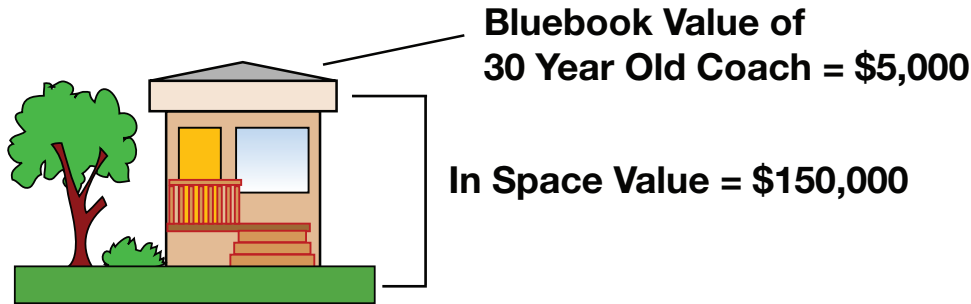


How “In Space” Value Works and Why The Proposed Park Conversion Will Hurt Your Equity

Common Profile of an Older Coach in a Rent Controlled Mobile Home Park

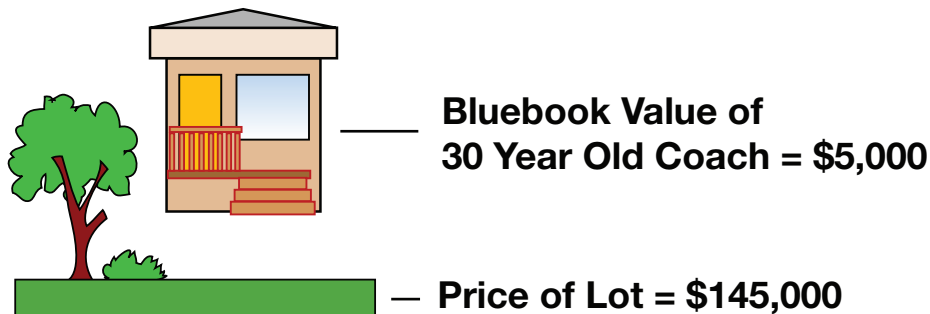


When you purchase a mobile home in a rental park, you pay one price that includes both the home itself and the right to use of the land on which it sits. This is referred to as the “in space” value.

Location of park, condition of park, and strength of local rent control ordinances will increase or decrease the “in space” value of the home. A home in an “A” rated park will cost more to purchase than one in a “B” rated park. A home with low space rent will cost more to purchase than one with high space rent. The final cost is determined by a combination of local market forces such as availability of financing, income levels, cost of living, the cost of comparable mobile homes and the price of real estate.

So when someone purchases a mobile home they are purchasing the total value of ownership. Not just the home itself.

Common Profile of an Older Coach in a Converted Park



When a park is converted, the lot and the home are separated. This wipes out the “in space” value and transfers the majority of the equity to the owner of the park. What the home owner originally paid to purchase the coach is no longer relevant.

A potential buyer will pay one price for the land and purchase it directly from the owner of the mobile home park and pay one price for the home itself and purchase it directly from the owner of the home.

These are two separate purchases involving two separate forms of financing. The financing options to buy the lot will be better than those available to purchase the home.

Potential buyers will compare the total cost of homeownership in a converted park to those in other parks where you rent, not to Resident Owned Parks. This is because a converted park shares little of the actual and psychological benefits that are found in a true Resident Owned Park (ROP)