

2016
BC Residential Building
Statistics and Trends Report



About BC Housing

BC Housing develops and administers a wide range of initiatives supporting different housing options across British Columbia (BC).

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 BC. BC Housing fulfils this mandate by monitoring and enforcing the mandatory third-party home warranty insurance on all new homes constructed in BC, 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 BC's residential construction industry and consumers.


Contact

We welcome your questions and comments, to contact us:

Technical Research
BC Housing

Phone: (778) 452-6454

Email: technicalresearch@bchousing.org

Visit www.bchousing.org to view the latest statistics or download this report. You can follow us on Twitter. @RegistrarBCH 

Issued August 2017

Table of Contents

Introduction	5
Report Highlights	6
2016 New Home Registration	8
Overview	8
Registered and Enrolled Homes	9
Region	12
Multi-Unit Building Size	15
Licensed Residential Builders	23
Overview	23
Licensing	24
Licensed Residential Builder Survey	26
Survey Methodology.....	26
Survey Results.....	27
Construction Activity	27
Builder Profile	31
Builder Education and Training	33
Green Building	35
Universal Housing Design	37
New Residential Construction Activity Predictions	38
Current New Homeowners and Prospective New Home Buyers	39
Current New Homeowner Survey	39
Survey Methodology.....	39
Survey Results.....	40
Current New Homeowner Profile	40
Current New Homeowners’ Confidence about Home Purchase	41
Current New Homeowners’ Satisfaction with Home Construction	43
Current New Homeowners’ Confidence in the Housing Market	45
Prospective New Home Buyer Survey	48
Survey Methodology.....	48
Survey Results.....	49
Prospective New Home Buyer Profile	49
Prospective New Home Buyers’ Purchase Plan	50
Prospective New Home Buyers’ Purchase Decisions	52
Prospective New Home Buyers’ Confidence in the Housing Market	54

Appendix 1: Methodology	57
New Home Registration	57
Licensed Residential Builder Survey	58
Current New Homeowners Survey	59
Prospective New Home Buyers Survey	60
Appendix 2: Glossary	61

Introduction

The BC Residential Building Statistics and 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 insight for the builders and homeowner markets. The statistics and commentaries in this report assist residential building industry professionals and consumers in understanding housing markets and trends to plan ahead and make informed decisions.

In British Columbia (BC), all new homes must be registered before the issuance of building permits and construction starts. New home registration data are a leading indicator of housing and economic activity in BC¹, providing information on registered new homes by building type, location, and building size.

Builders and renovators are licensed by BC Housing. 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. Information on licensing requirements and home warranty insurance is available on the BC Housing [website](#).

In some cases, a LRB or BER may be registered with more than one warranty provider. 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 projects.

The *Current New Homeowner Survey* and the *Prospective New Home Buyer Survey* are conducted once every two years. Results of the 2016 Consumer Survey are included in this report.

“This new report is a key indicator of construction activity in the province that will prove to be an essential tool for realtors, analysts and industry stakeholders doing business in British Columbia.”

**Cameron Muir, Chief Economist,
British Columbia Real Estate
Association**

¹Bank 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>

2016 Residential Building in BC



Home Registration Data

41,968
Total new registered homes



28,437
New homes in multi-unit buildings



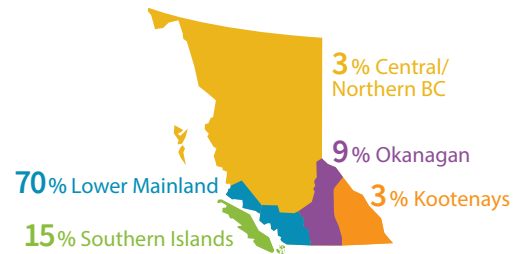
Builder Data

7,036
Licensed Residential Builders

84
Building Envelope Renovators

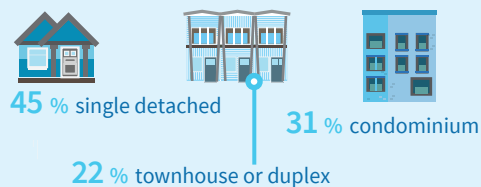


Where builders work by region

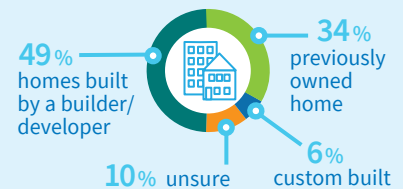


Consumer Data

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



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





13,531

New single-detached homes



up
17.2%

5,122

Purpose-built rentals



up
20.6%

Builders by building type

97% built single-detached homes



18% built row/townhouse/duplex

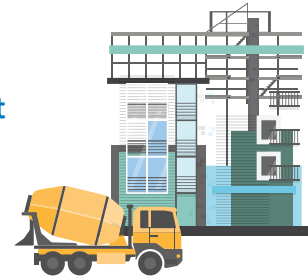


7% built multi-unit low rise

2% built multi-unit high rise

44%

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



97% of new homeowners agree that **home warranty insurance** makes them feel confident about their purchase



87%

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



New Home Registration

2016 Highlights

- 41,968 new homes were registered, the highest since 2007.
- Over 65% of new homes were in multi-unit buildings.
- Approximately 85% of new homes were located in Metro Vancouver, Central Okanagan Regional District, Capital Regional District, and the Fraser Valley Regional District.
- More than 5,000 purpose-built rentals were proposed in 2016, the highest recorded since 2002.
- Average number of units per multi-unit building was 14.5.

Overview

Under the *Homeowner Protection Act*, all new homes in 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 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.

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 which are exempt from home warranty insurance.

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

"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*

Registered and Enrolled Homes

The number of registered new homes² in BC reached 41,968 in 2016, including 28,437 homes in multi-unit buildings³ and 13,531 single detached homes⁴.

The total number of registered homes was up 22.6% from 2015, driven by growth in the multi-unit segment (25.4%) and single detached homes (17.2%). For the first time, the annual number of registered new homes in 2016 exceeded the 2007 peak of 40,974 homes.

Multi-unit buildings accounted for 67.8% of all registered new homes in 2016, higher than the 61.6% average from 2002 to 2016.

Purpose-built rental units represented 18.0% of multi-unit buildings in 2016 at 5,122 units. The number of purpose-built rentals in 2016 was the highest recorded since tracking began in 2002, with an increase of 20.6% from 2015.

Figure 1: Share of Registered New Homes by Building Type, 2016

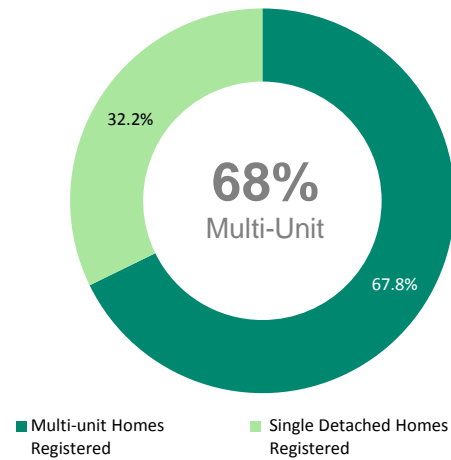


Figure 2: Number of Registered New Homes by Building Type, 2002-2016



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 3, 2017.

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 Builder Licensing.

In 2016, homes enrolled with home warranty insurance accounted for 82.5% of proposed new homes, followed by purpose-built rentals (12.2%), and owner-built homes (5.3%).

The total number of new homes enrolled with home warranty insurance was 34,635 in 2016, up 26.3% from 2015. For the first time since 2010, 2016 enrollment surpassed 30,000 homes, nearing the 2007 peak of over 35,000 homes.

As a proportion of total new housing, purpose-built rental in 2016 was consistent with 2015 at 12.2%.

Figure 3: Share of Homes Enrolled with Home Warranty, Owner-built Homes and Proposed Purpose-built Rentals, 2016

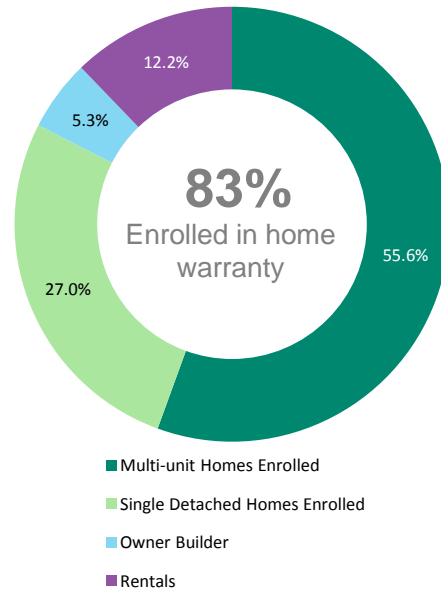


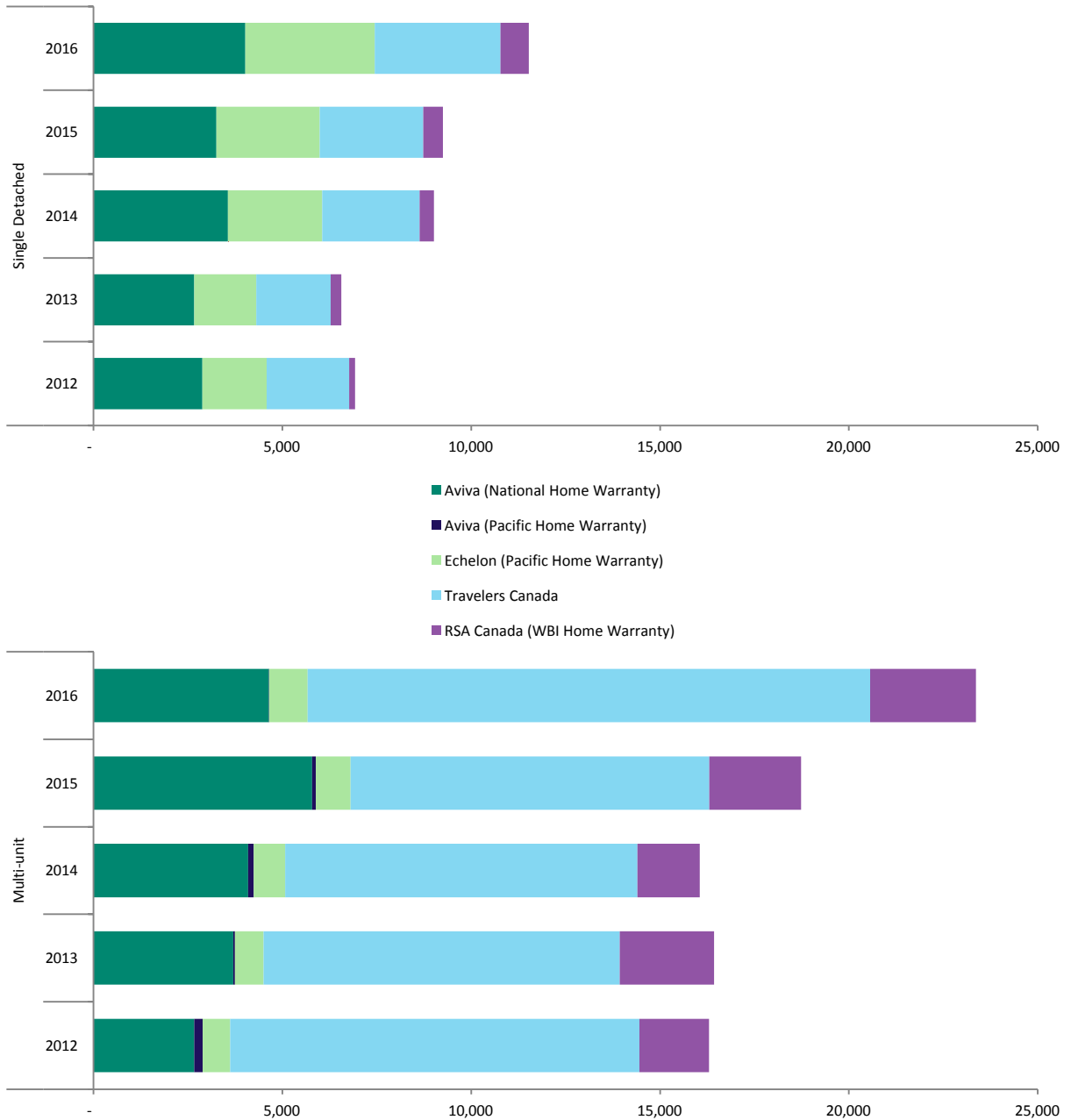
Figure 4: Number of Homes Enrolled with Home Warranty, Owner-built Homes and Proposed Purpose-built Rentals, 2002-2016



Aviva through National Home Warranty had the largest share (34.9%) in single detached home enrollments, followed by Echelon represented by Pacific Home Warranty (29.7%) and Travelers Canada (28.9%).

For new home enrollments by warranty provider in 2016, **Travelers Canada represented the largest market share in multi-unit enrollments (63.7%)**, followed by Aviva through National Home Warranty (19.9%) and RSA Canada represented by WBI Home Warranty (12.0%).

Figure 5: Market Share of Single Detached and Multi-unit Homes Enrolled by Warranty Provider, 2012-2016






Region

In 2016, approximately 85% of registered new homes in BC were located in Metro Vancouver, Central Okanagan Regional District, Capital Regional District, and Fraser Valley Regional District, suggesting strong construction intentions and higher levels of future construction activity in those areas.

Metro Vancouver accounted for 66.3% of all registered new homes in BC, followed by the Central Okanagan Regional District (6.8%), Capital Regional District (6.3%) and Fraser Valley Regional District (6.0%). Compared to 2015, the Central Okanagan Regional District experienced the highest growth in both multi-unit homes (131.4%) and single detached homes (39.7%). Metro Vancouver and the Fraser Valley Regional District also saw substantial growth in multi-unit homes at 20.6% and 65.2% respectively. The Capital Regional District experienced a 34.6% increase in single detached homes compared to 2015, but was the only district to see a decline in multi-unit homes (-2.0%).

In terms of purpose-built rental units in 2016, 60.8% were located in Metro Vancouver, followed by 15.4% in the Central Okanagan Regional District and 7.6% in the Fraser Valley Regional District. Compared to 2015, the number of purpose built rentals increased in Metro Vancouver, Central Okanagan Regional District, and Fraser Valley Regional District, but declined in the Capital Regional District.

Figure 6: Registered New Homes by Regional District, 2016

Regional District		
 Number of Single Detached Homes Regional % Share of Provincial Total	 Number of Homes in Multi-unit Buildings Regional % Share of Provincial Total	 Population Regional % Share of Provincial Total

Number of Registered New Homes:

— Homes in Multi-Unit Buildings — Single Detached Homes

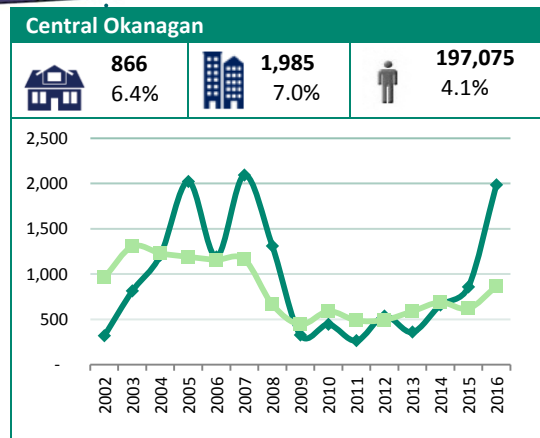
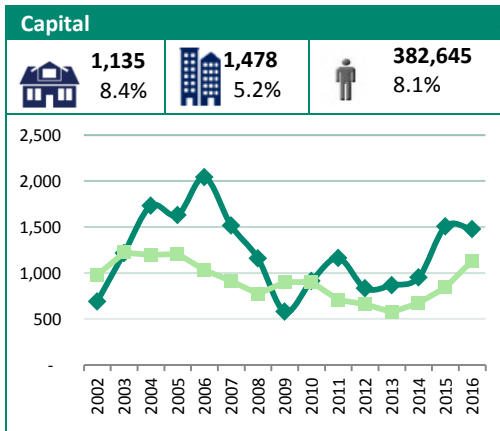
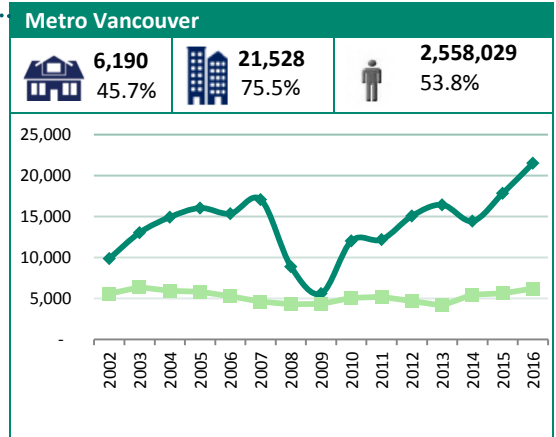
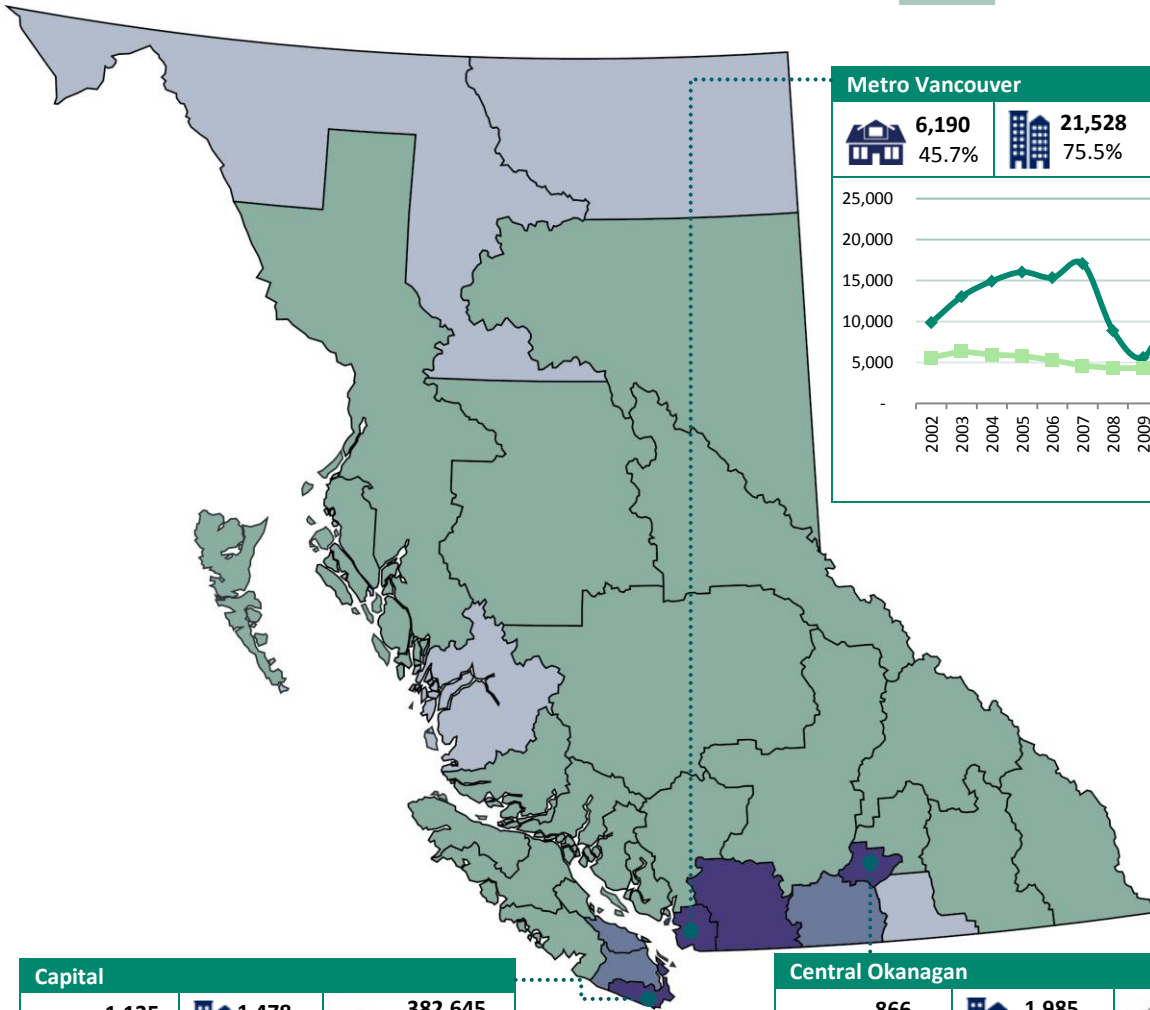
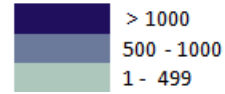
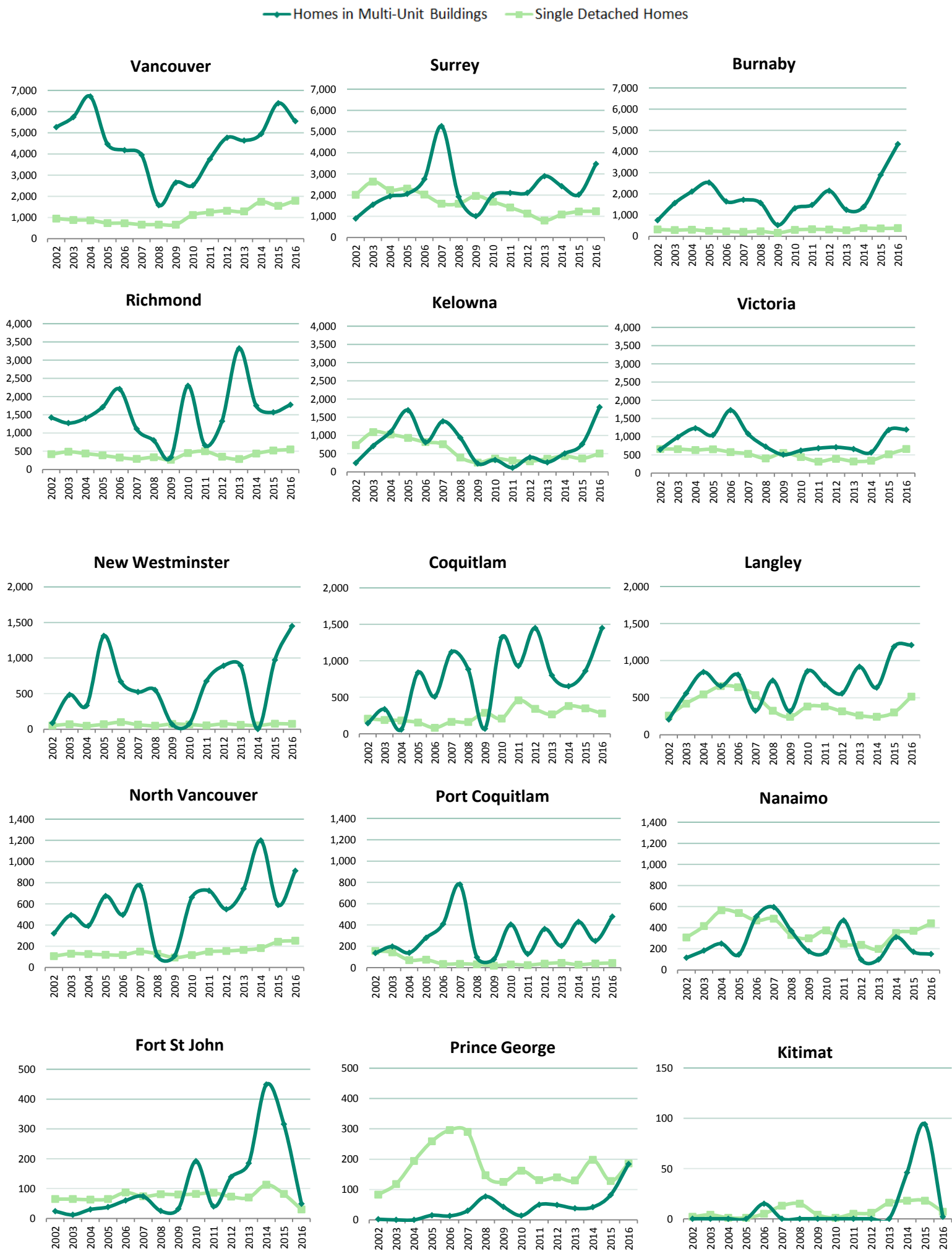


Figure 7: Registered New Homes by Building Type and by Selected City⁵, 2002-2016

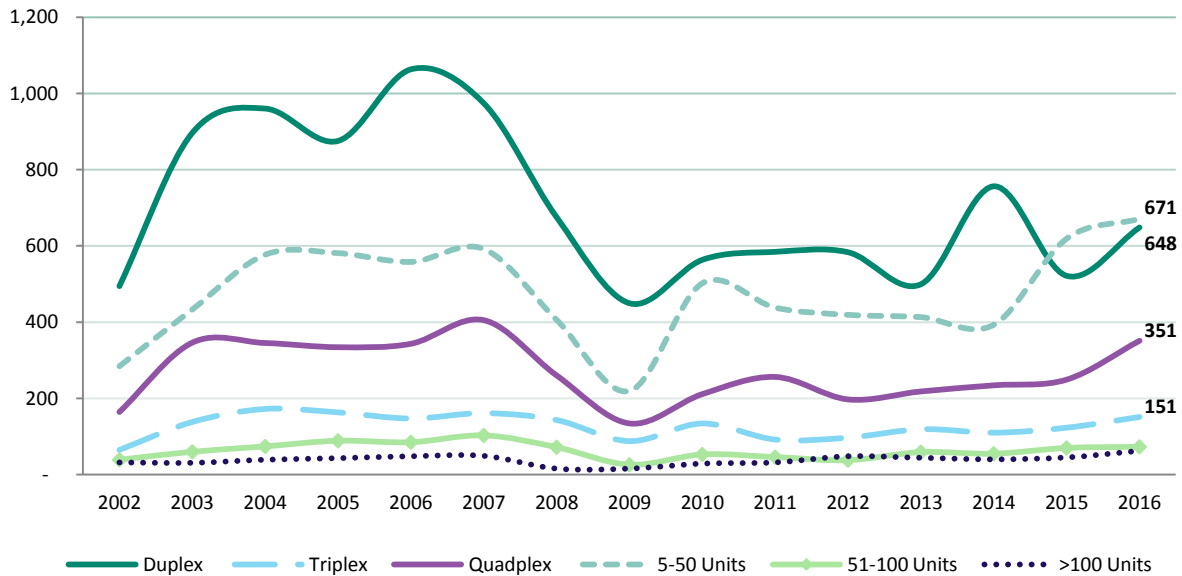


⁵ Cities are selected based on potential construction activities, population size and potential liquefied natural gas development.

Multi-Unit Building Size

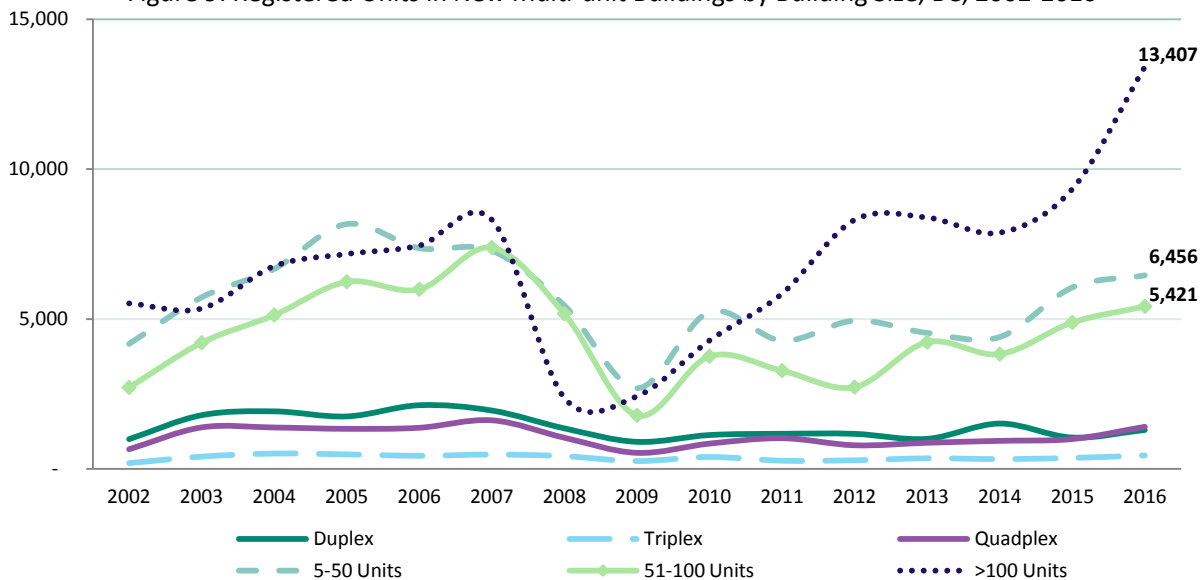
Buildings of 5 to 50 units were the most popular multi-unit building size in 2016 (34.3%), followed by duplexes (33.1%) and quadplexes (17.9%). A total of 671 buildings of 5 to 50 units were registered, an 8.4% increase over 2015 and the highest number recorded between 2002 and 2016. Registered buildings over 100 units increased 37.8% over 2015, resulting in the highest number since 2002 at 62 buildings.

Figure 8: Registered New Multi-unit Buildings by Building Size, BC, 2002-2016



By number of units, buildings of 100 units-plus accounted for 47.1% of the total units registered in 2016 with 13,407 units, followed by the buildings of 5 to 50 units (22.7%) and buildings of 51 to 100 units (19.1%). The number of units in buildings of 100 units-plus increased 43.7% between 2015 and 2016, while units in quadplexes increased 41.0%.

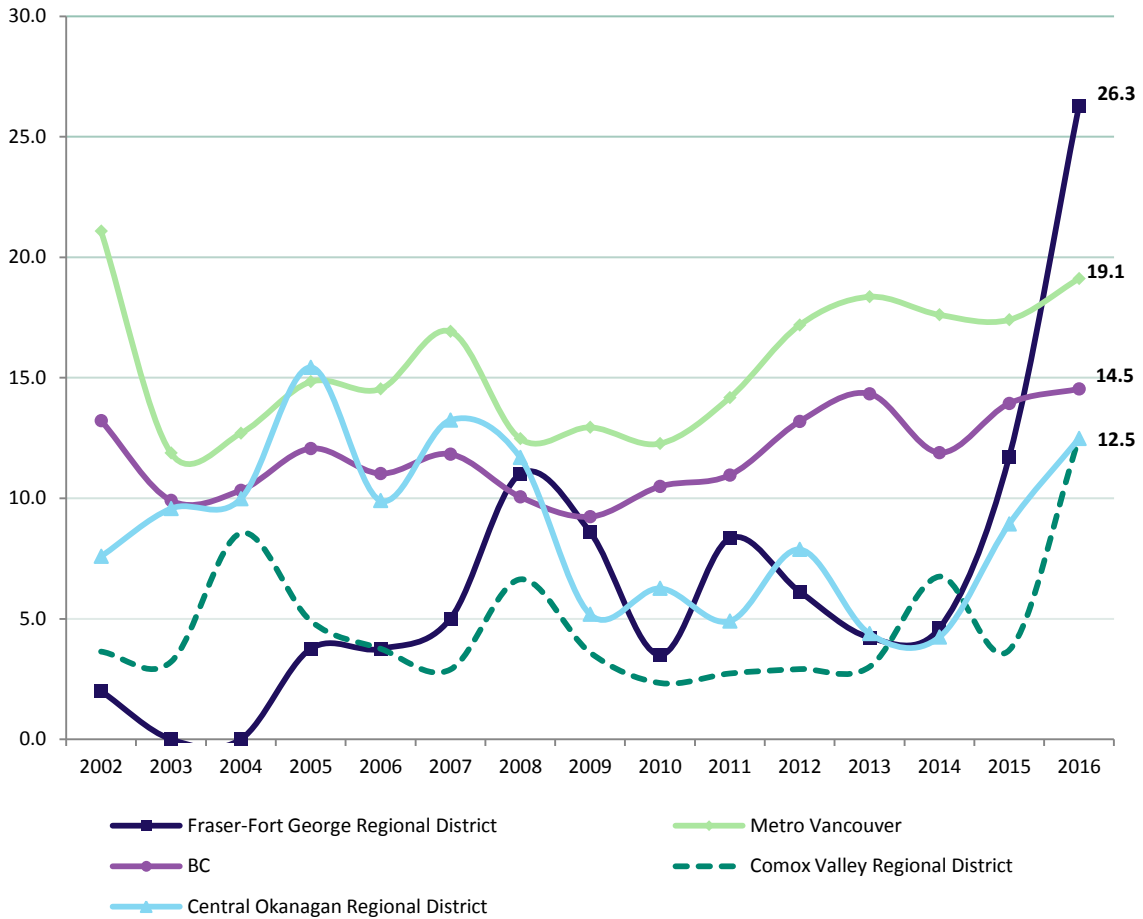
Figure 9: Registered Units in New Multi-unit Buildings by Building Size, BC, 2002-2016



The unit-building ratio measures the average size of registered multi-unit buildings by calculating the number of new units per building. **In 2016, the unit-building ratio by regional district was highest in Fraser-Fort George Regional District at 26.3, followed by Metro Vancouver at 19.1 and Central Okanagan Regional District and Comox Valley Regional District both at 12.5.**

Between 2014 and 2015, BC experienced an increase from 13.9 to 14.5, surpassing the 2013 unit-building ratio of 14.3. Between 2002 and 2016, Metro Vancouver typically led with the largest unit-building ratio in BC and was always above the provincial average. Fraser-Fort George Regional District and Comox Valley Regional District both saw substantial increases in their unit-building ratios in 2016, as in more recent years both had unit-building ratios below 10.0.

Figure 10: Unit-Building Ratio 2002-2016



In 2016, Burnaby averaged 53.0 registered new homes per multi-unit building, followed by Coquitlam at 46.8 and Pemberton at 45.0.

Table 1: Selected Cities in BC with High Unit-Building Ratios, 2016

<i>City</i>	<i>Number of Units</i>	<i>Number of Buildings</i>	<i>Unit- Building Ratio</i>
Burnaby	4,348	82	53.0
Coquitlam	1,450	31	46.8
Pemberton	45	1	45.0
New Westminster	1,450	35	41.4
North Vancouver	928	29	32.0
Saanich	58	2	29.0
Richmond	1,775	67	26.5
Vancouver	5,548	211	26.3
Prince George	184	7	26.3
Port Moody	96	5	19.2

In 2016, the largest building registered in BC was located in Vancouver and included 560 units. In total, 11 buildings with 300-plus units each were registered in 2016, of which 2 had over 500 units and 3 had between 400 and 500 units.

In comparison, there were 7 buildings with 300-plus units in 2015, with one building over 500 units and another between 400 and 500 units. In 2014 there were 8 buildings with 300-plus units, all of which were under 400 units in size.

Table 2: Top 10 Largest Registered Multi-unit Buildings in BC, 2016

<i>Address</i>	<i>City</i>	<i>Number of Units</i>
89 Nelson Street	Vancouver	560
4567 Lougheed Highway	Burnaby	526
4828 Lougheed Highway	Burnaby	466
4756 Lougheed Highway	Burnaby	426
13338 103A Avenue	Surrey	407
900 Carnarvon Street	New Westminster	398
1289 Hornby Street	Vancouver	394
1788 Gilmore Avenue	Burnaby	369
1888 Gilmore Avenue	Burnaby	340
525 Foster Avenue	Coquitlam	334

Figure 11: Registered Buildings with 50 Units or More in the Lower Mainland, 2016

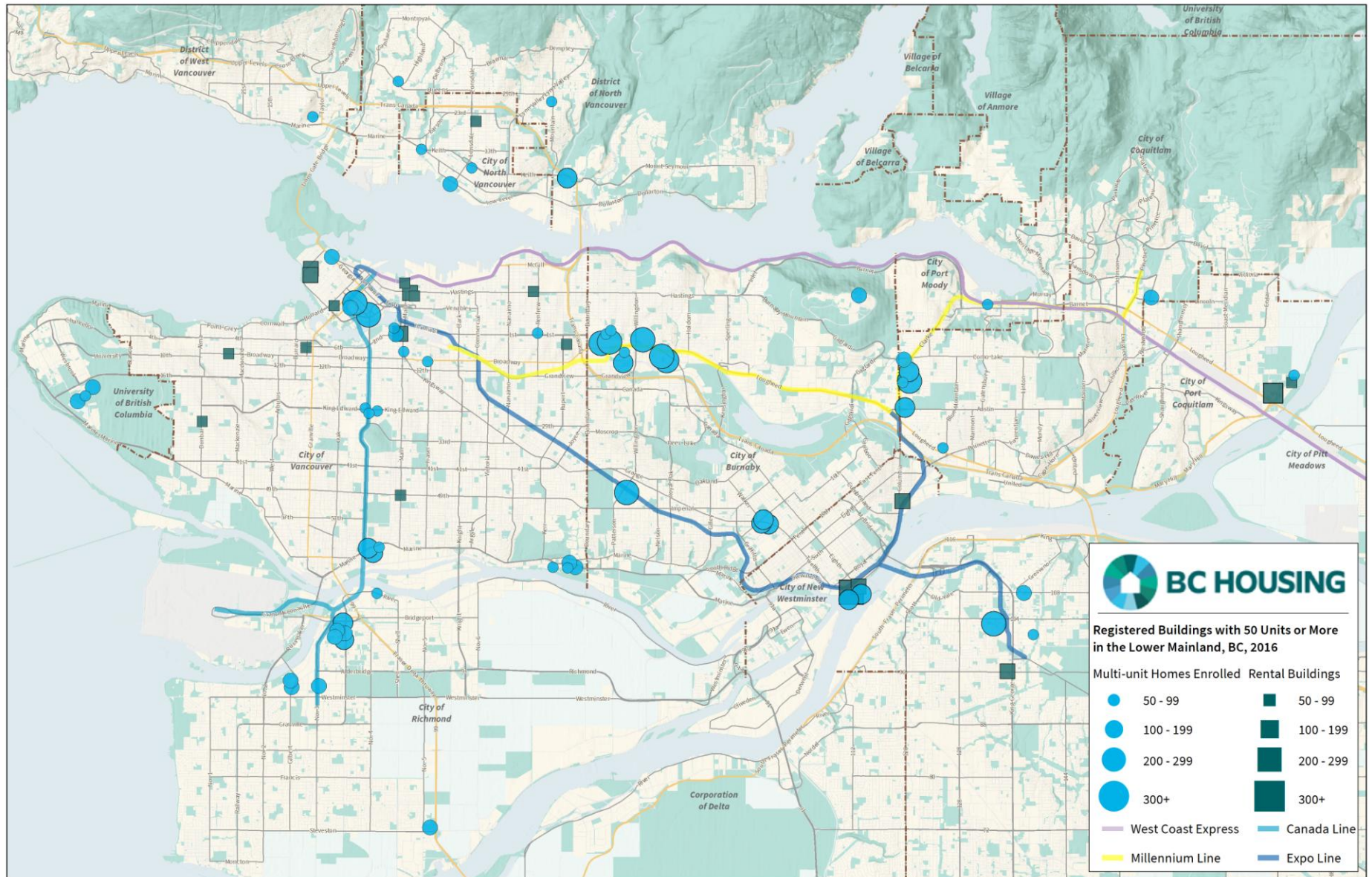


Figure 12: Registered Buildings with 50 Units or More in Downtown Vancouver, 2016

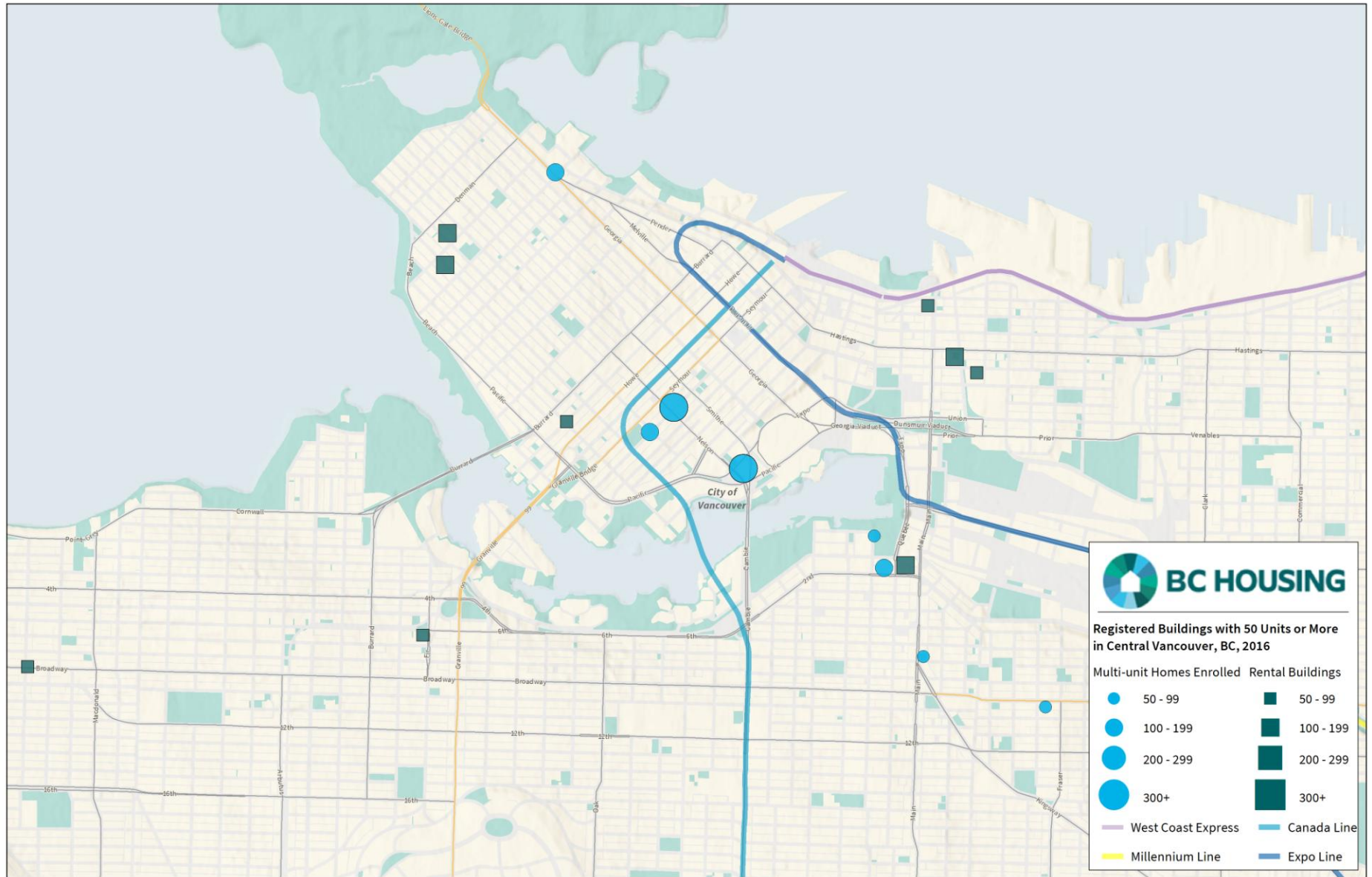


Figure 13: Registered Buildings with 50 Units or More in South Vancouver and Richmond, 2016

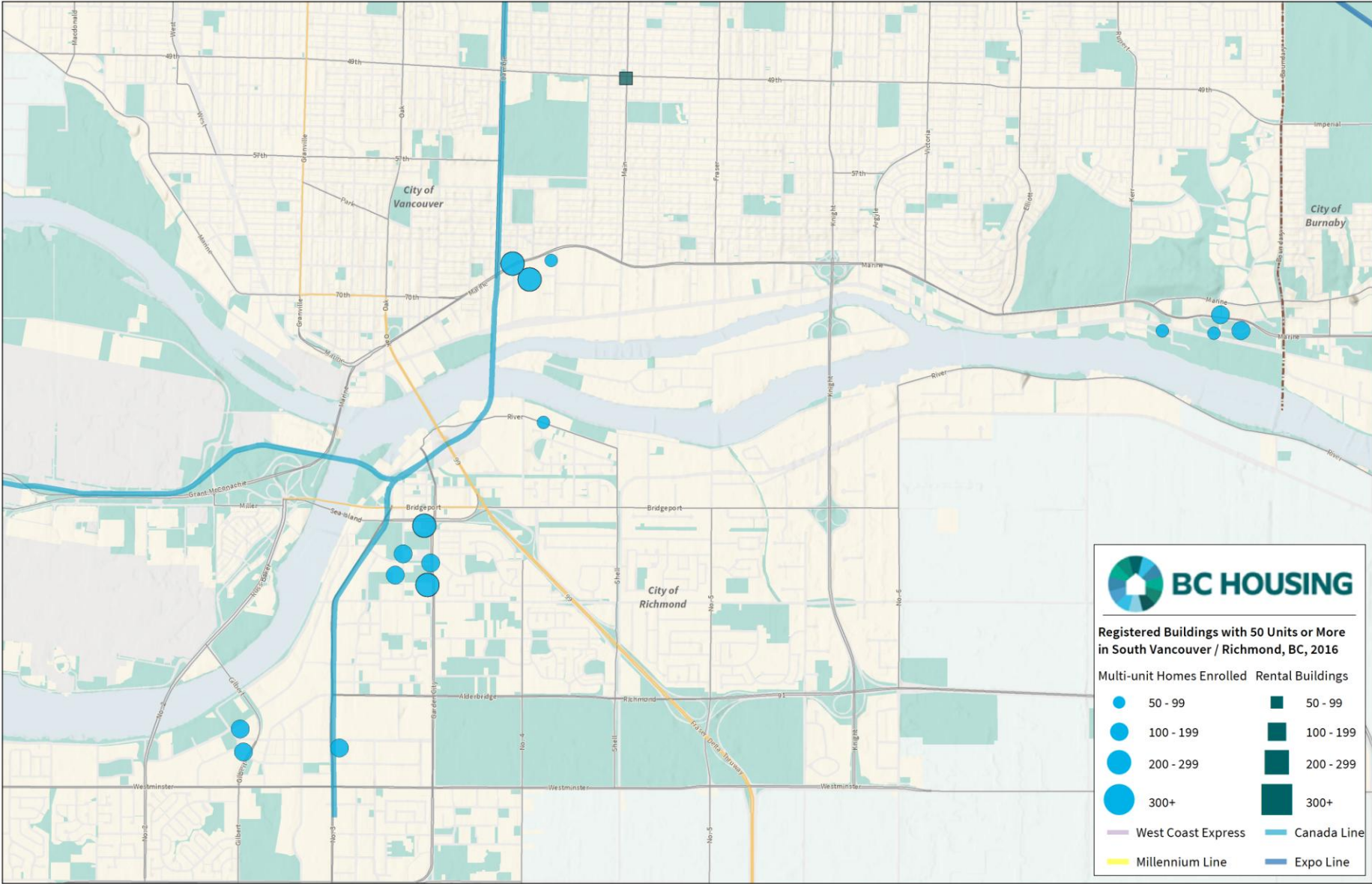


Figure 14: Registered Buildings with 50 Units or More in Burnaby, New Westminister, and Coquitlam, 2016

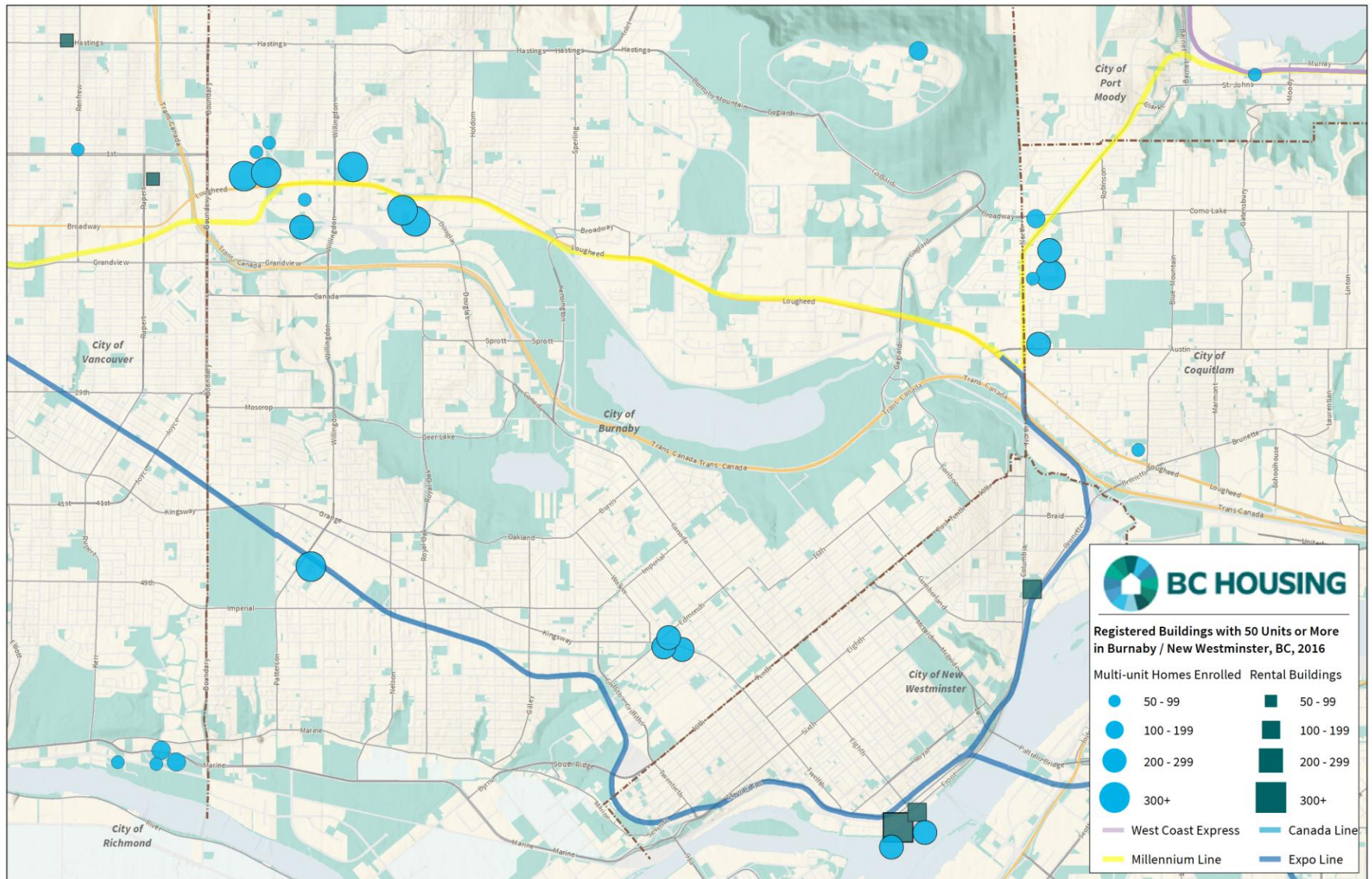
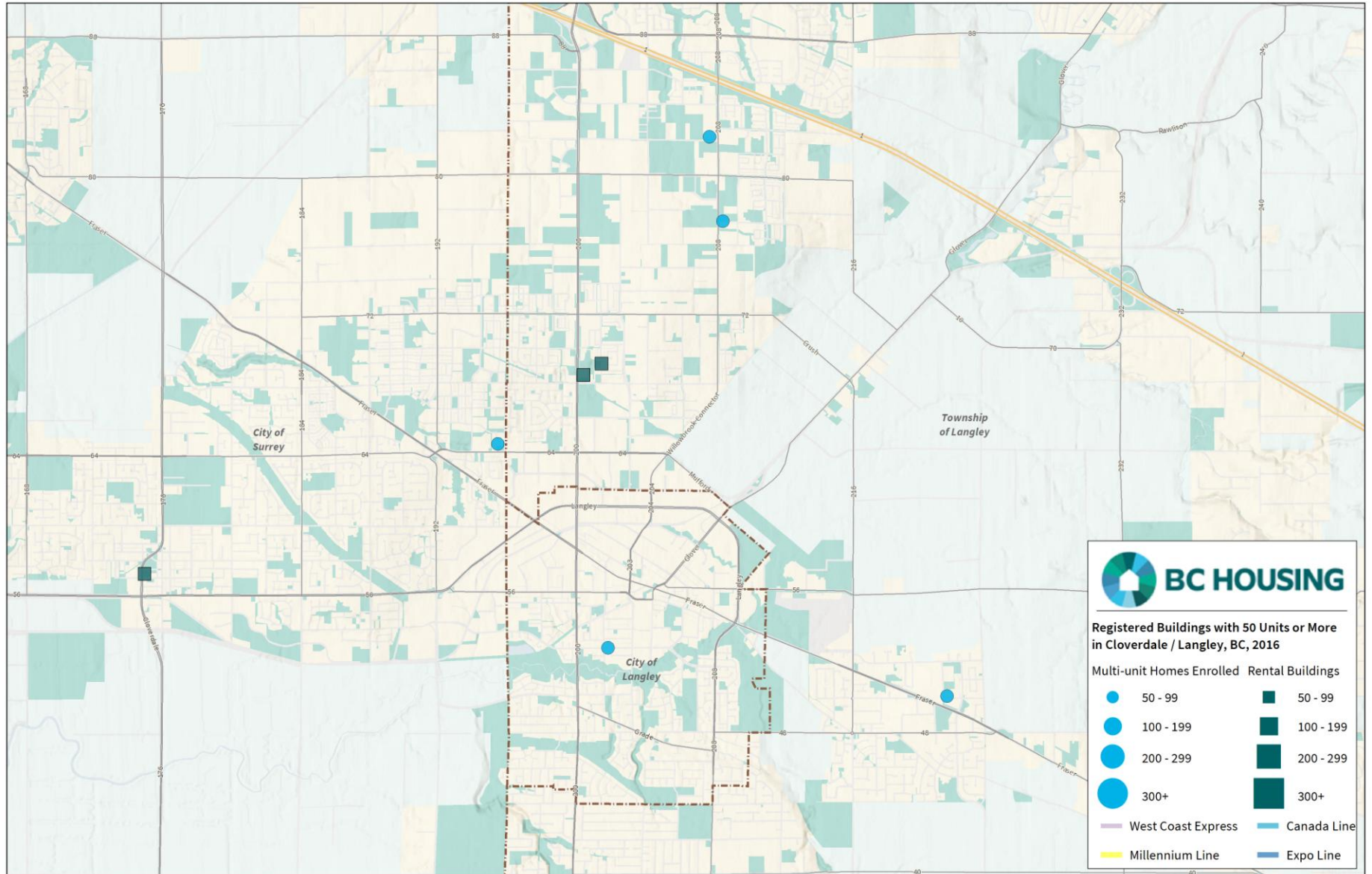


Figure 15: Registered Buildings with 50 Units or More in Langley, 2016



Licensed Residential Builders

2016 Highlights

- The number of Licensed Residential Builders has grown continuously since 2009.
- Nearly three-quarters of BC builders reported they worked in the Lower Mainland.
- BC builders completed 3.5 homes per year on average.
- The average builder tenure was 14 years, down from the 2009 peak of 17 years and unchanged from the 2015 average.

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 are still required to be LRBs and arrange for home warranty insurance prior to the commencement of construction.

Builder licensing is tracked and monitored by BC Housing. The data in this section is from the Builder Licensing Registry. Further information on licensing requirements is available on the BC Housing [website](#).

“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**

Licensing

The number of LRBs grew in 2016, while the number of Licensed Building Envelope Renovators (BERs) declined.

The number of LRBs has grown continuously since 2009, peaking at 7,036 in 2016. LRBs increased 4.0% compared to 2015, and since 2002 the number of LRBs has more than doubled. Since 2007 the number of BERs generally trended upward, but in 2016 the number declined to 84.

Figure 16: Number of Licensed Residential Builders and Building Envelope Renovators, 2002-2016



As of January 1, 2017, Aviva had the largest market share of LRBs (36.6%) and BERs (52.8%).

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 7,057 LRBs with warranty acceptance from warranty providers in 2017, Aviva through National Home Warranty (Aviva) accounted for 2,584 (36.6%), followed by Echelon represented by Pacific Home Warranty (Echelon) with 2,277 (32.3%), Travelers Canada with 1,610 (22.8%), and RSA Canada represented by WBI Home Warranty with 580 (8.2%). Aviva through Pacific Home Warranty represented 0.1% of LRBs with warranty acceptance.

Of the 106 BERs with warranty acceptance, Aviva accounted for 56 (52.8%), followed by Travelers Canada at 23 (21.7%) and RSA Canada represented by WBI Home Warranty at 17 (16.0%).

Figure 17: Market Share of Licensed Residential Builders, 2016

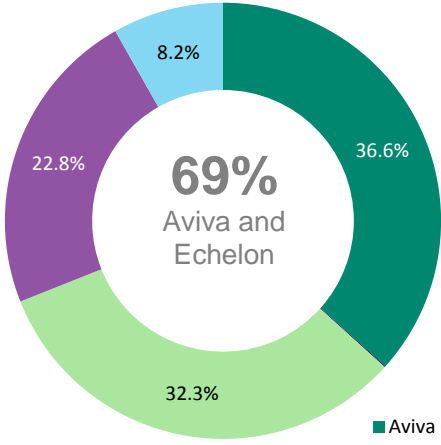
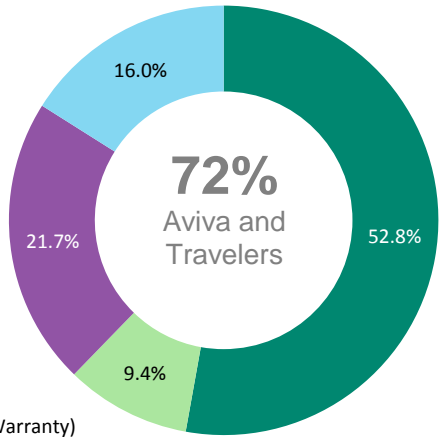


Figure 18: Market Share of Building Envelope Renovators, 2016



- Aviva (National Home Warranty)
- Aviva (Pacific Home Warranty)
- Echelon (Pacific Home Warranty)
- Travelers Canada
- RSA Canada (WBI Home Warranty)

Licensed Residential Builder Survey

Survey Methodology

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering 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 2016. For the 2016 survey, email invitations were sent to 6,309 builders in good standing without expired, suspended or cancelled licenses. Builders completed a total of 1,526 online surveys, a response rate of 24.2%.

To ensure the final sample 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 or started in the past year.

Further information on survey methodology is provided in Appendix 1.

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

Survey Results

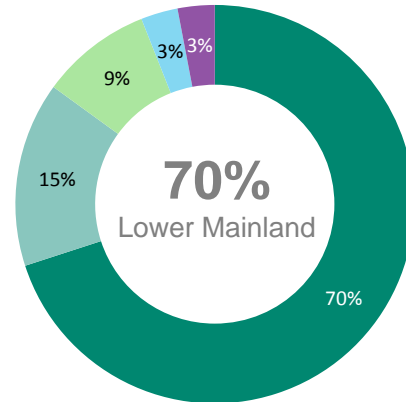
Construction Activity

Primary Area of Construction

In 2016, 70% of builders reported that they primarily worked in the Lower Mainland, followed by 15% in the Southern Islands, 9% in the Okanagan, 3% in both the Kootenays and Central and Northern BC.

Although the regional distribution between 2015 and 2016 stayed stable, the proportion of builders working in the Lower Mainland increased 13 percentage points relative to the 2007 and 2009 low of 57%. Over the same time period, the proportion of builders declined in the Southern Islands and Okanagan, by 7 and 6 percentage points respectively.

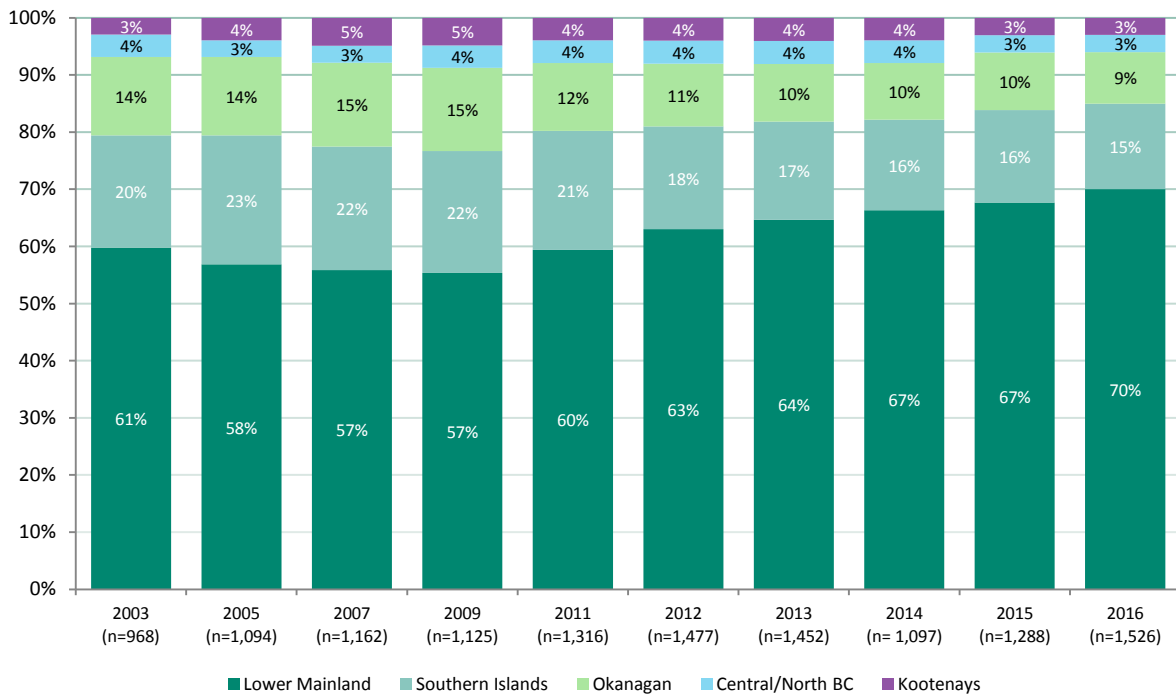
Figure 19: Percentage of Builders by Primary Area of Construction, 2016



■ Lower Mainland ■ Southern Islands ■ Okanagan ■ Kootenays ■ Central/North BC

Base: (n=1,526)

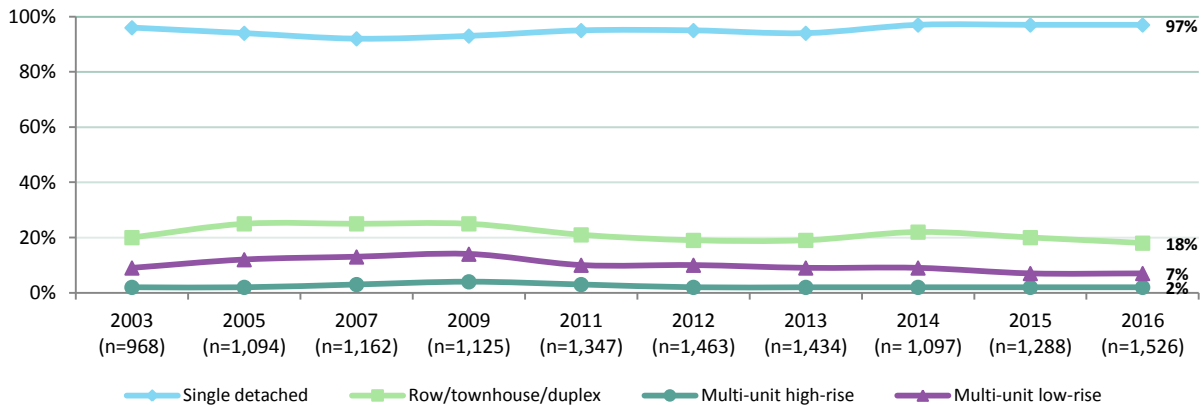
Figure 20: Percentage of Builders by Primary Area of Construction, 2003-2016



Housing Type Constructed in Past Five Years

In 2016, 97% of builders reported building single detached homes in the past five years, while 18% built row, townhouses or duplexes, 7% built multi-unit low-rises, and 2% built multi-unit high-rises⁷. Since 2009, the proportion of builders reporting building multi-unit homes has generally decreased, and as a result the overall breakdown by building type in 2016 is similar to 2003.

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



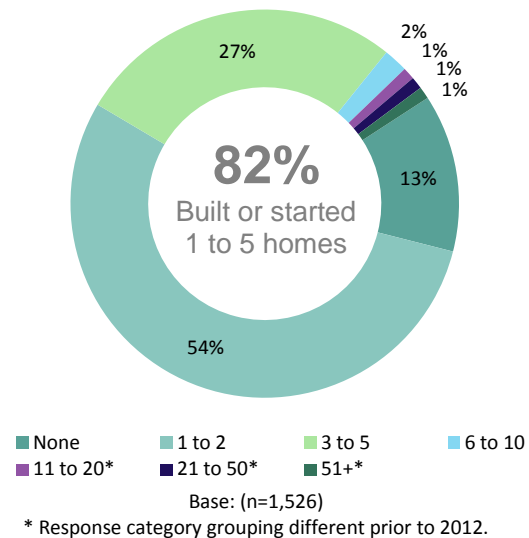
Note: Multi-unit low-rise refers to buildings with less than four stories and multi-unit high rise to buildings with four stories or more.

Homes Built or Started Building⁸ in Past Year

Most builders (82%) built or started building between 1 and 5 homes in the last year. Over half (54%) of builders reported building or starting between 1 and 2 homes, followed by 27% reporting between 3 and 5 homes and 13% reporting no home construction. The proportion of builders reporting more than 5 homes started or built in the past was low, at 1% each for 11 to 20, 21 to 50⁹, and 51 or more¹⁴ homes, and 2% for 6 to 10 homes.

The average number of homes built or started in the past year was 4.9 per builder, the lowest reported since 2002, and considerably lower than the 2007 peak of 20.0 homes. Reflecting the decline in the average number of homes built or started between 2003 and 2016, the proportion of builders reporting no homes rose 6 percentage points and the proportion reporting between 1 and 2 homes rose 11 percentage points. The proportion reporting 3 to 5 homes and 6 to 10 homes fell 4 and 8 percentage points respectively.

Figure 22: Percentage of Builders by Number of Homes Built or Started, 2016

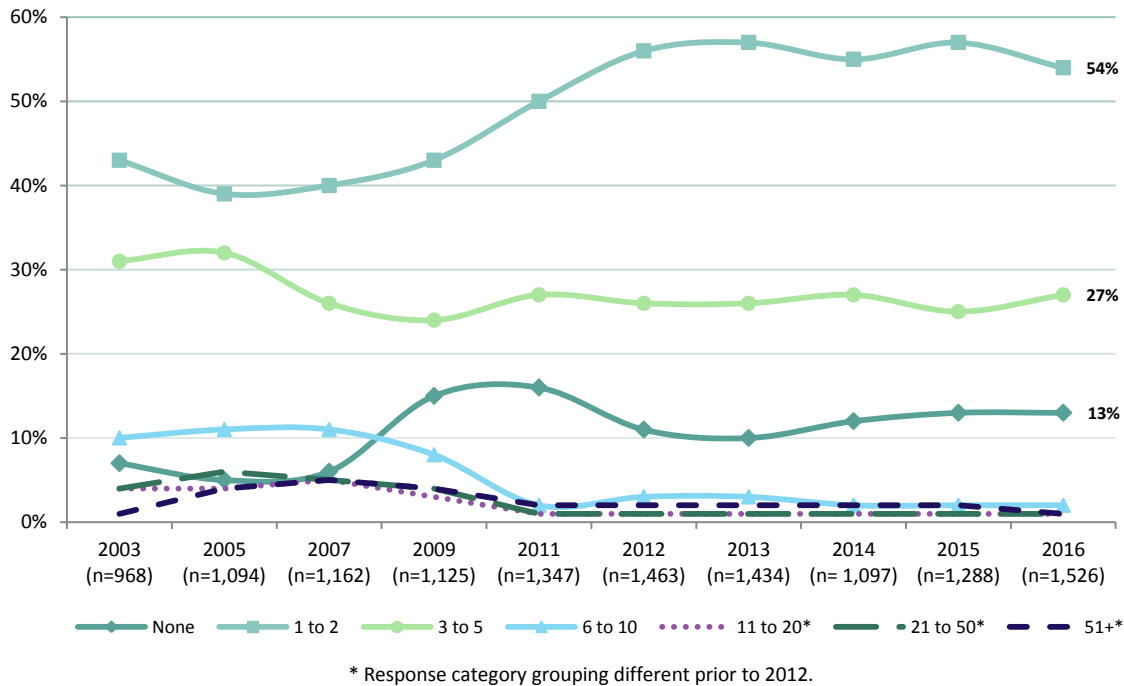


⁷ Caution: small base size.

⁸ All homes worked on over the past year, including homes started but unfinished and homes previously started and finished.

⁹ Caution: small base size.

Figure 23: Percentage of Builders by Number of Homes Built or Construction Started, 2003-2016



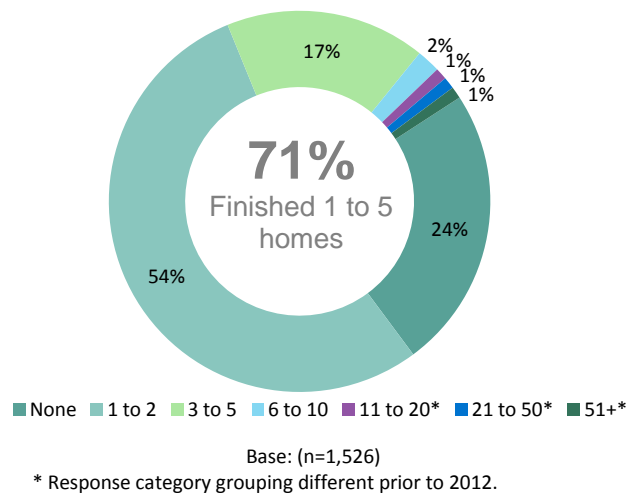
The average number of single detached homes built or started per builder in the past year is 3.2 homes. The average number of units built or started per builder is predictably higher for multi-homes, with 12.0 per builder for row, townhouse or duplex, 33.0 per builder for multi-unit low-rise, and 78.6 for multi-unit high-rise¹⁰.

Homes Completed¹¹ in Past Year

In 2016, over 70% of builders finished between one and five homes in the past year. Over half (54%) reported finishing between 1 and 2 homes, followed by 24% reporting no homes and 17% between 3 and 5 homes. 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.

The average number of homes completed in the past year was 3.5 homes per builder, close to the 2012 low of 3.6, and considerably lower than the 2007 peak of 12.9 homes.

Figure 24: Percentage of Builders by Number of Homes Completed, 2016



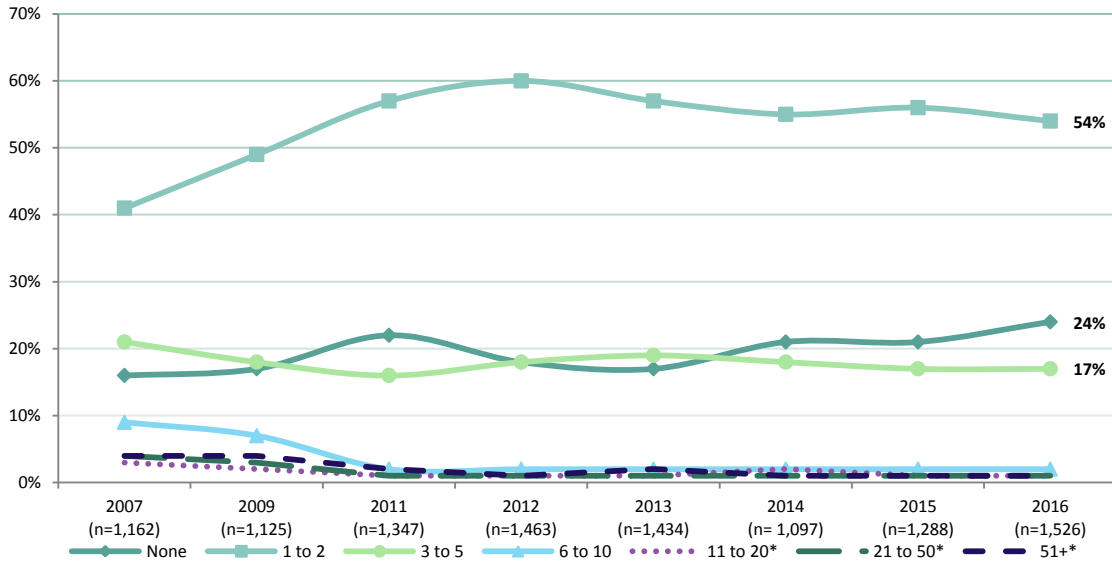
¹⁰ Caution: small base size.

¹¹ Only homes that have been finished in the past year, does not includes homes that were started but unfinished.

Reflecting the decline in the average number of completed homes between 2007 and 2016, the proportion of builders reporting no homes completed increased 8 percentage points. The proportion of builders reporting between 1 and 2 homes completed also increased 13 percentage points, while the proportion of builders reporting 3 to 5 homes and 6 to 10 homes fell by 4 and 7 percentage points respectively.

On average, builders of single detached homes completed 2.4 homes in 2016. The average number of units completed per builder was higher for multi-homes, with 9.2 per builder for row, townhouse or duplex, 22.5 per builder for multi-unit low-rise, and 56.2 for multi-unit high-rise¹².

Figure 25: Percentage of Builders by Number of Homes Completed, 2003-2016



* Response category grouping different prior to 2012.

¹² Caution: small base size.

Builder Profile

Industry Experience

A third (33%) of BC builders reported 20 years or more industry experience. Over one-third (37%) of builders had 5 years or less industry experience and approximately half (52%) had 10 years or less experience.

Average builder tenure was 14 years in 2016, unchanged from 2015 and 2014 data, and down from the 2009 peak of 17 years.

Since 2003, the proportion of builders with 2 to 5 years experience increased 11 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 at 8 percentage points since 2003.

Average builder tenure was lowest in the Lower Mainland at 12 years, around 6 to 7 fewer years than other regions. Builder tenure was inversely related to residential building size under construction, with builders reporting work on single detached buildings averaging 14 years and work on multi-unit high-rises averaging 20 years¹³.

Figure 26: Percentage of Builders by Years of Industry Experience, 2016

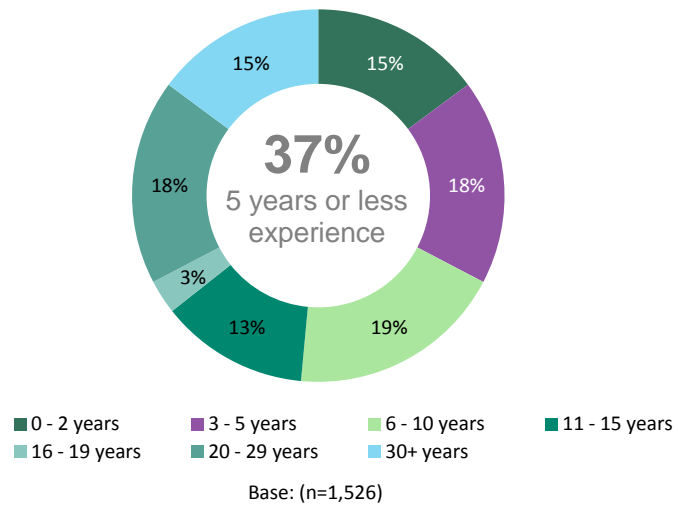
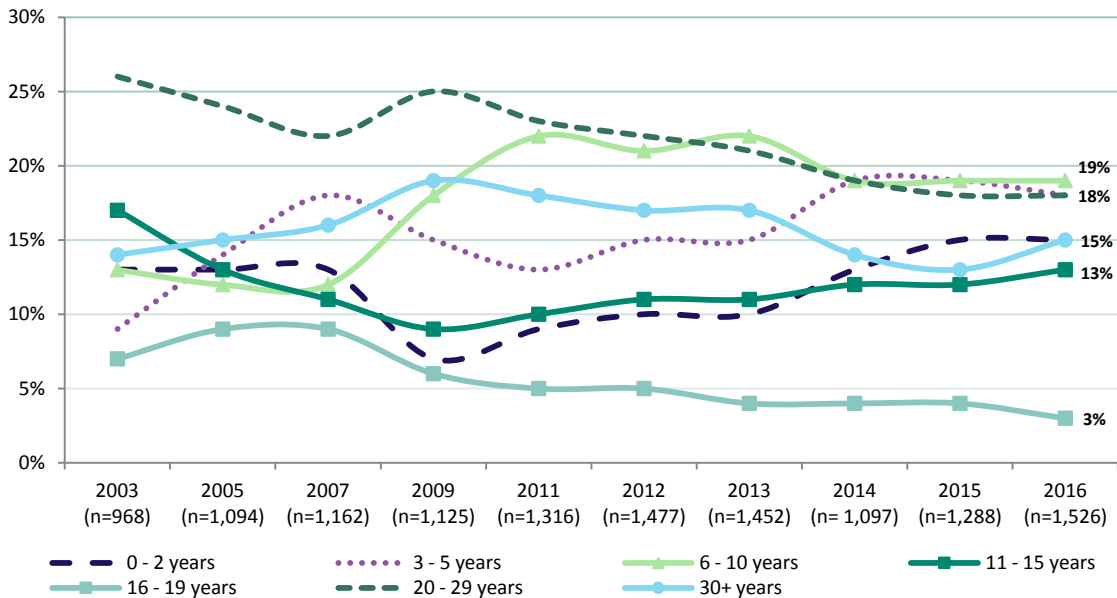


Figure 27: Percentage of Builders by Years of Industry Experience, 2003-2016

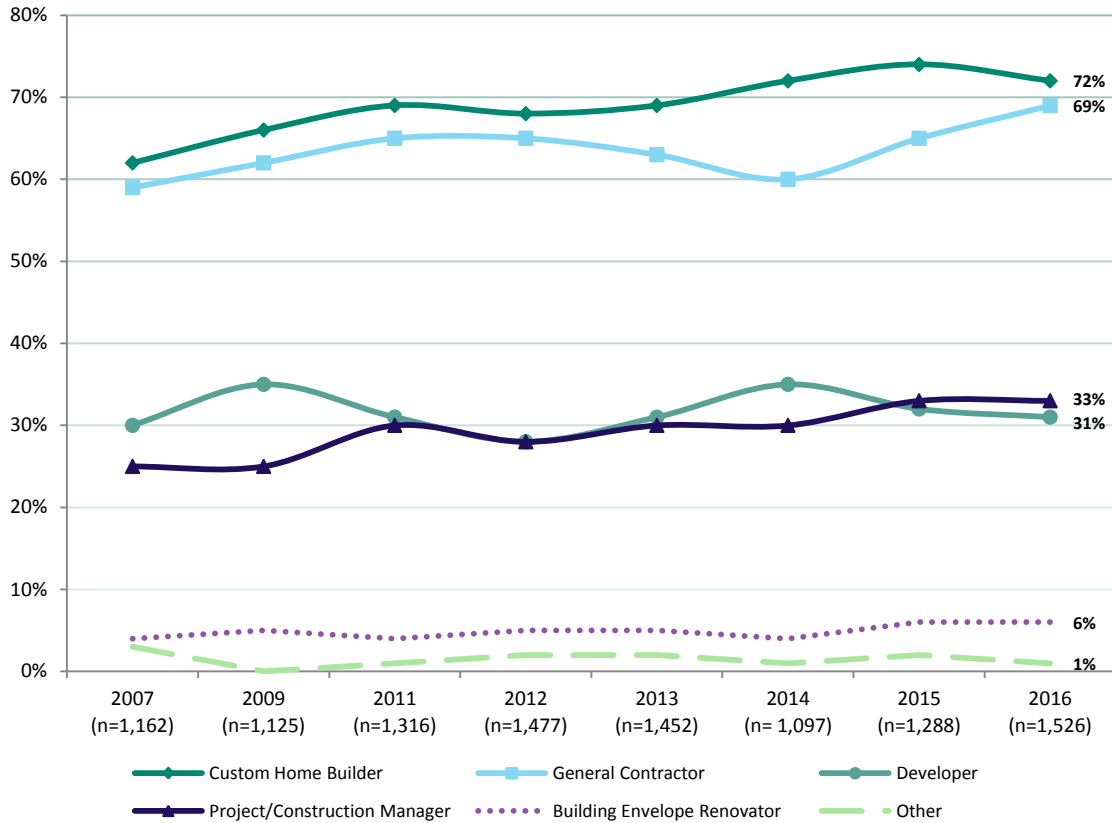


¹³ Caution: small base size.

Type of Licensed Residential Builder

In 2016, 72% of builders considered themselves custom home builders and 69% referred to themselves as general contractors. Around a third of builders classified themselves as a project or construction manager (33%) or developer (31%).

Figure 28: Percentage of Builders by Type, 2007-2016



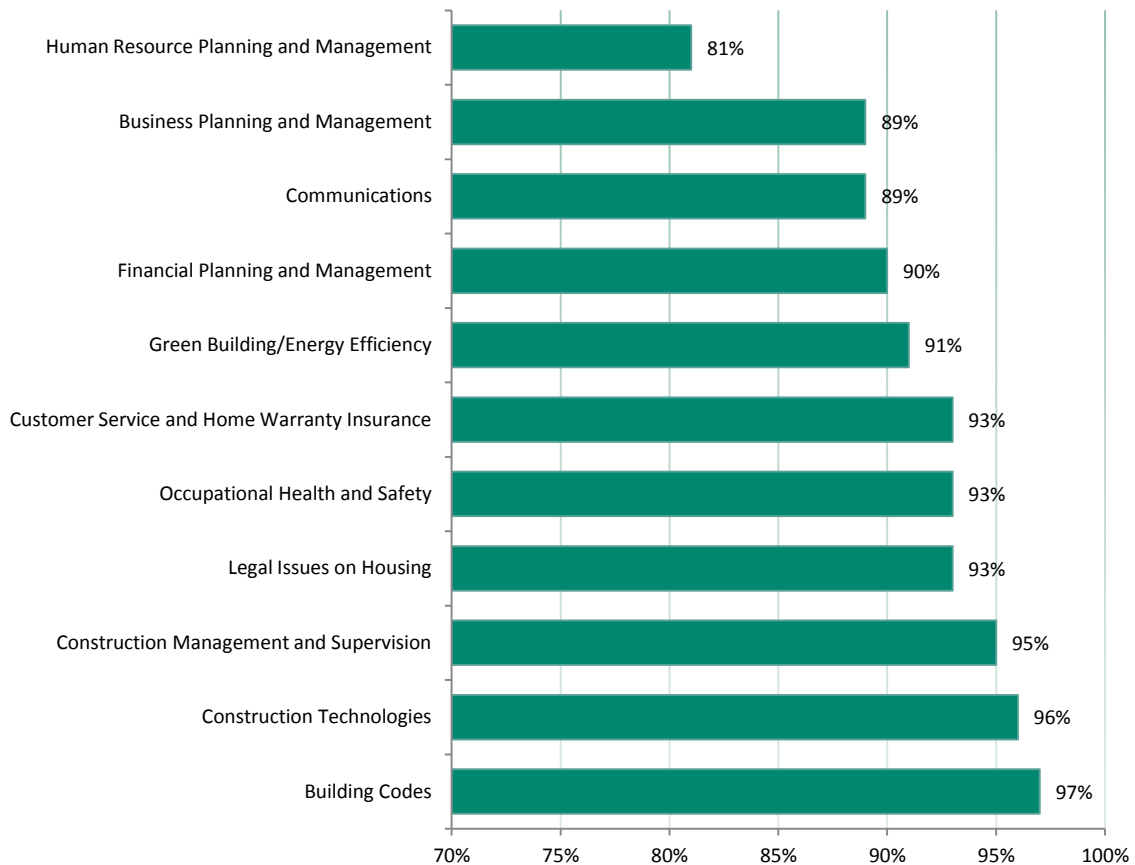
Builder Education and Training

Importance of Education and Training by Subject Area

Most builders deemed all education and training (E&T) subject areas somewhat or very important. **Over 95% of builders surveyed considered building codes (97%) E&T to be somewhat or very important, followed by construction technologies (96%) and construction management and supervision (95%).** Less than 90% of builders identified communications (89%), business planning and management (89%), and human resource planning and management (81%) as somewhat or very important.

Between 2011 and 2016, an ever-increasing proportion of builders identified each E&T area as important. The largest increase over this period occurred in human resource planning and management (12 percentage points), followed by financial planning and management and customer service and home warranty insurance (both 8 percentage points). The 2016 results were largely consistent with 2015 outcomes, with the greatest shift being an increased interest in construction technologies (3 percentage points).

Figure 29: Importance of Education and Training (E&T) by Subject Area, 2016



Base: (n=1,526)

Prior to 2016, 'Construction Management and Supervision' was 'Management and Supervision' and 'Customer Service & Home Warranty Insurance' was 'Customer Service'.

Other findings include:

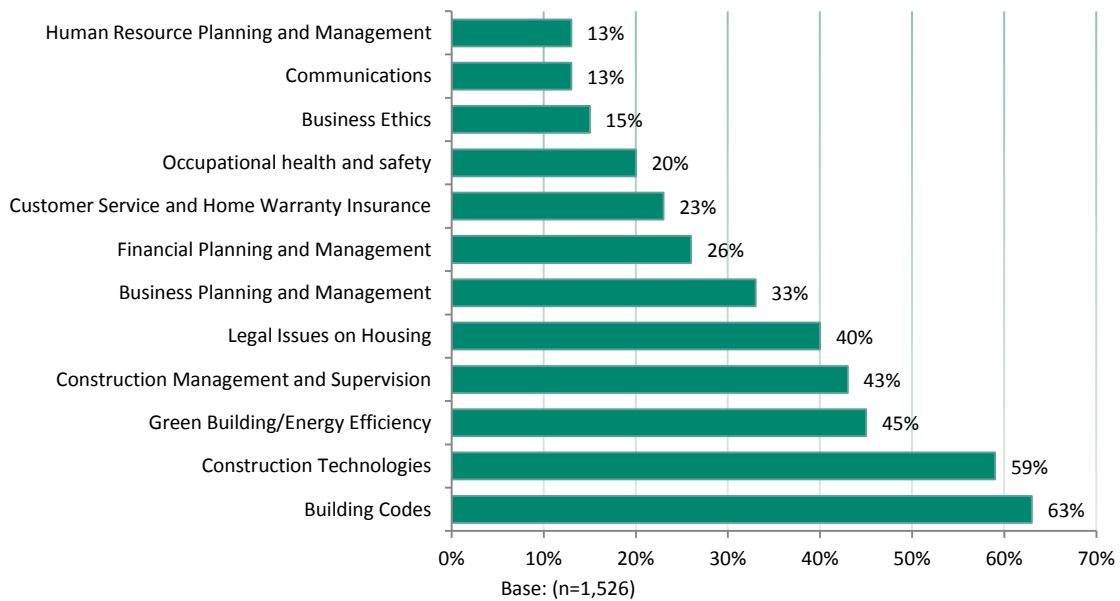
- **Builders by Region** – Builders across all regions were most likely to consider building codes important (between 95% and 99%), except for builders based in the Southern Islands, where construction technologies tied with building codes (98%). Lower Mainland builders were on average more likely to consider all E&T areas important relative to other regions.
- **Builders by Housing Type** – Across housing types, builders were mostly likely to consider building codes and construction technologies important (96% to 100%). Builders working on multi-unit low rises were the most likely to consider a specific E&T area important.
- **Builders by Experience** – Builders with 2 years or less experience were more likely to agree that a given E&T area was important, while builders with 20 years or more experience were the least likely to consider an E&T area important (with the exception of building codes).

Desire for More Education and Training by Subject Area

Over 60% of builders reported wanting more E&T on building codes (63%), followed by construction technologies (59%) and green building or energy efficiency (45%). Builders were least likely to want more E&T in human resource planning, and management (13%), communications (13%), and business ethics (15%).

Since 2011, builders were consistently most likely to want more E&T in building codes, construction technologies, and green building or energy efficiency. Between 2011 and 2016, the proportion of builders wanting more training in building codes grew 39 percentage points, followed by construction technologies (33 percentage points), construction management and supervision (24 percentage points), and legal issues on housing (23 percentage points). Between 2015 and 2016, builder interest in green building or energy efficiency declined by 3 percentage points. Builder interest either increased or remained constant for the other E&T areas.

Figure 30: Desire for More Education and Training (E&T) by Subject Area, 2016

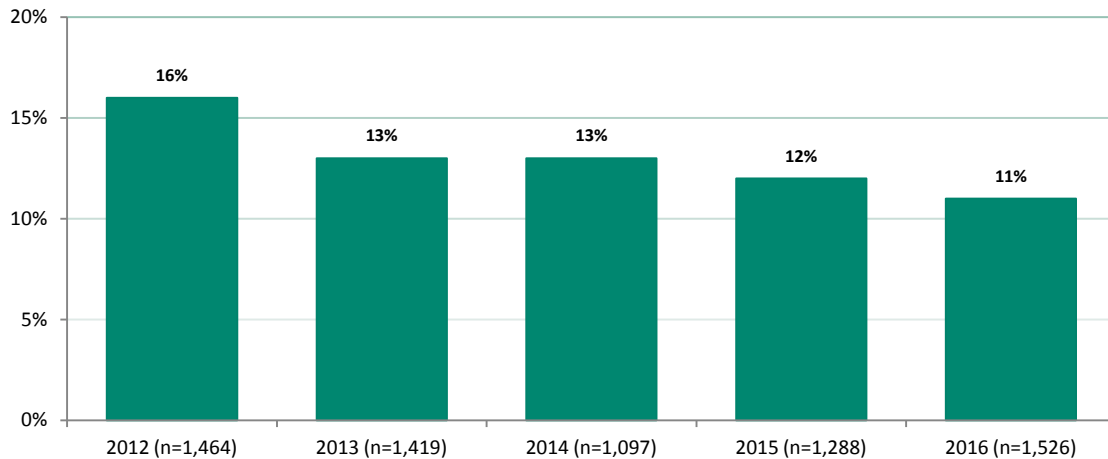


Prior to 2016, 'Construction Management and Supervision' was 'Management and Supervision' and 'Customer Service & Home Warranty Insurance' was 'Customer Service'.

Green Building

At 11%, green program participation was the lowest reported by builders across available survey years, declining 4 percentage points since the 2012 peak.

Figure 31: Use of a Green Building Program, 2012-2016



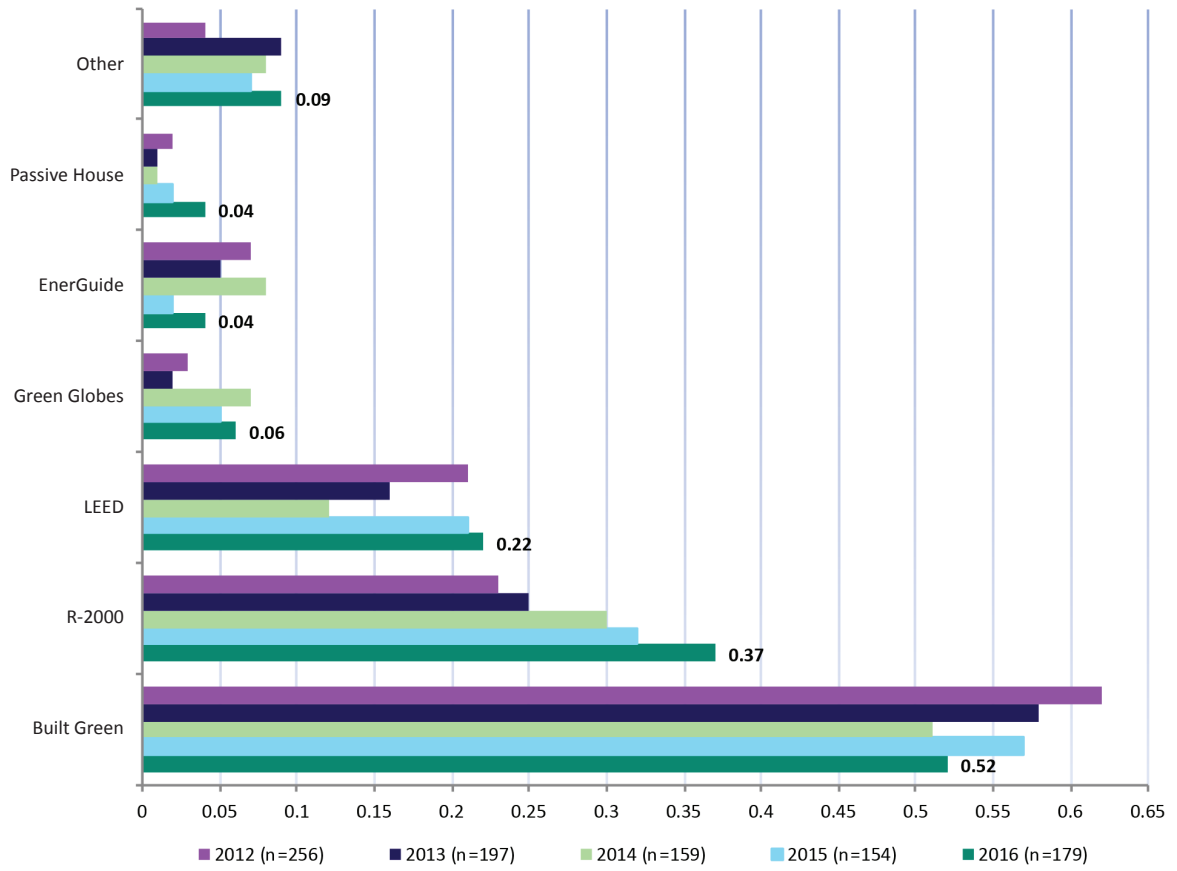
Other survey findings include:

- **Builders by Region** – Kootenay builders were most likely to report participation in a green building program (15%), followed by Lower Mainland builders (12%). Central and Northern BC (6%) and Okanagan (2%) builders were the least likely to report green building program participation.
- **Builders by Housing Type** – Multi-unit high rise builders¹⁴ reported the highest green building program participation (45%), while single detached builders were the lowest (11%).
- **Builders by Experience** – Builders with 3 to 5 years experience were the most likely to participate in green building programs (14%). Builders with 2 years or less experience were the least likely to report green building program participation (3%).

BuiltGreen remains the most popular green building program with builders, despite declining participation. Participation in BuiltGreen dropped from 57% in 2014 to 52% in 2015. In contrast, the proportion of builders reporting participation in R-2000 steadily increased between 2012 and 2016, reaching 37% in 2016.

¹⁴ Caution: small base size.

Figure 32: Breakdown of Green Building Programs by Use, 2012-2016



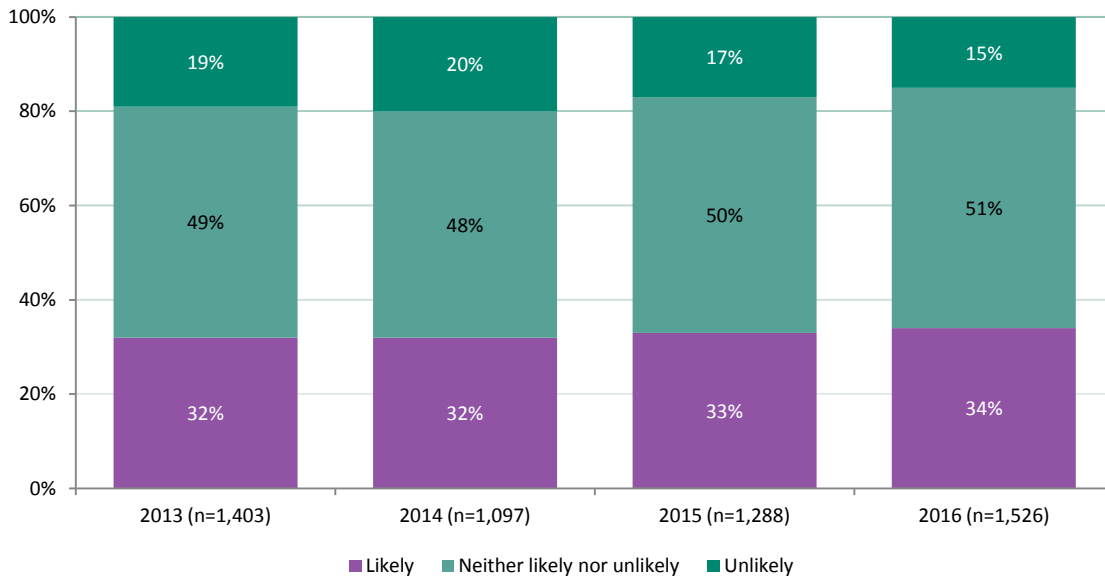
Universal Housing Design

In 2016, approximately a third (34%) of builders anticipated building homes in the next two years incorporating universal design features.

Other survey findings include:

- **Builders by Region** – Kootenay builders were most likely to report incorporating universal design features (37%), followed Lower Mainland by builders (35%), Southern Islands builders (32%), Central or Northern BC builders (32%), and Okanagan builders (30%). Lower Mainland builders were the most uncertain about incorporating universal design features (53%) by region.
- **Builders by Housing Type** – Nearly half (45%) of low-rise builders reported they would likely incorporate universal design features, close to the proportion reported by high-rise builders¹⁵ (43%) and builders of row homes, townhouses, and duplexes (41%). Builders of single detached homes were the least likely to adopt universal design at over a third (34%), as well as the most unsure with over a half (51%) reporting they were neither likely nor unlikely to incorporate universal design features.
- **Builders by Experience** – Builders with 2 years or less experience were the least likely to report incorporating universal design (28%). These builders were also the most likely to be unsure, with 62% reporting they were neither likely nor unlikely to incorporate universal design features. Builders with 11 to 19 years experience were the mostly likely to incorporate universal design (39%).

Figure 33: Likelihood of Building Homes Incorporating Universal Housing Design Features in Next Two Years, 2013-2016



The main reasons builders incorporated universal housing design features were to meet market demand (21%), accommodate an aging population (20%) and provide greater accessibility (14%). Top reasons for not incorporating universal design features were lack of market demand (39%) and higher cost (21%).

¹⁵ Caution: small base size.

New Residential Construction Activity Predictions

In 2016, 31% of builders report expecting an increase in the level of construction activity over the next 12 months in the area they operate, and 44% expect their company's construction activity to increase. Between 2013 and 2015, builders were consistently more optimistic about their company's level of activity increasing relative to the area in which they operate. Overall, expectations for 2016 construction activity were down compared to 2015, with 18% assuming a decline in activity in their area and 10% expecting their company's activity to decline.

Other findings:

- Builders by Region** – Relative to the rest of BC, builders in the Southern Islands were the most optimistic about their company's level of activity, with 48% expecting an increase. Builders in the Kootenays and Central and Northern BC were the most pessimistic, with 28% of Kootenay builders expecting an increase and 35% of Central and Northern BC builders. Builders in Central and Northern BC (24%) and the Kootenays (19%) were also the most likely to expect a decrease in their company's activity.
- Builders by Housing Type** – Multi-unit high-rise builders were the most optimistic, with over 50% expecting an increase in their construction activity and 3% expecting a decrease.¹⁶ Builders of other housing types were more similar in expectations, with 44% to 48% expecting an increase in their construction activity and 9% to 10% expecting a decline.
- Builders by Experience** – Builders with 2 or less years of experience were the most likely to expect an increase in their construction activity (50%). Builders with 20 years or more experience had the lowest expectations, with 38% expecting an increase and 13% expecting a decrease.

Figure 34: Self-Predicted Construction Activity in Builder Area, 2013-2016

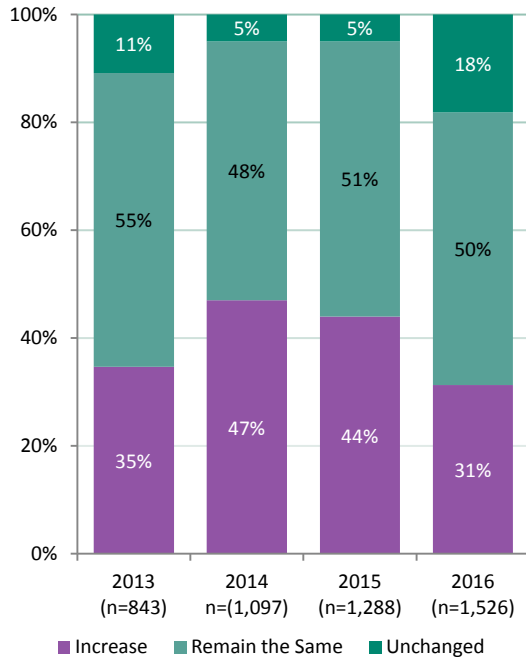
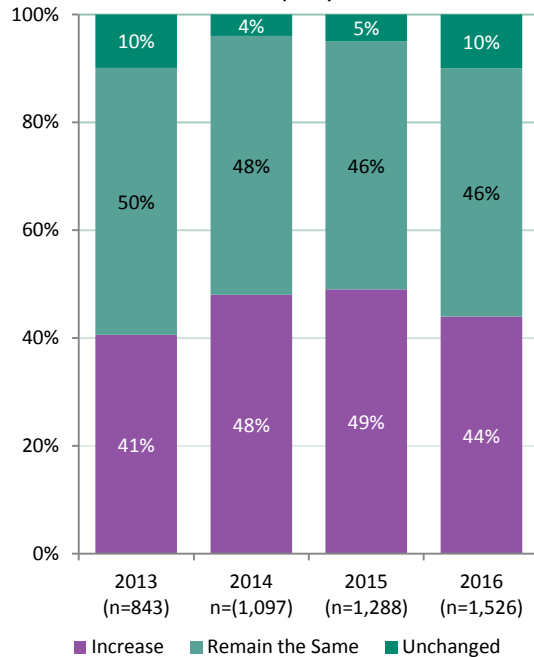


Figure 35: Self-Predicted Construction Activity for Builder Company, 2013-2016



¹⁶ Caution: small base size.

Current New Homeowners and Prospective New Home Buyers

2016 Highlights

- 97% of new homeowners agreed that home warranty insurance is important in feeling confident about their purchase.
- 87% of new homeowners reported they are satisfied with their home's quality of construction.
- 76% of prospective new home buyers were concerned about the possibility of problems with building construction occurring after they move in.
- 45% of prospective new home buyers reported their intention to buy a single detached home.
- Nearly half of prospective new home buyers planned to purchase directly from a builder or developer.

Current New Homeowner Survey

Survey Methodology

The 2016 *Current New Homeowner Survey* is a province-wide survey of recent purchasers of new or nearly new homes. 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.

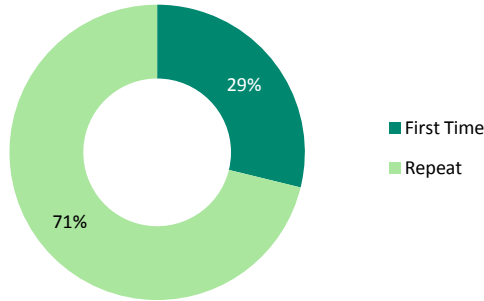
Results are based on a total of 302 surveys from randomly selected owners of homes covered by warranty insurance under the *Homeowner Protection Act*. A list of homes under warranty insurance was provided by BC Housing, and homeowners were screened to ensure homes were no more than 10 years old and homeowners had lived in their home for at least six months.

In 2016, a mail-to-online methodology was used with an incentive for survey recipients to respond, and achieved a response rate of 8%. Further information on survey methodology is provided in Appendix 1.

Survey Results

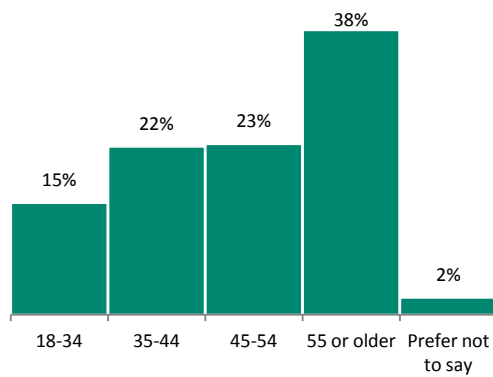
Current New Homeowner Profile¹⁷

First Time/Repeat Home Buyer



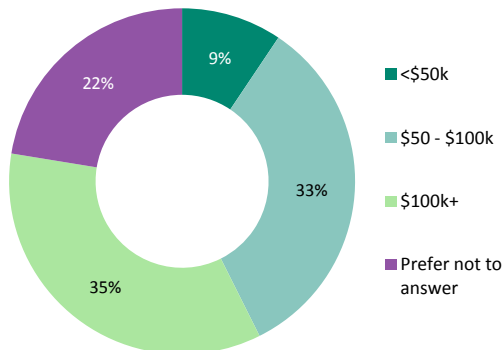
Consistent with previous surveys, most new homeowners were repeat home buyers (71%).

Age



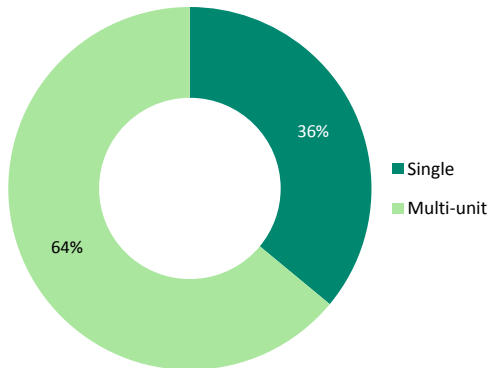
The majority (63%) of new homeowner survey respondents were above the age of 45.

Household Income



A third of new homeowners reported household income between \$50,000 and \$100,000, while over a third reported income over \$100,000.

Type of Home



Over 60% of new homeowners reported they lived in multi-unit homes.

Since 2006, the proportion of new homeowners living in single detached homes versus multi-unit homes remained relatively stable.

¹⁷ Those who purchased a home with warranty insurance built since 2005 or contracted to build a new home since 2005 and have lived in the home for at least six months.

Current New Homeowners' Confidence about Home Purchase

Factors in Feeling Confident about Home Purchase

When it comes to feeling confident in the home they built or purchased, 99% of current new homeowners agreed that the following were somewhat or very important: the workmanship and materials used in their new home, knowing their home was built by a licensed builder, and the reputation of their home's builder

Home warranty insurance was rated as somewhat or very important by 97% of homeowners, with all homeowners between 18 and 34 years old or with household incomes below \$50,000 reporting that it was important.

Other survey findings include:

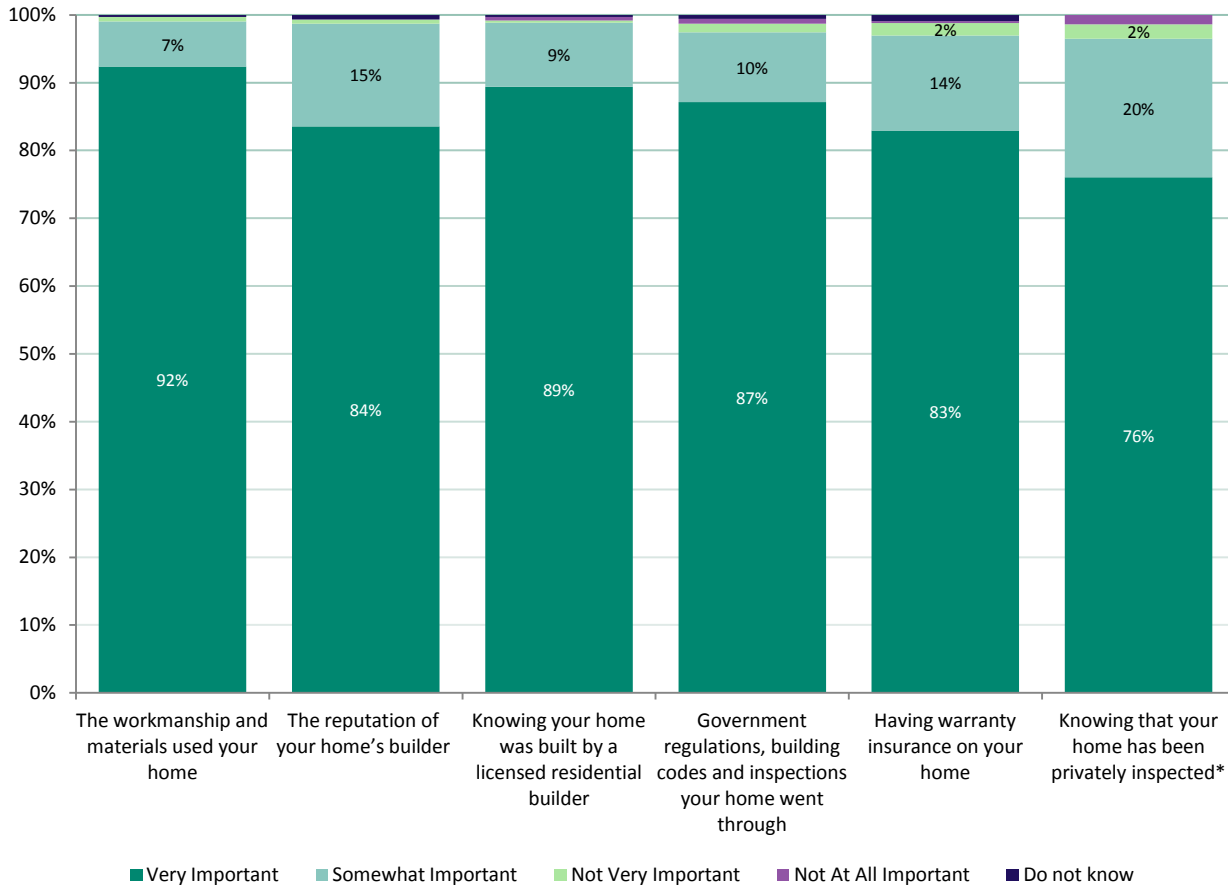
- **Homeowners by Region** – In Metro Vancouver and the Capital Regional District, all respondents agreed that knowing their home was built by a licensed builder was important, while 96% agreed in the rest of BC. All respondents in the Capital Regional District also agreed that the reputation of their home's builder was important. Among homeowners that had private home inspections, all respondents in the Capital Regional District agreed they were important, followed by 96% in both Metro Vancouver and the rest of BC.¹⁸
- **Homeowners by Household Income** – With the exception of the reputation of their home's builder, all respondents with household income below \$50,000 reported that each factor was somewhat or very important. Respondents with income above \$100,000 were least likely to report that warranty insurance was important (96%), while respondents with income between \$50,000 and \$100,000 were least likely to report that government regulations, building codes and inspections were important (96%). Among homeowners who had a private inspection of their home, all respondents with household income below \$100,000 agreed it was important, while 93% of respondents with income above \$100,000 agreed.¹⁹
- **Homeowners by Age of Home** – Across the different homes age categories, nearly all respondents agreed that the workmanship and materials used in their home (99%), knowing that their home was built by a licensed builder (98% to 99%), and the reputation of the home's builder were important (98% to 99%). Among homeowners who had a private inspection of their home performed, respondents with older homes were more likely to consider the inspection important. For respondents with homes 2 years or less in age, 89% considered their private inspection important, while 98% respondents with homes between 6 and 10 years reported the same.
- **Homeowners by Type of Purchase** – Homeowners who bought a new home from a builder or a previously -owned home placed the greatest emphasis on having home warranty insurance, with 98% agreeing it was somewhat or very important. In comparison, 92% of homeowners who custom built agreed that warranty insurance on their home is important. Type of purchase did not noticeably change the emphasis homeowners placed on knowing the home was built by a licensed builder, builder reputation, or the workmanship and materials used, with between 98% and 100% agreeing these elements were important to feeling confident. Among homeowners who had a private inspection of their home performed, respondents who custom- built their home all agreed that private inspection was important compared to 96% of respondents that bought new or previously owned homes.²⁰

¹⁸ Caution: small base size.

¹⁹ Caution: small base size.

²⁰ Caution: small base size.

Figure 37: Factors in Feeling Confident about Home Purchase, 2016



Base: (n=302 except *n=84)

Current New Homeowners' Satisfaction with Home Construction

Satisfaction with Overall Quality of Construction and Building Process

A majority (87%) of current new homeowners reported they were satisfied with the construction of their home. The most satisfied segments included those with a custom-built home (96%), homeowners that lived outside of Metro Vancouver and the Capital Regional District (93%), and homeowners of homes aged 6 to 10 years (93%). Satisfaction was lower among homeowners who had a home aged 3 to 5 years (81%), lived in Metro Vancouver (84%), and bought a new home (84%).

Figure 38: Satisfaction with Overall Quality of Construction, 2016

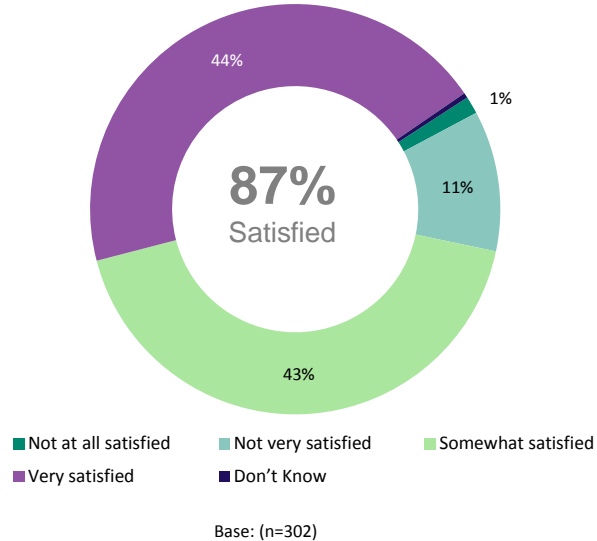
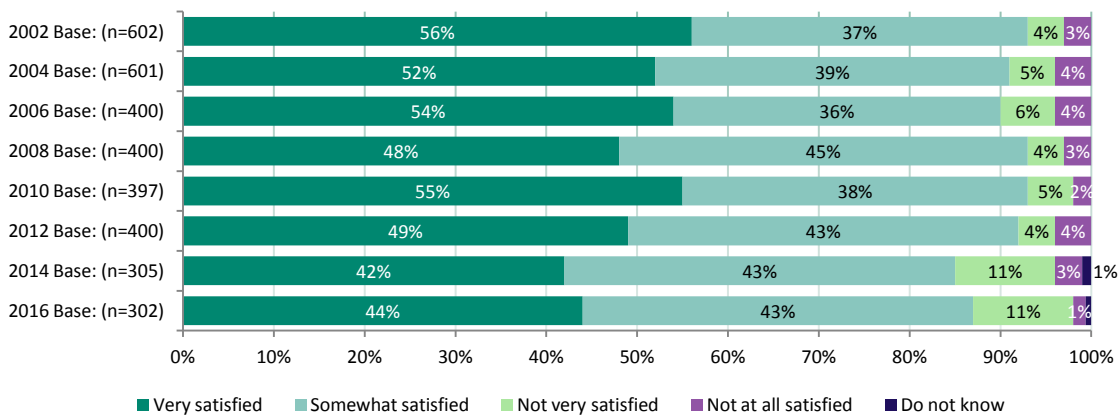


Figure 39: Satisfaction with Overall Quality of Home Construction, 2002-2016



When it came to other aspects of the building process, over **80% of homeowners who custom-built or bought directly from the builder or developer before construction completely finished, were somewhat or very satisfied with the actual building process overall, the time it took to build their home and the cost or budgeting.** Nearly 70% reported satisfaction with their on-going relationship with their builder or developer or contractor.

Other findings include:

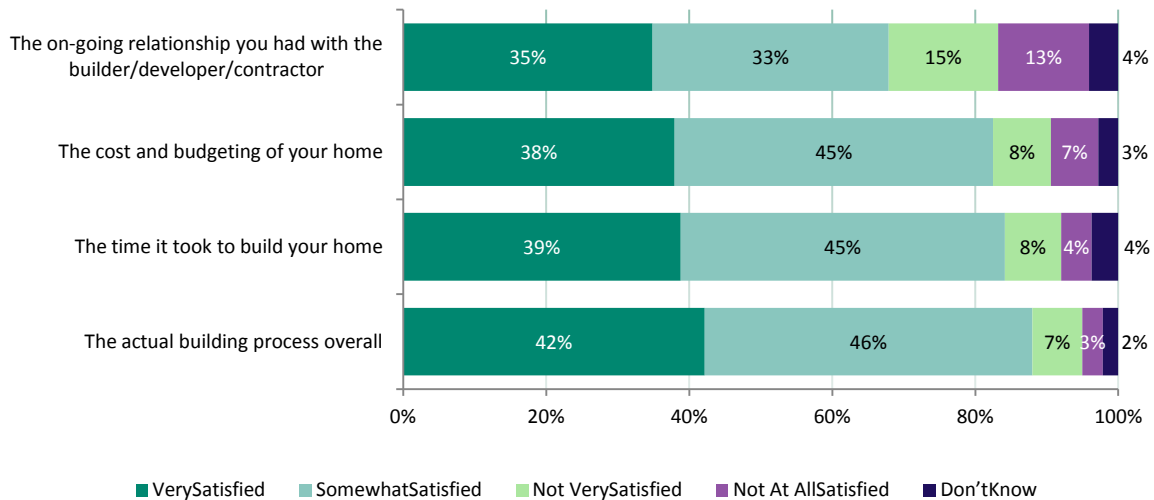
- **The building process overall** – While 88% of respondents were satisfied with the actual building process overall, homeowners with a home aged 2 years or less were the least likely to be satisfied at 83%, followed by first time homeowners (84%), households with income between \$50,000 to

\$100,000 (85%), and homeowners outside of Metro Vancouver and the Capital Regional District (86%). The respondents most likely to be satisfied were aged 18 to 34 years (93%), had homes aged 6 to 10 years (92%), and had household income above \$100,000 (92%).

- **The time it took to build home** – Overall, 84% of respondents were satisfied with the time it took to build their homes. Respondents who lived in the Capital Regional District (100%), were between 18 to 34 years old (93%), had a home aged between 3 and 5 years (92%) were the most likely to report being somewhat or very satisfied with the length of building time. The least likely to report being satisfied were first-time homeowners (73%) and respondents aged 35 to 54 (77%).
- **The cost and budgeting of home** – A total of 82% of respondents were satisfied with the cost and budgeting of their home. Respondents who lived in the Capital Regional District (100%), had a home aged 6 to 10 years (89%), and had a household income over \$100,000 are the most likely to report being satisfied with the length of time. The least likely demographic to report satisfaction included households with income below \$50,000 (62%), first-time homeowners (74%), and respondents with homes aged 3 to 5 years (76%).
- **The on-going relationship with builder, developer, or contractor** – Relative to other factors, the relationship with the builder, developer, or contractor had the lowest level of satisfaction reported at 68%. The demographics most likely to be satisfied included homeowners in the Capital Regional District (91%), followed by those with homes aged 6 to 10 years (76%), and those aged 55 years or over (74%).

Homeowners without home problems were more likely to be satisfied with their building process than those who experience problems. For homeowners without problems, between 81% and 95% reported being satisfied across different aspects of the building process, and with problems between 57% and 83% were satisfied.

Figure 40: Satisfaction with Home Building Process, 2016



Base: (among those with custom built or presale homes n=139)

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 (57%), while nearly a third expected prices to remain the same (30%). The respondents most likely to expect an increase were located in the Capital Regional District²¹, with 77% expecting housing prices to increase, followed by households with income below \$50,000 (66%) and owners of single detached homes (63%).

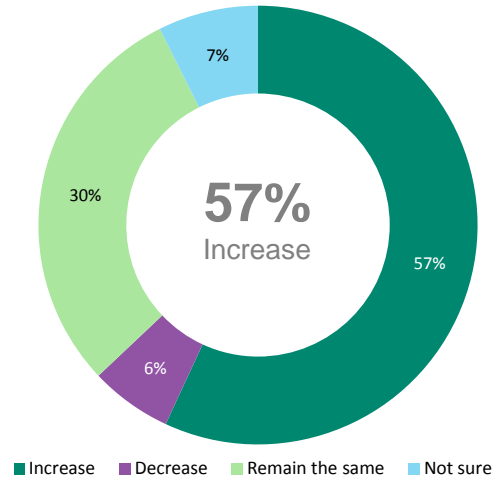
Respondents were most likely to expect a decrease if they had a household income under \$50,000 (13%), were aged between 18 and 34 years (11%), were located in Metro Vancouver (9%), and had a home aged between 3 and 5 years (9%).

Buying and Selling

When asked if it is a favourable or unfavourable time to buy in their community, 44% responded it was favourable and 31% responded it was unfavourable. A quarter of respondents were unsure if it was a favourable or unfavourable time to buy.

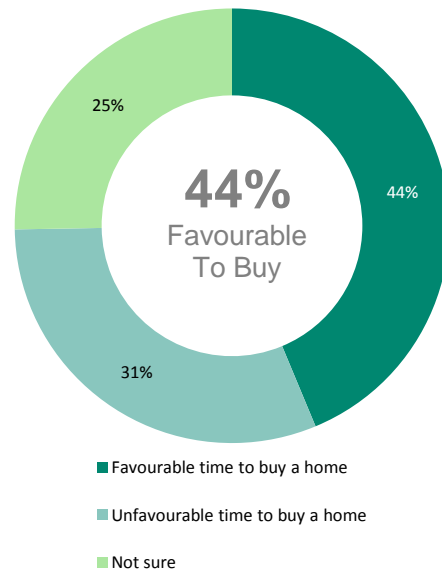
The demographic groups most likely to expect favourable buying conditions included homeowners with homes aged 2 years or less (59%), homeowners over 55 years in age (55%), homeowners located in the Capital Regional District (54%), and households with income over \$100,000 (53%). In contrast, over 40% of first-time homeowners (46%) and homeowners between 18 and 34 years old (43%) expected unfavourable buying conditions. Close to a third of respondents with household income under \$50,000 (29%), located outside of Metro Vancouver and the Capital Regional District (29%)²² were unsure.

Figure 41: Expected Changes in Housing Prices over Next 12 Months, 2016



Base: (n=302)

Figure 42: Favourable Time to Buy, 2016



Base: (n=302)

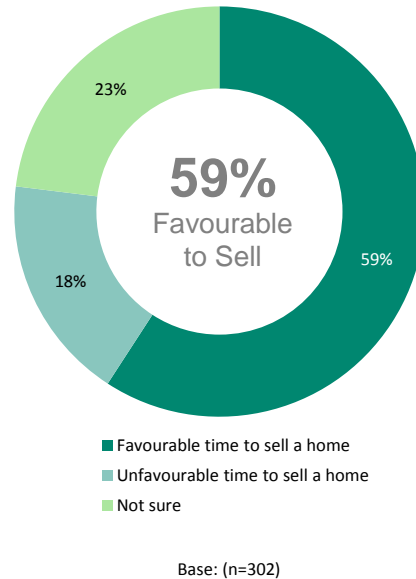
21 Caution: small base size.

22 Caution: small base size.

When asked if it would be a favourable or unfavourable time to sell in their community, 59% of respondents reported favourable and 18% reported unfavourable. Nearly a quarter of respondents (23%) were unsure if conditions were either favourable or unfavourable to sell.

Demographic groups most likely to expect favourable selling conditions included homeowners located in the Capital Regional District²³ (73%), with a household income over \$100,000 (68%), who had bought a previously owned home (66%), and who had a household income under \$50,000 (65%). Demographics most likely to expect unfavourable selling conditions included homeowners aged 18 to 34 years (27%), with homes ages between 3 and 5 years (24%), and living in Metro Vancouver (21%).

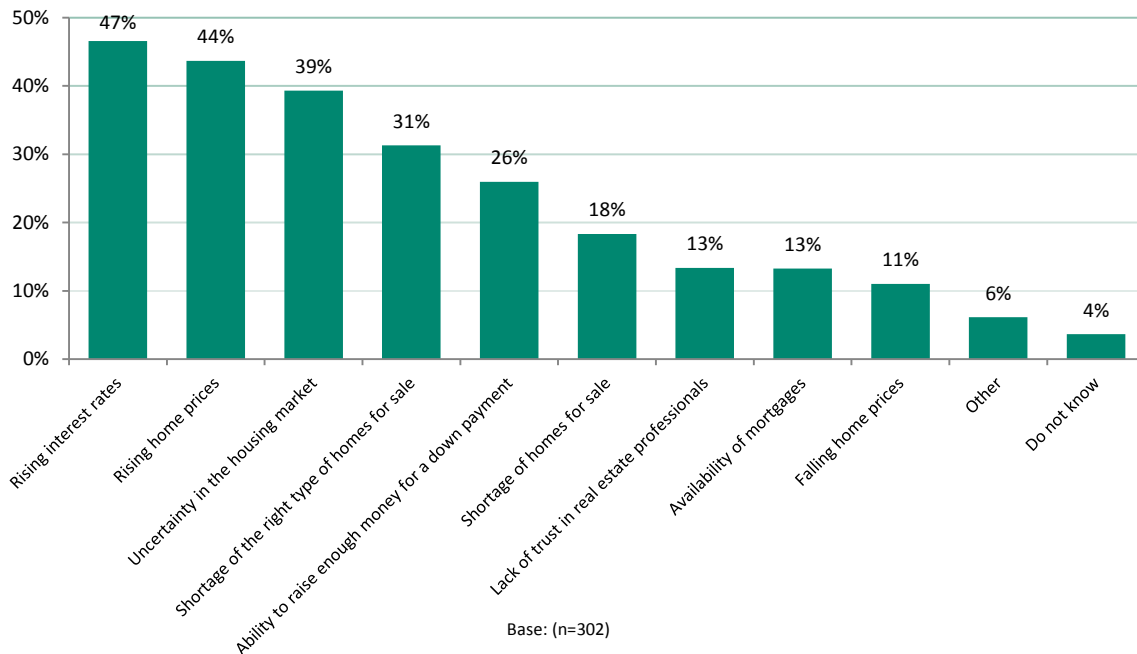
Figure 43: Favourable Time to Sell, 2016



Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, close to half of respondents reported concern with rising interest rates (47%) and rising home prices (44%). Other concerns included: uncertainty in the housing market (39%), shortage of the right type of house for sale (31%), and the ability to raise enough for a down payment (26%).

Figure 44: Housing Market Concerns, 2016



²³ Caution: small base size.

First-time homeowners, homeowners between the ages of 18 and 34, and homeowners with homes aged 2 years or less, were the most concerned demographics, with rising interest rates (53% to 57%), rising home prices (44% to 51%), and uncertainty in the housing market (34% to 43%) as their top three concerns. First-time homeowners, homeowners between the ages of 18 and 34, and those with homes aged between 3 to 5 years, were disproportionately concerned about falling home prices, with 17% to 19% reporting it as a concern.

Other survey findings included:

- **Homeowners by Region** – For respondents in Metro Vancouver, the most likely concerns were rising interest rates (49%), rising home prices (47%), and uncertainty in the housing market (44%). Respondents in the Capital Regional District²⁴ were also concerned about rising home prices (55%) and interest rates (46%), and relatively more concerned about shortages in the right type of housing for sale (50%). Respondents outside of Metro Vancouver and the Capital Regional District²⁶ were less concerned about rising interest rates (42%) and home prices (35%). Raising enough money for a down payment was identified as a concern by nearly a quarter of respondents in Metro Vancouver and the Capital Regional District²⁶ (both 23%), and close to a third in the rest of BC (32%). A total of 13% of Metro Vancouver respondents were concerned about falling home prices.
- **Homeowners by Household Income** – Over 60% of respondents with household income below \$50,000 considered rising home prices to be a concern (61%), followed by rising interest rates (46%) and the ability to raise enough money for a down payment (30%). For respondents with household income between \$50,000 and \$100,000, over half considered rising interest rates to be a concern (51%), followed by rising home prices (42%), uncertainty in the housing market (36%), and ability to raise enough money for a down payment (33%). Similarly, over half of respondents with household income over \$100,000 considered rising interest rates to be a concern (53%), followed by uncertainty in the housing market (42%), rising home prices (38%), and shortage of the right type of homes for sale (32%). Respondents with household income over \$100,000 were most likely concerned with falling home prices at 12%.
- **Homeowners by Age of Home** – Over half of respondents (56%) with homes aged 2 years or less reported that rising interest rates were a concern, followed by rising home prices (44%) and raising enough money for a down payment (31%). For respondents with homes aged 3 to 5 years, half (50%) report that raising home prices were a concern, followed by uncertainty in the housing market (45%) and shortage of the right type of homes for sale (34%). Respondents with homes aged 6 to 10 years were most likely to be concerned with rising interest rates (48%), and were equally concerned about rising home prices (39%) and uncertainty in the housing market (39%). Respondents with homes aged between 3 and 5 years were most likely to be concerned with falling home prices (18%).
- **Homeowners by Type of Purchase** – The top three concerns are consistent across homeowner types, and include rising home prices, rising interest rates, and uncertainty in the housing market. For respondents that bought a new home, over 40% were concerned with rising home prices (46%), interest rates (45%), and uncertainty in the housing market (41%). Similarly, for respondents who purchased a custom-built home, 45% were concerned with rising interest rates, 43% with rising home prices, and 39% with uncertainty in the housing market. For respondents who bought a previously-owned home, just over half were concerned with rising interest rates (51%), while over a third were concerned with rising home prices (38%) and uncertainty in the housing market (36%).

²⁴ Caution: small base size.

Prospective New Home Buyer Survey

Survey Methodology

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). This survey covers the prospective home buyer 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 BC residents considering buying a newer home (less than 10 years old) in BC built under the *Homeowner Protection Act* in the next year or so. A general access online panel survey was administered between 2010 and 2016, and between 2008 and 2006 a combination of telephone and web surveys were conducted. 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 sample was weighted to match the actual age, gender and regional distribution of BC's adult population according to the most recent Statistics Canada data.

Further information on survey methodology is provided in Appendix 1.

Survey Results

Prospective New Home Buyer Profile²⁵

<p>First Time Home Buyer</p> <p>■ First Time ■ Repeat</p>	<p>The proportion of first time home buyers among prospective new home buyers has fluctuated over time: 51% in 2010, 28% in 2012, 44% in 2014 and 29% in 2016.</p> <p>Prospective first time home buyers were more likely to plan to buy a multi-unit home than repeat buyers.</p>
<p>Age</p>	<p>In 2016, over half of respondents were under 35 years of age, a larger proportion than the 43% reported in 2014, 27% in 2012, and 41% in 2010. Similarly, 14% of 2016 respondents were aged 55 and over, lower than the 18% in 2016, 37% in 2012, and 28% in 2010.</p>
<p>Current Lived in</p> <p>■ Single ■ Duplex/Townhouse ■ Condo/Apartment</p>	<p>Prospective new home buyers were most likely to be living in a single detached home (44%), followed by a condo or multi-unit home (39%) and townhouse or duplex (17%). The majority of those planning to buy a single detached home were currently living in one (55%), while the same is true of those planning to buy a multi-unit home (65%).</p>
<p>Annual Household Income</p>	<p>By income, 19% of respondents reported earning \$100,000 or more per year. With the exception of 2016, total household income of prospective new home buyers increased since 2010, with 31% reporting annual earnings of \$100,000 in 2014, 25% in 2012, and 11% in 2010.</p>
<p>Own or Rent</p>	<p>Over two-thirds of respondents reported that they do not currently own their own home. Compared to 2014 and 2012, considerably more respondents reported renting rather than owning.</p>

²⁵ 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.

Prospective New Home Buyers' Purchase Plan

Of prospective new home buyers, nearly half (49%) intended to purchase directly from a builder or developer, followed by 34% intending to purchase a previously-owned home and 6% intending to custom build. Approximately 10% of respondents were unsure what type of purchase they would make.

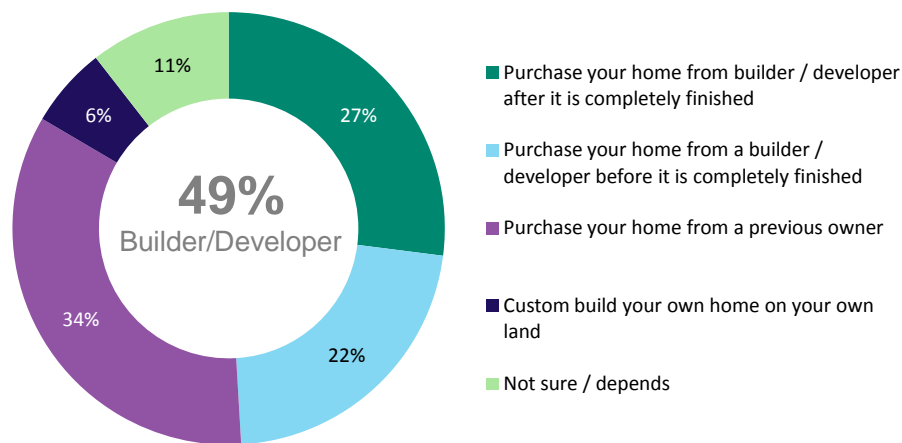
The proportion of new home buyers reporting intentions to purchase from a builder or developer was 49%, the highest level reported since surveys started in 2002. Respondents most likely to report buying from a builder or developer included prospective buyers of multi-unit homes (60%), with household income above \$100,000 (59%), aged 18 to 34 (56%), and who were men (56%).

The proportion of 2016 respondents planning to purchase from a previous owner were similar to 2002, at 34% and 36% respectively, but higher than the 27% reported in 2014. Respondents most likely to report buying a previously owned home included prospective buyers aged 55 years or over (49%), living outside Metro Vancouver and the Capital Regional District (44%), who are women (42%), and had an annual income below \$50,000 (41%).

Other survey findings include:

- **Prospective Homeowners by Region** – Over half of respondents in the Capital Regional District (55%) and Metro Vancouver (54%) intended to purchase from a builder or developer, while close to a third (35%) in the rest of BC reported the same. Conversely, 44% of respondents in the rest of BC intended to purchase a previously owned home, compared to nearly one-third of respondents in the Capital Regional District (30%) and Metro Vancouver (31%).
- **Prospective Homeowners by Income** – Interest in buying from a builder or developer before the home is finished increased with household income, reaching 59% among those with annual income of \$100,000 or higher. Similarly, interest in buying a previously owned home decreased with household income, with 41% of respondents with household income below \$50,000 reporting this scenario.
- **Prospective Homeowners by Type** – First time home buyers (35%) were more likely than repeat buyers (32%) to report they will buy from a previous owner.

Figure 46: Type of Purchase Most Likely to Make, 2016



Base: (n=500)

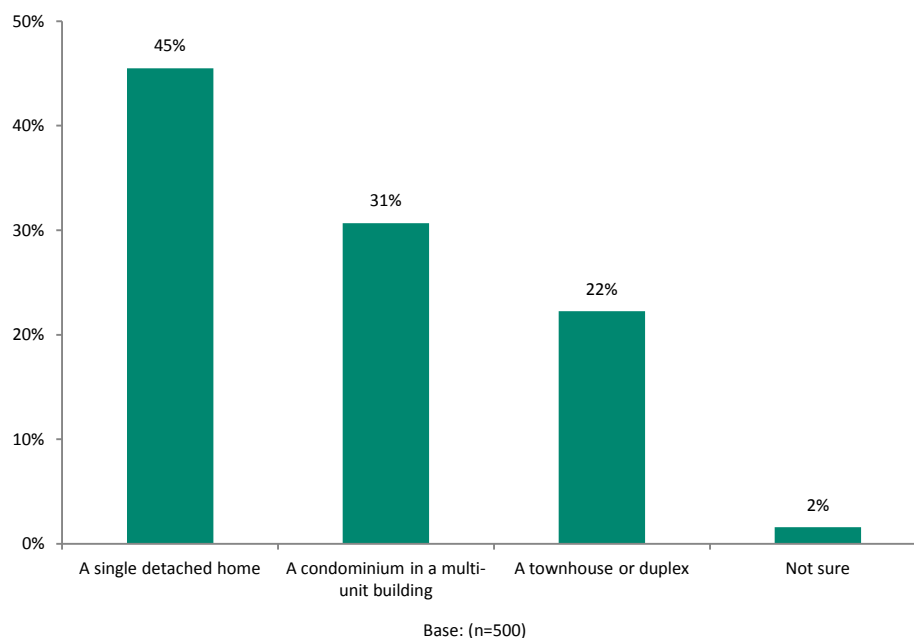
Single detached homes (45%) remained the most common dwelling prospective new home buyers intended to buy or build in 2016, followed by condominiums (31%) and townhouses or duplexes (22%).

Between 2014 and 2016, the proportion of respondents by dwelling type remained similar, with a slight decrease in the intention to buy or build a single detached home and increase in the intention to buy or build a condominium.

Other survey findings include:

- **Prospective Homeowners by Region** – Metro Vancouver respondents preferred to buy or build single detached homes (37%) compared to condominiums (35%) or townhouse/duplex (26%), but the preference was weaker relative to respondents living outside of Metro Vancouver. In the Capital Regional District (56%) and the rest of BC (65%), over half of respondents indicated they were most likely to buy a single detached home.
- **Prospective Homeowners by Income** – Respondents with household income below \$50,000 were most likely to report interest in buying or building a single detached home (49%) compared to higher income brackets (44%). Condominiums were most popular among respondents with household income of over \$100,000 (35%) and least popular for respondents with income below \$50,000 (28%). Respondents with income between \$50,000 and \$100,000 were most likely to prefer townhouses or duplexes (25%) relative to the other income brackets (20%).
- **Prospective Homeowners by Type** – While new home buyers preferred to buy or build single detached homes (43%) compared to condominiums (32%) or townhouses (24%), their preference was weaker compared to repeat buyers. Over half of repeat buyers indicated they would buy or build a single detached home (52%).

Figure 47: Type of Dwelling Most Likely to Buy or Build, 2016

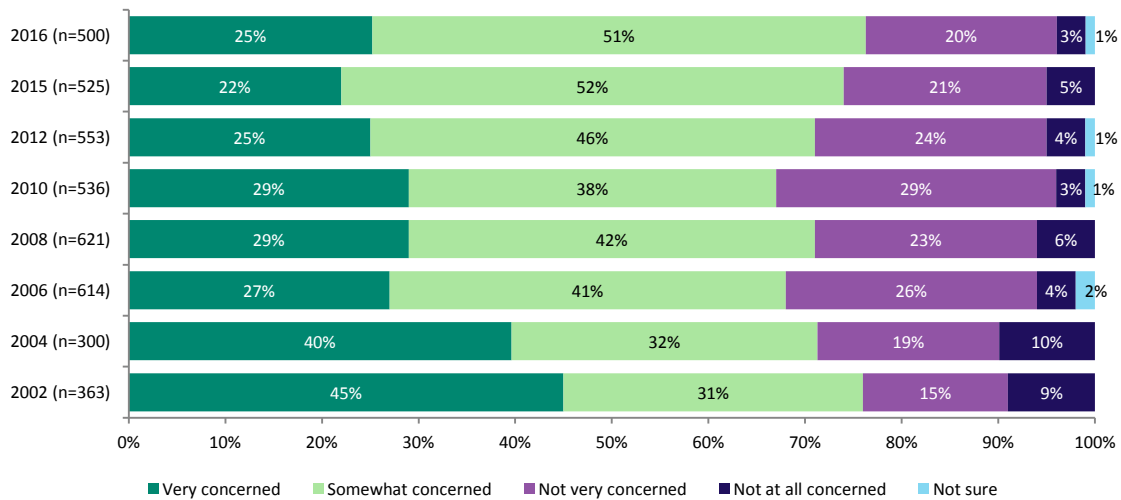


Prospective New Home Buyers' Purchase Decisions

Level of Concern Regarding Building Construction

In 2016, 76% of respondents indicated they were very or somewhat concerned there might be problems with the building construction after moving into their new home. The proportion of respondents indicating concern about building construction was equal to the 2002 peak, but with fewer respondents indicating they are very concerned in 2016 (25%) compared to 2002 (45%). Respondents most likely to be concerned included those aged between 35 and 44 (85%), living in Metro Vancouver (80%), with household income below \$50,000 (80%), and women (80%). The least likely to be concerned respondents included those living in the Capital Regional District (69%), aged 55 years or older (69%), or living in the rest of BC (68%).

Figure 48: Level of Concern Regarding Building Construction, 2002-2016



Other survey findings include:

- Prospective Homeowners by Region** – For Metro Vancouver respondents, 80% reported that they are concerned with building construction, while 69% reported concern in the Capital Regional District and 68% in the rest of BC. However, Metro Vancouver (27%) and Capital Regional District (25%) respondents were similarly likely to be very concerned.
- Prospective Homeowners by Income** – Building construction concerns appear to be inversely related to income, as 80% of respondents with income below \$50,000 were concerned, followed by 76% of respondents with income between \$50,000 to \$100,000, and 72% of respondents with income above \$100,000.
- Prospective Homeowners by Type** – First time buyers (78%) were more likely to be concerned than repeat buyers (71%) about building construction.

Importance of Factors in Planning to Buy or Build

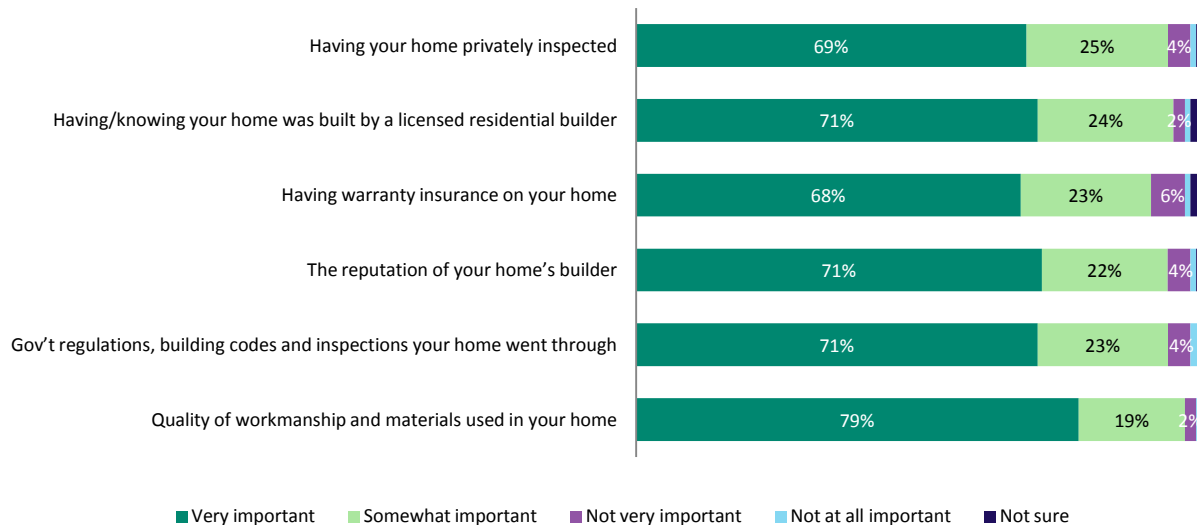
While all factors presented were considered somewhat or very important when buying or building a home by over 90% of respondents, the quality of workmanship and materials used in the home had the largest proportion agreeing it was important (96%).

A total of 93% of respondents indicated that having warranty insurance on the home was important, and were more likely to consider it important if they were aged between 35 and 44 years old (100%), from Metro Vancouver (95%), first-time home buyers (95%), or women (95%).

Other survey findings include:

- Prospective Homeowners by Region** – Both Capital Regional District (98%) and respondents Metro Vancouver (96%) were most likely to agree that the quality of workmanship and materials used in the home was either somewhat or very important. For the rest of BC, they were most likely (97%) to indicate that the government regulations, building codes and inspections the home went through were somewhat or very important.
- Prospective Homeowners by Income** – Having/knowing the home was built by a licensed builder and the government regulations, building codes and inspections the home went through were considered equally important by respondents with income between \$50,000 and \$100,000 (97%) and below \$50,000 (95%). Respondents with income above \$100,000 were most likely (96%) to consider the quality of workmanship and materials used in the home to be important.
- Prospective Homeowners by Type** – Repeat buyers were more likely to consider the quality of workmanship and materials used in the home (96%) and the reputation of their builder (95%) to be important relative to first time buyers, while first time buyers were more likely to consider having/knowing the home was built by a licensed builder (96%) and the government regulations, building codes and inspections the home went through (96%) to be important.

Figure 49: Importance of Factors in Buying or Building a New Home, 2016



Base: (n=500)

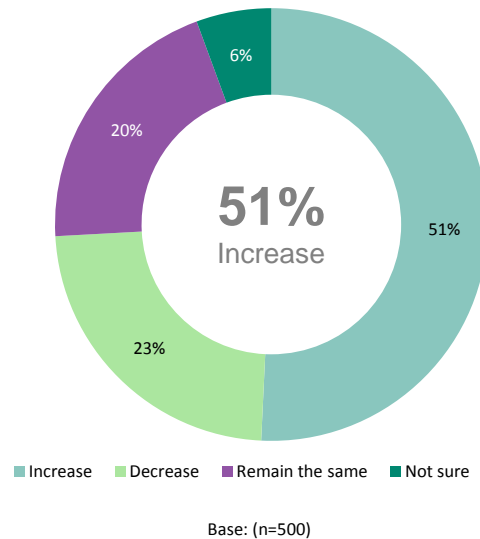
Prospective New Home Buyers' Confidence in the Housing Market

Housing Prices

When asked how they anticipated housing prices to change in their community over the next 12 months, approximately half reported that they expected prices to increase (51%), while nearly a quarter expected prices to decline (23%). The respondents most likely to expect an increase were located outside of Metro Vancouver and the Capital Regional District (56%), were likely to buy a multi-unit home (54%), and aged between 18 and 44 years old (53%).

Respondents were most likely to expect a decrease if they were over 55 years or older (36%), had a household income over \$100,000 (30%), were a repeat buyer (28%), and likely to buy a single detached home (27%).

Figure 50: Expected Changes in Housing Prices over Next 12 Months, 2016

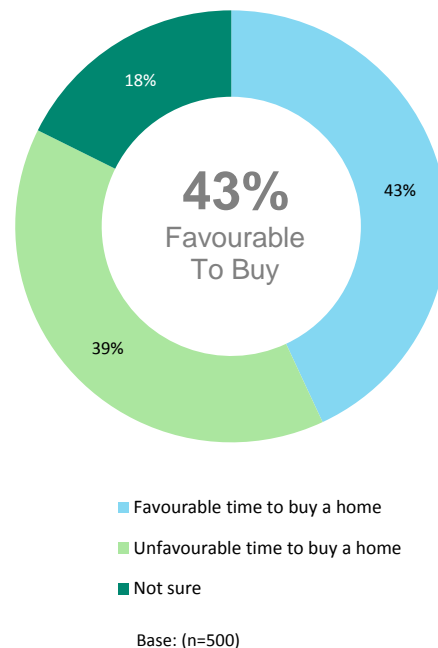


Buying and Selling

When asked if it would be a favourable or unfavourable time to buy in their community, 43% responded it was favourable and 39% responded it was unfavourable. Nearly one-fifth (18%) of respondents were unsure.

The demographic groups most likely to expect favourable buying conditions included prospective buyers located in the Capital Regional District (51%), repeat home buyers (51%), and those living outside of Metro Vancouver and the Capital Regional District (50%). In contrast, close to half of prospective buyers aged 18 to 34 (47%) thought it was an unfavourable time to buy, followed by first time buyers (44%) and those with household income between \$50,000 and \$100,000 (43%). Close to a third of respondents aged 55 years or older (31%) were unsure.

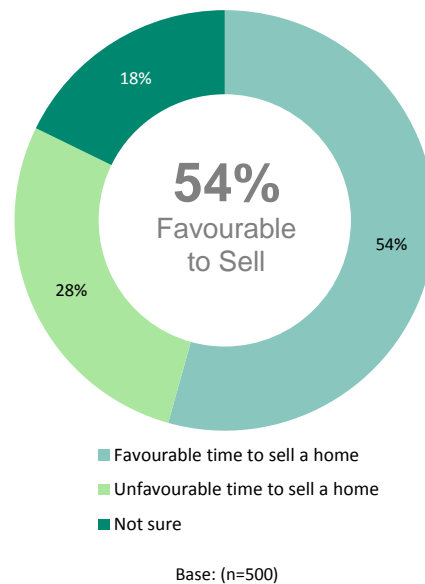
Figure 51: Favourable Time to Buy, 2016



When asked if it would be a favourable or unfavourable time to sell in their community, 54% responded it was favourable and 28% responded it was unfavourable. Nearly one-fifth of respondents (18%) were unsure.

The demographic groups most likely to expect favourable selling conditions included prospective buyers located in the Capital Regional District (74%), with household income between \$50,000 and \$100,000 (59%), and aged between 45 and 54 years old (58%). Demographics most likely to expect unfavourable conditions included prospective buyers living outside of Metro Vancouver and the Capital Regional District (35%), with household income below \$50,000 (32%), and repeat buyers (31%). Prospective buyers with income over \$100,000 were the most uncertain group, with close to a quarter (24%) reporting they were unsure.

Figure 52: Favourable Time to Sell, 2016

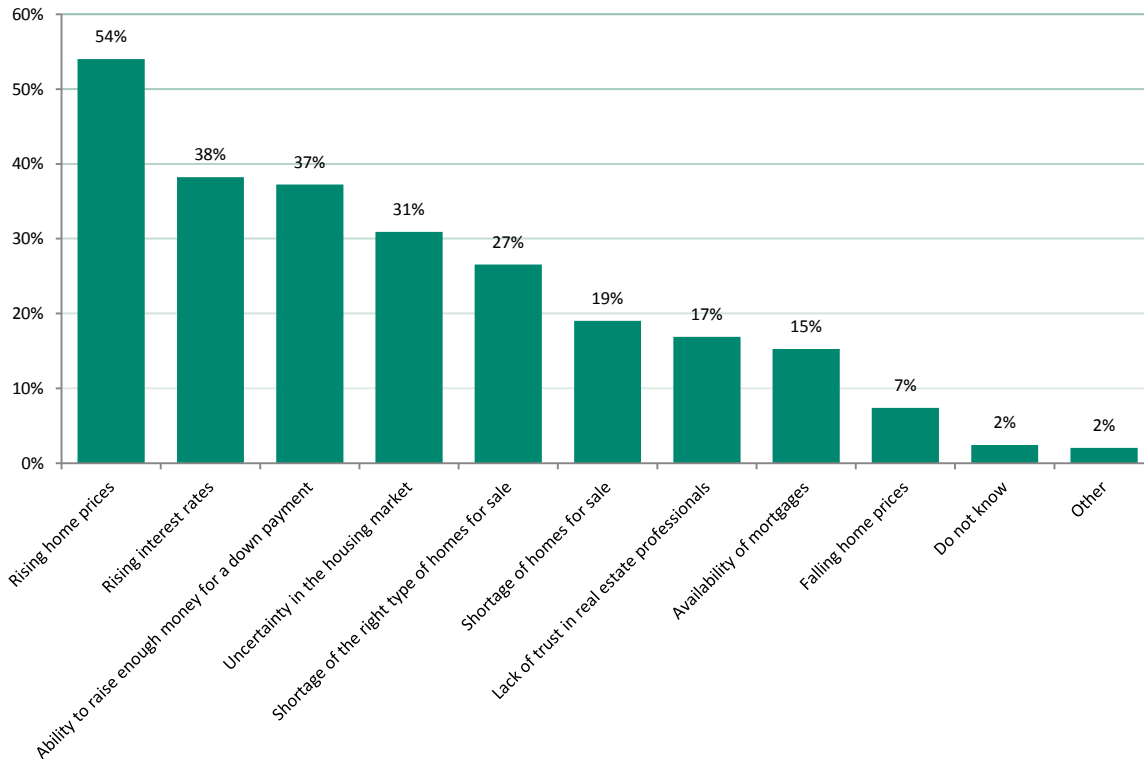


Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, over half of respondents reported they were concerned with rising home prices (54%). Other concerns included rising interest rates (38%), the ability to raise enough for a down payment (37%), and uncertainty in the housing market (31%).

The demographic groups most likely to be concerned about rising home prices included prospective buyers aged 35 to 44 years (63%), followed by those with household income between \$50,000 and \$100,000 (58%) and prospective buyers of multi-unit homes (58%). Concern around rising interest rates was highest among those aged 55 years or older (49%), followed by those living outside of Metro Vancouver and Capital Regional District (46%) and with household income between \$50,000 and \$100,000 (42%). The ability to raise enough down payment was a larger concern for those living outside of Metro Vancouver and the Capital Regional District (44%), first time homebuyers (43%), and households with income of \$100,000 or lower (42%).

Figure 53: Housing Market Concerns, 2016



Other survey findings include:

- Prospective Homeowners by Region** – Over half of respondents in all regions were concerned about rising home prices, with respondents in Metro Vancouver the most concerned (56%). Approximately one-third of respondents in Metro Vancouver (36%) and the Capital Regional District (32%) were concerned about rising interest rates, but in the rest of BC nearly half (46%) reported this as a concern. Similarly, the ability to raise enough down payment was less of a concern in Metro Vancouver (36%) and the Capital Regional District (28%) relative to the rest of BC (44%). Over a third of respondents in Metro Vancouver (36%) reported concern with uncertainty in the housing market, followed by 30% in the Capital Regional District and 19% in the rest of BC. A total of 7% of respondents from Metro Vancouver were concerned about falling home prices.
- Prospective Homeowners by Household Income** – Over half of respondents with household income between \$50,000 and \$100,000 (58%) and over \$100,000 were concerned with rising home prices, while less than half of respondents with income below \$50,000 (48%) reported the same concern. Over 40% of respondents with income below \$50,000 (41%) and between \$50,000 and \$100,000 (42%) were concerned with rising interest rates and the ability to raise enough down payment, but approximately a third (34%) of respondents with income over \$100,000 agreed. Relative to other income brackets, respondents with household income over \$100,000 were more likely to be concerned about shortages of the right type of home for sale (33%) and to lack trust in real estate professionals (22%).
- Prospective Homeowners by Type** – First time and repeat buyers were similar in their concerns for rising home prices (55% and 52% respectively) and interest rates (39% and 37% respectively). However, first time buyers were more concerned with raising enough money for a down payment than repeat buyers (43% and 23% respectively).

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 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, 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 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](#).

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 builder²⁶ 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 2016. For the 2016 survey, a list of 7,414 builders in BC was provided. Email invitations to the survey were sent out to 6,309 builders who were in good standing and did not have an expired, suspended or cancelled license. A total of 1,526 surveys were completed online by the builders, representing a response rate of 24.2%.

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 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.

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%
Lower Mainland	+/-3%
Southern Islands	+/-6%
Okanagan	+/-7%
Central/Northern BC	+/-12%
Kootenays	+/-14%

Sample Surveyed and After Weighting

	Sample Surveyed	Sample After Weighting
Region		
Lower Mainland	968	1,063
Southern Islands	242	225
Okanagan	191	143
Central and Northern BC	73	48
Kootenays	52	48
Homes Built or Started in Past Year		
<6 units	1,291	1,442
6 to 20 units	165	52
21 to 50 units	38	15
51+ units	32	17

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

²⁶ Includes licensed developers, custom-home builders, general contractors, building envelope renovators, project/construction managers, and others.

Current New Homeowners Survey

The Current New Homeowner Survey is a province-wide survey of people who recently bought a new or nearly new home. The survey covers the current homeowner 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 response rates, the mail-to-online methodology was low with the majority of responses from matching landlines to addresses.

To determine the most sustainable method moving forward, a mail-to-online methodology and a general access panel survey were used in 2016. Both survey methods included incentives to respond for survey recipients.

For the mail-to-online methodology, a total of 3,750 notification letters were mailed on November 14, 2016 to a random sample of owners of homes covered by warranty insurance under the *Homeowner Protection Act*. 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 29, 2016. A total of 302 surveys were received, representing a response rate of 8%. Due to the success of the mail-to-online methodology using an incentive, it was determined that the general access panel survey results would not be reported.

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 BC.

Sample Surveyed and After Weighting

	Sample Surveyed	Sample After Weighting
Metro Van –single detached	54	50
Metro Van –multi unit	114	136
CRD–single detached	9	9
CRD–multi unit	13	12
Rest of BC –single detached	60	50
Rest of BC –multi unit	52	45

At the 95% level of confidence, the maximum margins of error on the total sample of 302 is +/-6% and for the sub-samples of 200 are +/-7%.

Given the change in methodology for 2016, percentage-to-percentage comparisons cannot be made between 2016 and prior waves of the survey. Instead, only broader-based, directional comparisons should be made between 2016 and past waves of the survey.

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.

A total of 500 online surveys were conducted with 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. A general access online panel survey was administered for the 2016, 2014, 2012 and 2010 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 2016 survey, online interviewing was conducted between November 15 and December 1, 2016.

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 BC'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	66%
Capital Regional District	9%
Rest of BC	25%

At the 95% level of confidence, the maximum margins of error on the total sample of 500 is +/- 4%. When comparing total findings from 2016 against 2014, 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
2016 (500) vs 2014 (525)	+/-6%
1st time homebuyer (371) vs repeat (129)	+/-11%
Single (225) vs Multi (267)	+/-9%
Spec/strata home (418) vs Custom-built home(30)	+/-19%
Metro Van (336) vs Other (164)	+/-10%

Appendix 2: Glossary

<i>Type of Home</i>	<i>Description</i>	<i>Enrolled in Home Warranty Insurance</i>
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. 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