



TEXAS MANUFACTURED HOUSING ASSOCIATION



**MANUFACTURED AND MODULAR HOUSING**  
**2011 TEXAS LEGISLATIVE SESSION**



Modern Home



Gone are the days of 'trailer homes'

## TEXAS INDUSTRY OVERVIEW



- ❑ Approximately 3 million Texans live in manufactured and modular homes
- ❑ Approximately 12 percent of the Texas population lives in manufactured and modular homes
- ❑ In Texas, manufactured and modular housing is an estimated \$1.7 billion per year industry
- ❑ The industry generates over \$9 million per year in fees, education and licensing for the Texas general revenue fund
- ❑ Approximately \$325 million generated in Texas property tax revenue each year
- ❑ On average 10,000 new manufactured homes are purchased each year and an average of 32,000 used manufactured homes are purchased per year
- ❑ Approximately 600 residential modular homes are sold each year in Texas
- ❑ For the past four years Texas has surpassed all other states and is first in the nation for new manufactured home shipments



# FEDERAL AND TEXAS REGULATION

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## MANUFACTURED HOUSING

- ❑ Manufactured housing is regulated on the federal level by National Manufactured Housing Construction and Safety Standards Act of 1974 and 24 CFR 3280 Manufactured Home Construction and Safety Standards
- ❑ Manufactured housing is regulated on the state level by the Texas Manufactured Housing Standards Act found in Texas Occupations Code, Chapter 1201.
- ❑ The responsible regulatory agency is the Manufactured Housing Division of the Texas Department of Housing and Communities Affairs.
- ❑ In addition to the Occupations Code, the manufactured housing industry is governed by the Manufactured Housing Administrative Rules found in Chapter 80 of the Texas Administrative Code.

## MODULAR HOUSING

- ❑ Modular housing is regulated on the federal level by the 2003 International Residential Code, the 2002 NEC, and amendments to these codes
- ❑ Modular housing is regulated on the state level by the Texas Industrialized Housing and Buildings Texas Act found in Texas Occupations Code, Chapter 1202.
- ❑ The responsible regulatory agency is the Department of Licensing and Regulation.
- ❑ In addition to the Occupations Code, the modular housing industry is governed by the Industrialize Housing and Building Rules found in Chapter 70 of the Texas Administrative Code



## MANUFACTURED HOUSING ADVANTAGES

- ❑ Affordability is mainly attributable to the efficiencies of the factory process.
- ❑ Manufactured homes are approximately 40 - 65 percent less per square-foot than comparably sized site built homes having comparable amenities and aesthetics.
- ❑ Modular homes are approximately 15 - 30 percent less per square-foot than comparably sized site build homes having comparable amenities and aesthetics.
- ❑ Controlled environment and assembly-line techniques remove many of the problems of the site-built sector.
- ❑ There are no problems, such as poor weather, theft, vandalism and damage to building products and materials stored on site.
- ❑ Skilled factory employees are trained, scheduled and managed by one employer, as opposed to the system of contracted labor in the site-built sector.
- ❑ Manufactured home builders also benefit from economies of scale which allow them to purchase large quantities of building materials and products. Therefore, these manufacturers are able to negotiate the lowest possible price for items that are invariably more expensive in a site-built house.
- ❑ Quality production constructs quality products.
- ❑ Timely construction allows most manufactured and modular units to be constructed and ready to ship to a customer within a week. The time frame from a customer ordering a new home to move-in averages less than 95 days. Consumers can be living in homes sooner if the home is purchased off a retailer's lot.







- ❑ Energy efficient and environmentally superior due to efficiency in material usage, design, engineering, and minimal construction waste. Modern homes come with energy efficient construction techniques, pro-environment and low cost energy consumption appliances ranging from improved insulation to energy efficient and low consumption water heaters and other appliances and fixtures.
- ❑ Future innovation in design, technology, energy efficiency and materials can be rapidly incorporated to home construction through specialized assembly-line labor.
- ❑ Manufactured and modular homes are full participants in nationally recognized environmental programs including the Environmental Protection Agency's ENERGY STAR for Homes Program and the national Certified Green Modular and Manufactured Home Programs based on the National Green Building Standard.





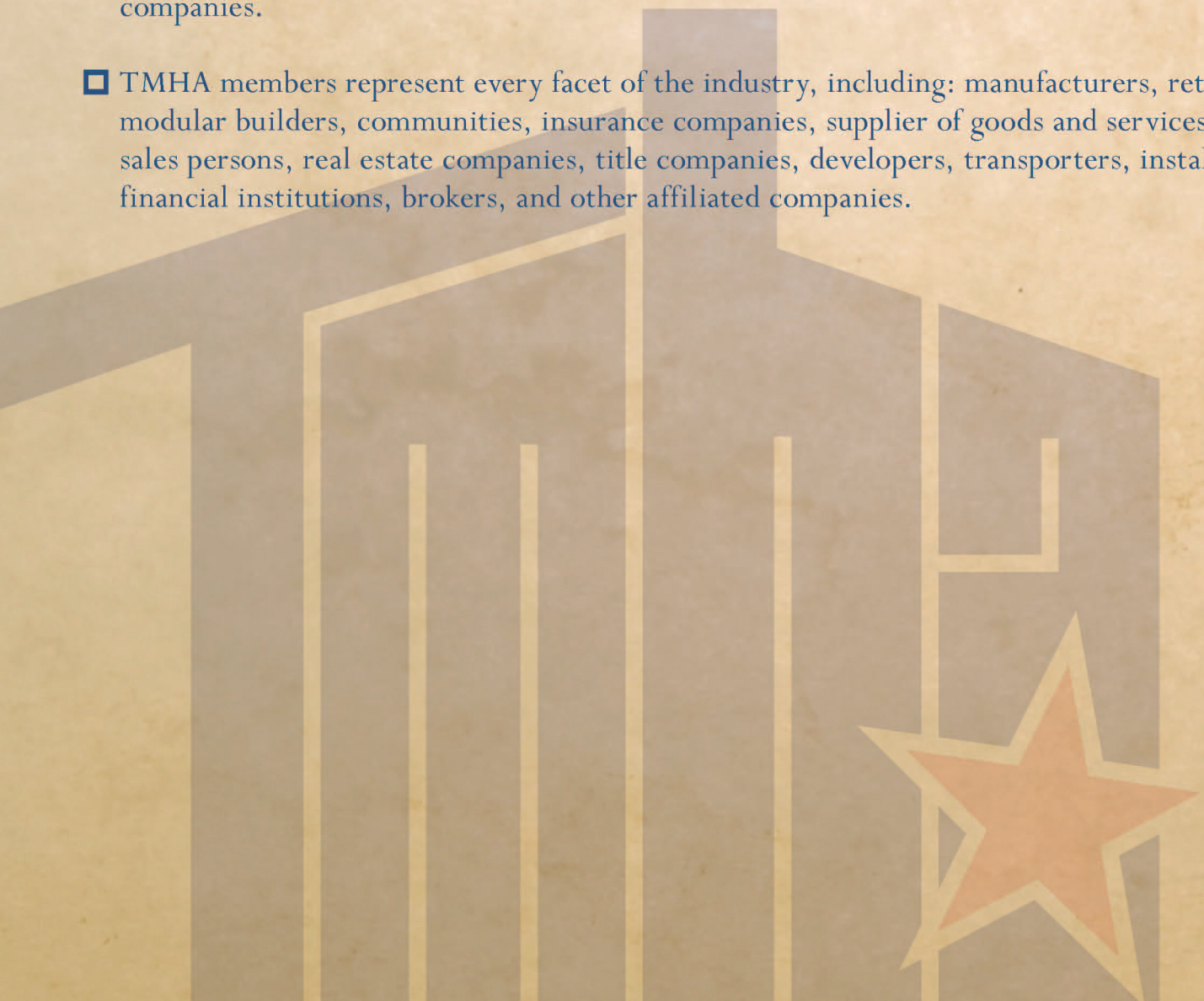
# TEXAS MANUFACTURED HOUSING ASSOCIATION (TMHA)

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- ❑ TMHA has served the manufactured housing industry of Texas for 58 years
- ❑ The Association promotes, educates and advocates for the general welfare, quality, excellence in the construction, sale and placement of manufactured and modular homes within the State of Texas.
- ❑ TMHA is composed of over 1,400 member professionals committed to providing a growing need to Texans with safe, affordable and well-constructed housing.
- ❑ TMHA members range from small business entrepreneurs to national, vertically-integrated companies.
- ❑ TMHA members represent every facet of the industry, including: manufacturers, retailers, modular builders, communities, insurance companies, supplier of goods and services, sales persons, real estate companies, title companies, developers, transporters, installers, financial institutions, brokers, and other affiliated companies.





## **TMHA IS ADVOCATING ON BEHALF OF THE FOLLOWING 2011 LEGISLATIVE ISSUES, AND WE WOULD LIKE YOUR SUPPORT**



### **TMHA SUPPORTS**

1. The Sunset Commission's recommendations regarding improvements to the Manufactured Housing Division of TDHCA and to continue its existence for another 12 years
2. The creation of a de minimus exception in the Texas S.A.F.E. Act, found within Chapter 180 of the Texas Finance Code
3. Preserving the Manufactured Housing Division and its critical functions within the 2011 budget changes
  - Statewide, centralized, public title record and perfection process provides security, transparency and state-of-the-art efficiency
  - Critical, consumer cost-effective installation inspection program
  - Manufactured Housing Division is not only a self-funded agency: historically, the Division contributes to the General Revenue fund excess monies and creates a positive fiscal impact on the state budget
4. Increased governmental and regulatory efficiency with consumer cost savings without compromising product or service quality
  - Chairman Guillen's bill, HB 1448, and Chairman Corona's bill, SB 892, to improve efficiency related to the approval of design plans for industrialized (modular) housing
  - Chairman Hamilton's bill, HB 1510, to provide improvements to the regulation of manufactured housing, increase transparency and improve the efficiency of the agency and industry
5. Use of manufactured and modular housing as affordable housing alternatives in TDHCA housing funding operations with specific focus on the needs of affordable rural housing development for moderate to low income Texans
6. Preservation of private property owner rights and the entrepreneurial spirit to manage one's land and create small businesses opportunities

### **TMHA OPPOSES**

1. Increased county land-use authority that would enable restriction or discrimination against manufactured or modular homes and manufactured home communities
2. Any business tax or fee increase adversely impacting manufactured and modular housing small business owners
  - Fee increases to occupational licenses, creditor registry
  - Increases or new fees/permits to move heavy weight transportation





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