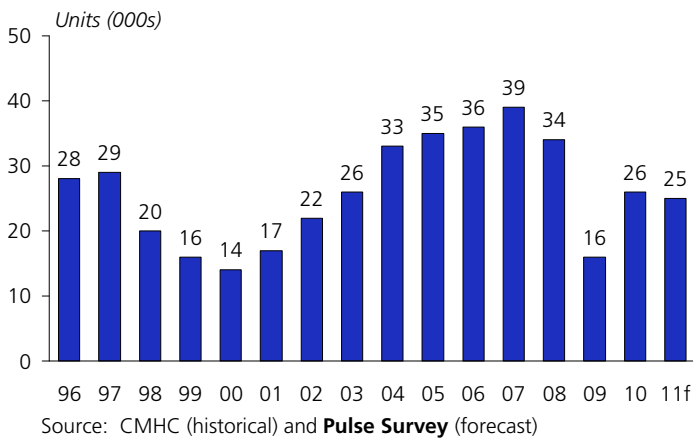
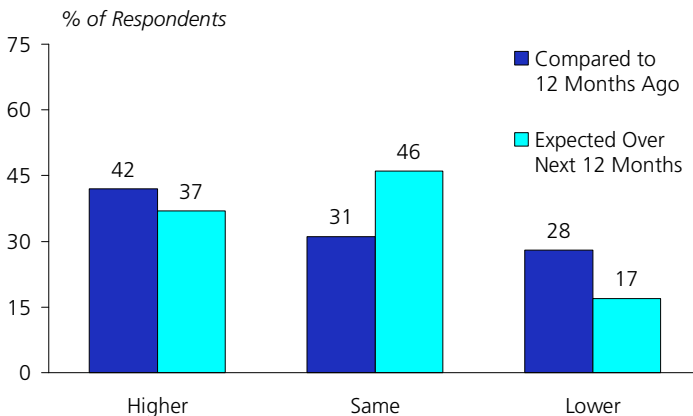


British Columbia Home Builders Forecast Housing Starts to Moderate and Renovation Activity to Strengthen

Total Housing Starts British Columbia

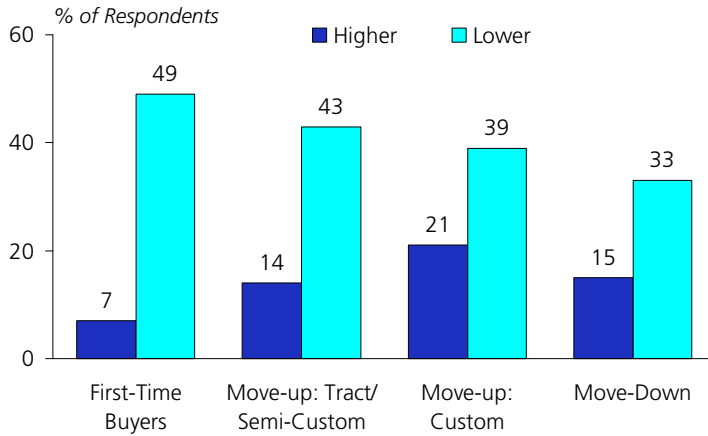


Change in Renovation Activity British Columbia

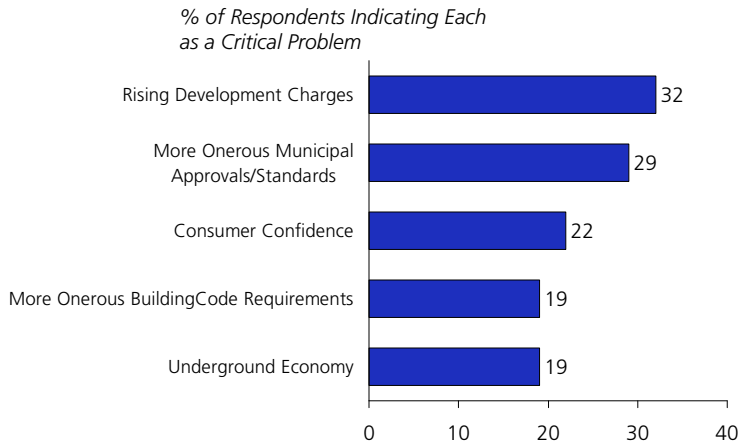


- New home builders in British Columbia expect total housing starts to be about 25,000 units in 2011, moderated from the 26,479 units started in 2010, according to the latest **Pulse Survey** conducted in December 2010 and January 2011 by the Canadian Home Builders' Association (CHBA). The forecast is below the prevailing levels of the 2003-2008 period, but up from the low level of 2009.
- Canada-wide, new home builders are expecting about 172,100 starts in 2011, somewhat lower than the 189,930 starts in 2010 and below the levels of the 2002-2008 period.
- On average, British Columbia renovators responding to the **Pulse Survey** report increased activity. About 2 in 5 renovators in British Columbia report that their renovation activity is higher than 12 months ago, while about 1 in 4 report lower activity.
- Renovators in British Columbia on average expect further increases in renovation activity over the next 12 months.
- The average project reported by renovators in B.C. is \$150,000 and takes 12 weeks to complete.

Changes in Traffic Compared to Last Year British Columbia



Top Problems for New Home Builders British Columbia



- New home builders and renovators in British Columbia report that, on average, employment in their companies is stable compared to a year ago, with an increase expected over the next year.
- British Columbia new home builders report lower traffic at new home sales sites across all market segments, in particular among first-time buyers.
- On average, new home builders in British Columbia report that inventories of started-but-unsold single-detached units are higher this year compared to a year ago.
- New home builders in British Columbia are planning shifts in the upcoming year towards targeting the first-time buyers and custom segment of the move-up market, away from semi-custom segment.
- The most often cited critical problem for new home builders in British Columbia is rising development charges, followed by more onerous municipal approvals/standards and building code requirements, consumer confidence, the underground economy.
- About 1 in 5 new home builders in British Columbia are expecting new single-detached house prices to increase over the next year, while about 1 in 7 expect some declines.

The **Pulse Survey** was conducted by the CHBA with assistance from Canada Mortgage and Housing Corporation and Natural Resources Canada. The survey was tabulated and analyzed by Altus Group Economic Consulting. Copies of the detailed results are available from the CHBA (chba@chba.ca).