

# MANUFACTURED HOUSING FACT SHEET

*“Manufactured housing is...more like purchasing a car rather than purchasing a home” –Wilden*

## **1. Manufactured homes are popular because they cost less to build.**

Manufactured housing accounts for 1 in every 5 new housing starts. The cost of erecting a manufactured home on a permanent foundation averages about half the cost of a stick-built home. Compare \$22.41 to \$38.57 per square foot.<sup>1</sup>

Because manufactured housing is more affordable than stick-built homes, buyers tend to be older and have less money than buyers of conventional homes. Buyers of manufactured housing average 52.6 years old, and one third of manufactured households are headed by someone over 60. Median income is \$26,900.<sup>2</sup>

## **2. Three quarters of manufactured homes (3 out of 4) have serious problems.**

According to AARP, the majority of homes has serious problems, and most buyers *do not* succeed in getting the company to fix them.<sup>3</sup> Here is what the AARP website says:

*AARP's 1999 National Survey of Mobile Home Owners revealed that three out of four mobile home owners (77%) experience serious construction or other problems with their new homes, and nearly six in ten (57%) experience multiple problems. Only one in three (35%) of the most troublesome problems are successfully repaired under warranty, while six in ten (61%) are either not repaired at all, or are repaired at considerable expense to the home owner.*

## **3. Manufactured housing laws do not protect against faulty installation.**

Many improvements have been made over the past few decades in the construction of the units themselves. The companies who manufacture the homes must follow strict federal building codes, and the plants are inspected by HUD (Department of Housing and Urban Development).

However, current legislation does *not* adequately protect the consumer against problems arising during the transportation or installation of these homes. And because the purchase involves more than one company (manufacturer and retailer), the buyer can get caught in the middle while one company blames the other.

## **4. The best protection is to “hold back” funds until after the home is inspected.**

Although HUD and state licensing boards may be helpful in ordering repairs *after* damage occurs, Consumers Union prefers to discourage problems in the first place. Their plan is simple: buyers are advised to hire an attorney to review documents prior to signing and stipulate that 1) installation be done in a timely fashion and that 2) funds are not to be disbursed until installation is inspected by a qualified independent professional.<sup>4</sup>

<sup>1, 2</sup> *Manufactured Housing and Its Impact on Seniors ( Robert Wilden and Associates, 2002)*

<sup>3</sup> *National Survey of Mobile Home Owners (AARP, 1999), survey of 933 mobile home owners who purchased in the last eight years, sponsored by AARP and conducted by NFO Research, Inc.*

<sup>4</sup> *Consumers Union is the non-profit branch of Consumers Report with many documents on manufactured housing, some in Spanish. Highly recommended is “Consumers Union’s Tips on Mobile Homes”; send \$2 to Consumers Union, 101 Truman Ave., Yonkers, NY 10703 or download free at consumersunion.org.*