



# ANNUAL REPORT

JULY 2020 - JUNE 2021



# PAUL BOSKOVICH

## BOARD CHAIR



Serving as Chair this past year has proven to me how resilient our members are. As our industry remains active, we have had to overcome challenges and find solutions to the impacts of the pandemic and Mother Nature's ripple effect on housing supplies. BILD Alberta has been with you every step of the way.

Over the past year, we have worked with the government to preserve housing affordability, reduce red tape and improve business predictability within our industry. As well as offer the government solutions on ways to bolster the economy as we emerge from the pandemic.

We've seen progress on some of the Red Tape Reduction recommendations that were made in October 2019 with eight recommendations being adopted by the province and several others still being considered. We continue to demonstrate the environmental leadership of members to the Provincial Government as we push for energy efficiency in a way that ensures our industry is at the forefront of any new policy that is developed.

We engaged consultants to identify long-term infrastructure financing projects and to research the economic impacts of housing construction along with undergoing a communications audit to improve communications with members. We look forward to sharing the findings in the next year.

Our Board embraced the opportunities that technology provided hosting meetings via zoom allowing thorough discussions to continue. We prepared for uncertainty and were amazed by the continued support of members that allows the association to address the top provincial priorities and expand its means to do so.

As you read through the annual report, you will see the work being done on behalf of members to be the voice of the residential construction industry. Thank you for continuing to be a part of our association and allowing us to serve you and the industry.

*"Being on board puts you in the center of all the work the provincial association handles. Over the past year, we have been able to foster and maintain positive working relationships with government staff and elected officials."*



# SCOTT FASH

## Executive Director



Reflecting on the past year, I think we could sum it up with unexpected confidence mixed with some renewed hope. Alberta's overall market conditions remained positive with new home starts higher than anticipated when the pandemic began.

Thanks to all our local associations and in particular our members for their dedication to safe work practices through this period. This allowed us to continue building homes and communities during a time when uncertainty surrounded almost every other aspect of the economy. It has been incredible to see members embrace the opportunities and overcome obstacles brought on by the past year.

Throughout the past year, BILD Alberta pressed on advocating for members with submissions to government related to Tiered Energy Codes, Offsite Levies, Prompt Payment, and Red Tape Reduction recommendations. In November, we announced that the Government of Alberta would be implementing several of BILD Alberta's recommendations related to Off-Site Levies, Municipal Reserves and Building Assessment Reports. These changes are a result of years of advocacy and represent significant improvements that will benefit all members.

BILD Alberta continues to expand our outreach and advocacy efforts to various government ministries including Alberta Transportation and Alberta Environment and Parks. It remains important that BILD Alberta is at the table to represent the industry on provincial matters that impact residential construction and land development.

We value your ongoing support and will continue to keep you informed of our priorities on our advocacy webpage and in our newsletter. We look forward to serving members as we work through these times together to build a better industry for all.

*"We have put a lot of focus on alignment with local associations. Work together with them, communicating regularly. We've prioritized a 'partnership' relationship with locals and believe this has benefited our group and our industry as a whole."*



# BOARD OF DIRECTORS



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# ADVOCACY

BILD Alberta advocates on provincial issues that matter most to members. Our goal is to engage with ministries ensuring industry is always in the forefront when policy and regulations are developed or amended. The end result is to enable members the opportunity to develop and build affordable, efficient, innovative homes in liveable communities that serve the needs of all Albertans.

The following are the Association's top priorities as we continue to advocate on provincial issues that matter to industry.

## BUILDING CODES

Staff and members are continuously engaging with Municipal Affairs and other elected officials on Building Code related matters including changes to the current code to reduce costs on home construction and the future of Auto-Adoption of the National Building Code in Alberta.

### Tiered Energy Codes

BILD Alberta is assisting CHBA National on the Federal Government's work to introduce Tiered Energy Codes into the National Building Code as a pathway to Net Zero. CHBA National continues to push for a practical transition to Net Zero that protects housing affordability.

BILD Alberta has begun developing a proposed framework that seeks to establish a rigorous, Alberta-based review of the Tiered Codes to assess industry readiness and impacts on housing affordability.

### Appeal of Variance Decisions

BILD Alberta has successfully advocated to introduce a process that will allow builders to appeal a Safety Codes Officer denial of a variance (comes into effect on December 1, 2021). This will help further encourage innovation in the housing sector and we look forward to working with the Government of Alberta on finalizing the formal process associated with these appeals.

## CITY CHARTERS

City Charters provide broad authorities to Calgary and Edmonton on various policy areas that impact housing and development, including: off-site levies, inclusionary housing, building code authorities and environmental powers. Policies can vary between the two municipalities and it is already impacting the future investment decisions of builders and developers. BILD Alberta is continuously engaging with Municipal Affairs to amend portions of the City Charter Regulations.

## CONDOS

BILD Alberta staff continue to participate in various conversations with the Government of Alberta when it comes to condominium advocacy, including successfully advocating to remove the requirement for Building Assessment Reports on new condominium projects.



**BUILDING  
CODES**



**CITY  
CHARTERS**



**CONDOS**



## ENVIRONMENTAL APPROVALS

BILD Alberta staff continue to participate in meaningful dialogue with government when it comes to environmental approvals and identifying opportunities to streamline applications while still holding high standards to safeguard Alberta's ecological biodiversity.

### Wetlands Policy

BILD Alberta staff continue to meet with the Wetland Policy department within Alberta Environment and Parks to better enhance the Alberta Wetland Policy to provide more opportunities for wetland banking and mitigation which benefits the environment and encourages private sector investment.

### Regulatory Transformation Project

BILD Alberta continues to engage with Alberta Environment and Parks on their Regulatory Transformation Project which will automate approval of environmental applications and address backlogs. Historically environmental approvals varied from 12-24 months but through the advocacy of BILD Alberta and other stakeholders, government has committed to a new framework that will allow up to 80% of applications to be approved upon submission.

Initial modules including Water Act licenses and Sand & Gravel approvals will launch in Q3 2021. Modules for drinking water, industrial activities, Public Lands Act, and grazing leases/renewals/transfers are expected to be implemented in 2022. AEP expects to have a fully transformed environmental regulatory system by 2023.

## LEVIES & INFRASTRUCTURE FINANCING

BILD Alberta staff engage with the Ministry of Municipal Affairs on a consistent basis to discuss the Municipal Government Act and the associated regulations to find opportunities to reduce red tape, streamline services and providing certainty and clarity for industry.

### Off-Site Levies Regulation

Off-site levies remain one of the largest costs associated with developing land and ultimately building and buying homes. As an industry, we have supported paying a fair share of hard infrastructure costs but BILD Alberta members continue to hold concerns with respect to the stewardship and governance of off-site levy funds as well as corresponding accounting, financial reporting, and project management practices. New levies associated with recreation centres, fire halls, police stations and libraries will potentially add thousands of dollars to every lot and home. BILD Alberta presented a submission to Municipal Affairs, advocating for additional amendments to the Off-Site Levies Regulation.

### Alternatives to Infrastructure Financing

BILD Alberta retained consulting firm MNP to conduct a comprehensive review of the current off-site levy mechanism and identifying potential alternatives to fund future infrastructure projects.



ENVIRONMENTAL  
APPROVALS



LEVIES &  
INFRASTRUCTURE  
FINANCING



## PROMPT PAYMENT

Prompt payment involves the introduction of legislation that establishes firm timelines for payment of invoices associated with the construction industry. This legislation was introduced and adopted in Ontario and is being assessed in the provinces. The push for this legislation across Canada comes from trade and construction groups that identified issues with payment timelines exceeding lien periods which then provides them with limited recourse.

### Prompt Payment Webinar

On November 17, BILD Alberta hosted a webinar on the changes to the Builders' Lien Act, including the introduction of Prompt Payment, which brings changes to invoicing, contracts, and more. This webinar answered questions about the anticipated changes, what members need to be aware of and how BILD Alberta continues to advocate for modifications that reduce the administrative burden on member companies.

### Prompt Payment Regulations

BILD Alberta continues to engage with Service Alberta as a key stakeholder during the drafting of Regulation to support Prompt Payment legislation. As a part of the advocacy work, BILD Alberta is looking for a balanced solution that supports the intent of the legislation while reducing administrative burden on industry.

## RED TAPE REDUCTION

Reducing red tape has been a central focus of the current government and BILD Alberta. In October 2019, BILD Alberta coordinated a collaborative submission with 29 recommendations focused on streamlining approval processes and costs for land developers, builders and renovators.

In November 2020 the Government of Alberta announced Bill 48 which included eight of BILD Alberta's 29 Red Tape Recommendations with another 12 under consideration.

Key highlights include:

- Removing the authority for larger municipalities (with a population over 15,000) to set alternative approval timelines for subdivision and development permits.
- Eliminating municipal authority to take additional reserve land (will be capped at 10%), as well as adding a public hearing requirement to increase transparency when changing a reserve designation to community services reserve.
- Strengthening municipal reporting requirements for off-site levies.
- Expanding the role of the Municipal Government Board to hear appeals on all off-site levies.
- Strengthening transparency requirements of off-site levy calculations.
- Removing requirements for Building Assessment Reports for new condominium developments.
- Eliminating Inclusionary Housing from the MGA (still exists in City Charters).
- Simplifying requirements for Joint Worksite Health and Safety Committees.

Staff continue to engage with the Associate Ministry of Red Tape Reduction and relevant Ministries to move more items forward.



## REDUCING GREENHOUSE GAS EMISSIONS IN HOUSING

In late-2020, BILD Alberta commissioned a study from an industry professional to develop *An Industry Approach to Reducing Greenhouse Gas Emissions in Housing*. The purpose of this work was to identify proactive strategies that would allow the residential construction industry to take a visible leadership role in housing innovation to help reduce greenhouse gas emissions while preserving housing affordability.

In June 2021, the final report was accepted by the BILD Alberta Board of Directors along with an Action Plan based on the recommendations from the study. Key preliminary actions including:

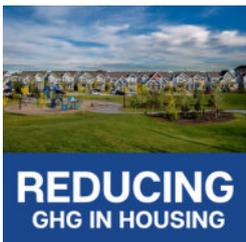
- Hiring a Building and Climate Policy Coordinator
- Establishing a member-led Steering Committee to provide advice to the Board of Directors on matters of climate policy and direct work of the Residential Construction Energy Efficiency Accelerator
- Formalize the Residential Construction Energy Efficiency Accelerator and engage an external third party to help name and brand the initiative.
- Begin engaging with other organizations (utilities, municipalities and other non-for-profits) on projects that would benefit from BILD Alberta's support and collaboration.

## RENOVATION TAX CREDIT

BILD Alberta is advocating to introduce a Home Renovation Tax Credit to encourage investment, reduce the cost of home renovations, support climate change by retrofitting homes into energy efficiency, create jobs and support Alberta's economic recovery. The introduction of a renovation tax credit can be a cost-neutral tax as it encourages growth in the economy and away from the prevalent underground economy in the construction sector.

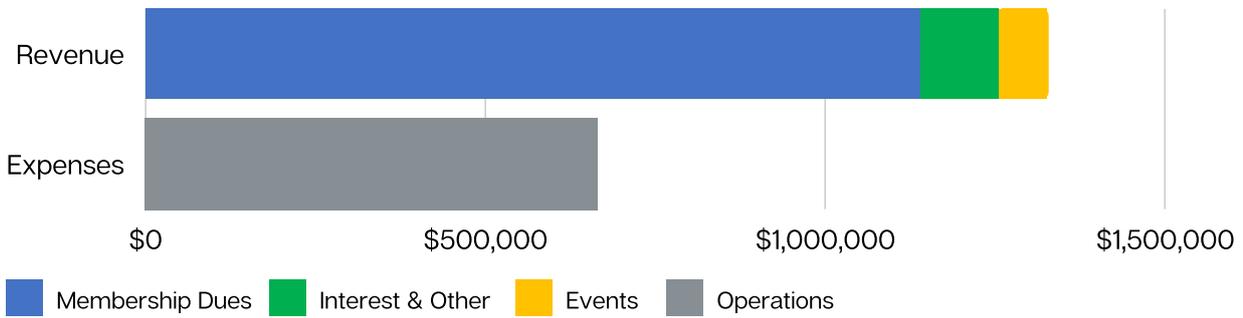
## TRANSPORTATION APPROVALS

Alberta Transportation is proposing a number of exemptions to permits (for land use, subdivisions, developments, and access to provincial highway) by developing Highway Vicinity Management Agreements (HVMA) with municipalities. These agreements will significantly reduce the number of permits and referrals required, and in turn, reduce the burden facing developers and builders.



# 2020 - 2021 FINANCIALS

## Excess of Revenue over Expenses



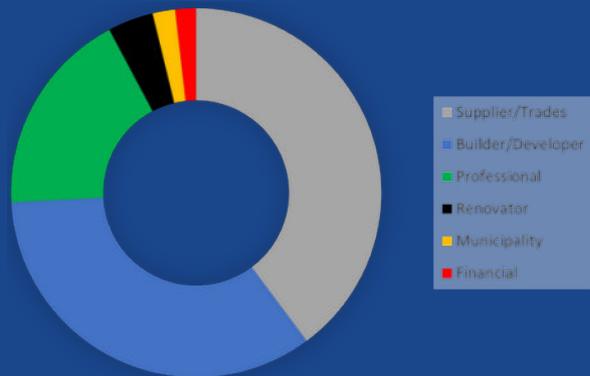
Organizationally, the pandemic forced the Association to assess every aspect of the organization. This resulted in a number of significant financial and structural changes to ensure the long-term health of the organization. Operating with continued financial restraint has put the organization on a different trajectory that is sustainable and flexible to change.



Alberta employs over 134,000 people on and offsite which makes the residential construction industry one of the strongest industries in Alberta. On average, the residential construction industry in Alberta contributes \$9.9 billion to wages and \$15.9 billion in investments.

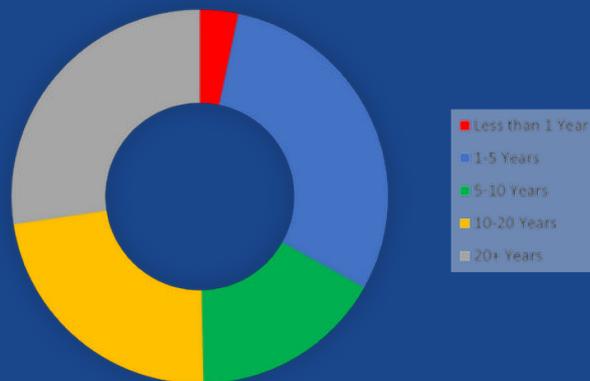
## Membership

Association members represent businesses who are associated with the residential construction industry and are sorted into six categories.



## Retention

98% of members renewed their membership this past year. The largest group of members fall in the 1-5 years of membership. This noteworthy achievement is possible due to the work of the three levels of the associations - local, provincial and national.



# VIRTUAL EVENTS

Over the past year, all in-person events were cancelled and the Association pivoted to virtual events. As it seemed this would be the reality for the next few months, we embraced the opportunity to share information through virtual platforms. This included our first virtual awards ceremony where we presented the BILD Alberta Awards. As the year continued we offered additional webinars on:

- Alberta in a COVID Economy - Scenarios for the 2nd half of 2020
- What you need to know about Prompt Payment
- Year in Review with BILD Alberta and CHBA National
- Digital Strategy - Preparing for the Unexpected
- Development Bonds - Improve Liquidity & Free Up Opportunity Cost

In April, we moved the Spring Conference to a online event. The two half-day conference had sessions for all members to partake in. Recordings of the six sessions are available to members:

- BILD Alberta Update
- Consumer Trends for New Homes & Communities
- Economic Outlook: Recovery Taking Hold
- Forging the Future During Transformative Times
- Cultural Competency & Cultural Adaptability
- Sustainable Communities



All of the online events were offered for free to members thanks to the generous support of our sponsors.



## 2020-2021 SPONSORS

Alberta Construction Safety Association  
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*Thank You!*