2015 BC Residential Building Statistics and Trends Report

BRITISH COLUMBIA

BC Housing

About BC Housing

BC Housing develops, manages, and administers a wide range of subsidized housing options across British Columbia (BC). In partnership with the residential construction industry and non-profit housing providers, other levels of government, health authorities, and community groups, BC Housing increases affordable housing options for British Columbians in greatest need.

Under the *Homeowner Protection Act*, BC Housing is mandated to help improve consumer protection for buyers of new homes and the quality of residential construction in BC. Responsibilities under the Act are primarily administered by BC Housing's Homeowner Protection Office (HPO) branch, and include monitoring and enforcing the mandatory third-party home warranty insurance on all new homes constructed in BC, licensing of residential builders, and carrying out research and education to benefit BC's residential construction industry and consumers.

Contact

We welcome your questions and comments. For more information, please contact:

Technical Research
BC Housing

Phone: 778 452 6454
Email: technicalresearch@bchousing.org

Visit the HPO website (www.hpo.bc.ca) to view the latest statistics or download the report. You can also subscribe to HPO publications or follow us on Twitter. @HPO_ BC

Issued August 2016

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Introduction

BC Residential Building Statistics and Trends Report presents an analysis of new construction activities and the state of licensed residential builders and building envelope renovators. This report provides forward-looking market information and insight for the builders and homeowner markets. The statistics and commentaries in this report may assist the residential building industry and consumers understand the markets, identify trends, plan ahead and make informed decisions.

In British Columbia (BC), all new homes must be registered before the issuance of building permits and the start of construction. New home registration data are a leading indicator of housing and economic activity in BC[1], and provide information on registered new homes by building type, location, and building size.

Builders and renovators are licensed by BC Housing through the Homeowner Protection Office (HPO) branch. In order to obtain warranty insurance for new homes and applicable building renovations, Licensed Residential Builders (LRBs) and Licensed Building Envelope Renovators (BERs) must apply and be accepted for home warranty insurance coverage by a warranty insurance provider. In some cases, a LRB or BER may be registered with more than one warranty provider. The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder profile (industry experience, builder types), construction activities, and satisfaction and perceptions related to research and education projects.

"Buying a home is the single biggest purchase a family will make, buyers require access to reliable information. The 2015 BC Residential Building Statistics and Trends eases the way for prospective homebuyers with solid insights and well-researched market data."

Tony Gioventu, Executive Director, Condominium Home Owners' Association (CHOA)

The *Current New Homeowner Survey* and the *Prospective New Home Buyer Survey* were not conducted in 2015, as these surveys are conducted once every two years. Please refer to the 2014 *BC Residential Building Statistics and Trends Report* for the latest consumer survey information.

[1] Bank of Canada, 2016. New Housing Registrations as a Leading Indicator of the BC Economy. Document available at: http://www.bankofcanada.ca/wp-content/uploads/2016/02/sdp2016-3.pdf

Executive Summary

2015 Highlights	Between 2014 and 2015
New Home Registration	

New Home Registration in BC

- 30,377 total registered homes
- 18,566 homes in multi-unit buildings[2]
- 11,811 single detached homes[3]
- 4,319 proposed purpose-built rentals

↑ Total registered homes up 10.9%
↑ Multi-unit homes up 15.6%
↑ Single detached homes up 4.1%
↑ Proposed purpose-built rentals up 47.9%

New Home Registrations by Regional District

- 21,372 in Metro Vancouver (70.4% of BC)
- 1,682 in Fraser Valley Regional District (5.5% of BC)
- 1,495 in Capital Regional District (4.9% of BC)

↑ Metro Vancouver: 6.1% increase in single detached homes and 21.2% increase in multi-unit homes
↑ Fraser Valley: 35.1% increase in single detached homes and 47.3% increase in multi-unit homes
↑ Capital: 25.3% increase in single detached homes and 13.5% increase in multi-unit homes

Multi-unit Building Registrations by Size

- By building type: 590 buildings of 51 to 100 units (37.5%), 529 duplexes (33.8%), 242 quadplexes (15.4%), and 126 triplexes (8.0%)
- By number of units: 7,218 units in buildings of 100 units-plus (38.9%), 5,311 units in buildings of 5 to 50 units (28.6%), and 3,633 units in buildings of 51 to 100 units (19.6%)
- The unit-building ratio: 11.8

↑ Number of buildings with 5 to 50 units increased 63.4% and buildings with 51 to 100 units increased 32.5%
↑ Number of units in buildings with 5 to 50 units i
↑ Increased 44.4% and buildings with 51 to 100 units increased 31.4%
↓ Number of duplexes decreased by 29.3%
↑ The unit-building ratio increased to 11.8 from 10.6

[2] Calculations of "registered new homes in multi-unit buildings" include new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance. Registered new homes in multi-unit rental buildings, which are exempt from home warranty insurance, have been calculated separately and are not included as part of the registered multi-unit home figures.
[3] "Registered new single detached homes" refers to new single detached homes enrolled with home warranty insurance or with Owner Builder Authorizations issued by the Registrar of Builder Licensing.

2015 Highlights	Between 2014 and 2015

Licensed Residential Builders

Number of Licensees[4]

• 6,765 licensed residential builders • 112 building envelope renovators	↑ Licensed residential builders increased 12.2% ↑ Building envelope renovators increased 0.9%

Licensed Residential Builder Survey Results

Builders by Region

• 67% work in the Lower Mainland[5] • 16% work in the Southern Islands[6] • 10% work in the Okanagan • 3% work in the Kootenays and Central/Northern BC each	= No change in percentage breakdown across Lower Mainland, Southern Islands, and the Okanagan ↓ Proportion of builders in the Kootenays and Central/Northern BC decreased 1 percentage point each

Builders by Building Type Built in Past 5 Years

• 97% built single detached homes • 20% built row/townhouse/duplex • 7% built multi-unit low rise • 2% built multi-unit high rise	= No change in single detached ↓ Row/townhouse/duplex declined 2 percentage points ↓ Multi-unit low rise declined 2 percentage points = No change in multi-unit high rise

Builders by Experience

• 34% 5 years or less experience • 31% 20+ years experience • 19% 6-10 years experience • 16% 11-19 years experience • Average tenure of 14 years	↑ 5 years or less increased 2 percentage points ↓ 20+ years decreased 2 percentage points = No change in 6-10 years experience = No change in 11-19 years experience = No change in average tenure

New Residential Construction Activity Prediction Over the Next Year

• 44% expected an increase in activity in the area they operate • 49% expected an increase in their company's activity	↓ Expected increase in activity in the area they operate fell 3 percentage points ↑ Expected increase in company's activity up 1 percentage point

[4] Includes licensed developers, custom home builders, general contractors, building envelope renovators, project/construction managers, and others.
[5] Metro Vancouver, Fraser Valley, Sunshine Coast, Squamish, Pemberton and Whistler areas.
[6] Vancouver Island and the Gulf Islands.

New Home Registration

Highlights

- Over 30,300 registered new homes in 2015, of which more than 60% were in multi-unit buildings.
- Approximately 85% of registered new homes in 2015 were located in Metro Vancouver, the Fraser Valley, Capital Regional District, and the Central Okanagan.
- In 2015 there were over 4,300 proposed purpose-built rentals, making 2015 the highest year recorded since 2002.
- The average number of units per multi-unit building was 11.8 in 2015.

Overview

Under the *Homeowner Protection Act*, all new homes in British Columbia (BC) must be registered prior to the issuance of building permits and housing starts. Data is collected based on the information provided by Licensed Residential Builders (LRBs) and owner builders through the New Home Registration forms and Owner Builder Authorization applications. In addition to registration, single detached and multi-unit homes constructed by LRBs are required to be covered by home warranty insurance in BC. Over time some minor adjustments may be made to new home registration data as registrations are withdrawn or cancelled from home warranty insurance.

"BC Housing is an important partner for warranty providers, including Aviva/National Home Warranty. The Residential Building Statistics & Trends Report provides immediate overall regional market intelligence on housing trends, especially builder enrolments throughout the province, greatly assisting Aviva/National Home Warranty."

Tom Reeves B.Comm, AVP Developer Surety & Home Warranty

BC Housing tracks registration of four different home types: single detached homes and multi-unit homes that are enrolled in home warranty insurance, homes constructed by an owner builder and are not covered by home warranty insurance, and purpose built rental units, which are exempt from warranty.

Registered new homes in multi-unit buildings include new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance. Registered new homes in multi-unit rental buildings have been calculated separately and are not included as part of the registered home or registered multi-unit home figures provided.

Registered new single detached homes refers to new single detached homes enrolled with home warranty insurance or with Owner Builder Authorizations issued by the Registrar of Builder Licensing.

Registered and Enrolled Homes

The number of registered new homes in BC reached 30,377 in 2015, including 18,566 homes in multi-unit buildings[7] and 11,811 single detached homes[8].

The total number of registered homes was up 10.9% from 2014, driven by growth in the multi-unit segment (15.6%) and single detached homes (4.1%). The annual number of registered new homes remained relatively stable above 24,000 between 2010 and 2015, but below the 2007 peak of over 39,000.

Multi-unit buildings accounted for 61.1% of all registered new homes in 2015, marginally higher compared to the 57.9% average between 2002 and 2014.

Figure 1: Share of Registered New Homes by Building Type, 2015

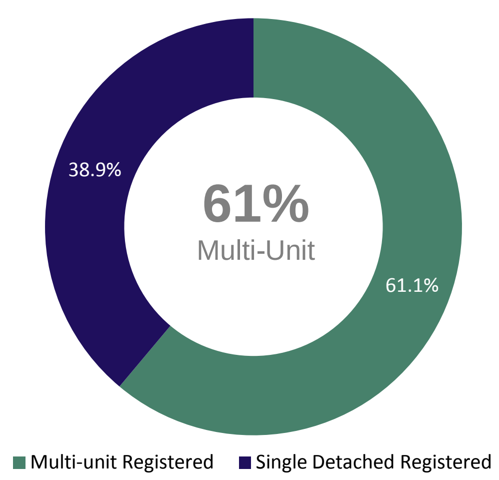
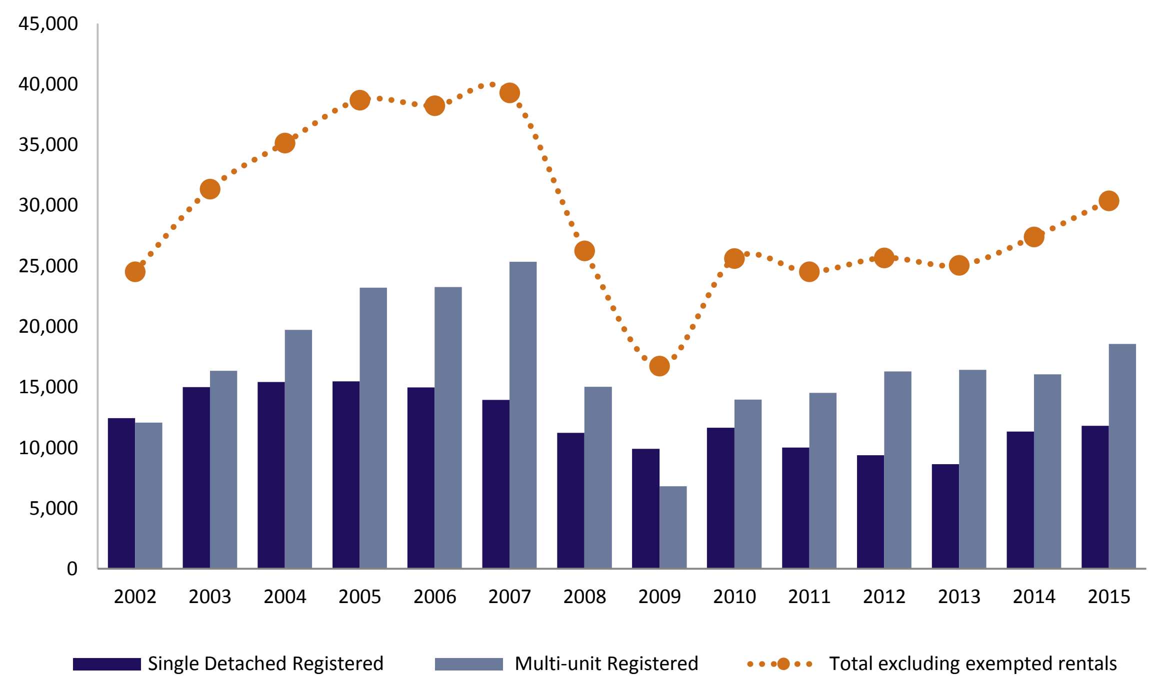


Figure 2: Number of Registered New Homes by Building Type, 2002-2015



[7] Calculations of "registered new homes in multi-unit buildings" include new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance. Registered new homes in multi-unit rental buildings, which are exempt from home warranty insurance, have been calculated separately and are not included as part of the registered multi-unit home figures.

[8] "Registered new single detached homes" refers to new single detached homes enrolled with home warranty insurance or with Owner Builder Authorizations issued by the Registrar of Builder Licensing.

In 2015, homes enrolled with home warranty insurance accounted for 80.2% of proposed new homes, followed by purpose-built rentals (12.4%), and owner-built homes (7.3%).[9] The total number of new homes enrolled with home warranty insurance was 27,828 in 2015, up 11.0% from 2014. Since 2010, enrollment has remained above 21,000 per year in BC, below the 2007 peak of over 35,000.

There were 4,319 proposed purpose-built rentals in 2015, an increase of 47.9% from 2014. The number of purpose-built rentals in 2015 was the highest recorded since tracking began in 2002. As a proportion of total new housing, 2015 represented the highest year recorded at 12.4% compared to 10.5% in 2013.

Figure 3: Share of Homes Enrolled with Home Warranty, Owner-built Homes and Proposed Purpose-built Rentals, 2015

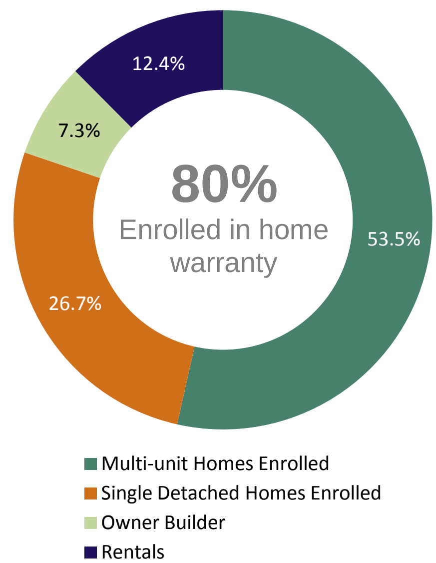
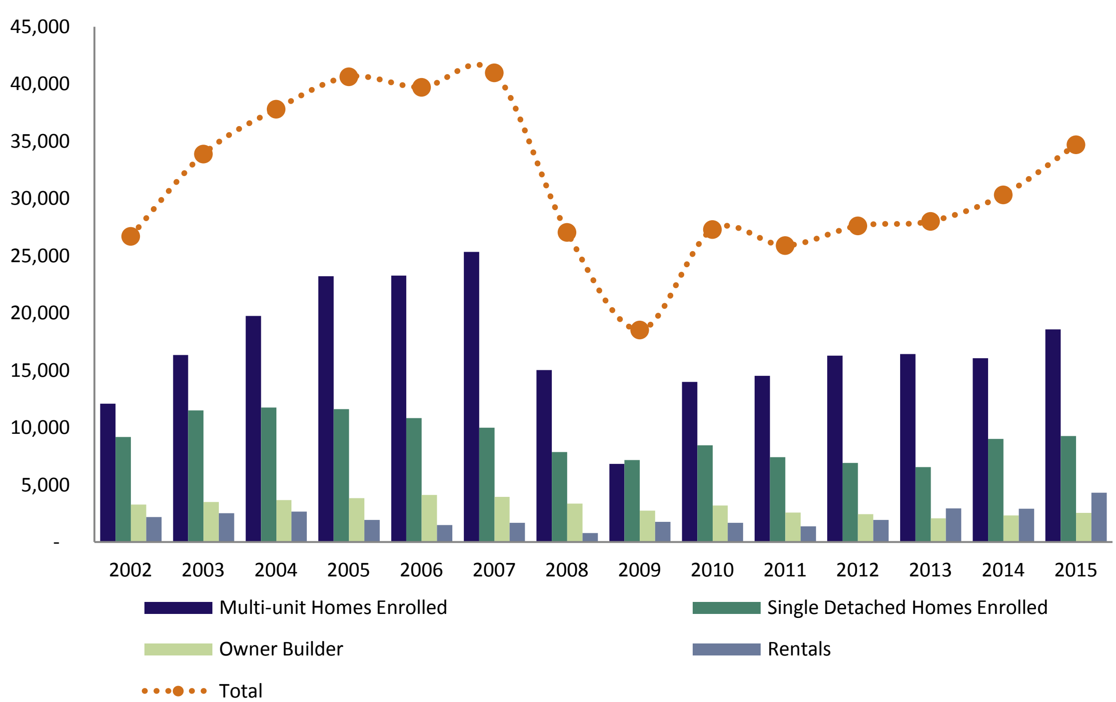


Figure 4: Number of Homes Enrolled with Home Warranty, Owner-built Homes and Proposed Purpose-built Rentals, 2002-2015

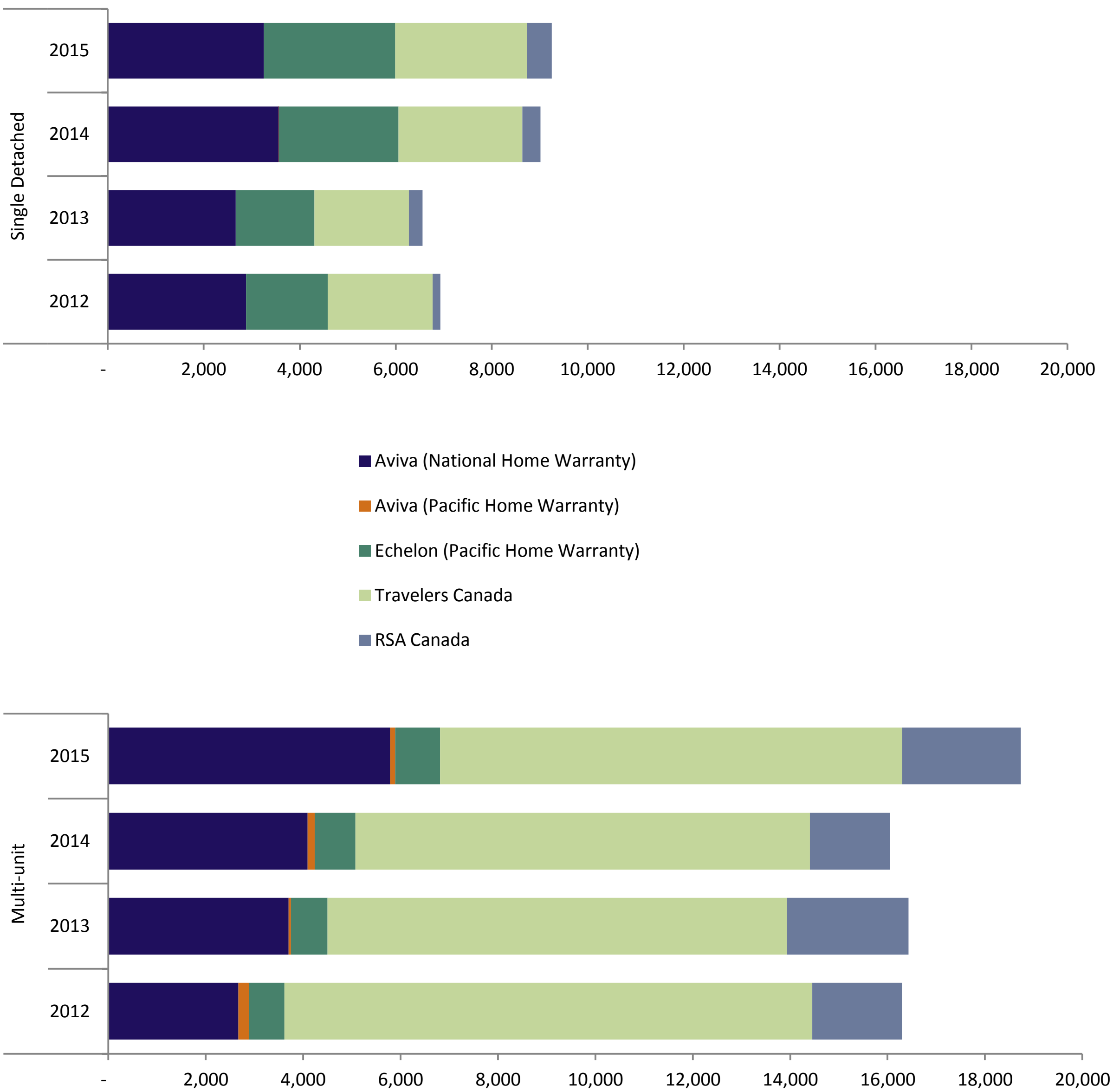


[9] Over time minor adjustments may be made to the figures as registrations are withdrawn or cancelled. New home registration data is accurate as of March 1, 2016.

Aviva through National Home Warranty had the largest share (35.2%) in single detached home enrollments, followed by Travelers Canada (29.6%) and Echelon represented by Pacific Home Warranty (29.6%).

For new home enrollments by warranty provider in 2015, **Travelers Canada represented the largest market share in multi-unit enrollments (50.7%),** followed by Aviva through National Home Warranty (30.9%) and RSA Canada (13.0%).

Figure 5: Market Share of Single Detached and Multi-unit Homes Enrolled by Warranty Provider, 2012-2015



Region

In 2015, nearly 85% of registered new homes in BC were located in Metro Vancouver, Fraser Valley Regional District, Capital Regional District, and Central Okanagan Regional District suggesting strong construction intentions and higher levels of future construction activity in those areas. Similarly, over 88% of all purpose-built rental units were located in Metro Vancouver, the Central Okanagan Regional District, and the Capital Regional District.

Metro Vancouver accounted for 70.4% of all the registered new homes in BC, followed by the Fraser Valley (5.5%), Capital Regional District (4.9%), and the Central Okanagan Regional District (3.3%). Compared to 2014, Metro Vancouver experienced a moderate increase in the number of single detached homes (6.1%) and a considerable increase in multi-unit homes (21.2%). The Capital Regional District gained strength in single detached (25.3%) and in multi-unit homes (13.5%). The Fraser Valley Regional District continued to see substantial growth in both the multi-unit (47.3%) and single detached (35.1%) homes.

In terms of purpose-built rental units in 2015, 55.9% were located in Metro Vancouver in BC, followed by 21.6% in the Central Okanagan Regional District and 10.9% in the Capital Regional District. Compared to 2014, the proportion of purpose built rentals in Metro Vancouver and the Capital Regional District remained similar at 58.3% and 13.1% respectively. However, in 2014 the Nanaimo Regional District had the third highest proportion at 6.2% of all purpose built rentals in BC.

Figure 6: Registered New Homes by Regional District, 2015

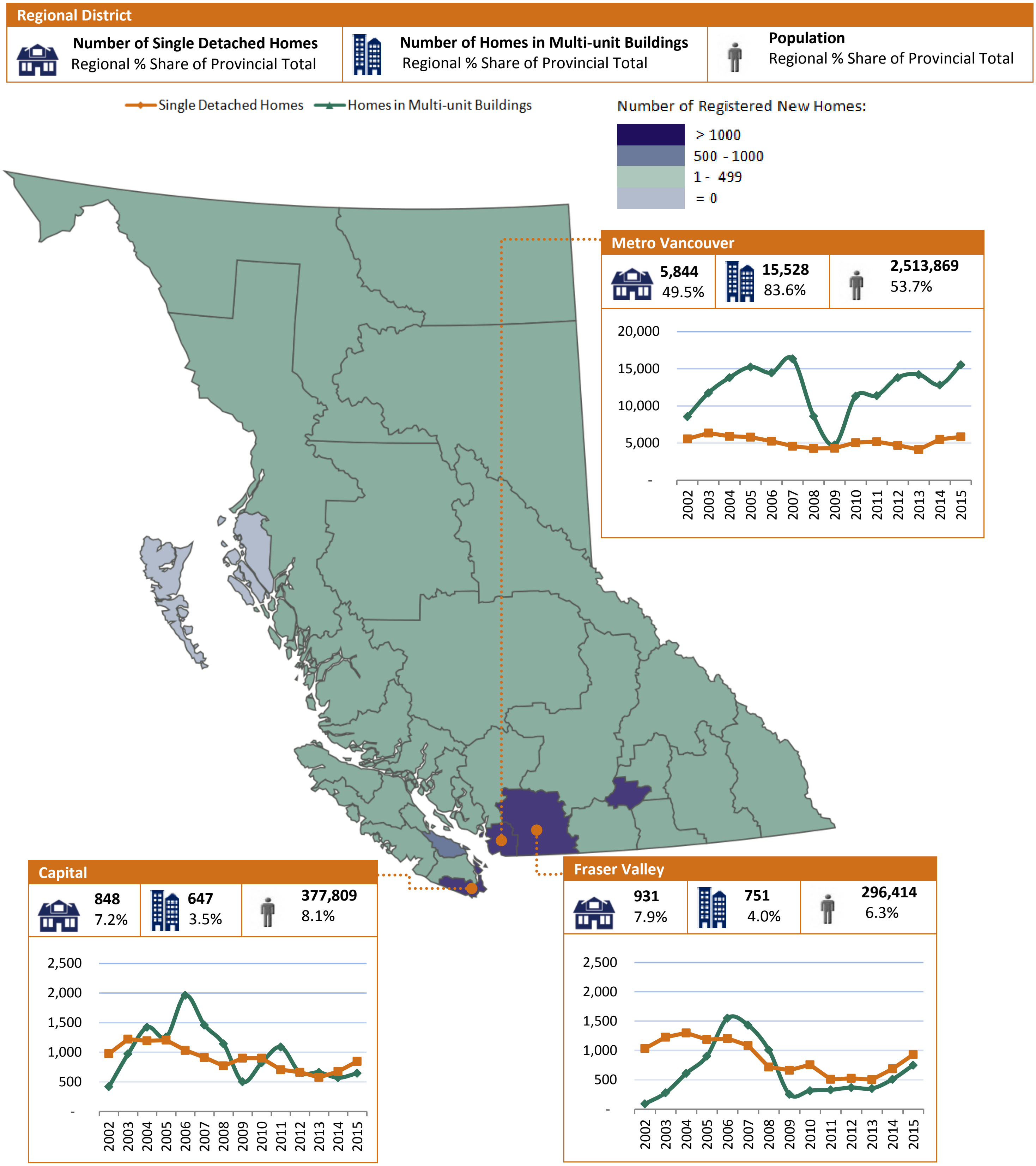
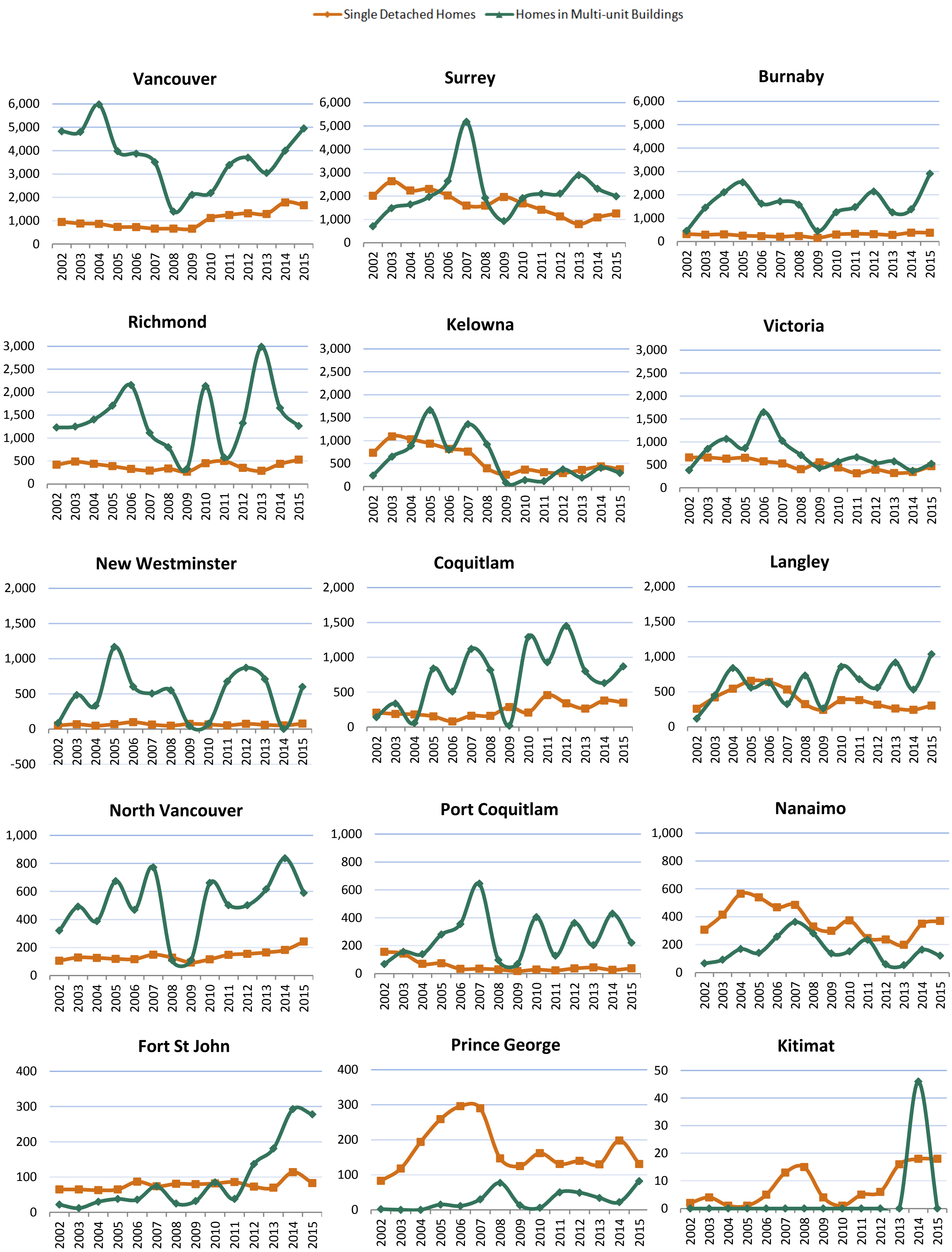


Figure 7: Registered New Homes by Building Type and by Selected City[10], 2002-2015



[10] Cities are selected based on potential construction activities, population size and potential liquefied natural gas development.

Multi-Unit Building Size

Buildings of 5 to 50 units were the most popular multi-unit building size in 2015 (37.5%), followed by duplexes (33.6%) and quadplexes (15.4%). In 2015, a total of 590 buildings of 5 to 50 units were registered, the highest number recorded between 2002 and 2015 and an increase of 63.4% since 2014. Registered buildings of 51 to 100 units increased 32.5% since 2014, resulting in the highest number since 2008 at 53 buildings. The only multi-unit building size to decline between 2014 and 2015 was duplexes (29.3%), with 529 buildings registered.

By number of units however, buildings of 100 units-plus accounted for 38.9% of the total units registered in 2015 with 7,218 units, followed by the buildings of 5 to 50 units (28.6%) and buildings of 51 to 100 units (19.6%). The number of units in buildings of 5 to 50 units increased 44.4% between 2014 and 2015. Units in buildings of 51 to 100 units also increased 31.4% between 2014 and 2015, for a total of 3,633 units and the highest number registered since 2008.

Figure 8: Registered New Multi-unit Buildings by Building Size, BC, 2002-2015

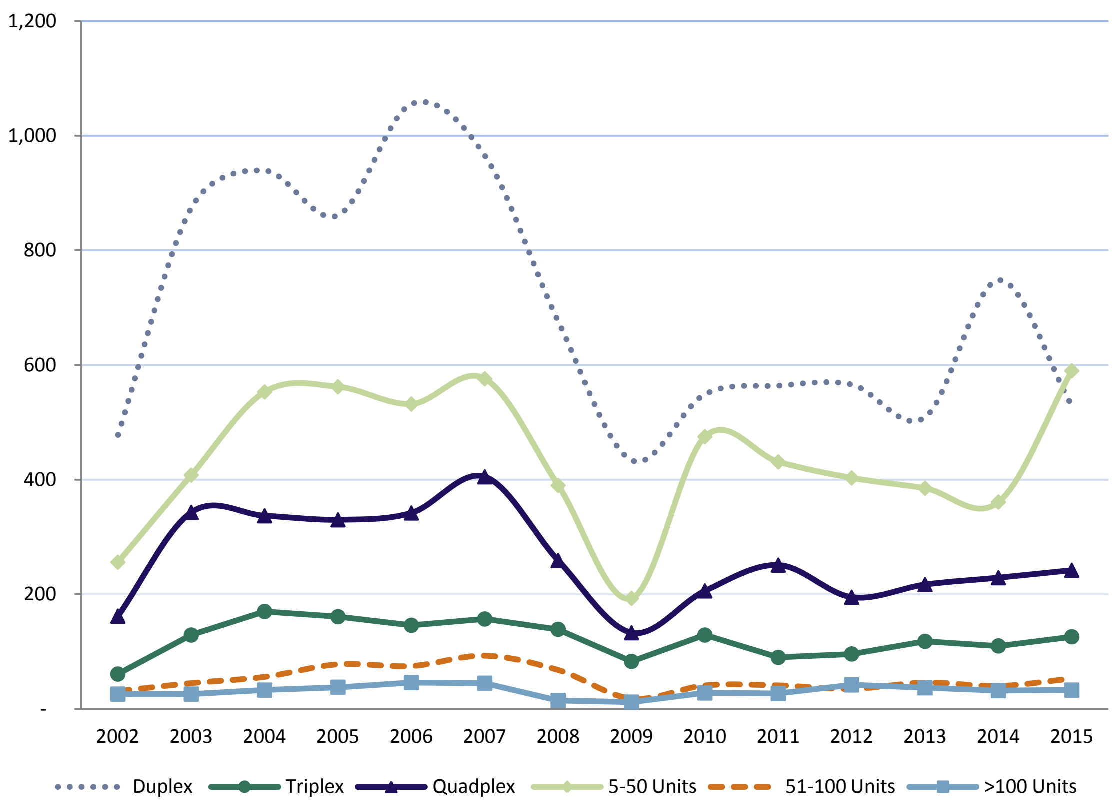
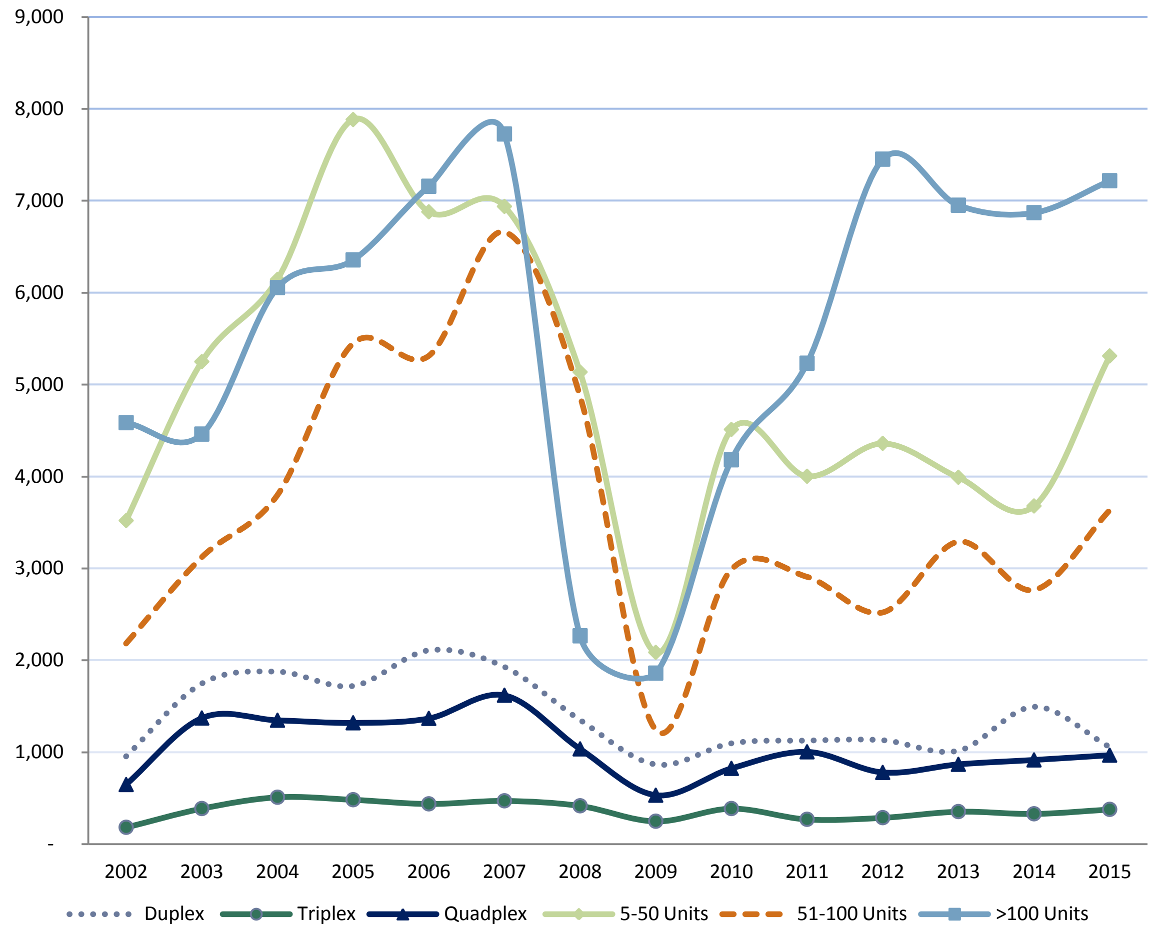


Figure 9: Registered Units in New Multi-unit Buildings by Building Size, BC, 2002-2015

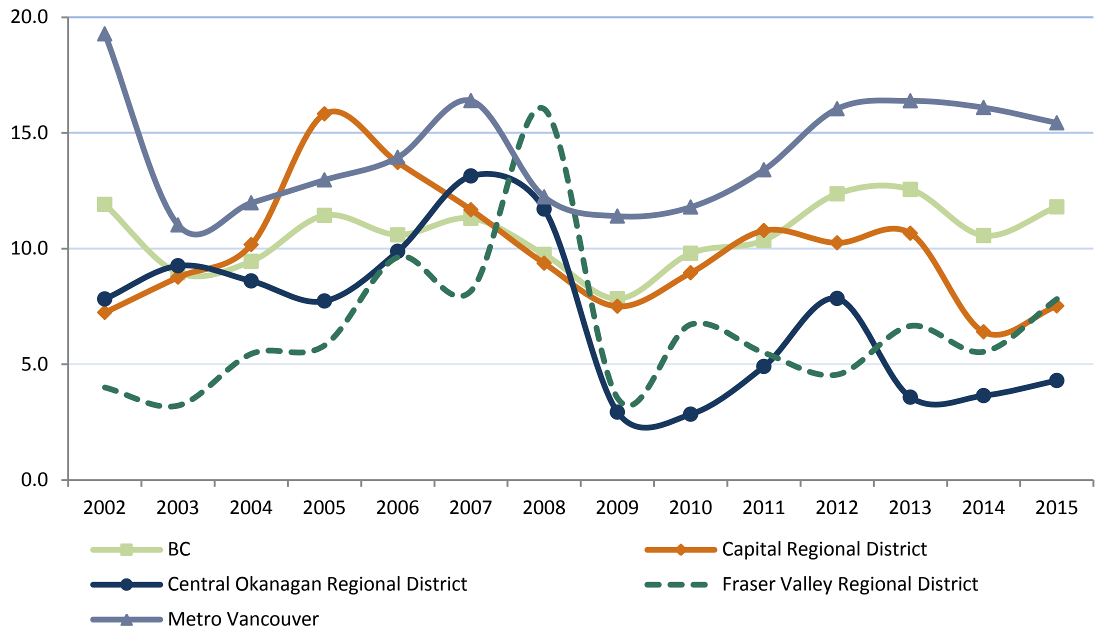


The unit-building ratio measures the average size of registered multi-unit buildings by calculating the number of new units per building. **In 2015, the unit-building ratio by regional district was highest in Metro Vancouver at 15.4, followed by the Fraser Valley Regional District at 7.8 and the Capital Regional District at 7.5.**

Between 2002 and 2015, Metro Vancouver usually had the largest unit-building ratio in BC and was above the provincial average. However, the unit-building ratio in the Capital Regional District surpassed Metro Vancouver in 2005, as did the Fraser Valley Regional District in 2008.

Between 2014 and 2015, BC experienced an increase from 10.6 to 11.8, but remained below the 2013 peak unit-building ratio of 12.6. The unit-building ratio between 2014 and 2015 increased in the Capital Regional District, Fraser Valley Regional District, and Central Okanagan Regional District, while Metro Vancouver experienced a small decline from 16.1 to 15.4.

Figure 10: Unit-Building Ratio, 2002-2015



In 2015, New Westminster averaged 35.3 registered new homes per multi-unit building, followed by Burnaby at 33.8. With the exception of Coquitlam and Port Coquitlam, the cities in Table 1 saw an increase in their unit-building ratios increased between 2014 and 2015.

Table 1: Selected Cities[11] in BC with High Unit-Building Ratios, 2015

City	*Number of Units*	*Number of Buildings*	*Unit- Building Ratio*
New Westminster	600	17	35.3
Burnaby	2,904	86	33.8
North Vancouver	685	25	27.4
Vancouver	4,952	181	27.4
Coquitlam	870	36	24.2
Abbotsford	394	27	14.6
Richmond	1,263	92	13.7
Nelson	62	5	12.4
Prince George	82	7	11.7
Port Coquitlam	221	23	9.6
Victoria	522	57	9.2
Surrey	1,991	243	8.2

[11] Cities with 5 or more multi-unit buildings proposed in 2015.

In 2015, the largest building registered in BC was located in Burnaby and included 563 units. In total, 7 buildings with 300-plus units each were registered in 2015.

Table 2: Top 10 Largest Registered Multi-unit Buildings in BC, 2015

Address	*City*	*Number of Units*
1-563 4567 Lougheed Highway	Burnaby	563
4670 Assembly Way	Burnaby	433
1480 Howe Street	Vancouver	375
13438 103 Avenue	Surrey	371
8199 Cambie Street	Vancouver	349
6098 Station Street	Vancouver	332
5470 Ormidale Street	Burnaby	332
4900 Lennox Lane	Burnaby	293
1-291 4515 Lougheed Highway	Burnaby	291
285 10 Avenue E (210 units) / 2508 Watson Street (48 units)	Vancouver	258

Figure 11: Registered Buildings with 50 Units or More in the Lower Mainland, 2015

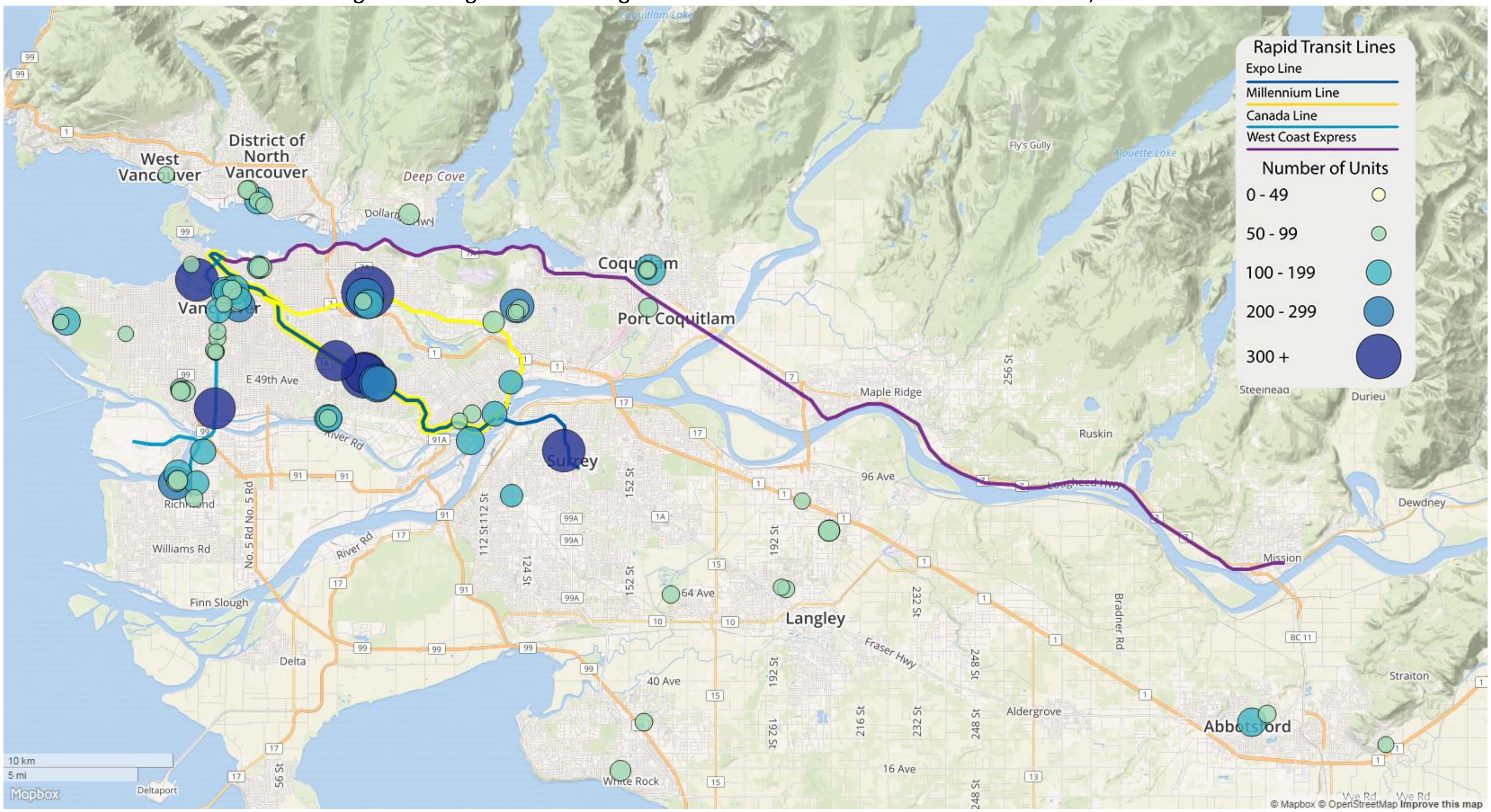


Figure 12: Registered Buildings with 50 Units or More in the City of Vancouver, 2015

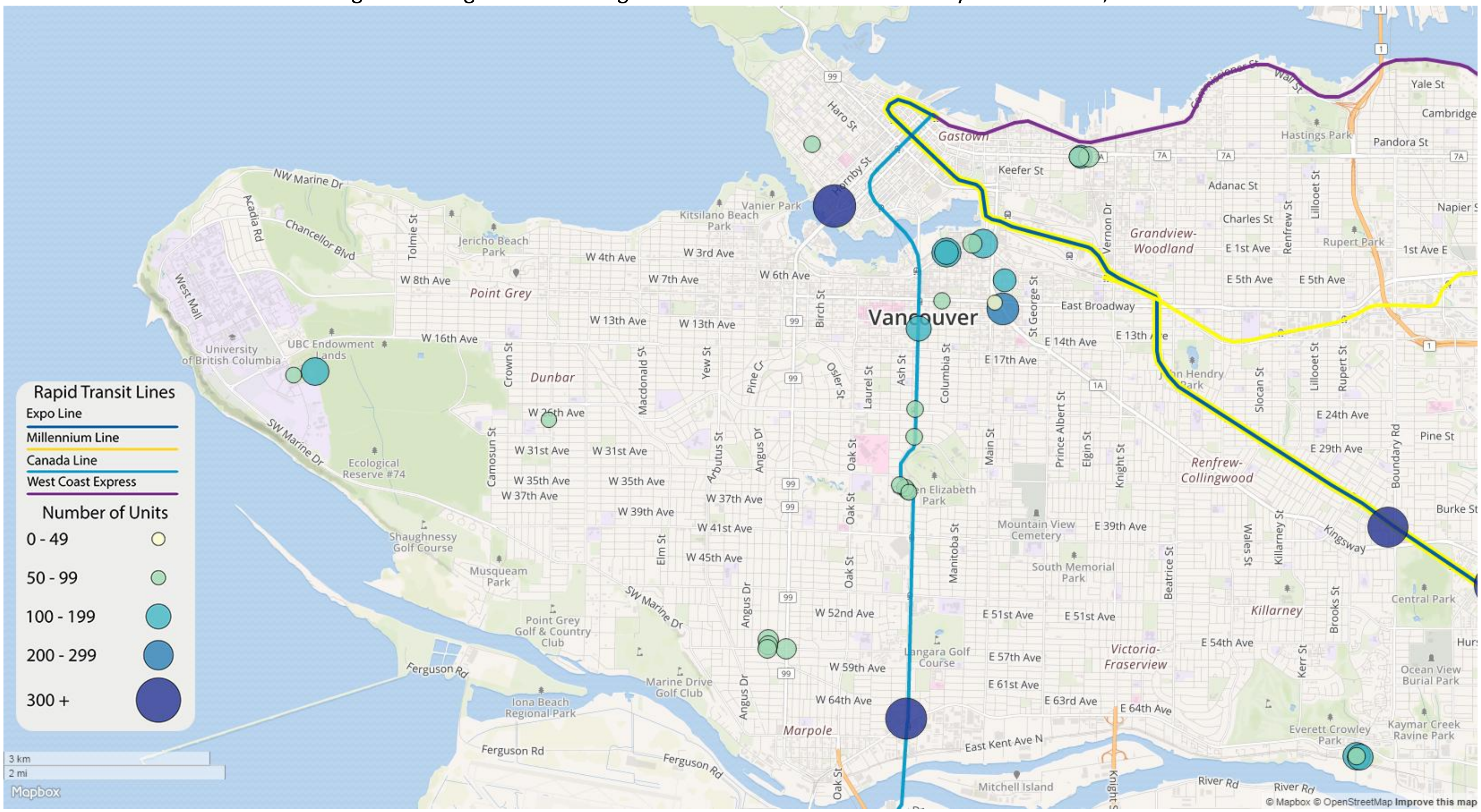


Figure 13: Registered Buildings with 50 Units or More in Richmond, 2015

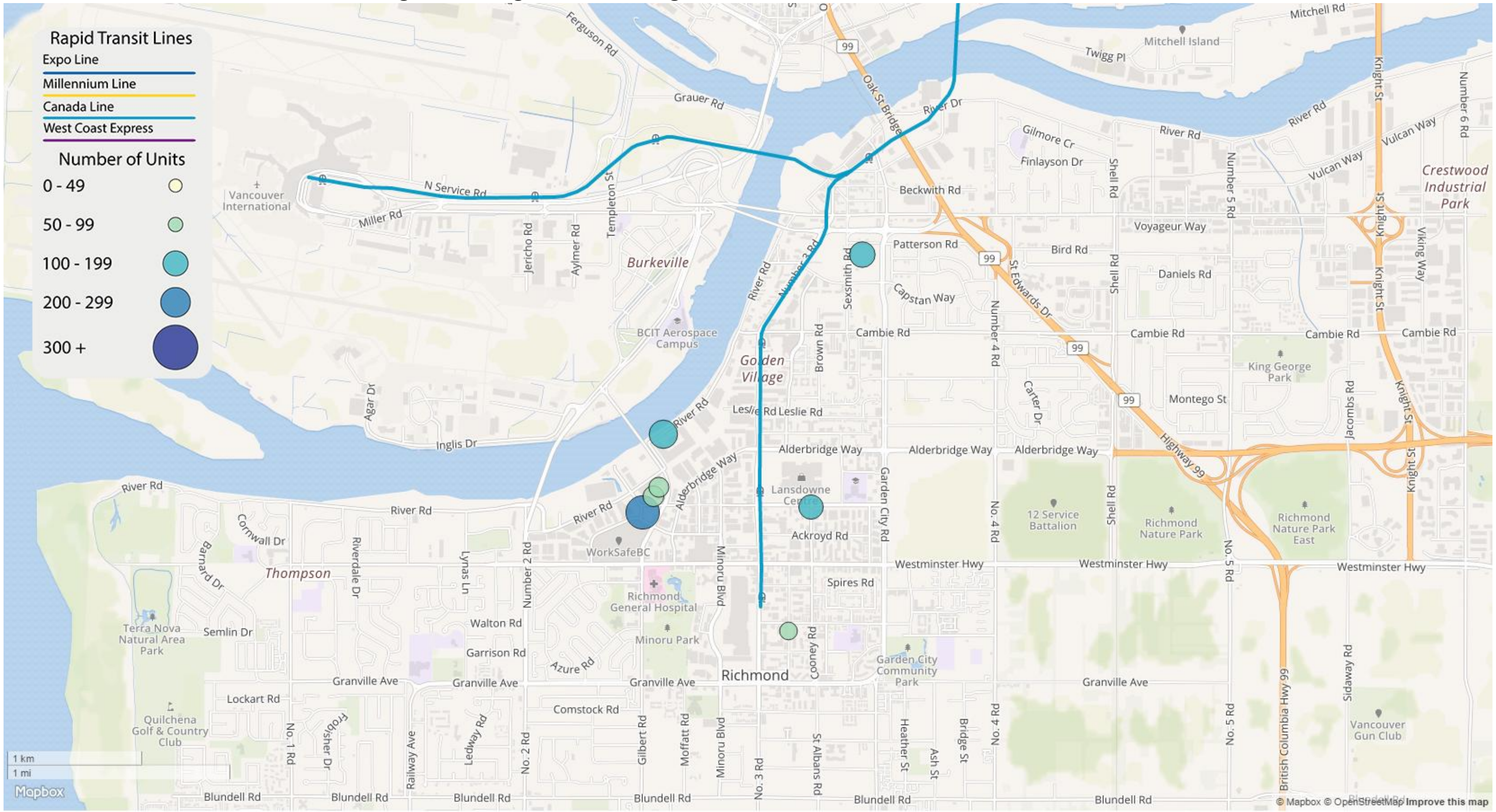


Figure 14: Registered Buildings with 50 Units or More in Tri-Cities Area, 2015

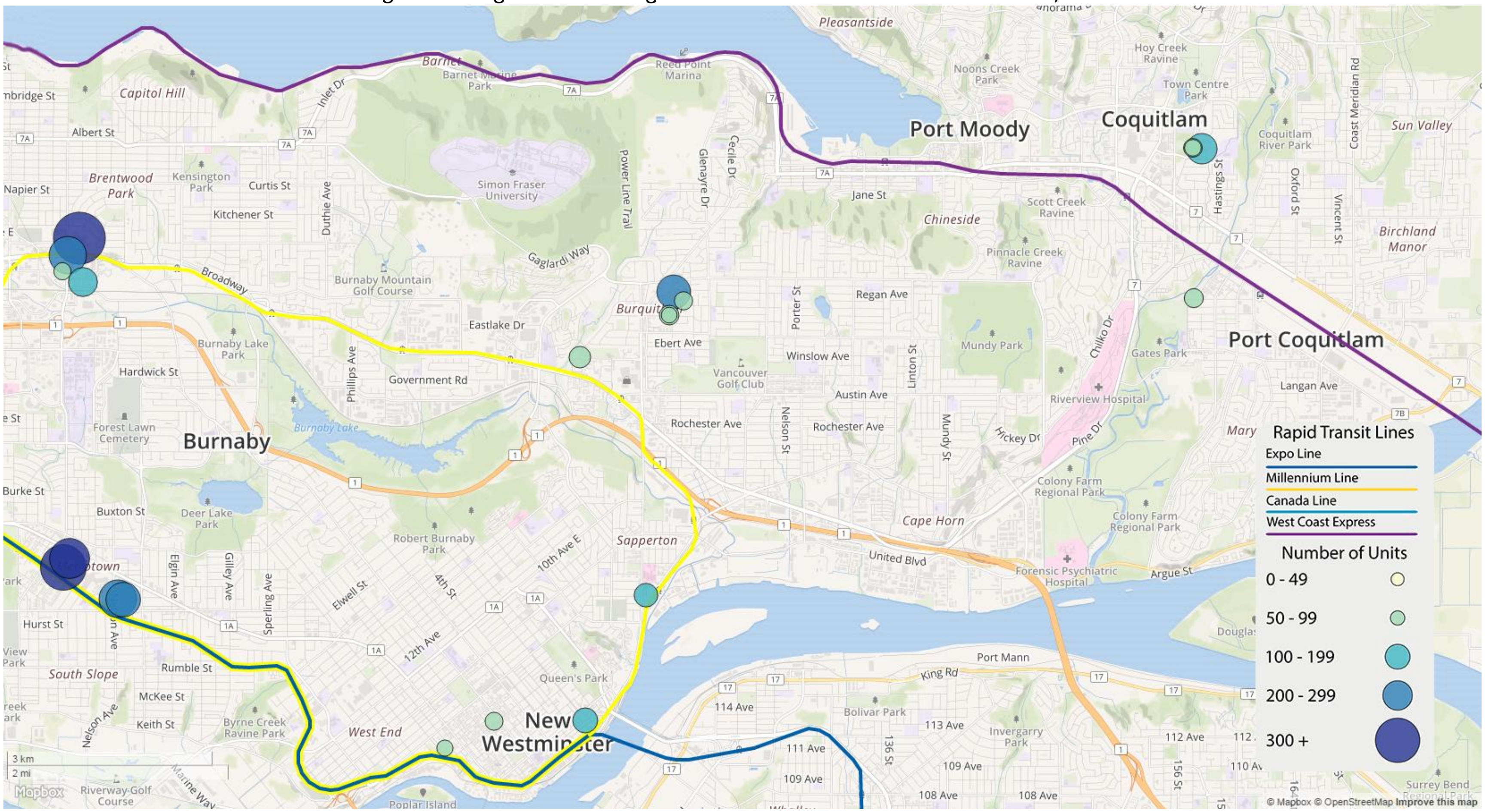
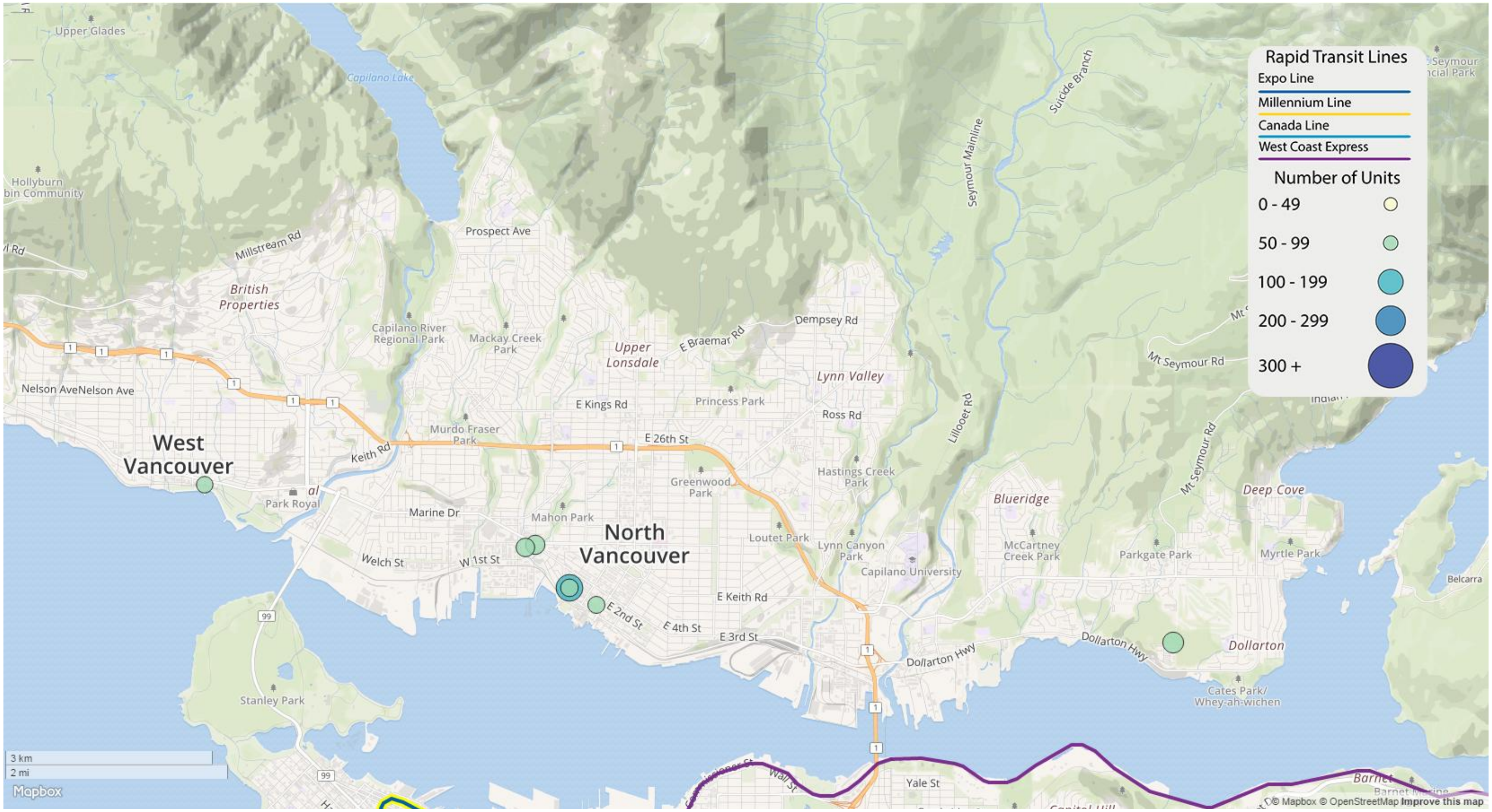


Figure 15: Registered Buildings with 50 Units or More in the North Shore, 2015



Licensed Residential Builders

Highlights

- Since 2009, the number of Licensed Residential Builders and Building Envelope Renovators has grown continuously.
- Aviva had the largest market share of Licensed Residential Builders and Building Envelope Renovators.
- Approximately two-thirds of BC builders reported they worked in the Lower Mainland.
- BC builders completed an average of 3.9 homes per year.
- The average builder tenure was 14 years, down from a peak of 17 years in 2009 but unchanged from 2014.

Overview

In addition to requiring third-party home warranty insurance on new home construction throughout the province, the *Homeowner Protection Act* provides for the licensing of residential builders. The licensing and warranty insurance systems work together to ensure that builders meet minimum standards and consumers are protected with a strong, third-party warranty should a construction defect occur. All residential builders applying for building permits to construct new homes in BC must be Licensed Residential Builders (LRBs) and arrange for home warranty insurance. In geographic areas where building permits are not required, residential builders must be LRBs and arrange for home warranty insurance prior to the commencement of construction.

On March 4, 2015, changes to the *Homeowner Protection Act Regulation* established an enhanced licensing system for residential builders. The changes require that all general contractors take Continuing Professional Development (CPD) as a condition of their licence renewal, which is tracked and monitored by BC Housing's HPO branch. Licensing data provided in this section were collected through the builder licensing registry.

"Strong business intelligence is key to successful business planning. The 2015 BC Residential Building Statistics and Trends Report from BC Housing effectively uses data from builders who work every day in the industry. This first-hand, region-wide feedback is essential to accurately identify homeowner consumer trends."

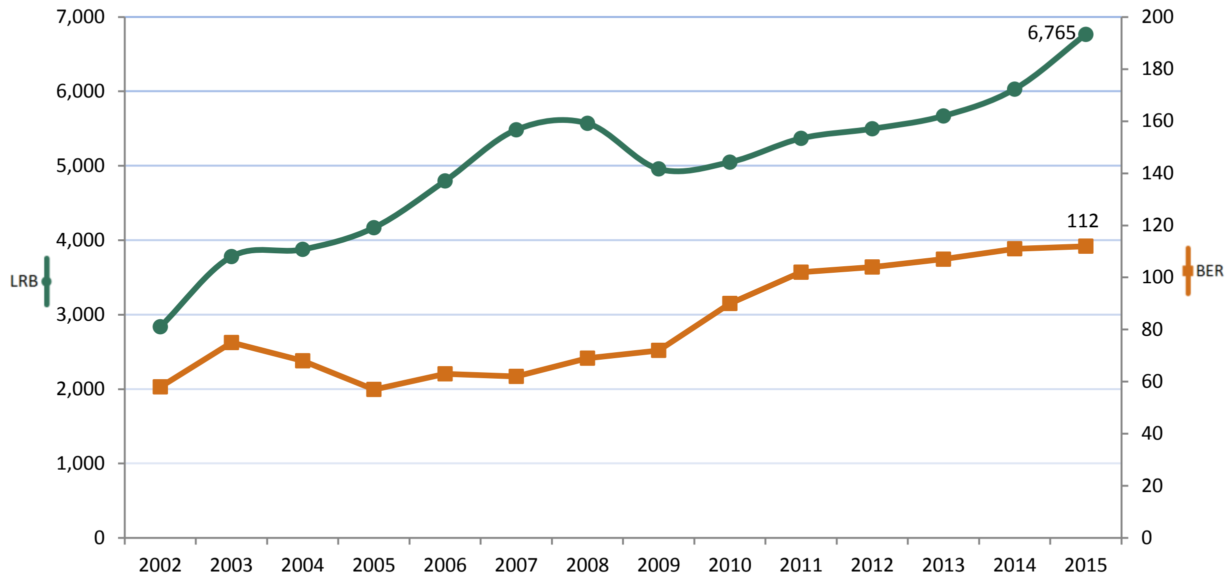
Neil Moody, CEO, Canadian Home Builders' Association of British Columbia (CHBABC)

Licensing

The number of Licensed Residential Builders (LRBs) and Licensed Building Envelope Renovators (BERs) continued to grow in 2015.

The number of LRBs in the province has grown continuously since 2009, peaking at 6,765 in 2015. The number of LRBs has more than doubled since 2002, and compared to 2014 LRBs increased 12.2%. Since 2007, the number of BERs trended upward, and between 2002 and 2015 the number of BERs approximately doubled from 58 to 112.

Figure 16: Number of Licensed Residential Builders and Building Envelope Renovators, 2002-2015



As of January 1, 2016, Aviva had the largest market share of LRBs (37.6%) and BERs (51.1%).

In order to obtain warranty insurance for new homes and applicable building renovations, LRBs and BERs must apply and be accepted for home warranty insurance coverage by a warranty insurance provider. In some cases, a LRB or BER may be registered with more than one warranty provider.

Of the 6,720 LRBs with warranty acceptance from warranty providers in 2016, Aviva through National Home Warranty (Aviva) accounted for 2,524 (37.6%), followed by Echelon represented by Pacific Home Warranty (Echelon) with 2,081 (31.0%), Travelers Canada with 1,611 (24.0%), and RSA with 497 (7.4%). Aviva through Pacific Home Warranty represented 0.1% of LRBs with warranty acceptance.

Of the 139 BERs with warranty acceptance, Aviva accounted for 71 (51.1%), followed by Travelers Canada at 29 (20.9%) and RSA at 21(15.1%).

Figure 17: Market Share of Licensed Residential Builders, 2015

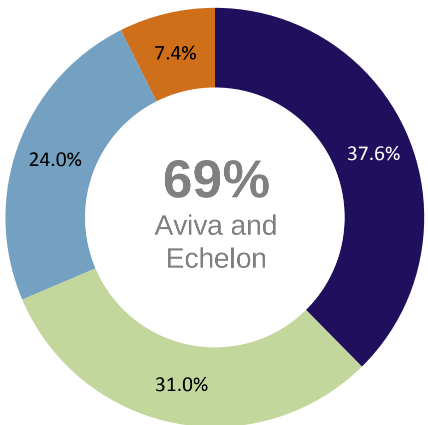
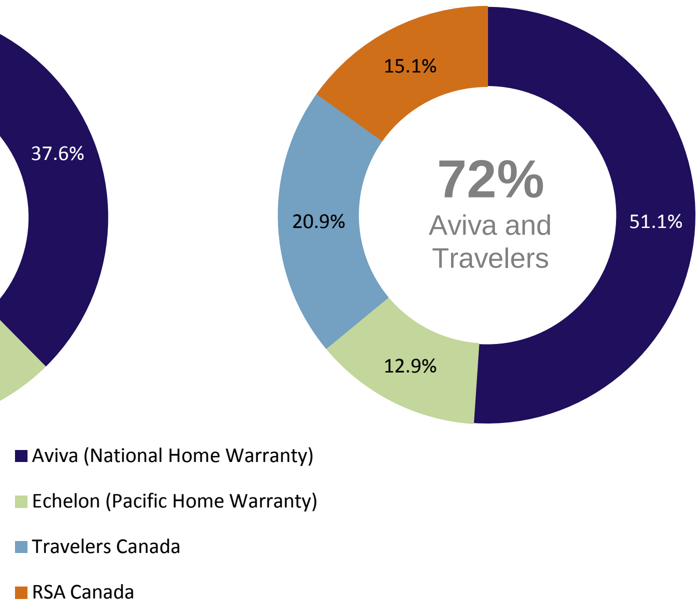


Figure 18: Market Share of Building Envelope Renovators, 2015



Licensed Residential Builder Survey

Survey Methodology

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder[12] profile (industry experience, type of builder), their construction activities, and their satisfaction and perceptions related to research and education projects.

The survey was conducted in bi-annually between 2003 and 2011 and annually between 2012 and 2015. For the 2015 survey, email invitations to the survey were sent out to 5,682 builders in good standing, and without expired, suspended or cancelled licences. A total of 1,288 online surveys were completed by builders, for a response rate of 22.7%.

To ensure the final sample of builders accurately reflected the total population and composition of builders in BC, mathematical weights were applied based on region (i.e. the area of BC where they primarily build) and the number of homes built/started in the past year.

Further information on survey methodology is provided in Appendix 1.

"Effective business planning is only as good as the market intelligence that goes into the underlying forecasts. The 2015 BC Residential Building Statistics and Trends Report from BC Housing is an essential tool for anyone looking to track the pulse of home buying trends that drive accurate decision making in the BC marketplace."

Bob de Wit, CEO, Greater Vancouver Home Builders' Association (GVHBA)

[12] Includes licensed developers, custom home builders, general contractors, building envelope renovators, project/construction managers, and others.

Survey Results

Construction Activity

Primary Area of Construction

In 2015, approximately two-thirds (67%) of builders reported that they primarily worked in the Lower Mainland, followed by 16% of in the Southern Islands, 10% in the Okanagan, 3% in the Kootenays, and 3% in Central and Northern BC. Although the distribution between 2014 and 2015 stayed stable, the proportion of builders working in the Lower Mainland increased 10 percentage points since the 2007 and 2009 low of 57%. Over the same time period, the proportion of builders declined in the Southern Islands and Okanagan, by 6 and 5 percentage points respectively.

Figure 19: Percentage of Builders by Primary Area of Construction, 2015

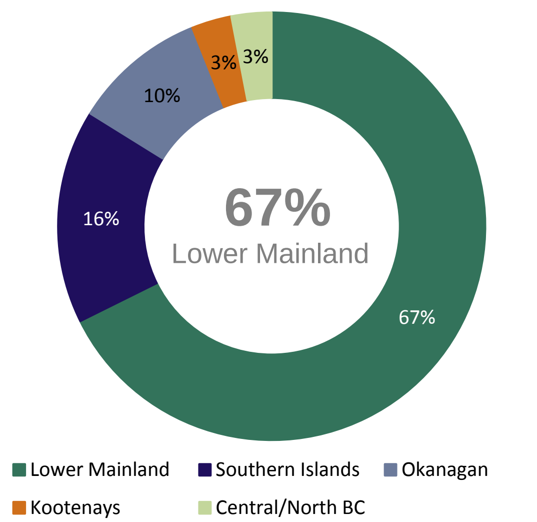
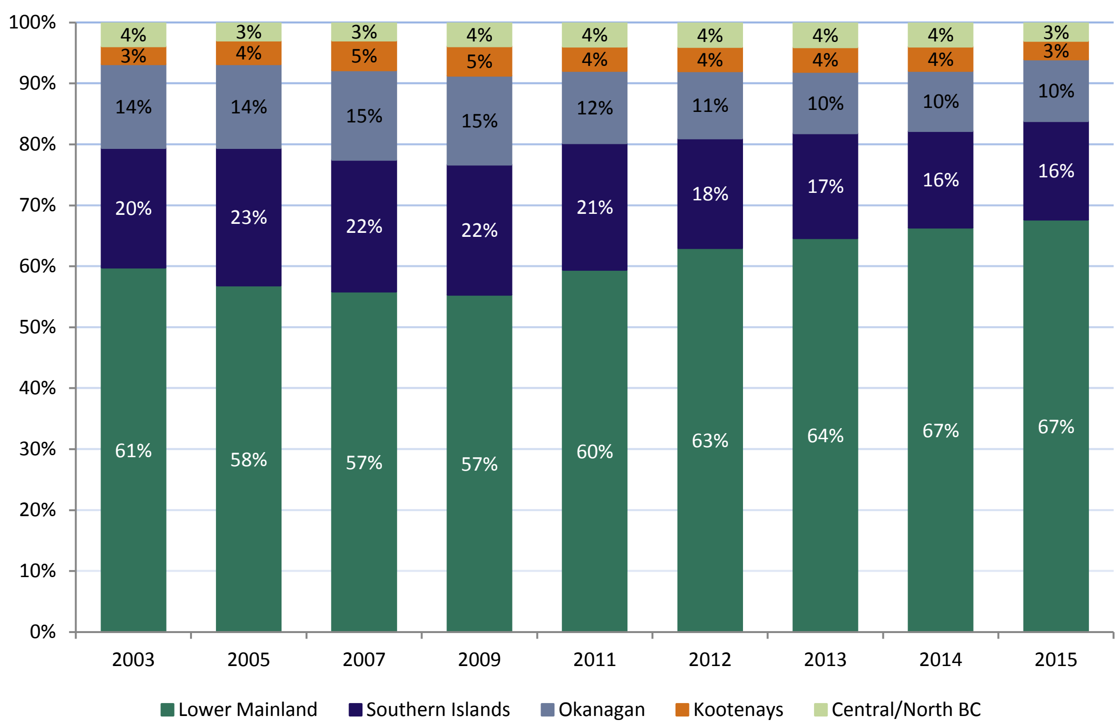


Figure 20: Percentage of Builders by Primary Area of Construction, 2003-2015

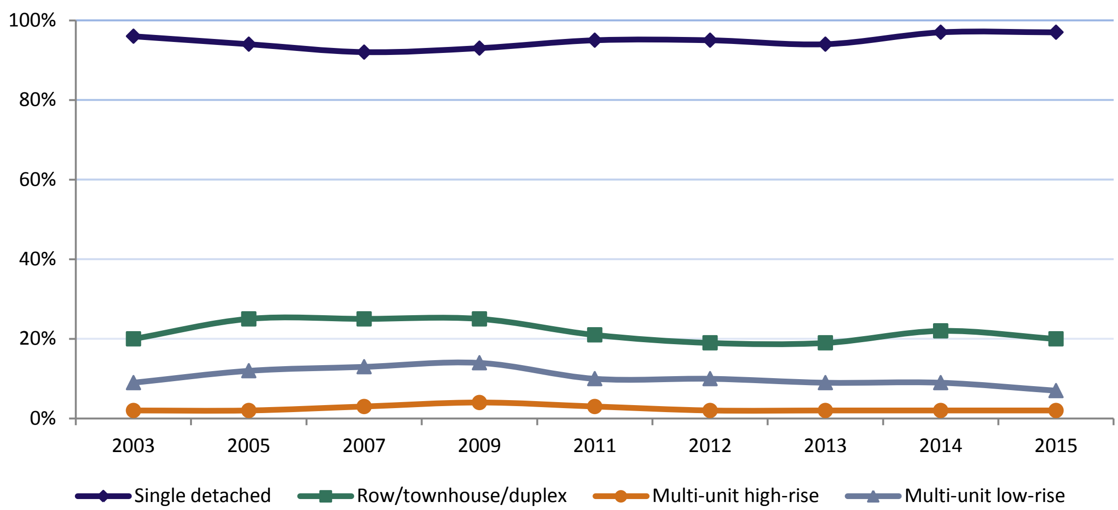


Housing Type Constructed in Past Five Years

In 2015, 97% of builders built single detached homes in the past five years, while 20% had built row/townhouses or duplexes, and 7% had built multi-unit low-rises. During this period, 2% of builders had built multi-unit high-rises.

Since 2009, the proportion of builders reporting building multi-unit homes has generally decreased, with multi-unit low rise falling 7 percentage points, row/townhouses or duplexes falling 5 percentage points, and multi-unit high-rise falling 2 percentage points. The overall breakdown by building type in 2015 is similar to 2003.

Figure 21: Percentage of Licensed Residential Builders by Housing Type Constructed in Past Five Years

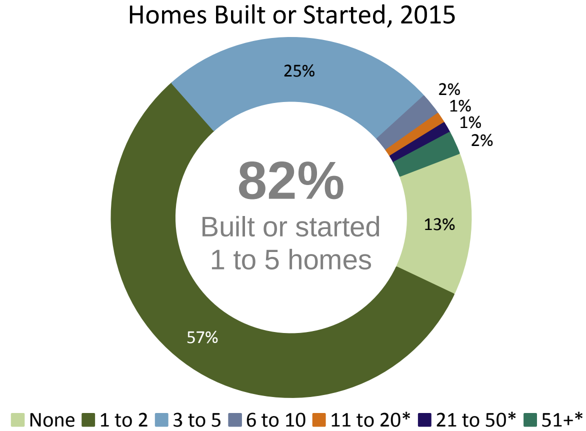


Note: Multi-unit low-rise refers to buildings with less than four stories. Multi-unit high rise refers to buildings with four stories or more.

Homes Built or Started Building[13] in Past Year

As with previous years, **the majority of builders (82%) had built or started building between 1 and 5 homes in the last year**. Over half (57%) of builders reported they had built or started building between 1 and 2 homes, followed by 25% reporting between 3 and 5 homes and 13% reporting they had not started or built any homes. The proportion of builders reporting more than 5 homes started or built in the past year was low, at 1% each for between 11 to 20 and 21 to 50 homes built or started, and 2% each for between 6 to 10 and 51 or more homes built or started.

Figure 22: Percentage of Builders by Number of Homes Built or Started, 2015

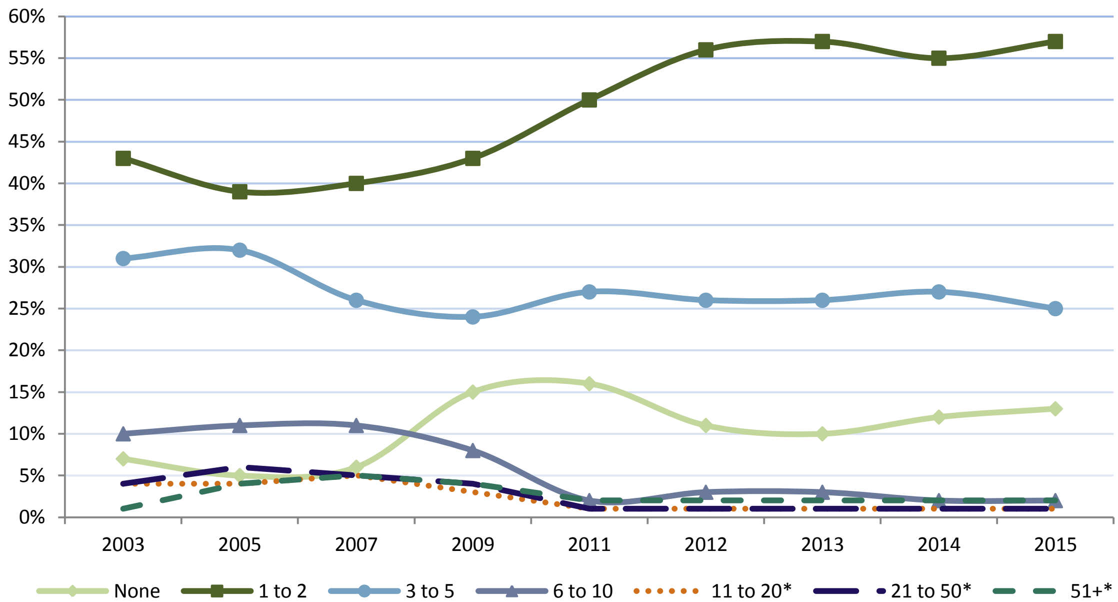


* Response category grouping different prior to 2012.

[13] All homes worked on over the past year, including homes started but unfinished and homes previously started and finished.

The average number of homes built or started in the past year was 5.6 per builder, which is considerably lower than the 2007 high of 20.0 homes, and approximate to the lowest average of 5.4 reported in 2012. Reflecting the decline in the average number of homes built or started between 2003 and 2015, the proportion of builders reporting no homes rose 6 percentage points and the proportion reporting between 1 and 2 homes rose 14 percentage points. The proportion of builders reporting 3 to 5 homes and 6 to 10 homes fell 6 and 8 percentage points respectively over the same time period.

Figure 23: Percentage of Builders by Number of Homes Built or Started, 2003-2015

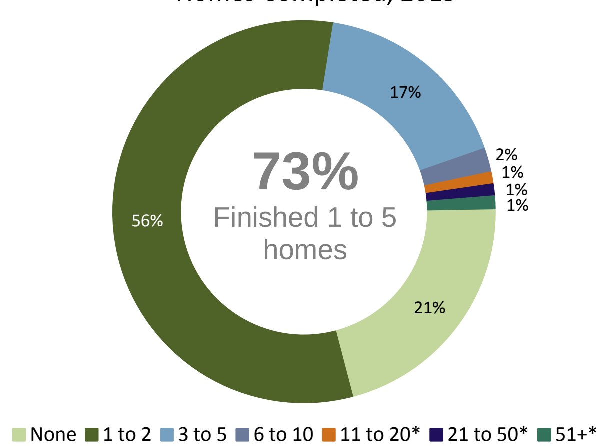


* Response category grouping different prior to 2012.

Homes Completed[14] in Past Year

As of 2015, over 70% of builders had finished between one and five homes in the past year. Over half (56%) of builders reported they had finished building between 1 and 2 homes, followed by 21% reporting no homes finished and 17% reporting between 3 and 5 homes finished. The proportion of builders reporting more than 5 homes completed in the past year was low, 1% for each category of 11 to 20 homes, 21 to 50 homes, and 51 or more homes.

Figure 24: Percentage of Builders by Number of Homes Completed, 2015

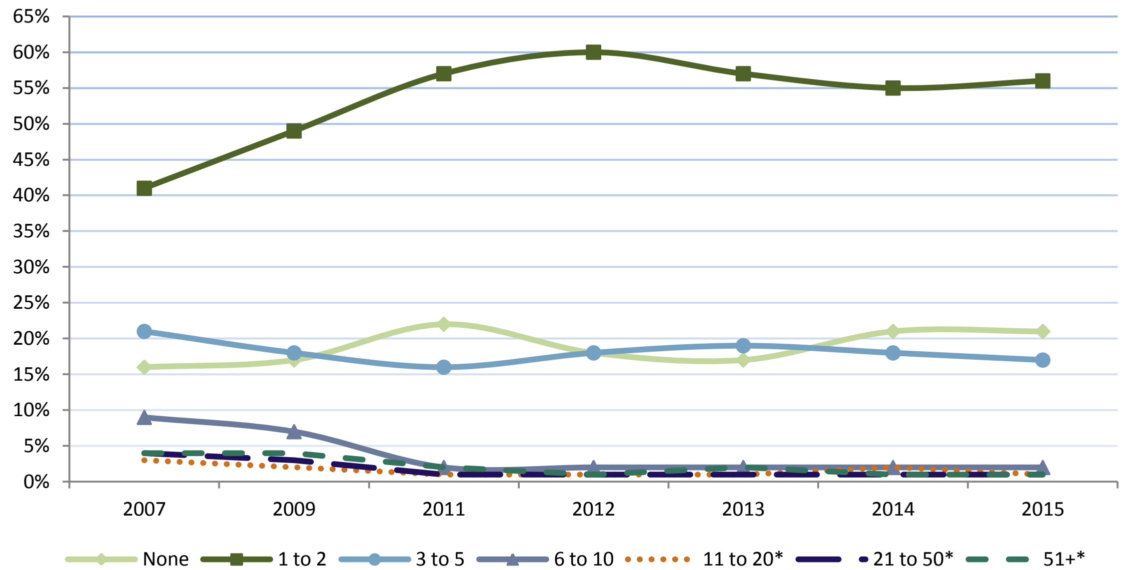


* Response category grouping different prior to 2012.

[14] Only homes that have been finished in the past year, does not includes homes that were started but unfinished.

The average number of homes completed in the past year was 3.9 per builder, close to the 2012 low of 3.6 and considerably lower than the 2007 peak of 12.9 homes. Reflecting the decline in the average number of completed homes between 2007 and 2015, the proportion of builders reporting no homes completed increased 5 percentage points and the proportion of those reporting between 1 and 2 increased 15 percentage points. The proportion of builders reporting 3 to 5 homes and 6 to 10 homes completed fell by 4 and 7 percentage points respectively over the same time period.

Figure 25: Percentage of Builders by Number of Homes Completed, 2003-2015



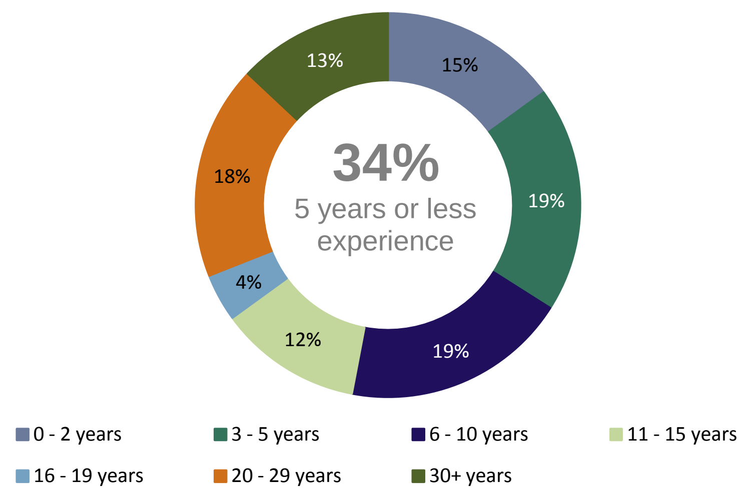
* Response category grouping different prior to 2012.

Builder Profile

Industry Experience

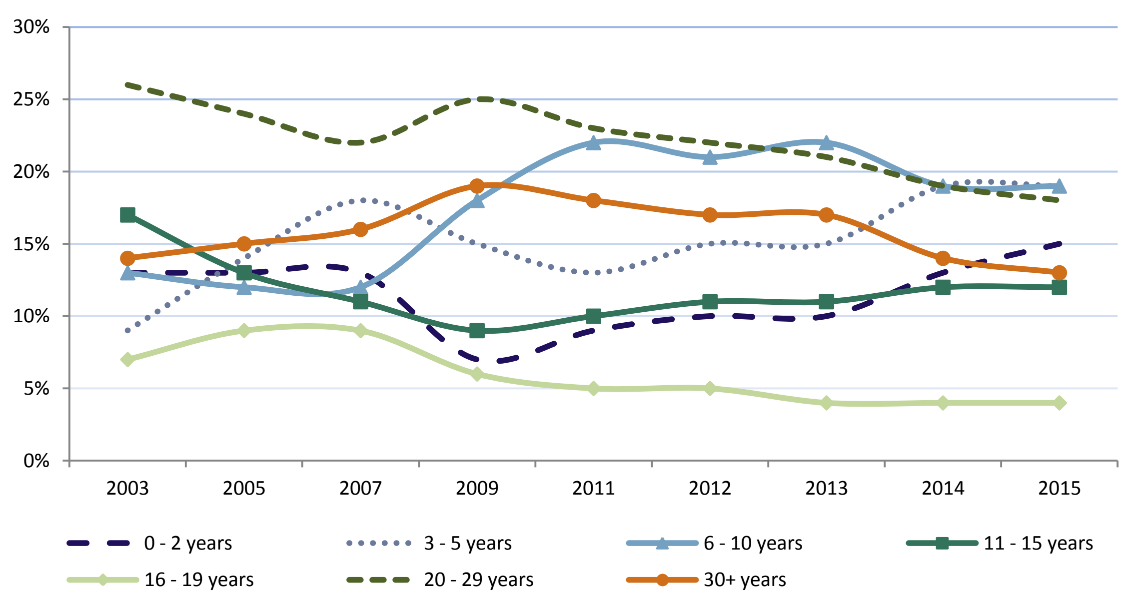
Nearly a third (31%) of BC builders had been in the industry for 20 years or more in 2015. Over one third (34%) had 5 years or less of industry experience. Approximately half of builders had 10 years or less of experience at 53%.

Figure 26: Percentage of Builders by Years of Industry Experience, 2015



In 2015, the average builder tenure was 14 years, down from the 2009 peak of 17 years and unchanged from 2014. Since 2003 the proportion of builders with 2 to 5 years experience increased 10 percentage points and the proportion of builders with 6 to 10 years experience increased 6 percentage points. The proportion of builders with 20 to 29 years of experience saw the largest decline, 8 percentage points since 2003, followed by those with 11 to 15 years experience at 5 percentage points.

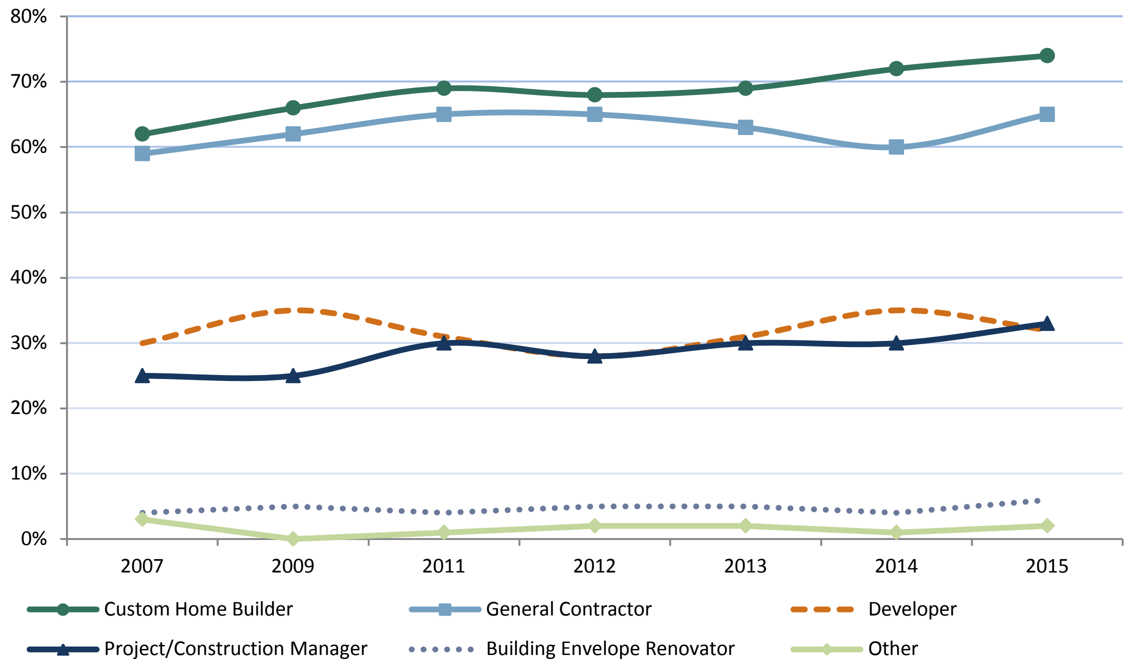
Figure 27: Percentage of Builders by Years of Industry Experience, 2003-2015



Type of Licensed Residential Builder

Consistent with past trends, **in 2015 74% of builders considered themselves custom home builders**, while 65% considered themselves general contractors. As well, 33% of builders classified themselves as project/construction managers while another 32% as developers.

Figure 28: Percentage of Builders by Type, 2007-2015



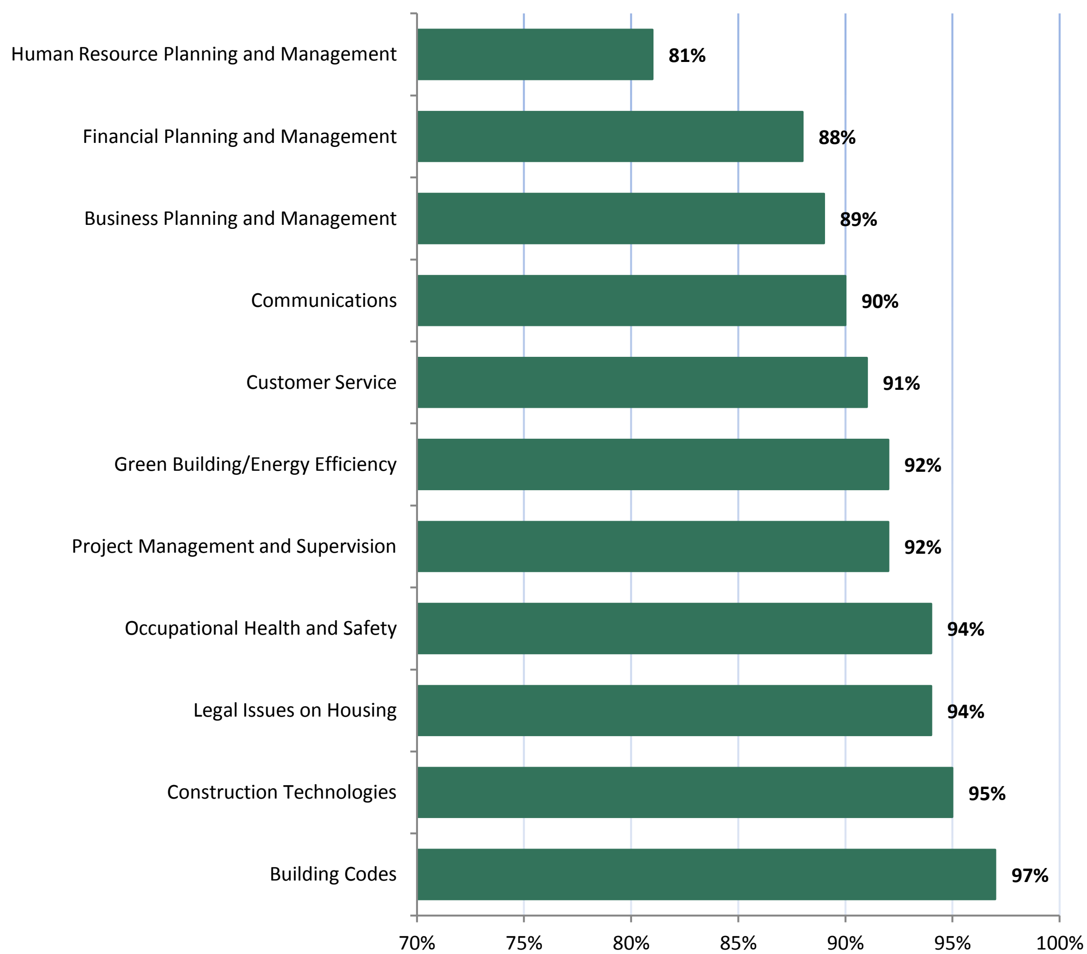
Builder Education and Training

Importance of Education and Training by Subject Areas

From a list of 11 education and training (E&T) subject areas presented to builders, all were deemed to be at least somewhat important by a large proportion of respondents**. In 2015, over 95% of builders surveyed considered building codes (97%) E&T to be somewhat or very important, followed by construction technologies (95%) and occupational health and safety (94%).** Less than 90% of builders identified business planning and management (89%), financial planning and management (88%) and human resource planning and management (81%) as somewhat or very important in 2015.

Between 2014 and 2015, the proportion of builders identifying an E&T area as important only increased for green building/energy efficiency (1 percentage point). The largest decrease occurred in human resource planning and management, with a 4 percentage point decline. However, between 2011 and 2015, the proportion of builders identifying human resource planning and management as important increased the most (12 percentage points), followed by communications (8 percentage points) and business planning and management (7 percentage points).

Figure 29: Importance of Education and Training (E&T) by Subject Area, 2015



Other findings include:

- **Builders by Region –** Between 95% and 100% of builders by region consider building codes to be somewhat or very important. The highest proportion of builders agreed that building codes were somewhat or very important across all regions, with the exception of the Okanagan, where construction technologies had the highest proportion considering it to be important (98%), and the Kootenays, where it tied with construction technologies (96%). Relative to the provincial average, Lower Mainland builders were more likely to consider all E&T areas to be important, while Kootenay builders were generally less likely to consider E&T areas to be important (with the exception of construction technologies).
- **Builders by Housing Type –** Building codes had the highest proportion of builders that considered it to be important, ranging between 97% and 100%, while human resource planning and management was consistently the lowest, ranging between 80% and 88%. Builders that worked on multi-unit high rises were the most likely to consider a specific E&T area important, with the exception of green building/energy efficiency. In contrast, builders of row houses, town homes, and duplexes were the least likely to consider an E&T area important, with the exception of human resource planning and management, financial planning and management, and communications.
- **Builders by Experience –** Across all experience levels, builders indicated that building codes were the most important E&T area, ranging from 97% to 99% agreeing it was somewhat or very important. With the exception of construction technologies and green building/energy efficiency, builders with 3 to 5 years experience were most likely to consider an E&T area important, while builders with 20 years or more experience were least likely to consider an E&T area important (with the exception of business planning and management).

In 2015, over 60% of builders reported that they wanted more E&T in building codes, followed by construction technologies (57%) and green building/energy efficiency (48%). Builders were least likely to report wanting more E&T in human resource planning and management (12%), communications (13%), and customer service (15%).

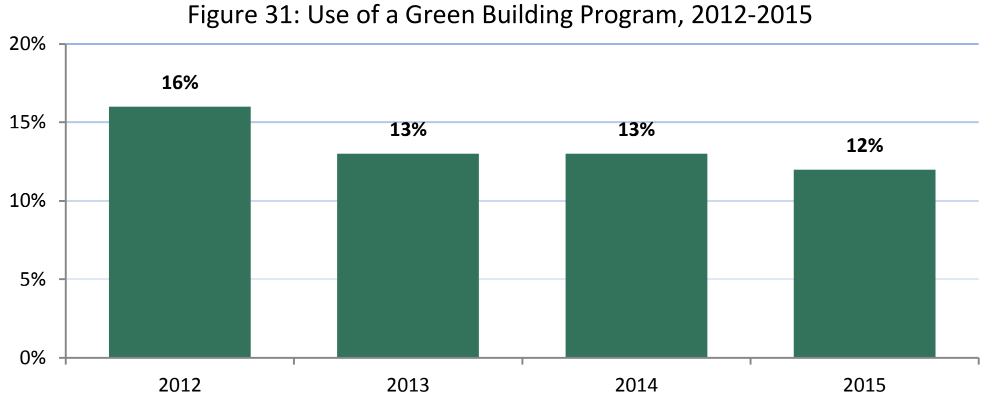
Since 2011, building codes, construction technologies, and green building/energy efficiency have been the top three areas in which builders would like more education and training. Between 2011 and 2015, the proportion of builders wanting more training in building codes grew the most at 39 percentage points, followed by construction technologies (31 percentage points), legal issues on housing (22 percentage points), and occupational health and safety (20 percentage points). All E&T areas between 2014 and 2015 had an increase in interest, with the exception of financial planning and management and green building/energy efficiency which stayed constant, and project management and supervision, which declined 1 percentage point. Between 2014 and 2015, the proportion of builders interested in more E&T increased the most for building codes (7 percentage points), legal issues on housing (6 percentage points) and construction technologies (5 percentage points).

Figure 30: Desire for More Education and Training (E&T) by Subject Area, 2011-2015

Green Building

In 2015, 12% of builders reported building homes in the last year that were part of a green building program. The level of builders reporting **green building program participation in 2015 was the lowest across available survey years.**

Figure 31: Use of a Green Building Program, 2012-2015

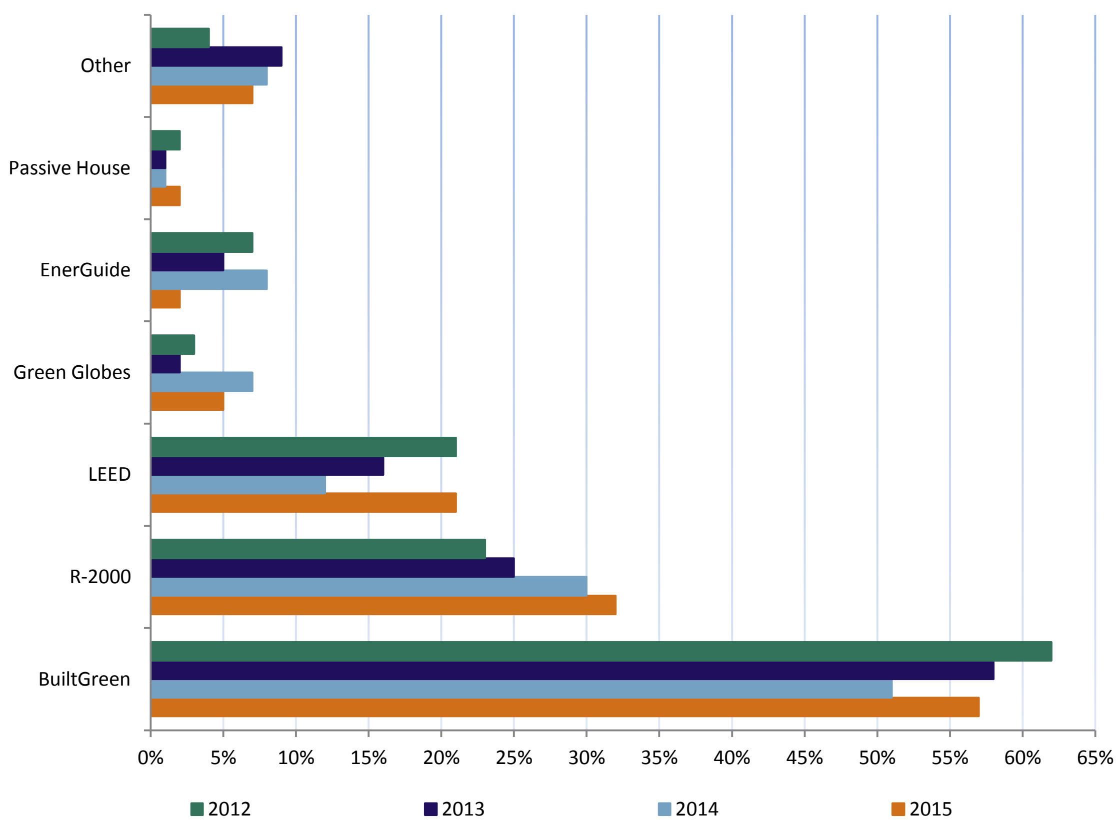


Other survey findings include:

- **Builders by Region –** At 15%, Kootenay[15] builders were most likely to report participation in a green building program, followed by Lower Mainland builders at 14%. Central and Northern BC (1%) and Okanagan (7%) builders were the least likely to report green building program participation.
- **Builders by Housing Type -** Builders building multi-unit high rises reported the highest levels of green building programs participation (39%), while builders building single detached were the lowest (12%).
- **Builders by Experience -** Builders with between 11 and 19 years of experience were the most likely to participate in green building programs at 15%. At 8%, builders with 2 years or less experience were the least likely to report green building program participation.

Among green building program participants, participation in BuiltGreen increased from 51% to 57% of respondents between 2014 and 2015, but remained below the 2012 peak of 62%. The proportion of builders in LEED also increased between 2014 and 2015 from 12% to 21%, and was on par with the level recorded in 2012. Between 2012 and 2015, only R-2000 had a steady increase in participation levels, from 23% in 2012 to 32% in 2015.

Figure 32: Breakdown of Green Building Programs by Use, 2012-2015



[15] Caution: small base size.

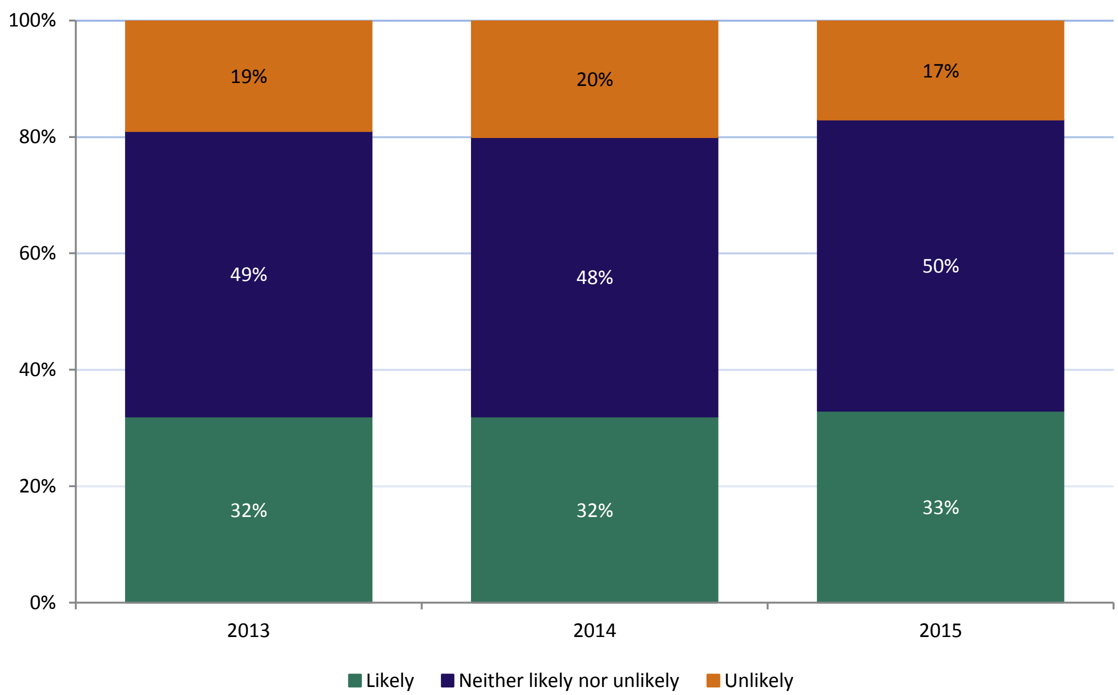
Universal Housing Design

In 2015, a third (33%) of builders anticipated they would build homes in the next two years that would incorporate universal design features.

Other survey findings include:

- **Builders by Region –** At 35%, Lower Mainland builders were most likely to report they would incorporate universal design features, followed by 32% of Kootenay builders, 30% Southern Island builders, 26% of Okanagan, and 22% of Central/Northern BC builders. At 54% neither likely nor unlikely, Okanagan builders were the most uncertain if they would incorporate universal design features.
- **Builders by Housing Type –** Half (50%) of builders building high-rises reported they were likely to incorporate universal design features, substantially higher than builders of other housing types at between 33% and 42%. Builders of single detached homes were the mostly likely to be unsure, with 50% reporting they were neither likely nor unlikely to incorporate universal design features.
- **Builders by Experience –** Builders with two years or less experience were the least likely to report incorporating universal design at 28%, while builders with between 11 and 19 years experience were the mostly likely at 41%. Builders with two years or less experience were also the most likely to be unsure, with 60% reporting they were neither likely nor unlikely to incorporate universal design features.

Figure 33: Likelihood of Building Homes in the Next Two Years which Incorporate Universal Housing Design Features, 2013-2015



The main reasons builders provided for incorporating universal housing design features were to meet market demand (29%), to accommodate an aging population (22%), and to provide greater accessibility (15%). Top reasons for being unlikely to incorporate such features were higher cost (28%) and lack of market demand (27%).

New Residential Construction Activity Predictions

In 2015, 44% of builders reported that they expected an increase in the level of construction activity over the next 12 months in the area they operate, and 49% expected that their company's construction activity will increase. Few builders predicted that over the next 12 months building activity would decrease. Between 2013 and 2015, builders have consistently reported a greater expectation that their company's level of activity will increase relative to the area in which they operate. Overall, the expectation of increases in construction activity in 2015 is comparable to that reported in 2014, and higher than what was reported in 2013.

Other survey findings include:

- **Builders by Region –** Relative to the rest of BC, builders in the Lower Mainland were the most optimistic about their company's level of activity, with 54% expecting an increase. Builders in the Kootenays and Central and Northern BC were the most pessimistic, with below 30% of builders for each area reporting that they expected an increase. Builders in Central and Northern BC were the most likely to expect a decrease in their company's activity at 15%, followed by 14% of builders in the Kootenays.
- **Builders by Housing Type –** Across housing types, over 50% of builders building multi-unit high-rises and low-rises expected an increase in their construction activity, while builders of row homes, townhouses and duplexes were the least optimistic at 46%.
- **Builders by Experience –** Builders with 2 or fewer years of experience were the most likely to expect an increase in their construction activity at 63%. In contrast, 38% of builders with 20 years or more experience expected an increase.

Figure 34: Predicted Construction Activity in Area Where you Operate, 2013-2015

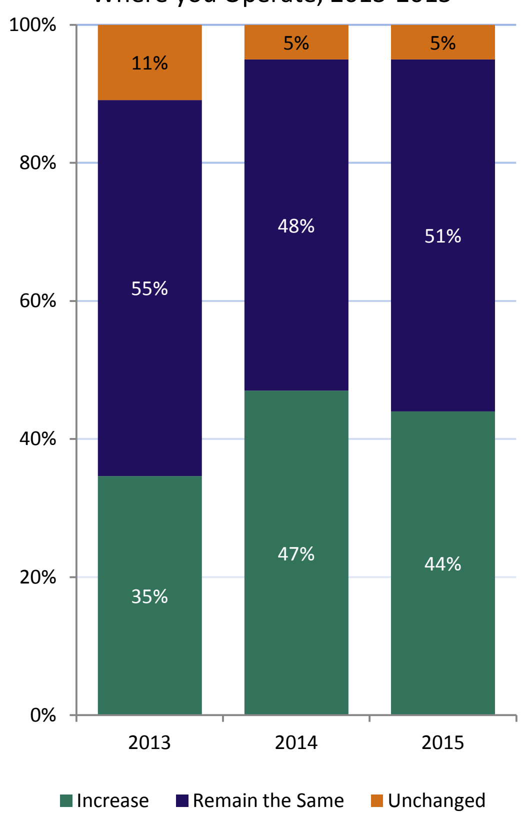
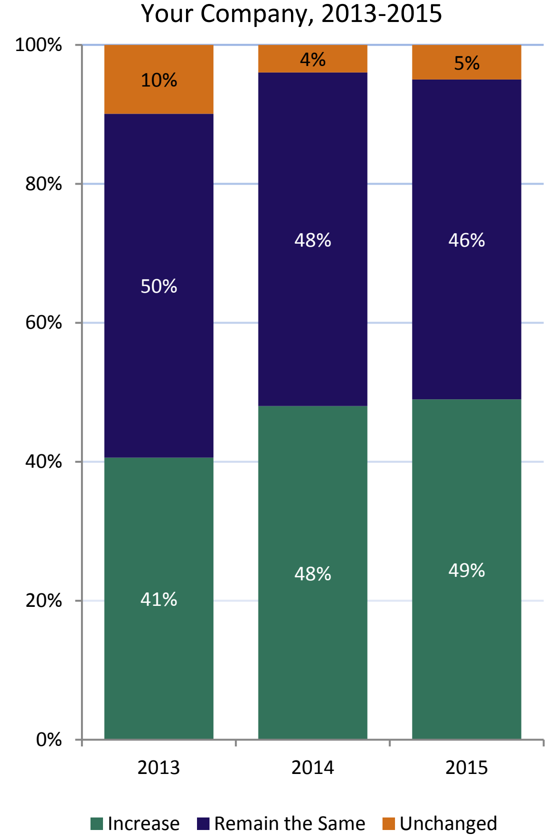


Figure 35: Predicted Construction Activity for Your Company, 2013-2015



Appendix 1: Methodology

New Home Registration

BC Housing is responsible for the *Homeowner Protection Act*, and is mandated to increase consumer protection for new home buyers and help bring about improvement to the quality of residential construction. Under the Act, all new homes in BC must be registered prior to the issuance of building permits and housing starts. The new home registration data measures residential construction activities at the beginning of a project before construction commences.

New home registration data are collected from Licensed Residential Builders and owner builders through the New Home Registration forms and Owner Builder Authorization applications. Over time, some minor adjustments may be made to the new home registration data as registrations are withdrawn or cancelled from home warranty insurance.

This report provides information on registered new homes by building type, building size, and building locationFigures for registered new homes include both multi-unit and single detached new homes enrolled with home warranty insurance and Owner Builder Authorizations. Calculations for homes in rental buildings have been presented separately. CSA-approved manufactured homes (mobile homes and factory-built homes), floating homes, non-stratified hotels, motels, dormitories and care facilities are excluded from the definition of new home.

Geographical terms in this publication are based on Statistics Canada's 2006 Census area. In February 2009, the regional district of Comox-Strathcona was replaced by two successor regional districts, Comox Valley and Strathcona.

In collaboration with BC Housing, the Bank of Canada conducted a study to assess whether or not new home registration data can be used as a leading indicator for economic activity in BC. Study findings reveal that quarterly increases in new registrations for single detached homes have statistically significant predictive content for growth in real Gross Domestic Product (GDP) over the next one to three quarters, providing stronger signals compared to housing starts and building permits over this forecast horizon. To view the report, go to the Staff Discussion Papers section on the Bank of Canada's website: http://www.bankofcanada.ca/wp-content/uploads/2016/02/sdp2016-3.pdf

New home registration data are available upon request. Data inquiries should be directed by email to: technicalresearch@bchousing.org.

Licensed Residential Builder Survey

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder[16] profile (industry experience, type of builder), their construction activities, and their satisfaction and perceptions related to research and education projects.

The survey was conducted in odd years between 2003 and 2011 and every year between 2012 and 2015. For the 2015 survey, a list of 6,652 builders in BC was provided. Email invitations to the survey were sent out to 5,682 builders who were in good standing and did not have an expired, suspended or cancelled license. A total of 1,288 surveys were completed online by the builders, representing a response rate of 22.7%.

To ensure the final sample of builders accurately reflected the total population and composition of BC builders, mathematical weights were applied based on region (for example, the area of BC where they primarily build) and the number of homes built/started in the past year. The following table shows the original unweighted sample sizes for these two factors, the actual proportions needed, and the final weighted sample sizes.

Sample Surveyed and After Weighting

	Sample Surveyed	Sample After Weighting
Region		
Lower Mainland	786	869
Southern Islands	240	204
Okanagan	145	127
Kootenays	62	44
Central and Northern BC	55	44
Homes Built or Started in Past Year		
<6 units	1,093	1,214
6 to 20 units	134	36
21 to 50 units	29	14
51+ units	32	24

Note: Lower Mainland includes Metro Vancouver, Fraser Valley, Sunshine Coast, Whistler and Pemberton area. Southern Islands includes Vancouver Island and the Gulf Islands.

The following table shows the maximum margins of error at 95% level of confidence for this survey's single sample sizes found in this study. Margins of error have been rounded to full percentages to correspond with the data presented in this report.

Survey Margins of Error

	Margins of Error (95% confidence)
Lower Mainland	+/-3%
Southern Islands	+/-6%
Okanagan	+/-8%
Central/Northern BC	+/-12%
Kootenays	+/-13%

[16] Includes licensed developers, custom home builders, general contractors, building envelope renovators, project/construction managers, and others.

Appendix 2: Glossary

Type of Home	*Description*	*Enrolled in Home Warranty Insurance*
Enrolled Single Detached Home	Registered single detached homes with home warranty insurance.	Yes
Owner Built	Individuals building a single detached home for their own personal use and who directly manage the construction of the new home may obtain an Owner Builder Authorization and be exempt from licensing and home warranty insurance requirements.	No
Enrolled Multi-Unit Home	Registered new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance and does not include new homes purpose-built rentals.	Yes
Purpose-built Rental	New homes in multi-unit buildings that qualify for the rental exemption from home warranty insurance. Homes constructed under a rental exemption must be constructed for rental purposes, including social housing, and have a restrictive covenant registered on title restricting the sale of any dwelling unit for a 10-year period.	No