2014

BC Residential Building Statistics and Trends Report

BRITISH COLUMBIA

BC Housing

About BC Housing

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

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

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Issued August 2016

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Executive Summary

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

New Home Registration

In British Columbia (BC), all new homes must be registered before the issuance of building permits and the start of construction. New home registration data are a leading indicator of housing and economic activity in BC[1], and provide information on registered new homes by building type, location, and building size. Below are 2014 highlights:

- In 2014, the total number of registered new homes in BC reached 27,656, including 16,087 homes in multi-unit buildings[2] and 11,569 single detached homes[3]. The total number of registered homes was up 10.1% in BC from 2013, driven by growth in single detached homes (33.9%) despite the small decline in the multi-unit segment (2.3%).
- In terms of home enrollments by warranty provider in 2014, Travelers Canada accounted for the largest market share in multi-unit enrollments with 58.1%, while Aviva, through National Home Warranty, took the largest share of single detached enrollments with 39.5%.
- In 2014, approximately 80% of all registered new homes in BC were located in Metro Vancouver (66.9%), the Capital Regional District (4.5%), the Central Okanagan Regional District (4.5%), and the Fraser Valley Regional District (4.4%). Of single detached homes registered, 49.1% were located in Metro Vancouver, followed by 6.0% in the Fraser Valley Regional District, and 6.0% in the Central Okanagan Regional District. For multi-unit homes, 79.8% were located in Metro Vancouver, followed by 3.6% in the Capital Regional District, and 3.5% in the Central Okanagan Regional District.
- In 2014, 2,924 purpose-built rental units were proposed in BC, and while this is down 0.9% from 2013, 2014 was still the second highest year for proposed purpose-built rentals since 2002.
- In 2014, duplexes were the most popular multi-unit building size (49.3%), followed by buildings of 51 to 100 units (23.6%), and quadplexes (15.2%). However, by number of units, buildings of 100 units-plus accounted for 42.7% of the total units registered in 2014, followed by the buildings of 5 to 50 units (22.9%) and buildings of 51 to 100 units (17.2%).
- Overall the average multi-unit building size in BC has increased. The largest building registered in BC was located in Vancouver and had 392 units. A total of 8 buildings with 300-plus units each were registered in 2014.

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

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

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

Licensed Residential Builders

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder profile (industry experience, builder types), construction activities, and satisfaction and perceptions related to research and education projects. Below are highlights from the 2014 survey:

- In 2014, over 65% of builders[4] primarily built in the Lower Mainland[5]. Most builders (97%) had built single detached homes in the past five years, while 2% had built multi-unit high-rises.
- The majority of builders (82%) built or started building between 1 and 5 homes. The average number of homes built or started continued to decline from 20.0 in 2007 to 6.0 in 2014.
- Nearly 80% of builders finished between 1 and 5 homes in 2014, for an average of 4.1 completed homes per builder.
- One third (33%) of builders had 20 years or more industry experience. Almost one third (32%) had five or less years of experience.
- Average tenure for a BC builder was 14 years, slightly lower than average tenures reported in previous years.
- In terms of education and training importance, building codes and construction technologies were given the highest priority by builders; over half of all respondents indicated they wanted more education and training in these two areas.
- 13% of BC builders reported building homes that were part of a green building program.
- Slightly over 30% of builders forecasted they would incorporate universal design features in new build homes in the next 2 years.
- Compared with 2013, builders were more likely to predict that new residential building activity in the areas where they operated and for their own company would increase in the next 12 months.

Current New Homeowners and Prospective New Home Buyers

Current New Homeowner Survey

The *Current New Homeowner Survey* is a province-wide survey of people who have recently bought a new or nearly new home. The survey covers the current homeowner profile (age, type of home buyer, length of residency), home purchase confidence level, and satisfaction with the quality of construction and building process. Below are 2014 survey highlights:

- A total of 63% of the current new homeowner respondents were 55 years or older. A large majority of current homeowner respondents (89%) were repeat buyers when they bought their new home, compared to 11% of first time buyer respondents.
- New homeowners reported living in their homes on average 4.6 years, which is consistent with 2012 results.

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

- When it came to feeling confident about their home purchase, new homeowners rated the workmanship and materials used in the home as the most important factor, followed by government regulations, building codes, and home inspections.
- The majority (85%) of current new homeowners reported being satisfied with the construction of their home. The most satisfied segments among respondents included those who had a custom built home (94%), lived outside of Metro Vancouver and the Capital Regional District (92%), were single detached homeowners (91%), and had a length of residence less than 3 years (89%).

Prospective New Home Buyers

The *Prospective New Home Buyer Survey* is a province-wide survey of people who are considering buying a home in the near future (next year or so). The survey covers the prospective new 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. Below are the highlights from the 2014 survey:

- By age, 43% of the prospective new home buyer respondents were aged 18 to 34, 22% were aged 35 to 44, 18% were aged 45 to 54, and 18% were aged 55 years and older.
- Over 56% of the prospective new home buyers were repeat buyers compared to 44% first-time home buyers.
- By income, 31% of respondents reported earning $100,000 or more per year. Since 2010 the total household income of prospective new home buyers has increased, with 25% reporting earnings of $100,000 annually in 2012 and 11% in 2010. The percentage of prospective home buyers with annual incomes of less than $50,000 declined from 37% in 2010, to 23% in 2012, and 15% in 2014.
- Close to 45% of respondents lived in single detached homes, followed by 35% in condos/apartments, and 19% in duplexes/townhomes. The majority of those planning to buy a singled detached home were currently residing in one (62%), while the same is true of those planning to buy a multi-unit home (70%).
- Most commonly, prospective new home buyers intended to purchase directly from a builder/developer (45%). Over one quarter (27%) reported they were likely purchasing a previously owned home, while 21% were unsure what type of home purchase they would make. Few respondents (7%) intended to custom build.
- When building or buying a new home, respondents were mostly likely to consider the quality of workmanship and materials used in the home (98%) to be either somewhat or very important. Having or knowing the home was built by a licensed residential builder was rated relatively high in importance as well (95%). Having warranty insurance was rated slightly less important compared to other factors (91%).

New Home Registration[6]

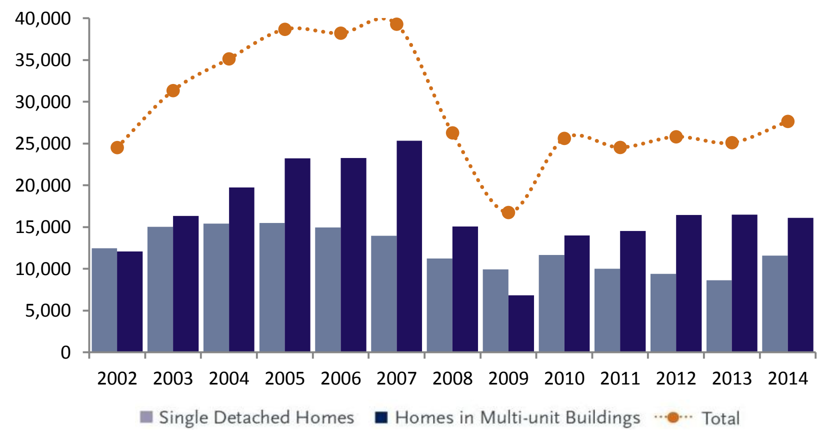
Registered and Enrolled Homes

In 2014, there were over 27,600 registered new homes in the province, up about 10% from 2013.

The number of registered new homes in British Columbia (BC) reached 27,656 in 2014, including 16,087 homes in multi-unit[7] buildings and 11,569 single detached[8] homes.

The total number of registered homes was up 10.1% from 2013, driven by growth in single detached homes (33.9%) despite the small decline in the multi-unit segment (2.3%). The number of registered new homes has remained relatively stable above 24,000 annually between 2010 and 2014, below the 2007peak of over 39,000.

Figure 1: Number of Registered New Homes by Building Type, 2002-2014



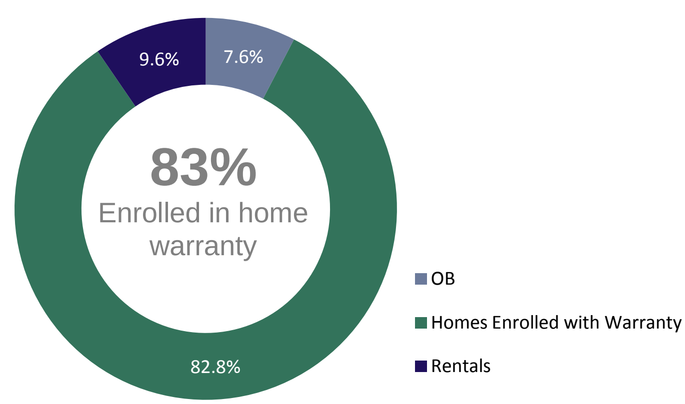
Multi-unit buildings accounted for 58.2% of all registered new homes in 2014, comparable with the average of 57.8% between 2002 and 2013.

In 2014, homes enrolled with home warranty insurance accounted for 82.8% of proposed new construction, followed by purpose-built rentals[9] (9.6%) and owner-built homes (7.6%).

There were 2,924 proposed purpose-built rentals in 2014. While the number of proposed purpose-built rentals was down 0.9% from 2013, 2014 was the second highest year recorded since 2002.

The total number of new homes enrolled with home warranty insurance was 25,321 in 2014, up 9.9% from 2013. Since 2010 enrollment has remained above 21,000 per year, but below the 2007 peak of over 35,000.

Figure 2: Share of Homes Enrolled with Home Warranty, Owner-built Homes and Proposed Purpose-built Rentals, 2014



[6] Over time minor adjustments may be made to the figures as registrations are withdrawn or cancelled. New home registration data is accurate as of April 1, 2015.

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

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

[9] Purpose-built rentals refers to new homes in multi-unit buildings that are exempted from home warranty insurance. These exempted homes 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.

For new home enrollments by warranty provider in 2014, **Travelers Canada represented the largest market share in multi-unit enrollments (58.1%),** followed by Aviva through National Home Warranty (25.4%), and RSA Canada (10.4%).

Aviva through National Home Warranty had the largest share (39.6%) in single detached home enrollments, followed by Travelers Canada (28.5%), and Echelon represented by Pacific Home Warranty (27.7%).

Figure 3: Market Share of Multi-unit Homes Enrolled by Warranty Provider, 2014

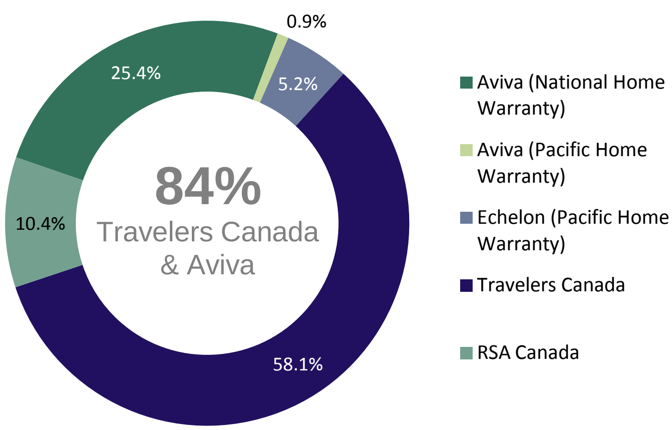
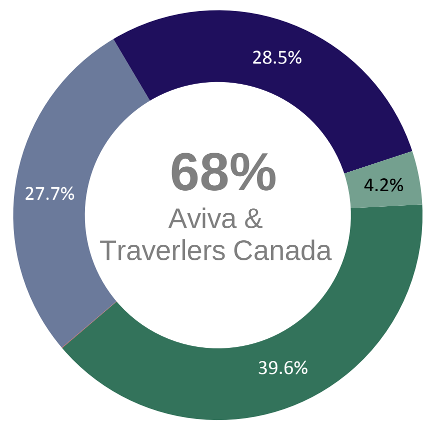


Figure 4: Market Share of Single Detached Homes Enrolled by Warranty Provider, 2014



In 2014, approximately 80% of registered new homes in BC were located in Metro Vancouver, the Capital Regional District, the Central Okanagan Regional District and the Fraser Valley Regional District, suggesting strong construction intentions and higher levels of future construction activity in those areas.

Metro Vancouver accounted for 66.9% of all registered new homes in BC, followed by the Capital Regional District (4.5%), the Central Okanagan Regional District (4.5%), and the Fraser Valley Regional District (4.4%). Compared to 2013, Metro Vancouver experienced a moderate decline in the number of multi-unit homes (9.9%) and a considerable increase in single detached (36.9%). The Capital Regional District gained strength in single detached homes (18.2%) but decreased in multi-unit homes (13.7%). The Fraser Valley Regional District substantially grew in both multi-unit (46.7%) and single detached homes (37.2%).

Figure 5: Registered New Homes by Regional District, 2014

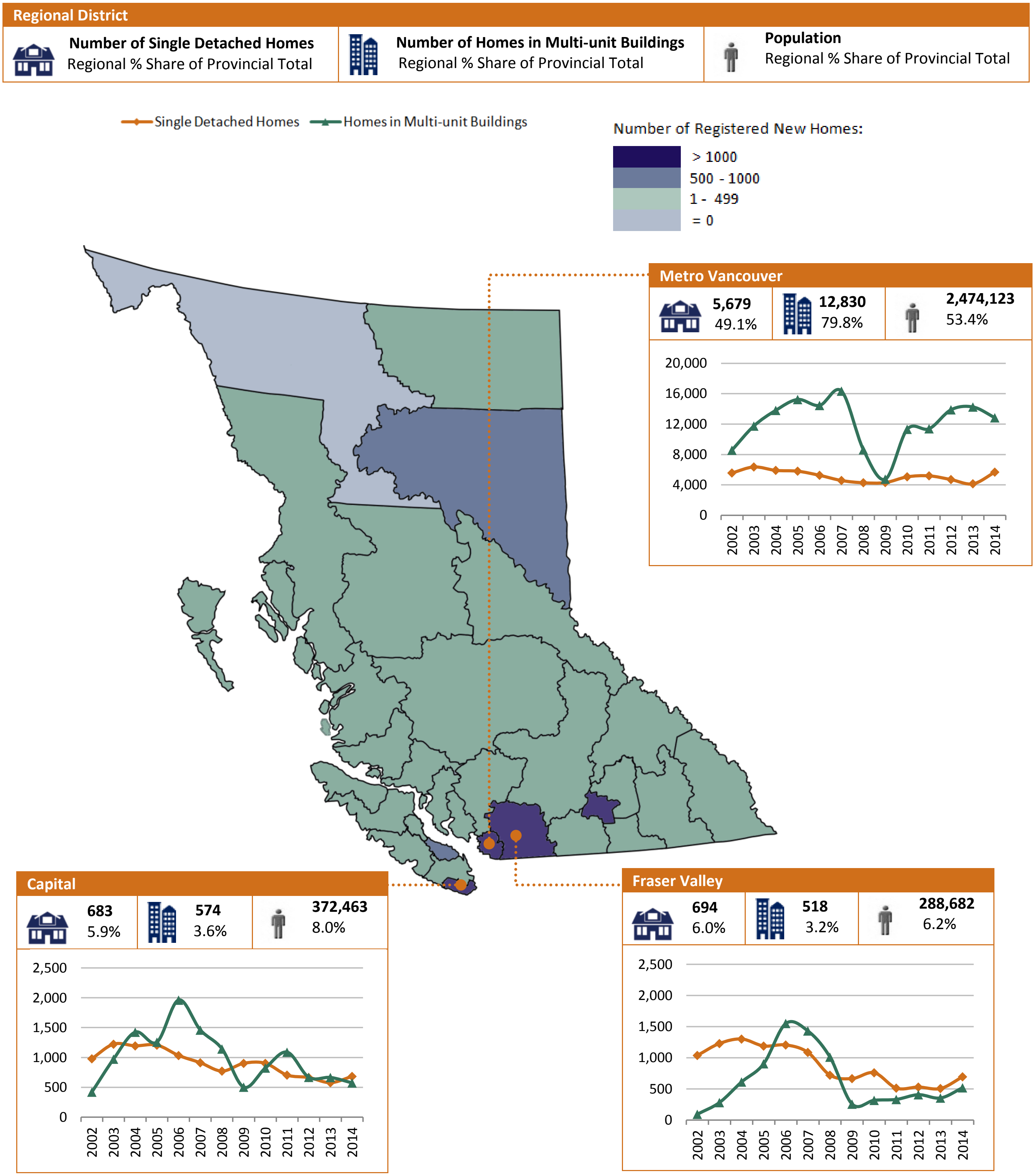
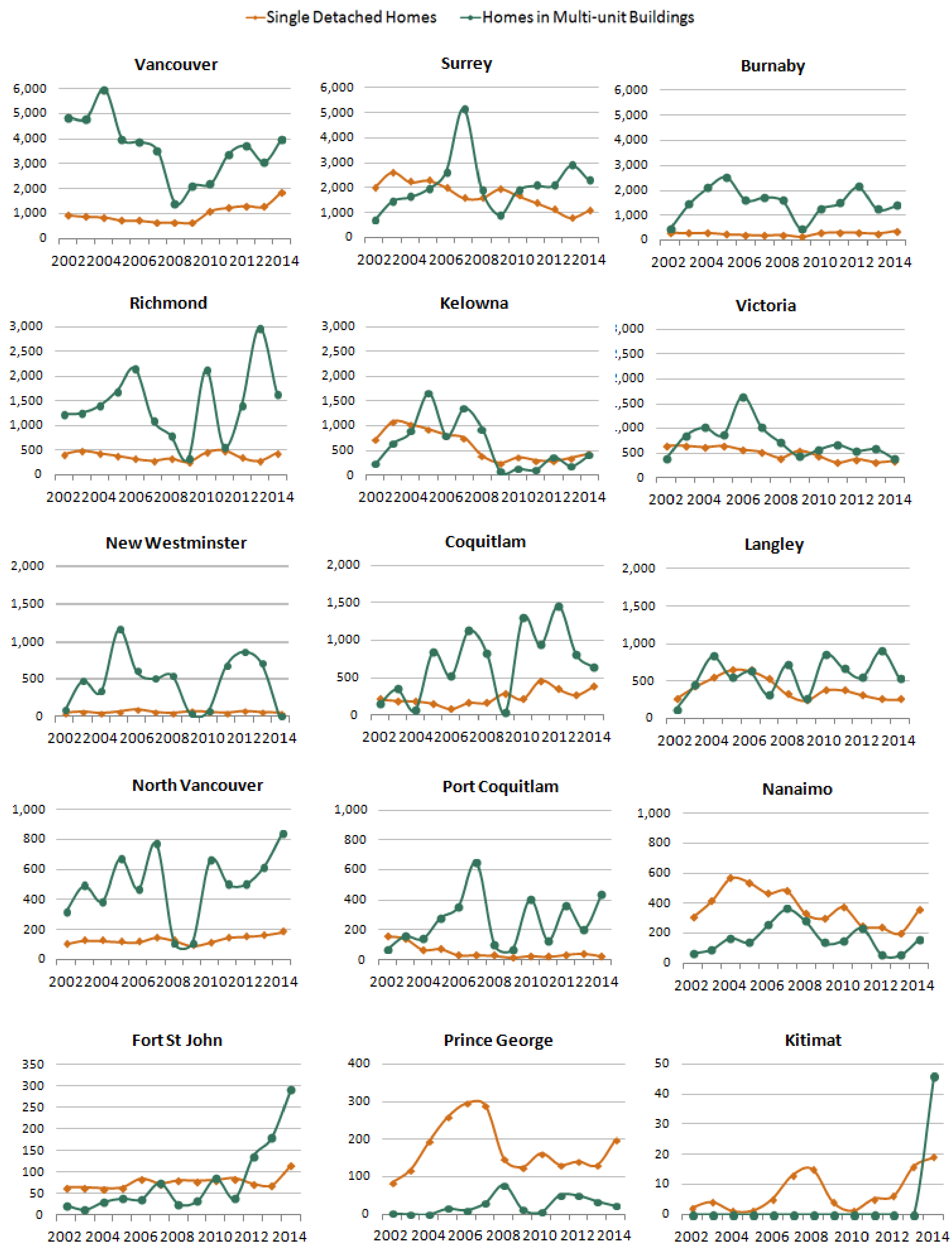


Figure 6: Registered New Homes by Building Type and by Selected City[10], 2002-2014



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

Multi-Unit Building Size

Duplexes were the most popular multi-unit building size in 2014 (49.3%), followed by buildings of 5 to 50 units (23.6%), and quadplexes (15.2%). There were 756 duplexes registered in 2014, a large increase of 54.6% compared to 2013. There were 362 buildings of 5 to 50 units registered in 2014, down 6.9% from 2013.

By number of units however, buildings of 100 units-plus accounted for 42.7% of the total units registered in 2014 with 6,865 units, followed by buildings of 5 to 50 units (22.9%) and buildings of 51 to 100 units (17.2%). The number of buildings and units registered in 2014 remains below the 2007 peak across all building sizes.

Figure 7: Registered Units in New Multi-unit Buildings by Building Size, 2002-2014

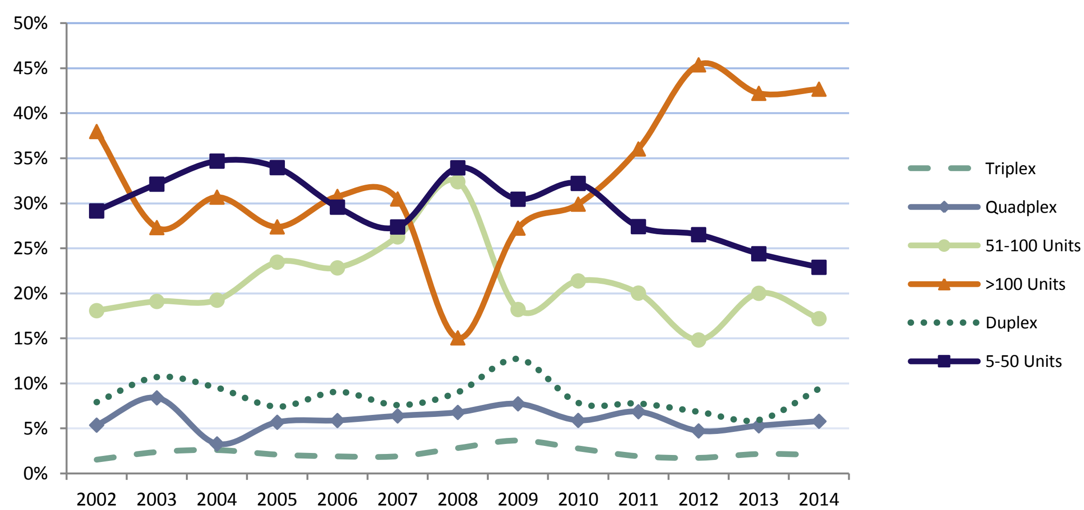


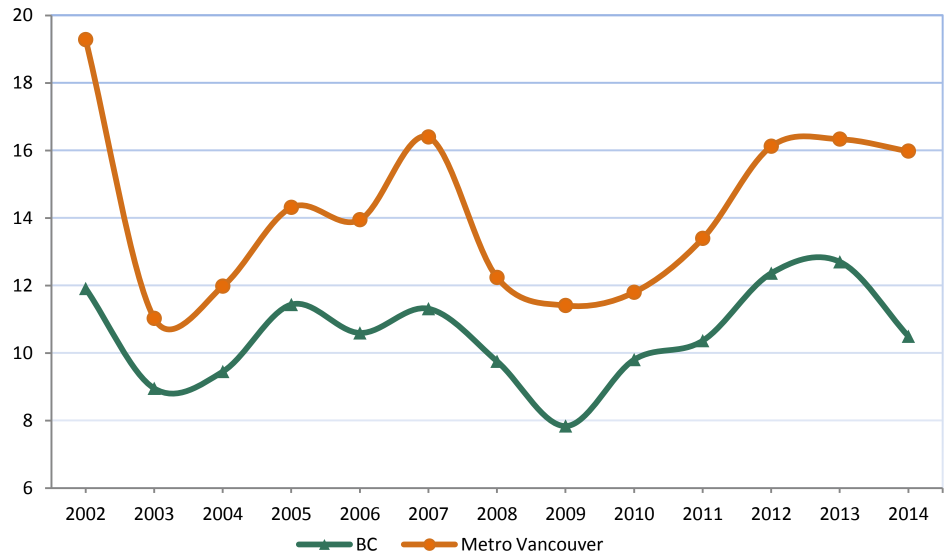
Table 1: Number of Registered New Multi-unit Buildings and Units by Building Size, 2014

Building Size	*Number of Registered buildings*	*Number of Registered Units*
Single	11,569	11,569
Duplex	756	1,512
Triplex	110	330
Quadplex	233	932
5-50 Units	362	3,683
51-100 Units	40	2,765
>100 Units	32	6,865
Total	1,3102	27,656

The average size of multi-unit buildings in BC has increased between 2009 and 2014. The unit-building ratio measures the average size of registered multi-unit buildings by calculating the number of new units per building. The 2014 ratio in BC was 10.5, a decline compared to the 2013 ratio of 12.7, but an increase from 7.8 in 2009.

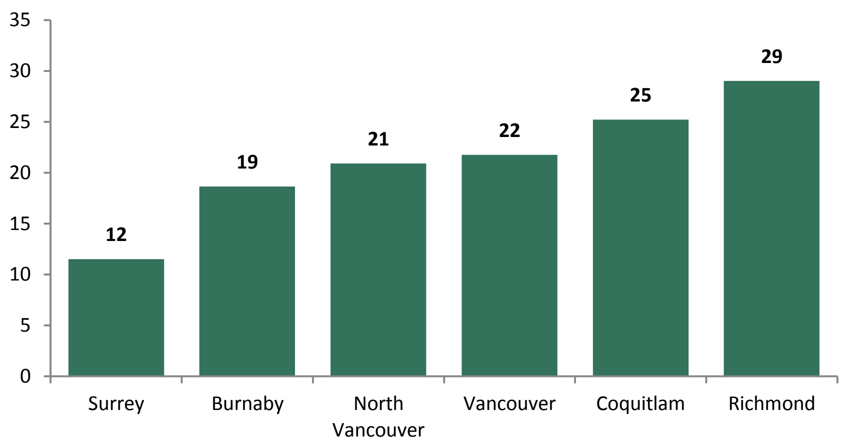
Historical trends show unit-building ratios in Metro Vancouver were consistently higher than provincial ratios. In 2014, the average multi-unit building in Metro Vancouver had a ratio of 16.0, a slight decrease from 16.3 in 2013, but increasing from 11.4 in 2009.

Figure 8: Unit-Building Ratio in BC and Metro Vancouver, 2002-2014



In 2014, Richmond had an average of 29 registered new homes per building, followed by Coquitlam at 25 and Vancouver at 22. The unit-building ratios declined in North Vancouver between 2013 and 2014, falling from 44 to 21.

Figure 9: Selected Cities in BC with High Unit-Building Ratios, 2014



	Surrey	Burnaby	North Vancouver	Vancouver	Coquitlam	Richmond
Number of Multi-unit Buildings	201	74	40	184	25	57
Number of Units in Multi-unit Buildings	2,318	1,381	837	4,003	631	1,654

Figure 10: Registered Buildings with 50 Units or More in the Lower Mainland, 2014

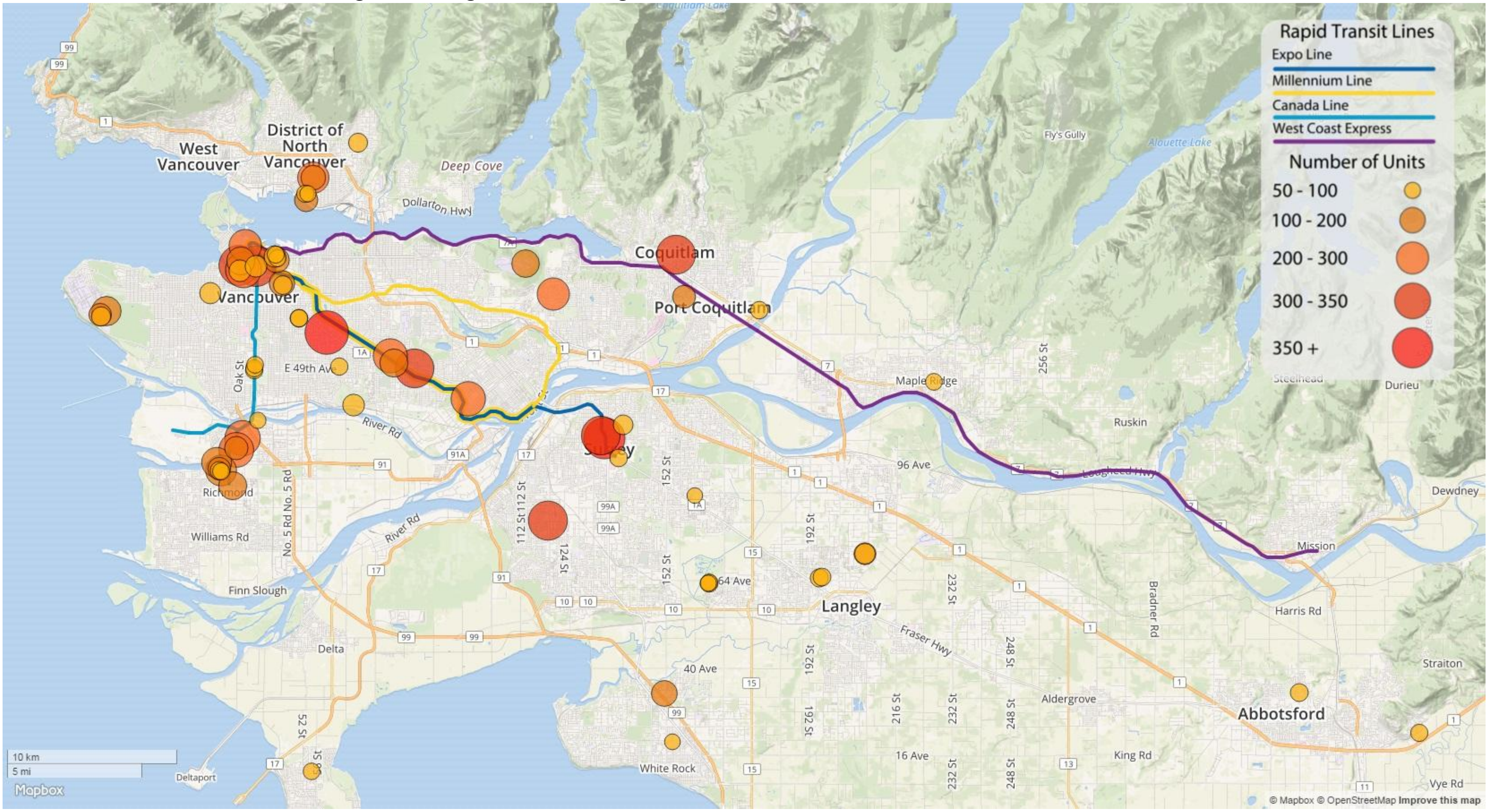


Figure 11: Registered Buildings with 50 Units or More in the City of Vancouver, 2014

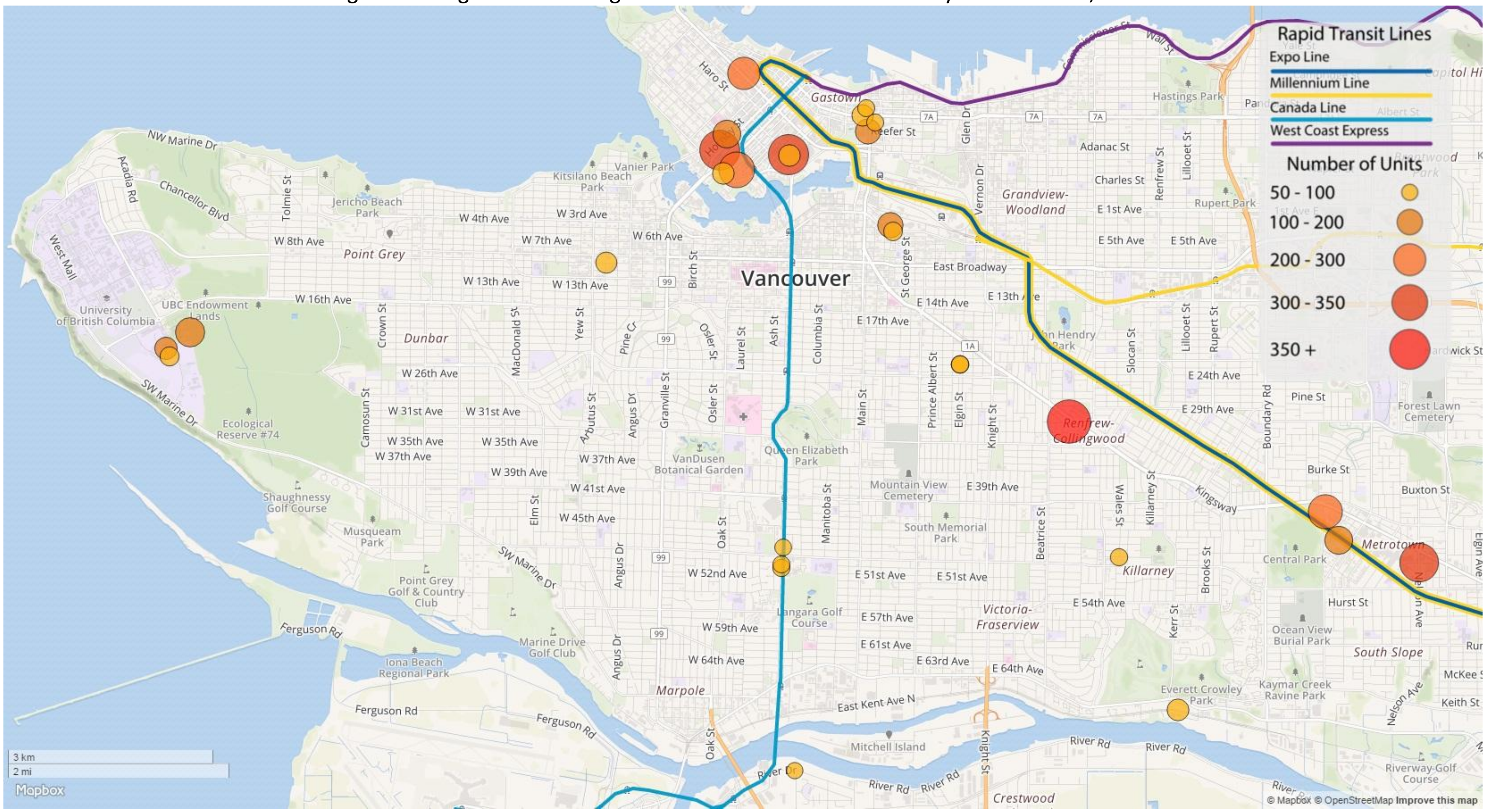


Figure 12: Registered Buildings with 50 Units or More in Richmond, 2014

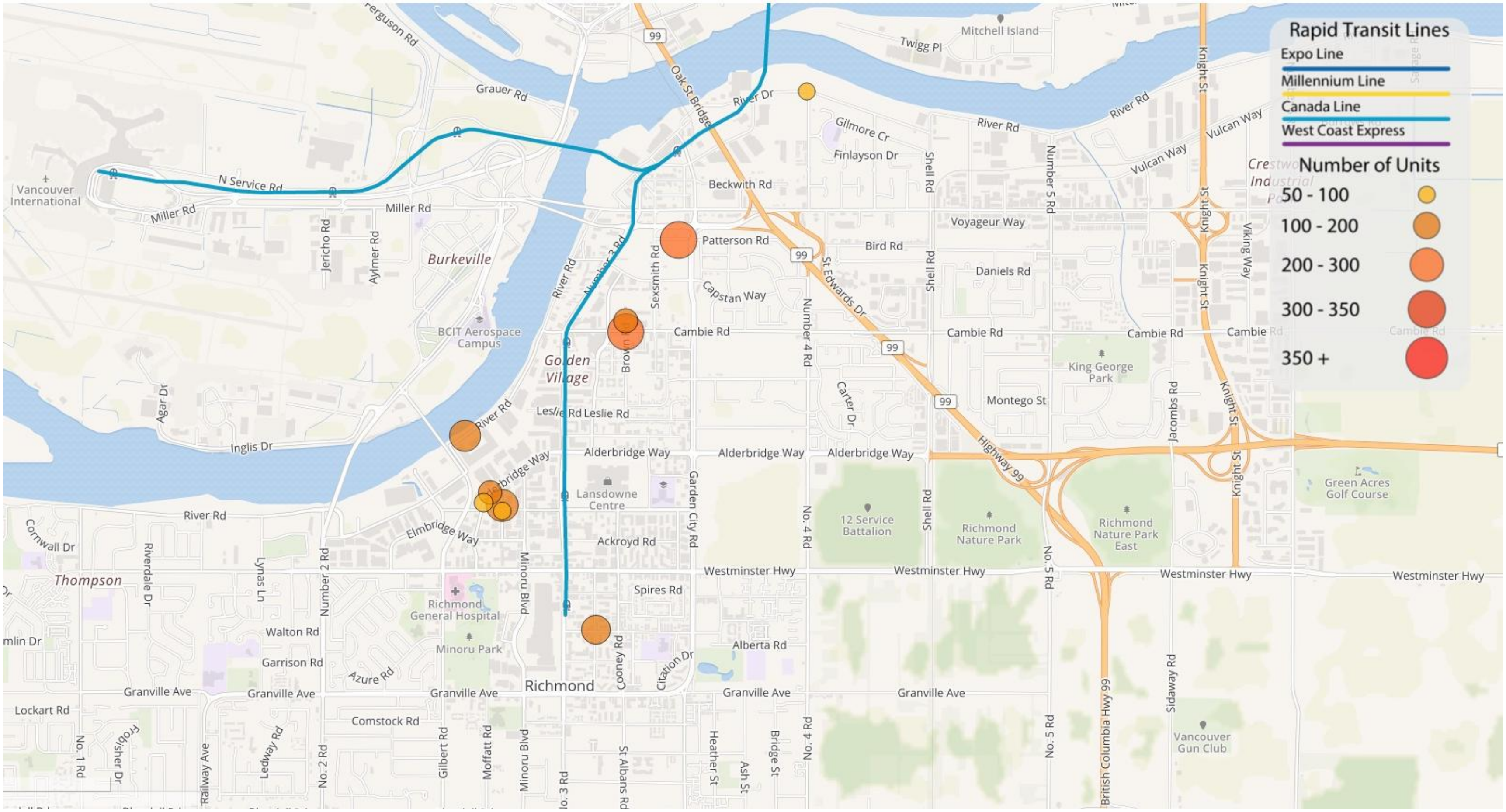


Figure 13: Registered Buildings with 50 Units or More in Tri-Cities Area, 2014

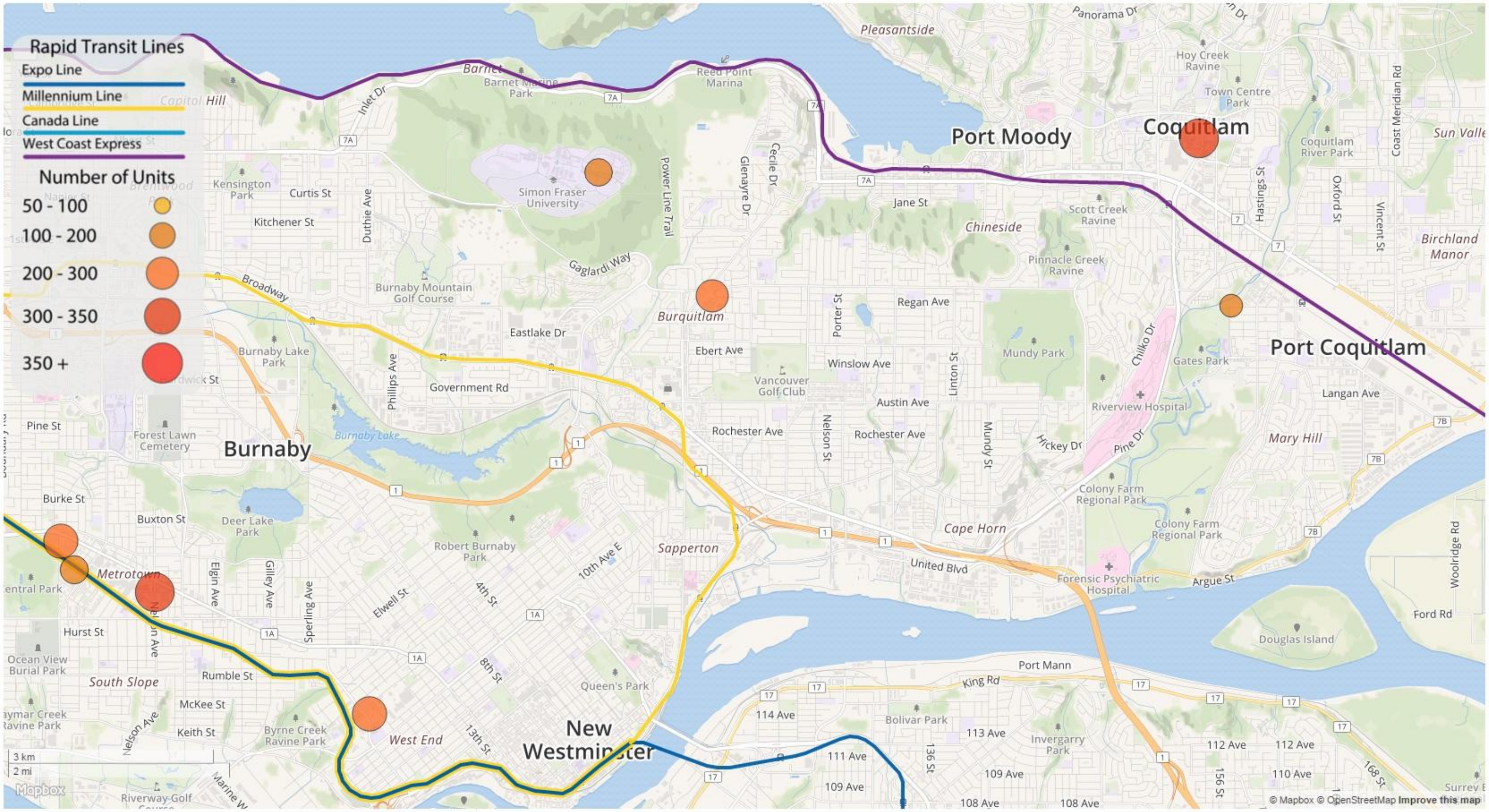
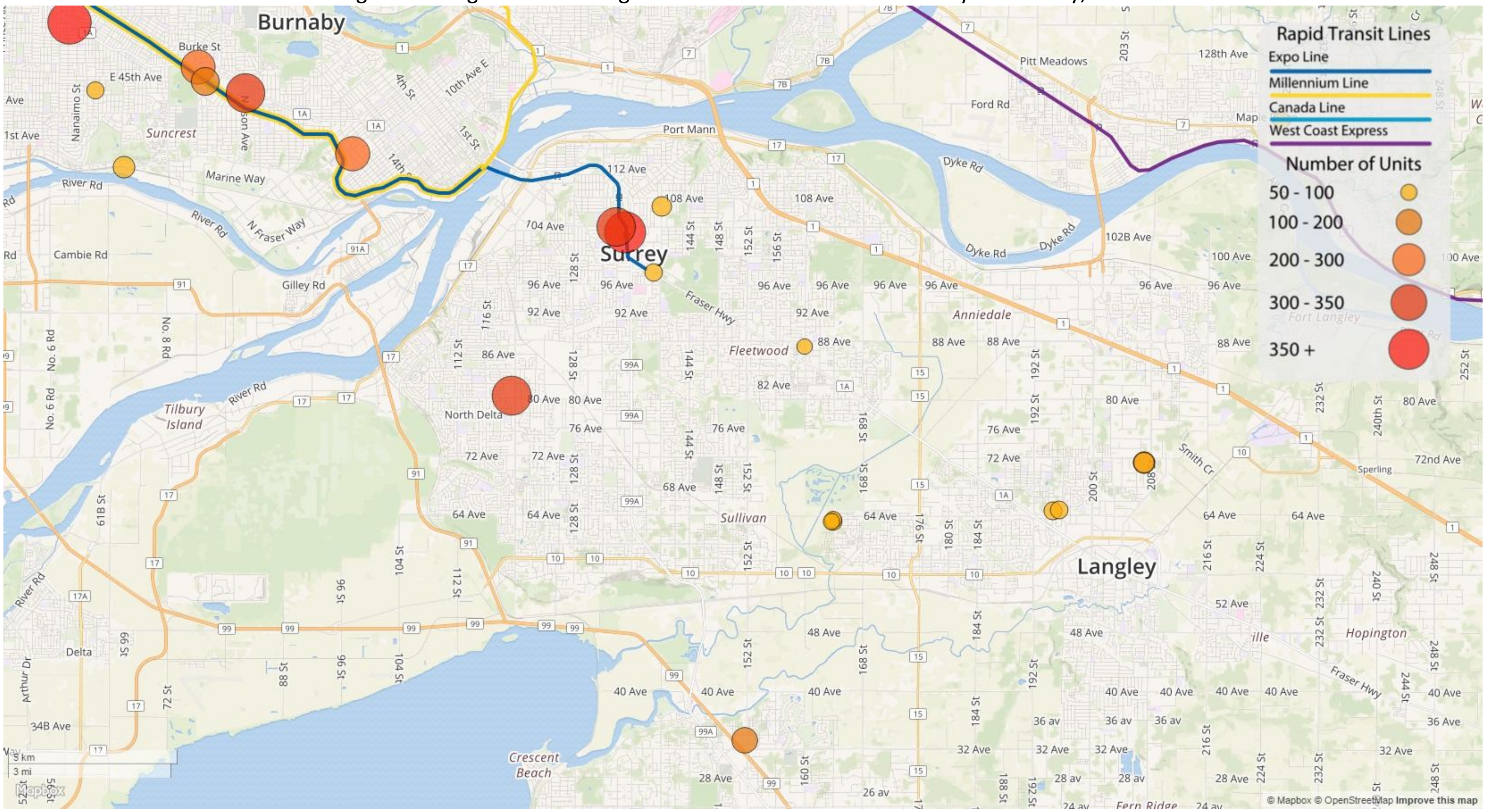


Figure 14: Registered Buildings with 50 Units or More in Burnaby and Surrey, 2014



In 2014, the largest building registered in BC was located in Vancouver and included 392 units. In total, eight buildings with 300-plus units each were registered in 2014.

Table 2: Top 10 Largest Registered Multi-unit Buildings in BC, 2014

Proposed Site Location	City	Number of Units
2220 Kingsway	Vancouver	392
13483 - 103 Avenue	Surrey	353
68 Smithe Street	Vancouver	336
1283 Howe Street	Vancouver	333
11941 80 Avenue	Delta	317
1188 Pinetree Way	Coquitlam	313
6518 Nelson Avenue	Burnaby	312
13398 104 Avenue	Surrey	310
498 Drake Street	Vancouver	266
8988 Patterson Road	Richmond	261

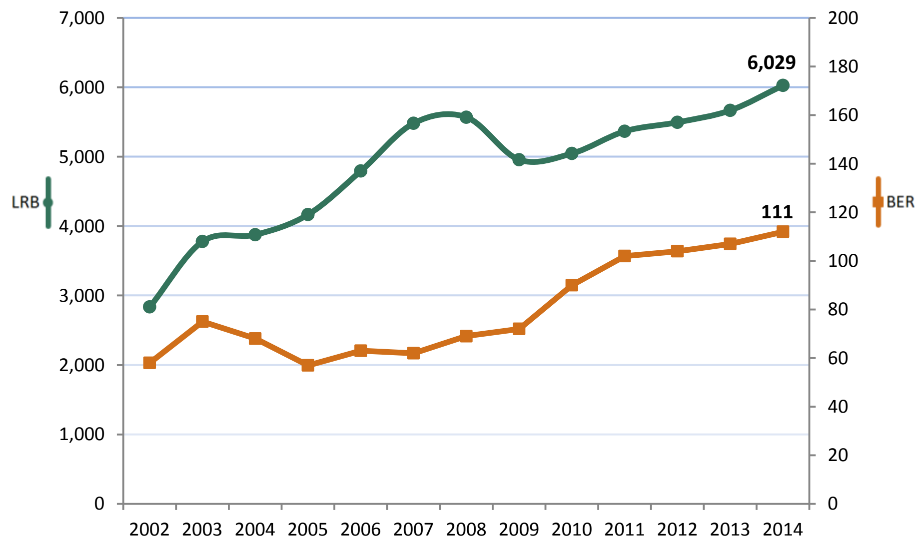
Licensed Residential Builders

Licensing

The number of Licensed Residential Builders (LRBs) and Licensed Building Envelope Renovators (BERs) continued to grow in 2014.

The number of LRBs in BC has grown continuously since 2009, and in 2014 peaked at 6,029, more than double the number in 2002. Compared to 2013, the number of LRBs in 2014 increased 6.4%. The number of BERs also trended upward since 2007, and between 2002 and 2014 the number of renovators approximately doubled from 58 to 111.

Figure 15: Number of Licensed Residential Builders and Building Envelope Renovators, 2002-2014



In 2014, Aviva, through National Home Warranty, had the largest market share of LRBs (39%) and BERs (58%).[11]

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

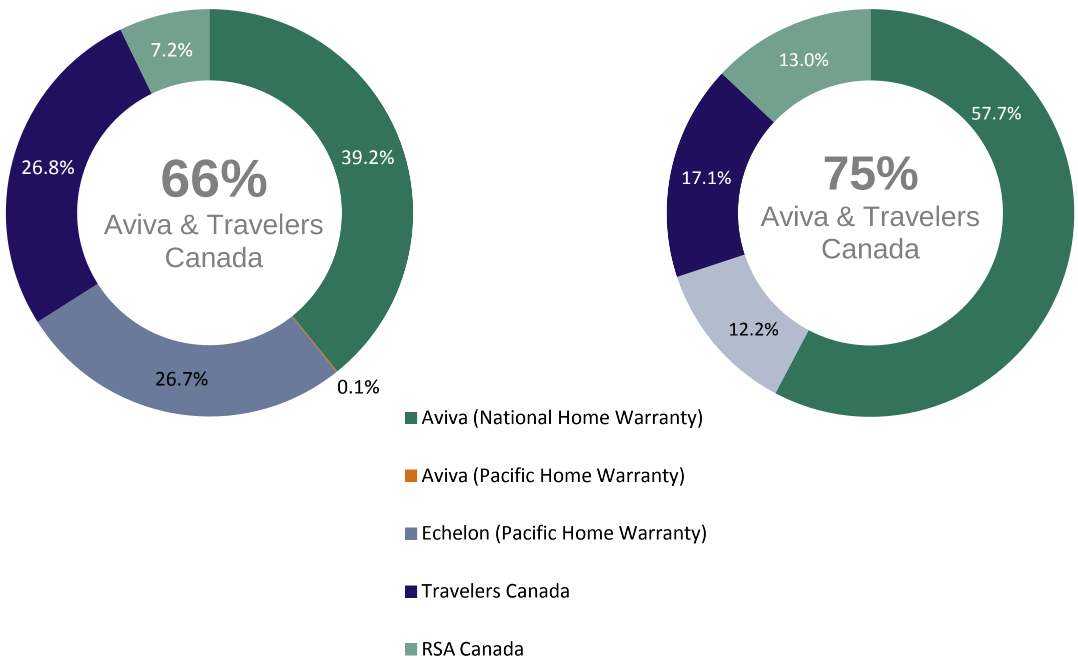
Of the 6,009 LRBs with warranty acceptance from warranty providers in 2014, Aviva through National Home Warranty accounted for 2,358 (39.2%), followed by Travelers Canada at 1,608 (26.8%), Echelon represented by Pacific Home Warranty at 1,603 (26.7%), RSA Canada at 432 (7.2%), and Aviva, through Pacific Home Warranty, at 8 (0.1%).

Of the 123 BERs with warranty acceptance, Aviva through National Home Warranty accounted for 71 (57.7%), followed by Travelers Canada at 21 (17.1%), RSA Canada, at 16 (13.0%), and Echelon represented by Pacific Home Warranty at 15 (12.2%).

[11] Data represents a snapshot of market share as of May 1, 2015. Calculations are based on dual LRBs and BERs being counted as both an LRB and BER.

Figure 16: Market Share of Licensed Residential Builders by Warranty Provider, 2014

Figure 17: Market Share of Licensed Building Envelope Renovators by Warranty Provider, 2014



Licensed Residential Builder Survey

Survey Methodology

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

The survey was conducted bi-annually between 2003 and 2011 and annually from 2012 to 2014. For the 2014 survey, email invitations to the survey were sent out to 5,096 builders who were in good standing and did not have an expired, suspended or cancelled licence. A total of 1,097 online surveys were completed by the builders, representing a response rate of 21.5%.

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

Further information on survey methodology is provided in Appendix 1.

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

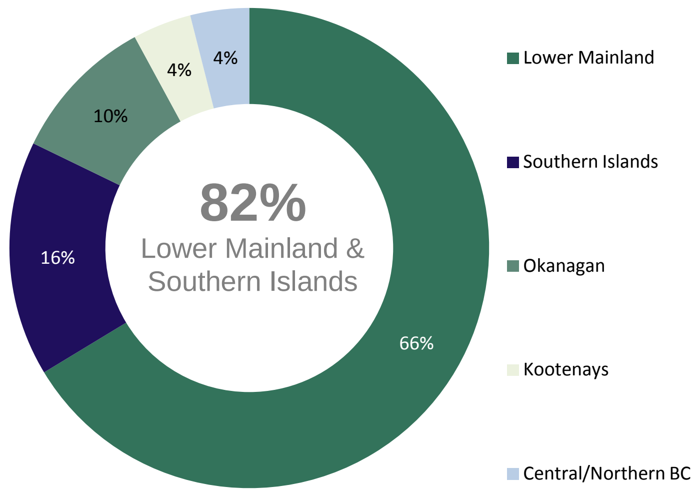
Survey Results

Construction Activity

Primary Area of Construction

Approximately two-thirds of builders (67%) reported primarily working in the Lower Mainland, followed by 16% working in the Southern Islands, 10% working in the Okanagan, 4% working in the Kootenays, and 4% working in Central and Northern BC.

Figure 18: Percentage of Builders by Primary Area of Construction, 2014

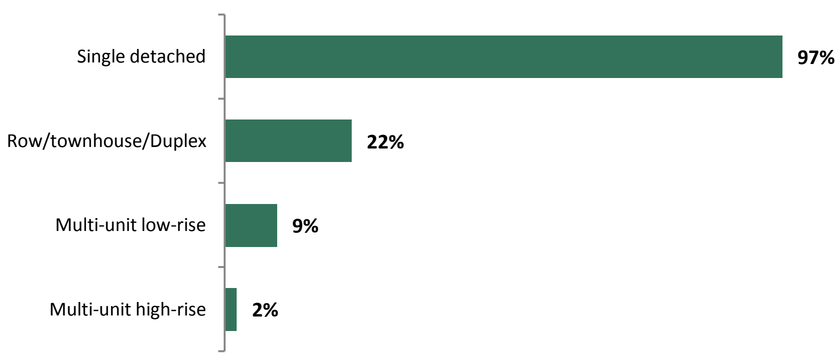


Base: (n=1,097)

Housing Type Constructed in Past Five Years

Most builders (97%) had built single detached homes in the past five years, while 22% had built row/townhouses or duplexes and 9% had built multi-unit low-rises. In contrast, 2% of builders had built multi-unit high-rises during this period.

Figure 19: Percentage of Licensed Residential Builders by Housing Type Constructed in Past Five Years, 2014



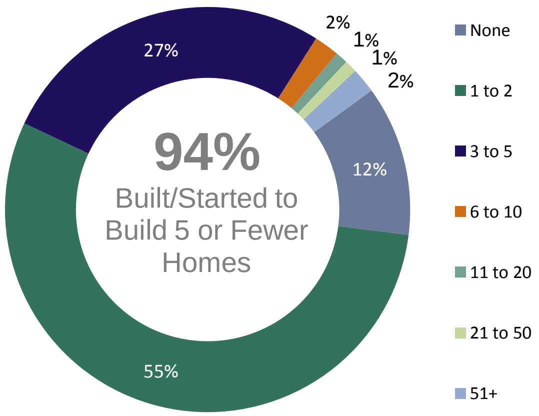
Base: (n=1,097)

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

Homes Built or Started Building[13] in Past Year

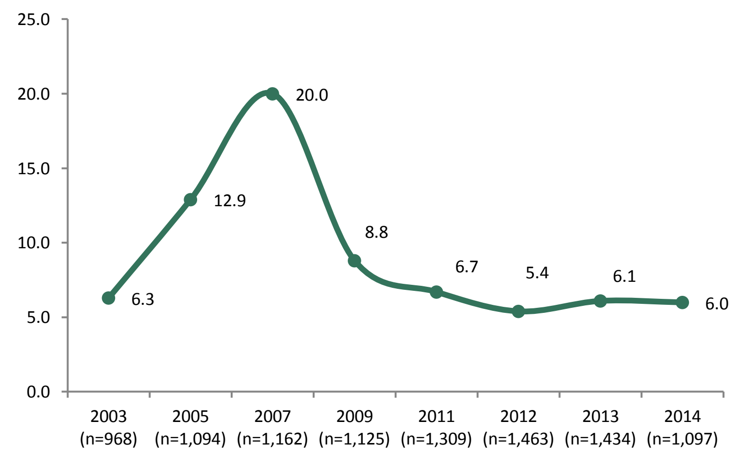
As with previous years, **the majority of builders built or started building between 1 and 5 homes in the last year (82%)**. The average number of homes built or started per builder declined from a 2007 peak of 20.0 to 6.0 in 2014.

Figure 20: Percentage of Builders by Number of Homes Built or Started, 2014



Base: (n=1,097)

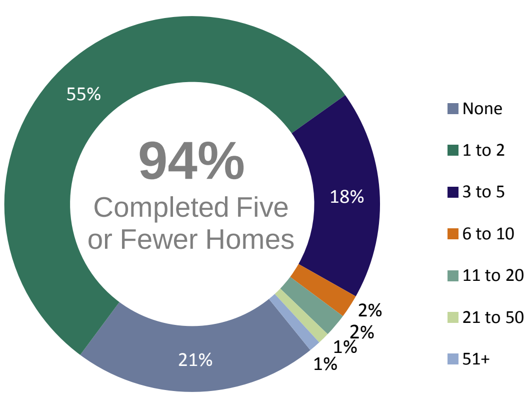
Figure 21: Average Number of Homes Built or Started, 2003-2014



Homes Completed[14] in Past Year

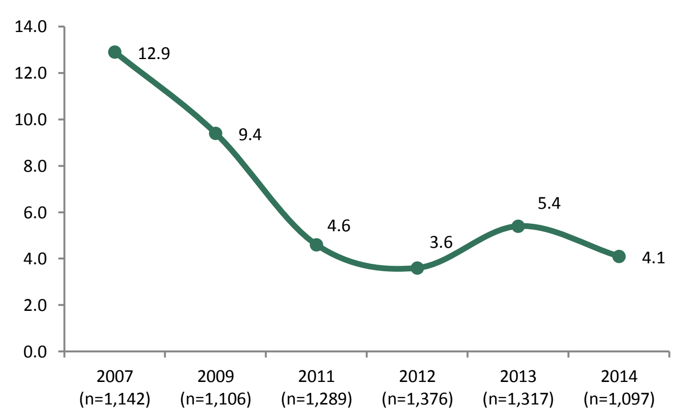
Over 70% of builders completed between 1 and 5 homes in the past year, while 21% did not complete any homes. In contrast, 1% of builders completed multi-unit buildings with 51 units or more. The average number of homes completed has trended down since 2007, with the average falling from 12.9 homes in 2007 to 4.1 in 2014.

Figure 22: Percentage of Builders by Number of Homes Completed, 2014



Base: (n=1,097)

Figure 23: Average Number of Homes Completed, 2007 -2014



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

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

Builder Profile

Industry Experience

One third (33%) of BC builders had 20 years or more of industry experience. Almost another third (32%) of builders had 5 years or less experience, and approximately half had 10 years or less of experience. The average tenure for a builder in 2014 was 14 years, down from a 2009 peak of 17 years.

Figure 24: Percentage of Builders by Years of Industry Experience, 2014

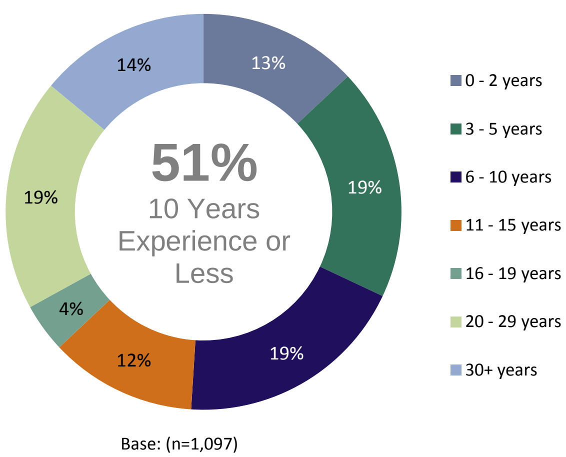
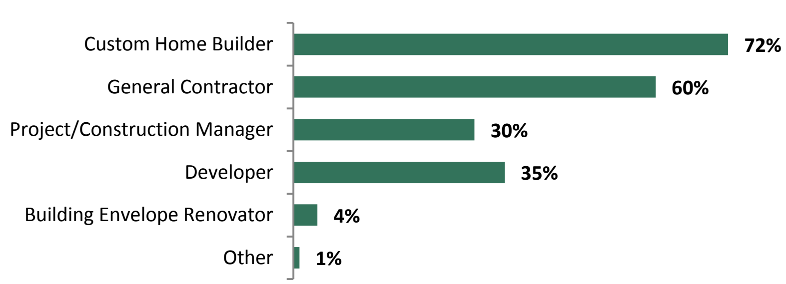


Figure 25: Average Number of Years in Industry as Residential Builder, 2003-2014

Type of Licensed Residential Builder

Consistent with previous years, **nearly 70% of builders identified as custom home builders**, while 60% identified as general contractors. As well, 35% of builders classified themselves as developers and another 30% as project/construction managers.

Figure 26: Percentage of Builders by Type, 2014



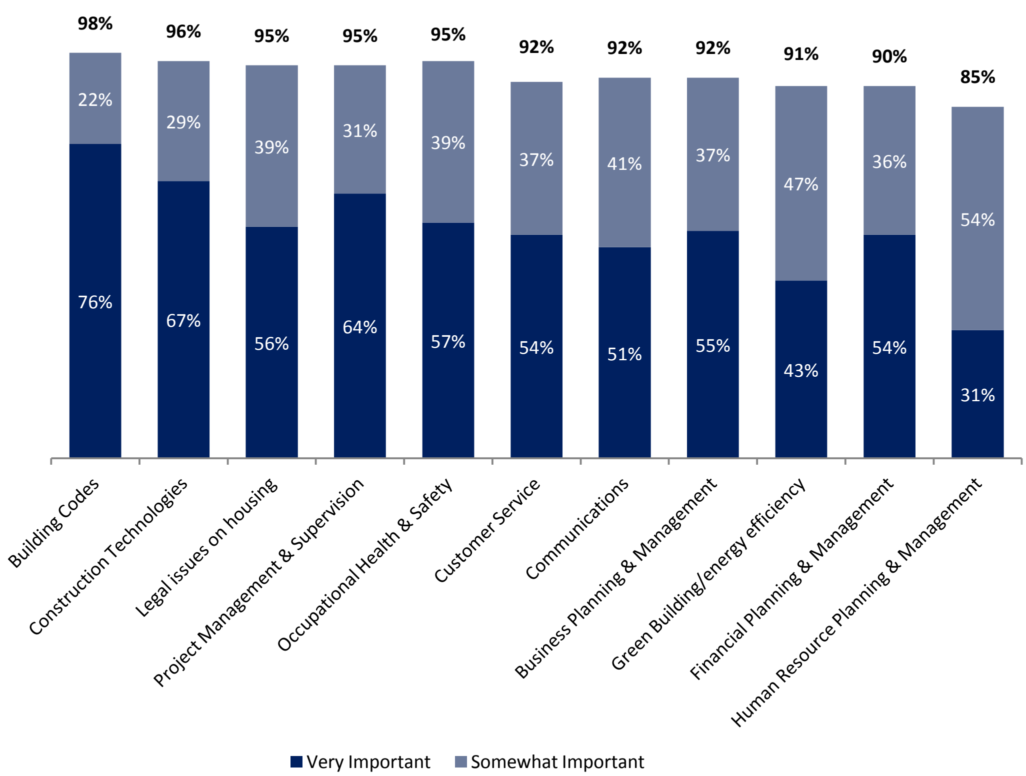
Base: (n=1,097)

Builder Education and Training

Importance of Education and Training by Subject Areas

From a list of 11 education and training (E&T) subject areas presented to builders, all were deemed to be at least somewhat important by a large proportion of respondents**. Over 95% of builders surveyed considered building codes (98%) and construction technologies (96%) E&T to be somewhat or very important.** Legal issues on housing, project management & supervision, and occupational health & safety were also considered to be somewhat or very important by 95% of builders.

Figure 27: Importance of Education and Training (E&T) by Subject Area, 2014



Base: (n=1,097)

Other findings include:

- **Builders by Region –** Between 95% and 99% of builders by region consider building codes and construction technologies E&T to be somewhat or very important. In the Central and Northern BC and the Okanagan, 99% considered occupational health & safety important, while 99% in the Okanagan also considered project management & supervision to be important. Relative to other regions, builders placed more emphasis on financial planning & management in Central and Northern BC (97%), green building/energy efficiency in the Okanagan (96%), and human resource planning & management in the Okanagan (93%).
- **Builders by Housing Type –** All builders who built multi-unit high rise homes reported that E&T on project management & supervision, legal issues on housing, construction

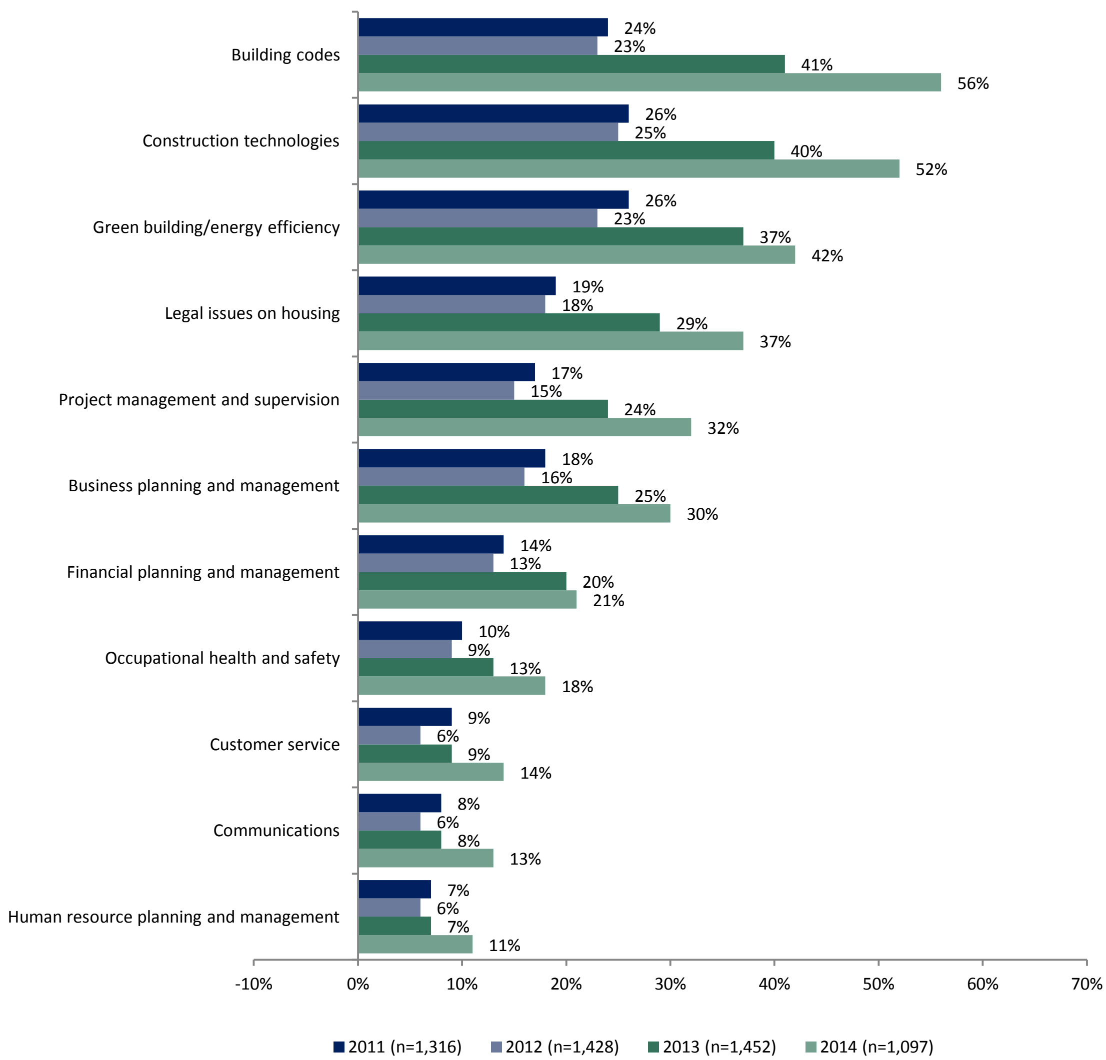
technologies, and communications was either somewhat or very important. Builders focused on low-rise multi-unit and single detached home placed highest emphasis on building codes E&T (96% and 98% respectively), while builders of row/townhouses or duplexes placed highest emphasis on construction technologies (98%).

- **Builders by Experience –** Across years of experience, builders indicated building codes was the most important E&T subject area, with 97% to 99% of respondents agreeing it was somewhat or very important.

In 2014, over half of builders reported that they wanted more E&T in building codes and construction technologies.

Since 2011, builders have shown increasing interest in more E&T across all 11 surveyed subject areas. Desire for more building codes and construction technologies E&T approximately doubled since 2011.

Figure 28: Desire for More Education and Training (E&T) by Subject Area, 2011-2014



Green Building

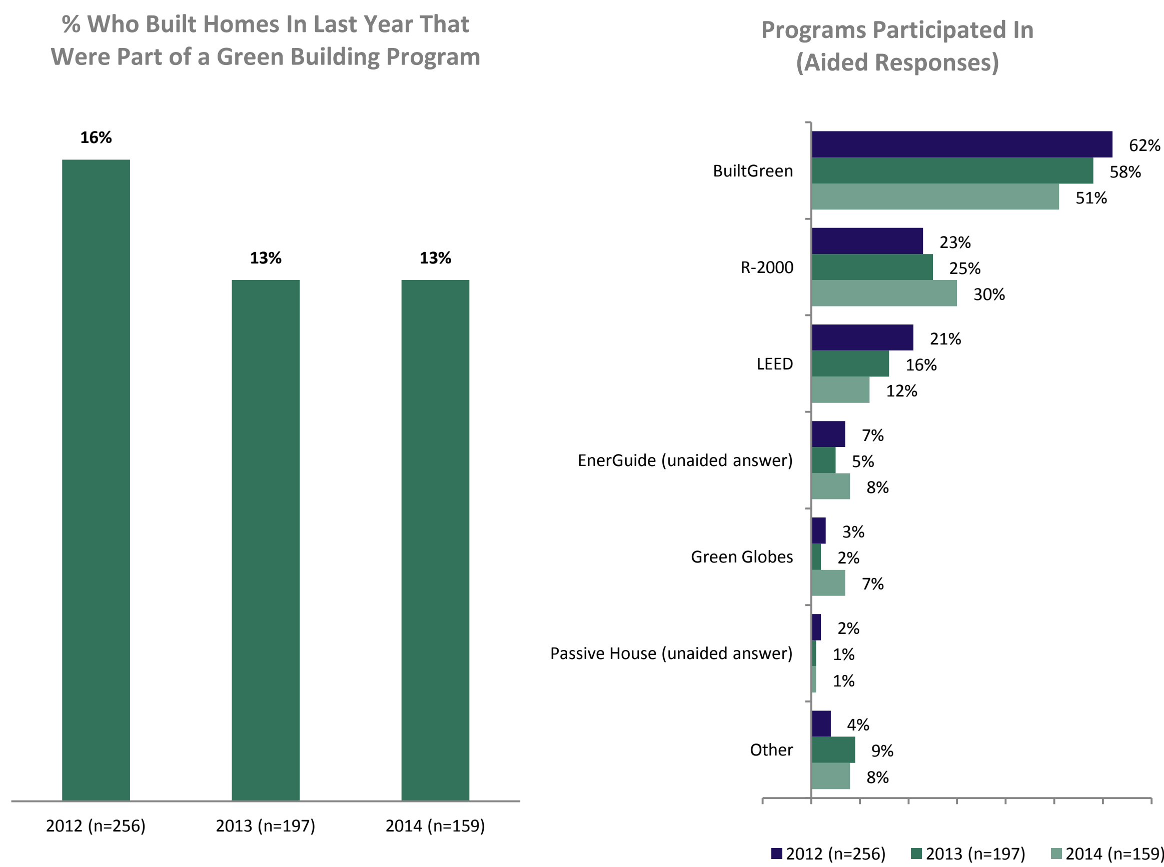
Unchanged from 2013, 13% of builders in 2014 reported building homes in the last year that were part of a green building program.

Other survey findings include:

- **Builders by Region –** Lower Mainland builders were most likely to report building homes that were part of a green building program at 16%. Builders in Central and Northern BC (7%) and the Okanagan (6%) were the least likely to report green building program participation.
- **Builders by Housing Type -** Builders of multi-unit high rises reported the highest levels green building program participation (39%), while builders of single detached homes were the lowest (13%).
- **Builders by Experience -** Builders with 2 or fewer years of experience were the least likely to report involvement in green building programs (8%). Builders with between 11 and 19 years of experience were the most likely (17%).

Although participation in BuiltGreen and LEED continued to decline, BuiltGreen remained the most popular program in 2014. Between 2012 and 2014, participation in both R-2000 and Green Globes increased.

Figure 29: Green Building Programs and Technology, 2012-2014



Universal Housing Design

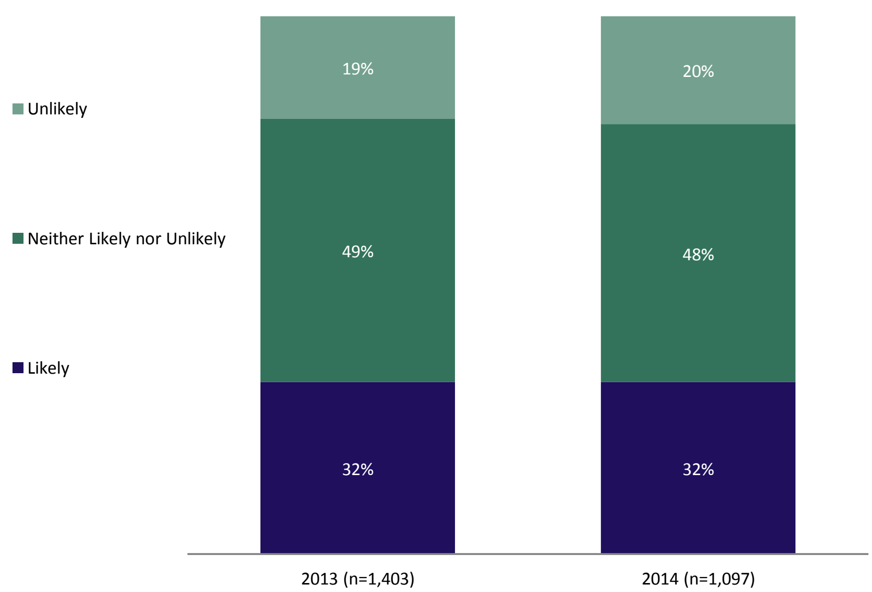
Unchanged from 2013, 32% of builders in 2014 forecasted that they were likely to build homes in the next two years incorporating universal design features.

Other survey findings include:

- **Builders by Region –** A greater proportion of Central and Northern BC builders reported that they were likely to build homes incorporating universal design features (37%), followed by the South Islands (34%), and the Lower Mainland (32%). Kootenay builders had the highest proportion reporting that they were unsure if they would incorporate universal design at 66%.
- **Builders by Housing Type –** Over half (52%) of builders of high-rises reported they were likely to build homes incorporating universal design features, substantially higher than builders of other housing types at between 32% and 38%. Builders of single detached homes had the highest proportion reporting that they were unlikely to incorporate universal design at 47%.
- **Builders by Experience –** The level of experience was directly correlated to the proportion of builders planning to incorporate universal design features, with 37% of builders with 20 years or more experience reporting they would compared to 22% of builders with 2 or fewer years of experience. However, builders with 20 years or more experience had the highest proportion reporting that they were unlikely to incorporate universal design at 25%. Builders with 2 or less years of experience were also the most likely to be unsure, with 65% reporting they were neither likely nor unlikely to incorporate universal design features.

Consistent with the 2013 survey, the three main reasons for incorporating universal housing design features were to meet market demand (31%), to accommodate an aging population (23%), and to provide greater accessibility (19%). Top reasons for being unlikely to incorporate such features were lack of market demand (35%) and higher cost (21%).

Figure 30: Likelihood of Building Homes in the Next Two Years which Incorporate Universal Housing Design Features, 2013 and 2014



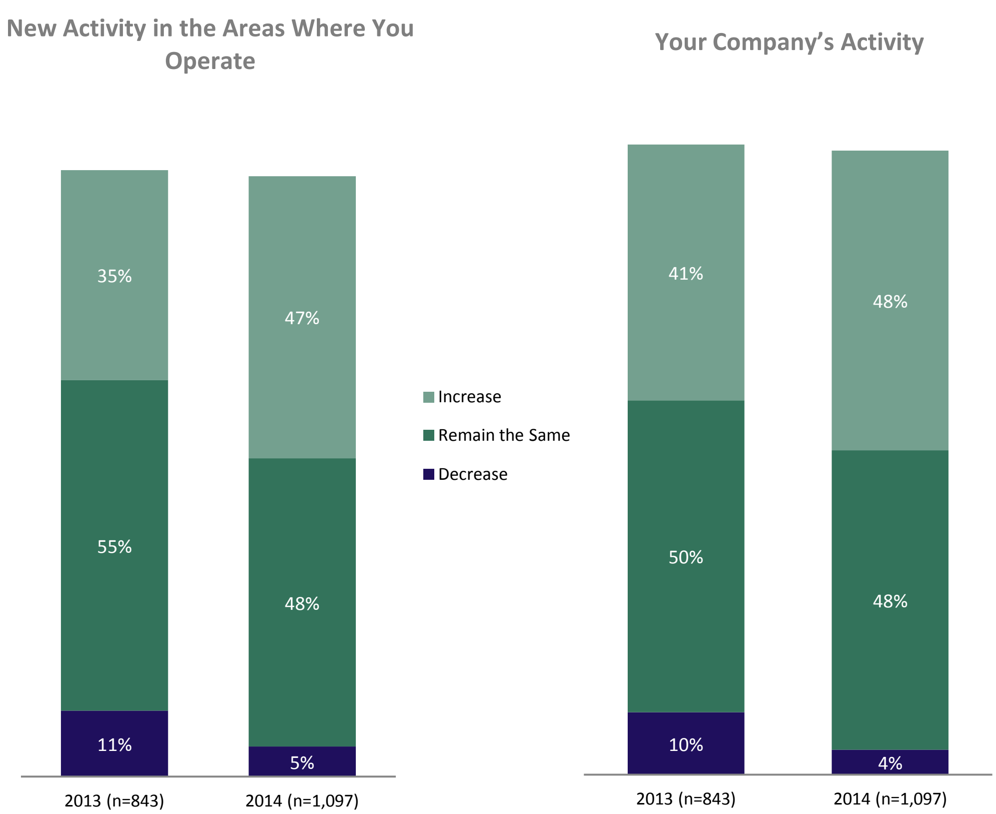
New Residential Construction Activity Predictions

Compared with 2013 survey results, builders were more likely to predict increases in new residential building activity in the next 12 months. Almost one half of builders estimated that building activity would increase in their area (47%) and for their own company (48%), while the other half predicted it would remain the same (48%). Few builders (4%) predicted their building activity would decrease over the next 12 months.

Other survey findings include:

- **Builders by Region –** Relative to other regions, Okanagan builders were the most optimistic about their company's level of activity, with 52% expecting an increase, followed by Lower Mainland builders at 50%. Southern Island builders were the least likely to expect an increase in their residential building activity at 40%.
- **Builders by Housing Type –** Across housing types, 58% of builders of multi-unit high-rises expected an increase in their construction activity, while 48% of builders of single detached homes predicted the same.
- **Builders by Experience –** Builders with 2 or fewer years of experience were the most likely to expect an increase in their construction activity at 55%. Builders with 20 years or more experience were least likely to expect an increase (45%).

Figure 31: Expected Construction Activity, 2013 and 2014



Current New Homeowners and Prospective New Home Buyers

Current New Homeowner Survey

Survey Methodology

The *Current New Homeowner Survey* is a province-wide survey of people who recently bought a new or nearly new home. The survey includes the current homeowner profile (age, type of home buyer, length of residency), confidence level about their home purchase, and satisfaction with the quality of construction and building process.

A total of 305 telephone interviews were conducted with randomly selected owners of homes covered by warranty insurance under the *Homeowner Protection Act*. A listing of homes under warranty insurance was provided, and homeowners contacted were further screened to ensure they met survey criteria, homes were no more than 10 years old, and homeowners had lived in their home for at least six months.

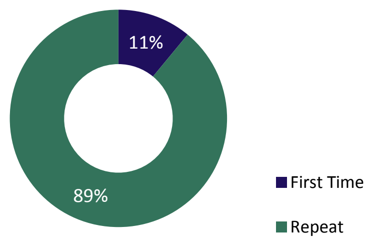
To reach a broader, more representative sample of current new homeowners, 2014 survey methodology was updated to a mixed-mode design (online and phone). At the data processing stage, the sample was weighted to match the actual proportions of homes with warranty insurance that are single detached or in multi-unit buildings in Metro Vancouver, the Capital Regional District and the rest of BC.

Further information on survey methodology is provided in Appendix 1.

Survey Results

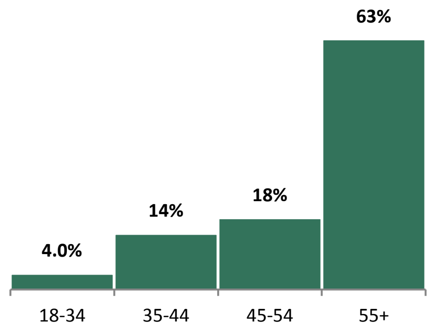
Current New Homeowner[15] Profile

First Time/Repeat Home Buyer



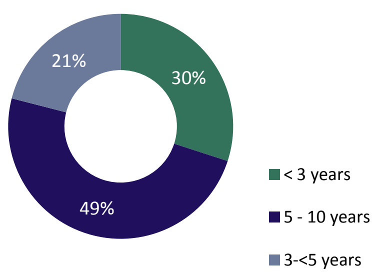
Consistent with previous surveys, the majority of current new homeowners in the survey were repeat home buyers (89%).

Age



The majority of current new homeowner survey respondents were above the age of 45 (81%). Over the past several surveys, the sample of current new homeowners increased in age and proportion of repeat buyers. Both of these profile traits were likely related to the growing landline-based sample for this study.

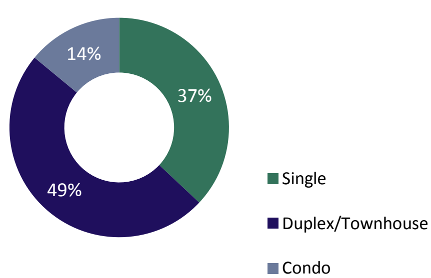
Length of Residency



Approximately half of current new homeowners had a length of residence between 5 and 10 years.

The average years lived in the home was 4.6 years in 2014, consistent with 2012 survey results. Current new homeowners in single detached homes averaged 4.9 years living in their home, while homeowners in multi-unit homes averaged 4.4 years.

Type of Home



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

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

[15] 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 have built or purchased, current new homeowners placed the greatest importance on workmanship and materials used in their new home, followed by the government regulations, building codes and inspections the home went through.

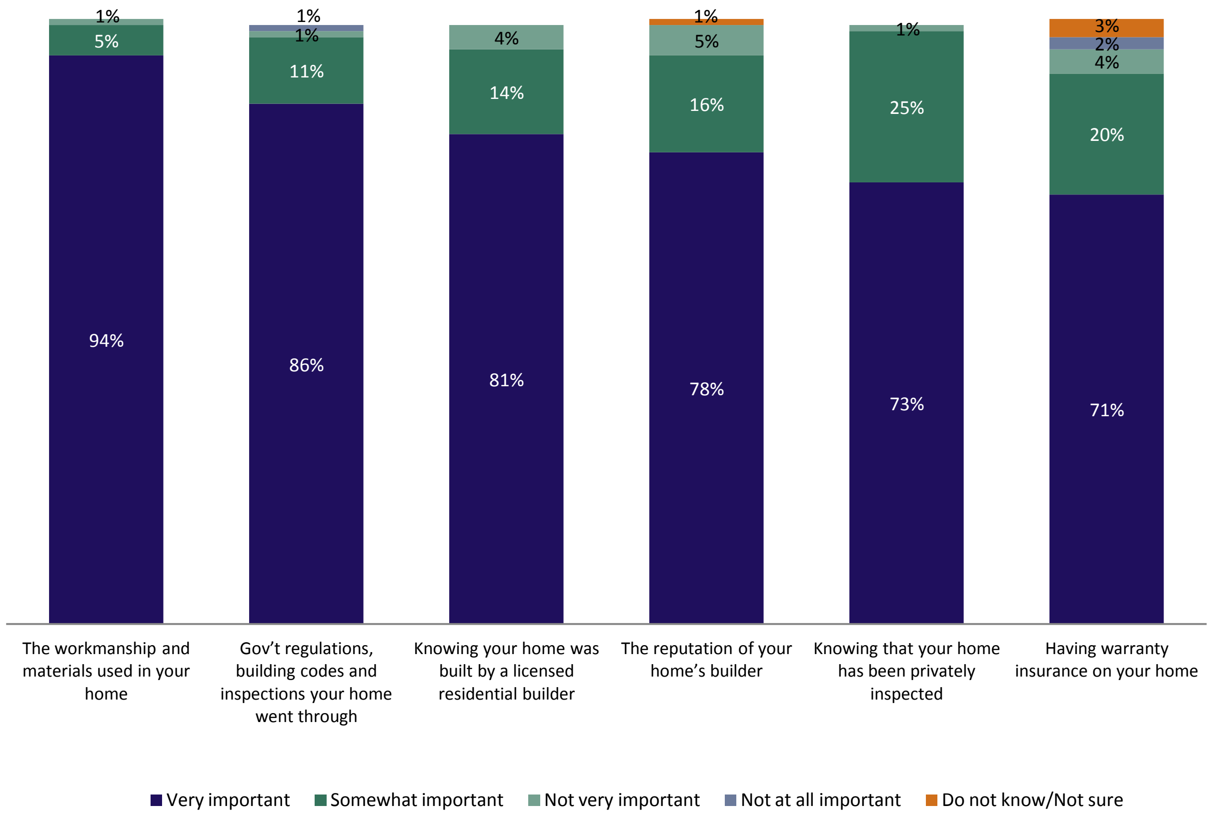
Workmanship and materials used in the home was considered to be somewhat or very important by 99% of current new homeowners, followed by government regulations, building codes, and inspections (97%), and knowing your home was built by a licensed builder (95%).

Home warranty insurance was rated as somewhat or very important by 97% of homeowners with warranty insurance. Of these homeowners, those who had a home aged 2 years or less (100%), had resided in the home less than 3 years (99%), and lived in Metro Vancouver (99%) were most likely to consider home warranty insurance to be somewhat or very important.

Other survey findings include:

- **Homeowners by Region –** In Metro Vancouver, 99% of respondents agreed that workmanship and materials used in the home was somewhat or very important. All respondents in the Capital Regional District considered workmanship and materials used in the home to be very important, and knowing that your home was built by a licensed builder to be either somewhat or very important. In the rest of BC, 98% of respondents indicated that knowing that your home was built by a licensed builder and the reputation of your home's builder was either somewhat or very important.
- **Homeowners by Length of Residence –** Workmanship and materials used in the home was considered somewhat or very important by all respondents that had resided in their home 3 or more years. Respondents that had lived in their home for less than 3 years all agreed that government regulations, building codes, and inspections were important.
- **Homeowners by Age of Home –** For those with homes less than 3 years in age, all respondents agreed that knowing your home was built by a licensed builder, the reputation of your home's builder, and government regulations, building codes and inspections were somewhat or very important. All respondents with homes between 6 and 10 years in age agreed that the workmanship and materials was somewhat or very important.
- **Homeowners by Type of Purchase –** Homeowners who bought directly from a builder/developer, bought from a previous owner, or bought a custom built home placed greatest emphasis on workmanship and materials, with 100% of those who custom built agreeing it was somewhat or very important, followed by 99% of those who bought from a builder/developer and previous homeowner.

Figure 32: Factors in Feeling Confident about Home Purchase, 2014



Base: (n=305)

Current New Homeowners' Satisfaction with Home Construction

Satisfaction with Overall Quality of Construction and Building Process

The large majority (85%) of current new homeowners reported they were satisfied with the construction of their home. The most satisfied segments included those who had a custom built home (94%), lived outside of Metro Vancouver and the Capital Regional District (92%), were single detached homeowners (91%), and had a length of residence less than 3 years (89%).

Figure 33: Satisfaction with Overall Quality of Construction, 2014

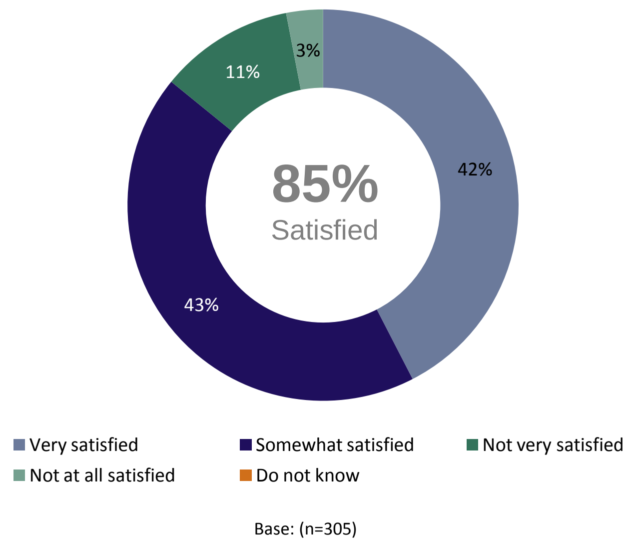
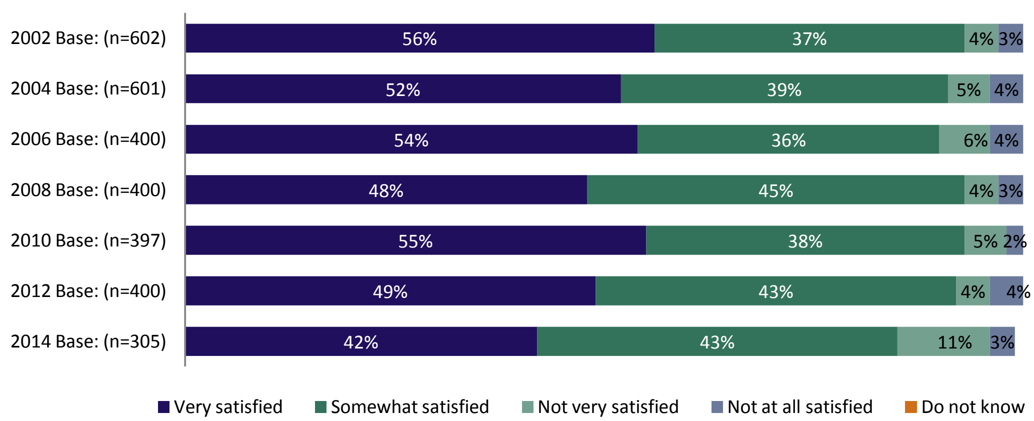


Figure 34: Satisfaction with Overall Quality of Home Construction, 2002-2014



When it comes to the other aspects of the building process, over **80% of homeowners who custom built or bought directly from the builder/developer were somewhat or very satisfied with the cost/budgeting and the time it took to build their home. Nearly 70% reported being satisfied with the on-going relationship they had with their builder/developer/contractor**.

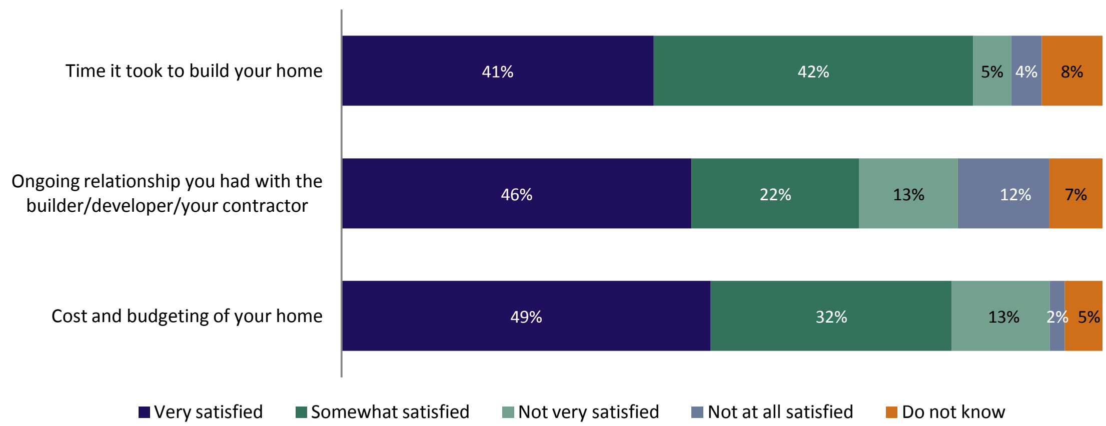
Other findings include:

- **The time it took to build home –** Overall, 83% of respondents were satisfied with the time it took to build their homes. Respondents who lived in the Capital Regional District (96%), had a home aged between 3 and 5 years (90%), and had resided in the home between 3 and 6 years (87%) were the most likely to report being somewhat or very satisfied with the length of building time.

- **The cost and budgeting of home –** A total of 80% of respondents were satisfied with the cost and budgeting of their home. Respondents who had homes aged 2 years or less (89%), custom built their own home (84%), had a length of residence between 3 and 6 years (83%), lived outside of Metro Vancouver and the Capital Regional District (83%), and had a length of residence between 6 and 10 years (82%) were the most likely to report being somewhat or very satisfied with the length of time.
- **The on-going relationship with the builder/ developer/ your contractor –** Respondents who custom built (76%), had resided in their home between 6 and 10 years (73%), had a home aged between 6 and 10 years (72%), lived outside of Metro Vancouver and the Capital Regional District (72%), and lived in single detached homes (71%) were most likely to report being satisfied.

Homeowners who did not have any problems with their home were more likely to report being satisfied with their building process than those who experienced problems. For homeowners who experienced no problems, between 87% and 90% reported being satisfied across the different aspects of the building process. For those with problems, satisfied ratings varied between 51% and 79%.

Figure 35: Satisfaction with Home Building Process, 2014



Base: (among those with custom built or presale homes n=146)

Prospective New Home Buyer Survey

Survey Methodology

The *Prospective New Home Buyer Survey* is a province-wide survey of people who are 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 525 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 2015, 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 in order to exclude those planning to personally manage their own home construction (as an owner builder).

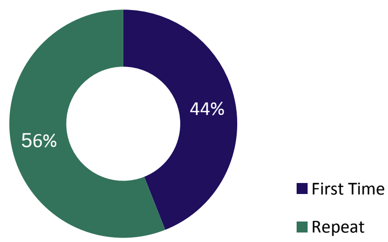
The sample was weighted to match the actual age, gender and regional distribution of BC's adult population, according to the most recent Statistics Canada data.

Further information on survey methodology is provided in Appendix 1.

Survey Results

Prospective New Home Buyer Profile

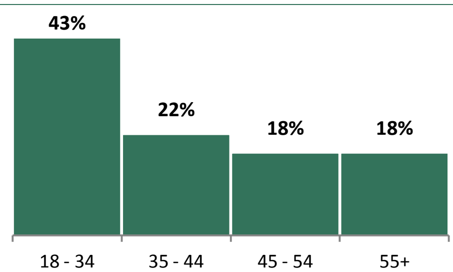
First Time Home Buyer



The proportion of first time home buyers among prospective new home buyers has fluctuated over time: 51% in 2010, 28% in 2012, and 44% in 2014.

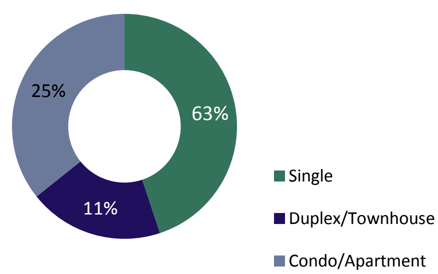
Prospective first time home buyers were more likely to plan to buy a multi-unit home than repeat buyers.

Age



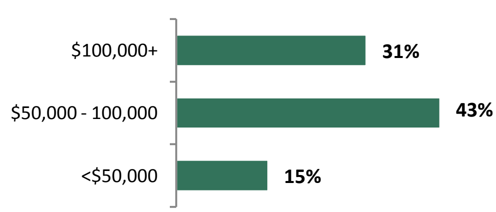
In 2014, 43% of respondents were under 35 years of age, a larger proportion than the 27% reported in 2012, but consistent with 41% in 2010. Similarly, 18% of respondents in 2014 were aged 55 and over, lower than the 37% reported in 2012 and 28% in 2010.

Current Lived in



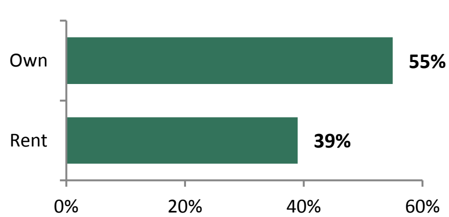
Prospective new home buyers were most likely to be living in a single detached home (63%), followed by a condo/multi-unit home (25%), and a townhouse/duplex (11%). The majority of those planning to buy a single detached home were currently living in one (62%), while the same is true of those planning to buy a multi-unit home (70%).

Annual Household Income



By income, 31% or respondents reported earning $100,000 or more per year. Since 2010 the total household income of prospective new home buyers has increased, with 25% reporting earnings of $100,000 annually in 2012 and 11% in 2010.

Own or Rent



Over half of respondents reported already owning their own home. Compared to 2012, slightly more reported being a renter.

Prospective New Home Buyers' Purchase Plan

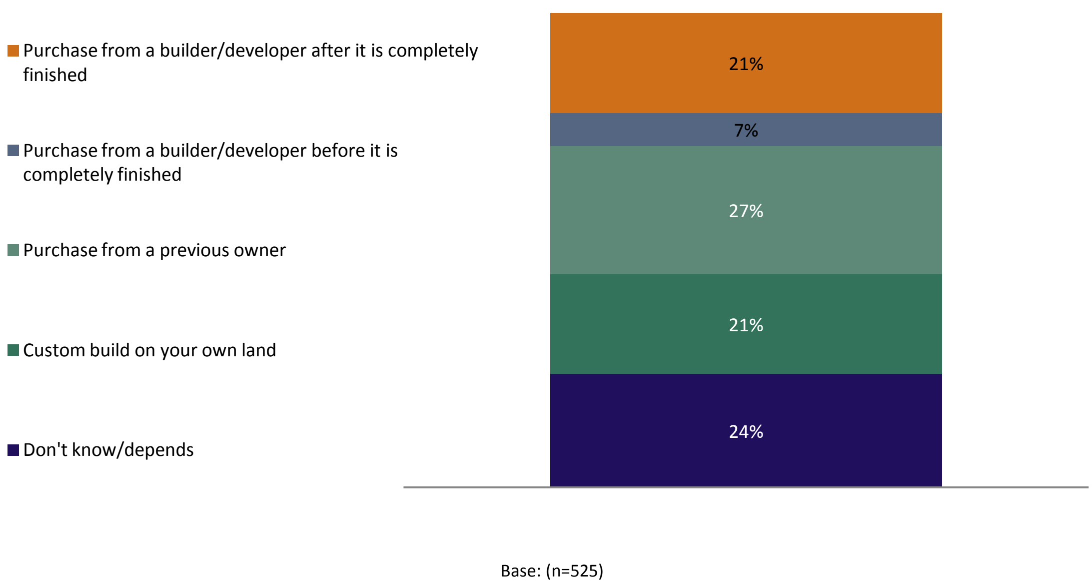
Of prospective new home buyers, nearly half (45%) intended to purchase directly from a builder/developer, followed by 27% intending to purchase a previously owned home and 7% intending to custom build. Approximately 20% of respondents were unsure what type of purchase they would make.

The proportion of new home buyers reporting they would purchase from a builder/developer jumped from 19% in 2012 to 45% in 2014, the highest level reported since surveys were started in 2002. The proportion of respondents indicating they would purchase from a previous owner fell from 36% to 27%.

Other survey findings include:

- **Prospective Homeowners by Region –** Intentions to purchase from a builder/developer were driven by prospective new home buyers in Metro Vancouver, with 54% of Metro Vancouver respondents intending to purchase from a builder/developer compared with 23% of respondents in the rest of BC.
- **Prospective Homeowners by Income –** Interest in buying from a builder/developer before the home is finished increased with household income, reaching 30% among those with annual income of $100,000 or higher.
- **Prospective Homeowners by Type –** Repeat buyers (31%) were more likely than first time home buyers (22%) to report they will buy from a previous owner.

Figure 36: Type of Purchase Most Likely to Make, 2014



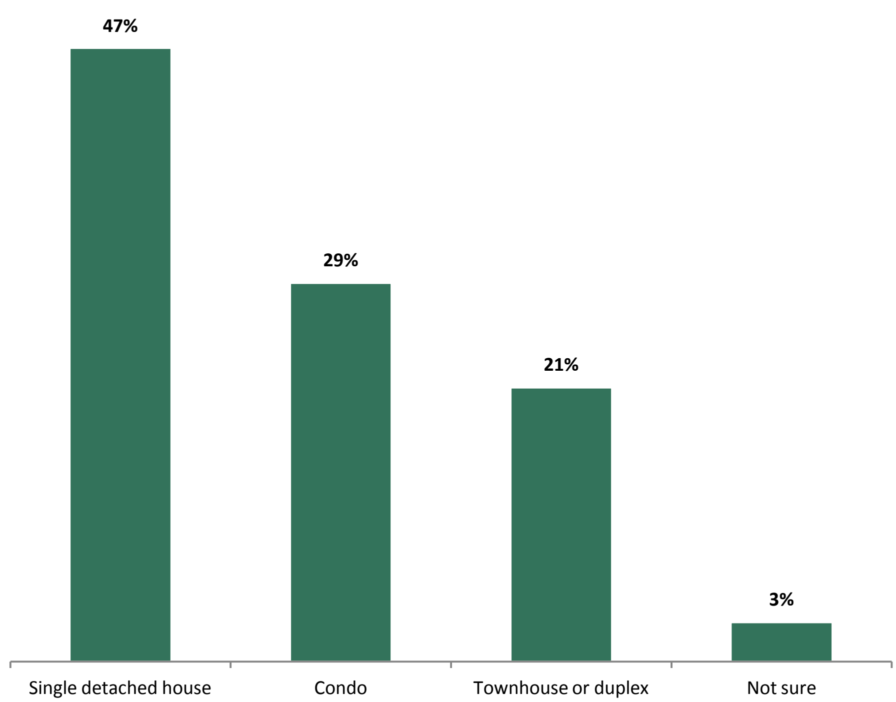
Single detached homes (47%) remained the most common dwelling prospective new home buyers intended to buy/build in 2014, followed by condominiums (29%) and townhouses/duplexes (21%).

However, between 2012 and 2014, the proportion of respondents indicating the intention to buy/build a single detached home fell from 60% to 47%, while intention to buy/build a condominium rose from 24% to 29%.

Other survey findings include:

- **Prospective Homeowners by Region –** While those living in Metro Vancouver preferred to buy/build single detached homes compared to condominiums and townhouse, the preference was weaker relative to respondents living outside of Metro Vancouver. Over 60% of respondents living outside of Metro Vancouver indicated a preference for single detached homes, 20 percentage points higher than in Metro Vancouver (40%).
- **Prospective Homeowners by Income –** Predicted likelihood of buying/building a single detached home was highest among those earning more than $100,000 annually at 51%, followed by those earning between $50,000 to $100,000 at 45%, and those earning less than $50,000 at 37%.
- **Prospective Homeowners by Type –** While new home buyers preferred to buy/build single detached homes compared to condominiums and townhouse, their preference was weaker compared to repeat buyers. Over half of repeat buyers indicated they would buy/build a single detached home compared to 41% of first time buyers.

Figure 37: Type of Dwelling Most Likely to Buy or Build, 2014



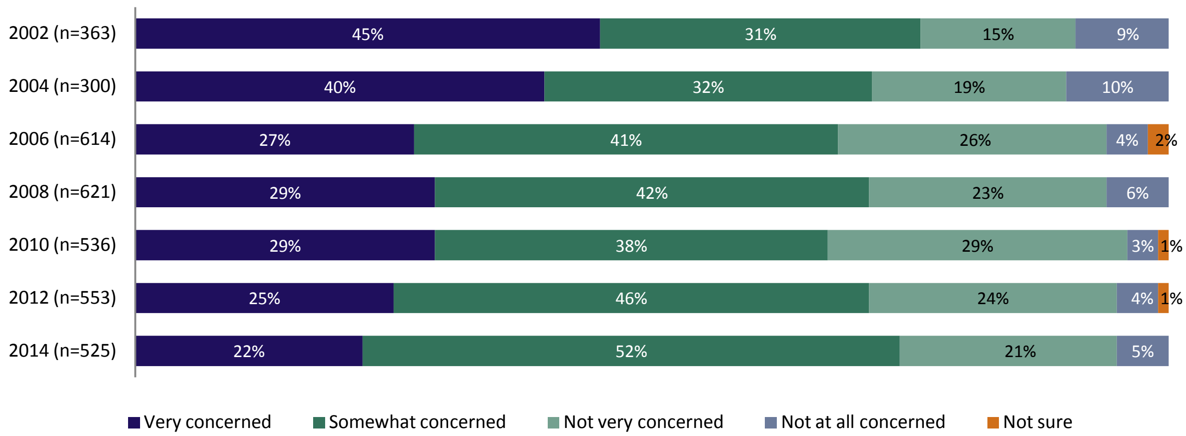
Base: (n=525)

Prospective New Home Buyers' Purchase Decisions

Level of Concern Regarding Building Construction

In 2014, 74% of respondents indicated that they were very or somewhat concerned there might be problems with the building construction after they move into their new home. The first year of the survey in 2002 had the highest proportion of respondents concerned about building construction at 76%, while 2010 had the lowest proportion at 67%. However, the proportion of respondents reporting they were very concerned in 2014 was the lowest recorded since 2002 at 22%., while the proportion of respondents reporting they were somewhat concerned reached a peak in 2014 at 52%.

Figure 38: Level of Concern Regarding Building Construction, 2002-2014



Other survey findings include:

- **Prospective Homeowners by Region –** For Metro Vancouver respondents, 80% reported that they were concerned with building construction, while nearly 60% of respondents in the Capital Regional District (57%) and the rest of BC (59%) reported being concerned.
- **Prospective Homeowners by Income –** Building construction concerns appear to be inversely related to income, as 82% of respondents with income below $50,000 were concerned, followed by 75% of respondents with income between $50,000 and $100,000, and 70% of respondents with income above $100,000.
- **Prospective Homeowners by Type –** First time buyers were more likely to be concerned than repeat buyers about building construction, at 77% and 71% respectively.

Importance of Factors in Planning to Buy or Build

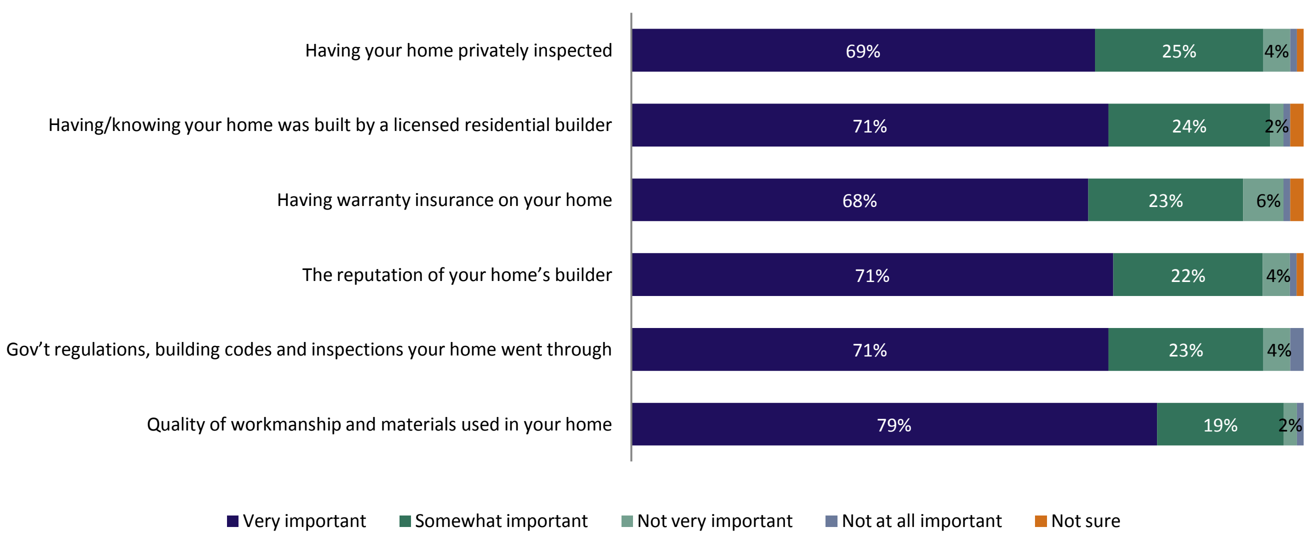
While all factors presented were considered somewhat or very important when buying/building a home by over 90% of respondents, most respondents (98%) considered the quality of workmanship and materials used in the home to be somewhat or very important.

A total of 91% of respondents indicated that having warranty insurance on the home was somewhat or very important. Prospective new home buyers in Metro Vancouver (93%) and the Capital Regional District (92%) were more likely to consider having warranty insurance on the home somewhat or very important compared to the rest of BC (82%). Prospective buyers were also more likely to consider warranty insurance important if they were likely to custom build (99%), had annual incomes over $100,000 (95%), were aged between 35 and 44 years (94%), had a high probability of building/buying a new home (94%), and were women (93%).

Other survey findings include:

- **Prospective Homeowners by Region –** For Metro Vancouver respondents, 98% agreed that the quality of workmanship and materials used in the home and having/knowing the home was built by a licensed builder were either somewhat or very important. Respondents from the Capital Regional District all agreed that the reputation of your home's builder was either somewhat or very important. For the rest of BC, 98% of respondents indicated that the quality of workmanship and materials used in the home was somewhat or very important.
- **Prospective Homeowners by Income –** Respondents with income above $100,000 all agreed that having/knowing the home was built by a licensed builder was somewhat or very important, followed by 97% of respondents with income below $50,000. The quality of workmanship and materials used in the home was considered somewhat or very important by 99% of respondents with income above $100,000 and by 98% of respondents with income between $50,000 and $100,000.
- **Prospective Homeowners by Type –** For repeat buyers, 99% considered the quality of workmanship and materials used in the home to be important, while 96% of first time buyers considered this to be important.

Figure 39: Importance of Factors in Buying or Building a New Home, 2014



Base: (n=525)

Appendix 1: Methodology

New Home Registration

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

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

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

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

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

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

Licensed Residential Builder Survey

The Licensed Residential Builder Survey is a province-wide quantitative survey covering the typical builder profile (industry experience, type of builder), their construction activities, and their satisfaction and perceptions related to research and education projects. For the purposes of the survey, builder included licensed developers, custom home builders, general contractors, building envelope renovators, project/construction managers, and others.

The survey was conducted in odd years between 2003 and 2011 and every year between 2012 and 2014. For the 2014 survey, a list of 6,041 builders in BC was provided. Email invitations to the survey were sent out to 5,096 builders who were in good standing with the HPO and did not have an expired, suspended or cancelled license. A total of 1,097 surveys were completed online by the builders, representing a response rate of 21.5%.

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

Sample Surveyed and After Weighting

	Sample Surveyed	Sample After Weighting
Region		
Lower Mainland	699	732
Southern Islands	182	174
Okanagan	121	112
Kootenays	39	39
Central and Northern BC	56	40
Homes Built or Started in Past Year		
<6 units	905	1,021
6 to 20 units	134	36
21 to 50 units	28	15
51+ units	30	25

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

The following table shows the margins of error at the 95% level of confidence for the various sample sizes found in this study. When comparing results from 2013 (n=1,452) to 2014 (n=1,097), a shift of at least +/-3.5 percentage points is required for the change to be considered significant at the 95% level of confidence.

Survey Margins of Error

	Margins of Error
Margins of Error	
1,097 (total)	+/-2.7%
800 (sub-group)	+/-3.2%
400 (sub-group)	+/-4.7%
200 (sub-group)	+/-6.8%
100 (sub-group)	+/-9.7%
50 (sub-group)	+/-13.8%

Current New Homeowners and Prospective New Home Buyers Surveys

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, and satisfaction with the quality of construction and building process.

A total of 305 telephone interviews were conducted with randomly selected owners of homes covered by warranty insurance under the *Homeowner Protection Act*. A listing of homes with home warranty insurance was provided, 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.

In an attempt to reach a broader and more representative sample of current new homeowners, the 2014 methodology was updated to a mixed-mode design (online and phone). Letters were mailed on January 16, 2015, and telephone follow-up and surveying was conducted from January 22 to February 2, 2015.

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	58	51
Metro Van - multi unit	54	133
Capital - single detached	20	9
Capital - multi unit	11	13
Rest of BC - single detached	104	52
Rest of BC - multi unit	58	48

The *Prospective New Home Buyer Survey* is a province-wide survey of people who are 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), their purchase plan, and factors affecting their purchase decisions.

A total of 525 online surveys were conducted with BC residents who were 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 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 2014 survey, online interviewing was conducted between January 15 and 29, 2015.

Those planning to build their own home were screened to exclude those who plan to personally manage the 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 Surveyed and After Weighting

Region	Sample before Weighting	Sample After Weighting
Metro Vancouver	62%	70%
Capital Regional District	13%	7%
Rest of BC	25%	23%

Appendix 2: Glossary

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