ALI:
You speak of legacy and I got to say, manufactured housing, I think a lot of folks are starting to figure out that this is the solution for housing as a reg. And in some cases, the only solution, it's not the last resort. I don't want to hear that anymore. It's not a last resort. It's a choice and people are choosing this lifestyle because they get it.

They're smart. It's like buying a, for those, and I don't, I'm still, I love the old gas cars too, but some of these EVs, they're smart cars, right? And it's in, for whatever reasons, when people buy them, they may buy them because it's a smart choice.

CORWYN:
Good morning. Great morning, guys. Welcome to another fabulous episode of Exit Strategies Radio Show.

Hey, I am your host Corwyn J. Melette, broker and owner of Exit Realty Lowcountry view and beautiful North Charleston, South Carolina. Hey, if this is your first time listening to this show, you sir or ma'am are in for a treat because our mission here is very simple, very simple. That is to empower our community through financial literacy and real estate education. Guys, we are legacy building.

That is what we do. Got to give a shout out to those who listen to us so faithfully. And I'm always amazed and surprised. Got a shout out to Woods who tuned in, accused it, tuned in. Always like to give some love to Pastor Vanderbilt Evans Sr.

and his wonderful bride, Miss Sandra Evans. And if I would put that Sr. on that guy name, y'all already know what he gonna do. He gonna jack me up. That's what he does.

My folks in the Mullins and Marin area of Detroit, my family there. Love y'all so much. Thank y'all so, all so much for listening. So today, look here. One of my languages, and look here, I take this thing to the OJs on occasion when we start talking about money.

Right? So y'all hear me go money. Yeah. Cause I'm talking about that, but today we ain't talking about that. All right. So don't get too excited.

Don't get too hype. What we talking about today is something that is also, and I'm going to call it my wheelhouse, but look here, it is my language. We talk about housing affordability. We talk about investing. We talk about all the things that kind of are the culmination of the combination of the two.

And today we are so excited to have a conversation on this show that I am like super stoked about it. So again, we've talked about affordable housing and new ways that families can make ownership more attainable. What if one of the most overlooked solutions has been right in front of us, like forever for decades and guys that is manufactured housing is often misunderstood. But what happens when we stop looking at the stereotypes and start looking at the true opportunity? So we've explored modular housing and other approaches to make it home ownership more attainable. Now, today we're going to change up and take this conversation into a slightly different direction.

We're looking at manufactured housing, not only as an affordable housing solution, but also guys as a real estate investment opportunity. Because when responsible investors improve communities, they can potentially create value for both residents and investors. So today Nasir Ali and Ali, as he goes by is the founder and managing partner of Rise 360 Ventures.

So he grew up in a manufactured housing community, began acquiring homes at the age of 16 and has decades of experience evaluating, operating and revitalizing manufactured housing communities. So if you all would, please, wherever you are, I want you to put your just fork, your spoon, whatever it is you drinking coffee or making flapjacks. I want you to put it down and I want you to give Ali the slow clap this morning. Ali, how are you doing?

ALI:
I'm doing absolutely fantastic, Corwyn. I love your energy and your passion for what you do. I'm excited to be here. In theory.

CORWYN:
I don't even know what I say. I don't even know where to start, but I do, I do. I got to get to the beginning, 16. So first of all, your experience in growing up in a manufactured housing community. But how did like that shape what you've done or what you're doing now? And what also do people misunderstand about manufactured housing overall? Like what are those myths and stuff? So let's get into all of that.

ALI:
Sure. Real quick. 16 is when I started, you're absolutely right. When I started leasing homes and selling homes and buying homes and whatnot. And then by 19 or even earlier, I was able to start buying properties, real properties, like mobile home parks and RV parks at the time, now manufactured housing communities.

But I got to tell you, we got in, in our first community where I went from when I was 12, so I went from living in a McMansion in Orange County, California. To live in a trailer park. And that was quite a change. And what's relevant about that exactly today is that was because of the Iran war crisis in the late seventies and what resulted in 1981 that we bought that first community. So it's been exactly 45 years, just last month marks 45 years of our history being in this business when I was 12 years old.

And of course at 12, I was moving picnic benches and cleaning the pool and restrooms and all that stuff. But by 15, 16, I was running a shop. It was a KOA. So I was running the general store. It was an RV park, running the general store.

And then we quickly realized how seasonal the RV park business is. And we needed to eat all year round. So we started putting in trailers and you know, now the concept of ADUs and tiny homes is nationally accepted. It's common, popular. Back then we were, I think we were doing it before it was a thing.

And so I think we doubled the sizes of the park. We bought trailers, we rented them out long-term and we quickly realized, Hey, this is a business we need to be in because we don't necessarily want all the management intensive headaches of the retail operation of an RV park. And so we never looked back from there. We acquired more and more communities along the way. And it was all built by the way, from that first one, we operated it diligently for 10 years ourselves as a family, because my father had 120 homes.

And this is what I was alluding to earlier, 120 single family homes in Orange County, and when the market crashed back then, he was highly leveraged and it was like a house of cards just came collapsing down and he was able to have enough liquidity to put a down payment on that park. And much like you hear about Patels running motels and I come from that same tribe and I'm really proud of that story actually, because it actually buys not just property, but more importantly, it provides housing for a family, for that family, it provides employment for the whole family to be involved in the business. And so now moms, and pardon me for being politically incorrect, but you know, if moms run to the counter and dads run to the grounds and the kids are helping out in the back office and whatnot, it's a family business. And so I grew up, instead of following the tribe, my father was a lone wolf and he was thinking ahead of the curve. And this is where it's relevant to your crowd is that you've got to be thinking ahead.

And his mindset was, hey, single families already saturated by the seventies and eighties. Multifamily is heavily, if not saturated, was essentially saturated, I would say by the nineties and two thousands. And not that you can't make money in any of these asset classes, but you know, and then you saw the herd go into storage, self-storage in the early two thousands. And then that kind of became saturated. And so he was kind of thinking ahead.

And I think one of the things that there's a couple of things that I love about this business, which I think ties to the last part of your question or initial introduction is that in this business, frankly, it isn't saturated yet. And frankly, even when it does become saturated, we have enough verticals. We have different profit centers that you can create so that you can keep increasing your bottom line, your revenue and your revenue and your bottom line in this business. And like I said, it's not saturated yet, given I'm going to stop talking to businesses one second, but I think I need to answer one more part of it is that given what you said about affordable housing, Corwyn, we're on the verge of a, what most people say, at least 4 million units, housing shortage. And some would argue that it's double that.

And I've heard the arguments that, yeah, well, hey, there is housing available. But people just can't afford that housing. You know, all of that is true. And so to your point, we're a real big part of the solution. And we've been held back again, to your point, because of the stigma that was associated with us for decades.

And finally, we're starting to overcome that. And this is our moment.

CORWYN:
Thank you so much for that, Ali. So I want to kind of reframe this. Now I'm going to interject this because I'm a student, if you will, within the industry, and I'll say student, I'm not putting myself anywhere else.

But the 21st Road to Housing Act, like just passed and embedded in that is factory built housing as a whole to help ease the pressures, you know, low inventory and things that we experienced that causes pricing to rise. But I'm also want to frame something, one other thing on the back of that. Cause I just literally shared this recently with my agents. I'm going to be sharing it or sharing it also with my database, my client base, which is there's essentially two economies going on, right? There's people that have assets, they're fine. And they're still spending money and doing things.

And there's people that don't, that are working every day, trying to having to work to do X, Y, Z, don't have any assets. Those are the people that are struggling most to get into home ownership and manufactured housing is an opportunity for them. So I want to talk about that. I want your take on not only the 21st Road to Housing Act, but I also want your take on this component, which is the affordability conversation. What is manufactured housing do for people as far as affordability?

ALI:
Well, let's just start with the latter and really focus on that because as much as I can, cause I think that's quite compelling, the reality is you said that there's essentially two groups out there, you know, ones who can afford things, who have the assets and can hedge inflation as a result, they can keep spending and the others who are working and just trying to survive.

And sometimes it's, it's very difficult and it's just the American dream has become more and more elusive for that audience. And I hate to say it, but I think we're getting to a place where that number is like something like almost 90% of the population where it becomes more and more difficult and it's only the 10%. Maybe I'm wrong and I hope I'm wrong, but maybe up to 20%, but really 10%, I would say that are enjoying a lot of that, including home ownership. And manufactured housing is one way. If you don't want shared walls, if you want to have a backyard, if you want to be able to park your car right next to your home, you want all the benefits and you want to actually own your home, you own your home and you'd be able to make the improvements you want.

We're the solution. We're the most compelling solution where you can still afford. I'm in Silicon Valley and average price of a home in Silicon Valley, you know, where these tech companies are, it's probably two and a half million dollars. I know the official number is a lot lower than that, but in reality around those towns or cities where work is happening. And so for many folks, even earning a good salary, they're commuting an hour, two hours out to be able to afford a home.

And so except the ones who kind of got smart and figured out, Hey, there's some manufactured housing communities in here as well. And you have folks earning a lot of money and choosing to live in manufactured housing communities here so that they can avoid that two hour drive. And maybe of course, anything in California, we're on the extremes of everything in terms of valuations in every sense, but I think the general point applies across the country. Where, what do we represent? Almost 10% of the population. And we're talking about 50,000 or so, 40 to 50,000 manufactured housing communities nationwide.

And we just haven't got our due in terms of, and much to our own fault as an industry in the past. But we, now I think the moment is out, the cat's out of the bag and people understand that this is the solution for, this is the way to still be able to get the American dream.

CORWYN:
That's probably a great segue or opportunity to kind of shift this around a little bit and drop in what our frame is, the investor's perspective. But I do want to hit one of the misnomers in this shift, which is that manufactured housing is cheap or poor quality or what have you, I'd love to get your take on that, but what I also want you to get us over into is what makes manufactured housing attractive to investors?

ALI:
Oh, I'll try to remember both. Cause I mean, I get too excited and passionate about these things, Corwyn, what's makes it attractive to investors is really the fact.

It's just what it's simple. I rent dirt. I don't rent toilets and I don't deal with termites and tenants in the traditional sense because I don't own the home, they own their home and they're renting the lot, which is essentially dirt. And so to keep it simple. So I've got all the upside of real estate, the appreciation, the cashflow, the ROIs, all that stuff, but I don't have all the typical landlord headaches.

And that's huge. And I think everyone started to figure that out. Finally, we've got a frenzy of investors coming in into this asset class because of it. So, so that's what they love. As far as the home itself, I think if I answer your question correctly, it's the home itself has come a long way.

And so we were a trailer before in a trailer park. And then we were a mobile home, which technically is mobile, but there's really, it's really the wrong definition because once it's set in place, as you know, I see you shaking your head, it's going to be almost impossible. It typically will never leave once it's placed in a community. And we're talking about communities, of course, where it's placed anywhere for that matter. But when it's placed in a community, it's hardly a tenant may pass away or God forbid or move or whatever, which is unlikely.

And that's another big point is tenant retention of why investors love this. Our customers are typically tenants for life, dare I say. And if, you know, at the minimum five, seven, 10 years on it, I don't know if there's an average I can give you exactly, but it's a long time. We don't have turnover every six months or a year like you do in multifamily and other places. So that's incredible, right? To have a permanent tenant renting dirt, and you're still getting all of the great metrics that are better than you would when you like, while taking on headaches.

And I don't care what type of asset, because you can make money in all real estate classes, but if I have the option to make the same or better money by renting dirt, it's a no brainer, right? And then just going back to the stigma, we went from a trailer park with trailers, then we went to the mobile home. And in 1976, as they started meeting HUD code, they were HUD compliant and up to code, so the homes were better built. And that's why they started them, I think calling them quality mobile homes instead of trailers. That's one of the reasons anyway. And although that word mobile really didn't fit and to describe the permanency and describe really the benefit to the resident.

So you saw a shift, particularly in the nineties when these homes actually, of course, they're always been manufactured in the factory, but the fact that the quality had improved so much where you have efficiency and energy, you started seeing pitched roofs and island kitchens and all kinds of beautiful things. You know, exterior facades. I mean, sometimes you can't even tell the difference between a stick built home and a manufactured home. And then we moved from mobile home parks to manufactured housing communities to remove that label of being mobile, which is kind of inaccurate. And to show that this is a place, it's not a park.

It's not a random park. This is a community. It's where people live and thrive. And the stigma that you have from 8 Mile, like you've mentioned on one of your podcasts and that kind of trailer park is not representative of where most people live. And so for example, we have one community where we have eight manmade lakes.

We have, it's almost like a, it's a country club type of, it's a gated community. You got the tennis courts and the pools and all that stuff. And many people have second homes there or even third homes. And these are, it's not always the stigma and the stereotype that's out there. So we've come a long way from, from back in the day.

CORWYN:
This is a perfect place guys. Look, we're going to mix in and kind of shift this up. So I want to make sure I let you all know that affordable housing and responsible real estate investment and investing does not have to be competing ideas. So when investors take a long-term approach to improving communities, guys, everyone can benefit. So right here, let's take a quick break.

CORWYN:
So Ali, I want to jump into community impact. This is an arena space that you guys have operated in for an incredibly long time, I mean, for over 40 years. So to you, what does responsible community revitalization look like incorporating manufactured housing into that?

ALI:
Yeah, I think already by the nature of what we do as an industry, we're already making an impact in the community by providing what is truly affordable housing. You hear that term thrown around a lot, but this is the real deal.

So by default, we're already doing that. In addition to that, I see a lot, I think the industry associations are doing a great job of providing services or grants or contributions to the low income folks within our communities that need help, for example, just like in the Western region where I am. They have a grant that they do and they look for people that they can assist. MHI does similar things. I see a lot of community owners individually doing their part, whether it's something like as much as in one of our communities, the management got together and the local management, property management folks and put a vegetable garden together where everybody can come in and plant what they want.

And then there's this community vibe, right? Where people are planting together, they're gardening together. They're actually sharing the fruit of their labor literally. And it's an amazing experience. So that's an example. Other things, drives for food drives or clothing or any of those things.

I see a lot of that happening at the ground level, much of it unrecognized, much of it just done anonymously. And it's a beautiful thing.

CORWYN:
Ali, again, you have watched the industry shift. You've watched it grow. You watched it reinvent itself.

So where do you see manufactured housing going over the next five to 10 years? And what opportunities should investors be looking for, watching out for?

ALI:
Yeah, I think more and more, you're going to see a lot of syndications and funds, private equity groups, buying up more of the communities in middle markets and tertiary markets. So of course the REITs and the larger private funds, private equity groups have already. I don't even compete in the primary markets. I'm not even trying Corwyn. In the middle and tertiary markets, if you want to do it yourself, I think there's still plenty of room to be an investor on your own or do it through a syndication where you can kind of at least have training wheels, so to speak, and understand the business model and whatnot.

So I think the opportunity in the next five to 10 years really still lies in the secondary and tertiary markets for private investors and smaller groups to acquire a lot of these communities that are still owned by baby boomers for the most part, and who will be retiring or are retiring and selling, their heirs don't necessarily want to get in the business. So that's where the opportunity is, at least for that stretch. And then Corwyn, I think what you're getting to, and I might add is at some point, there's going to, when the absorption completes, and I keep using my hands to say to most of these communities, a lot of these communities are only half full today in these secondary and tertiary markets, not due to lack of demand for affordable housing. We all know that's there, but just because of these upfront costs and other barriers that prevent people from taking advantage of these lots that are available. And so you got to make sure you're involved in a company or on your own where you're vertically integrated and you've provided solutions to get, be able to get the home purchased, transported, installed, financed, all of those things so that it's turnkey.

And you go from 50 or 60% occupancy to dare I say, 90 or a hundred percent relatively quickly, and that could be a few years, three to five years, but relatively quickly and essentially double the asset value by doing that. If you're at 50% occupancy, give or take, I'm just using simple math. But so that's the opportunity. And then at some point when those are fully absorbed, we got to look at what happens after that.

CORWYN:
This is probably a great place, Ali, to make sure our listeners can reach you.

I mean, I talked to a lot of people, manufactured housing, and there's a lot of conversations going on in and around this space right now. It is so interesting to be in like that swirl, if you will. But if you don't mind, how can people connect with you? Connect with Rise360. Tell us what people can reach you at.

ALI:
Yeah.

Thank you for asking, Corwyn. So I'll answer. And I want to just, if I may also share that I love the fact that there's so much attention in our business now from lenders and appraisers and brokers and investors, both private equity and individuals and all of that, it's given us a lot of us to become a real asset class and by everybody's definition. But with that, I want to say that, frankly, be careful because you're getting involved with a lot of sponsors who really don't have the operating experience, I frankly think that's where the challenge is, right? You need to be with operators who are now offering sponsorships and offering an opportunity to invest if you're not going to go do it alone, or just get some free help from advice from any of us, you can reach out to me and you can reach out to me and my team at rise360ventures.com.

That's probably the best way to go. There's a detailed, I think there's an 80 page detailed report that's complimentary on the website that gives you a good understanding of the business and the opportunity at hand today. You can also, of course, find us at LinkedIn under that same handle, rise360ventures, LinkedIn and every other social media platform.

CORWYN:
Thank you. Thank you.

So guys, we are quickly getting to the end of today's show, and I want to make sure that I take the opportunity to recenter us, we've been, if you will, around the edge of, and believe me, we have not delved deep, we've really been around the edge of manufactured housing arena, that space. So for our legacy piece today, you know, investors, when they can create financial returns while also creating better, more affordable places for family to live, what kind of legacy can that combination create? That's the conversation that we've been having today. That's the conversation that Ali has been bringing because trying to create housing in markets oftentimes is a challenge to do so at a price that is affordable and attainable for people. So this is where quote unquote, as Ms. Caroline used to say all the time, where the rubber meets the road.

So Ali and I, as a closing question for you, what is your take on that? Like what opportunity and how do you see this and how do you frame this to others that people can legitimately make a difference in their communities as investors to people that are looking for housing, that manufactured housing is a great asset class for them to consider?

ALI:
Yeah, you speak of legacy and I got to say, I mean, so manufactured housing, I think most people who are, a lot of folks are starting to figure out that this is the solution for housing as a, and in some cases the only solution. It's not the last resort. I don't want to hear that anymore. It's not a last resort. It's a choice and people are choosing this lifestyle because they get it.

They're smart. It's like buying a, for those, and I know I'm still, I love the old gas cars too, but some of these EVs, they're smart cars, right? And it's in, for whatever reasons, when people buy them, they may buy them because it's a smart choice. And I'm just starting to use that as an analogy. Our homes are a smart choice. It's not just somewhere you land or you end up, people are choosing to live in these communities.

Now, from the legacy standpoint that you brought up, I'll be brief about this, but I got to, cause I know we're tight on time, Corwyn, but I got to say the best way to emphasize what you demonstrate or you talk about on your podcast regularly is I'm living an example or proof about thinking long term, thinking generationally. I was blessed that my family, we've been in commercial real estate for eight generations and we've lost wealth along the way. I'm not saying I've got eight generations worth of money. I'm saying due to wars or partitions or all kinds of crises out of your control, you can lose your wealth and you can start over as my father had to, as I described early. What transfers and what's most important in terms of legacy building is the knowledge, the wisdom, the tenacity, the ambition, the morals, the values, the ethics, all those kinds of things that have to be instilled that you carry.

And then you talk about love a lot and I'm going to end with, that's what it boils down to. Are you, when my dad asked me as a 12 or 13 year old, we had a family meeting. I got to say this real quick. We'd have weekly meetings and he'd ask, Hey, what do you want to do when you grow up? You'd ask one or five of those kids. And everybody said, Oh, I'm going to be a doctor, engineer, lawyer, whatever.

And my answer then, and I stick by it today is I said, I just want to love and be loved. So hats off to you, Corwyn. And if that's the core of what we're doing, then, you know, it applies to business, it applies to everything. Right. And so you got to be thinking long-term for your generations ahead or generations behind.

And just make sure leveraging the generations behind and just make sure we're too fixed these days, too comfortable with the dopamine that we get the instant gratification and you know, the short-term thinking. And so let's just, I want your audience to just snap out of that.

CORWYN:
Well, Ali, thank you so much for taking time out of your business schedule to be on with us today. Again, it's been a heck of a conversation and I thank you for your insights and your input. As we're trying to educate and inform people and encourage and inspire and all this other stuff that goes into just being good humans, man.

So really thank you so much for your time today. I really appreciate it. So for our listeners, guys, look, Hey, look, this has been an awesome show, right? I want to regroup you one last time and say that affordable housing guys, isn't just simply about having a lower cost place to live, it's about creating stability and also furthering opportunity for others and when responsible real estate investment helps create better housing, stronger communities and opportunities for families to build wealth, real estate then becomes more than just an investment. It becomes a vehicle for legacy building. So I want to thank you all for tuning in.

Look here. Y'all know how I feel. Y'all know what I say. You know, it's putting two of those things together and I give it to you this way, which is to first tell you that I love you. I love you.

I love you. And we going to see you guys out there in those streets.