Northmarq

INVENTORY GROWTH

UNIT SHIPPED YTD	26,200
CHANGE FROM 2023	8.0%

MARKET FUNDAMENTALS

OCCUPANCY RATE	94.9%
CHANGE FROM Q1 2023	+10bps
AVERAGE RENTS	$734
CHANGE FROM Q1 2023	+7.2%

TRANSACTION ACTIVITY (YTD)

MEDIAN SALE PRICE PER SPACE	$52,700
CHANGE FROM Q1 2023	6.0%

MANUFACTURED HOUSING
1Q 2025

MARKET INSIGHTS

Rent growth and tight occupancy define 2025 start

HIGHLIGHTS

- Operational performance in the manufactured housing sector remains exceptionally strong, supported by rising occupancy in the first quarter and continued rent growth. Shipments also remained steady, with more than 26,000 units shipped during the first three months of the year, up 1% from levels recorded in the fourth quarter.
- The national occupancy rate inched higher during the first quarter after holding steady for the previous nine months. The rate reached a peak of 94.9%, up 10 basis points annually.
- Tight occupancy has led to consistent rent gains in recent periods. Rents for manufactured housing rose by 0.8% during the first quarter to $734 per month. Year over year, rents advanced by 7.2%.
- Investment activity in the first quarter was significantly higher than levels at the start of 2024, but remained about 20% lower than the long-term average. When applying those parameters to the first quarter of 2024, activity was down nearly 70%. The median price to this point in 2025 is $52,700 per space.

MANUFACTURED HOUSING MARKET OVERVIEW

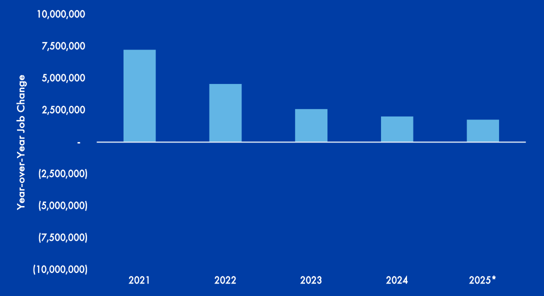
The manufactured housing sector's strong operational performance from the past few years carried over into a healthy start to 2025. After holding steady at an elevated level throughout much of the past year, occupancy levels inched up 10 basis points to 94.9%, the highest total in more than 20 years. These tight conditions continue to support rent growth; current rents are up more than 7% from one year ago and 2025 is expected to be the fourth consecutive year where rents rise by at least 5% nationwide. Renter demand for manufactured housing is approaching its highest point in a generation, and shipment volumes are off to their strongest start since 2022. While demand remains elevated, significant improvement in the national occupancy level is unlikely. The Midwest region, though, may see increases as local economies improve and housing costs continue to rise.

Sales velocity in the manufactured housing multifamily investment market posted a seasonal slowing from the fourth quarter to the first quarter, but momentum has been building since the second half of 2024. First-quarter transaction volume more than doubled compared to the same period last year, as the expectations gap between buyers and sellers continues to narrow. Cap rates have trended lower in recent months after holding steady in the prior quarter, averaging 6% year-to-date, down roughly 30 basis points from the final three months of 2024. Pricing remains elevated, driven largely by strong gains in Florida, Minnesota, and Colorado. The median price so far in 2025 stands at $52,700 per space, a 3% increase over 2024.

EMPLOYMENT

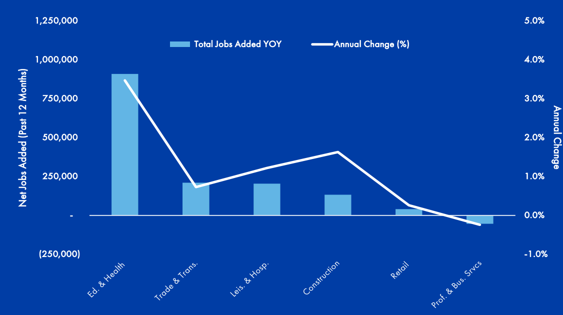
- The pace of hiring across the U.S. slowed in recent months after a strong close to 2024. Total employment increased by 333,000 workers during the first quarter of 2025, a notable decline from the more than 620,000 positions added in the previous quarter. For comparison, approximately 590,000 new hires were recorded during the first quarter of 2024.
- Employment gains remain positive, but the rate of growth continues to taper off. Year over year, employers across the country added nearly 1.8 million jobs, an increase of 1.3%. By comparison, annual employment growth averaged 1.6% from 2011 to 2019, prior to the onset of more volatile labor market trends.
- The education and health services sector remains the clear leader for job additions. Year over year, this sector expanded by 909,000 workers, an increase of 3.5%. Total employment in this sector is up nearly 2.5 million positions from pre-COVID levels.
- Job additions in the trade, transportation, and utilities sector have been strong in recent periods. During the past six months, this sector increased by roughly 160,000 workers. For the full year, this sector has expanded by 210,000 positions, an increase of 0.7%.
- Despite a slow start to this year, the leisure and hospitality sector has posted solid employment growth during the past 12 months. Year over year, employers in this sector add 204,000 jobs, an increase of 1.2%.
- Total employment in the retail sector is recovering after losing jobs in the middle months of 2024. Employment in this sector increased by 62,600 positions during the past six months after losing 22,100 workers during the past six months.
- • Texas and Florida led the way for job additions during the past year. Year over year, employers in Texas hired 191,900 workers, an increase of 1.4%. Total employment in Florida rose at the same rate during the same timeframe, adding 138,000 positions.
- After adding more than 100,000 jobs during the fourth quarter, total employment in California fell by 50,000 workers in the first quarter. Year over year, employers in California posted net hires of 51,300 positions, increasing by 0.3%. The education and health services and government sectors were key drivers of employment growth in California during the past year.
- New York and Pennsylvania have been among the top states for new hires in recent periods. Total employment in New York has expanded by 118,500 workers during the past 12 months, an increase of 1.2%. Job additions in Pennsylvania have ramped up in recent quarters, as total employment rose by more than 60,000 positions during the past six months.
- In the Midwest, Ohio, Illinois, Michigan, and Wisconsin all recorded modest employment gains. Ohio posted the steepest increase, as total employment increased by 0.7% during the past 12 months, with the addition of 40,200 jobs. Year over year, employers in Illinois, Michigan, and Wisconsin added a combined 71,200 workers.
- Employment growth in North Carolina outpaced national trends over the past year. The state's labor market expanded by nearly 70,000 positions, marking a 1.4% year-over-year increase.

U.S. EMPLOYMENT TRENDS



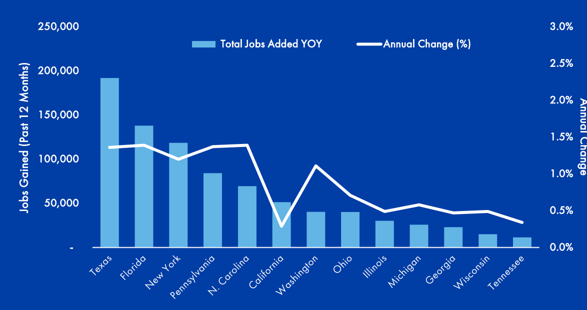
** 12-Month Period Ending 1Q 2025*
Sources: Northmarq, Bureau of Labor Statistics

SECTOR EMPLOYMENT TRENDS



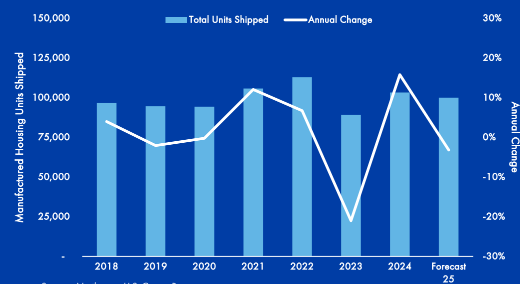
Sources: Northmarq, Bureau of Labor Statistics

EMPLOYMENT TRENDS BY STATE



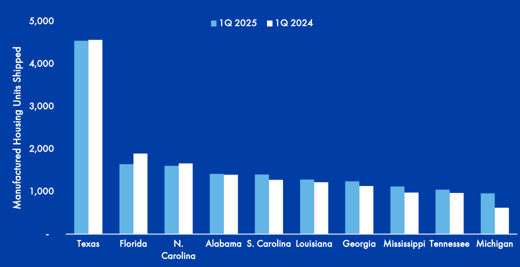
Sources: Northmarq, Bureau of Labor Statistics

U.S. MANUFACTURED HOUSING SHIPMENTS



Sources: Northmarq, U.S. Census Bureau

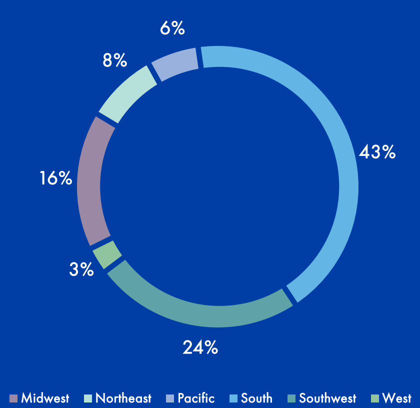
U.S. MANUFACTURED HOUSING SHIPMENTS BY STATE



Sources: Northmarq, U.S.Census

U.S. MANUFACTURED HOUSING SHIPMENTS BY REGION

Sources: Northmarq, U.S. Census



SUPPLY GROWTH

- Manufactured housing shipments remained elevated to start the year, building upon shipments for more than 100,000 units in 2024. Roughly 26,000 units were shipped during the first quarter, slightly higher than in the previous quarter.

- Shipment totals in the first three months of 2025 exceeded levels recorded in the same period of last year by 8%. Shipment volume during the first quarter of this year was the strongest opening period since 2022, when shipments peaked.

- Texas continued to lead the country in manufactured housing shipments, with first-quarter volume nearly tripling that of the next closest state, Florida. More than 4,500 units were sent to Texas during the first quarter, almost identical to levels recorded in the same period of last year. In 2024, more than 18,300 units were shipped to Texas.

- While shipments to Florida remained elevated, first-quarter totals fell short of last year's pace. Shipments for more than 1,600 units were sent to Florida during the first three months of the 2025, down 13% from the same period in 2024.

- Shipments remain heightened across the south, as the region recorded shipments for roughly 11,200 units during the first quarter, accounting for 43% of the nationwide volume. Shipment activity to this point in the year is tracking levels recorded in 2024.

- During the first quarter, the Carolinas posted shipments for a combined 3,000 units, while roughly 1,400 units were shipped to Alabama. Louisiana and Georgia also received approximately 1,250 units each in the opening three months of 2025.

- Shipments have been strong to the Midwest in recent months, as this region recorded shipments for more than 4,250 units during the first quarter, up 24% from the opening three months of last year. Michigan recorded one of the steepest increases in volume. Roughly 1,000 units were shipped to Michigan during the first quarter, up 54% from the same period in 2024.

- Anchored by Texas, shipments to the Southwest totaled more than 6,200 units during the first quarter, making up 24% of the nationwide shipments. Arizona and Oklahoma both recorded shipments for more than 600 units during the first quarter, while New Mexico received roughly 450 units.

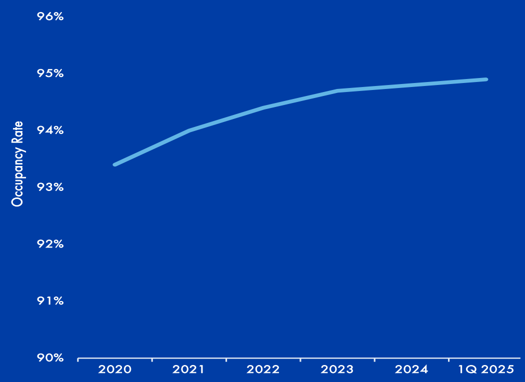
- Shipments to the West region to this point in the year greatly exceed the pace set in the same period of 2024. The West recorded shipments of roughly 700 units during the first quarter, up 26% from the opening three months of last year. Colorado accounts for the greatest share of the new supply, followed by Nevada.

OCCUPANCY

- The occupancy rate inched higher to start 2025 after holding steady for three consecutive quarters. Occupancy rose by 10 basis points during the first quarter to 94.9%. Year over year, the rate is also up by 10 basis points.
- Occupancy in the South has remained at 95.7% since the end of 2023. The rate in Florida is currently 96.0%, up 10 basis points from one year ago, while occupancy in Georgia trended higher by 40 basis points during the past year to 90.7%. The rate in South Carolina is elevated but has declined after peaking early last year; the current rate is 97.1%.
- Every region besides the Southwest and South posted a slight uptick in occupancy over the past year, with the Midwest recording the greatest improvement. Occupancy in the Midwest increased by 30 basis points during the past year to 90.4%. The rate in Ohio spiked by 100 basis points during the past year to 91.3%, contributing greatly to the region's overall improvement.
- Occupancy in the Southwest declined by 20 basis points during the past year to 95.6%. Texas' occupancy conditions have been steady, except for a brief spike in the third quarter of last year, which was followed by an immediate return to trend. The rate in Arizona has decreased. Year over year, the occupancy rate in Arizona dipped by 40 basis points to 96%.
- In the West region, occupancy performed well, as the rate in Colorado has been hovering around 98% for almost two years. The occupancy rate for the region closed the first quarter at 96.4%, up 20 basis points from one year ago.
- Occupancy remains tightest in the Pacific region, holding at 99% since the third quarter of last year, up 10 basis points year over year. In California specifically, the rate has remained at 99% since the second half of 2023.
- Although occupancy in Pennsylvania trended lower for the full year, the overall rate for the Northeast region improved by 20 basis points from one year ago to 94.8%. Occupancy for 55+ parks is especially high in the Northeast, with no state in this region recording a rate below 97% as of the end of the first quarter.

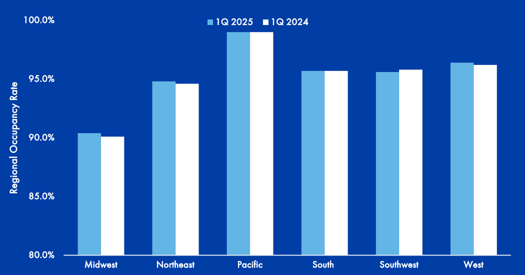
Occupancy rose by 10 basis points during the first quarter to 94.9%.

OCCUPANCY OVERVIEW



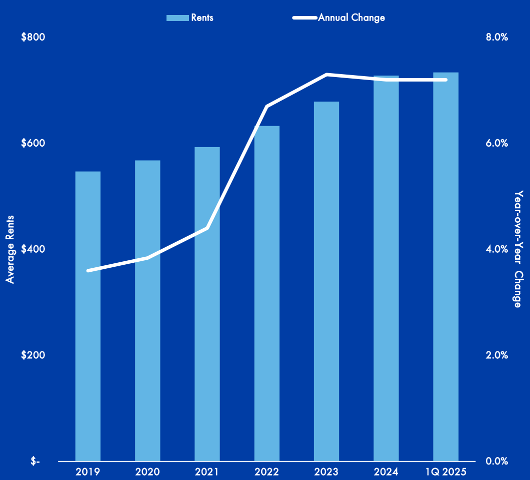
Sources: Northmarq, JLT Datacomp

MANUFACTURED HOUSING OCCUPANCY BY REGION



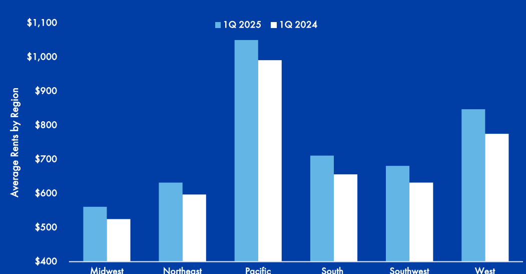
Sources: Northmarq, JLT Datacomp

RENTS OVERVIEW



Sources: Northmarq, JLT Datacomp

MANUFACTURED HOUSING RENTS BY REGION



Sources: Northmarq, JLT Datacomp

RENTS

- Rent growth for manufactured housing slowed during the first quarter, tracking seasonal trends recorded in each of the past six years. Rents advanced by 0.8% during the past three months to $734 per month. Year over year, manufactured housing rents are up 7.2%.

- The West region posted the steepest rent increase in recent periods, with rents rising by 9.3% during the past year to $847 per month. Tight occupancy in Colorado has led to rapid rent gains in the state. Year over year, manufactured housing rents in Colorado trended higher by 8.8% to $881 per month.

- Rent growth remains elevated in the South. Manufactured housing rents in this region increased by 8.4% during the past 12 months to $711 per month. Georgia posted the greatest rent increase in the region, with rents advancing by 12% annually. Year over year, rents in South Carolina spiked by 11.3% while rent growth in Florida was 8.3%.

- Manufactured housing rents in the Southwest trended higher by 7.8% during the past year to $681 per month. Rents in Texas closed the first quarter at $668 per month, up 7.2% from one year ago. Arizona drove most of the rent gains in the region, with rents in the Grand Canyon State increasing by 11% during the past year.

- The most expensive rents in the country are in the Pacific region. Year over year, rents in the region trended higher by 6% to $1,050 per month. The annual growth rate in California was identical to the regional trend.

- Rents in Ohio spiked by 11.4% during the past year to $510 per month, marking the steepest rent growth in the Midwest. Rents in the Midwest are currently $561 per month, up 6.9% from one year ago.

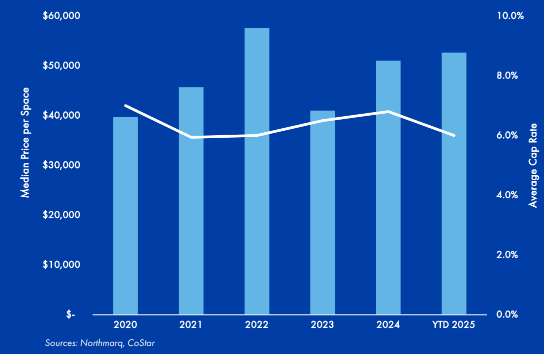
Year over year, manufactured housing rents are up 7.2%.

MANUFACTURED HOUSING SALES

- Sales activity in the manufactured housing continues to build momentum, as total sales during the first quarter more than doubled the limited levels recorded in the same period of last year. Still, transaction volume has not reached traditional norms. Sales velocity during the first three months of 2025 lags the average for the first quarter since 2014 by 23%.
- Cap rates averaged 6.0% to this point in 2025, down from 6.3% during the fourth quarter. Thus far in 2025, rates have reached as high as 10% and as low as 3% but generally remained between 4% and 7%.
- Pricing has remained strong, as the median price to this point in 2025 is $52,700 per space, up by 3% from last year. During 2022, pricing peaked at a median of $57,600 per space.
- California has led the country in transaction volume to this point in the year, accounting for 12% of sales. In comparison, last year California made up 10% of the properties that changed hands. Cap rates in California have averaged 7.3% to this point in the year, up from 5.75% last year.
- Sales activity in Florida has tapered off in recent periods, but pricing has trended higher. Florida was the most active state in the country for sales last year, making up 11% of all transactions; since the beginning of the year, less than a handful of parks have traded. Still, in the transactions that have occurred, the median price in Florida was $68,300 per space, up 41% from 2024.
- Sales velocity in Iowa has spiked in recent periods, with transaction volume to this point in 2025 already outpacing the combined totals of 2023 and 2024. Properties have changed hands in Des Moines, Davenport, and just outside of Burlington.
- Texas remains active, accounting for the second most sales in the country since the beginning of the year at 10% of transactions. Last year, Texas made up 7% of sales.
- Pricing was strongest in Minnesota and Colorado. The median price in Colorado is $203,800 per unit to this point in the year, up 33% from last year. Minnesota recorded a median price of $90,200 per space in the same time frame, up from $50,900 per space in 2024.
- Georgia and South Carolina recorded a handful of sales in recent months. Pricing in Georgia has trended lower in 2025. The median price in Georgia is $44,600 per space, down 23% from last year. South Carolina's pricing is even lower, with a median of $15,900 per space since the start of the year.

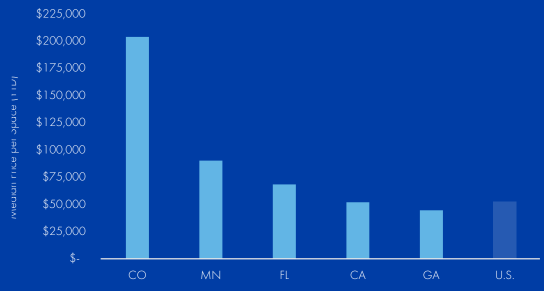
The median price to this point in 2025 is $52,700 per space.

U.S. MANUFACTURED HOUSING SALES & CAP RATES



Sources: Northmarq, CoStar

MANUFACTURED HOUSING SALES PRICES BY STATE



Sources: Northmarq, CoStar

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ABOUT **NORTHMARQ**

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