

# Heirs' Property & Housing Vulnerability

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# Objectives:

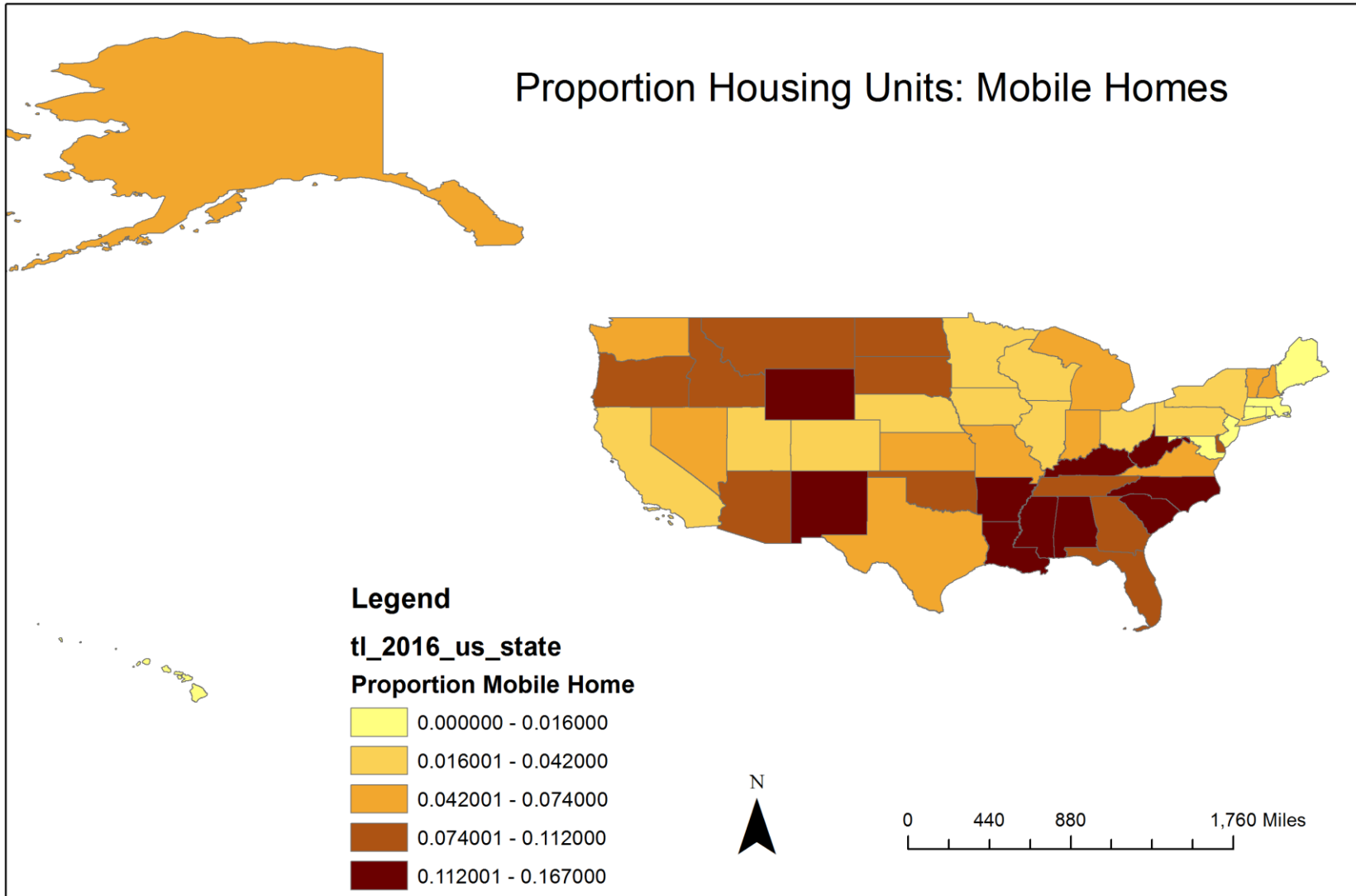
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- If heirs' property owners purchase mobile homes, does that decrease or increase their vulnerability?
- Are heirs' property owners more likely than non-heirs' property owners to have mobile homes on their property?





# Proportion Housing Units: Mobile Homes



# Advantages of mobile homes

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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

Source: 2015 Manufactured Housing Survey Annual Data. Average Sales Price of New Manufactured Homes Placed. Cost & Size Comparisons, New Manufactures Homes and New Single-Family Site-Built Homes



<http://www.miserv.net/post/stone-fireplace-design-on-kitchen-decor-ideas-for-manufactured-homes/148916685333553.html>

# But there are also problems, depending on....

Titled as	Rented Land	Owned Land
"Chattel " or personal property	<p>Worst case scenario:</p> <ul style="list-style-type: none"> <li>• Higher interest rates</li> <li>• Subprime lending</li> <li>• Shorter loan period</li> <li>• "Blue book" appraisal</li> <li>• Eviction from land</li> <li>• High rental fees for land</li> <li>• Lower resale value</li> </ul>	<ul style="list-style-type: none"> <li>• Higher interest rates</li> <li>• Subprime lending</li> <li>• Shorter loan period</li> <li>• "Blue book" appraisal</li> <li>• Low resale value</li> </ul>
Real	<ul style="list-style-type: none"> <li>• More lending options</li> <li>• Appreciation rate varies</li> <li>• Low resale value</li> <li>• Eviction from land</li> <li>• High rental fees for land</li> </ul>	<p>Best case scenario:</p> <ul style="list-style-type: none"> <li>• More lending options</li> <li>• Appreciation similar to site-built</li> <li>• Resale may be similar to site-built</li> </ul>

# What happens when mobile homes located on heirs' property?

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“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.”



Dyer, J. & Bailey, C. 2008. A place to call home: Cultural understanding of heir property among rural African Americans.” *Rural Sociology*, 73(3):317-338.



# Do such assumptions foster a false sense of security?

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- 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

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“...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’”

(Grabbatin, B. & J. Stephens. 2011. Wigfall v. Mobley et al.: Heirs Property Rights in Family and in Law. *disClosure: A Journal of Social Theory*, 20(14):133-150.

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

**Table 1: Demographic characteristics for Leslie County & Maverick Colonias**

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

Source: American Community Survey 2011-2015.

# Heirs' Property Extent: Leslie County

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	Total parcels	Heirs' parcels	% heirs' parcels	Total heirs' acres	Mean heirs' acres	Heirs' R.E. value (n=1,148)	Total Matched Mobile homes
Leslie County	8,830	1,169	13.2 (s.d.=.34)	38,791	33.18 (s.d.=79.92)	\$27,223,232	1,552

Source: Leslie County Property Valuation Administrator 2015 and 2017.



Leslie County KY: Photo by Cassandra Johnson Gaither

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

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- 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