

Next: How 'ICES' can help deal with density issues

THE trend toward increased development density and compactness — especially in urban development situations — is a real opportunity for the CHBA's new home builder members, the CHBA Board of Directors Fall meeting in Ottawa was told.

Integrated Community Energy Solutions — or "ICES" for short — are the centre of this trend, the Board was told.

And integrating energy systems at a larger scale has the real potential to meet home owner needs more efficiently and find ways to deliver infrastructure that is more

cost effective. Last Spring, the Board was told, a Task Group of CHBA new home builder and developer members spent time examining the business case for ICES and identifying what needs to happen to make this business case clearer.

It's practical

CHBA President Victor Fiume told the Board that as density increases, integration of systems at the neighborhood and community scale becomes more and more practical.

"If done properly," Fiume said, "integrated

systems can deliver significant efficiency gains.

"From our industry's perspective, this approach should also be able to deliver some cost efficiencies, and create new business partnership opportunities for utilities and others with a stake in delivering energy services."

The CHBA ICES Task Group focused its attention on the questions that need to be addressed if this potential business opportunity is to be realized. As with any major innovation, Fiume said, it takes more than a "good idea" to make it happen.



■ BOARD OF DIRECTORS in session. It was told increased density and compactness is a concern for Canada's new home builders.

In the news

THE WORLD OF HOUSING TODAY



■ CHBA leaders meet with Mark J. Carney (centre), Governor of The Bank of Canada, in Ottawa this month. From left: Past President Gary Friend, 1st Vice-President Vince Laberge, President Victor Fiume, and 2nd Vice-President John Friswell.

TACKLING THE UNDERGROUND

THERE was very positive response to the "Get It in Writing" pilot project with the Canada Revenue Agency in Atlantic Canada, the Fall meeting of the Canadian Renovators' Council was told. The campaign, which took aim at the underground "cash" economy, included television, print advertisements, and consumer material. Peter Briand, Chair of the Nova Scotia Renovators' Council, said the campaign had "great response" from industry and consumers throughout the province.

TOP AWARD FOR CMHC CHIEF

KAREN KINSLEY, President and CEO of Canada Mortgage and Housing Corporation has been named a winner of the Women's Executive Network Top 100 Most Powerful Women Awards. The network is a membership community of successful women in Canada and Ireland, and hosts more than 120 leadership, mentoring, and networking events each year. Kinsley's career at CMHC spans 23 years. She was appointed President and CEO in 2003, after serving as chief financial officer, vice-president of finance, and agency treasurer.

ON THE CALENDAR

THE CHBA's 68th National Conference will be held at the Fairmont Banff Springs Hotel Feb. 25 to 27, 2011. The Annual Meeting of Members will be held on the morning of Feb. 25. Plan to attend.



UNCERTAIN FUTURE FOR HOUSING, GOV'T TOLD

Three-point plan for the economy

THREE key policy initiatives are needed to ensure the stability of Canada's residential construction industry, the federal government has been told.

The industry contributes "significantly" to the country's economic well-being, but it is entering a very uncertain period.

That was the message the CHBA delivered this month in its pre-budget submission to the House of Commons Standing Committee on Finance.

President Victor Fiume and First Vice-President Vince Laberge appeared before the Committee to table three specific and inter-related recommendations.

Action call

Those recommendations are that the government should:

- **ADOPT** a single threshold/full rebate approach for the GST New Housing Rebate across Canada, and commit to review and adjust the threshold over time;
- **INTRODUCE** a permanent 2.5% GST Home Renovation Tax Rebate for all home owners; and
- **VIGOROUSLY TACKLE** the underground "cash" economy to raise government revenues and protect consumers.



■ CHBA LEADERS Vince Laberge and Victor Fiume with MP James Rajotte (right), chair of the House of Commons Standing Committee on Finance.

Fiume told the Committee that the uncertainty facing the residential construction industry is reflected in the wide range of new home starts Canada Mortgage and Housing Corporation has forecast for 2011 — from 146,900 to 210,500, with a point forecast of 176,900.

New home builder members on the CHBA Economic Research Committee are forecasting 165,000 starts next year, which serves to underline the industry's concern.

"While we expected a slowing of housing activity and view CMHC's point forecast as a healthy housing market," Fiume said, "we are very concerned about the uncertainty that surrounds this forecast."

"As the Governor of the Bank of Canada has observed, there is the po-

tential of a more pronounced correction.

Fiume said it should be noted that the industry's working capital and reserves were seriously depleted last year and it remains in a weakened state.

"On the employment front," he said, "while employment levels have increased dramatically, and the number of jobs now exceeds pre-recession levels, the jobs recovery has been uneven."

The challenge

"Specifically, we are not seeing a recovery in employment for younger workers in the 15 to 24 year cohort."

"These are tomorrow's first-time home buyers, and they continue to face very challenging jobs prospects, which will impact our industry."



Energy Code gets an update

THE Public Consultation on the new National Energy Code for (large) Buildings closed last month. The CHBA went to great lengths to inform the membership about its concerns and to encourage the submission of comments. The Standing Committee on Energy Efficiency in Buildings will meet in January to review the more than 400 comments received.

In its own response to the consultation, the CHBA focused on four items: the need for a simple trade-off technique to reallocate the minimum requirements between components, the elimination of the proposed requirement for HRVs in all apartment units with self-contained HVAC systems, the reconsideration of the proposed sliding scale for maximum window area based on climate zone, and the paring back of the excessively stringent thermal requirements for building envelopes.

SPATIAL SEPARATION ISSUES

AT ITS Fall meeting, the Technical Research Committee was warned about new requirements



TRC IN SESSION: It was told new fire protection requirements in the 2010 National Building Code may cause problems.

in the 2010 National Building Code for fire protection between closely spaced new dwelling units located more than 10 minutes away from a fire station. Even though there may be plans for a future fire station, the new rules would require the doubling of the distance to eight feet from the property line to permit side windows necessary in many typical unit types. The situation is made more complicated by a new requirement in the National Fire Code to protect adjacent buildings from fire during construction. Together, these new requirements have caused problems in Alberta where they have already been adopted. Provincial TRC reps were advised to be vigilant in the coming months as other provinces consider adopting the new rules. At least two other provinces are already actively considering these new code measures.

HEALTH CANADA RADON SURVEY

AT A press conference last month, Health Canada announced the release of the results of its survey of radon levels in Canadian households. In the first year of a two-year study, some 9,000 houses were assessed and findings show that approximately 7% of them had levels of radon that exceeded the maximum threshold of 200 Becquerels per cubic meter (Bq/m³). Health Canada recommends that in houses with a concentration of between 200Bq/m³ and 400Bq/m³, action be taken to reduce the level to less than 200Bq/m³ within two years. More detailed information by health district will be released in the coming weeks. The CHBA has suggested its new home builder and renovator members advise clients to test their homes for radon during the winter heating season.



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Getting rid of government red tape

CONSULTANT David Redmond has been working to find opportunities for provincial HBAs to seek reductions in the extensive government "red tape" surrounding planning, development, and construction of housing.

Examples are environmental regulations that freeze large areas out of any development, requirements for setbacks on lots, and zoning that limits the range, size, and heights of what can be built.

"We start with the knowledge that housing is one of the most heavily regulated products in this

country," Redmond told the Fall meeting of the CHBA's Urban Council.

"Recognizing the crucial importance of the housing industry for economic growth, both directly and indirectly, provincial governments appear open to representations that seek changes to rules that are outdated, overly onerous, or contradictory in their impacts."

Reform initiatives

Redmond's report identifies regulatory reform initiatives in seven provinces, with particularly active

ones in British Columbia, Alberta, Saskatchewan, Ontario, and Nova Scotia.

Redmond said he anticipates that current economic pressures are likely to ramp up efforts along these lines across the board.

"In Ontario, for example," he said, "our industry has already taken advantage of the 'Open for Business' initiative to make very detailed representations. They are finding this can be another way to help ease the burdens placed on the home building industry in very practical ways."

COMMISSION SEEKS TO SERVE ALL

How to deal with 'NIMBY' types

THE "Not In My Backyard" syndrome — NIMBY-ism for short — is a real concern for the Ontario Human Rights Commission, the Fall meeting of the CHBA's Urban Council learned.

Specific issues where residential construction industry interests intersect with those of the Ontario Human Rights Commission were the topic as the Commission's Chair, former Toronto Mayor Barbara Hall, talked with the Council.

These include housing choices to serve all age groups, students and immigrants, physically-accessible or "barrier-free" housing, and ways to combat "NIMBY" behavior that prevents residential developments from proceeding and/or drives up their costs.

The questions

Obviously comfortable dealing with builder issues from her 12 years on Toronto City Council, Hall fielded questions from around the table on opportunities for co-operation on "inclusive communities."

Her definition of these matched closely that of the CHBA — communities in which a range of housing needs can be met through diversity of choice.

Specifically, she said her own definition of "inclusionary zoning" is zoning that permits a range of housing types and sizes as a matter of right.

Stereotypes

She said her Commission is concerned about situations in which local resident opposition to a new development is driven mainly by stereotypes of people who are likely to live there.

In those cases, she said, she actually communicates with municipal councils, alerting them to the potential of a challenge under the Ontario Human Rights Act.

She added that she was ready to facilitate



URBAN COUNCIL in session (above): It heard from Ontario Human Rights Commission's Barbara Hall (left) on the issue of equal housing choices for all.



links between the CHBA and other commissions across Canada in responding to this type of NIMBY issue.

In addition, Hall singled out for praise the approach taken by CHBA President Victor Fiume to wider use of adaptable and "visitable" housing for people with

disabilities. She noted with approval his recent comment: "Why leave out 15% of the market?"

The CHBA Board of Directors agreed that the CHBA should write to Hall affirming the Association's support for her concept of inclusive communities through as-of-right zoning.

When green means gold

THE ever-growing importance of the "green agenda" is a challenge that presents significant opportunities for the residential construction industry, the Fall meeting of the CHBA's Board of Directors was told.

President Victor Fiume said the opportunities link to the industry's ability, as new home builders, renovators, and community developers, to provide customers with homes that are more comfortable and healthy and which cost less to operate.

"As I've said before," Fiume told the Board, "the home building industry has led the way in terms of making energy efficiency a reality for

Canadians — since the introduction of the R-2000 standard in the 1980s.

"Today, solid building science and energy-efficient construction practices are part of every new home and renovation project delivered by a CHBA member. This is something we should take pride in."

They don't get it

Fiume said the challenges the industry faces have to do with how others — specifically governments and special interest groups — fail to "get it" in terms of how the marketplace is delivering real environmental progress in housing.

"We continue to see ill-considered moves to-

ward regulation of energy efficiency in homes with little or no consideration of impacts on housing affordability, or on the significant progress that has already been made," he said.

"As an Association, we will continue to oppose 'green' regulation that is not supported by proper analysis or meaningful consultation with affected parties, and which imposes risks and unjustified costs on new home buyers and those wanting to renovate their homes.

"When it comes to the green agenda for housing, 'thoughtful and steady' is the right approach, as our industry has proven during the last few decades."

A positive view from the provinces

THE economic picture was generally positive in provincial HBA reports tabled at the CHBA's Economic Research Committee Fall meeting in Ottawa. Items from the reports:

NEWFOUNDLAND AND LABRADOR: Year-to-date new housing starts remain positive, with a slight increase over 2009. However, starts are expected to slow in the last quarter of 2010 because of record high prices. The 2010 forecast indicates sustained strength in the residential sector continuing into 2011 and beyond.

NOVA SCOTIA: The province's economy is still showing weakness, but the forecast Gross Domestic Product will be higher compared with 2009 as the manufacturing sector has strengthened because of increased tire production supplying the North American auto sector. New housing starts for the year are expected to hold steady at 3,500 units.

NEW BRUNSWICK: Despite a robust spring construction season, the province saw a decline in new housing starts as summer progressed. Urban starts were "flat" and over all it appears that there will be a leveling off to the 2008 level. Single starts were down from 2009 in both Fredericton and Saint John; Moncton saw a slight increase. Economists predict that 2011 will be a duplicate of this year, or there may even be a slight slow down.

ONTARIO: The residential construction industry in Ontario is losing momentum as the year draws to a close. The broader provincial economy is slowing, consumer confidence is declining, and a surge in sales activity in late 2009 through the first half of the year has chipped away at pent-up demand. The province expects moderating sales activity and housing starts through 2011.

MANITOBA: In 2009, Manitoba experienced a significant drop in housing starts, but to say there has been a rebound in 2010 would be an understatement. Interest in the new home market is very high (the Fall Parade of Homes drew more than 40,000 visitors to 99 houses). A combination of great weather, a rebounding economy, and a year's worth of pent-up buying interest resulted in the best Parade of Homes ever. The start numbers for the year reflect this interest. The first eight months showed a 48% increase.

SASKATCHEWAN: Provincial starts have been growing this year with the total almost double 2009 figures. As the province continues to grow, the demand for appropriate housing types — including affordable housing for low income singles, students, seniors, and new entrants to the work force — will also continue to grow.

ALBERTA: New home prices in the province have improved modestly, even though migration to Alberta has declined substantially. Only 37,800 people migrated to the province in 2009, compared with 65,900 in 2008. The labor market is accessible, with unemployment in Calgary and Edmonton at about 7%. This could change if the oil and gas sector picks up during the fall.

BRITISH COLUMBIA: Over all, the province's economy has been holding relatively steady since the spring. The unemployment rate edged up in September, rising to 7.5%. The province saw 2,305 new home starts in September, pushing year-to-date starts to 17,791 units. New home construction in B.C. picked up during the third quarter. Market conditions have improved, but the Harmonized Sales Tax continues to be a hot topic. The announcement that a referendum on the subject will be held in September next year has the potential to make consumers hold off on purchases.



■ **ERC IN SESSION:** It was told that although there are a number of risks, the outlook for the Canadian economy is brighter.

DESPITE RISKS, OUTLOOK IS BRIGHTER, ERC TOLD

Economists tend toward optimism

IT WAS an air of optimism — but with a note of caution — that prevailed at the CHBA's Economic Research Committee Fall meeting in Ottawa.

The outlook for the economy is brighter, the Committee was told, but a number of risks remain.

What is important is that there are many positives on Canada's economic front as it moves toward 2011. Growth is coming. And continuing low interest rates generally bode well for the residential construction industry.

Dr. Peter Andersen led off the session with an optimistic note.

"Things are a little more solid," he said. "There is not going to be another financial crisis. There is not going to be another recession. Issues are being resolved and credit is beginning to flow."

Growth is coming

"I believe that in 2011 we will see 4% to 5% growth in Canada and the United States."

Dr. Andersen said the intensity of the European debt crisis has eased, so he rules out another financial crisis in this decade. At the same time, the Chinese economy is holding up well even though it is not growing as quickly as it was.

"Consumers are still trying to pay down debt, but retail sales are trending upward," Dr. Andersen said.

"Canada is coming out of the recession. Adult male employment is going up — and that is good news. And currency is on a roll: the Canadian dollar is almost at par with the U.S. dollar."

"Also, interest rates are still very attractive. Home builders have a



■ **ANDERSEN:** "Things are a little more solid, so I'm still optimistic."

very interest rate-friendly environment to work in and that has led to a remarkably high level of starts, which I expect to top more than 190,000 this year."

But Dr. Andersen said that although Canadians have been living beyond their means, that debt is manageable so long as there is no collapse in house prices.

Peter Norman, Senior Director of Economic Consulting at Altus Group, said he is very cautious about the future.

"I see a baseline forecast of housing slowing for some time now," Norman said. "And I see a variety of risks around that. Some trends may be positive, but the balance of the risks are on the negative side."

"Right now, I see a modest downturn. But what is important is that there are a number of positives. It is a very balanced situation right now. The national Gross Domestic Product is the measure of how strongly we are performing."

"We did go into a recession at the end of 2008, and we have had some growth since then. But the over-all size of the economy today is



■ **NORMAN:** "I see a modest downturn, but there are a number of positives."

about the same as it was prior to the beginning of the recession. We have regained everything that we lost.

"The bad news is that the level of income is the same as it was three years ago. So we are basically treading water."

Norman said job growth is a positive story in Canada, having passed the level it was at when the recession started. In short, all the jobs that were lost to the recession have been recovered.

Household debt is rising rapidly, and that is a problem to keep an eye on.

It will be weaker

"I think there will be weaker growth in Canada in the year ahead," Norman said. "That will take its toll on housing starts. I think we will see lower housing starts — something in the order of about 170,000 — in 2011."

Bob Dugan, Chief Economist at Canada Mortgage and Housing Corporation, told the Committee the outlook for the economy is a little brighter, even though forecasts are being revised down.

"Our GDP forecast is



■ **DUGAN:** "The good news is that interest rates will remain low."

for about 3.5% growth this year and about 4% next year," Dugan said. "But we are entering an environment where growth will be a little weaker."

"The good news is that interest rates will remain low by historical standards. I see mortgage rates remaining at near 50-year lows in an environment of weaker economics."

"Personal disposable income has grown quite a bit, and that is part of why mortgage rates are low."

Dugan said the existing home market has moved back into "balanced conditions," and new housing starts are not far out of line with demographics.

The Canadian Manufactured Housing Institute tabled a report that showed the value of manufactured building production totaled \$344 million in the second quarter this year — a 14% increase over the same period in 2009.

It said the share of factory-built, single-family homes was on a par with recent averages, and most producers sold their products to builders, developers, and/or retailers.

HOUSING STARTS BY PROVINCE

	2006	2007	2008	2009	2010*
N.L.	2,498	2,325	3,261	2,900	3,000
P.E.I.	862	680	712	625	695
Nova Scotia	5,000	4,700	3,982	3,050	3,200
N.B.	3,959	4,250	4,274	3,285	3,650
Quebec	50,910	52,400	47,901	43,175	42,600
Ontario	78,795	67,700	75,076	45,000	56,700
Manitoba	4,731	5,750	5,537	4,000	4,950
Sask.	3,437	6,000	6,826	5,400	4,900
Alberta	49,000	47,750	29,164	16,132	20,500
B.C.	34,667	36,200	34,321	15,000	25,000
Canada	225,481	227,530	211,056	138,567	165,195

Source: Canada Mortgage and Housing Corporation
* CHBA Economic Research Committee October, 2010 builder forecast

NO MORE LOST TIME, PRODUCTIVITY

Why playing it safe actually pays dividends

ALTHOUGH people think workplace safety is going to cost them money, the opposite is actually the case, the Fall meeting of the CHBA's National Education and Training Advisory Committee was told.

Don Darling, Vice President of Prestige Homes, in Sussex, N.B., told the Committee that when the Shaw Group bought his company in 1999, it immediately introduced the Shaw safety culture — “no one will be hurt today or tomorrow.”

“This has helped avoid lost time, lost productivity, and increased costs,” Darling said.

“In fact, since 2002, it has saved us more than \$1 million in workers' compensation alone.

“The company is so sure of the benefits that it requires subs to enforce workplace safety. It also shares its safety programs with competitors.

“Unsafe companies bring up the workers' compensation rates charged to everyone in their experience rating pool. So we share our resources to try to bring the over-all rates down.”

Key elements

Darling said key elements include:

- A safety management committee, full-time health and safety officer, and full commitment right from the top;
- Company-wide training stressing both hazard identification and positive attitudes including workplace hazardous materials, due diligence, accident investigation, identifying alcohol and drugs in the workplace, accident prevention, first aid; and
- Support programs with full orientation and health assessment for all employees, training for supervisors, detailed ‘four strikes and you're out’ behavior modification, emergency response protocols, and “near miss” reporting.



■ DARLING

New program teaches how to work with seniors

A NEW certification program that teaches renovators how to work with seniors has been introduced in Alberta, the Canadian Renovators' Council Fall meeting in Ottawa was told.

It's needed because there is an increasing realization that seniors “think differently” from other generations.

That was the story from Marianne Rogerson, of Mount Royal University's Faculty of Health and Community Studies.

She said the program came out of discussions about the affects of aging on the human brain.

“The brain doesn't age along with the body,” Rogerson said. “There is a ‘sandwich’ generation that values its independence.

“The program embraces specialization and customer service.

“Certification is timely because society today embraces centralization. People look for the person who has knowledge in a specific area. If you are a person in that area, you are the type of person a consumer is going to be looking for.”

Rogerson said there are significant challenges to dealing with seniors in the health care field, and the new certification program addresses these issues.

“When someone moves, their health tends to decline,” she said. “Quality of life changes. So something needs to be done to take more care of a person. Keeping people living in their homes for as long as possible has a lot of health care benefits.”



■ SCREEN GRAB from high tech training program being introduced in Alberta. It features three-dimensional “e-learning.”

ALBERTA OFFERS NEW PROGRAM

When training goes high tech

THREE-DIMENSIONAL “e-learning” will be a key feature of a new Residential Construction Manager Certification program to be offered in Alberta next year, the Fall meeting of the CHBA's National Education and Training Advisory Committee was told.

It will be combined with classroom work, site experience, and mentoring while working for a new home builder. And all of the instruction will be tailored specifically to the home building industry.

That was the story the Committee got from the Professional Home Building Institute of Alberta's Paul Salmon and Larry McCorquodale.

Leading edge

They said the Committee site manager certification is a leading-edge program that responds to home building industry needs in a different way.

“As it has with most of its courses and certification programs, the Institute worked with industry and government to ensure industry needs are being met through education,” Salmon said.

“We examined the national educational benchmarks and the gaps in current builder education programs.

“We looked at customer feedback, PHBIA's strengths in responding to stakeholder requirements and offering networking opportunities, and new trends in modern adult education.

“Then we started developing a standardized, provincially recognized certification program.”



■ SALMON: “We work with industry to ensure its needs are being met.”



■ McCORQUODALE: “This responds to industry needs in a different way.”

CHBA 1st Vice President Vince Laberge said Alberta New Home Warranty Program builder members decided it was important to get this done, for the professionalism of the industry and to help mitigate risk.

John Kozole, President and CEO of the Alberta New Home Warranty Program and the Professional Home Building Institute of Alberta, said they originally got involved with education programs for exactly those reasons.

And it has made a big difference.

Kozole said a signifi-

cant advancement of the RCSM program is the emphasis it places on e-learning and state of the art technology.

PHBIA contracted ICOM Productions to make the best possible use of the e-learning tool, including the most advanced 3-D house model in the world.

It fits

ICOM President Greg Surbey said e-learning fits best in the beginning levels of learning. His demonstration of the program showed some examples what e-learning offers:

- A 3-D model of a house that can be constructed or pulled apart to show different layers and details and how they fit together;

- Animations that show how wood framing can be affected by forces of compression, tension and torsion; and
- The ability to draw on top of video and integrate graphics into testing.

The program

The proposed site manager certification program calls for students to concentrate on construction elements and best practices on single-family projects in the first year, leading to a Level 1 PHBIA Accreditation.

Level 2 would add discussion of local differences involving best practices, building codes, blueprint reading, multi-family basics, and an introduction to site management.

Level 3 goes farther into building science.

It looks at the house as a system, and at advanced leadership skills, problem solving, and human resource management.



■ NETAC IN SESSION. It was told the Professional Home Building Institute of Alberta is introducing a different kind of training for residential construction managers.

Now inspiring for success

Business success is session focus

INSPIRATION is the key to enduring success and next year's CHBA National Conference will focus on that these,

The residential construction industry has changed, and that means real challenges for the CHBA's members, Conference Chair Tom Cochren says

"Value, quality, and service are expected in today's marketplace," he says. "The idea of home has evolved. Today's consumers want a living environment that fulfills their lifestyle and expresses their aspirations.

"To stand out from the competition, you have to deliver dreams. You have to inspire. And that is what the 68th National Conference will be about."

The Conference will be held at the historic Fairmont Banff Springs Hotel from Feb. 25 to 27, 2011. Its theme — Inspire — will offer a lineup of leading edge speakers who will deliver valuable insights into future trends and directions that will shape the residential construction industry.

Outspoken writer and broadcaster **Rex Murphy** will be the keynote speaker when the Conference begins with a "call to inspiration."

"When times are most unsettled or anxious and when challenges come in unfamiliar shapes," Murphy says, "these are precisely the times to summon reserves of confidence.

Call for energy and inspiration

"It is also the occasion to call upon our more energetic sources of inspiration — to liberate our most powerful capacity," he says.

Author and TV host **Jeremy Gutsche** will lead a session on "Exploiting Chaos" that will help delegates achieve great things even in times of economic turmoil.

Gutsche says chaos causes organizations to retreat — but not always. "Dramatic change and simple evolution give birth to a new set of market needs," he says. "Identify those needs and you will enjoy remarkable success."

Innovative business leader **Cameron Herold** will talk about how to understand the emotional ride that comes with being an entrepreneur. That involves intense emotional connections with business, Herold says, and although there will be moments of inspiration and doubt, knowing how to manage these transitions is important to the success of a company.

It's riding a roller coaster

"Regardless of whether or not you believe you will ride an emotional roller coaster running a business, you will," Herold says. "You have two fundamental choices: you can hold on and scream, or you can wave your hands in the air and have some fun. Understanding the emotional ride that comes with being an entrepreneur is the key to making this choice."

neur is the key to making this choice."

Don Bell, one of the founders of WestJet, will also lead a key session at the Conference. He will build on the lessons that made WestJet one of the world's most successful airlines, and focus on ideas that can be adapted to any business enterprise.

Says Bell: "When you win the hearts and minds of your people, they can deliver amazing results — from improved productivity, to better quality, to memorable and authentic customer service.

"Common-sense people management starts at the top. When business leaders put employees first, everything else follows. But you need the right people, in the right place, and they need to know where the company is going."

Cochren says Conference delegates will want to take in the traditional economic session which will discuss emerging opportunities for housing.

It's not all business

But Cochren says the Conference won't only be about business.

"Social aspects have not been forgotten in putting together the Conference program," he says.

"You will want to be part of the Welcome Reception where we will celebrate Banff's heritage and culture.

"And you will want to be part of the excitement of the 2010 CHBA National SAM Awards — the home building industry's premier annual celebration of renovation and new home achievements and marketing excellence across Canada."

Cochren says "disco fever" will be the theme for Housing Night In Canada which will celebrate the industry's accomplishments.

And the Conference will wind up with the President's gala, celebrating outgoing President Victor Fiume's year of office.

"The 2011 National Conference will explore what it takes to inspire," Cochren says. "So plan now to be in Banff."



■ CONFERENCE SPEAKERS (from left) Rex Murphy, who will be the keynote speaker at the opening breakfast, author and TV host Jeremy Gutsche



whose topic will be "exploiting chaos," Cameron Herold who will talk about the emotional roller coaster ride that comes with being an entrepreneur, and WestJet



founder Don Bell who says the secret of success is winning the hearts and minds of people — that delivers amazing results.



68TH CHBA NATIONAL CONFERENCE
THE FAIRMONT BANFF SPRINGS HOTEL
BANFF, ALBERTA
02
25-27
2011

In today's marketplace, value, quality and services are simply expected.

To stand out from the competition, you have to deliver dreams.

You have to be driven by your imagination and skill.

You have to create excitement and craft magic.

YOU HAVE TO INSPIRE.

The CHBA 2011 National Conference will explore what it takes to inspire. It will examine how you can harness the full potential of your business. It will focus on being the best you can be — unique and inspired. This is the key to enduring success.

So plan to be in Banff next February 25th to 27th for an inspiring Conference.

For more information, and online registration, please visit: www.chba.ca/conference



Taking a look at CHBA's past – and future

AT THE end of each year, the CHBA takes a hard look at where it has been — and where it is going. That's the primary task of

the Association's Vision Action Committee.

This year was no different. The Committee's members met in Ottawa this Fall for a

series of facilitated discussions about the CHBA's future.

The result: recommendations subsequently submitted to the Association's Board of

Directors for approval and action.

Now three reports on the Vision Action Committee recommendations.

① VISION ACTION COMMITTEE VETS CHBA ACTIONS

A detailed plan for change

Discussions tackle Association policy

SOME 22 recommendations for changes to the CHBA's policies came out of the Vision Action Committee's Fall meetings in Ottawa.

Everything from governance to leadership, professional recognition and legislative changes was covered in three days of facilitated sessions. The outcome, Committee Chair John Hrynkow said, was a comprehensive review of where the CHBA is headed.

"Every aspect of CHBA policy was examined in detail," Hrynkow told THE NATIONAL. "The result is a comprehensive list of recommendations."

On the issue of governance, Hrynkow said, his Committee recommended that the CHBA redefine its expectations at all three levels of the Association.

It should couch this in relation to the evidence of what needs to be put in place in order to have good governance, and it should identify what can stand in its way.

The issues

It should also explain how the main issues — member engagement, accountability, core business, and so on — reflect success or failure in practicing good governance.

The Committee also concluded that the CHBA should provide a common basis for understanding good governance in order to improve governance practices and to monitor how the Association's governance unfolds at all levels.

On the matter of leadership, the Committee concluded the CHBA should create a best practices guide for the orienting and mentoring of potential and new committee members and chairs. It should also

create a best practices guide on association responsibilities to its staff, and encourage formal staff performance review and appraisal processes, based on job descriptions, at all levels of the Association.

Hrynkow said the Committee also addressed the question of whether voluntary environmental initiatives and "green" options should be mandated.

A model

It concluded that the CHBA should create a model that combines the inherent value of Energy Star, Built Green, and other labels, and submit this to the Board of Directors for review and decision. In this context it should:

- **FOSTER** discussion with and among relevant labels;
- **CREATE** CHBA standards and certification criteria for labels; and
- **ASSESS** labels against these criteria and make decision on any CHBA endorsements. The Committee also



■ HRYNKOW: "Every aspect of CHBA policy was examined in detail. The result is a comprehensive list of recommendations."

concluded that the CHBA should continue to monitor the situation on professional recognition, and encourage discussion among provincial associations of professional recognition/designation initiatives for new home builders and renovators across Canada.

It also recommended that the CHBA commission a "one-pager" mar-

ket scan for members summarizing economic conditions and housing market expectations. At the same time it should continue its effort to deal with the underground cash economy, notably by emphasizing to the federal government the paybacks of investments to reduce this field of activity.

Government-imposed costs also attracted the Committee's attention.

It recommended that the CHBA examine provincial government intentions on the regulatory reform front and determine how these may apply to the housing industry.

Guidelines

It should also develop guides for provincial associations to make regulatory reform representations to their provincial governments on regulatory policies and practices that affect the housing industry.

The Association should also continue to collect information on provincial government initiatives, legislation, and plans that affect visibility and accessibility in new homes and the renovation of existing homes.

② INTERACTING WITH GOVERNMENT

Taking a stand on federal policies

THE federal government's short-term housing policies and programs — and the criteria for the CHBA's support of them — were reviewed during the three-day meeting of the Association's Vision Action Committee in Ottawa this Fall.

And its first recommendation was that there be a clear definition of the issue a policy or program is designed to address.

The key to achieving that, the Committee decided, is intergovernmental consultation and co-ordination between provincial and federal governments prior to the introduction of the policy or program.

There should be clarification of roles and responsibilities of federal and provincial government for the implementation of the policy or program. And there is a need for clear definition of responsibility between the two levels of government for administration of the policy or program.

Committee Chair John Hrynkow said his group also recommended full consultation with the appropriate level of the CHBA prior to the introduction and implementation of a policy or program in any local housing market.

Capacity

There is also a need for assessment of the productive capacity — including the availability of skilled labor — of the housing industry to respond to the policy or program without undue local stress or market distortions, with direct involvement of the appropriate levels of the CHBA.

The Committee also looked at the long-term implications of federal housing policies and programs.

It recommended that there be identification and assessment of the factors that have led to the need for the short-term policy or program — with direct CHBA involvement. And it recommended the CHBA also be directly involved in evaluating and assessing the implications of such policies or programs, and that commitment by the federal and provincial governments to undertake measures immediately to ensure that similar short-term measures are not required again in the future.

Hrynkow said the Committee also recommended that there be an evaluation of the costs and benefits of alterna-

tive federal and provincial policies and programs based on historical experience, current social and economic conditions, and anticipated change. There should also be evaluation of alternative government and private sector initiatives in relation to the proposed policies or programs.

Fiscal accountability also needs to be dealt with, the Committee decided.

Disclosure

There should be full public disclosure of the short- and long-term financial costs of federal policies, and there should be assessment of the fiscal and monetary implications of the policy or program, and its impact on the medium and long-term health of the economy — locally, provincially, and nationally.

The Committee also recommended that there be an evaluation of the impact of the policy or program on the operations of local housing markets, and an assessment of its impacts for different parts of local housing markets.

Policies or programs should also be tailored to reflect local housing markets, the Committee recommended. And there should be municipal government consultation and involvement in the implementation of the policy or program, with respect to such considerations as the availability of developed land and infrastructure, to ensure effective results at the local level.

The Committee also recommended that an independent mechanism should be established to monitor the implementation and effectiveness of the policy or program — including the effects on individual markets — as well as a complete review and analysis following its termination.

③ NETAC CALLS FOR STREAMLINING

Dealing with apprentices

APPRENTICESHIP systems across the country need to be streamlined if they are to better serve the residential construction industry, the Fall meeting of the CHBA's Board of Directors was told.

That was the focus of five recommendations on Human Resource Initiatives, tabled by the CHBA's National Education and Training Advisory Committee.

The Board was told a survey of all provincial and territorial directors of apprenticeship has

been completed with the help of the Canadian Council of Directors of Apprenticeship. The goal was to document engagements with the residential construction industry, and their outcome.

Initiatives

The survey also looked into initiatives undertaken by each apprenticeship authority to help address the skills and labor needs of the industry. And it asked what would be done differently in the future

and what new initiatives have recently been approved.

The Board was told that the Canadian Council of Directors of Apprenticeship is considering moving toward a competency-based system that would be supported by Occupational Performance Standards.

The Council advised such standards would be developed in units that build a picture of competence and comprise the requirements for certification in a particular occupation.

Home buyers turning to the web

PPOTENTIAL buyers are increasingly turning to the Internet to research the new home market, the Fall meeting of the CHBA's National Marketing Committee was told.

And new home builder web sites are the Number One resource.

Adrian Chung, Senior Manager and Industry Practice Leader for J. D. Power and Associates, told the Committee the trend, detected by his company's research in two major Canadian markets, is not surprising.



■ **CHUNG:** "Builder web sites are the Number One resource for buyers."

"People are seeking unbiased information," Chung said. "They are very willing to be forthcoming. What we find is that a lot of research is being done on the Internet before they go out to look at houses."

They're tops

"Builder web sites are the Number One resource being used by potential customers."

"The second-most used resource is previous purchasers."

"Way down at the bottom is blogs — which is a very interesting aspect."

Chung said new home buyers are very different from other potential purchasers.

"When it comes to the customer, they look at things differently," he said. "There is a level of expectation. They are not looking to buy a tube of toothpaste."

"Design and price top the list when choosing a builder."

"The key is to build it right the first time — that makes the biggest impact. On the renovation side, fix it right the first time. That can impact satisfaction."

MARKETING EXPERT SEES NEW TREND

Social media's key sales role

SOCIAL media like Facebook and Twitter have become a primary resource for people who are looking to buy a new home, the Fall meeting of the National Marketing Committee was told.

There is much less trust for traditional media, and people are not going to a new home sales centre unless they have a lot of information.

That has serious implications for new home builders, David Allison, President of Braun/Allison Creative Services told the Committee.

A new thing

"Dialogue with customers is a huge new thing we have to wrap our heads around," Allison said.

"You can no longer sit in the board room and come up with an advertisement for the weekend paper. You have to get on Facebook, send e-mails, take part in a two-way conversation."

"Because there is less trust in traditional media, people are not reading what you have to say. Social media has become very mainstream. People are getting on line, talk-



■ **MARKETING COMMITTEE** in session. It was told social media has serious implications for today's new home builders.



■ **ALLISON:** "Customers are talking to friends on Facebook about spaghetti sauce, apples — and homes."

ing to friends on Facebook about spaghetti sauce, apples — and homes."

Allison said realizing this new reality leads to some important decisions for new home builders.

"There is one guiding principal," he said. "If you build crap, you are going to get caught. So you have to build good stuff. There is a major expectation in the market — and a huge penalty to pay if you don't live up to that expectation."

"This forces your industry — and every industry on the planet — to start making good things."

Allison said the same principle holds true for marketing: the strategy has to be to build a solid marketing program.

"If you build crappy

marketing, you are going to get caught out," he said. "Consumers will call you out about a false or misleading campaign, just as they do about bad products."

"People are looking for truth and plenty of it."

"We are now operating under a hugely different set of rules. It is not just what you say, but how you say it that matters."

New weapons

"Writing and design are the new secret weapons. There is an opportunity, using great writing and design, for your message to rise to the top. It must reflect the personality of your brand over the long haul — it plays a larger role than ever."

Allison said today's marketers determine customer qualifications long before the sales leads come in to a model home. That means fewer registrations.

"The only people who will register [at your sales site] today are those who are actually interested in your product," he said. "They will have read all the information and know more about the project than your sales people do. They will have real in-depth questions for your sales people."

Fewer registrations makes sales people nervous, Allison said, so they have to be trained to handle the new situation.

Marketing TODAY

A NATIONAL section reporting on the CHBA's National Marketing Committee



■ **60-YEAR-OLD** Now House in Toronto is an example of how near zero energy efficiency can be achieved with retrofitting.

PLAN EXTENDS OLD HOUSE LIFE

Retrofitting seen as key to energy conservation

RETROFITTING rather than renovating is the key to a new energy conservation strategy being tested in Ontario, the Fall meeting of the National Marketing Committee was told. And the process is actually a money-maker.

That was the story from Lorraine Gauthier, co-founder of Work Worth Doing, a design firm with a mission to create positive social and environmental change.

Since 2006, Gauthier has led the firm's boldest enterprise — the Now House project, an award-winning process for retrofitting older homes to near-zero energy use. The company's first Now House was completed in Toronto in 2008 and was selected as one of the winning projects in Canada Mortgage and Housing Corporation's Equilibrium Sustainable Housing Demonstration program. It has replicated the process on nine houses in four cities in Ontario.

The goal

Gauthier told the Committee her company's primary goal is to extend the life of 60-year-old houses by using energy efficient retrofits.

"We decided the ideas we would be trying had to be replicable," Gauthier said. "We had to prove that whatever was being proposed could actually be done. We wanted to make sustainable housing practices available to lower-income families."

It took a long time to get the idea off the ground, Gauthier said. Raising the money was tough because those who owned the houses could not afford to finance the projects themselves.

"We're not renovators," she said. "We retrofit. We want people to understand why we're doing this. It is because of our concerns about greenhouse gas emissions. And it is surprising what you can do with an energy-efficient retrofit."

"These houses are actually making money. They sell their excess energy back to the grid. They are actually a few points short of zero energy use. But they are paying for themselves. That's what you can do with retrofit."



■ **GAUTHIER**

Energy efficiency as a sales tool

ENERGY efficiency can be an important tool in selling new homes, two speakers told the Fall meeting of the National Marketing Committee. But few new home builders seem to be using the tool.

That was the story from Michelle Coté, Marketing and Client Relations Director for Toronto's Enerquality Corporation and Michael Dailey, Sales & Marketing Vice President for Airia Brands Inc. of London, Ont.

Coté told the Committee that communicating energy efficiency during the purchase process drives customer satisfaction.

"It will increase the over-all satisfaction of their home purchase experience and that will increase loyalty," she said. "The challenge is to go through and define all the benefits and value of energy efficiency."

"It's not about what builders are doing or not doing. It's how you talk about it."

Dailey said his company produces a complete line of energy-efficient products, and his experience is that 85% of home buyers believe energy saving products add to a home's resale value.

"However, 88% say they do not remember sales people mentioning it," Dailey said. "The average CHBA member builds 25-plus homes a year, is dedicated to superior craftsmanship, and is committed to installing innovative products."

A good news year-end report for housing

THE Canadian economy bounced back quickly from the 2009-2009 recession, a year-end financial review says.

Indeed, the recession is well behind us, the report says, and recent housing market activity has been buoyant.

"Housing demand in Canada came back very quickly in the second half of 2009 and early 2010, fueling an impressive surge in existing home sales, new home sales, housing starts, and residential renovation activity," the report says.

The good news story on housing and the economy

comes from the Altus Group Economic Consulting.

It says that since the middle of 2010, the economy in Canada has moderated considerably and consumers appear to be reacting with an elevated degree of caution.

"Housing demand is noticeably weaker across the country, especially in the existing home sales segment," the report says.

"Housing starts in Canada averaged 201,300 units per year between 2000 and 2009 — some 35% stronger than in the previous decade. When the recession hit in late 2008, the

quarterly pace of housing starts dropped off considerably, reaching as low as 131,200 on a seasonally-adjusted annual rate in the first quarter of 2009.

"Starts then bounced back to the 2009 unit range for the second half of 2009 and the first half of 2010."

It's encouraging

The report says the strength of housing demand during the recovery is an encouraging and promising signal to new home builders that confidence in the Canadian housing market has remained strong despite

the on-going troubles in the United States.

"However," it says, "builders should also be vigilant to the realities of the current situation."

"A weaker economy and weak underlying job market conditions portend weaker housing market conditions ahead."

"Underlying demographics suggest that new housing requirements are well below 200,000 units per year, and thus the recent pace of activity should be seen as elevated and likely to moderate."

"The elevated activity in

housing markets earlier in the year reflected pent-up demand from the recession and pulled-forward sales from anxious buyers dodging new taxes and potentially higher housing prices. These effects have run their course."

The report says Canada's economy has been turning in a "mixed performance" at best in recent months.

"Slowing economic conditions compounded by growing uncertainty about the future is likely weighing heavily on the way businesses and consumers will be making decisions," the report says.

Caution call on municipal 'inclusionary zoning' plans

THE recent housing crisis in the United States should be a caution for Canadian municipal and provincial governments considering any policy that could have market destabilizing effect, according to a new study on inclusionary zoning.

The report, from Altus Group Economic Consulting, focuses on lessons learned from the U.S. where such policies have a long history in some municipalities, especially in states such as California.

Such zoning refers to municipal policies that require provision of "affordable housing" as part of a larger residential development — an approach some Canadian municipalities are considering, following in the footsteps of U.S. municipalities as a means of increasing the supply of "affordable housing."

It's self evident

"For many advocates of inclusionary zoning, the policy effectiveness is self evident: if there is a shortage of affordable housing, require those in the business of supplying housing to provide a certain number of affordable units," the report says.

"For smart regulation and evidence-based decision making, however, the onus of proving policy effectiveness is much more rigorous. This approach recognizes that the decision to introduce inclusionary zoning policies can have far-ranging effects on a large number of participants. In this context, it is incumbent on policy makers to consider the issue in a disciplined analytical manner."

"Accordingly, this approach addresses critical questions about the need for the policy, possible policy alternatives, and the costs and benefits of various policy options."

The report says that most research based on the U.S. experience leads to the conclusion that inclusionary zoning is an ineffective and inefficient policy compared with other options.

Incentives needed

It does not produce a high volume of "affordable housing" — typically, only 3% to 7% of the net new housing produced annually in inclusionary zoning jurisdictions. In most cases, it is necessary to provide incentives or compensation to developers to ensure that housing projects are financially feasible.

In many cases, these incentives are funded by state and federal programs that mask the true costs of the policy. Also there are significant direct and indirect costs connected with inclusionary zoning policies.

Inclusionary zoning can also cause the average price of new houses to increase across the market in certain jurisdictions. And higher housing prices in the mid-2000s in certain U.S. metropolitan areas — such as San Francisco and Boston — were due mainly to land use restrictions. As a form of zoning restriction, inclusionary zoning ultimately worsens housing affordability.

The report also says inclusionary zoning asks home buyers and land owners to bear the cost of a social subsidy, which is inequitable. From a planning perspective, inclusionary zoning can harm housing affordability, so the debate should be broadened to encompass zoning reform.

30 LOCALS, SIX PROVINCES SIGN ON

Campaign makes a mark for reno

GOING into its 10th year, the innovative RenoMark™ program is now helping CHBA renovator members promote their services in more than 30 local markets and six provinces, the Fall meeting of the Canadian Renovators' Council was told.

The program creates a demand for designated contractors, and drives qualified traffic to home shows.

In short, it is proving to be a major success, said Stephen Dupuis of Toronto's Building Industry and Land Development Association — BILD, which created the program.

"Major newspapers in key cities across the country have picked up on the program and written positive stories about it," Dupuis said.

The slogan

"The program slogan — 'Don't be intimidated by that renovation' — was highlighted 444 times in newspaper stories."

"And the program itself generated 22 stories in the country's biggest newspapers."

Dupuis said there are three types of home owners who seek the service of renovators — those fixing to sell, those renovating to suit, and those who are staying put.

"If they are selling, the renovation is done to add value," he said.

"If they are planning to stay, they want the professional look even more."

"Our research shows that lots of home owners go to home shows to get basic renovation information. So the program is helping boost home show attendance."

Dupuis said the program has "significant" benefits for the Association at all levels, for renovators and for consumers.

"From an Association standpoint, it helps to at-



PROMOTING the RenoMark™ program at its home shows attracts large audiences of potential renovator customers, Toronto's Building Industry and Land Development Association says.



tract new members and to retain existing members," he said.

"Many local HBAs have opted into the program as a way to build that segment of the membership in their local."

Retain members

"Where locals had already built up the renovator segment, the value-added benefit of the RenoMark participation is helping to retain those

members. For renovators, the program provides a way to differentiate themselves from other, non-member renovators and stand out from the competition.

"It helps to position themselves in the marketplace as professionals with a tangible difference."

"For consumers, the program offers a real and meaningful choice when they look to hire

someone to work on their home.

"In a marketplace where 'renovator' can mean anyone from a well-established careerist to fly-by-night opportunist, the program offers assurance and confidence and is seen as a seal of approval."

Dupuis said BILD conceived the program and continues to manage it as a service to the Association and the industry.