DETROIT

AFFORDABLE HOUSING NEED & THE ROLE OF MANUFACTURED HOUSING

Between 2000 and 2010, jobs—particularly lower-paying jobs—vanished from Detroit and poverty in the metro area increased significantly, from 11% to 17%. More than one in six workers was unemployed in the metro area in 2010. Over the same period of time, the Detroit metro region population decreased by 3.5%, which represents a net loss of 150,000 residents. Population loss in the city of Detroit was even more pronounced—a 25% population decline over the decade—but many surrounding suburbs actually experienced slight population growth over that same period of time. Of the largest 50 metro areas in the US, only New Orleans and Cleveland saw greater population decline over the decade. ¹

Within the region, affordable housing is concentrated inside the city of Detroit, but job centers are concentrated in suburban areas, so city residents are often disconnected from regional job clusters. This disconnect disproportionately affects a significant proportion of the region’s residents who are transit dependent. Some equitable metropolitan growth efforts in the metro region focus on rehabilitating vacant and abandoned properties and revitalizing neighborhoods to attract new and returning residents; driving investment and economic development along key commercial corridors and promoting transit-oriented development; improving access to jobs by expanding public transit service; and developing long-range plans for land use, investment and development. The Detroit Works Project, launched in 2010 to create a shared vision for the city of Detroit’s future, identified similar strategies to improve land use within the city. With these strategies in mind, manufactured housing might be well-positioned for use in infill projects when rehabilitation is too costly or on vacant land aimed at revitalizing blighted neighborhoods and expanding the stock of affordable housing near job centers in suburban areas. It is important to keep in mind, however, that with the city of Detroit’s vast inventory of vacant homes that could easily and inexpensively be rehabilitated for resale, creating new inventory—whether through site-built construction or manufactured homes—may be a low priority for local stakeholders.

Between 2000 and 2010, the stock of manufactured housing dropped drastically in the Detroit metro by more than 10%. Still, manufactured housing plays a small but important role in the region’s housing stock and while working with manufactured homes requires some nuanced understandings of policy, housing development and community issues, understanding how to leverage its value going forward could play a major role in increasing low-income families’ access to affordable housing and opportunity.

For many low- and moderate-income households, manufactured housing is more affordable than other types of housing.

<table>
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<th>HOW MANY HOUSEHOLDS?</th>
<th>HOW AFFORDABLE IS MANUFACTURED HOUSING?</th>
<th>Monthly Housing Cost Comparison</th>
<th>HOW MUCH MANUFACTURED HOUSING IS AFFORDABLE?</th>
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<td>119,302 residents or</td>
<td>3% live in 54,707 manufactured homes</td>
<td>$750 to $1,250 for Manufactured Home Owners</td>
<td>44% of manufactured housing is affordable to low-income households, compared to only 25% of all other housing types</td>
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Housing is “affordable” if total housing costs account for 30% or less of household income for households earning incomes below 50% of area median income.

Note: This Data Snapshot is designed to assess the role of manufactured housing in local markets and the extent to which manufactured housing contributes to a set of solutions for affordable housing needs in the Detroit metro area. The “Detroit metro area” is synonymous with the Detroit-Warren-Livonia Metropolitan Statistical Area, which includes the following counties: Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne. This is the geography within which local and municipal policies are assessed in this Snapshot.

¹ Success Measures. Detroit Metro Profile. 2012
WHO LIVES IN MANUFACTURED HOMES?

In many ways, owners of manufactured homes more closely resemble the demographic profile of renters than other homeowners, even though they are more likely to own their homes than other residents in the metro area. Owners of manufactured homes are more likely to be low-income and to receive SNAP benefits than other homeowners, but less likely to have completed post-secondary education than their neighbors in all other housing types. Given the growing necessity of higher education for well-paying jobs, these homeowners’ lack of post-secondary education is troubling: among the 38 emerging occupations in the metro area between 2010 and 2018, over half will rely on post-secondary education.² Surprisingly, in a metro area containing the largest majority-Black city in the country, manufactured home households are significantly less likely to be headed by Blacks or African Americans as other housing types. Many of these characteristics make this population of homeowners more vulnerable to the perils of unaffordable housing and highlight the need to focus attention and resources that expand access to opportunity in the communities where these homes are located.

HOMEOWNERSHIP
Manufactured home residents in the metro area are more likely to own their homes than residents of other types of housing.

HOME FINANCING
Owners of manufactured homes are less likely to have a mortgage and, presumably, more likely to have a personal property loan. Why does this matter? Personal property loans tend to have higher interest rates, shorter prepayment periods and fewer protections for owners. Plus, homes financed with personal property loans tend to be titled as personal property, like cars, which depreciate. This makes it much harder for homeowners to build wealth through homeownership.

Note: The American Community Survey (ACS) data at our disposal most likely misrepresents the share of manufactured homes with mortgages. Because the ACS defines mortgages as “all forms of debt where the property is pledged as security for repayment of the debt,” owners of manufactured homes who are asked whether they have a mortgage may respond affirmatively knowing that they are repaying a loan of some sort, even if that may be a personal property loan. As a result we assume that the ACS estimate for the share of manufactured home owners with a mortgage is inaccurate, so it has been omitted here.

MEDIAN INCOMES
$34,049 | Manufactured Home Owners
$65,795 | All Homeowners
$27,370 | All Renters

EDUCATION
Owners of manufactured homes are less likely to have completed post-secondary education than both other homeowners and renters, which has implications for their access to employment given the growing necessity of higher education for well-paying jobs.

JOBS
Owners of manufactured homes often work in lower-wage occupations.


The above are the most common occupations for owners of manufactured homes.
OWNERS OF MANUFACTURED HOMES
ALL HOMEOWNERS
ALL RENTERS

SNAP BENEFITS
Owners of manufactured homes are more likely to receive SNAP benefits than other homeowners.

AGE
The population of owners of manufactured homes is slightly younger than other homeowners and slightly older than renters.

CHILDREN
Owners of manufactured homes are less likely to have children than other homeowners and renters.

RACE/ETHNICITY
Owners of manufactured homes are significantly less likely to be African American than other homeowners and renters.

Note: Unless otherwise noted, the data presented here is from the 2010 American Community Survey 5-Year Estimates. On the “Monthly Housing Cost Comparison” graph, selected monthly owner costs for both manufactured home owners and all home owners are calculated from the sum of payment for mortgages, real estate taxes, various insurances, utilities, fuels, mobile home costs, and condominium fees. On the stacked bar chart indicating the age of manufactured homes on page 4, we have used "built before 1980" as a proxy for homes built before the 1976 HUD code went into effect since the decennial data only allows us to analyze home construction in 10-year increments.
WHERE ARE MOST MANUFACTURED HOMES LOCATED?

21,041 of the manufactured homes in the Detroit metro area
or
38% are located in
543 manufactured home communities

LEGEND

Total MH Units by Census Tract

- 0 - 49
- 50 - 199
- 200 - 349
- 350 - 624
- 625+

- SmartBus Routes
- DDOT Bus Routes

Sources: Alternative estimate calculated by CFED from the American Community Survey, American Housing Survey, and public data sources (2010).

IN WHAT CONDITION ARE MOST MANUFACTURED HOMES?

About one-third of the manufactured homes in the Detroit metro area were built before 1980. Why does this matter? Before HUD began regulating the construction of these homes in 1976, there were no consistent building standards for manufactured homes, so older units are more likely to be in need of repair or replacement.

3% 29% 55% 14%

Built Before 1959
Built 1960 to 1979
Built 1980 to 1999
Built 2000 or Later

Innovations in Manufactured Homes (I’M HOME) is a national initiative managed by CFED which seeks to ensure that owners of manufactured homes have the opportunity to build wealth through homeownership by improving the quality of new and replacement development, enhancing homeowners’ ability to enjoy long-term land security, expanding access to safe home financing and encouraging a supportive policy environment.