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Converting Your Community

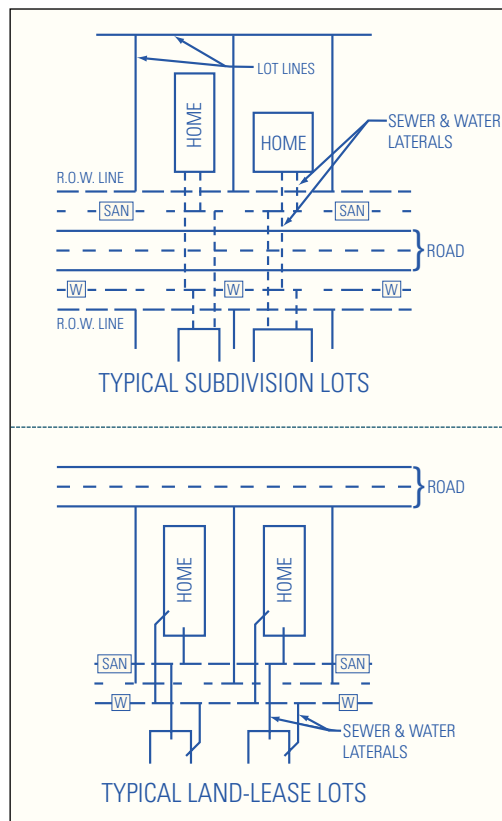
Is it possible to turn a land-lease community into a subdivision?

Q Is it practical to design a land-lease community so that it could be converted at a later date into a fee-simple subdivision?

A The answer to this question is dictated by the unique characteristics of the two uses. A resident of a subdivision owns the home and the parcel upon which it is situated. The lot has a legally defined boundary. Once the house is completed, the home and lot are one entity and in most cases are assessed as one unit. The roads within the subdivision are nearly always dedicated to the public and are maintained by the local government. The roads are centered in a designated right-of-way having a specified width. The right-of-way is most often about twice the width of the actual road surface. Subdivision roads are built to community design standards by the developer and turned over to the local government after completion and inspection.

Sewer and water lines are similarly constructed to community design standards and turned over to the local government for ownership and maintenance. They are always placed in dedicated easements adjacent to the road or within the right of way, sewer on one side and water on the other. The lines, which serve the homes, called laterals, cross under the road to serve homes on both sides.

Residents in a land-lease community own their homes and lease the site. Land-lease homesites don't usually have legally defined boundaries. Home and homesite are separately taxed, the home to the homeowner and the land and improvements to the developer. Roads in a land-lease community are usually owned



and maintained by the developer and not placed in a right-of-way. Roadside setbacks are measured from the road edge or back of curb and are smaller.

Likewise, the sewer and water lines are built, owned and maintained by the developer and are not placed in easements. In fact, the most efficient routing for these lines is in the rear lot area, significantly reducing the length of individual homesite laterals. Rear lot service also removes much of the utility trenching from the road area, eliminating costly compacted backfill necessary for proper road construction. As a result, savings in infrastructure cost can reach as much as 40 percent of the cost of an equivalent subdivision. Additionally, most subdivision area and setback ordinance requirements dictate larger lots and a resultant lower density.

It can be concluded that the cost of a land-lease project designed and built to subdivision standards would be significantly higher than neces-

sary. It has been my experience that once zoned and built, the land-lease community has a significantly greater value than a subdivision on the same property thus making a conversion to a subdivision unlikely. My advice is to do your market and feasibility studies and have the project professionally and most efficiently designed as either a subdivision or a land-lease community.

Don Westphal has over 35 years of experience planning manufactured home communities. He can be contacted at (248) 651-5518 or via email at westphal@rust.net.