

It's time for our Representatives to reign in predatory real estate investment

In my work with MHAAction and the Manufactured Homeowners' Association of Illinois I've heard many stories of egregious acts by community owners and managers across the country. These include discrimination and harassment of tenants, failure to complete basic community maintenance, to outrageous rent increases. Still, the story of Meadowbrook Village homeowners near South Haven, MI stands out.

On August 21st, The Herald-Palladium reported that homeowners and residents in this community received a notice at the beginning of the month that the rent they pay for the land that their homes sit on will increase from \$305/month to \$1,000/month. This extreme step by property owner Special Assets may be legal, given the inadequate legal protections provided to manufactured homeowners, but is most certainly immoral.

The situation homeowners and residents of Meadowbrook Village find themselves in highlights the need for nationwide federal standards to protect the interests of manufactured homeowners. It may have once been reasonable to assume that the good will and reasonableness of community owners would prevent the need to establish policies that protect the economic and retirement security of homeowners, but times have changed. The influx of professional real estate investors into this sector demonstrates why now is the time for our elected officials, like Representative Fred Upton, to develop better national oversight of unscrupulous owners.

While manufactured home communities were once the domain of small "mom and pop" property owners, they are now an increasingly attractive investment opportunities for real estate investment trusts, private equity firms and independent investors. This investment boom is driven by high profits for manufactured home community owners, which far exceed the profit margins in the single family or apartment sector. Unfortunately, these high profits come at a steep price for our communities, who are predominately seniors, hardworking low-income families, and veterans. Some investors, like Frank Rolfe and Dave Reynolds of RV Horizons/MHP Funds have been taking advantage of this trend. Frank and Dave have established a \$1,999/ticket 'boot camp'¹ for investors that are looking to cash in on manufactured home owners. They rightfully point out industry profits are so stable due to the lack of affordable housing options, and "the fact that tenants can't afford the \$5,000 it costs to move a mobile home,"²

Local governments should be working to protect manufactured home communities, like Meadowbrook Village, and retain them as a valuable source of affordable housing. Our federal representatives should be working to update federal regulations to address the growth of large

¹ <https://www.mobilehomeuniversity.com/mobile-home-park-investing-books-and-courses/mobile-home-park-investors-boot-camp.php>

² <https://www.mobilehomeuniversity.com/mobile-home-park-investing-books-and-courses/mobile-home-park-investors-boot-camp.php>

scale investment in these communities. They can start by supporting the Frank Adelman Manufactured Housing Community Sustainability Act, legislation aimed at incentivizing the sale of MH communities to residents and non-profit managers. Non-profit and resident ownership take investor profit out of the pictures, ensuring that lot rents can remain affordable, and are invested back into the infrastructure of the community.

This outrageous increase in his home district should be a wakeup call to Representative Upton, we urge him to co-sponsor the Frank Adelman Act and to introduce his own legislation to address the crisis in Meadowbrook Village.

I urge manufactured homeowners and supporters to join myself and others nationally in our efforts to fight for affordable housing and economic security. Visit www.mhaction.org for more information.

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