

# MANUFACTURED HOUSING REPORT

2017 – 1Q

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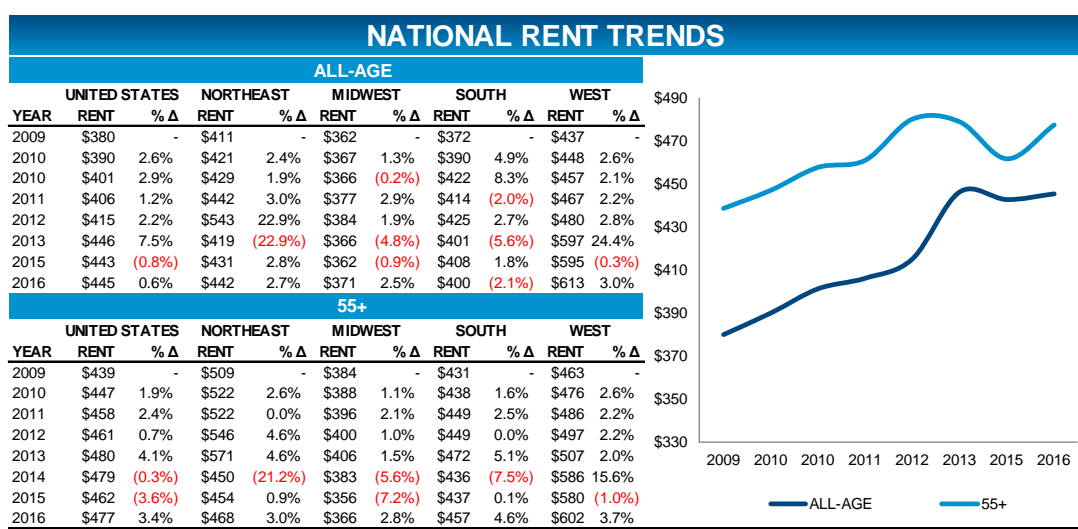
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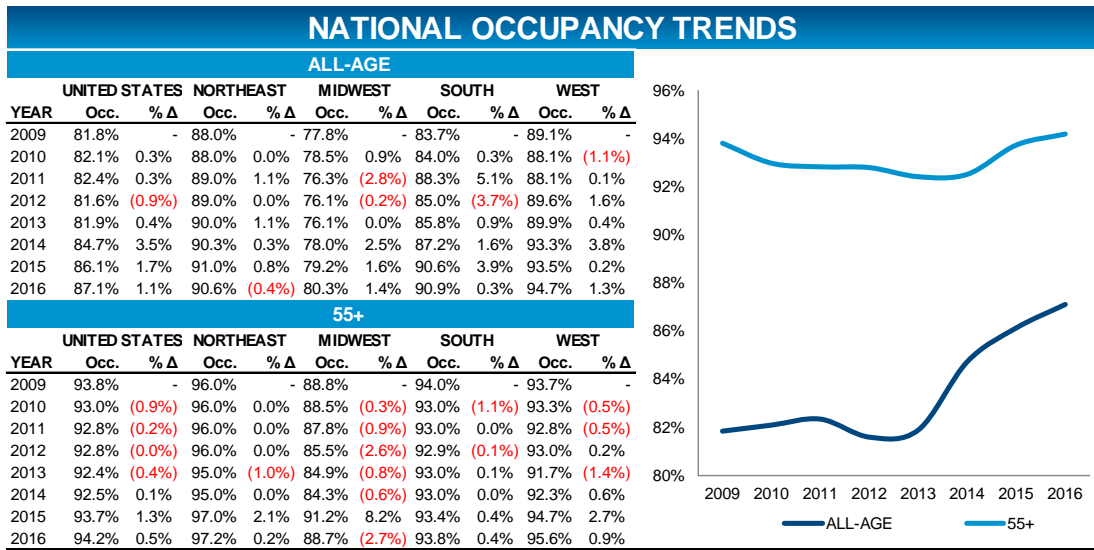
**MANUFACTURED HOUSING RENT/OCCUPANCY TRENDS**

The following charts detail rent and occupancy trends in the different regions and nationally. The data is also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities command higher rents and have better occupancy. Rents have been increasing steadily over the past several years.



Source: JLT & Associates

Declines in occupancy leveled off between 2012 and 2013. Since this time occupancy has steadily grown across markets.



Source: JLT & Associates

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## MANUFACTURED HOUSING SALES

Demand remains high for manufactured housing communities throughout the country. A chart summarizing recent Manufactured Housing transactions throughout the country is presented below:

Manufactured Housing Sales By Region

Region/Subregion	Price Per Homesite			Capitalization Rates		
	Min	Max	Average	Min	Max	Average
Mountain	\$17,500 to	\$107,273	\$43,242	4.29% to	10.86%	6.69%
Pacific	\$8,696 to	\$110,738	\$51,505	3.85% to	11.60%	6.62%
West	\$8,696 to	\$110,738	\$48,037	3.85% to	11.60%	6.65%
West North Central	\$10,227 to	\$88,622	\$40,029	5.50% to	9.16%	6.68%
East North Central	\$9,200 to	\$62,500	\$25,958	4.95% to	11.06%	7.75%
Midwest	\$9,200 to	\$88,622	\$28,694	4.95% to	11.06%	7.54%
West South Central	\$25,281 to	\$57,047	\$39,580	5.50% to	8.81%	6.86%
South	\$21,018 to	\$107,865	\$49,183	4.50% to	7.96%	6.08%
South Atlantic	\$6,362 to	\$45,968	\$23,888	6.50% to	14.00%	8.56%
South	\$6,362 to	\$107,865	\$34,947	4.50% to	14.00%	7.41%
Northeast	\$23,128 to	\$71,429	\$37,187	5.08% to	10.05%	7.50%

Source: *Colliers Research*

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## MANUFACTURED HOUSING EXPENSES

Manufactured housing expenses can range wildly given differences in management philosophy, infrastructure, utility obligations, and other factors. There are as many ways of operating a community as there are owners of communities. Additionally each property has its own unique challenges. We have mined our own data for information and eliminated the extreme outliers. The following chart summarizes our analysis

MIDWEST EXPENSE CHART (Manufactured Housing)	Expected		Average	Median
	Low	High		
EGI/Site	\$1,393	\$12,584	\$4,398	\$3,861
Taxes/Site	\$130	\$650	\$438	\$300
Insurance/Site	\$30	\$110	\$66	\$61
Gas & Electricity/Site	\$20	\$107	\$57	\$61
Water & Sewer/Site				
Owner Pays or is Reimbursed	\$177	\$798	\$426	\$408
Tenant Pays	\$14	\$190	\$102	\$111
Trash/Site				
Owner Pays or is Reimbursed	\$65	\$150	\$110	\$101
Tenant Pays	\$40	\$70	\$41	\$46
Repairs and Maintenance/Site	\$21	\$604	\$179	\$98
Off Site Management/Site	2.75%	4.50%	3.70%	3.70%
On-Site Management/Site	\$200	\$400	\$276	\$317
General & Administrative/Site	\$67	\$240	\$148	\$124
Reserves/Site	\$25	\$75	\$35	\$40

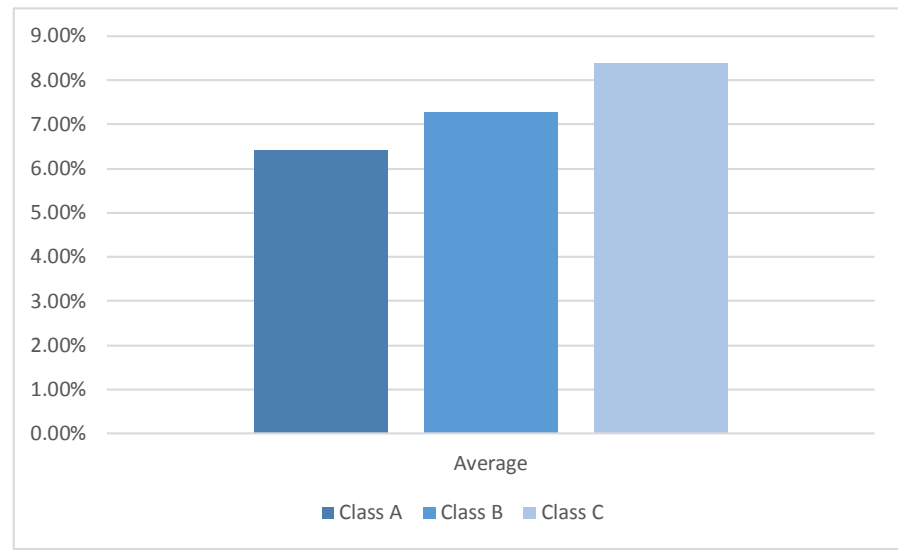
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## MANUFACTURED HOUSING CAP RATE SURVEY

We surveyed industry experts on capitalization rates and other factors related to the sales of manufactured housing communities throughout the Midwest. The results of the survey are summarized below:

Cap Rate Survey	Class A	Class B	Class C
Min	4.50%	5.00%	6.50%
Max	8.00%	9.00%	11.00%
Average	6.43%	7.28%	8.39%



Source: Colliers Survey

Participants in the survey were also asked what would cause the survey to be higher or lower. The most common answer was private utilities. Other factors include whether the property was all-age or senior, the size of the market the property is located in, occupancy, number of property owned homes, infrastructure, and amenities package. However, it should be noted that some of these factors are considered in the classification of the property.

## FINAL COMMENTS

This report contains summarized information on market data pulled from our records and from surveys. The math on determining the value of a community is straight forward. Income less expenses divided by the appropriate capitalization rate. However, determining the Class of a property and evaluation how the market will view the quality of the income stream is less straight forward. Reach out to us via phone or email, or and we can explore ways we can help you determine the value of your property. Also, we will be publishing more detailed information throughout the year on all the topics covered in this report. Connect with us on LinkedIn our send us an email to let us know if you want to be added to our email list for industry reports.