

ECONOMY

# ‘We’re all afraid’: Massive rent increases hit mobile homes

Park rents are doubling or tripling, as high demand, low inventory and a rise in corporate owners take a toll on one of the nation’s biggest sources of affordable housing



By [Abha Bhattarai](#)

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For nearly 30 years, Virginia Rubio has lived in a trailer park in Forks, Wash., where monthly rent teeters around \$350. Now it’s shooting up to \$1,000.

Rubio, a retired home-care aide who lives on food stamps and \$860 in Social Security each month, says there’s no way to make the math work. She owns the mobile home she shares with her partner and adult daughter but will soon have to give that up if she can’t afford to rent the plot of land underneath it.

“With an increase like this, I don’t know what we can do,” said Rubio, who is 75. “We’re all afraid of losing our homes.”

Surging home prices and rents are cascading down to the country’s mobile home parks, where heightened demand, low supply and an increase in corporate owners is driving up monthly costs for low-income residents with few alternatives. At the same time, private-equity firms and developers are often circling nearby, looking to buy up such properties and turn them into more lucrative ventures, including timeshare resorts, wedding venues and condominiums.

Mobile homes have long been one of the country’s most affordable housing options, particularly for families who do not receive government aid. About 20 million Americans live in manufactured homes, which make up about 6 percent of U.S. residences, according to [federal data](#). Some experts suggest those numbers could soon rise as more people are priced out of traditional houses and apartments.

Mobile homes prices range from less than \$25,000 in Nebraska, Iowa and Ohio, to more than \$125,000 in Washington state. Overall, they tend to be three to five times cheaper than traditional single-family homes, according to an analysis of census data by LendingTree.

But rising demand for affordable housing has put particular pressure on the market. Nationally, the average sales price of manufactured homes has risen nearly 50 percent during the pandemic, from \$82,900 to \$123,200, census data shows. Meanwhile, average new home prices rose 22 percent in that period, according to government figures.

However, less is known about how much mobile homeowners pay to rent the land under their homes. Lot rents typically rise between 4 and 6 percent a year, according to industry sources, though there is little data on exact costs or price increases. That lack of transparency is complicated by the fact few cities or states have rules governing rent increases at mobile home parks.

“Land prices are going up, housing costs are going up and that’s spilling into mobile homes,” said Casey Dawkins, a professor of urban studies and planning at the University of Maryland. “There’s also an overall shortage of affordable housing, particularly in cities and the suburbs around them.”

## Prices of manufactured homes have soared during the pandemic

Average sales price, in thousands



At the same time, park owners and operators are facing higher costs for utilities, workers and property taxes, all of which are likely being factored into higher rents for lots, according to John Pawlowski, managing director at real estate research firm Green Street Advisors.

In many cases, residents like Rubio said they own the trailer they live in but don't enjoy the perks of homeownership — like locked-in monthly payments, tax breaks and appreciating home values — or the flexibility or protections associated with renting. They said they often felt caught in a state of limbo: Their mobile home is their biggest investment, yet it's useless if they can't afford to rent the land on which it sits. Moving a mobile home — if it is new enough to be moved at all — can cost as much as \$15,000, which means residents are often beholden to the parks where they live. Many municipalities also have rules governing when and how trailers can be transported.

"You have a captive audience in mobile home parks," said Kate MacTavish, an associate professor at Oregon State University whose research focuses on affordable housing and trailer parks. "They may own their homes, but they can't just pick up and move."

In interviews with a dozen mobile home residents around the country, all said their rents had risen this year. Most reported increases of 10 to 25 percent, although some said monthly payments had doubled or tripled. Their options were increasingly limited, too: Many said they had bought trailers after being priced out of apartments, homes and condominiums and were now unsure of where to go next. They had used up their savings or taken on high-interest loans to buy manufactured homes with little resale value. Some were considering moving into motels, crashing with friends or living in their cars until they could find a more permanent arrangement.

Christy Andrews thought she was making a sound investment when she scooped up a mobile home for \$5,000 in Torrance, Calif., six years ago. But now she says it was a big mistake. Her lot rent — the monthly fee she pays for the plot of land where her trailer is parked — has nearly doubled, to \$1,700, in the six years she has lived at Knolls Manor and now takes up nearly all of the \$1,900 a month she receives in Social Security disability checks.

"It's horrible," said Andrews, 43, who left her sales job in the aerospace industry because of kidney failure. "There's no way to keep up. Do you pay rent or get your medicine or buy gas to take your kid to school?"

The only way to move, she said, would be to give up the only home she has ever owned. Nearby rents are astronomical: Studios can easily cost \$2,000 a month, and two-bedrooms are closer to \$3,000. Many of her neighbors have been evicted and end up homeless, she said, and she fears she'll soon be living in her Chevy Tahoe with her rescue dogs, Jozie and Nyah.

Bessire & Casenhiser, which manages Knolls Manor, did not respond to multiple requests for comment.

Private-equity firms including Stockbridge Capital, Carlyle Group and Apollo Global Management have been rapidly buying up mobile home parks over the last decade, often using funding from government-sponsored lenders Fannie Mae and Freddie Mac. Once they take over, one of their first moves is to raise rent, said MacTavish of Oregon State.

But industry groups say those rent increases are often necessary to cover the costs of improving and maintaining property grounds, particularly when parks change hands.

“When new owners come in, they’re doing infrastructure upgrades, they’re improving the streets and adding amenities, all of which are very important as these communities age,” said Lesli Gooch, chief executive of the Manufactured Housing Institute. “When a community does change hands, often times it’s because of a significant need for improvement and a lack of capital from the existing owners to make such improvements.”

Intensifying housing shortages during the pandemic have given park owners additional leverage to increase rents, MacTavish and others say, as rising home prices force renters out of apartments and houses. As a result, many smaller, independent park operators are also finding they can raise rents without cutting into potential demand.

“These creditor owners will keep squeezing you and squeezing you until you run out of money,” said Barbara, 78, who lives in a mobile home near Los Angeles where monthly rents went up nearly \$200, or 15 percent, as soon as an institutional investor took over last year.

Like many others in the 55-and-older community, Barbara — who asked to be identified by her first name because she fears retaliation — lives on a fixed income. She retired in 2014 from a decades-long career in commercial real estate and lives on \$1,700 a month in Social Security.

She sold her two-bedroom condominium two years ago and used that money to buy a \$295,000 mobile home. Since then, she has spent another \$30,000 turning it into her “forever dream home.” But with lot rents rising, she says she isn’t sure she’ll be able to afford staying there for much longer. Many others are making similar calculations: There are already 14 mobiles for sale in her park.

“I don’t know what to do, I really don’t,” she said. “I was going to put this up for sale, but then where do I go? I used up all of my cash to buy this.”

Few municipalities and states have rules governing rent increases or evictions at mobile home parks, although that is beginning to change. Vermont, for example, requires that park owners notify residents of plans to sell and allow them a chance to buy the property. Others, like Oakland, Calif., are revising zoning laws to allow manufactured housing in more parts of town.

“Many municipalities continue to ignore mobile home parks, and that, in no small part, has to do with the stigma around them,” said MacTavish of Oregon State. “It is one of the only forms of affordable housing we have, yet we don’t embrace it in ways that would make it work much better for families.”

The circumstances surrounding mobile homeownership are yet another way the housing market has worsened long-standing inequities. While homeowners enjoyed cheaper mortgages during the pandemic, loans for buying manufactured homes often come with higher interest rates, limited opportunities to refinance and fewer protections than those for typical mortgages, according to a Consumer Financial Protection Bureau report. Mobile homeowners are also more likely to fall behind on housing payments than those who own site-built homes, the CFPB found. And because most residents own their homes but rent land, not being able to cover rent costs can often mean losing homes that they do own.

“Almost across the board, park residents are renting the land under their homes,” said Esther Sullivan, an associate professor of sociology at the University of Colorado at Denver whose work focuses on mobile homes. “So a missed lot payment puts not only their housing at risk, but can also wipe out their accrued wealth.”

In Rochester, N.H., Sue Veal, 69, bought a mobile home in a 55-and-older park for \$119,000 six years ago.

Listed rents have risen steadily — 50 percent over six years — even as the park does away with services like recycling collection. But demand is on the upswing: A friend in the park recently sold their mobile home in a day, for \$220,000 in cash, nearly double what they paid for it a few years ago.

“Prices are going up, but people are going to have nowhere to go,” said Veal, a retired biotech quality assurance manager who now receives about \$2,000 a month in Social Security. “We’re all worried about a future where our money is going to run out.”

Linda denOuden traded in a two-bedroom apartment near Portland, Ore., for a mobile home last year thinking it would be a good way to save money after her husband died. She used money she received from his life insurance policy to buy a \$70,000 unit. But her lot rent is going up nearly 10 percent to more than \$1,000 a month, making it just about impossible for her to make ends meet on Social Security and a small pension.

The 68-year-old has started putting off routine doctors visits and mammograms to save money. It has been years since she went to a dentist.

“Living on a fixed income means there is no room for extra expenses,” she said. “I am one catastrophe away from losing everything I have left. It’s a never-ending worry I live with every day.”