

# Enabling Manufactured Housing to Improve Affordability & Expand Homeownership

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[www.Pewtrusts.org/ManufacturedHousing](http://www.Pewtrusts.org/ManufacturedHousing)

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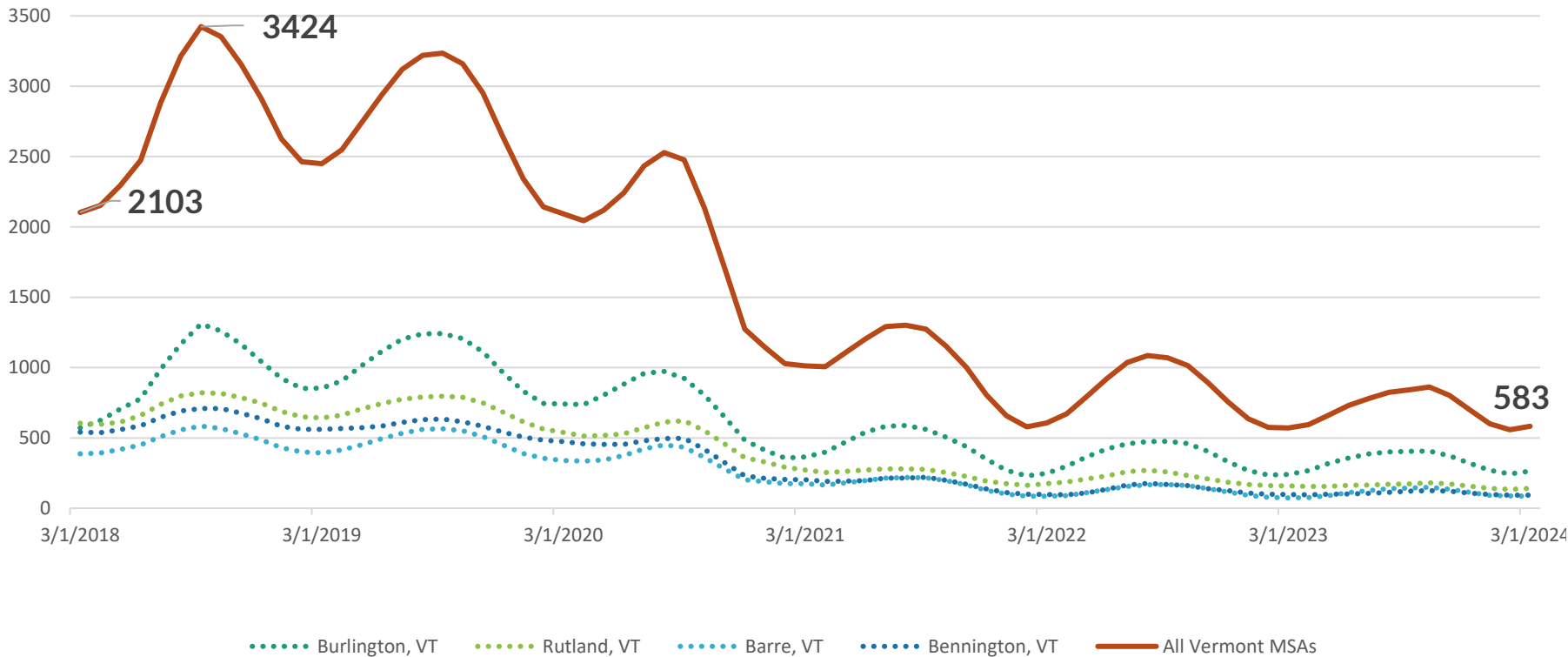
## Rents Nationally Have Reached an All-Time High in the Past Year

- Half of renters are spending 30% or more of their income on rent.
- One-quarter of renters are spending 50% or more of their income on rent.
- Household size has reached an all-time low of 2.50 (Vermont: 2.33).
- 63% of households have 1 or 2 people nationwide (Vermont: 71.3%, highest in U.S.)
- Housing shortage of 4-7 million homes is foremost cost driver.

# Few Vermont Homes Are Available

72% drop in inventory fueled rise in prices

Number of homes listed for sale



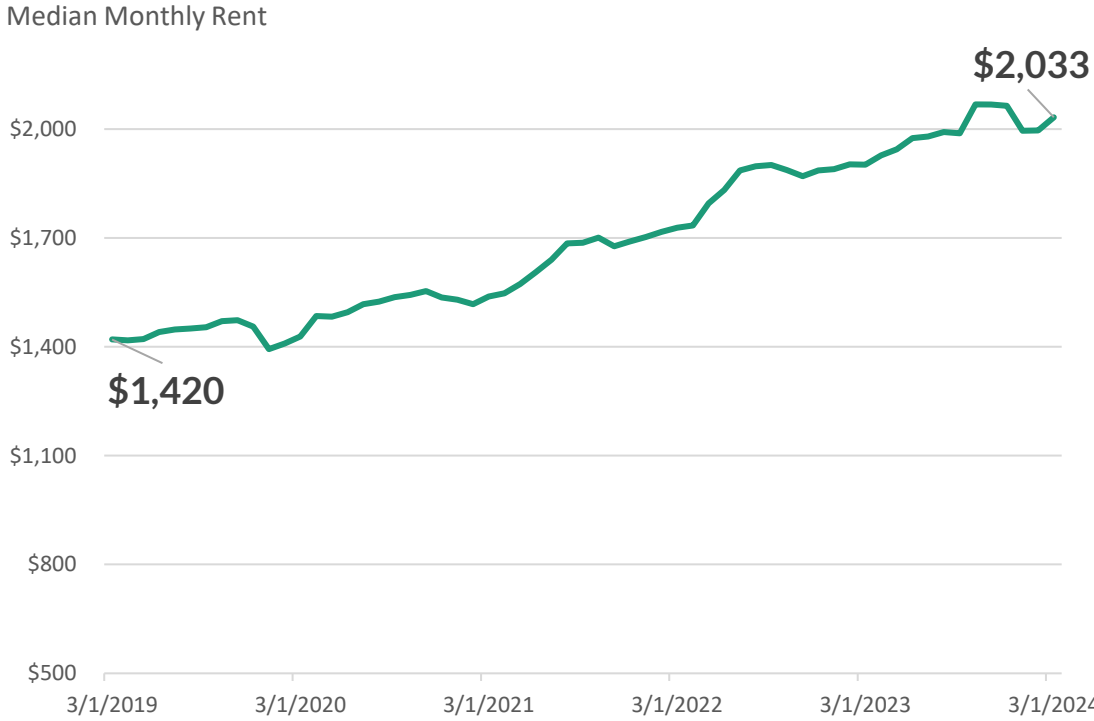
**Vermont median home cost:**  
 Feb. 2020: \$259k  
 Feb. 2025: \$374k

**Burlington-area:**  
 Feb. 2020: \$315k  
 Feb. 2025: \$455k

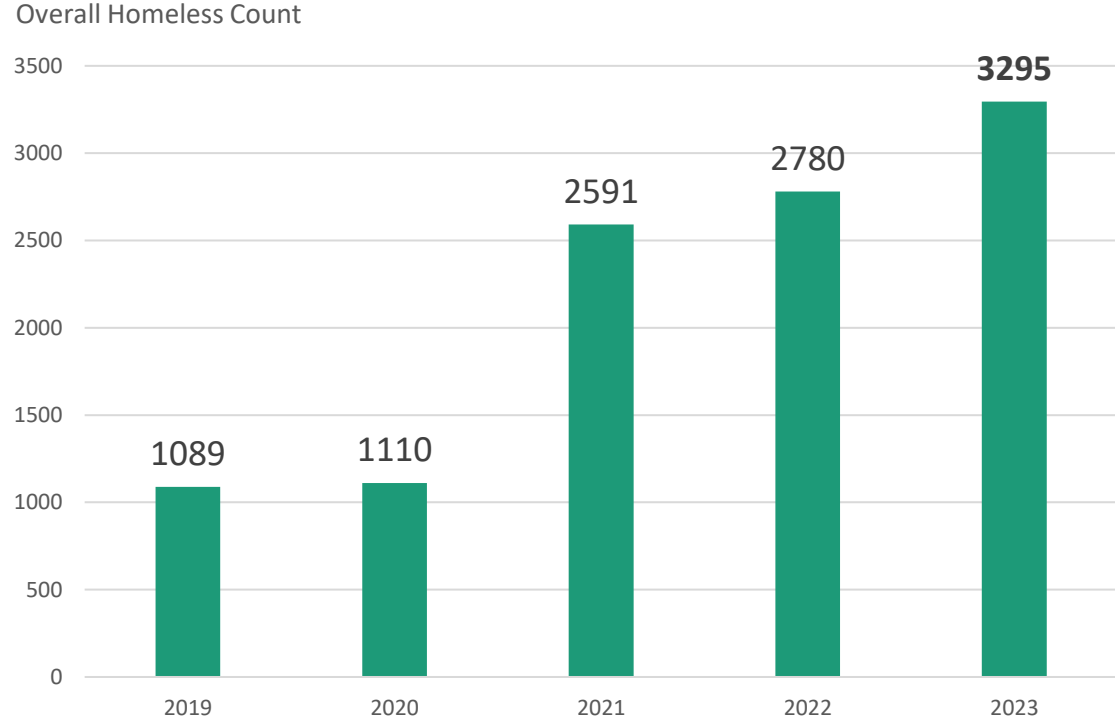
Source: Zillow Data

# Consequence of Shortage: Rents, Homelessness Soar

### Burlington MSA, VT Median Monthly Rent Increased 43% From 2019 to 2024



### Vermont Homeless Count Tripled From 2019 to 2023



Sources: Zillow Rent Estimate Data and HUD Point-In-Time Count Data

# Manufactured Homes Are High-Quality, Lower-Cost Options

**Federal housing standard:** Must be built to a national building code set by the U.S. Department of Housing and Urban Development (HUD) and updated periodically since 1976.

**Opportunities to fill housing supply shortage:** Lack of new, smaller, and more affordable starter homes – manufactured housing can be EnergyStar certified.



Photo credit: [Clayton Homes](#)

# Modest Lot Sizes Can Make Low-Cost Manufactured Homes Viable

- Land costs are a major driver of housing costs.
- Large minimum lot sizes make manufactured housing less affordable.
- *Example:* Monthly payment on a 30-year mortgage for a 1,200 square foot manufactured home (\$56,956) with an 8% interest rate (excluding insurance, taxes, etc.):

## Scenario #1:

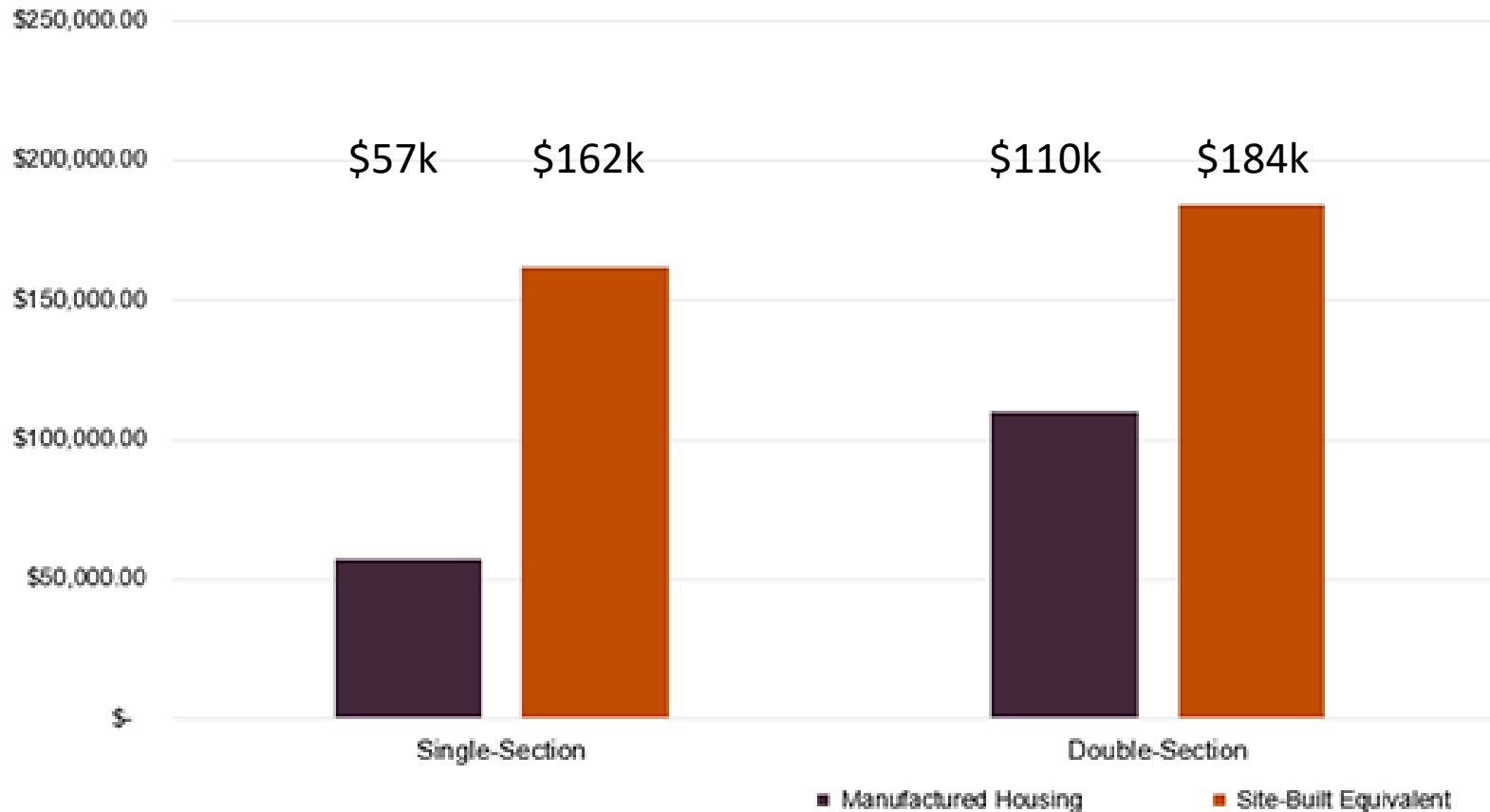
- Land cost: \$50,000
- Monthly payment: **\$785/month**

## Scenario #2:

- Land cost: \$250,000
- Monthly payment: **\$2,252/month**

# Manufactured Housing

Cost figures from 2020, for home excluding land



Many current models are net zero ready (adding solar panels can cover all energy usage).

Trend toward states allowing manufactured housing anywhere site-built is allowed (including 2024 laws in Maine, Maryland, and Rhode Island).

Source: Joint Center for Housing Studies at Harvard, Comparison of the Cost of Manufactured and Site-Built Housing, 2023



# Manufactured Housing Can Enable Moderate-Income Homeownership



About 1,400 sq. ft.  
3 bed/2 bath  
Cost: Under \$130k  
(for home itself)

Source: Clayton Homes



# Maryland, Virginia, and Texas: Developers Build Subdivisions Using Manufactured Housing

Some homes are built on “fee simple” (owned land) so buyers can get a mortgage to purchase a home. Other homes were developed as affordable rental units.

- Factors that shaped decision-making
  - Ability to use existing municipal utility infrastructure
  - Zoning to allow manufactured housing
  - Stigma and appraisal hurdles slowed projects
- Financing options
  - Mortgages from Fannie Mae, Freddie Mac, Federal Housing Administration or Veterans Affairs



Source: Harvard Joint Center for Housing Studies

# Land Ownership and Titling Dictate Ability To Get Mortgages

## Real estate: home and land titled together

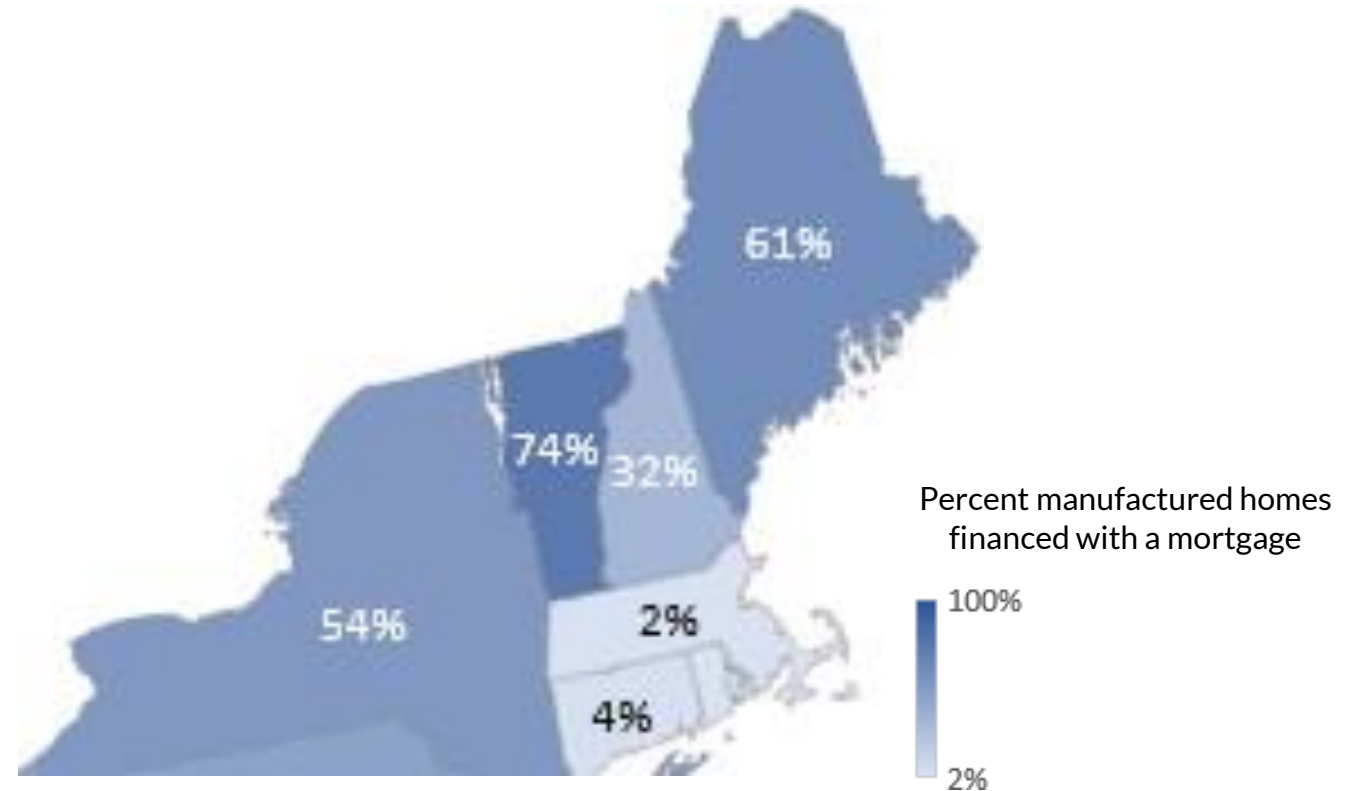
- **Mortgage loan:** Home and land both serve as the collateral.
- Lower interest rates.
- Longer repayment (30 years).
- Stronger consumer protections (especially in default).

## Personal property: home titled separately

- **Personal property loan:** Only the home serves as the collateral.
- Interest rates often 3-4% higher than mortgages.
- Shorter repayment (usually 23 years).
- Fewer disclosures in the application and origination processes. Repossession of home often allowed if borrower falls behind on payments.
- 49 states automatically title manufactured home this way (only NH automatically titles as real estate).

# Use and Access To Mortgages Varies Widely By State

- **Zoning restrictions** impact ability to use manufactured housing.
- **State titling laws** sometimes make it difficult for buyers to title a manufactured home as real estate even when they own their land.



Map data source: Russell, J., et al. (2021). Manufactured Housing Finance: New Insights From the Home Mortgage Disclosure Act Data, Consumer Financial Protection Bureau.

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