



**Stop Using New Homes as “ATMs”** – In his Inaugural Address at the recent National Conference in Banff, CHBA President Vince Laberge urged the federal government to match its recent tightening of mortgage rules with reductions in government-imposed costs on homeownership. “While some homeowners have been using their homes as ATM machines, many governments have been doing exactly the same thing,” said Mr. Laberge. In principle, he said, there is no difference between policies that lead consumers or governments to use new homes as a source of funds. A new Canada Mortgage and Housing Corporation (CMHC) report, shows that total government-imposed costs on a modestly priced home amounts to 13.4 per cent of the selling price and, in some municipalities, the costs total more than \$100,000 per home. Through the Goods and Services Tax (GST) and Harmonized Sales Taxes (HST) in several provinces, the federal government is “very much party to a tax system which effectively transfers public sector debt into household mortgages.” Contrary to claims that the GST and HST are “tax neutral,” for most new home buyers and owners doing renovations, “this is simply not true.” Mr. Laberge also pointed out that the GST new home buyers rebate introduced in 1991 has never been adjusted, despite a government commitment to do so. He added that a permanent 2.5 per cent Home Renovation Tax Rebate must be introduced to restore tax fairness for those who maintain or improve their homes. Visit the Members’ area of [www.chba.ca](http://www.chba.ca) to access Mr. Laberge’s full Inaugural Address.

**Concern Over Underground Economy Growing** - The underground economy -- work undertaken on a “cash-deal” basis – is a growing critical concern of renovator members according to the CHBA’s Winter 2011 Pulse Survey. Over the last two years, the number of renovator members who reported it as a critical problem has risen from 17 per cent to 54 per cent today. On a national basis, 84 per cent of renovators estimated that at least 30 per cent of small repair jobs are undertaken on a “cash deal” basis. Sixty-nine per cent said that at least 30 per cent of small renovations of less than \$5,000 are done that way. In general, work in the underground economy is believed to be most prevalent in Ontario for all sizes of renovations as well as new home building; in British Columbia and Atlantic Canada for renovations.

**Jobs and Market Activity** - Both new home builder and renovator members report that employment has been generally stable over the past year and some see an increase this year according to the recent Pulse Survey. Sixty-six per cent of those surveyed expect employment to remain at the same level, while 25 per cent forecast an increase. The pattern holds for all provinces except Quebec where more respondents expect employment to decline than to increase. Renovators in most of the country report increases in activity in the past year and they expect the trend to continue. Thirty-seven per cent say their activity is higher now than one year ago. And 36 per cent forecast increased activity over the next year. New home builders across Canada expect housing starts this year will moderate, in line with household demographic requirements, while home prices will remain stable or rise marginally. Visit the “About CHBA” section of [www.chba.ca](http://www.chba.ca) for access to the results of the Pulse Survey.

**April is New Homes Month** - 2011’s New Homes Month theme is “Your New Home – The Door is Open!” The campaign this year invites consumers to explore what’s possible for them in a new home. Thank you to our national sponsors Genworth Financial Canada and the Canadian Home Warranty Council.

**SAM and National Award Winners Named** – Congratulations to all of the 2010 CHBA National SAM Award winners and to the recipients of the 2010 CHBA National Awards that were presented at last month’s National Conference in Banff. Visit [www.chba.ca](http://www.chba.ca) for news releases acknowledging the winners.

**2012 National Conference** – With our sold-out 2011 National Conference in Banff now behind us, mark your calendar now for the next year’s National Conference from March 16-18, 2012 at the Fairmont Tremblant in Mont-Tremblant, Québec.