



Federal Election – The CHBA concluded a successful outreach effort for the May 2nd federal election. Industry messages were delivered in a wide variety of ways to well over 700 candidates of all parties across Canada. Several HBA's co-sponsored All Candidates Meetings focused on housing policy issues, which also attracted solid local media coverage. Others held one-on-one meetings with candidates, stressing the importance of housing to Canada's long-term prosperity. Letters and information packages were sent to many candidates by local HBA's. In addition, a number of CHBA leaders wrote op-ed columns in local newspapers to highlight industry concerns and proposals. Dozens of candidates replied to the CHBA's outreach efforts and a foundation has been laid for ongoing relations during the next four years.

Fire Code Alert - The CHBA has issued an alert to the provincial HBAs regarding potential problems arising from the 2010 National Building and Fire Codes. A new requirement in the National Fire Code requires builders to protect adjacent buildings during construction. The wording is very open to interpretation. A change to a requirement in the National Building Code on how to determine whether there is adequate protection by the fire service removes flexibility to require greater spatial separation when the site is more than 10 minutes from a fire station. The two sets of requirements interact to create great uncertainty. The CHBA alert recommends that provincial HBAs contact their respective provincial governments to try to defer implementation of the new fire code requirements pending a national review. Failing that, they should insist on clear interpretation of the requirements prior to implementation.

Government Imposed Costs - Government-imposed charges (GICs) are a serious challenge for the housing industry. Increases in GICs often seem minor but, collectively, they are significantly increasing the cost of new housing – to the detriment of housing affordability. Recently, CMHC released the latest in a series of comprehensive estimates of GICs. Examination into Government Imposed Charges on New Housing Construction provides estimates of GICs in 21 municipalities across Canada in 2009. It updates the findings of studies covering GICs in 1996, 2002 and 2006. According to the study, municipal government-imposed charges (GICs) on typical new houses range from over \$50,000 in Surrey, B.C. and \$48,000 in Vaughan, Ontario, to less than \$5,000 in some smaller centres in the country. Adding the federal and provincial taxes to municipal charges raises the burden on new homes to over \$80,000 in several municipalities – and almost \$100,000 in Vancouver. Municipal, provincial and federal GICs totaled over 10% of the price of a new house in most municipalities. In many cases, GICs accounted for 18% or more of the house price. CHBA President Vince Laberge has encouraged HBAs to share the findings with others and not to hesitate in drawing attention to this government attack on housing affordability. A short summary report on this subject was distributed to Members this month and is available in the Members' area of www.chba.ca.

Jobs and Housing - Employment growth is an extremely important indicator of the future health of housing markets. At this stage of Canada's economic recovery, therefore, it is important to know as much as possible about employment conditions and trends. CHBA President Vince Laberge has distributed a report to Members from the Altus Group which cautions against 'over-exuberant optimism' with respect to underlying housing demand, given underlying trends in labour markets. Key points found in the report which is available in the Members' area of www.chba.ca are the following:

- The Canadian economy is out of recession, and headline job numbers are encouraging;
- Underlying trends in labour markets are weaker, and so too may be underlying housing demand;
- Total employment has more than recovered recessionary job losses, but Canadians are still working fewer hours;
- Canada had a full-time-job recession and a part-time-job recovery; and
- The youth job market continues to be in recession, which spells caution for housing demand over the medium term.

Economic Impacts of the Housing Industry – The CHBA has again engaged Will Dunning Inc., a consulting firm that specializes in housing market analysis to develop estimates that can be used by HBAs in their representations. The estimates cover housing starts, jobs, investment and government revenues from construction of new dwellings of all types, as well as renovation, conversion and repair of existing dwellings and other expenditures relating to new residential construction. These reports are available in the Members' area of www.chba.ca. They illustrate the importance of residential construction in generating jobs, wages, investment, and significant government revenues.