



# Wall Street in the Wolverine State

How Private Equity Is  
Affecting Michigan Workers,  
Healthcare, Housing,  
and Communities

APRIL 2026

PRIVATE EQUITY  
STAKEHOLDER  
PROJECT

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# INTRODUCTION

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Private equity firms have become increasingly influential in Michigan's economy. These firms raise money from institutional investors such as pension funds, university endowments, insurance companies, and wealthy individuals and use it to acquire companies, housing, and other assets with the goal of generating high returns within relatively short timeframes.

As of 2024, Michigan was among the ten states with the largest increase in the share of its private sector workforce employed by private equity-controlled companies, reflecting the growing role these firms play in shaping jobs and industries across the state. At the same time, Michigan is also among the top ten states for the share of state pension assets invested in private equity, meaning that the retirement savings of public workers are increasingly tied to the performance of private equity funds.

Across Michigan, private equity firms are active in industries ranging from healthcare and manufacturing to housing and education services. Their investments can bring capital and operational changes, but they can also introduce risks related to high debt levels, cost-cutting strategies, and short investment timelines.

Healthcare provides a clear example of how private equity ownership has expanded into essential services in Michigan. **Nine hospitals in the state**, about 5.1% of Michigan's 176 private hospitals,

are owned by private equity firms. One example is Apollo Global Management's ownership of LifePoint Health, which has operated **Bell Hospital in Michigan's Upper Peninsula** since 2013. The **Michigan Retirement System** holds investments in Apollo Investment Fund IX, which controls LifePoint. After bargaining for over a year, **nurses at Bell Hospital ratified their first contract** in the summer of 2024. Many hospital systems Apollo owns are highly indebted, have cut operating costs and charity care, and in some cases reduced services, received poor quality rankings, and attracted regulatory scrutiny. According to the Lown Institute Hospital Index, **several LifePoint facilities rank among the worst hospitals** in their states. There are four Apollo-backed hospitals in Michigan.

This report examines how private equity billionaires and their firms are affecting Michigan's workers, housing markets, healthcare system, and communities. Drawing on recent research and case studies, it highlights the ways private equity business practices can influence economic stability, service quality, and affordability across the state.

# WHAT IS PRIVATE EQUITY?

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Private equity refers to investment funds that acquire ownership stakes in companies that are not traded on public stock markets. These investments are typically managed by private equity firms that raise capital from institutional investors such as pension funds, university endowments, insurance companies, and wealthy individuals.

Most private equity investments are made through funds that purchase controlling stakes in companies. The private equity firm then works to increase the company's value over a relatively short period, often four to seven years, before selling the company or taking it public through an initial public offering. Private equity firms often seek to double or triple their investment over that period, which shapes the financial and operational strategies they use after an acquisition.

A defining feature of the private equity business model is the use of leveraged buyouts, in which a private equity firm purchases a company using a combination of investor capital and often large amounts of borrowed money. The debt used to finance the acquisition is typically placed on the acquired company itself rather than on the private equity firm.

This structure can amplify returns for the private equity firm if the company grows in value. However, it can also place significant financial pressure on the acquired company because it must pay interest on the debt used to purchase it. The pursuit of outsized returns over relatively short time horizons can also encourage cost-cutting that hurts care, working conditions, or service quality. In addition, high levels of debt can divert cash from operations to interest payments and dividends paid out to private equity owners.



Private equity firms now control companies employing more than 13 million workers in the United States, and they have become major owners of housing, healthcare facilities, and other critical infrastructure. As a result, their investment decisions increasingly shape the economic and social conditions experienced by workers, patients, renters, and communities.

## Key Risks of Private Equity Ownership

Private equity firms often present themselves as investors that can improve companies and generate strong returns. But the private equity business model can also create risks for workers, patients, renters, and communities.

One key feature of private equity investing is the expectation of very high returns within relatively short timeframes. Private equity firms often aim to double or triple their investment within four to seven years. Private equity firms seeking to achieve these return targets may rely on rapid cost-cutting, asset sales, sale and leaseback of real estate, consolidation, or other changes designed to quickly increase profitability.

Another defining characteristic of private equity transactions is private equity firms' use of large amounts of debt to finance acquisitions. The debt used to buy a company is almost always placed on the company itself rather than the private equity firm. As a result, the acquired company must use its own revenue to make interest payments on the debt used to purchase it. This can divert cash away from operations, staffing, maintenance, and long-term investment and instead toward debt payments and payouts to owners.

These incentives can create pressure to reduce labor costs, cut services, increase rents and prices, or pursue other strategies that boost short-term

financial performance but weaken companies over time. Research has linked private equity ownership in certain sectors to layoffs, labor disputes, rising costs, reduced quality, and higher bankruptcy risk. PESP found that private equity firms played a role in 54% (19 of 35) of the largest U.S. corporate bankruptcies in 2025, defined as cases involving \$1 billion or more in liabilities at the time of filing. Private equity was also involved in 51% (21 of 41) of bankruptcies with liabilities of at least \$500 million. Overall, private equity-owned companies accounted for 10% of all U.S. corporate bankruptcies last year.

As private equity ownership expands across sectors such as healthcare, housing, manufacturing, and education services, understanding these risks is critical. The following sections examine how these dynamics are playing out in Michigan and how private equity investment strategies are affecting workers, communities, and essential services across the state.



# PRIVATE EQUITY BILLIONAIRES PROFITING FROM MICHIGAN COMMUNITIES

**Marc Rowan,  
Apollo Global  
Management**



**Net worth: \$6.9 billion**

**Apollo headquarters: New York City**

Apollo owns three hospitals in Michigan through hospital company LifePoint.

Apollo first **acquired hospital company LifePoint** in 2018 for \$5.6 billion in a leveraged buyout that included \$2.9 billion of LifePoint debt. For a rural hospital like LifePoint-owned UPHS Marquette, a bankruptcy could be disastrous for the hospital's employees and the communities that rely on it.

According to **The Lown Institute Hospital Index**, which ranks hospitals and health systems based on health equity, value, and outcomes, multiple LifePoint facilities **ranked among the worst hospitals** in their states in 2024. Data from 2022 showed that some LifePoint hospitals reported the **highest readmission rates** in their respective states.

Registered nurses and technical employees at UP Health System–Marquette, owned by LifePoint, held a one-day **practice strike** in August 2025 to draw attention to concerns over staffing and working conditions before reaching a **tentative agreement**. Union leaders said staffing shortages were their primary concern, noting that the hospital was not adequately prepared to handle the influx of patients from other Upper Peninsula facilities that have recently closed.

**Stephen  
Schwarzman,  
Blackstone**



**Net worth: \$38.2 billion**

**Blackstone headquarters: New York City**

In 2022, Blackstone purchased American Campus Communities, the largest owner of student housing in the U.S. Blackstone now owns five student housing apartment properties in Michigan.

Blackstone increased the average rent per unit at Campus Edge 27% since purchasing the property, from \$3,567 per month in the 2<sup>nd</sup> quarter of 2022 to \$4,643 in the 4<sup>th</sup> quarter of 2025, according to market analytics from CoStar. This is six times the 4.3% average increase in rent during this time for apartments in the Ann Arbor area.<sup>1</sup>

Blackstone increased the average rent per unit at the Lodges of East Lansing 29% from \$2,299 in the 2<sup>nd</sup> quarter of 2022 to \$2,961 in the 4<sup>th</sup> quarter of 2025.<sup>2</sup> This is two and a half times the 11.5% average increase in rent during this time for apartments in the Lansing area.<sup>3</sup>

# PRIVATE EQUITY BILLIONAIRES PROFITING FROM MICHIGAN COMMUNITIES

## Stephen Ross, Related Companies



Net worth: \$17 billion  
Related Companies  
headquarters: New York City

Related Companies is a private equity real estate firm headquartered in New York City. The firm was founded in 1972 by **Stephen M. Ross** and currently owns almost 400 apartment complexes with over 78,000 total units in the U.S.

Related is currently developing the District Detroit, a **controversial** redevelopment project. One of the selling points for the District was Related's initial plan to build affordable housing units within the project, which resulted in millions of dollars worth of tax credits for **Related**. Related is **now delaying promised affordable** housing, claiming that they will build affordable housing in future developments in The District.

## Alfred Gantner, Urs Wietlisbach, and Marcel Erni, Partners Group



Net worth: \$9.3 billion (\$3.1 billion each for Gantner, Wietlisbach, and Erni)



Private equity firms **Partners Group** and **Charlesbank Capital** acquired **Hearthside** in **2018**.



In April 2022, the **US Department of Labor cited Hearthside** “after a maintenance employee suffered the amputation of one finger and the partial amputation of another,” announcing that Hearthside had “**violated federal safety procedures for the 20th time in 5 years.**” In June 2022, Moody's downgraded its outlook on Hearthside to ‘**negative**’ citing the need for an “operational turnaround” to reduce the debt load and employee turnover.

A **New York Times investigation** in February 2023 on unlawful child labor interviewed several minors who worked in Hearthside facilities in Grand Rapids, Michigan, some hired through subcontractors, and often working night shifts under dangerous conditions in the company's Grand Rapids, Michigan location. The company paid \$4.5 million to **settle child labor charges** in late 2024, then landed in bankruptcy and the company's lenders **assumed majority ownership** in the bankruptcy process.

# PRIVATE EQUITY AND MICHIGAN WORKERS

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Private equity firms have become increasingly powerful players in Michigan's economy, with 10% of the state's private sector workforce at private equity-controlled companies.<sup>4</sup> Backed by billions from institutional investors, these firms buy up companies across healthcare, manufacturing, hospitality, retail, and other industries. The private equity business model is driven by uniquely high profit-seeking combined with a very limited level of disclosure or regulation. Firms typically seek to double or triple the value of their investment in four to seven years, which is challenging to do without cutting costs and limiting investments in the workforce. Companies owned by private equity firms have been associated with patterns of labor disputes, layoffs, service reductions, and bankruptcy. In several instances, these firms have received investment capital from Michigan's public pension funds, linking the pensions of public sector workers to corporate practices that may negatively impact Michigan residents and workers. For example, the State of Michigan Investment Board currently commits 20% of its portfolio to private equity, and around 48% overall in alternative asset classes.

## Healthcare

Private equity investment in healthcare companies can carry substantial risk to patients and healthcare workers. The high returns private equity managers typically seek over short time horizons may incentivize cost-cutting and risky behaviors that can harm patient care, including using high levels of debt, reducing staff, and pushing costly procedures. In a healthcare setting, cost cutting can mean the difference between life and death.

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Apollo/Lifepoint owns three hospitals in Michigan, and there are eight private equity-owned hospitals in the state.

## Bankruptcies and restructuring often hit workers the hardest

Focusing on immediate financial gains can lead to significant mismanagement and economic instability, contributing to higher bankruptcy rates among private equity-owned firms. A critical driver of this instability is the widespread financing of acquisitions using debt secured by the company it is acquiring rather than the private equity owner using its capital or taking on the debt itself. This tactic saddles private equity-owned companies with substantial debt, often draining resources that could otherwise be invested in innovation, workforce development, or adapting to market changes. Instead, firms under private equity ownership must channel much of their revenue toward servicing this debt, leaving them vulnerable to financial distress and bankruptcy.

In 2025, retailer Joann (Fabrics) closed the last of its [33 stores in Michigan](#), laying off more than 1,000 Michigan-based employees, after private equity firm Leonard Green and Partners [took](#) the retailer into bankruptcy for the [second](#) time within a year. Leonard Green and Partners first [acquired](#) Joann in 2010 in a \$1.6 billion deal. At the time of both

**A 2023 study** found that rates of hospital-acquired complications for patients increased by 25% at hospitals after they were purchased by private equity firms. The increase was driven by a 27% increase in falls, which tend to happen on the general floors of the hospital; a 38% increase in central line infections, which are associated with ICU care; and a doubling of the rates of surgical site infections. The study drew from Medicare Part A claims data for hospital stays between 2009 and 2019 at 51 private equity-acquired hospitals compared against 259 matched control hospitals (non-PE-owned).

bankruptcies, Joann stores reported over [one billion](#) dollars in liabilities. Despite owning the company for over a decade, Leonard Green and Partners were able to exit without being responsible to creditors.

In 2012, private equity firm Thomas H Lee Partners [bought](#) Party City in a deal that put a massive debt burden on the company. In 2024, Party City closed [21 of its Michigan stores](#) after its private equity owner took it into bankruptcy.

Sun Capital Partners [acquired](#) Bar Louie, a national restaurant chain, in 2010. In March 2025, Bar Louie [announced](#) that it would seek Chapter 11 bankruptcy protection. Under Sun Capital's ownership, Bar Louie took on [significant](#) debt. As part of its restructuring plan, the company [closed](#) 13 locations nationwide, including two in Michigan. These closures displaced [dozens](#) of workers and contributed to the pattern of retail and hospitality instability tied to aggressive private equity ownership strategies.

Even where private equity firms have not taken their portfolio companies into bankruptcy, leveraged buyouts can often lead to layoffs and closures. In 2024, KPS Capital Partners bought

Midwest Glass Fabricators, a Michigan-based competitor of its portfolio company OldCastle Building Envelope (OBE). A press [release](#) stated that “We are thrilled to welcome Midwest Glass and its dedicated employees to the OBE family. This acquisition further demonstrates OBE’s proven track record of successfully partnering with family-owned businesses and providing them with strategic capital and resources required to pursue future growth opportunities.” The same press release had a statement from Midwest Glass Fabricators co-founder, highlighting his understanding of growth opportunities for the company he founded: “This partnership will provide growth opportunities for our employees and enhance our ability to continue serving our loyal customer base built over three decades.”

Less than a year and a half after the acquisition, KPS-owned OldCastle Building Envelope [announced](#) a sudden closure of Midwest Glass, [laying off](#) 124 workers in Highland Township and shocking the cofounder and local officials. OldCastle also recently closed facilities in New York and Kentucky. KPS did not provide a public explanation for the Michigan closing, and a July 2025 Detroit Free Press [article](#) noted that: “Among the unanswered questions is whether the private-equity-backed company had always intended to shut down one of its competitors and obtain the valuable equipment inside the Highland Township plant, or if that’s just how things happened to turn out.”

## Workers face serious issues at private equity backed employers

### Hearthside

Hearthside Food Solutions, which makes snacks, cereals, and baked goods for various brands at dozens of facilities, showed a pattern of health and safety violations before becoming embroiled in a child labor scandal. The company filed for bankruptcy in 2024, less than two years after its use of child labor came to light.

Private equity firms Charlesbank Capital and Partners Group acquired Hearthside [in 2018](#). As of

June 30, 2025, the Michigan Department of Treasury had four active [investments](#) with Charlesbank, totalling over \$320 million with an additional almost \$70 million in future commitments, though not in the specific fund that owns Hearthside.

In April 2022, the US [Department of Labor cited Hearthside](#) “after a maintenance employee suffered the amputation of one finger and the partial amputation of another,” announcing that Hearthside had “violated federal safety procedures for the 20th time in 5 years.” In June 2022, Moody’s downgraded its outlook on Hearthside to ‘[negative](#)’ citing the need for an “operational turnaround” to reduce the debt load and employee turnover.

A [New York Times investigation](#) in February 2023 on unlawful child labor interviewed several minors who worked in Hearthside facilities in Grand Rapids, Michigan, some hired through subcontractors, and often working night shifts under dangerous conditions in the company’s Grand Rapid, Michigan location. The company paid \$4.5 million to [settle child labor charges](#) in late 2024, then landed in bankruptcy and the company’s lenders [assumed majority ownership](#) in the bankruptcy process. Post bankruptcy, Hearthside rebranded [as Maker’s Pride](#), which as of March 2025 is a portfolio company of private equity firms Apollo and Oaktree.

Outside of Michigan, an administrative law judge [found](#) Hearthside/Maker’s Pride to have violated federal law in September 2025, during an anti-union effort before workers at the plant voted on whether or not to join the Bakery, Confectionary, Tobacco, and Grain Millers International Union (BCTGM). The company’s management in London, Kentucky was ordered to cease and desist from fourteen illegal activities, including surveilling employees engaging in union activity, firing employees because of union activity, and summoning the police in response to legal union activity. The company was also required to affirmatively take thirteen actions, including reinstating illegally terminated employees with backpay, rescinding and repudiating numerous

illegal company policies, and posting notice of these changes. The Administrative Law Judge in the case also ordered the election vacated due to these significant violations of federal law.

## **GFL**

GFL Environmental, a waste management provider [backed](#) by private equity firm BC Partners, has faced labor unrest in Michigan. In 2023, GFL workers in Wayne, Michigan voted to join the International Union of Operating Engineers in an NLRB [election](#). That year, GFL's Michigan office [paid](#) \$245,990 to anti-union firm, The Labor Pros, which has a [history](#) of skirting federal reporting requirements. The firm's website states that "Unions are outside paid sales people that are designed to exploit and/or create issues within your workforce." and "Conducting a National Labor Relations Act campaign requires seasoned labor relations consultants, who not only understand the complexities of an organizing drive, but also have experience working with the best traditional Labor attorneys in the country."

Accusations of federal violations quickly followed and the National Labor Relations Board's General Counsel eventually issued a complaint against the company, alleging that it committed multiple unfair

labor practices, including the withholding of wages, discharging employees, and the refusal to negotiate in good faith. In late 2024, GFL reached a [settlement](#) with the workers and their union over these charges that led to thousands of dollars in backpay for a number of workers in the bargaining unit.

## **Sorenson**

Sorenson Communications is one of the world's leading language services providers and the world's leading provider of communication tools for Deaf and hard of hearing people, with over 10,000 employees worldwide and over 6,000 ASL interpreters. In 2022, private equity firm Ariel Alternatives [acquired](#) a majority ownership stake in the company.

For many people who are Deaf and hard of hearing, Video Relay Service (VRS) is a critical translation [tool](#) in facilitating communication and is provided free to users because the Federal Communications Commission (FCC) [reimburses](#) service providers like Sorenson.

Sorenson recently announced the [closure](#) of a VRS call center in Rochester Hills, Michigan, requiring employees to apply for other internal positions or face termination. Losing even a small number of qualified VRS interpreters could exacerbate



an interpreter [shortage](#) that has plagued the interpreting community and which harms Deaf users of VRS. When this service is not delivered as expected, customers report frustration and serious disruption to their lives.

Academic [research shows](#) a [serious crisis](#) faced by VRS interpreters employed in VRS caused by unsafe working conditions that has caused many interpreters to limit hours or leave VRS altogether in the midst of a national interpreter shortage. A 2025 [report](#) by PESP found a concerning pattern of interpreters working at an intense pace and many suffering serious physical and mental health problems and that Sorenson had not adequately addressed working conditions, even as the FCC significantly increased the amount the companies are paid for providing such an important service.

Sorenson employees have been organizing a union with the Office of Professional Employees' International Union (OPEIU) and have been asking Sorenson to commit to remain neutral in their employees' choice to unionize. As of the date of this writing, the firm has refused, [stating](#) publicly in

March 2025 that Sorenson “is working to remain free of third-party representation.”

## Education

A June 2025 [report](#) by PESP highlighted the growth of private equity buyouts of companies that provide private services for schools across positions, including teachers and teacher’s assistants, health services, transportation, food service, and data management. The report highlighted numerous concerns over workers’ wages and treatment and the quality of service these contractors provide to students.

“These temporary outside providers don’t know our students. I had a student in our Extensive Support Needs program go months without receiving speech services because the contractor was pulling out a General Education student with a similar name by mistake. Unfortunately, this error impacted both the ESN student and the General Education student, who was already struggling to keep up.” — Richelle Milford, WCCUSD School Psychologist

In 2024, Stepping Stones, a contractor providing services for students with disabilities and backed

District	Location	PE Owner
Washtenaw Intermediate School District	Ann Arbor	Vistria
Waverly Community Schools	Lansing	Vistria
Chippewa Valley	Clinton Township	Vistria
Battle Creek Public Schools	Battle Creek	Vistria
Farmington Public Schools	Farmington	Vistria
Detroit Public Schools Community District	Detroit	Leonard Green, Vistria
Beecher Community School District	Flint	Leonard Green
Whitmore Lake Public Schools	Whitmore Lake	Leonard Green
Bendle Public Schools	Burton	Leonard Green
Van Buren Public Schools	Belleville	Leonard Green
Hazel Park Schools	Hazel Park	Vistria
Mecosta-Osceola Intermediate School District	Big Rapids	Vistria
Ingham Intermediate School District	Mason	Vistria
Van Dyke Public Schools	Warren	Vistria
Roseville Community Schools	Roseville	Vistria

by private equity firm Leonard Green and Partners, agreed to a \$4.25 million settlement of a class action lawsuit brought by current and former employees who alleged widespread wage and hour violations. In May 2025, New Direction Solutions, owned by private equity firm The Vistria Group through parent company Soliant, also agreed to a \$2.5 million settlement for wage and hour violations in California.

At least 15 [districts](#) in Michigan have contracts with Stepping Stones and/or Soliant subsidiaries. These contracts allow private equity firms to rake in millions of dollars of taxpayer money while students receive less of the individualized, real-life attention they need.

## Investors seek solutions to private equity risks

Investor-led oversight has been an essential tool for protecting long-term value and ensuring sustainable business practices, and it is even more vital now, given recent [cuts](#) to federal enforcement agencies by the Trump administration. Institutional investors such as public pension funds are among the largest investors in private equity.

Private equity investments do not have governance protections such as shareholder resolutions, proxy voting, regulatory disclosures, and the ability for investors to easily sell shares in response to misaligned corporate behavior. To address this, large institutional investors have begun to set policies that seek to limit the risky labor practices that have plagued private equity in recent years.

Acknowledging the unique risks of private equity investments, state pension funds managing over a trillion dollars in combined retirement assets have adopted Responsible Workforce Management policies to help drive value and manage risk in their private equity portfolios, including [New York State Common](#), [Maryland](#), [Massachusetts](#), [Illinois](#), and [CalPERS](#).

Research shows that proactive workforce management practices can benefit companies'

performance. Investing in employees through improved wages and benefits [supports value creation](#). [Deloitte found](#) in 2023 that companies with a program to manage workforce risk reported better performance. Implementing good health and safety practices can [reduce costs](#) associated with injuries and illnesses, including workers' compensation payments, medical expenses, and lost productivity. A [Glass Lewis analysis](#) of shareholder engagements with publicly-traded companies found that companies' "approach to labor rights issues can significantly influence the overall business landscape and ultimately affect investor returns."

Conversely, poor workforce relations can lead to operational disruptions, litigation, fines, [substandard work](#) and reputational harm that can have [material impacts](#) on a company's performance. Work stoppages can be [costly](#), with broad economic impacts. Without strong external oversight of workforce management, risks may go undetected until they escalate, potentially affecting investor returns.

Michigan currently commits 21% of its portfolio to private equity, and around 40% overall in alternative asset classes. The Michigan State Treasury and the State of Michigan Retirement System should follow their peer organizations around the country and adopt policies that protect retiree investment dollars and Michigan workers across their private equity portfolio.

# PRIVATE EQUITY'S BUY-UP OF MICHIGAN HOUSING

Over the last decade, private equity and similar investment firms have bought up growing portions of the U.S. housing market, acquiring apartments, student housing, single-family homes, and manufactured home communities. Like many other states, Michigan has seen a rise in private equity purchases of housing.

Seeking to double or triple their investments in four to seven years, private equity landlords have often been aggressive at raising rent and fees and quick to evict residents.

In Michigan, private equity firms own:

- Almost 200 manufactured home communities with almost 52,000 home sites
- 190 apartment complexes with over 48,000 total units. 24 of these properties with over 5,400 total units are student housing.

## Manufactured Housing

Michigan has the second most private equity-owned manufactured home parks of any state in the U.S., behind only Florida. Private equity firms own more than one in four manufactured home sites in the state.<sup>5</sup>

Manufactured homes are a vital source of affordable housing at a time when there is a severe shortage of affordable homes. Manufactured homes are a particularly important housing option for families who live on fixed incomes, such as seniors and individuals who are unable to work due to disability.

Although they are called mobile homes, manufactured homes are almost never moved once they are placed in a park. With limited mobility and few alternative housing options, manufactured-home residents are vulnerable to exploitation



by landlords looking to maximize profits. When site rent and fees are increased or communal maintenance issues ignored, homeowners often have no choice but to endure it.

This economic trap is not a side effect but a building block of the business model. Because of residents' inability to move and high demand for affordable housing, cash flows from the parks tend to be highly stable, even during economic downturns.<sup>6</sup>

That is why the incursion of private equity firms and corporate real estate investors at a massive scale in the manufactured home industry is cause for concern.

**Yes! Communities** is one of the largest owners of manufactured home parks in the country, and about a quarter of its lots are in Michigan. Yes! owns 64 parks with about 21,500 total home sites in Michigan.

Yes! is currently owned by the private equity firm Stockbridge Capital Partners,<sup>7</sup> the Pennsylvania Public Schools Employees Retirement System (PA PSERS),<sup>8</sup> and GIC, the sovereign wealth fund of the Government of Singapore.<sup>9</sup>

The private equity firm Brookfield is currently in talks to acquire Yes Communities.<sup>10</sup>

There have been a number of news stories about residents struggling due to Yes!' rent increases, such as:

- a resident of Oakland Glens in Novi, Michigan, who said his rent doubled after it was bought by Yes! Communities.<sup>11</sup>
- a 71-year-old woman at Avon on the Lake in Rochester Hills, Michigan, who was paying more than half of her monthly income for rent due to rent increases by Yes! Communities.<sup>12</sup>
- A resident of Fairfield Lake in Chesterfield, Michigan, said that her monthly rent increased from about \$700 to \$1,500, while another resident reported that her monthly

rent and fees for water and sewer jumped from about \$1,150 to \$1,715.<sup>13</sup>

*The Macomb Daily* in 2022 referred to Yes! Communities as “predatory” in a story about the company's acquisition of parks. At the same time that Yes! was raising rents at Fairfield Lake, the company had reportedly neglected services and improvements to the park. Residents had been trying to get Yes! to fix the water pressure, which the town's public works department found to be lower than it should be. According to one resident, “You can't flush the toilet if the dishwasher is running.”<sup>14</sup>

The Michigan Department of Environment, Great Lakes and Energy (EGLE) found arsenic levels above the drinking water standard at the Yes's Yankee Springs Meadows manufactured home park in Barry County, Michigan in July 2021, but residents didn't find out about it until a TV news story covered the issue months later.<sup>15</sup> Most of the residents spoke anonymously to the reporters, but one resident who allowed his name to be used was notified later that his lease was not being renewed, although he says he was not given a reason for it. He told a local TV station that he believes it was retaliation for speaking out.<sup>16</sup>

**Green Courte Partners** owns eight manufactured home parks in Michigan with over 2,600 total home sites.

- A 2022 TV story reported about how the maintenance of Green Courte Partners' Independence Commons park in Potterville, Michigan had been going downhill. Residents complained that the park had still not been cleaned up six months after a home had caught fire, which was a potential danger to kids in the neighborhood. One resident said that the trash from the fire was attracting rodents, including possums that were entering the resident's home.<sup>17</sup>
- A TV story reported that residents of The Reserves park in Jackson, Michigan alleged that Green Courte Partners was trying to kick

them out in order to tear their homes down and replace them. “It doesn’t matter if we did what they ask, they want the older homes out of here. They are getting a lot more money to rent these new homes, so they are bringing new homes in,” one resident said. Tenants were currently paying between \$100-\$500 a month in lot rent. They said that the new homes would have rent of around \$900 a month. “A lot of these people don’t have any place to go ya know? You can’t just kick people out on the street. We own these homes. It’s scary, ya know?” another resident said.<sup>18</sup>

**Homes of America**, a subsidiary of the billion-dollar New York hedge fund Alden Global Capital, owns fifteen parks in Michigan.

- A Genesee County, Michigan prosecutor last year secured a criminal conviction against Homes of America for operating the North Morris Estates park without a license.<sup>19</sup> The company had to pay a fine and was ordered to sell the property.<sup>20</sup> The park had previously been cited for ongoing violations of the Safe Drinking Water Act.
- MLive.com in 2023 reported about a resident who was evicted by Homes of America after living in a park in Lincoln Park, Michigan for 17 years. Homes of America claimed the resident, a retiree who lives on Social Security, owed over \$1,400 after months of paying partial rent. The resident said that he was never told his lot rent increased from \$410 a month to \$625 or that there were new fees he was responsible for. He kept paying \$410 a month until he received eviction papers.<sup>21</sup>

**Inspire Communities**, owned by Apollo Global Management, owns four parks in Michigan with over 1,500 total home sites.

- Residents of the Willow Point Mobile Home complex in Harrison Township told a Detroit TV station that they were frustrated by

ongoing flooding issues and the aftermath of severe storms. Days after floodwaters receded in June 2025, residents were still grappling with ongoing problems. “Dead rats, frogs, trash. Kids can’t come outside and play because of the rotten situation. It’s just terrible,” one resident said. “It’s unsafe. It’s unsanitized.” Another resident said he’s lost a lot over the years due to the constant flooding, “I have lost one car, two central air units, and a battery-operated lawn mower.” Residents said they had contacted management about the constant problems, but nothing happened. “I see no storm sewers or drains around here that actually work. So, yeah, it’s frustrating,” one resident said.<sup>22</sup>

**Havenpark Communities** owns eighteen parks in Michigan with about 6,100 total lots. This represents 28% of Havenpark’s lots in the U.S. A 2021 Capitol News Service article detailed what happened following **Havenpark’s** acquisition of a number of parks, including at the Swartz Creek Estates, where Havenpark hiked the rent and charged new fees, increasing the cost to one resident by 40%.<sup>23</sup>

## Multi-family Housing

**The 10 largest private equity owners of apartments in Michigan are:**<sup>24</sup>

Private Equity Firm	# Properties	# Units
Monarch Investment	60	12,782
Lightstone Group	35	10,321
The Solomon Organization	11	5,858
Pepper Pike Capital Partners	11	3,862
FPA Multifamily	15	3,047
Blackstone Group	10	2,228
JRK Property	2	1,718
DRA Advisors	2	804
Greystar Real Estate Partners	4	797
Starwood Capital Group	4	731

Tenants at private equity-owned housing across the United States have reported problems such as large rent increases, hidden fees, poor maintenance and repairs, lack of responsiveness to tenant concerns, and aggressive eviction practices.<sup>25</sup>

- A Detroit TV station reported in February 2026 about the Residences of Troy apartment building in Troy, which private equity firm Pepper Pike Capital Partners has owned since 2022. The reporter said that as soon as they pulled up to the property, people came out to the news truck to tell them how bad the conditions were. They took the reporter inside, and the reporter said, “let’s just say I was shocked.” The laundry room was flooded, the building had hot water cut off for hours at a time, and many units had no working heat.

This was not a new problem. The station had first exposed problems at the property in January 2024, when it was known as Troy Place Apartments, and residents were living with no heat, no hot water, and burst pipes. The new story also noted that the Michigan Attorney General had investigated and reached an agreement with management regarding heat issues in 2025.<sup>26</sup>

According to CoStar, the average rent at the apartment building is \$1,478.

- As of 2022, Monarch Investment was the largest private equity landlord in Michigan, and according to a Bloomberg story, it was

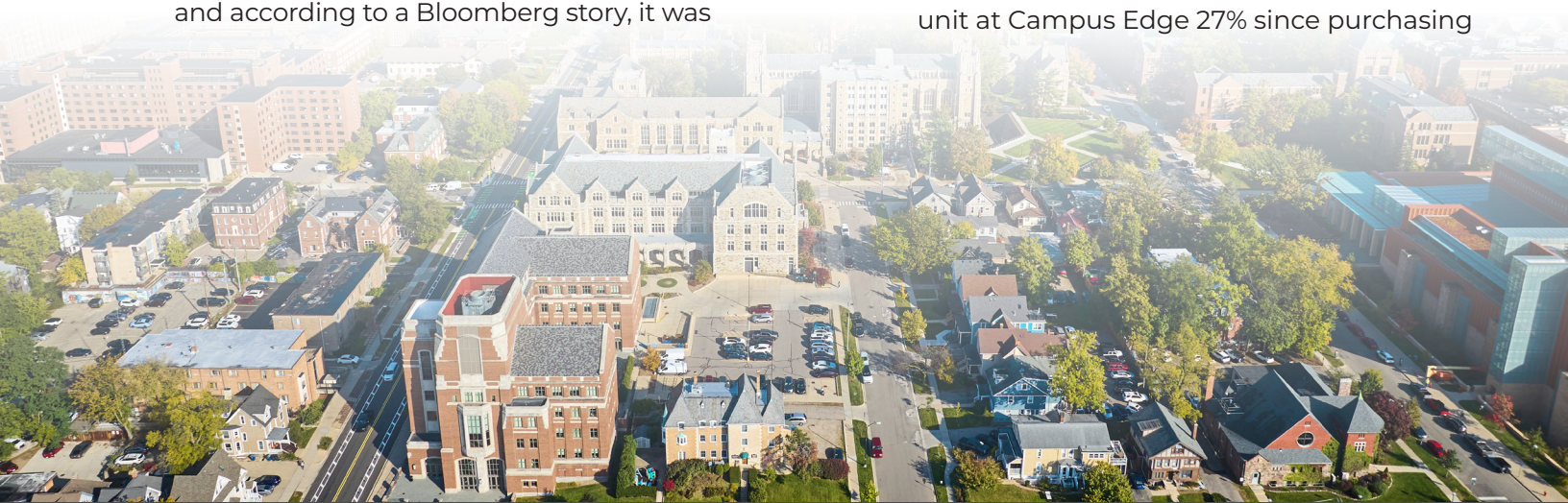
the fastest-growing landlord in the Midwest, buying up properties in Iowa, Kansas, Michigan, and Ohio. The story said that the company used evictions to drive up rents during the pandemic. “Monarch and its lawyers challenged tenants who tried to invoke federal orders against eviction. The company papered apartments with ominous flyers and neglected repairs.”

One lawyer who often represented Monarch openly told landlords to file for eviction anyway, despite the federal moratorium, and not tell tenants about it. “They were literate and smart enough and wise enough to sign a contract,” he told landlords and other eviction attorneys on a zoom discussion, “but now they’re too ignorant, illiterate and stupid to know the law sufficiently that we have to give them all their defenses? F--- that!”<sup>27</sup>

## Student Housing

Twenty of the private equity-owned apartments and over 4,000 total housing units in Michigan are student housing.

- In 2022, Blackstone purchased American Campus Communities, the largest owner of student housing in the U.S. Blackstone now owns five student housing apartment properties in Michigan.
- Blackstone increased the average rent per unit at Campus Edge 27% since purchasing



the property, from \$3,567 per month in the 2<sup>nd</sup> quarter of 2022 to \$4,643 in the 4<sup>th</sup> quarter of 2025, according to market analytics from CoStar. This is six times the 4.3% average increase in rent during this time for apartments in the Ann Arbor area.<sup>28</sup> According to *The Michigan Daily*, a student at this property reported being charged random fees without notice, including an unannounced increased parking fee.<sup>29</sup>

- Blackstone increased the average rent per unit at the Lodges of East Lansing 29% from \$2,299 in the 2<sup>nd</sup> quarter of 2022 to \$2,961 in the 4<sup>th</sup> quarter of 2025.<sup>30</sup> This is two and a half times the 11.5% average increase in rent during this time for apartments in the Lansing area.<sup>31</sup>

standards, the current lack of standards exposes the fund to risks such as higher costs due to resident dissatisfaction, high turnover, and a growing number of regulatory and reputational challenges.<sup>34</sup>

These standards represent an important step by investors in acknowledging the serious problems that many tenants currently face and how investment managers can better address those problems.

## Michigan Investments in Private Equity-owned Landlords

The Michigan Department of Treasury, which makes investments on behalf of the Michigan Retirement System, as well as the University of Michigan Endowment have made investments totaling over \$3.5 billion with several of the private equity companies discussed above, including Apollo, Blackstone, FPA Multifamily, and Green Courte Partners.<sup>32</sup>

Investors should adopt standards for responsible housing investments to ensure that the investments do not negatively impact renters such as by driving up rent prices or displacing tenants.

In 2024, the New York City Employees Retirement System (NYCERS) adopted a Responsible Property Management Standards (RMPS) Policy to support and encourage fair rental practices by investment managers with which the pension fund invests. NYCERS is one of the largest pension plans in the U.S.<sup>33</sup>

According to the New York City Comptroller's office, which spearheaded the effort to adopt the

# CONCLUSION

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Private equity ownership is now a significant force in Michigan's economy, influencing industries that affect millions of residents, from healthcare and manufacturing, to education services and housing. As private equity investment continues to expand, the ways these firms structure deals and manage companies will play an increasingly important role in shaping economic outcomes for workers, consumers, and communities across the state.

The private equity business model can create opportunities for investment and business growth, however those returns often come at the expense of workers, service quality, and communities. The immense profits made by private equity firms have contributed to the rise of the private equity billionaire, even while wrecking companies, killing jobs, endangering the vulnerable and spoiling the environment. At the same time, private equity's reliance on high levels of debt, pressure to deliver rapid returns, and relatively limited transparency can introduce risks for employees, patients, renters, and taxpayers. Research has shown that leveraged buyouts are associated with higher bankruptcy rates and potential job losses, while private equity ownership in sectors such as healthcare and housing can lead to rising costs and reduced service quality, and even death.

Private equity fund managers make their money in two ways: they are paid a percentage (usually 2%) of the total assets of the fund, and receive a larger percentage (usually 20%) of the fund's investment gains above a certain profit threshold. This second, potentially bigger source of income – known as “carried interest” – enjoys special tax treatment due to a loophole in the US tax code.

Among the nation's 800 or so billionaires, at least 51 can attribute their immense wealth to private equity. Due to the favorable tax treatment of carried

interest, a large portion of a private equity executive's income that would normally be taxed at ordinary rates (37%) – income earned for managing a private equity fund's investment – is instead classified as capital gains eligible for the discounted rate (20%). Given this inequitable discrepancy, it is critical that policymakers continue efforts at the federal level to hold private equity accountable – such as closing the carried interest tax loophole – as well.

Michigan's growing exposure to private equity, both through the companies operating in the state and through public pension investments, makes it especially important for policymakers and stakeholders to understand these dynamics. Ensuring transparency, protecting workers and consumers, and strengthening oversight of private equity transactions can help mitigate risks while promoting more sustainable economic outcomes.

As private equity continues to expand across the country, Michigan's experience offers an important case study of how these investment strategies interact with local economies and communities. Careful policy consideration and continued public awareness will be critical to ensuring that investment practices support long-term stability and shared prosperity for Michigan residents. Private equity billionaires extract wealth from the public without giving back; we can shift power back to working people by holding them accountable and taxing extreme wealth.

# ENDNOTES

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- 1 Source: CoStar. The average rent for an apartment in the Ann Arbor area increased from \$1,520/mo. in  
the second quarter of 2022 to \$1,585 in the fourth quarter of 2025.
- 2 Data from CoStar
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(LARA), there are 174,459 manufactured home sites in the state. PESP has identified that 51,928 of  
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state or corporate owners, and those owners control over 70% of home sites.
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