



## Housing Plays Key Role in Canada's Economic Future Says DenOuden

At this month's CHBA National Conference in St. John's, NL, CHBA's 2017 President, Eric DenOuden of Belleville, ON, emphasized the central role of members in building great communities and contributing to Canada's esteemed 'quality of life,' envied around the world. He pointed out that with Canada banking on continuing to attract the world's 'best and brightest,' housing will remain a central pillar of our country's future economic success. This puts the importance of affordability, infrastructure investment, more efficient regulation, and new home taxation into sharp perspective. He noted that, "affordability should not be something governments react to when they sense a crisis, it needs to be a central goal they pursue, so that such crises don't occur."



Mr. DenOuden called on governments to 'get it right' when it comes to housing. First, through recognizing the strong link between our nation's international competitiveness and the ability of young families to achieve the 'Canadian dream' of home ownership.

Second, he noted that "when governments develop an 'innovation agenda' to support our country's future economic growth and prosperity, housing needs to be front and centre within these plans. To remain competitive internationally, industry has had to learn how to do things better, faster and cheaper. Why can't governments apply this same approach in other areas that have a profound impact on housing affordability and choice? Areas like regulation, urban planning and development, and the provision of housing assistance. In every case, innovation by government can unlock greater efficiency for our industry, and better support economic growth."

CHBA's new President closed his remarks by noting that, "as an Association, our job is to serve all facets of the residential construction industry, and all of its customers. Whether we are community developers, home builders, renovators, trades, allied professionals, lenders, or other service providers, we all benefit when Canadians invest in their homes. And through our Association, we work together to make this possible."

## Celebrating Canada 150 | CHBA 75 - #CdnBuilt for Generations

In honour of Canada's 150th birthday in 2017 and CHBA's 75th anniversary in 2018, CHBA has launched a campaign to celebrate the contributions that our HBAs and members make within communities across Canada every day. The national office will be working with local and provincial HBAs to gather the best stories of our members giving back to communities from coast to coast. For more information, visit [www.chba.ca/givingback](http://www.chba.ca/givingback).



## CHBA Members Elect New Board of Directors and Executive Committee

At the 2017 Annual Meeting of Members in St. John's, Newfoundland and Labrador, CHBA Members elected the 2017-18 Board of Directors, including this year's Executive Committee. New members of the Executive Committee team are John Meinen from Stratford, ON, as 2nd Vice President, and Greg Hussey from Paradise, NL, as Treasurer. To see the full slate of Board members for 2017-18, visit [www.chba.ca/board](http://www.chba.ca/board).

## Winners Announced for 2017 National Awards for Housing Excellence

To cap-off the 74th National Conference in St. John's, NL, winners of the 2017 National Awards for Housing Excellence were announced at the Awards Gala. Thirty-nine awards were given out, including the two top awards for overall performance: Concert Properties Ltd. receiving the Marketing Excellence Award and Adera Development Corporation receiving the Design Excellence Award. Both members are from Vancouver.



Congratulations to all of the National Awards for Housing Excellence Winners! A full list of winners is available on the CHBA website at [www.chba.ca/housingawards](http://www.chba.ca/housingawards) and be sure to check out the gallery of this year's Finalists.

## Residential Construction in Canada: 1 million jobs and \$138 billion in GDP

CHBA has released the 2016 update of its annual *Economic Impacts of Residential Construction* statistics. The investment value of new homes, renovations and repairs undertaken by the industry in 2016 exceeded \$138 billion, based on Statistics Canada Building Permits data, which do not include land value.

Separate estimates of the economic contribution of new construction, renovation and total residential activity are available at the national level, for every province and territory, and for over 100 municipalities, urban regions and larger communities across the country. The new estimates show that, in 2016, the industry continued to support over 1 million jobs, and maintains its position as one of the largest employers in Canada. One of every 18 workers in Canada is employed, directly or indirectly, in residential construction. Total wages paid in 2016 were \$59.4 billion.

Each year, CHBA produces detailed economic impact estimates for the residential construction industry, drawing on statistics compiled by Canada Mortgage and Housing Corporation and Statistics Canada. The full set of reports can be accessed at: <http://www.chba.ca/impacts>.

## CHBA Launches New Net Zero Home Label

The Canadian Home Builders' Association (CHBA) has officially launched its Net Zero Home Labelling Program - continuing CHBA's long history in leading voluntary energy efficiency efforts in residential construction. The Program provides the industry and consumers with a clearly defined and rigorous two-tiered technical requirement that recognizes Net Zero and Net Zero Ready Homes, and identifies the builders and renovators who provide them. A pilot version of the Net Zero Home Labelling Program ran from September 2015 to December 2016 to validate technical and administrative details. New home builders and renovators can learn more about the Program at [www.chba.ca/nze](http://www.chba.ca/nze).



## Association Leadership Award Winners Named for 2017

During the 74th National Conference in St. John's, CHBA honoured the efforts of members, Executive Officers and HBAs for outstanding achievement in four categories:

- The 2017 Home Builders' Association of the Year is Regina & Region Home Builders' Association.
- Regina and Region HBA also received the 2017 Community Service Award.
- Member of the Year is Errol Fisher of Saskatoon & Region Home Builders' Association.
- Executive Officer of the Year is Claudia Simmonds of CHBA – New Brunswick.



Congrats to all our winners and thank you for your contribution to the Association and for showing the value of membership!



A number of issues that affect the economics of the residential construction and renovation industry gained momentum over the past month:

## NAFTA, Softwood Lumber, and Drywall

Despite 4.5% - 9.9% average annual growth in trade flows between Canada, the U.S. and Mexico for all partners between 1993 and 2016 under NAFTA, the U.S. government has given its 90-day notification of intent to renegotiate. CHBA's concern is that, since the manufacturing and supply of building materials is truly integrated across North America, further trade disruptions will mean higher material costs, and, ultimately, higher house prices.

The U.S. has also imposed duties averaging 20% against Canadian softwood lumber. CHBA is engaged with the Department of Foreign Affairs and the U.S. National Association of Home Builders to help accelerate a solution to the dispute. British Columbia, New Brunswick, Quebec, and Alberta in particular will be hit by the new round of tariffs. Softwood prices in Canada have been escalating for months as U.S. companies stockpiled Canadian lumber. With the duty now in place, prices in Canada should return closer to normal. CHBA has developed a Housing Industry Issues Brief for members and HBAs which can be found on the CHBA website.

Wrapping up government measures related to U.S. drywall coming into Western Canada, a relief program has been launched for regional drywall contractors and builders who paid increased costs due to the tariff. Applications for reimbursement can be made till May 31, 2017. CHBA estimates its intervention on this issue saved over \$330 million (in new construction alone) in additional costs for industry and consumers.

## The Big Six Banks, Home Capital & the Subprime Market, and the Bank of Canada

The Big Six Banks have been under extreme scrutiny from investors and credit rating agencies in regards to their mortgage portfolios. While Moodys downgraded its rating of the Big Six based on consumer debt and elevated housing prices, Barclays increased its valuation for five. Merrill Lynch published a report arguing that housing is mostly a symptom of excessive debt, and not the primary problem. At the same time, RBC, CIBC and TD all beat market forecasts in their quarterly reports. Finally, HSBC has made an aggressive move into the residential mortgage market with very low rates to get more originations.

Government officials and analysts concur that Home Capital's investor pull-out is isolated and unlikely to spread to the rest of the mortgage market. The primary reason for this is that the underlying mortgage portfolio – the quality of borrowers – is not the issue. CIBC estimates that subprime arrangements account for just under 10% of new mortgages, but it also expects growth in this type of mortgage to soften in the coming quarters.

On May 24 the Bank of Canada announced it was maintaining its target for the overnight rate at 0.5 per cent, citing continued low wages and economic slack. The Bank has resisted calls to increase rates in order to cool down housing markets in Toronto and Vancouver.

## Economic Impacts of Residential Construction

CHBA issued an update of its annual statistics on residential construction, which showed the sector providing more than 1 million jobs and \$138 billion in economic growth in 2016. Separate estimates of the economic contribution of new construction, renovation and total residential activity are available for every province and territory, and for over 100 municipalities, urban regions and larger communities across the country at <http://www.chba.ca/impacts>.

