

May 2009

2009 Public Opinion and Outreach Strategy Project – Wave 2



MUSTEL GROUP
MARKET RESEARCH



BRITISH COLUMBIA
REAL ESTATE
ASSOCIATION

➤ Executive Overview

The British Columbia Real Estate Association commissioned Mustel Group to conduct a second survey of British Columbians after the provincial election to track key measures asked in the first survey in January and to further explore various aspects of home ownership and green features. Key findings from this second survey of 600 BC residents include:

- Only one-in-four British Columbians are satisfied with the attention paid to housing issues during the provincial election.
- A total of four-in-ten plan or hope to purchase a home or property within the next five years, with about half of these potential buyers expecting to do so in the next two years. A higher proportion plan to purchase in Metro Vancouver (46%) than outside the city (35%), which may indicate that consumer confidence is now higher in the urban area. In the first survey, the findings did not vary by region.
- Availability of affordable properties continues to be the key barrier to purchase. Other barriers include ability to qualify for a mortgage, adequate income, employment security, and property taxes (with a higher proportion than in the first survey citing property taxes as a barrier).
- For almost one-in-five, the Property Transfer Tax continues to be a major financial barrier to home ownership.
- Almost half (44%) of those aware of the PTT say it is at least 'somewhat' important in their home buying decisions.

➤ Executive Overview (cont'd)

Green Improvements

- Compared to approximately one year ago, half of BC residents are 'more likely' today to make green improvements to their home indicating a strong trend.
- Furthermore, residents have taken a number of measures to make their homes more environmentally friendly with the most common including installation of florescent bulbs and energy efficient appliances.
- The cost, followed by a belief that their home is already energy efficient, are the primary reasons for being less likely than in the past to do green renovations. Among those who believe their home is already efficient, only one-in-six have had an energy audit.
- A total of 17% of home owners report to have had an energy assessment of their home. Again a belief that their home is energy efficient, lack of awareness of assessments (or what they entail), and cost are the key reasons for not having had an energy assessment.
- One-in-five of those who have *not* had an energy assessment claim they are at least 'somewhat' likely to do so in the near future.
- The majority, 65%, claim they would be likely to pay more for an energy efficient home.

➤ Research Objectives and Methodology

The British Columbia Real Estate Association commissioned Mustel Group to conduct two surveys of British Columbians. The first was conducted in January and the second after the provincial election in May to track some of the key measures and add additional ones. This report includes the findings from the second measure.

The primary objectives of this second survey are to determine:

- Real estate purchase plans and barriers to home ownership
- Awareness of the Property Transfer Tax
- Measures taken to make homes more environmentally friendly
- Satisfaction of attention paid to housing issues in provincial election

In each survey, a total of 600 interviews were completed by telephone with a random selection of BC residents, 18 years of age and over. Several steps were taken to insure the final sample would be representative of the population including:

- Random selection of households contacted from an up-to-date database of all BC publish telephone listings;
- Random selection of individual interviewed in the household using the 'next birthday' method;

➤ Research Objectives and Methodology (cont'd)

- Up to 6 attempts to obtain an interview with the selected household/individual to minimize potential bias due to non-response;
- Quotas by area to insure a proportionate representation by population;
- Weighting of the sample to match the latest Statistics Canada Census data on the basis of age within gender.

The margin of error on the total sample is +/-4% at the 95% level of confidence. The margin of error is larger on sub-samples.

Interviewing for the first measure was completed January 22-28, 2009 and the second measure May 28 to June 3, 2009 weekday evenings and during the day on Saturday from Mustel Group's CATI (computer assisted telephone interviewing) centre located in Vancouver. The questionnaire administered for the second survey is appended to the report.



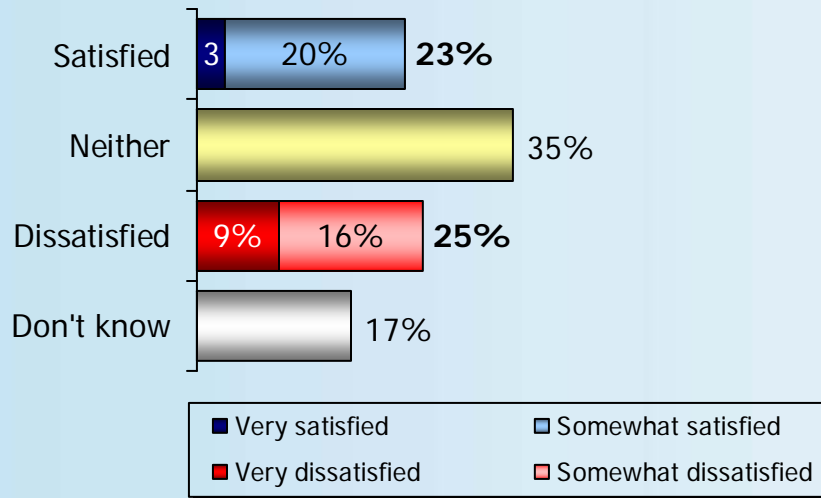
Key Findings



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Satisfaction with Attention to Housing Issues During Provincial Election



Base: May 2009 (n=600)

How satisfied were you with the attention paid to housing issues during the campaign?

- Only one-in-four BC residents report to have been satisfied with the attention paid to housing issues during the recent provincial election.
- The findings are consistent among home owners and renters, as well as among those who plan to buy or sell property in the next five years.

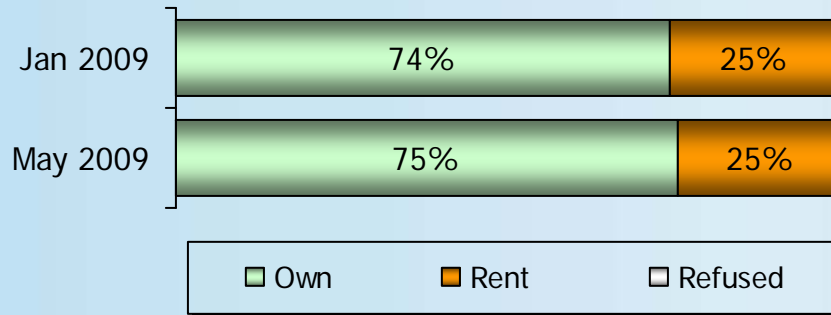
➤ Type of Dwelling of Residence

	<u>Jan 2009</u> (600) %	<u>May 2009</u> (600) %
Single detached family home	63	60
An apartment	19	19
A town home (attached)	8	12
A rural acreage	2	4
Manufactured or mobile home	3	3
A duplex	5	2
A cottage/cabin	1	<1
Other	-	1

What kind of dwelling is this residence?

- As found in the first survey, two-thirds of British Columbians reside in single family detached homes, this level increasing to over seven-in-ten outside Metro Vancouver.
- Only one-third of City of Vancouver residents live in a single family home. Instead, approximately one-half live in an apartment.

➤ Home Tenure



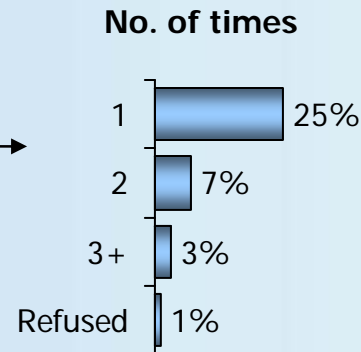
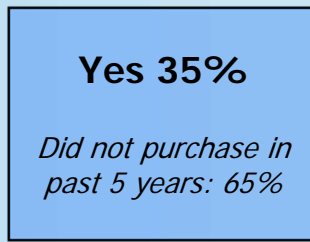
Base: Jan 2009 (n=600)
May 2009 (n=600)

Do you rent or own this residence?

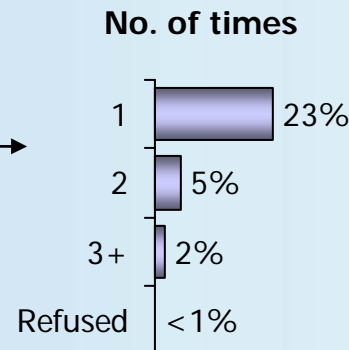
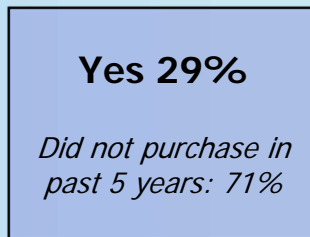
- Three-quarters own their homes, with home ownership increasing with age, ranging from about 65% among those 18-34 years, to just over 80% among those 55 years of age or over.
- Only about half of City of Vancouver residents own their homes.

➤ Purchased a Home/Property in Past 5 Years

Jan 2009



May 2009



- Approximately one-third of BC residents have bought a home or property in the past five years, with this level relatively consistent across the province except in the City of Vancouver where only about one-quarter have made a purchase.
- About one-in-ten have made more than one transaction, with again this level consistent across the province.
- Those under 55 years of age are more inclined to have made a real estate purchase than their older counterparts.

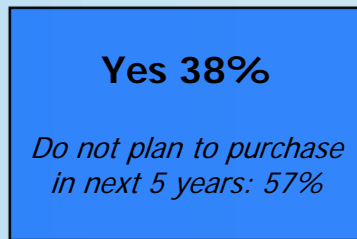
Base: Jan 2009 (n=600)

May 2009 (n=600)

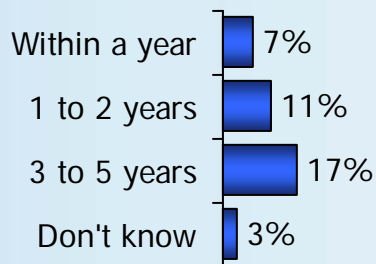
Have you bought a home or property in the past 5 years?

➤ Plan to Purchase Home/Property in Next 5 Years

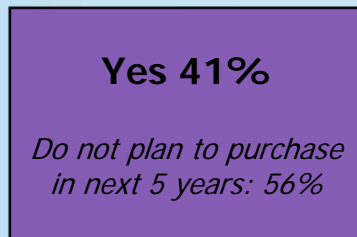
Jan 2009



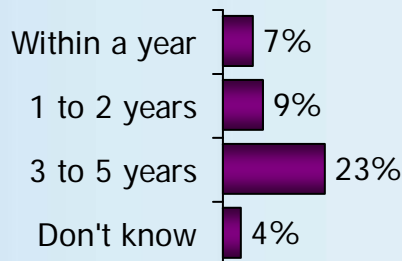
When Plan to Purchase



May 2009



When Plan to Purchase



- Approximately four-in-ten plan or hope to purchase a home or property within the next five years, with about half of these potential buyers expecting to do so in the next two years.
- In the first measure we found that the findings were similar in Metro Vancouver and outside this region. In the second measure, a higher proportion in Metro Vancouver (46%) hope to purchase than outside the city (35%) which may indicate that consumer confidence is now higher in the urban area.
- Those under 35 years of age (the age group with the lowest incidence of home ownership) are most inclined to expect to buy (approximately 60%).

Base: Jan 2009 (n=600)
May 2009 (n=600)

Do you plan to or would you like to buy a home or property in the next 5 years?

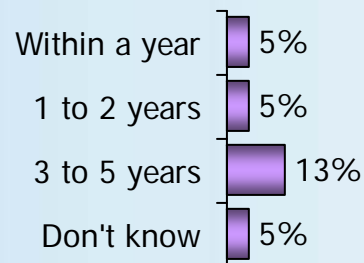
➤ Plan to Sell Home/Property in Next 5 Years

Yes 24%

Do not plan to sell in next 5 years: 72%



When Plan to Sell



- Approximately one-in-four plan to sell a home or property in the next 5 years, with again about half hoping to do so in the next 2 years.
- The findings are similar in Metro Vancouver and outside this urban area.

Base: May 2009 (n=600)

Do you plan to or would you like to sell a home or property in the next 5 years?

➤ Purchase Barriers (Unaided Responses)

	Plan to purchase in next 5 years	
	Jan 2009 (216) %	May 2009 (239) %
Unaffordable real estate prices	35	35
Financial/money/interest rates (general)	23	19
Don't earn enough to qualify for a mortgage	10	18
Can't afford to purchase in preferred neighbourhood/location	9	4
Concerned about employment security/loss of income	9	11
Real estate market conditions (general)	8	10
Lowering real estate values/don't want to lose capital	6	-
Don't have enough money for a down payment	6	5
Economy/economic conditions (general)	5	7
If I couldn't sell my current home	5	4
Don't want to take on a large debt	-	2
Currently have a mortgage/don't want to take out another mortgage	2	-
Miscellaneous	3	-
Nothing in particular	13	25
Don't know	1	1

What barriers, if any, would prevent you from buying a home?

- Affordability continue to be the key barrier to purchase. Concern about job security, lowering market values and general concerns about the economy are secondary obstacles.
- Note that a slightly higher proportion in the current measure did not have any obstacles, with a decrease in the proportion concerned about depreciating property values. There also appears to be less mention of general financial barriers, perhaps all signs of an improved economic climate.

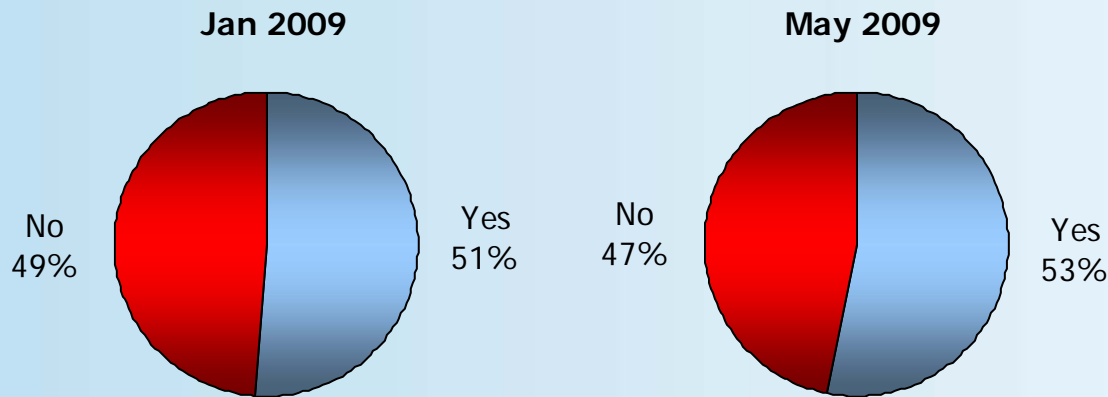
➤ Financial Barriers in Home Buying Decision (Aided Responses)

	Plan to purchase in next 5 years	
	Jan 2009 (216) %	May 2009 (239) %
Availability of affordable properties for sale	67	68
Employment security	30	28
Mortgage rates	23	28
Ability to qualify for mortgage	22	25
Property transfer tax	18	22
Property taxes	16	28
Nothing/ no barriers	1	2
Don't know	7	3

Which of the following would be the major financial barriers in the home buying decision?

- When probed with specific financial barriers, availability of affordable properties is still the key factor. Secondary financial barriers are employment security, mortgage rates, ability to qualify for a mortgage and property taxes (with a higher proportion in the May survey citing this barrier than in the first survey).
- For approximately one-in-five, the property transfer tax is a major financial barrier.

➤ Awareness of Property Transfer Tax



Base: Total (n=600)

Are you aware of the Property Transfer Tax?

- Approximately one-half of BC residents (similar proportion of potential buyers) are aware of the Property Transfer Tax, with no change in the results since the first survey.
- Claimed voters* in the past provincial election are more likely to be aware of the PTT (60%) than non-voters (34%).

* Note that a higher proportion in the survey (72%) reported to have voted in the last election than the actual turnout (51%).

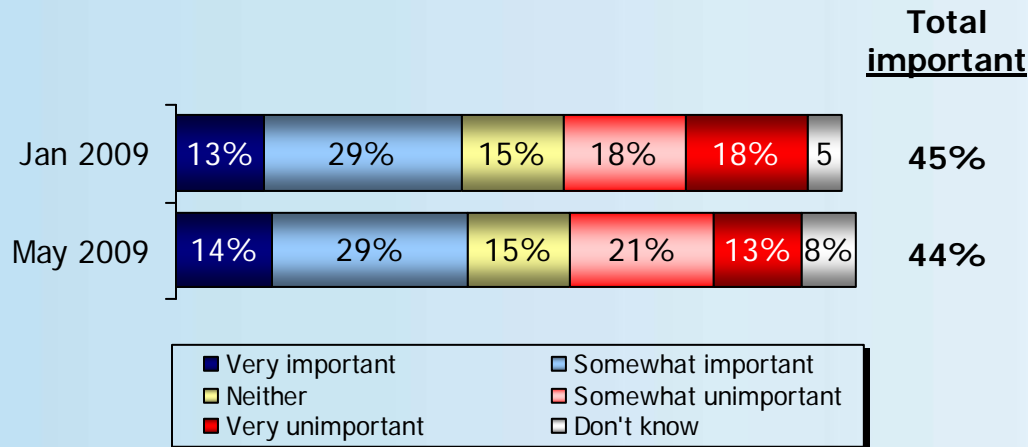
➤ Description of Property Transfer Tax (Unaided Responses)

	Aware of property transfer tax	
	Jan 2009 (310) %	May 2009 (325) %
A tax paid when transferring property	20	26
(Provincial) government tax on property purchases which is a percentage of the property value	29	23
(Provincial) government tax on property sales which is a percentage of the property value	12	7
Negative comments regarding the tax (i.e. unfair, tax grab)	10	7
Don't have to pay if you are a first time buyer/new home/there are some exemptions	5	5
X% tax on the first \$200,000 and another (reduced) Y% on the remaining value	3	5
1% tax on the gross value of property	7	3
X% tax on the first \$100,000 and another (reduced) Y% of the second \$100,000	3	2
Miscellaneous	2	-
Nothing in particular	1	5
Don't know	22	27

Please describe to the best of your knowledge the Property Transfer Tax.

- Those aware of the PTT have a general sense of what the tax is but few cite the tax rates. Note that approximately one-quarter of those who have heard of the PTT are not able to describe it in any way. The findings are very similar between the first and second measures.
- Although provincial election voters are more inclined to be aware of the PTT, they are not more knowledgeable than non-voters about the tax.

➤ Importance of Property Transfer Tax in Purchase Decision

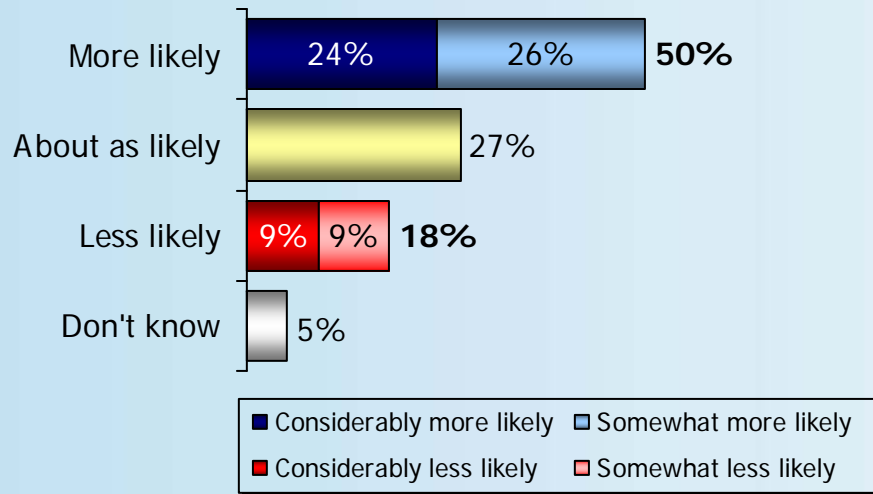


Base: Those aware of the Property Transfer Tax
 Jan 2009 (n=310)
 May 2009 (n=325)

How important is the Property Transfer Tax in your home buying decisions?

- Almost half of those aware of the PTT continue to report that it is at least 'somewhat' important in their home buying decisions. Renters, those planning to purchase in the near future, and election voters respond in a similar fashion.

➤ Likelihood to Make Green Improvements to Home

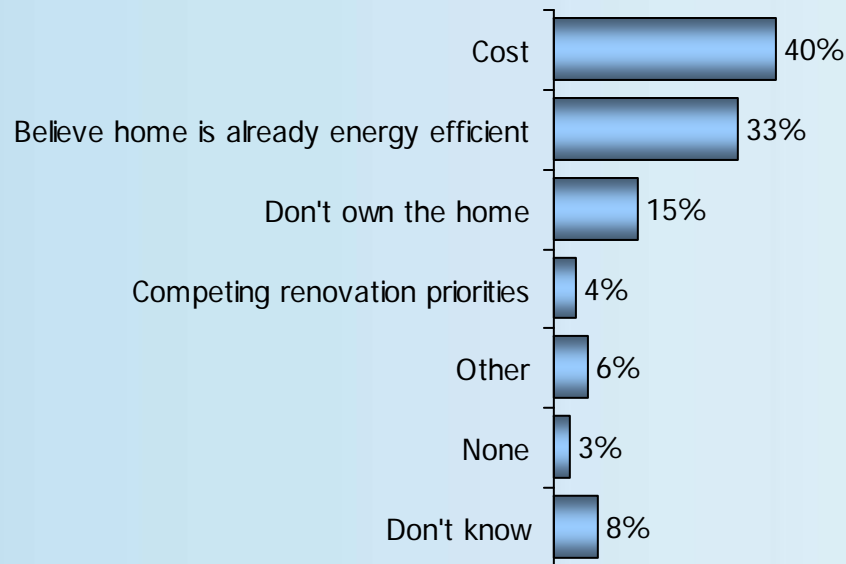


Base: May 2009 (n=600)

Compared to approximately a year ago, are you today more likely, less likely or about as likely to make green improvements to your home?

- Compared to approximately one year ago, half of BC residents are 'more likely' today to make green improvements to their home indicating a strong trend. The findings are similar among all demographic segments and by region, except that older residents are less likely to make such improvements.
- Note that those who have *not* had an energy audit are as interested as those who have had one in making green improvements.

➤ Barriers to Green Renovations (Unaided Responses)

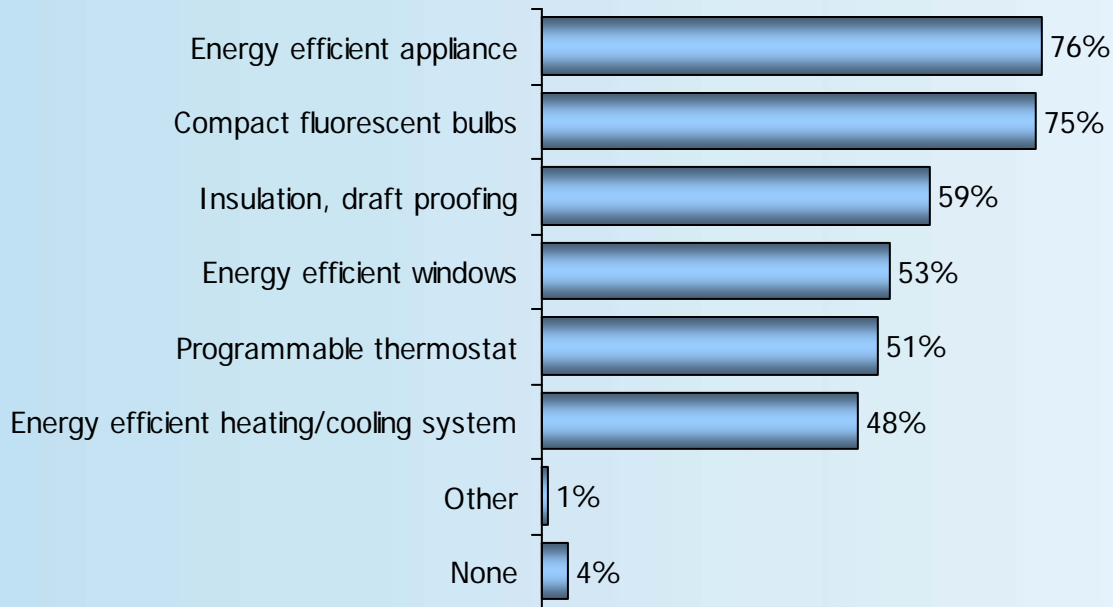


- The cost, followed by a belief that their home is already energy efficient, are the primary reasons for being less likely than in the past to do green renovations.
- Among those who believe their home is already efficient, only one-in-six have had an energy audit.

Base: Those less likely to make green improvements on home (n=108)

What will prevent you from doing green renovations on your home?

➤ Energy-Efficient Features in the Home (Aided List)



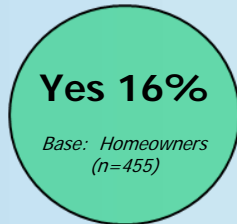
Base: Total (n=600)

Does your home have any of the following energy-efficient features?

- In terms of specific energy efficient features already in the home, the most common are energy efficient appliances and compact fluorescent bulbs.
- Note that those who have had an energy audit are more likely to have each of these features (an additional 10% to 20%).

➤ Energy Assessment to Home

Jan 2009



Outcome of Assessment

Pass 70%

Fail 13%

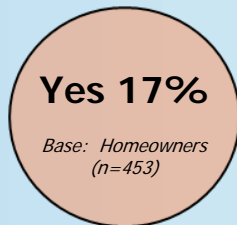
Refused 17%

Base: Those homeowners who have had a home energy assessment (n=73)

Did it pass or fail?

- As found in the January survey, just over 15% of home owners report to have had an energy assessment of their home, with this level relatively consistent across the province.

May 2009



Rating

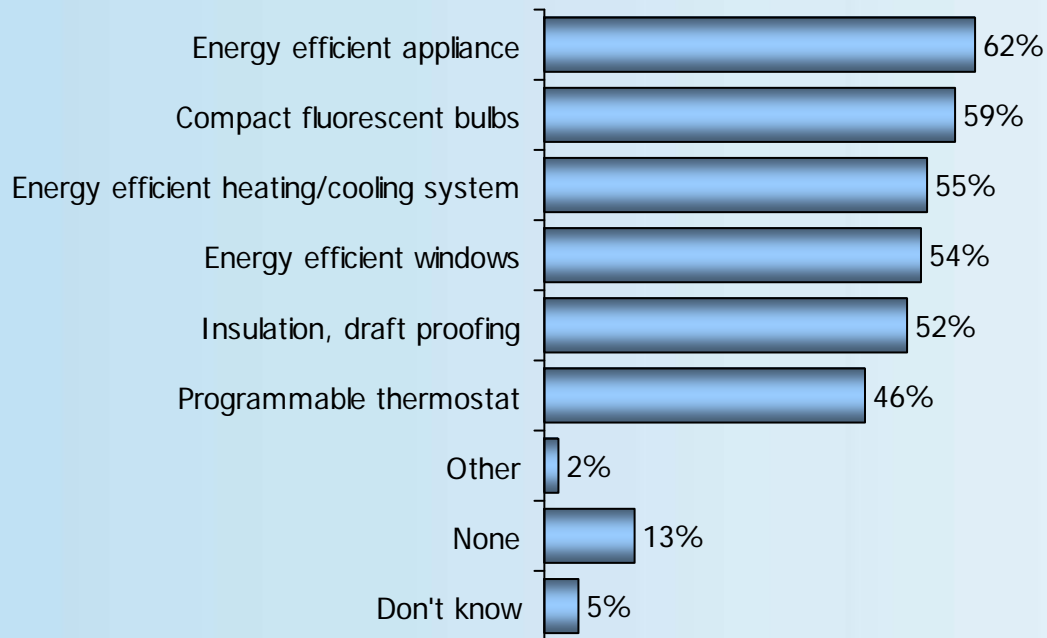
<u>Rating</u>	Homeowners who had a home energy assessment (80)
	%
25 - 29	1
30 - 39	2
40 - 49	1
50 - 59	7
60 - 69	7
70 - 79	2
80 - 87	8
Don't know	71

What rating did it get?

- In the first survey, the majority reported that their home passed. In the second survey, we asked for their rating however the majority could not recall the actual rating.

Has your home ever had an energy assessment?

➤ Retrofit Measure Taken as Result of Energy Assessment



- As an outcome from their energy assessment, a number of retrofit measures were taken.

Base: Homeowners who have had an energy assessment (n=80)

What retrofit measures have you taken?

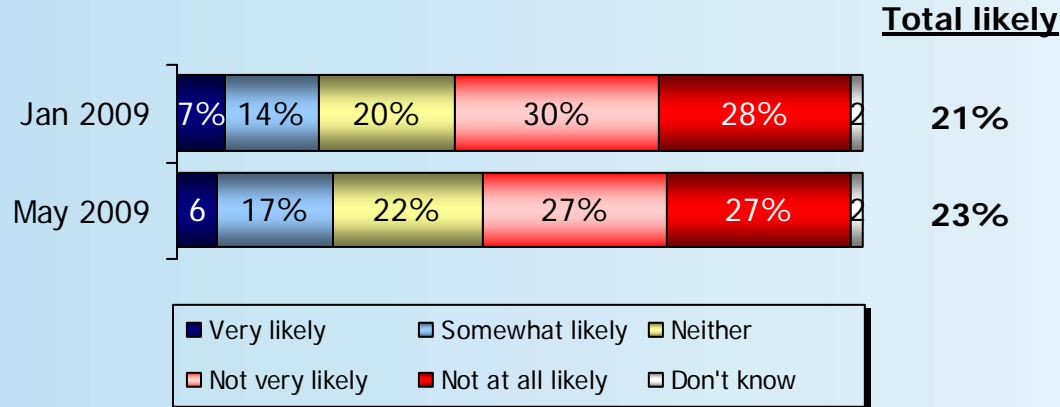
➤ Reasons for Not Conducting Energy Assessment

	Those who have never had a home energy assessment	
	<u>Jan 2009</u> (357) %	<u>May 2009</u> (357) %
Believe home is already energy efficient	21	27
Cost	17	15
Have never heard of energy assessments	20	11
Have other priorities/haven't had time	10	9
Strata regulations/not my decision	-	8
Don't understand why energy assessments are important/what they entail	9	6
Don't know who to contact/no one available in our area	-	2
The fact that energy assessments are voluntary	4	1
It is a new home	3	-
Not interested	2	-
Miscellaneous	3	2
Have not thought about it/ no reason	8	13
Don't know	13	10

What has prevented you from conducting an energy assessment on your home to date?

- Again a belief that their home is energy efficient, the cost, and lack of awareness of assessments (or what they entail), are the key reasons for not having had an energy assessment.

➤ Likelihood of Energy Assessment in Future



Base: Those homeowners who have never had a home energy assessment

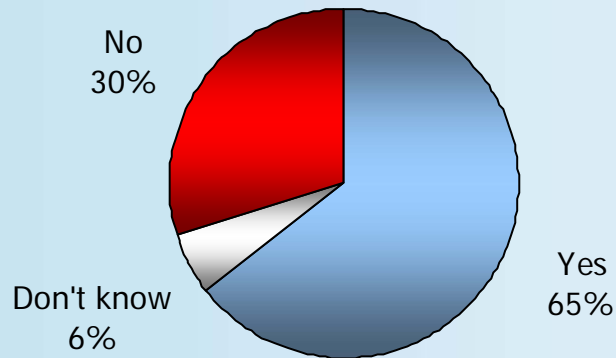
Jan 2009 (n=357)

May 2009 (n=357)

How likely are you to have an energy assessment on your home in the near future? Are you:

- One-in-five of those who have not had an energy assessment claim they are at least 'somewhat' likely to do so in the near future, with this level consistent across the province.

➤ Willingness to Pay More for an Energy Efficient Home



Base: May 2009 (n=600)

Are you willing to pay more for a home that has green features, such as energy- and water-efficiencies?

- The majority, 65%, claim they would be likely to pay more for an energy efficient home. The results are consistent by region; however, note that those from below average income households are slightly less inclined (59% of those from \$60,000 or less households in contrast to 70% of those from over \$60K households).

➤ Demographic Profile

	<u>Jan 2009</u> (600) %	<u>May 2009</u> (600) %
Gender		
Male	48	48
Female	52	52
Age		
18 - 24	11	11
25 - 34	15	15
35 - 44	19	19
45 - 54	20	20
55 - 64	15	16
65 years +	18	18
Stage of life		
Single	15	19
Young couple, no children	8	5
New family (with young children)	12	13
Established (single or two-parent) family	25	22
Established married (empty nester/no children)	20	22
Retired	19	19
Refused	1	1
Level of education		
Less than grade 12	6	6
Grade 12 graduation	22	27
Technical or vocational school	13	12
University degree or college diploma	43	42
Post-graduate degree	14	12
Refused	1	1

- The sample was weighted to match Statistics Canada Census data for BC on the basis of age, gender and area of residence. The chart details other demographic characteristics of the sample.

➤ Demographic Profile (cont'd)

	<u>Jan 2009</u> (600) %	<u>May 2009</u> (600) %
Employment status		
Employed	50	51
Work from home	7	3
Outside the home	43	48
Self employed	13	11
Work from home	7	6
Outside the home	6	5
Not working	7	9
Student	3	3
Retired	26	25
Household income		
Less than \$60,000	38	34
Less than \$45,000	25	19
\$45,000 or more	12	12
\$60,000 or more	49	52
Less than \$75,000	8	12
\$75,000 to \$90,000	14	14
Over \$90,000	24	23
Refused	13	14