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News and educational articles to help you run your business in the manufactured home industry.

IN THIS ISSUE:

22 Ways To Make Customers
Feel Valued

Half a Million Reasons Why
Buying a Sight Built Home is a
Bad Investment

How The Safe Act And Dodd-
Frank Discriminate Against
Affordable Housing

Remembering Curt Hames

... and much more!



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Welcome to the July issue and 6th edition of the Manufactured Housing Review. With each issue, we are growing and learning new and better ways to present poignant, in-depth industry information. As with all successful endeavors our road to success has been paved with both failures and successes

The June edition presented an article titled "Coming Soon to A Mobile Home Park Near You" by Mr. Benjamin Ivry. This article received impressive reader feedback. This article discussed MHAction, a group which promotes itself as "a champion of manufactured home community tenants." However, investigations into their financial statements and their list of accomplishments suggest this group's primary accomplishment is producing income for itself. Dues from 42,000+ residents are allocated to nothing but the compensation of MHAction's top five employees. Our readers often asked us why we'd give any publicity to a group that takes money from community residents and returns little... good question...good article!

We received the most favorable comments about Dave Reynolds' article, "What I Learned from Living in a Manufactured Home Community." Many remarked that even a highly successful investor like Dave epitomizes the everyday, hardworking community owner trying to achieve the American Dream. Our readers shouted that Dave hit the nail on the head pointing out the advantages of living in a manufactured home community versus other multi-family residence options.



Please, keep sending in your feedback. We can't promise our articles won't upset you, but we can promise you interesting industry information.

Kurt D. Kelley, J.D.
Publisher



If You Ignore What's Happening With Baby Boomers And You Are In The Housing Business, You Do So At Your Peril

Joanne Stevens

My assistant, Kristen, was cleaning out some old files, when I heard her burst out in laughter. Intrigued I asked her what was so humorous? "You, your articles." She had stumbled over some old articles of mine from a decade ago. "This one is still on point" she said as she handed me a paper newsletter. Baby Boomers. Oh my, how can something I wrote back in 2006 still be relevant? Surprisingly, it can. Back in 2006, I had reported on what I had learn, attending the Hanley Wood Housing Conference. After a good laugh about how the Baby Boomers were going to reinvent new home construction (Customization is everything-Money is no object!), we were struck by how mobile homes fit Baby Boomers' housing needs well, if not better, than they did ten years ago.

Every eight seconds, starting in January 2006, someone turns 60. Recently, a housing conference took place in Chicago. The focus was the Baby Boomers and housing. Primarily, it focused on trends for middle to upper income Baby Boomers but there are correlations for manufactured housing and communities. The sponsors of the conference held focus groups of people between the ages of 50 and 60 years with incomes up to \$250,000. What do these people have to do with mobile home parks and communities? As the information and trends unfold, it turns out to be quite a lot. The presenters gave trend after trend of what the Baby Boomers are looking for and much of it fits the profile of manufactured homes.



Of course, many Baby Boomers make quite a lot of income and are buying luxury homes. But there is a message. And the message is to relate it to filling vacant sites in communities and strengthening the profitability of parks and communities. Some owners have already figured out this trend and are doing very well. Examples include Mark Flood in Fond du

Lac, WI, and Chuck Fanaro, Jr of Saddlebrook Farms in Lake County, Illinois, just north of Chicago.

Here are the things that the focus group said the Baby Boomers/retirees/semi-retirees will want in their next home: (FYI-according to surveys, 70% of Boomers want a different home!)

- Downsize but upscale.
- Quality over quantity. (Think of car preferences like Lexus versus Mercury Marquis or Buick Park Avenues.)
- 60% want a smaller house in their next move.
- 52% want low maintenance.
- 47% want energy efficiency.
- 24% want open area floor plans.
- 22% want space to pursue hobbies.
- Many want a smaller yard.
- Reliability is key.

Age Restricted Communities

According to the trends report, the Baby Boomers, also called the Boomfluentials, because of their influence, don't want age restricted communities as their parents did. (2017: They do want age restricted communities)

The appeal is the diversity of living in a community with different ages, different backgrounds, and/or different cultures. These are not the Greatest Generation (WWII veterans) or the Silent Majority and their preferences are different.

Big Surprise:

- 72% want a single-family home, as opposed to a condo, town home, or apartment.
- 67% want a suburban location within 50 miles within a city. They want to be near conveniences, such as stores and they want easy traffic.
- Only 21% would stay in their current home as it is today.
- 70%+ will make a housing change.

Four Housing Types

There will be four types of home owners in the Boomfluential housing market. To illustrate this, they brought in a Harvard Professor, Eric Belsky of the Harvard Joint Center for Housing Studies. (www.jchs.harvard.edu). Interestingly enough, Professor Belsky is on the board of two manufactured housing manufacturers. He said the trends that will be happening in

manufactured housing and communities will be similar to what will happen in site built housing. It will be a watered-down version. Further, he said that over the next 10 years (2017: Just standing here, shaking my head), 20 million new homes will be built in the United States, but only 2 million of these will be manufactured homes. He estimated the production of manufactured homes to be 130,000 to 140,000 per year. (2017: More like 50,000 to 60,000) If you do the math, this is less than 2 million manufactured homes over the next 10 years. He probably is reading the shipment information and/or reading Marty Lavin's newsletter (www.martylavin.com).

And if the economy goes into a recession, then that will change things and all bets are off.

(2017: !!!!!!!!!!!!!!!!!!!!!!!)

Is this an opportunity for the manufactured housing business, particularly the community business? According to the speakers, 70% of the boomers are going to buy a different house. In 1996, AARP conducted a housing study of senior citizens. In that study, most seniors said they wanted to stay in their existing home for as long as possible, meaning, until they went to a nursing home or died. That has been the conventional wisdom for housing that home builders have been operating under. The speakers said to forget all of that. The baby boomers will be changing their homes in huge numbers. There are four categories that comprise the 70% of the Baby Boomers, that said, they were moving or upgrading their present and future housing. Over the next 20 years, 55 million boomers (70%) will be doing one of the following, as it relates to housing:

1. Custom build. Many will be building luxury dream homes. Money is no object. They are going to have everything they want in the home and don't care about future resale. The home has to say, "this is me."
2. Buyers. Boomers will be getting a new house, a better house, and a house that better suits the needs of a retired or semi-retired lifestyle. (The researchers noted the Baby Boomers will reinvent retirement and their retirement will not be their parents' typical retirement).
3. Remodelers. People will be remodeling homes and doing so in a big way. Expect more luxury and quality remodels.
4. Accumulators. These are the second home buyers who want homes in a resort area or in the south. Does this mean for the community business that more boomers will buy a mobile/manufactured home as a second home? Or, does it mean more will buy a mobile/manufactured home as their home base and have a second home (site built or manufactured in a community) for vacations?

This country is going to be on the move in a very big way for the next 20 years. These people will be moving in vast numbers and a lot of the things they are looking for are things that manufactured homes and communities can provide. Only 8% of this group earns over \$100,000 a year. And as people live longer, many will be thinking about living someplace affordable because they will need to have enough money to live for a longer time.

Catching A Boomfluent Wave

From Ed Hicks, "Once you cross the state line, it doesn't matter if you buy a manufactured home. People who wouldn't buy a manufactured home to live in at home, suddenly feel okay about buying a manufactured home if it is in a different locale." How do you attract these people to your communities and your homes? Target marketing is the key. Why? Because they are already thinking about and shopping for their next move. Yet few community owners and retailers are ramping up their marketing for this segment of the housing market. When sales are down, it's a fact that most businesses retrench on their advertising. Fresh and targeted messages to these people is what it will take to get them to call and research community living and manufactured homes. The world changed in 2008 with the Great Recession.

Bottom line: Mobile homes fit the needs of Baby Boomers more than ever and never as before.



A national expert in mobile home parks listings and sales Joanne's specialty is Midwest mobile home parks. She is a former President of the Iowa Manufactured Housing Association and served on the Board of Directors of the Manufactured Housing Institute and is a past national Chairwoman of the Manufactured Housing Educational Institute. She started brokering the sales of Manufactured Home Communities

and Mobile Home Parks in 2004; ranging in size from 30 home-sites to 400 plus. She developed a 485 homesite Manufactured Home Community in Marion, Iowa, zoned & permitted a 190 site Mobile Home development in Des Moines, Iowa and founded and operated Squaw Creek Village Home Sales, Inc. (1991- 2001), selling new and pre-owned mobile homes. She continues to list and sell parks as well as runs Stevens Homes & Communities, writes a MHC/MHP newsletter, and hosts a call-in show for Owners by Owners to share best practices among MHP owners. Joanne holds a BA from Loyola and has taken Executive MBA courses at the University of Chicago. As a broker/consultant for MHP owners, Joanne has helped MHP owners evolve their thinking about lot rent, individual water meters, water conservation and improving the cash flow and value of their parks.



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The famed author Thomas Merton said we value people, not for whom they are but for their usefulness. This is the same mistake companies make with customers. They value them for their usefulness—for what they spend.

Customers see it differently—quite differently. As Gallup, Inc. researchers point out in commenting on the economy, “Consumers are spending money, but they’re more inclined to spend it only on businesses they feel good about.” Not businesses they may like or where they’re treated nicely. In other words, their money is going where they feel valued.

Most businesses do a fairly good job “pleasing” customers—getting orders right and delivering them on time, but that bar isn’t nearly high enough. Here are 23 ways to meet today’s major challenge of making customers feel valued:

1. Never ask a customer to call back. It’s rude and demeaning. Take their number and call them back or let them know who will be in touch with them.
2. Never leave customers hanging. Always close the loop by letting them know what to expect or what’s going to happen next. It relieves frustration, uncertainty, and unnecessary unhappiness.
3. Always follow up right now. Fast action is impressive; it says you care.
4. Ask customers if they would like help in filling out forms. This takes away the drudgery. Just the offer alone sends the message that you’re willing to take the time to be helpful.
5. Make all messages, written and spoken, customer centric. Start by never using “I” or “We.” They’re a turn off. Work at keeping the focus on the customer.
6. Give customers a contact person. There’s nothing worse than feeling abandoned and that’s what happens to customers when they can’t penetrate a corporate firewall. Having a personal connection relieves stress.
7. Never let the size of the sale influence the way you treat a customer. When making a large purchase, customers expect the “red carpet” to be rolled out. But when a customer gets the same attention making a small purchase, it creates a lasting positive impression, one that keeps them coming back.
8. Never fail to acknowledge a customer even when you’re busy. Failing to do so may be the unforgiveable business sin. It diminishes the customer, is never forgotten, and damages the relationship.
9. Never make excuses. They’re always a failed attempt to make yourself look good. They send a message to others that you’re weak and deceitful, someone who can’t be trusted.
10. Always ask questions. There is no substitute for getting another person to talk. Customers will be surprised and impressed because they’re always afraid no one will listen.
11. Give believable answers when you’re asked questions. Short answers satisfy customers, but always ask if what you said is clear.
12. Never leave a customer wondering. The test comes after the customer leaves or you get back to the office. That’s when they get to thinking about what you said—and when the questions come to mind. Always encourage them to call, email, or text you.
13. Be precise when you tell a customer you’ll get back to them. Let them know when they can expect to hear from you, and, if there’s a change, keep them informed. It’s a matter of trust.
14. When there’s a problem, take ownership. Now the customer can relax and not worry about what might go wrong. They know someone will follow through for them.
15. Surprise them with something unexpected. It may be free shipping, upgraded delivery, a discount on their next purchase, a gift card, a discount, or an enhanced warranty.
16. Acknowledge purchase anniversaries. Shows your appreciation and keeps you top of mind. You might send a letter with a gift certificate or some other indication of your appreciation.
17. Help people feel good about their purchase. Reinforce its value: “This will be an enjoyable addition to your home,” “You’re going to have a lot of fun driving this car,” “Your friends will enjoy coming to visit,” or “You’ve made a terrific choice.”
18. Check-in with customers a week after making a purchase. Make it a time to ask if they have questions and what they like best—and least—about their purchase. They’ll appreciate your continued interest; that you haven’t forgotten them.
19. Use the one word that reassures customers. When customers ask you to do something, say, “Sure.” Then figure out what to do—and do it.

22 Ways To Make Customers Feel Valued cont.

20. Help customers avoid "buyer's remorse." Customers always want to feel good about their purchases. Yet, feelings of uncertainty often set in and they doubt their decision. To help them avoid getting "cold feet," remind them why they made the purchase, what they liked about it and share third party testimonials to validate their decision.
21. Always say "Thank you." Every conversation is an opportunity to express appreciation, whether it's responding to a problem, greeting a new customer, hearing about a mistake, or getting an order.
22. Stay in touch. Getting customers is hard work; keeping them is even more demanding. Send periodic emails, but don't make them ads! "Buy, buy, buy" drives them away. Offer helpful information and be sure to ask their opinion of a product, service, or customer experience.]
23. Most companies want to do the right thing by their customers. Yet, far too many fall short, believing that giving them a good deal or schmoozing them is all it takes. It isn't.

Actor and director Adam Arkin says it's hard to believe that the factor affecting the final outcome of a film is still news: "When people are treated well," he says, "and they're made to feel valued, they give 110 percent." That goes for customers, too.



John Graham of GrahamComm is a marketing and sales strategy consultant and business writer. He is the creator of "Magnet Marketing," and publishes a free monthly eBulletin, "No Nonsense Marketing & Sales Ideas." Contact him at jgraham@grahamcomm.com, 617-774-9759 or johnrgraham.com.

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Half a Million Reasons Why Buying a Sight Built Home is a Bad Investment

Stuart Spivey

A reoccurring objection has forced me to do the math on a false premise that the average consumer looking for a new house believes and it infuriates me every time I hear a customer say it, "why should I pay so much for a manufactured house that is going to be worth nothing in a few years?" I say it is a false premise because quite frankly, it is and I could share many examples that prove it. However, I do understand why the public believes it to be true. After all, the manufactured housing industry spawned from the need to provide affordable housing and in order to do that they learned how to build more with less and to this day no one beats them with that endeavor. Initially, manufactured homes were built with the goal of building the most square footage for the cheapest price possible and as a consequence, the quality of building materials used was lowered in order to buy cheaper materials.

Fortunately for the consumer, within the last few decades technological advances in the fields of robotics, computers, transportation, and engineering techniques have allowed factories to accomplish the goal of building for less without having to sacrifice on quality. As a result, ambitious factories have capitalized on the efficiency provided with modern assembly lines, a lower cost factor provided by buying products in mass quantity, and never having to stop

the building process because the construction is done inside environmentally controlled facilities. In effect, these advancements allow factories to build equivalent quality or even higher quality houses as local builders by using the same building materials and in some cases building to the same building codes for a fraction of the cost.

Unfortunately, this rapid evolution has created a problem the industry has not overcome yet, public perception has not evolved as fast as the quality of manufactured houses have. I do understand the industry is working on this misperception and will eventually overcome it, but as of today, the public still thinks all manufactured houses are built with inferior quality and will depreciate in value quickly. That statement is not true, but it is what the general public believes.

As a salesmen, I knew that I could sale more houses if I did not have to convince the customer that he is wrong about how fast our houses will depreciate if I could convince him buying our products would be a better financial investment. Mathematically, I knew a consumer would be making a better investment by purchasing a house using modern technology verses hiring local guys to build and I did the math to prove it. Hence, the reason for sharing the results with everyone in this article.



Half a Million Reasons Why Buying a Sight Built Home is a Bad Investment cont.

Anytime I think of an investment opportunity, I always compare my idea against what a typical mutual fund would produce without much effort or risk. In the following comparisons I am going to keep with that same policy. What I intend to do is compare the money spent versus the estimated value of a sight built house after thirty years and the estimated value of a manufactured house plus the value a mutual fund would have if a consumer was disciplined enough to invest the difference of the two house payments into the fund.

Below you will see where I estimated how much the monthly payments would be to hire a local contractor to build a custom home using a FHA type loan assuming the cost to build it would run close to \$100/sq ft. Then I did the same thing with a manufactured house using FHA financing at a cost factor of \$45/sq ft. Please note that my estimates are reasonable but that they are only estimates. Perhaps you can build a house for less than \$100/sq ft and I know I can get a manufactured home for less than \$45/sq ft but I thought those cost factors would be good estimated to use for this comparison. After determining what the two payments would be, I was able to compare the investments.

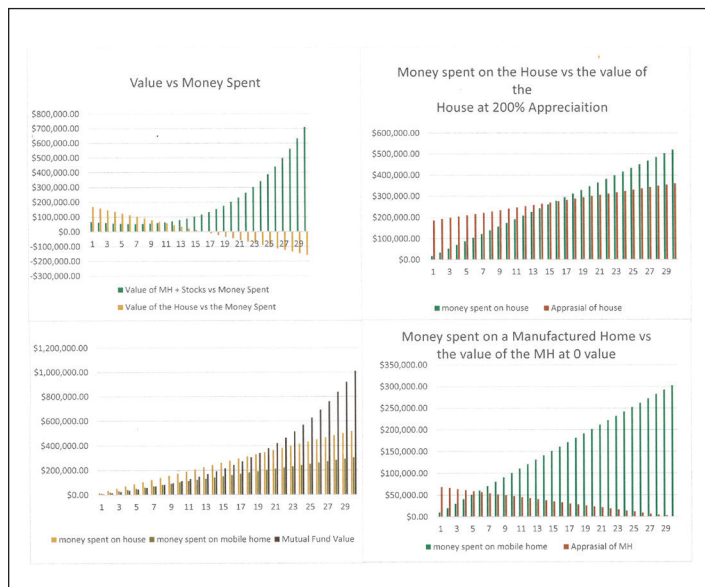
Below are four graphs and a break down of where the two payments were derived from.

The top left graph represents the value of the investments vs the money spent.

The bottom left represents the amount of money spent and the value of the mutual fund.

The top right show the money spent on a sight built house vs the value of the house.

The bottom right displays the money spent on a manufactured home vs the money spent.



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How The Safe Act And Dodd-Frank Discriminate Against Affordable Housing

Karie Martin

Following the 2007 Great Recession, the government felt the necessity to cast the blame on someone other than the American consumer. The logic was that even though the borrower had deliberately over-extended themselves in search of their dream home, the mortgage companies should have known better than to extend credit to them. Never mind the fact that it was the mortgage companies that took the financial losses -- not the consumers who had borrowed the money and never re-paid it -- the feeling was that somebody had to be publicly shamed to make it right again, and the mortgage companies were the perfect scapegoat. Not only could they afford to pay fines, but they also didn't represent many votes.

The punishment came in two forms: the SAFE Act (2008) and Dodd-Frank (2010). These new regulations required licensing and a litany of confusing laws that essentially transferred accountability from the borrower to the lender, regardless of the consumer's bad intent. Faced with the cost and complexity of these regulations, many smaller mortgage companies shut their doors, while others migrated from the lower dollar mortgages with the more at-risk consumers to the better funded and safer McMansion loans.

The net effect? An absence of mortgage money in the lower price range of the housing market. In some areas, there's not a shortage, but a complete nuclear winter. Segments where there was plentiful credit prior to the new laws now have not a single willing lender. Similar to Obamacare, only with a different set of players - and the same disastrous consequences. If you link the pieces together, the only conclusion is the government has elected to discriminate against lower-income Americans at a time when they can least afford it under the guise they are protecting lower-income Americans. Worse yet, with the statistics in and the problem fully exposed, they have done nothing to correct the issue. As a result, millions of consumers are denied the American dream of homeownership.

The solution? In my opinion, there are two directions the government must take to correct the situation. The first is to relax or eliminate the SAFE Act and Dodd-Frank regarding mortgages under \$100,000. With the median home price in the U.S. at around \$200,000, this would not impact the normal mortgage amounts, and would focus solely on lower-income consumers. Sam Zell, billionaire investor and author, once said "you never enter into a deal with high-risk and low return", but that's exactly the environment the government has created regarding these lower-dollar mortgages. If Congress cannot agree to eliminate these failed laws, then at least they

could exempt the segment of the market that is suffering the worst because of them. It's worthy to note, if the problem was with mortgages in the \$1,000,000+ market, the government would act on this injustice immediately; it would jeopardize their own home purchases and that of their most affluent political backers.

The second is consumer accountability, the simple concept that everyone is fully responsible for their own actions. Nothing new, being responsible for your own actions has worked for generations. However, over the past decade, new policy in government has been to do the "thinking" for the American people because, left to themselves, they make bad decisions. As a result, bureaucrats make all the decisions for them. This is an insult to the people and an insidious form of slavery.

The enactment of the SAFE Act and Dodd-Frank (even the name "SAFE" is patronizing) stripped millions of Americans of their rights to make decisions for themselves on home buying and relegated them instead into generational renters. When starving, there's little concern that your food is organically grown. Those who want to buy a home should not have their right to do so restricted. If they can create a mortgage the responsibility of doing so should fall entirely on their shoulders. This the principle founded America.

I'm hoping we can soon see the return of the mortgage product for the lower-income consumer. It will be a grievously short-sighted error on the part of our government regulators if not. If more Americans were aware of this scandalous over-reach of government perhaps our elected officials would do the right thing (out of nothing more than self-preservation come election time).

I urge you to explain these facts to anyone who is of voting age. This nonsense has to end.



Karie, "the buck stops here", Martin is Mobile's beloved leader, defender, and trainer. Both the staff and the clients know she has their back! Karie keeps the everyone laughing while creating a top-notch, customer service oriented team. She is the mother of two grown kids and as an "empty nester" she spends a great deal of her newly found "down time" staying late at the office. Karie has been with Mobile since 2003 and is an irreplaceable foundation piece to this company.

What's The Best Personality Type For A Company Service Representative?

Kurt D. Kelley, J.D.
Small Business Owner

Traditionally, business managers preferred to hire consultative, non-directive, and empathetic service representatives. Companies want customers to be happy and feel serviced. Logically it would seem persons with these characteristics would be best to accomplish this. However, when customer needs become involved and questions were complex, the position demanded more than a good listener. Managers began to observe that clients, especially larger and more complicated clients tended to call only when issues were indeed complex. Complex issues required competent, directing answers. They required the confident, take-charge attitude of representatives with the attributes of take charge controllers. Yet only about 15% of all customer service representatives are take charge controllers.

Recently, I called an airline seeking help when my flight was canceled. Unfortunately, the representative who took my call wasn't particularly helpful. She had a nice voice, could make flight changes, and didn't become stressed despite the fact I was in a hurry for a solution. The customer service agent eventually told me I had four reasonable options and the prices for each. But I was seeking more helpful and specific information and hoping to hear something like, "You should take the connecting flight through Dallas. The layover is shorter and that airport is rarely behind this time of year. Also, you are on a long flight and I can reserve you an excellent seat with extra leg room on the flight to Dallas. Our partner airline is one of the few that will let me book the exact seat you prefer." In short, I wanted detailed recommendations and explanations. I wanted a take-charge controlling service representative that provided direction and solutions, not just information I could have found myself on their website. Instead, I got Sweet Sally Stepford.

Customer service representatives must be good listeners. They need to be able to understand what the customer is seeking. However, an effective customer service representative must also be willing to take charge when it's time to do so. To do this, job competence is a requisite asset. Once job competence is demonstrated, credibility follows and confidence rules. Customer service representatives build credibility with accurate assessments of a situation coupled with satisfying recommended solutions

For example, at Mobile Insurance, it's not uncommon for clients to ask for insurance coverage that covers liability associated with breaches in contractual obligations. A traditional service representative might answer, "Yes, I can get that for you. I'll send the twenty-page application for you to complete. The premiums are expensive and the quotes take about three weeks to receive." On the other hand, a take-charge customer service representative might answer, "Unfortunately, contractual obligation insurance is expensive and difficult to find and it's a poor risk management tool for most businesses like yours. I recommend instead that you adopt one the basic contract forms we feature on our website and that your sales reps are cautioned not to over promise."

Next time you hire a customer service person to represent you and your business, pass by the affable sweetheart. Instead, seek someone who will take charge when needed. Once properly educated, they will develop your business into an authoritative industry leader with a loyal client base. Your staff and clients will be happier. Your revenues will increase.



Kurt D. Kelley, J.D.
Small Business Owner
Kurt@mobileagency.com

Remembering Curt Hames

Joe Kelly
Executive Vice President
Iowa Manufactured
Housing Association

Most manufactured housing associations have been blessed with good leadership over the years. Iowa is no exception. We've had a long line of excellent leaders over the past seventy years. And then, there are times when your association is especially blessed with a leader of such quality and dedication that you don't expect to see a repeat performance for many years to come.

Iowa's most recent extraordinary leader was Curt Hames who spent almost 50 years as a retailer and community owner. Curt died recently at the age of 92. He never retired. He said that retirement was for old people.

Curt grew up poor during the Depression. That experience must have served as a stimulus for him. He learned the value of hard work, and the need to be cautious with money. But, ironically when he had made sufficient money, he was very eager to share money with those who needed it. He had a strong affinity for those who provided labor in the capitalist system.

I was always impressed with Curt's service to our country. He was engaged in three of the most significant wars in U.S. history. He rose to the highest rank in the Army that could be obtained by someone who didn't go to West Point. These were years that honed his gifts of organization and leadership. When Curt and his wife, Norma, retired from the Army, they decided to start a mobile home dealership in Cedar Rapids, Iowa.

Curt was proud of the housing he was involved with. He enjoyed the people who bought the homes - many who placed their homes in one of the Hames communities. These communities are among the most immaculate and best managed communities that you will find anywhere. I took many rides with Curt, in his truck, in those communities. These were slow moving trips through the communities. I say "slow moving" because Curt had his window rolled down, and he would usually stop to have a conversation with any resident who was outside. Of course Curt called them by name, and he knew their spouse's name and the names of their children. He knew something of their backgrounds. And again, it was a genuine interest. People know when you are really interested or just going through the motions.

I've mentioned his generosity and marketing skills. I can't forget his intelligence, curiosity, and ability to see the big picture. I know that when Curt and Norma started the business, they weren't that enamored with the Iowa Manufactured Housing Association. Curt and Norma quickly realized that if you're going to be in the housing business, you needed to be open for business on Sunday afternoons, the same as real estate agents showing housing to potential buyers. Manufactured housing retailer licensing was tied to auto dealer licensing. Car dealers didn't want to be open

on Sundays. The association sided with the car dealers. They didn't want to be open on Sundays either. Curt couldn't stand this lack of vision. He and Norma tackled this situation by means of legal action, without any assistance from the association. The court decision allowed for Sunday sales of our homes. Iowa car dealers were upset and convinced the legislature to throw us out of the auto dealers licensing law. IMHA went a year with no licensing. Then IMHA got the legislature to pass another law establishing our separate retailer licensing law. It was a positive outcome. We were no longer a part of auto dealer licensing, and those who wanted could sell mobile/manufactured homes on Sunday. Somehow the Hames family came back to association membership. I think the old school members finally saw what kind of talent and drive the Hames family had. It was the best decision those old timers ever made. One of those members had a saying he liked to use: "Don't rock the boat." It was a sentiment of fear. We are just trailer dealers with no power. We have to stay under the radar so that the legislature doesn't take things away from us, punish us, etc. That wasn't the Hames way. The Hames way was to face issues straight on. Be prepared, have the facts, rock the boat - turn it over if you have to.

Curt was legislative chair when I joined the association in November of 1981. He never left being legislative chair. As every year went by, he did more and more for our legislative efforts. His final step was to create his own family political action committee. He not only gave personal and family money to legislative candidates, congressional candidates, gubernatorial candidates, and Presidential candidates, not to mention candidates for local offices, he also provided much needed "pep" talks to the candidates. I have talked to many of those candidates about their experiences with Curt. They all appreciated the financial support; but to a person, they all also agreed to the following: "After visiting with Curt, I always left his office fired up and ready to work even harder to get elected."

There were over a 100 positive pieces of legislation passed during the time Curt was involved with the Iowa Manufactured Housing Association. He was involved, in significant ways, in the passage of all these pieces of legislation.

As Curt always stated: "You can't sit on the sidelines and expect to have good government."



Curt gave those of us in Iowa the sterling example of how to get into the game and play it with enthusiasm.

Joe Kelly
Executive Vice President
Iowa Manufactured Housing Association

I saw this listing on a tiny home website recently <http://www.backyardbunkies.com/sparty.html>. It's a 1955 Spartan manufactured home for \$59,000. That's right, it's about twice as much as a new home. And if you compare it based on price per square foot, the Spartan (at 8' x 32') is four times more than a new home. How is that possible? You can see from the photos that it's simply a 1955 manufactured home that's been re-painted and decorated with some hip 50's furniture and knick-knacks. The real driver of the high price is simply nostalgia – the simple fact that the home transports the owner back a half-century, to a time in which America was simpler and perhaps happier. And it makes me wonder if our industry is doing enough to cherish its roots, or if it is simply trying to shun its history and sweep it under the rug.

We have a terrific history

I'm a history buff, and I'm endlessly excited that our industry has such an interesting and colorful past. A simple walk through the MH/RV Hall of Fame and Museum in Elkhart, Indiana will quickly reinforce this (and if you haven't been there, it's well worth the effort). I delight in walking through old clubhouses and laundry buildings in our properties and pondering what things looked like in the 1950s and 1960s. I equally enjoy touring some of our oldest home inventory, such as our community office in Arnold, Missouri which is inside an immaculate 1960s unit. This is the rich tapestry of our uniquely American real estate sector.

Americans love our eras

Our industry has its roots in some of the most popular eras in American history: art deco (1920s – 1930s) and mid-century modern (1940s – 1960s). Through sheer luck, we touch on some of the years that Americans adore. And look at the amazing media mentions that came along the way: Lucille Ball and Desi Arnaz in the 1953 film "The Long, Long Trailer", and Elvis Presley who lived in a "mobile home park" in two films: "It Happened at the World's Fair" (1963) and "Speedway" (1968). There was a "trailer" in a St. Louis History Museum exhibit on Route 66 recently, and there were more people crowded around it, trying to look in the windows, than any other item in the display.

Then what are we embarrassed about?

Most industries would kill to have the interesting history that we've got. So what are we embarrassed about? I think the roots of the apparent self-hatred by some in our industry stem from the constant re-branding of what we do. In a mere half-century we have changed our name from "trailer park" to "mobile home park" to "manufactured home community" and now (although not well adopted) "land-lease community". Equally jarring is the reaction of many in the industry that loudly proclaim "we are not a mobile home park" or "trailer park is a nasty term". I see it

completely differently. To me, our history should be celebrated and discussed and not cast aside like an old VHS tape in a world of DVDs. I start most conversations with lenders and reporters (and anyone who is a new entrant) with the timeline from the early days when the entire industry was RV, to the era of "trailer park" and homes like the Spartan shown above. People appreciate understanding how our sector fits into the vignettes of what they've seen on the media or just driving around, and the fact that we have a robust culture connected to our product.

How can we do a better job of promoting our history?

Perhaps a good start to promoting our history is to acknowledge it and proudly make reference to the early days in our marketing and discussions. Tony Hsieh, the founder of Zappos and arguably the wealthiest individual owner of a manufactured home community behind Sam Zell, calls his community in Las Vegas "Airstream Park". Not "Airstream Manufactured Home Community". He finds the association with the past one of the industry's strengths (and he has pretty sizable marketing credentials). While I'm not proposing that we all run out and change our signs because Tony Hsieh says it's a good idea, I do believe that we need to end this "shame game" of declaring that old industry terms and photos are an insult to the modern era. I was meeting with the owner of a property in Ohio recently, and he said to me "do you want to see the coolest thing – I found this in a drawer when I purchased the property" and he brought out four photos of the community circa 1950. To him, this was a bridge between the original builder and the new owner. And that's a special bond that only history can provide.

Conclusion

Be proud of the roots of the industry. Share the story and don't hide from the early narrative of "trailer park" and "mobile home". These are not insulting terms at all, but a totally appropriate narrative on an industry that has progressed over time. Embrace our rich heritage, and urge others to do so, as well. When someone says "so you own a trailer park" answer them with "yes, but let me tell you the real story behind that name – it's really fascinating".



Frank Rolfe has been a manufactured home community owner for almost two decades, and currently ranks as part of the 5th largest community owner in the United States, with more than 23,000 lots in 28 states in the Great Plains and Midwest. His books and courses on community acquisitions and management are the top-selling ones in the industry. To learn more about Frank's views on the manufactured home community industry visit www.MobileHomeUniversity.com.

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Many years ago, Lonnie Scruggs wrote a book called “Deals on Wheels” and an industry was born: namely investors buying, selling or renting manufactured homes inside manufactured home communities. Because the name was catchy, people called these converts “Lonnie Dealers”, and literally thousands of people began following the “Deals on Wheels” narrative. However, the growth of this type of investing also created some issues for manufactured home community owners, and it’s important to understand the ins and outs of this business model regarding your property.

A big money-maker for the community owner

Let’s start with the basic fact that an occupied lot is worth typically \$30,000 to \$50,000 and a vacant lot is worth zero. As a result, any time a Lonnie Dealer can fill your vacant lot with a home, it’s a great thing. That’s why virtually all smart community owners are thrilled when a Lonnie Dealer calls to inquire about renting a lot and bringing in a home. And, as long as all interests are aligned, there’s no reason that this cannot be a win/win working relationship, where both the Lonnie Dealers and the community owner profit.

How to attract them to your property

When a Lonnie Dealer calls you, you should treat them like a VIP, not a pariah. You should also ask them “what would I have to do to get you to bring all your new homes to my property?” Often their requests are fairly minimal, such as “don’t charge me lot rent until the home is renovated” or “give me \$1,000 on each home I bring in to offset the cost of the move”. When you think about how much money that occupied lot is making you – as well as how much not being in the loop on the home is saving you – there is no way you would not take them up on such offers. Often, Lonnie Dealers are not calling you, but you’re calling them, finding their contact information from movers and dealers, as well as repetitive numbers in newspaper ads and signs in windows.

How you can help them succeed

When working with Lonnie Dealers, it’s all about repeat business. With each occupied lot highly valuable, you don’t want to them to stop with just one home. So you need to help them succeed. Typically, the best thing you can do is to

get your manager actively engaged in helping them sell or rent their unit. Your manager is already there, and the Lonnie Dealer is typically miles away, so having your manager help show the home and aid in the sale or rental is just plain easy and smart. Our properties have enough demand that we can fill virtually any vacant home immediately, so there’s no reason we can’t contribute in this regard.

What you need to watch out for

We are big believers in the win/win business model. And that goes both ways. We will bend over backwards to attract the Lonnie Dealer, but they also have to share that vision and be looking out for your best interests, too. We expect all Lonnie Dealers to screen their tenants effectively, ensure timely payment of lot rent, and follow along to make sure that all community rules are adhered to. As long as this is accomplished, there’s no reason the tenancy of Lonnie Dealers can’t be successful in almost any property.

Don’t let one person have too big a stake

One of the biggest dangers with Lonnie Dealers revolves around simple mathematical risk – if one person has too many homes in one property, it creates concern that they could adversely impact the revenue of the property if they pulled them out in unison. In the basic model of a manufactured home community, one of the strengths is that each resident has accounts for only a small portion of the revenue, so there is great diversity in rents (unlike a shopping center that has maybe five tenants). However, if you let one person assemble too many homes, you now have to face the same issues as that shopping center, and that ruins your peace of mind. Although it is not always going to happen, it’s possible that the person with the collective homes will use this as a tool to try to “blackmail” you to lower their personal rent or pull the homes and destroy your occupancy.

Align everyone’s interests

The best idea when working with Lonnie Dealers is to understand that it can be a very profitable relationship for all parties. And, like any relationship, that requires constant attention to making sure that everyone is happy. Understand the key drivers behind the Lonnie Dealer’s profitability, and make sure they understand yours. And it never hurts to

have occasional check-ups to make sure that everything is working fine in this regard.

Conclusion

Almost every community owner should welcome Lonnie Dealers to their property with open arms - as long as the relationship is constructed to be healthy and mutually profitable. There are some issues to watch out for but, in general, it's a win/win concept that many community owners should embrace.



Dave Reynolds has been a manufactured home community owner for almost two decades, and currently ranks as part of the 5th largest community owner in the United States, with more than 23,000 lots in 28 states in the Great Plains and Midwest. His books and courses on community acquisitions and management are the top-selling ones in the industry. He is also the founder of the largest listing site for manufactured home communities, MobileHomeParkStore.com. To learn more about Dave's views on the manufactured home community industry visit www.MobileHomeUniversity.com.

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