



## CHBA National Advantage Program Launching in July

Adding still more value to membership in the Association, CHBA is launching its CHBA National Advantages program in July. This program will provide member firms, and their staff, with discounts and special offers on a range of products and services. We'll be kicking things off the first week of July with discounted services from our initial suite of companies, including UPS, Lenovo, Avis, Budget, InterCall, and Grant & Toy. To access these new member benefits (and save some money), just go to <http://www.chba.ca/member-deals>.

We have signed contracts with several other companies as well, so over the coming weeks and months, look for more announcements of additional savings to be had. All members will be receiving details on what's offered.



## Drywall Tariffs – Round Two? CHBA is on it

CHBA recently learned that Certainteed Gypsum Canada Inc. has once again filed a complaint with the Canada Border Services Agency (CBSA) alleging dumping of certain 54 inch gypsum board from the U.S, imported into Western Canada.

Although there is currently no production of this product in Western Canada, the claim is that dumping of U.S. goods has interfered with the establishment of the domestic production in Western Canada. **At this point, CHBA expects CBSA to impose interim tariffs on imported 54 inch drywall, and advises Western Canadian members who use this product to take steps to protect themselves from such an unplanned cost increase. Provisional tariffs could be put in place as early as September 19<sup>th</sup>.**



CBSA has identified CHBA as an interested party in the matter, given CHBA's past successful intervention on drywall tariffs. The Association has already authorized its legal counsel to engage in the case. It is expected that this complaint will result in a similar tribunal process to the last drywall tariff dispute. [CHBA was extremely successful in the last round](#) in having the duties dramatically reduced. While the trade environment has changed since then, the facts of the situation appear to differ little, and CHBA will intervene to protect the interests of members and their customers.

CHBA will, of course, keep members informed of developments on this matter going forward.

## CHBA Signs Agreement with Skills Canada

With the shortage of skilled trades facing our industry, CHBA is actively engaged in promoting careers in residential construction, and the signing of a new agreement will bolster those efforts.

On June 25<sup>th</sup>, CHBA signed a partnership agreement with Skills Canada, a national organization that encourages and supports a coordinated Canadian approach to promoting skilled trades and technologies to youth.

As a result of this agreement, CHBA will collaborate with Skills Canada in year-round efforts to promote careers our industry. CHBA will also be an important part of Skills Canada's annual skills competition, which begins with in-school competitions, progresses to regional/provincial events and culminates in the Skills Canada National competition.

This annual series of events engages over 100,000 young people, and will now showcase residential construction trades and highlight the career opportunities these offer.



*Skills Canada CEO Shaun Thorson (left) and CHBA CEO Kevin Lee (right) sign partnership.*

## Executive Officers Forum – Building a Stronger Association

CHBA's annual Professional Development Forum for Executive Officers took place June 12 to 14 in Saskatoon. Thirty-five participants from across the country spent two days learning the latest techniques and skills for building and maintaining a strong and effective association, and delivering solid value to members.

A big value of membership in the Association is networking, and this is no different for Executive Officers and staff of our HBAs. The Forum provides both key educational content and the venue for EOs to build their relationships with each other, so that all can be more effective back home. The ability to reach out to colleagues across the country makes every EO more effective, and the annual Forum is an important building block for that.



*Senior HBA Staff gather at the annual EOC Professional Development Forum, held this year in Saskatoon, SK.*

This year's very full program centred on essential association functions, from effective Board governance to the latest thinking on member recruitment, engagement and retention. EOs learned a great deal, with very practical tools to implement in their associations, and developed and strengthened relationships with their peers across the country to be most effective in their jobs each day.

Part of the agenda including getting to know next year's incoming President Stefanie Coleman, who came away as a big champion of the importance of this annual event. The group very much appreciated the warm hospitality extended by the Saskatoon & Region Home Builders' Association team.



## The Bank of Canada's "Balancing Act" on Rates Becomes Challenging

As recently as a month ago, financial markets appeared certain that the Bank of Canada would boost interest rates by a quarter-point on July 11<sup>th</sup>. Today, that sentiment has weakened, with markets essentially split 50-50 on the outcome.



Governor Poloz is clearly faced with a delicate balancing act when it comes to rates. Canada's economic performance remains somewhat uneven, despite inflation running at, or above, the Bank's target rate. The Bank remains concerned over high levels of household debt, and a rate increase would likely reinforce the recent decline in household debt levels. At the same time, higher rates would also likely bring lower consumer spending and a further decline in GDP.

Two other factors are likely to enter into the Bank's thinking:

- Tighter mortgage rules and stress testing have coincided with a significant decline in home purchasing. With Real Estate and related activities accounting for some 20 percent of Canada's GDP, the Bank has to be concerned with the future trajectory of housing markets.
- U.S. trade policy, which has become increasingly erratic, poses a huge unknown in economic terms and is likely to lead the Bank to a more cautious stance on interest rates.

Market watchers expect that if the Bank does move on rates in July, it will adopt a more neutral stance towards any subsequent rate hikes.

## Household Debt Moderates

The amount Canadians owe relative to their income posted its largest decline on record in the first quarter, as mortgage borrowing slowed along with cooler housing markets.

Total household credit market debt (consumer credit, and mortgage and non-mortgage loans) totalled \$2.13 trillion in the first quarter. Credit market debt as a proportion of household disposable income decreased from 169.7% in the fourth quarter to 168.0%, as disposable income increased at a faster rate (+1.3%) than credit market debt (+0.3%). In other words, there was \$1.68 in credit market debt for every dollar of household disposable income. Mortgage debt reached \$1.4 trillion, while consumer credit stood at \$627.5 billion.

## CREA Lowers 2018 Sales forecast

The Canadian Real Estate Association (CREA) has lowered its home sales forecast for 2018 to 459,900 units from its previous forecast of 479,400.

This is unsurprising given the 17.0% decrease in the value of residential resale activity in the first quarter, following the introduction of new mortgage regulations and stress test requirements, and marginally higher interest rates.

Year-over-year, CREA expects sales activity to fall 15.9 percent in Ontario, and 17.7 percent in B.C. Alberta is expected to see more a modest decline of 8 percent, while sales in Québec are expected to rise 3 percent from 2017.