

Home & Garden Television: The Advantage of Modular Houses

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Building a house is something of a dream for many people, but the process can quickly turn into a nightmare, with errors, delays and labor shortages.

Compare that to the experience of Michael O'Brien, an architect and professor in the School of Architecture + Design at Virginia Tech in Blacksburg, Va. He designed his own three-bedroom, two-story house with a finished basement. In the week it took him to have a basement dug and the utilities installed, Nationwide Custom Homes in Martinsville, Va., built his house in its factory. It was made in modules, put on trucks and hauled the roughly 50 miles to his site. Six hours later, it was enclosed. O'Brien put on the siding and added some porches, and a month later, he had his certificate of occupancy.

The process didn't go off without any hitches. The fireworks started as soon as the trucks pulled up to the site.

"A guy across the street was real upset," O'Brien says. "He said, 'You can't build mobile homes here. I'll go get a court order.' I said, 'If it looks like a mobile home in eight hours, I'll take it down.' He never came back."

It didn't look like a mobile home because it wasn't one. It was (and is) a modular house, a growing segment of the construction industry that can save consumers dramatic amounts of time and frustration in building a house.

The two terms can be confusing, and it's critical for a consumer to understand the difference. Mobile homes, also called manufactured housing, are built on a permanent metal chassis, may or may not be permanently placed on a foundation, and is the term used to describe a single- or double-wide mobile home. They generally depreciate in value.

Modular houses are built to the same code as a site-built house (also known in the industry as a stick-built house). They are built with their own wood floor systems and they are always placed on a permanent foundation. They generally increase in value at the same rate as a comparable stick-built home in the same area and are financed the same way.

Even stick builders are moving more and more toward factory products, using pre-constructed panels, cabinet modules, pre-hung doors and windows, and pre-built stairs and roof trusses, says Kevin Flaherty, vice president of sales and marketing for Genesis Homes, the country's only national modular builder.

"We just take it to the natural next step," he says. "Does it make sense to buy an automobile in which the components are dropped on your driveway to assemble in your garage, or to have it built in a factory?"

A common misconception about modular or panelized houses is that they're not built as well as a site-built house. A modular house actually is structurally stronger because the modules are

engineered to withstand transportation and being picked up by a crane, Flaherty says. And they're precision-made in a factory, which means straight walls and level floors.

Virginia Tech's O'Brien went with modular construction for a couple of reasons. He had designed some starter homes that were appropriate for a modular building process and learned enough to decide it was a great idea. He liked the idea that it was built in a factory; it meant the materials were never left on site to be damaged or stolen. Plus, the best rate he could obtain for a loan at the time was 19 percent.

"I had worked out the financing ahead of time and I knew that every week I could save was real money," O'Brien says. "I had a neighbor who was building a house at the same time and it took six months. Five months of savings was huge. It helped us get into a house we could afford."

Prospective customers will need to make sure that a modular house can be delivered and built on their site. Longer shipping distances add to the cost, and some neighborhoods have restrictive covenants against factory-built housing as a way to keep out trailers.

"They just don't get it," Fulton says. "These houses are conventionally built, just not completely on-site. Most people have probably been in a system-built home and didn't realize it."

That includes everyone who's ever toured Thomas Edison's winter estate in Fort Myers, Fla. It was built in sections in Maine in 1885 and shipped to Florida on four schooners. It's still there.