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# **Making Money** Through **Mobile Home** **Investing**

ESSENTIAL ANSWERS TO  
QUESTIONS ABOUT THE  
LITTLE-KNOWN, LUCRATIVE  
BUSINESS OF MOBILE HOME  
INVESTING!

**by Jerry Hoganson**

Edited by Matthew S. Chan

*Ascend Beyond Publishing*  
*Columbus, Georgia*

## **Making Money through Mobile Home Investing**

*Essential Answers to Questions About the Little-Known, Lucrative Business of Mobile Home Investing*

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Published by: Ascend Beyond Publishing  
1639 Bradley Park Dr. PMB 110  
Columbus, GA 31904

*[www.AscendBeyond.com](http://www.AscendBeyond.com)*

**ISBN: 978-1-933723-13-6**

Printed in the United States of America.

Version 1.0

Assistant Editor: Mark Steinborn

Typesetting: Darlene Swanson

# Dedication

*To my wife Lisa,  
And our children Beau, Ryan, and Jasmine*



# Table of Contents

<b>Foreword</b> . . . . .	<b>1</b>
<b>Chapter 1: The Basics</b> . . . . .	<b>7</b>
<b>Chapter 2: Market Research</b> . . . . .	<b>17</b>
<b>Chapter 3: Finding Mobile Home Deals</b> . . . . .	<b>29</b>
<b>Chapter 4: Profit Strategies</b> . . . . .	<b>37</b>
<b>Chapter 5: Purchase &amp; Financing</b> . . . . .	<b>45</b>
<b>Chapter 6: Mobile Home Inspections</b> . . . . .	<b>55</b>
<b>Chapter 7: Marketing</b> . . . . .	<b>65</b>
<b>Chapter 8: Preparing Mobile Homes for Resale</b> . . . . .	<b>73</b>
<b>Chapter 9: Management Issues</b> . . . . .	<b>79</b>
<b>Chapter 10: Tenant Management</b> . . . . .	<b>87</b>
<b>Chapter 11: Maintenance &amp; Repairs</b> . . . . .	<b>97</b>
<b>Conclusion</b> . . . . .	<b>103</b>
<b>Appendix A: Area Map</b> . . . . .	<b>105</b>
<b>About the Author</b> . . . . .	<b>107</b>



# Foreword





In 1999, I purchased my very first real estate investment deal. It was a small 1965 mobile home that I bought from a retired woman for \$2,500. At that time, I attempted to negotiate a lower price but she would not budge. Even in 1999, for any investor to pay \$2,500 for such an old mobile home deal was too much for anyone to profit from.

After I bought this mobile home and inspected it, I knew I had paid too much for it. I made a beginner's mistake of getting too caught up in the excitement of my first purchase that I did not take enough time to inspect the property.

There were repairs in the floors that needed to be done. In all, I ultimately spent \$500 to make repairs. I paid four months of utilities and lot rent before I finally resold the mobile home.

Do you know how much I ended up selling it for? \$2,500. The very same price that I paid for it. However, I did charge a respectable interest rate and a small upfront administrative fee to finance my buyer's purchase. I financed the purchase for 12 months and the buyer paid flawlessly for the next 12 months until it was fully paid off.

## Making Money Through Mobile Home Investing

All things considered, I got lucky. I fell short a few hundred dollars of breaking even. But I had gained a tremendous learning experience.

I share this story because back in 1999, I based what I did on two small, obscure “home-made” mobile home investing books sold at a real estate investor convention. These two books were “written” (typed on a typewriter actually) by an elderly man that had been in the used mobile home business for many years.

And while I, like many others who bought his book during that time, certainly respected him and what he shared, it went unspoken that what the gentleman wrote in his book was somewhat limited and dated. Quite frankly, you could not find these “home-made” books at any online or brick-and-mortar bookstore to even buy it.

Even today, there are very few informative mobile home investing books available. In 2001, I met Jerry Hoganson for the first time at a real estate investing bootcamp. I found him and his wife, Lisa, to be bright and down-to-earth people. They started with humble beginnings but managed, through hard work and determination, to build a respectable real estate investment portfolio.

In the next couple of years, I would learn that not only did Jerry and Lisa buy mobile homes but they would also make their financial move and buy smaller mobile home parks. In 2003, I recommended to Jerry that he really needed to put together an audio course to teach others what he was doing and share the “street” knowledge he had. I told him that there were relatively few people doing what he was doing. And there were even fewer that were teaching it.

From a selfish point of view, I wanted to learn what he knew. And so I offered to help him put that audio program together. I flew

## Foreword

up to Wisconsin and spent three days producing and recording this program. That program was released the following year as an audio course titled, “Little Deals, Big Money” which described the process of buying mobile homes and reselling them on a promissory note creating not only a profit but an ongoing income stream for the investor.

And because that program was so well received, I, along with some of his investor friends, assisted Jerry in hosting his first Mobile Home Park Investing Seminar later that year. That seminar was recorded and re-edited to form his follow-up audio course, “Big Deals, Big Money”.

Since that time, Jerry has released other introductory audio programs on the subject of mobile home and mobile home park investing. Until now, Jerry has not authored a mobile home investing book.

Jerry keeps a busy schedule with his business and family. We had to find a way for Jerry to “write” this book without him actually having to sit down and write it! I came up with the idea of publishing a Question & Answer Mobile Home Investing book for beginning mobile home investors. We included many questions that many beginners ask and even questions that they would not even think or know to ask. Even if you are an experienced investor, Jerry and I hope that sharing his approach, perspective, and philosophy in this book will be valuable to you.

I spent several hours interviewing Jerry and what you will read in this book are Jerry’s honest answers. As a disclaimer, we did hire an experienced editor to make his answers more readable and

## **Making Money Through Mobile Home Investing**

grammatically correct. Nevertheless, the book takes an informal and conversational tone in its presentation.

If you are truly interested in learning more about the world of mobile home investing, Jerry is one of the most reputable people you can learn from. He tells both the good and the bad. He lives and breathes the mobile home investing business. I know first-hand. I have been to his hometown of Wausau, Wisconsin many times and have visited his personal home, mobile homes, mobile home parks, and office operation. He is the real deal.

If this book had been available to me in 1999, I know I could have better avoided the simple but costly mistakes I made. Jerry and I hope you will find this book helpful in giving you insights into making money within the world of mobile home investing.

Matthew S. Chan  
Editor & Publisher

# **Chapter 1: The Basics**



## Making Money Through Mobile Home Investing

## Chapter Description

In this chapter, Jerry answers questions relating to the the basic concepts and fundamentals of mobile home investing.

### **Are mobile homes considered real estate?**

Mobile homes can be considered real estate, but it depends on how they are placed on the land. It differs by state. In Wisconsin, if a mobile home is set on a permanent foundation, hooked to utilities, and the owner of the mobile home owns the land, it is considered real estate. If it is a leased lot, even though everything else is the same, then a mobile home is personal property.

In Wisconsin, it is pretty easy to figure out whether it is real estate. If you do not own the land, it has to be personal property.

## How do mobile home titles work?

Mobile home titles are similar to car titles. When I started out not too many years ago, mobile home titles were handled by the department of motor vehicles, just like a car titles. You would go to the DMV and fill out the paperwork, which in Wisconsin is an MD1 form. I filled out the form for my mobile home—just like I did for my car, paid my fee at the front desk, and got my title. Today, title transfers are done in the Department of Commerce. The title is called a “Certificate of Ownership,” although people on the street still call it a title. It looks a little bit different but it works the same exact way, because mobile homes are personal property as long as they do not meet the criteria to be real estate, and titling is done the same way as it is done on a vehicle.

## What are the common myths of mobile home investing and how true are they?

The most common myth about mobile home investing is that they are depreciating assets—someday they are going to fall apart and go away. If you look at an older mobile home, you might figure it has little or no value to it. The average person looking at a mobile home or driving into a park and looking at older homes might ask himself, “How could they ever sell these homes for anything? How could they ever be investments?” The myth is that they are throw-away type items. You buy them; you live in them until they are not worth anything any more, then tear them down and buy a new one.

But it really is not true. If you are a homeowner living in a mobile home, you look at it differently, because it is your home. Where else can you buy a home for \$1,000, \$1,500, even \$10,000, and pay so little for a 1,200 square foot, three bedroom, two bath, comfortable home? It might be a little bit older, but if it is in good shape, it is going to last a long time. It can be true that a mobile home loses value depending on the way it is treated, but it is no different than a house. If you neglect a house, you do not fix the roof when it starts leaking, it is going to depreciate and deteriorate, just like a mobile home. If you take care of a mobile home, it can last a long, long time. You can reside it like you do an old house. You can re-roof it like you do an old house.

Some of the older mobile homes were built with metal roofs and metal siding. You can still find them and get replacement parts for them. People have not done anything to them for 35-40 years, nothing, and they are still in super condition. Now try that on a house with shingles! I mean, you would have to at least re-roof it in 35 to 40 years.

### **What are the difference between a modular manufactured mobile home and trailer?**

I get this question a lot because sometimes you hear the term “manufactured home.” A manufactured home means that it was made in a factory. It could be a mobile home, it could be modular, it could be a sectional home—both a modular home and a sectional home are homes that are in put together in sections on a permanent foundation. A lot of times you would

## Making Money Through Mobile Home Investing

never know that they were not site-built houses, but they are not built on the site, they are transported to the site and then put together there. Sectional homes are built the same way, using small sections. They may make sections of the walls and put them together on-site, and you would have a really hard time telling a lot of these homes are manufactured homes. But there is a big difference. In the mobile home manufacturing process, all modules or sections are built indoors. Supplies do not get wet out in the weather. There are a lot of benefits to having a manufactured home, and their image in the public mind is more and more positive as people learn more about the benefits of manufactured housing.

A mobile home is also made in a factory, but it is different because it has a frame underneath it, and the home is never removed from the frame. It always stays there. You could pull the hitch off—we also call it a tongue—and you could pull off the axles, block and level it, and set it up permanently, but the frame never comes off. In fact, the home is leveled on the frame—it is what supports the home on the trailer. That was why they called them trailers back in the old days, maybe thirty years ago, and a lot of people still call them trailers. I think of a trailer as something you hook behind your car and you take it down the road, so we really do not encourage using that name any more. There really are not any “trailers” around today. The newer homes are called mobile homes or manufactured homes.

## How do I know mobile home investing is for me?

I asked myself the same question when I started. I was investing in houses, but what I wanted was a single-family residence for my buyers. It didn't matter whether it was a site-built home or a manufactured home, but at the time I did not know about manufactured homes. I became aware of them one day, and they turned out to be a good investment for me.

Now how would you know if it is a good investment for you? I think the question really is whether investing in mobile homes in a community is different than investing in a house in a neighborhood somewhere.

Here are some of the reasons that mobile homes are a good investment for anyone. Mobile homes can be placed in a community where the land is leased for them. What I invest in mainly are mobile homes within in a community.

I like investing in a community because even though I do not own the community, I can still work on a good relationship with the community owner or manager. Then I have somebody on my side to help watch over not only my tenant, but my asset, which is the mobile home. I may not know about an eviction, or that my tenants need to clean up their yard, or if they are moving out. All those same things can happen in a house in a neighborhood somewhere, but in a mobile home park or community, the manager is going to help me keep tabs on my people. I like that aspect of it.

Then there is the investment itself. If you do not have a lot of money, like I didn't when I started, you can still get into

## Making Money Through Mobile Home Investing

mobile home investing. That is initially why I got into mobile homes in the first place. I could buy them for very little money, or little money down, because people were motivated. I could walk in and take over their payments, and pay them no interest, or pay a small price for the home itself. I had a relatively easy time getting somebody else in there, because there is a segment of people that likes living in mobile home communities, so I could buy a mobile home for a reasonable price, have no debt on it, put somebody in it and just get that clean cash flow. When they moved out, I did not have any debt so I did not have to worry about making a mortgage payment while it sat empty.

So there are two big reasons that investing in mobile homes can be good for anyone: one, because of management; and two, because they are inexpensive assets.

Remember, depreciating value really depends on where the mobile home is placed. If it is in a location or a community that is run down, then yes, it is going to devalue that home. It would be just like a site-built house in a bad neighborhood where crime was non-existent at one time, and then the neighborhood becomes crime ridden. The value of that home is going to go down. No difference for manufactured housing. You can have appreciation in a mobile home if you take a home out of a bad community and put it into a good community. You can sell it in a good community for maybe two, three, four times what you would sell it for in a bad community. The cool thing about mobile homes is you can move them.

## What should a beginner do to get started in mobile home investing?

When I got started in mobile home investing, I drove into my very first community to determine whether this was going to be a good niche for me. I immediately went to the park manager and asked him what their guidelines were if I were to buy a mobile in here and resell it again. He explained that if I was going to do it in a way where I was a lender and not rent the homes out, they were very favorable to it. I just had to follow their guidelines and rules, which I did, and it turned out to be a good relationship.

So the first thing I would do as a beginner is to start driving the parks—I call it “riding the speed bumps”—and talking to the owners or the managers of the community. Learn what is in your area. There are good communities and there are bad communities—there might even be really bad communities in your area. There could be senior parks, too, where residents have to be 50 or 55 years or older, but I do not recommend them because, the people moving in to those, the senior people, usually have cash. It is not a good fit for my financing business, because I want to buy the homes and sell them back on a note. That is what my niche is about—selling them on financing and creating that cash flow.

Once I learned how to do it with mobile homes, I started looking for any course material I could find on it, whether it was books, audio courses, or seminars I could attend. That is what eventually led me into creating my own training and educational

## **Making Money Through Mobile Home Investing**

products. Over the years, I have had a lot of people ask me similar questions and how I invest in mobile homes and mobile home communities.

You can find additional educational resources and products on my website, [MobileWealth.com](http://MobileWealth.com).

# **Chapter 2: Market Research**



## Making Money Through Mobile Home Investing

## Chapter Description

In this chapter, Jerry answers questions relating to learning the local market and the market research every mobile home investor must do before they begin.

### How do you determine the value of mobile homes?

That was something that I had to figure out when I started, because you drive through a community or you go through a dealer's lot and the prices are all over the place. The homes are in all different conditions: some have vinyl, some have metal, some look really bad but they seem to still command a high price. How was I going to determine value? It was really a matter of doing my due diligence, because the value of a mobile home is very subjective.

Let me compare it to a car again. Someone may buy a car that has a lot of sentimental value to him, a car he always wanted. He does some upgrades like putting on new wheels and adding