



The Future of Affordable Housing

- An Interview with
Dr. Casey J. Dawkins -

WASHINGTON | CORE

September 2025

Today, the U.S. Grapples with a Housing Shortage. But Why?

Communities across the United States are confronting a mounting affordable housing problem. Rising costs, a shortage of new construction, and limited financing options are straining local governments, while residents struggle to find stable and reasonably priced places to live. In an effort to understand the factors driving these issues and the policies forging possible responses, Washington CORE spoke with Dr. Casey J. Dawkins, professor of Urban Studies and Planning at the University of Maryland.

In this interview, Dr. Dawkins delineated the roots of today's housing shortage, explained how states are experimenting with zoning reform, and discussed the potential of manufactured and modular housing. At the heart of this conversation was a simple but pressing question: why has the U.S. fallen so far behind in producing affordable homes, and which policy approaches offer the clearest path forward?

Identifying the Roots of the Shortage

Dawkins began by tracing the problem back to the 2007 to 2010 foreclosure crisis. Housing construction, already fragile, collapsed and never recovered to pre-crisis levels. Construction costs soared during the COVID-19 pandemic, compounded by global supply chain disruptions. Tariffs on materials and restrictions on immigration further squeezed the industry by raising labor and input costs.

But Dawkins stressed that demand-side facets matter just as much. Rising income inequality means a growing share of households simply cannot afford a home, even as mortgage interest rates hover stubbornly above 5 percent, double the historic lows seen during the pandemic. "It's really an affordability issue from the demand side," he explained. More people today earn incomes below what's necessary to afford a home, and high mortgage rates add to the pressure.

Policy Responses: State-Led Innovation

When asked if there were signs of improvement, Dawkins was cautiously optimistic. Across the country, states have begun liberalizing zoning laws to promote housing diversity. He cited more than 200 bills introduced in 2024 alone, with states like Oregon, California, Massachusetts, Maine, Montana, and Maryland leading the charge.

Maryland's Housing Expansion and Affordability Act of 2024 stood out in the conversation. The law provides

density bonuses for affordable housing projects near transit hubs, on state-owned land, or built by nonprofits. It also compels localities to treat manufactured housing the same as any other single-family dwelling. "State leadership matters," Dawkins emphasized. "When states take the lead, local governments find it easier to follow."

Behind these efforts is the growing YIMBY movement ("Yes In My Backyard"), a counterpoint to long-standing NIMBY ("Not In My Backyard") resistance. NIMBY typically mobilizes to block higher-density or affordable projects, citing concerns about neighborhood character, traffic, or property values, while YIMBY advocates counter that such restrictions perpetuate scarcity and inequality, and instead push for reforms that make it easier to add housing in existing communities. Although critics argue YIMBYism focuses too narrowly on production, Dawkins credited the movement with driving political momentum toward zoning reform.

Manufactured Housing: Progress and Stigma

The discussion then pivoted to prefabricated housing, a sector Dawkins has studied closely. Manufactured housing, he explained, underwent a transformation after the Department of Housing and Urban Development introduced the HUD Code in 1976, the nation's only national building code for housing. The code importantly raised standards, effectively ending the era of "trailers" and "mobile homes." Today, many manufactured homes are indistinguishable from conventional single-family houses. Yet stigma persists.

The industry still struggles with a perception problem. Manufactured housing is often associated with rural poverty and poor quality, despite evidence that residents report satisfaction equal to those in traditional homes. The problem, he suggested, lies partly in the way homes are marketed, more like cars sold on lots than houses embedded in communities.

Still, Dawkins saw promise in suburban and metropolitan markets where land is scarce. "It has real potential, particularly in suburban areas where you're trying to build more affordably," he noted.

Manufactured housing in the U.S.



Source: Manufactured Housing Institute¹

Innovation and Technology

Dawkins noted that prefabricated housing has often outpaced traditional single-family construction when it comes to innovation. Building homes in a factory setting makes it possible to keep costs down, avoid weather setbacks, and finish projects much faster than on a typical job site.

On average, a single-section manufactured home costs about 35 percent of a comparable site-built home. Double-section homes cost about 60 percent.

Perhaps the most inventive development in prefabricated housing is CrossMod, short for Crossover Modern Homes. Introduced in 2019 by the Manufactured Housing Institute (MHI), CrossMod homes were designed to bridge the gap between factory-built and site-built housing. They include features that give them the look and feel of conventional homes, such as pitched roofs, covered porches, permanent foundations, and interior details like drywall and wood cabinetry². These design choices aim to erase the stigma that has long surrounded manufactured housing and allow CrossMod homes to blend into established neighborhoods without standing out as different.

CrossMod™



What Makes a CrossMod™ Home Different?

For the first time, CrossMod™ homes are breaking down the past misconceptions about the off-site built housing industry. They can appreciate and finance similarly to site-built housing and have been used in certain locations to challenge zoning ordinances that limited manufactured housing in the past.

Benefits of CrossMod™ Homes

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1 New Appraisal

- ✓ CrossMod™ homes can appreciate similarly to traditional site-built housing and are able to use site-built homes as comps. These homes have been used in certain locations to challenge zoning ordinances that limited manufactured housing in the past. Only the MHI Advantage® and CHOICEHome® financing programs permit appraisers to use site-built comps.
- ✓ By allowing CrossMod™ homes that meet the eligibility requirements to use site-built homes as comparable properties in the appraisal, it creates the potential for CrossMod™ customers to build value over time through appreciation.
- ✓ Because this new category of manufactured homes now includes, *Freddie Mac* and *Fannie Mae* are committed to leading appraisers to ensure qualified CrossMod™ homes are appraised accurately. For instance, *Fannie Mae* is launching training materials on their website to educate appraisers, while *Freddie Mac* is working with the Appraisal Institute® to train appraisers in selected states.

2 Increasing Value

- ✓ Permanent foundation and construction requirements create the potential to increase property value over time. CrossMod™ homes offer modern features, modern finishes and style to market a new class of off-site home construction.

3 CrossMod™ Financing

- ✓ For the first time in industry history, off-site built homes that meet the specifications set by the *Fannie Mae* MHI Advantage® program and the *Freddie Mac* CHOICEHome® program are eligible for financing similar to that available for traditional site-built homes. To learn more about mortgage loan financing programs available for CrossMod™ homes, visit *Freddie Mac* or *Fannie Mae*.

4 Zoning

- ✓ CrossMod™ homes have already been used in certain locations to challenge zoning ordinances that limited manufactured housing in the past. The CrossMod™ category is helping to allow homeowners to more fully take advantage of the opportunities of today's off-site built homes. This will ultimately help create more success when updating local zoning ordinances and gaining neighborhood acceptance.

Permanent Foundation

A permanent foundation gives the home a sturdy, level base like a traditional on-site built home.

Elevated Roof Pitch

An elevated roof pitch improves curb appeal and helps the home fit into new neighborhoods.

Covered Porch, Garage or Carport

Covered porches, garages or carports help homes gain exposure in many areas that previously limited manufactured housing.

Energy Efficient Standards

Energy efficient home features like smart thermostat use technology to help lower utility costs and improve overall comfort level.

Enhanced Cabinets

Enhanced cabinets provide design-forward aesthetics to maximize the style of the home.

Drywall Interiors

Drywall interiors upgrade the home value by offering a fresh, clean interior look and reducing noise throughout the house.

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Clayton

Source: Multivu²

An advantage of CrossMod homes is how they are treated in the market. They are classified as real property, which helps them qualify for traditional mortgage financing and positions them to appreciate more like conventional homes, rather than depreciate like typical manufactured options. Recognizing this potential, Freddie Mac developed the CHOICEHome program to provide conventional loans for CrossMod homes. In 2025, Freddie Mac expanded the program to include single-section CrossMod models, allowing buyers to qualify for low down payments through initiatives like Home Possible® and HomeOne®. These efforts improve access to affordable housing while ensuring that manufactured homes are not locked out of mainstream financing opportunities³.

According to Dawkins, these initiatives innovatively target both affordability and perception. He also discussed gains in energy efficiency and sustainable materials, including mass timber.

Regulation and Financing: Persistent Hurdles

If design and technology have advanced, regulatory and financial barriers remain stubborn.

The Road to Housing Act, Dawkins explained, could mark a turning point. Its most significant reform would eliminate the outdated federal requirement that manufactured homes include a steel chassis. The rule was originally meant for transport safety, but now it is a major design constraint. Removing it would free builders to innovate with multi-story and multifamily designs.

Financing remains equally fraught. Manufactured homes are often classified as personal property rather than real property, making them ineligible for conventional mortgages. This leads to higher rates and less favorable loan terms. Although some states have changed their laws, gaps remain.

"We still don't have a very good package of solutions for the lowest-income households," Dawkins said, indicating the limits of underfunded programs like Housing Choice Vouchers, which reach only about a quarter of those eligible.

Federal, State, and Local Dynamics

In Dawkins' view, the fragmentation of U.S. governance compounds the problem. While HUD certifies manufactured homes at the federal level, local governments often wield zoning power to restrict their placement. Some jurisdictions prohibit manufactured housing outright. Others confine it to mobile home parks while refusing to zone land for such parks.

Design rules also create barriers. Requirements such as steep roof pitches, which may be impossible for factory-built homes to meet due to transport constraints, effectively exclude manufactured housing without saying so explicitly.

Delivery of manufactured housing



Source: Manufactured Housing Institute⁴

Beyond Ownership: Renting, Stability, and Political Will

As the interview wound down, Dawkins reflected on deeper structural challenges. U.S. housing policy, he observed, has long favored homeownership through tax subsidies and cultural ideals. Yet millions of renters struggle with rising rents and instability.

“Renters deserve at least as much attention as first-time homebuyers,” Dawkins argued. Stable, affordable rental options could ease pressure without forcing households into ownership.

Politically, he saw space for bipartisan compromise, especially around regulatory reform. Both Democratic and Republican administrations have backed efforts to streamline local restrictions, although the results have been modest.

Endnotes

1. <https://www.manufacturedhousing.org/about-manufactured-homes/homes-photo-gallery/>
2. <https://www.multivu.com/players/English/84813513-clayton-unveils-ten-new-crossmod-floor-plans-for-home-buyers/>
3. <https://www.claytonhomes.com/newsroom/press-releases/Clayton-Appraises-Freddie-Mac-for-Adopting-Single-Section-CrossMod%C2%AE-Into-Mortgage-Program/>; <https://www.doddfrankupdate.com/dfu/articlesdfu/freddie-mac-adds-new-choicehome-financing-option-f-95159.aspx>
4. <https://www.manufacturedhousing.org/about-manufactured-homes/>

The Future of Housing

Asked what the future demands, Dawkins looked to sustainability, resiliency, and innovation. Rising sea levels, natural disasters, and energy efficiency must shape how homes are built. Prefabricated housing, he believes, is well-positioned to lead.

The industry could be a leader in sustainable solutions, but Dawkins acknowledged how the U.S. invests less in housing-sector R&D compared to other countries. Federal programs like HUD’s now-defunct PATH (Partnership for Advancing Technology in Housing) initiative, which was designed to accelerate the adoption of advanced building technologies, once promoted demonstration projects and innovation, but similar efforts are rare today. Dawkins highlighted Japan’s proactive investments as an example. Japan has invested heavily in this area, offering a model for how national governments can encourage innovation and demonstration projects. In his view, looking to Japan provides an example of how the U.S. might improve its approach to housing innovation and move the industry forward.

Closing Reflections

For Dawkins, the solutions to America’s housing crisis will require a mix of zoning reform, financing innovation, stigma reduction, and federal R&D investment. Manufactured and modular housing may not be a silver bullet, but they represent a crucial part of the toolkit.

He concluded that stronger national investment in housing R&D is essential to encourage innovation, improve resilience, and expand affordable options for both renters and first-time homebuyers.



Dr. Casey J. Dawkins

Dr. Casey J. Dawkins is a housing policy scholar, professor of Urban Studies and Planning, Associate Dean for Research, and a faculty member of the National Center for Smart Growth at the University of Maryland School of Architecture, Planning & Preservation. His research focuses on housing justice, affordable housing policy, manufactured housing, and land-use regulation.

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