

Commercial and Investment Real Estate Newsletter



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**LISTINGS OF PARKS &
COMMUNITIES**

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NAI Iowa Realty Commercial
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HIGH 5! COMMUNITY OWNER OF THE MONTH

Chris Parrish of Parrish Manor in Raleigh, North Carolina

(www.parrishmanor.com). Chris is always investigating new and fresh ideas to incorporate into his manufactured home community “neighborhood”. Residents, especially children and adolescents, are very engaged in the multitude and range of activities. Chris works hard at exposing the kids to all kinds of experiences with the idea that they will be so enthusiastic about their activities they won’t have time to waste on risky behaviors. Talk about no child being left behind. These families are given the opportunity to experience many different pursuits. A few are:

- ◆ Boys & Girls Club
- ◆ Sports
- ◆ Recreation (volleyball and fishing on site)
- ◆ Gardening
- ◆ Cooking. To address the national health crisis on obesity, Chris turned a park-owned home kitchen into a demonstration kitchen to teach resident families to cook healthy meals. I’ve written about Chris’ cooking kitchen before. Many grocery stores now offer cooking classes on preparing healthy meals and snacks. Consider sponsoring a class for your residents at the grocery store teaching kitchen. Congratulations to Chris Parrish for his innovation!

What if learning about healthy lifestyles was an amenity of manufactured home parks and communities? What if our communities were promoted as the healthy choice? For example, in addition to the cooking classes:

- ◆ Walking clubs—walk the community
- ◆ Exercise classes—on-site or off.
- ◆ Community Gardening—teaching families how to grow healthy foods.
- ◆ Speakers... on nutrition and healthy lifestyles.

A DAY IN 2007 WHEN THE U.S. HOUSING MARKET WENT DOWN

Two manufactured home executives were in a beachside surf shop in 2007, right before the housing market went down. In the shop, two young men were waxing their boards. The two execs overheard the young men talking about investing in real estate. Neither one had the cash or credit to buy a home and each had apparently been turned down to buy a home of their own, even then! The clincher was that the two young surfers had just bought a vacation home (an investment for them) by pooling their zero assets! That in a nutshell describes the current U.S. housing doldrums. The two manufactured home execs looked at each other and intuitively knew...the housing bubble was about to burst!



HAPPY ST. PATRICK'S DAY!

HAPPY ST. JOSEPH'S DAY!

HAPPY EASTER!



THE BATTLE CRY OF THE BABY BOOMERS

In 2008, I was sitting in a state association meeting and one of the speakers said, "This time the baby boomers really are coming to manufactured homes and communities".

It is true that the 78 million baby boomers who started turning 65 in 2011 will accelerate the need for a variety of housing needs. They will be looking for smaller homes now that the family is grown up, handicapped accessible homes for when their physical health changes, and for many, less costly homes with less upkeep in chores and expense.

This massive demographic could be very positive for the manufactured home business over the next 20 years. It will probably be a very competitive housing environment. Mobile home manufacturers and community owners won't be the only ones vying for their piece of the pie. Expect to see all kinds of housing offerings: condos, villages, retirement, senior living, assisted living and more. In fact, a continuing care retirement community in California, Sun Health, offers to help prospective resident move-ins sell their homes. At no charge, the non-profit community will help stage a home or spruce up the home, make repairs, make no interest bridge loans, even buy the home outright. Whatever it takes to get the customer out of their home and into the company's. The manufactured home business will continue to be a not so easy business with many competitors offering incentives to nudge the boomers into their housing.

*Have you
seen...*

"Mobile Homestead" Work of Art

The prestigious Whitney Museum of Art in New York holds a highly competitive biennial event for emerging artists (March 1—May 27, 2012).

This year one of the winning artists is Michael Kelley. His submission is an installation of a mobile home he grew up in near Detroit. The artist thought of the home he grew up in as a "living work of art".

If you go to the Whitney, you won't see the mobile home installed on Madison Avenue, but what you will see is a video of the installation.

Sadly, Michael Kelley passed away in January.

(www.whitney.org/exhibitions/2012/biennial)

**Manufactured
Housing Institute
National Congress
and Expo For
Manufactured and
Modular Housing
Las Vegas
April 10-12, 2012**

The theme of the 2012 National Congress is, "Rethinking Housing and Your Business in the New Economy".

The National Communities Council holds an all day forum on Tuesday, April 10. This annual forum is a masterfully executed day of speakers, education and roundtables. This year's topics include:

Lease-option programs, housing demographics, offering services and amenities to aging residents, legal issues, hiring and retaining community personnel, social media marketing, and more. It's a lot of value for the price! I will be speaking at the event. My topic: "Working with Realtors to Sell More Homes." There are two more days of events, speakers, lunches. It's a lot of fun! Register on the website

**www.mfghome.org
or call 703-558-0668**

**STARTING A SMALL BUSINESS
USING YOUR HOME AS EQUITY**



Did you know that some of the great, iconic business leaders in the past started their businesses initially by taking out a home equity loan? According to a recent article in the Wall Street Journal, that's how Sam Walton got his early funding for Wal-Mart, among others. The article goes on to say that small business formation, an important component of job creation and therefore economic recovery, won't play the important role that it has in the past. It's another reason why site-built homes are not an investment. Up until 2008 the widespread thinking was that buying a home was a sure fire investment. One could easily refinance and take money out for travel, for investments, for lifestyle acceleration...or to start a business.

Small business start-ups and small business continuity is an important part of the U.S. economy. On the other hand, does not being able to borrow against one's site-built home put mobile and manufactured homes on more even footing with real estate?

It's up to us to help the customers understand that the reasons for buying a site-built home aren't as relevant today. Even more important is to help that customer make a quality home buying decision by purchasing a mobile or manufactured home in one of our communities.

Joanne Stevens is a commercial investment/real estate professional consulting people throughout the U.S. With her 20 years of experience in developing, zoning, owning, retailing, managing, turning around and brokering parks, she can enhance your decision to sell your property. She has been involved in sales of parks, multi-family and investment real estate.

For a FREE PROPOSAL on your consulting needs or a FREE MARKET ANALYSIS on the value of your park or community, contact Joanne Stevens at:

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**COMMERCIAL
REAL ESTATE IS
RECOVERING**

Many investors feel a lot more confident about the economy and are emboldened to buy commercial real estate. That goes for parks and communities, as well. Investors are feeling optimistic about jobs and hiring, and recent improved consumer spending. A double dip recession is seeming less likely for now. Financing for parks and communities is quite favorable, with low interest rates, decent terms and more and more banks looking to make loans.



**It's a pretty good
time to sell!**

This newsletter and its content are not meant as a solicitation of any property(ies) that may be listed. This is a creation of Joanne M. Stevens with NAI Iowa Realty Commercial as a resource for Mobile Home Park/Manufactured Home Community owners.

NEW MOBILE HOME PARK LISTINGS

NAME	# OF SITES	# OCCUPIED SITES	MONTHLY RENT	PRICE	PRICE PER OCCUPIED SITE
Gas Lite Manor Sioux Falls, SD	80	72	\$283	\$2,125,000	\$29,500
Northwood MHP Urbana, IL					

MOBILE HOME PARK SOLD

NAME	# OF SITES	PRICE	PRICE PER SITE
Cedar Knoll Apple Valley, MN	459	\$19,516,000	\$42,518
Rivermead & Colonial East Hartford, CT	466	\$12,000,000	\$25,757
Meadows MHP Hay Spring, NE	160	\$1,800,000	\$11,250
Gem Suburban Rockford, IL	384	\$5,100,000	\$13,281
Northern MHP Schofield, WI	69	\$877,000	\$12,710
Shamrock MHP Lincoln, NE	73	\$1,000,000	\$13,700
Midway Village Evansville, WI	69	\$960,000	\$13,910
Country Aire Estates Chilton, WI	47	\$675,000	\$14,360



“Dumb, Dumber & Dumbest”

For an article by an experienced investor, business owner and accountant on the most common tax, investment and financial mistakes people make, go to my website (JoanneMStevens.com) and click on articles. Tim Terry, founder of World Trend Financial, is the author.

**Parks/Communities
for sale can
be found at
JoanneMStevens.com**

Improve Your Cash Flow Now and Make Your Mobile Home Park Worth More When You Sell

The U.S. housing market recession is handing manufactured home park and community owners a gift on a silver platter. Fewer consumers think that buying a home is an investment (at least for now) and the sport of buying a bigger “McMansion” than your friends is not so sporting now. The housing news that is coming out now reads like home sales are improving, and they are, but the reason the news sounds so good is because it’s been so bad for the last four years that relatively speaking, it has improved. Which isn’t saying much.

Here’s the deal if you’re a park or community. There are more manufactured and mobile home buyers and renters for homes in your community than there have been for the last 10 years!

The best news? Community owners are reporting sales of homes for cash are picking up! When I ask owners where their buyers are getting the cash, the answer is that they don’t know and they aren’t asking. Recently, a young couple that I wouldn’t have picked out of a line-up as being able to borrow \$10,000, bought a home at our community. Originally, they called about renting, but then one of them went to their company credit union (he’s worked there less than six months) and got a loan. Just like that. Is something happening out there in finance? Right now, it seems to be random cash sales for the homebuyer to come up with their own financing. In a way it makes sense that borrowers can get financing to buy manufactured homes. Banks are more reluctant to lend on site-built houses, requiring good credit, time on the job and a down payment. But many site-built housing buyers are more reluctant to borrow than the banks are to lend. Banks are open for business again, after a long drought of non-lending due to bank bail-outs, more capital requirements for reserves needed and an uncertain economy. It would be good to have some houses available in your parks and communities.

Here are some things to do now to improve cash flow and make your park/community worth more when you sell:

1. Pass-through of utility charges: With costs rising for many operating expenses, more owners are passing through water (and not always by separately metering usage), sewer, and/or garbage costs. Call it a charge, surcharge, a pass-through, but this will add to your bottom line significantly.

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2. Vacancy, filling sites, selling homes, websites: It's all tied together and here's how. Prospects still have quite a lot of housing options—renting condos in the overbuilt condo market, lots of single family homes for rent, really cheap interest rates to buy a site—built home, apartments that include utilities, cable and internet in the rent. When the consumer goes to your website and can't find the amount of lot rent you charge and what is included in your lot rent, that prospect is gone and on to the next site. No longer do housing providers have the luxury of talking to the prospect and explaining the rent, the additional charges and talking the prospect in to coming in. If the consumer can't get the rent information within seconds, you probably just lost the opportunity for that consumer to move to your property. In my work listing and selling parks and communities, I do rent surveys. I look at lots of websites, attempting to ascertain the rent and it is rare to find a park or community website that states the rent. I virtually always have to call, often several times to reach the owner. It's a lot of time to get a simple answer. What if I were a prospective resident? Making it easy to get the facts about your property, just that alone, could help fill vacancies. Regarding websites, it is important to have one for your community in this tech driven age. People expect to be able to find you online. It's not very expensive, and if you use it right it can make money for your community.
3. Real estate tax reduction: In talking to many city and county tax assessors in many markets, it seems that most assessed property values have very little rhyme or reason as to how they were determined. There are parks that sold years ago at a much higher price than the assessed value and parks that sell and get re-assessed at a higher value the next year. It costs nothing to go visit the assessor or pick up the phone and call and ASK for a lower assessed value. Today, you just might get it because many assessors think that property values have dropped due to the national recession.
4. Non-profits: I serve on the board for the Catherine McCauley Center (www.cmc.org), a non-profit with a mission of education and housing for disadvantaged women transitioning from substance abuse and lack of education into jobs, housing and self-esteem. A local apartment owner asked to partner with our organization by providing apartments to the women transitioning out of our program. Our graduates are pretty good bets as tenants. By the time they leave the program they have an education, have learned a lot of life skills, and have jobs. Still, to many women (and we have all ages) it's scary to go from our program of semi-independent living to being out on their own. With the apartment owner, there will still be ties to the Catherine McCauley Center. The apartment owner is offering to schedule the rent on a graduated basis to ease the financial commitment of renting for the women. It's a benevolent apartment owner to be sure, but still, he is betting on these tenants filling vacant apartments and on them being good tenants. He will do well by doing good.