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Directly from a Local Mobile Home Park

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CALENDAR OF EVENTS

Arkansas = Manufactured Housing Association - AMHA	10/23-25 = Annual Meeting & Convention
California = California Manufactured Housing Institute - CMHI	12/5 = Annual Meeting & Open House
California = Western Manufactured Housing Communities Association - WMA	10/7-10 = Annual Convention
Connecticut = Connecticut Manufactured Housing Association - CMHA	10/10 = Board Meeting 11/14 = Annual Meeting 12/12 = Board Meeting & Holiday Luncheon
Delaware = First State Manufactured Housing Association - FSMHA	11/20 = Fall Membership Meeting
Louisiana = Louisiana Manufactured Housing Association - LMHA	10/16-17 = Annual Meeting
Manufactured Housing Institute - MHI	9/22-24 = Annual Meeting 11/13-15 = NCC Fall Leadership Forum 2/16-18 = 2020 Winter Meeting 4/6/2020 = Congress and Expo
Michigan = Michigan Manufactured Housing Association - MMHA	10/10 = Annual Conference
Minnesota = Manufactured & Modular Home Association of Minnesota - MMHA	12/10-11 = Annual Meeting
National Association Residential Property Managers - NARPM	10/15-18 = Annual Convention 12/19 = Board Meeting
Nevada = Western Manufactured Housing Communities Association - WMA	10/7-10 = Convention and Expo
North Carolina = North Carolina Manufactured & Modular Homebuilders Association - NCMHA	10/17-27 = Display Homes at State Fair
Oregon = Oregon Manufactured Housing Association - OMHA	10/16 = Board Meeting 11/14 = Annual Meeting
Pennsylvania = Pennsylvania Manufactured Housing Association - PMHA	10/22-24 = Advanced Community Management Course 2 11/14 = Community Symposium
South Carolina = Manufactured Housing Institute of South Carolina	11/5-6 = 2019 Fall Meeting
Southeast Community Owners Symposium - SECO	10/9-10 = SECO19
10/16 Board Meeting	10/7-10 = Convention and Expo
Wisconsin = Wisconsin Housing Alliance - WHA	11/6-7 = Annual Conference

How Long Should a Landlord Save a Tenant's Lease and Other Rental Documents?

By Attorney Tristan Pettit

A while ago I wrote an article in which I recommended that landlords retain a denied rental applicant's application and related paperwork for at least 2 years from the date of denial.

This article will focus on the situation where the landlord has accepted the applicant, the applicant was your tenant, and now their tenancy has ended for whatever reason. Under this scenario, how long should a landlord hold on to a past-tenant's rental documents (which would include the lease or month to month rental agreement, nonstandard rental provisions document, pet addendum etc. etc.)? The answer to this question again, depends on something called the "statute of limitation."



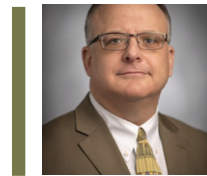
A statute of limitation is a law which sets the maximum period in which a person can wait before filing a complaint or lawsuit against another person. By entering into a lease or a month to month rental agreement (or any other rental document for that matter) with a tenant, you have entered into a contract. So, if a tenant refuses to take occupancy because the tenant feels that the apartment was not in a habitable condition as promised, the tenant could sue the landlord for a breach of contract. If a landlord forgot to return a tenant's security deposit within the applicable time frame, the tenant could also sue a landlord for a breach of contract. Most violations of a lease or other rental document would be considered a breach of contract.

The statute of limitations for filing a lawsuit based upon a breach of contract in Wisconsin is 6 years from the date of the breach. So, the safest thing for a landlord to do is to keep a past-tenant's rental file, and specifically all the contracts, for at least 6 years from the date that the contract ended. When it comes to the return of a security deposit, a landlord has 21 days after a lease has ended (or any other action set forth in

Wis. Stat. § 704.28(4)) to return the security deposit or send the letter itemizing how the security deposit was applied. As such a landlord would be smart to retain the tenant's file and all contracts for at least 6 years after the deadline for the return of the tenant's security deposit (i.e. 6 years + 21 days from any event set forth in Wis. Stat. § 704.28(4)).

If you forget to keep your past-tenant's rental documents for at least 6 years, you could end up in the unenviable position of trying to defend yourself against a lawsuit filed by a past-tenant whose tenancy you have no memory of. You would have no documents to refer to, to refresh your memory nor would you have any documents that you could use as an exhibit in court. Keep in mind that a tenant typically only has one landlord at a time, whereas you may have tens or hundreds of tenants simultaneously. It is probably safe to say that the tenant will have a better memory of you and his or her tenancy than you will have of them.

Therefore, keeping all tenant-related documentation for as long as the past tenant can sue you, is very important. With computers and the ability to save things digitally these days, a landlord has no excuse for not holding on to a tenant's rental file for at least the length of the statute of limitations.



TRISTAN PETTIT
TPettit@petriepettit.com
414 276 2850

Tristan Pettit, of Petrie and Pettit, concentrates his practice in the area of landlord-tenant law, representing landlords and property management companies throughout the state of Wisconsin. He focuses on both commercial and residential evictions, as well as the accompanying damage claims for his clients. Tristan also consults with landlords and management companies on best practices in the management of both commercial and residential rental properties.

Tristan further assists clients with the drafting and interpretation of commercial leases, residential rental agreements and other rental documents; he is the author of the landlord-tenant legal forms sold at Wisconsin Legal Blank Co., Inc., which are used throughout the state.

Tristan is involved in litigation dealing with lead-based paint, bed bugs, Fair Housing (discrimination) claims, building code orders, public nuisance lawsuits, and the defense of Wisconsin Administrative Code - ATPC 134 violations and investigations. Tristan presents seminars on landlord-tenant law and related matters throughout the state, and is a past president of the Apartment Association of Southeastern Wisconsin, Inc., currently serving on its Board of Directors.

He also is the author of the popular Wisconsin landlord-tenant law blog that can be found at www.LandlordTenantLawBlog.com.

7 Powerful Benefits To Mobile Home Park Investing

By Brandon Turner

"Brandon... you're crazy!"

That's the response I tend to get when I tell folks I'm looking to buy a mobile home park this year.

And I totally get it. A couple years ago, I would have said the same thing. But times have changed, and so has my opinion on mobile home parks.

You see, after the real estate crash nearly a decade ago, real estate investments were easy to make. Nearly every property was a good deal and great money could be made.

But that was yesterday.

Today- the real estate market is tough.

Single family homes are being scooped up by homeowners attempting to get their next home before interest rates rise. New investors are learning about the power of real estate investing and buying up most "nasty houses" as well as the small multifamily deals. And hedge funds and large institutional investors are grabbing all the larger apartment complexes at prices that simply don't make sense to savvy real estate investors.

So real estate investors have a choice: they can sit out and

wait for the next real estate crash or they can get creative and find opportunities in this current market. Of course, there is nothing wrong with sitting the next few years out, but I love the action too much to stop.

So I'm opting for option two: *finding opportunities*.

One such opportunity that has recently caught my attention is mobile home parks. And for clarification: no, I'm not talking about buying mobile homes. I'm talking about the entire park, where the residents own (or rent) homes and I lease out the land.

My interest was peaked after interviewing several mobile home park investors on [The BiggerPockets Podcast](#), and later finding [The Mobile Home Park Investing Podcast](#), hosted by Kevin Bupp and Charles Dehart of [Mobile Home Park Academy](#). I realized that mobile home park investors were *crushing it* right now.

I had to dig in deeper!

So, why are mobile home parks one of the best investments left in America? I recently met up with Andrew Lanoie, Founder and CEO of [Four Peaks Capital Partners](#) (a Private Investment Group which allows qualified investors an opportunity to



7 Powerful Benefits To Mobile Home Park Investing Cont.

passively invest in this industry) and discussed with him the benefits of investing in mobile home parks.

After speaking with Lanoie, and doing many hours of research, here are seven powerful benefits to mobile home park investing.

1. Lower Cost Per Unit

When investing in large multifamily properties or single family homes → the cost per unit is high.

But mobile home parks allow a person to jump in and acquire more units for less money. According to Lanoie, "MHPs offer the lowest cost investment per unit of any real estate asset class with potentially higher risk →adjusted returns".

Most park owners own the land, not the housing units themselves → which means that the cost of the investment is typically going to be a lot less in comparison to the number of units owned.

You can easily expect to pay \$100,000+ per home or apartment unit versus paying as little as \$10,000 per lot in a mobile home park.

2. Lower cost for repairs and maintenance

One of the factors that makes me the most excited about mobile home parks is that I don't have to work with contractors. To put it bluntly, I hate dealing with contractors. When you're working on single family homes and multifamily properties, dealing with contractors is a daily hassle.

However, by not owning the actual homes that your tenants live in, it means that the mobile home owner is responsible for the maintenance, repairs, and updates for their residence, not the landlord. While the mobile home park owner is still going to need to account for the expenses of the upkeep for the park, it will most likely be significantly less than what they would pay for the upkeep of the homes.

3. Spread Out Risk

Because mobile home parks allow investment companies to acquire more units for each investor dollar (as discussed above), the risk for loss decreases. In other words: with more tenants, the risk is spread out more. For example, let's say you own four single family houses, and one of the tenants forces you to evict them and you are left with \$20,000 in expenses. Bummer. There goes five years of profit from your entire portfolio. While those kinds of situations are rare, they do happen.

However, when you own a large collection of units, the high cost of those freak occurrences are spread out across your entire portfolio.

4. The Demand is High

Due to numerous factors, the demand for mobile homes inside well-managed parks is ever increasing. According to Lanoie, new mobile home parks are not being developed due to government zoning, gentrification, and zoning changes.

However, while home prices are climbing to historic levels, incomes for many Americans are not rising. The need for affordable housing is only getting stronger.

Lastly, baby boomers on fixed incomes are retiring in record numbers creating a greater demand for affordable housing that will only continue to grow. According to Lanoie "10,000 Baby Boomers retire each day with an average social security benefit of just \$1,294 per month. 75% of retirees have less than \$30,000 in their retirement accounts, and the bottom 50% have zero measurable savings."

More and more lower income Americans and retirees are looking to mobile homes as their chance of still being a homeowner.

5. Less Tenant Turnover

As a landlord of numerous single family and multifamily properties, I know that one of the largest expenses for a property owner is tenant turnover. Cleaning their unit, needing to track down a new tenant, and the lack of income during the vacancy can take thousands of dollars per unit out of the investor's pocket each year.

But when a tenant owns their own home and simply leases the land → turnover drops dramatically. According to Lanoie, "it can cost a tenant \$5,000-\$7,000 to move their home out of a park and thus 98% of mobile homes will remain in the same location after the second year.

75% of owners expect to stay in their Mobile Homes for 5 years or longer, and a large percentage expect to never sell."

This means that there is very little turnover and thus very little risk of losing tenants and going through the pain of finding new ones. When tenants choose to 'vacate their homes,' often the owner of the MHP may acquire a new asset that, with a few upgrades, can be sold to a new tenant. The penalty for moving also gives landlords increased leverage when it comes to raising lot rents.

6. "Mom and Pop" Owners

Many mobile home parks are simple "mom and pop" operations. While investors and corporations are starting to catch on to this lucrative industry, most are still small time enterprises. This is great news for potential mobile home park investors for a couple reasons.

7 Powerful Benefits To Mobile Home Park Investing Cont.

One reason is that many of these owners are retired or will soon be entering retirement age and this makes them interested in cashing out of their business. So despite the fact that the demand is high, you can still currently find MHP owners who are interested in selling.

Secondly, many of these owners are not professional landlords. Often times these owners face difficulties in bringing new homes and new tenants into their parks. They also may not have been exemplary with operational standards and income potential. This gives you the ability to buy the parks at a reasonable rate and then upgrade them and/or improve management, thus increasing the current tenant experience and attracting new, stable, long-term tenants.

7. Less Competition

Mobile home park investing is the best kept secret in the real estate investment industry.

This is great for investors who are looking for a great deal and don't want to compete with the flood of new investors, homeowners, and institutional investors fighting for scraps with traditional real estate investments.

What are the Downsides to Mobile Home Park Investing?

As I've been venturing into this business, I've quickly discovered that mobile home parks are a different sort of animal from traditional multifamily investments. One of the constraints in the MHP sector is the small investor trying to invest directly without an established team or systems in place.

Even with the emergence of the Internet as a tool for research and acquisition opportunities, the manufactured housing community sector remains highly fragmented and inherently localized by nature.

This week, personally I've looked at several dozen mobile home parks but finding good data or even an accurate accounting of the parks' income and expenses has proved incredibly challenging. According to Lanoie, "Opportunities persist for established companies like Four Peaks Capital Partners because they are equipped to identify areas of inefficiency."

Established investors, like Lanoie who have experience and staff (Lanoie's company has over 100 employees) possesses the ability to mine for and review opportunities not easily attainable to small investors. Additionally, investors like Lanoie align with local operators to gain knowledge in the marketplace, identify special situations and inefficiencies, and find hidden gems located in their target market. To overcome these difficulties, investors can either learn to navigate the industry themselves, or choose to passively invest with a team like Lanoie's to obtain above average returns.

So should you invest in mobile home parks? For me - the answer is an obvious and definite "yes." What about you?



Brandon Turner - I am an active real estate investor and co-host of the BiggerPockets Podcast - the most popular real estate podcast online. I began buying rental properties and flipping houses at twenty-one years old, discovering that I didn't need to work forty-years at a corporate job to have

"the good life." I am also the author of several books including The Book on Rental Property Investing and The Ultimate Beginner's Guide to Real Estate Investing. I live and invest in Western Washington State with my wife and daughter.
<https://twitter.com/BrandonAtBP>



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www.manufacturedhousingreview.com
staff@manufacturedhousingreview.com

Employee loyalty isn't secured by the money you pay your employees. Quality employees are looking for benefits such as Personal Time Off (PTO), extended maternity/paternity leave, and most importantly, health insurance. They want to work for a company they can be proud to tell people about.



When an employee hears about the great benefit package of a friend or searches online and finds a better deal, to them, it's a no brainer. There's not a second thought about the tenure they may have accrued or how short a time they've work for you...they're gone and you're searching once again for a good employee.

According to studies, more than 55% of employees in the average company are searching for other job opportunities. Many companies lose around 1/3 of their employee base every year. It costs about 20% of an average employee's salary to replace an employee...clearly instilling loyalty in your employees is worth the investment.

Employee loyalty is an umbrella term for a set of emotions which make employees feel attached to their current employer and less likely to keep an ongoing search for better. **Talent brand** is a term used to describe what your current employees say about your company to others. In groups, at business events, social media or to each other. Your talent brand is "the honest story of life as an employee inside your organization, as told by the employees", according to Talentbrand.org. To increase loyalty, you must increase the positive emotions and decrease the negative emotions your employees feel when they come to work each day. You need to understand, you are dealing with emotions when it comes to loyalty, not behaviors, this will keep you focused as you implement this counsel into your corporate culture.

The number one thing you can do to improve employee loyalty and talent branding is jettison the jerks. If you do nothing else, get rid of the chronically complaining which will undermine everything you do, every idea to share, every benefit you offer. It is literally impossible to create a corporate culture of teamwork and allegiance when you keep individuals who make the workplace negative and miserable for everyone else.

This goes for abusive and bullying co-workers and managers. Bullying greatly increases stress and increases turnover even among those who are not the actual victims, according to a

study cited in the bestselling book "[The No Asshole Rule](#)". You can spend thousands of dollars making a name for your company. Buying ads, social media, web sites, blogs, telling the world that your company is the best out there, while terminally disgruntled employees, (that you are giving money to), by using social media, email and attitude, can destroy your company's reputation and run off good employees.



You must have written rules regarding social media and make certain every employee knows them. To ensure employees understand the importance of the rules regarding social media, employment lawyer Jon Hyman recommends the use of training videos such as [KPMG Social Media Guidelines](#).

Are you a leader or manager? There is a distinction between leader and manager. As leader, you offer direction and vision while as manager your focus is on assigning tasks, planning and monitoring. Running a company oftentimes requires you to be both. The leader/manager needs to propel an organization forward, and done appropriately, will cultivate a positive morale and an overall productive and positive environment. Leader/managers have the unique opportunity to use their influence to encourage and motivate their staff. Successful businesses have leader/managers which have the ability to develop a team of people into a workforce that love their jobs, are comfortable with their coworkers and feel emotionally safe.



Are you treating your employees like you want to be treated?

Expressing appreciation to your employees makes them feel good. It doesn't cost a dime and doesn't take much time but will boost their motivation. Just make sure you mean it, being insincere will do far more damage than saying nothing at all.

No matter how much money you spend on public relations and seeking customers, if you mistreat your employees, it will eventually create bad publicity which will overwhelm the "positive" you're trying to sell to the public.

Cultivate a sense of pride in your company. If you are proud of your company express to your employees why and do it often.

Employee Loyalty and Talent Branding Cont.

Encourage them to take pride in what they do. Employers who are proud of their organization, the way it's impacting the industry, their staff, the customers they serve, create a corporate culture where each employee becomes proud of the company they work for. Host company-sponsored events, participate in celebrations for benchmarks and employee accomplishments and share positive messages from customers or advisory boards.

There are no quick fixes or shortcuts to developing fulfilled, long-term, committed employees. Making these changes to your current policies and procedures will endear employees to the company and instill in them the pride that comes loving your job. By developing your staff as you would a sports team, you'll find your team becomes a major force in the overall success of

your company. Good coaches let lose the underachievers and toxic members and spend all their efforts (and money) on the players willing to do whatever it takes to win.



Karie Martin
Vice President
Mobile Insurance

25775 Oak Ridge Dr. #110
The Woodlands, TX 77380
800.458.4320
Karie@mobileagency.com

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New York Landlords Challenge Rent Control Laws as an 'Illegal Taking'

Staff Article, The
Manufactured Housing
Review

New York state landlords are challenging recently passed rent control laws in a federal lawsuit. Among the reforms in the tenants' rights bill signed last month, is a measure that eliminates a landlord's ability to take a rental unit out of a rent-controlled rate based on a tenant's income. Manufactured home communities and rental homes are subject to this new law. The lawsuit claims that capping what they can charge tenants in rent is equivalent to an unconstitutional taking of property.

Last month, liberal consumer groups in New York celebrated the passing of sweeping new laws which permanently establish rent control and extended tenant protections throughout New York. These new laws allow cities to limit the dollar amount rent can be increased. New York City has had rent control laws in place for many years affecting about one million apartments. Landlord groups say the regulations deprive them of their property without compensation.



Reginald R Goeke

The Community Housing Improvement Program, CHIP, a trade association representing 4,000+ building owners, joined landlord plaintiffs in this lawsuit arguing, "rent control laws constitute a physical taking of property in violation of the Constitution's fifth amendment, the 'Taking Clause.'" The suit seeks New York's new rent control law thrown out. "The Rent Stabilization laws, among other things, deprive property owners of

a reasonable market return on their investment, devalue their properties, and upset their investment-backed expectations," wrote attorney, Reginald Goeke, who represents the building owners and landlords.

The landlords contend, "Those who benefit the most from the rent control rules are not the cash-strapped, but rather, the affluent residents in Manhattan." Thus, the suit argues, rent laws cannot be justified on grounds that the regulations help stabilize the cost of living for low-income families.

Rent stabilization laws also encourage tenants to stay in their apartments for a long time, even when a family outgrows their living space. Consequently, rent stabilized units have low turnover and keep vacancy rates low, which usually means housing costs go up. With rent control laws, it's common for high income, high net worth long-term tenants to have rent rates considerably less than low income, low net worth more recent tenants. Taken together, the new rent law is "arbitrary and irrational," according to the landlord's lawsuit.

Courts have upheld rent stabilization laws in New York in recent years and the U.S. Supreme Court has affirmed the government's right to regulate rent going back to 1921, (when the controls were put in place to combat the rising cost of housing). Because these new stabilization laws are more extreme than the regulations of the past, landlord advocacy groups argue the new court challenge has a chance of dismantling them.



TenantsPAC, a tenant advocacy group, disagrees. TenantsPAC reports Landlords are trying to defeat renter protections in court using an old argument with a bad track record. "They have a very weak argument...they have lost suits like this for almost a hundred years," TenantsPAC told NPR. This tenants' group, is backed by New York Attorney General, Letitia James.

Attorney General James stated that her office is committed to defending the state's rent control laws. Rent control laws exist in cities around the country, including cities in New Jersey, California, Maryland and Washington DC.

In 2019, Oregon became the first state to institute rent control statewide.



Attorney General
Letitia James

Inspecting a Used Mobile Home – What to Look For?

By John Fedro

Almost every used mobile home property you come across may need some degree of light cosmetic repairs all the way to structural repairs. Many mobile homes need some repairs, and some mobile homes need many repairs. While recently touring a manufactured home facility, I was able to see firsthand the fairly simple construction of modern-day manufactured homes. While the engineering and safety that goes into constructing these homes is great, the few simple layers that separates the interior and exterior of the homes are relatively easy to understand and work with.



As an investor, you inherently understand the value of properly estimating repairs. Every dollar that you invest making repairs is a dollar you must make back before a profit can be realized.

Part 1: The 3 Common Fallacies About Mobile Home Repairs.

1. Correctly estimating repair costs is priority #1.

Repairs, material, and labor estimates are only one metric when purchasing a used mobile home – and a rather minor metric when compared to others. This article is certainly not advocating repairs do not matter; they absolutely do. “Repair costs” matter because we must know what our buyers are looking for and what repairs must be made prior to reselling quickly for your desired price/terms.

A free and clean mobile home may be a horrible investment if other factors are ignored. Other factors to consider when purchasing mobile homes may include:

- Homes for sale in the community?
- Homes for sale nearby?
- How these homes are all being sold and days on the market?
- Current time of the year?
- Local mobile home market environment?
- Ability to add more mobile homes to your land? – if attached to private land
- Park rules and regulations? – if located inside of a pre-existing mobile home park

- Lot rent?
- The park’s application process?
- The attitude of the park management and owners?
- What your end buyers want to see and will pay Exit strategies?
- Purchasing terms?
- Seller’s motivation?
- Size and functionality of the mobile home?
- Address?
- Number of bedrooms and bathrooms?
- Etc.

Each one of these questions/topics may lead you to a costly mistake and potentially sabotage your entire deal if ignored. This last sentence is not mentioned to be cryptic or overwhelming. It is to point out that repairs are only one part of the mobile home investing equation. Below we will be discussing many of these repairs in detail.

Pro Tip: Know your clear and realistic exit strategies before making any purchase offers to any sellers.



2. You must be an expert to conservatively evaluate mobile home repairs.

With clear vision, a flashlight, and knowledge of what to look for, you will be able to make sure you know what you are buying, or since we cannot see through walls, at least be compensating for the worst in certain situations.

Pro Tip: Some investors like making repairs; others do not. There are pros and cons to making repairs yourself versus outsourcing to others. Wherever you fall on this spectrum is perfectly fine and acceptable as an active investor. All businesses change and morph over time, so be aware of your

Inspecting a Used Mobile Home – What to Look For? Cont.

productivity and time management to know where your time is being best utilized.



3. A mobile home must be completely rehabbed before reselling.

This is a very common (and costly) misconception that most mobile home investors have in their minds. Depending on your exit strategy, not only is this thought process wrong, *it goes against what your ideal buyers actually prefer.*

Let's face facts – everyone loves a deal, and most buyers would prefer to pay less for a home if possible. With that said, there are certain repairs that will scare off most end-user-type buyers from purchasing a property they plan to move in and live. *These repairs may include:*

- Plumbing problems and leaks
- Electrical issues
- Moving and setting up an entire home
- Chronic roof, wall, or floor issues throughout the home
- Horrible smells
- Bugs and/or garbage everywhere
- Etc.

Your buyers are likely not made of money. Once the above issues are corrected, many mobile homes can and will sell to happy buyers via an all-cash sale, bank financing, seller financing, or other means depending on your area. Experience teaches that many mobile home purchasers will gladly make minor repairs, such as cosmetic issues, minor painting, minor floor work, landscaping, cleaning, etc. if it means they will save money getting into the home. Know what your specific end-buyers are looking for to make a quick purchase. Do not over-improve a property based on what you want or prefer. End buyers vary depending on price points, locations, and purchasing methods (all-cash, bank financing, other).

Pro Tip: Listen to the suggestions and feedback from potential buyers walking through your property for sale. If most folks complain about certain issues, fix these problems fast and

continue advertising.

With that said, there is of course a certain segment of society that is absolutely looking to purchase a brand new or like-new manufactured home. Cost is of little importance as long as these buyers get what they want. These buyers are the minority that you will come across. Most situations are different. Always disclose, disclose, disclose in writing all repairs needed with any property you resell.

Part 2: Below is a short list of common INTERIOR repairs concerning used mobile homes.

1. Roof Repairs

Roof leaks are sometimes inevitable. Minor pinholes from falling acorns or branches can cause significant water damage to a home overtime. Correct the roof by removing and replacing damaged shingles or re-tarring/cementing (using roofing cement) the damaged area. Once the entry point for water is corrected, remove and replace any damaged insulation, mold, and ceiling panels/drywall to cover.

Pro Tip: When a roof leak is identified by water stains appearing on the ceiling, a hole or tear directly above the water stain is typically to blame.

2. Wall Repairs

As mentioned above the general construction layers of these homes are fairly simple to understand. While walls of manufactured homes are expertly designed to keep water out of the home, windows are inevitably left open, gutters will overflow, seams tear, or roof/water leaks travel into wall cavities to rot wooded wall studs and cause mold in warmer climates.

Pro Tip: Push on all exterior walls to verify vertical studs are attached to horizontally running joists at the floor and ceiling levels. Some walls may be wobbly to the touch and/or show evidence of significant wood rot. *While this may not void a deal, it should be accounted for in the purchase price.*

Cosmetic holes in drywall or paneling can easily be fixed with patches or by removing and replacing entire wall sections. Occasionally some walls need to be rebuilt. Always be sure to hire an experienced and recommended handyman or contractor.

3. Floor Repairs

Over the last 50 years, the flooring material in factory built homes has changed from 1/4 inch compressed wood fiber board to 3/4-inch water-resistant plywood. With better material comes a more water-resistant and safer home. With regards to flooring issues the most common repairs are listed below:

Inspecting a Used Mobile Home – What to Look For? Cont.

- **Holes in floors:** Cut a square hole around the existing floor-hole back to the surrounding floor joists. Cover square hole with matching square of plywood with same thickness of the existing floor. Glue and screw the new wood square to the nearby joists for a tight fit.
- **Soft-spots in floors:** Cut a square hole around the existing soft-spot back to the surrounding floor joists. Cover square hole with matching square of plywood with same thickness of the existing floor. Glue and screw the new wood square to the nearby joists for a tight fit.
- **Wavy floors:** Wavy floors can be firm/rigid or soft and ready to cave in. Depending on the degree of waviness and softness the floor may have to be removed and replaced, or simply left as is. As a rule of thumb, if you notice a wavy floor than your buyer will most likely notice it as well.
- **Unlevel floor:** This may be due to the home settling over a number of years from the outside due to peers shifting or a poor foundation for which the home sits on.

An experienced mobile home contractor or handyman may be able to diagnose the best and quickest fix for this issue.

4. Plumbing Repairs

For the most part, we have talked about rainwater damaging a home. However, any water leak or overflow inside a home can absolutely damage the surrounding walls and floor if left for a substantial amount of time. Before purchasing any homes, make sure to test water lines and listen/look visually for leaks in pipes, water lines, sink connections, appliances, faucets, refrigerator water lines, etc.



5. Electrical Repairs

While walking through a property to purchase, the electrical service may be connected and powered on. If this is the case, then make sure to check all outlets, appliances, and light switches to see they are in proper working order. Additionally,

there should be a suitable number of amps (minimum 100A) coming into the home to power all modern appliances and air conditioning systems.

Pro Tip: If you are uncertain about electrical repairs, breaker boxes, or exposed wires, make sure to bring a licensed and experienced handyman or electrician to give you added clarity and cost estimates to repair.

Turn on power before closing, if possible. If you are unable to test the working order of appliances, water heaters, HVAC systems, or lights and outlets to account for electrical issues in a rehab, then budget a minimum of \$750 in case there are any electrical issues the seller forgot to disclose. Hopefully, no repairs are needed, however this must be accounted for if you are unable to verify exactly what you are buying because the power is off.

Pro Tip: If the subject mobile home has been sitting vacant, without-power, for over 6 months make sure to call the local power company to verify an inspection will not be needed prior to power being reestablished. If an inspection is needed the inspector may require many costly updates to be made around the home. This alone may void a deal as Electrical repairs may be very expensive.

None of these mobile home repair issues above are deal breakers unless they are chronic problems throughout a home, and even then, there still may be an opportunity to create value and help local buyers/sellers in your market. As a mobile home investor, it can be important to recoup all our invested capital back as quickly as possible. For this reason, it is sometimes unwise to place many thousands of dollars into a mobile home as repairs, especially if the property will not be worth the added amount once it is repaired. Keep your end-buyer in mind and remember you have to make every property attractive and affordable for this end-user.



Inspecting a Used Mobile Home – What to Look For? Cont.

Part 3: Below is a short list of common EXTERIOR repairs concerning used mobile homes.

1. Roofs

Without a solid and water-resistant roof, a mobile home stands very little chance against the elements. As we outlined above, ceiling water-stains and ceiling leaks are the best evidence of an active and/or previous roof leak. *However, do not passively accept the absence of ceiling water-spots as an excuse to avoid getting on the roof and walking around if possible.* Verify the integrity and strength of the roof by visual inspection and walk on the roof to check for possible soft spots, tears, small holes, weaknesses, waviness, missing shingles, loose material, fallen branches, etc.

Pro Tip: Roof issues do not void a possible deal; however, these repairs must be factored into the purchase price of any mobile home you are considering investing.

2. Siding

When discussing the exterior of the mobile home, we have to consider the aesthetic appeal of the property and the functionality of the current siding to keep the home safe from the elements. An unattractive exterior is not something most buyers want to see when looking at a mobile home for sale. However, an unattractive exterior is preferable to a dilapidated property in need of many exterior repairs. Be on the lookout for waviness, wood rot, holes in siding and skirting, stains, dents, etc.

Pro Tip: Completely replacing or installing vinyl siding directly over aluminum or wooden siding on a single wide mobile home may cost approximately \$1,000-\$2,500 for labor and material. This work should take no longer than a few days to complete.

3. Deck/Stairs

Spacious decks can be an affordable way to increase the desirability of almost any manufactured home. Be aware that all stairs, steps, railings, and decks should be up to local codes with regard to their safety and construction. Holes and weaknesses in floorboards or hand railings should be corrected and fixed immediately.



4. Underside

Always be sure to remove a few pieces of skirting and look underneath the mobile home with a powerful flashlight. Some possible things you will notice are:

- Junk and debris all over the place
- Water pipes seeming to lead nowhere
- Insulation hanging down
- HVAC ductwork
- Stray cats or other animals living under the home
- Piers or blocks supporting the home

Before reselling a manufactured home, it is important to make sure that the underside the property is protected from animals and freezing weather. In general, a mobile home skirting is ideally designed as a buffer from the outside world and the underside of the mobile home. Ideally, this should keep away vermin and cut down on wind chills under a home.

Before reselling any manufactured home, the underside of the property should:

- Be free of most debris, pests, and junk.
- Have all the insulation re-tacked to the underside of the home.
- Have all the exposed pipes wrapped with working “heat tape” if located in an area with freezing weather.

Pro Tip: In areas with multiple months of freezing weather, it is wise to use 1/4-inch plywood to hold the insulation to the underside of the mobile home. This will result in a smooth looking underside that is finished 100 percent with plywood. This will act as an additional weather barrier and pest defense.

5. Location

Whether your manufactured home is located in a pre-existing mobile home community or attached to your own private land, it is crucial to consider the location before and after purchasing this investment property.

- **Your land:** If the mobile home is located on land you will also be owning, then by all means it is important to have curb appeal throughout the property to attract a retail-paying buyer. The cleaning and rehabbing of this land is up to you.
- **In a land-leased park:** If the mobile home is located in a pre-existing mobile home community, then it is important to work with the current park manager and owners to make sure the home’s lot looks aesthetically pleasing to most buyers and the park.

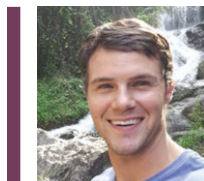
Inspecting a Used Mobile Home – What to Look For? Cont.

Pro Tip: Always make sure to account for the local buying-demand and supply for any given area. Regardless of the home you are selling, it must be priced attractively to sell to a low-risk buyer within a fairly short period of time.

In conclusion, there is not one or two things that go into purchasing a manufactured home for personal use or investment. Rather, there are a few dozen moving pieces to consider before purchasing any property for investment. If you are walking inside or outside a subject property, be aware of repairs needed and your initial feelings about the home; these will likely be the same feelings and thoughts many of your buyers have as well. With that said, unless you have experience, it may be unwise to assume you know what local mobile home buyers are looking for. Instead, you may wish to always have clarity of your local market, the subject property you are looking at, all repairs needed, a buying demand once

fixed, your entrance and exit strategies, etc. From this position of clarity, you will then be able to structure win-win purchase offers with most sellers and aim to help local buyers and sellers directly in your area.

Love what you do daily.



JOHN FEDRO
support@mobilehomeinvesting.net

John Fedro has been investing in manufactured housing since 2002. John now spends his time continuing to build his cash-flow business in multiple states while helping others enjoy the same freedom he has achieved. John may be found at <https://www.mobilehomeinvesting.net/>



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Should You Allow Tenants to Have Guns in Your Communities?

By Kurt D. Kelley, J.D.,
President, Mobile Insurance



With the press' infatuation with mass shootings, guns are regularly in the headlines. This begs the question - What's the best response for property managers concerning tenant gun ownership? If you allow tenants to have guns, and someone is shot within your community, you are at risk of being sued and found liable. If you don't allow tenants to have guns, and a defenseless person is assaulted within your community, you are at risk of being sued and found liable. You could also be sued for violating a tenant's 2nd Amendment right to have a gun if you prohibit guns. No landlord wants to pay the legal bills on a Supreme Court case deciding if their community has violated a tenant's constitutional right to gun ownership.

Five states have written laws specifically addressing the matter. Texas' and Minnesota's are the clearest. There, landlords cannot restrict the lawful carry or possession of firearms by tenants or their guests. Virginia law specifically says public housing landlords can't restrict gun possession. Surprisingly, Tennessee says landlords can prohibit tenants from possessing firearms within a leased premise via a lease clause. And finally, Wisconsin has several complicated laws directing where a weapon can be possessed.

Does the Federal 2nd Amendment protect a tenant's gun possession right? Even in Tennessee? The answer is a clear "maybe." Private landlords are not restricted by laws that restrict government powers. There's yet to be a binding Federal 2nd Amendment case addressing private landlords like there has been with Fair Housing issues like race, family status, religion, gender, age and disability. As of today, it's arguable that non-government landlords, except in Texas and Minnesota, have the right to issue gun possession rules.

But should private Mobile Home Community owners restrict gun possession by tenants? The first thought on this issue is whether a gun possession rule is practically enforceable. Landlords generally don't have the right to enter and search a tenant's home. And they almost certainly don't have the right to open any locked safe or other enclosure. Furthermore, does any private landlord want to be on the cutting legal edge of this issue. Many well financed third parties will be glad to fund endless litigation on the matter. The "Heller" Supreme Court case made it clear there is a federal individual right to possess guns absent a past felony conviction or mental illness. Federal law trumps state law - 'sorry Tennessee.

To limit your liability regarding tenant gun possession, here are lease provisions relating to gun possession that should minimize community management/ownership liability:

- The Landlord has no control over your unit or the home. The Tenant has sole control of the unit;
- Firearms must be kept inside your unit at all times and out of view from windows and open doors, unless you or another is under imminent threat of bodily injury;
- All firearms must remain concealed when outdoors throughout the community, unless you or another is under imminent threat of bodily injury; and
- Tenants storing a registered/licensed firearm in their unit, must do so safely and inconspicuously and store them in a manner that prevents access by children.

There's no perfect answer to the question whether landlords should allow tenants to possess guns. And, there's no perfect "gun clause" to add to your lease. But there certainly are lease clauses concerning guns you shouldn't have. Next time you update your lease, visit with your landlord/tenant attorney to develop the proper lease language for your community. Whatever lease language you adopt, it must be clearly written leaving little room for misinterpretation.



Kurt D. Kelley, Attorney
President, Mobile Insurance
Kurt@MobileAgency.com
www.mobileagency.com

President of Mobile Insurance, an agency specializing in insurance for manufactured home communities and retailers. Named top commercial insurance agency by American Modern Insurance Group. Member of numerous insurance companies' policy development and advisory teams. One of largest manufactured home specialty agencies in the country.



Should You Invest In Mobile Home Parks? Only If You Like Consistent Returns

By Brad Johnson
Founder and Managing
Partner, EVERGREEN



Mobile home park investing is not an exciting cryptocurrency, a high-flying tech startup or a trophy office tower you brag about owning. A mobile home park is just a parking lot filled with single- or double-wides that kicks off a lot of cash flow.

I co-own a portfolio of 23 mobile home parks and help real estate investors grow their portfolios with mobile home park investments. There are a lot of unique aspects to the industry that make mobile home parks compelling investments. But, for some strange reason people do not gather around me at parties to learn about the intricacies of them. So, to keep your attention, let's focus on just one strength most parks share: consistency.

A portfolio of mobile home parks purchased at the right price is a remarkably bankable investment. Mobile home parks deliver profits year in and year out, whereas their cousins (apartment buildings) are often far more erratic. Why?

Compared to apartment buildings, mobile home parks tend to:

- Have dramatically lower turnover: Only about 2% of the homes leave our parks per year, versus the average apartment tenant yearly turnover, which was 53% in 2015.
- Have lower operating and capital expenses due to fewer maintenance costs and amenities: We rent land, which is pretty cheap to maintain.
- Have less volatile rents due to reduced competition. There is essentially no new supply of mobile home parks. Strict zoning laws make them nearly impossible to build. Compare that to apartments buildings, of which more than 350,000 new units were built last year. That's a never-ending supply of new competition for existing apartments. That sounds horrible. Who wants to go out in the cold and slay a new dragon every year? I'd rather be back at the castle by the

All these differences translate to consistent profits. Consider the profit track record of Sam Zell's Equity LifeStyle (ELS), the largest company in the mobile home park space (and our best proxy for industry data, which is nonexistent). ELS has achieved positive profit growth in every quarter since 1998. That's impressive: America suffered a huge housing crisis in 2007, but ELS grew profits anyway. This isn't a fluke or something unique to ELS. This consistency is structural to the industry.

Comparison To Other Commercial Property Types

To fully understand the lower capital advantage mobile home parks have over other non-multifamily real estate assets, here are the remaining major commercial asset types and their roadblocks to consistent cash flow performance.

- **Office properties:** Occupancy is highly susceptible to recessions and requires huge ongoing capital expenditures relating to building systems and staffing. Office landlords must spend hundreds of thousands and often millions on new tenant improvements and broker leasing commissions. These costs are paid upfront. If the tenant goes bankrupt on day one of the lease, the landlord cries.
- **Retail properties:** These are highly susceptible to recessions, and many are currently being methodically crushed by online retailers.
- **Hotel properties:** These come with high fixed expenses – and you can't fire the staff if occupancy is low one night.
- **Industrial properties:** Though industrial properties tend to have the lowest ongoing capital needs next to mobile home parks, tenant concentration can be an issue. If your largest tenant defaults, you're in trouble.

In contrast, mobile home parks are virtually recession-resistant, with low fixed costs and minimal capital needs. They have lower turnover rates, don't require much staffing and have highly diversified tenant bases. In other words, they are consistent.

How To Make Your First Mobile Home Park Investment

If you're a passive investor interested in co-owning parks, there are quality sponsors out there that you can invest with. If you would rather roll up your sleeves and do the work yourself, here are a few suggestions:

- **Don't start small:** Counterintuitively, you don't want to crawl before you walk in mobile home park investing. Buy a park large enough (~50 spaces) to provide tenant diversity and support an on-site (or nearby) property

Should You Invest In Mobile Home Parks? Only If You Like Consistent Returns Cont.

manager. If you go small, you'll become the de facto property manager and will need to personally collect rents and enforce the rules.

- **Narrow your search:** You're going to have a hard time competing against larger, more established players on brokered deals. Don't plan on finding a great deal online. It took me years and a lot of cold calling to develop consistent deal flow. If it's your first deal, your best strategy is to focus on a couple of markets and deal directly with the owners.
- **Stay away from private utilities:** If at all possible, stay far, far away from private utilities. The costs to replace private electrical, gas, water or sewer systems are often six figures and sometimes seven figures depending on the size and type of system. Do you want 100 families calling you in the middle of the night to report a gas leak? Unless you're very lonely or very bored, probably not.
- **Secure long-term debt:** When mobile home parks fail, it's often because a short-term loan came due and the owner couldn't refinance.
- **Make sure you have time to oversee the asset:** Mobile home parks do not run themselves. You need the right team, software and systems to manage them for you. Or you need to do it all yourself. If you're looking for mailbox money, look elsewhere.

Conclusion

Consistency can be boring, but it's critical for long-term investment success. You can't increase cash flow if you have to keep reinvesting in the property just to keep things afloat. If you can't grow profits, you'll be far too dependent on market timing and interest rates to achieve compelling returns.

The mobile home park industry has been reliably profitable due to its structural advantages that keeps mobile home park supply, tenant turnover, ongoing capital and recurring expenses low. This enables investors to compound capital as revenue growth flows to the bottom line and is not diluted by surprise capital expenses.



Brad Johnson
Managing Partner, Evergreen Capital

Brad is a mobile home park operator and investor with park holdings in 15 states. His firm Evergreen Capital helps mobile home park owners either fund new acquisitions or quickly tap into existing equity without having to incur additional debt. He can be reached via email at brad@evergreencap.com



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A Solid GDP Report

By Brian S. Wesbury
and Robert Stein

A cottage industry has sprung up in the past decade with the sole focus of discrediting any good news on the economy. When President Obama was in office, the attacks mostly came from the right. With President Trump in Office, the attacks mostly come from the left. Since March 2009, regardless of who was in office, we have stridently argued that this recovery has legs. The result? We have been attacked from both sides of the political aisle.

The latest debate is over real (inflation-adjusted) GDP, which grew at a better than expected 2.1% annual rate in Q2. Some say it showed soft spots from the trade war and weak business investment.

It's true that net exports (exports minus imports) trimmed the Q2 real GDP growth rate by 0.65 percentage points. But that follows the Q1 boost to growth of 0.73 points. In the past year, trade has subtracted an average of 0.58 points each quarter. For comparison, we saw larger drags from net exports in 2010, 2014, and 2015, all years without "trade wars." Our conclusion: this is statistical noise.

That leaves real business fixed investment, which declined at a 0.6% annual rate in Q2, the first drop since 2016. Many have taken this as proof that tax cuts and deregulation didn't work.

But the Q2 decline was almost entirely due to a drop-in brick and mortar investment (what economists call "structures"). In the age of the Internet, software and computers are replacing brick and mortar. We buy airline tickets online, not in an office. Blockbuster was replaced by Netflix. You don't need to leave the comfort of your home, the stores come to you. As a result, investment in structures has slowed in recent years while investments in technology and equipment have continued to rise. Strip out structures, and real fixed investment rose at a 1.9% annual rate in Q2 2019.

More importantly, business investment ex-structures have clearly picked up under the Trump Administration compared to Obama's second term.

Why only use the final four years of the Obama Presidency? Because the first four years were driven by a V-shaped recovery from the Panic of 2008. His second term illustrates the impact of tax hikes and more business regulation.

Real business investment, excluding structures, grew at a 3.8% annualized rate between Q4 2012 and Q4 2016, but accelerated to a 5.9% annualized rate since Trump took office. Real Investment in software and R&D grew at a 5.5% annualized

rate in the final four years of the Obama Administration versus 7.5% since the start of 2017. Tax cuts and deregulation have indeed boosted "animal spirits."

In addition, Core GDP - combining personal consumption, business investment, and home building - grew at a very solid 3.2% annual rate in Q2. Meanwhile, profit reports are widely beating expectations. The economy is much stronger than conventional wisdom thinks and has been since 2009.



BRIAN WESBURY
800 621 1675
<https://www.ftportfolios.com/>

Brian Wesbury is Chief Economist at First Trust Advisors L.P., a financial services firm based in Wheaton, Illinois.



ROBERT STEIN
800 621 1675
<https://www.ftportfolios.com/>

Robert Stein is Deputy Chief Economist at First Trust Advisors L.P. a financial services firm based in Wheaton, Illinois.

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Trio of Manufactured-Home-Park Purchases Preserves Nearly 900 Affordable Homes

By Steve Varnum

On the day before Thanksgiving, more than 1,000 homeowners in four New Hampshire mobile-home parks learned that their parks—meaning the land under their homes—would be sold.

The corporation that owned the parks planned to sell them to a Michigan company, the country's third-largest park owner.

The homeowners, though, made different plans.

On Monday, families in Tanglewood Cooperative in Keene, Bear View Crossing Cooperative in Allentown, and Black Bear Village Cooperative in North Conway officially bought their communities. In doing so, they made their nearly 900 homes permanently affordable for working families with low and moderate incomes.

The fourth park sale did not go forward after discovering that 26 of its 138 home lots were either in a floodway or flood zone.

The combined sale price of the three parks, close to \$48 million, was financed by the New Hampshire Community Loan Fund, The Provident Bank, Northway Bank, the New Hampshire

Housing Finance Authority, and a Community Development Block Grant administered by the New Hampshire Community Development Finance Authority.

After receiving written notice of the proposed sales, homeowners in the parks used training and technical assistance from the Community Loan Fund's ROC-NH™ team, to organize residents and form—or in Black Bear Village's case, revive—cooperatives.

Each co-op elected a board of directors and worked closely with ROC-NH to make the purchase a reality.

The impacts of these ROC conversions are huge:

- Amid an affordable-housing crisis in New Hampshire, 874 manufactured homes became permanently affordable. (Nearly three-quarters of the households are low or moderate income.)
- Homeowners will benefit financially from stable rents, rising home values, and the availability of fixed-rate, long-term mortgages that were previously unavailable to them.
- Three large parks were returned to local ownership.

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Trio of Manufactured-Home-Park Purchases Preserves Nearly 900 Affordable Homes Cont.

As they worked through numerous meetings and votes, many of the parks' residents agreed with longtime Bear View Crossing resident Doris Corey, who stood up at a meeting and told her neighbors she'd been forced to walk away from her former home when the park closed so a grocery store could be built on the land.

"I WANT TO BE THE CAPTAIN OF MY OWN SHIP!" she said. "I want the final say about MY home, in MY park, and the only way that's going to happen is if we own THIS park."

"We need to do this, so we can put our futures in our own hands as opposed to the whim of somebody else who lives in the Midwest," said Steve Porter, a Black Bear Village resident and Conway selectman.

After signing the closing documents, board members from the three co-ops that bought buying their parks said they felt free, confident, and masters of their own destinies.

Sharon Harper of Tanglewood co-op said of the conversion to resident-ownership, "It means residents coming together as a community like we should, to watch out for our elders, watch out for our neighbors."

Tom Moughan of Black Bear Village co-op, who was part of the unsuccessful effort to buy their park 10 years ago, took a generational view.

"We're basically doing this for a lot of the younger folks in the park, so they'll have low-income housing. It gives them a chance to own homes, and as they have kids and they grow if they want to move out they'll have a better chance at selling their home in a cooperative community than if it was privately owned."

The co-ops' purchases of these three parks was of a scale unprecedented in the Community Loan Fund's 36-year history, and required unique collaborations involving the park residents, town governments, state agencies, local and national funders, and impact investors.

Knowing that these homeowners already paid some of the highest lot rents (the fee for use of the land under their homes) in N.H., the Community Loan Fund and its partners sought to minimize rent increases.

Cooperative ownership means the homeowners in these parks are now eligible for products and services, including real mortgages, that haven't been available to them. Studies show that the availability of home financing, when the land is secure, improves the home's value, the owner's ability to make improvements, and overall housing affordability.

The more-than-8,000 homeowners in New Hampshire's ROCs, spread across every county, also have access to management guidance, technical assistance, and leadership trainings in which they earn college credit.



A full list of resident-owned cooperatives in New Hampshire is available at <http://www.communityloanfund.org/how-we-help/roc-nh/nh-cooperatives>.

For more information on the Community Loan Fund, go online to www.communityloanfund.org or call Director of Communications and Marketing Steve Varnum at (603) 856-0767. info@communityloanfund.org

About the New Hampshire Community Loan Fund - The New Hampshire Community Loan Fund, based in Concord, N.H., turns investments into loans and education to create opportunity and transform lives. We collaborate with a wide range of donors and investors, and with business, nonprofit and government partners, to provide the financing and support people need to have affordable homes, have quality jobs and child care, and become financially independent. Established in 1983, the Community Loan Fund was one of the first Community Development Financial Institutions in the nation and has received industry awards and recognition for social impact, financial strength and performance. www.communityloanfund.org



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Alberto and Jason Piña started Braustin Mobile Homes nearly three years ago. What many consider the first virtual manufactured home retail dealership, Braustin started in the co-working offices of Geekdom in downtown San Antonio. In their first year, home sales averaged at three per month and are since trending closer to 10 homes per month in 2019.

Earlier this year, the Braustin team relocated from the downtown office to their own dealership in south San Antonio. Now, thanks to their ingenuity, and a partnership with one of Texas' premier grocery store chains, Braustin has opened its first "Virtual Outpost", allowing

H-E-B shoppers in New Braunfels to check off more than just eggs and milk from their grocery list.

Prospective buyers can enter the Braustin Mobile Homes kiosk and use tablets and other technology to view homes, floor plans, and pricing. Customers can put on a virtual reality headset, click on the menu of homes, pick one, and take a virtual tour of any home they choose. The virtual reality technology gives prospective buyers a realistic understanding of the features, size, and finishes of a home without ever needing to set foot inside, both allowing shoppers to view a larger variety of homes more quickly and keeping overhead costs lower for Braustin, contributing to their ability to offer the lowest home prices in the industry.

Braustin partnered early on with fellow Geekdom startup, Ractive, a virtual reality design and development firm also interested in the innovation making e-commerce companies like Amazon and Carvana incredibly successful. With Ractive's help, Braustin eventually launched their industry exclusive augmented reality home catalogue. With a smartphone and the Braustin App, users can quickly transform a basic black

and white floorplan into a 3-D, interactive home tour and still life photos into full length videos. This augmented reality is also found throughout their H-E-B kiosk for customer's with only a few minutes to stop in and get a feel for what Braustin has to offer.

On September 5th, Alberto Piña will be speaking at the Clayton Elevate Conference in Nashville, TN, on a panel titled "Disruption" discussing the innovations and business practices Braustin has used to disrupt the mobile home industry and give purchasing power back to home buyers. Although the technology they use has evolved and diversified, Braustin has offered upfront pricing, instant online quotes, and education-based sales since their inception. With upwards of 70% of their customers completing their home purchase entirely online and over-the-phone while also maintaining one of the highest Net Promoter Scores for independent Clayton retailers, Braustin continues to expand their reach and influence across the mobile home industry.

The following links take you to a television news piece on the company, the sales process, and an update from the managers. [Virtual Dealership](#) and [San Antonio Company using Virtual Reality to Sell Homes](#).

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Why Proper Anchoring Is So Important to Home Safety

By J. Martin Montgomery,
P.E.

When I was six I remember looking out the door of a musty damp storm cellar in Checotah, Oklahoma, and watching a tornado roll across the field in front of us. While the tornado left a path of destruction, we were all safe and sound below ground.

Years later, I am off to college studying engineering when my neighbor calls and says, "Hey, look out your front window." Looking out of the window past the mirrors on the wall and the shag carpet of my single wide mobile home I see a huge tornado in the sky just to the west of us. We reacted by jumping into our car and taking off, only to find ourselves in a traffic jam at the entrance of our mobile home park.

As we sat in the car and watching the tornado moving across in front of us, I thought, "This is probably not my best decision. I should have had a storm plan already planned out." I've inspected many structures in the years that followed, many of these structures had survived a great deal of wind damage inflicted by tornados and/or hurricanes. I found it remarkable how similar, and predictable, the construction failure modes were in each event.



Manufactured home not adequately secured to ground slides off support piers. (Lee County, Alabama - March 2019).

As a young boy, my understanding of tornados was formed by the movie *The Wizard of Oz*. The image of a tornado lifting the house up and twirling it up into the sky was forever seared into my memory. However, there's movies and there's reality. The reality is that homes don't lift and twirl away. The vast majority of homes constructed on pier-and-beam type foundations fail by sliding off of their foundation, due to improper anchoring. This is true whether the structure is site-built or manufactured.

Recently, while a few miles from my home, I saw debris strewn across the road and hanging from a fence. Glancing into the yard, I saw the house that I had driven by many times before was gone... nothing but a spread-out pile of debris. I slammed on the brakes and backed up to pull into the driveway. One house had been destroyed, another house, less than 100 feet away, was untouched.

My wife and I approached the house left standing and knocked on the door. A lady in a cast with various cuts and bruises came to the door. I explained to her that I have trained thousands of contractors over the years on how to properly anchor homes and I wanted to look at her home more closely. Walking through the debris field, she explained how her friend and seven children were in the house. They were watching the weather on television and were prepared to go into a below grade storm shelter, just 75 feet from their front door when they felt the home slide and begin to roll. She told a heart-breaking story of her neighbor finding a small disoriented child wondering down the road in the dark. The other children were found in a dark, rain-soaked, debris-filled yard. God only knows how she and her children escaped serious injury.

After determining how her home had been anchored, I did not have the heart to tell her that the home was simply not properly anchored and tied down and that 70+ mph straight line winds likely blew her home off its foundation. Her home was destroyed while the home next door was sound.

Proper tie downs and anchoring matter.

The reality is, wind speeds in the majority of tornados are not that strong. Approximately 96% of all tornados are rated EF-1 or EF-2 (wind speeds below 136 mph). If you are in a well-built well-anchored structure (site-built or post-1978 manufactured or modular home) sheltering in-place is your best choice when a below grade storm shelter is not available.



Manufactured home structurally intact, vehicle destroyed (Lee County, Alabama - March 2019).

The design and construction of manufactured homes has improved significantly over the years. Older "mobile homes" (pre-1978 construction) have been replaced with "manufactured homes" which are designed structurally on par with site-built homes and generally have a more robust inspection process during construction when compared to site-built homes. Over the last decade, HUD's new manufactured home installation requirements and state inspection programs have significantly improved the quality and compliance of the installations on-site.

Why Proper Anchoring Is So Important to Home Safety Cont.

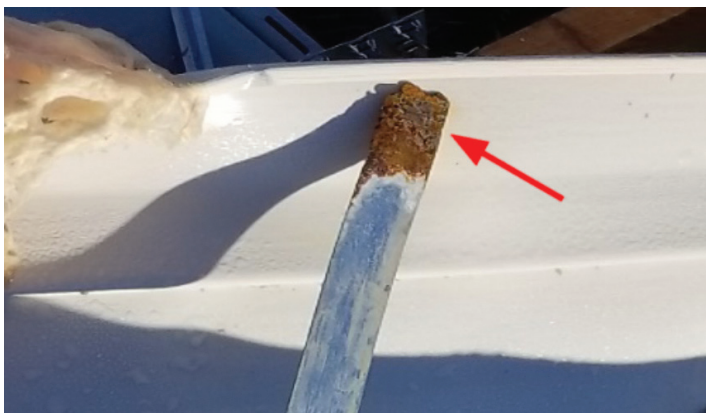


Surface mount pan anchor still attached to home frame (Lee County, Alabama - March 2019).

I recently spent a couple of days in Alabama going through the March 2019 tornado damaged homes in Lee County. I saw many manufactured homes that performed well enough to withstand the tornados and many homes which didn't.

The primary difference was installation. While there were cases where the storm was simply too strong (EF3 or greater), homes that were strapped into a concrete foundation or that were newer with properly installed soil anchors performed well where the wind speeds were below 136 mph. Homes anchored with surface mounted "pan" type systems and older (>10 years old) deteriorated soil anchor systems did not perform well.

These systems failed to keep the home from sliding off the blocking resulting in the homes rolling over. If the anchorage had held, many of the homes would have withstood the winds and better protected those inside. In one manufactured home, three small children survived while the father was critically injured. If you look closely at the photo below, the "pan" type anchor is still attached to the frame. There was a small deformation in the soil where the pan anchor simply slid across the ground without sufficient resistance to the wind load.



Tie down strap rusted completely through (Lee County, Alabama - March 2019).

Much like the shingles on the roof of your home, soil type anchor systems have a limited life cycle. In many locations, moist soil accelerates rusting of the anchors and strapping. We typically recommend inspection and replacement of the anchorage system every 10 years. This can be done for approximately \$1,000.

Likewise, site-built building code requirements have improved over the years. Stronger shear walls and improved roof attachments have made homes structurally more robust. However, enforcement of building codes and little or no inspection of construction activities in rural areas is lacking. If you notice in the photo below, the walls failed at the sill plate of this site-built home. Nuts were never put on the anchor bolts.



Slab-on-grade foundation anchor bolts with no nuts installed to secure the sill plate to the slab (Lee County, Alabama - March 2019).

It is important to understand your options for seeking shelter. A car or travel trailer is not a good choice. Sheltering in-place in an older home that is not properly tied down might be marginally better. A better choice is to shelter in-place in a newer constructed and properly anchored manufactured home. The best choice by far is to be underground in a storm shelter. Many underground shelters can be installed for as little as \$3,500.

Things have changed over the years. In much the same way home construction practices have improved. Technology and communication have improved as well. There's little huddling around an AM radio listening for weather bulletins today. Instead we have cell phone alerts and WeatherCall. Proper home installation, better weather alerts, and a preplanned place to seek shelter are a HUGE step forward toward being safe.



Mr. Montgomery is the President of RCS Enterprises, and a Professional Engineer specializing in manufactured housing. He can be reached at Martin@rcsent.net 972-727-8572 <https://www.rcsenterprises.net/>



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