

# No federal party plans to index home GST rebate



**PETER SIMPSON**  
SPECIAL TO WESTCOAST HOMES  
CONSTRUCTIVE THOUGHTS

Chuck Marr, president of the Greater Vancouver Home Builders' Association and chair of the Canadian Home Builders' Association Urban Council, recently e-mailed a survey to 64 Liberal, Conservative, NDP and Green Party candidates in 20 Lower Mainland ridings.

The survey posed eight straightforward questions related to homeownership, skilled labour shortages and tax reform.

The candidates could answer each question simply by marking an X beside yes, no or no position. You would think the X concept would be familiar to them, what with an upcoming election and all. Only six responses were received from individual candidates, half toeing the party line. To be fair to

those who responded and to those who didn't, candidates were likely cautioned — some would call it gagged — to sit on the survey and wait for party headquarters to respond.

But aren't these eager candidates aspiring to represent local folk who are greatly impacted by, say, the GST imposed on new homes, supposed to be champions for local issues and concerns?

For example, the first question to the candidates asked: "Will you support indexing the GST rebate for new housing — as the government of the day promised in 1989 — to account for inflation in prices since the tax was introduced?"

I often express frustration with the inequitable treatment of home buyers in regions of high housing prices. About 94 per cent of all new detached homes in the Lower Mainland

are priced at \$350,000 and higher. The GST rebate diminishes at this point and disappears altogether at \$450,000 (buy a home for \$450,000, you pay \$31,500 in GST).

MPs in dirt-cheap Moose Jaw likely don't care much about this, but MPs throughout the high-priced Lower Mainland should care very much.

Last week we received official responses from the Conservatives, NDP and Liberals. The Green Party has yet to respond. The Bloc responded, in French, to our national office in Ottawa.

Some of the answers to our questions had me reaching for my gobbledegook-to-English dictionary. So much for the simple yes, no or no position response options.

The bottom line is no party has shown an inclination to index the GST rebate. That's unfortunate.

On Tuesday, Canada Mortgage and Housing Corp. released its 2005 housing starts statistics for Greater Vancouver.

To no one's surprise, the 18,840 starts fell three per cent from 2004's 19,435 starts. After all, 2004 was the best year in a decade, so finishing a close second is still a fine performance. And the 18,840 housing starts generated 52,752 person-years of employment last year.

There are two interesting mitigating circumstances to consider here.

One, many large-scale residential projects currently under construction were actually started in 2005, but because they are just at the excavation, foundation and underground parkade stages, they will not be counted in the housing starts statistics until construction reaches the residential floors.

This significant activity, therefore, will be reflected in CMHC's 2006 statistics.

Two, some of the year-over-year shortfall could be attributed to a slowdown imposed by builders themselves. Skilled trades are in demand by home builders, non-residential construction companies and home renovators throughout the Lower Mainland.

Some builders slowed their pace to ensure the various trades were available when needed. In fact, builders waiting for certain trades experienced gaps in their production schedules, causing them to delay the start of their next housing projects.

If you are a teenager — or know of one — considering a career in construction, this is an ideal time to commence training. Many specialized courses are available, wage rates are climbing steadily and prospects for long-term employment and advancement are excellent. Two members of our association's board of directors started their careers as apprentice carpenters and now are vice-presidents for two of the largest builders in B.C. There are many more success stories out there. Are you considering buying a home but are worried about a decline in the housing market? Consider these current conditions: Low mortgage rates, healthy economy, high consumer confidence and significant job growth. Even the most pessimistic of pundits would agree that price booms lead to price busts only when local economies stumble. That is certainly not the case in this market, so the risks for a significant decline are quite low. Crystal-ball gazing is best left to professional forecasters, but I will offer this observation. The cost of land, development, government fees, building material and labour will continue to rise, placing enormous pressure on housing prices. And speaking of government fees, we will be meeting with mayors and councillors to discuss how their development decisions affect housing affordability. I am pleased to add that the majority of them understand they have an important role to play in this issue.

Grab your crowbar or wrecking tool; you can likely get a steady job in post-Katrina New Orleans.

Significantly damaged homes are being gutted to their shells before rebuilding commences. According to the U.S. National Association of Home Builders, soggy and mouldy insulation and drywall, warped and rotting baseboards, and ruined electrical wiring are being ripped out at a cost of \$6,000 per home. One family's gutted home, appraised at \$285,000 a year ago, is currently listed for \$60,000. The New Orleans *Times-Picayune* reported last week that real estate is showing signs of life: "One family gutted their previous home, which had taken on eight feet of water, and sold it for \$150,000. They then bought another home where there had been only eight inches of water. They purchased it at a bargain price of \$325,000, compared to an estimate of \$650,000 if it hadn't been damaged."

In three years the population of The Big Easy is expected to level out at 275,000. Before The Big Breezy four months ago, the city's population was 465,000.

Meanwhile, back home in Lotusland-by-the-Sea, you can purchase a beyond-redemption teardown home on a waterfront lot in West Vancouver for, wait for it, \$13.3 million. The real-estate agent's advertisement promises breathtaking views. Never mind the view, the price takes my breath away.

Peter Simpson is chief executive officer of the Greater Vancouver Home Builders' Association. E-mail peter@gvhba.org

## Ratings used as marketing tool

From F5

building industry's LEED rating system, Cradle-to-Cradle evaluates a product (or material) on a series of criteria and then issues a rating of Silver, Gold, or Platinum. Companies, like building owners, can then use this rating to market, and guarantee, their products to consumers. While it is too early to say whether this system will propel industrial design the same way LEED mobilized the green building industry, Elverum describes the work of Michael Braungart and William McDonough, the founders of MBDC as being "something the world is waiting for."

EMILY CARR RESPONDS

"The Emily Carr Institute is undergoing significant shifts in response to the challenge of sustainability," says Elverum. This has included not only hiring Elverum, but also the creation of a sustainability working group comprised of like-minded colleagues from other areas of the institute.

One of the group's mandates includes finding ways that curriculum as well as the organization itself can reflect sustainable values.

"We presume to teach the people that will eventually imagine and create our world. Our obligation is to describe this urgency [for sustainability] as a challenge and opportunity." Demand is also coming from the students, as more and more seek to resolve the not uncommon paradox between their values and getting a job.

"Students are seeing the [sustainable] movement and asking why aren't we being taught this stuff at school," says Santos-Brault.

"Just look at the huge shift in student's masters projects. More and more are about, or have, sustainable content."

For Elverum and other sustainability educators like him, sustainability, as it is loosely defined today, is merely a starting point, and a modest aspiration compared to the more interesting goal of regenerative design. Elverum ultimately challenges students to "imagine an environment that is better because of design."

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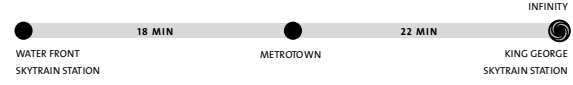
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