



**MANUFACTURED  
HOUSING UPDATE**

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In the ever-evolving commercial real estate landscape, one sector has quietly but significantly risen to prominence over the past decade: the manufactured housing industry. What's the secret behind this surge in popularity? The answer lies in the dependable and consistent revenue stream manufactured housing communities generate. As a result of this, many institutional investors have been actively entering this market segment. The asset type has also proven to demonstrate significant resilience in times of economic unpredictability.

Additionally, based on the data presented in the MHInsider 2023 "State of the Industry" report, which highlights trends and statistics in the manufactured housing sector, it is evident that manufactured homes are effectively addressing the demand for affordable housing in the U.S. As of June 2023, 11% of new single-family home starts have been manufactured housing, and the industry has a \$31 billion economic contribution. The report also indicates further growth in the industry for years to come.



### **WHAT IS MANUFACTURED HOUSING IN CRE?**

Manufactured housing refers to dwellings constructed in sections within a factory setting and then transported to the final location for installation. Nowadays, manufactured homes can vary in size, ranging as small as 500 square feet to as large as 3,000 square feet.

### **MANUFACTURED HOUSING FACTS**

Source: Manufactured Housing Institute

- In 2022, the manufactured housing industry witnessed the production of 112,882 new homes, accounting for approximately 11% of new single-family home starts. During the same year, the average sales price of a new manufactured home, excluding land, was \$127,250.
- Manufactured homes have been constructed in compliance with the federal HUD Code since 1976. This code ensures that homes adhere to design, construction, strength, durability, fire resistance, and energy efficiency standards. In the early 1990s, HUD revised the building code to further enhance energy efficiency, ventilation standards, and the wind resistance of manufactured homes, particularly in areas prone to hurricane-force winds.



## MADE IN AMERICA | MANUFACTURED HOUSING BY THE NUMBERS

Source: Manufactured Housing Institute



**\$31 BILLION**  
ECONOMIC  
CONTRIBUTION



**35**  
CORPORATIONS



**146**  
HOMEBUILDING  
FACILITIES



**112,882**  
HOMES PRODUCED  
IN 2022

### MARKET OUTLOOK

The demand for affordable housing has reached unprecedented levels. Modern manufactured homes offer exceptional quality while priced up to 50% lower per square foot than traditional site-built homes. To put this into perspective, the typical price per square foot for a site-built home is \$139.20, whereas a manufactured home averages \$72.46 per square foot. This significant cost advantage enables a growing number of Americans to achieve homeownership, bridging the widening gap in housing affordability.

It is estimated that there are around 4.3 million sites for manufactured homes in the U.S. About 27% of new manufactured homes are located within communities, and the country boasts approximately 43,000 such communities. Notably, a third of these communities were developed between the 1950s and 1990s.

**APPROXIMATELY 21.2 MILLION INDIVIDUALS RESIDE IN MANUFACTURED OR MOBILE HOMES ACROSS THE COUNTRY. THESE HOMES REPRESENT 11% OF THE TOTAL NEW HOME STARTS EACH YEAR.**

(Source: MHIInsider)

### INVESTING IN MANUFACTURED HOMES IN 2023

With elevated costs associated with conventional multifamily development and ongoing economic uncertainty, the demand for manufactured housing will continue its upward trajectory for the remainder of 2023. However, due to the limited availability of for-sale properties, competition is expected to intensify among institutional owners and operators in the market.

According to MultiHousing News, the fastest-growing states are highly sought-after regions for investment in manufactured homes. The Sunbelt and Southeastern states are experiencing significant demand for manufactured housing assets, while the Gulf Coast is emerging as a promising market in this sector.

### TOP 10 MARKETS FOR MANUFACTURED HOUSING

Source: MHIInsider

- ▶ Houston, TX
- ▶ Dallas-Fort Worth, TX
- ▶ Detroit, MI
- ▶ Austin, TX
- ▶ San Antonio, TX
- ▶ Jacksonville, FL
- ▶ Tampa-St. Petersburg, FL
- ▶ Clearwater, FL
- ▶ Birmingham, AL
- ▶ Knoxville, TN
- ▶ Phoenix, AZ



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