

Manufactured Housing: An Affordable and High-Quality Option for Low-Income Households

September 11, 2023 Stanysha Lowery

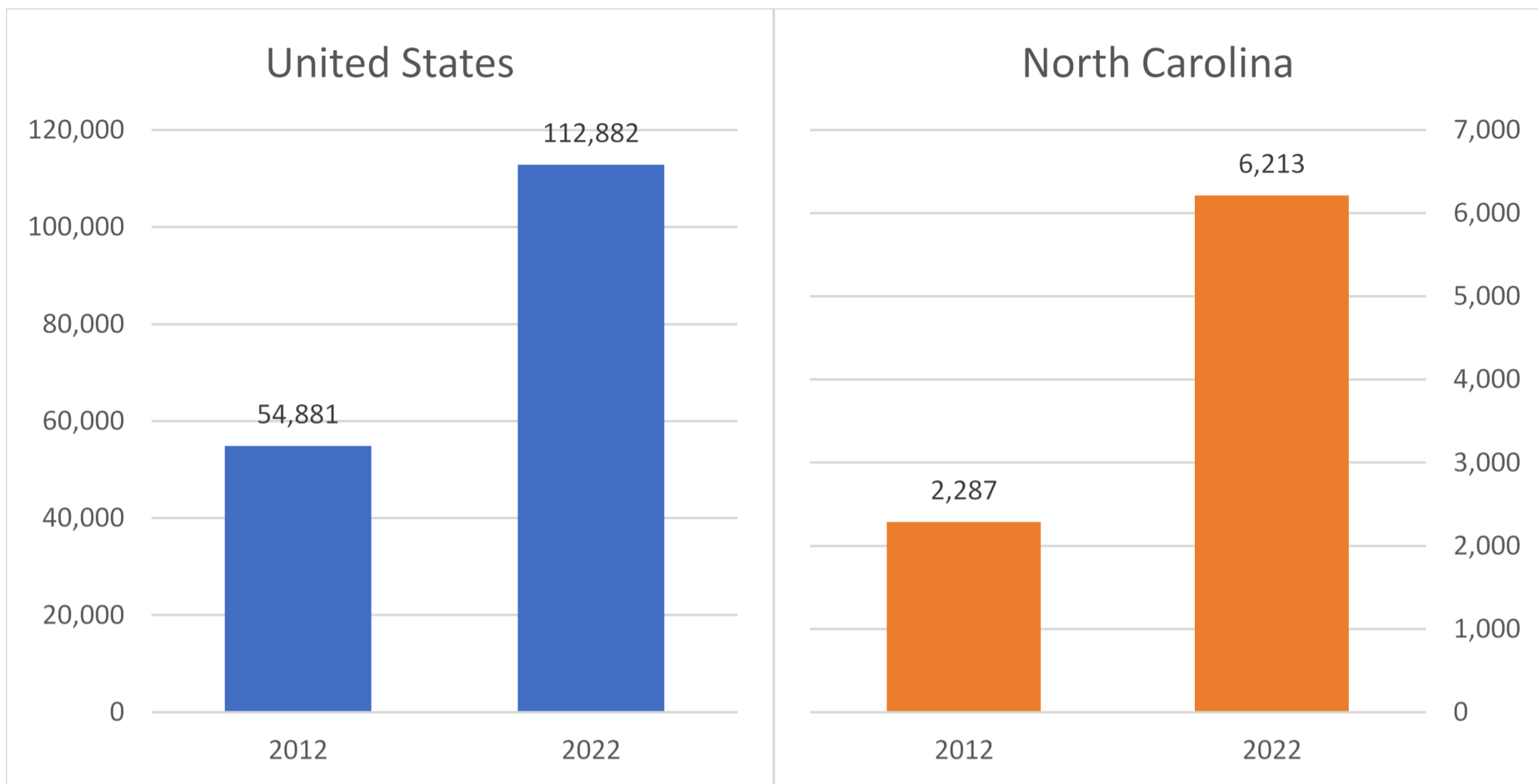


North Carolinians living in manufactured homes pay about half of what those in traditional site-built homes pay for monthly housing costs. The modern manufactured home is emerging as an affordable, feasible and high-quality housing option for low- and moderate-income households. While traditional homes are built on-site, manufactured homes are constructed off-site and then transported and installed onto a plot of land.[i] Compared to traditional site-built homes, manufactured homes are often a more affordable housing option, and their popularity has resurfaced in recent years.

In recent decades, the quality of manufactured homes has improved in part due to updates to the Manufactured Home Construction and Safety Standards (HUD Code). The HUD code regulates the reduction of fire hazards, provisions for windstorm protection and safety against corruptions and other elements for manufactured homes to increase safety and durability.[ii] Additionally, there are improvements to the universal design of homes to better meet the needs of different populations.[iii] The visual appeal of manufactured homes has also evolved to make them better blend in with site-built homes. As such, there is little difference in the overall quality of manufactured homes and site-built homes.[iv]

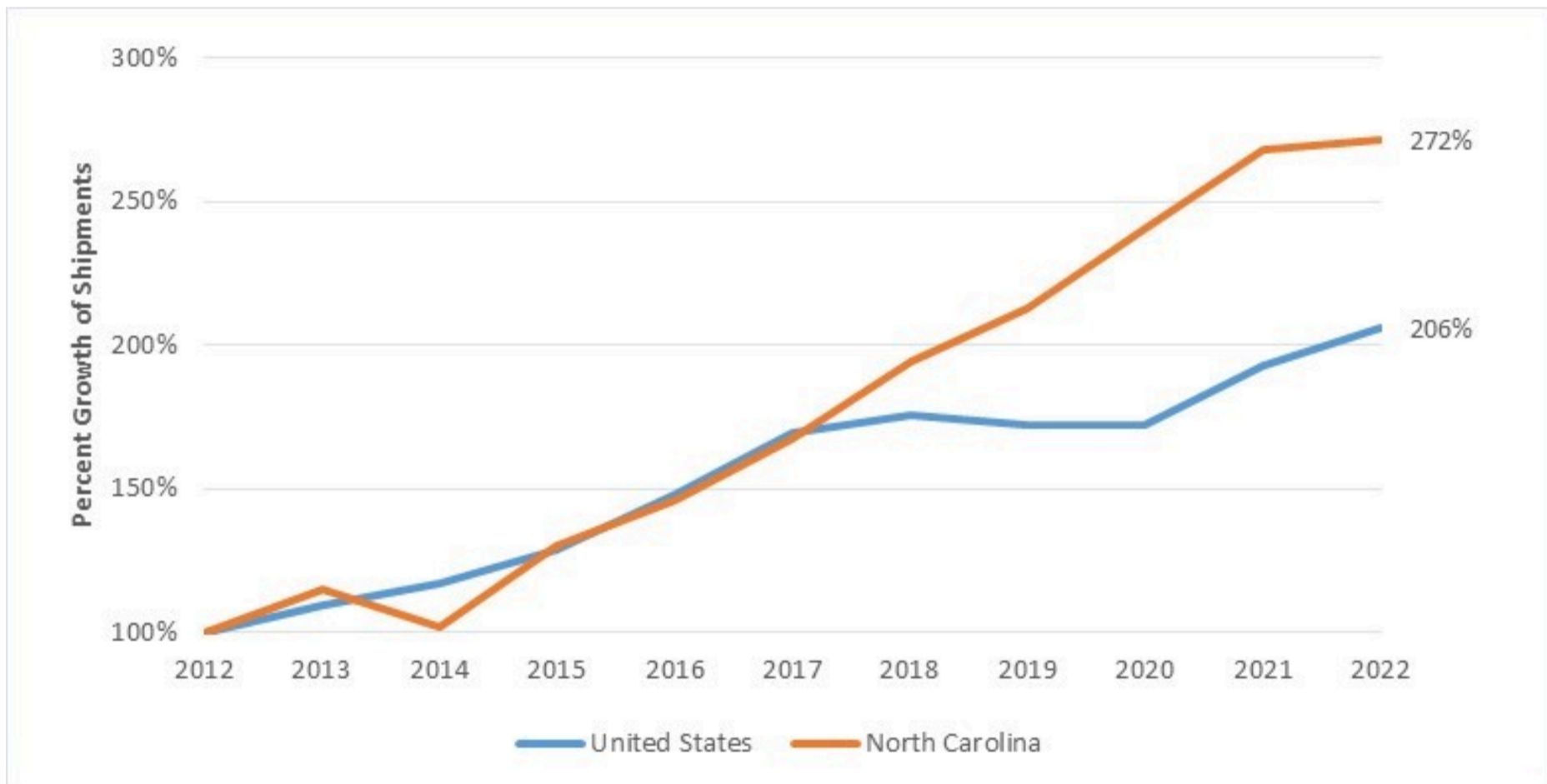
In North Carolina, there are approximately 470,000 occupied manufactured houses, of which 91% are inhabited by low-income households. [v] The volume of new manufactured homes bought in the previous decade has increased as reflected in the number of annual shipments. In the last ten years, the number of annual shipments of manufactured homes both within the United States and to North Carolina, specifically, have more than doubled (Figures 1 and 2).[vi]

Figure 1: Comparison of Number of Manufactured Homes Shipped Annually in 2012 and 2022 within the United States and to North Carolina



Source: North Carolina Housing Finance Agency analysis of US Census Bureau’s Manufactured Housing Survey, Annual Totals of Shipments to States: 1994-2023.

Figure 2: Percent Growth of Manufactured Homes Shipped Annually within the United States and to North Carolina

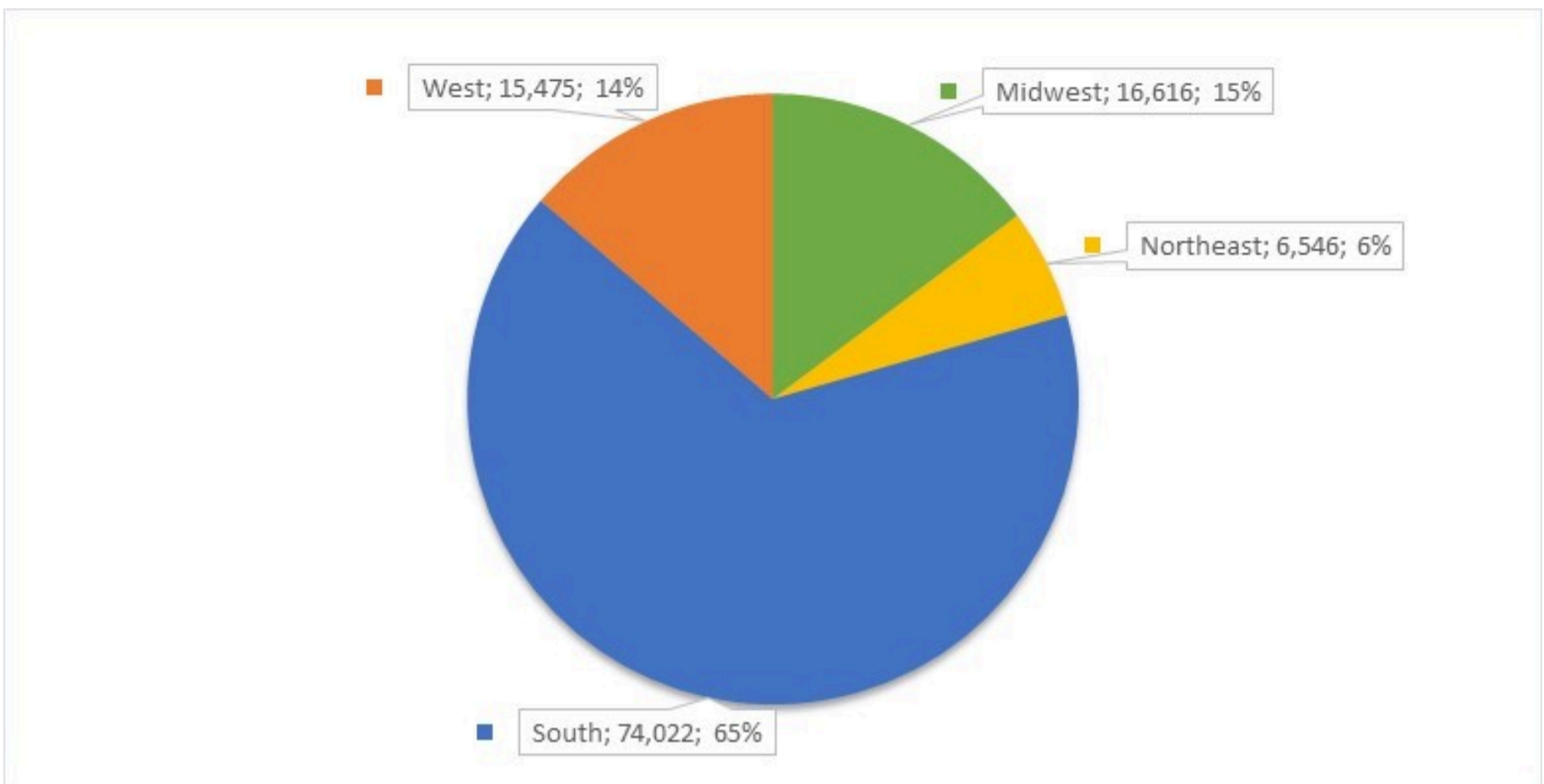


Source: North Carolina Housing Finance Agency analysis of US Census Bureau’s Manufactured Housing Survey, Annual Totals of Shipments to States: 1994-2023.

Additionally, the majority of shipments of manufactured homes go to southern states. In 2022, North Carolina, along with Texas, Florida and Alabama, were the top four states for the number of manufactured home shipments.[vii] These numbers suggest that there is an especially active market for manufactured homes in southern states (Figure 3).

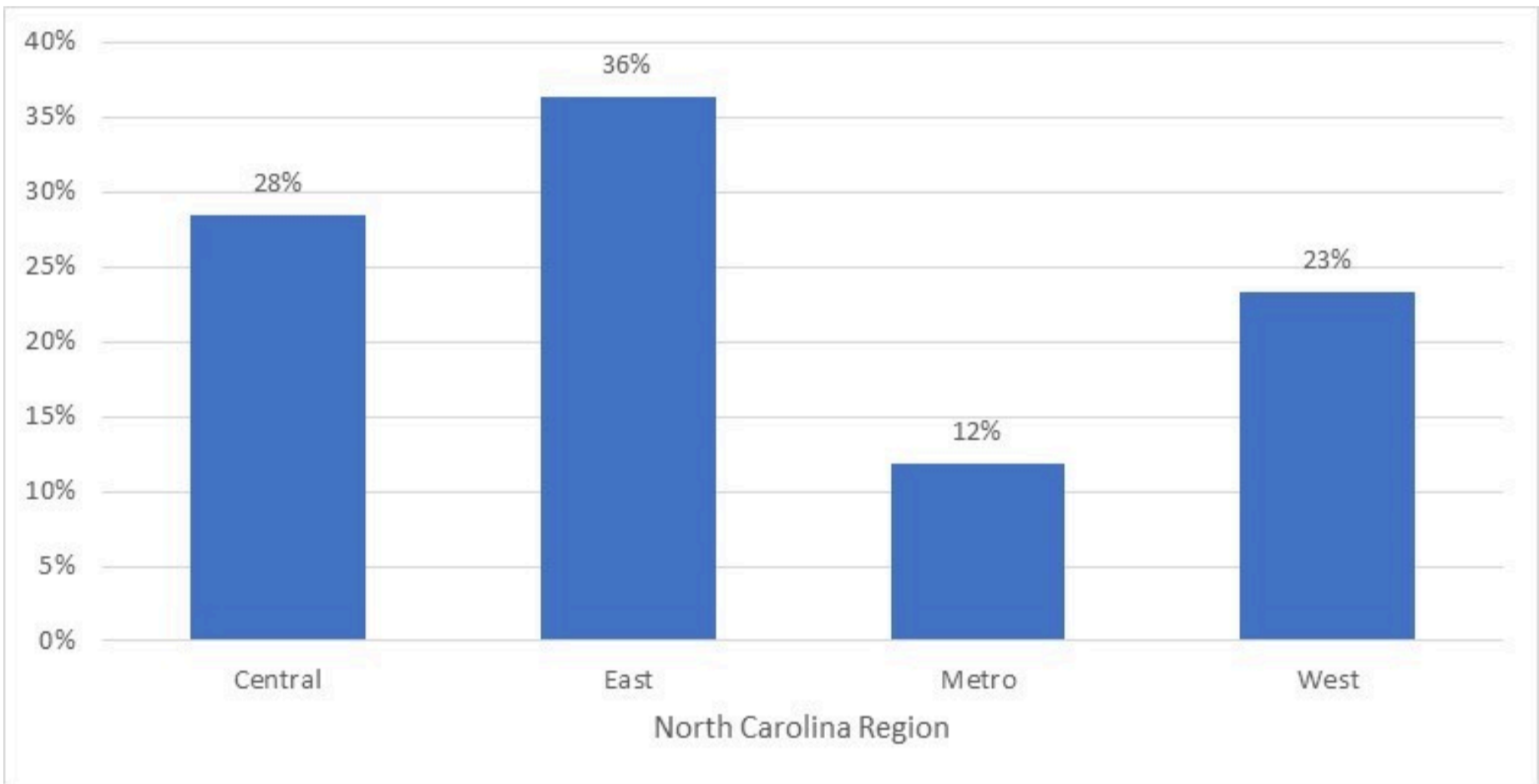
Within North Carolina, the majority of manufactured homes are in the eastern region, while metro areas have the fewest (Figure 4).[viii] More than one out of every 10 North Carolina households live in a manufactured home[ix] and more than half of these households own their home. This holds true among low-income families as well. Among extremely low-income (0-30% AMI) families living in manufactured housing, 52% are owner-occupied. Of the remaining low-income (30-80% AMI) households living in manufactured housing, about two-thirds are owner-occupied.

Figure 3: Regional Proportion of 2022 Manufactured Home Shipments, United States



Source: North Carolina Housing Finance Agency analysis of US Census Bureau’s Manufactured Housing Survey, Annual Totals of Shipments to States: 1994-2023.

Figure 4: Distribution of Existing Stock of Manufactured Homes in North Carolina by Region

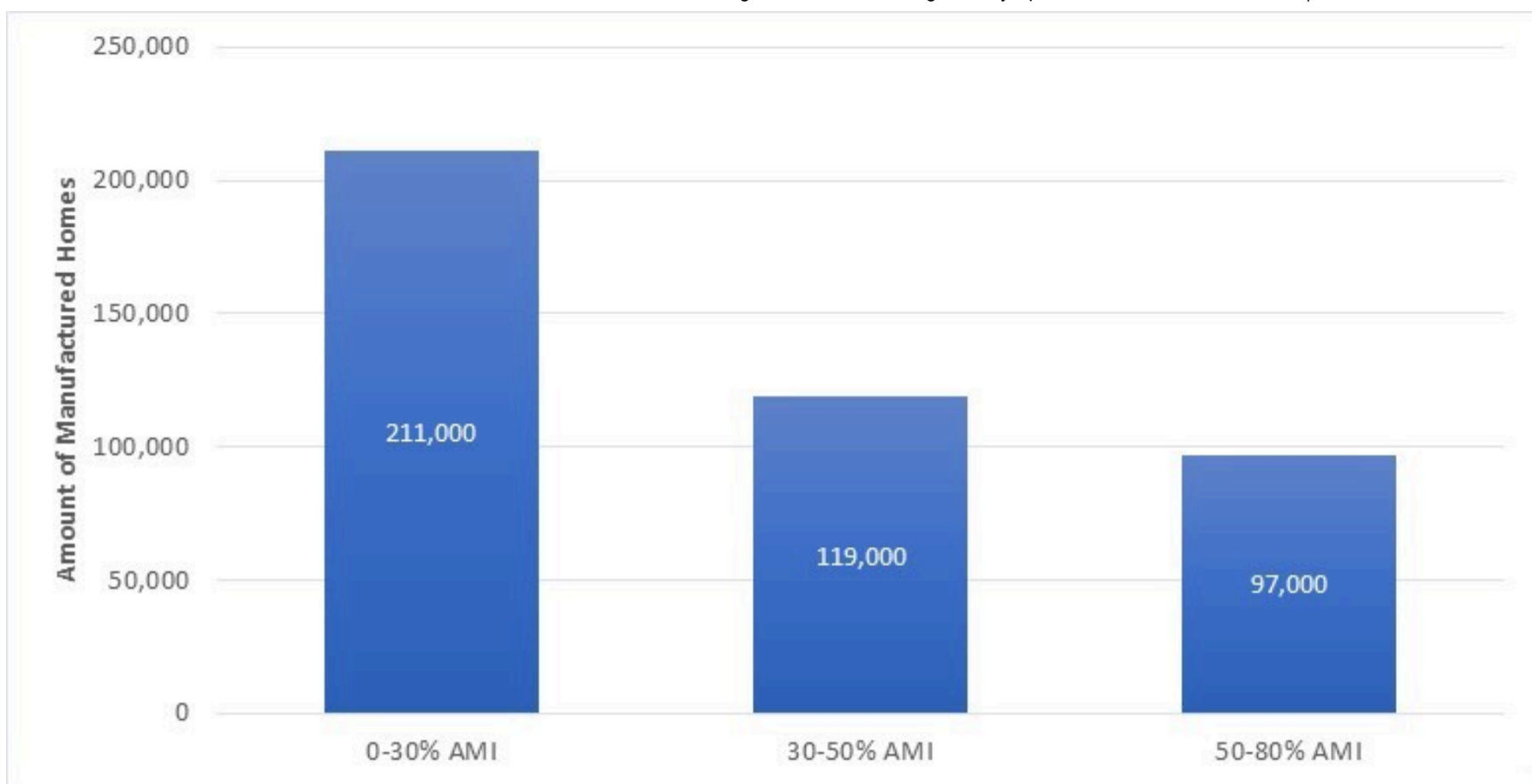


Source: North Carolina Housing Finance Agency analysis of the US Census Bureau’s 2021 1-year Public Use Microdata Sample data (PUMS data)

Approximately 71% of households living in manufactured homes and about 71% of households living in all other homes are not cost burdened. [x] While the proportion of cost-burdened households remains consistent between site-built and manufactured homes, low-income households are more able and more likely to live in and afford a manufactured home. Nearly half (45%) of the state’s manufactured homes provide housing to extremely low-income households (below 30% AMI) and about one-quarter of households residing in a manufactured home are very low-income (30–50% AMI). Altogether, more than 90% of households in manufactured homes are low income (below 80% AMI).

Not only do manufactured homes provide housing for many low-income North Carolinians, but such housing is more affordable than site-built homes. The average monthly housing cost for households living in manufactured housing is \$655.10, whereas the average monthly housing costs for all other types of homes is \$1,232.34.[xi] These data indicate that manufactured homes can be an affordable option for low-income households.

Figure 5: Number of Manufactured Homes by Household’s Income Group



Source: North Carolina Housing Finance Agency analysis of the US Census Bureau's 2021 one-year PUMS data.

The North Carolina Housing Finance Agency supports the availability and durability of manufactured homes through its programs and resources. Through the home buyer programs—NC Home Advantage Mortgage™, NC 1st Home Advantage Down Payment, NC Home Advantage Tax Credit and the Community Partners Loan Pool—assistance is provided for purchasing manufactured homes. You can visit the Agency's website to find more information about our [home buyer programs](#).

The Agency's rehabilitation and repair programs—Essential Single-Family Rehabilitation Loan Pool, Urgent Repair Program and Displacement Prevention Program—offer assistance with rehabilitation, modifications and repairs to support low-income homeowners who are facing displacement or inadequate living conditions, including those living in manufactured homes. More information on our [rehabilitation and repair programs](#) can be found on the Agency's website.

Manufactured homes offer a feasible option for North Carolinians looking for a durable and affordable housing option, and the North Carolina Housing Finance Agency supports households and families desiring a home they can afford for the long term. [xii]

[i] This blog uses the manufactured housing definition provided by HUD's Office of Manufactured Housing Programs FAQs, "A manufactured home is built to the Manufactured Home Construction and Safety Standards. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis." Available at:

https://www.hud.gov/program_offices/housing/mhs/faqs

[ii] This information was derived from the Code of Federal Regulations, 24 CFR Part 3280, available at: <https://www.ecfr.gov/current/title-24/subtitle-B/chapter-XX/part-3280>

[iii] A Community Guide to Factory-Built Housing, US Department of Housing and Urban Development, available at:

<https://www.huduser.gov/publications/pdf/factbuilt.pdf>

[iv] See Herbert et al, "Comparison of the Costs of Manufactured and Site-Built Housing", Joint Center for Housing Studies of Harvard University, July 2023, p. 7. [Link](#)

[v] NCHFA analysis of the U.S. Census Bureau's 2021 1-year Public Use Microdata Sample data (PUMS data).

[vi] NCHFA analysis of U.S. Census Bureau's Manufactured Housing Survey, Annual Totals of Shipments to States: 1994-2023.

[vii] This blog uses the regions as defined in North Carolina Housing Finance Agency's 2023 Qualified Allocation Plan.

[ix] NCHFA analysis of the U.S. Census Bureau's 2021 1-year PUMS data.

[x] This blog uses the mobile home and trailer building type variable from the U.S. Census Bureau's 2021 1-year PUMS data.

[xi] NCHFA analysis of the U.S. Census Bureau's 2021 1-year PUMS data.

[xii] The North Carolina Housing Finance Agency would like to thank Stanysha Lowery for her work on authoring this post as well as the Agency staff who assisted with the editing process for publication.

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