

Richard Lind
President, CHBA

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Good News for the Environment

The public is increasingly concerned over the environment and climate change, and the home building industry is in the position to deliver some good news to Canadians.

Environmental data produced by the federal government shows that the residential sector has been leading all other parts of our economy in the areas of energy efficiency and reducing climate change emissions.

Here's what the data shows:

- The Canadian Council of Energy Ministers reports that energy use in Canadian homes grew by only 10 per cent between 1990 and 2004, thanks to increased energy efficiency. This is in spite of a 25 per cent increase in the total number of houses over the period. During the same time frame, industrial energy use went up by 30 per cent, transportation energy use by 31 per cent, and energy use in commercial and institutional buildings by 35 per cent.
- Environment Canada data show that despite this increased energy use, the climate change emissions released by Canadian homes actually fell by almost 5 per cent between 1990 and 2005. Housing is the only sector that achieved a decrease in these emissions. Over the same period, emissions from electricity generation have grown by 32 per cent, transportation related emissions are up by 25 per cent and buildings in the ICI sector have seen emissions grow by 42 per cent.

Our industry is an environmental leader, and these results reinforce our position that voluntary, market-driven and industry-led approaches can deliver substantial results.

Going in the Wrong Direction with Regulations

Considering this environmental success by our industry, it is very disappointing to see provincial governments moving to regulate energy conservation in residential construction. It is even more disappointing to see this taking place outside of the discipline of Canada's Codes and Standards system.

The process for developing the Model National Building Code is open to all interested parties. It is coordinated, transparent, accountable and consensus-based. This system brings a national perspective to the scientific research, cost-benefit analysis and engagement of all affected parties. The process fosters code uniformity across Canada.

As a result, our Building Codes have clear objectives, and changes made to building requirements are orderly, sound and consistent across the country.

This process represents the standard by which all housing-related regulatory processes should be judged.

I am particularly concerned by the move by provinces to incorporate the EnerGuide Rating System (ERS)

requirements in their provincial Codes. The ERS was not designed as a regulatory tool and is not appropriate for referencing in building codes.

- The ERS exists outside the Codes and Standards framework. The development and updating of the ERS does not involve the type of transparent, consensus-based process that governs development and updating of Codes and Standards in Canada.
- Natural Resources Canada (NRCan) owns and maintains the ERS and its underlying HOT2000 software. Changes to the rating system, the on-site testing procedures and the underlying software can be made by NRCan at any time, without consultation or oversight from outside parties. So long as the ERS was simply a component within other industry-led labeling programs, this has not been a major concern. But if it is used as part of codes and regulations, such changes in the ERS could be problematic. A house that is predicted to attain a specific ERS level at one point, may later fail to achieve this level due to software changes and updates. Essentially, the energy design requirements for homes could be altered at any time, without oversight or consultation with the affected parties.
- In addition, there are significant technical issues with the use of the ERS as a regulatory requirement, particularly in the area of depressurization and the potential for back-drafting of spillage-susceptible appliances. The ERS procedures require that a worst-case spillage test be done in homes that contain appliances that are susceptible to spilling combustion products. This test differs from that specified in current Building Code requirements. This will create confusion, and potentially significant liability, that the builder will not be able to resolve.
- Should the Authority Having Jurisdiction accept the label provided by an ERS Evaluator as evidence of compliance, rather than conducting the Code-specified tests, considerable additional liability will accrue to the builder, evaluator and regulator.
- Finally, the ERS "scale" presents real problems for builders trying to sell customers on the benefits of investing to gain higher energy efficiency. For example, a home rated at 86 will require only 50 per cent as much energy as one rated at 80. But, given that the ERS works on a 100-point scale, most consumers will reasonably conclude that there is only a six per cent difference. This will undermine the builder's credibility and cause confusion in the marketplace. So long as the ERS is used as an internal component of a label program like EnergyStar™ or Built Green™, this anomaly is less of a problem. When used alone, the ERS fails to give consumers understandable data so they can accurately compare and evaluate the energy efficiency of new homes.

If provinces want to propose new requirements for

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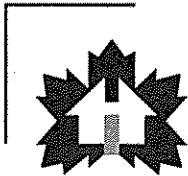
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 – Richard Lind

the Code, they should realize that arbitrarily putting the ERS into their codes is the wrong way to address energy conservation. They should make their case within the existing national coordinated Code development process, where problems such as those we see with the ERS would be properly addressed. We have a world-class Building Code development process in Canada. We need to stick with it.

Ring in the New Year

For builders and their customers, the new year brought some welcome tax relief. With the second installment of the promised GST cut to 5 per cent, the federal government has made good on its pledge.

As an industry, our next challenge is to ensure that other levels of government don't use this tax benefit to home buyers as "cover" for increasing their own taxation of new homes. The GST cut is saving home buyers thousands of dollars — governments should let the buyer keep this money.

Another 200,000+ Year

CMHC has reported that final housing starts for 2007 came in slightly higher than in 2006, at 229,600. Housing forecasters expect activity to decline slightly in 2008, to around 214,000 starts. As market demand begins to soften as forecast, we will need to keep a close eye on our commitments.

This year will mark seven straight years of housing starts exceeding the 200,000 level. And on the renovation front, 2008 forecasts are for continuing growth in the order of more than six per cent.

All told, it looks like another good year ahead for our industry.

CHBA Addressing the Environmental Agenda

For over 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 labelling programs such as 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.

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. As a result of the Committee's discussions, a series of 16 recommendations were approved by the CHBA Board of Directors last October. Members who are interested in the CHBA's work on the environmental agenda are urged to visit the Members' area of www.chba.ca and review the document, *Addressing the Environmental Agenda: A Discussion Paper on Strategic Options for the CHBA*.

2007 SAM Finalists Named

The CHBA National SAM Awards celebrate excellence in new homes and renovation design, innovative technology and construction techniques, outstanding presentation, and marketing and sales activities across Canada. Twenty-two National SAM Awards will be presented at the CHBA's 65th National Conference on April 5 in Whistler, British Columbia. CHBA President Richard Lind said that winning a National SAM is a real honour and distinction.

"Our members are in the business of building dreams," declared Mr. Lind, "and this year's finalists are shining examples of how dreams can be achieved. Every year, the tremendous number of entries for these awards proves that this is the most prestigious and exciting national event of our industry and, as such, I am proud of the successes of all the finalists and winners, past and present."

American Standard and Trane Canada are pleased to be the presenting sponsors for the 2007 CHBA National SAM Awards. Visit www.chba.ca/SAMS for a complete listing of 2007 finalists.



Whistler Conference Nearing Sell Out

As delegates prepare for an exciting Conference featuring dynamic speakers and top-flight social events, conference organizers advise that there are no more rooms left at the Fairmont Chateau Whistler for the event, which kicks off on Friday, April 4 with the Annual Meeting of Members. That's not to say that there is not still room for members to register.

Conference Chair Tom Cochren reports that additional rooms are available at the Four Seasons Hotel, just a five-minute walk away. "Better make your reservations right away," says Cochren. "It's a Conference that you're not going to want to miss."



65th CHBA National Conference
WHISTLER
 BRITISH COLUMBIA
 April 4-6, 2008