

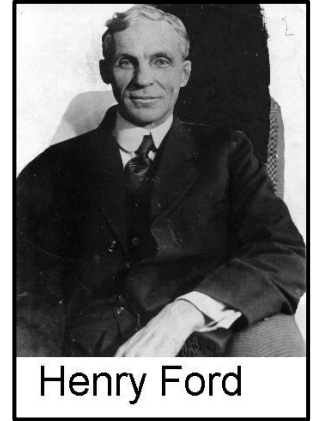
Housing Infill Proposal

City of McComb, MS

**“Assembly Line Construction Methods”
Affordable Home Proposal**

Ford Motor Company

In introducing the Model T in October 1908, Henry Ford proclaimed, “I will build a motor car for the great multitude.” Before then, the automobile industry marketed its vehicles to the richest Americans, because of the high production costs. Ford’s Model T was the first automobile designed to serve the needs of middle-class citizens: It was durable, economical, and easy to operate and maintain. **Still, with a debut price of \$850, the Model T was out of the reach of most Americans.**

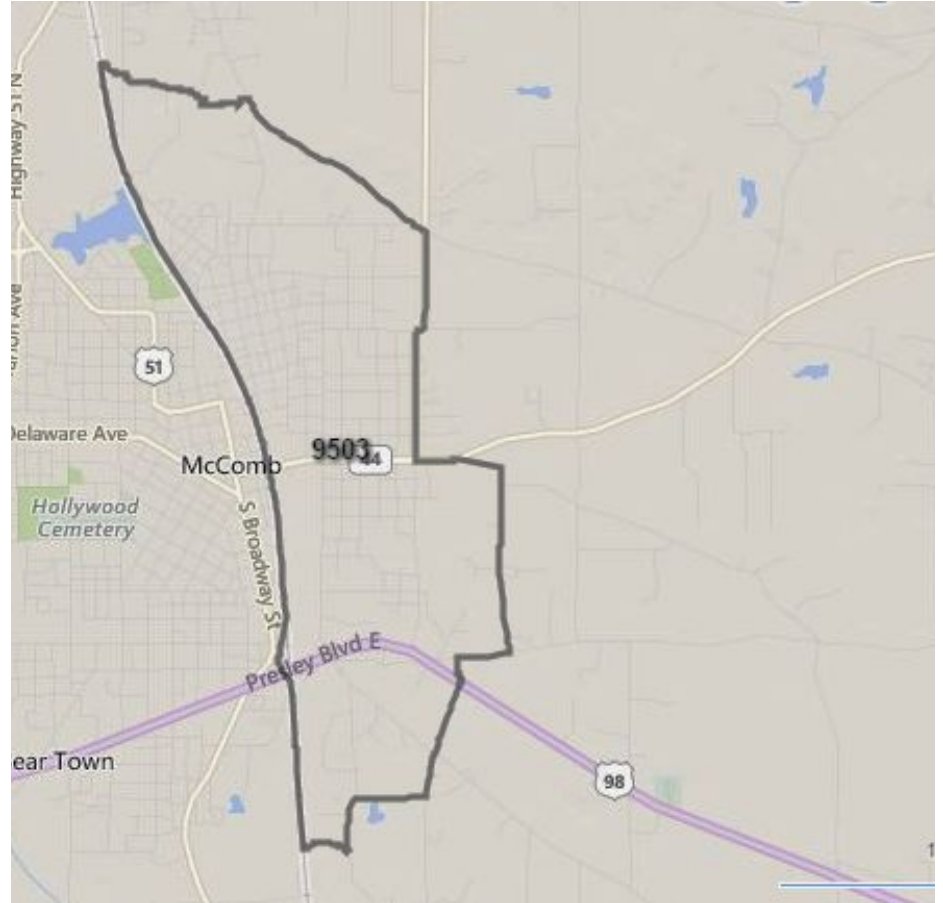


On October 7, 1913, the chassis went on the moving assembly line along with all the other major components of the Model T using this same technique. Ford rapidly improved its assembly lines and by 1912 the company produced one Model T every 24 seconds, and the price fell below \$300. More than 15 million Model T’s were built before T Model was discontinued in 1927, accounting for nearly half of all automobiles sold in the world to that date. The affordable Model T changed the landscape of America and the moving assembly line spurred a new industrial revolution in factories around the world.

Similarly, affordable housing doesn't need to be cheap; it needs to be made affordable.
By combining assembly line constructed homes together with re-purposed city lots, we believe we can solve the affordable housing shortage in McComb MS.

Affordable Housing Needed:

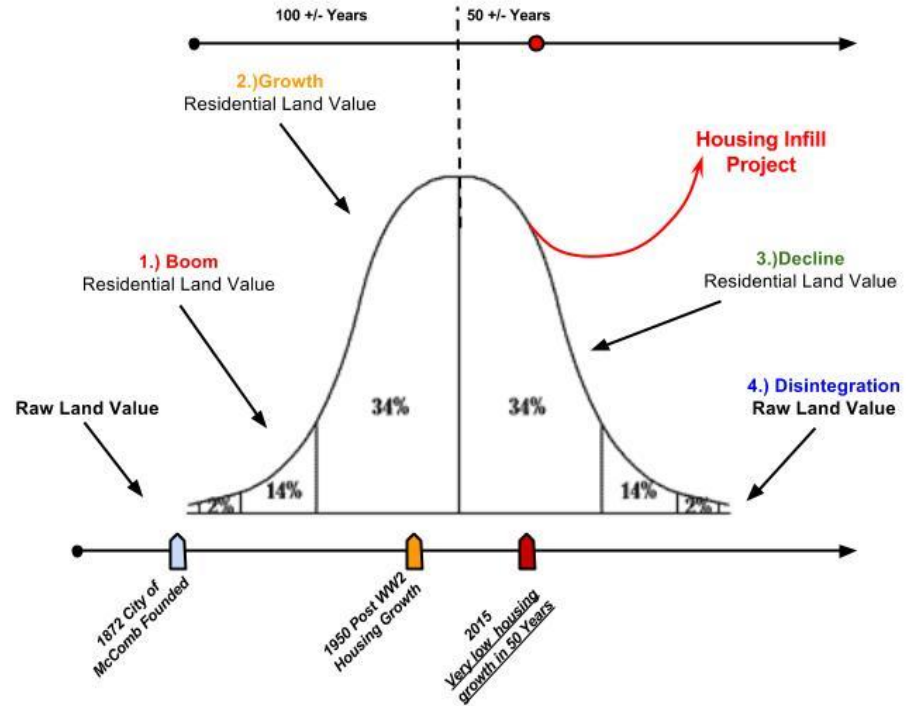
After completing an affordable housing study on the city of McComb the **affordable rent for a two bedroom home was determined to be \$600 per month.** The criteria for affordable housing was derived by using the affordable rent formula established by HUD. The below map shows the area in which earnings match the affordable housing criteria. If rent in the delineated area is above the affordable level then the current residents would be displaced.



Real Estate Life Cycle

The typical or natural life cycle of real estate can be determined by a number of factors governed by the laws of supply and demand. Most commonly real estate goes through a natural life cycle with 4 major components:

- **Boom**- When improvements are made to the land and demand for improved land increases
- **Growth**- When the property is converted to its highest and best use and is able to serve the demand
- **Decline**- When the property requires more upkeep to support its value than it can produce
- **Disintegration**- Property returns to its original use due to its inability to support its transitional use and value



Housing Infill or "land-recycling" is the economical use of existing city infrastructure as a remedy for "city sprawl" and the "donut effect." The Infill strategy can stop neighborhood decline and generates additional tax revenue without additional city investments. The Infill Proposal addresses what can be done by the City of McComb to reverse the areas in the city that are currently in the "decline phase" of the real estate cycle.

“Existing” Housing Issues:

Like other small towns, a portion of McComb's neighborhoods have declined as a result of income not being able to keep up with the price of residential construction.

As a result of residents not able to afford residential construction, the entire neighborhood values have declined. If a neighborhood progresses to the “decline cycle” it is no longer feasible for property owners to invest in their homes and the neighborhood begins to disintegrate.

Trailer Parks



Transitional Properties



“Infill” Housing Solution:

When a neighborhood progresses to the “decline cycle,” it is no longer feasible for property owners to invest in their homes. An Infill Program can then be implemented to renovate an entire neighborhood.

An Infill Program does not seek to install a couple of new homes in a blighted neighborhood, as that would be a failed program. A Successful program would install enough new homes in an existing neighborhood to change the way the neighborhood is perceived by its residents and the public.

Typical Infill Lot



Typical Infill Manufactured Housing



Infill Housing Solution “Home Model” Example:



“Infill” Manufactured Housing:

Homes built AFTER 1976 should, technically, no longer be referred to as Mobile Homes but instead are Manufactured Homes and are built to a much higher standard of quality than previous construction methods.

- **Wind**
 - HUD issued revision to wind safety July 13 1994 requiring all homes comply with New Wind Zones, after Hurricane Andrew (1992)
- **Energy Efficiency**
 - U.S. Department of Housing and Urban Development pushes congressional mandate, October 24, 1994, to release new construction standards that lower monthly energy bills, enhance affordability, improve mortgage underwriting, and improve home ventilation.
- **Physical and Economic Life**
 - Datacomp Appraisal Systems completed a study comparing sales price and resale price, concluding Manufactured Homes can appreciate similar to other new homes.
 - Homes built to **current** HUD Standards show a 55.8 year habitable life as reported by Manufactured Housing Institute and HUD.

Cost of Construction -New-

Type of Construction	Foundation	HUD Regulated	Movable	Average \$ per ft.	Avg 1,300 sq ft Home Price
Site Built Home	Pier & Beam	No	No	\$120	\$156,000
Modular	Slab	Yes	No	\$75	\$97,000
Manufactured Home	Pier & Beam	Yes	Yes	\$35	\$46,000

“Infill” Manufactured Housing Example:



RIGHT ELEVATION



FRONT ELEVATION

"Infill" Manufactured Housing Example:



Housing Infill Provides:

- **Proven Results**

- Approved and marketed by HUD as a solution to blight and city sprawl
- Largest scale infill project here in MS on the gulf coast after Katrina
- Housing is movable, allowing for different options in the future.

- **Everyone wins Solution**

- Increased neighborhood values
- Significantly Increased City Revenue through property taxes
- Affordable to current residents

- **Sustainable Options**

- Locals not displaced by development
- Affordable housing option
- Available investor capital



REAL ESTATE INVESTMENT & MANAGEMENT

Appleton Real Estate Investments is a property management and real estate investment company headquartered in historic downtown McComb, MS.

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