

B.C. pension fund promotes modular home living

FEATURE | The stigma associated with “trailer parks” and a class society created by Vancouver real estate prices stop more people from buying low-cost modular houses, according to realtors, lenders and B.C.’s largest public pension fund

By **FRANK O'BRIEN**

fobrien@biv.com

“I hate the Trailer Park Boys,” said Sharon Lenning, a realtor with MacDonald Realty in Surrey, referring to the popular TV and movie comedy depicting white-trash lifestyles in a fictional community.

Lenning, who lived nine years in a Langley modular home park, argues the parks combine safe and community-minded living with the most affordable housing in the Lower Mainland.

“The new modular homes are like the best new condos, with two to three bedrooms, two bathrooms, stainless steel appliances and even vaulted ceilings,” said Lenning, who now specializes in sales of modular homes in Fraser Valley parks.

Mortgage manager Abdul Safi of TD Canada Trust in Vancouver notes that modular homes offer an “extremely affordable” alternative for homebuyers in Metro Vancouver, where a recent Royal LePage survey found the average bungalow now sells for more than \$1 million. Most of TD’s modular home loans are for less than \$80,000, he said.

Safi added that modular home buyers can qualify for a chattel mortgage, which is used to buy modular homes, easier than with a conventional mortgage because of the much lower loan values.

The chattel mortgages offer the same financing options as conventional home loans and include mortgage insurance, most often from Canada Mortgage and Housing Corp.

Using a recent example, Safi explained a buyer purchased a \$75,000 modular home in Surrey with a 5 per cent down payment, a variable mortgage of 4 per cent and a mortgage amortization of 25 years.

“Their downpayment was \$3,250 and their monthly mortgage payments are \$386.95,” he explained, “and they don’t have any strata fees.”

Owners in modular home parks, however, pay a monthly lease for the land the home is sitting on, which averages \$820 per month in the Fraser Valley. Still, the total monthly payment works out to less than that of buying a Lower Mainland condominium, which now has an average price of \$375,000, according to the Real Estate Board of Greater Vancouver.

While modular home buyers can’t expect to enjoy the equity appreciation of conventional homes, Board statistics show the typical condominium price has increased only 1.8 per cent in the past three years and townhouse prices have fallen 1 per cent in the same period.

Safi said modular homes account for fewer than 10 per cent of his office’s mortgage loans, despite the affordability factor.



Lachlan MacLean, director of B.C. operations, Parkbridge Lifestyle Communities. | PARKBRIDGE

He doesn’t see that changing.

“Vancouver has developed a class society based on housing prices,” Safi said. “People don’t want to say they live in a trailer park.”

British Columbia’s biggest pension fund, the BC Investment Management Corp. (BCIMC), hopes to change that perception.

In 2010, BCIMC bought Parkbridge Lifestyle Communities Inc. for \$790 million. Last month Parkbridge, Canada’s largest modular park developer launched an “enhancement program” in three older parks it bought two years ago in Surrey and White Rock in a bid to erase the *Trailer Park Boys* image and convince more families and retirees to consider modular housing.

One of the moves involves installing dozens of the latest modular homes, factory-built



Manufactured house by Moduline: prices are a tenth of conventional detached house in Metro Vancouver. | MODULINE INDUSTRIES

Vancouver has developed a class society based on housing prices

ABDUL SAFI
TD MORTGAGE MANAGER



by Moduline Industries or Windfield Home Systems, both based in the Okanagan. “These homes are built to the same code and the interiors are equal to newly built houses in any subdivision,” said Lachlan MacLean, director of B.C. operations for Parkbridge. The difference, he noted, is that the three-bedroom, two-bath houses sell for about one-tenth

the price of a conventional three-bedroom rancher.

Parkbridge is also renovating many of its older modular homes with contemporary upgrades. All three parks are also being improved with landscaping and upgraded community facilities, such as recreation centres, new swimming pools, basketball courts and children’s play areas.

Open houses are being held this spring at the three Fraser Valley parks in a bid to convince more buyers to embrace the modular home lifestyle, MacLean said.

Lenning, who plans to downsize back into a modular home, said Parkbridge is on the right track. “It is all about how good the [modular home] park is,” she said, “and Parkbridge has really raised the standard.” ■