

2018

BC Residential Building Statistics & Trends Report



BC HOUSING

RESEARCH CENTRE

ABOUT BC HOUSING

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

Under the *Homeowner Protection Act*, BC Housing is mandated to help improve consumer protection for buyers of new homes and the quality of residential construction in the province. BC Housing fulfils this mandate by monitoring and enforcing the mandatory third-party home warranty insurance on all new homes constructed in B.C., licensing residential builders and maintaining a register of new homes and performing research and education functions to advance and promote better building and retrofit practices to benefit B.C.'s residential construction industry and consumers.



BC HOUSING RESEARCH CENTRE

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

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Introduction

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

- All new homes in British Columbia (B.C.) must be registered with BC Housing before the issuance of building permits and construction starts. New home registration data is a leading indicator¹ of housing and economic activity in B.C., providing information on registered new homes by building type, location, and building size.
- LRBs and BERs are licensed by BC Housing. To obtain home warranty insurance, LRBs and BERs must apply for and be accepted for home warranty insurance coverage by a warranty insurance provider. Further information on both home warranty insurance and builder licensing is available on the BC Housing [website](#).
- The *Licensed Residential Builder Survey* is an annual province-wide quantitative survey covering the typical builder profile (industry experience, builder types), construction activities, and satisfaction and perceptions related to research and education initiatives.
- The *Current New Homeowners Survey* and the *Prospective New Home Buyers Survey* are conducted every two years as part of a province-wide *Consumer Survey*. Results of the 2018 *Consumer Survey* are included in this report.

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

Anne McMullin
President and CEO
Urban Development Institute

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>

2018 Residential Building in BC



Home Registration Data

46,463
Total new registered homes



35,086
New homes in multi-unit buildings



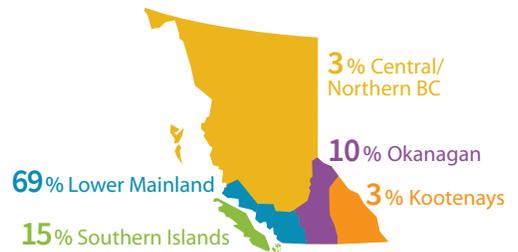
Builder Data

7,916
Licensed Residential Builders

80
Building Envelope Renovators

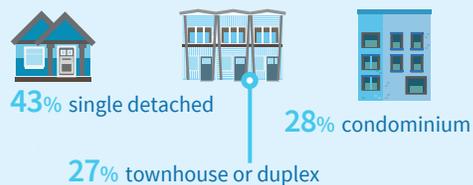


Where builders work by region

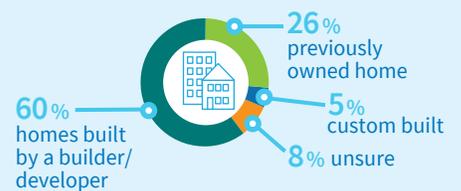


Consumer Data

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



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





11,377

New single-detached homes



down
9.4%



7,334

Purpose-built rentals



2nd highest
year on
record
after 2017

Builders by building type



97% built single-detached homes



18% built row/
townhouse/duplex



8% built multi-unit low rise



2% built multi-unit high rise

29%



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



98% of new homeowners feel confident knowing their home was **built by a licensed residential builder**



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



New Home Registrations

2018 Highlights

- Nearly 46,500 new homes were registered, the highest recorded since 2002
- More than 7,300 purpose-built rentals were registered in 2018, the second highest recorded since tracking began in 2002
- Approximately 3 out of 4 (76%) new homes were in multi-unit buildings, which is higher than the 2017 peak of 70%
- Roughly 3 out of 5 (60%) registered new homes in BC were in located in Metro Vancouver and the region reported its highest number of new homes to date

OVERVIEW

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

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

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

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

“As Director of the Housing Research Collaborative, I know that access to this type of public information is invaluable for housing researchers, policymakers and planners. The new homes registration data supports evidence-based approaches to understanding the housing system and developing innovative solutions along the housing continuum.”

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

REGISTERED AND ENROLLED NEW HOMES

The annual number of registered new homes in 2018 was the highest recorded since reporting began in 2002. The number of registered new homes² in B.C. reached 46,463 in 2018, including 35,086 homes in multi-unit buildings³ and 11,377 single detached homes⁴.

The total number of registered homes was up 9.7% from 2017. Registration growth was driven by an increase in the multi-unit segment (+17.8%) while single detached home registrations decreased 9.4%.

Homes in multi-unit buildings accounted for 75.5% of all registered new homes in 2018, higher than the 2017 peak of 69.5%. Of the 35,086 multi-unit homes registered in 2018, 79.1% (27,752) were multi-unit homes enrolled in home warranty insurance, while 20.9% (7,334) were purpose-built rental units.⁵ The number of purpose-built rental units was the second highest number of rental units recorded since tracking began in 2002, with 2017 having the most purpose-built rental units on record.

Figure 1: Share of Registered New Homes by Building Type, 2018

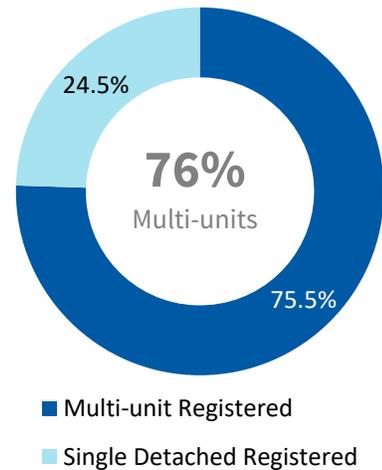
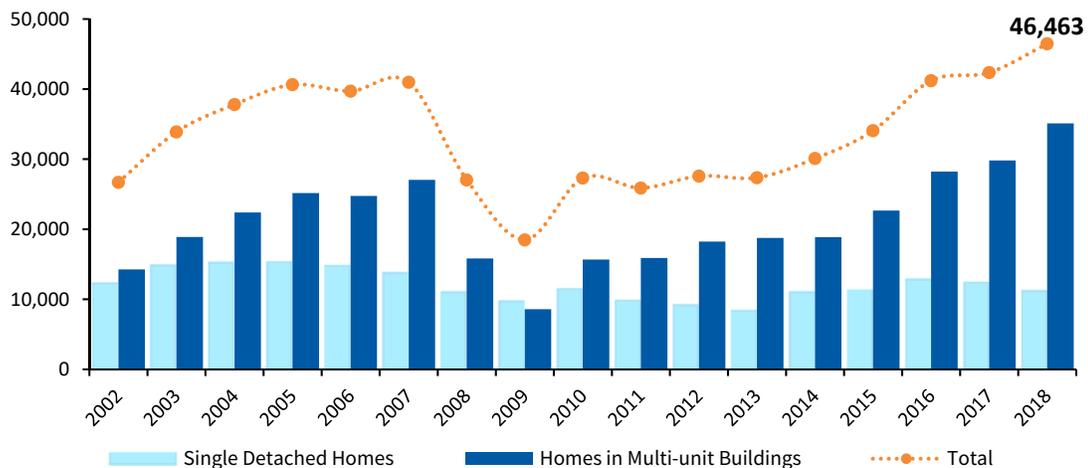


Figure 2: Number of Registered New Homes by Building Type (2002-2018)



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 2, 2019.

³ Calculations of “registered new homes in multi-unit buildings” include new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance, and new homes in multi-unit rental buildings which are exempt from home warranty insurance.

⁴ “Registered new single detached homes” refers to new single detached homes enrolled with home warranty insurance or with Owner Builder Authorizations issued by the Registrar of BC Housing.

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

The number of homes enrolled in home warranty insurance in 2018 was the highest since the inception of mandatory home warranty insurance in 1999. In 2018, homes enrolled with home warranty insurance accounted for 81.7% of registered new homes, followed by purpose-built rentals (15.8%), and owner-built homes (2.5%).

The total number of new homes enrolled with home warranty insurance was 37,956 in 2018, an increase of 14.9% from 2017. At 15.8%, the proportion of purpose-built rental homes is the second highest recorded since 2002 with 2017 having the highest proportion on record (20.9%).

Figure 3: Share of Homes Enrolled in Home Warranty, Owner-built Homes and Purpose-built Rental Homes, 2018

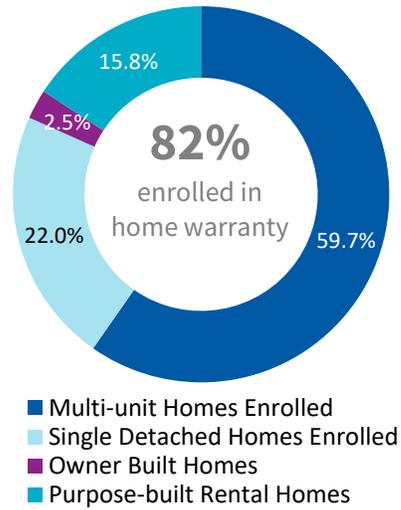
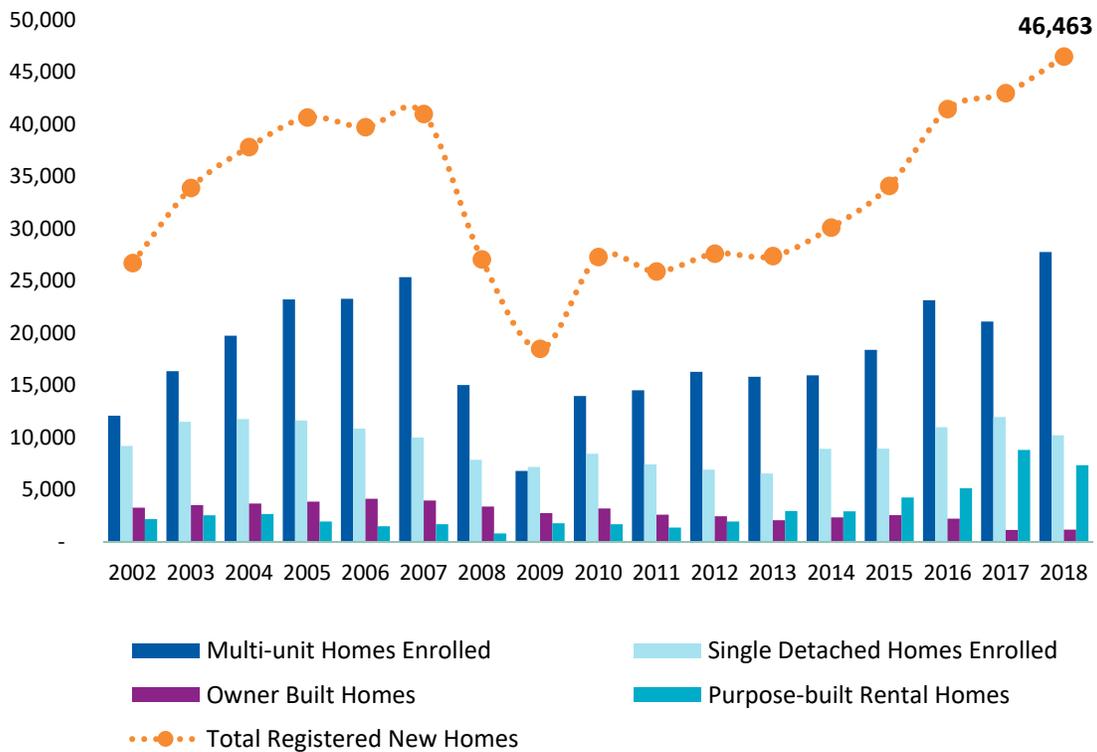
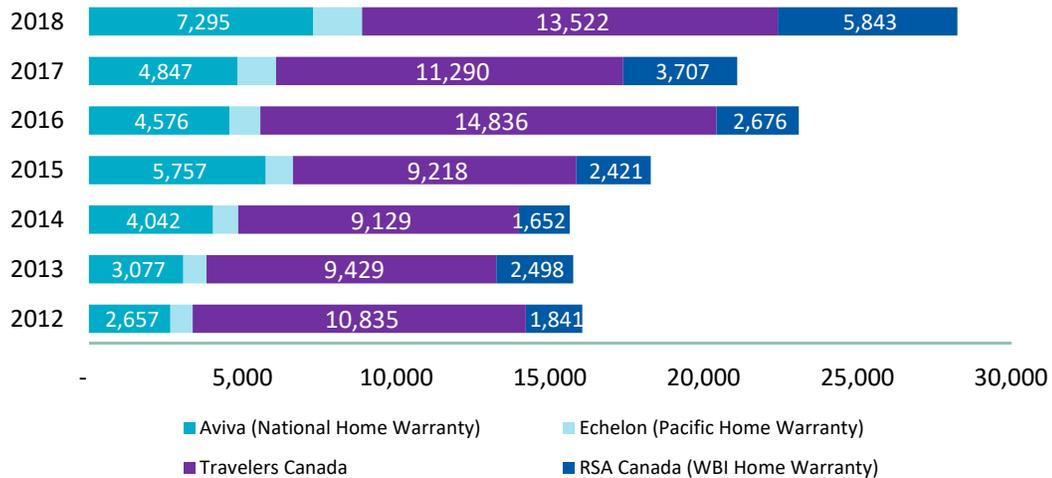


Figure 4: Homes Enrolled with Home Warranty, Owner-built Homes and Purpose-built Rental Homes (2002-2018)



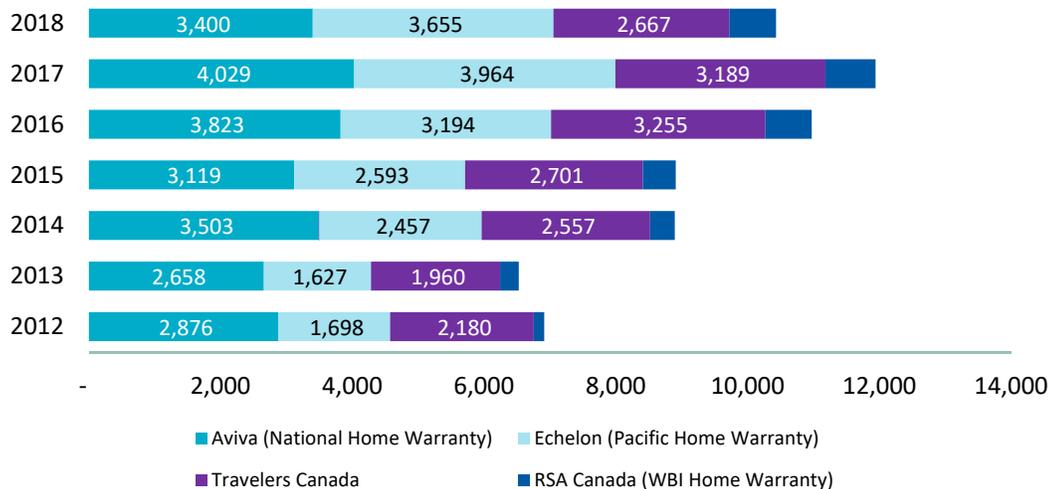
For multi-unit enrollments by warranty provider in 2018, Travelers Canada represented the largest market share (47.9%), followed by Aviva through National Home Warranty (25.8%) and RSA Canada represented by WBI Home Warranty (20.7%).

Figure 5: Market Share of Multi-unit Homes Enrolled by Warranty Provider (2012-2018)



Echelon, represented by Pacific Home Warranty, had the largest market share (35.0%) in single detached home enrollments in 2018, followed by Aviva, through National Home Warranty (32.6%), Travelers Insurance Company of Canada (25.6%), and RSA Canada represented by WBI Home Warranty Ltd. (6.8%).⁶

Figure 6: Market Share of Single Detached Homes Enrolled by Warranty Provider (2012-2018)



⁶ Over time minor adjustments may be made to the figures as registrations are withdrawn or cancelled. Warranty share data is accurate as of January 2, 2019.

REGION

In 2018, approximately 80.4% of registered new homes in B.C. were located in Metro Vancouver, the Capital Regional District, the Central Okanagan Regional District, and the Fraser Valley Regional District.

Metro Vancouver accounted for 60.2% of all registered new homes in B.C., followed by the Capital Regional District (9.1%), Central Okanagan Regional District (5.8%), and Fraser Valley Regional District (5.2%).

Of the top four regional districts, Metro Vancouver experienced the highest growth in new home registrations at 7.7% between 2017 and 2018. Much of the growth in Metro Vancouver was driven by an increase in multi-unit registrations (11.2%) and the region reached a new peak in both multi-unit registrations and total registrations.

The Fraser Valley Regional District experienced a 6.4% overall increase in new home registrations, which was driven by growth in multi-unit registrations (56.9%). The Capital Region District experienced an overall increase in new home registrations (5.7%) and reached a new peak in both multi-unit registrations and total registrations. Across the Capital Region District, multi-unit registrations grew by 8.4%. In the Central Okanagan Regional District, new home registrations declined overall (-5.6%) which was due to the 23.7% decrease in single detached registrations. During the same time period, multi-unit registrations increased slightly (2.5%) in the Central Okanagan Regional District.

All four top regional districts experienced growth in multi-unit registrations and a decline in single detached registrations between 2017 and 2018.

Figure 7: Registered New Homes by Regional District, 2018

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

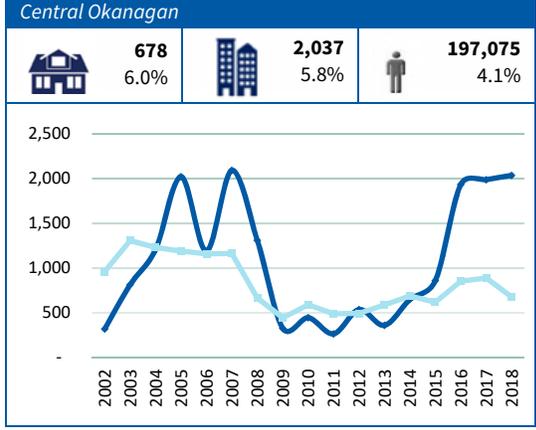
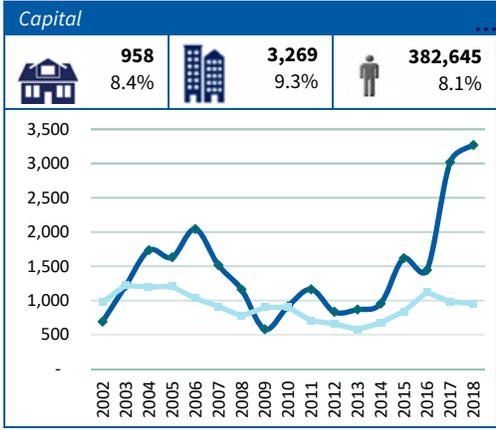
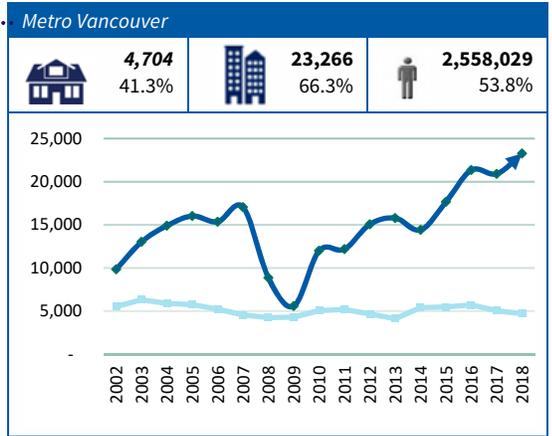
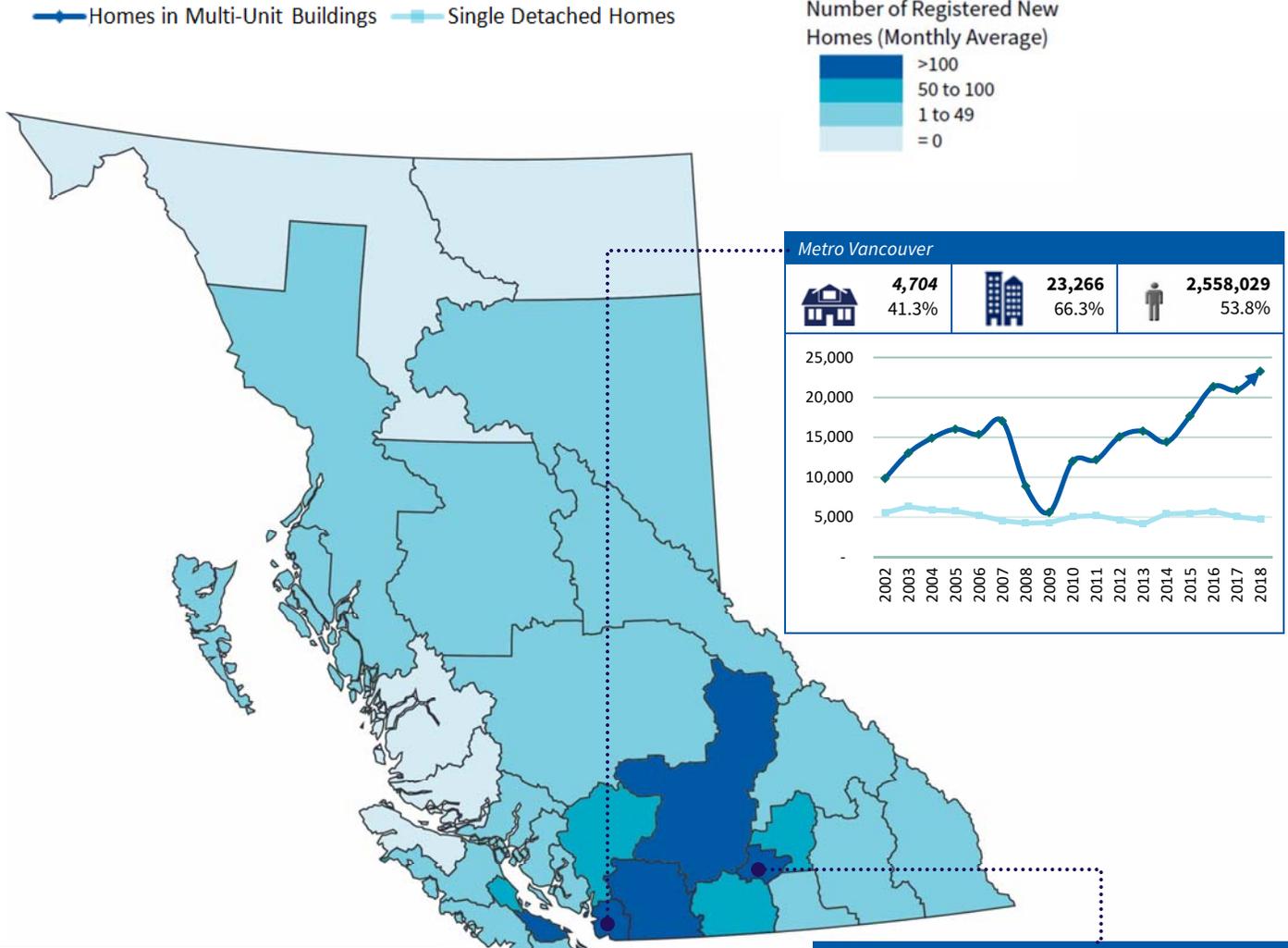
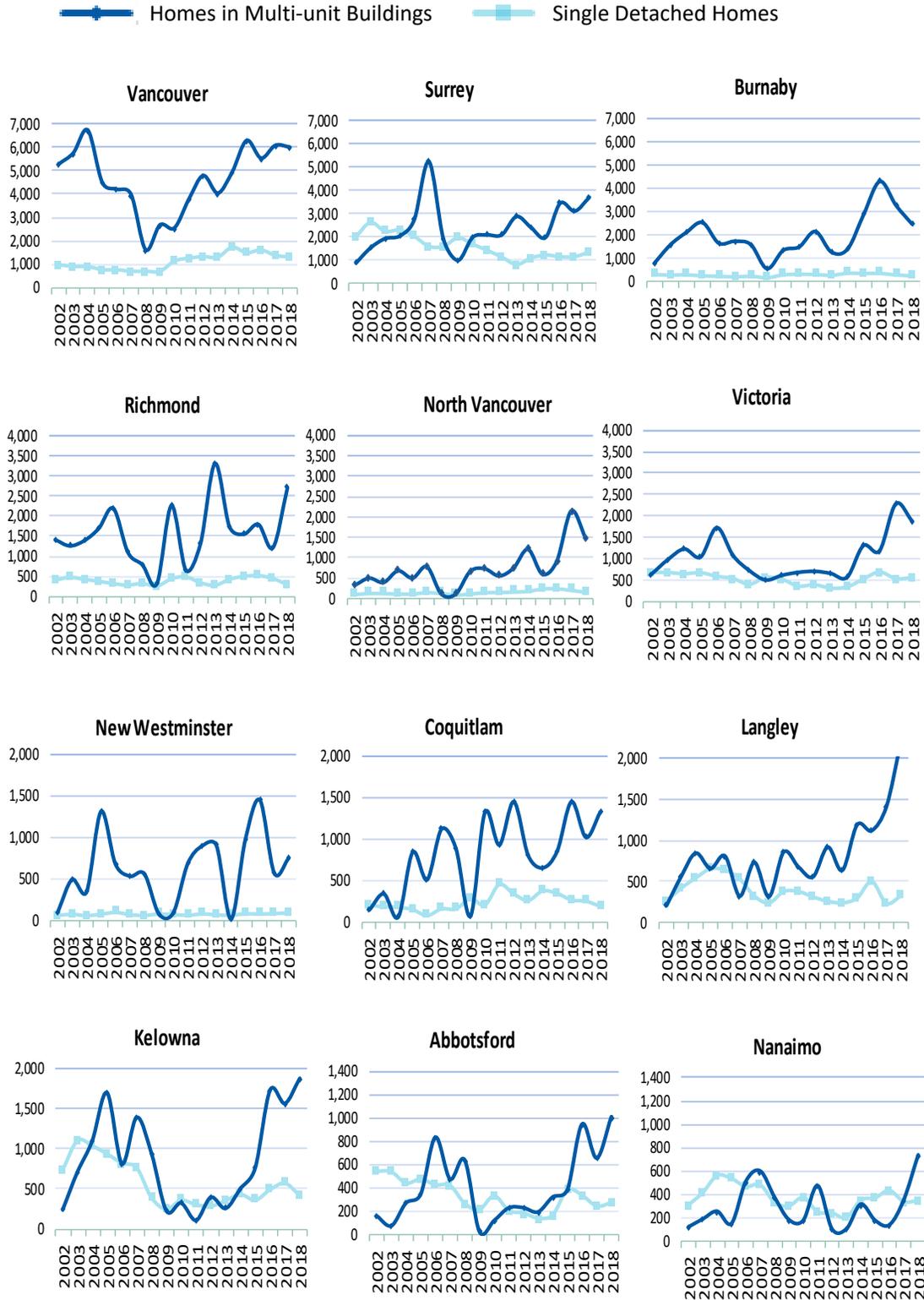
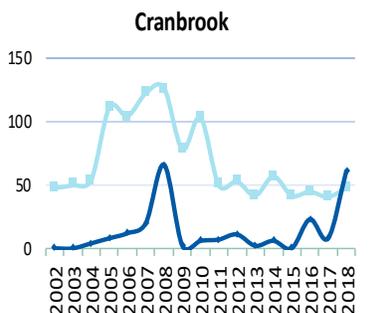
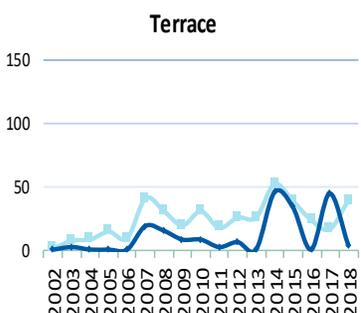
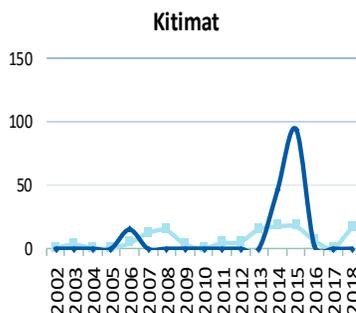
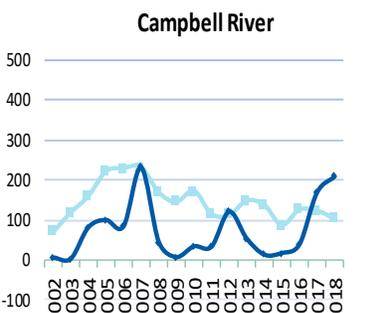
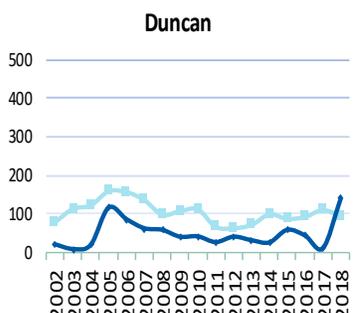
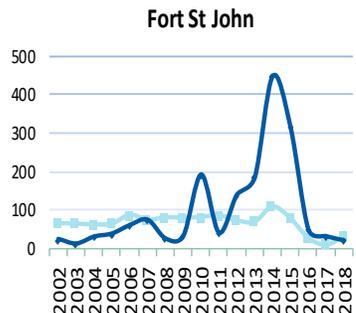
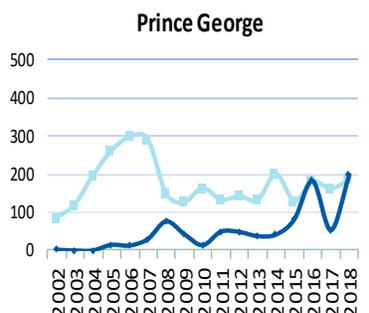
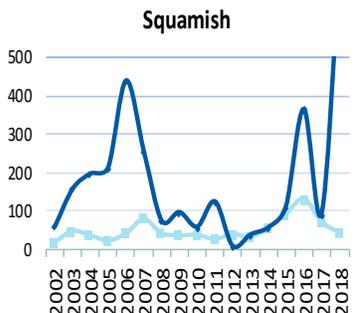
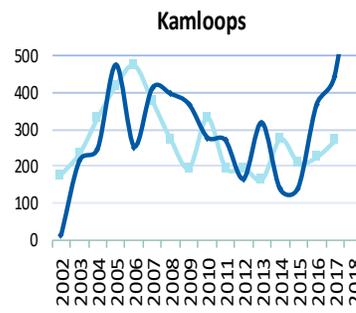
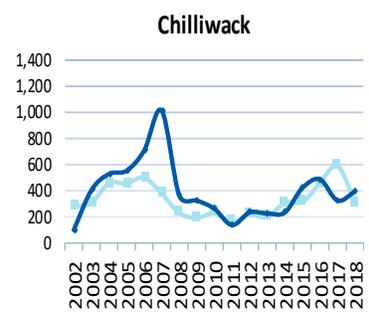
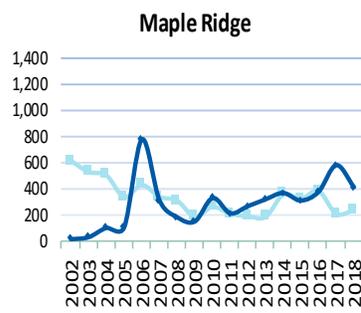
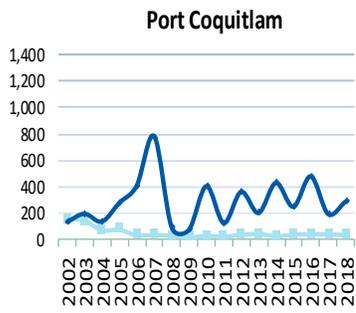


Figure 8: Registered New Homes by Building Type and by Selected City (2002-2018)





MULTI-UNIT BUILDING SIZE

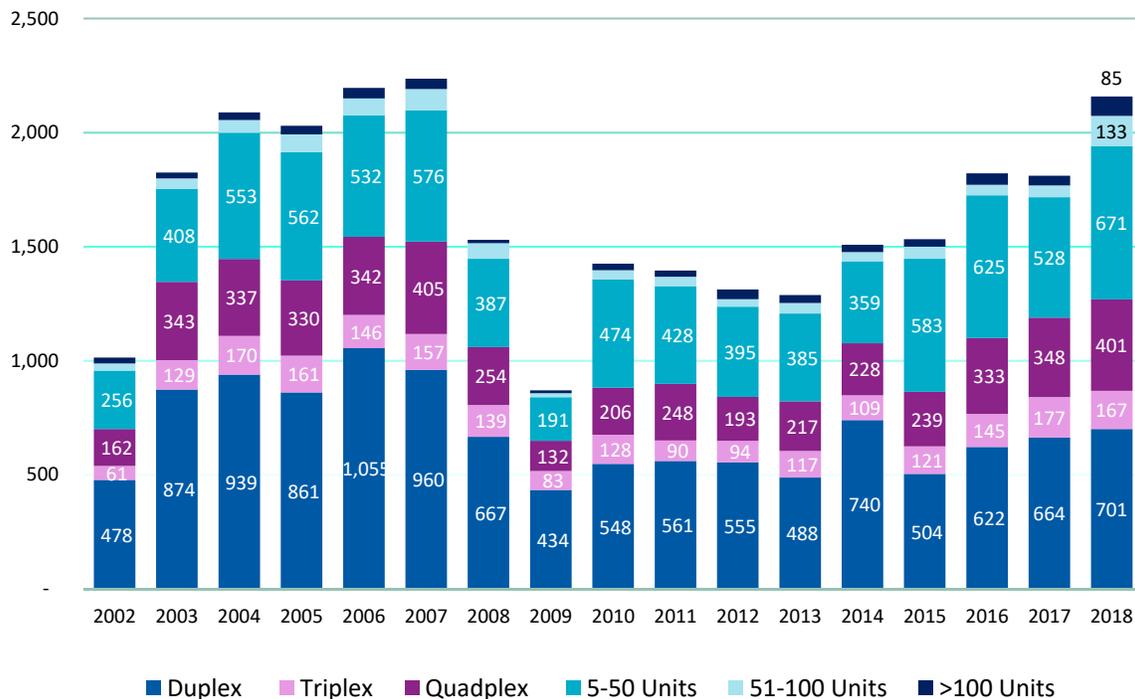
Of the 2,158 multi-unit buildings that were registered in 2018, duplexes were the most popular multi-unit building size (32.5%), followed by buildings with 5 to 50 units (31.1%) and quadplexes (18.6%). A total of 701 duplexes were registered, which is a 3.9% increase over 2017.

The largest increases between 2017 and 2018 were in buildings of 51 to 100 units (31.7%), followed by buildings over 100 units (23.2%) and buildings of 5 to 50 units (16.1%). Triplexes were the only building size to see a decline, falling from 182 buildings in 2017 to 167 buildings in 2018 (-8.2%).

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

*Ron Rapp, CEO, HAVAN
Homebuilders Association Vancouver*

Figure 9: Registered New Multi-unit Buildings by Building Size in B.C. (2002-2018)



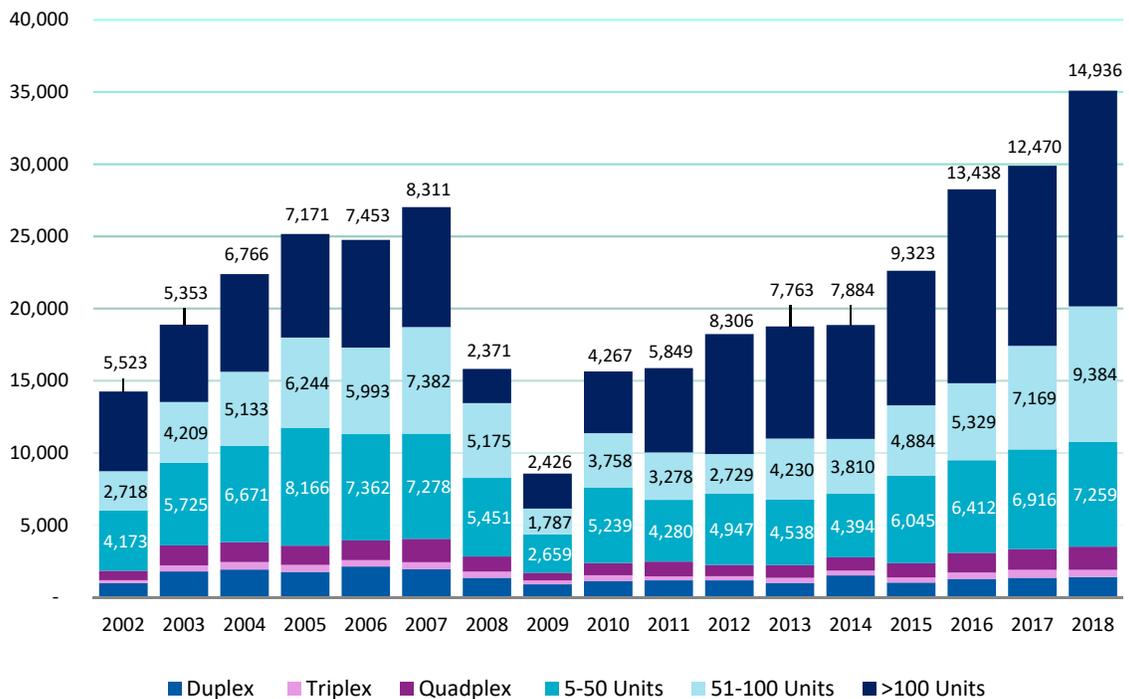
By number of units, buildings with more than 100 units accounted for 32.1% of the total units registered with 14,936 units, followed by buildings of 51 to 100 units (20.2%) and buildings of 5 to 50 units (15.6%).

The number of units in buildings of 51 to 100 units increased 30.9% between 2017 and 2018, while buildings of 100 units or more increased 24.7%. The number of units in triplexes declined 8.2%.

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

*Colleen Wilson, President
National Home Warranty*

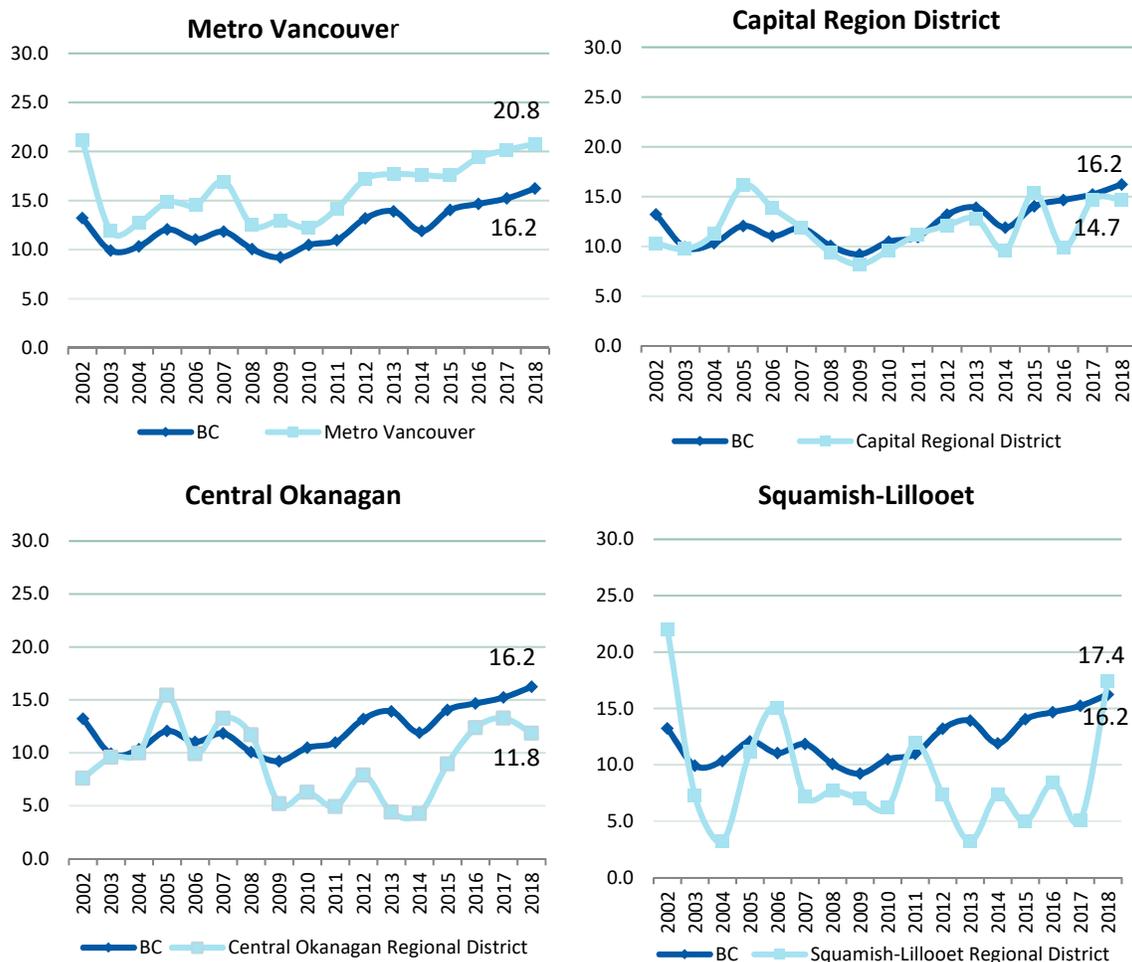
Figure 10: Registered Units in New Multi-unit Buildings by Building Size in B.C. (2002-2018)



The unit-building ratio measures the average size of registered multi-unit buildings by calculating the number of new units per building. **B.C.'s unit-building ratio experienced an increase from 13.9 to 16.3 between 2013 and 2018, surpassing the 2017 peak of 15.2.**

Over the past few years, the higher unit-building ratios are typically found in Metro Vancouver, the Capital Regional District and the Central Okanagan Regional District. However, only Metro Vancouver had a unit-building ratio that was higher than the provincial average of 16.3 in 2018. In Metro Vancouver, the ratio was 20.8, the highest since the 2002 peak of 21.1. Metro Vancouver is also the region which consistently has a unit-building ratio that is higher than the provincial average. In 2018, the Squamish-Lillooet Regional District had a unit-building ratio of 17.4 which was higher than the provincial average. This was driven by the registration of 45 new multi-unit buildings, including two buildings with over 100 units and five buildings with 51 to 100 units.

Figure 11: Unit-Building Ratios (2002-2018)



In 2018, three regional districts had higher than average unit-building ratios that were driven by the registration of only one or two buildings – the Regional District of the East Kootenay (61.0, one rental building), the Regional District of Central Kootenay (28.5, two rental buildings) and the Cariboo Regional District (20.5, one rental building and one duplex).

In total, there were 12 communities in B.C. with unit-building ratios of 30 or higher in 2018. Comox had the highest unit-building ratio (84.0), followed by Colwood (77.3) and Sicamous (73.0).

Table 1: Selected Communities in B.C. with High Unit-Building Ratios, 2018

City	Number of Buildings	Number of Units	Unit-Building Ratio
Comox	1	84	84.0
Colwood	3	232	77.3
Sicamous	1	73	73.0
Port Coquitlam	4	290	72.5
White Rock	4	248	62.0
Cranbrook	1	61	61.0
New Westminster	16	743	46.4
Langford	13	603	46.4
Williams Lake	1	39	39.0
Saanich	1	38	38.0
Burnaby	69	2461	35.7
Port Moody	33	1004	30.4

In 2018, the largest building registered in B.C. was located in Surrey with 550 units. In total, there were 10 buildings with 300-plus units registered in 2018 with 9 of them having between 300 and 400 units. By location, 3 of the buildings are located in Surrey, 2 in Vancouver, 2 in New Westminster, 1 in Coquitlam, 1 in Burnaby, and 1 in North Vancouver.

In comparison, 7 buildings with 300-plus units were each registered in 2017, of which 4 had over 400 units. In 2016, there were 11 buildings with 300-plus units registered in 2016, with one building over 500 units and another between 400 and 500 units. The following table provides the street addresses of the largest registered multi-unit buildings in 2018.

Table 2: Top 10 Largest Registered Multi-unit Buildings in B.C., 2018

Address	City	Number of Units
10297 133A Street	Surrey	550
600-720 Quayside Drive (WEST)	New Westminster	364
567 Clarke Road	Coquitlam	364
725 Marine Drive SE	Vancouver	363
13778 100th Avenue	Surrey	344
13778 100th Avenue	Surrey	339
1033 Nelson Street	Vancouver	331
1401 Hunter Street	North Vancouver	326
4711 Hazel Street (321 units)	Burnaby	321
600-720 Quayside Drive (EAST)	New Westminster	301

The following maps illustrate where registered buildings with more than 50 units are located in the Lower Mainland, the Capital Regional District and in Kelowna.

Figure 12: Registered Buildings with 50 Units or More in the Lower Mainland, 2018

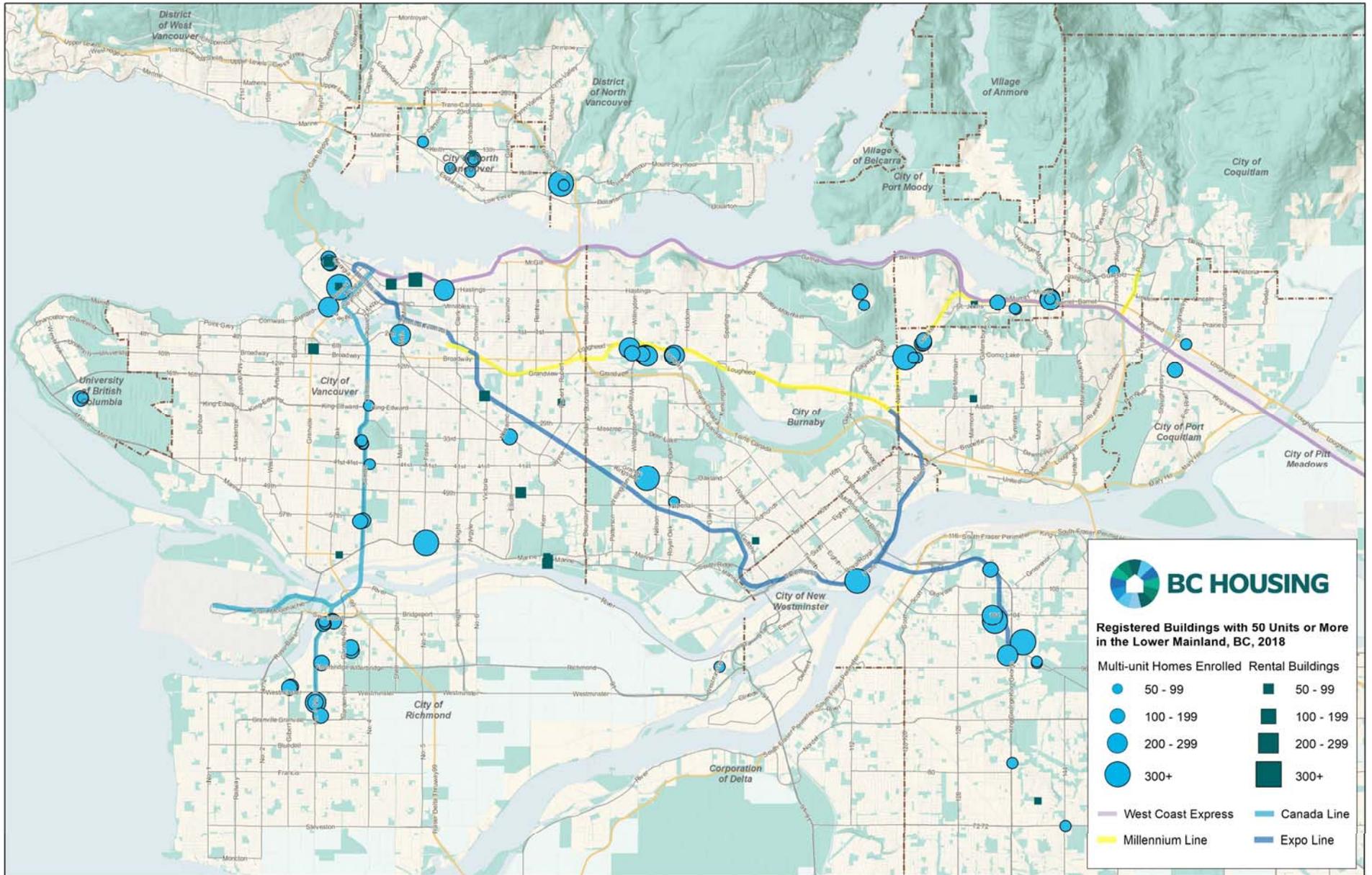


Figure 13: Registered Buildings with 50 Units or More in Central Vancouver, 2018

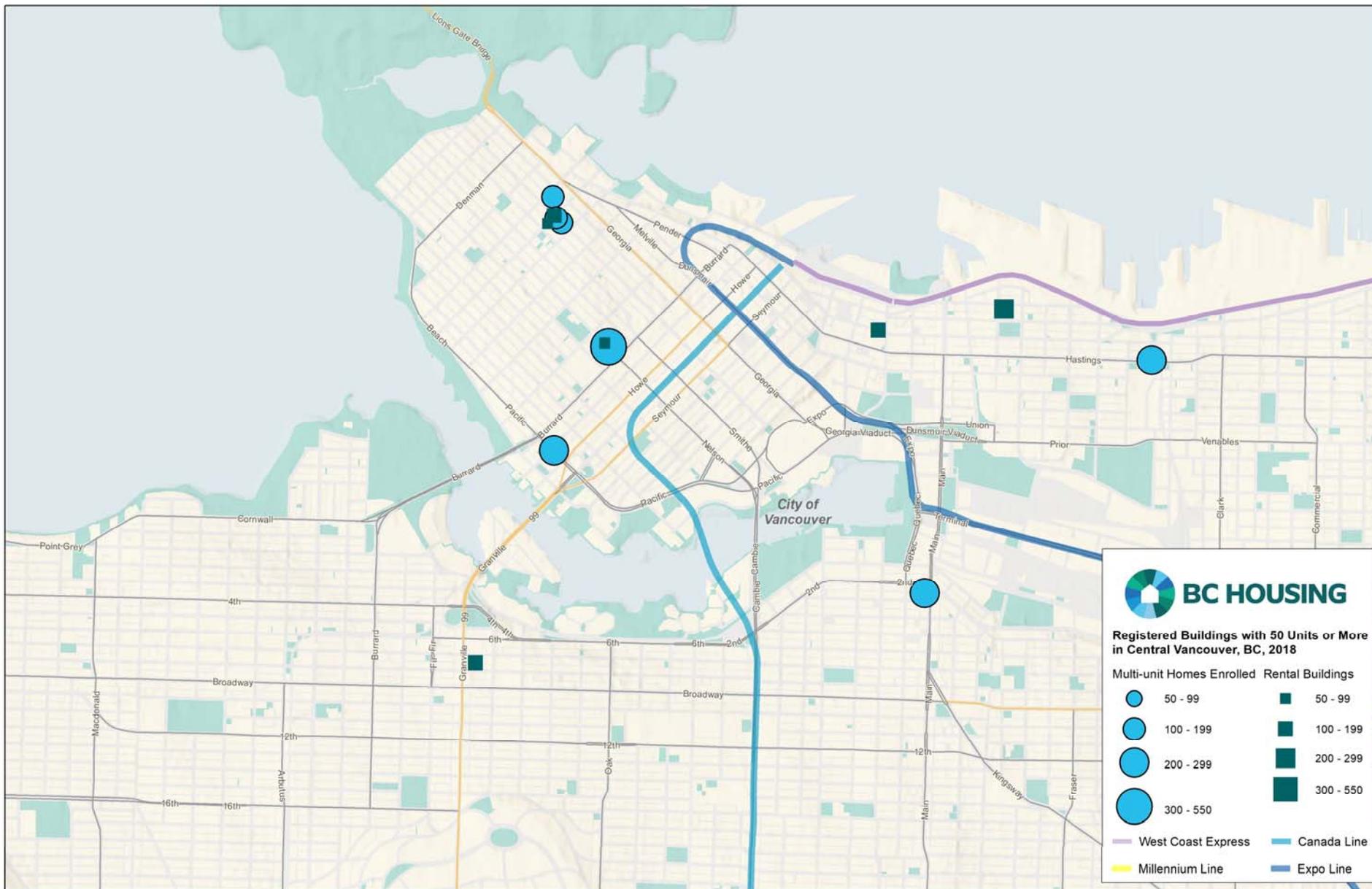


Figure 14: Registered Buildings with 50 Units or More in South Vancouver and Richmond, 2018

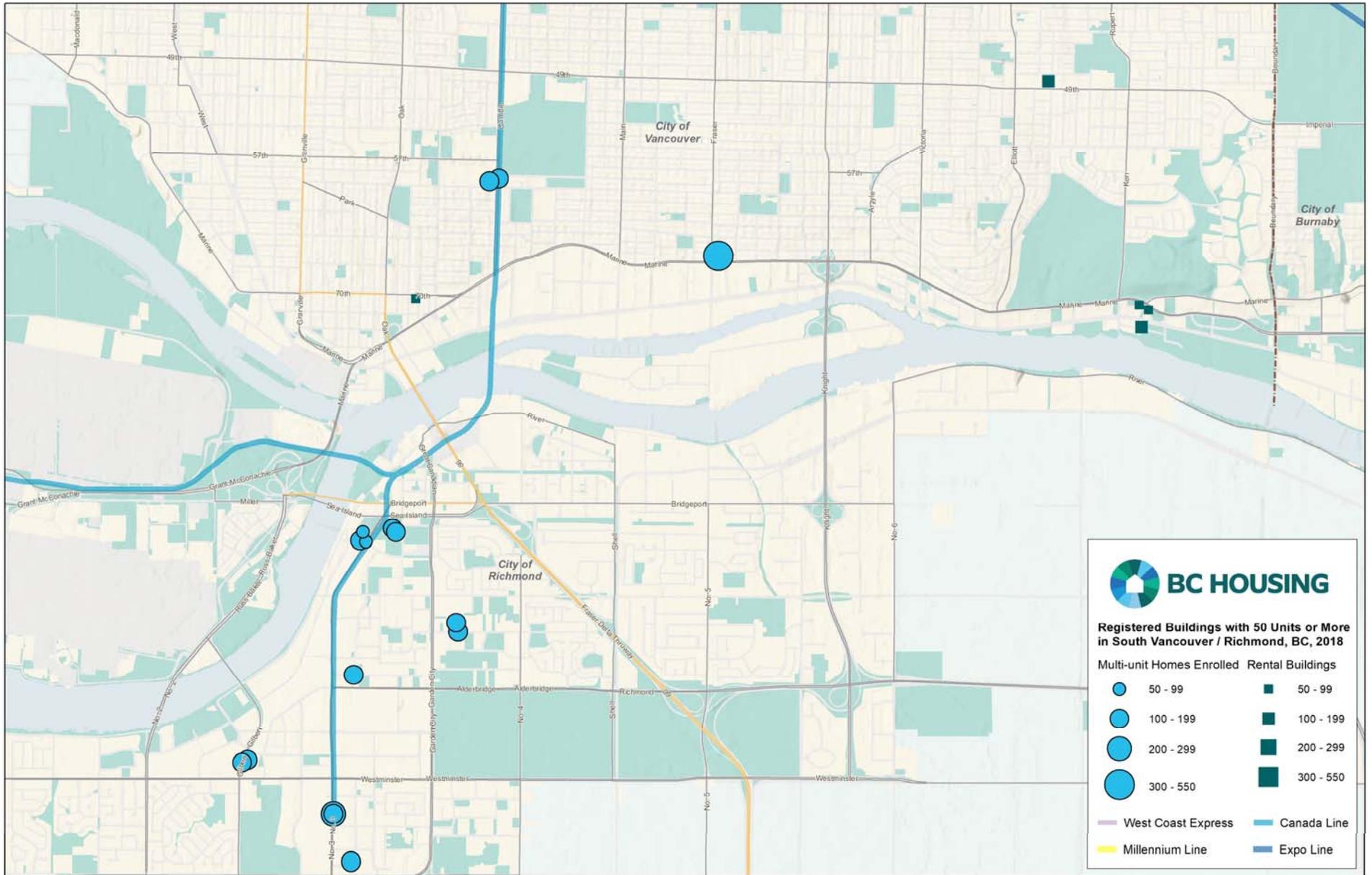


Figure 15: Registered Buildings with 50 Units or More in Burnaby, New Westminster and Coquitlam, 2018

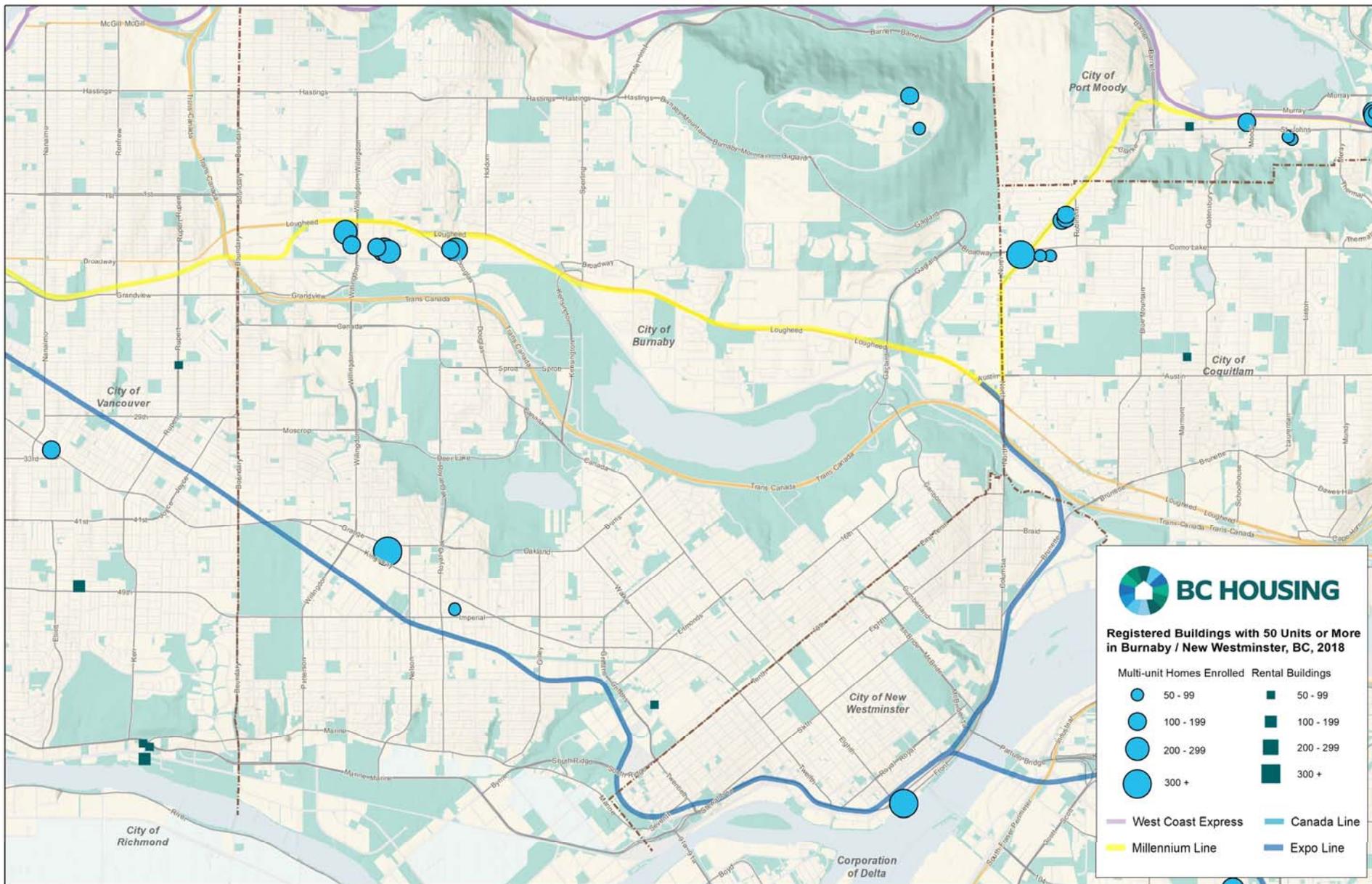


Figure 16: Registered Buildings with 50 Units or More in Cloverdale/Langley, 2018

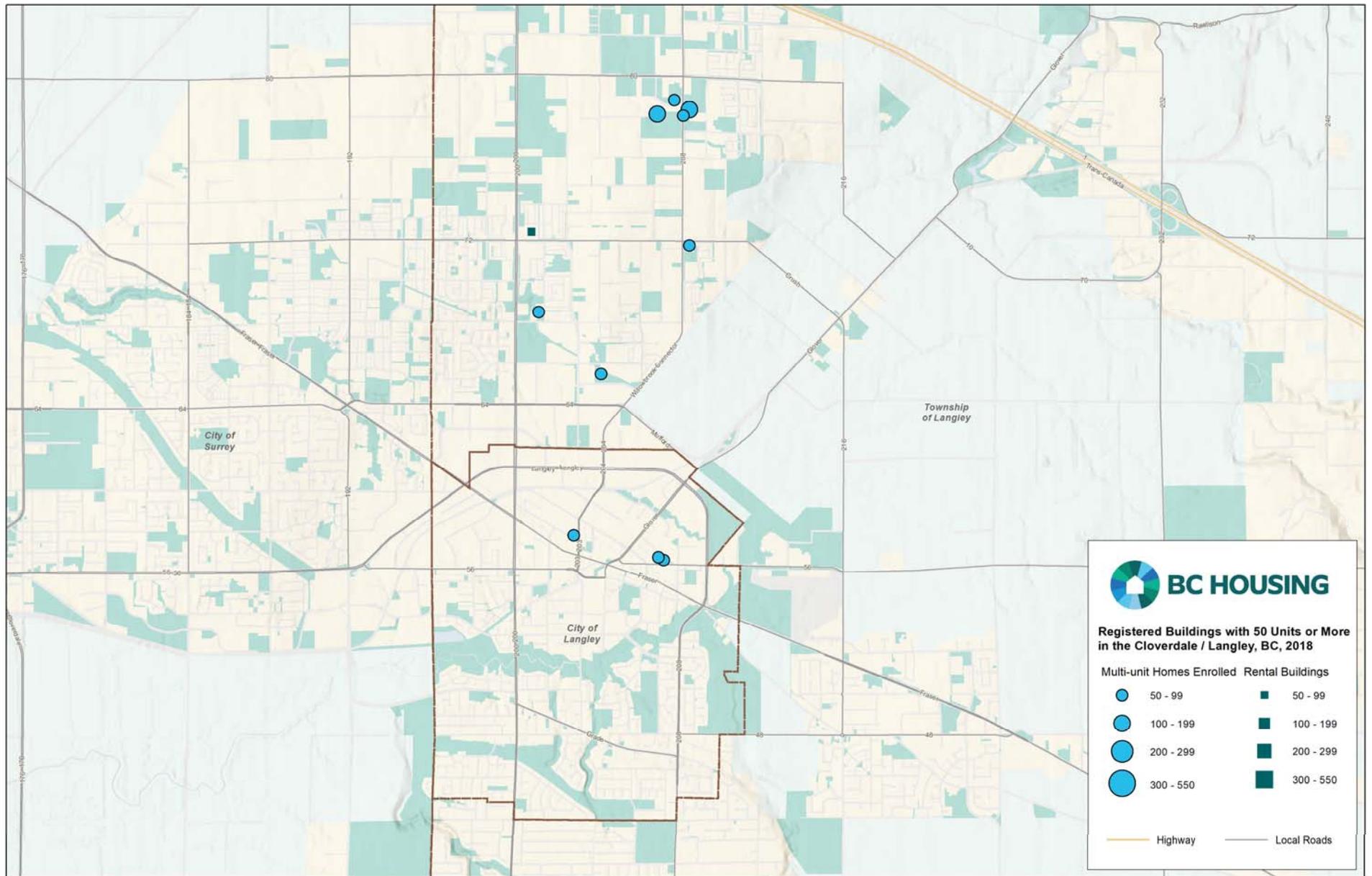


Figure 17: Registered Buildings with 50 Units or More in the Capital Regional District, 2018

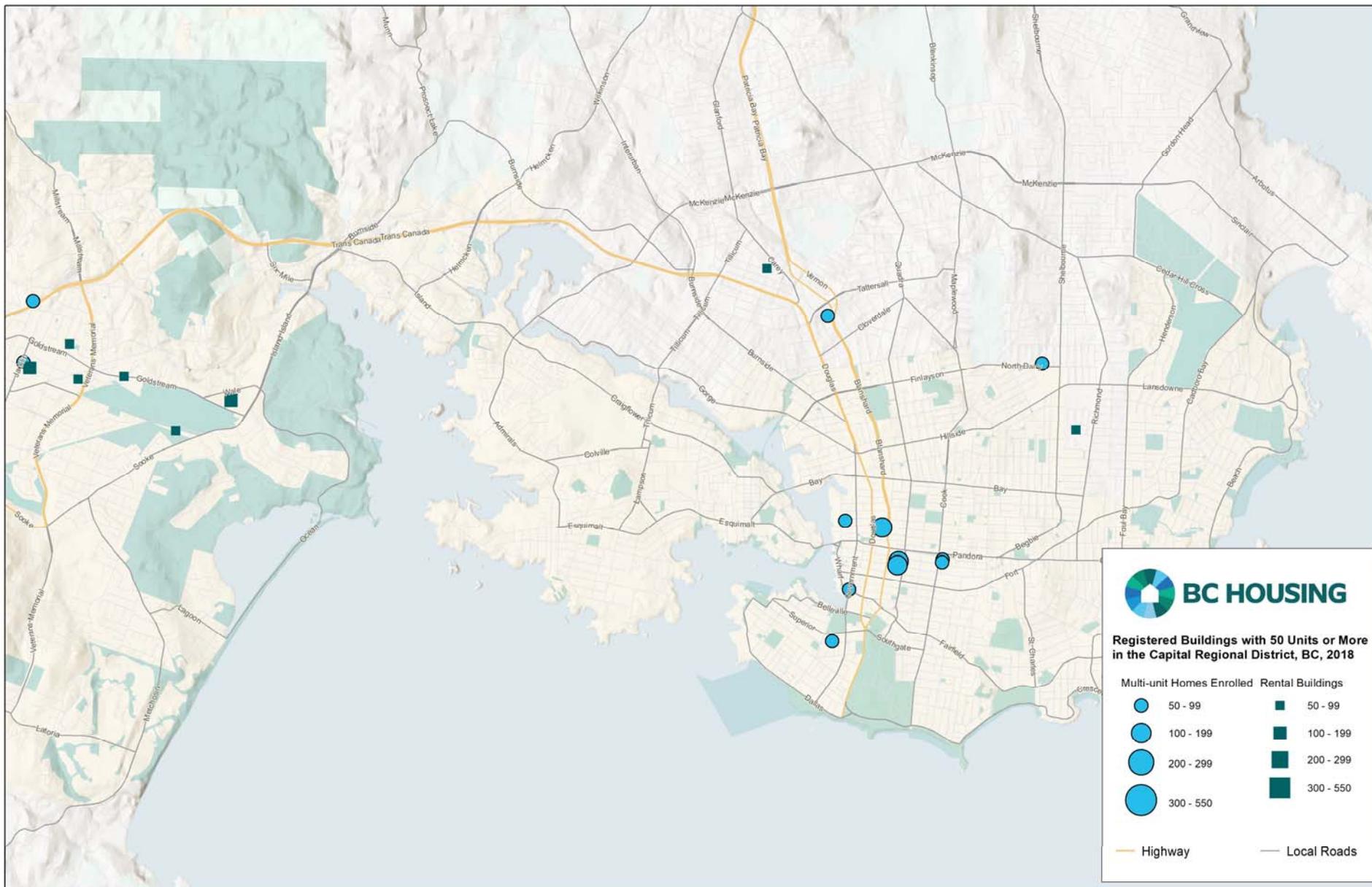
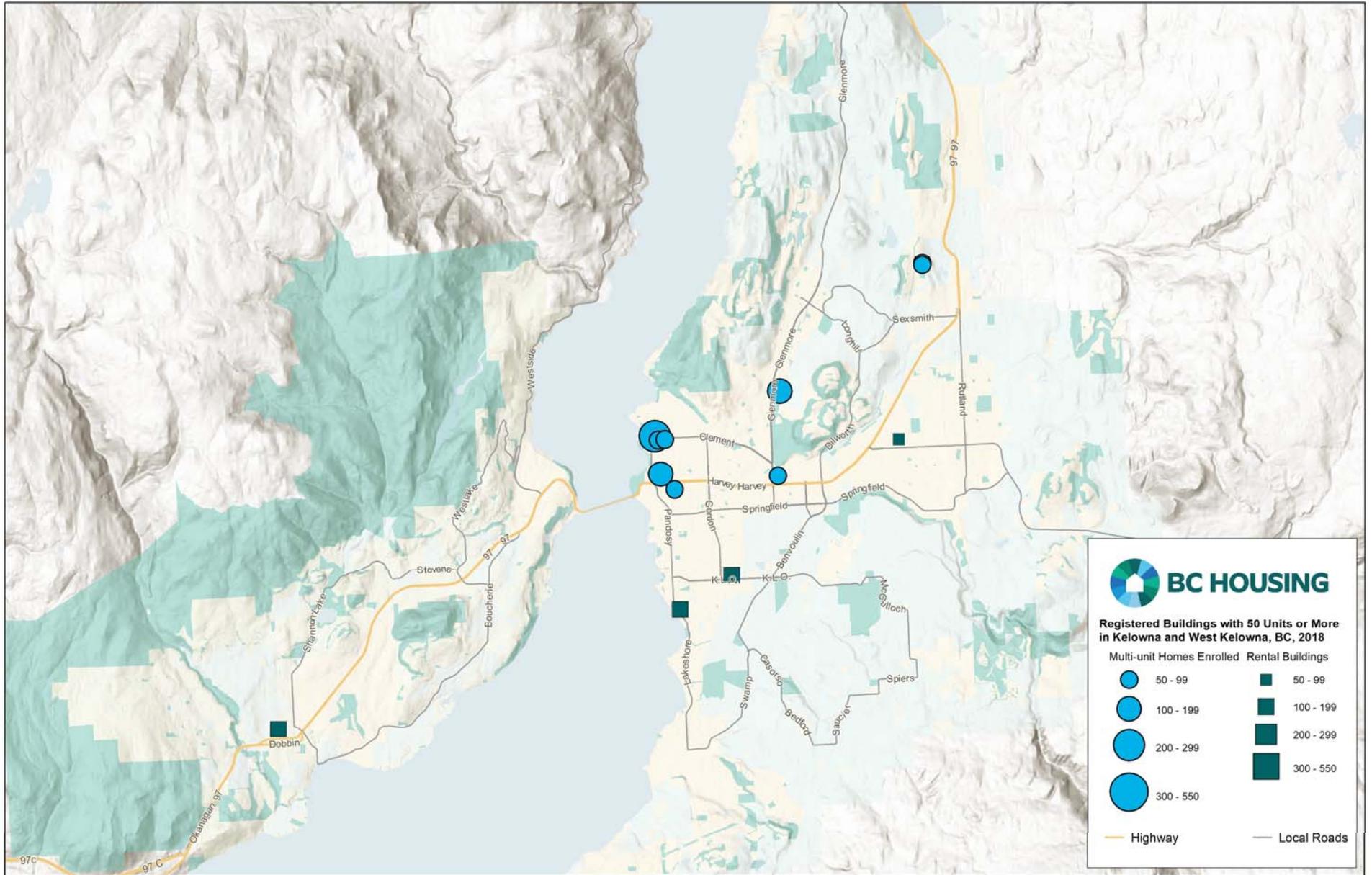


Figure 18: Registered Buildings with 50 Units or More in Kelowna, 2018



Licensed Residential Builders

2018 Highlights

- The number of Licensed Residential Builders has grown steadily since 2009 and reached a new high of 7,916 in 2018
- Nearly 70% of BC builders reported working in the Lower Mainland which includes Metro Vancouver, the Fraser Valley, the Sunshine Coast and the area from Squamish to Whistler
- BC builders reported completing 4 homes per year on average
- The average reported builder tenure was 15 years

OVERVIEW

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

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

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

*Fiona Famulak, President
Vancouver Regional Construction Association*

LICENSING

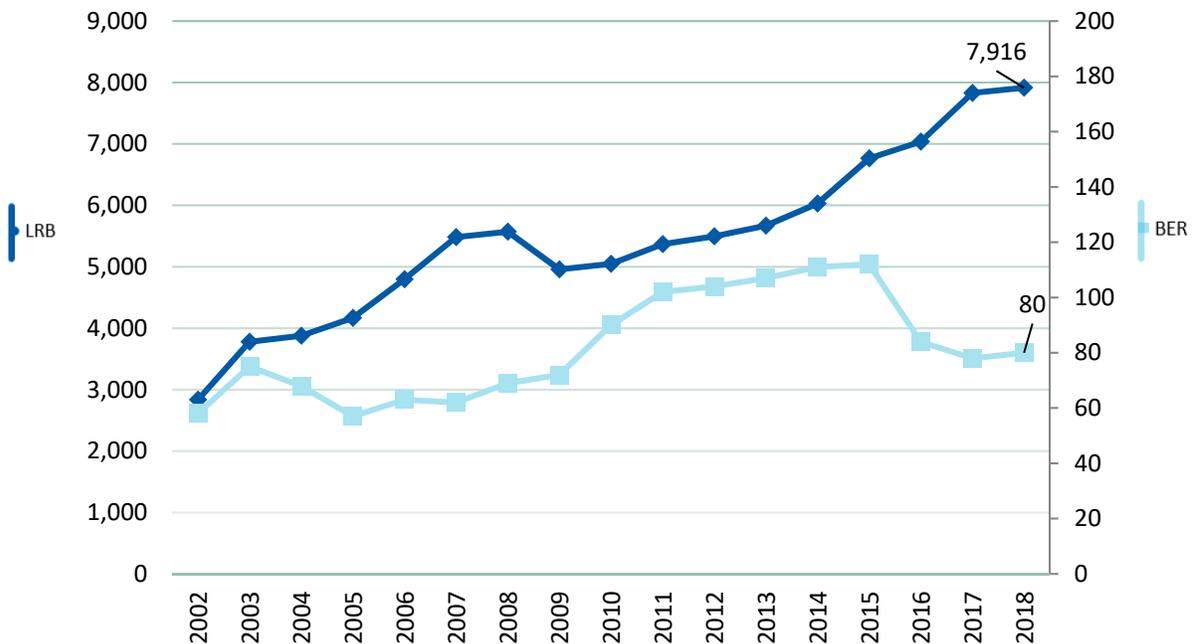
Both the number of Licensed Residential Builders and the number of Licensed Building Envelope Renovators (BERs) grew slightly between 2017 and 2018.

The number of LRBs has grown continuously since 2009, reaching a new high of 7,916 in 2018. LRBs increased 1.1% compared to 2017, and more than doubled compared to 2002. In 2018, the number of BERs increased from 78 to 80.

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

*Chris Atchison, President
BC Construction Association*

Figure 19: Number of Licensed Residential Builders and Building Envelope Renovators (2002-2018)



As of January 2, 2019, Aviva through National Home Warranty had the largest market share of LRBs (34.9%) and BERs (60.0%).

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

Of the 80 Licensed Building Envelope Renovators, Aviva accounted for 48 (60.0%), followed by Travelers Canada at 15 (18.8%) and RSA Canada (represented by WBI Home Warranty) at 10 (12.5%). Echelon represented by Pacific Home Warranty Insurance Services accounted for 7 (8.8%).

Of the 7,916 LRBs with warranty acceptance from warranty providers, Aviva through National Home Warranty accounted for 2,760 (34.9%), followed by Echelon represented by Pacific Home Warranty with 2,710 (34.2%), Travelers Canada with 1,704 (21.5%), and RSA Canada represented by WBI Home Warranty with 742 (9.4%).

Figure 20: Market Share of Licensed Residential Builders, 2018

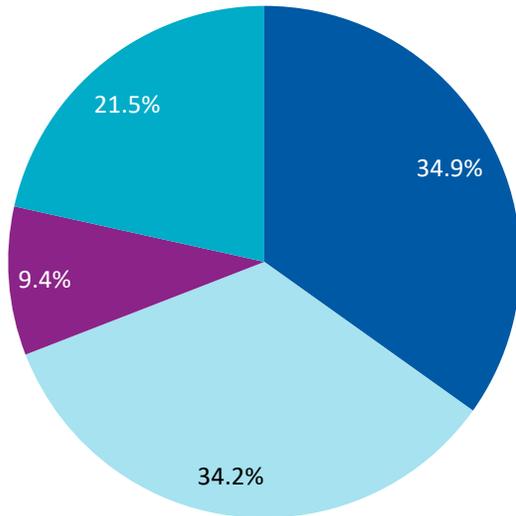
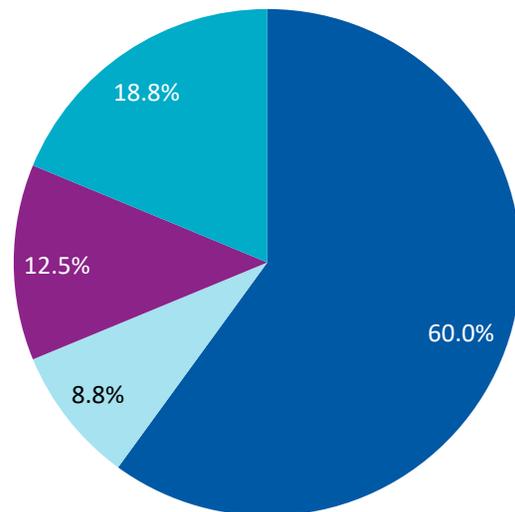


Figure 21: Market Share of Building Envelope Renovators, 2018



■ Aviva ■ Echelon (Pacific Home Warranty) ■ RSA Canada (WBI Home Warranty) ■ Travelers Canada

LICENSED RESIDENTIAL BUILDER SURVEY

Survey Methodology

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder⁷ 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 2018. For the 2018 survey, email invitations were sent to 5,758 builders in good standing without expired, suspended or cancelled licenses. Builders completed a total of 1,206 online surveys which represented a response rate of 20.9%.

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

In 2017, survey language was updated to reflect the new name of Licensing and Consumer Services, a branch of BC Housing. In all prior surveys, the Homeowner Protection Office (HPO) was referenced.

Further information on survey methodology is provided in Appendix 1.

⁷ 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 2018, 69% of builders reported working primarily in the Lower Mainland⁸, followed by 15% in the Southern Islands⁹, 10% in the Okanagan, and 3% in both the Kootenays and Central and Northern B.C.

This is the same as in 2017.

Figure 22: Percentage of Builders by Primary Area of Construction, 2018

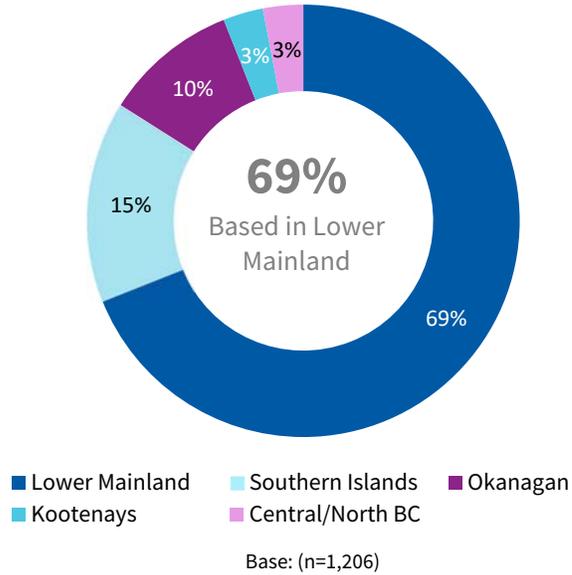
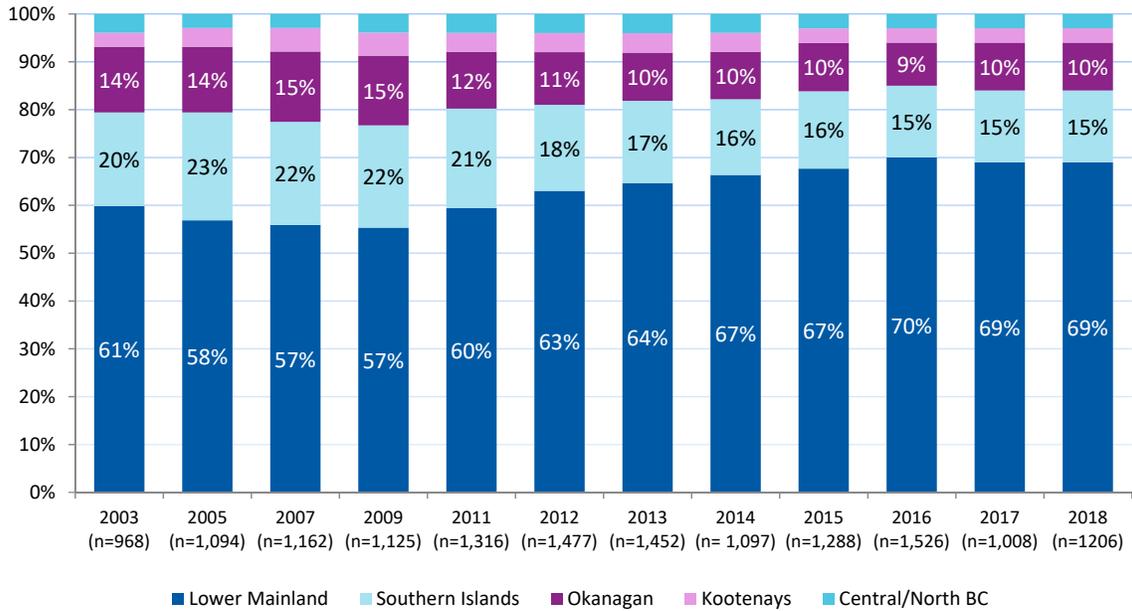


Figure 23: Percentage of Builders by Primary Area of Construction (2003-2018)



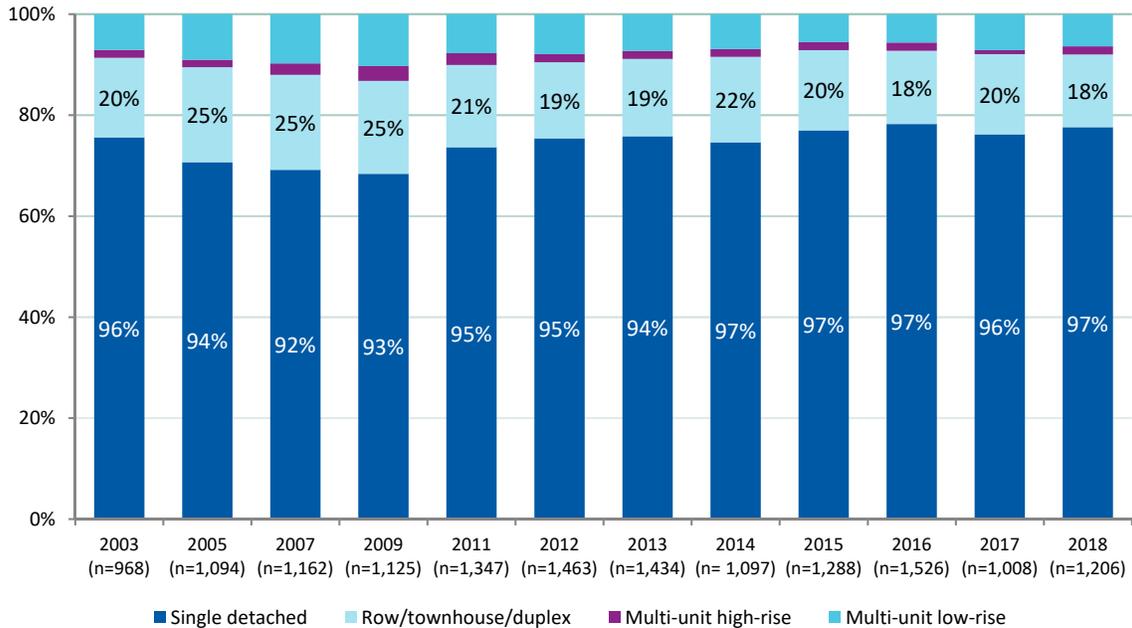
⁸ For the purposes of this survey, the Lower Mainland region includes Metro Vancouver, the Fraser Valley, the Sunshine Coast and the area from Squamish to Whistler.

⁹ The Southern Islands includes Vancouver Island and the Gulf Islands.

Housing Type Constructed in Past Five Years

In 2018, 97% of builders reported building single detached homes in the past five years, while 18% built rowhouses, townhouses or duplexes, 8% built low-rises, and 2% built high-rises.

Figure 24: Percentage of Builders by Housing Type Constructed in the Past Five Years (2013-2018)



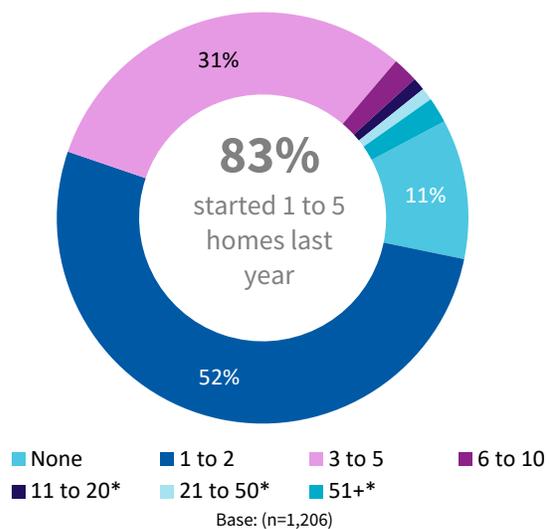
Note: Multi-unit low-rise refers to buildings with less than four storeys and multi-unit high-rise to buildings with four storeys or more.

Homes Built or Started Building in Past Year¹⁰

Most surveyed builders (83%) reported that they built or started building between 1 and 5 homes in the last year. Over half (52%) of builders reported building or starting between 1 and 2 homes, followed by 31% reporting between 3 and 5 homes, and 11% reporting no home construction. The proportion of builders with more than 5 homes started or built was low, at 1% each for 11 to 20 and 21 to 50 homes, and 2% for 51 or more homes.

There was very little change in the number of homes built or started between 2017 and 2018. In 2018, the average number of homes built or started in the past year remained at 7.0 per builder which is the same as in 2017, but higher than the low of 4.9 in 2016.

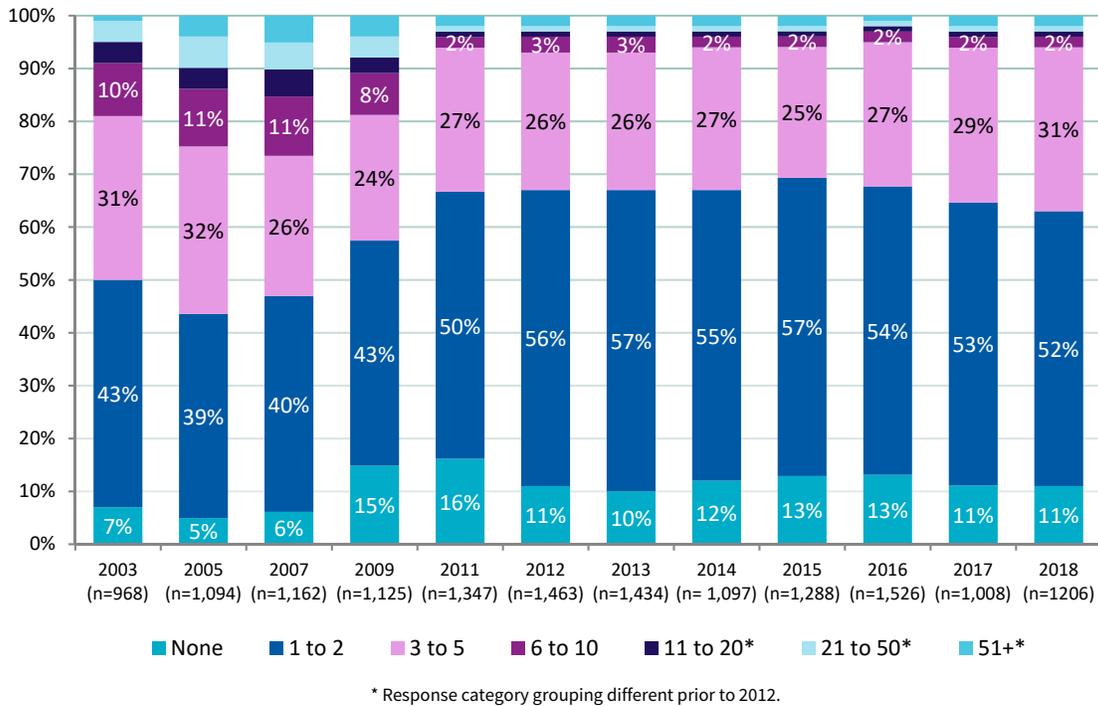
Figure 25: Percentage of Homes by Number of Buildings Started, 2018



¹⁰ All homes worked on over the past year, including homes started but unfinished and homes previously started and finished.

Among builders who reported building high-rise homes, the average number of homes built or started per builder dropped from 189.1 in 2017 to 96.1 in 2018; however, it was still higher than the 2016 average of 78.6. Similarly, the average number of units built or started across builders who reported building multi-unit low rises dropped from 47.5 to 41.3 homes between 2017 and 2018. Among builders who reported building row, townhouses or duplexes, the average number of homes built or started per builder decreased from 22.2 to 12.7. Across single detached home builders, the average number of homes built or started per builder dropped from 4.6 to 4.4

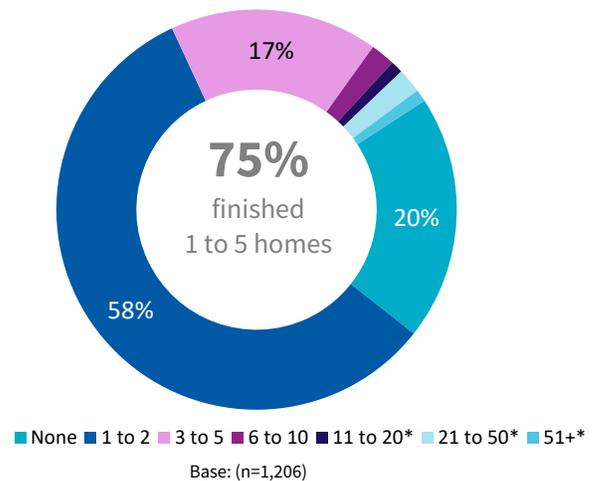
Figure 26: Percentage of Builders by Number of Homes Built or Construction Started (2003-2018)



Homes Completed in Past Year¹¹

In 2018, over 75% of builders surveyed reported finishing between 1 and 5 homes in the past year. Over half (58%) reported finishing between 1 and 2 homes, followed by 20% reporting no homes, and 17% reporting between 3 and 5 homes. The proportion of builders reporting more than 5 homes completed in the past year was low, 2% each for 6 to 10 homes and 21 to 50 homes, and 1% each for 11 to 20 homes and 51 or more homes. There were relatively small shifts in builder distribution by number of homes completed between 2017 and 2018.

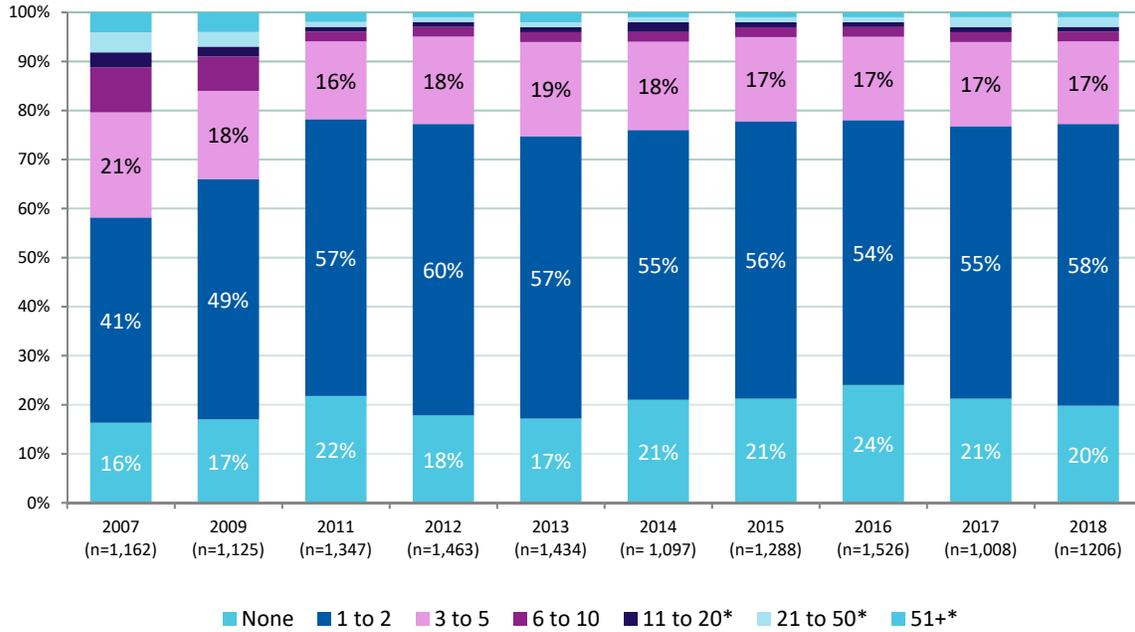
Figure 27: Percentage of Builders by Number of Homes Completed, 2018



¹¹ Only homes that were finished in the past year. Does not include started but unfinished homes.

The average reported number of homes completed in the past year decreased from 4.7 in 2017 to 4.0 in 2018; however, the average was still higher than in 2016 (3.5) and 2015 (3.9). These values are all considerably lower than the 2007 peak of an average of 12.9 homes completed by builder.

Figure 28: Percentage of Builders by Number of Homes Completed (2007-2018)



* Response category grouping different prior to 2012.

Between 2017 and 2018, the average number of homes finished decreased for all housing types but was particularly pronounced for homes in high-rise buildings, which decreased from an average of 114.0 housing units in 2017 to 52.4 units in 2018 (which is comparable to the 2016 average number of 56.2 units). The average for multi-unit low-rises decreased from 27.4 units to 23.2 units, the average for rowhouses, townhouse or duplexes decreased from 13.6 units to 9.0 units, and the average for single detached homes decreased from 3.0 to 2.7 homes.

Builder Profile

Industry Experience

Nearly a third (32%) of builders reported 20 years or more industry experience. Nearly one third (31%) of builders reported 5 years or less industry experience. Approximately half (51%) had 10 years or less experience.

Average reported builder tenure was 15 years in 2018, an increase from 13 in 2017. Since 2003, the proportion of builders with 0 to 5 years' experience increased 10 percentage points and the proportion of builders with 6 to 10 years' experience increased 7 percentage points. The proportion of builders with 20 to 29 years' experience saw the largest decline and has decreased by 9 percentage points since 2003.

Figure 29: Percentage of Builders by Years of Industry Experience, 2018

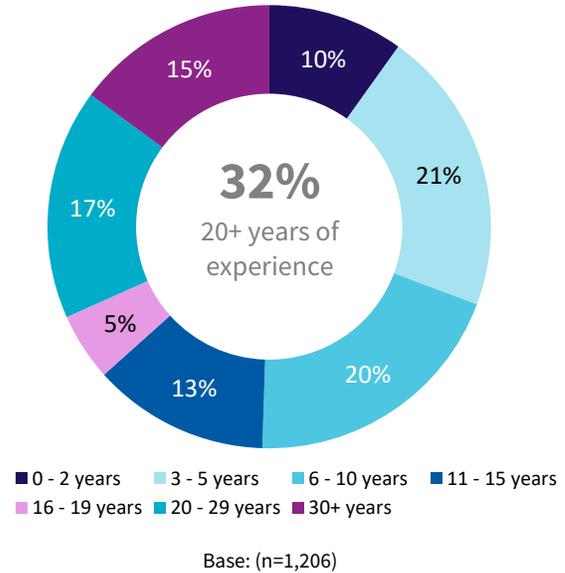
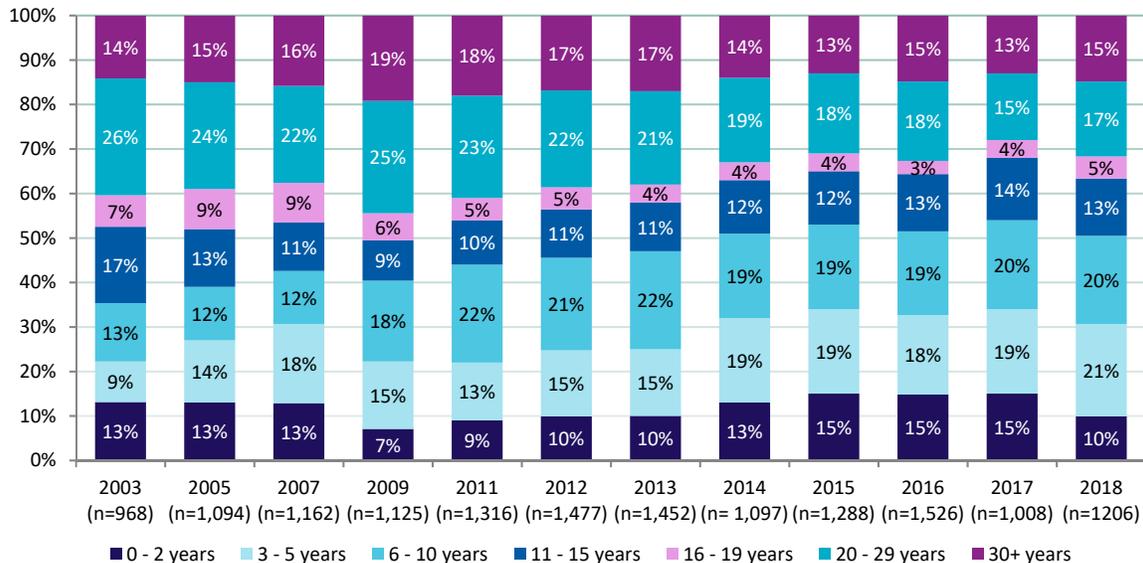


Figure 30: Percentage of Builders by Years of Industry Experience (2003-2018)



Average builder tenure was the lowest in the Lower Mainland at 13.1 years in 2018, while the highest builder tenure was in the Kootenays at 19.9 years¹². Builders constructing single detached homes had the least amount of experience since they reported an average of 14.5 years of experience. In comparison, those constructing multi-unit homes averaged between 17 and 20 years of experience.¹³

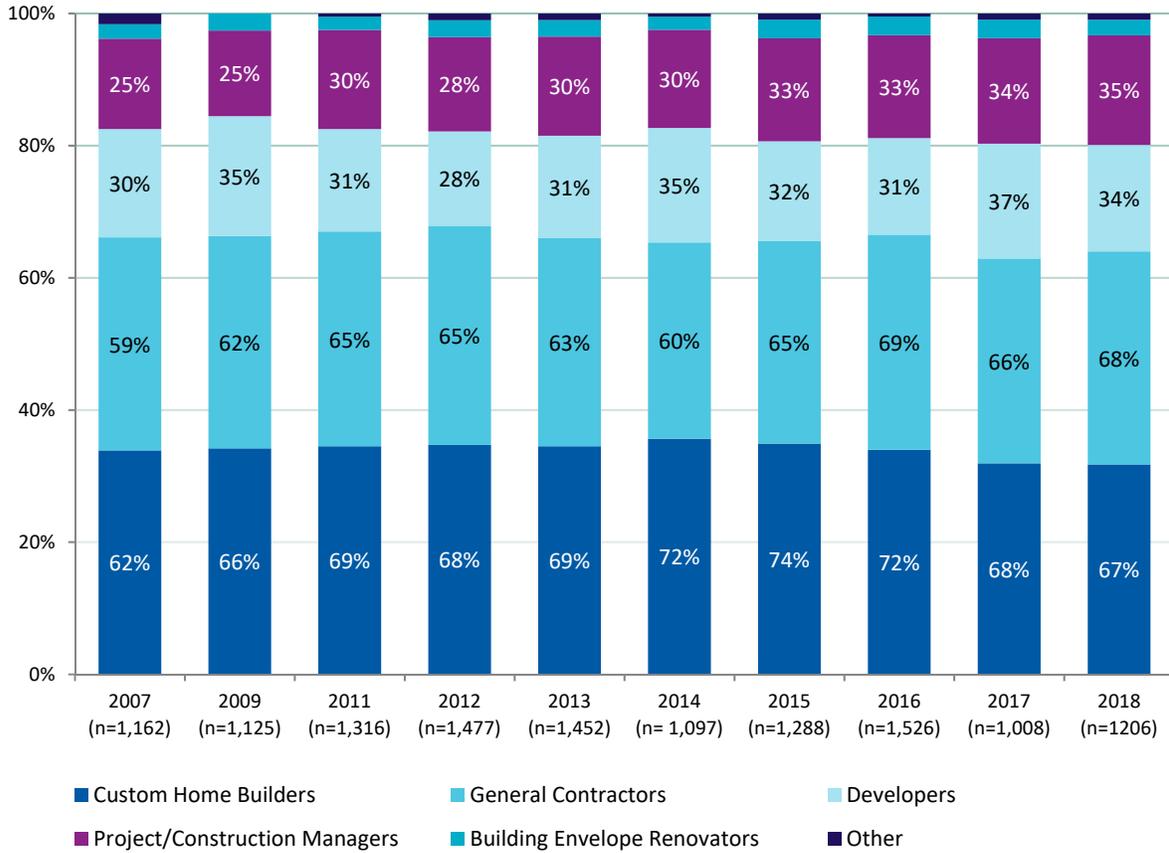
¹² Caution: small base size.

¹³ Caution: small base size.

Type of Licensed Residential Builder

In 2018, 68% of builders referred to themselves as general contractors and 67% considered themselves to be custom home builders. Over a third of builders classified themselves as project/construction managers (35%) and developers (34%). A relatively small proportion identified as a building envelope renovator (4%) or other (2%).

Figure 31: Percentage of Builders by Type (2007-2018)

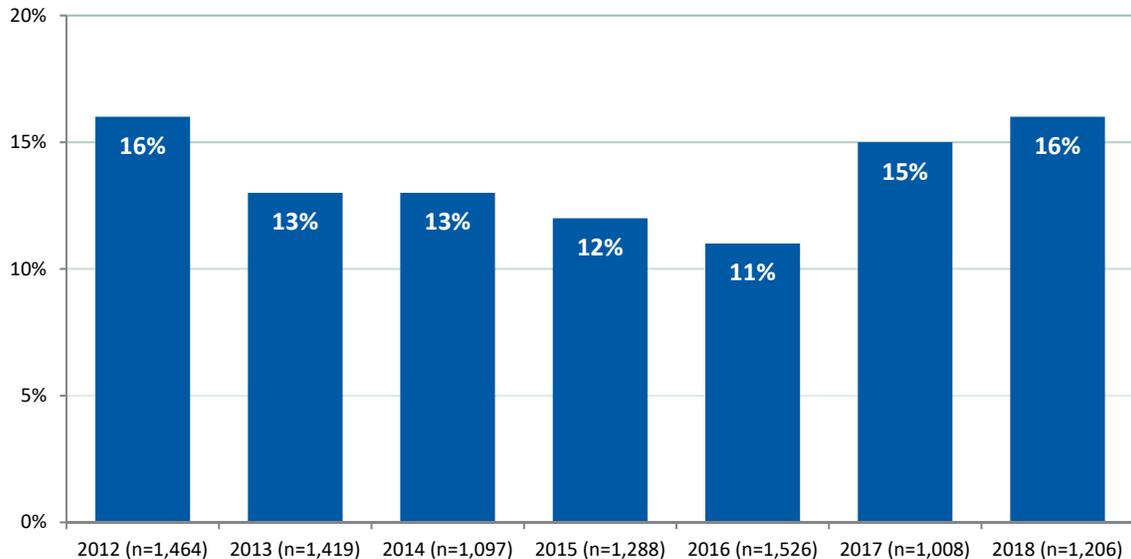


Energy Efficiency

Use of a Green Building Program

With 16% of builders reporting participating in a green building program in 2018, the participation rate was the highest since 2012 when tracking participation in green building programs began.

Figure 32: Use of a Green Building Program (2012-2018)



Other survey findings include:

- **Builders by Region** - Lower Mainland and Central/Northern B.C.¹⁴ builders (17%) were the most likely to report participation in a green building program, followed by builders on the Southern Islands (15%) and builders in the Kootenays¹⁵ (14%).
- Okanagan builders were the least likely to report participation in a green building program (7%).
- In most regions, there was little change since 2017. However, in Central Northern B.C. over three times more builders reported building green homes in 2018 relative to 2017 (5% in 2017, 17% in 2018).
- **Builders by Housing Type** - Those who build single detached homes are the least likely to report building homes that are part of a green building program (15%).
- Builders involved in the construction of multi-unit high-rises were the most likely to report building homes as part of a green building program (43%).
- In the middle, 28% of builders constructing low-rises, rowhouses, townhouse, and duplexes participated in a green building program.

¹⁴ Caution: small base size.

¹⁵ Caution: small base size.

- Builders by Experience** - Builders with the least experience (two years or less) were the least likely to report green building program participation (7%). Builders with 20+ years experience were the second least likely to report building homes as part of a green building program (14%).
- Builders with between 6 and 19 years of experience were the most likely (18%) to report building homes in the past year as part of a green building program. Similarly, 17% of builders with between 3 and 5 years of experience reported participation in a green building program.
- Type of Program** - Energy Star was the most popular green building program reported, with over half (55%) of builders participating, followed by BuiltGreen (39%) and R-2000 (34%). This is consistent with 2017.

Figure 33: Breakdown of Green Building Programs by Use (2016-2018)

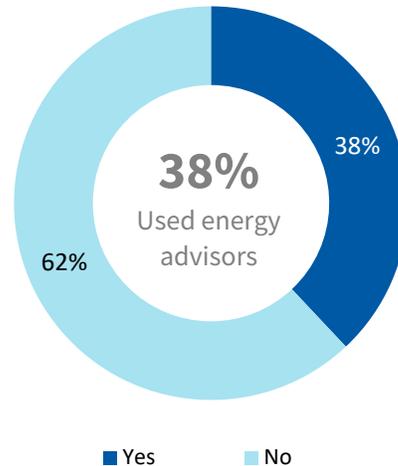


*Energy Star was added as an option in 2017. NetZero Home was added in 2018. Green Globes and EnerGuide were removed as options in 2018.

Use of an Energy Advisor

Across B.C., 38% of builders reported working with an Energy Advisor in the past year. This is a significant increase since 2017 when 32% reported working with an Energy Advisor.

Figure 34: Used an Energy Advisor in the Past Year, 2018



Other survey findings include:

- **Builders by Region** – Builders in the Lower Mainland (42%) and Kootenay¹⁶ (46%) regions were the most likely to have worked with an Energy Advisor. This was higher than 2017 when 38% of builders in both regions reported working with an Energy Advisor.
- There were also increases in the number reporting working with an Energy Advisor across other regions: an increase from 21% to 32% on the Southern Islands; an increase from 2% to 19% of builders in Central/Northern B.C.; and an increase from 14% to 20% in the Okanagan.
- **Builders by Experience** – Newer builders (two or fewer years in the industry) are less likely to report working with an Energy Advisor over the past year. Approximately 27% builders with two years or less experience report working with an energy advisor compared to 35% to 47% of builders for all other experience levels.
- **Builders by Housing Type** – Builders who build single detached homes are less likely to report working with an Energy Advisor (37% versus 49-55% for other housing types).

¹⁶ Caution: small base size.

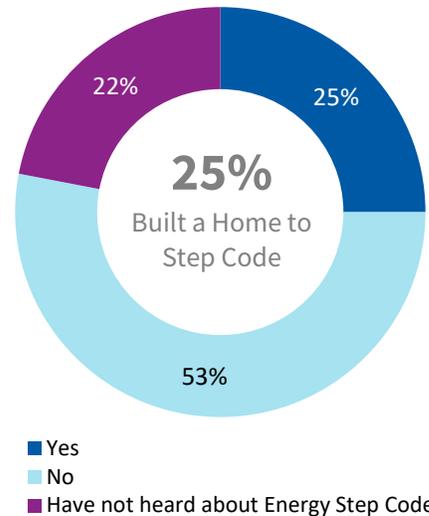
BC Energy Step Code

Awareness and involvement in the BC Energy Step Code has increased significantly over the past year. In 2018, 78% of builders reported being aware of the Energy Step Code versus 52% in 2017.

Participation in BC Energy Step Code training sessions has doubled from 19% to 48% over the past year. The proportion of builders reporting that they have built housing in the past year meeting Energy Step Code requirements has doubled from 11% to 25% between 2017 and 2018.

The majority of builders (81%) who have been building to meet the BC Energy Step Code have built to Steps 1, 2, or 3.

Figure 35: Built a Home Meeting a Step of the BC Energy Step Code in the Past Year, 2018



Other findings include:

- **Builders by Experience** – Newer builders are less likely to be aware of the BC Energy Step Code and the most experienced builders are most aware. For example, 71% of builders with two years of experience or less report having heard about the Energy Step Code versus 83% of builders with 20+ years of experience.
- **Builders by Region** – Builders in the Lower Mainland are less likely to be aware of the BC Energy Step Code (76% aware versus over 80% for the other regions). This may be due to the fact that there is a slightly higher proportion of newer builders (five years or less) in the Lower Mainland.
- Kootenay builders were the most likely to have built housing meeting a step of the BC Energy Step Code (50%), followed by Southern Island builders (30%), the Okanagan and Central/Northern B.C. builders (28%), and Lower Mainland builders (23%).

New Residential Construction Activity Predictions

The proportion of B.C. Licensed Residential Builders who thought that residential building activity would increase in their market area decreased from 36% in 2017 to 19% 2018. This is the lowest proportion reported over the past six years. Similarly, the proportion who thought that residential building activity would decrease in their area grew from 11% to 38%.

Similar to previous trends, builders continued to be more optimistic about their company’s level of activity relative to the local market in which they operate. However, expectations for their company’s future construction activity were lower. The proportion that thought their company’s own construction activity would increase was 29% in 2018 versus 44% in 2017. In 2018, a growing proportion predicted a decrease in their company’s building activity (20% in 2018 versus 9% in 2017).

Figure 36: Self-Predicted Construction Activity in Local Builder Market (2013-2018)

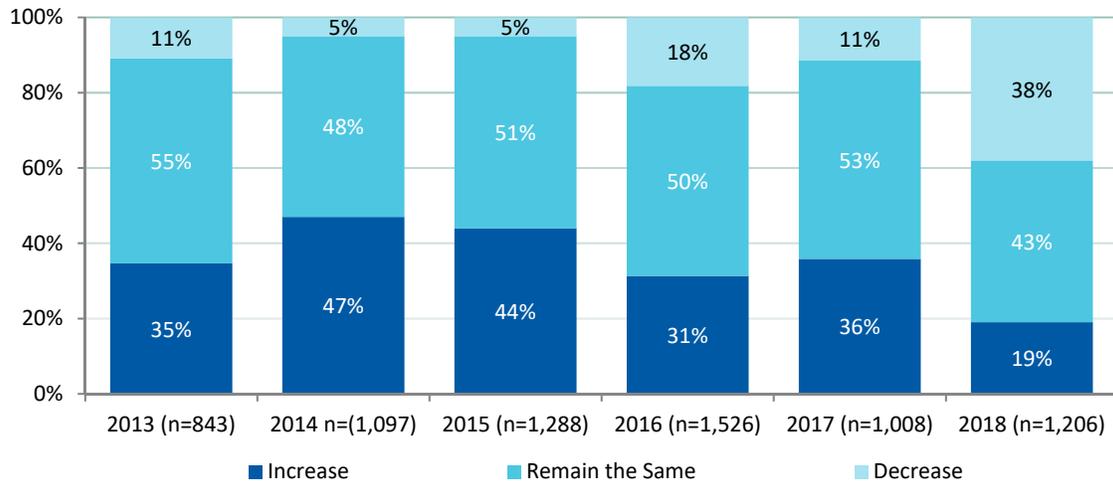
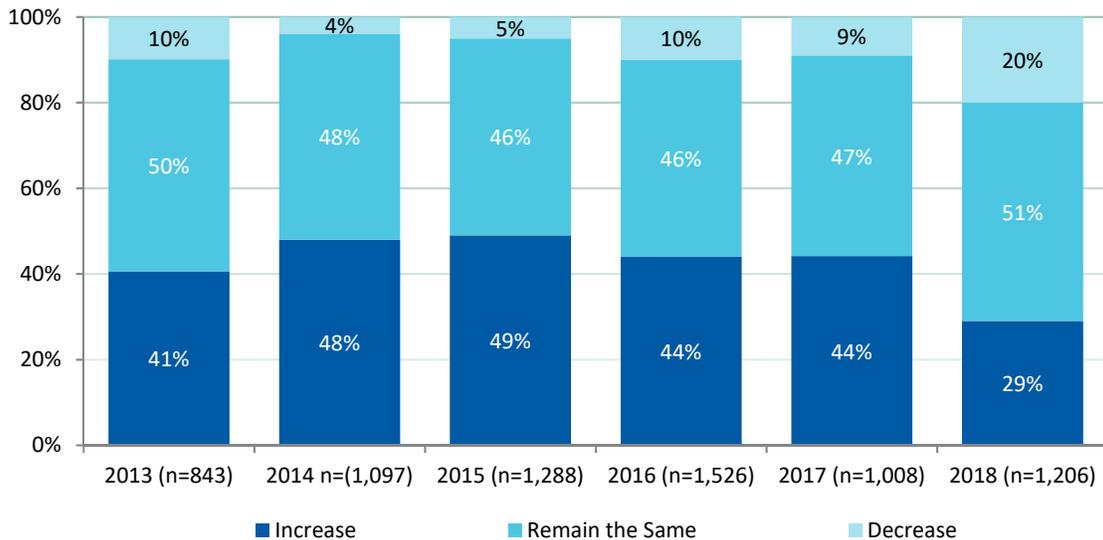


Figure 37: Self-Predicted Construction Activity for Builder Company (2013-2018)



Other findings:

- **Builders by Region** – With the exception of Central/Northern B.C., builders across all regions were less likely to predict that residential building activity would increase in their market area in 2018 relative to 2017.
- In both 2017 and 2018, 37% of builders in Central/Northern B.C. predicted that residential activity would increase in their region.
- In 2018, builders across most of the regions were more likely to predict that residential building activity would decrease in their market area relative to 2017. This ranged from 41-42% predicting a decrease in residential activity in the Lower Mainland and Okanagan to 26-28% predicting a decrease in Central/Northern B.C. and the Southern Gulf Islands.
- The one exception was the Kootenays region where the proportion expecting residential building activity to decrease dropped from 13% in 2017 to 8% in 2018.

Current New Homeowners and Prospective New Home Buyers

2018 Highlights

- 95% of new homeowners agreed that home warranty insurance is important in feeling confident about their purchase
- 85% of new homeowners reported they are satisfied with their home's quality of construction
- 3 out of 4 (76%) of prospective new home buyers were concerned about the possibility of problems with building construction occurring after they move in
- 43% of prospective new home buyers reported their intention to buy a single detached home
- 3 out of 5 (60%) prospective new home buyers planned to purchase directly from a builder or developer

CURRENT NEW HOMEOWNERS SURVEY

Survey Methodology

The 2018 *Current New Homeowners 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.

In 2018, results are based on a total of 414 surveys from randomly selected owners of homes covered by warranty insurance under the *Homeowner Protection Act*. A list of homes under warranty insurance was provided by BC Housing, and homeowners were screened to ensure homes were no more than 10 years old and homeowners had lived in their home for at least six months. In total, 5,200 notification letters were mailed out inviting homeowners to complete an online survey and the survey had an overall response rate of 8%. Further information on survey methodology is provided in Appendix 1.

Survey Results

Current New Homeowners - Profile

Across the survey respondents, 59% of current new homeowners were over the age of 45 years. This is slightly lower compared to 2018 when 61% of survey respondents were over the age of 45 years. Almost 60% of respondents had incomes between \$50,000 to \$150,000.

Figure 38: Age Distribution of New Homeowners, 2018

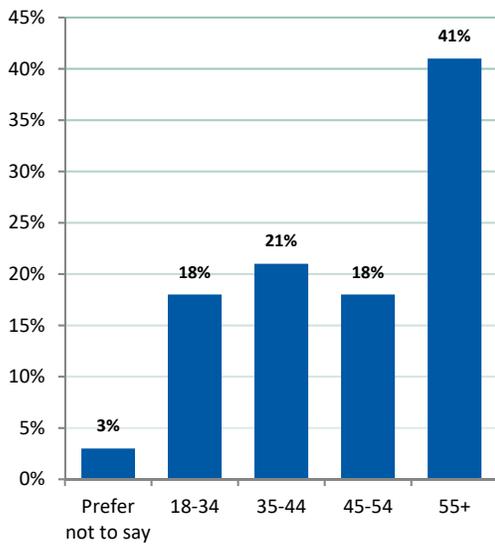
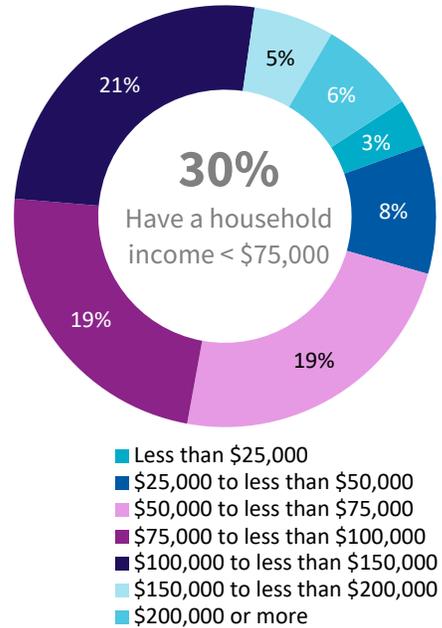


Figure 39: Household Income of New Homeowners, 2018



Consistent with previous surveys, most new homeowners were repeat home buyers. Approximately, 7 out of 10 were repeat home buyers while 3 out of 10 new homeowners were first-time home buyers. A slightly higher proportion of new homeowners lived in multi-unit dwellings (68% relative to 64% in 2016) and approximately 3 out of 10 lived in single detached dwellings.

Figure 40: First-Time and Repeat Buyers, 2018

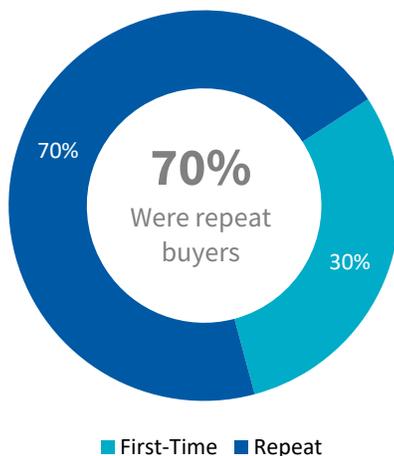
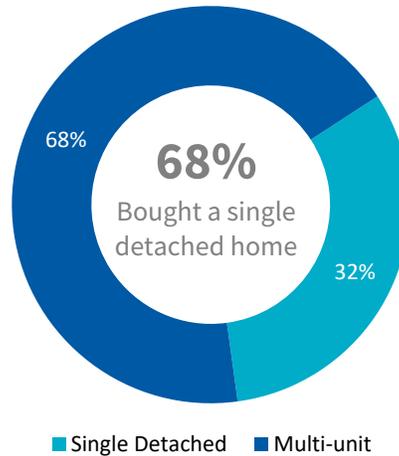


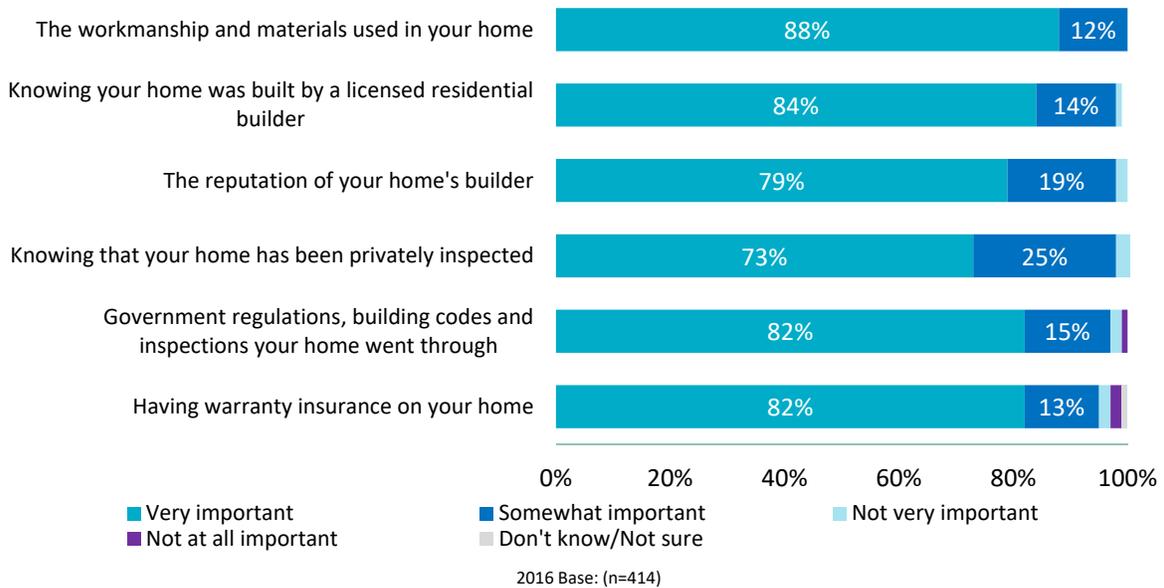
Figure 41: Type of Home, 2018



Current New Homeowners - Confidence about Home Purchase

When asked about six factors that could influence how confident new homeowners are about their home purchase, current new homeowners rated them all with a high level of importance. The greatest importance was placed on the workmanship and materials used in their new home with 100% of current new homeowners agreeing that this was somewhat or very important. Next, 98% of current new homeowners agreed that the following factors were somewhat or very important: Knowing that your home was built by a Licensed Residential Builder; the reputation of your home's builder; and knowing that your home has been privately inspected. Government regulations, building codes and inspections were rated as somewhat or very important by 97% of current new homeowners and having warranty insurance on your home was rated as somewhat or very important by 95% of current new homeowners.

Figure 42: Factors in Feeling Confident About Home Purchase, 2018



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

- Home warranty insurance was very important to 87% of individuals who bought brand new homes versus 75% of those who bought their home from a previous owner.
- The builder's reputation was very important to 98% of individuals who custom built their home versus 82% who bought a brand-new home.
- The workmanship and materials used was very important to 94% of new homeowners age 55 and older (versus 88% overall) and to 95% of new homeowners who bought a single detached home (versus 84% of multi-unit homeowners).
- The government regulations, building codes, and inspections the home went through was very important among 86% of those who have experienced a problem with their home versus 77% who have not experienced a problem.

Current New Homeowners - Satisfaction with Home Construction

Satisfaction with Overall Quality of Construction and Building Process

A majority (85%) of current new homeowners reported they were satisfied with the overall quality of construction. However, the proportion of those who are very satisfied has declined over the past two years (from 44% in 2016 to 32% currently).

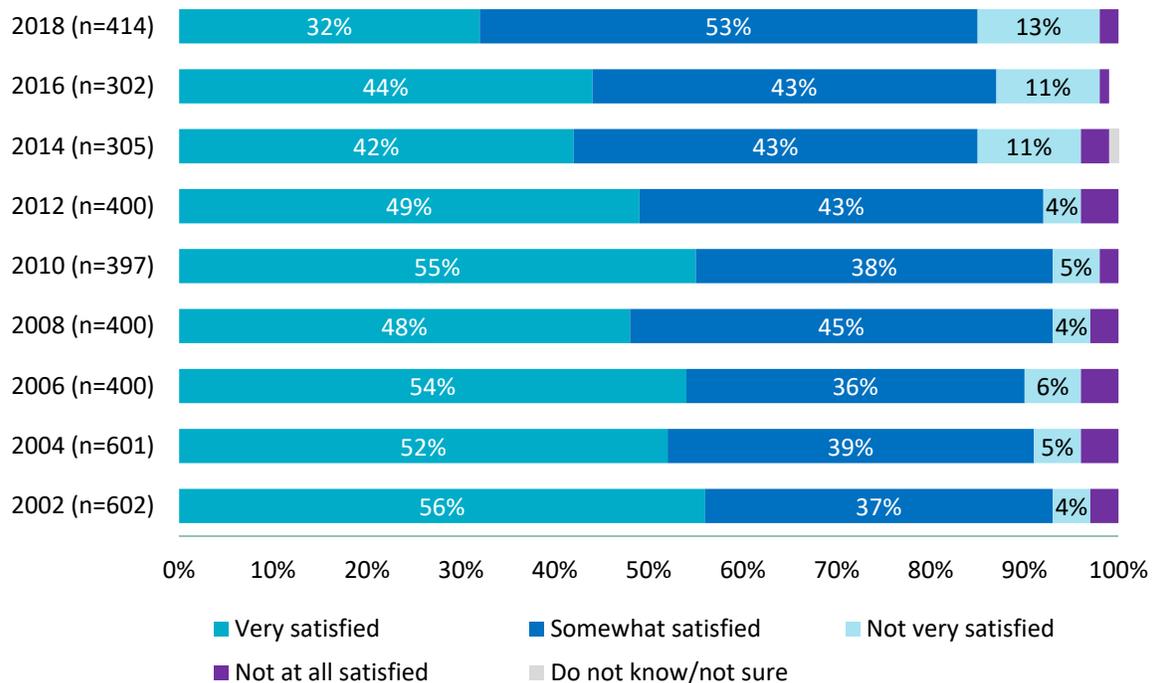
The most satisfied new homeowners included those with custom built homes (63% very satisfied) and homeowners who have not experienced any problems (54% very satisfied). In addition, homeowners with homes 6 to 10 years old tend to be more satisfied (91%) relative to those with newer homes (81%).

Homeowners that are less satisfied are generally those who have had problems with their home (74% versus 98% among those who have had no problems).

Figure 43: Satisfaction with Overall Quality of Construction, 2018



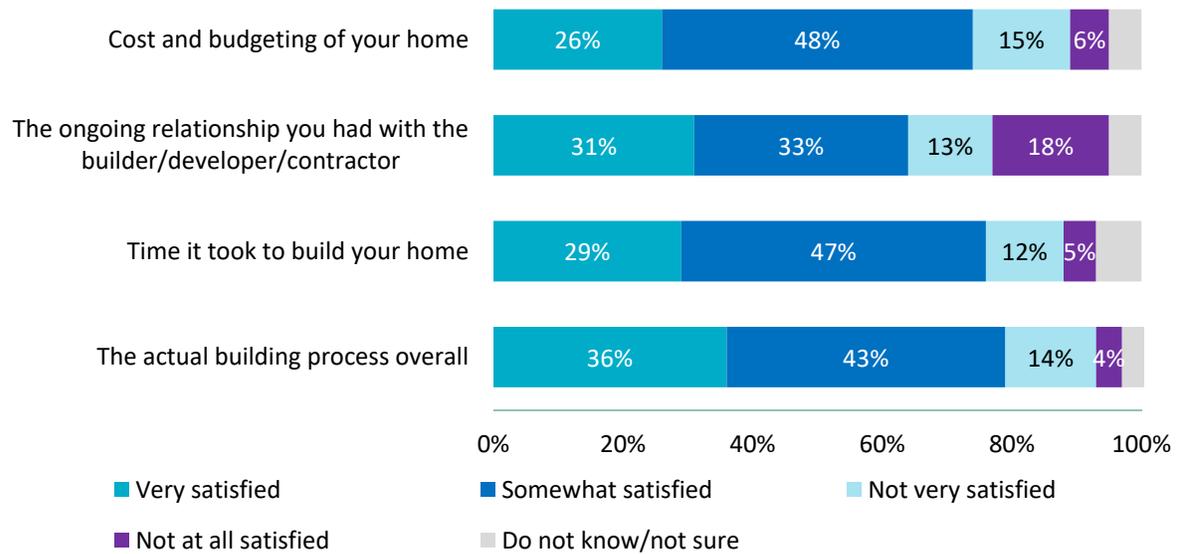
Figure 44: Satisfaction with Overall Quality of Home Construction (2002-2018)



Some current new homeowners purchased their home from a builder or developer before the construction of their home was finished (34%) or custom-built their home (11%). **Approximately 4 out of 5 (79%) of homeowners who bought a home before it was finished were somewhat or very satisfied with the overall building process.** Approximately 3 out of 4 (76%) were satisfied or very satisfied with the time it took to build their home and the cost of budgeting their home (74%). Nearly 2 out of every 3 were (64%) were satisfied or very satisfied with their ongoing relationship with the builder/developer/contractor.

The most satisfied current new homeowners include those who: have not experienced any problems with their home (95%); are in the lowest household income category (under \$50,000/year, 91%); are in the highest income category (\$100,000+/year, 87%); are living outside Metro Vancouver and the Capital Regional District (89%); are between 18 to 34 years old (87%); are first-time home buyers (84%); and custom built their home (84%).

Figure 45: Satisfaction with Building Process, 2018



Base: (among those with custom built or presale homes n=201)

Satisfaction with the building process overall and with specific aspects of the building process have all declined since 2016. Between 2016 and 2018, the proportion reporting that they were very or somewhat satisfied with:

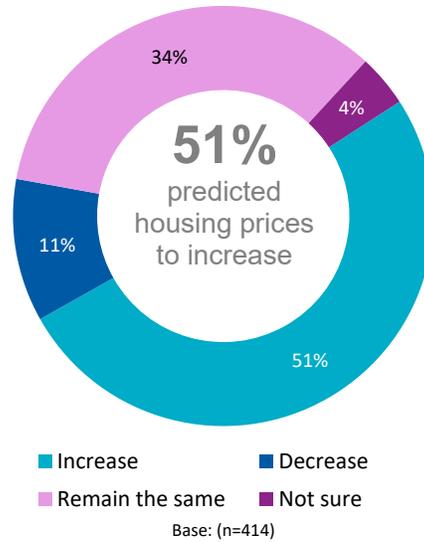
- the overall building process decreased from 88% to 79%
- the time it took to build the home decreased from 84% to 77%
- the cost and budgeting of the home decreased from 82% to 74%
- the ongoing relationship they had with the builder/developer/contractor decreased from 68% to 64%

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, approximately 1 in 2 reported they expected prices to increase (51%), while 1 in 3 expected prices to remain the same (34%). The respondents most likely to expect an increase were first-time home buyers (63%) and those with household incomes in the mid to lower brackets (less than \$100,000 per year). The following groups of current new home owners are the least likely to predict that housing prices in their community will increase over the next 12 months: Those with an household income of more than \$100,000/year (44%) and those who have resided in their home for 6-10 years (44%).

Figure 46: Expected Changes in Housing Prices over the Next 12 Months, 2018



Buying and Selling

When asked if it is a favourable or unfavourable time to buy in their community, 45% responded it was favourable and 30% responded it was unfavourable. A quarter of respondents were unsure if it was a favourable or unfavourable time to buy. This is consistent with the responses in 2016. Across B.C., slightly more than half (51%) feel that it will be a favourable time to buy in the next 12 months and 56% think it will be a good time to sell. Homeowners in the CRD are the most likely to feel that it will be an unfavourable time to buy a home in the next 12 months (48% versus 30% overall).

Figure 47: Favourable Time to Buy, 2018

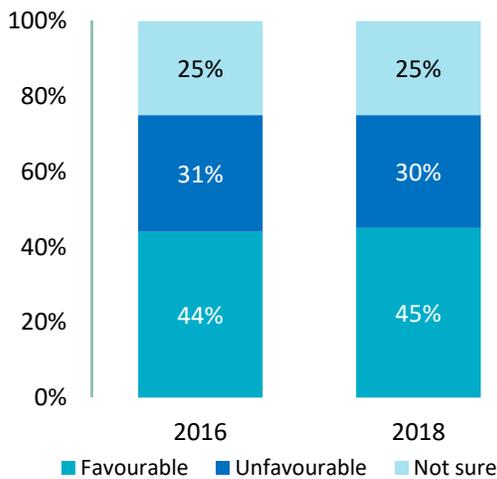
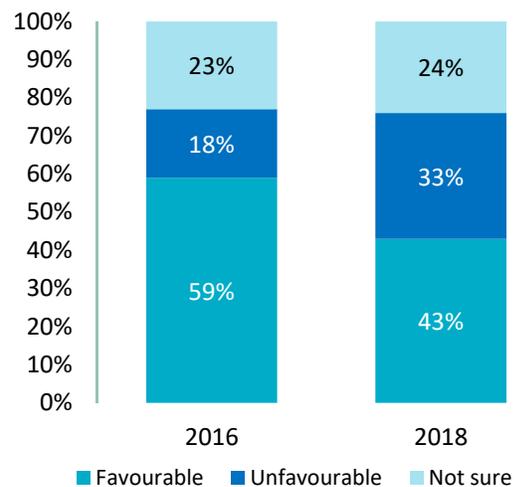


Figure 48: Favourable Time to Sell, 2018

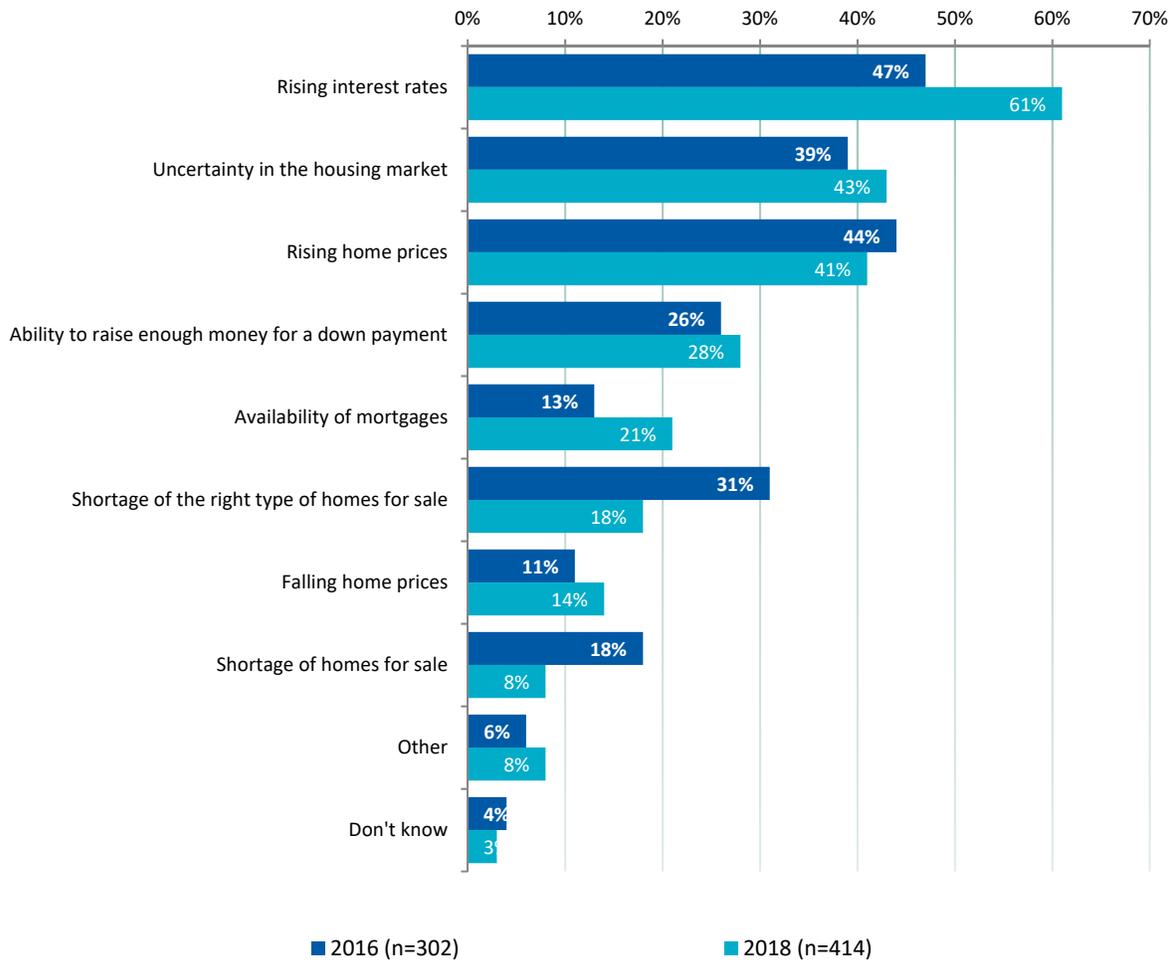


When asked if it would be a favourable or unfavourable time to sell in their community, 43% of respondents reported favourable and 33% reported unfavourable. Nearly a quarter of respondents (24%) were unsure if conditions were either favourable or unfavourable to sell. This is a significant shift from 2016, when 59% of respondents reported that it was a favorable time to sell and only 18% reported it was an unfavorable time to sell. When it comes to selling, over half (57%) of Capital Regional District residents predict it will be a good time to sell. In Metro Vancouver, the perception was that it will be a more favourable time to buy over the next year (44% think so) than to sell (36%). Across the rest of the province, more than half (56%) reported that it would be a favorable time to sell.

Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, 3 out of 5 respondents (61%) reported concerns about rising interest rates, 43% mentioned uncertainty in the housing market, and 41% were concerned about rising home prices. Other concerns included: the ability to raise enough money for a down payment (28%), availability of mortgages (21%), and a shortage of the right types of homes for sale (18%).

Figure 49: Housing Market Concerns Among Current New Homeowners, 2016 & 2018



Compared to the 2016 survey, homeowners surveyed in 2018 expressed greater concern over rising interest rates (61% in 2018 versus 47% in 2016) and the availability of mortgages (21% in 2018 versus 13% in 2016). Meanwhile they are less concerned about a shortage of the ‘right type’ of homes for sale (18% in 2018 versus 31% in 2016).

Other survey findings included:

- **Homeowners by Region** – For respondents in Metro Vancouver, the most likely concerns were rising interest rates (64%), uncertainty in the housing market (48%) and rising home prices (39%). Respondents in the Capital Regional District¹⁷ were most concerned about rising home prices (59%) and interest rates (50%).
- Respondents outside of Metro Vancouver and the Capital Regional District²⁶ were most concerned about rising interest rates (56%) and rising home prices (43%). Concerns regarding the shortage of the right type of homes for sale is higher among those outside of Metro Vancouver with 12% reporting this to be a concern in Metro Vancouver compared to 38% in the Capital Region and 25% across the rest of the province.

¹⁷Caution: small base size.

PROSPECTIVE NEW HOME BUYERS SURVEY

Survey Methodology

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

A total of 502 online surveys were conducted with B.C. residents considering buying a newer home (less than 10 years old) in the province built under the *Homeowner Protection Act* in the next year or so. The survey responses were collected between October 15, 2018 and November 2, 2018. For survey waves between 2010 and 2018, a general access online panel survey was administered. Between 2008 and 2006 a combination of telephone and web surveys were conducted, while between 2002 and 2004, surveys were conducted solely by telephone interviews.

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

Further information on survey methodology is provided in Appendix 1.

Survey Results

Prospective New Home Buyers - Profile¹⁸

Across the survey respondents, approximately 1 in 2 (53%) were between 18 and 34 years old. Roughly 1 in 5 (21%) were between 35-44 years old and 1 in 4 (26%) were over the age of 45 years old. This age distribution is relatively consistent with the age breakdown of survey respondents in the 2016 Prospective New Home Buyers Survey.

Figure 50: Age Distribution of Prospective New Home Buyers, 2018

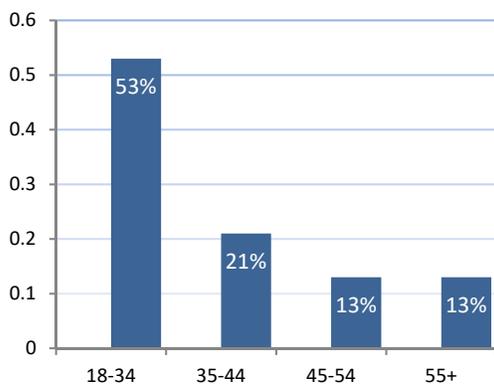
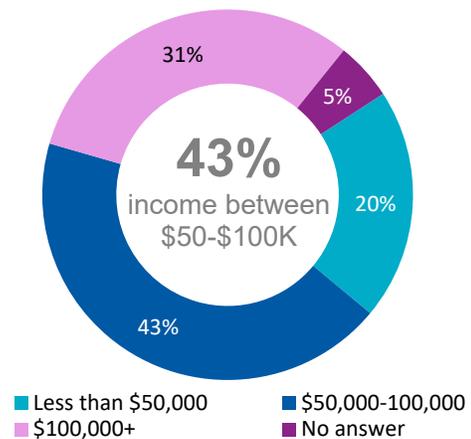


Figure 51: Household Income Distribution of Prospective New Home Buyers, 2018

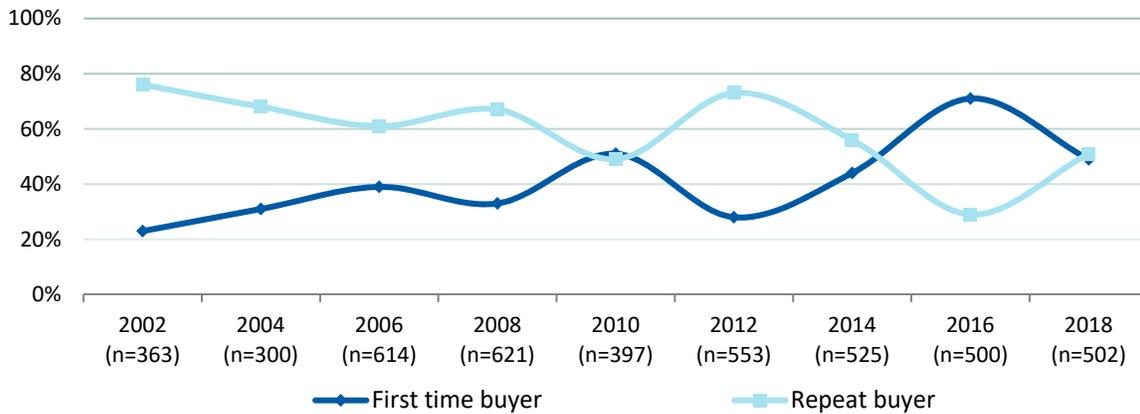


¹⁸ BC residents considering buying a newer home in BC built under the *Homeowner Protection Act* (i.e. less than 10 years old) in the next year or so.

Approximately 2 out of 5 (43%) of prospective new home buyers reported a household income between \$50,000 and \$100,000. This proportion is consistent with 2016 survey respondents. Since 2016, there has been an increase in the proportion of survey respondents with more than \$100,000 per year in household income (31% versus 19% in 2016). There has also been a decrease in respondents reporting household incomes of less than \$50,000 per year (20% versus 28% in 2016) and a decrease in the proportion of respondents refusing to answer this question from 10% in 2016 to 5% in 2018.

Across the 2018 survey respondents, approximately half (49%) were first-time home buyers and half (51%) were repeat buyers. As illustrated in the figure below, first-time home buyers comprise a smaller proportion of survey respondents relative to 2016 when 71% were first-time home buyers. This ratio has fluctuated since the Prospective Homeowners Survey started in 2002.

Figure 52: First-Time Home Buyers and Repeat Home Buyers, 2018



Among prospective new home owners, more than 1 in 2 (54%) already owned a home in 2018, which is much higher than the proportion (14%) in 2016. The largest proportion (45%) lived in single detached homes, while approximately 1 in 3 (33%) lived in condominiums and 1 in 5 (20%) lived in a townhouse or duplex.

Figure 53: Current Home Ownership Among Prospective New Home Buyers, 2018

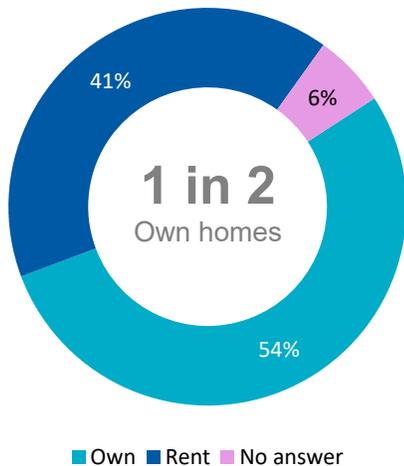
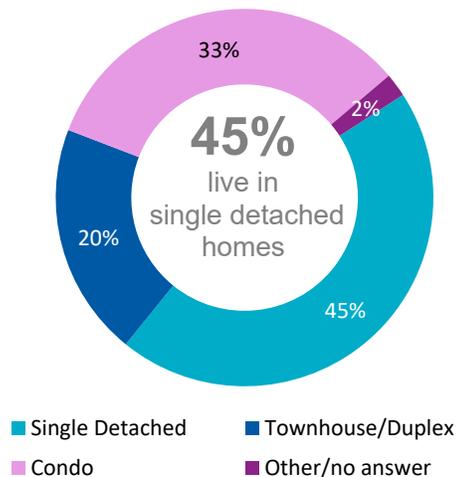


Figure 54: Types of Homes Prospective New Home Buyers Live In, 2018

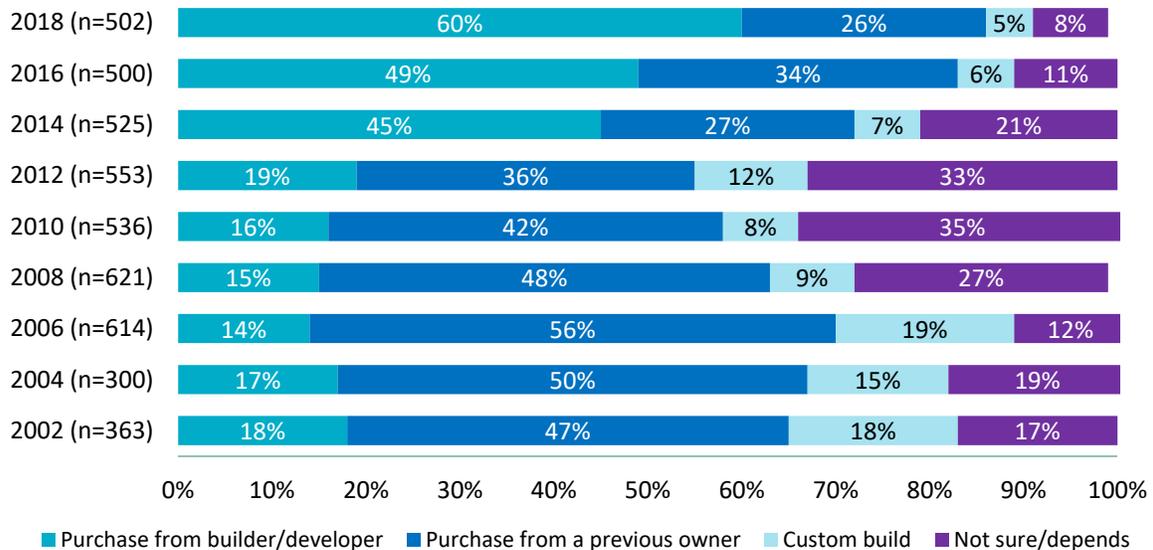


Prospective New Home Buyers - Purchase Plan

Approximately 2 out of 3 (60%) prospective new home buyers reported plans to purchase directly from a developer either before or after construction has finished. As illustrated in the figure below, this proportion has been growing since the survey began in 2002. In total, 27% planned to purchase from a developer before the home is finished, 1 in 3 (33%) planned to purchase from a developer after the home is built, 1 in 4 (26%) planned to purchase from a previous owner and 5% planned to custom build their home.

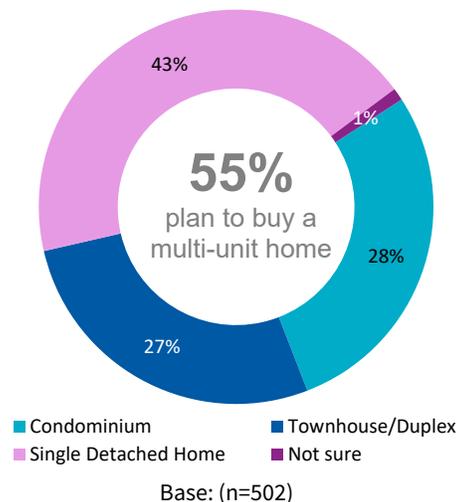
Those who were likely to purchase a home before it is finished were more likely to be thinking of buying a multi-unit home (36% multi-unit versus 30% single detached) and were more likely to reside in Vancouver (30% in Metro Vancouver relative to 22% in other parts of B.C.).

Figure 55: Trends in the Type of Purchase Prospective Home Buyers Are Most Likely to Make (2002-2018)



Single detached homes (43%) remained the most common dwelling prospective new home buyers intended to buy (or build) in 2018, followed by condominiums (28%) and townhouses or duplexes (27%). Between 2016 and 2018, the proportion of respondents intending to buy different dwelling types remained consistent, with a slight decrease in the intention to buy or build a single detached home (from 45% to 43%), a slight decrease in the intention to buy a condominium unit (from 31% to 28%), and an increase in the proportion intending to buy a townhouse or duplex (from 22% to 27%).

Figure 56: Dwelling Type Most Likely to Buy or Build, 2018



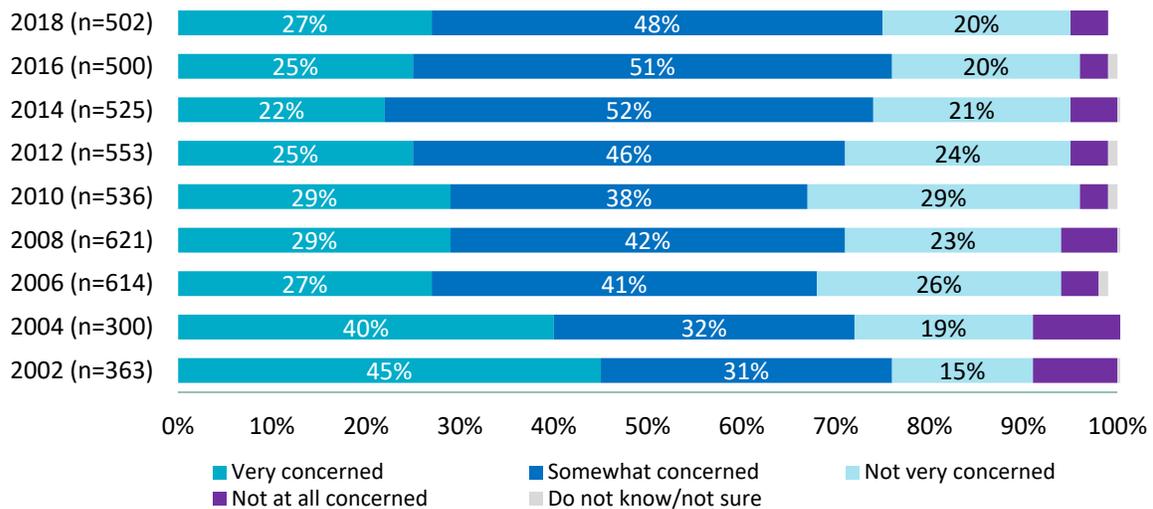
Other survey findings include:

- **Prospective Homeowners by Region** - Prospective home buyers in Metro Vancouver were more likely to intend to purchase a condominium or townhouse/duplex (67% versus 55% overall), whereas prospective home buyers living in another area of B.C. were more likely to buy or build a single detached home (57% versus 43% overall).
- **Prospective First-Time Home Buyers vs. Prospective Repeat Home Buyers** - First-time prospective home buyers were nearly equally likely to predict they will buy a single detached home (37%), versus a townhouse/duplex (32%) or a condo (30%). In contrast, repeat home buyers were more likely to plan to build or buy a single detached home (49% versus 37% of first-time buyers).

Prospective Home Buyers - Level of Concern Regarding Building Construction

In 2018, 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 2018 (27%) compared to 2002 (45%).

Figure 57: Level of Concern Regarding Building Construction, 2002-2018



Other survey findings include:

- **Prospective Homeowners by Region** - Prospective home buyers from Metro Vancouver were more likely to be concerned that there might be problems with building construction (81% compared to 68% in other areas of B.C.).
- **Prospective Homeowners by Building Type** - Prospective home buyers who plan to purchase a multi-unit home were more likely to be concerned about problems with building construction (80% versus 69% who plan to purchase a single detached home).
- **Prospective Homeowners by Type** - First-time buyers (82%) were more likely to be concerned than repeat buyers (70%) about problems with building construction.

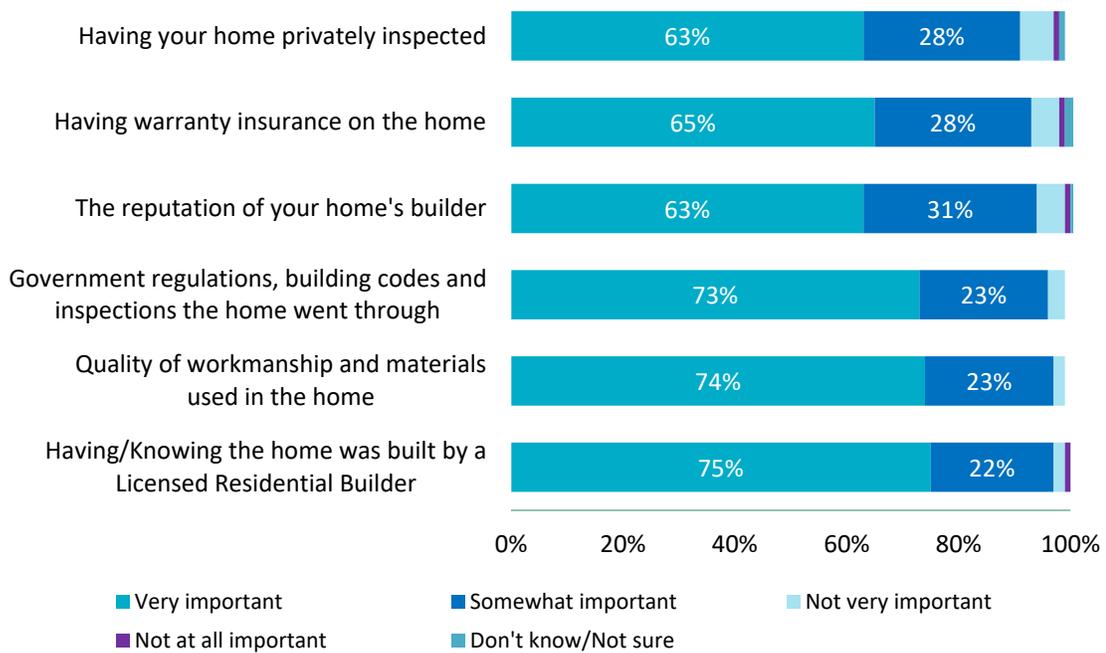
Prospective New Home Buyers - Perspective on the Level of Importance of Different Factors When Purchasing/Building a Home

Respondents were asked to indicate how important six different factors were when purchasing a home. All factors presented were considered somewhat or very important when buying or building a home by over 90% of respondents. The following two factors were considered important by 97% of respondents: knowing that the home was built by a Licensed Residential Builder and the quality of workmanship and materials used in the home. A total of 96% of respondents indicated that government regulations, building codes and inspections were important. Similarly, 94% indicated that the reputation of the home’s builder was important, 93% considered home warranty insurance to be important and 92% reported having the home privately inspected to be important.

Other survey findings include:

- **Prospective Homeowners by Type:** Relative to first-time home buyers, repeat home buyers placed greater importance on knowing the home was built by a licensed residential builder (79% versus 71% rating very important), the reputation of the home’s builder (68% versus 59% rating very important), and having the home privately inspected (66% versus 61% rating very important).
- **Prospective Homeowners by Income:** Lower income households (<\$50K) were more likely to consider having warranty insurance on the home to be very important (73% versus 65% overall).
- **Prospective Homeowners by Age:** Older prospective home buyers (age 55+) were more likely to rank all 6 factors as “very important.”

Figure 58: Importance of Factors in Buying or Building a New Home, 2018



Trends in “very important” ratings:

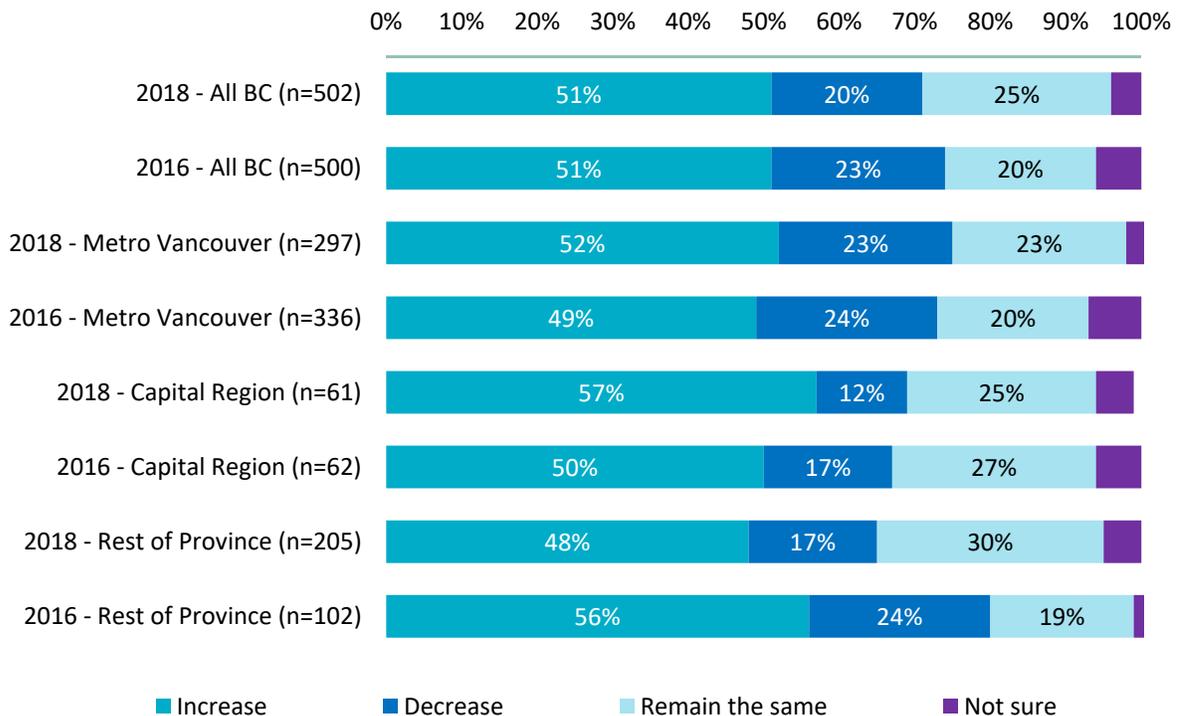
- In 2018, a greater proportion of prospective home buyers considered having/knowing your home was built by a licensed residential builder to be very important (75% versus 74% in 2016 and 71% in 2014).
- The proportion rating the quality of workmanship and materials used in the home as very important has trended down from 87% in 2012 to 74% in 2018. Similarly, the proportion reporting having warranty insurance on your home to be very important has trended downward from 80% in 2010 to 65% in 2018. In addition, the proportion reporting having your home privately inspected has trended down from 78% in 2010 to 63% in 2018.

Prospective New Home Buyers - Confidence in the Housing Market

Housing Prices

In both 2016 and 2018, 1 in 2 (51%) of prospective homebuyers expected housing prices to increase in their community over the next 12 months. However, a growing proportion anticipated that housing prices will remain the same (1 in 4 in 2018 versus 1 in 5 in 2016). Prospective homebuyers aged 18 to 34 were most likely to think that housing prices will increase in the next year (57% versus 51% overall). Those who were the most likely to think that housing prices will decrease over the next year include those planning to custom build their home (30%), those aged 45 to 54 (29%), and those living in the Fraser Valley (27%).

Figure 59: Prospective New Home Buyers Housing Price Predictions for the Next 12 Months in 2016 & 2018



When comparing the 2016 and 2018 data, average predictions for housing prices have remained relatively consistent in Metro Vancouver with approximately 1 in 2 prospective home buyers anticipating housing prices to increase. In the Capital Regional District, the proportion of prospective housing buyers expecting housing prices to go up increased from 50% to 57% between 2016 and 2018. Across the rest of the province, the proportion expecting housing prices to remain the same increased from 19% to 30%.

Buying and Selling

When asked if it would be a favourable or unfavourable time to buy in their community, 57% thought it was favourable. This increased since 2016 when 43% thought it was a favorable time. Roughly a quarter (26%) thought that it was an unfavorable time to buy and 17% were unsure.

First-time home buyers (62%) and buyers aged 18 to 34 (62%) were more likely to consider it to be a favourable time to buy a home relative to all prospective home buyers (57%). Across all the regions, the majority of prospective homeowners considered it to be a favorable time to buy (60% in CRD, 58% in Metro Vancouver, 56% across the rest of B.C.).

Figure 60: Favourable Time to Buy, 2016 & 2018

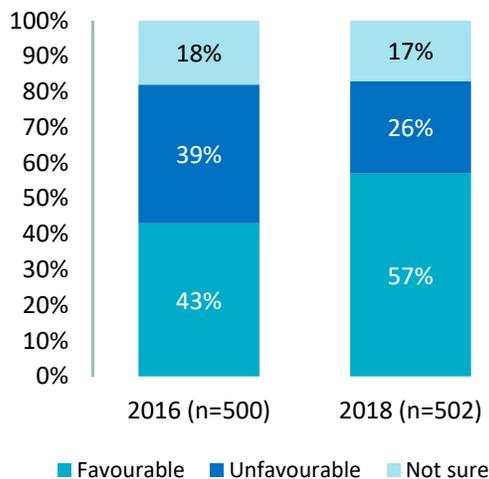
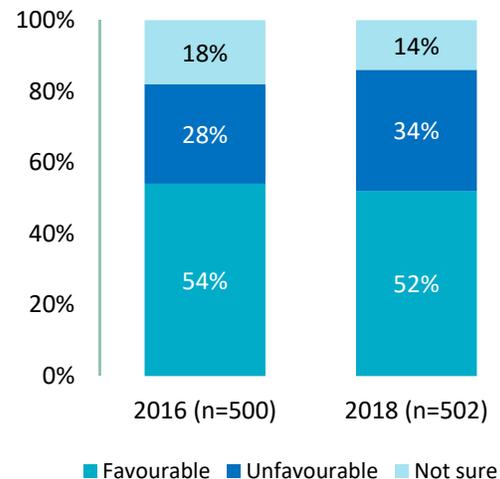


Figure 61: Favourable Time to Sell, 2016 & 2018



When asked if it would be a favourable or unfavourable time to sell in their community, the proportion reporting that it is a favorable time to sell in the remained relatively consistent between 2016 and 2018 (52% in 2018 versus 54% in 2016). However, a slightly higher proportion indicated that they thought it was an unfavorable time to sell (34% in 2018 versus 28% in 2016).

In Metro Vancouver, the proportion of prospective home buyers who thought it was an unfavorable time to sell increased from 27% in 2016 to 37% in 2018. In the Capital Regional District, the proportion of home buyers who thought it was an unfavorable time to sell increased from 14% to 34% between 2016 and 2018.

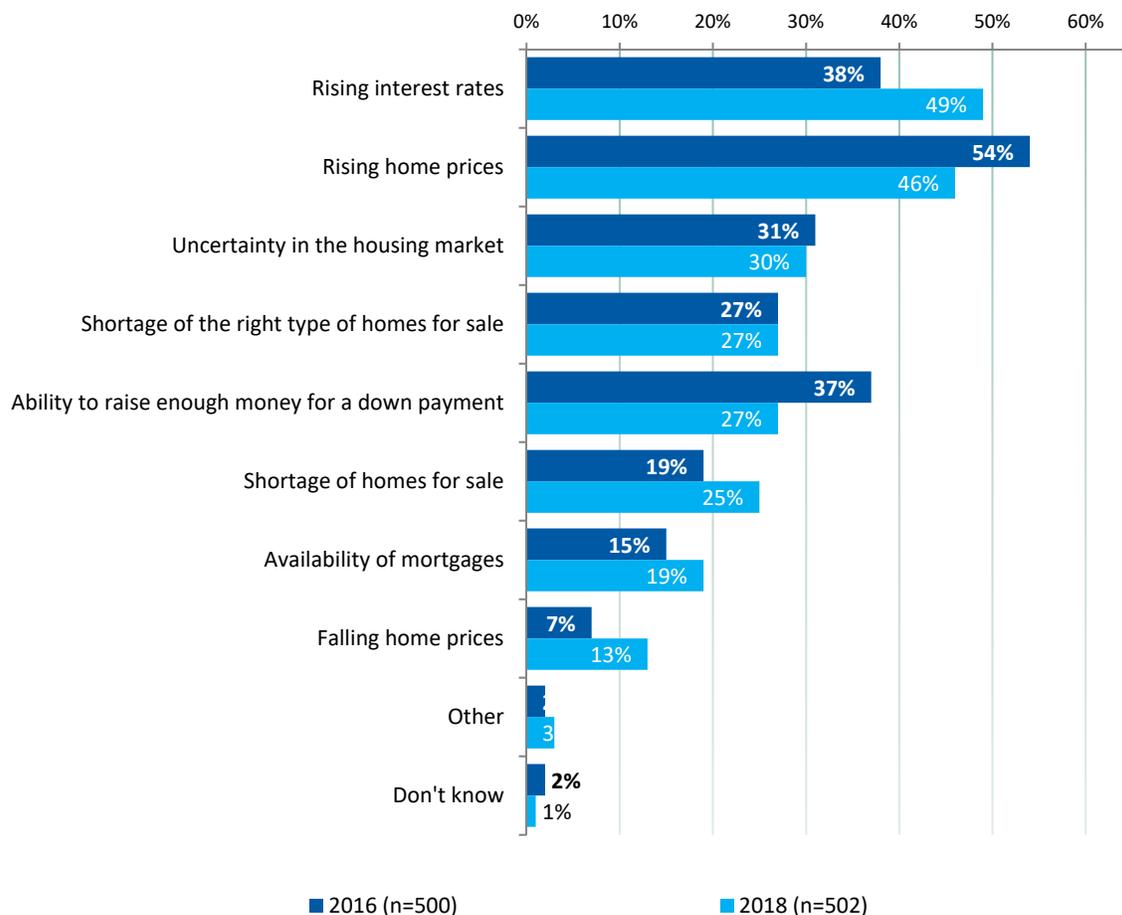
Market Concerns

When asked to identify their biggest concerns with respect to the housing market over the next 12 months, almost half of respondents reported concerns about rising interest rates (49%).

This proportion increased since 2016 when 38% were concerned about rising interest rates.

Rising home prices continued to be a concern for 46% of prospective new home buyers, but rising home prices were less of a concern than they were in 2016 when more than half (54%) were concerned about rising home prices. Other top concerns in 2018 include uncertainty in the housing market (30%), a shortage of the right type of homes for sale (27%). Relative to 2016, prospective home buyers were less concerned about the ability to raise money for a down payment with approximately 27% reporting concerns about raising money for a down payment in 2018 versus 37% in 2016.

Figure 62: Housing Market Concerns for Prospective New Home Buyers in 2016 & 2018



First-time home buyers tended to be more concerned about the following relative to repeat buyers: rising home prices (51% versus 41%), the ability to raise enough money for a down payment (35% versus 20%), the shortage of homes for sale (29% versus 21%). Respondents from Metro Vancouver were more likely to consider “uncertainty in the housing market” to be a major concern (32%) relative to those from the CRD (19%) and to a lesser extent from other parts of B.C. (28%).

Appendix 1: Methodology

NEW HOME REGISTRATION

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

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

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

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

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

The Monthly New Homes Registry Report is available on the BC Housing's Research Centre [website](#). Home registration data are available upon request. Data inquiries should be directed by email to: technicalresearch@bchousing.org.

LICENSED RESIDENTIAL BUILDER SURVEY

The *Licensed Residential Builder Survey* is a province-wide quantitative survey covering the typical builder¹⁹ 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 2018. For the 2018 survey, a list of 7,815 builders in B.C. was provided. Email invitations to the survey were sent out to 5,758 builders who were in good standing and did not have an expired, suspended or cancelled license. A total of 1,206 surveys were completed online by the builders, representing a response rate of 20.9%.

Several measures were taken to improve the response to the survey:

- Three reminder emails were sent: (1) on September 24, 2018, (2) on October 9, 2018 and (3) on October 24, 2018 to those builders who had not yet completed the survey at the stated dates.
- Reminder telephone calls were made from October 1 to 5, 2018 to those builders who had not yet completed the survey. There were 4 builders who elected to complete the survey over the telephone with an interviewer at that time.

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

Sample Surveyed and After Weighting		
	Sample Surveyed	Sample After Weighting
Region		
MV/FV/SC to Whistler	701	836
Vancouver	245	182
Island/Gulf Islands		
Okanagan	166	118
Kootenays	48	40
Central and Northern B.C.	46	30
Homes Built or Started in Past Year		
<6 units	965	1132
6 to 20 units	176	32
21 to 50 units	22	17
51+ units	43	25

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

Survey Margins of Error	
	Margins of Error (95% confidence)
Total	+/-3%
Metro Van/Fraser Valley/Sunshine Coast to Whistler	+/-4%
Vancouver Island/Gulf Islands	+/-6%
Okanagan	+/-8%
Kootenays	+/-14%
Central/Northern B.C.	+/-14%

¹⁹ Includes licensed developers, custom-home builders, general contractors, building envelope renovators, project/construction managers, and others.

CURRENT NEW HOMEOWNERS SURVEY

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

Historically for this survey, telephone numbers (landlines) were matched to address listings provided by BC Housing. However, the dwindling presence of landlines and the low success rate in matching landlines to addresses (typically 40% or less) meant the historical methodology was no longer sustainable. In 2014, the survey was changed to a mixed-mode design (mail-to-online and phone) with the aim of obtaining a more representative sample of homeowners. The lack of an incentive hindered 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 and 2018. Both survey methods included incentives to respond for survey recipients.

For the mail-to-online methodology, a total of 5,200 notification letters were mailed on October 12th, 2018 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 5, 2018. A total of 414 surveys were received, representing a response rate of 8%.

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

Sample Surveyed and After Weighting

	Sample Surveyed	Sample After Weighting
Metro Van –single detached	97	61
Metro Van –multi unit	127	205
CRD–single detached	31	11
CRD–multi unit	11	19
Rest of B.C. –single detached	118	60
Rest of B.C. –multi unit	30	57

At the 95% level of confidence, the maximum margins of error on the total sample of 414 is +/-5% and for the sub-samples of 200 are +/-7%.

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

PROSPECTIVE NEW HOME BUYERS SURVEY

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

A total of 502 online surveys were conducted with B.C. residents considering buying a newer home in B.C. built under the *Homeowner Protection Act* (i.e. less than 10 years old) in the next year or so. A general access online panel survey was administered for the 2018, 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 2018 survey, online interviewing was conducted between October 15 and November 2nd, 2018.

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

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

Region	% of Prospective Buyers
Metro Vancouver	58%
Capital Regional District	10%
Rest of B.C.	32%

At the 95% level of confidence, the maximum margins of error on the total sample of 502 is +/-4%. When comparing total findings from 2018 against 2016, 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.

Region	% of Prospective Buyers
2018 (502) vs 2016 (500)	+/-6%
1st time homebuyer (214) vs repeat (288)	+/-9%
Single (212) vs Multi (282)	+/-9%
Spec/strata home (423) vs Custom-built home(31)	+/-18%
Metro Van/Fraser Valley (297) vs Other (205)	+/-9%

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 and who pass an examination may obtain an Owner Builder Authorization and be exempt from licensing and home warranty insurance requirements.	No
Enrolled Multi-Unit Home	Registered new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance. Does not include purpose-built rentals.	Yes
Purpose-built Rental	New homes in multi-unit buildings that qualify for the rental exemption from home warranty insurance. Homes constructed under a rental exemption must be constructed for rental purposes, including social housing, and have a restrictive covenant registered on title restricting the sale of any dwelling unit for a 10-year period.	No