

INDUSTRY EXPERTISE

CHBA BC members bring an important perspective to policy discussions: they build homes every day.

2,200 MEMBERS

- ★ Licensed Home Builders
- ★ Renovators
- ★ Suppliers
- ★ Tradespeople
- ★ Industry Professionals

8 LOCAL ASSOCIATIONS

- ✓ Vancouver
- ✓ Vancouver Island
- ✓ Central Okanagan
- ✓ Central Interior
- ✓ South Okanagan
- ✓ Northern BC
- ✓ Sea to Sky
- ✓ Fraser Valley

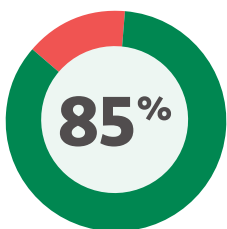
PROFESSIONALS & COMMUNITY BUILDERS

Members must sign and adhere to a code of ethics to maintain their CHBA membership.

Home builders are an integral part of the local economy and have a direct hand in building our communities.



of new homeowners feel confident knowing their home **was built by a licensed residential builder**



New homeowners are **satisfied** with the construction of their new home

x4



The average home builder in B.C. builds approximately

4 homes per year

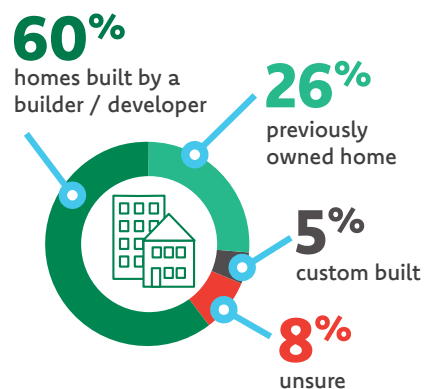


7,334

Purpose-built rentals

2nd highest on record after 2017

What do prospective new home buyers **plan to purchase?**



POLICY IMPACTS AFFORDABILITY

WHAT ADDS TO THE COST OF NEW HOMES IN BC?

Demand is increasing with a growing population. However, construction costs are also increasing. Regulatory and building costs can stop projects from proceeding, which happens more frequently than you may think. We need more housing supply to meet the demand, not less.

Building Code
Changes



Local Government
Fees



Trades
Shortages



Land
Prices



Energy-Efficiency
Requirements



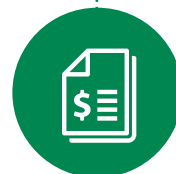
Product Costs
and Availability
(i.e. Trade disputes)



Bylaw and Zoning
Changes



Lengthy Processes
and Timelines



Reports and
Reviews

Residential construction is one of the most regulated sectors of the economy. While each approval or change may seem like a small impact, together they can quickly impact housing affordability calculations. These changes are not limited to just market housing, and can impact projected targets and budgets for government housing initiatives.

THE HOUSING CONTINUUM

Addressing the entire housing continuum is essential to any successful housing strategy. Significant investments from all levels of government have focused on the first four stages. The next step is to focus on affordability in market housing.



MARKET HOUSING MATTERS

If entry-level housing is inaccessible to first-time buyers, the system breaks down and the number needing assistance grows. Homeownership also takes pressure off rental stock; CHBA research indicates that some 80% of rental units that come available each year in Canada are from people vacating to become homeowners.

DIVERSE HOUSING SUPPLY

A successful housing continuum includes the ability to access appropriate housing options for different life stages.



Limited choice of housing supply in communities further exacerbates the issue. We see this today with many that are overhoused and many underhoused. This doesn't necessarily mean towers as a solution. Buyers overwhelmingly prefer low-rise, ground-oriented housing, which can include townhomes, row houses, and duplexes.

HOUSING AFFORDABILITY AND AFFORDABLE HOUSING

AFFORDABLE HOUSING

(or referred to as social housing) is and should be built for those in housing need, most often due to lack of income or special circumstances. Smart investments in affordable housing is required and encouraged.

HOUSING AFFORDABILITY

ensures homes are within financial reach of British Columbians. Addressing this will reduce the ongoing pressures on affordable housing, so any new and available government housing units can go to those in most urgent need. Otherwise, no amount of investment will be able to keep up with the need.

The short answer?

Building more affordable housing alone won't solve housing affordability.

We need both.



PROMPT PAYMENT

Contractors in the residential construction industry deserve to be paid on time. Their livelihoods and families depend on it. With over 200,000 employees in B.C., CHBA BC believes in timely payment, and the Builders Lien Act helps enforce compliance when there are problems. But recent efforts to import what's called "prompt payment" legislation from Ontario would create unnecessary duplication and increase costs for needed housing.

Prompt payment legislation would seek to impose unreasonable timelines for payment and implement adjudication to settle discrepancies. This one-size-fits-all process would apply the same rules to both small residential construction projects and multi-billion dollar public infrastructure projects.

Though well-intentioned, prompt payment is imperfect policy, and if imported to B.C. as is, it will negatively impact the financial capabilities of small businesses involved in residential construction contracts in our province. That is why many stakeholders in B.C.'s construction sector oppose it.

1. Blanket Application

Under prompt payment, all forms of construction will follow the same payment terms. While, most realistically, the payment terms and contracts should be based on the size and complexity of the project. For example, prompt payment requires the same payment terms and complexity for a single home renovation and a new government-owned bridge.

2. Consultation

There was no consultation period specific to the residential construction industry before the Prompt Payment (Builders Lien Act) was introduced in the Legislature as a private member's bill. Any discussions concerning prompt payment require all parties to be at the same table.

3. Impact on Small Businesses

Small, owner-managed businesses cannot afford to use lawyers or significantly increase their administration load in the same way that large, sophisticated organizations could.

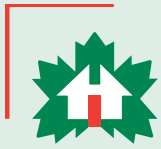
4. Redundancy

Having both a lien and prompt payment adjudication scheme could create more unnecessary repetition and higher costs for all. This includes internal staff for adjudication processes, fees for experts and external counsel, and adjudicator fees. It could also create confusion and redundancies if a company is faced with both a lien notice holdback and adjudication determinations – it is unnecessary to have both.

5. Timelines

If there is a dispute, it is possible that adjudication and rebuttals could stretch out project timelines. Homebuyers and owners should not be affected by payment disputes between contractors.





Municipalities set requirements for new homes and developments to ensure they meet community planning goals, building codes, and consider public input. Over time, this process evolved to be more complex, unpredictable, time-consuming, and costly for all involved. A review was long overdue.

The Ministry of Municipal Affairs and Housing convened a multi-stakeholder working group to review the process between December 2018 and June 2019, which included several CHBA BC representatives from across the province.

Home builders, municipalities, provincial ministries and the public will all benefit from this work. These improvements can lead to greater housing affordability, more diversity in our housing supply, and faster construction timelines. If we want to deliver more of the homes we need, this is a critical step.

KEY TAKEAWAYS FROM THE DAPR REPORT:

ISSUE: Local governments can employ a number of existing policy tools in the development process, including local bylaws, administrative requirements and funding structures. This creates flexibility but also increased complexity at the same time.

RECOMMENDATION: We must aim to streamline within local governments and across jurisdictions wherever and whenever possible.

ISSUE: The public deserves the opportunity to comment on changes to their neighbourhoods. However, the current process is time-consuming and does not provide suitable input.

RECOMMENDATION: The existing public hearing framework should be a high priority improvement in this review.

ISSUE: Building a new home or development includes working with several provincial bodies. Greater communication and certainty within areas of provincial control is equally needed.

RECOMMENDATION: The provincial government can take a leadership role in this process and ensure the ministry and crown corporation challenges in the report are prioritized for change.

ISSUE: Several opportunities in the new report relate to cost recovery and processes for community amenity contributions, development cost charges and other fees.

RECOMMENDATION: There is a limit to these opportunities if housing affordability is a common goal. New developments and new home buyers should not solely fund services that the wider community benefits from.

It is imperative that we work together to review and implement the report recommendations, starting in 2020.