

HOMEOWNER TIP

When was the last time you checked your garage door opener to be sure it will reverse if it hits an obstruction, like a child? There are several safeguards built into all garage door openers manufactured since 1993, and they should be tested regularly. For more information, visit www.ul.com/consumer/garagedoors.html.

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www.criterium-engineers.com

REAL ESTATE or WHEEL ESTATE?

Is it modular, manufactured or mobile? Or...is it pre-cut, pre-fab or panelized? Or...is it site built or stick built? Or...is it a trailer?

And what regulations apply, if any? In a previous issue of *Your Home*, we discussed building codes and addressed some common myths and misunderstandings. Building codes, when they do exist, apply primarily to homes built on-site. But there are other types of homes to consider as well.

Basically, all of the types noted above fall into two categories:

- **Manufactured Homes:** which include mobile homes and trailers. The current standard term is manufactured home. The terms mobile home and trailer are fading away, but not quickly enough for the Manufactured Housing Institute (www.manufacturedhousing.org).
- **Stick Built Homes:** which include modular, pre-cut, pre-fab, panelized and site built.

The essential differences are:

- **Code Jurisdiction:** Manufactured homes are governed by the federal Manufactured Home Construction and Safety Standards administered by the Housing and Urban Development (HUD) Agency and first published in 1976. Stick built homes are governed by the building codes, if any, of the municipality in which they are built.
- **Basic Construction:** Manufactured homes are defined in federal regulations as built to be “transportable in one or more sections... built on a permanent chassis and designed to be used as a permanent dwelling with or without a permanent foundation when connected to the appropriate utilities.”

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The types of **stick built homes** are:

- **Pre-cut:** Similar to site built but some materials are pre-cut for a specific design and arrive more as a kit than just a pile of materials. The pre-cut pieces are typically produced in a factory-like environment.
- **Panelized:** Similar to pre-cut but some pre-cut pieces are pre-assembled into sections for a specific design. The sections are then assembled on-site. Typically, this includes floor, wall and roof panels. A crane is usually required to assemble the panels.
- **Modular:** This is the most comprehensive form of stick built homes. Large sections are built in a manufacturing environment and often include wiring, plumbing and some interior and exterior finishes. Entire modular homes are available with 90% of the work done in a manufacturing environment and only 10% on-site. Proponents of modular construction argue that it benefits from more quality control since most of the work takes place in a controlled manufacturing environment.
- **Pre-fab:** This term is used in many ways, sometimes referring to the style of a home, at other times referring to the construction method and still other times implying a trend or fad. It is currently enjoying a bit of revival in popularity; see www.prefabs.com.

For more information about stick built homes, please see our *Your Home* series on [Why Can't We Build the Perfect House](#) (www.criteriumhomeinspection.com/articles1).

Stick built homes are the current generation of the homes that have been built for centuries, starting with log cabins, then timber framed (post and beam), then balloon framed and, currently, platform framed. These are all stick built homes, on permanent foundations, regulated by local, site-specific building codes.

Manufactured homes, on the other hand, have a somewhat different history. In the early 1900s, house trailers became popular, primarily for vacations. Sears, Roebuck and Co. offered complete kits and sold about 100,000 of them between 1908 and 1939, according to the Housing Assistance Council. To encourage tourism, many communities created trailer camps.

Today, two of every ten housing starts in the U.S. are manufactured homes. Led first by the Depression and then World War II, house trailers increasingly became used for permanent low-cost housing. By the 1950s, the term mobile home replaced trailer. Through the '50s and '60s the industry grew, but it was not until 1969 when the Federal Housing Administration authorized the issuance of mortgage insurance on mobile homes that the industry really began to flourish. In the '70s, production grew to about 300,000 units per year, about 20% of all housing starts.

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For more information, visit the following Web site:

www.manufacturedhousing.org

Or, do a Google search on manufactured housing for the Web sites of manufacturers and other resources.

Some information for this article was derived from an excellent article on manufactured homes by the American Planning Association (www.planning.org).

As the industry continued to evolve, there was a need for better and more universal standards. Since all units in one model line from one manufacturer are the same and the destination is unknown until purchased, a federal standard consistent across state lines was required. The Housing and Community Development Act of 1980 replaced the name mobile home with manufactured housing and gave HUD jurisdiction and responsibility to enforce the federal Manufactured Home Construction and Safety Standards that went into effect in June 1976. This standard, last updated in 2001, is extensive and comparable to most building codes.

Mobile homes must be built on a permanent chassis and be transportable. They leave the factory as complete living units, the size of which is governed by regulation and the ability to transport the units on public roads, which dictates maximum width, height and length (hence the term “single-wide”). Once a mobile home arrives on-site, it only needs to be connected to the appropriate utilities and secured on a permanent or temporary foundation and it is habitable. It should be noted, however, that once a manufactured home is placed on a permanent foundation, all subsequent changes are subject to local building codes.

In 2000, it was estimated that 22 million Americans, about 8% of the U.S. population, lived in about 10 million manufactured homes. In 2001, the industry shipped nearly 200,000 units from 275 manufacturing facilities in the U.S.

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Financing a manufactured home offers a few more challenges than a site built home. In some states, manufactured homes are still viewed as personal property. Manufactured homes may therefore not qualify for certain tax benefits normally afforded loans for stick built property. In recent years, however, mortgages for manufactured homes have become more readily available. Several banks actually specialize in these mortgages.

When searching for a mortgage for a manufactured home, the degree to which the home becomes “immobile” and whether or not you own the land on which it is placed are two key factors that the lender will consider. In addition, the majority of manufactured home mortgages are insured by the Federal Housing Administration (FHA), a part of HUD. To qualify for an FHA-insured mortgage, the applicant’s home must meet the following criteria:

1. The home must have a floor area of no less than 400 square feet.
2. The home must be constructed in conformance with the federal Manufactured Home Construction and Safety Standards.

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3. The home must be classified and taxed as real estate.
4. The mortgage must cover both the manufactured unit and its site and have a term of no more than 30 years from the date amortization begins.
5. The manufactured unit must not have been installed or occupied previously at any other site or location.
6. The finished grade elevation beneath the manufactured home or, if a basement is used, the lowest finished exterior grade adjacent to the perimeter enclosure must be at or above the 100-year return frequency flood plain elevation.

You will also need to employ an engineer to certify that the foundation complies with the FHA guidelines for permanent foundations. This means the foundation is “*constructed of durable materials...and...site built. It shall have attachment points to anchor and stabilize the manufactured home...to underlying soil or rock.*” To avoid any unnecessary expense because the home does not qualify, before applying for a mortgage, we recommend that you confirm that the following conditions are met by your home:

- ✓ Concrete block used in the foundation is mortared or secured.
- ✓ The home’s chassis is anchored to the foundation.
- ✓ Any dirt floor under the home is covered with polyurethane or similar material.
- ✓ The towing tongue, axles, and wheels from the chassis are removed from the site.
- ✓ The foundation and skirt are enclosed with durable, secure materials.
- ✓ All utilities are connected and serviceable.

While the manufactured housing industry has essentially “come of age,” there are still issues being debated, sometimes hotly.

- Some developers claim discrimination by local planning authorities when developments that will use manufactured homes are proposed. The “trailer park” stigma has not gone away entirely.

As time has passed, the manufactured home has found its place in the U.S. It is a low-cost housing option that fulfills a need. Any remaining problems will be resolved with time.

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nearest you, call
1-800-242-1969

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