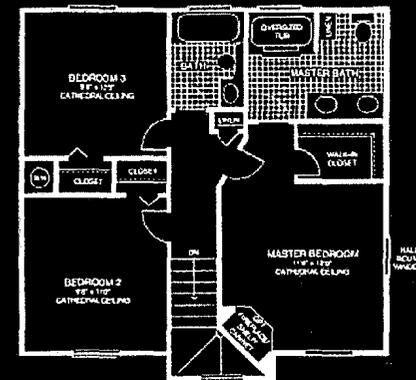


# MANUFACTURED HOME PRODUCER'S GUIDE TO THE SITE-BUILT MARKET



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# **MANUFACTURED HOME PRODUCER'S GUIDE TO THE SITE-BUILT MARKET**



PATH



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Prepared for:  
U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

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PATH (Partnership for Advancing Technology in Housing) is a private/public effort to develop, demonstrate, and gain widespread market acceptance for the next generation of American housing. Through the use of new or innovative technologies the goal of PATH is to improve the quality, durability, environmental efficiency, and affordability of tomorrow's homes.

Initiated at the request of the White House, PATH is managed and supported by the U.S. Department of Housing and Urban Development (HUD). In addition, all Federal Agencies that engage in housing research and technology development are PATH partners including the Departments of Energy and Commerce, as well as the Environmental Protection Agency (EPA) and the Federal Emergency Management Agency (FEMA). State and local governments and other participants from the public sector are also partners in PATH. Product manufacturers, home builders, insurance companies, and lenders represent private industry in the PATH partnership.

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# FORWARD

Bringing new ideas and innovations to the residential construction industry is critical if America is to meet its affordable housing needs. The working partnership between the Department of Housing and Urban Development (HUD) and the manufactured housing industry encourages innovation in housing design, construction, and delivery. Manufactured housing is one of our nation's primary sources of affordable housing, and HUD supports research and education that advance both quality and affordability in this rapidly evolving industry.

For the past five years, HUD and the manufactured housing industry have taken a comprehensive look at new markets, products, and systems. In 1999, HUD published *Innovations at the Cutting Edge: New Ideas in Manufactured Housing*, which covered a broad range of innovative manufactured housing projects and products. A compelling innovation common to many of the featured projects was the combination of manufactured homes with site-built components. This synthesis of on-site and off-site construction provided high-quality, affordable housing.



This publication focuses on the potential for that synthesis and demonstrates how manufacturers can provide homes for the site-built market. There is a ripe opportunity for manufacturers to expand their market share by working with site builders, and doing so will promote HUD's goal to provide quality, affordable housing to more American families.

A handwritten signature in black ink, appearing to read "Susan M. Wachter". The signature is fluid and cursive, with the first name "Susan" being the most prominent.

Susan M. Wachter

Assistant Secretary for Policy Development and Research



# 1

# INTRODUCTION

The goal of this guidebook is to encourage partnerships between manufactured housing producers (MHPs) and site builder/developers to construct affordable homes that combine the best of both. The more immediate goal is to help manufacturers to work effectively with home builders and developers and to familiarize manufacturers with the market needs of the conventional residential site developer. The guide covers key negotiating points for collaboration between manufactured home producers and builder/developers, including design and construction issues, financing arrangements and dealer involvement. There is also a discussion of construction and production details unique to manufactured homes in residential developments. The guide closes with a series of case studies from around the country that feature manufactured homes for residential developments.

This guide includes projects that combine manufactured housing with site-built elements, as well as simple "land-home" deals. The projects that use manufactured and site-built elements range from simple single-story units with site-built decks to fairly complex two-story manufactured units with site-built garages and porches. To work in the marketplace, manufactured homes with site-built elements must be affordable relative to comparable homes built exclusively with modular or site-built technologies. Modifying typical manufactured homes to meet the needs of site builder/developers is desirable for a variety of reasons: to increase sales, overcome consumer resistance to manufactured homes, meet local zoning or subdivision restrictions, fit onto small infill sites, or satisfy the finish and appearance standards in a market familiar with site-built amenities. Manufactured homes with site-built elements have been routine in California for many years. Today, there is intense interest all over the U.S. in "pushing the envelope" of manufactured homes, most recently in the eastern half of the country, where a great opportunity exists to provide infill housing in decaying older cities.

## OPPORTUNITIES FOR MANUFACTURED HOMES IN THE SITE-BUILT MARKET

Providing manufactured homes for the site-built market presents the potential for significantly increased sales to manufacturers. It also opens an entirely new way of doing business to the manufacturer. The builder/developer is your customer. Your best strategy for appealing to this market is to reduce the builder/developer's perceived risk of using your product. The more closely your manufactured home resembles a site-built home, and/or provides the features of a site-built home, the more likely a builder/developer will use your product. This requires flexibility on your part to accommodate the builder/developer's needs.

Secondly, with open space at a premium and stringent zoning in many suburban areas, land for the development of new manufactured home communities is disappearing. Site-enhanced projects may help gain approval of new high-density land-lease communities in areas with restrictive zoning.

Finally, site modifications of HUD-Code homes help to blend them into existing neighborhoods. Infill sites can take full advantage of factory construction, since it makes little difference to a manufacturer where a home ends up.

By contrast, site builder/developers pay a premium for infill construction because of repeated set-ups, parking and access difficulties, scattered site locations, and the difficulty of scheduling trades and material deliveries. Because HUD-Code houses are built in a factory, expensive on-site modifications to satisfy local concerns and site conditions are minimal. (The Manufactured Housing Institute's (MHI) Urban Design Project (profiled in the case studies) is an example of manufactured housing infill development. The increasing acceptance of subdivisions of manufactured homes on fee-simple lots is also an opportunity for MHPs. Lexington Communities, in Apex, NC, a fee-simple subdivision of manufactured homes, is discussed as a case study. The emerging popularity of traditional neighborhood development (TND), with greater densities and a mix of housing types and socioeconomic groups, is another potential market for manufactured homes. New Colony Village is an example of such a TND and is profiled in the case studies.



New Colony Village, Elkridge, MD.



Urban Design Project, Washington, DC.