

# Housing our Future

Forum on Housing and the Mobile Workforce  
in Newfoundland and Labrador

April 26, 2016



**Canadian Home Builders' Association  
Newfoundland Labrador**

# Purpose Today:

- Introduce Canadian Home Builders' Association – Newfoundland and Labrador
- Role of our industry in Newfoundland and Labrador economy and society
- Key areas of advocacy
- Some shared challenges ahead
- Ideas for working together



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Newfoundland Labrador**

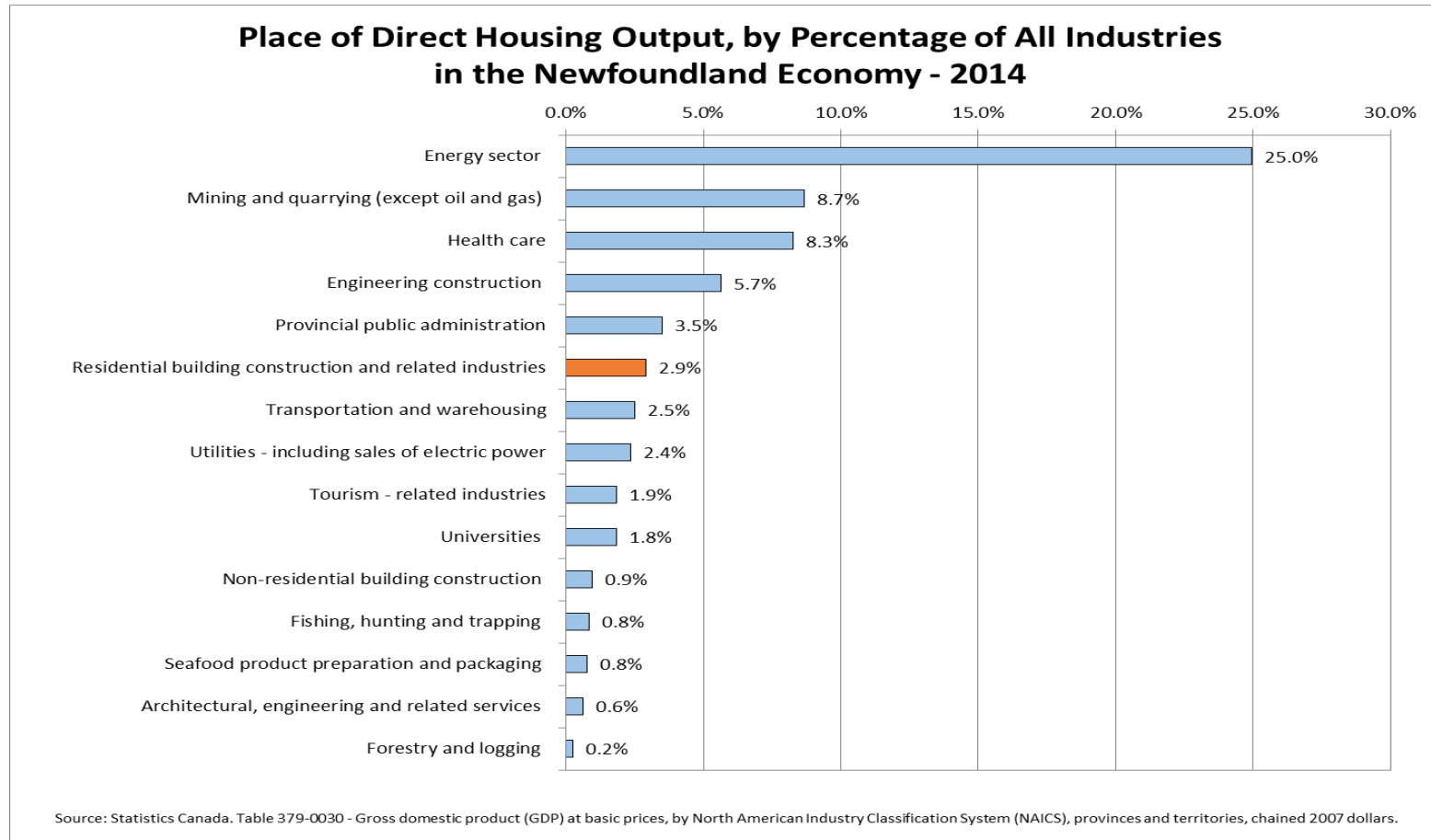
# Introducing the Canadian Home Builders' Association – Newfoundland and Labrador

- Membership includes **new home builders, renovators, developers, trade contractors, manufacturers, suppliers, lenders**, and other professionals.
- 170 member firms, **one the largest industry associations in Newfoundland and Labrador**
- Part of a **three-level organization**, with national, provincial and local associations – we are provincial in scope



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Newfoundland Labrador

# Role of Housing Industry in the Economy of NL- 2014



# Dimensions of Home Building, Repair and Renovation Industry in NL economy:



New construction (on and off-site) = 4,500 jobs  
Wages paid = \$277 million  
Investment = \$580 million



Home repair/renovation (direct/indirect) = 8,800 jobs  
Wages paid = \$539 million  
Investment = \$1.2 billion



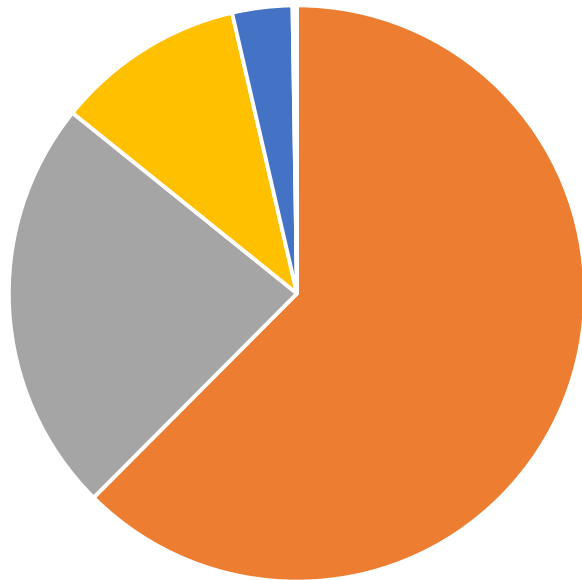
Total Impact (direct/indirect) = 13,300 jobs  
Wages paid = \$816 million  
Investment = \$1.7 billion



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# Residential Builders in NL - Number of Employees:

**Residential Builders in Newfoundland and Labrador**  
**June, 2015, Numbers of Employees**



■ 1 to 4 ■ 5 to 9 ■ 10 to 14 ■ 20 to 49 ■ 50 to 59 ■ 100 to 199

Our industry is composed mostly of small and medium-sized firms, spread around the whole of Newfoundland and Labrador.



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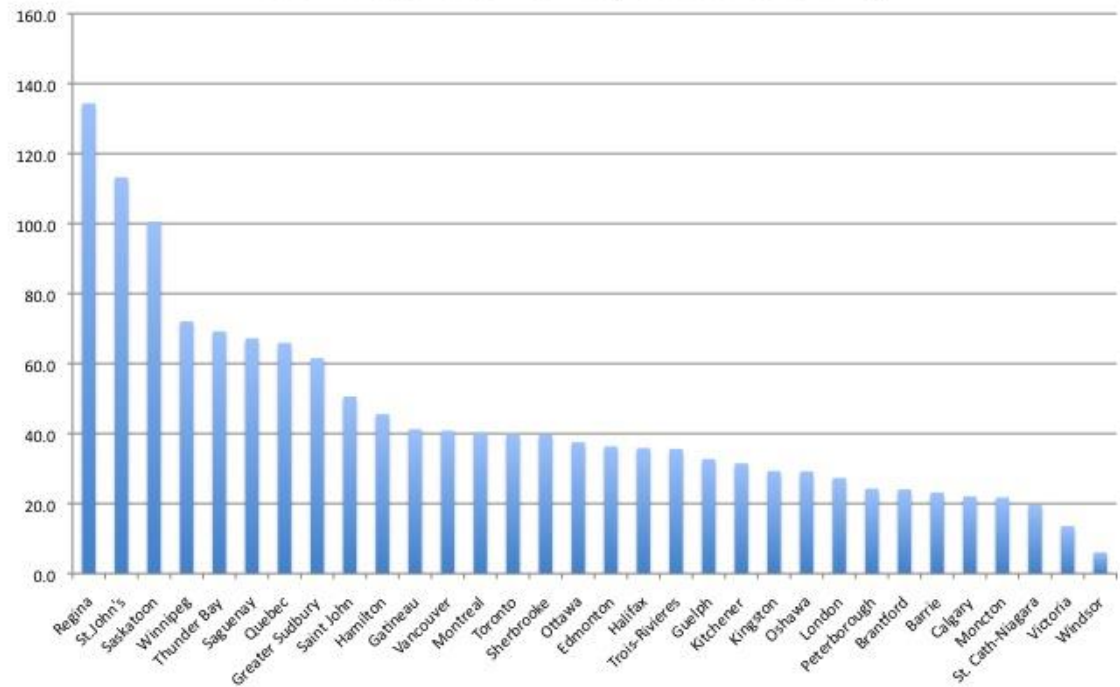
# Our top priorities:



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# Protecting Housing Affordability:

Figure 2: Percent Change in Average MLS Residential Price, 2006-2013, Canadian CMAs (Data source: CMHC)



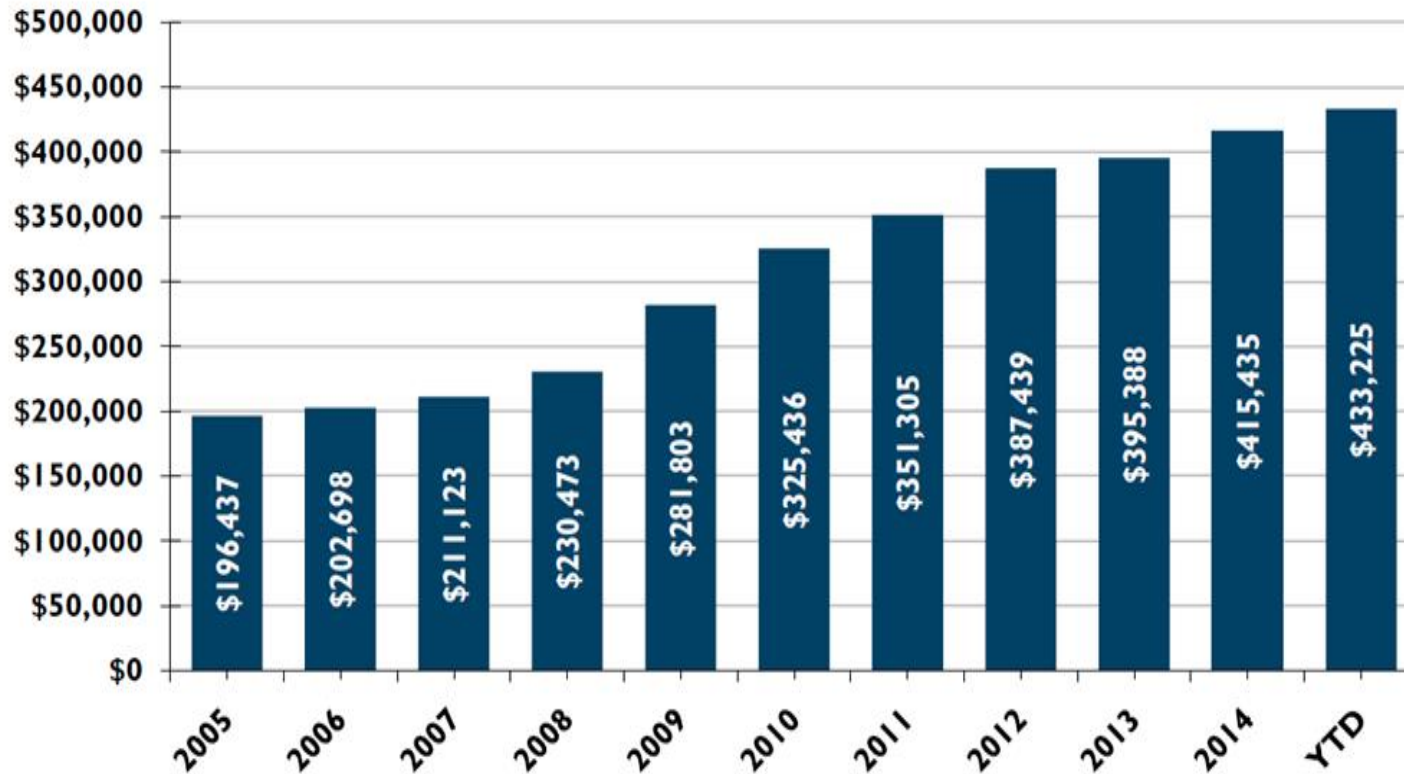
Until recently, prices for existing homes in St. John's had been rising among the fastest in Canada.





# Protecting Housing Affordability:

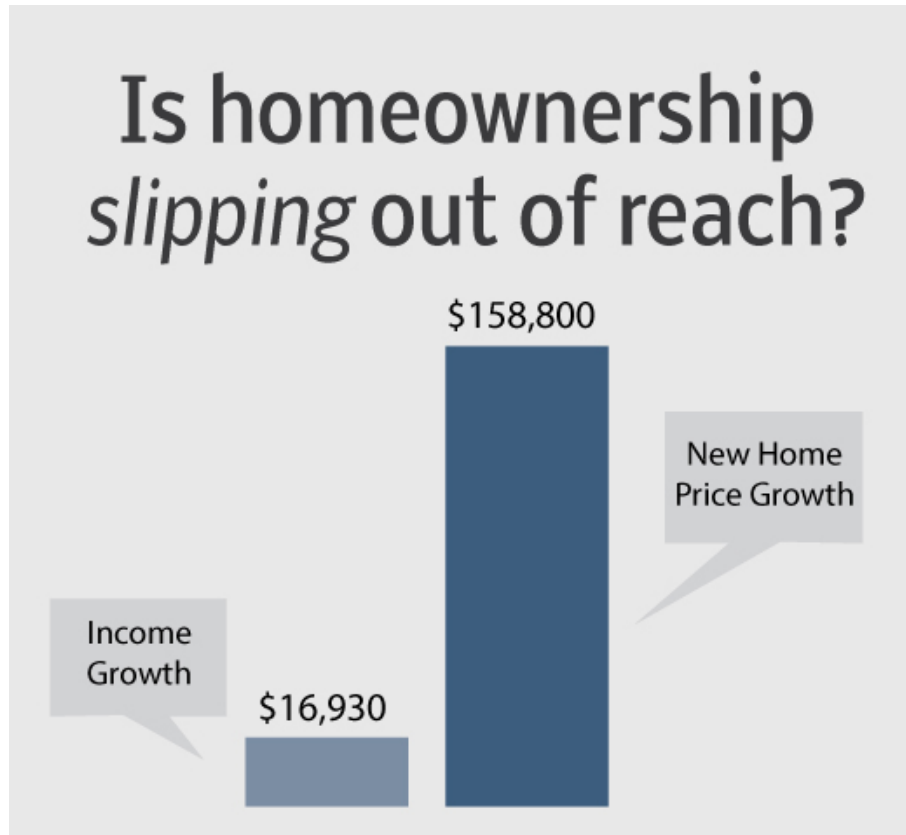
Average New Single-Detached House Price, St. John's Area



The cost of housing increased by **114%** in less than 10 years.



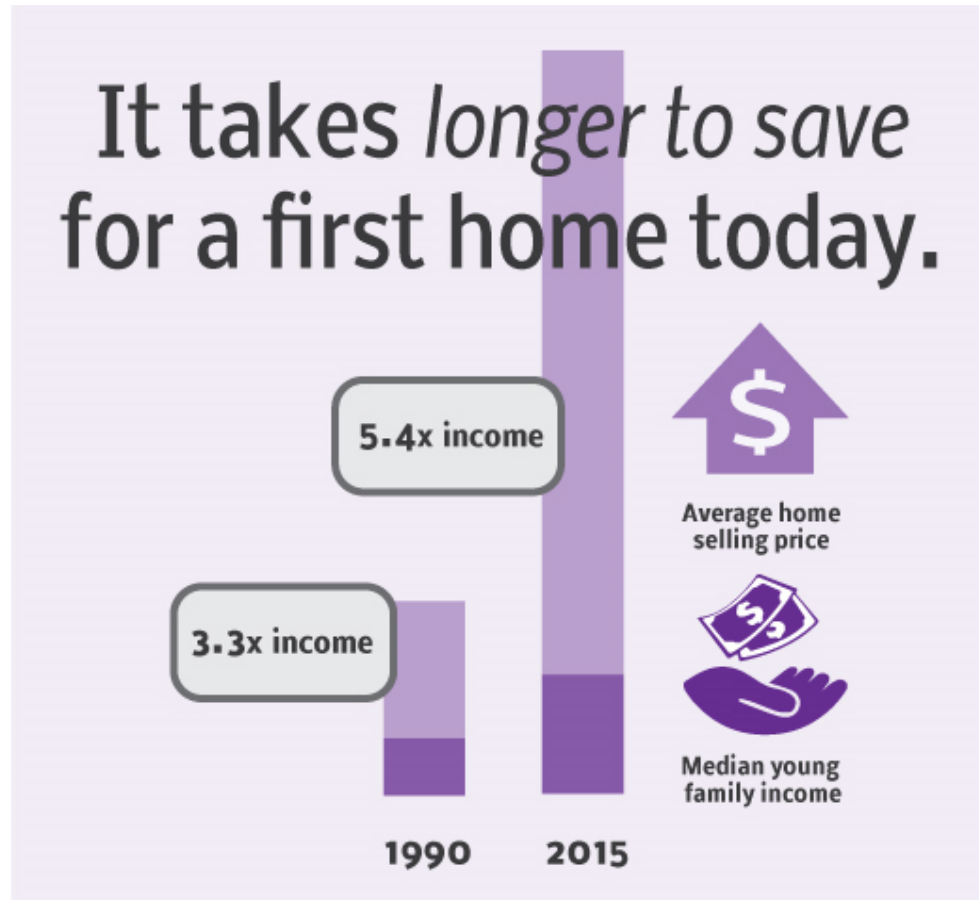
# Protecting Housing Affordability:



- Home ownership serves as a financial foundation for families
- Those who can't afford purchasing are forced into housing options that don't suit their needs
- Owning a home connects people to the places they live
- With many well-educated and hard working young people our economic landscape will change
- More mobile



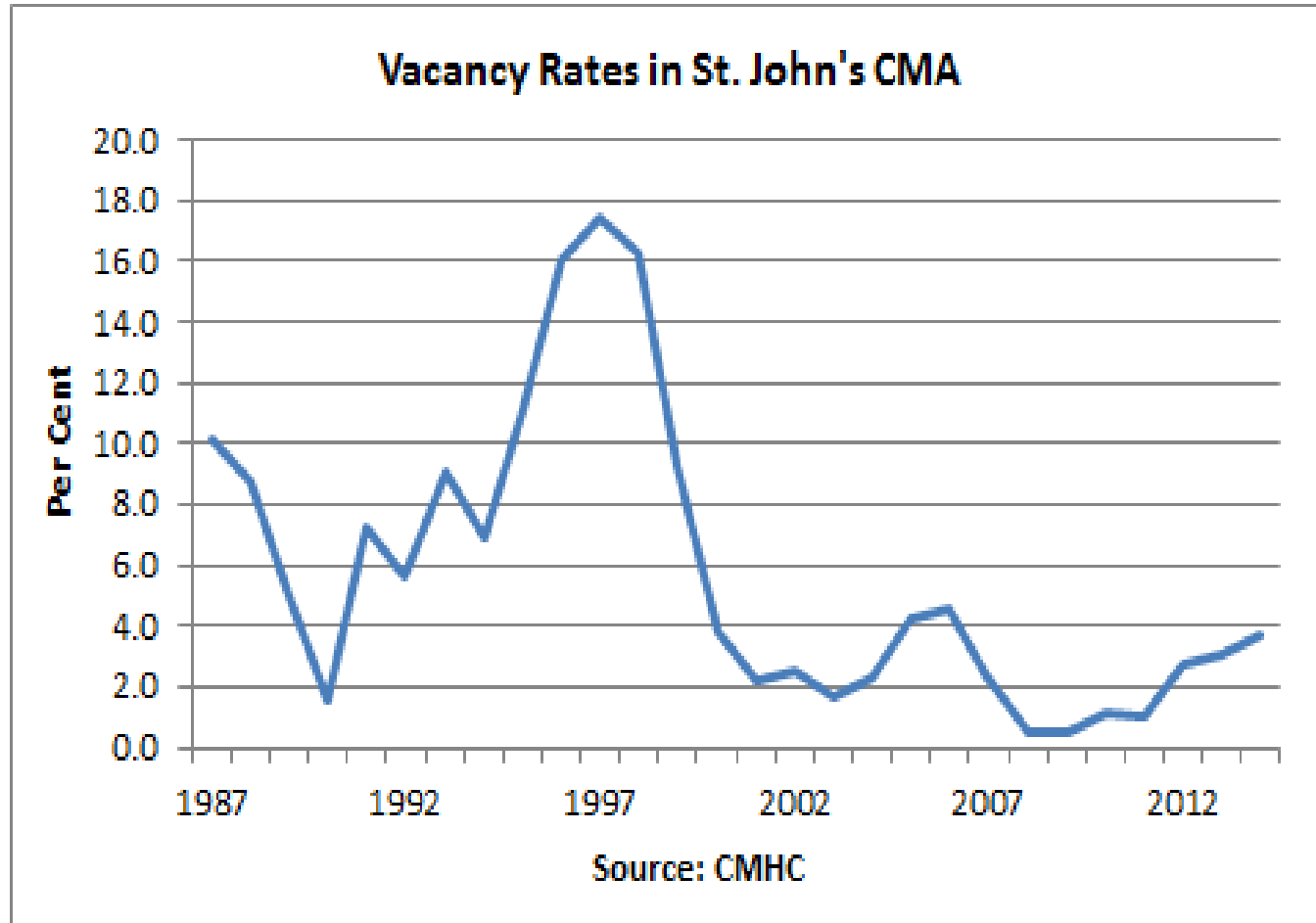
# Protecting Housing Affordability:



- Housing costs rising
- Takes longer to save a down payment
- The cost of homes are outpacing the average family income
- Young people are delaying their first home purchase
- Straining rental properties



# Protecting Housing Affordability:

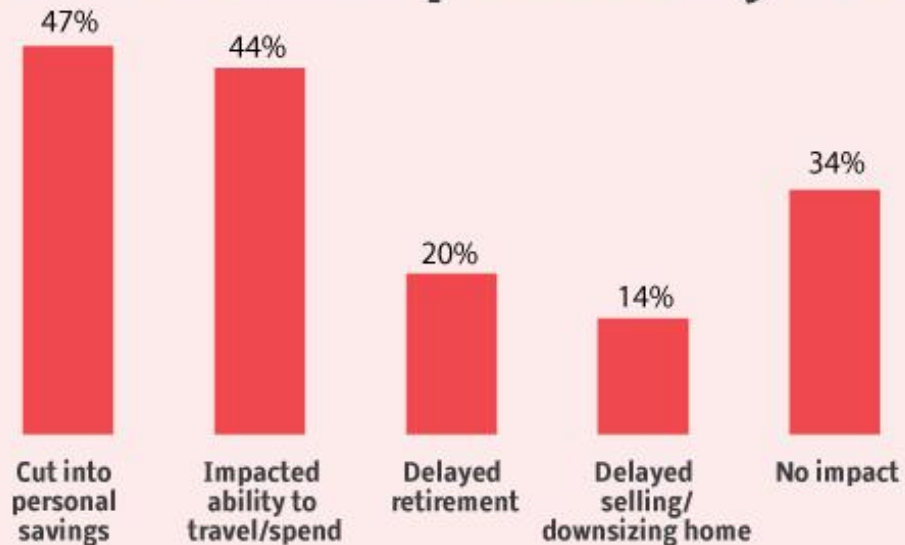


Rental vacancy rates have been tight until recently, creating potential rental affordability challenges.



# Protecting Housing Affordability:

How has *financially supporting your adult children* impacted you?

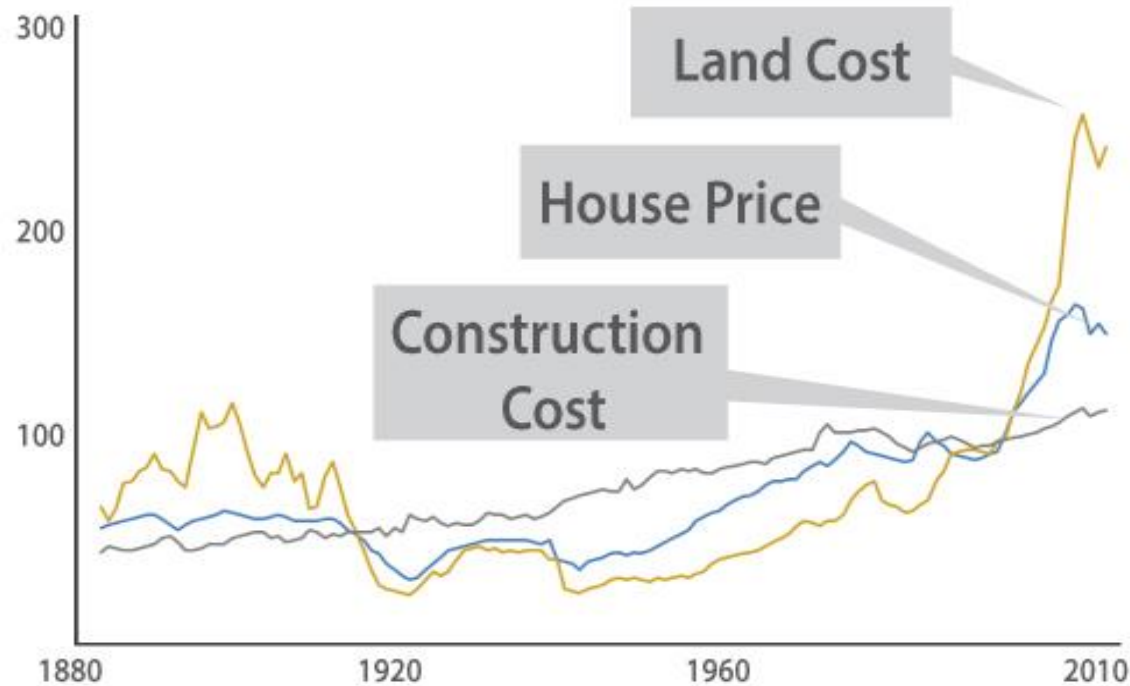


- Young people are getting help from their parents
- Harming parents as it is cutting into savings, delaying retirement
- Creating stress on both generations



# Protecting Housing Affordability:

## What's Driving New Home Prices *Up*?



The cost of land has tripled.





# Protecting Housing Affordability:

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## Government-Imposed Costs in Newfoundland and Labrador

<u>Municipal Levies, Fees and Charges</u>	<u>Provincial Fees</u>	<u>Federal Fees</u>
Infrastructure Charges	Provincial Sales Tax	GST (less federal rebates)
Sewer/Water Connection Fee	Land Registration Fee	
Land Dedications	Mortgage Registration Fee	
Public Space Fee	Electrical Permit Fees	
Recreation Fee	Warranty Fees	
Development Application and Processing Fees		
Development Application Fee		
Application Processing Fee		
Building Permit		
Other Levies, Fees and Charges		
Electrical Permit		
Excavation/Grading Permit		
Driveway/Garage Fee		
Occupancy Permit		
Sewer/Water Permit Fee		
Plumbing Fee		
Civic Numbering Fee		
Sewer/Water Turn-on Fee		

Source: Altus Group Economic Consulting based on information from municipal, provincial and federal governments

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Government-Imposed taxes on new home construction in NL - *“Taxes being taxed”*



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# Housing Continuum:



**Emergency Shelters  
Transitional Housing  
Supportive Housing**



**Affordable Housing  
Subsidized Housing  
Below Market Rent**

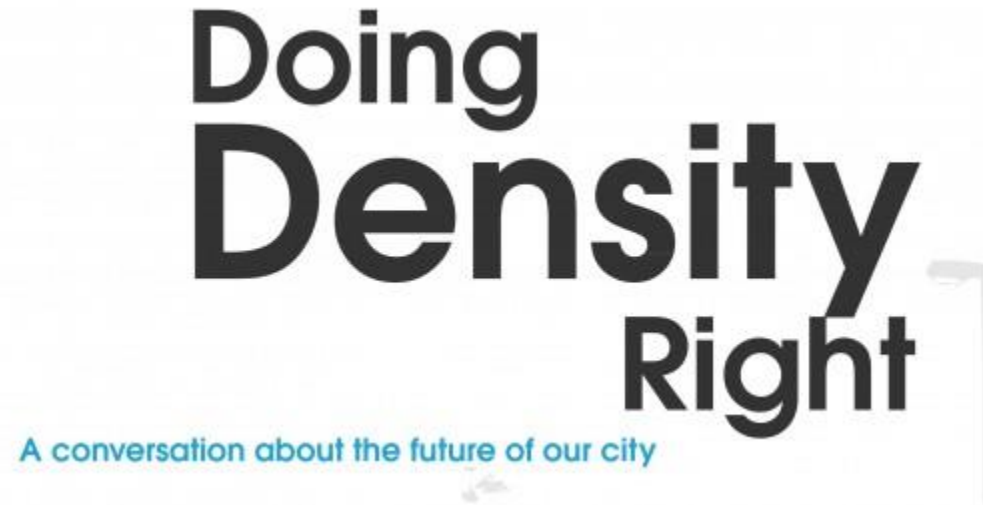


**Housing That Is Affordable  
Market Rental Housing  
Market Home Ownership**



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# Protecting Housing Affordability:



CHBA – NL is part of the conversation about NIMBY, density of development and seniors housing.

# Shared Challenges Ahead:

- Population growth/decline in communities all over Newfoundland and Labrador, with different pressures on housing.
- The cost of housing remains high (HST increase July 1, 2016).
- Ability for well qualified first time home buyers to purchase.
- Lack of provincial housing strategy.
- Lack of industry consultation.



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# Ideas for working together:

- Working together to create a housing strategy at municipal and provincial level.
- Coordinate transit and infrastructure development planning with industry and government.
- Prepare long-term housing projections for NL with associated transportation infrastructure impacts.
- CHBA – NL contribute to provincial and municipal land-use planning driven by transportation factors, based on issues identified in developing projections.
- Engage in transit-oriented development planning and implementation in St. John's region.



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# Questions?

Victoria Belbin, CEO

CHBA-NL

[ceo@chbanl.ca](mailto:ceo@chbanl.ca)

[www.chbanl.ca](http://www.chbanl.ca)