

Mobile Homer – The New System of:

Making Money with Mobile Homes in the Modern Era.



Why settle for Investment Base Hits when you can be hitting Mobile Homer?

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Forward

For many years, we have been hesitant about promoting the concept of doing Lonnie deals (a name familiarized by Lonnie Scruggs in his book Deals on Wheels). However, we always keep our eyes open and our mind available for fresh ideas and improvements to existing ideas.

There exists today an enormous disconnect between what the mobile home industry manufactures and the customer demands. And the financing to purchase homes, on the part of professional lenders, has virtually completely dried up. The demand for affordable housing is there now and will always be there, but nobody has stepped in to meet that demand.

A while back, it occurred to us that maybe there was a better way to build the mousetrap. We did some experimenting, and think we have hit upon that design. This program is the end result of those experiments.

We are still hesitant to buy mobile homes in mobile home parks that we do not own and sell or rent those homes under the old methodology that was promoted in books and seminars in the past. We still also feel that there is better stability and profits in owning the actual mobile home parks and we hope that with some of the concepts provided in this book that that dream will become reality for those reading this.

We understand that mobile home park ownership is not feasible for some investors due to limited cash to invest or else these investors may want to start small in the business.

We have devised a program that we believe will make your Lonnie Deals more profitable, take away a lot of the risk, and become a win-win solution for both the mobile home park owner and the mobile home investor. And at the same time, we are filling that gap needed for affordable housing and are helping to make more renters home owners.

What is a Lonnie Deal?

The term “Lonnie Deal” relates to a concept promoted by Lonnie Scruggs in his book Deals On Wheels. We encourage everyone that is reading about our new program to get a copy of this book if you don't already have it as it will help lay the framework for what you will be reading about in the **“Mobile Homer” program**.

The basic concept is that you buy a used mobile home, and then re-sell it, at a higher price, with a down payment and monthly payments at a prescribed interest rate. These mobile homes are normally located on lots in mobile home parks. The homes to buy are found through “mobile home for sale” ads in the newspaper, through driving around in mobile home parks and looking for “for sale” signs in windows, and often through mobile home park managers who give leads.

A successful “Lonnie Dealer”, according to this business model, would have a large inventory of notes paying every month.

This business model takes advantage of the credit void that exists in the world of used mobile homes. For most mobile home buyers, there are no established channels of credit available. This segment of the housing market is reliant on cash or seller carry. Traditional models of consumer credit ranking fail in affordable housing, as most everyone has lousy credit due to health issues or other high-dollar calamities. But often those credit scores are not an accurate reflection of the customer’s ability to pay. Having a job, and needing a place to live, are often the two deciding factors in a customer getting the bill paid.

It is also a product of a housing market that ignores the affordable housing niche. While there are hundreds of brokers and lenders on every corner for homes from \$150,000 and up, there are relatively few companies that broker the \$2,000 to \$25,000 mobile homes. As a result, the opportunity is there, in abundance, to step in and satisfy this void.

Over the past 20 years there have been thousands of investors out there doing these types of deals with some being successful, some breaking even and some actually losing money. There is always the risk that the investor (you) would end up having to constantly repair the homes if your buyer moved out. Also, when you were rehabbing or trying to sell the home you also had to pay lot rent. Ten years ago, the lot rent was relatively low and the average rent nationally was in the \$150.00 per month range. With rents now averaging over \$250.00 per month and as high as \$600.00 in some markets, owning mobile homes in parks owned by others is far less attractive due to the fact that you will end up paying lot rent on vacant homes. Paying this lot rent on vacant homes can eat away your profits quickly.

So how do you buy mobile homes, sell them for a nice profit, and carry the financing and make money without getting burned?



The "Mobile Homer" System - a program that will help to guaranty your success!

Here is the solution and one that will increase your success of buying used mobile homes and earning an attractive return on your investment.

The program actually has both types of investors in mind.

The first type of investor will "hands on" and the second type will be looking for an experienced park operator to do all the work for them.

If you fall into the second category, then you should still read the information below to understand the business but then in addition, here is a link to the page describing the "***Done for You***" program whereby you partner with the mobile home park owner and they use their experience and resources and do the work for you and just send you a check once a month.

Here is how the program works:

1. You first need to decide how involved in the process you want to be. For example, do you want to find the home, negotiate to buy it, move it in, rehab it, and then sell it and collect the monthly payments? Or would you rather go with a mobile home park owner that has the experience and resources to do all of this for you (done for you program), or maybe a combination of both.

2. Next you decide how much you want to spend for the home which will include the purchase of the home, rehab, moving, and setup.
3. Then you will need a mobile home park to do business in. You can go out and find one on your own or else you can browse through the list of mobile home parks that MobileHomeParkStore.com has pre-approved to be in the program and that will provide the **“Mobile Homer”** System Guaranty and some great discounts and bonuses for you to do business in their park.

What is the New “Mobile Homer” System Guarantee? Basically, it is a guaranty by the park owner that they will offer enough incentives, bonuses, and other assistance to make sure that you have the highest chances of success in meeting the returns on investments that you are requiring. Each park owner will come up with a program that they think will help to make your mobile home park investments as successful as possible and reducing the potential risks that the traditional model had. If you follow the guidelines setup by that park and you fall short of your expectations, then you may be able to get the park owner to offer more incentives to get you back on track.

When you think about this you are going to be making the mobile home park owner some significant equity and profits and any smart park owner would be stupid not to make sure that this is a win-win concept for the both of you.

When you review the examples that follow as well as a review of the individual park offerings you will be able to gauge the advantages of this new program. While we or the park owner can't offer you a guaranteed return on investment, what we can do is show you how this new program can increase your returns by 20% or more over the traditional Lonnie Deal model. For example, if your normal return on a mobile home deal is 10% and you put that home into this program, that return could be as high as 20-30% with all the concessions and spiffs that the park owner will give you. That is a 100-200% increase in the returns over those realized in the traditional model.

This is the program in a simple nutshell so now let's discuss it in more detail. And remember that this is a new program and we welcome any comments you may have to make it better. We will be posting all of our revisions and suggestions on the forum for those in the **“Mobile Homer”** program.

What is the Problem with Mobile Home Investments as Originally Promoted?

In our opinion the original Lonnie Deal concept had some fundamental flaws that may render the business model unprofitable for many investors. There were some basic assumptions left out of the model, such as the cost to renovate the used home into a quality home that is saleable, the fact that many buyers do not pay to the end of the loan commitment, and that most homes require substantial renovation between buyers, often erasing any income for the home for a period of many months.

The original model went something like this: you find a used home in a park for \$4,000, sell it for \$8,000 with \$1,000 down, and finance the balance at 12% interest for 36 months. On paper, this transaction would yield a whopping 90.12% return on your money as demonstrated in the table below.

Purchase Price	\$4,000.00
Less Down Payment Received	-1,000.00
Net Cash Invested	\$3,000.00
Sale Price of Home	\$8,000.00
Down Payment	(1,000.00)
Amount of Note	\$7,000.00
Interest Rate	12.0000%
Term (in months)	36
Monthly Payment	\$232.50
Internal Rate of Return (Yield)	90.12%

Sadly that is not what always happens. Here’s how we have seen it works in many cases.

You buy the home for \$4,000 and let’s assume you can sell it for \$8,000 with \$1,000 down.

The customer pays for a year, then damages the house and runs off.

It costs \$2,500 to put it back together enough to sell it again.

And the whole time it is empty, the lot rent mounts up at the trailer park.

Here's the scorecard: you have \$3,000 in the home from the original purchase, another \$2,500 from the rehab plus another \$1,000 in lot rent. Assuming the buyer paid you for 12 months you received \$2,790 in payments.

You are now in the home for \$3,710 (\$6,500-\$2,790) and now it is only worth \$6,000. You turn around and sell it again but now your potential profit is \$2,290 and your return is not going to be near as good as projected.

WAIT: whether or not you agree with the old model and the returns that it generates, we have some good news. If you were able to buy and sell that home without a hitch in the prior example and actually generate a return of investment of 85.11% on your money, then you would have been even happier under our program. Let's take that same example and show you what could have happened under the **"Mobile Homer"** Program.

Assumptions: Park owner really wants the home to stay in the park but doesn't have the capital to buy it. However, they like working with you and are willing to help offset your price of \$3,000.00 by paying you \$500.00 to buy the home and sell it.

Purchase Price	\$4,000.00
Less: Spiff from Park Owner	-500.00
Less Down Payment Received	-1,000.00
Net Cash Invested	<u>\$2,500.00</u>
Sale Price of Home	\$8,000.00
Down Payment	(1,000.00)
Amount of Note	<u>\$7,000.00</u>
Interest Rate	<u>12.0000%</u>
Term (in months)	36
Monthly Payment	\$232.50
Internal Rate of Return (Yield)	106.35%

Your return just increased by over 20%

This is just one simple example and the spiff may be a lot rent reduction, or a move-in credit, or all kinds of different things. No matter what the spiff is, you have both just benefitted. The park owner gets to keep a home in the park for only \$500 and you are able to increase your return by having less capital in the actual purchase.

Ok, back to the program. There are some basic economic assumptions in the original mobile home investment model that have always held true and will continue to hold true as long as we can foresee the future.

However, there are some basic economic assumptions in the original mobile home investment model that have always held true and will continue to hold true as long as we can foresee the future.

The first is the extreme demand in the U.S. for affordable housing.

The Demand for Affordable Housing

There is a huge demand for affordable housing. Affordable housing is, in fact, the fastest growing segment of the U.S. housing market. It is essentially housing for people who are unemployed to earning minimum wage and up to about \$15 per hour.

Assuming an average total income of \$24,000 per year for these individuals and families, and believing the U.S. government's assertion that the healthy level of housing cost should not exceed 25% of one's wages, then the correct budgeted housing cost for this group is around \$500 per month. So where can the typical family find housing for \$500 per month?

The normal option that comes to mind is apartments. However, let's look more closely at that option. An apartment is not really the American Dream. There's no privacy, with neighbors pressed against all walls and floors and ceilings. And there's no yard for the kids or dogs. And the living quality of most apartment complexes in this price range is horrid. Despite the media always loving to use mobile homes as a scapegoat for everything that goes wrong in society, it's actually the apartments that are a large incubator for drugs and gangs and everything that goes with it.

For these reasons, folks who live in apartments dream of getting out of them. And if you are not a higher wage earner, and you want detached housing, your only option is a mobile home set up in a mobile home park.

Another segment of the population that has an insatiable appetite for mobile homes in parks are Hispanics. One of the biggest shifts in mobile home park tenancy in many parts of the U.S. has been the growing segment of the Hispanic demographic that lives in mobile home parks.

And this demand does not appear to be waning in the future. As apartments become continually less desirable, and incomes become lower and more stagnant, there seems to be no end to the demand for affordable detached housing – and mobile home parks are the best solution to this problem.

What the Customer Wants

The average mobile home customer is looking for several simple attributes:

First and foremost... they need FINANCING - otherwise they could just go to the dealer or bank and buy the home themselves.

A total monthly price, including lot rent, of about \$495 per month (of course this will be higher in some areas but in about 80% of America this is a good number to work from).

This is not a number pulled out of the air, but actually what they can afford based on normal underwriting guidelines.

- At least two bedrooms.
- One large bedroom (master bedroom)
- A house that is free of any extreme aesthetic blemishes or smells.

Now, that's a pretty easy customer to please.

It's not that there's something wrong with this set of priorities. Maybe those of us who live in more expensive housing are too demanding – maybe we're too focused on materialism and not separating wants from needs. The important point is that you need to supply what the customer wants – and that's a decent house at \$495 per month. Don't put your own tastes and wishes into the equation.

Outside of the house, there are a few more things that the customer wants.

They want to be treated with respect. They know that they do not earn high incomes, but there's more to life than money. They want to be given the same treatment as someone buying a \$500,000 custom

home. They want to be shown the house properly, be given a reasonable criminal and credit screening, and exchange their funds for the key.

Many mobile home and mobile home park investors in the past have missed this simple request. They delight in bossing the customer around and making snap, often irrational, decisions on who is “worthy” of buying from them and who is not. This is not only in violation of Fair Housing, but is in violation of basic principles of business that make it work.

The NEW Mobile Home Investor Business Plan

The NEW model that we have come up with is based on the reality of the mobile home business, and is constructed to remove most of the risk of this type of investing, **through a “partnership” with the mobile home park owner**, as well as better thought out mechanics of the deal.



Here’s how the NEW model works:

I. Calculate the Lot Spread Delta of a mobile home park

The “Lot Spread Delta” of a mobile home park is the difference between lot rent and \$495 per month (*note: the \$495 may be different in some markets*). For example, in a park in which the lot rent is \$200 per month, the Lot Spread Delta is \$295 per month. This is the amount that can go towards the home and remain in the total \$495 per month target range for your customers.

The higher the Lot Spread Delta, the better from the overall deal perspective for the mobile home investor.

II. Determine the desirability of the mobile home park as a platform to sell from

Not all mobile home parks are created equal. Some are in upscale areas, and some in blighted industrial sections. Some have great school districts; some are in terrible school districts that everyone avoids. Some have great-tasting water, and some are on wells with water quality so poor that the residents have to buy bottled water for everything but bathing.

It is essential that the park you are selling from be desirable to tenants.

III. Calculate the maximum value you can assign to a home based on the Lot Spread Delta and a three to seven year amortization of the loan

If the Lot Spread Delta of a desirable park is \$250 per month, then the maximum price of a house you can sell in that park to reduce your risk and maximize your returns is going to be in the \$16,500.00 range. At a price of \$16,500 with a 10% down payment you will be financing \$14,850. On a seven year term at an interest rate of 10% the home payment would be about \$245 per month. Add that to the \$250 per month for park rent and the total payment comes in at the \$495 per month mark. Seven years is the longest amortization you should use to sell a used mobile home. This number minimizes default rates based on actuarial tables. Also, it is important to note that if you can get down closer to 3 year terms with homes in the \$8,000 range, you will reduce your risk even more and will be able to do more deals with your available funds.

30 years may be O.K. on stick-built homes, but 7 is tops on mobile homes (maybe 10 on new manufactured homes).

Later on, we will show you a way that you can actually cheat a little but this will be based on how good a deal you can strike with the Mobile Home Park owner. And you really don't want to cheat as there are always mobile homes that will fit this model. *If you can't find one, then you are in the wrong market.*

IV. Find a used mobile home that allows for a substantial profit based on this spread between what you pay and what you can sell it for

In the above example, you have a \$16,500 maximum value on a home that can be sold in the subject mobile home park. If you can supply a home to sell, at a total cost to you of \$8,250, and you can sell it for \$16,500 with owner financing, then the numbers work like this assuming you can buy it and sell it on

the same day and the buyer makes all payments as agreed and nothing ever goes wrong. Obviously the return can be greater, or smaller, based on the price of the home and other items beyond your control. If you could make this type of return, then most investors would be satisfied. However, we will talk about how to lock returns like this in later when we start talking about all the things the park owner can do to make this a win-win proposal.

Purchase Price Plus Costs to Make it Ready	\$8,250.00
Less Down Payment Received	-1,650.00
Net Cash Invested	<u>\$6,600.00</u>
Sale Price of Home	\$16,500.00
Down Payment	(1,650.00)
Amount of Note	<u>\$14,850.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	84
Monthly Payment	\$246.53
Internal Rate of Return (Yield)	42.40%

As discussed previously, you can greatly increase your returns if you are able to buy cheaper homes (don't buy junk). See how the numbers compare on a house you buy for \$5,000 and sell for \$10,000.

Purchase Price Plus Costs to Make it Ready	\$5,000.00
Less Down Payment Received	-1,000.00
Net Cash Invested	<u>\$4,000.00</u>
Sale Price of Home	\$10,000.00
Down Payment	(1,000.00)
Amount of Note	<u>\$9,000.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	44
Monthly Payment	\$245.17
Internal Rate of Return (Yield)	66.76%

That is not a bad return once again assuming you buy and sell the same day and the buyer makes all his payments on time every time.

Also, as this model shapes up, you are not putting any value on your time assuming you are the one out there driving around, placing ads, and looking for these deals.

And once again, don't forget that our *New "Mobile Homer" System* model has other benefits we have not fully touched on yet. That is coming soon!

V. Sign an agreement with the park owner allowing for certain protections of your home in the event of a problem

The single biggest danger to the Lonnie Deal is the customer running off and abandoning the home prior to the end of their mortgage and you are not only responsible for rehabbing the home but you also have the lot rent that may have accumulated when your buyer did not pay it, the lot rent that accumulates during the foreclosure/eviction, the lot rent during the time you are rehabbing the home, and then the lot rent that keeps coming due while you try to sell the home again. That can be a lot of lot rent!

Under our program, you won't pay any lot rent or at least you will pay a greatly reduced lot rent during this time period. After all, you are now partners with the park owner.

You have the goal of collecting your note payments and the park owner has the goal to rent and collect on as many lots as possible.

So you work together to keep your buyers paying each and every month so they ultimately become owners of their home and pay lot rent to the park owner.

So, to become a pre-approved park owner under the *New "Mobile Homer" System* program, the park owner must agree to abate or greatly reduce any lot rent during the period the home sits vacant. This is not asking much, since the home, when vacant, does not pull any utilities, and many parks in the U.S. have plenty of vacant lots to fill before the one your home is on would be an issue.

This agreement also provides for the park owner to aid in selling the home for you, and to help manage and deal with the tenant as necessary.

A sample of this proposed park owner agreement is attached as one of the downloadable files.

VI. Move the home into the park, set it up and sell it

Once you have put the above items into action, the easiest part of the process is to move the home to the location, skirt it and put on the stairs, and sell it. As long you stay at \$495 or so, on the price, and have done a good job of finding an attractive market and park to sell from, your phone will ring off the hook.

Mobile homes for sale, in this manner, often sell within one week – often less.

And if all of this sounds complicated and like a big hassle, remember we have a program where all you do is find a good park to partner with and they will do all the rest. You are buying the home but they take care of the rest including sending you a monthly check. Many park owners are seeing homes all the time to buy, but don't have unlimited capital to buy them. They know what their customer wants and just need someone to partner with them on getting the homes into the park.

How the NEW “Mobile Homer” System Benefits the Consumer

In addition to providing affordable housing to consumers who are desperate for it, the *New “Mobile Homer” System* benefits the customer in other ways:

By enjoining the park owner into the process, you have helped close the circle with everyone being on the same page. In the old days, the park owner was often hostile to the Lonnie Dealer, thinking that they were importing bad tenants into their community. As a result, the park owner would often “ride” these tenants with over-zealous rules and collections methods. The *New “Mobile Homer” System* puts everyone on the same team.

By focusing on the \$495 per month goal, you help ensure that the tenant does not exceed what they can actually afford, thereby giving them peace of mind, and their kids a sense of security. It’s a shame that the stick-built home market did not share such a goal.

By keeping the amortization short, you help ensure that the owner will get the home paid off and establish an asset for themselves, as well as enjoy lower housing cost in less than 7 short years. This is a great win/win for the consumer.

By watching over the quality of the home, as described later, you make sure that the customer has clean, safe housing at a very affordable price.

The “*Mobile Homer*” System truly is a tremendous opportunity for the customer, and should be treated as such. Your reward, as the seller, will be a phone endlessly ringing with demand, and customers who can afford their payments and stick to the end of the contract. Not to mention the many families that you have put on the road to home ownership.

How it Benefits the New “Mobile Homer” System Dealer

Doing “Mobile Homer”, under the guidelines established here can be enormously profitable. In addition, using the system we show you here, it can be relatively stress-free and enjoyable.

By bringing the park owner on-board, as a member of your team, you have an ally who has 24/7 visibility of your property and tenant (buyer). You no longer have to feel isolated and powerless to monitor what’s going on with your property. In addition, it establishes fairness, since the park owner has to share in the pain and well as the profits at all times on the home.

And by basing the business model on real, tangible economics and strategies, it is structured on reality and realistic results. Under the old business model, you had a much lower chance of even recouping your investment. Under this new business model, you have a very low chance of failure. Sure, in any investment, you have a chance of not making your goals. *But under the “Mobile Homer” model, you have a math formula of $2+2=4$, instead of constantly trying to nail Jell-O to a wall.*

This business plan has been built on the lessons learned of buying and selling over 400 mobile homes in parks across the U.S. It is fundamentally sound and tested.



How it Benefits the Mobile Home Park Owner

When you fill a lot in a mobile home park, the benefit to the park owner, based on a standard valuation of a park at a 10% cap rate, is sizable. At a \$250 per month lot rent (say \$200 per month net of expenses), this increase in valuation is $\$200 \times 12 \times 10 = \$24,000$. We are assuming that the cap rate is 10% and that \$200 is a net of expense number.

In addition to an increase in valuation of \$24,000, the park owner also enjoys a cash flow of \$200 per month for each occupied lot, without any capital cost in the home that sits upon it.

Contrary to what park owners or mobile home dealers may tell you, there are virtually no new mobile homes moving into lots in mobile home parks these days. Back in 1999, there were as many as 400,000 mobile homes manufactured in the U.S., of which 75% were singlewides that went into parks. Today, there are under 100,000 mobile homes manufactured in the U.S., of which less than 50% are singlewides that might go into parks. That's a decline from around 300,000 new homes into parks in 1999 to less than 50,000 today – about an 80% decline!

The most common way that a new home moves into a lot today is when a park owner buys it himself. The problem is that park owners don't have unlimited capital – an item most park owners lack after making the significant investments in the parks as well as buying and filling up a few of the vacant lots.

This deserves repeating again... Park Owners don't have unlimited capital – if they could go out and borrow the money from a bank at 15% interest to fill up their parks with \$10,000 singlewide 3/2's, they would do so and in most cases fill up quickly. This is where you come in. Banks are not lending park owners money to buy new and used mobile homes, so they need either to borrow the money from private investors or else work with Lonnie Dealers if they want to fill up those parks.

So every time you bring a home into a park under the *"Mobile Homer"* model, you are making the park owner a significant amount of money. Never let them forget this!

You are not asking the park owner for much in return for making them a huge amount of money. In fact, there are plenty of park owners out there that would love to work with you! And Frank and Dave are some of the most workable park owners there are around!

How the Structure with the Park Owner Works.

The park owner is getting a great deal by you simply bringing in a home, or retaining an existing one in their park. The motivation for them to work with you is already on the table.

What you are asking in return from the park owner is in no way a ridiculous request. All you want them to do is be on your team, so that the relationship between you and the park is not all one-sided. We live in a new era of win-win negotiating, and without the park owner agreement, as part of the NEW program, you are structuring a win-lose deal – with you on the losing end.

There are some park owners that are particular about the homes that come in as well as some that have a tough screening process and will be hesitant to just let someone start buying and selling homes inside their park. If you run into park owners like this you can either just move on to the next park or try to figure out a way to work with these park owners. One solution when dealing with a strict park owner would be that you would buy the home and instead of selling it to the future resident, you sell it to the park owner on the same terms that you would sell it to the resident. Then the park owner would take care of the rest. You have the home as security, the park owner guaranteeing the payment, and little time involved in the whole process.

Let's look at what you are expecting from the park owner:

1) No rent during the period in which you remodel the home – and nothing due until you sell the home for the first time. There is no reason you should pay lot rent while you are getting the home ready to sell, nor while you are marketing it to sell. Since the home sitting on a vacant lot costs the park owner very little to nothing at all other than opportunity cost – and without you there's no opportunity. However, there should be some limits on the amount of time you are not paying the rent while the home is being rehabbed. A one or two month limit would not be unreasonable.

2) No rent during any period in which the home sits vacant between tenants. You hope that the first buyer sticks until the end, but there's no guarantee and the reality is that many buyers default before the end of their mortgage. As a result, you may have periods of vacancy after the initial sale is completed. During any vacant period, you are not asking much of the park owner to let the rent be abated during these down times. You are asking them for very little and at the same time you are providing them with substantial economic gain during the rest of the time.

Park Owners: one issue with these rent abatements may come to light when you go to sell or refinance the park. For example, if you are not charging rent on lots owned by Mobile Home Investors while they are rehabbed are sitting vacant between tenants, then this will negatively affect your Net Operating Income. One solution to this would be to offer a provisionary rent credit up front (when you first start doing business with the Mobile Home Investor) that can be offset as needed over future years. If it is never used up then it just goes away or can be given to the mobile home investor upon you're a park sale or refinance. This way when you do have a lot that is not paying for a month or two, you are reducing a liability and not the income. The details of this rent credit program can be worked out in the agreement that the park owner has with the mobile home investor.

3) Notification in the event that the home goes vacant, if the park owner notices it. Since the park owner, or their manager, is on-site much of the time, they have the ability to notify you of a tenant running off immediately so the home can be secured and you are aware of the problem. Often, the Lonnie Dealer only knows a unit has been vacated when the check does not come in. At that point, the home may have already been vacated for weeks. It sure would have been nice to know the home is vacant so you could have had it winterized before all the plumbing is frozen!!! And once vacancy is confirmed, help in coordinating having the locks changed and securing and winterizing the vacant home.

4) Help in getting a new tenant into the home. This would be in the form of having the park owner or manager show the homes and help fill out the paperwork. And, to give the tenant the key once approved.

5) Other Park Owner Spiffs? What about a reduced lot rent or a share of the lot rent. Maybe a big bonus for moving a home into the park? You will find a whole list of spiffs when you review the pre-approved park owners in this program and when you review some of the examples to follow.

I think you would agree that this is a small request for the amount of money you are creating for the park owner by bringing or keeping a home in their park.

Let's summarize the problems of the old model and solutions of the new one.

Problem	Solution
The mobile home investor bears the cost of lot rent during the time the home is vacant or their buyer is not making the lot rent payments.	The park owner gives you discounted or free rent anytime your home is vacant or you are in the process of evicting or foreclosing on your buyer that stopped paying.
The old model assumes that you buy the home and sell the same day.	With the no-lot rent and no-utility cost incentive from the park owner you may not be out any costs of lot rent or utilities while the home sells.
You pay the entire cost of buying the home, moving it in, and rehabbing the home to get it ready to sell.	Park owners will be aggressive in providing you move-in incentives and cash payments to get you to move homes into their park.
The mobile home investor may have problems and time delays in evicting or foreclosing on homes. For example, on a Rent-to-Own or Lease-Option agreement some Judges don't like these and throw the case out of court.	The park owner will have a separate lot lease agreement with your buyer and it is simple in most states to evict on this lot lease agreement. Once the resident moves out, you get the home back thus minimizing your risk that your case gets tossed out by the Judge.
The mobile home investor pays for all advertising costs.	The park owner already has and pays for advertising costs. You can piggyback on the mobile home parks' current advertising in newspapers, signs, banners, and yellow page ads. The manager probably has a list of people already looking to buy or rent and you can turn the renters into buyers.

Problem	Solution
<p>The mobile home investor has to take the calls, show the homes, check on the homes, and collect the payments.</p>	<p>The park owner already has an onsite manager that can do all of this for the investor - they are already setup to do so and it will save the investor time and hassles. Plus the park is already getting the phone calls for the park and the traffic from those that drive by.</p>
<p>The mobile home investor may not be setup to do background and credit checks.</p>	<p>The park owner/manager probably already has this and can run these checks for the lot rent portion and help in your decisions.</p>
<p>The mobile home investor may not be local or is having a hard time finding homes in the market that they currently live in. Maybe the mechanics just don't work locally and so they have to expand their target market area.</p>	<p>The park owner/manager can find the homes for you, show the homes, and oversee the move-in, setup, rehab, and everything. They are doing it already.</p> <p>This allows you to find an "approved" park to do business with where there is an ample supply of used homes that you can buy at your target prices to afford the best returns.</p>
<p>Becoming a Dealer - in most states for you to be out there buying and selling homes, you need to become a dealer. This is an added cost and time constraint you may encounter once you start selling more than one or two homes per year.</p>	<p>The park owner/manager may already have a dealer license and depending on how you structure your deal with them, they may be able to sell/broker the homes under their dealership and help you avoid the costs and time of becoming a dealer. This can save thousands of dollars per year.</p>

Problem	Solution
<p>Tax Benefits - once you are classified as a dealer under the IRS regulations, you are taxed during the year of sale. If you want to buy, sell, and finance the homes then you typically have to claim your entire gain in the year of sale. There are potential ways around this with lease/options or rent-to-own agreements but under the traditional model you pay tax on money that you haven't collected in the year of sale and not during the time you are receiving the money on the note you financed.</p>	<p>Instead of you becoming the dealer you work out some type of lending relationship with the park owner whereby you loan money to the park owner to buy the home and they pay you an agreed upon interest rate plus other bonuses as the homes are purchased, sold, and paid off. In this case the park owner would have the ultimate control of the home and full responsibility of finding, buying, rehabbing, selling, and collecting the money. Your security would be the home and whatever other guarantees you can get from the park owner.</p>

How to Approach the Mobile Home Park Owner.

The park owner is 99% driven by financial gain. So trumpet that gain! You are offering him a tremendous profit from working with you. You are offering him current monthly income and substantial gain upon a sale of the park or more cash out from a refinance.

This argument alone should be more than enough to interest any park owner in your proposal.

Once you have captured their attention, you need to use your other ace in the hole. That ace is good old American competition. Explain to them that you have 100 other park owners that are dying to work with you. But that you like their park the best of the group, because it offers the most attractive platform to sell from.

Normally, this mixture of gain and competition will get the park owner to agree to your terms. However, you have to be reasonable.

But what if the park owner won't agree to your terms?

In this market, you are in the driver's seat, and you should just move on to the next park.

We are quickly building our list of mobile home park owners who have already established their willingness to agree to structure a win-win relationship with you in addition to the parks that Frank and Dave currently own and operate. Access to this list will be provided only to those mobile home investors that have are part of this program.

Here are a few sample scenarios that you will find in this program:

Example 1:

Buy a used mobile home that already sits in a decent mobile home park with a Lot Spread Delta of \$245 per month. The home is for sale for \$5,000, and needs \$2,000 of renovation. Total investment is \$7,000 plus two months of lot rent of \$250 per month.

The Old Model	
Purchase Price Plus Costs to Make it Ready	\$7,000.00
Lot Rent (during rehab and sales phase)	500.00
Less Down Payment Received	-1,000.00
Net Cash Invested	<u>\$6,500.00</u>
Sale Price of Home	\$10,000.00
Down Payment	(1,000.00)
Amount of Note	<u>\$9,000.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	44
Monthly Payment	\$245.17
Internal Rate of Return (Yield)	29.98%

However, you have found a "friendly" park owner that does not want to see the home move out of the park and will help to make sure you have every chance to succeed. That park owner does not want to buy the home and is looking for a mobile home investor to buy it. This park owner has agreed that if you buy it and then get it ready to sell for the terms described below that the park owner will pay you \$1,000.00 to offset the cost of your rehab and not charge you any rent until the time it has sold. Thus it lowers your cost from \$7,000 to \$6,000 and you save the \$500.00 for two months of lot rent while you rehab it.

The New Model

Purchase Price Plus Costs to Make it Ready	\$6,000.00
Lot Rent (during rehab and sales phase)	0.00
Less Down Payment Received	-1,000.00
Net Cash Invested	<u>\$5,000.00</u>
Sale Price of Home	\$10,000.00
Down Payment	(1,000.00)
Amount of Note	<u>\$9,000.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	44
Monthly Payment	\$245.17
Internal Rate of Return (Yield)	48.58%

The result... you have about an 18.5% higher Yield under the new model.

Example 2:

Buy a used mobile home from Greentree for \$8,000.00 that sits on a mobile home dealer lot. You find a "Friendly" park owner that wants you to bring it into their park and they will really work with you. So you buy it for \$8,000.00 and have it moved in and setup and repaired for an additional \$4,000.00. Let's say it will go into a park with a Lot Spread Delta of \$305.00 per month.

The Old Model	
Purchase Price Plus Costs to Make it Ready	\$12,000.00
Lot Rent (during rehab and sales phase)	380.00
Less Down Payment Received	-1,600.00
Net Cash Invested	<u>\$10,780.00</u>
Sale Price of Home	\$16,000.00
Down Payment	(1,600.00)
Amount of Note	<u>\$14,400.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	60
Monthly Payment	\$305.96
Internal Rate of Return (Yield)	23.33%

However, the park owner really wants to increase the occupancy of their park and is prepared to offer you the mobile home investor some additional rewards/spiffs to move the home into their park and sell it there. This park owner will agree to pay you \$3,000.00 to offset 75% of the cost of moving the home in (lowering your cost from \$12,000.00 to \$9,000.00). In addition, this park owner, will agree to discount your rent by \$50.00 per month and allow you to keep that extra \$50.00 per month lot rent. So you will get your monthly home payment and instead of paying \$190.00 per month in lot rent you will only pay \$140.00 and will sign an agreement that you will receive a \$50.00 per month discount until the home is paid off in full. Plus you won't pay lot rent for the 2 months period of getting it ready and sold.

The New Model	
Purchase Price Plus Costs to Make it Ready	\$9,000.00
Lot Rent (during rehab and sales phase)	0.00
Less Down Payment Received	-1,600.00
Net Cash Invested	<u>\$7,400.00</u>
Sale Price of Home	\$16,000.00
Down Payment	(1,600.00)
Amount of Note	<u>\$14,400.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	60
Monthly Payment	\$305.96
Internal Rate of Return (Yield)	53.51%
Lot Rent in Park	\$190.00
Your Rate	140.00
Your Extra Profit Per Month	<u>\$50.00</u>

The result... you have about a 30% higher Yield under the new model.

Question: Will park owners really give you these kind of bonuses?

The answer is YES and ALL DAY LONG!

Not every mobile home park owner will do so, but there are many that will. Depending on which park you are filling a lot in, the numbers will change and the bonuses will be different but any park that we own that fits into this range would be willing to offer these types of partnerships.

Now before we move on, we are assuming in these examples that you buy the home and your buyer makes all the payments like clockwork. As discussed before, this will not always happen but the goal is to ease the risk in case the buyer does not follow through.

But one thing is for certain... the new model whereby you create a partnership with the park owner is far superior to going it alone!

These next statements are very important to think about!

In most cases, the actual value of the home (the price you can sell it for) will be higher as the lot rent is lower. This is a general rule and holds true in most markets.

In addition, the higher the "Lot Spread Delta" the higher your return will be. Let's take a quick example to demonstrate the returns with a Lot Spread Delta of \$300.00 per month as compared to a Lot Spread Delta of \$200.00 per month.

\$200 Lot Spread Delta	
Purchase Price Plus Costs to Make it Ready	\$7,000.00
Lot Rent (during rehab and sales phase)	0.00
Less Down Payment Received	-1,050.00
Net Cash Invested	<u>\$5,950.00</u>
Sale Price of Home	\$10,500.00
Down Payment	(1,050.00)
Amount of Note	<u>\$9,450.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	60
Monthly Payment	\$200.78
Internal Rate of Return (Yield)	32.24%

\$300 Lot Spread Delta	
Purchase Price Plus Costs to Make it Ready	\$7,000.00
Lot Rent (during rehab and sales phase)	0.00
Less Down Payment Received	-1,050.00
Net Cash Invested	<u>\$5,950.00</u>
Sale Price of Home	\$10,500.00
Down Payment	(1,050.00)
Amount of Note	<u>\$9,450.00</u>
Interest Rate	<u>10.0000%</u>
Term (in months)	37
Monthly Payment	\$297.86
Internal Rate of Return (Yield)	44.42%

In this case, the Rate of Return is about 12% higher since the loan is being paid off 23 months sooner.

Another reason, based purely on experience, that your returns will be better with higher Lot Spread Delta's is that the shorter the amortization, the more likely that your buyer will stick around until the end. And even if they don't stick around to the end, you have been reducing your basis more rapidly.

So before you start buying and selling homes in mobile home parks that have lot rents of \$400.00 and \$500.00 per month, you will more often than not have a higher return on investment by buying and selling homes in parks with space rents in the \$100.00 to \$300.00 per month range.

How to Determine the Correct Market

The correct market to be buying and selling mobile homes in is all important.

The concept of "market" ranges from the macro (state and city) to the micro (neighborhood and park itself).

When you are selling a mobile home, the market, the state, the city, the neighborhood, and the mobile home park is as important, or more important, than the home itself. This has been a significant problem for mobile home investors in the past. No thought was given by the investor in terms of what works and what does not. The general idea by many was that demand would cure all ills in market selection.

This is not true. The market is a huge part of the success potential of Mobile Home Investing.

Here's how to select a suitable market:

Pick a state with growth and a healthy future.

Many mobile home investors prefer to only buy in their own backyard. That's fine, if your backyard is in a good market. Otherwise, such geographical limitation is ill advised.

A healthy state for the "**Mobile Homer**" model is one in which the current situation is bright and the future is brighter. While most of the 50 states qualify, there are some that are brighter than others. And one, in particular, that is weaker than the others right now is Michigan. The ills of Detroit have rendered a cloud over Michigan that may be too big to ignore.

Pick a city with good fundamentals.

When looking at cities, the first cut is population. The larger the population, the higher will be your chance for strong demand and successful selling. While there is no specific size that has been scientifically shown to offer the best promise, a general rule would be to stick with population centers of 10,000 or more.

Another reason that population is important is that the very best way to find customers for a home is the local paper. Populations under 10,000 normally don't have a paper with sufficient circulation to get you the demand you want.

Also, inside a good state, there are still cities that are winners and ones that are losers. Dallas has growing, solid demographics, while Galveston does not.

Choose a good neighborhood.

Many people are shocked when you discuss neighborhoods in relation to mobile home parks. But there are mobile home parks in all types of neighborhoods – even some of the most glamorous in the U.S., such as Malibu, California, has mobile home parks in them.

In any city, you can rapidly find the best neighborhoods by asking realtors, looking at home prices on websites such as zillow.com (assuming that higher home prices = better neighborhoods), and talking with the Chamber of Commerce and other sources.

Once you have found a neighborhood that interests you, you can better verify its stats by going to websites such as bestplaces.net or city-data.com. These websites show you everything from crime to future growth and housing vacancy.

Choose a park that's a help, not a hindrance.

Most mobile home parks fall into two categories – good for business and bad for business. You want the former and want to avoid the latter.

When you sell a home in a park, the park is often more important than the home. So make sure that the park is a winner. A good park to sell in will have a great location, good school district, nice entry, larger lots, and nice homes already in the park, nice tenants living in those homes, and often amenities, such as

a pool. A park you should avoid will include the opposite – poor neighborhood, lousy schools, nasty homes and poor management. The folks who buy used mobile homes and are proud of them are just as demanding as buyers of stick-built homes.

Just because they're poorer than you doesn't make them stupid.

How to Determine the Price.

Sure, we've already gone over this, but let's do it again to make sure you are 100% on board.

You take the difference between the park's lot rent and \$495 – that's the Lot Spread Delta. Then you figure out what that spread is worth over 7 years. That's the maximum amount you can get for the home – the total of all principal and interest.

If you are looking at a park with \$395 lot rent, the delta is \$100 per month. The maximum price for a home is then $\$100 \times 12 \times 7 = \$8,400$. Unless you are buying an existing home in that park, that needs no renovation, for \$2,000, the money is just not there.

Similarly, if you are looking at a park with a delta of \$200 per month then the maximum price is \$16,800. You will have a more difficult time buying the home, renovating it, and selling it and making a profit if, for example, you spend \$22,500 for it.

The absence of logic and math skills is what caused many mobile home investors to fall apart under the scrutiny of reality. There is a definite tie to how the process works.

Don't be taken advantage of by those who would say, "every home in this park that's for sale cost \$35,000, so \$20,000 is a great price". Just because everybody else is upside down in their valuation does not mean that you need to join the club.

Bear in mind that most of the mobile homes that were sold in the last decade were sold on the basis of a 30 year amortization! That's why they're so screwed up. You can't ever put a 30 year amortization on a mobile home – but that's just what the geniuses at Greentree, and other large lenders, did. You know how Greentree ended up... bankruptcy, so you definitely don't want to mimic their business skills.

How to Find Mobile Homes to Buy

HOW TO FIND HOMES IN YOUR PRICE RANGE

Note: We have an additional section on this subject later in the book.

Once you have determined your budget, you will need to find homes that fit into it. Many of you will find your budget to be pretty small. So here are some ideas of how to find homes to fit any budget.

But first, let's refine how much house we can buy, based on the other costs associated with moving a home into a park.

The costs of moving a home into a park include the following in addition to the home itself:

- The cost of hauling the home to the park, setting up, tying down, and leveling can cost about \$2,000.
- The cost of skirting the home with new vinyl skirting is at least \$500
- The cost of front and back stairs is about \$500.
- The utility hook-ups (water, sewer, gas, and electric) are about \$1,000.

So right off the bat, you have a fixed cost of \$4,000 for the mobile home, without adding the cost of the home and refurbishment. If you ran the numbers on your park, and found that you have a budget of \$10,000 per mobile home, then that means you really have a budget of only \$6,000. So where do you find a home that's cheap? Here are some ideas for every price range.

Also remember that under our program, the park owner you are working with may kick in some money to help offset the move and setup so in these cases you can actually pay more for the homes.

\$5,000 and under (which equates to a home of \$1,000 or less)

Is it possible to find a mobile home that you can bring into your park, including refurbishment, for \$1,000 or less? Yes, but it takes a lot of shopping. You will be looking for a home that is underappreciated, and one that you yourself can rehab, so the problems have to be fairly cosmetic (or you have to be really handy). Where do you find a home like that?

- The best place to find these homes is to find a park owner with one or several vacant homes. They may not have the time, capital, or desire to rehab these homes and would gladly give them away for cheap if you come in and rehab and sell them. There will be a growing list of these parks provided as part of this program.
- The backs of dealer lots. That's where the mobile home dealers put their trade-ins and repos that are too messed up to sell on the regular lot. You will be looking for beat up cosmetically, but good shape structurally mobile homes. And yes, they do sell them for \$1,000 or less. Also, in many cases a dealer will sell you a home with delivery and setup included in the price. Make sure to ask them.
- Websites with Mobile Homes Listed for Sale such as MHBay.com and other home listing sites.
- Craigslist and similar listing sources.
- Thrifty Nickel and other local newspapers – many of these also have the listings on line that you can sort through.
- Estate sales in mobile home parks. The heirs normally don't want to pay lot rent and don't want the mobile home. I've bought them for \$1,000 before, and the condition was not bad.
- Inside the park you want to do business in. You shave off the \$4,000 of transport and set up, and you can increase your offer to \$5,000 or less.
- Mobile Home Tax Sales - in some states you can buy these homes for ridiculously low prices.



\$5,000 to \$10,000 (which equates to a home of \$1,000 to \$6,000)

These homes and the next ones are going to be the bulk of what meets your budget. You can find these homes in the same place as the \$5,000 and under, with a couple extra sources:

- Mobile Home Repo's - Greentree, 21st Mortgage, Vanderbilt and so on.
- Mobile home brokers. These are the guys that deal in repos from banks and other homes that have come to market from other distressed sources. They often have homes in the \$5,000 to \$10,000 range, and some are not bad.
- For sale by owner homes in other area mobile home parks.



\$10,000 to \$20,000 (which equates to a home of \$6,000 to \$14,000)

Now you are in the big leagues.

You have many, many more home options in this price range. Everyone, from dealer back-lots to brokers, will have homes to show you. In this price range, even dealer's main front lots may have some repos or trade-in options. In addition, there is one new source that has not been addressed:

- Mobile home manufacturers may have some new options for you to consider. Manufacturer's got so good at building cheap FEMA homes after Katrina, that they have some new models in this price range. Bear in mind that new homes don't require renovation, and sell or rent faster

and for more money. You may be able to even get some leverage on your money (bank debt) for new homes.



\$20,000 and above (homes from \$16,000 and up)

In this price range, the world is your oyster, and you have an endless number of options. You may even look at some doublewides to spruce up key lots in your park. One word of warning, however, doublewides cost almost double that of singlewides to set up and tie down, as well as to move. The only thing that does not go up is the stairs. You need to factor in this greater expense before you run your numbers.

Now that you have your shopping list and budget, it's time to start looking at homes. The next section is designed to do just that, and every home you look at should be based on the enclosed worksheet to make sure you don't make any errors.



Home Deal Killers

What would make you not buy a Used Mobile Home

- An exterior other than metal or vinyl. Wood composites rot.
- Big Mold Problems
- Less than 2 bedrooms. 1 bedrooms and efficiencies don't sell or rent.
- A master bedroom that won't hold a king size bed. They will let their kid live in a bedroom the size of a beer keg, but they want a big bedroom.
- Frame damage. If it can't be moved, who wants it?

- Pre-HUD homes that you have to move. Most cities will not let you bring in a home that is pre-HUD.
- Black pipe plumbing. It leaks. There was a class action suit. You missed out on it.
- Aluminum wiring. It's dangerous and too expensive to fix.
- No title. You have never lived a nightmare until you have tried to fix your title.
- Interior ceiling sagging or detached. This is probably the hardest interior fix to do, and is normally a sign of terrible problems such as massive roof leaks and rot.
- Significant property taxes not paid. You will have to make them current before you can move the home, so you better make sure the numbers still work once you add them in.

Turning Lonnie Dealers into Park Owners

As mentioned earlier, we still think that there is more money in actually owning the mobile home parks themselves. We have helped alleviate many of the risks with our new program partnering the mobile home park owner up with the mobile home investor. **But it does not have to end there!**

We are starting a program for approved Mobile Home Investors to take them one step closer to park ownership. This program will be tested on a few of our mobile home parks that we own as well as a few parks that are owned by other investors.

How would you like to control one or several lots in a mobile home park? How about doing so with no or very little money down for the lot itself?

Here is how it works in a nutshell:

1. The park owner will designate one or several vacant lots in a park that they own for this program.
2. The mobile home investor will sign an agreement with the park owner whereby the park owner will give that investor a share of the monthly space rent as well as agree to buy out that agreement at some future point in time. Usually it will be triggered by a refinance or sale of the park.
3. The mobile home investor will agree to buy an approved mobile home and move it into that space and resell it and carry the paper.
4. During the term of the agreement, the mobile home investor will receive all the income from the home sale and note, as well as a percentage of the net incremental income from that lot, plus a portion of the extra value they create for that park owner by filling that lot up with a home.

This is a win-win for both the Park Owner and the Mobile Home Investor. Let's take a look at some examples of how that would work.

NOTE: These scenarios do not include the effect of any space rent increases – this would be addressed in the agreement that you negotiate with the park owner. For example, in example number 1, the space rent starts at \$300 per month. If the space rent increases to \$350 in year three, you will need to negotiate how that increased space rent margin is split (if at all).

Turning a Lonnie Dealer into a Park Owner - Example 1 - Montrose, Colorado

Number of Years Before Buy-Out 5

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$300.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$105.00
Net Space Rent (per space per month)	\$195.00
Annual Net Space Rent (per space per year)	\$2,340.00
Capitalization Rate	10.00%
Estimated Increased Value (per space)	\$23,400.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$1,170.00
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$11,700.00

Home Costs to Investor

Purchase Price of Home	\$9,000.00
Costs to Make Home Ready	\$5,000.00
Less Down Payment Received	-1,600.00
Net Cash Invested	\$12,400.00

Home Sale Calculations

Sale Price of Home	\$16,000.00
Down Payment	(1,600.00)
Amount of Note	\$14,400.00
Interest Rate	10.0000%
Term (in months)	60
Monthly Payment	\$305.96

Returns on Investment Calculations

Internal Rate of Return 38.66%

Change in Assumption – Number of Years Before Buyout Changes from 5 years to 3 years

Turning a Lonnie Dealer into a Park Owner - Example 2 - Montrose, Colorado

Number of Years Before Buy-Out 3

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$300.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$105.00
Net Space Rent (per space per month)	\$195.00
Annual Net Space Rent (per space per year)	\$2,340.00
Capitalization Rate	10.00%
Estimated Increased Value (per space)	\$23,400.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$1,170.00
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$11,700.00

Home Costs to Investor

Purchase Price of Home	\$9,000.00
Costs to Make Home Ready	\$5,000.00
Less Down Payment Received	-1,600.00
Net Cash Invested	\$12,400.00

Home Sale Calculations

Sale Price of Home	\$16,000.00
Down Payment	(1,600.00)
Amount of Note	\$14,400.00
Interest Rate	10.0000%
Term (in months)	60
Monthly Payment	\$305.96

Returns on Investment Calculations

Internal Rate of Return 44.49%

Change in Assumption – Change Investor Percentage of Space Rent from 50% to 75%

Turning a Lonnie Dealer into a Park Owner - Example 3 - Montrose, Colorado

Number of Years Before Buy-Out	3
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Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$300.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$105.00
Net Space Rent (per space per month)	<u>\$195.00</u>
Annual Net Space Rent (per space per year)	<u>\$2,340.00</u>
Capitalization Rate	10.00%
Estimated Increased Value (per space)	<u>\$23,400.00</u>

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	75.00%
Annual Net Space Rent to Investor	<u>\$1,755.00</u>
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	<u>\$11,700.00</u>

Home Costs to Investor

Purchase Price of Home	\$9,000.00
Costs to Make Home Ready	\$5,000.00
Less Down Payment Received	<u>-1,600.00</u>
Net Cash Invested	\$12,400.00

Home Sale Calculations

Sale Price of Home	\$16,000.00
Down Payment	<u>(1,600.00)</u>
Amount of Note	<u>\$14,400.00</u>
Interest Rate	10.0000%
Term (in months)	60
Monthly Payment	\$305.96

Returns on Investment Calculations

Internal Rate of Return	48.62%
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Change in Assumption – Change Home Purchase and Sales Price and Go Back to 50% Percentage Split

Turning a Lonnie Dealer into a Park Owner - Example 4 - Montrose, Colorado

Number of Years Before Buy-Out 3

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$300.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$105.00
Net Space Rent (per space per month)	\$195.00
Annual Net Space Rent (per space per year)	\$2,340.00
Capitalization Rate	10.00%
Estimated Increased Value (per space)	\$23,400.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$1,170.00
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$11,700.00

Home Costs to Investor

Purchase Price of Home	\$6,000.00
Costs to Make Home Ready	\$3,000.00
Less Down Payment Received	-1,200.00
Net Cash Invested	\$7,800.00

Home Sale Calculations

Sale Price of Home	\$12,000.00
Down Payment	(1,200.00)
Amount of Note	\$10,800.00
Interest Rate	10.0000%
Term (in months)	60
Monthly Payment	\$229.47

Returns on Investment Calculations

Internal Rate of Return 61.33%

Change in Assumption – Change Mobile Home Park

Turning a Lonnie Dealer into a Park Owner - Example 1 - Lone Grove, Oklahoma

Number of Years Before Buy-Out 3

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$175.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$61.25
Net Space Rent (per space per month)	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00
Capitalization Rate	12.00%
Estimated Increased Value (per space)	\$11,375.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$5,687.50

Home Costs to Investor

Purchase Price of Home	\$10,000.00
Costs to Make Home Ready	\$3,000.00
Less Down Payment Received	-1,600.00
Net Cash Invested	\$11,400.00

Home Sale Calculations

Sale Price of Home	\$16,000.00
Down Payment	(1,600.00)
Amount of Note	\$14,400.00
Interest Rate	10.0000%
Term (in months)	60
Monthly Payment	\$305.96

Returns on Investment Calculations

Internal Rate of Return 37.23%

Change in Assumption – Increase Purchase Price (assume buy a new Home)

Turning a Lonnie Dealer into a Park Owner - Example 2 - Lone Grove, Oklahoma

Number of Years Before Buy-Out 3

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$175.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$61.25
Net Space Rent (per space per month)	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00
Capitalization Rate	12.00%
Estimated Increased Value (per space)	\$11,375.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$5,687.50

Home Costs to Investor

Purchase Price of Home	\$21,000.00
Costs to Make Home Ready	\$3,000.00
Less Down Payment Received	-2,750.00
Net Cash Invested	\$21,250.00

Home Sale Calculations

Sale Price of Home	\$27,500.00
Down Payment	(2,750.00)
Amount of Note	\$24,750.00
Interest Rate	10.0000%
Term (in months)	120
Monthly Payment	\$327.07

Returns on Investment Calculations

Internal Rate of Return 20.50%

Change in Assumption – Decrease Purchase Price and Assume an 18 Month Buyout

Turning a Lonnie Dealer into a Park Owner - Example 3 - Lone Grove, Oklahoma

Number of Years Before Buy-Out	1.5
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Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$175.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$61.25
Net Space Rent (per space per month)	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00
Capitalization Rate	12.00%
Estimated Increased Value (per space)	\$11,375.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$5,687.50

Home Costs to Investor

Purchase Price of Home	\$6,000.00
Costs to Make Home Ready	\$3,000.00
Less Down Payment Received	-1,200.00
Net Cash Invested	\$7,800.00

Home Sale Calculations

Sale Price of Home	\$12,000.00
Down Payment	(1,200.00)
Amount of Note	\$10,800.00
Interest Rate	10.0000%
Term (in months)	48
Monthly Payment	\$273.92

Returns on Investment Calculations

Internal Rate of Return	61.82%
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Change in Assumption – You get lucky and can buy a home and your buyer pays cash 1 month later and the park owner still buys you out in 3 years after splitting the net lot rent with you for that time.

Turning a Lonnie Dealer into a Park Owner - Example 4 - Lone Grove, Oklahoma

Number of Years Before Buy-Out 3

Increase in Value by Filling a Space

Park Space Rent (per space per month)	\$175.00
Expense Ratio Percentage	35.00%
Expenses (per space per month)	\$61.25
Net Space Rent (per space per month)	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00
Capitalization Rate	12.00%
Estimated Increased Value (per space)	\$11,375.00

Park Owner and Investor Splits

Proposed % of Split on Annual Net Space Rent to Investor	50.00%
Annual Net Space Rent to Investor	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%
Amount Required to Buy-Out Investor	\$5,687.50

Home Costs to Investor

Purchase Price of Home	\$6,000.00
Costs to Make Home Ready	\$3,000.00
Less Down Payment Received	-10,000.00
Net Cash Invested	-\$1,000.00

Home Sale Calculations

Sale Price of Home	\$10,000.00
Down Payment	(10,000.00)
Amount of Note	\$0.00
Interest Rate	10.0000%
Term (in months)	48
Monthly Payment	\$0.00

Returns on Investment Calculations

Internal Rate of Return 192.19%

Other Thoughts

In all of the prior discussions and examples we have assumed that you took cash out of your bank account and invested that to either buy the homes or buy the homes with a share of the park lot rent and a buy-out down the road. But what about leverage? What if you could buy a home using a low interest credit card, a loan from a family member or their IRA, or a home equity credit line?

Before we change an example from above to look at this scenario, we want to make it clear that there are always risks and it is not a good idea to get over-leveraged on anything. Think Sub-Prime Meltdown. Also, you need to make darn sure that the park and the park owners that you are dealing with are stable and that the risk of foreclosure or bankruptcy on their end is low. If you think dealing with the park owner that is struggling will net you more money just because you can strike a better deal with them, you need to watch out. If they go can't pay their bills, you might lose your incentives.

Also, you should be careful when buying and selling homes in mobile home parks where there are private utility systems. If the park has private water wells or sewer systems, those can be huge costs for that park owner should one of those systems fail down the road. The last thing you want to have happen is for the park you are doing business in to get shut down by the Health Department and you find yourself and your buyer trying to find a place to move that home to.

Another scenario that you probably want to avoid is to do business in parks where the land itself is more valuable as some other use than as a park. The reason is the same. If the park owner sells the land for development you need to find a new place for that home and remember it costs about \$3,000 at a minimum to move that home down the road. Just some words of caution.

Ok, here are a couple of examples showing some of the potential using Leverage.

The first column assumes you pay cash and the second column assumes you borrow \$10,000 at 7% which is amortized over 60 months (same amortization period as the sale of the home to your buyer)

Turning a Lonnie Dealer into a Park Owner - Example 1 - Lone Grove, Oklahoma		
Number of Years Before Buy-Out		3
Increase in Value by Filling a Space		
Park Space Rent (per space per month)	\$175.00	\$175.00
Expense Ratio Percentage	35.00%	35.00%
Expenses (per space per month)	\$61.25	\$61.25
Net Space Rent (per space per month)	\$113.75	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00	\$1,365.00
Capitalization Rate	12.00%	12.00%
Estimated Increased Value (per space)	\$11,375.00	\$11,375.00
Park Owner and Investor Splits		
Proposed % of Split on Annual Net Space Rent to Investor	50.00%	50.00%
Annual Net Space Rent to Investor	\$682.50	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%	50.00%
Amount Required to Buy-Out Investor	\$5,687.50	\$5,687.50
Home Costs to Investor		
Purchase Price of Home	\$10,000.00	\$10,000.00
Costs to Make Home Ready	\$3,000.00	\$3,000.00
Less Down Payment Received	-1,600.00	-1,600.00
Less: Amount Borrowed from your Home Equity Line	0.00	-10,000.00
Net Cash Invested	\$11,400.00	\$1,400.00
New Section - You Borrow Money to Buy the Home from your Home Equity Line		
Amount Borrowed		\$10,000.00
Interest Rate		7.00%
Term (in months)		60
Monthly Payment		\$198.01
Home Sale Calculations		
Sale Price of Home	\$16,000.00	\$16,000.00
Down Payment	(1,600.00)	(1,600.00)
Amount of Note	\$14,400.00	\$14,400.00
Interest Rate	10.0000%	10.0000%
Term (in months)	60	60
Monthly Payment	\$305.96	\$305.96
Returns on Investment Calculations		
Internal Rate of Return	37.23%	149.37%

Change the assumptions – this time we assume that you want to buy a brand new home and in this case you borrow \$15,000 at 7% and amortize it over 120 months (same amortization as your buyer)

Turning a Lonnie Dealer into a Park Owner - Example 2 - Lone Grove, Oklahoma		
Number of Years Before Buy-Out		3
Increase in Value by Filling a Space		
Park Space Rent (per space per month)	\$175.00	\$175.00
Expense Ratio Percentage	35.00%	35.00%
Expenses (per space per month)	\$61.25	\$61.25
Net Space Rent (per space per month)	\$113.75	\$113.75
Annual Net Space Rent (per space per year)	\$1,365.00	\$1,365.00
Capitalization Rate	12.00%	12.00%
Estimated Increased Value (per space)	\$11,375.00	\$11,375.00
Park Owner and Investor Splits		
Proposed % of Split on Annual Net Space Rent to Investor	50.00%	50.00%
Annual Net Space Rent to Investor	\$682.50	\$682.50
Proposed % of Split on Increase in Value per Lot to Investor	50.00%	50.00%
Amount Required to Buy-Out Investor	\$5,687.50	\$5,687.50
Home Costs to Investor		
Purchase Price of Home	\$21,000.00	\$21,000.00
Costs to Make Home Ready	\$3,000.00	\$3,000.00
Less Down Payment Received	-2,750.00	-2,750.00
Less: Amount Borrowed from your Home Equity Line	0.00	-15,000.00
Net Cash Invested	\$21,250.00	\$6,250.00
New Section - You Borrow Money to Buy the Home from your Home Equity Line		
Amount Borrowed		\$15,000.00
Interest Rate		7.00%
Term (in months)		120
Monthly Payment		\$174.16
Home Sale Calculations		
Sale Price of Home	\$27,500.00	\$27,500.00
Down Payment	(2,750.00)	(2,750.00)
Amount of Note	\$24,750.00	\$24,750.00
Interest Rate	10.0000%	10.0000%
Term (in months)	120	120
Monthly Payment	\$327.07	\$327.07
Returns on Investment Calculations		
Internal Rate of Return	20.50%	48.00%

These are just a few scenarios and the idea here is to get creative and strike a win-win deal. The park owner wants to fill lots, increase their net income and equity, and you want to get a good return with as little risk as possible.

As we have mentioned before, we are going to be putting several of our parks into the program and will be putting together some case studies of what is working the best and try to refine the program so that we are all happy with the results.

We are always open to suggestions and will be creating a place for both the park owners and mobile home investors to share ideas and come up with solutions to any issues that may arise. You will be given access to that resource as well.

Ok, back to the idea of turning Lonnie Dealers into Mobile Home Park Owners. There are hundreds if not thousands of investors out there that got their start by buying a mobile home in someone else's park with varying degrees of success. I would say that about 99% of these people that started out with one mobile home had aspirations of owning a mobile home park someday.

The most common reasons that most people that have a goal of owning a mobile home park are not ever able to realize that goal is that they lack the capital and/or credit to make the down payment or get a loan.

So how do you overcome those obstacles?

First you need to define that goal. For example, you decide that you want to own a 50 space park in Tuscaloosa, Alabama. Let's assume the price of that park is going to be \$500,000 and is going to require a \$125,000 down payment and that you will need \$25,000 in reserves. So, you need to get \$150,000 in capital. Also, if you are going to get bank financing and the bank will require a 680 credit score, you need to make sure you have a credit score to meet their requirements. Also, you decide that you want to buy that park in 3 years.

So, now you know that you need to sock away \$50,000 after tax for the next 3 years.

You might try one or a combination of these ideas in order to build up to owning your first mobile home park.

1. Go with the program of finding a park owner that will work with you on the buyout program we discussed before. If you can find a park owner that wants to push occupancy quickly in order to sell in a year or two you might be able to rack up some quick money on the buyout program if their goal is to sell sooner rather than later.
2. Find a park that has vacant lots and try to lease/option that park. In this scenario you find a park that has several vacant lots. You would write up a contract with that park owner that allows you to buy that park based on a price reflecting the current occupancy. This agreement would be a lease/option and during the option period you would go out and do everything possible to fill those vacant lots. You would explain to the park owner that you can't put up a big option fee because you are going to be out there buying homes to fill the park up and that putting up a large option deposit will hinder that plan. Once you are leasing the park, you might use some of the examples in this book to get other Lonnie Dealers to do business in the park or else you find the capital to get those homes into the park. Then a year or two later, you can either go ahead and buy the park or else sell your option to another buyer and pocket the difference in value between your option price and what the park is now worth.

For example, let's say you find a park that has 25 lots and 12 of them are vacant. Supposing an occupied lot is worth \$10,000, you would negotiate your option price to be $13 \times \$10,000 = \$130,000$. This leaves you with 10 lots to fill and we will assume you have a 2 year option period. Your goal will be to get those 12 lots filled. That is only one lot every 2 months. Assuming you don't have the money to go buy those 12 homes you will need to find capital to get those homes. This can be from other investors, family members, IRA's, credit lines, etc. If you become an expert on finding really good homes to buy and move in, you should be able to find the money. You can use the resources we provided to network with other mobile home investors to get you going.

Ok, once you have the park filled up, you can either exercise your option for \$130,000, or you can start marketing that option for sale and possibly assign it to someone else. The result is that you now have a park worth \$250,000 and you are paying \$130,000 for it. You should be cash

flowing nicely from the park and so you may just decide buy it and keep it or you may decide to sell and go do this all over again with some cash in your pocket.

3. Find a park that has a bunch of vacant park owned and/or abandoned homes. You go with the same type of program as before with the lease/option and you try to negotiate a price based on current occupancy (people in homes paying rent). Under this scenario, you are already one step ahead as the homes are there. They just need a lot of work to get back into service. This will work much better if you can do the work yourself and then you are only out time and materials. Once you have the homes all ready to go and sold the park is once again worth more and you can either exercise the option or assign it to someone else and pocket that difference.
4. Another option is to start becoming a bird dog for good mobile home park and even mobile home deals. We have several people out there that get paid up to \$25,000 to \$50,000 a deal when they find a good mobile home park and refer it to us and we actually buy it. In addition, we have several people that are constantly on the lookout for good mobile homes to buy and they refer those to us or other park owners in our system. We usually pay about \$1,000 for a good mobile home referral that is purchased. To start getting bird dog fees all you need to do is start making phone calls, check websites and classifieds, and detour into mobile home parks and dealerships from time to time. We have paid one person over \$150,000 in bird dog fees alone in the past 18 months and his goal is to hit another \$150,000 in 2010.
5. There are probably 100's of other things you can start doing to build up that nest egg to get your first park, but these are some of the best ones to start with. Both of us started our investing careers with credit card credit lines and a lot of hard work. While we don't condone going out and racking up a bunch of credit card debt, we do condone thinking outside the box and constantly trying new ideas.

Conclusion

Mobile homes offer a unique investment alternative that, when approached in the proper structure, can yield spectacular profits. It fills the void between the enormous demand for affordable housing, and the complete absence of mainstream credit for these customers.

But it's not enough to buy and sell mobile homes. Without the support of the community owner, even the best investor is at a distinct disadvantage. Once you have included the mobile home park itself into the loop, the only forces that crush the yield are eliminated, and profit is nearly assured.

At the same time, due to the competitive nature of business, the community owner can further assure that the mobile home investment will succeed due to special offers and promotions that will lower the cost of the home on the front end, or increase the spread between lot rent and home payment.

Mobile homes have been bought and sold in the U.S. since the 1950s. But the process has only been perfected now. If you follow the road map laid out in this book, you will find that making money buying and selling mobile homes is much easier than you anticipated. And you can quickly be doing very well in this endeavor.

And every time you make a home available for sale, you will be providing someone the American dream of home ownership – something they cannot obtain without your help. It is rare to have the ability to blend making money with a higher purpose. But over time you will remember each customer and the impact that you had on their lives.

A wise man once said “think like a man of action and act like a man of thought”. Now you know what to do. So the next step is to go do it. We will be there every step of the way to guide you – so you will not be alone. This is a wide-open territory, and it is time for you to become a rich pioneer.

Good luck on your journey!

Frank Rolfe & Dave Reynolds

Bonus Section: How to Move a Mobile Home

Don't let the word "mobile" in mobile home mislead you. While they are transportable, it is anything but easy. This book was designed to help you understand the moving process, give important suggestions on how to have a successful move, tips on saving money and grief in the process, and explain how to successfully put your home back together.

Unlike an RV, which can be easily moved from point A to point B, a mobile home move requires careful planning, professional help, and an understanding of the turn-key process. While the move can be very expensive, even worse can be the cost if you do it poorly. The damages can range from complete loss of the home to poor installation which causes persistent problems over the life of the home.

There are currently, to our knowledge, no other books on how to move a mobile home. That might explain why so many people have no idea what they are doing. You're the smart one; you bought and are reading the book on the subject. As a result, your move should be a smooth one. A lot of them, unfortunately, end up like disasters because the customer was completely reliant on the transporter or, even worse, tried to transport it themselves.

Mobile homes are moved very rarely. Most mobile homes have only been moved once, when they were brand new, from the factory to where they sit today. It is unlikely that you will move your home very often. So it is important that you take the time to do it right on those rare occasions that you move the home.

THE BASICS OF HOW A MOBILE HOME IS MOVED

Many people are amazed when they see a mobile home, which can be up to 80' long and 18' wide, being moved down the highway. How can they do that? Well, believe it or not, they were designed to be moved. Unlike when someone moves a stick-built house that was never intended to be moved down the highway, every mobile home comes off the factory floor on wheels and ready for its first outing. The design has been tested and refined almost continuously since the first mobile homes were engineered in the 1940s.

The way a mobile home is built, and ultimately transported, begins with the chassis. Just like a car, a mobile home has two or more steel beams that run the entire length of the home, from front to back. To these beams are connected the axles and wheels on the underside, and the floor on the top side. At the front of these beams, at one end, is the “tongue”- the “hitch” of the mobile home that the transporter pulls from and connects to his or her truck. The tongue looks like a huge steel “V”, with the hitch connecting at the sharp point of the “V”.

One of the first differences you will see with a lot of mobile homes is how many axles and wheels they have, and where they are positioned. Every manufacturer seems to have their own design. The number of axles and wheels, logically, is somewhat determined by the weight of the home; the heavier the load, the more wheels to spread that weight. But often you will find some manufacturers use more axles and wheels than others, so you should not be concerned at how many your home has; as long as it is the number that it was intended to have by the manufacturer.

Mobile homes, although they were designed to be moved, were not designed for ease of move, and many of the interior, and exterior, features do not move well without reinforcement or removal. Like a spacecraft being towed to the launching pad, moving the mobile home is not good for it. The home would rather not be moved at all, even though it has the basic capability.

There are several basic steps to moving a mobile home. This will give you an overall idea of the process.

PREPARATION FOR THE MOVE

The transporter will have to make ready the home to be moved. Assuming the home is already sited somewhere else (of course, if coming out of the factory, no preparation is necessary), the home will have to be separated from its earthly home and made road worthy. The first step is to remove the “skirting” on the home – the material that hides the underside of the mobile home from view. The next step is to remove the utility connections to the home – water, sewer, electricity, gas, cable tv, telephone – any and everything. If the home has decks or carports attached, these will need to be detached as well. Then the home is cut loose from the “tie-downs” (which we will cover in the installation chapter), and jacked up in the air so that the axles and tires can be installed. While the axles and tires are being installed, the “tongue” will be attached. Some tongues are bolted on, and some are welded on. Normally, they are found already attached in older homes and covered in skirting material, or underneath the home lying on ground, where the last transporter left them.

Once the home is in the air, on its own wheels and axles, and with the tongue on, it is ready to be pulled down the road.

Note: If you have a mortgage or loan on the home, you should review that paperwork to ascertain what notices and / or insurance requirements will be required by your lender. There may be stipulations that the home cannot be moved or that a certain minimum insurance be required by you or the mover.

THE MOVE

The transporter will proceed with the home at a fairly low rate of speed for two reasons. First, it is dangerous hauling something this big, and he wants to keep control of this load. Secondly although he will probably have a truck behind him to warn other drivers of his enormous girth, he is equally concerned about areas of road that are too narrow to accommodate him, or too low to clear, such as a bridge. If he goes slow, he has more time to assess the situation and potentially pull over and stop. The final reason is that the home could sustain damage at a high rate of speed if the wind peels back the exterior material or breaks windows, not to mention what can be broken on the inside. If you are going to drive behind or in front of the load yourself, you will probably go nuts traveling at 50mph in a 70mph zone.

HOME INSTALLATION

Once the home has arrived at its destination, there are many steps needed to complete the move. These include getting the home into position on the lot, leveling it, anchoring it, removing the tongue, wheels and axles, re-connecting all utilities, re-skirting the home, and installing the stairs and/or deck. Of all the items in the move, this is where the most work and expense comes in. And it cannot be done overnight. If you are planning to sleep in the house the day it is delivered, you better plan otherwise.

While this process sounds easy and sane, it is prone to problems and disappointments-some of which can be cripplingly expensive-so let's now examine how to do it the right way.

ESSENTIAL HOME PREPARATION FOR TRANSPORT

Just like preparing a surface for painting ensures a successful end product, so does the correct preparation of the home to be moved. If you do not use good planning, you will waste substantial funds in repairing unnecessary damage to your home.

TERMINATION OF EXISTING LEASE AND NOTICE OF MOVING HOME

The first thing you need to do, if you are moving your home, is to start the clock on terminating your existing lot lease (if you are in a mobile home park). Most park leases require at least thirty days advance written notice to move out and, if you fail to do this important step, you may forfeit your deposit for failure to give timely notice. Ask your park manager, or consult your lease, to find out how much time is necessary. In addition, you will want to contact your local taxing authority to see if there are any unpaid property taxes on the home. If so, pay them immediately and get a paid receipt. In most states, you cannot transport the home, or get a permit to transport, if there are any property taxes owed.

Some parks will also have conditions on when a home can be moved, so be sure you know these and can tell the mover.

TERMINATION AND REMOVAL OF UTILITY CONNECTIONS

When the mover shows up to move the home, this is NOT the time to start shutting off utility arrangements. You will need to give reasonable advance notice to all utility providers (water, sewer, trash, electricity, gas (natural or propane), cable tv, telephone, etc.) and have a firm cut-off date. Yes, you may need to stay in a hotel if you guess wrong, or if the mover is delayed. But that is all part of the game. Be sure to have a knowledgeable, insured individual do the actual disconnection of the utility to your house. Many an idiot has electrocuted themselves trying to be an amateur electrician and not noticing that the power has yet to be turned off, or caused a major water leak. Yes, you'll save a few dollars disconnecting things yourself-unless you make a mistake and rack up a ton of money fixing it.

REMOVAL OF SKIRTING

Now here's one you can do yourself, if you're handy. Removing skirting can be literally done by kids - we've seen them do it - but normally not when they're supposed to. The essential thing to remember on removal of skirting is to leave the track on the home alone (you can reuse it when you arrive at the new destination, as well as the track on the ground. If you are very lucky, you can actually get away with using the same skirting (though not normally all of it) at the new destination, if the height of the home above ground is roughly the same. It's a lot cheaper to buy some extra skirting to finish the job than to

have to buy a whole new kit. You'd be amazed at how many people just leave the skirting on the ground when they leave!

CUTTING LOOSE THE HOME, JACKING IT UP, ATTACHING AXLES AND TIRES AND THE TONGUE FOR TRANSPORT

Here's all you have to know; LET THE PROFESSIONALS DO IT! You will prove to be a first-class idiot if you try and do this yourself. This stuff weighs a ton (actually several tons) and you do not have the know-how or equipment to do it properly. If you don't kill yourself, you will probably wreck the home. We have NEVER seen anyone complete these steps themselves... successfully – but we've seen many people make a disaster of it! We won't even tell you how they do it, because we don't want anyone to even consider this task. It would be like performing your own heart surgery on yourself – once you get into it there's no turning back, and no chance for survival.

PREPARING THE HOME ON THE EXTERIOR

Remember that the home is going to have a lot of wind resistance on the road. Anything that might blow off will blow off at 50 miles per hour. So remove or secure all of the items that might be impacted.

For example, exterior coach lights by the door are a natural for disaster. If you do not want to remove the whole fixture, at least remove the glass. It will be broken for sure. Similarly, any screw-on or stick on numbers or name plaques will fly off almost immediately, so you are going to want to remove those too.

The doors should be secured and screwed shut by the moving company. Make sure they do this. In transport, the motion of the home will unsecure the doors, even if they are dead bolted, and they will then fly open and rip off the home. You see this all the time.

If you have siding on the home that is loose or weak, now is the time to reinforce it or fix it. At 50 mph, it will surely be ripped off or bent back in the wind.

Imagine your home in a wind tunnel. Whatever looks like it might be in danger of getting damaged that is what you want to get removed or reinforced.

PREPARING THE HOME ON THE INTERIOR

Your mobile home is going to be subjected to a lot of shaking and bumping in its move. It would be the same forces that it would be subjected to in an earthquake – only it is an earthquake that could last for ten or more hours straight! Look around each room and identify things that could get broken in such an environment, such as;

- Glass in ceiling light fixtures. You always want to remove these.
- Expensive (stained glass or leaded glass) light fixtures that hang down.
- Secure cabinet doors. If they are leaded glass doors, you might remove them.
- Closet doors should be secured.
- Toilet tank tops should be secured.
- Shower doors must be secured.
- Anything else that can be broken if shaken violently.

MOVING YOUR HOME CONTENTS

This book is focused on moving your mobile home, but it is worthy to note that if you are moving an occupied dwelling you will also need to move the contents. While there are many different options for moving your mobile home contents, one of the worst ideas is just leaving them in the home and hoping they arrive in one piece. Often, this is just exactly what they *don't* do.

When your mobile home is moving down the highway, it rarely goes in a straight line. As the wind blows it about, the driver re-corrects the steering and so it proceeds in a shaky forward path. Every time it moves slightly from side to side, it shifts the load and can cause things to slide across the floor and ultimately fall over, crash into each other, or shake apart. This makes for less than ideal shipping conditions. On top of that, when the home turns corners or goes into a curve, it is even worse. A box you put in the far corner of the living room can easily end up in the kitchen upon arrival.

So if you want your furniture and fixtures to arrive in one piece, use your money and time to pack them and move them like anybody else would. Be advised that things left in the mobile home are likely to arrive after hours of being shaken and shifted, and they may well be broken.

If you are moving a multi-section home, it is *never* a good idea to move items within the home. One wall of the multi-section is always going to be a plastic sheet, flapping in the wind as the home races down the highway. This plastic is likely to break loose in transit, and will offer you no defenses from your contents flying right off into the highway.

One more note. It is not unheard of for homes to flip over in transport because a driver drives off the side of the roadway. If that happened, obviously, your contents would be completely destroyed, and strewn about on the edge of the highway.

In summary, if you care about your belongings pack them and move them conventionally. If you take the shortcut of moving them in the home, be prepared for an unpleasant ending.

MOVING A MULTI-SECTION HOME, SUCH AS A DOUBLEWIDE OR TRIPLEWIDE

This book focuses on the costs and problems with moving a single-wide, since that is the most common type of mobile home move project. However, we need to discuss some of the additional concerns of moving a multi-section home, since they have some additional risks and problems.

Everything in this book applies to both single section and multi-section homes.

There are some additional items, however, for multi-section owners to consider:

- The cost of moving a multi-section home is roughly two to three times the cost of moving the single section. Not only is there the cost of shipping two objects as opposed to one, but there is the huge cost of fitting them back together at the end.
- Site preparation is even more important on a multi-section, as any shifting the home does will cause even greater problems since you are trying to match up two pieces. On a singlewide, shifting can cause doors not to shut. On a multi-section, shifting can actually wreck the house over time.
- All that will protect your home from the elements on the move is a plastic sheet. Make sure that it is thick and well attached. There is a lot of wind load on this plastic at 55 mph. If it rips off, which does happen, you will get rain and tar and dirt and everything else on the highway into your home.
- If you have any doubts on the mover, a multi-section is definitely not a good home configuration to gamble on. There are endless ways to wreck a multi-section with a bad mover, from damage

in transport to damage in improper sitting. Stick with a professional who has credentials and insurance – or you will regret it.

Other than these issues, moving a multi-section is not much different from a singlewide, and you should give it equal or greater attention.

REMOVAL OF FURNITURE & FURNISHINGS

If you have already been living in the home and you will be moving it to a new location then you will also need to consider whether to move your furniture and other furnishings. Without detailing every possible scenario the best advice is to remove as much as possible to reduce the weight of the home and avoid potential damages to the home or the furnishings themselves. If you have heavy furniture the mover will often require that it be removed for transport. You will not want to leave your dishes and glasses in the cupboards because they will break. If you have clothes hanging in the closet you will need to put them on the floor so the closet rods do not fall off the walls. Remove any flammable items and chemicals to mitigate explosions or stains. Basically remove everything that you don't want to be broken (televisions, lamps, pictures, etc).

INSURANCE

Make sure that you fully understand the insurance situation on the move. Your mover should have insurance but, even then, it may not cover a lot of items – and maybe not even your house! You have GOT to have insurance. We have seen many a home roll-over due to driver error or other problems and be completely destroyed. Don't let this happen to you without fair compensation.

DIRECTIONS AND POINT OF PLACEMENT

Although we are going to discuss how to install your home in a couple chapters, it is still important that you have a handle on several items before you home pulls out.

- You need very solid directions for the driver. You can't just give him a city or street name; he needs the full address and lot number (if applicable). That way he can plan the correct route. Homes often end up at the wrong lot due to poor customer directions.

- Make sure that the lot you are going to has been prepared before you arrive. Preparation should include drainage and removal of obstructing trees and vegetation, as well as installation of necessary utility connection access (set a power pole, etc.)
- You have a rough idea of where you want the home placed on the site, and in what direction (which end goes where).

Once you have these issues resolved, it is time to focus on selecting a mobile home transporter.

HOW TO CHOOSE A TRANSPORTER

To have a successful move, the right transporter is essential. If your transporter is the wrong choice, there is no limit to the problems you will have, and the costs you will incur.

Let's review some of the essential qualities of the right transporter.

EXPERIENCED

You do not really want to use a mover who is just starting out. Experience is key to having a successful move. Make sure that the mover has done some moves before yours. You might want to ask for some references, and hope that one is a big dealer who moves homes all the time. Clearly, a larger "feel", such as a receptionist or yellow page ad, may add to your comfort ability.

You can ask the guy if he has done a lot of moves but, obviously, he'll tell "sure I have", particularly if he is just starting out and desperately needs work – so you'll need more evidence than that!

LICENSED

Most states require that mobile home movers and installers need to be licensed and bonded. Don't hire the off duty truck driver that is not licensed to move mobile homes. The mover should have his/her license number on the contract and it is worth taking the time checking that the license number is valid and is in the correct name of the person or company that is moving your home.

INSURED

You are taking on a lot of liability moving that big home down the highway. At any given moment there could be an accident that produces fatalities, or the home could be destroyed. Make sure that the mover has evidence of insurance, and show it to YOUR insurance agent to make sure it's acceptable.

And the limits need to be large; you are not going to kill someone and get away with a \$100,000 settlement.

ACCEPTABLE TIME SCHEDULE

Make sure that everyone is in agreement on the exact date of the move, or a range of dates. Don't commit to anyone who simply says "I'll get to it when I can". If they don't like working around deadlines, then you won't like working around them. Every day that passes from your target days you will have no utilities, therefore no place to live, and will start accruing new lot rent. The target date is very serious, and you need someone who appreciates the necessity of time.

WORKS IN A WORLD OF WRITTEN CONTRACTS

The price for the move should be given up front and in writing. Never use a mover who will not commit to a final price, or a mover who will not put it in writing. And you better carefully review the contract he does submit to make sure it is acceptable. Use an attorney to review it if it concerns you, or you are uncertain about reading contracts.

HAS AN ACCEPTABLE PRICE

Moving a home is very costly. If you do not negotiate wisely, you may end up paying a lot more for the move than you have to. It is a good idea to get three written bids from movers who meet all of your criteria except for price, and see who the winner is. The price they bid should be turn-key, do not leave open for adjustments.

These adjustments and add-on's will include delays caused by you, rental of hitches, tires, axles and wheels. Some movers will charge you \$100.00 or more to rent their axles or may charge \$25.00 for every flat tire they encounter. I would rather pay up front for 1 or 2 flat tires rather than leave it open ended and have to pay for 7-8 flat tires that you cannot ever verify.

Remember that moving a home is, for the most part, labor. And since it is based on labor, the price can be very negotiable. One mover might be 100% higher than the low bidder.

HAS A 'CAN-DO' ATTITUDE

Particularly if you have an older home or difficult property access, it is important that your mover have a positive attitude about the move. There are many obstacles that can come up, sometimes suddenly, when you move the home, and you want somebody who can overcome these obstacles, not someone who threatens to walk off the job.

For example, if the axle breaks off the home while out on the highway, you don't want a mover who says "this home is a piece of junk" and leaves it on the side of the road and drives off – that happens more than you think! We've found that you want a mover who has a sense of humor and fair play, and who you trust to get over any hurdles.

TAKES AND RETURNS CALLS PROMPTLY

There is nothing worse than the mover who doesn't show up on the promised day and then won't take or return your call for several days and leaves you hanging without any possible explanation. Someone who does not practice returning phone calls promptly won't be timely on the move either. Get the mover's cell number and, if he doesn't have a cell phone, you may want to re-consider your choice. It is important, for your sanity, that you maintain the ability to reach the mover at all times.

You will notice that we did not put the best price first or last in the list, because it is only one ingredient of the decision, and should not be the controlling factor. Often, the low bidder is the low bidder for a reason. Either he has no work due to a bad reputation, or he just started in business a week ago. Or maybe he has no insurance. Whatever the case may be, you only want to talk money once all the other factors have been satisfied. The low bidder will not be cheap if he wrecks your house!

ESSENTIAL HOME INSTALLATION

Probably the most important part of the move, assuming your home makes it there in one piece, is the installation. Good installation will assure you a lifetime (if you never move again) of proper usage. Bad installation will cost you a fortune in repairs and maybe even destroy your home over the long-term.

The following are the essential points of the installation process, and what you can do to ensure their success.

LOT DRAINAGE

Water is the key enemy of the mobile home. Moisture destroys mobile homes more than any other factor, other than vandalism. As the home is made of the minimum materials allowable under HUD, there is not much room for error, and moisture can take and buckle a mobile home floor, or rot the exterior siding, in a fairly short period of time.

Before the home even arrives, it is important that the lot be set up so that no water can stand under the home. The area where the home is to sit should be built up of dirt so that it is higher than the adjoining area. Additionally, there should be no drainage that runs under the house, such as a creek or stream that feeds a creek. If water gets under the home, you are asking for trouble. Your floors will get destroyed, and so will the way your home settles. You will be re-leveling it constantly.

SOIL COMPACTION

Equally as important as drainage is soil compaction. If new dirt has been brought in to solve the drainage issue, it must be compacted before the home is delivered. Soft, loose soil will cause a huge problem with leveling of the home. Additionally, it may be hard to bring the home in if the soil is too soft. It is not uncommon, in such instances, for homes to sink to the axles in the dirt.

POSITIONING ON THE LOT

Where the home goes is, for the most part, is a matter of personal preference. However, there are many points to consider. For example, where are the utility hook-ups? If the home is very far from them, it may result in costly additional utility costs to run extra lines. Also, where is the parking space? You don't want to put the home over your parking area. You will also want to consider such things as trees for shade, and the direction of the western sun (it drives some people crazy). Remember that once the home is in position, it will cost a fortune to move it again down the road. In fact, it will require all the steps to move it as it did on this move, except for the long highway ride. So give the positioning a huge amount of thought.

THE DELIVERY OF THE HOME BY THE TRANSPORTER

One of the scariest parts of the move is the delivery of the home onto the new lot. All kinds of problems may come up when the driver tries to get it into position. For example, he may find he can't turn his

truck sharply enough to get into the street. Or he may hit a tree he doesn't see when he backs up. We've even seen the driver hit other neighboring homes with your home. You will definitely want to be on-site when the home arrives to make sure that it is in the right spot.

Normally, the guys who set it up (which we will cover in a second) are different from the guy who delivers the home. So when the truck pulls out, your ability to re-position the home is erased. Be sure that you have talked to the manager of the park where you are going, to make sure they know when you are arriving and can prepare for your arrival (they may have to move parked cars on the street, etc.). If you wait and wait at the site and the home does not show up, you will be very glad that you have the driver's cell phone number, like we talked about earlier.

SETTING THE HOME

Setting the home is primarily focused on installing it such that the weight is safely and evenly supported on concrete halite blocks and other foundation tools. It is not really up to the installers' discretion, but part of a state or national installation code.

During the setting of the home process the wheels (and sometimes axles) are removed and the tongue as well (unless it is an older home with a welded-on tongue). The home is leveled and everything is checked out. If all is O.K., then the installer fastens the home to the ground using a series of anchors that tie to the metal straps under the home, known as tie downs. **MAKE SURE ALL UTILITIES HAVE BEEN LOCATED** before this step is started. In tying down the home, the anchors will be screwed three or four feet into the earth and may sever any type of utility line nearby. You don't want to ruin all of your good work by rupturing a gas line during the installation process. And the installer is generally going to hold you responsible for identifying these lines, so don't depend on him to do the research for you. Normally the park manager will be the go-to-guy.

RECONNECTING ALL UTILITIES

Most of the time, a city inspector will have to green-tag either the move, or the electrical or other connections before you can get utility services. It is important that you know the requirements before you set about doing the utility connections. Some areas may require a licensed plumber do the water and sewer, and some don't care who does it. You don't want to do it yourself and then have to re-do it again because you were not licensed. You will need to find a licensed plumber and electrician to make

the necessary connections in most markets. Like before, don't try to save a few bucks and instead end up killing yourself or wrecking your home! Of course, you'll have to make application for service before the utility company will turn you on, and that probably means paying a deposit.

INSTALLING SKIRTING

If you saved the track and skirting pieces like we suggested earlier, you may be able to skirt the home using this salvage plus some additional pieces for areas that the existing skirting is too short to cover. This could save you \$500 or more in parts. Installing skirting is very easy, if you are at all handy.

INSTALLING STAIRS AND DECKS

Hopefully, the mover brought with him the decks and stairs you had at the old location. In most cases, these items can be adapted to meet the new height of your new location. Be sure to check on the local laws regarding decks and stairs. Some municipalities require certain rails and guards that you may not currently have, and will have to modify what you've got. If possible, have the installer help you put on these decks and stairs – the guys are already there to do it, so tip them a little money and get it out of the way.

FINISHING TOUCHES

Be sure to install a new address number on your home almost immediately. Without it, nobody can find you, and that means the 911 ambulance driver!

You probably had some degree of damage from the move, even if it is nothing more than a shingle blowing off the roof. Make these repairs immediately, as they will let in water and moisture is your home's number one enemy.

With the home safely sited, it is time to reinstall all those breakable lights and doors, and get your life back into order.

Now that wasn't too bad was it? Well, we better move on to some things that may go wrong.

WHAT CAN GO WRONG?

These are the most common events that can happen to ruin your move.

➤ Paying the Transporter

This is the most common problem we have seen in the past. Here is the typical scenario. You call up a transporter and agree on a price. They tell you they will put you on the schedule as soon as you send in the payment or ½ of the payment for the move. You are in a hurry so you agree to send it in. Once you send in the payment, you are expecting to have the home moved on or before a certain day. However, that day approaches and the mover has not contacted you and does not return your calls. In the usual case, the mover just keeps bumping you to the back of the list since he has already been paid for the job. In the extreme case, the mover is not really a mover and you won't ever be able to reach him again. He just scammed you. Don't ever let this happen to you! I don't care how big of a hurry you are in. I would never send a mover a payment before they are at the home preparing it for the move. If they insist on payment in advance, move on to the next mover. If this is your only choice, make sure to get reliable references from local mobile home dealers and check that they are licensed and make sure you have a written contract.

When I have a home moved, and I have several moved every month in different states, I require a contract with their license number on the contract so that I can check that they are legit. I will have my manager meet them at the home on the day of the move with 3 checks. One for the tear down. One for the move. One for the setup. They do not get a penny until each step is completed to my (or my manager's) satisfaction.

➤ Poor Selection of a Transporter

If you choose the wrong mover, then the whole process will be awful, and you will be lucky to not lose substantial time and money, and gain a lot of aggravation. Don't just choose based on the lowest cost. Price should just be part of your consideration and it is really the overall package that counts.

➤ Not Preparing the Mobile Home for Transport

There is nothing sadder than seeing someone open the door to their home and find the carpet is covered in broken glass or stained by a bottle of bleach that came open. Things can come crashing to the floor during the move and if you do not secure these items, they will get broken. Nothing can withstand the abuse of bumping along for hundreds of miles.

➤ Not Making Proper Arrangements to Move

Losing your deposit for not notifying your landlord is just plain stupid. Additionally, having your move postponed because you did not pay the property tax is equally dumb. Both can be easily avoided if you take the time and effort in advance.

➤ Ripping the Utilities Out of the Ground when the Home is Leaving

How many times have we seen a mobile home not have its utilities disconnected prior to the move and, with a poor selection of a mover, seen the water and sewer lines ripped out of the ground as the home is pulled out. Too many times.

➤ Putting the Home on the Wrong Spot

The home is delivered to the right lot, but in the wrong position. The owner did not want to bother being there when it was delivered. Now they have to choose whether to pay big bucks to move it, or leave it in the position they are unhappy with. Either way they lose.

➤ Not Taking the Skirting with the Home

Skirting is a reusable item. It is not designed to be disposable. How many times have people run back to the old location to try and get it, only to find it is gone? Too many to mention. Take the skirting with you and, if it does not work at the new location, throw it away or sell it.

➤ Not using the Approved Professional to Reinstall Utilities

If you don't ask the requirements in the town you are in, you may have to do this twice. Remember Franklin's "waste not, want not".

➤ Moving a Home Without Having a Clue What You Are Doing

At least that's not you, because you read this book! A lot of people wish they had.

HOW TO MITIGATE YOUR RISKS

The most important part about moving a mobile home is taking every precaution to make sure that you understand all the costs involved and guard against damages that may occur. The move will be expensive enough, without tacking on a lot of unnecessary charges and shocks to your nervous system. The following is a list of some important preventative measures you should take.

AT ALL TIMES, BE WITH YOUR HOME

From taking it apart, to putting it on the lot, to putting it back together, the most important thing is to be there to oversee what is going on. That doesn't mean that you have to sit there all day, every day, but that you have to make continuous progress checks and be responsible to give commands on what you want done that isn't getting done.

The least important time to be with your home is during the physical drive from point A to point B. There is nothing you can do to help during that part of the process. But your continual appearance on the scene during the preparation and re-installation will make sure that you get what you want. Also, the workers will be more conscientious and work faster if you keep coming around.

When you are an "absentee" customer, you basically delegate the decisions to other people through failure to make them yourself. This is a stupid way to do things, unless you just can't physically be there. This is your home and you need to be responsible.

UNDERSTAND YOUR INSURANCE FULLY

There is a lot of potential property damage and liability exposure when you move your home. It is important to be an expert at what is insured and with what the deductibles and policy limits are throughout the moving process. During parts of the move, the transporter's insurance is more important than yours. You have to know how the insurance works and if you're covered. Don't be afraid to ask questions. And don't believe anybody until you've seen it in writing. There is no verbal contract defense on insurance.

PREPARE YOUR HOME FOR THE MOVE EFFECTIVELY

Most of what gets broken on a move is inside, not outside, the house. It is not normally really big-ticket items, but it can cause a lot of frustration and unhappiness, and some of the by products, such as broken glass all over the floor in your kid's rooms, can have serious safety problems in perpetuity.

If you could only prepare one thing, that would be to take the glass out of all fixtures. After hours of shaking on the highway, they will almost always come crashing down. Also, it's a safe bet that any cabinet, closet, or house door will swing open after awhile from all the shaking. So, if you have limited time, prioritize what's the most important to you.

KEEP EVERYBODY INFORMED OF YOUR PROGRESS

If the move is delayed for some reason, be all over everyone involved with constant updates. Make sure that you stay in the good graces of whoever owns the land where it is now, as well as where it is going. We've seen many a customer who has their move delayed, give no notice to their new mobile home park (if that's where it's going), and arrives with the home a month later only to find the park owner re-rented the lot. If this happens to you, it's your fault for not timely calling and notifying everyone of the delay. Don't say you're too busy – it only takes one minute to call and leave a message!

CHOOSE YOUR TRANSPORTER VERY CAREFULLY

The greatest risk of disaster you have is having the home destroyed during the move. A total loss is not uncommon. Be as careful on choosing a mover as you would a surgeon. So don't only obsess over price. Price is very important, but there are many other equally important considerations. If you save \$200 and lose your home or have \$2,000 in damages, what kind of decision was that? You have to look at the total package the mover is providing.

KNOW THE DESTINATION REALLY WELL

One blunder that is common in a mobile home park is trying to move a home that is too big to fit the lot (either length or width, or both). Make sure you have a firm handle on all the dimensions, as well as necessary site preparation. And know where on the lot the home goes – do not wait until you get it there to decide.

KEEP A POSITIVE ATTITUDE

When a problem arises, the WORST you can do is to panic and get upset. That does not in any way solve the problem. Always be analytical, and with a can-do mindset. Often your positive attitude is the only thing that will hold the move together. Remember that you are the mover's boss, effectively, and your positive energy will rub off onto him, as will your negativity.

Have a firm mindset that the move is going to happen successfully no matter what roadblocks may arise.

TIPS ON SAVING MONEY ON MOVING A MOBILE HOME

1. First of all, you can do most of the prep work of getting the mobile home ready to move. This can include, removing the skirting, detaching the decks and awnings, attaching the hitch (if it is a bolted on type), and removing all obstructions that will get in the way.
2. Secondly, you should get the moving permit in plenty of time. Many states will not grant a permit until the taxes are paid. Most reputable movers will require a permit (if they don't move to the next one because they probably are not a licensed and insured mover). Don't let the permit cause a time delay and additional charges by the mover.
3. Thirdly, make sure that the mobile home park you are moving the home from is aware of this fact. You need to make sure you have given proper notice and paid your rent up-to-date to avoid any unnecessary delays. You don't want the mover to have to make an extra trip because you didn't pay your space rent.
4. Fourthly, as mentioned before, don't try to save money by unhooking the utilities. Sure you might save money, but if you make a mistake you may cause damage to utility lines or to your physical well-being.
5. The final tip is one which can save you thousands of dollars if you are moving a home to a mobile home park. In the current economy many park owners are having a hard time filling vacancies. If you approach the park owner or manager and let them know that you would like to move your home to their park and you plan to stay long term, they may offer to pay a portion or even all of the costs of having your home moved to their park. In my parks that have vacancies, I will pay anywhere from ½ of the cost up to 100% of the cost for homes that are in decent condition. If the park manager does not offer to pay a portion, then ask! If they won't cover at least a portion of the cost or offer you some other type of rental discounts or

incentives, then find a park that will. They are out there in most cities and markets today. This strategy also works well for those of you who are in a mobile home park that you hate living in. Maybe you would like to move to the one down the road that has the clubhouse and swimming pool or the one that has rents \$50.00 under what you are paying. Approach the owner/manager and see what they will do if you decide to move your home over.

CONCLUSION ON MOVING A MOBILE HOME

Nobody looks forward to moving a mobile home. It is not a cause for celebration. It is a big pain in the neck, and a big pain in the pocketbook. Nevertheless, every mobile home has to be moved at least once in its life.

If you follow the directions, and follow it through to a successful conclusion, then you will not even remember the move a few years from now.

If you do not pay attention, or put any advance thought or effort into the move, you will probably still remember a decade from now, and maybe still be paying off the loan to pay the bills on the items you neglected. Or maybe you are still in court.

Moving a 20,000 pound object is big business. This is not just like moving your fishing boat or RV. This thing is huge and heavy and, like the 800 pound gorilla, it pretty much does what it wants to when on the road. Remember the old saying, "an ounce of prevention is worth a pound of cure"? Well, that certainly applies here.

Bonus Section: Excerpt out of Home Study Course on Mobile Home Park Investing

Buying New and Used Mobile Homes

Buying a repo or used mobile home is an adventure with all the Hollywood theatrics of a movie – sad moments, happy moments, a cliff-hanger, and even a chase scene to hunt down the workman that never showed up as promised. The goal of this section is to make your movie have a happy ending, instead of one like a “Nightmare on Elm Street”.

A used mobile home is the sum of many parts. While we have put down on paper every part of a mobile home in excruciating detail, it is up to you to add up these equations and decide whether or not the home is a good deal for you.

Read this section, think about the key issues, and enjoy your adventure!

How to use the Section

This section is more than a book. It is a scorecard for the homes you are looking at buying. It is designed to be used as a scorecard, with every part of the home having its own line item.

You will find a worksheet as one of the files that came with this book that you should copy and use a fresh sheet for every home that you are looking at buying. This will help make your decision to buy or not to buy more scientific and precise.

How to Find Used Mobile Homes to Buy

There are many different places to look for used mobile homes. As with anything, you will have your greatest success in volume, so you should work all of these angles at the same time to have the greatest number of candidates to choose from.

Mobile Home Websites

You can find thousands of mobile homes for sale immediately on MHBay.com, MHVillage.com, MobileHome.com and MobileHome.net. These listings often show photographs and other pertinent information, along with an asking price and phone number.

Classified Ad Websites

Besides the actual websites dedicated to mobile homes for sale, you can search such sites as Craigslist, OnlineClassifieds.com and an array of several others. The key to using these types of websites is you have to act quickly and learn how to best use them. For example, by using the website CrazeList.org on a Firefox browser, you can get searches returned that match certain criteria from Craigslist.

Also, by performing refined searches you can weed through a lot of useless info. Try searching for “Mobile Home For Sale” + “Must be Moved” or “Estate Sale” or “Must Sell”, and you will probably get better results.

You should also take advantage of the online classifieds that will return results to you that match certain criteria via email. It will take awhile to set these up and refine them, but once you have them inputted you should be getting new leads daily.

Another option is to place ads on these websites posing as a buyer. Many sellers will search before placing an ad and if they see a buyer for what they are selling they will often contact you before placing the listing.

Dealers

Most mobile home dealerships have used homes on their lots. The nicer, pricier ones are at the front of the dealership, but there is another set at the back in a field that are the junky trade-ins they have collected along the way. These homes are normally older and in poor repair, but often make great homes to bring into a park or raw land if your goal is spend as little as you can. These homes are often sold for less than \$1,000, sometimes for as little as \$100, but they need total restoration. If you look at enough candidates, you may find a diamond in the rough. Be sure to look past the cosmetic issues for the real meat and potatoes of what it will cost to restore.

Important: Be sure to know the laws or the city/state you are bringing the home into to make sure it is allowed. Some cities may require certain sizes or ages of homes. You don't want to buy a home and then not have a place to put it.

You can find a list of mobile home dealers by state on MHBay.com or MobileHomeParkStore.com.

In areas that we are buying mobile homes, we will send a letter to Dealers, Mobile Home and Real Estate Brokers, as well as Movers letting them know that we are buying used mobile homes and that if they keep our information and refer a deal to us, we will pay them a referral fee (often \$1,000.00).

Brokers

These individuals range from owners of 100 used mobile homes to as little as two or three. They act as a middleman between the used and repossessed homes found at dealers, banks and mobile home parks, and the buyer. You can find them sometimes in the newspaper, yellow pages, word-of-mouth, MobileHomeParkStore.com, or Google them. They serve a useful purpose because simply by moving the home from where it sits to their yard (if they have one) they demonstrate that it is road worthy. Of course, you may get a better deal without using a middleman, but not always. These middlemen buy in bulk and can often pass some of the savings on to you. We like to use reputable brokers because the time saved is worth the wasted time driving around and looking for homes.

Mobile Home Parks

At any given moment, there are probably one or two used mobile homes for sale in every mobile home park. You can find them by driving around and looking for home for sale signs in windows or yards.

Often the sellers of these homes want very little for them, particularly if they are moving and don't want to pay another month of lot rent. Also, often the seller is an estate and wants to sell it quick. A big advantage of buying a home that is already set up in a park is the ability to test the electrical and water systems, as well as the AC and furnace.

In Your Own Park (IF APPLICABLE)

If you own a mobile home park, don't forget to look inside your own park. While you are busy looking for homes to buy and bring in, don't let your existing homes move out if you can help it. If you do, you'll have to buy another to fill that spot. Often, when a home is already in your park, you are the most logical buyer since you don't have to pay to move it. This gives you the best pricing advantage. Remember, it cost thousands to move and set up a mobile home, so save this money on the front end by buying a used home for sale in your own park.

Newspaper

You will often find several mobile homes for sale in your local paper. These are often great prospects. Be sure to look not only in the big local paper, but also the thrifty nickel, penny saver, and other free papers that cater to the local markets. Also, it may be easier to visit these newspaper websites rather than build an office full of old papers. Check this site: americanclassifieds.com.

Place a Mobile Home Wanted Ad

You can post an ad in your own local newspaper or other publication stating that you are looking to buy a mobile home or homes. A simple 2 or 3 line ad in the paper may get your phone ringing. Another place to post an ad would be on the MobileHomeParkStore.com site under Investors Looking for Homes. This is a free listing and just another outlet to help you in your search.

Send out Postcards

You can have cheap postcards printed and mailed using reverse address directories to the residents of mobile home parks in the area you are interested in. Something as simple as “We Buy Mobile Homes for Cash” can get your phone ringing.

Mobile Home Movers

Movers of mobile homes are often familiar with your market and know most of the parks and areas with a large concentration of mobile homes. Just like contacting a dealer and seeing what they have for sale on the back lot, stay in contact with the movers because they run across homes every day. Good movers are a great source of information and I have purchased many a home from a couple of the movers I know.

Financial Institutions

One of the easiest ways to find a repossessed mobile home is to contact the Mobile Home Lender and ask to be put on their mailing list. It is quick, easy and cuts out the middleman. With all of the foreclosures taking place, many finance companies have split their “Repo List Keepers” up into different areas so it may take a few calls or emails to find the right list to be on. However once you are on it, you will receive a list of fresh repossessed mobile homes to bid on, one or more times a month. Here is a list of Financial Institutions that have plenty of repos to go around, to help you get started.

Vanderbilt 865-380-3523 www.vmfrepos.com

Greentree 800-643-0202 www.gtservicing.com

Origen Financial 800-492-1874 www.ofllc.com www.origenhomes.com

21st Mortgage 800-955-0021 www.21stMortgage.com www.21strepos.com

Triad Financial 904-223-1111 www.triadfs.com

US Bank 858-720-7116

Popular Housing Services 724-873-3543

Chase Bank – Western U.S. 888-667-9133 Eastern U.S. 800-225-6761

If you work these seven angles simultaneously, you will never have a shortage of homes to look at, and may find some real gems.

How to Make the Offer

The first rule in getting a good deal on a used mobile home is to look poor. This will set a first impression with the seller of how high he can go on the pricing.

Be sure to wear beat-up clothes and drive your worst car to the meeting. Don't go in with a blazer and driving a Mercedes. You are not trying to impress the seller, only get a cheap deal.

Always offer a ridiculously low number on the front end. Say "this home is in pretty poor condition, and needs a lot of work. I'd be afraid to pay more than \$500 for it", even if the home is in great condition. Let the seller's response give you a clue as to the real price he'll take. You may be surprised at how little he'll take for the home. If you offer a big number on the front end, you can't lower it later. So be very prudent about what you offer.

Be sure and look thoroughly at the condition of the home using our spreadsheet. Make sure you've put all the correct numbers in for repairs.

If you have built a large enough base of homes to look at, you should not be all that emotionally tied to any home. If you truly aren't, the seller will feel that vibe and be more negotiable. And if the home looks like a bad deal, just say so and leave. Often, many of the problems will cost you so much that you should not take the home even for \$1.

Paperwork and Looking for Other Deal Killers

When buying a used mobile home, there are many pitfalls that you must be aware of, and some basic contract issues that you need to do properly.

Bill of Sale

This is the document that confirms the exchange of the home from the seller to the buyer, and affirms the price. This document is often on just one side of an 8½" x 11" sheet of paper. It should be notarized and signed by both parties. It should reference the serial number of the home, the make and model, and the date of manufacture (if possible). It should also contain the full price and any other items that go with the home, such as outside A/C unit, decks, etc.

A sample Bill of Sale is included in the download.

Title

A Bill of sale is not enough to properly document the sale. You also will need to obtain, sign and properly file for a title transfer of the mobile home. The title is the paperwork that, in most states, defines who owns the home, as well as whether or not it has a lien.

Sometimes, the seller will not have a title. This is a big problem. Without the title, you may be buying a home with a lien on it – or perhaps that he doesn't even own. There have been many stories of a renter trying to sell the home he lives in but does not own – don't be a victim. If there is no title, you will also have trouble re-selling the home down the road. It's a business decision for you to make, but in general, I would not buy a home that has no title. The downside is just too great and it may be illegal in some states.

Liens

If you buy a home that has a title but shows a lien on it, you must get that lien off the title before you should buy it. In most states, the lien holder technically owns the home until their lien is paid off. It is not uncommon for a lender to come back on a new owner and demand their home back. In addition, there may be legal issues and penalties in such a situation. Don't let that situation occur to you. Only a title with no liens can give you that piece of mind.

We have all seen those ads in the paper for homes and cars for sale advertising to just take over payments. Unless you file the correct documentation with the actual lender, you will be in jeopardy of losing the home if the lender finds out it has been sold. I have seen many people do this in the past and have never heard a success story. The lender either calls the note or the seller collects the payment from the buyer and doesn't pay the lender. Don't get yourself in a situation such as this.

Property Taxes

If you buy a mobile home without checking first, and there are unpaid property taxes on it, they are now your responsibility to pay. That's why it is essential that you check with the local taxing authority on the mobile home you are considering buying to make sure that there are no unpaid property taxes.

In most states today, you have to show a document to evidence that there are no property taxes before you can get a moving permit. If there are taxes, there is no way to get around paying them and the taxes

can be staggeringly high. I have seen \$10,000 unpaid property tax bills. And it is very normal to have at least \$2,000 in unpaid taxes. Don't let this happen to you.

Unpaid Lot Rent

If the mobile home is located in a mobile home park, and there is past due rent on it, the park owner is not obligated to let you remove it until the rent is paid. At \$200.00 per month or more for lot rent, it is not hard for the rent to stack up rapidly. I have seen unpaid lot rent bills in the thousands. Be sure and check with the mobile home park before buying the home to make sure that there is not any unpaid lot rent charges owed. This may also be the case in some land/home communities.

Access to Home

If the mobile home is in a field or remote area, make sure that you have the access to remove the home. Sometimes, over the years, the access has gone away, through new trees growing or a bridge washing away. Make sure that you are buying a home that can be moved to where you want it.

I made this mistake once on a home near San Antonio, TX. I bought a nice 16' x 70' home from Greentree and sent the mover out to have it moved to my park. Once the mover was there, he called me and said that there was no way to get the home out without crossing the neighbor's yard. The home was on a hill and had to be pulled through a low area and would have bottomed out and been stuck. The neighbor was nice enough to let us pull it through his yard after about a month of negotiations. We ended up paying him \$1,000.00 in cash plus about \$750.00 to buy him a new fence that we had to pull down.

Minimum Habitability Warranty

This is an extremely important set of laws for you to understand in any market that you are looking at buying and selling mobile home in.

The “Minimum Habitability Warranty” is a set of laws that describe, in extreme detail, that condition a home must be in to sell to a consumer. Contrary to what many people may think, you cannot sell a home “as is” – even if the consumer agrees to it. Any home you sell must conform to the minimum requirements set forth in the Minimum Habitability Warranty.

And what do these minimum requirements normally look like? They normally include some basic items that just make common sense: no large holes in the roof or floor, running water, heat, if no air-conditioning, then windows that open – things like that. The concept here was to preclude the concept of “slum-lording” – selling homes that are not suitable for human living, guised under an “as-is” agreement.

Every state has different Minimum Habitability Warranty laws. Some, in fact, have virtually no requirements at all.

You need to know these requirements as it has a bearing on figuring out your renovation costs and requirements, as well as a primer on your potential liability exposure. You would never, ever, want to violate these statutes. If you are buying an old home for \$2,000, and you have a ready buyer willing to pay you \$8,000 for it “as is” – but it doesn’t meet hardly any of the Minimum Habitability Warranty requirements – you would be crazy to sell it until these are met.

It is important to note that virtually none of these guidelines include aesthetics. They are just very basic things that you probably would not think of not providing.

And what’s the penalty if you cheat? In addition to being sued for damages, you may be required to make all the necessary improvements after the fact – even if it means doing \$10,000 in renovations on a home you sold for \$3,000!

Why Mobile Home Rentals Never Work.

Mobile home rentals are a terrible idea. It's been tried over, and over, and over again – each time suffering greater losses. It's a bad business model that should be universally avoided in most cases.

So why is it so bad?

Mobile homes are not built to withstand the rigors of rental property.

Mobile homes are built to HUD specifications to create the lowest cost possible. That means 2" x 2" framing, instead of 2" x 4" and 2" x 6" in many cases. It means plastic door hinges and knobs. It means particle-board flooring instead of solid wood. All this adds up to something that is inherently weak.

Now that's O.K. if you own it and take care of it and treat it with respect. But that's not what happens with renters. They deliberately treat the mobile home with complete disregard – often relishing in breaking it to pieces. You can go in a rental mobile home that was freshly remodeled only weeks before, and find holes in walls, doors ripped off their hinges, closet doors laying on the ground – the general look of a hotel room after a visit from a rock band.

The cost of repairs will wipe out all of the profits.

If there is a spread of \$250 between the rent you collect and the lot rent you pay the park owner, it will not even cover the perpetual repair and maintenance bills. We've had rentals that literally call in daily for repairs.

When you have a \$250 per month spread, you cannot be sending out a plumber, electrician and painter every few months.

Some rental landlords try and do their own repairs. That's great if you know what you're doing and value your time at \$0.00. But if you want to forecast at least minimum wage in opportunity cost, and the expense in gas to get there and back, you will find that even doing your own repairs is often unprofitable.

Mobile home renters are the lowest on the food chain.

The people who rent mobile homes are the folks who have credit and criminal problems too severe to buy a mobile home. They are often banned from apartments, and don't have a prayer of ever owning a

stick-built home. They often have two choices – rent a mobile home or live in their car. It really is, often, that bad.

It is very hard to build a business on this clientele, as they often cannot find or retain jobs and, therefore, pay you rent. And their chaotic lives often keep them on the move, ahead of the law or others.

Selling mobile homes solves these problems.

When you sell the mobile home, you are no longer responsible for the repairs to the home, or the condition the tenants turn the home into.

When the tenant is an owner, they often treat the property better, since it is theirs.

When you sell mobile homes, you get a better class of customer – one that holds a job and can make monthly payments.

It's been proven through experience that renting of mobile homes doesn't work.

Years ago, there was a large mobile home park owner/operator, that was publicly traded. They also rented mobile homes in some of their parks. If you were to look at their financial statements from that period (they are now privately owned and no longer provide public financial information), you would see that they found this niche of their business extremely unsatisfactory and unprofitable.

Since they were probably the largest company to ever rent mobile homes, and possibly the only publicly disclosed statements on that niche, it was the final straw for most people, to prove that renting does not work.

Forms, Contracts, and Other Documents that You Will Need

Remember that you should have received a download with a copy of the documents, forms and contracts we use to buy, sell, and manage mobile homes. These contracts are included for you to take to your attorney and check the validity for the state you are in.

How to Collect from your Buyers and Manage Your Mobile Home Investments

It's one thing to bill for monies due, and another to collect it.

So how do you collect money from your mobile home tenant?

It's all about systems and adherence to those systems. Successful collecting is more of a science than an art.

When a tenant doesn't pay, it's normally not about money but priorities.

A mobile home tenant can afford to pay \$495. It's built on the assumption that they earn no more than minimum wage. It's not some incredibly large sum, like the \$2,500 per month that some folks pay on stick-built mortgages. It's a do-able deal. They can make \$495 from their part-time or night job alone.

However, mobile home park residents often have different payment priorities than their mortgage. They would rather buy beer, go on a trip, gamble, go to a party – 1001 other ideas than paying you. So you have to train them that their payment to you comes first (or at least after the cell phone bill).

Normally, when there is a collections problem, it's really a priority problem.

Lesson one for the tenant: late fee.

You need to assess the largest late fee allowed by law if the payment to you is late. In some states, that's \$50 or so. So if they are one day late on their \$495, they now owe you \$545. Is 10% too much in this example? No. Because you are trying to send the message to them that the rent must be delivered on time.

Once you institute a late fee, and stick with it, you will train them not to be late.

Lesson two for the tenant: file eviction.

When the payment is late, you have to give the tenant a notice of this, normally called a "demand notice". In most states, this is a notice, in a certain format, that gives them 10 days to cure their non-payment. After this time has expired, they have only a short fuse before you file eviction. If their 10 days runs out on the 15th, then you need to file eviction on the 16th. Is this because you are mean? No. It's

just part of the training process. Now you have a new member on your team – the constable from the court. Often in uniform, he helps scare your tenant into paying, simply by showing up on their doorstep.

Lesson three for the tenant: no payment plans.

When you evict a tenant, you often get a call the day after the constable has given them notice, begging for you to accept a payment plan. This is never a good idea. What the payment plan is doing is shifting their priorities on to you – making you change your priorities to meet theirs. Tell them, “I don’t do payment plans – you need to call a friend or family member. I sell homes – I’m not a bank”. This is not what they want to hear, but essential if you want them to pay on time.

By the way, if you do a payment plan with one tenant, the word will get around and nobody will pay you next month.

Lesson four for the tenant: writ of execution.

This is the step that many investors fail to do, even though it is the most important one. All along the eviction process, the threat is to throw them out in the street. So your earlier threats will have no meaning unless you carry through and do so.

Many Mobile Home Investors and Park Owners are too soft-hearted to do this all-important step.

If you ever needed to be strong, this is the time.

You will be surprised how often the tenant comes up with the money when faced with being thrown out on the street.

And this step will permanently change their priorities – now they know that they have to pay, or else.

Learn from the pros.

Who are the best collectors out there for this type of customer? Used car dealers who repo their cars, rent-to-own appliance stores that come get their appliances, and utility companies that shut off the utility. Why? Because they force the issue and require the customer to meet their obligations on time.

One note for people who think this is all mean.

Do you care for your customers? Then consider this. If you do not train them to meet the rent when it's due, they will rack up huge balances and, when they are beyond their ability to pay, they will have no choice but to lose their home. You are actually being nice to them by forcing the issue while it's still \$495 plus late fees and court costs. Some of these folks have kids. Don't let those kids live on the street. Train your tenant to be a smart homeowner.

Home Insurance.

Insuring a mobile home is tricky business and is even trickier when you are trying to make sure that your buyer keeps up on the insurance payments.

First is the issue of how much to insure it for. Often, the insurance company will determine that for you. If they base the value on blue-book guides, you may find that there is a number already set in stone of, say, \$6,000.

In other cases, there is no blue-book value to find. To set a value based on a guide, you have to have a make, model and year. On older mobile homes, you can often not find this information on the home. As a result, you may end up with an assessed value based on nothing more than a best guess, or certain underwriting requirements of the insurance company.

But let's take a reality break on insuring a used mobile home. If you have a value on a home of \$5,000, it's not going to replace it. You are not going to be able to find a home, renovate it, and move it in and set it up for \$5,000. It costs \$3,000 just to move a home and set it up! So, really insurance is there to either 1) help you fix what was damaged or 2) ease the pain of losing the home to fire, etc.

The moral is that you need to seriously consider the difference between your investment and the policy limit. You would not want to buy a home with a \$15,000 total cost and only have insurance of \$3,000 on it. However, if you bought a home for \$7,000 and it was insured for \$5,000, you could probably survive that worst-case scenario.

When you sell the home, you want to make sure that the tenant keeps the insurance in force and effect. You will have to arrange for the insurance company to notify you in the event that they have not paid the premium. You cannot afford for the home to be uninsured – you could lose your entire investment!

The realities about mobile homes and insurance risk is that there are three basic risks to worry about: 1) fire 2) tornado and 3) a huge tree falling on it. If you have a home in a park with no trees and no tornado risk, then you've eliminated 2 out of 3 risks. Also, contrary to what you may read or hear, mobile homes –especially “metal on metal” – don't burn all that well. When they burn, it is normally a smoldering smoke issue, and one that can normally be fixed based on the insurance limits.

Dave has been using the same company to insure his homes for many years and could not recommend them more.

Call Gloria @ Mobile Insurance Agency - 1-800-458-4320 ext 12.

Personal Property Taxes.

This is a more important issue on the front end when you go to buy a used mobile home, than after you sell the home.

In most parts of the U.S., the normal procedure on property tax is that, if you don't pay it, the taxing authority seizes the property and sells it at auction. However, this is not always the case with mobile homes. You can rack up taxes for a decade and the taxing authority still does nothing. Many believe this is because of the complexity and difficulty in auctioning a used mobile homes. Regardless of reason, this creates a huge risk when you buy a home.

We have seen unpaid taxes on old, used homes that are higher than the price of the home itself!

The moral here is that you have to be 100% sure that all taxes are paid on any home you look at buying. In addition, in many states, you cannot move a mobile home with unpaid taxes, so don't think you can get around it or cheat.

Once you have established that the home has no tax deficiency, the only tax issues thereafter are personal property taxes on a year to year basis. Never let the tenant go un-monitored, or you may end up owing several years' of taxes again!

You should require the tenant to pay all taxes when due, and then make sure that they do so. A quick call to the tax assessor (or go on line) will let you know if the taxes are paid.

In most states, the taxes on a \$10,000 mobile home will range from \$100 per year to \$250 per year, so they are not that bad. But when they are unpaid for several years, it can easily top \$1,000 with interest and penalties.

Conclusion

We have spent countless hours trying to dissect the old system of buying and selling mobile homes that was made popular by Lonnie Scruggs in Deals on Wheels. As mentioned before we do believe that there is more potential in making bigger profits in buying and selling mobile home parks. However, not everyone has \$100,000 or more to buy a mobile home park and we know that many people out there would be satisfied with double digit returns on investments. And we think if you follow this program and don't cheat and cut corners you have a good shot at these double digit returns.

Lonnie Scruggs laid the groundwork for the Lonnie Deal and our goal with our program is to take out much of the risk and increase the profits for the mobile home investor by creating a partnership with the mobile home park owner. This plan is definitely feasible as we are putting our own mobile home parks into the program and will set a standard of how aggressive the park owner can be in working with the mobile home investor.

So using the basic strategies outlined above, we believe there is opportunity in this concept for both the park owner and the mobile home investor, but only based on the business model we have demonstrated.

If you were to go into this business on your own without some type of partnership with the park owner, your odds of success are limited and your chances for failure are increased. As park owners and educators in the industry, we have had numerous sad meetings with folks who have failed under the traditional model and have ended up walking away from homes or selling them for pennies on the dollar.

The ***New "Mobile Homer" System*** business model is based on the reality of affordable housing, and the shortage thereof, sprinkled with the pathetic lack of funding available by institutions in this arena, and then blended with the inclusion of the park owner.

Is it a window of opportunity that will soon close, or will it be open in perpetuity? We don't know.

If you follow the concepts and systems shown above and in this program, and then start striking relationships with park owners whether it be Dave, Frank, or the park in your city, you should be able to produce good, and sometimes sensational, returns on investment from used mobile homes.

Frank Rolfe & Dave Reynolds

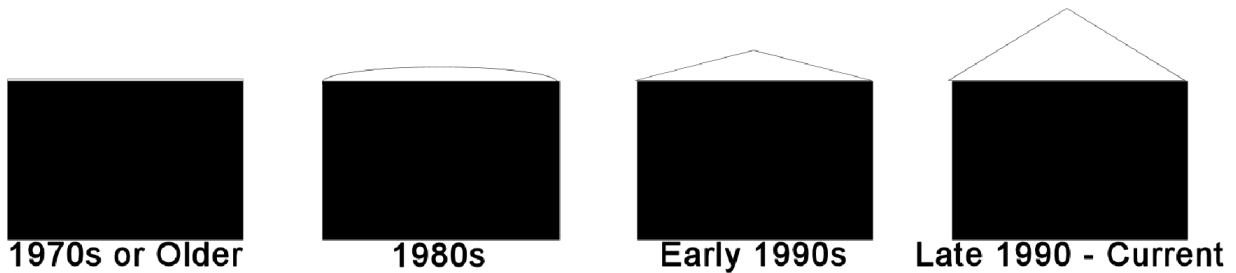
NicheInvestmentNetwork.com

Bonus Section: A Quick Spotter’s Guide to a Used Mobile Home

YOU CAN TELL A LOT ABOUT A MOBILE HOME WITHOUT GOING INSIDE

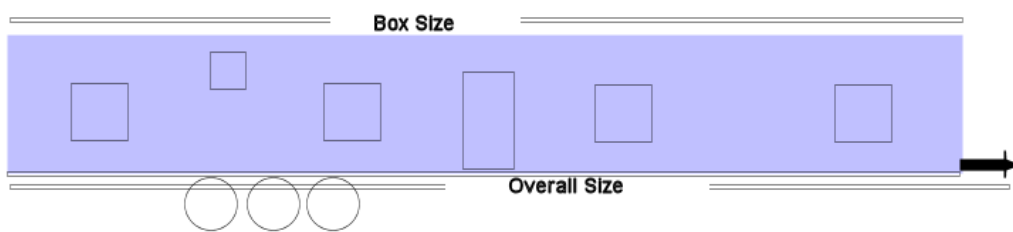
Roof Type and Date of Manufacture

You can get a rough idea of the age of a mobile home based on its roof design.



Size of Home

Mobile home “box” sizes are measured not including the tongue of the home. Be sure that you focus on the “box’s” size and not the overall size (which includes the tongue). The tongue is usually removed as part of the setup and skirting process.



Roof Type

There are two roof types on a mobile home: 1) metal 2) shingle. Shingle is more expensive, and the better homes have shingle roofs. The difference, however, between metal and shingle is mostly aesthetic.

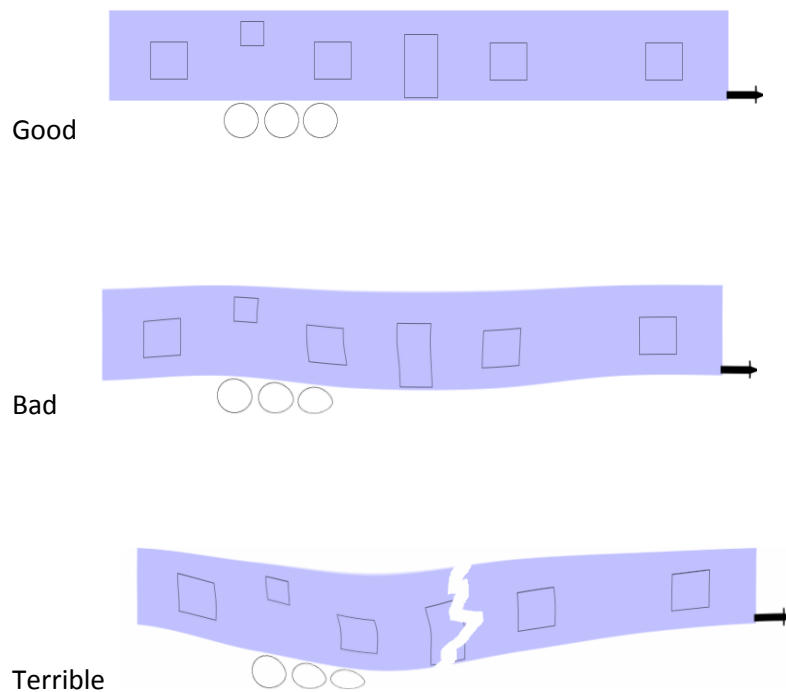
Siding Type

There are three types of siding on a mobile home (not counting the strange things that a tenant may have patched over with later). The three types are vinyl, metal, and “wooden”.

Of these three types, the one to avoid is the “wooden” (it isn’t real wood and it rots very easily).

Frame Integrity

For this home to be moved from point A to point B, it has to be road worthy. Unfortunately, many are not. If you buy a home that can’t be moved, you may have just bought a liability that you will have to pay to get hauled to the dump, or torn down on location.



How to Sell or Rent the Home

If you are buying the used mobile home for your own use, then you can disregard this section. If you follow and understand the other chapters, your job is done – congratulations! However, if you are not the end user, you have one final, important job to complete.

Before you rent or sell the mobile home, there are some important decisions you have to make. If you are thinking of selling the home, and will sell more than one home per year, you may have to get a Mobile Home Dealer's License. Check with your state to see what the requirements are. This step will require, in most states, going to dealer school, obtaining a bond and insurance, and other requirements. If you do not want to take this step, then your only option is to rent the home.

Another decision to make is how you feel about making repairs. The biggest difference between renting a mobile home and selling it... is when you rent it you are typically responsible for maintenance. If you do not want to do regular maintenance on the home, you will have to sell it and you may have to get that dealers license.

Once you have decided to either sell or rent, the next step is to come up with a rental or sales price. The key consideration in pricing is how much the market can afford to pay. In our opinion, the magic number in most parks is \$500.00 per month in total payments. For example: If you want to sell the home, and the lot rent in your mobile home park is \$200.00 per month, then you have about \$300.00 per month to play with. Given you have \$300.00 for a monthly payment you need to get out an amortization table and see what the price would be with \$500.00 to \$1,000.00 down and payments of \$300 per month for between 3 and 7 years. That number will set your price. You will need to insert an interest rate in that calculation, say 10% and that choice is yours (be sure not to exceed usury laws).

If you are renting the home, then you can just pick a rental rate, and we would propose that the correct rate should not exceed \$495 per month. But again, it is up to you to do some market research and if you can get more than \$495 per month, then good for you.

Once you have decided what your price should be, the next step is to properly advertise it. We have tried a lot of different advertising options, and the following are the most effective in our opinion:

- The big local newspaper. Be sure to put your ad in both the “mobile homes for sale” and “mobile homes for rent” sections. You may also try putting the ad occasionally in Spanish to see if that pulls.
- Sign in the window or yard of the home saying “Home for Sale” or “Home for Rent”. You can buy these at Lowe’s or Home Depot. Be sure to put your phone number on it with a big, thick marks-a-lot, not a ballpoint pen.
- Tear sheet at local grocery stores and Laundromats (these are the sheets of paper with phone numbers that you rip off the bottom).
- Yellow page advertising. This is an option that only works if you intend to sell more than one home and are going to do this year round, since the ads are sold on a yearly basis only.
- You may also set up a commission only with local dealers that may have customers who do not qualify for standard bank loans, so that they can still make money on customers even if they turn them down for a new home.
- Giving \$100.00 or more for referrals to people to send you a buyer can help also. Just make sure the referrer knows that they do not get paid unless their referral buys.

Some of the advertising options that do not work in our opinion:

- Greensheet, Thrifty Nickel or Penny Saver types of newspapers. We have tested these and there was virtually no response.
- Radio, TV or any other type of costly, structured advertising program.

Now that you have some people calling to see the home, the next step is organizing a program to effectively show the home. The first step is to make sure that the home is ready to sell or rent – all of the renovations should be complete. Most importantly, the home should have solid functioning stairs with a handrail. You would not believe how many slip and fall cases there have been for people looking at mobile homes without good stairs and falling down the stairs. Make sure that you have the home done with skirting in place and good stairs before you show it. If you are not done with your renovations, then hold off marketing the home until you are done.

The person who shows the home must have the right personality to make it a success. They need good people skills and a practiced sales pitch, just like a regular realtor. If the person showing the home does a

poor job then, no matter how good you advertise it, it will not sell or rent. Feel free to mystery shop the person showing the home and see what their experience is. If your mobile home park manager is a lousy salesperson, you may want to enlist the help of someone else in the park that has sales experience, and pay them a commission if it sells or rents.

Let's say that you now have a customer who wants to buy or rent the home, so it is time to complete the screening and paperwork process. Credit and criminal screening is available for a nominal fee from many different vendors. You can find them by doing a simple search on your favorite search engine. The cost is about \$10 to \$30 per application. The problem with screening is that most of the applicants are going to have pretty poor credit and possibly some non-violent criminal issues. So you have to decide what you are trying to achieve. If you are going to accept anyone who walks in the door, then there is little point to screening. Further, the most hardened criminals know ways around the screening process, such as knowing which states don't share criminal information, or having a friend or family member do the application process, and then pretend to go on vacation and have the real person move in.

The paperwork for renting or selling a mobile home is pretty easy and straightforward. It includes a sales contract, a copy of which is attached or, in the case of renting, a rental agreement (a sample is attached). Be sure to get a decent deposit (at least \$500.00) and the first month's rent or house payment in advance. If you get nothing down, then you risk having the person move in, pay no rent, trash the house, steal the fixtures, and have nothing to show for it. Often the deposit will not cover all the damage done by the tenant, but at least it gives you something to mitigate this expense, as well as prove to you that the customer has at least some money in his pocket.

Unfortunately the final item that you have to be familiar with is the eviction or foreclosure process. Even the best tenant sometimes turns bad, and so it is a pretty safe bet that at some point in the future you will need to file a motion to get your property back. Always think of everything that happens with your tenant as putting together a paper trail for a future court date. Keep all correspondence, postmarks of late payments, etc. in a file. When you have to file an eviction or foreclosure, this will all be important information to have going in to prove your case.

Dave and I both believe in the theory of "no pay/no stay". Everyone must pay their rent every month, or get out. There can be no exceptions. Start the eviction or foreclosure process immediately following the

event of non-payment. Be sure to know the laws on the demand letters and other notifications that the court requires.

If you do not like going to court, you may hire a lawyer (there are normally landlord evictions attorneys at a lower price). Don't avoid starting the process for that reason. There is no reason not to start the eviction process immediately. It's always the right thing to do.

Five Worst Used Mobile Home Deals We Have Ever Done

1. This was a mobile home that I bought set up in a mobile home park that was being torn down. It looked great all blocked up but when they jacked it up to transport it to my park, it looked like a big smile, with a huge sag in the middle. I had to get it out anyway, so we took it out on the highway and it immediately proceeded to break in half. I then had to pay to have it taken to the dump and destroyed. My \$1,000.00 investment cost me over \$3,000.00 to get rid of. How's that for a bad return on investment?
2. This was a mobile home I bought for \$500.00 at the back of a dealer's lot. I bought it because it was to fit a specific sized lot I had. The dealer told me the length, but I never went out and measured it myself. The dealer was wrong. The home was ten feet longer than the lot it was supposed to go on. It would not fit anywhere in the park and nobody would buy it from me. So I had to take it to the dump to be destroyed. Total return: \$500.00 bought me a \$3,000.00 loss.
3. This was a mobile home that I bought at the back of a dealer lot for about \$500.00. The home was supposed to be all electric. Once again the dealer was wrong and I never checked into it. It was all gas. The park I had brought it to was all electric and the mobile home wasn't worth enough to convert to all electric. Off to the dump again!
4. This was a mobile home that I bought set up in a park. It looked good aesthetically. But it was a rust-bucket under all that paint and silk flowers. When we went to renovate it, everything was shot. We ended up tearing it down on location. \$1,000.00 investment got me \$2,000.00 in removal fees.
5. This was not a mobile home. This was an RV I bought to fill a really small lot (24' length), that I intended to rent out. Not only are RV's rotten rental properties, but the kind of tenant this one attracted made America's Most Wanted look like the I Love Lucy Show. I gave it away to a local RV dealer just to get rid of it. I got tired of all the police reports.

Five Best Mobile Home Deals We Ever Made

1. During the peak of the chattel crisis, there was a mobile home that was abandoned in our park with a mortgage company as the responsible party. They were supposed to get it out by a certain date, but when that day approached nothing had been done. I started bugging the account representative and he offered to sell me the home for \$1,000.00. In effect, I had purchased a home with a \$30,000.00 mortgage for only \$1,000.00.
2. I purchased a group of 10 new homes from a factory to fill 10 short 48' lots I had in two different parks. The homes looked great and I sold them immediately for what I had spent on them. I got a better class of tenants due to their great condition and nobody ever defaulted when I sold them. They were relatively inexpensive as I had ordered them stripped of all the luxuries. They cost about \$14,000.00 each installed.
3. I purchased a real Junker in a park and had it moved to our park. It was a pre-HUD (pre-1976 construction) – more like 1876. It had a flat roof and about as much modern appeal as an old Buick, but it was built incredibly well. Solid mahogany paneling and cabinetry. It even had a built in Murphy bed. This was a top of the line model back before cars were invented. It needed very little renovation, and was built so well that it never fell apart in between tenants.
4. This was an average home that needed some work, but the guys moving it into the park crashed it into a building. The mover's insurance did a lot of the renovation for me at no cost, and kept my basis incredibly low.
5. I bought a home at a park that was closing down, and just by being there in the park several times, I convinced other tenants to move their homes to my park. By the time I was done, I had brought 6 more mobile homes with me at no additional cost of my own.

Tongue

WHAT IS THIS?

This is the “v” shaped metal piece on the front of the home that allows it to be pulled by a truck.

TYPES?

There are two types of tongues:

1. Welded on (permanent and not meant to be removed)
2. Bolted on (only installed when moving home, then taken off)

BENEFITS & DRAWBACKS TO EACH?

Welded on tongues are not very good looking once the home is delivered. They are always there to remind you that it is a mobile home. However, you can have the tongue removed even if welded on (it is just an added cost to remove it and then to weld it back on in case you need to move the home again).

Bolted on tongues allow you a more aesthetically pleasing end-product.

Both types of tongues have the same function and require the same engineering.

HOW TO CHECK FOR PROBLEMS?

On welded-on tongues, look for any broken weld or rust that might suggest that the tongue cannot pull the home safely.

On bolted-on tongues, make sure it is there. Many a novice has bought a home with the assumption that the tongue is stashed under the skirting; only to find that it is missing. If the tongue is there look for rust or welding issues that would preclude transport.

HOW TO FIX THOSE PROBLEMS?

If you are not a certified welder, I would not try to fix these problems. They require welding skills with a pretty tough liability if you do it wrong; the whole home will break free on the highway at 55 mph.

HOW DIFFICULT TO FIX?

Not hard for a welder. Always use a professional, insured, certified welder. The liability is huge. If the home breaks free at 55 mph, it could cause massive property damage and / or death.

ESTIMATED COST TO FIX?

To re-weld a tongue on a home can run about \$300.00 or more based on the problem. Be sure to get three competitive bids. If you buy a home with a bolted on tongue that is no longer there, you can usually rent them from the mover for an extra \$150.00 or so.

OTHER THOUGHTS

Before you think the tongue is missing, have a good look around the yard (if it's still in a park). I have seen them where they should be (under the house) and I have seen them in many places they shouldn't be (inside sheds, used as edging in a flower bed, and just laying out in the weeds at the back of the lot).

Wheels & Axles

WHAT IS THIS?

These are the things that enable the mobile home to move. They fit on the carriage of the mobile home and make it mobile.

TYPES?

There are a variety of wheel and axles combinations, but they do not need to be of interest to you. The only thing that is important is that they function and allow the home to be safely transported from point A to point B.

BENEFITS & DRAWBACKS TO EACH?

Does the home move safely or not? That's the only thing to worry about. Unless you are opening a wheel and axle museum, the type should be of no consequence to you. Only the mobile home mover cares.

Often, the mover will have to provide the wheels and axles. This will cost you additional money when moving the home.

On a really old home, perhaps pre-1976, it may be a challenge to find wheels and axles that will fit. Make sure that the mover has access to what you will need, or your home may be un-transportable.

HOW TO FIX THOSE PROBLEMS?

Let the mover tell you what the problem/solution is. The worst case scenario, like a broken frame, is that the home can't be moved. Rarely, however, are the wheels and axles a real issue. But be sure to put this risk in your budget.

HOW DIFFICULT TO FIX?

Don't even think about it. If you screw up the wheels and axles and the home breaks loose or rolls over, the liability is enormous. Only let the professional handle securing the wheels and axles.

ESTIMATED COST TO FIX?

A set of wheels and axles costs about \$75.00 to \$100.00 to rent for the day.

OTHER THOUGHTS

It is amazing to me that movers have wheels and axles to fit almost anything. Mobile homes have the crudest construction of anything short of a pinewood derby. Many movers will just slap something on and go. Be sure to negotiate up front with the mover on the price to rent the tongue, wheels, and axles.

Frame

WHAT IS THIS?

This is the series of steel rails and “outriggers” that comprise the chassis of the mobile home. The whole home is built on top of this.

TYPES?

Essentially, there is only one type. It is two or more steel rails, which have the axles attached underneath, and the mobile home built on top. It is just like the chassis of a car.

BENEFITS & DRAWBACKS TO EACH?

A good frame will hold the mobile home up in a straight line parallel to the ground, and allow itself to be pulled with a truck when the wheels and axles are attached.

If a frame is not in good shape, the home will have a “sagging” appearance, and may not be able to be moved by a truck.

A weak frame has the further liability issue of breaking while going down the highway at 55 mph.

HOW TO CHECK FOR PROBLEMS?

Visually, look for any sagging or bending in the home when it is up on its wheels and axles.

Unfortunately, many people buy mobile homes that are still up on cinderblocks and tied down, which masks these issues.

If a frame is weak, you have to see it up on its wheels and axles before you can tell. To avoid being ripped off, you may ask the seller to do this before paying for the home.

HOW TO FIX THOSE PROBLEMS?

You pretty much can't afford to fix a home with a bad frame (just like a cheap car with a bad frame).

If a frame is bad, you may not be able to move the home or, even worse; it can break in half while going down the highway, which may cause major property damage and/or death. In addition you will have to spend thousands just to get it hauled off to the dump.

HOW DIFFICULT TO FIX?

So difficult that I won't waste your time even explaining how it might be done. Sometimes, in a pinch, a good mover can put a few rails under it to transport it to the dump, but even that is risky.

ESTIMATED COST TO FIX?

A fortune. Don't even think about buying a mobile home with a bad frame. The cost of disposal alone is in the thousands.

OTHER THOUGHTS

There is no feeling worse than having a mobile home you just bought for \$1,000.00 break in half out on the highway and now you have to spend \$3,000.00 getting it hauled off and destroyed at the dump. Not to mention that you may be blocking traffic on the highway and running the risk of incredible liability the entire time. If you even think that the frame is bad on the home, then go to the next deal immediately and never look back.

Also, make sure that you have insurance on the home either through your insurance carrier or the mover's policy.

Roof

WHAT IS THIS?

This is the part of the house whose job is to keep the water out when it rains or snows.

TYPES?

There are basically two types on a mobile Home:

1. metal - looks like strips of aluminum foil
2. shingles – similar to single family home roofs

BENEFITS & DRAWBACKS TO EACH?

Metal roofs comprise probably 70% of all roofs. They used to be the industry standard. They are a fairly simple design. As long as there are no holes in them, and they are coated with (often white) roof “tar”, they are pretty much good to go. The main drawback to this type of roofing is that it has no strength from anything besides rain and snow. If you step on it you may fall through it or cause the joints to leak. To inspect it, you are better off using a ladder to look at it without stepping on it so you can avoid causing damage.

Shingle roofs have the same problems as regular single-family homes. All of the shingles must be on the roof and in good shape, and the decking that holds the roof should not have too much sagging. The benefit to the shingle roof, other than aesthetic, is that you can gingerly walk on it if you must. But try to avoid doing so.

HOW TO CHECK FOR PROBLEMS?

Most roofing problems are better discovered inside rather than outside.

On the outside, look for holes, rust, and whether or not the roof has been “coated”. Also look for any rot or discoloration on the outer walls of the house, which may be a sign of leaks.

On the inside, look for discoloration on ceilings or “soft spots” on walls and floors, as sign of leaks.

HOW TO FIX THOSE PROBLEMS?

On metal roofs, you can patch the holes and put a new coating on them. On shingle roofs, you can replace shingles, or decking, just like a regular roof.

One product that you might want to use is called Peel and Seal. It comes in various widths and lengths and is easy to apply if you follow the directions. I have found it a better lasting product than the elastomeric coatings. The only problem is that it costs over a dollar per square foot so you may only want to use it as a patching solution rather than a complete new roof.

The elastomeric coatings that you can buy at your mobile home parts store or Home Depot are another solution. I have had varying degrees of success with this product. It does not last as long as the previous solution but it is cheaper.

Due to access (you can't put a lot of weight on the roof) it is fairly hard to make substantial repairs. You can, however, buy all the parts you need from a mobile home supply store, and it isn't rocket science to apply.

HOW DIFFICULT TO FIX

Due to access, it is fairly difficult to fix more than the "easy" things, such as re-coating the roof with sealer. You always need to put your weight on a ladder, rather than the roof, if you can. Like any roofing job, have a buddy nearby in case you fall.

ESTIMATED COST TO FIX?

Sealer costs approximately \$60.00 per 5 gallon bucket. A normal roof will require one or two buckets. Shingles and decking will require pricing out at a roofing supply store.

OTHER THOUGHTS

The first time you work on a mobile home that has a metal roof you need to understand where to step and where not to. It can be just like walking in an attic of a single family home. Step in the wrong place and you might fall through the roof. Walking on a metal roof can feel a lot like walking on the roof of a tent.

How many times have you seen a mobile home with 20 tires or more on the roof? The reason that they are up there is not for storage for the junk car in the yard. They are there because when the wind blows, the roof rattles like it is going to fall off. The tires supposedly stop this rattle. A better solution to this is to firm the roof up with things called rumble buttons. Basically these are just screws that go through a washer with a rubber backing and are fastened to the roof trusses. Make sure to cover the screws and washers up with some coating to keep them from leaking if they loosen up.

Roof Flashing

WHAT IS THIS?

This is the metal strip that keeps the water from coming in between the roof and the walls, or the ventilation pipes in the roof and where they meet the roof.

TYPES?

All mobile home roof flashing is metal (thin gauge sheet metal). As important as the metal, however, is the gooey sealant that helps hold it all together.

BENEFITS & DRAWBACKS TO EACH?

There is no certain benefit or drawback to the flashing. But it is a very complicated thing to fix. We have had houses that failed in two or three attempts to correct the flashing. Despite repairs, the homes would still take on water when it rained. Before you begin to work on it, be sure to put a lot of thought and study into how it works.

HOW TO CHECK FOR PROBLEMS?

Roof flashing issues will manifest themselves on the outside, in the form of rotted walls (particularly with “wooden” sided homes) and on the inside, with weak spots in floors near the walls, ceiling discoloration, and rotten wall areas.

Often, flashing problems will be mistaken for roof issues, as the signs of trouble are similar. Flashing problems are not nearly as easy to see from the outside.

HOW TO FIX THOSE PROBLEMS?

You have to replace or modify the existing flashing in the area affected. This requires the correct parts, which can be readily bought beforehand from a mobile home part supplier.

HOW DIFFICULT TO FIX?

Extremely difficult if you are new to this. I have found that to get the job done right requires a professional in most cases. Regular handymen’s jobs started leaking again after a short period of time (if not immediately). Also access is difficult (from a ladder), and you can fall off and hurt yourself.

ESTIMATED COST TO FIX?

To replace, or fix, the flashing on a roof of a 76' home (by a professional) will run you somewhere in the \$300.00 range. The parts are relatively cheap, if you want to try and do it yourself.

Insulation & Vapor Barrier

WHAT IS THIS?

This is the insulation under the home that is covered with a plastic mesh type plastic. The vapor barrier is usually black and spans from end to end and side to side.

TYPES?

Most mobile home vapor barriers are high mil black plastic sheeting.

BENEFITS & DRAWBACKS TO EACH?

The insulation helps to keep your utility bills low and adds protection to your plumbing to help keep them from freezing. The vapor barrier assists the insulation plus helps to keep harmful vapors from entering into the living quarters of the mobile home.

HOW TO CHECK FOR PROBLEMS?

Vapor barriers should not be torn or missing. Sagging vapor barriers could be signs of water leaks and moisture damage. If you find that there are taped up holes at or around the bathroom or living room areas of the home you may want to check a little deeper to see if there is a hidden water problem.

HOW TO FIX THOSE PROBLEMS?

You will need to remove all of the damaged insulation and vapor barrier and replace with new.

HOW DIFFICULT TO FIX?

The job to fix this problem is very dirty and dangerous to your health if you do not take the necessary precautions to protect your eyes, lungs and skin. However, this job can usually be completed in one day if you have a couple of workers.

ESTIMATED COST TO FIX?

To replace, or fix, the insulation and vapor barrier on a 76' home (by a professional) will run you somewhere in the \$800.00 range. The parts are relatively cheap, if you want to try and do it yourself.

OTHER THOUGHTS

If there are openings in this barrier, don't just leave them open. It will cost you money in lost heating and cooling efficiency and will also be a great place for mice and other varmints to get into the home.

Siding

WHAT IS THIS?

This is the outside part of the home that hides from view all of the framing, pipes, and wires in the wall, plus offers some insulation from outside temperatures' and protection from the outside world.

TYPES?

Three Types:

1. Metal (looks like corrugated roofing material turned vertical and painted).
2. Vinyl (looks like horizontal vinyl siding)
3. Hardboard/Wooden (looks like paneling and may seem to have the consistency of compressed cardboard).

BENEFITS & DRAWBACKS TO EACH?

Metal is the easiest to get a handle on, has no rot problems, and allows for a myriad of color options. Older homes with metal siding typically will have many dents in the metal which can look unappealing.

Vinyl is the most attractive and modern looking. You can't really paint over it very effectively, as the color is the color. It doesn't rot. However, if a section of it needs replacing it will be hard to match the color as the sun does fade out the vinyl (especially on darker colors).

Wooden (it isn't really wood) is the worst. It frequently is rotted, and the damage can be substantial. It was just a bad idea that some designer had. Try to avoid it if you can. Anything (roof flashing leak, not painting it frequently enough, etc.) can cause it to have the look and feel of rotted, wet cardboard.

HOW TO CHECK FOR PROBLEMS?

On metal, look for holes, rust, and anything that looks strange. They are pretty much problem free, but may need total cleaning with bleach and repainting.

On vinyl, look for missing pieces of siding, and soft spots in the walls that hold up the vinyl.

On wooden, gosh, where to begin. Look for weak spots, or discoloration throughout every inch of the walls. The soft and rotten spots are usually near the roof or around windows and doors. Most of my biggest home budget killers have been the result of rotted outside trailer walls.

HOW TO FIX THOSE PROBLEMS?

On metal, patch holes or replace sections of the metal with new ones.

On vinyl, replace missing pieces and replace any weak / rotted decking.

On wooden, you will have to replace all rotted sections of wall. And the rot is often much bigger than you thought, once you get the old wood off.

HOW DIFFICULT TO FIX?

Metal: easy. Vinyl: reasonably difficult (unless you are really handy). Wooden: Extremely difficult to impossible without a team and a lot of experience. I think it is the number 1 problem you see when people try to remodel a mobile home themselves.

ESTIMATED COST TO FIX?

Metal will run somewhere in the \$20.00 range per section for parts and vinyl will run around \$10.00 per piece. The labor will be about double the price of the parts. Wood sided homes will usually cost much more to fix unless the problem is small. I have had jobs run as low as \$200.00 and up into the \$3,000.00 range. I honestly would not get involved in a house with significant outside wooden siding issues.

OTHER THOUGHTS

If you can pull out a ballpoint pen in your pocket and poke a hole through the siding, you have big problems. I've done it many times and it's a clear indicator that you need to move to the next home, unless you're willing to pay to make the necessary repairs.

Skirting

WHAT IS THIS?

This is the part of the home that hides what is underneath – the blocks, tie-downs, and pipes.

TYPES?

There have been many different materials used in skirting. The best is vinyl. Others include wood, metal, fiberglass, and masonry.

BENEFITS & DRAWBACKS TO EACH?

Vinyl skirting is the undisputed Cadillac of the industry. If price was no object, everyone would skirt in new vinyl.

After vinyl, all other materials are basically the same. They are successful if they are installed without big gaps and with the visual look of straight lines, and are painted to match the house. Obviously, the more durable the better (fiberglass, for example, is superior to wood). Masonry (brick, cinderblock) is generally a bad idea since you would have to demolish it to move a home, and would even cause problems in re-leveling a home.

HOW TO CHECK FOR PROBLEMS?

This is purely an aesthetic issue. And most importantly, it really does not matter when you are buying a used home, since whatever skirting is on the home is about to be torn off by you or your mover. Further, skirting often can't be re-used since the height of the home above grade will change when you move the home.

This is an issue that you only need to consider upon arrival at the new location.

HOW TO FIX THOSE PROBLEMS?

Since the skirting does not matter on the front end, only when you go to renovate the home at the new destination, let's talk for a minute about what you need to know about installing skirting.

One of the most common rookie mistakes is trying to install vinyl skirting horizontally. It has to be installed vertically. Also, as you will soon learn, the trim package is essential.

HOW DIFFICULT TO FIX?

Installing skirting is not rocket science, but does require a workable knowledge of how to do it. Most people let an installer do this job since it takes a long time and can be hot, nasty work in the glaring sun.

ESTIMATED COST TO FIX?

It costs about \$600.00 to skirt a 76' home with new vinyl skirting. If you hire it done count on about \$250.00 for installation.

OTHER THOUGHTS

The most embarrassing neophyte mistake in skirting is trying to install vinyl skirting horizontally instead of vertically. It just doesn't make sense that you would cut those long horizontal pieces into short vertical ones. Also, in windy areas you will avoid skirting cave-ins if you use some of the reinforcement solutions available from your mobile home parts house.

Stairs

WHAT IS THIS?

These are the things that allow you to walk from the ground into the front or back door of the mobile home.

TYPES?

There are basically four materials used in stairs: 1) Wood 2)Fiberglass 3) Concrete and 4) Metal.

There are also an equal number of handrail arrangements.

BENEFITS & DRAWBACKS TO EACH?

Wooden stairs are the most common, but have a lot of drawbacks. First, they don't look very good, and are certainly not an asset to the drive-up appeal of the home. Also they do not hold up well to weather, and will eventually fall apart.

Fiberglass are the best, in our opinion. They look professional, and are hard to damage. Also, because of their weight, they are maneuverable. They also come with professional metal handrails that are infinitely better looking than the wooden ones.

Concrete stairs are good, but they weigh so much that they are nearly impossible to move around.

Metal stairs tend not to be sturdy and rust quickly, causing a run down appearance.

HOW TO CHECK FOR PROBLEMS?

First of all, like the skirting, the existing stairs will be of no use, in all likelihood, when you get the home to its new location. Unless the height of the home above the ground is identical where it is going, they are just not going to work.

HOW TO FIX THOSE PROBLEMS?

You don't fix stairs. You just replace them. We recommend you buy fiberglass stairs as they look the best, last the longest, are maneuverable, and don't cost that much more than wood.

Be sure, however, to first get the rules on stairs from the city you are in. Some require certain platform sizes and rail specs.

HOW DIFFICULT TO FIX?

Don't fix. Buy new.

ESTIMATED COST TO FIX?

New fiberglass stairs cost about \$480.00 with 2 pre-fabricated hand rails.

OTHER THOUGHTS

It's funny how some people spend all this time and money renovating a mobile home and then just slap some junky stairs on it. It would be like going to the airport to get on your private jet and having to walk up an old wooden ladder with paint stains all over it and rungs about to break.

Decks

WHAT IS THIS?

This is the front or back “porch” of the home, which is a platform separating the home from the stairs.

TYPES?

All the decks that we have ever seen are made of wood. They come in a wide array of sizes and functions, and can be attractively skirted to match the home.

BENEFITS/DRAWBACKS?

Decks, generally, add to the appeal of the home from a buyer or renter’s perspective. It offers a transition from the stairs to the front or back door, and creates one more area of living space. Additionally, it adds to the “outdoorsy” feel of the home. In some cities, in fact, they are even required.

The important thing to watch in decks is aesthetics. The deck should be professionally done -- level and using good craftsmanship. It should also, if possible, be skirted to match the home. That final touch makes it much more valuable and hides the “junk collection” many tenants store underneath.

HOW TO CHECK FOR PROBLEMS?

The deck that is on the home, if any, will have to be torn down and removed in order to move the home and, like the stairs, will probably not be re-used. This is an item that you need to budget for and decide on, but don’t perform until the home has arrived and is under renovation.

HOW TO FIX THOSE PROBLEMS?

You don’t fix a deck, in most cases, you build a new one.

HOW DIFFICUT TO FIX?

Building a deck is a major construction project. Because of the liability if it should collapse, you may want to sub this out to a professional carpenter.

ESTIMATED COST TO FIX?

Depending on the lumber prices and size of the deck, the costs can vary greatly for \$300.00 to over a \$1,000.00.

OTHER THOUGHTS

Many mobile home residents use their deck as an add-on room, storing all of their most unsightly junk right by the front door.

Awnings

WHAT IS THIS?

This is an often decorative item that is found above doors and windows.

TYPES?

They can be of either metal or fabric.

BENEFITS & DRAWBACKS TO EACH?

Awnings that are clean and not torn are a nice asset to some houses.

However, if they are torn or discolored, they are a negative.

If the home has awnings, then you are probably going to remove them during transport. If they can be easily re-attached upon arrival, and still look good, then go ahead and do it.

If they don't, then throw them away and do not put new ones on. It's a cost you don't need, and they will need perpetual maintenance as they blow off or tear in storms and discolor over time.

HOW TO CHECK FOR PROBLEMS?

Do the awnings have tears or serious discoloration? If no and they are affixed solidly to the home, then they should be fine.

HOW TO FIX THOSE PROBLEMS?

Don't fix the awnings. If they are still usable, go ahead and continue on. If not, throw them away and do not replace them.

HOW DIFFICULT TO FIX?

Don't bother.

ESTIMATED COST TO FIX?

New awnings cost about \$50.00 each depending on size and quality.

OTHER THOUGHTS

If you feel like you've got to have awnings on the house for aesthetic reasons (and in some cases it does give a house a lot of punch), you should definitely steer towards metal, not fabric. I once got on a kick of trying to do one thing on every home to give it charm. I installed a great looking fabric awning on a home and it really looked quaint – until it ripped in a windstorm about two months later. If you want to give a home a touch of charm, instead of awnings **INSTALL VINYL SHUTTERS IN AN ATTRACTIVE COLOR**. These are inexpensive, nearly permanent and easy to install.

Carports

WHAT IS THIS?

This is the, normally metal, roof with four poles that provides shelter to your car(s).

TYPES?

There are wood ones as well as metal.

BENEFITS & DRAWBACKS TO EACH?

Metal carports, if they come with the house, may be taken apart and moved to the new location. They are rarely pricey to buy (about \$1000) so they make a nice asset if you have room for them at the new location.

Wooden carports, cobbled together by the old owner, and probably with a serious lean to them, are usually junk and should be thrown away.

HOW TO CHECK FOR PROBLEMS?

Metal carports are purchased as kits. They are normally well built and good to transport. They don't need much inspection.

Wooden carports are normally awful and you should not even think of moving them. Even if they are well built, it is usually not worth tearing them down and moving them.

HOW TO FIX THOSE PROBLEMS?

Metal carports may require new posts, since the old ones are sometimes cemented in the ground. Be sure to add this price before you decide whether or not to attempt to move it. Also, be sure to put in a cost to re-erect it.

Wooden ones go in the dumpster.

HOW DIFFICULT TO FIX?

Metal can be fairly easily moved, if you know what you are doing.

ESTIMATED COST TO FIX?

The cost to move and re-erect a metal carport (2 car) is about \$200.00. The cost for a new carport will run in the \$800.00 to \$1,000.00 range.

OTHER THOUGHTS

Often you have to remove the carport when you move a mobile home out. Be sure to check the access if you don't plan on moving the carport. You may have to take it down anyway.

Windows

WHAT IS THIS?

This is what allows the sunshine in and allows you to see out in a mobile home. They are often in every room of the house, and may also have the duty of holding up window air conditioners.

TYPES?

Mobile home windows are normally made of aluminum frames with glass panes.

Some mobile homes have windows with wooden frames, but this is relatively rare, unless they have been retrofitted later.

BENEFITS & DRAWBACKS TO EACH?

Aluminum windows do not rot, do not warp, and are the best idea. They are relatively easy to obtain in a number of sizes at the mobile home parts store.

Wooden windows rot, warp, and they are not generally a good idea. They do look more like a single family home, though.

HOW TO CHECK FOR PROBLEMS?

Do the windows have all of their panes? If not, how many are missing or broken and in what sizes?

Do the windows open and close? Check your local laws, because many places require them to function, especially when it's hot out (in case they don't have air conditioning).

Look for rot around the windows that shows signs of leaks.

HOW TO FIX THOSE PROBLEMS?

Missing panes can be replaced with glass or Plexiglas. Replacement is not that difficult.

Aluminum windows that don't function can be replaced by purchasing them from the mobile home parts store. Window installation is fairly difficult for the novice. Rotted areas around windows again require fairly sophisticated handiwork.

HOW DIFFICULT TO FIX?

Panes are easy. Window replacement is not, nor is replacing rotten framing around window. Remember that proper window installation is weather tight –it can't leak or let water in.

ESTIMATED COST TO FIX?

Window panes cost about \$15.00. A standard aluminum window kit costs approximately \$50.00.

OTHER THOUGHTS

Don't obsess over window choices if you have to replace a window. The cheapest aluminum framed window will work fine. On broken glass panels, one might want to consider plexiglass—at least you only have to replace it once. Window coverings such as mini blinds and curtains will usually hide any defects anyway.

Screens

WHAT IS THIS?

This is the wire mesh that keeps the insects out when you open the window or door.

TYPES?

Metal mesh is the only type I have ever seen on mobile homes. It's held in an aluminum or plastic frame.

BENEFITS & DRAWBACKS TO EACH?

Metal mesh can be easily punctured. This eliminates or reduces its ability to keep out bugs and flies.

Similarly, metal mesh can rust. Rusted screens are an aesthetic problem as they make the home look horrible.

The frames around the screen can become bent, which destroys the ability to be hold in position or keep the bugs out.

HOW TO CHECK FOR PROBLEMS?

Are the screens all there, or are some of them missing? Make an inventory of number and sizes.

Are the screens rusted?

Are the frames in position, or bent and barely hanging on?

HOW TO FIX THOSE PROBLEMS?

In all cases, a screen with hole in it is easier to replace than fix.

A bent screen is, again, easier to replace than fix. It is very difficult to bend them back to straight.

Rusted screens can be painted, but you have to remove them from the window first.

HOW DIFFICULT TO FIX?

Impossible to fix, except for rust, so don't even try. Buy new screens from the mobile home parts store to replace any that are bent, missing, or have holes in them. Also you may opt to remove all of the screens.

Many people do.

ESTIMATED COST TO FIX?

A standard window screen costs \$10.00 to \$20.00. A screen door costs around \$50.00.

OTHER THOUGHTS

I have never, ever, had a customer ask about whether or not a mobile home had screens on the windows. I rank it as an absolute non-essential, and I would not spend even one second of time fixing or replacing them. If they are bent or have holes in them I just rip them off and throw them in the dumpster. This is going to be completely up to you and your plans for the home.

Exterior Doors

WHAT IS THIS?

This is the front door and back door to the mobile home. Every home, for fire safety reasons, should have two working exterior doors.

TYPES?

They come in several styles:

1. Standard Mobile Home Doors (foam inside Aluminum or Fiberglass)
2. Metal
3. Hollow wooden
4. Solid wood

Obviously, hollow wooden is the least desirable.

BENEFITS & DRAWBACKS TO EACH?

Standard mobile home doors were built for mobile homes and are easy to replace as needed. They fit better than most of the other type of doors and are fairly resilient. They come in many different styles and colors.

Metal doors have a longer life and are harder to punch through. However, they are fairly rare on mobile homes. They normally have foam insulation inside of them. They come fairly standard on all new mobile homes.

Hollow wooden doors are weak and have poor insulating properties. They are more prone to falling apart and people knocking holes through them.

Solid wooden doors have better insulating properties than hollow wooden (but not as good as metal). They are more durable and harder to punch through. However, both types of wooden doors are subject to warping.

HOW TO CHECK FOR PROBLEMS?

Both the front and back door must be fully functioning. If not, you may face litigation in case of burglary or fire. They must open, close, lock and have a working dead bolt (check you state and city laws). As long as they do this, the material they are made of is inconsequential except aesthetically.

Check and make sure the doors function well. Additionally, look at the framing around the door to see if there is rot or any other condition that may make operation cease in the near future.

HOW TO FIX THOSE PROBLEMS?

Mobile home front and rear doors in an old home are normally shot. It's a safe bet that you are going to have to replace them both. Fortunately, they are readily available at the mobile home parts store.

Please note that regular household doors will not normally fit a mobile home. Don't make the mistake of buying a regular door at Home Depot or Lowes. I can guarantee you'll be taking it back.

HOW DIFFICULT TO FIX?

When replacing standard mobile home doors, the installation process is definitely achievable for someone with modest skills. By following the manufacturers instructions the whole process of removing the old door and installing the new one should only take about an hour. The biggest trick is making sure you measure the door opening correctly.

Replacing the complete door frame with a house type door is much more intense, and may require hiring a professional.

ESTIMATED COST TO FIX?

Standard mobile home doors cost around \$125.00 and up depending on the size and styles chosen. Replacing a standard mobile home door with more of a house type door will have about the same material cost but the labor is more intensive. If possible, splurge a little on the doors, as it makes good first impressions on the customer.

OTHER THOUGHTS

I can't reinforce enough that regular house doors like you can buy at Home Depot will not fit on a mobile home. Don't even think about making this most basic of rookie mistakes.

Interior Doors

WHAT IS THIS?

These are the doors inside the mobile home that give privacy to bedrooms, bathrooms, and the like. They are not built for security.

TYPES?

Interior doors on mobile homes are ridiculously under built. They have about as much strength as a piece of cardboard – that in fact may be part of what they are made of. They are normally particle wood with some cheap veneer. They are awful.

BENEFITS & DRAWBACKS TO EACH?

Don't try and reengineer the mobile home business and start replacing the bad parts with your own invention. Just buy the correct replacement door from the mobile home parts store and put it in.

Due to their poor construction, it is not unusual to have a hole knocked through every door and the hinges and door knob ripped off. Often the door will be lying on the floor.

HOW TO CHECK FOR PROBLEMS?

See if all of the doors close and open. If not, you probably need a new door. Fixing the existing door, except in the case of patching holes, is very hard, since there is not much of a place with any strength to screw to.

Inventory the doors and see if they all work.

HOW TO FIX THOSE PROBLEMS?

To cover holes in doors you may glue or screw a piece of sheet metal or paneling over the hole and paint the door. Don't obsess with holes in doors, you will have many more if you get the home back.

If the hinges or knobs are broken off, it is often cheaper and easier just to replace the whole door. Remember that regular household doors at Home Depot will not fit a mobile home.

HOW DIFFICULT TO FIX?

Fixing holes is easy. Replacing doors is not that hard. Fixing broken doors is near to impossible.

ESTIMATED COST TO FIX?

Interior doors cost under \$50.00 at the mobile home parts supplier.

OTHER THOUGHTS

Do not put your own sense of aesthetics into the decorating decision on this topic. If it opens and closes, and stays closed, it's good. Forget the holes and stickers – just patch, paint and go.

Closet Doors

WHAT IS THIS?

This is the thing that hides the view of the contents of the closet. It can be in the form of a door or sliding panels.

TYPES?

Mobile home closet doors can be any number of different styles and materials. Since the doors are so weak, most of the doors you will see are retrofitted from a later date. They include wood, metal, sliding panels, sliding mirrors, vertical blinds and beads.

BENEFITS & DRAWBACKS TO EACH?

If you assume that the whole point of the closet door is to block visibility of what's in the closet, then anything that serves the purpose is fine. The key consideration is that the door works and does not have holes through it.

I prefer the sliding mirrored doors on a closet since they make the often tiny mobile home bedroom look larger. But I would not spend 1 cent replacing any doors that are functioning.

Since you will probably repaint the closet doors anyway (except for the mirrored doors), the only part of the closet door function that will irritate your buyer/renter is their ease of opening it and if they can close it securely.

HOW TO CHECK FOR PROBLEMS?

Open and close each closet door. Doors should not have to be slammed shut to close. And doors should be able to be opened all the way – a sliding closet door that jumps off the track if you open it more than ½ the way is not a working door.

Also inventory holes in doors. Mobile home closet doors are notoriously poor in construction, and even small children can knock holes all the way through them.

HOW TO FIX THOSE PROBLEMS?

Most of the problems with closet doors revolve around their hardware. Faulty tracks and hardware on sliding doors, and bad hinges and knobs on regular doors. All of these can be fairly easily remedied by someone who is moderately handy.

Missing doors can be easily purchased through a mobile home part store. Holes can be patched over and painted.

HOW DIFFICULT TO FIX?

All of the closet door issues are moderately easy to repair. It may take two people to repair the sliding doors due to the awkward way they are installed.

ESTIMATED COST TO FIX?

A mirrored sliding closed door set is about \$100.00. Regular closet doors cost about half that much. Replacement hardware is nominal in cost.

OTHER THOUGHTS

Sliding closet doors on tracks are one of the worst inventions in all of mobile home land. They never work – not even 30 days after you put the new ones on. Your tenant will rip them off the tracks within two hours of moving in. A better choice is just to use vertical blinds that can be turned to block the view of the contents – or anything that blocks the view but does not slide on tracks. These sliding doors derail more than a civil war railroad.

Ceilings

WHAT IS THIS?

This is the part that hides the framing of the roof from view, offers some degree of temperature insulation, and helps to hide the wires of ceiling fixtures.

TYPES?

The ceiling of a mobile home is essentially the same in all units, but will differ widely aesthetically. The older homes will have 4' x 14' panels that have the seams covered with plastic strips. Many of the newer homes have drywall ceilings.

BENEFITS & DRAWBACKS TO EACH?

There are no drawbacks to different ceiling types, except aesthetically. Over the years, many different types of ceilings have been used, and some look a little dated today. However, it is not hard to paint the ceilings and modify their look.

HOW TO CHECK FOR PROBLEMS?

Look for sagging of the ceiling panels. In older homes, this will require replacing those affected sections with new ones. It may also be a sign of rotted rafters that can no longer hold the panels. Bear in mind that some older types of ceiling panels may no longer be in inventory and you will have to match in a slightly different panel, which may have aesthetic issues.

Two additional problems that you may see are signs of water damage and discoloration from smoking in the unit.

HOW TO FIX THOSE PROBLEMS?

In most cases, water marks and smoke discoloration can be fixed with painting with KILZ and then painting over. Sagging sections will require replacement. Rotten rafters will require more significant repairs including rafter replacement. If you are going to replace the ceiling in an entire room and want to avoid messing with the heavy 4' x 14' panels, we have used paneling turned over backwards and then painted it. Add some trim pieces and it looks good.

HOW DIFFICULT TO FIX?

Painting discoloration with KILZ and then painting over it is very easy. It is no different from painting a house interior. Replacing a ceiling section is not that complicated if you take your time and have the correct materials. Fixing a rotten rafter requires know how and if the damage is significant move on to the next house.

ESTIMATED COST TO FIX?

KILZ costs \$25.00 a gallon. Paint costs \$20.00 a gallon. Ceiling panels cost about \$25.00 per section.

OTHER THOUGHTS

I have never bought a home with a seriously drooping ceiling. This is often a sign of big problems to come. It costs a bunch to fix, and is the kind of defect that suggest to me that this home has had a lot of abuse and may be nearing the end of its useful life.

Floors

WHAT IS THIS?

This is the surface you walk on, that is under the carpet or vinyl. Without it, you would fall to the ground.

TYPES?

There are two types:

1. Solid plywood floors
2. Particle board floors

BENEFITS & DRAWBACKS TO EACH?

Solid plywood floors, especially marine grade plywood is the Cadillac of the industry. It doesn't rot easily, or warp, and is very solid under foot. There is no drawback to it.

Particle board floors are obviously some engineer's idea on how to reduce the cost of building the mobile home. It is a very bad product, and when wet, will turn into mush and have no strength whatsoever. It was a bad design, and I think everyone now agrees.

HOW TO CHECK FOR PROBLEMS?

Walk the entire floors of the home, every square inch. You are looking for "soft spots" that are weak and make you think you are going to fall through. You are also looking for areas where only the carpet or vinyl is holding you up.

All weak spots will have to be fixed immediately. This means removal of the carpet and pad, or vinyl, in each affected room.

HOW TO FIX THOSE PROBLEMS?

Remove all carpet and pad, or vinyl flooring, from the affected area. Cut a square that removes all non-solid surface, and cut a patch out of solid plywood of the correct thickness (hopefully to match the rest of the flooring). Then replace the carpet or vinyl. Also make sure you found the cause of the leak so you have truly fixed the problem and not just patched it. Some people also (lazily) overlay the floor with new

plywood as opposed to only fixing the weak section. This results in a floor that is too high causing the doors to not open and shut.

HOW DIFFICULT TO FIX?

Replacing weak spots is a good test of your true desires as a repairman. Nearly every older home will have them, and they are not fun. It is hard, dirty work that nobody relishes. One mistake many people make is to not cut out a big enough piece of the rotted flooring so when they put in the patch it is not supported on all sides.

ESTIMATED COST TO FIX?

If you are patching just a small section or sections of the floor, this job is more labor intensive than cost intensive. One \$25.00 sheet of plywood and some screws will do the trick. However, if you have to replace the vinyl or carpet as well, then the costs will be higher.

OTHER THOUGHTS

Be sure to walk gingerly when entering a used mobile home. You do not know where you may fall through the floor. Be particularly careful near walls or near discoloration in overhead ceilings. In many cases, only the strength of the carpet is holding you up. When you find a home with rock solid floors, consider buying it immediately. This is a home that probably has no leaks and that is great news.

Carpet

WHAT IS THIS?

This is the material that covers the floor and has aesthetic, sound deadening, and comfort properties.

TYPES?

There are many types of carpet. Just a trip to the carpet store will remind you of the almost limitless opportunities.

Not only are there millions of styles, there are also millions of colors to choose from. Mobile homes normally have every style imaginable.

BENEFITS & DRAWBACKS TO EACH?

To be proficient at carpet in a mobile home, you've got to throw your own sense of taste out the window. What you consider tacky is probably perfect as a choice.

Carpet in a mobile home is more like a big, fabric diaper. The family pets go to the bathroom all over it, food is constantly ground into it, and it is never cleaned. As a result, removing the carpet from a mobile home is often the first step in renovating it. Also, it normally has to be removed anyway to get at the soft spots in the floor that have to be patched.

When replacing the carpet in a mobile home, there are three key ideas to remember. First, do not put a pad under the carpet. Why? It helps retain the bad things; dog urine, etc. Second, choose a dark color so it doesn't show filth. Third, always buy the cheapest you can find – the buyer/tenant will most likely destroy it anyway.

HOW TO CHECK FOR PROBLEMS?

When you buy a used mobile home, you have two choices with the existing carpet. You can steam clean it or replace it.

Look at the existing carpet and see how abused it has been. If there are signs of pet abuse, then it probably can't be cleaned sufficiently – you'll never get the odor out.

Also look for burn marks (from cigarettes) and big holes/tears.

HOW TO FIX THOSE PROBLEMS?

To have an effective steam clean of used carpet, it needs to be dirty from ordinary wear and tear only – tracking dirt, occasional spills, etc. If this is the case, then you can attempt a steam clean. Otherwise you are wasting your time and money.

If the carpet is damaged by pet urine, or has big tears or holes, your only option (and this is 75% of the time) is complete removal. Make this decision on a room-by-room basis. Some rooms can be spared.

HOW DIFFICULT TO FIX?

Steam cleaning cannot remove the odors of pet urine that have soaked into the underlying pad. Since a mobile home has very little airflow, you have to get this out to try and sell or rent this mobile home.

ESTIMATED COST TO FIX?

Steam cleaners can be rented from a store. They cost about \$25.00 for a day. Carpet should be purchased from a remnant carpet house, or some other cheap source. Buy a dark color as cheap as you can. Under \$8.00 per yard is a good bet here.

OTHER THOUGHTS

I once bought a home with hideous midnight blue carpet and gold-painted walls (I mean gold-leaf color, not a form of yellow). It was so ugly that everyone told me that I had to replace the carpet and paint, or sell the home to a Notre Dame Fan. Before I could even decide what to do, someone bought it because they loved the carpet and wall color.

We often buy the carpet in bulk from Home Depot or Lowes that is part of their indoor/outdoor carpet line. It seems to hold up as well and is easier to clean.

One great invention for mobile homes is the carpet in 14' and 16' widths. Using the proper width of carpet when replacing it will avoid many long seams and is much easier to install.

Pad

WHAT IS THIS?

This is the spongy material that is laid under the carpet to make it feel more comfortable under foot.

TYPES?

Pad is all pretty much the same, the big difference being the thickness. Any thickness in a mobile home is too much thickness – the pad acts as a holding ground for spills, pet urine, and the like.

BENEFITS/DRAWBACKS?

I can't think of any benefits to carpet pad in a mobile home, as it is the Achilles heel of the carpet concept in a mobile home. Its job in a mobile home is as a big paper towel that soaks up and retains the smells of pet urine, etc.

I would never install pad under carpet in a mobile home.

HOW TO CHECK FOR PROBLEMS?

If the carpet is shot, it's a given that the pad is no good either. If the carpet is ok then don't worry about the pad. You can't see it anyway. So if the carpet is ok and you just want to steam clean it, just leave the pad alone.

HOW TO FIX THOSE PROBLEMS?

The only way to fix pad is to remove it and throw it away.

If you feel you must replace the pad, then buy the cheapest you can find, and use only a very thin thickness. One other option, if you must, is to buy the carpet that has the thin pad attached to it.

HOW DIFFICULT TO FIX?

Like carpet, pad is not complicated but you have to have a working knowledge of how to do it and the correct tools. If you are not real handy, let a professional install it.

ESTIMATED COST TO FIX?

Pad costs about \$2.00 per square yard. Whoever lays the carpet should lay the pad.

OTHER THOUGHTS

Think of carpet pad in mobile homes as doggie diapers. You do not want to deliberately put these in a mobile home. You are only asking for trouble if you should get it back.

Vinyl Floors

WHAT IS THIS?

This is the other flooring option besides carpet, usually found in kitchens and bathrooms, and sometimes entry areas.

TYPES?

Vinyl comes in many styles and colors. It also comes in basically two types of designs: 1) Large sheet and 2) Individual squares.

Of course, there are many thicknesses and qualities of construction to choose from, too.

BENEFITS & DRAWBACKS TO EACH?

As a mobile home restorer, vinyl aesthetics are the least of your problems. No matter what you choose, it will hardly derail a deal.

More important is the type of vinyl you choose.

The big, seamless sheets of vinyl are probably the better choice in a mobile home since they last longer and are harder to damage.

The individual square designs have serious workability issues in a mobile home. Often, the squares will not stick to the poor quality flooring of particle board, and the weak flexing of the floor will pop them off over time. The press-on type never work. But even with a lot of glue, the squares often look like a checkerboard pretty quickly.

We have recently been buying the more expensive floating vinyl strips that you can find at Home Depot. It is more expensive but is simple to install and looks better than squares or the sheet vinyl. Our customers like it but again the drawback is that it costs about 3 times as much as the other solutions.

HOW TO CHECK FOR PROBLEMS?

Look at the existing vinyl. If it is possible, clean it and leave it alone. Don't replace it just for a "look"; if it's undamaged assign that money to something else.

Look for missing squares, tears, and burns. Also, you may have to rip it out anyway to fix soft spots in floors. Kitchens and bathrooms are most notorious for floor problems.

HOW TO FIX THOSE PROBLEMS?

If the existing vinyl is torn or squares are missing, or if the floor has soft spots that need replacement, then you will just have to rip it out and replace it.

Otherwise, clean it aggressively with a strong detergent. You can sometimes patch missing squares or tears with new vinyl pieces of a similar style and color.

HOW DIFFICULT TO FIX?

Replacement of vinyl is not rocket-science, but does require some knowledge of how to do it and the right tools. It can often be dirty and back-breaking work, but the amount of vinyl normally is pretty small.

ESTIMATED COST TO FIX?

New vinyl costs about \$150.00 for a kitchen and \$50 for a bathroom. Choose a pattern that disguises abuse (very busy pattern).

OTHER THOUGHTS

I have never, ever seen a vinyl floor with press-on squares that has all of the squares. Clearly, this is a really bad design in mobile homes. You are much better off with large sheets of vinyl or the new floating vinyl floor strips that don't need to be glued down. Also, when replacing vinyl make sure you are attaching it to a clean and smooth surface without screw heads. Use Bondo or other floor patch to cover all seams and screw/nail heads.

Interior Walls

WHAT IS THIS?

This is the stuff that hides the view of the wires, pipes and studs in the wall, and creates privacy, as well as deadens sound.

TYPES?

Interior walls vary based on the age of the home and what was in vogue at that time. Early mobile homes have expensive tongue-in-groove wood paneling in some cases. Other old homes have that fake “Sears” paneling from the 1970’s. Some of the other types include vinyl covered panels and more recently drywall.

BENEFITS & DRAWBACKS TO EACH?

The whole point of interior walls in a mobile home is pretty basic: to hide the wires, pipes and 2” x 2”s in the wall, and create a little privacy. As a result, any type of interior wall material is fine as long as it has no rot or holes in it.

Given that statement, all of the various types: solid paneling, fake paneling or drywall are all about equal. Obviously, solid wood paneling is the most desirable, followed by drywall. But in many cases, the fake wood paneling is the least maintenance intensive.

HOW TO CHECK FOR PROBLEMS?

Walk the entire interior of the home, looking for rotted wall sections or holes through the wall. The average home will have many, many holes. Signs of rot will be discolored areas, or soft spots, normally around windows, exterior doors, and weak spots in floors.

HOW TO FIX THOSE PROBLEMS?

Rotted areas should be replaced with whatever offers the closest match to existing drywall or paneling. Don’t obsess on getting it just right, the customer will never notice, and will probably knock a hole through it in the first few days, anyway.

Holes can be covered with a sheet of thin sheet metal or paneling. Then just paint over the patch. Everything else is fixed with paint and putty.

HOW DIFFICULT TO FIX?

Replacing drywall / paneling, or patching holes is very easy. You can buy all of the parts you need at Lowes, Home Depot, or a mobile home parts supply house.

ESTIMATED COST TO FIX?

A sheet of drywall costs under \$10.00 and a sheet of fake paneling costs about \$15.00. Patches are \$5.00 or less.

OTHER THOUGHTS

Tape, bed, match the texturing – heck no! Patch, paint and go. The walls will get destroyed the minute you turn over the keys. Decals, gum, posters with push pins, marks-a-lot and fists through walls are all part of the plan once you are out of the room. Don't waste your time.

Counters

WHAT IS THIS?

These are the things that hold up your sinks, and offer space for the preparation of food in the kitchen.

TYPES?

Counters are found in two rooms of a mobile home:

1. Kitchen
2. Bathrooms

The materials that counters are made of in a mobile home are many. The most common is Formica.

BENEFITS & DRAWBACKS TO EACH?

The whole point of the counter in a mobile home is strictly utilitarian. As long as it can hold up the sinks and allow you to make a sandwich without crashing down to the floor, then all is well. Aesthetics are seldom a big issue in mobile homes.

Formica is most common, and is perfectly suitable for all mobile homes. Granite and marble counters in mobile homes are ridiculous and out of place. Don't confuse a custom home with mobile home.

HOW TO CHECK FOR PROBLEMS?

Look at the counters. Do they touch the wall? Are the sinks fitting in them without big gaps? Are they warped? Push on them, are they solid and stable? Also, see if they just lift off. Sometimes, when retrofitted, the owner doesn't even bother to tack them down.

Look at the discoloration or flaws in the counters. These will need to be mitigated with paint or patching.

HOW TO FIX THOSE PROBLEMS?

If the counters are rotted, warped, or not cut right, you will need to replace them. You can, in most cases, have the counter cut to your specification and all you have to do is install it.

All patches/repairs/touch-ups can be accomplished fairly easily as long as you do not obsess on the outcome. Most customers will not notice and it certainly will not preclude a sale/rental.

Usually rather than replacing the countertops you can get by with removing the old caulking, placing a new bead of caulk and adding new trim pieces around the edges.

HOW DIFFICULT TO FIX?

Replacing counters is not that hard, but will require some degree of knowledge and tools. It will also require help to install, because they are often heavy and awkward to lift. Painting/patching is pretty easy.

ESTIMATED COST TO FIX?

A sample kitchen counter, new, costs \$100.00 and up. A bathroom counter costs \$50.00 and up.

OTHER THOUGHTS

The key with countertops to make them last is to take care of them. Make sure you keep the seams sealed and the edges caulked. If you start letting water in behind them or under the formica it won't be long before they rot out and you have to replace them.

In bathrooms one of the greatest inventions was the countertop with the preinstalled sink. If you have to replace a bathroom countertop, go this route as it looks good, is easy to replace, and lasts longer.

Cabinets

WHAT IS THIS?

These are the built-ins that allow you to store things in the kitchen, bath and sometimes above the washer/dryer connection.

TYPES?

There are a wide range of materials that cabinets may be made of in a mobile home. These include solid wood, wood veneer over pressed wood, and metal. You may also see plastic that has been retrofitted in some older homes.

BENEFITS & DRAWBACKS TO EACH?

It's not so much what the cabinet is made of that makes for problems – more how it is attached to the wall. It is hard to get a solid hold on anything in a mobile home, so your primary concern is if the cabinets are anchored effectively.

Of all the cabinet materials, obviously, solid wood is best. It is more durable, and is favored by your customers.

Metal has good longevity and low weight, so it is also a good option, although not as well received by customers.

Anything in a mobile home made of pressed wood is lousy since moisture turns it to mush.

If the cabinets are missing, that is a pretty big expense to replace.

HOW TO CHECK FOR PROBLEMS?

Open up the cabinet doors and see if they work. If not, see if they can be fixed easily. If the hinges are ripped off and the wood is rotted out then it will be harder to fix and probably replacing is your best option. Missing doors can be replaced as long as there is a place to attach them to.

The key thing to check for is if the cabinet is securely fastened to the wall. Look at it from the side and see if it is detaching from the wall. Pull a little bit on it to see if it has a solid feel, or if you could pull it off the wall yourself. Also look at the bottoms of each cabinet for water damage.

HOW TO FIX THOSE PROBLEMS?

Weak or rotted cabinet bottoms can be easily fixed by overlaying the existing floor of the cabinet. Wobbly or ill-fitting doors can be fixed by adjusting hinges and/or locks.

One of the hardest fixes in the mobile home is re-attaching cabinets to walls. Often, the framing is too weak in the wall to support the cabinets. If this is the case, the cost could be extremely high, and will require a professional.

HOW DIFFICULT TO FIX?

Attaching the cabinets to walls is tough. Often, you are better advised to buy standing cabinets from Lowes or Home Depot and not even attempt to re-attach them. Such kits do not require any walls to hold them up because the weight is on the floor.

ESTIMATED COST TO FIX?

The cost to repair cabinet bottoms, or re-attach doors is slight. Missing doors can be cobbled together from close look-a-likes or sealed shut. Replacing cabinets is very expensive, as is anchoring them to the wall, in the range of \$500.00 to several thousand dollars.

OTHER THOUGHTS

I used to spend big money re-attaching cabinets that were falling off walls. Today, I just install pre-made cabinets from Home Depot or Lowes that rest on the floor. They are cheap and nobody complains.

Appliances

WHAT IS THIS?

These are the devices in the kitchen that allow for cooking (range/oven, microwave), refrigerator, and sometimes washer/dryer.

TYPES?

Standard kitchen appliances are oven/range, refrigerator and microwave. Dishwashers are fairly rare in older mobile homes, as are disposals. Some mobile homes have connections also for washers and dryers.

BENEFITS & DRAWBACKS TO EACH?

There is no reason to fret over the best appliances because whatever you install will probably be trashed or stolen upon the exit of your buyer/tenant. So if you must install them, buy only the cheapest you can buy. You can buy used, but they are often prone to break down pretty soon after purchase. In today's world of cheap new appliances, you are probably better off to find the cheapest of each type at a store. Sometimes "scratch and dent" appliance stores will have cheap units.

You are also better off to sell/rent mobile homes without appliances. This gets a major source of repair issues out of your hair, since they have to provide and repair their own. They can always rent these things from a local rent-to-own store. Appliance problems are a major source of repair and maintenance calls to you, and are easily stolen.

HOW TO CHECK FOR PROBLEMS?

If your range/oven or other appliance is not working, then just remove it. The cost to fix such items today is normally more than the cost to replace them with new. Appliances have become almost a "disposable" commodity.

If you remove an appliance, I would urge you strongly not to replace it – let the tenant get their own. It will save you a huge amount of money and grief.

HOW TO FIX THOSE PROBLEMS?

Remove all non-functioning appliances. Replace with cheap new ones if you feel you must, but you are better off letting the buyer/tenant get their own.

Be sure to get the right type of appliance for the home. If the range/oven is electric you must get an electric. Don't buy a gas appliance for an electric hook-up, or visa versa.

HOW DIFFICULT TO FIX?

Appliances are extremely hard to fix. Don't even think about trying to do so yourself. They are too cheap to buy to make any sense of repairing all but the most expensive ones.

ESTIMATED COST TO FIX?

A new range/oven costs about \$225.00. A new refrigerator cost about \$350.00. A dishwasher costs around \$225.00.

OTHER THOUGHTS

Let the tenant go to the rental store for these. You are a fool if you keep fixing and replacing them – they will turn up missing or broken on every turn-over of tenants. When I stopped supplying them, nobody even asked about it.

Central Air Conditioning

WHAT IS THIS?

This is the device that enables the house to cool down below the temperature of the outside air as well as remove the humidity out of the inside air.

TYPES?

Most central a/c systems are fairly identical, using an indoor coil system and an outdoor unit. There are, however, some areas of the U.S. where you find a “swamp cooler” system that uses a slightly different technology.

BENEFITS & DRAWBACKS TO EACH?

A good central A/C system is the Cadillac of the cooling industry. It keeps a house consistently cool in every room, is quiet, and fairly energy efficient. It can be pretty expensive though, costing about \$2,500 or more to install. And within the a/c world, there are many different brands and energy efficiency ratings to understand. As long as a mobile home central a/c system is working, don't even think about replacing it. Your buyer/tenant only cares that it works and keeps the place cool.

Swamp coolers use a technology of blowing air over cool water and into the house. This system works well in dry and hot climates. It does not work in humid climates because it actually adds humidity as one of its functions.

HOW TO CHECK FOR PROBLEMS?

Inspect the coils (in the house) and the outdoor unit for the need to be cleaned, as well as wiring issues. Turn on the system and see if it blows cold air and, if it does, how cold is the air?

Don't be discouraged if the outdoor a/c unit is missing. They are normally stolen by the ex-tenant or mobile home mover. It is rare to find a working one that comes with an older home.

HOW TO FIX THOSE PROBLEMS?

Unless you are trained as an a/c repairman, you will have to use a professional to analyze why the a/c system is not blowing cold, or to install a new system.

As we will discuss later you may want to replace the central a/c system with a window a/c system. It is a lot cheaper!

HOW DIFFICULT TO FIX?

Very. Unless you are a certified a/c repairman, don't even think about it.

ESTIMATED COST TO FIX?

A new central a/c system costs about \$2,500.00 installed. That's a lot of money. You may want to consider a window a/c system if you are in a humid climate. If you are in a dry climate then a swamp cooler will only cost about \$300.00 and is much cheaper to operate.

OTHER THOUGHTS

Unless you have a real good argument, I would convert to window air when the A/C system dies. They are cheap and, if stolen, cheap to replace.

Window Air Conditioning

WHAT IS THIS?

This is a piece of equipment that fits in the window and is used to cool the house below the temperature of the outside air.

TYPES?

There are many types of window a/c and different strengths of cooling capability (each one pulls more energy). There is also a window heat/air system that may be beneficial.

BENEFITS & DRAWBACKS TO EACH?

The first consideration in examining window a/c as an option is how much power the home is wired to handle, and where the a/c will plug in – does it have the correct plug. The last thing you want to do is create the danger of electrical fire and, since a/c units draw a huge amount of power, this is a major consideration.

Most, but not all, 100 amp houses can handle two units, a big window unit and another small bedroom unit. Before you even think about this option, you may want the home checked by a licensed electrician to see what the capability is, and where the plugs are or could be.

Also, before you begin to ponder window a/c, look at your furnace. If it is not working, you may want to consider a combination a/c and heating unit.

HOW TO CHECK FOR PROBLEMS?

If there are already window a/c units in the house, see if they work. If they are blowing cold, and the thermostats work, then you are fine. If it isn't broken, don't fix it. If the unit does not work, then trash it, since they are cheaper to buy new than to fix.

HOW TO FIX THOSE PROBLEMS?

If the window a/c is broken, throw it away. Do not call a repairman – they cost too little new to waste money fixing an old unit.

HOW DIFFICULT TO FIX?

Extremely. Don't do it. They are a source of electrical fire if you do it wrong, and contain pollutants to the environment.

ESTIMATED COST TO FIX?

A big window air unit costs \$300.00. A small "bedroom" unit costs \$100.00. A big window heat/air unit costs \$400.00.

OTHER THOUGHTS

I love window A/C. I never thought about them until a mobile home renovator suggested I try it. I'm hooked. They are a simple system, unlike central A/C, and easy to use. I even think that tenants like them – they make a nice calming noise at night, and when you are really hot you can stand right in front of them for a quick thrill. I have nothing bad to say about them. My only caution is to not buy used and renovated units. They do not seem to last very long, and cost about the same as new ones.

Window Heat and Air

WHAT IS THIS?

This is a device that fits in the window and lets you cool down the house in the summer, and heat it in the winter.

TYPES?

There are many different brands of window heat/air. The important issue is the amount of power they have and draw, and what the house is able to withstand in terms of electricity used.

BENEFITS & DRAWBACKS TO EACH?

A window heat/air, in the appropriate circumstances, is a godsend over the cost of a central a/c and furnace system. Particularly in a small house, this one device, which costs about \$500.00, is \$3,000.00 less than a new furnace and central a/c system.

HOW TO CHECK FOR PROBLEMS?

If the problem is a broken A/C and furnace or if you are putting a home with a gas furnace in an all electric park, then a window hear/air unit may be the solution.

Make sure to consult with a licensed electrician to see if the home can handle it electrically, and to have the plug identified or installed for it.

HOW TO FIX THOSE PROBLEMS?

One large window heat/air can often successfully cool and heat an entire mobile home, especially if the home is smaller. Of equal importance is the geographical location of the home. It needs to be in an area of moderate summers and winters, with rare temperature extremes to work efficiently.

The tremendous cost advantage of this system may make it worth a try.

HOW DIFFICULT TO FIX?

In an environment where a central a/c and furnace may cost \$3,500 installed, a window heat/air is a bargain – the cost difference might buy you a second mobile home!

ESTIMATED COST TO FIX?

A large window heat/air unit costs around \$400.00.

OTHER THOUGHTS

I am a huge fan of this product. I think it is one of the best cost-cutting measures you have if the central systems are broken. I have never had complaining from a tenant over them.

Furnace

WHAT IS THIS?

This is the equipment that heats the home above the temperature of the outside air.

TYPES?

All furnaces work on the same system, and are pretty much identical. The important thing to note is what powers them: is it natural gas, propane, or all-electric. Wood is not a legal option and if retrofitted in your home, remove it at once.

BENEFITS & DRAWBACKS TO EACH?

A working furnace is a working furnace, don't obsess over its brand or model. Make sure, however, that the furnace is safe and in good working order, and powered by the appropriate energy source.

Also remember that different parks have different availabilities of heating options. For example, an all-electric park has no natural gas. This means your gas furnace is useless unless propane can be brought in.

Also, make extremely sure that the furnace is what is intended for the house. I have seen many all-electric furnaces put in mobile homes that were only engineered for gas, and this could cause a major fire.

HOW TO CHECK FOR PROBLEMS?

Have the furnace thoroughly checked by a licensed repairman. There is way too much liability here to do it yourself. This is the number one source of fire in mobile homes.

If the system is broken, or does not fit the design of the house, you need to have it removed immediately. You do not need the risk of liability if you keep a dangerous furnace.

HOW TO FIX THOSE PROBLEMS?

If a furnace is broken, fix or replace it, using a licensed repairman/installer. If the home was designed for a gas unit, be sure to put a gas unit in it. You do not want to overload your electrical system.

You may also want to consider a window heat/air unit, which we just described as a low cost alternative to a furnace.

HOW DIFFICULT TO FIX?

Only a licensed technician should work on a furnace. Period.

ESTIMATED COST TO FIX?

A new furnace costs about \$1,500.00 to \$2,500.00 (Gas is usually about \$300 more than electric).

OTHER THOUGHTS

These things scare me. When you think of the enormous heat they produce, I am terrified to use them if they are not 100% perfect, and few are. If you want to burn a house down, this is the best way to do it – use a bad furnace.

Ducts

WHAT IS THIS?

These are the “canals” that direct the hot and/or cold air from the furnace and/or air conditioner to the rooms of the house.

TYPES?

The most common type of duct work is normally box type and made of metal. In some newer homes, you will find more modern flexible ducting.

BENEFITS & DRAWBACKS TO EACH?

There is no decision to be made here except whether or not what is currently there is working. In most cases, everything works except there may be separations in the venting that causes a lot of the air to leak out under the trailer.

You may also want to consider cleaning out the ductwork, or replacing the grates.

HOW TO CHECK FOR PROBLEMS?

There is no way to check for problems without turning the system on. As a result, this may be one of the last repairs that you do. Also, in the event that you decide to convert the home from central heat or air to window heat/air, the ductwork has no further purpose and there is no reason to waste your time until you know if you will be even using the ducts or not.

HOW TO FIX THOSE PROBLEMS?

The normal procedure on leaking ducts is to either push the pieces of the ductwork back together and secure, or wrap these leaking areas with tape or some other manner.

Replacing duct grates is super easy – if you can use a screwdriver, you can do that job. Often, you can just pull out the grates, clean them, and spray paint them and they will look new.

HOW DIFFICULT TO FIX?

Fixing ductwork is normally just a matter of labor and maybe a roll of tape. To hire this done it will be in the \$100.00 to \$200.00 range.

ESTIMATED COST TO FIX?

This is mostly a labor intensive job with nominal costs for parts.

OTHER THOUGHTS

If you ever take the grates off and reach into the ducts, you will think you are a pirate – they are often filled with coins, mostly pennies. Of course, they can also be filled with all kinds of nasty stuff, so be sure to wear gloves. We once found a dead raccoon stuffed in a vent -- it had crawled in from under the trailer and could not get out!

Hot Water Heater

WHAT IS THIS?

This is the machine that turns regular water into hot water.

TYPES?

They are all basically the same but with two important differences:

- 1) What capacity are they (how much hot water can they create)?
- 2) What powers them (electricity or gas)?

BENEFITS & DRAWBACKS TO EACH?

Your home is built to have either a gas powered or electric powered hot water heater. You must re-install whatever the home is set up to handle. Don't put the wrong type in your home by mistake.

On capacity, like all things the bigger the better. However, check the size of the compartment that it fits in and see how big of a unit will fit. Often, mobile homes are set up only for smaller type capacities. Again, you pretty much have to go with what the home was built to handle.

HOW TO CHECK FOR PROBLEMS?

Look for signs of leaks if the water is not turned on. If you see discoloration or rot, then it's a good bet the hot water heater is leaking. In any event, since it is not that expensive and is a common leak and repair issue, go ahead and replace it unless you can see that it was newly retrofitted. If you don't, you probably will have to anyway shortly, and it is easier before you renovate the house.

HOW TO FIX THOSE PROBLEMS?

Replace the hot water heater and while you are doing that, go ahead and fix the floor underneath, which is probably bad and weak.

HOW DIFFICULT TO FIX?

You need a licensed plumber to replace the hot water heater, as for the floor itself, it's your choice whether to do it yourself or hire it done.

ESTIMATED COST TO FIX?

A hot water heater will cost about \$400.00. Installations should run about \$150.00 additional.

OTHER THOUGHTS

Mobile Home water heaters are not usually the same as those that go in a site built home. They are typically narrower and taller. If you put in the wrong type of water heater you may end up causing a fire or being red tagged by the code inspectors.

Electrical Box

WHAT IS THIS?

This is the box where your breakers are: the central spot from where all of the wiring in the home emanates from.

TYPES?

There are several different manufacturers and types of breakers and fuses in the electrical box, but they all serve the same function. Nobody, short of an electrician, knows or cares about the brand.

BENEFITS & DRAWBACKS TO EACH?

The brand and its plusses or minuses is immaterial.

The only important thing is safety – is the box functioning as intended, is it big enough to handle the load and has it been retrofitted in an inappropriate way?

If the electrical box has been compromised in any way, or is not functioning as intended, the result may be fire.

HOW TO CHECK FOR PROBLEMS?

Have a licensed electrician examine the box. You may, as an untrained observer see immediate signs of abuse, like wires that appear to have been added in, or a new box that was poorly installed, but let a professional give you the real grade card.

HOW TO FIX THOSE PROBLEMS?

If the box is wrong, you need to have a licensed electrician immediately remove and/or fix it. The downside to the box being bad is a major fire.

HOW DIFFICULT TO FIX?

Unless you are a certified, licensed electrician, you have no business messing with the box. Ever.

ESTIMATED COST TO FIX?

To replace a box it may cost \$500.00 to \$750.00. To not fix it may cost you your entire house to a fire, plus the liability of damage to people or their belongings.

OTHER THOUGHTS

Has someone tampered with the electrical box? Then move on to the next house. This is a very bad sign. If they had the guts to rig the power box, then they may have rigged almost anything, and the house is probably filled with latent defects.

Electrical Wiring

WHAT IS THIS?

This is the stuff that runs from your electrical panel through the walls of the house to the outlets and appliances.

TYPES?

Wiring is normally copper. But what it should not be, although is in many houses, is aluminum. Aluminum wiring is extremely dangerous as it can overheat and cause fires. You probably have seen or read or heard about the dangers of aluminum wiring.

BENEFITS & DRAWBACKS TO EACH?

Wiring is wiring, unless it is aluminum.

Aluminum is extremely dangerous, yet was a common type of wiring installed by manufactures of mobile homes several years ago from about 1967 to 1971. In older homes, especially with the many switches and plugs that may have been replaced over the years, the problem is very dangerous.

For all other types of wiring, if the home is treated right, it never needs repair or replacement.

HOW TO CHECK FOR PROBLEMS?

Have a licensed electrician check for aluminum wiring. If the house has aluminum wiring, you have to make a business decision on whether to buy it or not. Personally, I won't buy a mobile home with aluminum wiring. It is way too expensive to try and re-wire the home into something other than aluminum, so don't even think about it.

For all other types of wiring, check each plug to see if it is working, as well as each switch. A non-functioning switch or plug may be a fire hazard.

HOW TO FIX THOSE PROBLEMS?

On the switches and plugs, I use a certified electrician only to fix. If you have a good knowledge of electricity, the decision is up to you to fix it yourself, but there is a lot of liability to consider.

HOW DIFFICULT TO FIX?

Impossible – the cost is too great, if the problem is aluminum wiring.

Switches and plugs are relatively easy for an electrician to fix.

ESTMATED COST TO FIX?

A full rewire job is going to run in the \$2,000.00 range and up. A fortune. Don't even think about it, if the issue is aluminum wiring. Plugs and switches are mostly labor cost only – the parts are cheap.

OTHER THOUGHTS

If you see extension cords being used to move electricity between rooms, or to avoid certain outlets, then this is not the home for you, unless you are an electrician and have access to free labor. This is a terrible sign of latent defects, and a lot of liability.

Light Fixtures

WHAT IS THIS?

These are the ceiling fixtures that provide light to each room, as well as any other light source turned on with a switch.

TYPES?

The most common is the ceiling fixture, which normally has two horizontal bulbs hidden under a glass or plastic decorative “bowl”. Other types include wall sconces and bathroom “light strips”.

BENEFITS & DRAWBACKS TO EACH?

If they work, they are fine. The bulbs should be hidden, so if the “bowl” is missing, that fixture is not really satisfactory.

If they spark or flicker, they should be replaced. There is too much liability with electricity.

HOW TO CHECK FOR PROBLEMS?

Do they turn on and off, and have all their pieces? If yes, then they are fine. If not, they have to be replaced.

You cannot check the operation until you have power connections. This is often one of the last things in the home to be replaced.

HOW TO FIX THOSE PROBLEMS?

You don't fix ceiling fixtures, you just replace them. Why? Because they are so darn cheap. Thanks to overseas labor, you can buy every fixture in the house for the price of one hour of a repair technician.

HOW DIFFICULT TO FIX?

Let a certified electrician do it. There is a ton of liability if you put them in wrong and burn the house down. Plus, you would not be the first amateur to get killed by electrocution.

ESTIMATED COST TO FIX?

Fixtures cost about \$15.00 each. Have the electrician put them in when he is there to check out the wiring to save money on the installation cost.

OTHER THOUGHTS

Anything more than a simple light bulb hanging from a wire is O.K. in a mobile home. Buy the cheapest thing at Home Depot and move on.

Water Lines

WHAT IS THIS?

This is the piping that allows you to have cold and hot water in the mobile home. It supplies the kitchen, bathroom(s) and sometimes the washer/dryer connections.

TYPES?

Hopefully PVC or a derivative, or copper or metal. What you don't want is the "black pipe" that was the subject of a class-action lawsuit years ago.

BENEFITS & DRAWBACKS TO EACH?

The water line construction that is truly bad is "black plastic". It's easy to spot – it looks like PVC except it is black. Of the other types, PVC is the best for longevity, as is copper.

Black plastic, which was part of a class action suit, is bad stuff. It is very brittle and breaks easily. As part of the class action suit settlement, you may be able to recoup the cost of replacing the black plastic pipe if you follow the appropriate steps. You will need to contact and follow those steps to get reimbursed, if any money is available.

HOW TO CHECK FOR PROBLEMS?

Connect the water and look for leaks or water sources that won't turn on. Look under the trailer and see if you see water dripping, or running, from anywhere underneath the mobile home. Look for black plastic pipe.

HOW TO FIX THOSE PROBLEMS?

Black plastic pipe requires full replacement. Without some form of reimbursement, it may be too expensive to contemplate.

The other leak or flow issues can be remedied by a licensed plumber or yourself if you're handy.

HOW DIFFICULT TO FIX?

Black plastic is impossible without total replacement.

The other issues are not hard if you know what you are doing. Access to the pipes is the hardest part, as it may require crawling under the home, or cutting out drywall or flooring to access and correct the problem.

Repairs are pretty cheap. A full replacement could cost \$800.00 or more.

OTHER THOUGHTS

“Out of sight, out of mind” does not apply here. Water leaks can cause all kinds of problems to floors, walls, etc. Don’t make a rookie mistake – get the water line connected and up and running and check for leaks before you do any interior work. You do not want to be chopping out your new walls, or wrecking your new floors.

One sure trap will be when you go to buy a mobile home in the dead of winter amid freezing temperatures. If the home has not been winterized you will be asking for problems when you turn the water on. This is always something to look out for.

Heat Tape

WHAT IS THIS?

This is the stuff that keeps the water lines from freezing and bursting. It normally runs from where the water connects to the water heater down to water supply box in the ground.

TYPES?

There are two common types of heat tape. The first is the type that looks like an extension cord and you buy from Home Depot or Lowe's. The second type found mostly at mobile home part houses is a silver coil that you cut to fit the water line and attach a plug at one end.

BENEFITS & DRAWBACKS TO EACH?

We have had good success with both types but usually go with the cut to fit option as it tends to last longer and can be fitted to a specific mobile home.

HOW TO CHECK FOR PROBLEMS?

Either solution should have a light on the plug that shows that the heat tape is plugged in and working. It is a good idea to check that the light is on a few times each winter so you don't find out the hard way (the water line is frozen). If the heat tape does not have an indicator light then you can put your hand around it to feel for warmth on a cold day.

HOW TO FIX THOSE PROBLEMS?

It is easy to install heat tape if you follow the instructions. It entails running the heat tape along the exposed water lines, securing it with electrical tape, and then wrapping it with new insulation. Don't forget the insulation!

HOW DIFFICULT TO FIX?

Very easy. If the old heat tape is not working, install a new one or check the fuse. Heat taping a home costs under \$50 in parts and only about 30 minutes of time.

OTHER THOUGHTS

“Out of sight, out of mind” does not apply here. Make sure to check that the heat tape is plugged in and the indicator light is on. You don’t want to find out it is not working after you realize your water pipes are frozen.

Sewer Lines

WHAT IS THIS?

These are the lines that run from the sinks, showers, baths, and toilets to carry the fluids to the main sewer line in the park.

TYPES?

This is one area where problems are few. There are several different types of sewer piping, PVC being the best, but the sewer gets so little use in a mobile home that it is seldom a big deal no matter how it is piped.

BENEFITS & DRAWBACKS TO EACH?

If the sewer is flowing with no leaks, don't worry about it. The type of pipe is immaterial.

HOW TO CHECK FOR PROBLEMS?

The only real way to test is to flush the toilet, run the shower, turn on the faucet, and look for leaks inside and under the mobile home.

HOW TO FIX THOSE PROBLEMS?

Leaks will need to be fixed by patching or replacing pipe. The biggest problem I have found is what happens to a perfectly good sewer pipe if abandoned for a lot of years. During that time, all of the stuff in the pipe turns hard like concrete, and may cause it to be near impossible to fix or unclog.

HOW DIFFICUT TO FIX?

If you are handy, you can probably fix a lot of sewer issues yourself. If not, a plumber can do it. Most sewer line problems will occur in the p-traps under the sinks and from the toilet to the main sewer line. A quick snaking or repair will solve most problems.

ESTIMATED COST TO FIX?

Not a lot. The bulk of the expense is labor, since you have to crawl under the home to fix it in most instances.

OTHER THOUGHTS

These are rarely ever big problems. The thing I have disliked the most is when the sewer has puddled up under the home and you have to climb under there to make the repair.

Gas Lines

WHAT IS THIS?

These are pipes that connect the natural gas or propane service to your furnace, range/oven, or hot water heater.

TYPES?

Gas lines may be made of metal or polypipe (plastic) construction. They should never be made of copper (explosion hazard).

BENEFITS & DRAWBACKS TO EACH?

A gas line is a gas line and if it works, then that's fine, as long as it is made of a type of pipe that is safe for gas.

Some people in the past have retrofitted copper as gas lines and that is dangerous and should be replaced.

HOW TO CHECK FOR PROBLEMS?

All gas lines should be pressure tested by a licensed gas plumber. Make sure the plumber is licensed for gas, not just a regular plumber.

Because gas is extremely volatile, there can be no leaks of any type in the system.

If you are going to replace any gas devices, such as hot water you should do so at the same time the gas plumber is there to save money.

HOW TO FIX THOSE PROBLEMS?

Only a licensed gas plumber should work on gas lines. Period. If you do this yourself, and the house blows up, which it can, the liability will wipe you out – maybe even send you to prison.

You can find licensed gas plumbers through the yellow pages.

HOW DIFFICULT TO FIX?

Extremely, if you are not a professional – do not even try. The liability is way too great.

ESTIMATED COST TO FIX?

Gas plumbers charge \$100.00 an hour on average. To check out your system and fix a few leaks should run about \$175.00.

OTHER THOUGHTS

Leaks in this department are normally on connections with the lines and appliances and the furnace. The lines are normally ok themselves.

Tubs

WHAT IS THIS?

This is the fixture that fills with water for baths, or additionally may be used as the base for the shower.

TYPES?

Tubs come in a number of styles, but the most common is the shower/tub combo. They are normally not especially big or well made.

BENEFITS & DRAWBACKS TO EACH?

You pretty much have to replace what is already there, since normally there is a wall on either side of the tub. As a result, you don't have much, or any, selection.

One choice you do have is color. Obviously, you are better off replacing a broken tub with a new one that has a neutral color. If the old tub was mustard yellow, don't feel obligated to put that same color back. Off-white is probably a better choice.

Most residential tubs from Lowes or Home Depot will not fit in a mobile home, so you need to order it from a mobile home parts supplier.

HOW TO CHECK FOR PROBLEMS?

Often the best way to find the problems in mobile home tubs is to step inside of them and see what happens. Often, the addition of the weight will tell the story – cracks are suddenly visible, as are flooring issues. Also look for big gaps or breaks where the tub meets the walls.

At a minimum, normally the hardware (faucet, handles, etc). will need to be replaced for non-functioning or rust issues.

HOW TO FIX THOSE PROBLEMS?

Hardware is reasonably easy to replace if you're handy. However, replacing the tub is normally pretty complicated, if you want to do it right. Also, be sure to replace or fix the floor before you set a new tub, otherwise you will have to rip it back out again.

Often, you will need to install a tub/shower enclosure kit, again available at the mobile home part supply house.

HOW DIFFICULT TO FIX?

Fixtures are not that bad, if you know about plumbing. The entire tub and enclosure is pretty hard if you have not done one before, or are not handy. When you are replacing the tub/shower enclosure make sure that you buy the set made for a remodel which come in two pieces. It can be impossible to put a one piece unit into a small bathroom.

ESTIMATED COST TO FIX?

A new tub/shower enclosure kit is about \$300.00.

OTHER THOUGHTS

The key with the enclosure around the tub and shower is to make sure it does not allow water to leak between it and the walls. Once again, a good caulking job will do the trick.

I once went into a home for sale and found the tub filled with snakes who were bathing in the water that came through the hole in the ceiling. At least that house was vacant.

Toilets

WHAT IS THIS?

This is the fixture that allows you to go to the bathroom.

TYPES?

A toilet is a toilet. Other than designer touches and some better flushing mechanisms, the function is always the same.

BENEFITS & DRAWBACKS TO EACH?

Buy the cheapest toilet you can find. This is the only thing to remember. You will not believe the abuse some mobile home residents put on toilets.

They rip the seats off, the covers off, and break the toilet free from the floor just in the regular course of business. It is a safe bet that you will have to replace the toilet every time you lose a tenant.

This is one time you can be especially thankful to the third world for building toilets so cheap – they cost today about 75% less than twenty years ago.

HOW TO CHECK FOR PROBLEMS?

Just look at the toilet. Would you use it if it was in your house? If the answer is no, then just replace it. It sounds stupid, but it is cheaper to replace it than clean it today. You probably can't find someone to clean it for \$25, but you can buy one for about double that. Also look at the way it is affixed to the floor. Is there a leak between the main seal and the toilet (a sign that the wax ring needs replacing)? Also, is it loose and rocking side to side?

HOW TO FIX THOSE PROBLEMS?

On all aesthetic issues, just replace the toilet. If it is rocking back and forth, it is probably a sign that the floor is rotted and needs replacing. Normally, the floor in the bathroom always needs patching/replacing and the time to do that is when the toilet is removed.

HOW DIFFICULT TO FIX?

Replacing a toilet is mundane for the handy individual who has a working knowledge of plumbing. For the rest of us, it is better left to a plumber.

ESTIMATED COST TO FIX?

A new, cheap toilet costs \$50.00. This is one item that any toilet from Lowes or Home Depot will fit – it does not have to come from a mobile home parts dealer.

Anytime you install a new or old toilet don't skimp on putting in a new wax ring. That \$1.00 part is about the best plumbing supply money can buy.

OTHER THOUGHTS

If you would rather clean than replace a toilet that has seen more action than a B-17 bomber, then my hat is off to you. I can find better uses for my time, when you consider you can buy a whole new toilet at Home Depot for about \$50.00 – and it will even have a seat!

Sinks

WHAT IS THIS?

This is the basin that collects water from the faucet and puts it in the drain.

TYPES?

There are many different types of sinks aesthetically, and as many fixture choices to match.

The two rooms that have a sink are the bathroom and the kitchen.

BENEFITS & DRAWBACKS TO EACH?

A sink is a sink. If you must replace it, be sure to buy one that already fits in the hole cut in the counter.

It is not that often that you have to replace the sink in a mobile home. They seem to hold up pretty well.

Often the sink is replaced upon replacing the counter top.

As usual, buy the cheapest one that you can that fits the space.

HOW TO CHECK FOR PROBLEMS?

Sink problems are mostly aesthetic. That's not to say that there cannot be issues with leaks from drains, but that falls under plumbing. As long as the sink collects water and directs it to the drain, it's done its job.

If the sink looks O.K., and it would have to be in really bad shape to need replacing, then you can move on to another problem.

It is common, however, to need to replace the faucet and handles.

HOW TO FIX THOSE PROBLEMS?

Faucet and handles are readily available most everywhere. They do not have to be mobile home specific, unless your sink is. If the sink is marred with a ton of nicks and scratches, you can sometimes paint them.

Full replacement of a sink is probably not that hard for the handy person with experience, but is seldom warranted.

HOW DIFFICULT TO FIX?

Faucet and handle replacement is not too bad if you are handy.

Replacing the whole sink is not outside the range of a handy person with plumbing experience, but is a last resort.

ESTIMATED COST TO FIX?

A new sink costs about \$40.00. The faucet and handles cost about \$20.00.

OTHER THOUGHTS

Spray paint over the porcelain or stainless steel? I've done it a hundred times. They renovate claw-foot bathtubs with acrylic paint – why not some old sinks. I've never had a complaint.

Fireplaces

WHAT IS THIS?

This is the fixture that allows you to burn wood, or some other fuel for either aesthetic or heating purposes.

TYPES?

This is easy. IF IT'S NOT ORIGINAL TO THE HOUSE, DOES NOT HAVE THE CORRECT VENTING OR INSTALLATION, THEN RIP IT OUT. PERIOD.

BENEFITS/DRAWBACKS?

This thing can burn your house down, kill its occupants, and put you in bankruptcy. GET RID OF IT IMMEDIATELY. The fireplaces in most mobile homes that came from the factory are not for heating but for looks.

HOW TO CHECK FOR PROBLEMS?

If it exists, it is a problem

HOW TO FIX THOSE PROBLEMS?

Get rid of it. Immediately.

HOW DIFFICULT TO FIX?

It does not matter. Get rid of it immediately.

ESTIMATED COST TO FIX?

If you don't get rid of it -- so high it's hard to calculate.

OTHER THOUGHTS

What were they thinking of? And what are you thinking of if you leave it in there? The only one dumber than the person who put the aftermarket fireplace in is you if you don't remove it immediately.

Hud Seal

WHAT IS THIS?

In 1976, the U.S. government passed construction standards for mobile homes and opened the “HUD Seal” era. When the HUD seal is on a mobile home, it means that it was built in conformance with this set of standards.

TYPES?

There is only one HUD seal. It is a metal plate, normally found in one of several locations: the hot water heater area, under the sink, in the door frame or on the body of the trailer.

BENEFITS & DRAWBACKS TO EACH?

Without a HUD seal, the home is of questionable construction standards.

The biggest disadvantage is that many municipalities will not allow a non-Hud seal home into their city. A HUD seal is extremely important, and its absence may be an immediate deal killer for you.

HOW TO CHECK FOR PROBLEMS?

Is there a seal or not? If there is paperwork, such as title, showing a manufacture date after 1976, then it should have a seal, but you have to work at finding it.

Without a seal, and without paperwork showing the date of manufacturer, it is not a HUD code home.

HOW TO FIX THOSE PROBLEMS?

If the home has no HUD seal, then there is nothing you can do about it except not buy it.

I would not, at this point in time, buy a non-HUD seal home.

HOW DIFFICULT TO FIX?

Very difficult and time consuming in some states.

ESTIMATED COST TO FIX?

You can't buy a HUD seal.

OTHER THOUGHTS

This can be harder than a "Find Waldo" book.

Serial Number

WHAT IS THIS?

This is the set of letters and numbers that documents the existence of the mobile home in a series of databases, and allows you to confirm such important information as title, liens, property taxes and the like.

TYPES?

There is only one serial number on a single wide (two for a double wide) and without it, it is hard to get the most important information on the home, and the information that could really come back to haunt you. Without the serial number, and the supporting documentation, you may find that you bought the home from someone who is not the real owner, does not have clear title or perhaps that the home has a big bank lien on it or unpaid property taxes. It may also keep you from moving the home, and definitely will make it hard or impossible to re-sell.

HOW TO CHECK FOR PROBLEMS?

If you look in every conceivable place for the serial number (most importantly the frame), then the number may be gone.

In older homes, this is possible, especially pre 1976, since the serial number was often on a metal plate on the back of the home that could have fallen off or been removed when new siding was installed.

HOW TO FIX THOSE PROBLEMS?

On newer homes a better bet is that it has been deliberately removed to hide a big issue, like an unpaid bank loan.

In some states, you can file paperwork to have a new serial number assigned to the home. However, this is far from a perfect process, and can take months to achieve.

Short of that, there is nothing you can do if the serial number is missing.

HOW DIFFICULT TO FIX?

In some states, with proper paperwork and a lot of time, you can get a new serial number.

Otherwise, it is impossible to fix.

ESTIMATED COST TO FIX?

In some states, you can file for a replacement for about \$150.00. In some cases, it is impossible regardless of cost.