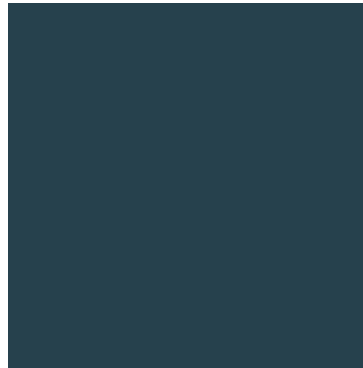
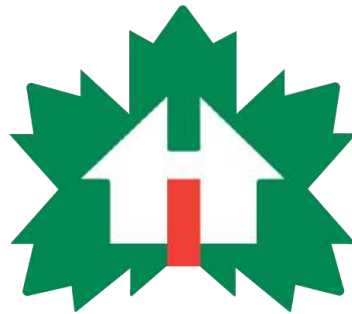


CANADIAN
HOME BUILDERS' ASSOCIATION
BRITISH COLUMBIA



ANNUAL REPORT

2016

MESSAGE FROM THE PRESIDENT



It has been an honour and humbling experience to serve as president of the Canadian Home Builders' Association of BC (CHBA BC) this year. It has introduced me to dedicated and incredible members across the province, who bring an invaluable service to our Association with their time on committees or boards, and industry knowledge.

CHBA works hard everyday to represent members and provide membership value. This includes working collectively to bring a superior product to the marketplace, and lobbying on behalf of the consumer to municipal, provincial, and federal governments on key issues such as red tape and fees that are harming affordability to home buyers.

Over the past year, we worked with BC Housing with the roll out of new education requirements for licensed builders and new builder applicants. It is now year two of the changes. We continue to work with members to ensure they know about the new changes, and offer opportunities to receive their continuing professional development (CPD) points through the CHBA BC education programs.

Representatives for CHBA BC are also actively involved in updates to the provincial building code, the transition to a new provincial *Building Act*, and upcoming changes to energy efficiency for new housing. In every step of the consultations, CHBA BC representatives have conveyed the importance of maintaining affordability with any new changes.

There is no doubt that there will be more advocacy challenges in the future, big and small, and this is why the voice of the Association is so important. CHBA BC is a trusted stakeholder at all levels of government on residential construction issues, which is supported by the contributions of members who share their expertise and ideas.

A good example of this is the recent drywall tariff in Western Canada that brought together the national, provincial and local levels of CHBA. When it was announced, staff and members got to work

right away on how to participate. Over 500 members from across Canada contributed to a survey on how the tariff was affecting them and their businesses. These first-hand member accounts, including several from B.C., gave CHBA at the national level the information it needed to present at the Canadian International Trade Tribunal. They were able to effectively share how this excessive tariff, as high as 276%, was affecting business and the price of a home for new home buyers. As a result of the coordinated and consistent advocacy efforts, the tariff has been decreased significantly. The \$12 million paid already through excessive duties will be returned to builders, and contribute to the rebuild of Fort McMurray. From start to finish, this was a collaborative effort that resulted in a big win for all.

We have also been hard at work on other smaller key issues, such as successfully advocating for changes to the provincial property transfer tax. The Newly Built Home Exception was announced in February 2016, which eliminates the property transfer tax on new construction up to \$750,000. It was reported in the 2017 Throne Speech that 9,100 people have taken advantage of this program, saving almost \$72 million dollars.

The provincial budget for February 2017 also featured an increase to the property transfer tax threshold for first-time home buyers, which has increased to \$500,000 from \$475,000. Increasing the threshold was a direct ask of CHBA BC in its pre-budget submission, and it is clear that our voice continues to be heard by governments.

It has been my pleasure to serve as your president over the last year and represent all of our members on the Board of Directors both provincially, and at the national level. Thank you to all board members, volunteers, and active members. Getting involved with CHBA BC over the past few years has been extremely rewarding and I would recommend it to anyone in the Association who is not already doing so. You will be able to see first-hand how your contributions can make a big difference.

A handwritten signature in black ink, appearing to read 'Gordon Bliss', written over a light-colored background.

Gordon Bliss
CHBA BC President 2016-17

MESSAGE FROM THE CEO



Providing membership value is at the forefront of everything we do at CHBA BC. I am pleased to report that 2016 overall was a successful year for your Association. Great strides were achieved in all areas of operations, with better than anticipated results in education, Georgie Awards®, environmental programs, and government relations.

Mandatory education requirements are now into year two. Last spring, CHBA BC accompanied BC Housing on an encore roadshow for builders in 13 different communities. This gave us an opportunity to spread the word about our education programs, as well as share the various benefits of membership to non-members in attendance at the presentations. This created a new channel to introduce new members to our local associations. In addition, Builders' Super Week and the Builders' Education Summit were added to offer the opportunity for builders to gain continuing professional development (CPD) points for the year in a two and three-day format. With good initial participation, we look forward to building on these well-received education programs.

Our environmental programs, including EnerGuide, ENERGY STAR® and R-2000, performed better than anticipated. We saw home enrolments grow to 1,857 in 2016, from 916 in 2015. The ENERGY STAR® program enrolments increased from 6 homes in 2015, to 131 homes in 2016. We were also able to teach 14 new energy advisor students in September, with another full class expected in late May 2017. New advisors from outside of the Lower Mainland are also expanding our reach as a service organization.

Government relations continue to be a core activity of our operations. This year, further inroads were made through numerous meetings in Victoria and Vancouver with key stakeholders, including many government officials, ministers and MLAs. Rising government costs, delays in permits and lack of supply continue to be of top concern to members. While there is no silver bullet, nothing can get

accomplished by sitting on the sidelines waiting for change to happen. It will take both government and industry working together on solutions to the challenges ahead.

This past year, we also expanded on existing advocacy efforts and communications. First, in cooperation with Landcor Data Corporation, we released a new interactive tool on our website that highlights the various government fees and charges from a cross-section of municipalities in B.C. Two brochures highlighting CHBA BC's policy recommendations were also distributed to local associations and government officials. Our toolbox of data and information continues to grow. As we head into the pre-election period for British Columbia, we are well positioned to ensure government hears our industry voice.

We have built a team of dedicated and professional staff who organize events, run seminars and connect with our many stakeholders. Our bi-monthly *Advocacy Update* keeps members and industry abreast of our government relations activities and the opt-in subscriber list to our weekly *Provincial Update* e-newsletter continues to grow.

Through the prudent management of resources and increased revenue at all levels, we can invest in new technology for our education programs. Once complete, we will have a more efficient and user-friendly program that will increase student engagement and experience. With the purchase of our new videoconference system, we are also well suited to provide builders in remote locations the ability to tap into our education courses without the high cost of travel.

I want to thank our talented staff, local Executive Officers, Executive Committee, and our Board of Directors for their support and cooperation. While we have made significant progress this year, we know there is still much more to do.

A handwritten signature in black ink, appearing to read "Neil Moody". The signature is fluid and cursive, written over a light grey background.

Neil Moody
CEO

YEAR AT-A-GLANCE

MEMBERSHIP

12% OVERALL INCREASE
IN NEW MEMBERS

1750+ MEMBERS ACROSS BC

9 LOCAL ASSOCIATIONS

ENVIRONMENTAL PROGRAMS



OVERALL INCREASE
IN HOME ENROLLMENTS
(ENERGY STAR, R-2000,
ENERGUIDE)



INCREASE IN ENERGUIDE
HOME ENROLLMENTS

GOVERNMENT RELATIONS

20 MEETINGS & EVENTS WITH
GOVERNMENT REPRESENTATIVES

EDUCATION

↑ 282%
INCREASE IN REGISTRATIONS

↑ 252%
INCREASE IN COURSE SESSIONS

938 COURSE REGISTRATIONS

81 COURSE SESSIONS

BUILDERS' SUPER WEEK (MARCH)

138 BUILDERS

BUILDERS' EDUCATION SUMMIT (SEPT.)

NEW MOU WITH NEWFOUNDLAND &
LABRADOR

CONTINUED MOU WITH ONTARIO

GEORGIE AWARDS

19% INCREASE IN GALA
ATTENDEES

OVER 600 TICKETS SOLD IN TWO
WEEKS

2016-17 BOARD OF DIRECTORS

President

Gordon Bliss
CHBA Northern BC

2nd Vice President

Mike Brar
CHBA South Okanagan

Chief Executive Officer

Neil Moody
CHBA British Columbia

Past President

Simon Howse
CHBA Rocky Mountain

Secretary Treasurer

Blake Hudema
Greater Vancouver HBA

1st Vice President

Lynn Harrison
Greater Vancouver HBA

Presidential Appointee

Matt McCurrach
CHBA Central Interior

Greater Vancouver HBA

Ron Rapp, Dan Glavind,
Darren Cranston

CHBA Fraser Valley

Lesa Lacey
Paul Woods

CHBA Northern BC

Jody Tindill
George Hackle

CHBA Vancouver Island

Byron Gallant
Jason Schmidt

CHBA Central Okanagan

Justin O'Connor
Dave Pfuetzner

CHBA Central Interior

Rob Lemire
Matt McCurrach

CHBA South Okanagan

Anthony Deane

CHBA Rocky Mountain

Brian Charlton

CHBA Sea to Sky

Alex Tavuchis

COMMITTEE CHAIRS (as of Dec. 31, 2016)

Government Relations

Ron Rapp

Marketing

Lynn Harrison

Renovator's Council

Lesa Lacey

Technical Research

Einar Halbig

Education and Training

Larry Clay

INCOMING PRESIDENT PROFILE

Lynn Harrison of Vancouver brings a wealth of experience and a healthy dose of passion to her new position as President of the Canadian Home Builders' Association of British Columbia. Lynn has worked in the residential construction industry for 20 years, holding senior management positions for several single-family and multi-family production builders. As principal of Harrison Marketing Resources, she has provided branding strategy and marketing expertise to builders and renovators throughout British Columbia for over six years.

She has been actively involved in Greater Vancouver Home Builders Association (GVHBA) since 1992. Lynn served as the 1st Vice President this past year on the CHBA BC Executive Committee. Lynn also holds positions on both the local GVHBA Board (Director), and as the chair of both the provincial and national marketing committees.



TREASURER'S REPORT

The Treasurer's role is to provide oversight for the finances and accounting functions of the association. At all times, the By-laws of the Association as well as standard and acceptable accounting procedures are followed. We continue to follow our five (5) Guiding Principles for evaluating and determining financial decisions. Wolrige Mahon LLP has reviewed the 2016 year-end financials and the Association has met all necessary provincial *Society Act* reporting requirements.

It is with great pleasure that I am able to report a very successful past year from a financial perspective. In addition, our transition to an external accountant, Eccounting, is working out very well for the Association and members.

Revenue continues to grow through the provision of education and environmental programs. Membership has been stable and growing at many of the local home building associations in the province, and growing substantially in Greater Vancouver. From an administrative perspective, the Association continues its five-year run of achieving a general balance in member revenue and costs.

Surpluses from events, education and environmental programs have been targeted to re-establishing a "rainy-day" fund for unforeseen future risks to operating revenue. This is the first time in more than 12 years where the Association is now able to withstand a wide range of potential internal or external negative occurrences.

Going forward the Association will be poised financially to invest in education, environmental and advocacy programs as we continue to expand our benefits to members across the province.

Congratulations to Neil Moody, Laura Chok, Vanessa Joehl, Alycia Coulter, and Jane Tang for all of their good work this past year and to our two new education advisors added in January 2017, Mika Fryling and Richard Desjardins. And finally, thank you to Eldon Guenther of Eccounting, our accountant, for all of the information provided monthly and for year-end statements.



Blake Hudema
Treasurer

CHBA BC would like to thank BC Housing for its generous support of our programs throughout the year. CHBA BC also received a Building Excellence Research & Education Grant from BC Housing in 2016 to update all education courses.



WALL OF WINS

Changes to the Property Transfer Tax in Budget 2016

- Effective February 17, 2016, the purchase of a qualifying new housing unit valued at up to \$750,000 is fully exempt from the provincial property transfer tax. This exemption is predicted to save the purchaser up to \$13,000.
- It was reported in the 2017 Throne Speech that **9,100** British Columbians have taken this opportunity over the past year, saving almost **\$72 million dollars**.

NEW HOUSING UP TO \$750,000 WILL BE EXEMPT FROM PROPERTY TRANSFER TAX
ESTIMATED SAVINGS: \$13,000



Source: Province of British Columbia

Federal government reduces anti-dumping duties on U.S. drywall

- On September 6th, the Canada Border Services Agency made a preliminary determination of alleged dumping with respect to gypsum board (drywall) originating from the United States and imported into Western Canada. Provisional duties as high as 276% were suddenly in effect.
- The Association at all three levels and members were **extremely active** in combatting the exorbitant duties, contending that it was adversely impacting the consumer, industry and the economy.
- On October 18th, 2016, the Minister of Finance, in an unprecedented action, directed the Canadian International Trade Tribunal to accelerate investigation into the downstream impacts of the duty. **This had never been done before**, and showed the efforts of the Association and members were attaining serious positive impact.
- Over **500 members** across Canada responded to a CHBA survey on the impacts of the duty, providing excellent support for CHBA's testimony at the Tribunal hearings in late November and early December.
- On January 4th, 2017, the Tribunal issued its findings and recommendations, which showed once again that efforts by the Association and members yielded significant and important results. They are summarized as follows:
 - That the imposition of duties in full is contrary to Canada's economic interests, will substantially reduce competition, and cause harm to consumers and businesses.
 - Duties should be eliminated for 6 months for existing fixed-price contracts.
 - Duties collected to date should be used to refund higher costs paid by end users.
 - Duties should be reduced to 43% to balance fair trade with industry concerns.
 - Grant remission to negate the duty for drywall for rebuilding Fort McMurray.
- On February 27, 2017, Federal Minister of Finance Bill Morneau announced new import prices that are in line with the Trade Tribunal recommendation to reduce the duties to 43% of the export price, from as high as 201%.
- The Minister also announced that the government will return the **\$12 million in collected duties** to provide **relief to builders and contractors** who paid elevated drywall costs, and for rebuilding Fort McMurray. The program will be administered by Western Economic Diversification Canada, and is expected to start in mid-2017.

ADVOCACY

PROVINCIAL BUDGET LOCKUP

Neil Moody and Alycia Coulter, Coordinator, Government Relations and Communications, were invited to attend the provincial budget lockup on February 16, 2016 in Victoria. This meant that CHBA BC, and other invited stakeholders, were able to see the budget details in advance and report to members as soon as the budget was released. The Budget announced changes to the property transfer tax, where it is now exempt for new construction up to \$750,000. With this program, 9,100 buyers have saved a total of \$72 million to-date.

PRE-BUDGET CONSULTATIONS

In February, CHBA BC participated in the Vancouver Centre Federal Pre-Budget Consultations with the Hon. Dr. Hedy Fry. During the discussion, CHBA BC shared the National pre-budget submission messages that focused on housing affordability, including measures that will help first-time home buyers.

CHBA BC also provided written recommendations to the Select Standing Committee on Finance in late 2015 for the provincial budget released in February.

RED TAPE REDUCTION DAY

CHBA BC and members of the Coalition of BC Businesses attended the inaugural Red Tape Reduction Day reception in Vancouver.

The event was hosted by Minister of Small Business, Red-Tape Reduction and Minister Responsible for the Liquor Distribution Branch Coralee Oakes. CHBA BC provided a number of red-tape reduction recommendations for the construction industry to the Minister's office throughout the year.



Image: Neil Moody speaks with Minister Coralee Oakes at a red-tape event.

TECHNOLOGY SKILLS APPRECIATION WEEK

CHBA BC and the Applied Science Technologists and Technicians of BC (ASTTBC) were in Victoria at the B.C. Legislature on March 17 for the proclamation of Technology Skills Appreciation Week on March 21-25, 2016. Ministers Shirley Bond, Amrik Virk, and Parliamentary Secretary Greg Kylo were also in attendance to help launch this event. Technology Skills Appreciation Week recognizes the valuable contribution of people working in technological skilled trades to the province's economy and labour force.



Image: Ron Rapp, Minister Shirley Bond, and Neil Moody with the proclamation.



FORUM FOR GROWTH

CHBA Members from across Canada were on Parliament Hill on March 8, 2016 for the annual Forum for Growth event, coordinated by CHBA National.

The ten CHBA BC delegates met with several MPs, including Dianne Watts (South Surrey-White Rock), Dan Ruimy (Pitt Meadows-Maple Ridge), Mark Strahl (Chilliwack-Hope), Mark Warawa (Langley-Aldergrove), Randeep Sarai (Surrey Centre) and Todd Doherty (Cariboo-Prince George).

Image Left: Nathan Stone, Blake Hudema and Bob de Wit meet with Member of Parliament Mark Strahl (second from left) in Ottawa.

ADVOCACY

COALITION OF BC BUSINESSES MEETINGS IN VICTORIA

On May 17-19 members of the Coalition of BC Businesses attended meetings and events in Victoria. CHBA BC representatives included CEO Neil Moody, president Gordon Bliss and government relations chair Ron Rapp.

With the Coalition, Neil attended meetings with Minister Shirley Bond, Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour, and Minister Coralee Oakes, Minister of Small Business, Red-Tape Reduction and Minister Responsible for the Liquor Distribution Branch. The Coalition also hosted two receptions for both MLAs and legislative staff members respectively that were well attended and a big success.

CHBA BC held two additional meetings on May 18 with Minister Rich Coleman, Deputy Premier, Minister of Natural Gas Development and Minister Responsible for Housing, as well as a meeting with representatives from the Building Safety and Standards Branch. Both meetings were a great opportunity to discuss member issues from across the province first-hand.



Image: Gordon Bliss, Ron Rapp, Minister Coleman and Neil Moody at the meeting in May.

CEO NEIL MOODY CO-SIGNS LETTER TO PREMIER ON PTT FOR FOREIGN BUYERS

During the July Legislature sitting, the Government of British Columbia announced an additional 15% tax for non-Canadians who purchase property in Metro Vancouver.

CHBA BC, and several other industry associations, expressed significant concerns that there was no exemption for all contracts signed in advance of this announcement. Custom home building and pre-sale agreements are signed years and months in advance of the transfer date, so this tax unfairly penalizes those who signed in advance with full knowledge of the taxes at the time.

CHBA BC ATTENDS UNION OF BC MUNICIPALITIES (UBCM) CONVENTION

The annual Union of BC Municipalities event (UBCM) Convention was held Sept. 26-30 in Victoria. Housing was one of the primary topics for delegates, including sessions on private/public housing success stories, short-term rental sites, BC's contribution to the National Housing Strategy and the new BC Energy Step Code. During the week, CHBA BC also participated in meetings and conversations with provincial cabinet ministers, MLAs, and councillors on policy opportunities to address housing affordability and the drywall tariff.



Image: Neil Moody, Premier Christy Clark and Alycia Coulter at a UBCM Reception.

INITIAL STEP CODE REPORT RELEASED

Representatives for CHBA BC participated in the stakeholder discussions this past year on British Columbia's new Energy Step Code. This new step code will replace municipal energy-efficiency requirements, except in the City of Vancouver, that differ from the provincial building code as of December 2017. The consultations will continue into 2017.

ADVOCACY

MUNICIPAL FEES DATA PROJECT AVAILABLE ONLINE

CHBA BC partnered with Landcor Data Corporation to produce an interactive database of housing fees in various municipalities across B.C. The first phase of this project focuses on development cost charges, building permit fees, subdivision fees, zoning fees, and school site development charges (where collected.)



NATIONAL HOUSING STRATEGY REPORT

Let's Talk Housing

Public consultations for the National Housing Strategy took place across Canada between June and October, 2016. The BC consultations were held in Vancouver in September 2016, which CHBA BC actively participated in. CEO Neil Moody also participated in a panel discussion with other housing stakeholders during the two-day event.

On November 22, National Housing Day, the report was released outlining the results from in-person sessions and online feedback. The federal government also reported that the feedback was extensive, with 6,300 surveys online, almost 2,000 social media ideas and over 75 focus groups. The formal legislation is expected to be tabled by the federal government in early 2017.

NEW BC H.O.M.E. PARTNERSHIP FOR FIRST-TIME BUYERS

On December 15, Premier Christy Clark announced the new program for first-time buyers in BC, where the government will match buyers' down payment savings up to \$37,500 with a twenty-five-year loan. The loan is interest-free for the first five years, and buyers must meet certain criteria, including a shared income of less than \$150,000 and a purchase of less than \$750,000.



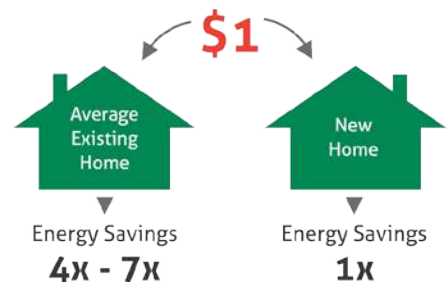
Image: Minister Coleman at the press conference for the launch of the program in January 2017. (Source: Province of British Columbia)

There has been differing opinions on the program, however, CHBA BC supported the announcement as it benefits first-time buyers, a key group in the housing continuum, in achieving home ownership.

In its news release for the program, CHBA BC expressed its preference to also increase the first-time home buyers' property transfer tax exemption threshold from \$475,000 to \$525,000 to better reflect the increase in prices. An increase for purchases up to \$500,000 was included in the 2017 BC Budget in February.









NEW POLICY RECOMMENDATIONS GUIDE

CHBA BC represents an important industry voice in the provincial policy arena. A new guide was created for the first time that covers CHBA BC's position on key factors in the housing market that can influence prices. In addition, it lists suggested policies to address these factors. An additional guide was developed for consumers that can be distributed at tradeshow and other consumer events.



EVENTS AND ENGAGEMENT IN 2016

CHBA BC hosted a diverse list of events in 2016, including:

-  Builders' Super Week (March)
-  Winter Provincial Meetings and AGM at the Hyatt Regency Vancouver (March)
-  Annual President's Night Dinner (March)
-  24th Annual Georgie Awards Gala, with over 600 guests and emcee Todd Talbot, host of *Love It or List It Vancouver* (March)
-  Builders' Education Summit (September)
-  Fall Provincial Meetings at BCIT Burnaby Campus (September)
-  Fall BBQ for Members at Steamworks (September)
-  Christmas Open House for members and partners (December)

Representatives for the association also attended a number of events throughout 2016, including:




















-  NAHB International Builders Show in Las Vegas (January)
-  CHBA Central Okanagan Tommie Awards (January)
-  Tour of BCIT School of Construction and the Environment (February)
-  BUILDEX Vancouver (February)
-  CHBA Vancouver Island VIBE Awards (April)
-  GVHBA Ovation Awards (April)
-  CHBA National Conference in Kelowna (May)
-  Homeowner Protection Office/BC Housing Information Sessions for Builders on CPD Requirements – Prince George, Abbotsford, Victoria, Nanaimo, Whistler, Kamloops, Kelowna, Cranbrook, Greater Vancouver (May)
-  CHBA Fraser Valley Golf Tournament (May)
-  CHBA Executive Officers Conference in Victoria (June)
-  Leaders' Invitational Golf Tournament hosted by Rich Coleman (June)
-  GVHBA Summer Social (August)
-  GVHBA Golf Tournament (September)
-  CHBA Central Okanagan Dinner Meeting and Golf Day (September)
-  CHBA Alberta BUILD Conference (September)
-  BCIT High Performance Building Lab Launch Media Event (September)
-  ICBA AGM with Premier Christy Clark (October)
-  CHBA National Meetings in Ottawa (October)
-  CHBA Northern BC Dinner Meeting (November)



Image: CHBA BC President Gordon Bliss with Minister of Community, Sport, and Cultural Development, and Minister Responsible for Translink Peter Fassbender and his wife Charlene Fassbender at the 24th Georgie Awards Gala.



Image: Education and Training Committee Chair Larry Clay, Wendy Acheson from BC Housing, and CHBA BC Staff member Vanessa Joehl at the CHBA BC booth at BUILDEX.



Image: Neil Moody, CHBA VI Executive Officer Kelsey Botting, MLA for Victoria-Beacon Hill Carole James, CHBA National CEO Kevin Lee and CHBA Newfoundland and Labrador CEO Victoria Belbin at the CHBA Executive Officers Conference in Victoria.