Mobile Home Park Investors

Newsletter September 2018

THE BORING INVESTMENT AREA WITH DOUBLE DIGIT RETURNS

In This Issue

Earn 8%, 12% even 20% returns on your savings and IRA accounts? This old-style investment space is back! https://mobilehomeparkdevelopments.com/

MHP Investing Strategies: Why some parks get $100 to $150 more a month to rent a space?

Some parks charge $100 to $150 more per month for lot rent than other parks in their same trade area. Because I am working on new park development, I wanted to know why one park could charge more than another park in the same trade area. To get an answer I needed to visit parks and talk to managers. I visited parks in Colorado, California, Texas and Tennessee. I visited small parks, large parks, parks located in large metro areas and small towns. I checked out older parks and newer parks, both rental communities and land lease communities. The disparity in rent amounts from park to park seems to hold true in the low-cost areas like south Texas or the higher cost areas like Denver.

To answer the question: The difference was aesthetics. The better-looking parks had higher occupancy rates and charged more. I am not sure, but I suspect that parks that charged higher rents had lower operating cost also.

Here are my observations as to why some parks could charge more rent:

- Homes where skirted, color coordinated or color matched.
- No outside storage, most houses had a storage room.
- A more inviting entrance way and signage.
- Streets and walks in good repair.
- Landscaped and well-maintained fences.
- Most had off street parking.
- Homes were in good repair with landings not just steps
- Better marketing materials, signs, brochures, flags, activity boards etc.

If you invest $6,000 per space to get that new look, and from that you bring in $100 more per month, you get a significant return on the investment. The increased revenue of $1,200 a year is a 20% return on the investment. It pays dividends to make your park look better.

Investors Wanted: Mobile Home Park Development Project Update.

Palace Way Mobile Home Park (MHP) in San Antonio, Texas.

The public hearing for re-zoning is in September. Land purchase closing is October 1st. The Design work and platting is progressing. If you are interested in investing call me. 210-413-7230

Quick Facts

- The average investor is investing of $100,000 to $150,000
- Investors get a preferred return of 8%, plus 5% of the free cash flow on each $150,000 invested providing 15% average annual returns.
- Total Project cost $4,500,000
- We are raising up to To $1.5 mil. in equity.
- Our Annual revenue projection at full lease up is $920,000 with net operating income of $580,000
- We anticipate holding the investment for 5-7 years.
- If the project is sold at the end of year five at a 6.5% cap rate, investors profit return on the sale would be 80% of cash invested.

Email me to get on our investors list for making an investment when the zoning is approved. Early investors get the best deal. **Read more about Mobile Home Park Investing.**

Filling Your Park #3

You have an older mobile home park that you want to upgrade, with a goal of improving the cash flow and thus the parks value upon resale. You have made the list of the needed work and come up with a budget for making the improvements to the existing infrastructure, signage and updating the parks existing structures. The goal is to increase monthly rental revenue to pay for the new upgrades.

One significant problem is the number of older mobile homes owned by the park. If you reduce the number of housing units owned by the park to 30% of the total. That would reduce your operating cost, increase income from lot rentals and improve the resale value by making the park more finance-able. Your goal is to end up with newer housing stock most of which are owned by the tenants.

Rent to own program, (or lease with purchase option) might be part of the solution Read more

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