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18<sup>th</sup>

International Networking  
Roundtable

“100 Sites Forum”

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# Historical Perspective

- Why 200 sites or more was the conventional wisdom of the day
- REITs
- Mobile home parks and manufactured home communities not on the radar screen of most investors

# Strengths of owning 100 sites or less

## Investment

- More opportunities to buy and sell
- Many more smaller communities
- May be easier to increase rent because of the relationship with residents

## Financing

- More options than in the past
- Communities have become more mainstream with local banks

## Risk

- Less Risk
- May be easier to raise capital

# Management

- If full time management not warranted due to budget, batch up management tasks and outsource some or all:
  - rent collection and posting, court, resident application processing, resident relations
  - repairs and maintenance
  - bill paying
- Easier to monitor coming and going of residents and visitors.

# Resident Relations and Activities Without a Community Building

- Is Less More?
  - Health Screenings
  - Community Yard Sales
  - Safety Training
  - Community Volunteerism
  - Book Clubs
  - Computer Training
  - Food network and the grocery store
  - Gardening
  - Places – churches, libraries, coffee houses - more of a neighborhood for the residents
  - Safe Assured Program
  - HOA's – Pros and Cons

# Unique Challenges

- For large portfolio owners, smaller properties get the least amount of attention
- Co-management with other nearby communities
- Operating expenses are higher percentage of income
- Capital Expenditures
- Commit to involvement with residents
  - First name relationships
  - Awareness of market circumstances
- The benefits of community living, and the benefits of manufactured homes.
  - Continue to sell the benefits to residents
- Training Managers
  - Commit to ongoing training
  - Recognize it is a difficult job
  - It takes salesmanship and good communication skills on Manager's part
  - Lou Holtz – "Treat people the way you would like to be treated"
- Occupancy
  - It's about occupancy more than expenses

# What about Cap Rates?

- Capitalization Rate

- Income = Value

Rate (cap)

- Factors

- Collections. Income is everybody pays rent all the time.

- Location

- Rental homes and contracts – most lenders are not set up to lend on.

Opportunities of 100 sites or less:

Drawbacks of 100 sites or less: