

Manufactured Home Parks in the Twin Cities

January 2009

Every year since 1975, Metropolitan Council Research has surveyed manufactured home parks in the Twin Cities to obtain data on the numbers of spaces and manufactured homes in each park.

This represents the first report on the Council's Manufactured Housing Park data since 1988.

Additional information on manufactured housing is available from the U.S. Census Bureau, the Manufactured Housing Institute and the Minnesota Housing Partnership.

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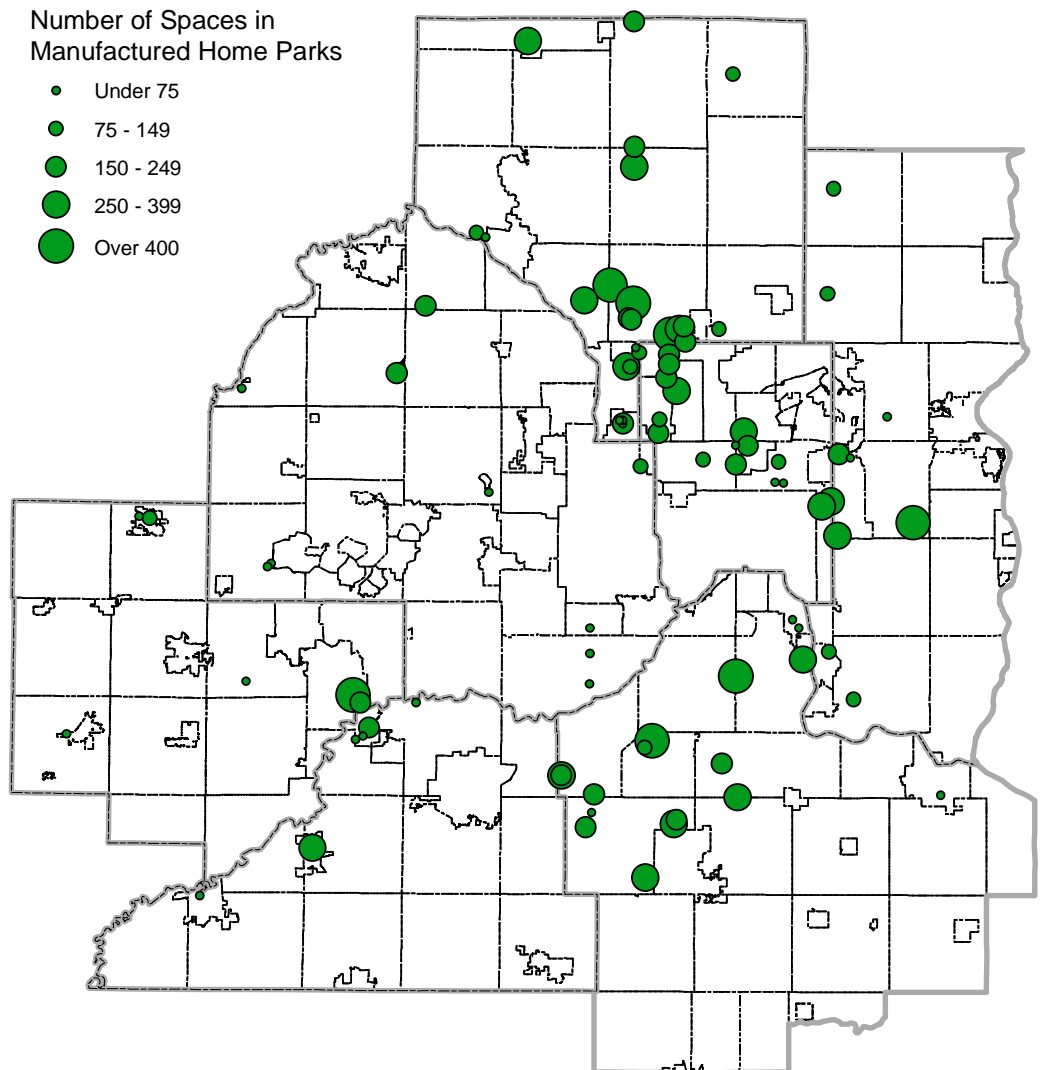
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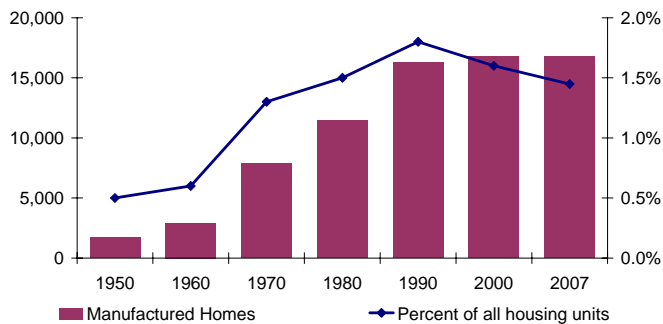
Twin Cities Metropolitan Area 2008 Manufactured Home Parks Number of Spaces



In April 2008, the seven-county Twin Cities area counted 86 manufactured home parks. In 2008, two out of three of the region's manufactured housing in parks are in just three counties -- Anoka, Dakota, and Ramsey Counties. With 24 parks, Anoka County alone has more than one in four of the region's manufactured home parks.

Manufactured housing in the Twin Cities

Manufactured homes make up 1.4 percent¹ of all housing units in the seven-county metro area; they perform a small but important role in the Twin Cities area’s affordable housing market. According to the 2000 Census, there were over 40,000 people in the Twin Cities residing in what the Census Bureau calls “mobile homes”.



Source: U.S. Census

Figure 1: Manufactured homes in the Twin Cities

The Census Bureau reported that, in 2000, more than nine in ten households (93 percent²) owned their mobile home. Among these owner-occupied manufactured homes, 34 percent³, or more than one in three households, spent more than 30 percent of their income on housing, the threshold for housing cost burden. Households owning manufactured homes faced nearly twice the housing cost burden as all home-owning households at 18 percent⁴ or less than one in five in 2000. Although manufactured homes cost 10 to 35 percent less to build than site-built homes⁵, the lower income of their residents – in conjunction with the often-higher interest rates manufactured-home owners must pay – leads to the higher cost burden. While there are no good income data for the residents of manufactured housing for either Minnesota or the Twin Cities, national data show that the median household income for home-owning households is \$59,886, more than double the median household income for manufactured-home-owning households at \$31,698.⁶ Among households renting manufactured housing, two in five experienced

¹ U.S. Census Bureau, American Community Survey, 2007.

² U.S. Census Bureau, Decennial Census, 2000.

³ *Ibid.*

⁴ *Ibid.*

⁵ Manufactured Housing Institute.

⁶ U.S. Census Bureau, American Housing Survey, 2007.

housing cost burden, just as for Twin Cities’ rental households as a whole.⁷

A history of manufactured housing

Today’s manufactured housing has its roots in the travel trailers that emerged in the 1920s soon after the spread of the automobile. While the car offered transportation, travel coaches and travel trailers provided weary travelers ready-made lodging. During the economic dislocations of the Great Depression, travel trailers enabled itinerant workers to seek employment; during World War Two, travel trailers housed factory workers. After the war, returning veterans having trouble finding both affordable housing and permanent employment in the post-war flux turned to travel trailers – the mobile temporary dwellings that provided both housing and the mobility to follow job opportunities.

By the 1950s, the industry manufacturing travel trailers began to market these homes on the basis of their affordability rather than their mobility. Even though the name “mobile home” became popular at this period, moving the newer larger homes required a professional trucking company rather than a car, and mobile home owners were increasingly likely to install their homes in a permanent location, often with a masonry foundation. Households unable to afford a traditional home saw manufactured homes as a reasonable alternative to renting an apartment. However, because of their rapid depreciation in resale value, manufactured homes were not eligible for traditional home loans, creating a loan market of considerably shorter loan terms and higher interest rates.

In 1974, the U.S. Congress enacted the National Mobile Home Construction and Safety Standards Act, subjecting mobile homes to federal guidance superseding state and local building codes. Codified as the “HUD Code of 1976,” these federal regulations defined mobile homes as buildings, not vehicles, and, with the passage of the Housing Act of 1980, mandated the use of the term “manufactured housing” rather than “mobile home” in federal documents. Manufactured homes are frequently confused with other forms of factory-built housing, including modular or pre-cut homes, but manufactured homes must be built on a chassis, which allows them to be transported on their own wheels.

⁷ U.S. Census Bureau, Decennial Census, 2000.

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Manufactured housing and manufactured home parks continue to retain some stigma associated with their itinerant roots from the Great Depression, their rapid price depreciation, and the predominance of lower-income households who occupy them. These prejudices have led to zoning restrictions such as limitations on new single-wide manufactured home placements or the number of manufactured homes allowed at any given location. As a result of these restrictions, the overwhelming majority of manufactured homes concentrate in manufactured home parks.

Manufactured Home Parks

In April 2008, the seven-county Twin Cities area counted 86 manufactured home parks, a slight decrease from the 1990 peak of 92 parks. (See Figure 2.) In 2008, two out of three of the region's manufactured housing in parks were in just three counties -- Anoka, Dakota, and Ramsey Counties. With 24 parks, Anoka County alone had more than one in four of the region's manufactured home parks, having added five parks between 1975 and 1990. Dakota County and Ramsey County had 17 and 16, respectively. Despite having 40 percent⁸ of the region's population, Hennepin County had only ten percent of the region's manufactured home parks, perhaps because the cost of land has priced manufactured home parks out of the county's market. (See Figure 3.)

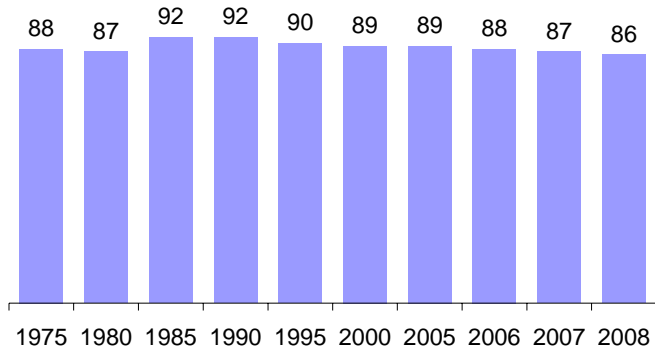


Figure 2: Manufactured home parks in seven-county region

While most counties have been stable over the past thirty years in the number of manufactured home parks, Hennepin County has seen a steady downward trend, from a peak of 15 in 1975 to nine in 2008. This reinforces the hypothesis that manufactured home parks

⁸ Metropolitan Council Research 2007 Population Estimates.

in Hennepin County face stiffer competition from alternative land uses. (See Figure 4.)

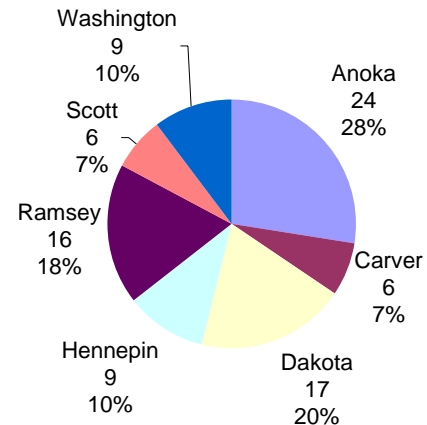


Figure 3: Manufactured home parks by county, 2008

Many experts expect declining numbers of manufacturing home parks to be the trend in the future, with the cost of land increasing, thereby making it harder for potential manufactured housing parks to locate land affordable enough to develop. In fact, the last new manufactured home park to open in the region was Cottage Grove Estates in 1996.

The land under manufactured home parks is often attractive to developers, making it profitable for manufactured home park land owners to sell the park land to developers. In the last three years, three manufactured home parks (St. Paul Cabins in Maplewood, Shady Lane in Bloomington, and Whispering Oaks in Oakdale) have closed and been redeveloped into site-built housing developments. Woodlyn Court, in Anoka, is in the process of closing due to improper sewage discharge issues.

Responding to these changes, the 2007 Minnesota Legislature established the Minnesota Manufactured Home Relocation Trust Fund to compensate manufactured housing homeowners who rent lots in a manufactured home park in the event of closure or conversion of the park. Park owners must pay to move owner-occupied manufactured homes, but this fund does not apply to rented manufactured homes. The closing of parks can be especially distressing for home owners whose homes are over 10 years old because a majority of manufactured home parks do not allow such older units to be moved into their parks.

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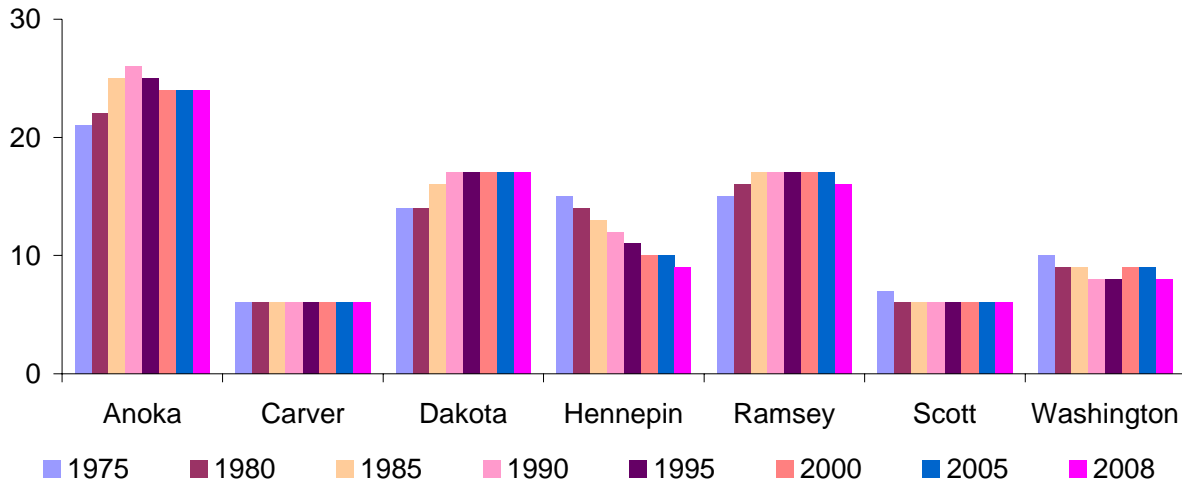


Figure 4: Manufactured home parks by county, 1975 to 2008

A fairly recent development in the manufactured housing field is the creation of manufactured housing co-ops, whereby the residents in the manufactured housing park collectively own the land where their houses sit. In a typical manufactured housing park, the residents rent the land or space where their house sits. Unfortunately, with the rising cost of land and the willingness of developers to construct site-built housing, many residents of manufactured home parks cannot purchase the park's land because of the high price. In 2004, Paul Revere Park in Lexington became the first manufactured housing co-op in the Twin Cities.

What's going on in Manufactured Home Parks?

The number of spaces in manufactured home parks has remained fairly constant since the mid-1980s at just under 16,000. After rising 14 percent from 1975 to 1985, the number of spaces, 15,794 in 2008, has fallen only 1.1 percent since the 2005 peak of 15,975. (See Figure 5.)

The largest manufactured home park in the Twin Cities is the Park of Four Seasons in Blaine, which has 572 spaces, followed by Centennial Square, also in Blaine, which has 568 spaces. Other parks having 500 or more spaces are: Cimarron Park in Lake Elmo (505 spaces); Blaine International Village in Blaine (500 spaces); and Brandondale Chaska Mobile Home Park in Chaska (500 spaces). While three of the five largest manufactured

home parks are in Anoka County, Dakota County has the largest average number of spaces per park at 229, compared to 201 in Anoka and just 97 in Hennepin County. (See Figure 6.)

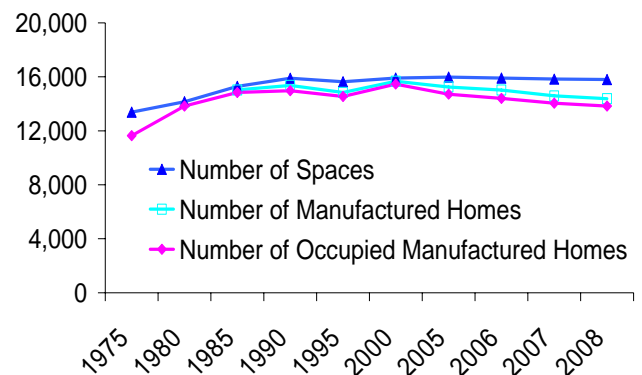


Figure 5: Trends in manufactured home parks

The number of manufactured homes in manufactured home parks has fallen more noticeably than the number of spaces. In 2008, there were 14,380 manufactured homes in manufactured home parks, down 8 percent since the 2000 peak of 15,668. The share of manufactured home park spaces that are utilized by a manufactured home has decreased from a peak of more than 98 percent in 2000 to 91 percent in 2008. (See Figure 7.)

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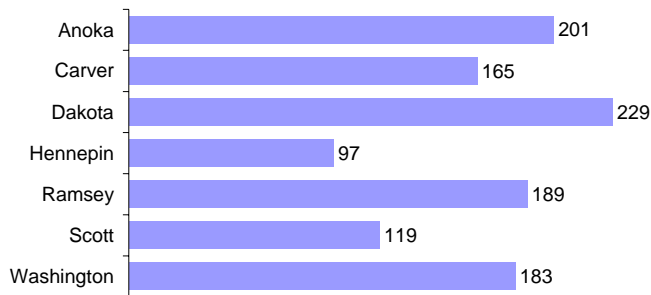


Figure 6: Average manufactured homes per manufactured home park, by county

There was little variation from county to county in 2008, with Dakota County having the lowest percentage (87 percent) of manufactured home park spaces occupied by a manufactured unit, and Ramsey and Washington Counties having the highest (96 percent).

The number of manufactured housing units that are occupied decreased minimally from 2000 to 2008, but has traditionally remained very high, with 96 percent of the manufactured homes in parks being reported occupied in 2008. The occupancy rate of manufactured homes in manufactured home parks has remained above 95 percent every year since 1985.

Most of the counties in the metro area had an occupancy rate in the mid-90's, with Anoka and Ramsey Counties having the highest (97 percent) and Scott County having the lowest (93 percent).

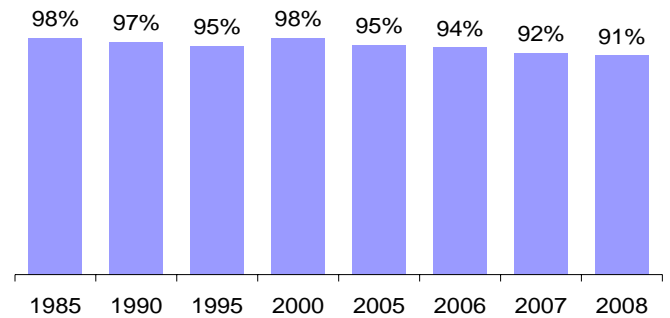


Figure 7: Share of manufactured home park spaces occupied by manufactured homes

Future Trends in Manufactured Housing Parks

Given trends in the price of land, it is unlikely that the Twin Cities will reverse the gradual loss of manufactured home parks or that any new manufactured housing parks will appear in the closer-in areas of the Twin Cities. However, this trend is competing with ongoing pressure in housing affordability. Summer 2008's "Housing and Economic Recovery Act of 2008" contained several provisions intended to improve the availability of more affordable mortgages for manufactured housing. As a result, manufactured housing will likely become a more desirable option for affordable housing. Though the Twin Cities region is unlikely to see any new manufactured home parks in the future, the occupancy rates are likely to increase.

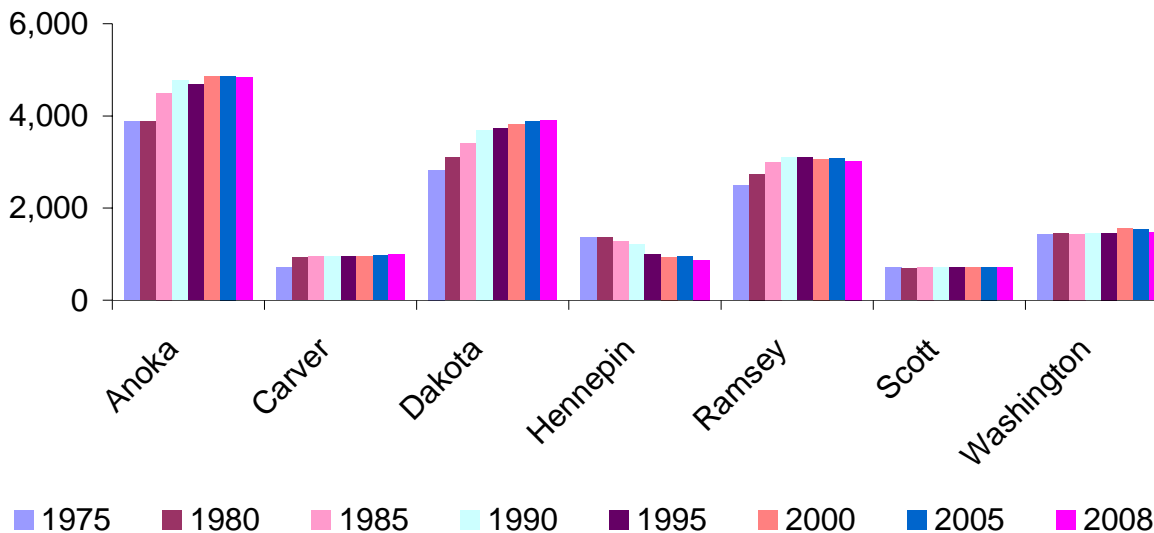


Figure 8: Spaces in manufactured home parks

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Appendix A: Tables

Table 1: Number of Manufactured Home Parks by County

County	1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Anoka	21	22	25	26	25	24	24	24	24	24
Carver	6	6	6	6	6	6	6	6	6	6
Dakota	14	14	16	17	17	17	17	17	17	17
Hennepin	15	14	13	12	11	10	10	9	9	9
Ramsey	15	16	17	17	17	17	17	17	16	16
Scott	7	6	6	6	6	6	6	6	6	6
Washington	10	9	9	8	8	9	9	9	9	8
Total	88	87	92	92	90	89	89	88	87	86

Source: Metropolitan Council Manufactured Home Park Survey.

Table 2: Spaces, Number of Manufactured Homes in Manufactured Home Parks, and Occupied Spaces for the Seven-County Twin Cities Metropolitan Area

Year	Spaces	Manufactured Homes	Occupied Manufactured Homes
1975	13,379	NA	11,636
1980	14,156	NA	13,829
1985	15,288	15,026	14,829
1990	15,891	15,360	14,976
1995	15,630	14,844	14,542
2000	15,907	15,668	15,462
2005	15,975	15,237	14,712
2006	15,907	15,015	14,394
2007	15,824	14,583	14,048
2008	15,794	14,380	13,831

Source: Metropolitan Council Manufactured Home Park Survey.

Table 3: Spaces in Manufactured Home Parks by County

County	1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Anoka	3,877	3,882	4,503	4,767	4,689	4,864	4,865	4,868	4,882	4,833
Carver	704	930	957	957	948	954	963	958	957	991
Dakota	2,826	3,101	3,406	3,694	3,725	3,820	3,875	3,897	3,863	3,898
Hennepin	1,361	1,352	1,266	1,210	998	942	950	872	882	873
Ramsey	2,486	2,743	3,003	3,098	3,094	3,063	3,071	3,066	3,020	3,021
Scott	706	692	716	713	712	712	716	713	717	713
Washington	1,419	1,456	1,437	1,452	1,464	1,552	1,535	1,533	1,503	1,465
Total	13,379	14,156	15,288	15,891	15,630	15,907	15,975	15,907	15,824	15,794

Source: Metropolitan Council Manufactured Home Park Survey.

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Table 4: Manufactured Homes in Manufactured Home Parks

County	1985	1990	1995	2000	2005	2006	2007	2008
Anoka	4,413	4,508	4,417	4,811	4,565	4,481	4,436	4,295
Carver	935	944	924	943	917	941	899	927
Dakota	3,355	3,612	3,491	3,717	3,725	3,651	3,418	3,392
Hennepin	1,246	1,127	947	923	880	823	824	807
Ramsey	2,957	3,082	3,046	3,048	3,010	3,004	2,938	2,900
Scott	699	672	632	697	676	653	647	659
Washington	1,421	1,415	1,387	1,529	1,464	1,462	1,421	1,400
Total	15,026	15,360	14,844	15,668	15,237	15,015	14,583	14,380

Source: Metropolitan Council Manufactured Home Park Survey. Note: The total number of manufactured homes in parks was not a part of the annual survey until 1983.

Table 5: Occupied Manufactured Homes in Manufactured Home Parks

County	1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Anoka	3,377	3,781	4,364	4,398	4,322	4,751	4,437	4,317	4,285	4,160
Carver	542	848	928	910	910	925	891	899	848	889
Dakota	2,305	3,051	3,278	3,501	3,401	3,674	3,523	3,473	3,289	3,240
Hennepin	1,295	1,316	1,238	1,107	937	917	864	808	784	770
Ramsey	2,303	2,728	2,939	3,019	2,994	3,009	2,954	2,929	2,869	2,819
Scott	552	670	696	642	606	672	633	608	602	613
Washington	1,262	1,435	1,386	1,399	1,372	1,514	1,410	1,360	1,371	1,340
Total	11,636	13,829	14,829	14,976	14,542	15,462	14,712	14,394	14,048	13,831

Source: Metropolitan Council Manufactured Home Park Survey.

Table 6: Spaces, Manufactured Homes, and Occupied Manufactured Homes in Manufactured Home Parks, 2008

County	Spaces	Manufactured Homes	Occupied Manufactured Homes
Anoka	4,833	4,295	4,160
Carver	991	927	889
Dakota	3,898	3,392	3,240
Hennepin	873	807	770
Ramsey	3,021	2,900	2,819
Scott	713	659	613
Washington	1,465	1,400	1,340
Total	15,794	14,380	13,831

Source: Metropolitan Council Manufactured Home Park Survey.

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Table 7: Percent of Housing Units that are Manufactured Homes in the Twin Cities Seven-County Metropolitan Area (inside and outside of Manufactured Home Parks)

Year	Total Housing Units	Manufactured Homes	Percent
1950	358,875	1,716	0.5%
1960	475,505	2,930	0.6%
1970	594,029	7,896	1.3%
1980	750,228	11,454	1.5%
1990	922,224	16,302	1.8%
2000	1,047,240	16,752	1.6%
2007	1,149,266	16,463	1.4%

Source: 1950 to 2000 from Decennial Census, U.S. Census Bureau; 2007 from the American Community Survey, U.S. Census Bureau

Table 8: Estimated Total Number of Residential Manufactured Homes by County (inside and outside of Manufactured Home Parks)

County	1950	1960	1970	1980	1990	2000	2007
Anoka	215	615	2,189	3,036	4,634	4,959	4,275
Carver	17	8	245	783	1,111	1,003	893
Dakota	90	259	1,105	2,583	3,867	3,812	4,014
Hennepin	957	871	1,249	1,217	1,261	1,551	1,763
Ramsey	403	721	1,711	2,162	3,151	3,209	3,078
Scott	18	144	521	638	801	746	680
Washington	16	312	876	1,035	1,477	1,472	1,760
Total	1,716	2,930	7,896	11,454	16,302	16,752	16,463

Source: 1950 to 2000 from Decennial Census, U.S. Census Bureau; 2007 from the American Community Survey, U.S. Census Bureau