

Buy and Build? Or Lease and Release?

Investing in any real estate requires a leap of faith—here's the case for homesteading a "parking space."

BY DAWN MOORE

The sweeping views. The coveted address. The artists in residence. The \$10 million-dollar Tuscan villa next door. Ah, southern California real estate. Only the three-foot tall posts at every street corner guiding the next truck driver's 6:00 a.m. pre-fab delivery says you aren't in Kansas anymore.

Tucked inside many of California's more high-falutin' zip codes, mobile home parks are an affordable little secret enjoyed for decades by their clever residents. If real estate's mantra is location, location, location, it would seem your choices under a million bucks in Malibu, Santa Barbara, Calabasas, Palm Springs or Pacific Palisades would be limited. Or are they?

"Clients looking to buy in mobile home parks can be entertainment industry executives, writers looking for a peaceful retreat, a young family on a budget or retirees wanting a view," explains a local real estate agent. "The investment is in the lifestyle. So, whether the land is leased or owned, these properties are for people who follow the beat of their own drummer"—and know a cool lifestyle when they see one.

When it comes to investments, everyone is rethinking their steps. Doing your homework and analyzing the median home price trends in ritzy enclaves doesn't take a college degree. Even when the market prices drop, traditionally desirable regions retain their value "status" in relationship to neighboring cities. Frankly, with so many mobile home parks nestled beside seven-figure gated communities, it's a wonder they haven't been gobbled up to become

some movie star's backyard tennis stadium.

Why buy now? Value. Mobile home park Paradise Cove in Malibu has ocean view pre-fabs on the market for \$400,000 to \$2.0 million and you lease the land. Neighboring homes in celebrity-studded Malibu Colony—\$5 million plus—a pretty good example of the "location" concept. On the other hand, at mobile park Top O' Topanga in Topanga Canyon, jet-liner view properties range from \$400,000 to \$700,000 and you own the land. Next door, Calabasas view estates are \$2 million plus. Current values notwithstanding, don't forget Will Roger's words of wisdom: "Buy land. They ain't making anymore of the stuff."

Why in a park? Why claim what essentially is a parking space as your piece of the American Dream? It's the most affordable gig in town, both in terms of initial investment and monthly sustainability. The better communities, of which there are many, are virtually crime-free: children peddle bikes and octogenarians tool around in golf carts without anxiety. It offers a rich and varied microcosm of life, with many generations and a wide swath of income ranges all side-by-side.

Why build? And why pre-fab? Customize to your heart's content. You can have the dream house you've been designing in your mind's eye for between \$125 and \$195 a square foot. Factory-built structures are actually more sound than site-built—after all, it has to withstand the move to its permanent location. And yes, modular can become permanent; "mobile" need not apply.

It's green. Pre-fabs, modulars or manufactured homes can be smoothly planted on existing lots. Not only is your environmental impact practically zero by building on a previously developed lot, you are reducing site-built waste by more than *forty percent* with a factory-built home. Let's face it: if financial genius and Bill Gates' idol Warren Buffet started snapping up manufactured housing factories back in 2004, you have to know it's the next big thing.

It's time-efficient. Obviously the construction process is faster when each trade is working on your home simultaneously. Depending on your level of customization, concept to move-in ranges from six to twelve months. Most of the time-absorbing permit process is eliminated at the front end of the project. "Before a factory even thinks about ordering the material needed to build your home, they must first have a set of state approved plans," states Anthony Ujueta from Structural Consultants. Additionally, construction is continually approved along the way so final permits generally can be pulled over the counter, saving not only time but thousands of dollars.

The only challenge ahead? Embracing some of your neighbors' original structures. To say the architecture is a "mixed bag" would be gentle. Just wait it out; eventually the property will change hands. Better yet—lead by example. Create a curb-cute home that increases the value of your community and encourages your neighbors to re-arrange those gnomes.

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