

SUN NEW HOMES & CONDOS

Economically speaking, the new home industry rocks



HUGH HERON
**ON-SITE
INSIGHT**

It's a well-known fact that I'm proud to be a new home builder. I look at what our industry does as noble. Creating homes and communities where families grow, thrive and create cherished memories is gratifying. The new home industry also influences society on a broader level, by injecting a substantial amount of revenue into the economy. Let's look at some numbers.

Statistics from BILD, based on 2013 data for the Greater Toronto Area, show that there were 34,719 new housing starts that year, as well as 177,500 jobs created in new-home construction, renovation and related fields — making it one of the largest employers in the GTA.

This translates to \$9.7 billion in wages, which eventually fuel the economy of the entire region via spending by employees, subcontractors and trades people. All of this also represents \$22.6

billion in investment value, the largest single wealth-builder for many families.

On the provincial level, 2013 statistics showed 61,085 new housing starts, 313,400 jobs, \$17 billion in wages, and \$44.1 billion in investment value. When you start talking millions and billions, the impact is incredible. Keep in mind that every home was once a new home, and builders provide municipalities with a way to generate additional taxes outside the general tax base.

Yes, outside forces that are beyond our control can have an effect on our economic situation at any time. For example, mortgage rates may rise, or the terms and conditions for mortgages may change, as we saw happen a couple years ago. There may be shifts in local, regional, provincial, national and even international conditions that affect our economic situation. Of course, we also can't control whether the levels of government raise taxes, fees, levies and development charges,

and whether they also place more regulations on land use.

Remember, though, that we can often trust our government to step in when the economy needs a boost. Many readers will remember the 1980s, when interest rates shot up to over 20 per cent. The entire country was in shock.

The powers-that-be in Ottawa looked for a way to spur the economy with a plan that would bring instant bang for the buck. It would have taken some time for an investment in the automobile or health care industries or the like to spur job creation. The new home industry, however, can react immediately. They came up with a \$5,000 gift for home buyers of residences under \$150,000 in price. The Province of Ontario followed suit with an interest-free loan for any home buyer if the residence was priced under \$115,000.

The result is history — and speaking of history, in the past, the government has also cooled the economy by increasing taxes, a move that immediately affected housing.

On another level, build-

ers give back to the greater community with financial and in-kind help for non-profit organizations and charities, both in the areas where we build, and beyond. Many builders serve on the boards of charities across the GTA, and their staff members

and consultants help these causes through financial donations, hands-on involvement and promotion.

It's all part of good corporate citizenship, which people in our industry take seriously. The Building Industry and Land Development Association (BILD), for example, supports worthy causes such as Habitat for Humanity. Since 2003, BILD members have been generous enough to help 11 families realize their dream of homeownership.

On a more personal note, in 2003, Heathwood Homes and The Heron Group of



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Companies established our own charity called The Mikey Network. We named it for our friend and partner, Mike Salem, who experienced sudden cardiac arrest on a golf course in 2002 and died. The Mikey Network promotes heart-healthy living and placing public-access defibrillators called MIKEYS in at-risk locations. We are proud to have placed over 1,600 MIKEYS, and to date, 23 lives have been saved.

In a nutshell, new home builders care about a lot more than our bottom line. We are an important cog in

Ontario's economic wheel, and we are proud to carry on our traditions of working hard and giving back.

— Hugh Heron is Principal and Partner in the Heron Group of Companies, President of Heathwood Homes and Chair of The Mikey Network, as well as a former Member of the Board of Directors of Canada Mortgage and Housing Corporation, and a Past President of the Toronto Home Builders' Association and the Ontario Home Builders' Association.