



Opening doors to better living.

**THE VOICE OF FACTORY-BUILT MANUFACTURED HOMES AND
MODULAR HOMES IN MINNESOTA**

Testimony of Mark Brunner, MMHA
2025 Session

An Overview of **Today's Factory-Built Homes**

Manufactured & Modular Homes



Modular Home



Manufactured Home or Modular Home



Modular Home



Manufactured Home



Manufactured Home



Duplex Modular or
Manufactured Home



Manufactured Home



The Voice of the Minnesota's Factory-Built Housing Industry

MMHA Speaks for:

- **Minnesota's Factory Home Builders**
- **Minnesota's 900+ Privately Owned Manufactured Home Communities**
- **Manufactured Home & Modular Home Sales Centers**
- **Manufactured Home Installers and Residential Contractors**
- **Financial Services and Mortgage Companies**
- **Service and Supplier Companies**

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Opening doors to better living

Today's Factory-Built Homes

A Bipartisan
Solution



HUD Secretary Marcia Fudge Tours Manufactured Homes on the National Mall

"This may, in fact, be the future of housing, and we are on the cutting edge of making it happen for every single American. They are energy efficient, they are resilient, and they are really, nice looking. We are more than 1 million and a half homes short, right now, today. We are finding ways to do more financing of manufactured homes, so it is going to be a major part of the solution."

Today's Factory-Built Homes

A Bipartisan
Solution



HUD Secretary-Designate Scott Turner Tours Manufactured Homes on the National Mall

"Manufactured homes are such a viable option for cities and other entities and could be life changing for many, thank you for being innovative and risk takers in creating these types of homes." (2019)



MANUFACTURED & MODULAR HOMES

Minnesota's Largest Source of Non-Subsidized Attainable Workforce Housing



Today's Factory-Built Homes

- Factory-built homes are Minnesota's largest source of non-subsidized, attainable housing, accounting for nearly 15% of all new single-family homes sold. For many Minnesotans, factory-built homes represent the difference between joining the ranks of those realizing the dream of homeownership, versus remaining perpetual renters.

Today's Factory-Built Homes

- The industry in Minnesota employs around 3,000 workers at 1,200 mostly small businesses. There are 14 factories authorized to build manufactured and/or modular homes in Minnesota, the largest of which are in **Redwood Falls, Montevideo, Red Lake Falls, Worthington, and Detroit Lakes**.
- There are nearly 1,000 privately owned, licensed manufactured home communities in the state, providing land-lease home sites to 50,000 families.

Today's Factory-Built Homes

- The industry estimates that 85% of all new manufactured homes sold in Minnesota are affixed to real property and financed with traditional or conventional Fannie/Freddie mortgages. The remaining 15% of new homes sold are sited on leased land in one of the State's nearly 1,000 manufactured home communities, or on family farmland for adult children who desire to remain involved in the family's business. In either situation, manufactured homes are classified as single-family residential dwellings and qualify for the mortgage interest tax deduction.

Today's Factory-Built Homes

- Factory-built home construction costs can be 20-40% less than the cost of traditional on-site construction. Oftentimes, the savings are the difference for someone being able to afford a down payment as a first-time homebuyer or remaining perpetual renters.
- Some of the savings are achieved by the climatically controlled environment in which homes are built, eliminating weather damage to materials or lost days or weeks due to outdoor weather conditions.
- Factory home builders purchase their building materials in large quantities, taking advantage of volume pricing from supplies.
- Theft of building materials and vandalism at the home site can account for up to 5% of site-constructed home costs. With the factory-building process, these threats are virtually eliminated.
- Finally, construction financing costs caused by delays from the weather and subcontractor scheduling problems are reduced.

Today's Factory-Built Homes

- Generally, modular homes and manufactured homes are built in the same factory with many of the same component products and by the same highly skilled workers – the difference is in the building code.
- Manufactured homes are built to a Federal Building Code, often referred to as the “HUD Code,” which is a performance-based building code and adopted as a part of the Minnesota State Building Code.
- Modular homes are built to the Minnesota’s Residential or Site Built Building Code and transported from the plant to the home site on a removable chassis, which is then returned to the factory and recycled.
- Both are rigorously inspected throughout the entire construction process receiving a seal of approval with a State of Minnesota IIBC label or Federal HUD label before a final Certificate of Occupancy is issued.

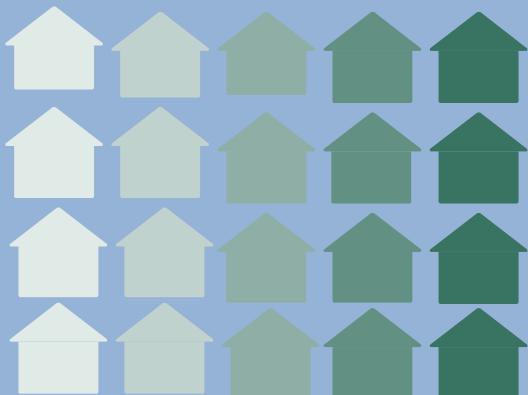
Today's Factory-Built Homes

Economic Impact:

- Over \$1-Billion economic impact on Minnesota's economy.
- Approximately 200,000 Minnesotans reside in manufactured homes.
- Average sales price of a new manufactured home without land; \$71,000.
- Approximately 1,400 manufacturing jobs in Minnesota are related to factory-built homes.
- In Greater Minnesota, factory-built homes play a critical role in economic expansion and the ability to attract new businesses and employees as a source of workforce housing.

Manufactured Homes in the United States

Manufactured Home Communities



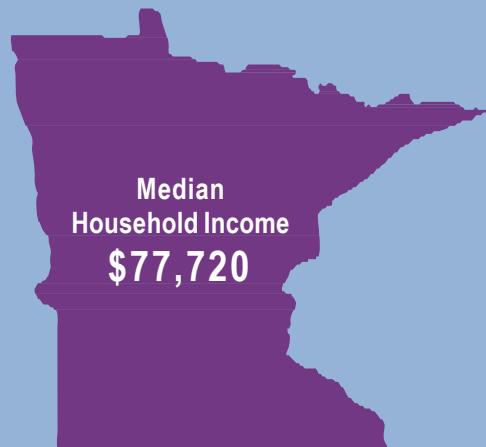
45,000 land-lease manufactured
home communities

4.3 million home sites

Nearly 1,000 licensed manufactured
home communities in the State of
Minnesota with 50,000 home sites

Manufactured Homes in the United States

Average Sales Price of a New Manufactured Home



*U.S. Median Household Income \$69,717

| | Overall* | Single Section* | Multi-Section* | New Site-Built |
|-----------------------|----------|-----------------|----------------|------------------------|
| Minnesota State Total | \$69,500 | \$53,800 | \$86,300 | \$331,000 [†] |
| United States Total | \$68,000 | \$45,600 | \$86,700 | \$276,284* |

*Without Land

[†]With Land by Census Region



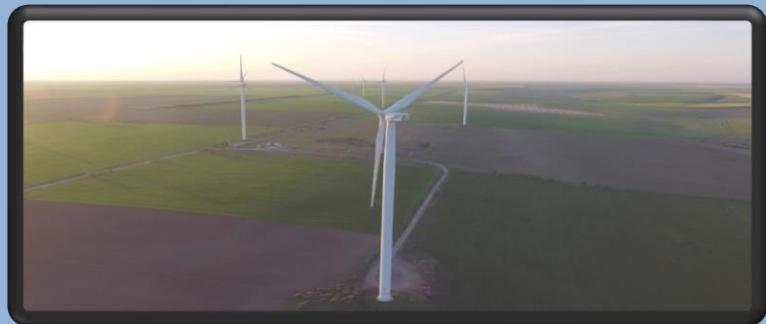
Sources: 2021 U.S. Census Bureau ACS One Year Estimates; U.S. Census Bureau Survey of Construction



About the MMHA and Minnesota Factory Built Homes



Factory Built Homes Offer a Variety of Choices in Floorplans and Designs for Minnesota Families



Going Green with Today's Factory Built Homes



Understanding Factory Built Construction Terminology and Code Differences