

How To Profit From Mobile Park Homes

Contributed by Omar Johnson
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While some real estate investors may be inclined to turn up their noses at manufactured homes, that doesn't mean they aren't good investments. More than 16 million people reside in mobile homes in the United States. That translates into 16 million reasons to consider investing in manufactured homes.

They may not be the most popular housing, but manufactured homes are certainly a form of affordable housing to be appreciated. Mobile homes these days are a far cry from the ones being produced several years back. They are stylish, large, and some are even luxurious.

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As with flipping houses, investors can flip mobile homes by purchasing low and selling high. The best way to do this is to sell on terms. You can also provide seller financing.

If you invest in a mobile home and sell it, you can gain profit by collecting on the interest from the financing. Mobile homes can also be fixed and flipped like a regular house. In fact, you may be able to make inexpensive renovations to a mobile home and turn a quicker profit than that of a house.

If you don't want to invest in an actual mobile home, you can always purchase land to put the home on. Mobile home parks are very popular these days. By picking up a park or some land, you can rent the space for owners to park their mobile homes. If you have a mobile home park, your tenants tend to be more secure because they can't legally move their home out of the park until it is paid for. This will keep them sticking around for a few years at least.

If you do opt to invest in a mobile home park, you have a great opportunity to increase the value of the park. This can be done by increasing the net income the park yields. In turn, the market value of the park goes up.

You can also capitalize by buying a run-down mobile home park and fixing it up. If this is the case, try to find a park with fewer tenants. Then remodel the park and actively seek new tenants whom you can charge a higher rate than your old tenants because you have increased the appearance of the park.

You can also flip mobile home parks by purchasing a park in poor condition and improving it then selling it to another real estate investor. The property will actually sell for a higher price even if the tenants are not paying more in rent because the park itself has increased in value and will have a higher income potential.

Remember, mobile homes and houses are almost not quite one in the same. Most of the rules that apply towards investing in houses apply to mobile homes. You don't have to live in a mobile home, you don't even need to like them, to make a profit from them.

Mobile homes are just another form of investment property. They are a legitimate means of investment because

Americans are living in them.

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