

# Appreciation

**This settles the dispute over manufactured home appreciation.**

**This is the first study to use the Geographic Information Systems.**

**These counties were chosen because they represent a diverse mix of both urban and rural areas.**

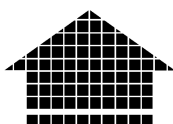
A comprehensive, scientific study by researchers in the Department of Planning at East Carolina University shows that manufactured homes hold their value very well when compared with comparable site-built homes. The study further reveals that manufactured homes do not affect the overall appreciation rate of site-built homes in close proximity.

The study included data from Carteret, Henderson, Wake and Pitt counties and was designed to measure the appreciation rates, positive or negative, of site-built homes adjacent to manufactured homes. The study also analyzed both scattered-site manufactured homes on fixed foundations and clustered manufactured homes on fixed foundations as well.

ECU compared the two most recent property valuations from 1988 and 1996 of thousands of homes from each county. This was the first study to use a computer program called **Geographic Information Systems** or GIS. This sophisticated software allowed the researchers to more accurately analyze the data. For example, when comparing values of adjacent site-built homes, ECU was able to differentiate between distances ranging from 100 feet to over 1000 feet.

The counties studied were chosen because they provide a diverse representation of typical North Carolina counties. For example, each part of the state is represented - geographically - from the coastal area to the western part of the state. Also, these four counties provide a good mix of both urban and rural areas.

- **The study covers four counties: Wake, Carteret, Henderson and Pitt counties.**
- **Some of the cities included in the study are Raleigh, Moorehead City, Hendersonville and Greensboro.**
- **Study sought to determine whether manufactured homes on a fixed foundation appreciate.**
- **Study sought to determine the impact of manufactured housing on site-built properties within various ranges of proximity.**
- **The study analyzed both scattered-site manufactured housing and clustered manufactured housing communities.**



**Study confirms what the industry has known for a long time.**

**Manufactured homes performed as well or better than site-built homes in all four counties.**

The ECU study found that a manufactured home with fixed foundation, listed as real property, appreciated at comparable rates to site-built residential properties, including single-family homes, condominiums, apartments and townhomes. Another conclusion was that there is no clear correlation between the overall appreciation rate of site-built residential properties and the presence of manufactured homes in close proximity. This held true for site-built homes in close proximity to both scattered-site manufactured homes and manufactured home communities.

When talking about the study results, NCMHI past-president Judy Ward says that “the revolutionary changes in design and construction in recent years have resulted in modern homes that have little in common with their ‘mobile home’ ancestors. As a result, the homes not only hold their value, but appreciate well when compared with houses built on site.”

- In all four counties, manufactured homes with fixed foundations or listed as real property appreciated at comparable rates to site-built residential properties, including single-family home, condominiums, apartments and townhomes.
- For both scattered-site and large scale communities, the study found that manufactured homes do not have a negative impact on the appreciation of nearby site-built homes.

Manufactured homes listed as personal property in Wake, Carteret and Pitt counties did depreciate slightly in value. The homes listed as personal property in Henderson county, however, appreciated. The study concludes that the main reason for this difference is the approaches used by the counties in their property valuations. Wake, Carteret and Pitt counties almost automatically depreciate the value of a manufactured home listed as personal property.

Copies of the executive summary of this study can be obtained by contacting the North Carolina Manufactured Housing Institute at 1-800-849-6311.