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Affordable Acreage Options; Modular vs. Manufactured Homes

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In Northern Larimer and Weld Counties, "affordable acreage" is an oxymoron. Prices for a small acreage start around \$400,000 and go up sharply from there. As an alternative buyers are looking to modular or manufactured homes as a way to put their cowboy boot in the door of country living.

It is important to understand the difference between a modular and a manufactured home. Modular homes are really just stick-built homes constructed inside a factory. They are built with a floor joist system in accordance with local building codes and are craned onto either a crawl space or full basement. They take all shapes and forms including ranch style or two-stories. Modular homes are easy to finance and qualify for the same options as on-site stick-built homes.

Manufactured homes are constructed on an axle and are built according to HUD's national standards. They can sit in a mobile-home park or they can be affixed to a permanent foundation and even a basement. One of the most common misconceptions home buyers have is that these homes can't be financed. That is simply not true. If a manufactured home is on a permanent foundation and was built after April 15, 1976 it will qualify for conventional financing with as little as 5% down, FHA or VA. There are a few additional requirements such as a structural engineers report, a well test if the property is serviced with a well, and a septic test, but financing with competitive interest rates can be accomplished. Single wide manufactured homes do not qualify for any conventional, FHA or VA financing.

Although these homes can be easily financed, not all lenders include manufactured home financing in their portfolios. The key is finding a qualified rural real estate professional as well as a lender that is familiar with manufactured homes.

