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MANUFACTURED HOME & MOBILE HOME PARK NEWSLETTER

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NAI Iowa Realty Commercial

**A Berkshire Hathaway
Subsidiary**



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Buyers in Today's Market *What's it like for selling a park these days?*

There is very little difference today vs. say, 90-days ago before the COVID-19 changed the world. That means the prices are as good as ever! Most mobile home park owners report strong collections with year-over-year collections for April 2020 the same. The test will be in May & June as the economy commences re-opening.

A good mobile home park buyer/investor has certain characteristics that separates them from less serious and less financially qualified investors. Some of these characteristics are:

- Experience: They own parks. They know what they are doing.
- Timely: They don't waste time. They keep things moving and avoid delays.
- And (drum roll...) many of them will pay the commission.

Here are some of the Buyers in today's market.

The All CASH: Some buyers will write the check. There will still be the usual due diligence (income & expense reports, review of leases, etc.) as if a loan were to be placed on the property. These buyers will buy the park without it being subject to obtaining financing. For park sellers, this may increase the certainty of the sale and makes for a faster closing.

The PARK OWNED HOMES: There are buyers that are agreeable to buying parks with a lot of the homes being park owned (POHs). If you are selling a park with POHs, get all of the home titles for the homes you acquired. This will speed up the closing.

The NON-PAYERS: Sometimes park owners put off selling their park if they are a significant number of non-payers or delinquent tenants (those 2 or more months behind). There are buyers that are capable of dealing with non-payers. It won't prevent them from buying your park.

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.

The VACANT SITES & VACANT HOMES: A number of quality buyers will buy new homes (too consuming to find used homes) and fill the sites. Sometimes park owners put off selling because they want to fill at least some of the sites before going to market. A strong buyer won't be unduly concerned about vacant homes and sites.

It's a Family Affair

The real estate investment business has always attracted a lot of families as investors. It is not uncommon for the family real estate investment business to be 2 or 3 generations in. This reflects well on the founders, oftentimes, mom & dad, who envisioned the kids and grandkids making lots of money and having lots of fun operating a family business.

This is wonderful until it comes time to sell the real estate assets or for some family members to cash in their chips and sell out to other family members. Like a will, it is important to "have it in writing" as far as the formula for passing through the assets. You might like the recent Wall Street Journal article "The Tricky Task of Handing a Family Business to the Next Generation" by Cheryl Winokur Munk (<https://www.wsj.com/articles/the-tricky-task-of-handing-a-family-business-to-the-next-generation-11587161391>)

A sage mobile home park owner and operator worked with an accounting firm that specialized in family businesses. This accounting firm had family counselors on the staff to work with the founders and the kids on everything from day-to-day responsibilities to who gets what. The owner, his wife, and the kids met with the counselors at least once per year to review and talk about the future of the communities. It probably was expensive to do this. The upshot though is that this family mobile home park business has a great operation and an exit plan that all signed off on. They "have it in writing".



Time to Refinance... Or Buy a park (or Sell a Park)

SUN Communities in their April earnings call reported an average interest rate of 3% across their portfolio of 142,000 sites. SUN Communities is buying parks. The COVID-19 is not slowing them down. SUN is just one example. Many mobile home park investors are not letting up on buying parks.

A couple of local banks in my market said that interest rates have been volatile. As of late April 2020, their rates were 3.5% to 4%.



**The Stevens'
get tested**

Realtor Magazine Research Highlights: RENT CONTROL

- 50% of American renters spend 30% or more on rent & utilities
- In some states (New York, Florida, Hawaii, California, and others) it is 50% or more on rent & utilities
- Rent Control is not a sustainable answer to a housing shortage
- The cause of rising rents is the housing shortage
- Lawmakers have knee jerk reactions to angry tenants, NOT to the root cause of rising rents
- Lawmakers, who are uneducated on the root cause of rising rents, blame greedy landlords for rising rents
- Lawmakers don't want to do the work of legislating funds or creating laws that would ease the housing shortage, the cause of rising rents. (lots of time and work, takes bipartisanship)
- Many lawmakers either aren't into bipartisanship, which is to say leadership.

As per [Realtor Magazine \(March/April 2020\)](#), some cities and states are addressing the housing shortage (the underlying cause of rising rents) with some smart measures:

- Allowing (or requiring) more residential density (Minneapolis, Oregon)
- Permitting higher density near transportation hubs
- Reducing approval times and reducing uncertainty of approvals thereby alleviating delay costs



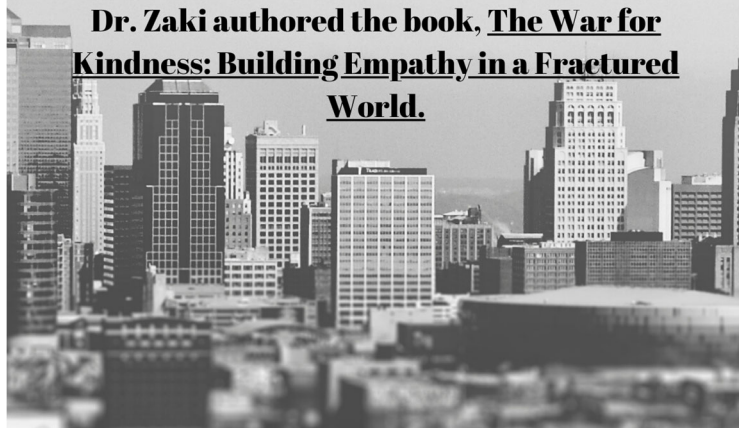
KINDNESS

Engage in a kind act. Even if it is just smiling at someone, adding some warm words to an email or text, or checking in with a relative, friend, colleague to see how they are coping.

Is the COVID-19 bringing out the best in us?

For more ideas on kindness you might like the Wall Street Journal article "*Habits of Kindness that Will Endure*" by Dr. Jamil Zaki (<https://www.wsj.com/articles/habits-of-kindness-that-will-endure-11585368061>)

Dr. Zaki authored the book, The War for Kindness: Building Empathy in a Fractured World.



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

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SAVE THE DATE: Links on Our Website

2020 IMHA Annual Conference

(I will be a 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



Happy Mother's Day to all women, whether or
not you are a mother. Women nourish, guide,
and provide continuity in the world.

*"My Mother made a brilliant impression on my
childhood life. She shone for me like the evening
star—I loved her dearly..."*

-Sir Winston Churchill

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 & 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.