

Types of Owners of Manufactured Home Communities

The chart below briefly outlines three different types of owners of manufactured home communities. This is not an all-inclusive of possible ownership structures, it does not include individual owners (mom and pops) or co-operative owners.

Understanding the corporate structure of the owner of your community will allow you to develop a strategic plan on how to pressure or convince community owners to address your concerns. One of the most important aspects of crafting a campaign is identifying the decision maker who has the power to change what you want changed. It's necessary to understand the corporate structure of your owner in order to identify the decision maker.

Type of Owner	Private Company	Real Estate Investment Trust (REIT)	Private Equity Investor
<i>Example of Manufactured Home Community Owner</i>	RV Horizons, Kingsley	Equity Lifestyle Properties (ELS), Sun Communities (SUI), UMH Properties (UMH)	PE funds may own a community outright, like the Carlyle Group. Or be a controlling investor in a manufactured home community company, like American Infrastructure MLP, a major investor in Inspire Communities.
<i>Ownership structure</i>	Owned by one or more individuals, likely listed as the President or CEO.	Managed by a President, CEO, CFO and lower-level employees. President, CEO, CFO and other high level positions are typically appointed by the Board of Directors, who are elected by shareholders, who technically own the company.	Private Equity Funds are partnerships, made up of General Partners (GPs) and Limited Partners (LPs). General Partners manage and operate the fund, hiring staff and making investment decisions. Private Equity Funds typically operate by purchasing companies or real estate and re-structuring them and selling them at a profit.

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<p><i>Investment Structure (where the money comes from)</i></p>	<p>The majority of the money that is invested in the company comes from personal funds or loans taken out by the individual who owns the company, or from a relatively small number of small investors.</p>	<p>REITs may be either “publicly traded” or “private non-traded”. Money coming into the REIT is from investors, either individuals, large institutions such as pension funds or banks, or private equity groups. In the case of publicly traded REITs such as ELS, investors buy and sell shares of the REIT on the stock exchange. Shares of non-traded REITs are sold through “offerings” that last for a specified length of time, shares can’t be bought on the stock exchange but are instead typically purchased through financial brokers.</p>	<p>Limited Partners are the investors in the fund, providing the money to acquire investments. They are wealthy individuals or institutional investors.</p>
<p><i>Priority</i></p>	<p>Likely that their priority is maximizing profits, but they have no legal obligation to prioritize profit.</p>	<p>Legally, their priority is maximizing profits for their investors. REITs, and particularly non-traded REITs, tend to be longer-term investment vehicles seeking to prioritize short-term as well as long-term return on investment.</p>	<p>Legally, their priority is maximizing profits for their investors. PE funds tend to be shorter term investment vehicles, that work to maximize a quick return from an individual investment before selling it and moving on to a new investment.</p>
<p><i>Decision makers</i></p>	<p>High level positions within the company, such as the president, CEO, CFO, or the founder.</p>	<p>The decision maker may be difficult to identify. They could be a shareholder with a significant percentage of shares, or someone on the Board of Directors, or the CEO. To identify the decision maker look for clues such as; names that are frequently associated with the company in the news, history of the company, and large shareholders.</p>	<p>The decision maker is likely one or more of the General Partners, or the investment manager of the PE firm. They are making the strategic investment decisions for the fund.</p>

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Initial Campaign Planning Questions:

- How large is the owner, how many communities do they own?
- What kind of owner is it?
- Where are the communities they own located?
- Where is the company headquartered?
- Who is the decision maker that has the power to make changes at the company that would address your concerns?
- What does the decision maker care about? What morals seem to guide their decisions? Money, influence, reputation, religious beliefs, etc.
- Does the decision maker have connections to people that care about you, such as religious leaders, politicians, etc.?

Assistance:

If you have any questions regarding community ownership structures, or if you'd like assistance creating a campaign plan, contact MHAction's Organizing Director, Shandra BP-Weeks, email Shandra@mhaction.org.