

2020

BC Residential Building Statistics & Trends Report



BC HOUSING

RESEARCH CENTRE



ABOUT BC HOUSING

BC Housing develops and administers a wide range of initiatives supporting different housing options across British Columbia. In partnership with the private and non-profit sectors, provincial health authorities and ministries, other levels of government and community groups, BC Housing increases affordable housing solutions for British Columbians.

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 the province. BC Housing fulfils this mandate by monitoring and enforcing the mandatory third-party home warranty insurance on all new homes constructed in B.C., licensing residential builders and maintaining a register of new homes and performing research and education functions to advance and promote better building and retrofit practices to benefit B.C.'s residential construction industry and consumers.

BC Housing's Research Centre works in collaboration with housing sector partners to foster excellence in residential construction and find innovative solutions for affordable housing in British Columbia. Sharing leading-edge research, advances in building science, and new technologies encourages best practice. The Research Centre identifies and bridges research gaps to address homelessness, housing affordability, social housing challenges and the needs of distinct populations. Mobilizing knowledge and research expertise helps improve the quality of housing and leads to innovation and adoption of new construction techniques, Building Code changes, and enhanced education and training programs.

Sign up to receive the latest news and updates from the BC Housing Research Centre at www.bchousing.org/subscribe.

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Introduction

The *B.C. Residential Building Statistics & Trends Report* presents an analysis of new construction activities and the state of Licensed Residential Builders (LRBs) and Licensed Building Envelope Renovators (BERs). This report provides forward-looking market information and insights for residential construction professionals and homeowners seeking market intelligence and current industry trends to plan ahead and make informed decisions. Data provided in this report are collected through several channels:

- › All new homes in British Columbia (B.C.) must be registered with BC Housing before the issuance of building permits and construction starts. New home registration data is a leading indicator¹ of housing and economic activity in B.C., providing information on registered new homes by building type, location, and building size.
- › LRBs and BERs are licensed by BC Housing. To obtain home warranty insurance, LRBs and BERs must apply for and be accepted for home warranty insurance coverage by a warranty insurance provider. Further information on both home warranty insurance and builder licensing is available on the BC Housing website.
- › The Licensed Residential Builder Survey is an annual province-wide quantitative survey covering the typical builder profile (industry experience, builder types), construction activities, and satisfaction and perceptions related to research and education initiatives.
- › The Current New Homeowners Survey and the Prospective New Home Buyers Survey are conducted every two years as part of a province-wide Consumer Survey. Results of the 2020 Consumer Survey are included in this report.

“The Trends Report is a targeted snapshot of residential development in BC with detailed, region by region, consumer data presented by building type. Industry experts will appreciate the forecast opportunity this business intelligence provides.”

*Anne McMullin
President and CEO
Urban Development Institute*

The B.C government declared a state of emergency in relation to the COVID-19 pandemic in March 2020. The pandemic altered typical personal and business behaviour patterns. As a result, readers should be aware that the data covered in this report has likely been affected.

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

2020 Residential Building in BC



Home Registration Data

31,957
Total new registered homes



down
27.5%



22,315
New homes in multi-unit buildings



down
37.0%



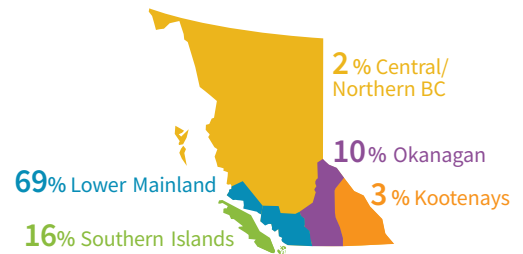
Builder Data

7,993
Licensed Residential Builders

76
Building Envelope Renovators

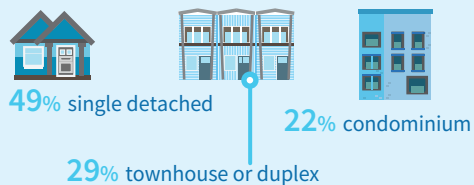


Where builders work by region

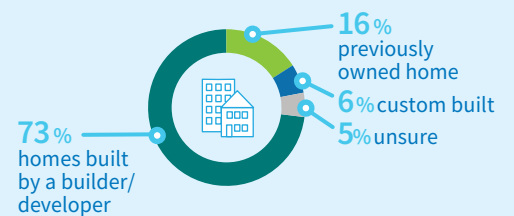


Consumer Data

What **type of home** do new home buyers want?



What do prospective new home buyers **plan to purchase**?





9,642

New single-detached homes



up
11.5%



8,400

Purpose-built rentals



down
36.7%



Builders by building type

96% built single-detached homes



26% built row/townhouse/duplex



9% built multi-unit low rise

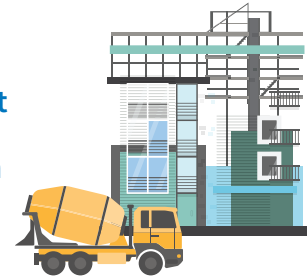


3% built multi-unit high rise



46%

of builders **expect an increase** in their construction activity



97% of new homeowners feel confident knowing their home was **built by a licensed residential builder**



83%

of new homeowners **are satisfied** with the construction of their home



New Home Registrations

2020 Highlights

- › Close to 32,000 new homes were registered, a 27.5% decrease from 2019 and the lowest recorded since 2014
- › The decline in total registrations was driven by multi-unit homes, which declined by 37.0% between 2019 and 2020
- › Between 2019 and 2020, registrations of single detached homes increased by 11.5%, the first increase since 2016

OVERVIEW

Under the *Homeowners Protection Act*, all new homes in B.C. must be registered with BC Housing 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 respectively. In addition to registration, single detached and multi-unit homes constructed by LRBs are required to be covered by home warranty insurance in B.C. Over time minor adjustments may be made to new home registration data as registrations are withdrawn or cancelled from home warranty insurance.

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

Registered new homes in multi-unit buildings (two or more dwelling units) include new homes enrolled with home warranty insurance and new homes in multi-unit rental buildings with a home warranty insurance exemption.

Registered new single detached homes are new homes enrolled with home warranty insurance or with an Owner Builder Authorization issued by the Registrar of BC Housing.

“Access to this type of public information is invaluable for housing researchers, policymakers and planners. The new homes registration data supports evidence-based approaches to understanding the housing system and developing innovative solutions along the housing continuum.”

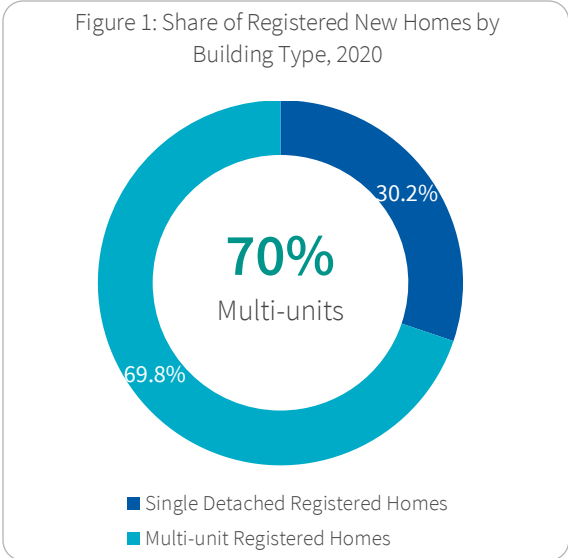
*Penny Gurstein, Director
Housing Research Collaborative
University of British Columbia*

REGISTERED AND ENROLLED NEW HOMES

The COVID-19 pandemic has considerably affected both the residential construction industry and home buyer behaviour. Although residential construction was considered an essential service in B.C., the industry has been impacted by new public health requirements and supply chain instability.

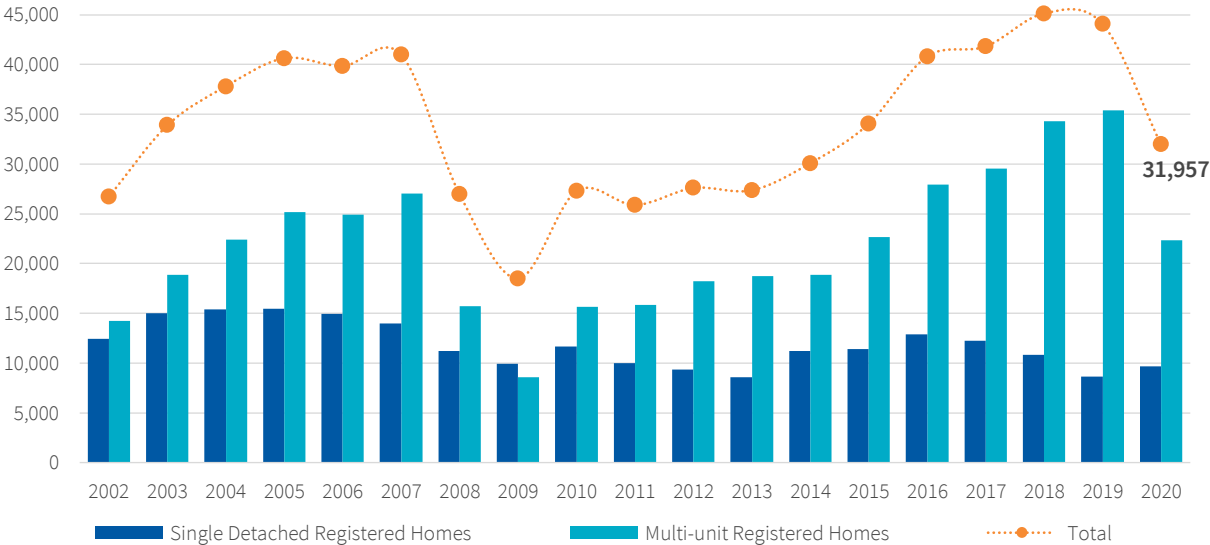
At 31,957 registered new homes² recorded, 2020 was the lowest since 2014 when 30,079 were registered. Of the 31,957 registered new homes, 22,315 were in multi-unit buildings³ and 9,642 were single detached homes⁴.

The total number of registered homes in 2020 was down 27.5% from 2019. The last time the total number of registered homes fell at a similar rate over a one-year period was from 2007 to 2008 during the Canadian housing market recession (a 34.2% decline) and then again from 2008 to 2009 (a 31.4% decline).



After increasing each year since 2009, the number of multi-unit homes declined by 37.0% in 2020 (22,315) compared to 2019 (35,400). As a proportion of total registrations, homes in multi-unit buildings accounted for 69.8%, down compared to 2019 when they accounted for 80.4%. The number of single detached homes registered in 2020 (9,642) was greater than in 2019 (8,650), which was the first time since 2016 that single

Figure 2: Number of Registered New Homes by Building Type, 2002-2020



² Over time minor adjustments may be made to the figures as registrations are withdrawn or cancelled. New home registration data is accurate as of January 4, 2021.

³ 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, and new homes in multi-unit rental buildings which are exempt from home warranty insurance.

⁴ “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 BC Housing.

detached home registrations increased over the previous year. Single detached homes accounted for 30.2% of total registrations, up from 19.6% in 2019.

Of the 22,315 multi-unit homes registered in 2020, 62.4% (13,915) were multi-unit homes enrolled in home warranty insurance and 37.6% (8,400) were purpose-built rental homes⁵. After peaking in 2019 at 13,269 registrations, the number of purpose-built rental homes declined in 2020 (8,400). Despite this, 2020 was the third highest year on record for number of purpose-built rental homes since 2002.

In 2020, 22,573 homes were enrolled with home warranty insurance, the lowest recorded since 2013 (22,340).

The number of new homes enrolled with home warranty insurance in 2020 (22,573) declined 24.3% from 2019 to 2020. Homes enrolled with home warranty insurance accounted for 70.6% of registered new homes, followed by purpose-built rentals (26.3%) and owner-built homes (3.1%).

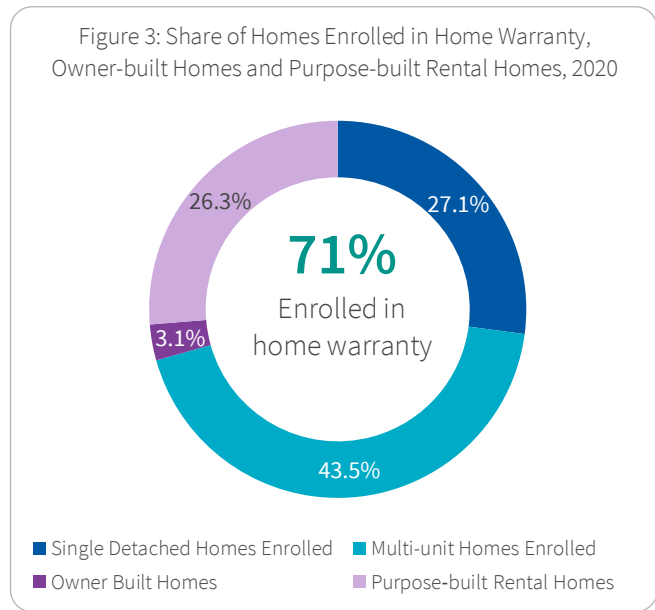
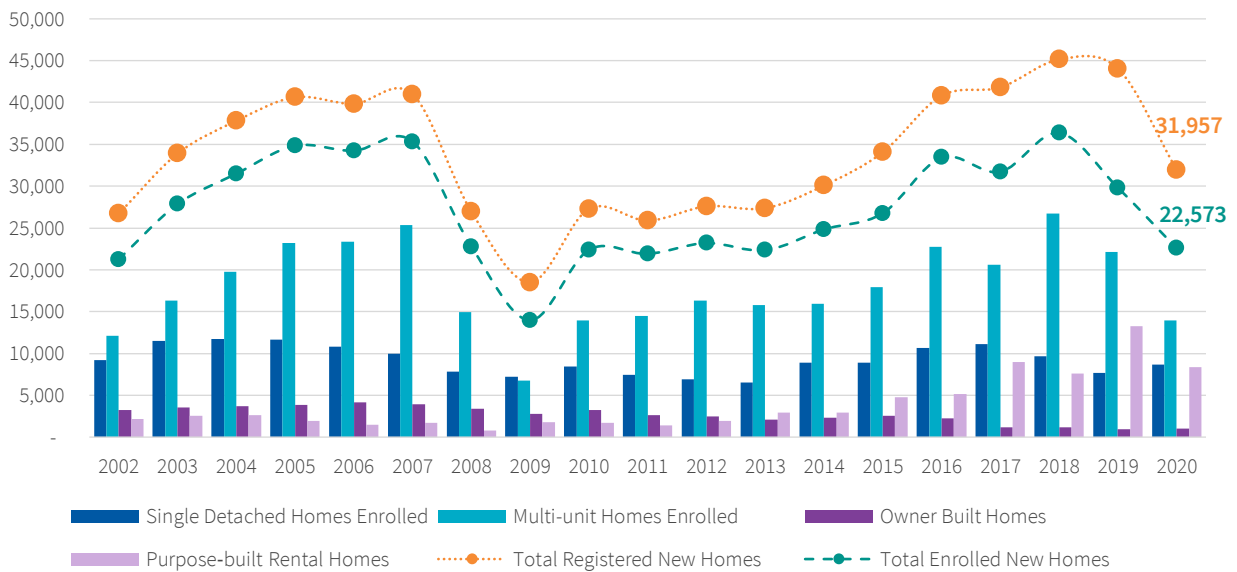


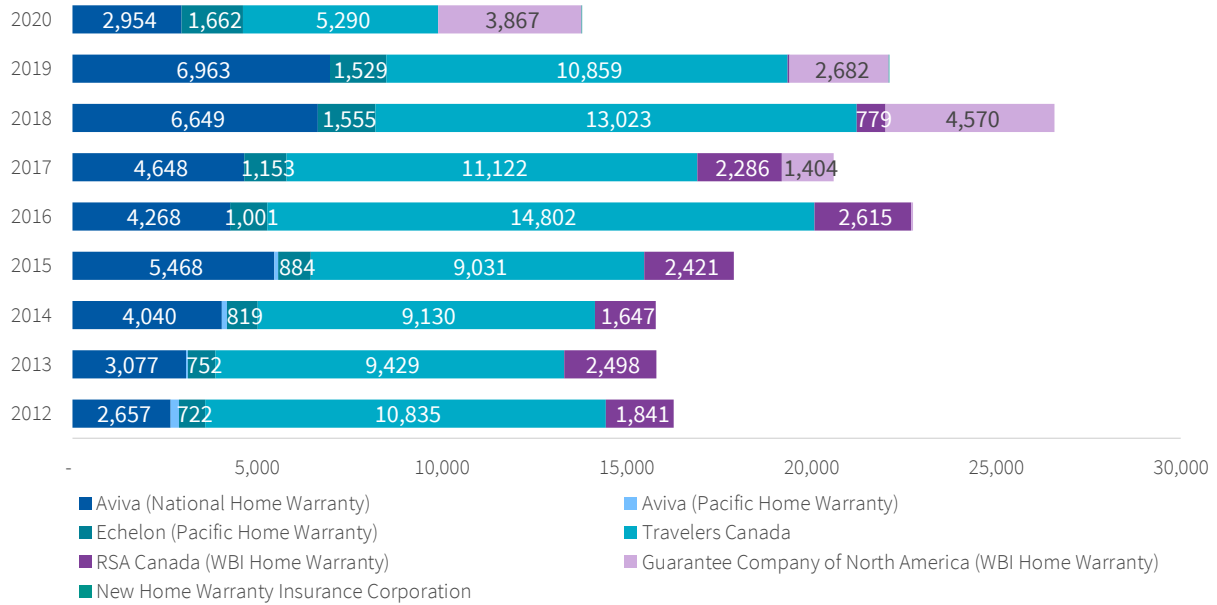
Figure 4: Homes Enrolled with Home Warranty, Owner-built Homes and Purpose-built Rental Homes, 2002-2020



⁵ The total number of purpose built rentals does not include all rental units constructed. Rental units that are enrolled in home warranty insurance would be included in the multi-unit registered total.

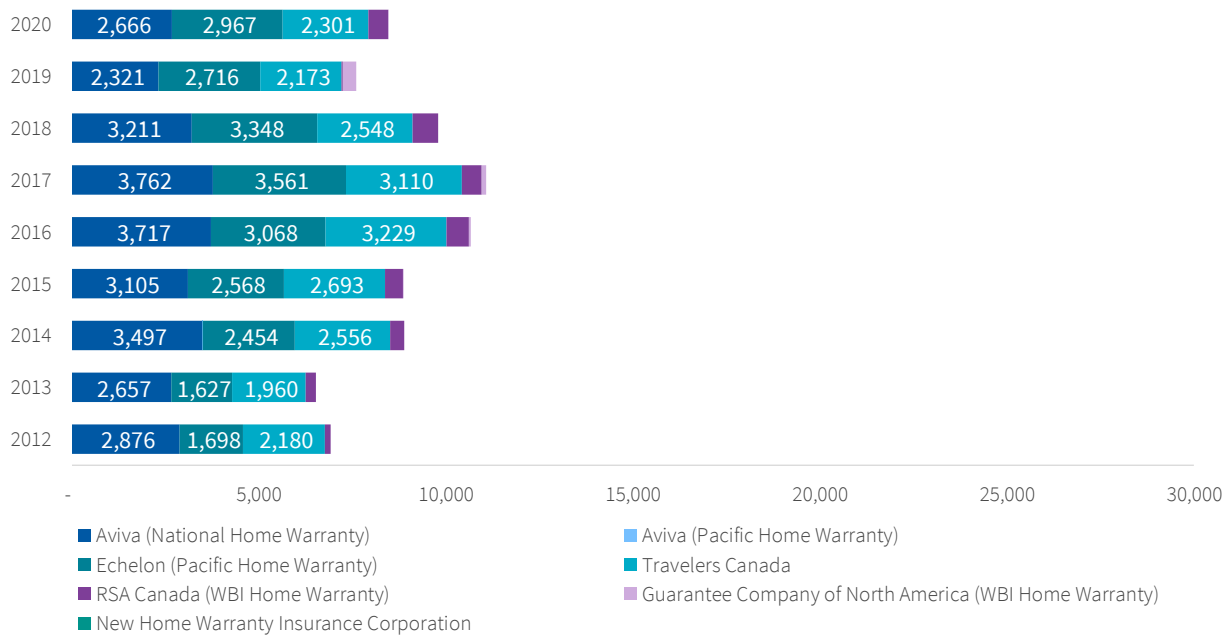
For multi-unit enrollments by warranty provider in 2020, Travelers Canada represented the largest market share (38.3%), followed by Guarantee Company of North America (28.0%).

Figure 5: Market Share of Multi-unit Homes Enrolled by Warranty Provider, 2012-2020



Echelon (Pacific Home Warranty) (35.1%) and Aviva (31.5%) had the largest market shares in single detached home enrollments in 2020. Travelers Canada (27.2%) followed in third place.

Figure 6: Market Share of Single Detached Homes Enrolled by Warranty Provider, 2012-2020



REGION

In 2020, over three-quarters (77.5%) of registered new homes in B.C. were located in Metro Vancouver, the Capital Regional District, the Central Okanagan Regional District, or the Fraser Valley Regional District.

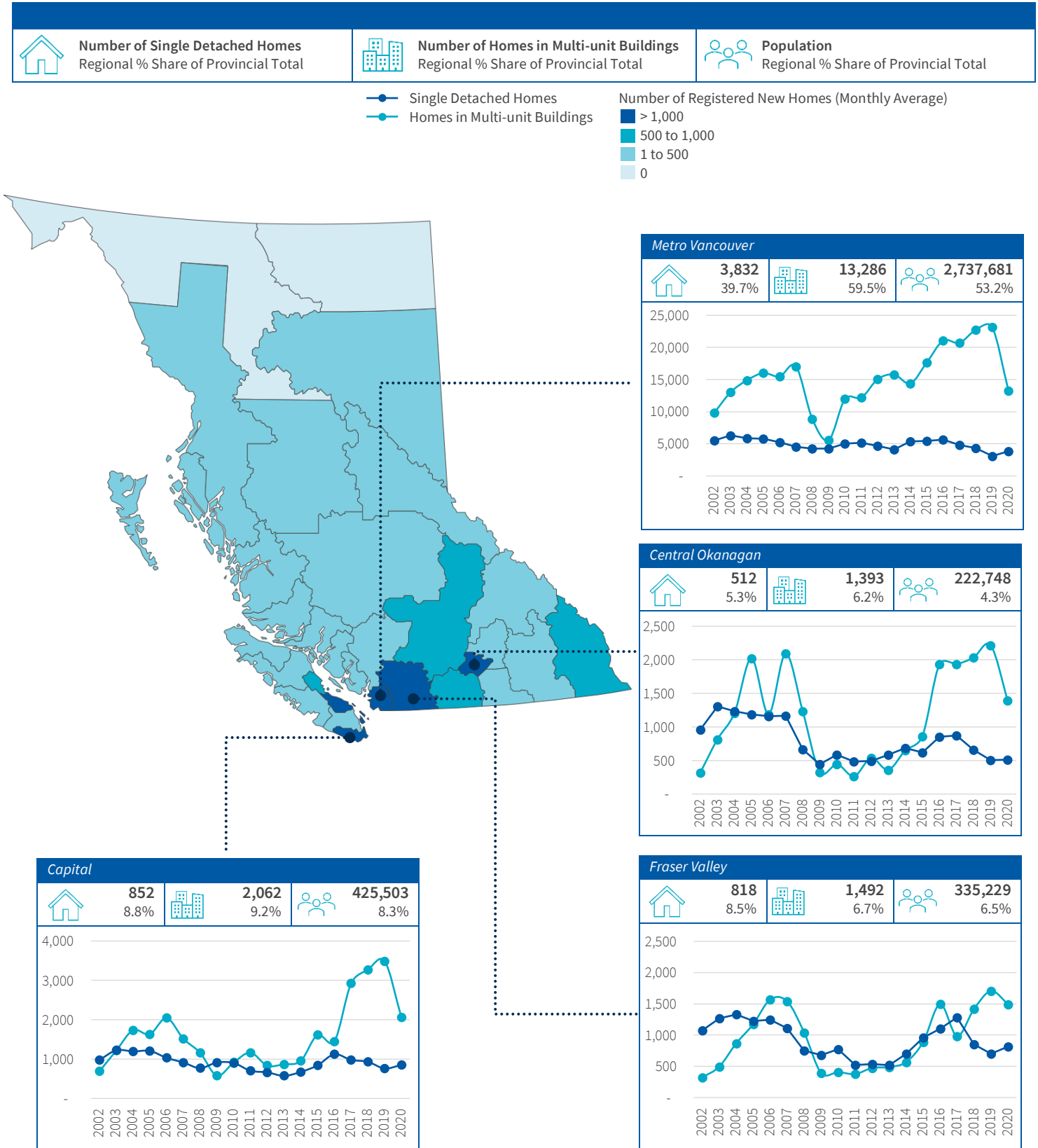
Metro Vancouver accounted for over half (53.6%) of all registered new homes in B.C., followed by the Capital Regional District (9.1%), Central Okanagan Regional District (6.0%), and Fraser Valley Regional District (7.2%).

New home registrations between 2019 and 2020 declined by approximately a third in Metro Vancouver (34.9%), Capital Regional District (31.4%), and Central Okanagan Regional District (30.0%). The Fraser Valley Regional District experienced a more modest 4.1% decline in new home registrations between 2019 and 2020.

The decline in 2020 compared to 2019 across all four regional districts was driven by fewer multi-unit homes. Metro Vancouver (a 42.7% decline) and the Capital Regional District (a 40.8% decline) experienced the greatest decreases, followed by Central Okanagan Regional District (37.1% decline), and the Fraser Valley Regional District (12.5% decline).

Meanwhile, single detached home registrations increased across all four regional districts from 2019 to 2020. There was close to a 25% increase in Metro Vancouver (23.5%), followed by the Fraser Valley Regional District (16.2%) and the Capital Regional District (11.8%). In the Central Okanagan Regional District, single detached home registrations grew more modestly from 2019 to 2020 by 1.4%.

Figure 7: Registered New Homes by Regional District, 2002-2020



MULTI-UNIT BUILDING SIZE

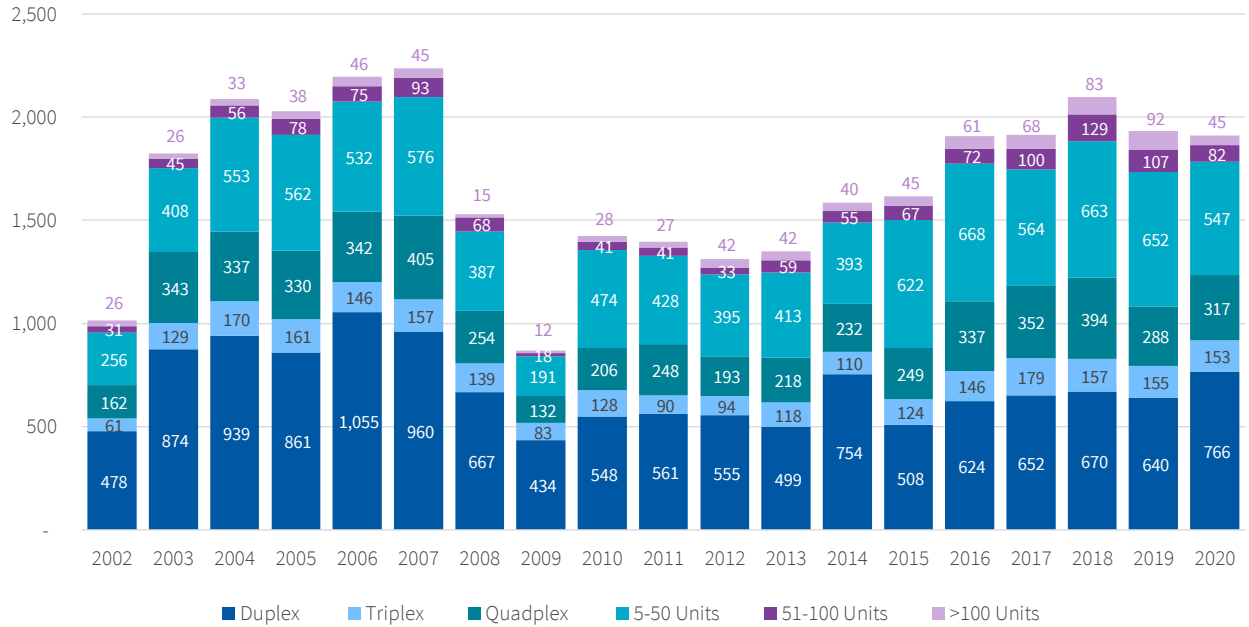
Of the 1,910 multi-unit buildings that were registered in 2020, duplexes were the most popular multi-unit building size (40.1%), followed by buildings with 5 to 50 units (28.6%) and quadplexes (16.6%).

Between 2019 and 2020, the number of buildings registered only increased for duplexes (33.1% to 40.1%) and quadplexes (14.9% to 16.6%). Triplexes held stable at 8.0%, while the remaining building category registrations fell. Buildings with more than 100 units experienced the greatest relative decrease (4.8% in 2019 to 2.4% in 2020, just over a 50% decline), while buildings with 51 to 100 units declined from 5.5% to 4.3%. Those with 5 to 50 units declined from 33.7% to 28.6%.

“A true market-leading indicator, the New Homes Registry data and reports are an invaluable resource for our members when looking to plan and forecast their projects moving forward.”

*Ron Rapp, CEO, HAVAN
Homebuilders Association Vancouver*

Figure 8: Registered New Multi-Unit Buildings by Building Size in B.C., 2002-2020



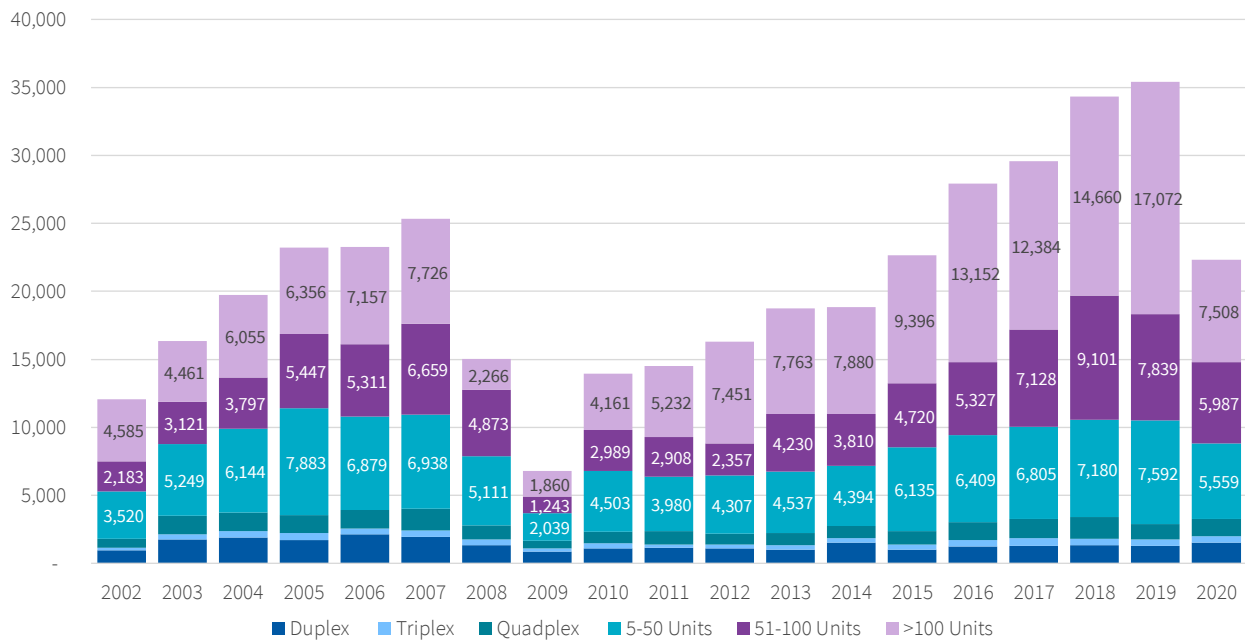
By number of units, buildings with more than 100 units accounted for 33.6% of total registered units, followed by buildings of 51 to 100 units (26.8%) and buildings with 5 to 50 units (24.9%).

While the overall number of registered units fell 37.0% from 2019 to 2020, buildings of more than 100 units experienced the greatest decline (17,072 to 7,508 units). All other building sizes also had decreased numbers of registered units, with the exception of duplexes (increasing from 1,280 units to 1,532) and quadplexes (increasing from 1,152 to 1,268 units).

“National Home Warranty relies on BC Housing’s insightful, data-driven market analysis to strengthen our risk portfolio. It is an effective tool to assist in prospecting, qualifying, and retaining BC’s top builders and developers.”

*Colleen Wilson, President
National Home Warranty*

Figure 9: Registered Units in New Multi-Unit Buildings by Building Size in B.C., 2002-2020



In 2020, the largest building registered in B.C. was located in Burnaby with 345 units. In total there were 10 buildings with 230-plus units registered in 2020, 3 of which had over 300 units. By location, 4 buildings were in Burnaby, 3 in Vancouver, 1 in Coquitlam, 1 in Victoria, and 1 in Kelowna. Of the top 10 largest registered buildings, all were enrolled with home warranty insurance except for 4 purpose-built rentals. In comparison, 10 buildings with 300-plus units were registered in 2019, of which 1 had over 500 units and the rest were between 303 and 474 units.

The following table provides the street addresses of the largest registered multi-unit buildings in 2020.

Table 1. Top 10 Largest Registered Multi-Unit Buildings in B.C., 2020

| Address | City | Number of Units |
|-----------------------|-----------|-----------------|
| 2181 Madison Avenue | Burnaby | 345 |
| 6511 Sussex Avenue | Burnaby | 327 |
| 551 Emerson Street | Coquitlam | 308 |
| 9861 Austin Avenue | Burnaby | 262 |
| 3430 East Kent Avenue | Vancouver | 258 |
| 560 Bernard Avenue | Kelowna | 257 |
| 1700 Blanshard Street | Victoria | 245 |
| 5931 Cambie Street | Vancouver | 238 |
| 9861 Austin Avenue | Burnaby | 237 |
| 5931 Cambie Street | Vancouver | 231 |

Licensed Residential Builders

2020 Highlights

- › The number of Licensed Residential Builders has grown steadily since 2010 and reached a new high of 7,993 in 2020
- › Nearly 70% of B.C. builders reported working in the Lower Mainland
- › B.C. builders reported completing 4.1 homes per year on average
- › Around a third of builders (34%) said the COVID-19 pandemic changed the way they design or plan to design their housing projects

OVERVIEW

The *Homeowner Protection Act* and regulations require that all new homes built in B.C. are built by Licensed Residential Builders (LRBs) and are covered by mandatory, third-party home warranty insurance. BC Housing licenses home builders and is responsible for administering the *Act* and regulations. As part of the enhanced licensing system, builders are required to meet or exceed minimum qualification standards in order to become a new LRB. In addition, current LRBs must participate in continuing professional development activities to keep their license in good standing. These requirements enhance professionalism in the residential construction sector and give home buyers confidence that their home has been built by a qualified builder to a good standard.

The data in this section is from BC Housing’s Builder Licensing Registry as well as the *Licensed Residential Builder Survey*. Further information on licensing requirements is available on the BC Housing [website](#).

“The increasingly competitive B.C. construction market is a hot bed of activity. The BC Residential Building Statistics & Trends Report is as an essential resource for industry experts from across the development and construction supply chain. Having this information allows them to understand market trends and forecasts before making their next strategic move to stay ahead of the pack.”

*Fiona Famulak, President
Vancouver Regional Construction Association*

LICENSING

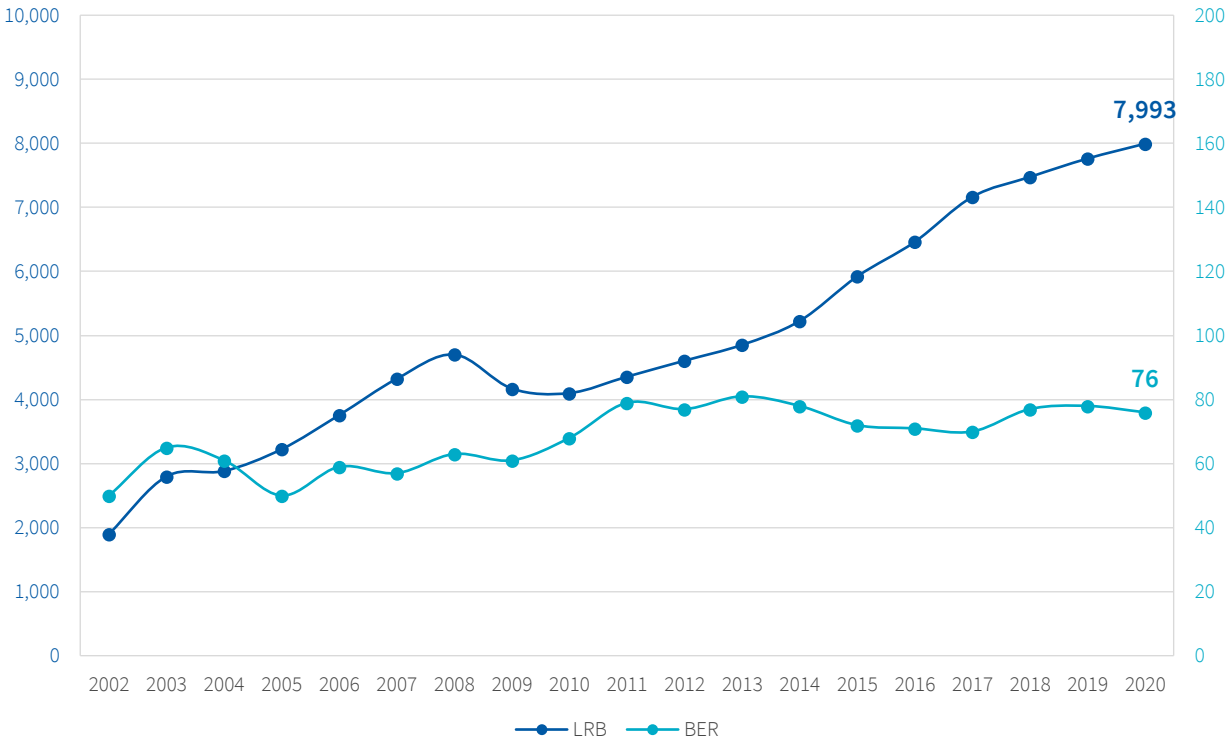
The number of Licensed Residential Builders (LRBs) grew modestly from 2019 to 2020, while the number of Licensed Building Envelope Renovators (BERs) generally remained stable over the same time period.

The number of LRBs has grown continuously since 2010, reaching a new high of 7,993 in 2020. LRBs increased 3.0% compared to 2019. BERs remained fairly stable, decreasing slightly from 78 in 2019 to 76 in 2020.

“Construction is an intensely competitive sector. Success means knowing your market and planning your next move strategically and analytically. The BC Residential Building Statistics and Trends Report provides detailed information that savvy business owners can turn into a competitive advantage.”

*Chris Atchison, President
BC Construction Association*

Figure 10: Number of Licensed Residential Builders and Building Envelope Renovators, 2002-2020



As of January 4, 2021, both Echelon represented by Pacific Home Warranty (34.6%) and Aviva (32.9%) each had approximately one-third of the LRB market share, while Travelers Canada had just over one-fifth (21.8%).

To obtain warranty insurance for new homes and building envelope 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 95 BERs, Aviva accounted for 46 (48.4%), followed by Travelers Canada at 27 (28.4%), and the Guarantee Company of North America represented by WBI Home Warranty at 18 (18.9%).

Of the 7,960 LRBs with warranty acceptance from warranty providers, Echelon accounted for 2,757 (34.6%), followed by Aviva with 2,617 (32.9%), Travelers Canada with 1,736 (21.8%), and the Guarantee Company of North America represented by WBI Home Warranty with 822 (10.3%).

Figure 11. Market Share of Licensed Residential Builders, 2020

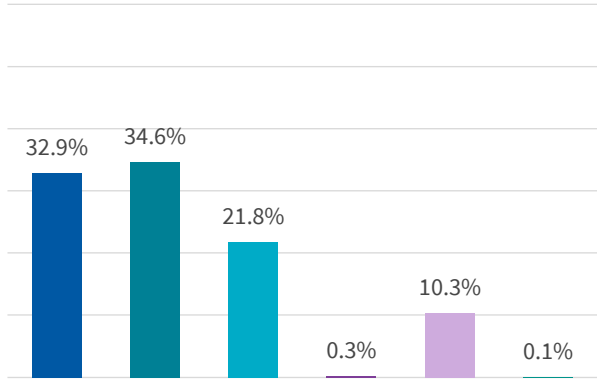
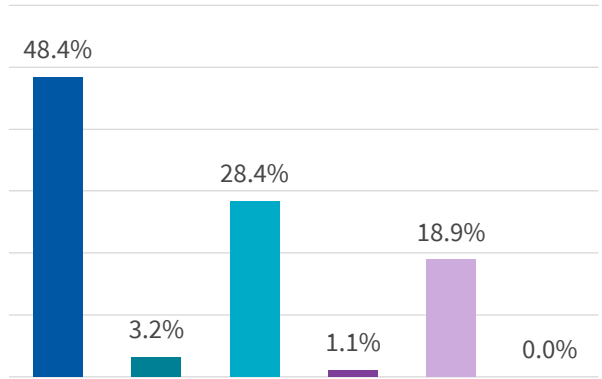


Figure 12: Market Share of Building Envelope Renovators, 2020



- Aviva
- Echelon (Pacific Home Warranty)
- Travelers Canada
- RSA Canada (WBI Home Warranty)
- Guarantee Company of North America (WBI Home Warranty)
- New Home Warranty Insurance Corporation

LICENSED RESIDENTIAL BUILDER SURVEY

Survey Methodology

The *Licensed Residential Builder Survey* is a province-wide quantitative survey that includes questions on the typical builder⁶ profile (industry experience, type of builder), their construction activities, and their satisfaction and perceptions related to research and education projects.

The survey was conducted bi-annually between 2003 and 2011 and annually between 2012 and 2020.

For the 2020 survey, email invitations were sent to 6,429 builders in good standing without expired, suspended, or cancelled licenses. A total of 1,291 builders completed the online surveys which represented a response rate of 20.1%.

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

Two new questions were added to the 2020 survey:

- **Indigenous identity:** This question was added to better understand Indigenous participation in the residential building sector. A total of 1.9% of respondents identified as either First Nation, Metis, or Inuit.
- **Impacts of COVID-19 on housing design:** This question was added to better understand how COVID-19 changes housing design among builders.

Further information on survey methodology is provided in Appendix 1.

⁶Includes licensed developers, custom home builders, general contractors, building envelope renovators, project/construction managers, and others.

Survey Results

Construction Activity

Primary Area of Construction

In 2020, 69% of builders reported working primarily in the Lower Mainland⁷, followed by 16% in the Southern Islands⁸, 10% in the Okanagan, 3% in the Kootenays, and 2% in Central and Northern B.C.

This was almost identical to the 2019 results.

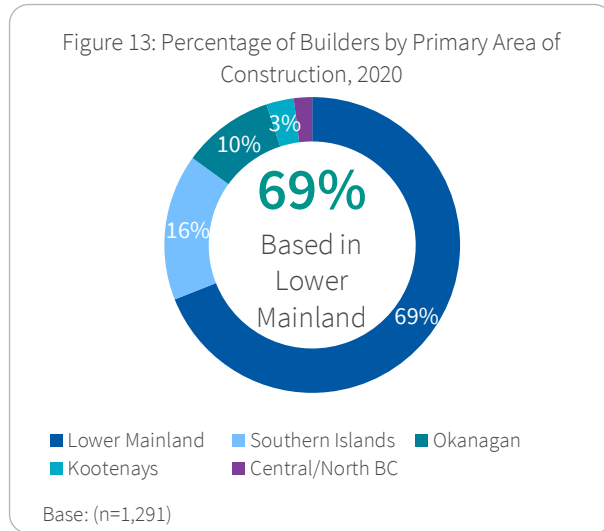
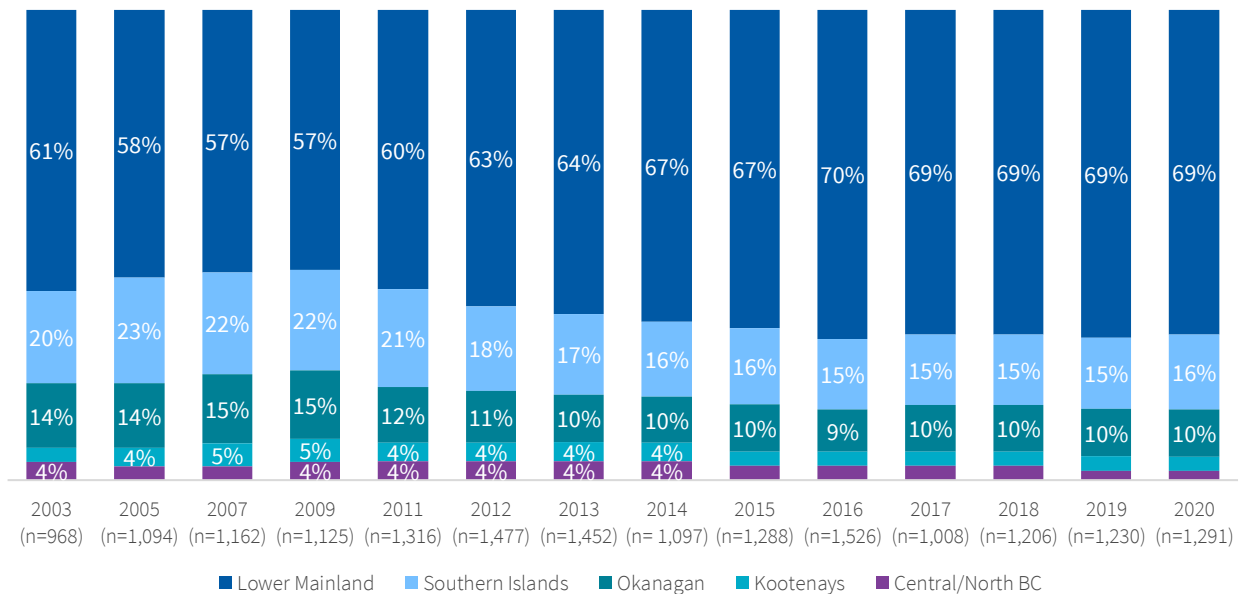


Figure 14: Percentage of Builders by Primary Area of Construction, 2003-2020



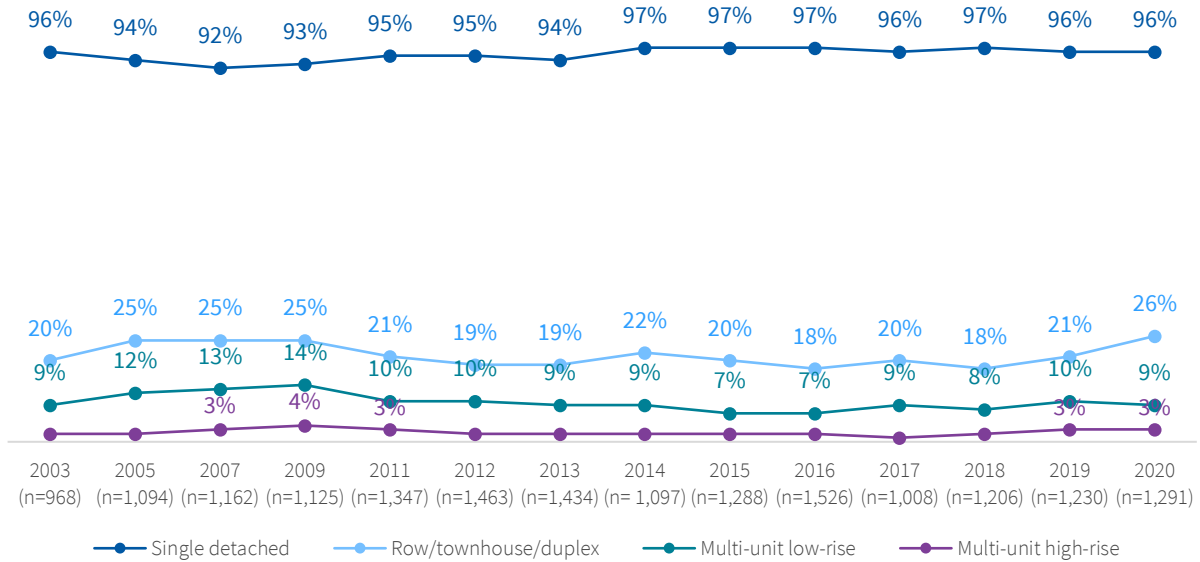
⁷ For the purposes of this survey, the Lower Mainland region includes Metro Vancouver, the Fraser Valley, the Sunshine Coast, and the area from Squamish to Whistler.

⁸ The Southern Islands includes Vancouver Island and the Gulf Islands.

Housing Type Constructed in Past Five Years

In 2020, 96% of builders reported building single detached homes in the past five years, while 26% built rowhouses, townhouses or duplexes, 9% built low-rises, and 3% built high-rises. The proportion building rowhouses, townhouses or duplexes has increased considerably since 2019.

Figure 15: Percentage of Builders by Housing Type Constructed in the Past Five Years, 2003-2020



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

Homes Built or Started Building in Past Year⁹

Most surveyed builders (75%) reported that they built or started building between 1 and 5 homes in the last year.

About half (49%) of builders reported building or starting between 1 and 2 homes, followed by 26% reporting between 3 and 5 homes, and 18% reporting no home construction. The proportion of builders with more than 5 homes started or built was lower at 6%.

In 2020, the proportion of builders reporting no home construction increased from 13% to 18%, the highest ever recorded. The average number of homes built or started decreased from a high of 8.2 in 2019 to 7.8 in 2020. The average number of homes built or started for 2020 still exceeded trends dating back to 2011.

Figure 16: Percentage of Builders by Number of Homes Built or Started, 2020

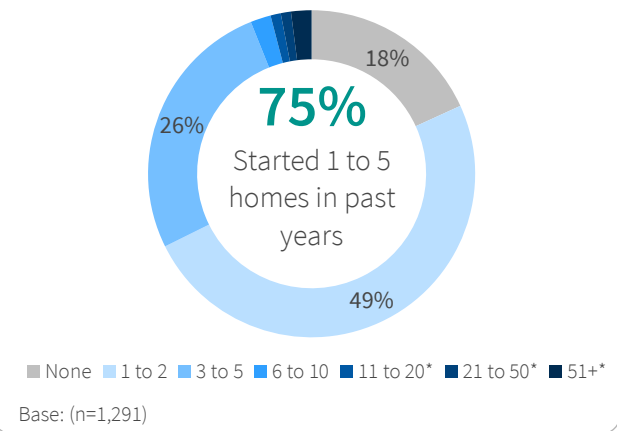
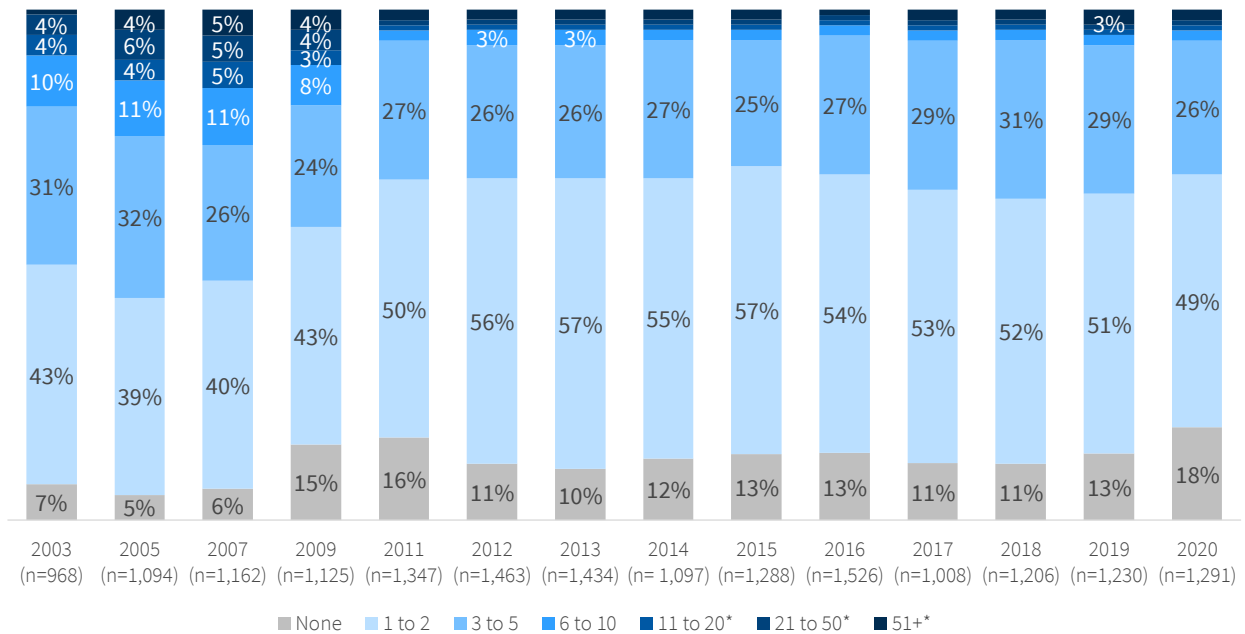


Figure 17: Percentage of Builders by Number of Homes Built or Started, 2003-2020



*Response category grouping different prior to 2012.

⁹ All homes worked on over the past year, including homes started but unfinished and homes previously started and finished.

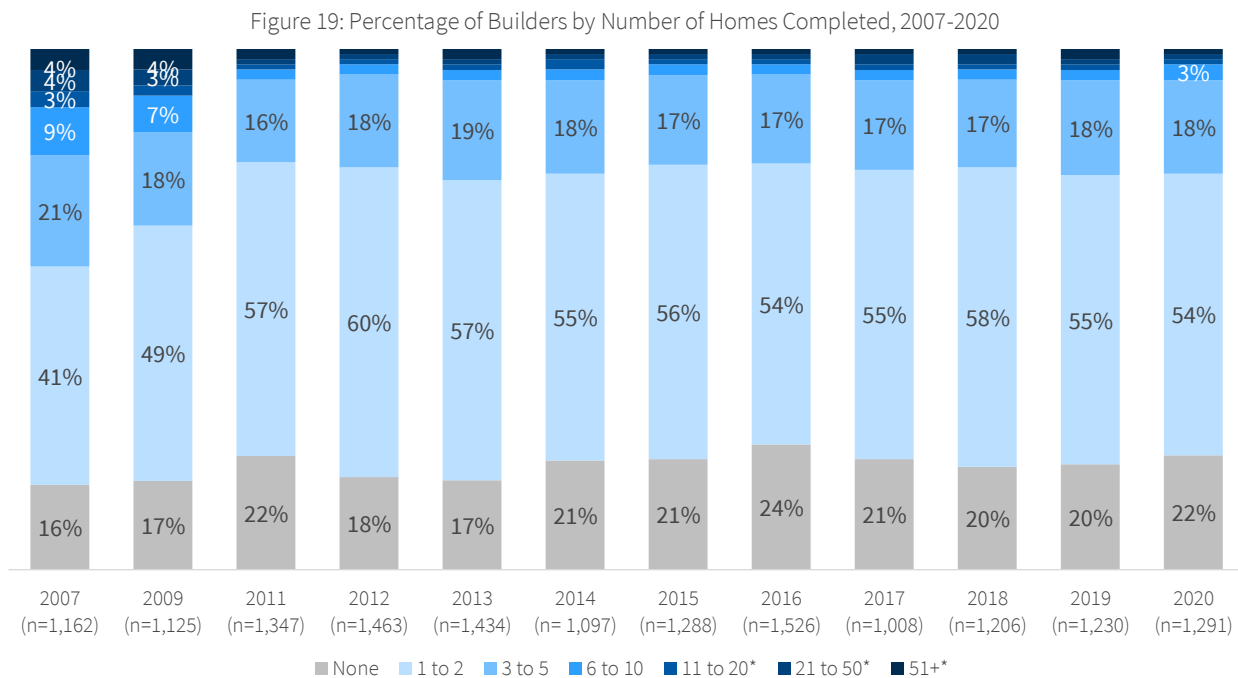
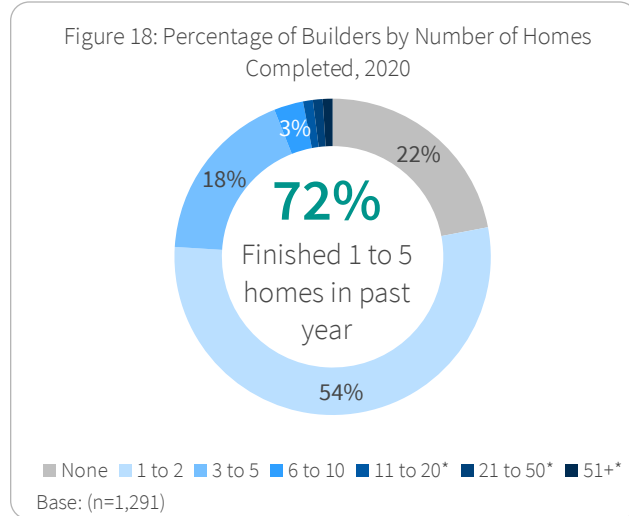
Homes Completed in Past Year¹⁰

In 2020, nearly three quarters (72%) of builders surveyed reported finishing between 1 and 5 homes in the past year.

Over half (54%) reported finishing between 1 and 2 homes, followed by 22% reporting no homes and 18% reporting between 3 and 5 homes. The proportion of builders reporting more than 5 homes completed in the past year was 6%. The distribution of homes finished in 2020 was similar to 2019.

The average number of homes completed in the past year was 4.1 in 2020. This was a decline from 2019 (5.1) but more in line with 2018 (4.0). The

average number of homes finished in 2020 compared to 2019 decreased among builders of all types of homes, with the exception of single detached builders. On average single detached builders reported a modest increase.¹¹



*Response category grouping different prior to 2012.

¹⁰ Only homes that were finished in the past year. Does not include started but unfinished homes.

¹¹ Caution: small base size.

Builder Profile

Industry Experience

Approximately a third (34%) of builders reported 20 years or more experience as a residential builder, while around half (47%) had 10 years or less experience and 20% had between 11 and 19 years.

Since 2003, the proportion of builders with 3 to 10 years' experience increased from 22% to 38% in 2020. Over the same timeframe, the largest decline was for builders with 20 to 29 years' experience, from 26% to 17%.

The average reported builder experience was 16 years in 2020, close to the 15 years average experience reported in 2019. The average builder experience has varied from a high of 17 years in 2009 to a low of 13 years in 2017.

The average builder experience in 2020 was the lowest in the Lower Mainland and the Okanagan at 15 years and the highest in the Southern Islands and Central and Northern B.C. at 20 years. Builders constructing single detached homes reported the least amount of experience with an average of 16 years, while those building multi-unit homes averaged between 20 to 21 years of experience.

Figure 20: Percentage of Builders by Years of Industry Experience, 2020

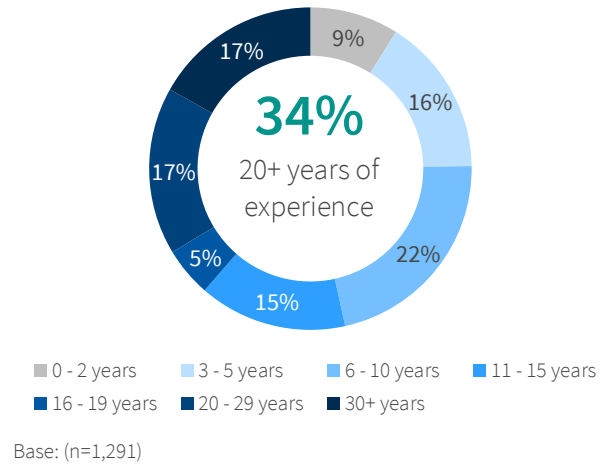
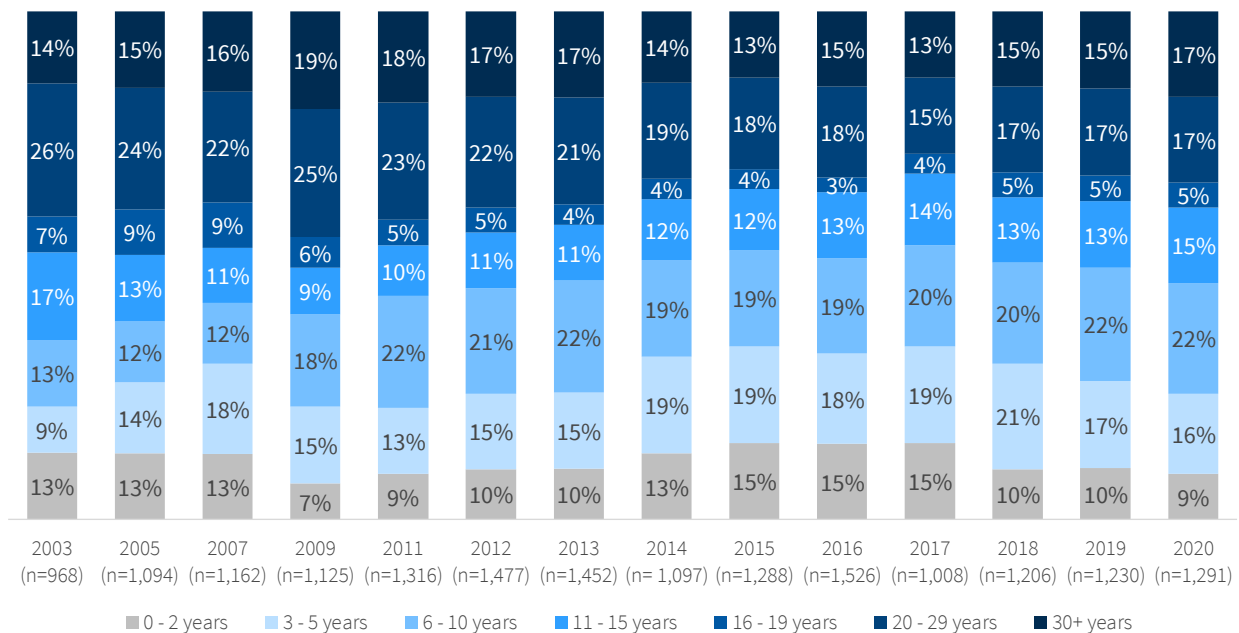


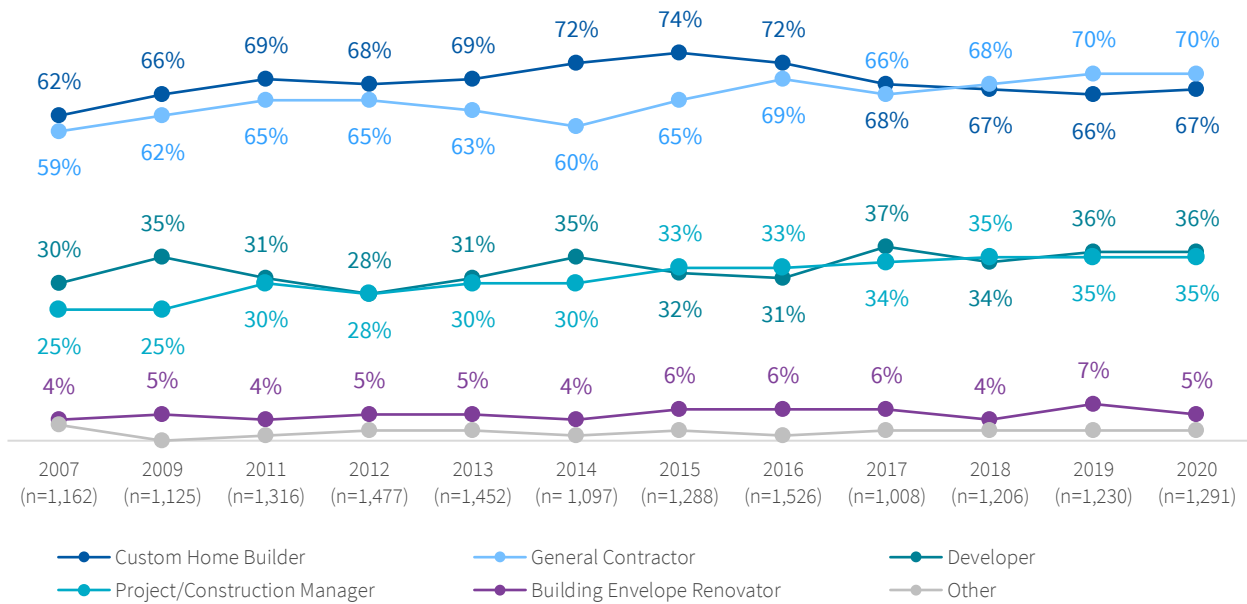
Figure 21: Percentage of Builders by Years of Industry Experience, 2003-2020



Type of Licensed Residential Builder

In 2020, 70% of builders referred to themselves as general contractors and 67% considered themselves to be custom home builders. Over a third of builders classified themselves as developers (36%) or project/construction managers (35%). A relatively small proportion identified as a building envelope renovator (5%) or other (2%).

Figure 22: : Percentage of Builders by Type, 2007-2020



Energy Efficiency

Use of a Green Building Program

In 2020, 16% of builders reported participation in a green building program, which is unchanged from 2018 and 2019.

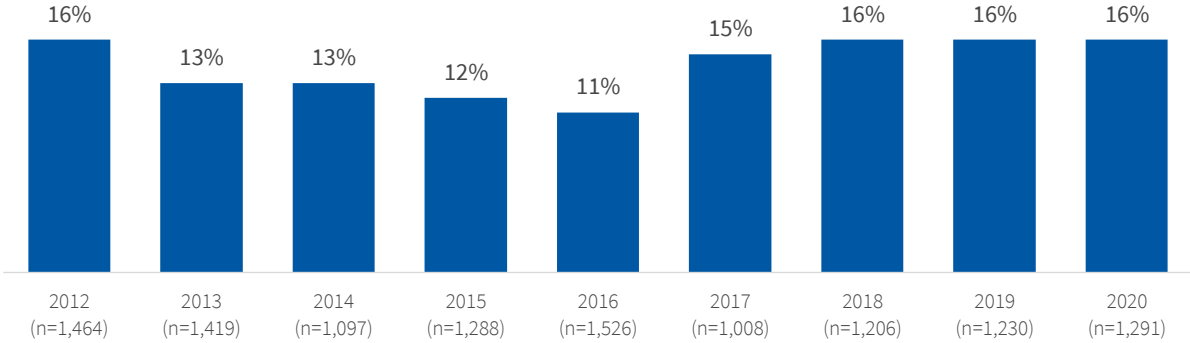
Kootenay (23%) builders were most likely to report participation in a green building program, followed by builders in the Lower Mainland, Southern Islands, and the Okanagan (all 16%). Central and Northern B.C. builders were the least likely to report participation in a green building program (5%).

By housing type, single detached builders were the least likely to report building homes that were part of a green building program (16%). Builders involved in the construction of multi-unit high-rises were the most likely to report building homes as part of a green building program (34%)¹². Approximately one-quarter of multi-unit low-rise builders (27%) and builders of rowhouses, townhouses, and duplexes (23%) reported using a green building program.

By experience, builders with 2 years or less were the least likely to report green building program participation (8%). Builders with between 3 and 19 years of experience were the most likely to report building homes as part of a green building program (18%).

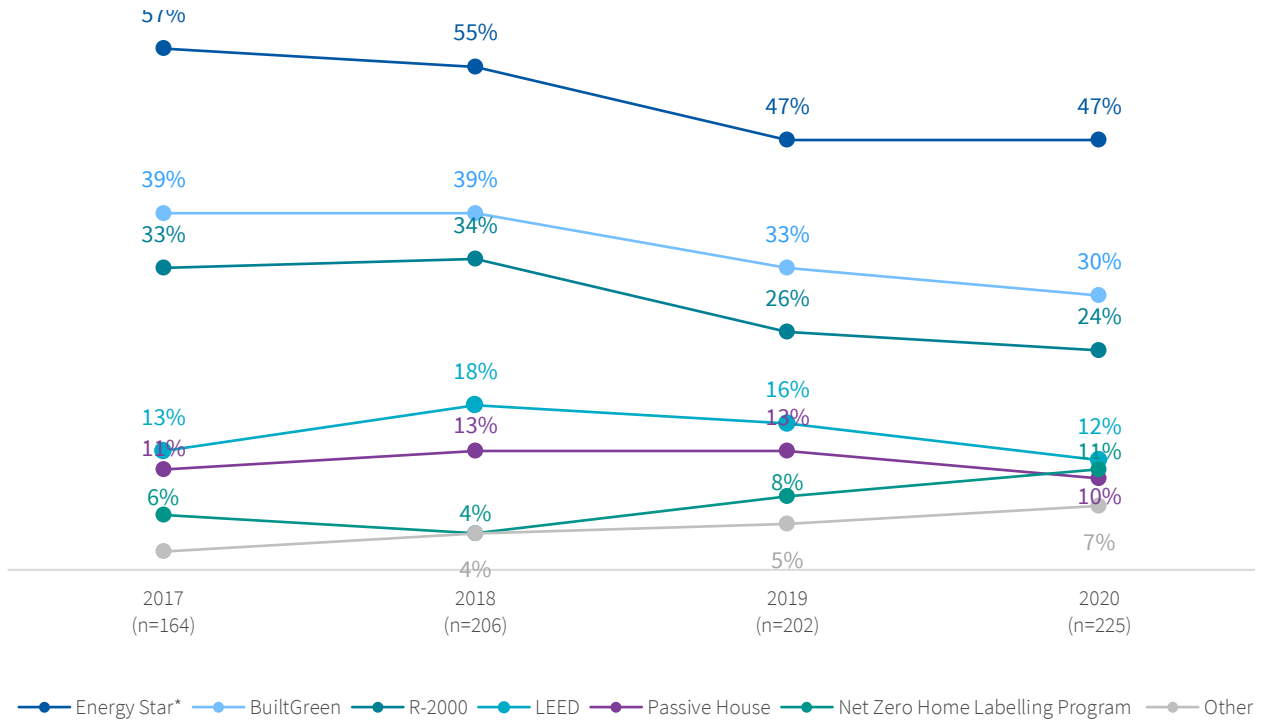
Nearly half (47%) of those using a green building program participated in Energy Star. Close to a third of builders using a green building program reported participating in BuiltGreen (30%), followed by approximately one-quarter in R-2000 (24%).

Figure 23: Use of a Green Building Program, 2012-2020



¹² Caution: small base size.

Figure 24: Breakdown of Green Building Programs by Use, 2017-2020



*Energy Star was added as an option in 2017. NetZero Home was added in 2018. Green Globes and EnerGuide were removed as options in 2018.

Use of an Energy Advisor

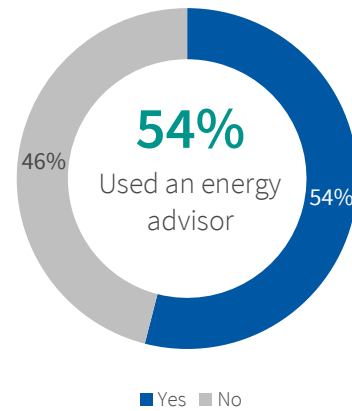
Across B.C., 54% of builders reported working with an Energy Advisor in the past year. This was a considerable increase over 2019 (41%) and represented a steady increase since first measured in 2017 (32%).

Builders in the Lower Mainland (59%) and Kootenay (60%) regions were the most likely to report working with an Energy Advisor. In comparison, Central and Northern B.C. builders were the least likely (27%), followed by Southern Islands (42%) and Okanagan builders (41%).

Between 48% to 62% of builders with over 2 years of experience reported using an Energy Advisor. This dropped to 41% among builders with 2 years or less of experience.

Over 60% of builders of multi-unit high¹³ and low-rises (62%) and rowhouses, townhouses, or duplexes (63%) reported they worked with an Energy Advisor. However, among single detached builders just over half (54%) reported working with an Energy Advisor in the past year.

Figure 25: Used an Energy Advisor in the Past Year, 2020



Base: (n=1,291)

¹³ Caution: small base size.

BC Energy Step Code

Awareness and involvement in the BC Energy Step Code has increased considerably over the past three years. In 2020, 89% of builders reported being aware of the BC Energy Step Code compared to 52% in 2017.

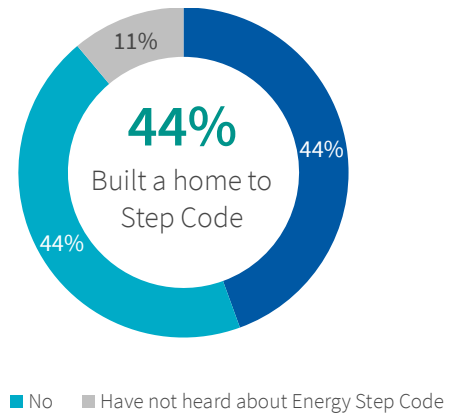
More than half (56%) of builders reported participating in BC Energy Step Code training sessions in 2020, which was up from 2019 (49%). Builders who reported building homes in the past year meeting BC Energy Step Code requirements grew substantially to 44% in 2020 from 32% in 2019. Of the builders who reported building to the BC Energy Step Code, 41% achieved Step 3, followed by 24% at Step 2 and 17% at Step 1.

Builders in the Kootenays (73%), followed by the Okanagan (56%) were the most likely to report building to the BC Energy Step Code, while Lower Mainland builders were the least likely at 41%. Builders working to the BC Energy Step Code were most likely to report achieving Step 3 for all regions, with Kootenay builders substantially more likely to report building to Step 5 (15%).

Builders with 2 or less years' experience as a residential builder were the least likely to report building to the BC Energy Step Code (27%). Builders with over 10 years of experience were the most likely to report building to the BC Energy Step Code at 47%, followed by 44% of builders with 3 to 10 years' experience.

Builders of single detached homes were the least likely to report building to the BC Energy Step Code (45%), while approximately half of all other builders reported building to the BC Energy Step Code. Step 3 was the most common step achieved across all housing types, ranging from 46% for multi-unit high-rise builders¹⁴ to 40% for single detached builders. Builders of multi-unit high-rises were the most likely to build to Step 5 (8%)¹⁵.

Figure 26: Built a Home Meeting a Step of the BC Energy Step Code in the Past Year, 2020



Base: (n=1,291)

¹⁴ Caution: small base size.

New Residential Construction Activity Predictions

In 2020, 40% of builders expected residential building activity would increase in their market area in the next 12 months, which was substantially more than in 2019 (22%). The proportion of builders expecting a decline decreased to 14% in 2020 from 31% in 2019 and 38% in 2018.

As in previous years, builders continued to be more optimistic about their own company's level of activity relative to the local market in which they operate in the next 12 months. This year 46% of builders expected their company's activity to increase, which was the highest recorded proportion feeling this way since 2015 (49%).

Figure 27: Self-Predicted Construction Activity in Local Builder Market, 2013-2020

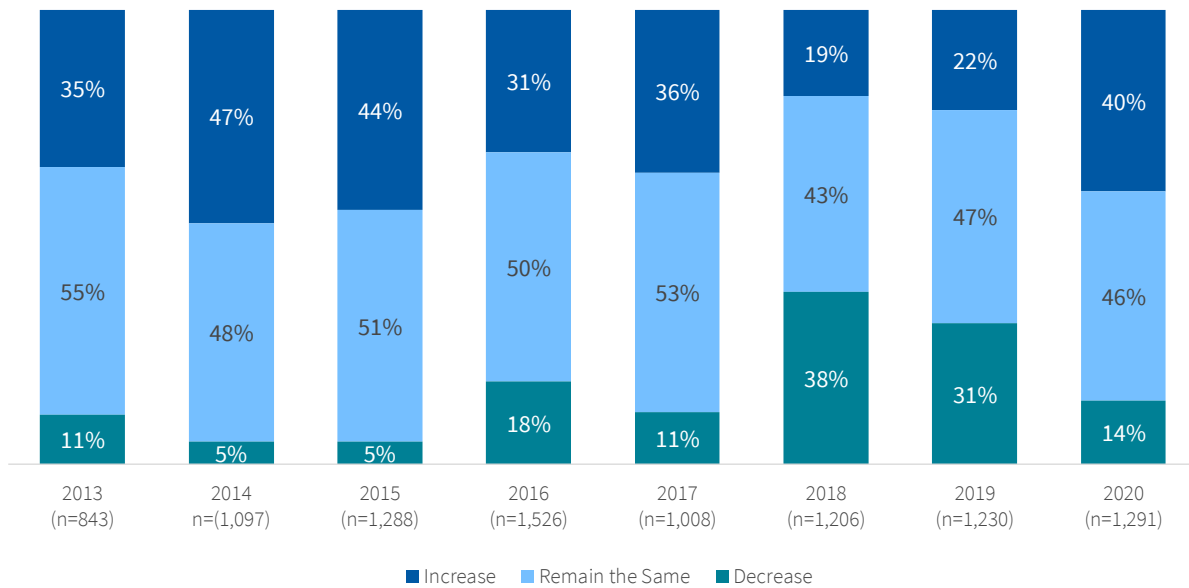
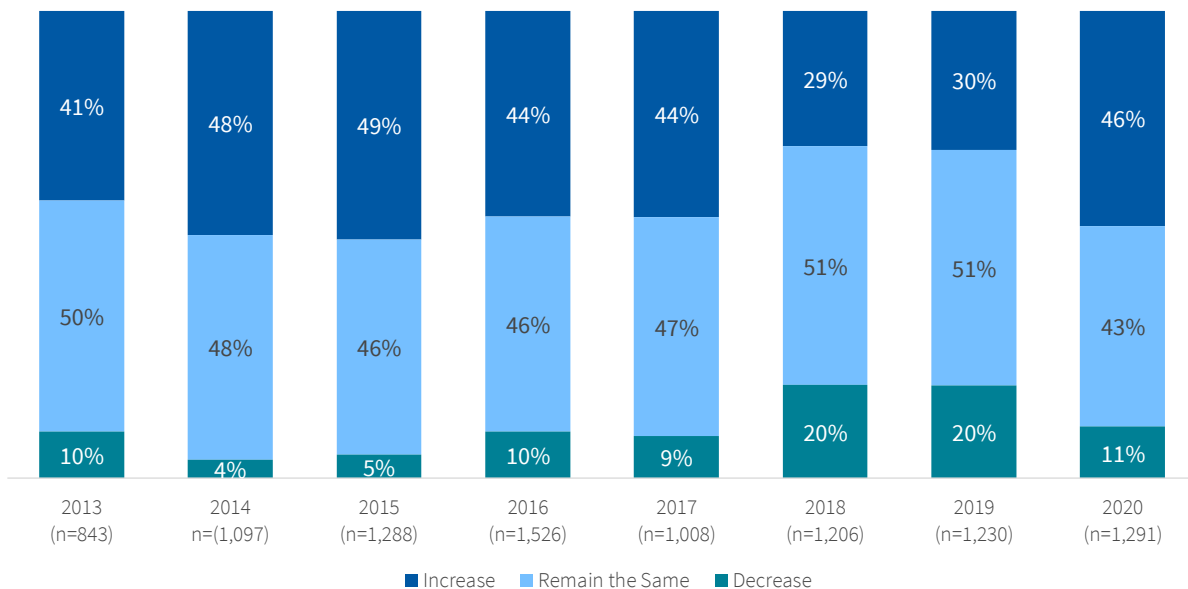


Figure 28: Self-Predicted Construction Activity for Builder Company, 2013-2020



Kootenay builders were the most optimistic about their building activity with 68% expecting an increase in their market area and 63% expecting an increase in their company's activity. Meanwhile, Central and Northern B.C. builders were the least optimistic on both fronts with 37% predicting an increase in their market area and 34% an increase in their company's activity. Half of builders in Central and Northern B.C. expected building activity in both their market area and for their company to remain the same.

In the remaining regions (Lower Mainland, Southern Island, and Okanagan) builders were more divided in their predictions, with roughly equal proportions predicting activity for both their market areas and their company increasing (42% to 49%) as remaining the same (44% to 45%). Lower Mainland builders were the exception, as 37% expected activity in their market area to increase and 48% thought it would remain the same.

Builders with 2 years of less of experience were most likely to expect an increase in both their market area activity (47%) and their company's own activity (62%) relative to more experienced builders. In contrast, builders with 20 or more years of experience were the least likely to expect an increase in their market area (37%) or their company's own activity (40%).

Builders of all home types were similarly divided on whether activity in their market area would increase or remain the same. Just over 40% of builders predicted activity in their market area would increase across all housing types, while the same proportion predicted it would remain the same. However, builders were more optimistic about their company's activity over the next 12 months. Between 45% and 50% of builders of multi-unit homes predicted activity would increase for their company while 37% to 39% predicted it would remain the same. Builders of single detached homes were the exception with almost equal proportions predicting activity for their company would increase (45%) or remain the same (44%).

Impact of COVID-19 on Building Design

Just over one-third of builders (34%) said the COVID-19 pandemic changed the way they design or plan to design housing projects in the future.

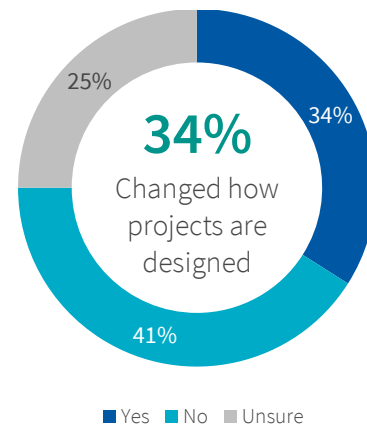
Lower Mainland builders were the most likely report COVID-19 has impacted how they design or plan to design housing projects (39%), followed by 29% of Okanagan builders and 26% of Kootenays builders. Central and Northern B.C. builders (19%) and Southern Island builders (23%) were the least likely to report changing the way they design or plan to design.

Builders with 3 to 10 years of experience were the most likely to report COVID-19 changed the way they design or plan to design (39%), while those with 20 or more years of experience were the least likely (29%).

By housing type, builders of rowhouses, townhouses and duplexes were the most likely to report COVID-19 changed the way they design or plan to design housing projects (37%) while builders of multi-unit low-rises were the least likely (29%).

Among builders who reported COVID-19 influencing their housing design, the most common changes reported were: including at-home office spaces (67%), improving ventilation and air quality control (65%), including more personal outdoor space (55%), and more natural light and operable windows (42%).

Figure 29: COVID-19 Changed How Current or Future Housing Projects are Designed, 2020



Base: (n=1,291)

Current New Homeowners and Prospective New Home Buyers

2020 Highlights

- › 82% of new homeowners reported they were satisfied with their home's quality of construction
- › The proportion of new homeowners living in multi-unit homes reached a high of 70%
- › The biggest housing market concern among both current new homeowners and prospective new home buyers in the next 12 months was economic uncertainty due to COVID-19 (59% and 38% respectively)

CURRENT NEW HOMEOWNERS SURVEY

Survey Methodology

The 2020 *Current New Homeowners Survey* is a province-wide survey of recent purchasers of new or nearly new homes conducted every 2 years. The survey includes the current homeowner profile (age, type of home buyer, length of residency), consumer confidence level about their home purchase, and satisfaction with the quality of construction and building process.

In 2020, results are based on a total of 535 surveys from randomly selected owners of homes covered by warranty insurance under the *Homeowner Protection Act*. A list of homes under warranty insurance was provided by BC Housing, and homeowners were screened to ensure homes were no more than 10 years old and homeowners had lived in their home for at least six months. In total, 6,400 notification letters were sent inviting homeowners to complete an online survey and the survey had an overall response rate of 8%.

Changes to the 2020 survey included a question on Indigenous identity, which was added to better understand Indigenous representation among new homeowners. A total of 1.1% of respondents identified as either First Nation, Metis, or Inuit.

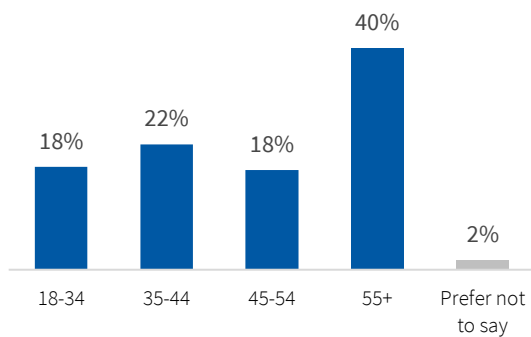
Further information on survey methodology is provided in Appendix 1.

Survey Results

Current New Homeowners - Profile

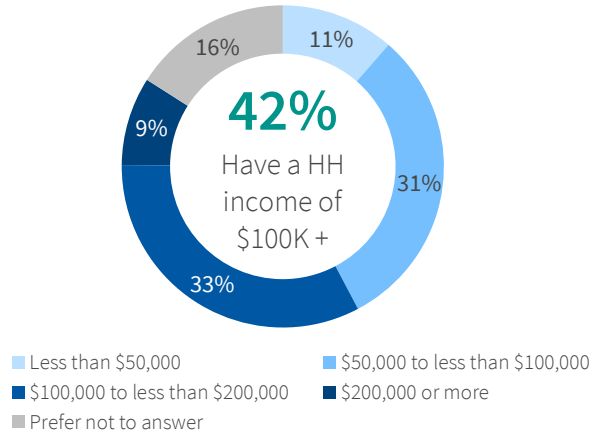
Nearly 60% of current new homeowners in 2020 (58%) were over the age of 45 years, which was consistent with 2018 (59%). Over 40% of current new homeowners reported having annual household incomes of \$100,000 or more, up from 32% in 2018.

Figure 30: Age Distribution of New Homeowners, 2020



Base: (n=535)

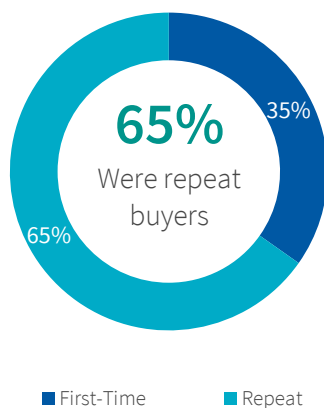
Figure 31: Household Income of New Homeowners, 2020



Base: (n=535)

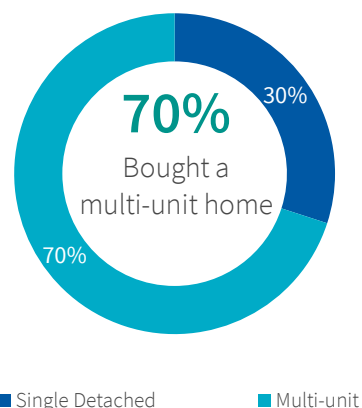
Consistent with previous surveys, most new homeowners were repeat home buyers. Approximately two-thirds were repeat home buyers (65% compared to 70% in 2018) while one-third of new homeowners were first-time home buyers (35% compared to 30% in 2018). The proportion of new homeowners living in multi-unit dwellings continued to increase, reaching a high of 70%.

Figure 32: First-Time and Repeat Buyers, 2020



Base: (n=535)

Figure 33: Type of Home, 2020

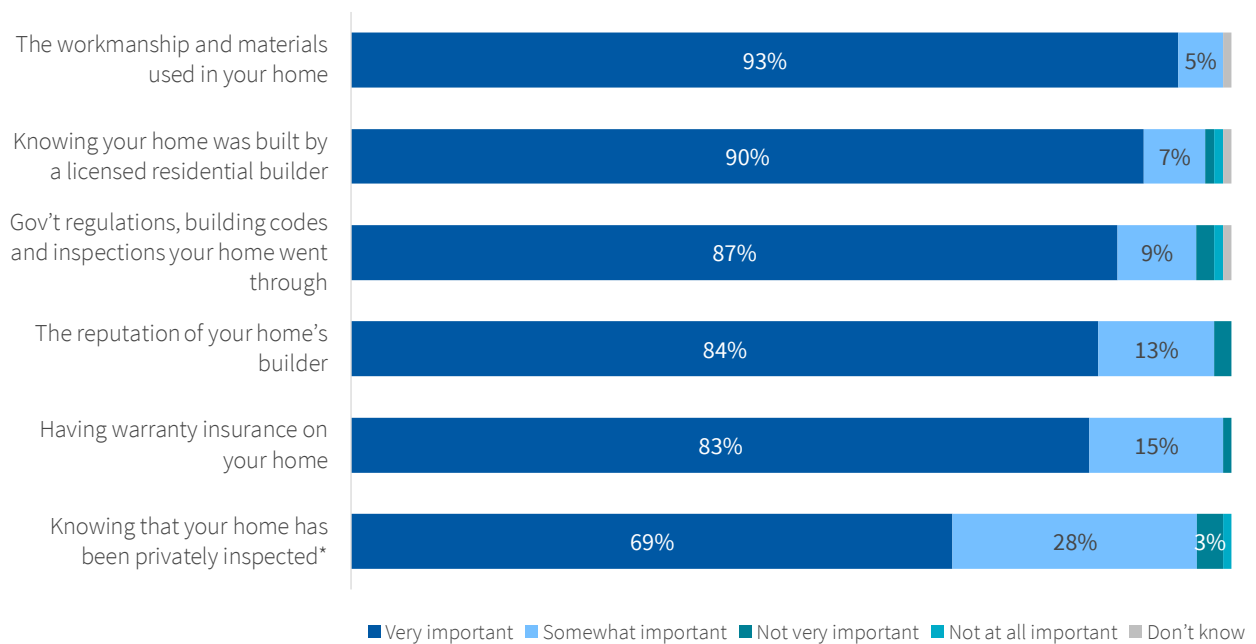


Base: (n=535)

Current New Homeowners - Confidence about Home Purchase

When asked about six factors that could influence how confident new homeowners felt about their home purchase, current new homeowners rated all six with a high level of importance. The strongest importance was placed on the workmanship and materials used in their new home, with 98% of respondents agreeing this was somewhat or very important. Over 95% of current new homeowners agreed that the following factors were somewhat or very important: Knowing that your home was built by a licensed residential builder; government regulations, building codes and inspections; the reputation of your home’s builder; and having warranty insurance on your home. Knowing that your home has been privately inspected was rated as very important by 69% and by another 28% as somewhat important.

Figure 34: Factors That Contribute to Feeling Confident About Home Purchase, 2020



Base (among those who had their home inspected n=168)

While all subgroups considered the six factors to be important, there were some differences across subgroups around which factors were considered very important. Other survey findings include:

- > **Home Warranty Insurance** - Home warranty insurance was very important to 87% of current new homeowners whose home was less than 6 years old compared to 74% among those whose home was 6 to 10 years old. Those who bought their home from a builder or developer were also more likely to rate home warranty insurance as very important (87%) compared to those who bought from a previous owner (79%) and who custom built their home (73%).
- > **Home was Built by a Licensed Residential Builder** - Knowing their home was built by a licensed residential builder was very important to 93% of current new homeowners who bought a new home, followed by 88% who bought from a previous owner and 79% who custom built their home.
- > **Government Regulations, Building Codes, Inspections** - The government regulations, building codes, and inspections on the home was very important to 91% of those 55 years of age and older, followed by 86% of those aged 35 to 54 years and 83% of those aged 18 to 34 years.
- > **Home was Privately Inspected** - Knowing their home was privately inspected was very important to 80% who bought a single detached home but to only 63% who bought a multi-unit home.

Current New Homeowners - Satisfaction with Home Construction

Satisfaction with Overall Quality of Construction and Building Process

The majority (83%) of current new homeowners reported they were satisfied with the overall quality of construction. The proportion of those who were very satisfied declined from a peak of over half (55%) in 2010 to approximately a third (34%) in 2020.

The most satisfied new homeowners included those who custom built their home (90%) and repeat home buyers (86%). Those 55 years of age and older were more likely to be satisfied with the quality of construction in their homes (90%) as were those in homes aged 6 to 10 years (88%).

Figure 35: Satisfaction with Overall Quality of Home Construction, 2020

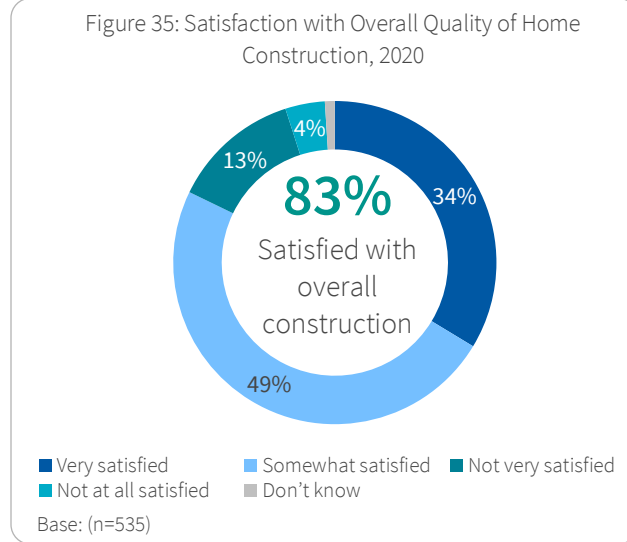
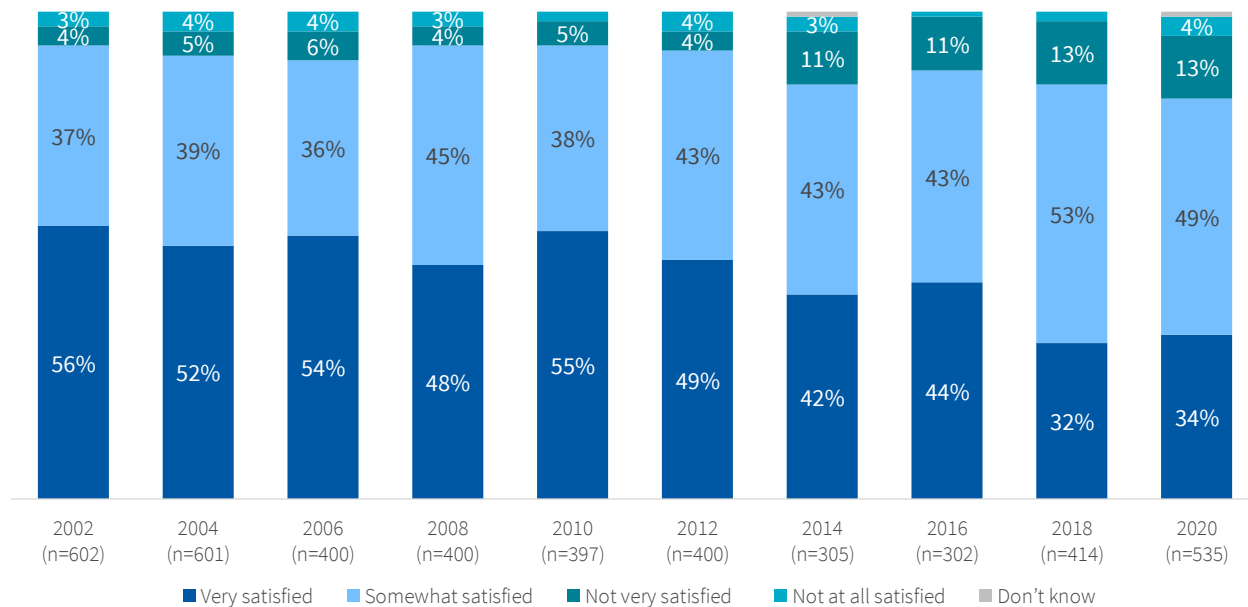


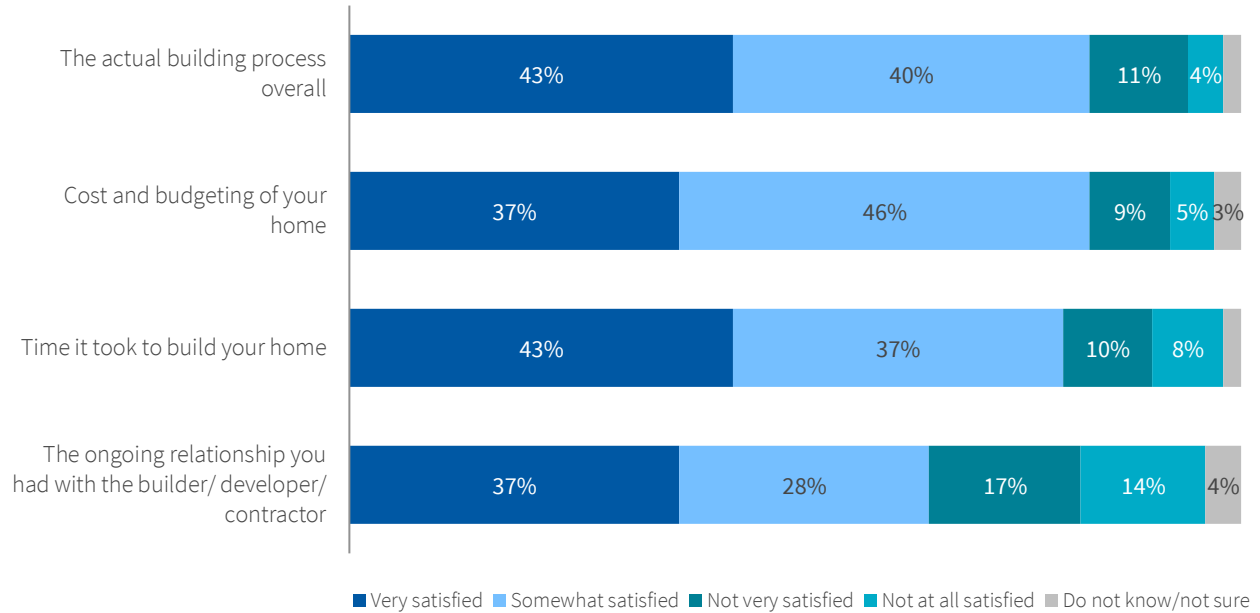
Figure 36: Satisfaction with Overall Quality of Home Construction, 2002-2020



Some current new homeowners purchased their home from a builder or developer before the construction of their home was finished (40%) or custom-built their home (10%). **Close to 85% of homeowners who bought a presale home (83%) or custom built their home (84%) were somewhat or very satisfied with the overall building process.** Among the 10% who custom built their home, 88% were satisfied with the build time compared to 78% satisfaction among those who purchased a presale home. Over 80% of both homeowner groups were satisfied with the cost of budgeting their home. Satisfaction with the ongoing relationship with the builder/developer/contractor was higher among those who custom built (80%) compared to those who bought a presale home (61%).

Current new homeowners who were the most satisfied with the overall building process included men (87%) and those aged 55 and older (86%).

Figure 37: Satisfaction with Building Process, 2020



Base: (among those with custom built or presale homes n=288)

After a decline in 2018, satisfaction with the building process mostly rebounded to 2016 levels. More specifically, satisfaction improved with the overall building process (from 79% in 2018 to 83% in 2020), the time it took to build the home (from 77% in 2018 to 80% in 2020), the cost and budgeting of the home (from 74% in 2018 to 83% in 2020) and the ongoing relationship with the builder/developer/contractor (from 64% in 2018 to 65% in 2020).

Current New Homeowners - Confidence in the Housing Market

Housing Prices

When asked how they anticipated housing prices to change in their community over the next 12 months, over half reported they expected prices to increase (62%), while over one-quarter expected prices to remain the same (28%).

Homeowners most likely to expect an increase were those living outside of Metro Vancouver (77%). Homeowners 55 years of age and older (70%) were also more likely to expect an increase compared to those younger than 55 (57%).

Buying and Selling

When asked if it would be a favourable or unfavourable time to buy in their community, 57% responded it was favourable, 24% unfavourable and 19% were unsure. The proportion reporting it was a favourable time to buy was higher than 2018 (45%) and 2016 (44%). Homeowners living in the Capital Regional District were the most likely to report it would be a favourable time to buy over the next 12 months (61%) compared to those in Metro Vancouver (57%) and other areas in BC (55%).

Figure 38: Expected Changes in Housing Prices over the Next 12 Months, 2020

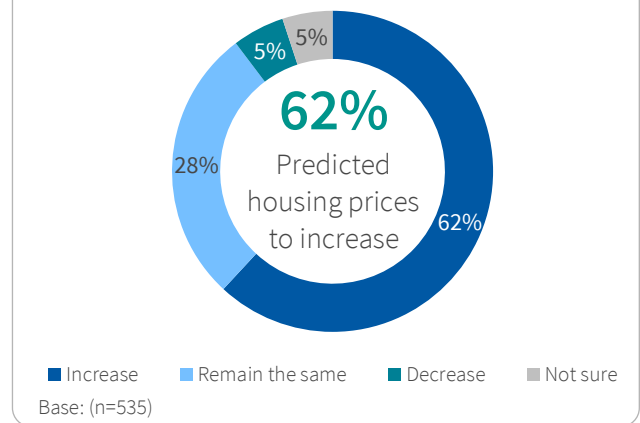


Figure 39: Favourable Time to Buy, 2016-2020

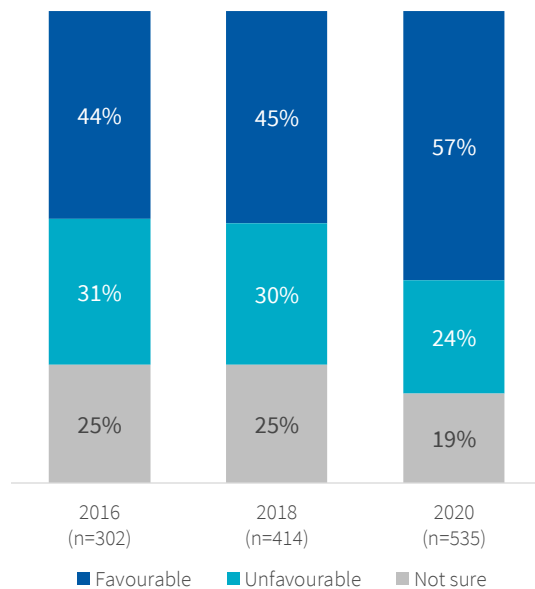
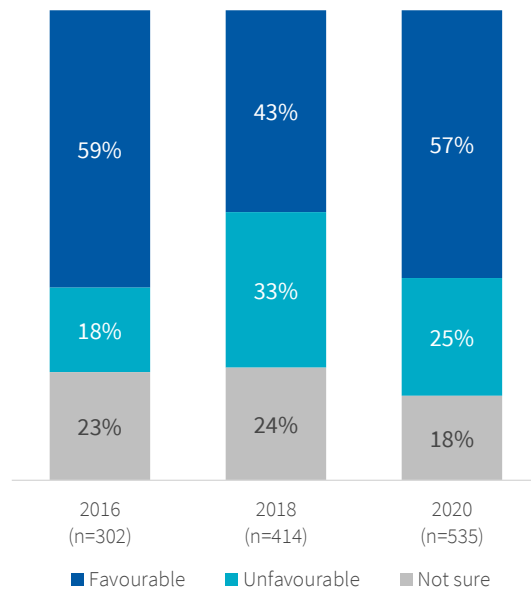


Figure 40: Favourable Time to Sell, 2016-2020



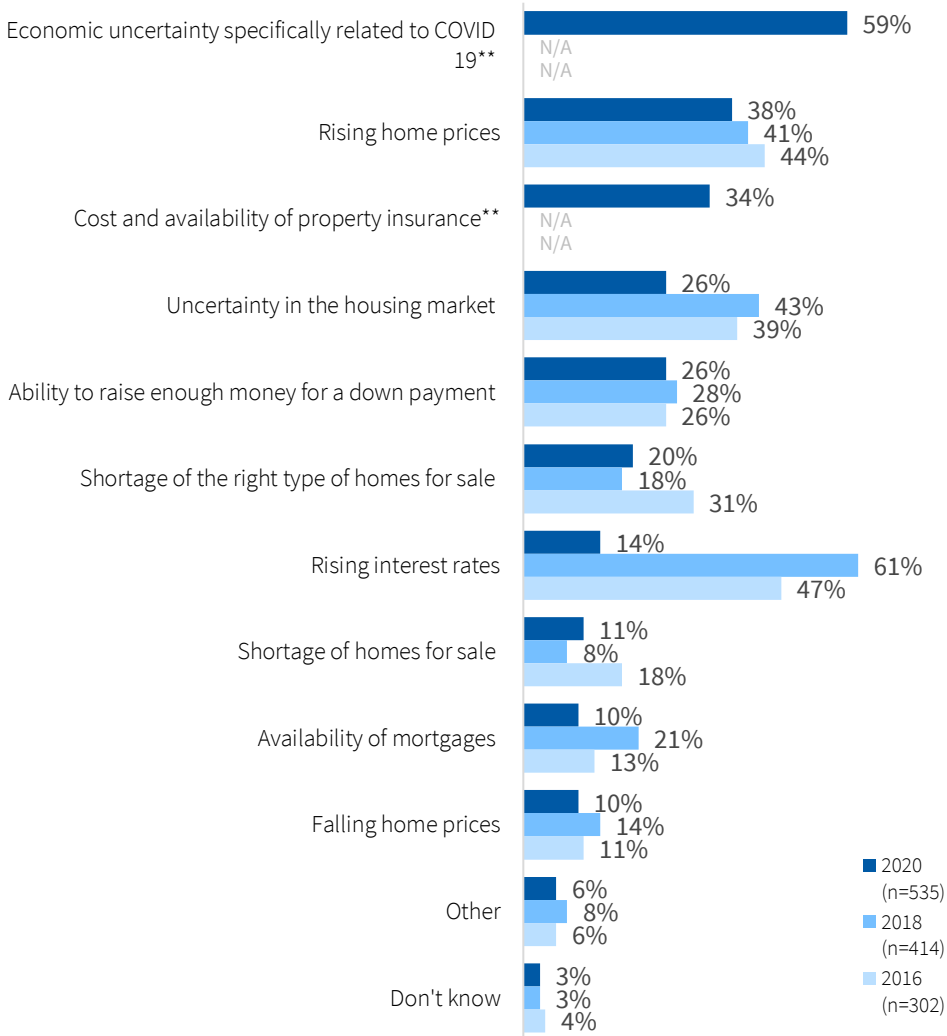
When asked if it would be a favourable or unfavourable time to sell in their community, 57% reported it would be favourable and 25% reported it would be unfavourable. Just under 20% were unsure if conditions were either favourable or unfavourable to sell (18%). This represents a shift from 2018, when 43% of homeowners reported that it was a favorable time to sell and 33% reported it was an unfavorable time to sell.

When it comes to selling, three-quarters (74%) of those living outside of the Capital Regional District and Metro Vancouver predicted it would be a good time to sell over the next 12 months. In the Capital Regional District, 60% reported it would be a good time to sell compared to 20% who reported an unfavourable time. In Metro Vancouver, 48% of current new homeowners reported it would be a good time to sell, while 32% reported it would be an unfavourable time.

Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, the economic uncertainty related to COVID-19 topped the list (59%). Rising home prices (38%), cost and availability of property insurance (34%), uncertainty in the housing market (26%), and the ability to raise enough for a down payment (26%) rounded off the top five concerns.

Figure 41: Housing Market Concerns Among Current New Homeowners, 2016- 2020



** New answer option added for 2020

Other concerns included: shortage of the right types of homes for sale (20%), rising interest rates (14%), a general shortage of homes for sale (11%), the availability of mortgages (10%), and falling home prices (10%).

Compared to the 2018 survey, concerns over the economic uncertainty due to COVID-19 and the cost and availability of property insurance emerged as new issues for homeowners. Meanwhile, homeowners expressed less concern over uncertainty in the housing market (26% in 2020 compared to 43% in 2018), rising interest rates (14% in 2020 compared to 61% in 2018), and the availability of mortgages (10% in 2020 compared to 21% in 2018).

For current new homeowners in Metro Vancouver (64%) and the Capital Regional District (57%), economic uncertainty specifically related to COVID-19 was the most common concern. Homeowners living outside of Metro Vancouver and the Capital Regional District were almost equally worried about rising home prices (52%), as they were economic uncertainty related to COVID-19 (49%). They were also considerably more worried about a shortage of the 'right type' of homes (32%) and a shortage of homes for sale generally (25%).

PROSPECTIVE NEW HOME BUYERS SURVEY

Survey Methodology

The *Prospective New Home Buyers Survey* is a province-wide survey of people considering buying a home in the near future (next year or so). This survey covers the prospective home buyers' profile (age, household income, type of home buyer, current home type and living situation), their purchase plan, and factors affecting their purchase decisions.

A total of 500 online surveys were conducted with B.C. residents considering buying a newer home (less than 10 years old) built in the province under the *Homeowner Protection Act* in the next year or so. The survey responses were collected between October 28, 2020, and November 23, 2020. For survey waves between 2010 and 2020, a general access online panel survey was administered. Between 2008 and 2006 a combination of telephone and web surveys were conducted, while between 2002 and 2004, surveys were conducted solely by telephone interviews.

Individuals planning to build their own homes were screened to exclude those planning to personally manage their own home construction (as an owner builder). The incoming sample was weighted to match the actual age, gender, and regional distribution of B.C.'s adult population according to the most recent Statistics Canada data.

Two new questions were added to the 2020 survey:

- **Indigenous identity:** This question was added to better understand Indigenous representation among prospective new home buyers. A total of 5.0% of respondents identified as either First Nation, Metis, or Inuit.
- **Impacts of COVID-19 on housing design preference:** This question was added to better understand how COVID-19 changed housing design preferences among new prospective new home buyers.

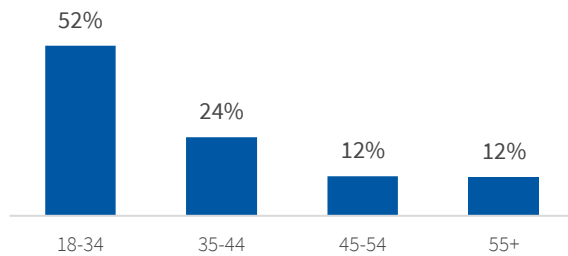
Further information on survey methodology is provided in Appendix 1.

Survey Results

Prospective New Home Buyers - Profile¹⁵

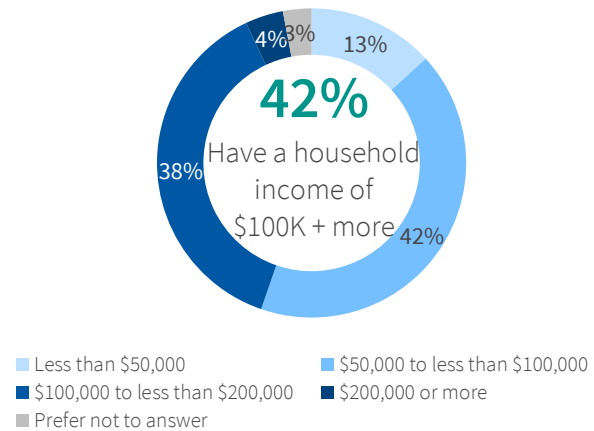
Across the survey respondents, approximately one-half (52%) were between 18 and 34 years old, followed by almost one-quarter between 35 and 44 years old (24%), and one-quarter over the age of 45 (24%). This age distribution was relatively consistent with the age breakdown of survey respondents in the 2018 Prospective New Home Buyers Survey.

Figure 42: Age Distribution of Prospective New Home Buyers, 2020



Base: (n=500)

Figure 43: Household Income Distribution of Prospective New Home Buyers, 2020



Base: (n=500)

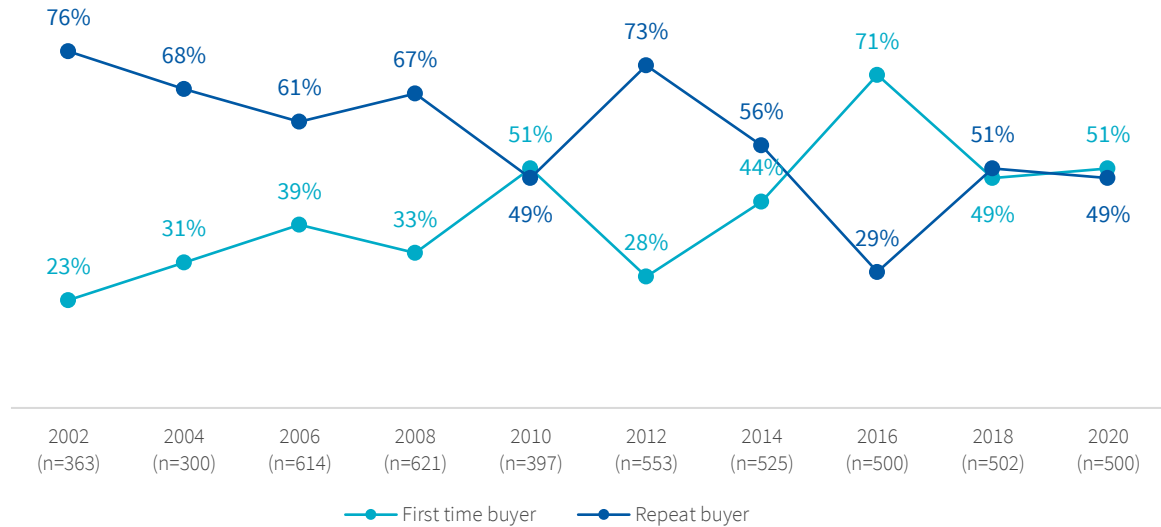
Among prospective new home buyers, around half reported having annual household incomes of less than \$100,000 (55%) while just over 40% reported an annual household income of \$100,000 or more (42%).

Since 2016, there has been a substantial increase in the proportion of survey respondents with more than \$100,000 per year in household income (42% in 2020, 31% in 2018 compared to 19% in 2016). Consistently, there has been a decrease in respondents reporting household incomes of less than \$50,000 per year, falling from 28% in 2016, to 20% in 2018, to 13% in 2020. The proportion of households with income between \$50,000 and \$100,000 has remained stable over the same timeframe.

¹⁵ BC residents considering buying a newer home in BC built under the *Homeowner Protection Act* (i.e., less than 10 years old) in the next year or so.

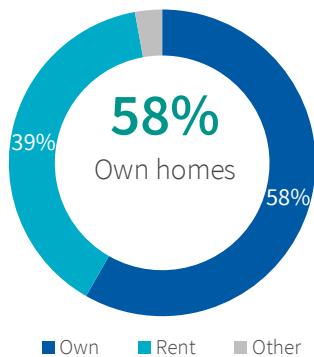
Survey responses in 2020 were evenly split between first-time home buyers (51%) and repeat buyers (49%). This ratio has fluctuated substantially since the Prospective Homeowners Survey started in 2002.

Figure 44: First-Time Home Buyers and Repeat Home Buyers, 2002-2020



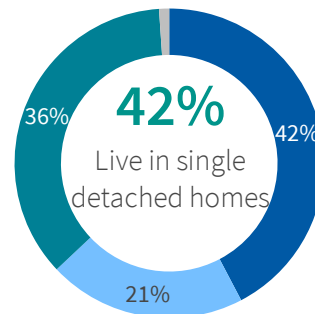
Among prospective new home buyers, just over half (58%) already owned a home which was consistent with 2018 (54%). Among all prospective new home buyers, the largest proportion (42%) lived in single detached homes, while around one-third (36%) lived in condominiums and one-fifth (21%) lived in a townhouse or duplex.

Figure 45: Current Home Ownership Among Prospective New Home Buyers, 2020



Base: (n=500)

Figure 46: Types of Homes Prospective New Home Buyers Live In, 2020



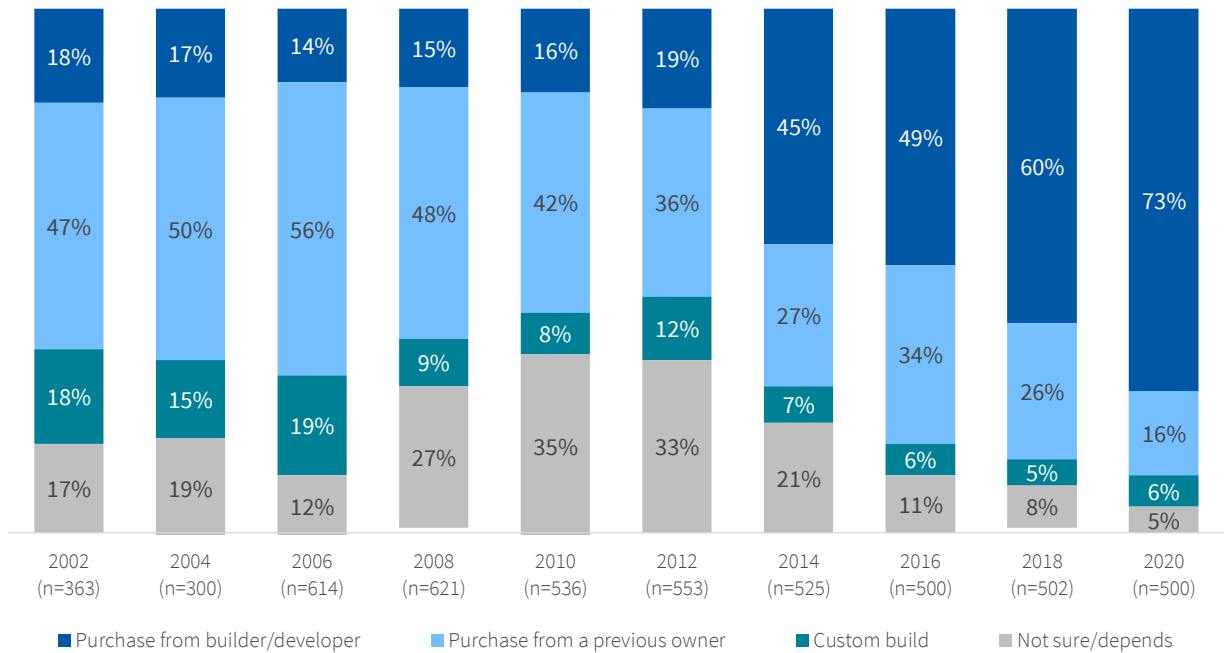
Base: (n=500)

Prospective New Home Buyers - Purchase Plan

Approximately three quarters of (73%) prospective new home buyers reported plans to purchase directly from a developer either before or after construction had finished. As illustrated in the figure below, this proportion has been growing since the survey began in 2002. In total, 40% planned to purchase from a developer after the home is built, 33% planned to purchase from a developer before the home is finished, 16% planned to purchase from a previous owner, and 6% planned to custom build their home.

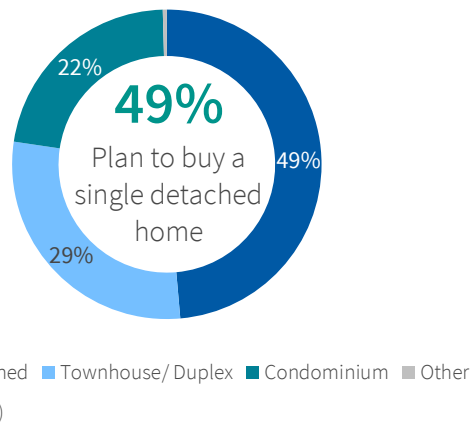
Among those who were likely to purchase a home before it is finished, just over half (53%) predicted they would buy a multi-unit home and just under half (47%) predicted they would buy a single detached home. Among those who were likely to purchase a home after it is finished, 59% predicted they would buy a multi-unit home and 41% predicted they would buy a single detached home.

Figure 47: Trends in the Type of Purchase Prospective Home Buyers Are Most Likely to Make, 2002-2020



Single detached homes (49%) remained the most common dwelling prospective new home buyers intended to buy (or build) in 2020, followed by townhouses or duplexes (29%) and condominiums (22%). Between 2018 and 2020, the proportion intending to buy different dwelling types remained generally consistent, with a slight decrease in the intention to buy a condominium (28% in 2018 to 22% in 2020) and a slight increase in the proportion intending to buy or build a single detached home (43% in 2018 to 49% in 2020).

Figure 48: Dwelling Type Most Likely to Buy or Build, 2020



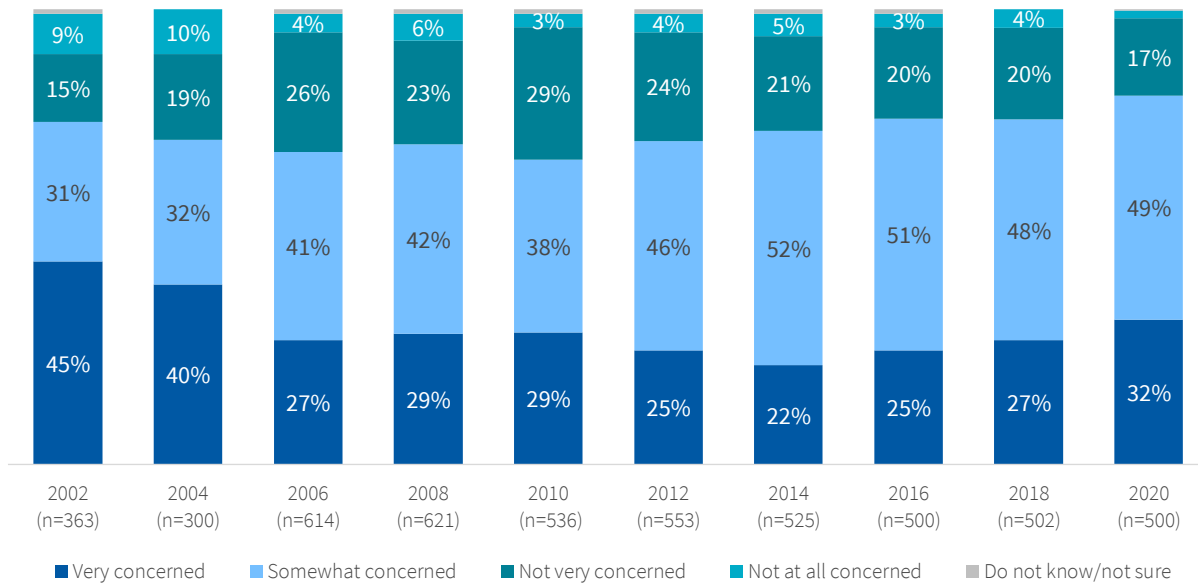
By region, more Metro Vancouver buyers planned to buy or build a single detached home (44%) than a townhouse/duplex (28%) or a condominium (27%). Among prospective new home buyers outside of Metro Vancouver, over half (56%) predicted they would be likely to buy a single detached home in the Capital Regional District and in the rest of B.C.

First-time prospective new home buyers planned to buy or build a townhouse/duplex (37%) or a single detached home (35%) rather than a condominium (27%). However, repeat home buyers were more likely to plan to buy or build a single detached home (62%) and less likely to consider buying or building a townhouse/duplex (20%) or a condominium (17%).

Prospective Home Buyers - Level of Concern Regarding Building Construction

In 2020, 81% of prospective new home buyers indicated they were very or somewhat concerned there might be problems with the building construction after moving into their new home. The proportion indicating concern about building construction has been increasing since 2012 (71%).

Figure 49: Level of Concern Regarding Building Construction, 2002-2020



Approximately one-third (35%) of Metro Vancouver prospective new home buyers were very concerned that there might be problems with building construction, compared with over a quarter (27%) in other regions. However, overall concern was consistent across B.C., with 82% very or somewhat concerned in Metro Vancouver compared to 79% very or somewhat concerned in other areas of B.C.

Buyers planning to purchase either a multi-unit home or a single detached home in 2020 were equally likely to be concerned about problems with building construction (81%).

First-time buyers (36%) were more likely to be very concerned than repeat buyers (27%) about problems with building construction in 2020. However, overall concern (very and somewhat) was similar between first time (83%) and repeat buyers (79%).

Prospective New Home Buyers - Perspective on the Level of Importance of Different Factors When Purchasing/Building a Home

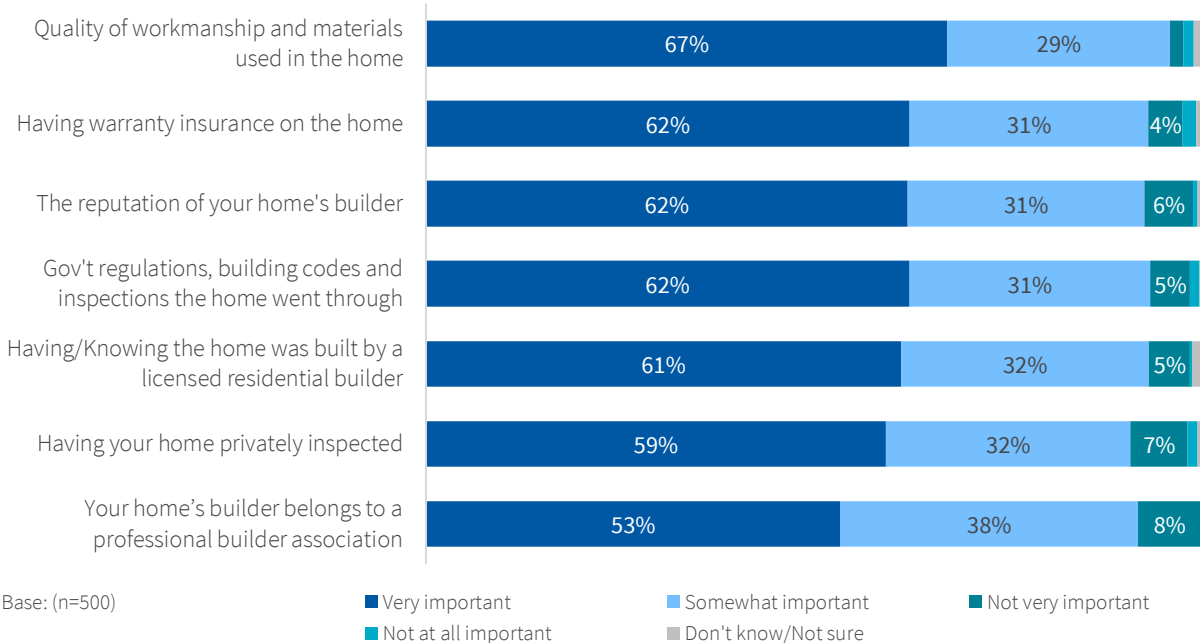
Prospective new home buyers were asked to indicate how important seven different factors were when purchasing a home. All factors presented were considered somewhat or very important when buying or building a home by over 90% of buyers. However, respondents were most likely to identify the quality of workmanship and materials used in the home as important at 96%. A total of 93% indicated that the following were important: having warranty insurance on the home, the reputation of the home’s builder, government regulations, building codes and inspections, and having/knowing the home was built by a licensed residential builder. Having the home privately inspected and having the home’s builder belong to a professional builders’ association were considered to be important by 91% of prospective new home buyers.

First-time buyers were slightly more likely to place greater importance on the builder belonging to an association (56% very important compared to 50% among repeat buyers) and on the builder’s reputation (65% very important compared to 60% among first-time buyers).

Over 60% of households with income below \$50,000 per year (66%) were likely to consider the builder belonging to a professional builder association to be very important, but this dropped to approximately half among households with income over \$50,000 (51%).

Prospective home buyers aged 45 or older were more likely to rank all seven factors as “very important”, with very important ratings ranging from 61% to 78% compared to between 51% and 64% among buyers under the age of 45.

Figure 50: Importance of Factors in Buying or Building a New Home, 2020



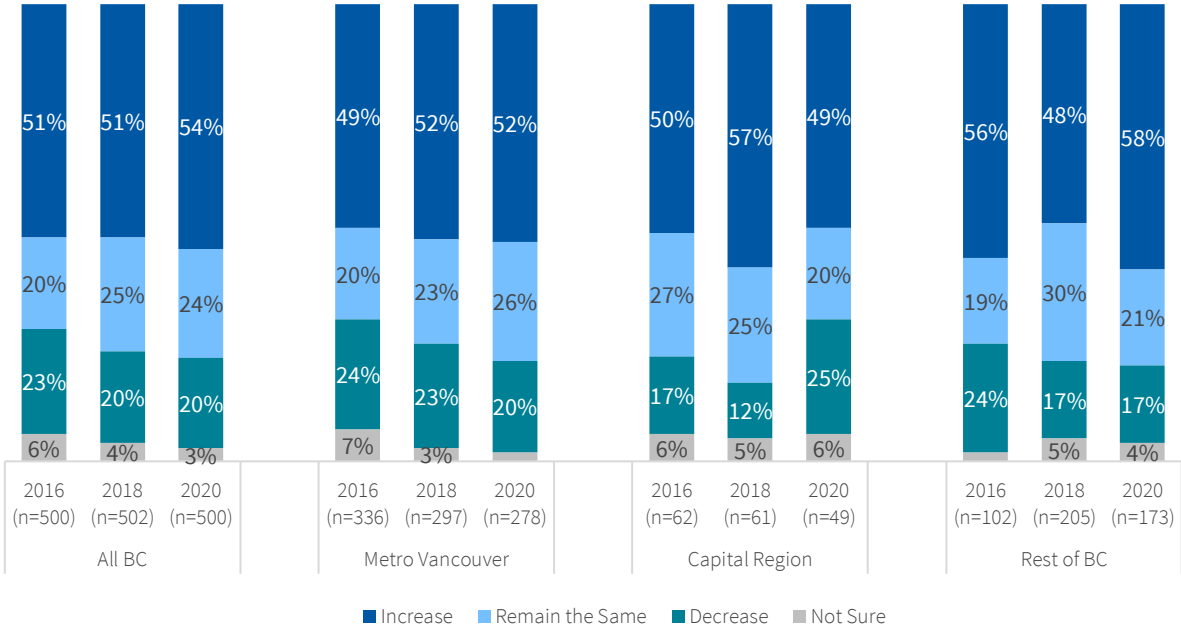
In 2020, the importance placed on the quality of workmanship and materials used in the home continued to decline, with those considering it very important dropping from 77% in 2016 to 67% in 2020. The importance of government regulations, building codes and inspections also declined from 73% in 2018 to 62% in 2020. Finally, after being relatively steady in 2016 and 2018 with about three-quarters considering it very important, those who considered having/knowing the home was built by a licensed residential builder to be very important declined to 61% in 2020. Trends in “very important” ratings:

Prospective New Home Buyers - Confidence in the Housing Market

Housing Prices

In 2020, 54% of prospective new home buyers expected housing prices to increase in their community over the next 12 months, which was similar to expectations in 2016 and 2018 (51% for both). Meanwhile, a quarter (24%) of home buyers expected prices to remain the same, while one-fifth (20%) expected prices to decrease. Prospective home buyers with annual household incomes below \$50,000 were most likely to think that housing prices would increase in the next year (67%).

Figure 51: Prospective New Home Buyers Housing Price Predictions for the Next 12 Months, 2016-2020



When comparing prospective new home buyer predictions in 2018 and 2020, results remained relatively consistent in Metro Vancouver with approximately half (52%) anticipating housing prices to increase. In the Capital Regional District, the proportion of prospective home buyers expecting housing prices to go up fell to 49%, after increasing from 50% to 57% between 2016 and 2018. Across the rest of the province, the proportion expecting housing prices to increase grew to 58% in 2020 after falling from 56% to 48% between 2016 and 2018.

Buying and Selling

When asked if it would be a favourable or unfavourable time to buy in their community, 67% thought it was favourable. This represented a positive upward trend since 2016 (43%) and 2018 (57%). In 2020, 20% thought that it was an unfavorable time to buy and 13% were unsure.

Prospective home buyers who identified as Indigenous (72%), buyers with annual household incomes of \$100,000 or more (71%), those who plan to buy a single detached home (70%) and repeat buyers (70%) were more likely to consider it to be a favourable time to buy a home. Across all the regions, at least one-half or more of prospective new home buyers considered it to be a favorable time to buy (69% in Metro Vancouver, 53% in the Capital Regional District, and 65% across the rest of B.C.).

Figure 52: Favourable Time to **Buy**, 2016-2020

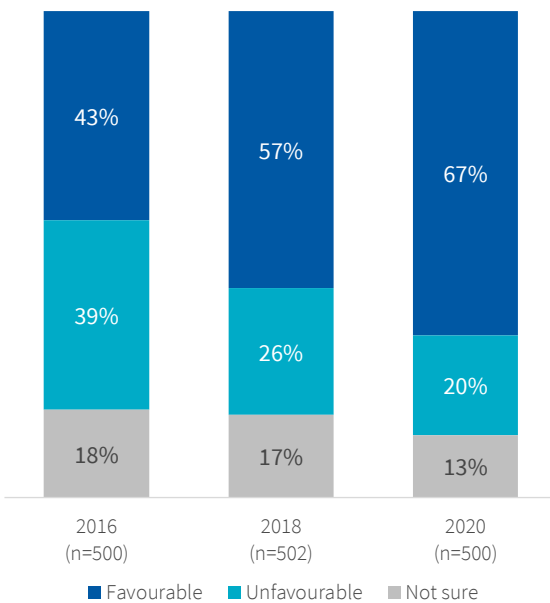
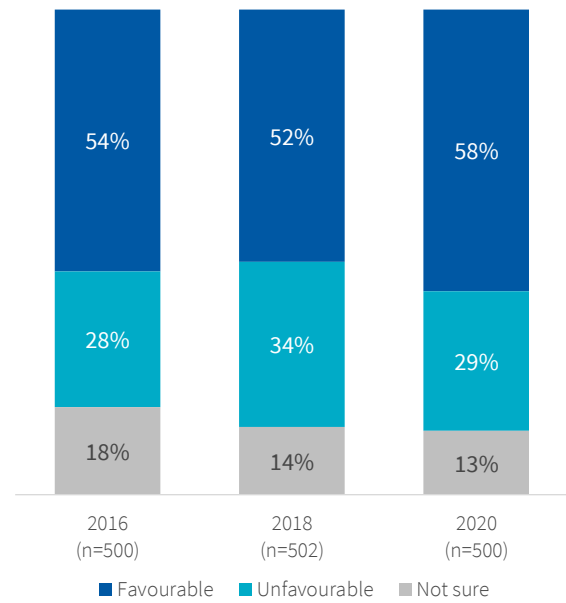


Figure 53: Favourable Time to **Sell**, 2016-2020



When asked if it would be a favourable or unfavourable time to sell in their community, the proportion reporting that it would be a favorable time to sell increased to 58% in 2020, after remaining relatively consistent between 2016 (54%) and 2018 (52%). In 2020, the proportion who indicated it was an unfavorable time to sell decreased from 34% in 2018 to 29% in 2020, while the proportion who were unsure remained stable at 13%.

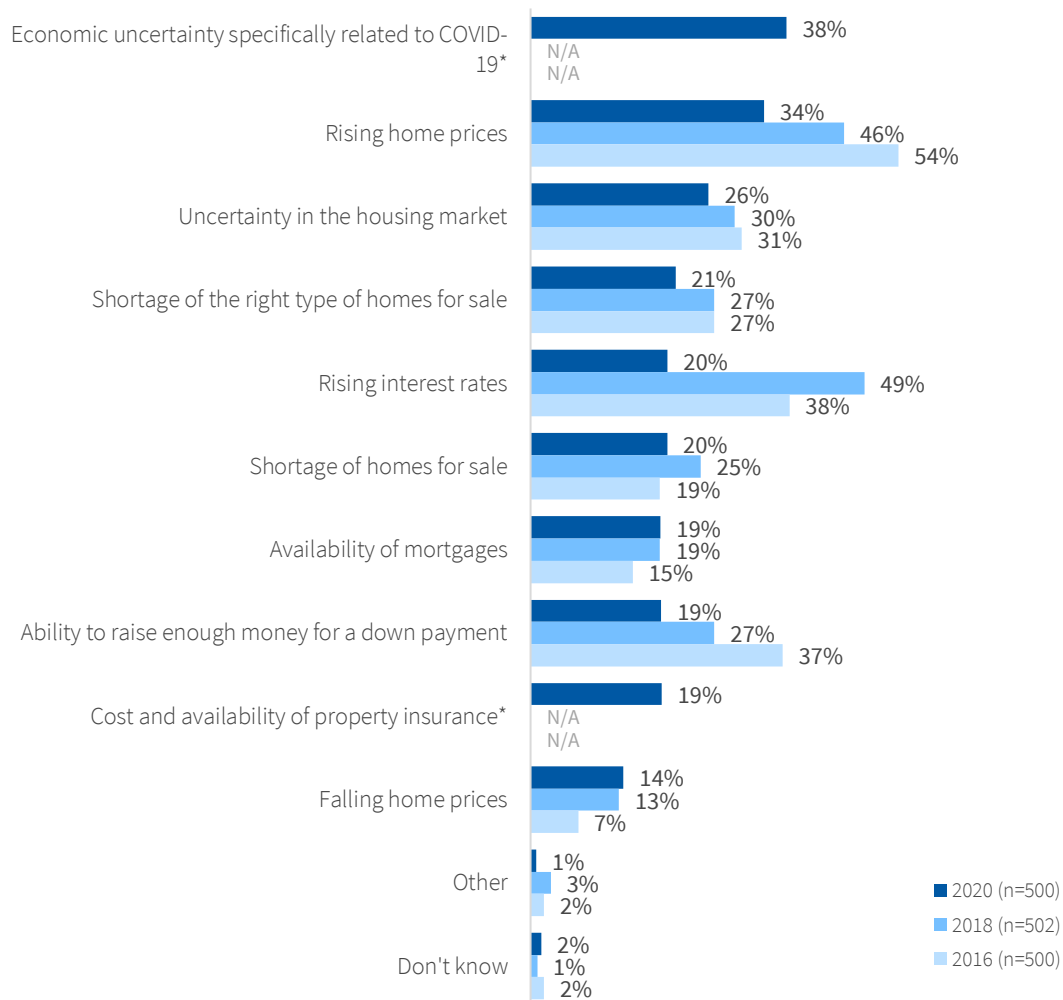
In Metro Vancouver, the proportion of prospective home buyers who thought it was a favorable time to sell has slowly increased over the past four years, from 51% in 2016 to 55% in 2020. In the Capital Regional District, prospective new home buyers have shifted over the past four years. In 2020 74% thought it was a favorable time to sell compared to 48% in 2018 and 74% in 2016. In other areas of B.C., 62% of prospective new home buyers predicted it would be a favourable time to sell in 2020, up from 52% in 2018 and 56% in 2016.

Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, the top concerns among prospective new home buyers was economic uncertainty related to COVID-19 (38%), followed by rising home prices (34%). The proportion worried about rising home prices fell from approximately half in 2016 (54%) to a third in 2020 (34%), with the shift to COVID-19 related concerns likely contributing in part to this decline.

Uncertainty in the housing market continued to be a concern for 26% of prospective new home buyers. Other top concerns in 2020 included: shortage of the right types of homes for sale (21%), rising interest rates (20%), a general shortage of homes for sale (20%), the availability of mortgages (19%), the ability to raise enough for a down payment (19%), and the cost and availability of property insurance (19%). In 2020, rising interest rates, a general shortage of homes for sale and the ability to raise enough for a down payment were all less concerning than in 2018.

Figure 54: Housing Market Concerns for Prospective New Home Buyers, 2016-2020



* New answer option added for 2020

Prospective new home buyers aged 18 to 34 years (31%) were more likely than those over the age of 34 (21%) to be concerned about the uncertainty in the housing market. Home buyers aged 55 years and older (38%) and those living in the Fraser Valley (33%) were more likely to be concerned about a shortage of the right type of homes for sale compared to the average (21%). Those from Central Okanagan (45%) were more likely than others to be concerned about the ability to raise enough money for a down payment relative to the average (19%).

Those who identified as Indigenous were more likely to be concerned about rising interest rates (32%) and the ability to raise enough money for a down payment (26%) compared to the average respondent.

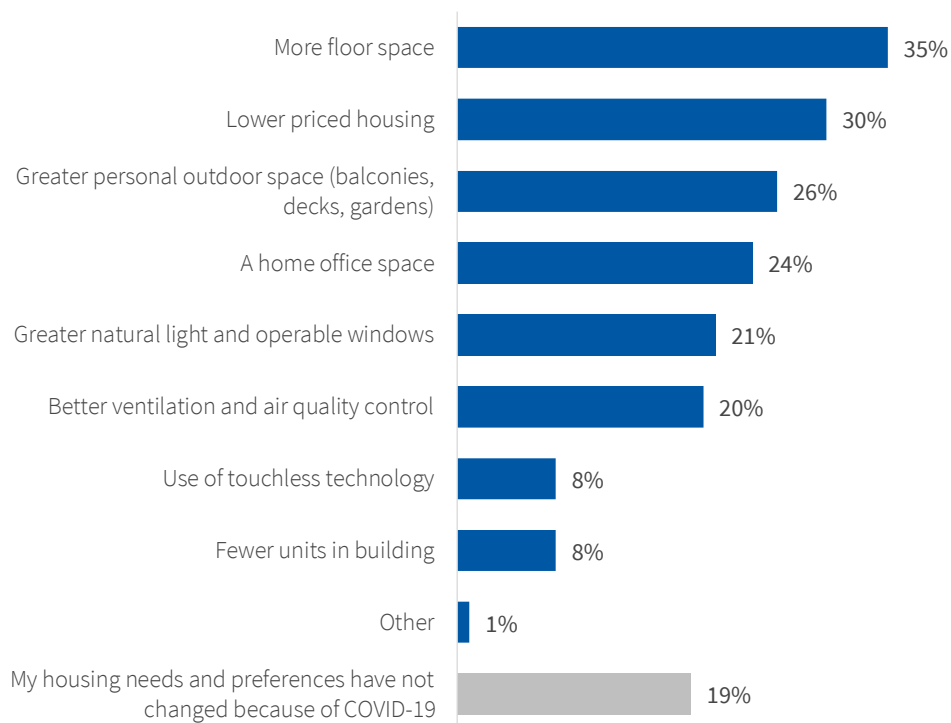
Prospective New Home Buyers - Changes in Housing Needs & Preferences Due to COVID-19

Prospective new home buyers in 2020 indicated that more floor space (35%) and lower priced housing (30%) were the top ways their housing needs and preferences had changed due to COVID-19. Other ways needs and preferences had changed because of COVID-19 included a desire for more personal outdoor space (26%), home office space (24%), greater natural light and operable windows (21%), and better ventilation and air quality control (20%).

Regionally, Capital Regional District respondents were more likely than other areas of B.C. to predict they will need or want greater personal outdoor space (42%) and greater natural light and operable windows (31%).

Prospective new home buyers who were likely to custom build their new homes were the least likely to say they would need home office space (5% compared to 24% overall).

Figure 55: Ways that COVID-19 has Changed Housing Needs and Preferences for Prospective New Home Buyers, 2020



Appendix 1: Methodology

NEW HOME REGISTRATION

BC Housing is responsible for the *Homeowner Protection Act*, 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 B.C. 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, 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 location. Figures for registered new homes include both multi-unit and single detached new homes enrolled with home warranty insurance and Owner Builder Authorizations. 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 B.C. 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](#).

The Monthly New Homes Registry Report is available on the BC Housing's Research Centre [website](#). 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 builder¹⁶ 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 2020. For the 2020 survey, a list of 8,014 builders in B.C. was provided. Email invitations to the survey were sent out to 6,429 builders who were in good standing and did not have an expired, suspended, or cancelled license. Three reminder emails were sent on: (1) November 4, 2020, (2) November 18, 2020, and (3) December 11, 2020 to those builders who had not yet completed the survey at the stated dates.

Phone and text reminders were made between November 25 and December 8, 2020 to those builders who had not yet completed the survey. There were 14 builders who elected to complete the survey over the telephone with an interviewer at that time. A total of 1,291 surveys were completed online by the builders, representing a response rate of 20.1%.

To ensure the final sample of builders accurately reflected the total population and composition of B.C. builders, mathematical weights were applied based on region (for example, the area of B.C. where they primarily build) and the number of homes built or 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 | | |
| MV/FV/SC to Whistler | 779 | 885 |
| Vancouver Island/Gulf Islands | 239 | 204 |
| Okanagan | 146 | 127 |
| Kootenays | 63 | 44 |
| Central and Northern B.C. | 64 | 32 |
| Homes Built or Started in Past Year | | |
| <6 units | 1062 | 1203 |
| 6 to 20 units | 163 | 43 |
| 21 to 50 units | 32 | 16 |
| 51+ units | 34 | 28 |

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) |
| Total | +/-3% |
| Metro Van/Fraser Valley/Sunshine Coast to Whistler | +/-4% |
| Vancouver Island/Gulf Islands | +/-6% |
| Okanagan | +/-8% |
| Kootenays | +/-12% |
| Central/Northern B.C. | +/-12% |

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

CURRENT NEW HOMEOWNERS SURVEY

The Current New Homeowners Survey is a province-wide survey of people who recently bought a new or nearly new home. The survey covers the current homeowners' profile (age, type of home buyer, length of residency), their confidence level about their home purchase, satisfaction with the quality of construction and building process, and their outlook on housing market conditions.

Historically for this survey, telephone numbers (landlines) were matched to address listings provided by BC Housing. However, the dwindling presence of landlines and the low success rate in matching landlines to addresses (typically 40% or less) meant the historical methodology was no longer sustainable. In 2014, the survey was changed to a mixed-mode design (mail-to-online and phone) with the aim of obtaining a more representative sample of homeowners. The lack of an incentive hindered mail-out response rates and telephone follow-up calls were hindered by a low proportion of addresses that could be matched to a landline.

To determine the most sustainable method moving forward, a mail-to-online methodology and a general access panel was used in 2016, and in 2018 only a mail-to-online method was used. Both years included incentives to encourage response to the survey.

In 2020, a total of 6,400 notification letters were mailed on October 29th, 2020 to a random sample of owners of homes covered by warranty insurance under the *Homeowner Protection Act* inviting them to participate in the online survey. A listing of homes with home warranty insurance was provided by BC Housing, and homeowners contacted were further screened to ensure they met the criteria, including that their home was no more than 10 years old and that they had lived in their home for at least six months. The survey was open for participation until November 17, 2020. A total of 535 surveys were received, representing a response rate of 8%.

At the data processing stage, the sample was weighted to match the actual proportions of homes with home warranty insurance that are single detached or in multi-unit buildings in Metro Vancouver, the Capital Regional District, and the rest of B.C.

Sample Surveyed and After Weighting

| | Sample Surveyed | Sample After Weighting |
|-------------------------------|------------------------|-------------------------------|
| Metro Van –single detached | 104 | 70 |
| Metro Van –multi-unit | 206 | 260 |
| CRD–single detached | 24 | 13 |
| CRD–multi-unit | 24 | 32 |
| Rest of B.C. –single detached | 141 | 75 |
| Rest of B.C. –multi-unit | 36 | 85 |

At the 95% level of confidence, the maximum margins of error on the total sample of 535 is +/-4% and for the sub-samples of 200 are +/-7%.

Given the change in methodology for 2016, percentage-to-percentage comparisons cannot be made between results prior to 2016 to results from 2016 and later. Instead, only broader-based, directional comparisons should be made. Results between 2016, 2018 and 2020 are comparable.

PROSPECTIVE NEW HOME BUYERS SURVEY

The *Prospective New Home Buyer Survey* is a province-wide survey of people considering buying a home in the near future (next year or so). The survey covers the prospective home buyer profile (age, household income, type of home buyer, current home type and living situation), purchase plan and factors affecting their purchase decisions.

In 2020, a total of 500 online surveys were conducted with B.C. residents considering buying a newer home in B.C. built under the *Homeowner Protection Act* (i.e., less than 10 years old) in the next year or so. A general access online panel survey was administered for the 2010 to 2020 surveys, while the 2008 and 2006 surveys were conducted by a combination of telephone and web surveys and the 2002 and 2004 waves solely by telephone interviewing. For the 2020 survey, online interviewing was conducted between October 28th and November 23rd, 2020.

Those planning to build their own home were screened to exclude those planning to personally manage construction (as an owner builder).

The sample was weighted to match the actual age, gender and regional distribution of B.C.’s adult population, according to the latest Statistics Canada data. The following table shows the weighted distribution of those who qualified as prospective buyers for the survey.

Sample Survey by Region

| Region | % of Prospective Buyers |
|---------------------------|-------------------------|
| Metro Vancouver | 63% |
| Capital Regional District | 10% |
| Rest of B.C. | 27% |

At the 95% level of confidence, the maximum margins of error on the total sample of 500 is +/-4%. When comparing total findings from 2020 against 2018, a maximum of 6 percentage points is required for the change to be considered statistically significant at the 95% level of confidence. The following table details the range of differences required on the total sample (year to year) and on sub-samples.

Sub-Sample Comparisons

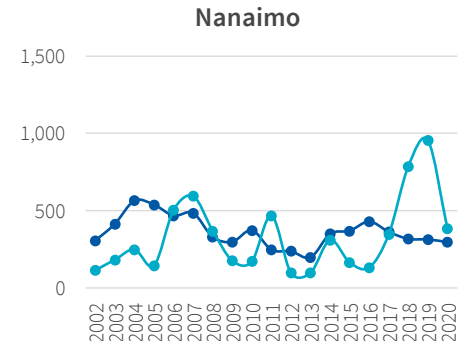
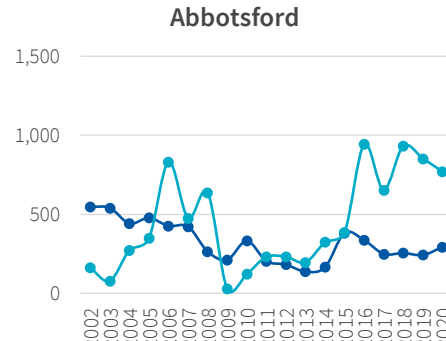
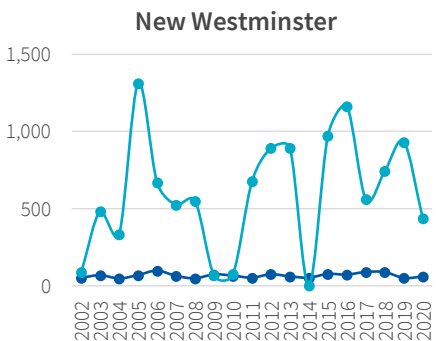
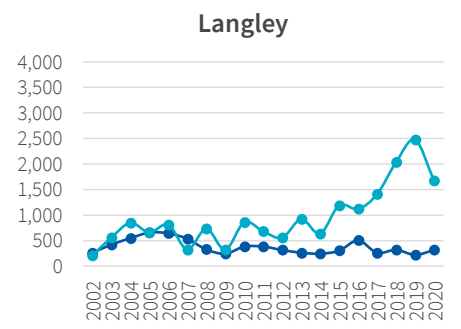
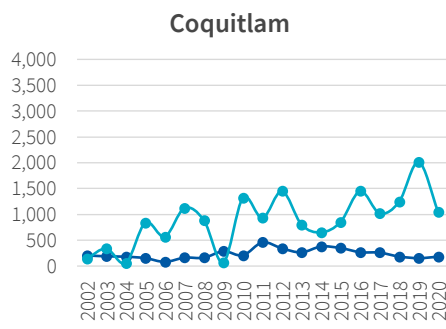
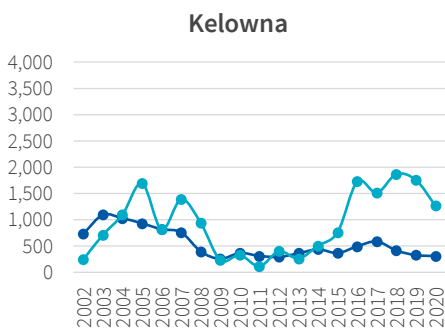
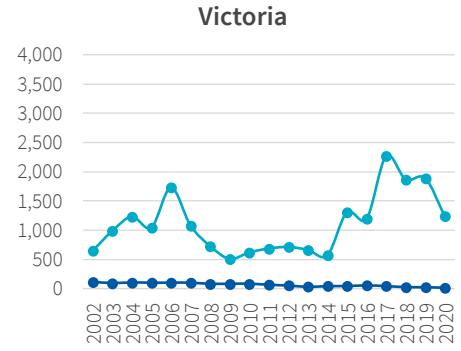
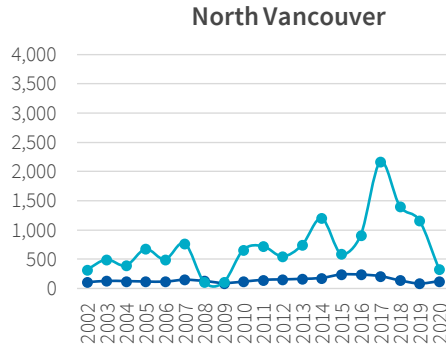
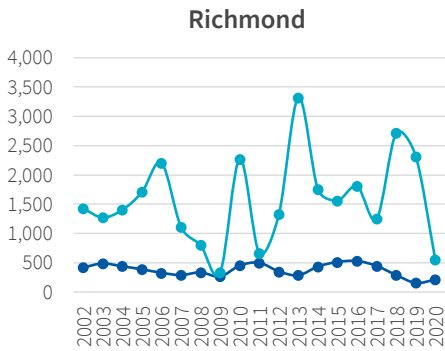
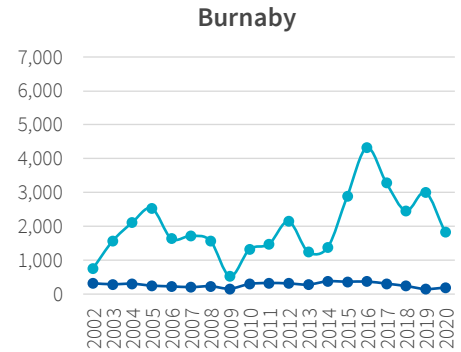
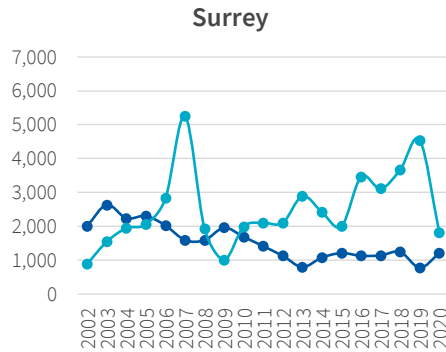
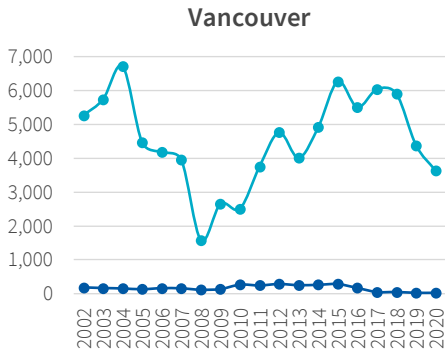
| Region | % of Prospective Buyers |
|--------------------------------------------------|-------------------------|
| 2020 (500) vs 2018 (502) | +/-6% |
| 1st time homebuyer (202) vs repeat (298) | +/-9% |
| Single (259) vs Multi (237) | +/-9% |
| Spec/strata home (434) vs Custom-built home (34) | +/-17% |
| Metro Van/Fraser Valley (278) vs Other (222) | +/-9% |

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 and who pass an examination 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. Does not include 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 |

Appendix 3: Registered New Homes by Building Type for Select Cities, 2002-2020

—●— Single Detached Homes —●— Homes in Multi-unit Buildings



● Single Detached Homes ● Homes in Multi-unit Buildings

