

South Carolina Department of Labor, Licensing and Regulation

Real Estate Commission

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Selling Manufactured Homes (Mobile Homes)

It has come to the Real Estate Commission's ("REC") attention that there are questions regarding the sale of manufactured homes (a.k.a. mobile homes) by real estate associate and broker licensees. This document attempts to describe when real estate associates and brokers may legally sell manufactured homes. In this document the words "manufactured home" and "mobile home" are used interchangeably and refer to the same type of home.

Manufactured Homes Surrendered to Real Estate

If a manufactured home has been <u>surrendered to real estate</u> as set forth in South Carolina law, then the sale of that manufactured home should take place with the land upon which the manufactured home is permanently affixed. See S.C. Code §56-19-500 through 56-19-560. Real estate associates and brokers may legally sell these types of manufactured homes as they would any other traditionally built home that is physically attached to the land. The closings for these sales will include all of the same documents used in any traditional home closing, including a deed describing the land and manufactured home (and other permanently affixed buildings on the land).

If a licensee is unsure if a manufactured home has been surrendered to real estate, the licensee should check with the South Carolina Department of Motor Vehicles ("SCDMV") and the county's Register of Deeds to ensure the manufactured home's title has been properly surrendered to real estate.

Manufactured Homes That Are Still Actively Titled by SCDMV & Being Sold with Land

If a manufactured home has <u>not</u> been surrendered to real estate and, therefore, still has a title issued by the SCDMV, real estate associates and brokers may still sell the manufactured home <u>if it is being sold with the land</u> the manufactured home is located on. See S.C. Code §40-29-200(C), which says:

A manufactured housing license is not required for a licensed real estate salesman or licensed real estate broker who negotiates or attempts to negotiate for any legal entity the listing, sale, purchase, exchange, lease, or other disposition of a used manufactured or mobile home in conjunction with the listing, sale, purchase, exchange, lease, or other disposition of real estate upon which the used manufactured or mobile home is located.

The closings for these sales will include all of the same documents used in any traditional land sale closing, as well as documents to transfer the title of the manufactured home from the previous owner to the new owner. The title documentation for the manufactured home must be submitted with the SCDMV with various forms and fees to complete the transfer of the manufactured home to the new owner.

Manufactured Homes That Are Still Actively Titled by SCDMV & Being Sold on Leased Land

Similarly, if a manufactured home has <u>not</u> been surrendered to real estate and, therefore, still has a titled issued by the SCDMV and the manufactured home will be sold <u>on leased land</u>, then various limitations may apply. The limitations that apply will depend on whether the lease for the land is being transacted with the sale of the manufactured home or not.

A. Lease for the Land is Being Transacted with the Sale of the Manufactured Home

If a manufactured home has <u>not</u> been surrendered to real estate, real estate associates and brokers may still sell the manufactured home <u>if the transaction for the leased land</u> the manufactured home is located on <u>is part of the deal/transaction of selling the manufactured home</u>. This is because of the contents of S.C. Code §40-29-200(C), which says:

A manufactured housing license is not required for a licensed real estate salesman or licensed real estate broker who negotiates or attempts to negotiate for any legal entity the listing, sale, purchase, exchange, lease, or other disposition of a used manufactured or mobile home <u>in conjunction with the</u> listing, sale, purchase, exchange, <u>lease</u>, or other disposition <u>of real estate upon which the used manufactured or mobile home is located</u>.

(emphasis added). The closings for these sales will include documents to transfer the title of the manufactured home from the previous owner to the new owner and the lease documents. The title documentation for the manufactured home must be submitted with the SCDMV with various forms and fees to complete the transfer of the manufactured home to the new owner.

B. Lease for the Land is **Not** Being Transacted with the Sale of the Manufactured Home

If a manufactured home has not been surrendered to real estate and is located on leased land where the lease for the land is not being transacted with the sale of the manufactured home, then limitations may apply. S.C. Reg. §79-12(A)(4) says:

A retail dealer's license entitles its holder to engage in the business of selling, exchanging, buying for resale, offering or attempting to negotiate sales or exchanges of new and/or pre-owned manufactured homes. A person or entity that performs any of the transactions stated in this section for three (3) or more

manufactured homes in any consecutive twelve (12) month period is required to be licensed as a retail dealer. The term retail dealer does not include:

(4) Licensed real estate salespersons or brokers who negotiate or sell a manufactured home for any individual who is the owner of not more than two manufactured homes

So, as long as your manufactured home owner/seller does not own more than two manufactured homes, a real estate associate or broker may list the manufactured home for sale even if the lease for the land is not being transacted with the sale of the manufactured home. The closings for these sales will only include documents to transfer the title of the manufactured home from the previous owner to the new owner. The title documentation for the manufactured home must be submitted with the SCDMV with various forms and fees to complete the transfer of the manufactured home to the new owner.

If your manufactured home owner/seller owns three or more manufactured homes, then a real estate associate or broker would be limited to selling, exchanging, buying for resale, offering for sale or attempting to negotiate sales or exchanges for no more than two of these manufactured homes in a consecutive twelve month period, unless the real estate associate or broker becomes a licensed manufactured home retail dealer through the South Carolina Department of Labor, Licensing and Regulation ("LLR"). If a real estate associate or broker becomes a licensed manufactured home salesperson through LLR, in additional to their real estate associate or broker license, then there is no limit to the number of the manufactured homes the licensee may sell per year.

Questions to Ask to See if a Manufactured Home Retail Dealer License is Required

- 1) Is the manufactured home retired to real estate?
 - -If **ves**, a manufactured home retail dealer license is not required.
 - -If **no**, proceed to question 2.
- 2) Is the manufactured home being sold with the land it is located on?
 - -If **yes**, a manufactured home retail dealer license is not required.
 - -If **no**, proceed to question 3.
- 3) Is the manufactured home being sold in conjunction with a lease agreement for the land upon which it is located?
 - -If **yes**, a manufactured home retail dealer license is not required.
 - -If **no**, proceed to question 4.
- 4) Is the manufactured home owned by someone that owns more than two manufactured homes?

- -If **yes**, proceed to question 5.
- -If **no**, a manufactured home retail dealer license is not required.
- 5) Have you sold, exchanged, bought for resale, offered for sale, or attempted to negotiate sales or exchanges for two or more manufactured homes within a twelve month consecutive period OR will this transaction take you over that two or more within a twelve month consecutive period limit?
 - -If yes, you need a manufactured home retail dealer license to proceed with this transaction.
 - -If **no**, a manufactured home retail dealer license is not required.

Disclaimer: This summary is not intended as legal advice. LLR is providing this summary to assist licensees in understanding, in general terms, what is legally allowed and prohibited in the sale of manufactured homes. Licensees with any questions about a specific transaction should consult with a lawyer that specializes in South Carolina real estate transactions.