

QuickFacts



TRENDS AND INFORMATION ABOUT THE
MANUFACTURED HOUSING INDUSTRY

INDUSTRY OVERVIEW

With the crisis in affordable housing continuing across America, manufactured housing offers a unique source of quality, non-subsidized homes that people can afford. With an average per-square-foot cost ranging from 10 to 35 percent less than site-built homes, depending on geographic region, today's manufactured homes provide homebuyers with the best value to be found in the housing marketplace.

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

Manufactured home building also benefits from the economies of scale that result from being able to purchase large quantities of building materials and products. As a result, manufactured home builders are able to negotiate better prices on many construction materials and products for the home and pass these savings on to the homebuyer.

In addition to being affordable, today's manufactured homes also offer the quality, amenities, and technologically-advanced features that homebuyers desire. Ranging from vaulted ceilings to working fireplaces to state-of-the-art appliances, today's manufactured homes offer the homebuyer the opportunity to customize a home to fit a family's particular lifestyle and needs, at a price they can afford.

Once known primarily as rural housing, today's manufactured homes are evolving, with architectural styles that blend into most neighborhoods and offer real housing options for suburban and urban markets. New exterior designs make these homes more aesthetically pleasing, allowing them to blend in seamlessly with existing neighborhoods. As a result, developers and builders are using manufactured housing in their subdivisions in increasing numbers.

Greater focus on energy efficiency within the manufactured housing industry has resulted in a significant jump in the numbers of manufacturers building EnergyStar-labeled manufactured homes. These homes, with enhanced levels of insulation as well as more efficient heating and cooling equipment, provide homeowners with substantial savings on their energy costs.







An emphasis on innovation and including two-story and single-family attached homes – is propelling the manufactured housing industry forward in many new areas. With continued advances in technology and in public acceptance manufactured housing will remain a major provider of quality, affordable housing in the 21st century.

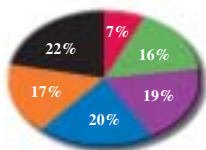
Homeowner Trends

According to a 2002 study by Foremost Insurance Company, 88 percent of manufactured home owners report satisfaction with their housing choice. Likewise, the 1999 Owens Corning study, conducted by National Family Opinion, found that 93 percent of manufactured home owners are satisfied with their housing choice

Who Lives in Manufactured Housing





Age of Household Head

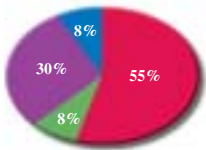
Less Than 30	7%	
30 – 39	16%	
40 – 49	19%	
50 – 59	20%	
60 – 69	17%	
70 Years & Older	22%	









Average Age 54.1

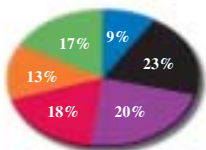
Employment Status of Household Head

Full Time	55%	
Part Time	8%	
Retired	30%	
Not Employed	8%	







Annual Household Income

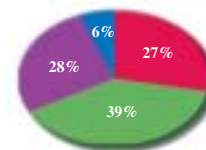
Less Than \$10,000	9%	
\$10,000 – \$19,999	20%	
\$20,000 – \$29,999	23%	
\$30,000 – \$39,999	18%	
\$40,000 – \$49,000	13%	
\$50,000 & Over	17%	



The median income is \$28,000

Household Size

1 Member	28%	
2 Members	39%	
3 – 4 Members	27%	
5 or More	6%	



Average household size is 2.3 persons.

Source: 2002 Foremost Study

Cost & Size Comparisons For New Manufactured Homes & New Single-Family Site-Built Homes (1997-2004)

Year	1998	1999
New Manufactured Homes (Including typical installation cost)		
(All Homes)		
Average Sales Price	\$41,600	\$43,300
Average Square Footage	1,455	1,465
Cost Per Square Foot	\$28.59	\$29.56
Single-Section		
Average Sales Price	\$28,800	\$29,300
Average Square Footage	1,240	1,120
Cost Per Square Foot	\$23.23	\$26.16
Multisection		
Average Sales Price	\$49,800	\$51,100
Average Square Footage	1,580	1,655
Cost Per Square Foot	\$31.52	\$30.88
New Single Family Site-Built Homes sold (house and the land sold as a package)		
Average Sales Price	\$181,900	\$195,600
Less Land Price	-34,709	-45,238
Price of Structure	\$147,191	\$150,362
Average Square Footage	2,190	2,223
Cost Per Square Foot	\$65.50	\$68.80

Source: U.S. Department of Commerce, Bureau of the Census

Manufactured Home Shipments

Year	1998	1999
Total	373,143	348,102
Single	144,608	122,575
Multi	228,535	225,527
Estimated Retail Sales (billions)	\$15.6	\$15.1



2000

2001

2002

2003

2004

\$46,400	\$48,900	\$51,300	\$54,900	\$58,100
1,505	1,545	1,590	1,615	1,625
\$30.83	\$31.65	\$32.26	\$33.99	\$35.75

\$30,200	\$30,400	\$30,900	\$31,900	\$32,800
1,130	1,115	1,125	1,095	1,090
\$26.73	\$27.26	\$27.47	\$29.13	\$30.09

\$53,600	\$55,200	\$56,100	\$59,700	\$63,300
1,675	1,695	1,710	1,735	1,750
\$32.00	\$32.57	\$32.81	\$34.41	\$36.17

\$207,000	\$213,200	\$228,700	\$246,300	\$274,500
-47,476	-49,056	-54,560	-62,929	-73,082
\$159,524	\$164,144	\$174,140	\$183,371	\$201,418

2,266	2,324	2,320	2,330	2,349
\$70.40	\$70.63	\$75.06	\$78.70	\$85.75

2000

2001

2002

2003

2004

250,419	193,120	168,489	130,937	130,802
74,919	48,924	37,156	26,238	33,985
175,500	144,196	131,333	104,699	96,817
\$11.7	\$9.5	\$8.6	\$7.2	\$8.0

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

Year	1998	1999
New Single Family		
Site-Built Housing Starts	1,271	1,302
Percent of Total	77%	79%
Manufactured Home Shipments		
Shipped	373	348
Percent of Total	23%	21%
Total	1,644	1,650

New Manufactured Homes Placed For Residential Use

Year	2001	2002	2003	2004
Located in Communities	33%	33%	30%	31%
Located on Private Property	67%	67%	70%	69%

Source: Bureau of the Census

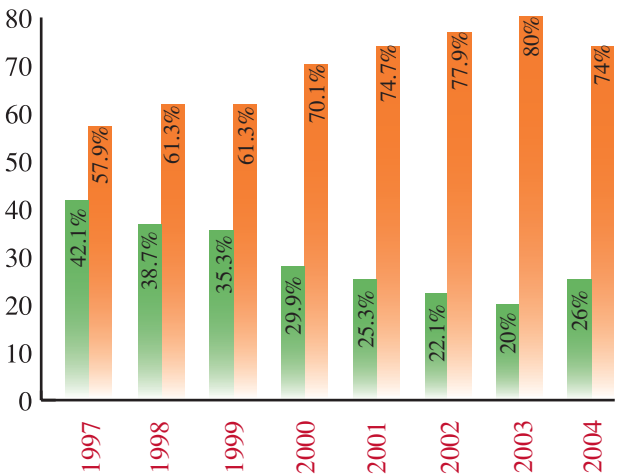




2000	2001	2002	2003	2004
1,231 83%	1,273 87%	1,359 89%	1,499 92%	1,611 92%
250 17%	193 13%	169 11%	131 8%	131 8%
1,481	1,466	1,528	1,630	1,742

Product Mix (1997-2004)

■ Single-section
■ Multi-section



Source: Institute for Building Technology and Safety (IBTS), 1997-2004

Financing

Today's buyer of a new or existing manufactured home may choose from a wide array of financing options. Some financial institutions offer a virtual 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. When properly financed, the purchase of a manufactured home will build equity for the homeowner.

Most buyers arrange financing for manufactured homes through the retailer from whom they buy their home. These retailers often maintain business relationships with a number of lending institutions – large national lenders as well as local institutions – and can assist in the preparation and submission of a credit application. Customers also may shop independently for financing with a lender of their choice.



Many manufactured homes are financed as personal property. In cases where 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 manufactured home on land they buy or already own. Traditional manufactured home personal-property lenders have created land-and-home financing programs designed to accommodate this trend.

Another growing trend for homebuyers is to 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 major secondary market sources for mortgage loans in the U.S., encourage this trend through their guidelines for accepting real estate mortgage loans with 20- and 30-year terms secured by manufactured homes.



Terms

Typical Terms for Manufactured Home Loans

New Homes

5% – 10% downpayment

Terms 15-30 years, depending on credit profile,
size of home, and type of loan

Existing Homes

5% – 10% downpayment

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 35 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 2004

State	# Homes Shipped	Product Mix	
		Single Section	Multi-Section
AK	24	10	14
AL	3,648	1,359	2,289
AR	2,334	789	1,545
AZ	4,570	289	4,281
CA	10,370	572	9,798
CO	1,019	237	782
CT	253	128	125
DE	1,264	205	1,059
FL	15,582	3,938	11,644
GA	4,393	1,480	2,913
HI	0	0	0
IA	706	196	510
ID	765	55	710
IL	2,144	582	1,562
IN	2,471	395	2,076
KS	651	205	446
KY	4,708	1,746	2,962
LA	4,618	2,403	2,215
MA	343	91	252
MD	919	402	517
ME	1,024	365	659
MI	3,677	401	3,276
MN	1,749	304	1,445
MO	3,124	881	2,243
MS	2,843	1,301	1,542
MT	697	103	594
NC	5,331	1,209	4,122
ND	258	62	196
NE	158	39	119
NH	737	215	522
NJ	627	196	431
NM	1,478	212	1,266
NV	1,202	63	1,139
NY	2,695	716	1,979
OH	2,830	664	2,166
OK	2,445	857	1,588
OR	2,492	63	2,429
PA	3,741	751	2,990
RI	55	17	38
SC	2,854	652	2,202
SD	662	122	540
TN	4,725	1,177	3,548
TX	10,924	4,626	6,298
UT	642	136	506
VA	3,422	1,554	1,868
VT	381	123	258
WA	2,705	63	2,642
WI	1,710	436	1,274
WV	2,404	913	1,491
WY	466	158	308
Destination Pending	1,956	523	1,433
Canada/Mexico/	4	1	3
Puerto Rico			
Washington, DC	2	0	2
Total	130,802	33,985	96,817

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.



Manufactured Housing Institute

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