

# Manufactured housing could be what prospective homebuyers need to get the home they want at a price they can afford.

Fannie Mae believes that manufactured homes (MH) could be a part of the solution to the affordable housing crisis. However, both qualitative and quantitative studies show that existing perceptions of MH are a barrier for consumers, builders, and real estate agents.

Respondents shown pictures or video tours of today’s MH showed a positive change in perception, suggesting that the conversation around MH needs to change. Fannie Mae research indicates that industry stakeholders can help improve consumer perception of MH by doing the following:

**CHANGE THE PITCH:** offer homebuyers a “new” product with the term “factory built”

**CHANGE THE PATH:** educate real estate professionals on MH amenities and loan options over the personal property “chattel” loans incentivized by retailers

**CHANGE THE CHANNEL:** expand from one-off consumer-driven MH retailer purchases to developer-build subdivisions improved with MH units.

Even with luxury finishes and amenities, factory-built homes are faster to complete and less expensive to build than site-built homes, with savings passed on to the homebuyer

### MANUFACTURED HOMES

- 1 – 3 MONTHS:** To Complete
- \$49/SQ. FT:** To Build
- \$90K:** To Buy (doesn’t include price of land)

### SITE-BUILT HOMES

- 4 – 6 MONTHS:** To Complete
- \$107/SQ. FT:** To Build
- \$428K:** To Buy (average)

Manufactured housing loan amounts are about \$100K less on average, compared with other loan types.

## CONSUMER’S PERCEPTION AND AWARENESS OF MH IS LOW...

- 75%** Moderate income homebuyers perceive MH to be low quality
- 26%** Rural and low-income homebuyers perceive MH to be low quality
- 24%** Moderate-income homebuyers are interested in manufactured housing
- 39%** Millennials and Gen Z homebuyers are aware of MH as an option

## ...UNTIL THEY ARE SHOWN WHAT TODAY’S MH LOOKS LIKE



“The idea is kind of negative before you go in one. Seeing them completely dispelled any notions I have about them.”

– **Future Homebuyer**

“I went in one and I like it a lot; my parents just bought one. The price was impressive and my mom got everything she wanted for a fraction of the cost.”

– **Future Homebuyer**

## GLOSSARY

### ANTIQUATED TERMS

#### TRAILER

A form of on-the-road housing hauled behind a vehicle originating in the 1910s for people looking for employment.

#### MOBILE HOME

A factory-built housing structure constructed before 1976 that is able to be moved on a chassis.

### MODERN LANGUAGE

#### MH = FACTORY BUILT

A factory-built housing structure constructed after 1976 that meets the HUD code.

#### MH ADVANTAGE® QUALIFYING HOMES

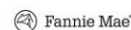
### Mortgage Financing Notice

The manufacturer of this home — identified on its HUD certificate — has determined that its features as of the date of manufacture are consistent with the eligibility requirements of MH Advantage®, a manufactured housing mortgage loan initiative of Fannie Mae®. To qualify for MH Advantage, the borrower must also meet certain eligibility requirements, and the home must be installed on land owned by the borrower.

#### Homeowner:

Do not remove or damage this sticker, as it is required to identify this home for participation in the MH Advantage initiative for purchase or refinancing. This notice is not an assurance of the availability of, or your qualification for, mortgage financing for this home.

For more information please visit: [www.fanniemae.com/MH](http://www.fanniemae.com/MH)



Identification number: XXXXXXXX

\*Affixed by the manufacturer to homes that meet MH Advantage eligibility criteria, for easy identification by lenders and appraisers.

#### MODULAR HOME

Constructed in a factory and transported to a location and installed on-site. Must conform to the same building codes as site-built homes.

### KEY MH STATS

- 9%** New single-family starter homes are MH
- 81,000** MH produced per year in the U.S.
- 34** U.S. manufacturers
- 121** U.S. manufacturing plants
- 40,000** U.S. jobs
- 22M** People live in manufactured homes in the U.S.

In 2019, Fannie Mae conducted proprietary research to understand perception of MH. We conducted surveys, focus groups, ethnographies, and interviews with 2,507 future homebuyers, online survey of 566 moderate- to low- to very-low-income consumers, as well as MH-focused one-on-one discussions with 9 loan officers, 3 underwriters, and 11 real estate professionals. Statistical data pulled from the U.S. Census Bureau and the U.S. Department of Housing and Urban Development.