
January 9, 2025

Manufactured Housing Feasibility Study

Key Findings

PREPARED FOR:

**Anchorage Assembly Community and Economic
Development Committee**



Our Assignment

- Anchorage housing price escalation
- Manufactured housing often one rung on an ownership “ladder”
- Contracted by Long-Range Planning Department to determine **financial feasibility** of developing a new Manufactured Housing Community in Anchorage
 - Developer perspective: At what sales price are new manufactured homes in a new manufactured housing community financially feasible?
 - Buyer perspective: Does the sales price of a new manufactured home meet affordability standards?

Affordable Housing Thresholds, Anchorage, 2023

Areawide Median Income	Annual Household Income	Maximum Monthly Housing Costs (excluding utilities and taxes)	Maximum Cost of Affordable Home
80% AMI	\$79,520	\$1,660	\$264,800
100% AMI	\$99,400	\$2,070	\$331,000
120% AMI	\$119,280	\$2,490	\$397,200
150% AMI	\$149,100	\$3,106	\$429,000

Existing Anchorage Manufactured Housing Communities

38 communities with 4,600 units

Large MHCs (100+ units)

- 12 communities, ~3,680 units
- Average unit built in 1977 (47 years old)
- \$54,400 average sales price (2019-2023)

Small MHCs (<100 units)

- 26 communities, ~920 units
- Average unit built in 1966 (58 years old)
- \$41,200 average sales price (2019-2023)

- Existing units fit the definition of “affordable” housing
- *Would new manufactured housing units in a new Anchorage MHC meet these standards?*

Key Considerations in Anchorage

- No prefabricated home manufacturers operate in Alaska
 - Requires costly transportation from Lower 48
 - Warranty considerations
- Wind and snow loads require different building standards
- Anchorage zoning has created significant restrictions on where MHCs can be built, limiting new developments to only a few lots around town
- Title 21 rewrite also added requirements for infrastructure development, landscaping, aesthetics, and driveways that make development more costly than in the past

Development Costs and Manufactured Home Sales Price

Category	20 Unit MHC	40 Unit MHC
Unit Costs	\$85,000	\$85,000
Shipping	\$20,000	\$20,000
Site Preparation (earthworks, utilities, surface infrastructure etc.)	\$183,500	\$91,750
Development Costs per Unit	\$288,500	\$196,750
<i>Mobile Home Purchase Price per Unit</i>	<i>\$331,775</i>	<i>\$226,263</i>

*The purchase price includes developer profit margin on each unit.

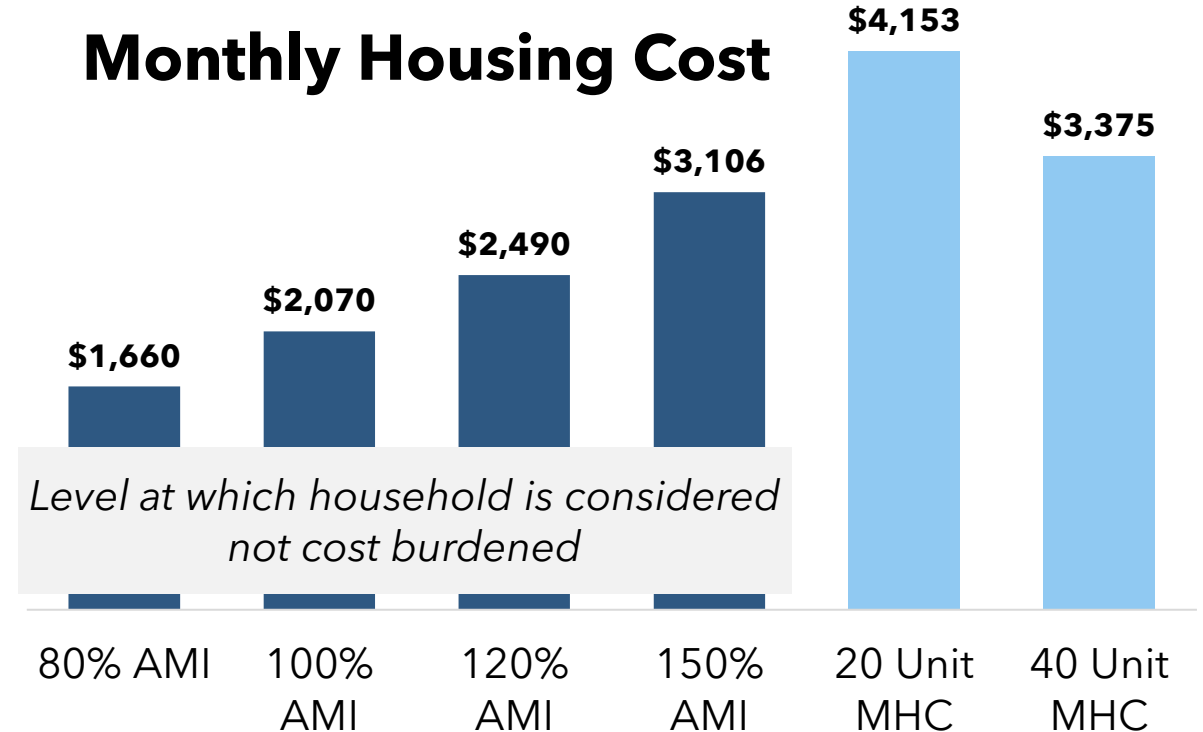
Homeowner Costs

Category	20 Unit MHC	40 Unit MHC
Monthly mortgage	\$2,448	\$1,670
Land lease	\$800	\$800
Service fees (utilities, unit property taxes, etc.)	\$905	\$905
Monthly Total	\$4,153	\$3,375

- Land lease and service fees based on a landlord-tenant model of occupancy
- Co-op model has become popular in the Lower 48, some MHCs are looking at ways to buy out their landowners and manage the site as a cooperative

Conclusion

- New units in a new MHC are **not likely to meet affordable housing cost thresholds** for low- or middle-income households in Anchorage
- Costs are prohibitive for builders, particularly if land acquisition required
- Cost drivers include
 - Transportation from Lower 48
 - Site preparation adds considerably to unit cost, with a tax implication
 - Density restrictions constrain numbers of units over which developers can spread fixed costs



WANT TO KNOW MORE?

Report Available from MOA Long- Range Planning



PREPARED FOR:

Municipality of Anchorage