



Manufactured Housing Communities

Q1 2026 Market Report

As Q1 2026 nears completion, the manufactured housing sector continues to exhibit the resilience and income stability that defined its performance in 2025. Occupancy remains strong across most markets, rent growth has remained positive despite broader economic uncertainty, and institutional interest, including participation from large funds and REITs, has remained active year-to-date across both core and value-add strategies.

With new supply constrained and affordability pressures persisting across traditional housing options, manufactured housing continues to stand out as a defensive allocation within commercial real estate, offering durable cash flow and an increasingly attractive risk-adjusted return profile.



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Managing Director

Scott Belsky serves as Managing Director at Partner Valuation Advisors and is the National Practice Lead for Manufactured Housing Communities and RV Resorts. He has more than 10 years of commercial real estate appraisal experience and has appraised assets across more than 45 states and Canada, with a primary focus on multifamily and manufactured housing communities.

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Key Trends

Durable Fundamentals Through Q1 2026

Several trends that shaped the manufactured housing market in 2025 have carried into early 2026. Occupancy stability remains a defining characteristic of the sector, with levels generally exceeding those reported across traditional multifamily assets and reflecting sustained demand for affordable housing alternatives.

Rent growth has moderated from recent highs but remains positive, supported by favorable demographic trends, limited new supply, and the essential role manufactured housing plays within the broader residential landscape. Together, these dynamics continue to reinforce the sector’s reputation as a reliable income generator and a preferred allocation for institutional capital. Unlike many other property types, manufactured housing has remained comparatively insulated through the first quarter of 2026, benefiting from structural tailwinds tied to affordability and demand durability.

REIT Performance

REIT	Ending Occupancy		YoY NOI Change		Rent per Site		Total MH Sites	
Equity Lifestyle Properties (ELS)	94.9%	94.3%	6.5%	4.8%	\$858	\$908	73,200	73,600
Sun Communities (SUI)	97.5%	98.1%	6.7%	8.9%	\$708	\$745	97,430	100,150
UMH Properties (UMH)	94.0%	93.8%	10.0%	9.0%	\$544	\$571	26,300	27,100

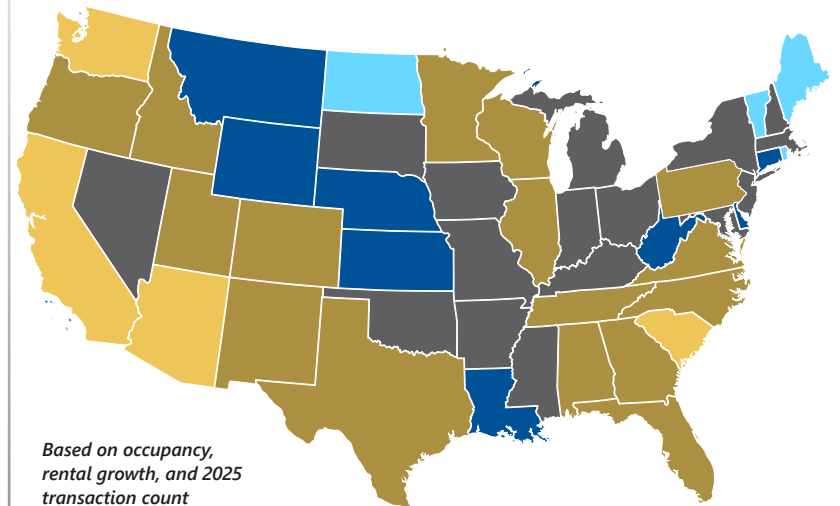
All figures reflect year-end disclosures as reported in each REIT’s most recent Form 10-K and may not be directly comparable due to differences in portfolio composition, geographic exposure, and reporting methodologies.

Public manufactured housing REITs continue to demonstrate strong operating fundamentals, with occupancy remaining near peak levels and NOI growth staying positive despite a more selective capital markets environment. While rent growth has normalized from recent highs, fundamentals remain durable, supported by limited new supply and high resident stickiness. Selective portfolio expansion further reinforces the sector’s ability to generate stable cash flow through the cycle.



Transaction Volume

■ Top Tier
 ■ Above Average
 ■ Average
 ■ Below Average
 ■ Lowest



Based on occupancy, rental growth, and 2025 transaction count numbers from CoStar

Transaction Pulse

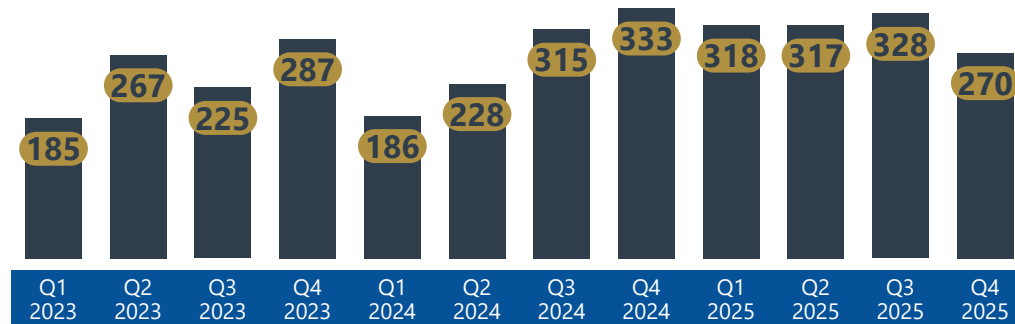
Sustained Activity into Early 2026

Transaction activity remained active through late 2025 and into early 2026, supported by continued acquisition momentum across both core and value-add manufactured housing communities. Institutional investors remained engaged, particularly in markets backed by strong demographic fundamentals and long-term affordability drivers.

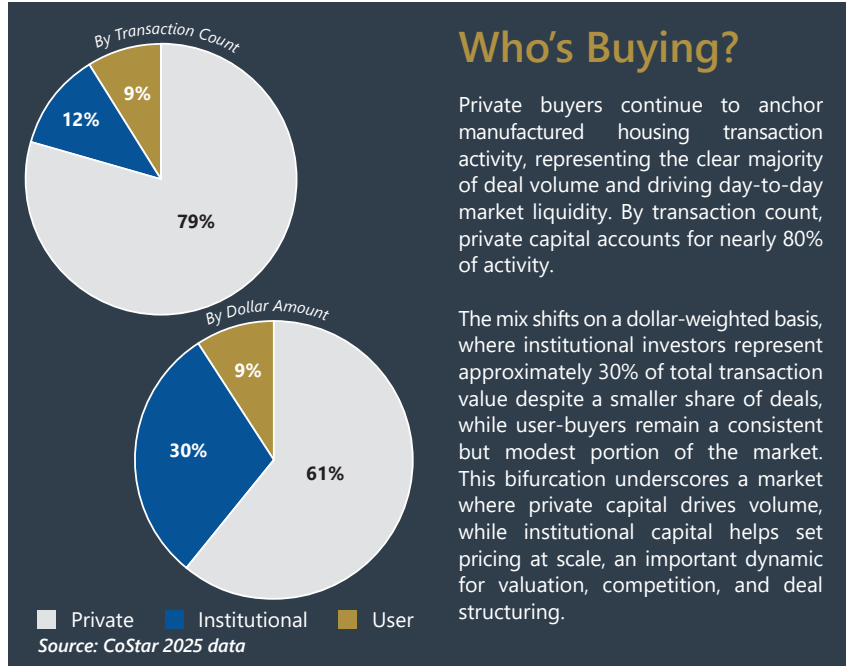
Portfolio transactions gained further traction, reflecting a strategic emphasis on scale, operational efficiency, and aggregation within a highly fragmented ownership landscape. Extended-use properties have drawn increased interest as investors prioritize predictable cash flow, infrastructure longevity and expansion optionality.

Pricing has remained generally stable year-to-date, with limited evidence of material cap rate volatility, reinforcing manufactured housing's role as a defensive allocation amid an ongoing capital markets recalibration.

MHC Transactions Per Quarter



Source: CoStar



Private buyers continue to anchor manufactured housing transaction activity, representing the clear majority of deal volume and driving day-to-day market liquidity. By transaction count, private capital accounts for nearly 80% of activity.

The mix shifts on a dollar-weighted basis, where institutional investors represent approximately 30% of total transaction value despite a smaller share of deals, while user-buyers remain a consistent but modest portion of the market. This bifurcation underscores a market where private capital drives volume, while institutional capital helps set pricing at scale, an important dynamic for valuation, competition, and deal structuring.



2026 Outlook

Opportunities and Policy Watch



Looking ahead to the remainder of 2026, the outlook for manufactured housing communities remains constructive. Durable demographic demand, persistent affordability pressures, and limited new supply continue to support sector fundamentals. Investor interest is expected to remain active, with capital favoring assets that offer predictable cash flow, operational resilience, and long-term housing relevance. While broader capital markets remain selective, manufactured housing continues to stand out as a defensive allocation within residential real estate.

At the same time, policy developments at both the federal and state levels remain an important consideration for owners, lenders, and investors, influencing underwriting assumptions, operational strategy, and market-specific risk profiles.

Federal Policy Developments

Several federal initiatives currently under consideration could support manufactured housing supply expansion and development flexibility over the medium term. Proposed legislation aimed at modernizing HUD oversight and construction standards, removing the permanent chassis requirement for manufactured homes, and expanding financing flexibility through FHA and GSE programs could help reduce regulatory friction, lower development costs, and broaden access to capital over time. Collectively, these efforts may support incremental supply growth and alternative development models, though timing and implementation remain uncertain. *(Proposed legislation includes H.R. 5263, H.R. 6293, H.R. 4568, and H.R. 6269.)*

— Valuation with Perspective —

State-Level Regulation Snapshot

At the state level, manufactured housing-specific regulation continues to shape localized risk considerations. Rent stabilization measures, notice requirements, and tenant-protection frameworks vary widely by state and remain a key factor in underwriting, valuation, and operational planning. This uneven regulatory landscape reinforces the importance of market-specific diligence when evaluating manufactured housing investments.

STATE	RESTRICTION TYPE
California	Local rent stabilization ordinances regulate MHC space rents; MRL provides notice & eviction protections; SB 940 narrowed "new construction" exemptions (15-year window).
Colorado	No statewide rent cap; landlords limited to one increase per 12 months + 60-day notice; increases prohibited if park is out of regulatory compliance.
Maine	LD 1145: 90-day notice + resident right of first refusal on park sales.
New York	HB 442: rent stabilization allowing one increase/year (3% first year, 5% thereafter); expanded civil penalties.
Oregon	For parks/marinas with >30 spaces: 6% cap (2026). ≤30 spaces follow statewide cap (≤10%, or 7%+CPI). HB 3054 adds infrastructure-cost exception (up to 12% with resident approval).
Washington	HB 1217 (2025) statewide MHC rent cap: max 5% per 12 months; 90-day notice; no increases in first 12 months; strong enforcement.

Policy Watch (Proposed Legislation)

Several additional states, including Illinois, Michigan, Montana, New Mexico, North Carolina, Pennsylvania, and Vermont, have proposed manufactured housing-specific rent regulation or tenant-protection measures. While not enacted as of late Q1 2026, these proposals underscore the importance of ongoing policy monitoring, particularly in markets where affordability pressures and political momentum may accelerate regulatory change.

Investor Takeaway

Manufactured housing remains well positioned through the remainder of 2026, supported by resilient operating fundamentals and sustained capital interest. However, evolving policy dynamics, particularly at the state level, continue to influence valuation, underwriting, and long-term strategy. Investors and lenders are best served by pairing sector-level conviction with localized regulatory insight and forward-looking risk assessment.

Partner Valuation Advisors is an industry leader in the appraisal of manufactured housing and RV resort assets.

In 2025 alone, Partner consulted on 1,400 communities with an aggregate value exceeding \$28.5 Billion, delivering the industry's deepest insight into MHC equity and debt transaction trends and informing more confident, forward-looking valuations.

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