

The Northwest Report

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For Owners, Operators and Investors in Manufactured Housing Communities Nationwide

Legislative Bulletin

WASHINGTON:

Manufactured home community owners with a vested interest in Washington state properties should be concerned. The Washington legislature is considering voting to pass House Bill 1582, an onerous and far reaching change to existing laws that will have drastic consequences for community owners. Here is what you need to know about HB 1582:

- Extends pay rent or vacate notice periods from 5-days to 21-days
- Extends rule violation notices from 15-day to 30-day notices
- Requires 6-months notices for rent increases and caps the increase at 3% OR CPI, whichever is LESS
- Extends park closure notices from 1-year to 5-years after the last rental agreement is signed
- Requires owners to sign one of two types of agreements: two-year leases or month-to-month rental agreements, eliminating the 1-year agreements
- Changes “park model” status to that of a recreational vehicle being used as a primary residence AND extends the Manufactured Housing Landlord Tenant Act rules to RV’s
- Changes definition of an RV from mobile and temporary shelter to a semi-permanent or permanent installation
- Allows an evicted tenant to remain in a home for up to 120-days AFTER being evicted accommodate their need to sell or transfer the home to another owner
- Requires landlord to maintain historical records on each tenant for a minimum of 5-years

There are just the highlights – there is more to this Bill and it’s all aimed at taking rights away from landlords and giving more power to tenants. The bill would effectively kill the incentive for community owners and managers to enforce rules. MHCW urges landlords to contact the legislative representatives and sponsors of the bill, asking them to vote NO.

This information has been secured from sources we believe to be reliable, but we make no representation or warranties, expressed or implied, as to the accuracy of the information.

MHCW has also provided the following draft landlords can use when contacting legislators:

Dear Representative,

I am writing to vehemently oppose HB 1582, which targets the owners and operators of manufactured/mobile home communities across Washington State.

HB 1582 erroneously assumes all such communities are run-down “trailer parks” in danger of being redeveloped and the residents displaced. The truth is that the 60,000 +/- manufactured & mobile homes located in land-lease communities across the state range from high-quality retirement homes with access to pools, clubhouses, saunas, hot tubs, activity clubs, and the \$250,000 +/- home prices, to more modest communities catering to the labor we depend on for our powerful agriculture and critical retail industries.

This Bill would effectively kill the incentive for community owners and managers to enforce rules, code compliance and overall appearances in the community. Granting the right to set rules to the residents via the requirement that rules be subject to resident approval, or the approval of a disinterested staffer at the Attorney General’s office will lead to a downward spiral in the quality of lifestyle enjoyed by many of our residents. The fact we have as much rule enforcement and code enforcement activity within our communities when we as owners are allowed to set the rules highlights that fact.

A cap in rental rates (already illegal in our state constitution and a proven failure in every jurisdiction in which one has been imposed) will further erode the incentive for both long-term community owners & developers and new investors to make any but the most necessary and basic of repairs to their properties. The flexibility to charge rents based on what the market will bear allows for variations in quality of housing stock, from the aforementioned amenity rich retirement communities to the bare-bones workforce housing.

With affordable housing being among the greatest challenges faced by our state, HB 1585 serves solely as a housing killer. More communities will be converted from their current use to something more profitable, and worse, the remaining communities will begin a death-spiral into dissolution as home values drop when pride of ownership erodes.

Please vote NO to housing killer HB 1582!

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RENT CONTROL PASSES IN OREGON

Oregon Governor Kate Brown signed Rent Control into law on February 28, 2019. The new law caps annual rent increases at 7% plus CPI. The battle may be over for now but many expect future legislatures will make changes to the 7%. Industry leaders fought a valiant fight but, in the end, there was no stopping the Democratic super-majority that controls the Oregon House & Senate. Industry insiders say they are deeply disappointed that the legislature adopted a position of 'no amendments' thus preventing needed improvements to this legislation. "It leaves one feeling the process as rigged, extremely undemocratic and fails any legitimate test of transparency."

The manufactured home community industry in Oregon will now move on to a rental environment that is even more regulated than anyone ever predicted it would become. Trade association Manufactured Housing Communities of Oregon has updated the appropriate forms and they will also be adding these legislative changes to their training programs in Wilsonville (March 5th), Salem (April 9th), Medford (6/19) and the MHCO Annual Conference in Eugene (10/28 & 10/29). Look for informative articles on MHCO.ORG in the coming weeks.

Engage the Best

There is no doubt about it, 2018 is definitely another great year for **Northwest Park Brokerage**. Without question, no brokerage firm in the Pacific Northwest or on the entire West Coast has a better grasp of market conditions than **Northwest Park Brokerage**. We have our pulse on the industry, we intimately understand the business, and we have relationships with buyers and sellers who are serious, qualified and motivated. Let us help you evaluate your community. Give us a call at 206.652.4100.

Over a Billion in Park Sales. Visit our website at www.nwparks.com

For more information on manufactured home communities for sale or an assessment of your community call Bill Jackson of Northwest Park Brokerage at 206.652.4100 or email Bill at: billj@nwparks.com

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