#### **CONSTRUCTIVE THOUGHTS**

# Interest in home buying remains strong in Vancouver

Despite high prices, recent seminar for first-time purchasers shows dream of ownership still alive and well

#### PETER SIMPSON



To me, construction noise is the sweet sound of jobs for thousands of hardworking men and women. The yearment. Good news by any definition.

here are a lot of numbers in this column, a necessary evil when reporting on housing statistics, so please bear with me as I wade through them.

The next time you are out and about, take a gander at how many construction cranes are at work throughout Metro Vancouver. They have become an enduring component of this region's landscape.

According to Canada Mortgage and Housing Corp., housing starts continue to rise along with the cranes. During the first quarter of 2012, starts improved 22 per cent from the same three-month period last year - 4,631 versus 3,808. Most of that strength was in the multi-family sector.

to-year starts differential generated an additional 2,304 full-time jobs for one year. Or as workplace economists like to call them, person-years of employ-Home builders, and their trades and suppliers, have come a long way since the dark days of 2009, when only

8,339 starts were recorded in Metro Vancouver, a difficult situation that left many tool belts hanging idle. Production improved to 15,217 in 2010, then to 17,867 last year. This positive performance - doubling since 2009 has forced some gloom-and-doomers back to their burrows.

So far this year, sales have commenced on 19 new concrete projects, according to MPC Intelligence. About 65 per cent of the 3,800 condos have already sold. Hot spots include North Vancouver, New Westminster, Burnaby and downtown Vancouver. Proximity to transit is a key factor for buyers.



BRENT LEWIN/BLOOMBERG FILES In 2011, housing starts in Vancouver doubled from 2009.

The 18th annual free seminar for first-time homebuyers, held in Surrey on April 3, attracted 654 young people eager to learn how to confidently

take that important first step on to the property ladder.

Darn the Canucks! They played at home the night of the seminar, so 150 people who registered and didn't show up likely watched the game instead. Or perhaps they bought a home before the seminar.

Organized by the Greater Vancouver Home Builders' Association, the two-hour seminar featured housing experts who helped to demystify the entire home-buying process. Presenting sponsor was the Homeowner Protection Office, branch of BC Housing. RBC Royal Bank was the patron sponsor.

Many of the seminar attendees took the time to answer 26 questions on a prepared survey. The responses will help to define the needs and expectations of today's typical first-time homebuyer.

The survey data will be tabulated and analyzed by the number-crunchers at CHBA's housing research centre in Ottawa, and when I receive the

report, I will share the results with Sun readers

Meanwhile, since I was antsy doing nothing at home one recent evening, I reviewed the answers to five survey questions and thought I would share them with you in advance of the main report. And just for fun, I compared them to the responses from the young folks who attended the seminar 10 years ago.

So, noted in parentheses following this year's numbers are the percentages from 2002, a year in which 13,197 housing starts were recorded and, according to Landcor Data Corp., the average price of a Metro Vancouver home (single-detached, townhome, condo) was \$280,266. Today, the average price is \$651,630.

Following are the questions and responses:

What is your current housing situation?

Rent, 74 per cent (80). Live with parents, 26 per cent (20).

With whom will you be buying your home?

Partner/spouse, 65 per cent (68). Alone, 19 per cent (26). Family member, 13 per cent (4). Friend, three per cent (2).

When do you intend to purchase your home?

Within one year, 39 per cent (46). Within six months, 24 per cent (37). Two to three years, 23 per cent (9). Don't know, 14 per cent (8).

What type of home do you plan to purchase?

Townhome, 34 per cent (8). Single detached, 28 per cent (30). Low-rise condominium, 21 per cent (42). Highrise condominium, 17 per cent (20).

What are the major obstacles preventing you from buying a home?

Housing prices, 40 per cent (43). Down payment required, 23 per cent (19). Qualifying for a mortgage, 12 per cent (N/A). Economic uncertainty, 11 per cent (6). Job security, eight per cent (11). Can't find the home I want, six per cent (21).

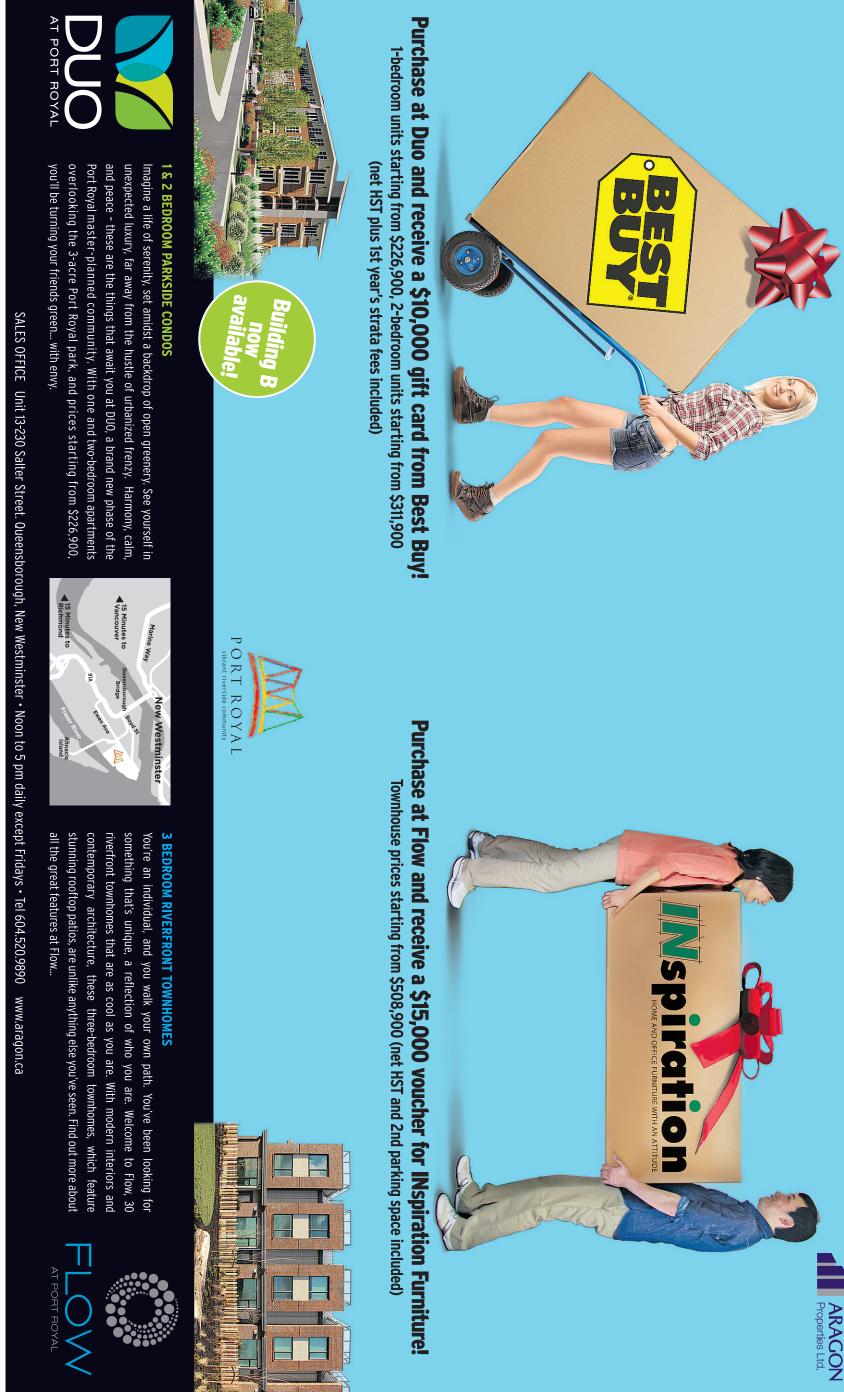
Those 2002 property neophytes would have had access to a five-year mortgage rate of around 5.5 per cent. Today, five-year money can be borrowed for about three per cent by qualified homebuvers.

Bottom line, the increase in realestate values and reduced mortgage obligation mean the equity in those 2002 homes has increased over the years, along, in most cases, with income levels. And to think seminar attendees' apprehension was palpable when they walked into the room a decade ago.

Over time, owning a home is a sound investment, despite the expected peaks and valleys. My first house cost me \$38,500. And ask longtime homeowners in, say, East Vancouver, White Rock or Steveston if they are happy they purchased a home when they did. I'm betting on the affirmative. Two faces at the recent seminar were familiar to me. One young guy is my optometrist, the other is a gal from my local Safeway. Both share a goal – to buy their first homes in Vancouver. I intend to ask them for updates on their home ownership quests. I'll let you know how they did.







Peter Simpson is the president and chief executive officer of the Greater Vancouver Home Builders' Association. Email peter@gvhba.org

## **EVENT**

### Spring renovation seminar set for May 15

To help homeowners make informed renovation decisions, the Greater Vancouver Home Builders' Association is again presenting its spring home renovation seminar.

The event, held in partnership with BC Hydro, Canada Mortgage & Housing Corp. and FortisBC, takes place on May 15 from 7:30 p.m. to 9 p.m. at the Croatian Cultural Centre at 3250 Commercial Dr.

Homeowners will be guided through the various stages of the renovation process, including design and planning, legal and contracts, selecting a renovator, municipal permits and inspections, and living through a renovation. Presenters include Vancouver-area renovators, construction lawyer, municipal building official, and a technical expert sharing the latest in green renovations.

Attendees will learn about RenoMark, an industry-led national program designed to provide greater confidence to homeowners when hiring renovation contractors. To be accepted into the program, contractors must abide by a 10-condition code of conduct.

Pre-registration is required. Register online at www.gvhba.org or call 778-565-4288. Admission to the seminar is free, but attendees are asked to contribute a food item for the Greater Vancouver Food Bank Society.