

Passive Investing in MHPs

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Structure

- Deal-by-deal
 - Know in what you are investing
 - More subject to capital call
 - Likely friends and family
- Fund
 - ‘Blind pool’
 - Less likely to experience capital call
 - Diversification
 - Often 506(c) SEC-registered offerings

Case Study

Park Street Partners

“Try not to become a man of success, but rather try to become a man of value.”

- Albert Einstein

Case Study

Park Street Partners

- Posting on MobileHomeUniversity, BiggerPockets
- Then Podcasting - www.MobileHomeParkInvestors.com

Case Study

Park Street Partners

- Started Deal-by-deal
 - A few false starts, but it gets easier
 - 2014: \$1.1mm
- Evolved to Fund
 - We now know if we are going elephant hunting or pheasant hunting
 - Better for us (quick closings) and investors (diversification)
 - 2015: \$5mm PSPF1
 - 2017: \$14.3mm PSPF2

Advice

- Retain Good Attorney
 - 506(c) Offering Memorandum
 - \$7,500 - \$25,000 in legal fees
 - Accredited Investors only
 - No audit
 - Reg A+
 - \$50,000 for Registration with SEC
 - Any Investor
 - Audit requirement

Advice

- Retain Good Accounting Firm
 - May not be same as your bookkeeper
 - Bookkeeper may be overseas
 - At scale (500 pads?) need A/R person. See my 'MHP 2.0' podcast <https://itunes.apple.com/us/podcast/video-ep079-mhp-2-0-taking-your-investing-to-next-level/id1069263193?i=1000394050706&mt=2>
 - Quarterly reporting is best, at least annual
 - Deliver K-1s on-time

Advice

- Crowdfunding
 - RealtyShares, RealtyMogul, RealCrowd
 - Often want \$50mm under management and 3-year track record
 - But they charge 3.5%..?
- Investor Portal
 - Juniper Square
 - Dropbox

Thank You

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