

Commission Position 10 – Sale of Manufactured Homes by Brokers

(Recodification adoption June 7, 2022: CP-14 Commission Position on Sale of Modular Homes by Licensees recodified to CP 10 - Sale of Manufactured Homes by Brokers)

With some exceptions, Colorado law requires any third party selling manufactured homes as defined in section 24-32-3302(20), C.R.S., must be registered with the Division of Housing within the Colorado Department of Local Affairs.

One such exemption applies to Brokers selling manufactured homes when the sale of the manufactured home includes the “negotiation” of real property. This means the sale of the manufactured home must accompany the sale of real property not owned by the Broker or the sale of the manufactured home involves the transfer or signing of a lease for real property. (*see* C.R.S. § 24-32-3323(4)(b)). This exemption is commonly referred to as the Broker exemption.

For the purposes of the Broker exemption, depending on the circumstances of the transactions, “negotiation” includes:

- Conveying the terms of the sale to the buyer or seller (i.e., a manufactured home and land);
- Conveying the terms of the current lease to the buyer;
- Conveying the terms of the property owner’s new lease to the buyer;
- Aiding the buyer with signing a new lease with the property owner; or
- Aiding the seller with the termination of their existing lease.

This exemption does not permit a Broker to sell manufactured homes for third party owners, builders, or park owners where the buyer will be purchasing a manufactured home with no real property or lease included. Transactions without the involvement of real property require the Broker to be registered as a dealer with the Division of Housing.

For manufactured home transactions permitted to be performed by Brokers, the Commission has approved several forms for use by Brokers. These Commission-Approved Forms include:

- Manufactured Home Addendum – for use when the sale of the manufactured home includes the sale of real property.
- Manufactured Home Contract, Counterproposal and Amend/Extend – for use when the sale of the manufactured home includes a lease for real property.

Manufactured home transactions are very different from traditional residential real estate transactions. As such, Brokers participating in such transactions need to ensure they are competent to do so as set forth in Rule 6.2.

All defined terms referenced in the Commission Position statements are codified in 4 CCR 725-1, Chapter 1 of the Rules regarding Real Estate Brokers.