

# The Changing Face of Manufactured Housing

by Matt Weiser

It was during final inspection of a new home in Douglas, Wyoming, a few years back that Mike Roy realized manufactured housing as he knew it had changed.

Roy, community development director for the city of 5,400, had come to know the new homeowner during the permitting process. Upon entering the home, he recalled that he couldn't help exclaiming: "Doris, I'm glad you have to vacuum this and not me." It was a beautiful home," he adds. "They planned it with a master suite and room for an elk's head mounted over the fireplace."

The home had a floor plan of 2,500 square feet. And that was just the ground floor.

The home, in other words, was a far cry from the single-wide trailer home sitting on tires and jacks that many people still picture when they think of "manufactured housing."

Slowly, communities across the nation are coming to realize that manufactured housing is not just a gussied-up term for trailers. Instead, manufactured housing has become a catch-all phrase for any dwelling at least partially built in a factory, as opposed to "traditional" housing entirely assembled at the home site.

The industry still builds that familiar "mobile home" on a chassis with wheels, but these now represent a shrinking portion of the market, and even these rarely wear those wheels permanently. Instead, esthetic concerns have pushed the industry to turn mobile homes into conventional dwellings that are really only "mobile" while being delivered to the building site.

NATIONWIDE, ABOUT 22 MILLION PEOPLE NOW LIVE IN FACTORY-BUILT HOUSING ... ABOUT ONE IN 12 PEOPLE.

"Manufactured housing" today simply means any home built according to rigid federal standards that reformed the mobile home industry in 1976. Called the HUD Code, these standards so increased the quality of mobile homes that the industry became competitive with conventional housing, and began to produce ready-made homes almost indistinguishable from traditional stick-built housing.

The industry has even gone back to its roots. The broader category of factory-

built housing now includes kit homes with cutting-edge architecture that follow the path originally defined by the Sears catalog kit home, which first sold for \$945 in 1908 (later versions sold for as little as \$373).

Manufactured homes are now almost always installed on permanent foundations. Homeowners often choose a manufactured home for their residential lot – whether rural or urban – because it is faster and easier to build, and less costly.

*The Housing Ladder, p. 3.* With a shorter build time, delays caused by labor availability and weather are minimized.

"The homes themselves are able to blend in anywhere," said Thayer Long, assistant vice president of the Manufactured Housing Institute, the chief industry trade group. "People are realizing the quality is just the same as a site-built home. In some cases, it's better. And you can get it any way you want it now."

The quality and diversity of today's manufactured housing is throwing traditional definitions out the window. An unfortunate consequence is that many local governments are more puzzled than ever about how to handle this increasingly popular housing sector.

This was made clear recently in Logan,

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Shown here, the three-story Harriet Lane Townhomes, in West Sacramento, California. Built by Karsten Homes, these manufactured townhomes are selling at market rate, with starting prices of \$329,000 for a 1,475 square foot home.

## A Manufactured Housing Glossary

### Stick-built or site-built home

Industry term for a “traditional” home assembled piece-by-piece at the building site from rough boards and other materials delivered in bulk.

### Factory-built home

The catch-all term for any home built at least partially in a factory setting, as opposed to site-built.

### Manufactured home

A single-family house constructed entirely in a controlled factory environment, and built to the federal Manufactured Home Construction and Safety Standards (better known as the HUD Code). May be single- or multi-section, usually transported to the site whole, and usually installed on a permanent foundation.

### HUD Code

The Federal Manufactured Home Construction and Safety Standards (commonly known as the HUD Code) went into effect June 15, 1976 and sets standards for manufactured homes. The standards regulate design and construction, strength and durability, transportability, fire resistance, energy efficiency and quality. On-site additions, such as garages, decks, and porches, are built to local, state, or regional building codes.

### Modular home

Finished housing sections, built in a factory, are transported to the building site and joined together on a permanent foundation. This may include whole sections, such as bedrooms and living areas, chosen by the buyer and assembled such that they result in a floor plan that resembles



*We've come a long way from the early era of "mobile homes."*

a traditional home. Subject to state or local codes, not HUD code.

### Panelized home

Factory-built homes in which panels – a whole wall with windows, doors, wiring, and exterior siding – are transported to the site and assembled on a permanent foundation. Subject to state or local codes, not HUD code.

### Pre-cut home

Factory-built housing in which building materials are factory-cut to design specifications, transported to the site and assembled. Pre-cut homes include kit, log and dome homes. Subject to state or local codes, not HUD code.

### Prefab home

Another term for a Panelized, Pre-cut or Modular home. The term has come into vogue recently among architects designing modernist homes that are at least partly factory built. Subject to state or local codes, not HUD code.

### Mobile home

A factory-built home produced prior to June 15, 1976, when the HUD Code took effect. By 1970, these homes were built to voluntary industry standards that were eventually enforced by 45 of the 48 contiguous states. Usually installed on a temporary foundation.

### Singlewide mobile home

The familiar long and narrow mobile home, usually 14 feet wide. Also called a single section home.

### Doublewide mobile home

Two 14-foot-wide mobile homes joined together permanently to form a single residence. Also called a double section home.

*This recent cartoon from The New Yorker magazine humorously plays on our stereotypical image of mobile home residents. For more on stereotypes, see our page 2 editorial.*

## ...Manufactured Housing

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West Virginia, population 1,600. In February, the city council there banned manufactured housing from a major section of the town's residential area.

“We haven't had too good luck with trailers,” said Logan Mayor Claude Ellis. “It's because of the sort of people moving into them, not keeping them up and not living well in them. We were afraid it was spreading.”


The city's intent was to eliminate older mobile homes that have fallen into disrepair. But the new rules effectively banned all types of factory-built housing.

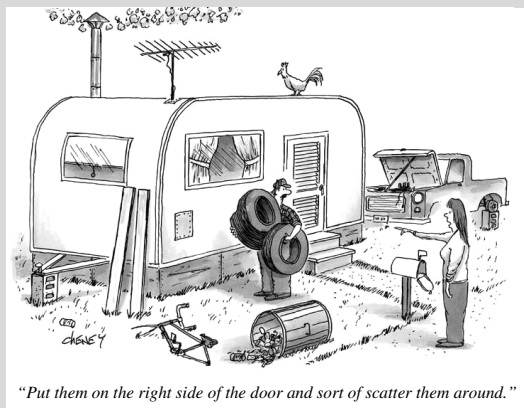
This kind of “not in my backyard” thinking isn't limited to small towns. In December 2004, the city of Dallas, Texas, population 1.1 million, banned factory-built housing on any land sold by the city for affordable housing projects. The city claimed it found a loophole in a state law intended to protect manufactured housing.

A.V. Gallagher, executive director of the West Virginia Housing Institute, said this kind of over-reaching is common when cities attempt to draw lines around housing types. The result is that a broad category of affordable and unique housing options is eliminated from the market, usually hurting the people who need those options most.

In the city of Logan, officials refused Gallagher's request for a two-week delay in the rulemaking process in order to craft a compromise.

“It's simply a matter of discrimination to us,” Gallagher said. “I think it is something the industry is going to have to continue to battle for a long time.”

Many complaints about manufactured housing arise from the perception that it degrades surrounding property values. But numerous studies have debunked that myth, proving that neighboring properties continue to appreciate at normal rates after manufactured housing is built.<sup>1</sup>  *Property Values of Manufactured Housing, p. 4.*



*“Put them on the right side of the door and sort of scatter them around.”*



WAYNESVILLE

How manufactured housing is landscaped, and the individual touches that homeowners add, can make a big difference in creating an attractive neighborhood – as here in South Burlington, Vermont.

The solution, as Douglas, Wyoming, officials learned, is to gather all sides around the negotiating table for straight talk about what the city wants to achieve with manufactured housing. The result will be a shared understanding of what is meant by manufactured housing and consensus about how to make it work for the city.

Several years ago, Douglas had a “knock-down, drag-out” fight over manufactured housing, says Roy. Enterprising developers were trying to exploit loopholes in the town’s zoning rules by bringing old mobile homes into established residential areas. The town also had to face the reality of its cyclical economy, which creates bursts of demand for modestly priced housing. Factory-built housing was recognized as one way to meet that need, because it can be built cheaper and quicker than traditional housing.

“We understand that we’ve got basically a working-class, median-income population in this community,” said Sherry Mullinex, the town’s mayor and a planning commissioner before that. “With building costs going up astronomically, this was an affordable, viable



solution for a lot of people. We wanted to be sensitive to that.”

Of course, the city also had to be sensitive to the NIMBY response. So it created design standards to ensure that manufactured homes would fit into existing neighborhoods. Douglas and other communities have focused on the following elements to ensure manufactured housing is compatible with existing neighborhoods:

- **Roof pitch:** Often a range or a minimum is specified so that manufactured homes have a peaked roof to match existing norms in the community, along with requirements for a minimum roof overhang.
- **Foundation appearance:** To prevent manufactured homes from sitting up on piers. This can be achieved with landscaping requirements, a requirement for permanent foundations, or grading elevation standards.
- **Exterior siding:** A simple requirement for wood siding is often enough to ensure compatibility.

“We have found that it has worked well for us,” said Mullinex. “There were a

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1 The exception reported in one study was for an Alabama county where properties located within 250 feet of a manufactured dwelling had a lower rate of property value appreciation. See “The Impact of Manufactured Housing on Adjacent Site-Built Residential Properties in Two Alabama Counties,” by Charles E. Hegji and Linda Mitchell (Auburn University 2000), which also includes a review of other research which has found little or no impact on nearby properties.



Editor’s Note:

## The Housing Ladder

One of the key benefits of manufactured housing is that it can help a community provide several important (and affordable) rungs on the “housing ladder.” Housing data indicates that manufactured housing is especially important in meeting the needs of young families, single-parent households, and seniors. Provided that manufactured housing is well-designed and sited – something planners and local officials can help ensure through local regulation – we should welcome the affordability benefits that manufactured housing brings.

Just a few numbers:

- the median net worth of owners of manufactured homes is \$59,000 – compared to \$102,000 for all other homeowners.<sup>2</sup>
- the square foot costs of manufactured housing is approximately 75 percent that of site-built homes of comparable size and quality.<sup>3</sup>
- 25 percent of manufactured home owners are under 34 years old, compared to 14 percent of all other homeowners.<sup>4</sup>

As researchers Kimberly Vermeer and Josephine Louie explain, “Manufactured housing appeals to first-time homebuyers, older homeowner households, and for many who will trade their units for conventionally-built single-family detached homes.” On the last point, Vermeer and Louie note that “many households acquire and then trade manufactured units as they move up the housing ladder.”

2 See page 395 of the paper by Richard Genz cited in *Property Values* on page 4; based on 1997 Federal Reserve Board data.

3 A detailed review of studies on comparative costs of manufactured and site-built housing is reported on pages 21-23 of “The Future of Manufactured Housing,” by Kimberly Vermeer & Josephine Louie (Harvard University Joint Center for Housing Studies; January 1997).

4 Ibid. p. 16.