

Mobile home lot owners accused of rent-fixing conspiracy

A class action accuses companies that own mobile home lots of preying on the elderly and low-income households.

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CHICAGO (CN) — Multiple real estate companies have artificially inflated mobile and manufactured home lot rents across the country for years, a plaintiff claims in a [class action](#) filed in federal court in Chicago on Monday.

The antitrust suit names ten companies as defendants, including the nation's largest mobile home appraisal service provider Datacomp. By internally sharing Datacomp's market reports, the plaintiff claims, the other nine defendant companies — Equity LifeStyle Properties, Inc., Hometown America Management LLC, Lakeshore Communities, Inc., Sun Communities, Inc., RHP Properties, Inc., YES! Communities, Inc., Inspire Communities LLC, Kingsley Management Corp. and Cal-Am Properties, Inc. — coordinated rent increases that resulted in tenants paying "significant overcharges on manufactured home lot rents throughout the United States."

Over 20 million Americans, about 6% of the total population, live on mobile and manufactured home lots. The plaintiff, a lot renter from Macomb County, Michigan, seeks class recognition for a relatively narrow chunk of that 6% — those who rented a lot in a manufactured home community which was included in one of Datacomp's market reports between Aug. 31, 2019, and the present — even though the plaintiff claims the defendant companies have been rent-fixing their lots since as early as 2010.

"The average manufactured home lot rental prices increased from \$382 to \$593 between 2010 and 2021, a 55% increase. The manufactured home community defendants could never have demanded these rental price increases unilaterally. To implement the increases, however, they needed to conspire," the plaintiff says in the complaint. "This was accomplished through the exchange of non-public, competitively sensitive information through Datacomp's ... market reports."

The plaintiff notes that none of the reports Datacomp creates for some 187 manufactured home markets across the U.S. are public or free. They must be purchased individually, usually for several hundred dollars per report. Datacomp also offers its clients "live updates" on these reports. By circulating this "non-public, competitively sensitive information" amongst themselves, the plaintiff argues, the lot-owning companies were able to coordinate rent increases that made it more difficult for lot renters to access affordable housing.

"Knowing their competitors would share such information reciprocally, Defendants were certain that their conspiracy would be effective," the complaint states.

Datacomp itself was purchased by one of the defendant lot-owning companies, Equity LifeStyle Properties, Inc., in late 2021. The antitrust claims also implicate a number of powerful capital brokers and equity firms with ownership stakes in the lot owner companies. These include the Stockbridge Capital Group which controlled \$33.7 billion of assets under management as of late 2022, the private equity firm Apollo Global Management with over \$631 billion of assets under management as of this past September, and GIC, a Singaporean sovereign wealth fund.

Taken together, these companies control dozens of manufactured home communities and hundreds of thousands of individual lots scattered across the U.S. The median income for manufactured home lot occupants, whether owners or renters, sits below \$40,000 per year, and includes large numbers of senior citizens. Without court action, the suit warns, these low or fixed-income residents "will continue to pay supracompetitive rents for manufactured home lots."

The class action seeks not only to enjoin the defendant companies from carrying on the alleged rent-fixing conspiracy, but also damages commensurate to class members' rent overpayments.

"The retention of these rents by the manufactured home community defendants violates the fundamental principles of justice, equity, and good conscience and should be returned to Plaintiff and members of the Class," the plaintiff says in the complaint.

Plaintiff Gregg Townsend and the class are represented by attorneys from the law firms Freed Kanner London & Millen and Reinhardt Wendorf & Blanchfield.

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