

What Does Afford Mean?

By George Porter

Affordability is the key word in Manufactured Housing. If we don't keep our homes affordable we are in trouble. According to the HUD Code all changes to the Code must undergo a review to be sure that the change does not seriously increase the cost of the home without justifiable benefits to the consumer. For instance I am sure we could make a good sized home that could withstand rather large tornadoes. It would be made of concrete and steel, have fifteen axles, take two trucks to pull it and you would need a backhoe to bury it in the ground. It would also cost about \$100,000.00 and we would probably never be able to sell any of them. While there will occasionally be times when some of our customers wish they had such a home, they will not buy it because they simply can't afford it.

It would also be nice if all family cars were as crash resistant as a NASCAR Grand National race car. How many of those have you seen on the roads around your town? Everyone knows they are extremely safe, you can hit a concrete wall at 150 mph and have a good chance of surviving. The thing is, that it cost hundreds of thousands of dollars to build such cars so that they are that safe and to "afford" such a car you have to use it to win races, not take the kids to the mall.

So what can our customers afford? According to the Webster's Seventh New Collegiate Dictionary the definition of afford is: "*to manage to bear or to bear the cost of without serious loss or detriment.*" What a perfect definition! This is exactly what our customers can afford. They must be able to bear the cost of the home without leaving something out that will cause them serious loss later on.

I talk with people all over the nation on a regular basis and I do not believe we have a good definition of "afford". We seem to be concentrating on the first part of the definition, "*to manage to bear*" and not including the last part "*without serious loss or detriment*". Webster included both parts in his definition because without sufficient quality, durability and safety in whatever you buy, you really can't afford it. Who can afford a car that is cheap but breaks down every day? Who can afford a bargain dinner at a local restaurant that gives you severe intestinal disorder every time you eat there? Who can afford a home that will deteriorate rapidly because it doesn't have the proper foundation or a well drained lot? To put an even finer point on the problem, who can afford to *sell* someone a home that doesn't have all the things it needs to be durable and safe?

A few years ago a dealer called me up and asked me to help him in court because one of his customers was angry. It seems when he sold a lady a home and he had clearly given her, in writing, on the contract that she had signed, the choice between an air conditioner and a foundation and she had clearly checked the box that said air conditioning. Now two years later the walls were cracking, the floors were bowing, there were strange cracking noises in the home all winter and it looked like the home was separating at the marriage wall. So what was this ladies problem? If she wanted a foundation she should have checked the other box! I had to tell this guy that I was probably not a good choice to have in his courtroom. This dealer could not "afford" to offer customers this choice but in his mind a foundation was just another option, like an air conditioner. The customer could not "afford" an air conditioner instead of some decent footings in the freezing northern climate but, she

didn't know anything about such things. She knew what an AC does, but she had no idea of the value of the footings till it was too late. She got the footings.

Whenever you as the dealer have a customer who says they can't afford the "fancy fixin's" like foundation, anchors, lot grading and many other things that can affect the longevity and price of the home, you better decide if you can "afford" not to sell these things to them. Think long term. The farther down the road these problems come up, the bigger they are going to be. The world in general is becoming steadily more aware of what causes them and what should have been done to prevent them. We are only affordable homes when the home is capable of being durable and safe as well as a good long-term investment.

Late News... I have just finished writing this article and I received this fax from MHI. (Somewhat timely considering what the above article says)

On July 15, 2000 there will be a contractor paid by HUD to oversee the handing of consumer complaints in all fifty states and to verify that the 36 current SAA states are adequately handling their consumer complaints. This contract will be for two years with provisions for renewal. What do you suppose this contractor will use as a measure of whether or not the customer has a legitimate complaint against a HUD Code home? Do you think it might be the HUD Code itself? In the dozens of states that have no laws of their own I can't imagine what else you could use? Of course this multi-million dollar contractor, whoever it may be, could do nothing at all, not make any waves, ignore all complaints, lose the deal and run the risk of getting sued by the federal government for non-performance of his contract. This is possible, but I bet this contractor will be someone smarter than that. Should be a very interesting summer and fall.