

[Special Report: Multifamily Policy Watch](#)

## **MHN Asks: Why Isn't There More Manufactured Housing?**

By [Laura Calugar](#)

September 11, 2024

Manufactured Housing Institute CEO Lesli Gooch on barriers to new supply.

Manufactured housing has long been recognized as a vital source of affordable housing, though barriers to wider adoption remain.

“Millions of individuals and families have chosen to live in land-lease manufactured home communities, and demand is growing,” noted Lesli Gooch, CEO of the Manufactured Housing Institute.

The trade organization has been working alongside policymakers to advocate for increased support for this asset class, which serves housing needs in a wide range of communities—from rural to high-cost metropolitan areas.

*Multi-Housing News* interviewed Gooch to uncover the latest [manufactured housing trends](#) and issues.

### **What stands in the way of developing more MHCs?**

**Gooch:** Like other forms of housing, one of the largest barriers to developing more manufactured housing communities is zoning. Across the country, there are countless examples of state and local zoning, planning and development restrictions that either severely limit or outright prohibit the placement of a manufactured home.

---

**READ ALSO:** [Let's Build the Right Kind of Housing](#)

---

MHI is working to expand policymaker awareness of manufactured housing and manufactured housing communities so they change land use policies to meet the affordable housing needs in their jurisdictions. There is no question that increased access to manufactured housing will result in more communities being developed as the demand exists for brand new homes that have today's design features, modern amenities and energy efficiencies at attainable price points located within amenity-rich communities.

It is not a lack of demand for manufactured housing that is the major hindrance, but rather a need to expand access. About 30 percent of the manufactured homes produced today are placed in a manufactured housing community. The demand for living in manufactured housing communities is strong, which is why occupancy rates continue to be very high. Given the financial and lifestyle benefits of owning a manufactured home versus the limitations that come with other affordable

housing options, millions of individuals, families and retirees have chosen to live in land-lease manufactured housing communities.

**Why is there such a slow pace in zoning changes if affordable housing demand is so high?**

**Gooch:** Zoning and land planning ordinances have a profound impact on housing patterns. Restrictive ordinances can take many forms: some direct like outright bans and zoning barriers, others more subtle like home age or lot size restrictions. Increased conversation about housing supply has raised awareness of these restrictions, leading to both local and national policymakers working toward changes.

MHI is partnering with HUD on research to assess the specific zoning barriers to manufactured housing. We plan to develop a manufactured housing regulatory index that identifies and evaluates barriers to the placement of manufactured housing. Challenges remain, but by showing policymakers the quality that today's manufactured homes offer and with the continued engagement of policymakers at all levels of government to [address housing supply](#) and affordability challenges we think we are making progress.



A home model from Nationwide Homes. *Image courtesy of MHI*

**Those who oppose having a manufactured home in their neighborhood often say having MHCs nearby will lower their properties' values. What does the latest data available show?**

**Gooch:** Today's manufactured homes are a far cry from what existed before Congress implemented the National Manufactured Housing Construction and Safety Standards Act of 1974, which gave rise to the HUD Code, a single federal uniform regulatory framework for home design and construction of manufactured homes that includes standards for health, safety, energy efficiency and durability.

The modern manufactured housing industry pushes itself to meet and exceed this HUD Code to deliver innovative and excellent homes at attainable prices. As a result, manufactured homes have been shown to provide the same appreciation and wealth-building attributes as site-built homes but at a much more affordable price. A recent study by Lending Tree showed that the median value of manufactured homes appreciated similarly to site-built homes over a five-year period, from 2016 to 2021.

### **How do residents who live in MHCs perceive their homes?**

**Gooch:** The successful hybrid homeownership model of land-lease communities is evidenced in consumer research that shows that residents who live in these communities are highly satisfied with their housing choice.

U.S. Census data and independent research conducted by MHI shows that manufactured housing community residents report high levels of satisfaction and that they are likely to recommend it to others. Statistical evidence alongside tangible evidence of high-quality, well-maintained communities are important elements to helping the public and policymakers alike understand the manufactured housing communities of today.

---

**READ ALSO:** [How Is Investment in MHCs Holding Up?](#)

---

### **In June, HUD launched a program designed to allow for the purchase, refinance or renovation of manufactured housing under a loan program sponsored by the FHA. What is your take on this program and its potential impact on the sector?**

**Gooch:** MHI is encouraged that HUD is looking at how their existing programs can serve those seeking to live in manufactured housing. The FHA announcement is to transform a program originally designed for multifamily rental projects so that it can be used for the preservation of manufactured home communities. Currently, Fannie Mae and Freddie Mac safely and productively support manufactured housing community loans as part of their affordable housing mission. It's great that FHA recognizes the role it can have here, as well.

MHI is disappointed that the initial revival of the program limits eligibility for these loans to resident-owned or other nonprofit-owned manufactured housing communities. We believe the narrow eligibility will significantly hamper the impact the program could otherwise have in preserving manufactured housing communities across the country.

There are many older manufactured housing communities that lack the financial resources to preserve the communities, such as by upgrading critical infrastructure. As a result, this naturally

occurring affordable housing is in danger of being lost, either through community closure or increased cost for residents. HUD can have a role in supporting the transformation and preservation of these communities.



The porch of the Apollo home model by Champion Homes. *Image courtesy of MHI*

**How difficult has it been for MHC developers and owners to obtain financial support for their projects in today's economic environment?**

**Gooch:** Financing for manufactured housing and manufactured housing communities is a rather nuanced environment. While there are various sources of financing, it is unique that the federal financing programs have historically offered limited support for manufactured housing. This is slowly changing with Fannie Mae and Freddie Mac having a statutory “duty to serve” manufactured housing and FHA also looking at ways their programs can support manufactured housing.

The lackluster GSE support, the impact of the current economic conditions and factors like insurance rates result in a financing sphere that is challenging manufactured housing community owners and developers. As such, it's crucial that programs aimed at revitalizing or developing new affordable housing include manufactured housing as a homeownership type and allow all eligible community owners to obtain financing.

**Are there any particular areas where demand for affordable housing, specifically manufactured housing, is higher than in other parts of the country?**

**Gooch:** The housing supply shortage is being felt across the country and it has spurred innovation in our industry to meet the needs in various jurisdictions. Such innovation was on display at this year's HuD Innovative Housing Showcase where our members displayed a single-section duplex and a multisection duplex for policymakers and the public alike to view and explore. By nature of their design, these duplexes can help address housing challenges in high density areas. Other manufactured housing styles like a standard single-section, multi-section, CrossMod homes, and HUD Code accessory dwelling units help tackle challenges in different areas to bring attainable homeownership to people across the country.

**Tell us more about MHI's latest actions aimed at altering the perception of manufactured housing among the public and policymakers.**

**Gooch:** Focusing on communicating the positive story of manufactured housing as quality housing that is available at attainable price points is important to MHI. MHI engages with federal policymakers about manufactured housing as a critical element of policy strategies to address the nation's housing supply shortage. We also partner around the country to support our state associations and members as they engage with state and local policymakers. We are constantly updating our research and information around manufactured housing to [dispel misconceptions and misperceptions](#) about our homes.

There is no question that seeing is believing when it comes to our homes, and we have found that one of the greatest tools for sparking policymaker enthusiasm about manufactured housing is through tours of the homes themselves. MHI and its members have worked to bring policymakers to our homes to see the quality and beauty of our homes.

In addition, MHI is working to participate with key thought leadership housing and economic development groups and convenings to ensure when conversations are taking place about addressing the nation's housing supply shortage that manufactured housing is a part of that discussion. Through constant and diligent engagement, we are striving to continually elevate and grow awareness and understanding of the vital role of manufactured housing. ##

[#MHNTalks](#), [Manufactured Housing Institute](#)

###

See the related reports linked below and the original on [MHN linked here](#).

<https://www.manufacturedhomepronews.com/vested-interests-implement-laws-multi-housingnews-mhn-interview-redux-mark-weiss-j-d-mharr-president-and-ceo-responds-to-questions-previously-posed-t/>

<https://www.manufacturedhomepronews.com/mhn-asks-manufactured-housing-institute-ceo-lesli-mccollum-gooch-why-isnt-there-more-manufactured-housing-industry-pros-upset-by-gooch-statements-quotes-facts-analysis-p1/>