

Manufactured and Tiny Homes: Affordable Home Options

EDISON – As people with lower incomes find it increasingly difficult to afford housing in the Garden State, two housing options are emerging as viable alternatives: manufactured homes — formerly known as trailer or mobile homes — and tiny homes, which are defined as homes measuring 300 square feet or less.

In some ways, each option can trace its origins back to campers and Recreational Vehicles (RVs), but they have grown in different directions. Today, each option has advantages and disadvantages; neither is the perfect solution to solve all needs, but for many, they can be an affordable alternative.

After all, a New Jerseyan must make \$24.92 an hour to afford a two-bedroom fair market rent apartment, without paying more than 30 percent of their income for rent, according to the "Out of Reach 2014" report by the National Low Income Housing Coalition.



Edison Mobile Estates, a community of upscale mobile homes that are a cut above what we used to think about mobile homes. Homes are owned by tenants and they rent the land. It's more affordable than buying a traditional home located at 852 U.S. Highway 1 North in Edison. One of the double wide homes.
(Photo: Mark R. Sullivan/Staff Photographer)

Not your parents' trailer home

To understand how so-called trailer parks have evolved, just visit Edison Mobile Estates on Route 1 in Edison. This community of 106 manufactured homes was established in the 1950s as a community for Ford employees. Over the decades, the community has transitioned from campers and trailers to manufactured homes that are made in Pennsylvania to meet Energy Star efficiency standards.

All homes are brought to the site and placed on foundations that are built to standards set in the federal building code. They are strapped down with steel strapping to 12-inch-thick concrete slabs and can withstand storms as powerful as Superstorm Sandy. Their sidewalls are 6 inches thick — thick enough to provide insulation from the heat, cold and noise outside. The one-bedroom units provide 650 square feet, which include an eat-in kitchen, living room, bathroom and a bedroom. Two-bedroom units can be close to or exceed 900 square feet. Right now, two two-bedroom units are for sale there that measure 896 and 960 square feet respectively.

While Edison Mobile Estates has kept "mobile" in its name, the manufactured homes there rarely travel.

"Our biggest problem is that we're called by the wrong name," said Robert Dolan, owner of the community's land and son of the park's founder. "These are not trailers."

Legally, though, the manufactured homes are considered vehicles, not single-family homes. The Dolan family owns the land and leases lots to residents for \$565 per month. As residents move out, their homes are sold to new residents or dragged to the landfill for disposal, depending on their age and condition. Dolan said older units are rehabbed whenever possible, but sometimes it's just not worth it. Discarded homes are replaced by homes built by Pleasant Valley Homes, a subsidiary of Pine Grove, a family-run business in Pennsylvania. These homes are transported on the back of a truck and arrive on site 90-percent complete, Dolan said. All that is needed is to put the home on its foundation and hook up the city water, sewer and natural gas.

"No propane tanks here," Dolan said.

It's true that these homes require special financing, but they are much less expensive than a home built on a legal building lot. Instead of a deed, the owner of a manufactured home gets a title, much like a car title. Dolan said there are six banks that specialize in financing the mortgage on manufactured homes, and as the owner of three such parks, he has plenty of experience and information to help prospective buyers find

banks who will finance their home purchase. He added that although the financing is a little different, the interest on the loan payments is as tax-deductible as the payment on any mortgage.

The interior of these homes is comparable to any home built on building lot in style, if not size. Floors can be tile, hardwood, laminate or carpeted. Six cabinet options are offered for the kitchens. Every unit comes with hook-up facilities for washers and dryers. Most buyers opt for walk-in stall showers, but Dolan said people can have tubs or even walk-in tubs if they want. Bathroom vanities generally have higher counters, and the commode is higher, because many of the people who buy these homes are seniors. Grab rails in the bathroom also are available. Every home comes prewired for cable and internet service. Residents can choose between satellite companies, Cablevision or FIOS.

Of the used units for sale now, the least expensive is a 19-year-old unit for \$39,000 and the most expensive is \$65,000. Homes to be built on vacant lots may run more, depending on options the buyers choose. Banks generally require a 10-percent down payment and interest rates are comparable to mortgages. Dolan said the payments on units usually run \$400 to \$500, depending on the unit and the buyer's down payment. "You can live here for less than renting an apartment," Dolan said. "A one-bedroom apartment in Edison rents for \$1,300 to \$1,500 per month. With the mortgage payment and land fee, you can live here for \$1,000 to \$1,100 per month.

While some people would not be comfortable living in a home where they don't own the land, it does not seem to be an issue at Dolan's communities. The average resident has lived there for 18 years, and some people have lived in Edison Mobile Estates for 35 years. When it comes time to sell or move, Dolan said he's only known one person to take his home with him. Most sell, either through a Realtor or through Dolan's office. He said the average time to sell a unit is probably five to six months, but that he does have a list of people who are interested in moving there, and many of the units sell to people on that list.

While there are no age restrictions at Dolan's homes, he said that many of the residents are older people who need affordable housing. Another strong demographic for him are divorced people, especially men. Empty nesters, including married couples whose children have left the home, are also choosing manufactured homes.

Anyone interested in learning more about manufactured homes can visit an open house at Edison Mobile Estates, 852 U.S. Highway 1 North, Edison, from 9 a.m. to noon on Saturday, March 21. You also can visit <https://www.mhvillage.com/Communities/MobileHomePark.php?key=18310> or call the park at 732-287-1839.

Tiny homes: a newer phenomenon

While trailers were evolving into energy-efficient stand-alone homes on fixed foundations, another evolution became the so-called "tiny home," a unit of 300 square feet or less. Many of these homes are built on the trailer beds of trucks because in New Jersey and many other states, they do not meet the building code standards. Legally, that makes them RVs.

"They aren't on permanent foundations, they use compost toilets, and they're half the size of manufactured homes," Dolan said. "Right now in New Jersey, you have to park an RV at a campground, and you can't live on a campground for more than six months at a time."

But enthusiasm is growing for tiny homes — some as small as 144 square feet — in Colorado, Minnesota, California, Washington State, Oregon and other states, including some advocates in the Garden State. "There is one meetup group of tiny house enthusiasts in New Jersey and Pennsylvania that started in September, so there is some grassroots interest starting here," said Erika Dani, New Jersey state chapter leader for the American Tiny House Association. "There also are a few groups in New Jersey that want to do tiny houses for the homeless."

With some alternations to the building code, they could be combined in a single, multifamily building, such as an apartment or a cluster home. They would take up less space than manufactured homes. With alterations to local zoning ordinances, they could be as permanent as the manufactured homes, and several might be put on vacant land owned by municipalities. On permanent foundations, they could be hooked up to city water and public utilities.

The units have a small, efficiently planned interior space, often with a loft for the bed and multiple uses for the furnishings. Some are built by the owners, using recycled materials, sweat equity and cheap labor from friends. For this reason, they appeal to young people. According to several reports on the Internet, such homes run about \$15,000 to \$30,000 build. (<http://padtinyhouses.com/how-much-does-a-tiny-house-cost> and <http://tinyhousetalk.com/cost-to-build-tiny-house/> among others). Hiring a contractor to build a tiny home can run as much as \$80,000. Of course, the cost of building materials can vary greatly.

Advocates for the homeless have been turning to the concept of tiny homes to help alleviate homelessness. One such proponent is Sherry Rubel, a photographer based in South Brunswick, and an advocate for the homeless of Tent City in Lakewood in Ocean County for several years. She has a vision of finding land somewhere to build a community of tiny homes to replace the tents that Tent City people lived in from the time Hurricane Irene in 2011 until last year. But beyond the tiny homes, she would like to have services on-site that include job and craft training, to help the people become self-sustaining members of society. She pointed out that when Lakewood moved the tent dwellers off municipal land last year, Lakewood gave them given vouchers for housing for only one year.

"Now, those vouchers are beginning to expire, and they will continue to expire until July, a year after the last Tent City residents were moved," Rubel said. "Now, the homeless have no place to go. They're going to end up back in tents."

The road forward

Anticipating the need, Rubel went to N.J. Senate Speaker Steve Sweeney's office last September and met with his staff to discuss how tiny homes could meet the needs of the homeless. That discussion led to the legislative bill Senate Bill 2571, now being sponsored by Sen. Raymond Lesniak (D-Dist. 20), which would lift some of the barriers to permanent tiny homes and create up to five model-home communities.

Lesniak favors the multiunit, multifamily approach, where the units would be built together much like an apartment building, because he thinks it would be most cost effective. The bill provides a change to the building code to allow such building at selected sites as a pilot program for three years. Municipalities would apply to participate in the program, and participation would require approval. As an incentive, participating municipalities would get double credit towards their affordable housing requirement for every tiny home, and the pilot program spend \$1.65 million annually to fund the tiny home projects. The pilot program would be capped at \$5 million.

Rubel fears her original vision of building a community with services as well as tiny homes is getting lost, and that the bill only provides for the construction of affordable homes.

"Most of what I'm proposing can be done by volunteers," she said. "The one thing we need is land." The idea of building tiny units, whether they be free-standing or joined together as apartments, might begin fairly quickly with the right plans and location. Right now, Lesniak is waiting for a prototype developer and home designs even as he looks for program funding since the \$5 million needed for the pilot program can't come from state coffers. Still, he is optimistic.

"Certainly, I would hope to have something on the governor's desk by the end of June," he said. If the land is free and property taxes are reduced, he added, it may become possible for developers to make money on building a tiny home community.

Likely occupants

While tiny homes or micro-units may work well for low-income or homeless residents here, some experts say there are other populations who do — or can — benefit from them.

Dani, of the American House Association, also is a master's candidate in city and regional planning at Edward J. Bloustein School of Planning and Public Policy at Rutgers University. She was propelled into a high-profile position in the tiny homes discussion because she has written papers on the topic and is creating a guidebook to management styles of existing tiny house villages in the U.S.

As part of her research, she informally polled enthusiasts in tiny house meetup and Facebook groups, just to see who they are.

"We need to do more formal, funded research," Dani said, "but we found the largest demographic group interested in tiny houses were middle-aged people in their mid-30s and mid-40s who, in my observation, had gone through some significant life change.

"Maybe they got divorced," she said, "or their kids moved out of the house, or they lost their job, and they were wanting to minimize their material items or downsize so they can put their house on wheels and travel the country."

Here in suburban New Jersey, micro-units may hold promise for financially strapped senior citizens living in large single-family homes, according to Vito Gallo of Summit, a housing planner and former chairman of the housing committee of the New Jersey chapter of the American Planning Association.

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