

Office of the Manufactured Housing Ombudsperson (“MHO”)

Frequently Asked Questions

DISCLAIMER: The information in this FAQ is general information only. It is not intended to be legal advice. Additionally, this information is a summary of some of the laws and regulations governing manufactured home lot leases. It is intended for general guidance only. As such, this FAQ should not be considered an authoritative or complete statement of the law.

Manufactured Housing and Rent Increases

1. When can community owners increase the rent?
 - a. Community owners can increase the rent when the home owner’s lease renews, but they cannot increase the rent more than once every 12 months.
 - b. This means that if you have a 1-year lease, your rent can be increased every time your lease renews. If you have a 6-month lease, your rent can be increased every other time your lease renews (i.e., once every 12 months).
2. How do I know when my lease renews?
 - a. When you originally entered into the lease, it should have had a start date and an end date. Most leases have a duration of one year. If the lease does not have a duration stated, the law assumes that the duration is one year.
3. Is there a maximum amount that the community owner can increase the rent?
 - a. No. Community owners can seek rent increases in any amount, but amounts in excess of an inflationary measure (the “CPI-U”) are subject to challenge under the Rent Justification Act. The CPI-U can be found here:
<https://demhra.delaware.gov/cpi-u/>.
4. What is the procedure when a community owner wants to increase the rent?
 - a. First, the community owner must send notices to affected home owners and to the Delaware Manufactured Home Relocation Authority (“DEMhRA”). The notices must be sent at least 90 days before the rent increase is scheduled to take effect.
 - b. If the rent increase does not exceed the CPI-U, this is the end of the process, and the rent increase goes into effect when scheduled.
 - c. If the rent increase exceeds the CPI-U, the community owner must schedule a meeting with the affected home owners. At or before the meeting, the community owner must provide information in writing about the reasons for the rent increase.
5. How do home owners challenge a rent increase under the Rent Justification Act?
 - a. After the meeting with the community owner, home owners have 30 days to challenge the rent increase by filing a petition for arbitration with DEMhRA. A sample form can be found here. <https://demhra.delaware.gov/forms/>.
 - b. A home owners association can also file a petition for arbitration on behalf of its members.
6. Do I need a lawyer in a Rent Justification Act arbitration?

- a. No, but it can be very helpful to have an attorney. Home owners, HOAs, and community owners have all been permitted to appear in rent justification arbitrations without lawyers.
7. What happens in a rent justification arbitration?
 - a. The arbitration is similar to a trial. Before the arbitration, there will be requests for information between the parties, and the parties will exchange documents and witness lists.
 - b. At the arbitration, there will be a court reporter. Witnesses will be sworn in just like in court. Witnesses will testify, and documents will be entered into evidence.
 - c. After the arbitration, the arbitrator will weigh the evidence and decide whether the rent increase was justified under the requirements of the Rent Justification Act. If either side is unhappy with the decision, they can file an appeal with the Superior Court.
8. What happens while the case is being decided?
 - a. The rent increase goes into effect as scheduled. If the home owners eventually win at arbitration (or if the amount of the rent increase is reduced), the community owner must refund or credit the excess money paid by the home owners.
9. Can the Office of the Manufactured Housing Ombudsperson (“MHO”) represent me or my HOA in challenging a rent increase if we think that it isn’t justified?
 - a. No. The MHO is part of the Delaware Department of Justice. The Delaware Department of Justice represents the State of Delaware and cannot represent individuals (or groups).
10. Can the MHO at least look at the information the community provided and let us know if the rent increase is justified or give us some strategies for how to win at arbitration?
 - a. No. The MHO cannot provide legal advice on your particular situation. While the MHO can, and does, provide general information about rights and responsibilities under the law, it cannot provide any legal advice about anyone’s particular situation.
11. Is there anything that the MHO can do about rent increases?
 - a. The MHO’s authority to investigate rent increases is very limited. The MHO may be able to investigate if the community owner is not sending out timely notices, is not scheduling the required meetings with the home owners, is raising the rent more than once every 12 months, or is otherwise failing to follow the procedural requirements of the Rent Justification Act. The MHO cannot investigate whether a particular rent increase is justified.