

Manufactured Housing in Georgia



Dr. Anne L. Sweaney

Department of Housing and Consumer Economics
The University of Georgia



Presentation Outline

- Demographics of the State
- Need for Affordable Housing
- Advantages of Manufactured Housing
- Barriers facing the Manufactured Housing Industry

State Demographics

- Total Population: 8,186,453
- Median Age: 33.4
- Median Income: \$42,433
- Georgia is one of only six states that experienced growth of over 26% from 1990-2000, and the only state in the south

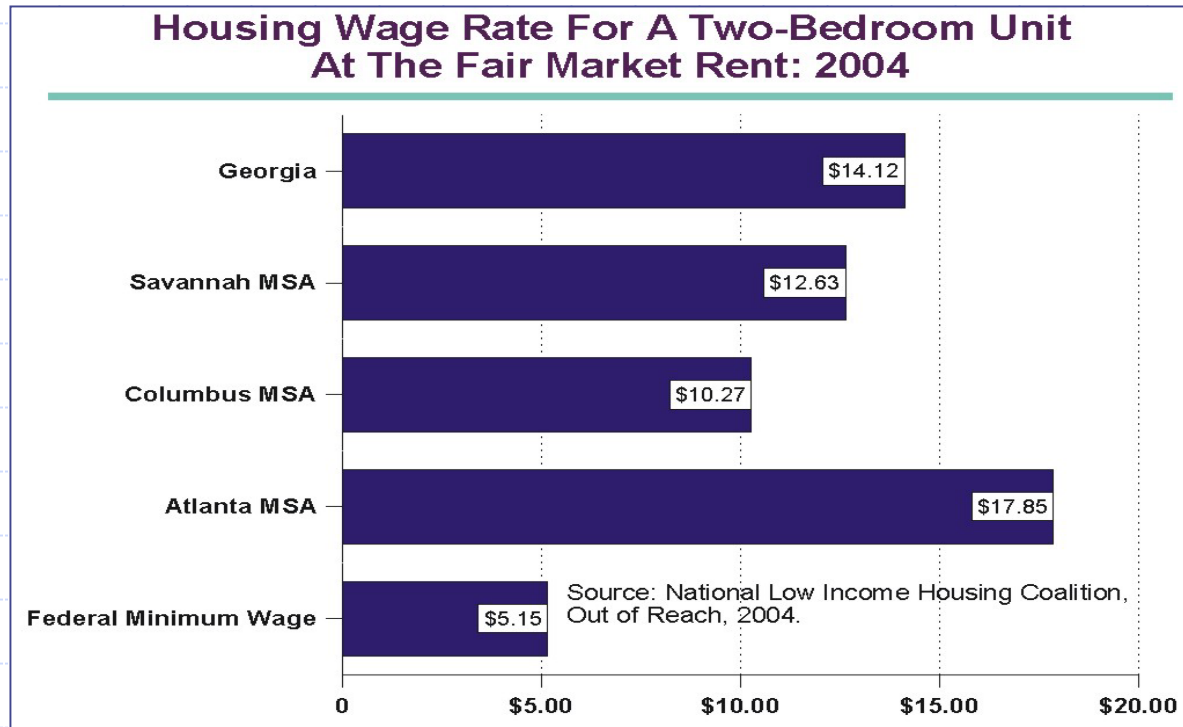
Nine Demographic Trends in the State of Georgia

1. **Size:** Georgia has the 9th largest population
2. **Growth:** During the 1990's, GA was the 6th fastest growing state
3. **Race:** GA has the 4th highest percentage of African American residents (over half are located in just 7 counties)
4. **Age:** Georgia is a young state, the average age is 33.4
5. **Education:** Low educational attainment in the state

Trends Continued


6. **Rural vs. Urban:** GA has over 2 million residents in rural areas
7. **Business:** Over half of all firms in GA have fewer than four employees
8. **Housing:** GA has a much higher percentage of manufactured homes than the rest of the nation
9. **Health:** 37% of all births were to unwed mothers from 1990 to 2002

Housing Affordability

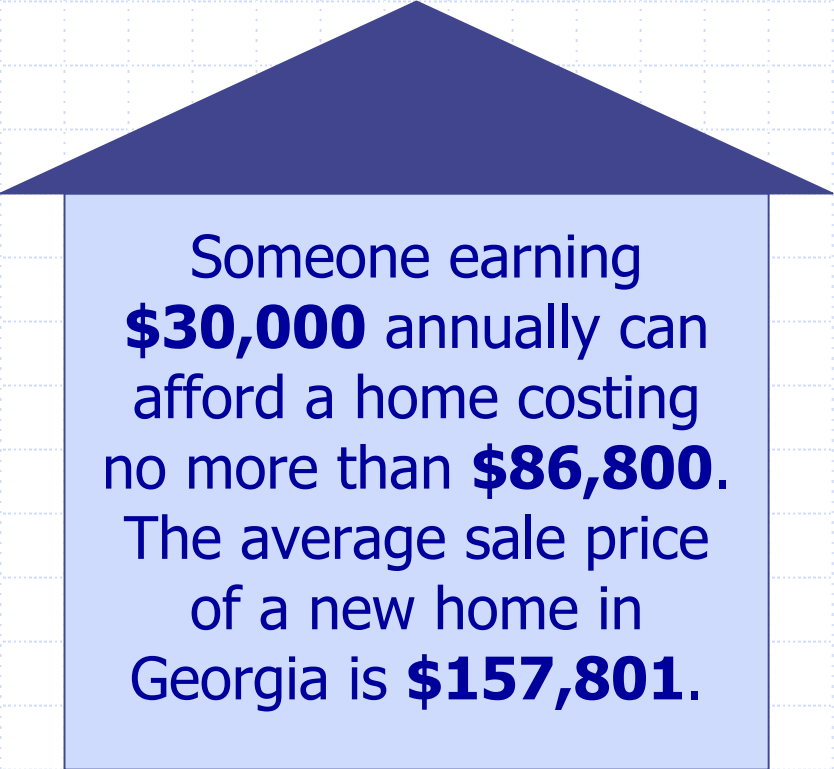


- In Georgia metropolitan areas, residents must earn at least twice the minimum wage to afford to rent a two bedroom unit

What housing can the workforce afford?

A yellow house-shaped icon with a dark blue roof and a yellow body. The text is centered inside the yellow body.

To pay the Fair Market Rent in non-metro Georgia one must earn **\$8.35 an hour** and work **40 hours a week**.

A blue house-shaped icon with a dark blue roof and a light blue body. The text is centered inside the light blue body.

Someone earning **\$30,000** annually can afford a home costing no more than **\$86,800**. The average sale price of a new home in Georgia is **\$157,801**.

Common Manufactured Housing Terms

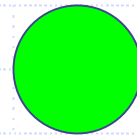
- **Manufactured Home** – Meets Performance Standards of the HUD Code; Must Have Chassis; Rarely Moves Once Placed
- **Mobile Home** – Refers To Units Built Before 1976
- **Modular Home** – Built in sections of panels and assembled on site
- **System Built** – Some On-Site Assembly and Construction; Has to Adhere to Some Form of State/Local Codes

Current Manufactured Housing in Georgia

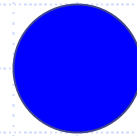
- 1 million Georgians live in Manufactured Housing
- Most are located in rural areas



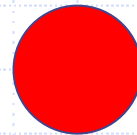
What types of new housing are being built?



More than **75%** is site-built single family



60 to 65% is site-built single-family



50% to 75% is manufactured housing

Advantages of Manufactured Housing



- Money saved by mass production is transferred to the consumer in the form of lower prices
 - 10-15% savings over comparable stick-built homes
- HUD Code helps to ensure uniform quality
- Energy Star Homes now available

Savings on Price

- A recent hedonic price comparison of manufactured homes and comparable site-built homes indicated that, on average, manufactured home **prices are less than one third** of site-built home prices, *ceteris paribus*
 - (Vanderford, Mimura, and Sweaney, 2005)
- The average new manufactured home in Georgia costs **\$42,000**
 - (Sams, 2001)



Quality of Manufactured Homes



- HUD Code Created in 1976
- Research done by the University of Michigan found that manufactured homes are of the same level of quality as site-built homes
 - (“Research refutes stereotypes,” 1994)

Energy Star Homes

- Tax Credit for building Energy Star homes 2005
- 30% more energy efficient than homes built to the 1993 national Model Energy Code or 15% more efficient than state energy code



Barriers facing the Manufactured Housing Industry

- Negative Public Perceptions
- Consumers Lack of Knowledge
- Zoning Restrictions



Negative Public Perceptions

- **Many times these negative views are based on incorrect ideas**
- Studies done in NH, NC, MI show that Manufactured Homes DO NOT reduce the property values of adjacent site built homes
(Nutt-Powell, Hoaglin, & Layzer, 1986)

Zoning Restrictions

- Ordinances established by cities and counties can be strengthened by neighborhood associations
- If restrictions were relaxed in NC a 10% increase in Manufactured Homes could lead to a 2.5% increase in overall homeownership rates
 - (Jordan & Lowery, 1998)

Current Research at UGA

- Barriers to Workforce Housing a Survey of Home Builders
- Sanderson Farms Housing Needs Moultrie, GA
- Level of Pride of Manufactured Housing
- www.fcs.uga.edu/hace/hdrc/

www.housingresearch.net



The Future

- Improving the public perception of manufactured housing
- Analyzing and creating prototype designs for specific housing applications Example: Urban Infill (Runyon 2005)
- Blurring the line between manufactured and site-built homes
- Financing alternatives

“The secret of getting ahead is getting started.”

-Sally Berger