



Housing Issues

Status Report - Fall 2014

31 LOCAL ASSOCIATIONS

BILD-GTA

Bluewater

Brantford

Chatham-Kent

Greater Dufferin

Durham Region

Grey-Bruce

Guelph & District

Haldimand-Norfolk

Haliburton County

Hamilton-Halton

Kingston

Lanark-Leeds

London

Niagara

North Bay & District

Greater Ottawa

Oxford County

Peterborough

& The Kawarthas

Quinte

Renfrew

Sarnia-Lambton

Saugeen Country

Seaway Valley

Simcoe County

St. Thomas-Elgin

Stratford & Area

Sudbury & District

Thunder Bay

Waterloo Region

Windsor Essex



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

Cover Photos:

Hilden Homes Ltd. *(top left)*
Tribute Communities *(bottom left)*
Doug Tarry Homes *(right)*

Back Cover Photos:

Great Gulf - Yonge+Rich *(left)*
Design First Interiors *(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 2013.

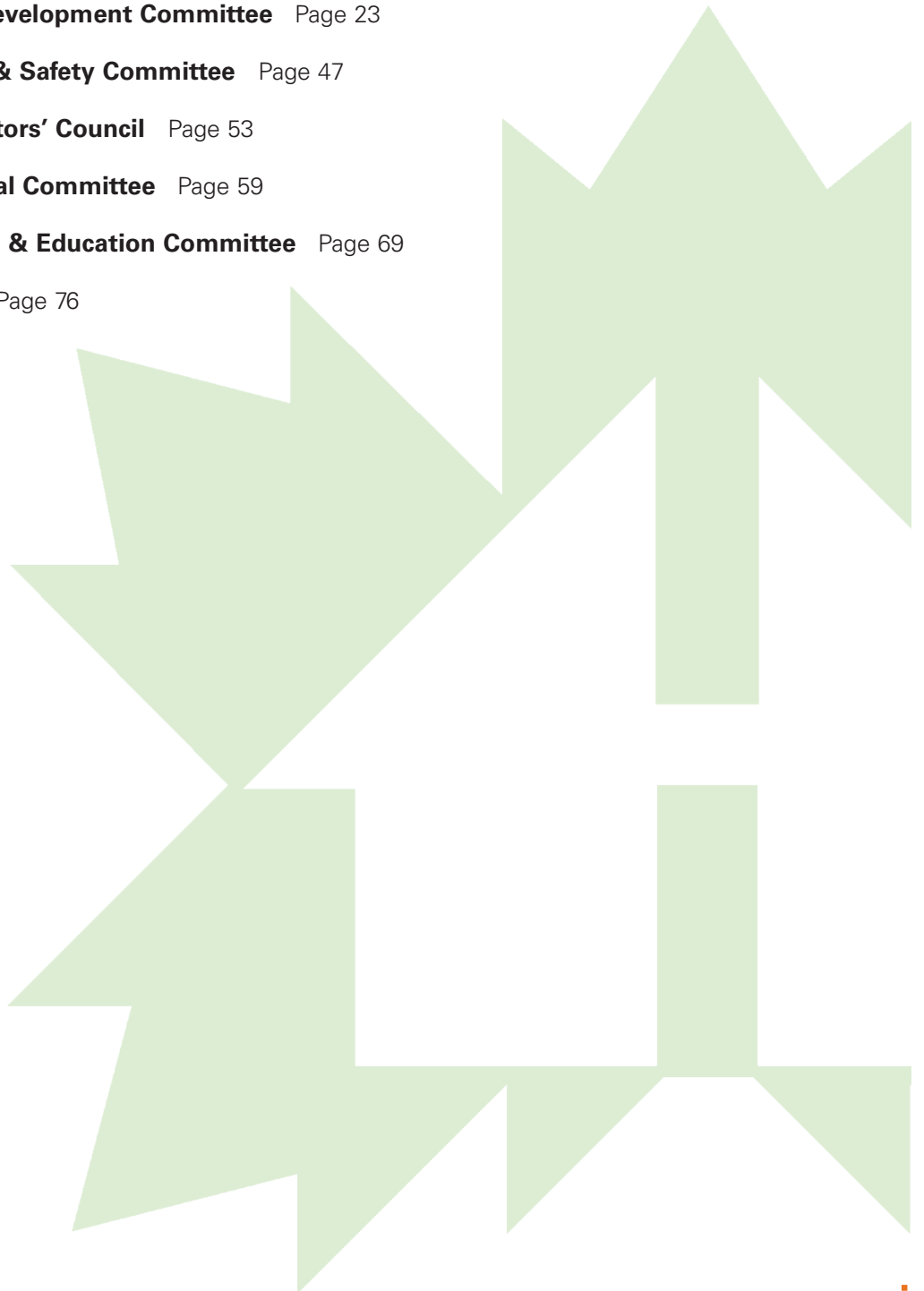
Each issue is described under the OHBA standing committee chiefly responsible for it. This status report is intended to provide members with a sense of the agendas of each of the various committees. The ordering of issues within the status report does not reflect their relative importance.

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 new housing, land development, and professional renovation industry in Ontario. Its 4,000 member companies are organized into a network of 31 local associations 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.

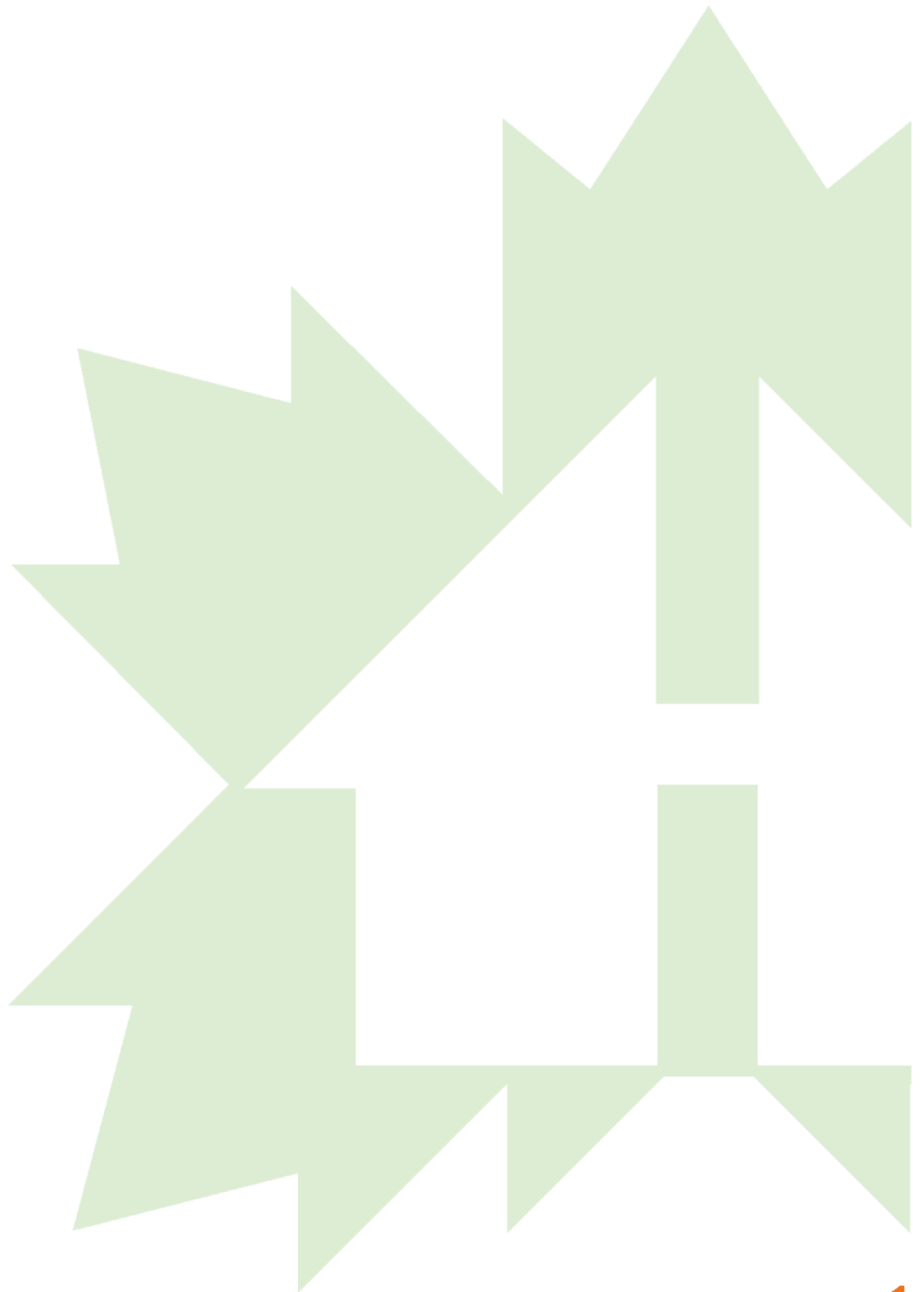
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Executive Committee



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

Review of the College of Trades

- The Ontario Liberal Party made a 2014 campaign commitment which stated: *“To support College of Trades as it moves into its second year, a Liberal government will appoint a special advisor to review the College’s application process and scope of practice of trades, including how the scope of practice relates to enforcement.”*
- The Government has appointed Tony Dean to lead the Review and has approved the certification review process, which is scheduled to take one year. OHBA looks forward to this review and will be actively engaged with our membership and other industry associations to advocate for recommendations for reform of the compulsory certification process specifically and OCOT procedures generally.
- OHBA will take an active role in the review and advocate for reforms that will modernize the skilled trades system in Ontario by improving access to the skilled trades and for governance changes that represent issues in Ontario.
- A regulation was made April 15 and filed July 25, 2014 that amends Ontario Regulation 458/11 of the *College of Trades and Apprenticeship Act, 2009*. The amendment adds language which allows for a delay in certification reviews.
http://www.e-laws.gov.on.ca/html/source/regs/english/2014/elaws_src_regs_r14145_e.htm
- For more information on the College of Trades please see page 70 or visit: www.collegeoftrades.ca.

Apprenticeship Ratios

- The Ontario College of Trades has completed the process of reviewing the journey-person-to-apprentice ratio for all construction trades. In total 14 trade ratios were reduced and 1 trade ratio increased as part of the review. These new ratios were made law through *Ontario Regulation 104/14, Ratio of Journeypersons to Apprentices*.
- OHBA was the most active stakeholder during the ratio review process and provided written and oral deputations for all trades involved in residential construction.
- While OHBA was pleased with the reduction in ratios which will provide more opportunities for men and women to enter the trades, **we continue to advocate for an across the board 1:1 ratio** for all construction trades, consistent with our 2011 Resolution. This would position Ontario with a similar ratio structure as the majority of provinces.



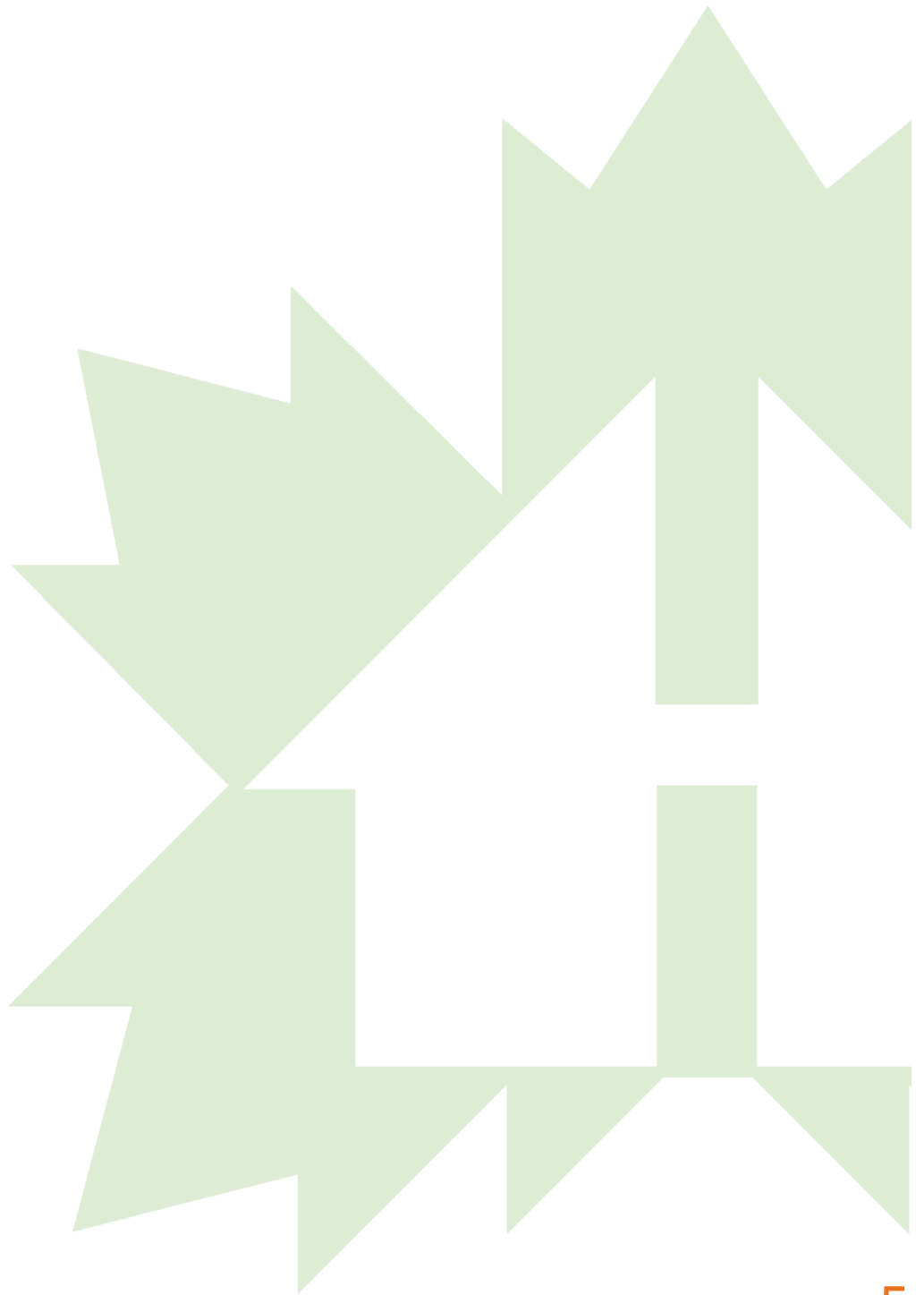
Condominium Act Review

- Condominium living has become an affordable and popular housing choice in both the low-rise and high-rise market and our members have responded to this demand by building the most vibrant condo market in North America.
- The Ministry of Government and Consumer Services announced in the summer 2012 its intention to review the **Condominium Act**.
- **OHBA established a Condo Review Committee** with co-chairs: Vince Molinaro (Molinaro Group) and Steve Deveau (Tribute Communities).
- OHBA has been an active participant throughout the process lending our considerable expertise, experience, and knowledge in the condominium sector.
- Throughout the consultation OHBA advocated for housing affordability as a component of any of the proposed changes to the **Condominium Act**.
- The Ministry has divided the process into three phases and the Minister will make legislative and regulatory changes based on the feedback received throughout the process.
 - **Stage 1:** included Public Information Sessions and the creation of a Residents' Panel to review the **Condominium Act**. The Stage 1 report was released in early 2013 and is available at www.ontario.ca/condos.
 - **Stage 2:** Experts in condominium issues reviewed the findings from Stage 1 and made recommendations to update the Act. Their report was released for public comment in late September 2013 and recommends the creation of a Condo Office which would deal with education and awareness; dispute settlement, licensing condo managers, and maintaining a condo registry. The office would be funded by user fees and a levy of \$1 - \$3 a month on each condo unit in the province.
 - **Stage 3:** The residents' panel was reconvened to review the experts' report of options and recommendations. After assessing the more than 100 recommendations, the panel judged the Solutions Report to be an effective response to a large majority of their concerns and priorities.
- The consultation process is now complete and OHBA looks forward to working with government, through the legislative process to ensure that changes to the Act ensure condo living remains an affordable housing option for Ontarians.
- OHBA submissions on the Condo review are all available at www.ohba.ca.
- For more information visit: www.ontario.ca/condos.

Construction Lien Act Reform

- The provincial government announced an independent review of the **Construction Lien Act** in March 2014 following feedback it received from the public hearings on Liberal MPP Steven Del Duca's Private Member's Bill: the **Prompt Payment Act** (Bill 69). That PMB would have made significant changes to contractual relationships for all construction projects in Ontario, including small home renovation projects.
- **OHBA opposed Bill 69** for the following reasons:
 - **Privacy concerns:** Contractors would have been able to request private financial information from builders and developers.
 - **Warranties holdbacks eliminated:** Created a significant change in how payments are processed and would not allow builders to include warranty holdbacks for deficient or unfinished work by contractors.
 - **Administrative burden:** The legislation creates a significant administrative burden with payment verifiers having to report on all contractors' work on a monthly basis.
 - **Project delays:** The Act allows a contractor to terminate a contract and withdraw services with a builder/developer if their monthly payment application is not paid in full every month creating significant delays in project completion and delaying closings for home owners.
- OHBA was the first stakeholder to provide comments on Bill 69, notifying MPPs of our concerns prior to Second Reading. **OHBA also made a deputation** to the Standing Committee on Regulations and Private Bills and has provided Standing Committee members with a list of potential amendments that would make the legislation more compatible with the residential construction industry. There were numerous other stakeholders that followed OHBA's lead in opposing the PMB. These included the Association of Municipalities Ontario, the City of Mississauga, the City of Toronto, various school boards, and public agencies.
- **OHBA passed a resolution** at the 2014 Annual Meeting of Members that if the government initiates a review of the **Construction Lien Act** that OHBA's advocacy would be based on the following principles: (1) respect contractual relationships (2) respect financial privacy of owners (3) any changes should not make it more difficult for projects to be completed in a timely fashion, increase costly litigation or increase administrative burden on contractors.

Economic Review Committee



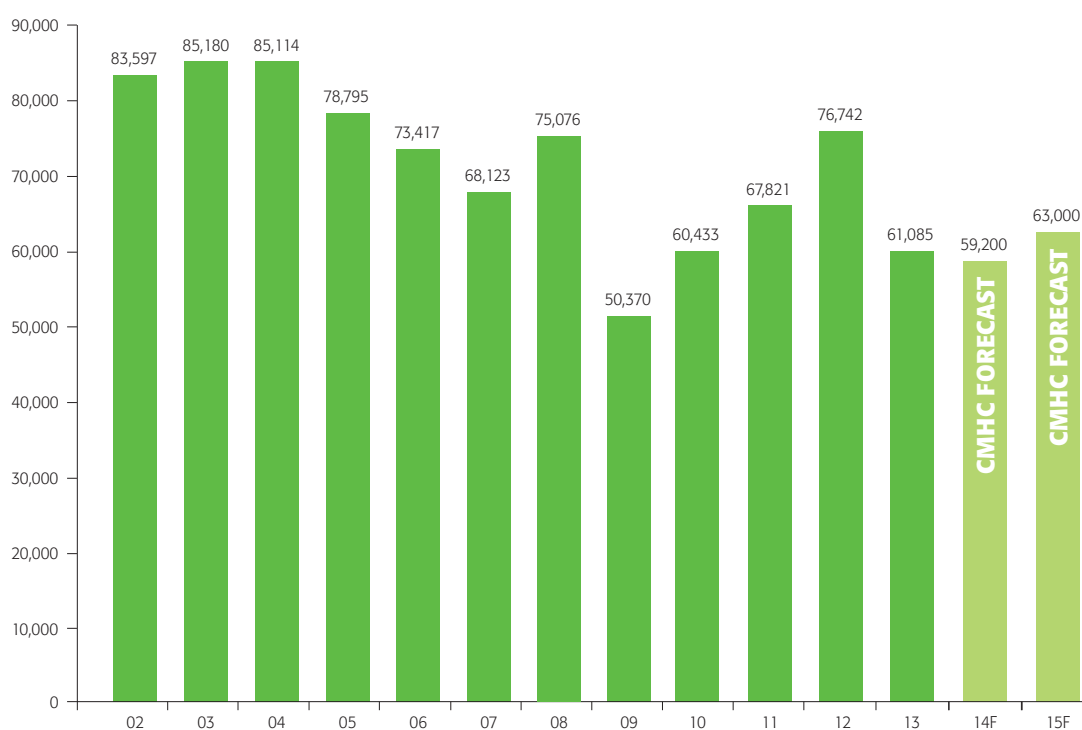
Economic Impact of the Housing Sector

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 – 2002-2015(F)



Source: Canada Mortgage and Housing Corporation

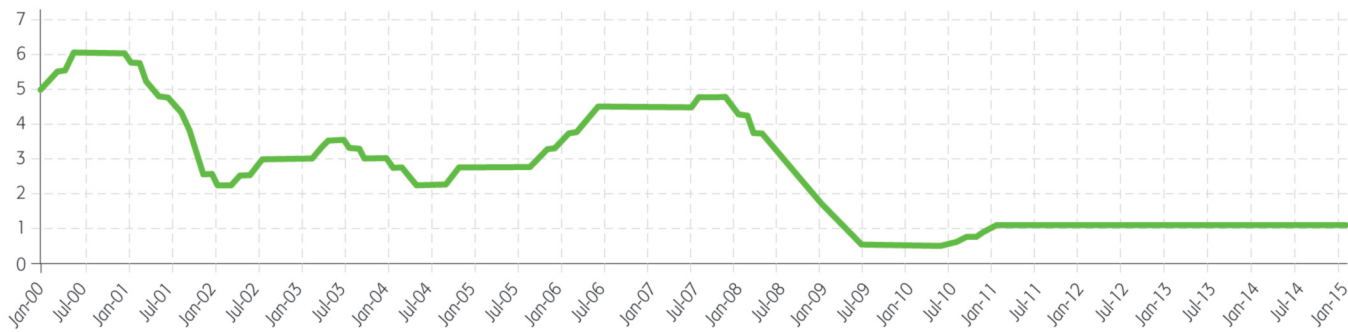
Housing Market

	2012	2013	2014F	2015F
Total Ontario Housing Starts	76,742	61,085	59,200	63,000
Single Detached Housing Starts	25,567	23,270	23,400	24,600
Multiple Unit Housing Starts	51,175	37,815	35,800	38,400
- Semi	3,397	3,116	2,750	2,700
- Row	10,577	9,427	9,800	10,500
- Apartment	37,201	25,272	23,250	25,200
Total MLS Sales	197,620	198,675	204,800	210,500
MLS Average Price	\$384,455	\$402,547	\$426,300	\$435,900

Source: Canada Mortgage and Housing Corporation

Bank of Canada

BANK RATE



Source: Bank of Canada

Condominium Market

GTA Condominium Sales

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
12,364	16,224	16,124	22,654	14,469	14,792	20,491	28,190	17,997	13,797

Source: Urbanation

Ontario Provincial Budget 2013

Ontario's Economic Outlook at a Glance

	2010	2011	2012	2013F	2014	2015F
Real GDP Growth (%)	2.8	2.2	1.3	1.3	2.1	2.5
Unemployment (%)	8.7	7.8	7.8	7.5	7.3	6.9
CPI Inflation (%)	2.5	3.1	1.4	1.0	1.5	1.9
Budget (\$ Billions)	2010-11	2011-12	2012-13	2013-14	2014-15F	2015-16F
Provincial Expenses	120.7	122.7	122.6	126.4	130.4	132.1
Provincial Revenues	106.7	109.8	113.4	115.7	118.9	124.5
Reserve	-	-	-	-	1.0	1.2
Surplus/(Deficit)	-14.0	-13.0	-9.2	-10.5	-12.5	-8.9

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

The Deficit

Annual Deficit/Surplus in \$ Billions



* Forecast

Source: Ontario Budget



Ontario Region Economic and Housing Indicators

	Housing Data	2012	2013	2014F	2015F
Barrie	Single Starts	474	602	650	690
	Multiple Starts	308	289	420	235
	Total Starts	782	891	1,070	925
	MLS Sales	4,574	4,648	4,700	4,800
	MLS Avg Price	\$298,000	\$317,883	\$338,000	\$344,800
Greater Sudbury	Single Starts	294	208	165	175
	Multiple Starts	242	223	90	85
	Total Starts	536	431	255	260
	MLS Sales	2,478	2,308	2,150	2,200
	MLS Avg Price	\$240,312	\$245,307	\$250,000	\$253,000
Hamilton	Single Starts	1,389	1,159	1,170	1,200
	Multiple Starts	1,580	1,550	1,460	1,550
	Total Starts	2,969	2,709	2,630	2,750
	MLS Sales	13,035	13,471	14,000	14,000
	MLS Avg Price	\$360,059	\$383,892	\$402,000	\$413,000
Kingston	Single Starts	449	325	310	320
	Multiple Starts	447	531	330	540
	Total Starts	896	856	640	860
	MLS Sales	3,321	3,156	2,900	3,000
	MLS Avg Price	\$270,275	\$279,339	\$286,100	\$291,900
Kitchener-Waterloo	Single Starts	871	690	800	775
	Multiple Starts	2,029	1,150	2,580	1,980
	Total Starts	2,900	1,840	3,380	2,755
	MLS Sales	6,314	6,467	6,550	6,750
	MLS Avg Price	\$312,419	\$324,604	\$337,000	\$347,000
London	Single Starts	1,234	1,153	1,050	1,100
	Multiple Starts	1,006	1,101	855	1,080
	Total Starts	2,240	2,163	1,905	2,180
	MLS Sales	8,272	8,113	8,400	8,550
	MLS Avg Price	\$241,160	\$246,943	\$252,000	\$261,500
Oshawa	Single Starts	1,160	887	1,035	1,100
	Multiple Starts	638	497	540	520
	Total Starts	1,798	1,384	1,575	1,620
	MLS Sales	10,288	10,019	10,200	10,500
	MLS Avg Price	\$333,202	\$354,548	\$382,000	\$391,400
Ottawa	Single Starts	1,592	1,787	1,825	1,740
	Multiple Starts	4,434	4,773	3,430	3,410
	Total Starts	6,026	6,560	5,255	5,150
	MLS Sales	14,497	14,049	13,900	13,800
	MLS Avg Price	\$352,610	358,876	\$363,000	\$366,000
St. Catharines – Niagara	Single Starts	678	717	750	780
	Multiple Starts	459	506	535	490
	Total Starts	1,137	1,223	1,285	1,290
	MLS Sales	5,554	5,483	5,750	5,950
	MLS Avg Price	\$232,050	\$238,449	\$250,000	\$258,000
Toronto	Single Starts	10,699	9,421	8,900	9,700
	Multiple Starts	37,406	24,126	24,500	26,300
	Total Starts	48,105	33,547	33,400	36,000
	MLS Sales	88,157	88,946	92,500	96,000
	MLS Avg Price	\$498,973	\$524,089	\$558,000	\$570,000
Windsor	Single Starts	536	535	550	575
	Multiple Starts	181	173	220	210
	Total Starts	717	708	770	785
	MLS Sales	5,082	5,341	5,400	5,600
	MLS Avg Price	\$172,047	\$179,820	\$187,000	\$191,000

Source: Canada Mortgage and Housing Corporation



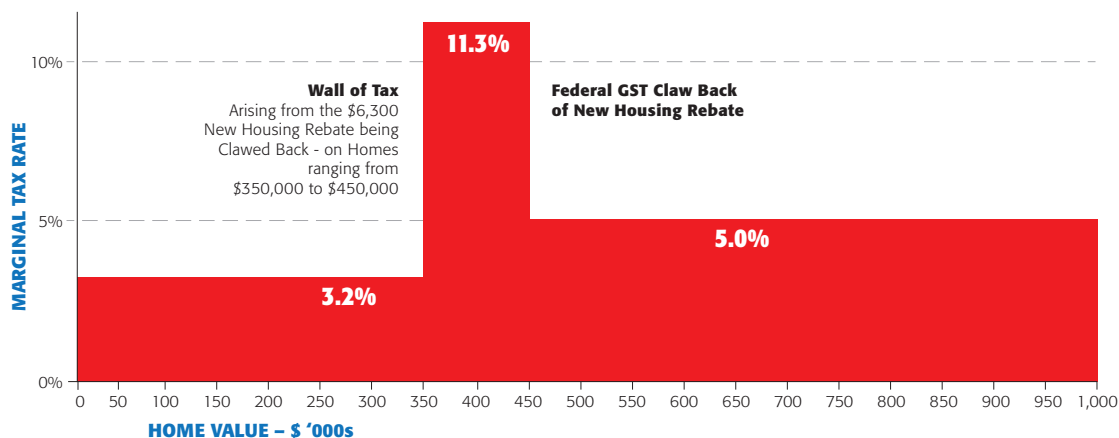
Population Growth

- 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 30-year period from 1981–2011, the population of the Greater Golden Horseshoe is expected to grow by almost 4.4 million people.

Progressive GST Rebate for New Housing

- In 1991 the federal government promised to index the GST rebate thresholds. It never happened and 23 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.

MARGINAL FEDERAL GST TAX RATE FOR NEW HOUSING



- Currently a new home under \$350,000 receives a GST rebate of 36 per cent of the GST. The rebate is phased out up to a \$450,000 threshold above which consumers pay the full five per cent 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 per cent. 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

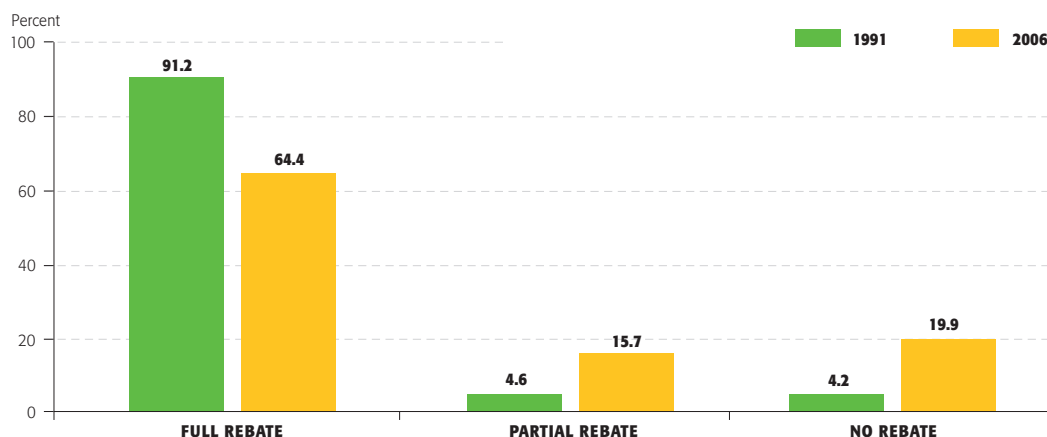
	1991	2006	Percentage Change
New Housing (Units)*	166,227	173,472	4%
Median New Housing Price (\$)	162,500	295,000	82%
Total GST Collected (\$ Millions)	1,588	3,400	114%

*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 AMM on September 21, 2009.
- On October 25, 2009, **CHBA passed a resolution** for the federal government to adopt a GST rebate modeled on the progressive HST tax structure in Ontario.

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



Source: Altus Group

Renovation Market

Economic Impacts of Residential Renovation Activity in Ontario

Year	2011	2012	2013
Value of Construction (\$ Millions)	\$24,000	\$23,200	\$24,291
Jobs Created (Total Person Years)			
- Direct (Construction)	111,000	102,400	105,800
- Indirect	75,500	69,700	62,000
- Total	186,500	172,100	\$182,100
Total Wages Generated (\$ Millions)	\$9,800	\$9,100	\$9,900

Source: : Estimates by Will Dunning Inc

Rental Housing

Ontario Apartment Vacancy Rates

Privately Initiated Apartment Structures of Three Units and Over

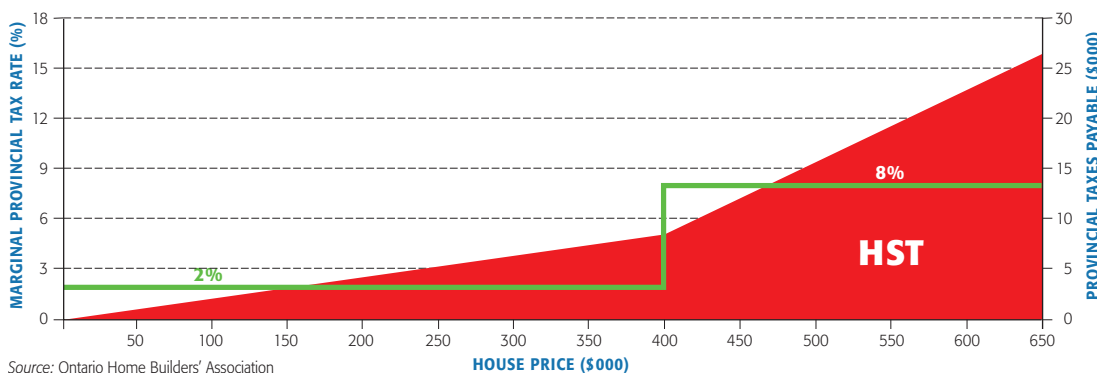
	Vacancy Rates %		Average Rent Two Bedroom	
	Oct 2013	Oct 2014	Oct 2013	Oct 2014
Barrie CMA	3.0	2.8	\$1,048	\$1,065
Brantford CMA	2.9	2.8	\$835	\$845
Greater Sudbury CMA	3.4	3.2	\$914	\$920
Hamilton CMA	3.4	3.2	\$932	\$945
Kingston CMA	2.3	2.5	\$1,054	\$1,080
Kitchener CMA	2.9	3.2	\$952	\$970
London CMA	3.3	3.2	\$924	\$940
Oshawa CMA	2.1	2.2	\$985	\$995
Ottawa CMA (Ontario Only)	2.9	3.2	\$1,132	\$1,140
St. Catharines-Niagara CMA	4.1	3.9	\$872	\$880
Thunder Bay CMA	2.6	2.4	\$858	\$875
Toronto CMA	1.6	1.8	\$1,213	\$1,220
Windsor CMA	5.9	5.0	\$788	\$805

Source: Canada Mortgage and Housing Corporation

Sales Tax Harmonization

- The enhanced Ontario New Housing Rebate provided an estimated \$1.03 billion in targeted HST relief to new home buyers in 2012 according to the *Ontario Transparency in Taxation, 2012* report.
- Tax Structure:
 - A two per cent flat tax is applied to the sale price of a new home up to a \$400,000 threshold;
 - An eight per cent 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.
- Based on 2009 data, the Altus Group estimated that the HST would have generated some \$422 million in new sales tax revenue from the housing sector for the provincial government.

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

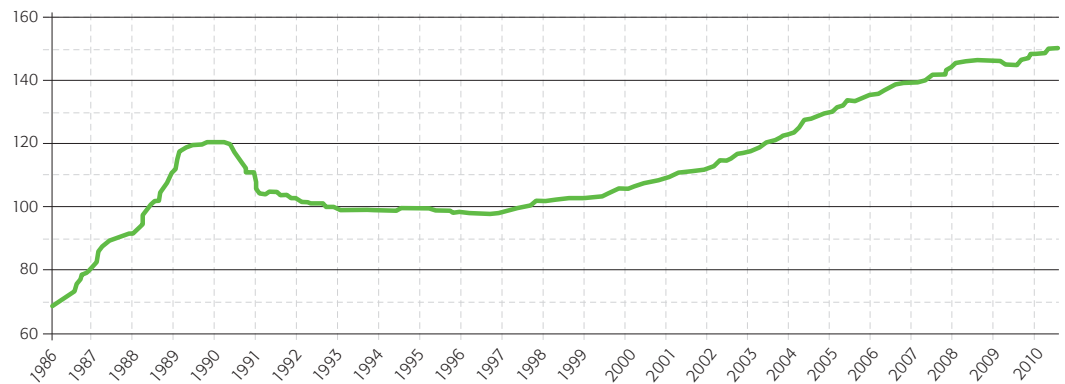


HST Threshold Review

- **OHBA is supportive of the progressive tax structure** that protects housing affordability by maintaining a two per cent 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. From 2000 to 2011, the new housing price index has increased some 44.3 per cent, compared with general inflation that rose by 26.3 per cent; and median family income which advanced by 20.3 per cent.

NEW HOUSING PRICES IN ONTARIO, 1986-2010

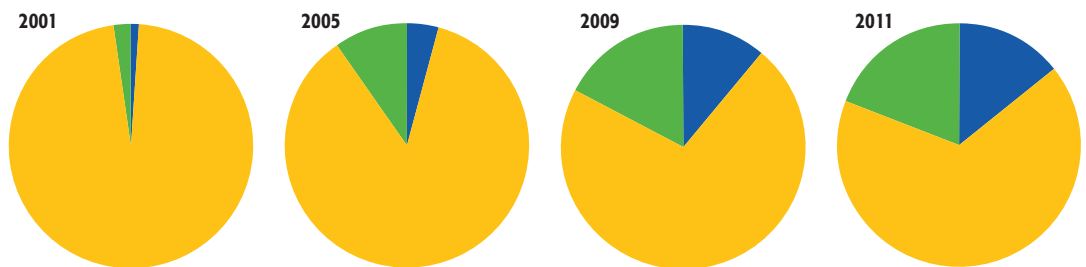
New Housing Price Index (1997 = 100)



Source: Altus Group

- As a result of faster housing price appreciation, an ever-growing share of new homes are valued at the high-end of the price range and it is critical to understand that a large number of households purchasing homes valued above \$400,000 are middle-income families.

DISTRIBUTION OF NEW HOUSING UNITS BY PRICE RANGE, ONTARIO

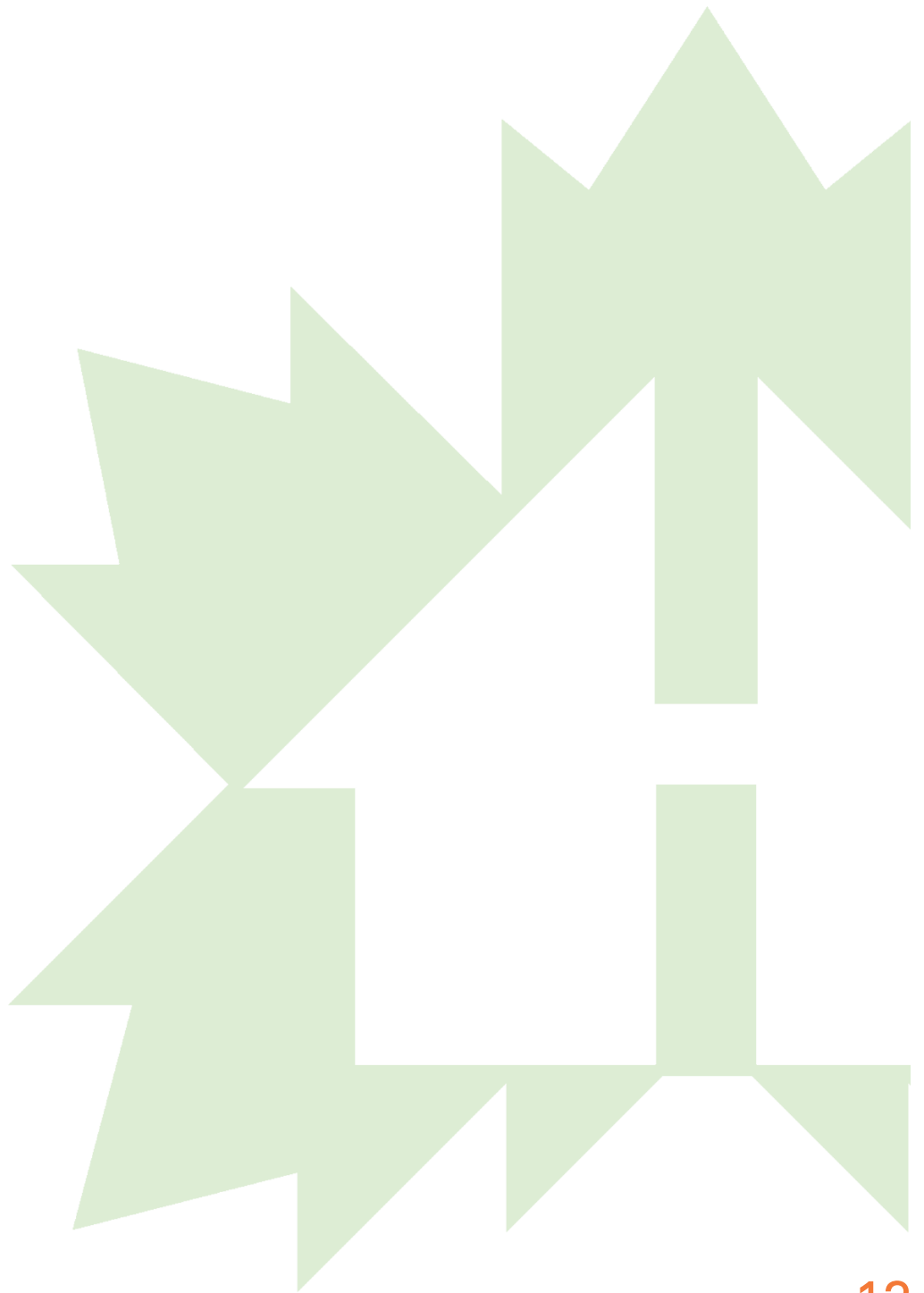


Source: Altus Group Economic Consulting based on data from Taroni Warranty Corporation

■ < \$400,000 ■ \$400,000 - \$525,000 ■ \$525,000 +

- 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 maintain tax neutrality for the majority of middle class Ontario new home buyers.
- This would substantially improve housing affordability for the middle class new home buyer.

EnerQuality Corporation

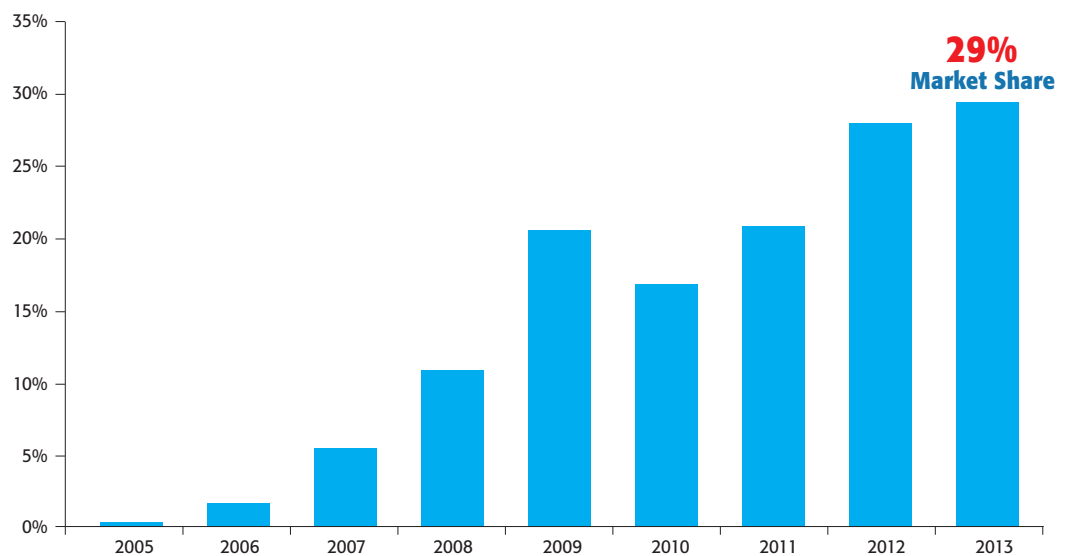


EnerQuality Corporation

- EnerQuality designs and delivers green building programs to the residential construction industry.
- Founded in 1998 as a partnership between the Canadian Energy Efficiency Alliance (CEEAA) and the Ontario Home Builders' Association (OHBA), EnerQuality's mission is to transform Ontario's housing into the most energy-efficient and sustainable in the world.
- EnerQuality's programs are voluntary and market-based designed to support innovation and improve building performance.
- EnerQuality and our partners are proud to be celebrating the 10th Anniversary of ENERGY STAR® for New Homes – Canada's most successful green building program.



ONTARIO MARKET PENETRATION



Source: EnerQuality

Programs



- **ENERGY STAR® for New Homes**

ENERGY STAR for New Homes was launched in 2005. ENERGY STAR qualified homes are approximately 20% more energy efficient than those built to the minimum Ontario Building Code. Since 2005, over 750 builders have participated in the program enrolling more than 74,000 homes and certifying over 57,000. In 2013, EnerQuality certified 29% of all houses built in Ontario to the ENERGY STAR standard.



- **GreenHouse™ Certified Construction**

GreenHouse Certified Construction was launched in 2008 to compliment ENERGY STAR for New Homes. Made-in-Ontario, GreenHouse incorporates water conservation, indoor air quality, and material and waste management credits on top of its core energy requirements. Innovative builders now have a tool to address these other green building metrics by dual-labelling their homes ENERGY STAR and GreenHouse.



Green Renovator Project™

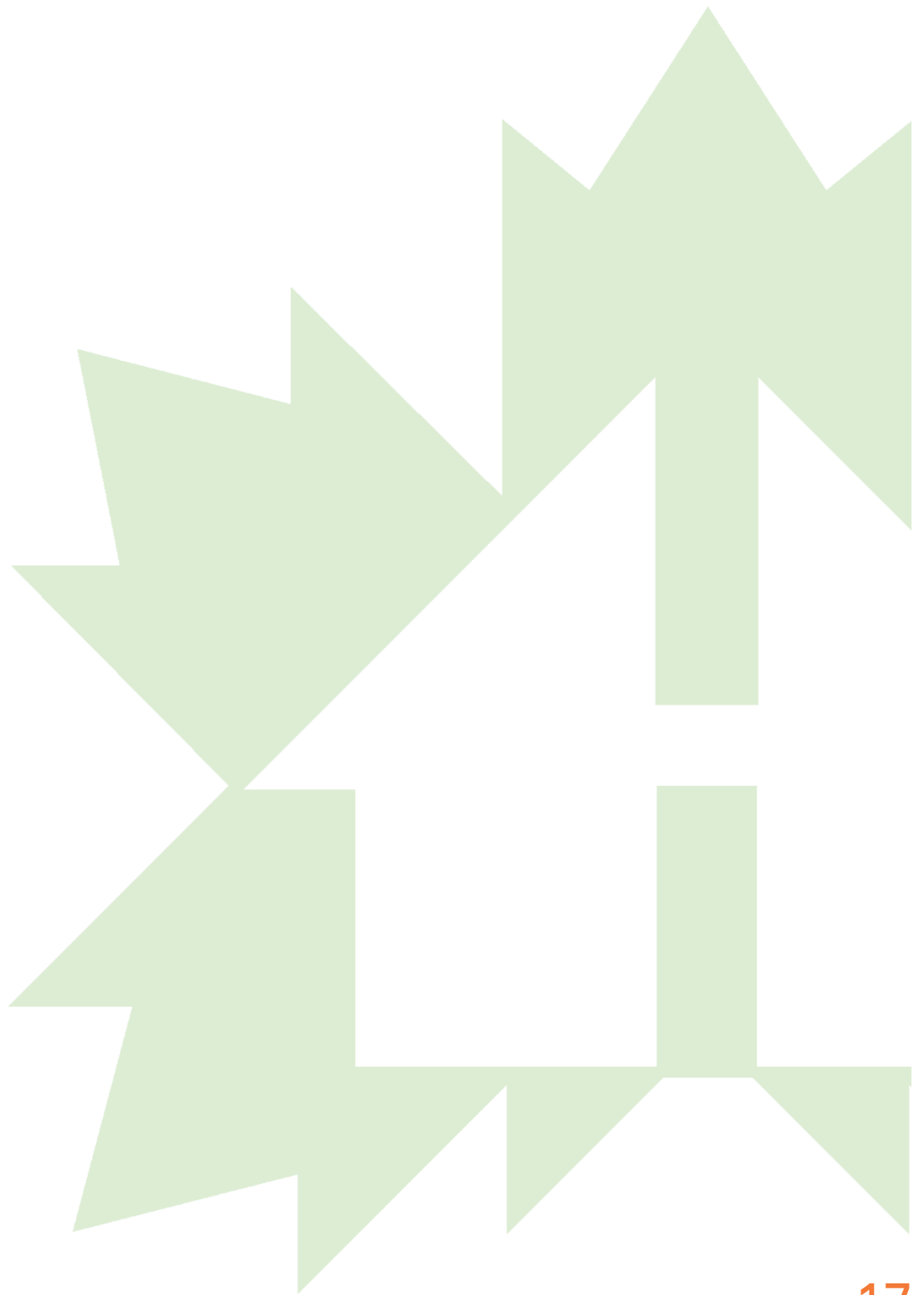
The Green Renovator Project trains general contractors to incorporate best practices in green building into their renovation projects. Certified Green Renovators are equipped with a recognized credential to differentiate their firms based on green building expertise and the knowledge to work with their clients to make smart choices when it comes to energy, water and materials/waste.



- **LEVEL™ NEW!**

LEVEL will launch in 2014. Practical and accessible, LEVEL is Ontario's first green building certification for residential mid/high-rise buildings. LEVEL's streamlined certification process and focus on building performance metrics require buildings to use less water and energy, produce less waste, and provide a healthier indoor environment.

OHBA/Tarion Liaison Committee



Warranty Protection for Condominium Conversions

- In April 2013, Tarion Warranty Corporation announced that it is studying the feasibility of providing warranty coverage for condominium conversions.
- As the Tarion warranty program was legislated as a new home protection plan, Tarion at present cannot provide warranty protection for such conversion projects.
- Given the unique nature of most condo conversions, these projects present additional challenges for warranty coverage and a significant financial risk.

Major Structural Defect (MSD) Warranty Consultation

- **OHBA has been opposed to Tarion's 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, seven-year MSD warranty.
- Following a lengthy redrafting of the MSD definition and regulations, Tarion conducted a final public consultation (on the regulations specifically) in January 2012. OHBA again voiced its opposition to the MSD policy change, but provided detailed recommendations to the revised definition and regulation proposals.
- Builders are not solely responsible for the MSD warranty. **OHBA successfully improved the original policy** (that would have shifted responsibility solely to builders) to a policy that satisfies Tarion's objectives through co-share payments for the MSD warranty.
- 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 in April 2012.
- The new MSD liability policy came into effect on July 1, 2012.
- An MSD Interpretation Guideline was published in July 2014 to provide clarity to readers as to how Tarion will assess claims.

Tarion Construction Performance Guidelines Review

- Tarion established a working group to review and recommend changes to the 2003 Edition of the *Construction Performance Guidelines* (CPG).
- 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.
- The new, revised CPG came 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 was posted in October 2012 and came into force at that time.

Builder Education Task Force (BETF)

- On February 9, 2012 Tarion's Board of Directors approved the *Builder Core Competency Consultation Paper* to 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 builders. Consultation closed at end of June 2012.
- Initially the Task Force was asked to develop a vision for a home builder education program. However, it was determined that enhancing registration requirements for new applicants and introducing new renewal requirements on core competencies for existing registrants, was the ideal way for Tarion to fulfill registration requirements and advance professionalism in the industry.
- Through this policy discussion, Tarion will 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 launched a subsequent consultation in summer 2013 to discuss program implementation. Tarion consulted with existing builders, new applicant builders and various other stakeholder groups and industry associations across the province.

Performance-Based Pricing

- A task-force was established by the Tarion Board of Directors to develop a proposal for performance-based pricing. The initial consultation on the policy proposal was completed in July 2012.
- The principle behind performance-based pricing is that the enrolment fees paid by a vendor/builder would be affected by their long-term performance with Tarion, and that a vendor/builder's rating would be publicly disclosed on Tarion's website.
- The proposed rating system will be based on three components:
 - Tenure
 - Claims history
 - Chargable conciliation history
- Tarion has been preparing trial scores based on four years of history, and will deliver these to builders in 2014. This will give vendor/builders an opportunity to prepare themselves for what their scores would actually look like when the program is implemented. They can also provide feedback to Tarion on the model, once they see how scores will actually be computed.
- Starting January 2016, Tarion plans on making the official builder ratings publicly available, giving home buyers additional information to use in choosing the right builder.

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 should be read in conjunction with *Bulletin 49 Claims Process – Condominium Common Elements* and can be viewed under the Builder Bulletin section of the Tarion website: www.tarion.com.

Illegal Building

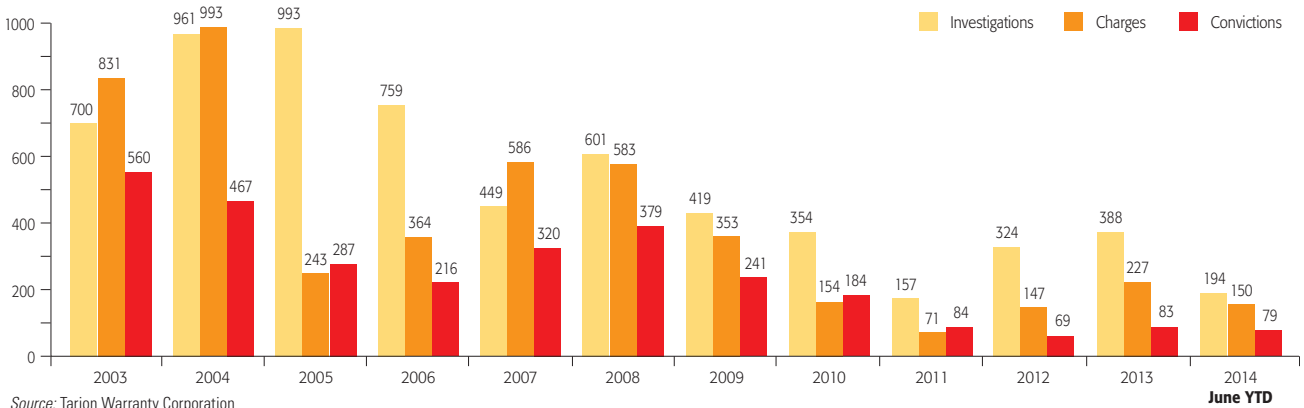
- Information on all permits issued on or after January 1, 2011, regardless of when the permit was applied for, must be sent to Tarion. Municipalities have 45 days after a permit has been issued to provide the prescribed information to Tarion. The information that is exchanged between the municipality 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.
- In 2013, approximately 25 per cent of all claims came from homeowners who purchased illegally built homes.
- OHBA and local HBAs continue to work with Tarion and the media to increase awareness and highlight that illegal building puts homeowners at risk, hurts the reputation of the industry; and is harmful to the local economy.
- Both Tarion (**1-800-786-6497**) and WSIB (**1-888-745-3237**) have established hotlines to report illegal activity anonymously.
- Tarion has reviewed the BC builder regulatory model to determine its suitability in aiding Tarion curb illegal building activity.
- In September 2014, **OHBA passed a resolution** to work with Tarion to design a model that is not onerous to existing Tarion registered vendor/builders and building officials; and to amend the **Building Code Act** to permit Tarion to determine if an applicant is a registered vendor/builder or is legitimately an owner-builder.
- Tarion is working with OHBA and OBOA to explore a regulatory change with the Ministry of Municipal Affairs and Housing with respect to the building permit application process to curb illegal building before it starts.

Tarion Enforcement Activity

	2009 Dec. YTD	2010 Dec. YTD	2011 Dec. YTD	2012 Dec. YTD	2013 Dec. YTD	2014 June YTD
Investigations	419	354	157	324	388	194
Charges Laid	353	154	71	147	227	150
Convictions	241	184	84	69	83	79
Fines Levied	\$1,040,000	\$345,000	\$128,000	\$211,000	\$263,000	\$251,000
Probation Orders	0	0	0	0	0	0
Jail Sentences	2	0	0	0	0	0
Fees Recovered	\$0.4 million	\$1.1 million	\$0.2 million	\$0.07 million	\$0.214 million	\$0.02 million

Source: Tarion Warranty Corporation

ENFORCEMENT ACTIVITY

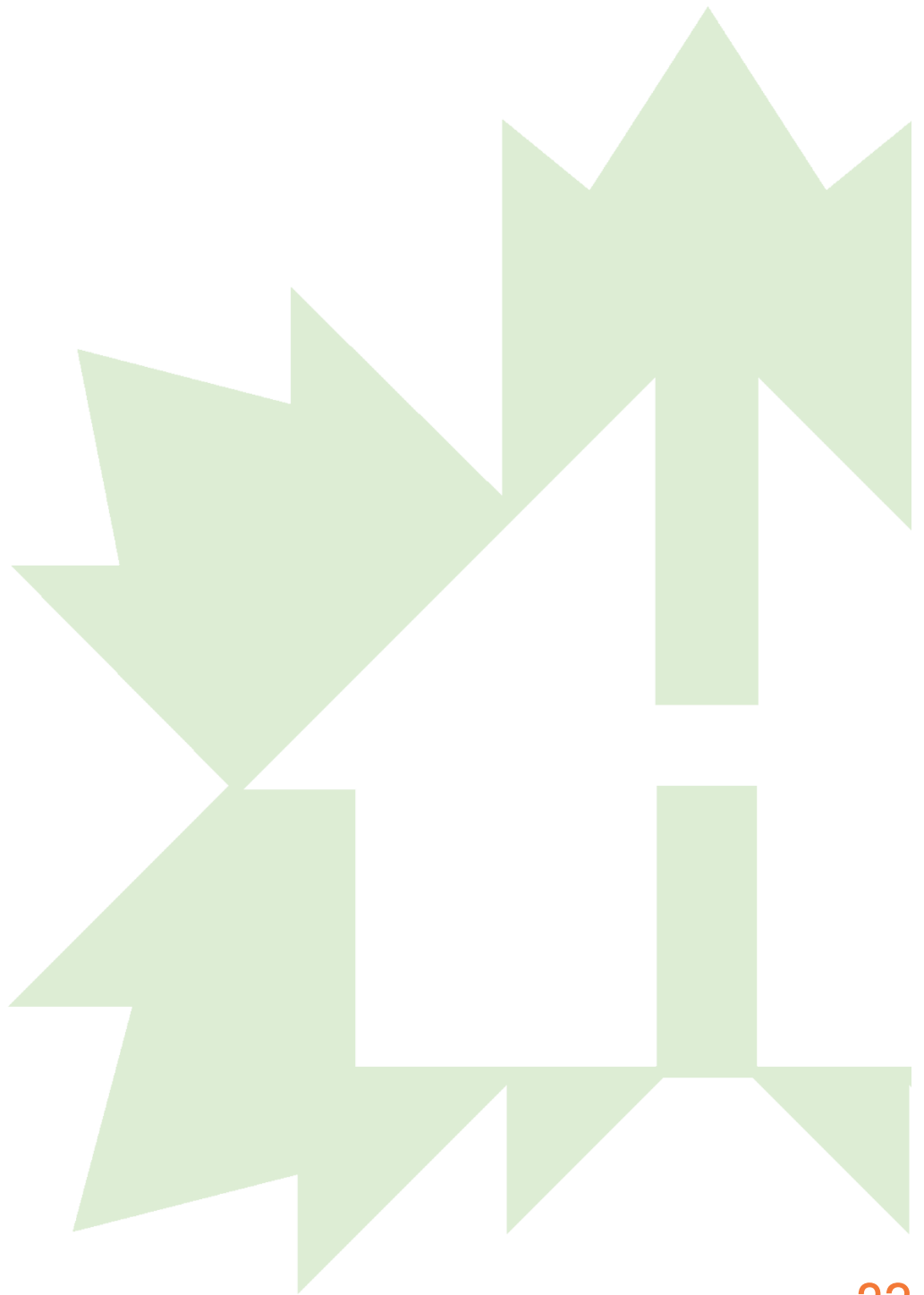


Tarion Industry Data

	2009 Dec. YTD	2010 Dec. YTD	2011 Dec. YTD	2012 Dec. YTD	2013 Dec. YTD	2014 June YTD
New Home Enrolments	47,649	52,531	58,610	60,932	51,506	22,151
New Homes Under Warranty	434,297	418,020	399,517	382,580	371,402	369,047
Average Sale Price						
– Freehold	\$376,828	\$380,414	\$415,619	\$436,953	\$446,322	\$466,942
– Low-rise Condo	\$274,489	\$260,961	\$268,190	\$279,368	\$301,015	\$315,055
– High-rise Condo	\$363,733	\$348,253	\$343,658	\$357,806	\$348,914	\$390,407
Registered builders/vendors	5,517	5,390	5,397	5,403	5,396	5,397
License refusal/revocations	94	48	29	28	37	14

Source: Tarion Warranty Corporation

Land Development Committee



Brownfields

- A package of amendments to Brownfields Regulations (O. Reg 153/04) for Records of Site Condition was approved in 2009 along with technical amendments in 2011.
- 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.
- **OHBA is supportive** of the Ontario Real Estate Association’s (OREA) 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”.
- On September 22, 2014, at the OHBA AMM, **two Brownfields resolutions were passed** requesting the Ministry of Environment and Climate Change to:
 - Provide an exemption to the **Environmental Protection Act** and O. Reg 153/04 for temporary roads.
 - Make improvements to O. Reg 153/04 with respect to Records of Site Condition to enhance the ability of Qualified Persons to interpret O. Reg 153/04 to support Brownfield development.

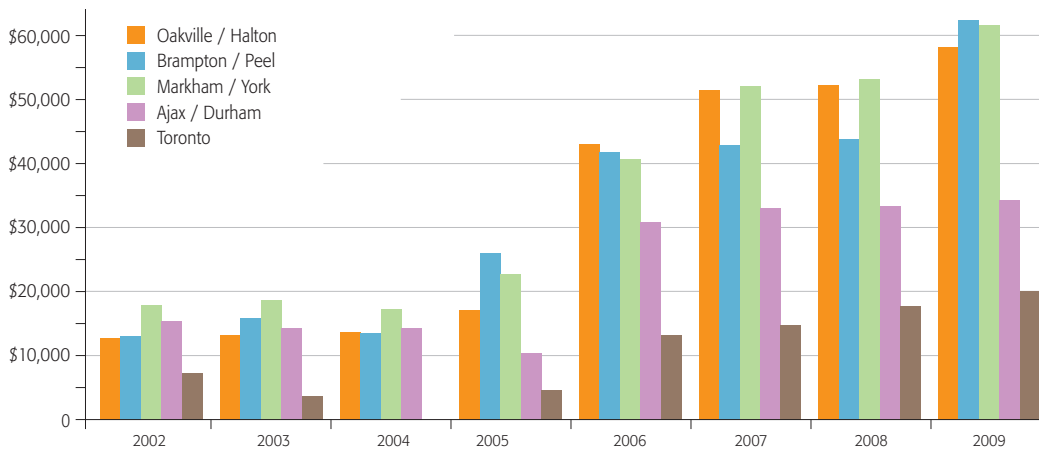
Conservation Authorities

- 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.
- A *Policies and Procedures for Conservation Authority Plan Review and Permitting Activities* released in 2010 facilitates streamlining of the CA permit review 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 O. Reg 97/04 to simplify and streamline the Conservation Authority permitting process that:
 - Enable delegation of positive permit decisions to conservation authority staff;
 - Extend the maximum period of validity of a permit from 24 to 60 months.
- **OHBA is advocating for improvements** to the inadequate appeals process for fees and permit decisions. Permit appeals should be moved from the Mining and Lands Commission to the OMB and fees should be appealable to the independent OMB.
- The November 2014 Mandate letter to the parliamentary Assistant to the Minister of Natural Resources and Forestry stated, “Initiate a review of the Conservation Authorities Act, including addressing roles, responsibilities and governance of conservation authorities in resource management and environmental protection.”.

Development Charges Act

- **OHBA is opposed** to amendments to the **Development Charges Act** that would undermine housing affordability and impose additional costs on new neighbours to create infrastructure assets that clearly benefit the whole community.
- An Altus study of GTA municipalities conducted in 2013 found that since 2004, for the municipalities studied, DCs have increased between 143 per cent and 357 per cent.

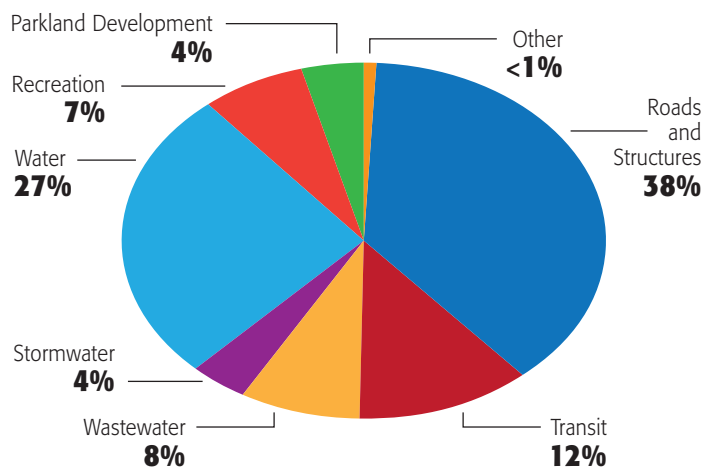
DEVELOPMENT CHARGES PER SINGLE-DETACHED HOME – Selected GTA Municipalities



Source: Altus Group Economic Consulting

- OHBA is concerned that many municipalities are not accepting that they are responsible for costs of services beyond the **Development Charges Act** and that excessive “levels of services” within DCs are creatively being utilized to maximize charges while artificially suppressing property tax rates.
- Municipalities are leveraging developers to pay more than what they are entitled to collect through the **Development Charges Act** by implementing “voluntary charges” and other creative measures.
- In 2013, municipalities levied \$2 billion in development charges across Ontario.
- Over the past decade the provincial government has significantly increased support for municipalities through the *Provincial Municipal Fiscal Service Delivery Review* and by permanently implementing the transfer of two cents of existing gas for transportation infrastructure.

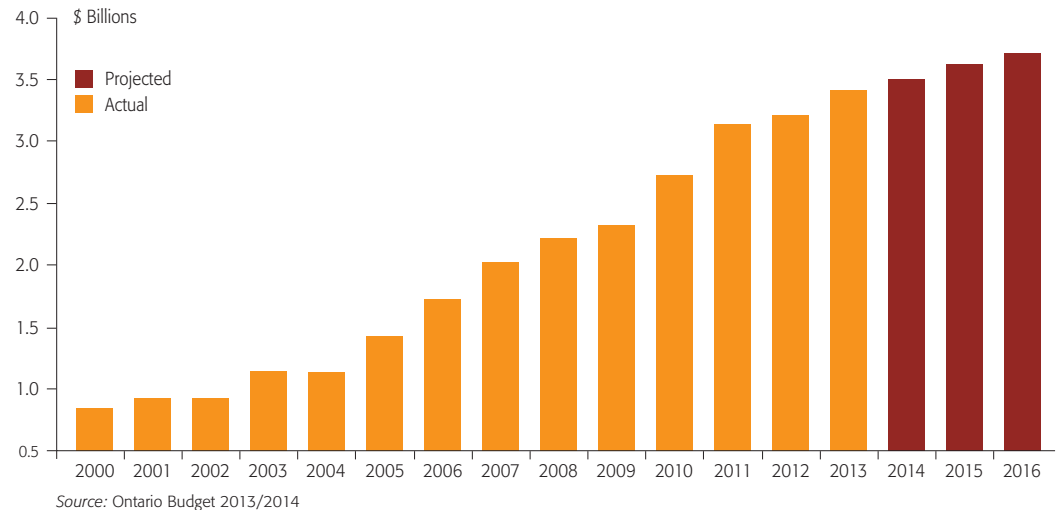
AVERAGE 2011 DEVELOPMENT CHARGE COLLECTIONS by Service IN THE GREATER GOLDEN HORSESHOE



Source: Ministry of Municipal Affairs and Housing

- OHBA notes that the province is providing municipalities with ongoing support of approximately \$3.5 billion in 2014. This is an increase of 200 per cent from the level provided in 2003.
- The federal government has also increased support for municipalities in recent years:
 - GST rebate for municipalities; and
 - Permanent transfer of five cents of existing gas tax for infrastructure.

ONGOING SUPPORT TO MUNICIPALITIES WILL INCREASE TO \$3.7 BILLION BY 2016



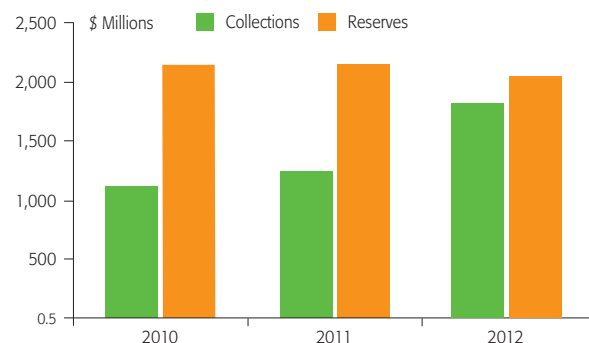
Development Charges Act Consultation

- At the AMO 2013 Annual Conference, the Minister of Municipal Affairs and Housing announced that the Provincial Government intended to launch a consultation on the development charges system including other municipal measures that levy costs on development.
- In October, 2013 the province announced an 80-day consultation running to January, 2014.
- The OHBA Development Charges Act Committee is Chaired by OHBA Executive Committee member, Lyn Townsend.
- OHBA **passed a resolution** in September 2013 at its AMM for the province to:
 - Make affordability and fairness a cornerstone of Ontario's planning system and infrastructure financing framework; and
 - Note that it would be inappropriate and inequitable to close the infrastructure deficit gap that benefits the entire community by increasing government imposed charges on new home buyers.

- In a **second resolution passed** in September 2013 at OHBA's AMM, OHBA requested that the province:
 - Not eliminate the 10-year service average provision from the **Development Charges Act**, and
 - Eliminate the loop-hole within the current legislative framework to finance growth-related infrastructure that allows municipalities to levy charges and fees for infrastructure that benefits the entire community outside the scope of the **Development Charges Act**.
- OHBA consulted broadly with our 4,000 member companies through our network of 31 local home builders associations. OHBA held internal industry consultations to develop our positions and recommendations to the provincial government at five local home builders' associations spread throughout the province. The Ministry of Municipal Affairs and Housing also attended and presented during the internal industry consultations.
- OHBA held internal industry consultations to develop our positions and recommendations to the provincial government – dates included:
 - September 24th – **OHBA** Annual Conference (Niagara Falls)
 - November 8th – **BILD** Land Council meeting
 - November 18th – **Waterloo Region HBA** consultation meeting
 - November 19th – **Hamilton-Halton HBA** consultation meeting
 - November 29th – **London HBA** consultation meeting
 - December 9th – **Greater Ottawa HBA** consultation meeting
 - December 12th – **OHBA/BILD** Consultation Steering Committee meeting
 - December 16th – **OHBA/BILD** Consultation Steering Committee meeting
- On January 10, 2014, OHBA provided the Ministry of Municipal Affairs and Housing with detailed recommendations to reform the **Development Charges Act**, Parkland Dedication policies and Section 37 (Density Bonusing) of the **Planning Act**. The OHBA submission is available at www.ohba.ca.

- Across Ontario a growing share of the purchase price of a new home goes towards government-imposed charges. As noted by the Ministry of Municipal Affairs and Housing, in 2012 alone, development charges and parkland cash-in-lieu contributed approximately \$2 billion directly toward the construction of infrastructure such as sewers, roads and transit.

**DEVELOPMENT CHARGES - COLLECTIONS AND RESERVES
in the Greater Golden Horseshoe**



Source: Ministry of Municipal Affairs and Housing

- OHBA believes that a better balance needs to be struck between the costs assigned to new neighbours and existing homes and businesses. Failing to address this imbalance now will have an impact on future affordability of homes and businesses and on economic growth. It will also exacerbate current frustrations with a decline in transparency and accountability for funds collected by municipalities in some areas of the province.

- OHBA continued to meet with the Minister of Municipal Affairs and Housing, Ministry staff and the Premier's office throughout 2014 to advocate, educate and inform industry positions with respect to affordability, accountability and transparency of the development charges system in Ontario
- The 2014 Liberal Party Platform for the Ontario General Election included a number of campaign commitments related to development charges.
- The 2014 Mandate Letter to the Minister of Municipal Affairs and Housing states that the Ministry priorities shall include, "Supporting the development of sustainable, transit-friendly complete communities by amending the **Planning Act** and the **Development Charges Act** to improve land-use planning and encourage smarter growth, with these amendments ensuring respect for local official plans and decision-making, generating more growth-related revenue for transit, requiring that citizen input is considered in the land-use planning process and having the effect of reducing the number of applications to the Ontario Municipal Board."

Development Charges, GTA

Summary of Development Charges in the GTA – Single Family Dwelling Units – 2014

Municipality	Region	TOTAL	Region DC	Municipal DC	GO Transit DC	EDC
Brampton	Peel	\$68,057	\$36,071	\$26,935	\$484	\$4,567
Markham	York	\$67,954	\$40,733	\$22,559	\$322	\$4,370
Mississauga	Peel	\$67,232	\$36,071	\$26,110	\$484	\$4,567
Aurora	York	\$65,511	\$40,733	\$20,116	\$322	\$4,370
Oakville	Halton	\$65,359	\$35,566	\$23,527	\$1,046	\$5,219
Newmarket	York	\$65,351	\$40,733	\$19,956	\$322	\$4,370
Caledon	Peel	\$63,698	\$36,071	\$22,577	\$484	\$4,567
Vaughan	York	\$62,993	\$40,733	\$17,598	\$322	\$4,370
East Gwillimbury	York	\$62,049	\$40,733	\$16,654	\$322	\$4,370
Richmond Hill	York	\$60,613	\$40,733	\$15,218	\$322	\$4,370
Whitchurch-Stouffville	York	\$58,037	\$40,733	\$12,642	\$322	\$4,370
Milton	Halton	\$57,558	\$35,566	\$15,726	\$1,046	\$5,219
King	York	\$57,082	\$40,733	\$12,022	\$322	\$4,370
Halton Hills	Halton	\$55,082	\$35,566	\$13,250	\$1,046	\$5,219
Georgina	York	\$52,284	\$40,733	\$6,884	\$322	\$4,370
Burlington	Halton	\$50,034	\$35,566	\$8,203	\$1,046	\$5,219
Ajax	Durham	\$43,298	\$25,099	\$14,807	\$657	\$2,735
Clarington	Durham	\$42,435	\$25,099	\$15,565	\$657	\$1,114
Pickering	Durham	\$41,180	\$25,099	\$12,689	\$657	\$2,735
Whitby	Durham	\$40,298	\$25,099	\$12,239	\$657	\$2,735
Oshawa	Durham	\$39,639	\$25,099	\$11,148	\$657	\$2,735
Uxbridge	Durham	\$38,751	\$25,099	\$10,260	\$657	\$2,735
Scugog	Durham	\$38,361	\$25,099	\$9,870	\$657	\$2,735
Brock	Durham	\$38,192	\$25,099	\$9,701	\$657	\$2,735
Toronto		\$28,615	-	\$27,774	-	\$841

Source: Building Industry and Land Development Association

Development Charges, Various Ontario Municipalities

Summary of Development Charges across Ontario – Single Family Dwelling Units – 2014

Municipality	Region/ County	TOTAL	Region DC	Municipal DC	Education DC	Go Transit DC
New Tecumseth	Simcoe	\$46,359	\$6,191	\$38,409	\$1,759	-
Innisfil	Simcoe	\$34,928	\$6,191	\$26,978	\$1,759	-
Barrie		\$32,547	-	\$30,788	\$1,759	-
Waterloo	Waterloo	\$31,506	\$17,936	\$11,859	\$1,711	-
Ottawa (outside greenbelt)		\$31,085	-	\$30,362	\$723	-
Hamilton	Ham-Wentworth	\$30,103	-	\$28,095	\$1,779	\$229
Kitchener	Waterloo	\$30,165	\$17,936	\$10,518	\$1,711	-
Cambridge	Waterloo	\$29,952	\$17,936	\$10,305	\$1,711	-
Collingwood	Simcoe	\$29,215	\$6,191	\$21,265	\$1,759	-
Guelph		\$29,116	-	\$27,232	\$1,884	-
London (inside growth area)		\$27,722	-	\$27,722	-	-
Orangeville	Dufferin	\$26,554	\$2,597	\$23,125	\$832	-
Lincoln	Niagara	\$24,268	\$10,100	\$14,168	-	-
Ottawa (inside greenbelt)		\$22,896	-	\$22,173	\$723	-
Grimsby	Niagara	\$20,761	\$10,100	\$10,661	-	-
Peterborough		\$20,133	-	\$20,133	-	-
Brantford	Brant	\$20,159	-	\$19,247	\$912	-
Windsor	Essex	\$18,596	-	\$18,291	\$305	-
Kingston		\$16,881	-	\$16,881	-	-
Sudbury		\$14,785	-	\$14,785	-	-
Orillia		\$13,932	-	\$13,932	-	-
Stratford		\$13,389	-	\$13,389	-	-
Belleville		\$9,614	-	\$9,614	-	-
St. Thomas		\$7,288	-	\$7,288	-	-
Sarnia		\$7,063	-	\$7,063	-	-

Source: Various Municipalities

Note: Does not include additional area specific levies

Endangered Species Act

- The **Endangered Species Act, 2007** (ESA) came into effect on June 30, 2008. Ontario has the most comprehensive species protection legislation in North America with three main features; it:
 - Emphasizes the importance of science in making decisions about the protection of species at risk;
 - Includes flexibility tools to create opportunities for both human activity (that would otherwise be prohibited) and species protection; and
 - Recognizes the importance of both species protection and habitat protection.
- OHBA strongly believes that habitat regulation should work in conjunction with existing legislation and complement other important provincial goals and objectives.

Endangered Species Act – MNRF Transformation

- The Ministry of Natural Resources and Forestry (MNRF) has embarked upon a modernization initiative with a view to streamline permitting processes and requirements.
- OHBA has been involved in this process by **supporting the modernization initiative**, participating on the Bobolink Roundtable and on the ESA Stakeholder Panel. The Stakeholder Panel provided recommendations to improve the implementation of the ESA to the Minister of MNRF in January 2013 (EBR 011-7980).
- **OHBA made a submission** to MNRF in January 2013 as part of the input towards a consultation on *Taking a Broader Landscape Approach: A Policy Framework for Modernizing Ontario's Approach to Natural Resource Management*. (EBR 011-7540).
- Following the submission of the ESA Stakeholder Panel Report, MNRF proposed a number of new approaches to the implementation of the ESA including the establishment of transition provisions and streamlining of permitting (EBR 011-7696).
- **OHBA submitted recommendations** generally supporting the regulatory package to MNRF in February 2013 (available at www.ohba.ca).
- On May 31, 2013, MNRF made **OHBA supported regulatory improvements** to the implementation of the ESA. The simplified rules include industry-specific transition provisions and a rules in regulation approach, which includes registration with MNRF that will apply a risk-based approach and move away from the detailed review and approval of site specific activities. Specifically the new rules:
 - Respects previously earned approvals while also acknowledging conditions may apply.
 - Provides transition for 65 species that received general habitat projection in June 2013, provided projects obtain an eligible approval and commence construction by July 1, 2015. Conditions include requirements to take immediate steps to minimize adverse effects and to develop a mitigation plan. These transitioned projects will not have to obtain an overall benefit permit if the rules in regulation are followed.
 - Provides transition window for new species at risk that were added to the list on January 24, 2013.
 - Replaces the current requirement for certain activities to apply for and obtain approval from MNRF before engaging in activities with:
 - > Rules in regulation established for two types of activities;
 - > Rules in regulation with registration established for 17 types of activities.
 - Includes provisions relating to standardized approaches for: Butternut, specific aquatic species, Bobolink and Eastern Meadowlark, Chimney Swift, and Barn Swallow.
 - Includes clarification and extends the window for Redside Dace transitional exemptions.
 - Includes a new online species at risk reference Toolbox and other guidance materials.

- On May 22, 2014, **OHBA made a submission to MNRF supporting an amendment** to O.Reg 242/08 in response to impending amendments to O.Reg 230.08 (EBR 012-1520). The regulation was subsequently posted in September 2014 and extends previous passed, and OHBA supported, transitional policies to six new species that were added to the SARO list in June 2014.

Endangered Species Act – Redside Dace

- In June 2011, a transition regulation under the ESA for protection of Redside Dace was posted following extensive consultation between MNRF, OHBA and BILD to develop an amended regulation.



Redside Dace

Endangered Species Act – Bobolink and Eastern Meadowlark

- OHBA is represented on the Bobolink / Eastern Meadowlark Roundtable advisory group to provide advice and recommendations on a long-term plan and recovery strategy over the temporary permitting exemption for agricultural operations.
- The Ontario government posted an **OHBA supported transition policy** on the Environmental Registry 011-5372 in May 2012 that exempts projects from an Overall Benefit Permit by providing support for the species through contributions to support habitat creation:
 - Projects in lands designated as an area of settlement in an Official Plan of a municipality approved before January 1, 2013, 1:1 (acre for acre);
 - Projects in receipt of Draft Plan Approval or Condominium Act Approval before November 1, 2014, 0.5:1 ratio;
 - Projects in receipt of Draft Plan Approval or Condominium Act Approval before January 1, 2013, 0.1:1 ratio.
- In 2014, **OHBA supported the amendment** to O.Reg 197/11 to continue the exemption for agricultural operations in relation to the Bobolink and Eastern Meadowlark for an interim period of 14 months (EBR 012-1596). In September 2014, the regulation was amended to extend the agricultural exemption to December 31, 2015.



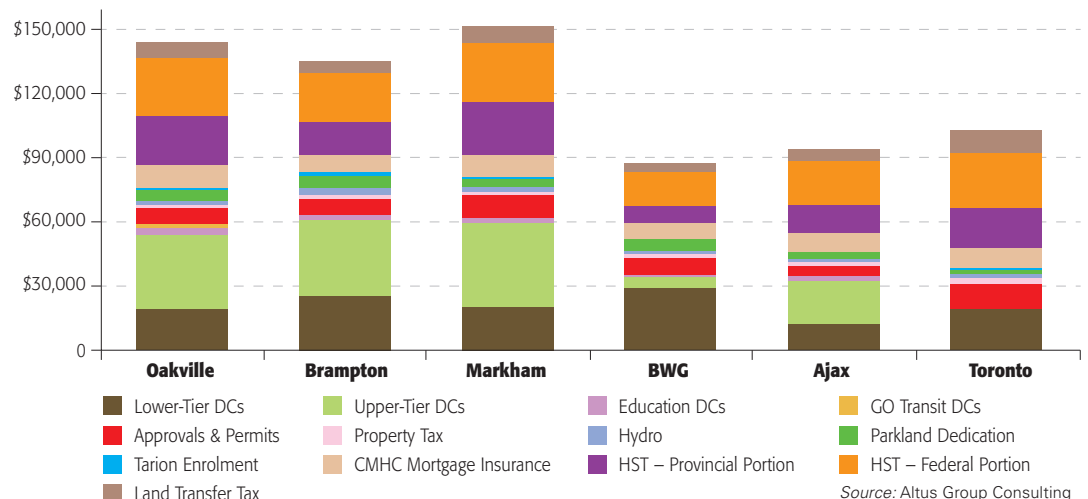
Bobolink

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

- A 2013 Altus Group study of GICs in the GTA found that the average government charges for each new single-detached home are about \$119,000 – which represents over 23 per cent of the average price.

GOVERNMENT CHARGES PER LOW-RISE HOME, BY TYPE OF COST, 2013
Selected GTA Municipalities



Great Lakes Protection Plan

- In June 2012, the province introduced a proposed **Great Lakes Protection Act, 2012**, which did not proceed when the Legislature prorogued. The province reintroducing the proposed **Great Lakes Protection Act, 2013** (Bill 6) in February 2013, which did not proceed when the legislative assembly was dissolved for the General Election.
- **OHBA provided recommendations** to the Ministry of the Environment in an August 2012 submission and noted support for scientifically-based targets in a Great Lakes Strategy, but that the Growth Plan and PPS must continue to be the guiding provincial policies for the residential construction industry given the significant forecast growth in Ontario.
- The September 2014 Mandate letter to the Minister of the Environment and Climate Change reiterates that Great Lakes Protection remains a priority for the Provincial Government.

Greenbelt Plan

- 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 legislated review of the Greenbelt shall be carried out every 10 years (2015) in conjunction with the Oak Ridges Moraine Conservation Plan and the Niagara Escarpment Plan.
- A report by *Friends of the Greenbelt Foundation* notes 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.

Growing the Greenbelt

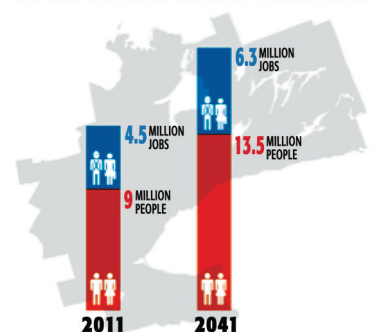
- Greenbelt expansion requests must follow six criteria:
 1. Begins with a municipal request, passed by a council resolution;
 2. Identify an area either adjacent to, or have a functional relationship to, the Greenbelt;
 3. Embraces the Greenbelt purpose;
 4. Connections to Greenbelt Systems;
 5. Complements the Growth Plan for the Greater Golden Horseshoe;
 6. Timing and Relationship to Other Provincial Initiatives.
- In November 2012, the province proposed an amendment to the *Greenbelt Plan* under the **Greenbelt Act, 2005** that would:
 - Add provincially-owned lands of approximately 255 hectares (630 acres), which are part of the Glenorchy Conservation Area in the Town of Oakville, to the Greenbelt;
 - Add a new *Urban River Valley* designation to the *Greenbelt Plan* to facilitate adding publicly-owned lands in urban river valleys currently outside the Greenbelt into the *Greenbelt Plan*.

- In a January 2013 **submission to the provincial government**, OHBA noted that it is not opposed to growing the Greenbelt through the addition of existing publicly-owned lands, however, OHBA outlined a number of broad implementation concerns with respect to the new *Urban River Valley* designation.
- OHBA and BILD presented to the Ontario Greenbelt Council in March 2013.
- The 2014 Liberal Election Platform stated, “We will enhance the Greenbelt. As part of our review of the Greenbelt, we will work with communities and expand the outer boundary of the Greenbelt over the next six years, using established processes continuing our legacy of protecting Ontario’s irreplaceable ecological and agricultural lands from urban sprawl. We will ensure that the Greenbelt Act is effectively meeting the goal of protecting ecologically sensitive and agricultural lands.”
- The September 2014 Mandate letter to the Minister of Municipal Affairs and Housing states: “Partnering with municipalities to grow the Greenbelt. You will respond to municipal requests in a timely manner ensuring there is a clear, simple process in place to address requests for further expansion.”
- In September 2014 at the **OHBA AMM a resolution was passed recommending:**
 - That the *Urban River Valley* designation only be extended to publicly-owned lands and cannot be extended to cover privately-owned lands;
 - Where there is a public Official Plan process that meets the Growing the Greenbelt Criteria, including the Growth Plan requirements, that is the appropriate process to grow the Greenbelt.
 - That as part of the 10-year review of the Greenbelt, and as contemplated in the **Greenbelt Act**, that **the Province consult the public and stakeholders on a set of criteria to review Greenbelt designations** in the Greenbelt Plan. Furthermore, once criteria are established, a hearing officer should be appointed under subsection 12 (1) to conduct hearings with respect to proposed amendments to the *Greenbelt Plan*.
- Criteria on Growing the Greenbelt including detailed maps of the existing Greenbelt and the now approved Amendment No. 1 can be accessed directly at:
www.greenbelt.ontario.ca.

Growth Plan – Greater Golden Horseshoe – Places to Grow

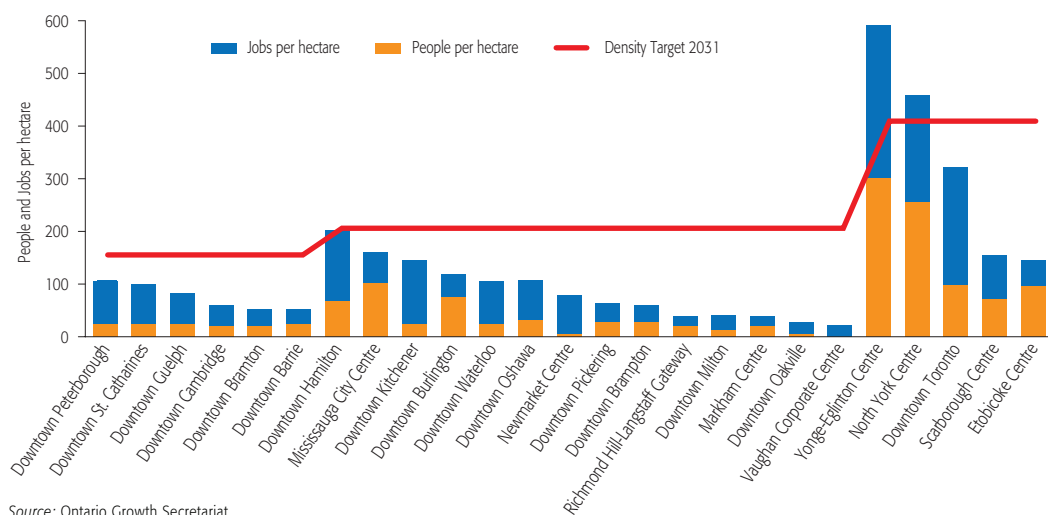
- *Places to Grow* outlines a vision and strategy for the future of the Greater Golden Horseshoe (GGH). The number of people living in the GGH is projected to grow to almost 13.5 million people and 6.2 million jobs by 2041.

PEOPLE AND JOBS in the Greater Golden Horseshoe



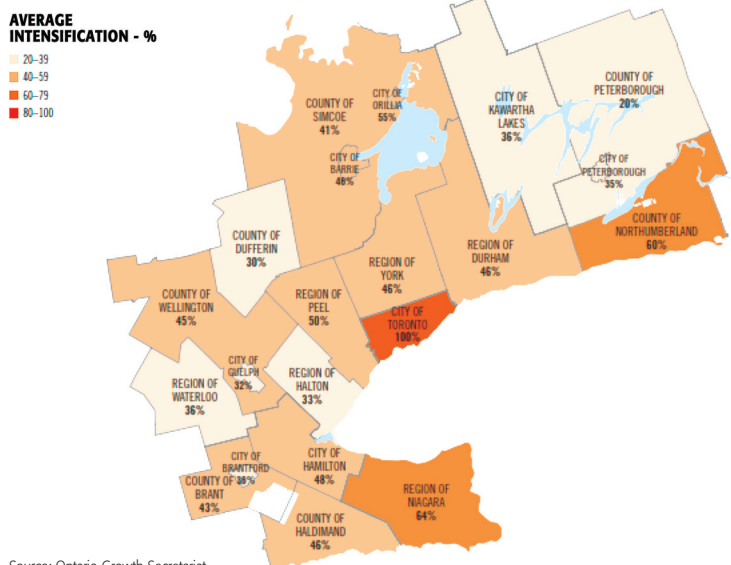
- In 2011, the province released a *Five-Year Progress Update* of the Growth Plan:
 - The update clarified the status of the ‘white-belt’ lands as an urban reserve by noting that it will be necessary to bring new lands into the urban envelop in the future;
 - Municipalities in the GTHA contain approximately 227,000 hectares of built-up land;
 - As of June 2011, there were approximately 51,800 hectares of designated greenfield land that will accommodate future urban uses;
 - Beyond the lands that are currently designated for urban uses, municipalities also have approximately 55,000 hectares of rural and agricultural lands within their boundaries that are not part of the Greenbelt.
- 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.

Population and Employment Density for 25 Urban Growth Centres - 2011



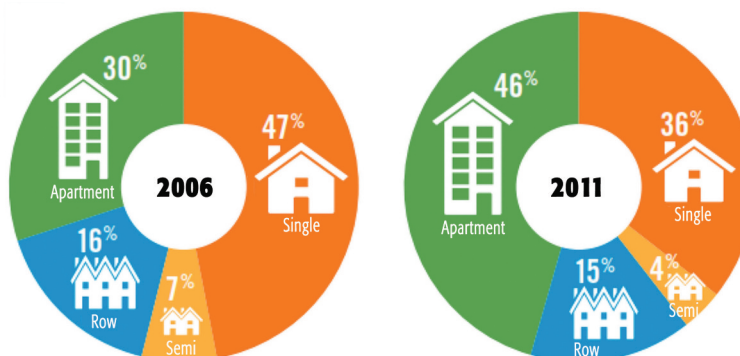
Source: Ontario Growth Secretariat

MEASURING RESIDENTIAL INTENSIFICATION Four-Year Average of Annual Intensification Rate, 2007-2010



Source: Ontario Growth Secretariat

NEW HOUSING UNITS IN THE GREATER GOLDEN HORSESHOE



Adapted from Canada Mortgage and Housing Corporation (CMHC) Housing Completion Data.
NOTE: Data has been rounded and may not add up to 100%.

Source: Ontario Growth Secretariat

- In advance of the legislated 10-year review of the *Growth Plan* (2016) the Ontario Growth Secretariat launched a consultation in March 2014 on *Proposed Performance Indicators for the Growth Plan*. OHBA **provided recommendations** on the proposed indicators, including recommendations for new indicators in a submission on April 30, 2014 (available www.ohba.ca). Furthermore, OHBA noted that consideration must be given to the significant differences between the inner ring and outer ring municipalities.
- OHBA has noted difficulties achieving 50 residents and jobs per hectare, especially with certain employment facilities that are not job intensive. **OHBA has recommended** that the province separate employment from density targets.
- **OHBA has recommended the province amend and eliminate** policy barriers to the successful implementation of the Growth Plan including cash-in-lieu of parkland dedication policies, minimum parking standards/requirements, as well as requiring pre-zoning for higher densities and/or Development Permit Systems in Urban Growth Centres and transit corridors.
- In September 2014 at the **OHBA AMM a resolution was passed recommending:**
 - The upcoming legislated 10-year review of the *Growth Plan for the Greater Golden Horseshoe* should officially designate and protect the whitebelt lands as a long-term urban reserve in which municipal expansions can only occur when the series of test and criteria, already outlined in the *Growth Plan*, have been met; and
 - That the **Greenbelt designation not be expanded into the Whitebelt** except in limited circumstances where that land is publicly-owned or meets the Urban River Valley criteria (which can only be used if under public ownership).
- 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.
- All OHBA *Places to Grow* submissions are available by contacting OHBA or visit www.placestogrow.ca for more information on *Places to Grow*.

Growth Plan – Simcoe Area – Amendment #1

- The *Simcoe Sub-Area Amendment* came into effect on January 19, 2012.
- Schedule 7 distributes the Schedule 3 forecast to 2031 for the municipalities in Simcoe.
- **OHBA was supportive** of the amendment that provides planning certainty and flexibility in managing development on land within existing settlements.
- **OHBA was opposed** to a previously proposed interim settlement area boundary that was not included in the final *Simcoe Sub-Area Amendment*.
- The amendment included transition policies and municipalities in the Simcoe sub-area have three years from January 19, 2012 to bring their official plans into conformity.
- The **Barrie-Innisfil Boundary Adjustment Act, 2009** expanded Barrie's municipal boundary by approximately 2,293 hectares. OHBA **made a presentation** to the Standing Committee on Justice Policy in November, 2009 **supporting the legislation**.

GROWTH PLAN – Schedule #3

Distribution of Population and Employment for the Greater Golden Horseshoe to 2041 (figures in 000s)

	UPDATED FORECASTS							
	Population 2031A	Employment 2031A	Population			Employment		
			2031B	2036	2041	2031B	2036	2041
Region of Durham	960	350	970	1,080	1,190	360	390	430
Region of York	1,500	780	1,590	1,700	1,790	790	840	900
City of Toronto	3,080	1,640	3,190	3,300	3,400	1,660	1,680	1,720
Region of Peel	1,640	870	1,770	1,870	1,970	880	920	970
Region of Halton	780	390	820	910	1,000	390	430	470
City of Hamilton	660	300	680	730	780	310	330	350
GTHA Total	8,620	4,330	9,010	9,590	10,130	4,380	4,580	4,820
County of Northumberland	96	33	100	105	110	36	37	39
County of Peterborough	61	18	70	73	76	20	21	24
City of Peterborough	88	42	103	109	115	52	54	58
City of Kawartha Lakes	100	27	100	101	107	29	30	32
County of Simcoe	See	See	See	456	497	See	141	152
City of Barrie	Schedule	Schedule	Schedule	231	253	Schedule	114	129
City of Orillia	7	7	7	44	46	7	22	23
County of Dufferin	80	27	80	81	85	29	31	32
County of Wellington	122	54	122	132	140	54	57	61
City of Guelph	175	92	177	184	191	94	97	101
Region of Waterloo	729	366	742	789	835	366	383	404
County of Brant	47	19	49	53	57	22	24	26
City of Brantford	126	53	139	152	163	67	72	79
Countu of Haldimand	56	20	57	60	64	22	24	25
Region of Niagara	511	218	543	577	610	235	248	265
OUTER RING TOTAL*	2,880	1,240	2,940	3,150	3,350	1,280	1,360	1,450
TOYAL GGH*	11,500	5,560	11,950	12,740	13,480	5,650	5,930	6,270

Source: Ontario Growth Secretariat

*Total may not add up due to rounding

Note: Numbers rounded off to nearest 10,000 for GTAH municipalities, GTAH Total and Outer Ring Total, and to nearest 1,000 for outer ring municipalities

Growth Plan – Amendment #2

- *Amendment 2* under the **Places to Grow Act** was supported by OHBA and extends the *Growth Plan's* population and employment forecast horizon for upper- and single-tier municipalities to 2041 and contains new forecasts for 2036 and 2041 (Schedule 3).
- **OHBA and BILD were consulted extensively** on the methodology and provided the Ontario Growth Secretariat with a **joint submission** in February 2013 supporting the release of population and employment forecasts for 2036 and 2041 (available at www.ohba.ca).

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*;
 - Developing a strategy to create an integrated transportation infrastructure system;
 - Supporting regional economic planning, business innovation and entrepreneurship.

Inclusionary Zoning

- Inclusionary zoning is a regulatory tool that undermines overall housing affordability and supply. Inclusionary zoning requires 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 subsidize the new affordable units.
- Inclusionary zoning proponents have advocated for incentive trade-offs such as density bonusing which **OHBA believes is problematic**. The provincial planning regime through the **Planning Act**, *Places to Grow* and 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.

Land-Use Planning and Appeals System Consultation

- Over the past decade the land-use planning system as well as the home building and land development industry have evolved significantly. While the province has demonstrated leadership through the creation of modern long-term plans, there is a lack of consistency in the implementation and interpretation of Provincial Planning Policy. OHBA is concerned that Ontario no longer has a planning system that provides certainty or can create investment-ready communities that can quickly adapt to changing market forces.
- At the Association of Municipalities of Ontario's (AMO) 2013 Annual Conference, the Minister of Municipal Affairs and Housing announced that the Provincial Government intended to launch a consultation on Ontario's land-use planning system and decision making process, including land-use appeals to the Ontario Municipal Board (OMB).
- The OHBA Planning Committee is Co-Chaired by Leith Moore and Neil Rodgers.
- **OHBA passed a resolution** in September 2013 at its AMM for the province to maintain a strong, independent third party appeals tribunal as a core component of Ontario's land-use planning system.
- OHBA is concerned that without a strong and independent OMB the provincial policies and objectives for land-use planning will be difficult to achieve due to local political resistance to intensification and changes within existing communities as defined within the public planning policy framework.
- Furthermore, a political vote based on short-term thinking doesn't necessarily lead to the best longer-term planning outcomes. These longer-term planning based decisions help to ensure that we continue to build and sustain affordable and livable communities in which to live, work and play across Ontario.
- OHBA held internal industry consultations to develop our positions and recommendations to the provincial government – dates included:
 - September 24th – **OHBA** Annual Conference (Niagara Falls)
 - November 8th – **BILD** Land Council meeting
 - November 18th – **Waterloo Region HBA** consultation meeting
 - November 19th – **Hamilton-Halton HBA** consultation meeting
 - November 29th – **London HBA** consultation meeting
 - December 9th – **Greater Ottawa HBA** consultation meeting
 - December 12th – **OHBA/BILD** Consultation Steering Committee meeting
 - December 16th – **OHBA/BILD** Consultation Steering Committee meeting
- In order to contribute to the continued economic vitality of the province, the new housing and land development industry must operate within a framework that provides certainty, establishes clear rules for development, and determines how our communities grow.

- Therefore it is critical that municipalities ensure that local planning documents, including both Official Plans and zoning by-laws, are up-to-date, and consistent with provincial policy. Furthermore, municipalities should make greater use of the planning tools that the provincial government has provided to ensure the best possible planning outcomes in the development of strong, healthy and complete communities.
- OHBA contends that a planning policy disconnect has emerged between the province and many municipalities. This disconnect is partially responsible for some of the frustration in the implementation of public policy and for some appeals made to the OMB.
- Closing the gap and ensuring a better alignment between provincial planning policy and municipal planning implementation tools emerged as a major theme within OHBA's recommendations to the provincial government.
- On January 10, 2014, OHBA provided the Ministry of Municipal Affairs and Housing with **comprehensive and detailed recommendations** with respect to the Land-Use Planning and Appeals System (available at www.ohba.ca).
- The 2014 Liberal Party election platform committed to: "reduce the number of development applications that go to the OMB," and to, "ensure citizens are consulted sooner and that there is more citizen input into the land use planning process."
- The 2014 Mandate Letter to the Minister of Municipal Affairs and Housing states that the Ministry priorities shall include: "Supporting the development of sustainable, transit-friendly complete communities by amending the **Planning Act** and the **Development Charges Act** to improve land-use planning and encourage smarter growth, with these amendments ensuring respect for local Official Plans and decision-making, generating more growth-related revenue for transit, requiring that citizen input is considered in the land-use planning process and having the effect of reducing the number of applications to the OMB."

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 in April 2011. OHBA appeared before the Standing Committee on Justice Policy in March 2011 **in support of the proposed legislation** that requires municipalities to have policies in their Official Plans allowing for secondary suites in both new and existing communities.

- An OHBA submission provided the province with six key recommendations:
 - Create a long-term, portable housing allowance program to provide immediate assistance to low-income households “who struggle with housing affordability”;
 - 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.

Metrolinx

- Metrolinx launched its \$50 billion, 25-year Regional Transportation Plan *The Big Move* for the Greater Toronto and Hamilton Areas in 2008.
- In April 2013, OHBA provided Metrolinx and the Provincial Government with recommendations on the *Metrolinx Investment Strategy* regarding **OHBA’s opposition to revenue tools that specifically target the new housing, development and professional renovation industry**, as well as, providing recommendations for planning tools that would support intensification around transit stations and transit corridors. The OHBA submission is available at www.ohba.ca.
- In May 2013, Metrolinx released an *Investment Strategy* that recommended:
 - 1 per cent increase to the HST;
 - 5 cents per litre Regional Fuel Tax;
 - Business Parking Levy;
 - Amendments to the **Development Changes Act**.
- In July, 2013, OHBA, BILD and HHHBA provided Metrolinx with a **submission that strongly opposes the proposed revenue (tax) tools** which disproportionately target new home buyers and new businesses across the GTHA. This is an inequitable and unfair approach that will embed the cost of infrastructure, meant to last upwards of 75 years, into the amortized mortgages of new home purchasers and/or onto the costs of new employment centres.
- In September 2013, an **OHBA resolution was passed** noting that OHBA is opposed to proposed revenue tools that will erode the affordability of new housing, mixed-use communities and new employment centres across Greater Toronto and Hamilton.
- In September 2013, **OHBA Past President Leith Moore was appointed by Premier Kathleen Wynne** to a *Transit Investment Strategy Advisory Panel* to consider other options to fund public transit and report its findings to government.



Source: Metrolinx

- In November 2013, OHBA and BILD made a **joint submission** to the *Transit Investment Strategy Advisory Panel*.
- In December 2013, the *Transit Investment Strategy Advisory Panel* provided their recommendations to the provincial government, which did not include taxes targeting new neighbours (www.transitpanel.ca)
- The OHBA pre-budget submission in January 2014 outlined OHBA's opposition to the Metrolinx Investment Strategy and our general support of the *Transit Investment Strategy Advisory Panel's* approach.
- The 2014 Ontario Provincial Budget committed \$15 billion towards transit expansion in the GTHA and \$14 billion towards transportation infrastructure in the rest of Ontario. The budget did not implement the *Metrolinx Investment Strategy* recommendations that would have inequitably targeted new neighbours to fund transit infrastructure.
- The 2014 Ontario Provincial Budget **incorporated OHBA recommendations** and a 2007 OHBA resolution to dedicate an additional portion of the existing gas tax to fund transit and transportation infrastructure.

- In September 2014 at the OHBA AMM **a resolution was passed recommending:**
 - The Minister of Transportation commence consultations with stakeholders to implement a Transportation Planning Policy Statement (TPPS) that would apply to higher-order transit corridors across Ontario. The TPPS should be structured to require municipal Official Plans and Zoning By-Laws to be in conformity with the TPPS and allow appropriate as-of-right Transit-Oriented Development on Transit Corridors and surrounding new/planned Transit Stations.

Ministry of Environment Modernization

- The Ministry of the Environment and Climate Change (MOECC) is moving forward with a plan to modernize and more sustainably manage, Ontario's environmental resources. OHBA is supportive of the main components of the modernization plan, including streamlining approvals processes and operation delivery transformation.
- In September 2013, **OHBA made a submission** to the Ministry (available at www.ohba.ca) that was generally supportive of the modernization approach to streamlining MOECC approvals through standardized conditional approaches (Rules in Regulation with Registration) and exemptions for lower-risk activities. Specifically, **OHBA recommended** a number of streamlined approaches and exemptions for lower risk surface water movements on construction sites (Permits to take Water).
- OHBA has expressed concern to the MOECC with respect to increased delays for the processing and red tape with respect to Environmental Compliance Approvals and the effectiveness of the Transfer of Review Program. OHBA believes that Environmental Compliance Approvals should be considered within the broader modernization initiative.

Minimum Distance Separation Formula (MDS)

- The Ministry of Agriculture and Food and the Ministry of Rural Affairs are undertaking a review of the Minimum Distance Separation Formula (MDS).
- OHBA participated in a technical stakeholder consultation in June 2013 and provided the Ministries **with a submission** in August 2013. OHBA noted concern that a stricter application of the MDS or the elimination of municipal discretion and flexibility could have significant unintended consequence of allowing the MDS to be utilized as a tool to prevent planned infrastructure extensions and growth from occurring.

Ontario Municipal Board

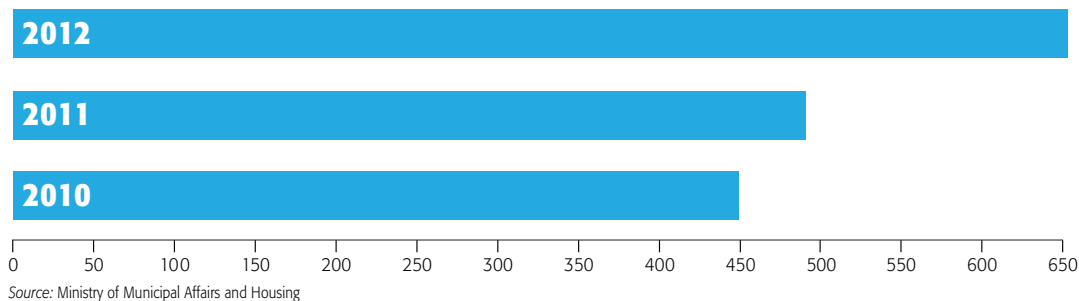
- The Ontario Municipal Board (OMB) is an independent, adjudicative tribunal that hears appeals on a wide range of municipal and land-related matters. The quasi-judicial board reviews development applications on planning merits in regard to provincial policies. This is in contrast to many local planning decisions that are based on short-term political situations rather than on the merits of the development application.
- In September 2013, an **OHBA resolution was passed** requesting the province to:
 - Maintain a strong, independent third party appeals tribunal as a core component of Ontario's land-use planning system;
 - Reduce unacceptable hearing and decision delays that are increasing the costs and time associated with planning approvals for all stakeholders;
 - Improve the scoping of issues to be heard and evidence to be brought forward during an appeal to enhance efficiency, reduce the length of hearings and to reduce the costs associated with OMB appeals for all stakeholders;
 - Discourage frivolous appeals by increasing the application fees and by requiring appellants to fully disclose their grounds for appeal within the application based on conformity and compliance with the public planning policy framework.
- On January 10, 2014, OHBA provided the Ministry of Municipal Affairs and Housing with **comprehensive and detailed recommendations** with respect to the Land-Use Planning and Appeals System. These recommendations included concepts to streamline and enhance OMB hearings (i.e. increased use of mediation), increased staffing levels at the board and improvements to the land-use planning system that would significantly reduce the case load at the OMB (i.e. ensuring municipalities maintain modern up-to-date zoning by-laws and Official Plans that are in conformity with provincial policy).
- An NDP Private Members Bill (Bill 20) proposed to remove the OMB from the jurisdiction of the City of Toronto. In May 2014 OHBA appeared before the Standing Committee on Finance and Economic Affairs to deliver OHBA's **opposition to the Private Members Bill** and to communicate our recommendations for the land use planning and appeals system consultation to the committee. The Private Members Bill was defeated.
- The 2014 Mandate Letters to both the Attorney General and the Minister of Municipal Affairs and Housing includes references to: "reviewing the scope and effectiveness of the Ontario Municipal Board and in recommending possible reforms to improve its role within the broader land-use planning system."

Parkland Dedication

- As required by the **Planning Act**, any development must provide five per cent 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 is required to pay cash-in-lieu for the value of the land – a cost which is passed on to the consumer.

- 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 recreational lands surrounding storm water management ponds.
- In the spring of 2013, OHBA wrote to both the Ministry of Municipal Affairs and Housing and the Minister of Infrastructure and Transportation requesting the province to support intensification and provincial policy by amending the **Planning Act** to **update** the maximum allowable cash-in-lieu of parkland fee formula.
- In September 2013, an **OHBA resolution was passed** requesting the province to:
 - Amend sec 42(3) of the *Planning Act* to significantly reduce the maximum cash-in-lieu of parkland ratio from 1 ha for every 300 units; and
 - To require municipalities to provide alternative parkland dedication policies within Urban Growth Centres and along higher-order transit corridors.
- On January 10, 2014, OHBA provided the Ministry of Municipal Affairs and Housing with comprehensive and detailed recommendations with respect to modernizing Parkland Dedication policies.

2010-2012 Municipal Parkland Dedication Reserves (Planning Act) Millions (\$) Collected



Provincial Policy Statement (PPS)

- In October 2010 **OHBA submitted recommendations** to the Ministry of Municipal Affairs and Housing noting that the planning process has become increasingly complex with numerous layers of legislation and regulation interfacing with the land-use approvals process.
- In October 2012, the province released draft PPS statements for consultation.
- OHBA prepared a **second submission** to the Ministry of Municipal Affairs and Housing outlining industry concerns and recommendations in November 2012.
- The new 2014 PPS was released in February 2014 and became effective on April 30, 2014 and applies to planning decisions made on or after that date.

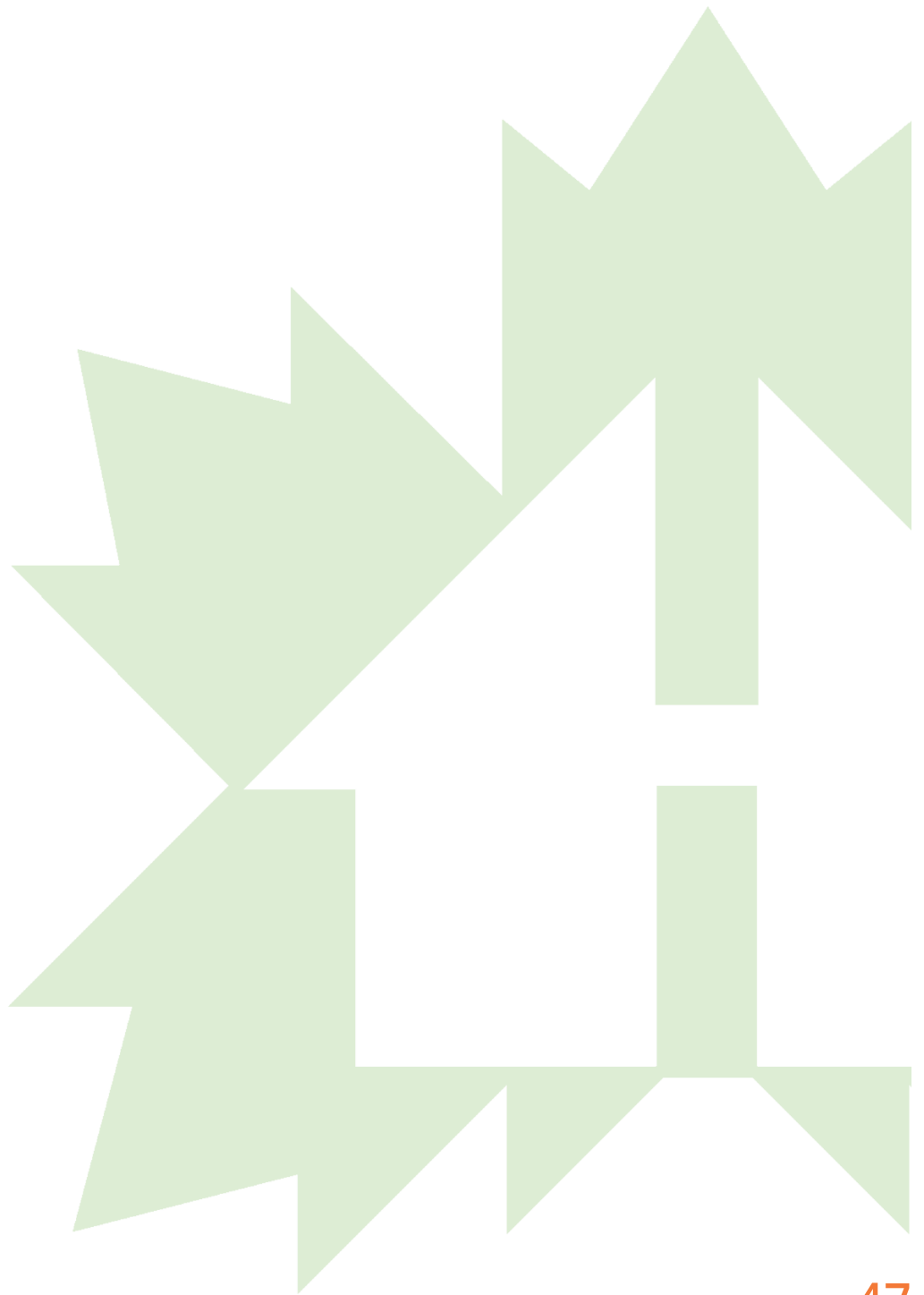
Strategic Lawsuits Against Public Participation (SLAPP)

- In 2010, the Ministry of the Attorney General appointed an expert panel to explore the issue of strategic lawsuits and to recommend some solutions.
- Following those recommendations, in June 2013 the province proposed a **Protection of Public Participation Act, 2013**, which did not proceed when the Legislative Assembly was dissolved for the General Election.
- The September 2014 Mandate letter to the Attorney General states that a priority for the Ministry will be, “Pursuing the re-introduction of legislation to protect the public from lawsuits intended to discourage public participation.”
- OHBA is supportive of the public planning process and democratic role for the public and communities to be involved in the planning process. However, OHBA is concerned with respect to frivolous appeals that are simply made to delay development from proceeding.

Waste Diversion Act

- In June 2013, the Provincial Government introduced a *Waste Reduction Act* (EBR 011-9260) and the *Waste Diversion Strategy* (EBR 011-9262). OHBA previously participated in consultations on Ontario’s waste diversion framework and provided the Ministry of the Environment with a **submission responding** to *The Role of Waste Diversion in the Green Economy* (EBR 010-8164) in February 2010. The legislation did not proceed when the Legislative Assembly was dissolved for the Ontario General Election.
- In August 2013, OHBA provided the Ministry of the Environment with **recommendations in a submission** that was generally supportive of an extended producer responsibility framework. However, OHBA noted specific issues and concerns for the residential construction industry that aggregates materials to produce housing rather than actually producing the material and further noted how such a framework would impact the residential construction industry.
- The September 2014 Mandate letter to the Minister of the Environment and Climate Change states: “Your ministry will do so [increase waste diversion] by building on the release of the Waste Reduction Strategy and working with industry, municipalities and other stakeholders toward the objective of re-introducing waste reduction legislation.”

Health & Safety Committee



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 to purchase WSIB insurance. The legislation provides limited exemptions for residential renovations and executive officers, however, the WSIB has been slow to release finalized policies. The legislation is now in force as of January 1, 2013.
 - **OHBA continues to advocate against mandatory coverage** for independent operators and executive officers in construction;
 - 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.**
 - *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).
 - **In a resolution passed** at the 2013 OHBA AMM, **OHBA proposed that WSIB create a separate rate group** for IOs and EOs ‘on the tools’ that takes into consideration market realities prior to Bill 119 and creates market-competitive rates that are established at one-third of the current rate group. This should act as the standard for a five-year period. After this time, WSIB should have the date to determine the true experience rating of IOs and EOs in construction.

WSIB Premium Rate Classification

- The WSIB Premium Rate for residential construction is more than twice as high as the Canadian average workplace safety compensation premium rate and 4.5 times higher than workplace insurance rates in Alberta.
- Ontario also is one of the only provinces where residential construction is in a different classification unit than Institutional, Commercial and Industrial (ICI) construction. Ontario home builders pay twice as much as ICI contractors even though the approvals process, building code, building materials, and trades may be identical in both instances.
- WSIB has been active in the past few years studying the rate framework in order to create more fairness and address the large unfunded liability.

- The first major report, written by Harry Arthurs, called *Funding Fairness* was released in Spring 2012 and the Ministry responded by creating a new regulation which requires WSIB to reach funding efficiency ratio of 60 per cent by 2017, 80 per cent funding in 2022, and a full 100 per cent funding by 2027.
- At the end of 2013 the WSIB unfunded liability was at \$11.299 billion or a funding ratio of 56.5 per cent.
- WSIB then initiated a new report, written by Douglas Stanley, called *Funding Fairness*. This report, released in early 2014 recommended a new integrated system of classification, rate-setting and experience rating which includes the consolidation of rate groups.
- **OHBA passed a resolution in 2014** supporting the basic findings in the *Funding Fairness* Report, and requested that, "WSIB expeditiously create a targeted plan on merging rate groups over the short-term with clear timelines."

Expert Advisory Panel on Occupational Health and Safety

- 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. Some of the Panel's recommendations are now regulatory requirements while others are still in the policy development and consultative phases.

Mandatory Health and Safety Awareness Training

- Starting July 1, 2014 the requirements for *Mandatory Health and Safety Awareness* training for all workers (not just construction) came into effect. This training focuses on safety rights and responsibilities and serves as a general introduction to workplace health and safety. The training is available online through the Ministry of Labour at no cost.
- *Mandatory Supervisor Health and Safety Awareness* training also took effect on July 1, 2014. This training introduces supervisors to the **Occupational Health and Safety Act**. The Program can be completed by using the workbook or the Ministry of Labour's e-Learning module. The online module takes 45-60 minutes to complete and users must save or print the certificate as the ministry will not maintain records. This mandatory training requirement is also available through the Ministry of Labour at no cost.

Mandatory Fall Protection Training for Workers

- The Ministry of Labour has created a new training standard for *Working at Heights*. The standard is currently voluntary and there has not been a regulation in place to validate the new requirements. The *Working At Heights Training Program Standard* would include two modules, both theory and practical, with a duration of both modules lasting three and 3.5 hours each.
- The Ministry has completed a consultation on the proposed new mandatory requirements. OHBA participated in the consultations and requested grandfathering and transition provisions for workers that had already completed similar training as well as a reasonable transition timetable for workers who were not trained prior to the regulation.
- Only Ministry approved trainers will be able to train workers. The Ministry has not announced the process of how to apply to become a licensed trainer or the curriculum the standard must comply with. OHBA will provide additional details when they become available.

Mandatory Entry Level Training for Construction

- One of the recommendations from the *Tony Dean Report* was for the Ministry to develop mandatory entry-level training for construction workers. The Ministry established a working group, but has yet to publicly consult on this proposal on what the requirements, length, and type of training this would encompass.

WSIB eClearance

- *Certificate of Clearance Policy 2010* (eClearance) for all employers, principals, contractors and subcontractors 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 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.

Ministry of Labour Safety Prevention Program

- A workplace safety toll-free phone number has been established for the public and workers to call to report labour practices or work conditions that appear unsafe: **1-877-202-0009**.

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.
- Employers must:
 - Prepare policies with respect to workplace violence and workplace harassment;
 - Develop and maintain programs to implement their policies;
 - Provide information and instruction to workers on the contents of these policies.
- More detailed information has been published at IHSA:
http://www.healthandsafetyontario.ca/bundles/ihsa/news/workplace_violence.html

WSIB Premium Rates 2015

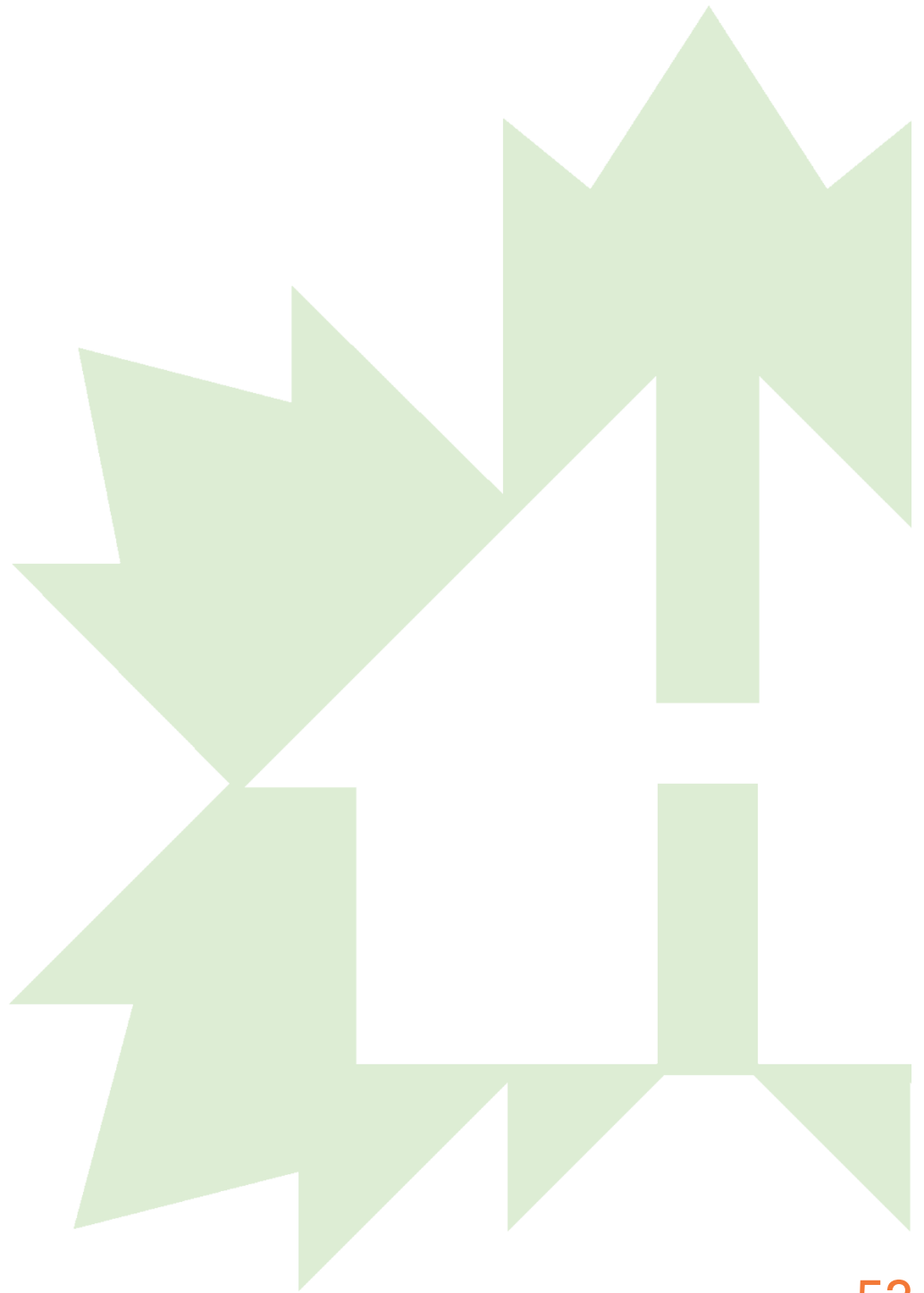
- In 2015, for the second consecutive year, premium rates will be maintained at current levels for the majority of employers. Only one rate group, Local Government Services, will see an increase in premium rates as a result of expanded coverage under the presumptive legislation for firefighters.
- The maximum insurable earnings ceiling for 2015 is \$85,200. This is an increase of 1.3 per cent from \$84,100 in 2014. Changes to the Maximum Insurable Earnings Ceiling are directly linked to changes in average earnings in Ontario as measured by Statistics Canada, and provisions under the **Workplace Safety and Insurance Act**.

WSIB Premium Rates

Rate Group	Description	2015 Premium Rate (\$)	2014 Premium Rate (\$)
704	Electrical And Incidental Construction Services	3.69	3.69
711	Roadbuilding And Excavating	5.29	5.29
719	Inside Finishing	7.51	7.51
723	Industrial, Commercial & Institutional Construction	4.55	4.55
728	Roofing	14.80	14.80
732	Heavy Civil Construction	7.03	7.03
741	Masonry	12.70	12.70
748	Form Work And Demolition	18.31	18.31
751	Siding And Outside Finishing	10.25	10.25
755*	Non-Exempt Partners and Executive Officers in Construction	0.21	0.21
764	Homebuilding	9.10	9.10

Source: WSIB

Renovators' Council



OHBA / March of Dimes Accessibility Professional Designation

- Through a partnership with the March of Dimes, OHBA has created a designation for renovators wishing to become more knowledgeable in the field of accessible and universal design.
- The online training course consists of four modules that focus on exterior property access; interior access; accessible kitchen design; and accessible bathroom design.
- Upon completion of the program OHBA member companies will receive the "Accessibility Professional" designation which will complement the RenoMark program and allow renovators and builders to demonstrate their knowledge in this ever-growing field.



Healthy Homes Renovation Tax Credit

- The *Healthy Homes Renovation Tax Credit* is a permanent, refundable income tax credit that assists with the cost of modifications that improve accessibility or help a senior be more functional or mobile at home.
- The Credit is worth up to \$1,500 each year, calculated at 15 per cent of up to \$10,000 in eligible expenses per year.
- The government's HHRTC website to assist consumers specifically references OHBA and the RenoMark program as a source to help with the home renovation process.
- **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.

Ministry of Consumer Services recognizes RenoMark/HBA network

- The Ministry of Consumer Services has recognized and identified OHBA's local association network and RenoMark renovators as the source for consumers looking to renovate.
- The September 2012 release states that:
Last year, the residential renovation sector contributed over \$23 billion to Ontario's economy and supported 211,000 jobs. Renovations and repairs shouldn't be left to chance. Families can get the best return for their hard-earned dollars by following these tips:
 - Choose a reputable contractor. Ask for recommendations, check websites like RenoMark, or call your local homebuilder's association. Reputable contractors will be bonded, will make sure their workers are insured against workplace injuries and will charge HST.

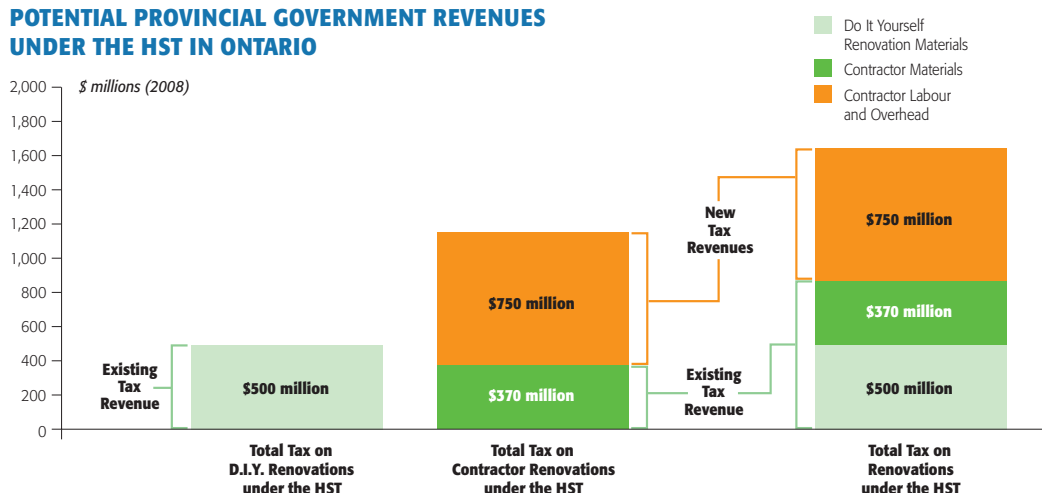
Residential Renovations and the Underground Economy

The residential renovation sector contributed:

- > **\$24.3 billion** to the provincial economy in 2013
- > Supported **182,100 jobs**
- > **\$10.0 billion** in wages
- > Underground 'cash' economy represents at least 37% of the residential renovation contractors
- > Approximately **\$5.2 billion in underground activity** in Ontario

- The Harmonized Sales Tax (HST) has had negative impacts on the residential renovation sector – in particular the contractor segment of the sector, which is estimated to represent 70 per cent 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.

POTENTIAL PROVINCIAL GOVERNMENT REVENUES UNDER THE HST IN ONTARIO



Source: Altus Group Economic Consulting

- **OHBA is concerned** that harmonization has further make worse the underground 'cash' economy problems experienced in the sector since the GST was initially introduced.
- 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.
- 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 per cent rebate (8 per cent provincial portion of the HST minus 2.6 per cent 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*.
 - As an alternative, the government could implement a rebate policy for certain contractor renovations to be considered 'major renovations', which focus on capital investment rather than maintenance and repair. These rebates could be implemented under physical definitions or based on the project value (i.e. \$5,000+, \$20,000+ or \$50,000+).

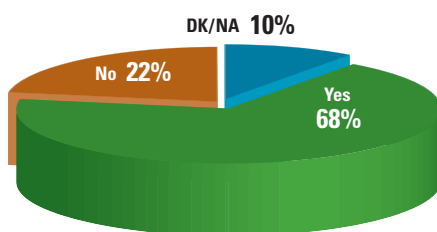
Benefits of Various Rebate Programs to the Ontario Government

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

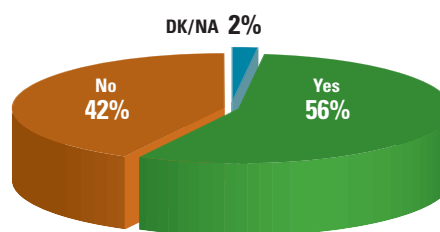
Source: Altus Group Economic Consulting

- 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?



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



Source: Environics Research Group

- **OHBA also recommends** that the federal government implement a permanent GST rebate or tax credit program to entice consumers to utilize the services of a legitimate, professional contractor rather than the underground 'cash' economy.
- On September 20, 2010, **OHBA passed a resolution** on 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** as well as provide an incentive for consumers to demand receipts from legitimate renovators and submit them to the CRA;
 - All firms and individuals in the construction industry should be required to register for a Business Number, even if they wish to take advantage of the HST exemption for companies which operate below the \$30,000 annual sales threshold;
 - The Ontario government should embark on a public awareness campaign targeted towards consumers that explains the risks associated with paying cash under-the-table to illegitimate contractors;
 - Government departments such as the Canada Revenue Agency, local building departments, WSIB, and the Ministry of Labour should better coordinate and share information to catch illegal contractors.
- On December 3, 2009, **OHBA made a deputation** to the Standing Committee on Finance and Economic Affairs regarding the implications of the HST for the renovation sector and the underground economy.
- On October 25, 2009, **CHBA passed a resolution** recommending that the federal government implement a renovation tax rebate under the GST to achieve revenue neutrality with the previous federal sales tax on home renovations.
- On September 21, 2009, **OHBA passed a resolution** recommending that the federal government modernize renovation tax policy to capture a significant portion of the renovation market. The resolution recommended that the provincial government ensure that the HST does not further encourage underground economic activity by increasing the tax burden on residential renovation.

RenoMark

- **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.

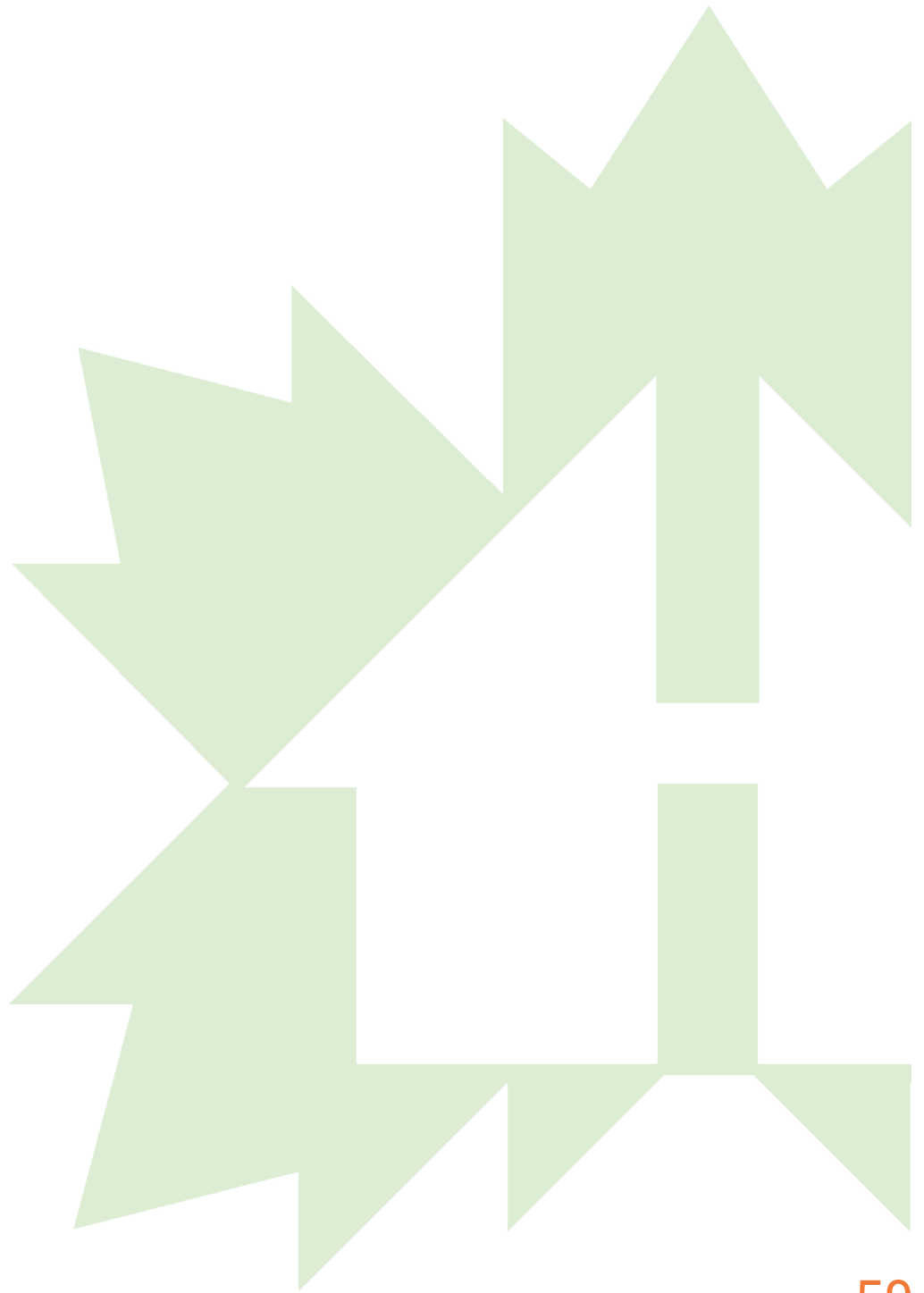
To date, 19 OHBA locals are participating in the RenoMark program:

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



- Visit **www.Renomark.ca** for more information.

Technical Committee



Accessibility for Ontarians with Disabilities Act (AODA)

- 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).
- A public consultation on the proposed *Accessible Built Environment Standard* was opened from July to October 2009. **OHBA prepared two response documents** including a general policy discussion as well as an on-line submission of technical comments.
- The Minister of Community and Social Services announced that retrofitting of the existing built environment and housing would not be part of the consultation and subsequently not being considered by government at this time.
- Early in 2010, the committee revised the initial proposed standard to reflect the public's input resulting in the Final Proposed *Accessible Built Environment Standard*.
- Work has already been completed on the standard for *Transportation* and the *Customer Service Standard* has already been adopted. Business owners should be aware of the *Customer Service Standard* and what it can mean to their operations. More information about the different accessibility standards (including the Built Environment Standard) can be found at: www.ontario.ca/accesson.
- On December 27, 2013, the 2012 Ontario Building Code was amended with requirements to enhance accessibility, effective January 1, 2015. The new requirements apply to most new construction and extensive renovations. Existing buildings, where no work is planned, are not affected by these new requirements. Houses, including semi-detached houses, townhouses and duplexes, are not affected by most accessibility requirements, with the exception of smoke alarm requirements. More information about the accessibility requirements may be found at: <http://www.mah.gov.on.ca/Page10546.aspx>.

Advisory Councils (BCCAC)

- 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.

- With the passing of the **Water Opportunities and Water Conservation Act, 2010**, the BCEAC's mandate was expanded to include water conservation and renamed to the *Building Code Conservation Advisory Council* (BCCAC). 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 11 members on the Council (2 members awaiting the Minister's appointment): OHBA Past President Doug Tarry represents the residential construction industry.

Glass Panels in Balcony Guards

- The Ministry of Municipal Affairs and Housing established an *Expert Advisory Panel on Glass Panels in Balcony Guards* including representation from OHBA and BILD to provide recommendations on whether and how to amend the Building Code to address the issue of breakage of glass panels in balcony guards.
- The Panel put forward **seven recommendations which were all adopted**.
- Ontario Regulation 159/12 was filed on June 20, 2012 and came into force on July 1, 2012. The amendment incorporates, by reference, new *Supplementary Standard SB-13, "Glass in Guards"*.
- The amendments include:
 - Requiring the use of heat-strengthened laminated glass when glass is close to or beyond the edge of a balcony;
 - Permit the use of heat-soaked tempered glass where glass balcony guards are inset a certain distance from the edge of the balcony;
 - These requirements apply to new construction only.

Mandatory Occupancy Inspection Process

- In January 2012, new Occupancy Inspection requirements set out the essentials for a house to be determined safe and habitable.
- Two problem areas have been identified and discussed:
 - Substantial completion of grading (difficult to inspect grading in winter). **OHBA has recommended to the Ministry of Municipal Affairs and Housing to remove this onerous requirement.** The 2012 Ontario Building Code (effective January 1, 2014) removed the requirement for site grading to be substantially complete as a condition for issuing an occupancy permit;
 - The OHBA/OBOA/LMCBO Joint Working Group has addressed what is required to demonstrate compliance with SB-12 on a FAQ document at www.oboa.on.ca.

Good Government Act, 2009

- The **Good Government Act, 2009** received Royal Assent on December 15, 2009 includes amendments to the **Building Code Act, 1992** (BCA):

Complete Permit Application:

- A complete application must meet certain threshold requirements;
- 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 if the proposal contravenes any applicable law.

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.

Occupancy Permits (Residential):

- Requirement for issuance of an occupancy permit under Building Code regulations clarifies criteria for occupancy of detached, semi-detached and row houses;
- The regulation requires that such a building cannot be occupied unless an occupancy permit has been issued;
- Issuance of an occupancy permit would follow an occupancy inspection requested by the builder as with all other mandatory inspection requests;
- Requirement for notification on date of completion has been eliminated for buildings subject to the new occupancy permit;
- This new inspection became effective January 1, 2012.

Home Energy Labelling

- On October 3, 2013, Liberal MPP Phil McNeely tabled a motion in the legislature that *“in an effort to protect and inform homebuyers, energy labelling related to the energy efficiency of new and existing houses at time of sale should be enacted by the end of 2014.”*
- **OHBA supported the motion on the condition that new homes would be exempt** from any auditing as the current building code already mandates that Part 9 residential buildings must meet the performance level that is equal to a rating of 80 or more when evaluated in accordance with the EnerGuide Rating System. Therefore the idea of labeling new homes is redundant for the new home consumer.
- OHBA has been consistent in our support of energy labelling of resale homes since the introduction of the **Green Energy and Economy Act**, as we see it as an extension of important and necessary disclosure when determining housing options.

- The debate at Queen's Park highlighted the distinction between homes after 2012 and those before the code change. MPP McNeely has also assured OHBA that he feels new homes should be exempt from this requirement. The motion passed with 47 in favour and 34 opposed as the Liberals and NDP voted in favour of the motion and the PC Party against. The motion is not binding on the government and **OHBA will continue to advocate on behalf of consumers** for better disclosure to promote energy efficient buildings in new and older homes.

2012 Ontario Building Code

- Most of the new *Ontario Building Code* will come into force on January 1, 2014. However, certain requirements will come into force later on January 1, 2015 and January 1, 2017.
- OHBA is working with MMAH and OBOA to develop a joint training program for both OHBA and OBOA members.
- OHBA was extensively involved in two rounds of public and stakeholder code consultations.
- There are over 20,000 changes to the *Ontario Building Code*, most are editorial changes, however some key changes include:
 - One smoke alarm per bedroom plus one per floor. Must be hard wired and have an alternate power source for 7 days, followed by 4 min of alarm;
 - Changes describing guards designed not to facilitate climbing;
 - Increased water conservation for toilets and showers;
 - Changes to on-site sewage system requirements;
 - Roof sheathing with supports > than 406 mm will require edge fasteners at every 150 mm;
 - Change in concrete foundation wall height (maximum unsupported height increased from 2.5 to 3.0m).
- On January 1, 2015 a number of additional code changes will take place, including:
 - Furnace equipped with Direct Current (DC or ECM) motor;
 - Updated 2012 CSA standard (F280) for heating and cooling load calculations;
 - Natural Gas (or propane) ready kitchen and laundry rooms are permitted instead of electrical;
 - Requirements for all smoke alarms in all buildings, including houses, to include a visual signalling component;
 - Requirements for visual fire alarms to be installed in all public corridors of multi-unit residential buildings and in all multi-unit residential suites.

- OHBA efforts ensured some ill-advised potential items did not make it into the code including:
 - Low-rise fire sprinklers;
 - Proposal to require mandatory “Solar Ready” conduits in all houses;
 - Proposal regarding increased performance for fire separation between houses and protection of soffits on closely spaced buildings were not harmonized with the National Code based on 10 minute emergency response times.
- Builders must be in compliance with the SB-12 energy efficiency requirements. The 2012 OBC includes the next step forward for Ontario housing in terms of energy and water efficiency in 2017. All new housing construction in 2017 must meet an energy efficiency level that is 15 per cent higher than those under the current code, and large buildings must meet a 13 per cent higher energy efficiency level.
- OHBA Past President Doug Tarry continues to represent the industry on the Building Code Conservation Advisory Council (BCCAC) which will continue in its mandate to examine options for energy efficiency in future editions of the OBC.

Radon Gas

- The OHBA Technical Committee requested clarification from the Tarion Warranty Corporation to identify warrantable conditions involved in Radon. A fact sheet is now available from Tarion.
- On July 17, 2014, MPP Qaadri’s Bill 11, **Radon Awareness and Prevention Act, 2014**, passed Second Reading in the Ontario Legislature with all-party support. The Act seeks to raise awareness about radon, provide for the Ontario Radon Registry and reduce radon levels in dwellings and workplaces.
- On November 12, 2013, the Minister of Health joined the New Brunswick Lung Association and Summerhill Impact Group to announce the Government's support for the annual National Radon Action Month, and to encourage all Canadians to test the levels of radon gas in their homes.

Residential Fire Sprinklers

- Mandatory residential fire sprinklers were adopted into the *Ontario Building Code* for buildings 4 storeys and higher, applying to building permit applications for Part 3 buildings filed after April 1, 2010.
- Residential fire sprinklers are not mandatory in low-rise housing in Ontario.
- According to data collected by the Ontario *Office of the Fire Marshal* (OFM), there was a 36 per cent 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 steadily increasing. As a representation of population to fire fatalities, Ontario's fire fatality rate in 2001 was 8.3 per cent while in 2010 it had dropped to 5.3 per cent.
- According to OFM 2012 data, in 33 per cent of preventable residential fires where there was a fatality, there was no smoke alarm warning. (In 15 percent there was no smoke alarm, and in 18% the smoke alarm did not operate.)

SB-12 Energy Efficiency Requirements (Joint 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.
- OHBA, the Ministry of Municipal Affairs and Housing, the Ontario Building Officials Association and the Large Municipalities Chief Building Officials **formed a joint working group** to address problem areas with the implementation of SB-12.
- The joint working group developed an Energy Efficiency Design Summary (EEDS) 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
- In response to OHBA 2013 Resolution #11, EEDS (Energy Efficiency Design Summary) Form Update, the SB-12 Joint Working Group revised the EEDS form and the accompanying FAQ. The key changes on the revised EEDS form incorporate amendments to SB-12 as of March 2013.
- Starting in Fall 2014, the joint working group and members from the OHBA Technical Committee will **submit recommendations** to MMAH on the general framework for SB-12 2017 and review subsequent technical packages from MMAH.

Six-Storey Wood Frame Construction

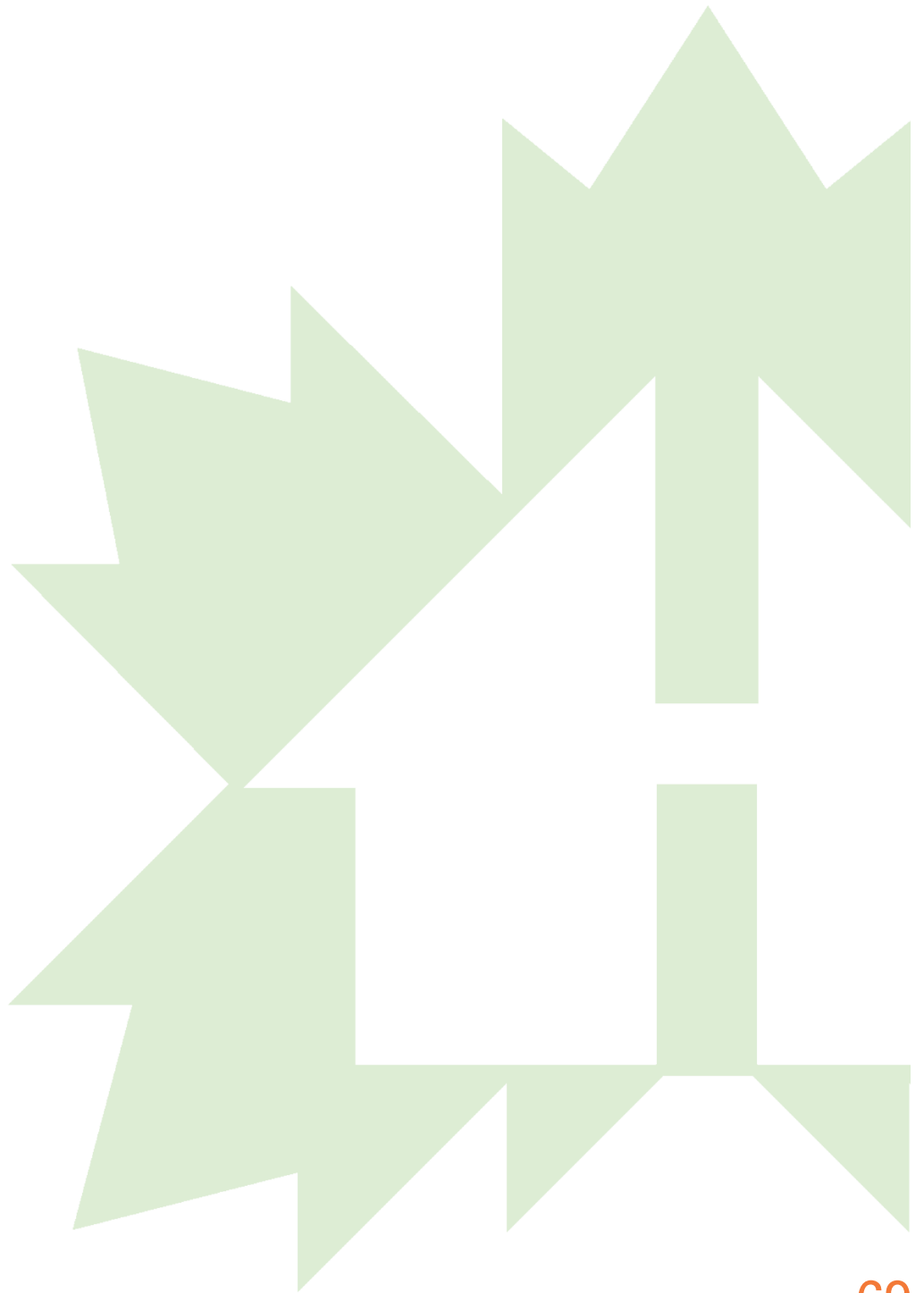
- **OHBA advocated for the Provincial Government to amend the Ontario Building Code to allow wood-frame buildings** to be constructed to a maximum of six-storeys to provide more design options for developers while realizing cost savings for new home construction and homebuyers.
- This proposal supports the implementation of the Growth Plan (see page 34) which contains policies to build compact, complete communities including intensification policies in built-up areas.
- In May 2013, **OHBA & BILD held a press conference** calling for changes to the *Ontario Building Code* that will result in safe, affordable homes for Ontario residents. Two reports supporting six-storey wood frame buildings were released:
 - Strong planning and economic rationales are outlined in the report, *Unlocking the Potential for Mid-Rise Buildings: Six-Storey Wood Structures*, commissioned by BILD and authored by former City of Toronto Chief Planner Paul Bedford;
 - In addition, BILD and the Residential Construction Council of Ontario; (RESCON) commissioned a complementary report, *Mid-rise Combustible Construction in Ontario – Building Code Issues*, to investigate fire safety issues related to an increased use of combustible material in construction.
- OHBA raised the issue directly with Premier Wynne and Municipal Affairs and Housing Minister Linda Jeffrey as well as the Ministry of Municipal Affairs and Housing Deputy Minister and the Buildings and Development Branch.
- MMAH financially contributed to research undertaken by the National Research Council (NRC). The NRC proposed research on mid-rise and other wood based construction to support proposed changes to the 2015 edition of the model National Building Code.
- OHBA & BILD also met with the Ontario Professional Firefighters Association and the City of Toronto fire chief in May 2013 to discuss concerns related to the safety of occupants and to members of the fire services.
- In September 2013 and 2014, OHBA passed a resolution at its AMM supporting OBC amendments for six-storey wood-frame construction.
- On October 1, 2013, OHBA participated in MMAH's focused stakeholder consultation to help inform strategy with respect to mid-rise wood-frame construction. In attendance were organizations such as RESCON, OBOA, LMCBO, OAA, OSPE, the Canadian Wood Council, the City of Toronto, the Ontario Association of Fire Chiefs (OAFC) and the Ontario Professional Fire Fighter's Association (OPFFA). The main discussion pertained to fire safety of the buildings during construction and as-built.

- From October to December 2013, the Canadian Commission on Building and Fire Codes (CCBFC) launched a public consultation on proposed changes to the 2010 National Model Construction Codes, which included proposed changes allow mid-rise wood-frame construction in the NBC. OHBA conducted two stakeholder sessions with CHBA, LHBA and BILD to review and comment on the proposal.
- On March 20, 2014, the Provincial Government proposed amendments to the Ontario Building Code to permit mid-rise wood construction up to six storeys. The proposal included several made-in-Ontario fire safety provisions to ensure the safety of building occupants and emergency responders. **OHBA conducted stakeholder consultation** with RESCON and the Canadian Wood Council to review the proposal.
- The 2014 Liberal Platform promoted wood construction through changing the building code to allow six-storey wood-frame buildings to encourage the construction of mid-rise, mixed use buildings.
- On September 23, 2014, **Ontario announced changes to the Building Code** allowing up to six-storey wood-frame buildings, effective January 1, 2015.

Technical Subcommittee on Furnace Sizing and Design

- The OHBA Technical Subcommittee reviewed changes to CSA F280 which addresses a home's heat loss/heat gain calculations. The new standard allows for heat loss calculations that take into account design elements that are common practice in energy-efficient housing and homes designed to SB-12 requirements (e.g. credit for HRV, credit for better air tightness, better window and basement modelling.)
- On December 27, 2013, MMAH published an amendment to the OBC that references the new edition of CSA F280-12 (effective January 1, 2015). **OHBA supported the adoption** of the new CSA F280 in the OBC.

Training & Education Committee



College of Trades

- **The Ontario College of Trades and Apprenticeship Act** develops a governance model for trades in the province through the establishment of the Ontario College of Trades (OCOT). OCOT is responsible for:
 - Establishing apprenticeship programs and other training programs;
 - Maintaining a public registry of its members;
 - The process for determining appropriate apprentice-to-journeyperson ratios;
 - The process for trade classification reviews;
 - Establishing the scope of practice for trades.
- **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 journeyperson-to-apprenticeship ratios for all trades and undertake a full economic impact analysis of the implications of this regulatory package.
- **OHBA passed a resolution** at the 2013 AMM stating that the association will oppose all requests for compulsory certification for currently voluntary trades along with all requests for currently compulsory trades to be made voluntary.
- OHBA believes that compulsory certification would:
 - Increase the underground economy as home owners and contractors try to escape increased regulation;
 - Limit job opportunities in construction through high apprenticeship ratios;
 - Restrict labour mobility through limited worker skill sets;
 - Be used by certain labour unions to increase unionization in regions with little union activity and assert jurisdictional claims against other unions;
 - Increase costs for home purchasers and home owners due to increased costs and red tape.
- Please see page 2 for information on the OCOT review.

College of Trades Membership

- Certificate of Qualification (CofQ) holders in Voluntary Trades, which includes: carpenters, painters, roofers, and bricklayers:
 - If you hold a Certificate of Qualification in a voluntary trade and received this prior to April 8, 2013 you will not be mandated to join the College. This means that you do not have to pay any fees and are excluded from any disciplinary function of the College. You will have the option to join the College if you so choose.
 - If you receive your Certificate of Qualification in a voluntary trade after April 8, 2013 you must join the College of Trades in order to maintain your CofQ.

- Certificate of Qualification holders in compulsory trades, which includes: electricians, plumbers and sheet metal workers:
 - If you are working in a compulsory trade (such as electricians and plumbers) you still must join the College in order to maintain your Certificate of Qualification.
- Construction Employers:
 - If you are an employer in construction with workers in compulsory and/or voluntary trades you do not have to join the College or pay fees.
 - OHBA recommends not becoming members of the Ontario College of Trades as you may be exposing you and your company to onerous and unnecessary oversight and liability.

College of Trades Fees

- **OHBA advocated for employers to be exempt** from the College of Trades. The Membership fees for each class are as follows:
 - Apprentices: \$ 60 + HST
 - Tradespersons: \$ 60 + HST
 - Journeypersons: \$120 + HST
 - Employers (OPTIONAL): \$120 + HST

Compulsory Certification for the Sprinkler and Fire Protection Installer Trade

- Only one trade – sprinkler and fire protection installer – went through the OCOT certification review process. **OHBA opposed this application** and provided written and oral deputations to inform the process.
- OCOT released the Review Panel Decision for the Sprinkler and Fire Protection Installer Trade Classification Review recommending compulsory certification for this trade. The Panel ruling also establishes “a period of repose” of two years, after which time an application could be made to return this to a voluntary trade. **OHBA provided a written submission** in Fall 2013 arguing for this trade to remain voluntary as well as an **oral deputation** to the Panel on January 6, 2014.
- The OCOT ruling was not unanimous and a minority opinion reiterates many of the arguments OHBA has made with respect to concerns about process at OCOT and the negative effects compulsory certification would have on industry and tradespeople.

- There is currently only one training delivery agent for this trade in Ontario and OHBA has communicated to the Ministry that we are concerned that this is insufficient if this trade is to become compulsory.

College of Trades journeyperson-to-apprentice Review

	Current Ratio	Review Finding	Outcome
Floor Covering Installer	1:1	2:1	▲
Crane Operator	1:1	1:1	■
Concrete Erector	1:1, 3:1	1:1, 3:1	■
Cement Mason	1:1, 3:1	1:1, 2:2, 3:2, 4:2, 5:3, 6:3, ...	▼
Roofer	1:1, 3:1	1:1, 2:1	▼
Terazzo, Tile and Marble Setter	1:1, 3:1	1:1, 2:1	▼
Architectural Glass and Metal Technician	1:1, 2:1	1:1, 2:1	■
Construction Boilermaker	1:1, 3:1	1:1, 3:1	■
Heat and Frost insulator	1:1, 3:1	1:1, 3:1	■
Brick and Stone Mason	1:1, 3:1	1:1, 2:1	▼
Construction Millwright	1:1, 4:1	1:1, 3:1	▼
Ironworker	1:1, 2:1	1:1, 2:1	■
Painter and Decorator	1:1, 2:2, 3:2, 4:2, 5:3, 6:3, ...	1:1, 2:2, 3:2, 4:2, 5:3, 6:3, ...	■
Plumber	1:1, 3:1	1:1, 2:1	▼
Refrigeration and Air Conditioning Systems Mechanic	1:1, 3:1	1:1, 2:1	▼
Residential Air Conditioning Systems Mechanic	1:1, 3:1	1:1, 2:1	▼
Residential low-rise Sheet Metal Installer	1:1, 3:1	1:1, 3:1	■
Sheet Metal Worker	1:1, 3:1	1:1, 2:1	▼
Drywall, acoustic & lathing applicator	1:1, 4:1	1:1, 4:1	■
Electrician	1:1, 2:2, 3:2, 4:2, 5:3, 6:3, 7:3, 8:4 then for every 3 journeypersons after the 8th journeyperson, 1 additional apprentice	1:1, 2:2, 3:3, 4:4, 5:4, 6:4, 7:5, 8:5, 9:5, 10:5 then for every 3 journeypersons after the 10th journeyperson, 1 additional apprentice	▼
General Carpenter	1:1, 4:1	1:1, 3:1	▼
Powerline Technician	1:1	1:1	■
Sprinkler and Fire Protection Installer	1:1	1:1	■

Source: Ontario College of Trades

Provincial Apprenticeship Initiatives

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

Tax Credits

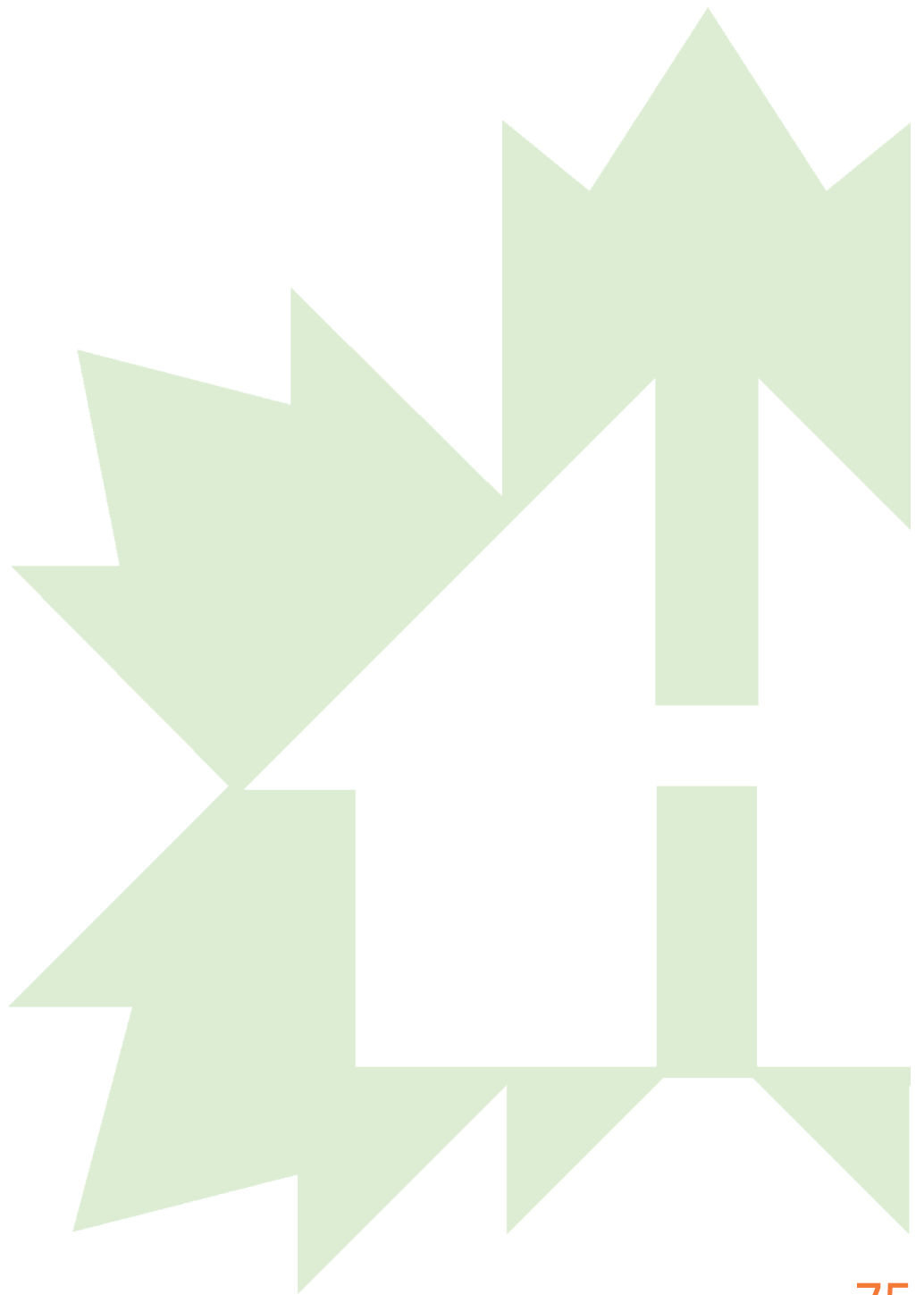
- The *Co-operative Education Tax Credit* (CETC) is a refundable tax credit available to businesses that employ post-secondary students enrolled in qualifying co-operative education programs at eligible educational institutions. Currently, the CETC is a 10 per cent refundable tax credit (15 per cent 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.
- 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.
- For more information visit:
www.edu.gov.on.ca/eng/studentsuccess/pathways/shsm/index.html

Canada Job Grant

- The *Canada Job Grant* was established by the Federal Government in the 2013 budget.
- The Grant provides up to \$15,000 or more per person. Businesses with a plan to train unemployed or underemployed Canadians for an existing job or a better job will be eligible to apply for a *Canada Job Grant*. Details on the new Job Grant will be introduced in the renewal of the Labour Market Agreements in 2014–15.
- Other programs for apprenticeship the Federal Government offer includes:
 - The *Apprenticeship Incentive Grant* is a taxable grant of \$1,000 per year, up to a maximum of \$2,000 per person, available to registered apprentices once they have successfully finished their first or second year/level (or equivalent) of an apprenticeship program.
 - The *Apprenticeship Completion Grant* is a taxable grant of a maximum of \$2,000 available to registered apprentices who have successfully completed their apprenticeship training and obtained their journeyperson certification in a designated Red Seal trade.
 - The *Tradesperson's Tools Deduction* allows tradespersons to deduct from their income part of the cost of tools they must acquire as a condition of employment.
 - The *Apprenticeship Job Creation Tax Credit* encourages employers to hire new apprentices in eligible trades by providing a tax credit of 10 per cent of the wages payable to eligible apprentices in the first two years of their apprenticeship program (up to a maximum credit of \$2,000 per apprentice, per year).



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Ontario
Home Builders'
Association

31 LOCAL ASSOCIATIONS

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Bluewater

Brantford

Chatham-Kent

Greater Dufferin

Durham Region

Grey-Bruce

Guelph & District

Haldimand-Norfolk

Haliburton County

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Niagara

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Seaway Valley

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