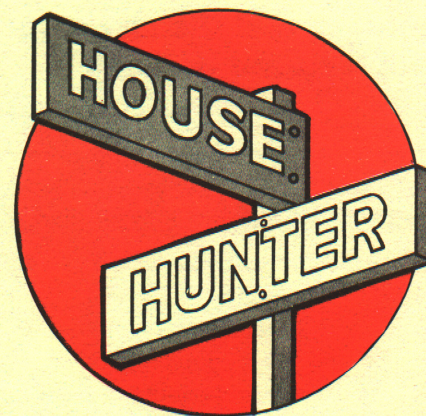


Factory-Built Housing: A Viable Alternative for Michigan Families



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When you make the decision to purchase a new home rather than purchasing an existing home, three alternatives present themselves. You can have a home custom built to fill your family's particular needs or you can purchase a speculation home, one built by a builder or contractor in the hopes that it will fill those family needs. Or you can purchase a factory-built house.*

For many Michigan families, this last option is becoming a more popular choice, as factory-built housing often times can combine the best of the other two alternatives. It may be able to give you better control over the design and floor plan of the house, just as having a custom built house does; at the same time that it places much of the burden and worry of seeing to the construction process on someone else's shoulders, as purchasing a speculation house does.

Family Needs and Wants

The first two major decisions your family must make before choosing a manufactured house are to determine family space needs and to determine the style of house you want to accommodate those needs.

Your family activities and the individual activities of family members will help you make these decisions. Consider whether you want a house with a large living room or family room. Or whether you would rather have larger separate bedrooms so that family members have space and storage for their individual needs. Or whether a combination of both is important. Only you know the type of life your family lives and the types of activities all members enjoy,

*See MSU Extension bulletin E795 "Buying A Mobile Home." For specific information on Mobile Homes.

want to do, or must do. Let these activities guide you in determining the amount of space you need to plan for certain members and for certain areas of the house. Checking floor plans in magazines and house plan books can help you visualize how to provide space for these activities.

Once you have an idea of your space needs, consider the type of house that will best suit your family's activities and that will best fit what your family needs and wants. Will a ranch style fill this requirement, or would a split level or two story house be a better choice? Again, you may want to check house plan magazines. They will give you an idea of how architects and designers combine space, styles, and exteriors into a whole.

Family Financial Considerations

Armed with information on what you want, determine what you can afford. Again, your family's activities, needs and the needs of individual members will be important. With the high cost of housing today, it would be easy to commit a very large portion of your family income to housing and neglect other family needs. Do you want to do this? Is housing that important or are other things equally as important? It is a decision only you in consultation with family members can make. And once you have made the decision, you may have to rethink step one; the plan may have to be altered or the style altered to fit the family's spending pattern. Or, if you are willing, the family spending pattern could be changed. But think about this second alternative carefully. Consider what could happen to your family if you sacrifice too much for housing. Is a more costly home worth foregoing a family vacation or occasional evenings out? Again, only you can decide.

Advantages and Disadvantages of Manufactured Housing

If, once you know what you want and what you can afford, manufactured housing becomes an alternative you want to explore, you should know both the advantages and the disadvantages involved.

The major advantages revolve around three factors - variety, time, and money:

*Manufactured housing, for example, can often give you more freedom of choice in floor plan, style, size and materials in both exterior and interior finish and in features such as inclusion of a fireplace, than you may find available in locally built speculation homes.

*If you are interested in innovative housing plans and styles, you may be able to find architectural designs available in some company lines. The larger manufacturers especially carry architecturally designed homes.

*Better quality at lower cost may be available in factory-built houses. This is due to the fact that the manufacturer can cut costs by bulk ordering of materials; once materials are in the factory, the parts can be assembled into the whole using assembly line techniques, somewhat like a car factory. This mass production technique carried out under strict quality control regulations provides a house at less cost than would be possible with on-site construction.

*Once delivered to the site, the factory-built house takes less time to construct than comparable stick-built housing. The major delay in construction comes from on-site work (in providing for the foundation, for instance) and the utility hook-ups necessary, such as electrical or plumbing hook-ups.

*Do-it-yourselfers may be able to save money with factory-built houses by completing some parts of the house themselves. Some manufacturers, for instance, sell "shell-built houses" in which the exterior parts of the structure, such as walls, floors and ceilings are completed and the interior is finished by the buyer.

Cost and lack of variety can be considered disadvantages of factory-built housing as well:

*Keep in mind, for example, that the cost of the house represents just that. The price quoted often does not include the land on which to locate the unit, nor does it include landscaping, excavation, and foundation. In addition, water, sewer, gas and electrical connections are often excluded, as are wiring, plumbing, and finishing of the basement. Garages and certain appliances may be options as well. These essential extras must be considered, however, as they must with any house.

*Another cost to consider is transportation. A manufactured house, pre-built or in panels, is a bulky, heavy object that must somehow be transported from factory to site, and this may add appreciably to the cost of the house. Visit with the dealer about these costs.

*Finally, the mass production used to reduce costs may limit individuality. Retooling an assembly line is costly, so manufacturers have to design their houses to appeal to the broadest markets and this can mean uniformity. There are a wide variety of options available from just about all manufacturers, however; so this should not create a problem.

Types of Factory-Built Housing

In Michigan, the two predominant forms of manufactured housing are modular homes and panelized homes.

* **Modular or Sectional Housing:** Before the manufacturer delivers the home to the site, the wall, floor, ceiling, and roof panels are combined into boxes (modules) complete with windows, doors, plumbing, and wiring. When the modules arrive at the site, they are placed on the foundation and joined together.

* **Panelized Housing:** In this type of construction, walls, floors, ceiling and roof panels are completed, usually including windows, doors, plumbing, and wiring, at the factory. Upon delivery to the site, the panels are joined to form the structure.

Quality Standards

Factory-built housing sold within the state of Michigan must meet or exceed minimum performance standards as established by the Michigan State Building Code. These standards are equivalent to those established for stick-built housing. The standards only cover factory-built housing using closed-wall construction techniques, however. Closed-wall construction is a type of building in which both interior and exterior surfaces of walls, floors, and ceilings are applied in the factory. Since most panelized and modular houses sold within the state are built using closed-wall techniques, they are covered by the state's building code.

The Michigan building code establishes minimum standards for: 1) structural components, 2) electrical wiring, 3) plumbing and 4) energy conservation. Currently (early 1979) the code does not cover minimum performance standards for mechanical systems within the home. You should keep in mind as well that the code does not regulate workmanship regarding the appearance of items within the home. It simply

deals with performance. If you are especially concerned with appearance you may want to ask the dealer if you can visit a home recently erected in the local area, or you may want to visit the factory where the homes are produced in order to check appearance.

If the house meets at least the minimum code standards required by Michigan law and is of closed-wall construction, you will find a 4 inch by 4 inch label attached to the home in some conspicuous place.

Knowledge that this label is attached does not relieve you of the responsibility of checking local zoning ordinances regarding the site where you wish to locate the home. Nor does it relieve you of obtaining a building permit for on-site construction of the foundation, driveway, sidewalk, and garage. While securing this permit, it would be a good idea to visit with the local building inspector and discuss the house you hope to have erected.

If the house carries the Michigan performance seal, the inspector should have no qualms about letting you place it. If he does, you may want to contact the state Building Division, in the Department of Labor, at Lansing. If the house has been approved by them, they may be able to provide help in convincing the local inspector that the closed-wall house can be erected with no concern as to the quality of construction or the systems enclosed within the walls. Problems with local building inspectors were much more prevalent when manufactured housing first became popular. They are not as common now that the state Building Code covers closed-wall homes.

Where to Buy

To find a housing manufacturer, begin by checking advertisements in popular house and interior design magazines. These homes are usually produced by larger firms, but they may be manufactured at such a distance from Michigan, however, that transportation costs may prohibit purchase. More localized help is available by checking the yellow pages of larger city phone directories under Home Builders. Or the want-ad sections of larger circulation daily newspapers may provide help. Finally, request a list of the factory-built housing manufacturers who sell homes in Michigan from the Building Division, Department of Labor, 7150 Harris Drive, Lansing, Michi-

gan 48906. Enclose a self-addressed envelope.

After securing the names of manufacturers and dealers, the process then may involve letters and calls to manufacturers or visits to more local dealers. In any event, at this stage you may want to consider more than just the house. The manufacturer's and the dealer's reputation and experience are important and they can provide clues regarding the type of service you can expect during the construction process as well as the quality of the product being sold.

Financing

Manufactured homes are financed in basically the same way as conventional homes, through a long-term amortized mortgage. The dealer or manufacturer may be able to provide some help in locating a source of funds. Don't stop there, however. Check with local banks, savings and loan associations, and local mortgage companies. You may want to check with Farmer's Home Administration, Veteran's Administration and the Michigan State Housing Development Authority, as well, in order to see if you are eligible for their home financing programs. Checking the alternatives may seem a tedious process, but keep in mind that financing terms do vary, and at today's high cost of mortgage money, a small difference in finance terms can mean a big difference in monthly outlay of cash.

Check interest rate, down payment requirements, and length of loan quoted by the lender, as well as asking what other additional expenses the lender requires you to pay such as property insurance and service charges for the loan.

Site Selection

A decision concerning where to place the house should be made before you actually make the purchase. The location chosen will affect the livability of the house just as much as the plan and style of house chosen. Site will also affect the resale value of the house. As you think about location, consider schools, shopping, roads and other factors that will make living in that area a pleasant experience for your family and for future owners. Finally, be sure to check the deed restrictions for size and material requirements, before purchasing the lot.

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