



A Beginner's Guide to Manufactured Housing Done Right®.

CREATIVE AFFORDABLE
HOUSING SOLUTIONS:
Today's Manufactured Homes

Next Step Network

MISSION:

Our mission is to put sustainable homeownership within reach of everyone, while transforming the manufactured housing industry through consumer education, affordability and energy-efficiency.

VISION:

Over the next five years, we will go from a system that sells and finances homes on retail lots to one where prepared and supported homebuyers can shop online, access fair and equitable loan options, and purchase homes in vibrant, diverse neighborhoods.

Manufactured Housing Done Right®

- Prepared and supported homebuyers
- ENERGY STAR® homes on permanent foundations
- Reduced total cost of homeownership, including lower operating, maintenance, and utility costs
- Fair loans that enable families to earn wealth and preserve assets
- “A Home is a Home” policy commitment advocating for homeowners’ rights and the removal of unfair stigma and stereotypes

Strategies to Achieve Mission & Vision



Housing Comes In Many Different Shapes, Sizes, Locations and Prices

Detached & Attached (Townhome)	Rental Apartment	New Factory-Built (Manufactured) Housing
Condominium	Cooperative	Subsidized

Characteristics of the Different Factory-Built Home Types



Manufactured Home

Off-Site Construction
HUD Federal Code
ENERGY STAR® V2
Ground Anchor or Permanent Foundation
Manufactured Housing Financing
Limited Zoning Opportunities
Appraised to MH Comps
Standard MH Features & Characteristics
Can be placed in a community or on owned land



CrossMod™

Off-Site Construction
HUD Federal Code
ENERGY STAR® V2
Permanent Foundation
CHOICEHome® or MH Advantage®
Moderate Zoning Opportunities
Appraised to CrossMod & Site-Built Comps
Site-Built Features & Characteristics
Must be placed on owned land



Modular

Off-Site Construction
International Residential Code, State & Local Codes
ENERGY STAR® V2
Permanent Foundation
Manufactured Housing or Conventional Financing
Moderate Zoning Opportunities
Appraised to MH, Modular & Site-Built Comps
Site-Built Features & Characteristics
Must be placed on owned land



Industry Leading Standard

Next Step Home

Off-Site Construction
HUD Federal Code & International Residential Code
ENERGY STAR® V3 or Zero Energy Ready*
Title II Permanent Foundation
CHOICEHome®, MH Advantage®, or Conventional Financing
Moderate Zoning Opportunities
Appraised to MH, CrossMod, Modular, or Site-Built Comps
Site-Built Features & Characteristics
Can be placed in a community or on owned land



Cost-Effective to Buy: At least 30% less than site-built home



Cost-Effective to Own: ENERGY STAR home with monthly energy savings



Safe and Durable: Built to HUD Code; Independently inspected throughout construction



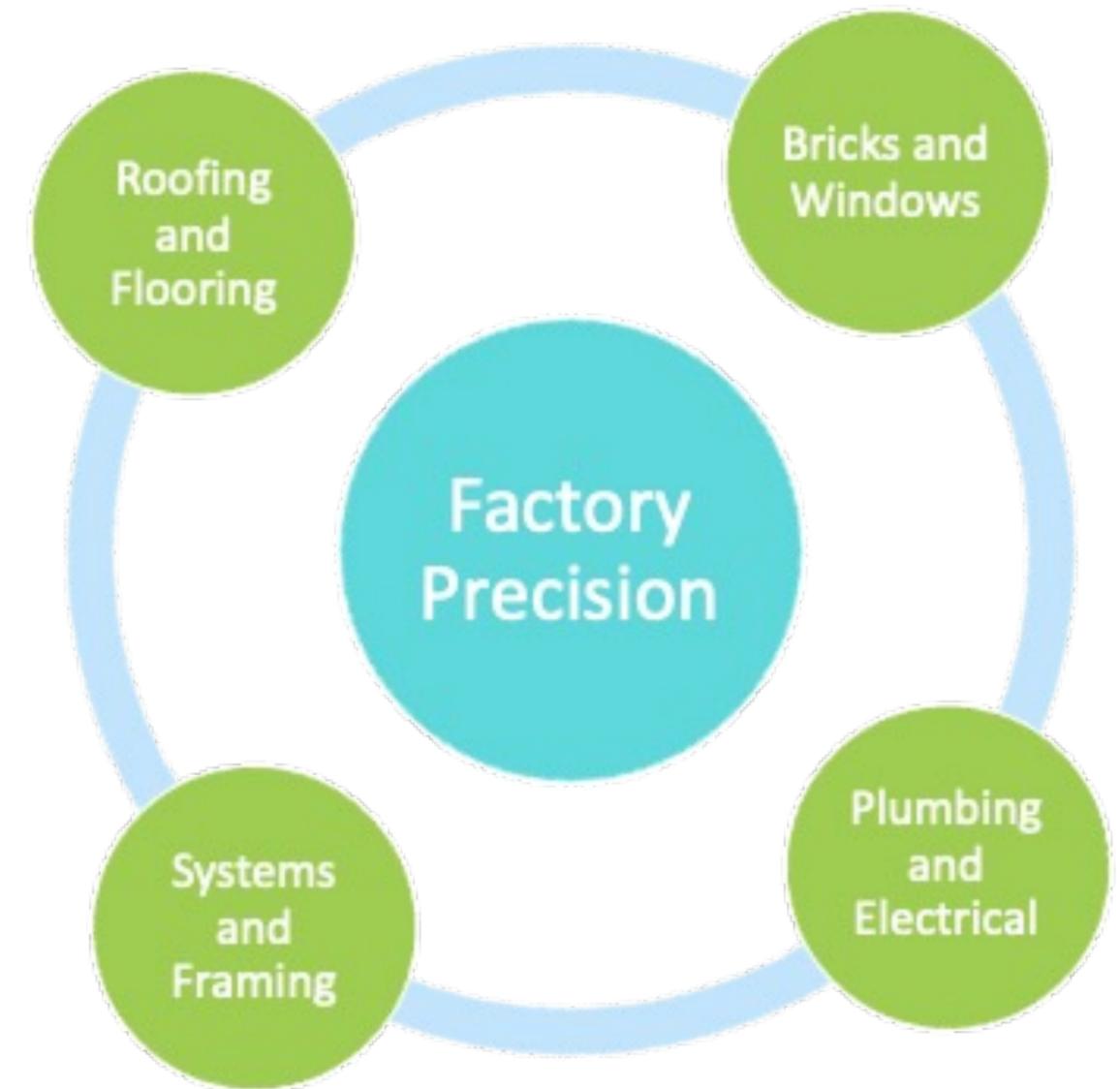
Attractive: Customized to meet your needs with latest features and finishes



A Sound Investment: With land ownership and a conventional mortgage, appreciates similarly to conventional homes

Elements of Factory-Built Homes

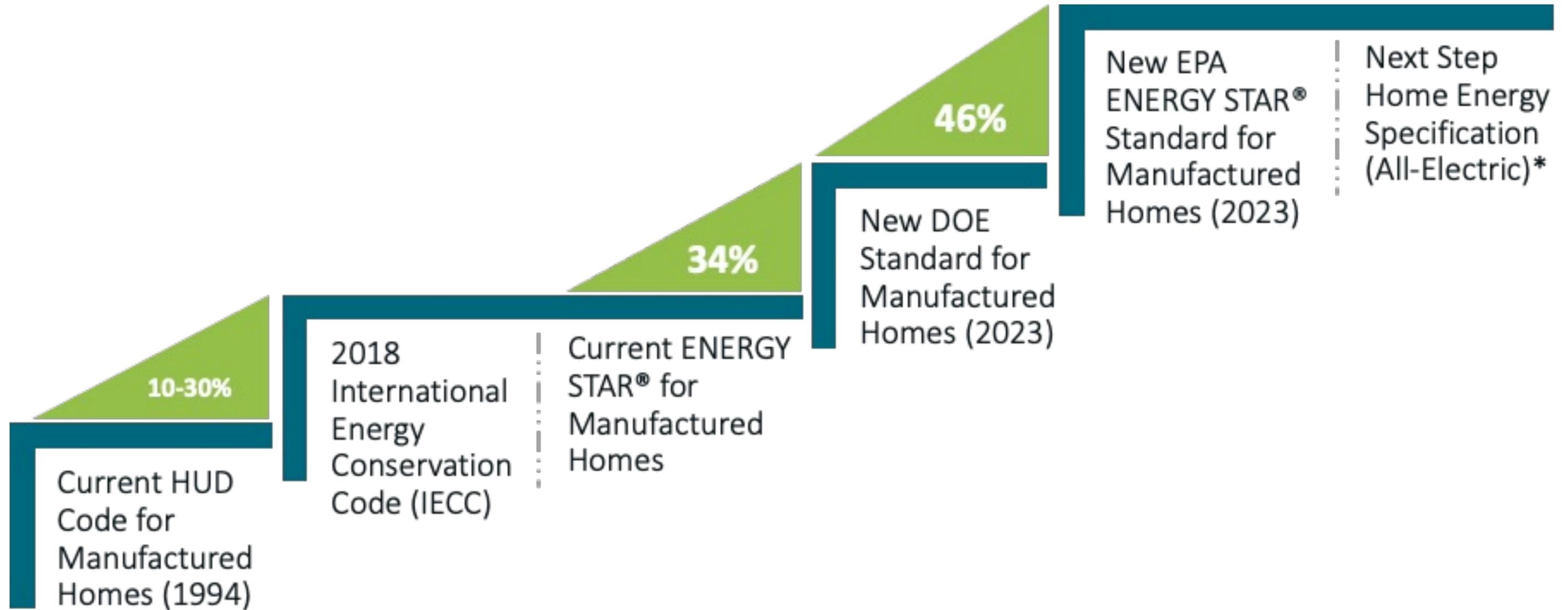
- Controlled environment
- Skilled tradesmen
- Rapid completion
- Modern designs
- Energy and safety features
- Multiple inspections



Estimated Costs

- CrossMod Homes
 - \$70 - \$80 sq. ft. (home only)
- Modular
 - Costs comparable to site-built
 - Time is money – savings on construction
 - Crane typically required
- Total Home Calculator – www.NextStepUS.org/TotalHome-Calculator
- Rule of Thumb: Cost of Home x 2 + Cost of Land
 - Ex: \$100,000 (home from factory) + \$100,000 (on-site costs) + cost of land

Improving Energy-Efficiency



*Next Step adopted the ENERGY STAR Manufactured New Homes Version 3 program requirements in May 2023.

A Greener Housing Option

- Controlled environment
- Skilled tradesmen
- Rapid completion
- Modern designs
- Energy and safety features
- Multiple inspections



Safety of Factory-Built Homes

- National Mobile Home Construction and Safety Standards Act (HUD Code)
- Wind-resisting parts and portions must be designed for horizontal wind loads of no less than 76.5 mph and a net uplift of no less than 52.29 mph
- MH in wind zones II & III that are prone to hurricane and strong coastal storm conditions, are required to be built to withstand higher wind speeds
- Anchoring of the home

Next Step's Model

- Highest quality standards:
 - FHA Title II permanent foundation, ENERGY STAR-certified, drywall throughout, minimum 5/12 roof pitch, all-electric, universal design.
 - Qualify for mortgage finance offered by Fannie Mae and Freddie Mac.
- Partnership with national and local housing counseling partners to support prospective buyers and create a pipeline of qualified buyers.
- Consulting services to mission-aligned developers looking to leverage high-quality MH in projects

Next Step has a team of experts with decades of experience in the manufactured housing industry. Throughout our engagement, we provide consulting services under our proven **Manufactured Housing Done Right®** model.

Next Step Services Include:

- Project Feasibility & Design
- Market & Affordability Analysis
- Homes Specifications & Sourcing
- ENERGY STAR and ZERH Programs
- Pre-Development, Zoning, & Construction Planning
- Developer & Housing Counselor Training
- Homebuyer Education & Counseling
- Marketing & Community Outreach
- Mortgage Products & Preferred Lenders













Challenges to Inclusive Manufactured Housing

Zoning

- Zoning is an inherently local issue.
- Outdated terminology contributes to stigma/stereotypes.
- Jurisdictions can discourage in other ways:
 - Lot size and parking space minimums.
 - Architectural design standards.
 - Onerous approval processes, permitting, and fees.
- NIMBYism



Solutions to Zoning Challenges

- Active local partnerships
- Takes lead time
- Coalition building
- Visual-forward educational materials
- A plan to engage key local policymakers (e.g., Office of Planning and Zoning, City Council)



New, Fee-Simple Subdivision Development | Hagerstown, MD

- 230+ single-family, Next Step Homes on 5,000 sq. ft. lots
- Meets Enterprise Green Community specifications
- No zoning resistance
- Local zoning officials recognized the product as a single-family development solution



Infill Housing Solutions | San Bernardino, CA

- Partnership with a trusted community organization (NPHS).
- City subsidized land and development costs.
- Attention-to-detail on home design and aesthetics.
- CA has proactive zoning measures to encourage MH



Planned, Mixed-Income Development | Harrisonburg, VA

- Partnership with Harrisonburg Redevelopment and Housing Authority.
- 900 housing units with service-oriented commercial space; ~100 CrossMod.
- Zoning hurdles:
 - 6-0 approval from planning and zoning.
 - 3-2 approval from City Council.



Pro Tips for Working w/ Clients

Provide your clients with the best solutions for their situation.

This is an affordable option for some, but not all.

Not all clients are good candidates for manufactured homes

Not all homes meet Next Step's quality standards

Empowered Homebuyers

- Drive consumer demand by bringing awareness of manufactured housing options
- Integrate transformative education and outreach materials about manufactured housing into multiple channels, including existing online homebuyer education platforms, government agencies, and private trade associations.
- Create intentional partnerships with counseling intermediaries.

Build an Ecosystem Around the Client



Counseling &
Education Embedded
Throughout the Buying
Process



Identifying
Banks/Lenders who
support Homebuyer
Education



Dream Team: Housing
Counselor, Real Estate
Agent, Developer &
Lender)

Help Consumers Understand Financing

Understand the key differences between financing a site-built home and a newly manufactured home

- Mostly the same
- Land Home or Home Only
- Sources of financing and where you get your loan might be different (GSE, FHA, dealer, private lender, HFA, nonprofit)

Next Step Resource Library

NextStepUS.org/Resources

Professional

Homebuyer

THANK YOU!

@nextstepus



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