

Canadian Homeowners Plan to Renovate

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New survey shows up to 3.5 million Canadian homeowners plan to renovate or remodel during 2007

TORONTO — Over one in four (27 percent) of all Canadian households say they plan to do some home renovation and/or remodeling work during 2007, led by about a third of households in Atlantic and the Prairies, according to a new survey by global market research firm Synovate.

This means that up to 3.5 million Canadian households could be upgrading their homes this year. These improvements could include anything from putting up new bathroom fixtures to upgrading the kitchen or creating additional living space by finishing the basement.

The information on these and other home improvement activities and expenditure is available through Synovate's Household Equipment Canada (HEC) service, a large scale monthly consumer survey which tracks purchases and purchase intent for home durable items.

Bathrooms are big business

Which room is at the top of the list for home improvements this year? The bathroom made the cut among nearly half of all Canadians who intend to renovate or remodel their homes during 2007.

Among those planning bathroom renovations, the most popular items include new faucets (54 percent), sinks (49 percent), and lighting (49 percent). Canadians also show a strong interest in remodeling bathroom cabinets (44 percent), vanity areas (40 percent), shower heads (40 percent) and bathtubs/whirlpools (34 percent).

Bathroom renovation is big business, with consumers spending around \$370M on new bathtubs/whirlpools at retail during 2006 (excluding expenditure by builders) and almost \$200M on shower stalls.

In total, consumers are likely to spend over \$12B at retail and direct across all types of home improvement products during 2007. With so much at stake, it is no surprise that the retail landscape is set to become even more competitive this year when US home improvement heavyweight Lowe's launches in Canada.

"The home improvement market is still hot," said Adrian Murphy, Syndicated Research Services Director for Synovate Canada. "However, with new retailers entering the Canadian market in 2007, there will be increased competition, which may drive prices down on some products."

The retail battle for number one

Hardware is the number one retail channel for home improvement products, capturing about 3-in-10 dollars spent by Canadians on the entire category throughout 2006. Home Depot's widespread retail network has helped it establish a leadership position in the category overall, tending to be especially entrenched in bathroom and kitchen home improvement products. Along with Rona Inc., the second largest player in the marketplace, Home Depot poses a formidable challenge to newcomer Lowe's as the battle for dominance in the home improvement space looks likely to escalate.

For more information on market trends in household equipment and other home durable products in Canada, contact Adrian Murphy at adrian.murphy@synovate.com or + 1 416 964 6262 ext. 118.