

## The Northwest Report

**Issue 74 December 2021**

For Owners, Operator's, and Investors in Manufactured Housing Communities Nationwide

***"From the factories where they're built to the communities they create; manufactured housing is building for tomorrow – helping more people than ever before live their own American Dream. We're setting new standards in manufacturing and breaking misconceptions across America about what affordable housing really means."***

### **OREGON GOVERNOR CALLS FOR SPECIAL LEGISLATIVE SESSION ON RENT PROTECTIONS**

Oregon Governor Kate Brown has called for a Special Session of the Oregon Legislature to extend non-payment of rent protections to June 2023 and expand tenant rights. The Special Session will begin on Monday December 13, 2021, and the session comes just after the state announced it would stop accepting rental assistance applications until at least mid-January 2022, saying it had already spent or allocated all the \$289 million received in federal emergency rental assistance.

The governor said she met with legislators, landlord associations and housing advocates to discuss a possible session. She said she would propose extending eviction protections for those who have applied for rental assistance, ensuring landlords were paid in full for the rent they're owed and providing up to \$90 million in additional rental assistance to support low-income tenants through the winter.

Brown also said she hopes to provide \$100 million to transition from large-scale pandemic-related emergency rental assistance to long-term renter protections.

In the past five months the Oregon Housing and Community Services agency has received 51,000 completed applications for rental assistance. It has paid about 22,000 of those applications and has allocated funds for approximately another 3,400. Reaction from local tenant and landlord groups has been mixed.

Multifamily Northwest, which represents housing providers and landlords said they did not support a special session because it would further delay payments to landlords. "For more than 18-months thousands of housing providers across Oregon have gone without income. The state needs to uphold their end of the deal and cut the checks to Oregonians in need," said spokesperson Deborah Imse.

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## ***WASHINGTON'S EVICTION MORATORIUM EXPIRES***

After 20 months of protections, the threat of evictions has returned for renters across Washington state. Governor Jay Inslee confirmed in late October that there will be no more extensions to his Eviction Bridge Proclamation. "We've done all we can do. We've given counties and cities millions and millions of dollars of cash, and it's up to them to get it distributed. We cannot have an economy, ultimately, where nobody pays rent. You have to have some transition and we are moving to that transition."

Washington State's eviction moratorium ended on November 1st, bringing an end to a protection which shielded renters from losing their homes during the pandemic. Though the extension ends for the state, cities of Burien, Kenmore and Seattle have pushed their eviction moratoriums into January 2022.

The statewide eviction moratorium was set to end Sept. 30. However, Governor Inslee pushed the date to Oct. 31. The move was meant to give counties across the state more time to distribute federal funds to tenants and landlords. Some counties have done well in distributing funds, while others are lagging.

In the meantime, agencies across Washington have been working to connect renters and their landlords to resources. "Staff are working tirelessly to get money out to the community, both at our agencies and our partner agencies," said Mary Anne Dillon, executive director for the YWCA in Snohomish County. "It was as urgent today as it was a month ago or as it was a year ago." Census data shows 8% of Washington renters are behind on their rent.

"In the Seattle, Everett, Bellevue area, you need to make at least \$30 an hour in order to afford a modest two-bedroom apartment," Dillon said. Though landlords can now legally pursue evictions, they must first offer their tenants payment plans and provide their tenants with access to resources which can help them avoid eviction. Seattle housing providers will also have to wait for the end of the city extension to January 15, 2022 but must also navigate the Seattle Winter Eviction Ban and the Seattle School Year Eviction Ban.

Outside of Seattle, landlords can begin the process of connecting tenants with rent balances to resources and information so they can get the assistance they need. Mediation and dispute resolution centers, which are a part of the state's Eviction Resolution Pilot Program, connect tenants to the resources that can help them to navigate the assistance system.

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## ***DELAYS IN HOUSING SUPPLY PRESISTS***

Even though lumber prices have fallen recently, and some supply chain issues have eased ever so slightly, the shortage of new manufactured homes throughout the west coast is staggering. An updated survey of several major manufacturers in Washington, Oregon, Idaho, and California has revealed that the average "backlog" or lead time for a new manufactured home is still 10+ months. This means that if your consumer orders a new manufactured home today to place in your community, they will not receive delivery until at least September or October of 2022. And the price is not guaranteed. The manufacturer may quote an approximate price based on what they know about material and labor costs today, but that price can and will change drastically between the time the home is ordered and the time the home is built and shipped.

Labor constraints have been one of the biggest hurdles for manufacturers to ramp up production, and a ramp up in hiring "gives me more assurances that we will move into 2022 in a very good way," said Timothy Fiore, chairman of the Institute for Supply Management. New order, production and employment levels grew at a faster pace compared to October. Still, manufacturers cannot keep up with demand fast enough as they deal with a backlog of orders and a shortage of components.

Hiring conditions improved in November, with 7% of manufacturers reporting hiring improvements, up from 5% in October, according to the new ISM report. Enhanced attraction and retention efforts across the country have expanded the hiring pool, allowing companies across America to restart production in facilities that were idle over the summer due to a lack of labor.

But even with some improvements in hiring, manufacturers still have trouble with output as material shortages continue to constrain production. The sector faces high inventory levels as manufacturers stockpile raw materials and grow their work-in-progress inventory.

Top products in short supply in November included critical components such as aluminum, electrical components, silicone, plastic products and resins, according to the ISM report. Shortages, hiring issues and other bottlenecks come as manufacturers face record-high demand and large backlogs of orders. Even if supply chain issues were resolved, it would still take a while for the manufacturing sector to catch up with demand.

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## ***Financing a Manufactured Home Community***

Competitive financing for a manufactured home community is available to qualified investors. On November 15, 2021, Union Bank published rates for loans 50% LTV, over \$2.5 million at 3.356% for 5-year fix, 3.754% for 10-year fixed and 3.936% for 20-year fixed. For 75% LTV rates range from 3.92531% (5-year fixed) to 4.511% (20-year fixed). Rate locks available up to 90-days prior to close and maximum LTV may vary geographically. Broker compensation is available to properly licensed parties.

## **Industry Production Through October 2021**

According to official statistics compiled on behalf of the U.S. Department of Housing and Urban Development (HUD) and verified by the Manufactured Housing Association for Regulatory Reform (MHARR), HUD Code manufactured home year-over year production increased once again in October 2021 according to the latest available statistics. Just released data indicates that HUD Code manufacturers produced 9,254 new homes in October 2021, a 2.4% increase over the 9,035 new HUD Code homes produced during October 2020.

On a cumulative basis, industry production for 2021 now totals 88,689 HUD Code homes, as compared to the 78,761 homes produced over the same period in 2020, a year-to-date increase of 12.6%. Good news for the industry.

The top ten shipment states from the beginning of the industry production rebound in August 2011 through October 2021, with cumulative, monthly, current year (2021) and prior year (2020) shipments per category as indicated are:

1). Texas 2). Florida 3). Louisiana 4). North Carolina 5). Alabama 6). Mississippi 7). Michigan 8). California 9). Kentucky, and 10). Tennessee. The October production data results in no changes to the cumulative top-ten list.

Even with these positive numbers, Manufactured housing production and shipments continue to be plagued by persistent post-production issues which the industry has failed to resolve, including parity with financing and baseless constraints on zoning and placement. Unless and until these continuing post-production failures are confronted and resolved, the industry's recovery as an unparalleled affordable housing resource for lower and moderate-income American families will continue to needlessly lag.

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## MHCO Training Schedule in 2022

Manufactured Housing Communities of Oregon will continue to offer their regular (4) hour training sessions during 2022, offered both "in person" and "Online Via Zoom."

Sessions will be held February 24, 2022 "In Person" at the Wilsonville Holiday Inn, Online Via Zoom May 19 and July 19, and in person at their Annual Conference on October 24-25 at the Valley River Inn, Eugene, Oregon.

## MHCW Training in 2022

Manufactured Housing Communities of Washington has not updated their training schedule or calendar for 2022 as of press time, but we encourage you to contact MHCW at [www.mhcw.org](http://www.mhcw.org) or call 360.753.8730.

### **Upcoming Events**

#### **2022 MHI Winter Meeting**

February 9-11, 2022

Royal Sonesta, New Orleans, LA

#### **Kick-Off General Session on Monday!**

Contact: [events@mfghome.org](mailto:events@mfghome.org)

#### **2022 MHI National Congress & Expo**

April 11-13, 2022

The Rosen, Shingle Creek Resort

Orlando, FL

Contact: [events@mfghome.org](mailto:events@mfghome.org)

#### **2022 MHI Annual Meeting**

October 2-4, 2022

Grand Hyatt Denver

Denver, CO

Contact: [events@mfghome.org](mailto:events@mfghome.org)

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