MODern Times

FALL 2021 SOUTH CAROLINA MODULAR HOUSING INSTITUTE VOL. 19, NO. 3

# Designing a Customer Experience Around High-End Modular Homes

People commuting to and from Greenville on Highway 153 through Piedmont can't miss seeing the attractive modular homes displayed on the nicely-landscaped grounds at the Gallery of Homes sales center.

Randal Walker opened Gallery of Homes of the Upstate in 2003. When they first opened, they originally focused on selling HUD homes, but quickly found a niche in the modular market.

"Before I joined the industry, I worked selling new cars," said Walker.

His first dive into the prefabricated home industry involved buying and selling repossessed multi-section HUD homes. "At first I just did one, then the next year I did two, then the year after that I did four."

As they grew, they quickly found their niche in selling high-end modular homes. "The Greenville area is a good market for modular homes" Walker says.

Randal Walker, Owner of Gallery of Homes Upstate

The road-facing side of the Walker's store features fully-set homes, landscaping, and an attractive sign.

Walker said higher comps and appraisals are a key advantage in marketing modular homes.

The customer experience is at the center of Walker's business model. He keeps his retail lot sharp to make the already nice homes he sells look even nicer.

"Part of it is making the home look how it is going to look after it is installed on their site," says Walker. "The more finished it feels, the more the buyer can imagine it on their property."

Walker's store is a leading modular seller in the region. He attributes this to his well-polished display center and web presence.

Gallery of Homes of the Upstate was the association's Retailer of the Month for August.

# Cavco Acquires R-Anell Homes

Cavco Industries announced that it is acquiring seven manufacturing facilities from Commodore Homes including the R-Anell plant in Crouse, NC. Cavco's other properties in the Southeast include the Fleetwood Homes factory in Douglas, Georgia.

The company has signed a binding offer to purchase the company for $153 million before closing fees. The deal is expected to close in the second half of 2022.

## South Carolina Modular Shipments

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|
| 1Q | 59 | 79 | 85 | 75 | 66 | 60 |
| 2Q | 78 | 74 | 89 | 62 | 64 | 44 |
| 3Q | 77 | 62 | 70 | 66 | 138 | - |
| 4Q | 50 | 76 | 69 | 59 | 65 | - |
| **Total** | **264** | **291** | **313** | **262** | **333** | **-** |

The Commodore Corporation operated under a variety of names to produce homes all along the eastern side of the US. The Commodore name was most commonly used in the north, primarily in Pennsylvania and surrounding states.

R-Anell Homes originally became a subsidiary of The Commodore Corporation in 2013. Shortly afterwards, Commodore Homes of Virginia merged their operations with R-Anell Homes.

In a statement by Bill Boor, Cavco CEO, he said "We have developed a tremendous respect for what has been accomplished at Commodore. Their reputation is very consistent with Cavco's philosophy and approach to doing business."

This deal is a part of Cavco's efforts to expand their modular production at a time when homes are becoming scarcer. Just this year, Cavco announced a large expansion project in Fort Worth, Texas to help fill the affordable housing shortage in that region.


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# What Happens in Vegas... Impacts Buyers in SC

South Carolina state government has begun work on a new edition of the building codes for modular and site-built structures.

South Carolina's new building standards will be based on the 2021 edition of the "I-codes." These are a set of standards approved by a group of code officials, known as the International Code Council, at their annual convention in Las Vegas in 2019.

One of the most important codes for the industry is the International Residential Code for modular and site-built homes. The ICC issues a new residential code every three years. The new edition approved in Las Vegas, known as the 2021 IRC, includes a variety of changes involving items ranging from circuit breakers to wall braces to deck rails.

A state agency, the South Carolina Building Codes Council, reviews the new IRC and approves amendments that will apply only in this state.

**SCMHI / MHISC is there to represent the needs of the industry when officials meet to work on a new building code for modular homes.**

## A Cumbersome System

The current Building Codes Council and staff have inherited a cumbersome code writing process. Interested parties must go through the very technical 300-page IRC and attempt to identify problems with the document.

It is easy to miss provisions that would be detrimental to South Carolina homebuyers. MHISC / SCMHI sent a link to all member manufacturers asking them to review the proposed code and provide input, but it can be difficult for industry engineers to catch problems. SCMHI is the modular division of MHISC.

Under SC law, professional associations representing the building industry, such as MHISC, may file requests for amendments to the IRC. Individual companies can file requests for changes through the association or local code enforcement office.

The association is also sending copies of the amendments proposed by other industry and trade groups to member modular manufacturers.

All requested amendments go to a study committee appointed by the SCBCC for review. The version ultimately approved by the full Council then goes to state legislature for final review before it is added to SC's state government regulations.

The SCBCC's management has worked to streamline the amendment process. One change involves reviewing amendments to the IRC that are currently in effect in South Carolina. For example, South Carolina voted three years ago to remove a) excessive requirements for ground fault circuit interrupters and b) a mandatory sprinkler requirement from the code.

Now, interested parties no longer have to go back and re-identify these problem provisions and file new amendment requests. Those earlier changes are automatically put on the agenda for consideration. A majority will be re-approved for the new edition of the code.

Key South Carolina officials overseeing the building code process include Molly Price, who also administers the Contractors Licensing Board and the Manufactured Housing Board, as well as Maggie Smith who coordinates state government's Modular Building Program.

The new edition of the building code for South Carolina is likely to go into effect as early as July 2022.

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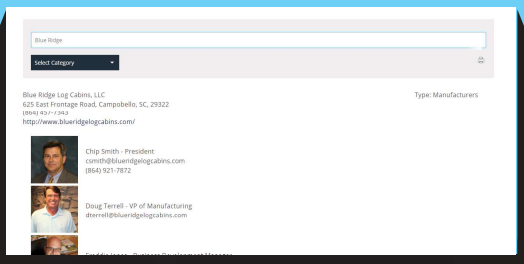
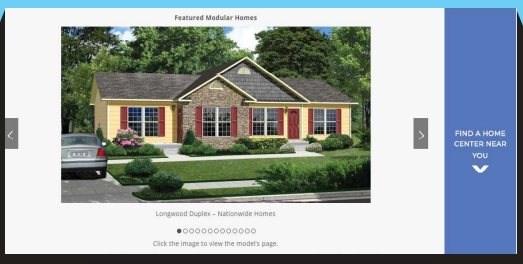
# SCMHI Member Services




**Online Member Directory**

**Digital and Print Publications**

**Code Council Representation**




**Virtual Home Gallery**

**scmodularhome.com**