



2025 Newfoundland and Labrador Wildfires: Buying a Prefabricated Home

Costs and Considerations

Prefabricated homes or **prefab homes** are houses that are built in a factory. The home builder then brings them to your land and installs them.

This guide will help you understand the following:

- The types of prefab homes
- The steps to take to buy one
- Cost considerations

It also has a list of **vendors** (local companies) that you can check out.

Disclaimer: This guide is for information purposes only. It is not—and should not be taken as—legal advice. You should not rely on or take or fail to take any action based on this information. Never disregard professional advice or delay in seeking legal advice because of something you have read in this guide.

Types of prefab homes

The two most common types of prefab homes are **modular homes** and **manufactured homes**. Manufactured homes are also known as mobile homes or trailer homes.



Modular homes: A modular home is built in **modules** (pieces) inside a factory. Those modules are shipped to the building site and put together on a permanent foundation. (They are like big building blocks.) Once assembled, the home looks and functions just like a standard house. It must follow the same local building codes as standard houses.



Manufactured homes: A manufactured home is also built in a factory. But it is constructed on a permanent steel frame. It is transported to the site in one

Note: Some vendors sell mini or tiny homes. You can get them as either modular homes or manufactured homes.

or more sections. It follows a national building code. It is often placed on a temporary or permanent foundation.

For complete details about modular and manufactured homes, see page 8.

The path to owning a prefab home

The path to owning a prefab home includes **planning**, **preparation**, and **setting up** your home.

Planning for a prefab home

You will need to set your budget and choose a builder and home model.

Set your budget and goals

To set a budget, determine the following:

- What you can afford
- How big the home should be
- How many bedrooms you need
- Styles and features you want and need

Examples: Consider whether price, how quickly the builder can install the home, custom choices, or energy savings matter most.

Choose your builder and home model

To choose your builder and home model, look at the following:

- Compare different builders, designs, and warranties.
- Compare quotes and what is included in the quotes.
- Confirm what work you must do yourself (for example, permits and site prep).
- Choose your floor plan, finishes, and upgrades.

See page 8 for more detailed information on choosing your prefab home.



Sign the contract

Once you choose a builder, you must sign a contract. **Do not rely on verbal agreements.** Before you sign, make sure you understand the following:

- The types of warranties

Example: There may be warranties for structural, systems, workmanship and materials, and building. Confirm with your vendors the types of warranties that are available.

- The full price and payment schedule
- Delivery timelines
- Rules for changes or cancellations
- What you are responsible for and what the vendor is responsible for

Example: You are responsible for getting the existing septic tank inspected. The vendor is responsible for plumbing connections.

There are things you can do to protect yourself financially:

- Do not pay more than a 20% deposit.
- You may want to hold back funds until the builder meets certain milestones. You can detail this in the contract.
- You may want to consider a **construction-to-permanent loan**. This type of loan combines the costs of building a home and your mortgage. The lender provides funds in installments as the builder completes work.
This type of loan may not be available for all prefab homes. Talk to your bank or mortgage lender about what financing options are available.
- It is a good idea to have a lawyer review your contract before you sign it.

Preparing for your prefab home

Before the builder can install your home, you need to **get your land ready**. And you must get the appropriate **permits** and **insurance**.

Get your land ready

Before you begin work, confirm any zoning, local rules, and requirements.

For **incorporated areas**, check with your **municipality** to confirm.

For **unincorporated areas**, check with the **Government of Newfoundland and Labrador** to confirm. The Government Services office in Bay Roberts can help you. Contact them at 709-786-5015.

Before the home arrives, you must prepare your land:

- Roads must be clear for trucks and cranes.
- Land must be levelled and graded so that water drains away.
- The foundation must be inspected and finished.
- If you need a new septic system, it must be installed.
- If you have an existing septic system, you must get it inspected.
- If you need a new well, it must be drilled.
- If you live in a rural area, you may need trenching and new power poles.

Many builders will do a site check before delivery.

Get permits

Before you have your home installed, confirm the permits you need and codes that apply. The permits and codes that apply depend on whether you live on incorporated or unincorporated land.

For **incorporated areas**, check with your **municipality** to confirm.

For **unincorporated areas**, check with the **Government of Newfoundland and Labrador** to confirm. The Government Services office in Bay Roberts can help you. Contact them at 709-786-5015.



Get insurance

You may need different insurance coverage for the **different stages of the process**. You may also need different insurance coverage depending on the **type of home** you choose. Note the following:

- You may need to insure your lot and any existing structures before the prefab home arrives.
- You may need builder's risk insurance during delivery and setup.
- You may need additional coverage if no one is living in your home while the builder is doing finishing work.
- You will need complete home insurance coverage for your prefab home once you move in.
- Modular homes usually need the same insurance as standard houses once they are on their permanent foundation and are move-in ready.
- Manufactured homes may have special rules. For example, your insurance provider may require certain types of foundation to insure your home.
- You may need extra coverage if you live in a windy, coastal, or high-risk area.

Contact an insurance broker. (An insurance broker is trained to help clients with their insurance needs. They are licensed to do this work.) They can answer any questions you might have. And they can make sure that you have proper coverage throughout the process.

To find an insurance broker, call BrokerLink in Bay Roberts at 709-786-3888.

If you have car insurance, you can call your insurance provider to ask if they provide home insurance.

Setting up your home

Once you are ready, you can have your home **delivered** and **installed**. You will then need to **set up utilities**, do **final work** on site, and **get inspections**.

Have your home delivered and installed

When you have your home delivered and installed, keep in mind the following:

- Weather and road rules can affect delivery times.
- Cranes need space to lift and place the modules.
- Some homes need a long, straight path for the truck.
- Driveways or yards may get damaged and need repairs.
- Costs may rise if access is hard or if schedules change.

Set up utilities

Once the builder installs your home, you need to set up utilities:

- Electricity
- Water (private well or municipal water)
- Sewer or septic
- Heating system
- Internet and phone

Some vendors may include some of these hookups in their total price. Check your agreement.

Finalize work

Once your home is delivered, the builder will need to finish the installation:

- Sealing the modules together
- Completing the roof
- Fixing drywall and trim
- Painting
- Building steps, decks, and skirting

Get inspections

Before you can move in, you will need to get inspections.

The types of inspections you need depend on whether you live in an incorporated or unincorporated area. It also depends on your property and the type of prefab home you choose.

For **incorporated areas**, contact your **municipality**. Ask them about final inspections and whether you need an occupancy permit.

For **unincorporated areas**, check with the **Government of Newfoundland and Labrador**. The Government Services office in Bay Roberts can help you. Contact them at 709-786-5015. Ask them about final inspections and whether you need an occupancy permit.

Keep in mind the following:

- The foundation must pass inspection.
- Electrical and plumbing must pass inspection.
- If you have a well and septic tank, they must pass inspection.
- The structure must be secure and installed properly. If you are on incorporated land, the municipality will have a building inspector confirm this. If you are on unincorporated land, the builder will confirm this.
- In some locations, you may need an occupancy permit.

Reminders: As you plan your move-in date, keep in mind that delays can happen. Make sure you have backup accommodations.

Prefab homes are strong, but just like standard houses, they require maintenance. The home vendor may have a complete list of required maintenance. Or you may be able to find more information online.

Choosing your prefab home

The two most common options for prefab homes are modular homes and manufactured homes.

To choose the right prefab home for you, compare the key details and costs of modular homes and manufactured homes.



Option 1: Modular homes

Key details

Keep in mind the following key details when considering a modular home:

- Built in **modules** (pieces) inside a factory
- Builder brings modules to your land and joins them together
- Must be placed on a permanent foundation
- Follows the same building rules as standard houses

Common costs

The cost of your modular home depends on the following:

- The type and size of the home you choose
- What the builder includes in the price
- How much work your land needs
- Delivery requirements

The budget estimates on the next page have a simple breakdown of common costs.

Budget estimates

Modular home budget	
Estimated base costs	
Base home price	Starting at \$114,000
Site preparation	\$10,000 to \$40,000
Well and/or septic installation*	\$15,000 to \$40,000
Foundation	\$12,000 to \$35,000
Electrical	\$5,000 to \$20,000
Permits	\$500 to \$3,500
Installation	\$21,000 to \$30,000
Transport	\$15,000 to \$40,000
Crane to place the home	\$10,000 to \$20,000
Porch and steps (Often included in base price; upgrades are extra)	\$2,000 to \$10,000
Subtotal	\$204,500 to \$352,500
HST (15%)	\$30,675 to \$52,875
Total estimate	\$235,175 to \$405,375
* This estimate includes new well and/or septic install. If you only need a permit, the cost is roughly \$500.	

Ask the vendor about layouts and the number of bedrooms available. They can confirm whether there are any costs associated with those choices.

See the list of vendors in your area on page 12.

Important: Be sure to set up a **contingency fund**. A contingency fund is money that you set aside to cover any unexpected costs. Set aside approximately 15% of your total costs for your contingency fund.



Option 2: Manufactured homes

Key details

Keep in mind the following key details when considering a modular home:

- Built in a factory as one big piece
- Do not require a permanent foundation, but you can choose a permanent foundation if you prefer
- Brought to your land on a steel frame
- Sometimes can be moved again if needed
- Must meet **CSA Z240 standard** (these are the Canadian Standards Association's standards for recreational vehicles)

Common costs

The cost of your manufactured home depends on the following:

- The type and size of the home you choose
- What the builder includes in the price
- How much work your land needs
- Delivery requirements

The budget estimates on the next page have a simple breakdown of common costs.

Budget estimates

Manufactured home budget	
Estimated base costs	
Base home price	Starting at \$120,000
Site preparation	\$10,000 to \$40,000
Well and/or septic installation*	\$15,000 to \$40,000
Foundation	\$5,000 to \$20,000
Electrical	\$3,000 to \$10,000
Permits	\$500 to \$2,000
Installation	\$10,000 to \$20,000
Transport	\$6,000 to \$12,000
Crane to place the home	\$0 to \$10,000
Skirting and steps (Often included in base price; upgrades are extra)	\$2,000 to \$10,000
Subtotal	\$165,500 to \$287,000
HST (15%)	\$24,825 to \$43,050
Total estimate	\$ 190,325 to \$330,050

* This estimate covers new well and/or septic install. If you only need a permit the cost is roughly \$500.

Ask the vendor about layouts and the number of bedrooms available. They can confirm whether there are any costs associated with those choices.

See the list of vendors in your area on page 12.

Important: Be sure to set up a **contingency fund**. A contingency fund is money that you set aside for any unexpected costs. Set aside approximately 15% of your total costs for your contingency fund.

Appendix: Local vendors

The Canadian Red Cross has not vetted these vendors and does not endorse them. Be sure to research any vendors that you choose before signing a contract.

Manufactured homes	Modular homes
StratCan Building Systems Phone: 709-746-6090 Email: info@stratcan.com	Homeworx Phone: 709-738-5738 Email: info@homeworxnl.ca
Nixon Metals Phone: 709-660-0126 Email: joshnash@nixonmetals.com	KSAB Home Phone: 709-639-4663 Email: RealEstate@ksab.ca
NU Homes Phone: 709-635-2400 Email: terry@nuhomesolutions.com	

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