



Iowa Manufactured Housing Association

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STRONG ORDERS FOR 2019

July -August 2019

The month of May was a particularly good one for orders of manufactured homes. Iowa retailers/builders ordered 79 homes – 43 more than May of 2018. This increase was 4th best in the U.S. for May. Florida led the way with 58 additional homes. The increase for Iowa was 119% better than last May. It's likely that MH communities were buying new homes in May since 93% of the product mix for the month were single sectioned homes.

Half Year Stats

The month of June was flat with 38 orders compared to 39 last year. For the first six months, 293 manufactured homes were ordered from the factories, up 35% from last year's 216 homes. As for product mix, 223 of the orders were for single sectioned homes, or 76%. Iowa ranks 33rd in orders for manufactured homes. We're 26th in single sectioned orders and 40th in multi-sectioned orders. We have a good chance to hit 500 orders in 2019, something that hasn't happened since 2005.

Modular Orders

Modular orders in the second quarter of this year continued to be weak. The state of Iowa building code department had 55 orders for the production of modular homes during this most recent three month period. That's 9 more homes than the first quarter. For the first half of this year, it's only 91 homes, compared to 149 for the first six months of 2018.

IMHA Annual Meeting

We've had lots of meetings over the years, but there is one constant. All associations are required, by non-profit law, to hold an annual meeting. Some associations have very brief annual meetings which consist of electing board members and approving the financial statement. IMHA is in the category of associations that do those fundamentals while also taking the opportunity to present educational and informational opportunities for members. It will be the 72nd such gathering of members. The meeting will be held at the West Des Moines Marriot on Sunday, November 10, and Monday, November 11th. The meeting usually

adjourns at about 1 p.m. on Monday.

As we did last year, we will encourage members to offer items or services for our silent auction. The proceeds from the auction go to the Manufactured Housing Political Action Committee, MHPAC. Last year, our first year of doing this activity, resulted in an extra \$3940 for MHPAC.

IMHA will also be having a trade show for the second consecutive year. Last year we had 11 member vendors. Both the vendors and attendees seemed to enjoy this opportunity.

We have some interesting speakers lined up for this year's meeting. We will go over the meeting in further detail in the next newsletter. Right now, send in your registration and make sure that you get yourself a sleeping room at the Marriott in West Des Moines.

Developing New Communities

We all know that investors are very much interested in purchasing manufactured housing lease communities. Why go through all the hassle of trying to develop a new

community, with expensive land and development costs, not to mention the difficulties in obtaining zoning. There are only about 10 or so new communities built in the U.S. each year. Until the new community developed by Sid and Laura Davis in Mt Pleasant recently, no new MH community had been built from scratch in Iowa in at least 25 years.

In 1998 IMHA convinced the legislature to pass a developer protection law for land lease communities, mirrored after the zoning law of 1984 which prevented discrimination against consumers wanting to place manufactured homes on real property.

The developer protection law of 1998 found its way to the Iowa Supreme Court both in 2002 and in 2006. It was the Bahl family against the city of Asbury. The first decision was a big win against the city. The court stated that a manufactured housing community could be built in any zoning area that a city allowed for comparable site built projects, meaning condos, apartments, and some thought subdivisions.

Most cities allow manufactured housing communities in R-4 districts. The Bahls wanted to go to R-4 from their agricultural classification. The city zoned them R-4 and then changed the mfg housing lease community to an R-3, allowing less density. The Iowa Supreme Court should have seen the Abury move to R-3 as the city's way to make the construction plans infeasible, which is a violation of 414.28A. And to further complicate matters, the Supreme Court combined the 1984 law and the

1998 law in their thinking and stated that the protected communities are only those using "prefabricated" homes which are foundation ready.

Since a new manufactured home community would normally only allow new homes, those homes are engineered to go onto a foundation. Piers below frost is the normal foundation in our communities for new homes. Furthermore, 414.28 makes clear that piers below frost are deemed to be a permanent foundation. Therefore, we meet the test of "foundation ready."

It will be interesting to see if anyone takes a shot at building a new manufactured housing community. It would be ideal if another Iowa community would be as reasonable as the city of Mt Pleasant was with the Davises. If that's not the case, Iowa does have a statute and two Iowa Supreme Court decisions which back up the law, even though the case law isn't as clearly written as it could have been.

This trip down memory lane was precipitated by talking to two members recently who would like to build new manufactured housing communities.

MHPAC: Members Responding Well

As you know, we're always wanting more and asking more members to participate, but we can't overlook the great response from IMHA members so far. The aggregate total of what we've raised so far is \$38,105, marking the third time that MHPAC has exceeded \$30,000. This total is reflective of two kinds of contributions we receive. From members we get

corporate checks as well as personal checks and non-corporate business checks. The corporate checks we segregate and contribute to entities that can receive this kind of money from MHPAC. The non-corporate money can be given directly to candidates, and it is. The corporate checks total \$12,750 from 10 members. The balance of \$25,000 comes from 33 members. Here are our contributors so far: Alan Smith, Barbara Hames, Brandon Bedford, Charlie Woodford, Charlotte Brown, Cleatus Gerardy, Dave Cunningham, Dave Reynolds, Daryl Muzio, Dave Ripley, Doug/Lisa Grief, Ed Kinkade, Eric Oaks, Frank Rolfe, Frank Weeks, Fred Williams, Garth Van Ahler, Heather Jones, Joe Kelly, Joel Ravitz, John Fay, John Rogovitch, John Sibley, Joy Wulf, Ken Brenton, Kevin Alberhasky, Kim Sharp, Kyle Larson, Linda Scalf, Lowell Junkins, Mike Flummerfelt, Monte Burrell, Neal Kurzner, Paul/Lois Shook, Peter Gillin, Rebecca Terrazas, Robinson Pratt, Roy Markwardt, Tim Reida, Tom Kennedy, Troy Hames, and Winnie Williams.

Manufacturers' Report

Here are the top dues paying manufacturers to IMHA through the first six months of 2019.

1. Champion
2. Cavco
3. Clayton
4. Adventure
5. Commodore
6. MHE
7. Wisconsin Homes