

## **MODULARS MOVING UP**

By Jenny Burns, The Sun News

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Rick Summers walked into a \$419,900 home while house shopping in the Forestbrook area, but as soon as the real estate agent said it was part modular, he walked out.

"I don't want a mobile home," Summers said.

But then he did some research, learning that radio consumer advocate Clark Howard says homes built in factories are stronger and better built. After some more research, Summers went back and bought the home.

Some Grand Strand builders are turning to a newer form of building - a combination of a factory built home with site-built additions and extras - that they say gives consumers better quality at a lower cost than stick-built homes.

Summers, 41, bought his home at Grand Palm Estates off Forestbrook Road, a subdivision of \$300,000 and \$400,000 homes that the builder calls "hybrid homes" or system built to describe the combination of modular and on-site building.

The homes are built in an N.C. factory protected from rain or other inclement weather. Then they are shipped in pods wrapped water-tight to the site, where they are pieced together on a foundation.

The builder, in this case Hayslett Homes, then adds triple crown molding, bonus rooms, HVAC, plumbing and hardwood floors. The home ends up roughly half factory built and half site built.

It's a process that is unfamiliar to plenty of consumers who think modular means mobile home.

"Unfortunately over the years, [modular] homes have been blended with manufactured homes and they've been confused as being not as good as stick-built homes and it's not true," said Tom Maeser, president of the Fortune Academy of Real Estate in Myrtle Beach.

Indeed, experts say educating consumers is the key to changing the stigma.

"If you took a survey of the average person and asked them to define what a modular home is, you'd get the wrong answer. To me, there's an education process that needs to go on to understand the evolution process of the building industry," Maeser said.

Like stick-built homes, modular homes appreciate in value.

They are also viewed the same as stick-built homes by appraisers, insurance companies and lenders, said Steve Snyder, director of Modular Building Systems Association.

"These homes are very well built. They're built to the same codes as stick-built homes," said Mark Nix, executive director of the S.C. Association of Homebuilders.

Manufactured homes or mobile homes, on the other hand, are built on a permanent metal frame and to a less restrictive HUD code, Snyder said.

In the Northeast, modular building is common. Homebuilding was moved inside so bad weather wouldn't halt year-round construction.

But it's just catching on in the Midwest and South, Snyder said.

Gaining popularity in South Carolina are upscale modular homes, those more than \$200,000 in price, Nix says.

But the modular home industry can build anything from starter homes to custom luxury homes.

“Anything you can stick build, we can build in a factory,” Snyder said.

Jeff Hayslett, owner of Hayslett Homes, said he chose to build the “hybrid” to give buyers what he considers the best of both worlds - the quality and value of factory construction with the upgrades and extras of site-built construction.

Real estate agent Robert Burstein, who's selling the homes for Hayslett, said Summer's home would have cost between \$475,000 to \$500,000 instead of the \$419,000 if it was completely site built.

Hayslett said it takes about four months to complete these two story high-end homes instead of about six months for stick built.

That's because the foundation and home are built simultaneously and the factory has inspectors on-site.

On-site builders have to wait for county or city inspectors to show up.

The walls in modular homes are six inches thick instead of four inches and exceed local building codes.

But not everybody is a fan of hybrids.

Builder Lawrence Langdale, vice president of Chicora Development, said that although modular building saves time, he doesn't think there is significant cost-savings.

Langdale builds primarily stick-built homes, but said modular homes can be stronger than stick-built homes.

He says the main reasons he deals in stick-built homes is the public perception of modulars and the limitations of design.

While modular homes offer many designs, Langdale said, there are still limitations on building extremely large rooms with high ceilings.

“It has not been received here like it is up North,” Langdale said.

Because of the mix of factory built and site-built construction, some real estate agents say these “hybrid” homes are in a class of their own.

That's why real estate broker Rachel Broadhurst, president of Century 21 Broadhurst in Myrtle Beach, is asking the Coastal Carolinas Association of Realtors to add a new category to the Grand

Strand's Multiple Listing Service, an online directory of homes for sale for real estate agents.

The site allows agents to specify whether the home is modular or stick-built, she says, but because hybrids are both, putting them in either category would be misleading to homebuyers.

Plus, if an agent listed the property under the modular designation, it's likely that folks looking for a \$300,000 plus home won't search under that category.

`` Just by having that on the MLS, it will educate. It will educate the consumer and the real estate community. It's a new product, and they just don't know how to explain it," Broadhurst said.

The designation uncertainty has gotten some real estate agents in trouble with clients.

For instance, a home listed as stick-built came back with an appraisal stating it was modular and the words ``the best- built modular home we've ever seen," Broadhurst said.

The client felt the agent had lied, but the home was a hybrid, Broadhurst said.

`` Our buyer did go on and buy because we educated him on hybrid," she said.

`` But he was concerned we were trying to hide something from him. It was just a matter of educating."

Home inspectors who inspect both kinds of homes say they can be built with equal quality.

Bill Kruszewski, owner of the Myrtle Beach franchise of HouseMaster, said he hasn't seen problems with the factory construction of the homes - only with the work that was added by subcontractors - problems that could occur in any stick-built home.

He says he has done inspections for potential buyers who had no idea the home was modular.

A 1992 FEMA reports says modular homes stood up better than stick-built homes during Hurricane Andrew.

Advantages to buying modular are straighter walls, better construction and no chance of mold because of rain during the construction process, Maeser said.

Disadvantages are the amount of design options and floor plans, he said, although builders say those options continue to grow.

After living in his hybrid home for about a week, Summers noticed several differences from the stick-built home he lived in in Virginia.

He can't hear his wife walking upstairs because of the thicker floor, and all of his windows measure the same size for blinds. In his former home, even the same size windows took different size blinds, he said.

`` Everything is more precision cut," he said.

`` I watched my other house get built and get rained on. This house seems to be sturdier built and it was a better value from everything else in the area."

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