



Report on National Housing Strategy Released

On Canada's National Housing Day, the Minister of Families, Children and Social Development and Minister Responsible for Canada Mortgage and Housing Corporation (CMHC), Jean-Yves Duclos, released the "What We Heard" from Canadians report. The Report will form the basis for development of a National Housing Strategy (NHS).

The summary report reflects the consultations that took place across Canada in which CHBA was a very active participant. It identifies emerging themes and highlights ideas intended to help define the future of housing. "A National Housing Strategy will align the efforts and resources of all players – governments, stakeholders in the private and non-profit sectors and others – toward improving housing outcomes for all Canadians," said Minister Duclos.

The most important housing outcomes from the more than 6,300 NHS survey respondents were the following:

- *Affordability*: housing must be affordable and meet their needs – the most important housing outcome to respondents.
- *Sustainability*: housing needs to be financially, socially and environmentally sustainable.
- *Inclusivity*: housing that helps distinct groups such as homeless, seniors, newcomers, Indigenous peoples, persons with disabilities.
- *Housing supports a better quality of life*: housing that supports improving the quality of life.

CHBA was pleased to see the report include many key points it raised during the consultation process, although greater emphasis on the key role of housing affordability in creating positive housing outcomes is warranted. The Minister and his officials stressed during the launch event that the next key step will be the 2017 Budget, which will contain the actual Strategy. CHBA will push hard for the Strategy to contain actions that address affordability and choice across housing markets. A major priority should be access to home ownership for first-time buyers, which will be critical to the success of other federal housing initiatives.

CHBA Testifies to Trade Tribunal on Drywall Duty

CHBA has submitted its formal brief and corroborating evidence to the Canadian International Trade Tribunal on the impact of duties on drywall being imported from the U.S. to Western Canada, has engaged legal counsel for the full process, and provided testimony to the Tribunal on November 30, 2016, in Edmonton. This action follows extensive three-level Association coordination on advocacy to address the drywall duty that led to unprecedented government action to accelerate the review process through a federal cabinet Order in Council last month.

CHBA has focused its arguments on how drywall contractors, home builders, renovators, consumers and the economy are being negatively affected by the soaring prices and uncertain supply of drywall triggered by the duty. In early September, the Canada Border Services Agency (CBSA) invoked the Special Import Measures Act, making a preliminary determination of alleged dumping with respect to gypsum board (drywall) originating from the United States. CBSA imposed a provisional duty on drywall ranging from 105.2% to 276.5%, effective immediately, on certain US gypsum board for use in British Columbia, Alberta, Saskatchewan, and Manitoba, as well as the Yukon and Northwest Territories.

CHBA's testimony is based on evidence gathered from over 500 builders, renovators and drywall contractors who responded to a CHBA survey of members.



Minister Duclos (right), who just released CMHC's "What We Heard" report on the National Housing Strategy, in discussion with CHBA CEO Kevin Lee.

CHBA Board of Directors Takes on Full Plate of Government Relations

Government relations was the central theme of a full suite of agenda items at the CHBA Board of Directors meeting in Ottawa late last month. From drywall tariffs to mortgage rules to climate change actions, there is plenty going on at the federal level, with significant potential to impact our industry.

Regarding climate change, CHBA expects the federal government's climate change plan to be unveiled over the next few months. Two housing measures are likely to be included in this plan. First, there is a general consensus from federal and provincial governments and code officials concerning the introduction of a tiered system for energy performance in building codes that would set a goal leading to Net Zero Ready in code by 2030. CHBA supports energy-efficiency achieved through voluntary, market-driven measures and continues to advocate that additional levels of building performance should not be regulated until affordability is not adversely affected. The government is also expected to announce incentives for homeowners to retrofit existing homes – something CHBA has been calling for. The substantial reductions in greenhouse gas emissions from the housing sector the government is seeking cannot come from codes but will require improving substantially the performance of Canada's 14 million existing houses.

Recent mortgage rule changes remains an ongoing issue for CHBA. While CHBA recognizes the federal government's concern over high levels of household debt, the Association continues to stress that locking younger first-time buyers out of the market also has significant economic risks. CHBA's review of mortgage rule changes in early October showed a number of immediate flaws that would have impacted new home buyers with sales agreements awaiting construction of their home. CHBA worked with Finance Department officials, and as a result a number of rule adjustments were released that provided important adjustments for Canadians who had already entered into purchase and sale agreements.

For more details on the Board of Directors meeting, login as a member to www.chba.ca/Board and visit the Portal.

The Race is On – CHBA National Awards for Housing Excellence Now Open

The Call for Entries has been issued, so the race is now on for the 2017 CHBA National Awards for Housing Excellence. CHBA is looking for the best that our industry has to offer in new homes, home renovations, community development and marketing. No matter your company's size or location, you have a chance to stand out and lay claim to being amongst the best in Canadian housing. For 2017, CHBA members have more opportunities to showcase their very best: New Home Awards, a new Net Zero Home Award and nearly twice as many Home Renovation Award categories with a return of the best bathroom. In addition:

- A new and improved online entry process that will be easier than ever to use.
- Increased alignment with other HBA award programs across the country, making it easier for you to enter your projects at multiple levels.
- With a project eligibility period of 18 months, more of your projects are eligible.

Visit www.chba.ca/housingawards for more details.



Discussions on Construction Heat Getting Heated

Representatives of the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI), OHBA and CHBA continued discussions this month on a move by HRAI member-manufacturers to ban the use of gas furnaces for construction heat prior to occupancy. Association objections to this move resulted in the date of implementation being pushed forward from September 1, 2016 to May 1, 2017, but the Association continues to engage with HRAI to find a better solution for all. CHBA's Technical Research Committee last month made it clear that association members would prefer to work with HRAI member-manufacturers to identify a more acceptable solution based on a clear understanding of current problems.

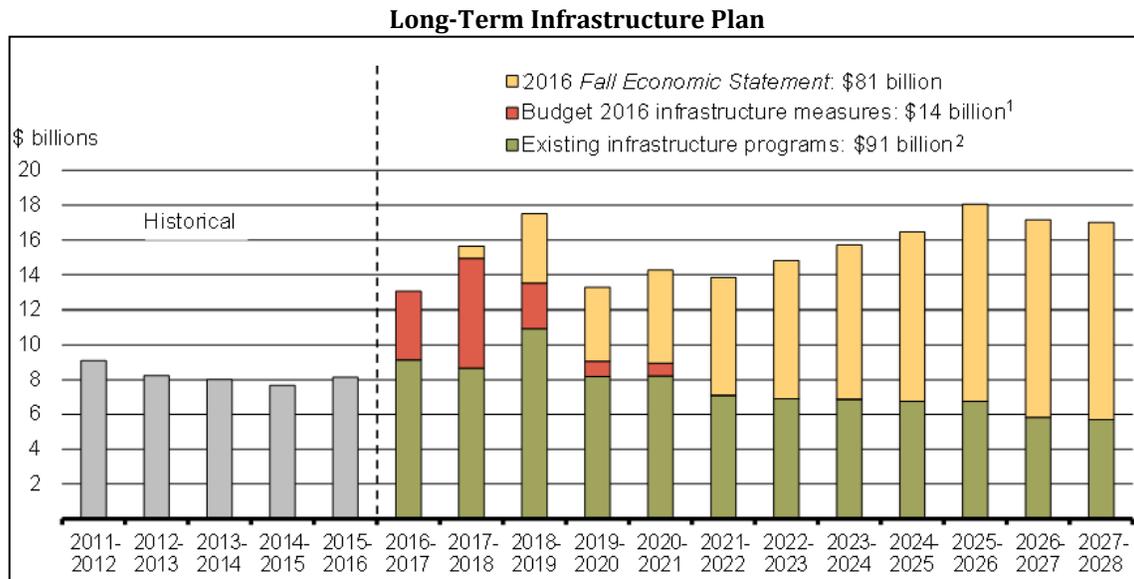


The two big economic stories this month are the Federal Government’s Economic Statement and the election of Donald Trump as the next U.S. President. Both have implications on Canada’s plans for growth.

Feds plan for more infrastructure and transit investment

As has become habit, the Fall Economic Statement presented more than just updated numbers on the government’s books – it also outlined increased spending on infrastructure and transit and the establishment of the Canada Infrastructure Bank (which was first promised during last year’s election).

The bulk of additional infrastructure funding will come in future years and serve to maintain the federal government’s current investment level in this area.



CHBA has encouraged the federal government to align its investment in infrastructure with local, provincial and regional development plans with the aim of increasing housing supply and affordability, particularly through approaches like transit-oriented development.

The Canada Infrastructure Bank, if utilized with a similar lens, can help support housing affordability and supply. In order to the maximum economic growth and social benefits, large-scale infrastructure projects need to have residential community development implications considered at the same time.

The ten-year investment plan reinforces the notion that Canada and the world are going to be mired in a low-growth environment for a very long time.

Trade with the US under a Donald Trump Administration

After some early volatility, global markets have moved upwards, however the first considerations of what a Donald Trump administration means for Canada are decidedly mixed. Trump has already stated his intention to pull the U.S. out of the Trans-Pacific Partnership Agreement and renegotiate NAFTA, but there is disagreement between Canadian experts as to whether these moves will ultimately be good or bad for Canada.

Although Trump has not publically criticised Canada, his election has raised a number of questions over many bilateral and continental deals, including: climate change agreements; a continental energy policy; the Keystone XL (or other) pipeline(s); and softwood lumber.

Trump’s stimulus proposals are also fuelling expectations of stronger inflation, pressing up Treasury yields and, in turn, those of Government of Canada bonds. As a Toronto-Dominion Bank senior economist noted: “The tide may be turning on borrowing costs, and that rates will become a small headwind for housing, rather than the gale-force tailwind they have been for years.”