

THE NORTHWEST REPORT

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For Owners, Operators and Investors in Manufactured Housing Communities Nationwide

COMMUNITY FINANCING AND SALES

Investors continue to flock toward manufactured home communities as vacancies have decreased and quick home resales in larger markets make for strong, stable parks. Many communities that suffered vacancies for years are now full or nearly full and at least three large communities in the Pacific Northwest are now expanding and adding new sites, something we haven't seen in a long time. The age-restricted 55+ communities report excellent resale volume and rents have steadily increased to reflect the increasing value of the community. In large metropolitan markets such as the Greater Seattle, Portland and Boise markets rents on site built homes and apartments are so high purchasing a manufactured home in a MH site-rental community is once again a very attractive choice.

CAP rates remain all over the board. In smaller markets CAP rates can be 6.5 to 8.0 while in larger metropolitan markets CAP rates remain around 6.0 or even lower in isolated cases. The demand for communities continues to be VERY strong, especially larger communities with low vacancy rates in high population areas. Northwest Park Brokerage gets inquiries daily from buyers looking to enter those markets or expand their presence in the market. Any interested sellers should contact our firm for a market analysis and marketing evaluation.

THE INDUSTRY REBOUND continues to drive new home buyers, community investors, banks and insurance companies back to the manufactured housing industry. As the regional economy continues to improve and site built housing costs increase aggressively, manufactured home community living is again taking center stage as a very viable housing choice for Americans. Many communities are reporting inquiries from new tenants have increased to levels not seen in a decade or more. The balance of 2015 and all of 2016 are shaping up to be good years for the manufactured home community, sales and manufacturing businesses.

We try to talk to park owners at least once every year to determine what their plans are for the near future in terms of either looked to purchase additional communities or if they are considering disposition of any communities. **Northwest Park Brokerage is focused exclusively** on manufactured home communities / mobile home parks and has closed over **Five Hundred Million Dollars'** worth of manufactured home communities in the Pacific Northwest. There is no more active broker in Washington, Oregon, Idaho and Montana than Northwest Park Brokerage.

With inventory levels at an all-time low and market sales higher than ever, now might be the perfect time to consider a market evaluation of your community. **Give us a call at 206.652.4100.**

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IDAHO HOUSING ALLIANCE

The Idaho Housing Alliance (IHA) sponsored House Bill 28 which eliminated the service company licensing provision from the law. The Alliance learned that HUD does not exercise any regulatory authority over a manufactured home once it has been installed according to HUD requirements. It just didn't make sense to then require a variety of different contractors like plumbers and electricians to get a special license to work on manufactured homes. Existing licensing statutes for these specialties will still apply and will provide consumer protection. The bill received just a single 'no' vote and that involved a question about background checks for the licensing of the remaining categories.

Moving this bill forward also gave The Idaho Housing Alliance a chance to educate new legislators about the industry and some of its issues. It also gave the Alliance a chance to identify individual legislators they will look to as the industries champions in future legislatures. Rep. Gayle Batt from Wilder was the House sponsor. She reportedly did a great job on the floor and seems willing to help the industry in the future. She is particularly important because she is a key member of the House Business Committee and Vice Chair of the State Affairs Committee, one of the most powerful committees in the House.

IHA now offers the 2015 version of the **"Idaho Guide for Effective Community Management"** operations manual for sale. The Guide for Effective Community Management is a comprehensive practical manual specific for Idaho community owners and managers. There are chapters on: Manufactured Housing Facts and Standards; Resident Screening; Rental Agreements and other Required Documentation; Community Property Management from A to Z; Resident Relations; Maintenance; Marketing; Samples of Operational and Legal Forms and Notices; and Copies of Relevant Statutes, Rules, Guidelines and Codes governing manufactured housing and communities.

OREGON LEGISLATION PASSES 89-0

The Oregon Manufactured Housing Landlord/Tenant Coalition Bill passed the state Senate 29-0 and the House 60-0 recently. Governor Kate Brown signed the bill into law. The bill address "Opportunity to Purchase", home sales by community owners/managers, taxation and tax collection as it relates to abandoned homes, fee assessments and other minor fixes to existing law.

The abandonment/past due tax portion of the bill will go into effect on January 1, 2016. Industry representatives are working with Oregon Tax Assessors to create the forms necessary to take advantage of the new law. Those forms will be available at the end of the year. Changes to the abandonment law will be widely publicized and state associations will be holding seminars to educate park owners, including Manufactured Housing Communities of Oregon annual conference held every October in Eugene, Oregon.

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The Coalition intends to get back to work this fall as a number of Oregon lawmakers confronted industry spokespersons during the legislative session and questioned them about what they considered “inappropriate rent increases” in a number of communities. Legislators from both sides of the aisle heard from tenants complaining of large rent increases and numerous rent increases within a 12-month period.

Specifically, Senator Sara Gelser of the Corvallis/Albany area wants to pass a bill requiring the formation of a “Task Force on Affordable Home Park Living” with the assignment by January 2016 of developing recommendation to “protect home owners” from “predatory and inappropriate rent increases.” Other lawmakers suggested the Coalition take up the issue instead.

WASHINGTON NEWS

RENT CONTROL THREAT (from published reports). With the election of a Socialist City Council member in Seattle in Kshama Sawant and her successful championing of the \$15/hr minimum wage in Seattle, she has turned her sights to rent control. She has argued that rent control is needed because working families can’t afford to pay rent in Seattle.

Additionally, Frank Chopp the Washington State Speaker of the House, and arguably the most powerful man in the legislature has recently come out in favor of revisiting the discussion of removing the Washington State prohibition on rent control. This is a scary proposition for ALL landlords in Washington, especially manufactured housing. This is going to be a hotly contested issue this year and in years to come in Olympia with the legislature. Low income housing advocates believe that it is rent control that can turn the tides in Seattle and other metropolitan areas to bring rents down. The problem that they fail to address is that home and property prices are not coming down in those areas and implementing rent control will only serve to provide less affordable housing and that which is provided will not be able to be maintained.

The Manufactured Housing Communities of Washington is working hard in Olympia to maintain the law prohibiting rent control in Washington. Their lobbyists have met with more than 40 of the key decision makers in both the Washington State House and Senate and have championed the message that rent control is NOT good for Washington and our working families. All landlords need to be involved in this fight and make sure that their voices are heard. Every landlord has two House Representatives and one Senator that represent your district and everyone should be contacting those members and educating them on the dangers of rent control and voicing their strong opposition.

The good news is no significant legislation gained momentum and Manufactured Housing Communities of Washington (MHCW) protected community owner’s rights vigorously. If you haven’t visited www.todaysmanufacturedhome.com lately it’s worth a second look. The industry site, managed by the Washington Manufactured Housing Association in Olympia is an excellent source for manufactured home buyers and professionals.

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PRODUCTION AND SHIPMENTS

Latest Available Data. The Manufactured Housing Association for Regulatory Reform (MHARR) reports that according to official statistics compiled on behalf of the U.S. Department of Housing and Urban Development (HUD), manufactured housing industry production continued to increase in April 2015, the most current period where accurate data is available. Just released statistics show 6,085 homes were manufactured in April, an increase of 7.6 percent over April 2014. Cumulative industry production for 2015 now totals 21,409 new homes being built, a 10.8 percent increase over the 19,318 HUD code homes produced over the same period in 2014.

The top ten states from the beginning of the August 2011 industry turnaround are, in order: Texas, Louisiana, Florida, North Carolina, Alabama, Mississippi, Kentucky, California, Tennessee and Oklahoma. The number of active manufacturing plants is 122, up one from the previous month. The number of corporations remains 38.

Upcoming Events

MHI Legislative Conference & Summer Meeting

*June 14-16, 2015
Capitol Hilton, Washington DC*

MHI Annual Meeting

*Boca Beach Club, Boca Raton FL
October 4-6, 2015
Cheryl Berard 703-558-0668*

NCC Fall Leadership Forum

*Fairmont Hotel, Millennium Park
November 11-15, 2015
Chicago IL
Jenny Hodge 703-558-0666*

MHI Winter Legislative Meeting

*February 7-9, 2016
W Hotel
Washington, DC*

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COMMERCIAL REAL ESTATE BROKERS
The Manufactured Housing Community Network

Back On The Market

**Mead Royale Mobile Home Park
216 Space Family Community
With Vacancy Upside located in Spokane County
28% Vacant Spaces
Features Clubhouse & Pool
Asking Price \$5,250,000**

Featured Properties

**HIGHLY VALUED COMMERCIAL PROPERTY
38 Space Family Community
Located in Tukwila, Washington
Operates on city utilities, Sub-Metered
Seller Financing 9% CAP Rate
\$1,750,000
Email or Call for More Information**

**RARE SNOHOMISH PARK OPPORTUNITY
15 Space Family Community,
Located in Snohomish, Washington
On Site Septic – City Water
Sub-Metered – Owner Pays Garbage
\$745,000.00**

Over \$550,000,000 in park sales. Visit our website at www.nwparks.com

**For more information on manufactured home communities for sale or an assessment of your community
call Bill Jackson of Northwest Park Brokerage at 206.652.4100 or email Bill at: billj@nwparks.com**

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