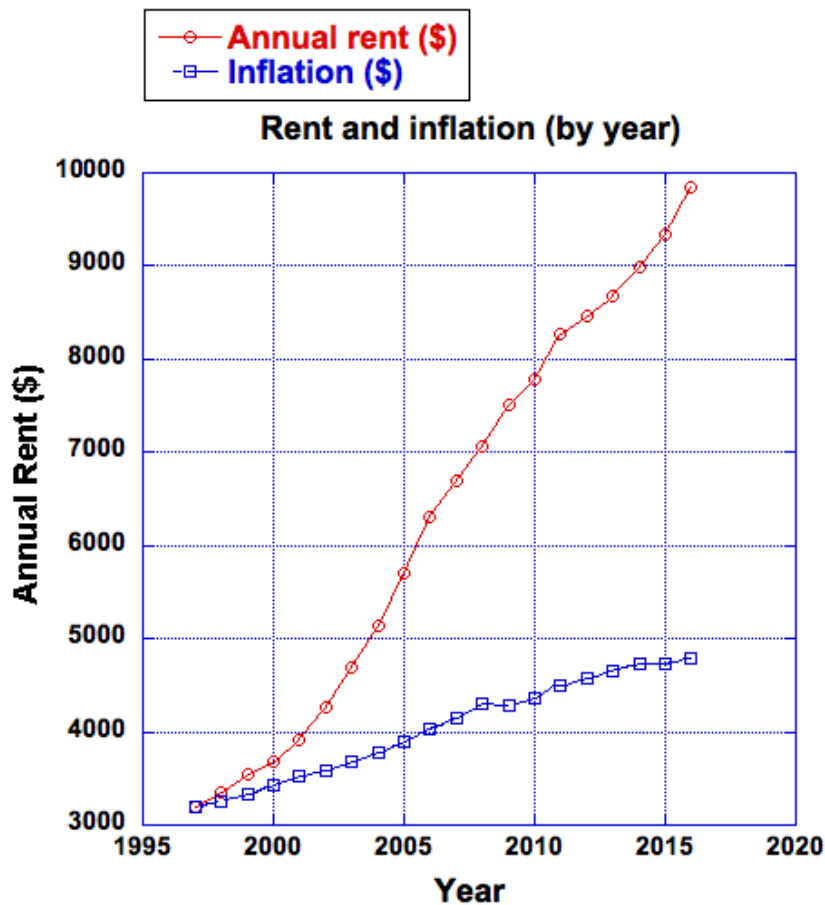


**Equity Lifestyle Properties Inc has steeply raised rents at Sedona Shadows for 20 years, causing the values of mobile homes there to plummet... and then purchased those homes at steep discounts, for resale to new renters.**

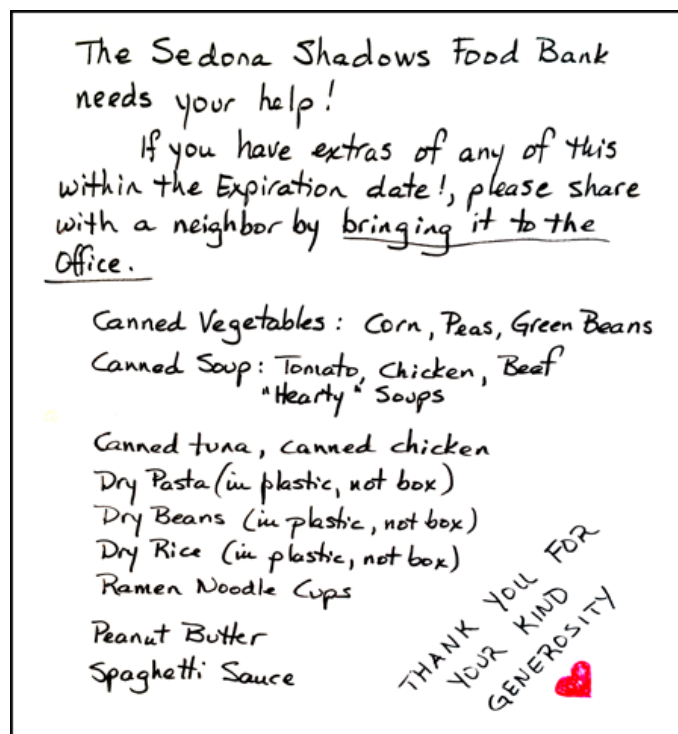
**Equity Lifestyle Properties Inc (ELS) specializes in buying "underperforming" 55+ mobile home parks, and then converting them into highly profitable enterprises. Sedona Shadows (a 55+ mobile home park just outside the western gateway to Sedona) is a good example. ELS purchased the Sedona Shadows mobile home park in 1997. Then (as the existing rental contracts expired and had to be renegotiated) ELS began to *sharply* increase rental rates. Overall, since ELS bought Sedona Shadows in 1997, it has *increased* rental rates by over 200%. Meanwhile, the total inflation from 1997 to 2017 has only been 52.7%. (See Figure 1)**



**Figure 1**

## The sad story of residents who bought mobile homes in Sedona Shadows

Over the last 20 years, ELS has raised the rent in Sedona Shadows at almost **FOUR TIMES** the rate of inflation. Meanwhile, retired seniors living in that 55+ community (who are typically living on fixed incomes) have become more and more desperate, as they try, again and again, to cut their living expenses to pay the ever-increasing rents, so they can remain in their so-called "affordable" mobile home. (This process has been called "wealth extraction" by some economists.)



### Sign posted in the Sedona Shadows Clubhouse

Homeowners who eventually find themselves unable to pay the ever-higher rental rates are in a very precarious situation. According to their rental contracts, falling behind on their rent is grounds for eviction, along with a demand to remove their mobile home from the park, within 60 days! They might try to find a buyer for their mobile home. It is only then that they discover that the \$90,000 retirement savings that they "invested" in their home is mostly lost, because of the highly inflated rent.

Faced with an inability to pay their increasing rent, the homeowners might be forced to accept an offer of \$15,000 (or less) for their \$90,000 mobile home. However, their ELS rental contract then requires them to report that deeply discounted offer to ELS, who can exercise their "Right of First Offer" to (1) purchase the home at this deeply discounted price, and (2) market that home to a new tenant, along with new rental terms that make it more attractive to the potential buyer.



**Sign posted in Sedona Shadows**

If the homeowners are not able to find a buyer at any price, they might be forced to just **abandon** their mobile home. Their rental contract then allows ELS to simply claim ownership of their home, and sell it to another renter, along with new leasing terms that make it more attractive to the potential buyer.

Below is a chart that shows the average rent in Sedona Shadows over the last 20 years. It is now **over 3 times as high** as when ELS bought Sedona Shadows in 1997.

Year	Number of rental lots	Percent Occupied	Monthly rent [3] (\$)	Annual rent (\$)	Rent Increase (%)	CPI Increase (%)
1997	198	86.0	267	3204		1.7
1998	198	87.0	279	3348	4.5	1.6
1999	198	88.0	295	3540	5.7	2.7
2000	198	88.0	306	3672	3.7	3.4
2001	198	91.4	327	3924	6.9	1.6
2002	198	93.4	355	4260	8.6	2.4
2003	198	93.4	391	4692	10.1	1.9
2004	197	97.5	429	5148	9.7	3.3
2005	198	97.0	475	5696	10.6	3.4
2006	198	100	526	6316	10.9	2.5
2007	198	99.5	559	6702	6.1	4.1
2008	198	100	590	7074	5.6	0.1
2009	198	99.5	625	7503	6.0	2.7
2010	198	100	649	7793	3.9	1.5
2011	198	99.5	689	8266	6.1	3.0
2012	198	99.5	706	8468	2.4	1.7
2013	198	99.5	722	8669	2.7	1.5
2014	198	99.5	749	8983	3.6	0.8
2015	198	99.0	779	9349	4.1	0.7
2016	198	99.5	821	9849	5.3	2.1
2017	198	99.0	[2]	[2]	?	2.1

**Notes:**

[1] Rent figures taken from **Equity Lifestyles Annual Reports** (1997 - 2016)

[2] Starting with their Annual Report for 2017, ELS has **stopped showing their rental rates** for their mobile home parks.

[3] Monthly rents rounded off to the nearest dollar.

[4] Consumer Price Index (CPI) figures taken from:

<http://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>

[5] Inflation figures taken from: <https://www.usinflationcalculator.com/>