



Bob Aaron bob@aaron.ca

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## Bill 150 targets long-suffering homeowner

### Imposing mandatory energy reports will further depress prices and sales volumes

If it was the intention of the Ontario government to do as much damage as possible to the Toronto real estate market, then it has succeeded admirably in its goals. In fact, it has also succeeded even if that was not its intention.

First came the new City of Toronto Act, which allowed the city to impose the dreaded municipal land transfer tax.

Effectively doubling the provincial land transfer tax, the "Miller Bite" acted as a tsunami of ice water on Toronto's previously healthy real estate market.

Home sales have gone down every month since the tax came into force last year.

Next came Premier Dalton McGuinty's announcement in January of this year that the government is taking a "long hard look" at implementation of a harmonized sales tax, which would see provincial tax imposed on many items which are currently exempt.

If it is approved, buyers and sellers would have to pay provincial sales tax on newly built homes, legal fees, real estate commission, renovation services, land survey reports, home inspections, repairs and improvements.

Now comes the third blow to the real estate market Energy Minister George Smitherman's proposed legislation to require an energy audit for residential units.

Bill 150, the Green Energy and Green Economy Act, 2009, would make an energy audit compulsory for the sale and some leases of every residential property in Ontario, including houses, apartments, and condominiums. The proposed audit would report on the "energy consumption and efficiency" of a residence.

Commercial, agricultural, institutional, educational and industrial properties are all exempt. The government's message, of course, is that energy conservation applies only to residential properties and not businesses.

The introduction of mandatory energy audits marks a government intrusion into the free marketplace, which is unprecedented in Canadian history.

No government in this country has ever required mandatory inspections of any home component at the time of sale.

I find it strange that the government wants to impose energy audits, but not mandatory inspections of house components, which can be matters of life and death, such as propane storage tanks, carbon monoxide leaks from furnaces, significant non-compliance with building codes, or dangerous electrical panels.

Frankly, it makes me question the government's motives in all this.

At present, energy audits are optional and I have yet to have a client perform one on his or her house purchase.

Obviously, the federal and provincial governments have done a poor job of promoting their availability or desirability.

I'm told there are only about 450 federally licensed energy auditors for the whole province.

The government's announcement implies that there are not enough of them.

What happens, I wonder, in the meantime, when housing sales come to a standstill for lack of an energy auditor? Who polices this profession? Are the auditors adequately trained, insured, and regulated?

Many of the areas in a house that will be examined by the proposed mandatory energy assessment such as the insulation, windows, and furnace are already examined in standard home inspections, so the Smitherman proposal is a needless waste of resources.

I believe that imposing mandatory energy reports will further depress prices and sales volumes. Purchasers will use the assessments to drive prices down and simply pocket the resulting "discount" without doing any of the recommended work.

Properties built in compliance with the government's own Building Code in recent years will still require a new energy audit which, in my view, would be a complete waste of time and money.

If Smitherman truly wanted to encourage energy conservation and efficiency, he would adopt a meaningful program of incentives, education and encouragement and make it apply across the board to commercial and industrial real estate as well as residential.

Bill 150 only targets the long-suffering homeowner. It just doesn't make sense.