Welcome to the 2019 I’M HOME Conference
Manufactured Housing A to Z
Our Panelists

• Grant Beck, Next Step (Moderator)
• Ben Roche, Palm Harbor Homes
• Mary O'Hara, ROC USA
• Tara Reardon, New Hampshire Community Loan Fund
• Lori Dibble, Manufactured Homeowners Association of New Jersey
“Travel trailers morphed into permanent housing without any evolution of the underlying business models.”
What is Manufactured Housing?

Homes built to the federal “HUD CODE” on a permanent chassis.

• 8’ or more in width
• 320 or more square feet in size
• Substantially complete:
  • Plumbing
  • Electrical
  • Heating

LABLED with a HUD TAG
What is Manufactured Housing?


"Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width or forty body feet or more in length, or, when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the Secretary and complies with the standards established under this chapter"
What is a Mobile Home?

“PRE HUD” Build prior to the federal construction and safety standard.

Pre-HUD is any "manufactured home" (constructed on a permanent chassis) built before June, 1976. That is when the US Dept. of Housing and Urban Development, HUD, placed minimum construction standards concerning the then "mobile homes"

BEFORE JUNE 1976
“MOBILE HOME”

AFTER JUNE 1976
“MANUFACTURED HOME”
What is **NOT** Manufactured Housing?

These types of factory built structures do not fit the definition of HUD CODE “Manufactured Housing”

MODULAR  RV PARK MODELS  TINY HOMES
RV Park Models
Tiny Homes
What is Manufactured Housing?

SAFE: Built to a federal construction and safety standard. “HUD CODE”

AFFORDABLE: System built, process controlled, and waste managed.

DURABLE: Designed and built to withstand highway delivery.

HEALTHY: Kiln dry lumber & properly balanced fresh air systems.

SUSTAINABLE: Reduced waste, repurpose, re-use, recycle, be responsible.

GREEN: Energy efficient, sealed, well insulated, and designed to save.

STYLISH: Designed with the features and finishes of any new home.
Homes in many shapes & sizes:
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Homes in the country:
Homes in the city:
Homes in the suburbs:
Or even a home in your backyard:
What is Manufactured Housing?

Manufactured Homes can be utilized in several ways:

- Land / Home Development
- Manufactured Home or Land Lease Communities / Mobile Home Parks
- Condominium Developments
- Retirement Communities / Age Restricted Deed
- Fee Simple Subdivisions
- Detached Accessary Dwelling Units [D-ADU’s]
Planned Unit Development
Manufactured Home Community - Rehabilitation Replacement Homes
Or a new farm house:
Key Comparisons to Site-Built Homes

Finance

Efficiency

Development
Financing Options

• **Home-only/chattel loans** are personal property financing.

• **Mortgage (land-home) loans** are used when a factory-built home and land meet certain requirements and are purchased together as real property.

• The GSEs (Freddie Mac and Fannie Mae) are offering lending options on par with site-built.
  - Allowing site-built comps.
Development Costs

• Reduced development costs.
  • More affordable and predictable costs.
• Shorter construction times.
• Faster move-in times.
• No weather delays
• Generally less expensive than site-built (national average = ½).
Energy-Efficiency

• Reduced waste.
• ENERGY STAR-rated homes significantly reduce monthly utility costs for homeowners:
  • Low flow shower heads, faucets
  • Low VOC Paint
  • Floor coverings using recycled materials
  • Compact fluorescent light bulbs
Infill Housing Opportunities

The Brookings Institute reports that in 70 cities surveyed, up to 15% vacant land exists, with an average of 2.63 abandoned structures per 1,000 inhabitants. Vacant lots:

• Generate **little or no** tax revenue for a municipality.
• Reduce the vibrancy of neighborhoods.
• Impact the value of surrounding homes.
La Grange, Texas
San Bernardino, California
Danville, New Hampshire
Resident Owned Communities - Cooperatives ("ROCs" or "MH Co-ops")

Market-rate:
- Predominately in FLA
- High co-op share values

Limited-equity:
- 16 states, 16,888 homes, 248 ROCs
- Low share values ($100 - $1000)
- Site fees rising .86% per year compared to 3.9% in commercial communities. On average, $32.70 below market after 5 years.
- No ROC in Network has ever closed, resold or lost their community.
“We now are the owners of this park and the only thing it can do now is get better.”

ELIAS MONTEMAYOR
Horizon Homeowners Cooperative, McMinnville, OR.
Single - Family Home Finance

• Didn't keep pace with the change to permanent single-family housing
• Home-only/chattel loans:
  • Personal property financing, like a car or a boat;
  • Not secured by a mortgage but, by a UCC filing with town or Sec. of State.
  • Usually > than 10% interest, short-term 5 – 15 years, fewer consumer protections;

• Conventional Mortgage Home loans are available when a factory-built home and land meet certain requirements and are purchased together as real property. "Real Estate Titling"

• The GSEs (Freddie Mac and Fannie Mae) are offering lending options on par with site-built.
  o Allowing site-built comps for individual homes on own land;
  o Community approval process for ROCs enabling FNMA mortgages

#IMHOME2019
Danville, New Hampshire
MH 101 – From a homeowners perspective