

JOBS CRISIS

'We will recover'

Builder remains confident in face of recession

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OSHAWA — Third-generation builder Victor Fiume predicts Canadians will emerge from the current recession with different attitudes about buying houses and other big-ticket items.

Consumers will be more cautious but better-researched before signing deals, the Canadian Home Builders Association vice-president and past president of the Durham Home Builders Association said yesterday.

"It won't be like after the Great Depression, but I believe a different type of economy will emerge," said Fiume, 49, general manager of the 60-year-old Durham Group.

Despite figures showing more job losses last month, he is confident top-quality goods and services will survive "and those who did inferior work or made poorer-quality products will be left behind.

"It's certainly not a welcome state of affairs," but despite job cuts — especially the uncertainty of the local auto industry — enough professionals will survive to keep the economy going, he predicted.

'Levelling off'

"I read today the numbers of people expecting to lose their jobs is levelling off to pre-recession levels.

"People are still getting married and household formation is still coming," Fiume said, adding that "92% of the people out there have jobs, and we're seeing better-qualified jobs."

"We would like to be building as many houses as we can," he said in his firm's Adelaide St.-Townline Rd.-area subdivision construction office.

But the industry has survived three economic turn-arounds during his career "and I believe we will recover again," Fiume said, pointing to recent stock market gains and the first profits for giant Citigroup Inc. in the U.S. since 2007 suggest improvements.

For people considering buying homes, Fiume said, "we haven't seen interest rates as low as this in 10 years."

"Buying a home is still a



DAVE THOMAS/SUN MEDIA PHOTOS

A plumber crawls beneath a sink to work on a new home, while left, third-generation builders Victor and Paul Fiume discuss blueprints. Below, workers put finishing touches on a furnace.



good investment, with an average 4% increase in value compounded, without taxes."

And there are bargains, especially discounts on "inventory homes" that haven't sold, he said.

Compared to boom years, when some first-time buyers spent little time budgeting, checking out a home or grilling agents, "we're getting people coming back six, eight times, with questions."

Durham Group uses computer programs to show prospective buyers what to expect. They include modern "green-home" options and advice on carrying costs.

"You have to look at your long-term mortgage costs, and utilities," he said. "The key is making sure your monthly costs remain stable."

The reality check for some buyers "may have them changing their mind about the size of home and some of the things they want in it."

"We have seen a decline in home sales in the last few years," but he predicted builders will meet the annual average of 64,000 housing starts.

Canada's best year was in 2005, with 85,000 new homes, Fiume said.

At a custom-built home his firm will soon finish for a fam-

ily with wheelchair requirements, including an elevator, heating and duct work, contractor Tyler Watson said he and colleagues "have had steady work for three years."

"Our company stays pretty versatile," he said. "We tend to pick up a lot of work that other guys won't do in order to keep us surviving through times like this."

Watson, 25, said work for Tranquility Home Comfort includes furnace and duct installation, roof solar panels, and in-floor radiated heating.

"From Day 1, we based our company on more quality than quantity," he said. "We

want 100% customer satisfaction."

Constant reports of doom are worrisome, he said.

"If everyone stops buying, obviously the job market's going to go down," he said. "But we always seem to find work when we need it, so I don't tend to worry."

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Fewer worrying about losing job

More Canadians are out of work but oddly, fewer are worried about losing their jobs, two reports said yesterday.

StatsCan announced a 7.7% unemployment rate last month, compared to 7.2% in January. The agency reported 83,000 more jobs chopped in February, with a 7.7% unemployment figure representing 1.4 million people. Since October, when the economy began to slide dramatically, 295,000 jobs were lost — most of them full-time.

And an Economic Club of Canada/POLLARA Strategic Research report shows one in five Canadians believe there is at least a chance they or a close relative will be laid off this year. But last December, 31% had similar concerns, the report said.

The worst recent fears were expressed in Canada's industrial heartland, Ontario, with 27% of respondents worried about being axed.

Similar results

The poll's findings, drawn from POLLARA's online interviews with 2,771 Canadians, are similar to results from December 2006 and December 2007, Economic Club president Mark Adler said.

"This has not hit home for the majority of Canadians," said POLLARA chairman Michael Marzolini. "Outside of Ontario, where there is some heightened anxiety, the fear of job losses is comparable to pre-recession levels."

Meanwhile, the head of the Canadian Labour Congress said new job-loss figures have left many laid-off workers angry at the government over Employment Insurance.

President Ken Georgetti said laid-off workers are "fed up" with Ottawa's failure to lift restrictions, he said, citing StatsCan reports of only 45% of unemployed workers getting EI benefits in December.

"If the government doesn't fix the problems with EI now, this recession will get a lot worse," Georgetti predicted.

Benefits ensure "while the mill or the factory is shut down, money is in peoples' pockets so the grocery store, shops and other services in the community aren't driven out of business, too," he said.

— Ian Robertson