

Manufactured Housing Topic Packet: Perception

Common Perception:

Manufactured homes aren't as "nice" as site-built homes.

Reality:

Fannie Mae focus group finds that negative manufactured housing perception can be improved through visuals of modern factory-built options.

A small qualitative review of manufactured housing suggests that seeing-is-believing when it comes to quality, amenities, safety and other outdated concerns with previous definitions of manufactured homes.

Focus Group Findings:

- The current reputation of 'manufactured housing' evokes imagery of trailer parks, double-wides and flimsy 'snap together' homes that can't stand the test of time or build equity as a future investment.
 - The group maintained that "Manufactured housing is a poor financial choice and difficult to buy."
 - They all believed that manufactured housing can't mimic the value and equity appreciation that traditionally built homes convey.
 - The benefit of home ownership in terms of building wealth is highly attractive and not currently associated with manufactured housing.
- Upon seeing pictures of modern manufactured housing, including those that are eligible for the MH Advantage® program and understanding the basics of how it works logistically, respondents experienced both a rationally and emotionally positive mind shift.
 - They began to comprehend that they might be able to purchase a beautiful, newly built, sturdy home with features and upgrades they had previously thought out of their budget's reach.
 - **Although, none of the respondents knew how to secure a home loan for a manufactured home.**
 - A couple of respondents did have a fuzzy understanding that mortgages were more difficult with higher rates for manufactured homes
 - Conveying the idea that manufactured housing is customizable, similar to a site-built experience, generated significant positive emotion.
- Affordability was a general concern in homebuying, and groups responded well to the fact that on average, manufactured homes are about 35% less expensive per square foot compared to site-built homes.
 - This also allowed them to get more of the customized and luxury features they desired like quality countertops.

KEY FINDING: When respondents saw pictures displaying the interiors and exteriors of the kinds of manufactured housing under discussion, the negative associations from the stereotypes of trailers and double-wides lessened.

Potential Solutions Based on Research Study:

- The poor perception of manufactured housing leads to weak demand even if it is a potential solution to the lack of affordable housing stock. Fannie Mae hopes to address the stigma through a consumer education campaign that launched in June and will run through November 2019.
- Fannie Mae has outlined site-built characteristics and criteria for manufactured homes receiving loans identical to that of site-built homes through the MH Advantage program (See "Manufactured Housing Topic Packet: Loans" for more information)
- See manufactured housing images in this topic packet, provided by Fannie Mae, for use in social media



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FOCUS GROUP METHODOLOGY:

Four, 2- hour focus groups in two key markets for the Manufactured Housing Advantage product: Charlotte, NC and Portland, OR.

- All respondents are currently in the market to buy a new home within the next 12-months
- Mix of women and men 25-55
- Mix of ethnicities
- Mix of parents and non-parents
- HHI income range of 80% to 120% of median income for regional market (Portland \$65K-\$105K and Charlotte \$45K-\$85K)
- Self-rate credit worthiness at 7+ on a 10-pt scale

SUPPORTING QUOTES FOR USE:

“Most people wouldn’t recognize today’s factory-built homes. The manufactured housing industry has diversified and enhanced the models available so they can blend seamlessly into traditional neighborhoods of site-built homes, offering comparable amenities and curb appeal,” said Sarah Edelman, Director of Duty to Serve, Single-Family Mortgage Business at Fannie Mae.

“Today’s manufactured housing is still built in factories, but the homes are placed on a foundation so they’re not easy to move. They also offer amenities homebuyers crave—spacious living spaces, state-of-the-art kitchens, luxury bathrooms—and the safety and energy efficiency they need, all at prices they can afford,” says Fannie Mae community lending specialist Vanessa Randolph.

From Focus Group Respondents:

“Wow that looks just like a home in the neighborhood I’ve had my eye on.”

“That doesn’t look like a trailer at all.”

“Wait. Is that a garage? I didn’t know these homes could come with a garage!”

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