

2020
April

MANUFACTURED HOME & MOBILE HOME PARK NEWSLETTER

INSIDE THIS ISSUE

COVID-19	1
Should I Sell?	2

NAI Iowa Realty Commercial
**A Berkshire Hathaway
Subsidiary**



Joanne M. Stevens
Real Estate Broker

For more information on
LISTINGS OF PARKS &
COMMUNITIES visit us at:

www.JoanneMStevens.com

joannestevens@iowarealty.com

Direct: 319.378.6786

100 1st Ave. NE, Ste. 116
Cedar Rapids, IA 52403

COVID-19 and the Mobile Home Business

What are best practices of Mobile Home Park owners and Mobile Home retailers during this unprecedented and uncharted time? Obviously, there is a ton of information out there about safety precautions for the virus. But what about our residents? What about the health and economic health of both the residents, the employees and the mobile home parks?

In talking to community owners, many are prepared to implement a rent work-out for out of work tenants. The government pause on evictions (and no late fees allowed) may alleviate short term stress for some tenants. Many mobile home park owners, before signing off on a rent work-out with a tenant, require that said tenant has applied for unemployment. One community texted and emailed their mobile home park tenants their state's unemployment office link to file for unemployment. They said the tenants appreciate having that link. That community's manager also texted and emailed the residents a list of non-profits, churches, and government agencies that aid with food, medical, mental health, and other needs. Another multiple park owner states that his managers are assisting tenants in filing online for unemployment. This is for tenants who have difficulty with the online process. One park manager has been telling laid off/furloughed tenants to ask their employer or employer's HR department to help with the forms.

A mobile home park owner reports that he is doing spring home inspections as usual. This year the inspection form is being posted on the tenants' door and, also emailed, or texted. Communication is by non-face to face communication. Many owners are reporting closed or limited office hours and increased use of mailed in rents or increase use of the park's drop box.

Park owners say that the number of home rental applications is holding steady and is the same as before the COVID-19.

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.

LOWER MORTGAGE INTEREST RATE

One park owner shared that their lender lowered the mortgage interest rate without the park owner asking for a lower rate. This is definitely the time to ask for a lower rate.

EMPLOYMENT OPPORTUNITIES

One mobile home park manager texted or emailed to tenants a list of companies hiring. The local grocery stores, Walmart, Amazon, and convenience stores are hiring. He said he doesn't assume that everyone needing a job is aware of which companies are hiring right now.

MORTGAGE FORBEARANCE

Some park owners asked their banks about delaying mortgage payments. They reported that the banks readily agreed to 90 days of forbearance and that it was a quick conversation.

Unemployment & Home Building (Home building includes manufactured home factories.)

An executive for one of the big mobile home builders wonders if the COVID-19 induced unemployment will benefit home builders and home manufacturers. Some mobile home factories have one shift, not the two shifts they need to crank out new home orders. The executive said it has been so hard to hire factory workers due to the low unemployment. With the layoffs and business closings, the mobile home factories may very well be able to hire more plant workers and roll out more homes.



Is Now A Good Time To Sell A Mobile Home Park?

There are still excellent cash buyers that will pay a great big price for a park. There are fewer of them as some mobile home park buyers want to wait on the sidelines to see how the COVID-19 plays out. It is natural to be concerned. But the experienced mobile home park buyers know that however long it takes the US economy to recover from the COVID-19, there will still be a need (and maybe a bigger need) for low cost housing during, and especially so after, things go back to normal. Mobile home parks will still be the real estate investment that offers steady, predictable revenue streams no matter what the economy does, and no matter the health or the economic health of the nation. Housing experts tell us two things about the housing situation in this country:

Rent Collections as an Economic Barometer:

March Rents:

Many park owners reported strong rent collections. Some reported 95%+ collections.

April Rents:

Many park owners have reported rent collections ranging from slightly under to about the same collection rate in a year-over-year comparison of April 2019 to April 2018. They think May rent collections will be the indicator of how serious COVID-19 will end up being for mobile home parks.



1. There is not enough housing (partly due to homebuilders not having sufficient skilled and unskilled labor)
2. Household formation will continue to ramp up as more 25-to-35-year-olds set up households and the baby boomers housing needs shift.

As long as the interest rates stay low and capital is flowing, there will be a good mobile home park market.

Go to **SUN COMMUNITIES, Inc.** website and click on Investor Relations. Under Investors Presentations, there is a chart that compares Mobile Homes to the consumers other home rental or home purchase options. This is a succinct way to state the value proposition for mobile homes. And as long as mobile homes remain such an excellent value to the consumer, parks will remain an excellent value to an investor.

Mobile Homes	<i>VS.</i>	Other Rental Options
\$.079/sf	Price	\$1.60/sf
1,250 sf	Square Footage	1,000 sf
\$987 per month	Rent	\$1,597 per month

Mobile Homes	<i>VS.</i>	Single-Family
Average cost of a new manufactured home is \$58,000		Average cost of an existing single-family home is \$200,000
or 1 ½ years the median income.		or roughly 5 years median income

Past Newsletters, Park Sale Comparables, & so much more, are available on my website:

JoanneMStevens.com

2020 April

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

SAVE THE DATE: Links on Our Website

2020 IMHA Annual Conference

(I am a schedule speaker)

9/16 - 9/17/2020

Oak Brook, Illinois

2020 NCC Fall Forum

11/4-6/2020

Chicago, IL

Keep current on mobile home industry events
and events rescheduled due to COVID-19.

Go to my website; you will find information on
Past Newsletters, Park Sale Comparables, & so
much more



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, 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.