

Good afternoon everyone – I'm Don Forsgren, President of Intracorp and this year's UDI President.

Before we get to the panellists, I'd just like to take five minutes to address our industry.

Introduction:

- Over the past year, we have seen many challenges to the market in British Columbia.
- The residential, commercial and industrial sectors have all seen their share of uncertainty. The impact of the global financial crisis and resulting slow-down in economic growth continue to hang heavily over the industry.
- We've also had challenges at the regional level, such as the Province's mishandling of the HST. The provincial tax environment remains an unresolved issue for our industry.
- I expect today's speakers will share their insights into these issues and more as we look forward to the year ahead.

- The great thing about this forecast luncheon is that it is indeed just that. Forward looking. And UDI, under the stewardship of its board, members, people in this room, and staff is also just that -- forward looking.

### Cocktail party conversations:

- We all know that British Columbians love to talk about the real estate market. Whether it's at a cocktail party, sports game, or family celebration -- we all do it. It's popular sport around here to talk real estate values.
- But at UDI, we are concerned that not enough people are talking about how many **affordable** homes we have in BC.
- We see with uncompromising clarity that there is a great need for **more homes for more people** in British Columbia, both now and in coming years.

### Changing the conversation:

- In fact, a conversation around “**more homes for more people**” is precisely where we in the industry, the public and government, can coalesce and find common ground. And today we are launching this conversation.

- The **un**-affordability of housing in Vancouver -- and more broadly in BC -- has deteriorated to such a level that Bank of Canada governor Mark Carney described it as “extreme both within Canada and globally.”
- The situation is at the point where it is not just an issue affecting homebuyers and the residential developers in this room. We are at the point where un-affordability is damaging to business and corporate investment in this province.

Affecting business and investment:

- John Winter, president of the BC Chamber of Commerce was recently quoted as saying: “Without affordable places to live that are close to jobs and transit, we will have trouble competing for talented workers.”
- Business in BC cannot thrive without more affordable housing for the workforce and for a growing population.
- An additional one-point-one million people are expected to move to the Lower Mainland over the next 30 years. And they will need more homes.
- We also need a thriving business climate to ensure we have jobs for those people too.

Must exceed supply targets:

- This is about supply and demand. When a wheat crop experiences a low yielding growth season, supply drops and prices rise. The same holds true with housing. Meeting housing supply targets in BC is not enough to solve affordability.
- At the very best, this will maintain a steady growth in prices. **We must exceed supply targets if we are to adequately address a pent-up underlying demand for housing, and improve affordability.**

Governments need to change policy:

- **Governments' must re-draw existing policy and regulatory frameworks so that the market is enabled to respond to the demands of the marketplace.**
- Red-tape must be slashed. Assessment processes must be streamlined and overhauled for all development. We need the provincial government to set the direction for municipalities across BC.
- Provincial taxes and municipal extractions on all new development need to be reviewed and made transparent.

- Where this money is spent needs to be verified and audited. **Homebuyers and investors deserve to know where the money from government-imposed costs is going.**
- Infrastructure must be financed by broad-based revenue mechanisms, and not just by people buying new homes. **The era of shifting costs onto homebuyers must end.**

Government is on the road to good changes:

- The provincial government should be applauded for their *BC Jobs Plan* and *Families First* agenda. UDI strongly believes that a ‘**more homes for more people**’ conversation supports both of these government priorities.

Our industry can do more with reform:

- Our industry creates more than two hundred and fifty thousand jobs in BC annually. It’s an industry that supports a lot of families. And it is an industry that can do a lot more in local communities -- and for local economies -- if concrete policy reform measures are implemented.
- The time for reform is now. We need new ways of thinking from those in elected office if we are to meet the challenges of the future.

- We should all start engaging the community in a conversation. At your next cocktail party, soccer game, business event or family gathering, start talking about more homes for more people.
- I ask that you join us online as well, to participate in an open dialogue that involves industry, government, and the public. This conversation makes strong use of social media, and I ask everyone here to grab the business cards on your table; which provide all the details on how you can participate.
- In my role as UDI president and board member, I ask everyone in this room to support the need for **more homes for more people. Please join this very important conversation.**
- Thank you.