



# Ten Members of the Residential Construction Industry Share their Insights and Opinions

BY JUDY PENZ SHELUK



Code changes, social media, the underground economy, land shortages and development charges, the continuing impact of “renovation television” . . . those are just a few of the challenges and changes facing Canada’s residential construction industry. Ten industry leaders from across the country took time out of their very busy schedules to share their insights with *Home BUILDER*. Here’s what they had to say:

## The Power of Networking & Mentorship



**Nicholas Hill, President**  
Ritchie Contracting & Design Ltd., Penticton, B.C.

Working in the custom home building industry over the last six years has been an amazing journey for me. I got a break when I was 28 years old from an experienced builder who offered me the opportunity to take over his contracting business through what I call a mentorship-based buyout. Six years later we have grown to 10 employees, building four to six custom homes per year. I am lucky because I get up every day excited to go to work.

I met Ted at our local, CHBA South Okanagan, where I was able to develop a relationship through the various dinner meetings. I was ambitious with the entrepreneurial itch and he saw an exit strategy. Ted and I were successful in transferring his 20 years of residential building knowledge in four years. I worked for him for two years

and then he worked for me for two. We were both motivated and the relationship was great.

I learned many skills and gained a lot of knowledge but one thing stands out the most: understanding the importance of a client’s goodwill. Having a custom home built is one of the biggest lifetime investments someone will make, and it comes with a lot of emotional attachment. Having a positive experience throughout the process is of utmost importance—and if our clients enjoy the process then we get to enjoy our job too!

We focus on building a strong relationship with our clients that centers around trust. Our value set of honesty, accountability, quality and transparency are the key factors that shape our decisions and actions, and that results in lasting relationships with our clients. The net effect is that we continue to have a high percentage of high quality clients contacting us to build for them.

I believe it would have taken me at least 20 years to get where I am now if wasn’t for the power of networking and mentorship. The accumulative wealth of information within our industry and association is staggering. A great value in our association is it being a catalyst for connecting people. I see a great opportunity for people entering the residential housing industry and those leaving to build relationships and transfer that wealth of knowledge so that we can continually better our industry. ##

## Renovation Professionals: Changing the Stereotype



**Stefanie Coleman-Dias, Owner**  
Coleman-Dias<sup>2</sup> Construction Inc.

One Monday morning I responded to a knock at my door. Two men in dirty jackets, holding coffee cups, arrived to do some drywalling. I remember immediately feeling uncomfortable. There was no company branding on their clothes or vehicle and I wondered if they were legitimate. This got me to thinking about my own business and how we portray ourselves as professionals.

Often renovators and tradespeople comment on the stereotype of being “just a construction worker.” I have heard school-aged teens are guided to the trades only if they are not “university material,” and some parents discourage kids from considering skilled trades because of the perception that working on the tools is not a professional career.

After switching careers 10 years ago and starting a renovation business, I have discovered the construction industry is increasingly complex. Builders, renovators and trades require a vast range of skills to be successful. These skill sets span creative problem solving and people skills to math and building science.

Some homeowners mistakenly think all renovators are created equal. Differentiation by presenting ourselves ► 00



00 ▶ as professionals becomes increasingly important, especially with cash operators continuing to thrive with little or no enforcement to curb them.

Skilled trades are becoming scarce as the baby boomers retire. Our industry needs new people to replace the retirees. If we elevate the professionalism of our industry and begin to shift the stereotype, perhaps more youth and their parents will consider skilled trades as the viable and lucrative career option it is.

How do we elevate the professionalism and set ourselves apart in order to demand a fair price for the specialized skills we offer? How do we shift the entrenched stereotype so that more youth will consider entering the skilled trades?

### "Our motto is Build Smart. Renovate Right."

Tamara Barker-Watson, CEO,  
Whitestone Developments, Halifax, N.S.

Here are a few practical suggestions that we can apply to our businesses and encourage our trades to implement:

1. **First Impressions:** The very first thing clients and the public sees is how we look—and yes people judge. Had those two drywallers worn tidy uniforms, I would have judged differently. Branded and tidy uniforms provide a professional look that homeowners will recognize and trust.
2. **Marketing Presentations:** Showing our product with marketing materials has never been more affordable. Uploading project photos to free websites like Houzz, Pinterest and Facebook and having a company website are low cost marketing options that show legitimacy and professionalism. Presentation folders including information about our expert renovation services sets a high standard in the client's mind when they consider other renovators bids.
3. **Organized Worksites:** Job site tidiness, punctuality and being prepared are all success factors for a renovation project. Clients feel comfortable and safe when the staff are organized and in control. Money and time is saved, stress is reduced and the jobsite portrays professionalism.
4. **Ethical business:** Contracts, receipts and legal documents legitimize businesses. Accepting "cash" calls into question ethical values and therefore portrays a lack of professionalism.
5. **Associations:** Membership in CHBA, RenoMark, and other associations provides a level of accountability and professionalism to the business. Being at the leading edge of training and information sets members apart as leaders in the construction industry.

If we all make little changes toward increasing the professional perception of our industry, our individual businesses and the industry as a whole will benefit. ##

### Make Room for our Millennials



**Pierre Dufresne, Vice President, Land Development**  
Tartan Development Corporation

Recently I have been hearing from more and more of friends who are part of the baby boomer generation express concern over when they expect their kids, now called the "millennials," to enter into the new home ownership market.

In my generation it seemed that a young couple graduating university in their mid-twenties were able to secure stable employment, spend a few years saving for a down payment on a home and become homeowners around the same time as wanting to settle down, marry and start a family. It is those kids, born in the 1980's and early 1990's, who are now getting out of university, saddled with massive student debt, and often underemployed in terms of the educational qualifications they have achieved. At the same time housing costs have risen at a disproportionate acceleration than the salaries they see entering into their careers.

### "Differentiation by presenting ourselves as professionals becomes increasingly important, especially with cash operators continuing to thrive with little or no enforcement to curb them."

Stefanie Coleman-Dias, Owner,  
Coleman-Dias3 Construction, St. Thomas, Ont.

The opportunities to purchase a three-bedroom entry-level townhouse in Ottawa for \$110,000 in 1990 has now been replaced with a \$275,000 one-bedroom condominium unit—making Ottawa's intensification policies a success for dubious reasons, but that's another story—or the same freehold townhouse for \$350,000. So while the trend of housing prices is making home ownership more and more unattainable for the millennials, we need to call upon our Municipal Government officials to recognize exactly why.

Between 1999 and 2014 housing prices in Ottawa have risen by 185%, while salaries have increased by only 97%. In 1999 development charges were relatively small whereas they have crept up to \$40,000 today. Increases



have often incurred as a result of political reluctance to pay for new infrastructure from the tax base, even when there are substantial benefits to the existing population derived from that infrastructure. The City's policy of limiting suburban land supply has driven up the price of this scarce resource, such that the raw land cost of a single family home has tripled over the same time frame. Meanwhile, construction costs associated with building the dwelling have remained stable due to technological advances. What needs to be recognized by our City Government and the community at large is that the affordability issue is one that affects our children now, and that affects us all.

Inequitable development tax increases have a far greater impact than incremental municipal tax increases to the existing community when paying for their fair share of municipal infrastructure. Just as health care costs are shared by all and not just by the sick, educational costs are paid by all and not just our students families, infrastructure costs need to be recognized as an investment in our communities at large, not just for the new home purchaser, who by the way becomes tax payers as well.

We need to free up land supply and get off the idea that all suburban growth is sprawl and inherently bad for our society. We have to recognize that planned urban growth makes efficient use of that same infrastructure investment, and that it has environmental value by not forcing new home purchasers to look beyond the City's boundary for affordable opportunities. ##

### 5 Keys to Product Evolution in Production Building



**Miles Kohan, Vice President**  
Sterling Homes, Edmonton, Alta.

As a production builder one would like to gain efficiency through repetition. Master drawings shorten time for production drawings. Master budgets shorten time and expense on job starts. But if that's all we did, our products would soon be stale and out-dated. Finding the balance between adapting to consumer trends, leading with new product innovation and maintaining efficiency is a delicate balancing act. I try to keep these five keys in mind in order to successfully grow and evolve our organization.

#### 1) Keep to Small Incremental Changes

Being in production work upfront is always leveraged out in the long run (unfortunately so are mistakes). It is



00 ► typically better to strive for consistent, small incremental improvements versus wholesale changes. The way I have to look at things is multiplied by the rate of our annual production. For example, if we inappropriately spec'd a product that causes one simple \$100 repair, we are facing a \$50,000 mistake! (\$100 x 500 homes). For that reason, if I want to try something radically different, I do an "R&D" house as a one-off to try a new concept or product(s).

**2) Decide Who You Are and Stick To It**

You are either a custom builder or production builder but operationally I haven't seen a company good at both. If you have the resources to create pre-planned options for choices that works well, but avoid the red pen at all costs.

**3) Have an Effective Feedback Cycle**

- Focus Groups: We have done inexpensive online "Survey Monkey" projects to homeowners of a certain home model to see how they find living in the home. Typically there are patterns in the homeowner's responses, which can lead to great updates.
- Upgrades: Look at customer upgrade trends to see what should be included in your base specifications, assuming your overall price remains competitive.
- Budgets: Check for material returns as well as doing a cost to complete variance analysis. Tighter budgets eliminate costly waste as well as avoid being short on material and holding up a trade.

**4) Maintain Discipline**

Be consistent. We strive for an even flow of 13 files completed a week from each department to the next, and the managers need to track and report their variances to me on a weekly basis. I try not to introduce a new product or option unless it's fully drawn, tendered, detailed budgets entered into the software, and marketing piece done—then it's ready for market. Like our selection centre, we are very proud of the fact that we have over 205,000 product codes in the system and 100% of what a customer sees is priced for their specific home with the selections, pricing and sign off being done on a one day visit.

**5) Hold Trade Council Meetings**

We embarked on a mission to be "the Best Builder in Edmonton" to work for. We asked our trades to step up and get involved with an ongoing "Trade Council." Our operations manager held trade and supplier panel discussions that were kept to phases of the building process, ensuring relevancy for those in attendance. Besides identifying gaps in our processes, the goal was to make all of the small changes that we could, thus allowing our partners work to be done safely and efficiently.

Ultimately, our goal with this Trade Council is to have our trades demonstrate they can increase their productivity with the same number of crews and, therefore, make more money when they are on a Sterling Home site than on another builder's site (even if pay rate is identical). ##

**Bringing Back Communities**



**dream D  
development**

**Paul Moroz, General Manager  
Dream Development, Regina, Sask.**

Regardless of the city, if we look at subdivisions across the country, we can pretty much tell when it was built. Using Regina as an example, through the 1970s and 80s, our developments were very mono-culturized; big cookie-cutter houses on large lots where the car and cul-de-sac was king. In fact, that was the recipe for success for a very long time.

In 2005, everything changed when Saskatchewan's economy went from bust to boom. I've often commented that we're always behind Calgary and Edmonton and way behind Vancouver, but when our economy took off, we found ourselves in the position of being under supplied on land. Our business model—40- and 50-foot lots with mostly single-detached homes—was suddenly becoming unaffordable for the ordinary home buyer, and many of the projects we were working on were turned upside down.

**"The minimum efficiency level targeted by 9.36 is approximately equivalent to an EnerGuide for New Homes 78 to 80."**

**Andrew Oding, Senior Building Science Associate,  
Building Knowledge Canada Inc.**

The neighbourhoods we're building today are much more diverse. There's still the odd big house on big lot, but there are also duplexes, homes with granny suites, semis, towns and singles on small lots. The end result is a far more interesting neighborhood that attracts all walks of life, from students in a secondary or basement suite to the first-time buyer, the move-up buyer, and the downsizing boomer—all within one neighbourhood. Our new designs are grid-patterned, 25 houses long on either side, and instead of driving from one cul-de-sac to the next, you can walk around the block. We're also bringing in street-oriented housing that's less garage dominated, with laneways at the back of the house, and a nice porch at the front. Our parks are sided by three streets, meaning many of those porches overlook green space, vs. backing on to it. In short, it's people-friendly housing.

What's particularly special to us, however, are the

amenities we can bring into the community. Many, many years ago we had Main Streets with angled parking; over time that's transitioned into a mall and now, into the smart/power center. We're trying to come back to the Main Street and go full circle, to attract bookstores, restaurants, medical facilities etc. for the residents. Schools are also important and in any development we set aside land for a school. The ultimate decision falls to the province, but we do what we can.

At the end of the day, we're trying to create a small town within a much larger subdivision of six "small towns." Each small town will house 30,000 to 35,000 with a Main Street component. It will take 25-30 years to complete, and we'll continue to evolve and adapt along the way, but our ultimate test that we pass ourselves on will remain the same. Would you live there? And by that I mean me. ##

**National Building Code Section 9.36: A New Day for Energy Efficiency**



**BK BUILDING  
KNOWLEDGE  
CANADA INC.**

**Andrew Oding, Senior Building Science Associate  
Building Knowledge Canada Inc., Cambridge, Ont.**

For the first time in National Building Code history, Part 9: Energy Efficiency sets a minimum benchmark with Section 9.36. To achieve this, there are two optional compliance methods: Prescriptive or Performance.

The prescriptive approach allows the designer to "pick" appropriate envelope solutions from the tables and charts. There is provision made for limited trade-offs (i.e. increasing wall insulation to off-set limited u-value of stain glass custom window) whereas the performance option allows for the minimum efficiency target to be met through showing compliance through modelling (i.e. Hot2000). The performance path further allows the designer to take a more customized approach in meeting the minimum energy standard.

Section 9.36 also moves away from referencing nominal insulation values and is built around effective R-values. For example, an "extra credit" is available to wall assemblies wherein advanced framing (19.2 or 24"oc) or a layer of continuous exterior insulation is applied. Several industry partner associations have developed thermal assembly calculators to assist designers and professionals with identifying the correct effective R-value. One such tool is the Canadian Wood Councils Thermal Wall ► 00



00 ► Calculator, currently available on the cwc.ca website.

Within the prescriptive path, Heat Recovery Ventilation (HRV) is encouraged as an option; when an HRV or ERV is used the minimum thermal value of the envelope assembly can be slightly reduced or optimized. Additionally, air barrier effectiveness and importance are reinforced by new inspection requirements. Under the performance path there is recognition of actual air leakage test results (blower door) and the significant impact on energy consumption.

The minimum efficiency level targeted by 9.36 is approximately equivalent to an EnerGuide for New Homes 78 to 80 (Applying HOT2000 10.51 with a range of housing types from attached to detached). It is interesting to note that just a decade ago this was approximately the baseline efficiency of R2000 homes in Canada.

If one were to look closely at nearly every heat loss calculation for average new homes in Canada it becomes quickly apparent that 25% to 40% of all heat loss is associated with ventilation and air leakage. There is a noteworthy synergy that will occur in these new homes with enhanced thermal assemblies, HRV and enhanced air tightness performance.

It is advisable that designers of homes under the new 9.36 should also be reviewing the altered load calculations and subsequent air system or delivery system designs to appropriately account for these new energy efficiency details. Lower heating and cooling loads need right-sized mechanical equipment to minimize the effects of short cycling (uneven temperatures in home and limited equipment operational life). The new CSA F280-2012 will significantly help designers address these new energy efficient residences. ##

## Marketing with Social Media: It's Easier (and Cheaper) Than You Think



**RDC**  
FINE HOMES

**Bob Deeks, President**  
RDC Fine Homes Inc., Whistler, B.C.

In 2010, we started reconsidering our marketing strategy. I'll admit we were slow to the game, but I knew social media was only going to become more prevalent and relevant. I began by opening my own Facebook page, played around with it some, and then started the RDC Facebook page ([www.facebook.com/RDCFineHomes](http://www.facebook.com/RDCFineHomes)). Next, I took some seminars on social media, and in so

doing, realized that we needed someone to assume the social media responsibilities for the company. Our Operations Manager now spends about an hour a day, five days a week, researching content, pre-loading posts, etc. It's a dedicated role, but by no means a fulltime job!

That said, Facebook has really taken off for us. Our posts include how-it's done (vs. DIY how-to) videos. For example, we recently added showing installation of a hot tub on a remote, hard-to-reach deck. We also post unusual items, like a wacky solar-powered structure located in Slovakia designed to resemble a block of ice cascading down the mountain.

Facebook is also great for promoting special events. For our Mike Holmes open house a few months ago we boosted the post, which means we paid Facebook to increase the distribution. We must have hit 60,000 views, of which 35,000 views were organic. In terms of marketing dollars, when we started selectively boosting our posts to a targeted demographic about eight months ago, we were at 400 Likes; that's increased to 3,800 Likes at a cost of about \$1 a day. Where else can you get your message out for \$30 a month?



**"The neighbourhoods we're building today are much more diverse."**

Paul Moroz, General Manager, Dream Development.

We started Twitter (@RDCFineHomes) three years ago, and maintain an active feed. The tweets never promote us overtly; we're creating a brand image by sharing energy-efficient tips, educational seminars or events, interesting information related to housing, décor, etc. We're trying to engage our followers, and build on that number (currently at 767). Many of our followers are other businesses, which I find interesting.

We also use Pinterest ([www.pinterest.com/rdcfinehomes](http://www.pinterest.com/rdcfinehomes)) although we came to that in a roundabout way. We redesigned our website earlier this year and were trying to get the biggest bang for our buck. Knowing that more and more people are viewing us on tablets and smartphones, the old way of doing things simply wasn't an option. Now, if you click on a photo on our website, it will take you to Pinterest, and you'll see different boards with different pins (photos) for different projects, start to finish.

From a personal perspective, I'm on LinkedIn. I didn't see a lot of value in it in the early days, but it has matured, and I'm starting to find that it's a good way to connect with other business, share what RDC is doing. It's also a great instant resume if a client wants to see what value I can bring to the table.

We started dabbling with social media in 2010, not sure where it would lead us. Heading into 2015, we can't imagine a marketing strategy without it.

## Design Trends



**ARLT HOMES**

**Jason Arlt, Vice President**  
Arlt Homes Ltd., Winnipeg, Man.

Today's home buyer is inundated with television programs showcasing the latest in design trends and décor, and they expect no less when it comes to their own home. During my recent tour of the Manitoba Home Builders' Association's Fall Parade of Homes, builders definitely stepped up to the challenge. Here, in no particular order, are some of my observations.

- Natural stone everywhere: on floors, on fireplaces, in showers, on backsplashes, on feature walls
- Textured surfaces everywhere: stone, wood wall panels, interior doors with interesting details, gloss and matte surfaces, unique patterns in tile work
- A continuation of the trend towards lighter interiors: airy paint colors, painted or gloss cabinetry, mid-tone wood stains
- Horizontal wood graining on millwork and cabinetry
- Wood accents throughout—ceiling beams, media wall detailing, floating shelves
- Wood panelling on vaulted ceilings, providing texture and warmth to large rooms
- A single dining area with and adjacent kitchen. Kitchens feature a large islands with enough seating for an entire family
- LED light fixtures are becoming more prominent
- Chandelier(s) in the bathroom, specifically over a free standing tub, as a focal point in the room
- Extra-long ensuite vanities with dual sinks, some with convenient touchless faucets
- Pet washing stations in the mudroom
- The return of the Butler's Pantry—a space to keep your clutter tucked away, especially in open plan kitchens
- Massive scale linear fireplaces, multi-sided fireplaces in kitchens, great rooms, dining rooms, master bedrooms, basements
- Wine cellars with tasting areas
- Home gyms with rubber flooring and TVs hidden behind mirrors
- Games areas are not just limited to pool tables and air hockey anymore! Homes included golf simulators and football-themed viewing rooms with multiple TVs

Design trends weren't just limited to the homes' interiors. More than ever, people looking at new homes understand and appreciate the important role that landscaping ► 00



00 ▶ plays in adding value to a new home. With larger plantings new subdivisions look more established. I also saw putting greens, lakeside patios with integrated fire pits, and waterfalls that promoted a feeling of peace and tranquility. In short, Manitoba builders, suppliers and trades continue to showcase their ability to innovate and capitalize on the latest and greatest trends in the marketplace. ##

## Building Green, Sourcing Locally



**Tamara Barker-Watson, CEO**  
Whitestone Developments, Halifax, N.S.

From the beginning, my husband, Andrew, and I felt building green was better. Our first R2000 home in 1998 was more expensive to build than the conventional home, but as we got more efficient, the cost of building came down. Initially it was just Andrew and me but now our entire team reviews ways to improve. For example, right now we're comparing solar panels.

## "Having our trades and suppliers feel safe at each site is a priority for us."

Todd Senft, President, reVISION Custom Home Renovations Inc., Vancouver, B.C.

A lot of what we do has come about organically. To start recycling on site, the guys took wood for their woodstove until they had no more room in their own houses. So we started leaving bins of kindling on the side of the road. We started bringing cardboard back from the jobsite to put it in blue bags. We just keep evolving.

Our motto is Build Smart. Renovate Right. We build 30-40 homes a year, some custom, some spec, and each one of our homes includes:

- Attic insulation 55 RV vs. code of 40
- Dual-flush toilets, low flow showerheads and taps
- Granite countertop installed without glues (low VOC)
- HRV (we call it the lungs of the house)
- Insulated cement cinder blocks (between town homes and semis)
- LED lighting
- Low VOC paint
- Low-e windows
- No noisy fans in the bathroom or kitchen: hitting a timer turns on the HRV, which gives an extra boost of

- the built-in HRV fan without the noise
- PET carpets (made out of recycled pop bottles)
- Programmable thermostats
- Raised heel trusses (allows for a greater coverage of insulation in the attic)
- Recycle bins that resemble a Lazy Susan with three garbage cans
- Sealed ductwork
- Under slab insulation
- Wall insulation is 27 RV vs. code of 20
- We air test on every one of our homes, caulking and tarring any leaks

Our renovations follow the same principles, regardless of the home's age. It's all about balancing the house and the airflow and the HRV is key to this.

We're also very competitive with what we do, but not everyone compares apples to apples. Because of this, our quotes are quite detailed and they list all of the extra features we include as a standard.

Something else we're really passionate about is sourcing locally. Our windows are from Newfoundland, our kitchens are made in Halifax, our hardwood floors come from New Brunswick. You won't find any "Made in China" stuff in our homes! ##

## Developing a Safety Program for Small to Medium-Sized Residential Contractors



**Todd Senft, President**  
reVISION Custom Home Renovations Inc.  
Vancouver, B.C.

Each project has different safety risks depending on the scope of work at each home. At one home there may be work on the roof or siding; at another home the railing might be removed for a short period during the renovation. Having our trades and suppliers feel safe at each site is a priority for us. Developing a safety program, one that addressed the needs of a small-medium-sized residential renovation company at an affordable cost, however, took a whole lot of research.

We started by seeking out the regulations that WorkSafeBC prescribes, but found that the existing WorkSafe requirements were cumbersome, administratively heavy and too expensive for a small/medium renovation firm to implement. We wanted to stay safe, but we also needed to

stay competitive if we were to remain in business. Additionally, there were a number of items that simply didn't apply to work being done on a single-family home or individual condominium projects.

Next, we spoke with a safety consulting firm to find out if there was an existing program for small to medium-sized renovation companies that we could implement. It turned out that our inquiry was their first request they had received from a company of our size. Consulting firms such as this typically work on larger residential projects or commercial projects, because smaller/mid-sized renovation companies simply don't have the resources available to hire a fulltime safety consultant nor implement an in-depth safety program.

## "We need to free up land supply and get off the idea that all suburban growth is sprawl and inherently bad for our society."



Pierre Dufresne, Vice President, Land Development, Tartan Development Corporation.

We asked the consulting firm to provide us with the sections of the WorkSafeBC requirements that applied to single family-homes and condominium-sized projects. From there we formulated a Safety Binder for each job-site. The Safety Binder contains the following:

- An Emergency Contact List: To be posted at site in a visible location with all emergency numbers on it for example: Police, Fire, Poison Control, WorkSafe Crisis Line, BC Health Line and directions to the nearest hospital
- Work Site Safety Inspection Sheet: Items include determining the best place for a First Aid Kit location, identification of falling risks, unsafe stacking of materials, and inadequate lighting
- Tool Box Meeting Form: This is for a site meeting with the trades to discuss safety issues and any action items that might need to be addressed
- New Subcontractor Orientation Form: Completing walk-throughs with new trades/suppliers, showing the location of First Aid Kit, working alone procedures, fall protection, personal protective equipment, etc.
- Incident Investigative Report: A means to document what happened, who was involved, the conditions at the site, etc.

We've implemented the Safety program and I'm pleased to report that it's been well received by our trades, suppliers and clients. Sometimes the best solutions are the simplest ones—at least once you've done the research. ##