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# Manufactured Home Properties Policy

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## Purpose

This Assessment Policy ensures that BC Assessment (BCA) consistently and accurately systemizes, values, and classifies manufactured homes (MHs) and manufactured home parks (MHPs) on private land.

**Note:** Manufactured homes owned or occupied by First Nations or Nisga'a, or located on First Nations' or Nisga'a land are out of scope. Manufactured homes owned or occupied by an exempt entity, or located on exempt land (e.g., Crown or a municipality-owned) is out of scope, refer to [Occupiers Policy](#).

## Manufactured Home Property Importance

Manufactured Homes and Manufactured Home Park are defined in the [Manufactured Home Tax Act](#), sec. 1.

It is important for BCA to adhere to this policy to:

- adhere to our legislative mandate to assess all improvements which include manufactured homes;
- produce an accurate and equitable assessment roll;
- provide manufactured home and manufactured home park owners with equitable property assessments; and
- ensure local governments and other taxing authorities have a stable tax base.



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## Policy Statements

1. Manufactured home (MH) assessability (i.e., if it is assessable under the *Assessment Act*, and to whom) must be determined according to [Manufactured Home Assessability Requirements](#).
2. MHs must be valued according to the [Manufactured Home Valuation Requirements](#).
3. MHs must be coded and include the required fields according to the [Manufactured Home Data Requirements](#).
4. MH adjustments must be accompanied by supporting notes and coding as per [Manufactured Home Adjustment Requirements](#).
5. MHs must be classified and made exempt according to the [Manufactured Home Classification and Exemption Requirements](#).
6. Manufactured home transfers must be processed according to [Manufactured Home Transfer Requirements](#).
7. MHPs must be valued according to the [Manufactured Home Park Valuation Requirements](#).
8. MHP adjustments must be coded as per [Manufactured Home Park Adjustment Requirements](#).
9. MHPs must be classified according to [Manufactured Home Park Classification Requirements](#).



## Manufactured Home and Park Requirements

### Manufactured Home Assessability Requirements

1. Manufactured homes (MHs) must be assessed, regardless of their status at the Manufactured Home Registry (MHR), unless:
  - they are owned and occupied by or on behalf of the government, a municipality, a taxing treaty First Nation, or a Nisga'a Nation and Nisga'a Village;
  - they are held in storage;
  - they form part of a MH manufacturer or dealer's inventory; or
  - they are licensed and equipped to travel on a public highway, are occupied by a genuine tourist, and are located within a manufactured home park for a period less than 60 days.
2. Where a MH with available ownership information is located:
  - within a Manufactured Home Park (MHP); or
  - on private land where a fee is paid to the land owner;

the MH must be assessed in the name of the MH owner on a separate property record from the land (which is assessed to the land owner).

**Note:** Where the MH owner and land owner are different, assume that a fee (rent) is being paid to the land owner unless you discover otherwise.

3. Where a MH is located within a MHP and ownership information is unavailable, the MH must be assessed in the name of the land owner together with the land.
4. Where a MH is not located within a MHP and no fee is paid or is unknown if rent is paid to the land owner, the MH must be assessed in the name of the land owner together with the land.
5. Where a MH is located on exempt land, the MH and the occupied land must be assessed to the owner of the MH as the paramount occupier.
6. While a Mobile Home might be deregistered the mobile home remains assessable if continues to meet the definition of improvement under

### Manufactured Home Valuation Requirements

1. Manufactured homes (MHs) must be valued using a market adjusted cost approach.



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2. Double-wide or wider MHs on a permanent structural foundation must be valued using a Single Family Dwelling Manual Class equivalent based on the Appraisal Manual. The MH data may be retained but suppressed.
3. Tagalongs must be valued in the same way as the MH they are attached to.

## Manufactured Home Data Requirements

1. Offset double-wide or triple-wide MH properties must have a sketch or building plan of the MH attached.
2. A MH registered with the Manufactured Home Registry must have the MHR number recorded on the property.
3. Manufactured home dimensions (i.e., length and width) and area should represent the area of the MH that is finished and livable excluding the following items:
  - o MH hitch;
  - o Tagalong area; and/or
  - o Porches, decks, other attached structures
4. Offset manufactured homes should be measured using the following:
  - o Length: average length of all sections
  - o Width: sum of each section

**Note:** Manufactured Home Registry (MHR) documents typically record the MH length including the hitch. Hitches are typically 4 feet in length and must be subtracted from the reported MHR length.

## Manufactured Home Adjustment Requirements

1. Adjustments and overrides must be accompanied by explanatory notes and any available supporting evidence.
2. Percentage adjustments must be equal to or greater than the absolute 5% (i.e.,  $\pm 5\%$ ).
3. Adjustments and overrides must be accompanied by supporting evidence or coding according to the following table:

Field	Requirement
Manual Adjustment	Reviewed annually via audits
Percentage Adjustment	Market Study
Functional Obsolescence	Market Study
Market Modifier (unless established as part of a reassessment project)	Market Study



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% Complete (that is being carried forward into next tax year)	Reviewed annually via audits
External Obsolescence	Market Study
Cost to Cure (that is being carried forward into next tax year)	Reviewed annually via audits

## Manufactured Home Classification and Exemption Requirements

1. Classification for manufactured homes must be Class 01 – Residential.
2. MHs owned or occupied by an employee or member of the Canadian Armed Forces must be exempted from school tax.

## Manufactured Home Transfer Requirements

1. A new property record must not be created for ownership transfers between a MH manufacturer and a MH dealership.
2. Manufactured home reports (i.e., MH101, MH103, and MH105) must be run on a weekly basis to identify newly registered MHs and process changes to location and/or ownership for already registered MHs.
3. The MHR feed must be processed within nine days of receiving all pertinent information.
4. Manufactured home transactions dated between December 1 to 31 of a given year must be processed as an Assessor Recommendation through the Property Assessment Review Panel (PARP).

## Manufactured Home Park Valuation Requirements

1. Manufactured Home Park (MHP) rents, vacancy rates, expense rates, and capitalization rates must be reviewed annually.
2. MHPs must be valued using a capitalized net operating income (NOI) approach except:
  - in areas where information to support an income valuation is not available, in which case a direct comparison approach or cost approach must be used; or
  - for properties where the current use is not the highest and best use (HBU), in which case it should be valued according to its alternative use or the cost approach must be used.
3. MHP property land and improvement values must be apportioned using a land residual approach except:
  - if the cost approach is used; or
  - if the primary driver of value is another model (e.g., motel) and the MHP portion of the valuation is ancillary, in which case, the building residual must be used.



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4. MHPs must use the dollar per unit type (monthly rent) as the units of measure.
5. MHP models must have all model expenses combined into one general expense line.
6. MHPs with one or more significant non-MHP components (e.g., camp or RV sites) must use a separate model for those uses.
7. The manufacture homes within a MHP are improvements under the meaning of the *Assessment Act* and must be separately assessed from the park.

## Manufactured Home Park Adjustment Requirements

1. Adjustments to MHP properties or models must be accompanied by explanatory notes and supporting market evidence as per the following table:

Adjustment Type	Requirement
Manual Adjustments	Any available evidence
Chattels, Furniture Fixtures & Equipment (FF&E), Cost to Cure, Tenant Improvement Costs	Any available evidence
Model Adjustments	Market Study
Size Adjustments	Market Study

## Manufactured Home Park Classification Requirements

1. Classification for manufactured home parks must be Class 01 – Residential except:
  - o where there are non-residential uses, in which case those areas must be classified according to their use.



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## Resources

### Definitions

- Refer to the [BC Assessment Glossary page](#) for term definitions.

### References

- [BC Registries and Online Services Application](#)



## Appendices

### Appendix 1: Frequently Asked Questions

#### 1. When is a MH considered to be held in storage?

To be considered held in storage, you must be convinced that the MH is not being used as a residence or shelter, and is simply sitting on the property (i.e., not connected to services, no permanent foundation).

#### 2. When does a MH form part of the inventory of a MH manufacturer or dealer?

To be considered inventory of a manufacturer or dealer, the seller must be licensed as a dealer and the manufactured home must part of their inventory.

#### 3. What is a bunkhouse as defined by the *Manufactured Home Regulation*?

Bunkhouse means a manufactured home owned or leased by an employer to provide sleeping accommodation for 2 or more employees during the term of their employment.

#### 4. Is a sales office within a MH assessable?

If the building is used only as a sales office and is not part of the inventory to be sold, it is assessable and should be classified as Class 06 – Business and Other. If the sales office is one room within a show home which is to be sold then it is considered as part of the dealer's inventory.

#### 5. How do I value a roof over a mobile home?

The structure of the roof is valued as a carport.

#### 6. How do I treat a MH that has been substantially destroyed after October 31 and before December 31?

Refer to the *Assessment Act*, sec. 10. Where possible these changes should be made prior to roll closure, generally before December 1. If this is not possible then the assessor must correct the value through the Property Assessment Review Panel (PARP).

In the event that the information comes to the assessor's attention after the PARP process is complete, the ability to make a change through a supplementary assessment may be considered.

#### 7. What is a modular home?

Modular homes meet local building codes and although they may be transported on a steel undercarriage, the undercarriage is generally not a permanent and necessary structural component, and is usually removed when the MH is placed on a foundation. Modular homes are constructed of pre-made parts and modules. The modules are transported to the building



site. At the building site, sections, parts and modules are assembled onto the foundation where they are permanently anchored. Modular homes are also known as factory-built, panelized, or prefab homes.

**8. In consideration of improvements according to the *Assessment Act*, what constitutes a significant degree of affixation to the land/permanency?**

Appraisal judgement must be used to determine degree of affixation/permanency; however, here are examples of what may constitute a significant degree of affixation/permanency, and therefore may categorize the structure as an improvement:

- Professional skirting around perimeter
- Covered and/or uncovered decking
- Roof structure
- Attached garage and/or carport
- Is not capable of being towed or driven on its own permanent wheels and has no undercarriage

**Note:** Service hookups alone do not constitute a significant degree of affixation.

**9. How should the threshold for a going-concern MHP be established (e.g., application of model)?**

Through a HBU analysis. Going concern is not likely to apply to manufactured homes in a non-MHP setting. For example, a rural acreage with three manufactured homes onsite may legally be defined as a MHP under the *Manufactured Home Park Act* but would not likely meet a HBU test for an income producing MHP and should be valued as a residential property.

**10. In rural areas, many MHPs will have a large shop or service garage. The owner may use the shop to store or maintain MHP equipment, logging truck, etc. Aside from adjusting the income of the SFD occupancy to reflect this associated structure, there is no way to capture this additional value under the MHP occupancy code.**

First, determine if the service garage use is significant enough to contribute to the MHP rental value (apply *de minimis* rule). Secondly, determine if typical MHPs in the competitive set include one or more service garage(s) (e.g., rental value already accounted for in MHP rents and CAP rates). If the service garage use is significant and is atypical for the competitive set, add a revenue attribute adjustment to SFD occupancy in the model. If the service garage is very unique and no model adjustment has been built, apply a manual adjustment at the income record level.



**11. If the actual rents in a MHP are below market and the owner is restricted in raising them due to rent controls, should the actual rents be used in arriving at the potential gross income?**

Economic rents are used to determine market value. The *Manufactured Home Park Tenancy Act* (2004) restricts the annual rent increase which may be applied on a yearly basis equal to CPI, without a tenant's right of dispute. Owners may however request an additional increase through the arbitration process for specific circumstances. The Residential Tenancy Office has confirmed that an increase to restore rents to market levels would be an acceptable circumstance and the increase would be granted (with provision of evidence).

**12. I am keying LTO sales and have a property on which there is a MH. There is no mention of deregistration on a workflow record, and no transfer or deregistration documents on MHR. How long will it take to receive the information from MHR?**

Registration of a MH can take weeks, depending on the sale and the purchasers. If the MH is not moving, there is no reason for a transport permit. The MH feed is received every Wednesday night, so it is best to check weekly on Thursdays and be patient.

**13. If MHR says a MH is in the name of XX located at YY, yet when the appraiser inspects the land, no mobile is located on the property, the location of the mobile is not known and no relocate permit has been registered with the registry – what do we do?**

The Emcon decision makes it clear that the MHR is not what governs whether a MH is assessable and taxable. If in fact there is no MH located on the land then we cannot assess it, notwithstanding what the MHR records may say. Take the MH off the folio and do not assess the owner of the land.

**14. If MHR says a MH is in the name of John and Mary but it is located on land only held in John's name, do we add the MH to the land (thus losing Mary's ownership), or do we add the MH as an improvement only and keep the land separate? Either scenario has negative home owner grant implications.**

If John is the owner of the land and there is no charge or rental by John to Mary to have the MH on the land, then section 2 of the *Manufactured Home Tax Act* requires John, as owner of the land, to be assessed for the MH.

If there is a charge or rental by John for Mary to have the MH on the land, then section 3 requires the owner(s) of the MH to be assessed and taxed for it because the imposition of the charge or rental turns the land into a MHP. So, then you would put the owner(s) of the MH on the roll as assessable and taxable for it, and in this case that would be John and Mary. It would be on the roll under a separate folio number. You would put only the MH on and not the land under it. The land would still be assessed to John.



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If there are home owner grant implications, that is for the owner to sort out with the administrators of the home owner grant program, and you can refer the person to a contact person in that regard.

**15. Midnight movers – MH’s just move from place to place, sometimes we can find them and sometimes they just disappear. If there has not been a relocate registered often our hands are tied – do we continue to assess them at the location they originally sat, to the person who last registered ownership even when we have had an appraiser inspect to confirm it is no longer there?**

If the MH is no longer on the land then we can no longer assess it any more than we could a shed that had been torn down. If the appraiser confirms that the MH has been moved and we do not know where it is, then how can it be assessed? It may have been destroyed, rather than just moved. We don’t know for sure. So, if we don’t know we cannot assess it. Take it off the roll. If you find it again, put it back on then.



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## Appendix 2: Assessability Decision Tree

**1. Is it held in storage or does it form part of the inventory of a manufacturer or dealer (see [FAQ #1](#) and [#2](#) for clarification)? (*Manufactured Home Tax Act*, s. 4(b)).**

- If yes, not assessable.
- If no, go to question 2.

**2. Is it a travel trailer, as defined by the *Travel Manufactured Home Exemption Regulation*, s. 2 (see [Appendix 3](#) for descriptions and photos)?**

Answering the following sub-questions will identify if it is a travel trailer:

- ***Is it capable of being towed on its own permanent wheels and undercarriage by a motor vehicle? (*Travel Manufactured Home Exemption Regulation*, s. 1(a)).***
- ***Is it licenced, or able to be licenced, as a trailer under the *Motor Vehicle Act* for use on a highway? (*Travel Manufactured Home Exemption Regulation*, s. 1(b)).***
- ***Is it not used as a principal residence? (*Travel Manufactured Home Exemption Regulation*, s. 1(c)).***
  - If yes to all 3, or if yes to (a) and (b) but (c) is unknown, MH is not assessable.
  - If no to any of the above, go to question 3.

**3. Is the MH an improvement under the *Assessment Act*, and was it present as of October 31?**

**NOTE**

The *Assessment Act* trumps all other legislation. See the definition of improvement under [section \(1\)\(1\)](#).

An improvement (the MH unit, in this case) must have a significant degree of affixation to the land/permanency to be considered an improvement (see [FAQ #8](#)).

- If yes, assessable.
- If no, not assessable.



## Appendix 3: Motor Homes, Campers, Travel Trailers and Park Model Trailers Examples

Motor Home – means a motor vehicle designed or used primarily for accommodation during travel or recreation, but does not include a motor vehicle that has attached to it a structure ([Motor Vehicle Act](#))

- a) Designed or used primarily for accommodation during travel or recreation, and
- b) Designed or intended to be detachable



Camper – means a structure designed to be mounted upon a motor vehicle and to provide facilities for human habitation or camping purposes ([Motor Vehicle Act](#), [Motor Vehicle Act Regulations](#))



Travel Trailer – means a vehicle that is capable of being towed on its own wheels and undercarriage by a motor vehicle and is licensed or required to be licensed as a trailer under the Motor Vehicle Act for use on a highway ([Manufactured Home Act](#), [Manufactured Home Regulations](#)).



Park Model Trailer – recreational units similar to traditional manufactured homes, but that comply to building code CAN/CSA-Z241 standard, which is intended for service as a recreational home offering three season occupancy (MHABC). These units cannot be licensed as travel trailers under the Motor Vehicle Act as they exceed 8.5ft in width.





## Appendix 4: Highway Safety Requirements and Specification for Licensing

Travel trailers can only be licensed if they meet highway requirements, and if they are being operated or used on a highway. For the purpose of determining assessability, a travel trailer should be considered “able to be licensed” if it meets the following safety and equipment requirements for operating on a highway:

1. Permanently (or for an extended period to time) affixed travel trailers that cease to be used on-highway are not able to be licensed for highway use. In these cases, only building/home registration/insurance may be purchased.
2. Per BC Motor Vehicle Act Regulation, s. 19.01(2), the maximum permitted size for a travel trailer is:
  - height of 4.15 meters (13 ½ feet)
  - length of 12.5 meters (41 feet)
  - width of 2.6 meters (8 ½ feet).

Oversize trailers can be licenced under an “A to B” transport permit, but they are unable to be licensed as a travel trailer.

3. Trailers manufactured in Canada, for the Canadian market, must meet the safety standards prescribed in the Motor Vehicle Safety Act (Canada) and bear a National Safety Mark (NSM) and Transport Canada Statement of Compliance. The NSM is a maple leaf-shaped logo which bears a unique number assigned to the Canadian manufacturer. BC dealers/distributors of new trailers can only sell trailers with a NSM.
4. US vehicles and trailers imported to Canada must pass an inspection by the Registrar of Imported Vehicles (RIV). In order to be admitted to Canada, a US trailer must bear a US Statement of Compliance (SOC) label issued by the original equipment manufacturer, have a 17-digit Vehicle Identification Number (VIN), and be labelled with the trailer’s weight ratings and recommended tire pressure.
5. In order to register and license a home-built trailer, the owner must:
  - provide ICBC with bills of sale for all the major components used to build the trailer
  - obtain a weigh scale certificate to determine the GVW
  - obtain a BC assigned VIN (trailers with a GVW of 1401 or more)
  - take the vehicle for a safety/mechanical inspection at a BC Designated Inspection Facility and obtain a passed Private Vehicle Inspection report

