

LendingTree “Mobile Home Values Are Rising Faster Than Single-Family” Homes-Why Manufactured Homes Appreciate/Depreciate

Realtor's Jeanette Settembre, and LendingTree senior economist Jacob Channel are among third-party research reports that reveal manufactured homes appreciate.

POINCIANA , FLORIDA, UNITED STATES, January 10, 2022 /EINPresswire.com/ -- Millions believe mobile and manufactured homes ‘depreciate’ – true or untrue? New and previous research reveals a surprising answer. It’s both. Factory-built or manufactured housing increases or decreases in value for similar reasons as conventional single-family housing. LendingTree research by senior economic analyst Jacob Channel indicates throughout much of the U.S., mobile and manufactured housing appreciation has been at a greater pace than conventional housing. During a widely proclaimed affordable housing crisis, the findings are compelling because a new manufactured home may be roughly half the construction cost of single-family housing. Because of the federal construction and consumer safeguards built into the Manufactured Housing Improvement Act of 2000 (MHIA), those buying a HUD-regulated manufactured home enjoy similar or greater protection than the purchasers of more costly conventional housing.

It is not a given that a mobile or manufactured home will go up in value. For those who recall the housing and financial crisis of 2008, know it isn't a given that conventional single-family housing, condos, or townhouses appreciate. The good news is that experience and research from multiple sources reveal the causes of appreciation or depreciation. Some factors can be influenced by homeowners.

A new report on Manufactured Home Living News (MHLivingNews.com) provides the facts and evidence for affordable housing consumers, media, public officials, and researchers to consider. Beyond those insights?

Even if depreciation occurs, it isn’t necessarily bad news. Citing a 2008 article: “In short,



depreciation in manufactured homes are neither inevitable nor is it necessarily a tragedy if it does occur. What's needed are the facts and a good plan. With the right information, you can make a housing decision or investment that will yield a host of potential benefits, from lifestyle advantages to financial ones, less stress and beyond."

Jeanette Settembre for the National Association of Realtors (NAR) said "Millennials Eye the Mobile Home Market Amid Record-High Housing Prices." Settembre and Channel incorrectly use the term "mobile home" as if it is the same as a manufactured home, a common error, but still mistaken. Standards for older mobile homes are not the same as the manufactured homes built after June 15, 1976. The illustration shown reflects visual distinctions between trailer houses, mobile homes, and manufactured homes.

Channel's LendingTree research included the following quoted topline, part of the [broader report linked here](#). Additional study information on a state-by-state basis is also provided on MHLivingNews.

Key findings

- Nationally, the median value of a mobile home is \$53,300, nearly \$190,000 less than the median value of a single-family home. Although they're worth considerably less, the median value of mobile homes increased by 39% from 2014 to 2019, 6 percentage points more than the 33% increase in the median value of single-family homes in the same period.
- Mobile homes cost the least in Nebraska, Iowa and Ohio. Across these states, the median value of a mobile home is less than \$25,000. To put that into perspective, the median value of a single-family home in these states is more than \$150,000.
- Mobile homes cost the most in Washington, Oregon and California. Washington is the only state where the median value of a mobile home is higher than \$100,000 (\$125,400), though Oregon and California are also relatively pricey with median values of \$93,500 and \$91,400, respectively. Regardless, mobile homes in these states are still considerably less expensive than single-family homes.
- The difference in price between a mobile and single-family home is the largest in California, Massachusetts and Colorado. In these three states, median-priced mobile homes cost \$477,100, \$343,300 and \$337,800 less than median-priced single-family homes. On the other end of the spectrum, the differences in median prices in Mississippi, Arkansas, West Virginia and Oklahoma are less than \$90,000.
- The median value of mobile homes rose most significantly over the five years in Nevada,

Manufactured Home: Factory built to meet the performance standards of federal HUD Code. Given a red HUD label upon final inspection, affixed to each section at the rear. Built on frame/chassis, but rarely moved once installed. *

Mobile Home: Typically refers to units built before 1976 and most similar to a trailer; occasionally used to refer to units built after 1976, despite the fact these units are technically (and legislatively) defines as manufactured homes.

Modular Home: Factory-built with some on-site assembly and some on-site construction, built to meet prescriptive standards of state and local codes. Chassis is optional.

Panelized Home: Factory-built panels are assembled on site and supplemented with on-site construction to meet prescriptive standards of state and local codes.

Trailer Home: Can be hitched to an automobile and moved, NOT built to a federal code. Also referred to as campers.

Source: Bradley, Donald S. 1997. "Will Manufactured Housing Become Home of First Choice?," *Freddie Mac 1997 Mortgage Market Trends*, pp. 29-33.

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NeighborWorks PROGRAM

MHPRONEWS.com

* Definition per L.A. 'Tony' Kovach.

Definitions and terminology for factory-built housing are not interchangeable. Mobile home, manufactured home, modular housing, and trailer house are all distinctive terms with legal meanings.

Oregon and California. In these states, median mobile home values increased by an average of 96% from 2014 to 2019. This increase is almost twice as much as the average appreciation of 50% seen in the median value of single-family homes in the same three states.

• Although the median value of mobile homes increased from 2014 to 2019 in nearly every state, it fell in Delaware and Kansas. Respectively, median mobile home values fell by 11% and 7% in each state, while single-family home values increased by 14% and 24%.

One of several eye-opening revelations could stun millions. Channel's research, while the most up-to-date, isn't 'new.' Several 21st century studies documented manufactured housing appreciation. That includes research cited by HUD, FHFA, the Urban Institute, other nonprofits, and universities. Several are cited and linked from the MHLivingNews article.

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Due to the lack of effective representation at a national level, the MHCA withdrew its membership from the national association [i.e.: MHI] to pursue other avenues of representation.”

*Neal T. Haney, President,
Manufactured Housing
Communities of Arizona.*

That begs questions.

Why hasn't the Manufactured Housing Institute (MHI) published or promoted LendingTree's research? During an affordable housing crisis, isn't it commonsense for MHI to make such facts widely known?

A controversial member of [MHI – one accused by his residents of “predatory” behavior, Frank Rolfe](#) - has previously ripped the trade group for failing to tell good news as well as missing the opportunities to properly address problematic reporting.

“Negative articles on the industry are met with “no comment” [by MHI],” said Rolfe. Positive news opportunities are met with “no comment.” I've never seen anything like it.”

Tim Williams, former MHI Chairman and the current president and CEO of 21st Mortgage Corporation said: “there are good arguments that we [MHI] should respond to every story, refute every [problematic] statistic, and make our case to the public.” That reasonable statement was to MHPProNews. That same message from Williams announced MHI would hire a public relations



4) HUD Must Implement and Enforce its Enhanced Preemption Authority...

MHI Proposes that HUD shall issue a revised and updated policy statement regarding the Department's position concerning preemption and state and local zoning, planning, or development restrictions that either several limit or outright prohibit manufactured housing."

**- Lesli Gooch, Ph.D.
then EVP, now CEO of MHI**

Manufactured Housing Institute (MHI) CEO Lesli Gooch, Ph.D., has stated her trade group's support for enhanced preemption under the MHIA law.

professional. But years later, Rolfe's comments appear as valid now as previously.

The [Manufactured Housing Association for Regulatory Reform](#) (MHARR) and two former MHI affiliates called for a new post-production trade group because of what Neal Haney called "a lack of effective representation at the national level." MHARR and MHI have both said that the MHIA provides "enhanced preemption" for manufactured housing over local zoning. Controversies are explored and linked. ##

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