

Big investors gobble up trailer parks, profit from housing crisis

written by Scott Scheffer
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On May 8, residents of Plaza Del Rey mobile home park in Sunnyvale, Calif., protested price hikes imposed by the investment company that owns the park.

In September 2020, a company called “CPI Superstition Sunrise RV Resort, LLC” purchased a mobile home park (MHP) in Mesa, Ariz., for \$88 million — a record price for Arizona. The new owner concealed its identity with this shell company. It was actually The Carlyle Group, one of the world’s biggest global investment companies.

Around the same time as Carlyle’s deal, the Blackstone Group was in negotiations to buy a portfolio of MHPs — mostly in Florida — for \$550 million. Earlier in the year, Blackstone had purchased seven other parks in Florida and Arizona for \$200 million.

Stockbridge Capital, Apollo Global Management, Brookfield Asset Management — all worth billions in assets — are in the competition, along with dozens of others, to buy what we used to call “trailer parks.”

The Carlyle Group manages \$260 billion in assets. Blackstone Group is even bigger at \$619 billion. The COVID-19 pandemic has these giant capitalist investors seeking alternatives to commercial real estate and luxury apartments. Those markets were already glutted and becoming less profitable when the pandemic hit, and were then battered in the economic tailspin as the pandemic shutdowns happened.

Capital from these investment behemoths has been quietly creeping into the mobile home park market for years, but the pace quickened, fueled by the disastrous failure of U.S. capitalism to cope with the deadly COVID outbreak.

In almost all cases, the investor groups continue operating the MHPs as they are instead of razing them to make way for shopping malls or apartment buildings, as one might expect. The investment strategy itself is being marketed in seminars that sell advice on how and where real-estate giants can find the greatest potential profit. They advise their customers to avoid areas where tenant laws are stronger.

Lack of affordable housing

Affordable housing is more and more scarce as the capitalist crisis persists. It's well known that rent for even tiny living spaces in cities like San Francisco, New York City and Los Angeles has reached absurd levels. But the problem is much more widespread than that.

The [National Low Income Housing Coalition reports](#) that there isn't a single state in the U.S. where a person working full-time at minimum wage can afford a one-bedroom apartment. The corporate ruling class is fighting tooth and nail to block any significant increase in wages at all.

Landlord greed and illegal anti-worker tactics like those employed by Amazon during the Bessemer, Ala., union drive are enabled and bolstered by courts and bought-and-paid-for politicians across the political spectrum. All of this has driven people into one form of homelessness or another — more than 550,000 according to a 2017 point-in-time count.

Mobile home parks have been one of the last resorts for working-class and poor people to keep a roof over their heads.

The Carlyle Group has been among the most aggressive investment giants — buying up MHPs in areas of the country where the tech industry has driven the cost of living sky high, like parts of Florida and California.

These corporate giants have only snapped up a tiny fraction of all MHPs, but the buyouts are happening fast. According to a March 8 article in [The New Yorker](#), 20 million people live in mobile homes in the U.S. They are most often retirees, low-income workers or disabled people.

In the relationship between the landlord and mobile home owners, every advantage is the landlord's. In most states, the skimpy, inadequate tenant protection laws that

apply to apartments and single-family homes apply to MHPs in a more limited way. To the extent they do apply, enforcement is almost non-existent.

The tenant's ownership of the mobile homes is real only in a convoluted technical sense. In reality, the relationship is remarkably similar to a feudal one, in which the serfs were technically free – but not really.

The homeowners rent the land from the owner of the MHP. They're required to cut the tow hitches from their homes when they're moved onto the lot. That, combined with plumbing, gas and electricity being hooked up, make these "mobile homes" impractical to move.

Few protections

There are so few laws to protect mobile home owners in the parks taken over by big corporations that they are often subject to big rent increases for their lots. Usually, park owners aren't required to give prior notice of rent increases or even evictions.

Typically, it's legal for the landlord to block a homeowner from selling their mobile home by requiring any new owner to move it off the lot. The cost to take your mobile home with you if you decide to move even a short distance may be as much as \$10,000. Now, more people are forced to abandon the homes that they have struggled to get.

Owning a traditional home is often a first (and only) opportunity for working-class people to own something that they are able to pass on to their children. Of course, that opportunity was battered by the tsunami of home foreclosures during and since the 2008-2009 capitalist meltdown. For Black and Brown communities in the U.S. as a whole, those foreclosures amounted to the largest take-back of personal wealth in history.

But the "generational wealth" that millions of working-class families labored and

saved for barely exists in MHP living. Mobile homes quickly depreciate in value instead of gaining value, no matter how much money or time the tenants/owners invest in their upkeep.

Since the homes are technically owned by the tenants, the multibillionaires that are buying up the mobile home parks never face costs or responsibility for maintenance. Land, however, appreciates in value, making the purchase of mobile home parks [even more lucrative for giant investors](#) than condos, luxury apartments or commercial real estate.

To top all this off, The Carlyle Group, Blackstone and the other billionaire parasites are often eligible for subsidized loans from government entities Fannie Mae and Freddie Mac.

It may have surprised some to find out in the 1990s that pawn shops, payday lenders, easy credit/high interest finance companies, storage companies and other businesses that prey on the poor were being bought out by the likes of American Express, General Motors Acceptance Corporation and other Fortune 500 outfits. But that is an inherent feature of capitalist economy.

Karl Marx pointed out that capital always seeks the highest rate of profit. The more widespread poverty becomes, the greater the potential profit - at least, that's what happens until rebellion against the crushing poverty changes everything.

Organizations of mobile home owners are cropping up and pushing for laws to protect themselves. As the anti-capitalist movement grows and develops, homelessness, housing and the links to poverty wages are crucial issues that need to be taken on, by unions and by all working-class activists.

