

# Affordable Homeownership Manufactured Housing

Manufactured housing may offer a cost-effective home ownership solution for Millennials and retirees.

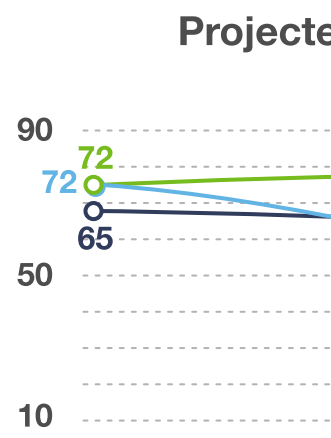
The benefits of owning a home in the United States are well known. Homeownership does more than provide people and families with a safe living environment, supports personal and professional development, and offers a path to wealth. With rising housing costs, many Americans are looking for alternative housing options, especially those transitioning from renters to homeowners and Baby Boomers wanting to downsize as they enjoy retirement. The rise of manufactured housing ownership presents a unique opportunity for cost-effective solutions, such as manufactured housing.

The Manufactured Housing Institute reports that manufactured housing represents a mere 6.3 percent of the nation’s total housing stock, which is not meeting the growing need for affordable housing options.<sup>1</sup>

## Five Reasons for Manufactured Housing

### 1. Growing Population<sup>2</sup>

According to a Pew Research Center study, Millennials (ages 23 to 38), Generation X (ages 39-54) and Baby Boomers (ages 55 to 73) account for more than half of today’s total U.S. population, with Millennials numbering 72.1 million, Generation X numbering 65.2 million, and Baby Boomers numbering 71.6 million. Generational projections estimate that by 2050, all Millennials, Generation X and Baby Boomers will be either near or in active retirement, accounting for nearly 138 million of the total U.S. population. As the retiree population continues to grow in coming years, so will the demand for affordable housing.



### 3. Affordability

Manufactured housing offers one of the largest sources of unsubsidized affordable housing in the U.S. for more than 22 million Americans, which have a median annual income of around \$30,000.<sup>1</sup> Today's factories use the same quality materials and can include many of the same high-end amenities and fixtures typically found in site-built homes. However, construction costs for manufactured homes are nearly half the price per square foot of the

In 2019, a newly-built manufactured home's average sale price was \$150,000, while a new traditional site-built home cost nearly \$384,000.<sup>4</sup>

### 4. Community

Most manufactured homes are placed in communities, known as manufactured housing communities (MHCs), which offer residents neighborhoods, common areas, on-site amenities and a sense of community. There are an estimated 10,000 MHCs nationwide<sup>5</sup>, and 31 percent<sup>4</sup> of all manufactured homes built in 2019 were placed in an MHC. 60 percent<sup>4</sup> of those homes were placed in an MHC 14 or more years within the MHC their home was placed.<sup>6</sup>

“Flexible ownership models, such as land-lease manufactured housing, could have the potential to combine affordability with a sense of community and lifestyle.”<sup>7</sup>

Dr. Ben Carson, Secretary of Housing and Urban Development - 2019 Manufactured Housing

### 5. Location

MHCs can be found in urban, suburban and rural areas across the country, with a majority of communities located along the Sun Belt region. Top states for MHCs include Arizona, Florida, Texas, and North and South Carolina, among others.<sup>8</sup> Many of the communities in these states are near beaches, mountains, and state parks, which allow homeowners and their families the ability to experience a healthy and rewarding outdoor lifestyle.

Manufactured housing is a vital part of the housing market and its importance is often overlooked. Enhancements in the quality of manufactured housing and the neighborhood feel offered by MHCs could unlock the potential for utilizing manufacturing housing as a part of the solution to affordable homeownership.

