

Q1 Spotlight

Manufactured Housing and Long-Term Recreational Vehicle Communities

Q1 2026 Spotlight: U.S. MHRV Housing



Manufactured housing and long-term RV communities (MHRV) continue to exhibit some of the strongest fundamentals within U.S. housing, supported by persistent affordability constraints, favorable demographic trends, and limited new supply. Housing roughly 22 million Americans, the sector functions as a needs-based solution across economic cycles, sustaining demand during periods of rising home prices and slower economic conditions as households seek lower-cost living alternatives.

Structural housing undersupply remains a key performance driver. The widening gap between homeownership affordability and renting is reinforcing elevated occupancy and supporting long-term rent growth across MHRV assets. On a monthly basis, manufactured housing (MH) maintains a significant cost advantage, averaging approximately $1,300 compared with $1,850 for market-rate apartments and $2,110 for single-family mortgage payments. This gap is also evident in upfront costs: the median price of an existing single-family home is about $390,000, versus roughly $131,000 for a new manufactured home, lowering barriers to entry and expanding access to homeownership.

These cost differentials have continued to widen. Average single-family housing costs have doubled over the past five years, driven by higher prices, financing costs, taxes, and insurance, while monthly MH costs have increased more gradually at roughly 40%. This dynamic reinforces the sector's relative affordability, even as broader housing costs remain elevated. Demand remains broad-based, supported by downsizing baby boomers, growth in prime renter cohorts, and ongoing barriers for first-time homebuyers. Meanwhile, new MHRV development remains constrained by zoning restrictions, entitlement challenges, and infrastructure costs, limiting supply and supporting pricing power.

Operationally, stabilized RV communities — particularly those with monthly or annual site leases — are increasingly aligned with MH fundamentals. These assets generate recurring site-level income, demonstrate strong occupancy stability, and serve resident bases overlapping with workforce and retiree housing demand. As a result, underwriting for stabilized RV assets continues to converge with traditional MH, reflecting a shift away from short-term hospitality exposure toward residential cash-flow characteristics.

Long-term growth has been supported by increased institutional participation and operational standardization, improving transparency and access to capital. While agency financing remains more common in manufactured housing, evolving lending structures may support incremental liquidity across the broader MHRV sector.

22M 22 million Americans live in MHRV communities.

Supply and Development Constraints

New supply across MHRV communities remains structurally limited, reinforcing the sector's long-term fundamentals. Development continues to face barriers, including restrictive zoning, neighborhood opposition, and lengthy entitlement processes that limit where new communities can be built. In some markets, MH remains restricted or prohibited through local land-use regulations, significantly constraining development pipelines.

Even where zoning permits, development economics remain challenging. Rising land costs, infrastructure requirements, and upfront utility and road investments have increased project costs, while extended approval timelines add uncertainty. As a result, new MHRV development has remained below historical levels, leading to a supply shortfall relative to affordability-driven demand.

These barriers have supported stable occupancy near 95% since 2024, alongside durable pricing power and long-term appreciation for existing communities. Policy initiatives to expand MHRV supply, including federal reforms to modernize regulatory standards, expand chattel lending, and remove the permanent chassis requirement, could improve development viability, increase supply, and support long-term affordability.

Operating Performance and CapEx

MH continues to demonstrate the strongest long-term NOI growth among residential subsectors, though its historical operating expense advantage has narrowed as capital requirements have increased. Aging portfolios requiring reinvestment in onsite utilities and amenities, along with greater exposure to storm-related damage and repairs, have materially raised capital intensity. Despite higher CapEx, MHRV continues to outperform comparable asset types. From 2021–2025, MHRV portfolios allocated an average of 15% of NOI to CapEx, compared with 24% for apartment assets. While CapEx reserves have increased by an estimated 200–400 basis points, MH communities still maintain favorable CapEx-to-NOI growth ratios relative to other residential asset classes, supporting their appeal to investors seeking resilient income growth with moderated capital intensity.

By contrast, RV assets typically benefit from lower per-site capital costs but exhibit higher CapEx as a share of NOI, driven by storm exposure, portfolio churn, and transitory revenue models. As a result, RV communities remain more volatile and operationally capital-intensive than core MH portfolios, reinforcing the relative stability of MH within the broader MHRV expense landscape.



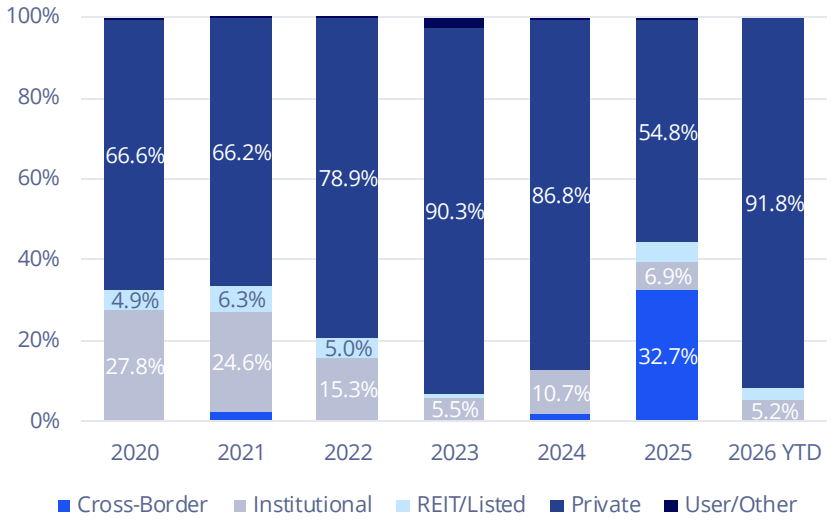
Investment Demand and Buyer Mix

Historical data since 2016 indicates a well-defined seasonal pattern in MHRV sales volume, characterized by weaker Q1 activity followed by progressive strengthening and peak transaction volumes in Q3 or Q4. Sales in the first quarter of 2026 eclipsed $1 billion for the first time since 2021 and improved 37% over Q1 2025, pointing to stronger sales growth ahead in 2026.

Private capital has consistently led MHRV buyer types since 2020, underscoring the sector's appeal to entrepreneurial and high-net-worth investors seeking stable cash flow and inflation-resilient income. Private buyers have accounted for approximately 77% of acquisitions since 2020, though that share fell to 54% in 2025 as cross-border investors returned to the buyer pool in force, accounting for 33% of buyer capital following seven years of low activity.

Prior to 2020, private capital accounted for 55% of buyer funding, with the 2023-2024 boom driven by the pullback of institutional capital. Institutional and REIT participation combined peaked in 2020 at 33% and has fallen in recent years amid capital markets volatility. While both investor categories remain selective and measured compared to pre-pandemic MHRV investment levels, REIT-backed investors deployed 4.7% of MHRV capital in 2025, exceeding their seven-year average for the first time since 2022. Trends to watch in 2026 will be the extent to which Cross-Border and Institutional-level investors return to the MHRV market, as well as the share of sales to Private investors.

Cross-Border Investors Returned to the Buyer Pool in 2025



Uptick in Sales Volume ($) and YoY Change (%)



Source: Colliers, MSCI Real Capital Analytics

MHRV Outlook

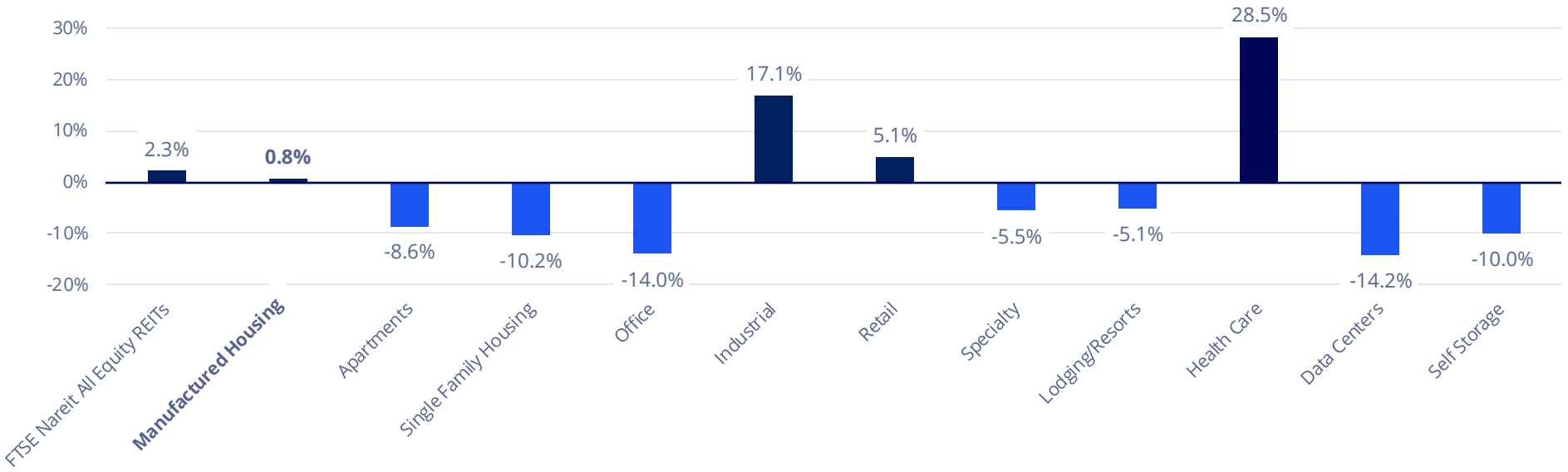
MH demonstrated defensive performance in 2025, outperforming several major commercial real estate property types and leading other residential types despite trailing the broader REIT market. This performance is driven by durable demand, sustained rent growth, and persistent development constraints that limit competitive supply. Together, these fundamentals position MHRV as a stable, income-oriented housing solution capable of delivering attractive risk-adjusted returns across economic cycles.

While concerns persist that potential legislative reforms could accelerate development and increase competition, the long-term impact is likely more constructive than disruptive. Reduced regulatory barriers would enable larger community footprints and more efficient land utilization, allowing owners to offset moderating rent growth through scale and operational leverage. At the same time, incremental supply would directly support housing affordability, reinforcing the sector's role within the U.S. housing continuum.

Looking ahead, improving capital markets conditions and shifting investor participation point to a more active transaction environment through 2026. The return of cross-border capital, selective re-entry by institutional and REIT investors, and continued strength of private buyers suggest expanding liquidity across the MHRV landscape. Combined with resilient operating fundamentals, these trends support a favorable long-term outlook for disciplined investors seeking stable cash flow, inflation protection, and exposure to structurally undersupplied housing demand.



Average REIT Annual Return by Asset Type, 2025



Source: Colliers, FTSE, Nareit