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## Class action: Big companies buying up mobile home parks, driving up rents, pricing out seniors

LAWSUITS



A mobile home community in New York. | Tyler A. McNeil, CC BY-SA 4.0 <a href="https://creativecommons.org/licenses/by-sa/4.0">https://creativecommons.org/licenses/by-sa/4.0</a>, via Wikimedia Commons

By **Jonathan Bilyk** Oct 16, 2023

A new class action lawsuit accuses some of the country's largest owners and operators of trailer parks and so-called "manufactured home communities" of jacking up rents within those communities and pricing out senior citizens and other vulnerable tenants by conspiring to use shared industry information to corner the market and gobble up supply.

On Oct. 6, attorneys from the firms of DiCello Levitt, of Chicago and New York; Hausfeld LLP, of Washington, D.C., New York and San Francisco; and Myron M. Cherry & Associates, of Chicago, filed the lawsuit in Chicago federal court.

The lawsuit was filed on behalf of named plaintiffs Ronald Kazmirzak, of southwest suburban Justice; Luis Melendez, of Orlando, Florida; Carol Rachelle Roach, of Clearwater, Florida; Yvonne Sewell, of Vero Beach, Florida; and Anthony Silverence, of Newburgh, New York.

All of the named plaintiffs assert they rented manufactured home lots in mobile home parks in their home communities.

The lawsuit seeks to expand the action to potentially include hundreds of thousands of other Americans, who lived in such manufactured home communities across the country.



Adam J. Levitt | DiCello Levitt

The lawsuit accuses a host of defendants of price fixing and other violations of the federal antitrust law known as the Sherman Act.

The lawsuit asserts the companies named as defendants improperly used industry information, known as JLT Market Reports, supplied by a company known as Datacomp, described in the complaint as "the nation's largest provider of manufactured mobile home data."

According to the complaint, this then allegedly allowed many of the largest owners of manufactured home communities to coordinate when setting rents, allegedly charging more than they could have with true competition "for what used to be affordable housing."

"The consequence is that two of society's most vulnerable groups – the elderly and low-income earners – face considerable financial pressures," the plaintiffs said in their complaint, with "some residents ... facing evictions."

The complaint notes that about 20 million Americans live in such communities. Such residents have a median household income of \$35,000 per year. And about one-third of those residents are at least 60 years old.

The lawsuit takes aim at a host of corporate defendants, including Equity Lifestyle Properties Inc.; Hometown America Management LLC; Lakeshore Communities Inc.; Sun Communities inc.; RHP Properties Inc.; Yes Communities LLC; Inspire Communities LLC; Kinglsey Management Corp.; Cal-Am Properties Inc. and Murex Properties LLC, who collectively hold much of the stock of mobile home communities throughout the U.S.

The complaint asserts these companies have been "part of a recent wave of large corporate owners who have acquired manufactured home communities across the United States to grow large portfolios of home sites," the complaint states. "After acquiring the communities, these buyers have implemented steep, annual rent increases on their manufactured home lots, which have caused significant burdens on manufactured home residents."

According to the complaint, rents at mobile home communities increased 9.1% per year from 2019 to 2021, even as inflation during that period stood at just 3%.

By contrast, rents for such lots increased 2.3% per year from 2010-2018, the complaint claimed.

"The Manufactured Home Community Defendants could never have demanded these rental price increases unilaterally," the complaint alleges. "To implement the increases, they needed to conspire."

Plaintiffs are represented by attorneys Adam J. Levitt and others with the firm of DiCello Levitt; and Myron M. Cherry, Jacie Zolna and Benjamin Swetland, of the Myron Cherry firm.

## ORGANIZATIONS IN THIS STORY

MYRON M. CHERRY & ASSOCIATES, LLC• U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS• DICELLO LEVITT & CASEY• COHEN MILSTEIN HAUSFELD & TOLL