

Answers On Closing - Part 3



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This month we will discuss how to handle builders who appear to be building the same size home for the same, or lower, price than your home.

The first thing I would suggest you do here is make a list of the top two or three low cost site builders in your area. The reason I want to check on the top two or three site builders is so

I can make the argument with any prospect that since these site builders are the biggest its stands to reason they are building as cheaply as any site builder they are considering.

Next I would visit their building sites and check the following items. Do their homes use 16- inch centers on wall joists or the cheaper 24- inch centers? Are they 2 x 6 walls or 2 x 4 walls? Do they use no- hitters above all Windows and doors? What is the size of the floor joists and what centers are they using. What grade lumber are they using? What is the thickness of the drywall panels? What thickness plywood do they use for the roof and what is the weight of the shingles? Is the home wrapped in a material that eliminates energy costing air infiltration? Does the builder use name brand products to assure the prospect they are the quality they want and deserve? These are all ways that a builder can cut costs and build cheaper. While you're at it look for any other ways they cut costs, such as are all of the appliances included or are they an extra charge?

Another thing I would have you do is take pictures of a framed out home during a rain or snowstorm. This gives you the opportunity of being able to point out that since your home is built in the factory, and all the lumber is kiln dried and delivered to the factory in water- proof material. Remind your prospect that your factory built home can be delivered, set and made weatherproof plus theft resistant all in the same day.

Make sure you identify what is the builder's time frame between taking the order and completing the home to the point where it can be moved into? Manufactured housing is the only form of housing that is capable of building the foundation and the home at the same time! Our form of housing is not subject to weather delays or availability of subcontractors and inspectors. Manufactured housing is not so much built as it is assembled. The foundation moves down the line where the component parts are moved in from either side and secured to the foundation. The factory uses CAD computer software to design the home plus laser cut lumber and the use of jigs to construct the floor sidewalls and roofs guaranteeing uniformity and quality construction. All the materials are bought in bulk at discounted prices. After all you can buy a trainload of anything for less money than if you buy something in small quantities. In addition to this many of the items are bought directly from the supplier not the local Home Depot or Lowe's, which eliminates the markup your site builder would have to charge. All of this allows the factory to offer you a top quality home at an affordable price and all in considerably less time.

If it were really cheaper to build homes one at a time out in the field where the construction is subject to weather delays and theft why does-

n't Ford build cars in the owners garage or General Electric build the appliances in the home?

In addition to the construction advantages is our ability to build considerably faster are the financial advantages as well. Since the total construction time on a manufactured home is usually less than two or three months rather than just six to nine months a builder requires the interest rate on the construction loans is considerably less and doesn't have to be charge back to the customer. If the prospect is renting they do not have to be concerned about paying months of extra rent because of the longer completion time required. If the customer is selling a current home they are not as likely to have to find temporary housing and storage for household goods because they must move out before their new home is completed. A site builder's construction loan is set up differently than a manufactured home dealer. The builder pulls money out of the construction loan at a number of different points such as when the foundation is done, next when the framing is complete, etc. etc. each time the interest charge starts ticking. With a manufactured home dealer may not draw any of the construction loan money until the foundation is completed and the home is set. The difference here in interest rates could be thousands of dollars.

One of the most important things to check on is the written warranty that the builder offers. I guarantee it will be nowhere near as all encompassing as our warranties are! Visit at least four to six owners of the site builder's homes. Asked what kind of experience they have had with the home and has the builder done everything promised? If you can find a dissatisfied owner ask them if they would mind writing out what the builder has done to upset them and permission to show the letter to other potential buyers.

If you're manufacturer is listed on the stock exchange and does millions of dollars worth of business a year the stability of the company should be pointed out to your prospect. Ask whether they had checked into the stability of the builder they are considering and whether they've considered the possibility of him going out of business before their home is completed and they are without recourse for the money they've already spent?

All of the above are legitimate arguments that you can make in favor of manufactured housing compared to a site builder. You may want to make a list of all of them and when faced with this argument from the prospect introduce the list as follows. "You know a couple of us were discussing this very concern the other evening and we came up with a list of so many reasons we think manufactured housing is a better investment I made a list so I wouldn't forget any of them. Why don't we go over them together to see if they make sense to you?"



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