



## New CHBA President Focused on Government's Role in Housing Markets

*"CHBA is increasingly concerned that Canada faces a future where many younger people and families will be locked-out of home ownership due to the unwitting actions of governments, especially at the local level."*

This was the focus of CHBA President Bard Golightly's inaugural address to Association members in Whistler on April 5. And Bard made it clear that it will remain his focus in representing CHBA members over the coming year. He then expanded on why this is an issue governments cannot ignore.

*"(Media) conversations about housing are dominated by slogans such as "housing bubbles," or "growth must pay for growth," or "it's time to end sprawl."*

*"All too often these slogans are used to justify loading an ever-broader array of taxes onto the price of a new home and into the mortgages of new home buyers.*

*"What gets ignored is how these soaring taxes impact new home prices and existing home prices, and reduce the home ownership prospects of younger Canadians. Make no mistake – there is a great deal at stake here."*

Bard's highlighting of the growing "affordability gap" that is leading younger first-time "Millennial" buyers to delay home ownership was reflected in the CHBA's new communication strategy on government-imposed costs presented earlier in the week to the Association's Urban Council. In the coming months, CHBA will be working to change the conversation about government taxation of new homes to focus on those most affected: young people and families wanting to become homeowners.

To read Bard's full Inaugural Address, go to [www.chba.ca](http://www.chba.ca).

## Strong Government Representation at CHBA National Conference

The Honourable Jason Kenney, Minister of Employment and Social Development, the Chair of the Conservative Housing and Construction Caucus (and Past OHBA President) MP Phil McColeman, and newly-installed CMHC President Evan Siddall were a strong federal presence the CHBA's National Conference in Whistler.

This heightened level of federal representation at the Association's annual national gathering is a reflection of the increased CHBA focus on federal government relations, and the success those efforts are achieving.



**CHBA President Bard Golightly**



**CHBA President Bard Golightly, The Honourable Jason Kenney, and CHBA CEO Kevin Lee.**

Minister Kenney, speaking at the State of the Industry/Inaugural Address session, made note of CHBA increased federal presence and the value this has to the government in the development of policy that affects the industry and housing for Canadians.

The Conference was a huge success, so – if you haven't already – please plan to join us at next year's Conference in Halifax, March 5-7, 2015.

### **Congratulations to Outstanding Members!**

Association Members celebrated the achievements of Canada's leading new home builders, renovators and developers as the CHBA's National SAM Awards were presented in Whistler. Doug Tarry Homes of St. Thomas, ON won the prestigious Grand SAM Award and two New Home Awards for single detached homes. The Daniels Corporation of Toronto, ON won the Marketing Excellence Award with creative, concept, and production by Montana Steele Strategic Marketing.



*Grand SAM winner  
Doug Tarry*

The CHBA also honoured the leadership and accomplishments of Individual Members and HBAs as part of the National Awards Program in Whistler. The Beaver Award, presented to the outstanding builder member of the year, went to Steven Crowell of the Annapolis Valley (NS) Home Builders' Association. Douglas Stewart of the Waterloo Region Home Builders' Association won the Maple Leaf Award as the outstanding non-builder member for 2013. Ron Olson of the Saskatoon & Region Home Builders' Association won the prestigious Gordon S. Shipp Award in recognition of leadership, dedication, and continuous lengthy service to the CHBA at the national level. The Colonel Boss Trophy, presented to the Home Builders' Association making the greatest progress and achievement compared to the previous year, went to the Regina and Region HBA.

For a complete list of SAM and CHBA National Award winners, visit [www.chba.ca](http://www.chba.ca).

### **Net Zero Energy Housing Council Approved**

CHBA's Board of Directors has given the nod to a new self-funding Association Council focused on Net Zero Energy Housing. The Council will focus its efforts on ensuring that it is home builders who take the lead in this space, and that CHBA members are best positioned to help homeowners take advantage of Net Zero housing. The Council will ensure Net Zero activities and R&D reflect a strong industry perspective and are relevant to new home builders. It will also serve as a strong voice to maintain net-zero as voluntary performance target. Members interested in the Council should contact Gary Sharp ([sharp@chba.ca](mailto:sharp@chba.ca)), CHBA's Director of Technical Services.

### **Renovators' Council to Focus on Building Renovator Membership**

At the Whistler meeting of the Canadian Renovators' Council, discussions focused on how to increase the Association's renovator membership. While CHBA has a growing base of leading professional renovator members across the country, the Council believes there is a compelling opportunity to build on this by developing services tailored to the business needs and interests of renovators. A Working Group has been formed to develop specific plans and recommended actions. Renovators interested in contributing ideas to this process should contact Gary Sharp ([sharp@chba.ca](mailto:sharp@chba.ca)), CHBA's Director of Technical Services.



## Housing's Contribution to the Economy

In its recent Monetary Policy Report, the Bank of Canada estimates that economic growth in Canada is projected to average about 2.5 percent in 2014 and 2015.

Core inflation is expected to stay well below the 2 percent target, and it will take close to two years for it to return to the target. However, total CPI inflation will move up this year, before core, in response to higher consumer energy prices, as well as the lower Canadian dollar.

**Table 2: Contributions to average annual real GDP growth**  
Percentage points<sup>a,b</sup>

	2013	2014	2015	2016
Consumption	1.2 (1.2)	1.4 (1.3)	1.4 (1.3)	1.1
Housing	0.0 (0.0)	0.0 (0.0)	-0.1 (-0.1)	0.0
Government	0.1 (0.2)	0.1 (0.2)	0.2 (0.1)	0.3
Business fixed investment	0.1 (0.1)	0.2 (0.4)	0.7 (0.9)	0.8
<b>Subtotal: Final domestic demand</b>	<b>1.4 (1.5)</b>	<b>1.7 (1.9)</b>	<b>2.2 (2.2)</b>	<b>2.2</b>
Exports	0.6 (0.3)	0.5 (1.2)	1.7 (1.8)	1.5
Imports	-0.4 (-0.3)	0.1 (-0.6)	-1.4 (-1.4)	-1.4
<b>Subtotal: Net exports</b>	<b>0.3 (0.0)</b>	<b>0.6 (0.6)</b>	<b>0.3 (0.4)</b>	<b>0.1</b>
Inventories	0.3 (0.3)	0.0 (0.0)	0.0 (0.0)	0.0
GDP	2.0 (1.8)	2.3 (2.5)	2.5 (2.5)	2.2
<b>Memo items:</b>				
Potential output	1.9 (1.9)	1.9 (1.9)	2.0 (2.0)	1.9
Real gross domestic income (GDI)	2.0 (1.8)	2.6 (2.5)	3.0 (2.6)	2.6

a. Numbers in parentheses are from the projection in the January 2014 *Monetary Policy Report*. Those for potential output are from Appendix A in the October 2013 *Monetary Policy Report*.

b. Numbers may not add to total because of rounding.

Recent data continues to support the Bank's expectation of a soft landing in housing markets and the stabilizing of household balance sheets. However, these expectations mean that while housing activity will stay relatively steady, it will not increase its percentage contribution to GDP growth like other sectors will over the next few years (as reflected in the chart above, which shows the forecasted growth of sectors compared to their size in 2012).

## Mortgage Insurance Underwriting Guidelines

The Office of the Superintendent of Financial Institutions (OSFI), Canada's regulator of national financial institutions, has issued draft guidelines that spell out the practices that OSFI wants to see from the country's three mortgage insurers: Canada Mortgage and Housing Corporation, Genworth MI Canada, and Canada Guaranty. They proposed best practices for mortgage insurers to ensure that the lenders they work with have the proper evaluation measures in place for the mortgages they issue, and they clarify that mortgage insurers must take responsibility for which mortgages ultimately are insured – they cannot relinquish this responsibility to mortgage lenders.

***Overall, the proposed guidelines are not expected to affect the vast majority of home builders or mortgage activity across the country.***

The Association will be submitting its comments to OSFI on the proposed guidelines, and in particular will be looking for clarification on two items: that gifts of money from family will continue to be a "traditional" source of down payments, and that the assessment and re-qualification of lenders by mortgages insurers doesn't create additional administrative burden.

*Any member who also wishes to provide comment can do so either by submitting directly to OSFI (please send us a copy) or by sending your comments to Jason Burggraaf ([burggraaf@chba.ca](mailto:burggraaf@chba.ca)) at the national office by May 16, 2014.*