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## Memorandum

**To:** Mayor & Council  
**From:** David Reynolds  
**Re:** Agenda Item: Discussion of Modular Home Construction  
**Date:** 05/20/2025

### Purpose:

The purpose of this agenda item is to provide an overview of modular home construction and its potential application within our region. This discussion is intended to educate Council on modular home practices, their benefits and challenges, and how they may fit within our current planning, permitting, and development framework.

### Background:

Modular home construction—also known as off-site or factory-built construction—has a long-standing history in the United States dating back to the early 20th century, including Sears Roebuck's "kit homes" in the 1910s and 1920s. Today, modular homes have evolved substantially from their early iterations and are now built to rigorous standards using advanced manufacturing techniques.

Modular homes are constructed in sections or "modules" in a controlled, indoor factory environment and then transported to the building site, where they are assembled on a permanent foundation. Unlike manufactured homes (formerly known as mobile homes), modular homes are built to the same local or state building codes as site-built homes, not a federal HUD standard.

Modular construction is increasingly common in regions facing housing shortages, labor constraints, or harsh weather conditions that restrict traditional building schedules. It is frequently used in states like California, New York, Colorado, and parts of the Pacific Northwest for both affordable and market-rate housing.

### Key Considerations:

### Advantages:

- **Code Compliance:** Modern modular homes are engineered and constructed to meet the International Residential Code (IRC) and any applicable local amendments, including the

Town's adopted building codes. In many cases, the units are third-party inspected prior to leaving the factory.

- **HOA Compatibility:** With proper planning, modular homes can be designed to comply with specific Homeowners Association (HOA) architectural guidelines and community standards, especially when the HOA reviews exterior materials, colors, and rooflines.
- **Customization:** Modular homes today can be fully customized in terms of floor plans, finishes, and architectural details. Some manufacturers offer design flexibility comparable to traditional site-built homes.
- **Reduced On-Site Disruption:** Since 60–90% of the home is built off-site, the on-site construction timeline is significantly shortened. This reduces noise, traffic, and disturbance to surrounding properties during construction.
- **Weather Resilience During Construction:** Building indoors allows construction to proceed year-round regardless of weather, which can lead to greater quality control and fewer delays.
- **Potential Cost Savings:** Modular construction may reduce construction costs due to bulk purchasing, efficient material use, and lower labor costs. However, these savings vary widely depending on location and project scope.

#### **Challenges and Limitations:**

- **Shipping and Delivery Logistics:** Transporting large modules from the factory to the site requires coordination and permits. Narrow roads, bridges, or difficult terrain can complicate delivery.
- **Proximity to Manufacturing Facility:** The benefits of modular construction are maximized when the manufacturer is within a reasonable distance. Transport costs can offset potential savings if the factory is far away.
- **Design Constraints:** While many custom options exist, there may still be limitations related to module dimensions, rooflines, or materials that can be used in the factory.
- **Permit Complexity:** Modular homes may require additional or parallel permit reviews to confirm both factory and site compliance. Coordination between state-level modular approval and local permitting processes can introduce complexity and longer review times.
- **Specialized Contractors:** Modular installation often requires specialized contractors familiar with assembly techniques, utility connections, and post-delivery finish work. This can limit the available labor pool.
- **HOA Review Complications:** Some HOAs may have unclear or restrictive rules regarding modular homes, leading to additional design iterations or approval delays.
- **Code Compatibility Risks:** While most modular homes meet standard codes, not all manufacturers are prepared to comply with very recent or uniquely stringent local code amendments. Verification is necessary on a case-by-case basis.

**Conclusions:** Modular construction may present an opportunity for local builders as an alternative housing delivery method that may reduce costs, speed up timelines, and provide design flexibility, but such an advantage may not be feasible without suitable local manufacturing facilities. At the same time, it is important to recognize the permitting, logistical, and regulatory challenges that can accompany this construction approach.