

BC's First Time Home Buyers Shrinking as Home Prices Continue to Climb

Contributed by Ipsos
Thursday, 01 April 2010

Home Renovation Tax Credit - Major Impact on British Columbians'™ Decision to Renovate

Gradually being pushed back out by climbing housing prices, the wave of first-time buyers which characterized the market in the first half of 2009 is dwindling.

Currently among home buyers, three-in-ten (29%) are first-time buyers, gradually trending down from nearly four-in-ten (38%) at the same time in 2009. Compared to late 2008 when only 17% were first-time buyers, the current number is still higher however.

According to Hanson Lok, Senior Research Manager for Ipsos Reid in Vancouver, "Greater Vancouver in particular has seen a very rapid recovery in prices since the bottom of the market in the first quarter of 2009. While low mortgage rates have kept monthly payments within reach for first-time buyers and kept them in the market, escalating prices will push many potential first-time buyers back out."

Another result of rising prices, British Columbians feel selling conditions have improved significantly as half (53%) say now is a "good time to sell a home", up from one-in-ten (14%) who said the same a year ago.

At the same time, seven-in-ten (68%) British Columbians say it is a "good time to buy a home", tapering-off from a high of 76% seen in September of 2009.

Optimism about home prices remains high as British Columbians are forecasting a 4.6 percent increase in home prices in their community in a year. Nearly six-in-ten (57%) predict prices will be higher, while only one-in-ten (12%) predict they will be lower.

* Residents of the Lower Mainland/Fraser Valley foresee a small but significantly larger increase (5.4 percent on average) compared to what those in the rest of BC expect (3.5 percent on average).

With the Home Renovation Tax Credit (HRTC) deadline now passed, half (54%) of British Columbians who made a significant renovation in the past year indicate the HRTC made an impact on their decision to renovate.

Approximately one-in-three (35%) of British Columbians made a significant home renovation in the past year "given the claimed impact of the HRTC, it seems likely that number would have been much lower without the benefit of the HRTC.

Look for more results about Home Buyers in Ipsos Reid's™ BC Home Buyers Report. This comprehensive report is aimed to profile, track and measure the attitudes of homes buyers in the province, twice a year.

Metrics include home purchase criteria/motivators, economic outlook/confidence, demographic and psychographic profiling as well as mortgage measures.

The results of this poll are based on a sample of 760 British Columbians where quota sampling and weighting are employed to balance demographics to ensure that the sample's composition reflects that of the actual BC population according to Census data.

Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample.

Statistical margins of error are not applicable to online polls because they are based on samples drawn from opt-in online panels, not on random samples that mirror the population within a statistical probability ratio.

All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

However, an unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/-3.6 percentage points, 19 times out of 20, had the entire adult population in British Columbia been surveyed.

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Vancouver, BC - 15th March 2010