



**Manitoba Home  
Builders' Association**

**2018 Winnipeg Municipal Election Candidate Questionnaire**

Dear Kevin Nichols:

As a candidate in this year's municipal election, your opinion and position on issues important to our sector is highly valued. The MHBA asks that you please answer this brief questionnaire on the following four important topics:

**1) Increasing Costs and Fees**

According to Statistics Canada, residential construction costs in Winnipeg have risen over 14 per cent, more than double the national average, since the beginning of 2017. Between January 1<sup>st</sup> and March 31<sup>st</sup>, 2018, the cost of building or renovating a home in Winnipeg has shot up 7.3 per cent. To put that in comparison, the city with the next highest increase in construction costs during that time was Vancouver at 2.2 per cent.

During this same time, builders in Winnipeg saw increases on numerous permits and fees issued by the City of Winnipeg, including a 5% increase to the City's Impact Fee. These fee increases, while generating increased revenue for the City, are compounding other increasing construction costs and have negatively impacted the affordability of all housing – not just new homes - across Winnipeg.

What is your plan to stem increasing fees being charged to new and existing home owners in Winnipeg?

This is a two part question dealing with new and existing homes. First with new homes, I believe the home builders are the ones making money and like any business there is a cost of doing business, should the City decrease fees so you can make more profit? I don't think so. Should the taxpayers fund new housing in order for a home builder to make more profit? No

As for fees to existing home owners, the City needs to reign in its spending in order to prevent any increases in fees and maintain services. Some of this spending is being done repairing roads poorly constructed in new areas by the very contractors that claim they need a break from fees. I would like to see a contractor/developer responsible for the roads for a period not less than 10 years. I don't believe concrete should be repaired for at least 10 years if constructed properly. The City is also responsible for snow clearing in an area where one house exists in a development. This is an expense borne by the City in the name of "sustainable development", which your tiny amount of fees help pay for.

Further to this, if the builder worked with the area instead of the usual level everything in sight and build, cost to the home builder would decrease. It was stated in a feed that one builder spent \$130K on prairie grasses, trees and retention ponds. Had the developer worked with nature, there was a nature wetland already in place, there was 150 year old bur oaks that were cut down and the area had tall grass prairie. If I judged by this, I would increase the fees siting environmental damage.

## 2) Infill Strategy

The City of Winnipeg's implementation action plan for the Residential Infill Strategy has been developed and is currently being presented for public feedback. The MHBA supports an active and thriving infill housing market. More and more, the City of Winnipeg will rely on infill housing to sustain its long-term population growth.

What is your plan to help promote infill housing development and to create more certainty around investing in infill housing?

The City had an infill strategy many years ago and it worked very well. There are many areas which housing can be constructed. The problem with this is developers and contractors look to maximize profits. They go for the low hanging fruit, which is ripe and ready for the picking. If anyone has noticed, areas in development right now are areas in which a developer can make a substantial profit with very little effort and risk. Plenty of infill housing can be constructed in the inner city areas and yet they choose areas where housing prices are outrageous and an enormous profit can be had. A strategy to help with infill housing could include incentives for builders utilizing infill housing rather than the urban sprawl model currently used. I would ask the MHBA what they plan to do in order to promote building in areas which may not produce as high a profit margin as other areas? What is their plan to promote this kind of infill housing within their membership? What is their plan to revitalize urban centres/inner city areas instead of promoting urban sprawl?

## 3) Development Approvals

Timing is a critically important component in securing private investment for major development projects that help provide Winnipeg with a consistent and reliable supply of housing. Winnipeg's development approval process can be an onerous one and added delays can potentially put investment at risk. Streamlining this process, which involves multiple City departments, would significantly help both Winnipeg's builders and land developers.

How would you support improving the development approval process?

Given the fact you know the process can be long, better planning on a builders part could be incorporated into the project management. The City processes for new building incorporates both consideration for the surrounding area and adherence to City by-laws. I am sure there may be some areas requiring streamlining of the process, but for now that wont change.

#### 4) Our Winnipeg Review – Plan for Growth

Our Winnipeg is the City's road map and vision for future growth, planning and development for the next 25 years. It sets out the goals, policies and guidelines intended to direct all physical, social, environmental, and economic development in Winnipeg, now and into the future. A stable and predictable residential housing supply is critical to ensure that Winnipeg is able to grow in a sustainable way.

What are your thoughts on how Our Winnipeg can be a tool for residential growth?

Sustainability and growth should never be used together. If we think of the city as a beach ball, there is only so much air that can be placed in the ball before it bursts; adding more air is not sustainable. And in that ball, the air eventually gets stale. People keep saying we need growth, well with big city growth comes big city problems and we are seeing that now. What we need is quality of life, not quantity of life. The City claims we need growth to get taxes to pay for services? Does anyone really think all these new areas are generating enough revenue to cover the expenses of the City? If they were, the City would not have to increase taxes.

Without a doubt better planning and staying with the plan where possible is the solution. The City is spending millions of dollars expropriating houses because they allowed construction to proceed where they knew a roadway or some form of municipal project would eventually go. We need to minimize/eliminate expropriation. I was told again we need the tax revenue, let me prove that wrong.

If you build a house and that house is \$300K and pay let's say \$3000/year in taxes, over the last 30 years that house would now be worth about \$1M. The taxes collected over the 30 year span would be \$90K. The City would have to buy the house for over \$1M fair market value thus losing \$910K or net loss of \$27333 each year for 30 years. These numbers are based on average taxes over 30 years and average house price increase over the same period. So when someone says we can just expropriate later because we need the taxes now, please rethink this venture.

Yes we need a plan, but we need a good plan that takes into account areas that will be built up, we need to take into account transportation, both public and private. We need to take into account older areas that need revitalizing. All this needs a good plan that will not change under political will but instead be a decisive plan to make the City flourish, not just grow.

Please provide your response to our questions via email to [lmcinnes@homebuilders.mb.ca](mailto:lmcinnes@homebuilders.mb.ca) by **4:30 pm, October 12, 2018**.

Your responses will be shared with MHBA members through our e-newsletter on October 16, 2018 and will also be posted on the MHBA website.

*Building Excellence since 1937*

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