Heirs’ Property & Housing Vulnerability

CASSANDRA JOHNSON GAITHER, US FOREST SERVICE

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Objectives:

• If heirs’ property owners purchase mobile homes, does that decrease or increase their vulnerability?

• Are heirs’ property owners more likely than non-heirs’ property owners to have mobile homes on their property?
Socio-Ecological Vulnerability

Exposure

Sensitivity

Adaptive Capacity
Vulnerability unpacked: Heirs’ Parcels & Mobile homes

- Identification of heirs’ parcels and their co-location with mobile homes allows us to better understand sensitivity component of vulnerability

- Allows for a better clarification of factors impacting wealth
Proportion Housing Units: Mobile Homes

Legend

<table>
<thead>
<tr>
<th>Proportion Mobile Home</th>
<th>Color</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.000000 - 0.016000</td>
<td>Light Orange</td>
</tr>
<tr>
<td>0.016001 - 0.042000</td>
<td>Light Yellow</td>
</tr>
<tr>
<td>0.042001 - 0.074000</td>
<td>Medium Brown</td>
</tr>
<tr>
<td>0.074001 - 0.112000</td>
<td>Dark Brown</td>
</tr>
<tr>
<td>0.112001 - 0.167000</td>
<td>Dark Brown</td>
</tr>
</tbody>
</table>
Advantages of mobile homes

Mobile Homes: “Worst housing stock in America” pre-1976
“Manufactured Housing”: built to HUD codes after June 15, 1976

Manufactured Housing is Affordable housing!!

National mobile home cost: $68,000
Cost in South: $59,800 - $70,700
Site built: $360,600


http://www.miserv.net/post/stone-fireplace-design-on-kitchen-decor-ideas-for-manufactured-homes/148916685333553.html
But there are also problems, depending on....

<table>
<thead>
<tr>
<th>Titled as</th>
<th>Rented Land</th>
<th>Owned Land</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Chattel “ or personal property</td>
<td>Worst case scenario:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Higher interest rates</td>
<td>• Higher interest rates</td>
</tr>
<tr>
<td></td>
<td>• Subprime lending</td>
<td>• Subprime lending</td>
</tr>
<tr>
<td></td>
<td>• Shorter loan period</td>
<td>• Shorter loan period</td>
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<tr>
<td></td>
<td>• “Blue book” appraisal</td>
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<tr>
<td></td>
<td>• Eviction from land</td>
<td>• Eviction from land</td>
</tr>
<tr>
<td></td>
<td>• High rental fees for land</td>
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<tr>
<td></td>
<td>• Lower resale value</td>
<td>• Lower resale value</td>
</tr>
<tr>
<td>Real</td>
<td>• More lending options</td>
<td>Best case scenario:</td>
</tr>
<tr>
<td></td>
<td>• Appreciation rate varies</td>
<td>• More lending options</td>
</tr>
<tr>
<td></td>
<td>• Low resale value</td>
<td>• Appreciation similar to site-built</td>
</tr>
<tr>
<td></td>
<td>• Eviction from land</td>
<td>• Resale may be similar to site-built</td>
</tr>
<tr>
<td></td>
<td>• High rental fees for land</td>
<td></td>
</tr>
</tbody>
</table>
What happens when mobile homes located on heirs’ property?

“If any one of them wants to put a house on the land, they can—as long as there is enough room...!” With a mobile home, they’ll just put it on the property.....The advantage (of heir property) is that whoever wants to put a home here can; they don’t have to look for property anywhere else.”

Do such assumptions foster a false sense of security?

• Its value may not depreciate if classified as real property

STILL....

• Resale is a problem
  • May have clear title to mobile home, but not to land
  • Buyer may be willing to purchase mobile home but not fractional land interest
  • If mobile home sold, may have to be moved which drives down resale value

• Eviction possible if a forced partition sale of heirs’ property occurs
Cainhoy, South Carolina 2001

“...25 people were evicted from their family land in Cainhoy, South Carolina....[A] Berkeley County judge ordered a sale of the land and the removal of six homes....

Gloria Asby watched as Berkeley County Deputies placed her mobile home on a trailer, removed the cinder blocks, and hauled it away.

‘I don't have any money. I might as well get a blanket and go under a tree’”

# Heirs’ Property & Mobile Homes: Leslie County, KY

<table>
<thead>
<tr>
<th></th>
<th>Population</th>
<th>% White alone</th>
<th>% below poverty</th>
<th>Median Household Income</th>
<th>Over 25, no diploma</th>
<th>Median Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie (sq. mi.=404)</td>
<td>10,997</td>
<td>98.6</td>
<td>27.4</td>
<td>$25,872</td>
<td>34.9</td>
<td>42.0</td>
</tr>
<tr>
<td>Kentucky</td>
<td>4,397,353</td>
<td>85.6</td>
<td>17.9</td>
<td>$43,740</td>
<td>15.8</td>
<td>38.5</td>
</tr>
</tbody>
</table>

Heirs’ Property Extent: Leslie County

<table>
<thead>
<tr>
<th></th>
<th>Total parcels</th>
<th>Heirs’ parcels</th>
<th>% heirs’ parcels (s.d.=.34)</th>
<th>Total heirs’ acres</th>
<th>Mean heirs’ acres (s.d.=79.92)</th>
<th>Heirs’ R.E. value (n=1,148)</th>
<th>Total Matched Mobile homes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leslie County</td>
<td>8,830</td>
<td>1,169</td>
<td>13.2</td>
<td>38,791</td>
<td>33.18</td>
<td>$27,223,232</td>
<td>1,552</td>
</tr>
</tbody>
</table>

Are heirs’ properties more likely to have mobile homes?

- Spearman correlation (HP/MH):
  \[ r = 0.019; \ p = 0.076 \]

Percent of Leslie Parcels with Mobile Homes

- All parcels: 18.3%
- Non-heirs’ parcels: 17.5%
- Heirs’ parcels: 19.4%
Summary

• Expected larger percent of heirs’ parcels to have mobile homes. Low percentages may relate to incomplete heirs’ parcel classification

• Examine rate using “potential” heirs’ parcels as the population of heirs

• Development pressure not intense in Leslie, so less likely that partition sales may occur, resulting in mobile home removals

• Still, sensitivity aggravated by co-location of heirs’ parcels and mobile homes—again, due to diminished resale value of mobile homes

• Direct legal service providers should encourage real property classification when title clearing