

Factory-built homes that make sense

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The Van Special 2.0 consists of an 1,800-square-foot three-bedroom house, a slightly below-grade two-bedroom garden suite that is 800 square feet, and a two-bedroom laneway house that is 500 square feet. Now that laneway housing makes increased density possible, such a design maximizes the standard 33-foot lot even better than its predecessor, the Vancouver Special. Unlike its predecessor, however, it's far more deluxe, with rooftop gardens, solar panels, net-zero energy use, radiant heat and Bosch and Miele appliances. And the design comes either with high-end furnishings, or unfurnished.

"I believe the innovation of this house is that it's a package, it is delivered to you complete," says Mr. Katz. "So even the bank has no risk. They're dealing with a major factory that is going to deliver the house on time, with no fuss."

Mr. Katz and Ms. Corne also designed the L41 micro house, which is 220 square feet of efficient living space that was featured at the Interior Design Show West last year. They see compact, painstakingly designed, high-end modular units as the sustainable answer to high-priced real estate. An American non-profit agrees. The Society of St. Vincent de Paul in Juneau, Alaska, has ordered 100 of the L41 units to be built with federal funding for low-income households, including seniors, single-parent families, the disabled, and homeless veterans.

The couple is also entering the Vancouver laneway market with a one-level factory-built unit commissioned for a west side property.

"It's much more efficient to factory build," says Ms. Corne. "When you do it this way, you know right from the get-go how much it's costing you. It's like building a car."

Perhaps even better than the Van Special 2.0's usefulness as a generator of revenue is the fact that it can be built in less than six months because it's factory made. While the house is being built in a factory, the foundation will be constructed on site. That should mean consistency of quality and omission of the usual cost overruns, mess, noise and hassles that go along with any construction job. A factory built house with a short turnaround also means the customer gets to move in sooner, and start pulling in rental income sooner.

Structural engineer Leslie Peer says he is interested in moving his family into the Van Special 2.0.

"My second daughter is 16 and in a few years she'll be gone and she'll want to come home for summers and be away in winters. So we can rent the garden suite when she's away.

"It's terribly hard to find a place that's big enough so you have room yourself and have a decent rentable apartment. I feel sorry for students living in these basement suites with seven-foot ceilings. Having a house laid out like that is really powerful in making ends meet."

Modular homebuilders Britco are on board to build the units. Britco's manager of special projects, Thomas Faliszewski, says that at their Canadian factories they are already building the equivalent of 250 houses a year that are the same size as the Van Special 2.0.

Mr. Faliszewski says business has expanded in the last few years because developers have cottoned on to the efficiency of modular condo buildings.

"We do larger projects. We don't build too many single-family homes," he says. "The only reason we are working with Michael is he's a really interesting guy, and his approach to doing this will probably generate a fair amount of business. We are expanding, and we want to keep expanding."

The Van Special 2.0 won't be affordable for the average first-time buyer. The cost is about \$275 per square foot, not including the price of a lot with a teardown. Mr. Katz is working with a financial institution to set up a financing package aimed at reducing the down payment for consumers. The more things are packaged, the less they cost.

"I want to expand this so we can include people who have less down payment," he says.

Mr. Faliszewski says to build a high-end home on-site like the Van Special 2.0 would ordinarily be a much more expensive proposition.

"You are still using the same materials," says Mr. Faliszewski. "But things are more efficient on the labour side, so there is a savings on the labour side on the cost of construction. It goes faster, so you have your revenue coming in a bit quicker. And when you are building in a factory environment, it is easier to get quality because you are in a controlled environment."

The payoff is a triplex that gets you a hefty revenue stream with two units that would rent for around \$1,500 and \$1,700. The design for the bright, two-bedroom garden suite would replace the usual basement suite with its issues of low ceiling height, sound between floors, shared heating and all that goes with a suite that's not up to code. Also, after the mortgage is paid off, that revenue stream becomes a nice retirement plan. If the kids are still living at home, instead of renting out the garden suite or laneway, you could turn it into a family compound.

Mr. Katz has a list of more than a dozen interested buyers, mostly condo owners who have a lot of equity and are ready to buy a house.

If anything positive comes out of living in an unaffordable city, it just might be better design.