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Today's manufactured homes are a lot different from how they were 20 or 30 years ago. The tiny trailers of yesteryear, known primarily for their garish exteriors and troubles with extreme weather, have been replaced with well-built, sturdy homes that often have three bedrooms, pleasing interiors and, in some cases, second floors.

And as the homes have changed, so have the manufactured home parks where homeowners live. Increasingly, park tenants are becoming park owners — and New Hampshire is far and away the leader in helping tenants own not just their homes, but the land underneath them.

Thanks to a state law that requires park owners to sell to tenants if the tenants can match an outside investor's bid, and the New Hampshire Community Loan Fund, which provides technical help and financing for those tenants, nearly 90 parks in New Hampshire are now resident-owned cooperatives.

In terms of market share, that's nearly one-fifth of the total manufactured housing stock in the Granite State. In terms of people, roughly 4,200 homeowners and their families live in such parks. Those involved

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in the projects say the solid and steady growth in resident-owned parks shows no signs of changing anytime soon.

"When manufactured housing parks come up for sale, state law in New Hampshire says the park can't be sold without the park residents being given the opportunity to match the offer and buy the park," said Peter Rhoads, who heads the Cooperative Assistance Team of the Loan Fund's Manufactured Housing Park Program.

"There are a number of banks in the state that bid on the first mortgages for these (parks). There are 86 cooperatives in the state — and there's never been a failure," Rhoads said.

It's a process that started in 1984, when the Loan Fund helped tenants at a Meredith mobile home park form a cooperative that bought their park. But things really took off in 1989, when the state passed its landmark law requiring park owners to give their tenants a

chance to match outside offers.

"It's been the catalyst for us being so successful," Rhoads said.

Typically, tenants gain financing through a bank — that holds a mortgage for 85 percent of the park — and the Loan Fund, which holds a second mortgage on the remaining 15 percent.

The financial impact on residents from owning their park's land can be significant, and academic studies on the matter have borne this out.

Researchers at Southern New Hampshire University's School of Community Economic Development and at the University of New Hampshire's Carsey Institute have found residents living in cooperatives enjoy higher property values than people living in investor-owned parks.

"Parks that are resident-owned have a higher valuation than those that are not resident-owned," said Michael Swack, dean of Southern New Hampshire University's School of Community Economic Devel-

opment.

One big factor behind that, Swack said, is that residents have the ability to control their own lot rents. Since lot rents would no longer be subjected to outside forces, and residents could count on stability in those rates, that would add value to a property, Swack said.

"The market has now incorporated that information, so buying in a resident-owned park is a better value, and that's reflected in price," Swack said, adding that real-estate brokers are increasingly using a park's resident-ownership as a selling point.

The Carsey Institute's 2005 study took a look at mobile home sales between September 2004 and September 2005, and found that mobile homes in resident-owned communities sold for an average of \$53,077, compared to \$45,845 for homes in investor-owned communities.

The homes also spent fewer days on the market — 60 for



ROCs compared to 83 for IOCs — and also received an average price of \$55.1 per square foot, compared to \$48.6 per square foot in IOCs. That held even though the assessed per square foot values for homes in both types of parks were essentially the same.

Typical lot rents in resident-owned communities were also lower than those in investor-owned communities, according to the UNH study — on average, about \$266 per month for ROCs compared to \$277 per month for IOCs.

Although a small difference, the UNH researchers suggested the difference was so small due to initial outlays on improvements — like new sewer systems — when ROCs first form. Lot fees in parks that have been resident-owned for a long time are significantly lower than investor-owned parks — by about \$35 per month.

Homeowners in resident-owned parks were also more likely to have a fixed-rate mortgage as opposed to an adjustable-rate mortgage, the UNH study said. It found about 87 percent of owners in resident-owned parks had fixed-rate mortgages, compared to 69 percent for those living in investor-owned parks.

“ROC residents are more likely to have a fixed rate of interest, and the difference is sizable and statistically significant,” the UNH study said. “This is evidence of an objective economic benefit that suggests a real basis for the perceptions of residents.”

Perhaps surprisingly, New

Hampshire’s cooperative model — which the Loan Fund has gotten down to a science — hasn’t spread too rapidly around the nation.

“I can’t say I’ve seen a tremendous number of cooperatives being created,” said Bruce Savage, vice president of public affairs for the Manufactured Housing Institute, a national industry trade group based in Arlington, Va. Savage considers New Hampshire far and away the leader in promoting resident-owned communities.

“I think the state ... really fosters that kind of movement with the regulatory framework they have established,” Savage said.

But New Hampshire is working on spreading the gospel elsewhere. The Loan Fund’s ROC USA program is an initiative with national scope aimed at expanding the concept of resident-owned communities throughout the United States. Since 2005, it has taught dozens of technical assistance providers from around America to help park tenants form their own resident-owned communities.

In the meantime, the Loan Fund will continue to pursue deals here. Right now, the Loan Fund is negotiating with parks in Allenstown, Derry and Litchfield, according to Rhoads, and in an average year, the Loan Fund closed on seven deals. That’s not a trend expected to change anytime soon.

“I don’t see it changing,” Rhoads said. “It’s become ingrained in New Hampshire that when manufactured housing parks come up for sale, this is what happens.”

