

2008

MANUFACTURED HOMES MARKET FACTS REPORT



Manufactured Home Market Facts 2008 Report

You hold a powerful resource in your hand, *Manufactured Homes: The Market Facts 2008*.

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

In 1979, Foremost Insurance Company sponsored the first corporate study of the manufactured home market to increase knowledge and information on the market as a whole. The research was unique since it included all manufactured homes purchased new or used, regardless of the age of the home or where it was purchased. The wealth of data from the first study provided the industry with insights on existing manufactured homes and the people who live in them.

To provide the industry with a clear picture of the current market, Foremost Insurance Company has continued to update the database. The study information is useful and of interest to those within the industry as well as those wanting to market to and communicate with the diverse group of manufactured home owners and residents.

If you have any questions about the research, please contact Joe Kaffenberger at (616) 956-2514, or e-mail joseph.kaffenberger@foremost.com.

Our report shows that manufactured home owners are a diverse group of people. With residents spread across the demographic categories, it is difficult to pinpoint the typical manufactured home owner.

The average age for the head of household: 49.9 years.

One- and two-member households have both increased slightly, while larger households (three or more members) have decreased.

Dogs continue to be more popular with our respondents than cats by eight points.

Trending with the aging U.S. population, 23% of our respondents are retired.

Median income level is \$34,700.

Age of household head

	1990	1993	1996	1999	2002	2005	2008
Less than 25 years	1%	2%	2%	2%	2%	1%	2%
25 - 29 years	8%	6%	7%	5%	5%	6%	5%
30 - 34 years	13%	11%	10%	8%	8%	9%	8%
35 - 39 years	12%	12%	11%	10%	8%	11%	10%
40 - 44 years	10%	10%	9%	10%	9%	12%	11%
45 - 49 years	8%	8%	8%	10%	10%	13%	13%
50 - 54 years	7%	8%	8%	10%	10%	13%	14%
55 - 59 years	7%	7%	7%	9%	10%	12%	12%
60 - 64 years	8%	8%	8%	9%	9%	9%	10%
65 - 69 years	9%	9%	9%	8%	8%	7%	8%
70 - 74 years	8%	9%	9%	8%	8%	4%	4%
75 - 79 years	6%	6%	7%	7%	7%	2%	2%
80 years and over	4%	4%	6%	6%	7%	2%	1%
Total percentage	101%	100%	101%	102%	101%	101%	100%
Number responding	14,891	13,663	18,467	17,939	17,449	16,095	10,620
Average age	50.8	51.6	52.9	52.9	54.2	49.2	49.9

Employment status of household head

	1990	1993	1996	1999	2002	2005	2008
Full time	60%	58%	56%	57%	55%	64%	57%
Part time	7%	7%	7%	7%	8%	7%	7%
Retired	28%	29%	30%	29%	30%	19%	23%
Not employed	6%	6%	6%	7%	7%	11%	12%
Total percentage	101%	100%	99%	100%	100%	101%	99%
Number responding	14,556	12,996	17,389	17,389	17,022	15,793	10,486

Annual household income

	1990	1993	1996	1999	2002	2005	2008
Less than \$10,000	17%	14%	13%	10%	9%	5%	5%
\$10,000 - \$19,999	31%	27%	27%	24%	21%	14%	14%
\$20,000 - \$29,999	26%	26%	26%	24%	24%	22%	20%
\$30,000 - \$39,999	15%	17%	17%	18%	18%	19%	20%
\$40,000 - \$49,999	6%	9%	9%	11%	13%	16%	16%
\$50,000 - \$74,999	4%	6%	7%	10%	11%	17%	17%
\$75,000 and over	1%	1%	1%	2%	3%	6%	7%
Total percentage	100%	100%	100%	99%	99%	99%	99%
Number responding	14,891	13,663	18,467	17,939	17,449	16,095	10,620
Median income level	\$20,600	\$22,700	\$23,300	\$25,900	\$27,900	\$33,600	\$34,700

Total net worth

	1990	1993	1996	1999	2002	2005	2008
Less than \$25,000	~	~	21%	22%	22%	24%	32%
\$25,000 - \$49,999	52%	51%	27%	24%	23%	22%	22%
\$50,000 - \$99,999	28%	30%	30%	28%	27%	24%	21%
\$100,000 - \$249,999	14%	15%	16%	19%	20%	21%	18%
\$250,000 - \$499,999	4%	4%	5%	6%	6%	7%	5%
\$500,000 and over	2%	~	~	~	2%	3%	2%
Total percentage	100%	100%	99%	99%	100%	101%	100%
Number responding	13,889	12,493	17,015	16,397	15,815	12,320	8,129
Median net worth	\$48,000	\$48,000	\$52,000	\$56,000	\$60,000	\$57,000	\$45,000

Throughout this report:

~ Indicates that comparable data is not available for that year.

* Tables that do not include 1990, 1993, 1996, 1999, 2002 or 2005 information do not have information available for that year.

** Tables that do not have a "Total percentage" row have multiple responses and percentages could total over 100%.

Household size

	1990	1993	1996	1999	2002	2005	2008
1 member	27%	28%	31%	31%	30%	16%	18%
2 members	37%	36%	36%	35%	37%	36%	38%
3 - 4 members	29%	28%	26%	28%	27%	36%	33%
5 or more members	7%	7%	7%	7%	6%	12%	10%
Total percentage	100%	99%	100%	101%	100%	100%	99%
Number responding	14,891	13,663	18,467	17,939	17,449	16,095	10,620
Average household size	2.4	2.4	2.3	2.3	2.3	2.8	2.7

Education of household head

	1990	1993	1996	1999	2002	2005	2008
Grade school	7%	5%	3%	3%	3%	1%	1%
Some high school	15%	14%	14%	14%	14%	9%	9%
High school graduate	42%	39%	38%	37%	38%	36%	38%
Some college (no degree)	25%	27%	28%	29%	29%	33%	32%
Associate's degree (2 year)	~	5%	7%	8%	8%	9%	10%
Bachelor's degree (4 year)	6%	7%	7%	7%	6%	8%	8%
Post graduate degree	4%	3%	3%	3%	3%	3%	3%
Total percentage	99%	100%	100%	101%	101%	99%	101%
Number responding	14,828	13,550	18,358	17,841	17,370	15,999	10,580

Life stage*

	1990	1993	1996	1999	2002	2005	2008
Young singles (age <35)		2%	2%	2%	1%	1%	1%
Middle singles (age 35 - 65)		14%	15%	16%	15%	12%	13%
Older singles (over 65)		12%	14%	13%	13%	3%	4%
Young couples (<45/no children)		7%	7%	7%	6%	9%	8%
Working older couples (45+/no children)		12%	11%	12%	14%	15%	17%
Retired older couples (45+/no children)		13%	13%	12%	13%	10%	12%
Young parents (<45/youngest child <6)		12%	14%	14%	12%	19%	14%
Middle parents (<45/youngest child 6+)		16%	12%	12%	11%	15%	14%
Older parents (45+/any age child at home)		11%	10%	11%	13%	15%	16%
Roommates (same sex non-relatives)		2%	2%	2%	1%	1%	1%
Total percentage		101%	100%	101%	99%	100%	100%
Number responding		13,663	18,467	17,939	17,449	16,095	10,620

Population market size

	1990	1993	1996	1999	2002	2005	2008
Less than 100,000		47%	40%	41%	44%	28%	29%
100,000 - 499,999		18%	20%	21%	20%	25%	24%
500,000 - 1,999,999		15%	17%	17%	19%	24%	23%
2,000,000 or more		20%	23%	21%	18%	23%	24%
Total percentage		100%	100%	100%	101%	100%	100%
Number responding		13,663	18,467	17,939	17,449	16,095	10,620

Family household designation

	1990	1993	1996	1999	2002	2005	2008
Husband and wife	59%	59%	56%	55%	55%	56%	65%
Male and other relative	2%	1%	2%	2%	2%	5%	2%
Female and other relative	9%	9%	9%	10%	11%	17%	13%
Male living alone	8%	7%	8%	9%	8%	4%	4%
Female living alone	19%	21%	23%	22%	22%	11%	13%
Male and non-relative	1%	1%	1%	1%	1%	2%	1%
Female and non-relative	2%	1%	2%	2%	2%	4%	2%
Total percentage	100%	99%	101%	101%	101%	99%	100%
Number responding	14,891	13,663	18,467	17,939	17,449	16,095	10,620

Percentage of households with members who are...

	1990	1993	1996	1999	2002	2005	2008
Less than 16 years	29%	29%	27%	28%	24%	39%	33%
16 - 19 years	9%	9%	8%	9%	9%	12%	13%
20 - 29 years	21%	16%	17%	17%	17%	22%	20%
30 - 39 years	32%	31%	28%	25%	22%	32%	27%
40 - 49 years	24%	25%	23%	27%	27%	36%	33%
50 - 59 years	18%	20%	21%	25%	26%	32%	35%
60 - 69 years	22%	21%	21%	20%	21%	17%	23%
70 years and over	20%	22%	25%	22%	24%	8%	11%
Number responding**	14,891	13,663	18,467	17,939	17,449	16,095	10,620

Percentage owning...

	1990	1993	1996	1999	2002	2005	2008
Dog(s)		47%	48%	48%	51%	60%	58%
Cat(s)		38%	40%	41%	42%	51%	50%
Number responding		13,663	18,467	17,939	17,449	16,095	10,620



As new technologies emerge and people continue to get more comfortable with existing technology, it's evident that manufactured homeowners are adapting and embracing technology as part of their everyday lives. The growth experienced in the last three years is proof of that. This is the first year we've included social networking, Facebook and blogging in our Internet Use section, along with other uses like entertainment, e-mailing, research and shopping.

The number of residents with cell phone service is up to 85%.

The percentage of residents using the Internet for online bill paying is up almost ten points since 2005.

Our baseline statistic for social network users

Reported chat room use is down from 17% in 2005 to 10% in 2008.



Cell phone ownership

	1990	1993	1996	1999	2002	2005	2008
Percentage		6%	13%	29%	41%	78%	85%
Number responding		13,663	18,467	17,939	17,449	16,095	10,620

Percentage of households using the Internet for...

	1990	1993	1996	1999	2002	2005	2008
Entertainment				17%	27%	83%	81%
Information/Research/ School projects/Googling				~	~	~	83%
Social networking/ Facebook/Blogging				~	~	~	39%
Emailing				30%	52%	95%	93%
Chat rooms				8%	9%	17%	10%
Paying bills				~	~	58%	67%
Comparison shopping				~	~	55%	58%
Purchasing items				~	~	66%	67%
Number responding				17,681	17,311	15,930	10,456

Have satellite service

	1990	1993	1996	1999	2002	2005	2008
Percentage				22%	29%	44%	46%
Number responding				14,497	16,791	16,094	10,620

Have cable TV

	1990	1993	1996	1999	2002	2005	2008
Percentage		50%	57%	54%	49%	42%	41%
Number responding		13,663	18,467	17,939	17,449	16,095	10,620

The information in this section of the study is geared toward helping understand manufactured home ownership and how new homes are categorized.

Of the residents responding, the majority (61%) still refer to their home as a "mobile home". This number is up slightly from 2005.

Over half of our respondents (54%) have owned their manufactured home for ten years or more.

When someone asks what type of residence it is, what do you call it?

	1990	1993	1996	1999	2002	2005	2008
Mobile home				65%	63%	57%	61%
Manufactured home				11%	13%	17%	16%
Modular home				3%	3%	3%	2%
Travel trailer				0%	0%	0%	0%
Trailer				16%	14%	15%	14%
House				4%	5%	6%	5%
Double wide*				1%	1%	2%	1%
Other				0%	0%	0%	0%
Total percentage				100%	99%	100%	99%
Number responding	17,536	17,107	16,047	10,595			

*This response is understated because it is not listed in the questionnaire. The respondents wrote this in the "Other" category.

Total years ever owned any manufactured home

	1990	1993	1996	1999	2002	2005	2008
Less than 5 years					18%	27%	21%
5 - 9 years					23%	30%	25%
10 - 19 years					33%	28%	34%
20 years or more					25%	15%	20%
Total percentage					99%	100%	100%
Number responding					17,065	15,703	10,074
Median years					11	8	10



Information on the homes themselves (what features and equipment the home has, how many are multi-sectional and where the home is located) hasn't changed dramatically since our last study.

The median model year is 1992.

Forty-six percent are multi-sectional homes.

Nearly half (49%) of respondents' manufactured homes are located on the owner's private property.

Model year

	1990	1993	1996	1999	2002	2005	2008
Before 1970	14%	11%	10%	8%	7%	4%	4%
1970 - 1974	25%	21%	18%	15%	13%	8%	9%
1975 - 1979	21%	19%	18%	15%	13%	10%	10%
1980 - 1984	21%	19%	16%	14%	12%	9%	9%
1985 - 1989	18%	20%	19%	16%	16%	13%	12%
1990 - 1994	2%	10%	14%	13%	13%	12%	12%
1995 - 1999	~	~	5%	18%	21%	26%	24%
2000 - 2002	~	~	~	0%	6%	12%	11%
2003 - 2005	~	~	~	~	~	6%	6%
2006 - 2009	~	~	~	~	~	0%	4%
Total percentage	101%	100%	100%	99%	101%	100%	101%
Number responding	14,623	13,427	18,200	17,613	17,122	14,877	9,749
Median model year	1978	1979	1981	1984	1986	1992	1992

Multi-section manufactured homes

	1990	1993	1996	1999	2002	2005	2008
Percentage	27%	30%	32%	35%	40%	46%	46%
Number responding	14,530	13,471	18,217	17,028	17,424	16,071	10,605

Manufactured home location

	1990	1993	1996	1999	2002	2005	2008
Park - don't own lot	37%	40%	40%	39%	35%	36%	37%
Subdivision - own lot	6%	6%	6%	6%	6%	6%	7%
Condominium/Co-op park	1%	1%	1%	1%	1%	1%	1%
Owner's private property	42%	45%	45%	47%	51%	51%	49%
Someone else's property	14%	9%	9%	8%	8%	6%	6%
Total percentage	100%	101%	101%	101%	101%	100%	100%
Number responding	14,857	13,590	18,457	17,926	17,432	16,094	10,600

Features/Equipment in/on manufactured home

	1990	1993	1996	1999	2002	2005	2008
Fire extinguisher	~	~	65%	66%	68%	71%	68%
Dead-bolts on all exterior doors	32%	34%	44%	52%	56%	67%	66%
Wood burning stove/fireplace	19%	18%	18%	18%	20%	24%	23%
Carbon monoxide detector	~	~	10%	17%	22%	27%	31%
Burglar alarm reporting to a station	1%	2%	3%	5%	6%	8%	7%
Fire alarm reporting to a station	2%	1%	2%	3%	4%	5%	12%
Number responding	14,842	13,597	18,429	17,897	17,385	16,024	10,583



Respondents were asked several questions about the purchase and finance circumstances of their home.

Sixty-four percent of homeowners financed their homes at the time of purchase.

The two most common purchase sources continue to be 1) new from a dealer and 2) used from a private party.

Median year purchased/acquired is 2000.

Year manufactured home was purchased/acquired

	1990	1993	1996	1999	2002	2005	2008
Before 1985	60%	44%	33%	24%	19%	6%	6%
1985 - 1989	37%	33%	26%	18%	14%	6%	6%
1990 - 1994	3%	23%	33%	24%	19%	11%	10%
1995 - 1999	~	~	9%	34%	35%	29%	23%
2000 - 2002	~	~	~	~	13%	25%	18%
2003 - 2005	~	~	~	~	~	23%	21%
2006 - 2008	~	~	~	~	~	~	17%
Total percentage	100%	100%	101%	100%	100%	100%	101%
Number responding	14,730	13,563	18,409	17,880	17,388	15,855	10,327
Median year purchased/acquired	1983	1986	1988	1991	1994	1999	2000

Manufactured home purchase source

	1990	1993	1996	1999	2002	2005	2008
New from a dealer	44%	43%	41%	42%	43%	37%	35%
New from a MH park	3%	4%	3%	3%	3%	2%	2%
Directly from a factory	~	~	1%	1%	2%	1%	1%
New from a MH broker	1%	1%	1%	1%	1%	1%	1%
From a private party	33%	33%	33%	32%	31%	35%	36%
Used from a dealer	9%	9%	9%	8%	8%	8%	7%
Used from a real estate agent	6%	5%	6%	7%	7%	8%	9%
Used from a MH park	2%	2%	2%	3%	3%	4%	5%
Used from a MH broker	2%	2%	2%	2%	1%	2%	2%
Bank repo/Auction/Government	0%	2%	2%	2%	2%	2%	2%
Total percentage	100%	101%	100%	101%	101%	100%	100%
Number responding	14,874	13,388	18,383	17,816	17,360	16,009	10,440

Financed at the time they purchased their manufactured home

	1990	1993	1996	1999	2002	2005	2008
Percentage	67%	66%	65%	68%	67%	68%	64%
Number responding	14,833	13,486	18,341	17,540	17,314	15,973	10,443

Market Value

	1990	1993	1996	1999	2002	2005	2008
Less than \$2,500	7%	7%	6%	6%	6%	8%	10%
\$2,500 - \$7,499	24%	22%	18%	16%	14%	12%	13%
\$7,500 - \$14,999	25%	24%	22%	18%	16%	14%	13%
\$15,000 - \$19,999	12%	11%	12%	11%	10%	9%	8%
\$20,000 - \$24,999	8%	8%	9%	9%	9%	7%	6%
\$25,000 - \$29,999	6%	6%	8%	8%	7%	6%	6%
\$30,000 - \$34,999	4%	5%	6%	6%	6%	5%	5%
\$35,000 - \$39,999	3%	4%	4%	5%	4%	4%	3%
\$40,000 - \$49,999	5%	5%	7%	7%	8%	7%	6%
\$50,000 - \$59,999	2%	3%	4%	6%	6%	6%	6%
\$60,000 - \$74,999	2%	2%	3%	5%	6%	7%	7%
\$75,000 - \$99,999	1%	1%	2%	3%	5%	8%	7%
\$100,000 and over	0%	0%	1%	2%	3%	8%	9%
Total percentage	99%	98%	102%	102%	100%	101%	99%
Number responding	13,263	12,356	17,179	16,682	16,016	12,619	7,745
Median market value	\$12,000	\$12,500	\$15,000	\$19,000	\$20,000	\$25,000	\$21,000

Methodology

The studies were conducted using the TNS NFO panel, which has both mail and Internet consumer panels. These households have committed to answer questions, and their complete demographic characteristics are on file.

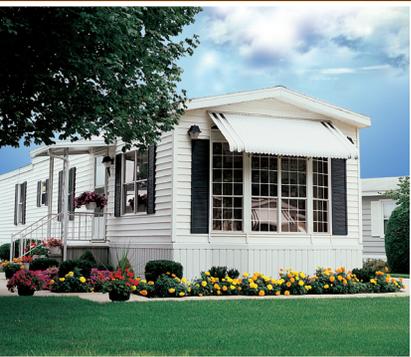
Five stratified demographic and geographic variables are used to construct the TNS NFO balanced panels. These variables are geography, population density, age, income and household size. Quotas for these demographic controls are developed from the latest available United States Bureau of the Census data. Questionnaires were emailed to over 33,000 panel members who indicated they are manufactured home residents. In 2008, over 12,000 panel members completed a questionnaire for a return rate of 37%.

Limitations

The study is limited by the use of a panel, as opposed to a random sample of manufactured home residents. Since there is no countrywide list for all manufactured home residents available for sampling, a panel offers the only access to this market.

Before 2005, the study was conducted through the mail. Those on the mail panel tend to be older and those on the online panel tend to be younger than census data figures. Therefore, when comparing 2005 and 2008 data to previous years, consider whether the response method and age might of the respondent might impact the data.

In 2008, the only sample available was for those whose primary residence is a manufactured home. In previous years, the sample included those who own a manufactured home but do not use it as their primary residence.



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