



NEWSLETTER

Important Dates

CSA Strategic Steering Committee
Monday, September 15th, 2003
Toronto, Ontario

**Modular/Manufactured Housing
Assoc. Alta./Sask.**
Board of Directors
Monday, September 15th, 2003

Union of B.C. Municipalities
September 22nd-26th, 2003
Vancouver Trade & Exhibition Centre
Vancouver, B.C.

MHABC Board of Directors
Tuesday, October 7th, 2003
Kelowna, B.C.

MHPOABC Annual Convention
October 23rd-25th, 2003 Victoria, B.C.
**The Alliance of B.C. Mobile Home
Park Owners - Annual Meeting**
October 24th-25th, 2003 Victoria, B.C.

**Modular/Manufactured Housing
Assoc. Alta./Sask.**
Annual General Meeting
November 28th-29th, 2003
Fantasyland Hotel, Edmonton, Alta.

**5th 'Manufactured Housing
Consultant Course' (MHC™)**
November 30th-December 1st, 2003
Edmonton, Alberta

Vol. 13, No. 3 September 2003

RAIN AT LAST...

The onset of fall rain in southern B.C. was cheered, after record drought conditions through the summer months. An extra-ordinary fire risk brought flames and the loss of homes and businesses in the North Thompson River and Okanagan Valleys and threatened in the East Kootenay and elsewhere.

The extreme fire hazards led to the general closure of the woods and severely impacted the logging, tourism, recreation and related businesses and exacerbated the impact of BSE on beef exports and ranching, SARS on tourism, and the ongoing softwood lumber dispute.

It was a summer to remember for almost all the wrong reasons. However, the way in which people and communities pulled together to help one another and the efforts of fire crews to control the flames to protect people and their homes has been magnificent.

Personal, community and economic pain will end after the rain, when the rebuilding can begin in earnest.

Manufactured Housing Association of British Columbia

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METRO AREAS DRIVE HOT B.C. HOUSING MARKET

CMHC's release of data on new housing starts in 2003 and the real estate industry's data on sales of existing homes confirms that, in urban B.C., there is strong and unabated interest in homebuying.

Nationally, CMHC reports that the seasonally adjusted annual rate of housing starts increased to 233,900 in August. The overall upward trend has seen an increase of slightly more than 33% in the annual rate over the last two years.

In B.C., new residential construction rose 15% in the January-August period compared to 2002. Year to date, 15,430 new housing units were started versus 13,448 last year. Greater Vancouver led with 9,528 housing units (62%).

Kelowna led other urban areas with 1,339 units up 37.3%, Greater Victoria was up 59% to 1,314 units, and Abbotsford rose 21% to 712 units. Kelowna will also see the reconstruction of some 240 homes in the coming year, homes that were destroyed by the Okanagan Mountain fire in August.

Rural housing starts in the first two quarters of 2003 totalled 652. Of these 551 were single starts, up 41% from January-August 2002. Multiple starts were down 55%.

Historically low mortgage rates have made home ownership afford-

able, rising home prices signal security for buyers and encourage sellers. And, job growth shows 45,000 new full-time jobs in B.C.

B.C.'s housing industry is forecast to lead the country through 2004.

CMHC's data only includes new manufactured homes on new foundations or sites. New manufactured homes placed on existing sites in communities/parks are not counted as housing starts, whereas a replacement site-built house (i.e. Kelowna fire losses) are counted as new starts.



BRITCO STRUCTURES built the 20 modules for the 5 home infill project at Riley Park in the City of Vancouver

MANUFACTURED HOUSING STATISTICS UP in 2003

MHABC and Manufactured Home Registry (MHR) data show an increase in new manufactured homes through August.

MHABC Members reported shipping new 367 homes in the first 8 months of 2003, up 9.9% from the 334 reported in the same period last year.

The MHR data parallels the MHABC data, showing the registration of 452 new homes in the period January-August 2003, up 9.5% from the 428 registered in 2002.

MHABC shipments show a continuing trend...now more than twice as many multiple section homes as single section are being shipped. In the current business year, multiple section shipments are up 18.2%, while single section home shipments are down 11.6%.

B.C. Manufacturer Members have accounted for 100% of the increase in new home shipments in the March-August period, as B.C. factory shipments rose 7.1% to 287 in the first 6 months.

NATIONAL DATA RESEARCH

Clayton Research of Toronto has begun work on a CMHI project with funding support from CMHC. The purpose is to develop a more comprehensive and reliable new home

reporting system for the manufactured housing sector in Canada.

MHABC has contributed examples of its data collection and that of the commissioned reports from the MHR. Member manufacturers will also be contacted to provide their views.

CMHC NEWS

As Dealers were advised at the announcement, *CMHC has reduced its mortgage insurance premiums by an average of 15%.*

And, effective September 22nd, *CMHC eliminated maximum price ceilings for all homeowner mortgage loans across Canada.*



One of the five new 'Residences at Riley Park' in Vancouver

A New MANUFACTURED HOME REGISTRY

*Prepared from text provided
by the Ministry of Finance*

A new B.C. Manufactured Home Act has passed first reading, and is expected to take effect in the fall of 2003, replacing the existing Manufactured Home Act.

When the new act comes into force, the Manufactured Home Registry (MHR) will implement a computer system, known as MHR OnLine, to comply with provisions of the act.

The key change to the MHR for clients is that the Registry will be able to accept documents submitted electronically over the Internet, making records and transactions more easily accessible.

Customers may hire a service provider (a title search agent) or a "qualified supplier" (a lawyer, notary, or other individual approved by the Registry to provide these services).

MHABC has recommended in writing to the Ministry that Manufacturers and Dealers be eligible to become "qualified suppliers".

Fees are expected to be the same as they are today. Until electronic transactions are made

mandatory in the spring of 2004, all current transactions may also continue to be made directly through the MHR in Victoria.

The following transactions will be included in an initial implementation, and will be available to clients for electronic filing, depending on the type of user.

Searches and transport permit applications will be available to all BC OnLine users (subject to some conditions), manufacturers, qualified suppliers, and BC Government Agents.

Transfers of ownership resulting from a Bill of Sale will be available to manufacturers and qualified suppliers.

Manufacturers will be able to register new homes, as they have been with the existing system, but through a friendlier, web-based, browser interface.

Qualified suppliers will be able to register residential exemptions.

The MHR will use its primary business partner, BC OnLine (<http://www.bconline.gov.bc.ca>), to host the MHR Online system, and to provide a number of important services.

The BC OnLine client administration system will be used to identify and authenticate users. The BC OnLine deposit account system will be used for payment.

The MHR OnLine system is being developed with input from a user group with representatives from government, industry and owner groups.

Development of the new system and services will follow a phased implementation. More capabilities are being planned for a second phase of development, with implementation expected in spring 2004. Also due to budget restrictions, in the future the MHR will follow a practice of mandatory electronic filing for services that can be accomplished electronically.

A web site is being prepared to provide information to MHR clients, to prepare for changes in how they will interact with the MHR under the new act and through the new system. The site will be an extension of the existing MHR site at www.fin.gov.bc.ca/registries/mhrpq

The MHR distinguishes British Columbia as the only jurisdiction in Canada that protects a person's investment in a manufactured home by having a central register of ownership details and controlling the movement of homes within the province. Information in the MHR protects owners, and improves the security of lenders in financing purchases of manufactured homes.

With today's fee amounts to remain and qualified suppliers to hire, government staff cuts = higher costs.

CONSUMER LAW UPDATE

The ambitious objective of replacing numerous pieces of existing legislation with an omnibus consumer law act and introducing the concept of "delegated administrative authorities", will not likely appear in the B.C. legislature until spring 2004.

For manufactured housing, the replacement of the Motor Dealer Act by a new act casts doubt over the future of retail licensing. Since mobile homes had wheels and axles, retailers have been (and still are) licensed as dealers under the Motor Dealer Act.

Because Motor Dealers, who sold manufactured housing:

- were licensed under that act,
- participated in the 'Consumer Compensation Fund',
- sold manufactured homes that were built in CSA Certified factories, and
- homes had third party extended warranties,

the manufactured housing sector was not swept up under the Homeowner Protection Act and Homeowner Protection Office (HPO) following the 'leaky condo crisis'.

MHABC has recommended that manufactured home retailers/dealers continue to be licensed under provincial law, that the linkages with the Consumer Compensation Fund be maintained, and that the

existing rights related to motor vehicles that are held by long-time dealers be grandfathered under the new law.

CONSUMER COMPENSATION FUND NEWS

To illustrate the value of the Consumer Compensation Fund, into which all licensed dealers are required to contribute, there has been a limited draw down related to manufactured housing over the years it has operated.

Specifically, with regard to manufactured housing alone, the Board has awarded \$84,743.45 in response to eight (8) claims where whole or partial payment of a claim was made. Three (3) other claims were dismissed. Two claims for a total of \$44,125.00 are on the agenda for the Board's next meeting.

Eight (8) of the claims, that have been adjudicated or are to be heard, followed the collapse of RC Classic Homes in Prince George.

B.C. MHC COURSE DATES

MHABC will co-ordinate with the MMHA Alta./Sask. to set dates for a Manufactured Housing Consultant (MHC™) training course in B.C. The dates will be in late November or early December, as details are sorted shortly.

SHELL BUSEY'S HouseSmart Referral Network

The MHABC Board of Directors have been giving consideration to joining Shell Busey's 'HouseSmart Referral Network'.

Shell Busey is very well known. He hosts Home Check, which is seen coast to coast on Global TV and on the Men's Channel on Specialty Cable.

Shell hosts the weekly Home Discovery Radio Show, heard Sunday mornings throughout B.C. on the Corus Network. He has 19 years of radio broadcast experience.

He also hosts the weekly Home Discovery Show that is heard from Alberta in all major markets in Western Canada on Saturday mornings on the Corus Network.

He also hosts the weekly one hour HouseSmart Radio Show heard Saturday mornings on the Corus Network in Greater Vancouver, the Fraser Valley and on Vancouver Island.

The Board sees the potential for welcome marketing linkages with Members on air, at shows, during special promotions as well as in each retail outlet.

The matter should be finalized at the next Board meeting, to be held in Kelowna on Tuesday, October 7th

PROVINCIAL SALES TAX ISSUES NOT RESOLVED

Following a meeting between President Dale Ball, Executive Director Rick Higgs and Assistant Deputy Minister Greg Reimer, Ministry of Provincial Revenue, the Ministry is examining the PST audits of manufactured home dealers.

The meeting followed work done for the association by Mr. Mark Worrall, Senior Principal Sales Tax, with KPMG's Vancouver office. Mr. Worrall's advice has been distributed to Dealer Members.

At issue are questions which led to the B.C. Supreme Court case launched by Gordon's Homes Sales after a PST audit claimed PST on sales made to Indians, with homes delivered to Indian Land. In three previous PST audits, Gordon's Homes Sales had not been assessed PST on such sales.

MHABC noted that the provincial government had not published or distributed any information to Gordon's Homes Sales or any other Member giving new or different advice regarding the sale of homes to Indians and Indian Bands.

On the face of it, PST audits over time have led to different results for different dealers having made sales to Indians or Indian Bands. Mr. Reimer noted that some

dealers had been assessed after audits and remitted PST. Others had been advised to change their self assessments had not done so and had been penalized according to Mr. Reimer. To MHABC's knowledge, some dealers like Gordon's had never been reassessed PST on sales to Indians/Bands.

Part of the difficulty stems from the creation of Regulation 3.18 to provide for the equitable treatment of manufactured homes versus site-built homes with regard to the PST component of the selling price. The regulation treats the dealer as the first buyer.

Nonetheless, under Regulation 3.18, self-assessment is not triggered until there is a retail customer. The fact that the purchaser might be an Indian/Band is apparently irrelevant. The seeds of Regulation 3.18's potential undoing hinge upon such indirect taxation by the province.

Regulation 3.18 fails to extend equity versus site-built housing, because it has been interpreted to have no effect when sales are made to Indians/Bands as described by the Indian Act. MHABC made the point that manufactured housing ought not to be disadvantaged because it is built remotely.

MHABC and the government recognize the benefits and overall fairness of Regulation 3.18, and that

a legal action could result in it being nullified by the courts. That result is not desirable, as it would expose 100% of the retail sales contract to PST - the situation that existed prior to Regulation 3.18.

MHABC also noted that Consumer Taxation Branch Bulletin 046 explicitly advises how Indians and Bands can construct homes on Indian Land without any PST on the components. Therefore, while the province is being scrupulous with regard to PST on the components of site-built home construction on Indian land, it is not treating manufactured homes sales the same.

Ideally, Regulation 3.18 can be perfected to see that manufactured housing is PST exempt to Indians/Bands in those cases where site-built would also be PST exempt.

MHABC also asked for the refund of PST on sales to Indians/Bands. Refunds would apparently be most unlikely.

MHABC will meet again with the Assistant Deputy Minister when the Ministry has completed its review of the subject. MHABC will continue to press for fairness and certainty.

BILL 71, Manufactured Home Park Tenancy Act,
Not yet implemented

CMHC HELPS B.C. FIRE VICTIMS

The application fee for CMHC Mortgage Loan Insurance will be waived for applications submitted on behalf of fire victims.

CMHC Mortgage Loan Insurance may be ported to another property even if the loan was insured by CMHC prior to the normal April 1, 1996 approval date. All other regular portability conditions apply.

CMHC is offering vacant units within its current inventory of real estate properties in the vicinity of the affected areas in B.C. to accommodate fire victims on a temporary basis.

MANUFACTURED HOME PARK OWNERS MEET

The Manufactured Home Park Owners Assoc. of B.C. are meeting in Victoria's Harbour Towers Hotel, October 23rd-25th. Important agenda items include Bill 71, Manufactured Home Park Tenancy Act, and amalgamation of MHPOABC and The Alliance of B.C. Mobile Home Park Owners. The Alliance will meet at the same time to consider the amalgamation proposal.

CMHI President, Don Darling, is scheduled to address the MHPOA Convention on Friday, October 24th.

**Pioneer Award Recipient
CARL JOHNSON**



1923 - 2003

On Monday, September 15, MHABC Pioneer Award recipient and industry legend **CARL DAY JOHNSON** passed away at home in Kelowna, B.C. An industry legend, Carl came to Canada in 1957, to begin a Canadian arm of Commonwealth and a small manufacturing company - Homeco Industries - to supplement the Commonwealth line in Estevan.

Carl's early steps led to SRI Homes Inc. Canada's largest home manufacturer. As SRI's Robert Adria has noted, Carl contributed enormously to the manufactured housing industry in Canada - 30 years a Director of CMHI, twice its President - and as a Director of the MHA of Alberta and Saskatchewan. For the "hundreds of people, who met and often worked for him, Carl was a lifelong friend and mentor."

DAN FOURNIER



1943 - 2003

DANIEL ALEX FOURNIER succumbed to a brain aneurysm in Kelowna, B.C. on August 30th. Dan was in the manufactured housing industry for 39 years with Henry Electric, ATCO, Moduline, Glen River and SRI International. He was an MHABC Director in 1980-82.

Dan's widow Gwen suggests that donations in Dan's memory might be made to the Okanagan Families Society, Youth Detox Program, 1829 Chandler St., Kelowna, B.C. V1Y 3Z2

MHABC Past President Brian Urton described Dan as one of the truly "good guys". "If he didn't have anything nice to say about someone, he said nothing at all."

2003/04 MHABC Membership Renewals

Membership renewal invoices have been sent to those Members and Associates, who have yet to renew for 2003/04.

B.C. TRANSPORTATION POLICY UPDATES

The test move of a 6 metre or 20' wide load into B.C.'s Peace River on Hwy. 2 failed. The load was simply too wide for the road-bed and shoulder and needed to be carried in the opposing lane.

The test move of a 5 metre or 16'5" wide load from Westbank to Winfield was successful, opening the route on Hwy. 97 North from the border at Osoyoos/Oroville to Salmon Arm and Hwy. 1 (and vice versa). Such loads may not be moved over the Okanagan Lake bridge at Kelowna until after 2 a.m. as the load needs to move in the centre of the bridge with *height limited to 4.57 metres/14'10"*.

Other test moves are being prepared for Sparwood to Elkford, Sparwood to Fernie, Kamloops to Barriere, Kamloops to Cache Creek, and from Hwy. 1 at Abbotsford to Hwy. 7 and Oasis east of Mission.

Commercial Transport's Form T-69A has been updated to reflect the completed test. Form T-69A is

for loads in excess of 4.4 metres and up to 5.0 metres wide and up to 4.88 metres high.

Transportation Director, Steve Paterson, has been working with transporters and Commercial Transport to get equipment concerns resolved as outlined below.

Both Forms T-69 (new in clause 15) and T-69A (new in clause 18) have been amended as follows:

Dollies: Only 12 wheel tridem dollies are allowed with air or spring suspension. Tridem dolly running gear width can not exceed 3.20 metres wide or be less than 2.5 metres wide. Dollies must display a valid CVIP Inspection decal.

The Forms T-69 and T-69A have also been amended to include the following new language regarding brakes on dollies:

Brakes: Dollies shall have air brakes or air-hydraulic brakes that meet the braking requirements of the Motor Vehicle Act Regulations.

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