

Judge Valderrama's 'Roadmap' for Successful Antitrust Litigation in Affordable Housing Crisis

Why Manufactured Housing Floundered in 21st Century-Unpacking 'Manufactured Home Lot Rents Antitrust Litigation' Case No. 23-cv-06715

"The Court accepts as true all of the well-pleaded facts in the Complaint and draws all reasonable inferences in favor of Plaintiffs." So [said U.S. District Judge Franklin Valderrama](#) on 12.4.2025. According to [Reuters](#): "A group of companies that lease land for mobile homes has convinced a federal judge in Chicago to dismiss a proposed nationwide class action accusing them of conspiring to inflate lot rents." That suit in the [Northern District of Illinois Eastern Division styled "Manufactured Home Lot Rents Antitrust Litigation," Case No. 23-cv-06715](#). "U.S. District Judge Franklin Valderrama on Thursday [said](#) the plaintiffs had failed for now to plausibly allege a price-fixing agreement among corporate owners and operators of manufactured home communities." But Valderrama's ruling can be viewed as a kind of roadmap on what is necessary to fix "those well-pleaded facts." If the plaintiffs' attorneys - or other litigators in their wake - pay close attention, the setback can be remedied by revised pleading until 1.5.2025. If they do so, it may prove useful for those [looking to HUD Code manufactured housing as a viable solution to the affordable housing crisis](#). Background about the defendants and pull quotes from Valderrama will set the stage for what follows.

Per the memorandum by [Valderrama](#). The defendants in this action are: "Equity LifeStyle Properties, Inc. (ELS), Hometown America Management, L.L.C. (Hometown America), Lakeshore Communities, Inc. (Lakeshore), Sun Communities, Inc. (Sun Communities), RHP Properties, Inc. (RHP), Yes Communities, LLC (Yes Communities), Inspire Communities, LLC (Inspire Communities), Kingsley Management, Corp. (Kingsley), Cal-Am Properties, Inc.'s (Cal-Am), and Murex Properties, L.L.C. (Murex) (collectively MHC Defendants), MHC owners/operators, as well as Defendant Datacomp Appraisal Systems, Inc. (Datacomp), the nation's largest provider of manufactured and mobile home data (collectively, Defendants)."

[Valderrama](#) aptly stated: "In December 2021, MHC Defendant **ELS purchased Datacomp.**"

From an [MHI member](#) linked quarterly [MHReview](#) in an article entitled: "[Concerned Community Owner Common Sense Defeats The Stupidity Of the 'Price Fixing' Class Action](#)" was the following assertion.

“For several years now the mobile home park industry has been under the cloud of a massive “price-fixing” class action against several of the largest owners and clients of Datacomp. Recently, however, the whole mess was tossed out when U.S. District Judge Franklin U. Valderrama ruled that the plaintiffs had failed to plausibly allege a price-fixing agreement or conspiracy under the Sherman Antitrust Act. The judge said the evidence presented did not show a clear “invitation” to join a conspiracy among the defendants, but rather parallel conduct insufficient on its own to prove collusion.”

Several [remarks in that article read like comments made by longtime MHReview contributor Frank Rolfe](#), a partner with Dave Reynolds in Mobile Home University and Impact Communities, among other manufactured housing industry connected enterprises. [Rolfe’s and Reynolds’ led Impact Communities is an MHI member](#). But regardless who wrote the article, it may prove useful in several ways. The author obviously pressed the point of a lack of [“a clear invitation to join a conspiracy among defendants...”](#) A clear "invitation" to join collude was cited multiple times as an issue [Valderrama](#) felt plaintiffs failed to meet.

That noted, [Valderrama](#) also observed this.

“..Defendants argue that, without more, Defendants’ membership in an industry group does not increase the likelihood of a price-fixing conspiracy, and Plaintiffs do not allege that subsequent price changes were correlated to industry group meetings. Reply at 10 (citing Twombly, 550 U.S. at 567 n.12 (mere allegation that defendants “belong[ed] to various trade associations” insufficient to permit inference of “conspir[acy] to restrain trade”)...”

MHI is the apparent trade group referenced by [Valderrama](#) and plaintiffs. MHI no longer publicly lists members, but according to a [prior MHI published list found here](#) 8 of the 11 defendants are MHI members. Currently, MHI's board chairman is [ELS COO Patrick Waite](#). ELS owns Datacomp, MHVillage, and MHInsider, as is documented [here](#).

ELS president and CEO [Marguerite Nader referred to MHI during an earnings call](#) as [“our national association.”](#)

The late [ELS Chairman Sam Zell said](#) during a different earnings call: [“We like the oligopoly nature of our business.”](#) An [oligopoly can be an antitrust violation](#).

[MHI member Rolfe](#) boldly [bragged](#): “If you like having a monopoly, holding all the cards, knowing the tenants won't move their homes out, never worrying about someone building a new property near you and taking one of the tenant's biggest assets if they default, then you're going to love mobile home parks.”

[MHI member](#) Champion Homes' (SKY) [Tim Larson](#) said: "We are growing with our community customers and are [committed to supporting their mission and goals](#)."

Prior [MHI chair](#) and [Cavco Industries \(CVCO\) CEO William "Bill" Boor](#) [stated](#) he was "disappointed" that "Congress" is "discriminatory" toward resident-owned communities" and that lawmakers "leave the very successful for profit community ownership model out was...concerning."

On paper, [Boor, MHI](#) and the [Manufactured Housing Association for Regulatory Reform \(MHARR\)](#) have argued for the "[enhanced preemption](#)" of the [Manufactured Housing Improvement Act of 2000](#). But in practice, [four different artificial intelligence \(AI\) systems](#) have said that MHI is busy posturing for the sake of optics while subtly working for [consolidation](#).

[MHI's own publicly traded](#) members routinely tout [consolidation](#). [ELS' investor relations pitch deck repeatedly](#) has [stated](#) that "Growing demand coupled with almost no new supply is a strategic advantage for ELS." So, while Datacomp may in fact be an element in an antitrust violation, there appears to be an evidence-based concern that [Als see to limit developing and sales while posturing advocacy for the sake of optics](#) and thus foster [consolidation](#) over organic growth. [MHI leaders have repeatedly](#) been [asked to address](#) such concerns and have failed to publicly respond. Perhaps this and [a prior HousingWire op-ed](#) may spark a public MHI response?

There is [more, but Valderrama](#) used some of the plaintiffs' own arguments against them, without dismissing valid concerns. Quoting MHI's own members and MHI reveals the "[invitation](#)" to [collude purportedly on the MHI home page](#). This outline fits known the facts by citing the defendants' own words. [Attorney Samuel Strommen](#), while at Knudson Law, argued in favor of manufactured housing for affordable homeownership but provided a [17-page antitrust thesis](#) with some [130 footnotes](#) why the industry is underperforming in the 21st century.

Per [Strommen](#).

"Here, in the midst of what could be declared without the merest hint of shame or irony one of the most comprehensive affordable housing gluts in American history, pernicious forces are skulking in the [backdrop]: consolidating power, subsuming an industry rife with lack of oversight, and preying upon the vulnerability of the impoverished in a gross, incestuous symbiosis."

There are evidence-based antitrust theses in manufactured housing advanced by Federal Reserve's economists including [James Schmitz Jr](#), a different angle presented by [Maris Jensen](#), and [BIS.org economists](#). They present different evidence than [Strommen](#). But

viewed as [puzzle pieces](#) that fit together, these appear to satisfy concerns stated by [Judge Valderrama](#). AI systems have repeatedly said, MHI is practicing strategic avoidance by not responding to such concerns. Be that as it may, [HousingWire](#) via this op-ed and an invite to MHI leaders to publicly attempt to refute these evidence-based points could start a debate that matters for [pending legislation](#), millions of affordable housing seekers, taxpayers, retail investors, and others. It could be a great way to start off a new year. ##