

SECTION 9: UNDERSTANDING HOW AND WHERE TO SHOP FOR A MANUFACTURED HOME

After you have an idea of how much you can afford and where you want to live, you are ready to start shopping around for a manufactured home. Where you would shop for a manufactured home depends largely on whether you are planning to buy a sited or unsited manufactured home. This section will help you determine your housing needs and shop smartly for a manufactured home. Refer to section 2, *Understanding If Owning a Manufactured Home Is Right for You*, as a reminder of what is important to you.

Determining Your Manufactured Housing Needs

As with other types of housing, manufactured homes come in a variety of styles, sizes, floor plans and price ranges. Make a wish list for your home's wants and needs before you start shopping. It is important to think about a manufactured home in terms of the number of rooms, size and layout, quality, energy-efficiency and, of course, your budget.

What Do You Want in a Manufactured Home?

When determining your manufactured housing needs, there are a number of things to consider:

- *How many people do you expect to be living in your new home* and what are their ages? Do you have a big family? Will you have children, other relatives or someone else living with you?
- What may be *your future family size*? Is your household likely to grow or shrink? Is it likely that your parents or someone else will come to live with you? Are you going to have children or more children? Will your children be moving out on their own? Consider these questions even if you do not plan on living in this house forever, because circumstances can change.
- *What does your family size mean in terms of a house*? Do you need a large kitchen or a room for your elderly parent?
- Do you have *any special living needs*? Do you operate a home business? Do you live with a dog or cat or other companion animal? Do you need wheelchair accessibility?

Use the “Manufactured Home Buyer’s Wish List Worksheet” on the next page to help you define your dream home. Then decide which features on your wish list you would really hope to get and which you cannot live without. Remember, some things you want on a home are optional, and some are not. If your family is going to grow or you plan to work from home, you will need more space. But a guest room or extra storage, for example, might be “wants” that you compromise on. Once you are clear on your minimum requirements for space, shop for as much structural quality and residential appeal as your budget will allow. Section 10, *Understanding Manufactured Home Evaluations*, provides you with tools to help you evaluate construction quality.

Manufactured Home Buyer's Wish List Worksheet

FEATURES	WANTS	NEEDS
Style		
Existing construction		
New construction		
Single-section		
Multisection		
Other:		
Interior		
House size (square footage)		
# of bedrooms		
# of bathrooms		
Kitchen size		
Kitchen appliances		
Living room size		
Dining room		
Laundry room		
Closet space and storage		
Fireplace		
Other:		
Mechanical Systems		
Central air conditioning		
Other:		
Location (if buying a sited manufactured home)		
School district		
Neighborhood		
Public transportation		

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FEATURES	WANTS	NEEDS
Location (continued)		
Churches and organizations		
Quiet		
Recreation		
Near friends and family		
Near work		
Near shopping		
Other:		
Exterior (if buying a sited manufactured home)		
Landscaping		
Porch		
Deck		
Large yard		
Fence		
Garage		
Driveway		
Other:		
Other		
Other:		
Other:		
Other:		

Where to Shop for an *Unsit*ed Manufactured Home

Most unsited manufactured homes are sold through retail sales centers that may be independently owned and operated or owned and operated by a manufacturer. When you visit a retail sales center, a retailer will show you different types of homes. Plan to visit several retailers to compare and examine the new and existing, or previously owned, unsited manufactured homes on the market. Existing homes range in age. Repossessed homes that are relatively new and only lived in for a short period of time may be available, offering you a home in good condition at a lower price than a brand new home. You do not need to decide whether you want a new or existing home until you have looked at some of both. It is important to not get tied to the idea of “new” before shopping at retail sales centers, so that you can choose the best housing option for you based on your budget and other priorities. Also, keeping an open mind about new and existing homes gives you more options later when negotiating for the best purchase price.

Finding a Good Retailer

When you are shopping for the right unsited home for you at retail sales centers, you should not only compare the quality and prices of homes but also evaluate the quality and cost of the other services that



Figure 11: When shopping for an unsited manufactured home, it is important to visit multiple retail centers.

manufacturers and retailers are displayed. Shows happen every year or so in markets where manufactured homes are popular.

- Contact your state manufactured housing association for the names and addresses of reputable manufacturers and retailers in your area.

retailers offer, such as installation and warranty coverage. Visit multiple retail sales centers, and compare their reputations and services. There are several ways to find a good retailer:

- Ask your housing counselor for recommendations.
- Ask friends and family members who live in manufactured homes for recommendations.
- Attend a manufactured home show where manufactured homes from different



➤ *Important Note About Low*

Monthly Payments

If you have not secured financing prior to visiting a retail sales center, retailers may be able to suggest a wide range of monthly payments on a home by changing a loan’s term, the amount of time you have to pay the loan off. The longer the term, the lower the payment. A low monthly payment with a longer loan term can cost you thousands of dollars in extra interest.

Do not allow yourself to be drawn in by the “monthly payment” sales approach. Focus on the price of the home when you’re negotiating, as if you were going to pay cash. Once you have settled on a price, then you can analyze financing options on their own merits through the retail sales center or with a lender of your choice. Ideally, you’ll want to secure your financing *before* shopping for your home. (See section 7, *Finding and Choosing a Loan for Your Manufactured Home.*)

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- *Contact your State Administrative Agency (SAA)* on manufactured housing that regulates manufactured home sales in your state for state-specific consumer guides.
- *Contact your state agency that licenses manufactured home retailers.* Find out if the retailer's license is current and if any complaints have been filed with the licensing agency.
- *Check your local Better Business Bureau* and state or local consumer protection agency to find out if retailers and manufacturers have any unresolved consumer complaints on file. You can check a retailer's customer complaint record with the Better Business Bureau online by simply typing in the phone number at www.bbb.org. Or, you can call your local Better Business Bureau office.
- *Visit several retail sales centers* to compare prices. Get firm quotes for comparable homes.
- *Ask retailers for the names and addresses of recent and past customers,* and talk to them. Ask these customers if they are satisfied with their manufactured homes and the services the retailer provided, and if they would recommend the retailer to others.

Beware of High-Pressure Sales Tactics

Buying any home is a long-term commitment, so it is very important for you to take your time when shopping for a manufactured home. High-pressure sales tactics can cause you to make bad decisions. Be wary of offers that seem "too good to be true," include "special incentives" that require you to sign right away, or only focus on the monthly payments instead of the total price. Be prepared to walk away from a retailer if you ever feel uncomfortable.



Where to Shop for a Sited Manufactured Home

If you are planning to buy a manufactured home already in place on owned land or in a land-lease community, you will probably work with a real estate agent. An exception might be for a home in a planned subdivision, where you could purchase a new manufactured home directly from the real estate developer.

As a buyer, you should expect your real estate agent to help you find a manufactured home that fits your needs and your budget and explain all of the steps in the purchase process.

Finding a Good Real Estate Agent

As you will be relying on your real estate agent for information and advice when you buy a sited manufactured home, shop around for one you respect and trust by:

- Searching for a real estate professional who is familiar with or specializes in manufactured housing;
- Asking for referrals from friends, family members, a housing counselor or the local Association of REALTORS® chapter; and
- Planning to interview at least three real estate agents before you make a decision to work with someone.

Different Types of Real Estate Professionals

There are different types of real estate professionals. Before you start looking for a real estate professional to help you find a manufactured home, it is important that you understand the types.

- A **real estate broker** owns and operates a real estate agency.
- A **real estate agent** works for a real estate broker. Agents may be able to represent both buyers and sellers, but some specialize.
- A **REALTOR®** is a member of the National Association of REALTORS® and subscribes to their code of ethics.
- A **REALTIST** is a member of the National Association of Real Estate Brokers that maintains standards of conduct and aims to economically improve local minority communities.
- A **listing agent** is the person who has a contract with the seller of a house to advertise property for sale and represent the seller when offers are made. A listing agent works for the seller and is most concerned about helping the seller get the desired sales price. A listing agent is usually paid by the seller from the proceeds of the sale.
- A **buyer's agent** works exclusively for the buyer. A buyer's agent legally represents the buyer and is required to get the best terms and conditions for a buyer. A buyer's agent is typically paid by splitting the sales commission with the listing agent. However, sometimes the buyer's agent may be paid directly by the buyer.
- A **dual agent** legally represents the interests of both the seller and the buyer in the same transaction, usually with the written consent of both parties. A dual agent may be paid by the seller, buyer, or both, generally from the proceeds of the sale.

You can use the "Profile Sheets" on the next page to help you find a good real estate agent or retailer.

➤ *Important Note About Buying a Sited Manufactured Home Without a Real Estate Agent*

There is no law that prevents you from buying any sited home without using a real estate agent. You can look for homes, arrange showings and negotiate on your own. However, the only homes that you can buy without an agent are those that are "For Sale By Owner." Below are some considerations when buying a sited manufactured home without an agent:

- *Hire a real estate attorney for your protection* to review your paperwork and the legalities involved with the purchase transaction. Some states may require a real estate attorney to draft the actual purchase contract.
- *Order an independent appraisal* to determine a realistic price range for the property and make sure that the house is worth the asking price.

Profile Sheets for Prospective Real Estate Agents and Retailers



Prospective Real Estate Agent's Profile

Name of firm _____

Phone number _____

Managing broker _____

Recommended agent _____

How many years has the agent sold real estate full time? _____

Does the agent specialize in manufactured housing sales? _____

Is the agent well informed about manufactured housing? _____

Is the agent well informed about the area in which you want to live? _____

In general, what services will the agent and firm provide? _____

During your meeting, did the agent pay attention to your concerns? _____

Would you enjoy working with this person? _____

Miscellaneous notes _____

References _____



Prospective Retailer's Profile

Name of company _____

Phone number _____

Licensing agency _____

Recommended retailer _____

How many years has the retail sales center been in business? _____

How long has the retail sales center been representing its lines of homes? _____

How long has the retailer been employed at this retail sales center? _____

In general, what services will the retailer and retail sales center provide? _____

What warranty coverage and repair services are typically offered by the retail sales center? _____

During your meeting, did the retailer pay attention to your concerns? _____

Would you enjoy working with this person? _____

Miscellaneous notes _____

References _____

Searching for the Right Manufactured Home

House hunting can be fun! This is the time when you can visit many different types of manufactured homes and compare their features.

Take your time by looking at many manufactured homes and asking questions of the retailer, developer or your real estate agent before making your final decision on a home. The more manufactured homes you see, the easier it will be to tell if a home is well built and how it compares to other homes in the same price range.

Shopping for a manufactured home can be tricky. Most models appear similar — after all, every manufactured home has to fit highway lanes and bridges. Do not let that fool you. Construction quality varies widely across different manufacturers, and a single manufacturer may sell models of varying quality in different price ranges. If you shop wisely, you can find genuine value in a manufactured home. Below are some tips to help with your search:

- *Prioritize.* Quality of construction, affordability and house size are often conflicting priorities for any first-time homebuyer. Naturally, lower quality construction costs less. You might imagine you can get “more house” by paying a lower cost per square foot for a manufactured home. However, you also need to consider how your home’s construction will affect your future costs for energy, maintenance and repairs, and resale value. Over the long term, it is a good idea to purchase the highest quality of construction that your budget and minimal size requirements will allow.
- *Get organized.* After looking at several houses, they may begin to blur. To help you keep track of each manufactured home and its features, create a three-ring binder to take notes and add floor plans and other documentation about each home. You can also use the worksheets provided in the next section for evaluating sited and unsited manufactured homes.
- *Know what you can afford.* Before you go shopping, you should know how much you could spend on a manufactured home according to your budget, the lender’s guidelines, and your land and site preparation costs. This will help you avoid looking at houses you cannot afford.

Options for a New Manufactured Home

When you are shopping for an unsited manufactured home, typically you will be examining the homes on display at retail sales centers. Remember, the designs and materials you see on a retailer’s lot may have more to do with the manufacturer’s choices than yours. Ultimately, you can choose one of the homes on display or have one custom-designed. New manufactured homes can include a variety of options and upgrades that naturally will add to the basic cost of your home. Always consider your housing needs and budget when choosing options and upgrades. Sometimes retailers will encourage you to opt for fancy bathtubs and other cosmetic items. However, if you want and can afford these options, it is much more pragmatic to select material upgrades or energy-conserving features over cosmetic ones. Material upgrades and energy-conserving features will add to the durability and affordability of your home over the long term. Moreover, long-term investment potential is tied more to quality of construction than the superficial options of a home.



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➤ *Important Note*

About ENERGY STAR

Qualified Homes

An ENERGY STAR qualified manufactured home is certified as energy efficient. ENERGY STAR homes use features such as

high performance windows, controlled air infiltration, upgraded heating and air conditioning systems, tight duct systems and upgraded water-heating equipment to improve home quality, lower energy demand and reduce air pollution.

ENERGY STAR also encourages the use of energy-efficient lighting and appliances. ENERGY STAR homes offer lower utility costs and increased comfort and may qualify for special loan products from ENERGY STAR financing partners. Look for the ENERGY STAR label, which should be displayed on the circuit breaker box.

Options for new manufactured homes may include:

- Material upgrades for floor covering, interior walls, exterior siding, roof, and bath and kitchen fixtures.
- Energy-conserving features, such as increased insulation, sheathing products, and energy-efficient windows and appliances (see note at left).
- Design upgrades that allow for expansion, such as adding a room or an attached garage.
- Cosmetic upgrades like custom cabinets, special window designs and wall coverings.
- Appliance upgrades, such as central air conditioning, washers and dryers, and dishwashers.
- Luxury items, such as fireplaces or kitchen islands.