



U.S. HOUSING MARKET CONDITIONS

Summary

U.S. Department of Housing and Urban Development
Office of Policy Development and Research

MANUFACTURED HOUSING: AN ADEQUATE AND AFFORDABLE ALTERNATIVE

Manufactured housing (often referred to as “HUD-code housing” or “mobile homes”) is a major source of affordable housing in America. At the industry’s recent peak, manufactured housing units accounted for one out of every five new housing units manufactured or constructed in 1998. Data on the nearly 9 million manufactured housing units in the U.S. housing stock are now available from the 2000 census and the 2001 American Housing Survey (AHS). In this article we examine the importance of manufactured housing in terms of both the flow of housing production and as part of the housing stock. The distribution of manufactured homes in the 50 States and the District of Columbia also is presented. Characteristics of manufactured housing units are discussed, and information regarding occupants is presented.

Overall, manufactured housing accounts for 10 to 20 percent of all new housing production and approximately 8 percent of the housing stock and is concentrated in a small number of States. The characteristics of manufactured housing compare well to housing in general, but manufactured housing is more affordable. People living in manufactured housing enjoy reasonably sized housing with typical amenities. Furthermore, occupants view their housing favorably.

The Importance of Manufactured Housing

Manufactured housing units are a significant component of the flow of new housing production, accounting for 1 out of every 7 new housing units within the last quarter-century and for 1 of every 13 new housing units in 2001.

Manufactured housing placements have ranged from a low of 174,000 units in 1991 to 374,000 units in 1998, with an annual average of 260,000 units in the 1975–2001 period, as shown in [table 1](#). During the same period, conventionally constructed housing completions ranged from 1,091,000 to 1,871,000 housing units with an annual average of 1,460,000. Manufactured housing accounted for between 10.9 and 20.2 percent of all new homes with an annual average of 15.3 percent. If exclusively comparing manufactured housing to single-family completions, the market share of manufactured housing units would range from 13.3 percent to 24.4 percent with an annual average of 19.8 percent.

In 2001, AHS¹ estimated that there were 8,876,000 manufactured housing units in the United States, or 7.5 percent of the total stock of 119,117,000 housing units, as shown in [table 2](#). Of the stock of year-round occupied housing, 7.2 million units were manufactured units, or 6.8 percent of all occupied units. This estimate is very close to the 2000 census estimate of 7.4 million occupied manufactured housing units, or 7 percent of the total stock of occupied units. Seasonal units are more likely to be manufactured housing units (20.3 percent of all seasonal units), and vacant units are also more likely to be manufactured units (10.5 percent of all vacant units).

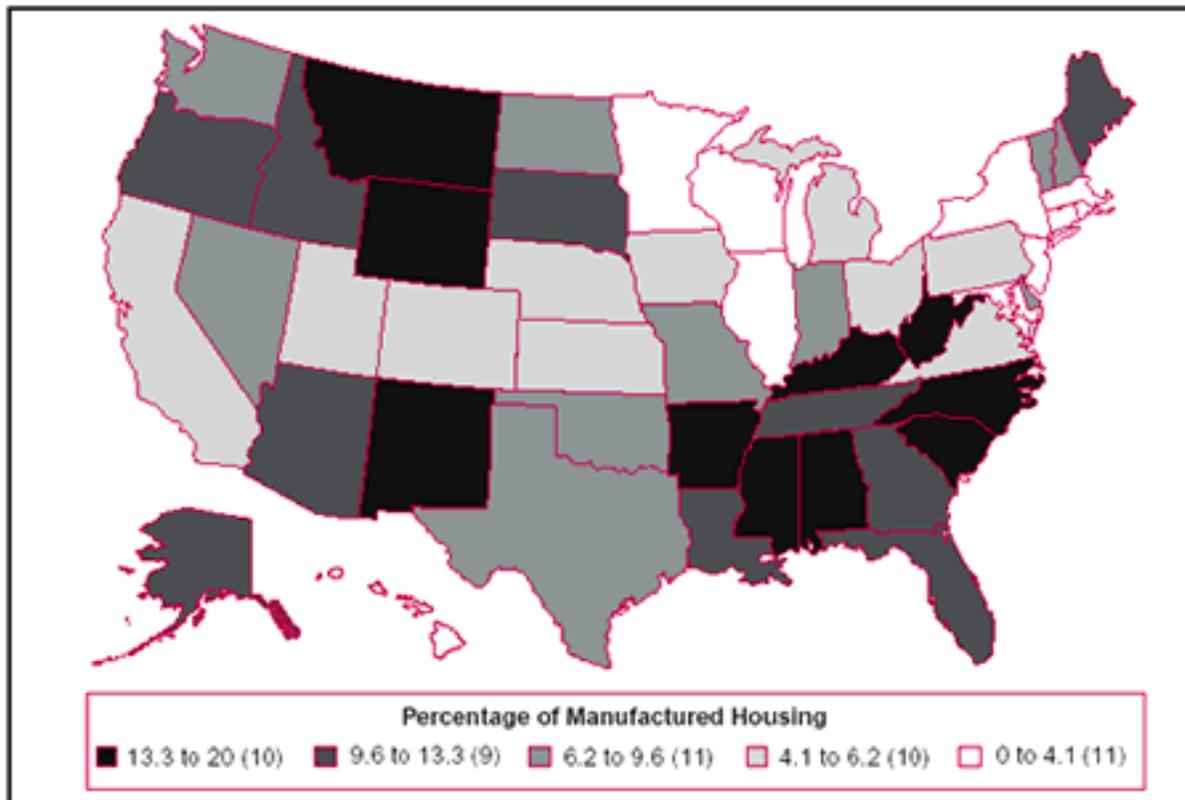
Geographic Location of Manufactured Homes

Manufactured homes are concentrated in two ways. First, States with large parts of their stock consisting of manufactured homes are concentrated in the South. Second, more than half of the U.S. stock of manufactured homes is located in 10 States.

Manufactured homes in several Southern States and two Mountain States represent large shares of the housing stock, as shown in [map 1](#) and [table 3](#). The State with the highest proportion of manufactured housing is South Carolina, where 20.0 percent of the housing stock is manufactured units. Rounding out the top 10 States are New Mexico (18.2 percent), West Virginia (16.6 percent), Mississippi (16.1 percent), North Carolina (15.8 percent), Alabama (15.5 percent), Wyoming (15.3 percent), Montana (14.4 percent), Arkansas (14.2 percent), and Kentucky (13.3 percent).

In terms of the absolute number of manufactured housing units, 10 States contain 50 percent of all manufactured housing units. These States include 8 Southern States, a Midwestern State, and a Western State. Florida's 653,721 manufactured housing units represent 8.9 percent of all manufactured homes in the United States. Other States in the top 10 include Texas (606,443 units, or 8.2 percent of all manufactured units), North Carolina (494,555 units, or 6.7 percent), California (473,193 units, or 6.4 percent), Georgia (342,649 units, or 4.6 percent), South Carolina (306,312 units, or 4.1 percent), Alabama (269,000 units, or 3.6 percent), Tennessee (235,666 units, or 3.2 percent), Michigan (228,306 units, or 3.1 percent), and Arizona (219,350 units, or 3.0 percent).

Map 1. Distribution of Manufactured Housing, 2000



Characteristics of Manufactured Housing

Data from the 2001 AHS indicate that manufactured homes are likely to be owner occupied, have a higher than average vacancy rate, have been recently built, and have problems with their exterior at nearly the same rate as for all housing. Although they are designed to be mobile, most manufactured homes are never moved after initial placement. Manufactured units are slightly smaller in terms of bedrooms and rooms—the difference is approximately one-half room. Bathrooms and plumbing are nearly comparable to those of all housing. One of the major differences is that manufactured housing is much more affordable—more than \$200 a month less costly.

Manufactured homes are predominately owner occupied. The information in [table 2](#) allows us to calculate the overall homeownership rate of 68 percent, whereas the rate for single-family detached units is 88.2 percent. The rate for manufactured homes is 83.1 percent, slightly lower than the rate for single-family detached units. The homeownership rate for manufactured homes from the 2000 census was 79.2 percent for all States combined and ranged from a low of 70.4 percent to 87.3 percent for the 50 States.

Manufactured homes are more likely to be vacant. [Table 2](#) data indicate that the vacancy rate for all housing units in the United States is 8.2 percent, whereas the rate for manufactured homes is 11.6 percent—slightly below the multifamily vacancy rate of 11.9 percent but above the 6-percent vacancy rate for single-family detached housing units.

Manufactured housing units are typically newer housing units. [Table 4](#) indicates that nearly half of all homes were built in 1970 or later, whereas 90 percent of manufactured homes were produced in 1970 or later. (The table does not contain entries for the two oldest age categories for manufactured homes because the oldest response category for manufactured homes is homes built in 1939 or earlier.) The median year built for all housing units is 1969, whereas the median year built for manufactured homes is a more recent 1983. There are two possible explanations. First, manufactured homes may not be as durable as conventionally constructed homes. Second, the manufacture of homes to a national building standard in a factory is a fairly new activity.

When residents were asked about the external conditions of the buildings in which they live, most (79.3 percent) did not report any problems; this was also true for manufactured housing residents, as shown in [table 5](#). However, residents of manufactured homes more frequently reported specific types of problems (with two exceptions). Sagging roofs (5.6 percent) and broken windows (8 percent) are the problems most often reported by residents of manufactured homes. The higher incidence of the specific problems with the same proportions reporting no problems suggests that residents of manufactured homes more often reported multiple problems.

Manufactured homes are not very mobile. Seventy-six percent of manufactured home residents reported that their home remained on its first site (24 percent reported that their home was moved to the current site from another location).

Manufactured homes are somewhat smaller than all housing units, but differences in the size distribution exist. Manufactured housing units are less likely to have few rooms (three rooms or fewer), less likely to have many rooms (six rooms or more), but rather to have higher proportions of units with four to five rooms, as shown in [table 6](#). The median number of rooms for all housing units is 4.8, which is half of a room larger than the 4.3-room median for manufactured homes. The same is true for number of bedrooms—few manufactured homes have one or fewer bedrooms and few have more than four bedrooms, but nearly half have two to three bedrooms.

The presence of complete bathrooms is generally high in U.S. housing, although manufactured homes are more likely to report not having a complete bathroom (3.5 percent compared with 1.9 percent for all housing). Conversely, manufactured housing units are more likely to have 1.5 or more bathrooms (62.0 percent compared with 57.4 percent for all housing).

Manufactured housing is more affordable by approximately \$200 per month. Residents of all occupied housing have median monthly housing costs of \$658 with 64.1 percent of these households spending more than \$500 per month, as shown in [table 8](#). Owner occupants have a median housing cost of \$686 with 61.8 percent spending more than \$500 per month. Renters have a median housing cost of \$633 with 69.4 percent spending more than \$500 per month. Occupants of manufactured housing (owners and renters combined) have a median housing cost of \$414 per month with 38.5 percent spending over \$500 per month.

The racial and ethnic composition of householders occupying manufactured housing units is very similar to that of all owner-occupied housing but quite different from renter-occupied units. [Table 9](#) shows the racial and ethnic composition of householders by housing unit type. The proportion of manufactured housing units with White householders is 86.5 percent, which is nearly equal to the proportion White in all owner-occupied units. The proportion of African-American householders in manufactured homes, 9.6 percent, is very close to the 8.7 percent for all owner-occupied housing. The proportion of Hispanic householders is 6.1 percent for manufactured housing and 6.5 percent for owner-occupied units.

Manufactured housing units are slightly more crowded than all owner-occupied units but less crowded than renter-occupied units. As shown in [table 10](#), approximately 35.3 percent of manufactured housing units have more than one-half person per room, as opposed to 26.7 percent of owner-occupied units and 38.1 percent of renter-occupied units. The same pattern holds true for units having more than one person per bedroom—29.0 percent for manufactured homes, 23.8 percent for owner-occupied homes, and 37.4 percent for renters.

Residents of manufactured housing units have a reasonably high overall opinion of their housing structure, although not as high as do owner occupants. As shown in [table 11](#), residents of manufactured housing gave their units overall scores of 8 or higher 65.3 percent of the time, whereas owner occupants rated their units as high 78.4 percent of the time; only 56.6 percent of renters gave such high ratings. The median ratings also follow the same pattern: 8 for owner occupants, 7.2 for renters, and 7.7 for manufactured homes.

Residents seldom report that their homes have severe or moderate physical problems, although frequency does somewhat differ. Manufactured housing occupants report more problems than owner occupants but report fewer problems than renters, as shown in [table 12](#).² Severe physical problems were reported by 1.6 percent of manufactured housing occupants, 1.3 percent of owner occupants, and 3.5 percent of renters. The most frequently occurring severe physical problems concerned plumbing. Moderate physical problems were reported approximately twice as often as severe problems but with the same pattern—7.4 percent of renters, 3.9 percent of manufactured housing occupants, and 2.8 percent of owner occupants.

Occupants of manufactured housing have lived in their units for approximately 5 years with 1997 as the median year moved in. This is longer than renters, who have lived in their units for approximately 2 years with a median year moved in of 1999, but shorter than for owner occupants, who have lived in their units for 6 years (as shown in the first row of [table 13](#)).

Incomes for manufactured housing unit households (\$26,556) are considerably lower than for owner occupants (\$50,505) and nearly the same as for renters (\$26,848). Housing cost burdens for manufactured housing occupants and owner occupants have the same median value (18 percent) and are considerably lower than for renters, whose median housing cost burden is 29 percent. In addition,

manufactured housing owners are carrying considerably lower mortgage debts (\$23,955) than owner occupants (\$69,227).

Notes

1. Both the Census Bureau and AHS collect data from survey respondents (via mail questionnaires or in-person or telephone interviews) who classify their housing unit as manufactured or mobile.
2. Physical problems—severe. A unit has severe physical problems if it has any of the following five problems: *Plumbing*. Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure (and for the exclusive use of the unit, unless there are two or more full bathrooms). *Heating*. Having been uncomfortably cold last winter for 24 hours or more because the heating equipment broke down, and it broke down at least three times last winter for at least 6 hours each time. *Electric*. Having no electricity, or all of the following three electric problems: exposed wiring, a room with no working wall outlet, and three blown fuses or tripped circuit breakers in the last 90 days. *Hallways*. Having all of the following four problems in public areas: no working light fixtures, loose or missing steps, loose or missing railings, and no working elevator. *Upkeep*. Having any five of the following six maintenance problems: 1) water leaks from the outside, such as from the roof, basement, windows, or doors; 2) leaks from inside structure such as pipes or plumbing fixtures; 3) holes in the floors; 4) holes or open cracks in the walls or ceilings; 5) more than 8 inches by 11 inches of peeling paint or broken plaster; or 6) signs of rats in the last 90 days.

Physical problems—moderate. A unit has moderate physical problems if it has any of the following five problems, but none of the severe problems: *Plumbing*. On at least three occasions during the last 3 months, all the flush toilets were broken down at the same time for 6 hours or more (see “Flush toilet and flush toilet breakdowns”). *Heating*. Having unvented gas, oil, or kerosene heaters as the primary heating equipment. *Kitchen*. Lacking a kitchen sink, refrigerator, or cooking equipment (stove, burners, or microwave oven) inside the structure for the exclusive use of the unit. *Hallways*. Having any three of the four problems listed above in *Hallways*. *Upkeep*. Having any three or four of the six problems listed above in *Upkeep*.

[Home](#) | [Table of Contents](#) | [Summary](#) | [National Data](#)
[Regional Activity](#) | [Historical Data](#) | [Appendix](#) | [Subscription Form](#)