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Advantages of Buying Bank-Owned
Property

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6 Must-Have Mobile Home Park
Amenities to Upgrade Your Community

and more!

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Worker Classification Rules Changing: Employee Vs Contractor

By [The United States Department of Labor](#)
with some edits for brevity, plus some business
management recommendations added by
[Kurt D. Kelley](#), President of Mobile Insurance

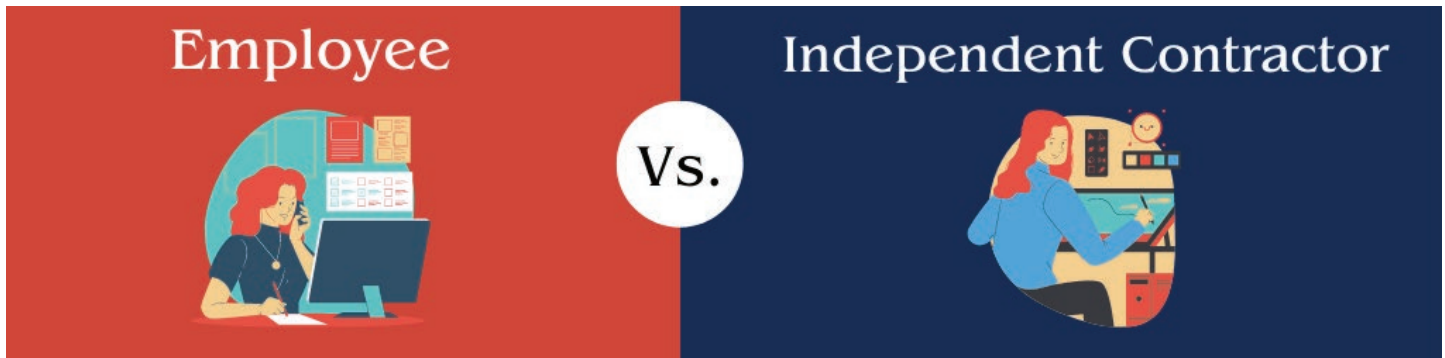


Photo courtesy of Ryan Swanson

One of the biggest risks for an MHC operator is the danger of misclassifying and paying workers. Workers may be classified as W2 employees or 1099 Contractors. Inaccurately categorizing or compensating workers can result in past overtime owed, past hourly wages owed, double and treble damages, fines, and legal fees. Employee claims against employers are the number one source of civil lawsuits in America.

The federal government has adopted a **totality-of-the-circumstances analysis that considers six factors** to determine if a worker is a W2 employee or a 1099 contractor. The factors include:

1. Is there an **opportunity for profit or loss to the worker** depending on managerial skill*
2. What is the extent and nature of the **worker's control of the work***
3. What is the **degree of permanence of the work relationship**
4. Whether **work performed is an "integral" part of the potential employer's business**
5. Are **worker specialized skills** and initiatives required
6. What is the **relative amount of investment of capital or entrepreneurial effort** by the worker

*1 and 2 were the core factors that were given more weight under the previous 2021 rule.

Additional factors can possibly be used if they in some way illustrate the economic dependence between a worker and potential employer.

Explanation of Factors Used in Determining Worker Classification

1. The **opportunity for profit or loss factor** looks at how a worker's managerial skill impacts their economic success or failure in performing the work. Examples include the worker negotiating what they will charge for the work, engaging in marketing or advertising, and having the power to accept/reject jobs, hire talent, purchase materials, rent space, etc. If a worker has no opportunity for a profit or loss, then that's evidence they are an employee.
2. Under the nature and **degree of control factor**, if, for example, the potential employer sets workers' schedules, supervises the work, oversees any discipline required, then indications are that the individuals being scheduled and supervised are employees.
3. In considering the **degree of permanence factor**, a continuous, indefinite, or exclusive work relationship would indicate employee status, while a more project-based or non-exclusive relationship could indicate independent contractor status.
4. If the work performed is critical or central to the potential employer's principal business, then it is an **integral part of the employer's business**, and this factor leans toward the worker being an employee.
5. When reviewing the **skill and initiative factor**, if a worker needs training or is applying no specialized skills to perform the work, then the indication would be that their status is an employee.

Worker Classification Rules Changing: Employee Vs Contractor Cont.

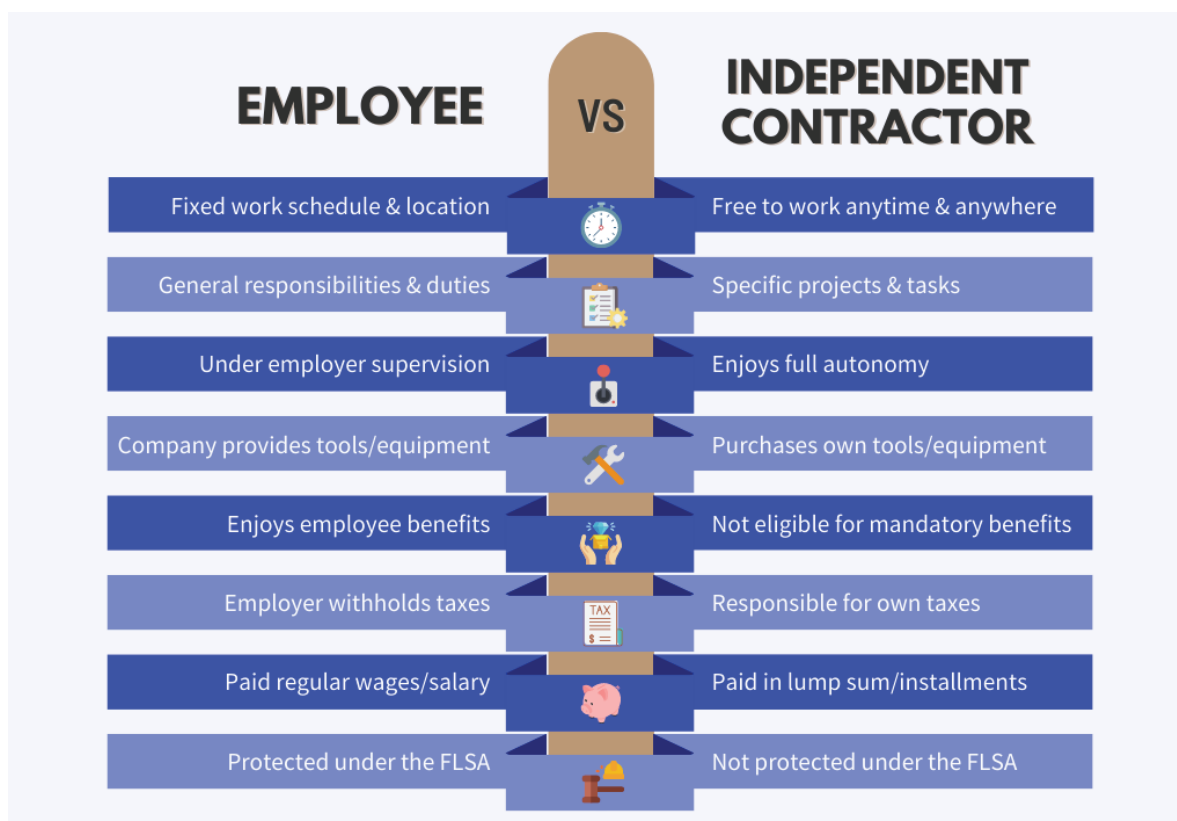


Photo courtesy of LegalTemplates

6. The sixth rule (workers investment of capital) only applies when determining worker classification under FLSA.

Do Some States Have Additional Worker Classification Requirements?

In addition to the federal regulation, some states have their own, different rules on worker classification. For example, **California** applies an **ABC test** for wage and hour, unemployment insurance, and workers' compensation purposes. Other states apply the ABC test, too. Generally, under the ABC test, a worker would be considered an employee unless all three factors are met.

- A. An individual is free from control and direction regarding performance of work;
- B. The work is performed outside the regular course of a business; and
- C. The worker is engaged in an independently established business, trade, or occupation of the same nature as the work being performed

Misclassifying a worker can have serious financial implications for a business, including but not limited to owing back taxes to the IRS, owing state unemployment taxes, and possibly owing back wages for unpaid minimum wage and overtime. Plus, the federal government and the state government can levy fines if misclassification has occurred (e.g., California penalizes businesses up to \$15,000 per violation, which can go as high as \$25,000 for willful misclassification).

How Will the New Worker Classification Rule Impact Businesses?

Under the new rule, **it is more likely that certain workers currently classified as independent contractors will need to be reclassified as employees** and likely be eligible for both minimum wage and overtime protections, as well as possibly eligible for employer benefits such as health coverage and/or retirement benefits.

Worker Classification Rules Changing: Employee Vs Contractor Cont.

SUMMARY -

1. It's risky to misclassify workers as contractors
2. When in doubt, classify and pay workers as W2 employees
3. If you employ workers in California, Illinois, New York, Connecticut, Massachusetts, Vermont, or Rhode Island - the definition of a contractor is very limited



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The Concerned Community Owner: Budgetary Hypocrisy

Landlords are endlessly criticized today for making life in America unaffordable. However, that's not really the case, based on the simple family "budget estimate" calculators that you can find on the internet, and that come from non-profits and government sources. Here, for example, is what they say you should spend monthly if you live in Cape Girardeau, Missouri:



Photo courtesy of Money Smart Guides

Total Monthly Earned Income: \$4,855

Housing Cost: \$680

Food: \$588

Transportation: \$1,289

Health Care: \$1,199

Other: \$449

Taxes: \$650

What do you notice from this table? There are some immediate takeaways:

- Transportation costs roughly **twice** that of housing.
- Healthcare costs roughly **twice** that of housing.
- Taxes are roughly the same cost as housing.
- Of the six main cost centers of the average family budget, **housing comes in #3, NOT #1.**

So, let's drill down on the problems with this narrative.

If transportation and healthcare cost roughly twice that of housing, why do we never hear about those?

Seems strange, right? The Biden administration has dedicated the last three years to trying to make transportation *more* expensive through manipulating auto manufacturing to promote electric vehicles and higher efficiency gas-burning

cars. They have also allowed gasoline prices to double, hoping that you will then want to convert to an EV. Personally, it seems appalling that this gets no discussion in the media. But with so many bureaucrats' hands in the till via stock ownership in EV manufacturing, it only makes sense.

And, of course, healthcare is no different, as it's one of the largest political donors in the U.S. Anyone who has ever been taken to the hospital knows the absurd cost of American health treatment, which is the highest in the world. In an apples-to-apples comparison, the exact same treatment in the U.S. costs 100% more than in Europe. So why is there zero discussion on healthcare costs? You know the answer.

If taxes cost the same as housing, why no discussion on how to reduce those?

Once again, the silence of the media and bureaucrats on this topic is deafening. How is it fair to criticize housing cost when an equal amount of the average family's budget goes towards taxes. The amount of waste within tax expenditures is legendary. While we complain that Americans are broke, we send billions of dollars to other countries like a drunken sailor on a spending spree. I guess it's just a matter of priorities. If you cut government spending you should be able to proportionally reduce taxes, and that would free up money for U.S. households in other expense categories. But you know that's never going to happen.

And they left off one additional expense category that is also twice that of housing

The table shown above is missing one convenient expense item for most families: childcare. In other non-profit budgets that amount is, once again, roughly double that of housing. But to manipulate the numbers, this on-line tool creatively left it off. And, of course, why not? It's another subject that the media and bureaucrats don't want to get involved in.

Where can anyone even remotely hit this housing number other than mobile home parks?

I find it remarkable that any non-profit would think that it's reasonable to insert into the "housing" line item the princely sum of \$680 per month. I do not know of a single market in the U.S. where this is even remotely true. The current stats are \$2,150 per month in rent for a single-family home, \$2,000 per month for rent on an apartment, and around \$300 per month in lot rent in a mobile home park. Even if you halved the average U.S. rent on the house and apartment, you'd still be twice the budget. I live in a tiny town in Missouri and our rents are around \$900 per month for houses and apartments - and that's not even close to this housing target. And, on the mobile home

The Concerned Community Owner Cont.

park side, even if you had to buy a mobile home to stick on that lot, you could still hit that target if you buy a used one.

So why do only mobile home park owners get criticized when we're the only category that works?

This is what's really frustrating about all this hypocrisy: we're the only option on the entire list that is attainable to hit the budget and yet we're also the only one that gets criticized! Why is that? The reasons for that, in all likelihood, include:

- Park owners are a very small group that has little collective political power. We don't really make big donations and have proven historically to be ineffectual at the national level.
- The left has created this narrative - repeated by the media a hundred times a day - that landlords are evil. They call this concept the "free rent movement".
- The average voter is stupid. Winston Churchill once said that "to lose confidence in democracy, all you have to do is talk to a voter for 5 minutes". The average American has no business sense or savvy and cheerfully elect bureaucrats that don't appreciate what park owners do or their ability to produce the only affordable housing in the U.S.

- We let them. How often do you see anyone give a sensible rebuttal to all the stupidity that the press shoots out daily like a cattle feed lot? Only the MHU Weekly News Review has the courage to tell the truth [subscribe here for free].

Conclusion

When the media or bureaucrats criticize mobile home park owners and give false narratives that we are ruining America with pricing that is the envy of all other housing options, the simple response should be "when you get a handle on transportation, healthcare, taxes and childcare, then give me a call and let's debate the topic." Call them out for what is blatant hypocrisy and don't back down. In the 1976 film "Network" the news anchor starts screaming "I'm mad as hell and I'm not going to take it anymore". Follow his lead. Enough is enough.



The Concerned Community Owner is a new column focused on issues facing Managers, Owners and Investors in today's real estate climate. Submitted anonymously - these articles are provided by our readers throughout the nation. Are you concerned? Submit your article to staff@manufacturedhousingreview.com for a chance to be featured. Contrary thinkers are also invited to reply.

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Mastering the Management of Out-of-State Rental Property Taxes

By Nichole Stohler

Investors seeking higher returns and better opportunities may seek out-of-state investment properties. While the potential rewards are compelling, tax obligations can quickly become complicated if you own rentals across state lines. Discover the steps for filing taxes on those out-of-state rentals, including the state tax rate structures and how to avoid double taxation.



Photo courtesy of Azibo

As a savvy real estate investor, you might be looking to buy rental properties outside of your home state to diversify your portfolio and tap into markets with higher growth potential. Perhaps property prices are more affordable in other areas, or the rental yields are stronger due to better job markets and population growth. Whatever the motivation, owning out-of-state rentals complicates tax-paying.

This article provides a guide on filing taxes on out-of-state rental income. It covers the multi-step process of filing returns for your property owned and how to claim tax credits to avoid double taxation on the same income. We'll also discuss the pros and cons of owning rentals across state lines, from portfolio diversification to the challenges of remote management.



Photo courtesy of FortuneBuilders

Managing out-of-state rental property taxes may not be the most thrilling topic, but it's something that's essential to master in order to keep the IRS out of your hair and save yourself as much money and stress as possible. With the right guidance

and support, the advantages of diversifying your real estate investments across different markets can outweigh the added tax complexities involved, making it worth your while.

Paying taxes on out-of-state rental property

Real estate investors who own rental property in another state must file a non-resident state tax return where their rental property is located. In addition, you'll have to pay that state taxes on your net rental income.

How exactly does this play out? Well, let's say you live in California but have a rental property in Ohio. Come tax time, you'll have to file a non-resident Ohio return. Your resident state, California, will also tax the net rental income and provide a tax credit for taxes paid to the non-resident state to avoid double taxation.

If you own rental properties in multiple states, you'll need to file a tax return for each state.

Filing taxes on rental property located out-of-state

The process for filing returns and paying taxes on your out-of-state property's rental income is as follows:

1. File your federal tax return

Property owners should start with their federal income tax return first. This includes:

- Form 1040: The standard form used by all individuals to file their annual income tax return.
- Schedule E: Real estate investors should use this form to report their rental property income and losses.
- Schedule A: This form allows each real estate investor to claim allowable home mortgage interest, property taxes, and other itemized deductions instead of taking the standard deduction.
- Form 4562: A key tax benefit of real estate investment is depreciation, which reduces your overall tax burden. You'll document your depreciation expense on this form, along with other deductions like property improvements.

2. Submit your resident state income tax return

The next step is to file your resident state income tax returns. You'll gather information from your federal tax return information as well as other documents related to your taxable rental income and expenses. Complete your tax forms and calculate your tax liability, apply relevant deductions and credits, and determine your final tax or refund amount.

3. Complete your out-of-state tax return

Now, you'll file a non-resident tax return in each state where you own real estate and collect rental or other income from that property.

Mastering the Management of Out-of-State Rental Property Taxes Cont.

4. Apply for your resident state tax credit

After submitting all your tax returns, you can claim a credit on your resident state return for taxes paid to other states on your out-of-state rental income.

To apply for this credit, first calculate the tax paid in the state where the rental property resides. For example, if you earned \$10,000 in rental income and the tax rate in the non-resident state is 5%, you would have paid \$500. Then, estimate what you would owe in your resident state. If the rate is 6% on the same income, your tax would be \$600.

On your home state tax return, claim a credit for the tax paid to the non-resident state, using the lesser amount of the two calculations – in this case, a \$500 credit.

State income tax structures

The tax structures in various states can greatly affect investors who own rental property. Here's an overview of [state tax structures for 2024](#):

States with no income tax

Investing in states without a state income tax can be appealing due to the potential savings on tax liabilities from rental income. However, be aware that these states may balance their budgets by imposing higher property or sales taxes. States with no income tax include:

- Alaska
- Florida
- Nevada
- South Dakota
- Tennessee
- Texas
- Wyoming

Flat-income tax states

Investing in states with a flat income tax rate can simplify financial planning for property investors. The tax rate on rental income remains constant regardless of your taxable net income amount. This predictability helps budget and assess the potential profitability of rental properties.

Be sure to evaluate the overall impact of a flat tax in the context of other state and local taxes. Here are the states that have a flat income tax rate:

- Arizona
- Colorado
- Georgia
- Idaho
- Illinois
- Indiana
- Kentucky
- Michigan
- Mississippi
- New Hampshire (only for interest and dividend income)

- North Carolina
- Pennsylvania
- Utah
- Washington (only on capital gains)

Graduated income tax states

In these states, the tax rate increases with higher income, which means that the more income you earn, the higher the percentage of tax you may pay.

- Alabama
- Arkansas
- California
- Connecticut
- Delaware
- Hawaii
- Iowa
- Kansas
- Louisiana
- Maine
- Maryland
- Massachusetts
- Minnesota
- Missouri
- Montana
- Nebraska
- New Jersey
- New Mexico
- New York
- North Dakota
- Ohio
- Oklahoma
- Oregon
- Rhode Island
- South Carolina
- Vermont
- Virginia
- West Virginia
- Wisconsin
- Washington D.C.

The pros and cons of owning rental property out-of-state

There are advantages and disadvantages to owning real estate property in other states. Here are major areas to consider:

Potential advantages

- **Diversification:** Investing in different geographic areas can reduce risk, as your investment properties aren't all subject to the same market conditions. This can help protect you against local economic downturns.
- **Higher returns:** Some out-of-state markets offer higher rental yields compared to local markets, especially in areas where property prices are lower but rental demand remains high. This can provide better cash flow and overall returns on your investment.

Mastering the Management of Out-of-State Rental Property Taxes Cont.

- Access to more opportunities: Different states and cities have unique growth trends and potential. Investing out of state opens up more opportunities to capitalize on markets with strong job growth, population increases, and infrastructure development.
- Lower property prices: In many cases, out-of-state markets may offer lower entry prices than your local market, making it more feasible to purchase properties or get a better value for your money.
- Tax benefits: The location may offer better tax conditions than where the investor resides. These benefits could take the form of lower property taxes or incentives that can improve profit margins.
- Property management: Investing out-of-state often means hiring a property management company. This can make owning property more hands-off, allowing you to grow your portfolio without being bogged down by day-to-day management tasks.

Potential disadvantages

- Distance management challenges: Managing property from a distance can be difficult without the right support. Issues like repairs, tenant management, and regular maintenance require more effort and reliance on local teams.
- Lack of local knowledge: Not being familiar with the local market can lead to poor investment decisions. For success, a property owner needs to understand neighborhood dynamics, the local economy, and tenant demographics.
- Property management expenses: This is an additional expense that can cut into your profits and income. It also requires trust in the property management company you've hired to manage your property effectively.
- Higher operational costs: Traveling to check on your property or to manage tenant turnovers and maintenance issues can add significant costs and logistical complications.
- Legal and regulatory hurdles: Every state and municipality has different laws regarding landlord responsibilities, tenant rights, property taxes, and rental regulations. Managing these can be complex without local expertise.
- Tax complexity: Filing taxes can become more complicated, since you need to complete multiple state tax returns and understand various tax implications in different states.

Managing taxes with out-of-state property

Consider using accounting software like Azibo to manage taxes effectively as an out-of-state rental property owner. A strong system can help you track income and expenses for each property and streamline the tax preparation process. Dedicated software makes sure your financial records are organized and audit-ready come tax season.

Managing rental income from another state

Expanding your real estate portfolio across state lines opens up exciting opportunities but also adds a layer of complexity when it comes to state taxes. Out-of-state properties provide access to stronger markets, higher returns, and portfolio diversification, but they also require diligent record keeping and compliance with tax laws in multiple jurisdictions. For a real estate investor, the potential rewards make tackling these challenges worthwhile.

Following the best practices outlined in this guide can help you pursue promising rental investments, wherever they may be. Seeking professional guidance from a real estate CPA experienced in out-of-state real estate can provide peace of mind and maximize your benefits.

With the right approach, owning property out-of-state can be a great wealth-building strategy that mitigates risks and increases your returns over time.

Owning rental property in another state taxes FAQs

How is rental income taxed in the U.S. for non-residents?

Rental income received by non-residents from U.S. real property is taxed at 30% of the gross rental income unless there is a lower tax treaty rate for your resident country.

Do you have to pay capital gains in two states?

No, you pay tax on a capital gain to only one state – either the state where you reside or the state where the investment property is located, not both.

How does the IRS know if I have rental income?

The IRS can learn about your rental income through several sources, including your tax return, data from banks/payment processors, and records audits.

Important note: This article is for informational and educational purposes only. This article should not be taken as legal advice or used as a substitute for such. You should always speak to your own legal counsel before taking action.



Nichole Stohler

Nichole co-founded Gateway Private Equity Group, with a history of investments in single-family and multi-family properties, and now a specialization in hotel real estate investments. She is also the creator of NicsGuide.com, a blog dedicated to real estate investing.

Biden Proposes Nationwide Rent Control

By The Editorial Board

He wants to cap rent increases at 5% a year, if you can believe it.



President Joe Biden speaks during a press conference at the close of the 75th NATO Summit, Washington, July 11. PHOTO: MANDEL NGAN/AGENCE FRANCE-PRESSE/GETTY IMAGES

We hoped President Biden had merely misspoken during last week's NATO press conference when he mentioned capping rents. Alas, no. On Tuesday he unveiled a nationwide rent-control plan, another classic White House policy contradiction: Subsidize housing, then discourage its development.

Higher mortgage rates and home prices are pushing Americans out of the home-buying market. This is contributing to higher demand for rental housing. Rents on average nationwide have risen 30% over the last four years and even more in Sun Belt states with fast-growing populations. Evictions are also increasing in many markets.

Enter Mr. Biden, who on Tuesday pitched conditioning "valuable federal tax breaks" on landlords capping rent increases at 5% annually. The White House says its plan would apply to "corporate" landlords with more than 50 units, covering more than 20 million units or roughly half the country's rental stock.

What are such lucrative tax breaks? The press release refers to "faster depreciation write-offs." Under the current tax code, residential rental property owners can depreciate a building's value over 27.5 years, rather than 39 as for other types of commercial real estate. A shorter depreciation schedule increases the incentive to invest in rental housing.

Conditioning this tax benefit on landlords limiting rents to 5% would do the opposite. It would reduce and could even eliminate the return on rental housing investments, especially since inflation has driven up insurance, construction and maintenance costs. Investors will have to pay higher taxes or accept a lower return. The Administration wants to increase subsidies for affordable housing even as it promotes policies to make such projects less financially attractive.

The White House says its rent-control ultimatum won't discourage new housing investment because it would apply only to existing units. But developers will rightly anticipate that the policy will eventually be extended to newer units, which will factor into their investment calculus. Reducing the return on completed projects also reduces the capital available to invest in new ones.

This is also what the Department of Housing and Urban Development (HUD) did in March when it capped annual rent increases at 10% for rental units that benefit from the low-income housing tax credit. The ceiling was previously set at twice the annual increase in the median household income, which would have been 14.8% this year.

Tax depreciation schedules are set by statute, so Congress would have to enact Mr. Biden's new national rent-control plan. But the expiration of the Trump tax cuts at the end of 2025 will provide him with negotiating leverage if he is re-elected with Republican control of one or both chambers of Congress. There is also bipartisan support in Congress for increasing housing tax subsidies.

It's hard to think of a worse idea than imposing rent control nationwide through the tax code. It would reduce investment in new supply and drive up rents in units not subject to government caps. Look at New York City where nearly half of units are "rent stabilized," and the average one-bedroom apartment costs \$4,300 a month.

As Mr. Biden's re-election prospects grow more dire, his policy lurches to the left are becoming ever more radical.

WSJ

The Wall Street Journal Editorial Board members oversee the Journal's editorial page, dictating the tone and direction of the newspaper's opinion section.

Rent control in the United States is a contentious issue that has significantly influenced the nation's economic, social, and political landscape. While aimed at regulating rent prices to ensure affordable housing, rent control policies have faced substantial criticism and revealed numerous flaws over the last century.



Photo Courtesy of Multifamily Executive

The concept of rent control dates to World War I when temporary measures were placed in urban areas to curb a surge in rents. During World War II rent control became more entrenched with the goal to stabilize housing costs during economic crises. After World War II, cities with severe housing shortages maintained rent control measures even though federal regulations had been lifted. Economic instability and high inflation in the 1970s brought another surge of rent control in major cities. These measures designed to shield tenants from excessive rent hikes and displacement often resulted in unplanned consequences that harmed the very individuals it was designed to help.

Rent control policies tend to reduce the overall supply of rental housing, as they discourage new development with the capping of potential rental income and continued maintenance of existing properties leading to deteriorating conditions. With rent control limiting the revenue property owners can generate, there is less incentive to invest in property maintenance and improvements. Over time, this can lead to the deterioration of rental properties, resulting in substandard living conditions for tenants. This is particularly problematic in high-demand urban areas where additional housing is most needed.

Landlords may respond to rent control in the same market by increasing rents on non-controlled units or by implementing additional fees to recoup lost income. Effectively the financial burden is shifted to new tenants or those not covered by

rent control protections not alleviated. This shift then leads to inefficiencies in the housing market.

Tenants in rent-controlled units are often less likely to move, even when their housing needs change, leading to a mismatch between housing availability and demand. Additionally, rent control can benefit higher-income tenants who do not necessarily need financial assistance, thereby failing to target the intended low-income population effectively. Another unforeseen consequence is the reduction in real estate tax revenue when rent-regulated properties and nearby unregulated properties see reduced values. With less tax revenue, the quality of local education and other government services drops, snowballing the tenants drop in quality of life.

Rent control in mobile home parks (MHPs) has its own unique history and set of challenges. MHP rent control policies emerged in response to the vulnerability of mobile home residents, who, despite owning their homes, rent the land on which these homes are situated. This creates a unique dependency on landlords, making residents particularly susceptible to rent increases and displacement.

In the late 1970s and 1980s, several California cities implemented MHP rent control ordinances to protect residents from excessive rent hikes. These measures were often driven by local activism and the recognition of the unique challenges faced by mobile home residents. Similar to California, Florida saw a wave of MHP rent control measures in the 1980s, with residents lobbying for protections against arbitrary rent increases and the conversion of parks to other uses.

Research has shown mixed results regarding the effectiveness of MHP rent control. While it has provided some stability for residents, it has also led to reduced investment in park maintenance and a decline in the overall quality of living conditions.

The COVID-19 pandemic had a profound impact on the housing market, highlighting the vulnerabilities and challenges faced by both rental property owners and tenants. Overcrowded living conditions increased the risk of contracting COVID-19, while the economic shutdowns led to widespread job losses, significantly affecting the rental housing sector. To mitigate the economic fallout, various emergency measures were implemented.

Many states and cities imposed temporary bans on evictions to prevent a surge in homelessness. The federal government

The History and Flaws of Rent Control in America Cont.

also enacted an eviction moratorium through the CDC, which lasted in various forms until mid-2021. Some jurisdictions enacted temporary rent freezes to provide financial relief to tenants struggling with reduced incomes. Federal and state governments allocated billions of dollars in rental assistance to help tenants pay overdue rent and support landlords facing revenue losses.

Many tenants were unable to pay rent due to job losses, resulting in substantial revenue losses for property owners. This reduced cash flow made it difficult for some landlords to maintain their properties, leading to deferred maintenance and deteriorating conditions. Additionally, operational costs increased due to the enhanced cleaning protocols and safety measures. The various eviction moratoriums and rent control measures added further complexity and legal burdens for property owners to navigate.

Despite eviction moratoriums, many tenants lived in constant fear of losing their homes once these protections expired, creating a pervasive sense of housing insecurity. The moratoriums did not forgive rent, leading to the accumulation of significant rental debt for many tenants that they couldn't hope to pay off. In addition, bureaucratic hurdles and delays made accessing rental assistance funds challenging.

The pandemic underscored the need for a more resilient and equitable rental housing system. International studies confirm that rent control suppresses new rental housing production and can lead to similar negative outcomes seen in the U.S. Moving forward, several key areas require attention. Ensuring that rental assistance is both accessible and efficiently distributed is essential to support tenants and landlords alike. Policymakers must strike a balance that shields tenants from economic shocks while allowing landlords to maintain their properties and achieve a fair return on investment.

Significant investment in the development of affordable housing is critical to easing the pressure on the rental market. Adapting rent control policies to respond to economic conditions can help stabilize the rental market without discouraging new housing investments. Per NMHC Report: Rent Regulation Policy in the United States, "It would be far more effective to

supplement wages for lower-income households (such as through a guaranteed minimum income program) to improve their ability to compete for housing." NMHC | NMHC Report: [Rent Regulation Policy in the United States](#)

The history of rent control in the United States reveals a complex interplay of intentions and outcomes. While aimed at providing affordable housing, rent control policies have often led to unintended consequences that undermine their goals. A comprehensive approach addressing housing affordability, financial stability, and equitable protections for all stakeholders is vital in creating a more robust and fair rental housing market.



By Ferd E. Niemann IV, Partner at The MHP Law Firm (www.TheMHPLawFirm.com), a firm that specializes in representing community owners, sellers and buyers in all aspects of MHC transactions and management. Mr. Niemann hosts *The Mobile Home Park Lawyer Podcast* which focuses on issues associated with owning, buying/selling, and operating MHCs. In addition, Mr. Niemann has owned and operated 24 MHCs totaling over 1,600 sites.



Accessory Dwelling Units: Keeping Generational Families Close to Home

By Northwest Housing Association

Countless Washington State families are seeking **alternatives of having a second home for an aging parent and other family members on their property.** Washington's manufactured housing retailer dealerships have the affordable housing solution with the Accessory Dwelling Unit (ADU). Northwest Housing Association's (NHA members have the affordable option to address Washington State's housing needs, especially with providing housing solutions for existing homeowners seeking to add a smaller residential unit on the same lot of an existing single-family-home. **CLICK** here for the NHA ADU flyer: manufactured housing for ADU Units for more information.

Examples of Accessory Dwelling Units (ADUs)

ADUs in blue; main residence in white

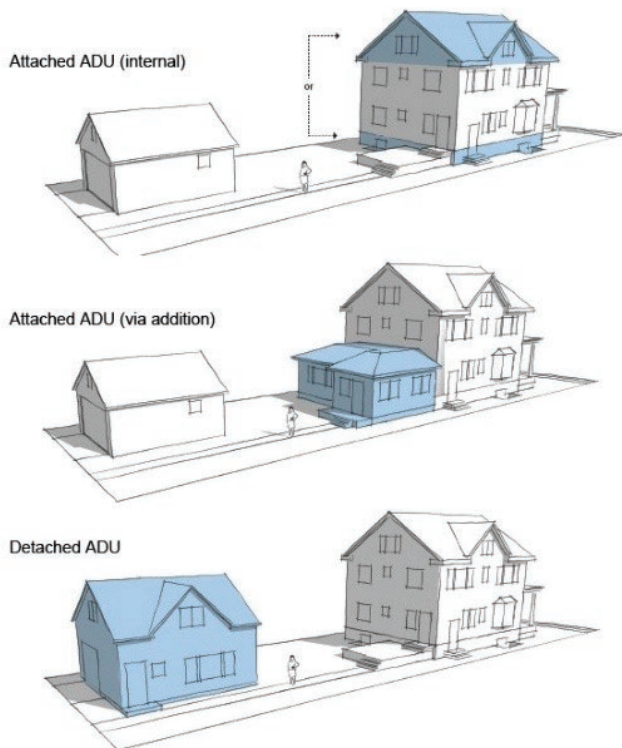


Image credit: City of Saint Paul, MN

John Lee of Site Services, LLC of Mount Vernon, Washington, said, "Across Washington, homeowners have sought building permits from their local building departments for years only to be directed to **hardship exemption permit application** for properties for an aging parent or other family member to add a second home on their building lot. It has been common practice that the hardship exemption application could be sought but with the requirement that the accessory dwelling

be removed after the family member passes or no longer resides in the accessory dwelling. This requirement gives little consideration for the financial impact for the families who install these dwellings. New regulations now allow that accessory dwellings meeting the size limitation can stay on the property so long as they meet the use requirements of the jurisdiction. Fast forward, in the recent years, Accessory Dwelling Units (ADUs) have become more common place and Washington State homeowners can seek and secure building permits from their local city and county building departments."

Lee further said, "It is important that homeowners, manufactured home dealers, contractors, and permit specialists have a clear understanding of ADU application and future siting of the ADU home."

Lance Clark, Executive Director of Northwest Housing Association, said, "**Homeowners have the option of placing either a site-built or HUD approved manufactured housing ADU unit on their lot or private property.** Pictured below are examples of ADU units (2023 Washington legislation addresses recent laws passed); the third photo is the common ADU the manufactured housing industry sells homeowners with private land. Homeowners seeking to develop an ADU on their property need to budget accordingly, such as impact fees, permitting fees, utility connection costs, and increased property taxes in addition to labor and materials costs associated with the actual construction of an ADU. Some local governments are seeking to directly reduce cost-burdens and incentivize ADU development."

For more information, Washington Association Building Officials, contact your local building departments at <https://www.wabo.org/find-your-bo>.

New Washington State legislation (Effective July 23, 2023) and RCW's since the 1990's

- [EHB 1337](#) requires cities and counties to allow ADUs in urban growth areas and prohibits cities from applying certain regulations to ADUs.
- [E2SSB 5045](#) allows a county with a population of 1.5 million or more to provide a property tax exemption for ADUs rented to low-income households under specified conditions.
- [RCW 43.63A.215](#) and [RCW 36.70A.400](#), adopted as part of the 1993 Washington Housing Policy Act, require many Washington cities and counties to adopt ordinances encouraging the development of accessory apartments or ADUs in single-family zones.

Accessory Dwelling Units: Keeping Generational Families Close to Home Cont.

What is an ADU?

An accessory dwelling unit (ADU) is a small, self-contained residential unit located on the same lot as an existing single-family home. An ADU has all the basic facilities needed for day-to-day living independent of the main home, such as a kitchen, sleeping area, and a bathroom. As the term "accessory" implies, ADUs are generally defined to be smaller in size and prominence than the main residence on the lot. Some definitions include specific size limits, and a location that is not readily visible from the street.

In theory, an ADU may be created as a separate unit within an existing home (such as in an attic or basement), an addition to the home (such as a separate apartment unit with separate entrance), or in a separate structure on the lot (such as a converted garage). Some communities, however, only allow ADUs that are within or attached to the main residence, and exclude ADUs housed in a separate structure.

Whether attached or detached from the main residence, most codes require that the main residence and the ADU must be owned by the same person and may not be sold separately.

ADUs are sometimes called "mother-in-law apartments" or "granny flats," because they are often used to house extended family. Other codes use terms such as "accessory apartment," "accessory living unit," or "secondary unit," to have a similar meaning. <https://mrsc.org/explore-topics/planning/housing/accessory-dwelling-units>

HUD Manufactured ADU's are a far better solution than the traditional site (stick) built option.

- Factory labor typically runs about 50% less than field labor.
- There is less than 5% waste in materials.
- The entire building process is done in a factory controlled environment.
- All structural and construction inspections are performed in the factory by HUD certified inspectors. This allows the entire building process to move much more efficiently and is far less time-consuming.
- Large volumes of plans, specifications, details, cross sections, etc are not necessary because the HUD Manufactured ADU is delivered to the site 100% code compliant and ready to install.

- It is move in ready immediately after the final inspection has been completed and a Certificate of Occupancy (CO) has been issued.
- This eliminates what can amount to weeks of plan reviews, corrections, re submittals and nauseam and finally approval. It's not unusual to get tied up in just the plan review process for months in some cases.
- Add to that myriad fees that are charged by the building department for various services and it's not hard to understand why the site built option can be extremely time consuming, costly and frustrating.



Northwest Housing Association, a 501 c (6) non profit, trade association representing Washington State's manufactured housing industry (manufacturers, retailers, lenders and associates), is your source of information on affordable and attainable housing, as well as Accessory Dwelling Units.

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6 Must-Have Mobile Home Park Amenities to Upgrade Your Community

By [Rebecca Cline](#)

Upgrading your mobile home park community is one of the best decisions you can make for your tenants, your staff, and even yourself. Property amenities not only increase tenant retention but can also boost real estate metrics such as cap rates.



The best mobile home park amenities enhance your property, improve tenant interactions, and make day-to-day activities more convenient. Read on to discover the must-have amenities for such as [mobile home park access control](#) and how to incorporate them.

What are the benefits of mobile home amenities?

Amenities are a great way to bring the community together. Further, they also have the power to improve people's quality of life and turn your mobile home community into a luxury mobile home community. Moreover, as a community manager, many amenities can also help make your job easier.

Amenities benefit community mobile home parks by:

- **Boosting NOI.** Certain amenities can help bring in tenants and drive rental increases. This can easily result in a [higher NOI](#).
- **Enhancing accessibility and convenience.** Most people (including yourself) feel weighed down by their daily tasks. Some amenities will enhance convenience, which in turn can increase productivity.
- **Instilling a sense of community.** Community is important because it's a foundation for belonging. People are more likely to renew their leases or rent space where they feel like part of a larger community.

What are the best amenities for a mobile home park?

When choosing amenities for your mobile home living community, considering residents' needs will go a long way.

For instance, what would make their lives better or easier? From there, you can begin to create a list of amenities to upgrade or install.

1. Bright property lighting

As you know, most manufactured home communities are planned over an expansive piece of land. This makes adequate lighting a must in order for tenants to navigate the property without injury or accident.

Furthermore, most planned communities, such as trailer parks, have to [meet certain regulations](#), such as safety lighting.

2. Recreational facilities

Mobile home parks with pools, exercise rooms, and community rooms will see the highest resident retention because these recreational offerings help minimize the number of places people need to go for these things.

Most people won't mind [paying an amenity fee](#) for recreational spaces they only need to walk to. So, you can charge a small amenity fee to pay for the purchase and installation of an amenity space.

3. Laundry facilities

Providing laundry facilities for families in your mobile home community will drastically increase convenience. Installing washer and dryer units in a mobile home or routinely paying to clean clothes at the laundromat can get expensive. So, tenants often look for properties with laundry facilities available.

4. Pet amenities

Allowing tenants to bring their [dogs or cats](#) is also a great way to attract residents.

Pet amenities such as dog parks and dog waste stations are relatively inexpensive to include in your community. And by creating enforceable community guidelines, you can maintain a peaceful, pet-friendly environment.

5. On-call maintenance crew

If you've ever rented, you know how uncomfortable it can be to have to wait through a maintenance emergency without help. Whether it's a major leak or a busted light bulb, having to wait overnight for a crew to assess the issue is less than ideal.

Tenants will appreciate that their maintenance calls won't be put on hold when you hire a full-time, on-call maintenance crew.

6. Secure & convenient access control

All of these things are amazing additions to your community, yourself, and the staff. But you're likely wondering how you're supposed to keep all those amenities secure without 24/7 staff to monitor.

6 Must-Have Mobile Home Park Amenities to Upgrade Your Community Cont.

Investing in an access control system is one of the best things you can do for your mobile home park investment because will ensure your amenities are secure and your tenants feel safe on your property.

Controlling access to your mobile home park amenities

An access control system is the easiest and most convenient way to protect your amenity spaces.

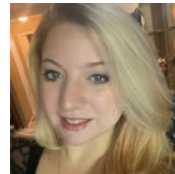
Access control systems secure amenity spaces by:

- **Helping property managers monitor use.** Property management companies can view and add or revoke property members via an online database. They can also review date- and time-stamped photos of people who access any given space.
- **Providing more convenience to tenants.** Most access control systems make it easier to ditch outdated keys for access. Instead, residents can use fobs, PIN codes, or even their cell phones.
- **Enabling convenient, smartphone-based access.** With smartphone-powered devices like video intercoms and keypads, residents can unlock amenity spaces and grant access to their visitors with just their smartphones.

- **Securing against unauthorized access.** Some tenants and managers worry that amenity spaces might be used by people outside the community. But most access control solutions, such as keypads, smart locks, and video intercoms, will keep unauthorized visitors out of the space.

Takeaways

- The benefits of mobile home amenities include positive impacts on real estate metrics, enhanced convenience, and an increased sense of community.
- The best mobile home park amenities include bright property lighting, recreational facilities, laundry facilities, pet amenities, on-call maintenance, and access control systems.
- Control access to your amenity spaces with an access control system like ButterflyMX.



Rebecca Cline

Rebecca is based in Northern Virginia and has been a writer all her life. She loves learning new things and enjoys writing everything from real estate to property management!



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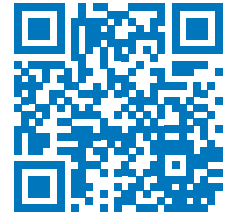
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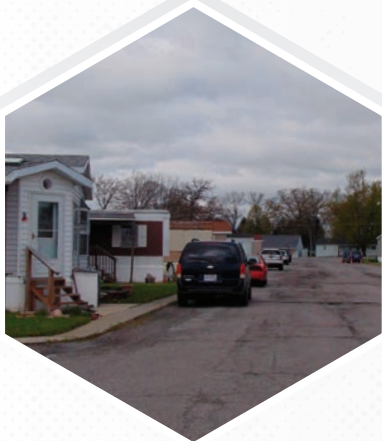
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Photo courtesy of byootna.com

Bank-owned Property, or Real Estate Owned (REO), offer a unique opportunity for investors and homebuyers. These properties, acquired by banks through foreclosure processes, come with various advantages that make them attractive investments. This article will explore the advantages of buying bank-owned properties (REOs) and explain why they can be a smart choice for individuals looking to enter the real estate market or expand their investment portfolio.

Attractive Pricing

One of the most significant advantages of buying bank-owned properties is the potential for attractive pricing. Banks are eager to sell these properties quickly to recover their investment, often resulting in listing prices below market value. This favorable pricing allows investors to acquire properties at a discount, increasing the potential for substantial returns on investment. Additionally, the lower price point can appeal to homebuyers looking for affordable options in desirable locations.

Lower Competition

Compared to properties listed through traditional channels, bank-owned properties often experience less competition. These properties are not actively marketed in the same way as regular listings, which means there are typically fewer potential buyers vying for them. With lower competition, investors and homebuyers can secure their desired property better without facing multiple competing offers. This reduced competition can lead to smoother negotiations and better purchase terms.

Clear Title and Reduced Risks

Buyers can enjoy the advantage of a clear title when purchasing an REO property. Banks typically conduct thorough title searches and resolve any outstanding liens or encumbrances before selling the property. This ensures buyers are not burdened with unforeseen financial obligations or legal issues after the purchase. The peace of mind that comes with a clear title significantly reduces risks associated with hidden liabilities.

Opportunity for Renovations and Improvements

Bank-owned properties often require some level of renovation or repair. However, this can be an advantage for buyers. Banks typically sell REO properties in "as-is" condition, allowing investors and homebuyers to make desired renovations and improvements according to their preferences and budget. This flexibility presents an opportunity to add value to the property, enhance its market appeal, and increase rental income or resale value.

Financing Options

Many banks are willing to offer financing options for buyers interested in purchasing their REO properties. This can include attractive loan terms, such as lower interest rates or reduced down payment requirements. Banks may also offer renovation loans specifically tailored for REO properties, which can help buyers cover the costs of repairs and improvements. These financing options make bank-owned properties more accessible to a wider range of buyers, including those with limited capital or those seeking additional funds for renovations.

Access to Property Information

When buying an REO property, buyers often have access to crucial information that can inform their decision-making process. Banks typically provide property details, including inspection reports, past appraisals, and known issues or defects. This transparency lets buyers make informed decisions and assess the property's condition and potential profitability. Access to comprehensive information is invaluable for setting a pricing strategy, estimating renovation costs, and determining the property's rental or resale value.

Conclusion

Purchasing bank-owned properties (REOs) can provide numerous advantages for investors and homebuyers. From attractive pricing and reduced competition to clear titles, renovation opportunities, financing options, and access to property information, REOs offer many opportunities for those looking to capitalize on the real estate market. However, conducting thorough due diligence and working with experienced professionals are important to ensure a successful and profitable transaction. By carefully considering the advantages of buying bank-owned properties, investors and homebuyers can make informed decisions and maximize their potential for success in the real estate market.



With a successful career as a real estate investor under his belt, Cincinnati-based Joe Fairless has become an authority in the business of property ownership. In addition to his podcast, The Best Real Estate Investing Advice Ever Show (which is the longest-running daily podcast about real estate in the world), he frequently speaks at events and writes for publications like Forbes and Entrepreneur.

MHARR – ISSUES AND PERSPECTIVES: A Supreme Court Gift to the MH Industry

By Mark Weiss, MHARR

By now, thanks to MHARR research and analysis, as presented in a March 1, 2024 Talking Points Paper entitled, “Summary of the Three Main Bottlenecks Suppressing Manufactured Housing Production, Marketing and Sales,” industry members are aware of the principal regulatory bottlenecks that are preventing the industry from producing and selling hundreds-of-thousands of affordable mainstream homes annually, notwithstanding the fact that the industry is today building its best homes ever. Fortunately, however, the U.S. Supreme Court has recently issued a landmark decision that if used wisely and forcefully by the industry and especially its post-production sector, could help to eliminate these bottlenecks and others that could emerge in the future.



Photo courtesy of MHARR

Specifically, on June 28, 2024, the United States Supreme Court announced its decision in Loper Bright Enterprises v. Raimundo. In that case, the Court overruled forty years of judicial deference to Executive Branch interpretations of ambiguous statutes under Chevron USA, Inc. v. Natural Resources Defense Council, Inc., stating: “Courts must exercise their independent judgment in deciding whether an agency has acted within its statutory authority.... [C]ourts need not and under the [Administrative Procedure Act] may not defer to an agency interpretation of the law simply because a statute is ambiguous.” (Emphasis added). It is important to note that the Court’s reference to the Administrative Procedure Act (APA) is not coincidental. Rather, the APA lies at the heart of the Loper Bright ruling, wherein the Court further noted: “The APA ... codifies ... judicial practice dating back to Marbury v. Madison”: that courts decide legal questions by applying their own judgment. *** The deference that Chevron requires of courts reviewing agency action cannot be squared with the APA.” (Emphasis added).

So, what does all this mean for the HUD Code manufactured housing industry? To many, the Loper Bright decision will sound like legal gibberish with no real world impact. For a comprehensively federally-regulated industry like manufactured housing, though, the elimination of Chevron deference in regulatory legal challenges could mean quite a lot.

Any time a person or a business considers litigation, there is an important calculus that must be performed. Because litigation is so costly, and represents such a significant allocation of resources, any prudent potential litigant needs to consider and weigh, as objectively as possible, the probable cost and time outlays of litigation versus the likelihood of prevailing or not prevailing in court, and the likely future consequences and implications of each. For a comprehensively federally-regulated industry like manufactured housing, this type of calculus is crucial to ensuring that regulatory or other disputes with federal government agencies are addressed in the most efficient and cost-effective manner possible, that industry resources are not wasted on unrealistic windmill tilting, and that legitimate efforts do not backfire in ways that could cause future harm disproportionate to their current value.

For the past forty years, this type of litigation calculus has had to account for Chevron deference, which gave the government a distinct advantage in regulatory litigation. Under the Chevron doctrine, a court reviewing federal action under the APA (which requires a court to set aside agency action that is arbitrary, capricious or an abuse of discretion) was essentially bound to defer to the administering agency’s interpretation of a controlling statute or statutory term, if either were found to be “ambiguous.”

Over the long term, the elimination of this type of deference will have both “defensive” and “offensive” implications for the industry and its ongoing efforts to ensure that federal regulation is fair, reasonable and, most importantly, cost-effective for American consumers of affordable housing. Its defensive impacts will become clear, over time, as HUD and other agencies make regulatory decisions and consider standards, practices and procedures that affect the industry and its consumers. The elimination of Chevron deference in those contexts, will allow the industry to take more aggressive credible positions in rulemaking (and related) proceedings and interactions, and have, potentially, a greater impact in preventing or moderating harsh or damaging regulatory proposals.

From an “offensive” perspective, the elimination of Chevron deference could alter the status quo (and the litigation

MHARR – ISSUES AND PERSPECTIVES: A Supreme Court Gift to the MH Industry Cont.

calculus) on all three of the principal bottlenecks (i.e., discriminatory zoning exclusion, inadequate Duty to Serve implementation and baseless energy regulation) that are currently suppressing (or imminently will suppress) industry growth and expansion. The answer, ultimately, will depend on how skillfully this fundamental change in the law is wielded by industry organizations and advocates. That being said, how could the elimination of Chevron deference impact the three major bottleneck issues suppressing the industry (assuming that it is not eventually – albeit unlikely -- reinstated via legislation)?

Discriminatory Zoning Exclusion: The devastating impact of such anti-affordable housing state and local edicts on both consumers and the industry has already been addressed extensively by MHARR and should not be a matter of dispute within the industry. Meanwhile, the most efficient and cost-effective remedy for this abuse has been in plain sight for decades. As MHARR has explained repeatedly, the Manufactured Housing Improvement Act of 2000 (2000 Reform Law) added language to the federal preemption provision of the National Manufactured Housing Construction and Safety Standards Act of 1974 that addresses this issue. First, the 2000 Reform Law provides that federal preemption under the 1974 Act, as amended, is to be “broadly and liberally” construed. Second, the 2000 Reform Law extends the scope of preemption to encompass not only state and local safety and construction standards that are not identical to the federal standards, but to all state and/or local “requirements” that impair the comprehensive federal “superintendence” of the industry.

MHARR, for its part, has always contended that this language provides HUD with ample authority to preempt state or local zoning mandates that arbitrarily exclude HUD Code manufactured housing. HUD, however – without any public explanation -- has chosen not to use this authority to ensure that affordable manufactured homes are “available” to all Americans, as affirmatively required by the 2000 Reform Law.

So, what would/could happen if this matter were to be taken to federal court? The issue presented would be the meaning (i.e., the scope) of the “enhanced” preemption language of the 2000 Reform Law. While MHARR, for one, would argue that the 2000 amendment is unambiguous in requiring HUD to preempt state or local zoning “requirements” that exclude HUD-regulated manufactured homes, HUD would likely argue that the 2000 Reform Law “enhancements” are ambiguous while refusing to protect its own code (which is equal to

and, in some respects, superior to local building codes); the homes that HUD itself regulates; and their residents, from local infringement, discrimination and exclusion.

Under Chevron, this “do nothing” position might well have been accepted by a reviewing court, even if the “industry” position were viewed as being just as persuasive or even more persuasive, simply because HUD is HUD and a court, under Chevron, would have to “defer” to HUD’s interpretation. With the elimination of Chevron deference, though, even if the “enhanced preemption” provision were deemed “ambiguous,” HUD’s “do-nothing” interpretation would not automatically emerge as the winner. Rather, the court would engage in an independent review of the 2000 amendment, free of any forced deference to HUD, and could well conclude – given that a prime purpose of the 2000 Reform Law is to ensure the “availability” of affordable manufactured homes for “all Americans” – that “enhanced preemption” means



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what it says and that the word “requirements” does, in fact, mean all state and local “requirements” that would (or do) discriminatorily exclude manufactured homes from entire communities.

With the elimination of Chevron deference, then, the industry argument for enhanced federal preemption of exclusionary zoning mandates – which was good to begin with – has gotten that much stronger. And that, in turn, means that the industry can – and should -- put even greater pressure on HUD to enforce that preemption of exclusionary zoning requirements, or otherwise face litigation to compel compliance with the exact letter and intent of the 2000 Reform Law.

DOE Energy Regulation: While the disastrous U.S Department of Energy (DOE) energy conservation standards for manufactured homes published in 2022 are already the subject of ongoing litigation in federal court under the Administrative Procedure Act, which seeks an injunction against enforcement of the standards on the ground that they are already arbitrary, capricious and/or an abuse of discretion, that litigation has yet to proceed to a full argument and determination on the merits. Thus, the relevant question becomes – can the Loper Bright decision and the elimination of Chevron deference be used in that case to enhance the arguments that have already been asserted against the DOE standards? The short answer, in MHARR’s view, is “yes.”

Even a cursory review of the final standards rule published by DOE on May 31, 2022, shows that DOE did not hesitate to use its alleged “discretion” to interpret multiple aspects of manufactured housing energy standards mandate set forth in the Energy Independence and Security Act of 2007 (EISA). Repeatedly in its final standards rule, DOE refers to “discretion afforded by the [EISA] statute;” “ample discretion to adapt the [International Energy Conservation Code]” (IECC) and decisions relating the way “DOE interprets the [EISA] statute.” Needless to say, if the relevant EISA provision were clear and unequivocal, there would be no need for DOE to “interpret” anything or use its “discretion” to “import” concepts, conclusions and requirements that are not part of the IECC and are, to the contrary, totally alien to the IECC, which is not designed for and does not address manufactured homes. As a result, it is obvious from DOE’s own statements that the application of both EISA and the IECC to the unique structural aspects of manufactured housing is ambiguous. The question, then, becomes whether the “interpretations” underlying DOE’s “final” manufactured housing energy standards, without any deference by the court to DOE whatsoever – are arbitrary, capricious or an abuse of discretion.

Needless to say, for a multitude of reasons set forth by MHARR in its regulatory comments on the DOE proposed standards, in its August 2022 call for industry litigation to stop the DOE standards (see, August 2022 MHARR Issues and Perspectives, “Why the DOE Energy Rule Should be DOA”), and as asserted by the plaintiffs in the pending federal court litigation, DOE’s interpretations, assumptions and conclusions in the final standards rule are not reasonable, are not a reasonable construction of the EISA statute, and are, in fact, affirmatively unreasonable, lacking in any factual or legal basis, and should be rejected. Consequently, to the extent that proper application of Loper Bright could prevent any potentially outcome-determinative deference to DOE “interpretations” by the court in the energy standards case, the implications of that decision should be affirmatively asserted in that action, and not left to chance.

Non-Implementation of the Statutory Duty to Serve: Lastly, among the major bottlenecks suppressing the HUD Code industry, MHARR has extensively detailed the failure of Fannie Mae, Freddie Mac and the Federal Housing Finance Agency (FHFA) to implement the statutory Duty to Serve Underserved Markets (DTS) with respect to the vast bulk of the mainstream manufactured housing consumer financing market served by personal property or “chattel” loans. Under the most recent (2025-2027) DTS proposed plans submitted by the two Government Sponsored Enterprises (GSEs), moreover, the chattel sector – representing nearly 80% of all new manufactured home consumer purchase loans – would continue to be denied any DTS secondary market or securitization support.

This is clearly unacceptable, but Fannie Mae, Freddie Mac and FHFA have effectively been given “a pass” on DTS chattel implementation by the Manufactured Housing Institute (MHI) which, through CEO Lesli Gooch, at an FHFA DTS “listening session” on July 18, 2023, stated: “The Duty to Serve statute does not require Fannie and Freddie to purchase [manufactured housing] personal property loans, but does say explicitly that they – quote – may ‘consider’ such loans....” Worse yet, the GSEs have been so emboldened that no provision to serve manufactured home chattel loans in any manner is included in the 2025-2027 DTS implementation plans recently submitted for FHFA review.

This MHI comment, which should never have been made, refers to section (d)(3) of the DTS statute, which states, “In determining whether an enterprise has complied with the duty under subparagraph (A) of subsection (a)(1), the Director may consider loans secured by both real and personal

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property.” (See, 12 U.S.C. 4565(d)(3)). (Emphasis added). And while a claim by the GSEs’ (and/or FHFA) that this language is permissive, rather than mandatory (not previously asserted by them publicly), might have carried the day in litigation before the elimination of Chevron deference, those chances have arguably diminished under Loper Bright. In that regard, the reasons why DTS chattel is not, in fact, permissive, have been explored by MHARR previously, in both written and verbal comments offered to FHFA. Quite simply, Congress’ reference to serving both real estate and personal property loans within the manufactured housing market, must be interpreted in context and in light of Congress’ undoubted intent.

First, if Congress did not want to include personal property loans within DTS, it could (and would) have expressly said so. The fact that it did not is the initial step in determining its intent.

Second, under the standard canons of statutory construction, Congress is assumed to be aware of all relevant facts upon which it legislates. In this instance, Congress can be assumed to have been aware of the fact that personal property loans

predominate (and have long predominated) within the mainstream HUD Code manufactured housing financing market and that “serving” that market without including chattel loans, would be a hollow, virtually meaningless promise and directive for manufactured housing consumers. Moreover, Congress, in fact, did know specifically about the importance of chattel loans within the manufactured housing consumer finance market because MHARR and others made that fact known both to Rep. Julia Carson, the main proponent of section (d)(3), as well as to other involved members of Congress.

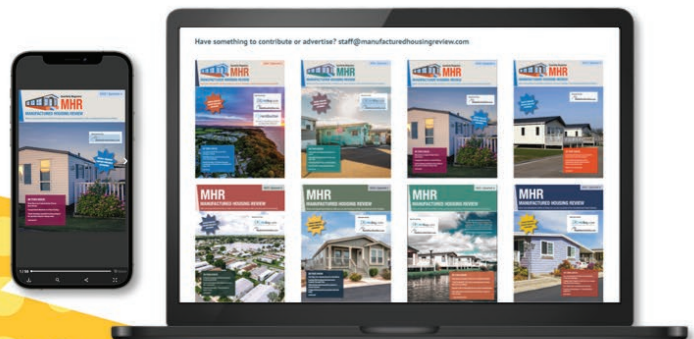
Third, and perhaps most importantly, the “Duty to Serve” is, by its very name, a “duty” – i.e., a mandatory obligation. The personal property inclusion clause must be read and interpreted within that specific context. Put differently, would it have been reasonable – or sensible – for Congress to establish a binding, affirmative duty to serve the manufactured housing consumer financing market, without conclusively and mandatorily including within that “duty” the largest single segment of the HUD Code market? The answer,



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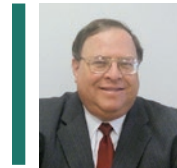
MHARR – ISSUES AND PERSPECTIVES: A Supreme Court Gift to the MH Industry Cont.

clearly is “no.” Therefore, while the term “may” in a statute is customarily deemed permissive or optional in nature, the better construction in this case is that Congress intended for the manufactured housing market to be served in its entirety, in a meaningful and market-significant way, and that level of support can only be accomplished by serving chattel as well as real estate loans.

Consequently, in a post-Chevron world, a legitimate and forceful argument can (and should) be made that the GSEs must serve the manufactured housing chattel lending market under DTS and that any failure to do so violates the DTS mandate.

In summary, the Loper Bright decision, and its elimination of Chevron deference, has changed the regulatory landscape for the industry and particularly its post-production sector. That fundamental change should lead to a reassessment of both strategy and tactics regarding the industry bottlenecks that

currently exist -- and those which might present themselves in the future. The industry as a whole must demand a sober and thoughtful consideration of these changes and a forceful follow-up to free the industry and its consumers from unnecessary and destructive regulatory burdens which have -- and which continue to -- devastate its unlimited potential to provide mainstream, affordable homeownership for American consumers of affordable housing.



Mark Weiss is the President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR). MHARR is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally regulated manufactured housing.

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Advanced Drone Technology for Mobile Home Park Auditing Not Just A Bird's Eye View

By [Due Diligence Partners](#)



This article's take-away for industry experts: Are you leveraging all drone Tech?

Due Diligence Partners (DDP) sets a new standard with its innovative use of drone technology for MHP & RV investors with its drone package. This approach is not just a pretty flyover for visual appeal; it represents a critical part of on-site due diligence and auditing service, or as we call it - Recon.

A Comprehensive Drone Package

DDP's drone package is a comprehensive suite, including:

- 1. 2D and 3D Interactive Maps:** These maps are generated from hundreds or even thousands of stitched-together images, providing detailed audit capabilities for inventory and infrastructure.
- 2. Interactive Topography Map:** Accurate to the inch, this map is crucial for identifying drainage and flooding problems, offering insights into necessary fixes.
- 3. High-Resolution Rooftop Images:** Capturing the minutiae of rooftops owned by the park, these images are key to identifying problems invisible from ground level.
- 4. Still Pictures:** High-resolution images from various angles offer a thorough visual documentation of the property.
- 5. Manual Flyover and Marketing Video:** A source video for marketing purposes, providing a comprehensive view of the property.

Technical Precision in Auditing

The use of these tools allows investors to provide exact counts of critical elements like potholes, tenant-owned homes, park-owned homes, and other structures. This level of detail supports precise auditing and ensures that no deferred

maintenance is overlooked. For example, the ability to quantify road issues with exact numbers of potholes or square footage needing repair offers a clear picture for maintenance and negotiations (retrades).

Application in Investment Decisions

This tech is not just about gathering data; it's about transforming it into actionable insights for investors. From identifying potential problem areas to aiding in strategic planning, and quantifying critical deferred maintenance totals. The data serves as a crucial tool in decision-making processes.



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Cap Rate Pressure - Operations is the Way

By Clay Holmes,
MHPweekly

The mobile home park business looks a lot different after a decade of private equity and BiggerPockets Bros piling in.

10-15 years ago the majority of mom & pop sellers didn't know the real potential (future value) of their property.

You consistently made money the day you bought a park.

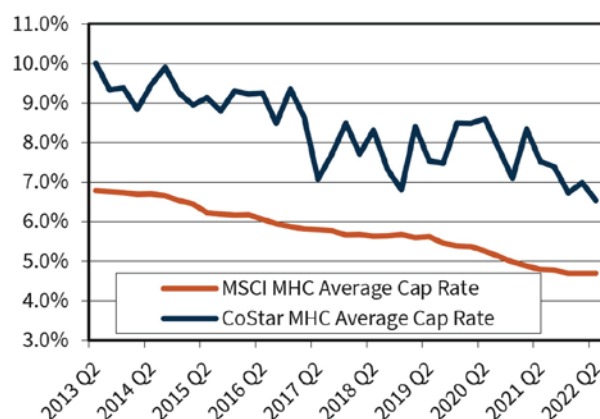
Buy on the cheap, pass out a rent increase, sub-meter the water, enforce the park rules and boom, business plan achieved.

Hell, you didn't even need to bump rents much.

Why?

Cheap Debt and Cap Rate Compression

Manufactured Housing Community Average Cap Rate



Source: CoStar, MSCI Real Assets Note: MSCI data is the quarterly average excluding refinances. It is based on a trailing 12-month average. Includes property sales of \$2.5 million or greater.

Our sleepy little asset class went from shunned, to beloved.

figure above shows how the average cap rate for MHCs compressed 200-300 basis points from 2013-2022.

The CoStar cap rates (blue line in the chart above) include all park transactions in their database - many of which are small 2 star parks in rural markets. Hence the 6.75% cap vs. 5% cap rate delta.

This cap rate compression was a gift from the Gods. Sweet Manna from heaven. It was the Red Bull that gave us wings.

Oh how I miss it so.

And if you could combine it with:

- modest rent growth
- operating leverage (higher portion of expenses are fixed vs. variable)
- and a refinance that returned your equity...

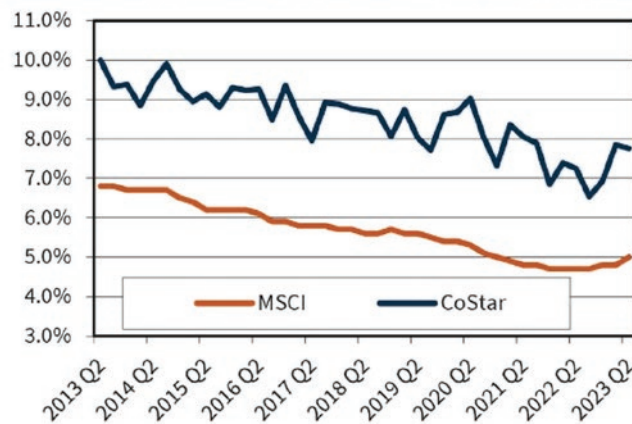
Whammy, stellar returns.

This worked in just about every market. You still had to be good at operations, but you didn't need to be great.

Those days are probably over.

Cap rates have lost gravity.

Manufactured Housing Community Average Cap Rate



Source: CoStar, MSCI Real Assets Note: MSCI data is quarterly based on a trailing 12-month average. Includes property or portfolio sales of \$2.5 million or greater.

Interest rates are no longer pulling cap rates lower.

Better is Best

If you've read this newsletter awhile you're likely sick of us talking about investing in above average markets.

But the benefits of that approach are pretty clear today.

The cap rate data above shows that institutional quality park values are holding up much better relative to lower tier parks and markets.

In fact they seem to have stabilized in 2024.

Cap Rate Pressure - Operations is the Way Cont.

Exhibit A:



Ummm, \$140K / pad, 3.6% cap seems like a pretty healthy price.

Perhaps too healthy but maybe there is a path to growth. Or maybe the buyer has long-term capital and are ninja operators that can still make the math work over 10+ years.

However, there is definitely not enough margin for error in that pricing if the team can barely operate it's way out of a paper bag.

Because even minor slippages on collections or expenses are magnified on a deal like this.

Operations is the Way

So what happens when you can't rely on cap rate compression or cheap debt? How do you still drive returns?

You have to be a killer operator.

Consistent and thoughtful rent bumps, expense trimming, and stellar sales & marketing.

Just ruthless execution day in and day out.

You need things to be dialed:

- Talented and motivated team
- Good systems & consistent communication
- High touch property management

- Responsive eviction process
- Aggressive MHP rehab teams
- Ample capital reserves

Those that don't will end up selling to those that do.

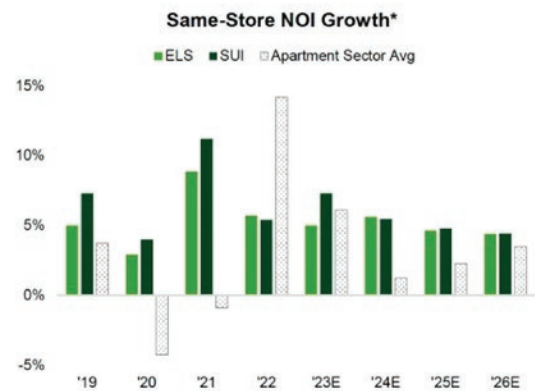
Ultimately this is good for the industry. It needs execution to improve in order to have a functioning asset class that lifts the overall appearance, lot rents and valuations of all parks.

The industry needs to level-up with professional operations.

That's the only way cap rates can stay low and still generate acceptable returns.

Thankfully there is a roadmap.

The biggest park owners have been thriving on incremental (but consistent) NOI improvements for decades by tripling down on operations.



As you likely know, Equity Lifestyle & Sun Communities push NOI growth higher EVERY. SINGLE. YEAR. averaging 5-6% as of late.

It's not sexy, high-octane growth and it's no longer an easy arbitrage cap rate play.

But if you know how to operate, buying parks is still a smart, lower risk way to invest for long-term returns.

Happy Trails,



Clay Holmes
aka The Salty MHP Investor
MHP Weekly

Squatter Rights in 2024: What to Know If You're a Property Owner

By [LawDistrict.com Team](#)

As a property owner, knowing squatter rights is crucial. These aren't your ordinary delinquent tenants, and **knowing how the law treats them** is vital before taking action against them. Squatters are every landlord's nightmare. These **unauthorized residents** don't pay rent, can cause serious damage, and can be legally tricky to remove due to adverse possession laws. In many cases, you may need an eviction notice or to follow other legal processes to get them out.



Photo courtesy of LawDistrict.com

Many laws guard squatter rights and mean real estate owners **cannot take certain actions** for their removal. This brings up a few big questions:

- What are squatter rights?
- Which states have squatter rights?
- What can I do if squatters move in?

We're going to help you answer all these questions in this article.

What Are Squatters?

A conventional squatters definition covers people who live on your property **without permission**. Of course, that includes quite a lot of possible parties.

For instance, a tenant who refuses to leave **after a lease has ended** or has been canceled could technically be defined as a squatter.

Weirdly, the same can also be said of **Airbnb guests** who overstay in some situations. There are now even Airbnb squatter rights of sorts that must be considered.

In most areas, anyone who lives on your property for **more than 30 days** with permission can claim rights as, in the eyes of the law, they become your tenants. When this happens, you will usually need to carry out an eviction procedure.

However, in the case where **permission was never given**, and an unoccupied property is forcibly entered and lived in, there are still rules you must follow.

What Are Squatter Rights?

Squatter rights dictate how you must approach **removing unwanted residents**. If your vacant property is **occupied without permission for a long enough period** these rights will be conferred on the residents.

Squatting or "adverse possession" is part of the legal code (§1068) in most states. These rules protect the inhabitants from being removed forcibly. They also require you to follow a **legal eviction procedure** to compel them to leave.

Squatter rights can ultimately allow the residents to become the legal owners of the property, too. In this case, squatters can be **granted the title to the property** if they live in it undisturbed and pay local property taxes for a number of years.



Photo courtesy of Fox News Atlanta

Why Do Squatters Have Rights?

Occupants of any property have the right **not to be displaced without notice**, whether or not they have permission to live somewhere.

The rights squatters enjoy today were originally brought over from British property law and were created to protect and distinguish those who **owned and used** land.

We can see this in laws like the Homestead Act of 1862, which let settlers develop unclaimed land. This also developed over time, and as the land was settled across the states and ownership of that land was shared out.

Additionally, as cities and towns grew, squatter rights sometimes **proved beneficial** as residents were able to

Squatter Rights in 2024: What to Know If You're a Property Owner Cont.

revamp and look after abandoned spaces. This has affected the rules of New York City especially.

How to Get Rid of Squatters

The precise procedure for removing squatters from a property ultimately relies on your **state and municipality**. Local rules and regulations have different specificities depending on where you live.

However, there are a few things you should do first no matter where you reside. In most cases, you should at the very least **take the following steps**:

1. **Assess whether you have squatters or trespassers.** If your occupants have only been on the property a short time, you may be able to call in law enforcement to help remove them under breaking and entering statutes. The residents will be deemed as squatters if they've been living there for several months.
2. **Begin an eviction process.** If you have squatters you should serve them with an eviction notice and if they refuse to leave, file a complaint with your local court.

What Not to Do When Evicting Squatters

There are **plenty of mistakes** that can be made when removing squatters from your property. Make sure to avoid the following common errors:

- **Don't wait too long.** Under adverse possession laws, the squatters could claim full ownership rights if they have lived continuously on the property for a few years. Starting an eviction procedure stops this.
- **Don't evict illegally.** As tempting as it may be, you mustn't forcibly evict squatters. Make sure to follow a legal eviction process to avoid additional issues down the line.

How to Prevent Squatters Moving In

Prevention is ultimately the best cure when it comes to squatters. There are a few things you can do to stop unwanted inhabitants from moving in, which include:

- Make it clear that **you own the property** by maintaining bordering fences, door locks, and documentation proving you are the owner.
- Formalize agreements with people who will live on the property temporarily with legal documents such as lease agreements. These should **outline the rules and duration** of the use of the property that you've agreed to.

- Regularly **visit and inspect** the property if it is vacant to make sure no one is occupying it.
- Contact the **police or a local sheriff** if you discover trespassers.
- Keep up to date with your **property taxes**. You should also check your local records to ensure that no one unknown to you is paying these taxes.

What Different Squatter Rights Exist in Different States?

Squatter rights exist in almost every state in some form. Under these **adverse possession laws**, squatters will gain ownership rights to the property after a certain amount of time has passed.

However, the duration depends on the state you are in. This is **how it works** in some of the most populated states:

- **California:** Squatters who pay taxes on your property for 5 years will gain the title to the property (Cal. Civ. Proc. Code §318 and Code §325).
- **Florida:** Unauthorized residents paying taxes for your property for 7 years will be granted ownership (Fla. Stat. Ann. § 95.18). However, owners are authorized to immediately remove squatters through the sheriff's office (House Bill 621)[^].
- **New York:** In most of the state, squatters need to live for 10 years on a property openly and illegally before claiming ownership. However, NYC has its own rules which stipulate you can claim squatters' rights 30 days after a lease has ended (NPA § 501, et seq).
- **Ohio:** Squatters in Ohio must live on a property for 21 years openly before they can claim ownership rights (Ohio Rev. Code Ann. § 2305.04).
- **Texas:** The law in Texas states that squatters need to live on a property for 3 years, 5 years, or 10 years (§ 16.024-16.026) before they can claim its title under its adverse possession laws.

This law comes into effect on July 1st, 2024. It's important to be cautious when dealing with squatters. Naturally, you probably want them out as soon as possible, but you have to **follow the law** when removing them.

In most cases, however, a properly prepared **eviction notice template** can be enough to get things moving in the process. This is something you can easily create today to start the clock ticking on removing your unwanted occupants.

Squatter Rights in 2024: What to Know If You're a Property Owner Cont.

Squatter Rights by State

Adverse possession statutes **vary from state to state**. Depending on the specific area in which the property is located, different documents will be required, as well as varying amounts of possession years.

[overview of squatter rights across different US states](#)



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Managing Rentals with Septic Tanks

By [SherRon Marcek](#),
[PayRent.com](#)

Are you managing a rental with a septic tank? There are multiple ways in which homes and apartments are designed to remove waste. While some homes are connected to their neighborhood's sewer system and send their waste through pipes underground to city-run facilities, some homes have their own individual waste system called a septic system.



As the owner of a rental property, you're likely already aware of whether your property operates on a septic system or a citywide sewer system.

If you're unsure, however, the best way to check is to look for wastewater charges on your water bill. If the charges are zero, your property is collecting waste with a septic tank that isn't connected to the neighborhood's sewers.

One of the most significant benefits of rentals with septic tanks is that you don't have to pay a monthly fee for the city to collect your wastewater. However, if your property does run on a septic system, it's important that you as the landlord thoroughly understand how it works and how to set your tenants up for success with it.

What Are Some of the Common Issues in Rentals with Septic Tanks?

Septic systems are generally much smaller than city-run sewer systems as they're designed to serve only a single home. Their small scope and delicate piping, combined with the fact that most landlords aren't plumbing or wastewater experts, can result in certain issues for rentals with septic tanks.

Toilet Backups and Overflows

Two of the most common problems that rentals with septic tanks can face are toilet overflowing and backups. Both problems can cause a massive inconvenience for tenants, and both are indicative of an issue with the septic tank. Usually, a

toilet will overflow or back up if the septic tank hasn't been properly maintained.

Every septic system has a septic tank as well as a drain field, which is a predetermined area of soil on your property where the contents of the septic tank are drained. If the tank isn't leeching the water properly into the drain field, its contents could travel back through your pipes to cause a toilet overflow or a backup.



Septic Tank Smells

Tenants in rentals with septic tanks will sometimes complain of bad smells around the property. When the septic system is working properly, the residents of the property shouldn't be bothered by the smell. This means that if a bad odor is present, there must be an issue with the septic system.

Usually, a noticeable odor is caused by an overflowing septic system that needs repair.

This can happen because of a period of excessive rain, a broken septic pump, frozen pipes, or a plumbing leak. If you're not sure what the issue could be, it's important to call a professional to make sure you don't create additional damage while trying to fix the problem.

Septic Additives: What Are They and Should You Use Them?

If you've owned and rented a property with a septic system for a long time, you may have heard of septic additives or even tried them before. Septic additives are meant to maintain good bacteria in your septic tank that allows the system to efficiently break down solids within the wastewater.

Managing Rentals with Septic Tanks Cont.

Though septic additives can be useful in rentals with septic tanks, overusing them can cause additional issues in your system. Better ways to care for your septic system include avoiding drain cleaners that aren't septic-safe, avoiding bleach, and never disposing of items like medications, non-biodegradable items, oil, or fat in your pipes.

How to Prevent Septic Tank Issues for Your Tenants

When it comes to managing septic function in rentals with septic tanks, it's crucial to get your tenants on board with helping to keep the system working properly. Give your tenants detailed descriptions of what not to do to prevent septic issues and simple ways that they can support septic system health.

If any issues do arise, make sure you respond to them quickly, as a septic malfunction left unattended could get worse quickly.

Should You Address the Septic Tank in Your Lease?

If your rental has a septic system, you should disclose it in your lease for your tenant's understanding. Additionally, if the system needs any regular maintenance or attention from your tenants, you can stipulate that as an agreement of your lease.



SherRon Marcek
Marketing Content Manager, [PayRent.com](https://www.payrent.com)

Experienced Content Manager with a demonstrated history of working in the marketing and advertising industry. Skilled in Search Engine Optimization (SEO), Project Management, Keyword Research, Lead Generation, Search Engine Marketing (SEM), and Link Building. Strong media and communication professional who graduated from Snow College.

MH2X

Doubling MH production in 2025

MH2X is a SECO-sponsored grassroots initiative to double annual production in 2025 by filling vacant sites and upgrading communities with new manufactured homes.

www.secoconference.com



WHAT WILL IT TAKE?

- A commitment by community owners to improve the industry one new home in their community at a time
- Educating community owners on the buying process
- MH manufacturers going the extra mile to accommodate smaller operators
- Financing to acquire the homes
- Promotion and cost-effective social media marketing
- Sales training
- "Financing" to facilitate the sale of new MHs: conventional financing, lease-option, short-term rentals with conversion to conventional financing

HOW WILL WE ACCOMPLISH THIS?

- SECO will sponsor 4-6 hour workshops through the end of this year and next year
- Speakers at the workshops will be fellow community owners & managers who have ordered, set up, promoted, financed, and sold dozens of new MHs to upgrade their communities.
- Attendance cost will be minimal with proceeds used only for out-of-pocket costs and speakers' travel
- Our objective will be for community owners to leave the workshop with all the pieces of the MH buying and selling puzzle together, ready to order new MHs

HOW TO GET INVOLVED?

- Go to the SECO website, click on MH2X, enter your contact info and what part you would like to play in this initiative. (community owner/manager ordering new homes, supplier/vendor, speaker at workshops, etc.)
- Upload your company's logo. They will all be promoted by SECO supporting MH2X
- Check for more info from SECO about our first workshop in Atlanta, probably in about 2 months. More workshops will be scheduled based on demand
- Help spread the word by passing this information to other community owners and encouraging them to get involved
- Plan to attend SECO24 in September (See info on the SECO website)

Investors Pile Into Luxury RV Parks

By Olivia Lueckemeyer/
[Toy Storage Nation](#)

RV parks have long been part of the American zeitgeist, but the lure of the open road has traditionally led travelers to utilitarian campgrounds where an element of roughing it was still at play. Now, a newer, fancier version has entered the chat, and investors are rushing to cash in.



Courtesy of Safe Harbor Development
Camp Margaritaville in Pigeon Forge, Tennessee

Luxury RV resorts with hotel-style amenity packages are the latest segment to capture the attention of commercial real estate. Interest in the burgeoning sector exploded after the onset of the pandemic, as remote work patterns and shifting demographics gave way to new clientele, pushing demand to new heights.

The luxury trend has a “long runway,” according to those jumping into the space. Yet some longtime players caution that newcomers caught up in the frenzy might be behind the eight ball, chasing demand that has already begun to fade as the world settles into a new normal.

“All of the sudden, we’ve gone through the pandemic, things have started to level off, and you still have a lot of investor demand – a tremendous amount,” said Darby Campbell, chairman and founder of Safe Harbor Development. “In my opinion, they’re a little bit late to the game.”

Over the past three years, RV parks that used to encompass little more than pad sites and utility hookups have increasingly been rebranded as resorts. A slew of luxury amenities – resort-style pools, lazy rivers, arcades, bowling alleys, full-service restaurants and bars, mini-golf, basketball and pickleball courts, and dog parks – are attracting a new base of customers seldom seen at campgrounds.

“There is a lot of demand that has been created that has never been seen ... and I think it’s got a long runway,” said Kip Sowden, chairman and CEO of RREAF Holdings, a Dallas-based firm that recently launched an outdoor living platform. “We are entering the space at a time where what we are planning on doing doesn’t really exist, so we are creating – to a certain degree – that market.”

The outdoor living sector, which also includes marinas, is entering a new stage where mom-and-pop ownership is waning and larger institutional groups are stepping in, industry experts told Bisnow.

RREAF, more known for its focus on the multifamily and hospitality sectors, announced a \$157M deal in August to acquire and redevelop five RV parks in the southern United States, as well as plans for a second round of acquisitions and redevelopment totaling \$550M this year. Wall Street investors like KKR, Starwood Property Trust and Sun Communities doubled down on the sector after the pandemic helped reveal a vast disconnect between supply and demand.

“The RV park business is in the same place that self-storage was probably in the mid-’90s – a lot of fractured, inefficient ownership, and not many institutional players in the space,” said Stuart Fink, managing director at Provident Realty Advisors. “We are at a great point in the life cycle where an experienced developer ... can go in and make things happen.”

The rise of remote and hybrid work freed many workers from the shackles of their desks, and communities lifting pandemic restrictions unleashed a wave of pent-up travel demand. Some of those vacationers decided to try camping, a classic American pastime, but one that had historically been popular with families or retirees.

“The pandemic has no doubt changed the profile of who our customer is,” said Yogi Singh, partner at National Land Lease Capital, a private investment firm that owns a dozen RV parks across the U.S.

More than 6.4 million households camped for the first time in 2022, down from 10.1 million in 2020 but still well ahead of pre-pandemic figures, according to data from “Kampgrounds of America”. Camping accounted for 32% of all leisure trips taken last year, with more than half of travelers including camping in some or all of their travel.

The pandemic also had a marked impact on the sale of RVs. More than 600,000 wholesale shipments of RVs were recorded

Investors Pile Into Luxury RV Parks Cont.

in 2021, up 19% from the previous record of 505,000 in 2017, Forbes reported.

"People couldn't stay in hotels, they couldn't have their traditional vacation," said Anthony DiPonio, associate at Hotel & Leisure Advisors. "They wanted to create their own vacations, so they went out and bought RVs."

The sudden surge of interest in RV travel revealed a shortage of campgrounds. Supply would need to increase at a rate of 7% annually to keep pace with 2022 levels of demand growth, according to a report DiPonio authored for Hospitality Net. It also highlighted an opportunity in a sector historically dominated by small operators.

"A lot of these mom-and-pop RV parks have been around for so long, they aren't going to change what they're doing," he said. "They are not really willing to upgrade – they've been around for 30 years, and it's working well for them."



Courtesy of RREAF Holdings
A pool at Bay Palms RV Resort, one of the Texas parks recently acquired by RREAF Holdings.

That would seem to open opportunities for a new kind of upscale glamping consumer.

But foraying into the RV park space isn't as simple as it may seem, and that could cause some newcomer investors to jump ship, Singh said. Navigating the lack of inventory is just the first step. Once a site is secured, then comes the necessary rezoning, which can be complicated in even the best scenarios.

"The biggest players in our market, let alone new entrants, have a very difficult time getting additions and new projects zoned," Singh said. "We will see attrition, unfortunately, but the opportunity will be for ... operators that can pick up where

somebody without the necessary experience might not have been able to make the required environment and attraction."

Provident announced in early October it had acquired two sites in Texas where it plans to build high-end RV parks. The company, which launched its platform in partnership with lender Trez Capital, intends to develop five parks a year, each of which will cost about \$15M and include 200 RV pads on average, Fink said.

Fink has already been getting inquiries from developers who entered the space earlier in the pandemic but couldn't get the necessary approvals to carry out their plans.

The high barrier to entry should keep competition at bay, said John Hutchinson, co-CEO and global head of origination at Trez Capital.

"That will make it difficult for the market to get overbuilt," he said. "Zoning is not going to be easy, and you have to have the knowledge and experience to find the sites, get them zoned and ultimately develop them."

From the perspective of experienced players like Campbell, though, overbuilding has already occurred. Newcomers made rash decisions based on a perceived supply-demand imbalance that has begun to normalize since the height of the pandemic, some building resorts in areas where they aren't needed, he said.

"You can't just build the damn things anywhere and think people [will behave] like they did during the pandemic where they just wanted to get as far away from home as they could," he said. "That's not where we are now."

Despite the influx of players, Campbell remains bullish on the space. Safe Harbor teamed up with Monarch Alternative Capital to form Go Outdoors, a platform that will acquire, develop and operate marinas and RV resorts across the U.S.

The partnership should take the valuation of Safe Harbor's portfolio from close to \$300M today to between \$500M and \$1B over the next two years, Campbell said.

The company acquired a 39-acre distressed retail property in Pigeon Forge, Tennessee, and invested \$45M to turn it into a Camp Margaritaville, a line of high-end RV resorts developed by the late Jimmy Buffett.

The property includes 195 paved RV sites, a 79-room lodge, a 120-foot lazy river and a 20K SF entertainment center, among other amenities, and opened in fall 2022.

Investors Pile Into Luxury RV Parks Cont.



Courtesy of Safe Harbor Development
The bowling alley at Camp Margaritaville in Pigeon Forge, Tennessee

"A lot of lenders have gone home, and a lot of private equity has quit investing for the time being, so we feel like we're in a good space to capitalize on some of the lack of funding that people are going to see or the overbuilding they may have done," he said. "I don't think we've reached the bottom yet of these rural, overbuilt, overpriced parks."

Sowden has similar ambitions. RREAF does everything at scale, he said, and outdoor living is no exception. In addition to the five parks the firm has already acquired in Texas, it plans to eventually have 25 to 30 parks at various locations along the Eastern Seaboard.

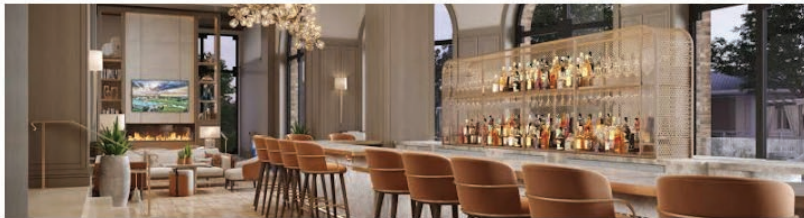
"Once we've chosen a vertical, as we have with outdoor living, we will commit tremendous resources to it," he said. "We want to dominate this space within the next 36 months."

Whether commercial real estate remains committed to outdoor living is yet to be seen. But Singh said the sector's resiliency will keep many investors engaged for years to come.

"Those folks that see an opportunity at least to create another [arrow in their quiver], so they have a defensible position if we do experience another downturn, will stay in the space," he said. "The economics, the return profile and the stability of the industry that we've seen tells us that."



I am a tenured journalist who has risen through the ranks of various news organizations. I started as a cub reporter at Community Impact Newspaper, eventually becoming senior editor of the Richardson and Plano editions. Today, I covered the DFW commercial real estate beat for Bisnow. I have won several awards for my writing, which spans the gamut of breaking news, enterprising, data-driven leads and features on local businesses. I am also an experienced copy editor with a keen eye for grammar, spelling and sentence structure. [Email](#)



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How to Read a Data Plate

By Hames Homes

Inside every manufactured home is a “data plate”. It’s not actually a plate, but rather a sheet with important information about your new mobile home and how it was built.

Photo courtesy of Hames Homes

As required by the Department of Housing and Urban Development (HUD), manufacturers must include the data plate, which provides useful information in a standardized format. It could be located on the wall of the master bedroom closet, at the electric panel, or the inside of a kitchen cabinet door.

Let’s walk through an actual data plate together. This one is inside one of our homes in Grand View. Looking at the data plate from top to bottom, left to right:

What’s on a Data Plate Manufacturer and Location

In this case, Skyline Homes in Lancaster, Wisconsin

Certification Label Numbers

Also called HUD tag numbers, are affixed to each transportable section of the home. There’s one number for a single-wide, two for a double-wide.

Construction Date

This home was built on 10/28/21.

Note: This may not be the same as the model year. Check the Manufacturer’s Certificate of Origin (MCO) for the actual model year.

Serial Numbers

For double-wide mobile homes, each “section” has the same serial number. One section will have an “A” after the serial number, and the other will have a “B”.

Factory Installed Equipment

If you look at nothing else, look at this table! It lists the factory installed appliances and equipment, the equipment manufacturers, and serial numbers.

- For a new manufactured home, you’ll need this information in case you need warranty repairs.
- For a pre-owned home, you can compare this list to the actual appliances to determine if they were installed at the factory or replaced later.

Roof Load Zone

Homes located in northern roof load zones are built to allow for the weight of snow. Compare the roof load zone box checked with the adjacent small U.S. map to confirm that the home meets the standards of the installation location. Depending on northern vs. southern Iowa, mobile homes are built for either middle or south zones - 20 to 30 pounds per square feet of snow pressure.

Wind Load Zone

Zones are designated as I, II, or III—with II and III zones constructed to withstand different levels of hurricane-force winds. Here too, compare the wind load zone checked with the adjacent map to verify construction for the proper location.

Iowa is in wind zone I, which means we’re not in a hurricane zone.

Comfort Cooling

If an air conditioner was installed at the factory, this information will be filled out. Otherwise, look for a separate document about any air conditioning unit(s) installed with the home.

Heating and Cooling Thermal Map

This code indicates the temperature zone the manufactured home was built for. Iowa is zone 3, the coldest zone. A home designed for a higher thermal zone number (i.e., colder climate) can be placed in a lower zone (i.e. warmer climate), but not vice versa.

After buying your manufactured or mobile home, do not paint over or remove the data plate. However, moving it to another conspicuous location is OK. This is essential information for the next buyer.



At Hames, we’ve been buying, selling, refurbishing, listing, titling, and servicing manufactured and mobile homes for 55 years. We’re the experts in manufactured and mobile homes sales in Eastern Iowa.

QUESTIONS? CALL SHOW COORDINATOR @ (817) 799 - 4905 OR TEXT @ (469) 618 - 5265

9 Common Mistakes to Avoid with Emotional Support Animals

By Robert Friedman -
as first seen in AOA's
Rent Magazine

Many landlords receive requests from tenants to allow emotional support animals ("ESAs") or service dogs. Despite what you may read on the internet, there are no registries or certifications for service dogs or ESAs. The following are the most common mistakes made by landlords in dealing with tenants who have ESAs.



MISTAKE #1: Not knowing the definition of an ESA

ESAs (also referred to as assistance, comfort, or companion animals) alleviate one or more symptoms of a person's disability. They are not trained for a specific purpose or for a specific task. Tenants with disabilities may request reasonable accommodation from leases with no-pet provisions. A wide variety of animals can be ESAs, including cats, ponies, ferrets, and even snakes.

MISTAKE #2: Not knowing what discrimination laws apply to ESAs

The U.S. Fair Housing Act, enforced by HUD, prohibits discrimination against individuals who have disabilities, which may include failure to provide reasonable accommodations for ESAs. There are also city, county and state laws protecting tenants with ESAs, such as the New York Human Rights Law.

MISTAKE #3: Not knowing the difference between ESAs, service animals and therapy animals

Originally, dogs were the only service animals. That definition has been expanded to include birds, cats, and miniature horses.

Service animals, such as guide dogs, hearing dogs, and psychiatric animals, are trained to help people with disabilities

by executing specific tasks, like pulling a wheelchair, guiding visually impaired persons, providing support during seizures, and calming individuals suffering from PTSD.

Therapy animals are not trained for specific individuals, but for patients in hospitals, nursing homes, and retirement homes. They also assist crime victims testifying in court.

MISTAKE #4: Asking the tenant too many questions

There are only two questions that are applicable for ESAs:

1. Does the tenant seeking reasonable accommodation have a disability (a physical or mental impairment seriously limiting one or more major life activities)
2. Does the disability relate to the need for an ESA?

MISTAKE #5: Not asking for a letter of verification

Tenants can provide letters from doctors, psychiatrists, social workers, therapists, and other mental health professionals. The letter must state:

1. The tenant has been under the provider's care
2. He or she meets the definition of disability
3. And due to that disability, he or she needs a certain animal in order to alleviate disability related difficulties, to live independently, and to enjoy that housing

MISTAKE #6: Asking for the tenant's medical records or confidential healthcare information

The above does not apply to confidential medical records protected by HIPAA. Do not ask for this information.

MISTAKE #7: Not requiring tenants to sign ESA lease riders

Leases should identify the animal in as much detail as possible and require proof of inoculation and licensing. Allowing the ESA to damage the property, persistently bark, or otherwise cause a nuisance are grounds to evict the tenant, as is neglecting the animal.

MISTAKE #8: Restricting the specific breed or size of an ESA

Landlords may not limit the breed or size of a dog used as a service animal or ESA, but can limit based on specific issues with the animal's conduct if it poses a direct threat.

The Fair Housing Act does not require a dwelling to be available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals, or whose tenancy would result in substantial physical damage to the property of others.

9 Common Mistakes to Avoid with Emotional Support Animals Cont.

A landlord may, therefore, refuse a reasonable accommodation for an ESA, if the specific animal poses a direct threat that cannot be eliminated or reduced to an acceptable level through actions the tenant takes to maintain or control the animal (e.g., keeping the animal in a secure enclosure).

MISTAKE #9: Charging additional security deposits or rent for ESAs

ESAs are considered assistance animals, and their owners are entitled to reasonable accommodations. Imposing extra financial burdens specifically for ESAs can be seen as a form of discrimination, as it may create barriers for individuals with disabilities to enjoy equal housing opportunities. The Fair Housing Act ensures that people with disabilities have the right to keep their ESAs without facing additional financial burdens.



*Robert Friedman, Partner
Friedman & Ranzenhofer, PC*

Attorney Robert Friedman has advised New York landlords for over 44 years. His website WNY-Lawyers.com has a wealth of free legal resources for landlords including videos, webinars, legal forms, blogs and guides. He attributes his success to client education, community involvement, and a reputation for cost effective, practical solutions to legal problems. Friedman & Ranzenhofer, PC was founded in 1955 by Bob's dad, Fred Friedman, a Holocaust survivor and U.S. Army veteran.

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It is a common fact that starting a business is no easy job. Starting a successful RV park business is a different ballgame. I mean, it's 2022, and more RV parks are springing up almost every day.



An RV Park is an establishment that accommodates recreational vehicles like coaches, caravans, and the like. It allows the owners of these vehicles to stay in allotted spaces called campsites. This is for a temporary period - overnight or longer. An RV park provides services like internet connection, telephone service, swimming pool, as well as other services. All of this aims at providing a relaxed time for RV owners.

An RV park is distinct from an RV resort because the former is more secluded and offers fewer services. For this reason, RV parks are more affordable than RV resorts. Ever wondered how the RV parks in your area manage to thrive so well?

Many steps must be taken if you want to start a successful RV park business. We'll look into these steps in this article.

Is Owning An RV Park A Good Investment

There are a multitude of RV parks available and offering great services to owners of RV vehicles. This brings up questions like, 'What inspires people to start up RV Park businesses?' and 'Is owning an RV Park a good investment?'

According to most sources, RV parks are a high-yielding investment and you can expect anywhere from a 10% to 20% return on your initial RV park investment. This makes owning an RV park well worth the investment.

As a long-term investment, owning an RV park can be quite profitable as the value of well-kept RV parks can reach well above \$1,000,000. This can serve as a multi-generational investment or be sold in the future for a substantial amount.

Step-By-Step Guide To Start A Successful RV Park

Now that we've discussed just how lucrative a successful RV Park business can be, there's no doubt that you're even more interested. Being interested isn't enough; Do you have an idea on how to start your own RV Park?

'What are the steps I need to take to start a successful hostel business?' 'What do I need to do to establish an RV Park with a wide appeal?' A bad business guide is one of the fastest ways to lose motivation in a business. So, why don't we guide you on steps to take in starting a successful RV park?

Create An RV Park Business Plan

A business plan is a preliminary step in your journey toward starting a successful RV Park. Every business needs one, and an RV Park is not exempt.

A business plan sets out your goals for that business, as well as strategies to achieve these goals. Starting a business without a business plan is like heading into a new world with no concrete expectations or plans; It's a disaster.

An RV Park needs a business plan on how to stimulate growth. It must include the ways you can source funds- through investors, requesting loans, etc. It should also contain the kind of RV Park you want to operate; Do you want to operate a campground or an RV Resort? This question must be answered in your business plan.

An analysis of the type of customers you aim to serve must be included. Break down your customers into age, income level, location, etc. That way, it's easier to tailor your services to meet customers' needs. For example, a young customer would prefer a different marketing strategy from a retiree.

Having a great business plan makes you better at handling situations. You become better at handling situations and working towards improving the camping experience.

Choose Your RV Park Business Structure

Choosing your ideal RV Park business structure is another crucial process. It's always wise to buy land where there are already RV layouts. All you need do is take general care of the environment. You can rent out the land to people who already own RVs. This brings in a lot of profit for the owners.

While it does not come with all the stress a typical landlord faces, you have a general responsibility to maintain the place. This maintenance ranges from clogged toilets to leaky roofs and everything in between.

Another business structure you can adopt is the luxury type. This is not as budget-friendly for customers as the other type. How is this so? There are several services offered in this type- bars, restaurants, more stuff, etc. This is for customers that are willing to pay more than the regular campers.

Choose The Most Suitable Legal Entity

Choosing the most appropriate legal entity for your RV Park is important. The different legal entities have their pros as well as their cons. So, it's important to consider a sole proprietorship, limited liability company, or general partnership. Then, you can decide which is more tailored to the RV Park you want to set up.

A sole proprietorship is always preferable for businesses that have low risks and low profits. If you're looking into a small RV Park business, you can always consider a sole proprietorship.

How Do You Start a Successful RV Park Business Cont.

However, most RV Parks in the US go for general partnerships or Limited Liability Company (LLC). There are so many reasons why they go with these, especially the LLC.

One of the main reasons why it is wiser to choose an LLC is the protection of the owner's personal assets from the business' assets. The owner cannot be held personally liable whenever the business experiences a loss. The distinct entity that is an LLC, grants personal liability protection to business owners. So, an RV Park owner is guaranteed protection of personal assets whenever the business faces a financial disadvantage.

An LLC is always more favorable if you're looking to expand your RV Park over time. The more it expands, the higher the costs and risks. This begs for a more formal business structure. Also, LLCs are generally more appealing to customers and banks. Banks are more willing to give out loans to formal business structures, than sole proprietorships.

The same thing applies to customers who are more willing to give out their money and trust to formal businesses like LLCs. The nature of its legal entity gives it a general appeal.

Determine Your RV Park Start-Up Costs

One of the questions every potential RV Park owner must ask themselves is, 'How do I determine my RV Park Start-Up Cost?' This is one of the places to start, before establishing your business. You need to start your business on a solid financial footing. How does one go about this? Make a list of expenses you're likely to face as your business gets closer to starting.

Expenses like the cost of supplies, business registration, types of equipment, purchase of land or renting of space.

The purchase of land or renting a space for your business is an essential aspect that demands substantial funding. Getting a good place, as will be discussed later, might cost a fortune.

The cost of the land will depend on factors like the visibility of the area to campers, the general cost of land in that area, etc. You have to decide how much you want to set aside for this.

The cost of purchasing types of equipment cannot be ignored. Vending machines, swimming pool supplies, laundry types of equipment, and gaming types of equipment, are just a few you must consider the cost of.

The cost of registering your RV Pak business must be considered as well. This is a financially tasking business which you're bound to encounter.

Register Your Business And Open Financial Accounts

Registering your business is another great step to starting a successful RV Park business. There are several steps you'd need to take to do so.

If you're operating a small RV Park and you've decided to

settle for a sole proprietorship, you might not need to register your business. This is because sole proprietors usually carry out their business using their legal name. Registering your business is a smart move, as it gives you benefits like Tax benefits, personal liability protection, and a host of legal benefits. You must register your business with federal agencies. For example, if you're looking to trademark your RV Park brand, you can do so with the United States Patent and Trademark Office.

If you're operating an LLC or a Partnership, you're required to register your business in the state where you're conducting your RV Park business. You must ensure that is the state your employees work, where your park has a physical presence, where you get a large portion of your park's revenue, and the like. You should also get a registered agent who would help your business receive legal documents. He must be in the state where you're registering your business. He will take charge of the legal workload of your business.

You will need to apply for a foreign application. This is mandatory if you have RV Parks in other states. You would also need to file state documents and fees. The fees vary in different states and business structures. The documents must contain information regarding business name, ownership, structure, directors, location, registered agent details, etc.

You're thinking of opening a financial account, but you don't know how to go about it. Here are a few steps you ought to follow. You must have certain documents at hand. These documents should contain your address, contact info, passport or driver's license, deposit payment, etc.

You're expected to make a trip to the bank, because, unfortunately, the entire process cannot be conducted online. The reason for this bank visit is mainly for the verification of your identity.

Purchase RV Park Amenities For Your Business

An RV Park must have exceptional amenities to make it stand out. Asking yourself, 'What kind of amenities does my park need, to entice campers?' may prove very helpful.

Colorado, California, Arkansas, etc. boast top-notch RV Parks. This is because of the amenities they acquire and make available to campers.

- A clean swimming pool is one such amenity. Campers want the vacation feel. A swimming pool is an avenue to relax, especially in the summer.
- A reliable laundry facility is also needed. Campers would not need to worry about running out of clothes, because they can always get them laundered.
- Having on-site laundry services guarantees campers clean clothes, sheets, towels, etc. It saves them the extra time and money that accompany travelling to a laundromat.

How Do You Start a Successful RV Park Business Cont.

- You should also have free Wi-Fi services. Campers should be able to communicate with their friends and loved ones, despite the distance.
- Having a game room is a great way to help campers bond and let loose. Not everyone wants to be outside all the time.
- A game room with ping pong tables, pool tables, and the like, helps campers socialize. This way, you improve the RV camping experience.

Market Your RV Park Business

Marketing your RV Park business is a never-ending process. As a potential business owner, you need to continuously market your business. How can you go about this?

You would need to develop strategies to boost brand awareness and create a corporate entity. The importance of the internet cannot be overemphasized. It is always advised that you rely on the internet to advertise your business. A great start is to improve your online presence. Does your business have a professional website? Include appealing images and content that are appealing to a large audience.

Your website should contain promos, services, and juicy offers. It should also be able to accommodate customer reviews. I mean, how else would other RV owners be guaranteed just how great your services are?

Your business needs an active social media presence. Social media platforms are a great way for businesses to build their brands. Constantly uploading helpful info about your business on your Instagram, Facebook, and Twitter pages will get you the traction your business needs. Identify the platforms your customers are in. If your target audience comprises young millennials, social media and Facebook platforms might be a great way to reach out to them.

You must create a corporate identity. A corporate identity is your business image. What makes up a corporate identity is the internal and external perceptions of your business.

First, you need to identify your customers. That way, you can decide how to tailor your brand to suit them. What may be appealing to a young camper, may not be so appealing to an older one.

Second, show your staff how to interact with the customers. Helping your staff understand that they must strive to satisfy the campers through overall great customer service, is a good way to do this.

Track how the public perceives your RV Park's identity. Are people satisfied with your brand? Do they have complaints about your business? This way, you'd know what adjustments to make to your brand.

Utilize A Booking Platform

Seeing as this is the era of technology, most businesses recognize the need for online reservations. Almost everyone is making use of the internet, thanks to its ability to make work easier and faster.

Things can be made easier and faster for a business is by making use of an online booking platform. This benefits the campers, the employees, and the Park owners. How is this so?

For the campers, a booking platform makes reservations faster. It puts the manual process aside, as well as the confusion and unnecessary stress that accompanies it. They can even make reservations after regular work hours.

A booking platform takes some work off the backs of the front-desk employees. This helps employees a lot because the workload is reduced, and they can focus their efforts on other tasks.

For the RV Park owners, a booking platform attracts more campers. People are generally drawn to establishments with less strenuous booking processes, especially in these modern times. It makes moving more seamless and appealing.

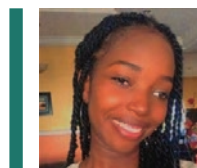
Conclusion

RVs are very popular vehicles in the United States. From retirees who plan to spend their retirement days on the road, to young millennials looking to take some load off, Rvs are constantly in use. These RV owners are bound to look for a temporary place to relax. Budget-friendly with outdoor recreational facilities, RV Parks have filled this space and will continue to do for years to come.

RV Parks have proven to be great investments over the years. They're low-cost, highly sought-after establishments with a tremendous growth rate, and will continue to stretch for decades.

There are also many steps you could take to start a successful RV park. Commitment and patience are two things you must have in mind through this journey. As well as utilizing a cloud-based booking software like Booking Ninjas' RV Park Management Software.

For the full article



Shekinah Adaramola has worked in various roles since 2019. Shekinah began their career as a Customer Service Representative at ABODING ROOMS LIMITED in 2019. In 2020, they joined SOFTWARETOOLS.TECH as a Junior Copywriter. In 2021, they began working as a Senior Content Writer at Booking Ninjas, and also as a Writer (ICT) at Vaccine Network for Disease Control. Shekinah Adaramola holds a Master's degree from Robert Gordon University and a Bachelor's degree from University of Ilorin.



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The MHRV Team is a culmination of the most established and respected experts in the Industry. Most notably, Mike Nissley and Bruce Nell who have been in the MHRV space for decades. Mike is considered one of the **top brokers in the space** and has assisted in closing more than \$100B in transactions.

Bruce Nell is a **best in class appraiser** in the asset class given his penetration into the market early on and as appraised more than \$700B worth of assets with \$400B+ specifically in the MHRV space.

Both have established relationship spanning decades in the field and will bring a level of professionalism and incredible network that isn't accessible by other firms.

This Senior-level team is supported by a strong roster of professionals that have been in Commercial Real Estate for 30+ years with institutional experience with banks and private equity groups. This ensures **streamlined execution and best in class service** to the team.



Maximize Your Park Value the market is seeing record breaking prices for manufactured home properties and RV resorts as well as never- before seen deal velocity. We will help you maximize in the current market.

\$400 Billion of MHRV Appraisals each year the Valuation & Advisory team appraises more than 1,500 manufactured home communities ranging from single to large multi-state portfolios.

50+ Years Experience specifically in the MHRV asset class and many of our team members are MH & RV Park owners and property managers themselves.

Off Market Opportunities we have a wealth of off market properties that are ideal opportunities for 1031 buyers to acquire.

30+ Years of Institutional Experience with banks & private equity groups.

A Guide To Early Termination Of Lease Agreements For Landlords

By [All Property Management Blog](#)

Author's note: More often than not, early lease terminations are a legally sensitive issue. This guide provides general advice that can act as a starting point, but be sure to speak with a legal professional to know your rights and the specific legal options available to you.



So your tenant wants to break the lease early. Now what? They signed a legal document that binds them to the terms, including to pay rent through the move-out date you, the landlord, specified. However, as much as the lease serves to protect the landlord, there are laws in place to protect tenants when they want out. As a property owner, it's important that you know how to handle these situations to make sure you communicate clearly and fairly, follow legal protocol, and ultimately, meet your bottom line.

The Basics of Breaking a Lease

Breaking a lease can be a complex and challenging process for both tenants and landlords. It is essential to understand the basics of breaking a lease to facilitate a smooth transition and avoid any legal consequences. A lease agreement is a binding contract between the tenant and the landlord, outlining the terms and conditions of the rental period. When a tenant decides to break the lease before its expiration, there are several factors you need to consider, such as the lease term, rental obligations, termination fees, and valid reasons for termination. This article will provide an overview of the basics of breaking a lease, including the procedure, potential penalties, and legal obligations for both parties involved.

Why Does the Tenant Want to Terminate Their Lease Early?

Tenants want to break their leases for a bunch of different reasons—personal, professional, or because the landlord breached the lease. Depending on the reason, the landlord might be legally bound to release the tenant without damages (as long as the tenant follows protocol). In other situations, it makes sense to be compassionate and work with the tenant to find a solution.

Military Deployment

If your tenant is called for military service or active duty, the Servicemembers Civil Relief Act allows those in the armed



Photo courtesy of Joint Base McGuire-Dix-Lakehurst

forces, National Guard, the National Oceanic and Atmospheric Administration (NOAA), and the U.S. Public Health Service the right to break their leases to start active duty or if their orders take them far away (50 miles is the accepted minimum distance). However, the tenant must first give you a 30-day notice, which is effective 30 days after the date the following rent payment is due. Meaning, a soldier could give you proper notice of their military duty on July 17, but would still be responsible for paying August's rent. After 8/31, though, they're free to go.

Domestic Violence

In some states (such as Nevada and Washington), landlord-tenant laws allow survivors of domestic violence, sexual assault, stalking, or unlawful harassment to break a lease and move if necessary. If your tenant sends an early termination of lease letter with this as the reason, consult your state laws to see what your obligations are. Even if your state doesn't protect victims, it's not advisable to force your tenant to stay in an unsafe situation.

Job Loss

It makes sense to be compassionate here. If your tenant can no longer supply the income that would allow them to pay rent, it doesn't make sense for them to continue living in your rental. At this point in their lives, they wouldn't have been able to pass the screening criteria you set forth when you rented the unit to them. Allowing them out of the lease agreement is much less time consuming, arduous, and expensive than pursuing an eviction or getting a debt collector involved. Work with your tenant(s) to find a solution that works for both of you.

A Guide To Early Termination Of Lease Agreements For Landlords Cont.

Divorce/Illness

Just like a job loss, a divorce or serious illness can severely impact your renters' finances. Even though you're not legally obligated to release your tenants from a lease in these extenuating situations, giving your tenant(s) an out makes a tough situation a little easier for all parties involved. For example, when a couple in your unit decides to split, rental payments could become a major source of contention. Similarly, if a tenant shares with you that they have to vacate because of a death in the family (either a co-tenant or a relative), or because of a serious illness, it's advisable to be compassionate.

Job Transfer

Your tenants don't have control over their job transfers, and some state laws allow tenants to break their lease for this reason.

Uninhabitability

As a landlord, you're obligated to provide a safe and habitable place for your tenants to live. That means working gas, heating, electric, plumbing systems; operational sinks, toilets, showers; non-leaking roofs and walls; freedom from health hazards and pests; etc. If the unit is not livable or you're unresponsive when a safety issue presents itself, your tenants are legally allowed to break the lease and walk away without covering your damages for loss of rent. After all, you're not holding up your end of the bargain.

Intrusiveness

Though you own the property, you don't have the right to enter it as you please. You must give your tenants a minimum 24-hour notice for entry unless there's an emergency. Tenants have the right to privacy, and if you violate that, the tenant may break the lease. However, tenants must first give you a formal written warning telling you to stop coming over unannounced. Rarely may tenants break the lease for this reason without a written notice on the books.

If the tenant found a place they prefer, is moving in with their partner, plans to buy a home, or is relocating out of town, the landlord is not on the hook to release them early.

Pro tip: Be prepared for your tenant to present false charges citing uninhabitability or intrusiveness if they want to get out of paying you and the issue escalates to court. Keep maintenance records and photographs to show you maintained the unit well and made repairs quickly.

Understanding the Rights and Responsibilities of Landlords During Early Lease Termination Negotiations

Getting a handle on what landlords can and should do is crucial when dealing with early lease terminations. Landlords have certain legal rights, like making sure tenants follow the

lease, paying rent on time, and keeping the property in good shape. If tenants break the lease, landlords can take legal action following state eviction rules.

At the same time, landlords have to take care of their tenants and follow local housing laws. This means keeping the place in good repair, following health and safety rules, and providing what's promised in the lease. Landlords also need to respect their tenants' privacy and treat everyone fairly, as outlined by the Fair Housing Act and local fair housing laws. Striking the right balance between these rights and duties is essential in handling lease terminations with fairness and professionalism. By understanding these aspects, landlords can navigate such situations smoothly, maintaining good relationships and avoiding legal troubles.

Your Duty to Mitigate Damages (Search for a New Tenant)

When your tenant sends you a formal early termination of lease letter and plans to vacate the rental unit prior to the end of the lease, in most states you're obligated to search for a new tenant (legally coined "mitigate damages"). Legally, you can't hold the tenant to the terms of the rental agreement and collect rent from them while the unit passively sits vacant through the end of the lease.

Even if your tenant decided to end the lease during an off-season or at a time inconvenient to your schedule, you must make an effort to re-rent the unit. You might have to go through the same procedures you normally would at the start of the season, like marketing the rental, showing the unit to prospective renters, and so on. However, you don't have to rent to the first person who indicates interest. You still must complete your screening process to be sure the applicant meets all of your criteria.

While you're searching, your tenant is still responsible for paying rent. And in a few states, you can hold the original tenant liable for all of rent through the end of the term. However, once you fill the unit, your previous tenant is off the hook. Collecting double rent payments on the same rental unit is downright illegal.

Do Not Let the Tenant Find an Informal Sublet

As an act of good faith, the tenant might offer to help find a new tenant. This is not required, but can facilitate the process. You can also formally ask them to help you. As you would for any applicant you'd find on your own, screen the applicants the tenant finds and hold them to the same requirements.

Note: Do not allow the tenant to make commitments on your behalf by informally finding a sublet. You want to maintain your control over who you allow to live in the unit to make sure they'll be good tenants and not damage your property or cause problems.

A Guide To Early Termination Of Lease Agreements For Landlords Cont.

Steps for Smoothly Handling Early Lease Terminations

Some lease terminations can't be avoided. In those cases, having a plan of attack in place can help you to cycle out old tenants and introduce new ones quickly—and in a way that's fair and transparent for every party involved. Here are some strategies to make that happen.

Maintaining Effective Communication Channels with Tenants

Establishing and maintaining clear lines of communication with your tenants is pivotal when navigating early lease terminations. Regularly check in with your tenants, listen to their concerns, and address any issues they might be facing. A proactive and empathetic approach can often foster amicable solutions, preventing potential conflicts and misunderstandings.

Documenting All Interactions and Agreements

Always keep a comprehensive record of all discussions, agreements, and any modifications made to the lease. Doing so can prevent disputes during early lease terminations. Carefully document all communications, including emails, written notices, or any revised terms. These records serve as valuable evidence should any disagreements arise, and having them on hand makes it easier to stay clear and transparent throughout the entire leasing process.

Ensuring Proper Inspection and Deposit Refund Procedures

Conduct a thorough joint (both you and the tenant) inspection of the property before the tenant's departure to assess any damages and establish an agreement regarding the condition of the premises. Following state regulations, promptly refund the security deposit after deducting legitimate costs for damages, if any. Transparently communicate the refund process and any deductions made to maintain a positive relationship with the tenant and facilitate a seamless lease termination process.

Early Termination of Lease Clause, Buy-Out Option, and Fees

To save both you and the tenant from all the complicated process of finding a new tenant under a time crunch, consider writing an early termination of lease clause into your leasing paperwork from the get-go. If you formalize the allowance of an early termination with associated fees, you can protect yourself as well as give the tenant an easy way out. It frees the tenant from being responsible for the remaining balance of the lease as well as gives you some cash to cover a few months of an empty unit while you search for a new renter. An early termination fee is typically two month's worth of rent. Any more would be considered excessive by courts.

Many lease clauses include an early termination fee. However, you don't have to include the option of paying a fee—you may simply require that they pay rent until you find a replacement

tenant. Additionally, if you don't include an early termination of lease clause at all, the law typically requires the tenant to cover your losses until you find someone new. However, it helps to spell it all out in the lease.

What to Include In an Early Termination of Lease Clause with an Early Termination Fee

Work with your lawyer to develop a solid early termination of lease clause. Some points you may want to address include:

- Minimum notice for a tenant to request an early termination of lease (typically 30-60 days)
- Stipulation that the notice must be written and signed by all tenants involved in the termination
- Cost / fee associated with terminating a lease early (typically 1-2 months or rent)
- Notice that the landlord will officially consider the lease terminated after receipt of the signed notice and early termination fee
- Notice that all outstanding charges owed (including other rent for prior months) will be paid prior to the tenant(s) vacating
- Stipulation that, if the tenant does not follow the process, vacate before the agreed upon date, pay the termination fee, pay other incurred charges, or any combination of the latter, the attempted early termination will be void and every other aspect of the lease will apply

Draw this up with the proper legal language and include it clearly in your lease. When signing on new tenants, go over each clause to make sure everything is fully understood.



The Buy-Out Option

An early termination of lease clause will help set the guidelines for a buy-out option—that is, the penalty fee the tenant would pay to get out. However, the landlord doesn't have to have an early termination of lease clause to negotiate a buy-out.

A Guide To Early Termination Of Lease Agreements For Landlords Cont.

Because you're allowed to continue charging your tenant for rent until you find a replacement, tenants might find it more attractive to pay a non-refundable fee to end the relationship and vacate. As previously mentioned, this fee is typically two-months worth of rent. If the tenant has more than two months left on the lease, this might seem like a deal. And if you find someone in less than two months, you don't have to refund the tenant a prorated amount for the time there was overlap. However, if you end up searching for a new tenant longer than two months, you can't go back to the original tenant and ask them to cough up more.

It's up to you whether you want to include a fee or require that the tenant pay rent until you find a replacement. On one hand, offering a buy-out is convenient and simple. On the other, you might find yourself searching longer than you bargained for—and be out more money than you anticipated. If you're concerned you may have to take your tenant to court for refusing to pay rent while the unit is vacant, a buy-out option is a good way to reduce this risk.

In the event you do have to take your tenant to court, all you need to do is present a signed copy of the lease and state which months your tenant owes you for. Also, be prepared for the tenant to present false charges about uninhabitability and intrusiveness to get out of paying as previously mentioned.

Don't (Necessarily) Seize the Security Deposit as Rent

Requiring an early termination fee is legitimate, however, seizing the security deposit and using that as rent is not advisable. You collected the security deposit to make any repairs to the unit caused by the tenant's occupancy beyond fixing normal wear and tear. If you put this money toward rent, you no longer have the funds to make the repairs as you normally would need when a tenant moves out.

You also should consider that a tenant who wants to terminate their lease will likely anticipate losing their deposit. In this case, there's a chance that some tenants may deliberately damage the unit or not pay the rent anyway. You'll need this deposit to make the repairs and then file a claim for uncollected rent.

Requiring an Early Termination of Lease Agreement

Nothing is official until it's in writing. Make sure your tenant draws up a written notice to terminate the lease and signs it. Keep it with your records. Additionally, confirm you've received the payments you've requested prior to them vacating (termination fees, unpaid rent, other charges, etc.).

Should You Let Your Tenant Terminate Their Lease Early?

As always, it depends. Your relationship with your tenants and reputation as a landlord matters just as much as your bottom line. You can't make them stay, but you can remind them of their obligations on the lease and potentially hold them financially responsible until you fill the unit. A rock-solid lease will help you stay in the black when tenants want to leave.

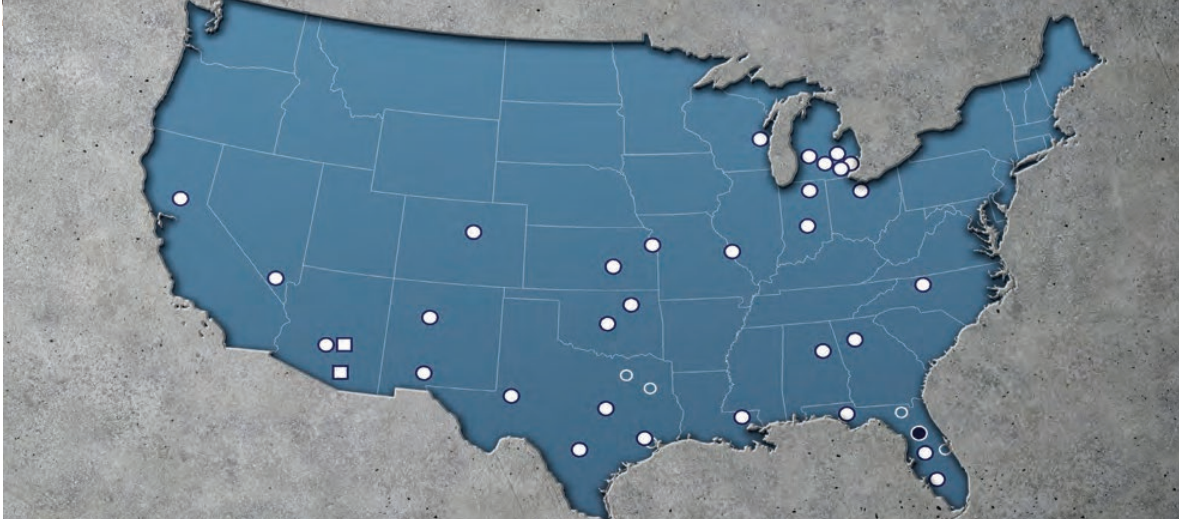
Lease terminations are one of the most sensitive and legally tenuous parts of managing a rental property. Always consult with an attorney any time you think your rights and responsibilities outlined in the original lease may change as well as to avoid the instance of a lawsuit (initiated by either you or the tenant).

Keep in mind that if you let one tenant break their lease and not another, you run the risk of discrimination. It's best to have a well-defined policy you can apply to all tenants.

Managing your tenants, finances, and documentation is a lot of work, especially when things get complicated. Consider bringing on a property management company to handle all of the ins and outs of tenant turnover and leasing, communication, and more.



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Everything You Need to Know About a Cash for Keys Agreement

By [Vivian Tejada](#) | [Azibo](#)

Cash for keys agreements help property owners get out of problematic leases without having to process an eviction or bring a tenant to court. Property managers can learn to leverage this strategy in their business practice with our guide.

Cash for Keys Agreement



Running a rental business can be challenging, especially when tenants don't stick to their part of the lease agreement. When a tenant stops paying rent, damages the unit, or constantly disturbs neighboring tenants, landlords need to follow proper eviction protocol before requiring the tenant to move out. Evictions can be lengthy and expensive, causing delays in a landlord's desired objective of releasing a tenant from their lease.

A cash-for-keys agreement works as a loophole to eviction by allowing landlords to quickly remove troublesome tenants from their properties without involving the courts. Instead of evicting the tenant, a rental owner can suggest a cash-for-keys deal where the rental owner pays the tenant to move out earlier than the move-out date stated in the rental agreement.

In this blog, we'll discuss the legality of a cash-for-keys agreement, when such a deal would make sense, and why it's better than an eviction. We'll also cover five steps every rental owner should take to make sure a cash-for-keys agreement is successful, as well as five mistakes to avoid.

What are keys for cash?

A cash-for-keys agreement is a deal between a landlord and a tenant where the tenant agrees to move out of the property by a specified date in exchange for a certain amount of cash. While a cash-for-keys agreement is particularly beneficial when a rental owner needs to get rid of a specific tenant, a cash-for-keys deal is also a good idea when a property owner wants to sell a rent-controlled property or raise the rent to market rate.

In these cases, cash-for-keys deals are referred to as buyout agreements. Cash-for-keys agreements were popular during the housing crisis, typically because a landlord needed to get a tenant out of a foreclosed property.



Is cash-for-keys legal?

While cash-for-keys may seem too good to be true, this type of agreement is legal. Local and state laws often place restrictions on cash-for-keys agreements to protect tenants. However, as long as a property owner is not forcing a tenant to accept a cash-for-keys deal and both parties agree on the move-out date and lump sum amount, there shouldn't be a problem.

When does a cash-for-keys agreement make sense?

A cash-for-keys agreement is a convenient way of clearing out a rental unit when needed. Property owners may extend a cash-for-keys deal in any of the following scenarios:

- When a tenant causes property damage.
- When a tenant can no longer pay rent.
- When a landlord wants to renovate the property.
- When a landlord wants to sell a property without tenants.
- When a landlord wants to increase the rent price to the market rate.
- When a landlord wants to move into the property themselves.

In most of these situations, the tenant needs to move out before a property owner can move forward with their plans for the rental property. If a tenant were to refuse to move out, the property owner would have to go through the strenuous process of evicting the tenant.

Why a cash-for-keys agreement is better than an eviction

Evictions are by far one of the most stressful situations rental owners can encounter. If possible, it's best to avoid an eviction and instead pursue a different way to end a tenant's occupancy.

Cash-for-keys for renters is a great alternative, because instead of spending money on filing and attorney fees in hopes that the court will uphold your eviction request, you can pay the tenant directly and have certainty that they will move out.

Everything You Need to Know About a Cash for Keys Agreement Cont.

If you're asking your tenant to leave because they're unable to keep up with monthly rent payments, your risk of financial burden is high. Offering a tenant cash to move out could save you months of unpaid rent and help you restore rental income faster than an eviction would.

It may seem counterintuitive to pay an irresponsible tenant to move out; however, it's important to keep things in perspective. The average cost of an eviction is around \$3,500, and that's not counting months of unpaid rent or property damage caused by the tenant in retaliation for the eviction. A standard cash-for-keys agreement, on the other hand, costs property owners between \$1,000 and \$3,000 when all is said and done.

In addition to being cheaper, cash-for-keys deals are also faster. Finalizing an eviction process can take several months, whereas a cash-for-keys agreement can take just a few days.

5 steps for a successful cash-for-keys agreement

When compared to an eviction, a cash-for-keys agreement is a lot more efficient. However, there are certain things property owners should keep in mind to make sure there are no hiccups in the process.

1. Understand local laws and regulations governing cash-for-keys

Extending a cash-for-keys agreement to a tenant is permissible by law; however, state and local laws may restrict the kind of offer that can be extended.

Depending on the area in which your rental is located, you may need to offer your tenant a minimum cash offer or wait a certain amount of time before making the offer. Make sure you are aware of all local regulations before presenting your tenant with a cash-for-keys agreement.

2. Talk to the tenant about their risk of eviction

Talking to your tenant either in person or over the phone can help set the tone for a successful cash-for-keys agreement. You should calmly explain to your tenant the reason you'd like for them to leave, whether it be due to their behavior or changes in your plans as a rental owner.

If you're asking your tenant to move out due to their lack of responsibility, you should let them know you're considering sending them an eviction notice. Kindly remind them of the consequences of having an eviction on their record and how an eviction could affect their security deposit.

You should then explain how cash-for keys can be mutually beneficial to both the landlord and the tenant in these kinds of situations. Tenants who are struggling to make regular rent payments may be more willing to accept a cash-for-keys deal due to their lack of funds.

3. Explain how a cash-for-keys agreement works

Most tenants don't know what a cash-for-keys agreement is or how it works. It's important for property owners to accurately convey not only how a cash-for-keys agreement would benefit

the tenant, but also what it requires of them. Your tenant should understand exactly how much money they'll receive to move out early and by what date they need to be gone.

This is especially important if your tenant doesn't understand English very well or if they're an elderly tenant, as you want to ensure that they come away from your discussion confident in their understanding of the agreement. Tenants should understand that this is a voluntary leave and that you aren't forcing them off the property.

4. Get the agreement in writing

To further protect yourself from potential accusations in the future, it's best to put a cash-for-keys agreement in writing. Acknowledge your original lease agreement and make it clear that both parties have decided to terminate it early in exchange for a specific sum. Try to sign a written agreement with your tenant as soon as they agree to it in case a tenant decides to change their mind or request a greater cash offer at a later date.

A standard cash-for-keys agreement should include the move-out date, the amount being offered to the tenant, and how the move-out process is going to work. It'd be wise to also include the condition of the property, what's going to happen with the tenant's security deposit, and whether or not a tenant still owes you money.

5. Be present on move-out day

Either you or a trusted property manager should be present on the move-out day to confirm the tenant is out of the property and a rental walkthrough is conducted. Comparing your rental walkthrough checklist from the day the tenant moved in to the checklist on the day the tenant moves out will help you identify property damage. Whether you pay the tenant after a move-out inspection or after the cash-for-keys agreement form is signed is up to you.

5 mistakes to avoid with a cash-for-keys agreement

Now that you're aware of best practices for entering a cash-for-keys agreement, here's what you should avoid:

1. Being verbally aggressive

Tensions can run high if a tenant hasn't paid their rent in months and refuses to accept a cash offer to move out, as it might start to feel like you won't be able to find a solution. While this can be frustrating, it's of the utmost importance that you handle the situation professionally and respectfully.

Getting physically or verbally aggressive with a tenant or otherwise harassing them is not only morally wrong, it can land you in legal trouble.

2. Conducting a self-help eviction

It's also important to avoid initiating a self-help eviction, which is when a landlord makes it so that the tenant can no longer access their unit or live comfortably on the property. When frustrated landlords aren't able to evict their tenants, they may decide to make their tenant's life miserable by locking them out, cutting off utilities, or refusing necessary repairs.

Everything You Need to Know About a Cash for Keys Agreement Cont.

Engaging in this kind of behavior as a landlord is detrimental, not only to your reputation but also to your finances. If a tenant files a formal complaint, you may have to pay the tenant for spoiled food and other inconveniences. In some states, tenants are entitled to a certain dollar amount per day that they're locked out of their apartment.

3. Negotiating too much

When negotiating a cash offer with a tenant, try your best to avoid excessive negotiation. Start low and work your way up depending on the actual amount you're willing to pay. Tenants will often keep raising the price of the offer if they feel like they can get a better deal or sense that you need them out of the apartment immediately.

You can also start high and simply stand firm in your decision. Whatever you do, don't let negotiations drag out, as this weakens your position.

4. Forgetting the tenant's security deposit

If a tenant hasn't caused any serious property damage during their stay and has paid all of their rent in full, there's no reason to keep their security deposit. Furthermore, a cash-for-keys agreement is separate from the tenant's security deposit. Just because a tenant is leaving the property early at your request doesn't mean that they forfeit their deposit.

Property owners should process a tenant's security deposit as usual by conducting a formal move-out inspection and deducting for damages beyond normal wear-and-tear, unpaid utilities, and late rent. In most states, tenants are entitled to an itemized list of all deductions from their security deposit. Failing to provide this list could lead to legal action in the future.

5. Not keeping an official record of the transaction

While it may be easier to hand a tenant cash, this payment method doesn't allow you to easily document the financial transaction. It's always best to pay the tenant via check or wire transfer, as the possession of proof-of-transaction helps verify how much you paid the tenant and on what date. If the tenant were to come back later and claim that they weren't paid a fair sum, you'd have proof that you paid them accordingly.

How much money should a tenant receive in a cash-for-keys agreement?

When participating in a cash-for-keys agreement, there are several ways that a property manager might determine how much money tenants receive. No matter what method landlords choose, they must keep in mind that in most jurisdictions across the country, tenants are entitled to receive either an amount equal to half a month's rent plus the security deposit, or a full month's rent.

Some rental property owners offer the tenant an amount equal to court fees in an eviction case, which could range from \$1,000 to \$3,000. Others divide the average cost of an eviction by 50% and use that number as the starting dollar amount for negotiation.



Photo courtesy of Partners in Fire

The amount you need to pay your tenant will depend on where your property is located and the cost of living in that area.

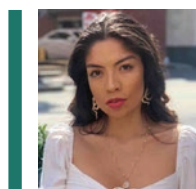
The bottom line on cash for keys agreements

Cash-for-keys agreements allow property owners to vacate their properties quickly and avoid a lengthy eviction process. They can also be financially beneficial to tenants who are willing to voluntarily leave the rental unit early in exchange for a lump sum of cash.

It's important to keep in mind a state's landlord-tenant laws regarding cash-for-keys agreements, as well as best practices to avoid getting into any kind of legal trouble. Calmly explaining to your tenant how keys-for-cash works and why it's financially advantageous for them can help you achieve your goal.

Always avoid exhibiting aggression towards tenants, conducting self-help evictions, over-negotiating, failing to return security deposits, and forgetting to record proof of transactions. These are harmful behaviors that could come back to haunt you in the future.

When approaching a cash-for-keys agreement from a respectful and informed perspective, you're setting yourself up for success!



Vivian Tejada is a freelance real estate writer based in Brooklyn, NYC providing SEO blogging services to real estate companies. Her work focuses on educating first-time real estate investors on investment strategy and explaining proptech tools to new customers.

Part one in this two-part series provides an overview of the RV and boat storage industry, due diligence, costs, establishing a legal entity, registering your business, setting up operations/accounting and obtaining licenses and permits.



The RV storage business is growing at a rapid rate. In 2022 the market hit \$48 billion, with a projected compound annual growth rate (CAGR) of 4.0%. This could bring the market to more than \$80 billion by 2035.

With more families and individuals investing in RVs for leisure and travel, demand for secure and accessible storage facilities is on the rise. This creates an attractive opportunity for entrepreneurs interested in breaking into the industry.

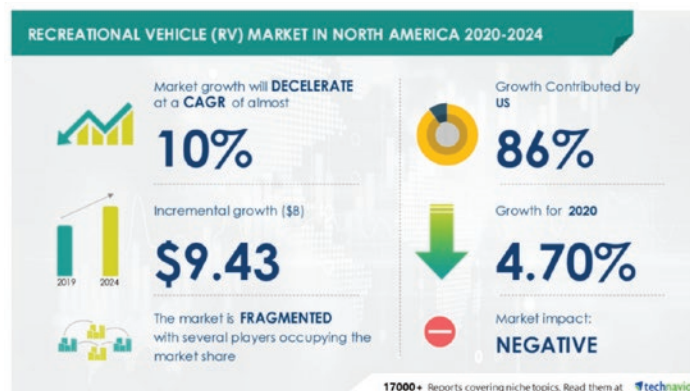
This guide will provide insight on how to start an RV storage business. Topics include market research, competitive analysis, registering an EIN, obtaining business insurance and more. Here's everything you need to know about starting a boat and RV storage business.

1. Conduct RV Storage Market Research

Market research is essential to starting a self-storage facility. Boat storage requires detailed information to create a successful business plan. Primary research you produce yourself and secondary research you obtain through a third party, both come in handy.

Here are some of the details you'll learn through market research.

- With more RVs on the road, demand for specialized storage facilities is surging.



- There are over 4,400 RV storage businesses in the US, and individual facilities are running near full capacity.
- Prime locations boast 95% occupancy rates.
- Favorable demographic trends also bode well for the industry.
- RV travel appeals strongly to Baby Boomers, and this large demographic segment is entering the prime RV ownership age.
- There are over 73 million Boomers in the US, and Boomers account for over 60% of current RV owners.
- For entrepreneurs interested in starting an RV storage business, the market opportunity is substantial.
- Success depends on picking the right location, offering competitive rates and high-quality facilities, and implementing savvy marketing.
- In an industry growing at over 5% annually, new entrants have the potential to establish a thriving enterprise serving RV owners' storage needs.

Though launching any new business requires significant upfront investment and effort, RV storage stands out as an attractive and promising sector in today's recreational vehicle economy.

2. Analyze the Competition

Thoroughly analyzing the competition is crucial when starting an RV storage business. This involves assessing both local brick-and-mortar competitors and evaluating a wider online presence. Competitive analysis helps a new boat storage business determine important details like the types of storage being provided locally, prices charged by other boat storage businesses, and more.

Combining insights from on-the-ground observation and web monitoring paints a complete picture of competing RV storage

How to Start a RV Storage Business in 14 Steps Cont.

offerings in your market. Regularly analyzing competition is essential even after opening your facility, to further refine your business plan and stay ahead of shifts in the local market.

3. Costs to Start an RV Storage Business

When launching an RV storage facility, there are a variety of start-up costs to consider.

- One of the largest will be purchasing or leasing a piece of land for the storage lot, which could range from \$100,000 to over \$1 million.
- Site development including grading the land, installing roads, fencing the perimeter, and adding lighting could cost \$200,000 or more.
- Constructing the storage space for RV and boat storage will also require significant capital. Steel storage units typically run \$50-\$100 per square foot, while paved storage pads can be \$15-\$30 per pad space.
- A medium 50,000-square-foot storage facility would therefore need around \$3-\$5 million just for storage structures.
- Design and permitting fees need to be accounted for as well, which could cost \$50,000+.
- Other start-up costs will include an office and staff facilities (approximately \$150,000 if constructed on site).
- Office equipment and furnishings (\$20,000)
- Security system (\$50,000 for gate access, cameras, etc.).
- An insurance policy (\$5,000 annually), and legal fees related to permits and contracts (\$10,000).
- Website design and hosting (\$3,000), and miscellaneous costs like signs and marketing materials (\$10,000).

These are some of the common startup costs you'll encounter as you create an RV storage business plan. Buying the boat storage facility makes up the bulk of this cost.

Ongoing Costs

- Mortgage or rent payments
- Property tax
- Utilities like electricity, water, telephone/internet, etc. (\$2,500 per month or more depending on utility rates and facility size)
- Waste disposal (\$500 monthly)
- Payroll for managers and staff (\$4,000+ monthly assuming 2-3 employees)
- Insurance premiums (\$400 monthly)

- Minor repairs and maintenance (\$1,500 per month)
- Office supplies and miscellaneous (\$500 monthly)

Annual ongoing costs

- Major maintenance or repairs (budget \$20,000 annually)
- Property taxes if not escrowed into a mortgage (\$30,000 depending on location and value)
- Income taxes
- Marketing and advertising (\$6,000-\$12,000 annually)
- Accounting services (\$5,000 annually)
- Legal services retainer (\$3,000 annually)

4. Form a Legal Business Entity

Sole Proprietorship

A sole proprietorship is the simplest structure. There is little paperwork, and the business is not considered separate from the owner. However, the owner has unlimited personal liability for debts and claims, which poses risks for an RV storage business vulnerable to property damage or customer injury lawsuits.

Partnership

Forming a general partnership shares liability across partners and allows the pooling of resources. However partnerships can experience internal disputes, and remaining partners still bear responsibility if one partner causes debts. Partnerships must also file separate tax returns.

Limited Liability Company (LLC)

A limited liability company (LLC) provides personal liability protection like a corporation with the pass-through taxation of a partnership. Members are shielded from business debts and claims, losses are passed to members' returns, and overall paperwork and formalities are simpler than in a corporation.

Corporation

A corporation fully separates the business from owners and avoids double taxation, but requires extensive recordkeeping and administration. The complex setup process and less flexibility in issuing dividends or stock makes a corporation unnecessary for most RV storage businesses with a small number of owners.

5. Register Your Business For Taxes

One key legal step for any business is obtaining an Employer Identification Number (EIN), also known as a federal tax ID number, from the IRS. This unique identifier is required for important tasks like opening business bank accounts, applying for licenses, and hiring employees.

How to Start a RV Storage Business in 14 Steps Cont.

RV storage businesses need an EIN even if they do not plan to have employees right away. Self-employed owners still report taxes for the business separately from their returns. An EIN is vital for handling necessary IRS paperwork and tax filings for the company.

6. Setup Your Accounting

Maintaining accurate financial records is crucial for RV storage businesses. With regular transactions and expenses, utilizing accounting software and professional accounting services is highly recommended.

Accounting Software

RV storage involves recurring revenue from monthly rental fees along with various overhead costs. Tracking all of these inflows and outflows meticulously is vital. Rather than error-prone manual methods, small business accounting software like QuickBooks allows easy tracking of income, expenses, account balances, and taxes.

Hire an Accountant

While software provides essential tools, working with a professional accountant is ideal for ensuring full legal compliance and optimized taxes. Services like bookkeeping, payroll, quarterly/annual tax filing, and overall financial statement preparation provide invaluable expertise. Expect fees of \$100-\$150 per month for bookkeeping.

Open a Business Bank Account

Maintaining completely separate finances for your business and personal life is also key for simplified accounting and avoiding IRS issues. Your storage company should have its own business checking account and credit card used strictly for company expenses.

Apply for a Business Credit Card

Applying for a dedicated business credit card provides spending flexibility and separation from personal finances. Business cards weigh factors like years in business and annual revenue over personal credit scores when setting limits. An ideal starting limit is \$5,000 – \$10,000.

7. Obtain Licenses and Permits

Starting an RV storage business involves obtaining several important licenses and permits to operate legally and avoid issues. Find federal license requirements through the U.S. Small Business Administration. The SBA also offers a local search tool for state requirements.

At the local level, RV storage facilities require zoning approval and likely a conditional use permit depending on municipal

ordinances. Zoning laws for commercial properties dictate allowable businesses for each zone type. Specialized storage can fall under light industrial zoning. Research options in your area and consult zoning officials early when selecting potential sites.

The conditional use permit application involves submitting your business plan, site plans, and often a community impact study. This allows the local zoning board to review how the storage facility may affect neighborhoods. Expect at least two months to move through the application process. Permit fees range from \$2,000-\$5,000.

Construction permits from the local building department are also necessary for development projects like adding storage structures, gates, fencing, or office space to the property. These permits govern technical specifications for building safety and access compliance.

Don't forget landscaping and stormwater management approvals as well. Most areas have regulations about controlling drainage, limiting impervious surfaces, and requiring retention ponds for large paved areas like storage lots. Integrate sustainable features like rain gardens or permeable pavements.

Specialized licenses like weigh station operation permits may apply for onsite RV weighing scales. States also often require the registration of security guards or gate attendants checking visitor credentials.

[full article](#)

Part two in this two-part series covers how to obtain business insurance, setting up your office space, sourcing equipment, establishing brand assets, promoting your site within your community, marketing strategies and customer service.



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When Is It Acceptable To Deny A Tenant? The tenant screening process is designed to weed out candidates who will pose a risk to the property, other tenants, or your rental business. However, that doesn't mean landlords can deny tenant application for any reason.



Photo courtesy of Fast Pay Health

There are several [laws that protect tenants](#) from discrimination. The Fair Housing Act prohibits landlords from denying potential tenants based on their race, color, nationality, religion, sex, familial status, or disability. Some states add additional protections on top of these seven—for instance, landlords in Michigan cannot discriminate against renters based on age or marital status, while California law extends protections to veterans, tenants who speak a different primary language, and several other populations.

So, what can you legally deny a tenant application for? Can prospective tenants be denied for owning pets? What about having a prior eviction? Can an apartment reject you for misdemeanors? In this article, we'll discuss the possible legal reasons to deny a tenant for rental housing.

General Principles for Fair Housing and Handling Tenant Screening Report Results

Every landlord should be aware of a few general [tenant screening principles](#), both to help you identify quality candidates and avoid lawsuits.

Landlords should only deny applicants if they have evidence that the tenant would not be able to fulfill the requirements of the rental contract (e.g., unable to pay rent, would not take care of the property, pose a risk to other tenants, etc.). The evidence should be specific and objective such that you can justify your decision with a concrete reason. For example: "The applicant's credit score did not meet my minimum of 650" or "The applicant was previously evicted for nonpayment."

You should NOT deny a tenant based on any inherent quality or characteristic of the applicant that you simply dislike (e.g.,

their appearance, accent, beliefs, practices, lifestyle, etc.). Doing so is discriminatory and illegal and could result in a costly fair housing lawsuit.

To maximize transparency and fairness, landlords must apply the same screening criteria and procedures to every applicant identically. If you run a credit check on one tenant, you must do so for all applicants. It may be helpful to [use a tenant scoring system](#) to ensure you're applying screening practices fairly to all applicants.

What Can Disqualify You from Renting an Apartment?

Many tenants and landlords alike wonder what can disqualify you from renting an apartment. Here are 11 legal reasons to deny a tenant application and send a rental application rejection letter.

1. Insufficient Income

Insufficient income is one of the most common reasons landlords deny rental applicants. If an applicant does not have stable or sufficient income to afford to pay the monthly rent, they won't last long as a renter. Denying an applicant for this reason is perfectly justified. In fact, it's very common to set an income minimum (e.g., Tenants must make at least three times the monthly rental rate per month).

Another reason to legally deny a tenant is if their income cannot be verified (they can't provide a W2, paystub, or other proof of income). If an applicant claims to have sufficient income but can't provide documented proof of it, they likely never had that income in the first place.

2. Poor Credit

Poor credit history is another common reason landlords deny applicants. Credit checks are standard procedure for most rental businesses, and it is typical for landlords to look for minimum credit scores to verify the tenant has a habit of on-time payments. The rest of the credit report is used to examine an applicant's current debt obligations—even if an applicant has enough income, outstanding debt may limit them from making rent payments on time.

3. Criminal Convictions (In Most States)

If a tenant has been convicted of a crime, this is (usually) also appropriate grounds for denial. There are several types of criminal background checks including national, state, and county, and each has [pros and cons](#). However, if one of these checks returns a prior conviction on an applicant's tenant screening report, denying that tenant's application is a legal and justified move...most of the time.

Legal Reasons to Deny a Tenant Application Cont.

A few states have laws that restrict the use of criminal background checks during screening. For example, several states prohibit landlords from viewing records of certain criminal convictions that occurred more than five years ago, while others prevent landlords from running criminal background checks until a conditional offer of acceptance has been issued. Be sure you know whether any laws of this type apply in your state or city.

Can an apartment reject you for misdemeanors?

In short, maybe. It all depends on the landlord's specific policy and the laws in your state or city. In most states, denial based on your criminal record is allowed—and that includes misdemeanors. However, your state or city may have a specific law that prohibits discrimination based on misdemeanors, or a landlord may decide not to consider them during the screening process.

4. Prior Evictions

A prior eviction is a dealbreaker for many landlords. An eviction due to nonpayment is clear evidence that a tenant may not pay rent on time, while one based on a lease violation shows that the tenant previously violated the terms of their lease and could do so again. In fact, According to TransUnion data, 21.7% of tenants who were ultimately evicted in the sample had a prior eviction on their record. Denying a tenant based on their eviction record is legal and could protect your business from a costly and lengthy court removal process.

5. Weak References

Many landlords will request a reference letter from an applicant's previous landlord or property manager. This is to determine if the tenant treated the property well, was considerate to neighboring tenants, followed all rules, etc. If an applicant's previous landlord reports negative habits like late payments, negligent care, or aggressive behavior, this is a valid reason to send a rental application denial letter.

6. Smoking

Cigarette smoke can discolor paint, damage a property, and bother non-smoking tenants. If your rental property is smoke-free or located within a smoke-free community, denying a tenant who smokes is reasonable and legal. However, note that this policy must apply universally to all tenants and applicants. Landlords cannot enforce a no-smoking policy on a case-by-case basis.

7. Pets

Similarly, to smoking, if you have a 'no pets' policy at your property, denying an applicant because they own a pet is legal. Your 'no pets' rule is just like all other rules at your rental



Photo courtesy of AVMA

property, and if a tenant isn't willing to or can't agree to them, they must find another property.

An important exception: Landlords cannot deny a tenant for owning a service or emotional support animal (ESA). Service dogs are necessary due to a disability and have been trained to perform specific medical or accessibility tasks for their handlers. Emotional support animals are not trained but provide comfort and companionship to their owners, usually to help manage or treat a mental illness like PTSD, depression, or anxiety. The HUD has specific rules about these types of animals, and it is *illegal to deny a tenant for owning one, regardless of your community-wide pet policy*. However, as a landlord, you are allowed to ask for documentation of the tenant's disability-related need for the animal from a medical professional.

8. History of Late Rent

The easiest way to predict whether a tenant will pay rent on time every month is to examine their prior success in doing so. This information could be obtained by asking for a reference letter from a previous landlord, and it is a perfectly legal basis for denying an applicant. Late payments have a direct impact on your rental business's success and ability to operate, especially as evictions due to nonpayment can cost thousands in legal fees.

9. History of Lease Violations

In the same vein, a history of lease violations suggests that a prospective tenant might not make a good addition to your rental community. Of course, your decision may depend on the nature and severity of the violation—a few noise complaints on the weekends differ drastically from major property damage or illegal activity. However, prior lease violations in general are a valid reason to deny a tenant.

10. Falsified Information on Rental Application

Falsified information on rental applications is more common than you might think. Rental applicants may try to subvert your requirements by falsifying bank statements, pay stubs, W2s, or even credit or criminal information. A tenant could apply to rent your property under a fake name and identity, or they

Legal Reasons to Deny a Tenant Application Cont.

could simply lie about a question on your rental application (e.g., number of occupants). Either way, once you find out that a tenant has participated in rental application fraud, you have grounds for immediate denial (or eviction if they've already moved in).

11. Refusal to Consent to a Credit or Background Check

According to the Fair Credit Reporting Act (FCRA), landlords must get explicit permission from a prospective tenant before running a credit or criminal background check on them. Most landlords will have a question on their rental applications asking the prospective tenant if they consent to a credit and criminal background check. If an applicant does not consent, you cannot run these checks (and could face legal fees if you run them anyways). Subsequently, if credit and criminal history are part of your screening criteria, this means you won't have enough information about the applicant to determine if they qualify to rent your property. Refusal to consent to one of these checks is a legally justifiable reason to deny the applicant.

Illegal Reasons to Deny a Tenant Application

There are some reasons that are never a justifiable basis for denial or eviction. These are the seven federally protected classes, including:

- Race
- Color
- Nationality or national origin
- Religion
- Sex or gender identity
- Familial status (including pregnancy, children, etc.)
- Disability

In some states, the following additional classes are protected by state fair housing laws:

- Ancestry
- Veteran/military status
- Marital status
- Source of income (participation in a Section 8 or government subsidy program)
- Genetic or medical information
- Age
- Sexual orientation
- First or primary language

- Citizenship/immigration status
- Status as a victim of domestic violence

Housing discrimination based on any other arbitrary reason is also illegal, such as denying a tenant based on the car they drive, their tattoos, or the neighborhood they used to live in. A tenant who feels they've been discriminated against based on an arbitrary reason or one of the membership classes listed above can file a complaint with a fair housing agency, who will start an investigation. A subsequent lawsuit will undoubtedly damage your wallet and your reputation, so landlords should be exceedingly careful to ensure that their policies are objective and fair.

Conclusion

Understanding tenant screening laws is crucial for landlords to maintain a lawful rental application process. It is essential to be well-versed in the legal reasons to deny applicants to avoid housing lawsuits and save yourself the time and trouble of dealing with underqualified tenants. By adhering to fair housing laws and considering factors like credit history, rental references, and criminal records judiciously, landlords can make informed decisions that not only protect their interests but also promote fair and inclusive rental communities.





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Ensuring Equal Access: Translation Services for the Deaf and Hard of Hearing in Property Management

By John Tripplett

In the field of property management, effective communication is not just a courtesy—it's a mandate under fair housing laws. Ensuring that every individual, regardless of hearing ability, has equal access to housing information is not only ethical but also legally required.



Photo courtesy of Rental Housing Journal

This commitment to accessibility includes providing reasonable accommodations for the deaf and hard of hearing, a demographic that often faces significant barriers in accessing housing services. Are you and your team ensuring equal access?

How do I stay fair housing compliant?

Fair housing regulations stipulate that property managers must be equipped to communicate effectively with all prospects and residents. This inclusivity explicitly extends to individuals who are deaf or hard of hearing. When a deaf or hard-of-hearing resident requests an interpreter, this is considered a reasonable accommodation.

Interestingly, unlike other accommodation requests that require a more extensive review process, the need for an interpreter is often so apparent that it bypasses the usual procedural requirements. This streamlined approach underscores the importance of immediate and unimpeded communication.

But what if I can't get an interpreter right away?

Despite the clear mandates, the practicalities of providing on-the-spot interpreter services can be challenging. It's generally unrealistic to secure a sign language interpreter without prior notice. However, property managers are still obliged to facilitate communication as per fair housing standards.

Creative solutions become essential in these scenarios. Utilizing readily available tools such as whiteboards for written communication or exchanging SMS text messages can provide interim solutions that uphold the standards of accessibility and ensure that critical information is conveyed effectively and promptly.

How do I prepare for the best-case scenario?

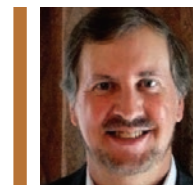
To truly embody the spirit of fair housing, property management teams should proactively prepare to meet the needs of deaf or hard-of-hearing individuals. This preparation involves more than just recognizing the need for accommodation; it requires active and ongoing training of staff. Role-playing scenarios can be an effective method for training, helping staff practice and prepare for real-life interactions.

Additionally, investing in services such as online, on-demand interpreters can significantly enhance a property management company's ability to provide immediate and effective communication solutions. These investments not only comply with legal requirements but also demonstrate a genuine commitment to inclusivity.

Are you ensuring equal access?

The provision of translation services for the deaf and hard of hearing is a clear example of how property management can and should function under the guiding principles of fair housing.

Property management professionals can ensure that all residents receive the high standard of service they deserve by understanding the legal imperatives, embracing creative problem-solving, and investing in thorough preparation. Ultimately, these efforts reflect a broader commitment to equality and accessibility, pillars upon which the integrity of the property management industry rests.



John R. Tripplett is the publisher of Rental Housing Journal and a veteran journalist who has worked for Cox, Gannett and Belo. He and his business partners also own a digital marketing company, Desert Path Consulting LLC.



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