

# ***Affordable Housing:***

## **What You Need to Know before Buying a Manufactured Home**



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Manufactured housing is often considered to be a cost-effective approach to making home ownership a reality for families. According to *Consumer Reports*, in January of 1999, manufactured homes represented one-third of all new single-family homes sold in this country. Since buying a home is likely to be the largest investment a family will make, it is important to make a wise choice.

If you are considering the purchase of a manufactured home, there are some points you should know to protect yourself and your investment. Find a reputable dealer by contacting your state agency on manufactured housing (Texas Department of Housing and Community Affairs [TDHCA]). Make sure that your installation firm is licensed and check with the Better Business Bureau to learn if there are substantial complaints against the firm. If a problem develops after you purchase your home, try to resolve it with the dealer or the manufacturer. If that fails, contact the TDHCA.

The term "manufactured home" was adopted in June of 1976 to describe a type of house that is constructed in a factory to comply with a building code developed by the Department of Housing and Urban Development (HUD). In the past, manufactured homes were called "mobile homes," a term that many people still use. However, "mobile" is no longer an accurate name because fewer than five percent of such homes are ever moved off the owner's original site.

Every new manufactured home now offered for sale must have:

- A red and silver seal that certifies that the home has been inspected during construction and meets federal home construction and safety standards. The code regulates design and construction, strength and durability, fire resistance, and energy efficiency. It also prescribes the performance standards for the heating, plumbing, air conditioning, thermal, and electrical systems.
- A diagram provided by the manufacturer must show the required number and position of placement piers. It must also show the positioning for anchoring devices.
- A certificate must be posted inside the home to tell what performance can be expected from the heating system, within a specified range of outside temperature and wind velocity.
- Maps must be included, as part of the certificate, that indicate the energy efficiency zone for which the home was built, the home's resistance to wind, and snow loads that the roof can be expected to withstand, provided the home has been properly anchored, in accordance with the manufacturer's specifications.

Before you purchase a manufactured home, it is important that you:

- Determine where the home will be located. You need to find a community that has rental spaces or own or purchase private property. If you decide to locate on private property, you will need to know what deed restrictions or zoning issues are in place on the land site.
- Purchase a home with a wind-resistance rating and snow load rating appropriate for your location.
- Know what other costs are involved in setting up the home.
- Understand what you are paying for and understand your warranties.
- Properly prepare the site and ensure that it is suitable for your home.
- Buy from a licensed retailer—and use a licensed installer to install your home.
- Inspect your home thoroughly as soon as you move in.

### **Deed Restrictions and/or City/County Ordinances**

If you plan to place your new manufactured home on land or a lot that you own or intend to buy, it is important to consider deed restrictions, zoning requirements, restrictive covenants, and any city or county ordinances. Such restrictions may prevent you from placing a manufactured home on a particular piece of land.

If you decide to place the home in a manufactured home community, it is important to know the rules and regulations. Are children allowed? Are pets allowed? Are homes required to be skirted? What are the parking regulations? Look beyond the obvious factors. Find out who is responsible for yard maintenance, garbage removal, and whether it is covered in your rent. Inquire about laundry facilities, if you will need them. Decide if you want to pay for the use of luxury facilities, such as a sauna, swimming pool, tennis court and clubhouse.

Look for an established community or one being developed by a company for long-term investment purposes. Try to obtain a long term, written lease.

Talk to residents for their opinions about the community. Talk to the manager. Ask yourself if you are willing to live by the rules. You also need to know if the rules are enforced by the management on other residents.

Find out exactly what is included in your rent and what is not.

### **Wind-Resistance Standards**

Wind-resistance relates to manufacturing standards as well as anchoring standards. Currently, the highest standards are required for hurricane-prone coastal areas. However, if you live in an area where there are high winds or tornadoes, these same strict standards would make your home safer.

Snow load rating refers to the amount of snow that your home can handle on the roof. The zone map provided by your retailer should indicate the recommendations. However, you should be prepared to remove snow in situations when abnormal amounts of snow fall. Ice conditions should also be a concern.

### **Cost Associated with Set-up**

Although a manufactured home comes complete with plumbing, electrical, and heating systems, it must, like all homes, be connected to electrical, water, and sewerage facilities. Some will require either natural gas or propane hook-ups.

If your site is in a well-developed area, all necessary utilities may be available, subject to connection charges. Find out exactly what utilities are available and how much it will cost to connect your home to all utility sources.

Most rental communities will have connections to electric, gas and telephone lines, water and sewer. However, private property sites may require more work and expense for these same connections.

If the area where you plan to live does not have ready access to utilities, connection could be quite expensive. If there is no water, you may have to drill a well. If you cannot connect your home to a sewerage system, you must check with local authorities about

installing a septic system. For more information on septic system requirements, contact the county health department. If there is no electricity pole, it can be costly to bring electricity to the property. Telephone and cable for TV may be expensive as well.

## **Warranties**

Your new manufactured home should come with a homeowner's manual and manufacturer, retailer and appliance warranties. The **homeowner's manual** usually contains important general maintenance and safety guidelines. The **manufacturer's warranty** usually covers defects in the workmanship of the structure and plumbing, heating and electrical systems installed at the factory. Appliances and any other equipment installed at the factory may also be covered. Appliances may be covered by separate warranties that include use and care manuals. The **retailer's warranty** typically explains the terms of the warranty and the services the retailer will provide. It is important that you read and understand all warranties so you know what is and isn't covered by your warranties. You should also know how to obtain warranty service, and learn how to properly maintain your new manufactured home and its appliances to ensure that your warranties will be honored. To make sure that your home's warranty will be honored, carefully follow the manufacturer's instructions for installing, maintaining, and repairing your home. Before you buy your manufactured home, ask to see the written warranties offered on the homes the retailer sells.

## **Site Preparation and Placement**

Proper site preparation includes the removal of all debris, sod, tree stumps and other organic material from the area where footings will be located. It is also important to ensure that the exterior grade slopes away from the home to prevent surface runoff from settling under the home. Another issue to consider is whether there is adequate access to the site—to prevent damage to the home during transportation.

There should be properly prepared concrete strips or slab to support the necessary piers on which the home will sit. Some communities may require an approved foundation. If the site is level, less preparation and expense is necessary. It is important

to arrange for adequate tie-down and anchorage provisions.

## **Licensed Retailers and Installers**

It is the buyer's advantage to purchase a manufactured home from a retailer licensed by the state, and use an installer licensed by the state. Manufactured home retailers and installers must attend a 20-hour licensing education class and obtain the proper bonds and insurance to become state-licensed. Otherwise, the buyer risks having the home improperly installed. Faulty installation can result in unsafe conditions, structural deterioration, accelerated depreciation and higher utility costs. The bonding and insurance requirements protect you in the event that a licensed retailer or installer goes out of business before the warranty period expires. If you use a retailer or installer that is not licensed and that retailer or installer goes out of business, you will not be eligible to make warranty claims. For information about licensed retailers or installers in your area, contact the Texas Department of Housing and Community Affairs in Austin.

## **Move-In Inspection**

Carefully inspect your new home—both inside and out—as soon as possible after you move in. In some cases, the manufacturer and/or retailer will provide you with a checklist to make this task easier. Make it a point to open and close all interior and exterior doors. Examine walls, floors and ceilings for damage, and verify that all windows, faucets, and appliances are in good working order. As a home owner, you typically have 60 days to give notice of problems. When consumers have problems with their manufactured home, they should provide written notice by certified mail to the retailer and manufacturer. If the consumer is not satisfied with the response from the retailer or manufacturer, the consumer can file a complaint with the Manufactured Housing Division. For further information, contact the Enforcement Section at (512) 475-2838.

## **Do Your Homework!**

It is much easier to solve your housing needs when you have as much information as possible to help you make an educated decision. This fact sheet along with the references listed should help you to make an informed decision regarding the purchase of a manufactured home.

Customer assistance is provided for the general public, industry, and others who desire information on manufactured housing titles, license holders, and other operations of the Department. For assistance, contact the Customer Service Section at TDHCA at (800) 500-7074 (in Texas) or (512) 475-2200.

## **References:**

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