Fannie Mae®

Research Summary

MH Advantage® financing for homes in local communities

MH Advantage eligible homes – cost advantages without compromise

A recent research study conducted by Fannie Mae and Zonda, formerly known as Meyers Research, found the hard costs for construction, delivery, site prep, and installation of a new MH Advantage eligible home ranged from $70-$120* per square foot, depending on the market. In U.S. markets where developers' hard costs are above that threshold, considering MH Advantage eligible homes could generate substantial savings, allowing developers to increase their profit margins and offset higher land costs.

In addition, borrowers will enjoy faster delivery and financial savings when choosing MH Advantage eligible homes over site-built.

Cost savings comparison

(as a percentage of income at 80% of the area median income [AMI])

Low- and moderate-income borrowers can save months of their income by choosing a factory-built home over a site-built house in many U.S. markets.

In the Chico metropolitan service area (MSA), an MH Advantage eligible home can be built for $75,381* less than a site-built home, which is equivalent to more than 17 months of income for homebuyers at 80% AMI.

CHICO MSA, CA	
MHA build price per sq. ft.	**$76**
Build price difference	**$75,381***
Income equivalent	**> 17 months**

In the Chicago MSA, an MH Advantage eligible home can be built for $84,932* less than a site-built home, which is equivalent to more than 14 months of income for homebuyers at 80% AMI.

CHICAGO MSA, IL	
MHA build price per sq. ft.	**$76**
Build price difference	**$84,932***
Income equivalent	**> 14 months**

Calculating the total hard costs*

Manufactured home ~$45 per sq. ft. → **Sales tax** 35-65% of sales price x local tax → **Delivery charge** ~$15 per mile → **Foundation** ~$19,000 → **Garage construction** ~$24,000 → **Installation cost** ~$1,500 → **Setup costs** ~$5,000 → **Total hard costs** ~$72 per sq. ft.

*Data analysis is based on Zonda, formerly know as Meyers Research, research data published in August 2020 and FHFA AMI data.

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What is MH Advantage financing?

It is an affordable mortgage financing option for specific HUD-certified manufactured housing with characteristics more typical of site-built homes.

Benefits of including MH Advantage qualifying homes in your subdivision model

- Increased profit margins
- Offsetting higher land costs
- Ability to offer more competitive pricing
- Getting homes built and in market at a faster pace

In collaboration with

Zonda

Top opportunity markets

(based on cost, sorted alphabetically)

- Bend, OR
- Bridgeport, CT
- Chicago, IL
- Chico, CA
- Columbus, OH
- Eureka, CA
- Fresno, CA
- Grants Pass, OR
- Inland Empire, CA
- Las Vegas, NV
- Minneapolis, MN
- Sacramento, CA
- Salem, OR
- Salinas, CA
- San Diego, CA
- Santa Rosa, CA
- St. George, UT
- St. Louis, MO
- Stockton, CA
- Ukiah, CA
- Vallejo, CA
- Washington, DC

For more information about the benefits of incorporating MH Advantage eligible homes into your development plans, please send us an email at mh_notices@fanniemae.com or visit fanniemae.com/manufacturedhousing.

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