

Some retailers specialize in the sale of existing manufactured homes. Since few manufactured homes are ever moved once delivered to an original foundation site, manufactured homes, even in land-lease communities, are sold on site and the space lease is transferred to the new homeowner.

Financial Institutions

A number of California financial service companies and their branch offices have loan programs for factory constructed homes. These institutions include banks, credit unions, mortgage corporations and commercial finance companies. These companies provide all types of consumer, conventional and government-backed financing for factory constructed homes.

A common method of financing manufactured homes is through a personal property installment loan. This can be arranged by the homebuyer directly with the financial institution. Terms range from 15 to 30 years.

Conventional real estate mortgages are also available for manufactured and factory-built homes when they are properly affixed to real property. Factory constructed homes are eligible for insurance under government backed programs offered by the Federal Housing Administration (FHA), the Veterans Administration (VA) and the Farm Home Loan Administration (FmHA).

OUTLOOK 2026

The following forecast comes with all the normal caveats. Obviously, trends can take some unexpected changes in the economy and/or consumer preference. Here's what we see, barring significant changes in the economy and financing for 2026:

Production/Shipments

New manufactured homes shipments, including shipments into California from neighboring states, should be approximately 3,070 homes. About 2,830 (of those homes will be produced in California's factories. Additionally, deliveries of homes and park models from CMHI members could add approximately 175-200 units to the total shipments of factory constructed homes.

Manufactured Homes as Real Estate

In 2025, 25% of the new manufactured homes sold in California were sited in subdivisions, planned unit developments and on scattered urban and rural lots where the land and homes are owned and financed as real estate.

The real estate trend for manufactured housing will continue and could represent 28 to 30 percent of new sales in 2026.

Urban In-fill and Redevelopment

With the introduction of Accessory Dwelling Units and architecturally compatible exterior treatments, coupled with on-site enhancements such as integrated garages, porches and decking, factory constructed housing has become a viable and cost effective choice for local governments, redevelopment agencies and developers for urban in-fill and redevelopment projects.

As this market niche is developed, bringing affordable housing to inner-city families, real estate sales of manufactured homes could reach 35 percent of total sales within three to five years.

Demographics

The profile of those who have purchased factory constructed homes in the past decade demonstrates that significant changes are occurring in the characteristics of factory constructed homeowners. Recent purchaser are younger, more affluent, have larger families, have attained a higher level of education and are less likely to be retired than factory constructed homeowners as a whole.

We expect the average household size for new manufactured homes to be more in tune with the states average of 2.9 persons for single-family homes. opposed to estimated 2.6 persons for the existing manufactured housing stock.

Federal Standards & Factory Inspection

Manufactured homes built since June 15, 1976, must conform to the National Manufactured Home Construction and Safety Standards, a national, uniform building code commonly called the "HUD Code." This code is administered by the U.S. Department of Housing and Urban Development.

The HUD Code regulates home design and construction, durability, fire resistance, energy efficiency and the installation and performance of heating, plumbing, air conditioning, thermal and electrical systems.

The HUD Code, which is preemptive, mandates that each factory adopt an approved quality control program. This includes a system for testing and inspecting each home constructed. This inspection system covers review of the blueprint of the home and the construction of the home as it moves through the factory. The U.S. Government enforces the HUD Code through a contractor. Third-party engineering companies perform in-plant inspections. A final inspection of the home occurs when the state or local government issues a mandatory certificate of occupancy, which is an inspection of the installation of the home.

The construction of all manufactured homes is backed by a one-year written warranty.

ABOUT CMHI

The California Manufactured Housing Institute (CMHI) is a private non-profit trade and professional association whose member companies build, sell, install and finance factory constructed housing and develop manufactured housing communities.

The Institute was founded to advance the availability and ownership of quality, high value homes, marketed by licensed retailers, by promoting the purchase of factory constructed housing and the development of desirable sites and communities in California. The Institutes public, government and consumer relations programs are directed toward these goals. For more information about factory constructed housing contact:

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**THE
RESOURCE
2026**

**By:
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***California Manufactured
Housing Institute***

WHY FACTORY CONSTRUCTED HOUSING?

Better Quality and Cost Control

Increased reliance on factory production has resulted in major changes in the efficiency of housing construction. Builders today routinely use prefabricated wall panels, pre-hung doors, windows, pre-assembled stairs, roof trusses and cabinets. Advantages of factory construction include better control of building and financing cost, more efficient control of inventory and the ability to better control the quality and performance of products. Almost all California homes today include some factory-produced components .

Types of Factory Homes

A key to understanding today's factory constructed home is distinguishing the type of homes constructed in a factory. Most factory homes are comprised of three—dimensional modules. These modules are transported to a home site and installed on a state approved foundation or support system. California law clearly distinguishes among the types of factory constructed homes by the building code to which the home must comply.

Manufactured Homes are constructed to comply with the National Manufactured Home Construction and Safety Standards (24 CFR 3280), a uniform building standard administered and enforced by the U.S. Department of Housing and Urban Development. About 90 percent of all factory homes constructed in California last year meet this code.

Factory-built Homes often called modular homes, are constructed to comply with the California Uniform Building Code, which is incorporated into law at Title 25, Chapter 3 of the California Administrative Code. Some factory-built homes employ panelized construction techniques. About ten percent of all factory constructed homes produced in California factories last year meet this code.

LIFESTYLES

The diversity of today's factory constructed home and the amenities available means that there is a home to meet practically any lifestyle. Homes range in size from 700 to over 3,000 square feet.

Single—Site Occupancy

Many factory constructed homes are indistinguishable from their site-built counterparts in construction, appearance and performance.

In California, many new manufactured homes sold are sited on lots in urban, suburban or rural neighborhoods. Facilitating this opportunity are state laws (Government Code Sections 65852.3 and 65852.4) which allow manufactured homes to be sited on any residential lots, providing the home meets specified development standards.

Also, covenants, conditions and restrictions adopted on or after January 1, 1988, cannot forbid the siting of a manufactured home on a residential lot, if the home can meet the same architectural standards as site-built homes in the neighborhood. (California Civil Code Section 714.5).

Factory-built (modular) housing bearing an insignia of approval, pursuant to Section 19980 of the California Health and Safety Code, is deemed to comply with the requirements of all ordinances or regulations enacted by any local jurisdiction applicable to the construction of housing. Local zoning, snow load, fire zone, setback, architectural and aesthetic requirements are applicable to factory-built housing.

Land-Lease Communities

Many California home buyers site their new manufactured homes in planned developments where they typically own the home as personal property and lease a home site from a corporation or partnership responsible for maintaining community amenities and services, including security, clubhouses, pools, spas and common areas. There are approximately 4,471 manufactured housing communities in California offering a wide variety of lifestyles.

FEATURES AND TRENDS

Subdivisions, Planned Developments and Condominiums

A growing number of manufactured homes in California are being sold in conventional subdivisions, planned unit developments and condominiums where the land and homes are owned and financed as real estate. Additionally the definition of Accessory Dwelling Units includes manufactured homes.

Urban In-fill and Redevelopment

Today's factory constructed homes are growing in popularity with local governments and redevelopment agencies for urban in-fill and redevelopment projects. Factory constructed housing is attractive for this use due to its cost effectiveness and the ability to design a home compatible with the local neighborhood that will fit any lot with relative ease.

In trend-setting California, factory constructed homes are available with cement fiber board or wood siding; roofs with composition shingles, and dramatic windows. Architectural styling include traditional Ranch, Cape Cod, Southwest, Mediterranean and Craftsman. Exteriors can be designed to be compatible with local neighborhood.

Interiors can be modest or luxurious. They can feature spacious living rooms with vaulted ceilings, formal dining rooms, kitchens with breakfast nooks, master suites with walk-in closets, dressing areas and spacious bathrooms with garden tubs as well as stall showers.

Manufactured homes and selected factory built homes are sold with major appliances, window coverings and carpeting in a choice of colors included in the price of the home.

Accessory Dwelling Units (ADU)

Manufactured Housing built to a federal construction and safety standard provides a high value solution for those seeking an Accessory Dwelling Unit. Pursuant to California Government Title 7, Chapter 4, Section 65852.2 the definition of an ADU includes manufactured home. Sections 65852.3 and 65852.4 apply to manufactured home ADU's

Homeowner Demographics

More than 1.4 million Californians live in approximately 540,000 manufactured homes. Manufactured housing is a significant portion of the California housing stock, representing nearly seven percent of all single-family detached homes.

The profile of those who have purchased manufactured homes in the past decade demonstrates that significant changes are occurring in the characteristic of manufactured homeowners. Recent purchasers are more affluent, have larger families, have attained a higher level of education and are less likely to be retired than manufactured homeowners as a whole. Many are sighting their homes on private property or in resident owned communities as opposed to traditional land-lease communities.

INDUSTRY PROFILE

Manufacturers

There are three CMHI member companies building factory constructed homes in seven factories in California. Additionally, seven CMHI member factories ship homes into California from neighboring states. In 2025 approximately 2,831 new manufacturers homes were delivered in California, approximately 3,065 of which were produced in the state. Manufacturing and retail sales of new factory constructed homes contributed over \$1 billion to the California economy.

Retailers

New manufactured homes are sold by licensed retailers, The California Manufactured Housing Institute, the industry's professional trade association since 1936, has nearly 100 member centers who specialize in the sale and resale of manufactured housing. These professionals must routinely complete certified continuing education programs. Retailers typically control the sub-contracting functions related to installing the home on the lot of the homebuyer's choice. Additionally, many of our retail members also specialize in the sale and installation of factory-built (modular) homes and hold the necessary licenses to do so. Some homes are sold from sales centers owned and operated by the retailer. Others are sold from a model center located in a land-lease community or subdivision. Many retailers will develop a custom factory constructed home for a lot already owned by a consumer or help the prospective homeowner find a suitable lot.