager lenders is a unique combination and will eventually end. All markets change, but in my 25 years in commercial real estate, I have not seen anything like this. To be sure properties need to be priced realistically. City water/City sewer, Metro areas, and low counts of Park-owned homes trump private utilities, rural markets, and high levels of Park-owned homes (vacant inventory homes, rental homes, homes sold on contract).
3. Recently I visited Seattle where our youngest son resides. I saw my first "Zero Down Payment" sign at a residential subdivision...isn't that what got us into the Recession?
4. Most of my listings are getting multiple offers.
5. 1031 Exchange buyers are coming back. As a seller, a 1031 Exchange buyer might be your best buyer because they will sometimes pay a little more. They are motivated to defer paying capital gains taxes, so they can perhaps justify paying a little more.
6. Stability. More community owners site lower level of turnovers. Residents seem to be moving less.