

Track A

BUSINESS STRATEGIES

**Investment Strategies, Success Stories,
& Risk Management**

Track A

BUSINESS STRATEGIES

Beyond the Bank:

An unconventional path to unlocking wealth through Mobile Home Parks

Jan Konrad | Rooms 407 - 408 | 1:30pm – 2:15pm



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Jan Konrad

Investor & WAREI Founder

Jan is an immigrant who came to this country with nothing, studied hard, and finally attained the American dream.... of a steady, corporate job. Or so he thought.

Jan eventually wised up and left the steady paychecks to become a full-time real estate investor in 2017. Today, he owns and operates a portfolio of 400+ cash-flowing units around the country, plus a variety of active real estate construction projects in Seattle. He is the founder of the WA Real Estate Investing (WAREI) Facebook group, where 23,000+ members in the Pacific Northwest connect and share value every day. In his spare time, Jan loves to stay active, travel 3-6 months per year, raise hundreds of thousands of dollars for charities he cares about, and teach real estate investing.

OBJECTIVES

BEYOND THE BANK:

An unconventional path to
unlocking wealth
through Mobile Home Parks.

1. Learn the **7 STEPS TOWARD** realizing the goal of owning a mobile home park investment.
2. Review and discuss the details of a successful seller-financed mobile home park deal.



Why Are You Here?





The Problem

You're lacking something....

It's probably one of the following.....





Capital

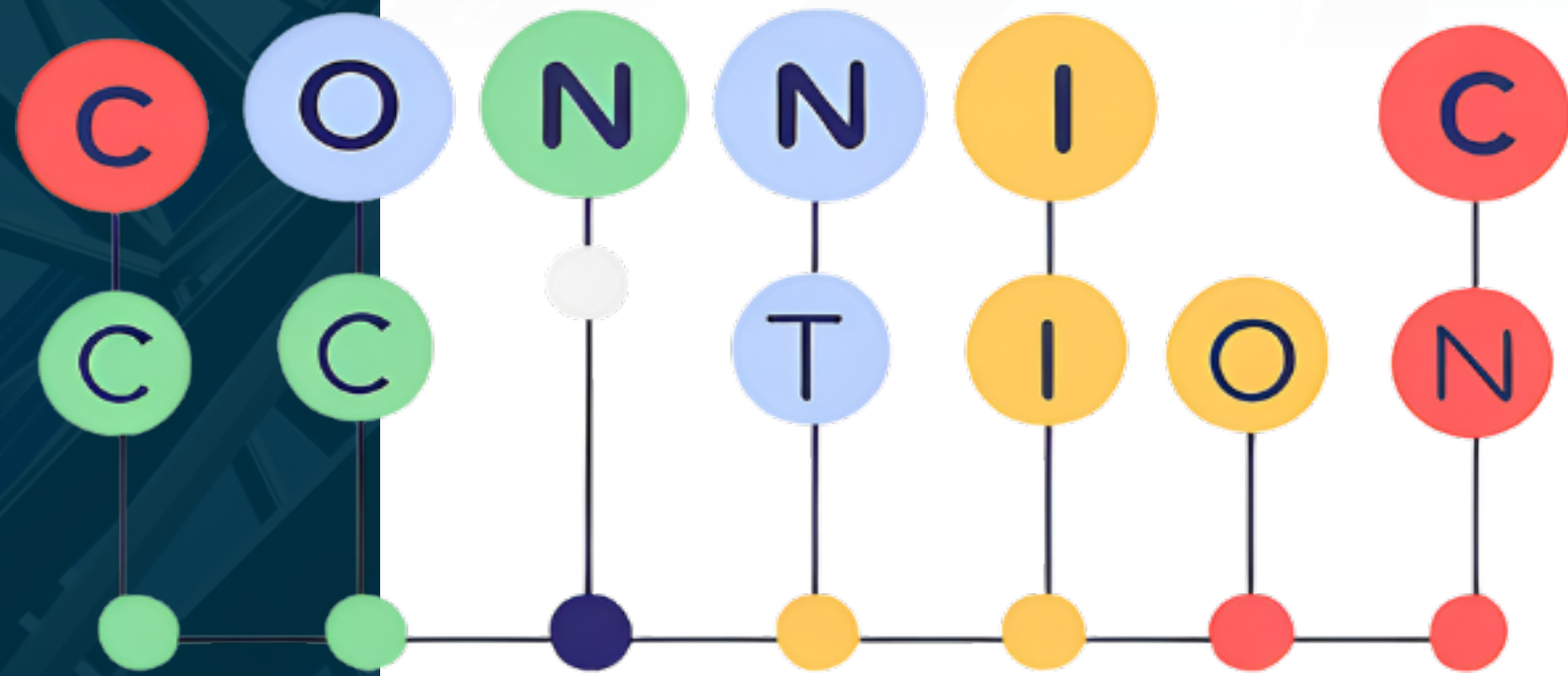


Credit





Connections



Confidence





The Solution:

Off Market

**SELLER
FINANCED**

Mobile Home Parks



THE 7 STEP FORMULA

To Your 1st Off-Market MHP

THE 7 STEPS



1 { **Declare**

2 { **Define**

3 { **Disseminate**

4 { **Dive into Deal**

5 { **Diligence**

6 { **Debt**

7 { **Dollars**

But before that, **WHY MHP?**



- 1 { **Uncorrelated Asset = Recession Resistance**
- 2 { **Lower Operational Input**
- 3 { **Lower Turnover**
- 4 { **One of the highest cap rates in buy-&-hold**
- 5 { **Fragmented Market**
- 6 { **Limited Supply = Demand and Price Growth**
- 7 { **Price/Rent Ratio**

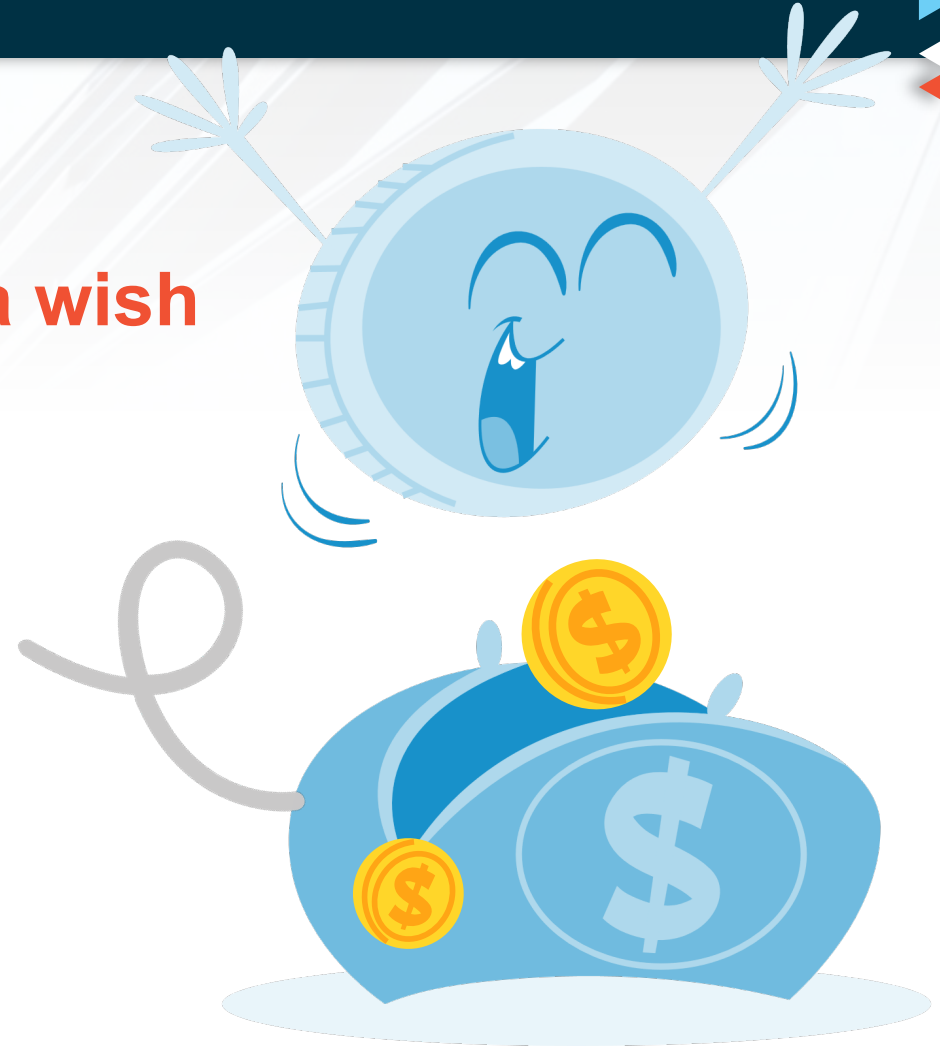
STEP 1 { Declare

A dream without a plan is just a wish

1 - **Believe:** I can, I must, I will

2 -

3 -



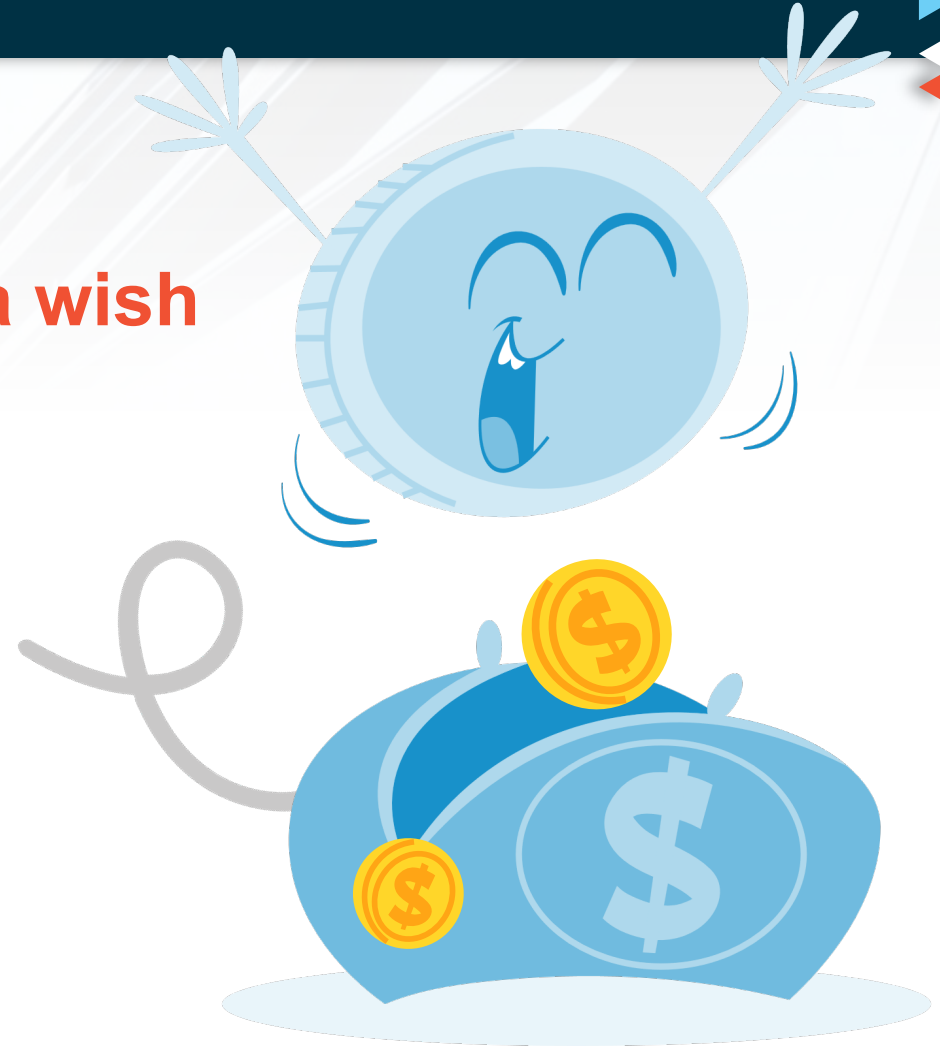
STEP 1 { Declare

A dream without a plan is just a wish

1 - Believe: I can, I must, I will

2 - Write it down in a **SMART format**

3 -



STEP 1

• Declare

SMART Format

S	Specific Clearly State your Goal
M	Measurable Ensure you can Measure Success
A	Attainable Set Goals you know you can Achieve
R	Relevant Set Goals Relevant to your Career or Education
T	Time-Based Set a Deadline for Completion

STEP 1

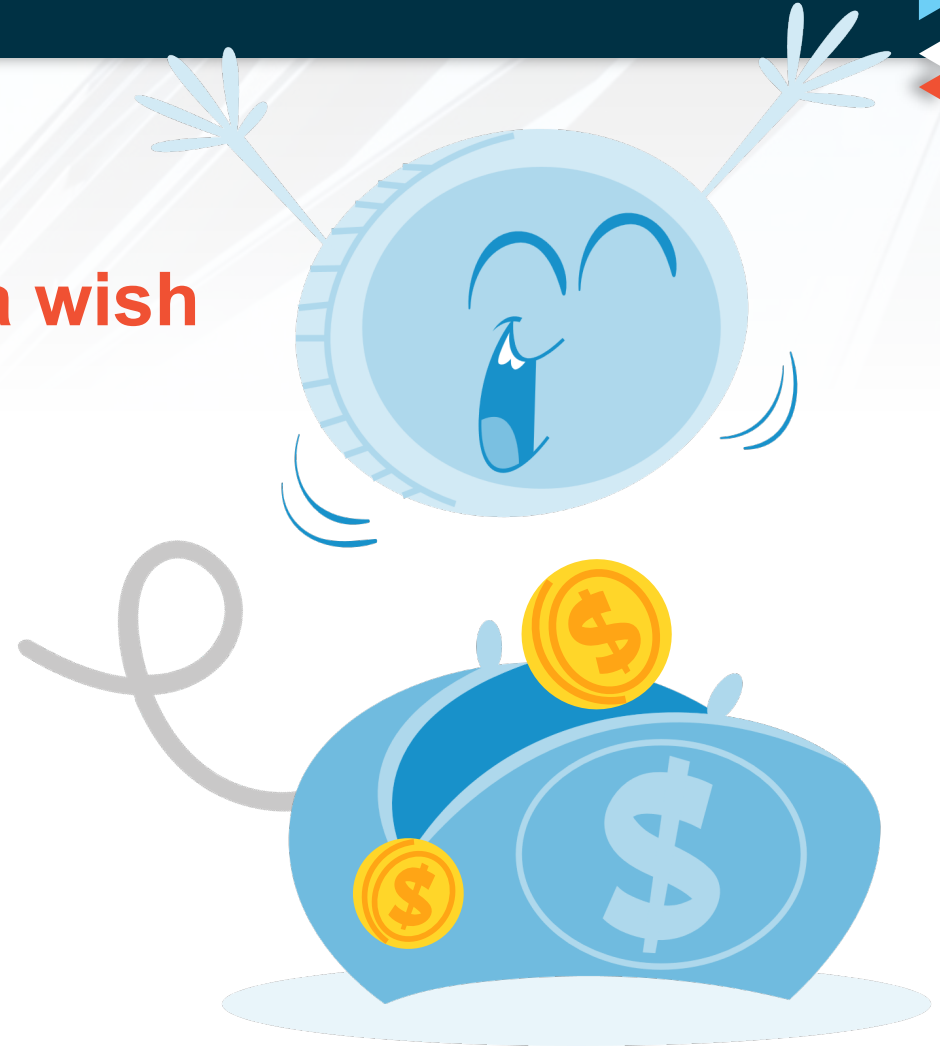
Declare

A dream without a plan is just a wish

1 - Believe: I can, I must, I will

2 - Write it down in a SMART format

3 - Refer to **GOAL** weekly



STEP 1

Declare

Goal Reminder



Acquisitions Meeting

Monday, June 10th, 2024

2024 Goals Reminder:

- Buy 200+ units
 - Anything in our buy box
 - Buy one every 6 months
- \$500k of assignments
 - \$125k average fee per quarter

Weekly Debrief:

10:30: Moment of Gratitude

10:33: Jan: Offers crafted last week: **MHP: 8** **New Offers Crafted** **SFR: 3**

10:35: Team: Offers presented last week: **MHP: 9** **New Offers Presented** **SFR: 3**

10:40: Review Leads Input by Cold Callers: **MHP: New Leads: 10** Jennie, Helen, **SFR: Mary: 12**

10:41: Leads Ready for Offer: **CRI: 1 MHP: 0 SFR: 0**

10:42: Leads that need more information (Status 3): **CRI: 43 MHP: 41 SFR: 30**

10:42: Aya presents Individual Activity by Team Member: **Jan- 24, Erik - 10, Taylor -132, Devin - 159, Aya- 62**

10:45: Review Marketing and Lead Plan (Taylor present Brokers, Devin present FB searches)

10:50: Review Parks Under Contract

11-11:30: Devin & Taylor: Lead Review and Making Offers if Necessary

STEP 2

Define

Define Your Criteria



STEP 2

Define

Define Your Criteria



Buying Criteria

In WA state Purchase:

- 12+ spaces
- NOT on lagoon or Waste Water treatment plant
- Positive Cashflow by End of Year 1
- \$500k+ Profit within 10 years

Out of state Purchase:

- 40+ spaces
- 100,000 people+ MSA (Metro Statistical Area)
- Median Home Price: \$150,000+
- Median Income: \$40,000+
- City Sewer or Septics OK
- Absolute NO on lagoon or Waste Water treatment plant
- City water strongly preferred over Well
- Positive Cashflow by EOY 1
- \$500k+ Profit within 10 years

Assignment Out of State:

- 20+ spaces
- Median Home Price: \$150,000+
- Median Income: \$40,000+
- NOT on lagoon or Waste Water treatment plant

STEP 3 { Disseminate

Make the world understand your dream and offer

1 – Cold Calling

2 –



STEP 3 { Disseminate

Cold Calling

\$500 Per Caller
Per Month




Mobile Home Park Cold Call Script

AGENT: Hi, Owner Name ?
Park Owner: This is him, who's this?

AGENT: This is Alex, I work with a mobile home park investor, do you still own a mobile home park?
Park Owner : Yes I do, why?

We would like to make an offer for your park. This will only take a couple of minutes. I'll need to ask you a few questions about your park and my boss will send a package about us to your email.

- What is the best email I can send that to? Write down email now
(park address) is the correct address of the park?
- Great! And can you confirm the name of your park? If you have the name of the park already then just read it to them and confirm if it is correct

Qualifying Questions

1- How many total spaces are there in the park?
If park has more than 10 spaces, skip to the the Park questions
If Park has less than 10 spaces, ask next question
Is there any room to expand the park? How many more homes could fit?
If park has less than 20 spaces, and NO room to expand, say: Thank you for your time but this park does not fit our criteria.

Park Questions

3- How many spaces are currently occupied?
4- How many Homes in the park do you own?
5- How much do those Park Owned Homes rent for?
(if space rent is \$300 for Tenant Owned Homes, Park Owned Home total rent is normally double that around \$600)
6- How many of the homes are Tenant Owned homes?
7- How much is space rent for Tenant Owned Homes?
9- Does the water come from the City or a Well?
10- Does the sewer come from City Sewer or Septic Tanks
11- Who pays for Water/Sewer/Garbage? Landlord or Tenants?

Last Questions: (Important)

12 - What price range would you be happy to sell the park?
What if you got a great cash offer that could close in 60 days?
13 - Perfect, that's all the information I need! I just want to confirm:
- Your first and last name _____ ?
- Your park's full address is _____ ? **(MAKE SURE TO GET City / State / Zip Code included)**
Perfect, thank you so much for your time today, I'll pass the information to my boss and he'll contact you soon with an offer.

STEP 3 { Disseminate

Make the world understand your dream and offer

1 – Cold Calling

2 – Direct Mail



STEP 3 { Disseminate

Direct Mail

~.50 cents per postcard
or \$1 per letter



Dear **Seller Name**,

We're about to close on another park in WA and are excited to establish it as a clean, safe and affordable community. We'd **still** love to make you an offer for your park at **Park Address**. Selling your park is a huge decision. Two park owners have recently chosen us as the steward of their communities because we respect this fact.

Timing: when you're ready, we're here.

Offer: flexible terms crafted around your individual needs. No commissions or repairs.

Buyer: we'll be happy to connect you with previous customers.

To discuss a sale or receive a no-strings-attached offer, reach out directly via text or call at (253) 525-2128, or email at ian@wa-housing.com.

I look forward to hearing from you soon,

STEP 4 { Dive into Deal

1 – Dive into the Relationship

2 –



STEP 4 { Dive into Deal

Valuable Things you can do for a park owner before you ask them to tell you about them and their motivations

- give a contractor
- help them fill a lot
- give contact for new homes
- a better insurance person/quote
- share an article relevant to the industry
- give rent report



STEP 4 { Dive into Deal

1 – Dive into the Relationship

2 – Analyze the deal with Quick Analysis



STEP 4

Dive into Deal

Quick Park Math

$\text{NOI} / \text{Market Cap Rate} = \text{Offer Price}$

NOI = Revenue - All Operating Expenses NOT including Principal and Interest

$\text{Occupied Spaces} \times \text{Space rent} \times 12 \text{ months} = \text{Revenue}$

$\text{OPEX} = \text{Revenue} \times .6 \text{ (OPEX)}$

$\text{Rev} - \text{OPEX} = \text{NOI}$

$\text{NOI} / \text{Cap Rate} = \text{Value}$

STEP 4

Dive into Deal

Class
A

MHPs



4-5% CAP Rate
\$100,000 per
space+

- In major market
- Mostly all double wides
- Paved Roads
- Curb and Gutter
- Uniform Homes
- Amenities
- Landscaping
- 100-300 spaces

STEP 4 { Dive into Deal



Class
B

MHPs



6-7% CAP Rate
\$50,000 per space+

- In secondary market
- Newer singles/doubles
- Paved Roads
- Landscaping/Signage
- 40-100 spaces
- Clean
- Updated Utilities

STEP 4 { Dive into Deal



Class
C

MHPs



4-5% CAP Rate
\$100,000 per
space+

- In major market
- Mostly all double wides
- Paved Roads
- Curb and Gutter
- Uniform Homes
- Landscaping
- 100-300 spaces

STEP 4

Dive into Deal

Quick Park Math

$\text{NOI} / \text{Market Cap Rate} = \text{Offer Price}$

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$\text{Rev} - \text{OPEX} = \text{NOI}$

$\text{NOI} / \text{Cap Rate} = \text{Value}$

QUICK MHP VALUATION CALCULATOR

Instructions: Make inputs to **Blue Text** in white Cells only. Please recognize that POH rent SHOULD NOT be capitalized, and as such the "Total Net with POH Income" is only for your reference. Never make a purchase decision in which the value of the park is dependent on the income derived from POH rentals. Only capitalize Pad (aka Space) rents.

AT ACQUISITION

Park Info

Address	Cash Price <small>Seller Financed</small>	OPEX Estimate (who pays Utilities?)	Current Avg Pad Rent POH Rent	Market Pad Rents	Additional Income Monthly	Total Pads	Occupied TOH <small>Total Occ. POH</small>
123 main st, moses lake	\$1,500,000 \$1,800,000	Tenants <input type="checkbox"/> Owner <input type="checkbox"/> RV/POH <input checked="" type="checkbox"/>	\$500	\$550	\$240	43	40 40 0
Cash Price Per Pad	\$34,884	pad = space = lot					

AFTER VALUE ADD (YR 5 EXIT)

Park Info

Total Pads	Occupied @ Exit	Who Pays Utilities	Expense Ratio	Annual Pad Rent Increase	Annual Addtl Inc. Increase	CAPEX
43	43	Tenants <input type="checkbox"/> Park <input checked="" type="checkbox"/> RV <input type="checkbox"/>	40%	\$25	\$50	\$60,000

NOI Estimation

Revenue Pad only	Revenue with POH	Expense Ratio	Expenses	NOI	Total Net (with POH) Income	Best Case NOI
\$242,880	\$242,880	50% 55%	\$121,440 \$133,584	\$121,440	\$109,296	\$143,340

Annual NOI Estimation

Year 1 NOI	Year 2 NOI	Year 3 NOI	Year 4 NOI	Year 5 NOI	Year 6 NOI	Year 7 NOI
\$172,008	\$185,681	\$188,208	\$196,308	\$204,408	\$212,508	\$220,608

VALUE Estimation

CAP Rate on Pad Rents only	Value at 4.5% CAP	Value at 5% CAP	Value at 6% CAP	Value at 7% CAP	Value at 12% CAP
8.10%	\$2,698,667	\$2,428,800	\$2,024,000	\$1,734,857	\$1,012,000
6.75%					

YEAR 7 EXIT VALUES

Yield on Cost	Cost Basis	Exit at 4% CAP	Exit at 5% CAP	Exit at 6% CAP	Exit at 7% CAP	Exit at 8% CAP
11.86%	\$1,860,000	\$4,907,700	\$4,088,160	\$3,406,800	\$2,920,114	\$2,656,350

Best Case Cap Rate: 100% Occupancy at Market Rents

Cash	9.56%					
Cash w/ Fee	9.25%					
Seller Financed	7.96%	\$3,185,333	\$2,866,800	\$2,389,000	\$2,047,714	\$1,791,750
Seller w/ Fee	7.75%					
Wholesale Fee	\$50,000					

Seller Financed?	Monthly Operating KPIs					
<input checked="" type="checkbox"/>	Revenue	OPEX	Debt Serv.	Net	CoCR	DSCR
As-Is PAD	\$ 20,240	\$10,120	\$6,071	\$4,049	13.50%	1.67
As-Is w/POH	\$ 20,240	\$11,132	\$6,071	\$3,037	10.12%	1.50
Best Case PAD	\$ 23,890	\$11,945	\$6,071	\$5,874	19.58%	1.97
YR 7 Exit PAD	\$30,640	\$12,256	\$6,071	\$12,313	35.18%	3.03

PROVIDED TO YOU BY: JAN WANOT
EQUAL HOUSING GROUP + WAREI

MHPARKACADEMY.COM

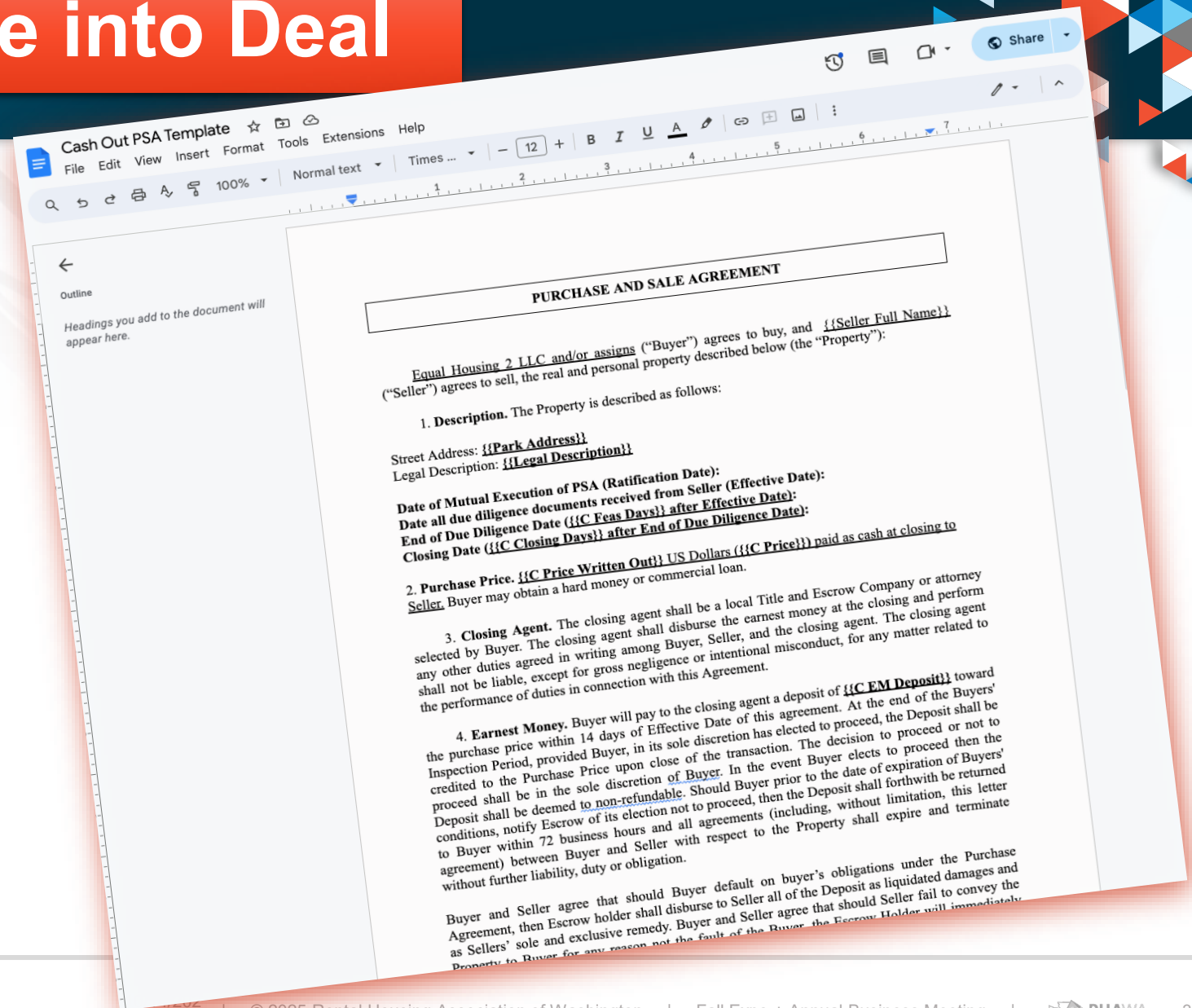
[MHP Quick Analysis
Tutorial and Template](#)

STEP 4

Dive into Deal

Cash Out PSA Template for MHPs

If you also want a Seller
Financed PSA Template,
join MHParkacademy.com



STEP 5 { Diligence

WEEK

1 - Seller Q&A, get financials, create projections

2 - Schedule on-site inspections + Phase 1

3 - Records & research: city, county, police, title, zoning

4 - Perform onsite inspections



STEP 5

Diligence

TIME	CONTRACTOR/COMPANY	INSPECTING	CONTACT
1 PM, 4/19	Home Electrical Services Heating and Air	ELECTRICAL	James, info@homeelectrical.net, 509-350-0055
11 AM, 4/19	A&N Plumbing and More LLC	PLUMBING	Nathan, anplumbingbookke@gmail.com, \$69 travel fee- 509-679-6358

CONTRACTORS, INSPECTORS, SERVICE PROVIDERS, UTILITY COS

Category	Company	Phone	Name	Contact Notes
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Hi, we are purchasing 126 4th Ave SW and plan to repair a lot of issues up front as soon as we close. Can you give us a bid by next ____ for the following?

- Need a bid to repair any faulty pedestals
- Need to know condition and any repairs required to main service lines and a bid to fix them
- Any other problems we should be aware of and bid to fix them

Electrician	Home Electrical Services Heating and Air	509-350-0055	James, info@homeelectrica	April 19th, 10am walkthrough
Electrician	SageLand Electric LLC			LVM
Electrician	Hochstatter Electric	509-765-0254		Charge \$250
Electrician	Homestead Electric	509-771-1318		His license only covers residential so he probably can't help - he will get back to me on 4/10 if he can
Electrician				

Hi, we are purchasing 126 4th Ave SW and plan to repair a lot of issues up front as soon as we close. Can you give us an inspection and bid by next Monday for the following?

- Need to inspect septic tanks and understand their current condition, any issues and how many years of operation they have left.
- Material, size, type of system?

Septic				
Well				
Excavating				

Hi, we are purchasing 126 4th Ave SW and plan to repair a lot of issues up front as soon as we close. Can you give us a bid by next ____ for the following?

- Need a bid to repair any leaky or potentially problematic plumbing (check supplies/connections at every one of the 44 units)
- Need to know what the main water supply lines are made out of
- Need to know what the main sewer line is made out of
- Any problems we should be aware of with main plumbing lines, and a bid to fix them

--Brief them on what we're doing: MHP investors, under contract to purchase this park. Our process is that as soon as close we want to repair safety and habitability issues immediately. And we want to get things operational so we don't have to think about them for a few years. We want to improve the property. Main water line material, opinion on that, diameter main water lines and lines into the home. Need to inspect a sample of the homes (at least 10-20 minimum). What is the riser type? Is there one? Plastic or concrete? Is there consistency? Insulation inside riser? Is there heat tape? Is there a shut off at each home? Any leaks or potential issues with what's underneath the home? The end result of this we need is a bid, an avg cost per home to bring it up to an operational standard? Materials and labor the cost to repair should be? Go inside a few homes that are POH and see what the condition is (at least 4). Plumbing material inside? Any issues with it? Underneath sink, any signs of leaking? We want to know status of homes we're going to own. We want to be able to sell those homes ASAP so how much would it cost to get them up and ready

Plumber	Patriot Plumbing, Heating & Cooling, Inc.			Need to confirm with Sam before and they also charge. \$50 travel charge, plumbing dispatch fee is \$
Plumber	A&N Plumbing and More LLC	509-318-2873		\$69 travel fee
Plumber				

Call paving company and get bid for filling any existing potholes VS a full mill/pave

Roads - Asphalt				
Roads - Asphalt				

STEP 6

Debt

Bank Loan: Call 50 Lenders & Pick the Best

OR

Finalize Seller Financed Note and Deed



LENDERS											
Bank	Bank Phone	Loan Officer	Loan Officer Name	LO Phone	LO Email	General Notes	Follow Up	Amortization	Term/ Balloon	Int. Rate	LTV
Peoples State Bank	(715) 842-2191		Pat Hire and Kevin Ile		kevin.ile@bankpeople.com	Sent Jan's financials on 6/7	need appraisal cost, need specifics for WI LLC, what is the pre-payment penalty? can do I/O for 2 years. if we refi, can do no prepayment penalty	20	5 year fixed + 2 float (up to 5 years - flexible on this)	A couple examples could be a 3 year term fixed at 3.80% and a 5 year term at 4.10%.	75%
Nicolet National Bank	920-431-3685		Michelle Sternard		msternard@nicoletbank.com	Sent Jan's financials on 6/7	email sent	20 year (checking on 25 capability)	5 year term	4.31% fixed for 5 years	693K (75%)
Bank of Luxembourg	920 468 8400		Jake Dittmann	920-979-9655		Gave us 2 options	call dane specifically back	20 or 15	5 years	4.79% fixed 5 yr with 20 year amo or 4.39% fixed for 5 years w/ 15 yr amo	690k
American National Bank of Wisconsin	(920) 739-1040		Chris Missum (?)		cnissen@anbfc.bank	Followed up via email 6/7					
Bay Bank	(920) 490-7600		Chris Coppens			LVM 6/1					
Bank First	(920) 469-0500		Matt Bookter			LVM 6/1					
First Federal Bank of Wisconsin	(262) 542-4448		Michael Berry	Rob		Michael is out of office until the 7th, LVM with Rob 6/1					
Capitol Bank	(608) 836-1616		Patrick			LVM 6/1					
Park Bank	(608) 283-6821			608-278-2800		Someone will call me 6/1					
Northern Paper Mills Credit Union	(920) 432-9044		Garv Brumen		abrum@foxcu.org	I've emailed him a few times seeing if he's had a chance to look at our docs					
Wisconsin River Bank	(608) 741-6280		Darlene		dbovddezeeuw@wisconsinriverbank.com	Out of their area. If we find something in Janesville they'd take a look					
Service Credit Union	(920) 433-1784					LVM 5/27. Don't do MPH's					
Spring Bank	(262) 754-5555					No					
Cornerstone Community Bank	(262) 375-9150					NA					
PCM Credit Union	(920) 499-2831					Select employee group credit union -no-go					
Partners Bank	(715) 384-4005		Jeff Colstein			Not interested - too far away					
Bank of Wisconsin Dells	(608) 253-1111					Park is out of their market					
Associated Bank	(920) 743-6521		christine velice (branch manager)			Needs to be a WI resident	call back				
Wisconsin Medical Credit Union	(920) 432-4353					No commercial lending					
UW Credit Union	(800) 533-6773					Not in scope					
CoVantage Credit Union	(800) 398-2667		Ryan			Yes to out of state if property is in chartered or qualify for membership in some type of way - Sturgeon is not in chartered area					
North Shore Bank	(920) 743-3391		Mike Fullv (maybe)			Don't lend to out of state investors					
GreenStone Farm Credit Services	(920) 743-8150		Dan (?)	920-639-4743		Can't do					
Schneider Community Credit Union	(920) 499-4711					Don't do business loans or MPH loans					
Press-Gazette Credit Union	(920) 431-8376					Deadline					
Shoreline Hometown Credit Union	(920) 482-3700		Andrea Schmitt			Not interested					
First National Bank and Trust	(262) 743-2223		Aaron Bussin			Don't have interest in looking at MPH					
BMO Harris Bank	920-497-5200 (920) 497-5200		Ryan Cwiakl(Business Development)	920-716-8679		Currently aren't lending to MPH					
Wisconsin Bank & Trust	(920) 983-5000		Craig			Recommends visiting with Nicolet National - Jamie Alberts (920-743-5551) - LVM for Jamie 5/27					
East Wisconsin Savings Bank	(920) 766-4646		Debby Rinaldi			Can't help with MPH					
Capital Credit Union	(920) 494-2821 (800) 494-2821					GM commercial lending					
Hi, we are purchasing a Mobile Home Park in Sturgeon Bay, WI. Would you please forward me to your commercial real estate loan officer?											
Once on the phone with Loan officer: - We are purchasing Carlton Heights Mobile Home Park for \$925,000. Address is: 5707 W Carlsville Rd in Sturgeon Bay, WI 54235 and looking for a loan. - We have credit scores in low 800's, a \$20,000,000 portfolio of residential and commercial properties in WA state. We own and operate 2 mobile home parks that are VERY similar to the subject. 1. Do you loan to out of state borrowers? 2. Do you have any similar assets in your portfolio currently? Mobile Home Park, RV parks or self storage (uncorrelated assets) 3. What would your ballpark rates and terms be on something like this? (We are looking for 75% LTV fixed for 5 years minimum)											
How quickly can we get a terms sheet? How quickly can we get a commitment letter? Many banks want us to pay money before a commitment letter: our investors DO NOT allow this until we have firm terms.											
Property Info: 44 spaces 43 Tenant Owned Homes (2 are being renovated) 1 single family home New well installed in 2018, Well maintained septic systems (6 large systems throughout the park) with very regular service records Lot rents at \$295 currently, we will raise to \$325 Year 1 NOI projected at \$96,000 DSCR is at 2.09 assuming we get 25 year amo, 4.5% rate, 75% LTC											

STEP 7 { Dollars

Fund the Deal with your own Capital

OR

Share your Business Plan and Get OPM



STEP 7

Dollars

INVESTOR RETURNS

Exit Strategy	Sale
Exit Year	5

Assumptions	
Total Capital Partner Ownership %	32.0%
Total Limited Partner Units	2
LP Ownership % Per Unit	16.00%
Share Value	\$185,000

Annual Return per Share	2022	2023	2024	2025	2026
Annual Return Per Share (\$185000 Invested)					
Operating Upside	\$7,045	\$17,431	\$19,150	\$19,699	\$20,525
Proceeds at Sale	\$0	\$0	\$0	\$0	\$171,220
Limited Partner Principal Payback	\$0	\$0	\$0	\$0	\$185,000
Total Annual Returns	\$7,045	\$17,431	\$19,150	\$19,699	\$376,745
Total CoCR	3.8%	9.4%	10.4%	10.6%	203.6%

Sale Year 5 - Limited Partner Investment Summary			
Total # of Shares Purchased	1	2	3
Total Amount Invested	\$185,000	\$370,000	\$555,000
Total Operating Upside	\$83,850	\$167,700	\$251,550
Share of Sale Proceeds	\$171,220	\$342,441	\$513,661
Total Return on Capital	\$255,070	\$510,141	\$765,211

IRR	20.7%	20.7%	20.7%
Total CoCR	137.9%	137.9%	137.9%
Annualized CoCR	27.6%	27.6%	27.6%

CONTACT



Jan Konrad

Investor & WAREI Founder
WAREI FB group:
Search WAREI in FB