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Your West Coast Realtor®



On Wheels: Selling a mobile, manufactured, or Tiny Home

A home on wheels, whether it's a mobile home, manufactured home, or a tiny house, comes with a unique set of challenges when selling that are distinguished from a traditional permanent structure, such as insurance and financing complications. Homes on wheels typically experience a higher rate of depreciation, influenced by factors like age, wear and tear. Consequently, the potential resale value of these homes may be lower than a typical permanent structure.

As these homes age, wear and tear resulting from transportation, exposure to the elements, and the need for maintenance and repairs such as the roof, plumbing, heating, and electrical systems may require attention or replacement. Ever evolving safety standards and regulations may necessitate updates to ensure compliance with current codes. If you have done modifications without permits, and you are considering selling, you will be required to have the home recertified by an electrician. If in compliance the electrician will put his seal of approval on the electrical panel in the form of a silver label. Failing to meet these compliance requirements can reduce insurability and limit financing options for prospective buyers.

Expanding or modifying homes on wheels also presents its own set of challenges. Ensuring that any additions or modifications are structurally sound and seamlessly integrated with the existing movable and lightweight structure is crucial. Obtaining the necessary permits and approvals from local regulators is essential to ensure compliance.

Living in a rural or hard-to-reach area does not exempt homeowners from complying with regulations when selling a home on wheels. Regardless of location, lending institutions impose specific requirements for insurability in order to secure a mortgage. If a home on wheels is deemed uninsurable, the likelihood of obtaining mortgage financing becomes minimal. In such cases, the value of the property may be limited to the land if it is not on a leased or rented lot. Buyers would then need to qualify for a mortgage solely based on the land, seek alternative financing options like personal loans, pay in cash, or ultimately walk away from the deal.

Determining whether a home on wheels is classified as a recreational vehicle (RV) depends on various factors, including the presence of wheels, axles, length, weight, adherence to building codes and regulations, intended use, and whether it meets transportation and road safety standards. Checking for compliance with industry standards for RVs or manufactured homes can help ascertain the classification of a home on wheels. If a home on wheels is classified as an RV, buyers will need to pay cash or obtain personal loans, as these homes are not financed through mortgages.

If you have a mobile sitting on land that is uninhabitable, you will want to consider having it removed or dismantle it as it devalues the land. Also make sure it has been deregistered.

Being aware of these intricacies surrounding the sale of homes on wheels can assist in navigating the challenges and making informed decisions in the real estate market.

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