

Canadian
Home Builders'
Association



Renovation Outlook for 2025 and Beyond

With CHBA National & PHBI

PRESENTERS



Canadian
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Association



Kevin Lee
CHBA CEO



Keith Kristalovich
VP, Education & Training
Partnerships at PHBI



Sarah Caron
CHBA Director,
Renovation Services

Canadian
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CHBA NATIONAL HARD AT WORK FOR YOU RENOVATORS

~2,000 renovator and trade contractor member companies

ECONOMIC IMPACTS OF HOME RENOVATION AND REPAIR



525,820

JOBS

A major source of employment
in the community.



\$36 Billion

WAGES

Dollars that show up in
purchases across the entire
local economy.



\$103 Billion

INVESTMENT

Maintains and improves the largest
single wealth-builder for many families.

REGULAR MEETINGS WITH THE BANK OF CANADA

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- Advocacy to bring down interest rates as quickly as possible to support housing affordability and supply, including renovations



Single-Family
(includes single detached homes, semi-detached homes and row (townhouse) homes)

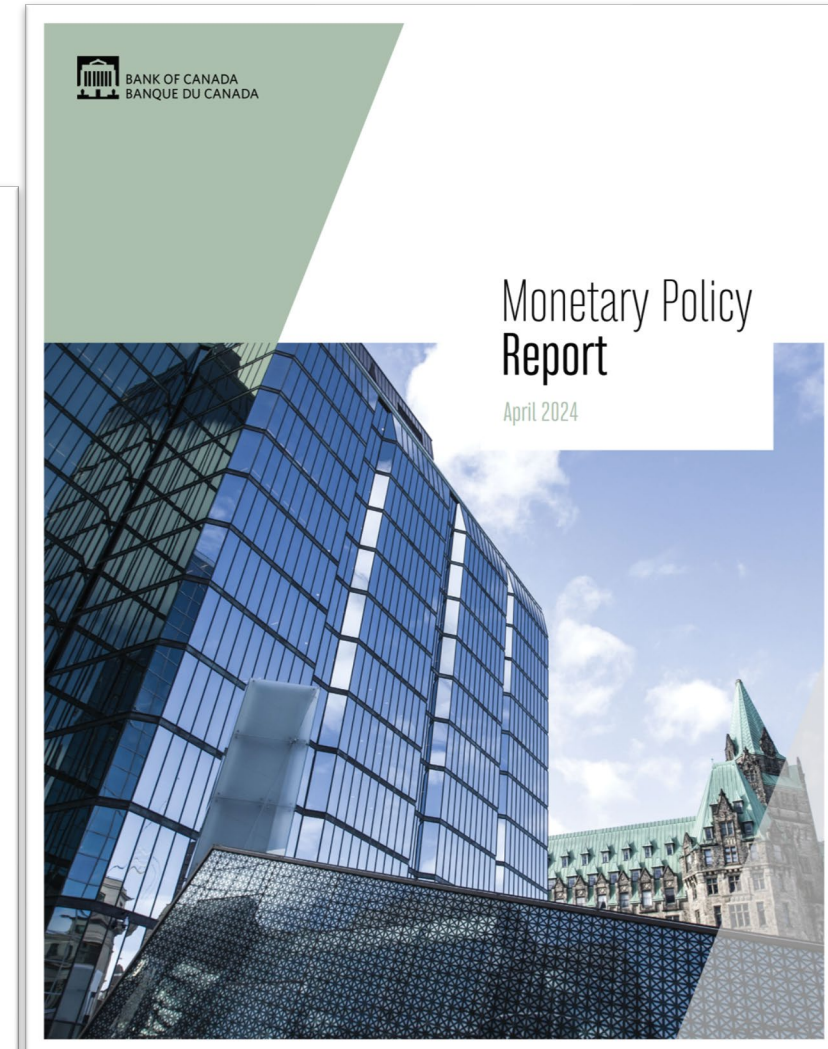


yahoo/finance

Bank of Canada delivers jumbo 50 basis point interest rate cut, celebrating inflation 'now back to target'



The Bank of Canada has cut interest rates in four straight decisions since June, bringing its benchmark rate to 3.75 per cent. - REUTERS / Reuters



TAX CREDIT WINS FOR RENOVATION

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- **Home Accessibility Tax Credit** secured and then doubled for renovating for disabilities including aging in place.
- **Multi-Generational Renovations Tax Credit** secured for secondary units.

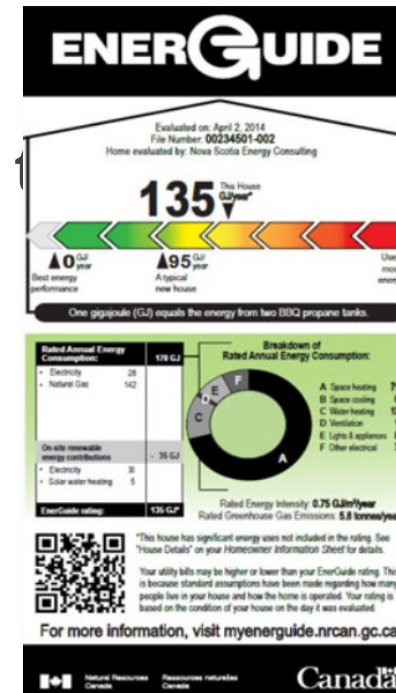


ENERGY EFFICIENCY RENOVATION SUPPORTS

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- **Greener Home Initiative** with up to \$40K in interest-free loans grants for energy retrofits.
- \$30 million over five years, starting in 2024-25, to continue developing a national approach to **home energy labelling**
- CHBA calling for **Net Zero/Ready retrofits to be eligible as “substantial renovations”** qualify for GST/HST New Housing Rebate
- **CHBA's own Net Zero Home Energy Labelling program for renovations**



netzero home
The ultimate in comfort and efficiency

THIS LABEL IS FOR THE FOLLOWING HOME:

BUILDER/RENOVATOR:

ENERGY ADVISOR:

SERVICE ORGANIZATION:

CHBANZH ID#:

DATE APPROVED:

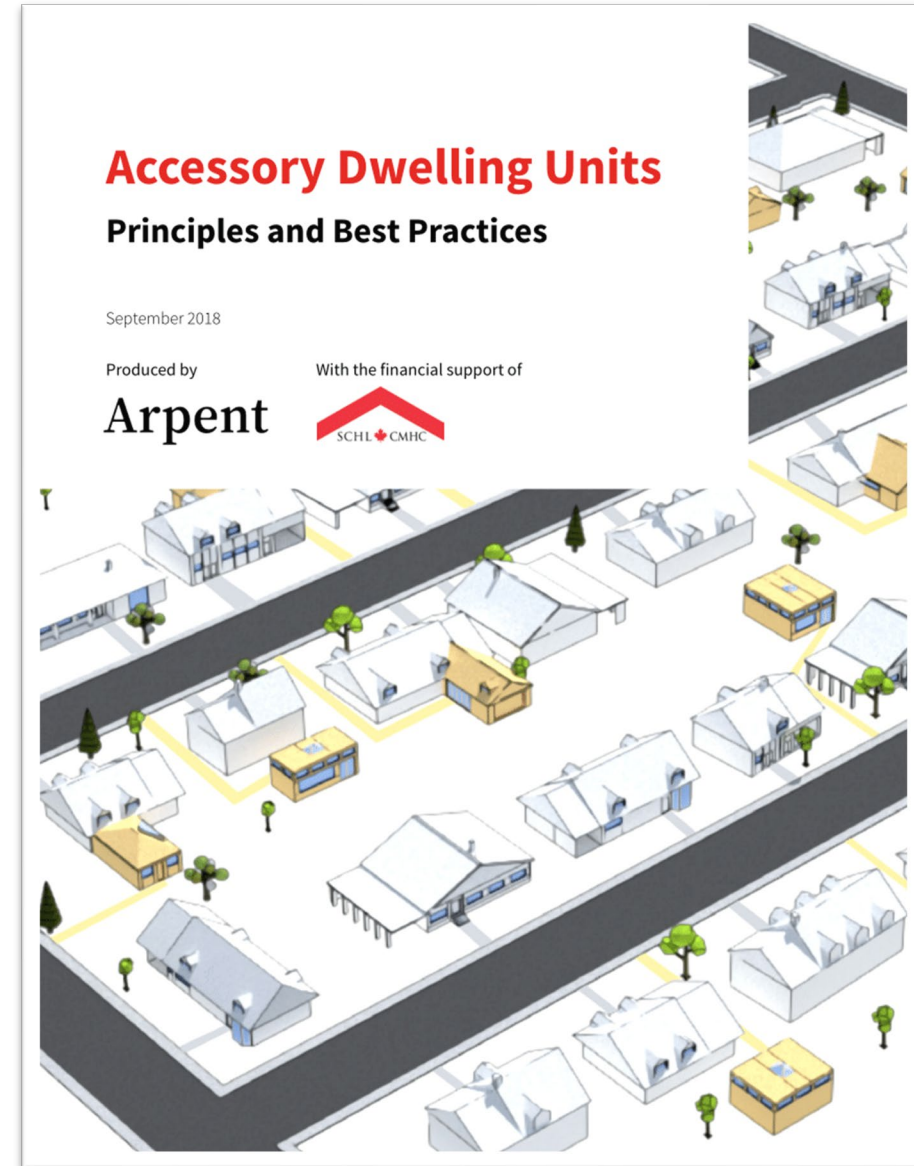
This label indicates that this home is recognized by the Canadian Home Builders' Association (CHBA) based on the attestations by the builder, its Net Zero Qualified Service Organization and a Net Zero Qualified Energy Advisor, that the home has met CHBA's Net Zero Home Program Technical Requirements, including the energy performance rating according to the Government of Canada's EnerGuide Rating System. More information is available at www.NetZeroHome.com

ADDING ADDITIONAL SUITES TO SINGLE FAMILY HOMES

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- \$409.6 million over four years for **\$40,000 in low-interest loans to add secondary suites to their homes.**
- **Doubled** yesterday to **\$80,000**
- 15-year loan terms at a low-interest rate of just 2 per cent.
- CHBA continues extensive advocacy to **support rezoning** to allow more accessory dwelling units and secondary suites



REFINANCING FOR SECONDARY SUITES



- Financing to allow homeowners to refinance their current mortgage and construct a secondary suite, with borrowers able to **access up to 90 per cent of the home's value**, including the value of the extra suite.
 - The borrower will be able to amortize the refinanced mortgage over a period of 30 years.
- The federal government will also increase the mortgage insurance home price limit to \$2 million for those refinancing to build a secondary suite
- To create up to four self-contained units like basement apartments, in-law suites, or laneway homes.

ADDRESSING LABOUR SHORTAGES



- **\$10 million over two years, starting in 2024-25, for the Skilled Trades Awareness and Readiness Program** to encourage Canadians to explore and prepare for careers in the skilled trades.
 - Complements CHBA's skilled trades promotion activities
- CHBA engaging with Employment & Social Development Canada to inform their new **Workforce Development Plan for Housing**
- CHBA engaging with Immigration Canada to **reform the immigration system** to bring in the right workers to support the residential construction sector



NEW RESIDENTIAL RENOVATION PRICE INDEX FROM STATS CANADA

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- The Residential Renovation Price Index (RRPI) provides a comprehensive portrait of the changes in the cost to complete residential renovation projects in Canada.
- **CHBA provided feedback to Statistics Canada on their proposed design and coverage of this new RRPI data product late last year.**
- From the RRPI's first available data in 2017 to 2024, the national composite index has increased 66.5%.
- CHBA is particularly concerned about the economic output of residential renovations. As a historically stable part of the economy, **residential renovation has seen an unprecedented decline in output through the first half of 2024;** a direct result of higher interest rates.
- This **new RRPI product adds to improving available data** helping to quantify the unique challenges that renovation services face

CHBA ON DRYWALL - \$300M SAVINGS/YR FOR INDUSTRY & CONSUMERS

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In association with

LexSage*

Canada: Canada Acknowledges Antidumping

Last Updated: October 19 2016
Article by **Cyndee Todgham Cherniak**
LexSage



This has never happened before. This is very important. Trade lawyers outside Canada (and inside Canada) will be shocked by the steps being taken in Canada during an active antidumping proceeding.

On October 16, 2016, the [Department of Finance](#) asked the Canadian International Trade Tribunal to commence a section 18 (of the *Canadian International Trade Tribunal Act*) reference concerning the effect of preliminary and final antidumping duties on gypsum board (also called drywall and wall board) from the United States into Western Canada (British Columbia, Alberta, Saskatchewan, Manitoba and the Yukon and Northwest Territories). The antidumping proceedings at the center of the request are the Canada Border Services Agency ("CBSA") dumping investigation that commenced on June 8, 2016 and the Canadian International Trade Tribunal ("CITT") injury inquiry that commenced on September 6, 2016. The CITT issued a

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Introduction To The Canadian Tax System
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Of Good Faith)
Alexander Holburn
Toronto Ponders The Impact Of The Tax To Help Balance The Budget

- In 2017, CHBA successfully dramatically reduced tariffs in a manner and speed never before seen
- In 2023, CHBA again successfully engaged at renewal to avoid tariffs increasing

Kevin Lee Retweeted

François-P Champagne @FPCChampagne · Oct 17
We listened and acted in the best interests of Canadians
[@CHBANational](#) #housing

FinanceCanada @FinanceCanada
#GoC takes action to help middle class families in Fort McMurray and across Western Canada #ymm [ow.ly/2LZh305gxzy](#)

← ↻ 3 ❤️ 3 ⋮

"This has never happened before."

EXTENSION OF 30-YEAR AMORTIZATION TO EXISTING HOMES

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- CHBA's big win on 30-year amortization periods for insured mortgages for first-time buyers of existing homes (in addition to new construction) is a big win for renovators, given **the extensive renovation market that comes with preparing to sell a home**, and the even bigger **renovation market associated with buyers after moving into existing homes**.
- More first-time buyers of existing homes will also mean **more move-up buyers in the market**. Getting more buyers into the market leads directly to more business for renovators.
- CHBA still calling for a renovation tax credit for first-time buyers



Ottawa to allow 30-year amortization for first-time buyers' mortgages on new homes

Power & Politics

 **CBCNN LIVE**



- On CBC's Power and Politics, Housing Minister Sean Fraser gave kudos saying CHBA *"is providing invaluable advice that helped to lead to the policies the federal government is rolling out that we believe will to help scale home building production."*



Fraser says Canada's Housing Plan will build more homes, make renting or buying easier

Power & Politics ■ Canada's Housing Crunch

 **CBCNN LIVE**

phbi



Outlook For Renovators

December 11, 2024

Outlook for Renovators

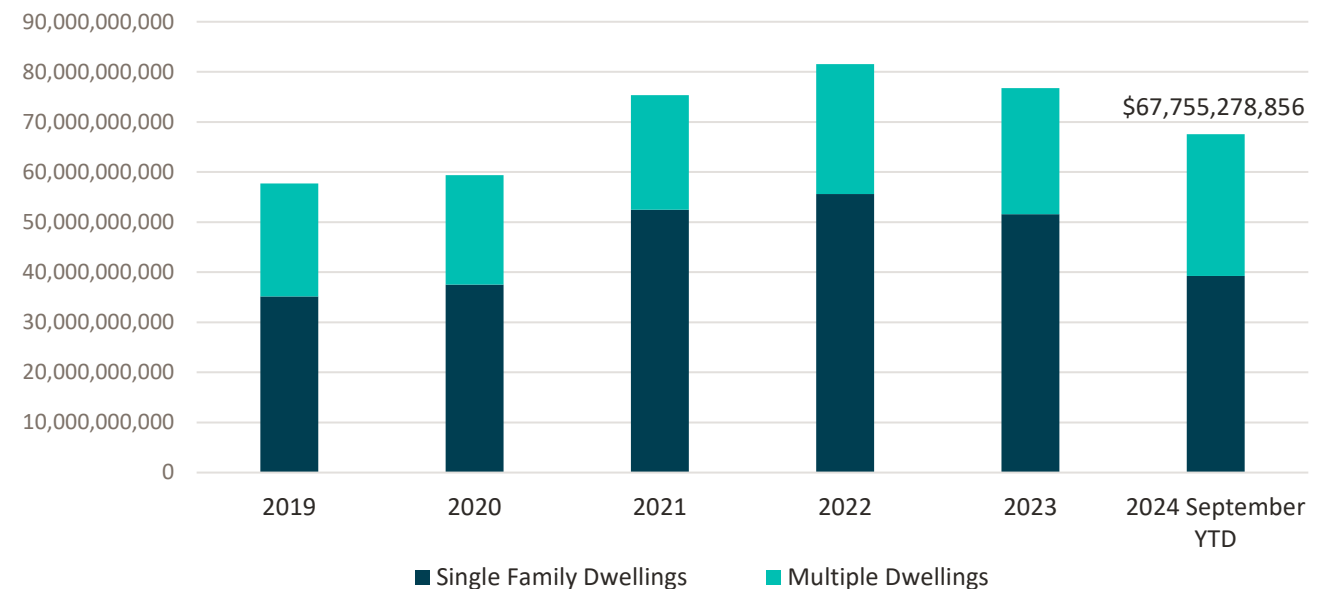
- Current State of the Canadian Renovation Market
- Opportunities
 1. Aging housing stock
 2. Green retrofits
 3. Densification - Conversion
- Long term outlook

The Canadian residential renovation, maintenance, and repair sector is \$103 billion

- The Canadian home renovation sector investment was **\$79 Billion** in 2023 and is on track to exceed this in 2024.
- Household maintenance and repair expenditure was **\$24.2 billion** in 2023, raising the sector to over **\$103 billion**.
- Together, renovations, maintenance and repair are larger than the new home construction market.
- The value of renovations declined in the past two years due to elevated borrowing costs and a higher cost of living.
- Single family homes made up 67% of the renovation investment.
- Over \$400 billion has been invested in residential renovation in the last 5 years.

Investment in Residential Renovations in Canada

2019-2024

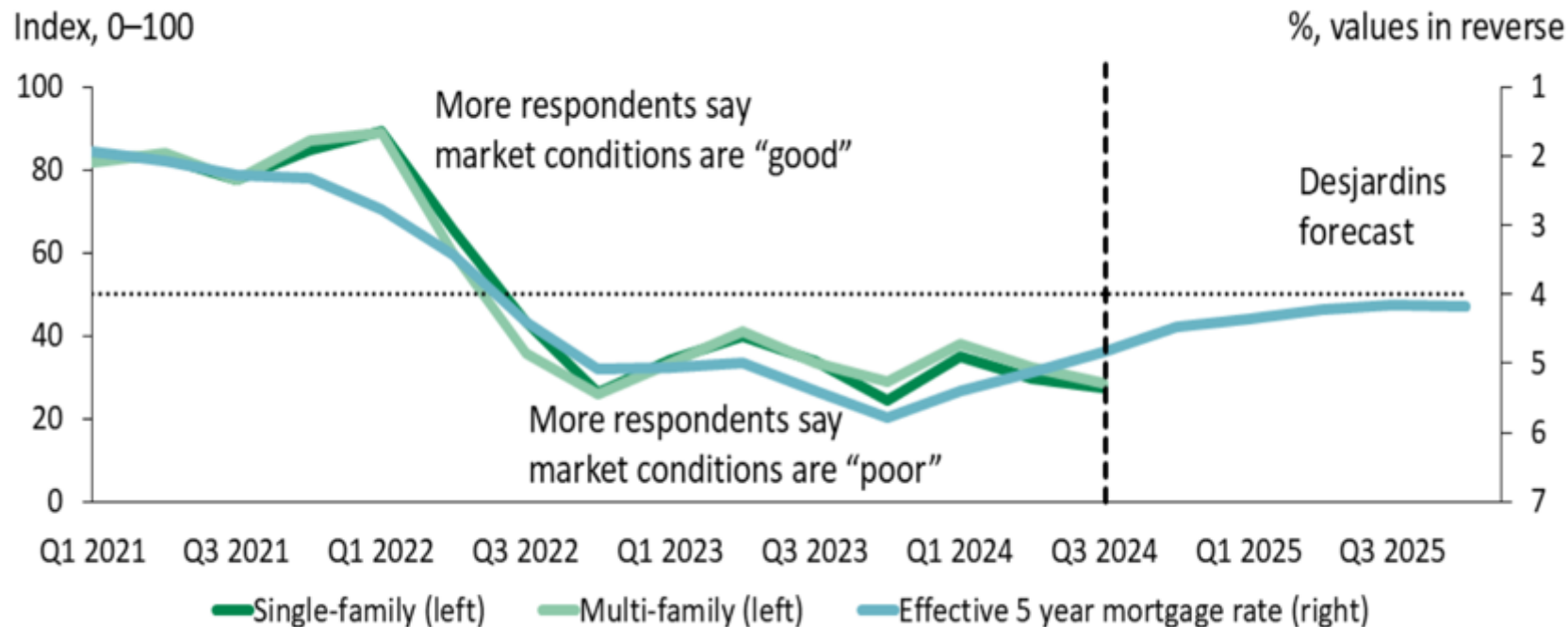


Source: Statistics Canada

Renovation is defined as the sum of investment in residential alterations, improvements, conversions and repairs

Home builder sentiment is still weak

Housing Market Index and mortgage rates



Lingering effects of high interest rates, construction labour shortages and an aging workforce paired with high building materials costs are some of the reasons for low sentiment among home builders.

<https://www.chba.ca/housing-market-index/>. Survey of CHBA homebuilders and developers Q3 2024.

<https://coop.desjardins.com/oc/en/savings-investment/economic-studies/canada-housing-starts-nov-2024.html>

Renovation prices have climbed since 2017

Renovation Price Index covering 8 major renovation categories is a useful tool for renovators to help clients anticipate and understand the cost of renovation.

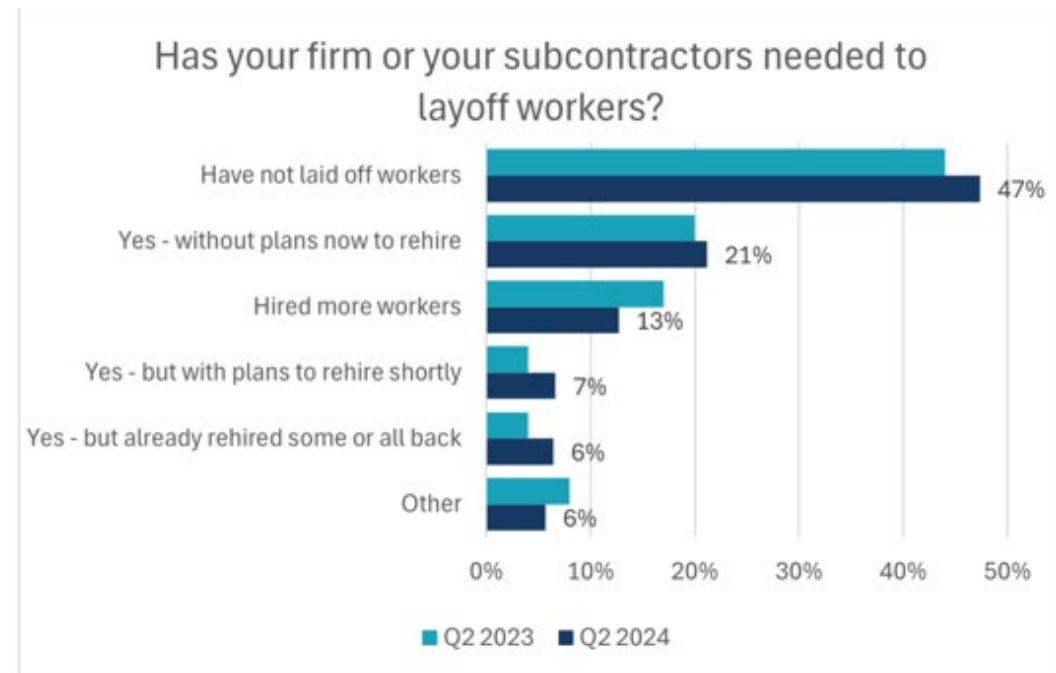
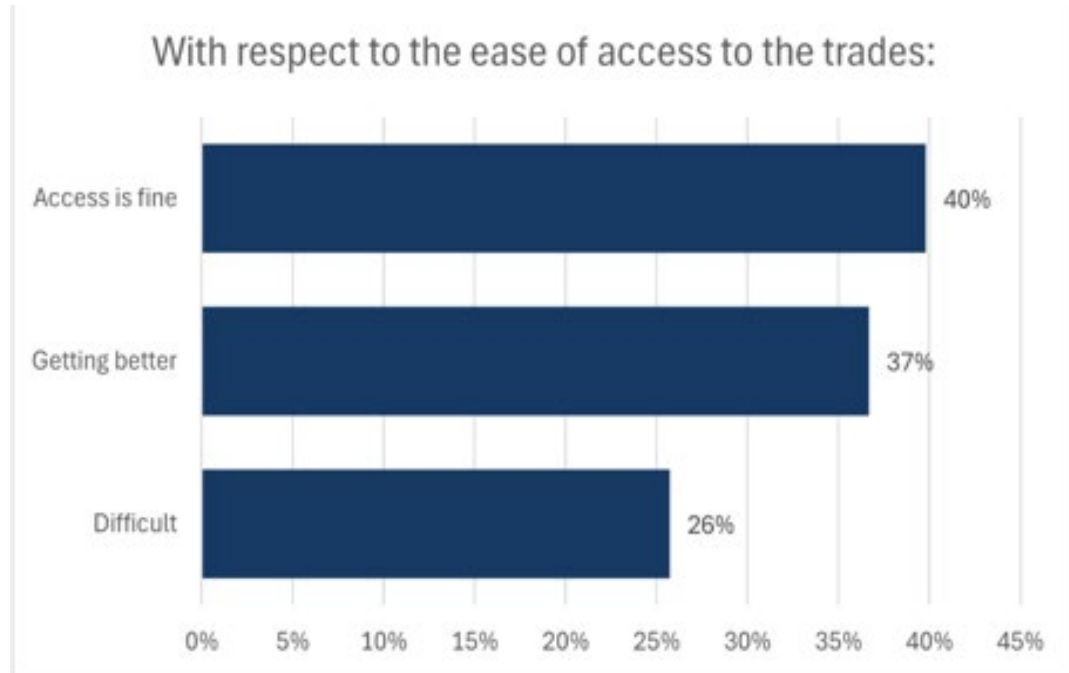
Inflation varies by project type

- Following a 0.8% increase in Q1 2024, Canadian renovation prices were up 0.7% in Q2 2024
- Roofing and exterior additions led price rises since Q2 2023. Heating and air condition prices jumped the most in Q2 2024.
- British Columbia experienced the largest quarterly price increases in the second quarter at 1.4%, followed by Saskatchewan at 1.3%.
- Labour shortages, wage pressure, and population demographics were the main drivers of pricing pressure in the last year.

Composite Average 5.8%

Labour shortages persist

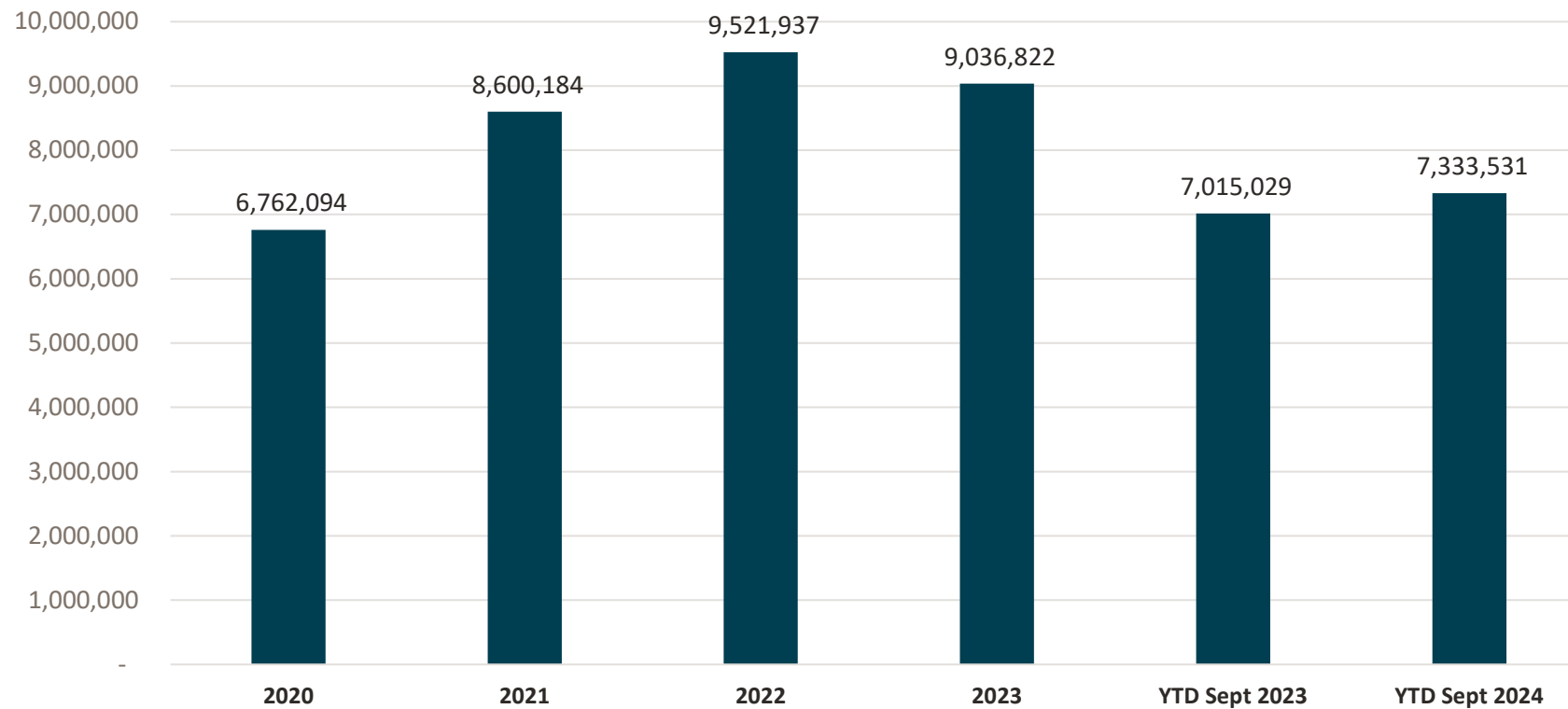
Worker shortages persist and will grow as housing activity improves.



Source: CHBA, August 2024. <https://www.chba.ca/housing-market-index/>

Renovation spending is increasing

Value of Residential Renovation Permits in Canada
2020-2024



Source: Statistics Canada. Investment in Building Construction

Turning the corner

Current Conditions

- Economists expect further interest rate cuts in December and in 2025 potentially boosting the housing market activity.
- Up to 40% of mortgages renewals for 2025 could see lower rates.*

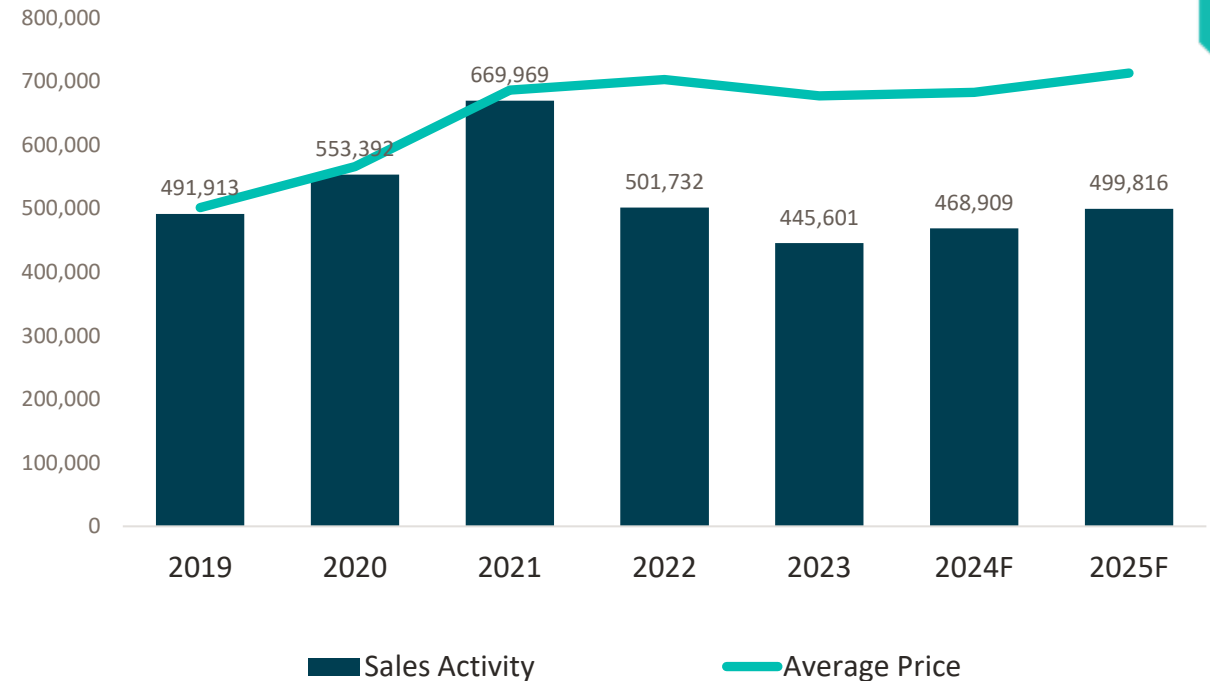
Opportunities Ahead

- Lower interest rates are prompting increased activity, particularly in single family homes sales and construction.
- Renovation activity is expected to rise with increased home sales.
- Aging in place, a high cost of moving, multigenerational living and densification needs support increased renovation activity.

*CIBC

Canadian Housing Resales Outlook

Forecasts for 2024 and 2025



Source: Canadian Real Estate Association, Forecast, October 2024.

Opportunities for Renovators



1. Canada's aging housing stock

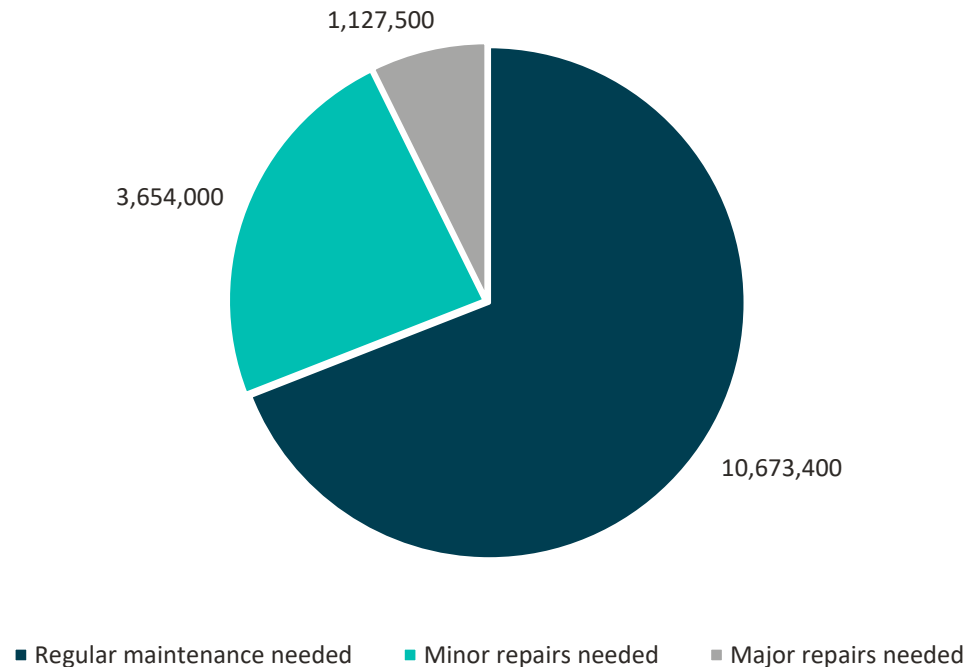
- Nearly 5 million homes across Canada need major and minor repairs.
- This does not include homes requiring cosmetic renovations.
- Three-quarters of Canada's housing stock is more than 20 years old.



24% of homes in Canada need minor or major repairs

Condition of Dwellings in Canada

TOTAL: 15.5 million homes

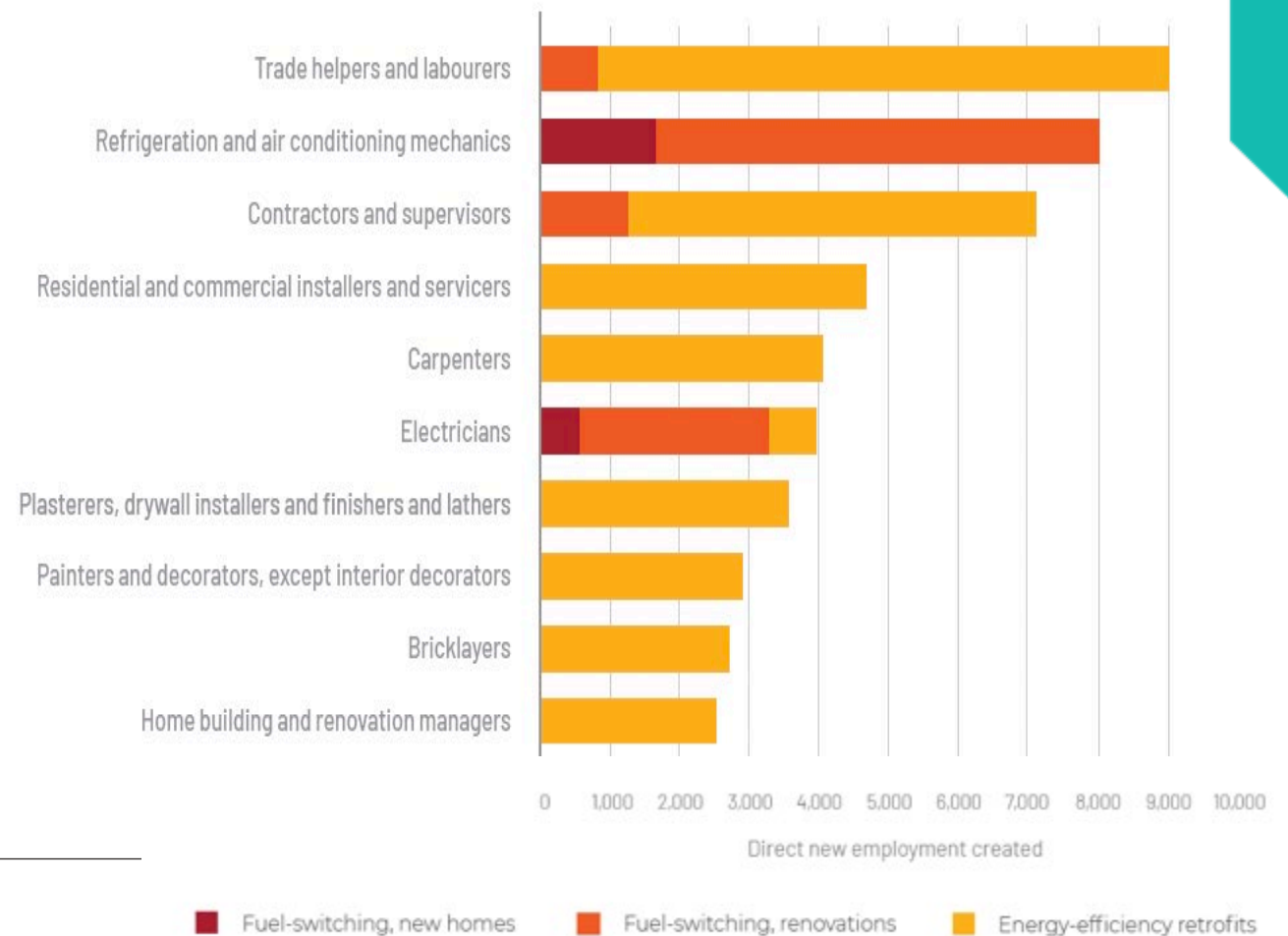


2. Opportunities in Green Retrofits

- 59% of Canadians said they would pay extra for green improvements.
- 73% of those renovating are interested in smart, sustainable, and energy-efficient technologies.
- From January 2020 to November 2024, 211,697 new heat pumps have been installed in Canada with federal grants. Uptake is low.
- BuildForce is forecasting that 22% more workers will be required in Canada by 2033 to perform green retrofits.
- The greatest shortages will be HVAC specialists, trades helpers and contractors.

New Employment Growth Created by Green Building

For the Top 10 Trades, 2023-2032



Source: [CIBC Survey](#) November 2024, 1500 Canadians
BuildForce Canada, [Building a Greener Future](#) June, 2024

Energy Efficiency Renovation Programs can be complex and confusing for homeowners

- **Canada Greener Homes Loan:** Interest-free loans of up to \$40,000 for [eligible retrofits](#).
- **Oil to Heat Pump** affordability program grants up to \$10,000 for [eligible homeowners](#).
- **Enbridge Home Efficiency Rebate Program** (Ontario) – several grant options available
 - To qualify for these rebates, the homeowner must be an Enbridge Gas customer.
 - A work energy audit must be completed by an energy advisor listed by Enbridge Gas.
 - The homeowner will need to complete at least two eligible upgrades to qualify for the program.
- **BC Hydro and Fortis** in BC - range of grants available.



Opportunity to assist homeowners in reducing the cost of energy efficient renovations by optimizing grants and incentives.

Source: [Enbridge](#), [Better Homes BC](#).

3. Densification is increasing

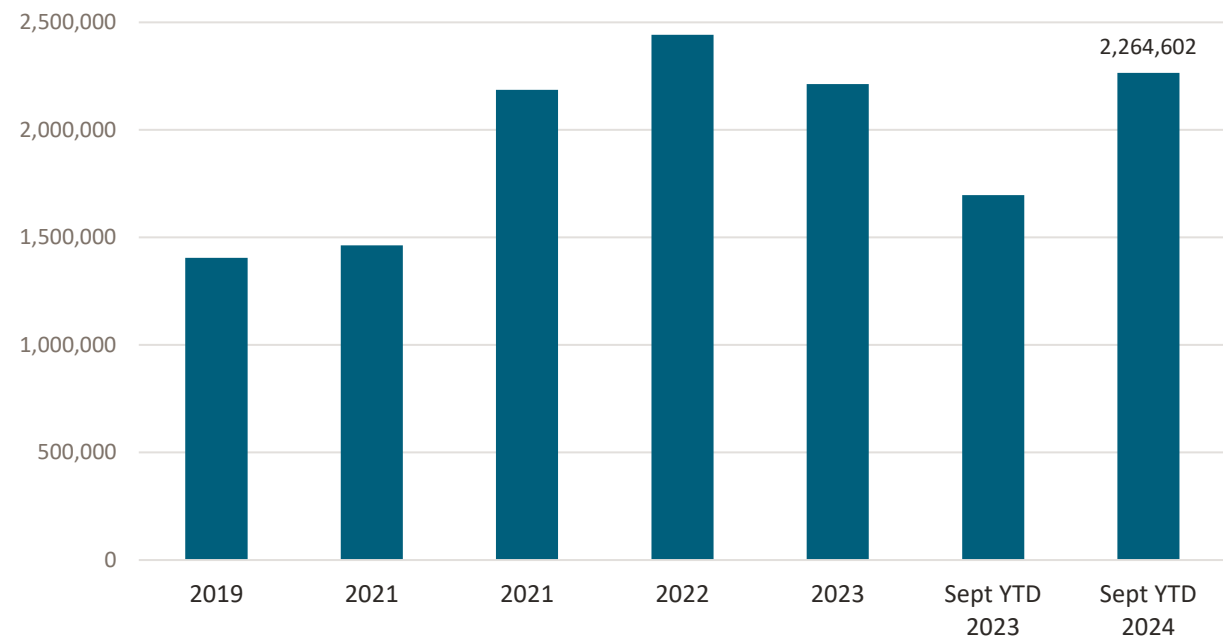
- The push from governments of all levels to increasing housing densification is taking hold.
- Sept YTD conversion* permit values exceeded the value for the same period in 2023.
- Large urban areas like Vancouver and Toronto could see more growth with the simplification of complex approval processes.
- Rising developer costs, permitting delays, higher interest rates and labour shortages contributed to the drop in conversion permits and values in 2023 and may still be challenges.



Residential conversion opportunities to add housing units are growing for renovators.

Residential Conversion Investment in Canada

Value of Permits in \$ thousands



Statistics Canada. Investment in Building Construction

*A conversion means that a **residential structure is either modified from its existing form** to increase the number of dwelling units

Recent densification project announcements

- **Federal Secondary Suite Loan Program:** Offers homeowners up to \$80,000* in low-interest loans to add secondary suites. *Starting in 2025.
- **Ontario Renovates Program:** Provides eligible homeowners up to \$50,000 in financial assistance through a 15-year forgivable loan to create affordable secondary suites.
- **Multigenerational Home Renovation Tax Credit:** Offers a one-time tax refund of 15% on renovation costs, up to \$50,000.
- **Municipal Zoning Changes:** Cities like Toronto, London, and Barrie and Calgary now allow up to four units per lot. BC's Bill 44 encourages multi units near public transit.
- **Removal of GST** from purpose-built rental housing construction for 4 units or more.



Help clients maximize project returns by leveraging available financial incentives.

<https://www.canada.ca/en/department-finance/news/2024/04/government-making-it-easier-for-homeowners-to-add-additional-suites-to-their-homes.html>

Multigenerational Home Renovation Tax Credit <https://fin.canada.ca/drlreg-apl/2022/ita-lir-0822-n-2-eng.html#mghrtc>

https://www.regionofwaterloo.ca/en/living-here/resources/Housing-Services/DOCS_ADMIN-4195350-v2-OR_ONTARIO_RENOVATES_-_FACT_SHEET.pdf. Ontario Renovates Program is applicable to multiple districts in Ontario.

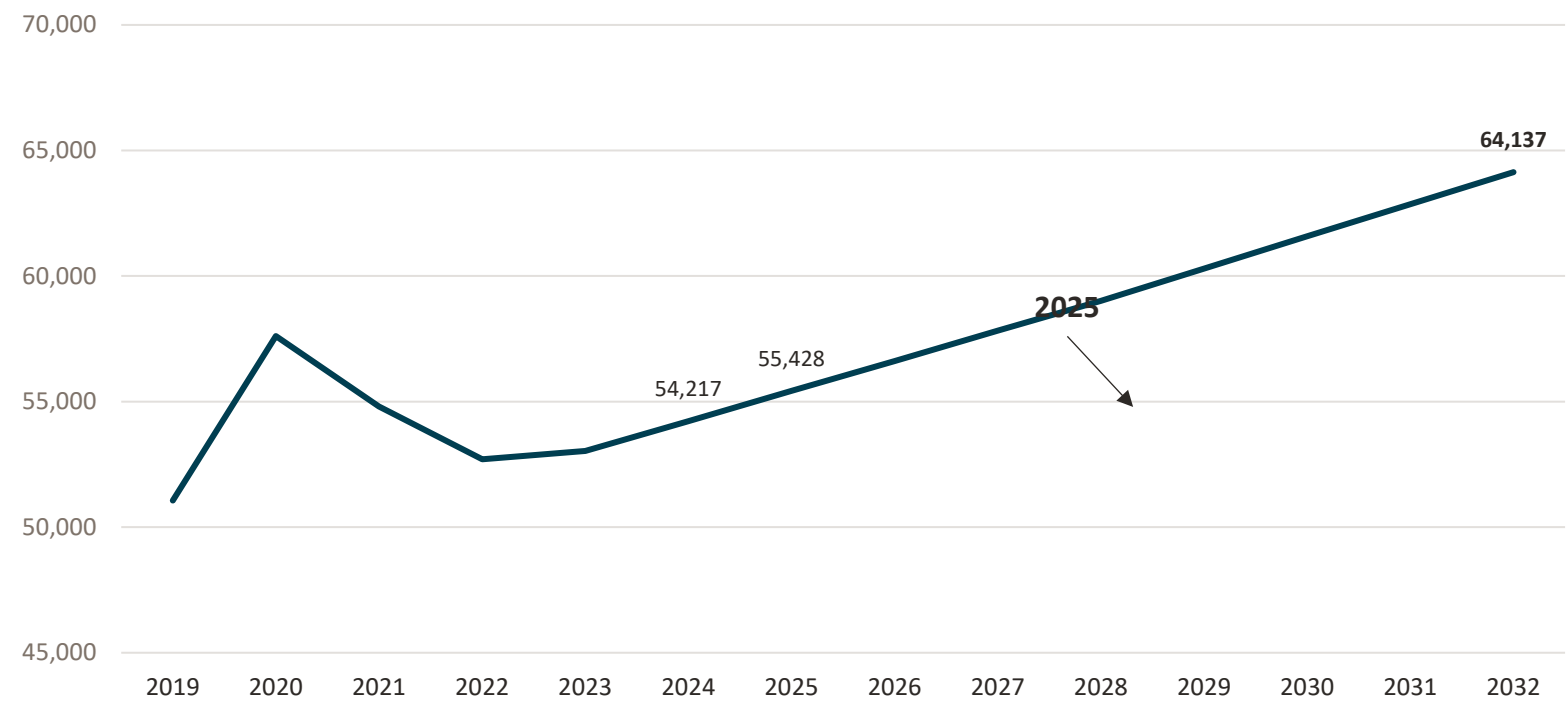
GST rebate for purpose-built housing <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/purpose-built-rental-housing.html>

Long term Outlook



Canadian investment in renovation will grow

Residential Renovation Expenditures 2024-2032*



Source: BuildForce Forecast, March 2024

By 2030, more people will be employed in the renovation & maintenance sector than in new home construction.

*Based on 2012 dollars, adjusted for Inflation, in \$ thousands

Key drivers of renovation

- **Inter-generational wealth transfers** estimated at \$1 trillion in the next two years are now occurring.
 - Demand in the luxury segment is further propping up the renovation trend, particularly in Vancouver and Toronto where the cost of a single detached home is rising.
- Younger population are moving back to grandparents or parents' homes... and renovating.
- The rising cost of housing is prompting
 - **multi-generational housing** to counter escalating costs of homeownership
 - Suites that can provide a **secondary income** stream
- **High cost of ownership transfers** of \$41B in 2023 makes it more attractive for some individuals to renovate vs relocate.
- **Aging-in-Place:** Over 9 out of 10 aged 55 or older plan to age in place, further bolstering the renovate versus relocate trend.

<https://macleans.ca/society/the-jackpot-generation/>

Statistics Canada, Flows and Stocks of Fixed Residential Capital

Canadian homeowners want to renovate

67%

of homeowners are willing to pay **more** from professionals they trust

94%

are planning on *staying in their current home* in the next year.

49%

are *planning, executing or have recently completed* home improvements

63%

want to improve their home for aesthetic reasons and increase value

73%

are likely to invest in energy efficient renovations

25%

Say they will live in multigenerational households

36%

Are interested in laneway housing

Source: CIBC Ipsos Reid [Renovation Survey](#), Nov. 2024
[FinancelT](#) survey of 1500 homeowners, July 2024
[HomeStars](#) Report 2023, p. 14

Opportunities in renovation

- **\$103 billion** market annually and growing.
- **Aging housing stock** to drive demand upgrades, major repairs.
- **Densification** to increase – increasing housing stock through additions and conversions.
- **Green retrofits** – energy savings, technology and affordability.
- Strong homeowner **interest in renovations** – from aging in place, multigenerational living to value-added improvements.
- Expect growing activity from **falling interest rates** and increased consumer confidence.

Opportunities for renovators

- **Support clients** in project planning and execution.
 - Help them understand the true cost of renovation, including access to grants to maximize their returns.
- **Address labour shortages** – have the right skilled people in place right now. Retention, talent attraction and positioning your business as a top place to work are critical success factors.
- **Be prepared** for increased demand – build capacity through training and technology.
- **Differentiate** your business through professionalism, education and certification.



CHBA RENOVATION UPDATE



QUARTERLY WEBINAR SERIES

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SECTOR TRANSITION STRATEGY

CHBA's Sector Transition Strategy: Solutions to the barriers preventing Canada from building 5.8 million homes.

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WELCOME TO THE CANADIAN HOME BUILDERS' ASSOCIATION

Since 1943, the Canadian Home Builders' Association (CHBA) has been "the voice of Canada's residential construction industry." Representing one of the largest industry sectors in Canada, our membership is made up of ~8,500 companies - including home builders, renovators, land developers, trade contractors, product and material manufacturers, building product suppliers, lending institutions, insurance providers, and service providers.

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2024 WEBINARS

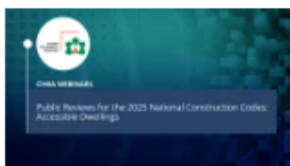
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How to Use RenoMark to Boost Your Business

In the competitive world of home renovation, how will you differentiate your business from the rest? RenoMark offers a clear mark of distinction that elevates renovators' credibility and professionalism.

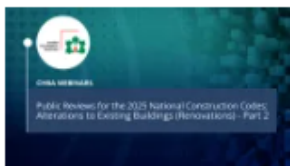
2024-
09-16



Accessible Dwellings

Part of the Public Reviews for the 2025 National Construction Code webinar series.

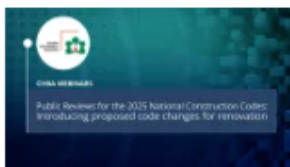
2024-04-
26



Public Reviews for the 2025 National Construction Codes: Alterations to Existing Buildings (Renovations) - Part 2

Building on the fall webinar on the same topic, this webinar will detail the second set of proposed changes introducing "alterations to existing buildings" into the 2025 National Construction Codes.

2024-
03-08



Public Reviews for the 2025 National Construction Codes: Introducing proposed code changes for renovation

This webinar will give a detailed description of proposed changes introducing "alterations to existing buildings" into the 2025 national codes for the first time

2023-
11-24

PUBLICATIONS

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CHBA Value for Renovator Members



Renovator Review E-Newsletter

Advocacy/GR activities
Building Code updates
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Business tips & resources
Award spotlight



Builders, Renovators, Adaptiv Home Manuals

Available NOW on Amazon



TRAINING: ADAPTIV HOME RENOVATION COURSE

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The definitive training on accessible renovations in Canada.

The 2-day course and accompanying manual contains up-to-date information on:

- Canadian building codes and standards with an emphasis on improving design with safety, security, ease of use, comfort, accessibility, and occupant health
- specific building knowledge on ramps and slopes, zero-step thresholds, curbless showers, accessibility equipment, and home automation solutions.
- training in client communication, empathy, privacy, insurance, and legal considerations.



Upcoming virtual courses in February, June, and September 2025

Adaptiv Home Opportunity



8 million Canadians age
15+ living with a
disability



10 million Canadian
age 60+



~75% of Canadians 60+
want to live at home
for the rest of their
lives

QUALIFIED ADAPTIV HOME SPECIALIST

Canadian
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The Adaptiv Home Renovation Course is the first step in becoming part of a network of professionals who offer services to homeowners who want to live in their home safely and comfortably for as long as possible.

Upon successful completion of the course, you will be recognized on the CHBA Qualified Adaptiv Home Specialist directory. CHBA has a full suite of resources to help you promote this prestigious designation.*

✓ Logo

✓ Brochure

✓ Event deck

✓ Social media assets

* CHBA members only





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Attest to the
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Code of
Conduct



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required
documentation

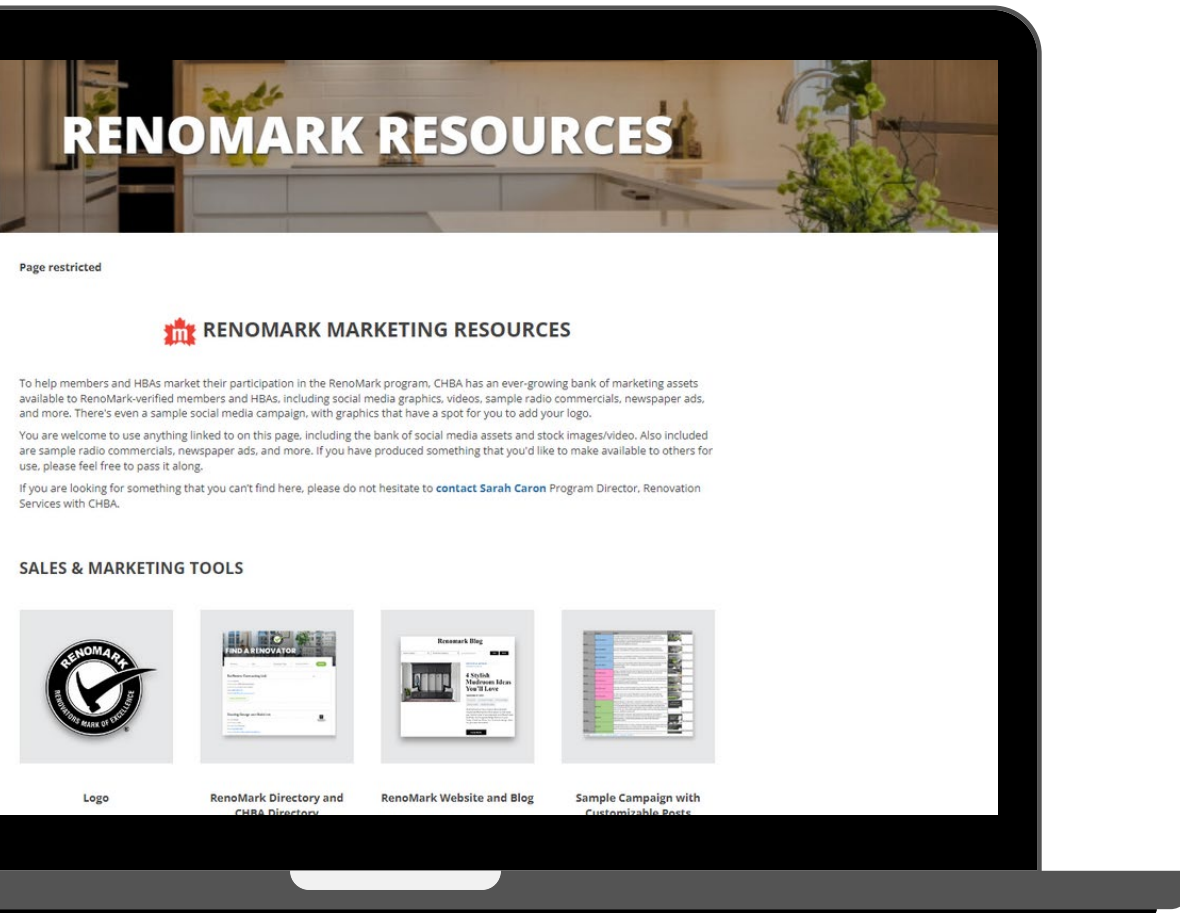


Sign the
RenoMark
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RENOMARK RESOURCES

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Access to the RenoMark logo



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Over 75 images and videos available

MARKETING ASSETS

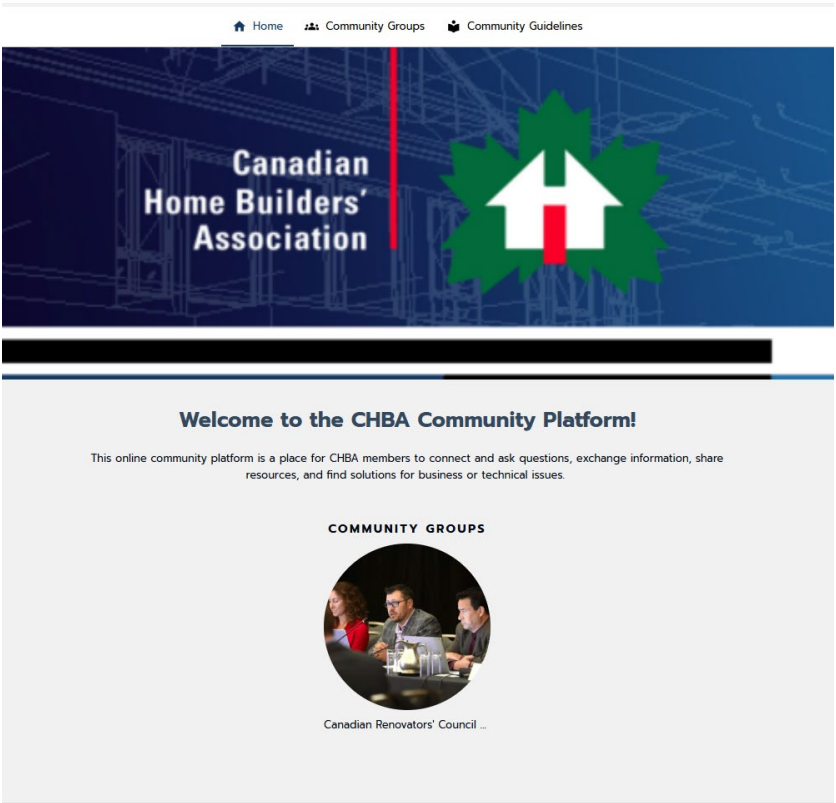
Access to ready to go print & radio ads, brochures, PowerPoint presentation and more

NETWORKING: GROWTHZONE COMMUNITY PLATFORM

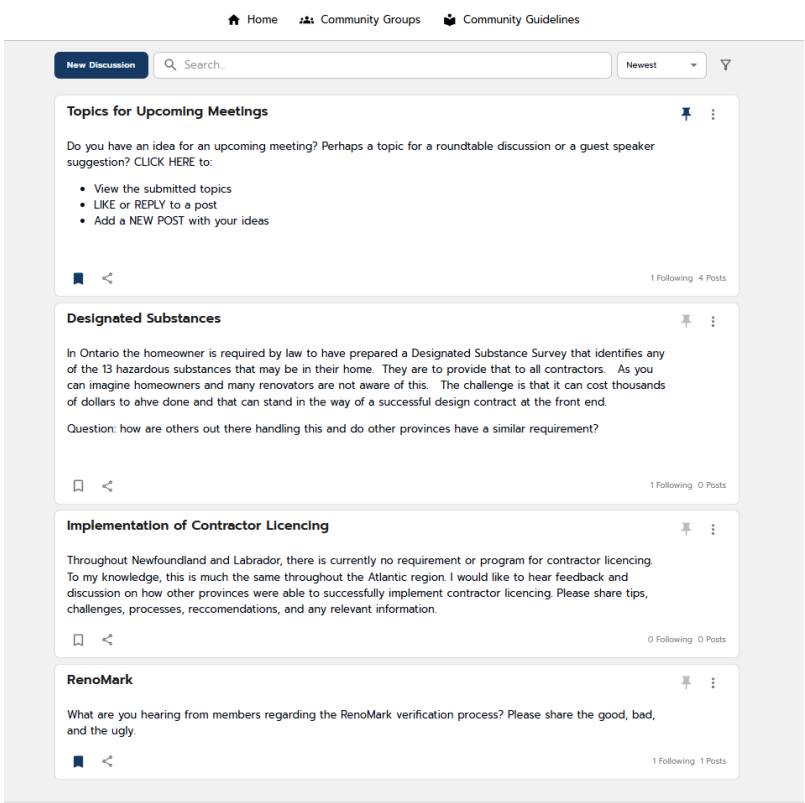
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ACCESS FROM CHBA ACCOUNT



DISCUSSION BOARDS





SCC | Study of the Canadian Consumer

KEY CHARACTERISTICS

52,106

14+ Respondents

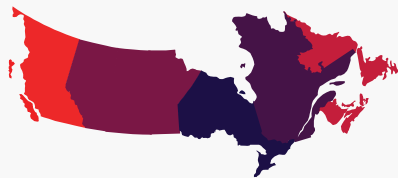
60,000+

Variables

4,000+

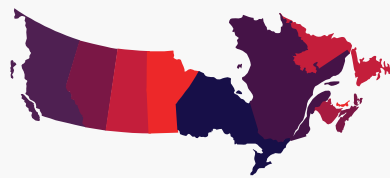
Brands

REGIONS AND MARKETS



5

Regions



10

Provinces



40

Markets

RENOVATION REPORTS AVAILABLE FOR HBAS

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CHBA | SCC | 2024 |

Key Learnings

Size of the Renovation Market

Audience & Types of Renovation (Who)

Media Profiles (Where)

Type of Content (What)

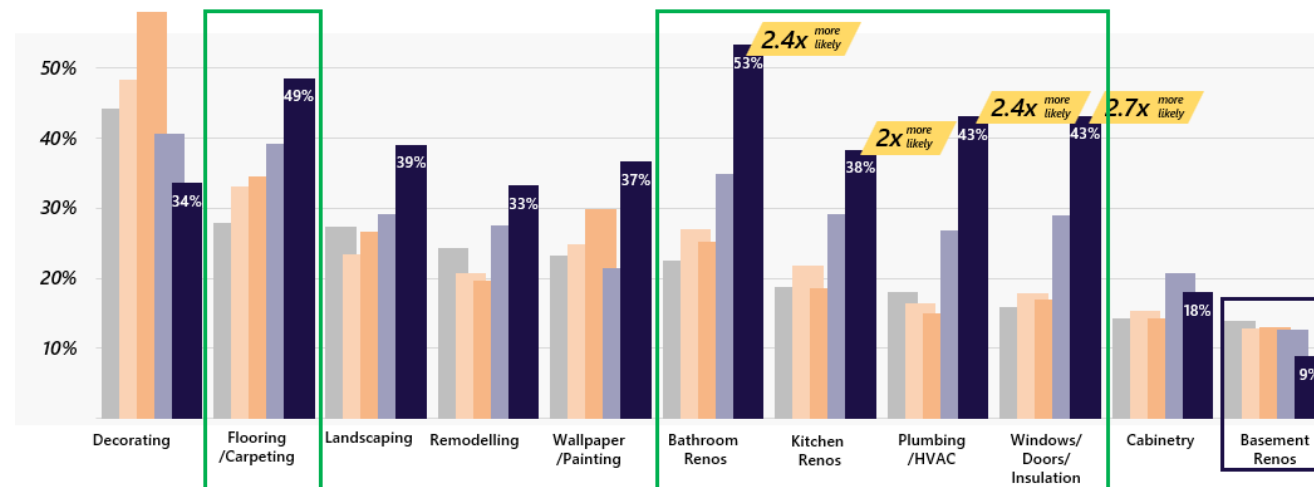
Online Activities (When)

Preferences (How)

Summary

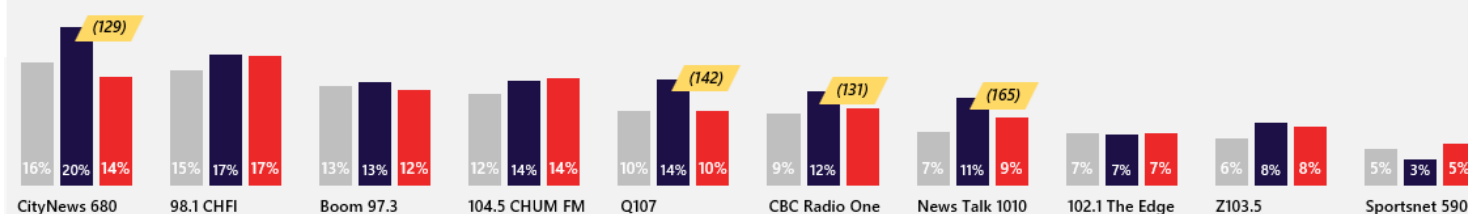
Type of home improvement done in past 2 years, % Home Improvers 18+:

● All Canada Toronto: ● All ● DIYers ● Hired a Pro ● Hired a Pro+

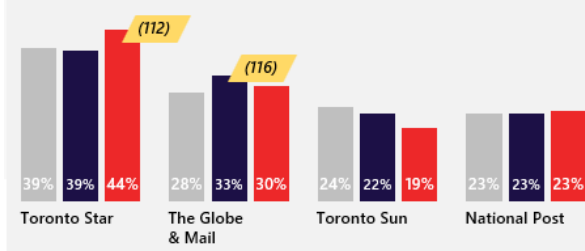


Toronto Radio Stations – Weekly Listeners

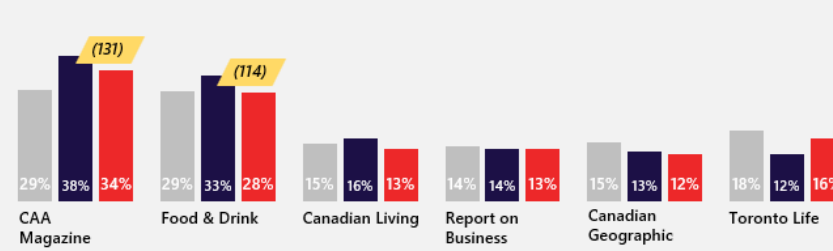
● Toronto 18+ ● Toronto Hired a Pro+ ● Toronto HI Intenders+



Newspapers in Toronto – Print/Digital Weekly CUME



Magazines in Toronto – Print/Digital Average Issue Readership



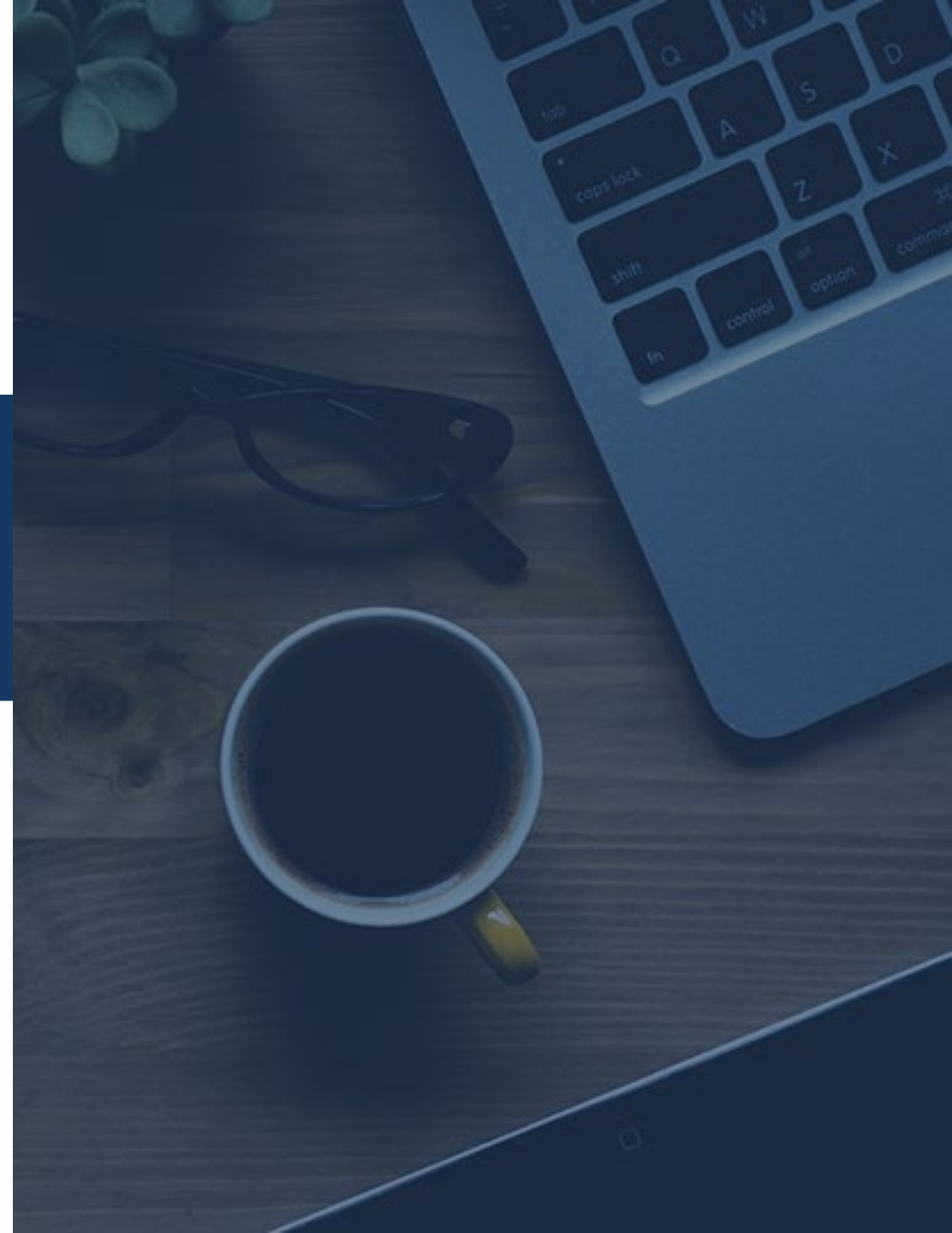
Questions?

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The webinar recording and slide deck will be available to CHBA members at chba.ca/webinars

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