

Mobile Home Park Investing Newsletter

THE BORING INVESTMENT WITH DOUBLE DIGIT RETURNS



A GREAT REAL ESTATE INVESTING OPPORTUNITY

HAVE YOU DREAMED OF EARNING 8%, 12% EVEN 20% RETURNS ON YOUR SAVINGS AND IRA ACCOUNTS? WELL...THIS JUST MIGHT BE YOUR DREAM COME TRUE!

Because the real estate market has changed Mobile Home Parks are once again an attractive investment opportunity.

You could be a passive investor by investing in a MHP [syndication](#).

I've been on the road:

I attended the Louisville mobile home show gathering information and updates for my upcoming MHP seminar. Here are some news bites:

- There is a new mobile home magazine "MHInsider" info at MHVillage.com if you want information about suppliers and Mobile Homes park reviews, this is a good source.
- Manufactures are all running 5 to 6 months out on orders.
- Demand for Mobile Homes and park spaces is increasing.
- Financing for buyers of Mobile Homes has greatly increased nationwide.
- Interest from investors in this category has doubled in the last year.

Next week I attend the Crowd Converge fund rising conference in Vegas and then the Texco-18 conference on rehabbing mobile home parks February 7th. I will write about them in next months Newsletter.

Learn About Mobile Home Park Investing Special One Day Seminar!

Jim Glasgow's 1-Day Mobile Home Park Wealth Building Seminar



**The Great Investment
Opportunity of the 1960's & 70's,
"Mobile Home Parks" is Back!
The first 2-Hours are FREE**

**Monday March 12th 2018
San Antonio, Texas**

Seminar Location:
Norris Centers – San Antonio
[618 NW Loop 410, Suite 207](#)
San Antonio, TX 78216

Because there is so much interest from investors and people wanting to learn and meet with me about mobile home investing and mobile home parks I have scheduled this one-day event. Seating is limited. Don't miss this NEW once a year event.

The first 2-Hours are FREE, I will cover why invest in Mobile home parks the first 2-Hours so that anyone wanting to possibly be a passive investor can have a chance to learn about this investment category and ask questions in a group setting. The afternoon session is for people wanting to be active investors and learn how to do so. The cost is outlined below.

Three choices, Buy and existing park or develop a new one.

Very few new mobile home park developments have been undertaken in the last 25 years. And existing parks have been closing at a rate of 1-2% a year. A whole host of events, occurring over a long time have caused this decline



- 1. Buy an existing park:** The advantage is that the park has income making financing easier, plus you do not have the lag time to producing income that is inherent with development. The negative is that the parks will have condition issues come with them and most will need some level of updating requiring further investment. This is the most active form of MHP investing. If you are not sure of what you are doing get some help or training.
- 2. Develop a new park:** Very little new mobile home parks development has taken place over the last 25 years. What is being done is being done by private companies and REITs with little hard data to go on. The advantage is you get to pick a good location, build a five-star park that commands higher rents and better cash flow. Financing is becoming more available. The negative is a lack of good cost information to make decisions with, a negative cash flow for the first 2-3 years. You will need a good team of professionals to assist you and again, if you are not sure of what you are doing get some help or training

3. **Be a passive investor letting your money do the work:** You can be a passive investor with your savings or IRA accounts letting your money do the work. This opportunity is limited to accredited investors in keeping with the SEC and State Securities regulations. With great returns to you. [Read More.](#)



Types of parks & Valuations: There are Mobile Home Parks and RV parks (some parks having both). Some parks own the houses and some rent just the pads to owner occupants. You will find many variations and combinations of park styles of operation.

The value of the park you are considering is depended on your intended style of operation, the net income the property produces and the property condition. There are a lot of details to consider when determine what you should be willing to pay for a given park. Yu should by a park based only on the current revenue stream.

Cap Rates: Depending on the class of park the cap rates vary widely. Location, population base, ascetics, amenities and lot rent rates effect Class of park and thus its valuation.

1. Class A (5-starr) parks sell in the 5.5%-6.5% range, Lot rents \$400-\$550 up.
2. Class B (4-starr) parks sell in the 7.5%-8.5% range, Lot rents \$375-\$550.
3. Class C (3-starr) parks sell in the 9%-9.5% range, Lot rents \$350-\$400.
4. The remaining parks that are in need of a lot of renewal, you would want a return of 15%-20% plus. These parks often need significant infrastructure updating, have less then desirable locations, have older housing stock, have high expense rations and contain significant number of park owned houses.

As you can see there is opportunity if for example you buy a Class “C” property and turn it into a Higher-class property. If you buy just a 100-site park and raise the rents \$100 a month you add significant value to the park. That \$100 increase could add \$1.2 mil to valuation.



Fund Raising Progress: We have 2 Parks currently planned. A Senior Living park and An All Ages park. Each will be a separate LLC, not a pooled fund. Both Parks are planned for the San Antonio metro area. The parks will start with 150 spaces with enough land to expand to 300 plus.

- To develop a 150-space park cost \$5,000,000 with equity need of \$2,000,000.
- To develop a 300-space park cost \$10,000,000 with equity need of \$4,000,000.
- We just recently started the fund raising and have \$185,000 in commitments to invest.
- We have with \$125,000 paid in capital.

At \$500,000 committed, I will put land under contract and start that process.

At \$1,000,000 I will start design and engineering work.

At \$1,200,000 we will start development.

Actively Seeking Investors

I am looking for equity investors wanting to make great returns on their money. I am planning on developing 10 Mobile Home Parks over the next 5-7 years. Get in early while the returns are at the highest. Take advantage of my 35 years of experience by investing in our Mobile Home Park Syndications to get passive returns from a low risk, real estate-based investment. Call Today!

Website www.TowardsWealth.com



Next Month.

- I will have updates from the two events that I am attending over the next 30 days.
- I will have an update on my fund-raising activities.
- I will give a description of the three different levels of Renewal of a park.

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