



■ ASHFIELD: "Your industry is vital to Canada's economy."

Ashfield sees housing as 'critical'

THE federal government wants to work with the CHBA to help build a stronger housing industry in Canada, federal Revenue Minister Keith Ashfield told delegates to the Association's 68th National Conference in Banff.

"Our government has enjoyed a productive dialogue with the CHBA," Ashfield said.

"We know that business is the economic driver of our country. Your industry alone accounts for more than 20% of Gross Domestic

Product. We know that providing a healthy environment for your industry to grow is essential.

"Our government has responded with many measures to help Canadians and businesses. Our tax measures have put money back in the pockets of Canadians.

"Our Economic Action Plan has added 460,000 jobs and helped Canada emerge from the economic crisis faster than most countries around the world."

Getting it right also requires

maintaining a strong Canadian housing industry, Ashfield said.

"Our government is working hard to do business," he said. "We have reduced the paperwork burden on business by 20%. We are continuing this work with the Red Tape Reduction Commission.

"We recognize the housing sector is vital to our economic environment and our social well-being. It must remain vibrant and strong."

STOP TREATING HOUSING AS 'CASH COW,' GOVERNMENT TOLD

It's the time for change

In the news

THE WORLD OF HOUSING TODAY

BUDGET GOOD NEWS FOR HOME BUYERS

PRIOR to the election call, the CHBA complimented Finance Minister Jim Flaherty on the budget he tabled last month that lays a foundation for durable economic growth and stable housing markets. "This budget marks a careful and responsible transition from stimulus spending toward creating the conditions that will renew private sector demand and investment," President Vince Laberge said. "This is essential for employment growth and consumer confidence which is the key to housing demand."



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.

KINSLEY REAPPOINTED TO LEAD CMHC

THE federal government has reappointed Karen Kinsley to serve a further two-year term as President and Chief Executive Officer of Canada Mortgage and Housing Corporation. Kinsley, a Chartered Accountant, was first appointed to CMHC on June 16, 2003. Prior to her appointment, she served in a number of senior positions within CMHC, including vice-president insurance and securitization, vice-president corporate services, and chief financial officer. She has held the position of vice-president finance for a number of private sector real estate developers.

ON THE CALENDAR

THE Spring meetings of the CHBA's Board, standing committees, and councils, will be held at the Marriott Hotel in Ottawa May 26 to 29.

The CHBA's 69th National Conference will be held at the Fairmont Tremblant, Mont-Tremblant, Que., Mar. 16 to 18, 2012.



GOVERNMENTS are still in the habit of treating new homes, and new home buyers, as a "cash cow" — and this needs to stop, according to new CHBA President, Vince Laberge.

"In far too many cases, new homes are being used by governments as the vehicle to transfer social costs into private mortgages, inflating the level of household debt and creating significant economic risks, going forward," Laberge said.

He went on to note that, while the federal government has moved to tighten mortgage rules, "it is now time that governments, at all levels, deal with their role in driving up housing-related debt."

The burden

"To put it bluntly, low interest rates have masked the increasing burden of government-imposed costs on the price of a new home. They have obscured the real and significant impact these costs have on housing affordability and choice.

"Make no mistake, homes are not more affordable — they are just cheaper to finance. The actual cost of delivering a new home has not come down — it is quite the opposite. And governments are responsible for a significant portion of these increased costs," he concluded.

In issuing his call for change, Laberge pointed to the growing impact that both imposed costs and the indirect costs of regulation and 'red tape' play in making new homes more expensive.

"We are all too familiar with the growing array of government-imposed costs on each new home we build and sell.



■ THE CHBA HAMMER, traditional symbol of office, is passed to new President Vince Laberge (right), by outgoing President Victor Fiume at the President's Dinner in Banff.

At the extreme, this adds up to over \$100,000 per home. And it continues to go up.

Laberge noted that, whether such costs are imposed directly or indirectly, "it is a financial 'shell-game' where governments simply move public expenses 'off the books' by shifting them onto consumers who purchase a new home."

It's outrageous

"Let me be very clear — it is outrageous to force new home buyers to pay for social policies that should be paid by society as a whole."

"I admit to frustration about having to do business in an environment where government imposed costs appear to have no limit, and where every new regulation is portrayed as progress, with little or no thought given for the costs or unintended consequences," he added.

Laberge went on to call for more effective coordination by governments when it comes to housing, noting that "the policies that affect our industry within and among levels of govern-

ment work at cross-purposes, and silo-thinking persists."

"The resulting problems are expected to be solved by our industry and paid for by our customers through lost affordability and choice — and bigger mortgages," he concluded.

He pointed out that, "this is not an environment that instills business confidence, encourages investment in productivity, or inspires innovative developments and products."

In his Inaugural Address to CHBA members, Laberge pointed to a number of specific actions that governments — at all levels — need to make.

It's vital

These range from indexing the GST new home buyer rebate, to the introduction of a home renovation tax rebate, to moving the cost of social investments off new home mortgages, to reforming regulatory processes that unnecessarily slow the development process.

"This is vital for housing affordability," he said. Housing affordability is the key to strong industry performance, and the employment and economic benefits this can deliver.



■ LABERGE: "There must be a reduction in government-imposed costs for housing."



■ NEW Executive Board goes through swearing in ceremony during the Annual Meeting of Members prior to the CHBA's 68th National Conference in Banff.

Tech talk

NOTES FROM THE TECHNICAL RESEARCH COMMITTEE

More changes needed to Energy Code

|| A NUMBER of changes have been made to the draft National Energy Code for (large) Buildings as a result of comments from builders during the public review last November. In presentations to the Standing Committee on Energy Efficiency in (large) Buildings, builders were successful in arguing that the proposed air-tightness requirements for entrance doors for large buildings were impractical and needed to be changed. Builders also convinced the Committee that it needed to change proposed wording regarding temporary wetting of insulation, which could have ruled out the use of effective solutions currently used successfully across the country. A request from the CHBA for an increase in the maximum area of windows permitted in apartment buildings in the Prairie provinces was also adopted, although not to the full extent requested.

At the meeting of its Technical Research Committee meeting in February, the CHBA confirmed that it is still seeking further changes to the new Energy Code. The TRC was told that the CHBA has written to the Canadian Commission on Building and Fire Codes seeking changes to the proposed mechanical requirements for dwelling units in large apartment buildings. The CHBA has argued that heat recovery requirements are inconsistent. While there is no such requirement in smaller buildings (less than 50 units) with centralized mechanical systems, there is a requirement for heat recovery where self-contained equipment is used in buildings of any size. This requirement, which would add at least \$1,500 to the cost of a typical apartment unit, would cause designers to shift to the use of centralized heating systems. The CHBA will present its case to the CCBFC in April.

AUTOMATIC FIRE SPRINKLERS IN HOUSES

THE Canadian Commission on Building and Fire Codes (CCBFC) has released the long awaited report on Mandatory Sprinklers in Houses. The study done by the Altus Group for the Institute for Research in Construction (IRC) is entitled, "Gap and Statistical Analysis on Housing Sprinkler Systems."

The Chair of CHBA's Technical Research Committee, Rick Gratton of Heartland Homes in Calgary, told the TRC that the CHBA views this report as confirmation of its long-held position that sprinklers should remain an option for builders wanting to offer customers this added safety feature and not be mandated in the Building Code. The report concludes that there would likely be a reduction in the amount of property damage and the number of injuries related to fire situations. However, the evidence is less conclusive on the matter of whether sprinkler systems would lead to a reduction in the number of deaths.

Having received several submissions proposing new requirements in the National Building Code for sprinklers in new houses, the CCBFC asked the IRC to have this statistical review and analysis undertaken in order to obtain an objective assessment all of the available information. The review examines all literature, studies and statistics related to single home sprinkler systems both within Canada and the United States. It identifies a number of information gaps and further research needed, including studies on the effectiveness of automatic fire sprinkler systems using identical residential structures and feasibility studies on establishing a national fire incident reporting system in Canada that is similar to the system in the United States.



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Pushing the innovative boundaries

|| CANADA'S new home builders need to "push the boundaries" so the country can again become a leader in the innovative use of wood, members of CHBA's national committees and councils were told at a luncheon in Banff, prior to the CHBA National Conference.

Dr. David Moses, principal of Toronto's Moses Structural Engineering, presented the Canadian Wood Council luncheon



■ MOSES: "There's more to it than just green building."

with many examples of inspiring new buildings that his company helped design — all of which rely on the innovative use of wood.

These include the new Art Gallery of Ontario, designed by Frank Gehry, which features a soaring front atrium that was constructed using computer-designed wood cutting. The result is a wood structure of astonishing beauty and grace. These technologies

have been integrated into design and construction practices in Europe, but remain relatively unknown in Canada.

While the country leads the world in terms of wood resources and its use in wood frame construction, Dr. Moses said, it lags in the application of advanced computer modeling techniques that are a key to greater innovation in wood construction.

NETAC TOLD OF U.S. PROGRAM FOR AGING IN PLACE

Tapping into a hot new market

HELPING new home builders and renovators tap into the growing market for aging-in-place design and construction services is the focus of a successful program in the United States, the February meeting of the CHBA's National Education and Training Advisory Committee learned.

Vince Butler, a new home builder/renovator in West Virginia, outlined the Certified Aging-in-Place Specialist — CAPS for short — designation the National Association of Home Builders offers its members.

The program was developed in 2002, Butler said, and has evolved from an initial series of courses to a full training and certification regime that has seen more than 13,000 course registrations across the U.S.

A technical course

CAPS was developed in collaboration with the AARP (American Association of Retired Persons), the American Occupational Therapist Association, and the American Society of Interior Designers.

Butler said CAPS is a technical course that also includes both marketing and business management modules. Certification requires completion of three full days of training, which can be completed separately. Maintaining the CAPS designation also requires some continuing education upgrading.

The core CAPS training comes through a one-day Design/Build Solutions for Aging and Accessibility training session. This course focuses on the "nuts and bolts" of assessing an existing home or new home design, and identifying the products, materials, and specifications suited to the occupants' current and future accessibility needs.

The marketing component of the CAPS program addresses the need



■ NETAC IN SESSION: It learned of a successful U.S. program that helps renovators and new home builders tap into a growing market for aging-in-place design and construction services.



■ BUTLER: "Having the CAPS designation brings business to your door."

for builders to understand the range of specific accessibility requirements that come with aging or disabilities. Emphasis is placed on the need for customized solutions that respond to each client's unique circumstances and resources.

Of all the training options offered through the NAHB, Butler said, the CAPS program has been the least affected by the recession in U.S. housing.

"Having the CAPS designation brings business to your door," Butler said. "This is an area of tremendous growth and opportunity, for those in our industry. AARP is

promoting CAPS to its 38 million members, many of whom are looking for someone to help them stay in their homes.

"The baby boom generation remains the largest single market segment, and today in the U.S., a baby boomer is retiring every 11 seconds. Of the population that is more than 50 years old, more than half have some disability or health issue.

Change is needed

"At the same time, more than three-quarters of retired persons say they want to stay in their own homes. But in many cases, they need to make changes suited to their evolving accessibility needs. This can mean adapting their current home, or designing a new home that will be functional for them tomorrow. The CAPS designation helps these consumers connect with the professional builder services they are looking for."

Butler also said that those who earn the CAPS designation often find the media are contacting them for advice — and giving them coverage — due to the growing consumer interest in home accessibility topics.

"Virtually everyone is dealing with a family member who has accessibility needs, so the promotional benefits of holding the CAPS designation are considerable," he said.



■ HAMILTON

Concrete's big role in construction

|| AS building codes adopt new energy efficiency requirements, there is a growing case for the use of Insulated Concrete Form systems, according to Lyle Hamilton, Vice President/Sales for LOGIX.

At a luncheon sponsored by the Canadian Ready Mixed Concrete Association, CHBA Committee and Council members were told that higher efficiency requirements create an opportunity for new home builders to re-evaluate many of their current construction practices, seeking more effective techniques for boosting energy performance.

In this changing code environment, the use of ICF systems, particularly for basement applications, deserves a close look, Hamilton said.



Reception shows life and culture of Banff



■ **DELEGATES** got a close-up look at the rich heritage and colorful history of Banff at the Welcoming Reception to February's 68th National Conference.



SPECIAL REPORT: THE CHBA MEETS IN BANFF

An 'eye opener' of a conference

THERE was much much more to the Association's 68th National Conference in Banff, in February.

There were inspirational speakers, lessons to be learned, and knowledge to be shared. There was also camaraderie — and then some.

"It was a real eye-opener for me," said first-time delegate Tom Davis of Burnaby, B.C. "I was just amazed by how much really useful information and knowledge I picked up."

That sentiment was endorsed by Leslie Anthony of Walker Sussex, N.B. — also a first-timer.

It's amazing

"Amazing stuff," she said. "The speakers were truly interesting and the spirit of the conference was just awesome. Everyone should come to these things. They're amazing."

No wonder the event attracted a sell-out audience — the largest conference turnout in years.

The conference theme was delivered in sessions that dealt with economics, imagination, teamwork, and fundamental business issues.

As always, sponsors played a key role in making the conference a success.

Pre-conference luncheons were sponsored by two associations that represent major suppli-



■ **PRESIDENTIAL** Award of Excellence is presented by outgoing President Victor Fiume (left) to federal Revenue Minister Keith Ashfield at the CHBA's 68th National Conference in Banff.

ers to the industry: the Canadian Ready Mixed Concrete Association and the Canadian Wood Council.

Sponsors were also responsible for the Business Alliance Centre, a focal point for networking throughout the conference.

The centre was co-sponsored by Avid Canada and the Canadian Automatic Sprinkler Association. Refreshment

breaks and lunches in the Centre were sponsored by Cosella-Dörken Products Inc.

The CHBA Registration Desk was sponsored by LP Building Products. Home Hardware Building Centre sponsored the CHBA Bookstore, and Genworth Financial Canada sponsored delegates bags.

Other Platinum sponsors who played a major role in making the con-

ference possible were Airia Brands Inc., Airways & Ceilings Canada, Inc., Bell, Canada Mortgage and Housing Corporation, and the CHBA's Manufacturers' Council.

The *Calgary Herald*, a division of Postmedia Network Inc. sponsored the SAM Award Winners' Reception. Aya Kitchens & Baths Ltd. and Icyne co-sponsored the Housing Night in Canada function "Disco Fever."

DuPont Building Innovations — Tyvek® and Honeywell Limited co-sponsored the opening reception feature celebrating Banff's heritage and culture.

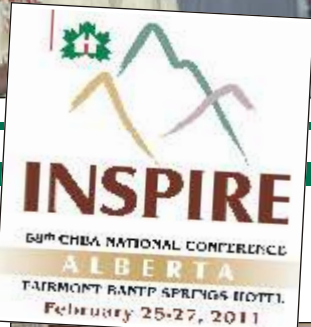
Owens Corning Canada and All Weather Windows co-sponsored the Opening Breakfast.

Inaugural
LOGIX Insulated Concrete Forms Ltd. sponsored the inaugural address of incoming President Vince Laberge.

Delta and Masco Canada Ltd. sponsored the closing event, the President's Reception and Dinner/Dance — a celebration of outgoing President Victor Fiume's term of office.

Next up: Mont Tremblant. The CHBA's 69th National Conference will be held at the Fairmont Tremblant, Mar. 16 to 18, 2012.

Plan for it now.



■ **THE Business Alliance Centre** opened the door for the flow of information and networking at the CHBA's 68th National Conference in Banff. Lunches were served in the Centre, and delegates used it to catch up on the latest information from industry suppliers.



■ **CALGARY FIDDLERS** added a country and western flavor to the Conference opening breakfast. They thrilled delegates with their enthusiastic performance.



ECONOMIC PANEL REFLECTS ON 2009 CRISIS — AND SEE CHALLENGE AHEAD



■ GUTSCHE: "Some of the most successful companies were founded during periods of economic recession."

Making the best of bad times

CRISIS creates opportunity, and the truly smart business people capitalize on that fact, author and financial analyst Jeremy Gutsche says. Indeed some of the world's most successful companies — among them Microsoft, Apple, IBM, and Gillette — were founded during periods of economic recession. "Chaos causes some organizations to retreat," Gutsche said. "But not always. Dramatic change and simple evolution give birth to a new set of market needs. Identify those needs and you will enjoy remarkable success."

"From the outside, it is easy to see how the world is changing. It is more difficult from the inside. If you don't fail, you will become complacent. Indeed, success equals complacency, and that will become the architecture of your downfall."

"When you find something you are good at, it is a time of opportunity. But being good is a trap that stops you from finding another opportunity."

"Win like you are used to it." Gutsche said the key to success is to be obsessed with customer satisfaction.

"When you make your brand seem like it means something," he said, "then people will start to advertise for you. In all industries, innovation begins by observing customers. Observe them in their zone. Interact with them. Watch how they choose."

"You should look outside your industry. Look at fashion. Look at hotels. Observe how they interact with their customers. It will help you determine how your company can be most compelling to customers."

"When you create something that connects with your customer, then more than ever your story will travel even faster. But portray your product as average, and that is all it will ever be."

■ RBC Royal Bank, Whirlpool Canada, and Travelers Canada co-sponsored Gutsche's presentation.



■ ECONOMIC PANELISTS Andersen, Norman, Dugan, Coyne: "Caution is called for."

Why we escaped the 'melt-down'

CANADA's financial regulators probably had their finest hour at the onset of the 2009 financial crisis, economist and National Editor of Macleans magazine, Andrew Coyne says.

But "dumb luck" was a big part of it and things could have as easily gone the wrong way.

What's more, there is continued danger in the future, especially if governments continue to run deficits.

That was the message Coyne brought to a panel at the Economic Session of the CHBA's 68th National Conference in Banff.

A warning

Dr. Peter Andersen and the Altus Group's Peter Norman, also warned of economic challenges ahead.

Coyne said the short-term strength of the Canadian economy masks some long-term challenges. A lot of very silly things were said during the financial crisis, and a lot of people lost their minds.

"This was not a failure of the market," he said. "It was nothing particularly new. It is true that people lent too much and people borrowed too much. But when you see large numbers of smart people making the same



■ COYNE: "There is continued danger — especially if governments continue to run deficits."

mistake, it's not something in the water.

"Government had their fingers all over it. The U.S. federal reserve kept interest rates too low for too long — that was one of the granddaddies of all distortions in the market."

"The thinking was that if worst came to worst, Uncle Sugar would be there to bail them out. They got it all wrong, of course, which is easy to

say after the event."

Coyne said it surprised him that the Canadian banking system did not get into a similar mess.

Ideal model

"These are people we like to berate every other day of the week," he said. "But in the middle of the crisis they were perceived as the ideal model."

"The fact is they were quite capable of blowing

their heads off like everyone else. In other words, dumb luck was a big part of it."

Dr. Andersen said that what Canada has been going through will continue for some time.

"I think there will be another recession on the other side of 2012," Dr. Andersen said. "As for 2011, I do believe we are in an up cycle. A shift is taking place in the U.S. where there are going to be employment gains that are different and larger — and that is great for us."

Missing link

"The missing link for us has been exports."

Peter Norman said he completely agrees with Coyne's analysis of the economic situation.

"Coyne is bang on," Norman said. "The message is that markets work. Inflation is a monetary phenomenon."

"I think 2011 is going to be a reasonably good year for the housing industry — not another booming year in which sales take off out of control, but a good year nonetheless."

"We are dealing with a declining market, but I think that will stabilize."

"However, there are some challenges ahead, so caution is advised."

Bob Dugan of CMHC said the Canadian economy has performed very well compared with other countries.

"There has been an increase in employment," he said, "and the indications are for a pretty good year in housing. I also see more employment growth."

Dugan said mortgage rates are quite low in Canada, and he foresees no great increase in those rates in the coming years.

■ Federated Insurance Company of Canada, Taymor Industries Ltd., and Canadian Home Warranty Council co-sponsored Coyne's presentation and the annual economic session.

A salute to the sponsors who helped make it happen

SPONSORS played a key role in the CHBA's 68th National Conference in Banff. These companies helped make the event possible:

Airia Brands Inc.
All Weather Windows
Altus Group Economic Consulting
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AVID Canada
AyA Kitchens & Baths Ltd.
Bell
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Canada Mortgage and Housing Corporation
Canadian Automatic Sprinkler Association
Canadian Home Builders' Association – Manufacturers' Council
Canadian Home Warranty Council
Canadian Manufactured Housing Institute
Canadian Ready Mixed Concrete Association
Canadian Wood Council
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Schlage
Taymor Industries Ltd.
TD Canada Trust
Trane
Travelers Canada
Weiser Pfister
Whirlpool Canada

The roller coaster life of entrepreneurs

LIFE as an entrepreneur is all about riding an emotional roller coaster, one of Canada's most innovative business leaders told the CHBA's 68th National Conference in Banff.

And there are four key stages to the ride — from uninformed optimism, through informed pessimism, to crisis, to crash and burn.

But real entrepreneurs would not have it any other way, says business mentor and coach Cameron Herold (the inspiration behind the multi-million-dollar success story 1-800-GOT-JUNK).

"You're on a roller coaster ride that has these micro curves daily," Herold said.

"Understand that, and decide what you want to be doing at the different stages of the ride.

"The ride we take as entrepreneurs is magnified. The reason



■ **HEROLD:** "The ride we take as entrepreneurs is magnified."

anyone who works with us thinks we're crazy is because we are.

"We can get people to follow us when we are to the top of the roller coaster.

If we didn't have these highs we'd never get people to follow us."

Listen to others

Herold said the way to recover from the worst stage of the roller coaster ride — when the project fails — is to listen to other people's ideas.

"Maybe it's the kick in the butt you need sometimes," he said.

"The key is to get through this stage, and get ready for the next high."

■ Genworth Financial Canada and Weiser Pfister co-sponsored Herold's presentation.



■ **BELL:** "Your people are your competitive advantage. Take care of them."

INSPIRATION THE KEY, RACONTEUR SAYS

Now builders should be proud

CANADA's new home builders should be "exulted in pride" for what they have done for their country, raconteur and TV commentator Rex Murphy told delegates to the CHBA's 68th National Conference in Banff.

"Look at what you have done over eight or nine generations," he said. "Look at the absolute determination of all people in all parts of this country, to produce a society of 33 million people who have a code of civility.

"We have constituted a way of being in one of the richest lands on the face of the earth. We are in one of the most advanced societies since the world began. We are at the very peak of human advance.

"And this didn't just fall out of the sky. It came from inspiration. *Your inspiration.*"

Noting that it was the conference theme, Murphy told delegates that "inspiration" can be looked upon now as the word for our times.

"I suggest to you that inspiration is not some simple buzz word," he said. "Inspiration is an extremely fundamental word. If you go back to the earliest biblical accounts of how men and women came to be, it was quite literally an act of inspiration — the breath of life.

The greatest gift
"It is the very moment of creation. The greatest gift of any kind."

Murphy said the best of the musicians, artists, and mathematicians possess the ability to create things at the very highest

creative level. They are inspired. Some agency lifts the power of that human being to a higher level.

"The power of the human being enters the soul of the artist," he said. "There comes this flash that inspires you. You draw upon this extra special resource when you are under challenge. It is inspiration born of the confidence you have built."

Murphy said that in the current economic

climate, the future of the next decade may be at stake.

"We have not seen such financial turmoil," he said. "We see a world in which the stature of leadership is not as large as it should be.

Reverse it

"In the middle of true crisis that might mark a new dimension of challenge, I would say to you, put this in reverse. There has always been a chain of challenges.

"Cast your mind back 60 years. Take note of what you have already achieved. Understand how much the towns, counties, provinces, and the country of which you are a part have accelerated in comfort, wealth, education, opportunity — accelerated in the highest legions.

"We are numb to the scale of accomplishments we have already

achieved. Waken to a strong understanding of how much you have already done. What is the scale of the uncertainties we now face? You have already done great things."

Murphy said the home builder's accomplishments are spread over time — over generations.

"You build homes, not houses," he said. "You build one of the most significant items of our existence.

"The CHBA is associated with the atomic nature of Canadian content.

"We in this country — the amazing country of wealth — this is a great thing that we have built.

"We should be exulted in the pride in what we have done."

■ Owens Corning Canada and All Weather Windows co-sponsored Murphy's presentation.



■ **MURPHY:** "You build homes, not houses. You build one of the most significant items of our existence."

How it pays to really empower employees

EMployees are the key to success in business, Westjet founder Don Bell says. Take care of them, and they will take care of business.

That approach has paid big dividends at Westjet, Bell told delegates to the CHBA's 68th National Conference in Banff. The employees are the airline's "brand" and the CHBA's renovator and new home builder members would be wise to take the same approach with their employees.

"Your people *are* your competitive advantage," Bell said. "The ability to inspire them is the most important quality you can have. Give them the news. Avoid corporate babble and bureaucro-speak. The most effective communication is face to face."

In building on a presentation he made to last year's National Conference, Bell said that when he and his partners set up Westjet, they knew they would have to do things differently. The answer was to hire people because of their personalities.

"We learned a lot from Southwest Airlines [in the United States] about finance," Bell said. "But what we really learned most from them was about how to handle people. The key is to empower the front line. Keep people informed. Keep it simple. We believed that if we took care of our people, they would take care of the customers. And that is exactly what happened."

Labels are important

Bell said the importance of labels cannot be overstated. "We had 'Team Leaders,' not 'Supervisors,'" he said. "We had 'Beanland,' not 'Accounting.' 'Big Shots,' not 'Executives.' 'People,' not 'Employees.' 'Guests,' not 'Passengers' — it is much easier to take care of a guest than a passenger. And we had promises, not policies. There's a lot of stupid stuff in policies, and it seems the bigger a company gets, the more policies it implements.

"There is no 'pants policy' at Westjet, but no one has come to work yet without their pants. Rules drive away talent. If you don't trust your people to do the right thing, why did you hire them?"

It is also important to share the wealth, Bell said. Westjet has a profit sharing program for its employees, and it hires for attitude rather than skills. Its formula for success is $T \times B = E$ — Technical Competence multiplied by behavioral/cultural fit equals effectiveness.

"Even great companies hire the wrong people sometimes," Bell said. "If people don't meet your standards, you have two choices: lower the standards or fire them. We aligned the value and the internal interests of our people with the values and interests of the company. And that paid dividends."

Perhaps most important, Bell said, is to celebrate success. "Always underpromise and over-deliver," he said. "Have fun."

■ The Canadian Manufactured Housing Institute and JELD-WEN Windows and Doors co-sponsored Bell's presentation.



■ **TOKEN of appreciation:** outgoing President Victor Fiume makes presentation to commentator Rex Murphy at the Banff Conference.

Marketing TODAY

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

Selling lifestyle to boomers

|| SELLING resort living to the baby boomer market is all about lifestyle, the February meeting of the National Marketing Committee was told. The “boomers” — aged 46 to 64 — look for homes characterized by high quality, low maintenance, and simplicity so they can enjoy the experiences of an active lifestyle to the fullest, Doug Wittal of the Kamloops, B.C., company DW Builders told the Committee.

“We are marketing big time to this particular market niche,” Wittal said. “Most of them have very active interests, and want natural attractions and high-end amenities. They like fishing and hunting. They want to waterski in the morning and golf or ride horses in the afternoon.”

Wittal said British Columbia is becoming a mecca for resort living, with many regions offering unique lifestyle options. Buyers are not concerned about cost, as long as they get what they want, he said.

At the very high end, resort living at its ultimate offers huge lots, helipads, world-class amenities, and exclusivity at prices that reach into the millions.

MEETING BUYER EXPECTATIONS

LARGE volume builders have caught up with small home builders when it comes to customer satisfaction, according to Janice Mandel of Ontario's mandatory new home warranty program, Tation.

The program has tracked home owners' experiences and opinions for the last four years. The latest survey involved 48,000 home owners who bought from a builder with five or more possessions between October 1, 2009 and September 30, 2010. More than 8,000 responses were received.

Overall, builders perform well listening to customers and understanding their needs, and in customer service before move-in, readiness of interior, and completing repairs and leaving the home clean. They still have a ways to go in other areas such as customer service after move-in, and dealing with service requests in a reasonable time.

Mandel noted that there is a strong link between contacting homeowners for feedback after move-in and customer satisfaction.

GREEN HOME IS A WINNER

THE Green Dream Home in Kamloops, B.C., is a great example of a win-win partnership that reached far into the community, its builder, Brian Hayashi of NexBuild Construction told the Committee.

Chosen as one of CMHC's Equilibrium homes, the CHBA-Central Interior and Thompson Rivers University were the primary participants in the project. Hayashi said a student designed the house and its construction served as training for students. It was also the prize in an annual YMCA/YWCA Dream Home Lottery, with many HBA members contributing materials and labor.

“The need to conform to a number of local by-laws created some complications in achieving our net zero energy goals,” Hyashi said. “But the completed house is quite true to the original design despite the few minor variations.”

The house is located in the Sun Rivers Community, Canada's first geo-thermal community.



■ KAMLOOPS Green Dream Home — a “win-win partnership.”



■ TEAM C works on its “See Clear Wand” which is an ice scraper windshield and mirror cleaner that removes wrinkles from clothing and also is a coffee maker.

HOW ENTREPRENEURS RISE TO THE OCCASION

Coming up with winning ideas

ENTREPRENEURS know how to rise to the occasion: when they understand the customers' “pain,” they will come up with a winning idea.

This point was amply demonstrated in an informative, hands-on session at the February meeting of the National Marketing Committee in Banff.

Dr. Leslie Roberts, of Calgary's GoForth Institute, told the Committee that the key to gaining a competitive advantage is “claiming the white space,” the term used to describe opportunities in the market where competitors are weak, and customers are underserved.

The advantage

She cautioned that a competitive advantage is only as great as the consumer perceives it to be. “It doesn't matter what you think it is. You may believe you are ahead of other companies in the quality or design of your product, or that your customer service is better than anyone else's. But it is only a competitive advantage if the consumer sees it that way.

“The key to white space is to have an absolutely concrete understanding of who your customer is. You need to know their lifestyle, needs, dreams and hopes for the future. Even more so, you need to understand their ‘pain,’ that is, their unmet needs that are not being filled by anyone in the marketplace, or not well enough. Then move in and claim that space for your company.”

Dr. Roberts said that where there is one person with an unmet need, there are 8,000 more just like that person. “An organization's ability to learn and rapidly translate learning into action is the ultimate competitive advantage,” she said.

Dr. Roberts said sustainability is a key factor.



■ CREATIVE JUICES flow as Team A comes up with its “U” Card — a universal credit and loyalty points card.



■ DR. ROBERTS: “Your advantage is only as great as consumers perceive it to be.”

“As soon as competitors see you are successful,” she said, “they are going to get into the same market.

“The best way to keep your competitive advantage is to keep on talking with customers and manage your reputation well.

Something negative about you can spread very quickly.”

Dr. Roberts then put the committee to work creating a competitive advantage. She split it into four groups, gave each a set of pipe cleaners, sheets of colored paper and sticky tape, and challenged them to think of an “unmet need” or “customer pain,” and come up with some original product or service ideas.

A surprise

The results were surprising. In 30 minutes, each team developed a concept, a prototype (of sorts), pricing and a marketing strategy.

“The U Card” is a universal credit-type card that would also be a loyalty points card, to eliminate the pain of having a wallet full of cards.

The “De-Wrinkler” is a device that's plugged into a laptop for people who travel and wind up with wrinkled clothing.

The “See-Clear Wand” is an ice scraper windshield and mirror cleaner small enough to fit in the glove compartment of a car, with a recyclable windshield washer fluid container and replaceable Velcro pad.

The “Clean Klik,” is a thin, see-through sleeve made of disposable, biodegradable plastic for covering television remote controls in hotels, for more hygienic, germ-free use.

Dr. Roberts was impressed. “This was a great exercise to show what might happen if we talk to our customers, and work on our claim to the white space as a team,” she said.



■ TEAM D decides to tackle the travel market with a “disposable, biodegradable” product designed to get rid of germs.



■ **THE VORONOFF** by Phelps Homes Limited of Grimsby, Ont., took the SAM Award for Best Single-attached Home. It was created by combining two bungalow town units.



■ A STRIKING exterior inspired by a blend of Cape Cod and Craftsman architecture are key features of *Headwater*, Bedford Landing which won the SAM Award for Best Single-detached Home of more than 2,200 square feet for Vancouver's ParkLane Homes Ltd.

SAM AWARDS PAY TRIBUTE TO THE CHBA'S BEST

A salute to the tops in marketing

THE CHBA paid tribute to the tops in residential construction at its 68th National Conference in Banff in February.

It was the CHBA National SAM Awards presented by Schlage & Trane.

It recognized outstanding performance in new homes and renovation design, innovative technology and construction techniques, and outstanding marketing and sales activities.

ParkLane Homes Ltd. of Vancouver, B.C., won the Grand SAM Award; creative, concept and production by Braun/Allison Inc., Chemistry Marketing & Design, and Outline Graphics.

Empire Communities of Thornhill, Ont., won the Marketing Excellence Award for its project "Schoolhouse." The award, to the CHBA builder member whose single project combines the best over-all achievements in marketing, is based on the cumulative score attained in at least four categories.

Natural Balance Home Builders of Vancouver, B.C., won the Green Home Award, for outstanding environmental performance in a new single-detached home.

Other winners:

New Home Awards — Production
Single-detached, less



■ **TOP SAM WINNER** was ParkLane Homes of Vancouver, B.C. Here the company's Ben Taddei accepts the coveted Grand SAM, presented for combined excellence in building and marketing new homes. Outgoing President Victor Fiume (left) and CMHC CEO Karen Kinsley made the presentation.

than 1,500 sq. ft.: Doug Tarry Homes, St. Thomas, Ont. — *The Morningdale, Orchard Park.*

Single-detached, between 1,500 and 2,200 sq. ft.: Munro Homes Ltd., Regina, Sask. — *The Waterford Showhome, Harbour Landing.*

Single-detached, more than 2,200 sq. ft.: ParkLane Homes Ltd., Vancouver, B.C. — *Headwater, Bedford Landing.*

Single attached: Phelps Homes Ltd., Grimsby, Ont. — *The Residences of Jordan Village, The Voronoff model.*

New Home Awards — Custom
Single-detached, less than 2,500 sq. ft.: Alpine Timberframe & Design, Garibaldi Highlands, B.C.

Single-detached, between 2,500 sq. ft. and 4,000 sq. ft.: Icon Devel-

opments Ltd., Ucluelet, B.C.

Single-detached, more than 4,000 sq. ft.: Ambassador Fine Custom Homes Inc., Mississauga, Ont.

New Home Awards — Multi-family Project

Boffo Developments, Burnaby, B.C. — *Jewel.*

Community Development Award

Sun Rivers Golf Resort Community, Kamloops, B.C.

Home Renovation Awards

Kitchen: Harwood Design Builders Ltd., Winnipeg, Man.

Any Room: Artisan Construction Inc., Delta, B.C.

Addition: Oswald Const. Ltd., Winnipeg, Man.
Whole House \$500,000

or less: My House Design/Build Team Ltd., Vancouver, B.C.

Whole House More than \$500,000: Zebra Group, Victoria B.C.

Marketing Awards

Best Print Advertisement: ParkLane Homes Ltd., Vancouver, B.C. — *The BLOCK.* Creative, concept and production: Braun/Allison Inc.

Best Direct Mail Promotion: Rohit Communities Kelowna Ltd., Kelowna, B.C. — *Copper Point Resort.* Creative, concept and production: Pure Vision Inc. and Select Graphix Ltd.

Best Website: Abstract Developments Inc., Victoria, B.C. Creative, concept and production: H&L Magazine, Sage Internet Solutions.

Best Project Signage and Logo: Empire Communities, Thornhill, Ont. — *Schoolhouse.* Creative, concept and production: 52 Pick Up.

Best Brochure/Kit: Sterling Homes 'Edmonton' Ltd., Edmonton, Alta. Creative, concept and production: Consumer Strategies Group.

Best Sales Office: Homes by Avi Inc., Calgary, Alta. — *Avi Definitions Selection Centre.*

Marketing Excellence Award: Empire Communities, Thornhill, Ont. — *Schoolhouse.* Creative, concept and production: 52 Pick Up.



■ **SHARP** angularity and a multi-faceted tower combine with a striking townhouse design to create an iconic landmark that is much more than a typical residential tower complex. And for Boffo Developments of Burnaby, B.C., it won the coveted SAM Award for Best Multi-Family Project for 2010. The project, *Jewel*, features only five suites per floor, all with open concept designs, floor-to-ceiling windows, and entertainment-size fully-covered balconies.



And a big winner in the reno field

■ **HUGE** vacant basement space (above) that was transformed into a multimedia and wellness centre (below) won the SAM Award for Best Any Room Renovation for Artisan Construction Incorporated of Delta, B.C. The house was raised so a new foundation could be built and natural light brought in through an innovative grid of steel and glass blocks set into the back porch.





When 'Housing Night' turned disco fever



■ IT WAS an evening of high energy as delegates to the 68th National Conference in Banff joined incoming President Vince Laberge, "Donna Summers," and "Tina Turner" for some "Saturday Night Fever." Doesn't get much better than this, delegates said.

THE Bottom line

HOUSING AND THE ECONOMY IN BRIEF

A view from the provinces

■ THE housing picture was generally mixed in provincial reports tabled at the CHBA's Economic Research Committee Winter meeting in Banff. Items from the reports:

NEWFOUNDLAND AND LABRADOR: Residential construction activity performed very well in 2010 with average single-detached housing starts increasing 9.5% over 2009. Average prices also rose about 20% during the year. But the residential construction industry continues to suffer shortages of skilled people and rapidly rising labor and land costs.

NEW BRUNSWICK: Despite positive net-migration in some centres, weaker employment and reduced demand for housing will likely dampen housing market activity in 2011. Single starts are expected to decline to 1,900 units in 2011. Multiple starts in the province's three large urban centres posted a solid performance in 2010.

NOVA SCOTIA: The new housing market in the province showed an increase during 2010, primarily because of a large gain in multiples. Actual starts came in at 4,309 — a 25.3% increase over 2009. However, Canada Mortgage and Housing Corporation is forecasting a marginal drop in starts for 2011.

ONTARIO: The residential construction industry is expected to moderate in both sales and construction activity in 2011. Much of the strength of the 2010 market was based on a surge of sales leading up to the implementation of the HST. Prices are escalating despite declining sales due to supply pressures. Affordability in both the high-rise and low-rise markets is a major concern.

MANITOBA: To say there was an economic rebound in Manitoba last year would be an epic understatement. Interest in the new home market was very high and was reflected in higher sales.

SASKATCHEWAN: The housing market in the province rebounded considerably from a weak 2009; total starts were up 55% over 2009. The Saskatchewan population continues to grow steadily, and as it grows so does the demand for housing.

ALBERTA: The provincial deficit for 2010 increased to about \$5 billion, topping all previous forecasts. But it will be covered by the province's sustainability fund and will not push Alberta back into debt. A mild reduction in housing starts is expected for 2011.

BRITISH COLUMBIA: Housing starts in the province are expected to hold steady then gradually rise during the year in response to steady housing demand. Housing prices have been on a slow decline in recent months.

HOUSING STARTS BY PROVINCE

	2007	2008	2009	2010	2011*
N.L.	2,325	3,261	2,900	3,000	3,300
P.E.I.	680	712	625	695	680
Nova Scotia	4,700	3,982	3,050	3,200	3,700
N.B.	4,250	4,274	3,285	3,650	3,575
Quebec	52,400	47,901	43,175	42,600	45,700
Ontario	67,700	75,076	45,000	56,700	55,000
Manitoba	5,750	5,537	4,000	4,950	5,200
Sask.	6,000	6,826	5,400	4,900	5,000
Alberta	47,750	29,164	16,132	20,500	27,100
B.C.	36,200	34,321	15,000	25,000	25,000
Canada	227,530	211,056	138,567	165,195	174,255

Source: Canada Mortgage and Housing Corporation
* CHBA Economic Research Committee February, 2011 builder forecast

AWARDS RECOGNIZE OUTSTANDING MEMBERS

Paying tribute to CHBA's best

THEY'RE the best of the CHBA and the Association paid tribute to them at its 68th National Conference in Banff in February.

They are the winners of the CHBA's National Awards Program and they were recognized in a special ceremony to mark their outstanding service.

Recognition was also given to 28 HBAs for their efforts at retaining membership.

The awards rundown:
Beaver Award: Gary Friend of the Greater Vancouver Home Builders' Association — the outstanding builder member of the year.

Maple Leaf Award: J. Ross Gurney of the Greater Vancouver Home Builders' Association — the outstanding non-builder member for 2010.

Gordon S. Shipp Award: Peter Greenwood of the CHBA Central Nova, for leadership, dedication, and continuous lengthy service to the CHBA at the national level.

Colonel Boss Trophy: Regina and Region Home Builders' Association for the greatest progress in achievement compared with previous years.

Harry J. Long Memorial Trophy: Regina and Region Home Builders' Association, for the highest increase in membership.

Community Service Award: CHBA of Central Nova, for the betterment of the way of life of people in its community.

Dave Bell Memorial Trophy: CHBA-BC, for the local or provincial HBA deemed to have undertaken effective human resource development activities, including education and training, for the benefit of members and the consuming public.

William M. McCance Award: Steven Crowell of the CHBA-Annapolis



■ ROSS GURNEY of Vancouver (left) and Gary Friend, also of Vancouver receive the Maple Leaf and Beaver as outstanding non-builder and builder members of the year. AT RIGHT: Peter Greenwood of Halifax won the Gordon S. Shipp Award for leadership, dedication, and continuous lengthy service to the CHBA at the national level.



■ DIANE BUSH of Edmonton receives the Riley Brethour Award for her outstanding contributions to the housing industry in the field of marketing and sales.

Valley, for his outstanding contributions to the home building industry in the technical area.

Riley Brethour Award: Diane Bush of CHBA — Edmonton Region, for outstanding contributions to the housing industry in the field of marketing and sales.

R-2000 Award: Joseph Daniel of the CHBA of Central Nova, for outstanding leadership in construction of R-2000 homes and active promo-

tion of R-2000 within the Association.

Canadian Renovators' Council Award: Peter Briand of the CHBA of Central Nova, for a significant contribution to the renovation industry and exemplary leadership qualities within the Association.

Rooftopper Award: Darryl Caunt of the CHBA — Central Interior B.C. (Kamloops) for membership recruitment.

Membership Retention Awards were presented to 28 Local HBAs across the country. The winners:

British Columbia — Northern B.C. (Prince George). **Alberta** — Grande Prairie Region, Medicine Hat Region. **Saskatchewan** — Regina and Region, Saskatoon and Region. **Manitoba** — Manitoba. **Ontario** — Brantford, Chatham/Kent, Grey-Bruce, Guelph & District, Haldiman-Norfolk, Haliburton Country, Kingston-Frontenac, London, North Bay & District, Peterborough & The Kawarths, Quinte, Renfrew County, St. Thomas-Elgin, Saugeen

(Hanover), Thunder Bay. **New Brunswick** — Greater Moncton, Saint John Region, CHBA — PEI (which is part of the New Brunswick provincial association). — Annapolis Valley, Central Nova, Cape Breton, South Shore.

Executive Officers' Council Awards

Dave Stupart Award of Honor (full-time EO): Stu Niebergall of the Regina and Region Home Builders' Association. **Dave Stupart Award of Honor (part-time EO):** Juanita Carhart of the CHBA — Sussex.

Ken McKinlay Award: Peter Simpson of the Greater Vancouver Home Builders' Association, for excellence in communication.

Susan Chambers Award of Recognition: Peter Simpson of the Greater Vancouver Home Builders' Association, for the initiation and development of non-dues sources of revenue.

■ Genworth Financial Canada and Weiser Pfister co-sponsored the Awards Breakfast.