FOR IMMEDIATE RELEASE

August 3, 2021/News Release No. 36-0821

Media Contacts:

David Jones

d-jones@tamu.edu

979-845-2039

Bryan Pope b-pope@tamu.edu 979-845-2088

Texas manufactured housing industry builders more optimistic about 2021

COLLEGE STATION, Tex. (<u>Texas Real Estate Research Center</u>) – The latest Texas Manufactured Housing Survey reveals an uptick in industry optimism regarding the second half of 2021. Manufacturers are investing in capital expenditures and expanding payrolls in hopes of boosting production, but supply-chain disruptions remain a hindrance.

According to Dr. Harold Hunt, research economist with the Texas Real Estate Research Center at Texas A&M University, "Although supply-chain bottlenecks continue, port and railroad executives predict significant improvement in material flows six to nine months from now."

Prices paid for raw materials decelerated for the second consecutive month, and survey respondents anticipate price declines as the supply chain smooths. Inflationary pressure also decreased on the retail front after prices for finished homes mirrored material-cost fluctuations.

Manufactured-housing sales decreased for the third straight month, but production continued at a rapid clip amid backlog buildup over the past year.

"Strong retail-sales data suggest declining sales from manufacturers has more to do with the market normalizing from the pandemic production squeeze than from some larger slowdown in demand," said Rob Ripperda, vice president of operations for the Texas Manufactured Housing Association. Texas manufacturers had been receiving orders from states much farther than normal. As producers in other states catch up, spec orders and demand from out-of-region buyers have probably cooled too."

Regulatory changes presented another challenge to Texas' manufactured housing industry, but uncertainty decreased overall, and activity is expected to accelerate to close the year.

Funded primarily by Texas real estate licensee fees, the Texas Real Estate Research Center was created by the state legislature to meet the needs of many audiences, including the real estate industry, instructors, researchers, and the public. The Center is part of Mays Business School at Texas A&M University.

Thousands of pages of data are available at the <u>Center's website</u>. News is also available in our twice-weekly electronic newsletter <u>RECON</u>, our <u>Real Estate Red Zone podcast</u>, our daily <u>NewsTalk Texas</u> feed, on <u>Facebook</u>, on <u>Twitter</u>, on <u>LinkedIn</u>, and on <u>Instagram</u>.

