



## CHBA and BILD-GTA Sign Agreement to Take RenoMark® to the Next Level

On June 28<sup>th</sup> in Ottawa, CHBA and BILD-GTA signed an agreement to continue to grow the RenoMark® program and take it to the next level.

With the historic signing of this agreement, CHBA and BILD-GTA commit to further collaboration to grow and strengthen the RenoMark brand across Canada, engaging the full capacity of CHBA's Canadian Renovators' Council and CHBA's more than 60 local and provincial constituent associations.

"With Canadians investing some \$70B in improving their homes, they need information and renovators they can count on—through RenoMark our Association provides exactly that, and we look forward to making RenoMark an even stronger brand for the Association, its members, and Canadians," said CHBA CEO Kevin Lee.

"We are very proud of having founded RenoMark more than a decade ago and having grown it to what it is today, in the GTA and across Canada," said BILD CEO Bryan Tuckey. "We have been working on RenoMark with CHBA and our fellow home builders associations across the country for years, and with this agreement we will build on those successes and create new possibilities for RenoMark going forward."



## Battle Continues Against Underground Cash Economy

The federal government will soon release its latest thinking on policy to combat the underground economy, and recently invited Canada's business elite, including CHBA, to weigh in on how to crack down on tax evasion. The goal, according to Finance Minister Bill Morneau, is not new revenue — it is fairness.

CHBA CEO Kevin Lee participated in a May 30<sup>th</sup> meeting of National Revenue Minister Diane LeBouthillier's Underground Economy Advisory Committee, of which CHBA is a founding member. The Minister and her officials referenced CHBA proposals and activities several times, including the continued success of the *Get it in Writing!* campaign. CHBA reiterated the opportunities to fight the underground economy by requiring receipts for an energy efficiency-focused renovation tax credit and registering all businesses for a GST number, both of which were met with interest by the Minister and CRA officials.



## Housing Key in Reducing Poverty in Canada

On May 31<sup>st</sup>, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities presented their Seventh Report in the House of Commons, "Breaking the Cycle: A Study on Poverty Reduction." CHBA CEO Kevin Lee was one of the committee witnesses and he presented evidence and concrete proposals which are quoted rather extensively in the report, and reflected in the all-party Committee's recommendations. CHBA told the Committee that the housing market is a continuum, of which social and affordable housing is only one part. Addressing the entire housing continuum, including market rate, rental and home ownership is critical to both the housing strategy and to reducing poverty. The impacts of deteriorating market-rate affordability and barriers to home ownership cascade down to those in housing need and impede

progress and poverty reduction. CHBA also noted that most families in core housing need are adequately housed but lack sufficient income to pay both rent and the essentials of maintaining their families. As a result, CHBA advocated a portable housing benefit providing rent supplements directly to individuals, first targeted to those most in need and then scaled up if necessary.

## **Are Members Concerned About FINTRAC?**

CHBA and MNP LLP recently conducted a survey on Canada's AML/ATF regulations and FINTRAC requirements, which was completed by nearly 300 member firms. The results provide valued insights into the challenges that these requirements pose for home builders, developers and other members involved in the sale of new homes.

Based on these results, CHBA is working with MNP LLP to update our [FINTRAC Guide](#) and to develop additional information resources to assist members in dealing with FINTRAC requirements. Later this year, expect to hear more about an updated guide and online tools to assist members, including webinars on aspects of FINTRAC requirements that seem to cause the most problems for members. CHBA will also be communicating with FINTRAC to explore ways in which some of the more problematic and difficult FINTRAC requirements can be simplified.

## **CRA Opens Online Consultation on Voluntary Disclosures**

National Revenue Minister Diane LeBouthillier has announced consultations on changes to the Voluntary Disclosures Program to ensure a fairer tax system for all Canadians. The result is that the Canada Revenue Agency has launched [online consultations](#) that will give Canadians a say about proposed changes to tighten its Voluntary Disclosures Program. CHBA believes that the Voluntary Disclosures Program is an important tool for businesses who have tax remittance issues. The Association encourages members to provide their comments to CRA so that the proposed changes are particularly suited for the residential sector.

## **2017 CHBA Home Buyer Preference Survey Released**

The 2017 edition of CHBA's Home Buyer Preference Survey was released as part of the recent National Conference in St. John's. Developed in partnership with Avid Ratings Canada, the Survey tracks what recent home buyers prefer in a new home, what they're willing to trade off to get it, and what price they will pay to secure their "must-have" features. "Being able to provide our members with such a unique and valuable market research tool is incredibly important to us," noted Kevin Lee, CHBA CEO. "The data it provides to our builder and developer members you cannot find anywhere else."

Three recurring themes became evident from the Survey. Buyers want storage such as walk-in closets, linen closets and 2-car garages. Kitchens are key to reaching home buyers and their preference is for open-concept kitchens and kitchen islands. Energy efficiency came through as a third recurring theme. Buyers want energy-efficient appliances, high-efficiency windows and an overall energy efficient home. The Survey also gets into how much home buyers were willing to spend to purchase a more energy efficient home.

The 2017 Home Buyer Preference Survey Report package can be ordered online at [www.chba.ca/survey](http://www.chba.ca/survey). Members who purchase the survey report at the discounted CHBA price also gain free access to the Avid Reports online analysis system. This system allows builders to easily do their own custom research, focused on their market area and the buyer characteristics of interest to them. An online tutorial shows how the system works.

## **EOs Meet in Ottawa Prior to Canada 150**

Some 30 CHBA Executive Officers and senior staff gathered in Ottawa on the eve of Canada Day to collaborate and discuss ways to strengthen the Association through effective government advocacy efforts and a renewed focus on membership development. CHBA First Vice-President Nathan Stone joined the EOC in Ottawa as well. Discussions focused on board governance and there were solid ideas shared on effective membership recruitment and retention from across the country.





## Positive Numbers in First Quarter of 2017

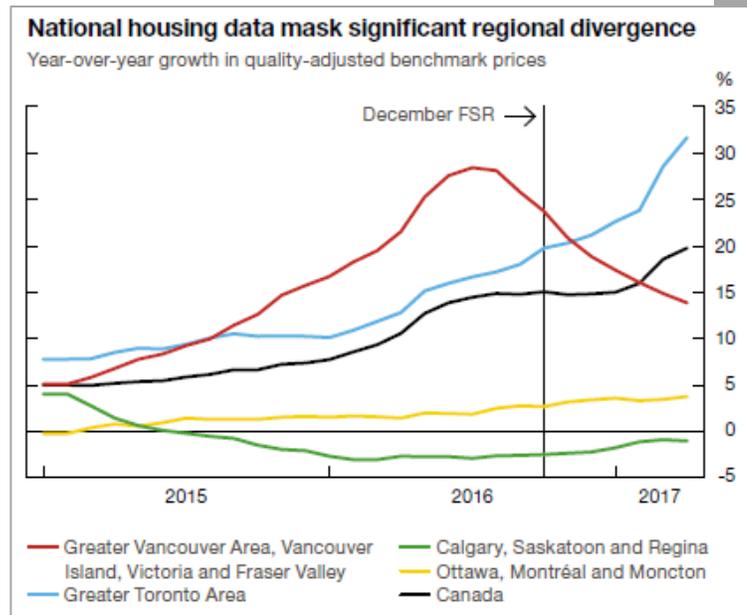
Statistics Canada reports that Canada's Real GDP rose 0.9% in the first quarter (or 3.7% annualized), following a 0.7% gain in the fourth quarter. The Bank of Canada noted that it was encouraged by a broadening of economic strength, including gains across 70% of industries – something Canada hasn't seen since before the oil-price collapse nearly three years ago.

Residential construction grew 3.0%, the largest gain since the first quarter of 2012, as business investment in residential structures grew 3.7%, new construction increased 3.9% and renovation activity increased 2.1%.

Investment in residential construction totalled \$28.2 billion in the first quarter, up 7.6% from the same quarter of 2016. Higher investment in single-family dwellings (+13.7% to \$6.5 billion) accounted for nearly 40% of the change at the national level. Renovation work (+5.5% to \$12.1 billion) and acquisition costs related to new dwellings (+13.4% to \$3.4 billion) also largely contributed to the gain.

National gains, however, mask regional disparities in housing markets, as observed by the Bank of Canada (see graph from the June 2017 Financial System Review.)

May also saw a surprise gain of 77,000 full-time jobs and a total of 54,400 new jobs overall, while the pace of annual wage rate increases accelerated to 1.3%, after falling to a record low 0.7% in April.



Finally, there was also good news on household debt, with the ratio of household credit market debt to disposable income declining from 167.2% in the fourth quarter to 166.9%.

It is essential to the residential construction industry that the Canadian economy start to “fire on all cylinders” rather than being so reliant on housing alone. This now appears to be happening in the view of both the Bank of Canada and economic analysts. Therefore interest rates policy can be considered in this wider context.

The OECD now predicts that Canada's GDP will grow by 2.8% per cent this year, doubling last year's growth. RBC Economics expects real GDP to grow by 2.6% in 2017 and 2.1% in 2018.

## Softwood Lumber & US Trade

Canada's good news on trade led to bad news on softwood lumber. Canada's trade surplus with the U.S. hit \$5.0 billion in April, up from \$3.4 billion in March. CIBC reports that forestry product exports were up 4.7% before countervailing duties of 3% to 24% were imposed.

Now, however, the U.S. has announced an anti-dumping duty of nearly 7% against Canadian lumber producers, raising the overall punitive rate to about 27% for most firms.

CHBA has updated its [Housing Industry Issues: Softwood Lumber](#) page for Members. Lumber prices in Canada, which have continued moving downward, will be closely monitored by CHBA.