

Pre-publication draft for submission to third-party artificial intelligence (AI) for facts-evidence-analysis (FEA) check for a developing report on MHProNews.

Eugene Landy Chairman of the Board - UMH Properties - Video Interview. 'We Think it Absurd to Push Max Rents-Our Residents Should Feel Satisfied.' Politely Challenging MHI Predatory Firms-FEA

Much of what Eugene Landy, founder and Chairman of the Board of UMH Properties (UMH) has to say in the video with transcript that follows in Part I raises keen points to those who are seeking a complete picture of why the manufactured housing industry is in a 25-year downturn. For instance, Eugene Landy, J.D., speaks about the Homes on the Hill portion of the [Innovative Housing Showcase](#) and what they are doing in their land-lease manufactured home communities as potential image builders that could open minds about manufactured housing as an option that potentially millions should be considering and turning to as an affordable housing solution. In some instances, notions Landy raised essentially undermine narratives put forth by the [Manufactured Housing Institute](#) (MHI) and/or several of their corporate peers in that organization. [Opportunity Zones](#), the [Innovative Housing Showcase](#), modest vs. aggressive costs to residents, and providing features to residents in turnaround communities instead of taking features away from residents are just some of the business practices he explores. Landy repeatedly makes the point that if they make their residents happy can mean more profitable longer term with residents truly willing to invite their neighbors and friends to explore the manufactured home option. Without naming so-called [predatory](#) firms or [MHI](#) by name, Landy makes the case that others at MHI are by their actions and inactions are undermining the industry's potential. Through such examples what Eugene said in the video with transcript that follows is similar to what his son [Samuel "Sam" Landy](#), J.D., President and CEO of UMH has said and done that similarly takes a [subtle but discernable tone that undermines the MHI](#) and predatory [consolidators](#) narratives, perhaps reasonably illustrated by the national class action price fixing antitrust suit case linked [here](#) and [here](#).

Clearly, the Landy/UMH video is promotional. That said, there are nevertheless multiple keen industry as well as corporate insights in what follows.

Some of Eugene's remarks in the following merit edits, like the statement that "we need four million homes" [a year]. While the number of millions is questioned, that the national need is in the [millions of units](#) is widely agreed on. The National Low Income Housing Coalition puts the need for affordable rental housing at some 7.1 million units. That said, the thrust of his commentary is arguably keenly insightful for those seeking to better understand the behavioral and rhetorical divides in the manufactured housing industry.

Intentionally or not, Eugene Landy arguably dotted the i's and crossed the t's on several points previously reported by [MHProNews](#).

This [MHVille facts-evidence-analysis](#) (FEA) is underway.

[caption id="attachment_218964" align="aligncenter" width="669"]



"Analytical journalism is the highest style of journalism." Diana Dutsyk. "...the personal courage of the journalist is important, he should not be afraid to go against the bosses, should not call white black. He [the analytical journalist- cannot distort the truth."[/caption]

Part I. From the YouTube page linked [here](#) are the following items provided under [fair use guidelines](#) for [media](#). Highlighting and some minor corrections are added by [MHProNews](#).

Eugene Landy Video youtube.com

The vision of UMH Properties Inc with Chairmen [SIC] of the board Eugene Landy showcases the company's strengths and vision for the future. This video goes over a variety of aspects in running a successful company in the manufactured housing industry. Eugene Landy is the founder of UMH properties inc. Since 1968 Eugene has instilled great values into UMH Properties quoting "good faith, and fair dealings" as the way to conduct a successful business. This video emphasizes the quality of manufactured homes, efficiencies in the industry, and government entities helping solve the housing crisis. Eugene emphasizes the accolades of UMH Properties Inc with high quality communities and dedicated employees. Alongside impactful statements from our founder Eugene Landy we have drone videography. This video gives you an overview of UMH's goals and visions for the future with long term plans to be a dominant force in solving the housing crisis. Thank you all for supporting UMH Properties Inc.

<https://www.youtube.com/watch?v=ECg6cOOwQas>

Transcript

Intro

0:00

Hello, I'm here with the founder of UMH properties, Eugene Landy. Um[h] has great

0:06

values and I see it with our employees and and with everyone in the company

0:12

that leadership has started from the top with you. How have you orchestrated such good values that that ring true

0:19

throughout the entire company? Um[h] is a different company because we see

0:26

things differently and that has allowed us to do things that other companies don't do. First of all, we see clearly

Understanding affordable housing crisis

0:34

the affordable housing crisis that that crisis affects the middle class and the

0:40

people who live paycheck to paycheck. But people that have enough money to buy

0:45

a house and have the down payment and can make the payments on those \$500,

0:51

\$600,000 homes, they really don't have a housing problem because the homes have

0:56

gone up in value 50% in the last 5 years and will continue to go up and they do

1:03

very very well. So, we're in a situation where often the people who make decisions say they

1:09

understand what the crisis is, but the people who don't have the down payment and have to have three kids in a

1:16

one-bedroom apartment with one bathroom, they they have the uh the problem and

1:22

the problem is getting much worse. And believes it has the solution and we we

UMH Properties has the solution

1:29

do it in various ways. First of all, we're very proud of the fact that we can produce housing per square foot much

1:36

cheaper than conventional construction. But in addition to that, we have the

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ability to tap financial markets, particularly the government sponsored entities, and have a lower cost of

1:48

money. Not only that, but we design everything, one type of product that we

1:55

don't have to redesign and do uh build a home one at a time. It's very inefficient the way the present homes

2:03

are built. Built in a factory, they take 45 minutes to put on a roof. Built next

2:09

door to you outside, it can take six months. We we can build a from a factory

2:16

and use solar solar panels or solar shingles and

2:22

put on a roof that generates electricity for you. In 45 minutes, they put on the

2:28

roof. So, and and that's just the beginning of we're only at the beginning

2:33

of uh the efficiencies of building in factories. Everyone knows we're

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approaching the uh the age of AI and and people are doing robots. You can't put a

2:46

robot out in the outdoors in the rain and the sleep and you can't even set it

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But when you have a a factory line, you can set up the robots. The auto

2:58

industry uses one robot for every seven people and and the the manufactured

3:03

housing industry is going to introduce the their robots and further reduce the

3:08

cost of housing. But you have to analyze all the different things that come into reducing the cost of housing. We we buy

Reducing the cost of affordable housing

3:16

land and scale. We we we have ad access

3:21

to long-term capital. We're very very efficient in everything we do. and we're

3:27

planning ahead for the future and we're thinking about the housing crisis and

3:32

how to solve it. We're working with the government every day. The one concept

3:37

that's working very well and we're going to use it more and more. The only free lunch in economics that is the thing

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that makes saves everybody money but doesn't cost any anybody money is that

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when the government guarantees our loans. In the many years I've been in the industry, I've seen so few failures

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and so few foreclosures. It's simply amazing because housing is a good

4:02

investment and manufactured housing communities are an even better investment. And so when the government

4:08

guarantees our loans and we're able to borrow at lower rates, they've guaranteed it and they don't lose any

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money on it and we save money which gets passed on to the homeowner and to the

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resident of of our communities. So I I can go down and talk for hours on all

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the things that are changing to make us a a better company and to make us uh a

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company that can produce housing at lower and lower cost. We we we want the

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government to go back and have our customers be able to to borrow money and borrow it

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with loans that are low rate, low down payment and 80% guaranteed by the

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government and the government won't lose any money from those loans. It isn't that the people are perfect and that the

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people might default, but the product we produce has value. We we own uh 10,800

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homes that we rent out to uh tenants and and the people who lend us money on

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those homes don't have to worry about uh defaults because the homes have value

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and the homes have such value that that that they are increasing in value. We bought the homes years ago for 50 60,000

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and today they're worth 70 80,000. So, it's nice to have a tenant who pays the rent and we use that money to pay the

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bills, but the homes can be sold and at o almost any time for more than the

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mortgage amount. So, what I'm trying to say is that it it takes a lot of

Understanding UMH Properties approach to building more housing

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expertise to see what we're doing and where we're going. And it's important

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that people understand that we we are taking advantage of uh the all the

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government programs that are designed to have new helms [homes] built. If you want to

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solve the affordable housing crisis, the most fundamental thing is to build housing. And we we we

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um is a pretty sizable company. We own 26,000 sites and 11,000 rentals and uh

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we measure our total size in the billions. But uh we're a relatively small size small company in the industry

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yet we're able to do all these things to to get housing built. We build a

6:29

thousand homes a year. We continue to help solve the housing crisis. And for a

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company our size, it's disproportionate what we do. But we want to do much more.

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And we have such grandiose plans that are beginning to fall into place. We're

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going to do uh an opportunity zone uh financing and we're going to build

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communities in opportunity zones. And the key to that is that we believe in the opportunity zones. We can get zoning

Opportunity zones

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for manufactured housing. And as we said, there's a big shortage of housing. So if we get the zoning, we can build

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the housing. The company is very interesting. The the new developments

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are so new that nobody's really put them to work yet. We have twostory homes. We

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have uh duplex homes. We have uh the most interesting thing to me because I

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think there's 5 million people a year turning 65. And these people need one-bedroom apartments, one-bedroom

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homes. And we take a conventional unit and we cut it in half. And we can produce for less than \$100,000,

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a a residential unit for one single retired person where he has his own

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driveway, his own kitchen. And he he lives alone, but he has all the benefits

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of living in a community. And we think this will be a tremendous success because our cost will be lower, the

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management is better, but it's in its infancy because the government just allowed it uh this year and it won't be

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till next year that we can put in twotory homes and we can do the uh duplexes and we have uh prospects the

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opportunity zones we think will go into the billions of dollars. So I'm here telling you how optimistic I am about

Optimistic about the industry

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the industry. the the resident in our community saves \$10,000 a year over what

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he would pay to live in a in a apartment

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where there's only one bedroom or maybe two bedrooms and one bathroom and there's 650 square ft and we provide

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double the area, double the bathrooms and extra bedrooms for \$10,000 a year

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less than than he's paying now. Even though we're fair well occupied and

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doing well, we think there should be a line outside the door because people need to save that \$10,000 when their

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rent is 40 50% of their income. They are living from paycheck to paycheck and

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barely able to make those checks good. And when we provide the housing and save

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them \$10,000, that should be very significant. So we we're we're waiting

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to see whether business is appreciating even more and that we can really

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increase the size of our company and build uh new communities. But my theme

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and the theme of this meeting is that we're a different company and one way we

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keep our rents down is we only look at making our rents they have to be not

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just competitive with apartments and competitive with our rooms. We have to be substantially better and we really

Satisfied customers with decision to live in our communities

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take the basic business principle to heart that our residents, our customers

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have to be satisfied. That's not a controversial idea, but people have lost sight of it. And some people think that

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they have to raise the rents to the maximum amount they they can get. They

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have the odd notion that if they leave, if they don't get the maximum rent, they're not managing their business

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right. And we think that's absurd. We we think we don't push the rents. Uh when

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when other people were raising rents 10 11% because of inflation or rising

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expenses, we kept our rent increases to 5% because the basic idea is that our

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tenants should feel satisfied with the decision they've made to live in our communities and own homes that are

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placed in our communities. And that's working fairly well that that we are able to get that story across. And the

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government officials when they give us these advantageous mortgages, they know that we're different than some of the

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other owners who have pushed [rents] vents so far that it's created a poor atmosphere.

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And a poor atmosphere is bad business. We find that the most valuable communities have happy residents who

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recommend the the community to their sister-in-law, their brother and three

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or four members of family be in the same community and the park will have a reputation for being a great place to

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live and if it gets that reputation then a house in that community has greater

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value. So in the long run, uh, we do very, very well. And the other thing we

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do very well in is we've had people look at us and say, "Well, you don't charge

Long term approach

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enough. You put a you put a new house on a lot and you instead of charging 7800

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for the lot plus another \$1,000 for the house, you only added a \$500

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\$600." and they say that doesn't make any sense to them because we're not making enough money on the additional uh

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the additional investment. And I sometimes smile about that because we look at it differently. The amount of

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money we get this year on the rent is one thing. The amount of money we get next year is another. And the amount we

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get in 10 years is a further expansion. And so we don't look at just what we

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make this year, but we will what we will make over on average over the next 10 years. And that's a very satisfactory

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number. It's something called straightlining of rents that if you think your rents are going to double

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over 12 years, your current rent is will be 50% higher per year. And and we we we

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look at that income to come as real income because it will will in fact

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come. and and the value of our community will go up and we'll be very satisfied.

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And that tenants even though they get these increases, they will know that the value of their home has gone up because

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their increases are less than the market and less than the replacement cost of

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the home. And so they will find out that their investment in a in a home if they

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buy it or if they rent it, that that's been a good investment. and they can

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look at their uh neighbors in con conventional homes and say, "Yes, I made the right decision for the family

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because we're saving money and the home, if I bought the home, is worth more today than it was when you bought it."

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So, this difference, it it really makes a difference in the company. It makes a

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great difference with our employees because our employees know we're considerate considerent of the residents and their

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attitude of for the residents. It's contagious and they have the attitude

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that the tenant should be happy. We try to fix everything. We try to fix everything promptly and we're appreciate

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the resident because the resident is the most important thing in the business. Something that I feel like you're

Quality of life enhanced

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emphasizing is the quality of life.. And me visiting the communities, I see how good of a quality of life we provide

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with excellent amenities with lease with option to purchase with all of these

14:02

things. Do you think that you that manufactured housing is heading in the direction of getting the same benefits

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as apartments because we have a higher quality of of life that we provide? Well, we we don't understand fully

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what's happening in the housing market because historically the American dream

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is to have your own home. And by having your own home, you have your yard. You

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have your own unit. And there's nobody neighbor close to you. You don't have to

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get in an elevator and go up to the fourth floor and walk down a hall to the

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apartment. It doesn't take you 15 minutes to take the carriage out to take

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your kids your your children for for a walk or pushing the baby carriage. It's

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so much nicer. People who have lived in an apartment think that everything's fine till they

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move into a house and they realize then how much they've been missing. How much better life is when they have their

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their own home. particularly in a neighborhood where your kids can meet the neighbors kids, play at the local

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park. You have a basketball court. In some places, you have a swimming pool. Uh you have a a dog park. Uh you're in a

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community. And the beauty of our residents, we can create a community, a

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very small town. And the wonderful thing about creating a community is if you

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have a great community, the value of your house goes up. People want to live in a wonderful community and nobody ever

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raved about an apartment house and apartment house is someplace you lived

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for one two three years until you can get a home. That has been the traditional thing and yet today because

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housing is not affordable. People are moving into apartments who who before

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would never live in an apartments. It used to be at 23 24 you got a house.

16:03

Today, the average home buyer gets his first home at the age of 40. This is

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amazing. And it used to be we we were hitting a goal that 75% of the people

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owned their own home. And it was wonderful because 20, 30 years later, they owned their own home free, free and

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clear. And they built up assets and for their children to inherit and they

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created value. and today they live in an apartment and they all they have is rent

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receipts to sell for. So I I just think the housing shortage and and the

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affordability problem has forced people to live in a mode that they really don't

Opportunity to share the future growth with our residents

16:43

want to live in. And that creates a terrific opportunity for us to to create

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a community of manufactured homes where the tenant has an interest in the home.

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If he doesn't own the home itself, he has an option to buy it. And that we

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share by keeping the land, we share both in the future. And that ability for us

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to share in the future is the ability for us to make money in the long run.

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And so the fact that we value making money in the long run allows us to keep our prices low today. I don't know if

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people understand that, but we don't make enough money in the early years. And sometimes we lose money for two,

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three years because it takes time to fill the community, but we look at the money we're going to make 10 years from

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now and it turns out we've been in business 55 years. It turns out that we

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make a lot of money over the years and we feel we've shared it with the tenants. And that whole concept of

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sharing housing is a great investment. It's a great thing to invest in and sharing some of it with a resident is a

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really smart move and gives us the opportunity to build new communities.

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And coming back to the beginning of my court talk and it's the most important

18:01

point to solve this problem of the affordable housing shortage. We have to build housing. And what we're telling

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you is, um, everybody in the company knows that we want to build housing and

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solve the problem. We need 4 million homes a year. And we think we should

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build another 100,000 homes from in factories and ultimately maybe another

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200,000. So that we have a big percentage of the market and we make buy

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the product because it's affordable. it uh uses a le less land and it's a great

18:37

new product. We're on the cusp of being appreciated by people, but we do have to

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live with uh people don't understand us and don't understand what we're doing.

18:49

And that's why we have this story to tell people. I I wish I could spend an hour telling you all the ways we save

Saving money for consumer

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money for the consumer from buying land in bulk, from getting great mortgages on

19:03

the property, the insurance program we have. Everybody complains about the cost

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of insurance. We run our community so well that the insurance companies keep the the premium cost down and we save

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money for our residents. Everything in in it is is is designed so the residents

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gets the lowest cost. And we love to put amenities in because you have a 200 home

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community and you put in a small park you the cost is divided by 200. You put in a swimming pool it's divided by 200.

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You have a wonderful person in the office that's a concierge and helps the

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the residents and you divide her cost by 200 and we can give people value and the

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more value we give people the more our community is worth and again in the long run that makes our community a great

19:56

place to live and then it increases the value of our parks and that's where

20:01

people look to see that we've made a lot of money for everybody. One of the things I've noticed showing people

Efficiency of manufactured homes

20:07

houses or going to any showcase, they walk in a manufactured house and they can't believe how efficient it is, how

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upto-date it is with new features, how you can design and build a home of your own. And I feel that is changing the

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perception of manufactured housing, especially how we buy parks previously

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poorly ran and we revamp it. And you know, we go into an area where they think this used to be the place where

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people didn't want to live and we make it place they want to live. And through opportunity zones and other things,

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we're really helping change the perception. What else can help change people's idea of manufactured housing?

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Well, Jeremy, uh, your videos do a great, uh, job in that regard. Jeremy

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does the drone videos and people don't fully understand how great our

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communities are. And I I call the drone videos uh Walt Disney Productions

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because the communities look so great on a sunny day to fly over these

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communities and see the cars parked and the parks and the green areas and the

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residents lawns immaculate. Uh it it helps get us the our image across. We we

Washington Homes on the Hill

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exhibit three homes this year on the Washington Mall and thousands of people,

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many of them dignitaries, governors, senators, congressmen came to

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see the homes there and they always come into the homes and they're a[w]ed by the

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low cost and the quality of the homes. Everything is quality and because we

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again we take a long-term view. We want that the the home to last 50 75

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years just like a conventional home. So we go first class in everything. The

21:57

homes are built to last and they they're built to withstand storms. They're just

22:02

a a great place to live. And what we try to do is make the community a great

22:09

community. And if there's a if it's a great community, the home can have double the cost value. The value of the

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home is with the what what people put on it because they live in it. They have

Security

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schools security. We we're the one of the only companies we have a wonderful security leader and he's just been

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absolutely great. We put in these license readers. You you drive through

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our park and the machine reads your license plate and it goes directly to

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police headquarters. So if the car is stolen or or or the insurance is outdate or

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there's problems, it shows up and you you you'll be amazed that bad people

22:53

drive bad cars. So the bad people come into the park, we find out about it. The

22:59

good tenants and the the good residents and the the others come in, they they never have any problem. But somebody

23:05

driving in a stolen car or a car that is all worn out, he will never drive into

23:12

our park again because they're picking him up at another half hour after he's pulled into the park. The local police

23:19

force gets to know our managers, our residents, and the problems we have. And

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we we measure how many visits we get. I visit them with actually calls where the

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police are called. And parks that used to have seven before we bought them had

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seven, eight calls a week, don't have seven calls a year because we security

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is so much better and people value security highly. And we try to give uh

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all our communities uh a high degree of uh security and uh it's it's uh one of

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the goals we have and we're meeting it. Yeah, your environment is is very

24:01

important and we create a great environment for people and we also are creating the potential for people to own

24:08

their own home. I know we do something where if you prove 12 months of rent consistently paid that can help you with

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your mortgage. What are some ways that we help people get the access to money to buy their own home in our

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communities? We've been working on eliminating barriers that never should

Eliminating barriers to own homes

24:27

have been there in the first place. The the

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uh people come in, they drive up in a nice car, and they have two well-dressed

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kids. They're well-dressed, they have a job, and they want to either buy or rent

24:45

a home. And we take the application, and we find it rejected, and we try to look

24:52

at what what in the world is it rejected for. And sometimes it's a it's a

24:57

waitress who hasn't booked on her income tax returns the income from tips. And as

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a result, she has a higher income than she's reported and can be justified. and she used to get that turned out that

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turned out. Now we had the latest development. The government's gone to the no tax on tips and we're very happy

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with that because waitress is making 60 70 80,000 a year working in a busy first

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class restaurant. Now all of a sudden qualify when we couldn't get them qualified before. The the the same is

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true of uh other measures. People have a hospital bill. If you get a hospital

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bill, I've gotten some hospital bills. They always find some reason that uh it

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doesn't get paid by the insurance company and it goes on your credit and you wind up a year later straightening

25:52

it out and then then when the credit agency looks at you, uh there's a there's a bad mark on it. You can't get

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the credit through. We're spending a lot of time now to get these credits approved. For example, if we have a a

26:06

resident that is paid for two years on time every time and they want to buy a home,

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I think that res is I would approve them almost automatically because that person

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is shown that they're a good credit. But we have to go through because the law

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requires a credit checks and credit ratings. But we do everything we can to

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get people approved. And we have a a very low default rate. I think it's

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about 2% or less. And it's it's wonderful because people who own their

26:41

own home, one, they take care of it. Two, they take care of it better than we can take care of it. So, we want people

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to own their own home. And by the way, I didn't say three. Three, people that own their own home generally stay in our

26:53

community seven years. People who rent stay at two to four years. We like it

26:58

better if they stay seven years. We want people to stay forever and have their parents there and their children live

27:05

there because we're trying to create a full community where everybody is is happy with their decision of where to

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live. What have you done to in to orchestrate such good values in um

Values of UMH, good faith and fair dealing

27:20

well first of all a graduate of military school and in a military school you

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follow all the rules and that's something that stays with you your whole life that you you follow the rules. The

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the other thing is I went to a great law school and uh the they taught you that

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in every agreement is a a nonwritten cause of good faith and

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fair dealing. And uh that has stood with me as the best way to run a business.

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Good faith and fair dealing. You do every business transaction not as if

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it's a a game where the you you have to win and get the most out of it in that

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transaction, but every business transaction is just one transaction that

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you're going to have future transactions and you're going to have a future relationship. So
your relationship with

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your customer, your relationship with your employees, your relationship with

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your contractors are all built on good faith and fair dealing. And you find if

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you go through life uh producing good faith and fair dealing, you become

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successful. And that that's been the the key to what we've done. Uh we've run

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several companies and the customer always appreciates that. It's good faith

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and fair dealing and that the negotiations are always pleasant and

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considerate and that's the that's important to us. And it's so much easier

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to run the company by the way because it goes to your employees understand that

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and uh everything you do in the company is is is that the customer the resident

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should should be should be satisfied and because we do that we have very low

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turnover. Now I gave you that figure. We we have people staying four years on

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average and that's the four years of on the 10,000 I guess it's close to 11,000

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homes we rent. Imagine that they stay four years. It used to be they stayed a

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year or two years but they they stay because we have the best deal in town

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and we try to make it a an experience that they appreciate and that they say

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nice things about us. I know. Uhuh. We tried at one park renting for for

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vacations Airbnb and we got uh five star ratings. What was the other thing they

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rated us? How do they rate us? We were one of the highest one of the best performing in the county, Highlands

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County in Sebring, Florida for rentals. Yeah. And that's what we try to do. And and the the other thing, you know, we

Rent collecting today is not our measure

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have investors and sometimes we don't make as much money as people would think. And because again, we take the

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long view. The rent we're collecting today is not our measure. I really don't

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like measuring your income quarter by quarter when it's year by year, decade by decade that really counts. It's the

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way to do it is to take the the long-term view on on performance and we

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we do that and uh we're very satisfied with the business. We what we want to do

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though is build. We've got a good reputation. We want the towns to give us

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approval to build. We want the federal government to give us the money to build. And we want to go out and build

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more communities. We would like to build more than a thousand units a year, maybe 2,000 units a year. And that's only five

31:05

parks. Five five parks of 200 to 400 spaces a year

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is something we can handle. And we wind up being one of the three biggest

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publicly owned communities, owning manufactured housing communities. And when we they become fully appreciated

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for what they are, they are the future of housing. And uh because building

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building onsite is become going to become obsolete. We'll be able to build for half the cost of building it. The

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factory built will be half the cost of building it on site and building in the

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factory will be better and will be recognized and there'll be more

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construction in the way we do things. Everything we do is on a trying to get on a mass production. that my ideal for

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a community would be to design it, get all the approvals, get ready to build

32:03

it, and sell it from the plants that there'd be so much demand. Because the

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quicker you sell in full, fill up the community, the quicker you make money,

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and the ability to quickly do the construction.

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uh all those things save so much money that it's something you want to do when

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you plan uh a community we find now it takes four years I want to do it in 6

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months and if we can do it in 6 months every this is the way we think every

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time we can save money the resident benefits and we get the cost of housing

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down there's affordable housing crisis because houses cost too much and it

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comes aren't high enough. So, we're dedicated to getting a great product out

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and getting the cost of that house down and we do everything possible to reduce

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the uh the cost to the residents and we're succeeding in that.

33:07

Something U[M]H has pushed hard for recently is the opportunity zones and we've introduced communities in new

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states like Albany, South Carolina. Where do you see the future of the opportunity zones?

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This is important. The the first thing is which people don't realize

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about the opportunity zones. The the whole problem and getting started with a

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housing uh project is that's not in my backyard. Everybody wants to live next

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to a mansion. everybody with one acres zoning and you can't uh you can't do

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that. The homes are too expensive. Uh we build our communities four or five to

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the acre quarter acres only maybe even a little less. the towns are convinced and

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it's difficult to get the approvals and and the problem today and this is on

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the highest level. People don't understand this pe academic people think they can solve

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the housing shortage by passing laws that the towns have to approve things

Town approval

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and uh we found we've been doing it for years. It's very difficult to get an

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approval if the town doesn't want you. There is so many laws and regulations

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and you wind up uh taking 50 years to get an approval. you you you have to get

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the towns to to to want you. And uh the

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president of the United States now is uh not convinced at all that having the

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federal government decide what the local government can build or not build is not

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the way to go. Now that's an issue. Uh so people some people are on the other

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side of it and they think the state government and federal government should dictate to the town of what they can

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build or not build. But we take a a a intermediate position because we've

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tried to get approvals in hostile areas and we realize how difficult it is. You

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can't blame the town if if 200 residents show up to the meeting angry that you've

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approved a project. uh it's easier for the mayor to to institute a lawsuit

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against the project and delay it two or three years and if you delay a project two or three years maybe effectively you

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kill it. So uh we wanted how do we get a compromised position without the federal

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government or state government taking over local zonings and what we've come up with is the opportunity zone. Now

Opportunity zone benefits

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people think the opportunity zone is just a tax advantage to to build. But bu[t]

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inherent in the opportunity zone is the ability of the town to approve

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manufactured home communities and other apartments and other things in the community in just those select areas.

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And those areas are usually areas of the town that that are not the high-end residential and where there's less

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opposition to it. We'll see how this works in practice, but we're very hopeful that the towns in the

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opportunity zones and the opportunity zones are designated by the governor and it's a huge percentage of the state and

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in 2026 and 27 they're going to redesate them.

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U[M]H, by the way, owns 10 communities now in opportunity zones, and we want to buy

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more of them because we think in the opportunity zone we can come into the town and get the approvals because the

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mayor will be approving uh manufactured home communities in just one section of

36:59

town. And hopefully the residents will say, "Well, it's not in my backyard. It's in my community, but not in my

37:06

backyard." And they'll be favorable to it. We're going to see how that works, but so far it's worked very well. U[M]h has

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been able to get approvals for two reasons. One is usually we have a community in the town and we are

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expanding it or building a whole new green field production and the town has experience with us and they're not

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afraid of the stereotypes of the manufactured home communities some people operate. They know that we

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operate beautiful communities with well-mannered residents who are great

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citizens. And so when we come in for a uh an expansion, we get the approval.

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And so that's that's one reason we do it. And we think in the opportunity zones, even if we're not known there, we

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hope we have the reputation for doing a good job and that the town will allow

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the manufactured housing community into those areas. And here again, we we we've

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got a lot of projects on the on the uh blueprints and we're we're a very

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ambitious company and we hope to build uh a,00 200 2,000

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units a year which is uh 10 years we'll be a substantially larger company and

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we've contributed to a partial solution of the affordable housing crisis. If we

Projected growth

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can become a company that that owns twice as much, three times as much, four

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times as much communities, look at the value we have for our shareholders in the nation and what good we'll be doing

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and we'll be financially successful as well. We have every new development you

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can think of. The way we want run the parks, we want them to be the finest

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communities. So the the reputation is you're the smart one for living in the

38:59

community because your housing costs are less and your kids have a better place to live.

One of the things I'm so proud

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about is the staff and people we have and that it's nice to have a mission

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statement on paper. It's nice to have these plans to build communities. It's

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nice to go in to get the approvals. But it's the people. We just went down to

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Memphis, Tennessee, and we had a grand opening of a new section of a community.

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And the mayor and everyone was there, and they were thankful that we came to

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their town. They they just said, "This is what economic development should be."

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and they appreciated that we were building new

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qual quality homes in their community. And what we've tried to do is instill in

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everyone that works with the company, including our investors, that we're more

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than just a public company that makes money. We're a public company that's socially oriented. All of our income

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comes from people who have need affordable housing. And so we've got

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that through to our staff, our key people. And

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I have to laugh because uh uh oh, it was 8:00 at 9:00 at night on a Sunday. I got

Dedicated employees

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an email about what we're working on. And I said, "What a wonderful company.

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8:00 at 9:00 on a Sunday. people are still thinking of how we can make this

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company work, how we can do the good things we're trying to do. So, I've been

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helpful in having progressive ideas and seeing things clearly that other people

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don't quite see and being right about it. But it's the execution is just as

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important and maybe more important. And we have an organization of 515 people

41:04

and people who have been with us for 30 40 years doing a great job. And now it's

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wonderful to see their children and grandchildren working there and see the residents are happy and when we have

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these open houses and things you see uh uh what we've accomplished. So when you

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invest in the um and uh you invest in a public company that pays dividends, but

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you also invest in a company that you can be proud to be a shareholder of when you see the good work we do.

Part II. Additional Facts-Evidence-Analysis (FEA) from sources as shown including more MHProNews expert commentary.

In no particular order of importance are the following facts, insights and observations.

1)

2)

3)