Manufactured housing accounts for a significant part of the Tennessee housing market. Almost 9.2% of the state’s population lives in manufactured homes, which make up more than nine percent of the its total housing stock. The costs of owning a manufactured home in Tennessee tends to be far lower than other forms of homeownership and renting. However, many of the manufactured homes in the state were built before 1980, which could lead to significant costs to those homeowners down the road.

The state of housing in Tennessee is mixed with opportunity and challenges. The 2018 Prosperity Now Scorecard ranked the state 33rd in the country on housing and homeownership outcomes. While Tennessee homes are slightly more affordable than the national average and the state’s foreclosure rate is lower than all but 14 other states, homeownership rates in Tennessee vary considerably by race, income, family structure and region. Manufactured housing has the potential to help close some of these homeownership gaps and put homeownership within reach for residents across the state. At less than half the average cost per square foot of a site-built home, manufactured homes are typically more affordable than site-built homes. Almost half (44%) of the Tennessee manufactured housing stock is affordable, compared to about a quarter (28%) of all the state’s homes. Additionally, despite making up less than 10% of the total housing volume, manufactured homes make up roughly 15% of Tennessee’s overall affordable housing stock. Also, among very low-income homeowners, those living in manufactured homes tend to face lower housing cost burdens.

For many low- and moderate-income households, manufactured housing is more affordable than other types of housing.
WHO LIVES IN MANUFACTURED HOMES?

Residents of manufactured homes differ in some key ways from their neighbors in other types of housing. Compared to all homeowners in Tennessee (8.9%), owners of manufactured homes are more likely to receive SNAP benefits (24.7%), but less likely than renters (31.9%). Manufactured homeowners are also more likely to be non-Hispanic White (88.3%) than all homeowners (84.65%) and renters (62.55%). Additionally, manufactured homeowners have lower levels of educational attainment: just 8.5% have associate degrees or higher, compared to 25.3% of all homeowners and 19.3% of renters. The median income of manufactured homeowners ($33,430) is also lower than that of homeowners ($38,138), but greater than that of all renters ($29,380).

HOMEOWNERSHIP

Manufactured home residents in Tennessee about as likely to own their homes as all other types of housing.

Note: The homeownership rates in this document are the percentage of occupied housing units that are owner-occupied, based on the 2012-2016 American Community Survey 5-Year Estimates.

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. Homes financed with personal property loans tend to be titled as personal property, like cars. In many cases, lenders use depreciation tables, similar to those in the auto industry, to value existing homes, leading to losses in value for the owner. This makes it much harder for homeowners to build wealth through homeownership.

MEDIAN HOUSEHOLD INCOME

$33,430 Manufactured Homeowners

$58,440 All Homeowners

$29,380 All Renters

EDUCATION

Owners of manufactured homes are less likely to have completed high school or postsecondary education than both renters and all homeowners.

JOBS

Over 60% of manufactured home residents in Tennessee work in either manufacturing, retail, construction, healthcare or food service.
SNAP BENEFITS
Roughly one in four owners of manufactured homes currently receives SNAP benefits, and are more than twice as likely to receive them compared to all homeowners. But compared to renters, owners of manufactured homes are much less likely to receive SNAP benefits.

OWNERS OF MANUFACTURED HOMES

ALL HOMEOWNERS

ALL RENTERS

25%

9%

32%

HOUSEHOLD COMPOSITION
Residents of manufactured homes are slightly more likely than renters overall—and much less likely than homeowners overall—to be married couples. Roughly one-third of households living in manufactured homes are non-family households.

AGE
Manufactured homeowners tend to be younger than all homeowners, but older than renters.

IN WHAT CONDITION ARE MOST MANUFACTURED
Almost a fifth of manufactured homes in Tennessee were built before 1980. Why does this matter? Before the U.S. Department of Housing & Urban Development 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.

Almost nine in 10 manufactured home residents in Tennessee are White, a higher share than among either homeowners or renters overall.

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Innovations in Manufactured Homes (I’M HOME) is a national initiative managed by Prosperity Now 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.