

2012 Manufactured Home Market Facts



Background and Methodology

Since 1952, Foremost Insurance Company has been the nation's leading manufactured home insurance specialist, providing manufactured home insurance products to meet the needs of manufactured home owners and contributing to industry growth through innovative insurance and financing programs.

Foremost Insurance Company has sponsored corporate studies of the manufactured home market since 1979. We have continued to evolve the study to make sure the data collected is as useful and relevant as possible. We have collected data to help us not only understand the market and how it is changing, but also the motivations and attitudes of the diverse population of manufactured home owners and residents.

Method

Beginning October 2 through October 18, 2012, email invitations were sent to members of the Survey Sampling International (SSI) online survey panel. SSI provided both pre-screened manufactured home owners/residents and general population panelists. For our study, 10,002 completed surveys were collected.

Sample Requirements

- Must own or reside in a manufactured, mobile or modular home within the United States
- Must be 18 years of age or older

29,641 interviews were started:

- Resulting in 10,002 completed surveys. 17,173 failed to qualify, 2,459 failed to complete entire survey, 7 survey errors
- 9,055 completes came from targeted SSI sample (pre-screened for manufactured home ownership)
- 947 completes came from untargeted SSI sample (not pre-screened for manufactured home ownership)



The Manufactured Home Market Shifts Toward Older Homes and Lower Income Households

- 55% of manufactured home owners reported an annual household income less than \$30,000, representing a 16% increase from 2008
- Despite four years between the surveys, the median model year is older in the 2012 Market Facts report
- 52% of respondents estimated the market value of their manufactured home was under \$20,000, a 6% increase from 2008
- 41% of manufactured home units were purchased for under \$20,000, representing a 6% increase from 2008



Market Trends

- 27% of all manufactured home households (owner-occupied) own one or more specialty product, which includes Boat, Motorcycle, Motor Home, Travel Trailer, Sailboat, Personal Watercraft, ATV and Snowmobile
- 25% of owners expect to move or sell their manufactured home within the next five years
- Of those planning to move or sell, 34% expect a manufactured home to be their next residence (up 3% from 2008 Market Facts)
- Median model year and estimated value have decreased from Market Facts 2008
- Single-section homes represented 59% of all units
- Multi-section homes are down 8% since our 2008 study

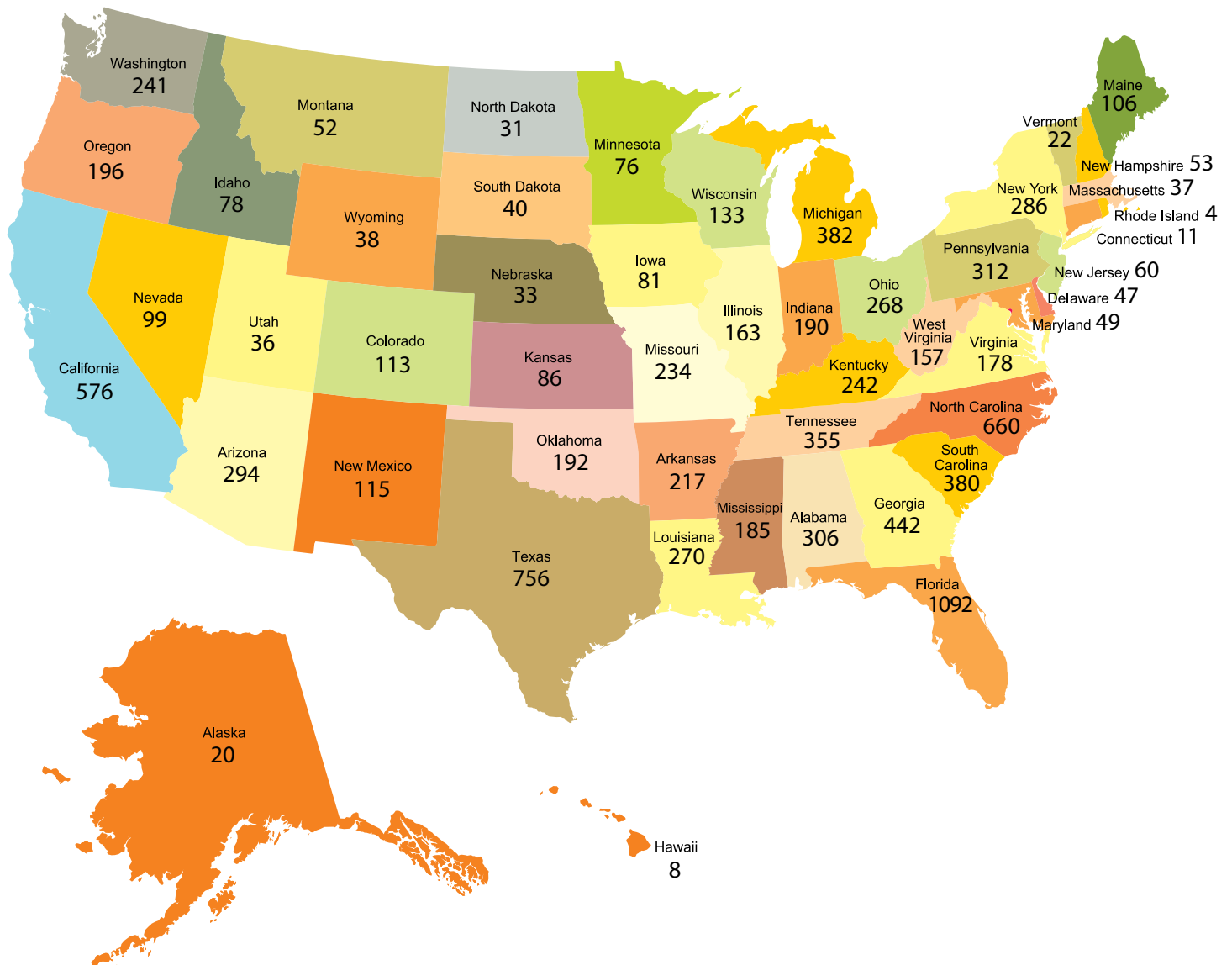
Manufactured Home Residents Profile

- 68% own or are buying their manufactured home; 24% rent
- 9% have a four-year college or advanced degree
- 40% of manufactured home owners don't anticipate ever selling or moving from their current home
- 26% of owner-occupied manufactured homes are currently uninsured

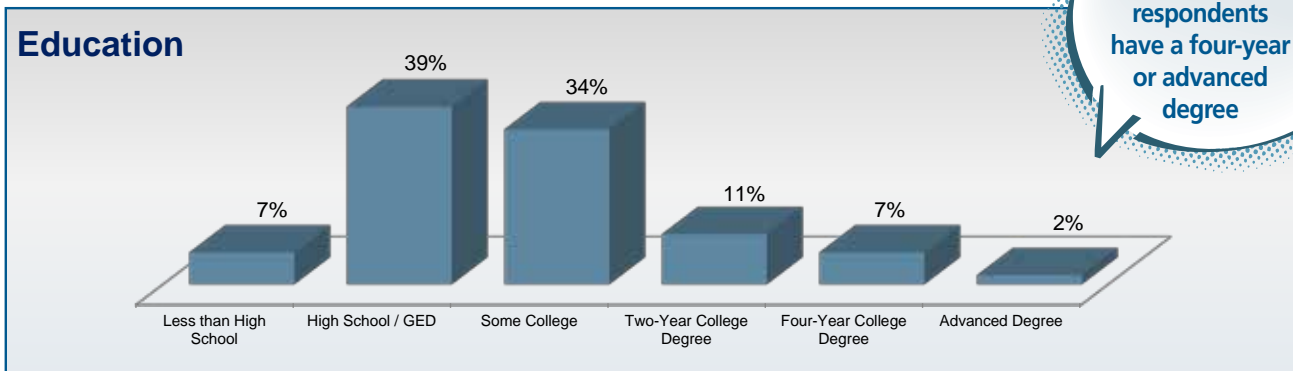
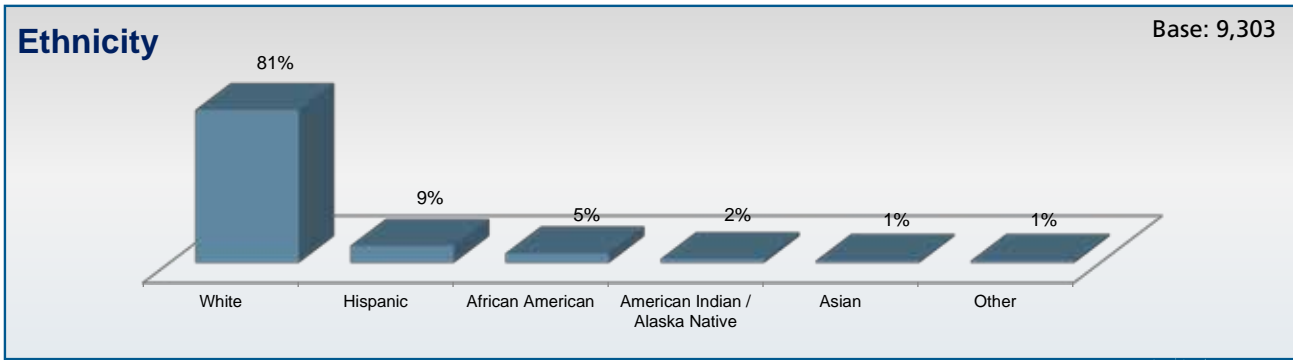
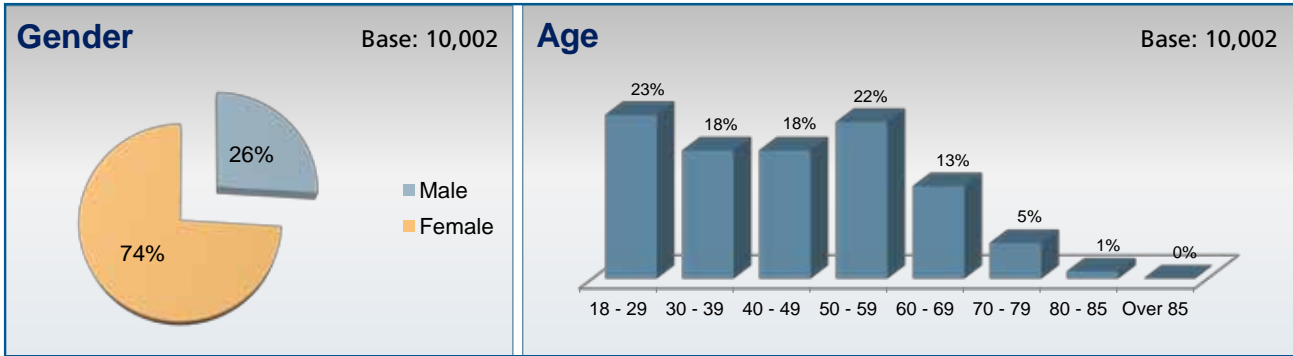


Demographics

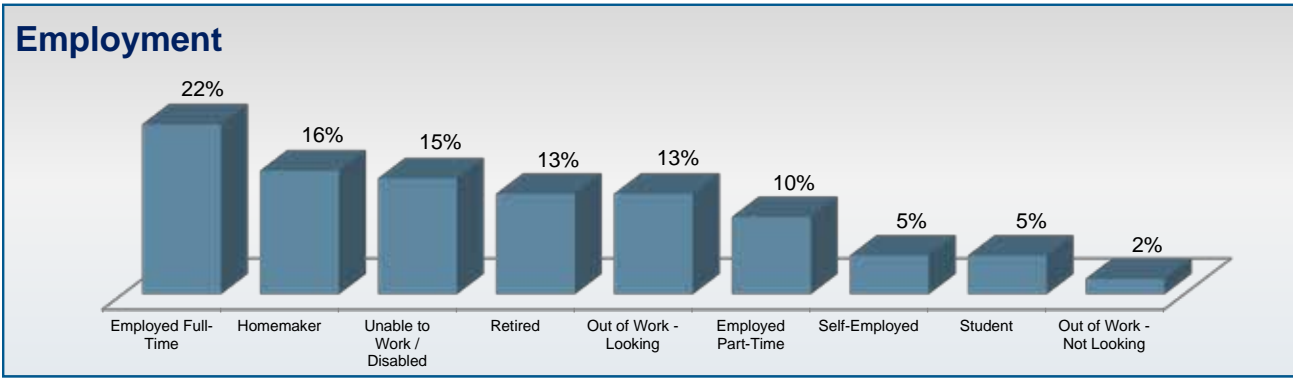
Respondents by State



Respondent Demographics - Manufactured Home Residents

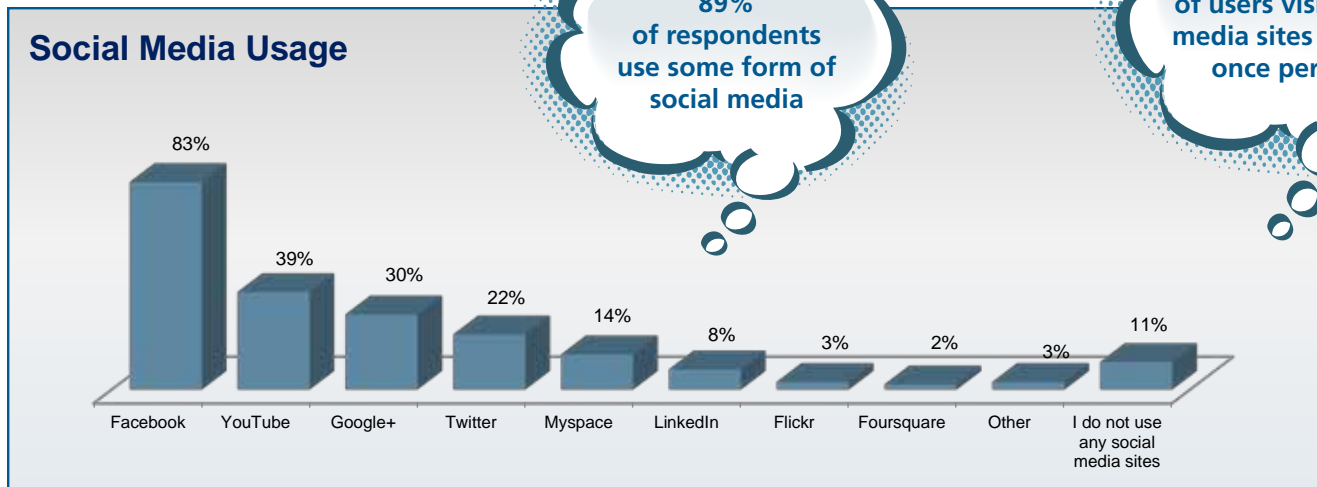


Base: Manufactured/Mobile/Modular Home resident (9,420)



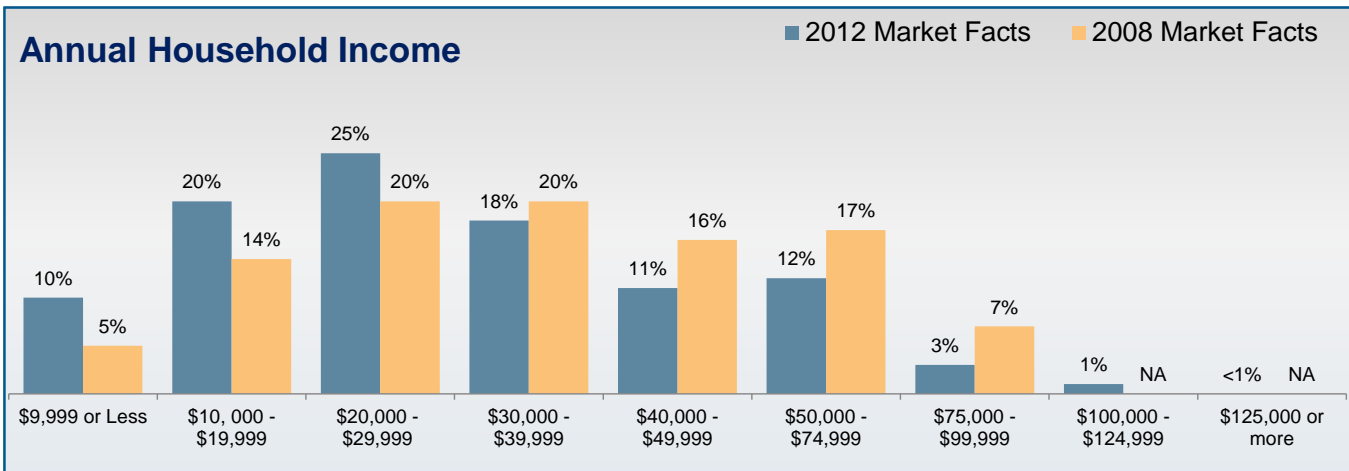
Base: Manufactured/Manufactured/Modular Home resident (9,420)

Respondent Demographics - Continued



Base: 10,002

Respondent Demographics – Owner Occupied



Base: Manufactured Home owner responded to question (5,827)

55% of
Manufactured Home
Owners claimed an annual
household income
< \$30,000

Estimated Net Worth – Owner Occupied

Just estimating, what is your total net worth? Include stocks, bonds, savings, value of your home, retirement funds, 401ks, personal belongings, assets, other real estate investments, etc., minus any liabilities. This question is asking about your total net worth and NOT your annual income.



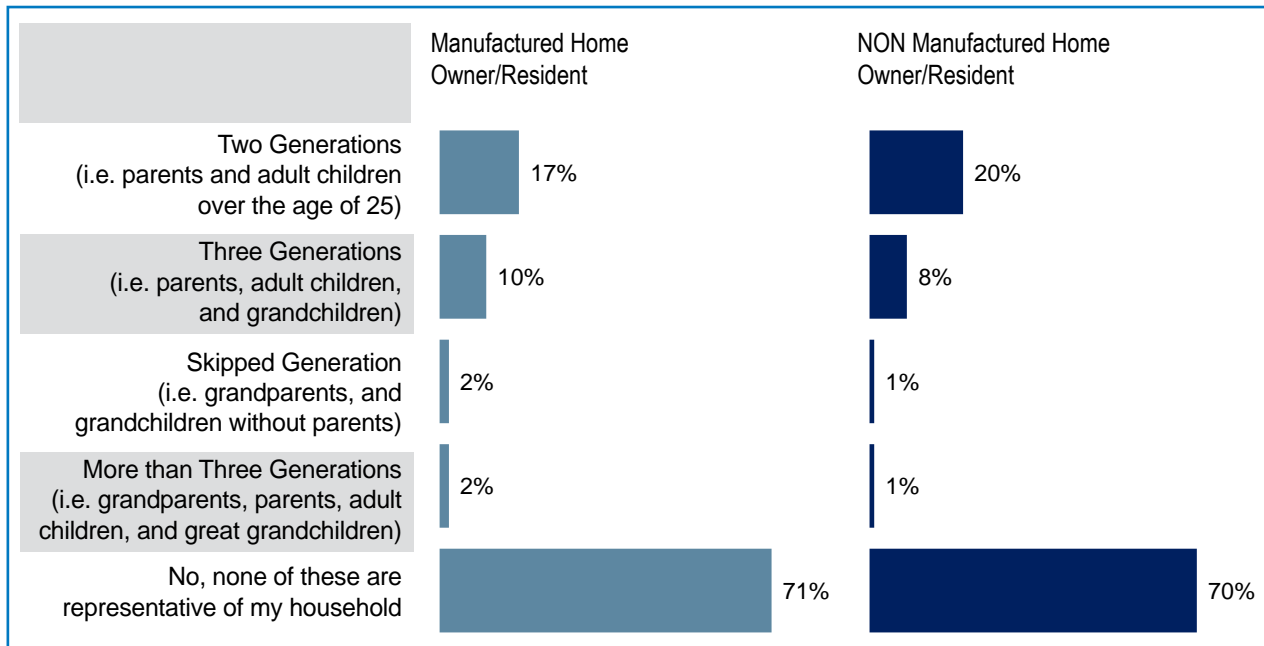
Base: Total Sample, not including "prefer not to answer" (5,351)

2008 Base: Total Sample, not including "prefer not to answer" (8,129)

In 2012, we saw a higher concentration of respondents reporting net worth below \$25,000

Household Composition

Do any of the following describe your current household composition?



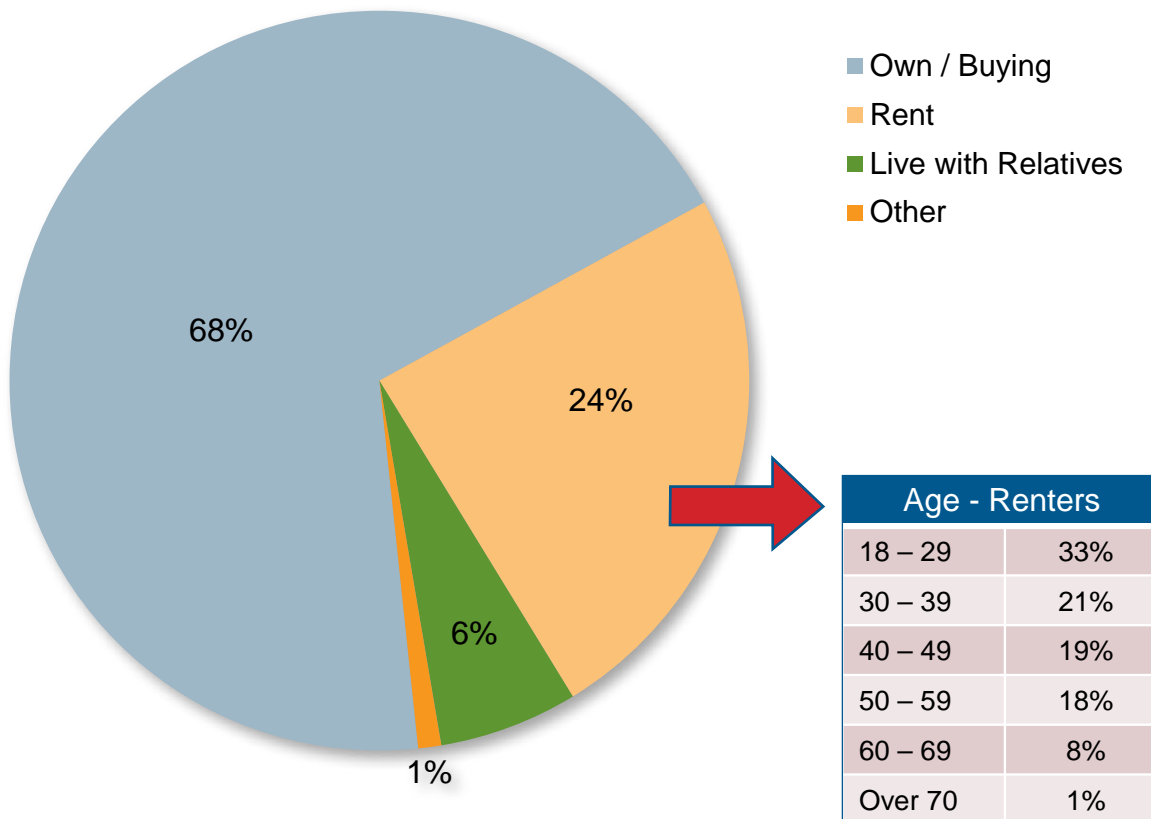
Base: 10,002

Base: 17,173

Market Overview

Housing Situation

Do you own or rent this Mobile/Manufactured Home?



Base: Total Sample (10,002)

Manufactured Home Location

Which of the following best describes the location of your Mobile/Manufactured Home?

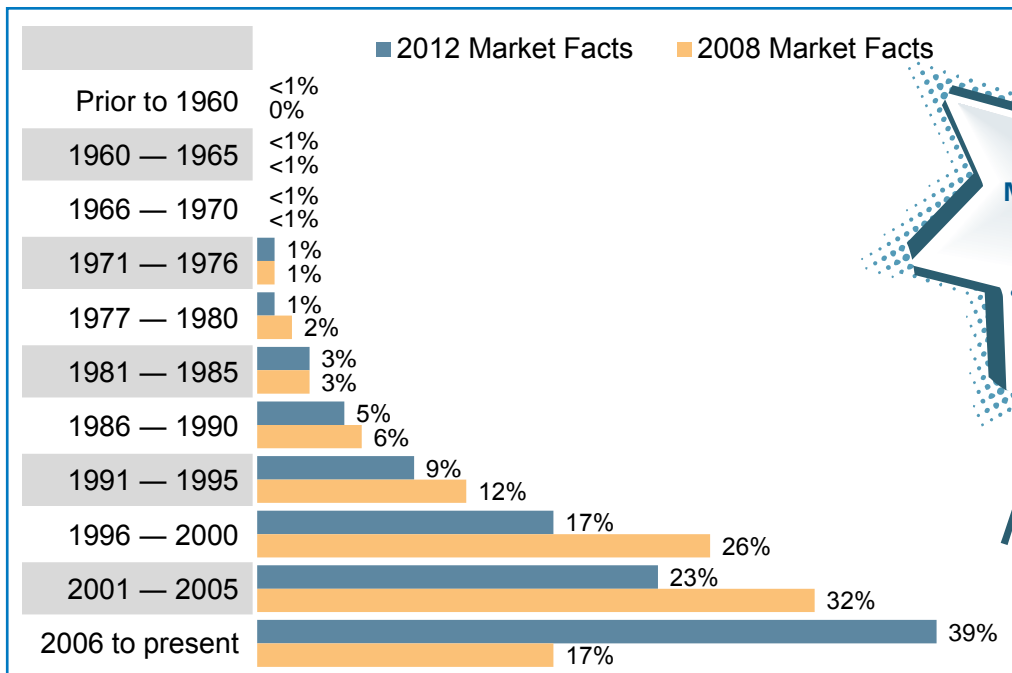
Respondents who reside within a Manufactured Home park continue to grow slightly

	1999	2002	2005	2008	2012
A manufactured home park – do not own the lot	39%	35%	36%	37%	39%
On (owners) private property**	47%	51%	51%	49%	46%
On someone else’s property**	8%	8%	6%	6%	7%
Manufactured home subdivision or park – own the lot	6%	6%	6%	7%	7%
Condo/Co-op manufactured home park	1%	1%	1%	1%	1%
Base:	17,926	17,432	16,094	10,600	10,002

**Numbers based on manufactured home owners (7,406)

Year of Purchase

In what year did you purchase or acquire your Mobile/Manufactured Home?

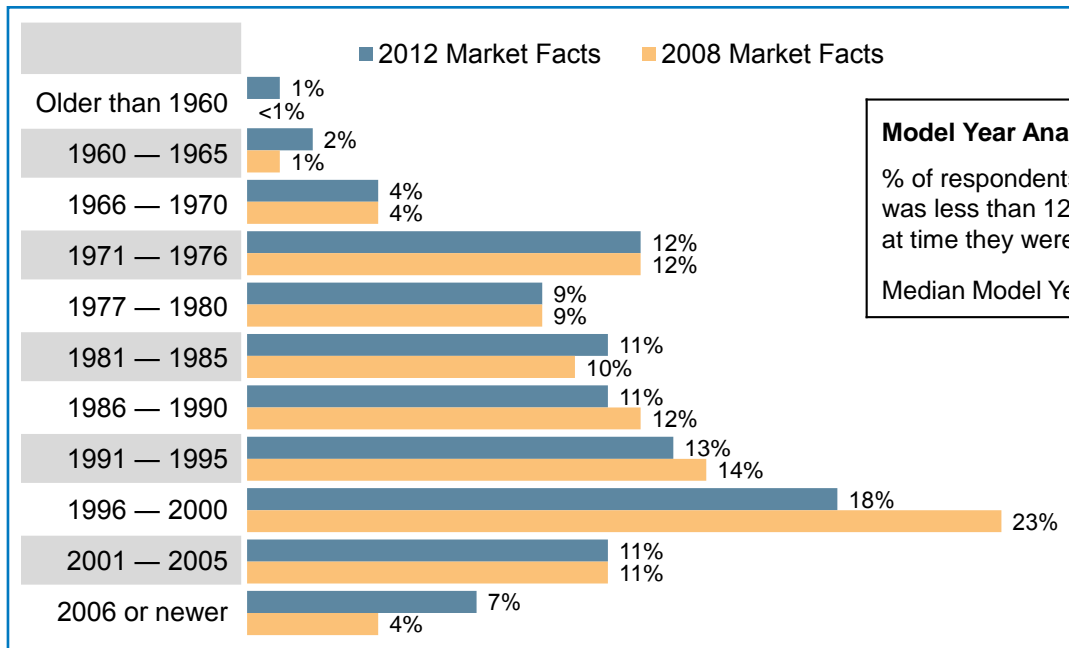


Nearly 40% of the Manufactured Home units in this survey were purchased or acquired within the last seven years

Base: Owners, answered question (7,213)

Model Year

What is the model year of your Mobile/Manufactured Home?



Model Year Analysis	2012	2008
% of respondents whose MH was less than 12 years old at time they were surveyed	18%	38%
Median Model Year	1988*	1992

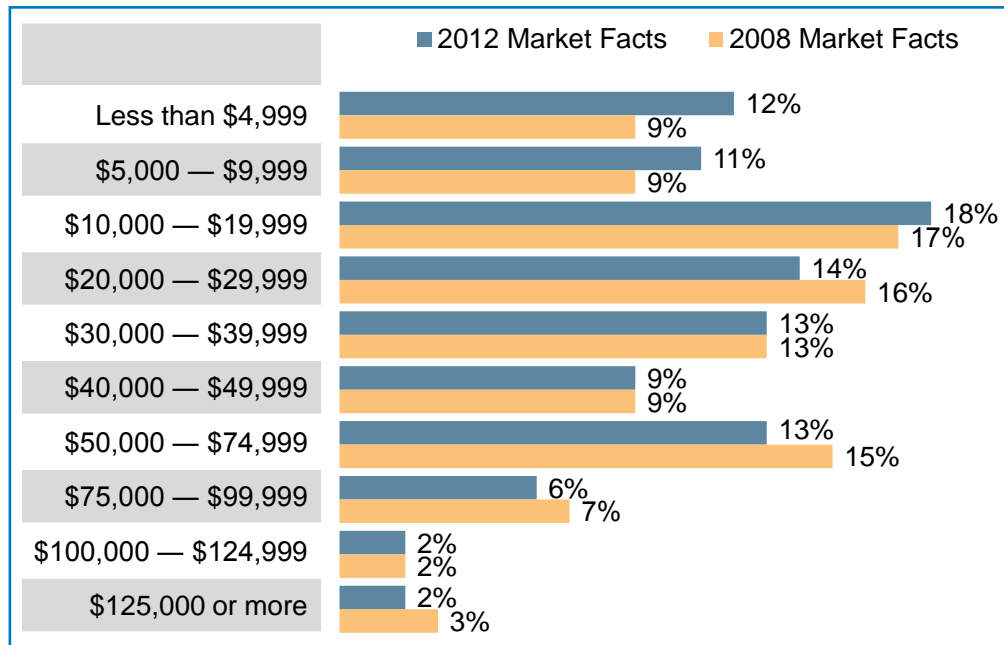
Median model year was between 1986 – 1990

Base: Owners, answered question (7,049)

*This is an approximation; median distribution fell in the 1986 - 1990 range

Purchase Price

What was the purchase price for your Mobile/Manufactured Home?

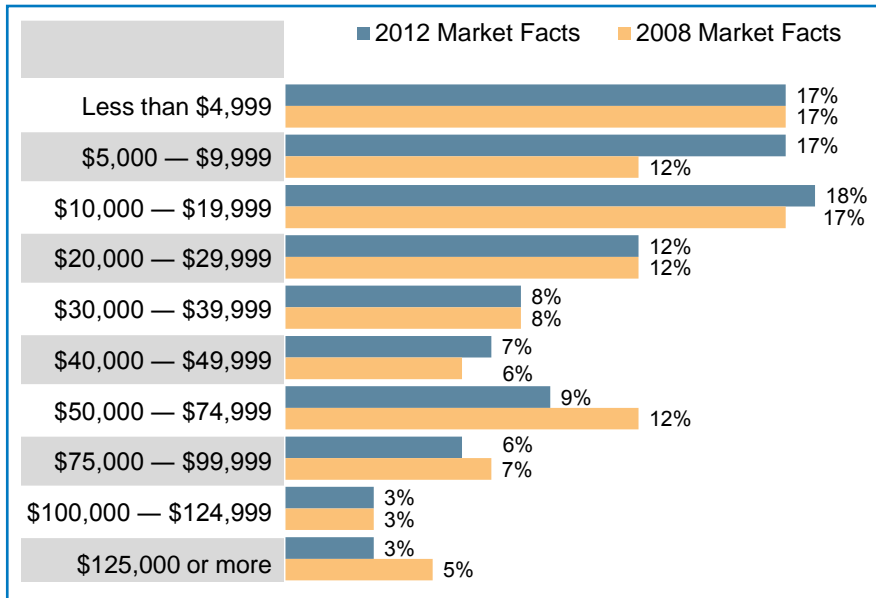


Median purchase price was between \$20,000 – \$30,000

Base: Owners, answered question (6,404)

Estimated Market Value

In your estimation, if you were to sell this Mobile/Manufactured Home today, what price do you think you could get?



Median market value estimate was \$10,000 - \$20,000

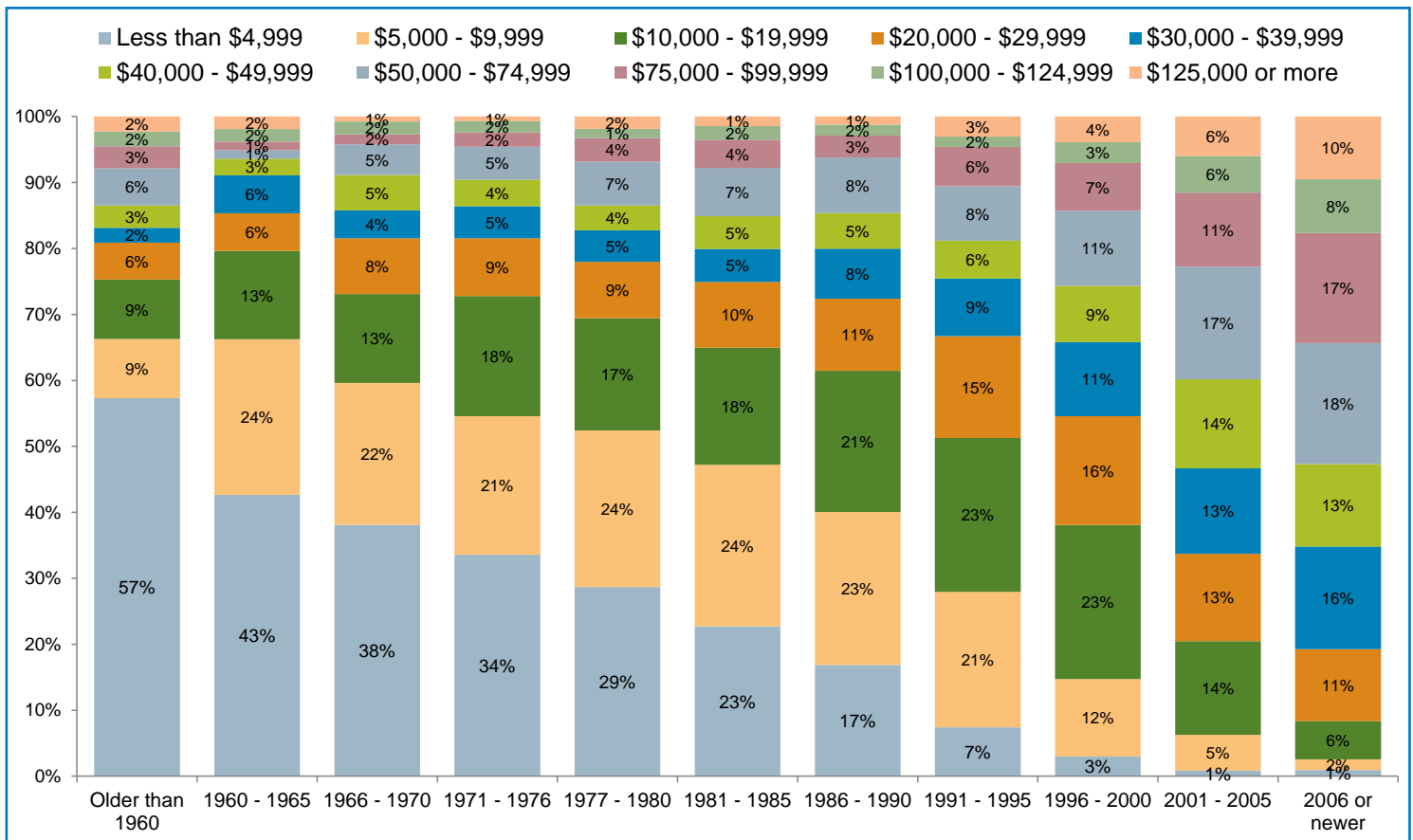
The average estimated replacement value of personal property within home was \$30,188*, up more than \$5,000 from 2008

*Only estimates between \$100 - \$125,000 were used for calculation (base: 8,124)

13% of respondents didn't know the estimated market value of their Manufactured Home

Estimated Market Value by Model Year

In your estimation, if you were to sell this Mobile/Manufactured Home today, what price do you think you could get?



Manufactured Home Description

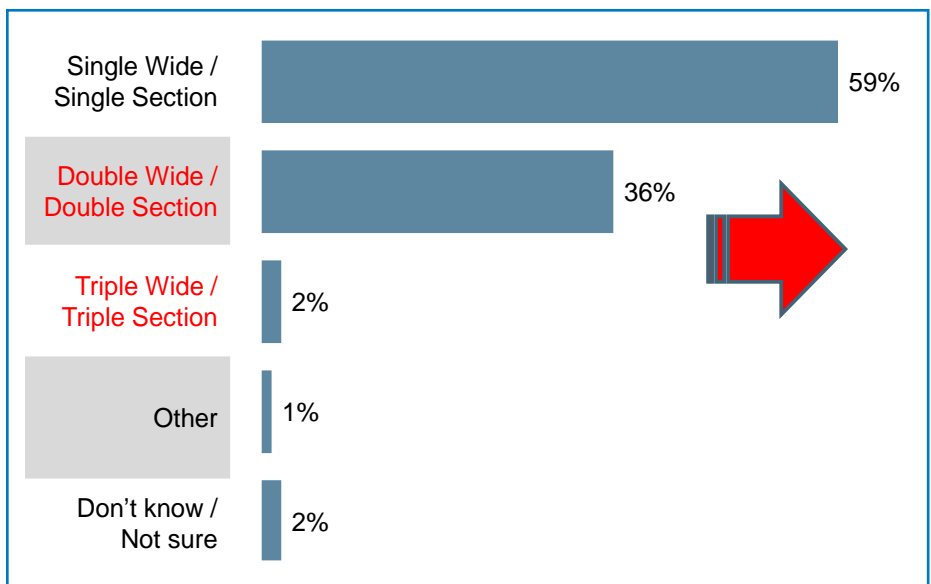
For consistency, how do you describe or characterize your Mobile/Manufactured or Modular Home when someone asks what type of residence it is?

	<u>1999</u>	<u>2002</u>	<u>2005</u>	<u>2008</u>	<u>2012</u>
Mobile Home	65%	63%	57%	61%	52%
Trailer	16%	14%	15%	14%	18%
Double Wide*	1%	1%	2%	1%	18%
Manufactured Home	11%	13%	17%	16%	8%
House	4%	5%	6%	5%	3%
Modular Home	3%	3%	3%	2%	1%
Travel Trailer	0%	0%	0%	0%	1%
Base:	17,536	17,107	16,047	10,595	10,002

*Prior to 2012, this was captured as an "Other" please specify, open-text category

Floor Plan

Which of these floor plans best describes your Mobile/Manufactured or Modular Home?

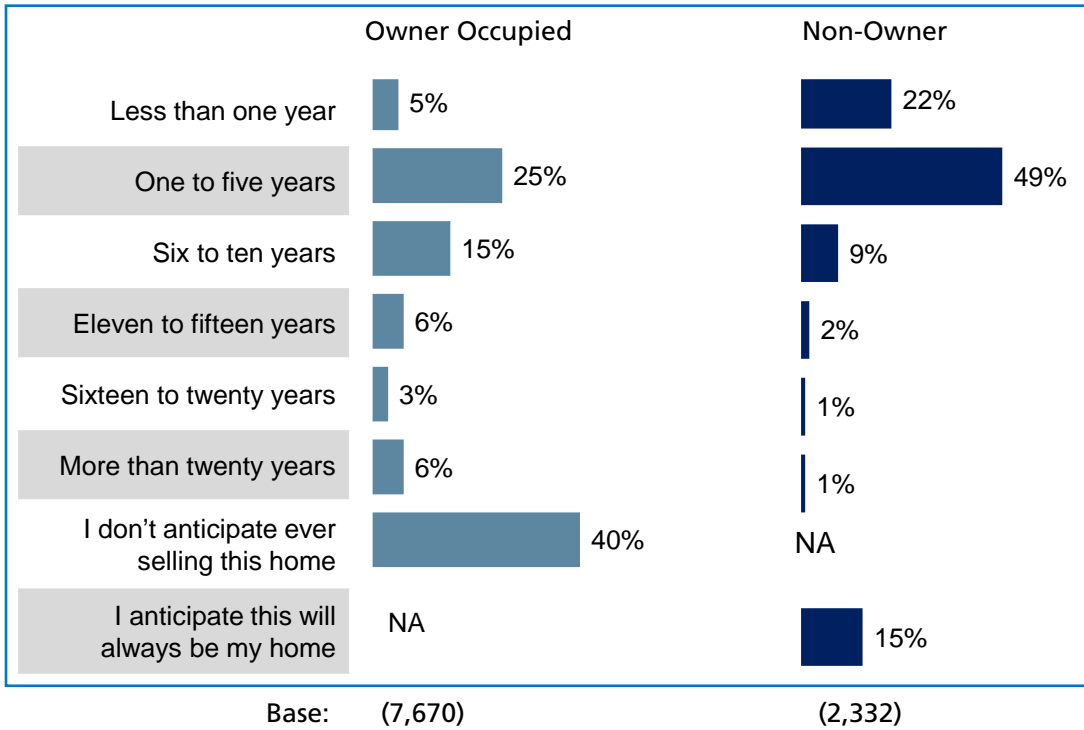


46%
of manufactured
homes were described
as multi-section
in 2008

Base: Total Sample (10,002)

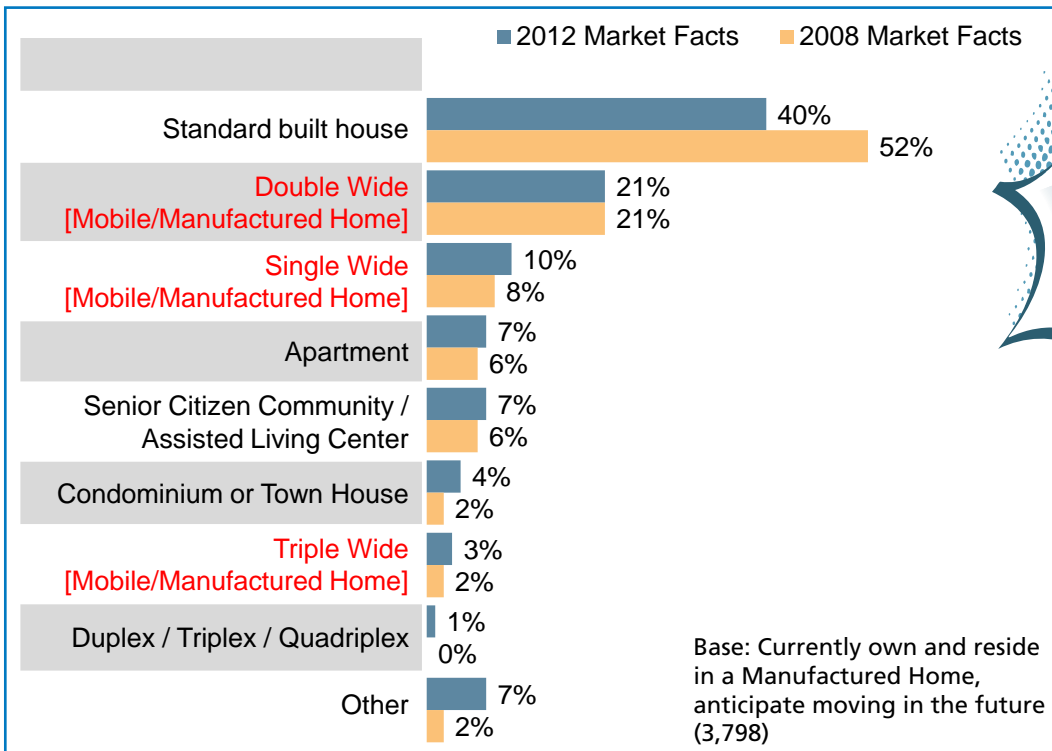
Future Housing Plan

How many years do you anticipate owning, living in or renting this Mobile/Manufactured Home?



Next Residence - Owner Occupied

At this time, what do you anticipate your next residence will be?



Manufactured home as next anticipated residence up 3% from 2008

Features / Equipment

Which of the following items do you have in your Mobile/Manufactured Home?

	<u>1999</u>	<u>2002</u>	<u>2005</u>	<u>2008</u>	<u>2012</u>
Fire extinguisher	66%	68%	71%	68%	62%
Dead-bolt locks on every exterior door	52%	56%	67%	66%	60%
Carbon monoxide detector	17%	22%	27%	31%	35%
Fire alarm with central monitoring service	3%	4%	5%	12%	27%
Wood burning stove or fireplace	18%	20%	24%	23%	18%
Burglar alarm with central monitoring service	5%	6%	8%	7%	10%
Base:	17,926	17,432	16,094	10,600	10,002





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