

How To Create Monthly Cashflow from *Inexpensive* Abandoned Homes

I've been investing in real estate for 26 years. I've owned apartment buildings, commercial real estate, little strip centers, multi-family homes, single-family homes and manufactured homes.

My best real estate investments – by a wide margin – have been manufactured homes. These investments have provided *consistent* annual returns in excess of 20%.

More importantly, my manufactured home investments were NOT impacted by the BIG real estate crash in 2008. And truth be told, these little homes saved me financially in the market crash and have ultimately led to my financial freedom.

In this report, I'm going to take you inside one of my recent investments so you can see how these investments work and why they are so profitable.

A manufactured home has many names. The most common name might be "mobile home." Depending on where you live, you may find manufactured homes on private lots where the homeowner owns both the home and the land. However, the majority of manufactured homes will probably be found in mobile home communities.

This is where the majority of my manufactured homes are located, inside mobile home communities, or mobile home parks. The mobile home park typically owns the land throughout the park. The park is split into various lots where these homes are located. When you buy a manufactured home inside a mobile home park, you only own the home. The park owns the land under the home and charges all of the homeowners in the community lot rent each month for the use of the land.

When a homeowner inside a mobile home park stops paying monthly lot rent to the mobile home park, the park eventually evicts the family, and in the process, they'll obtain ownership of the home.

And as you might imagine, some of the homes acquired by the mobile home park through the eviction process, are in *very* bad shape. These "ugly" homes present an attractive investment opportunity.

For various reasons (mainly lack of \$\$\$), many mobile home parks don't renovate these homes they acquire through the eviction process, especially if the home is in really bad condition. The park will simply let these homes sit their vacant. If you were to drive through different mobile home parks, you'd probably find several vacant homes in need of repair.

Each vacant home inside a mobile home park represents a possible investment opportunity for you. This is because we can buy these vacant homes from the park, renovate them and then turn them into *very attractive* monthly cashflow.

Here are a few pictures of one of these abandoned manufactured homes that a partner and I recently purchased directly from a park:



This "ugly" home is located in a park here in Ohio. Our purchase price was only \$250. **Yes, we bought a three-bedroom, two-bath manufactured home for just \$250.**

As part of this purchase, the mobile home park paid the county taxes due and they gave us two months of free park lot rent while we renovated the home.

The reason why we were able to buy this abandoned homes so inexpensively is because there is zero competition from other buyers. Nobody (and I really do mean nobody) is interested in these "ugly" homes.

The crazy part is that this home probably cost \$30,000 to \$40,000 when it was originally purchased by the first buyer and we bought it for just \$250.

After getting the title to the home, we hired different contractors to basically rebuild this home. This included new plumbing, new heat tape, new furnace, new hot water tank, new bathroom sinks, new toilets, new flooring, new drywall, and lots of cleaning and painting.

Cost Breakdown:

Initial Clean Out & Fumigation	\$280
New Electric Furnace & Hot Water Tank	\$2,500
New Plumbing Installed Throughout	\$1,200
New Bathroom Fixtures & Heat Tape	\$780
New Electric Panel	\$1,400
Paint, Light Fixtures, General Supplies	\$1,827
Flooring Material	\$850
Flooring Installation	\$1,100
Gravel for driveway	\$70
Labor for drywall, painting & other	<u>\$3,250</u>
Total for Renovation	\$13,257
Plus the Investment to Buy the Home	<u>\$250</u>
Total Investment	\$13,507

When we were finished with this renovation, we basically had a brand new home. All the major mechanical systems in the home were new.

Here's how it looked....



We offered this home for sale to a tenant/buyer on a 6-year rent to own program. Their monthly payment for the home is \$325 per month for 72 months. If they stay in the home and make all the payments as agreed, we'll collect \$23,400.

In addition the payment for the home, the tenant/buyer will also pay the park lot rent each month of \$325. Their total monthly payment is \$650 until they pay the home off.

And because they're buying the home, we structured the agreement so the tenant/buyer pays for all the maintenance, repairs and taxes. The maintenance and repairs shouldn't be too expensive considering the home is basically brand new!

Please understand that this is a very good deal for the tenant/buyer. They're buying their own home, which as been completely renovated, and will have it completely paid off in just 6 years. More importantly, their total monthly payment of \$650 is significantly less than what they would have to pay to rent a single-family home in the same area.

To get an idea of what our return on investment on this home is, I used the "Time Value of Money" calculator in PowerOne app:

Time Value of Money New		
Present Value	13,507.00	⊖
Future Value	0.00	⊖
Payment	-325.00	⊖
Interest/Yr%	20.187%	⊖
Periods	72.0	⊖
Periods/Yr	12	



The 13,507 included for the present value is what our total investment was to buy and renovate the home. The -325 is the monthly payment we'll be receiving from the tenant/buyer. We'll be receiving this payment for 72 months, so this what the total number of periods is for the calculation.

Our initial fixed return on this investment is 20.187%.

Are you starting to see why manufactured homes have been my best investment when compared to every other real estate investment?

Now, I know what you might be thinking...

What happens if the buyer stops paying and moves out of the home before the end of the 6 years? Well, a buyer default typically means you'll make A LOT more money, and this may be one of the most important reasons to invest in manufactured homes.

The average real estate investor dreads a tenant default. It's the last thing they want to deal with because it "feels" like they're losing money.

This is certainly NOT the case.

As an example, let's say the tenant/buyer who moved into this home stays in the home for two years and then moves out. They could move out for any number of reasons including: divorce, the death of a family member, medical issues, loss of a job, or they could relocate out of the area.

I've had all of these situations happen to me over the years. In the big picture it really doesn't matter why they move. Just know that it's a very, very good thing for you if they do!

After 24 months, we'll have collected \$7,800 in monthly payments (\$325 * 24 months). We'll clean the home up, which will probably include investing \$1,000 to \$1,500 in painting, cleaning, landscaping, etc.

Our total initial investment	\$13,507
Less income collected	<u>(\$7,800)</u>
Amount of our \$\$\$ in investment	\$5,707
Plus cost to clean up the home	<u>\$1,250</u>
New amount of our \$\$\$ invested	\$6,957

After cleaning the home up and getting it ready to show again, we'll only have \$6,957 of our initial investment in the property.

Can you guess what we'll do?

We'll offer this home for sale on a new 6-year rent to own program for \$325 a month starting our 72-month income stream back over at payment number one!

What do you think this does to our return on investment?

Time Value of Money New		
Present Value	6,957.00	⊖
Future Value	0.00	⊖
Payment	-325.00	⊖
Interest/Yr%	53.655%	⊖
Periods	72.0	⊖
Periods/Yr	12	



When we sell this home to the second rent to own buyer, we'll increase our annual return to 53.65%! This is because we'll have a lot less money invested in the home.

This is so incredibly important for you to understand.

Every time a buyer defaults you'll increase your return on investment!

In fact, if our second rent to own buyer moves out after paying for another 24 months, we'll have all of our money back out of the investment and will have a free asset generating monthly cashflow.

Here's how this would look:

Income from 2 nd buyer	\$7,800 (24 months of \$325/mth)
Less our \$\$ invested	(\$6,957)
Actual Profit on Home	\$843

When this second buyer moves out, we'll have all of entire investment back out of the home, plus we will have collected another \$843 in profit.

To present this another way, we'll have a free manufactured home and \$843 in our bank account. Not too shabby, if you ask me!

Now, to be conservative, let's say this second buyer leaves the home in bad condition when they move out and we have to invest an additional \$3,000 to get the home ready to show again.

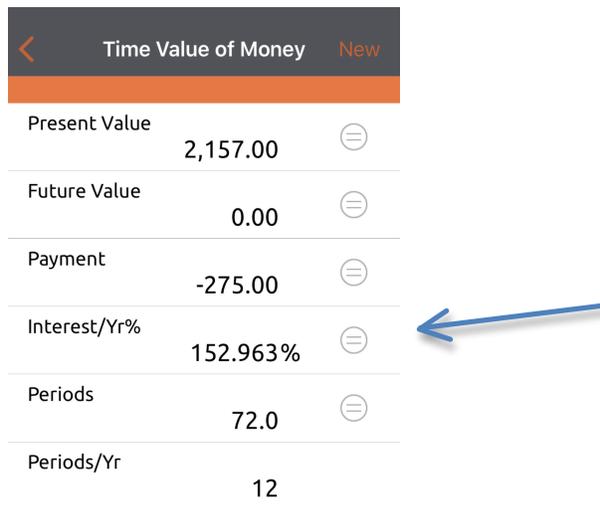
Our net investment into the property would look like this:

Cost to get the home cleaned up	\$3,000
Less profit on home	<u>(\$843)</u>
Net amount invested into the home	\$2,157

After getting the home ready to show for the third time, we'd only have \$2,157 of our money invested into the home and we get to sell the same home again on a new 6-year rent to own program! 😊

However, this time we'll reduce the monthly payment for the 3rd tenant/buyer to \$275 a month because the furnace and hot water tank are now 4 years old, and the home isn't new like it was when we started.

Here's what this return on investment looks like:



Time Value of Money		New
Present Value	2,157.00	⊖
Future Value	0.00	⊖
Payment	-275.00	⊖
Interest/Yr%	152.963%	⊖
Periods	72.0	⊖
Periods/Yr	12	

Yes, you read that correctly.

Our annual return on investment has skyrocketed to a whopping 152.96%.

Seriously think about that for a few minutes. On the surface this property looks like a nightmare, doesn't it?

We've cleaned the same home up *three* separate times in just *five* years. This process also included showing the home three different times; screening applicants three different times and handling three different new tenant move-ins.

However, throughout all of this, the home gets more profitable for us. Despite all of these problems our return on investment continues to get much better!

You may not believe it, but I've resold several of my manufactured homes five or six times to different buyers. All of these homes are basically free assets because the previous buyers paid back all of my investment to buy and renovate each home.

In fact, I still own one manufactured home today I purchased 13 years ago. This means I've owned the home for around 156 months. Throughout these 156 months, I've resold the home to several different buyers and still collect \$265 each month! Without looking back at my records, let's assume that I only collected 145 payments of \$265. This means that this one manufactured home generated a total \$38,425 of income and it's still pumping out more income each month.

I'm sharing all of this because I'm trying to show you that you can lock in a **MINIMUM RETURN ON INVESTMENT OF AROUND 20.00% ANNUALLY** by buying inexpensive abandoned homes that everyone else ignores.

If your first buyer stays and pays the home off as agreed, which does happen in around 40% of these transactions, you'll have a very attractive hassle-free investment. However, if the buyer defaults at any point after the first year, you'll increase your return on investment significantly.

The only way you can lose money on a manufactured home investment is if you sell it for cash, or walk away from it.

Your plan should be to simply to keep reselling the home to a new tenant/buyer every time it goes vacant until someone stays in the home and pays it off.

Please understand I don't want my rent to own buyers to default. I screen them very thoroughly to make sure they have stable incomes and can afford the home. However, when it does happen, the investment becomes more profitable for you because you'll be able to extract a lot more income.

Take a minute and compare this investment to the stock market...

What happens to your financial situation if the stock market crashes? Do you make more money? Does your return on investment increase?

No, it doesn't.

When the stock market crashes, you lose money.

This simple illustration shows that stock market is actually a riskier investment when compared to these inexpensive abandoned manufactured homes.

To go one step further, can you find any other investment where you actually make more money when things go wrong? I can't.

If this isn't good enough, consider the following:

1. Manufactured homes are inexpensive to buy. In most cases, you won't need to borrow any money, which reduces your risk even further. It's hard for an investment to pull you into bankruptcy, if you don't owe a penny on it!
2. Because they're inexpensive to acquire, they allow you to turn small investments into attractive monthly income. See if you can find another investment where you can turn \$13,507 into \$3,900 of annual income without any leverage?
3. In most areas, manufactured homes are considered personal property. They are treated similar to car titles. You can buy (or sell) a manufactured home with a quick stop to the title bureau. This means there is no title company or escrow involved saving a great deal of time and money.
4. There is very strong demand from families in need of affordable housing. This demand virtually guarantees the investment's success and this demand actually increases during hard economic times (market crash/recession).
5. Because manufactured homes are personal property, the county taxes are a fraction of what you'd pay in property taxes on the typical real estate investment. More importantly, the tenant/buyer pays the taxes on the home as part of the rent to own program.

6. You can structure your manufactured home investments to have the tenant/buyer pay for maintenance and repairs. This makes these homes a lot easier to manage.
7. You can use the cashflow created from manufactured homes to build a financial fortress for your family.
8. You have virtually zero competition when investing in manufactured homes. This is because other investors ignore these investments. 😊
9. You can buy these investments inside a self-directed retirement account. In addition, you can buy these homes as investments for your children. My daughters both own several manufactured homes.

If you're interesting in investing in manufactured homes, there are two ways I may be able to help you:

My 4-Week Lifestyle Business Mobile Home Investing Course

I can teach you every aspect of investing in manufactured homes including how to find the best homes, how to renovate them inexpensively, how to sell them to a tenant/buyer, and how to manage them working just an hour or two each week. This includes all of my agreements and contracts, too.

Even better, I'll work with you personally on your first manufactured home investment from before you buy it until you have it on autopilot generating attractive monthly income!

Here's an email I received from Greg Raymer, who took my mobile home investment course:

Hi Rob, just a quick note that we closed our first mobile home deal using a lot of the info from your mobile home course.

Even happier to say I did it with my son. He had been bugging me to invest with him so he could get started - but he wanted to go the usual route and invest in a multi-family - which there are dozens of those being built here locally now.

Obviously, the more of something that is built - the more it brings down your yield. So, I introduced him to mobile homes. Only difference is we bought one with land since we are in a mostly rural area, rather than looking at a mobile home park.

The girl we just rented it to this morning on a Contract For Deed is a single mom with 2 girls - ages 15 and 8 and she was so happy she gave me a hug and teared up as she didn't think she would be able to own a home - so that made us feel good on top of already feeling good about getting this done with my son.

Need a favor though. Always made C's in Accounting and Finance, so need you help calculating our return on this deal.

We bought it for \$20,500 and put \$6,500 for total investment of \$27,000.

We are selling it for \$48,000 with \$5k down so financing \$43k at \$500 per month at 10% interest, which works out to total repayment of \$75,991, if she carries it the entire 152 months per my financing app. Also, she is paying the insurance and taxes, which will work out to about \$300 each per year.

Just didn't know how to calculate the return. Please show your math if you would please so I can use for future reference when we rinse and repeat.

Sounds like a pretty good first investment, doesn't it? Here was my reply to Greg regarding his question on his return on investment:

Congrats on your first mobile home investment! That's super cool that you're doing it with your son. You're teaching him some very important lessons about investing! He's very lucky. :-)

I use the powerONE app and the "time value of money" calculator to determine the ROI of these investments. You have to put the monthly payment in as a negative to make it work. I subtracted the buyer's down payment from your initial investment in the calculation. So, I subtracted the \$5,000 from the \$27,000 total investment to get a net initial investment of \$22,000.

You and your son locked in an amazing 26.257% return on your first manufactured home investment!

That's awesome!

Rob

P.S. How cool is it to really help someone buy his or her own home? It really does show you the value you're adding to the world!

If Greg's first investment isn't enough, check out this email from Ben Sweet, who lives in Canada, and took my mobile home investing course a year ago...

Time Value of Money		New
Present Value	22,000.00	⊖
Future Value	0.00	⊖
Payment	-500.00	⊖
Interest/Yr%	26.257%	⊖
Periods	152.0	⊖
Periods/Yr	12	
Compounds/Yr	12	
Payment Timing	End	

Hi Rob,

Merry Christmas! I hope the holidays turn out wonderfully for you and your family. I just wanted to say a big thank you for the past year and your help in my transformation of my financial life and other areas as well.

If I am being 100% honest with myself, when I bought the mobile home course 12 months ago, I really did not think I would take action on it. I wanted to, I needed to, but I didn't know that I would commit enough, commit 100% to make it work. Happy to say that I did. And the two most rewarding things were:

- 1. I did it, took action and worked through the challenges and got traction and then kept at it, breaking barriers and created my first ever truly recurring automated income that actually has some legs to it, not a few hundred bucks, a few thousand bucks.*
- 2. The money. Holy shit yes, the money is awesome, having money mailed to me every month, thousands of it. I love it. It's awesome. It's been a lifelong dream of mine to make money like this Rob.*

Thank you again for helping me to get here! Super grateful for your guidance.

Thank you Rob.

Ben just sent me another email indicating that he now has 14 manufactured home investments! Ben is buying manufactured homes in Canada faster than I am in Ohio! LOL

You can get more information on this course and get a massive discount here:

<https://www.renegademillionaireblog.com/lifestylesale>

The second way I may be able to help you is with...

Done-For-You Manufactured Home Investments

My partner and I have built a strong relationship with a few mobile home parks in our area, because we help them turn their vacant homes into nice homes. More importantly, the parks are now collecting lot rent on homes that had previously been vacant for long periods of time.

These parks have asked us to renovate other vacant homes in their parks, which has opened up a *limited* opportunity for us to help other investors do exactly what we're doing.

If you're interested in owning a manufactured home investment, we can buy and renovate one of these homes for you. Once the renovation is complete, we would sell this home to a tenant/buyer on the same rent to own program that I'm using so you can start collecting monthly income.

Once we sell the home to a tenant/buyer, we can turn the ongoing management over to you, or if you prefer to have us manage it, we can provide full management services for you.

For any potential investment, we would outline the cost the purchase and our estimate for the entire renovation. This estimate would include our fee. You'd be able to see the estimated total investment required and the expected income you'd earn on the investment *before* you invest one dollar.

The only challenge is we're only able to do a small number of these investments, because they're so labor intensive during the renovation phase.

For the last few years, I've only agreed to do these done-for-you manufactured home investments for just one investor. Today, he owns five manufactured homes and with a combined total monthly income of \$1,268.00 and a combined annual income of \$15,216. He has no debt on any of these investments and the families living in each home take care of all repairs and maintenance. Even better, they pay the taxes each year, too.

I manage these five homes for him making these investments truly hassle-free for him. He simply collects these five checks each month.

Here's an email I received from him recently:

Rob,

I just wanted to share a quick note and let you know that you do an incredible job. As a full-time investor myself, I notice and appreciate the promptness, attention to detail and overall returns from the mobile home deals we've done together. It truly is "mailbox money". Thanks!

Andrew D. Kuhn

If you have an interest in acquiring one of these Done-For-You Manufactured Home Investments, complete the application here:

<https://www.renegademillionaireblog.com/20percent>

Once we receive your application, we'll reach out to you to schedule a phone call to discuss any potential investments we may have available for you.

Best,

Rob Minton
Cashflownaire

P.S. Please understand that depending on when we receive your application, we may not have any done-for-you manufactured home investments available. We'll handle all applications on a first come, first served basis.

P.P.S. Real estate and manufactured homes are not risk-free investments. You can lose money investing in manufactured homes, just as you can lose money in any other investment. Your ability to be successful depends on many factors, including the systems you use, your experience and your support system.

You can minimize risk by building a solid team of experienced professional advisors, including a real estate professional, real estate attorney, and real estate tax advisor and through appropriate insurance protection. This report and the sample investment ideas within are for informational purposes only.