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# CHBA president keeping pressure on governments

Steve McLean | [Property Biz Canada](#) | 2016-12-15

The [Canadian Home Builders' Association](#) (CHBA) claims residential construction represents more jobs and economic impact than any industry in Canada, and president Bob Finnigan is trying to ensure that clout is recognized by all levels of government.



“We are in every single community from coast to coast and from north to south,” said Finnigan, who succeeded Jane Morgan and previously served as 2007 president of the Greater Toronto Home Builders' Association (which is now named [Building Industry and Land Development Association](#)) and 2011 president of the [Ontario Home Builders' Association](#).

“One part of the economy that's doing well is building and real estate, and you can't keep

attacking the golden goose.”

## **Housing affordability is the biggest concern**

The CHBA's biggest concern is housing affordability, as the gap between incomes and house prices has grown too large for many first-time buyers — especially in Vancouver and Toronto.

CHBA research indicates that 94 per cent of Canadians want ground-oriented, low-rise housing, but policy and land costs mean not enough of these homes are being built and condominiums and purpose-built rental apartments are being constructed at almost the same rate.

“For low-rise housing there are three buyers for every two homes, so prices go up,” said Finnigan.

Development taxes now total \$6 billion nationally and are growing quickly, which Finnigan said unfairly burdens new homebuyers. Shortfalls in infrastructure funding has delayed development and contributed to these increased development taxes, according to the CHBA, which also believes that development and construction regulations, overly complicated building codes and approval process delays are also increasing costs and creating an inconsistent new housing supply.

“It’s horrible to build 300 homes, 10 homes, 30 homes and 300 homes,” said Finnigan. “That’s just not the way you would do it.

“You’d be better off doing 150, 150, 150, 150. Everybody’s better off that way, with staffing, cash flow and financing. Feast or famine is no way to do it.”

## **CHBA and the federal government**

Finnigan said the CHBA had pushed for the federal government to provide 50 per cent of the funding for major infrastructure projects to help relieve the development tax burden levied on new homebuyers, and he’s pleased that it has pledged to do that.

“It used to be one-third, one-third, one-third, and now the federal government is providing 50 per cent and it’s up to the provinces and municipalities to come up with the other 50 per cent. That should reduce the burden on new homebuyers for transit, new schools, parks, roads, sewers and other things.”

The CHBA is lobbying for the removal of the goods and services tax that’s applied to municipal taxes on new residential developments, calling it unfair to new homebuyers. And as house prices continue to rise, that extra “tax on tax” is further contributing to people being unable to afford a house.

The CHBA would also like to see tax breaks given to purpose-built rental housing, including infill secondary suites, to encourage the building of more affordable rental units.

There’s a significant tax-evading underground economy in Canada when it comes to home renovations, and the CHBA would like to see that reduced with a permanent refundable home renovation tax credit for first-time homebuyers that would require the

presentation of receipts. Underground cash deals both hurt the economy and can put unsuspecting homeowners at risk if such renovations aren't done completely to code and something goes wrong. Finnigan expects a federal government announcement on this issue soon.

Finnigan also expects the federal government to introduce a program where, for certain energy-saving items purchased for houses, owners will receive a percentage of the cost back through a tax credit by presenting receipts. The CHBA would like to see government-supported housing leading the way with retrofits to make them more energy- and water-efficient.

## **More energy-efficient housing**

The Canadian housing sector is responsible for 6.3 per cent of Canadian greenhouse gas emissions and reduced those emissions by 11 per cent from 1990 to 2012, according to the CHBA. Houses built today are 47 per cent more energy-efficient than those built in 1985 and 37 per cent more efficient than those built in 1990, said Finnigan.

“Everything we've done so far has been 100 per cent voluntary and it's been done because we know people are very concerned about their energy bills.”

CHBA research shows that for every dollar invested in new home energy efficiency, there's an equivalent amount of energy saved.

The association would like to see more money put into older homes that don't perform nearly as well.

“For every dollar invested in energy retrofits for existing stock, which is 98 per cent of the stock, you're getting a four to seven times return on savings,” said Finnigan.

Aside from Finnigan's unpaid volunteer CHBA obligations, which he said can take from 10 to 40 hours per week, he's a principal and chief operating officer for housing of [Herity](#) (formerly The Heron Group of Companies) as well as vice-president of [The Mikey Network](#), a charity formed in 2003 to place public-access defibrillators in high-risk locations.