

# Addressing the Environmental Agenda

A Discussion Paper on  
Strategic Options for the CHBA

**Canadian  
Home Builders'  
Association**



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## 1.0 Background

For more than two decades the CHBA has championed efforts to improve the environmental performance of housing.

These initiatives began with the development of the R-2000 Standard in the mid-1980s and continue to this day, with the Association's strong endorsement of industry-led, market-driven new home labeling programs like Built Green™ and EnergyStar™.

The CHBA has also developed policies and information resources that provide members with guidance and technical assistance in relation to the environmental performance of new homes, renovations and communities. These range from the CHBA's *Member Builder's Statement of Business Values and Commitments* and its Corporate Social Responsibility initiative, to specific guidelines on environmentally responsible housing, and the *CHBA Builders Manual*.

As well, CHBA's network of Committees and Councils places considerable importance on issues related to the environment, ranging from technology R&D, to urban development and infrastructure, to effective marketing of "greener" homes and renovations.

The Association also helps consumers learn more about the environmental and energy efficiency features available when they buy a new home or renovate their existing dwelling. The annual New Homes Month and Renovation Month promotions, and the CHBA's consumer website provide a wealth of information on these topics.

At the 2007 meeting of the CHBA's Vision Action Committee (VAC), a strategic review of the Association's environmental policies and agenda was carried out. The Committee's purpose was two-fold:

- to consider the growing strategic importance of the environment, and how actions by governments and others to address environmental issues may impact on the home building industry.
- to review the Association's environmental policies and initiatives, and identify opportunities to update or expand them in ways that would benefit members and consumers.

As a result of the Committee's discussions, a series of sixteen recommendations were put forward to the CHBA Board of Directors at its meeting of October 28, 2007. These recommendations were subsequently approved by the Board.

This report provides a summary of those discussions, and the recommendations developed by the Committee.

## Achieving a Clear View of Housing, Home Building and the Environment

This paper presents a strategic overview of the environmental issues of concern to the CHBA's Vision Action Committee. In preparing the report, the Committee has included background information that provides context for its comments and recommendations.

Many of the issues discussed in this report are complex, and warrant more detailed examination before specific actions are taken. While home builders have an important role to play in addressing housing-related environmental issues, it is essential to recognize those areas that builders can affect, and those that lie beyond their control or influence.

An example of this is the rapid growth of residential electricity use for home electronics—an increase of nearly 75% since 1990. While such energy use is attributed to the residential sector, it is not something over which home builders have any control.

However, the broader impacts of the rapid proliferation of electronic “gadgets” in the home was recently noted by the *Globe and Mail's* Christmas 2007 editorial cartoon.



## 2.0 The Environment: A Strategic Issue of Growing Importance

The state of the environment has been a significant public policy issue in Canada for many years. Yet, until quite recently the issue has been marked by far more talk than action.

Today, this situation seems likely to change. Growing alarm over the scope, pace and potential impacts of climate change has served to focus the attention of both the public and policymakers. Polls show that the vast majority of Canadians want to see government take meaningful action on the environment, and on climate change in particular. Canadians also appear to accept that dealing with climate change will require changes in our everyday life, although they look to government to set the pace and direction of such changes.

Given Canadians' desire to see tangible progress on environmental issues, governments are being pressed to deliver leadership and action. Increasingly, governments are attempting to meet this challenge, and it is expected that these efforts will increase in the coming years.

However, government action on the environment has not always been well conceived or effective and, overall, it has been inconsistent. To date, the net result has been a patchwork of policies and programs, confusion over which agency of government bears responsibility, and a general lack of any clear, consistent vision of our environmental future.

Canada's pending failure to meet its commitments under the Kyoto Agreement serves as a stark reminder that good intentions alone don't ensure good results.

Moving forward, the climate change challenge is well understood and clear: the amount of carbon-based energy required to support the way we live and work needs to be reduced. It seems equally clear that, in the coming years, government will take more forceful action to meet this challenge.

Such action can involve technological innovation, or changes in our lifestyle, or, most likely, some combination of the two. Similarly, it can come as a result of voluntary action by industry and individual consumers, or through laws and regulations, or through some combination of the two.

Given this reality, addressing climate change will have very significant implications for the home building industry, as it will undoubtedly affect how homes and communities are built in the future.

As a result, it is exceedingly important that the home building industry continues to play a central role in the development of environmental initiatives that affect housing and our urban areas.

It is the Committee's opinion that the industry must maintain its leadership role in this process, and individual builders must be encouraged to deliver an increased number of homes that are more energy efficient.

This will allow the industry to continue making a significant contribution to meeting Canada's environmental goals. It will also obviate the need for new regulations, which would hamper innovation and reduce market forces driving energy performance.

## 2.1 Where Does the Home Building Industry Sit Today?

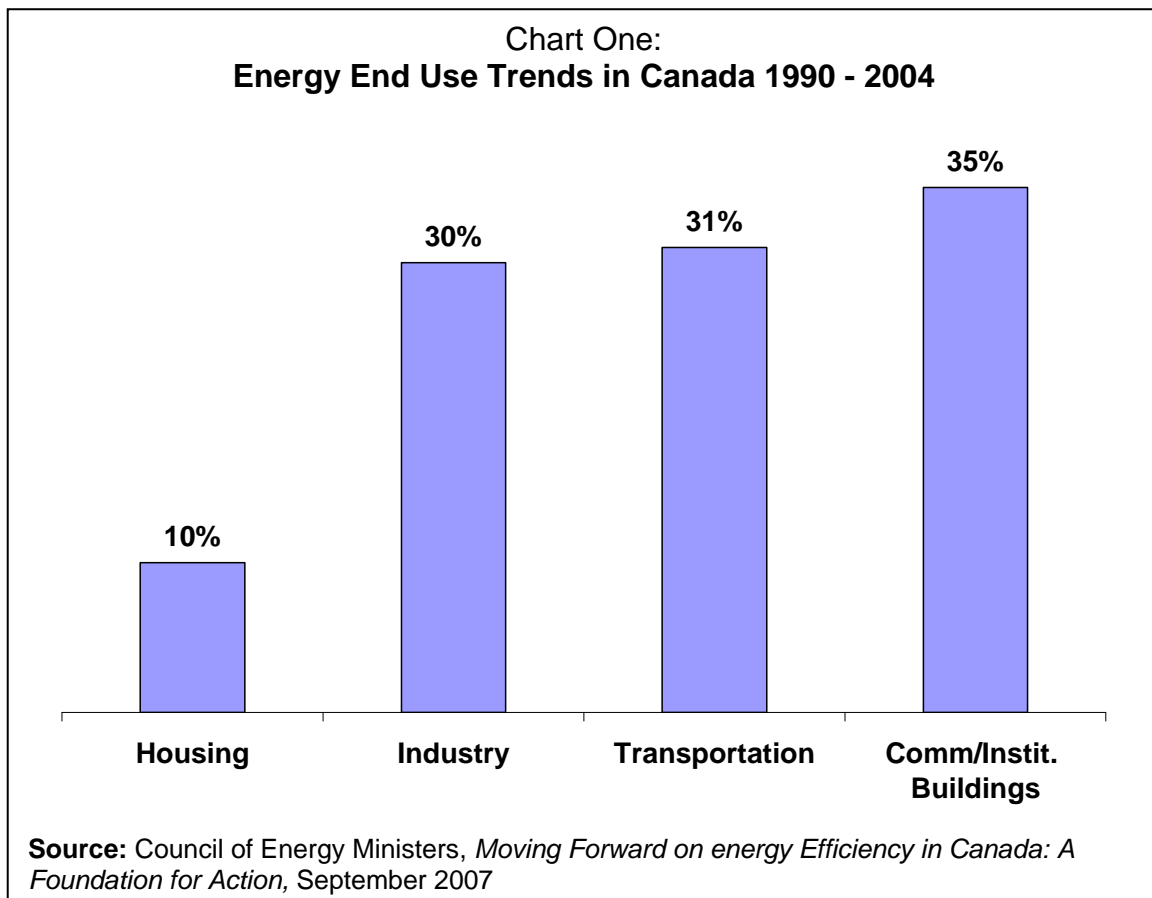
In terms of how to address climate change, the home building industry finds itself at the very centre of things. As a northern and highly urbanized nation, many of Canada's environmental challenges are distinctly urban in character, and at the individual level are linked closely to our homes, our places of work and our means of transport. Addressing the issue of climate change will require significant adjustments in all of these areas.

The CHBA's credentials in this area are very good. The home building industry was among the first sectors of the economy to recognize the importance of energy efficiency, through the Association's involvement in the development of the R-2000 Standard more than twenty years ago.

Since that time, the CHBA has developed a range of policies, industry guidelines and technical resources that support builder-members in developing more environmentally responsible new homes, renovations and communities.

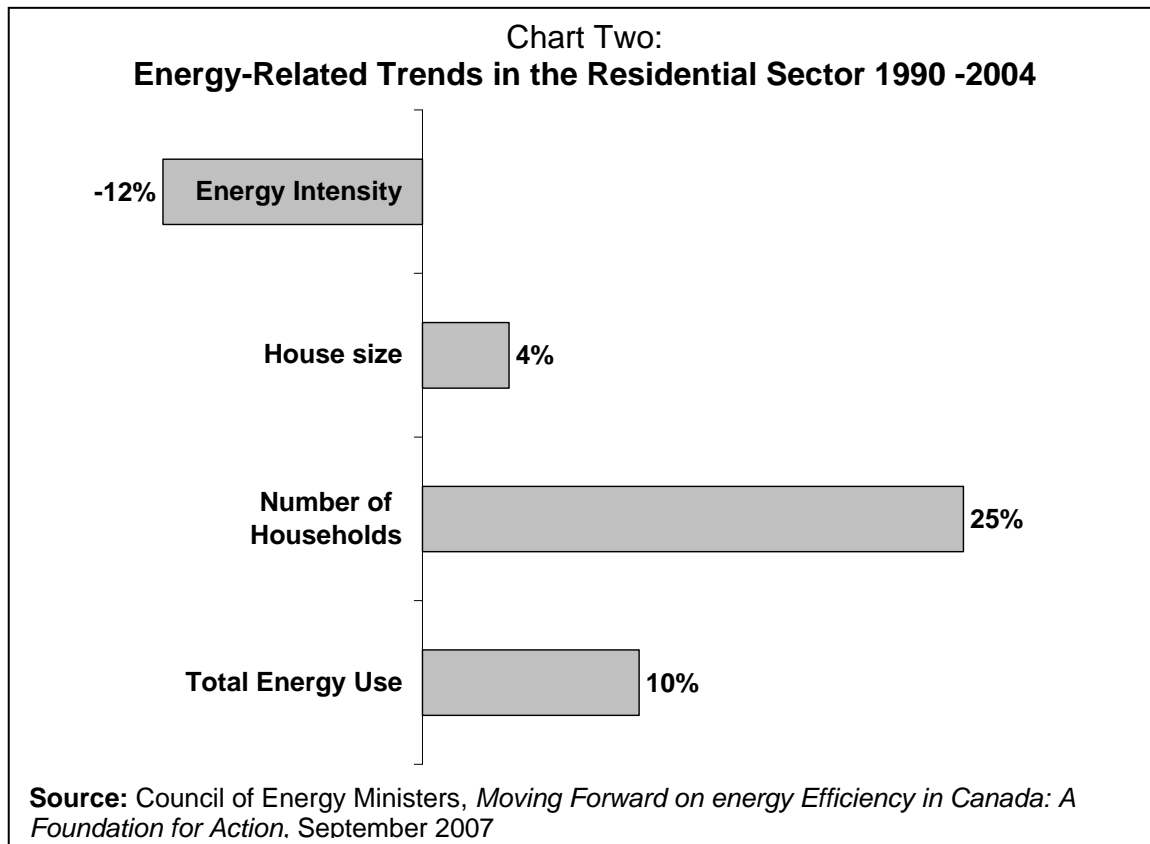
More importantly, the industry has delivered impressive results since 1990 as shown in the following charts.

Chart One illustrates changes in the amount of energy used by major sectors of the Canadian economy between 1990 and 2004. The housing sector, which enjoyed robust growth during this period, had the lowest rate of end use energy growth. During the same period, Canada's population increased by 15% and our nation's GDP went up by 48%.



A more detailed examination of trends within the residential sector over this time period provides additional insight into some of the key trends involved.

As shown in Chart Two, while the total end-use energy demand by the sector went up by 10% during this period, the total number of households increased more than twice as fast, by a total of 25%. As well, the average size of a home went up by 4%. There was a corresponding decrease of 12% in the energy intensity of the sector, indicating a significant improvement in overall energy efficiency.

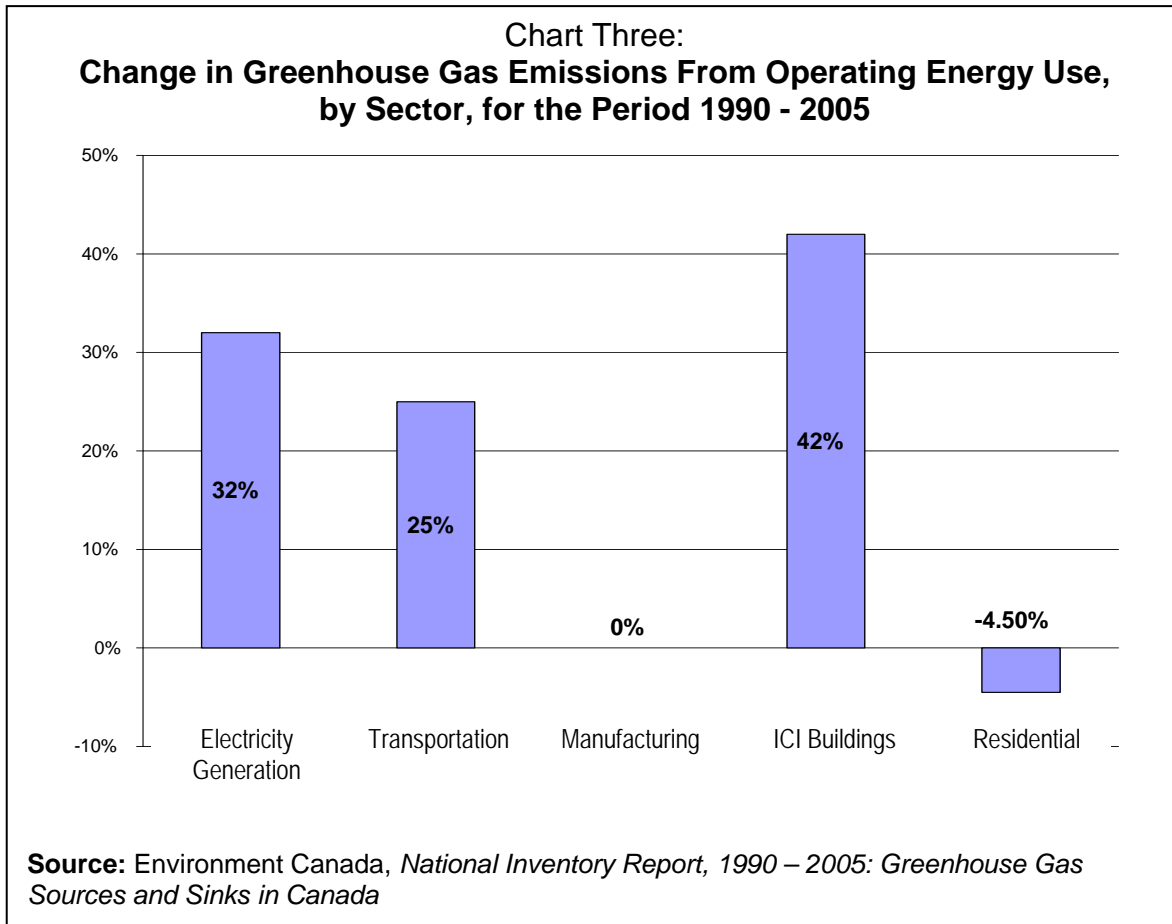


While beyond the scope of this paper, a detailed examination of changes in energy demand within homes shows that the energy efficiency of space and water heating, and of major appliances, has improved steadily over the period. These efficiency improvements have been largely offset by a significant increase in energy use for home electronic devices, and by the greater use of space cooling, particularly in central Canada.

The growth of energy use for space cooling is at least partially related to climatic changes, which have increased the number of cooling degree days in Ontario by some 20% between 1990 and 2004.

Energy use is a key metric in assessing the environmental performance of the residential sector, but it is also worth considering the sector's performance in terms of greenhouse gas emissions. While closely linked to energy efficiency, there are some significant differences between the two measures.

As shown in Chart Three, the housing sector is one of the few areas of the Canadian economy that is currently on-track to meet Canada's Kyoto commitment– a reduction of 6% below 1990 emission levels by 2008 – 2012. This achievement reflects both the increasing energy efficiency of new homes and equipment, and improvements in the efficiency of existing homes through upgrades and renovations.



Most significantly, this net reduction in emissions from operating energy use has been achieved while the number of dwelling units in Canada increased by 25% between 1990 and 2005. This illustrates how impressive the energy efficiency improvements achieved since 1990 have been—while adding over 2.5 million new homes, emissions from energy use in all homes fell by 4.5%.

This significant trend was also noted in the federal government's most recent report of Canada's sustainability indicators.

It is also important to consider the market context within which these energy efficiency gains were achieved. Through most of the period between 1990 and 2005 energy prices were historically low, sharply limiting the consumer's incentive to invest in efficiency.

This overall efficiency gain is tied to both improvements in building envelope construction and in the efficiency of equipment, such as furnaces and windows. It also reflects efforts by new home builders and renovators to actively sell the benefits of energy efficiency to consumers. Given low energy prices, direct savings from increased efficiency were a "tough sell" for builders until quite recently. This forced builders to focus their marketing efforts on other benefits related to energy efficient construction, such as improved indoor air quality, and increased comfort. The results achieved to date show that builders have been relatively successful in their efforts.

This represents voluntary, market-driven change in action, and shows that this approach can deliver impressive results.

The industry's environmental performance since 1990 also reflects a close working relationship with manufacturers of building products and materials. Builders rely on manufacturers to deliver the products they need to produce more energy efficient and environmentally-responsible homes. The CHBA works closely with leading manufacturer and supplier firms to ensure builders have the information and support they need from manufacturers. This collaboration has also played a role in the industry's energy efficiency achievements.

While the home building industry should be proud of its environmental accomplishments since 1990, it must not assume that it can rest upon this success. With the increasing pressure on governments to deliver meaningful action on climate change, regulation of energy performance in new homes is clearly seen as an "easy option" by many outside the industry. This issue will have to be addressed by the industry, as poorly conceived regulation has the potential to significantly disrupt the marketplace, create additional liability for all parties involved, and lead to other unanticipated negative results.

## **2.2 CHBA's Policy on Environmental Initiatives**

The CHBA has always held the position that participation in environmentally-oriented new home programs should be voluntary, that such programs should be based on solid building science, and that they should be market-driven. There are practical reasons for this position:

- Canada's system of Codes and Standards, the regulatory framework governing how homes are built, deals with a very specific range of concerns. It does this extremely well, and in a transparent, accountable manner. The integrity of this system must be respected in the interest of the home buying public. Regulation of building practices should not take place outside this system.
- As entrepreneurs, new home builders and renovators are innovative and active in introducing new products and concepts into the marketplace. They do this to differentiate their companies, and to expand their market potential. At the end of the day, builders must also deliver what consumers will buy. Until recently, low energy prices made it more difficult for builders to market energy efficiency on its own merits, as most consumers want to know that incremental investments in efficiency will be paid back through energy savings in four to five years. Innovative builders promoted the health and comfort benefits of energy efficient construction in order to overcome this obstacle. Market-driven programs

provide home builders with greater flexibility, allowing them to pursue innovation without taking on undue financial risk.

- The core of the R-2000 Standard is solid building science – the “house as a system” concept. While this approach can deliver greatly increased energy and environmental performance, it also gives full consideration to the resultant effects on the structure and to the health and comfort of occupants. It is a balanced and responsible approach. Builders need to know that the building practices they use are sound, safe and effective. Without the discipline of the “house as a system” approach, housing innovations may be utilized before their full consequences are understood. This can present an enormous liability for home builders and is unfair to consumers.

Moving forward, the CHBA's policy and activities related to the environment are well-defined and clear. The Association continues to recognize that it can, and must, play a significant role in helping Canada to meet its environmental goals. This being the case, the Vision Action Committee focused its attention on a number of strategic concerns related to housing and the environment:

- 1) In terms of new housing, an array of industry-supported initiatives are already in place, and achieving very positive results. The R-2000 Initiative, Built Green™ and Energy Star™ are the most significant of these initiatives. As indicated previously, the Committee believes that the number of new homes built under the auspices of these initiatives can increase significantly in the coming years.

As new technology, cost efficiencies and market demand allow, these programs should also be updated to achieve even higher levels of housing performance. However, it is imperative that the discipline imposed by the “house as a system” approach be maintained so that the interests and well-being of consumers is not placed at risk.

Proper structuring and delivery of these programs must also encourage the process of technical innovation within the industry.

- 2) Recently, a number of new “green building” initiatives have been developed or proposed by groups outside the home building industry. While undoubtedly well-intentioned, these efforts are cause of concern. The potential structure and scope of initiatives such as LEED® for Homes and LEED® for Neighbourhood Development are inconsistent with a disciplined approach, as exemplified by Canada's codes and standards system. As well, the sponsors of LEED® appear to support the use of LEED® requirements as a regulatory tool by local governments. This would circumvent and undermine Canada's established system for the development of Codes and Standards.
- 3) The way in which we develop new communities, and redevelop existing ones, holds considerable potential for reducing environmental impacts going forward.

However, harnessing this potential effectively will require a disciplined approach. The focus must be on the environmental performance of our communities, and this effort should not be obscured by other unrelated agendas. While communities face a variety of other social and economic challenges, these should be addressed on their own merits, not “piggy-backed” onto efforts to address environmental goals.

- 4) As governments move to address climate change, there is some potential for mis-steps to occur. Some provinces are already moving to adopt minimum EnerGuide Rating System<sup>1</sup> (ERS) rating regulations. This is not what the ERS was developed for, and it ignores potentially serious issues with the ERS rating scheme. As well, adopted in isolation, higher energy efficiency requirements do not ensure that new home construction will address occupant health and comfort adequately.
- 5) Within the federal government, policy and program initiatives related to housing emanate from a wide array of agencies. This undermines the effectiveness of government initiatives and leads to a “silo” approach to policy. It would be far more effective if federal efforts were centralized within those agencies that have a housing-related mandate and expertise. Canada Mortgage of Housing Corporation and the Institute for Research in Construction at the National Research Council are best able to serve as centres of responsibility related to housing.
- 6) While much attention is focused on building more environmentally responsible new homes and communities, the greatest potential energy efficiency gains lie within the existing housing stock built prior to 1980, and in established communities.

Achieving significant environmental improvement in the existing housing stock is an enormous challenge. Government programs such as the ecoENERGY Retrofit initiative that assist homeowners in upgrading the energy performance of their homes are commendable and supported by the CHBA.

As well, the database of some 400,000 homes evaluated using the EnerGuide Rating System (ERS) represents a valuable source of information for the industry. The CHBA has the opportunity to work with Natural Resources Canada (NRCan) to investigate how best this data can be used to provide practical guidance to professional renovators on retrofit opportunities according to house type, period of construction and location.

However, realizing a greater portion of the potential energy efficiency gains that are achievable within Canada’s existing housing stock will remain a challenge, and there are no simple solutions. The CHBA should continue to work with government to identify effective, market-oriented approaches in this area. This will need to examine both building envelope and equipment upgrade options.

It may be useful to look at actions taken in other countries that have had some success in this area. Such initiatives, that deal with all homes – new and resale – on a consistent basis, may have application in Canada.

## 2.3 Related Recommendations to the CHBA Board of Directors

- *That the CHBA recommend to the Prime Minister that steps be taken to establish a coordinated and focused approach within the federal government with respect to the housing industry and the government’s environmental strategy. This is necessary because of the increasing array of uncoordinated and overlapping activities emanating from various government departments and agencies. The centres of responsibility should be Canada Mortgage and Housing Corporation and the Institute for Research in Construction.*

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<sup>1</sup> Formerly called *EnerGuide for New Homes*

### 3.0 CHBA's Environmental Policy Foundation

As discussed, the CHBA's policy on the environment rests on a solid foundation. This includes the following policy documents, which have been approved by CHBA members.

#### 1) The CHBA's Member Builder's Statement of Business Values and Commitments

This document include three commitments specifically related to the environment:

- *We acknowledge that the development of new communities, and the construction and renovation of homes, has a range of impacts on the environment, both today and in the future. We work with governments and others to develop environmentally responsible housing solutions.*
- *We are committed to developing communities, and to building and renovating homes, in an environmentally responsible manner through utilizing appropriate technologies, materials, building practices and techniques.*
- *We pursue continuous improvement and innovation in our processes, practices and products, in order to meet our environmental responsibilities.*

#### 2) The CHBA's Position on the Environment

This lays out the Association's policy on the environment, as well as the range and type of actions and approaches the CHBA supports related to environmentally responsible housing.

#### 3) Guidelines for New Home Builder, Renovator and Developer Members of the Canadian Home Builders' Association to Contribute to the Development of Environmentally Responsible Housing.

The document provides specific guidance to CHBA member builders on how they apply environmentally responsible practices in their businesses. Guidelines are provided in five areas:

- Participation in environmentally responsible housing programs.
- Upgrading the environmental performance of housing.
- Upgrading proficiency in the construction of environmentally responsible housing.
- Upgrading business practices to make them more environmentally responsible.
- Related communication and marketing efforts.

#### 4) In addition to these three important documents, the VAC reviewed a draft version of a new document, *Guidelines for the Development of Environmentally Responsible Communities*.

These new Guidelines, and related supporting documents, address the issue of community design and development. This is an area referenced in the *Member Builder Statement*, but for which specific guidelines had not yet been developed. The Committee endorsed the draft Guidelines and recommended them to the CHBA Executive Board for consideration and approval by the Board of Directors, and then by the next CHBA Annual Meeting of Members.

The Committee also felt that development of the new Guidelines was very timely, as there is an increasing focus on the need to develop new communities in a manner that is consistent with broader environmental objectives. The Guidelines represent a balanced and responsible approach to this issue, and should assist local HBAs in their discussions with municipal governments.

## 4.0 Industry-Supported Environmental Initiatives

The Vision Action Committee considered a number of current or proposed environmental initiatives that are supported by the industry. This review focused on three key questions:

- What is the current status of each initiative, and what is it achieving?
- Are there opportunities to enhance or improve the initiative, and if so, how?
- Are there opportunities or need for new, related initiatives involving the industry and/or government, that would address emerging environmental priorities?

This discussion yielded insights and recommendations in six areas, as follows:

### 4.1 The R-2000 Initiative

As noted earlier, the R-2000 Initiative represents the home building industry's first major environmental initiative, dating from the mid-1980s.

The development of the R-2000 Standard led to a wide range of technical innovations in Canadian home building. It established Canada as a world leader in energy efficient, environmentally responsible housing.

Many, if not most, of the technical and building practice improvements that resulted from the R-2000 Initiative are in general use today, in every new home being built. This process of technology diffusion has resulted in tremendous benefits to home builders, new home buyers and the environment.

The Committee focused its discussion on the future of the R-2000 Initiative and the directions it should take going forward.

The Committee recognized that general improvements in home building practices and technologies mean that an increasing number of homes built under broadly-based, production-oriented labeling programs such as Built Green™ and EnergyStar™ are now achieving energy performance that is at, or near, the current energy requirements in the R-2000 Standard.

The Committee concluded that a significant upgrading of the R-2000 Standard is needed in order to restore this important initiative to its proper role as an "engine of innovation" in Canadian housing. This would ensure the continued relevance of the R-2000 Initiative, and, more importantly, provide renewed impetus for further innovation and improvement in the environmental performance and livability of new homes.

To achieve this, the R-2000 Initiative must, once again, represent the leading-edge of technically proven, commercially viable housing technology and building practice. To this end, the Committee believes the R-2000 Standard needs upgrading in all areas:

- The energy performance requirement of the R-2000 Standard must be increased significantly. R-2000 homes should deliver a level of energy performance that is beyond that achieved by more broad-based programs such as Built Green™ and EnergyStar™. While the Committee did not make a specific

recommendation in this area, the consensus was that a new R-2000 energy target should fall near the mid-point between the current target and net zero purchased energy consumption. A reduction in the energy target of between 30% and 50% should be examined by the CHBA to determine what level is optimal, both in terms of building practice and technology.

- Such a reduction in the R-2000 energy target may have implications for other areas of building performance, including indoor air quality and overall occupant comfort. It is likely that technical research will be required to ensure that any such impacts are identified and addressed.
- It is essential that the R-2000 Standard remains performance-based so that builders continue to apply the “house as a system” approach, rather than arbitrarily selecting measures to generate credits or points towards qualifying a home.
- Careful consideration should also be given to emerging issues related to health and housing, such as new radon reference levels. R-2000 technical requirements should be amended as required to address such issues.
- The range of energy efficiency, indoor air quality and environmental measures included in the R-2000 “pick lists” should be reviewed to ensure that they also meet the test of representing leading-edge, commercially viable technology. Measures such as “solar-ready” construction and waste-water heat recovery should be considered.
- Overall, the upgrading of the R-2000 Standard should move it towards functioning as a comprehensive environmental standard, rather than focusing primarily on energy efficiency.

It should be noted that the range and type of changes proposed for the R-2000 Standard are consistent with the original intent of the initiative. From its inception, it was recognized that if the R-2000 Initiative achieved its purpose—to generate technical innovation in home building—the Standard would require periodic upward adjustment to remain relevant. The Committee’s conclusion is that such an adjustment is now required and should be made as quickly as possible.

The Committee recognized that “raising the bar” in terms of the R-2000 Standard could limit the number of R-2000 homes built and registered across Canada. The Committee believes strongly that the purpose of R-2000 Initiative is to drive and facilitate housing innovation—it is not about “numbers”. The less demanding regional new home labeling programs provide the appropriate mechanism for achieving broad market penetration. It is not the appropriate goal for the R-2000 Initiative.

The Committee also reviewed recommendations made by the Association to NRCan in 2006 that dealt with a wide range of issues involving R-2000 administration, delivery and funding. The Committee concluded that these recommendations must also be addressed if the R-2000 Initiative is to be renewed.

#### **4.1.1 Related Recommendations to the CHBA Board of Directors**

- *That CHBA act rapidly to propose an updated R-2000 Standard in order to renew the Standard's status as the industry's voluntary, market-driven, leading-edge environmental standard, encompassing both energy-efficiency and other environmental features. This work to be overseen by the R-2000 Builders Committee in consultation with R-2000 builders, and with input from the TRC Management Committee.*

- *That the CHBA call upon the Minister of Natural Resources Canada to act on the recommendations he has received from the CHBA for the future of the R-2000 Initiative, which he requested and endorsed. These recommendations address serious capacity problems, including the availability of qualified service providers and efficient and effective support systems.*

## 4.2 Regional New Home Labeling Programs

The Committee reviewed the status of industry-led regional new home labeling programs, specifically Built Green™ and EnergyStar™.

These programs stand on the technical foundation created by the R-2000 Initiative, and are also voluntary and market-driven. Both programs are achieving increasing participation by new home builders, including many large developer-builders. Based on the most recent information provided by NRCan, in 2007 the Built Green™ program achieved a 15% penetration rate in Alberta. In Ontario, about 7% of eligible homes were labeled under the EnergyStar™ program.

The Committee was impressed by the impact that these programs are having on new home performance. This is clearly demonstrated by the multi-tier Built Green™ program, where participating builders tend to move up one tier, or performance level, each year.

Both programs are in the process of “raising the bar” through higher energy performance requirements. In the case of Built Green™, a new “platinum” performance level is being added. The EnergyStar™ program is increasing its energy performance level to that of the current R-2000 Standard.

These new home labeling programs have considerable strategic importance for the industry.

- They provide builders, particularly production builders, with a practical, low-risk and cost-effective way to introduce energy and environmental performance innovations into their homes.
- The programs benefit from well-conceived marketing and are easily recognized and understood by consumers. Third-party certification of new home performance is also of benefit to consumers.
- The programs provide the home building industry with an effective way to respond to public expectations that it will “do its part” to meet Canada’s environmental challenges.

While current trends for both builder participation and home labeling are encouraging, Built Green™ and EnergyStar™ homes still represent only a small portion of annual new home starts in Canada. The Association should actively encourage member builders to get involved in these programs, and commit to constructing labeled homes.

### 4.2.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA continue to endorse regional industry initiatives, such as Built Green™ and Energy Star™, and support the on-going up-dating of their energy-efficiency and environmental requirements.*

### 4.3 The Need to Measure Progress

Public opinion polls show consistently that Canadians expect businesses to “do the right thing” in terms of the environment. Polls also show that most believe this is not yet the case.

Initiatives such as the CHBA’s EnviroHome (which markets R-2000 homes) and CMHC’s EQuilibrium project (a demonstration initiative) are showing the public what is possible in terms of improving the environmental performance of homes. Programs like Built Green™ and EnergyStar™ demonstrate that significant environmental improvement is affordable today.

It is reasonable to assume that both the public and policymakers expect the home building industry to apply its capabilities to make most, or all, new homes more environmentally responsible.

The CHBA needs to be able to address these expectations.

A key attribute of programs like Built Green™ and EnergyStar™ is their capacity to achieve significant market penetration. If the industry is to meet the expectations of the public and policy makers for the widespread development of more energy-efficient and environmentally responsible new homes, the labeling programs are best able to deliver such results. This underscores the importance of broad new home builder participation in the programs, as well as builder commitment to ensure that all of their homes are labeled.

As discussed previously, the R-2000 Initiative is intended to serve as the engine of innovation for the industry, and it may never officially register a significant percentage of new homes – that is not its goal. However, the benefits of the R-2000 Initiative should still be quantified and clearly explained to both the public and policymakers. This should include recognition of how an updated R-2000 Standard will provide the basis for future development of broad-based programs like Built Green™ and EnergyStar™.

#### 4.3.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA carry out an analysis of what has been achieved through R-2000 and the industry’s regional initiatives for the purpose of showing the progress that is being made by the industry on the environmental front. This is to be based on facts and figures for each of the initiatives.*

### 4.4 Community Development

Many of the environmental concerns related to housing also extend to how communities are developed and maintained. In particular, green-field development is often criticized on a variety of environmental grounds, most often related to its transportation-related impacts and its contribution to the physical growth of urban areas.

Often, and incorrectly, the public and media conclude that current patterns of urban development are purely the result of builder choices, and that any such growth is bad for the environment.

In practice, the development of communities by builders and developers is highly regulated, and this process often creates barriers to more environmentally responsible development approaches. The very high taxes, fees, levies and charges imposed on new development by governments also serve as barriers to more environmentally responsible development approaches.

The situation can become even more complex when special interests within a community seek to have their concerns (often ranging from housing affordability to homelessness and poverty) categorized as “environmental issues” that new development must address.

The public is looking to the industry to show environmental leadership in community development, and the industry needs to respond to this, rather than allowing others to define how communities can best be designed in environmentally responsible ways.

The home building industry has acknowledged that the development of communities has a range of impacts on the environment. As part of its commitment to the environment, the CHBA has recently developed its *Guidelines for the Development of Environmentally Responsible Communities* to assist members in this area.

The Committee also considered initiatives from outside the industry that seek to define how environmentally responsible communities should be developed (see also Section Five). This led the Committee to suggest that the CHBA look for ways to develop a “green community” labeling initiative that is based on proper research, that is cost-effective, and that is based on an open and transparent process.

The Committee recognizes that the development of a standard to support such a labeling initiative would not be an easy task. Some of the issues that would need to be addressed include: defining appropriate requirements, developing means of measurement and quantification, and determining what sort of quality assurance process would be needed. The Institute for Research in Construction has extensive knowledge of Codes and Standards development and may be able to lend assistance in determining the feasibility of such an initiative.

Whether such a labeling initiative moves forward or not, there is also a clear need for “Best Practice” information on development of environmentally responsible communities. The CHBA should pursue this concept with CMHC.

#### **4.4.1 Related Recommendations to the CHBA Board of Directors**

- *That CHBA seek the agreement of the Institute for Research in Construction to manage the development of an Environmentally Responsible Community Labeling Program encompassing guidelines from CHBA and based on research, cost analysis and a transparent development process that includes consultation with affected parties.*
- *That CHBA seek the agreement of Canada Mortgage and Housing Corporation to develop Best Practice Guides for the Development of Environmentally Responsible Communities based on research, cost analysis and a transparent development process that includes consultation with affected parties.*

## 4.5 Existing Housing

As discussed earlier, the potential for energy conservation within the existing housing stock built prior to 1980 dwarfs, by orders of magnitude, the near-term potential for reducing Canada's energy use through improved new home construction.

This does not negate the value of building new homes that deliver improved environmental performance, but it should serve to put the relative environmental benefits that can be gained into proper perspective.

Governments are taking some actions to encourage and support homeowner investment in increased energy performance. Yet these measures barely scratch the surface in terms of what is technically and economically feasible. The question of how, or even if, the full potential for energy efficiency gains in existing housing can be realized remains unanswered. The CHBA should offer its expertise to governments in this area.

As noted in Section 2.2, there are data resources available that could potentially assist professional renovators in identifying upgrade options in existing homes. The case data accumulated by NRCan as a result of the EnerGuide Rating System evaluations offers tremendous insight into conditions typically found in existing homes, and this data can be aggregated by house type, age and region. Properly analyzed, this data could provide renovators with a reliable "punch list" of typical house-type specific upgrade opportunities and payback scenarios for reference.

As well, there are some specific initiatives that the Association can undertake to support its member renovators in addressing environmental aspects of home renovation and improvement.

### 4.5.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA explore the desirability of preparing Guidelines for Environmentally Responsible Renovations.*
- *That the CHBA make representations to the Minister of Natural Resources Canada that renovated homes be eligible for an R-2000 designation, it being understood that such designation would depend on the renovation work being examined and measured and meeting R-2000 requirements.*

## 4.6 Promoting Innovation

Through activities such as its EnviroHome initiative and its support for CMHC's EQuilibrium demonstration project, the CHBA has a long-standing tradition of endorsing housing projects that serve to promote innovation, and improve the industry's knowledge base and educate consumers.

It is important that the financial underpinnings of any such project are clear and transparent, as there is little value in promoting approaches that are not commercially viable and replicable, due to reliance on incentives or unique financing arrangements. Projects that are intended only to demonstrate technology rather than commercial-applicability have value as research and development exercises, but the intent and non-commercial nature of such projects need to be clearly stated.

Effective dissemination of the results from such projects is essential if the full benefits are to be realized.

The CHBA should consider what criteria to apply when considering whether or not to endorse a specific project or initiative. It should also work with governments and others to develop more effective ways to disseminate information from such initiatives.

#### **4.6.1 Related Recommendations to the CHBA Board of Directors**

- *That the CHBA prepare a protocol for considering the endorsement by the CHBA of innovative housing projects, and ensuring that the results are disseminated to the housing industry in an effective manner.*
- *That the CHBA work with CMHC on the development of a Virtual Showcase for Housing Excellence, presenting projects which have proven to be commercially viable and replicable.*

## 5.0 Non-Industry Labeling Initiatives

The Vision Action Committee also examined a number of existing or proposed labeling initiatives that could have an impact on the home building industry.

This assessment included:

- a number of LEED® (Leadership in Energy and Environmental Design) programs, delivered in Canada by the Canada Green Building Council (CaGBC), and
- Green Globes, a rating system for large buildings developed in Canada, based on the British BREEAM initiative (Building Research Establishment Environmental Assessment Method).

### 5.1 LEED®

The LEED® rating system was developed by the U.S. Green Building Council and is delivered in Canada by the CaGBC under license. LEED® rating systems have been developed in nine areas, including new ICI construction which includes large multi-residential buildings, new homes and new communities. Introduction of these initiatives in Canada has generally followed their introduction in the U.S.

The CHBA has had an independent assessment of LEED® done that points to many shortcomings of the LEED® approach. The Committee reviewed these findings carefully.

The Committee discussed the pending introduction of LEED® for Homes, and LEED® for Neighbourhood Developments by the CaGBC. The most mature current LEED® initiative in Canada, LEED® Canada for New Construction and Major Renovation, provided some context for considering how these new LEED® initiatives might work.

The issues surrounding LEED® of greatest concern to the Committee included the following:

- **The LEED® development process.** LEED® requirements are set by the CaGBC which determines what to include, or exclude, from each LEED® initiative. The CaGBC is a private organization that is not representative of the home building industry nor is it an accredited standards organization. Further, the CaGBC does not reference accredited standards as the basis for many of the LEED® requirements or the evaluation processes.

As a result, the development of LEED® standards is in no way comparable to the rigorous, transparent and consensus-based processes in place for Canada's system of Codes and Standards. The CaGBC is accountable to its members only and not to those outside its membership, including the home building industry and consumers, who may be impacted by its actions.

In practice, it is not unreasonable to view the CaGBC as a club, whose members have a professional interest in the area of "green building". The home building industry is not formally represented within CaGBC. The impact of this closed-door approach is evident in some of the measures included in draft LEED® requirements, which more closely resemble social engineering than good environmental

practice. For instance, LEED® for Neighbourhood Developments awards points to projects that adopt inclusive zoning, although this is clearly not an environmental measure.

- **Cost of Compliance.** Costs for LEED® certification are significant. There are additional construction costs associated with the items included in the project for which LEED® points are obtained. There are also soft costs associated with the LEED® compliance process. Particularly with respect to the soft costs, a variety of factors will affect the financial impact of compliance, including the LEED® experience of the design team, and the size of the project.

A number of studies have been undertaken to determine the costs associated with LEED® compliance. These studies generally conclude that LEED®-related soft costs are in the range of three to five percent of the total project cost, with this percentage being significantly higher for small projects.

The soft costs include additional design fees, commissioning costs, documentation costs and LEED® fees. The documentation cost and LEED® fees are generally in the range of one third of these costs.

- **Illegitimate Regulation.** An extremely troubling aspect of CaGBC's introduction of LEED® into Canada is the organization's apparent openness to, if not outright advocacy of, municipal adoption of LEED® standards as de-facto building regulations.
- **Faulty Assumptions.** The pending introduction of the American LEED® for Homes initiative into Canada by the CaGBC reflects a lack of understanding of the Canadian home building industry. The LEED® initiative, which was initially developed for the ICI sector, promotes the use of an "integrated design approach". In many ways, this process mimics the "house as a system" approach developed by the home building industry in Canada more than 20 years ago. The CaGBC's assumption that LEED® for Homes will serve to transfer a new approach to design from the ICI sector to low-rise residential construction is clearly faulty. The ICI sector lags behind the home building industry in this area.
- **Potential Disruption and Confusion.** The proposed introduction of LEED® for Homes by the CaGBC indicates that it has a poor understanding of the existing system of environmentally oriented new home initiatives in Canada. This system consists of the leading-edge R-2000 Initiative, which serves to drive innovation, and more broadly-based programs like Built Green™ and EnergyStar™ that deliver "best-in-class" environmental performance in production-oriented homes.

LEED® for Homes is unrelated to this system. It will likely cause confusion for consumers and disruption for builders, without offering real environmental benefits beyond those already available.

The Committee concluded that the CaGBC's LEED® initiative is inconsistent with both the policies of the Association and the needs of builders and consumers. Simply put, an additional new home labeling initiative developed outside the home building industry is neither needed nor welcome.

### 5.1.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA develop a tool-kit, based on the Association's LEED® Assessment Report, which presents the significant shortcomings of the LEED® approach and the regulatory objectives of the Canada Green Building Council.*

## 5.2 Green Globes

Recognizing that the CHBA does not currently endorse an initiative applicable to large, multi-family construction, the Committee discussed the Green Globes program.

Green Globes is an on-line auditing tool that lets designers, property owners and managers:

- assess and rate existing buildings against best practices and standards
- integrate principles of green architecture at every stage of project delivery for retrofits and the design of new buildings.

The Green Globes program produces a detailed report based on a confidential questionnaire. While not required, projects that are verified by qualified third-parties may also be certified.

Green Globes was developed in Canada based on the British BREEAM program, produced in the U.K. by the Building Research Establishment.

While the Committee did not conduct a detailed comparison of Green Globes and LEED® Canada for New Construction and Major Renovation, Green Globes appears to offer potential advantages in terms of flexibility and soft costs. On this basis, the Committee believes that the CHBA should conduct a more detailed analysis of Green Globes to determine if this program would be of value to member builders involved in large building construction.

### 5.2.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA carry out an evaluation of Green Globes to determine its merit as a voluntary, market-driven initiative for large buildings (e.g. multi-unit and high-rise) worthy of endorsement by the CHBA.*

## 6.0 Regulatory Potential

As Canadians become increasingly concerned over the impacts of climate change, there is a growing potential for inappropriate regulation as policymakers seek ways to respond to this issue. In a number of provinces and municipalities, this is already happening.

Regulatory initiatives that are poorly informed, undisciplined, or unjustified are not likely to produce significant environmental benefits. However, such actions are very likely to involve higher costs, more complex compliance procedures, additional liability and unanticipated negative consequences. This is a situation the CHBA must seek to avoid.

As well, there is an array of special interests outside the home building industry that may well use public concern about the environment to advance their own agendas through new housing regulations. Again, this is something the CHBA must guard against.

The CHBA has long held the position that regulations must be developed within open, transparent and consensus-based processes, such as those that govern our Codes and Standards. These processes provide the best assurance that new regulatory proposals will be properly vetted, peer reviewed and analyzed before any action is taken. It is a proven approach, and it should not be abandoned or circumvented.

That being the case, the public's legitimate concern over the future of our environment will continue to pose significant challenges for the home building industry.

If the industry does not maintain a responsible leadership role on the environment, it can expect increasing pressure for regulatory intervention.

The home building industry has long advanced the view that regulation in areas like energy efficiency is not needed, because the industry and its customers are "raising the bar" through the marketplace. Clearly, the best way to dissuade government from enacting environmental regulations is to show, through the homes we build, that such regulation would be redundant.

In practical terms, this means voluntary programs like Built Green™ and EnergyStar™ need to achieve much higher levels of market penetration than is currently the case.

In supporting these programs, the industry has made it clear that it is able to deliver improved environmental performance consistently, and at a modest cost to consumers. Having made this case, the door to regulation will be opened wide if the industry fails to build most new homes to these standards within a reasonable timeframe.

The importance of this reality is reflected in the Committee's recommendations in Section Four.

In terms of specific regulatory matters of concern to the Committee, four issues were reviewed in detail, and appropriate recommendations were put forward to the CHBA Board of Directors.

## 6.1 Guarding the Codes and Standards System

Work on the 2010 Model National Building Code is now underway. As can be expected, there have been a number of proposed changes to the Code objectives put forward. Some of these either directly or indirectly relate to the environmental performance of new homes.

The industry is well-represented in the Code development process. Industry representatives receive strong technical support from the CHBA, and are able to present its perspective effectively.

A major focus of this work will relate to ensuring that the objectives of the National Model Codes are not arbitrarily broadened to accommodate new objectives.

Efforts to broaden the Code's objectives are not a new occurrence. Every recent round of Code development has involved some parties attempting to have the Code altered to address their particular issue or concern. The CHBA's position on this has remained consistent—the Model National Building Code should not be used as a vehicle to resolve issues that lie outside its intended scope and objectives. The Association should take steps to ensure that this disciplined approach will be maintained.

### 6.1.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA request the Canadian Commission on Building and Fire Codes to respond to the CHBA President's letter which seeks clarification of the criteria and processes to assess proposed new objectives for the Model National Building Code.*

## 6.2 EnerGuide Rating System

Nova Scotia, New Brunswick, Ontario and British Columbia have all taken steps to incorporate EnerGuide Rating System (ERS) requirements into their provincial Building Codes in an effort to regulate the energy efficiency of new homes. This raises three issues:

The first has to do with the appropriateness of regulating energy efficiency. The CHBA's position has been that this is not appropriate, because voluntary, market-driven initiatives are likely to produce greater long-term performance improvement.

The second issue relates to the use of the ERS in this way. The Committee was concerned that this is a wholly inappropriate use of the ERS and is fundamentally flawed.

The third issue is the human resource implications, should ERS compliance be a Code requirement. Delivery of the ERS evaluation depends on the availability of suitably qualified technicians to do the work. In many areas of the country, there has been a shortage of such qualified people, even under the current voluntary labeling programs.

Code-stipulated ERS compliance would increase the demand for such technicians many times over. It is unclear how such a large trained workforce would be put into place, especially given the current shortage of skilled people in most of the construction trades.

Failure to have the trained technicians required to deliver ERS evaluations in place when this new Code requirement came into effect would either create significant delays in the building of new homes, or result in “corners being cut” in order to cope with the situation. This latter outcome could create significant liabilities for housing regulators, the evaluators and new home builders. The potential human resource problems associated with ERS Code requirements was noted in a recent paper<sup>2</sup> by the Government of British Columbia, one of the jurisdictions considering adoption of ERS requirements in its provincial Building Code.

The CHBA has developed a background paper that examines the problems with applying the ERS as a regulatory instrument. A number of issues raised in this paper were of particular concern to the Committee.

- Using the ERS as a regulatory instrument would represent a radical departure from the process that governs Canada’s system of Codes and Standards. The ERS is not subject to the consensus-based review process that underpins development of Codes and Standards. This means changes to the ERS requirements, and to the software that supports the rating system, could be made at any time, without input from the industry or others.
- The Committee was concerned about the potential liability facing builders, ERS evaluators and regulators if the ERS is used in this manner. The ERS protocol calls for depressurization testing to detect potential appliance back-drafting problems. However, it does not require that any such problems be rectified.

As well, the depressurization testing procedures required by the ERS are different from and inconsistent with those already included in many provincial Building Codes. This creates further ambiguity and potential liability for all involved.

- Finally, the ERS rating scale has serious flaws, resulting in misleading ratings for more energy-efficient homes. Somewhat perversely, the rating system seriously under-represents the performance of more efficient homes. When the ERS is used as an internal component of another labeling program, such as Built Green™ or EnergyStar™, this is much less of an issue. Used as a stand-alone labeling process, ERS ratings will confuse the public and undermine builders’ credibility with customers.

The proposed use of the ERS in this way serves to illustrate the importance of developing housing regulations through the established Codes and Standards system. Had this been the case, it is very unlikely that the flaws in the ERS would have gone unaddressed. As it stands, four provinces are moving forward with a regulation that is likely to create a myriad of problems for builders, regulators and new home buyers. This is a very clear example of why an open, transparent and consensus-based Code development process is essential.

### 6.2.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA step up its efforts to disseminate the Association’s Evaluation of the EnerGuide Rating system and the fact that the ERS is not suitable as a regulatory instrument.*

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<sup>2</sup> Ministry of Energy, Mines and Petroleum Resources, Government of British Columbia, *Towards Ensuring a Coordinated Approach to Energy Efficiency and Conservation in British Columbia*, September 2007

### 6.3 Municipal Regulation

In addition to provincial actions to regulate the energy efficiency of new homes, the Committee discussed a number of instances where municipalities have enacted requirements that amount to environmental regulation.

As municipal governments, other than Charter Cities, have very limited powers in terms of building practice regulation, these actions have been based on requirements embedded in the development approval process, restrictive zoning requirements, sub-division approval processes, statutory building schemes and other areas where municipalities can act. In some cases, a creative view of municipal jurisdiction has been applied, in others preferential treatment of “green” building or development proposals by the municipality amount to less-than-subtle coercion.

The Committee’s concerns with this type of illegitimate regulation do not differ significantly from those already stated in relation to other levels of government. However, if significant numbers of municipalities develop their own versions of environmental regulation, the results will be chaotic.

Municipalities that act in this way overlook the reasons why Canada developed a strong Model National Building Code system that involves the provinces at all stages of Code development. A consistent, consensus-based and technically sound approach to Code development benefits consumers, the industry and municipalities. From a municipal perspective, this system serves to significantly limit their liability. Moving outside the Code system will undermine this protection.

### 6.4 Green-washing

The Committee also discussed the issue of “green-washing”— the use of unsubstantiated or misleading environmental claims to promote a product or service.

This concern was highlighted by recent research provided to the Committee by Icynene Inc. Commissioned by Icynene and conducted by Ipsos Reid, this report indicated that 63% of Canadians polled expressed the view that when companies call a home building product “green”, this is just a marketing tactic.

At an industry level, “greenwashing” would occur if a new home labeling program is promoted as being “green” but offers performance that is not significantly better than common practice. In this regard, builders need to be diligent when considering participation in a program, to ensure that it offers credible environmental benefits.

Individual builders could be seen as “green-washers” if they promote themselves as environmentally responsible, but are seen to act in a manner that contradicts such a claim.

The CHBA’s Corporate Social Responsibility initiative will provide builders with guidance on how to represent their environmental actions responsibly. At the Association level, ongoing efforts will be needed

to ensure that any claims made regarding new home labeling programs are clear, accurate and can be objectively substantiated.

## 7.0 Other Considerations Related to the Environmental Performance of Homes and Communities

### 7.1 Infrastructure Investment

The Committee discussed the important relationship between infrastructure development and investment, and the home building industry's capacity to address its environmental agenda.

In relation to infrastructure investment, the industry has very specific environmental goals—clean air, clean water, clean land and effective transportation systems. CHBA's policy is that infrastructure investments should address these outcomes as priorities.

Infrastructure cost and capacity are key factors in the development of new communities and in the re-development of existing ones. Just as reducing the environmental impact of homes and communities relies on housing innovations, it also requires timely and efficient infrastructure. It is very important that municipalities develop a pro-active approach to infrastructure planning that supports more environmentally appropriate development. In general, infrastructure needs to be in place, or under development, before innovative housing projects can proceed. Projects that involve intensification of existing urban areas, brown-field redevelopment, and transit-oriented development can proceed only when infrastructure commitments are in place. In many cases, infrastructure development can serve as a catalyst to stimulate such housing developments.

In addition to proper forward planning and timely development of infrastructure, innovative approaches are also needed.

At present, innovative approaches to infrastructure often encounter significant, or even insurmountable barriers at the municipal level. Understandably, a fear of liability often leads municipal authorities to withhold approval for innovative infrastructure approaches, even when these have been proven effective in other jurisdictions.

This situation will certainly not change until municipalities are better informed about the feasibility and performance of alternate infrastructure systems.

Some years ago, the federal government supported *InfraGuide*, a process managed by the Federation of Canadian Municipalities but housed at the National Research Council, to develop a series of best practices for all major aspects of infrastructure planning, financing, management, maintenance, and renewal. This process produced a total of 56 best practices documents over the period 2001-2007, by engaging both consultants and municipal practitioners.

However, the governance structure established for *InfraGuide* was a very complex one. In addition, the process did not take into account the evolution of international best practices in the various countries comparable to Canada, but limited itself to what is currently being done within Canada itself.

For these and other reasons, the federal support for *InfraGuide* was discontinued.

As builders and developers seek ways to develop more environmentally responsible communities, the application of innovative infrastructure technologies will become increasingly important. Recognizing this, the Committee concluded that *InfraGuide* needs to be reintroduced, with an emphasis on best practices for municipalities.

### 7.1.1 Related Recommendations to the CHBA Board of Directors

- *That the CHBA develop a proposal for the federal government for the reintroduction of InfraGuide, with a focus on the need for Best Practice Guides and support for innovation in technology, delivery and integration of infrastructure services.*

## 7.2 Innovative Financing Tools

The Committee also discussed how innovative approaches to both project and mortgage financing should play a larger role in supporting energy efficient and environmentally responsible new home development.

Conventional approaches to financing generally do not consider the impacts that higher building performance have on operating costs. An energy efficient home that has a higher initial cost, may actually cost less to own when operating costs are considered. Approaches to innovative financing that consider both capital and operating costs exist, but are not widely available. Current examples of such innovations include:

- CMHC's initiative that provides slight discounts on mortgage insurance premiums for homes that meet specific energy performance requirements.
- TD Canada Trust's Green Mortgage and Green Equity Line of Credit that offer preferential terms to purchasers of EnergyStar™ homes, or purchasers of existing homes who undertake energy upgrades.
- Green financing schemes offered by VanCity and the Toronto Atmospheric Fund that finance energy efficient capital investments in multi-residential developments. Such financing is repaid by the Condominium or Strata Council through direct energy cost savings, resulting in no net increase cost of ownership in the short-term, and decreased cost of ownership in the longer-term.
- Location-efficient Mortgage schemes that offer higher total-debt-to-income limits for homebuyers who purchase in neighbourhoods where car transport is less necessary by virtue of community design.

In the Committee's view, innovative approaches to financing that reflect accurately the financial benefits of owning an energy efficient home make sense and should be encouraged. As with any financing initiatives, it is important that these innovative financial products be used responsibly.

## 7.3 Alignment with Product Manufacturers

New home builders and renovators rely on manufacturers to supply them with effective choices in terms of energy efficient and environmentally responsible products and materials. The CHBA is very active in terms of encouraging close collaboration between leading manufacturers and member builders. The

Manufacturers' Council of the CHBA provides information and knowledge to Association members in an ongoing manner.

In addressing environmental challenges, this alignment between product manufacturers and builders will remain very important. Builders need the most up-to-date product information, technical support and marketing assistance. Manufacturers need market intelligence and practical advice from builders, so that they can respond appropriately.

Government's role in facilitating the movement of innovative products into the market is also important. The regulatory mechanisms that govern product use by builders need to be both reliable and efficient—builders need to know that new products will perform as intended, but regulatory approval must not unnecessarily inhibit the introduction of innovative products.

Also, government has a responsibility to ensure that counterfeit and non-performing products are not allowed to enter the market and undermine the industry.

## **7.4 Human Resource Capacity**

The home building industry is faced with a significant and ongoing shortage of skilled people in virtually every area of operations, particularly in the trades areas. This shortage of skilled people is creating serious problems for builders today, in terms of their capacity to deliver high quality new homes and renovations in a timely manner. The importance of addressing this situation through improved education and training processes, and more responsive immigration policy, continues to be a key focus of attention for the CHBA.

As the industry moves forward to address the environmental agenda, its ability to deliver results will be dependent upon having properly skilled people available to do the work. Most critically, the industry's capacity to innovate and apply new building practices will be constrained if the current situation persists.

As a result, the Committee recognized that the CHBA's recommendations related to needed improvements in the education and training area take on even greater importance.

## 8.0 The CHBA's Capacity to Respond

The Committee's final area of discussion addressed the CHBA's capacity both to respond to issues related to the environment and housing, and to take on a pro-active leadership role.

It is clear that the level of effort required for the Association to address environmental issues has grown considerably in recent years. The Committee believes that this work load will increase further in the years ahead. It is often observed that the environment will be the key issue for the next generation. Ensuring that the home building industry is properly equipped to address this issue will require adequate resources and expertise.

Unlike technical research, education and training, or urban development, issues related to the environment have been addressed in a cross-cutting manner by the CHBA. This has meant that matters related to the environment are handled within the context of the Association's traditional organizational framework, with each responsibility area addressing environmental matters when these relate to its primary focus, rather than dealing with them as stand-alone issues. The Association has also relied on outside consultants to provide specific expertise, as required. This approach is likely to prove insufficient in the future, particularly if the industry is to maintain a leadership role.

It is clear that environmental issues have become part of the agenda for virtually all of the Association's Committees and Councils, albeit in different ways and to varying degrees. Related support work carried out for the Committees and Councils involves a number of different CHBA staff, depending on the particular issue being addressed.

The Committee felt it prudent to advise the Board of Directors that, given the growing importance of the environment and the significant impact that environmental policies can have on the industry, the Association's capacity in this area may need to be increased.

As was the case with urban issues some years ago, the growing importance and workload associated with environmental issues may best be addressed by committing additional staff resources in this area.

### 8.1 Related Recommendations to the CHBA Board of Directors

- *That the Chief Operating Officer be charged with the responsibility to prepare a report on the Association's requirements for a staff person to support the Association's Environmental Agenda; and that the Executive Board be empowered to act on this report to ensure that the National Association is able to deal with the Environmental Agenda effectively and as quickly as possible.*