

# Single-Family Site-Built, HUD Code Manufactured, and Factory-Built Homes

**Site-built homes** involve constructing and assembling nearly all building components on site. Site-built homes must comply with local building codes.

**HUD Code manufactured homes** are portable homes completely constructed in a factory. This type of home is built on a nonremovable steel frame and transported to its final destination with minimal on-site assembly required. HUD Code manufactured homes must comply with a single national standard defined by HUD that ensures the quality, safety, and energy efficiency of these homes.

**Factory-built homes** are primarily built inside of a factory, then assembled on site. Typically, factory-built homes are composed of standardized units that are suitable to mass production processes. Unlike HUD Code manufactured homes, factory-built homes must comply with local building codes. **Factory-built homes are physically indistinguishable from site-built homes.**

## Factory-Built Homes Include Precut, Panelized, and Modular Homes



**Precut homes** are a type of factory-built home in which building materials are cut in a factory according to design specifications, transported to the site, and assembled there. Precut homes include kit homes, log homes, and dome homes.

**Image source:** Katus.eu. n.d. *Pros and Cons of Pre-Cut Homes*. <https://katus.eu/learn/courses/pros-and-cons-of-pre-cut-homes>.



**Panelized homes** are made of standardized wall panels that can be assembled on site or in a factory off site. There are two general types of panels: open, which consist solely of framing, and closed, which include plumbing, insulation, and electric wiring.

**Image source:** Green Building Advisor. n.d. *Prefab Passive House Partnership Hits a Milestone*. <https://www.greenbuildingadvisor.com/article/prefab-passive-house-partnership-hits-a-milestone>.








**Modular homes** are constructed using individual sections, called modules, built in a factory, and assembled on site. Modules can be of different types—fully enclosed modules, partially open-sided modules, or open-sided modules.

**Image source:** The Home Store. n.d. *Modular Homes Stand Strong*. <https://www.thehomestore.com/blog/2014/08/strong-modular-homes/>.

## Considerations

For a potential single-family homebuyer, there are certain considerations when choosing between site-built, factory-built, and HUD Code manufactured homes.

Topic Area	Site-Built Homes	Factory-Built Homes	HUD Code Manufactured Homes
<b>Construction Time</b> 	Typically completed in approximately <b>8 months</b> .	Typically, <b>faster than site-built homes</b> , completed in 4 to 8 months, and are less disruptive to the surrounding community.	Typically, it takes <b>4 months from ordering the home to moving in</b> . In the factory, the home can be <b>built in just a few days</b> .
<b>Design Customization</b> 	Of the three types of homes, site-built homes are the <b>most flexible</b> in terms of design and layout.	Companies provide <b>standardized floor plans</b> their customers can choose from to <b>keep costs low</b> . Customers can deviate from standard designs, but this can drastically increase costs.	Customers generally <b>choose between existing floor plans</b> . Available customizations are primarily regarding the choice of cabinet finish, flooring color, or plumbing fixtures.
<b>Financing Options</b> 	A site-built home is financed with a <b>mortgage loan</b> .	A factory-built home is financed with a <b>mortgage loan</b> .	HUD Code manufactured homes are typically financed with a <b>personal property loan</b> .*
<b>Regulations About Home Placement</b> 	Homes can be <b>placed in areas designated as single-family zones</b> .	Homes can be <b>placed in areas designated as single-family zones</b> . Negative perceptions or lack of knowledge about factory-built housing may lead to pushback from the community or delays issuing permits.	Often zoning laws specify that a <b>conditional use permit or special approval</b> must be obtained to place a HUD Code manufactured home in a single-family zone.
<b>Building Code Enforcement</b> 	Homes <b>must adhere to local building codes</b> .	Homes <b>must adhere to local building codes</b> .	Homes <b>must satisfy the federal construction standards</b> , the <a href="#">Manufactured Home Construction and Safety Standards</a> (or HUD Code).

\*A home can be financed with a mortgage loan if it is classified as real property and satisfies certain other conditions that vary from state to state. Typically, to be considered real property, the manufactured home must be permanently affixed to the land. Freddie Mac's CHOICEHome® and Fannie Mae's MH Advantage® are mortgage loan options available for HUD Code manufactured homes.