



MEMORANDUM

To: Registered Sellers and Licensed Real Estate Brokers
Cc: Marcia Waters, Director, Division of Real Estate
James Martino, Program Manager, Building Codes & Standards Section
From: Mo Miskell, Director, Office of Regulatory Oversight
Date: November 5, 2020
Re: Requirements to Sell Manufactured Homes

The purpose of this communication is to clarify the requirements that apply when a person engages in or is interested in engaging in the sale of manufactured homes, which are prefabricated residential structures built offsite and regulated differently from traditional “site-built structures”. In this context, a **“manufactured home”** includes a pre-1976 mobile home, a manufactured home constructed to the federal standards established on and after June 15, 1976, and a modular home constructed to the International Residential Code as adopted by Colorado’s State Housing Board. It does not cover any other type of prefabricated structure designated for residential use, i.e. a “park model” or “recreational park trailer” built to the ANSI standard A 119.5, or a recreational vehicle (RV) built to the ANSI standard A 119.2, or any type of “tiny home” that is to remain on wheels or installed on a temporary foundation. More likely than not, a person selling a manufactured home is required to be registered as a seller with the Division of Housing. However, Colorado law identifies a handful of exemptions from this requirement. One such exemption applies to a person who sells a manufactured home in the course of engaging in activities as a licensed real estate broker.

According to the Division of Real Estate, the real estate broker exemption that allows a licensed real estate broker to sell a manufactured home only applies when there is land involved in the sale of the manufactured home and they do not own the land. This includes sales where a lot lease is involved if the broker is negotiating the terms of a separate land lease with the owner of the land where the home already sits or will be installed in the future in addition to selling the manufactured home **OR** the sale of the manufactured home is in conjunction with the sale of the land. Therefore, a person is required to be a licensed real estate broker through the Division of Real Estate if the circumstances in this paragraph applies to them.

A person is required to be a registered seller of manufactured homes if they own the land they are either selling or leasing with the manufactured home they are selling. While such a transaction does require registration with the Division of Housing, it does not require the person also hold a license from the Division of Real Estate. A registration with the Division of Housing is also required of a business entity selling a manufactured home it has purchased to then sell with the land it owns on which the home is installed (spec home). Manufactured (mobile) home park owners selling manufactured homes they own with lease agreements also requires they be a registered seller. However, neither registration with the Division of Housing nor licensure with the Division of Real Estate is required if a homeowner is selling their own home.





Furthermore, if a person sells three or fewer previously occupied manufactured homes in a calendar year on behalf of a manufactured (mobile) home park owner that owns the homes and the homes are located within one or more manufactured (mobile) home parks in Colorado, then that person is not required to be a registered seller. However, that person would be required to be a licensed real estate broker if the transaction also involved brokering the land lease.

Lastly, if a person is engaged in the practice of selling a manufactured home that does not involve any land then that person is required to be a registered seller, unless they are selling it for salvage or nonresidential use.

Below is a breakdown to help further clarify these separations.

Sale of Manufactured Homes (as defined in the first paragraph of this communication)

Licensed Real Estate Broker

Must involve land they do not own in the transaction

1. Broker manufactured home and land sale
2. Broker lot lease with the manufactured home sale

Registered Seller

1. If a developer/dealer/retailer has purchased a manufactured home from a factory/manufacture with the intent to then sell that home with the land it owns on which the home is installed
2. Manufactured (mobile) home park owners selling manufactured homes they own with lot lease agreements
3. A third party selling four or more previously occupied manufactured homes in a calendar year that are owned by a manufactured (mobile) home park owner and are located within one or more manufactured (mobile) home parks in Colorado
4. All manufactured home sales that do not involve land, unless it is for salvage or nonresidential use

No Registration/License Required

1. A home owner selling their own manufactured home
2. A third party selling three or fewer previously occupied manufactured homes in a calendar year that are owned by a manufactured (mobile) home park owner and are located within one or more manufactured (mobile) home parks in Colorado as long as the transaction does not involve brokering land leases with the sale of these homes
3. For salvage or nonresidential use

Example Scenarios

1. Manufactured (Mobile) Home Park
 - a. If you are selling a manufactured home on behalf of the park or a home owner and the transaction **DOES NOT** include brokering a deal to purchase/lease the land it is tied to with the home purchase, then you are required to be a registered seller with the Division of Housing,





- unless you are selling three or fewer previously occupied manufactured homes in a calendar year that are owned by the manufactured (mobile) home park owner.
- b. If you are selling a manufactured home on behalf of the park or a home owner and the transaction includes brokering a deal to purchase/lease the land it is tied to with the home purchase, then you are required to be a licensed real estate broker with the Division of Real Estate.
 - c. If you are purchasing a manufactured home, installing it on land you own in your park/community, and then selling the home but renting out the land under it as either a short-term or long-term lease, then you are required to be a registered seller with the Division of Housing.
2. New Manufactured Homes
- a. If you are selling a manufactured home yet to be built or has been built but not installed on any land, then you are required to be a registered seller with the Division of Housing.
 - b. If you are a developer/dealer/retailer purchasing manufactured homes, including town homes, from a factory/manufacturer and are selling them with the land you own, then you are required to be a registered seller with the Division of Housing.

If you have questions or concerns about whether or not you are required to be a registered seller with the Division of Housing, please email maulid.miskell@state.co.us or beverly.bayley@state.co.us.

If you have questions or concerns about whether or not you are required to be a licensed real estate broker with the Division of Real Estate, please email dora_realestate_website@state.co.us.

