

**RURAL RESEARCH  
SYMPOSIUM**

Freddie Mac

# Market Watch: Economic Insights and Market Segments – *Market Segments*

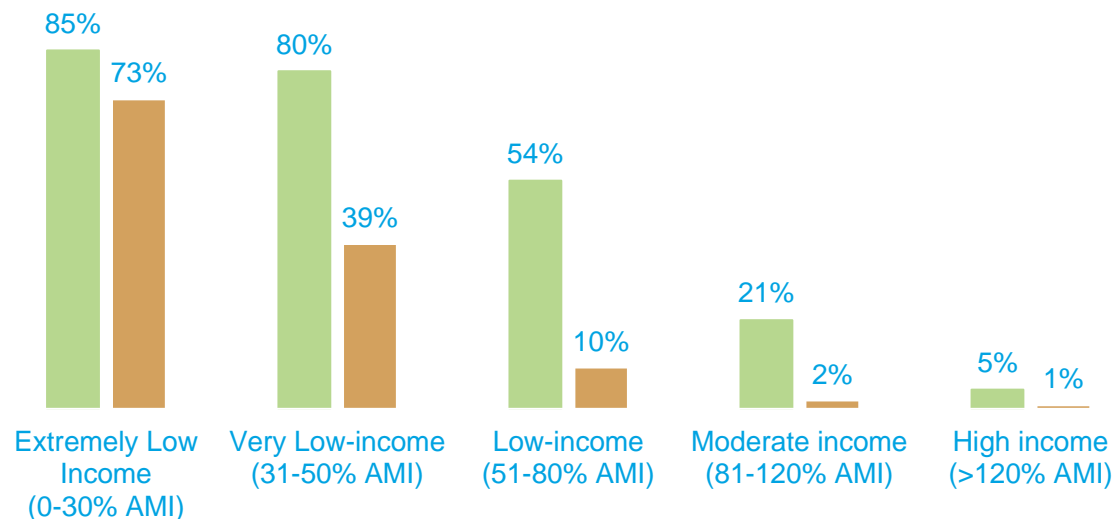




# RENTER COST BURDENS AND INSUFFICIENT SUPPLY

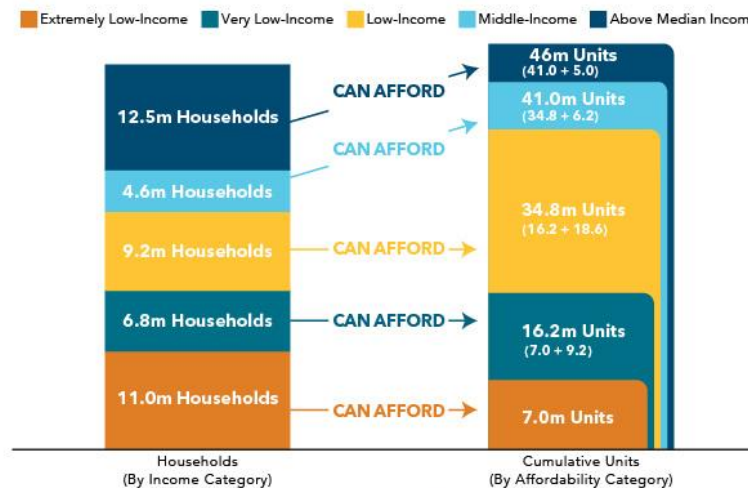
## Affordability Is a Supply and Demand Problem

■ Cost Burdened at any level (30%+ of Income)



### GAP

RENTAL UNITS AND RENTERS IN THE US, MATCHED BY AFFORDABILITY AND INCOME CATEGORIES (IN MILLIONS)



Source: NLIHC tabulations of 2021 ACS PUMS data.

<https://nlihc.org/gap>

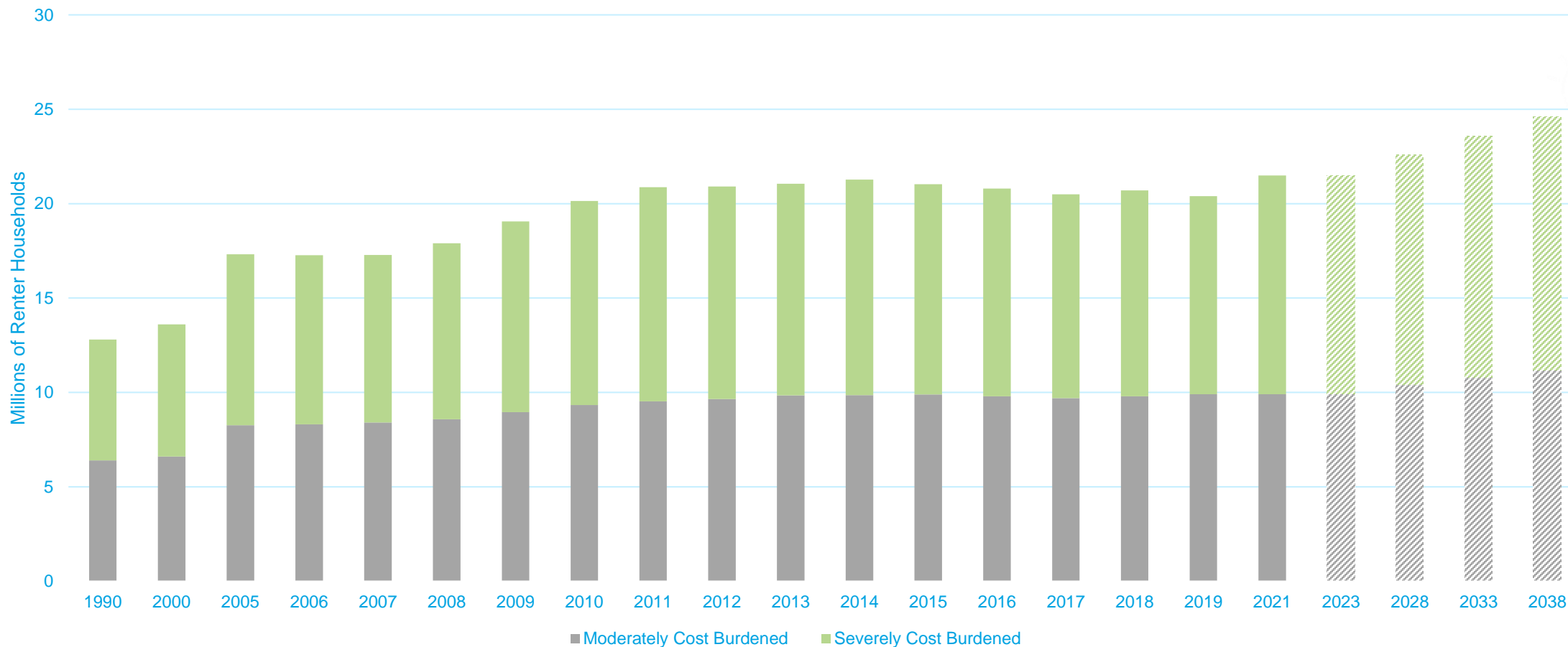


The lower a household's income, the less likely it is that an affordable home is within reach. Seventy-four percent of low-income renter households (0 – 80% AMI) pay more than 30% of their income on rent.

In 2021, three out of every four extremely low-income renters were **severely cost burdened**, paying more than half their income for housing.



# Renter Cost Burdens: History and Projections



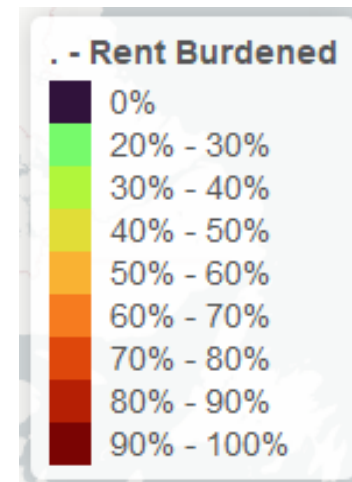
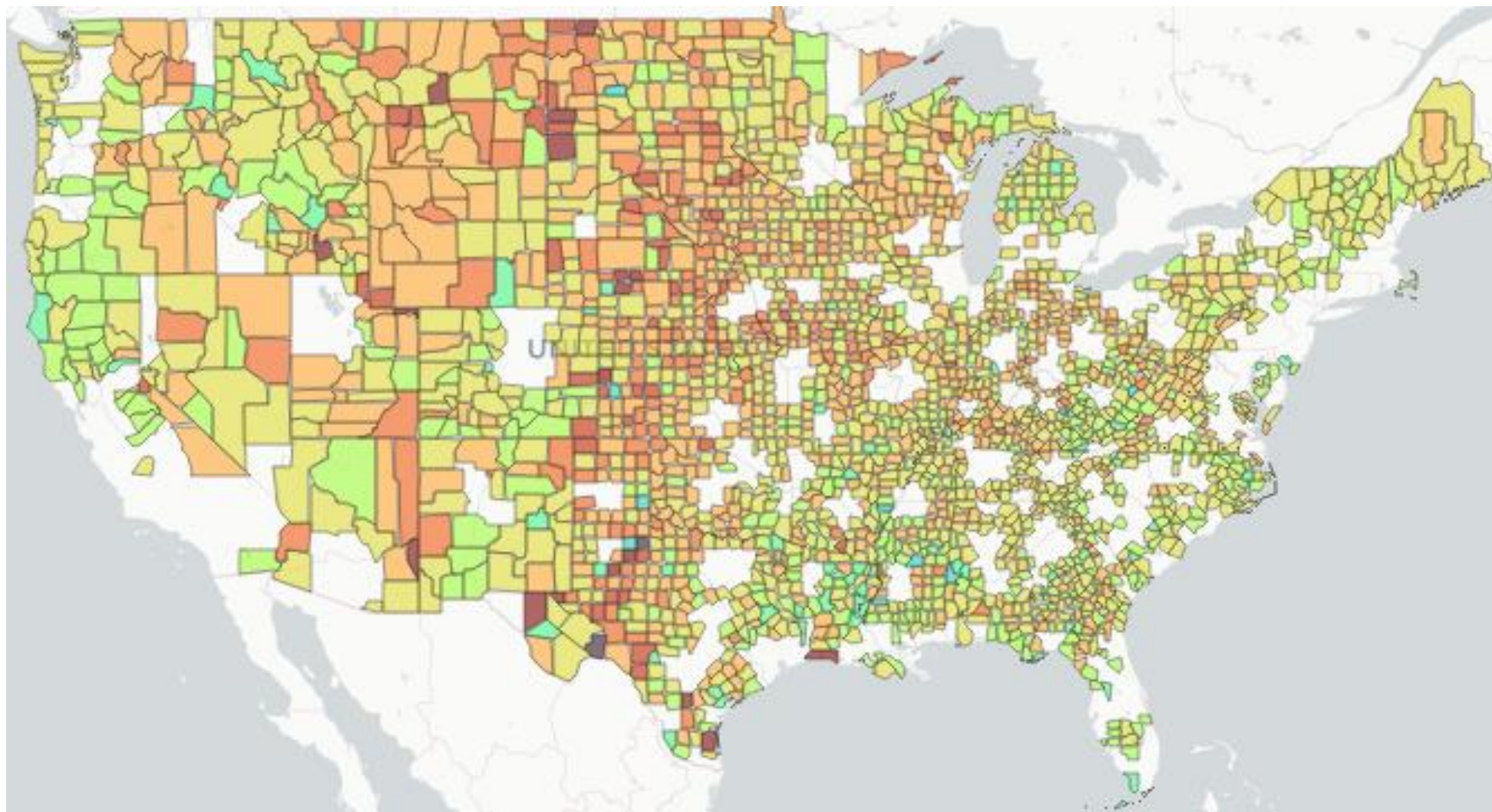
Historical data calculated from Decennial Census (1990, 2000) and American Community Survey (2005-2019, 2021).

Projections of burden apply Enterprise calculations of 2021 cost burdens by tenure, race, ethnicity and age of householder to Harvard JCHS household growth projections through 2038 derived from Census population projections.



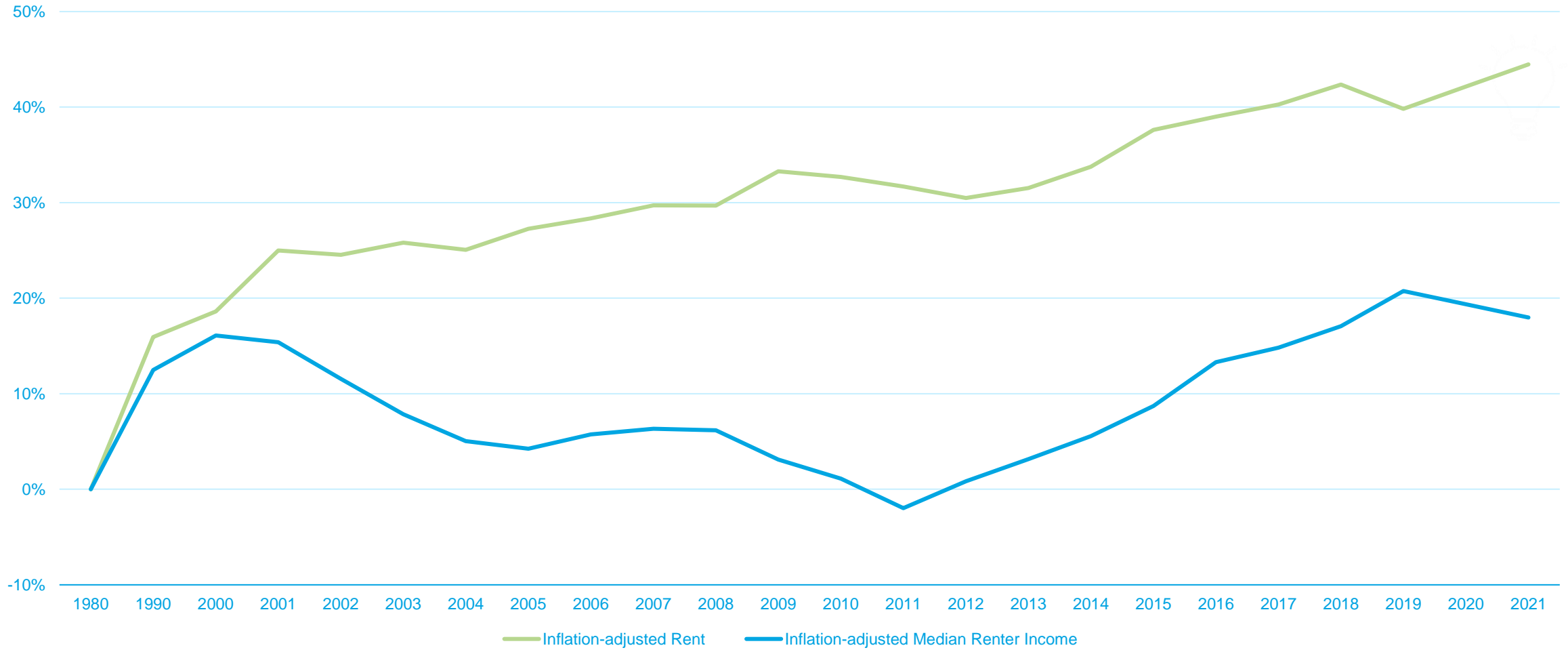


# Rural Rent Burdens





# Housing Has Gotten More Out of Reach Over Time



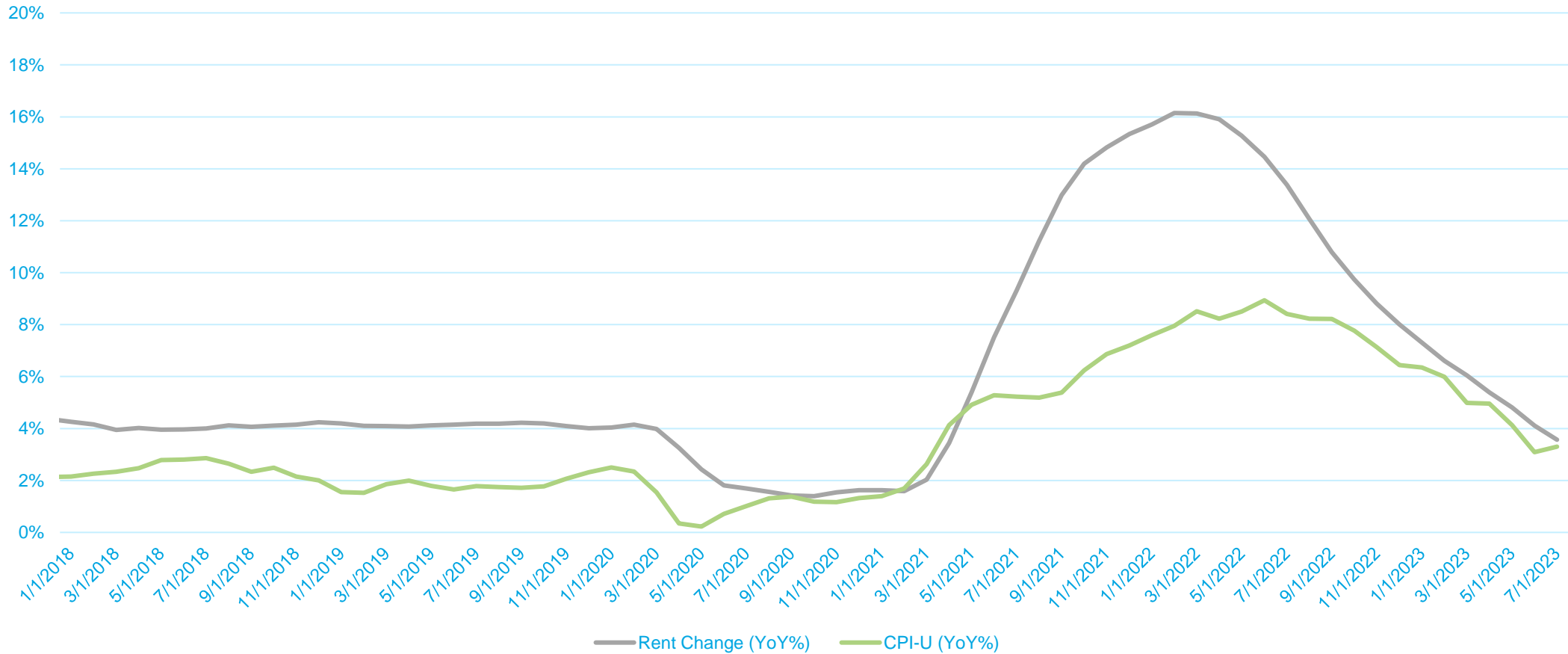
Source: Decennial Census (1980-2000), American Community Survey (2001-), BLS CPI-U annual average



# A Closer Look at Changes in Rents

Rents were 36 percent higher in April 2023 vs. April 2018

Over the same time, *average weekly earnings* for non-supervisors rose by 27 percent... and the Federal minimum wage remained unchanged at \$7.25 per hour.

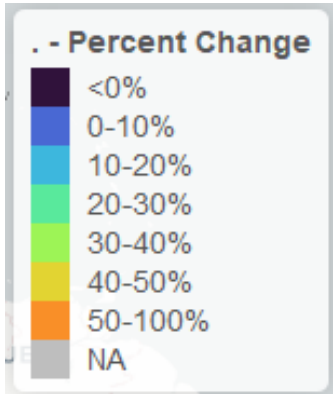
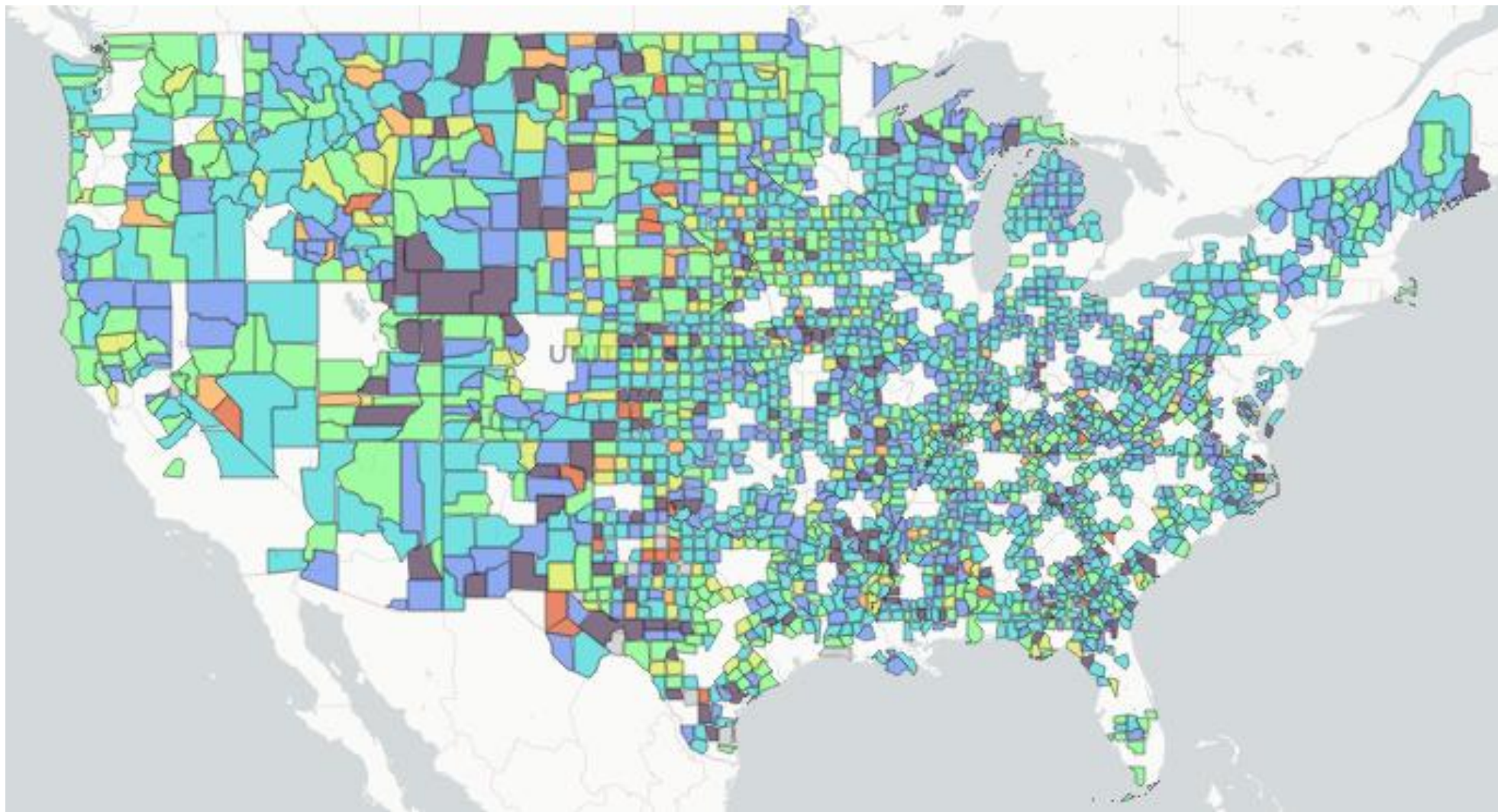


Source: Zillow, BLS CPI-U





# A Closer Look at Changes in Rural Rents

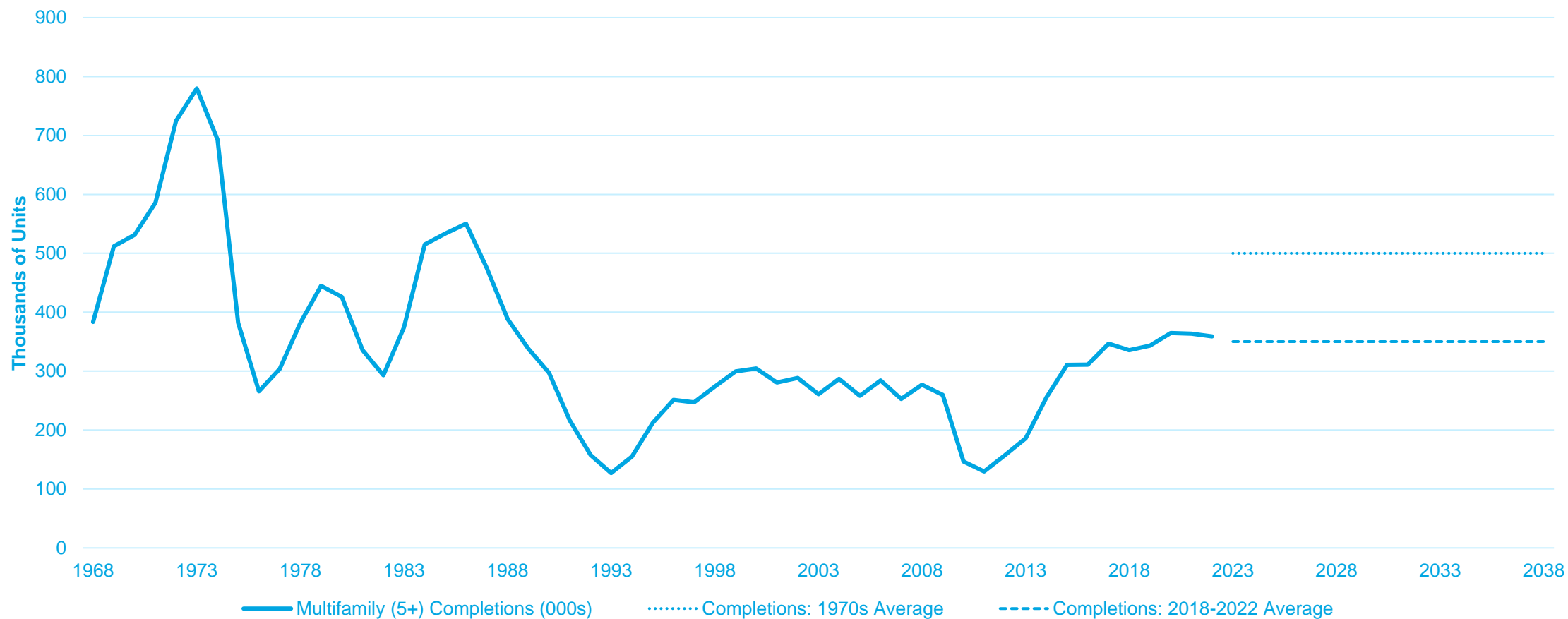




# We Aren't Building Enough Multifamily Housing

It is imperative that we preserve the affordability of existing rental homes even as we add new supply.

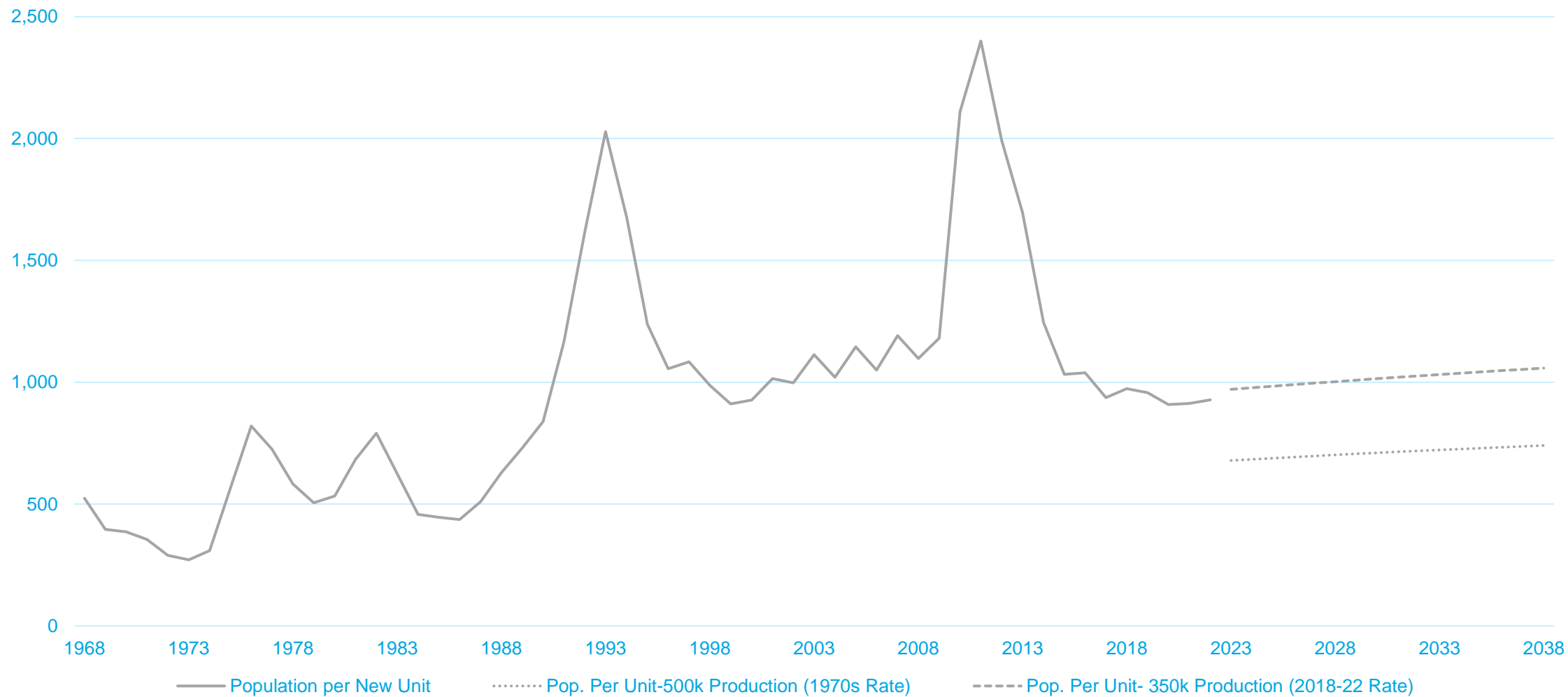
By 2031, an estimated 750,000 subsidized affordable homes are at risk of loss through expiring use restrictions and dispositions.







# We Aren't Building Enough Multifamily Housing





# Taking Stock

Rural People, Rural Places, Rural Housing

[Rural Housing for Freddie Mac – Infogram](#)



# What is Manufactured Housing?



Source: Clayton Homes Manufactured Home Model



## What We Know About Manufactured Housing Today

- **Location**

- Urban, Infill, Suburban Common
- Rural Continues to be most prevalent: 49% outside of an SMSA

- **Cost**

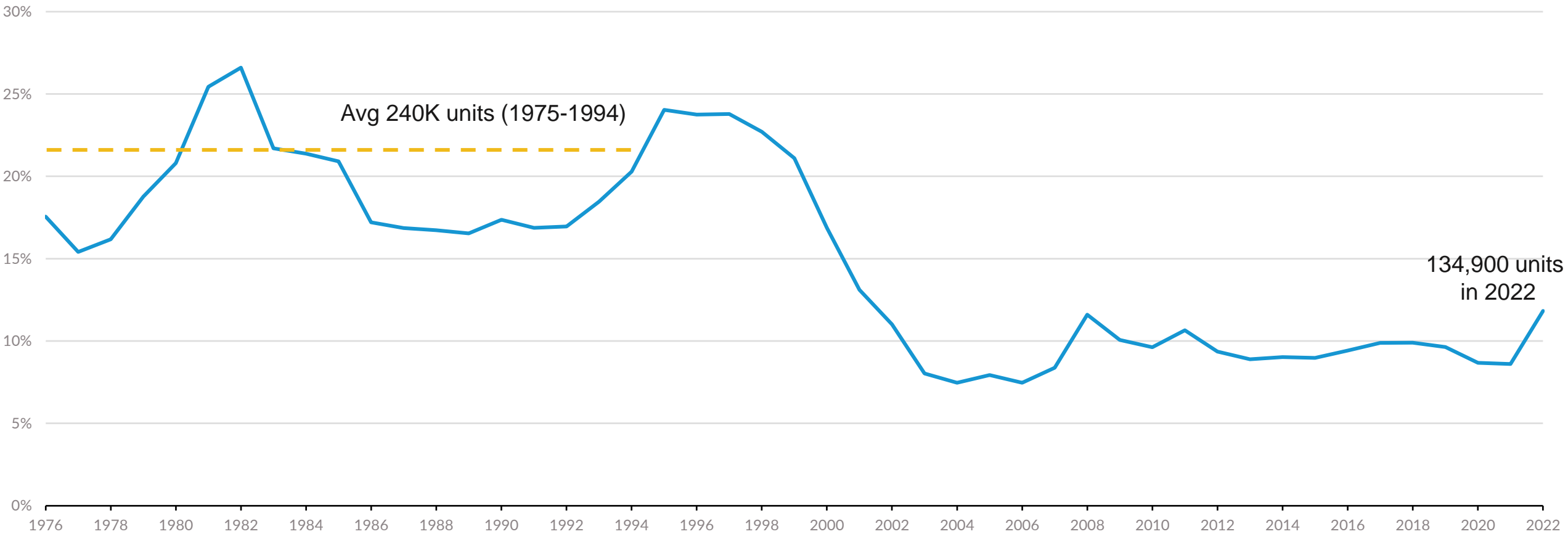
- Controlling for size, prices of manufactured homes are around half the prices of their-site built counterparts on average.





# Annual MH Shipments: 1976 to 2022

*Share of single-family production*



Source: US Census Bureau

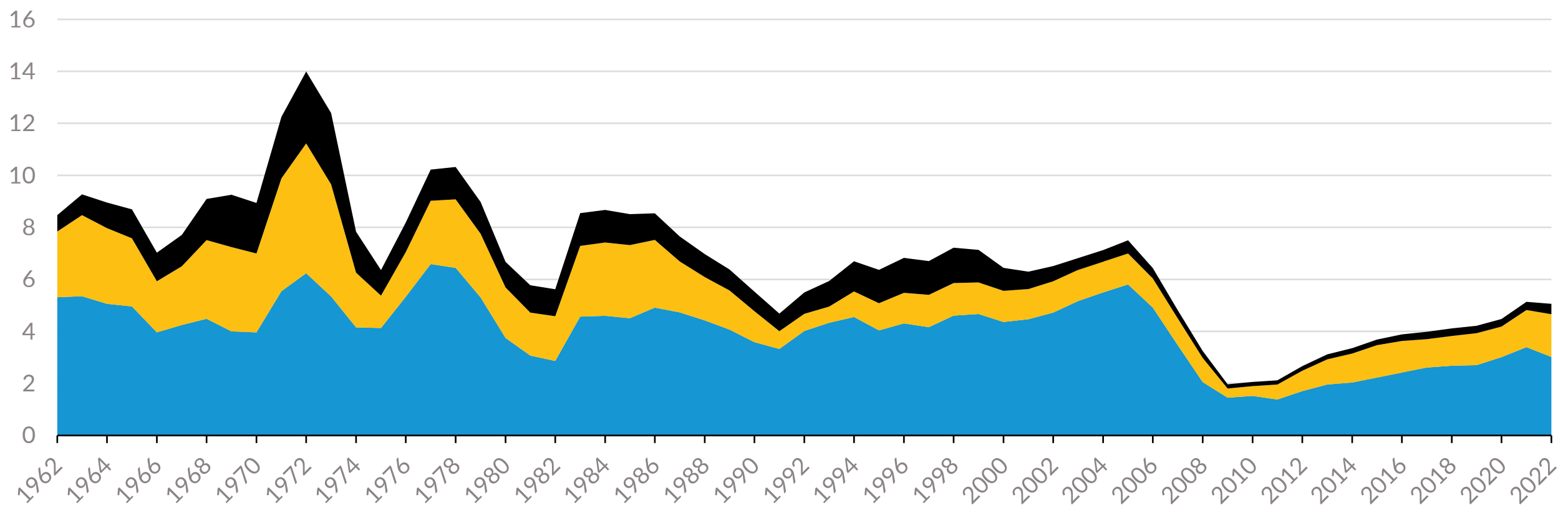


# Housing Production per 1,000 people

■ Single-family starts

■ Multifamily starts

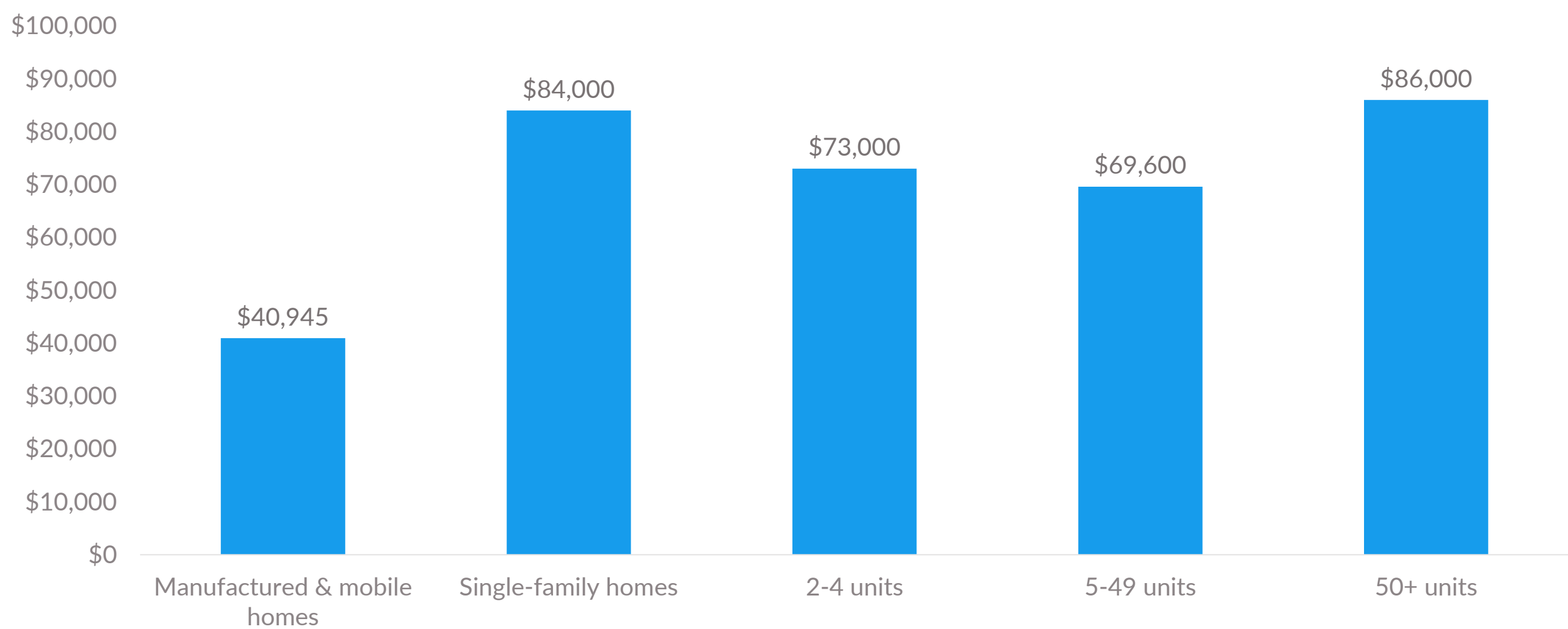
■ Manufactured home shipments



Source: Urban Institute calculations of US Census Bureau data



# Owners' Median Household Income by Housing Type



Source: 2021 American Community Survey (ACS)



## Policy Opportunities in Manufactured Housing

- President Biden's Housing Supply Action Plan
- FHFA Duty to Serve
- Overcoming Zoning Barriers
- CFPB Research
- Department of Energy







## Issues to Consider in Scaling Manufactured Housing

- Restrictive Zoning
- Restrictive Financing
- Negative Attitudes/Perceptions



## How is Manufactured Housing Financed?

Attribute	Personal Property Loan	Real Property MH Loan	Site-Built Mortgage Loan
Median Interest Rate (APOR)	8.0%	5.5%	5.0%
Median Loan Size	\$95,000	\$175,000	\$305,000
Denial Rates	65.5%	43.0%	10.4%

Source: HMDA 2022



## Personal Property vs. Real Property Protections

- Legal Status
- Title
- Pad Lease Protections
- Appraisals
- Origination Disclosures
- Conveyance
- Default Servicing



Find more work by Urban including the most recent brief on **Manufactured Housing Personal Property Loans: Balancing Market Liquidity and Consumer Protection**

Check the Housing Finance Policy Center website for additional work: [www.urban.org/center/hfpc](http://www.urban.org/center/hfpc)

