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2023 CHAMBER TEAM MEMBERS

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Alex Mitchell
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Carole Jorgensen
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Jessica Levesque
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PRESIDENT'S MESSAGE

"To be a relevant business association that is highly engaged with our business community and champions economic growth and prosperity"

I would like to thank all the Chamber members that participated in our recent Roundtable Discussions. We received valuable feedback and had some very engaging conversations along the lines of our three pillars: **Advocacy, Benefits and Connect**. To my surprise, I discovered that many businesses do not know what the Chamber does so I would like to provide a brief overview. The Abbotsford Chamber is a membership-based association that supports our local businesses with value-added benefits to help them thrive and build a strong local economy. Hosting a wide range of gatherings, we provide networking opportunities to engage with other business owners and offer expert speaker events to expand your knowledge on business-related topics. We also support our community with various initiatives like the *Disaster Relief Fund* for flood victims and engage with all levels of government to ensure the economic conditions are modeled for success. The Abbotsford Chamber acts as "the voice of business" in Abbotsford and is widely recognized as a leader of business advocacy and

policy development and has achieved tangible results.

The Chamber Board has been engaged in a CEO search for the past four months and I am pleased to announce the hiring of Alex Mitchell as incoming Chief Executive Officer (CEO). Alex brings more than a decade of combined economic development, communications, and advocacy experience in both the public and private sector. Alex is a respected leader and has deep connections in the Abbotsford community. Alex not only embodies a deep commitment to service of this community, she brings a wealth of experience, understands the power of our organization to advocate for business, and has a proven track record of success. We look forward to working with Alex as she advances the legacy of the Chamber with her innovative and passionate leadership, serving Abbotsford's diverse business community.

The Abbotsford Chamber of Commerce serves the business community of Abbotsford with an attitude of vibrant engagement and proactive advocacy.



Craig Toews
PRESIDENT

With over 650 members, it is the largest Chamber in the Fraser Valley, located in the 5th largest city in the Province. The Abbotsford Chamber is nationally accredited to meet standards of business excellence and provide benefits to its member organizations. In 2021, the Abbotsford Chamber of Commerce celebrated its 108th year of service. Created to promote the interests of businesses in the City of Abbotsford, the Chamber has been an integral part of Abbotsford's growth and evolution for nearly as long as the city has existed.

Please join me in welcoming Alex to her new role with the Abbotsford Chamber!

-Craig Toews

NEW MEMBERS:

- Dominion Lending Centres
- Harder Power Company Ltd.
- Bikram Bhangu Realtor
- Peter Kiewet Sons ULC
- AAA Royal Products Ltd.
- CBRE Limited

UPCOMING EVENTS:

Business After Business

Thursday, April 27th
Canadian Blood Services
4:00 pm – 6:00 pm

Inaugural CYPE Sip Series Launch

Wednesday, May 10th
Hugs in a Mug Coffee Bistro
4:30 pm – 6:30 pm

Agriculture Bus Tour

Friday, June 16th
Tour starts and ends at Sevenoaks Shopping Centre
8:00am – 3:30pm

For more information and registration go to: abbotsfordchamber.com/events

Housing and the Unintended Consequences of Government Intervention



The right to adequate housing is a key initiative of the United Nations, supported by federal and provincial governments in Canada. Unfortunately, some recent government initiatives have come with unintended consequences that make it difficult for many Canadians to obtain affordable housing. As the joke goes, “I’m from the government and I’m here to help.”

Landlords have been vilified throughout history, and often rightly so. Landlords are seen as cold, heartless, and greedy – they chase the almighty dollar with no regard for the wellbeing of others. In reality, most landlords are no different from you and I. Yes, they work and invest with the goal of making a profit. How many dentists, teachers and barbers would go to work if they didn’t get paid? We need landlords. We need investors. Without landlords and investors there would be no homes to rent. Unfortunately, too often, landlords are seen as the enemy of their tenants. Well intended government policies designed to protect tenants often have a negative impact on landlords.

Tenants that are mistreated have the right to seek help from the Residential Tenancy Office. Unfortunately, the wait time for an RTO hearing can be weeks or even months. If a tenant makes a frivolous hearing application, there are no penalties. The tenant has nothing to lose, and in the meantime, the landlord often receives no rent.

Stability is a factor in choosing an investment. Long-term tenants provide stability and a predictable income. Most office or retail leases are NET leases. The base rent is agreed to in advance, often increasing at a predetermined rate each year, and the additional rent (property tax, maintenance, etc.) varies each year and is charged to the tenant accordingly. The landlord has a stable and predictable income. Residential tenancies provide less certainty as all the variables, the expenses are the responsibility of the landlord.

In BC, residential rent increases while the space is occupied by a tenant, are restricted by the government. For 2023, the maximum increase for residential rents is 2%. With the cost of borrowing at 5% or more, property tax increases of 5-10%, and increased insurance

and repair costs, a landlord falls behind every year. Young families and elderly couples tend to move less frequently. Without turnover, rent increases are limited to 2% which means they may be seen as less desirable as tenants, thereby making it difficult to find housing.

Environmental stewardship is at the forefront of provincial and municipal building guidelines. The BC Energy Step Code requires all municipalities to mandate net zero construction by 2032, many municipalities are on a quicker timeline. Net zero requires more efficient heating, ventilation and cooling systems and appliances. More complicated vapor and air barriers, better insulation, and windows are required. More inspections and testing are required too. Overall, building better homes takes longer and costs more money.

The Lower Mainland is blessed with stunning mountains and a beautiful ocean, but unfortunately, the mountains and the ocean combined with the US border limit our ability to expand our urban boundaries. The Agricultural Land Reserve designation imposed on most of the undeveloped land further limits the availability of land for ground-oriented development sites. Greater Vancouver and the Fraser Valley are facing the same reality that all major “world class” cities are facing; if you want a picket fence and a yard, it won’t be cheap.

Canada has an aging population. The birth rate is not keeping up. To offset our low birth rate and ensure we have enough young families to keep the economy going, the federal government has increased immigration targets for 2023 from 350,000 new immigrants to 500,000. For obvious reasons, the Lower Mainland is one of most desired destinations for many immigrants, resulting in more demand for housing. In BC, and most of Canada, the supply of housing has not kept up with the demand for many years. The recent spike in inflation and the resulting spike in borrowing costs has forced many developers and builders to pause or even cancel their projects. Less product in the pipeline means lower supply. Lower supply + more demand. Do the math. We are already seeing the return of bidding wars in some areas of Greater Vancouver and Toronto.

The housing file is complicated, and I do not envy the politicians and bureaucrats that are charged with such stewardship. However, we need to be realistic in our expectations. The right to housing does not mean everyone gets a house with a yard. Density is the future. Protecting agricultural land and reducing pollution comes at a price. Political promises to make “houses affordable for all” are unrealistic and disingenuous. Prices will go up, but we can and need to slow the rise. Shorter approval times, higher allowable densities, and incentives to invest in rental housing are part of the answer. Landlords, developers, and investors are the solution to increasing the supply side of our current housing dilemma. Government and the business community need to shift from the current adversarial relationship to one of collaboration.

Paul Penner

Paul is a director of the Abbotsford Chamber of Commerce. He has been a Realtor in the Fraser Valley for 30+ years and is a past president of the Fraser Valley Real Estate Board.