

A Way of Life

Small villages with mobile homes are the last refuge for many Americans. This makes them attractive for investors.

By Winand von Petersdorff (text and photos)

In late summer 2018, residents of the Sans Souci trailer park in Boulder found blue bags on their front doors that read "Welcome to our new community." Michael Peirce had lived in the development for twenty-three years at the time and was surprised to see a stranger welcoming him here.

In his pockets was a many-page catalogue of rules of conduct for residents. Rusting and dented cars were to be removed. Children were not to play on paths. There was to be a curfew after 9 pm. The central message: the trailer park had a new demanding owner called Thrive.

He demanded, Peirce reports, the right to "help himself": his people invaded the small gardens. They removed shrubs and branches. A manager hired by the investor told the residents they had to trim plants and sow grass because it looked more orderly. Planned rent increases of twelve per cent a year also seemed threatening. Until then, residents had been paying just under five hundred dollars a month to use the property.

"The whole thing seemed like a plan to push the poor out," says Peirce. He is the president of the settlement, a long-time philosophy lecturer at the University of Boulder, and a man the investor would have done better to reckon with.

Forty-three thousand trailer parks spread across the United States, with four to five million people finding homes there. The very American way of life is shared by stranded people with dropouts and up-and-comers with mavericks like the Sans Souci resident Jeff Busch.

Wearing a brown vest, he plucks weeds from lush shrubs and herbs in his garden and informs me about genetic diseases of European royalty and the debility of the last German emperor. "Bismarck, however, was a wise man," he adds, as if in appeasement.

"We are all here for a reason," Juston Martin explains. From the context and his facial expressions, it is clear what he means: there is a break in the residents' lives. He himself is the volunteer operations manager of Sans Souci Park, earns extra money doing repairs in other parks and describes himself as a trained historian. He guides visitors through the settlement with pastoral friendliness.

What unites America's trailer park residents is that they cannot afford more expensive housing. That is why they live in these factory-built plastic houses that are transported on trailers and placed in the park on concrete blocks that later disappear behind plastic cladding. For a long time, the way of life did not receive much attention except in the immensely successful Eminem biopic "8 Miles", a few documentaries and the cult series "Trailer Park Boys" about three weird petty criminals. They probably damaged the reputation in a similar way to the "Godfather" trilogy damaged the reputation of Italian immigrants.

Trailer parks are getting new attention thanks to two developments. Affordable housing is becoming scarce in America. They are one of the last largely unsubsidised resources for affordable housing. In few places is this as clear as in Boulder, Colorado. Here, prices have really skyrocketed since hipsters and techies discovered that good jobs can be combined with a pleasant, nature-loving lifestyle at the foot of the Rocky Mountains: The sun shines three hundred days a year, and weed is legal.

In the past year alone, prices rose by more than twenty percent; an ordinary single-family house costs one million dollars; last year, buyers had to pay an average of 1.3 million dollars for a house. For one-bedroom flats, tenants had to pay an average of one thousand five hundred dollars a month. In Sans Souci, the rent is currently seven hundred and thirty dollars, and President Peirce wants to push it further. But the properties in his park are all occupied.

For twenty years, America's housing has failed to keep up with population growth, driving poor Americans - officially some thirty-five million - into competition for an affordable place to live. There are no official statistics, but trailer park owners report that they can hardly keep up with demand.

A second group has therefore been paying increased attention to them for some years: financial investors. Apollo, Carlyle and Blackstone are the well-known names of investors who have acquired trailer parks or are in the process of doing so. Newsletter author Frank Rolfe, himself an investor, writes of a "love affair" of institutional investors with a special asset class. "At their core, trailer parks have the distinction of strengthening in times of economic collapse". Well managed, they produce higher returns than other real estate investments, Rolfe claims.

A special feature adds to the appeal for buyers. The terms mobile homes or trailer parks give the false impression that the residents are particularly mobile, since they can load their plastic house onto a trailer at any time and move on. The notion is a romanticised late outgrowth of post-war history when the industry nurtured it, says sociology professor Andrew Hurley. Their advertising message was that trailer home buyers could simply move on if the place or job no longer suited them, that they were "free as a bird".

This is pure illusion. Local building laws often stand against it. Moving the house also costs twenty thousand dollars. The residents don't have that kind of money. Besides, where are they supposed to go? Despite general affirmations that affordable housing is a top priority, cities hate trailer parks. At least that's what Rolfe claims. He has good evidence. Hardly any new housing developments are approved, while parks are flattened every year. Municipalities shy away from designating new parks because they bring in less taxes and locals are up in arms against them, as recently in the left-liberal stronghold of Ann Arbor in Michigan. There, the community and progressive citizens are fighting the conversion of a field into a park with five hundred housing units.

The situation is tricky for residents. They have no way out. Investors take advantage of this to raise the rent. Usually they just have to stay below residential rents in the area, explains Gretchen Zucker, investor relations manager for the investor Elevate Commercial.

But what is left for people to do in response to poor conditions? This is what the well-known economist Albert Hirschmann asked in his famous book "1970" and roughly outlined the following alternatives: Run away, rebel or resignedly allow further decline.

Part of the realistic picture of trailer parks is that the residents often do not form a community and have no sense of common effort to beautify the park. Some parks are ruled by criminal gangs who make money from drug dealing and prostitution. Many residents cannot keep up with payments.

In the poorer south-east of America, the trailer park quota is particularly high and so is the resentment against them. As beauty queen Miss South Carolina once innocently tweeted in 2013, "I'm from a state where 20 percent of the people live in mobile homes. That's how mobile we are here," she earned savage abuse that culminated in calls for her to be deported to Georgia.

Janice Clark lived, for better or worse, in a trailer park in Orangeburg, South Carolina. Once she waited in her car at the settlement's bus stop to pick up her grandchild from the school bus. She could see a gang clearing out a house in broad daylight. Her daughter's house, who also lived there,

was broken into four times. The investigation revealed that one of the perpetrators was a neighbour. That was three years ago.

Janice Clark works for Van Williams, whose Proactive fund took over the park before it fell into total disrepair. A psychologist by training, he has a reputation in the industry for being able to revitalise particularly run-down real estate projects, usually apartment buildings in rough neighbourhoods of big cities.

His version of revitalisation goes like this. "Full of faith in God," he moved himself into the middle of the falling trailer park. Windows of his house had been shattered, the walls had been painted over with graffiti and both toilets had been stolen. Williams taped tarps in front of the windows, got two toilets and went to work.

Ninety residents received the eviction notice because, according to Williams' account, they were either way behind on payments ("You don't pay, you don't stay"), detrimental to the community or criminals. He had the potholes filled and the road was given a cheap coating of cinder. The renewal was "especially good for morale". Residents got new mailboxes. Cleaning crews cleared away tons of rubbish, and weeded and sowed grass. New surveillance cameras provided more security.

A small core of residents from the old estate remained. Williams has increased the property rents, but within reason, he asserts. He sees himself as a social entrepreneur. Neutral experts check whether his business policy is sustainable and social. He wants to make money for his investors in the Proactive Fund, but he also wants to help people with low incomes to become homeowners and thus realise a small American dream.

When Williams arrived, residents of the trailer park were not only tenants of the land, they also paid rent for the houses. The investor is changing that; new residents are buying houses with a loan, which he claims is comparatively cheap. Of the two hundred and twenty plots on paper, just under half are occupied. Williams himself gets, he says, ten to fifteen phone calls every day from people who want to move here, twenty to thirty come by every week looking for housing.

Janice Clark's first daughter has moved away, but her second has moved in. As Janice drove me through the park recently, three boys made themselves known. They had found an iPhone, which they handed to her through the car window.

The alternative to running away or waiting is rebelling. Residents of Sans Souci Park in Boulder decided to resist the new owner, led by a dropout academic. Peirce comes across as a man who hides anger and bitterness behind concentrated deliberation. After seventeen years as a philosophy lecturer, the university had thrown him out the door, and he has not found anything adequate since. He suspects conspiracies. Then came a flood that caused damage throughout the district. He couldn't afford to repair his house. "So I became an activist."

When the disturbing news of higher rents, stricter rules and a new owner reached them, the residents organised themselves and made Peirce their leader. They contacted authorities, politicians and the press, and sought legal assistance at the university. They found that existing law limited the rights of the investors. However, the residents had to be prepared to take the investor to court. Faced with this threat, the owner toned down the list of rules. The rent increases, however, remained.

Meanwhile, the activism of Peirce and his fellow activists contributed to rule changes in Colorado. New laws clarified how conflicts with the owner are to be handled and what rights the residents have. But another law should help turn around the fate of the park and its residents. It requires

owners to make public when they want to sell their park and to allow residents time to submit an offer themselves.

The reality test came quickly for the residents of Sans Souci when the investor announced his intention to sell. Buying the land sounds far away to people who lack money for necessities. But one of the often-ignored realities of America is that a patchwork of organisations, foundations and government funding pots mitigate the occasionally harsh market economy. Peirce and his fellow campaigners came into contact with the local organisation Thistle, which develops and rents affordable housing in Boulder County. At the same time, Thistle partners with the federal non-profit organisation ROC USA, which helps residents of trailer parks become property owners.

Colorado's ROC state director Andy Kadlec helped the Sans Souci development form a cooperative and work through the financial burdens with the help of experts. ROC's financial arm provided the mortgage loan for one hundred and ten percent of the purchase price. For individual residents, the total monthly cost broke down to seven hundred and thirty dollars. This meant an increase in monthly costs, and some did not want to go along. But eighty per cent voted in favour of the purchase. They hope that costs will stabilise in the medium term.

Kadlec and his fellow campaigners have brought six trailer parks into community ownership in Colorado. Nationwide, the organisation's financial arm has funded nearly one hundred buyouts. "We're helping residents gain power and control over their lives," Kadlec says.

"This is how the American dream works," says Juston Martin, the go-to guy at Sans Souci.

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