

QuickFacts



TRENDS AND INFORMATION ABOUT THE
MANUFACTURED HOUSING INDUSTRY

2011

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 35 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!

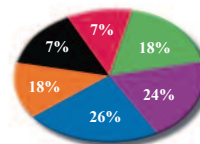
Homeowner Trends

According to the 2008 Foremost Market Facts Report, manufactured home owners are becoming more technologically advanced. Sixty-seven percent use the internet to pay bills; fifty-eight percent for comparison shopping; and sixty-seven percent for purchases.

Who Lives in Manufactured Housing





Age of Household Head

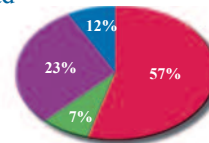
Less Than 30	7%	
30 – 39	18%	
40 – 49	24%	
50 – 59	26%	
60 – 69	18%	
70 Years & Older	7%	









Average Age 49.9

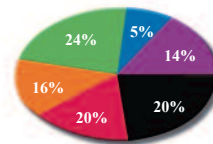
Employment Status of Household Head

Full Time	57%	
Part Time	7%	
Retired	23%	
Not Employed	12%	




Annual Household Income

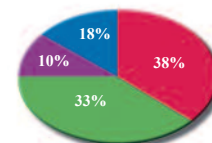
Less Than \$10,000	5%	
\$10,000 – \$19,999	14%	
\$20,000 – \$29,999	20%	
\$30,000 – \$39,999	20%	
\$40,000 – \$49,999	16%	
\$50,000 & Over	24%	



The median income is \$34,700

Household Size

1 Member	18%	
2 Members	38%	
3 – 4 Members	33%	
5 or More	10%	



Average household size is 2.7 persons.

Source: 2008 Manufactured Homes: Market Facts Report, by Foremost Insurance Company

Cost & Size Comparisons
For New Manufactured
Homes & New Single-Family
Site-Built Homes
(2003-2009)



Year	2003	2004	2005	2006	2007	2008	2009
New Manufactured Homes (Including typical installation cost)							
(All Homes)							
Average Sales Price	\$54,900	\$58,200	\$62,600	\$64,300	\$65,400	\$64,700	\$63,100
Average Square Footage	1,620	1,625	1,595	1,605	1,600	1,545	1,530
Cost Per Square Foot	\$33.89	\$35.82	\$39.25	\$40.06	\$40.88	\$41.34	\$41.24
Single-Section							
Average Sales Price	\$31,900	\$32,900	\$34,100	\$36,100	\$37,300	\$38,000	\$39,600
Average Square Footage	1,100	1,090	1,085	1,105	1,100	1,105	1,125
Cost Per Square Foot	\$29.00	\$30.18	\$31.43	\$32.67	\$33.91	\$34.55	\$35.20
Multisection							
Average Sales Price	\$59,700	\$63,400	\$68,700	\$71,300	\$74,200	\$75,800	\$74,400
Average Square Footage	1,735	1,745	1,720	1,745	1,775	1,765	1,730
Cost Per Square Foot	\$34.41	\$36.33	\$39.94	\$40.86	\$41.80	\$42.95	\$43.01
New Single Family Site-Built Homes sold (house and the land sold as a package)							
Average Sales Price	\$246,300	\$274,500	\$297,000	\$305,900	\$313,600	\$292,600	\$270,900
Less Land Price	-62,929	-73,082	-78,219	-79,973	-84,268	-74,209	-67,718
Price of Structure	\$183,371	\$201,418	\$218,781	\$225,927	\$229,332	\$218,391	\$203,182
Average Square Footage	2,315	2,366	2,414	2,456	2,479	2,473	2,422
Cost Per Square Foot	\$79.21	\$85.13	\$90.63	\$91.99	\$92.51	\$88.31	\$83.89

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

Manufactured Home Shipments
(2004-2010)

Year	2004	2005	2006	2007	2008	2009	2010
Total	130,748	146,881	117,373	95,769	81,889	49,789	50,046
Single	33,965	52,027	33,033	30,729	30,370	18,603	20,371
Multi	96,783	94,854	84,340	65,040	51,519	31,186	29,675
Estimated Retail Sales (billions)	\$7.7	\$9.2	\$7.5	\$6.2	\$5.3	\$3.1	*

– 2009 most recent data available from Bureau of the Census

* To be determined when 2010 average sales price is available from the Bureau of the Census

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

Year	2003	2004	2005	2006	2007	2008	2009
New Single Family							
Site-Built Housing Starts	1,499	1,611	1,716	1,465	1,046	622	445
Percent of Total	92%	92%	92%	93%	92%	88%	90%
Manufactured Home Shipments							
Shipped	131	131	147	117	96	82	50
Percent of Total	8%	8%	8%	7%	8%	12%	10%
Total	1,630	1,742	1,863	1,582	1,142	704	495

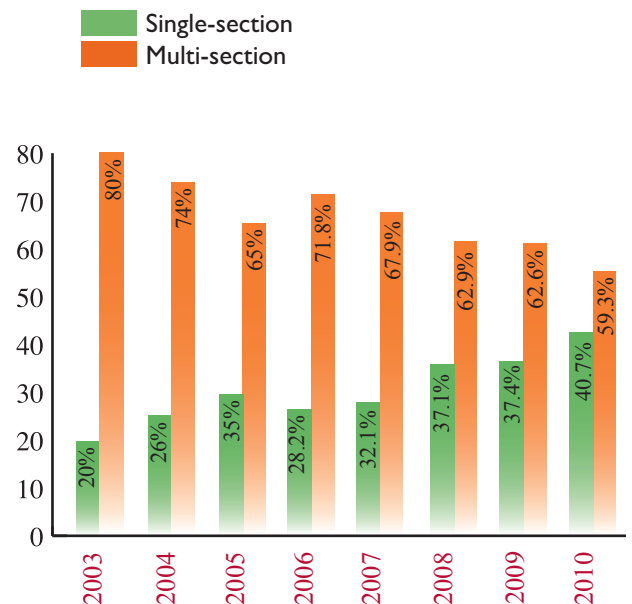
New Manufactured Homes Placed For Residential Use

Year	2006	2007	2008	2009
Located in Communities	29%	26%	26%	23%
Located on Private Property	71%	74%	74%	77%

Source: Bureau of the Census



Product Mix (2003-2010)



Source: Bureau of the Census



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.

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.

Homebuyers can also finance their home and land together as real property using conventional mortgage financing obtained through a traditional mortgage lender.



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 2010

State	# Homes Shipped	Product Mix	
		Single Section	Multi-Section
AK	70	51	19
AL	1,790	690	1,100
AR	1,372	611	761
AZ	815	235	580
CA	1,420	165	1,255
CO	454	256	198
CT	365	44	27
DE	252	104	148
FL	2,493	521	1,972
GA	1,240	230	1,010
HI	3	0	3
IA	224	102	122
ID	283	49	234
IL	1,129	506	623
IN	464	200	264
KS	338	158	180
KY	2,137	821	1,316
LA	4,266	2,544	1,672
MA	86	34	52
MD	145	34	111
ME	365	158	207
MI	325	171	154
MN	312	111	201
MO	839	319	520
MS	2,223	1,026	1,197
MT	325	157	168
NC	2,450	1,007	1,443
ND	739	466	273
NE	70	41	29
NH	181	78	103
NJ	195	83	112
NM	1,144	446	698
NV	164	43	121
NY	1,332	515	817
OH	649	294	335
OK	1,744	813	931
OR	647	65	582
PA	1,364	374	990
RI	9	5	4
SC	1,626	475	1,151
SD	317	136	181
TN	1,866	587	1,279
TX	8,015	4,284	3,731
UT	174	45	129
VA	1,155	432	723
VT	127	63	64
WA	681	58	623
WI	218	88	130
WV	1,102	346	756
WY	195	104	91
Destination Pending	441	176	265
Canada/Mexico/	0	0	0
Puerto Rico			
Washington, DC	0	0	0
Total	50,046	20,371	29,675

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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