



Advances

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Manufactured Housing: An Attractive Option

The median sale price of a single family home in metro Denver is \$166,000. This is a 16% increase over last year. Similar increase have occurred throughout Colorado's housing market. Although personal income has maintained modest growth over the last four years, it has not keeping pace with housing cost. The affordability gap for many middle and lower income families is projected to widen. The cost of the traditional site-built home is out of reach for many homebuyers.

The average cost of constructing a home on-site is \$65/sq. ft. compared to \$28/sq. ft. for a factory built home constructed to national HUD standards.

One option gaining in popularity is the purchase of a factory built home. Production of these homes was up 20.6% in 1993. One reason for this increase is the comparable purchase price and the total operating cost of factory built homes. This cost difference reflects the construction savings and higher quality. The average cost of constructing a home on-site is \$65/sq.ft., compared to \$28/sq.ft. for a factory built home constructed to national HUD standards.

Factory built homes, those homes built off-site for installation or assembly at a desired site, are constructed to the national HUD standard or local building codes. To distinguish between the two building codes, factory built homes constructed to HUD standards are called manufactured homes. Homes built to local codes are called modular.

For many renters who never dreamed of owning a home in today's market, manufactured housing is an affordable alternative.

In many housing markets "affordable" means a three bedroom home for less than \$80,000 or a home to rent for one-third of a household's income. To afford a median priced home in Colorado, a family's income needs to be at least \$30,000.

For many households in decision to purchase a manufactured home is based on price.

Over 74,000 very low income households in Colorado pay more than 50% of their income to rent. If you are one of these households renting or purchasing a manufactured home may be an attractive way to reduce your monthly expenses. For many renters who never dreamed of owning a home in today's market, manufactured housing is an affordable alternative.

Many retired people are looking to reduce their housing costs, spend less time on upkeep and more on recreation. Manufactured housing, particularly in a retirement community, is ideal for this growing segment of our population. Many smaller communities are seeking ways to attract retirees. For retired households and others on fixed incomes affordable housing is a necessity.

As Colorado's agriculture and tourism industries expand their seasonal operations, the housing need for seasonal workers also expands. In addition to being affordable, manufactured home can be built for extreme climates. In Colorado's ski resorts the houses are built to withstand Rocky Mountain snowloads and cold temperatures. For farmworkers, the home are designed to be comfortable during the summer on Colorado's eastern plains.

For companies relocating to smaller communities, affordable housing is essential. Usually manufactured housing can be ordered and shipped within 90 days.

Several Colorado communities have a shortage of skilled tradesmen and construction companies have difficulty finding and keeping skilled labor. This labor shortage causes construction delays and increases the cost of site built housing. For housing developers, manufactured houses may ease some of the these problems.

For companies relocating to smaller communities, affordable housing is essential. Many of these companies select a rural location because of the lower wage scale. This creates and immediate demand for lower cost housing. A rural community would be hard pressed to quickly meet the housing needs of a moderate size employer. Usually, manufactured housing can be ordered and shipped within days.

The design options for manufactured homes are surprising. They can be assembled as A-frames, Cape Cods, Colonials, or Ranches. They can even be built as two-stories with attached garages. Advances in multisectional or modular construction techniques, have increased design option well beyond the vision of the rectangle house with metal siding.

The Colorado Division of Housing operates the Manufactured Housing Consumer Information Service. If your community is considering manufactured housing to meet its housing needs, or consumers with questions regarding purchase or operation of an existing manufactured home, contact the Consumer Information Service at (303) 866-4656.

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