



# Quick Facts



**Trends and Information About the  
Manufactured Housing Industry**

**2014**

## INDUSTRY OVERVIEW

In the face of today's challenging economy, the need for quality, affordable housing has never been greater. Today's manufactured homes can deliver outstanding quality and performance at prices ranging from 10 to 20 percent less per square foot than conventional site-built homes. These savings allow more and more Americans to own their own home, even in the face of an ever-widening housing affordability gap.

The affordability of manufactured housing can be attributed directly to the efficiencies emanating from the factory-building process. The controlled construction environment and assembly line techniques remove many of the problems encountered during traditional home construction, such as poor weather, theft, vandalism, damage to building products and materials, and unskilled labor. Factory employees are trained and managed more effectively and efficiently than the system of contracted labor employed by the site-built home construction industry.

Much like other assembly line operations, manufactured homes benefit from the economies of scale resulting from purchasing large quantities of materials, products and appliances. Manufactured home builders are able to negotiate substantial savings on many components used in building a home, with these savings passed on directly to the homebuyer.



Today's manufactured homes have experienced a major evolution in the types and quality of homes being offered to buyers. Technological advances are allowing manufactured home builders to offer a much wider variety of architectural styles and exterior finishes that will suit most any buyer's dreams, all the while allowing the home to blend in seamlessly into most any neighborhood. Two-story and single-family attached homes are but two of the new styles being generated by factory-built innovation. As a result, today's manufactured homes are offering real housing options for the neglected suburban and urban buyers.

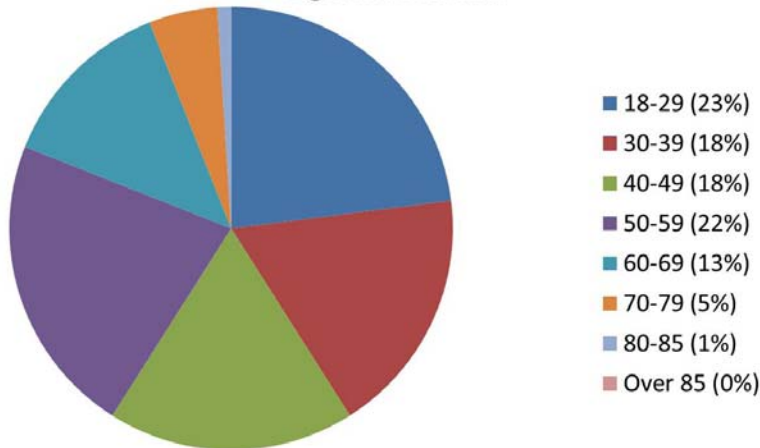
At the same time, greater flexibility in the construction process allows for each home to be customized to meet a buyer's lifestyle and needs. Interior features now include such features as vaulted ceilings and working fireplaces to state-of-the-art kitchens and baths, giving the homebuyer all the features found in traditional, site-built homes. Enhanced energy efficiency in manufactured homes, achieved with upgraded levels of insulation and more efficient heating and cooling systems, provide another source of savings for homeowners, especially in this era of rising energy costs. Smart buyers are turning to EnergyStar-labeled manufactured homes for substantial savings in many aspects of owning and operating home.

Technological advances, evolutionary designs, and a focus on delivering quality homes that families can afford are the driving forces within the manufactured housing industry. That's why more people are turning to manufactured housing to deliver homes that fit their needs and wants, at prices they can afford!

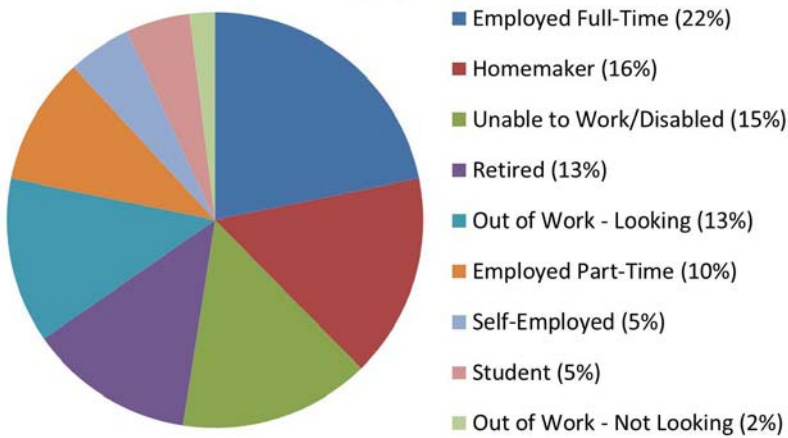


# Who Lives in Manufactured Housing

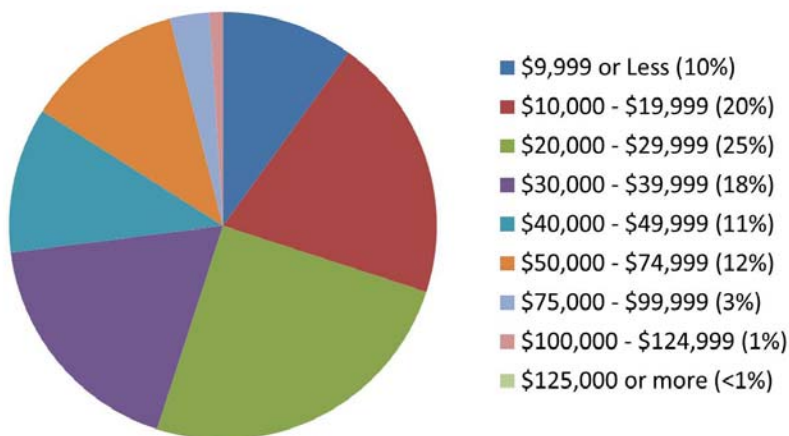
## Age of Residents



## Employment



## Annual Household Income



Source: 2012 Mobile Home Market Facts, by Foremost Insurance Company

## Cost & Size Comparisons of New Manufactured & New Single-Family Site-Built Homes

(2009-2013)

Year	2009	2010	2011	2012	2013
<b>New Manufactured Homes</b>					
(Including typical installation cost)					
(excluding land)					
<u>All Homes</u>					
Average Sales Price	\$63,100	\$62,800	\$60,500	\$62,200	\$64,000
Average Square Footage	1,530	1,520	1,465	1,480	1,470
Cost Per Square Foot	\$41.24	\$41.32	\$41.30	\$42.02	\$43.54
<u>Single-Section</u>					
Average Sales Price	\$39,600	\$39,500	\$40,600	\$41,100	\$42,200
Average Square Footage	1,120	1,110	1,115	1,100	1,100
Cost Per Square Foot	\$35.35	\$35.59	\$36.41	\$37.36	\$38.36
<u>Multisection</u>					
Average Sales Price	\$74,500	\$74,500	\$73,900	\$75,700	\$78,600
Average Square Footage	1,735	1,730	1,705	1,725	1,720
Cost Per Square Foot	\$42.94	\$43.06	\$43.34	\$43.88	\$45.70
<b>New Single-Family Site-Built Homes Sold</b>					
(House and the land sold as a package)					
Average Sales Price	\$270,900	\$272,900	\$267,900	\$292,200	\$324,500
Less Land Price	- 67,718	- 66,340	- 59,950	- 69,115	- 75,071
Price of Structure	\$203,182	\$206,560	\$207,950	\$223,085	\$249,429
Average Square Footage	2,422	2,457	2,494	2,585	2,662
Cost Per Square Foot	\$83.89	\$84.07	\$83.38	\$86.30	\$93.70

Source: U.S. Department of Census

### Manufactured Home Shipments (2009-2013)

Year	2009	2010	2011	2012	2013
Total	49,717	50,046	51,606	54,891	60,210
Single	18,568	20,373	25,289	25,629	28,235
Multi	31,149	29,673	26,317	29,262	31,975
Estimated Retail Sales	\$3.1	\$3.1	\$3.1	\$3.4	\$3.8

## Manufactured Home Shipments vs. New Single-Family Site-Built Housing Starts (in thousands)

Year	2009	2010	2011	2012	2013
<b>New Single Family</b>					
Site-Built Housing Starts	445	471	431	535	618
Percent of Total	90%	90%	89%	91%	91%
<b>Manufactured Home Shipments</b>					
Shipped	50	50	52	55	60
Percent of Total	10%	10%	11%	9%	9%
<b>Total</b>	<b>495</b>	<b>521</b>	<b>483</b>	<b>590</b>	<b>678</b>



## New Manufactured Homes Placed For Residential Use

Year	2009	2010	2011	2012	2013
Located in Communities	22%	25%	26%	29%	30%
Located on Private Property	78%	75%	74%	71%	70%

Source: Bureau of the Census

## Product Mix – 2009-2013

	2009	2010	2011	2012	2013
Single-Section	37.4%	40.7%	49.0%	46.7%	46.9%
Multisection	62.6%	59.3%	51.0%	53.3%	53.1%



## Financing

Today's buyer of both new and existing manufactured homes may choose from several different financing options. Some financial institutions offer an entire menu of lending programs. The house can be financed as personal property, on leased land, in a manufactured home community or on a privately owned site. Buyers who desire to acquire land in conjunction with the home can finance the land and home together. Properly financed, the purchase of a manufactured home should lead to equity building for the homeowner.

Manufactured homes can be financed as personal property. Even when the home and land are financed together, the home is often secured as personal property and the land as real property. A growing number of buyers are opting to put their homes on land they are purchasing or already own. Traditional manufactured home personal property lenders have created land-and-home financing programs designed to accommodate this trend.

Homebuyers may also finance their home and land together as real property using conventional mortgage financing obtained through a traditional mortgage lender. Fannie Mae and Freddie Mac, the primary secondary market sources for mortgage loans in the U.S., encourage this with their guidelines for accepting real estate mortgage loans for 20 and 30 year terms secured by manufactured homes. The federal government also guarantees homes under the Veterans Administration's (VA's) Home Loan Guarantee program and the United States Department of Agriculture's (USDA's) Rural Housing Programs. Qualified homebuyers may also obtain loans insured by the United States Department of Housing and Urban Development's (HUD's), Federal Housing Administration (FHA).

### Terms

#### Typical Terms for Manufactured Home Loans

##### New Homes

10% – 20% down payment  
Terms 15-30 years, depending on credit profile,  
size of home, and type of loan

##### Existing Homes

10% – 20% down payment  
Terms up to 20 years

(actual terms will vary from lender to lender)  
*Terms and conditions on FHA and VA loans are similar to those on conventional loans. Local HUD offices have information on loan terms and conditions.*



## The Advantages of Manufactured Housing

### Cost-effective:

- Depending on the region of the country, construction cost per square foot for a new manufactured home averages 10 to 20 percent less than costs for a comparable site-built home.
- Independent appraisal studies confirm that manufactured homes can appreciate in value just like other forms of housing.

### Built for Quality:

- All aspects of the construction process are controlled.
- The weather does not interfere with construction and cause delays.
- All technicians, craftsmen and assemblers work as a team and are professionally supervised.
- Inventory is better controlled and materials are protected from theft and weather-related damage.
- All construction materials, as well as interior finishes and appliances, are purchased in volume for additional savings.
- Cost of interim construction financing is significantly reduced or eliminated.
- All aspects of construction are continually inspected by a professionally trained third-party inspector.

### Amenities:

- Floor plans are available that range from basic to elaborate. These include vaulted or tray ceilings, fully-equipped kitchens, walk-in closets, and bathrooms with recessed tubs and whirlpools.
- A variety of exterior siding is available, including metallic, vinyl, wood, or hardboard. In some cases, homebuyers can also opt for stucco exteriors.
- Homes have pitched roofs with shingles and gabled ends.
- Design features such as bay windows are available.
- Awnings, patio covers, decks, site-built garages and permanent foundations often are available as upgrades.
- The home can be customized to meet the needs of the consumer.

### Safety:

- The building materials in today's manufactured home are the same as those used in site-built homes.
- The homes are engineered for wind safety and energy efficiency based on the geographic region in which they are sold.
- Manufactured homes are among the safest housing choices available today due to federal laws requiring smoke detectors, escape windows, and limited combustible materials around furnaces, water heaters and kitchen ranges.
- Properly installed homes can withstand 120-130 mph 3-second gust winds in areas prone to hurricanes.

## Manufactured Home Shipments by State 2013

State	# Homes Shipped	Product Mix	
		Single-Section	Multisection
AK	62	56	6
AL	2,349	1,058	1,291
AR	1,438	628	810
AZ	1,015	288	727
CA	2,160	256	1,904
CO	714	461	253
CT	98	51	47
DE	261	97	164
FL	3,002	849	2,153
GA	1,407	383	1,024
HI	4	0	4
IA	313	216	97
ID	270	94	176
IL	732	448	284
IN	1,138	828	310
KS	356	192	164
KY	2,214	896	1,318
LA	4,237	2,632	1,605
MA	133	49	84
MD	246	165	81
ME	339	151	188
MI	1,598	968	630
MN	437	212	225
MO	398	402	800
MS	2,389	1,142	1,247
MT	483	288	195
NC	2,626	1,201	1,425
ND	774	398	376
NE	244	175	69
NH	263	94	169
NJ	203	110	93
NM	1,090	440	650
NV	237	86	151
NY	1,388	566	822
OH	971	530	441
OK	1,723	861	862
OR	692	154	538
PA	1,278	478	800
RI	5	3	2
SC	2,039	818	1,221
SD	387	192	195
TN	1,803	656	1,147
TX	12,048	6,997	5,051
UT	171	30	141
VA	1,051	482	569
VT	114	57	57
WA	661	65	596
WI	306	177	129
WV	1,033	341	692
WY	264	182	82
Destination Pending	644	336	308
Canada/Mexico/ Puerto Rico	0	0	0
Washington DC	0	0	0
Total	60,210	28,235	31,975

Source: Institute for Building Technology and Safety (IBTS)



## The HUD Code

All manufactured homes are constructed in accordance with the federal manufactured home construction and safety standards, in effect since June 15, 1976. This building code, administered by the U.S. Department of Housing and Urban Development (HUD) and known as the HUD code, regulates home design and construction, strength and durability, fire resistance, and energy efficiency. In the early 1990's, this building code was revised to enhance energy efficiency and ventilation standards and to improve the wind resistance of manufactured homes in areas prone to hurricane-force winds. The Manufactured Housing Improvement Act of 2000 establishes a more timely and systematic approach to code updates and enhancements.

Every manufactured home has a red and silver label certifying that it was built and inspected in compliance with the HUD code. No manufactured home may be shipped from the factory unless it complies with the HUD code and receives the certification label from an independent, third-party inspection agency.

## Manufactured Housing Institute

The Manufactured Housing Institute (MHI) is a nonprofit national trade association representing all segments of the manufactured and modular housing industries, including manufactured and modular home builders, suppliers, retailers, community developers, owners and managers, insurers, and financial service providers.

From its headquarters in Arlington, Va., MHI works to promote fair laws and regulations, increase and improve financing options, provide technical analysis and research, promote industry professionalism, remove zoning barriers, and educate external audiences about the benefits of manufactured and modular housing. Through these various programs and activities, MHI seeks to promote the use of manufactured and modular housing to consumers, developers, lenders, community operators, insurers, the media and public officials so that more Americans can realize their dream of homeownership.



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