

All I want for Christmas is a Mobile Home!

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published 22 December 2023

As we approach the holiday season and look forward to 2024, many people start to consider whether it is time to change their living arrangements. One option for home ownership is mobile homes. There are several differences between owning a traditional house and owning a mobile home. This article will discuss several matters to consider before purchasing a mobile home.

As a note, this article is directed at mobile homes which are located on rented land like those in a mobile home park. Sometimes, mobile homes are located on land owned by the mobile homeowner, which brings about a different set of considerations.

A mobile home, sometimes referred to as a manufactured or modular home, is a home built offsite and moved to a location, quite often a mobile home park. The design and quality of mobile homes has improved dramatically in recent years. Modern mobile homes come in all shapes and sizes and are often built using processes similar to a traditional home.

Ownership

The biggest difference between purchasing a mobile home and a traditional house is that when you purchase a mobile home, you are purchasing the building only and not the land it is located on. In a mobile home park, all of the land is owned by the park, and each homeowner pays a monthly fee to rent the lot from the park.

The fees can vary greatly depending on the park. In Brandon, the monthly fees generally range from \$250.00 to \$500.00. While you do have to pay lot rent, since you do not own the land, you do not have to pay taxes to the city.

The services included in lot rent differ for each mobile park. For example, in some parks the lot rent will include water, garbage pick-up, snow clearing, etc. It is important to confirm what services are available to residents of the park.

Price

One of the key advantages of purchasing a mobile home is the price. Generally, a mobile home is more affordable than a traditional house and you can often get a much bigger home at a fraction of the price.

With that said, one of the drawbacks to owning a mobile home is that they may depreciate in value over time, unlike a traditional home which often increases over time. For that reason, it is important to speak with your real estate agent about the resale value of the particular mobile home you are looking to purchase. Your agent will be able to give you an idea of how the market trends look for various types of mobile homes.

In terms of closing costs, because you will not own the physical land that the home is located on, you will not be required to pay land transfer tax, which can be a savings of a few hundred to a few thousand dollars.

Purchase loans

The biggest difference is that when purchasing a mobile home, you do not obtain a traditional mortgage – you get a chattel loan, or chattel mortgage which is registered against you and the building itself (not the land like a traditional mortgage). However, for the most part the financing will operate similar to a mortgage for a traditional house.

Other considerations

On a practical level, there are some other considerations for owning a mobile home.

Firstly, as with all home purchases, you should get a home inspection to ensure that there are no significant deficiencies in the mobile home. Some key items to take note of are:

- The mobile home is situated on a strong foundation.
- The underlying insulation is adequate to keep the trailer heated in the winter.
- The water lines are properly installed and insulated to prevent freezing in the winter.

Overall, buying a mobile home can be a great option for many people. Given the lower initial costs, it can be a more achievable path to home ownership. With any major purchase, it is important to do your research and ensure that owning a mobile home is right for you.

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