A letter to the Washington Post in Response to "'We're All Afraid': Massive Rent Increases Hit Mobilehomes"Published June 6, 2022; By Daniel Weisfield

When will we see a mainstream media story showcasing proud manufactured homeowners who are thrilled to own an attractive, affordable manufactured home in a land lease community?

The Washington Post's story twists the facts, portraying America's manufactured homeowners as victims. This is offensive to manufactured home park residents and perpetuates the stigma around manufactured housing that we are working so hard to overturn.

Imagine that most bakeries in your town charge $3 for a loaf of bread. There's one affordable bakery in town that used to charge 50¢, but costs have gone up and it now charges $1. People line up every day to buy the $1 loaves, and the bakery sells out every day. Would you criticize this affordable bakery for raising its prices from 50¢ to $1, or would you celebrate this affordable bakery for providing a high-value product that cost-conscious consumers are lining up to buy?

That's the mobilehome park conundrum. People look at the same set of facts and draw wildly different conclusions. If you focus solely on how much lot rent costs today, compared to what lot rent used to cost (while ignoring the cost of all available housing alternatives, and ignoring how manufactured home price appreciation creates wealth for park residents when they resell their homes), then you will tend to criticize parkowners. If you focus on the affordability of manufactured home lot rents today, compared to all available alternatives, and if you recognize how manufactured home price appreciation puts real dollars into park residents' pockets, then you will see manufactured housing communities as a massive source of value for cost-conscious consumers.

A key point: The idea that "manufactured homes cost a lot to move, and this puts park residents at a disadvantage" is wrong, and is based on a misunderstanding of how the market for manufactured homes actually works. The reality is that more than 90% of manufactured homes installed in parks will never move. When a park resident decides to move, the home remains in place, and the resident sells the home to someone who wants to live in the park. As a result, manufactured homes in parks behave like real estate, and they tend to appreciate over time. A 2021 study of U.S. Census Bureau data found that the median value of mobile homes increased by 39% from 2014 to 2019. Bottom line: A resident who decides to move out of a park often sells their manufactured home at a profit. At Three Pillar Communities, we routinely see residents of our manufactured housing communities get wealthier when they decide to sell their manufactured homes.

So let's flip the script on the Washington Post's characterization of Christy Andrews, who bought a mobilehome in Torrance, California for $5,000 six years ago.

Instead of describing Andrews as a victim, I would describe her as a winner.

Andrews' original monthly lot rent was roughly $900, and now it is $1,700. According to state and federal guidelines, her new $1,700 lot rent is affordable to Low Income households earning less than area median income. Renting a studio apartment in Torrance would cost $2,000 per month, renting a two-bedroom would cost $3,000 per month, and purchasing the median single family home in Torrance would cost $1,170,000.

Andrews is a winner for three reasons:

1.) Social opportunity, desegregation, and access to services: Andrews has the opportunity to live in Torrance, an oceanfront community with excellent access to schools, hospitals, jobs, parks, and grocery stores. In America, the zip code that you live in has a disproportionate impact on your education, health, and career outcomes. Mobilehome parks provide pockets of affordability in “high opportunity” zip codes.

2.) Rent savings: Andrews saved between $50,000 and $100,000 on rent payments by living in this manufactured housing community for six years. This is compared to the alternative of renting an apartment in Torrance.

3.) Home price appreciation: Andrews paid $5,000 for her manufactured home, and it is worth at least $20,000 today (regardless of condition), and possibly over $100,000 (depending on condition). If Andrews contacts me, my company will pay her at least $20,000 for her home, sight unseen, all cash, and closing within 3 business days. I am completely serious. I can be reached at info@threepillarcommunities.com.

There are tens of millions of low-income Americans who would envy Ms. Andrews’ situation: the opportunity to live in a “high opportunity” zip code, while saving tens of thousands of dollars on rent payments, and while building tens of thousands of dollars of home equity.

If there are specific manufactured home park residents like Andrews who, due to specific personal circumstances, cannot afford mobile- home lot rents which are deemed affordable to low income households under state and federal guidelines, then those specific individuals need to get help that is specific, personalized, and targeted to their individual circumstances. Some parkowners choose to provide targeted rent concessions to individuals experiencing financial hardship. And there are numerous federal, state, and local programs designed exactly for this purpose.

Andrews’ story is not an indictment of manufactured housing communities.

On the contrary, her story demonstrates that manufactured housing communities are a powerful tool to create more social opportunity across the economic spectrum, and to help lower-income Americans build wealth through rent savings and home ownership. ■

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