



MOBILE HOME PARK MONTHLY

September 2011



The Mobile Home Park Investment Study Course includes 24 hours' worth of material that will teach you how to BUY, SELL, OPERATE, AND TURNAROUND any Mobile Home Park.

Current MHP REIT Stock Prices

As of 8/29/2011

Equity Lifestyle Properties (ELS)

67.00 up 2.00

UMH Properties Inc. (UMH)

9.48 up 0.12

Sun Communities Inc. (SUI)

37.77 up 1.33

WELCOME TO MOBILE HOME PARK MONTHLY

We've decided to produce a monthly newsletter for our friends and customers called "Mobile Home Park Monthly". It will feature stories, tips, and other relevant information that you may find interesting and helpful.

We have seen our personal portfolio of mobile home parks grow to over 5,000 lots in the past couple of years. Needless to say, we are extremely bullish on the growing U.S. demand for affordable housing and the ability of mobile home parks to deliver this type of product. Recent news articles all point to the fact that there are a large number of households forming in the U.S. which cannot afford the typical forms of single family and apartment living. At an average all-in cost of \$495 per month for a 2 or 3 bedroom mobile home, we are less than 50% of the U.S. apartment average, and give the customer their own privacy, yard and community feel.

So we hope you enjoy Mobile Home Park Monthly, and we also hope you to take part in the monthly contest that we are going to announce in each issue. The newsletter will always be free of charge, and you are always welcome to suggest new content. You can reach us at (800) 950-1364 or email mhpsfeedback@gmail.com.

Until October,

Dave Reynolds and Frank Rolfe



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How to Handle the “Impossible” Tenant

By Frank Rolfe

Everybody has had them. I can remember the name of every one of them. These are the tenants that won't play by the rules, and have no limitations to the amount of grief they can cause you – most actually delight in calling a hundred times a day, and complaining about things that most people would never dream to even talk about.

So until every mobile home park tenant becomes a solid citizen, this is a primer on how to handle them, and avoid the type of liability and unpleasantness that they can cause.

Which Type Are They?

For the sake of simplicity, I'm going to divide problem tenants into two groups: 1) behavioral and 2) verbal. “Behavioral” problem tenants take actions that jeopardize the welfare and aesthetics of the community. “Verbal” problem tenants do their damage by harassment of the park management.

Both types are not conducive to a well-managed, profitable park, and must be immediately disarmed and/or removed from the property. However, in many cases, the proper steps can cure their issues and make them a normal, paying tenant again.

“Behavioral” Problems

The first type of behavioral problem is the tenant who engages in criminal activity. The most common of these is manufacturing/dealing in drugs. Signs of this type of behavior include a constant stream of cars dropping by the house – normally at night – for very short intervals, as well as people milling around in the street at night, in the vicinity of the mobile home.

CONTINUED ON PAGE THREE



Mobile Home Bootcamp Participants
Held in Colorado- June 2011



September Contest

Each month we will be holding a new contest. The details and entry rules will only be available in the newsletter, so keep your eyes open.

September contest: We want to know your FUNNIEST mobile home park story. We have a lot and want to know if anyone can top ours, so send your entries to mhpscontest@gmail.com. You may be featured in our soon-to-be-released book.

The top THREE winners will be determined and awarded our new Mobile Home Park Store shirt.

Good Luck!!!

Rules:

-Must state in email your FUNNIEST mobile home park story to mhpscontest@gmail.com.

-Email must include contact details. (Email address and phone number.) Please include how you would like to be contacted if you are one of the winners.

-Entries must be submitted to mhpscontest@gmail.com no later than September 30th, 2011 at 11:59pm CST.

-After September 30th, a creative team will narrow down entries and determine the top three entries. The winners will then be contacted for shipping address.



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How to Handle the “Impossible” Tenant continued

The important step here is to do *nothing* yourself, but to only take action through the local police department. You should never get directly involved with this type of tenant, due to risks of physical harm to you and potential liability. Call the police department and tell them what you have been observing. If there really is something to what you suspect, the police will take care of it.

But if the police fail to take action, then your next step is to non-renew the tenant's lease. Assuming that the tenant is on a month-to-month agreement, you can simply not renew, and they have to move out at the end of the next full month. Even then, it is smart to have a local attorney file this notice and to handle any subsequent legal action to evict them.

The Tenant Who Won't Keep Their Property Up

Equally disruptive – but not as scary – is the tenant who refuses to keep their property in an acceptable condition. Debris everywhere in the yard, a house with a paint job that you can hardly tell what the original color was, or grass that is 3' tall. It is impossible to ask the rest of the park community to keep up their property when you allow this individual to get away with murder. So what do you do?

The first step is to notify the tenant *in writing* that they are not in keeping with the park rules. This assumes that your park has rules; if not, you need to adopt some immediately. It is essential to keep everything in writing so that you have a legal paper trail in case you should have to go to court for any reason.

Give the tenant a detailed request of what needs to be done to be in compliance with park rules, as well as a timetable to complete the work. Of course, they will rarely meet this deadline, but it's the critical first step to show the court that you are trying to be reasonable.

Once the deadline has passed – and the clean-up has not been completed (or probably even started) – then you have two choices: 1) non-renew the tenant's lease or 2) take matters into your own hands. To take matters into your own hands, I'm suggesting that you clean up their yard, mow the grass, or re-paint their house at your own expense. You can then either bill the cost back to the tenant, or just write it off. How do you choose what to do? The key is the tenant. If your tenant is old and infirmed, then they simply do not have the ability or funds to make the needed repairs. If they have paid their rent like clockwork for the past several years, why cut off that income stream by evicting a good-paying tenant? If, however, the tenant is young and able to do the work themselves – but too lazy to do it – then you might want to bill it back to the tenant to send a clear message that breaking of the rules is not tolerated. You might break the charges up into several monthly installments to make it more affordable. But you cannot let people continue to ruin the park for everyone.

The Verbal Problem Tenant

These are the tenants who complain continuously about anything and everything. They don't necessarily disturb the other tenants – their aggression is focused on the park management. I have had these type of tenants who will call at 11 PM and then again at 6 AM; they have virtually no boundaries.

These are much easier to dispatch than the behavioral problem tenants. You simply have to turn the tables on them. Here's how.

When the tenant calls to complain, tell them “you are clearly unhappy living here, you really should move to a mobile home park where you would be happier.” This throws the tenant off immediately, as they think that their power over you is that you don't want to lose them. When you let them know that you don't care about their rent anymore, they are now in a position of weakness. In addition, it costs around \$3,000 to move and set a mobile home. So for them to move, they will need to come up with \$3,000 cash. Who's in a position of weakness now?

Conclusion

Problem tenants can be solved. Don't let a tenant ruin your day. Take action and turn the tables on them. It's good for you, and it's good for the community.

We use a system on collections called “No Pay/No Stay”. What it means is that you can't live in the park for free. Remember that it actually costs you money when a tenant lives in a lot; water, sewer, repair and maintenance and just the hassle of having to invoice them and/or read their water meter. So when somebody doesn't pay you, you are literally paying them to live there. You are much better off having a vacant lot – which is free – than a non-paying resident.

Have you checked out www.mhbay.com?
MHBAY is the leading site to buy, sell, or
rent mobile homes and lots in the United
States and Canada.
Check it out today!



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BOOTCAMP ALERT!

The next Mobile Home Park Bootcamp will be held November 11-13 in Orlando, FL.

For more information

Call 1-800-950-1364 or email
Sharon@mhps.com

This is an opportunity you don't want to miss!

WE HAVE ACQUIRED MOBILE HOME UNIVERSITY!

The next time you visit the site www.MobileHomeUniversity.com, you'll notice a big change – we now own it! We acquired Mobile Home University this month, from the original founders Steve Case and Corey Donaldson. And we are going to be making some big changes to the site. We have already revitalized the Forum, and brought on additional moderators Howard Huang and Kurt Kelley, as well as augmented the article content with lots of new material. We will also be adding some videos and other features shortly. So check it out!

PARK FOR SALE

- Located in Arvada, Colorado
- 75 Mobile Home Lots
- 6 Acres of Land
- Cap Rate: 9.0%
- Price Recently Reduced to \$2,150,000

Cash Flowing Property with Huge Upside. Surrounded by a Strong Demographics of Renters. Updated Water and Sewage System. Convenient Access to the Mountains, Boulder, Downtown Denver and the Surrounding Metro Area. For more information, call (303) 321-5888

Or visit www.mhps.com.

PARK FOR SALE

- Located in Western, Wisconsin
- 36 Mobile Home Lots
- 5 Acres of Land
- Cap Rate: 9.1%
- Seller Financing
- Price Recently Reduced to \$800,000

Owner Seller is motivated to sell, flexible on price and terms.

For more information, call (313) 794-9013

or visit www.mhps.com.



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