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Why residents should buy their park

By Dave Semelsberger

More than 150 mobilehome parks in California are resident-owned. This is an increase from 19 resident-owned parks in 1985. Why have these residents purchased their parks?

Their primary reason was to control their own destiny by bringing stability into their finances and lives. Most residents want greater security and control over their living environment. By buying their park, residents protect themselves from financial pressures caused by rising rents and related services. In a resident-owned park, monthly payments will likely be lower and stable.

Fear of eviction or park closure also have motivated residents to buy their parks. If a park is a senior park a landlord may change it to a family park without consulting the residents. This cannot happen if the residents own the park.

Once they own their park, residents control park management, rules and regulations, and capital improvements. They are no longer at the mercy of a landlord, more concerned with making a buck than with the health and safety of the human beings who pay him rent. Residents as park owners decide how to maintain the facilities and keep the park in good working order and condition. They decide how to spend the monthly income on repairs of improvements. They decide what rules or regulations are important, and which ones

should be disregarded.

In resident-owned parks, homes frequently appreciate in value. The homes and spaces are more saleable. There is less interference in home sales. Residents control resales — not someone else.

The residents can use the equity in a space as collateral for loans. Consumer loans on a mobilehome can be refinanced as a real estate loan at a lower interest rate. The bank can combine the home and space in one loan.

There are estate planning and tax advantages. A resident can leave his home to his heirs as real property instead of personal property. Interest and property taxes can be deductible.

Low interest loans, grants, and other forms of government assistance can make the cost of living in the mobilehome park more affordable.

With all these benefits, each resident should consider buying his or her park. More and more resident groups are organizing to purchase their parks, and are succeeding in completing the purchase. Shouldn't you?

In future articles, we will tell you how to finance the purchase and take you through each of the steps from organizing to closing escrow and the first year of ownership.

If you have any questions, or want further information, give me a call at (619) 544-0123.