

PORTLAND, OR

AFFORDABLE HOUSING NEED & THE ROLE OF MANUFACTURED HOUSING

In Portland, manufactured housing plays a small but important role in the robust affordable housing market. There are nearly 30,000 manufactured homes in Portland, accounting for 3.9% of the total housing stock and housing 3.6% of the population.

In 2009, the Portland City Council passed an ordinance creating the Portland Housing Bureau (PHB), which combined elements of the Bureau of Housing and Community Development and the housing department of the Portland Development Commission. The PHB develops citywide housing policy, manages programs that increase the supply of affordable housing and promotes stable homeownership.

A recent report by the PHB notes the significant growth of the Portland area in the last fifteen years, which has seen the addition of 80,000 individuals and 29,000 households; the Hispanic and Latino population has increased 69% in the same time frame.¹ Portland is forecasted to gain approximately 132,000 new households by 2035.² This expected population growth means that the city will need to focus on high-density housing solutions; one advantage of manufactured homes is their smaller footprint, which easily supports a high-density living environment. In addition, the affordability of manufactured housing offers the potential for substantial cost savings that could make infill development more feasible in urban areas where developers must cope with higher land costs.

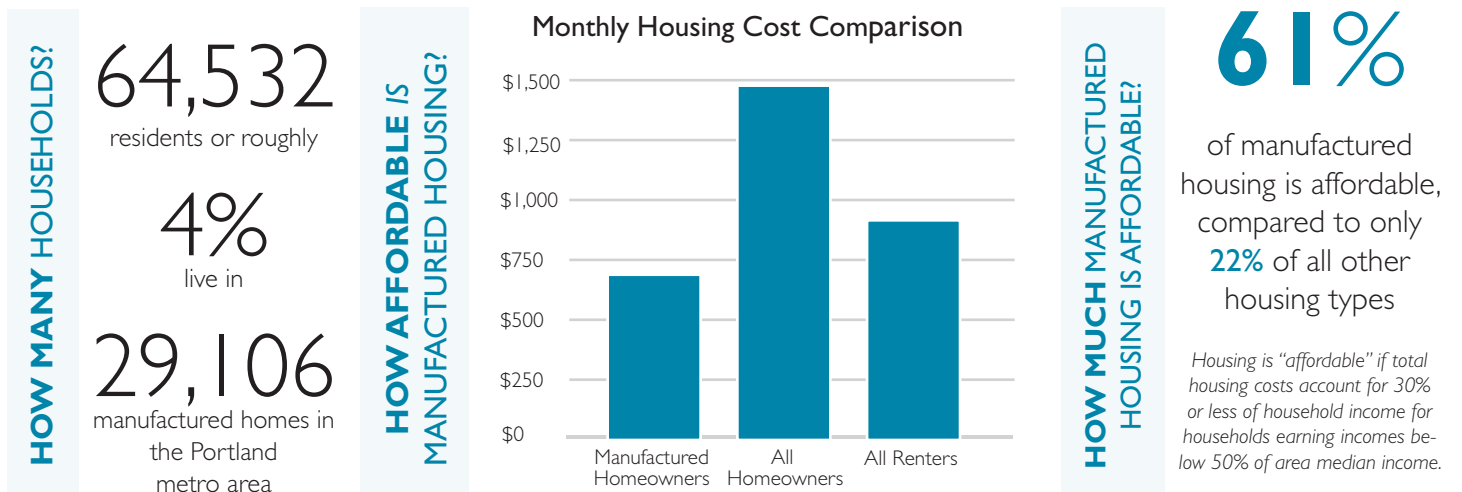
Compared to the rates for white households, homeownership rates among communities of color in Portland are disproportionately low, despite the region's high homeownership rate (53%) relative to other cities of similar size and character.³ PHB's 2011-2013 Strategic Plan lists increasing homeownership opportunities among low-income, minority households as a main goal. The median home sales price in 2014 was \$310,000,⁴ median monthly owner costs are approximately \$1,500 for all housing and just 22% of the housing stock is considered affordable. However, manufactured homeowner costs are significantly lower at \$690 per month, and 61% (total manufactured housing stock that's affordable). The potential of manufactured housing to meet Portland's homeownership goals for low-income households is significant.

Another priority in the strategic plan involves preserving and maintaining the existing housing stock, particularly for low-income families, seniors and persons with disabilities. More than 40% of the manufactured homes in the region were built prior to 1980, many of which are likely in need of repair or replacement, and one-third of manufactured homes are headed by someone 65 years of age or older. Manufactured home communities, where 40% of the region's manufactured homes are located, have been touted as naturally occurring retirement communities; preserving these homes and communities could help meet the aging-in-place needs of older Portlanders, in addition to preserving the largest source of unsubsidized affordable housing in the county.



A **manufactured home** is a type of prefabricated housing that is constructed in a factory and then transported to a site for installation. These homes are built to a federal code administered by HUD that went into effect in 1976. Factory-built homes constructed before 1976 are called mobile homes. Modular homes are also prefabricated in a factory, but differ from manufactured homes because they are built to a local building code.

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



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 Portland metro area. The geographic area referred to as the Portland metro area encompasses five counties—Clackamas, Columbia, Multnomah, Washington and Yamhill. This snapshot does not assess the Portland-Vancouver-Hillsboro Metropolitan Statistical Area, as defined by the U.S. Office of Management and Budget.

1 Portland Housing Bureau, *State of Housing in Portland* (Portland: Portland Housing Bureau, October 2015), 12.

2 The City of Portland, *The Portland Plan* (Portland, City of Portland, 2012), 8.

3 The City of Portland, *State of Housing in Portland*, 16.

4 Portland Housing Bureau, *State of Housing in Portland*, 59.

WHO LIVES IN MANUFACTURED HOMES?

Residents of manufactured homes differ in some key ways from their neighbors in other types of housing. Owners of manufactured homes are less likely to have access to mortgage financing and commonly pay for their homes with personal property loans instead. This means that, even though they tend to have a lower housing cost burden than other low- and moderate-income homeowners, owners of manufactured homes are often burdened with a loan product that features high fees and few protections. Compared to all homeowners, owners of manufactured homes are also more likely to be Hispanic, speak Spanish at home, work in low-wage jobs and be single-parents. Manufactured homeowners have lower levels of educational attainment compared to all homeowners: 17% of owners of manufactured homes have Associate's degrees or higher; compared to 48% of all homeowners and 35% of renters, putting them at a disadvantage in a job market that increasingly requires higher education.

HOMEOWNERSHIP

Manufactured home residents are more likely to own their homes compared to all homeowners.

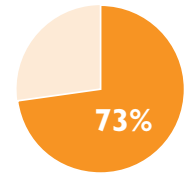
74%
of manufactured home residents own their homes



57%
of residents in other types of housing own their homes

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.



All Other Homeowners with a Mortgage

Note: We expect that 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 expect that the ACS estimate for the share of manufactured home owners with a mortgage is inaccurate, so it has been omitted here.

MEDIAN HOUSEHOLD INCOME

\$38,536

Manufactured Homeowners

\$75,566

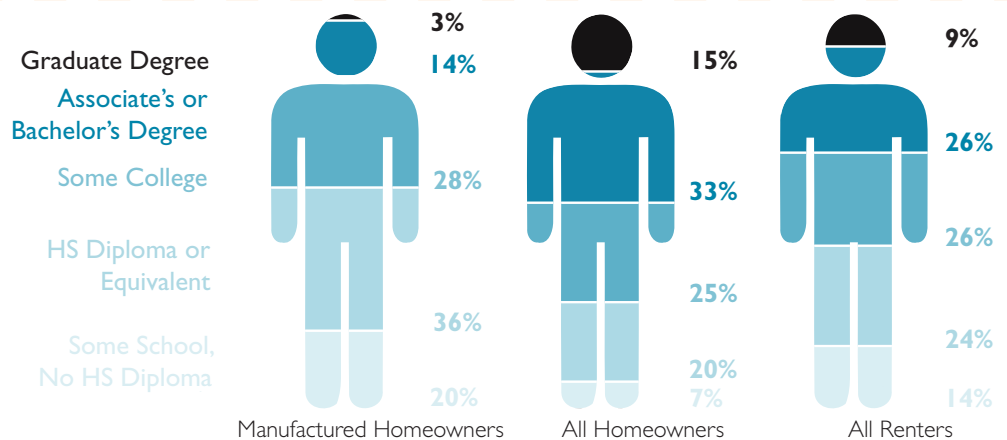
All Homeowners

\$35,633

All Renters

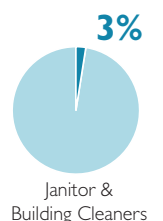
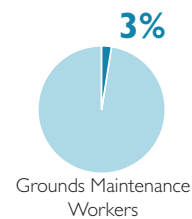
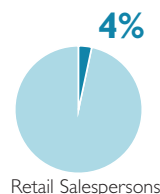
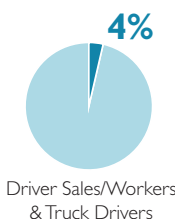
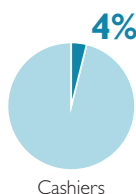
EDUCATION

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



JOBS

Owners of manufactured homes often work in lower-wage occupations compared to all homeowners.



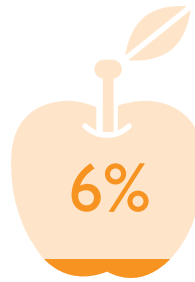
SNAP BENEFITS

One in five owners of manufactured homes receives SNAP benefits, and owners of manufactured homes are more than three times more likely to receive SNAP benefits compared to all homeowners.

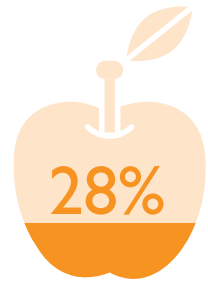
OWNERS OF MANUFACTURED HOMES



ALL HOMEOWNERS

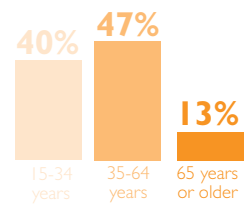
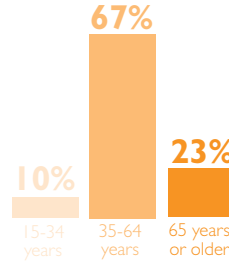
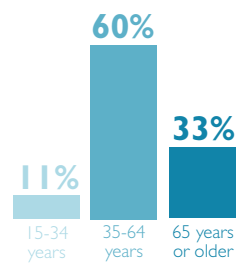


ALL RENTERS



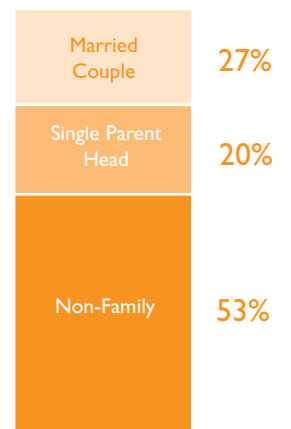
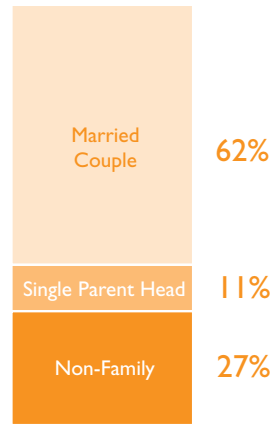
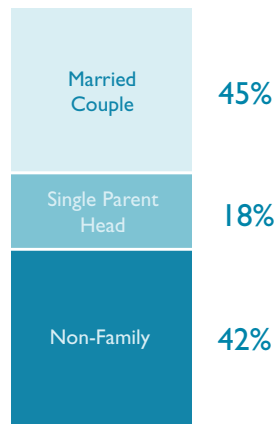
AGE

One-third of owners of manufactured homes in Portland are 65 years of age or older.



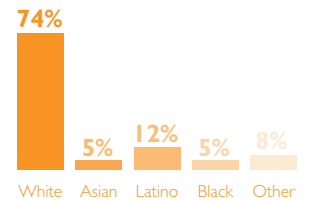
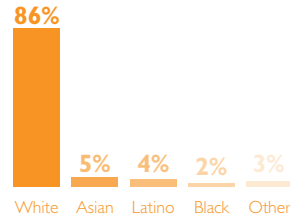
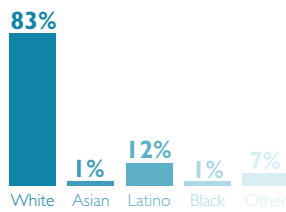
HOUSEHOLD COMPOSITION

Compared to renters, owners of manufactured homes are more likely to be headed by married couples and less likely to be comprised of non-families. However, owners of manufactured homes—like renters—are more likely than all homeowners to be headed by single parents.



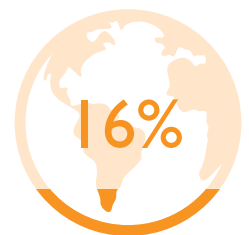
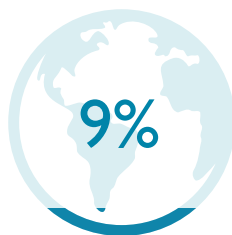
RACE/ETHNICITY

While the Portland metropolitan area is predominantly white, owners of manufactured homes are more likely to represent communities of color than all homeowners.



NATIVITY

Owners of manufactured homes in Portland are the least likely to have been born outside the United States.



WHERE ARE MOST MANUFACTURED HOMES LOCATED?

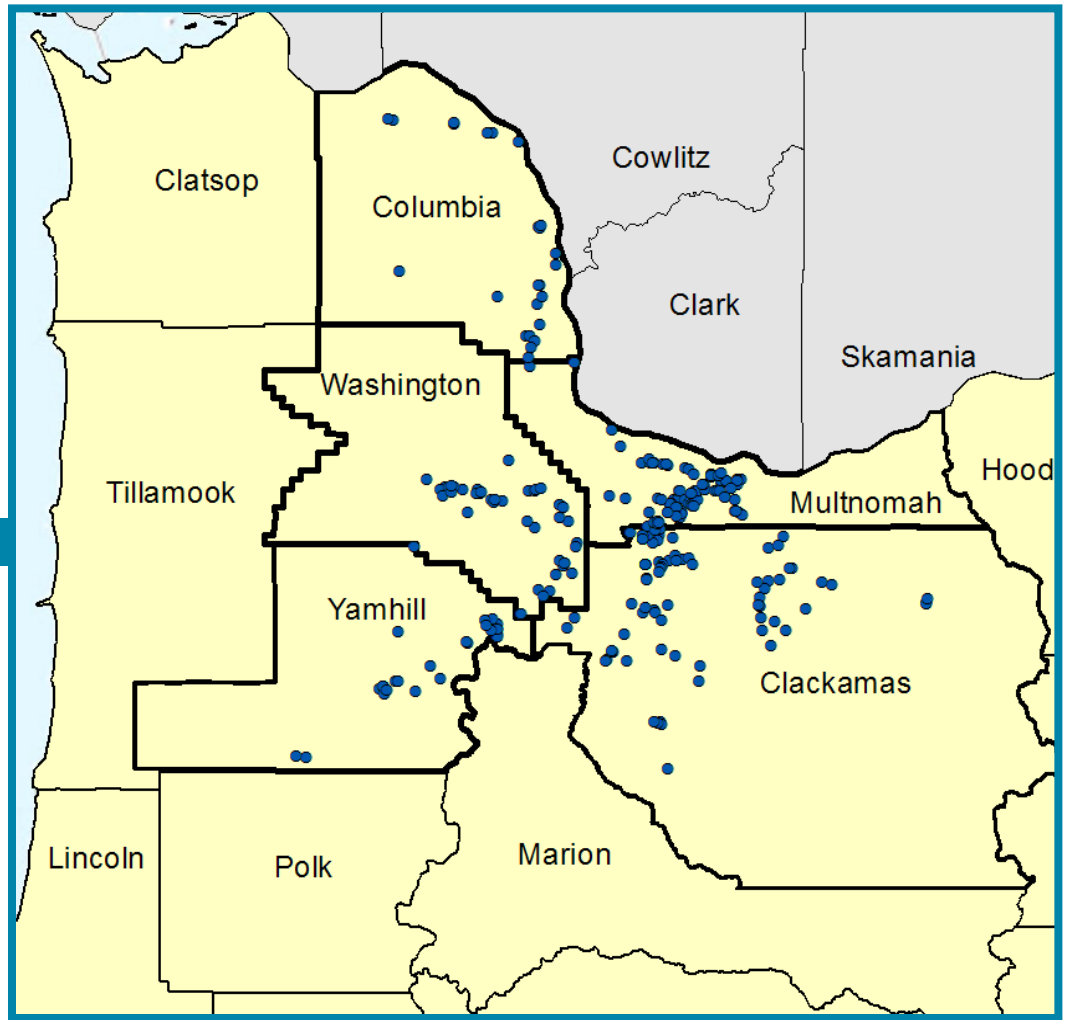
18,631
of the manufactured homes in
the Portland metro area

or

64%
are located in

290
manufactured home
communities

Portland Metro Area Manufactured Housing Communities



LEGEND

- Represents one manufactured home community

IN WHAT CONDITION ARE MOST MANUFACTURED HOMES?

More than 40% of manufactured homes in the Portland 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.



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.