



1004 - 213 Notre Dame Ave.
Winnipeg, MB R3B 1N3
TF: 800.661.0253
Fax: 204.947.5195
www.wrla.org

NEWS RELEASE

WRLA Calls on Government for More Support for LBM Industry

Industry asks for changes to federal support program and tax credits

April 26, 2020, WINNIPEG, MB – The lumber and building supply (LBM) industry was deemed essential in most provinces, but businesses are still struggling due to staff layoffs, increased investment in sanitation and social distancing practices, and reduced sales, according to the Western Retail Lumber Association (WRLA). These companies desperately need government assistance beyond the current programs.

“Current federal support programs intended to support small and medium enterprises have not provided viable support to most of our member businesses as their payrolls make them ineligible. Unless businesses are recording at least 15% less sales in March and 30% less sales in April, they do not qualify,” says Liz Kovach, WRLA president. “Prior to COVID-19, the markets in the West were already struggling and another 10-30% drop in sales is unsustainable. The rate for eligibility for the wage subsidy should be lowered dramatically. Members are preparing for another wave of layoffs at the end of this month.”

To help spark the economy and reinstate consumer and business confidence, the WRLA is proposing the following strategies be implemented throughout the recovery phases:

1. Adjustment of the criteria for federal support programs to help LBM businesses now.
2. Home renovation tax credit (HRTC) of up to \$3,000 by federal government and \$1,000 by provincial governments.
3. Eco-renovation tax credit (ERTC) of up to \$5,000 by federal government and \$2,000 by provincial governments for houses 20 years and older.
4. Removal of the mortgage stress test to support new construction.
5. Ensuring financial institutions provide short-term financing for pre-COVID inventory purchases.

“The LBM industry has positioned itself to help support economic recovery and is committed to restoring consumer confidence. With the support of our governments, these initiatives will help consumers feel comfortable contributing to the economy and create jobs to meet higher demand,” says Kovach.

The building supply industry is a \$80+ billion industry that directly employs over 262,000 Canadians. The industry brings a multitude of economic benefits, jobs and investment to the provinces and country. It enables the work of other Canadian businesses, such as developers and builders, small contractors and do-it yourselfers.

WRLA represents 1,200 member firms in the building supply industry across Western Canada, including hardware stores, manufacturers, suppliers and lumberyards.

-30-

For more information, contact:

Liz Kovach, WRLA President

Cell: 204-770-2416

lkovach@wrla.org