

Spotlight

Manufactured Housing as an Affordable Option for Older Adults

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For older adults in need of affordable housing options, manufactured housing, formerly referred to as mobile homes, can be a low-cost, unsubsidized, and widely available alternative to other forms of housing. In addition, manufactured home communities may offer supportive services (personal and/or household) to help people age in place. Manufactured housing communities that offer services are more likely to manage them more efficiently given a higher number of households in close proximity.¹

The quality of manufactured homes has improved dramatically over the past few decades and is of comparable quality to traditional single-family homes. The smaller square footage and reduced property upkeep of manufactured houses may be more manageable for older adults aging in community.

Who Lives in Manufactured Housing?

Nearly 6.7 million households live in manufactured housing, representing 5.5 percent of all households in the United States. Among them, 3.3 million heads of households are ages 55+ and make up nearly half (48.9 percent) of all households living in manufactured housing, a slightly larger share than among households overall in the United States (45.6 percent; see table 1).

Older adults living in manufactured housing are more likely to be homeowners (85 percent) than

renters. They are also more likely to have incomes below the federal poverty level and live alone compared with older adults living in other housing types.

While the homeownership rate of older adults living in manufactured housing is higher than the United States' rate in general (77 percent), it is lower than the homeownership rate of older adults living in single-family, detached homes (91 percent).

Of older adults who rent manufactured housing, 32 percent have incomes below the poverty level—a higher share than those who rent single-family homes (22 percent) or older adult renters in general (29 percent). Greater disparities exist, however, among older adult homeowners. Of older adult homeowners, 20 percent have incomes below the poverty level, compared with only 2 percent of those who own single-family homes and 11 percent of older adult homeowners in general.

Costs of Living in Manufactured Housing

New manufactured homes are, on average, more than 50 percent cheaper to build than new, traditional single-family homes, excluding the value

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TABLE 1
Household Comparison among Older Adults in Manufactured Homes; Single-Family, Detached Homes; and US Housing Stock

	US Housing Stock	Single-Family, Detached Homes	Manufactured Homes
Head of Householder 55+*	55,240	38,177	3,271
55-64	45%	45%	44%
65-74	32%	33%	33%
75+	23%	22%	23%
Married	47%	57%	36%
1-Person Household	36%	27%	43%
Male	37%	38%	42%
Renter	23%	9%	15%
% renter with income below poverty line	29%	22%	32%
Homeowner	77%	91%	85%
% owner with income below poverty line	11%	2%	20%

Source: 2017 American Housing Survey.

*Household numbers in 1,000s.

of the land (table 2). The average cost per square foot is \$50.42 for a new manufactured home versus \$111.05 for a new site-built home.

Decline in New Shipments

The number of manufactured homes shipped each year has decreased from an average of 242,000 per year between 1977 and 1993 to just 92,500 units in 2017.² Because manufactured homes are often titled as personal property (76 percent of houses shipped in 2017 were designated as such), it is difficult for potential buyers to obtain financing, which is often in the form of higher-interest, shorter-term, and personal property loans. Financing may be less of an issue for older adults if they purchase a

manufactured home later in life with cash from the sale of a previous home.³

The HUD Code

Manufactured homes differ from all other homes in that they are built according to the Federal Manufactured Home Construction and Safety Standards, which are administered by the US Department of Housing and Urban Development (HUD). Implemented in 1976, and commonly referred to as the “HUD code,” the regulations set standards for size, exits, energy efficiency, fire safety and life safety (emergency/evacuation systems), material and construction quality, durability, and transportability. These

TABLE 2
Average Cost per Square Foot of Manufactured and Site-Built Homes

Type of Home	Average Cost, Excluding Land Value	Average Square Footage	Average Cost per Square Foot
New Manufactured Homes	\$71,900	1,426	\$50.42
New Site-Built Homes	\$293,727	2,645	\$111.05

Source: 2017 Manufactured Housing Survey, US Census Bureau.

standards preempt local and state building codes, enabling lower costs through mass production. Manufactured housing built since 1976 is safer, more energy efficient, and longer lasting than the pre-HUD code product.⁴

After Hurricane Andrew destroyed many Florida communities, the HUD code was updated in 1994 and again in 1999 to make manufactured home foundations safer and the units better able to withstand high-speed winds.⁵ Since then, the HUD code has been updated more regularly, mandated by The Manufactured Home Improvement Act of 2000, to more accurately resemble commonly accepted residential building standards.⁶

Even with more stringent requirements, however, approximately 9 percent (592,000) of families in manufactured homes still live in inadequate conditions, including 2 percent (191,000) that live in severely inadequate conditions.⁷ Among occupied manufactured homes, the median year built is 1989,⁸ indicating that a significant portion of those living in manufactured homes are housed in older stock. Residents who live in older manufactured homes, and in particular, pre-1976 product, are at particular risk of living in substandard conditions.

Obstacles to Manufactured Housing

Local communities often restrict the placement of manufactured homes through local zoning codes that dictate the size, design, and location of units. Manufactured homes can be banned from single-family neighborhoods or they can be limited by stringent regulations, such as requiring larger lot sizes for manufactured homes than for site-built homes, restricting the number of units that can be placed on a lot and requiring additional onsite installation and landscaping standards.⁹

These zoning restrictions impede the production of new manufactured homes in urban and suburban areas and may explain why manufactured housing units are disproportionately located in rural and unincorporated areas. Nearly half (49 percent) of manufactured housing units are located outside a metropolitan statistical area compared with 22 percent of all single-family, detached housing units.¹⁰ Limitations on the production of

manufactured housing reduce low-cost housing choices for low- and moderate-income households.

Manufactured Housing Communities

The Manufactured Housing Institute estimates that there are 40,000 manufactured home communities in the United States. Similar to a condominium structure, residents own their unit but pay monthly fees toward rent for the land on which the home sits, as well as general maintenance and management of the common facilities.¹¹ Unlike a condominium, however, the manufactured homeowner has a tenant-landlord relationship with the park owner and is not represented on a management board. Leasing a lot in a manufactured home community can expand homeownership to low- and moderate-income residents because the land is not included in the cost of the home.

Another potential advantage to manufactured housing communities is that homes may be clustered together. Older residents might live closer to one another, making social interaction more likely. In addition, supportive services (e.g., meals on wheels or at-home care) can be delivered more efficiently if needed across multiple homes.

The Land Ownership Challenge

Without control over the land, residents have fewer legal protections than other homeowners. Those unwilling or unable to risk moving their home either sell, sometimes at a fraction of the original value, or abandon the home altogether. This prevents the home from becoming a true asset-building vehicle for its owners.¹² Despite the common perception that manufactured homes are mobile, once the home has been installed on its first site, it is expensive to move. It can cost \$20,000 to \$30,000, according to the National Manufacturer's Homeowner's Association, and can cause significant structural damage that may reduce the home's value. That reality can discourage residents from moving and make them vulnerable to frequent and excessive land rent increases, poor maintenance and management of the grounds, or the conversion of the park to a different use altogether.¹³

There are ways residents can gain control over their communities. Some park tenants have collectively purchased their community as a cooperative, giving them control over the sale, management, and

maintenance of the property while still maintaining individual ownership over their home. Collective ownership of the land eliminates the risk of community closure, stabilizes monthly lot fees, and promotes a sense of control over one's community. Recognizing that resident ownership of land is a proven strategy in manufactured home communities, 19 states have "opportunity to purchase" policies that require or encourage park owners to give notice

to homeowners so they can organize and secure financing before the land is sold on the open market.¹⁴

Ownership of the community through a nonprofit or a community land trust is another strategy to prevent closure and unfair park practices as well as retain affordability. In this scenario, a third party owns the land and rents to homeowners under longer-term leases with a commitment to the long-term preservation of affordability.

Case Study: Green Pastures Senior Cooperative

Green Pastures Senior Cooperative is a resident-owned manufactured housing community in Redmond, Oregon, managed by a membership-elected board of directors and restricted to independent adults ages 55+. The cooperative collectively purchased a 51-lot, 9-acre park for \$1.4 million in 2009 after the owner of the community decided to sell. After the closing, the cooperative spent \$50,000 to repave roads and enclose trash receptacles, and take care of other deferred maintenance. Members own their homes, but each homeowner is charged about \$350 per month to cover the community's operating expenses.^a

Financing came from a low-interest loan of \$1.05 million from Network for Oregon Affordable Housing, a second-position loan of \$463,000 from Community and Shelter Assistance Corporation (CASA) of Oregon, and a \$100,000 grant from Oregon Housing Community Services. In exchange for this type of financing, the community agreed to set aside half of the lots for low- and moderate-income households,^b although more than 80 percent of its households earn less than 60 percent of the county's area median income and are considered low income.^c

Founded in 1988, CASA of Oregon has been involved in preserving manufactured housing since 2006; it is one of nine certified technical assistance providers for Resident-Owned Communities (ROC) USA.^d

Green Pastures is one of many examples of resident-led ownership of manufactured housing communities. ROC USA is a nonprofit that was formed in 2008 and has overseen the transformation of more than 200 manufactured housing parks to resident-owned communities in 15 states across rural, suburban, and metropolitan settings. ROC USA's efforts thus far have proved successful, as none of the resident-owned communities has failed, faced foreclosure, filed for bankruptcy, or sold its community.^e



Photo credit: Green Pastures Senior Cooperative

Manufactured home in the Green Pastures Senior Cooperative Community

^a Green Pastures Senior Cooperative Board. Email/Phone Correspondence in December 2018.

^b Network for Oregon Affordable Housing, *Properties Financed Index: Green Pastures Senior Park*, accessed October 2018, https://noah-housing.org/docs/project_profiles/green_pastures.pdf.

^c Dan Elliot, "Manufactured Housing: Challenges and Opportunities," A Presentation to Oregon Housing Stability Council, Salem, OR, 2016.

^d ROC-USA, *Network Affiliates*, accessed April 2019, <https://rocusa.org/about-roc-usa/network-affiliates/>.

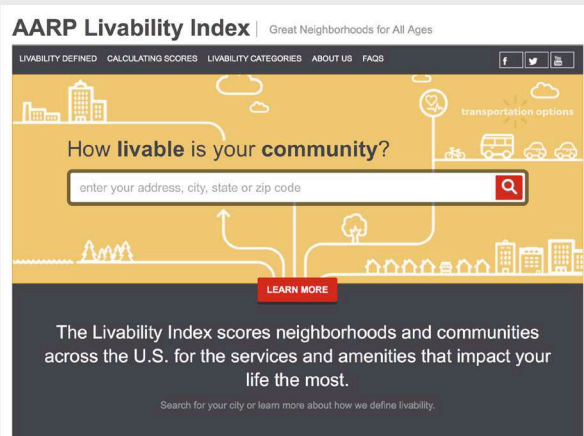
^e Chelsea Catto, "Manufactured Housing Cooperatives: Innovations in Wealth-Building and Permanent Affordability," *Journal of Affordable Housing and Community Development Law* 26, no. 1 (2017), pp 13–21.

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- 3 Wilden and Associates LLC, “Manufactured Housing and Its Impact on Seniors,” Prepared for the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, Washington, DC, 2002.
- 4 Department of Housing and Urban Development, *Manufactured Housing: Reflections from HUD Leadership* (Washington, DC: Office of Policy Development and Research, HUD, 2016).
- 5 After 2004 Hurricane Charley (Category 4), a field study conducted by the Institute for Building Technology and Safety confirmed that these updated standards improved the integrity of manufactured homes. Post-1994 products perform significantly better than pre-1994 homes and on par with site-built homes of the same age. Robert Stroh, “Hurricanes and Manufactured Housing,” *The Housing News Network Journal* 20, no. 3 (2004), pp 9–10.
- 6 Matthew Furman, *Eradicating Manufactured Homes: Replacement Programs as a Strategy* (Cambridge, MA: Joint Center for Housing Studies, Harvard University and Neighbor Works America, 2014).
- 7 The most common problem is related to heating; 2017 American Housing Survey.
- 8 Ibid.
- 9 Casey Dawkins et al., *Regulatory Barriers to Manufactured Housing Placement in Urban Communities* (Washington, DC: HUD PD&R, 2011).
- 10 Goodman et al., *Manufactured Homes*.
- 11 “Promoting Resident Ownership of Communities,” National Consumer Law Center, updated 2015, https://www.nclc.org/images/pdf/manufactured_housing/cfed-purchase_guide.pdf.
- 12 Ibid.
- 13 “Promoting Resident Ownership of Communities,” National Consumer Law Center.
- 14 “Promoting Resident Ownership of Communities,” National Consumer Law Center.

The Livability Index

AARP’s Livability Index: Great Neighborhoods for All Ages is an online resource that measures communities across several categories, including housing, on how well they are meeting the needs of people as they age. The tool scores any location in the United States against a set of indicators that, when combined, reflect AARP’s livable communities principles.

The index includes several indicators that highlight a number of housing issues and policy solutions that contribute to community livability. To score your community, visit <http://www.aarp.org/livabilityindex>.



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