



Business Edge

ONTARIO BUSINESS NEWS - WITH AN EDGE



February 19, 200

02 / 16 / 2006 - Vol. 2, No. 4 - Ontario Edition

[Home](#) | [Archives](#) | [Circulation](#) | [Lists](#) | [About us](#) | [Contact us](#)

Modular homes deliver bang for the buck

Cost efficiency gives buyers big incentive

By Jack Kohane - Business Edge

Published: 02/16/2006 - Vol. 2, No. 4



EMAIL



PRINT



COMMENT

Though his new home snaps together like a Lego set, Bill Papoutsis admits that buying a factory-made home needs out-of-the-box thinking.

"We couldn't be happier with the product, and wouldn't buy our next home any other way," says the information technology (IT) project manager from his spacious residence located in Brampton's Churchville area.

Papoutsis says he was floored by the prefab cost savings for his 2,450-sq.-ft., custom-built, two-storey Cape Cod-style house that was designed and constructed by Royal Homes, one of the province's largest manufacturers of modular homes.

"The construction price tag was about 80 per cent less than estimates quoted us by conventional contractors. These homes are energy friendly and our heating and air conditioning bills have dropped to rock bottom. In my view, this is the most cost-efficient way to build a house."



Brennan O'Connor, Business Edge

Cottage specialists Brian Lee and Marilyn Lake of The Ideal Environment have teamed with Royal Homes to target the market.

Factory-built homes aren't new. They've dotted the residential landscape since the early 1900s when companies such as Sears Roebuck sold home kits from catalogues. In the 1930s, Bauhaus founder Walter Gropius vaunted the prefab vision of a packaged house delivered and assembled onsite.

The concept ignited curiosity and by the end of the Second World War there were more than 200,000 prefabs sprinkled across North America.

Still for most people today, prefab conjures up images of shacks, spliced together in a day with little resale value.

But that's changing.

According to the Canadian Manufactured Housing Institute (CMHI), which over its 50-year history has struggled to build a significant market share in Canada, the prefab market is on the brink of a boom as consumers turn to prefab and modular-engineered homes as an alternative to mass-market

tract housing or expensive custom-built homes.

"Canada is finally beginning to catch up with the rest of the world where offsite construction has become standard in a number of countries," says CMHI president Bryan Bougher, pointing out that from 1994 to 2004, sales of factory-built homes in Canada increased 65 per cent.

Sweden leads the world with 90 per cent of its new homes now prefab.

No wonder Ikea, which has powered its North American presence on the strength of the allen wrench, got into the prefab market in Sweden by not only designing "flatpack" one- and two-bedroom homes, but also entire communities with modernist prefab houses and apartments.

Papoutsis doesn't need convincing. Proud of his pre-engineered abode, he says his future plans include prefab cottage ownership, too. "Why not? I haven't had a single problem with my city home."

Can prefab cast a shadow in cottage country?

Giving a resounding yes is Anthony Vanlieshout, president of Haliburton Appraisal Services. "A number of prefab companies, such as Royal Homes, Viceroy and Lindal Homes are making their mark here," he says.

"Prefabs are ideal because they are made to fit just about any lot, any size and on any terrain. Their competitive prices compared with conventional new cottages, combined with ease of construction - measured in months rather than years - make them an appealing option," Vanlieshout says.

He adds that he is seeing prefab cottages gaining popularity everywhere in his business area, which is primarily Haliburton, Algonquin, Bancroft and Minden.

Banking on this emerging bubble of opportunity, Wingham-based Royal Homes recently unveiled its latest rustic-inspired designs to the recreational market.

"These contain all the top features cottagers want," says Lloyd Alter, Royal Homes' Toronto-based managing director. The models, which range in size from 1,450 sq. ft. to 1,950 sq. ft, and are priced from the low \$300,000s to the high \$400,000s, have a large screened porch, generous entrances with mudrooms and pantry storage.

Royal has teamed with Toronto architects Brian Lee and Marilyn Lake, principals of The Ideal Environment, which specializes in cottage design and is spearheading the initiative.

Alter, who is also an architect, believes his company can deliver dream cottages to a new group of buyers: Purchasers who thought they couldn't afford an architect-designed cottage or could only find the quality they wanted in a custom building. Royal's package offers both, he says.

"When we looked at the prefab and pre-engineered products currently being offered, we felt there was an unserved market for well-designed cottages with all the features that our custom clients have told us they want," Lake says.

Among those must-haves: Open-concept kitchens, eating and living areas and raised ceilings.

Royal's cottage finishes - hardwood floors in the living areas, ceramic entrances and bathrooms, wood ceiling features, natural-finished wood windows, doors and trim, and kitchens with islands and designer cabinets - come with the basic package.

Exteriors are of low maintenance pre-finished wood siding, with traditional wide trim windows, porch columns and wood details.

Delivery takes about 16 weeks after purchase, and although the walls and roof are assembled onsite in just a day or two, full project completion takes another four to six weeks.

"The biggest fears purchasers have are that they are not going to get what they want or that it will take too long or be over budget," Lee says. "We can offer cottages they will love, at a predetermined price. And there's still room for customization of the design or finishes - the prices for these changes can be predetermined as well."

"We wanted to bring our 20 years of custom-cottage design experience to the more budget-minded market that normally would not get the benefit of our knowledge," Lee says. "To design and build an ideal country home, you have to tap into your dreams and use your heart, not just your mind."

"That's why we spend so much time with clients before we start designing their home or cottage," Lake says.

"We want to help them express their feelings, emotions, and desires, to envision and communicate to us their ideal environment."

Proffering an alternative to factory-built prefab is Lindal Cedar Homes. The Seattle-based company ships its signature post-and-beam cedar home products, with each plastic-wrapped timber numbered for precise assembly, by truck, rail and ship to construction sites around the globe.

"Most of my customers want spectacular-looking properties," says Bob McDowell, owner of Sunset Country Homes, a Lindal dealer in Woodbridge.

"Many of our cottage homes are 5,000 to 7,000 sq. ft. in size. Architecturally, the classic A-frame home featuring our trademark prows, vaulted ceilings and walls of glass, what we call the Pacific Northwest design, is hugely popular."

For Mike Gimera, a Newmarket web developer, who owns and operates OntarioCottage.com, a site for cottage owners interested in renting out their cottage (or selling it privately) the quintessential cottage experience revolves around the building process.

"I'd like to build and make something that's mine, but do I want to spend the next 10 to 16 years doing it? Can I draw up the plans and do the carpentry, electrical and plumbing?," he says. "Those doubts are enough to make me consider some of the prefab designs that are out there - especially the newer ones on the market."

"With an affordable price, and considering the shortage of professional contractors in cottage country, I'm sure prefabs will find an appreciative customer base, particularly those urbanites who have invested so much for a modest property in the city," he says. "Prefabs offer them a chance at a second home in the country or a great place to retire without tapping out their life's savings."

Web Watch: www.cmhi.ca

(Jack Kohane can be reached at kohane@businessedge.ca)



web watch:
kohane@businessedge.ca
www.cmhi.ca