What is a resident-owned community (ROC)?

Resident ownership means homeowners in a manufactured home community (historically referred to as a “mobile home park”) collectively own the land beneath their homes. The ownership entity takes the form of a nonprofit or cooperative corporation, owned and controlled by residents for the benefit of residents. This model is in contrast to an investor-owned community, where residents rent a lot owned by a profit-motivated third party. The homeowners’ corporation operates democratically on the one-member/one-vote principle. Each household can become a member and have a say in how their community is operated.

How do homeowners benefit from living in a ROC?

- **Potential Equity Accumulation in Their Home** – Resident ownership has been documented in some markets to create higher demand for homes than in comparable investor-owned communities. That increased demand translates into a faster sale and higher sales price on a resident’s home. Demand is higher than in investor-owned communities because of all the benefits that resident ownership delivers.

- **Lower and Stable Monthly Charges** – A resident-owned community operates at cost, meaning that 100% of the monthly payment (lot rent) goes toward operation of the community. There is no profit motivation to raise lot rents; monthly costs go up only if actual expenses go up or if residents vote to make improvements to the community.

- **Reduced Risk of Displacement** – Because manufactured homes are not really mobile, park closures put homeowners in a difficult position. Often homeowners cannot afford to move a home, the home is physically incapable of being moved, or no other community can be found that allows older homes. Due to the chronic risk of displacement in investor-owned communities, homeowners often lack an incentive to make improvements to their homes. Resident-ownership reduces the threat of displacement because resident members own the land.

- **Improved Community Maintenance** – Quality of life in any community depends on the regular maintenance and improvement of crucial infrastructure systems. In a resident corporation, residents decide when and what to improve within their community.

- **Control Over Community Rules** – Community owners make and enforce rules. Unfortunately, the rules are not always fair, reasonable or consistently enforced. In a resident-owned community, residents make the community rules, can change the rules, and empower the board of directors to enforce the rules equitably.

- **Civic Leadership** – Resident-owned communities cultivate and build leadership skills as residents actively govern their communities, oversee their management and operations, and work with vendors and government agencies. Over time, many residents build and strengthen social networks within their communities.