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# Manufactured Home Feasibility Study

**December 2009**

**Project Team:**

The Co-op Housing Federation of BC  
Darren Kitchen

McClanaghan & Associates  
4150 West 14<sup>th</sup> Ave  
Vancouver, B.C. V6R 2X5  
Phone: (604) 644-9844

*The Project Team gratefully acknowledges the financial support of the Province of British Columbia through the Housing Endowment Fund on this project.*

The views expressed in this paper are solely those of the author(s). The Ministry of Housing and Social Development and the Government of British Columbia do not necessarily share, support, nor endorse those views.

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## **Executive Summary**

This study was initiated by the Coop Housing Federation of B.C. to examine the financial feasibility of using a coop based approach to assist in the preservation or expansion of manufactured homes. The Project Team gratefully acknowledges the financial support of the Province of British Columbia through the Housing Endowment Fund on this project.

Across British Columbia, manufactured homes account for approximately 3% of the total housing stock. The operating context for manufactured homes is complicated in that this form of housing includes both ownership and rental tenure on the same site.

Manufactured housing represents an important housing resource in many communities, particularly in smaller communities on the edges of larger urban centres and in rural settings. Typically manufactured homes are a successful and affordable source of ownership housing with only a small proportion of the stock being rental.

In recent years, there have been concerns about the potential loss of this stock through redevelopment pressures. This study used a pro-forma based analysis to evaluate the project economics for establishing a new manufactured home park or acquiring and converting an existing park.

In undertaking this research, the study focused on three central questions:

- Whether there would be any benefit in creating new MHPs or acquiring and managing an existing MHP as an affordable rental housing project using a coop management model to build a sense of community as well as keep costs down.
- Whether the use of Provincial Rental Assistance programs such as SAFER and RAP could help to provide a way to improve the overall affordability and ensure that important social outcomes could be achieved.
- Whether this model could help to provide a way to assist families and individuals who have been displaced from an existing park because of redevelopment pressures.

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To answer these questions, the study relied on an analysis of MLS data, Census data, assessment data as well as transaction-based data for parks which had recently sold. This analysis relied on the use of a pro-forma based approach to model different scenarios to understand the break-even rent and housing payment required to carry the housing cost.

The results of the analysis was back-mapped against the current profile of manufactured home residents including seniors, single parent families and other households to test the potential benefits of the different interventions contemplated.

The study evaluated four (4) different scenarios:

- New park—pad rental only;
- New park—pad rental + modest rental dwelling unit;
- New park—entry-level ownership, strata title tenure;
- Acquisition and conversion of an existing park.

In looking at the acquisition and conversion of an existing park, recent transaction data for six (6) different parks were analyzed including:

- 2 parks in Surrey;
- 2 parks in Hope;
- 1 park in Parksville;
- 1 park in Kelowna.

### **Baseline Cost Estimates of the Scenarios**

Table 1 shows the housing costs under various scenarios (either rental or ownership). It also shows the incomes that would be required to meet that level of housing cost.

The first scenario modeled is the new manufactured home park with pad rental only. This scenario has a break-even rent of \$900 per month. The break-even rent of \$900 per month applies only to the cost of the pad rental and does not take into consideration any costs associated with the actual dwelling unit. Under a coop model, the pad rental costs of \$900 per month would be amortized over 30 years at an interest rate of 5%. Under this scenario each household would have to assume a capital cost of \$112,258. In the current marketplace, pads typically rent for between \$350 and \$400 per pad and naturally there is no debt associated with the tenant. Thus, if one were to create a new pad rental equity coop, each member would have to

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finance \$112,258 to live on a site that they could have previously secured for a rental cost of \$350 to \$400 per month.

The second scenario makes provisions for the installation of a modest dwelling unit on the site. The break-even rent under this scenario is \$1,441 per month and the households would require an annual income of approximately \$57,640 to carry the cost of this housing. Under a coop model, each household would need to finance \$195,878 to live on a site with a pad rental and modest dwelling. There are two important observations related to this scenario:

- (a) \$57,640 is well above the income of most manufactured home owners; and,
- (b) In most markets where manufactured home parks are common, this level of income would be sufficient to obtain a modest single family home or a 2 to 3 bedroom apartment condo unit –both of which are typically considered to be strong housing alternatives to options available in a manufactured home park.

Under the third scenario (an entry-level ownership model - strata title tenure), a household would have monthly housing costs of \$1,336 per month as well as a monthly condo fee of \$300 per month. Similarly, the household would require an annual income of \$51,240 to carry the cost of this housing (assuming a down payment of 5%). The same constraints as discussed under scenario two would apply to this scenario, namely, the income is outside of the range of a typical manufactured home owner and in many cases there are other housing choices available to these households.

The final scenario models the acquisition and up-grade of an existing manufactured home park. In the examples analyzed in this report, the average monthly cost would be between \$1,100 and \$1,400 per pad and would not take into consideration any of the existing debt that a household may have. Similar to the first scenario, the household that was previously paying \$350 to \$400 per month would now have to increase their payments by \$700 to \$1,050 per month simply to convert to an equity co-op model with no appreciable improvement in the housing services received.

Table 1: Break Even Rent and Income Threshold

<b>Park/unit alignment</b>	<b>Break-even rent/housing cost</b>	<b>Entry-level income threshold</b>
New park-pad rental only	\$900	\$36,000
New park-pad rental + modest dwelling unit	\$1,441	\$57,640
New park-entry level ownership	Purchase price of \$203,713 \$1,336 + \$300 condo fees <sup>1</sup>	\$51,240
Equity coop purchase of existing MHP	\$1,100-\$1,400	\$44,000-\$56,000

### **Conclusions**

The general income and social mix of households living in manufactured home units suggests that the income capacity from a site is relatively low. The data modeled in this study also suggests that a new site would typically require a significant equity contribution or subsidy to make the project economically viable. In examining the alternatives, the study concluded that the cost profile and the attendant income thresholds are generally higher than the typical income demographic of households living in manufactured home parks. Moreover, at these housing costs, many communities in British Columbia are able to offer a superior range of housing choices, whether in single family homes, townhouses, condominiums, or conventional rental housing.

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<sup>1</sup> The scenario modeled assumed a 5% down payment, 5% interest rate and amortization period of 30 years.

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## Background

Manufactured homes provide an affordable form of ownership and rental housing. Across British Columbia, manufactured homes account for approximately 3% of the total housing stock. In recent years, there have been concerns about the potential loss of this housing through redevelopment pressures. This study was initiated by the Coop Housing Federation of B.C. to examine the financial feasibility of using a coop based approach to assist in the preservation or expansion of this form of housing.

The study examined a number of different elements including:

- (a) Analysis of local market conditions and the affordability profile associated with various options ranging from acquiring an existing park to establishing a new park;
- (b) Evaluation of the project economics for different scenarios ranging from pad rental only through to the rental of a pad and modest dwelling unit.

The study also evaluated the potential opportunities of developing an entry-level ownership model through using strata-title tenure.

In undertaking this research, the study considered the following questions:

- Whether there would be any benefit in acquiring a site and managing the site as an affordable rental housing project using a coop management model to help build a sense of community as well as help keep costs down;
- Whether the use of Provincial rental assistance programs such as SAFER and RAP could help to provide a way to improve the overall affordability of this housing and ensure that important social outcomes could be achieved; and,
- Whether this model could help to provide a way to assist families and individuals who have been displaced from an existing park through redevelopment pressures.

As part of the analysis, the study looked at different management structures from the use of a conventional management model through to conversion to a housing coop.

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## **Alternatives Evaluated**

In considering the alternatives, the study used a pro-forma based approach to determine the cost of acquiring and converting an existing park as well as the cost of establishing a new park. In evaluating the project economics for the different scenarios, the following factors were taken into consideration:

- Site acquisition and servicing costs;
- Installation and hook-up fees including the cost for a modest dwelling unit; and,
- Determination of a break-even rent and monthly carrying cost.

In modelling the economics related to new supply, the study looked at the potential costs and benefits of the following scenarios:

- a) Pad rental only;
- b) Pad rental plus rental of a modest dwelling unit;
- c) Entry-level ownership.

The study also examined the potential role that the coop housing sector could play in helping to facilitate or support this type of housing as well as the type of equity or subsidy required to facilitate the purchase of an existing park and operate it as a co-op in order to prevent the further erosion or loss of this form of housing.

## **Context**

The manufactured home stock represents some of the more affordable housing stock in the Province. In recent years, the combination of growth pressures and rising housing prices has resulted in a situation where some of the existing manufactured home parks face redevelopment pressures. This study was initiated to look at what, if any actions could be taken by the Coop Housing Federation of BC to preserve or expand this source of housing.

This research builds on previous work done by McClanaghan & Associates for the Province of BC which looked at the potential redevelopment pressures on manufactured home parks. In this research, it was noted that the operating context for manufactured homes is complicated in that this form of housing includes both ownership and rental tenure on the same site.

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Park owners and operators have also expressed concern that the long term rent controls in place under the *Residential Tenancy Act* have limited the ability of existing parks to recover the costs of maintaining and up-grading the sites. As well, many park owners have seen escalating expenses and have limited reserves set aside for capital improvements. This has created additional pressure on the stock, either in the form of redevelopment (where permitted) or in the form of deferred maintenance.

The mix of ownership and rental on a single site has also resulted in some challenges. In particular, owners of manufactured home units which are located on the site and which typically pay a pad rental fee have limited mobility for their units (especially those living in older units). As a result, many manufactured home owners can face a precarious situation in cases where their park is sold or where the park may be under consideration for redevelopment. Furthermore, this challenging situation may be further intensified in cases where an owner is unable to find a new rental pad for their unit.

The development economics are also biased toward the owners of the manufactured home parks, in cases where a park is facing potential sale and redevelopment. For example, in these cases it is likely that the park owner will see an appreciation in value while the tenant base is vulnerable to a significant loss of equity. Some of the park residents have also expressed the concern that they have only limited choices in terms of the alternatives available to them for relocating their unit. This can be tied to the age and condition of their unit as well as an inability to find a suitable site. There is also the potential financial burden of relocation including the costs associated with moving their unit to a new site as well as the cost associated with having services and hook-ups installed.

In addition to the disruption, many manufactured home owners are also unable to find a suitable rental pad for their unit at a cost that is comparable to their current pad rental fee. As shown in the analysis completed to support this study, newer sites typically have higher pad rental fees than older established sites. Therefore, while alternative sites may be available to a manufactured home owner who has been displaced, it is possible that they could still face a significant increase in their housing costs.

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This report examines some of the costs associated with establishing a new park, as well as the costs of acquiring and converting an existing park. In looking at the cost profile for the different alternatives modeled, it is clear that the costs fall well outside the range that would be affordable to a typical manufactured home owner.

In examining the alternatives, the study concluded that the cost profile and the attendant income thresholds are generally higher than the typical income demographic in manufactured home parks. Moreover, at these housing costs, many communities have superior housing choices available, whether in single family homes, townhouses, condominiums, or conventional rental housing.

Based on data reported in CMHC's Housing in Canada data base, the income profile of manufactured home residents across the Province is also lower than that of many other households. This suggests that many households currently living in this form of housing have limited financial resources that they can draw upon. Based on the data reported by CMHC through the Housing in Canada database 2000, manufactured home owners across the Province reported an average annual income of approximately \$38,000.<sup>1</sup> An income of this level is above the median income reported across renter households but is below the median income for most owners. The data from the Housing in Canada data base also showed that 29% of all residents living in manufactured homes reported an annual income of \$20,000 or less.

An annual income of \$38,000 means that a household could afford a monthly rent of approximately \$950. Similarly, an annual income of \$38,000 means that a household could afford to purchase a dwelling that costs approximately \$147,400 assuming a downpayment of 5% and an interest rate of 5% over a 25 year amortization period. These households also have to carry a monthly pad rental fee of \$250 to \$350 in addition to their mortgage costs. However, this form of housing helps to provide them with an opportunity to build equity and realize the benefits of ownership including a heightened sense of financial security.

It should also be noted that, while this might work for younger households who are just embarking on their housing careers, the same choices might not be available to older households living in existing manufactured home parks who are likely to be in a

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<sup>1</sup> While this data is from the 1996 Census, it is important to note that while there have likely been some improvement in income, this group still fits well within the income level considered to be low-to-moderate.

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situation where they are living off their savings and may not have the same access to financing that might be available to other household types.<sup>1</sup>

### **Analysis of the Local Market Conditions**

One challenge for policy makers and decision makers to evaluate when considering this form of housing is to assess the other housing options that might be available in the community. As a result, in addition to looking at the income profile of manufactured home owners, this analysis also looked at local market conditions in order to gain a better sense of where manufactured home units fit within the full continuum of housing choices available. In evaluating the different alternatives, this study relied on a number of potential data sources including information on:

- The current inventory of manufactured home units;
- Changes in the inventory over time;
- Income and shelter cost data;
- MLS market data; and,
- Family and household data.

While this section provides an overview of the high level results, additional socio-demographic and economic data is available in Appendix A and B for the different regional districts across the Province. As well, specific community level data for a selected sample of communities has also been included in Appendix C.

### **The Current Inventory of Manufactured Home Units**

The 2006 Census data shows that there are 43,265 manufactured home units across B.C. This represents approximately 3% of the total housing stock. Comparative data for the 2001 and 2006 Census shows that the inventory of manufactured homes has remained relatively constant between these two census periods<sup>2</sup>.

Analysis of differences across the different sub-regions in the Province shows that, while, in aggregate, the inventory of manufactured home units has remained relatively constant, there is significant variation in the profile of the stock across different

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<sup>1</sup> The 2006 Census shows that, Province-wide, approximately 39% of households who own a manufactured home carry a mortgage.

<sup>2</sup> Data from 2001 shows 43,440 manufactured home units Province-wide. In 2006 there was a total of 43,265 units reported.

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regions.<sup>1</sup> The data also shows that between 2001 and 2006, 15 out of the 28 Regional Districts across the Province reported a net decrease in the number of manufactured home units including:

- the Fraser Fort George Region (loss of 915 units)
- the Thompson Nicola Regional District (loss of 800 units)
- Mount Waddington Regional District (loss of 415 units)
- Nanaimo Regional District (320 units).

At the same time, twelve<sup>2</sup> of the 28 regional districts reported a net increase in units between 2001 and 2006 with the largest increase in units occurring in:

- the East Kootenay Regional District (increase of 1,640 units)
- the Central Okanagan Region (increase of 1,070 units)
- the Fraser Valley Regional District (increase of 495 units)
- the Central Kootenay Regional District (increase of 290 units)
- the Greater Vancouver Regional District (increase of 170 units)

### **Needs Met Through the Manufactured Home Stock**

The majority of manufactured home units are ownership units (36,380). This represents 84% of the total inventory and approximately 3% of the ownership stock across the Province.

In looking at the role that manufactured home units play in the broader housing continuum, it is clear that they represent an important point between entry-level ownership and rental housing. As well, there is no doubt that this housing represents one of the most affordable sources of ownership housing on the continuum.

### **The Cost to Purchase an Existing Manufactured Home Unit**

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<sup>1</sup> Table A1 in Appendix A shows the total inventory of manufactured home units across B.C. including changes in the inventory between 2001 and 2006. This information is reported for each of the different regional districts. Table A3 also provides information on the absolute change (net increase or decrease in units).

<sup>2</sup> There were no manufactured home units in the Stikine Region.

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MLS data for both existing manufactured home units and entry-level ownership options was gathered for a total of 38 communities across the Province. Information for these 38 communities can be found in Appendix C. This includes information on:

- the median household income;
- average shelter costs;
- the value of existing dwellings as reported in the Census;
- the number of manufactured home units listed for sale on the MLS;
- the median asking price for a unit on the MLS;
- the qualifying income needed to purchase a unit; and,
- the monthly carrying cost.

Data included in Appendix C also examines the income and price threshold for entry-level ownership opportunities in the selected communities.

In looking specifically at the MLS data for existing manufactured home units, the market data showed that, as of April 2009:

- 68% of the communities examined reported a median asking prices of \$100,000 or less for an existing manufactured home unit on the MLS listings;
- an additional 13% of communities reported a median asking price of between \$100,000 and \$130,000;
- approximately 1 in 5 communities (18%) reported a median asking price of \$130,000 or more.

In calculating the qualifying income needed to purchase this unit<sup>1</sup>, the data suggests:

- for a median asking price of \$100,000 or less, a household would require an annual income of \$28,893 and would have monthly housing costs of \$770;
- for a median asking price of between \$100,000 to \$130,000 a household would require an annual income of between \$28,893 and \$35,311 and would have monthly housing costs of \$770 and \$942;
- for a median asking price of more than \$130,000 a household would require an annual income of more than \$35,311 and would have monthly housing costs of more than \$942.

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<sup>1</sup> This is based on a 5% down payment, a 5% interest rate, a 25 year amortization period, and monthly costs of approximately \$200.

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The background research for this study also found that the purchase of a new modest sized manufactured home unit (without pad rental or installation) is approximately \$77,500. This is discussed in greater detail in the following section.

### **Constructing the Analysis**

This section provides a more detailed analysis of the different cost and revenue assumptions associated with establishing a new park. This includes the costs associated with acquiring and servicing a site as well as the costs associated with installing a modest dwelling unit. In evaluating the financial feasibility of a new park, the pad rental fee represents an important part of the equation as the revenue generated through the pad rental fee will determine the debt servicing and equity requirements for the site.

The amount of the pad rental fee can vary significantly across different parks. For most parks, the pad rental fee tends to be between \$250 to \$350 per month. However, for some parks (often newer parks) the pad rental fee can be in the range of \$450 or more. The amount of the pad rental fee is determined by the park owner and is based on a number of factors including the costs associated with managing and operating a park.

For existing parks, a number of owners and operators have expressed concerns about the fact that the *Residential Tenancy Act* limits the amount of rent increase that can be passed on to the tenants, with the cash flow generated through the rents having an impact on the revenue available to cover the operational and financial costs (repairs and upgrades) associated with the maintenance of an aging park. This pattern, in turn, has contributed to increased redevelopment pressure within the existing stock and has meant that some owners have also had to put off making improvements to their site. As well, because the baseline rents are so low, applying the guideline increase allowed under the *Residential Tenancy Act* is not enough to generate the capital required to complete the necessary repairs.

For example, applying the current guideline increase of 3.2% to a baseline rent of between \$250 and \$350 per month would only translate into an increase of between \$8.00 and \$11.20 per month or an annual increase of between \$72 and \$134 per

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rental pad.<sup>1</sup> Recent changes to the legislation governing manufactured home units now allow manufactured home sites to pass through costs for changes in local government levies (taxes) and utility fees. This is called a proportional amount as it is divided across all rental pads.

While it is possible that a coop housing management model could help to keep the day to day operating and management costs down, the break-even analysis completed for this study shows that many of the costs such as taxes, utilities, as well as basic maintenance and up-grades are fixed and that, in many cases, these costs exceed the revenue generated through the pad rental. As a result, some of the older parks have reached a point in their economic life where they require significant up-grades which cannot be carried by the revenue generated under the existing cash flow.

The findings for this study also suggest that the costs associated with establishing a new site are more likely to be in the range of \$900 per month if calculated on a break-even basis. This is almost twice the level of the existing pad rental fees (at the high end) and is well above the level that is considered affordable.

### **Social Benefits of the Existing Stock**

This section examines the social benefits of the existing manufactured home stock including the households that are assisted through access to this housing. This section also looks more closely at the types of opportunities this housing provides. The 2006 Census shows that, while only 3% of all households across the Province live in manufactured home units, almost 4 in 10 units are occupied by seniors 65+ while 1 in 10 are occupied by seniors 75 or older. These are individuals who would have worked hard to invest in their unit on the belief that this housing, and their investment in it, would help to see them through their retirement years. For these households, the prospect of potential displacement from their unit or the thought of having to relocate their unit to another park could create significant emotional and financial hardship.

The data also shows that young families with children accounted for approximately 1 in 5 households currently living in the manufactured home units. This includes a large

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<sup>1</sup> This rent increase is based on information published by the Residential Tenancy Branch and takes effect in September 2010.

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percentage of single parent family households. For these households, living in a manufactured home unit represents an affordable form of ownership. In particular, this housing helps to provide these families with an opportunity to acquire an asset, and to build economic independence and self-reliance. For these households the potential sale of their park could result in a certain level of dislocation and could mean significant disruption in established social and support networks. For children living in this housing, the sale or redevelopment of their park could also mean that they have to move to a new school and establish new friendships and a new social network.

The data in Appendix B includes information on the general socio-demographic profile of households living in the manufactured home stock across the Province including information on:

- the general tenure profile of residents (Table B1);
- the general age profile of residents (Table B2);
- differences in family and household size (Tables B3 and B4);
- the prevalence of seniors (Tables B5 and B6).

The 2006 Census data also shows that, in terms of the current ownership of manufactured homes, approximately 17,310 (45%) are owned without a mortgage, 14,215 (39%) are owned with a mortgage. The remaining units are rented.

### **Constructing the Alternatives**

This section examines the project economics associated with acquiring and renovating an existing manufactured home park as well as the costs associated with establishing a new park. The analysis includes an estimate of the cost of acquiring a site along with a discussion of the capital costs and financial structure associated with different alternatives.

The pro-forma on the following page sets out the baseline costs associated with establishing a new park. The analysis in this section also begins to model a number of the different possible scenarios including:

1. Pad rental;
2. Pad rental plus modest dwelling unit;
3. Entry-level ownership.

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In looking at the different scenarios which are modeled, the analysis begins to look more closely at the three key research questions which included:

- Consideration of the benefits of managing the site as an affordable rental housing project using a coop management model to help build a sense of community as well as help keep costs down;
- The potential use of Provincial Rental Assistance programs such as SAFER and RAP to help provide a way to improve the overall affordability and ensure that important social outcomes can be achieved; and,
- Whether this model can help to provide a way to assist families and individuals who have been displaced from an existing park because of redevelopment pressure.

### **Site and Project Characteristics**

The analysis set out in this section assumes a site of approximately 40 units completed in 2 phases (20 units per phase) with the following cost structure:

**Modeling the Project Economics - Scenario 1 - Establishing a New MHP (Pad & Dwellings)**

	Phase 1	Phase 2	Total Cost	Per Unit
<b>Land</b>	20 units	20 units	40 units	
<b>Acquisition</b>	\$760,000		\$760,000	\$19,000
<b>Legal</b>	\$20,000		\$20,000	\$500
<b>PPT</b>	\$17,000		\$17,000	\$425
<b>Contingency</b>	\$10,000		\$10,000	\$250
<b>Total land</b>	\$807,000		\$807,000	\$20,175
<b>SOFT COSTS</b>				
<b>Project Management</b>	\$139,118	\$139,118	\$278,236	\$6,956
<b>Architectural Coordinator</b>	\$2,857	\$2,857	\$5,714	\$143
<b>Interest during Construction</b>	\$54,286	\$54,286	\$108,571	\$2,714
<b>Architecture &amp; Design</b>	\$47,619	\$47,619	\$95,238	\$2,381
<b>Civil Engineer</b>	\$49,590	\$49,590	\$99,181	\$2,480
<b>Survey Fees</b>	\$4,762	\$4,762	\$9,524	\$238
<b>Appraisal</b>	\$9,524	\$9,524	\$19,048	\$476
<b>Accounting</b>	\$3,810	\$3,810	\$7,619	\$190
<b>Consultant Disbursements</b>	\$2,857	\$2,857	\$5,714	\$143
<b>Legal - tenure &amp; agreements</b>	\$23,810	\$23,810	\$47,619	\$1,190
<b>Legal</b>	\$9,524	\$9,524	\$19,048	\$476
<b>Legal Closing</b>	\$3,810	\$3,810	\$7,619	\$190
<b>DCC's</b>	\$437,143	\$437,143	\$874,286	\$21,857
<b>Property Tax</b>	\$9,524	\$9,524	\$19,048	\$476
<b>HPO &amp; Warranty</b>	\$0	\$0	\$0	\$0
<b>Insurance</b>	\$19,048	\$19,048	\$38,095	\$952
<b>Total Soft Costs</b>	\$817,280	\$817,280	\$1,634,559	\$40,864
	Units 20	20	40	
<b>HARD COSTS</b>				
<b>Infrastructure:</b>	<b>Phase 1</b>	<b>Phase 2</b>		<b>Per Unit</b>
	20 units	20 units	40 units	
Water mains	\$113,095	\$31,150	\$144,245	\$3,606
Sanitary sewers	\$122,952	\$89,950	\$212,902	\$5,323
Storm Sewers	\$103,571	\$50,250	\$153,821	\$3,846
Road works	\$158,667	\$54,575	\$213,242	\$5,331
Underground Hydro,	\$130,952	\$33,600	\$164,552	\$4,114
<b>Total Infrastructure</b>	\$629,238	\$259,525	\$888,763	\$22,219
<b>Off-sites</b>	\$120,000		\$120,000	\$3,000
<b>Common areas, Amenity &amp; Signage,</b>	\$80,000		\$80,000	\$2,000
<b>Manufactured Home Cost</b>	\$1,700,000	\$1,700,000	\$3,400,000	\$85,000
<b>Landscaping</b>	\$40,000	\$20,000	\$60,000	\$1,500
<b>GST allowance on soft &amp; Homes (@ 3.2</b>	\$108,593	\$88,858	\$189,546	\$4,739
<b>Contingency</b>	\$135,461	\$111,872	\$247,333	\$6,183
<b>Total Hard Costs</b>	<b>\$4,437,571</b>	<b>\$2,997,535</b>	<b>\$7,427,202</b>	<b>\$185,680</b>
<b>Hard Cost per unit</b>	\$221,879	\$149,877	\$185,680	

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## **Scenario 1: Pad Rental Only**

As discussed in the previous section, the general income and social mix of households living in manufactured home units suggests that the income capacity from a site is relatively low.

The data modeled in this section suggests that a new site would typically require a significant equity contribution or subsidy to make the project economically viable.

The initial scenario modeled in this section considers the project economics of establishing a new site. The benefit of this approach is a net increase in the overall supply of this type of housing. However, there are significant constraints in keeping the housing affordable without some external sources of funding.

The addition of new supply would help to offset some of the pressures created through the redevelopment of the existing stock as well as help to provide increased choice to households seeking this form of housing. The creation of new supply, particularly in the form of rental pads could also help provide potential assistance to households that have been displaced through redevelopment.

Table 2 on the following page shows the monthly break-even rent for land and servicing costs for a 40 unit park. As shown in Table 2, the monthly break-even rent for a new park is \$900 per month based on the scenario that was modeled. Included in this break-even rent is a basic cost of \$600 per month for the financing and debt servicing costs associated with acquiring and servicing the site. The break-even rent calculation also includes approximately \$300 per month in operating costs including basic taxes, utilities and management fee.

One of the pressures associated with this housing cost profile is the overall affordability. Applying the standard definition of affordability<sup>1</sup> to a rent of \$900 per month translates into a basic income requirement of \$36,000 per year just to maintain or carry the cost of the pad rental. If a household was also carrying a mortgage<sup>2</sup> for their unit, on top of this pad rental fee, it would begin to push the cost of the housing out of the range that is typically considered to be affordable for households with low or low to moderate incomes.

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<sup>1</sup> Affordability is defined as housing that costs no more than 30% of a household's gross income.

<sup>2</sup> Data from the 2006 Census shows that approximately 39% of manufactured home residents have a mortgage while 45% do not have a mortgage. The remaining 16% are renters.

It should also be noted that an annual income of \$36,000 also falls outside of the income ceiling allowed for families under the RAP (Rental Assistance Program) where the maximum income allowed is \$35,000. As well, it is above the income ceiling allowed for single seniors or couples under the SAFER program. It should also be noted that the scenario modeled includes only the costs for the pad rental. The inclusion of a modest dwelling unit (rental) or entry-level ownership were also modeled. In these cases, the monthly rent or housing costs increase to between \$1,441 and \$1,666 per month (including a monthly condo fee of \$300).

Table 2: Monthly Break-even Rent

PAD & HOME RENTAL SCENARIO		PHASE 1	PHASE 2	TOTAL	PER UNIT
Land		\$807,000		\$807,000	\$20,175
Soft Cost		\$817,280	\$817,280	\$1,634,559	\$40,864
Hard Costs	Infrastructure	\$990,891	\$357,855	\$1,348,746	\$33,719
Dwellings	@ \$77,500 per unit	\$0	\$0	\$0	\$0
<b>Rent-up &amp; Placement</b>					
Install	\$10,000	\$200,000	\$200,000	\$400,000	\$10,000
Legal & mkt'g	\$5,000	\$100,000	\$100,000	\$200,000	\$5,000
Closing Cost	\$1,000	\$20,000	\$20,000	\$40,000	\$1,000
Other	\$1,500	\$30,000	\$30,000	\$60,000	\$1,500
Sub-total	\$17,500	\$350,000	\$350,000	\$700,000	\$17,500
<b>Total Cost</b>		<b>\$2,965,171</b>	<b>\$1,525,135</b>	<b>\$4,490,306</b>	<b>\$112,258</b>
<b>Financing Scenarios</b>				<b>monthly</b>	<b>Annual</b>
100%		Payment Amount		\$24,029	\$242,236
Fully Rented					
<b>Income and Operating Statement - at Breakeven</b>				40 units	40 units
Break even financing Cost (econ. rent)		per unit \$601		\$24,029	\$288,348
Operating Cost:					
Operating & management exp.		\$100		\$4,000	\$48,000
Property Tax		\$100		\$4,000	\$48,000
Utilities		\$100		\$4,000	\$48,000
		<u>\$300</u>		<u>\$12,000</u>	<u>\$144,000</u>
Total Operating costs (Breakeven Rent Level)		\$901		\$36,029	\$432,348

**Scenario 2: Pad Rental + Modest Rental Dwelling Unit (Managed as a Rental Co-op)**

Under this scenario, the analysis calculates the basic break-even rent for a pad rental plus the rental of a modest dwelling unit.

As set out in this section, the monthly break-even rent under this scenario is approximately \$1,441. This includes a monthly cost of \$1,141 per month to cover the financing costs associated with preparing the site as well as the cost associated with the installation of a modest dwelling unit.

In comparing this scenario with the pad rental only scenario, the additional monthly carrying costs associated with adding a modest dwelling unit is approximately \$540 per month. This brings the total monthly costs to \$1,441 per month to operate the site (pad rental and dwelling unit on a break-even basis).

To carry the monthly cost of \$1,441 per unit, a household would require an annual income of almost \$58,000 assuming that the housing costs include the cost of the rental pad as well as the cost of a modest dwelling unit. In analyzing the results it is evident that this financial arrangement is not viable for a number of renter households which typically have lower incomes. Furthermore, a monthly income at this level would mean that the household would not be eligible for assistance under existing Provincial rental assistance programs as an income of this level falls well outside the established rent ceilings.<sup>1</sup>

Table 3: Scenario—Pad Rental + Rental of Dwelling Unit

PAD & HOME RENTAL SCENARIO			PHASE 1	PHASE 2	TOTAL	PER UNIT
Land			\$807,000		\$807,000	\$20,175
Soft Cost			\$817,280	\$817,280	\$1,634,559	\$40,864
Hard Costs	Infrastructure		\$1,113,291	\$480,255	\$1,593,546	\$39,839
Dwellings	@ \$77,500 per unit		\$1,550,000	\$1,550,000	\$3,100,000	\$77,500
<b>Rent-up &amp; Placement</b>						
	Install	\$10,000	\$200,000	\$200,000	\$400,000	\$10,000
	Legal & mkt'g	\$5,000	\$100,000	\$100,000	\$200,000	\$5,000
	Closing Cost	\$1,000	\$20,000	\$20,000	\$40,000	\$1,000
	Other	\$1,500	\$30,000	\$30,000	\$60,000	\$1,500
	<b>Sub-total</b>	\$17,500	\$350,000	\$350,000	\$700,000	\$17,500
<b>Total Cost</b>			<b>\$4,637,571</b>	<b>\$3,197,535</b>	<b>\$7,835,106</b>	<b>\$195,878</b>
<b>Financing Scenarios</b>					<b>monthly</b>	<b>Annual</b>
	100%			<b>Payment Amount</b>	\$45,658	\$547,896
		<b>Fully Rented</b>				
<b>Income and Operating Statement - at Breakeven</b>				per unit	40 units	40 units
Break even financing Cost (econ. rent)				\$1,141	\$45,658	\$547,896
Operating Cost:						
	Operating & management exp.			\$100	\$4,000	\$48,000
	Property Tax			\$100	\$4,000	\$48,000
	Utilities			\$100	\$4,000	\$48,000
				<b>\$300</b>	<b>\$12,000</b>	<b>\$144,000</b>
<b>Total Operating costs (Breakeven Rent Level)</b>				<b>\$1,441</b>	<b>\$57,658</b>	<b>\$691,896</b>

<sup>1</sup> Under the Provincial SAFER program (Shelter Aid for Elderly Renters), the income ceilings are set at between \$28,000 and \$30,000 depending on whether the household is a single or a couple. Under the Provincial RAP program (Rental Assistance for Working Families), the income ceiling is \$35,000.

### Scenario 3: Entry-level Ownership

This scenario explores whether a potential ownership initiative using strata title tenure would improve the outcome. Under this scenario, rather than being treated as rental, it is assumed that the unit could be purchased.

Table 4: Entry-level Ownership

PAD & HOME SCENARIO		PHASE 1	PHASE 2	TOTAL	PER UNIT
<b>Land</b>		<b>\$807,000</b>		<b>\$807,000</b>	<b>\$20,175</b>
<b>Soft Cost</b>		<b>\$817,280</b>	<b>\$817,280</b>	<b>\$1,634,559</b>	<b>\$40,864</b>
<b>Hard Costs</b>	<b>Infrastructure</b>	<b>\$1,113,291</b>	<b>\$480,255</b>	<b>\$1,593,546</b>	<b>\$39,839</b>
<b>Dwellings</b>	@ \$77,500 per unit	<b>\$1,550,000</b>	<b>\$1,550,000</b>	<b>\$3,100,000</b>	<b>\$77,500</b>
<b>Rent-up &amp; Placement</b>					
	Install	\$10,000	\$200,000	\$200,000	\$400,000
	Legal & mkt'g	\$5,000	\$100,000	\$100,000	\$200,000
	Closing Cost	\$1,000	\$20,000	\$20,000	\$40,000
	<u>Other</u>	<u>\$1,500</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$60,000</u>
	<b>Sub-total</b>	<b>\$17,500</b>	<b>\$350,000</b>	<b>\$350,000</b>	<b>\$17,500</b>
<b>Total Cost</b>		<b>\$4,637,571</b>	<b>\$3,197,535</b>	<b>\$7,835,106</b>	<b>\$195,878</b>
<b>Ownership Scenarios - data</b>				<b>monthly</b>	<b>Annual</b>
<b>Purchase Price inc. 4% transaction costs</b>			<b>\$203,713</b>		
<b>Operating (Strata) Cost:</b>					
	Operating & management exp.		\$100	\$4,000	\$48,000
	Property Tax		\$100	\$4,000	\$48,000
	Utilities		\$100	\$4,000	\$48,000
			<b>\$300</b>	<b>\$12,000</b>	<b>\$144,000</b>
<b>Income and Social Mix - Revenue Assumptions</b>					
<b>Purchase Price</b>			<b>\$203,713</b>		

Based on the pro-forma which was developed, the unit plus the rental pad could be acquired for a purchase price of \$203,713. This includes all of the hard and soft costs associated with acquiring and servicing the site including the costs associated with the preparation, installation and hook-up of the dwelling unit. Assuming a down payment of 5% and an interest rate of 5%, the cost associated with the mortgage financing and operation of the site is approximately \$1,366 per month.<sup>1</sup>

<sup>1</sup> There is an estimated strata fee of \$300 per month which would include costs for day to day management as well as the amount required to be set aside as replacement reserves.

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In looking at the general project economics of this scenario, it is clear that, while this approach may help to address some of the issues related to security of tenure, it is not able to address issues related to affordability. This scenario would also have limited effectiveness in meeting the needs of seniors<sup>1</sup>—a group which has often relied on this form of housing. With a purchase price of \$203,713 and monthly condo fee of \$300, the analysis suggests that a household would require an annual income of \$51,240 to move into this unit assuming a 5% down payment and a 5% interest rate amortized over 25 years.

## **Discussion and Analysis**

In evaluating the potential strengths and weaknesses of the different scenarios that were modeled, it should be noted that:

- This approach recognizes that the manufactured home stock is an important source of housing within the broader continuum of housing choices;
- This scenario provides a potential alternative for owners of manufactured home units who have been displaced from an existing park and who need to find a place where they can relocate their unit;
- The basic project economics for new supply can be challenging with the economic analysis completed to support this scenario suggesting that the monthly costs are between \$900 and \$1,441—an amount well above the pad rental fees and monthly housing costs in existing parks;
- The higher costs associated with establishing a new park can be attributed to higher land costs as well as increased competition for available sites. It can also be attributed to the significant growth pressures that some communities are experiencing.

While this model has the potential to provide an alternative site for manufactured home owners who have been displaced from their existing park, the cost of relocating and re-establishing their unit at a new site can be expensive. This is particularly true for seniors living on a fixed income, as well as single parent family households who may not be able to afford this additional cost.<sup>2</sup>

A secondary question which was examined within the context of this study looked at potential benefits or opportunities arising from the use of a coop housing model. This

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<sup>1</sup> Seniors would not have the income needed to carry the cost of a mortgage for 25 years.

<sup>2</sup> The age and condition of their existing unit might also be a factor in preventing them from moving. Each of these factors, however, would have to be evaluated on a case by case basis.

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section begins to look more closely at the potential opportunities and constraints related to this question.

In terms of the potential opportunities, it is clear that the acquisition and development of a new site would help to address some of the issues related to the general security of tenure. At the same time, without some outside assistance in the form of a grant or equity from some external source, it would not be possible to fully address the on-going issues of affordability. In particular, under the scenario that was modeled, the break-even rent for the basic pad rental alone was calculated to be \$900 per month.

In order for this to be affordable, a household would require an annual income of \$36,000 simply to carry the cost of the pad rental without spending more than 30% of its income on its housing costs. This also assumes that the household does not have any additional costs related to their dwelling unit. If the household had a monthly mortgage of even \$300 per month, they would need an annual income of almost \$48,000 to simply carry their housing costs.

Under the current lower pad rental fee structure of \$250 to \$350 per month which is typical of existing parks, a household would require an annual income of \$26,000 or less to carry the full cost of their housing—both the monthly pad rental fee and the cost of their mortgage. Therefore, while the existing manufactured home stock clearly represents a lower cost, more affordable alternative, this same cost profile cannot be replicated on a new site.

Furthermore, as the price point under the different scenarios moves higher, there will be increased competition with other housing choices including other forms of rental housing as well as entry-level ownership options such as strata condo apartment units<sup>1</sup>. In particular, the data set out in Appendix C shows that, in some communities other forms of ownership are almost as affordable as the scenarios modeled here.<sup>2</sup>

It should also be noted that the pursuit of the entry-level ownership market may be outside of the mandate of the Coop Housing Federation of BC and more closely aligned with an organization such as Habitat for Humanity.

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<sup>1</sup> Table C3 provides information on the median asking price for apartment condo stock in the 38 selected communities. These prices can be compared with the median asking price for manufactured home units as set out in Table C2.

<sup>2</sup> The one caveat that applies is that this scenario is related to new supply while the results in Appendix C are based on resale units.

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**Alternative B: Acquisition and Conversion of an Existing MHP**

This section examines the project economics related to the acquisition and conversion of an existing park. To complete this analysis, recent transaction data (July 2009) was obtained for six manufactured home parks across the Province which were for sale or which had recently been sold.

The project economics of the various transactions for the different sites was analyzed to determine the potential of acquiring the site and operating it as an equity coop. The six sites which were analyzed included two sites in Surrey, one in Parksville, two in Hope and one in Kelowna. The information set out on the table below provides the basic project and site data including:

- The park name and location;
- The asking price;
- The size of the park,
- The number of rental pads available; and,
- The basic pad rental fee.

Tables 5 and 6 provide a general overview of the park characteristics including the average site size, price and monthly pad rental fee. Table 6 also includes information on the basic cap rate which is calculated by taking the net operating income divided by the purchase price.

Table 5: Park Characteristics

<b>MHP Name</b>	<b>Community Price</b>	<b>Pad Rental</b>	<b>Acres</b>	<b># of Pads</b>
Newton MHP	Surrey \$ 3,000,000	\$350	4.79	42
Parksville MHP	Parksville \$ 2,000,000	\$255	10.00	72
Silver Ridge Estates MHP	Hope \$ 1,500,000	\$313	10.00	44
Horseshoe MHP	Surrey \$ 1,387,000	\$437	2.98	26
The Cedars MHP	Hope \$ 775,000	\$270	4.93	32
Trail Park MHP	Kelowna \$ 6,900,000	\$380	11.85	98
	\$ 2,593,667	\$334	7.43	52

Table 6: Average Price per Acre and Average Cost per Pad

MHP Name	Community Price	Cap Rate	\$/Acre	\$/Pad
Newton MHP	Surrey \$ 3,000,000	4.50%	\$ 626,305	\$ 71,429
Parksville MHP	Parksville \$ 2,000,000	8.40%	\$ 200,000	\$ 27,778
Silver Ridge Estates MHP	Hope \$ 1,500,000	7.00%	\$ 150,000	\$ 34,091
Horseshoe MHP	Surrey \$ 1,387,000	7.40%	\$ 465,436	\$ 53,346
The Cedars MHP	Hope \$ 775,000	7.50%	\$ 157,201	\$ 24,219
Trail Park MHP	Kelowna \$ 6,900,000	4.80%	\$ 582,278	\$ 70,408
	\$ 2,593,667		\$ 349,080	\$ 49,878

Based on the data set out in Tables 5 and 6:

- The average park size was 7.43 acres and included an average of 52 rental pads;
- The average cost per pad was \$49,878, although the actual costs varied from an average of \$24,219 per pad in Hope to an average of \$71,429 per pad in Surrey;
- The average pad rental fee was \$334 per month which would generate an annual revenue stream of \$4,008 per unit.
- The pad rental fee of \$334 per month is equal to approximately one-third of the cost of the monthly pad rental for a new site.

### Financing Options and Debt Servicing Requirements

In assessing the economic viability of an existing park, the first step is to examine the amount of debt that can be carried by the existing rent structure. This is referred to as the debt servicing capacity of the site. Table 7 shows the amount of debt that could be financed through the current cash flow. The difference between the debt servicing capacity and the purchase price is the amount of equity or subsidy required to purchase the site. In an ideal scenario (especially for the purposes of carrying the site as a housing coop), it is necessary to find ways to have the project rents carry the majority of the cost of the site with only minimal equity required.

Table 7: Debt Servicing Capacity

MHP Name	Community Price	Mortgage		
		5%	6%	7%
Newton MHP	Surrey \$ 3,000,000	\$ 1,608,797	\$ 1,443,454	\$ 1,303,668
Parksville MHP	Parksville \$ 2,000,000	\$ 2,008,092	\$ 1,801,711	\$ 1,627,231
Silver Ridge Estates MHP	Hope \$ 1,500,000	\$ 1,168,842	\$ 1,048,715	\$ 947,156
Horseshoe MHP	Surrey \$ 1,387,000	\$ 1,231,800	\$ 1,105,202	\$ 998,173
The Cedars MHP	Hope \$ 775,000	\$ 696,283	\$ 624,723	\$ 564,224
Trail Park MHP	Kelowna \$ 6,900,000	\$ 3,978,709	\$ 3,569,799	\$ 3,224,096

Based on the estimated mortgage cost for the sites that were evaluated, the average mortgage amount per rental pad is between \$19,253 for the Cedars, MHP (Hope) and \$42,508 for the Horseshoe MHP (Surrey). These are the amounts that can be financed through the pad rental fees and the amount that the coop could afford to finance to fund the acquisition.

Table 8: Average Mortgage Amount

MHP Name	Community Price		Average Mortgage Per Pad	Average Mortgage Per Pad	Average Mortgage Per Pad
			5%	6%	7%
Newton MHP	Surrey	\$ 3,000,000	\$ 38,305	\$ 34,368	\$ 31,040
Parksville MHP	Parksville	\$ 2,000,000	\$ 27,890	\$ 25,024	\$ 22,600
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 26,565	\$ 23,834	\$ 21,526
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 47,377	\$ 42,508	\$ 38,391
The Cedars MHP	Hope	\$ 775,000	\$ 21,759	\$ 19,523	\$ 17,632
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 40,599	\$ 36,427	\$ 32,899

Assuming a 6% interest rate and a 30 year amortization period, the loan to value ratio for the different parks ranged from 90% for the Parksville site to 48% or 52% for the sites in Surrey and Kelowna<sup>1</sup>. For the purposes of managing the park as a housing coop, it is important to identify the parks/sites which have a greater debt servicing capacity based on the existing rent revenue. This means that parks like the Parksville MHP or Horseshoe MHP in Surrey or the Cedars in Hope have a more favourable loan to value ratio than the other parks. It also means that these parks would have a lower equity requirement to acquire and finance the site than the Newton MHP and Kelowna MHP.

Table 9: Loan to Value Ratio

MHP Name	Community Price		LTV	LTV	LTV
			5%	6%	7%
Newton MHP	Surrey	\$ 3,000,000	54%	48%	43%
Parksville MHP	Parksville	\$ 2,000,000	100%	90%	81%
Silver Ridge Estates MHP	Hope	\$ 1,500,000	78%	70%	63%
Horseshoe MHP	Surrey	\$ 1,387,000	89%	80%	72%
The Cedars MHP	Hope	\$ 775,000	90%	81%	73%
Trail Park MHP	Kelowna	\$ 6,900,000	58%	52%	47%

<sup>1</sup> This assumes an interest rate of 6% and an amortization period of 30 years.

For the purposes of this analysis, it is assumed that the equity required to purchase the site would be contributed by the individual coop members. This would be in addition to their monthly pad rental fee and any mortgage payments that they may have. Table 10 shows the basic equity calculation for the different transactions analyzed while Table 11 shows the average equity required per rental pad.

Table 10: Equity Required

MHP Name	Community Price		Equity	Equity	Equity
			5%	6%	7%
Newton MHP	Surrey	\$ 3,000,000	\$ 1,391,203	\$ 1,556,546	\$ 1,696,332
Parksville MHP	Parksville	\$ 2,000,000	\$ (8,092)	\$ 198,289	\$ 372,769
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 331,158	\$ 451,285	\$ 552,844
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 155,200	\$ 281,798	\$ 388,827
The Cedars MHP	Hope	\$ 775,000	\$ 78,717	\$ 150,277	\$ 210,776
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 2,921,291	\$ 3,330,201	\$ 3,675,904

Table 11: Average Equity per Pad

MHP Name	Community Price		Average	Average	Average
			Equity/Pad	Equity/Pad	Equity/Pad
			5%	6%	7%
Newton MHP	Surrey	\$ 3,000,000	\$ 33,124	\$ 37,061	\$ 40,389
Parksville MHP	Parksville	\$ 2,000,000	\$ (112)	\$ 2,754	\$ 5,177
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 7,526	\$ 10,256	\$ 12,565
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 5,969	\$ 10,838	\$ 14,955
The Cedars MHP	Hope	\$ 775,000	\$ 2,460	\$ 4,696	\$ 6,587
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 29,809	\$ 33,982	\$ 37,509

While adopting an equity coop model would mean a higher level of security of tenure for the park residents, it would also mean that they face higher monthly carrying costs for their unit. Table 12 calculates the basic income threshold and monthly carrying costs for a manufactured home unit assuming different mortgage amounts.<sup>1</sup> Based on the different mortgage values and assuming a 5% down payment, the monthly carrying costs are between \$485 and \$599 per month in addition to the monthly pad rental fees.

The analysis also shows that units at this price point are affordable to households with annual incomes of \$18,000-\$22,500 depending on the cost of their unit and the amount of

<sup>1</sup> The mortgage amounts shown in Table 12 include estimated monthly carrying costs and income requirements for a household with a \$50,000, \$60,000 and \$70,000 mortgage.

their mortgage. These income levels are consistent with the general income profile of households living in manufactured home units.

Table 12: Monthly Housing Cost and Income Requirement

MHP Name	Community Price		Monthly	Monthly	Monthly
			Housing Cost	Housing Cost	Housing Cost
Income Threshold			\$18,197	\$20,336	\$22,475
Mortgage Amount			\$50,000	\$60,000	\$70,000
Newton MHP	Surrey	\$ 3,000,000	\$ 485	\$ 542	\$ 599
Parksville MHP	Parksville	\$ 2,000,000	\$ 485	\$ 542	\$ 599
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 485	\$ 542	\$ 599
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 485	\$ 542	\$ 599
The Cedars MHP	Hope	\$ 775,000	\$ 485	\$ 542	\$ 599
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 485	\$ 542	\$ 599

Table 14 shows the average cost per dwelling unit once the costs of the equity required to finance the acquisition and operation of the site are factored into the analysis. Similarly, Table 13 shows the potential increase in the amount of debt that a household would have to assume once the equity requirements are included.

Table 13: Percentage Increase in Debt Requirements

MHP Name	Community Price		Monthly	Monthly	Monthly
			Housing Cost	Housing Cost	Housing Cost
			\$50,000	\$60,000	\$70,000
Newton MHP	Surrey	\$ 3,000,000	66%	62%	58%
Parksville MHP	Parksville	\$ 2,000,000	0%	5%	7%
Silver Ridge Estates MHP	Hope	\$ 1,500,000	15%	17%	18%
Horseshoe MHP	Surrey	\$ 1,387,000	12%	18%	21%
The Cedars MHP	Hope	\$ 775,000	5%	8%	9%
Trail Park MHP	Kelowna	\$ 6,900,000	60%	57%	54%

Table 14 shows the basic monthly carrying cost for households with an existing mortgage of between \$50,000 and \$70,000 combined with the increase in cost arising from the required equity contribution. This does not include the cost of the monthly pad rental fee or the costs associated with the day to day management and operation of the site. For parks with a lower equity contribution requirement, the increase in the costs would be lower than for those which had a higher equity contribution requirement. However, regardless of the scenario, the move to an equity coop would mean increased housing costs for park residents.

Table 14: Monthly Housing Costs Including Equity Requirements

MHP Name	Community Price		Monthly	Monthly	Monthly
			Housing Cost \$50,000	Housing Cost \$60,000	Housing Cost \$70,000
Newton MHP	Surrey	\$ 3,000,000	\$ 674	\$ 754	\$ 830
Parksville MHP	Parksville	\$ 2,000,000	\$ 485	\$ 558	\$ 629
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 528	\$ 601	\$ 671
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 519	\$ 604	\$ 685
The Cedars MHP	Hope	\$ 775,000	\$ 499	\$ 569	\$ 637
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 655	\$ 736	\$ 813

If one were to include the monthly pad rental fee plus a basic provision of \$300 per month for the day to day maintenance and operation of the site (as well as future replacement reserves), the estimated monthly cost is even higher with the net effect being reflected in the calculations set out in Table 15.

Table 15: Monthly Housing Costs—Pad Rental and Management

MHP Name	Community Price		Monthly	Monthly	Monthly
			Housing Cost \$50,000	Housing Cost \$60,000	Housing Cost \$70,000
Newton MHP	Surrey	\$ 3,000,000	\$ 1,324	\$ 1,404	\$ 1,480
Parksville MHP	Parksville	\$ 2,000,000	\$ 1,040	\$ 1,113	\$ 1,184
Silver Ridge Estates MHP	Hope	\$ 1,500,000	\$ 1,141	\$ 1,214	\$ 1,284
Horseshoe MHP	Surrey	\$ 1,387,000	\$ 1,256	\$ 1,341	\$ 1,422
The Cedars MHP	Hope	\$ 775,000	\$ 1,069	\$ 1,139	\$ 1,207
Trail Park MHP	Kelowna	\$ 6,900,000	\$ 1,335	\$ 1,416	\$ 1,493

As shown in Table 15, the different costs required to acquire and convert an existing site are factored in, the estimated cost profile moves to between \$1,100 and \$1,400 per month. This basic cost profile is consistent with the general break-even scenario for establishing a new park. At the same time, it is out of reach for many of the existing park residents.

The analysis also shows that for households that have existing mortgages, the housing costs for the owners are likely to range from \$1,100 to \$1,400 once all of the additional costs are considered. This compares with the estimated housing cost of \$800 to \$1,100 per month prior to becoming a coop. Moreover, each member would be required to contribute \$5,000 up to \$30,000 in equity to assist in the initial acquisition. No upgrades or major repairs were included in this model.

In cases where a household may not be carrying any mortgage costs, the equity coop model would still result in an increase of their baseline rent from an average of \$334 per month to \$634 per month plus their equity contribution of between \$5,000 and \$30,000. This would represent a significant challenge for many of the existing park residents including aging senior who saw this form of housing as security in their retirement.

## The Cap Rate

The differences in the cap rates are also an important measure. In evaluating alternatives for investment purposes, an investor will frequently use the cap rate as a means of determining the potential return on investment. The cap rate is determined by taking the net operating income divided by the purchase price. On an investment property, the investor is looking for a cap rate of 7% to 8.5%. A lower cap rate may, in turn, be a signal that there is potential to increase the revenue currently generated from the site. This could be in the form of increased density or in the form of increased revenue. A lower cap rate could also be a signal that the site may have some potential for redevelopment.

While most of the sites included in the sample have cap rates in the range that one would expect for this asset class, the Horseshoe Park site in Surrey and the Trail Park site in Kelowna have cap rates of 4.5% and 4.8% respectively. These sites also have a similar cost profile with an average per unit cost of \$70,400. For the Surrey site, it is clear that the average cost per unit is well above the cost per unit in the other parks including the other Surrey location.<sup>1</sup> An average cost per unit at these levels suggests that the price is potentially being set on another mechanism other than a manufactured home park use, and that these sites may be at increased risk of redevelopment.

Table 16: Cap Rates

MHP Name	Community	Price	Cap Rate	\$/Acre	\$/Pad
Newton MHP	Surrey	\$ 3,000,000	4.50%	\$ 626,305	\$ 71,429
Parksville MHP	Parksville	\$ 2,000,000	8.40%	\$ 200,000	\$ 27,778
Silver Ridge Estates MHP	Hope	\$ 1,500,000	7.00%	\$ 150,000	\$ 34,091
Horseshoe MHP	Surrey	\$ 1,387,000	7.40%	\$ 465,436	\$ 53,346
The Cedars MHP	Hope	\$ 775,000	7.50%	\$ 157,201	\$ 24,219
Trail Park MHP	Kelowna	\$ 6,900,000	4.80%	\$ 582,278	\$ 70,408
		\$ 2,593,667		\$ 349,080	\$ 49,878

<sup>1</sup> The average cost per unit for the Horseshoe Manufactured Home Park is \$53,346 per unit, while the average cost per unit for the Newton Manufactured Home Park is \$71,429.

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## Conclusions

While there is general agreement that manufactured home units have an important role to play within the current continuum of housing choices, in recent years there have been concerns raised with respect to redevelopment pressures and the potential on-going economic viability of this form of housing. In evaluating potential alternatives, it is clear that the existing inventory of manufactured housing represents an important source of affordable housing—one that may be difficult to replace once it is gone.

The analysis of the socio-demographic and economic profile of those living in this housing also shows that this stock has provided access to homeownership opportunities for a number of vulnerable groups across the Province including low income seniors, single person households and single parent families.

One of the challenges that many communities are facing is redevelopment pressure on the existing stock. While finding ways to address these pressures is important, the analysis showed that, without a significant equity contribution from government or some other body, it would be difficult for the coop housing sector to successfully step in and relieve these pressures. In addition, the study showed that entry-level ownership is also fraught with some challenges with the project economics for a new park typically falling at a price which is no longer affordable to households with low or low-to-moderate incomes—the groups that have typically benefitted from this form of housing.

Furthermore, while it is clear that there are no easy answers, the analysis showed that between 2001 and 2006 the number of manufactured home units which were lost has started to level off and that almost half of all of the regions across the Province reported a net increase in supply during this time period. This is an important measure which the Province should continue to monitor as a way of gauging the general health of this sector. The analysis also showed that local governments continue to have an important role to play in encouraging this form of housing as well as in working to prevent the on-going loss of this housing through redevelopment pressures.

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**APPENDIX A: ABOUT THE INVENTORY OF MANUFACTURED HOME UNITS**

**Table A1: Distribution of Manufactured Home Units By Region**

Table A1 shows the distribution of manufactured home units across the Province. The data in Table A1 shows the changes in the stock between 2001 and 2006 including the contribution that manufactured home units make to the total inventory of housing choices across the Province.

		<b>All Dwelling Units (2001)</b>	<b>Mobile Home Units (2001)</b>	<b>% of the Housing Stock (2001)</b>	<b>All Dwelling Units (2006)</b>	<b>Mobile Home Units (2006)</b>	<b>% of the Housing Stock (2006)</b>
	British Columbia -	1,534,335	43,440	2.83%	1,643,145	43,265	2.63%
A	Fraser Valley Regional District	86,070	1,950	2.27%	94,625	2,435	2.57%
A	Greater Vancouver Regional District	758,715	5,115	0.67%	817,225	5,285	0.65%
A	Capital Regional District	142,135	1,730	1.22%	152,530	1,875	1.23%
A	Cowichan Valley Regional District	28,850	1,275	4.42%	31,260	1,250	4.00%
A	Nanaimo Regional District	54,260	2,400	4.42%	59,870	2,080	3.47%
A	Central Okanagan Regional District	59,875	2,595	4.33%	67,000	3,665	5.47%
B	Okanagan-Similkameen	33,880	2,040	6.02%	35,240	1,830	5.19%
B	Comox-Strathcona Regional District	39,405	1,880	4.77%	42,975	1,995	4.64%
B	Squamish-Lillooet Regional District	12,565	675	5.37%	13,990	645	4.61%
B	Thompson-Nicola Regional District	47,645	3,710	7.79%	50,375	2,910	5.78%
B	North Okanagan Regional District	29,760	1,210	4.07%	31,875	1,270	3.98%
C	East Kootenay Regional District	22,955	1,900	8.28%	23,420	3,540	15.12%
C	Central Kootenay Regional District	24,205	1,790	7.40%	24,685	2,080	8.43%
C	Kootenay Boundary Regional District	13,650	475	3.48%	13,630	605	4.44%
C	Sunshine Coast Regional District	11,090	515	4.64%	12,185	450	3.69%
C	Columbia-Shuswap Regional District	19,910	1,920	9.64%	21,185	1,515	7.15%
C	Cariboo Regional District	25,310	2,575	10.17%	25,225	2,475	9.81%
C	Fraser-Fort George Regional District	35,960	3,195	8.88%	36,460	2,280	6.25%
D	Alberni-Clayoquot Regional District	12,505	560	4.48%	12,870	645	5.01%
D	Powell River Regional District	8,485	515	6.07%	8,775	270	3.08%
D	Mount Waddington Regional District	5,090	635	12.48%	4,690	220	4.69%
D	Central Coast Regional District	1,350	170	12.59%	1,185	40	3.38%
D	Skeena-Queen Charlotte Regional District	8,225	315	3.83%	7,805	120	1.54%
D	Kitimat-Stikine Regional District	14,605	875	5.99%	14,370	695	4.84%
D	Bulkley-Nechako Regional District	14,830	1,230	8.29%	14,550	1,050	7.22%
D	Peace River Regional District	20,405	2,105	10.32%	22,335	1,795	8.04%
D	Stikine Region	565	20	3.54%	495	10	2.02%
D	Northern Rockies Regional District	2,015	50	2.48%	2,305	240	10.41%

## Table A2: Concentration of Manufactured Home Units

Table A2 shows the general distribution of manufactured home units across the Province including the regions which tend to have a larger concentration of manufactured home units. It also shows the changes in the profile of the stock between 2001 and 2006.

		All Dwelling Units (2001)	Mobile Home Units (2001)	Distribution of Units (2006)	All Dwelling Units (2006)	Mobile Home Units (2006)	Distribution of Units (2006)
	British Columbia -	1,534,335	43,440		1,643,145	43,265	
A	Fraser Valley Regional District	86,070	1,950	4%	94,625	2,435	6%
A	Greater Vancouver Regional District	758,715	5,115	12%	817,225	5,285	12%
A	Capital Regional District	142,135	1,730	4%	152,530	1,875	4%
A	Cowichan Valley Regional District	28,850	1,275	3%	31,260	1,250	3%
A	Nanaimo Regional District	54,260	2,400	6%	59,870	2,080	5%
A	Central Okanagan Regional District	59,875	2,595	6%	67,000	3,665	8%
B	Okanagan-Similkameen	33,880	2,040	5%	35,240	1,830	4%
B	Comox-Strathcona Regional District	39,405	1,880	4%	42,975	1,995	5%
B	Squamish-Lillooet Regional District	12,565	675	2%	13,990	645	1%
B	Thompson-Nicola Regional District	47,645	3,710	9%	50,375	2,910	7%
B	North Okanagan Regional District	29,760	1,210	3%	31,875	1,270	3%
C	East Kootenay Regional District	22,955	1,900	4%	23,420	3,540	8%
C	Central Kootenay Regional District	24,205	1,790	4%	24,685	2,080	5%
C	Kootenay Boundary Regional District	13,650	475	1%	13,630	605	1%
C	Sunshine Coast Regional District	11,090	515	1%	12,185	450	1%
C	Columbia-Shuswap Regional District	19,910	1,920	4%	21,185	1,515	4%
C	Cariboo Regional District	25,310	2,575	6%	25,225	2,475	6%
C	Fraser-Fort George Regional District	35,960	3,195	7%	36,460	2,280	5%
D	Alberni-Clayoquot Regional District	12,505	560	1%	12,870	645	1%
D	Powell River Regional District	8,485	515	1%	8,775	270	1%
D	Mount Waddington Regional District	5,090	635	1%	4,690	220	1%
D	Central Coast Regional District	1,350	170	0%	1,185	40	0%
D	Skeena-Queen Charlotte Regional District	8,225	315	1%	7,805	120	0%
D	Kitimat-Stikine Regional District	14,605	875	2%	14,370	695	2%
D	Bulkley-Nechako Regional District	14,830	1,230	3%	14,550	1,050	2%
D	Peace River Regional District	20,405	2,105	5%	22,335	1,795	4%
D	Stikine Region	565	20	0%	495	10	0%
D	Northern Rockies Regional District	2,015	50	0%	2,305	240	1%

Source: Statistics Canada, 2001 and 2006 Census

**Table A3: Change in the Inventory of Manufactured Home Units**

Table A3 shows the change in the inventory of manufactured home units between 2001 and 2006 including the regions reporting a net increase or decrease in units.

		All Dwelling Units (2001)	All Dwelling Units (2006)	Net Increase or Decrease in Units	Mobile Home Units (2001)	Mobile Home Units (2006)	Net Increase or Decrease in Units
	British Columbia -	1,534,335	1,643,145	108,810	43,440	43,265	-175
A <sup>1</sup>	Fraser Valley Regional District	86,070	94,625	8,555	1,950	2,435	485
A	Greater Vancouver Regional District	758,715	817,225	58,510	5,115	5,285	170
A	Capital Regional District	142,135	152,530	10,395	1,730	1,875	145
A	Cowichan Valley Regional District	28,850	31,260	2,410	1,275	1,250	-25
A	Nanaimo Regional District	54,260	59,870	5,610	2,400	2,080	-320
A	Central Okanagan Regional District	59,875	67,000	7,125	2,595	3,665	1,070
B	Okanagan-Similkameen	33,880	35,240	1,360	2,040	1,830	-210
B	Comox-Strathcona Regional District	39,405	42,975	3,570	1,880	1,995	115
B	Squamish-Lillooet Regional District	12,565	13,990	1,425	675	645	-30
B	Thompson-Nicola Regional District	47,645	50,375	2,730	3,710	2,910	-800
B	North Okanagan Regional District	29,760	31,875	2,115	1,210	1,270	60
C	East Kootenay Regional District	22,955	23,420	465	1,900	3,540	1,640
C	Central Kootenay Regional District	24,205	24,685	480	1,790	2,080	290
C	Kootenay Boundary Regional District	13,650	13,630	-20	475	605	130
C	Sunshine Coast Regional District	11,090	12,185	1,095	515	450	-65
C	Columbia-Shuswap Regional District	19,910	21,185	1,275	1,920	1,515	-405
C	Cariboo Regional District	25,310	25,225	-85	2,575	2,475	-100
C	Fraser-Fort George Regional District	35,960	36,460	500	3,195	2,280	-915
D	Alberni-Clayoquot Regional District	12,505	12,870	365	560	645	85
D	Powell River Regional District	8,485	8,775	290	515	270	-245
D	Mount Waddington Regional District	5,090	4,690	-400	635	220	-415
D	Central Coast Regional District	1,350	1,185	-165	170	40	-130
D	Skeena-Queen Charlotte Regional District	8,225	7,805	-420	315	120	-195
D	Kitimat-Stikine Regional District	14,605	14,370	-235	875	695	-180
D	Bulkley-Nechako Regional District	14,830	14,550	-280	1,230	1,050	-180
D	Peace River Regional District	20,405	22,335	1,930	2,105	1,795	-310
D	Stikine Region	565	495	-70	20	10	-10
D	Northern Rockies Regional District	2,015	2,305	290	50	240	190

Source: Statistics Canada, 2001 and 2006 Census

<sup>1</sup> Zones A and B represent the existing urban and emerging suburban areas.

**Table A4: Tenure Profile of Manufactured Home Units**

Table A4 shows the number of manufactured home units which are owned compared to those which are rented.

		<b>Total Households</b>	<b>Owned</b>	<b>Rented</b>	<b>Band housing</b>
	British Columbia -	43,265	36,380	6,685	590
A	Fraser Valley Regional District	2,435	2,090	330	15
A	Greater Vancouver Regional District	5,285	4,330	950	0
A	Capital Regional District	1,870	1,685	165	25
A	Cowichan Valley Regional District	1,245	1,130	115	0
A	Nanaimo Regional District	2,080	1,750	325	0
A	Central Okanagan Regional District	3,665	3,340	325	0
A	Okanagan-Similkameen	1,830	1,660	155	15
B	Comox-Strathcona Regional District	1,995	1,670	320	10
B	Squamish-Lillooet Regional District	645	515	120	10
B	Thompson-Nicola Regional District	2,910	2,415	485	0
B	North Okanagan Regional District	1,270	1,070	195	0
B	East Kootenay Regional District	3,535	3,105	430	0
C	Central Kootenay Regional District	2,085	1,625	455	0
C	Kootenay Boundary Regional District	610	505	100	0
C	Sunshine Coast Regional District	445	340	105	10
C	Columbia-Shuswap Regional District	1,515	1,155	360	0
C	Cariboo Regional District	2,475	1,975	430	65
C	Fraser-Fort George Regional District	2,280	1,935	350	0
C	Alberni-Clayoquot Regional District	640	515	130	0
D	Powell River Regional District	270	220	45	0
D	Mount Waddington Regional District	225	195	20	0
D	Central Coast Regional District	40	20	15	10
D	Skeena-Queen Charlotte Regional District	125	100	25	0
D	Kitimat-Stikine Regional District	695	510	185	0
D	Bulkley-Nechako Regional District	1,050	850	195	10
D	Peace River Regional District	1,795	1,495	275	25
D	Stikine Region	0	10	0	0
D	Northern Rockies Regional District	235	170	60	0

Source: Statistics Canada, 2006 Census

**Table A5: The Age Profile of the Stock**

Table A5 shows the general age profile of the manufactured home units across the Province. This includes information on the number of units constructed prior to 1980 as well as the number of units constructed in more recent years.

		<b>Total Inventory</b>	<b>Prior to 1960</b>	<b>Prior to 1980</b>	<b>1980 to 2000</b>	<b>2001 to 2006</b>
	British Columbia -	43,250	1,550	23,320	17,340	2,550
	Fraser Valley Regional District	2,435	85	1,195	1,090	155
A	Greater Vancouver Regional District	5,285	295	2,890	2,095	305
A	Capital Regional District	1,870	65	805	1,000	65
A	Cowichan Valley Regional District	1,245	60	725	455	70
A	Nanaimo Regional District	2,080	55	1,245	695	145
A	Central Okanagan Regional District	3,665	75	1,680	1,720	260
A	Okanagan-Similkameen	1,830	75	1,095	565	165
B	Comox-Strathcona Regional District	1,995	40	1,175	740	75
B	Squamish-Lillooet Regional District	645	25	350	275	20
B	Thompson-Nicola Regional District	2,910	120	1,665	1,135	110
B	North Okanagan Regional District	1,270	40	670	510	95
B	East Kootenay Regional District	3,535	110	1,840	1,420	275
C	Central Kootenay Regional District	2,085	155	1,330	675	70
C	Kootenay Boundary Regional District	610	25	380	185	30
C	Sunshine Coast Regional District	445	30	230	195	35
C	Columbia-Shuswap Regional District	1,515	40	945	435	140
C	Cariboo Regional District	2,475	55	1,105	1,245	115
C	Fraser-Fort George Regional District	2,280	40	1,200	1,010	60
C	Alberni-Clayoquot Regional District	640	20	365	245	35
D	Powell River Regional District	270	15	140	100	35
D	Mount Waddington Regional District	225	30	165	50	0
D	Central Coast Regional District	40	0	15	10	0
D	Skeena-Queen Charlotte Regional District	125	0	85	35	0
D	Kitimat-Stikine Regional District	695	45	435	245	15
D	Bulkley-Nechako Regional District	1,050	10	545	460	40
D	Peace River Regional District	1,795	30	940	700	150
D	Stikine Region	0	0	0	10	0
D	Northern Rockies Regional District	235	10	105	40	85
D						

Source: Statistics Canada 2006 Census

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**APPENDIX B: SOCIO-DEMOGRAPHIC DATA**

**Table B1: Household Size**

Table B1 shows the general distribution of households living in manufactured home units including the high prevalence of single person versus two or more person households.

		Total Households	1 person	2 persons	3 persons	4 persons
	British Columbia -	43,265	16,120	17,495	4,665	3,250
	Fraser Valley Regional District	2345	900	1,040	200	130
A	Greater Vancouver Regional District	5,365	2,200	2,285	440	285
A	Capital Regional District	1,900	790	800	165	80
A	Cowichan Valley Regional District	1,200	545	500	75	45
A	Nanaimo Regional District	2,080	950	820	160	95
A	Central Okanagan Regional District	3,655	1,270	1,715	340	235
A	Okanagan-Similkameen	1,945	740	980	125	70
B	Comox-Strathcona Regional District	1,965	800	770	195	135
B	Squamish-Lillooet Regional District	635	245	230	80	55
B	Thompson-Nicola Regional District	2,835	1,060	1,135	310	210
B	North Okanagan Regional District	1,245	445	545	120	85
B	East Kootenay Regional District	3,385	900	1,370	495	430
C	Central Kootenay Regional District	2,075	895	715	235	140
C	Kootenay Boundary Regional District	625	260	240	65	50
C	Sunshine Coast Regional District	515	260	165	40	30
C	Columbia-Shuswap Regional District	1,565	550	590	195	140
C	Cariboo Regional District	2,495	825	940	335	270
C	Fraser-Fort George Regional District	2,260	730	850	355	220
C	Alberni-Clayoquot Regional District	650	245	245	75	50
D	Powell River Regional District	310	140	120	25	10
D	Mount Waddington Regional District	215	100	65	30	15
D	Central Coast Regional District	35	20	10	5	0
D	Skeena-Queen Charlotte Regional District	135	65	45	15	5
D	Kitimat-Stikine Regional District	735	280	265	90	70
D	Bulkley-Nechako Regional District	1,050	365	325	155	120
D	Peace River Regional District	1,825	455	645	295	250
D	Stikine Region	5	5	0	0	0
D	Northern Rockies Regional District	255	80	85	45	25
D						

Source: Statistics Canada 2006 Census

## Table B2: Household Composition

Table B2 provides additional information on the household composition of families and individuals living in the manufactured home stock.

		Total – Household type	Family households	Without children	With children	Non-family households
	British Columbia -	43,265	25,730	13,790	6,935	17,520
	Fraser Valley Regional District	2,435	1,335	865	255	1,100
A	Greater Vancouver Regional District	5,285	2,995	1,900	665	2,290
A	Capital Regional District	1,875	1,020	650	185	855
A	Cowichan Valley Regional District	1,250	685	430	85	560
A	Nanaimo Regional District	2,080	1,105	635	255	975
A	Central Okanagan Regional District	3,665	2,230	1,350	440	1,430
A	Okanagan-Similkameen	1,830	1,130	875	150	700
B	Comox-Strathcona Regional District	1,995	1,095	640	195	900
B	Squamish-Lillooet Regional District	645	405	150	150	240
B	Thompson-Nicola Regional District	2,910	1,730	845	505	1,180
B	North Okanagan Regional District	1,270	650	390	190	620
B	East Kootenay Regional District	3,540	2,500	1,195	855	1,035
C	Central Kootenay Regional District	2,080	1,125	465	340	955
C	Kootenay Boundary Regional District	605	310	200	50	300
C	Sunshine Coast Regional District	450	225	90	80	220
C	Columbia-Shuswap Regional District	1,515	905	400	345	610
C	Cariboo Regional District	2,475	1,550	710	460	925
C	Fraser-Fort George Regional District	2,280	1,490	675	460	790
C	Alberni-Clayoquot Regional District	645	415	160	125	230
D	Powell River Regional District	270	105	60	20	165
D	Mount Waddington Regional District	220	100	55	25	120
D	Central Coast Regional District	40	15	0	0	25
D	Skeena-Queen Charlotte Regional District	120	80	50	20	40
D	Kitimat-Stikine Regional District	695	420	125	155	280
D	Bulkley-Nechako Regional District	1,050	710	280	345	340
D	Peace River Regional District	1,795	1,250	510	520	540
D	Stikine Region	10	0	10	0	10
D	Northern Rockies Regional District	240	150	75	60	85

Sources Statistics Canada 2006 Census

**Table B3: Age Profile of Households Living in Manufactured Home Units**

Table B3 shows the general age profile of households living in the manufactured home stock including the high prevalence of those who are 55 or older.

		Total – Household type	Under 25	25 to 44	45 to 54	55+	65+
	British Columbia -	43,265	1,290	11,130	8,845	21,915	13,200
	Fraser Valley Regional District	2,435	140	1,020	905	1,470	700
A	Greater Vancouver Regional District	5,285	55	615	435	975	530
A	Capital Regional District	1,875	15	135	135	315	205
A	Cowichan Valley Regional District	1,250	20	200	210	1,400	990
A	Nanaimo Regional District	2,080	30	440	345	1,625	1,100
A	Central Okanagan Regional District	3,665	75	1,040	950	3,225	1,925
A	Okanagan-Similkameen	1,830	30	340	310	1,200	755
B	Comox-Strathcona Regional District	1,995	10	230	235	765	565
B	Squamish-Lillooet Regional District	645	50	420	340	1,270	865
B	Thompson-Nicola Regional District	2,910	0	205	185	260	145
B	North Okanagan Regional District	1,270	45	520	460	965	600
B	East Kootenay Regional District	3,540	0	40	65	160	100
C	Central Kootenay Regional District	2,080	15	95	75	260	135
C	Kootenay Boundary Regional District	605	25	235	210	175	85
C	Sunshine Coast Regional District	450	105	885	550	1,355	780
C	Columbia-Shuswap Regional District	1,515	75	695	660	2,235	1,490
C	Cariboo Regional District	2,475	45	255	305	665	440
C	Fraser-Fort George Regional District	2,280	60	485	350	610	280
C	Alberni-Clayoquot Regional District	645	95	805	590	980	525
D	Powell River Regional District	270	0	45	95	75	30
D	Mount Waddington Regional District	220	0	0	10	30	20
D	Central Coast Regional District	40	0	45	15	60	40
D	Skeena-Queen Charlotte Regional District	120	10	225	200	255	120
D	Kitimat-Stikine Regional District	695	75	420	255	290	170
D	Bulkley-Nechako Regional District	1,050	150	880	510	730	385
D	Peace River Regional District	1,795	125	750	375	540	210
D	Stikine Region	10	0	0	10	0	0
D	Northern Rockies Regional District	240	40	105	60	25	10

Source: Statistics Canada 2006 Census

**Table B4: Prevalence of Seniors 65+ and 75+**

Table B4 provides additional detail on the number of seniors living in the manufactured home stock. This includes information on those who are 65+ as well as those who are 75+.

		<b>Under 25</b>	<b>25 to 44</b>	<b>45 to 54</b>	<b>55+</b>	<b>65+</b>	<b>75+</b>
	British Columbia -	1,290	11,130	8,845	21,915	13,200	5,810
	Fraser Valley Regional District	140	1,020	905	1,470	700	230
A	Greater Vancouver Regional District	55	615	435	975	530	235
A	Capital Regional District	15	135	135	315	205	60
A	Cowichan Valley Regional District	20	200	210	1,400	990	470
A	Nanaimo Regional District	30	440	345	1,625	1,100	460
A	Central Okanagan Regional District	75	1,040	950	3,225	1,925	1,010
A	Okanagan-Similkameen	30	340	310	1,200	755	385
B	Comox-Strathcona Regional District	10	230	235	765	565	275
B	Squamish-Lillooet Regional District	50	420	340	1,270	865	470
B	Thompson-Nicola Regional District	0	205	185	260	145	50
B	North Okanagan Regional District	45	520	460	965	600	245
B	East Kootenay Regional District	0	40	65	160	100	25
C	Central Kootenay Regional District	15	95	75	260	135	65
C	Kootenay Boundary Regional District	25	235	210	175	85	60
C	Sunshine Coast Regional District	105	885	550	1,355	780	300
C	Columbia-Shuswap Regional District	75	695	660	2,235	1,490	575
C	Cariboo Regional District	45	255	305	665	440	185
C	Fraser-Fort George Regional District	60	485	350	610	280	75
C	Alberni-Clayoquot Regional District	95	805	590	980	525	195
D	Powell River Regional District	0	45	95	75	30	10
D	Mount Waddington Regional District	0	0	10	30	20	10
D	Central Coast Regional District	0	45	15	60	40	15
D	Skeena-Queen Charlotte Regional District	10	225	200	255	120	45
D	Kitimat-Stikine Regional District	75	420	255	290	170	75
D	Bulkley-Nechako Regional District	150	880	510	730	385	195
D	Peace River Regional District	125	750	375	540	210	90
D	Stikine Region	0	0	10	0	0	0
D	Northern Rockies Regional District	40	105	60	25	10	0

Source: Statistics Canada 2006 Census

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**APPENDIX C: HOUSING COSTS AND MARKET DATA**

**Table C1: Median Incomes and Average Shelter Costs (Selected Communities)**

This table provides information on median household income and average shelter costs for owners and renters in 38 selected communities in regions across B.C.

		Median Household Income	Average Value 2006 Census	Average Shelter Cost (Owners)	Average Shelter Cost (Renters)
	<b>Fraser Valley Regional District</b>				
A	Chilliwack	\$50,890	\$300,515	\$966	\$701
A	Abbotsford	\$53,908	\$358,684	\$1,075	\$700
A	Mission	\$50,163	\$375,836	\$1,254	\$700
A	Hope	\$41,493	\$228,001	\$550	\$683
A	<b>Greater Vancouver Regional District</b>				
A	Langley District	\$69,805	\$474,003	\$1,266	\$851
A	Langley City	\$46,456	\$294,293	\$786	\$1,060
A	Surrey	\$52,926	\$446,307	\$1,251	\$710
A	White Rock	\$50,376	\$466,010	\$747	\$850
A	Coquitlam	\$59,294	\$456,944	\$1,107	\$769
A	Maple Ridge	\$55,294	\$396,462	\$1,300	\$760
A	<b>Capital Regional District</b>				
A	Sidney	\$49,270	\$422,628	\$916	\$550
A	Victoria	\$38,850	\$407,131	\$873	\$709
A	Langford	\$64,199	\$384,938	\$1,271	\$819
A	View Royal	\$67,136	\$460,288	\$1,251	\$855
A	<b>Cowichan Valley Regional District</b>				
A	Duncan	\$33,390	\$208,402	\$531	\$590
A	Lake Cowichan	\$45,347	\$237,763	\$605	\$616
A	Ladysmith	\$50,053	\$290,213	\$722	\$662
A	<b>Nanaimo Regional District</b>				
A	Nanaimo	\$45,937	\$313,464	\$821	\$675
A	Parksville	\$42,053	\$293,040	\$507	\$700
A	<b>Central Okanagan Regional District</b>				
A	Kelowna	\$48,859	\$376,151	\$846	\$811
A	Lake Country	\$56,592	\$457,500	\$1,027	\$817
A	Peachland	\$45,187	\$378,886	\$686	\$796
B	<b>Okanagan-Similkameen Regional District</b>				
B	Princeton	\$34,826	\$246,194	\$426	476
B	Summerland	\$48,454	\$389,787	\$508	\$812
B	Penticton	\$41,383	\$296,855	\$590	\$659
B	<b>Comox Strathcona Regional District</b>				
B	Campbell River	\$51,011	\$273,482	\$766	\$649
B	<b>Squamish-Lillooet Regional District</b>				
B	Squamish	\$64,322	\$386,953	\$1,276	\$801

		Median Household Income	Average Value 2006 Census	Average Shelter Cost (Owners)	Average Shelter Cost (Renters)
B	Pemberton	\$51,440	\$421,483	\$1,566	\$812
B	Whistler	\$62,299	\$906,528	\$1,475	\$1,051
B	Lillooet	\$51,225	\$167,678	\$616	\$600
B	<b>Thompson-Nicola Regional District</b>				
B	Merritt	\$44,280	\$211,914	\$670	\$580
B	Cache Creek	\$41,234	\$137,335	\$345	\$590
B	Clinton	\$31,715	\$97,403	\$494	\$567
B	Kamloops	\$54,764	\$257,242	\$889	\$661
B	Chase	\$46,049	\$205,599	\$372	\$634
B	<b>North Okanagan Regional District</b>				
B	Lumby	\$41,783	\$226,407		\$
B	Vernon	\$43,140	\$297,343	\$893	\$551
B	Armstrong	\$42,079	\$260,457	\$876	\$752
B	Enderby	\$34,238	\$199,331	\$523	\$517

Source: Statistics Canada, 2006, Community Profiles

**Table C2: MLS Listings: Units and Asking Price Manufactured Home Units 2006 - 2009**

This table provides information on the median asking price and the number of units of manufactured homes listed on the MLS listings in 38 communities across the Province.

		2001 Mobile Home Units	# of MLS Listings 2006	Median Selling Price	# of MLS Listings 2009	Median Selling Price (April 2009)
	<b>Fraser Valley Regional District</b>					
A	Chilliwack	215	42	\$79,900	6	\$69,900
A	Abbotsford	455	18	\$49,000	23	\$89,000
A	Mission	105	31	\$88,900	24	\$99,900
	Hope	n/a	n/a	n/a	18	\$84,000
	<b>Greater Vancouver Regional District</b>					
A	Surrey	1,670	41	\$36,900	83	\$56,900
A	White Rock	-	13	\$155,000	1	\$68,000
A	Coquitlam	380	5	\$74,500	8	\$62,500
A	Anmore	95	1	\$79,900	5	\$85,000
A	Maple Ridge	150	7	\$52,800	10	\$44,900
A	<b>Capital Regional District</b>					
A	Sidney	45	3		3	\$249,900
A	Victoria	60		\$124,900	75	\$149,000
A	Langford	300	21	\$69,800	5	\$82,500
A	View Royal	200	10		17	\$158,000
A	<b>Cowichan Valley Regional District</b>					
A	Duncan	-	31	\$136,000	15	\$36,900
A	Lake Cowichan	10	2	\$109,900	2	\$68,000
A	Ladysmith	-	5	\$98,900	12	\$99,000
A	Nanaimo Regional District					
A	Nanaimo	1,205	48	\$144,900	93	\$99,900
A	Parksville	80	41	\$149,900	11	\$74,500
A	<b>Central Okanagan Regional District</b>					
A	Kelowna	595	69	\$89,900	98	\$117,900
A	Lake Country	125	16	\$89,900	10	\$119,000
A	Peachland	70	5	\$34,900	4	\$77,700
B	<b>Okanagan-Similkameen Regional District</b>					
B	Princeton	205	18	\$89,900	12	\$84,900
B	Summerland	100	1	\$199,900	4	\$89,000
B	Penticton	480	24	\$74,000	33	\$92,500
B	<b>Comox Strathcona Regional District</b>					
B	Campbell River	415	19	\$60,000	22	\$49,900
B	<b>Squamish-Lillooet Regional District</b>					
B	Squamish	200	18	\$40,000	10	\$110,000

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		2001 Mobile Home Units	# of MLS Listings 2006	Median Selling Price	# of MLS Listings 2009	Median Selling Price (April 2009)
B	Pemberton	35	2		3	\$349,000
B	Whistler	10			1	\$215,000
B	Lillooet	270			1	\$37,900
B	<b>Thompson-Nicola Regional District</b>					
B	Merritt	245	3		9	\$82,000
B	Cache Creek	155			6	\$68,500
B	Clinton	30	1		1	\$49,900
B	Kamloops	1,295	17	\$60,000	62	\$78,500
B	Chase	185	13		57	\$299,000
B	<b>North Okanagan Regional District</b>					
B	Lumby	60	4	\$56,900	9	\$55,000
B	Vernon	230	29	\$90,000	56	\$133,000
B	Armstrong	25	7		11	\$114,500
B	Enderby	-	4	\$39,900	9	\$90,000

Source: MLS Listings, 2006 and 2009

**Table C3: Median Selling Prices and Qualifying Incomes– Condo Stock**

This table provides information on median selling prices and qualifying incomes for strata condos in 38 selected communities in different regions across the Province.

		Median Selling Price (Condo)	Qualifying Income (Condo)	Monthly Housing Costs (Condo)	Average Housing Costs 2006 Census (Ownership)
	<b>Fraser Valley Regional District</b>				
A	Chilliwack	\$179,500	\$46,083	\$1,229	\$966
A	Abbotsford	\$190,000	\$48,322	\$1,289	\$1,075
A	Mission	\$289,900	\$69,621	\$1,857	\$1,254
	Hope	\$135,000	\$36,381	\$970	\$550
A	<b>Greater Vancouver Regional District</b>				
A	Langley District	\$229,900	\$56,828	\$1,515	\$1,266
A	Langley City	\$229,900	\$56,828	\$1,515	\$786
A	Surrey	\$249,900	\$61,093	\$1,629	\$1,251
A	White Rock	\$367,900	\$86,251	\$2,300	\$747
A	Coquitlam	\$288,800	\$69,386	\$1,850	\$1,107
A	Maple Ridge	\$242,000	\$59,408	\$1,584	\$1,300
A	<b>Capital Regional District</b>				
A	Sidney	\$399,000	\$92,881	\$2,477	\$916
A	Victoria	\$355,000	\$83,500	\$2,227	\$873
A	Langford	-	-	-	\$1,271
A	View Royal	-	-	-	\$1,251
A	<b>Cowichan Valley Regional District</b>				
A	Duncan	\$173,900	\$44,889	\$1,197	\$531
A	Lake Cowichan	\$119,000	\$33,184	\$885	\$605
A	Ladysmith	\$184,900	\$47,234	\$1,260	\$722
A	<b>Nanaimo Regional District</b>				
A	Nanaimo	\$309,900	\$73,885	\$1,970	\$821
A	Parksville	\$224,900	\$55,762	\$1,487	\$507
A	<b>Central Okanagan Regional District</b>				
A	Kelowna	\$299,900	\$71,753	\$1,913	\$846
A	Lake Country	\$319,000	\$75,825	\$2,022	\$1,027
A	Peachland	\$375,000	\$87,765	\$2,340	\$686
B	<b>Okanagan-Similkameen Regional District</b>				
B	Princeton	\$154,900	\$40,838	\$1,089	\$426
B	Summerland	\$297,500	\$71,241	\$1,900	\$508
B	Penticton	\$285,000	\$68,576	\$1,829	\$590
B	<b>Comox Strathcona Regional District</b>				
B	Campbell River	\$179,000	\$45,976	\$1,226	\$766
B	<b>Squamish-Lillooet Regional District</b>				
B	Squamish	\$349,000	\$82,221	\$2,193	\$1,276

		Median Selling Price (Condo)	Qualifying Income (Condo)	Monthly Housing Costs (Condo)	Average Housing Costs 2006 Census (Ownership)
B	Whistler	\$599,000	\$135,523	\$3,614	\$1,475
B	Pemberton	-	-	-	\$1,566
B	Lillooet	-	-	-	\$616
B	<b>Thompson-Nicola Regional District</b>				
B	Merritt	\$145,000	\$38,727	\$1,033	\$670
B	Cache Creek	-	-	-	\$345
B	Clinton	-	-	-	\$494
B	Kamloops	\$234,900	\$57,894	\$1,544	\$889
B	Chase	\$144,900	\$38,706	\$1,032	\$372
B	<b>North Okanagan Regional District</b>				
B	Lumby	-	-	-	
B	Vernon	\$245,000	\$60,048	\$1,601	\$893
B	Armstrong	\$159,800	\$41,883	\$1,117	\$876
B	Enderby	\$154,900	\$40,838	\$1,089	\$523

Source: MLS Listings, 2006 and 2009

<b>Table C4: Median Selling Price and Qualifying Incomes – Manufactured Home Stock</b>					
This table provides information on median selling prices and qualifying incomes for strata condos in 38 selected communities in different regions across the Province.					
		Median Selling Price Manufactured Home	Qualifying Income Manufactured Home	Monthly Housing Costs (Manufactured Home)	Average Housing Costs 2006 Census (Rental)
<b>Fraser Valley Regional District</b>					
A	Chilliwack	\$69,900	\$21,778	\$581	\$701
A	Abbotsford	\$89,000	\$25,850	\$689	\$700
A	Mission	\$99,900	\$28,174	\$751	\$700
	Hope	\$84,000	\$25,470	\$679	\$683
<b>Greater Vancouver Regional District</b>					
A	Langley District	\$129,000	\$34,379	\$917	\$851
	Langley City				\$1,060
A	Surrey	\$56,900	\$19,006	\$507	\$710
A	White Rock	\$68,000	\$21,373	\$570	\$850
A	Coquitlam	\$62,500	\$20,200	\$539	\$769
A	Maple Ridge	\$44,900	\$16,448	\$439	\$760
<b>Capital Regional District</b>					
A	Sidney	\$249,900	\$60,155	\$1,604	\$550
A	Victoria	\$149,000	\$38,643	\$1,030	\$709
A	Langford	\$82,500	\$24,464	\$652	\$819
A	View Royal	\$158,000	\$40,561	\$1,082	\$855
<b>Cowichan Valley Regional District</b>					
A	Duncan	\$36,900	\$14,742	\$393	\$590
A	Lake Cowichan	\$68,000	\$21,373	\$570	\$616
A	Ladysmith	\$99,000	\$27,982	\$746	\$662
<b>Nanaimo Regional District</b>					
A	Nanaimo	\$99,900	\$28,174	\$751	\$675
A	Parksville	\$74,500	\$22,759	\$607	\$700
<b>Central Okanagan Regional District</b>					
A	Kelowna	\$117,900	\$32,012	\$854	\$811
A	Lake Country	\$119,000	\$32,246	\$860	\$817
A	Peachland	\$77,700	\$23,441	\$625	\$796
<b>Okanagan-Similkameen Regional District</b>					
B	Princeton	\$84,900	\$24,976	\$666	\$476
B	Summerland	\$89,000	\$25,850	\$689	\$812
B	Penticton	\$92,500	\$26,597	\$709	\$659
<b>Comox Strathcona Regional District</b>					
B	Campbell River	\$49,900	\$17,514	\$467	\$649
<b>Squamish-Lillooet Regional District</b>					
B	Squamish	\$110,000	\$30,328	\$809	\$801

		Median Selling Price Manufactured Home	Qualifying Income Manufactured Home	Monthly Housing Costs (Manufactured Home)	Average Housing Costs 2006 Census (Rental)
	Pemberton				\$812
B	Whistler	\$215,000	\$52,870	\$1,410	\$1,051
B	Lillooet	\$37,900	\$14,983	\$400	\$600
B	<b>Thompson-Nicola Regional District</b>				
B	Merritt	\$82,000	\$24,417	\$651	\$580
B	Cache Creek	\$68,500	\$21,529	\$574	\$590
B	Clinton	\$49,900	\$17,550	\$468	\$567
B	Kamloops	\$78,500	\$23,669	\$631	\$661
B	Chase	\$299,000	\$70,840	\$1,889	\$634
B	<b>North Okanagan Regional District</b>				
B	Lumby	\$55,000	\$18,641	\$497	\$
B	Vernon	\$133,000	\$35,328	\$942	\$551
B	Armstrong	\$114,500	\$31,370	\$837	\$752
B	Enderby	\$90,000	\$26,129	\$697	\$517

Source: MLS Listings, 2006 and 2009