

MAKING MONEY BY UPDATING YOUR PARK FOR THE 21ST CENTURY (& AVOIDING LIABILITY LAWSUITS)

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Small or big upgrades to your manufactured home community can pay for themselves and even reap large dividends – as well as help avoid failure to maintain lawsuits.

Many communities look and operate just as they did when they were first created. You can drive through many parks today and be instantly transported back in a kind of time warp of bingo and shuffleboard, clothes lines and potluck dinners.

Many seniors may love the familiarity of their communities being left in their vintage state. However, as a business plan, leaving your park in the 1970's is not in your best interest. It can hurt the value of your park, hinder financing, increase vacancies and leave you susceptible to claims of a failure to maintain.

It is important to look at the new generation of manufactured home dwellers, which is composed of retiring baby boomers and young families, and to predict its needs and wants. In doing so, you must also be willing to look at your park with fresh eyes and a realistic analysis of its infrastructure.

Small changes can make a big difference.

If you currently own/operate a senior community, you may have noticed that retirees today are significantly “younger” than the prior generations (and most of them have never played shuffleboard in their lives). Features that attract baby boomers will more likely be gym equipment, high-speed wireless internet service, and pilates classes in the clubhouse.

Even small changes can provide big attraction. That dated and dusty area called the “library” (a small room or corner of the clubhouse where used paperbacks line the shelves) can be remodeled into an exercise room with a few treadmills and exercise bikes or into a modern community room with a new sofa and flatscreen TV.

Even under rent control, upgrades like these can usually be fully recovered, with interest. Some jurisdictions allow the park owner to unilaterally pass-through such costs. Others require prior agreement by most residents, but many residents are willing to pay a couple of extra dollars a month when the benefits are visible and immediately usable.

Big upgrades can pay for themselves and protect you from resident claims.

More significant upgrades may be necessary. Many parks today are operating on 50 or even 30 amps. Today's energy-gulping appliances like panel TVs and air conditioners may be causing brown outs, dangerous conditions and malcontent residents. Additionally, as most newly manufactured homes operate on 100 amps, this also discourages (or prevents) residents from bringing in newer homes.