

2017

CANADIAN HOME BUYER PREFERENCE NATIONAL STUDY



*Conducted and Produced by Avid Ratings Canada
in partnership with the Canadian Home Builders' Association*

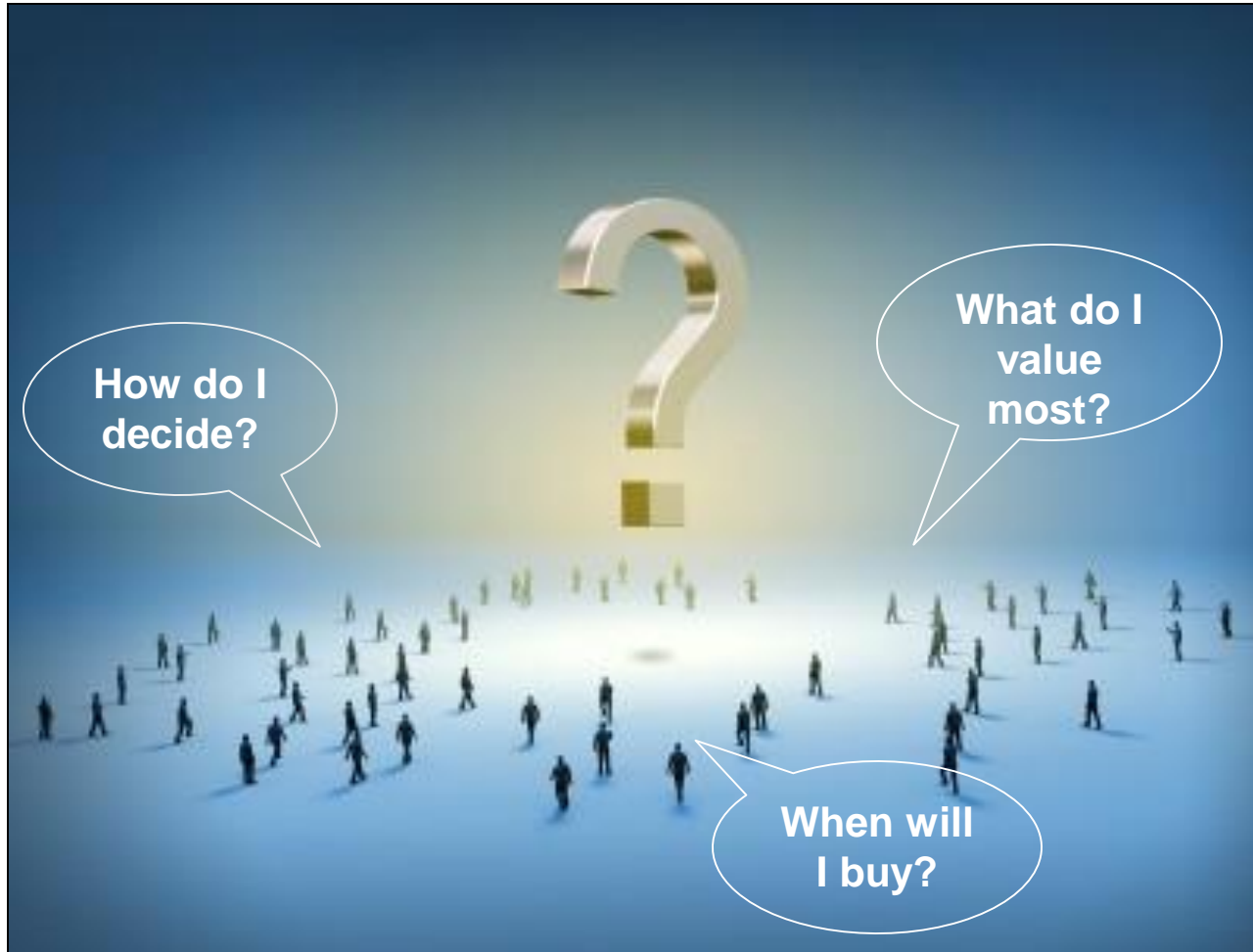
Canadian
Home Builders'
Association



Challenge – How to meet the objectives of today's home buyers?



Solution - Home buyer research for data-driven decisions



Year Three of this Landmark Study

CHBA Home Buyer Preference Study

- ❖ Nearly 22,000 recent new home buyers surveyed across Canada
- ❖ 12.7% Response Rate for 2017 Study
- ❖ Results by Province (6 provinces participated)
- ❖ Segmentation of data available by:
 - ✓ Location
 - ✓ Buyer Type
 - ✓ Age Group
 - ✓ Home Type
 - ✓ Price



Year Three of this Landmark Study

CHBA Home Buyer Preference Study

❖ Detailed data collected on:

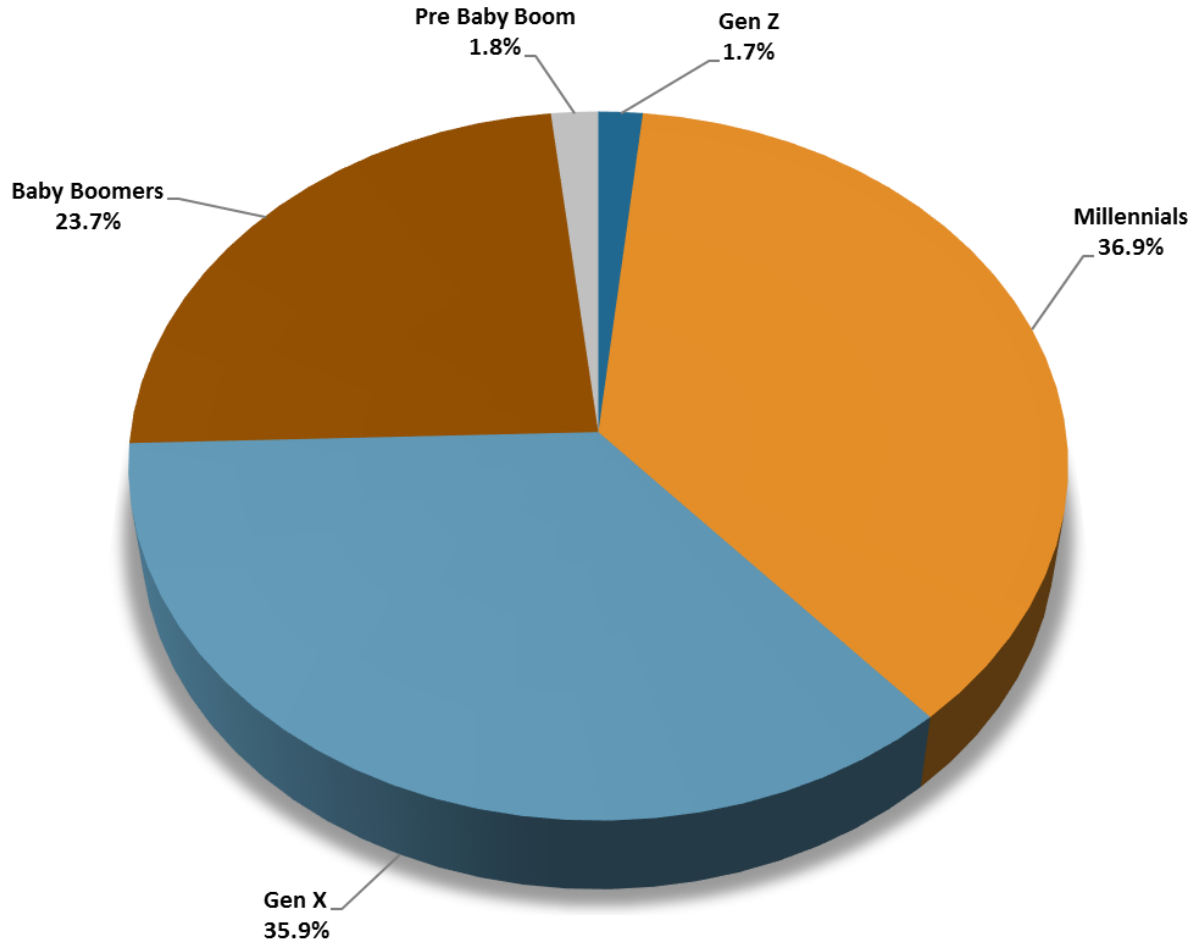
- Marketing resources used in decision-making process
 - ✓ Initial resources used to find a builder
 - ✓ Resources used in final decision making
- Home features
 - ✓ Interior features
 - ✓ Exterior features
 - ✓ Building amenities
 - ✓ Community features
- Energy efficiency, construction methods & materials



Buyer Profile – Age Cohorts

The demographic details of the respondents.

Generations



- **37% Generation Y (Millennials)**
- 36% Generation X
- 24% Baby Boomers
- Pre-Boomers & Generation Z make up the balance

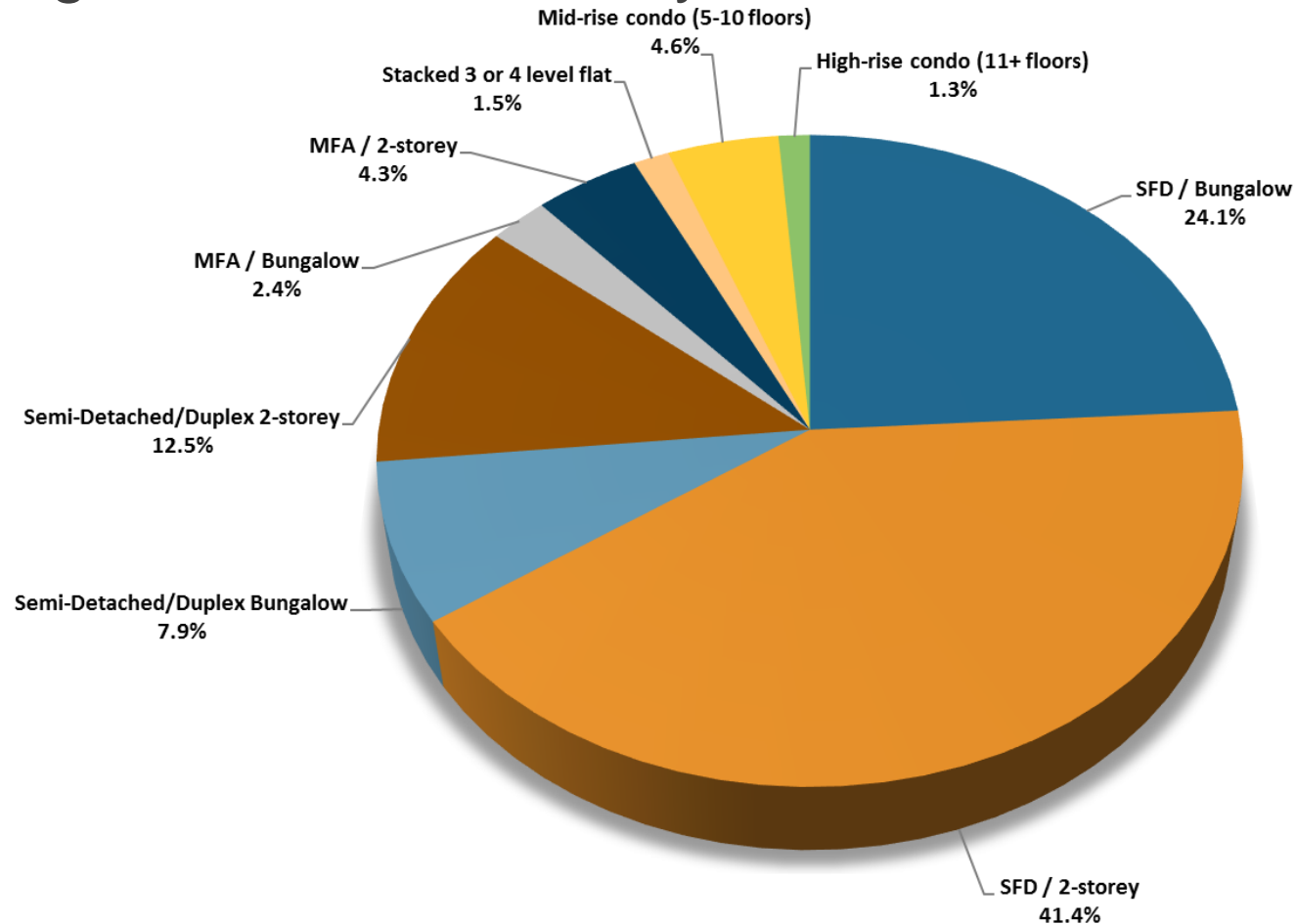
Millennial Home Buyers

- ❖ Approximately 30% of Canada's population (8 million people) are Millennials
- ❖ Millennials will make up nearly 75% of the labour force in next 10 years
- ❖ Most culturally diverse generation in Canadian history
- ❖ The majority of Millennials want to own a home
- ❖ Not all Millennials want to live in the city



Buyer Profile

41% of respondents would prefer a single-detached 2-storey home for their next house.



24% a single-detached bungalow and 13% prefer a semi-detached/duplex 2-storey.

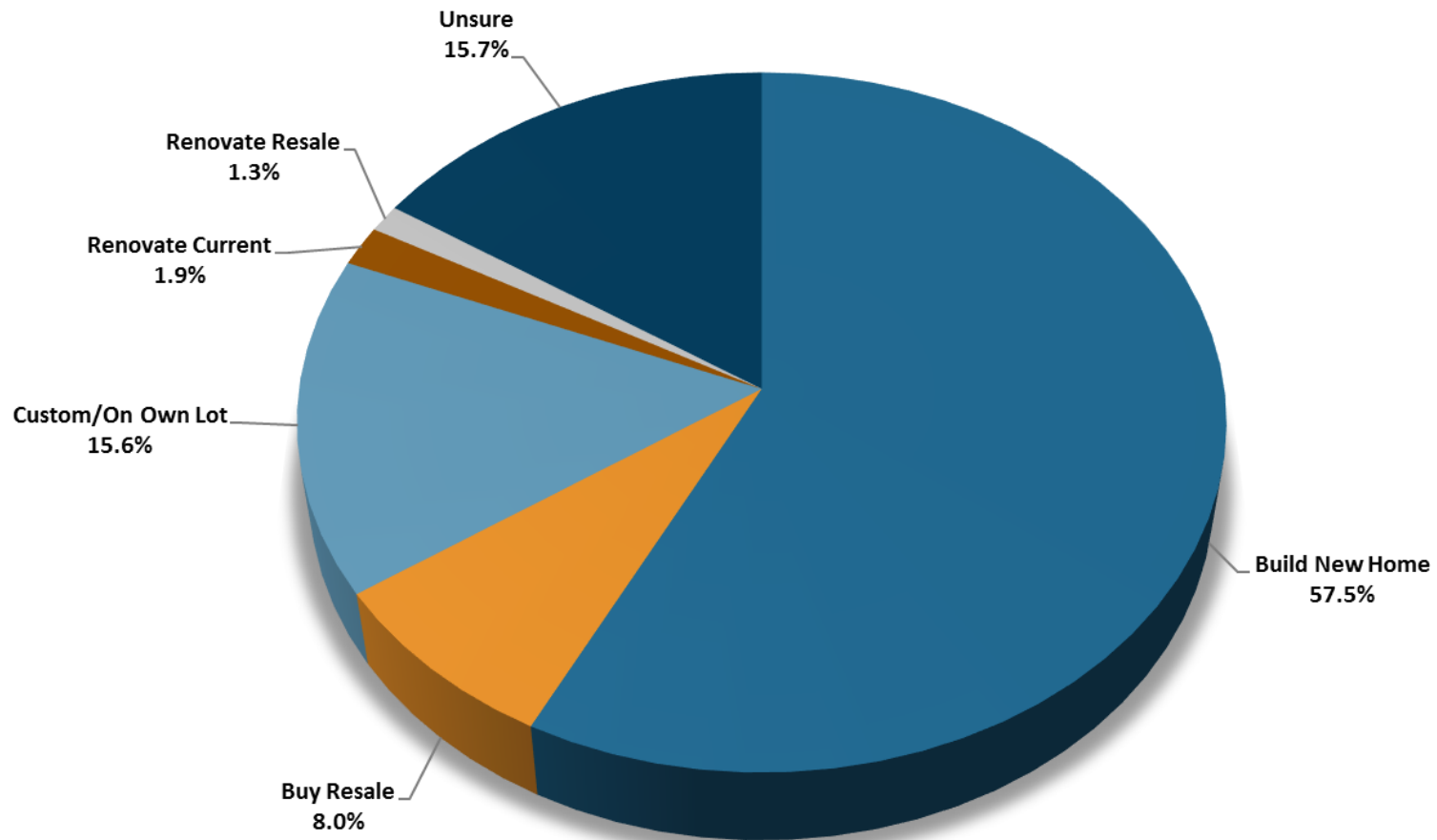
Product-Market Fit Discrepancy?



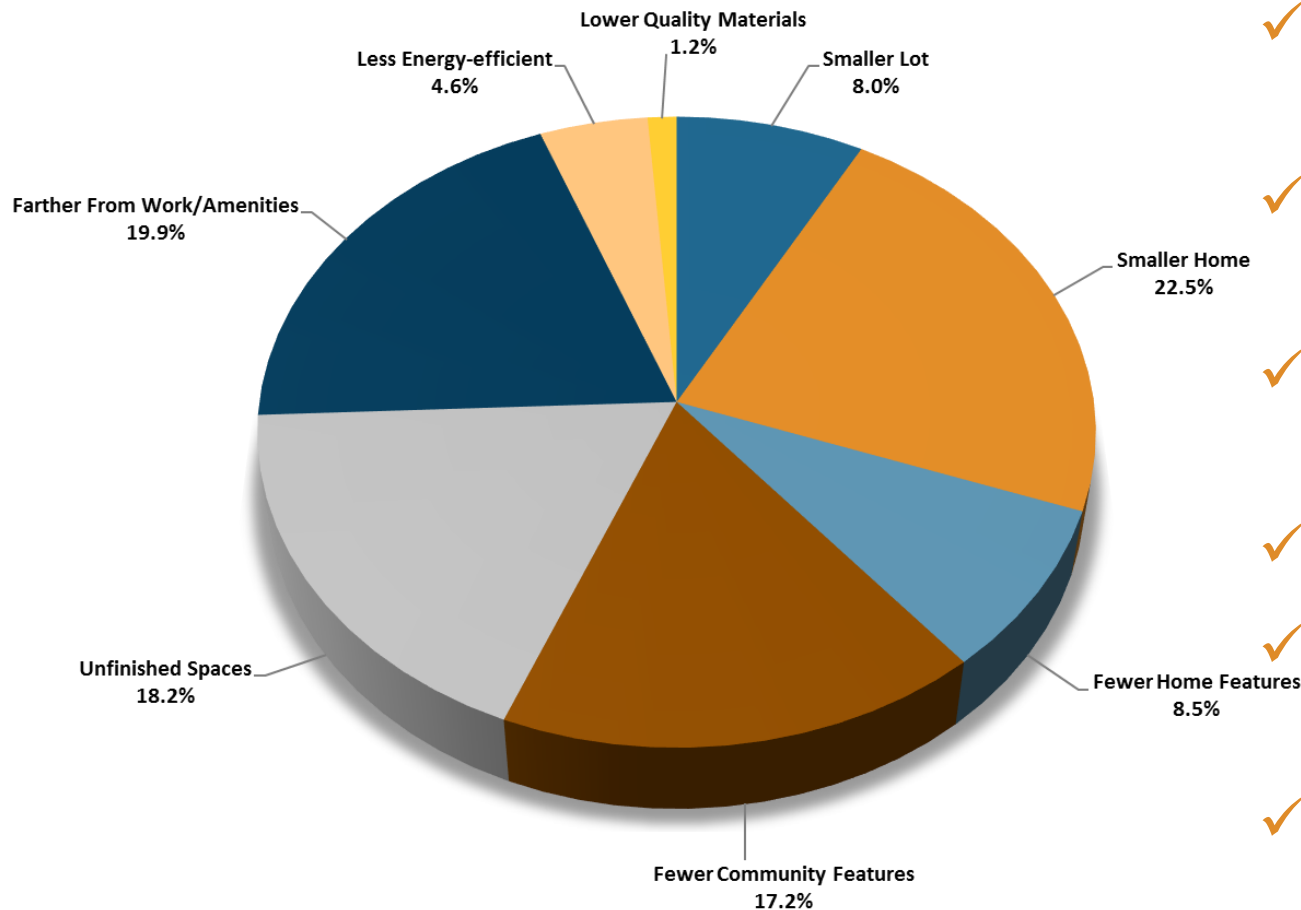
The desire for a single-family home (2-storey & bungalow combined) has increased from 55.7% of respondents in Year One to 65.5% in 2017.

Buyer Profile

73% of respondents would prefer a brand new house from a builder for their next house (including Custom)



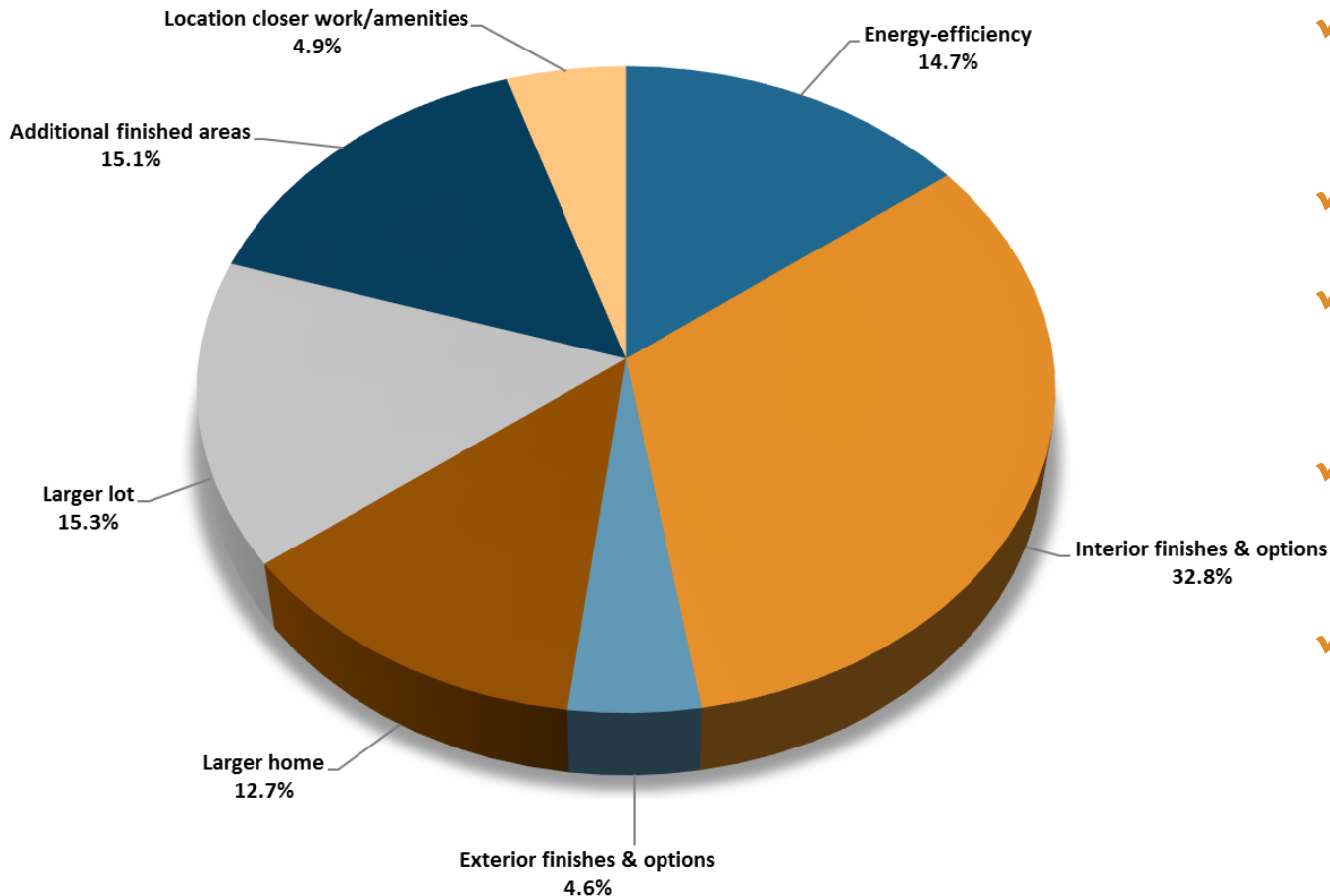
What are respondents most willing to accept to make their next home more affordable?



- ✓ Smaller home 23%
- ✓ Location farther from work/amenities 20%
- ✓ Unfinished spaces 18%
- ✓ Fewer community features 17%
- ✓ Smaller lot 8%
- ✓ Fewer home features 9%
- ✓ **Not lower quality or less energy-efficiency**

Buyer Profile

If you had an extra \$10,000 to spend on one thing in your next home, what would you put it towards?



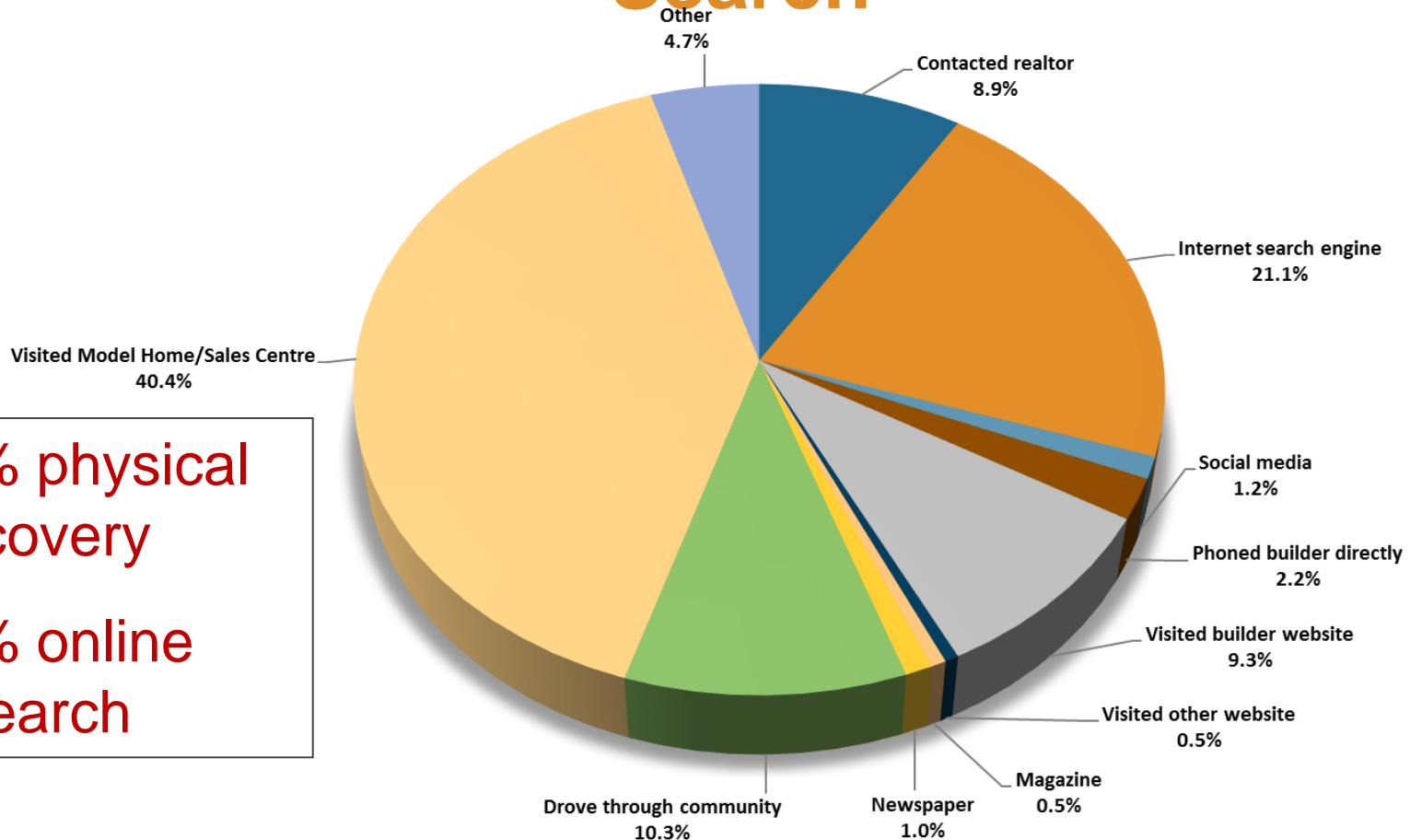
- ✓ Interior finishes 33%
- ✓ Larger lot 15%
- ✓ Finished areas 15%
- ✓ Energy-efficiency 15%
- ✓ Larger home 13%

What resources do today's home buyers use...



...when researching a home purchase?

First Resource Used For Home Builder Search



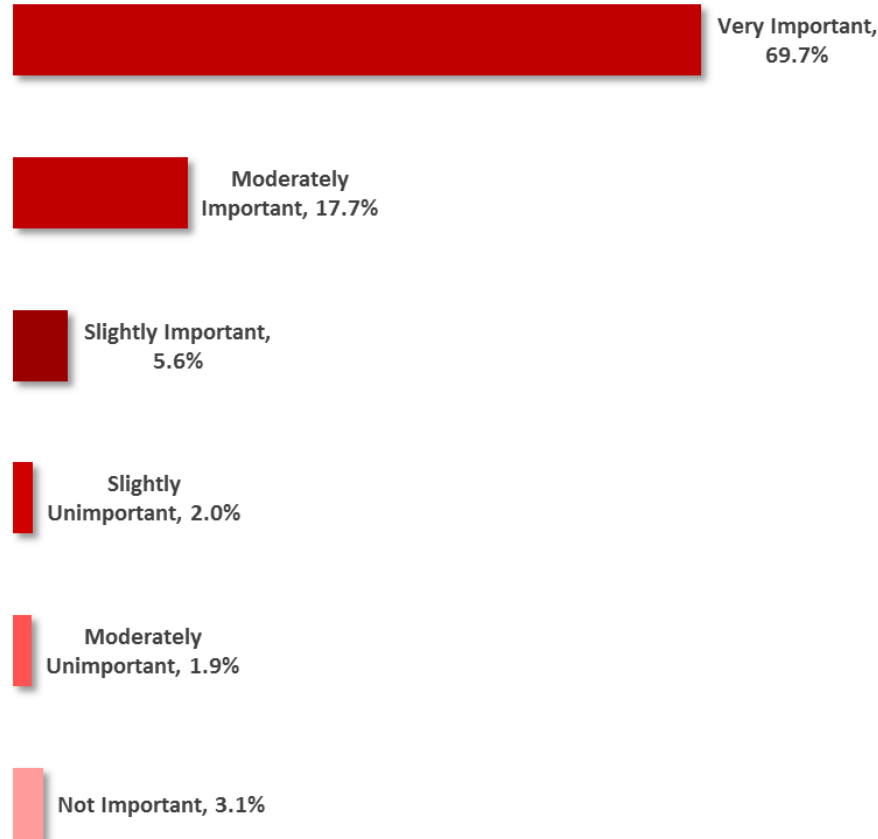
51% physical
discovery

32% online
research

The initial home search is a 2-step process, combining both “discovery” and “research.”

Marketing

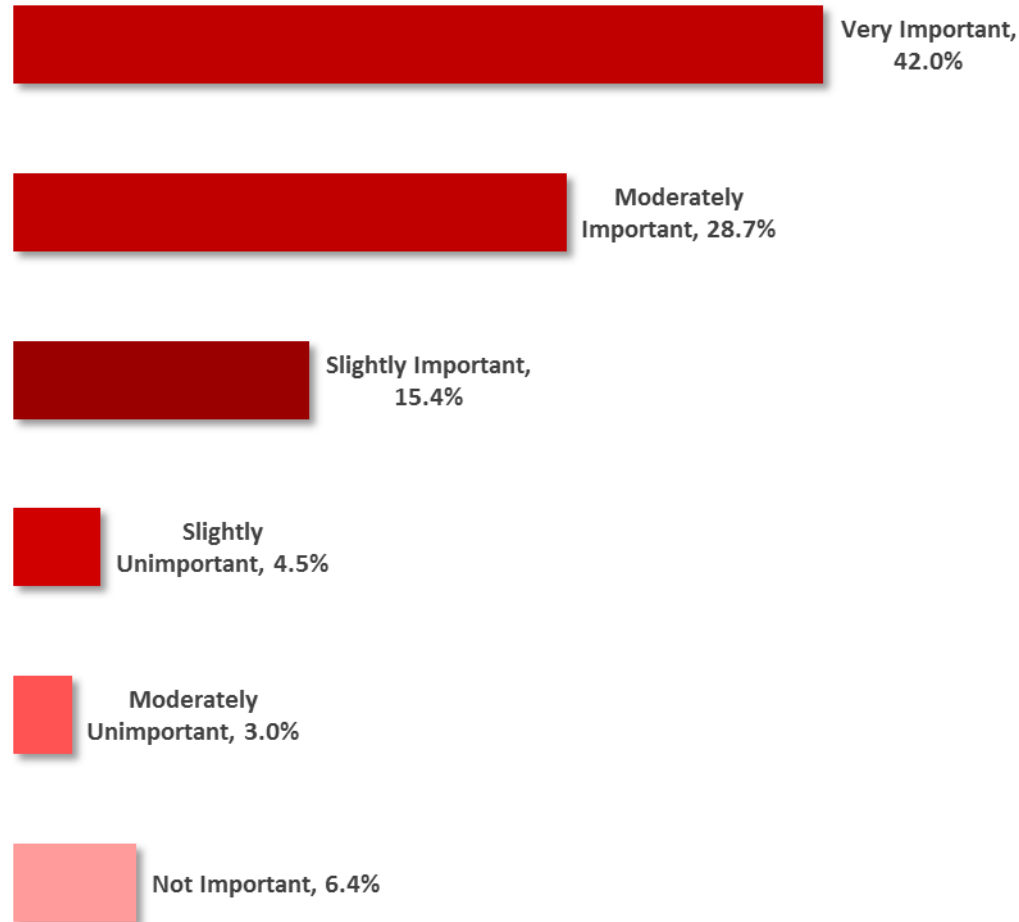
How important are model homes in a buyer's final decision-making process?



93% of respondents find them important.

Marketing

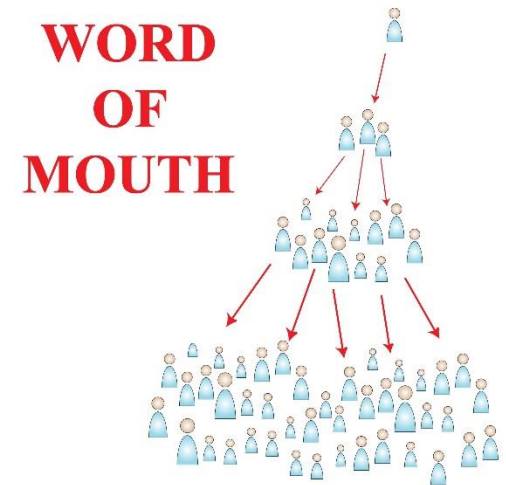
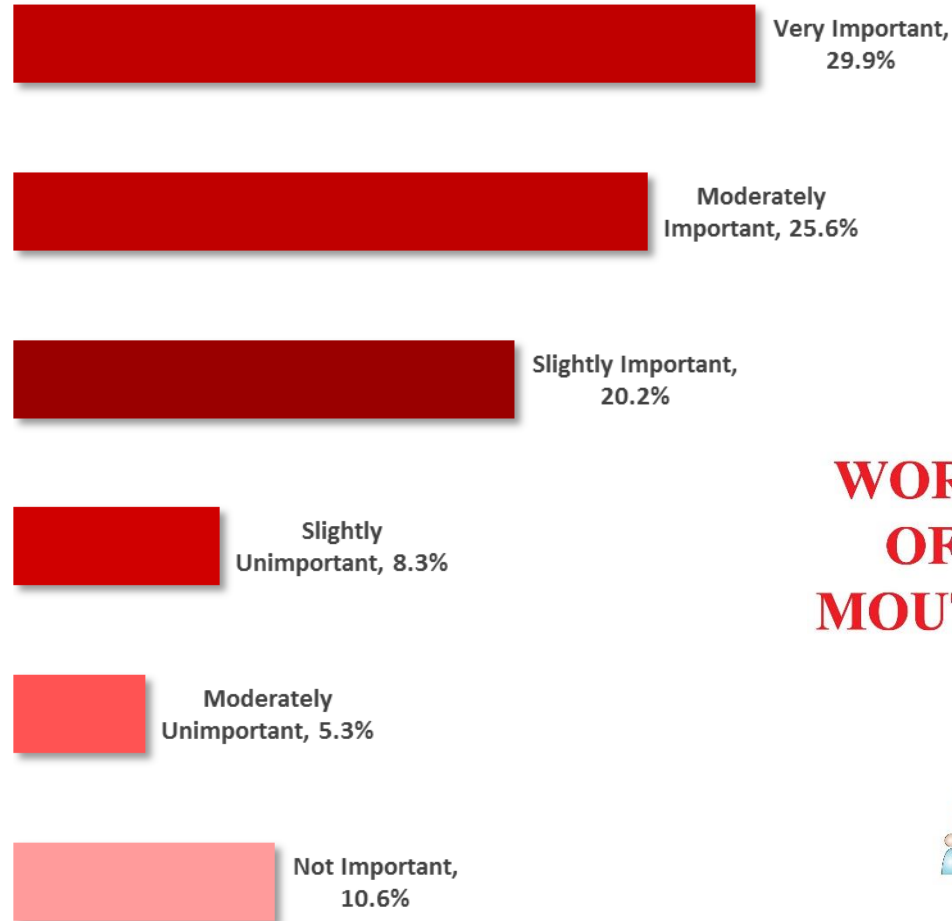
How important is the Internet as a resource in finding a builder?



86% of respondents find it important.

Marketing

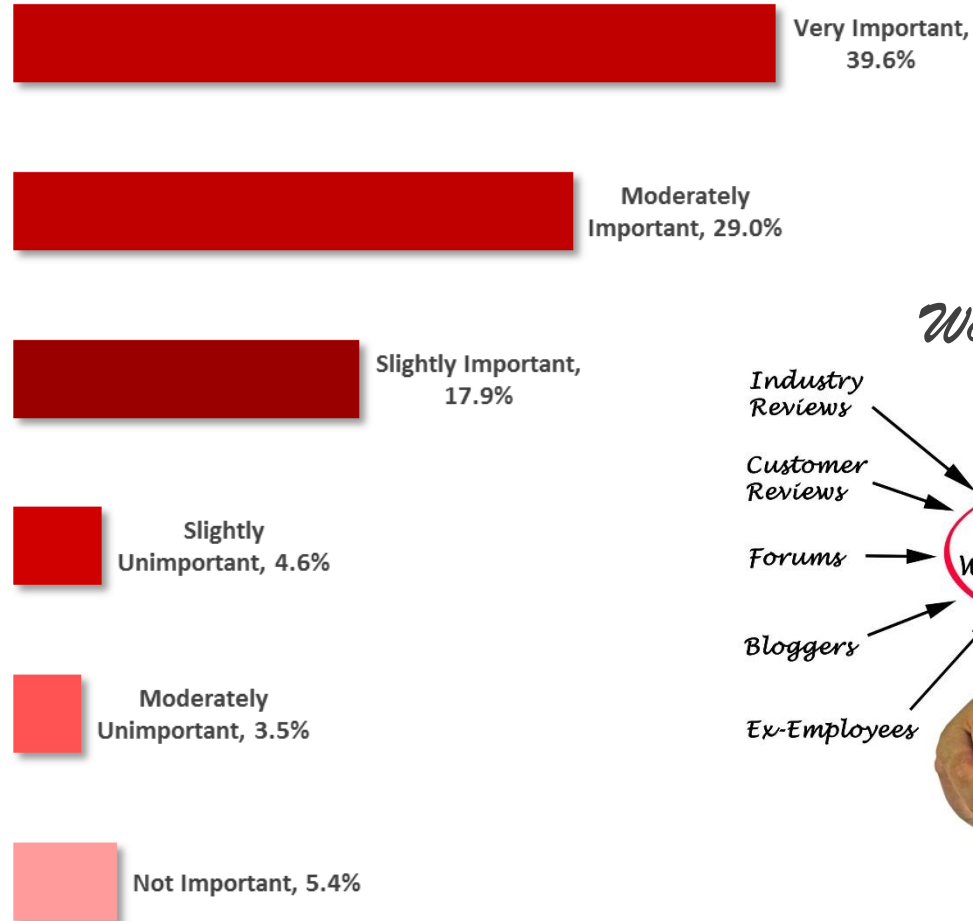
Are referrals important in the decision-making process?



They are to 76% of home buyers.

Marketing

Are online customer reviews important to home buyers?



87% of respondents find them important in their decision making process.

Overall Home Design Preferences



Top 10 “Must Have” Home Features Overall

1. Walk-in closets
2. Energy-efficient appliances
3. High-efficiency windows
4. Linen closets
5. Overall energy-efficient home
6. Kitchen islands
7. Open concept kitchens
8. Large windows
9. 2-Car garage
10. HRV-ERV Air Exchange



Three Recurring Themes in Top 10 List

1. Seeking storage

- Walk-in closets, linen closets, 2-car garage

2. Kitchen is key

- Open-concept kitchens, kitchen islands

3. Energy-efficiency is essential

- Energy-efficient appliances, high-efficiency windows, overall energy-efficient home, HRV-ERV Air Exchange



Trend Changes in the Kitchen

1. Quartz countertops now rank higher than granite.
2. Laminate tops rate low and trending downwards.
3. Walk-in pantry still a “really want” item but trending lower.



Trend Changes in the Master and Ensuite

1. Tubs trend lower (soaker tubs less than whirlpools).
2. Walk-in showers maintain popularity.
3. Double sinks in ensuite trending up.
4. Main-floor master suite trending up slightly.
5. 2nd Master suite trending up (but still marginal in importance).



Exterior Features and Plan Design

1. Brick exterior is trending upwards significantly.
2. Vinyl siding is on a downward trend.
3. Outdoor lifestyle items on an upwards trend (outdoor living area, covered patio).
 - Privacy fence is still highest rated for outdoor living.
4. Single car garage trending up (but still very rating low).



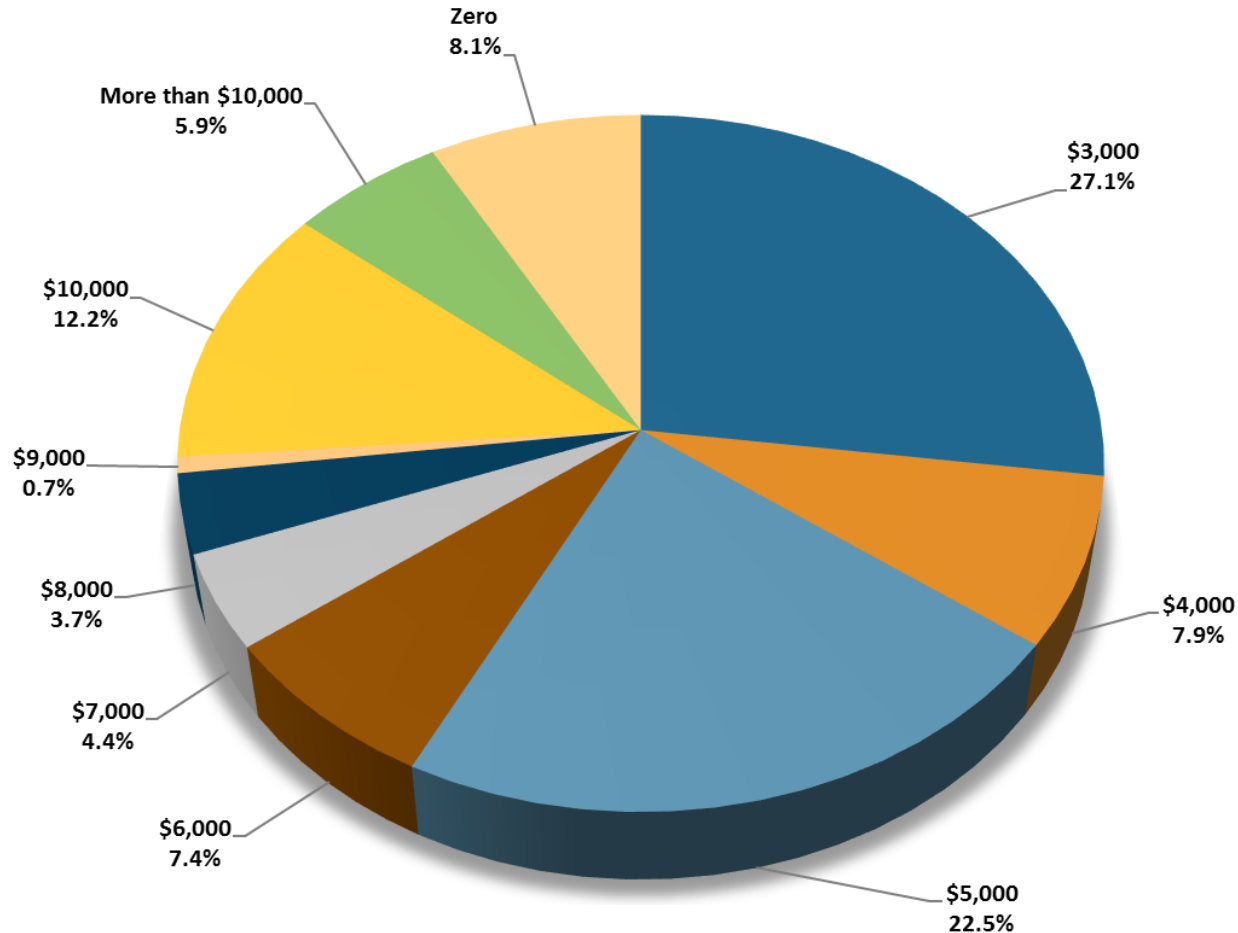
Energy-efficiency Trends & Observations

1. Four items in “Top 10 List” relate to energy-efficiency.
2. LED lighting is on a steep trend upwards.
3. Solar power generation is still low but on an upwards trend.
4. Certification by a “designated program” (e.g. ENERGY STAR®) is a “must have” to 52% of respondents **(79% “must have” or “really want”)**.



Energy-Efficiency – Dollars & “Sense”

Willing to Spend on Next Home to Save \$1,200 per Year on Utilities



58% would invest \$3,000 to \$5,000 extra.

18% would invest \$10,000 or more. Only 8% would invest nothing.

Less-Valued Home Features

1. No garage/open parking
2. Laminate countertops
3. Four-car garage or more
4. Vinyl siding (and fibre cement board)
5. One car garage
6. Certain cabinet materials (pine, thermofoil/acrylic)
7. Small-scale wind power
8. Home workshop (and hobby/game room)
9. Ensuite whirlpool tub
10. Acrylic countertops

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Mid-Rise/High-Rise Trends & Observations

1. Highest rated features remain unchanged from last year
 - 1) 24-Hour Security
 - 2) Wireless Internet
 - 3) Health Club/Gym
2. Swimming pool is on a steep upward trend.
3. TV's in elevators and access to car-sharing rate lowest.



Community Trends & Observations

1. Highest rated features unchanged from last year
 - 1) Walking and Cycling Paths
 - 2) Parks and Recreation Centres
 - 3) Overall Community Landscaping
2. Several “proximity” items rate low
 1. Proximity to golf course
 2. Proximity to airport
 3. Proximity to downtown
3. Community pools (public & age-restricted communities) show an upward trend.



How this research study hits “home”...

1. Marketing considerations:

- Engaging today’s consumers in a digital world (online reviews, social media).

2. Affordability considerations:

- “Must Have” features to consumers add costs (quartz counters, brick exteriors, custom walk-in showers, energy-efficiency related items, etc.).

3. Labour-base considerations:

- Can availability of skilled-trades deliver on consumer preferences (e.g. framers and masons in short-supply in some markets).

4. Policy considerations:

- Demand for ground-level housing not matched to supply in some markets (single-family detached preference increased from 55.7% to 65.5% from 2016 to 2017 in this study).



Interested in learning more?



2017 Report is available at www.chba.ca/survey

Purchasers will also receive access to the survey data in Avid Reports software:

- Question Ranking, Frequency Reporting, & more
- User defined/specified data-mining of all survey questions
- Drill-downs by home type, buyer type, age group, price, province
- Participant builders obtain all data from their home buyers complimentary (which can be compared to Industry Averages)

CHBA - Market Study

QUESTION RANKS

Survey Study

CHBA Market Study

CHBA Design Driver

Display Order

Rank by Industry Difference

Divisions

Select/Deselect Divisions

CHBA - Arit Homes

CHBA - B&B Homes

CHBA - Ballantry Homes

CHBA - Bedrock Homes

CHBA - Branthaven Homes

CHBA - Brookfield Res. Calgary MF

Closing Interval

Monthly

Quarterly

Yearly

Start Period

November

Start Year

2012

End Period

October

End Year

2014

Scaled Score [1-100]

Raw Score [1-6 or 1-10]

Update Report

Note: Questions marked with an asterisk (*) are not included in the category score

Export To Excel

Email

Print to PDF

Help

Category	Question	Score	Industry	Delta	Responses	CrossLink
CHBA Design Driver	Decision: Pricing Information	95.7			1556	
CHBA Design Driver	Finding Bldr: Model Homes	93.9			1556	
CHBA Design Driver	Decision: Model Homes	93.8			1550	
CHBA Design Driver	Decision: Floor Plan Drawings	93.0			1557	
CHBA Design Driver	Walk In Closets	91.7			1567	
CHBA Design Driver	Energy Efficient Appliances	90.7			1563	
CHBA Design Driver	Decision: List of Features	90.5			1549	
CHBA Design Driver	Overall Energy Efficient Home	89.7			1528	
CHBA Design Driver	High Efficiency Windows	89.6			1539	
CHBA Design Driver	Kitchen Island	89.4			1556	
CHBA Design Driver	Linen Closets	89.4			1553	
CHBA Design Driver	Decision: Photo Galleries	88.7			1551	
CHBA Design Driver	Kitchen: Open Concept				1563	

Big Data

Get Involved to Grow the Study for 2018

- ❖ Extremely easy to participate
- ❖ Receive your respondents data for free
- ❖ Receive the full study at a 60% discount
- ❖ The more builders that participate, the more the data can be mined by market area



**2017 Report and Registration Link to participate in
2018 Study is available at
www.chba.ca/buyersurvey**