

# Special National Edition

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Hello everyone,

We have some news to share with you. You may recall that in our fall 2022 newsletter, we said,

"Someone noted recently that you would be hard-pressed to find a group other than CPBH that has spent more time and given more thought to the new home construction regime in Canada and how it works for consumers. Guilty as charged: We dug in, learned, participated at every government level, engaged with industry, communities and individuals. We have thought about how the regime works long and hard and the alternatives. And it is our considered opinion that Canada's model for new home construction, regulation and warranty does not work, nor has it worked for a very long time.

Given the pressures of climate change, increasing storms causing severe damage, the urgent need for more housing and affordability, it is time for the federal government to take a leadership role. A new model is needed that balances the need for housing with a level of quality that ensures safety and responds to the need to cut CO<sup>2</sup> emissions and radon risks. Given the number of jurisdictions and the patchwork quilt of authorities involved in the regime, only the federal government has the breadth of vision and ability to set out a path forward. We are calling on them to do so.'

We have been working on how the federal government could effect needed changes and are pleased to provide details to you today.

The creation and nomination of Canada's first Minister of Housing following the last federal election was a positive step. This Minister, together with other key players, have the needed authority to make the proposed changes. The group includes:

Minister of Housing  
Minister of Environment and Climate Change

Minister of National Resources  
The Prime Minister, Cabinet and Members of Parliament

Canada Mortgage and Housing Corporation  
Lobbying Commissioner  
National Research Council

We are calling on these leaders to act by implementing a new national housing model for Canadians. The model must respond to the needs of consumers, not just industry. We strongly recommend the article by Duff Conacher of Democracy Watch, which exposes weaknesses in the Canadians system that underlie many of the problems CPBH contends with every day: *Canada's lobbying and ethics laws a sad joke that favours corporations over ordinary people* by Democracy Watch's Duff Conacher for details on why and how: <https://canadiansforproperlybuilthomes.com/wp-content/uploads/2023/02/Jan.-19-2023-National-Observer-Canadas-lobbying-and-ethics-laws-a-sad-joke-that-favours-corporations-over-ordinary-people.pdf>

We will be happy to hear from you by email or social media about this or any aspect of our work.

If you can help us continue our work, any donation will be gratefully accepted:  
<http://canadiansforproperlybuilthomes.com/what-you-can-do/donate/>

*Karen Somerville and Alan Greenberg*  
Canadians for Properly Built Homes Co-founders

*#ConsumerProtection #NeverGiveUp #EnforceTheCode #NoUSEDfurnaces #RadonAction  
#Don'tStopBelievin' #YouAreNotAlone #HealthAndSafety*



## **A New National Housing Model Needed for Canadians**

Given the pressures of climate change, causing increasingly severe storms and damage, and the urgent need for more housing and affordability, it is time for the federal government to take a leadership role.

Throwing money at the problem and looking the other way while building code compliance of homes suffers is not good enough. The quality of Canada's housing stock is a serious issue for many purchasers of newly built homes.

Quality is a problematic term where home construction is concerned. It appears that the Canada Mortgage and Housing Corporation still has no definition of quality. They were once in the home inspection business but that ended decades ago. The minimum and most basic standard of quality for a newly built home is that it must comply with applicable codes. Codes are based on health and safety and are minimal standards. When not met, occupants' health and safety are put at risk. Codes are a provincial jurisdiction and vary across the country. Municipalities are supposed to enforce them. This is an old, outdated model that Canadians have had for decades. It is inadequate and just not good enough for Canadians today.

It has become clear that Canadians need a new, national housing model that balances the need for more housing units with enhanced building quality. For example, an enhanced model must respond to difficult challenges such as cutting CO2 emissions: Enforced building envelope, insulation and HVAC standards would contribute to that. A new model must also address areas like protecting Canadians from the lung cancer risk of radon and do simple things like require hurricane clips to keep roofs on buildings during severe weather, to save lives and reduce repair costs, wherever they may be.

Given the number of jurisdictions and the patchwork quilt of authorities involved in the current new home construction regime in Canada, only the federal government has the breadth of vision and ability to set out a path forward that will protect Canadians with homes that will meet acceptable, up to date standards. Consumer voices need to be heard too in this effort, not just those of industry and their lobbyists.

CPBH is calling on the federal government to step up and address these problems which all revolve around enhanced quality and code enforcement. Taken together, the steps required provide consumer protection at the federal level.



## **CPBH Recommendations for the Government of Canada**

### **Minister of Housing – Must make housing quality a key consideration in all housing programs.**

Canada has a **Minister of Housing** and CPBH applauds this move by the federal government. The Minister's mandate letter is extensive in scope, positioning him to make important changes to the new home construction regime. In addition to improving the quality of programs in the National Housing Strategy and the worrisome implications of "Rapid Housing", together with CMHC, the Minister must address the quality of housing stock being built under these programs. **Solution? Enforce the code during construction.**

**Minister of Housing:** A Home Buyers' Bill of Rights guaranteeing the right to inspection was announced in 2021 and responsibility for implementing it is included in this Minister's mandate letter. **This is part of the solution!** CMHC received funding in April 2022 for this purpose. Canadians are awaiting results, which should also include the right to new homes meeting code during construction. More: <https://globalnews.ca/news/9413108/home-buyers-bill-rights-canada-blind-bidding-timeline/>

**The National Research Council (NRC)** updates the National Building Code every five years, and it is said to exceed all other codes. Its use is mandatory, for example, on federal lands but it has no weight in law outside federal jurisdiction. Provinces adopt a patchwork of national and provincial codes. A Globe and Mail article published Jan. 27, 2023 explains the deplorable state of the national and provincial building codes across Canada and the effect on homes: <https://canadiansforproperlybuilthomes.com/wp-content/uploads/2023/02/Jan.-27-2023-Globe-and-Mail-Why-your-home-isnt-built-to-last-against-extreme-weather.pdf> .

**Solution? NRC to address the need for a new national building code with the urgency the climate change threat and other pressures described here require. Gather the parties and drive the work to conclusion. Include energy efficiency, climate resilience and radon measures. Make decisions and include enforcement in priorities. Lead.**

**Canada Mortgage and Housing Corporation (CMHC):** Housing affordability figures prominently in CMHC communications and in its 2017 National Housing Strategy. CMHC says affordability means

monthly housing costs should not exceed 30% of household income. But there is more to it than that and it has to do with quality:

**An affordable home is a properly built home. And that means it is properly inspected during construction by qualified inspectors who are not paid by builders.**

Affordability is about the initial costs but also the short-, medium- and long-term costs of operating and maintenance which are fundamentally affected by how the dwelling is built. **Solution? CMHC needs to reflect all of these costs in its definition of affordability.**



There has been a nation-wide shortage of home inspectors for decades. **Solutions? As CMHC was involved in home inspections and inspection training in the past, there is a need for them to become involved again. CMHC can contribute to inspector availability and training.**

The absence of a definition for quality in home construction is a problem. **Solution? CMHC must define housing quality, and communicate it to Canadians. Then, CMHC needs to play a key role in ensuring that Canada's newly built homes meet that standard of quality.**

**Natural Resources Canada's** Energy Star Program sets criteria for builders to produce homes that increase energy efficiency by 15 percent, should home buyers choose this option at time of purchase, for an additional cost. This is a laudable, energy efficiency and climate change initiative, and should be a good choice for buyers. But under the current program, builders can certify they have met the requirements with no outside objective inspection needed to confirm the work has been done. Some Energy Star homeowners say they paid a premium to the builder for something they did not get, in addition to discovering that the home also doesn't meet the minimal requirements of the building code. NRCan does not inspect Energy Star homes. **Solution? NRCan: Enforce program requirements and provide independent inspections. New home buyers: Demand program requirements that have teeth. A positive development: NRCan's program is under review and CPBH is pleased to be providing input.**

Some owners of newly built homes with code violations concerning doors and window installation, as well as building envelope compliance are using an NRCan Green Grants program to have their problems corrected while their homes are still under warranty. The home can be just six months old to qualify. Our federal tax dollars should not be used to fix homes the owners have already paid the builder to build properly. How many times does the building industry have to get paid to produce one home properly? **Solution? Eliminate new homes under warranty from eligibility for this program.**

On launching the Energy Star and Green Grants programs, NRCan assumed that newly built homes meet code. They are now aware that this is not the case and that programs must take this into account. **Solution? Revise NRCan's programs accordingly.**

**Minister of Housing and CMHC:** The home inspection industry has been decimated over the last two decades. There are two main types of inspectors: municipal and private. Many private home inspectors say they can't make a living at it anymore and have moved on. The red-hot real estate market often eliminated private home inspections from any offer where the buyer hoped to be successful. In hot and cool real estate markets alike, consumers need protection. **Solutions? Make home inspections a right for all real estate transactions, including before purchasers of newly built homes take possession. Abolish remote and sampling inspections nationally.**

**Prime Minister, Cabinet members and MPs:** Politicians are too often influenced and directed by the construction industry. It has long been a matter of public record that no group makes more political donations than developers, builders and trade groups. Where are consumers' concerns in all of this? **Solution?**

**Donations from developers and home builders to politicians must be barred. Integrity and accountability must be restored to allow politicians to work in the best interests of consumers, not just industry. The Canada Elections Act, the Conflict of Interest Act and the Lobbying Act all must be strengthened.**

The federal government must also make room for the consumer voice. See *Canada's lobbying and ethics laws a sad joke that favours corporations over ordinary people* by Democracy Watch's Duff Conacher for details on why and how:

<https://canadiansforproperlybuilt homes.com/wp-content/uploads/2023/02/Jan.-19-2023-National-Observer-Canadas-lobbying-and-ethics-laws-a-sad-joke-that-favours-corporations-over-ordinary-people.pdf> . **Part of the solution? Establish an independent Canadian Consumer Advocate**

**accountable to Parliament to advance consumer interests and represent Canadian consumers, including in relation to newly built homes.** When consumers are protected, everybody wins.



**The Minister of Environment and Climate Change** has a huge responsibility in addressing climate change. Buildings are among the largest emitters of CO<sub>2</sub>, after the oil and gas, and transport sectors in this country. <https://www.canada.ca/en/environment-climate-change/services/climate-change/greenhouse-gas-emissions/sources-sinks-executive-summary-2022.html>). Working with the Minister of Housing and provinces/territories to improve the energy efficiency of residential housing construction could make a big contribution to lowering emissions. **One of the solutions? Enforce the code during construction.**

**Problems with new home warranties exist across Canada**, whether with the builder or by the warranty program that “back stops” the builder’s warranty. The prospect of “Rapid Building” in the midst of chronic inspection inadequacies suggests thousands of poorly built homes that will plague owners and renters for years to come. By turning a blind eye to this problem, the federal government is contributing to it. Builders have said that it costs seven times as much to fix a problem in a home once it is occupied. Consumers with lived experience will tell you that the best warranty is the one you don’t need to use. **Solution? Enforce the code during construction.**

The Ministers of Housing, Environment and Climate Change, Natural Resources, and Innovation, Science and Industry, together with the presidents of CMHC and the National Research Council, and the Prime Minister, Cabinet members and MPs all have a stake in the benefits of properly built homes and should work together – along with the provinces and territories – to make the needed changes a reality. **Indeed, all Canadians have a stake in the way the housing quality problem is addressed, so that we may achieve a stable, robust and dependable new home construction regime that produces safe, code compliant homes that will withstand the rigours of the 21<sup>st</sup> century.**





## Looking Forward

**The housing quality problem:** It's clear that Canada's building codes are woefully out of date, unenforced and that the current regime for new home construction may be expected to continue to produce housing to an inadequate standard for years to come unless decisive action is taken now.

An up-to-date and defined quality standard is needed, and federal government leadership is required to get above the patchwork system in the provinces/territories and municipalities to get much needed results for Canadians. For a host of reasons, from health and safety, to affordable housing, to CO2 emissions, to building homes that will withstand the changing climate, now is the time to act: Enforce the Code; Update the Code; Define Housing Quality. Establish a new home construction model that responds to the needs of the 21<sup>st</sup> century.

CPBH has presented here a series of actions that could be taken by the players at the federal level to achieve these goals and calls upon them to respond and take action.

Canadians must keep telling the federal government that they want action on the housing quality problem, that they are fed up with the rip offs and the damage done to them and their families through improperly built homes. New home buyers should not be pawns in this game. They are the ones supplying all the money, after all.

Good builders – you have an important role to play in this as well. Stand up and tell your industry associations that they also need to help lead the way to end shoddy construction in Canada.

Let's get to work!

#CanadianHousingQualityProblem #AffordableHousing



### About CPBH

Canadians for Properly Built Homes (CPBH) is an independent, national not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders. CPBH earned "partner" status with the Canadian Consumer Information Gateway (Industry Canada). Follow us:



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