



## CHBA Analysis Shows Residential Construction More Important Than Ever To Canada's Economy

New national data compiled by CHBA shows that, in 2017, residential construction supported more than 1.2 million jobs across Canada and was a \$150 billion industry. The industry's total wage packet for 2017 totaled over \$73 billion.

As in past years, these numbers dwarf those tied to most other major goods-production sectors. Residential construction continues to be the largest finished goods-producing sector of Canada's economy.

These estimates are produced each year for the Association. They draw on Statistics Canada (StatsCan) and CMHC data to measure the economic output of new construction and renovation nationally, provincially and for over 120 communities across the country.

The 2017 provincial and local reports are still being compiled, but national-level data shows that our industry remains an economic powerhouse and a critical part of the national economy.

This year's reports benefit from significant improvements in data quality from StatsCan, and are, as a result, more precise than past reports. Previous year's data, while impressive, underestimated the total economic impact of our industry.

In the coming weeks, and in preparation for CHBA's annual Day on the Hill, CHBA will release the full set of 2017 Economic Impact reports, which will be posted on the Association's website and be publically available in the *Housing in Canada/Industry Information & Statistics* section.

Throughout the year, CHBA makes extensive use of these one-page reports in its government relations activities, ensuring that Parliamentarians fully recognize the importance of our industry nationally, and within their own ridings. Provincial and local Association make similar use of the reports in their conversations with government representatives.

## CHBA President Draws on History to Set Course for the Future

At CHBA's National Conference in Victoria, 2018 CHBA President Nathan Stone linked the Association's long history with what it works to achieve today and tomorrow.

"There is special significance in serving as President during our Association's 75<sup>th</sup> anniversary. In many ways, we live in a very different Canada than when the Association was founded. But while many of the challenges facing our industry have evolved since that time, our most central goals have not," he noted.



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CHBA President Nathan Stone gives his Inaugural Address at the 2018 CHBA National Conference in Victoria, BC.

He pointed out that, when the Association began in 1943, members sought to professionalize the industry, to improve the quality of new homes through innovation and new building practices, to address municipal barriers to development, and to address affordability.

“Today, three-quarters of a century later, we continue to work together for the same reason and face challenges that are not that different,” he observed.

CHBA was created when a number of existing local home builder groups determined that they needed a national framework, and additional federal presence. As Nathan recounted, “the Founders recognized that by working together, and being able to engage with all levels of government, they would be far more likely to achieve their goals.” The same still holds true today.

Nathan also pointed out that the Association’s Founders recognized how much owning a home defined what it meant to be middle-class in Canada. “They saw the many benefits homeownership provided to young families, and those are bedrock truths that still guide our Association,” he stated.

He rightly concluded by noting that, “our history tells us that when we work together, we most often succeed – because the issues we care about also directly impact Canadians’ ability to own and maintain a home.”

## Have You Read *Building Excellence* Yet?

The first issue of CHBA’s new official magazine, *Building Excellence*, was mailed out in late March to all Association members. This inaugural edition, developed with our publishing partners at HOMES Publishing Group, was ‘unveiled’ at the National Conference in Victoria and got rave reviews from all who saw it.

Having a quarterly print magazine exclusively for members fills an important role in keeping you connected with your national Association, in addition to our many subscription-based e-publications (make sure you’re signed up for those on our web site!).

The new print publishing venture is off to a strong start and is already growing for its second issue. That summer 2018 edition will be mailed in late May, so look for it then. In addition to the print edition sent to all members, an online version and newsfeed can be found at [www.buildingexcellence.ca](http://www.buildingexcellence.ca)



If you did not receive your copy of Building Excellence, please let us know so we can be sure you are in our database. Just send an email to [communications@chba.ca](mailto:communications@chba.ca) with ‘Please subscribe me to CHBA Building Excellence’ in the subject line. And ‘good reading.’

## 2018 CHBA Canadian Homebuyer Preference Study Released – Get yours!

Results from CHBA’s 2018 Canadian Homebuyer Preference Study are in. This unique survey, conducted in partnership with Avid Ratings Canada, collected insights from 3,000 recent homebuyers across Canada on what matters to them.

CHBA members get a 40% discount on the full 222-page report, plus complementary access to the powerful *Avid Reports* online reporting system, where you can do your own custom data analysis. For details on how to purchase the 2018 Study, visit [www.chba.ca/buyersurvey](http://www.chba.ca/buyersurvey)





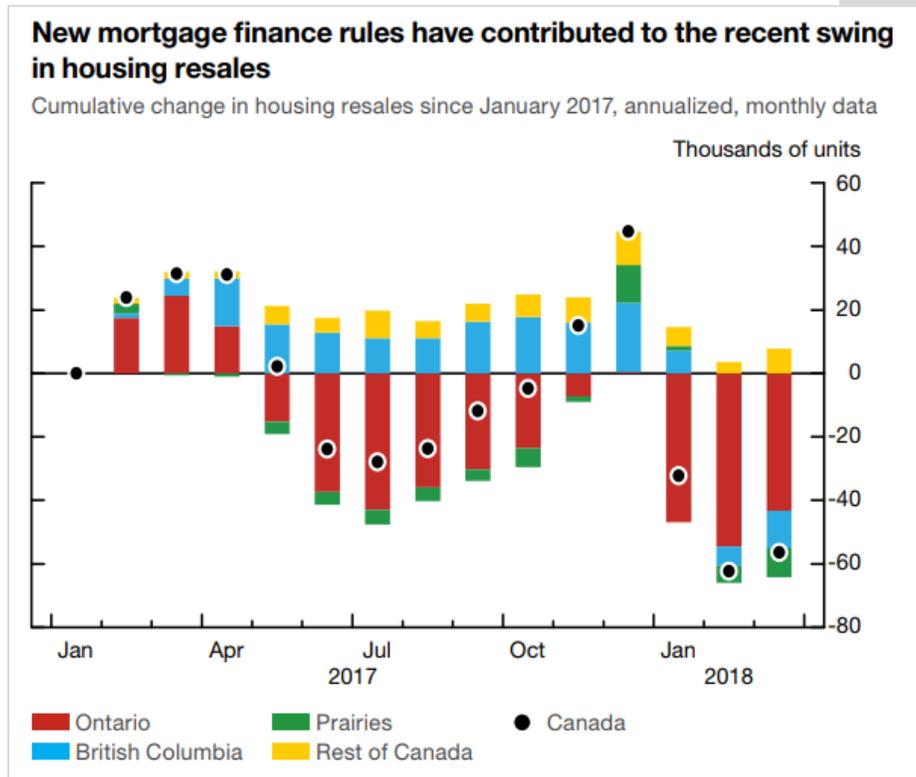
The International Monetary Fund (IMF) forecasts GDP growth in Canada of 2.1% this year and 2% next year, a slight downgrade from its January prediction of 2.3% for 2018.

Meanwhile, the United States is projected to grow 2.9% this year. But, the IMF's chief economist warns that trade uncertainty "threatens to undermine confidence and derail global growth prematurely."

In its latest Monetary Policy Report, the Bank of Canada also identified trade as a vulnerability for Canada, with weaker business investment and exports as the result.

For housing, the Bank forecast the sector to grow just 0.1% this year (after growing 0.2% in 2017), and contract 0.1% in both 2019 and 2020.

The Bank noted that resale activity declined sharply in Q1, due to the implementation of the stricter mortgage qualifications (See Chart).



The Conference Board of Canada predicts that housing activity will follow the declining GDP and resale trend. After posting the highest number of starts in four years in 2017, the Conference Board is calling for the residential construction industry to see a small contraction in 2018. The Board expects spending on new housing and renovations to slow this year as Canadians become more cautious under new mortgage rules and expected interest rate increases.

The Conference Board forecasts housing starts to drop by 2.9% in 2018, led in large part by a 4.3% drop in Toronto and a 6.5% in Vancouver.

Contradicting this prediction, however, is continued strength in current new construction activity and home-buying intentions. The six-month trend in housing starts was 226,842 units in March 2018, compared to 225,804 units in February 2018. New construction activity continues to post strong numbers despite rising interest rates, more restrictive mortgage rules and poor affordability in larger urban areas.

Although a downturn in housing prices and market activity has been predicted for nearly two years now by some observers, actual numbers have tended to remain comparatively strong.

At the same time, an RBC poll shows that despite tighter mortgage lending rules, the number of Canadians planning to buy a home has hit the highest level since 2010, with 32% of Canadians saying they are likely to buy a home within the next two years. Millennials report the highest home-buying intentions (50%).