

29 LOCAL ASSOCIATIONS

**BILD-GTA
Brantford
Chatham-Kent
Greater Dufferin
Durham Region
Grey-Bruce
Guelph & District
Haldimand-Norfolk
Haliburton County
Hamilton-Halton
Kingston-Frontenac
Lanark-Leeds
London
Niagara
North Bay & District
Greater Ottawa
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 - Spring 2012



***"The Residential
Construction Industry
is the engine
that drives Ontario's
economy."***



Cover Photos:

The Bond, Lifetime Developments *(top left)*

The Kenwood, Doug Tarry Homes *(top right)*

Mill Pond Woods, Gordon Tobey *(bottom left)*

The Carlaw, Streetcar Developments *(bottom right)*

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 Fall 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 63
Index	Page 67



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 mid/late-2012.
- 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 (2017 and beyond).
- As of January 1, 2012, the Building Code now requires 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.
- In addition to the EnerGuide 80 and prescriptive requirements, SB-12 incorporated EnergySTAR for new homes as a recognized equivalency.

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 – please see page 35 in the Land Development Committee section.
- In February 2012, as part of the Implementing the Growth Plan Roundtable, OHBA and BILD met with four Cabinet Ministers together along with their Chiefs of Staff and Deputy Ministers to discuss growth plan implementation issues (Ministry of Municipal Affairs and Housing; Ministry of Infrastructure and Transportation; Ministry of Natural Resources; and the Ministry of the Environment).
- OHBA has expressed concern that Official Plans were initially scheduled to be in conformity with the Growth Plan by June 2009. Conformity delays and regulatory inertia have led to significant uncertainty and land supply shortages.
- 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 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.
- **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 policy 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. OHBA has further recommended 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 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.
- In 2009, 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, Tarion decided to postpone the implementation of the MSD coverage shift until more research and stakeholder consultations 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 had been made **OHBA submitted a response** outlining general disagreement with the policy and made 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 charges.
- Following a lengthy redrafting of the MSD definition and regulations, Tarion conducted another public consultation (on the regulations specifically) in January 2012. OHBA again voiced opposition to the MSD policy change, but provided detailed recommendations to the revised definition and regulation proposals.
- In combination with the discussions on a revised MSD definition, Tarion has reviewed the structure and processes behind the *Builder Arbitration Forum* (BAF) to give builders a more effective means to dispute warranty and MSD related issues. A separate public consultation for the BAF review was issued into which OHBA made additional comments.

Sales Tax Harmonization (HST)

- The enhanced Ontario New Housing Rebate provided an estimated **\$1.005 billion** in targeted HST relief to new home buyers in 2011 according to the *Ontario Transparency in Taxation, 2011* report.
- Tax Structure:
 - A 2% flat tax (approximately the amount of previously embedded PST in the price of a new home) 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

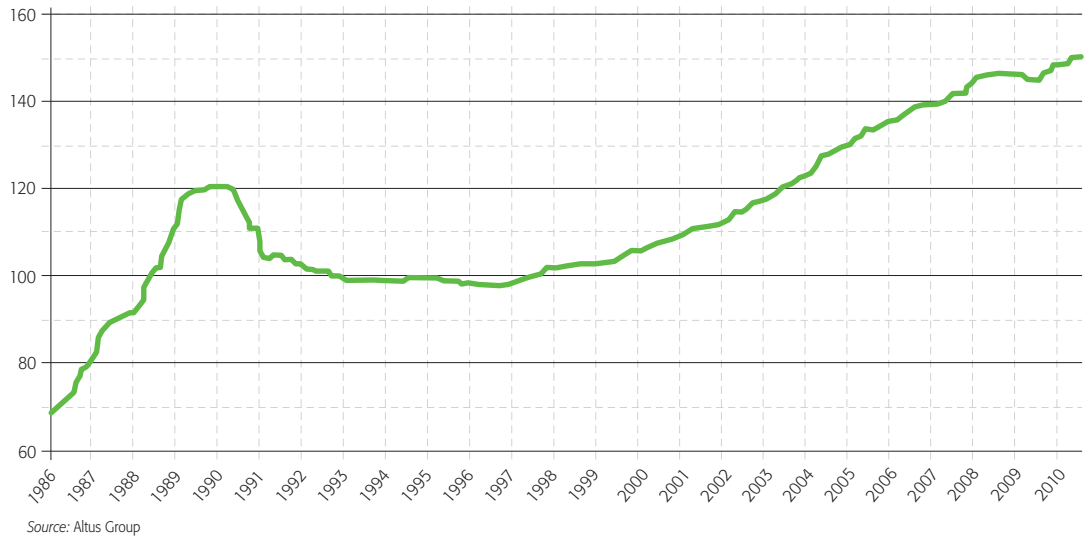


HST Threshold Review

- OHBA is supportive of the progressive tax structure 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 46%, compared with general inflation that rose by 26%; and median family income which advanced by 18%.

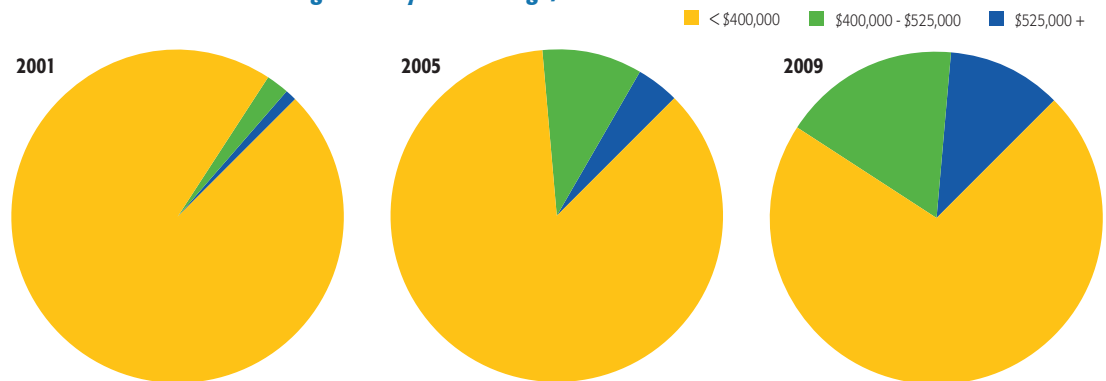
NEW HOUSING PRICES IN ONTARIO, 1986-2010

New Housing Price Index (1997 = 100)



- 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 purchasing homes valued above \$400,000 are middle income families.

Distribution of New Housing Units by Price Range, Ontario



- 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.
- **OHBA supports a regular review of the threshold to reflect increases to average new home prices** to protect housing affordability and to maintain tax neutrality for the majority of middle class Ontario new home buyers.

Illegal Renovations

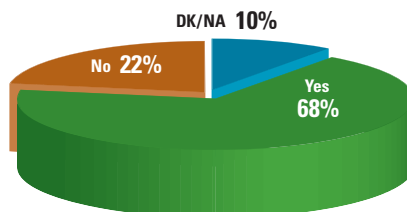
The residential renovation sector contributed:

- > **\$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

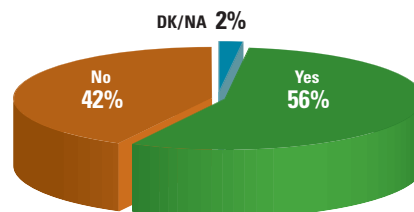
- OHBA commissioned a report by the Altus Group on the impact of the HST on the renovation sector in Ontario. The report concluded the harmonized sales tax has had negative impacts on the residential renovation sector – in particular the contractor segment of the sector, which is estimated to represent 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;
 - Tax avoidance by consumers is shifting more renovation and repair jobs from contractor assignments to 'do-it-yourself' projects. This will have long-term negative consequences for the quality of the existing housing stock in Ontario;
 - Tax avoidance by consumers has shifted more activity into the 'underground economy' with implications on government tax revenue, renovation quality, legitimate employment opportunities for contractors, risks to consumers and homeowner liability.
- In November 2010, a poll 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?



Source: Environics Research Group

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



- 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 permanent 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 participating in the underground economy;
 - 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 underground economy and residential renovations as well as **OHBA's proposed renovation tax rebate**, please see page 53 in the Renovators Council section.

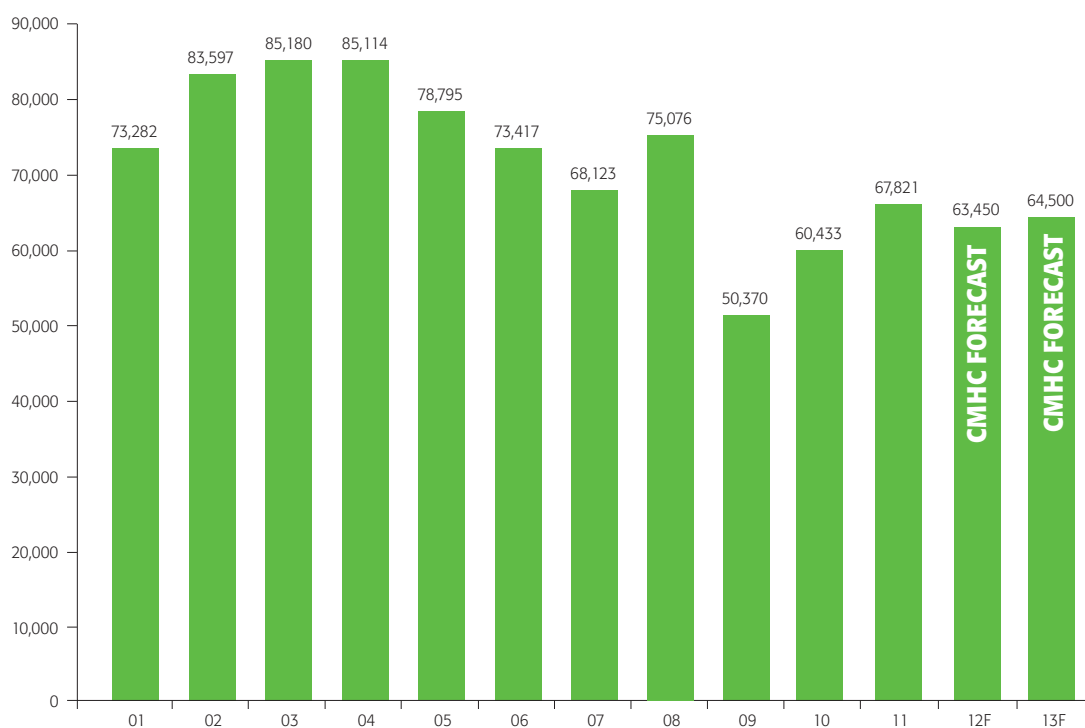
Economic Review Committee

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 – 2001-2013(F)



Source: Canada Mortgage and Housing Corporation

Housing Market

	2010	2011	2012F	2013F
Total Ontario Housing Starts	60,433	67,821	63,450	64,500
Single Detached Housing Starts	28,089	26,884	23,200	24,200
Multiple Unit Housing Starts	32,349	40,937	40,250	40,300
- Semi	3,006	3,142	2,750	2,850
- Row	10,255	9,288	9,000	9,250
- Apartment	19,083	28,507	28,500	28,200
Total MLS Sales	195,591	200,334	193,150	197,850
MLS Average Price	\$342,245	\$366,272	\$374,300	\$382,000

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
				2011	\$366,272	\$522,909	\$393,938

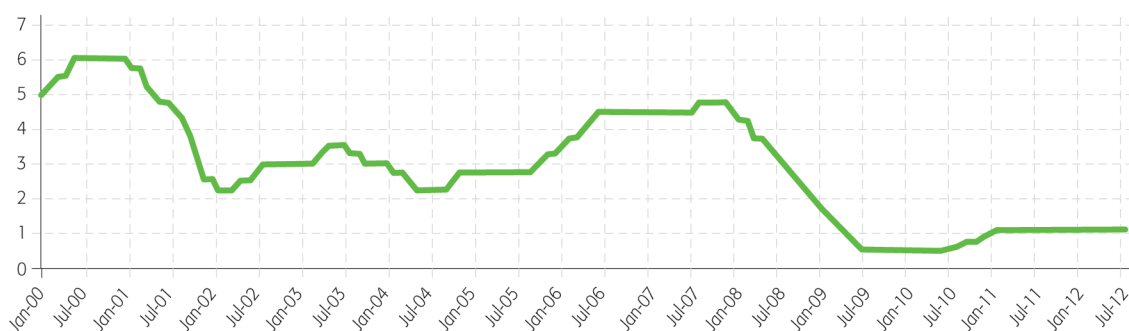
Source: Canada Mortgage and Housing Corporation

Bank of Canada

2012 Schedule of Key Interest Rate Announcements

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	2011
10,802	12,364	16,224	16,124	22,654	14,469	14,792	20,491	28,190

Source: Urbanation

- Urbanation's Q4-2011 report noted that the fourth quarter for the Toronto CMA broke the previous record high of any fourth quarter with 7,226 sales.
- There were 28,190 condos sold in 2011, breaking the previous record set in 2007 by 24%.
- Urbanation is tracking a total of 330 active projects in the Toronto CMA containing 81,274 units.

Ontario Provincial Budget 2012

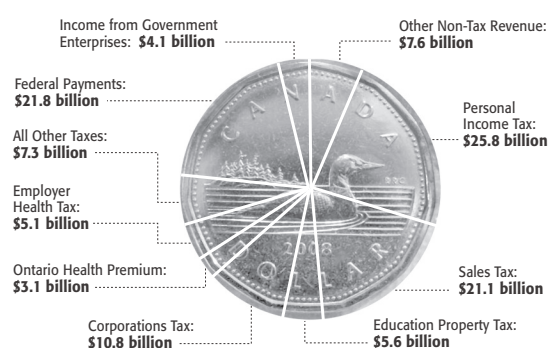
Ontario's Economic Outlook at a Glance

	2008	2009	2010	2011	2012F	2013F
Real GDP Growth (%)	- 0.9	- 3.6	2.8	1.8	1.7	2.2
Retail Sales (%)	3.5	- 2.5	5.0	3.0	3.0	3.7
Personal Income (%)	3.8	- 0.2	4.0	3.0	2.9	3.7
Unemployment (%)	6.5	9.0	8.7	7.8	7.7	7.4
CPI Inflation (%)	2.3	0.4	2.5	3.1	1.7	2.0
Budget (\$ Billions)	2008-09	2009-10	2010-11	2011-12F	2012-13	2013-14
Provincial Expenses	96.9	115.1	120.7	124.3	126.4	128.2
Provincial Revenues	90.5	95.8	106.7	109.3	112.5	116.6
Reserve	-	-	-	-	1.0	1.2
Surplus/(Deficit)	- 6.4	-19.3	-14.0	-15.0	-14.8	-12.8

Source: Ontario Ministry of Finance, 2012 Ontario Budget, Statistics Canada

Where the money comes from...

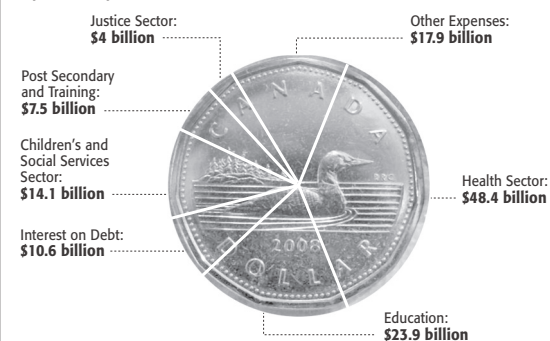
Revenue, planned 2012-13: **\$112.2 billion**



Source: Ontario Budget

...and where it goes

Expenses, planned 2012-13: **\$126.4 billion**

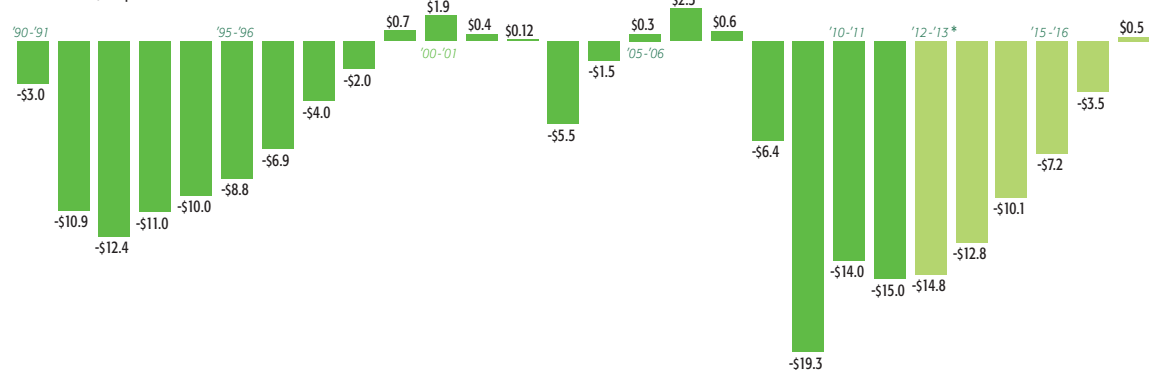


Note: Numbers may not add due to rounding

Source: Ontario Budget

The Deficit

Annual Deficit/Surplus in \$ Billions



* Forecast

Source: Ontario Budget

Ontario Region Economic and Housing Indicators

	Housing Data	2010	2011	2012F	2013F
Barrie	Single Starts	442	354	300	340
	Multiple Starts	240	346	214	225
	Total Starts	682	700	514	565
	MLS Sales	4,105	4,228	4,117	4,199
	MLS Avg Price	\$281,966	\$287,388	\$294,778	\$299,199
Greater Sudbury	Single Starts	369	321	330	350
	Multiple Starts	206	274	240	200
	Total Starts	575	595	570	550
	MLS Sales	2,244	2,507	2,550	2,630
	MLS Avg Price	\$221,689	\$229,485	\$235,200	\$238,800
Hamilton	Single Starts	1,753	1,368	1,325	1,400
	Multiple Starts	1,809	1,092	955	1,050
	Total Starts	3,562	2,460	2,280	2,450
	MLS Sales	12,934	13,932	13,700	13,900
	MLS Avg Price	\$311,683	\$332,000	\$341,000	\$347,500
Kingston	Single Starts	522	467	400	450
	Multiple Starts	131	492	365	230
	Total Starts	653	959	765	680
	MLS Sales	3,209	3,179	3,120	3,200
	MLS Avg Price	\$249,509	\$261,968	\$266,000	\$271,300
Kitchener	Single Starts	1,255	1,186	1,200	1,275
	Multiple Starts	1,560	1,768	1,650	1,650
	Total Starts	2,815	2,954	2,850	2,925
	MLS Sales	6,772	6,409	6,320	6,450
	MLS Avg Price	\$289,041	\$308,557	\$315,000	\$320,000
London	Single Starts	1,461	1,176	1,050	1,250
	Multiple Starts	618	572	650	800
	Total Starts	2,079	1,748	1,700	2,050
	MLS Sales	8,389	8,272	8,000	8,300
	MLS Avg Price	\$228,114	\$233,731	\$240,000	\$244,000
Oshawa	Single Starts	1,540	1,384	1,410	1,570
	Multiple Starts	348	475	574	430
	Total Starts	1,888	1,859	1,984	2,000
	MLS Sales	9,476	9,604	9,250	9,300
	MLS Avg Price	\$278,505	\$314,450	\$319,500	\$323,000
Ottawa	Single Starts	2,302	2,134	1,950	2,050
	Multiple Starts	4,144	3,660	3,750	3,900
	Total Starts	6,446	5,794	5,700	5,950
	MLS Sales	14,586	14,551	14,000	14,250
	MLS Avg Price	\$328,439	\$344,791	\$354,000	\$361,500
St. Catharines – Niagara	Single Starts	714	655	600	635
	Multiple Starts	372	455	480	515
	Total Starts	1,086	1,110	1,080	1,150
	MLS Sales	6,024	5,820	5,800	5,850
	MLS Avg Price	\$217,938	\$223,000	\$229,000	\$231,000
Toronto	Single Starts	9,936	11,247	8,500	8,200
	Multiple Starts	19,259	28,498	28,600	28,200
	Total Starts	29,195	39,745	37,100	36,400
	MLS Sales	88,214	91,760	88,500	90,500
	MLS Avg Price	\$432,264	\$466,352	\$478,700	\$487,700
Windsor	Single Starts	460	466	440	490
	Multiple Starts	157	253	250	235
	Total Starts	617	719	690	725
	MLS Sales	4,893	5,050	4,875	4,975
	MLS Avg Price	\$159,347	\$164,900	\$169,500	\$172,250
Ontario	Single Starts	28,089	26,884	23,200	24,200
	Multiple Starts	32,349	40,937	40,250	40,300
	Total Starts	60,433	67,821	63,450	64,500
	MLS Sales	195,591	200,334	193,150	197,850
	MLS Avg Price	\$342,245	\$366,272	\$394,300	\$382,000

Source: Canada Mortgage and Housing Corporation

Population Growth

- The 2011 census reported that Ontario's population grew 5.7% from 12.16 million in 2006 to 12.85 million in 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.

GST New Housing Rebate

- In 1991 the federal government promised to index the GST rebate thresholds. It never happened and 21 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 Tax Structure

New Home Price	\$350,000	\$400,000	\$450,000
GST – 5%	\$17,500	\$20,000	\$22,500
GST New Housing Rebate	\$6,300	\$3,150	-
Actual GST Payable	\$11,200	\$16,850	\$22,500
Actual GST as % of New Home Price	3.2%	4.21%	5%

Source: Canadian Home Builders' Association

- 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 have been roughly \$550,000 and \$705,000.

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

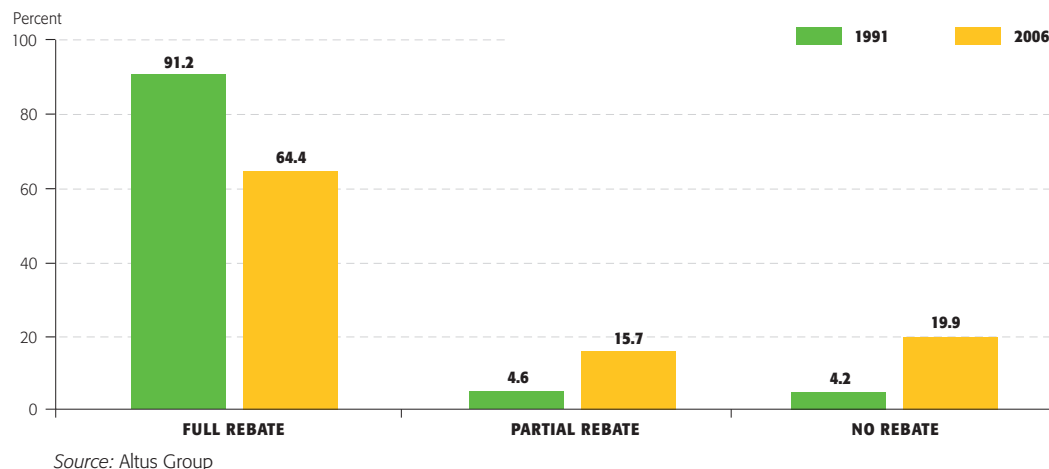
	1991	2006	Percentage Change
New Housing (Units)*	166,227	173,472	4%
Median New Housing Price (\$)	162,500	295,000	82%
Total GST Collected (\$ Millions)	1,588	3,400	114%

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

Source: Altus Group

- Due 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 at its Annual General Meeting 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



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)	
	Oct 2010	Oct 2011	Oct 2010	Oct 2011
Barrie CMA	3.4	1.7	968	1,001
Brantford CMA	3.7	1.8	778	792
Greater Sudbury CMA	3.0	2.8	840	881
Guelph CMA	3.4	1.1	887	903
Hamilton CMA	3.7	3.4	862	884
Kingston CMA	1.0	1.1	935	965
Kitchener CMA	2.6	1.7	872	889
London CMA	5.0	3.8	869	881
Oshawa CMA	3.0	1.8	903	941
Ottawa CMA (Ontario Only)	1.6	1.4	1,048	1,086
Peterborough CMA	4.1	3.5	890	899
St. Catharines-Niagara CMA	4.4	3.2	817	833
Thunder Bay CMA	2.2	1.7	763	772
Toronto CMA	2.1	1.4	1,123	1,149
Windsor CMA	10.9	8.1	752	753
Ontario 10,000+	2.9	2.2	980	1,002

Source: Canada Mortgage and Housing 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.
- As a leader in the development of market-based conservation programs, EnerQuality partners with local homebuilders associations, governments, utilities, manufacturers, and consultants to support the building industry improve building performance and reduce energy and water consumption.
- 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	5,414	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	2	2	0
2010	3,860	6,776	400	398	119	62	114	21	167	0
2011	6,213	7,263	282	570	160	138	64	87	172	2
2012	15,993	7,476	883	398	99	196	28	49	6	161
Total	50,203	32,005	7,432	4,644	1,091	905	222	159	347	163

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

EnerQuality Green Renovator Training

- EnerQuality has launched the *Green Renovator Project*™ in partnership with the Ontario Power Authority, Reliance Home Comfort, Enbridge, Owens Corning, CMHC, BILD, OHBA, and George Brown College.
- The project will develop training specifically for renovators to help them incorporate best practices in energy efficiency and green building into their projects.
- Renovators who complete the curriculum will be accredited so they can use their training to help their clients make smart choices as well as differentiate their firms in a crowded market.

Programs



- 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

Major Structural Defect (MSD) Warranty Consultation

- OHBA has been opposed to Tarion's proposed shift in liability responsibility since it was first proposed in 2009. However, Tarion has approved a new MSD policy making the builders solely responsible for the long-term, 7 year MSD warranty.
- The new MSD liability shift will come into effect for all buildings enrolled in the Tarion Warranty program on or after July 1, 2012 (single family homes and multi residential projects)
- This is a priority issue for OHBA, please refer to page 4 in the Priority Issues section for more information.

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 was comprised 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.
- The new, revised CPG will come into effect January 1, 2013 for any conciliation taking place after the implementation date.
- Tarion has completed work and consultation on a Common Element CPG for condominium projects. This version of the CPG will apply to the common element items in a condominium project only and not to individual suites.
- The CE-CPG is expected to be implemented following the CPG in 2013.

Builder Education Task Force (BETF)

- On February 9, 2012 Tarion's Board of Directors approved the Builder Core Competency Consultation Paper to circulate to stakeholders and receive feedback on a proposal to enhance Tarion's registration requirements. The Board's *Builder Education Task Force* developed this consultation paper, to help focus the policy discussion on how Tarion can better fulfill its mandate to inform and educate new home builders.
- Initially, the Task Force was asked to develop a vision for a home builder education program. After much discussion, it was determined that enhancing registration requirements for new applicants and introducing new renewal requirements for existing registrants, was the most ideal way for Tarion to fulfill its builder education mandate.
- Through this policy discussion, Tarion would like to determine:
 1. If and how it should enhance its current registration process to include an evaluation of a builder's core competencies, and
 2. How Tarion might ensure that all builders stay current in their knowledge.
- Tarion welcomes feedback on this policy proposal by no later than Thursday, June 28, 2012. For more information visit www.tarion.com

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.
- The principle behind performance-based pricing is that a vendor/builder's registration fees and possibly house enrolment 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 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 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 BILD's GTA condominium builder members, Tarion has revised *Builder Bulletin 19* as it relates to the condominium common elements claims process.
- Tarion and the building industry 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.

Illegal Building

- 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 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);
 - The information provided excludes building plans and designer information.

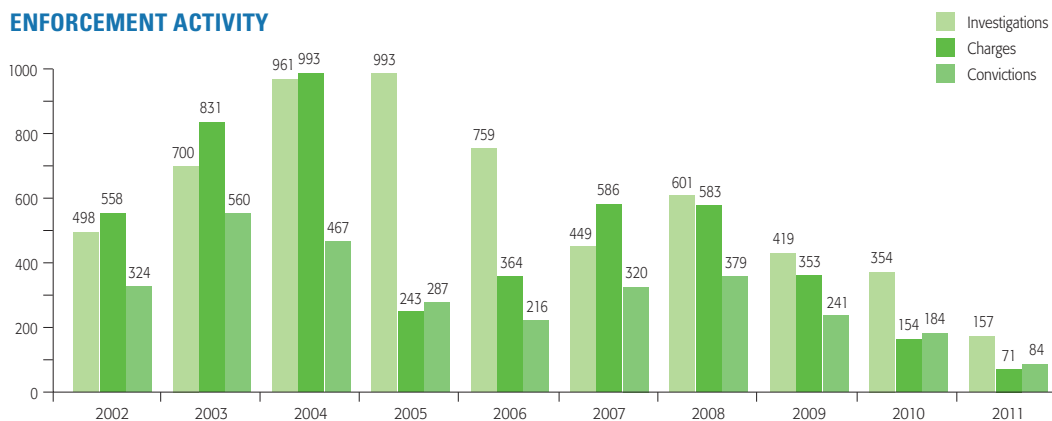
- More information pertaining to the specific legislative requirements for permit information sharing can be found on the Ministry of Municipal Affairs and Housing's website: www.mah.gov.on.ca
- The Taron Warranty Corporation has been active in enforcing registration of builders and enrollment of homes in the province.

Taron Enforcement Activity

	2008	2009	2010	2011	2012 Q1
Investigations	601	419	354	157	80
Charges Laid	583	353	154	71	29
Convictions	379	241	184	84	9
Fines Levied	\$851,000	\$1,040,000	\$345,000	\$128,000	\$49,000
Probation Orders	0	0	0	0	0
Jail Sentences	0	2	0	0	0
Fees Recovered	\$0.6 million	\$0.4 million	\$1.1 million	\$0.2 million	\$20,000

Source: Taron Warranty Corporation

ENFORCEMENT ACTIVITY



Source: Taron Warranty Corporation

- On average the total number of claims paid out by Taron on an annual 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 Taron (**1-800-786-6497**) and WSIB (**1-888-745-3237**) have established hotlines to report illegal activity anonymously.

Taron Industry Data

	2008	2009	2010	2011	2012 Q1
New Home Enrollments	61,320	47,649	52,531	58,610	12,660
New Homes Under Warranty	454,575	431,981	414,445	397,901	393,616
Avg Sale Price – Freehold	\$365,084	\$376,828	\$380,414	\$415,619	\$435,735
Avg Sale Price – Low-rise Condo	\$280,746	\$274,489	\$260,961	\$268,190	\$291,039
Avg Sale Price – High-rise Condo	\$363,121	\$363,733	\$348,253	\$343,658	\$357,288
Registered builders/vendors	5,840	5,517	5,391	5,397	5,408
License refusal/revocations	113	94	48	29	10

Source: Taron Warranty Corporation

Land Development Committee

Archaeological Clearances

- Compliance was mandatory for the *Standards and Guidelines for Consultant Archaeologists* 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 was approved in December 2009 along with a number of additional technical amendments in spring 2011. Several aspects of the package were revised from earlier proposals following consultations and the **OHBA/BILD Submission** to the 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 (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.
- A new *Policies and Procedures for Conservation Authority Plan Review and Permitting Activities* was released in spring 2010. The new manual facilitates streamlining of the CA permit application review processes by:
 - the establishment of complete application requirements;
 - the establishment of decision-making timelines;
 - granting applicants the right to appeal a non-decision of a CA.
- **OHBA supported** amendments to Ontario Regulation 97/04 to simplify and streamline the Conservation Authority permitting process by:
 - Enabling delegation of positive permit decisions to conservation authority staff;
 - Extending 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.

Development Charges Act

- **OHBA is opposed** to potential amendments to the **Development Charges Act** that would undermine new housing affordability by shifting additional infrastructure financing responsibility from the broader tax base onto new home buyers.
- 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 and is supportive of a national transit strategy.
- 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.

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.
- OHBA strongly believes that habitat regulation should work in conjunction with existing legislation and complement other important provincial goals and objectives. Furthermore, the province must implement **appropriate transition that respects previous approvals** and land designations;
- In February 2012 **OHBA responded to EBR posting 011-5306** regarding amendments to the General Regulation (O.Reg 242/08) under the ESA to prescribe habitat for seven species at risk including: Bent Spike-rush, Common Five-lined Skink, Eastern Foxsnake (Carolinian Population), Eastern Foxsnake (Georgian Bay Population), Gray Ratsnake (Carolinian Population), Gray Ratsnake (Frontenac Axis Population); and the Rapids Clubtail;
- 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 were posted for comment in February 2011.
 - **OHBA made a submission** in April, 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.



Eastern Foxsnake



Flowering Dogwood



Redside Dace



Bobolink

Endangered Species Act – Bobolink and Eastern Meadowlark

- The Ontario Government passed a regulatory amendment that temporarily exempts agricultural operations from the permitting requirements of the ESA for activities affecting Bobolink and Eastern Meadowlark, for a period of three years.
- OHBA is represented on the Bobolink/Eastern Meadowlark Roundtable advisory group to provide advice and recommendations on how to best develop a long-term plan and recovery strategy over the three-year agricultural exemption running until October 2014.
- An OHBA subcommittee with BILD & Greater Ottawa HBA members is engaged with MNR with two objectives:
 - Working towards appropriate, fair and balanced transition provisions;
 - The permitting process is unclear and seems to be inconsistently applied across MNR district offices. The new housing and development industry requires a simplified and streamlined process that establishes a rational approach to the *Overall Benefit Permitting* process for both Bobolink and Eastern Meadowlark.
- The Ministry of Natural Resources held a consultation with the Greater Ottawa HBA regarding *Overall Benefit Permitting* requirements in January 2012 for the alteration of Bobolink habitat a second consultation with the OHBA Land Development Committee in March 2012.

Endangered Species Act – Overall Benefit Policy

- The Ministry of Natural Resources has released new guidance documents regarding the implementation of the ESA for two key policies: *Damage & Destroy* and the *Overall Benefit Policy*;
- The first is aimed at providing policy guidance on the application of habitat protection, while the second provides proponents with policy and process information on *Overall Benefit Permits* under the ESA. Both finalized policies can be viewed on the *Environmental Registry* www.ebr.gov.on.ca (#011-2841 and #011-2842) or on the MNR website at <http://www.mnr.gov.on.ca/en/Business/Species/index.html>

Endangered Species Act – MNR Transformation

- **OHBA has strongly advocated for workable and efficient solutions** that will support the species at risk while not unduly constraining the province's economic interests by improving and streamlining the *Overall Benefit Permitting* process under the ESA.

- The provincial budget tabled on March 27, 2012 responded to a number of OHBA concerns and outlined broad plans for MNR to transform the stewardship and conservation of Ontario's natural resources in a more fiscally responsible way, the Ministry is proposing to:
 - Transform key parts of its legislation, regulations, policies and guidelines with a view to streamlining and automating permitting processes and requirements;
 - Conduct resource management with a stronger regional focus and fewer field offices;
 - Redesign its science and delivery activities to shift away from a species-by-species approach to a risk-based ecosystem/regional approach.

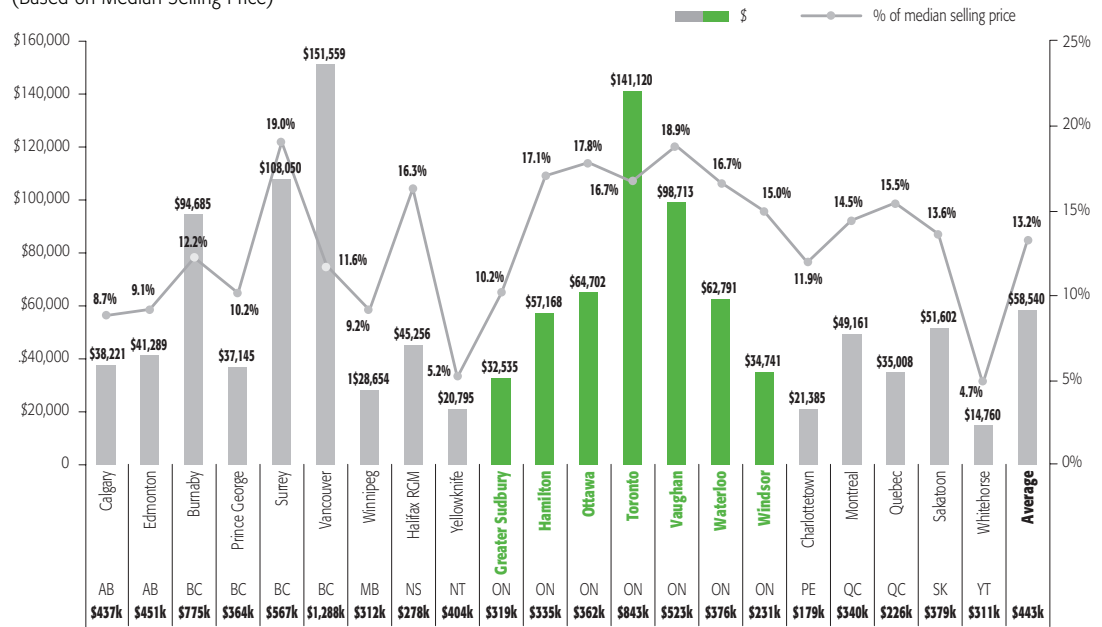
Government Imposed Charges

<ul style="list-style-type: none"> • Development Charges <ul style="list-style-type: none"> – Municipal Development Charges – Regional Development Charges – Education Development Charges – GO Transit Development Charges 	<ul style="list-style-type: none"> • Ministry of Environment Engineering Review • Land Registry Closing Fees (Title Registration) • Conservation Authority Fees • Electrical Permit - Electrical Safety Authority • Legal Fees
<ul style="list-style-type: none"> • Various Additional Municipal Charges <ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> • Land Transfer Tax <ul style="list-style-type: none"> – Provincial LTT – Toronto LTT
<ul style="list-style-type: none"> • Planning Fees (Various Development Application & Processing Fees) <ul style="list-style-type: none"> – Plan of Subdivision (singles and row houses) – Plan of Subdivision Registration/Review – Site plan approval – Plan of Condominium 	<ul style="list-style-type: none"> • HST (Provincial portion + GST) • Costs associated with municipal by-laws • Additional costs due to building code changes
	<ul style="list-style-type: none"> • WSIB Premiums (Home Builder Rate Group) + WSIB Premiums passed on to builders by trades
	<ul style="list-style-type: none"> • Surcharges imposed by trades to cover potential Ministry of Labour safety fines
	<ul style="list-style-type: none"> • Tarion Registration Fees • Tarion Enrolment fees

- The November 2010 CMHC study *Government Imposed Charges on New Housing in Canada* examined new housing data for 2009 in seven Ontario municipalities (21 across Canada).
- The study of the full range of levies, fees, 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.

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

(Based on Median Selling Price)

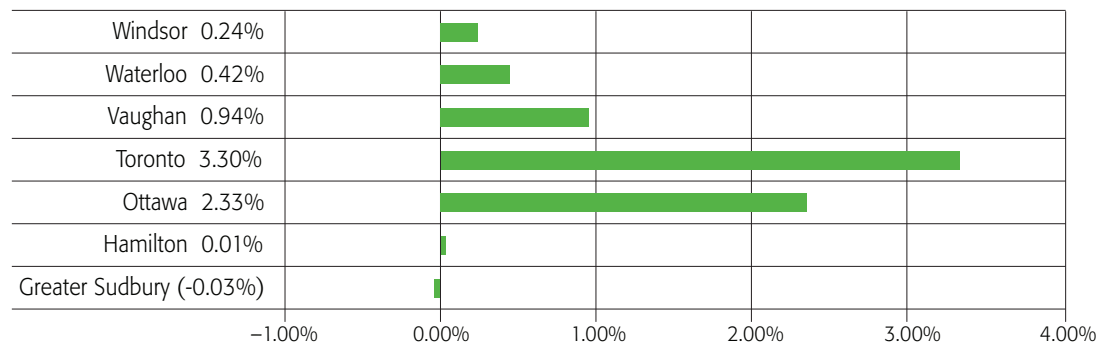


Source: Canada Mortgage and Housing Corporation

- Total direct 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. Furthermore, when compared to the previous 2007 CMHC study, GICs as a percentage of overall home prices has increased across Ontario.
- **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

- 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 (GGH). The number of people living in the GGH 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.
- Local Associations in the GGH include: BILD, Brantford, Greater Dufferin, Durham Region, Guelph & District, Haldimand Norfolk, Hamilton-Halton, Niagara, Peterborough & the Kawarthas, Simcoe County and Waterloo Region.
- 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 Schedule 3 of the Growth Plan.

- Municipalities were required to have brought the Official Plans into conformity with the Growth Plan by June 2009. OHBA is concerned that regulatory inertia has slowed the conformity process, leading to land supply shortages.
- A minimum 40% intensification target of new growth will occur inside the built boundary established in 2008 by 2015.
- In July 2011, the Ministry of Infrastructure released a *Five-Year Progress Update* of the Growth Plan that showcases how policies and other initiatives are starting to shape the GGH:
 - 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;
 - Final decisions on these matters must conform to the Growth Plan.

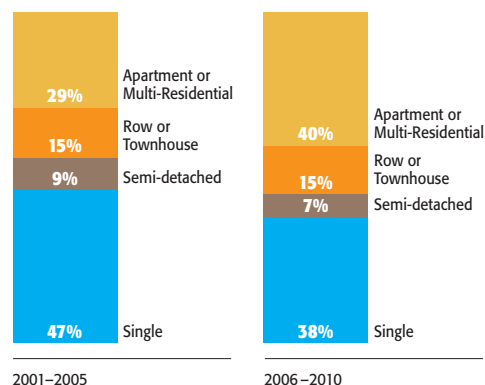
Inner Ring Municipal Land Designations

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

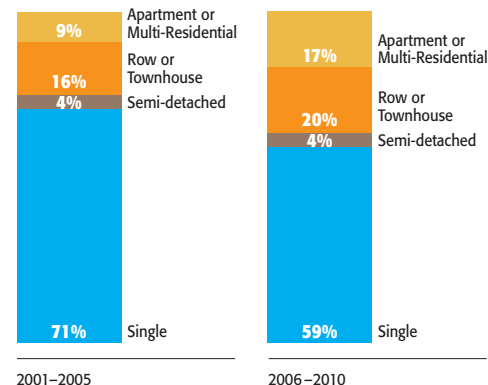
*** Designated Greenfield Area is defined as the area within a Settlement Area that is not Built-up Area. Settlement area calculations are based on mapping contained in existing, approved Official Plans for regional- and single-tier municipalities as of June 1, 2011. The figures may not include some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

INNER RING Municipalities: Housing Construction Starts by Unit Type



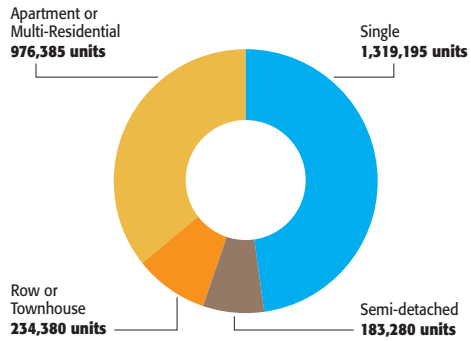
Source: Ministry of Infrastructure

OUTER RING Municipalities: Housing Construction Starts by Unit Type



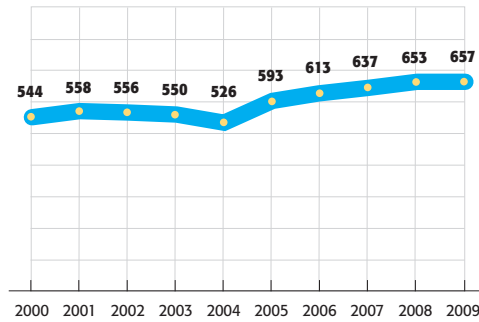
- The *Five-Year Progress Update* indicates a shift toward more intensified housing types has occurred across the Greater Golden Horseshoe over the past five years.

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



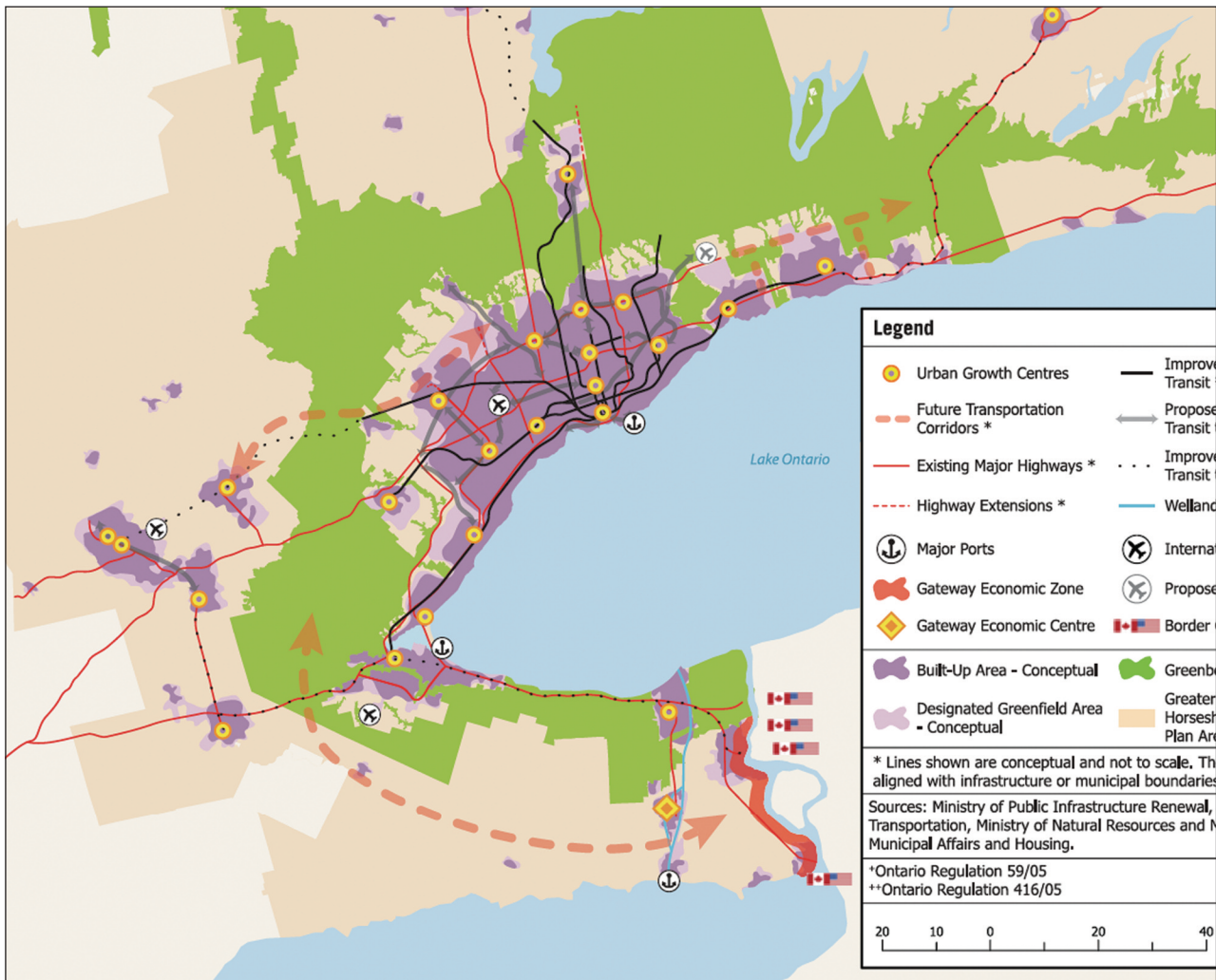
Source: Ministry of Infrastructure

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 3 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 – Northern Ontario

- In March 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**](http://www.ontario.ca/placestogrow)

Growth Plan – Simcoe Area

- After the consultation process on the *Proposed Amendment 1 to the Growth Plan* and the involvement of the *Provincial Development Facilitator*, the *Simcoe Sub-Area Amendment* came into effect on January 19, 2012 under the authority of the **Places to Grow Act, 2005** and set out a made-in-Simcoe approach.
- The Simcoe sub-area is forecast to grow to 667,000 people by 2031, compared to 437,000 in 2006. A new Schedule 7 distributes the Schedule 3 population forecast to 2031 for the municipalities in the Simcoe sub-area;
- **OHBA is supportive** of the “made-in-Simcoe” amendment and of the flexibility to Simcoe municipalities in managing development on land within existing settlements;
- The amendment will provide planning certainty in Simcoe and for our industry;
- The amendment includes transition policies and municipalities in the Simcoe sub-area will have 3 years from January 19, 2012 to bring their official plans into conformity;
- **OHBA was opposed** to a previously proposed *interim settlement area boundary* that was not included in the final *Simcoe Sub-Area Amendment*. 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**](http://www.ohba.ca)
- The **Barrie-Innisfil Boundary Adjustment Act, 2009** expanded Barrie’s municipal boundary by 2,293 hectares (5,666 acres). **OHBA made a presentation** to the Standing Committee on Justice Policy in November, 2009 **supporting the legislation**.
- To access the updated Growth Plan please visit [**www.placestogrow.ca**](http://www.placestogrow.ca)

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 become 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 **OHBA submission** on the Long-Term Affordable Housing Strategy **strongly cautioned against** permitting municipalities to implement inclusionary zoning policies.
- Key findings of the Altus Clayton: *The Potential Effects of Inclusionary Zoning in Canada*:
 - Inclusionary zoning policies ask a small minority to bear the cost of a social subsidy which should be spread across all taxpayers by 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.

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**, received Royal Assent on April 19, 2011. OHBA appeared before the Standing Committee on Justice Policy in March, 2011 **in support of the proposed legislation**. Key components include:
 - Changes and enhancements to simplify the *Rent-Geared-to-Income* programs;
 - 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

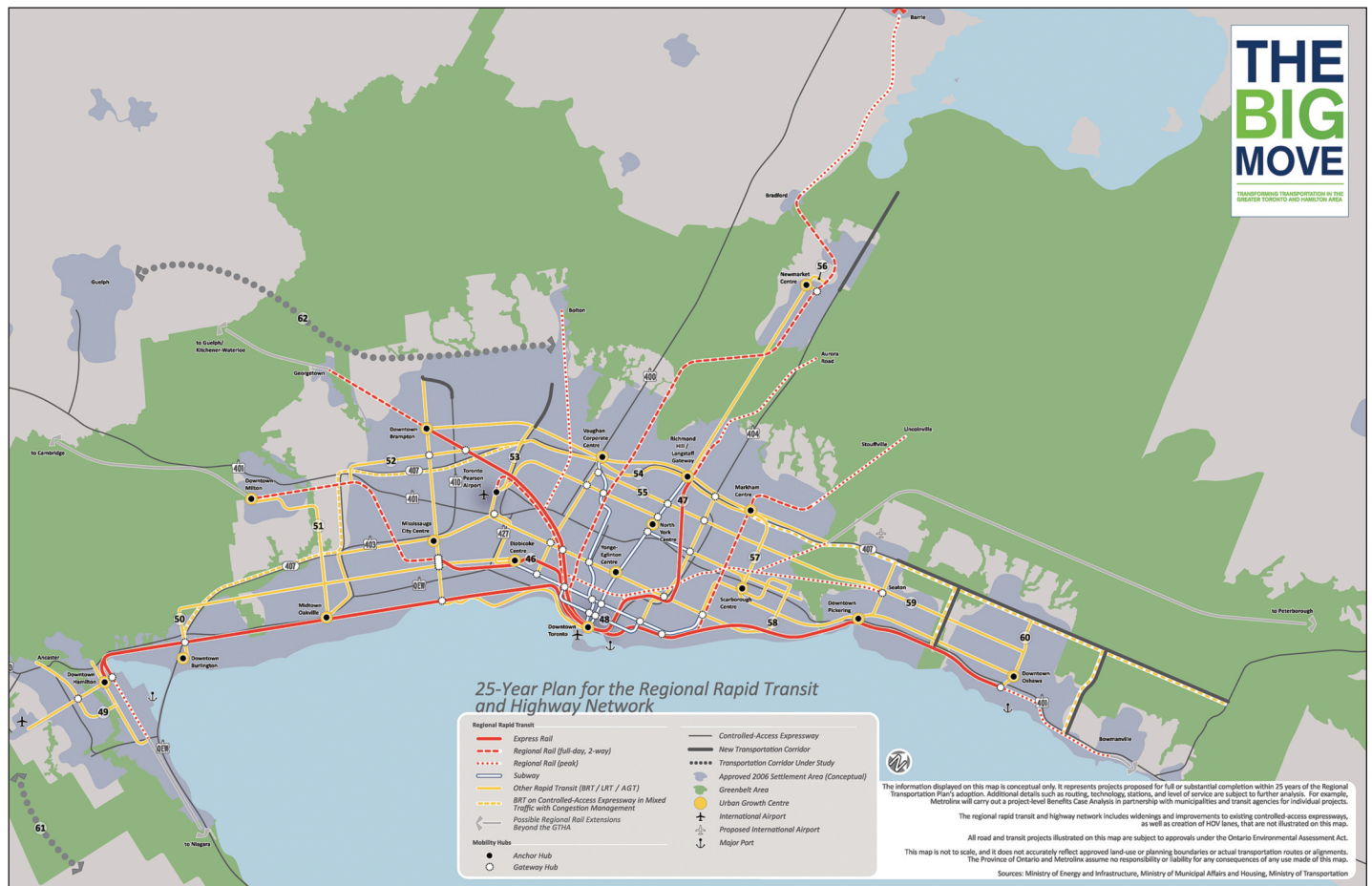
> **33,000** receiving rent subsidies
> **6,000** using shelters daily

Source: Ministry of Municipal Affairs and Housing

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 September 2011 the *Mobility Hub Guidelines* were released that provide a framework for the successful planning and development of mobility hubs located at strategic transit stations;
- 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

Metrolinx: The Big Move



Source: Metrolinx

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 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.
- 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. The quasi-judicial board reviews development applications on planning merits in regard to provincial policies. This is in contrast to local planning decisions that may be based on short-term political situations rather than on the merits of the development application.
- 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.
- The **City of Toronto Act** came into effect on January 1, 2007 which provided the city with a number of new planning powers including the ability to set up a *Local Appeal Board* for a range of planning decisions (i.e. minor variances) rather than having these local planning matters appealed to the OMB. The City of Toronto has not made use of this new planning power to hear local appeals.

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:
 - **Priority 1** – Roles, Policies and Procedures for Conservation Authorities.
 - **Priority 2** – Strengthen the role of the *Provincial Development Facilitator*.
 - **Priority 3** – Class Environmental Assessment (EA) Requirements for Collector Roads in Approved Secondary Plans.
 - **Priority 4** – Ministry of Transportation Role in Development Application Review Process.
 - **Priority 5** – Certificates of Approval for Water, Sewage and Storm Water Systems.

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.
- A BILD Parkland Working Group is working with local municipalities to adopt fair and balanced parkland dedication policies that support intensification.
- 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 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:
 - In 2011, the province fully funded the *Ontario Disability Support Program* and the *Ontario Drug Benefit* program;
 - 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 started 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.
- OHBA and BILD are represented on the MMAH PPS General Working Group;
- OHBA, Stratford & Area BA, Sudbury & District HBA and the Thunder Bay HBA are represented on the MMAH PPS Northern & Rural Working Group;
- In October 2010 **OHBA submitted recommendations** to the province:
 - 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.

Transit Supportive Guidelines

- In 2012 The Ministry of Transportation (MTO) released the Province's *Transit Supportive Guidelines* first published jointly with the Ministry of Municipal Affairs and Housing in 1992. The 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 in March 2011 in response to the draft guidelines.

Health & Safety Committee

Construction Fatalities

Injury Rates per 100 Workers

	2012 January 1 to June 30	2011 January 1 to June 30
Fatalities	5	8
Criticals	27	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;
 - The Province has appointed George Gritziotis as the Chief Prevention Officer (CPO). This position reports to the Minister of Labour, and is tasked with coordinating and aligning prevention system strategies and overseeing Ontario's Health and Safety Associations. The CPO 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.

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.

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.
- In early 2011, OHBA has 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
- A formal report will be provided to the WSIB and the Ministry of Labour in early 2012.
- Visit: www.wsibfundingreview.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 requires independent operators sole proprietors, same partners in partnerships and same executive officers who work in construction to have WSIB coverage starting January 1, 2013.
 - **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.

- **Exemptions to Mandatory Coverage:**

- *Home Renovation:* Home Renovators who are contracted directly with the person occupying the residence and work exclusively in home renovation are exempt from the Mandatory Coverage legislation. If this is you, you do not have to register.
- *Executive Officers, Partners:* Businesses can select one executive officer or partner to apply for an exemption from coverage. This **must** be an individual who does not perform any construction work on any building site (including on-site supervision).

WSIB eClearance

- *Certificate of Clearance Policy 2010* (eClearance) for all employers, principals, contractors and subcontractors for all industries will be able to obtain and verify the authenticity of certificates of clearance through the WSIB 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

Stilts Regulations

- 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

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

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**.

WSIB Premium Rates 2012

- 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	2011 Premium Rate (\$)	2012 Premium Rate (\$)
704	Electrical And Incidental Construction Services	3.53	3.60
707	Mechanical And Sheet Metal Work	3.98	4.06
711	Roadbuilding And Excavating	5.06	5.16
719	Inside Finishing	7.19	7.33
723	Industrial, Commercial & Institutional Construction	4.35	4.44
728	Roofing	14.16	14.44
732	Heavy Civil Construction	6.73	6.86
737	Millwrighting And Welding	6.60	6.73
741	Masonry	12.15	12.39
748	Form Work And Demolition	17.51	17.86
751	Siding And Outside Finishing	9.80	10.00
764	Homebuilding	8.71	8.88

Source: WSIB

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

Renovators' Council

Healthy Homes Renovation Tax Credit

- The proposed *Healthy Homes Renovation Tax Credit* would be a permanent, refundable income tax credit that would assist with the cost of modifications that improve accessibility or help a senior be more functional or mobile at home.
- The Credit would be worth up to \$1,500 each year, calculated at 15 per cent of up to \$10,000 in eligible expenses per year.
- Eligible expenses include:
 - Renovations to permit a first-floor occupancy or secondary suite for a senior;
 - Grab bars and related reinforcements around the toilet, tub or shower;
 - Hand rails in corridors;
 - Wheelchair ramps, stair/wheelchair lifts and elevators;
 - Walk-in bathtubs;
 - Wheel-in showers;
 - Widening passage doors.
- **OHBA is fully supportive of the Tax Credit** and continues to advocate to both provincial and federal governments for a more broad-based permanent tax credit that would encourage consumers to collect receipts and utilize the services of legitimate renovators.
- OHBA Renovators' Council Chair Sandra Baldwin and OHBA Past President Victor Fiume made an oral **deputation at the Standing Committee** on Finance and Economic Affairs in April **in support of the tax credit**.

ecoENERGY Efficiency Initiative

- The Federal Government's has stopped additional funding of the ecoENERGY Program and will no longer be issuing rebates for new energy audits or renovations. The ecoENERGY Retrofit will continue to issue rebates for homeowners who registered for the program before January 28, 2012 and who completed renovations by March 31, 2012 have until June 30, 2012 to obtain their post-retrofit evaluation.
- Visit www.ecoaction.gc.ca for more information.
- 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.

Residential Renovations and the Underground Economy

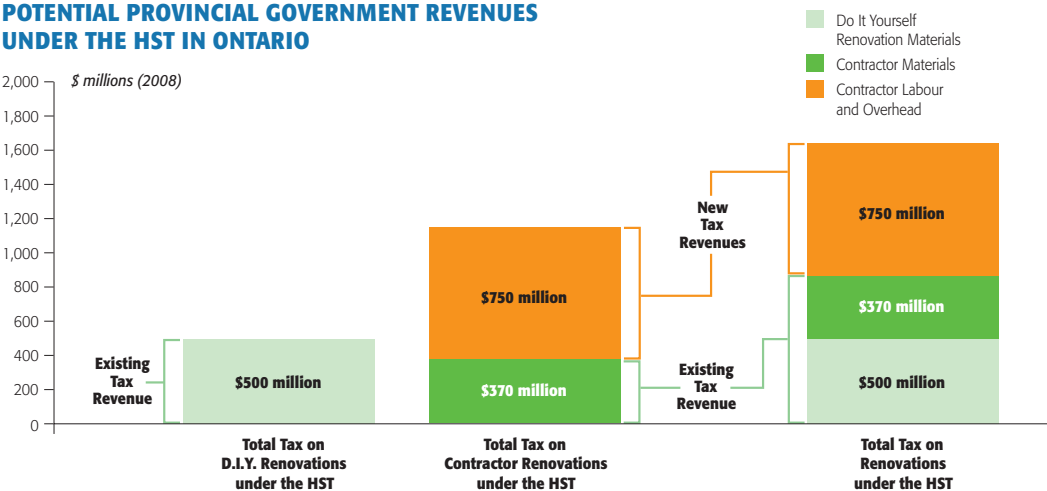
- The HST and residential renovations is a priority issue for OHBA – for more detailed information please refer to page 7 in the priority issues section.
- The residential renovation sector contributes over \$23 billion to the provincial economy and supports approximately 195,000 jobs.

> 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 – in particular the contractor segment of the sector, which is estimated to represent 70% of all renovation investment across Ontario.
- **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

- Evidence suggests that the size of the underground economy varies by the cost of the renovation projects. 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 chart below includes Altus Group estimates on underground practices in Ontario:

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 the potential for government tax revenue to 'leak' to the underground, **OHBA recommends:**
 - **The province should implement a broad based 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 already 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*.
- **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.
- **OHBA passed a resolution** at the 2010 AMM supporting a renovation tax rebate and other regulatory measures to combat the underground economy.
- In 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.
- **CHBA passed a resolution** at their 2009 AMM 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.

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:

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

Ontario Building Code Changes 2012

- 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 in 2010 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 in 2011 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 ongoing concern with all of the topics noted above is that there has been a lack of evidence 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/OBOA/LMCBO Joint Stakeholder Working Group

- On December 31, 2011, the energy efficiency requirements captured in SB-12 (SB-10 for large buildings) along with new requirements for mandatory Occupancy Inspections and mandatory Air Barrier Inspections came into force for all new homes built on or after January 1, 2012.
- Recognizing that there was going to be transition issues for builders as well as municipal building officials, **OHBA formed a joint stakeholder working group** with the Ontario Building Officials Association (OBOA), the Large Municipalities Chief Building Officials (LMCBO), EnerQuality, Reliance Home Comfort and Building Knowledge Canada Inc. The purpose of the joint stakeholder working group was to identify implementation and transition issues and devise a strategy to manage them.
- The joint working group developed an Energy Efficiency Design Summary form to be used by permit applicants when applying for a building permit under the new SB-12 requirements. This form summarizes all of the design information contained within the drawings on one convenient form and helps to streamline the plans review process for municipalities.
- The joint working group continues to develop and promote common messaging to both builders and building officials regarding implementation and interpretation issues and will address problems encountered with new requirements for air barrier detailing/inspections and occupancy permits as they become apparent.

Residential Fire Sprinklers

- Mandatory residential fire sprinklers were adopted into the *Ontario Building Code* for buildings 4 storeys and higher in 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.
- 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 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 suggest an average cost in the \$10,000 range.

- According to data collected by the Ontario *Office of the Fire Marshal* (OFM), there was a 36% decline in the fire death rate in residential structures in Ontario from 2001 to 2010. This extends a trend of steady decline in fire fatalities over almost 2 decades even though Ontario's population has been increasing. As a representation of population to fire fatalities, Ontario's fire fatality rate in 2001 was 8.3% while in 2010 it had dropped to 5.3%.
- 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. Even though this legislation has been in place for a number of years, statistically, the number of fire fatalities attributed to missing or malfunctioning smoke alarms continues to be source of frustration.
- **OHBA has recommended** 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 in public education programs to make homes without smoke alarms as socially unacceptable as drinking and driving.

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.
- 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 2012 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/accession

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 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 of the BCCAC; OHBA President Doug Tarry and BILD Chair Paul Golini represent the interests of the residential construction industry.

Good Government Act, 2009

- The **Good Government Act, 2009** 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.

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 College has 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 journeyman-to-apprenticeship ratios.
- **OHBA passed a resolution** at its 2009 AMM which outlined concerns with respect to the College as well as recommending the government complete a full review of journeyman-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 concerned that this may be utilized as a method to significantly increase unionization in trades and jurisdictions currently with little union activity. 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 journeyman to apprentice ratios.
- OHBA is working with all parties to ensure the residential sectors interests are respected in the training-apprenticeship system.
- OHBA supports a 1:1 journeyman-to-apprenticeship ratio for all trades.
- 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 for 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 supports a loan program to help apprentices buy the tools and equipment through the *Loan for Tools* program.

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/studentsuccess/pathways/shsm/index.html

Index

<u>Accessibility for Ontarians with Disabilities Act</u>	58	Major Structural Defect (MSD)	4
Accessible Housing	58	Mandatory WSIB Coverage	47
Advisory Councils	59	Market Conditions	10
Apprenticeship Information	65	Metrolinx	41
Apprenticeship Ratios	64	Ministry of Labour – Enforcement	50
Archaeological Clearances	28	Occupancy Inspections	57
Bank of Canada	11	Occupancy Permits	61
Barrie-Innisfil Boundary Adjustment	37	Ontario Building Code	2
Bobolink	32	Ontario Building Code Changes, 2011	56
Brownfields	28	Ontario Municipal Board (OMB)	42
Builder Education Task Force (BETF)	23	Ontario Provincial Budget	12
Building Advisory Council	59	Ontario Open for Business	42
Building Code Energy Advisory Council	59	Overall Benefit Permit	32
Code and Construction Guide	61	Parkland Dedication	43
College of Trades	64	Places to Grow	35
Compulsory Certification	64	Population Growth	14
Condo Market	11	Process for Designation of Tarion Board Members	23
Construction Fatalities	46	Provincial Municipal Fiscal and Service Delivery Review	43
Conservation Authorities	29	Provincial Policy Statement	44
Development Charges	29	Redside Dace	57
Eastern Meadowlark	32	Renomark	54
EcoEnergy Efficiency	52	Renovation and Harmonization	6
Endangered Species Act	31	Renovation Green Training	18
ENERGY STAR for New Homes	19	Renovation Market	15
EnerQuality	18	Renovation Tax Credit	53
<u>Good Government Act, 2009 (Bill 212)</u>	60	Rental Housing	15
Government Imposed Charges	33	Residential Fire Sprinklers	57
Greenbelt	35	R-2000	19
Greenhouse Certified Construction	19	SB-12	57
Growth Plan – Greater Golden Horseshoe	35	Secondary Suites	40
Growth Plan – Implementation	2	Stilts Regulation	48
Growth Plan – Northern Ontario	38	<u>Strong Communities Through Affordable Home Act</u>	40
Growth Plan – Simcoe County	39	Tarion Builder Bulletin 19	24
GST – New Housing Rebate	14	Tarion Builder Education	23
Healthy Homes Renovation Tax Credit	52	Tarion Construction Performance Guideline	22
Highway Extension Projects	42	Tarion Enforcement Activity	25
Home Energy Audit	52	Tarion Performance Based Pricing	23
Housing Starts	10	Tarion Security Release	24
HST – Renovations (Rebate)	7	Tony Dean Panel	46
HST – Threshold Review	5	Transit Supportive Guidelines	44
HST – Housing	5	Underground Economy	7/53
Illegal Building	24	Vacancy Rates	15
Illegal Renovations	7	Workplace Violence and Harassment	49
Inclusionary Zoning	39	WSIB Funding Review	47
LEED for Homes	19	WSIB Premium Rates	50
Long Term Affordable Housing Strategy	40	WSIB Mandatory Coverage (Bill 119)	47

29 LOCAL ASSOCIATIONS

BILD-GTA
Brantford
Chatham-Kent
Greater Dufferin
Durham Region
Grey-Bruce
Guelph & District
Haldimand-Norfolk
Haliburton County
Hamilton-Halton
Kingston-Frontenac
Lanark-Leeds
London
Niagara
North Bay & District
Greater Ottawa
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



Ontario
Home Builders'
Association