Northmarq

INVENTORY GROWTH

UNITS SHIPPED YTD	23,800
CHANGE FROM 2025	-9%

MARKET FUNDAMENTALS

OCCUPANCY RATE	95.0%
CHANGE FROM Q1 2025	+10bps
AVERAGE RENTS	$784
CHANGE FROM Q1 2025	+6.8%

TRANSACTION ACTIVITY (YTD)

MEDIAN SALE PRICE PER SPACE	$58,400
AVERAGE CAP RATE	6.3%

MANUFACTURED HOUSING
Q1 2026

MARKET INSIGHTS

Transaction activity rises year over year

HIGHLIGHTS

- Operating conditions in the manufactured housing sector continued to perform well at the beginning of 2026, as occupancy inched higher and rents remained on an upward trajectory. Shipment totals were up slightly from the end of last year but lagged the pace established during the first quarter of 2025.
- Occupancy closed the first quarter at 95.0%, up 10 basis points from the year-end 2025 figure. The current occupancy rate is also up 10 basis points year over year.
- Rents for manufactured housing properties continue to trend higher throughout the country. The national average rent advanced by 1.6% during the first quarter to $784 per month. During the past 12 months, rents have surged higher by 6.8%.
- Investment activity for manufactured housing parks gained momentum during the first quarter, after lighter transaction volumes for much of the prior three years. Total transaction counts in the first quarter were up 26% from the same period in 2025. Prices have also gained ground, rising 12% to $58,400 per space.

MANUFACTURED HOUSING MARKET OVERVIEW

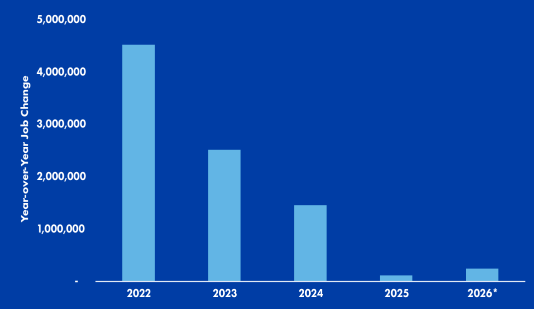
The manufactured housing sector continues to post healthy operational performance, despite a mixed economic outlook and a period of sluggish population growth. Occupancy rates have trended higher for the past several years, and inched up 10 basis points during the first quarter to 95%. While occupancy has generally trended higher across most of the country, conditions in the Southwest have been more volatile, as an annual decline in Texas weighed on the occupancy rate for the region. Rents have increased across every region in the country, with the most robust gains occurring in the West, the Midwest, and the Northeast. The South region also posted rent increases that outpaced the national average of 6.8% annual growth. Since mid-2022, annual rent gains have averaged between 6.0% and 7.7%.

Sales activity for manufactured housing communities continued to return closer to long-term levels at the beginning of 2026, a trend that began to emerge at the end of last year. Pricing has also pushed higher, with the median price to this point in 2026 rising 12% to $58,400 per space. Parks are trading at a premium in the Western U.S., with Arizona, Colorado, and California posting some of the highest prices. California and Florida were the two leading states for total transaction activity in the first quarter. Sales activity in California at the beginning of the year included a greater number of transactions in the northern half of the state after the bulk of the sales in 2025 occurred in Los Angeles County and in the Inland Empire.

EMPLOYMENT

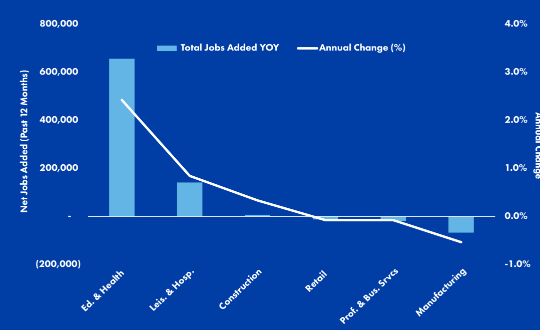
- Employment growth in the U.S. resumed in the opening months of the year. Total employment expanded by 189,000 workers during the first quarter after 116,000 jobs were lost in the closing three months of 2025.
- Long-term growth remains positive despite several sectors contracting in recent periods. Year over year, total employment is up 244,000 positions, an increase of 0.2%.
- During the past 12 months, the education and health services sector added 656,000 jobs, expanding by 2.4%. Growth in this sector has been consistent, averaging more than 850,000 jobs per year since 2021.
- Total employment in the leisure and hospitality sector expanded by 141,000 workers during the past year, increasing by 0.8%. Year-over-year growth in this industry has been below 1% for roughly 18 months.
- Employers in the trade, transportation, and utilities sector began adding jobs again in recent months after cutting payrolls in prior quarters. Employment in this sector rose by 48,000 workers during the first quarter. Still, the sector is down 128,000 positions year over year.
- Despite contracting annually, the professional and business services sector recorded consecutive quarters of employment growth for the first time in three years. Employers in this industry added nearly 80,000 workers during the past six months.
- California was the top state in the country for job additions during the past year, fueled by a strong start to 2026. Year over year, total employment in the state is up 153,500 workers, an increase of 0.9%. Texas trailed California, adding 107,700 workers during the same period.
- Hiring in North Carolina has been strong and consistent in recent quarters. Employers in North Carolina expanded payrolls by more than 46,000 workers year over year, making the state the clear leader for job additions in the South.
- Employment gains have been elevated in Nevada following a downturn during the first half of last year. During the past 12 months, total employment in Nevada increased by 2.1% with the addition of 32,900 positions.
- Conditions in Georgia and Tennessee improved in recent months, but gains were light. In Georgia, employers hired 8,600 workers during the past year after employment fell in 2025. Tennessee recorded two consecutive quarters of growth, offsetting losses posted in prior periods. Year over year, employment in Tennessee increased by more than 5,000 positions.
- Growth was modest in Pennsylvania and Ohio. Year over year, roughly 22,000 jobs were added in Pennsylvania, while 15,800 positions were created in Ohio.

U.S. EMPLOYMENT TRENDS



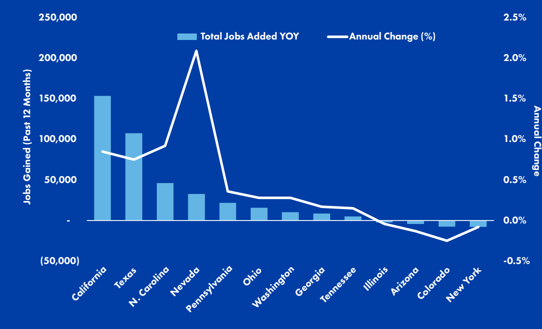
* 12-Month Period Ending 1Q 2026
Sources: Northmarq, Bureau of Labor Statistics

SECTOR EMPLOYMENT TRENDS



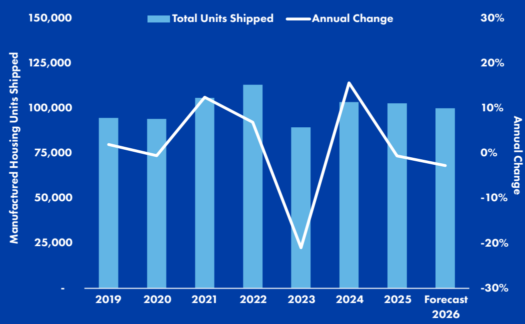
Sources: Northmarq, Bureau of Labor Statistics

EMPLOYMENT TRENDS BY STATE



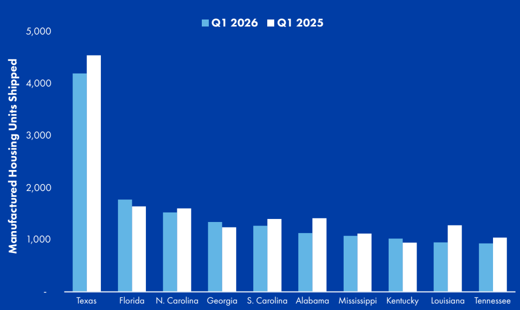
Sources: Northmarq, Bureau of Labor Statistics

U.S. MANUFACTURED HOUSING SHIPMENTS



Sources: Northmarq, U.S. Census Bureau

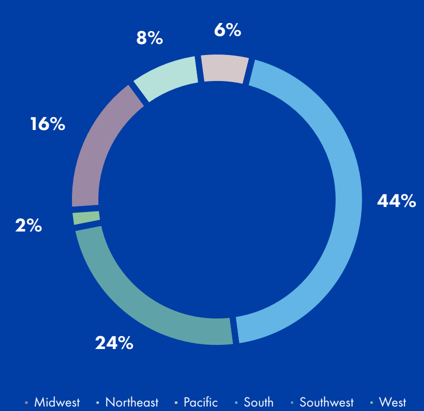
U.S. MANUFACTURED HOUSING SHIPMENTS BY STATE



Sources: Northmarq, U.S.Census

U.S. MANUFACTURED HOUSING SHIPMENTS BY REGION

Sources: Northmarq, U.S. Census



SUPPLY GROWTH

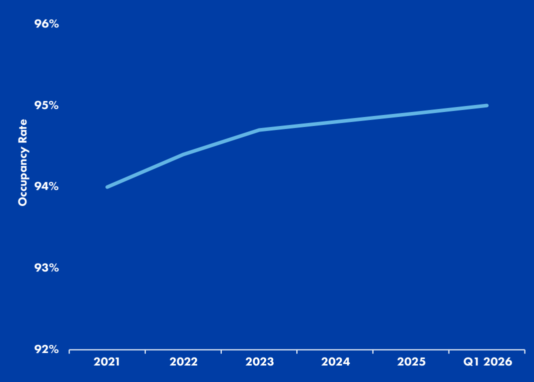
- Manufactured housing shipments totaled 23,800 units during the first quarter, up 2% from levels posted in the previous three months.
- Despite inching higher in recent months, shipment totals recorded during the first quarter trailed levels in the same period last year by 9%. Shipment levels in the first quarter of 2025 were some of the highest for the period in the past decade.
- First-quarter volumes generally posted year-over-year declines across most regions of the country. Approximately 10,300 units were shipped to the South region in the first quarter, 7% below the level recorded during the same period last year.
- Florida and Georgia were the only two states to post an uptick in seasonal shipment volume in the South. Year to date, Florida has led the region in shipments, receiving roughly 1,800 units, up 8% from the first quarter of last year. In Georgia, shipments for more than 1,300 units were recorded during the past three months, exceeding the same period of 2025 by 8%.
- Shipments for approximately 5,650 units were posted in the Southwest during the first quarter, with nearly 4,200 of these units being shipped to Texas. To this point in the year, the Southwest has accounted for roughly a quarter of the nationwide volume.
- Year to date, nearly 3,900 units have been shipped to the Midwest, lagging levels recorded in the same period of last year by 9%. Kentucky was the clear leader in the region for shipment volume, with more than 1,000 units shipped to the state during the first quarter. Michigan and Ohio combined for shipments of nearly 1,200 units during the same period.
- Shipments to the Northeast have slowed considerably in recent months. During the first quarter, shipments for nearly 1,900 units were sent to the region, lagging levels recorded in the same period of last year by 13% and volume in the preceding three months by 14%.
- Shipments for roughly 1,450 units were recorded in the Pacific region during the first quarter, down 6% from levels recorded one year ago. During the first three months of 2026, roughly 700 units were sent to California, with Washington and Oregon receiving approximately 400 and 300 units, respectively.

OCCUPANCY

- National occupancy inched higher to begin 2026, tracking trends recorded in the previous five years. The national occupancy rate rose 10 basis points during the first quarter to 95.0% after going unchanged in the preceding nine months. Year over year, occupancy rose 10 basis points.
- The occupancy rate in the South has averaged 95.7% for more than two years. Occupancy improved considerably in Georgia, as the rate rose by 200 basis points during the past year to 92.7%. The rate in South Carolina also improved, trending higher by 40 basis points annually to 97.5%. In Florida, occupancy inched lower after holding steady at 96.0% for more than a year.
- Declining occupancy in Texas weighed on the Southwest region. Occupancy in the Southwest closed the first quarter at 95.2%, down 40 basis points from one year ago. In Texas, the rate declined by 140 basis points during the past 12 months to 94.8%. Despite the region-wide downturn, occupancy in Arizona improved by 40 basis points annually, reaching 96.4%.
- The Midwest and West regions recorded the steepest occupancy increases in the country during the past 12 months, with rates in these regions both rising by 50 basis points year over year. Occupancy in the Midwest is currently 90.9%, while the rate in the West is 96.9%.
- Michigan recorded an occupancy increase of 30 basis points during the past year as the rate closed the first quarter at 89.6%. In Ohio, the rate inched higher by 20 basis points annually to 91.5%.
- Occupancy in the Northeast continues to gradually increase. Year over year, the rate in this region rose by 40 basis points to 95.2%. Increases in Pennsylvania were steep in recent periods, as the rate in this state trended higher by 80 basis points annually to 95.5%.
- Despite inching lower during the past year, the occupancy rate in the Pacific region remains elevated. The rate is currently 98.9% in the Pacific and has not been below 98.0% since early 2018.

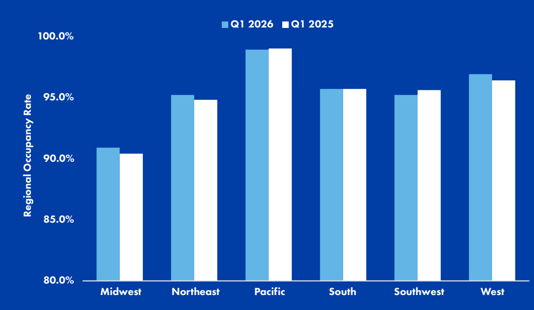
Year over year, occupancy rose 10 basis points.

OCCUPANCY OVERVIEW



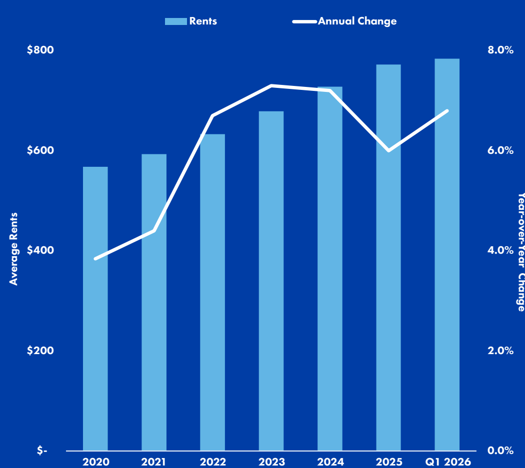
Sources: Northmarq, JLT Datacomp

MANUFACTURED HOUSING OCCUPANCY BY REGION



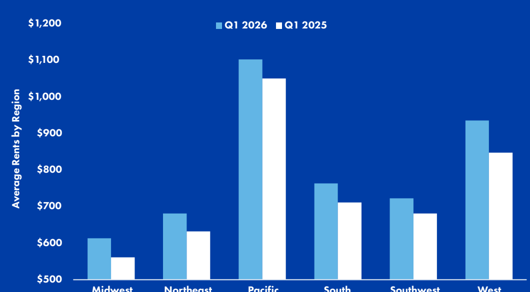
Sources: Northmarq, JLTDatacomp

RENTS OVERVIEW



Sources: Northmarq, JLT Datacomp

MANUFACTURED HOUSING RENTS BY REGION



Sources: Northmarq, JLTDatacomp

RENTS

- Rent growth for manufactured housing properties accelerated in the opening months of 2026, advancing by 1.6% during the first quarter to $784 per month. Year over year, rents are up 6.8%. Annual rent growth has averaged nearly 7% per year in the previous four years. Prior to 2022, rent gains averaged 4.3% per year from 2012 to 2021.
- Gains have been rapid across the country in recent periods. In the South, rents trended higher by 7.3% for the full year, closing the first quarter at $763 per month. South Carolina posted the steepest year-over-year growth in the region, with rents advancing by 11.7%. In Florida, rents are at a premium, with sites renting at $800 per month.
- Heightened rent increases in Colorado helped to bolster the West region. The West posted the greatest rent growth during the past year, with rents in the region trending higher by 10.4% to $935 per month. Rents in Colorado rose 12.1% during the same period, reaching $988 per month.
- Manufactured housing rents in the Southwest rose by 6.0% during the past year to $722 per month. Rents in Texas are currently $705 per month, up 5.5% from one year ago. Arizona posted steeper growth, surging by 9.7% to $795 per month.
- The Midwest was the second leading region for rent growth during the past year. Rents in this region closed the first quarter at $613 per month, up 9.3% annually. Manufactured housing rents in both Michigan and Ohio advanced by 8.2% during the past 12 months, reaching $622 per month and $552 per month, respectively.
- While properties in the Pacific region have the most expensive rents in the country, growth has lagged the national rate of increase. Manufactured housing rents in the Pacific gained 5.0% during the past year to $1,102 per month.
- The pace of rent increases in the Northeast was well above the national trend during the past year. Rents in this region are currently $681 per month, up 7.8% from one year ago. Gains were elevated in Pennsylvania, as rents in the state rose 9.0% during the past 12 months to $581 per month.

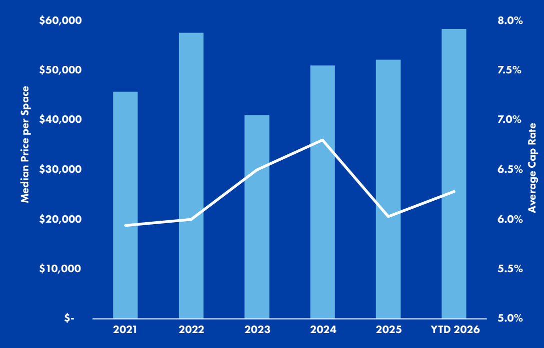
Year over year, rents are up 6.8%.

MANUFACTURED HOUSING SALES

- Total sales during the first quarter exceeded levels recorded during the same period of last year by 26%, while tracking the long-term average for the period.
- Cap rates have been volatile to this point in 2026. Year to date, several deals closed with rates between 7.5% and 10.5%, while others posted cap rates between roughly 4.0% and 5.0%. Last year, more properties traded with cap rates closer to the national average, with approximately 50% of transactions posting cap rates ranging from 5.0% and 7.0%.
- Pricing continues to rise, with the median price year to date at $58,400 per space, up 12% from 2025. Current pricing also exceeds the national annual peak of $57,600 per space recorded in 2022.
- Sales activity has surged in California, which accounts for more than 20% of sales year to date and has doubled totals recorded in Florida, the second-leading state. Additionally, no single state has accounted for more than 12% of the sales mix since 2020. Year to date, the median price in California is $75,600 per space, down 4% from last year.
- The pace of sales in Florida remains elevated. Florida has accounted for 10% of the transactions to this point in the year, closely tracking levels recorded last year. Activity has picked up in coastal communities in recent months, with deals closing in Boca Raton, West Palm Beach, Jupiter, Fort Pierce, and Vero Beach. Last year, most parks that sold were located in Central Florida.
- Texas followed California and Florida in activity, consistent with trends recorded in recent years. Texas accounted for 8% of the sales mix since the beginning of 2026. In Arizona, pricing remains elevated, with a year-to-date median price of $104,100 per space, making it the only state to record a median price above $100,000 per space.
- In the Midwest, Ohio and Indiana continue to record trades for manufactured housing properties. Year to date, these two states combined for 12% of the sales mix. In 2024 and 2025, this figure was between 7% and 8%.
- Sales activity picked up in Montana, which has accounted for 3% of sales since the beginning of 2026. While this share remains modest, total sales in the state to this point in the year have already matched the combined transaction counts from the previous two years.
- The pace of manufactured housing sales remains elevated in Colorado following a strong close to 2025. Eight parks of 75 spaces or more have changed hands in Colorado during the past six months, more than doubling levels recorded in the preceding six months.

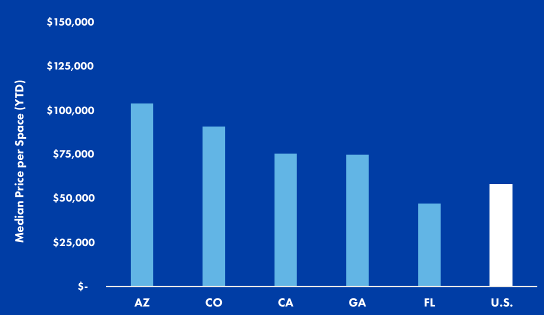
California accounts for more than 20% of sales year to date.

U.S. MANUFACTURED HOUSING SALES & CAP RATES



Sources: Northmarq, CoStar

MANUFACTURED HOUSING SALES PRICES BY STATE



Sources: Northmarq, CoStar

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FOR MORE INFORMATION, **PLEASE CONTACT**

JEFF BENSON
Managing Director, Investment Sales
424.334.7012
jbenson@northmarq.com

SAM NEUMARK
Senior Vice President, Investment Sales
424.334.7014
sneumark@northmarq.com

CHRIS MICHL
Vice President, Investment Sales
602.952.4051
cmichl@northmarq.com

ANTHONY PINO
Senior Associate, Investment Sales
410.296.6568
apino@northmarq.com

KODY SCOTT
Senior Associate, Investment Sales
213.246.5132
kscott@northmarq.com

ALEX QUENZLER
Vice President, Debt + Equity
602.508.2209
aquenzler@northmarq.com

ALEX KANE
Senior Director, Debt + Equity
424.422.0912
akane@northmarq.com

JOSH DARBY
Vice President, Debt + Equity
678.954.4660
jdarby@northmarq.com

VAN GLOSSON
Vice President, Debt + Equity
678.954.4675
vglosson@northmarq.com

MICHAEL MARSOLAIS
Vice President, Debt + Equity
516.743.6854
mmarsolais@northmarq.com

PETE O'NEIL, *National Director, Research* | 602.508.2212 | poneil@northmarq.com

JOHN TAGG, *Research Manager* | 972.455.4916 | jtagg@northmarq.com

SAM TIFFANY, *Senior Market Analyst* | 602.955.7102 | stiffany@northmarq.com

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