



PROFILE



Classic stone entryway welcomes residents home to premier community.

Land-Lease Community Exhibits Quality Lifestyle

Princenton Crossing is a fine example of today's manufactured home land-lease community, offering homes and amenities that appeal to a broad range of homebuyers looking for real housing value in a neighborhood setting. Located near Cincinnati, Princeton Crossing brings the characteristics of a well-designed single-family subdivision to the land-lease residential development. It offers affordable home-ownership opportunities without sacrificing aesthetics, good planning theory, and quality of life.



Most homes are sited with the gable end toward street. Deep setbacks, curvilinear streets and landscaping contribute to subdivision look.

The concept of land-lease as a residential development type may be unfamiliar to some. Essentially, it combines the benefits of fee-simple home ownership with the affordability of leasing. Homeowners can finance a manufactured home with a personal property mortgage and enjoy the tax benefits offered by a real property mortgage. Usually, a 5 to 10 percent downpayment is necessary to purchase the home, but there are no points, lender fees, attorney fees or other closing costs associated with the sale.

Under separate contract, the homeowner leases a finished homesite in the community developed exclusively for manufactured homes. Because the site is leased, rather than purchased, initial move-in costs are minimal. The security deposit and first monthly payment secure the lease. Manufactured homes built to the HUD building code are the only type of factory-built residential structure that typically allow the flexibility of financing through both real-property and personal-property mortgages.

For the developer, the land-lease community offers advantages not found in conventional residential



Land-Lease

PRINCETON CROSSING WEST CHESTER, OHIO

DEVELOPER

Holiday Parks
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Mr. Dan Rolfes

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Impressive residential-style clubhouse captures attention upon entering Princeton Crossing. Amenities include outdoor pool, game area, and lake on the property.



Typical street scene. Rolled curbs, off-street parking create uncluttered look.



The community appeals to a wider market by offering single and multi-section homes.

development, and manufactured homes can play a significant role in lowering the costs of residential projects. Because the homes are constructed off-site, fewer subcontractors and less on-site labor time is necessary to prepare the home for occupancy. Since manufactured homes are ideally suited for smaller lots, and land-lease communities are constructed on unsubdivided parcels, site-preparation and finishing costs per lot are less.

Some developers choose to market the homes for sale themselves, while others feel more comfortable associating with experienced manufactured home retail marketing companies who handle that function. In either case, the developer controls the pace of development and the aesthetics of the homes and homesites. Whether the developer actively manages the community or contracts with a property manager, an annuity is created by retaining ownership of the real estate.

BACKGROUND

Four older "mobile home" parks were developed in the early 1970's near Princeton Crossing. These communities,

which offer few amenities, contain approximately 1,200 homesites developed primarily for single-section homes, with the monthly lease payment averaging \$240-\$250 per site. There had not been a new land-lease community developed in the Cincinnati area during the decade prior to Princeton Crossing, and Holiday Parks anticipated the need for an upscale development that appeals to a broader market.

The land now comprising Princeton Crossing was originally zoned for agricultural use. In 1986, Holiday Parks issued a contract to purchase the property, contingent upon rezoning to allow development of the residential land-lease community. The rezoning request was granted by the county board of zoning appeals, but later rescinded by the county planning commission on grounds that the BZA lacked the authority to grant such a rezoning. A two-year court battle followed, with the developer winning in the Ohio Appeals Court. In addition to overturning the decision by the planning commission, the court also reduced the tap fees from \$3,400 to \$625 per homesite.

The property itself is ideally located about 20 miles north of downtown Cincinnati, and only 2 1/2 miles from I-275, the main artery surrounding the city. West Chester lies in a fringe of light industry adjacent to large industrial uses. North of the property are single-family homes in the \$200,000+ range. There are also condominiums in the \$80,000-\$100,000 range and single-family homes in the \$125,000-\$150,000 range in the immediate area. Among the major employers in the area are a GE aircraft engine facility and a Ford Motor Co. transmission plant. Family annual income in the area averages \$35,000-\$37,000.

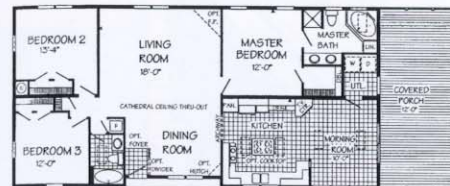
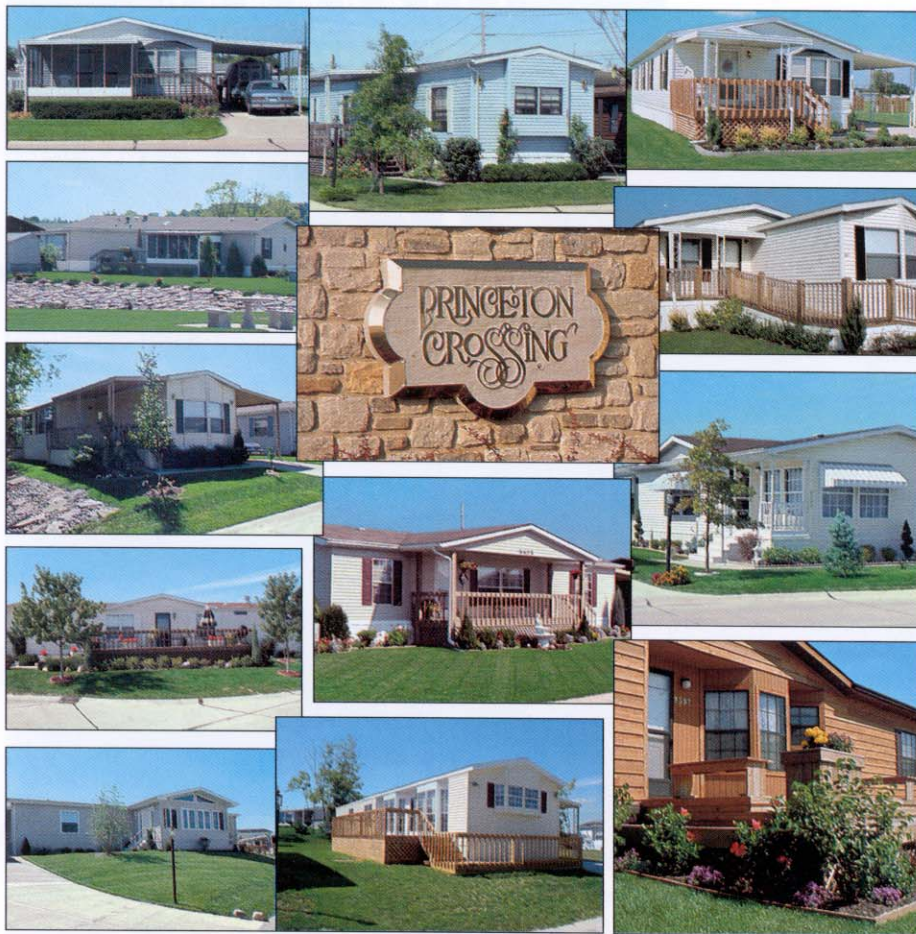
The developer did not design Princeton Crossing to compete with nearby mobile home parks. No other land-lease communities in the Cincinnati area, including those operated by Holiday Parks, offered the types of homes, amenities, and lifestyle envisioned for Princeton Crossing.

Developer Dan Rolfes notes that one factor contributing to the design and marketing strategy of the community is the fact that the average sales price of manufactured homes sold from a retail sales center is about \$20,000 versus a \$40,000 package when the home is sold inside a developed community. "Our competition is not the typical mobile home park," said Rolfes. "In fact, we built Princeton Crossing to increase our market share of the traditional housing market. Our typical homebuyer at Princeton Crossing would have purchased a condominium or a single-family home if they had not found what they wanted here."

THE PROJECT

The parcel of land purchased for Princeton Crossing consists of 77 acres of gently sloping open fields. Because it was located near a major intersection, 12 acres of frontage property were set aside for future commercial use. On the remaining 65 acres, 372 homesites were developed in four phases, on building lots that range from 4,400 to 6,000 sq.ft. Overall residential density is 5.7 units per acre.

Holiday Parks is a division of Holiday Homes, a manufactured home retailer with four sales centers in Ohio and Kentucky. Through contacts with retail customers, the most popular options and amenities were identified and matched with the initial development concept.



Princeton Crossing features single-section and multi-section homes. These are the most popular floor plans.

Three distinct target market groups were identified: **two-income families**, moving from rental apartments, who wanted a safer neighborhood environment; **empty-nesters**, still working, selling a site-built home and downsizing after the children had left home; and **retirees**, selling a site-built home and downsizing for ease of maintenance and freedom to travel and relax. The customer profile of homeowners today at Princeton Crossing fits the pre-marketing profile perfectly. Also of note is the fact that the majority of homebuyers already lived in the Cincinnati area. In some cases, retirees who had moved away from the

area are now moving back to be closer to children and grandchildren.

Holiday Parks controls the aesthetics of the homes offered for sale. Rolfs selected three HUD-code manufacturers known for quality construction and customer service to supply the homes. Both single-section and multi-section homes are offered in order to appeal to a wider market. Ten models, some of them spec homes, are displayed, but customers may choose from alternate approved floor plans.

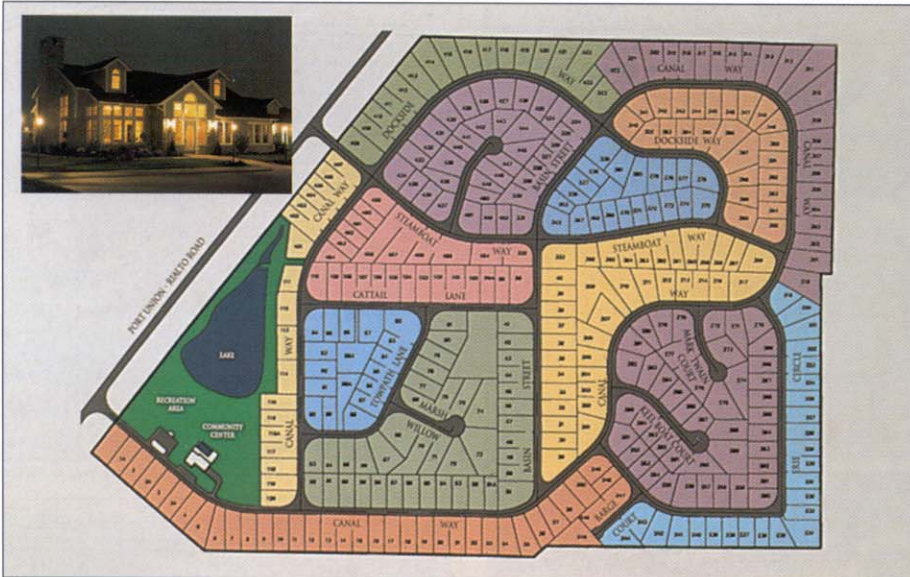
All homes have vinyl siding or cedar siding, and asphalt shingled roofing. An upgrade insulation package, gas hot

water heater and furnace, and self-storing storm windows are also standard. Typical options purchased by homebuyers include upgrade carpeting, fireplace, washer/dryer, upgrade bathroom fixtures, and patio doors.

The developer's installation package includes entry steps and decks, concrete walkways, carport, awnings, exterior lighting, central air conditioning, foundation skirting, color-matching storage shed, and professional landscaping. All residents are provided with professional lawn services to ensure a healthy, green lawn. Each homeowner is responsible for mowing, but the professional fertil-

Attention to detail. Driveways and concrete "runners" are positioned prior to sodding the lawn. Photos at center and right are of the same lot. Notice how nice the view is from the street for the homeowner choosing a lot.





The site plan designed by CJC offers a tranquil view across the lake from Port Union-Rialto Road and premium lots alongside the lake.

izing and weed control helps to maintain the overall appearance of the community.

In the beginning, Holiday Parks anticipated that multi-section homes would make up about 20 percent of the total homes in Princeton Crossing, matching the percentage in their other developments. In fact, multi-section homes have accounted for 70 percent of sales, causing Rolfe to adjust his site preparation schedule to accommodate the larger homes. This trend toward more multi-section homes in land-lease communities is evident nationwide, showing that homebuyers today appreciate the value and lifestyle in these communities and make their purchasing decisions with long-term residency in mind.

Holiday Parks has recently opened a brokerage service to market resales within the community. Keith George, sales manager for Princeton Crossing, reports that the resales so far have averaged 8-11 percent appreciation. George also points out that many new sales to empty-nesters and retirees are cash sales. These buyers are usually selling a site-built home in order to move into a

manufactured home community, indicating the level of comfort they have with the value and lifestyle of the manufactured home land-lease concept.

LESSONS LEARNED

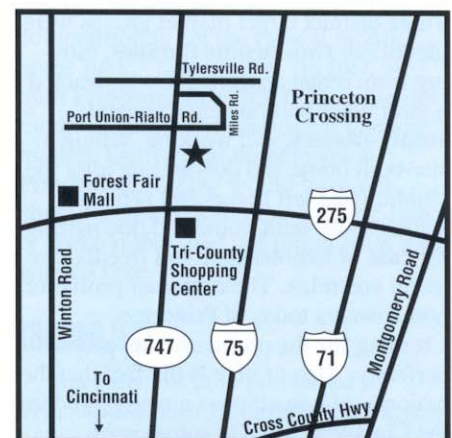
The Cincinnati metro area (1.2 million) is not known as a high-cost housing market, or as a retirement haven. Yet, Princeton Crossing illustrates the potential for a well-designed manufactured home land-lease community to attract those homebuyers from a broad spectrum who are searching for outstanding housing value built around a single-family atmosphere and comfortable amenities. By paying attention to details, as Holiday Parks has done, Princeton Crossing's success can be duplicated in many market areas of the country. Public officials and developers alike should take the opportunity to visit Princeton Crossing to see how the right combination of design elements and housing type can produce a lifestyle community that offers truly affordable living without sacrifices.

PROJECT AT-A-GLANCE

Site Area (total) 77 acres
Residential/
commercial 65/12 acres
Total homesites 372
Residential density 5.7 units/acre
Lot size 4,400-6,000 sq.ft.
Monthly lease \$230 to \$250
Price range
(homes) \$29,000-\$59,000
Unit size 920-2,000 sq.ft.
Dev.cost/site \$16,000
includes amenities

REPRESENTATIVE HOME COST (1568 SQ.FT.)

Cost of home \$23,610
Foundation/prep. 1,500
Installation 1,600
Site package 7,000
(includes walkways, carport,
entry steps & decking, exterior
lighting, foundation skirting,
storage unit, landscaping)
Tap fees 625
Local permits 75
Advertising Reserve
(% of sales) 2%



Princeton Crossing is located about 20 miles from downtown Cincinnati, at the intersection of Rt. 747 and Port Union-Rialto Road, 2 1/2 miles north of I-275.