



July 2009

# Quarterly News

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**Manufactured Housing Association of British Columbia**

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## 2009-2010 Board of Directors

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## Recession Ending says Bank of Canada

## B.C. to Harmonize Sales Tax with GST

## Pioneer Awards to Four Students

## Shell Busey Video Clip Coming

## CSA Voting on Factory Certification Standard

## B.C. Transportation Policy

### Survey of Zoning Bylaws

64 of 178 Local governments have responded so far to a Survey of Zoning Bylaws circulated by MHABC in late June. The most important question was: "Can a modular / building code home be placed on a permanent foundation in all single family residential zones?" Full details in the next 'Quarterly News'.

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## RECESSION OVER...

### ...according to the Bank of Canada

Bank of Canada Governor Mark Carney said on July 24<sup>th</sup>, "We believe the economy will grow this quarter." and "The rate of growth will pickup until the end of the year and into 2010." The Bank forecasts Gross Domestic Product growth of 1.3% this quarter, ending September 30<sup>th</sup> and a healthy 3% for the last three months of 2009.

Carney warned the labour market would be slow to adjust after losing 454,000 jobs between October 2008 and June 2009. Nonetheless, the corner has been turned.

## Conference Board of Canada Agrees

The Bank of Canada's forecast has been reinforced by the Conference Board of Canada, which reported its views on July 30<sup>th</sup>. While the Board sees overall negative growth in Gross Domestic Product of 1.9% for Canada in 2009, GDP will increase by 2.9% in 2010.

The Conference Board said that while B.C. will post its worst contraction in 27 years, with GDP falling 2.5% this year, it will bounce back with 3.4% growth in 2010. According to the Board, B.C., Saskatchewan, Alberta and Ontario are expected to post the strongest growth in 2010.

## New Home Shipment Recovery to Come

All of which is better news for manufactured housing in B.C. where new home shipments have been lower than at any time in more than 20 years.

Shipment reports from Members are down 64.7% year to date from March-June last year; however, reports of renewed buyer interest in recent weeks are encouraging.

So far, 131 new homes were shipped in the four month period March-June 2009: 60 single-section homes and 71 multiple-section homes of which 114 were built in B.C. and 17 were shipped from outside the province.

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## **B.C.'s Surprise HST Announcement**

When Premier Gordon Campbell and Finance Minister Colin Hansen announced that B.C. would harmonize the provincial sales tax with the federal goods and services tax, bringing in a B.C. harmonized sales tax (HST) on July 1, 2010, almost everyone was caught flat footed.

The subject was not discussed in the spring general election and apparently only became a serious possibility in early June, with Ottawa offering a \$1.6 Billion incentive to B.C. to merge the two sales taxes.

As always, the devil is in the details but the tax will impact many in significant ways as it would broaden the provincial tax to include "services", almost all of which are currently exempt. Since "services" includes all labour, housing is exposed to potential sales tax increases.

Recognizing that housing could see a big tax increase the announcement said that there would be a rebate of 5 percentage points of the provincial tax component on new homes leaving a net HST of 7%. The tax rebate would top out at \$20,000 on a new home costing \$400,000 or more.

The rationale for the rebate of 5 tax points was that new homes currently have an imbedded provincial sales tax component of 2% of the selling price. Consequently, new homes costing up to \$400,000 would not see an increase in taxation. Those new homes sold at a higher price would experience the full HST on the excess cost to the homebuyer.

The \$400,000 relates to the median price for all new homes in B.C., including condominiums, and therefore defines a very low threshold for single-family residential housing in the province.

## **Shell Busey Video Clip Coming**

A video clip prepared with Shell Busey will soon be available for linkage on the MHABC and Member websites. It is a generic message from Shell supporting the merits of manufactured housing. Quality Homes in Chilliwack and Britco Structures in Agassiz provided "sets" for the video shoot.

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## **Pioneer Awards for Four Students**

There were more applicants for Pioneer Bursaries this year than in any recent year, with several fine candidates for an award. Following consideration, the Board of directors has made \$500 bursary awards to: Miss **Amber Pederson**, who graduated from D.W. Poppy Secondary in Langley and will attend Capilano University, Miss **Shelley Sidhu**, who graduated from Princess Margaret Secondary in Penticton and will attend the University of B.C., Miss **Sydney Stewart**, who graduated from Valleyview Secondary School in Kamloops and will attend Thompson Rivers University, and Mr. **Patrick Dias**, who graduated from Osoyoos Secondary School and will attend Camosun College.

The association wishes these young people every success as they go forward to advanced education.

Students eligible for consideration of an award are the daughters and sons of Members or Members' employees and they must be attending a college or university in the coming year.

## **MHABC writes to Hon. Shirley Bond, B.C.'s new Transportation Minister**

As Members know, the association has acted in the general interest of all in preparing and submitting applications for 5-metre wide route additions in the province. The first route application for Kamloops to Prince George via Hwy. 5 and Hwy. 16 was dealt with expeditiously, however the subsequent application for Kamloops to Quesnel via Hwy. 1 and Hwy. 97 took 23 months from route mapping in July 2007, to test go-ahead in July 2008 and approval in June 2009. This un-satisfactory situation heads a list of recommendations to the minister, who was appointed after the recent election.

President Terry Weicker also met with the Council of Deputy Ministers Responsible for Transportation and Highway Safety 'Working Group' in Vancouver on June 12<sup>th</sup> to put the association's advice before the interprovincial body.

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## Transportation Recommendations

- Move 5-metre wide loads in daylight hours, like the Peace River - if not, extend night-time hours of movement and drop 3<sup>rd</sup> pilot vehicle
- Open 4-lane highways to 5-metre wide moves
- Establish a clearly demarked public process for 5-metre wide route applications, evaluations including decision timelines
- Proceed expeditiously to evaluate 2-lane main highways for 5-metre wide moves
- Eliminate the 2<sup>nd</sup> pilot vehicle on 4.4-metre wide loads carrying eaves on the curbside
- Check highway clearances before and after construction
- Ensure traffic circles design accommodates home loads
- Standardize 16 and 12 wheel dollies, air and spring suspension
- Standardize term permits for loads up to 4.4-metres wide
- Standardize pilot vehicle lights and authority to control traffic, and
- Standardize pilot vehicles to any equipped vehicle (larger vehicles can provide emergency towing)

The association is more than willing to co-operate and would meet with the Minister.

## Real Estate Services Act

Dealer Members have been advised about recent Orders from the Superintendent of Real Estate regarding what constitutes providing "trading services" in the resale of a chattel-titled manufactured home in a mobile home park or community.

The association has communicated with the Hon. Colin Hansen, Minister of Finance and responsible for the real estate legislation. It is also communicating with the Hon. Rich Coleman, Minister of Housing who has been familiar with the questions at issue since his service as Solicitor General. The difficulties arise from considering the sale of a chattel-titled home as a real property transaction though there is no agreement or remuneration with respect to the land upon which it is sited.

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## KUDOS to MHABC Members

Members can be proud of their service record to homebuyers and homeowners. There are no complaints of any kind before the association.



The sectors homebuyers are getting the advantage!

## CSA News

The words Canadian Standards Association and the related logo are being retired, as CSA STANDARDS and a new logo take their place. The message is that "there is a renewed division wide commitment to demonstrate the values, attitudes, aspirations and behaviours that reflect our organization's purpose."

The Technical Committee on Factory Built Structures is currently balloting the Proposed Amendment to CSA Standard A277-08, Procedure for factory certification of buildings. Balloting will end August 10<sup>th</sup> after which the standard will be revised accordingly. Under consideration is increasing the scope of factory-building to include commercial, semi-commercial and industrial structures.

## UPDATE Contacts

Members are asked to review their listing on the MHABC web site: [www.mhabc.com](http://www.mhabc.com) and provide any updates that may be necessary. If a Member is not listed on the web site and would like to be shown, please send in the contact and related information for a listing. This information will also be included in the production of a simple Directory listing of Members that can be printed.

## Share the QUARTERLY NEWS

Send in the email or fax #s of others in your business who should see the **Quarterly News**.

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