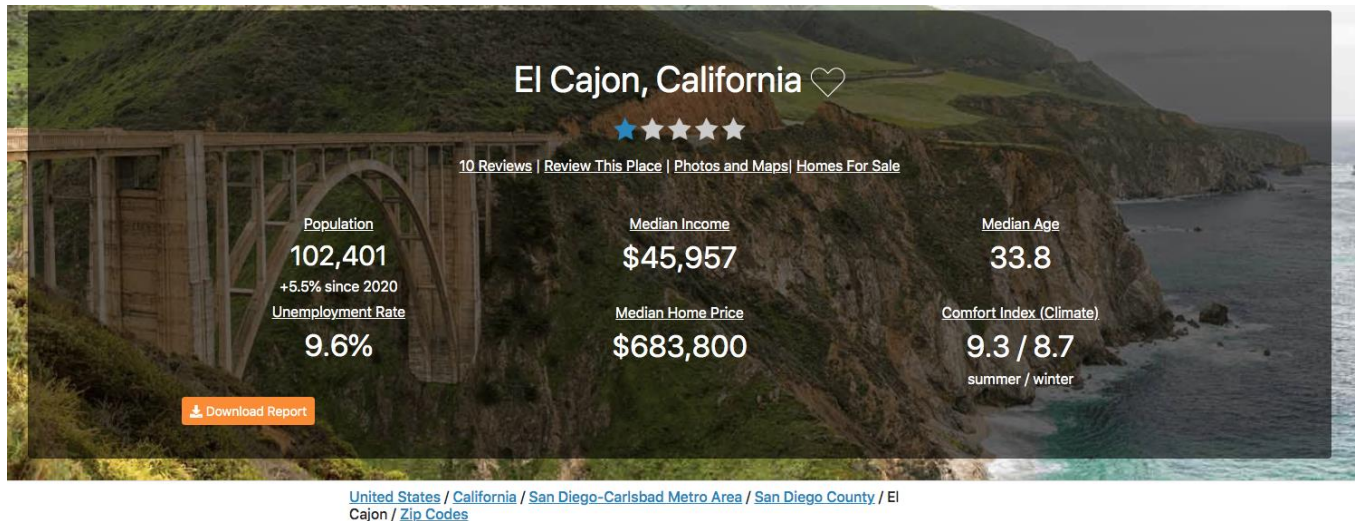


## 1. Location...Location...Location

You want to look for Mobile Home Parks with at least \$50K in the area (ideally \$100K).

To find out the population of the metro area go to [bestplaces.net](https://bestplaces.net) and type in the city.

When you get the results, the metro area will appear.



In this case, I searched El Cajon. You will see Carlsbad/Metro area below. Then I click the Metro.



This is now how I will evaluate the area.

You need population and you need demand.

2. Relatively High Housing Prices. I am looking for housing prices where the median house is above \$150K. Why? Because mobile home parks are affordable housing.

A single-family home is more desirable than a mobile home. I don't want to be competing with single family homes in the area for tenants. You can check out the median housing price on [bestplaces.net](https://bestplaces.net)

3. Preferably a park with public utilities. This means that it has public water and public sewer. Septic systems, lifts stations, lagoons all have issues and can raise the cost to operate a park significantly. Wells are also an issue. If a park is outstanding and has a septic or a well, we can get past this. No Park is "perfect". But if has well, septic, and the seller is asking a mediocre price, then I'd pass.

4. Scale. One of the advantages of mobile home parks is having many units in "one place". It doesn't really make sense to run a mobile home park with 10 spaces. Well, at least not for me. It just as hard to run a 10-space park than it is a 100-space park. The bigger, the better. Ideally you would want 100+ spaces. 50 is still good. If you want to partner with me, I will look at any parks 25+ spaces in southern California and western Arizona because I already operate parks in the area. I would love to partner with you. If you have a bigger park under contract, I will partner anywhere in the country if the numbers make sense. I will do smaller parks in the areas I mentioned above because I have a footprint in the area and rents are higher. More income per unit.

5. Tenant Owned Homes. You are looking for parks where tenants own their own homes. They will have pride of ownership and they will be responsible for their own repairs. When calculating income, never calculate rent from owners who "rent" out houses on mobile home lots. This is extremely difficult to make work. Instead, focus on what "lot" rents are in the area. You want to own the dirt, not the homes. Do not be lured by additional income from renting homes. The numbers, time, and grief are not worth it. Again, no park is perfect and many parks will have park owned homes when you purchase them. Just make sure you are calculating income on just the lots.

6. Strong Profit Potential: There are lots of variables here. But long story short, a mobile home park is a business. We provide a clean, affordable, and safe place to live. This venture also needs to be profitable, so take the current gross income of the park. Remember, only count "lot rents". Not home rents. If a seller tries to convince you otherwise, just NOD and calculate the numbers like I'm telling you. If the seller doesn't do lot rent, find out what lot rents are in the area and calculate that way. Multiply the number of occupied spaces ("X" lot rent x ".65" x 12, which should be what you have left after expenses of the park. So If I have 100 lots and lot rents are \$300, then multiply  $100 \times 300 \times .65 \times 12$  (12 months a year) That gives me \$19,500 a month or \$234,000 a year. This is my net operating income. Ideally, you want to buy at a 10%

cap rate if interest rates are at 7%. So divide, the NOI by 10 and that is the ideal # you want to pay for the park.

I know this is initially a lot. However, if you want to partner and you have a park that fits criteria #1-5 and you have a motivated seller email me at <mailto:support@nolimitsrealestateinvesting.com> and maybe we can do a deal together.