

Media Release

BILD Lethbridge Region Executive Officer, Bridget Mearns, adds Lethbridge's voice to the national dialogue at CHBA's Day On The Hill

For Immediate Release – Lethbridge March 4, 2019

Bridget Mearns, Executive Officer of Building Industry & Land Development Association (BILD) Lethbridge Region joined her colleagues and building industry leaders from across the country to participate in Canadian Home Builders' Association's Day on the Hill in Ottawa, Ontario on February 26, 2019.

Each year, the Canadian Home Builders' Association's Day on the Hill brings together Members of Parliament, Senators, and home building industry leaders from across Canada for a day on Parliament Hill to discuss housing, Canadians and communities.

Mearns met with parliamentarians to bring Lethbridge's story and perspective on housing to their attention, including Rachael Harder, Member of Parliament for Lethbridge. Mearns presented Ms. Harder with a recently commissioned report that examines the impact of the mortgage stress test on the Lethbridge housing market (report attached). This report was a joint initiative between BILD Lethbridge and Lethbridge and District Association of REALTORS® (LDAR). The report identifies the impact that the federal Mortgage Stress Test has had on the Lethbridge housing market.

"I was honoured to bring Lethbridge's story to Ottawa. The Mortgage stress is having a significant impact on housing in Lethbridge and government policies, at all levels, play a key role in whether Lethbridge and region citizens can enter homeownership. Housing matters – to everyone, in every community. It matters to the economy, and to the economic prosperity of the Lethbridge region", Bridget Mearns, Executive Office BILD Lethbridge Region.

"We know the housing market is regional and should therefore be treated as such. It is important for Canada's mortgage rules to reflect the diversity of our nation's housing markets", Rachael Harder, Member of Parliament - Lethbridge.

"Owning a home is one of the most basic desires held by most individuals in our country. Our government, in its attempt to moderate some markets for the good, have caused substantial adverse effects in most other markets across Canada. Locally, I see our market significantly impacted by the reduced economic spin off, reduction in jobs and lowered quality of life. The stress tests should be focused towards those markets that truly need it", Cathy Maxwell, CEO Lethbridge and District Association of REALTORS® (LDAR)

Some key findings in the report include:

- New home sales are at the lowest since 2001
- Residential resale decreased 3.6% in 2018 from 2017
- Unabsorbed new homes inventory continues to be above the 10 year and over 11% increase from 2017
- Lethbridge is one of the most affordable markets in Canada but the stress test has artificially and dramatically reduced the purchasing power in the market. Following the stress test homebuyers in Lethbridge saw their purchasing power decrease by 17.3%, and an additional 5.5% due to rising interest rates
- Almost 14% of the population in Lethbridge has been priced out of buying an average-priced home in the resale market
- The hardest hit by the stress test are lower income household. 65% of households cannot afford an average single family home.

BILD Lethbridge is working in collaboration with their provincial (BILD Alberta) and federal (CHBA) levels of their three-level organization, and LDAR with their federal association Canadian Real Estate Association (CREA). They are asking for the government to act (see attached recommendations).

The recommendations include:

- Tailoring national programs that align with regional socio-economic factors (LDAR)
- Implementing a regional approach that is reflective of the local markets and not a uniform policy across the Canadian housing markets (BILD Lethbridge & BILD Alberta)
- Fixing the Stress Test and returning to a 30 year amortization for first time home buyers (CHBA)

By sharing ideas about how best to protect affordability, we can work together to make Lethbridge stronger and more competitive.

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