

FREE GUIDE · TERRAGROVE REAL ESTATE

The Tiny Home Buyer's Guide — Texas Edition

The three ownership paths, the county-vetting checklist, the all-in budget worksheet, insurance and resale realities, and a 90-day plan — everything to buy your Texas tiny home with eyes open.

The three paths to tiny home ownership in Texas

Every tiny home purchase in Texas follows one of three legal paths, and the path decides everything downstream — where you can put it, how you finance it, what it costs to insure, and whether it appreciates. Pick the path first, then shop.

Path	What it is	Financing	Best for
THOW (on wheels)	Titled like an RV/trailer; movable; typically 150–400 sq ft	RV or personal loan; chattel	Flexibility, land you don't own yet, community lots
Foundation tiny home	Permanently installed on land you own; treated as real property when affixed	Construction or conventional loan (if it meets code + size minimums)	Long-term living, appreciation, easier insurance
ADU / backyard unit	Secondary dwelling on an existing residential lot	HELOC, cash-out refi, renovation loan	Rental income, family housing, staying in the city

Vet the county before you vet the home

Texas has no statewide tiny home law — rules are set at the county and municipal level, and they vary enormously. Unincorporated county land is usually the most permissive; inside city limits, minimum dwelling sizes can rule a tiny home out entirely.

County vetting checklist — call before you buy anything

1. Ask the county development office whether there is a **minimum dwelling size** for permanent residences, and what it is.
2. Ask whether a **THOW can be lived in full-time**, or only as an RV with time limits.
3. Ask what **septic/sewer approval** requires — septic design and permitting is often the largest hidden cost on rural land.
4. Ask whether the parcel is in a **floodplain** (FEMA map lookup is free) — this changes insurance and foundation cost.
5. Confirm **road access and utility easements** in writing, not from the listing.
6. If the land is in a subdivision, read the **deed restrictions/HOA covenants** — private restrictions override county permissiveness.

Rule of thumb: the further you get from a metro, the easier placement gets — but the more you spend on well, septic, and utility runs. Cheap land with no utilities is often the most expensive option once developed.

The all-in budget worksheet

List price is roughly half the story. Budget every line below before committing; ranges are illustrative for Texas in recent years and vary by county and site.

Line item	Typical range	Your number
Home (THOW or modular tiny, delivered)	\$45,000–\$130,000	
Land (rural 1–5 acres, varies widely)	\$15,000–\$80,000	
Site prep: clearing, pad/foundation	\$3,000–\$15,000	
Septic system (design + install)	\$6,000–\$20,000	
Well OR water tap fee	\$5,000–\$15,000	
Electric service run / connection	\$1,500–\$10,000+	
Permits, inspections, surveys	\$1,000–\$4,000	
Delivery + setup/leveling/tie-downs	\$2,000–\$8,000	
Skirting, steps, decks, gutters	\$2,000–\$10,000	
Contingency (10–15% of the above)	—	

Vetting a builder

- **Certification:** for THOWs, look for RVIA/NOAH/Pacific West certification — uncertified builds are hard to finance and insure.
- **References:** ask for three past Texas customers and actually call them; ask what went over budget.
- **Contract:** stage payments tied to milestones; never more than a modest deposit up front.
- **Timeline honesty:** ask the builder's current backlog in writing.
- **Warranty:** structural, systems, and workmanship terms — get the document, not the summary.

Your first 90 days — a working plan

1. **Days 1–15:** choose your path (THOW / foundation / ADU); set the all-in budget using the worksheet; get pre-qualified for the matching loan type.
2. **Days 16–40:** shortlist 2–3 counties and run the vetting checklist on each; walk candidate parcels; get septic and utility quotes before making a land offer.
3. **Days 41–70:** vet builders; visit a completed home from each finalist; lock your quote and contract.
4. **Days 71–90:** close on land, pull permits, schedule site work and delivery windows.

Insurance: solve it before you buy

Insurance is the most commonly skipped pre-purchase check, and the one that quietly kills THOW plans. Coverage follows certification and siting, so lock this down while you can still change course.

- **THOW:** insured as a specialty/tiny-home or RV policy; most carriers require RVIA/NOAH certification. Full-time occupancy must be disclosed — “camping” policies void on full-time use.

- **Foundation homes:** standard homeowner policies apply once the home is real property and code-compliant.
- **Floodplain parcels:** lender-required flood coverage is priced by elevation; get the quote before the land offer.
- **During transit and set:** confirm who carries the risk from factory to tie-down — builder, hauler, or you.

Where THOWs actually live: communities vs. private land

Option	Monthly cost	Pros	Cons
Tiny home community	\$400–\$900 lot rent	Utilities ready, legal certainty, neighbors	Rent forever, rules, waitlists
Your own rural land	Taxes + utilities only	Equity, freedom, no lot rent	Development cost, county vetting on you
Friend/family land	Low or none	Cheapest start	Informal = fragile; get written agreements
RV parks	\$500–\$1,100	Immediate, flexible	Many cap stays; not all allow THOWs

The resale reality

Be honest with yourself about the exit. Foundation homes on owned land generally track the local land market and can appreciate. THOWs behave more like vehicles: well-maintained certified units hold value far better than uncertified builds, but plan on depreciation, not appreciation. If long-term equity is the goal, the foundation path or an ADU on appreciating city land is usually the stronger play — the THOW wins on cost of entry and flexibility, not on wealth-building.

Six mistakes that cost Texas tiny buyers the most

1. **Buying the home before the land is verified** — then discovering the county minimum dwelling size.
2. **Trusting listing utilities** (“electric nearby”) — “nearby” can mean a \$10,000 pole run.
3. **Skipping septic quotes pre-offer** — rock, clay soil, or small lots can double the install.
4. **Uncertified builders** — cheaper up front, then uninsurable and unfinanceable.
5. **Paying large builder deposits** — stage payments to milestones; builders do fail mid-build.
6. **No contingency** — the 10–15% reserve is not optional on rural development.

Questions to ask any seller or builder before you sign

- What certification does this unit carry, and can I see the certificate number?
- What exactly is included in the delivered price — steps, skirting, tie-downs, appliance hookup?
- Who performs the set, and are they licensed for it?
- What warranty applies to structure, systems, and workmanship — and who honors it if you close?
- Can you provide three past customers in Texas I can call?

Want help mapping your specific path? Terragrove offers education-first buyer resources for modular and tiny homes across Texas and the Southeast — start at terragroverelestate.com.

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