

# Factory-Direct Dwellings

## Manufactured homes pop up all over SoCal

By Amy Bentley

### SAY THE WORDS “MANUFACTURED HOME,”

and most people get a mental image of a rickety 1970s aluminum mobile home in a dusty trailer park where their grandmother lived. No back yards, no garages, no landscaping. Grandma’s car was parked under a faded awning attached to the home, and the garden consisted of a couple of flowerpots on the patio.

Erase that image. Since new federal building standards were enacted in 1976, mobile homes have been replaced by factory-built – and mostly permanent – manufactured homes that are much nicer and better built.

This is not your grandmother’s mobile home.

Today’s manufactured homes are bigger and vastly more luxurious, and they include improved safety features. Furthermore, the interior decor possibilities rival those of nicer single-family tract houses and, typically, the exterior is so similar to onsite-built homes as to be nearly identical in look.

Inside, many have tile floors, bay windows, vaulted ceilings, state-of-the-art appliances, granite counters and attached or detached garages. Two-story models, some larger than 3,000 square feet, are available. Architectural styles include traditional ranch,

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Photo by Silvercrest Western Homes

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Cape Cod, Southwestern, and Mediterranean.

Manufactured homes are much less expensive to build and buy than conventional homes, making them a good option for seniors on a fixed income and young families and renters who have been shut out of the Southern California real estate market as home prices skyrocketed during the last decade.

### The pricing

For example, the base price of a 2,432-square-foot 4-bedroom, 2-bathroom manufactured home made by Silvercrest Western Homes – a top builder of factory housing – is \$133,000 at the Model Home Center in Lake Elsinore. If you add in a package of fancy upgrades such as crown molding, windows with grids, upgraded cabinets and an oak fireplace mantel, the price is \$152,000, including the two-car garage. With transportation and installation from the Model Home Center, the total cost is \$229,000. That's not counting the monthly fee to rent a space in a manufactured housing park or the cost of land on which to place the home.

Still, it's a deal for a new, large home, says Drew Bell, a salesman and the office manager at the Model Home Center ([modelhomecenterinc.com](http://modelhomecenterinc.com)), which showcases four homes on its lot. Buyers can select from more than 2,000 floor plans.

"Lately we've been selling the larger homes, 1,900 to 2,000 square feet and up," Bell says. "There's something out there for everyone."

### What IS a manufactured home?

The term "mobile home" makes people like Jess Maxcy cringe. He is the president of the California Manufactured Housing Institute, a private, nonprofit trade organization based in Rancho Cucamonga. Institute members build, sell, install and finance factory-built housing, develop housing communities and promote factory-built homes and communities. Maxcy knows that a bias

#### TIPS FOR BUYERS

Interested in a manufactured home? Here are some things to consider:

- ✓ Shop around.
- ✓ Check the websites of major manufactured homebuilders to view the many floorplans they offer.
- ✓ Decide whether you will place your home on private property or in a community.
- ✓ If you plan to live in a community, talk to the managers to learn about age restrictions; whether children are allowed; pet and pet-size restrictions; the monthly rent; available spaces; and the community's rules.
- ✓ If you plan to place your home on private property, make sure it is zoned for residential use and has an adequately sized level spot to place your home.
- ✓ Learn about the property and details such as which utilities are available and whether you need a well or septic system.
- ✓ Buy the land at the right price.
- ✓ Most people buy a manufactured home to make housing more affordable.

remains in many people's minds about manufactured homes and notes that even some of the residents mistakenly call their homes "trailers" or "mobile homes" out of habit. His organization works to give new, higher-quality manufactured homes the credit they deserve and change the outdated vision of grandma's trailer that he says the media helps perpetuate.

"We haven't gotten away from that image," Maxcy says. "It's very difficult to change people." Manufactured homes are single-family homes built in a factory, transported to a site and installed. They do not require a permanent foundation. They are built on a non-removable steel chassis and transported to the building site on their own wheels. These homes can be relocated, but industry surveys show that most are never moved again once installed.

Manufactured homes used to be called mobile homes before the federal government's Manufactured Home Construction and Safety Standards Code (administered by the U.S. Department of Urban Development, or HUD) took effect in 1976 and made building standards much more stringent.

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The HUD Code mandates more and better fire safety features; the requirement for homes to have two exits; stronger walls; better earthquake bracing; and the use of flame-resistant materials for the roof, walls, and around gas flame appliances. The HUD Code also regulates standards for heating, air conditioning, plumbing and thermal and electrical systems. No manufactured home can be shipped from the factory unless it complies with the HUD Code and passes an inspection by an independent specialist certified by HUD, according to the National Manufactured Housing Institute.

### An affordable alternative

While more and more manufactured homebuyers today are young adults and first-time buyers, the largest group of buyers is still older people. Most no longer want to maintain a yard and a large house with several vacant bedrooms, or they can't afford to keep the fami-



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Photo by Silvercrest Western Homes

ly house after retirement and still live in a nice Southern California neighborhood near their friends and families.

Enter Jerry Bennett of Tustin. This 65-year-old former advertising executive and his wife, Ann, spend much of their time explaining to equity-rich Baby Boomers and empty nesters in Orange County that they can turn their equity into easy, rent-free living.

The Bennetts specialize in selling manufactured homes to people over 55. They keep a huge database on rules and amenities at the many adults-only communities throughout Orange County. Bennett also manages a showroom in Irvine for Advantage Homes, a nationwide manufactured home dealer based in San Jose, where clients can see how they can custom design and decorate their manufactured home. The Bennett's website is [strictlymobiles.com](http://strictlymobiles.com).

"Do the math," says Bennett. He figures it this way: Take a typical couple who can sell the house they bought several years ago and cash out their equity for a \$400,000 profit. This couple can pay a total of \$250,000 in cash for a 1,500-square-foot 2- or 3-bedroom, 2-bathroom luxury manufactured home to be placed in a nice seniors-only community in Orange County. Their extra \$150,000 from the house sale can be banked and earn 4% interest annually, or \$6,000, which is \$500 per month – probably enough to pay the space rent.

"You can live mortgage-free, and your housing expenses are covered for the rest of your life," Bennett says, adding that most of the senior communities in Orange County are safe and secure and offer many amenities like a pool.

The Bennetts speak from personal experience. Four years ago, they sold their 1,850-square-foot house in Lake Forest, where they had lived for eight years, and bought a 1,370-square-foot 3-bedroom manufactured home in Saddleback Mobilelodge, a seniors-only complex in Tustin. The complex has a pool, hot tub, recreation room

*Today's manufactured homes offer improved safety features and interior decor possibilities that rival those of nicer single-family tract houses.*



Photo by Model Home Center

and billiards room, and allows small pets. The Bennetts do not have a garage or yard but have two tandem parking spaces. They also don't have the \$3,200 total monthly housing expenses they had in Lake Forest.

"I like the fact that my total monthly housing expenses are \$750 a month, and that's including utilities. The home is basically maintenance-free because it's newer, and it's quiet and comfortable," Jerry Bennett says.

"Manufactured housing is an alternative lifestyle that people enjoy, especially in the parks. Many of these places are like small towns," Bennett says. "The lifestyle we live is what we preach to everybody else."

## Where are they installed?

In California, about 70% of new manufactured homes sold are placed on lots in urban, suburban or rural neighborhoods, according to the California Manufactured Housing Institute. This is possible due to state laws that allow manufactured homes to be placed on any residential-zoned lot, providing the homes meet the same local development and architectural standards as site-built homes in the neighborhood. Manufactured homes have proliferated in the past 20 years, as California has passed laws that removed old barriers to manufactured homes being placed in many areas.

Many people like the Bennetts opt for manufactured homes in a community where they own the home but rent the land from a corporation or partnership that maintains community areas and amenities. Typically, this setup means you don't have a back yard. Others, however, buy a piece of property and install a manufactured home there to cut housing costs. They may – or may not – place their manufactured home on a permanent foundation. Other manufactured homes in California are being sold in subdivisions and condominiums where the land and home are owned and financed as real estate. Manufactured homes can be purchased as real estate or personal property.

There are more than 5,500 manufactured housing communities in California; rent fees vary by region and according to amenities. Rent can be as low as \$500 a month or more than \$1,000 in beach communities, Jerry Bennett says.

Jess Maxcy of the California Manufactured Housing Institute believes manufactured homes will continue to grow in popularity. He predicts that the production of new manufactured homes in California facilities should increase by 5% over last year.

"Affordability is certainly a key," he says. "But just as important is the quality of the product itself." **H&O**

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Photo by Silvercrest Western Homes

## JUST THE FACTS, MA'AM

- As of 2005, more than 1.4 million Californians were living in almost 650,000 manufactured homes; manufactured homes represented nearly 7% of all new single-family homes and more than 9% of all homes sold in California last year.
- In 2004, the industry shipped 130,802 homes nationwide from 210 manufacturing facilities; multi-section shipments in 2004 outpaced single-section shipments, commanding 74% of the total shipments. In California in 2005, 10,783 new manufactured homes were delivered statewide, a 4% increase from the previous year.
- The vast majority of manufactured homes are never moved after they are first installed.
- The national average sales price of a manufactured home in 2003 was \$54,900; the single-section home average sales price nationwide was \$31,700, while multi-section homes averaged \$59,800. In California, prices were higher: The average single-section home sold last year for \$54,645, and the average sales price for a dual-section manufactured home was \$97,940. These prices do not include land or space-rent costs.

*Sources: The Manufactured Housing Institute, [www.manufacturedhousing.org](http://www.manufacturedhousing.org); the California Manufactured Housing Institute, [www.cmhi.org](http://www.cmhi.org).*