



Photo source: Cascadia Green Development

# Home Building in BC

## Leading a Stronger, Future-Ready Province

The Canadian Home Builders' Association (CHBA BC) is the leading advocate of the residential construction industry in B.C. With 2,300 members across B.C. we:



**ADVOCATE**



**INNOVATE**



**EDUCATE**



**ELEVATE**

**THE RESIDENTIAL CONSTRUCTION INDUSTRY.**

### RESIDENTIAL CONSTRUCTION DRIVES BC'S ECONOMY



**274,875**  
Jobs



**\$19.9 B**  
Wages



**\$35.5 B**  
Investment

Source: CMHC and Statistics Canada, 2022



Photo source: Zenterra Developments Ltd.

Small and large, our members are builders, renovators, designers, suppliers, and tradespeople involved in every aspect of residential construction.

CHBA BC members are housing experts that can be relied on and we share common housing goals with government:

- **DELIVER HOUSING SUPPLY, FASTER**
- **BUILD HOMES MORE AFFORDABLY**
- **REDUCE CARBON EMISSIONS**

Policy affects the industry's ability to achieve these priorities and it is integral we work together to ensure homes can be built for a stronger, future-ready province.

### OUR MEMBERS MAKE PURCHASERS CONFIDENT IN THEIR HOMES



**90%**

Chose homes built by a licensed residential builder

**82%**

Consider the reputation of home builder



Source: BC Housing Current Homeowner Survey, 2022



Photo source: Century Group

# More People Means More Homes

Every year, tens of thousands of people move to the province to live, work, study, and play. British Columbia is growing but our housing stock is not and the limited choices to own and rent are fueling the housing crisis.

As the dream of ownership stays just that – a dream – the rental market comes under pressure to provide shelter, and with limited rental supply – rents skyrocket. Young families and newcomers can't put down roots, while employers can't attract the skills and talent they need to operate successful local businesses.

So, how do we remedy this?

## Supply Must Keep Up with Demand

Working together, we need to deliver a diverse supply of housing that offers options for all residents at all stages of life, which includes both new ownership and rental options, as well as retrofitting our existing homes to adapt to housing needs and perform better for the environment.

### INCREASING HOUSING SUPPLY IS A REMEDY TO TODAY'S CRISIS



Average BC households must devote **58% of income to mortgage payments** when purchasing an averaged priced home in 2023 – the most expensive market compared nationally.



Homeownership is declining, especially for those **44 years and younger**.



**Growth of renter households** has more than doubled the growth of owner households between 2011 and 2021.



**80% of first-time buyers** typically come from vacating rental units.



Photo source: LIDA Homes Inc. Source: CMHC and Statistics Canada, 2022

### BUILDING LESS FOR NEW PEOPLE

- For every **10** new people
- 7.7** housing starts, between 2000 and 2006
- 5.3** housing starts, today

# Delivering Homes is Harder Than Ever

Photo source: The Molnar Group

## Home Building is Heavily Regulated and Complex



### CURRENT BARRIERS TO BUILDING MORE HOMES, FASTER AND AFFORDABLY

- High interest rates
- Rising government-imposed charges
- Changing policy and building standards
- Inconsistent interpretation and enforcement of building standards
- Material costs and supply chain disruptions
- Politicization of housing & NIMBYism
- Infrastructure limitations
- Residential construction prices are up 51% since pandemic outpacing CPI at 13% – the cost of building a home in Canada has never been higher.
- Municipal development fees and levies are up as much as 30% annually for single or semi detached units in Canada.
- Up to 29% of the cost of condo housing is attributed to taxes and fees.

Every policy change and approval process impacts the time it takes to build. These delays increase the cost for a project and it affects the type of housing that can be delivered. Or it can even stop a project from moving forward altogether.

### LENGTHY APPROVALS DELAY HOMES

Municipal Permits

Over 20 months

Provincial Permits

Almost 2 years

Federal Approvals

Up to 3 years

# Collective Priorities to Build More Homes in BC

Photo source: Hasler Homes Ltd.

Expectations for quality, future-ready homes are higher than ever. The demand for more housing is not a new pressure for our industry, however, it is yet another layer upon increasingly high regulatory standards, rising costs and more low-emission, inclusive construction standards.

## THE HOME BUILDING INDUSTRY IS UP TO THE CHALLENGE, BUT WE CAN'T DO IT ALONE.

We're working with all levels of government to achieve our ambitious housing targets. Together, we must create more pathways to build ownership and more rental housing projects; implement a surefire, streamlined review and approvals process; and remove redundancies and unnecessary costs to build new and retrofit homes that emit less carbon.

## TO ACCOMPLISH THIS, ALL POLICY AND DECISION MAKERS NEED TO SUPPORT THE FOLLOWING PRIORITIES AND KEY ACTIONS:

### STREAMLINING THE APPROVALS ROADMAP

1. Reduce regulatory burdens
2. Mitigate additional or new policy changes on in-stream applications
3. Reliance on qualified, registered professionals

### REDUCING THE COSTS TO BUILD HOMES

1. More consistent, prescribed approach to development cost charges
2. Establish a fair, minimum assist factor for infrastructure and amenity levies
3. Update the provincial rebate for the First Time Home Buyers program to \$750,000

### LOW CARBON SOLUTIONS FOR NEW HOMES

1. Reopen the CleanBC Better Homes New Construction program over the next three-year fiscal period, with a focus on small-scale, multi-unit housing.
2. Expand CleanBC's investments by an additional \$11 million to enable new low carbon housing funding programs that support market transformation to zero-carbon new construction by 2030.
3. Direct BC Hydro and Local Government to optimize distribution capacity timelines and permit processes to support the acceleration of low-carbon new homes cost-effectively.

# Reducing the Cost to Build Homes

Photo source: Century Group

Renting or buying a new home is out of reach for many middle-income families. While supply-demand imbalances and approval timelines compound the issue, government-imposed taxes and charges significantly add to an end user's housing cost.

Home builders need their projects to be feasible and have the numbers work. There are many factors that affect the price of the home, but taxes and fees are largely within government's control.

Government-imposed levies typically help to pay for the services and amenities needed to create complete, livable communities. New communities will lead to improved or new parks, upgraded wastewater systems, and new public amenities that benefit everyone. However, far too often, the cost of these items change and that unpredictability will unfairly burden new owners and renters.

## CHBA BC RECOMMENDATIONS

### Three ways to keep the cost of homes transparent and lower:

- **Implement a more consistent, prescribed, and predictable approach** to DCC reviews and calculated increases, including mechanisms to uphold the accountability of charges.
- Provincially establish a **fair, minimum assist factor** for all development and amenity cost levies.
- **Update the provincial rebate value** under BC's First Time Home Buyers program to at least **\$750,000**.

## FIRST-TIME HOMEBUYERS NEED MORE HELP



A property must be valued at **\$500,000 or less to qualify for the BC's First Time Home Buyers Program**, but the benchmark price for an apartment home in Metro Vancouver in July 2023 is

**\$771,600**

Source: Real Estate Board of Greater Vancouver, 2023

## BC CITIES CHARGE HIGHEST NEW HOME DEVELOPMENT FEES IN CANADA

Vancouver, Burnaby and Surrey are amongst the highest in Canada at

**\$157 psf** for a high-rise condo.

**3x** the national average of **\$52 psf**



## CASE-IN-POINT: Metro Vancouver's Reduced Assist Factor Reduces New Home Affordability

A municipal "assist factors" is the required financial assistance on growth related infrastructure that local governments are to provide. Although they can be as high as 50%, **assist factors are inconsistent in the province** and more commonly being **reduced to 1%**, shifting more cost burdens onto new home buyers.

For example, **Metro Vancouver plans to reduce their DCC assist factor to 1%**, which will result in a Vancouver townhouse seeing DCCs **triple from \$8,637 per unit to \$30,861**.



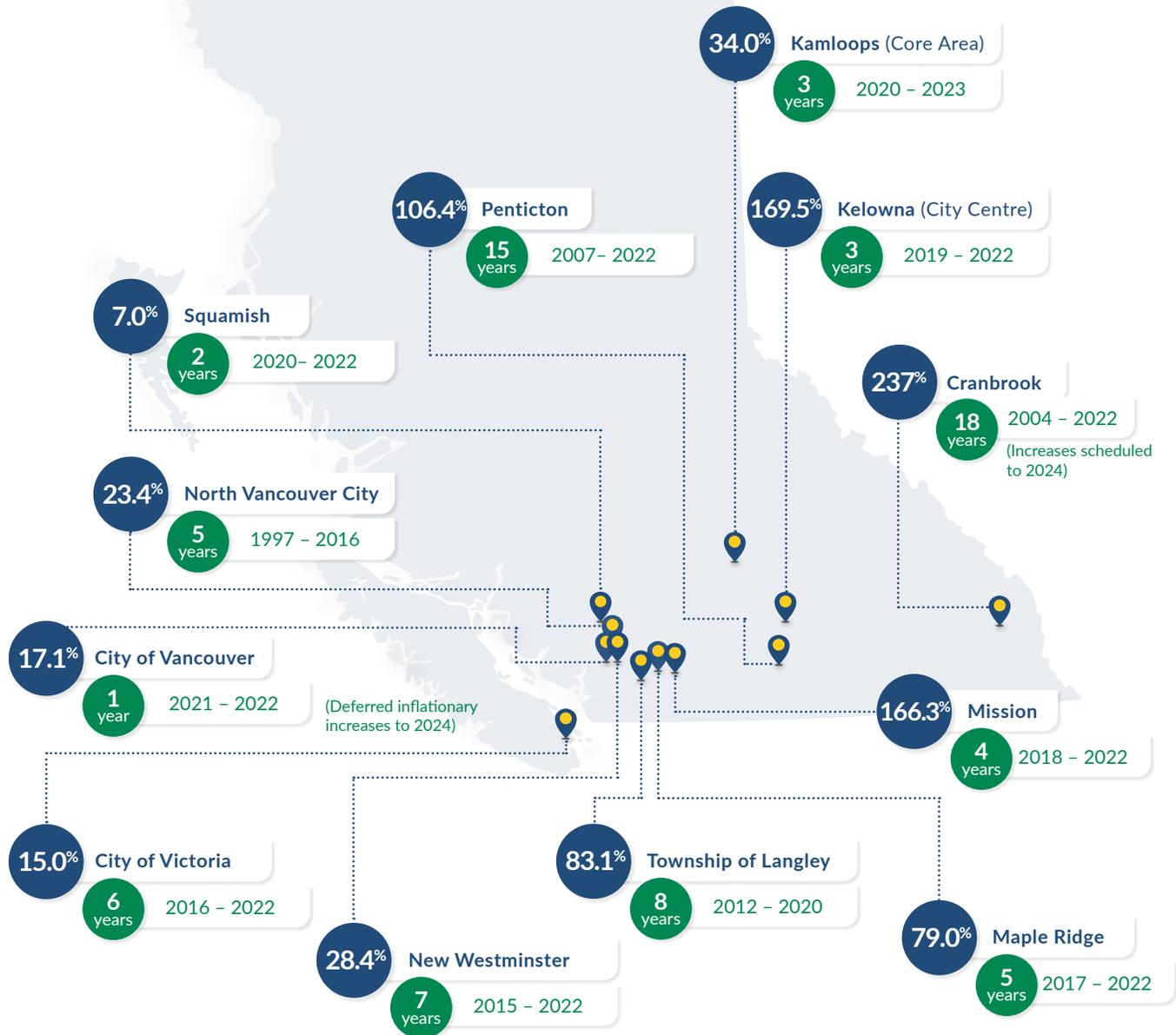
CANADIAN  
HOME BUILDERS' ASSOCIATION  
**BRITISH COLUMBIA**

Leading Advocate of the Residential Construction Industry in BC

# Reducing the Cost to Build Homes

## DCC Increases and Updates Across BC

Photo source: Century Group



 Municipality

 Average Residential Development Cost Increase

 YRS Time Period Between Updates (Previous By-law Update to Most Recent By-law Update)



CANADIAN HOME BUILDERS' ASSOCIATION  
**BRITISH COLUMBIA**

Leading Advocate of the Residential Construction Industry in BC

# Commitment to Low Carbon New Home Solutions

Credit: CHBA Central Interior 2021 Training House

CHBA BC is committed to developing solutions to fulfill the diverse housing needs of British Columbians, both owners and renters, while working towards the CleanBC goal of zero carbon new construction by 2030. British Columbia needs a selection of practical and flexible options and incentives for a smooth transition to an affordable, resilient, low carbon future, which home builders can apply to the diverse types of homes being delivered across the province.

## Unlocking More Low Carbon New Homes

In 2022, within three months of relaunching the CleanBC Better Homes New Construction Program, it was fully subscribed. Over 1,000 new home applications have been pre-approved, leaving over 1,000 projects seeking funding to invest in low carbon construction.

The program was effective at motivating homeowners to select higher-than-code energy performance by reducing the upfront financial burden. CHBA BC's industry survey showed that 63% of builders cited cost as a primary homeowner barrier to selecting higher Energy Step Code performance and low-carbon mechanical systems.

Continued investments for new construction are necessary to transition to low carbon housing in advance of changes to the BC Building Code. **Directing CleanBC funding towards new multiplexes and secondary suites unlocks more low carbon homes, faster.**

### INCENTIVES WORK

# 63%

of respondents said that if the CleanBC Better Homes New Construction Program is not available, **costs to homeowners would be a barrier to building higher performance levels** of the Zero Carbon and Energy Step Code.



# 1,000

eligible projects

..... **seek funding** for the CleanBC Better Homes New Construction Program since the **program became fully subscribed** in August 2022.

# 1,000

pre-approved homes

..... Since its launch in November 2020, approximately **1,000 homes have been pre-approved** for the CleanBC Better Homes New Construction Program.



CANADIAN  
HOME BUILDERS' ASSOCIATION  
**BRITISH COLUMBIA**

Leading Advocate of the Residential Construction Industry in BC

# Commitment to Low Carbon New Home Solutions

Credit: CHBA Central Interior 2021 Training House

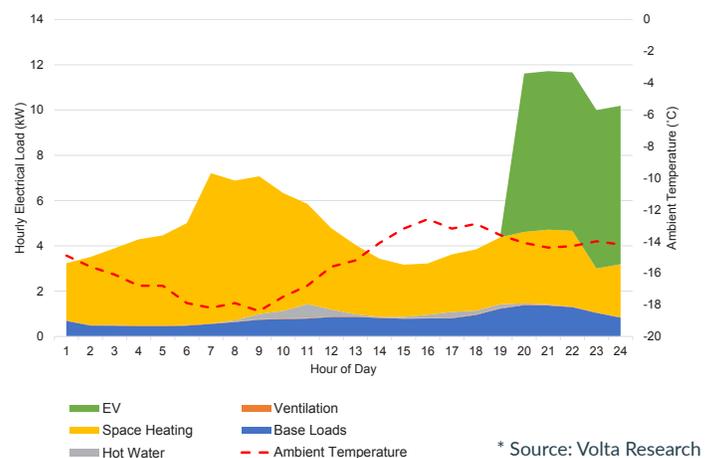
## Supporting Low Carbon Residential Growth

Decarbonization efforts, including the record number of light-duty zero-emission vehicles, combined with upcoming legislation to support small-scale, multi-unit housing, will require a pro-active approach to distribution system capacity planning in the near-term.

Distribution capacity increases for planned developments are currently tied to customer requests rather than local growth, and timelines to bring capacity to these locations are uncertain and costly.

The home building industry needs confidence in available distribution system capacity in the near-term to deliver housing for British Columbians and realize decarbonization targets.

## RESIDENTIAL ELECTRICITY LOADS WITH ZERO-EMISSION VEHICLE CHARGING



## CHBA BC RECOMMENDATIONS

- **Reopen the CleanBC Better Homes New Construction program** over the next three-year fiscal period, with a focus on small-scale, multi-unit housing.
- **Expand CleanBC's investments** under energy efficient buildings by an **additional \$11 million** to enable new low carbon housing funding



- programs that support market transformation and housing affordability as B.C. transitions to zero-carbon new construction **by 2030**.
- Direct BC Hydro and Local Governments to **accelerate distribution system capacity timelines**, in coordination with local demand growth **by 2028**.

# Streamlining the Approval Roadmap

Photo source: Hasler Homes Ltd.

Like any journey, building a new home has twists and turns along the way. With careful planning, a clear, early understanding of what is required, and a collaborative spirit, we can get to building the thousands of homes British Columbians were promised, faster and more affordably.

From application to occupancy, we need a streamlined process that all partners can follow, with as few surprises as possible along the way.

As a partner in building homes in the province, the industry is committed to working with all governments to streamline the approvals roadmap and make it easier for all involved.

There are three common barriers in reviewing and approving an application to build homes. These common barriers add costs and delays, but most importantly, impede a future resident from opening the door to their new home.

## CHBA BC RECOMMENDATIONS ON HOW TO REMOVE ROADBLOCKS:

### 1. REDUCING REGULATORY BURDENS.

Residential construction is one of the most heavily regulated industries. Although they can be well-intentioned, the layers of policy and outdated bureaucratic practices are unnecessarily delaying the process and make it difficult to have homes delivered.

#### HOW

Reform provincial authorizations to reduce unnecessary, unclear regulatory and processing requirements across Ministries, especially for permits required through the Heritage Conservation Act, Water Sustainability Act, and Riparian Areas Protection Regulations.



### 2. MITIGATE AGAINST ADDITIONAL OR NEW POLICY CHANGES ON IN-STREAM APPLICATIONS.

Sometimes surprises come along the way, but far too often applicants are asked to adjust course to adhere to a brand new policy or to fulfill an unexpected request that isn't required in by-laws or policies. Even more challenging is when this happens at the cusp of an approval or a construction schedule. Having to pivot on unknown conditions is a reoccurring issue expressed by all builders and requires conscious efforts from approval authorities to mitigate against.

#### HOW

Adopt best practices and policy measures that discourage new or additional non-policy requirements during the later stages of review processes, particularly when Council readings are in process or when building permit stage is reached.



### 3. RELIANCE ON QUALIFIED PROFESSIONALS.

Applications often require the involvement of qualified professionals for more technical expertise. Qualified professionals are held to high technical and ethical standards under the Professional Governance Act. Hiring these professionals to consult or prepare a report takes a lot of time and money. We need to increase our productivity and find ways to stop duplicating professionally-reviewed work, and instead rely on their expertise.

#### HOW

Eliminate or reduce duplicate reviews for professional reports and sign-off, while also introducing expedited approvals stream for applications completed by a qualified professional.



# Streamlining the Approval Roadmap



## PRE-APPLICATION 4-10 Months



### Due Diligence

- Traffic Study (If required)
- Geographical Report
- Topographic Study
- Order Phase 1 Environmental Report
- Geotechnical Report
- Appraisal for financing

### Demolition Needed?

- Apply for Demo Permit
- Prep House (shut off utilities)
- Arborist Report
- Asbestos Testing and Removal (if required)
- Clearance Letter
- Notice of Project



If Developer Permit not required, skip to Building Permit Application

## DEVELOPMENT PERMIT 6-8 Months



## BUILDING PERMIT 5-8 Months



### Preliminary

- Approval of Rezoning
- Letter of Approval (3<sup>rd</sup> Reading)
- 4<sup>th</sup> Reading/Approval (Rezoning, Development Permit, Subdivision, Servicing)

### Consult and Revise

### Review

- External Referrals
- Public Input
- Advisory Body Input



### Submit Building Permit Application

Provincial Ministries approvals (if necessary)



### Submit Detailed Design (Building, Engineering, Landscaping)

### Detailed Review Planning, Engineering, Landscaping)

### Draft Servicing Agreement (Legal)

### Pay Securities

### Review (Engineering, Building, Landscaping)

### Building Permit Approval



## CONSTRUCTION 24 Months

## OCCUPANCY



### Inspections

### Review Requirements

- Drawings
  - General
  - Site Plan Drawings
  - Cross Sections
  - Elevations Drawings
  - Floor Plans
- Sealed Engineer's Drawings
- Engineered Truss & Beam Layouts and Designs
- Title Search
- Owner's Authorization
- Owner's Acknowledgement Letter
- Development Approval
- Water Letter
- Septic Approval
- BC Energy Code Pre Build Compliance Report
- BC Energy Modelling Summary
- BC Housing Registration
- Copy of Title Search
- Preliminary Engineering Service and Concept
- Arborist Report
- Tree Planting/Replacement Plans
- Character Study
- Building Design Guidelines
- Preliminary Lot Grading
- Architectural Plans - Various
- Landscape Plans
- Proposed Signage
- Environmental Impact Study
- Geo-technical Impact study
- Traffic Study
- Parking Study
- Site Profile
- Tree retention Strategy
- Additional Engineering Studies

### Approvals

- BC Hydro
- Health Authority
- Technical Safety BC
- Fire Department Sign Off
- Indigenous Peoples Land Codes
- Energy Step Code
- National Research Council (NRC)
- Building Code

### Provincial Ministries involved

- Ministry of Forests
- Ministry of Water, Land and Resource Stewardship
- Ministry of Transportation and Infrastructure
- Ministry of Municipal Affairs
- Ministry of Indigenous Relations and Reconciliation
- Ministry of Environment
- Partnerships with Indigenous Governments
- Ministry of Housing