

29 LOCAL ASSOCIATIONS

BILD-GTA
Brantford
Chatham-Kent
Greater Dufferin
Durham Region
Grey-Bruce
Guelph & District
Greater Ottawa
Haldimand-Norfolk
Haliburton County
Hamilton-Halton
Kingston-Frontenac
Lanark-Leeds
London
Niagara
North Bay & District
Peterborough
& The Kawarthas
Quinte
Renfrew
Sarnia-Lambton
Saugeen Country
Seaway Valley
Simcoe County
St. Thomas-Elgin
Stratford & Area
Sudbury & District
Thunder Bay
Waterloo Region
Greater Windsor

20 Upjohn Road, Suite 101
North York, Ontario M3B 2V9
416-443-1545 / 800-387-0109
Fax: 416-443-9982
Email: info@ohba.ca
www.ohba.ca

HOUSING ISSUES

Status Report - Fall 2011



***“The Residential
Construction Industry
is the engine
that drives Ontario’s
economy.”***



Ontario
Home Builders'
Association

Cover Photos:

The Keywood, Doug Tarry Homes *(top left)*

Beyond the Sea, Empire Communities *(right)*

Port Credit Village, FRAM Building Group and Slokker Canada *(bottom left)*

This document provides a status report on the major external provincial housing issues that are currently being addressed or monitored by the Ontario Home Builders' Association. This updates the previous status report prepared in Spring 2011.

Each issue is described under the OHBA standing committee chiefly responsible for it. This status report is intended to provide members with a sense of the agendas of each of the various committees. The ordering of issues within the status report does not reflect their relative importance.

The Housing Issues Status Report was compiled by the OHBA staff. For further information contact Michael Collins-Williams, Director of Policy at 1-800-387-0109 or **mikecw@ohba.ca**.

The Ontario Home Builders' Association is the voice of the residential construction, renovation and development industry in Ontario. Its 4,000 member companies are involved in all facets of the new home construction and residential renovation industries. OHBA is committed to improving new housing affordability and choice for Ontario's new home purchasers and renovation consumers by positively impacting provincial legislation, regulation and policy that affect the industry.

Table of Contents

Priority Issues	Page 1
Economic Review Committee	Page 9
EnerQuality Corporation	Page 17
OHBA /TARION Liaison Committee	Page 21
Land Development Committee	Page 27
Health & Safety Committee	Page 45
Renovators' Council	Page 51
Technical Committee	Page 55
Training & Education Committee	Page 61
Index	Page 65



Priority Issues



The following issues are the priority issues being handled by the OHBA Executive Committee and also may fall under the mandates of several Standing Committees.

Ontario Building Code

- The current edition of the *Ontario Building Code* was released in 2006. The Ministry of Municipal Affairs and Housing (MMAH) is in the middle of development of the next edition of the *Ontario Building Code*. Consistent with broader government priorities, the main themes of the next edition include support for the economy, promoting a greener Ontario, and increasing public safety.
- It is anticipated that the next edition of the *Ontario Building Code* will be filed by the *Registrar of Regulations* by late-2011.
- Two public consultations were held in support of the development of the next edition of the Building Code. Each round addressed unique issues:
 - The first set out potential changes that reflect amendments being made to the model National Building Code, model National Plumbing Code, and other Ontario-specific Code change requests submitted to MMAH by industry stakeholders and the public
 - The second focused on key areas where potential changes are still undergoing development. These areas include: energy and water conservation, mid-rise (6 storey) wood frame construction, and increased public safety.
- Potential changes relating to resource conservation take into account strategic advice submitted by the *Building Code Conservation Advisory Council*. These proposed changes most notably look to establish long-term energy efficiency targets within the Code.
- As of December 31, 2011, the Building Code will require new houses to meet standards that are substantially equivalent to EnerGuide 80 and also require that new non-residential and larger residential buildings meet standards that are 25% higher than the *Model National Energy Code for Buildings*.
- Because EnerGuide 80 is a performance standard and the housing portion of the Building Code is generally prescriptive, the Ministry has prepared a set of prescriptive alternatives to the EnerGuide 80 target. These alternatives are encapsulated in Supplementary Standard SB-12 to the Building Code.

Implementing the Growth Plan

- The Growth Plan for the Greater Golden Horseshoe is a strategic plan to increase densities for new greenfield growth while focusing a significant portion of new growth in existing urban areas such as downtowns and around transit stations. For more detailed information, statistics and mapping – please see page 35 in the Land Development Committee section.

- OHBA has expressed concern that Official Plans were scheduled to be provincially approved and in conformity with the Growth Plan by June 2009 – today many regional official plans still have not been finalized. This situation has led to significant uncertainty and land supply shortages are emerging for the low-rise sector which is limiting construction activity.
- **OHBA remains concerned** that local political and community opposition to intensification continues to be a significant roadblock to the ultimate success of the growth plan.
- OHBA has noted difficulties achieving 50 residents and jobs per hectare, especially with certain employment facilities that are not job intensive. **OHBA has recommended** that the province separate employment from density targets.
- OHBA has noted that the planning time horizon to 2031 does not allow for long-term infrastructure planning and predictability. **OHBA has requested clarity** with respect to the urban reserve ‘white-belt’ lands for the purposes of long-term strategic planning. The *Five Year Progress Update* of the Growth Plan released in July 2011 provided additional clarity by stating that it will be necessary to bring new lands into the urban envelope to accommodate future growth.
- OHBA has noted that **significant investment in support of core infrastructure** from senior levels of government is required to support the implementation of the growth plan.
- **OHBA has recommended a provincial review** to identify policy barriers to the successful implementation of the growth plan including a review of cash-in-lieu of parkland dedication policies, minimum parking standards/requirements, as well as requiring pre-zoning for higher densities in urban growth centres and transit corridors and implementing improvements to the slow and uncertain approvals process for higher densities in urban growth centres.

Major Structural Defect (MSD) Warranty Consultation

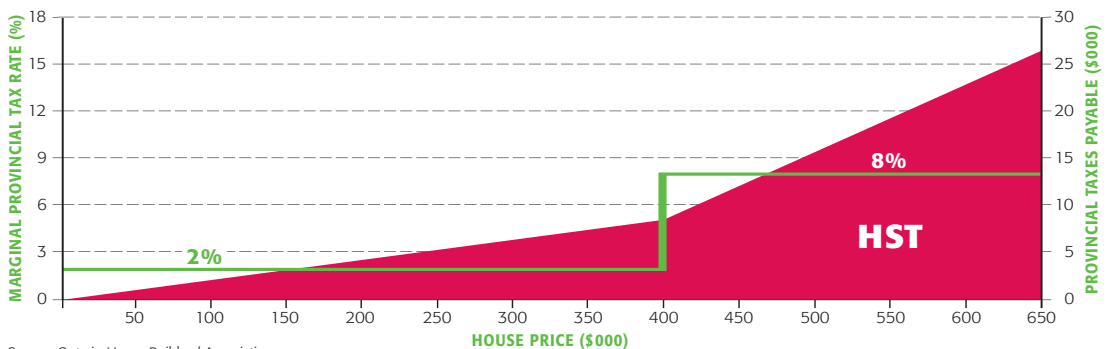
- Tarion advises that due to the a number of significant and costly MSD claims absorbed by the program in recent years, it is necessary to review and change the structure of the MSD warranty in order to protect the stability of the guarantee fund and the fiscal surety of the Corporation.
- The Tarion Board of Directors voted to change the MSD warranty coverage to place the onus and liability for the full 7-year MSD warranty to the vendor/builder (in the past, the vendor/builder was responsible for the MSD warranty up to the end of year 2, while Tarion was responsible for years 3 through 7). After a consultation with stakeholders and several Board of Directors meetings, Tarion decided to postpone the implementation of the MSD coverage shift for 2010 while more research could be done. A fee increase of \$200 was implemented to help offset the MSD liability burden to the corporation until such time as the issues could be resolved.

- Tarion conducted a public consultation in June 2010 on the proposed new policy framework for the MSD warranty.
- **OHBA does not support the change in MSD policy.**
- Recognizing the policy decision has been made **OHBA submitted a response** outlining general disagreement with the policy and made several constructive suggestions on how to better implement the policy as well as offering a clearer definition proposal for consideration.
- OHBA members have conducted several meetings over the course of the MSD discussion period and a final position/summary paper was presented to the Tarion Board of Directors in April 2011. The paper explains that the industry is still opposed to the change in structure and lists areas for the Board to consider changes.
- In combination with the discussions on a revised MSD definition, Tarion will be reviewing the structure and processes behind the *Builder Arbitration Forum* (BAF) to give builders a more effective means to dispute warranty and MSD related issues.
- At this point, the MSD policy change has not been implemented.

Harmonization of PST & GST

- The enhanced Ontario New Housing Rebate provided an estimated \$910 million in targeted HST relief to new home buyers in 2010 according to the Ontario Transparency in Taxation, 2010 report. This estimate is presented on a 'full-year' basis, regardless of the fact that the HST came into effect for new homes closing after July 1, 2010.
- Tax Structure
 - A 2% flat tax (approximately the same amount of previously embedded PST) is applied to the sale price of a new home up to a \$400,000 threshold;
 - An 8% sales tax is applied to the incremental sale price of a new home above the \$400,000 threshold;
 - A maximum rebate of up to \$24,000 is available to new home buyers;

TOTAL PROVINCIAL AND MARGINAL TAX RATE ON NEW HOUSING UNDER REVISED HST PROPOSAL

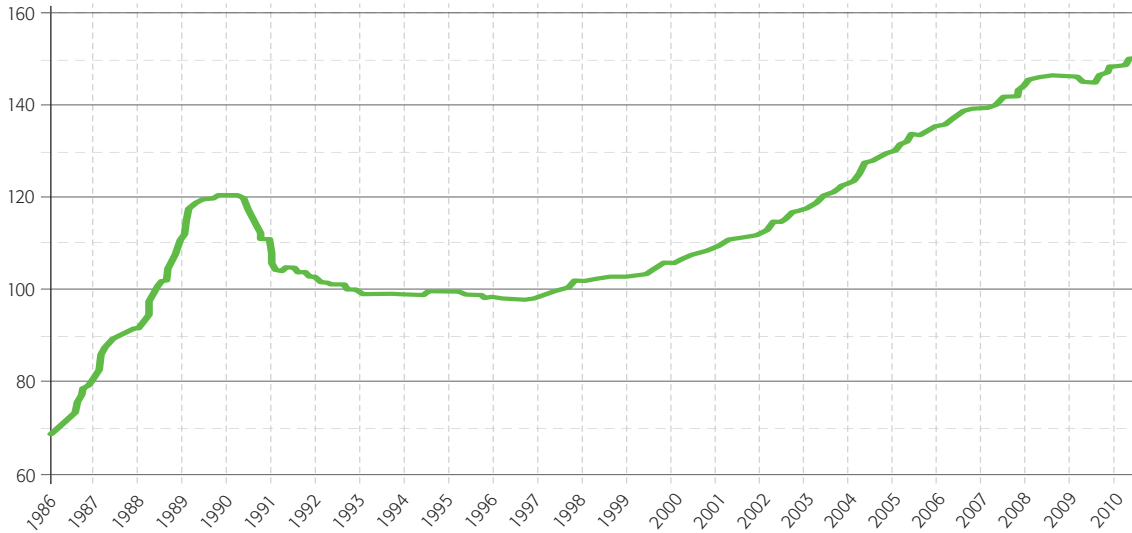


HST Threshold Review

- **OHBA is supportive of the revised progressive tax structure** announced in June 2009 that protects housing affordability by maintaining a 2% sales tax on the first \$400,000 of a new home and levies additional taxes on the incremental value over \$400,000.
- However, Ontario housing prices tend to rise over time and in the decade leading up to 2008, the new housing price index increased some 46%, compared with general inflation that rose by 26%; and median family income which advanced by 18%.

NEW HOUSING PRICES IN ONTARIO, 1986-2010

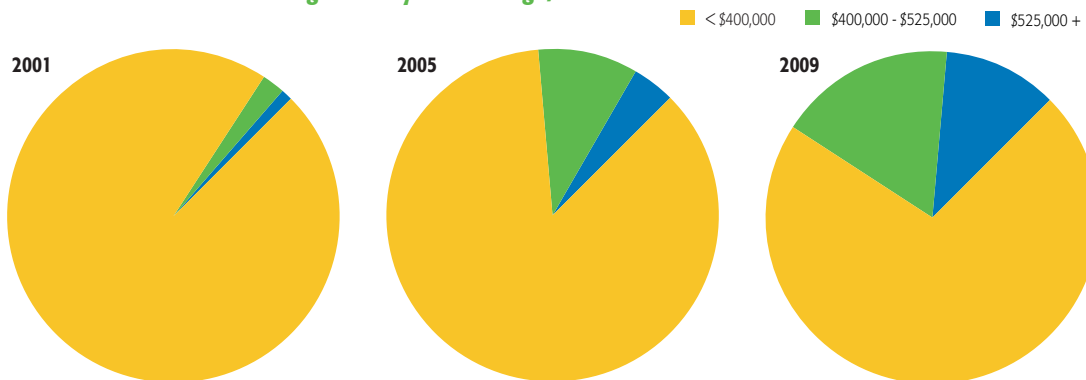
New Housing Price Index (1997 = 100)



Source: Altus Group

- As a result of faster housing price appreciation, an ever-growing share of new homes are valued at the high-end of the price range and it is critical to understand that a large number of households living in homes valued above \$400,000 are middle income families. The HST on new homes valued over \$400,000 significantly pushes up housing costs and increases the financial burden on middle class families.

Distribution of New Housing Units by Price Range, Ontario



Source: Altus Group Economic Consulting based on data from Tarion Warranty Corporation

- Over time, the rebate threshold will inevitably become too low to reflect the purpose of the rebate – to guarantee tax neutrality for most low and modest income new home buyers. In light of this issue, the threshold should be reviewed on a regular basis.

- **An option favored by OHBA** would be to increase the threshold to \$525,000 as it is not only high enough to maintain tax neutrality for the majority of middle class Ontario new home buyers, but it was also the threshold used in the new housing rebate established by the B.C. government. B.C. is currently considering implications of the HST referendum to transition back to the PST.
- If the rebate threshold for the Ontario new housing rebate were changed to an initial value of \$525,000, the provincial treasury would potentially forfeit \$71 million annually of tax revenue as estimated by the Altus Group (based on 2009 enrollment data from the Tarion Warranty Corporation).
- This would substantially improve housing affordability for the middle class new home buyer.

The residential renovation sector contributed:

- > **\$23.1 billion** to the provincial economy in 2010
- > supported **212,000 jobs**
- > **\$14 billion** is spent through contractor renovations
- > remaining is accounted for by 'do-it-yourselfers'
- > Underground 'cash' economy represents at least 37% of the residential renovation contractors
- > Approximately **\$5.2 billion in underground activity** in Ontario

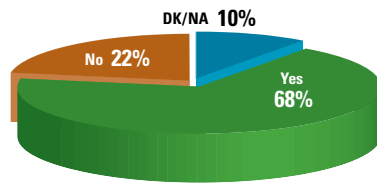
Source: Altus Group

Illegal Renovations

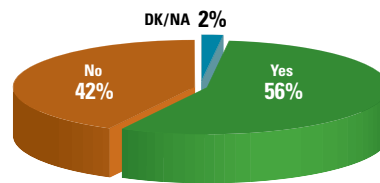
- OHBA commissioned a report by the Altus Group on the impact of the HST on the renovation sector in Ontario. The report concluded the harmonized sales tax has had negative impacts on the residential renovation sector – in particular the contractor segment of the sector, which is estimated to represent 70% of all renovation investment across Ontario.
 - The Altus Group estimates that the HST increased the annual tax burden on homeowners undertaking renovations by approximately \$757 million - triple the previous sales tax rate on contractor's renovations in Ontario;
 - The HST reduced the total volume of legitimate renovation activity due to the higher cost to homeowners. This has resulted in lower economic activity and reduced legitimate employment in this sector;
 - The HST is shifting more renovation and repair jobs from contractor assignments to 'do-it-yourself' projects. This has long-term negative consequences for the quality of the existing housing stock in Ontario;
 - The HST has shifted more activity into the 'underground economy' with implications on government tax revenue, renovation quality, risks to consumers and homeowner liability.

- In November 2010, a poll commissioned by OHBA of 1,113 home owners throughout the province by Environics Research found that a majority of Ontarians have paid cash for a renovation job and that a government tax credit or rebate would provide an incentive for consumers to pay for legitimate contractors. In the survey, 56 per cent of Ontarians admitted they have paid cash and avoided taxes for a renovation or repair job.

If you were able to receive a provincial or federal tax credit or tax rebate back from the government for renovations, similar to the previous federal renovation tax credit, would you be less likely to pay cash and more likely to pay the tax?



Have you ever paid cash for a home repair or renovation job?



Source: Environics Research Group

- On September 20, 2010, **OHBA passed a resolution** on residential renovations and the underground economy. **OHBA made the following recommendations** to the provincial and federal governments:
 - The federal government and provincial governments should implement a home renovation tax rebate to the consumer valued at 2.5 percent at the federal level and 5.4 percent at the provincial level in order to ensure the tax is revenue neutral as well as provide an incentive for consumers to demand receipts from legitimate renovators and submit them to the CRA;
 - All firms and individuals in the construction industry should be required to register for a Business Number, even if they wish to take advantage of the HST exemption for companies which operate below the \$30,000 annual sales threshold;
 - The Ontario government should embark on a public awareness campaign targeted towards consumers that explains the risks associated with paying cash under-the-table to illegitimate contractors;
 - Government departments such as the Canada Revenue Agency, local building departments, WSIB, and the Ministry of Labour should better coordinate and share information to catch illegal renovators.
- For more information on the HST and residential renovations as well as **OHBA's proposed renovation tax rebate policy**, please see page 52 in the Renovators Council section.

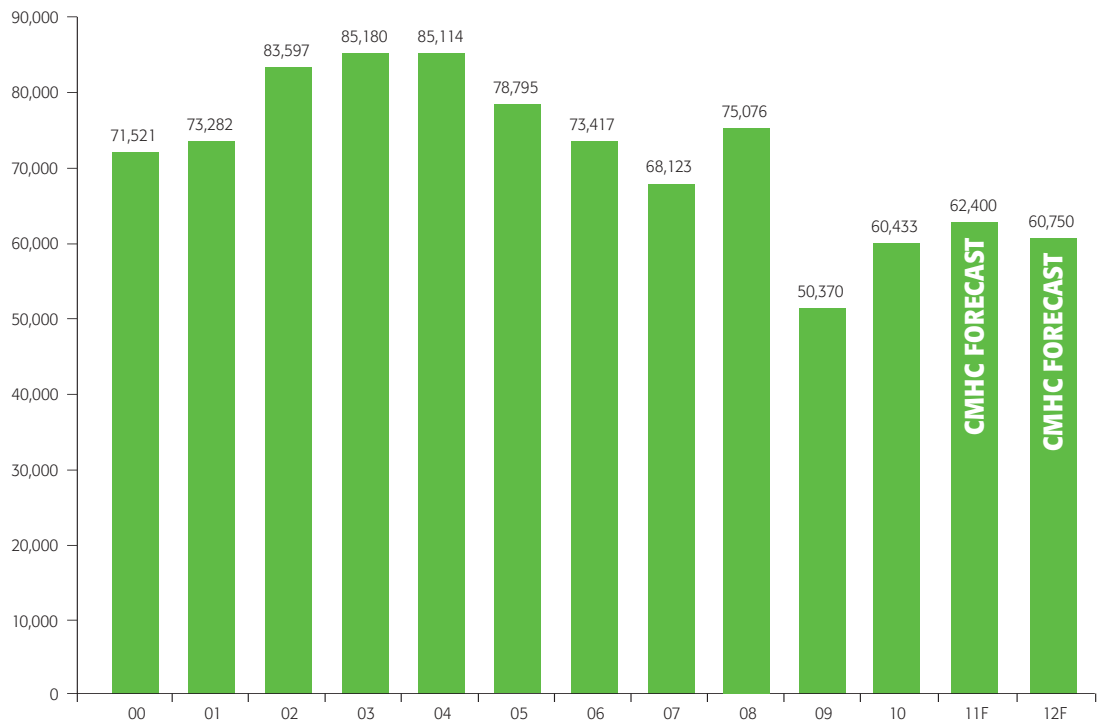
Economic Review Committee

Economic Impact of the Housing Sector

- > According to a report by the Altus Group, commissioned by the CHBA, the impact of **10,000 new housing starts** on the economy:
- > Generates **\$3.3 billion** in economic production across a broad array of industries – including:
 - > **\$727 million** in manufacturing; and
 - > **\$307 million** in the wholesale, retail, transportation and warehousing sectors.

Market Conditions

ONTARIO HOUSING STARTS – 2000-2012(F)



Source: Canada Mortgage and Housing Corporation

Housing Market

	2009	2010	2011F	2012F
Total Ontario Housing Starts	50,370	60,433	62,400	60,750
Single Detached Housing Starts	22,634	28,089	24,900	23,000
Multiple Unit Housing Starts	27,736	32,349	37,500	37,750
- Semi	3,007	3,006	3,200	2,750
- Row	7,121	10,255	8,000	8,250
- Apartment	17,608	19,083	26,300	26,750
Total MLS Sales (resale)	195,840	195,591	191,900	193,300
MLS Average Price (resale)	\$318,366	\$342,245	\$365,400	\$372,500

Source: Canada Mortgage and Housing Corporation

Average New and Resale Home Price Growth

Average Home Price/Year	MLS	New Single	New Semi	Average Home Price/Year	MLS	New Single	New Semi
1991	\$171,968	\$263,652	\$143,057	2001	\$193,357	\$259,770	\$207,821
1992	\$161,187	\$241,050	\$149,374	2002	\$210,901	\$267,009	\$216,316
1993	\$156,264	\$232,786	\$152,735	2003	\$226,824	\$287,792	\$226,394
1994	\$159,873	\$223,331	\$150,745	2004	\$245,230	\$311,166	\$248,251
1995	\$155,163	\$237,370	\$151,816	2005	\$262,949	\$348,211	\$283,139
1996	\$155,725	\$228,307	\$158,961	2006	\$278,364	\$384,153	\$293,936
1997	\$164,301	\$226,609	\$166,325	2007	\$299,544	\$416,795	\$313,290
1998	\$167,112	\$228,566	\$172,073	2008	\$302,354	\$439,444	\$332,938
1999	\$174,049	\$236,895	\$195,323	2009	\$318,366	\$462,998	\$367,310
2000	\$183,841	\$244,513	\$199,263	2010	\$342,245	\$486,918	\$376,065

Source: Canada Mortgage and Housing Corporation

Bank of Canada

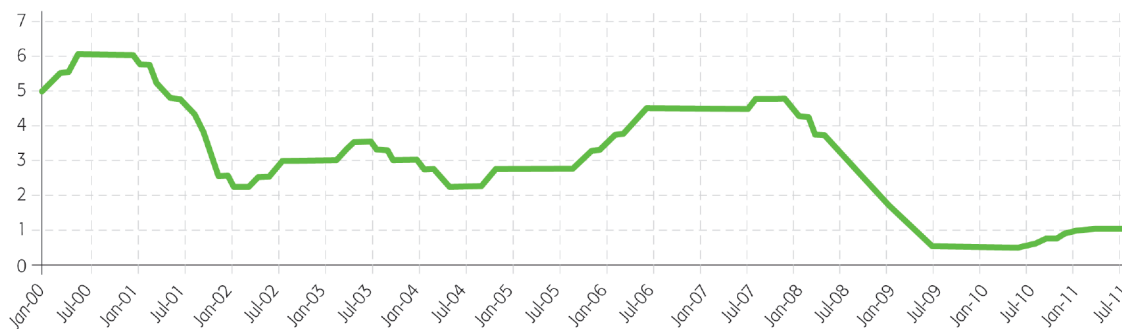
2011 Schedule of Key Interest Rate Announcements

Oct 25 Dec 6

2012 Schedule of Key Interest Rate Announcements

Jan 17 March 8 April 17 June 5 July 17 Sept 5 Oct 23 Dec 4

BANK RATE



Source: Bank of Canada

Condominium Market

GTA Condominium Sales

2003	2004	2005	2006	2007	2008	2009	2010	2011F
10,802	12,364	16,224	16,124	22,654	14,469	14,792	20,491	25,000

Source: Urbanation

- Urbanation's Q2-2011 report noted that the second quarter for the Toronto CMA broke the previous record high of 6,997 new condo sales in Q2-2007 by 35% with 9,455 units sold in Q2. There are 39,196 condominium units under construction in 153 projects in the Toronto CMA.
- Urbanation notes that just 16% of the 78,142 units in 306 active condominium projects were unsold at the end of the second quarter.

Ontario Provincial Budget 2011

Ontario's Economic Outlook at a Glance

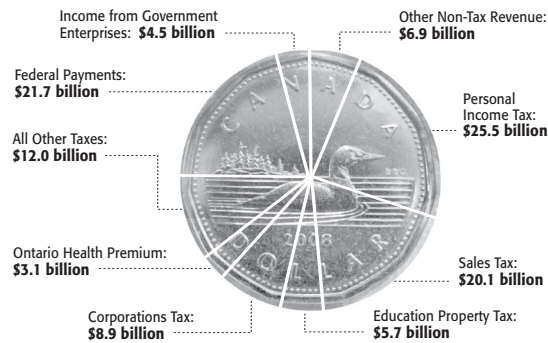
	2007	2008	2009	2010	2011F	2012F
Real GDP Growth (%)	2.2	- 0.9	- 3.6	2.8	2.4	2.7
Retail Sales (%)	3.9	3.5	- 2.5	5.0	4.1	4.3
Personal Income (%)	5.0	3.8	- 0.2	4.0	4.2	4.4
Unemployment (%)	6.4	6.5	9.0	8.7	8.2	7.7
CPI Inflation (%)	1.8	2.3	0.4	2.5	2.3	2.1
Net Migration	83,676	89,509	90,515	108,700	113,600	121,200
Budget (\$ Billions)	2007-08	2008-09	2009-10	2010-11	2011-12F	2012-13F
Provincial Expenses	96.6	96.9	115.1	120.7	124.1	126.0
Provincial Revenues	97.1	90.5	95.8	106.7	108.5	111.8
Reserve	-	-	-	-	0.7	1.0
Surplus/(Deficit)	0.6*	- 6.4	- 19.3	- 14.0	- 16.3	- 15.2

Source: Ontario Ministry of Finance, 2011 Ontario Budget, Statistics Canada and CMHC

* After \$1.1 billion investment under **Investing in Ontario Act, 2008**

Where the money comes from...

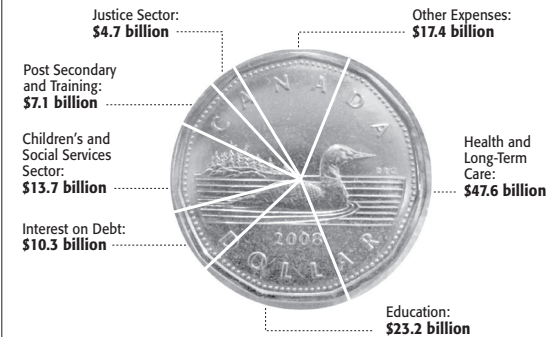
Revenue, fiscal year 2011-12: **\$108.5 billion**



Source: Ontario Budget

...and where it goes

Expenses, fiscal year 2011-12: **\$124.1 billion**

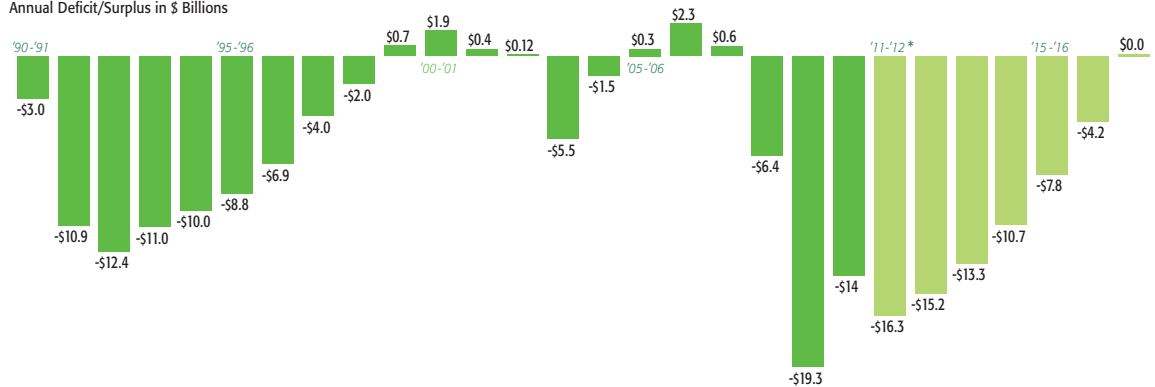


Note: Numbers may not add due to rounding

Source: Ontario Budget

The Deficit

Annual Deficit/Surplus in \$ Billions



* Forecast

Source: Ontario Budget

Ontario Region Economic and Housing Indicators

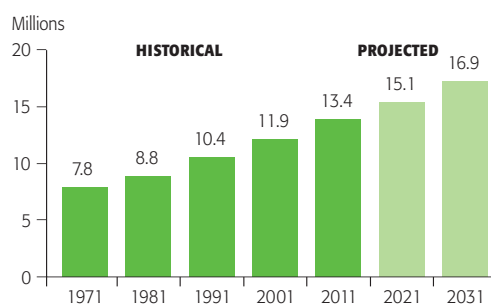
	Housing Data	2009	2010	2011F	2012F
Barrie	Single Starts	292	442	310	300
	Multiple Starts	135	240	481	364
	Total Starts	427	682	791	664
	MLS Sales	4,326	4,105	3,870	3,890
	MLS Avg Price	\$263,959	\$281,966	\$282,170	\$285,200
Greater Sudbury	Single Starts	224	369	380	410
	Multiple Starts	226	206	160	170
	Total Starts	450	575	540	580
	MLS Sales	1,977	2,244	2,350	2,450
	MLS Avg Price	\$200,947	\$221,689	\$226,200	\$231,800
Hamilton	Single Starts	899	1,753	1,200	1,300
	Multiple Starts	961	1,809	1,050	1,300
	Total Starts	1,860	3,562	2,250	2,600
	MLS Sales	12,680	12,934	13,000	13,100
	MLS Avg Price	\$290,946	\$311,683	\$330,000	\$335,000
Kingston	Single Starts	432	522	420	450
	Multiple Starts	285	131	280	180
	Total Starts	717	653	700	630
	MLS Sales	3,377	3,209	3,100	3,200
	MLS Avg Price	\$242,729	\$249,509	\$258,500	\$263,600
Kitchener	Single Starts	1,161	1,255	1,300	1,240
	Multiple Starts	1,137	1,560	1,100	1,360
	Total Starts	2,298	2,815	2,400	2,600
	MLS Sales	6,580	6,772	6,575	6,600
	MLS Avg Price	\$269,552	\$289,041	\$301,000	\$304,000
London	Single Starts	1,056	1,461	1,100	1,200
	Multiple Starts	1,112	618	520	620
	Total Starts	2,168	2,079	1,620	1,820
	MLS Sales	8,314	8,389	8,000	8,300
	MLS Avg Price	\$214,510	\$228,114	\$229,000	\$232,000
Oshawa	Single Starts	836	1,540	1,300	1,450
	Multiple Starts	144	348	378	382
	Total Starts	980	1,888	1,678	1,832
	MLS Sales	9,330	9,476	9,120	9,280
	MLS Avg Price	\$278,984	\$278,505	\$311,400	\$315,000
Ottawa	Single Starts	2,471	2,302	1,825	1,800
	Multiple Starts	3,343	4,144	3,775	3,850
	Total Starts	5,814	6,446	5,600	5,650
	MLS Sales	14,923	14,586	13,750	14,000
	MLS Avg Price	\$304,801	\$328,439	\$345,000	\$353,500
St. Catharines – Niagara	Single Starts	574	714	650	640
	Multiple Starts	285	372	360	410
	Total Starts	859	1,086	1,010	1,050
	MLS Sales	5,808	6,024	5,670	5,875
	MLS Avg Price	\$209,563	\$217,938	\$221,000	\$224,000
Toronto	Single Starts	8,130	9,936	9,400	7,500
	Multiple Starts	17,819	19,259	25,550	25,700
	Total Starts	25,949	29,195	34,950	33,200
	MLS Sales	89,249	88,214	87,500	86,500
	MLS Avg Price	\$396,154	\$432,264	\$463,500	\$471,000
Windsor	Single Starts	303	460	400	450
	Multiple Starts	88	157	162	219
	Total Starts	391	617	562	669
	MLS Sales	4,661	4,893	4,750	4,800
	MLS Avg Price	\$153,691	\$159,347	\$165,000	\$170,300
Ontario	Single Starts	22,634	28,089	24,900	23,000
	Multiple Starts	27,736	32,349	37,500	37,750
	Total Starts	50,370	60,433	62,400	60,750
	MLS Sales	195,840	195,591	191,900	193,300
	MLS Avg Price	\$318,366	\$342,245	\$365,400	\$372,500

Source: Canada Mortgage and Housing Corporation

Population Growth

- Ontario's population is an estimated 13.36 million (July 2011).
- During the 20-year period from 2011-2031, the population of the Greater Golden Horseshoe is expected to grow by almost 2.4 million people.
- More than 100,000 newcomers arrive in Ontario each year, which is almost half of all new immigrants to Canada. Approximately 84% of Ontario's new immigrants settle in the GTA and about 50% in the City of Toronto.
- The Greater Golden Horseshoe generates nearly two-thirds of Ontario's GDP and nearly one-third of Canada's economic output. Over the past 10 years, the GTA posted the third strongest rate of population and job creation growth in North America.

ONTARIO POPULATION – REFERENCE SCENARIO



Source: Statistics Canada, 1971-2001, and Ontario Ministry of Finance projections.

Progressive GST

- In 1991 the federal government promised to index the GST rebate thresholds. It never happened and 20 years later housing affordability is suffering across the country.
- Historical trends show that the failure to implement indexation by the federal government has led to a dramatically increased GST tax burden on new home buyers – more than doubling since the inception of the GST.
- Currently a new home under \$350,000 receives a GST rebate of 36% of the GST. The rebate is phased out up to a \$450,000 threshold above which consumers pay the full 5% GST. This is a regressive tax structure that is harmful to housing affordability for new home buyers, renters and seniors and does not represent good public policy.

GST Collected from New Housing Sales, Census Data, 1991 and 2006

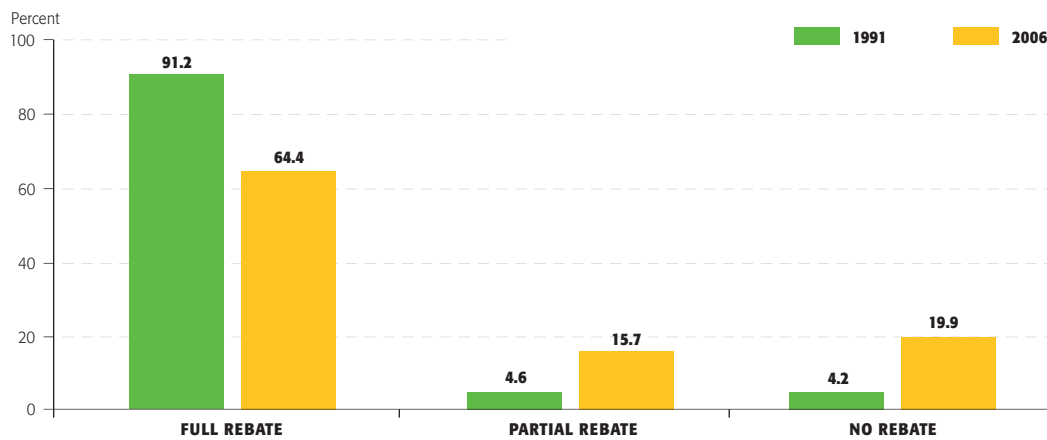
	1991	2006	Percentage Change
New Housing (Units)*	166,227	173,472	4%
Median New Housing Price (\$)	162,500	295,000	82%
Total GST Collected (\$ Millions)	1,588	3,400	114%

*Average annual units based on total newly-built, owner occupied housing units during the census period.

Source: Altus Group

- Between 1991, when the GST was introduced, and 2009, the Statistic's Canada New House Price Index has increased by more than 56%. Had the GST New Housing Rebate thresholds been adjusted to take into account this increase in new house prices, the thresholds in 2011 would be roughly \$550,000 and \$705,000.
- Responding to the provincial enhancements to the HST structure the federal government should implement a progressive GST structure that is harmonized with the progressive provincial tax structure. **OHBA passed a resolution** to this effect on September 21, 2009.
- On October 25, 2009, **CHBA passed a resolution** for the federal government to adopt a GST rebate modeled on the progressive HST tax structure in Ontario.

Percentage of New Home Buyers Qualified for the GST New Housing Rebate Program, Census Data, 1991 and 2006



Source: Altus Group

Renovation Market

Economic Impacts of Residential Renovation Activity in Ontario

Year	2008	2009	2010
Value of Construction (\$ Millions)	\$20,700	\$21,100	\$23,100
Jobs Created (Total Person Years)			
- Direct (Construction)	108,700	109,000	115,700
- Indirect	90,600	90,800	96,300
- Total	199,300	199,800	212,000
Total Wages Generated (\$ Millions)	\$9,910	\$10,120	\$10,930

Source: Estimates by Will Dunning Inc

Rental Housing

Ontario Apartment Vacancy Rates

Privately Initiated Apartment Structures of Three Units and Over

	Vacancy Rates %		Average Rent 2 Bedroom (\$) (New and existing structures)	
	Apr 2010	Apr 2011	Apr 2010	Apr 2011
Barrie CMA	4.7	1.9	970	976
Brantford CMA	2.8	3.6	778	778
Greater Sudbury CMA	5.4	3.1	823	877
Guelph CMA	4.6	1.9	876	892
Hamilton CMA	4.1	3.5	868	856
Kingston CMA	2.2	1.7	895	966
Kitchener CMA	3.1	1.8	858	877
London CMA	4.0	4.7	862	873
Oshawa CMA	3.7	3.0	905	920
Ottawa CMA (Ontario Only)	2.4	1.8	1,061	1056
Peterborough CMA	6.6	2.3	891	882
St. Catharines-Niagara CMA	4.8	3.6	807	830
Thunder Bay CMA	2.9	2.1	759	762
Toronto CMA	2.7	1.6	1,134	1,124
Windsor CMA	12.4	9.4	736	761
Ontario 10,000+	3.4	2.5	978	980

Source: Canada Mortgage and Housing Corporation

EnerQuality Corporation

EnerQuality

- Jointly owned by the Ontario Home Builders' Association (OHBA) and the Canadian Energy Efficiency Alliance (CEECA), EnerQuality's mission is to transform Ontario's housing into the most energy efficient and sustainable in the world.
- EnerQuality designs and delivers programs to support builders deliver energy efficient, "green" homes. EnerQuality is a licensed service organization for ENERGY STAR® for New Homes, R-2000, the EnerGuide Rating Service, GreenHouse Certified Construction, and LEED Canada for Homes.

EnerQuality's Program Status

FY	ENERGY STAR®		ERS		R-2000		GreenHouse		LEED	
	Enrolled	Labeled	Enrolled	Labeled	Enrolled	Labeled	Enrolled	Labeled	Enrolled	Labeled
2006	96	96	606	606	102	86				
2007	5,431	1,246	2,431	878	113	70				
2008	4,897	3,300	603	938	100	40				
2009	13,730	5,848	2,072	701	138	63	16	33	1	0
2010	3,860	6,776	400	398	119	62	114	33	182	0
2011	6,213	7,263	280	570	160	138	59	82	178	2
2012 Q1	2,569	1,702	211	70	64	3	2	6	2	1
Total	36,779	26,231	6,758	4,316	1,047	712	194	111	363	3

Notes: EnerQuality's fiscal year is April 1 to March 31

EnerQuality is licensed by NRCan to deliver ENERGY STAR® for New Homes, the EnerGuide Rating Service and R-2000.

Source: EnerQuality Corporation



Programs



- Building Canada® is EnerQuality's consulting program designed to reduce builders' costs, increase customer satisfaction and improve the quality of the product. Building Canada deploys teams of building consultants to deliver improved product and company performance.



- Better Built Homes™ is EnerQuality's builder education program. Our curriculum offers affordable and practical workshops for builders, contractors, professionals and other industry stakeholders seeking to increase their knowledge.



- ENERGY STAR® for New Homes is the largest of EnerQuality's certification (labelling) programs. ENERGY STAR® qualified homes reduce energy consumption by approximately 25% and CO2 emissions by 2-3 tonnes per year over a code-built house.



- GreenHouse™ Certified Construction is for builders seeking the "next step" beyond ENERGY STAR®. GreenHouse™ adds water conservation, resource efficiency and indoor air quality to ENERGY STAR® qualification.



- LEED Canada for Homes offers builders an exhaustive rating system that allocates points in eight categories: energy efficiency, water conservation, resource management, indoor air quality, integrated design, consumer education, location and linkages and sustainable sites.



- R-2000 is the original labelling program for builders who want to certify their homes as "best-in-class" energy efficient.



- The EnerGuide Rating System rates the energy efficiency of new homes and offers builders a tool to benchmark the performance and upgrade the features in their homes.

OHBA/Tarion Liaison Committee

Builder Education Task Force (BETF)

- Tarion is considering adding an education component to the interview/entry process for new builders applying for Tarion registration.
- The BETF has only just begun its investigation into other jurisdictions and other provinces to examine how education is developed and managed.
- British Columbia has already established a similar continuing education training program and CHBA-BC as well as community colleges have input into the course curricula.
- Tarion wants to be transparent in the development of this program. This is a flexible process with no permanently established direction at this point. It is a vision statement in the early stages of discussion and Tarion would like to ensure OHBA is involved in the development and discussion.

Illegal Building

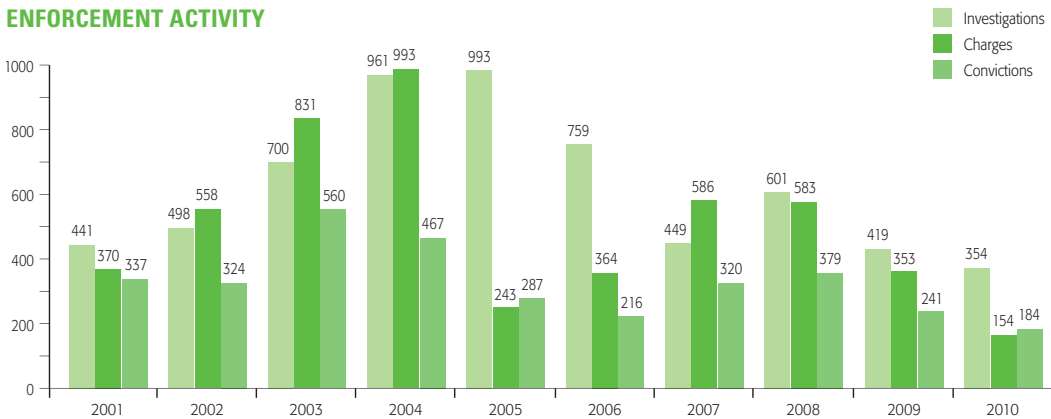
- Working in conjunction with OHBA and Tarion, the Ministry of Municipal Affairs and Housing included criteria outlined in the **Good Government Act, 2009** that installed the information sharing process into the **Building Code Act**.
- Information on all permits issued on or after January 1, 2011, regardless of when the permit was applied for, must be sent to Tarion. Municipalities will have 45 days after a permit has been issued to provide the prescribed information to Tarion. The information that is exchanged between the municipality and Tarion include:
 - Dates the permits are issued;
 - Information contained in the application form, other than the information contained in the schedules or other attachments to the application forms;
 - Information excludes building plans and designer information;
 - Some exemptions (e.g., extension or alteration of existing buildings, hotels, boarding, lodging and rooming houses);
 - Municipalities have 45 days after a permit has been issued to provide the prescribed information to Tarion;
 - In effect January 1, 2011.
- More information pertaining to the specific legislative requirements can be found on the Ministry of Municipal Affairs and Housing's website: www.mah.gov.on.ca
- The Tarion Warranty Corporation has been active in enforcing registration of builders and enrollment of homes in the province.

TARION Enforcement Activity

	2007	2008	2009	2010	2011 June YTD
Investigations	449	601	419	354	76
Charges Laid	586	583	353	154	31
Convictions	320	379	241	184	74
Fines Levied	\$616,000	\$851,000	\$1,040,000	\$345,000	\$86,000
Probation Orders	0	0	0	0	0
Jail Sentences	3	0	2	0	0
Fees Recovered	\$0.7 million	\$0.6 million	\$0.4 million	\$1.1 million	\$0.6 million

Source: Tarion Warranty Corporation

ENFORCEMENT ACTIVITY



Source: Tarion Warranty Corporation

- On average the total number of claims paid out by Tarion on a yearly basis due to illegal building activity is about 10.8% or \$1,232,377 per year.
- Efforts by OHBA have resulted in increased awareness of the prevalence of the underground economy in home construction. Both Tarion (**1-800-786-6497**) and WSIB (**1-888-745-3237**) have established hotlines to report illegal activity anonymously.

Major Structural Defect (MSD) Warranty Consultation

- The Tarion Board of Directors has agreed to continue to investigate options prior to implementing any changes to the current policy framework.
- This is a priority issue for OHBA, please refer to page 3 in the Priority Issues section for more information.

Performance-Based Pricing

- A task-force has been established by the Tarion Board of Directors to begin investigating first principles to guide the development of a proposal for performance-based pricing.
- Members of the task-force were selected by the Tarion Board of Directors, but OHBA/Tarion Liaison Committee members were not selected nor was OHBA consulted through the Liaison Committee about soliciting other member companies.

- The principle behind performance-based pricing is that a vendor/builder's registration fees and possibly house enrollment fees would be affected by their long-term performance with Tarion. This may lead to some form of reduced fee structure or credit system for top performers but the task-force has not yet formulated or circulated a proposal for comment or discussion.

Process for Designation of Tarion Board Members

- OHBA and the Ministry of Consumer Services presented an amended by-law to the Tarion Warranty Corporation Board of Directors in 2004 that was approved. OHBA plays a major role in the updated governance model nominating the builder Board members to the 15-member Board.
- OHBA annually strikes a *Nominations Committee* to recruit high-quality candidates to be considered for appointments to the Tarion Board of Directors. If there are any current Tarion Board members whose active term is up for review, the OHBA nominations committee will also interview these members to gauge their interest and ability to be considered for re-appointment.
- The OHBA Board of Directors and nominations committee continually looks for new candidates for consideration throughout the year and individual members or local associations may submit names to the OHBA President or OHBA Board of Directors at any time.

Security Release Process

- There is industry concern that Tarion is holding onto securities longer than perceived necessary in today's marketplace. Tarion has identified approximately 55 projects where they can examine the early release of securities in an attempt to revise the release timeframes and processes.
- If a builder's project is prime for release, Tarion is agreeable to reviewing their situation upon request and perhaps entering into an accelerated process.
- Tarion will continue to review the timelines in *Builder Bulletin 28* in 2011 and 2012.

Tarion Builder Bulletin 19 – Review

- Through internal Tarion condo committee meetings as well as a general meeting with OHBA condominium builder members, Tarion has revised *Builder Bulletin 19* as it relates to the condominium common elements claims process.
- Tarion and OHBA have been concerned that *Bulletin 19* did not provide sufficient closure for these types of buildings to Tarion, condominium boards and owners as well as condo builders.

- Revisions to the Bulletin includes a more robust performance audit tracking summary and schedule of reporting deadlines that will ease the difficulty of communication experienced by the various parties when attempting to reconcile warranty issues stemming from a building's performance audit.
- Revisions also establish warranty related reporting procedures for common element items for condo corporations that were more ambiguous in the past.
- With the changes in place, *Bulletin 19* has been replaced by *Bulletin 49 Claims Process – Condominium Common Elements* and can be viewed under the Builder Bulletin section of the Tarion website: www.tarion.com
- Tarion continues to host Builder Clinics focusing on the changes to *Builder Bulletins 19* and *49*.

Tarion Construction Performance Guidelines Review

- In the winter of 2009, Tarion established a working group to review and recommend changes to the 2003 Edition of the *Construction Performance Guidelines (CPG)*. The working group is made up of OHBA builder members, a consumer representative, a building science professional from Ryerson University, members from the Ontario Building Officials' Association, and the Canadian Association of Home Inspectors.
- The working group reviewed over 160 requests for revisions to existing CPG items and drafted proposals for new items not covered in the previous edition based on suggestions from Tarion staff, builders and other stakeholders.
- Tarion conducted a public consultation on the proposed items in late 2010, received some comments and has been working on developing the next edition of the CPG.
- Tarion is hopeful that a revised *Construction Performance Guidelines* document will be available by the end of 2011.

Tarion Industry Data

	2007	2008	2009	2010	2011 YTD
New Home Enrollments	66,958	61,320	47,649	52,531	30,008
New Homes Under Warranty	458,290	454,575	431,981	414,445	408,171
Avg Sale Price – Freehold	\$353,135	\$365,084	\$376,828	\$380,414	\$416,942
Avg Sale Price – Low-rise Condo	\$252,232	\$280,746	\$274,489	\$260,961	\$246,181
Avg Sale Price – High-rise Condo	\$330,235	\$363,121	\$363,733	\$348,253	\$333,185
Registered builders/vendors	5,809	5,840	5,517	5,391	5,338
License refusal/revocations	99	113	94	48	10

Source: Tarion Warranty Corporation

Land Development Committee

Archaeological Clearances

- The *Standards and Guidelines for Consultant Archaeologists (S&G)*. Compliance was mandatory on January 1, 2011. OHBA expressed strong concerns regarding increased requirements leading to higher costs as well as uncertainty with respect to the aboriginal engagement policies.

Brownfields

- A package of regulatory amendments to Brownfields Regulations (O. Reg 153/04) for Records of Site Condition (EBR posting #010-4642) was approved in December 2009 along with a number of additional technical amendments in spring 2011. Several aspects of the package were revised and updated from earlier proposals following stakeholder consultations and the **OHBA/BILD Submission** to the provincial government.
- Amendments to O.Reg 153/04 address the following areas:
 - Enhanced Record of Site Condition integrity;
 - A new ‘modified generic’ streamlined risk assessment;
 - Strengthened standards;
 - A number of other technical amendments;
 - Implementation and transition.
- Transition:
 - 18-month implementation period (until July 1, 2011);
 - Projects meeting certain criteria can be transitioned with a 3-year sunset date (January 1, 2013).
- **OHBA has expressed concern** that increased standards will impact the viability of redeveloping many brownfields sites.
- OHBA is represented on the Brownfields Stakeholder Group.
- **OHBA is supportive** of OREA’s proposal that the provincial government amend O. Reg 282/98 of the **Assessment Act** by adding a new property tax class for brownfield properties that are “under remediation.”

Conservation Authorities

- The Conservation Authority Liaison Committee (CALC) was formed by the Ministry of Natural Resources (MNR) in conjunction with the Ministry of Municipal Affairs and Housing. OHBA, BILD and HHHBA are represented on the CALC, which was created to discuss conservation authority involvement in the development process with a variety of stakeholders. The CALC functions in an advisory capacity to the Minister of Natural Resources.

- A new *Policies and Procedures for Conservation Authority Plan Review and Permitting Activities* was released in spring 2010. The new manual will facilitate streamlining of the CA permit application review processes by:
 - the establishment of complete application requirements;
 - the establishment of decision-making timelines (MNR will monitor compliance for a period of one year commencing in January 2011);
 - granting applicants the right to appeal a non-decision of a CA.
- Amendments to Ontario Regulation 97/04 to simplify and streamline the Conservation Authority permitting process were posted on March 8, 2011 and are now in force. As a consequence of the approval of the O.Reg 97/04 amendments, the 36 individual CAs section 28 regulations will need to be amended to confirm the new O.Reg 04/11. **OHBA made a submission** to MNR on December 13, 2010 **supporting the proposed amendments** that will:
 - Enable delegation of positive permit decisions to conservation authority staff;
 - Extend the maximum period of validity of a permit from 24 to 60 months.
- As part of the *Open for Business* initiative, MNR is reviewing the degree to which CAs adhere to the current CA fee policy. The Ministry will consider CALC recommendations regarding amendments to the policy guidelines on how fees are set.

Development Charges Act

- Development charges have increased significantly across Ontario over the past decade. OHBA is concerned development charges have become an easy method to increase municipal revenue with the least political impact.
- OHBA recognizes the poor fiscal situation that municipalities are faced with due to previous downloading and aging infrastructure. Therefore OHBA **is supportive** of provincial uploading through the *Provincial Municipal Fiscal and Service Delivery Review*. OHBA supports additional infrastructure funding from senior levels of government.
- In 2008, out of concern for increasing municipal development charges, BILD released a report entitled *Over the Top* pulling together development charges data from GTA municipalities. The report found that since 2001 the average development charge in the GTA increased by more than 6.5 times the rate of inflation.
- High development charges negatively affect housing affordability and ultimately impact workforce availability and economic competitiveness in an increasingly globalized economy.
- **OHBA is opposed** to amendments to the **Development Charges Act** that would decrease housing affordability by shifting additional infrastructure financing responsibility from the broader tax base onto new home buyers.

Development Charges, GTA

Summary of Development Charges in the GTA Single Family Dwelling Units – July 2011

Municipality	Region	TOTAL	Region DC	Municipal DC	GO Transit DC	EDC
Municipality	Region	TOTAL	Region DC	Municipal DC	GO Transit DC	EDC
Markham	York	\$52,268	\$31,686	\$18,256	\$306	\$2,020
Aurora	York	\$48,799	\$31,686	\$14,787	\$306	\$2,020
Newmarket	York	\$47,339	\$31,686	\$13,327	\$306	\$2,020
Oakville	Halton	\$47,249	\$24,165	\$18,433	\$986	\$3,665
Vaughan	York	\$46,243	\$31,686	\$12,231	\$306	\$2,020
Whitchurch-Stouffville	York	\$45,525	\$31,686	\$11,513	\$306	\$2,020
Richmond Hill	York	\$45,434	\$31,686	\$11,422	\$306	\$2,020
King	York	\$45,300	\$31,686	\$11,288	\$306	\$2,020
Milton	Halton	\$45,143	\$24,165	\$10,908	\$986	\$3,665
East Gwillimbury	York	\$44,922	\$31,686	\$10,910	\$306	\$2,020
Brampton	Peel	\$43,129	\$16,897	\$24,022	\$451	\$1,759
Halton Hills	Halton	\$42,418	\$24,165	\$13,602	\$986	\$3,665
Georgina	York	\$38,263	\$31,686	\$4,251	\$306	\$2,020
Caledon	Peel	\$37,566	\$16,897	\$18,459	\$451	\$1,759
Clarington	Durham	\$36,743	\$19,535	\$14,616	\$628	\$1,964
Burlington	Halton	\$36,371	\$24,165	\$7,555	\$986	\$3,665
Brock	Durham	\$35,417	\$19,535	\$13,290	\$628	\$1,964
Mississauga	Peel	\$35,350	\$16,897	\$16,243	\$451	\$1,759
Scugog	Durham	\$33,689	\$19,535	\$12,190	\$628	\$1,964
Ajax	Durham	\$33,433	\$19,535	\$11,306	\$628	\$1,964
Uxbridge	Durham	\$32,191	\$19,535	\$10,692	\$628	\$1,964
Whitby	Durham	\$31,911	\$19,535	\$10,412	\$628	\$1,964
Pickering	Durham	\$31,193	\$19,535	\$9,694	\$628	\$1,964
Oshawa	Durham	\$29,109	\$19,535	\$6,982	\$628	\$1,964
Toronto		\$14,569		\$14,025		\$544

Source: Building Industry and Land Development Association

Development Charges, Various Ontario Municipalities

Summary of Development Charges in the Ontario Single Family Dwelling Units – July 2011

Municipality	Region/ County	TOTAL	Region DC	Municipal DC	Education DC	Go Transit DC
Innisfil (Alcona)	Simcoe	\$36,931	\$3,892	\$31,951	\$1,088	-
Binbrook	Ham-Wentworth	\$31,323	\$26,927	\$3,571	\$610	\$215
Dundas (Hamilton)	Ham-Wentworth	\$29,315	\$26,927	\$1,563	\$610	\$215
Barrie		\$28,377		\$27,289	\$1,088	-
Hamilton	Ham-Wentworth	\$27,752	\$26,927	-	\$610	\$215
Waterloo	Waterloo	\$27,730	\$12,377	\$13,622	\$1,691	-
Cambridge	Waterloo	\$25,311	\$12,377	\$11,243	\$1,691	-
Ottawa (outside greenbelt)		\$24,793	-	\$23,167	\$1,626	-
Guelph		\$24,318	-	\$23,021	\$1,297	-
Kitchener	Waterloo	\$23,149	\$12,377	\$9,081	\$1,691	-
Lincoln	Niagara	\$22,841	\$8,308	\$14,533		-
London (inside growth area)		\$22,598	-	\$22,219	\$379	-
Collingwood	Simcoe	\$21,341	\$3,892	\$16,361	\$1,088	-
Midland	Simcoe	\$20,109	\$3,892	\$15,129	\$1,088	-
Orillia		\$19,117	-	\$18,029	\$1,088	-
Grimsby	Niagara	\$18,165	\$8,308	\$9,857	-	-
Niagara Falls	Niagara	\$18,068	\$8,308	\$9,760	-	-
Wasaga Beach	Simcoe	\$16,670	\$3,892	\$11,721	\$1,088	-
Windsor	Essex	\$16,378	-	\$15,787	\$591	-
Brantford	Brant	\$16,336	-	\$15,708	\$628	-
Ottawa (inside greenbelt)		\$15,752	-	\$14,126	\$1,626	-
Welland	Niagara	\$14,823	\$8,308	\$6,516	-	-
Kingston		\$14,050	-	\$14,050	-	-
Peterborough (Average)		\$12,805	-	\$12,805	-	-
Sudbury	\$11,597	-	\$11,597	-		
St. Thomas		\$6,857	-	\$6,857	-	-
Sarnia		\$5,508	-	\$5,508	-	-

Source: Ontario Home Builders' Association

* Special Area Charge

Endangered Species Act

- Under the **Endangered Species Act, 2007** (ESA) the purpose of a habitat regulation is to contribute to the protection of threatened and endangered species.
- Ogden's Pondweed, Eastern Flowering Dogwood, and Redside Dace were listed as endangered in February 2009. Since that time, all three species have received species and general habitat protection. For each of these species:
 - Recovery strategies with recommendations for areas that should be considered in the development of a habitat regulation were published in February 2010;
 - *Government Response Statements* summarizing the government's intended actions and priorities were finalized in November 2010;
 - Draft habitat regulations have been developed by MNR and were posted on the *Environmental Registry* for comment in February 2011. **OHBA made a submission** on April 4, 2011 outlining transition concerns and noting the importance of integrating permit policies into the broader planning process.
- In June 2011 a transition regulation under the ESA for protection of Redside Dace was posted following extensive consultation between the Ministry of Natural Resources, OHBA and BILD to develop an amended regulation. The intent of the transition is to allow for the development of land when an Official Plan amendment has already been approved between the dates of Sept 27, 2002 and July 1, 2011. There are some conditions set out in the transition regulation and certain projects are exempted from the legislated permit requirements related to the protection of Redside Dace habitat.
- The Ministry has invited OHBA to participate in a roundtable regarding the Bobolink.
- **OHBA supports** the Ontario government's commitment to species protection and believes that the habitat regulation should work in conjunction with existing legislation and complement other important provincial goals and objectives.

Government Imposed Charges

- The November 2010 CMHC study *Government Imposed Charges on New Housing in Canada* examined new housing data for 2009 in seven Ontario municipalities.
- The study of the charges and taxes imposed by all levels of government determined that the government imposed charges (GICs) for median priced single-family homes ranges from a low of \$32,535 in Sudbury to a high of \$141,120 in Toronto.
- Total GICs as a percentage of the price on a median priced single-detached dwelling in the seven Ontario municipalities studied ranged from 10.2% in Sudbury to 18.9% in Vaughan. In fact, other than Sudbury, the remaining six Ontario municipalities involved in the study all had GICs of over 15% of the median selling price. Furthermore, when compared to the previous 2007 CMHC study, GICs as a percentage of overall home prices has increased across Ontario.

- Development Charges
 - Municipal Development Charges
 - Regional Development Charges
 - Education Development Charges
 - GO Transit Development Charges

- Various Additional Municipal Charges
 - Storm Water Management
 - Topsoil Removal Fee
 - Regional Water Meter Fee
 - Engineering Design Review and Inspection fee
 - Public Art Charges
 - Engineering Fees
 - Parkland Dedication Fees (Cash-in-Lieu)
 - Building Permit Fees
 - Section 37

- Planning Fees (Various Development Application & Processing Fees)
 - Plan of Subdivision (singles and row houses)
 - Plan of Subdivision Registration/Review
 - Site plan approval
 - Plan of Condominium

- Ministry of Environment Engineering Review
- Land Registry Closing Fees (Title Registration)
- Conservation Authority Fees
- Electrical Permit - Electrical Safety Authority
- Legal Fees

- Land Transfer Tax
 - Provincial LTT
 - Toronto LTT

- HST (Provincial portion + GST)
- Costs associated with municipal by-laws
- Additional costs due to building code changes

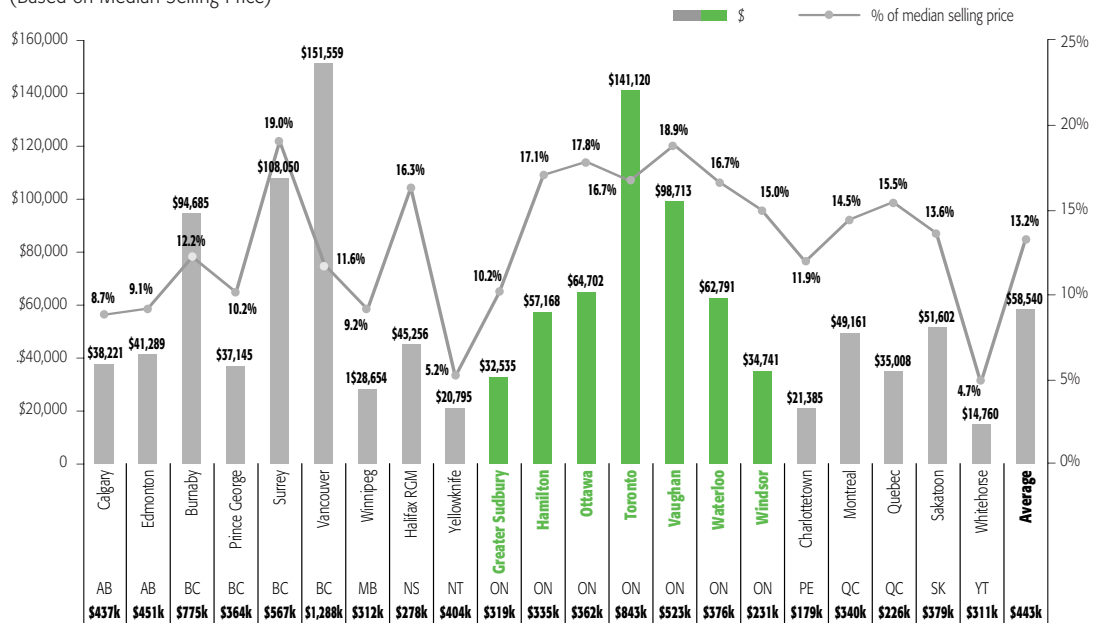
- WSIB Premiums (Home Builder Rate Group) + WSIB Premiums passed on to builders by trades

- Surcharges imposed by trades to cover potential Ministry of Labour safety fines

- Tarion Registration Fees
- Tarion Enrolment fees

New Single Detached Homes – 2009 Total Estimated Municipal, Provincial and Federal GICs

(Based on Median Selling Price)

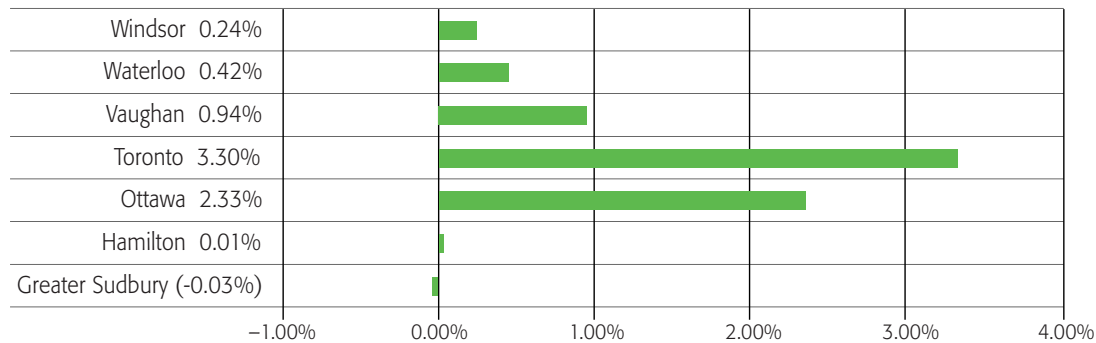


Source: Canada Mortgage and Housing Corporation

- **OHBA is alarmed by the upward trend in taxation** and government imposed charges on new housing in jurisdictions across Ontario.

% Change in Municipal, Provincial and Federal Estimated Government Imposed Charges 2006 to 2009 as a share of the selling price

(Median Priced - Single Detached Unit)



Source: Canada Mortgage and Housing Corporation

> OHBA will continue to present this data to all levels of government to demonstrate how increasing GICs undermine housing affordability and choice for the new home purchaser.

Greenbelt Plan

- There are three main policy areas in the Greenbelt Plan:
 - Agricultural System (Specialty Crop, Prime Agriculture & Rural Areas);
 - Natural System (Natural Heritage System, Water Resource System, Features);
 - Settlement Areas (Towns/Villages, Hamlets).
- The Greenbelt Plan protects 1.8 million acres of land in the Golden Horseshoe including previously protected lands on the Oak Ridges Moraine and the Niagara Escarpment.
- A plan review every 10 years (2015), coordinated with the NEP and ORMCP;
- A 2011 Report by *Friends of the Greenbelt Foundation* noted that the supply of land in the 'white-belt' should accommodate further changes in urban boundaries for several generations. In effect, the 'white-belt' will buffer the greenbelt from northward urban expansion.

Greenbelt Expansion – Growing the Greenbelt

- Greenbelt expansion requests must follow six criteria:
 1. Begins with a municipal request, passed by a council resolution;
 2. Identify an area either adjacent to, or have a functional relationship to the Greenbelt;
 3. Embraces the Greenbelt purpose;
 4. Connections to Greenbelt Systems;
 5. Complements the Growth Plan for the Greater Golden Horseshoe;
 6. Timing and Relationship to Other Provincial Initiatives.
- Criteria on Growing the Greenbelt including detailed maps of the existing Greenbelt can be accessed directly at www.greenbelt.ontario.ca.

Growth Plan – Greater Golden Horseshoe – Places to Grow

- *Places to Grow* outlines a vision and strategy for the future of the Greater Golden Horseshoe. The number of people living in the Greater Golden Horseshoe is projected to grow by an additional 2.4 million people over the next two decades, bringing the region's population to over 11.5 million by 2031.
- The goal of *Urban Growth Centres* (UGCs) and intensification corridors is to achieve a vibrant, compact, efficient urban form. UGCs will meet or exceed provincial intensification targets and transit supportive densities.
- This year, the Ontario Growth Secretariat is undertaking a review of the population and employment forecasts contained in the Growth Plan.
- Municipalities were required to have brought Official Plans into conformity with the Growth Plan by June 2009. The province has allowed extensions to municipalities to complete their conformity exercises.
- The *Final Built Boundary* was released in April, 2008. A minimum 40% intensification target of new growth will occur inside the built boundary by 2015.
- In July 2011, the Ministry of Infrastructure released a *Five-Year Progress Update* of the growth plan that showcases how the Growth Plan policies and other initiatives are starting to shape the Greater Golden Horseshoe:
 - The update clarified the status of the 'white-belt' lands as an urban reserve by noting that it will be necessary to bring new lands into the urban envelop in the future;
 - Municipalities in the GTAH contain approximately 227,000 hectares of built-up land;
 - As of June 2011, they have approximately 51,800 hectares of designated greenfield land that will accommodate future urban uses;
 - Beyond the lands that are currently designated for urban uses, these municipalities also have approximately 55,000 hectares of rural and agricultural lands within their boundaries that are not part of the greenbelt;

- These municipalities have proposed to re-designate between 8,000 and 10,000 hectares of rural and agricultural land to designated greenfield area. As of June 1, 2011, these proposals are either in process or before the Ontario Municipal Board awaiting a final decision;
- Final decisions on these matters must conform to the Growth Plan.

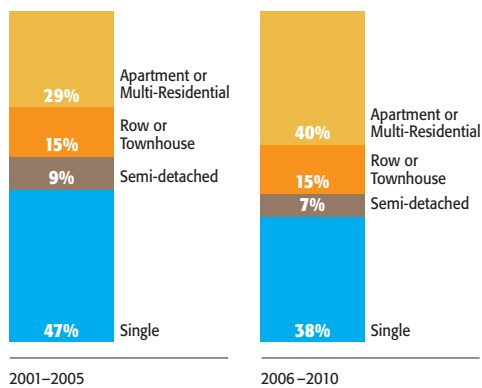
Inner Ring Municipal Land Designations

Municipality	Built-Up Area* (hectares)**	Designated Greenfield Area*** (hectares)**
Hamilton	20,300	3,000
Halton	22,400	8,400
Peel	50,800	11,300
York	44,000	18,000
Durham	28,200	11,100
Toronto	61,300	-
Total	227,000	51,800

* Based on the Built Boundary as delineated by the Minister of Infrastructure, 2008. ** All figures are approximate. Source: Ministry of Infrastructure
 *** Designated Greenfield Area is defined as the area within a Settlement Area that is not Built-up Area. Settlement area calculations are based on mapping contained in existing, approved Official Plans for regional- and single-tier municipalities as of June 1, 2011. The figures may not include some small unserviced or partially serviced settlement areas.

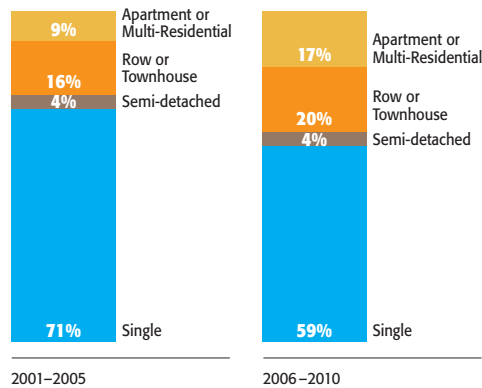
- The *Five-Year Progress Update* indicates a shift toward more intensified housing types has occurred across the Greater Golden Horseshoe over the past five years.

INNER RING Municipalities: Housing Construction Starts by Unit Type

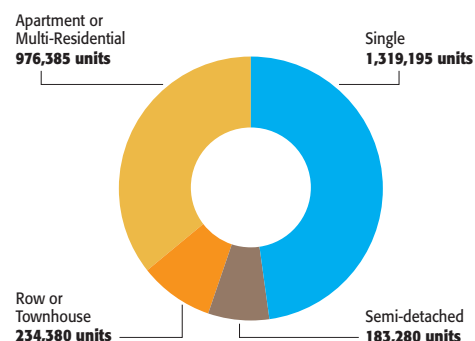


Source: Ministry of Infrastructure

OUTER RING Municipalities: Housing Construction Starts by Unit Type

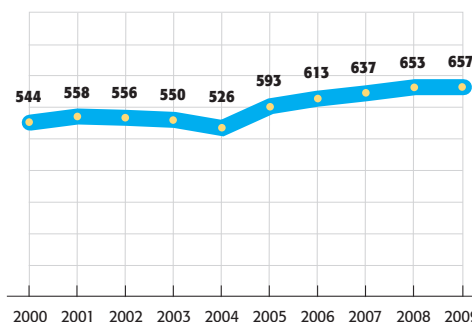


Total Housing Stock in Greater Golden Horseshoe Census Metropolitan Areas – 2006



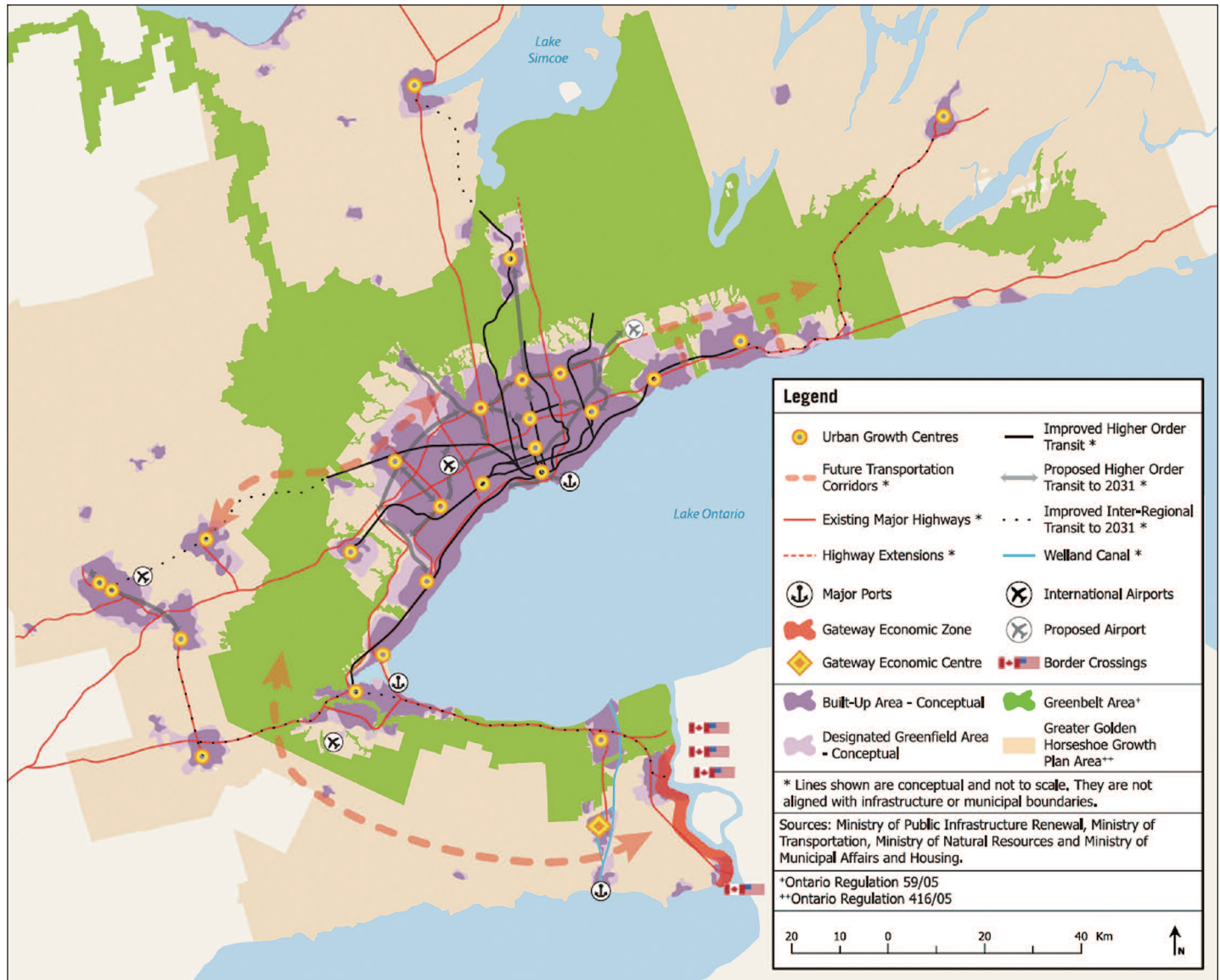
Source: Ministry of Infrastructure

Annual Transit Passenger Trips in the Greater Golden Horseshoe (in millions)



- **OHBA has outlined a number of concerns** with the implementation of the growth plan as well as **recommending** a number of Tools to Support Intensification. This is a priority issue for OHBA – please see page 2 for more information.
- All OHBA *Places to Grow* submissions are available by contacting OHBA or visit www.placestogrow.ca for more information on *Places to Grow*.

Places to Grow: Growth Plan for the Greater Golden Horseshoe Concept



Source: Ministry of Infrastructure

Growth Plan for Northern Ontario

- On March 4, 2011, the Ontario Government released the *Growth Plan for Northern Ontario, 2011*, under the authority of the **Places to Grow Act, 2005**.
- The plan will guide policy and decision making in Northern Ontario by:
 - Establishing a *Northern Policy Institute* to assist in implementing and monitoring the growth plan;
 - Developing a long-term strategy to create a more integrated transportation infrastructure system for air, rail, road and water;
 - Bringing together northern community and business leaders to support regional economic planning, business innovation and entrepreneurship.
- The *Growth Plan for Northern Ontario, 2011* is available at www.ontario.ca/placestogrow

Growth Plan – Simcoe Area

- In March 2011, the *Provincial Development Facilitator* was assigned to work with municipalities in the Simcoe area on the *Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe*. The facilitator has been directed to assist in three specific areas:
 - Identify how to manage the oversupply of land;
 - Identify how to implement the policies in the proposed amendment;
 - Develop alternative intensification and density targets for the designated greenfield areas in the county.
- In October 2010, the province released the *Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe*.
- The *interim settlement area boundary* is a new concept in the Simcoe Sub-Area and differs from other jurisdictions in the growth plan area. **OHBA does not support** this new designation and objects to how it may affect land owners and the orderly expansion of urban areas. The February 2011 **OHBA Submission** responding to the *Proposed Amendment 1 to the Growth Plan for the Greater Golden Horseshoe* is available at www.ohba.ca
- The **Barrie-Innisfil Boundary Adjustment Act, 2009** expanded Barrie's municipal boundary by approximately 2,293 hectares (5,666 acres) effective January 1, 2010. OHBA made a presentation to the Standing Committee on Justice Policy in November, 2009 **supporting the legislation**.

Inclusionary Zoning

- Inclusionary zoning is a barrier to overall housing affordability and supply. As the term is used, "inclusionary zoning" would require private sector obligations towards subsidized housing through policies requiring land, housing units and/or cash-in-lieu. While some new affordable units are created, the effect is that the remaining 'market' units are forced to subsidize these units, making them less affordable.

- The Provincial Government considered planning tools such as inclusionary zoning during the consultation process for the *Long-Term Affordable Housing Strategy*. The province recognized that municipalities already have a range of fiscal and planning tools that they can utilize in efforts to enhance opportunities to provide affordable housing.
- The December 2009 **OHBA submission** on the *Long-Term Affordable Housing Strategy*, **OHBA strongly cautioned** against permitting municipalities to implement inclusionary zoning policies.
- In May, 2008 Altus Clayton released *The Potential Effects of Inclusionary Zoning in Canada*. Key findings of the study include:
 - Inclusionary zoning policies ask a small minority (new homebuyers and land owners in affected jurisdictions) to bear the cost of a social subsidy which should be spread across all taxpayers and preferably by provincial and federal governments that have the broadest and most progressive tax bases;
 - In most cases, it is necessary to provide incentives or compensation to developers to ensure that housing projects are financially feasible;
 - As a form of zoning restriction, inclusionary zoning ultimately worsens overall housing affordability rather than improving it.
- Inclusionary zoning proponents have advocated for incentive trade-offs such a density bonusing which **OHBA believes is problematic**. The provincial planning regime through recent amendments to the **Planning Act** (Bill 51), Places to Grow, the Provincial Policy Statement directs growth to achieve higher densities and a high-quality urban form on the basis of current urban planning principles. Exchanging a social good (subsidized units) as the currency to achieve the desired urban form planned in the provincial legislative framework will jeopardize intensification efforts.
- Appropriate zoning should reflect Official Plans, the PPS and the growth plan and therefore urban lands should not be under-zoned whereby the provision of subsidized units unlocks appropriate densities.

Lake Simcoe Protection Plan

- The *Lake Simcoe Protection Plan* came into effect on June 2, 2009.
- **OHBA made a submission** in 2009 supporting the long-term objective to improve water quality by reducing phosphorus loadings and other pollutants. **OHBA outlined industry concerns** including: aggressive phosphorus loading reduction targets and the costs of capital upgrades required for sewage treatment plants and for communities without Storm Water Management facilities, as well as the Barrie/Innisfil servicing dispute.
- For more information on Lake Simcoe visit:
www.ene.gov.on.ca/en/water/lakesimcoe/

Long-Term Affordable Housing Strategy

- In November 2010, the provincial government released the *Long-term Affordable Housing Strategy* as a key component of the *Poverty Reduction Strategy*.
- The **Strong Communities Through Affordable Housing Act, 2011** (Bill 140), received Royal Assent on April 19, 2011 with the support of all parties. OHBA appeared before the Standing Committee on Justice Policy on March 24, 2011 **in support of the proposed legislation**. Key components include:
 - Changes and enhancements to simplify the *Rent-Geared-to-Income* programs;
 - Adjustments to service managers in terms of the delivery of affordable housing;
 - Changes to the **Planning Act** that require municipalities to have policies in their Official Plans allowing for secondary suites in both new and existing communities;
 - Once policies are established in the municipal official plans, individual secondary suites cannot be appealed to the OMB.
- In December 2009 **OHBA provided the province with a comprehensive submission** (available at www.ohba.ca) with **six key recommendations**:
 - Create a long-term portable housing allowance program to provide immediate assistance to low income households who have housing affordability problems;
 - Require municipalities to permit 'as-of-right' secondary suites across Ontario;
 - Stop the regressive taxation of tenants by equalizing residential and multi-residential property tax rates across Ontario;
 - Remove government imposed cost and regulatory barriers to the supply of land and new housing which constrain housing opportunities for lower income households;
 - Address homelessness by focusing on special needs housing and services for the hard-to-house and integrating enhanced support services within housing projects;
 - Make strategic investments to fix Ontario's existing social housing stock.

Ontario By the Numbers

- > **3.2 million** households
- > **1.3 million** renters
- > **260,000** renters in social housing
- > **33,000** receiving rent subsidies
- > **6,000** using shelters daily

Source: Ministry of Municipal Affairs and Housing

Land Claims

- OHBA has encouraged both the federal and provincial governments to take action and demonstrate leadership in resolving the complex land claims issue along the Grand River and elsewhere in Ontario. Home builders are suffering severe consequences through no fault of their own. The lack of progress and urgency by both the provincial and federal government is of concern.

Metrolinx

- The **Greater Toronto and Hamilton Area Transit Implementation Act, 2009** created a single transit agency (combining GO Transit with Metrolinx) and a regional network for the Greater Toronto and Hamilton Area (GTHA). The legislation brought together the planning expertise of Metrolinx and GO Transit's expertise in operating GO bus and rail networks.

Metrolinx: The Big Move



Source: Metrolinx

- Metrolinx launched its *Regional Transportation Plan* in November, 2008. It is a \$50 billion plan over 25 years, designed to help alleviate gridlock and improve transportation. It recommends new projects including: new subway lines, light rail lines, extending and improving existing GO Transit lines and high speed rail to Pearson Airport from Toronto.
- In 2013, Metrolinx plans to begin a discussion on revenue tools to fund the long-term capital, operating and maintenance of the transportation system.
- For more information as well as updates, visit: www.metrolinx.com

MTO – Highway Expansion Projects

- 400 North – construction is ongoing to twin the highway 69 freeway from Parry Sound to Sudbury with a targeted completion of 2016 (www.highway69.ca).
- 401 Windsor-Essex Parkway – connecting the 401 to the US border. Construction begins in 2011 with a targeted completion date in 2014 (www.weparkway.ca).
- 404 Extension – construction in two phases complete by July 2013.
- 407 East – expressway to be lengthened from Brock Road in Pickering to Harmony Road in Oshawa by 2015 and extended to Highway 35/115 by 2020 (www.407eastea.com).
- 427 Extension – EA has been approved (www.427corridor.com).
- GTA West Corridor – EA study has been initiated (www.gta-west.com).
- Mid-Peninsula Corridor – Phase 1 EA is complete (www.niagara-gta.com).

Ontario Municipal Board Reform / Planning Reform (Bill 51)

- The Ontario Municipal Board (OMB) is an independent adjudicative tribunal that hears appeals on a wide range of municipal and land-related matters. In 2009, OHBA and BILD made a joint presentation to the Standing Committee on Government Agencies regarding a regular review of the operation of the OMB and **supporting the critical role of the OMB** in the land-use planning approvals process.

Open for Business

- *Open for Business* is a provincial program to create faster, smarter and streamlined government-to-business services and to establish a modern system of government.
- Regulations affecting business now come into effect twice a year, on January 1st and July 1st to give business greater predictability.
- As of November 1, 2009, ministries must post all proposed regulations that affect Ontario businesses on the regulatory website.

- **BILD submitted five items** that impact the residential construction industry in the spring of 2010 for consideration under the *Open for Business* initiative:
 - **Item 1** – Roles, Policies and Procedures for Conservation Authorities - clarify the roles and responsibilities of Conservation Authorities related to municipal planning, plan review and permitting.
 - **Item 2** – Role of the *Provincial Development Facilitator* - strengthen to assist stakeholder groups, to expedite and resolve planning and development issues, and avoid lengthy appeals to the OMB.
 - **Item 3** – Class Environmental Assessment (EA) Requirements for Collector Roads in Approved Secondary Plans - Arterial and collector roads that have been approved through a secondary plan are requested to be re-defined under the EA Act to recognize the environmental studies they have already been subjected to through the **Planning Act**. This would remove the duplication in the approvals process requirements.
 - **Item 4** – Ministry of Transportation (MTO) Role in Development Application Review Process - BILD recommended that the government streamline MTO's commenting agency role by establishing clear timeframes for the review of development applications & associated technical reports.
 - **Item 5** – Certificates of Approval for Water, Sewage and Storm Water Systems. Currently, under the **Ontario Water Resources Act**, submissions that are made to the Ministry of the Environment after review by the municipality and a professional engineer, often result in a costly wait time associated with the additional application process. BILD has requested specific conditions to qualify for automatic approval without a Certificate of Approval.
- Additional information:
www.ontariocanada.com/ontcan/1medt/downloads/ofb_BILD_pager_en.pdf

Parkland Dedication

- As required by the **Planning Act** any development must provide up to 5% of the land for parkland dedication at the time of development, or up to 1 ha per 300 dwelling units. If the development does not have a park site, the developer can be required to pay cash-in-lieu for the value of the land.
- In September 2009, an **OHBA resolution was passed** requesting the province to:
 - Reduce cash-in-lieu of parkland fees in urban growth centres and intensification corridors to promote intensification and affordability;
 - Include a provision in the **Planning Act** to allow a credit towards parkland dedication for 'passive parks' in lands ceded to Conservation Authorities, storm water drainage easements, and passive recreations lands surrounding storm water management ponds.

Provincial Affordable Housing Program

- Ministers at the federal, provincial and territorial levels signed a framework in July 2011 for federal affordable housing funding. The new framework will see \$1.4 billion spent on affordable housing up to 2014.
- The funds are part of the previous federal affordable housing program. In 2008 the plan included a total of \$1.9 billion in spending on housing and homelessness, with a two year affordable housing initiative that began in 2009.
- Funds will be provided through the agreement in a number of areas, including new affordable housing, renovations to existing housing, rent supplements, homeowner assistance and shelter allowances.

Provincial Municipal Fiscal and Service Delivery Review

- The *Provincial Municipal Fiscal and Service Delivery Review* released in fall 2008 is an agreement between the Province of Ontario, Association of Municipalities of Ontario and the City of Toronto.
- Key areas of reform include:
 - The province agreed in 2007, to fully fund the *Ontario Disability Support Program* and the *Ontario Drug Benefit* program by 2011;
 - In 2010, the province began uploading the municipal costs of *Ontario Works* benefits income and employment assistance over a period of nine years;
 - In 2012, the province will start to upload the costs of court security over seven years to a maximum of \$125 million annually at maturity.

Provincial Policy Statement (PPS)

- The province is currently conducting a five year review of the PPS.
- In October 2010 **OHBA submitted recommendations** to the Ministry of Municipal Affairs and Housing:
 - OHBA noted that the planning process has become increasingly complex with numerous layers of legislation and regulation interfacing with the land-use approvals process;
 - **OHBA expressed concern** that restrictive public policies drive land prices upwards and therefore negatively impacts housing affordability;
 - The PPS as a provincial document is too 'GTA-centric' in its policies;
 - **OHBA believes** that the PPS has potentially become too detailed and too prescriptive and leaves little room for flexibility and creativity.
- For the five year review, OHBA is represented on a General PPS Working Group as well as a Northern & Rural PPS Working group along with the Thunder Bay HBA, Sudbury & District HBA and the Stratford & Area BA.

Transit Supportive Guidelines

- The Ministry of Transportation (MTO) is updating the Province's *Transit Supportive Guidelines* first published jointly with the Ministry of Municipal Affairs and Housing in 1992. The draft guidelines provide municipalities with ideas, tools and best practices to consider transportation and land-use planning simultaneously in their local decision making in order to develop more transit supportive communities.
- **OHBA made a submission** to MTO on March 15, 2011 in response to the draft guidelines posted to the EBR (011-1329).

Health & Safety Committee

Construction Fatalities

Injury Rates per 100 Workers

	2010 Q1	2011 Q1
Fatalities	4	8
Criticals	28	36

Source: Ministry of Labour

Expert Advisory Panel on Occupational Health and Safety (Tony Dean Panel)

- The *Tony Dean Panel* was convened by the provincial government to provide a comprehensive review of the provincial health and safety system and to provide recommendations on how the system could be improved. The recommendations include:
 - *Mandatory Basic Occupational Health and Safety* awareness training and education that will require basic health and safety awareness training for all workers, supervisors;
 - Identify and develop mandatory training requirements for high-hazard work, particularly construction and work at heights;
 - Require mandatory training for workplace health and safety representatives;
 - Expedite the resolution of reprisal complaints under the **Occupational Health and Safety Act** (OHSA) and improve protection for vulnerable workers (i.e. youth, recent immigrants and foreign temporary workers) through mandatory training, greater availability of multilingual and web-based resource materials, and the establishment of a committee to advise the minister on issues related to vulnerable workers;
 - Improve support for small business by appointing a committee to advise the Minister;
 - The Ministry of Labour should assume responsibility for the co-ordination of a new prevention program delivery organization. This function is currently the responsibility of the WSIB and other partners;
 - Appoint a *Chief Prevention Officer*, reporting to the Minister of Labour, to coordinate and align prevention system strategies, priorities and programs, and oversee Ontario's Health and Safety Associations. The officer will report annually to the Minister on the state of the system and work collaboratively with all parts of the Ministry as well as with the *Prevention Council* to redesign injury prevention systems and integrate them with the Ministry's enforcement mandate;
 - The new prevention system should feature an appointed multi-stakeholder *Prevention Council*. As work begins to implement the recommendations and the new system structure, this Council would advise the *Chief Prevention Officer* and the ministry with respect to setting strategic priorities and measuring the system's progress.

Occupational Health and Safety Statute Law Amendment Act, 2011 (Bill 160)

- The legislation stems from the *Tony Dean Panel* recommendations and accomplishes two main tasks. First, it provides the Ministry of Labour jurisdiction for accident prevention as well as workplace safety training and education. Second, the legislation establishes the Office of a *Chief Prevention Officer* which will coordinate and align the prevention system. In addition a new *Prevention Council* is proposed, with representatives from labour, employers, and safety experts, to advise the *Chief Prevention Officer* and the Minister.

Ministry of Labour Enforcement Statistics

Work-Related Deaths as Reported by Ministry of Labour (MOL) and WSIB

Deaths	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Ministry of Labour	71	63	71	45	54	62	50	46	48	57
WSIB	93	103	98	89	74	77	91	63	64	67
Total deaths from traumatic injuries and other immediate causes	108	114	122	100	84	101	100	78	73	84
Occupational Disease Fatalities by Year Allowed	166	205	202	196	259	230	279	257	261	293

Source: Ministry of Labour and WSIB

Injury Rates per 100 Workers

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Allowed lost-time injuries	98,359	95,568	93,234	90,397	89,734	83,179	80,863	78,256	64,824	N/A
Estimated number of workers (millions) covered by the WSIB	4.0	4.1	4.2	4.3	4.4	4.5	4.5	4.6	4.5	4.7
Lost-time injury rate	2.6	2.5	2.3	2.2	2.1	2.0	1.9	1.8	1.7	1.4

Source: Ministry of Labour

Ministry of Labour Safety Prevention Program

- The province has introduced a new workplace safety toll-free phone number that the public and workers can call to report labour practices or work conditions that appear unsafe: **1-877-202-0009**.

Upcoming Ministry of Labour Blitzes

Provincial Blitzes Schedule 2011-2012

Focus	Program	Date
Musculoskeletal Disorders (MSD)	Industrial, Construction, Mining and Health Care Sectors	February 2012
Construction Trade Specific	Construction Sector	March 2012

Source: Ministry of Labour

Stilts Regulation

- The province has amended regulations to allow stilts to be used in residential construction. Stilts are permitted for use by workers installing insulation and vapor barriers and finishing drywall. Workers may use stilts only after they have completed special training with specific safety measures in place.
- For more information please visit: www.healthandsafetyontario.ca

Work Reintegration Policy

- The interim work reintegration policies integrate *Early and Safe Return to Work* (ESRTW), *Re-Employment and Labour Market Re-Entry* (LMR). CAD-7, MAP and Small business are not impacted by the changes to the draft NEER policy.
- Under the new approach, WSIB is phasing out the use of external *Labour Market Re-Entry* case managers. Instead, WSIB staff will manage injured workers' cases.
- For more information on the new policies, visit www.wsib.on.ca

Workplace Violence and Harassment Regulations

- Changes to **Ontario's Occupational Health and Safety Act** (OHSA) that will increase protection for workers from workplace harassment and violence came into effect in 2010.
- *Workplace violence* includes:
 - Physical force by a person against a worker, in a workplace, that causes or could cause physical injury to the worker;
 - An attempt to exercise physical force against a worker, in a workplace, that could cause physical injury to the worker;
 - A statement or behaviour that is reasonable for a worker to interpret as a threat to exercise physical force against the worker, in a workplace.
- *Workplace harassment* includes:
 - Engaging in a course of vexatious comment or conduct against a worker, bullying, intimidating or offensive jokes or innuendos, displaying or circulating offensive pictures or materials, or offensive or intimidating phone calls.
- Employers must:
 - Prepare policies with respect to workplace violence and workplace harassment;
 - Develop and maintain programs to implement their policies;
 - Provide information and instruction to workers on the contents of these policies.
- More detailed information has been published at IHSA:
http://www.healthandsafetyontario.ca/bundles/ihsa/news/workplace_violence.html

WSIB eClearance

- All employers, principals, contractors and subcontractors for all industries will be able to obtain and verify the authenticity of certificates of clearance online through the WSIB website using the new online eClearance system.
- In the past, obtaining a clearance typically took 24 to 48 hours as it was required to be issued by WSIB staff.
- WSIB changes include:
 - Clearances are now valid for up to 90 days instead of 60;
 - Predictable renewal dates will help you keep track of when clearances expire;
 - Generic clearances have been discontinued in favour of specific clearances that show specific principal-contractor business relationships.
- For detailed information please visit: www.wsib.on.ca

WSIB Mandatory Coverage – Independent Operators and Executive Officers

- Mandatory WSIB Coverage refers to the policies outlined in the **Workplace Safety and Insurance Act, 2008**. This legislation mandates independent operators and executive officers purchase WSIB insurance. The legislation provides limited exemptions for residential renovations and executive officers, however, the WSIB has not released finalized policies. The legislation is expected to come into force on January 1, 2012:
 - **OHBA continues to advocate against mandatory coverage** for independent operators and executive officers in construction;
 - The leader of the Official Opposition, Tim Hudak has stated that if elected Premier, he will cancel the mandatory coverage requirements in the legislation;
 - According to the Auditor General, the WSIB is expected to receive an additional \$72 million in annual revenues as a result of including this new group of workers.

WSIB Premium Rates 2011

- For 2012, WSIB premium rates for all rate groups increased by 2 per cent from 2011 levels.
- The WSIB noted in their release that any proposed changes to the premium rate structure resulting from the Harry Arthurs review would not come into effect until 2013.
- WSIB maximum insurable earnings ceiling for 2012 is \$81,700. This is an increase of 2.6 per cent from \$79,600 in 2011. The change to the earnings ceiling is linked to changes in average earnings in Ontario.

WSIB Premium Rates

Rate Group	Description	2010 Premium Rate (\$)	2011 Premium Rate (\$)	Premium Rate Change as % of 2011 Payroll
704	Electrical And Incidental Construction Services	3.60	3.53	0.1%
707	Mechanical And Sheet Metal Work	4.06	3.98	0.1%
711	Roadbuilding And Excavating	5.16	5.06	0.1%
719	Inside Finishing	7.33	7.19	0.1%
723	Industrial, Commercial & Institutional Construction	4.44	4.35	0.1%
728	Roofing	14.44	14.16	0.3%
732	Heavy Civil Construction	6.86	6.73	0.1%
737	Millwrighting And Welding	6.73	6.60	0.1%
741	Masonry	12.39	12.15	0.2%
748	Form Work And Demolition	17.86	17.51	0.3%
751	Siding And Outside Finishing	10.00	9.80	0.2%
764	Homebuilding	8.88	8.71	0.2%

Source: WSIB

WSIB Unfunded Liability Review

- The provincial government has commissioned an independent review of the WSIB's unfunded liability (UFL). The UFL is estimated to be in excess of \$12 billion.
- The Funding Review Panel:
 - Harry Arthurs – Committee Chair: labour law scholar
 - Maureen Farrow: external advisor on the WSIB Board of Directors' Investment Committee;
 - Buzz Hargrove: former National President of the Canadian Auto Workers;
 - John O'Grady: Chair of the Institute for Work and Health;
 - John Tory: former leader of the Progressive Conservative Party of Ontario.
- In early 2011, OHBA made an oral and a written submission to the UFL Panel. **The OHBA submission advocated for a balanced long-term approach** to tackle the UFL and suggested the WSIB needs to consider methods to reduce expenditures in addition to revenue increases. A copy of the **OHBA submission** is available online at www.ohba.ca
- The Panel will continue to meet with stakeholders and will finalize the report late 2011.
- A formal report will be provided to the WSIB and the Ministry of Labour in early 2012.
- Visit www.wsibfundingreview.ca

Renovators' Council

ecoENERGY Efficiency Initiative

- The Federal Government renewed the *ecoEnergy Retrofit Program* in the 2011 Budget. From June 6, 2011 until March 31, 2012 homeowners are eligible to receive grants of up to \$5000 to make their homes more energy efficient. There are two changes to the program; first participants must register directly with the program before booking their evaluation. Second, homeowners will now be required to provide receipts to their energy advisor at the time of the post-retrofit evaluation to confirm eligibility for the grant.
- The Government of Ontario does not offer funding for this initiative. However, the province is still offering rebates to cover the cost of a Home Energy Audit.
- For more information contact the ecoENERGY Initiative at www.eco-energy.gc.ca or the Office of Energy Efficiency – Natural Resource Canada at www.oee.nrcan.gc.ca under residential home improvements.

Harmonization and Renovations

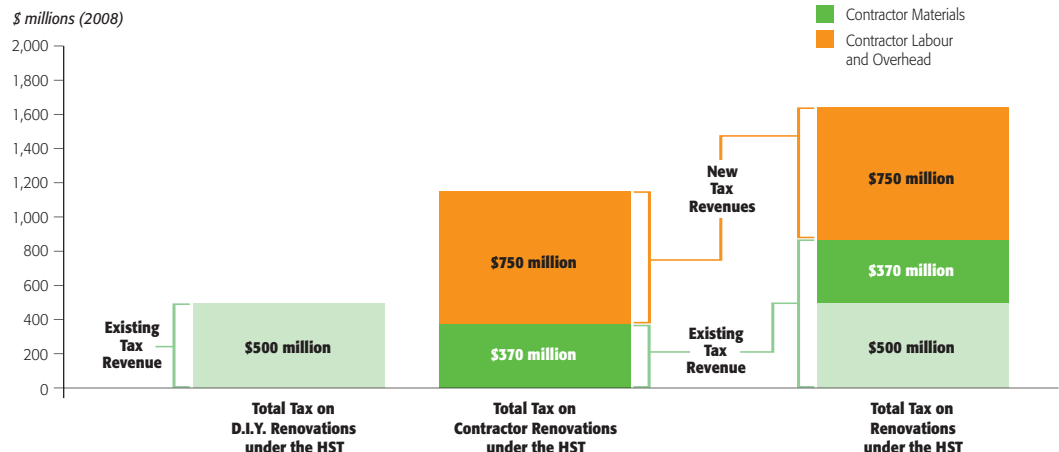
- The HST and residential renovations is a priority issue for OHBA – for more detailed information please refer to page 6 in the priority issues section.

> The residential renovation sector contributes over **\$23 billion** to the provincial economy and supports approximately **195,000 jobs**.

Source: Will Dunning Inc.

- Previously, only the renovation materials were subject to PST. With the full value of the renovation subject to HST, it has significantly impacted the residential renovation sector.
- **OHBA is concerned** that harmonization has further exacerbated the underground ‘cash’ economy problems experienced in the sector since the GST was initially introduced.

POTENTIAL PROVINCIAL GOVERNMENT REVENUES UNDER THE HST IN ONTARIO



Source: Altus Group Economic Consulting

- The CHBA *Pulse Survey* finds that “cash deal” arrangements were believed to be the most common for small renovation jobs. Based on the *Pulse Survey*, in combination with the estimated size of the total underground economy, the Altus Group estimates that underground practices in Ontario may account for:
 - 65% of renovation projects valued at between \$1 and \$4,999;
 - 53% of renovation projects valued at between \$5,000 and \$19,999 ;
 - 20% of renovation projects valued at between \$20,000 and \$49,000;
 - Up to 5% of renovation projects valued over \$50,000.

Potential Size of the Underground Economy in the Contractor Renovation Sector, 2008

Size of Contractor Renovation Project by Value Range	Total Contractor Renovation Activity (\$ millions)	Estimated Share of Underground %	Estimated Size of Underground (\$ millions)
\$1 - \$4,999	2,176	65	1,414
\$5,000 - \$19,999	5,693	53	3,006
\$20,000 - \$49,999	3,358	20	672
\$50,000 and over	2,863	5	143
Total	14,090	37	5,235

Source: Altus Group Economic Consulting

- To mitigate against underground economy activity, protect consumers and reduce government tax revenue leakage to the underground, **OHBA recommends:**
 - **The province should implement a new rebate for contractor renovations directly to the consumer** to encourage the collection of receipts and for contractors to operate in the legitimate economy. A 5.4% rebate (8% provincial portion of the HST minus 2.6% PST that was previously embedded in the cost of renovations for materials) of the contract value should be rebated directly to consumers. A rebate could also take the form of a tax credit, similar to the federally administered **Home Renovation Tax Credit**.
 - As an alternative, the government could implement a rebate policy for certain contractor renovations to be considered ‘major renovations’, which focus on capital investment rather than maintenance and repair. These rebates could be implemented under physical definitions or based on the project value (i.e. \$5,000+, \$20,000+ or \$50,000+).

Benefits of Various Rebate Programs to the Ontario Government, Option Two

Size of Contractor Renovation Project by Value Range	Total Contractor Renovation (\$ millions)	Estimated Share of Underground Economy %	Estimated Size of Underground Economy (\$ millions)	Total Tax Revenue Leakage (\$ millions)	Tax Loss Prevented		
					Under Definition \$5,000+ (\$ millions)	Under Definition \$20,000+ (\$ millions)	Under Definition \$50,000 (\$ millions)
\$1 - \$4,999	2,176	65	1,414	327	–	–	–
\$5,000 - \$19,999	5,693	53	3,006	696	348	–	–
\$20,000 - \$49,999	3,358	20	672	155	78	78	–
\$50,000 and over	2,863	5	143	33	17	17	17
Total	14,090	37	5,235	1,212	442	94	17

Source: Altus Group Economic Consulting

- **OHBA also recommends** that the federal government implement a permanent GST rebate or tax credit program to entice consumers to utilize the services of a legitimate, professional contractor rather than the underground ‘cash’ economy.
- On September 20, 2010, **OHBA passed a resolution** on renovations and the underground economy supporting a renovation tax rebate and other regulatory measures.
- On December 3, 2009, **OHBA made a deputation** to the Standing Committee on Finance and Economic Affairs regarding the implications of the HST for the renovation sector and the underground economy.
- On October 25, 2009, **CHBA passed a resolution** recommending that the federal government implement a renovation tax rebate under the GST to achieve revenue neutrality with the previous federal sales tax on home renovations.
- On September 21, 2009, OHBA **passed a resolution** recommending that the federal government modernize renovation tax policy to capture a significant portion of the renovation market. The resolution recommended that the provincial government ensure that the HST does not further encourage underground economic activity by increasing the tax burden on residential renovations.

Renomark – OHBA Support for Local HBA’s

- **OHBA has purchased RenoMark licenses** for all Ontario local HBA’s.
- Each local Home Builders’ Association has the option of joining the RenoMark program by contacting and signing an agreement with BILD.

To date, 16 OHBA locals are participating in the RenoMark program:

- | | |
|-------------------------|------------------------------------|
| > BILD | > Niagara HBA |
| > Chatham-Kent HBA | > Greater Ottawa HBA |
| > Greater Dufferin HBA | > Peterborough & The Kawarthas HBA |
| > Durham Region HBA | > Simcoe County HBA |
| > Guelph & District HBA | > St. Thomas-Elgin HBA |
| > Haliburton County HBA | > Quinte HBA |
| > Hamilton-Halton HBA | > Waterloo Region HBA |
| > London HBA | > Greater Windsor HBA |



- Visit www.Renomark.ca for more information.

Technical Committee

Accessibility for Ontarians with Disabilities Act (AODA)

- A public consultation on the proposed *Accessible Built Environment Standard* was opened from July to October 2009. **OHBA prepared two response documents** including a general policy discussion as well as an on-line submission of technical comments.
- The Minister of Community and Social Services announced that retrofitting of the existing built environment and housing would not be part of the consultation and subsequently not being considered by government at this time.
- Early in 2010, the committee revised the initial proposed standard to reflect the public's input resulting in the Final Proposed *Accessible Built Environment Standard*. The final proposed standard has now been submitted to the government for consideration, but is not law.
- No accessibility changes were proposed during the 2011 Building Code review process, however it is conceivable that there may be a separate Building Code consultation solely on accessible features sometime before the end of the 2011-2017 Code change cycle.
- The **Accessibility for Ontarians with Disabilities Act** (AODA) received Royal Assent in May 2005. The intent of the Act is to develop codes and standards to improve accessibility and freedom of movement within the province by January 1, 2025.
- The AODA takes a broad definition of those with disabilities from the *Human Rights Code* and includes such groups as people in wheelchairs, blind, deaf, autistic or other learning disabilities. The codes and standards will look to make changes in all sectors including transportation, customer service, business and construction (new and existing structures). **OHBA views this as a positive move** and will be working with the Ministry of Community and Social Services as the codes and standards develop.
- Work has already been completed on the standard for *Transportation and the Customer Service Standard* has already been adopted. Business owners should be aware of the *Customer Service Standard* and what it can mean to their operations. More information about the different accessibility standards (including the Built Environment Standard) can be found at: **www.ontario.ca/accesson**

Advisory Councils (BAC & BCCAC)

- The *Building Advisory Council* (BAC) was established in 2006 by the Minister of Municipal Affairs and Housing to provide strategic advice on policy, technical and administrative issues related to the Building Code and the Act.
- The BAC is composed of members nominated from various stakeholder organizations representing the three sectors of the construction industry in Ontario: building and construction; design; and municipal and regulatory interests.

- The *Building Code Energy Advisory Council* (BCEAC) was established under directive from the **Green Energy and Economy Act, 2009** to require regular review of the Building Code's energy conservation provisions at 5-year intervals. Topics outlined so far include improving energy efficiency in houses and large buildings as well as potential integration of renewable energy sources into the Building Code. The group has proposed long-term proposals to increase energy efficiency aspects of the Building Code over the next 20 years. These proposals include options for a 5%, 10% or 20% increase in energy efficiency beginning at the next Code change cycle (2017). The proposals are being considered during the public consultation of the 2011 Building Code.
- With the passing of the **Water Opportunities and Water Conservation Act, 2010**, the BCEAC's mandate was expanded to include water conservation measures and renamed to the *Building Code Conservation Advisory Council* (BCCAC). As before, the function of the BCCAC is to provide strategic and technical advice to the Minister of Municipal Affairs and Housing on energy and water conservation measures that could be considered for future editions of the *Ontario Building Code*.
- There are 13 members on the Council: OHBA President Doug Tarry and BILD Chair Paul Golini have been appointed to the BCCAC.

Good Government Act, 2009

- The **Good Government Act, 2009** received Royal Assent on December 15, 2009 and is a lengthy government omnibus piece of legislation which notably includes amendments to the **Building Code Act, 1992** (BCA), including the following:

Complete Permit Application:

- Responds to recommendations submitted by BAC in March 2007;
- A complete application must meet certain threshold requirements:
 - Including use of provincial building permit applicable form and payment of applicable fees;
- The Chief Building Official may consider an application incomplete if:
 - The application is not accompanied by the documents required by the municipal building by-law; or
 - The proposal contravenes any applicable law;
- If one of these two circumstances apply, the applicant would need to be notified by the municipality in writing within two days regarding the reason for the determination that the application is not complete (otherwise the application is subject to a full review);
- Municipalities, at their discretion, may review incomplete applications, although the timeframe requirements would not apply;
- The applicable provisions of the **Good Government Act, 2009** with respect to complete permit applications have been proclaimed;
- The **Building Code Act** (BCA) and related Code changes took effect January 1, 2011.

Discovery-based Limitation Period:

- The commencement of the limitation period for the prosecution of offences under the BCA has been changed from one year after the time when the subject-matter of the proceedings arose, to one year after the offence is discovered
- This change responds to recommendations submitted by BAC in 2007 and was also advocated by the Large Municipalities Chief Building Officials
- The amendments include the following transition provision:
 - The current offence based limitation period continues to apply where the subject matter of the proceeding (offence) arose more than one year before the new provisions came into force – January 1, 2011;
- The applicable provisions of the **Good Government Act, 2009** with respect to a discovery-based limitation period have been proclaimed and took effect on July 1, 2010.

Occupancy Permits (Residential)

- A new requirement for the issuance of an occupancy permit under the Building Code regulations clarifies criteria for the occupancy of detached, semi-detached and row houses (excluding buildings that have accommodation for tourists, dwellings with one unit above the other and those that share a common means of egress);
- The new regulation requires that such a building cannot be occupied unless an occupancy permit has been issued indicating that key building components, systems and elements are substantially complete or operational;
- Issuance of an occupancy permit would follow an occupancy inspection requested by the builder as with all other mandatory inspection requests;
- Requirement for notification [BCA subsection 11(2)] on date of completion has been eliminated for buildings subject to the new occupancy permit;
- This new inspection will become effective January 1, 2012.

Ontario Building Code Changes 2011

- Two public consultations were held in support of the development of the next edition of the Building Code. Each round addressed unique issues.
- The first round of consultations ran from October 7 - November 8, 2010 and set out potential changes that reflect amendments made to the model National Building Code, model National Plumbing Code, and other Ontario-specific Code change requests submitted to MMAH by industry stakeholders and the public
- The second round of consultations were held from January to April 1, 2011 and focused on key Building Code areas where potential changes are still undergoing development.
- This is a priority issue for OHBA, please refer to page 2 in the Priority Issues section for more information.

- These areas include: energy and water conservation, mid-rise (up to 6 storeys) wood frame construction, and increased public safety. More specifically, the following represents **potential Code change topics where OHBA has concern:**
 - Proposals regarding increased performance for fire separation between houses, protection of soffits on closely spaced buildings and fire department response times;
 - Proposals regarding additional energy efficiency requirements such as sealing all seams in supply and return air ducts, requiring mandatory programmable thermostats and insulating water supply pipes to hot water storage tanks;
 - Proposal to require mandatory “Solar Ready” conduits in all houses;
 - Proposals regarding mandatory radon remediation measures in all houses;
 - Proposals regarding increased energy efficiency design for all buildings after 2017.
- OHBA’s greatest objection with all of the topics noted above is that there has been no research or documentation presented to support that these changes are necessary. In several instances, OHBA has noted concern regarding the lack of building science consideration and potential failure of components as a result of the Code change proposals.
- OHBA will continue to monitor the Code development process and bring forward our concern.

Residential Fire Sprinklers

- Mandatory residential fire sprinklers were adopted into the Ontario Building Code for buildings 4 storeys and higher on June 18, 2008. The new requirements apply to building permit applications for Part 3 buildings filed on or after April 1, 2010.
- Residential fire sprinklers are not mandatory in low-rise housing in Ontario.
- According to data collected by the Ontario Office of the Fire Marshal (OFM), there was a 24% decline in the fire death rate in residential structures in Ontario from 1999 to 2008. This extends a trend of steady decline in fire fatalities over almost 2 decades.
- A problematic issue with respect to the sprinkler industry’s economic suggestion for the cost of sprinklers has become evident. Builders only include ‘finished’ floor area in their calculation of square footage while the sprinkler industry must include all areas (such as unfinished basements). This seemingly minor variation can account for major discrepancies in the estimated costs for sprinkler systems. The sprinkler industry’s calculation method indicates the cost for a system installed in a typical home can be in the \$3,000 - \$6,000 range. However actual estimates obtained by various builder members across the province show a real price tag in the \$10,000 range.

- While legislation introduced in March 2006 requiring (minimum battery operated) smoke alarms be installed in all dwellings in Ontario is a step in the right direction, OHBA believes that the best way to save lives is to require all smoke alarms be hard-wired into the home's electrical system.
- **OHBA has urged** the Minister of Municipal Affairs and Housing to:
 - Concentrate legislative/regulatory efforts on ensuring that every home in the province is equipped with properly functioning smoke detectors, as prescribed by the legislation introduced in March 2006;
 - Consider tougher legislation, regulation, and enforcement mechanisms to reduce and ultimately eliminate the number of homes still unprotected by smoke alarms;
 - Consider that sprinklers require on-going maintenance provided by approved, certified contractors. NFPA recommends servicing sprinkler systems at least 4 times per year;
 - Invest more in public education programs to make homes without smoke alarms as socially unacceptable as drinking and driving.

The Code and Construction Guide for Housing, 2010

- OHBA completed a very successful partnership with the Ontario Building Officials Association (OBOA) and the Ministry of Municipal Affairs and Housing to revamp the former "pink book": *The Code and Construction Guide for Housing*. The new edition of the guide is now available through the Service Ontario - Publications website (www.serviceontario.ca/publications).
- Key features of the Construction Guide are:
 - The format is of a construction sequence rather than a Building Code sequence;
 - Colour illustrations clearly depict Building Code construction requirements;
 - Contains building insights and better building practices; and
 - Elements of the Ministry of Municipal Affairs and Housing's *Best Practice Guide - Full Height Basement Insulation* (July 2008).

Training & Education Committee

College of Trades

- **The Ontario College of Trades and Apprenticeship Act** develops a governance model for trades in province through the establishment of the Ontario College of Trades and by revising the current framework of apprenticeship training and certification contained in the **Apprenticeship and Certification Act** and the **Trades Qualification and Apprenticeship Act**.
- The governance model provides the College the authority to determine the classification of trades as compulsory (i.e. trades in which you must be a member of the College to practice) or voluntary trades (i.e. trades in which you can practice without being a member of the College). The College is also tasked to decide the certification standards of trades as well as the journey person-to-apprenticeship ratios.
- **OHBA passed a resolution** at its 2009 AGM which outlined concerns with respect to the College as well as recommending the government complete a full review of journey person-to-apprenticeship ratios for all trades and undertake a full economic impact analysis of the implications of this regulatory package.
- **OHBA has voiced opposition towards compulsory certification** of skilled trades as this would restrict labour mobility. OHBA is also concerned that this may be utilized as a method to significantly increase unionization in trades and jurisdictions currently with little union activity. Furthermore, compulsory certification may increase costs imposed on industry, ranging from employment of newly certified trades to new administration costs.
- Most significantly, OHBA is concerned that this will limit opportunities for young workers entering the trades as compulsory certification will impose barriers through journey person to apprentice ratios.
- The *College of Trades* has received submissions from candidates wishing to participate formally at the College through representation at the Board of Governors, Divisional Board, and Trade Boards. **OHBA has supported** several candidates' applications from individual representing member companies.
- For more information on the *College of Trades* please visit: www.collegeoftrades.ca

Provincial Apprenticeship Initiatives

- The *Ontario Youth Apprenticeship Program* (OYAP) provides employers with financial and administrative support regarding apprenticeship opportunities.
- There are a number of different programs in place to facilitate movement into skilled trades, including: OYAP (high school), *Co-op Diploma Apprenticeship Program* (college), for those who've left high school before graduation, the *Pre-Apprenticeship Training or Apprenticeship Scholarships* with academic upgrading available through the *Literacy and Basic Skills Program*. The government also supports a loan program to help apprentices buy the tools and equipment they need for their trade through the *Loan for Tools* program.

College of Trades Regulation Consultations

- In fall 2010 the *College of Trades* began consultations to determine the regulatory process by which compulsory certification and the journey-person-to-apprentice ratio will be determined.
- The draft criteria in determining compulsory certification status of a given trade are as follows:
 1. Scope of Practice
 2. Health and Safety of Workers, the Public, and the Environment
 3. Registrations and Completion Rates
 4. Economic Impact
 5. Potential Impact on Ratios
 6. Labour Mobility
 7. Implementation
- The following criteria will be examined for apprenticeship ratio reviews:
 1. Quality Training
 2. Impact on Labour Supply
 3. Health and Safety of Workers, the Public and the Environment
 4. Economic Impact

Tax Credits

- The *Co-operative Education Tax Credit* (CETC) is a refundable tax credit available to businesses that employ post secondary students enrolled in qualifying co-operative education programs at eligible educational institutions. Currently, the CETC is a 10 per cent refundable tax credit (15 per cent for small businesses) on salaries and wages paid, to a maximum credit of \$1,000 per work placement.
- The *Apprenticeship Training Tax Credit* (ATTC) is a refundable tax credit to business on the salaries and wages paid to eligible apprentices in designated construction, industrial, motive power and service trades. The ATTC provides a 25 per cent refundable tax credit (30 per cent for small businesses) on the salaries and wages paid during the first 36 months of an apprenticeship program, to a maximum annual credit of \$5,000. The ATTC is available for apprentices that begin their apprenticeship before January 1, 2012 and salaries and wages paid before January 1, 2015.

Specialist High Skills Majors (SHSM) Program

- The Ministry of Education has returned technical classes to the high school curriculum, which will enable students to graduate with a *Construction Skills Degree*. It is hoped that this will encourage careers in the construction trades.
- The SHSM is a Ministry-approved specialist program that allows students to focus on a specific economic sector while meeting the requirements of the Ontario Secondary School Diploma and assists the transition to apprenticeship training, college, university or the workplace.
- For 2010-2011, the SHSM program is available in all School Boards across the province. The program currently reaches 530 schools in one or more of the sectors, for a total of more than 1,000 SHSM programs province-wide.
- In 2010-11 student access to these programs will increase significantly reaching approximately 28,000 students.
- For more information visit:
www.edu.gov.on.ca/eng/studentssuccess/pathways/shsm/index.html

Index

<u>Accessibility for Ontarians with Disabilities Act</u>	56	Major Structural Defect (MSD)	3
Accessible Housing	56	Mandatory WSIB Coverage	49
Advisory Councils	56	Market Conditions	10
Affordable Housing Program	43	Metrolinx	40
Apprenticeship Information	62	Ministry of Labour – Enforcement	47
Archaeological Clearances	28		
		Ontario Building Code	2
Bank of Canada	11	Ontario Building Code Changes, 2011	58
Barrie-Innisfil Boundary Adjustment	37	Ontario Municipal Board (OMB)	41
Brownfields	28	Ontario Provincial Budget	12
Builder Education Task Force (BETF)	22	Ontario Open for Business	41
Building Advisory Council	56		
Building Code Energy Advisory Council	56	Parkland Dedication	42
		Places to Grow	34
Code and Construction Guide	60	Population Growth	14
College of Trades	62	Process for Designation of Tarion Board Members	24
Compulsory Certification	62	Provincial Municipal Fiscal and Service Delivery Review	43
Condo Market	11	Provincial Policy Statement	43
Construction Fatalities	46		
Conservation Authorities	28	Renomark	54
		Renovation and Harmonization	6
Development Charges	29	Renovation Market	15
		Renovation Tax Credit	52
EcoEnergy Efficiency	52	Rental Housing	15
Endangered Species Act	31	Residential Fire Sprinklers R-2000	59
ENERGY STAR for New Homes	19		19
		Stilts Regulation	48
<u>Good Government Act, 2009 (Bill 212)</u>	57		
Government Imposed Charges	31	Tarion Builder Bulletin 19	24
Greenbelt	33	Tarion Builder Education	22
Greenhouse Certified Construction	19	Tarion Construction Performance Guideline	25
Growth Plan – Greater Golden Horseshoe	34	Tarion Enforcement Activity	23
Growth Plan – Implementation	2	Tarion Performance Based Pricing	23
Growth Plan – Northern Ontario	37	Tony Dean Panel	46
Growth Plan – Simcoe County	37	Transit Supportive Guidelines	44
GST – Progressive Tax Structure	14		
		Underground Economy	6
Highway Extension Projects	41	Vacancy Rates	15
Housing Starts	10		
HST – Renovations (Rebate)	6	Workplace Violence and Harassment	48
HST – Threshold Review	5	WSIB Funding Review	50
HST – Housing	4	WSIB Premium Rates	49
		WSIB Mandatory Coverage (Bill 119)	49
Illegal Building	22		
Illegal Renovations	1		
Inclusionary Zoning	37		
Lake Simcoe Protection Plan	38		
Land Claims	40		
LEED for Homes	19		
Long Term Affordable Housing Strategy	39		

29 LOCAL ASSOCIATIONS

BILD-GTA

Brantford

Chatham-Kent

Greater Dufferin

Durham Region

Grey-Bruce

Guelph & District

Greater Ottawa

Haldimand-Norfolk

Haliburton County

Hamilton-Halton

Kingston-Frontenac

Lanark-Leeds

London

Niagara

North Bay & District

Peterborough

& The Kawarthas

Quinte

Renfrew

Sarnia-Lambton

Saugeen Country

Seaway Valley

Simcoe County

St. Thomas-Elgin

Stratford & Area

Sudbury & District

Thunder Bay

Waterloo Region

Greater Windsor



Ontario
Home Builders'
Association

20 Upjohn Road, Suite 101
North York, Ontario M3B 2V9
416-443-1545 / 800-387-0109
Fax: 416-443-9982
Email: info@ohba.ca
www.ohba.ca