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Lenders vs Insurance Companies

The Blurring Lines Between Urban
and Rural

and more!

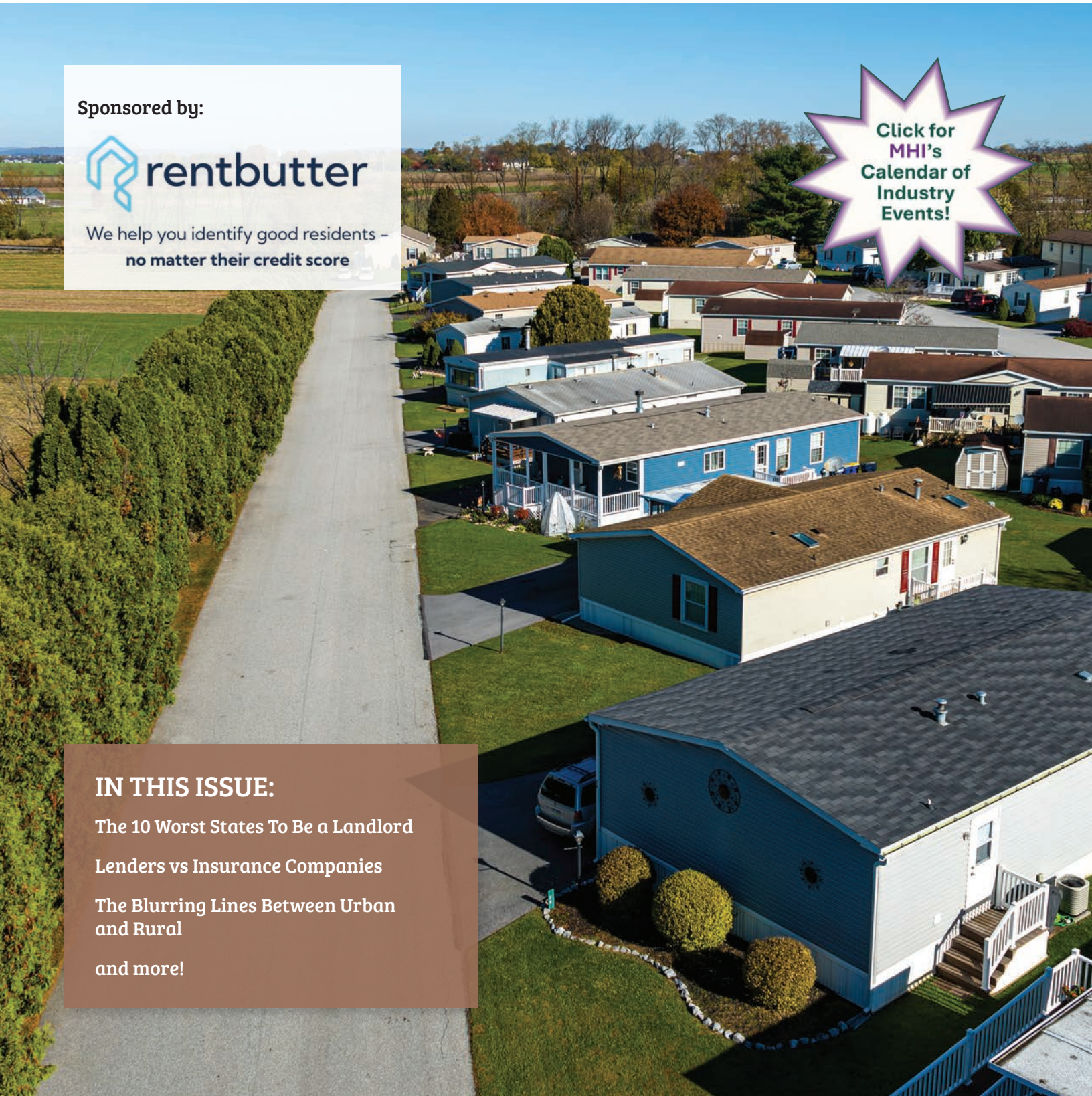


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The 10 Worst States To Be a Landlord

By [American Apartment Owners Association](#)



Photo courtesy of AAOA

In the 10 worst states to be a landlord, it can be tough between taxes, tenants who don't live up to their lease agreements, maintenance woes, and the cost of maintaining a property.

But there are some states where—due to anti-landlord legislation, property tax rates, rentcontrol laws or congested court systems—there is added pressure on landlords, property owners and property managers. TurboTenant, a property-management software company, compiled the 10 worst states in which to be a landlord based on those factors and more.

Based on these findings, here are 10 states where owning rental property is harder, riskier, and less profitable.

Criteria for Ranking States

Anti-landlord legislation: Some states have legislation that favors tenants while presenting hurdles for landlords. A prominent example is the no-fault eviction ban, which prevents landlords from ending leases without cause.

Rent-control laws: What landlord wants the state to tell them how much they can charge for rent? Rent-control laws restrict when and how much landlords can increase rent, which limits their ability to adjust to market conditions or rising costs.

Eviction timeline and court backlog: States with slow, congested court systems or lengthy eviction-notice requirements can leave landlords stuck with nonpaying tenants for months.

Property tax rate: Yearly tax bills that ravage your revenue make it tough to turn a profit.

Rental yield: When rent barely covers the mortgage, taxes, and upkeep, landlords are stuck treading water until it's time to sell. Low rental yields make it tough to turn a profit, let alone save, reinvest, or expand your portfolio.

No. 10: Connecticut

The state has a 1.92% property tax rate (the third highest in the nation) and evictions that often drag on for months. Also, landlords can't end a month-to-month lease without just cause. And while no statewide rent-control law exists, several cities still cap rent hikes they consider excessive.

No. 9: Massachusetts

In Massachusetts, landlords can't charge a late fee until rent is more than 30 days overdue. Adding in the high cost of living and proposed rent caps in Boston complicates matters. And eviction proceedings in Massachusetts can be a nightmare.

No. 8: Minnesota

A Minnesota landlord must issue a 14-day notice (or a 30-day notice in Minneapolis) before initiating the eviction process. Also, late fees are capped at 8%. While there's no statewide rent control, St. Paul limits rent increases to 3% a year, and Minneapolis has considered similar restrictions in recent years.

No. 7: Maryland

Maryland's two most populous counties, Montgomery and Prince George's, cap rent increases at 3% plus inflation, or 6%, whichever is lower. Maryland lawmakers also are pushing for "good cause" eviction rules that make it harder to terminate leases without a qualifying reason. If passed, the law could force landlords to renew leases with problem tenants.

No. 6: Illinois

Illinois landlords can't turn down applicants based on how they pay rent, whether through housing vouchers, Social Security, or child support, even if they've had trouble collecting those payments in the past. Illinois could move higher up this list if proposed rent-control measures become law. A significant backlog of eviction cases at the court level means that 2-year evictions are a very real possibility, plus this is a high property-tax state.

No. 5: Washington

Rent control, called rent stabilization, limits rent increases for existing tenants in Washington state to 7% plus inflation or 10%, whichever is lower. Landlords can still adjust rent by higher amounts for new tenants. It also limits rent increases for manufactured homes to 5%. Washington has laws that make it hard to remove tenants who stop paying but refuse to leave. Just-cause eviction rules make it hard to move on from tenants, and strict notice requirements add layers of complexity to the eviction process.

No. 4: Oregon

Oregon's rent-control restriction is 7% plus the annual 12-month change in the Consumer Price Index for all urban

The 10 Worst States To Be a Landlord Cont.

customers. During any tenancy, other than week-to-week, the landlord may not increase the rent more than once during any 12-month period. Oregon was the first state in the nation to pass state-wide rent control.

No. 3: New Jersey

Although New Jersey has no statewide rent control, more than 100 local jurisdictions enforce their own ordinances, creating a complex spiderweb of legislation that can baffle even longtime Jersey landlords. In addition, New Jersey imposes the highest property tax rate in the country (2.49%), strict just-cause eviction laws, and painfully slow court processes.

No. 2: New York

New York's statewide regulations limit rent increases (even after significant improvements) and prevents landlords from resetting rent between tenants. New York's 2024 "Good Cause Eviction" law requires landlords to have a legally valid reason to terminate a lease.

Additionally, tenants can challenge rent hikes they dislike, leading to drawn-out legal battles and preventing rent from keeping pace with the market.

No. 1: California

California enforces strict rent control, capping increases at 5% plus inflation or 10%, whichever is lower. But what really puts California at the top of the "worst" list is taxes. Rental income can get hit with California's income tax, up to 13.3%. California is also one of the toughest places to deal with squatters.



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THE CONCERNED COMMUNITY OWNER: What's Wrong With Having A "Moat"?



Standard castle design of the 12th century included a water feature that encircled the stone walls and made it impossible for mounted knights or foot soldiers to plow through easily. It was a key defensive feature that castle owners were proud to have. Fast-forward nearly 1,000 years and a "moat" is considered a huge benefit in any industry as it keeps competition away and market share intact. Business "moats" include patents, restrictive territories (like a franchise) or brands with massive scale. And, just like castle owners, businesses that have protective "moats" are considered more valuable and cherished by investors.

But when someone uses the term "moat" to describe the mobile home park industry, park owners run in terror. We are the only industry on earth that finds "moat" a four-letter word that must never be mentioned. So how did the mobile home park industry make "moat" a derogatory concept?

Let's first focus on what gives every mobile home park a "moat". The simple answer is restrictive zoning. It's an absolute fact that no city or town in America wants more mobile home parks. They don't view them as a positive addition to their communities and the citizenry hate the idea of having a "trailer park" as a neighbor, which they view as a detriment to their property values. The hatred of mobile home parks runs so deep that there have been virtually no new mobile home parks built in the U.S. since the 1970s, a fraction of the number that have been torn down and redeveloped over that same half-century. Park owners did not create this hostility nor do they have any control over it. So why does this "moat" reflect badly on their great business positioning?

It shouldn't. But the woke media has attempted to convert this simple "moat" into a an indictment against the entire

industry, claiming that it gives park owners the ability to raise rents without customers having plentiful options to move their trailers elsewhere. It's an absurd position but the average American is not well versed in the realities of business and is easily duped. How could mobile home park owners have collectively convinced every city and town in America to hate mobile home parks and therefore deny the permits to build new ones?

The reality is simply that nobody likes mobile home parks. That's what restricts the number of options for customers. Unlike the trucking industry that was regulated by the U.S. government until 1980, or the airline industry which was regulated by the U.S. government until 1978, mobile home parks don't have some type of monopoly-structure. They are not an industry that can be de-regulated - the fact is they've never even been regulated!

Self-storage has proven to be a lousy investment option due to irrational and plentiful over-building. Cities and towns like self-storage. It has no negative stigma. Getting a permit to build a new one is a cinch. And, as a result, the cap rates for self-storage are about double those of mobile home parks, simply because they have no "moat" at all. They envy mobile home park owners. They would love to shut down all new construction of self-storage nationwide. But that's not within their control.

The bottom line is that mobile home park owners did not create the "moat". They can't undo the "moat". Even the deranged Biden administration - which claimed they had the power to force cities to change their zoning restrictions - was unable to alter the "moat". Nobody has that power. It's not monopolistic. It's not some type of nefarious action rigged by old guys smoking cigars in a dark board room. But it is a huge benefit to every park owner who does not have to worry about a new "trailer park" popping up near their property. Ever.

And that's why every real estate investor in America want to own a mobile home park.



The Concerned Community Owner is a column dedicated to the challenges and insights of Managers, Owners, and Investors navigating today's real estate landscape. These articles come from readers across the nation, sharing real experiences and pressing concerns.

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Rent Growth and Tight Occupancy Define 2025 Start for Manufactured Housing Sector

By Pete O'Neil



The manufactured housing sector's strong operational performance from the past few years carried over into a healthy start to 2025. After holding steady at an elevated level throughout much of the past year, occupancy levels inched up 10 basis points to 94.9%, the highest total in more than 20 years. These tight conditions continue to support rent growth; current rents are up more than 7% from one year ago and 2025 is expected to be the fourth consecutive year where rents rise by at least 5% nationwide. Renter demand for manufactured housing is approaching its highest point in a generation, and shipment volumes are off to their strongest start since 2022. While demand remains elevated, significant improvement in the national occupancy level is unlikely. The Midwest region, though, may see increases as local economies improve and housing costs continue to rise.

Sales velocity in the manufactured housing multifamily investment market posted a seasonal slowing from the fourth quarter to the first quarter, but momentum has been building

since the second half of 2024. First-quarter transaction volume more than doubled compared to the same period last year, as the expectations gap between buyers and sellers continues to narrow. Cap rates have trended lower in recent months after holding steady in the prior quarter, averaging 6% year-to-date, down roughly 30 basis points from the final three months of 2024. Pricing remains elevated, driven largely by strong gains in Florida, Minnesota, and Colorado. The median price so far in 2025 stands at \$52,700 per space, a 3% increase over 2024.

Northmarq is a full-service capital markets resource for commercial real estate investors, offering service from top experts in debt, equity, investment.



MHC Lenders vs MHC Insurance Companies

By Kurt D. Kelley, President,
Mobile Insurance



Fannie Mae and Freddie Mac underwrite many manufactured home community (MHC) loans. They also set loan-required insurance standards for other lenders. Some months ago, the two leading MHC loan issuers decided they would no longer approve insurance coverage with the following general or excess liability exclusions:

1) Absolute Assault and Battery (A&B)

2) Sexual Abuse and Molestation (SAM)

These exclusions on Excess Liability insurance policies have proven more difficult to remove from MHC offered insurance policies than a Squatter from a California MHC.

There's no definitive word on what changed Fannie and Freddie's mind regarding these exclusions. However, logic suggests a borrower faced a business ending uninsured liability claim due to an A&B or SAM exclusion. It's not unusual for MHC owners to be sued when someone in their community is assaulted, battered or sexually abused. However, most plaintiff lawyers also allege Negligent Security by management which typically is covered by liability insurance even when A&B and SAM exclusions are present.

The result is a battle of the titans. There's a demand for coverage by the lending Godzillas that insuring King Kongs won't offer. The consequences are delayed loan closings, increased costs for borrowers, and headaches for your loan originator and insurance agent business partners as well as your internal team.

The good news is that with certain community security improvements, A&B and SAM exclusions may be removed

from general liability insurance policies. Also, stand alone SAM coverage, though not inexpensive, is now being offered for excess liability coverage up to the required coverage limit. Stand-alone A&B coverage exists today, but only up to a \$500k limit which still leaves a loan in an insurance non-compliant state. Also, some new excess liability offers are now coming online for some properties without these exclusions.

My recommendation for borrowers is to work with MHC experienced, focused loan originators and commercial specialty MHC insurance agencies. And even more preferably, loan originators and insurance agents that know and trust each other. They know the issues and how to best navigate them. They will also address these issues up front, and help you save time, money, and heart medication.



President of Mobile Insurance, an agency specializing in insurance for manufactured home communities and retailers. Named top commercial insurance agency by American Modern Insurance Group. Member of numerous insurance companies' policy development and advisory teams. One of largest manufactured home specialty agencies in the country. 2017- Present Founder and Publisher of the Manufactured Housing Review, an industry publication dedicated to Manufactured Home Industry professionals. www.manufacturedhousingreview.com

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Don't Pave the Playground to Put up a Parking Lot

By Aimee Bove
Owner/Attorney
Bove Law



Operating a well-run manufactured housing community (MHC) requires skill, experience, reserves, and endless patience. Frustratingly, local government, state legislatures, residents, and housing non-profits disregard these realities. People with no MHC housing experience tell me how to run communities constantly. They declare it's abusive to require homeowners to mow their yards and pull weeds. Tossing urine and feces out a window if a homeowner's toilet breaks is okay. Mindbogglingly, a state senator once told me in a public hearing that it is outrageous for a resident to face consequences for refusing to clean up after their dog. I disagreed, arguing that living in a manufactured housing community does not mean you must cook dinner while the smell of your neighbor's dog's feces wafts into your window. The senator scoffed and rolled her eyes.

These same people then demand that the pool and gym be open 24/7, community managers control crime, infrastructure should never break, and, most importantly, the MHC must provide all these things without increasing rent.

As I was pondering this stalemate, an analogy hit me. When my son was in the second grade, he came home angrily, waving a math worksheet full of red slashes. He demanded to know why Ms. Frances failed him when he had the answers right. Examining the paper, it became clear he didn't show his work. He could not articulate how he found the answer. Similarly, residents and regulators have answers to MHC problems, but no workable plan to implement. How do we fix this disconnect? We take a page from Ms. Frances; educate tenants and regulators on the practical operations of a community. Once empowered by housing knowledge, tenants, regulators and owners can find workable solutions that can be successfully implemented for the whole community's benefit.

Recently, Bove Law successfully applied this strategy when a large, organized tenant complaint arose over parking rules. In this case, Colorado parking laws had recently been amended, and the community couldn't enforce the new rules until they posted updated parking signs. During this enforcement gap, the tenants became used to parking wherever they wanted.

Don't Pave the Playground to Put up a Parking Lot Cont.

Not surprisingly, they were unhappy when the community began to enforce the new parking laws with the placement of the updated signage.

The tenants organized and contacted their City. The city official knew we represented the owner and reached out to me. This communication was a pivotal step in acknowledging the tenants' concerns. If ignored or handled dismissively, the dialogue may become unnecessarily contentious. To address this parking complaint, we encouraged our client to travel from the Midwest to meet with the city officials and the tenants. We further encouraged the owner to drive the community to get a firsthand view of the current parking limitations and to identify possible solutions.

In this MHC, tenants have two spots in the driveway, carport, or garage. A third may be allowed if they can fit in another vehicle without obstructing the sidewalk, landscaping, or road. Even with this ample parking, tenants demanded parking on the street in front of their homes. Street parking is not allowed, nor can the City or the community's snowplows, ambulances, or firetrucks get through when streets are filled with cars. Often, double parking occurs, making the street clearance even tighter, creating at least an inconvenience and, frequently, a dangerous situation.

Our meeting with our client and the city officials created an environment of trust and cooperation. We worked together to find a solution acceptable to the tenants while maintaining compliance with the local parking regulations. One of the City's suggestions was to remove the children's playground and pave a large parking area. We discounted this plan and gently reminded the advocates that we must not sacrifice outdoor play space for children for parking convenience.

At this stage of communication, the MHC owner had a choice. Walk away after hearing the City's outlandish idea, believing the City's housing ignorance was a bar to creating solutions, or use his own experience in housing to solve the problem. The next day, he drove around the community and talked to tenants one-on-one to understand the scope of the problem. The knowledgeable owner considered various factors, such as existing infrastructure, road design, and available land, to propose an overflow parking lot with one hundred spaces on appropriately available land.

The next step was to unveil the plans for the new parking lot to the tenants. A meeting was called with the participants, including the tenants, the city officials, and our clients. Members of the local chapter of the national advocacy group

9to5 were in attendance, at the invitation of the tenants, with their mission "to win people-centered policy change and develop leaders to fight for a world where we can all thrive." A casually dressed community representative presided over the meeting, introducing the constituencies present, and providing an objective and sympathetic understanding of the issues presented in the complaint. We explained that the owner had created the new overflow parking lot to allow tenants to park their vehicles near their homes without violating the new parking restrictions or paving over their children's playground.

It would be overly optimistic to assume that this solution made everyone happy. Many tenants distrust the community owners' motivations and will hinder resolution for the sake of encouraging disharmony. Some people want to park all six cars on their landscaping and in front of their house without considering their neighbors. However, by listening, encouraging the City and our clients to be included in the discussion, and giving the tenants an open forum, we created a positive interaction with a resolution. A bonus benefit of these meetings is the opportunity to learn of any other potential areas of discord and, with our client in town, develop proactive strategies for avoiding the formalization of additional tenant complaints.

In our experience, the sooner a tenant issue can be researched and addressed through comprehensive fact-finding, open communication with all the constituents, and a joint effort toward resolution, the more advantageous the solution will be for all.



Aimee Bove, Owner/Attorney of Bove Law in Denver, is the pre-eminent attorney representing clients in the manufactured housing industry in Colorado. In practice for the past twenty years, she has spent the last decade understanding, helping draft, and monitoring the laws governing communities in this most regulated state. Her extensive daily engagement drives her dynamic advocacy and representation of clients facing compliance and tenant legal issues.



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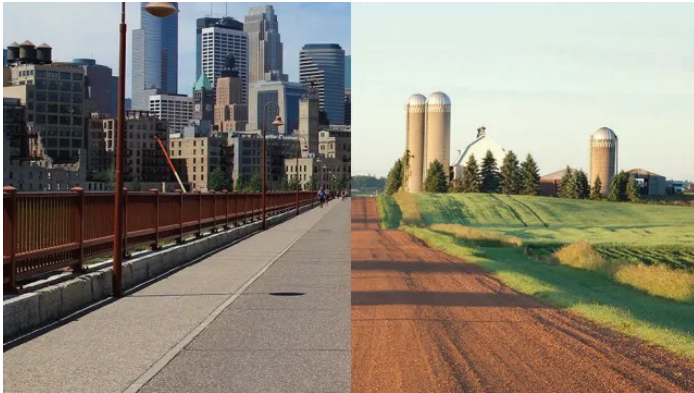


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The Blurring Lines Between Urban and Rural

By Frank Rolfe



It's a fact that 80% of Americans live on 3% of the land mass, while the other 20% live on 97%. But some megatrends to the traditional population footprint are making the standard classifications of "urban" and "rural" harder to define. So here's a primer on how things are rapidly changing and the impact on the mobile home park industry.

In the beginning...

In the old days there were only three terms to describe mobile home parks based on population: 1) urban 2) suburban and 3) rural. Your mobile home park was either in the gritty downtown, the close-in suburb, or nowheresville. Banks hated "rural" parks and most buyers shunned them as defective merchandise. And that went on for decades - certainly the norm when we got into the business in the 1990s.

The rise of "exurban"

Although the term "exurban" was coined in 1955 regarding a remote suburb in New York, you didn't really see the population pushing farther out until about 2008, when the Great Recession necessitated economically challenged consumers to push farther out from their urban job centers to find housing they could afford. And the results were so successful, that word rapidly spread among their friends and co-workers. It's possible that the big news story on population trends in recent years is the growth of the ring of residential hubs that are located outside of traditional suburbia, and what was once considered to be "rural" by definition.

The new "super-commuter" trend

Just when you thought the push into formerly rural America was over, a new population trend started. This is called the "super-commuter" and it's basically the exurban shopper on steroids. The typical "super-commuter" drives over an hour on their commute. But it's worth it because they get an even lower housing cost than the "exurb" resident and even greater distance from crime and the ills of the big city. This new living

option really picked up steam with the Covid crisis of 2020, when millions of employees were allowed to work remotely.

Where all this is heading

With each successive push farther out into formerly "rural" America, it further blurs the lines between the classic definition of where people live in large numbers and where they don't. We don't know the current stats, but it's guaranteed that more than 20% of Americans now live in that 97% of the leftover land mass. How many more? We'll probably know with the 2030 census. But all you have to do is drive away from any city center and you'll see there's a whole new world of rooftops going up pretty far out of town.

The impact on the mobile home park industry

There are very few mobile home parks in the urban core of America. There's not a single mobile home park in downtown St. Louis, only a few in downtown Dallas, and that's pretty much the case in all the other markets. Mobile home parks are traditionally found in suburbs and rural areas, where permits were able to be obtained and land was cheap to build on for that new concept called "trailer park". As the population pushes out into rural areas in the form of exurbs and super-commuter areas, one of the big beneficiaries of this movement are mobile home park owners. It will increase their base of potential customers and raise lot rents in tandem with overall housing prices. Additionally, it makes lenders more familiar and accepting in making loans farther out, beyond the old-time boundaries of urban and rural.

Conclusion

The U.S. population is getting smarter. They realize that a little extra commute time buys them a much higher quality of life. With U.S. house prices exceeding \$400,000 and apartment rents exceeding \$2,000 per month, the population shift into rural areas will only accelerate over time. And that's great news for mobile home park owners nationwide.



Frank Rolfe has been an active owner in the manufactured home community industry for nearly two decades. As part of the 5th largest community ownership group in the United States, he oversees more than 23,000 lots across 28 states, primarily in the Great Plains and Midwest. His books and educational programs on community acquisition and management are among the best-selling in the industry. To learn more about Frank's insights and expertise, visit www.MobileHomeUniversity.com.





When it comes to mobile home park management, understanding the fine line between what is covered by insurance and what isn't is crucial. Familiar exclusions, such as damage from earthquakes, floods, wind, and more, highlight the vulnerabilities of mobile home parks. These exclusions not only expose park owners to potential financial disasters but also underscore the critical importance of rigorous maintenance practices. For insurance producers, guiding your clients through these nuances can make all the difference, transforming standard advice into a goldmine of value.

7 MAINTENANCE TIPS FOR MOBILE HOME PARKS

A well-maintained mobile home park not only reduces the likelihood of insurance claims but also enhances the quality of life for its residents. Herein lays a comprehensive guide designed specifically for insurance professionals to share with their clients, consisting of indispensable maintenance tips for mobile home parks. The culmination of this guide will underscore the significance of comprehensive liability insurance, featuring Prime Insurance Company as the premier provider for mobile home park owners.

1. Regular Safety Inspections

Conducting regular safety inspections is paramount. These assessments should focus on common areas, playground equipment, and communal facilities to ensure they meet local health and safety standards. Preventative maintenance, such as checking for structural damage or wear and tear on playground equipment, can mitigate accidents, reducing liability risks.

2. Road Maintenance

The infrastructure within the park, including roads and footpaths, should be maintained to a high standard. Potholes and uneven surfaces are not only unsightly but can also be

hazardous, leading to accidents and potential claims. Regular repairs and upkeep ensure safe and accessible routes for all residents.

3. Fire Safety Measures

Installing and maintaining fire safety measures is crucial. This includes ensuring that all mobile homes are equipped with functioning smoke detectors and fire extinguishers. Additionally, clear signage indicating fire evacuation routes can save lives in the event of an emergency.

4. Flood Mitigation Strategies

Given the exclusion of flood damage from many insurance policies, implementing flood mitigation strategies is vital. This can involve ensuring proper drainage throughout the park and consulting with experts to design landscapes that minimize flood risk. Helpful information on flood management can be found through the Federal Emergency Management Agency's website at <https://www.fema.gov>.

5. Community Engagement

Engaging the community in maintenance and safety practices can foster a collective sense of responsibility. Community clean-up days, safety briefings, and maintenance workshops can empower residents to contribute to the park's upkeep and safety.

6. Establishing and Enforcing Park Rules

Establishing clear park rules related to property maintenance, noise levels, and the use of communal areas can prevent disputes and ensure a harmonious living environment. Enforcing these rules fairly and consistently is key to maintaining order and respect within the community.

7. Investing in Liability Insurance

The final and perhaps most critical tip for mobile home park owners is to invest in comprehensive liability insurance. Despite the best maintenance practices, accidents and unforeseen events can still occur.



Flipping vs Holding: Which Mobile Home Park Investing Strategy Wins in 2025?

By Tristan Hunter



Mobile home park investing offers compelling strategies for wealth-building. Today, we'll discuss flipping for quick profits or holding for long-term cash flow. Both approaches may yield strong returns, but they cater to different investor goals, risk tolerances, and market conditions. In 2025, with housing affordability pressures and evolving economic trends, choosing the right strategy could make all the difference. This article compares flipping (upgrading and selling) versus holding mobile home parks, breaking down market conditions, financing options, and risks to help you decide which approach might suit your investment style.

The Mobile Home Park Investing Flipping Strategy

Flipping a mobile home park involves buying a property, making strategic improvements, and selling it for a profit, often within one to three years. This short-term strategy may appeal to investors seeking quick returns or those with expertise in property turnarounds.

How Flipping Works

Start by identifying undervalued mobile home parks with potential for improvement. These properties might have outdated infrastructure, high vacancy rates, or mismanagement. After purchasing, you could invest in upgrades like repairing utilities, paving roads, or adding amenities such as playgrounds.

Once the property's value increases, sell it to another investor or operator for a profit.

Potential Benefits of Flipping

Flipping may offer faster returns than holding, allowing you to reinvest capital into new projects. In hot markets, upgraded mobile home parks could attract buyers quickly, especially as demand for affordable housing grows. Additionally, flipping might minimize long-term exposure to operational risks, such as tenant turnover or maintenance costs.

Risks of Flipping

Flipping isn't without challenges. Renovation costs could exceed budgets, especially if unexpected repairs arise, like replacing aging septic systems. Market timing also matters; a sudden economic downturn might reduce buyer interest, leaving you with a property that's hard to sell. Moreover, flipping requires hands-on management and expertise to execute upgrades efficiently.

The Mobile Home Park Investing Hold Strategy

Holding a mobile home park focuses on generating steady cash flow over the long term, often through rental income from lot leases or tenant-owned homes. This strategy may suit investors who prefer passive income and are comfortable with ongoing property management.

Flipping vs Holding Cont.

How Holding Works

When holding, you acquire a mobile home park and maintain it as a rental business. Income may come from leasing lots to tenants who own their mobile homes or renting out park-owned homes. Over time, you might increase rents, improve occupancy, or add value through minor upgrades to boost cash flow.

Potential Benefits of Holding

Holding could provide consistent, predictable income, especially in stable markets with high demand for affordable housing. Long-term ownership may also offer tax advantages, such as depreciation deductions. Additionally, mobile home parks often have low tenant turnover, as residents face high costs to relocate their homes, potentially ensuring steady occupancy.

Risks of Holding

Holding comes with its own risks. Ongoing maintenance, such as road repairs or utility upgrades, could erode profits. Economic shifts, like rising interest rates, might affect tenant affordability, leading to vacancies. Additionally, managing tenants and complying with local regulations may demand significant time or require hiring a property manager, adding to costs.

Market Conditions Shaping 2025

The choice between flipping and holding mobile home parks depends heavily on market conditions in 2025. Understanding these trends can help you align your strategy with current opportunities.

Demand for Affordable Housing

The ongoing shortage of affordable housing could drive demand for mobile home parks. With median home prices in the U.S. hovering around \$450,000, per recent housing data, mobile homes offer a budget-friendly alternative. This trend may favor both flipping (as upgraded parks attract buyers) and holding (as stable tenant demand supports cash flow).

Interest Rates and Financing Costs

Interest rates, projected to remain elevated in 2025, could impact both strategies. Higher rates might make financing costlier for flippers, increasing the cost of acquisition and renovations. For holders, elevated rates could raise mortgage payments, squeezing cash flow unless offset by higher rents. However, mobile home parks often benefit from seller financing, which could mitigate these challenges.

Regional Market Variations

Market dynamics vary by region. Fast-growing areas like Boise, Idaho, or Columbus, Ohio, might offer flipping opportunities due to rising property values. Meanwhile, stable, rural markets with consistent demand could favor holding for long-term cash flow. Researching local vacancy rates, population growth, and job markets can guide your decision.



Financing Options for Mobile Home Park Investing

Financing plays a critical role in both flipping and holding mobile home parks. Exploring your options can help you maximize returns while managing risks.

Flipping Financing

For flipping, short-term financing options like hard money loans or bridge loans might provide quick access to capital. These loans often have higher interest rates but allow flexibility for rapid purchases and renovations. Seller financing, where the current owner acts as the lender, could also reduce upfront costs, especially for distressed properties. However, you'll need a clear exit strategy to repay these loans upon sale.

Holding Financing

For holding, long-term financing options like conventional mortgages or commercial loans might offer stability. These loans typically have lower interest rates but require strong credit and steady income. Seller financing is also common in mobile home park deals, allowing you to negotiate favorable terms, such as lower down payments or extended repayment periods.

Creative Financing Opportunities

Both strategies can benefit from creative financing. For example, partnering with other investors might spread the financial risk. Alternatively, leveraging government-backed loans, like those from the USDA for rural mobile home parks, could provide affordable capital for acquisitions or upgrades.

Comparing Risks and Rewards

To choose between flipping and holding, weigh the risks and rewards based on your goals, resources, and market conditions.

Time Horizon and Effort

Flipping may demand intense effort over a short period, requiring you to oversee renovations and market the property for sale. Holding, conversely, might involve less upfront

Flipping vs Holding Cont.

effort but requires ongoing management. If you prefer quick projects, flipping could align better; if you seek passive income, holding might be the way to go.

Capital Requirements

Flipping often requires significant upfront capital for purchases and upgrades, with the potential for high returns if executed well. Holding might involve lower initial costs, especially if you acquire a stable property, but profits accumulate gradually. Assess your available capital and tolerance for delayed returns when deciding.

Risk Tolerance

Flipping carries higher financial risk due to market volatility and renovation uncertainties. Holding might offer more stability but exposes you to long-term operational risks, like regulatory changes or tenant issues. Consider your comfort with uncertainty and ability to manage ongoing responsibilities.

Which Strategy Suits You in 2025?

Choosing between flipping and holding mobile home parks depends on your investment goals and market savvy. If you have the skills to turn around distressed properties and a knack for timing the market, flipping could deliver substantial profits. Markets like those in the Southeast or Midwest, with growing populations, might offer prime flipping opportunities in 2025.

On the other hand, if you prefer steady income and long-term wealth-building, holding might be the better fit. Stable markets with consistent demand, such as rural areas with limited housing options, could support reliable cash flow. Additionally, holding allows you to build equity over time, potentially leading to larger gains if you eventually sell.

Tips for Potential Success

Regardless of your choice, thorough due diligence is key. Research local market trends, inspect properties for hidden issues (like outdated utilities), and consult with experts, such as property managers or real estate attorneys. For flipping, focus on cost-effective upgrades that boost value, like improving curb appeal. For holding, prioritize tenant satisfaction to maintain occupancy and cash flow.





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Look Out For A Boom In The ‘Toyota Camry Of Housing’ That Could Make Starter Homes Cheaper

By Eliza Relman



Homeownership feels like an ever more distant dream these days. But if a bipartisan group of senators has its way, a key type of affordable housing could become cheaper and more abundant.

In late July, all 24 members of the Senate Banking Committee voted for the biggest federal housing policy reform package in a decade.

Housing policy wonks are particularly excited about one long-sought provision that would end a burdensome and outdated requirement that manufactured homes have a permanent steel trailer frame, called a chassis. That requirement adds cost, limits functionality, and isn't necessary for the transportation of these mostly non-mobile homes that have evolved from trailers.

As much of the country suffers from a steep housing shortage and affordability crisis, manufactured homes offer some of the most affordable options on the market, particularly in rural and exurban contexts. They're often starter homes for young

families and accessible housing for older people, and they're increasingly a lucrative, appreciating investment.

Reforming the 50-year-old rule would cut costs and save homebuyers money, make it easier to build multi-story manufactured homes, and expand where the homes can be built, industry leaders and researchers say.

"On day one, chassis reform cuts \$10,000 off a type of home that is already sold in the market in the hundreds of thousands," Alex Armlovich, a housing policy analyst at the libertarian think tank Niskanen, said. "There's not a lot else that Congress can do in one fell swoop to cut 10% off the price of any home."

The full Senate is poised to pass the bipartisan package, so it's just a matter of the House getting on board to bring it into effect, Armlovich said.

Ending the chassis requirement would mean "there's a little bit more room for innovation in what could be built, and less wasted steel, and lower cost, ultimately, to build

Look Out For A Boom Cont.

the things,” said Sean Roberts, CEO of Villa Homes, which builds manufactured housing in California and Colorado. “It’s arguably better for the environment, as well, because you’re using timber frame construction rather than steel.”

Roberts calls his manufactured homes the “Toyota Camry of housing” – affordable, “high-performance,” and “very good quality.” And, he joked, they’re probably not going to win any design awards.

Clayton, one of the country’s biggest producers of manufactured homes, also celebrated the move.

“Enabling the option of building homes without a permanent chassis drives innovative design and leverages efficiencies which can lower costs for home buyers,” the company said in a statement.

Factory-made housing is a small but important part of the solution

Since 1974, the federal government has regulated manufactured homes under a set of rules known as the HUD code, which overrides state and local building codes. The idea was to modernize and standardize trailers and mobile homes across the country.

The permanent chassis, which is part of the HUD code, has dramatically shrunk the manufactured housing industry since the 1970s. There’s evidence the chassis requirement was pushed by traditional homebuilders to suppress the booming manufactured housing industry, as Vox’s Rachel Cohen recently reported. Today, about 100,000 manufactured homes are produced a year – down from a peak of nearly 580,000 in 1973 – and make up less than 10% of all new construction each year.



While we build cars, planes, and boats much more efficiently than ever before, American home-building productivity has stagnated. That’s in part because the industry still does so much on-site, custom construction, forgoing the benefits of standardization, climate control, and speed that factories offer. Pre-fabricated buildings – or parts of them – can be produced more cheaply and efficiently. While workers prepare the foundation, the home can simultaneously be constructed indoors without weather and other interruptions slowing down the process.

A bipartisan consensus around deregulating HUD-code housing has been building for years. In a major change to the regulations, the Biden administration last year reformed the code to allow up to four dwelling units per manufactured structure.

Still, it will take more than just federal deregulation to fully unleash the industry and disrupt traditional homebuilding. Manufactured housing faces other challenges, including a lack of consistent demand and investment, high costs of transporting a finished product to the building site, the decentralized nature of construction, and insufficient financing, according to Mark Erlich, a former officer of the New England Regional Council of Carpenters and the author of “The Way We Build: Restoring Dignity to Construction Work.”

Manufactured housing has also long been dogged by stigma. There’s a widespread perception that single-wides and double-wides are inferior to traditional so-called “stick-built” housing that’s constructed piece by piece on the site. The design, functionality, marketing, and perception of manufactured homes would need to improve before they become more popular, Erlich said.

While chassis reform is a big deal for the world of manufactured housing, that sector is still a small part of the broader housing landscape.

“We’ve got a housing crisis in this country, and this feels sort of like nibbling at the edges,” Erlich said.

BUSINESS INSIDER

What Is An Easement in Real Estate?

By American Apartment
Owners Association



Photo courtesy of AAOA

In your real estate journey, you'll bump into a few terms that might sound a bit complicated at first, like easement. And you might be wondering, what is an easement in real estate?

An easement means someone else has the legal right to use a part of your property for a specific reason, even though you still own it. These rights are often granted to neighbors, utility companies, or government entities for different purposes.

For example, your neighbor might have the right to use a small path on your land to access their home. Or a power company may run cables or pipelines through your yard to serve the community. They don't own your land, but they're allowed to use that part of it.

Now let's look at it more broadly – why easements matter, the different types that exist, how they're created, and what you should know as a property owner or buyer.

Main Takeaways

What is an easement in real estate:

- Easements give others legal rights to use part of your property—typically for utilities, access, or shared pathways—without transferring ownership.

- They can affect what and where you can build, influence privacy, and impact rental income or resale value, especially if they restrict property use.
- Before buying or developing property, always review easements in title records and consult a real estate attorney to avoid costly surprises.

What is an Easement in Real Estate and Why Does it Matter?

Easements might sound like just more real estate jargon, but they can have a real impact on your property, whether you're buying, selling, or renting it out.

To answer, "what is an easement in real estate," let's start with this one point. For starters, an easement can affect how you use your property. Let's say a utility company has the right to access part of your land to repair power lines. You might not be allowed to build anything permanent in that area, like a garage or a fence, because they need access whenever maintenance is required.

For landlords, easements can affect what kind of improvements you can make or where you can build. It's important to know where any easements are located before you develop or rent out the property.

What Is An Easement in Real Estate? Cont.

At the end of the day, being aware of existing easements helps you avoid surprises.

Common Types of Easements in Real Estate

Not all easements are the same. They come in different forms, depending on who's using the property and for what reason. Here are some of the most common types you might come across:

1. Utility Easement

Utility companies – like electricity, water, gas, or internet providers – may have the right to install and maintain their equipment on part of your property. That could mean underground pipes, power lines, or even poles in your yard. You still own the land, but the utility company can access it when necessary to repair or service their equipment.

2. Right-of-Way Easement

This allows someone to pass through your property to reach another location. For example, if your neighbor's house sits behind yours and they need to drive across your driveway to get home, that's a right-of-way easement. These are common in rural areas or shared private roads.

3. Private Easement Agreements

Sometimes, two private property owners enter into an agreement for a specific use. For instance, one neighbor might give another permission to use part of their yard as a garden pathway. These agreements should always be put in writing to avoid future conflicts.

4. Prescriptive Easement

This one happens when someone has been using part of your property for a long time without permission and eventually gains legal rights to continue using it. The rules for this vary depending on local laws and how long the use has been going on.

Examples of Easements You Might Encounter as a Landlord or Investor

If you're buying or managing property, it's good to see how easements play out in everyday situations. Here are a few real-life examples landlords and investors often face:

1. Shared Driveways

Even though you own the property, the neighbor has a legal right to use part of that driveway to access their garage. As a landlord, you'll need to make sure your tenants understand that they can't block or interfere with that access.

2. Utility Access

You might own a multi-unit building where the power company

needs to access a section of the yard to maintain underground cables. They may occasionally enter the property for repairs. You can't deny them access because their easement gives them that right.

3. Water or Drainage Easements

Some properties have easements that allow water companies or local governments to maintain storm water drains or sewer lines that run under part of your land. This means you might be limited on what you can build or plant in those areas.

4. Pathway Easements in Apartment Complexes

If you own an apartment building, there might be walkways or alleys on your property that other people are allowed to use, like neighbors getting to their homes or emergency crews needing quick access. That's why you want to know exactly where these easements are before you start doing any major work, like adding new landscaping or making renovations.

5. Landlocked Property Access

Sometimes, an investor might buy a piece of land that has no direct road access. An easement may allow access through a neighboring property to reach the public road. Without that easement, the land could be nearly impossible to use or sell.

How Easements Are Created in Real Estate

Now that we've covered what an easement is, along with the types and real-life examples, let's look at how easements are actually created. Depending on the situation, there are a few different ways easements can come about:

1. Written Agreement:

Most easements are made through formal agreements between property owners. These are usually written, recorded in public records, and included in property documents.

2. By Law (Easement by Necessity or Government Action):

Sometimes, easements are created automatically by law. For example, if a property has no direct access to a public road (landlocked), the court can grant an easement to allow the owner to reach their land – that's called an easement by necessity. In other cases, the government may create easements for public needs, like installing utility lines, building drainage systems, or expanding roads. Even though you own the land, the law gives others the legal right to access certain parts of it when necessary.

3. Long-Term Use (Prescriptive Easement):

If someone has been using part of your property for a long time – like cutting through your land or parking there – and you never stopped them, they might eventually gain legal

What Is An Easement in Real Estate? Cont.

rights to keep using it. This depends on local laws and the duration of the issue.

Do Easements Decrease Property Value?

It depends. Easements don't always lower a property's value, but they can influence how buyers or investors view the property.

A small utility easement tucked in one corner usually won't bother most buyers. But if an easement limits building options, reduces privacy, or allows regular access to your property, some buyers may see it as a drawback. For landlords, easements that affect outdoor space, cause maintenance disruptions, or limit upgrades can also impact tenant satisfaction and rental income.

On the other hand, some easements can actually add value to your property, like shared access that connects a landlocked property to a public road.

How Easements Impact Rental Properties

Easements can affect how you manage and use a rental property. Some easements may limit where you can build, install fences, or make improvements. Utility companies or government agencies may need occasional access for maintenance, which could temporarily inconvenience tenants.

In most cases, small easements don't cause major issues. However, if an easement affects parking, outdoor space, or privacy, it may impact tenant satisfaction and your ability to attract or retain renters. Not factoring them into your business is one of the most common mistakes landlords make.

What Investors Should Know Before Buying a Property with an Easement

Before buying any property, it's important to review all existing easements. Some easements are minor and won't significantly impact your investment. Others could limit what you can build, reduce privacy, or create long-term obligations you'll have to honor.

Always check property records, survey reports, and title documents to see where easements are located and what rights others have. And at the end of the day, we recommend you always consult a real estate attorney who understands local regulations.

To answer, "what is an easement in real estate," an easement gives someone else the legal right to use a portion of your property—like for utility access or shared driveways—without owning it. While some easements have little impact, others can limit how you use, build on, or profit from the land. So, it's essential to review them carefully before you buy or lease out a property.



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Classifying Independent Contractors vs Employees

By Texas Mutual Workers
Compensation Insurance



Courtesy of New York Labor & Employment Law Blog

As an employer, you work hard to protect your employees and your business. Part of that means having workers' compensation coverage you can count on, and it starts with an accurate rating. Your premium is partially determined by how many employees you have and their associated payroll, so it's important to provide correct information.

We know that determining who to consider as an employee can be a complex task, especially considering that classifying your employees for your Workers Compensation Insurance policy may differ from other business tasks like taxes. To help you avoid unwelcome premium and loss surprises, this article covers the key differences between employees and independent contractors including definitions, common characteristics and misconceptions.

Employee and Independent Contractor definitions

An employee is providing services on behalf of an employer who has the right to provide direction and control over them. Employees receive time-based compensation, resources and tools needed to perform their service. They might also receive company benefits such as health insurance and access to retirement plans.

An independent contractor presents themselves as a business to the public. Independent contractors are free to perform tasks in the time and manner they deem appropriate. They also provide their own tools, equipment and supplies needed to perform their services.

Common characteristics of Independent Contractors

Below you'll find a quick reference of the common characteristics of independent contractors to help you

recognize the differences. It's important to note that no single factor makes the determination, and not every situation will involve each factor.

Typically, an independent contractor:

- Does not receive instructions and does not need to receive training
- Has significant investment in their independent business
- Is hired for a specific job and there is no continuous relationship
- Sets own hours of work and supplies their own tools
- Receives payment per job and can realize profit or loss
- Can advertise their business as available to the public and works for multiple companies
- Is liable for non-completion or breach of contract

Common characteristics of Employees

As with independent contractors, no single factor makes the determination that an individual should be classified as an employee. Typically, an employee is:

- more likely to receive instructions on when, where, and how to perform the job
- often trained by a more experienced person, or are required to attend meetings and take training courses
- Does not have an investment in the business, unlike an independent contractor
- dependent on the employer for the work
- often subject to non-competition rules and can be let go at will

Frequent misconceptions

While many employers issue 1099 forms to their independent contractors, a 1099 alone does not confirm that someone is an independent contractor. Determining if an individual is an independent contractor has to do with the nature of his or her relationship with an employer.

Here are three important tips to keep in mind when determining employment status:

1) The Texas Labor Code definition of an employee is very broad (other states definitions may differ - California's is so broad that many previously thought to be independent contractors are now classified as employees). Assume that all individuals are employees regardless of method of payment or tax reporting basis.

Classifying Independent Contractors vs Employees Cont.

2) There are several types of employees that could be exempted or excluded from workers' comp coverage, but you may elect to be included. Employments that could be exempt include:

- Certain real estate sales professionals
- Certain contractors of motor carriers and building/construction trades described in the Texas Labor Code
- Business owners and executives

3) The standard workers' comp policy allows workers compensation insurance companies to charge premiums for individuals that could receive benefits if an injury or illness occurs on the job.

Note by Staff at The Manufactured Housing Review - "Subcontractors" are a subset of independent contractors. These are independent contractors one hires to complete work for third parties (ex. Transport or install a manufactured

Home sold to a consumer). Workers Compensation policy holders will be charged for all Subcontractor Payroll, unless the Subcontractor provides you with a Certificate of Insurance showing they have their own workers compensation insurance policy.

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Navigating the Unique Challenges of Managing Property Taxes for Manufactured Homes

By Alfred James



The Housing Challenge

When it comes to housing, America has two fairly large challenges:

- **The first** is a lack of inventory: depending on who you listen to, there is a need for somewhere between 3 and 5 million new homes.
- **The second challenge** is affordability, which, thanks to higher mortgage interest rates and steadily climbing home price appreciation, is now at its lowest point in over 30 years.

Against this backdrop, it is not surprising that a growing number of observers believe that manufactured housing is becoming an attractive alternative, particularly for younger generations, as well as low- to middle-income buyers who've been priced out of the current market.

The Growing Popularity of Manufactured Housing

Several factors are contributing to the rise of manufactured housing:

- **Affordability:** A 2023 report from the Manufactured Housing Institute indicates that the average cost per square foot of a manufactured home is \$85—almost half the cost of a site-built home (\$168 per square foot).
- **Increased Production:** According to the U.S. Census Bureau, over 112,000 manufactured homes were produced in 2022, accounting for approximately 11% of all new single-family home starts. This was an increase from 95,000 units in 2020.
- **Shifting Perceptions:** Data from Freddie Mac shows that 62% of consumers are now open to living in a manufactured home.

Property Tax Complexities for Manufactured Housing

From a property tax servicing and escrow perspective, manufactured housing presents unique challenges for lenders and servicers:

- **Tax Certificates:** Working with lenders to obtain accurate tax certificates.
- **Escrow Estimates:** Providing precise estimates for escrow services.
- **Ongoing Tax Payments:** Assisting servicers in managing and ensuring timely tax payments.

Unlike traditional real estate taxes, manufactured housing involves different tax assessment and collection methods, making the process more complex.

Understanding Manufactured Home Classification

The classification of a manufactured home depends on the land ownership status, which affects how it is titled, financed, and taxed:

- **Personal Property (Chattel):** If the homeowner does not own the land, the home is considered personal property. Approximately 42% of manufactured housing loans are classified as chattel loans, according to the Consumer Financial Protection Bureau.
- **Real Property:** If the homeowner owns the land, the home is considered real property. In some cases, the home may still be financed as personal property while the land is financed as real property.

State-by-State Tax Variations

Taxation of manufactured homes varies by state, and it's essential to stay up-to-date with changing local laws:

- **Exemptions:** States like Florida, New York, and Wisconsin may not tax homes on non-borrower-owned land, relative-owned land, or in mobile home parks.
- **Federal Exemption:** Manufactured homes on Indian reservations are exempt from taxes due to federal protection laws.

Servicing Complexities by State

Different states have different tax billing practices, which require careful attention to detail:

- **Tax Bills:** In Utah, if the homeowner owns both the land and home, they are taxed together on the same bill. In states like Texas, Oklahoma, Missouri, and others, there are separate tax bills for the land and home.

Navigating the Unique Challenges of Managing Property Taxes Cont.

- **Leased Land:** If the land is leased, a separate tax bill may be issued.
- **Bill Delivery:** Tax bills may be sent either directly to the homeowner or to a servicer, adding additional complexity to the tax payment process.

These state-specific variables must be carefully managed to ensure accurate and timely tax payments.

Impact on the Origination Process

The complexities of property tax servicing can also impact the manufactured housing origination process. Lenders need accurate tax certificates to complete closings and set up escrow accounts.

The Importance of Accurate Parcel Identification

- Accurate parcel identification is crucial for setting up escrow accounts and managing tax servicing:
- **Multiple Parcels:** A manufactured home may sit on multiple parcels, or multiple homes may be located on one parcel (e.g., in a mobile home park). Detailed research is required to determine taxes for each individual home.

- **Improvements:** If a homeowner adds a porch or garage, which may be on a separate parcel, it's essential to track this new parcel to ensure all taxes are paid correctly.

The Future of Manufactured Housing

Manufactured housing will continue to grow in popularity as an affordable housing solution. However, the complexities involved in property tax setup and servicing require careful attention. With the right partner, these challenges can be navigated successfully.

If you own a manufactured home, understanding your property tax obligations is crucial. Working with a specialized escrow tax service provider can make managing your taxes easier and help you stay on top of your financial responsibilities.

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Pets in Rental Housing: A Growing Opportunity for Property Operators

By Victoria Cowart, CPM,
NAAEI Faculty



Today, well over half of U.S. households—between 66% and 75%—own a pet. Let's break that down in the context of rental housing. With approximately 44.5 million renter-occupied housing units in the country, and assuming 70% of these households have pets, that translates to more than 31 million pet-owning renter households. Among those, the average pet ownership per household is 1.6 dogs or 1.8 cats. Using the more conservative estimate of 1.6 pets per household, we're looking at nearly 50 million pets living in U.S. rental housing.

The Disconnect Between Demand and Reality

Despite these staggering numbers, many renters and advocates—like the Humane Society—report ongoing challenges in finding truly pet-friendly housing. This disconnect can result in heartbreaking outcomes: pets being surrendered to shelters and renters struggling to find stable, fulfilling housing.

The question becomes: why, with such a large market of pet-owning renters, does this disconnect persist?

While the housing industry frequently labels itself as “pet-friendly,” renters often encounter only limited tolerance. As one Apartments.com spokesperson shared, “Nearly all pet owners surveyed said pet policies play a major role in their decision of where to live.”

Turning Pet Policy into a Strategic Advantage

This is where pet policy management and property marketing intersect. Communities that proactively promote their pet-friendly policies are not only seen as more attractive by renters—they also experience higher conversion rates and longer retention.

The same Apartments.com spokesperson noted, “Pets are a deal-breaker for many, and apartment buildings with more flexible pet policies will be the ones to attract this growing group of pet-owning renters—and possibly keep them for a longer period of time.”

Building Better Pet Policies: What to Consider

To craft or refine your pet policies, it's important to go beyond a generic “pet-friendly” label. Consider including the following components:

- **Pet Restrictions:** Will there be breed or weight restrictions? If so, how will they be defined and justified?
- **Pet Allowances:** How many pets are allowed per unit? What types (dogs, cats, birds, etc.) will be welcomed?
- **Rental Readiness:** Move beyond blanket restrictions. Tools like PetScreening's FIDO Score, which evaluates over 35 data points, offer a more holistic view of a pet's rental readiness.
- **Vaccination Requirements:** How will vaccination records be submitted and managed?
- **Pet Fees and Charges:** Will you charge pet deposits, monthly pet rent, or one-time fees? How will these charges be structured?
- **Renter Responsibilities:** What expectations will you set regarding pet waste cleanup, noise control, or supervision?
- **Pet Agreement:** How will you document expectations and ensure ongoing compliance?
- **Pet Insurance:** While renter's insurance is common, consider requiring pet liability coverage, particularly for dog bites, which cost U.S. insurers \$882 million in 2021 alone.

Balance Risk with Opportunity

As you build your policies, weigh both risk exposure and the opportunity to strengthen resident satisfaction. Arbitrary breed and weight restrictions often fail to account for the actual behavior or history of a pet. When used, they should be combined with readiness assessments and pet owner accountability to form a fair and effective approach.

Recognize the broader value of pets in your communities:

- 97% of pet owners consider their pets family.
- Pets foster connection, helping reduce loneliness and build a sense of belonging.
- The physical and mental health benefits of pet ownership are well-documented— and valuable in today's multifamily communities.

Pets in Rental Housing: A Growing Opportunity for Property Operators Cont.



Victoria Cowart, CPM, NAAEI Faculty, is the Senior Director of Education for PetScreening. Previously, she was a direct multi-family industry member with extensive experience providing management and oversight for multifamily housing communities, mobile home communities, and HOAs. She is a property management instructor and a proud graduate of the NAAEI Advanced Facilitator Training. Victoria obtained her degree in the management of human resources and then her industry CPM designation. She has served the industry as President of both the local and state affiliates in SC as well as having served as a Regional VP for Region IV for NAA. Victoria has chaired four Committees for NAA, most recently serving as the 2021 Legislative Chair. She is passionate about legislation, education, and creating ease and understanding for industry members. Victoria is a wife, mother, and proud PetScreening pack member.

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The Bottom Line: Know & Serve Your Renters-Furry Family Included

For years, the rental housing industry has sought to better understand renter demographics. Today, the message is clear: more than 66% of renters have pets, and nearly all of them consider those pets family.

By embracing this reality and implementing thoughtful, relevant pet policies, communities can attract more loyal residents, boost retention, and enhance the overall living

experience. Ultimately, it's not just about allowing pets—it's about welcoming the entire household.

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MHARR ISSUES & PERSPECTIVES: More Red Flags For The Industry And Consumers In The Second Trump Administration

By Mark Weiss



In the January 2025 “MHARR Issues and Perspectives” article, entitled “Trump 2.0 - The Industry’s Second Chance,” MHARR stressed that the industry (i.e., the broader industry, represented by the Manufactured Housing Institute), during the first term of Donald Trump’s presidency, had missed a golden opportunity to address and correct - once and for all - the major policy/regulatory bottlenecks that have combined to needlessly stunt the growth and continuing evolution of the HUD Code manufactured housing industry for far too long. Citing those bottlenecks - (1) the discriminatory zoning exclusion of manufactured housing and (2) the discriminatory absence of federal support for competitive manufactured home consumer lending under the Duty to Serve (DTS) mandate, as well as (3) excessive and baseless “energy conservation” regulation through the U.S. Department of Energy, MHARR stated: “ ... [T]he broader industry, through [the Manufactured Housing Institute] ... wasted the four years of the first Trump Administration with endless posturing” and little, or nothing, in the way of concrete results that actually reached the ground to benefit both manufactured housing consumers and the industry itself.

Based on this observation, MHARR emphasized that a second Trump Administration - then just starting -- would provide the industry as a whole with “a remarkable second chance” to change course and finally confront, directly and aggressively, the substance of the bottlenecks restraining its growth and expansion, rather than engaging in activities or posturing with little or no real-world market impact. Rather, MHARR said at the time, “it is up to the entire industry and all of its representatives to seek, demand, and achieve the reforms” needed to eliminate those bottlenecks, “that are clearly needed to unleash the industry’s full potential and cement its place as the nation’s premier source of affordable non-subsidized homeownership.”

MHARR’s perspective was validated and confirmed when President Trump and HUD Secretary Scott Turner later unveiled their fundamental policy vision to address, correct and resolve the nation’s housing crisis through a strong emphasis on promoting the availability of affordable homeownership. MHARR immediately welcomed this logical and commonsense approach, aligning its own efforts and emphasis with that of

President Trump and Secretary Turner, and, at a meeting with Secretary Turner on March 25, 2025, strongly emphasized the point that America's affordable housing crisis cannot, and will not be resolved without the full utilization and inclusion of affordable, federally-regulated, mainstream manufactured homes. At that meeting, therefore, MHARR pressed for - and will continue to aggressively seek - the elimination of all the long-term bottlenecks suppressing the industry, but most particularly discriminatory and exclusionary zoning, based on relevant provisions of the Manufactured Housing Improvement Act of 2000 (2000 Reform Law).

Meanwhile, with seven months having now passed since that MHARR article was published and since the beginning of the second Trump Administration, where does the broader industry stand? Have the fundamental reform opportunities presented by a second Trump Administration been realized, or even pursued in any meaningful way? Have the principal bottlenecks to significant industry growth and expansion been rectified, or even addressed? The answer, for the broader industry, is sadly and depressingly familiar.

To start, the objective evidence (i.e., production statistics) shows that the industry remains essentially mired in a stagnant production posture. Since 2017, average annual production of new manufactured homes has varied within approximately +/- 10% of 100,000 homes, from a low (over that period) of 89,169 homes in 2023, to a high of 112,882 in 2022. Most recently, annual production for 2024 was 103,314 homes, and has continued at roughly the same pace during 2025, although the May 2025 statistics reflected a year-over-year monthly decline for the first time since late 2023.

Thus, while these numbers reflect a certain degree of improvement since the industry's modern-day production low of 49,683 homes in 2009, they have run consistently and significantly lower than the average annual production that prevailed in the years just before the 2009 collapse. For example, average annual production over the ten-year period from 1996 to 2005 was 245,566 homes, while average annual production over the ten-year period from 2015 to 2024 was 94,128 homes, a decline of 62%. Consequently, even with the incremental production rebound that has occurred over the past ten years, the industry has still consistently failed to meet or exceed production levels that were routine just 20-30 years ago. And all of this is occurring against the backdrop of an affordable housing crisis in the United States, with a chronic shortage of as much as 7 million affordable "starter" homes, according to multiple sources.

As MHARR emphasized in the January 2025 "Issues and Perspectives," the key to breaking out of this long-term malaise, especially during a second Trump Administration with a policy emphasis on assuring the availability of affordable private sector housing, is not to aim for relatively easy "low hanging fruit," but instead to take bold action to rid the industry and its consumers of the long-term and highly debilitating zoning and consumer financing bottlenecks that have hobbled the industry on a nationwide basis, suppressing production and sales levels for years.

And has this happened on an industry-wide level? No (or, at least, not yet). Instead of going to, and attacking, the root (or, more accurately, roots) of the problem, which would admittedly be difficult and challenging, the industry's "umbrella" national organization, MRI, has instead chosen to focus its efforts to date on perhaps the lowest of the "low-hanging fruit," i.e., dropping the long outdated "permanent chassis" requirement from the definition of "manufactured home" contained in the National Manufactured Housing Construction and Safety Standards Act of 1974 - an issue that has been on the "radar-screen," on and off, for at least four decades.

That's right. In the 1980s, not long after MHARR was established, there was an effort in Congress, led by MHARR, to delete the "permanent chassis" requirement that had been incorporated into the original 1974 law. Such a provision, contained in the so-called "Hiler Amendment" (named for its principal House of Representatives sponsor, Rep. John Hiler) was ultimately included in the House version of the 1990 housing bill. MHI, under pressure from its members, initially supported the amendment, but later withdrew that support just prior to consideration of the amendment by a House-Senate conference committee. Thus, the Hiler amendment failed, and the chassis issue has persisted since then.

Now, though, with some of its largest corporate conglomerate members seemingly intent on blurring the lines between types of homes and different types of production (as reflected in the ambiguous "attainable" versus "affordable" housing and "off-site" versus "factory-built" terminology), and seemingly fixated on creating markets for higher-priced, high-end manufactured housing (like so-called "cross-mod" homes) as contrasted with affordable, mainstream HUD Code homes, MHI is now trying to eliminate the term "permanent chassis." Thus, it backed (as did MHARR) a proposal presented to the Manufactured Housing Consensus Committee (MHCC) on very short notice in June 2025, to eliminate the regulatory "permanent chassis" requirement in Part 3280 for the upper floors of multi-story manufactured homes.

At the same time, it is backing legislation now moving in the Senate, to remove the “permanent chassis” requirement in federal manufactured housing law and make it optional instead. That legislation, incorporated in Senator Tim Scott’s “ROAD to Housing” bill, was approved by the Senate Banking Committee on July 29, 2025, but also contains potentially problematic aspects that MHARR plans to address in detail in a soon-to-be-published analysis.

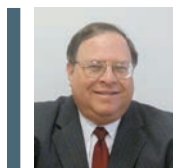
At the policy level, though, while MHARR has continued to support the elimination of the permanent chassis requirement (both regulatory and statutory), that change - even if it is ultimately achieved - is not, in and of itself, likely to pull the industry out of the production stagnation that has characterized the past two decades and catapult production levels to where they should be in an economy with a multi-million-unit affordable housing shortage. While such a change could benefit (primarily) the industry’s largest conglomerates, it would likely not be enough to more than double current industry production and, more importantly, would not be enough to super-charge industry production into the multi-hundreds of thousands of homes per year level, where it could and should be.

No, to do that, will require major changes in policy on a nationwide basis, and that is exactly what would flow from the elimination (or significant restriction) of discriminatory and exclusionary zoning combined with federal DTS support for manufactured home consumer lending within the affordable, mainstream chattel financing sector. The prohibition of exclusionary zoning under the enhanced federal preemption of the 2000 Reform Law would open-up to the industry and to manufactured housing consumers, large areas of the country where mainstream, affordable HUD Code homes are now either effectively or de jure banned (or severely restricted), while DTS support for the industry’s dominant chattel financing sector would draw more lenders into the market, resulting in lower, more competitive interest rates that would make mainstream HUD Code homes even more affordable for even larger numbers of Americans. The elimination of these bottlenecks on a national level would tremendously strengthen the ability of Americans in all areas of the country to access affordable mainstream manufactured homes and thereby super charge demand for those same homes on a sustained basis.

Put differently, the elimination of these bottlenecks (as well as removing the shadow of harsh, unnecessary and discriminatory “energy” regulation on HUD Code homes), would fundamentally alter and improve the supply/demand

profile of mainstream, non-subsidized HUD Code homes by enabling millions more potential purchasers to enter the HUD Code market than currently exist. By contrast, optional chassis flexibility, while expanding the marketability of certain manufactured homes in areas where they are already welcomed, would not generically and organically expand (to a significant degree) the mainstream manufactured housing market beyond its current-day parameters. It might benefit the profit margins and burnish the financial reports of the industry’s largest conglomerates, but it is not likely to significantly expand the HUD Code market per se.

To do that will require a tough fight to remove the industry’s main bottlenecks. The time is right. MHARR has already aggressively pursued these matters. But whether the broader industry and MHI are willing is another matter. Meanwhile, the clock is running on the second Trump Administration and the best opportunity that the industry is likely to have to remove the primary bottlenecks that have stunted its growth while harming Americans in need of affordable homeownership. The industry’s focus needs to be on winning the future, not just scoring overdue participation points.



Mark Weiss is the President and CEO of the Manufactured Housing Association for Regulatory Reform (MHARR) in Washington, D.C. He has served in that position since January 2015 and, prior to that, served as MHARR’s Senior Vice President and General Counsel.

MHARR is a Washington, D.C.-based national trade association representing the views and interests of independent producers of federally regulated manufactured housing.

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Preparing Manufactured Homes for Extreme Weather: 5 Barriers

By Leslie Nemo



Disasters have torn up or burned down entire neighborhoods on both coasts in recent months. Manufactured homes are often disproportionately hit by natural disasters. After Hurricane Helene, for example, a quarter of manufactured homes in North Carolina sat in counties that received a major disaster declaration, though the units only make up about 12% of housing in the state.

Almost all new manufactured homes cost less than \$250,000, compared with only about 25% of site-built homes. As one of the most affordable forms of housing in the U.S., manufactured housing losses to water, wind and flames are deeply felt. “An affordable home that gets destroyed is not affordable any longer,” said Andrew Rumbach, a senior fellow at the Urban Institute, during a recent manufactured housing panel the group hosted.

States and municipalities may be making the geographic risks worse through regulations or other policies that prevent homeowners from making their property more disaster-resistant, manufactured housing experts say, and they’re advocating for change. Participants in the Urban Institute event and other experts name barriers including the following:

1. Lack of information on risk

When Rumbach asks local housing experts about where their housing supply is compared with disaster risks, “a lot of places can’t tell you, or they haven’t looked at that recently,” he said in a recent interview. Manufactured housing is about four times more likely to lie in census tracts with high risks of hurricanes, fires, heat waves and other extreme events, according to a new analysis from the Urban Institute. The homes are also disproportionately located in communities with lower abilities to prepare for and recover from extreme climate events, that research found. The owners themselves have a median income of less than half of those in traditional single-family homes.

In Vermont, manufactured home communities are required to register with the state, share their address, and give annual updates on the number of vacant home lots. Mapping that information and comparing it with the latest flood hazard maps reveals which homes are at risk. Academic and nonprofit partners then set up workshops in manufactured home communities to discuss flooding concerns and experiences, as well as share maps and resources about risks, said Kelly Hamshaw, a community development faculty member at the University of Vermont.

2. Lack of access to capital

Laws that designate manufactured housing as chattel property, like a boat or a car, rather than real property, limit the types of resources manufactured home owners can access to improve the homes’ resilience, researchers say. While real property owners can use home equity loans to fund repairs, manufactured home owners might be stuck with higher-interest, shorter-term chattel loans. The terms might put renovations that help homes withstand extreme weather, like a new roof, foundation repairs or better insulation, out of reach.

New Hampshire is the only state that automatically labels a manufactured home as real estate. For those homeowners who own the land they live on – either alone or as part of a cooperative – the New Hampshire Community Loan Fund can help with mortgages or equity loans. The state is seen as a leader in improving manufactured home purchase and repair financing, but that caveat – borrowers can’t be on rented land – highlights another area where policy could help homeowners better withstand disaster.

3. Older, pre-code housing stock

Many manufactured home owners will need further programs to help insulate them from extreme weather. Even if residents get funds to help with home repairs – either through direct assistance from the state or the equity loans co-ops can access – existing homes might be beyond repair.

“Weatherization is a challenge,” said Arica Young, director of housing access and affordability at the Lincoln Institute of Land Policy, during the Urban Institute panel. “Is the building still structurally sound enough to accept upgrades?” About 1.3 million manufactured homes still in use were made before 1976, the year the Department of Housing and Urban Development implemented a national construction standard due to widespread problems with shoddy assembly. Many of those buildings today can’t take on structural changes or even additional insulation.

Preparing Manufactured Homes for Extreme Weather: 5 Barriers Cont.

4. Lack of land ownership

About 40% of manufactured homeowners are in communities where they rent the land under their homes, according to a report by nonprofit Prosperity Now. The property owners install and repair all the shared utilities and roads. "Over the course of our interviews [with manufactured home owners and other experts], we heard multiple times that some investors are unresponsive to residents' needs and do little to strengthen the resilience of parks," the Urban Institute report states. It's even common to see manufactured home parks without fire hydrants, said Yvonne Maldonado, executive director of the manufactured home resident advocacy group MHAction, during the Urban Institute's recent panel discussion. If infrastructure is damaged by disaster, the property owners might decide renovations are too expensive and sell the land, pushing manufactured home owners off their lots, said Rumbach.

Resident ownership of the land below their homes allows those personally affected by the local infrastructure to direct disaster resiliency improvements. The typical structure for group ownership of a manufactured housing community, a cooperative, gives homeowners a share in the land or joint control over an organization that owns real property. Washington and Colorado are among the states with organizations that offer financing to manufactured homeowners who want to buy their park as a co-op; other states, including New York, give residents the first right of refusal in certain circumstances if the landowner decides to sell.

5. Exclusionary zoning

Zoning codes have historically pushed manufactured homes to marginal, risk-prone areas, the Urban Institute report notes. If local rules don't outright ban manufactured homes, they might require designs, like a specific roof pitch, that the units don't meet.

In California, the nonprofit Neighborhood Partnership Housing Services sometimes works with individuals who want to place manufactured homes on their land. Jesse Ibarra, NPHS' chief business officer, said the buyers find themselves running up against prohibitive requests from a local jurisdiction – for example, proof that the unit can withstand 120-mph winds, something no manufactured homes sold in California are required to have. Attempts to exclude manufactured homes, or protests against them at town meetings, typically come from people with outdated ideas about them, he said. "When they don't understand the product, there has been some contention."

Zoning reform, paired with community education, could bring manufactured homes into places that previously excluded them, like tracts of land with lower disaster risks. A regulatory

change that allows homeowners to put manufactured units on land they purchase could result in an overall cost that's 20% to about 50% less than site-built homes, according to research by the Joint Center for Housing Studies at Harvard University.

Changes in zoning policy don't guarantee expansion of manufactured homes. Though Vermont prohibits zoning rules that exclude manufactured homes, the state hasn't seen any substantial park growth since 2014. New parcels of land that are unlikely to flood are expensive, Hamshaw said. State funding could help with subsidies, down payments, or interest rate relief to help create new parks, added Sandrine Kibuey, the director of statewide housing advocacy programs at the Vermont-based Champlain Valley Office of Economic Opportunity, over email.

In lieu of new parks, "preserving the parks that we do have and knowing which ones are not on the floodplain is one of those strategies we need to double down on," Hamshaw said. Last November, Vermont launched an initiative where the state buys new manufactured homes, places them on vacant lots in parks, and resells them to qualified residents. The program already has residents in new homes. Relocation efforts can sometimes be a tough sell, warned The Lincoln Institute's Young. People might not want to take on new debt. And senior citizens, who are about a third of all adult manufactured home residents, might struggle with the idea that the home they have had for years is no longer safe.

Even if there is resistance to larger changes, improved communication with manufactured home owners and entire communities can be helpful for disaster preparation and planning. Hamshaw remembers a town hall-style meeting in 2023 where she and the homeowners in a park located entirely on a floodway discussed emergency preparedness. Six weeks later, floods wrecked every single home.

Smart Cities Dive provides in-depth journalism and insight into the most impactful news and trends shaping cities and municipalities. The newsletters and website cover topics such as transportation, building & infrastructure, governance, tech & data and more.



Why Mobile Home Investing is Gaining Momentum in 2025 (and How Rookies Can Get Started)

By [Ashley Kehr](#)



When most new investors think about getting into real estate, they picture buying a single-family home or maybe a small multifamily property. But with home prices staying high and mortgage rates making traditional rentals harder to cash flow, rookie investors are starting to look at an overlooked opportunity: mobile homes.

In 2025, mobile home investing is no longer a hidden niche. Thanks to nationwide demand for more affordable housing—and the lower cost of buying and renovating mobile homes—investors are finding this strategy offers strong returns without needing huge amounts of capital to get started. In fact, according to *Business Insider*, flipping and renting mobile homes has become one of the fastest-growing trends among real estate investors this year.

If you're just getting started in real estate and looking for a way to build cash flow without stretching your budget too thin, mobile homes might be the perfect path for you. We'll break down why mobile home investing is booming right now, the pros and cons, and simple tips to get started.

Why Mobile Homes Are Gaining Popularity in 2025

Across the country, rookie and experienced investors alike are paying closer attention to mobile homes—and for good reason. With rising home prices, high interest rates, and a growing affordability crisis, demand for lower-cost housing options is skyrocketing. Mobile homes, also known as manufactured homes, offer an affordable solution for both renters and buyers struggling to find traditional housing they can afford.

For investors, this shift presents a major opportunity. Mobile homes typically come with lower acquisition costs than single-family houses, meaning you can get into a rental property or flip project with less upfront capital. Plus, the competition for mobile home deals is often much lower compared to traditional real estate, giving rookie investors a better chance

of finding a profitable deal without getting outbid by large institutional buyers.

According to the Manufactured Housing Institute, manufactured homes are about 23% more affordable than site-built homes on average. At the same time, occupancy rates for mobile homes are climbing, especially in suburban and rural areas where affordable housing options are limited.

This combination of low supply, high demand, and favorable price points is exactly why mobile home investing is gaining momentum in 2025—and why it's worth serious consideration for anyone looking to start or grow their real estate portfolio.

Pros of Investing in Mobile Homes

For rookie investors looking for a lower-cost entry into real estate, mobile homes come with a lot of advantages that can make your first few deals easier—and potentially more profitable.

Lower purchase prices and renovation costs

Compared to traditional single-family homes, mobile homes often cost significantly less to buy and fix up. This smaller investment can lower your risk while still offering solid returns. In many markets, you can buy a mobile home for the price of a down payment on a site-built house.

Strong tenant demand for affordable rentals

With rent prices rising across the board, many renters are actively seeking more affordable options. Mobile homes can fill that gap by offering lower monthly rents than apartments or houses but still delivering strong cash flow for investors.

Higher cash-on-cash returns

Because mobile homes require less money upfront, the cash-on-cash returns (your return based on the cash you invest) are often higher than what you'd see with a traditional rental. Even modest rent can represent a big percentage return when your total investment is lower.

Easier to self-manage or outsource

Managing a mobile home property—especially a single unit or a few homes—is often simpler than managing a large multifamily property. Plus, property management fees for mobile homes are generally lower, which means you keep more of your cash flow.

For rookies looking to build confidence, gain experience, and start stacking small wins, mobile homes can offer a much more approachable way to get into real estate compared to jumping straight into expensive or highly competitive markets.

Why Mobile Home Investing is Gaining Momentum in 2025 Cont.

Challenges to Know Before Jumping In

While mobile home investing comes with many upsides, it's important to understand the challenges before diving in. Like any investment strategy, there are risks to be prepared for.

Financing can be tougher

Getting a loan for a mobile home isn't always as easy as it is for a single-family house. Many traditional lenders won't finance older mobile homes, and some will only finance if the home is attached to a permanent foundation. Even if financing is available, down payments might be higher, and interest rates could be slightly less favorable than for site-built properties.

Land ownership matters

One of the biggest factors to consider is whether the mobile home sits on land you'll own or land you'll rent (like in a mobile home park). If you don't own the land, you'll have to factor in lot rent fees—and park rules can sometimes limit what you can do with the property. Owning both the land and the home typically gives you more control and value.

Extra due diligence is required

Mobile homes come with their own unique paperwork and regulations. You'll need to check for clear title ownership (sometimes, older mobile homes don't have it), confirm zoning compliance, and understand any park-specific rules if you're buying inside a community. Missing a detail here can turn a good deal into a headache fast.

Perception challenges (but it's changing)

Mobile homes have historically carried a stigma that can sometimes make resale or tenant placement slightly trickier—especially in certain areas. However, that perception is changing quickly as affordable housing becomes a top priority across the country.

Bottom line: Mobile homes can be a fantastic entry point for rookies, but they require doing your homework and understanding the unique aspects of this type of investing before jumping in.

Tips for Getting Started With Mobile Homes

If you're excited about the idea of investing in mobile homes, here are a few rookie-friendly tips to help you get started the right way:

Start small and simple

Your first mobile home deal doesn't have to be complicated. Look for an older unit that needs minor cosmetic updates rather than major repairs. Light renovations like paint, flooring, and small fixes can quickly boost the home's value without overwhelming you or your budget.

Research local market demand

Not every market is strong for mobile homes, so take the time to research. Look for areas where affordable housing is limited, but job opportunities are steady—especially blue-collar markets, retirement-friendly towns, and rural areas near growing cities. High demand means lower vacancy risk and better returns.

Understand the land situation

Always verify if the home comes with the land or if it's located in a park. If it's in a park, make sure you clearly understand the lot rent costs, rules for investors, and whether park management allows rentals (some parks prefer owner-occupants only). Owning the land can give you more flexibility and appreciation potential.

Build relationships with park managers

If you plan to invest in homes inside parks, having a good relationship with the park manager can be a game changer. They often know about available homes before they hit the public market and can recommend you as a trusted investor when other opportunities pop up.

Budget for repairs and upgrades

Even though mobile homes are cheaper to repair than traditional houses, you'll still want to set aside a repair budget. Common repairs include plumbing issues, HVAC systems, roof resealing, and flooring replacements. A small reserve fund can keep you from getting caught off guard.



Ashley Kehr is the co-host of the Real Estate Rookie Podcast. Just a few years removed from being a beginner herself, Ashley is now helping newbies figure out actionable steps to get their first deal. She has a dual degree in finance and public accounting and recently became a licensed insurance agent.

Picture this: You just sold a 60-space MHP in Nowhere, North Dakota for \$3 million. That beats a kick in the pants. But you've now got 45 days to identify a replacement property and 180 days to close or else you're writing the IRS a check that'll make your accountant weep.

That's pressure.

Now imagine having to do that same dance - only this time it's not \$3 million on the line.

It's a billion dollars.

Welcome to Sun Communities' reality after they sold Safe Harbor Marinas to Blackstone for \$5.65 billion earlier this year.

The sale generated an estimated \$1.3 billion book gain from their roughly four-year ownership of the marina business.

Now they have some difficult decisions to make.



Champagne problems for sure. However, for context, that's probably enough money to buy:

- 200 average-sized MHP communities
- 12,000 single-wide mobile homes
- A small country (*kidding... maybe*)

I assume Sun's acquisition team has been planning for this all year and just needs to jump through closing hoops on pre-negotiated transactions.

But I keep waiting to see that old chestnut of a broker email **"hot 1031" email blast**, saying something like:

"I have a desperate coastal 1031 Exchange MHP buyer that will overpay on your park (or in this case a sh*t ton of parks)".

Have you gotten this email before? If so, you might have had this follow-up conversation:

You: "Hello, I own a MHP I might be willing to sell to your 1031 guy"

Broker: "Oh good, I'll list it for you"

You: "What?! What happened to your crazy California 1031 buyer???"

Broker: Oh, he just told me he's going to pay the taxes. Now about our listing, my standard commission is, but you seem cool so I'll.....

....AND SCENE.

Why MHPs Are 1031 Exchange Gold

Sun Communities pending 1031 illustrates why manufactured housing communities are ideal for exchanges.

Recession Resistance = Margin For Error

Deal discipline is difficult when you have "a gun" to your head.

It's hard to underwrite a cash flow model or think clearly when you can hear the gentle ticking of a 45-day time bomb.

Sorry, that's the last weapon analogy, but you get my point.

Imagine how WORSE it would be if your sector of choice was something with a ton more risk like a development, a hotel or an office property. What if a major tenant cancels their lease or you just get really unlucky and the lease expires during a major recession?

Even apartments can be tough for 1031 trades unless you're a seasoned expert. What if you trade into an apartment at peak rents and peak valuations? What if you don't anticipate a glut of new apartment supply?

The Great Exchange: A Billion-Dollar 1031 Cont.

Yet, the vast majority of MHP cash flows just keep chugging along. Sure you can make mistakes with park purchases, but most well located park purchases don't end in tears.

Lower Capital Intensity = Fewer Surprises

You might still be in your prime and think of 1031s as a compounding tool, which it is.

Yet many 1031 investors are winding down and want lower risk on their "upleg", i.e. the replacement property. They don't want to risk blowing up decades of success (equity growth).

Unlike that apartment building where the boiler decides to die on the coldest day of the year, MHP infrastructure is generally more predictable.

Roads, utilities, and land have fewer moving parts than elevators, HVAC systems, and complex buildings that degrade over time. Once again, ideal for the cash motivated 1031 exchange investor that doesn't want to keep going to the piggy bank to "float" (aka prop up) a deal.

That tends to work for IRR driven, 3-5 year deals, not long-term, cash flow focused investments.

That's why MHPs with an inflation hedge (fairly predictable increases) are ideal for such exchange buyers.

The Takeaway

The 1031 exchange game favors those who can move fast and think clearly under pressure. Whether it's \$3 million or \$1 billion, the fundamentals remain the same: find good deals, run them well and if you sell, keep compounding by deferring taxable gains.

But if you can't find something good... probably makes sense to pay the tax and move on.



Clay Holmes, of MHP Weekly, is "The Salty MHP Investor," delivering "The Mother's Milk of Mobile Home Park Investing" through sharp, practical advice.

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Kurt Kelley - President

2025 Class Inducted into the RV/ MH Hall of Game



2025 Hall of Fame Inductees. Pictured Left to Right, Steven Schaub, Mark Raukar, Nelson Steiner, and Kurt Kelley

The RV/MH Hall of Fame in Elkhart, Indiana, a hub for MH and RV manufacturers, held its annual Hall of Fame Induction Dinner on August 18th. In addition to the **MH Review's own Kurt Kelley**, also President of Mobile Insurance one of the leading providers of commercial insurance for the MH industry, fellow inductees honored included: **Steven Schaub**, CEO of Yes Communities, **Nelson Steiner**, principal of Steiner Communities, **Bill Poynter**, Manufacturer/Retailer category, of Guerdon Industries accepted posthumously by his wife Priscilla and son Matthew, and **Mark Raukar**, Retailer, Little Valley Homes in Belleville, Cadillac, and Novi, Michigan.

The RV/MH Hall of Fame houses a museum that includes homes built over the past hundred years and is certainly worth a visit for those in the area. Instructions for making nominations for

Hall of Fame admittance are located at RVMHHallofFame.org. MH/RV Board Members include MHI's own Mark Bowersox, Pentagon Properties own Spencer Roane, and Chairman Joe Stegmayer of ELS Holdings, LLC.

This article was provided by the staff at Manufactured Housing Review



Cavco Industries Announces Planned Acquisition of American Homestar Corporation

By Cavco Industries, Inc.



PRESS RELEASE

Cavco Industries, Inc. (Nasdaq: CVCO) ("Cavco" or the "Company") announced today that it has entered into a definitive agreement to acquire American Homestar Corporation and its subsidiaries (collectively, "American Homestar"), a Houston-based company best known in the market as Oak Creek Homes. American Homestar operates two manufacturing facilities, nineteen retail locations, writes and sells a limited number of manufactured home loans and acts as an agent for third party insurers. With 800 employees, revenues for the twelve months ended May 31, 2025 were \$194 million, net income was \$16.6 million and earnings before interest, taxes, depreciation, amortization, and other income ("Adjusted EBITDA") (non-GAAP)* was \$17.8 million. During that time, American Homestar produced 1,676 homes.

Cavco will acquire American Homestar for \$190 million in cash, subject to customary purchase price adjustments. The acquisition is intended to be funded entirely from the Company's cash on hand and is expected to close in the Company's third quarter of fiscal year 2026, subject to

applicable regulatory approvals and the satisfaction of certain customary closing conditions.

Cavco's President and CEO Bill Boor said, "Throughout the acquisition process, we developed a tremendous respect for what Buck Teeter, Dwayne Teeter, and the entire American Homestar team have built. For decades, they guided the company through industry downturns and challenges, consistently adapting and ultimately thriving. American Homestar is a leader in our industry because it embodies the Teeters' values and focus on providing quality homes for deserving families. We at Cavco are grateful for their trust and are excited to join forces in the South Central U.S."

American Homestar's President and CEO Dwayne Teeter commented, "Founded by my father, Buck Teeter, in 1971, American Homestar focused on providing high-quality, affordable housing while also fostering a stable and rewarding work environment for its employees. As we enter this exciting new alliance with Cavco, we know this combination is a perfect cultural fit and that our people will be part of a dynamic, growing company, well positioned to compete in an ever-changing environment. We thank Bill Boor and the entire Cavco team for their interest in American Homestar and their commitment to making this transaction happen."



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