

CHBA-NL 2014 Provincial Report

Provincial Economy

Increasing construction activity on the Muskrat Falls and Hebron projects have offset employment declines associated with the completion of construction of Vale's nickel processing facility in Long Harbour. Most of the recent and projected growth in income, and employment, stems from these capital projects, which continue to generate economic spinoff activity in the St. John's area. The sharp decline in the price of oil could have a negative impact on some oil related projects as companies review their capital expenditure programs.

The provincial government deficit is growing as a result of the unexpected drop in oil prices. Significant reductions in the projected royalties from the sale of offshore oil has resulted in the government preparing an austerity budget that will result in program cuts, job losses, potential tax increases and a deficit plan for the next three years.

Residential Construction Activity

Housing starts were trending down at the end of 2014 primarily due to the excess of new home inventory and weaker demographic and economic conditions than previous years. The excess inventory of newly built, unsold homes caused home construction activity to decline throughout the year but more dramatically in the fourth quarter – 2014, despite continued growth in key economic indicators like the working age population, average weekly earnings and employment.

CHBA-NL Report on Activities

2014 ended with a renewed CHBA-NL focus on membership attraction and retention, as the Association's three-year Strategic Plan came to an end. The Strategic Plan has resulted in new programming and services for members, a priority on advocacy and the development of new and improved communication strategies.

Strategic planning for the next three years will concentrate on the value the CHBA-NL provides to members and leveraging the Association's growing reputation as the credible voice of the residential construction industry.

Goal #1 - To influence a positive direction and acceptance within the industry

Raising the CHBA-NL's public profile

Strategies were successfully put into place to better communicate with the Association's three primary audiences - members, consumers and industry professionals. The Association has been successful in broadening its reach, in communicating our key messages and taking a cohesive, coordinated approach to significant issues impacting the industry. This success results from the following:

- **New website finalized:** www.chbanl.ca is complete, incorporating a password-protected "members-only" area, a streamlined News section and an improved Consumer Directory to search for members
- **Monthly electronic newsletter:** 26 issues to date with a distribution of +400 subscribers, includes special member updates; all news and updates are directly linked back to articles on the website
- **News releases to the media and media requests for interviews:** these combined total close to 20 related events, activities and news stories relevant to the industry and the public
- **Multiple appearances in print, on the radio and on TV:** these are related to the industry, policy issues, special events (forums, conferences, luncheons), programs and partnerships
- **More focused advertising and marketing initiatives:** this is particularly relevant to the Association's prestigious industry events, educational forums and social activities
- **4-Part Home Energy Efficiency Video Series:** with funding received from Natural Resources Canada (NRCAN), the Association produced four video shorts on home energy efficiency.

Advocating on Industry Issues

The CHBA-NL Strategic Plan 2012-2015 identified a need to advocate more effectively on key issues facing the industry.

- **Bill 22, an Act to Amend the Labour Relations Act**

For two years, the CHBA-NL advocated to reinstate the secret ballot vote for union certification. In June 2014, the House of Assembly passed *Bill 22, an Act to Amend The Labour Relations Act*, eliminating the automatic card-based system of union certification imposed in 2012.

The Association was instrumental in making this amendment a reality by reaching out to individual Ministers, MHAs, government representatives, the Labour Relations Board and the media through a focussed campaign outlining the legal and business case for the secret ballot. The Association organized and presented a petition from our membership, along with a statement, which was submitted to the Minister's office in a show of solidarity against automatic card-based certification.

- **Meeting with leadership candidates in both the Progressive Conservative and Liberal Leadership Races**

The Board and Executive met with the candidates and discussed key issues relating to the industry and presented opportunities for collaboration.

- **Interconnectivity of the secondary suite in the new National Building Code and the Provincial Electrical Code.**

It has been determined that the City of St. John's allows interconnectivity with relaxed fire wall, where as other jurisdictions require fully serviced and separate systems between main residence and secondary suite. CHBA-NL, through the Technical Research Committee has been working with the provincial and municipal governments to resolve the issue.

- **The City of St. John's Proposed Assessment of Partially Constructed Buildings**

The Association scored another significant victory for our members with the deferment of the implementation of the City of St. John's proposed assessment on partially constructed buildings. The City, in large part due to our vigilant stance, has twice differed implementation.

The Association offered the City a legal opinion and a business case against the proposed assessment, which would have had drastic and far-reaching implications on our association and its members' business. The CEO and members of the Executive met with City Councilors to express our disappointment with the proposed changes and the lack of consultation with the industry. Additionally, the CHBA-NL provided city officials with an alternative process to increase revenues without targeting the residential sector. The new assessment was to begin in January 2014.

- **City of St. John's Increased Development Fee for Secondary Suites**

The CHBA-NL's consistent efforts resulted in the City backing away from a proposal to charge a \$2,000 *per unit* development fee for development on a vacant lot. The City had indicated in Budget 2013 that the fee would be *per lot* but changed the language to *per unit* in Budget 2014. As with the proposed assessments on partially constructed buildings, there was no consultation with the industry.

The City began to charge an additional \$2000 for secondary units leading to an immediate lobby by the CHBA-NL, which resulted in the City rescinding the application of the \$2,000 fee of secondary suites on new and existing homes.

- **Presentations on Building "YES": A Not-In-My-Backyard (NIMBY) Toolkit**

Following the publication of our NIMBY Toolkit, the Association has been requested to present its contents and strategies for addressing and mitigating the NIMBY syndrome across the province. In 2014, the CHBA-NL CEO made audience specific presentations on NIMBY for different audiences, including: Urban Municipalities Council, NL Housing Corporation; City of St. John's Council and Staff; and Local Faith-Based Organizations. So far this year, the NIMBY presentation has been made to the Town of Paradise and the Association of Northeast Avalon Municipalities. More presentations are currently scheduled for other municipalities and planning organizations interested in gaining a better understanding of the underlying issues. The Toolkit is located on the chbanl.ca/NIMBY website.

- **Building and Maintaining Media Relations**

By continuing to undertake an integrated and outspoken communications strategy, the CHBA-NL is maintaining a strong profile with the media and penetrating a wide audience. The result has been enhanced advocacy on housing affordability, government-imposed costs, skilled trades, energy efficiency, and the underground economy. The Association has received overwhelmingly positive feedback from members, industry stakeholders and the public.

During 2014, the CEO appeared on TV (live on NTV; CBC), radio (VOCM; CBC Here and Now), and in provincial newspapers, like The Telegram, where she weighed in on news items directly related to NIMBY, hiring a contractor, consumer protection, density issues, and housing affordability. Media attention and consistent repetition of the Association's key messages has resulted in a change in attitude and perception about the industry with government and the public.

In addition to the media coverage of key issues, CHBA-NL continues to foster stronger partnerships with government representatives (politicians and staff) and other industries and organizations relevant to the residential construction sector. The Association has been elevating industry issues in policy discussions resulting in improvements to the housing sector.

The result has been a rise in the prominence of the CHBA-NL allowing us to strengthen relationships between municipal representatives and builders in order to develop long term strategic partnerships. Pivotal achievements, beyond raising awareness, include more in-depth and detailed discussions with municipalities and a stronger, more unified voice when speaking on issues.

Goal #2: To create more programs and services for membership

In tandem with our multi-year strategic planning process, the CHBA-NL has conducted a review of benefits and services to its membership, determining that there was a need to focus on the following initiatives:

- **MOU with Keyin College and Framing Technician Program**

The CHBA-NL signed a MOU to partner with Keyin College in 2014, leading to approval by the province to offer new programming in the field of residential framing to meet the labour market needs of the home building and renovation industries.

The new program will commence in 2015 providing students the opportunity to receive both technical and hands-on training in best practices, safe work habits, and will provide them the skills needed to construct residential floors, walls, roofs, stairs and concrete formwork. The Residential Framing Technician Program was adapted from a British Columbia training program and developed in partnership with the residential construction industry.

- **Canada Job Grant Application and Assessing Labour Market Needs**

Over and above Builder Breakfast sessions, aimed at professional development opportunities for builder and developer members, the CHBA-NL has developed a pilot program for 20 member employers through the Canada Job Grant and our educational partner, Keyin College. Employer candidates will be accessed to identify training requirements. The CHBA-NL will act as the professional intermediary or service-provider between government and employers by designing training plans and training modules specific to each employer for the positions they need filled.

- **Master Builder Certification Program**

The Master Builder designation is open exclusively to the handful of builders who can meet the very rigorous criteria, which deems them an expert in home building and publicly recognizes their businesses as operating at the highest standards the industry offers in this province. Since launching the Master Builder Certification Program, the Association has approved three builder members, with two more pending.

- **RenoMark™ Program**

The RenoMark™ Program raises the bar and identifies renovation contractors who have agreed to abide by the CHBA-NL's Code of Ethics and a renovation-specific Code of Conduct. RenoMark™ renovators understand the value of customer service, they provide warranties and continually educate themselves on trends, materials and new regulations. Currently, the Association has registered four members for participation in this nationally recognized program.

- **Members' Advantage Program (MAP)**

Internally, the CHBA-NL promotes its MAP, which encourages members to do business with each other by providing special offers and discounts available for members only. It simultaneously allows members to market products and services to a targeted group of individuals and businesses. Each promotion is highlighted on the website, in the E-newsletter and at monthly membership meetings. Currently, we have seven members participating in this program.

- **Consumer Guide 2014**

Our very successful Consumer Guide 2014 was distributed to thousands of visitors during Home Show 2014 and subsequently during workshops, seminars, conferences, and trade shows where it made its way into the hands of home buying and renovating consumers. It represents a directory of subcategorized membership contact information and a new opportunity for members to advertise their products and services to a province-wide audience.

CHBA-NL Annual Events include: Home Show, Housing Forum, Golf Classic, The Building Excellence and Residential Growth (BERG) Awards Gala and Monthly Membership Meetings

Goal #3 – To ensure the long term growth of the Association

Strengthen the administrative functions of the Association

- The review of the Association's *Policies and Procedures* and *By-laws* are still in process but are nearing completion.
- As a result of the organizational review conducted by the Board in June 2012, a Membership Services Coordinator was hired in October 2012. This hire added significant value to the membership and the CHBA-NL's capacity to roll out new programs, improve our digital presence and undertake important industry research, writing and advocacy on policy issues.
- After a lengthy and time-consuming process, the Association has now achieved COR Certification.

Maintaining the financial sustainability of CHBA-NL

- The CHBA-NL's Finance/Audit Committee, along with a modernized reporting process to meet the growing demands of the Association, has strengthened internal policies, including the implementation of a risk management strategy.
- Having reviewed and redesigned the Sponsorship Menu, which includes the opportunity to invest as a Corporate Sponsor, the Association has secured RONA as our very first corporate sponsor.
- A user fee model has been incorporated into the majority of CHBA-NL services such as training, certification in our Master Builder Program, and registration for our RenoMark Program.
- Most importantly, the CHBA-NL has taken steps to rebuild the current home of the Association. The new office building will be 3-storied and include significant space to offer commercial leases for other businesses.

Dues, membership attraction and retention

The Association finds itself in a much better fiscal position after raising membership fees in 2013. While the Association lost 27 members resulting from the increase, we gained 19 new members in 2013 and 23 new members in 2014 - at the increased fee level. The CHBA-NL is continuing to grow membership.

The fee increase has allowed the CHBA-NL to increase advocacy and member services. Our 2014 Member Satisfaction Survey reflects satisfaction with the value-added benefits of membership, in addition to supporting the need for a fee that accurately reflects the human resource and programming demands placed on the Association

Conclusion

This report clearly demonstrates the overwhelmingly positive increase in activity, profile and the success of Association events carried out this year. Our goal to strengthen the capacities of the membership in order to effectively respond to the rapid changes within the industry is being met.

The CHBA-NL has implemented a long-term strategy that places the Association on solid footing in such a way that we are now recognized municipally and nationally. Having raised our public profile externally, it is now time to refocus on member recruitment and retention strategies.