

Mobile Home Park "Star" Ratings: Fact or Illusion?

The quirky practice in grading mobile home parks with a "star" rating (usually one to five stars) exists for no other type of commercial real estate. What makes this interesting is that almost no one who uses the rating knows what it means or where it comes from.

Ask a broker, lender, or even large corporate operators what the difference is between a three-star and a five-star park, and you will likely get a muddled response referring to amenities, paved streets, or swimming pools, but no hard data about how the stars are assigned or who does it.

Yet it sounds so real, so authoritative, that one believes there must be some person or entity somewhere that issues these "stars."

The history behind mobile home park star ratings

The history behind this practice is interesting, and unknown to most in the business. The reference to star ratings for mobile home parks is a holdover from a directory of mobile home parks published in the fifties, sixties, and seventies by Woodall Publishing of Chicago, Illinois.

The directory was an outgrowth of the original directory started in 1935 called "Trailer Travel Magazine," compiled by Karl Hale Dixon. The original directory rated campgrounds and travel trailer parks--the forerunners of the modern mobile home park.

As mobile homes grew in size and popularity, potential residents needed a separate directory for the parks that could accommodate them. It became quite an undertaking. The 1970 edition required 21 teams of Woodall inspectors to visit every park in the country.

Of 24,000 parks in existence then, that edition found 13,000 parks deemed of high enough quality to be included in its 950 pages. The ratings were for consumers--the potential residents of the parks. The rating guide was never intended as a grade of investment quality.

But perhaps the strangest of the facts surrounding the continued use of the star system is that Woodall ceased publication of the Mobile Home Park Directory in the early seventies, and with it, their inspections that created the ratings. They stopped publication because mobile homes became "immobile," and the need for a rating system for transient homeowners declined. The actual publication run of the Mobile Home Park Directory was 23 years.

Woodall continues to publish a directory of ratings for RV/Campground facilities, as well as a number of sub-directories and regional guides. More information is available on their web site at www.woodalls.com.

Though the directory hasn't been published for over 25 years, the star ratings survive as the authoritative rating system for mobile home parks. Some institutional owners and lenders have developed their own criteria for grading parks, but there is little similarity to the original rating system. The truth is, there is no nationally recognized standard to grade mobile home parks.

With that background in mind, now you know that when someone uses the star rating to describe a park, it is not based on any system or fact. Woodall stressed that the stars do NOT denote that one mobile home park is better than the next. It was meant to be a guide for various levels of

service, not to rank one park above another, similar to the "diamond" ratings AAA gives to hotels.

Here are the guidelines used for the Woodall star rating system. The descriptions are quoted directly from the 1970 guide.

Woodall one-star park

The most important consideration for a one-star park is overall appearance. If it is not a decent place to live, it will not be listed in Woodall's directory. The following are general requirements:

- 1A. Fair overall appearance.
- 1B. Patios on most lots. May be concrete, asphalt, wood, or some suitable material
- 1C. Grass, rocks, or shell to cover ground.
- 1D. Streets fair to good. May be dirt, asphalt, or gravel in reasonable condition.
- 1E. Restrooms clean, if any.
- 1F. Adequate laundry or Laundromat nearby.
- 1G. If fences allowed, must be neat.
- 1H. Mail service.
- 1I. Homes may be old models, but show evidence of some care.
- 1J. Manager available some hours of each day.

Woodall two-star park

- 2A. Landscaping--some lawns and shrubs.
- 2B. Streets in good condition. Must be dust free of crushed rock, gravel, or shell minimum.
- 2C. Neat storage.
- 2D. Well equipped laundry or laundromat nearby.
- 2E. 220-volt electrical connections available.
- 2F. If children accepted, park should have play area.
- 2G. Park free of clutter, such as old cars and other abandoned equipment.
- 2H. Well-maintained and managed.

Woodall three-star park

What a three-star park does, it does well, but not as uniformly as higher rated parks. Many three-star parks were once rated higher, but original construction does not allow for today's 10-foot, 12-foot, and double-wides, or the 55-foot and 60-foot lengths.

In addition to the requirements for one-star and two-star parks, a three-star park must have the following:

- 3A. Attractive entrance.
- 3B. All mobile homes must be in good condition.
- 3C. Awnings and cabana rooms on some homes in southern area.
- 3D. Some spaces for large mobile homes.
- 3E. Paved or hard surfaced streets.

Woodall four-star park

(There are two categories. See item 4K.) Four-star parks are luxury parks. In addition to the requirement for one-star, two-star, and three-star parks; a four-star park must have the following:

- 4A. Good landscaping.
- 4B. Most homes skirted with metal skirts, concrete block, ornamental wood, or stone.
- 4C. Paved streets, edged, or curbed.
- 4D. Uncrowded lots.
- 4E. Underground utilities if permitted by local conditions and authorities.
- 4F. Most tanks, if present, concealed.
- 4G. Any hedges or fences must be attractive and uniform.
- 4H. Awnings, cabanas, or porches on most homes in southern areas. (Except double-wide units.)
- 4I. Most lots to accommodate large homes.
- 4J. Where row parking of homes exists, all must be lined up uniformly.
- 4K. Community hall and/or swimming pool and/or recreation program. (If a park is four-star in all but this requirement, the fourth star will be printed as an open star, indicating a four star park without recreation.)
- 4L. Excellent management.

Woodall five-star park

Five-star parks are the finest. **They should be nearly impossible to improve.** In addition to the requirements for one-star, two-star, three-star and four-star parks, a five-star park must have the following:

- 5A. Well-planned and laid out. Spacious appearance.
- 5B. Good location in regard to accessibility and desirable neighborhood. In some locations park should be enclosed by high hedges or ornamental fence.
- 5C. Wide paved streets in perfect condition. Curbs or lawns edged to street, sidewalks, street lights, street signs.
- 5D. Homes set back from the street.
- 5E. Exceptionally attractive entrance and park sign.
- 5F. Patios at least 8 x 30 ft. (Except double-wide units.)
- 5G. Paved off-street parking such as carports or planned parking.
- 5H. All homes skirted.
- 5I. All hitches concealed. Any existing tanks concealed.
- 5J. Recreation, some or all of the following: swimming pool (except areas with long, cold winters), shuffleboards, horseshoe pitching, golf course, hobby shop, hobby classes, games, potlucks, dances, or natural recreation facilities.
- 5K. Beautifully equipped recreation hall with kitchen. Room for community gatherings. Tiled restrooms, etc.
- 5L. Uniform storage shed or central storage facilities.
- 5M. All late model homes in excellent condition.
- 5N. At least 60% occupancy in order to judge quality of residents which indicates park's ability to maintain a five-star rating between inspections.
- 5O. All empty lots grassed, graveled, or otherwise well maintained.
- 5P. If pets or children allowed, there must be a place for them to run and play without cluttering the streets and yards. Most five-star parks are for adults only.
- 5Q. Superior management interested in comfort of residents and maintenance of park.