2015

CANADIAN HOME BUYER PREFERENCE NATIONAL STUDY

Avid® Ratings Canada

Conducted and Produced by Avid Ratings Canada,
in partnership with the Canadian Home Builders' Association

Canadian Home Builders' Association

Who is Avid?

- A full-service customer satisfaction and reputation management technology firm.
- Working with top performing home builders & renovators across North America since 1992.
- Serving over 2,300 home builders throughout the Canada and US, 25% of the largest builders in North America.

Where this all started….

Avid® Ratings Canada

customers engaged™

The new rules of engagement...

Avid® Ratings Canada

customers engaged™

Know Your Customers

….and what they deeply value.

Housing Trends

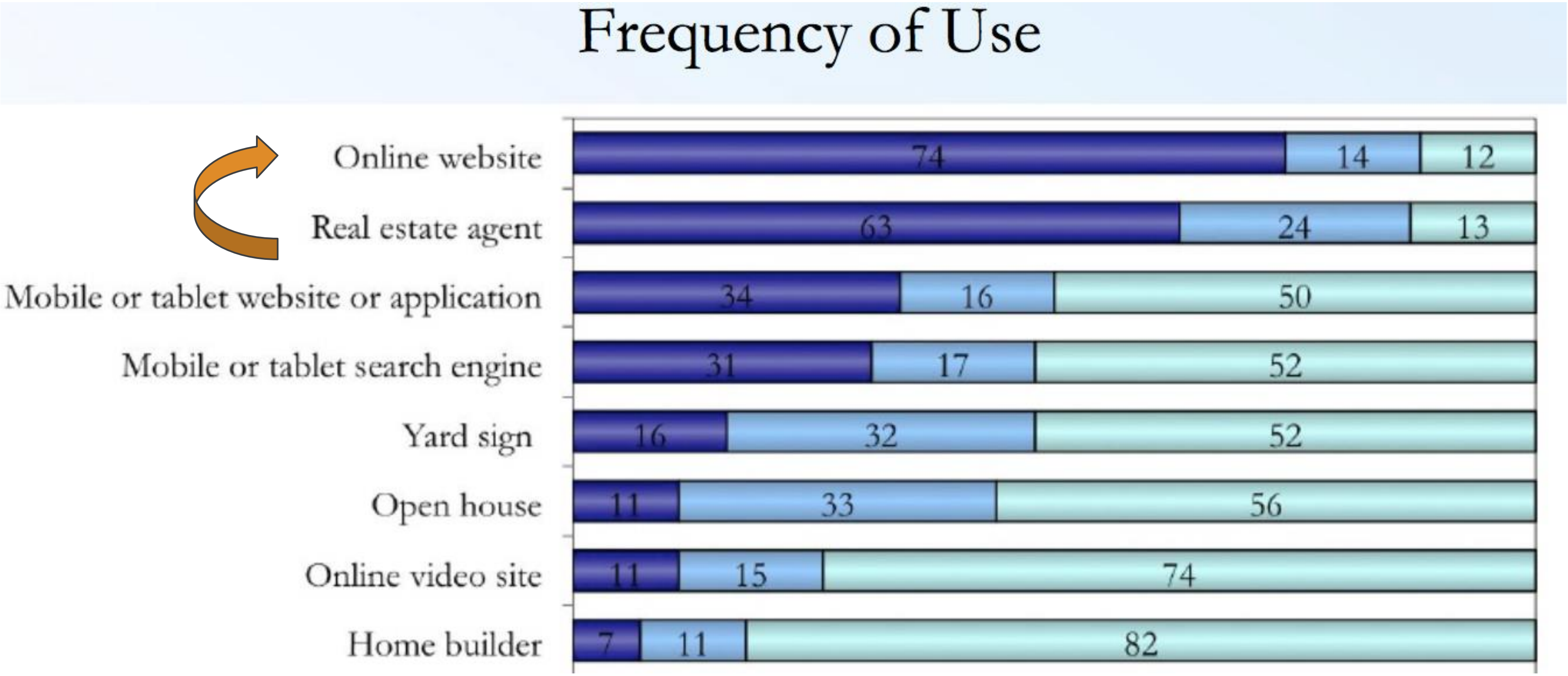
- NAR reports that Internet is number one resource for home research.

Source: 2014 National Association of Realtors Buyers and Sellers Study

Avid® Ratings Canada

customers engaged™

Leading Sources to Find a Home



NATIONAL ASSOCIATION of REALTORS®

Source: National Association of Realtors® Profile of Home Buyers and Sellers 2014

Housing Trends

- NAR reports that Internet is number one resource for home research.
- **NAR reports that 42 percent of home buyers turn to the internet as their first step in finding a property.**

Source: 2014 National Association of Realtors Buyers and Sellers Study

Avid® Ratings Canada

customers engaged™

THE HOME SEARCH PROCESS

Exhibit 3-1

FIRST STEP TAKEN DURING THE HOME BUYING PROCESS

(Percentage Distribution)

		AGE OF HOME BUYER				
	All Buyers	33 and younger	34 to 48	49 to 58	59 to 67	68 to 88
Looked online for properties for sale	42%	41%	46%	44%	41%	35%
Contacted a real estate agent	17	13	15	20	21	28
Looked online for information about the home buying process	14	18	14	11	8	6
Drove-by homes/neighborhoods	7	4	5	8	10	10
Contacted a bank or mortgage lender	6	9	7	6	3	2
Talked with a friend or relative about home buying process	5	9	5	3	3	3
Visited open houses	3	2	2	3	4	7
Contacted builder/visited builder models	2	1	1	2	3	2
Looked in newspapers, magazines, or home buying guides	1	1	1	2	2	3
Contacted a home seller directly	1	1	1	1	1	2
Looked up information about different neighborhoods or areas (schools, local lifestyle/nightlife, parks, public transpo	1	1	2	*	1	*
Attended a home buying seminar	1	1	1	*	1	*
Read books or guides about the home buying process	*	1	*	*	*	*
Other	*	*	*	*	*	1

** Less than 1 percent*

Source: 2014 National Association of Realtors Buyers and Sellers Study

Avid® Ratings Canada

customers engaged™

Housing Trends

- NAR reports that Internet is number one resource for home research.
- NAR reports that 43 percent of home buyers turn to the internet as their first step in finding a property.
- **NAHB reports that 80% of home buyers considered customer reviews as "important" when researching a builder**

Source: 2014 Bokka Research and NAHB Research Center

Avid® Ratings Canada

customers engaged™

Items Considered Important when Researching Home Builder Web Sites

(Percent of buyers that considered item important)

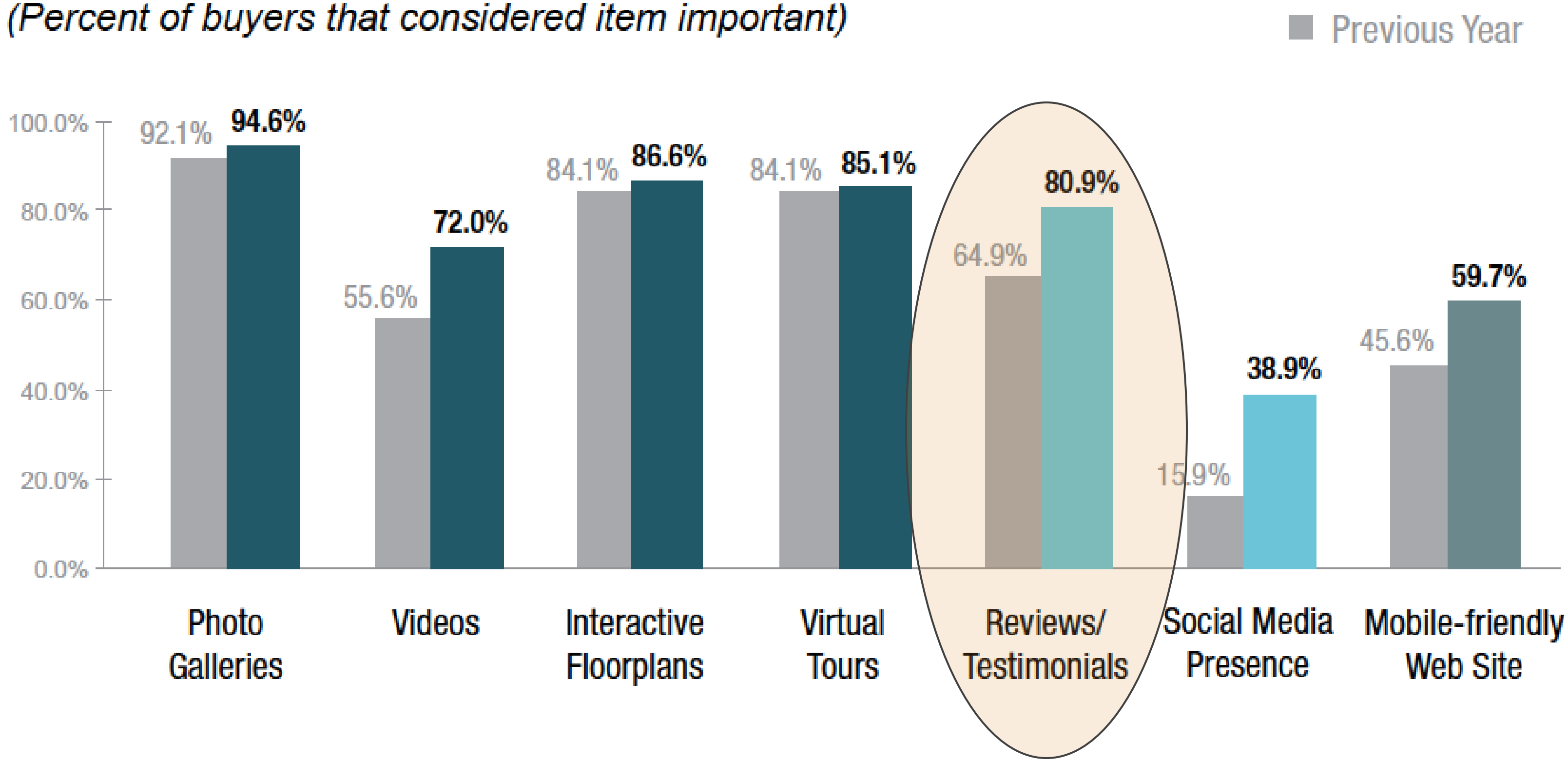
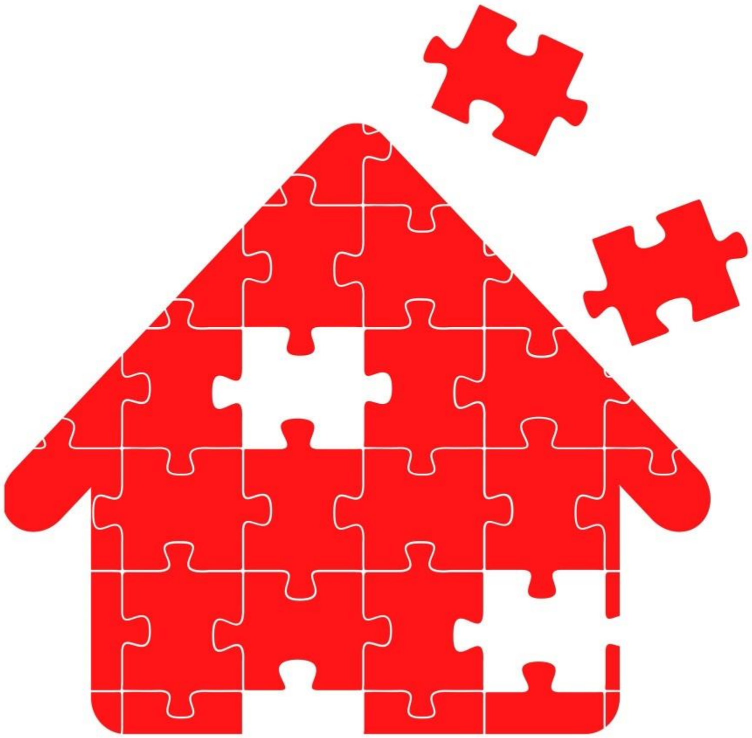


FIG 8: Buyers responded overwhelmingly in favor of Photo Galleries, Interactive Floor Plans and Virtual Tours when researching the competition of home builders. They also indicated the importance of Reviews/Testimonials of other recent buyers.

(Source: 2014 Conversion Report by Bokka Group and NAHB Research Center)

Canadian Home Building Market 2015



Canadian
Home Builders'
Association

Avid®
Ratings
Canada

Inaugural Year

CHBA Home Buyer Preference Study powered by Avid®

- Over 12,000 recent new home buyers surveyed across Canada
- 13% Response Rate
- Results by Province, Buyer Type, Age Group, Home Type
- Detailed data collected on:
  - ✓ Marketing resources used in decision-making process
  - ✓ Home features, building amenities, community features
  - ✓ Energy efficiency, construction methods & materials
  - ✓ And much, much more

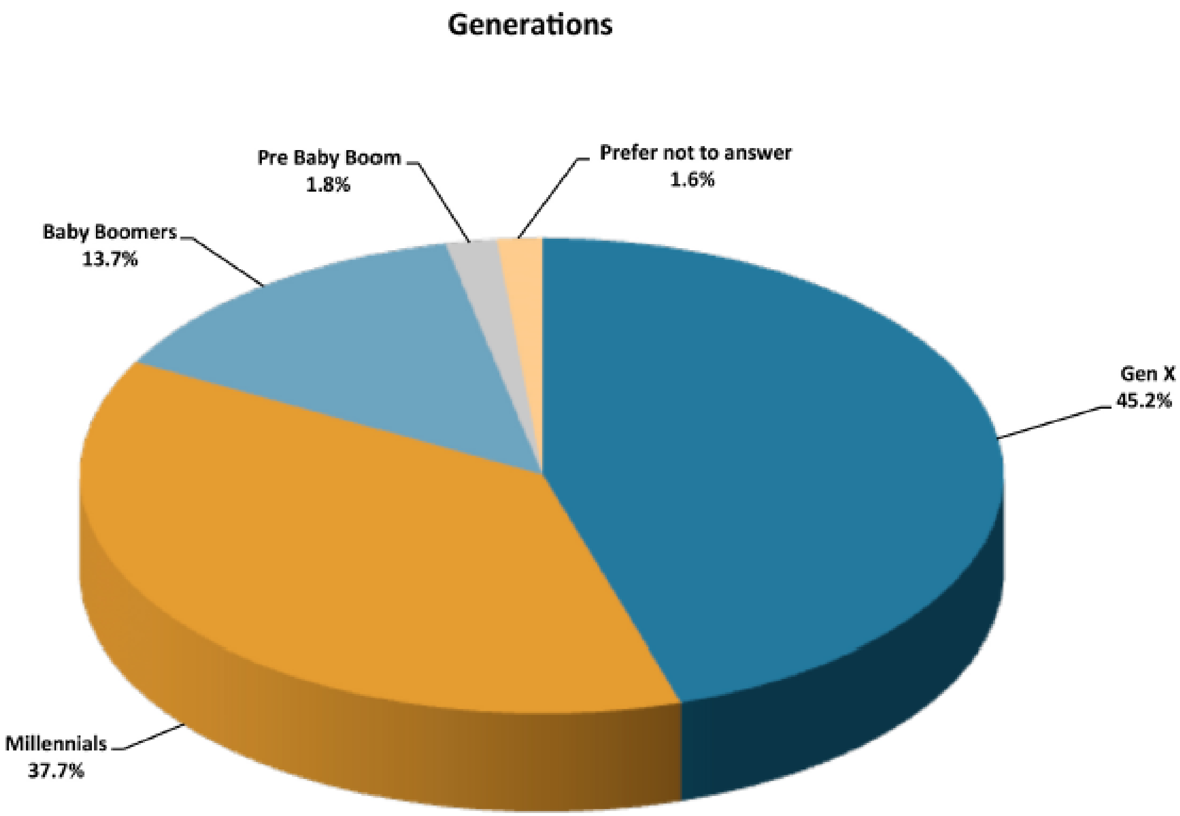
Study Overview

- Characteristics of New Home Buyers
- New Home Search Process
- Overall Home Design Preferences
- Mid/High Rise Amenity Preferences
- Community Amenity Preferences

Who are today's home buyers?

Buyer Profile

The demographic details of the respondents.



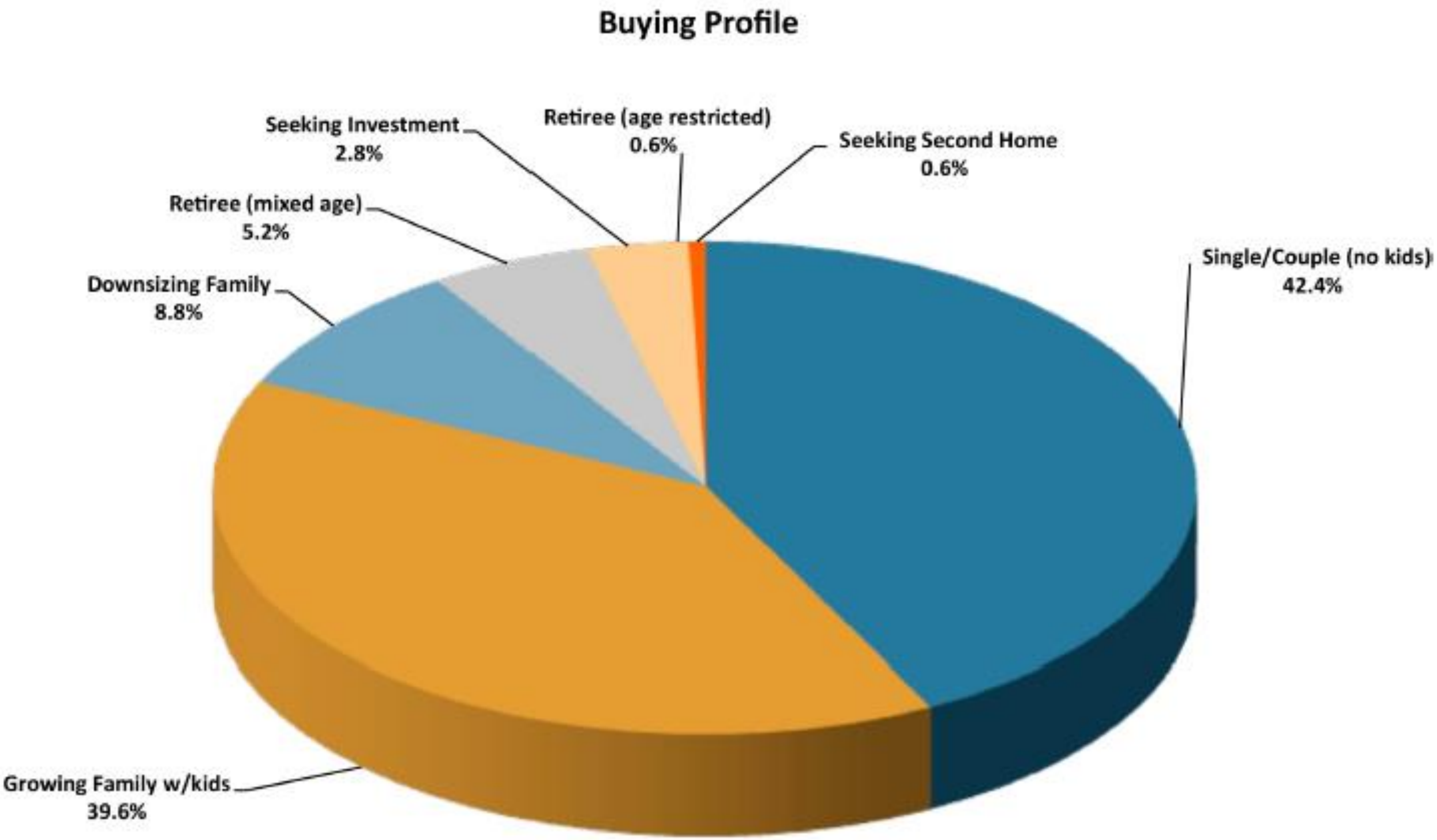
- 45% Generation X
- 38% Generation Y (Millennials)
- 14% Baby Boomers
- Greatest Generation & Generation Z make up the balance

Buyer Profile

- Single/Couple (No Kids)
- Growing family with children
- Downsizing family seeking smaller home
- Semi-retired/retired seeking age-restricted community
- Semi retired/retired seeking mixed-age community
- Seeking a second/vacation home
- Seeking an investment property for rental or short-term resale

Buyer Profile

What best describes the buyers?



Single or couple with no kids are the largest cohort buying new homes.

Home Product-Type Definitions

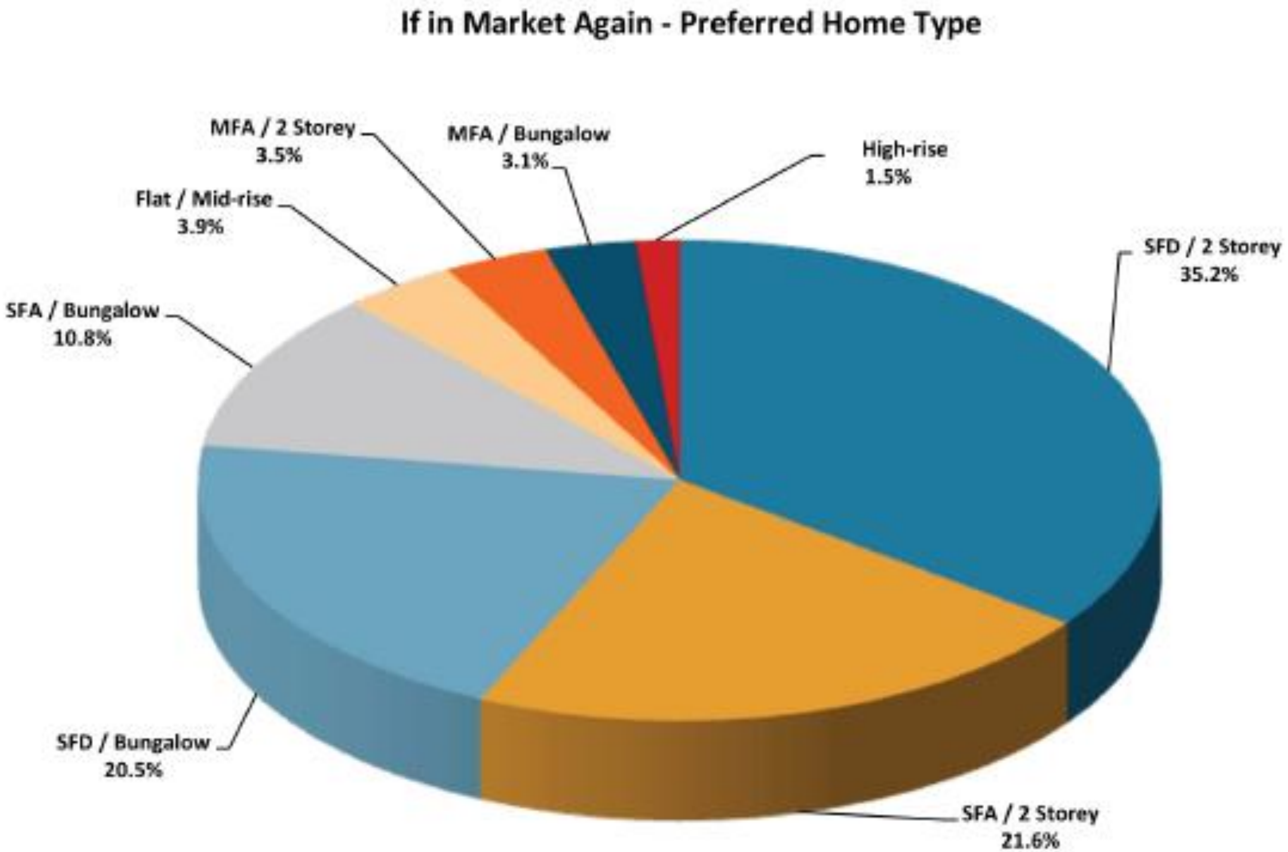
- Single-detached bungalow
- Semi-detached bungalow (duplex)
- Single-detached 2-storey
- Semi-detached 2-storey (duplex)
- Multi-attached bungalow
- Multi-attached 2-storey
- Stacked 3 or 4 level flat
- Mid-rise condo (5 – 10 floors)
- High-rise condo (11 or more floors)

Canadian Home Builders' Association

Avid® Ratings Canada

Buyer Profile

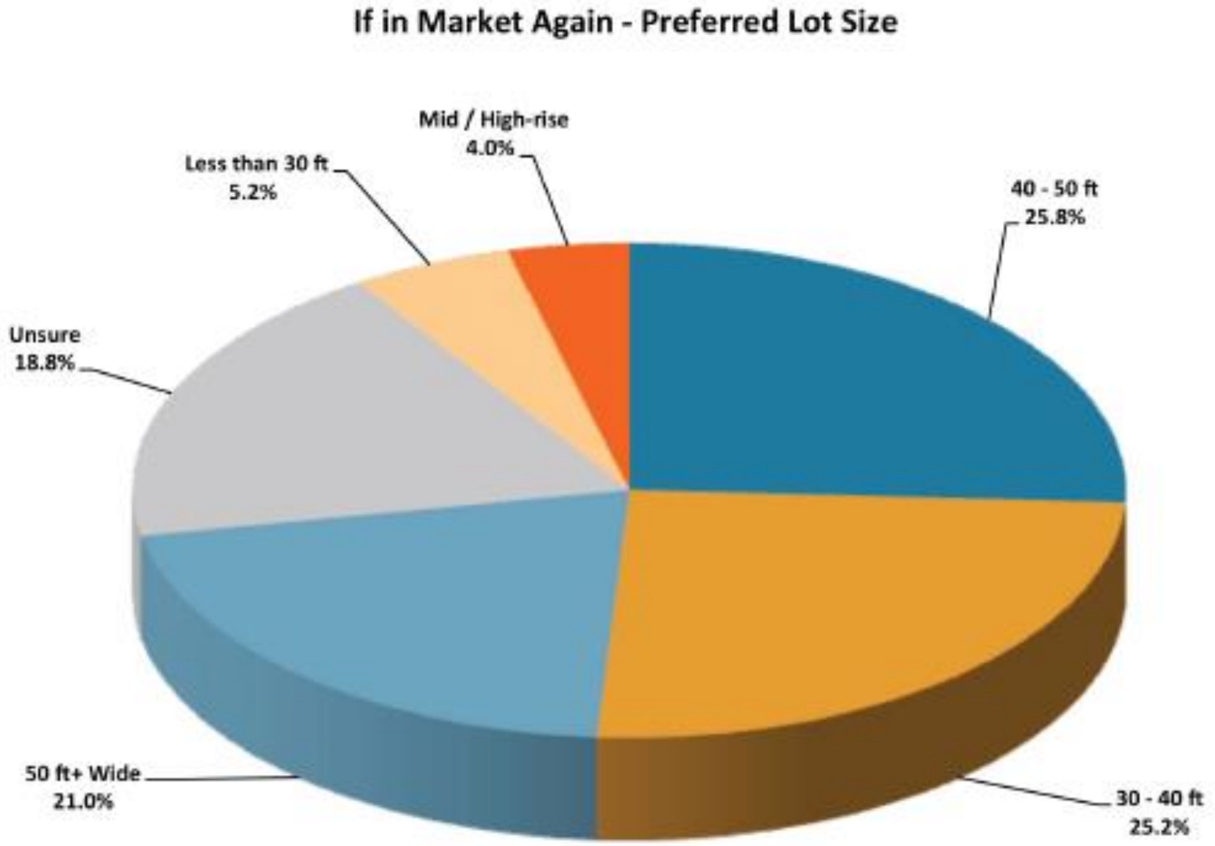
35% of respondents would prefer a single-detached 2-storey home for their next house.



22% prefer a single-attached 2-storey and 21% a single-detached bungalow.

Buyer Profile

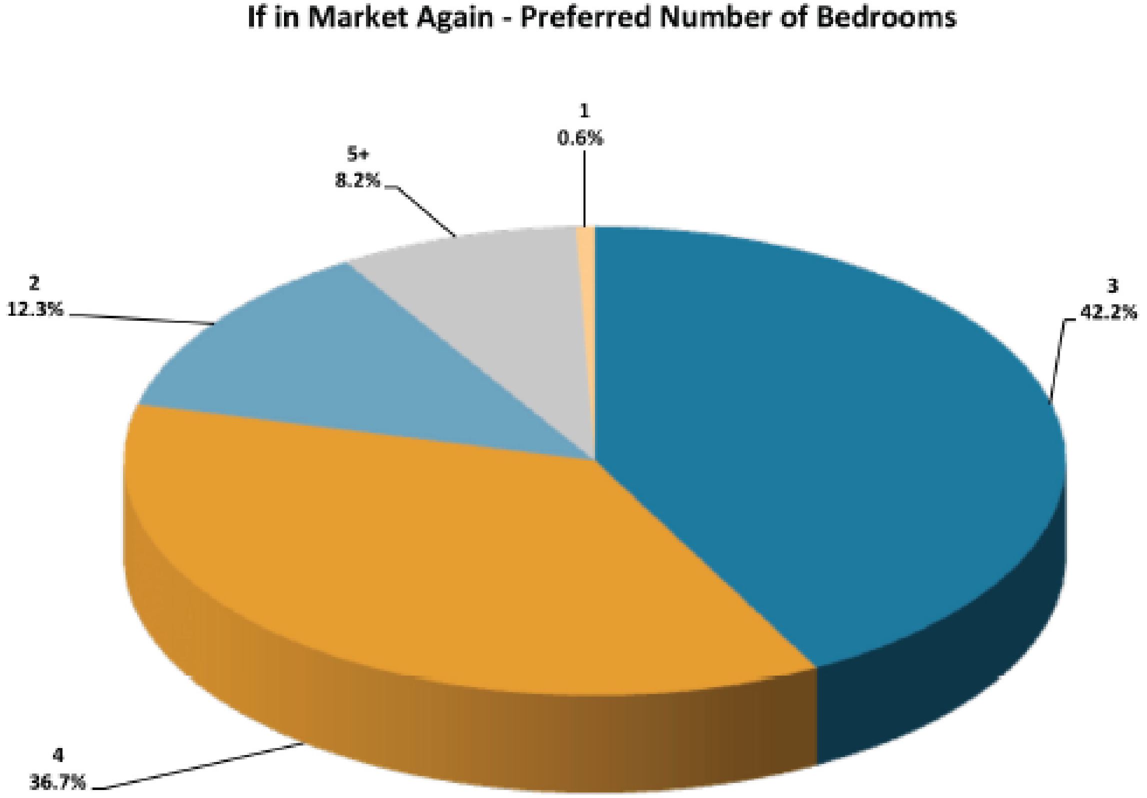
Over 50% of the respondents would prefer a lot size between 30 ft. and 50 ft. wide.



And 21% would prefer a lot size greater than 50 ft. wide.

Buyer Profile

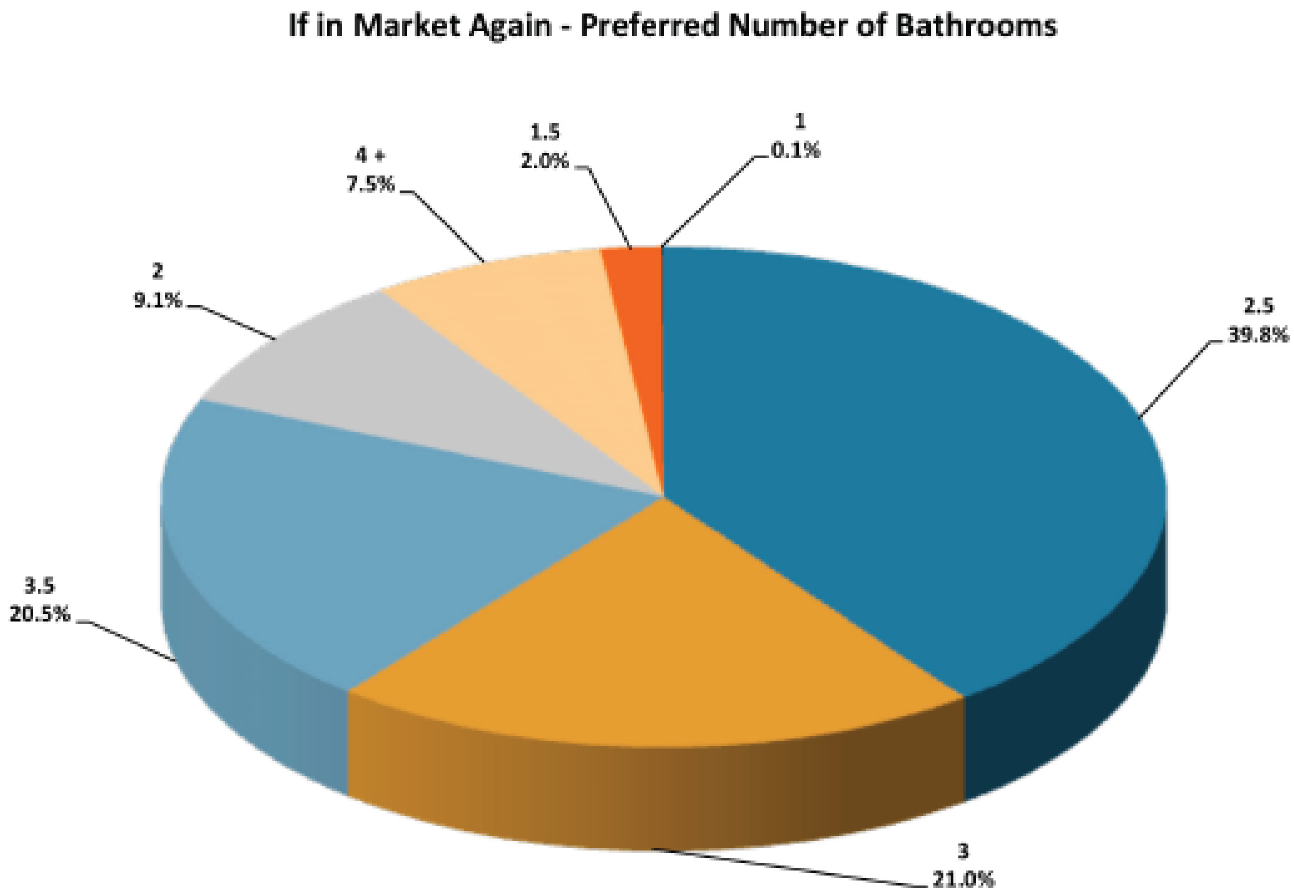
42% of respondents would be looking for a 3-bedroom home.



37% would prefer a 4-bedroom, while 12% would be seeking 2-bedrooms.

Buyer Profile

40% of respondents would prefer 2 ½ bathrooms.



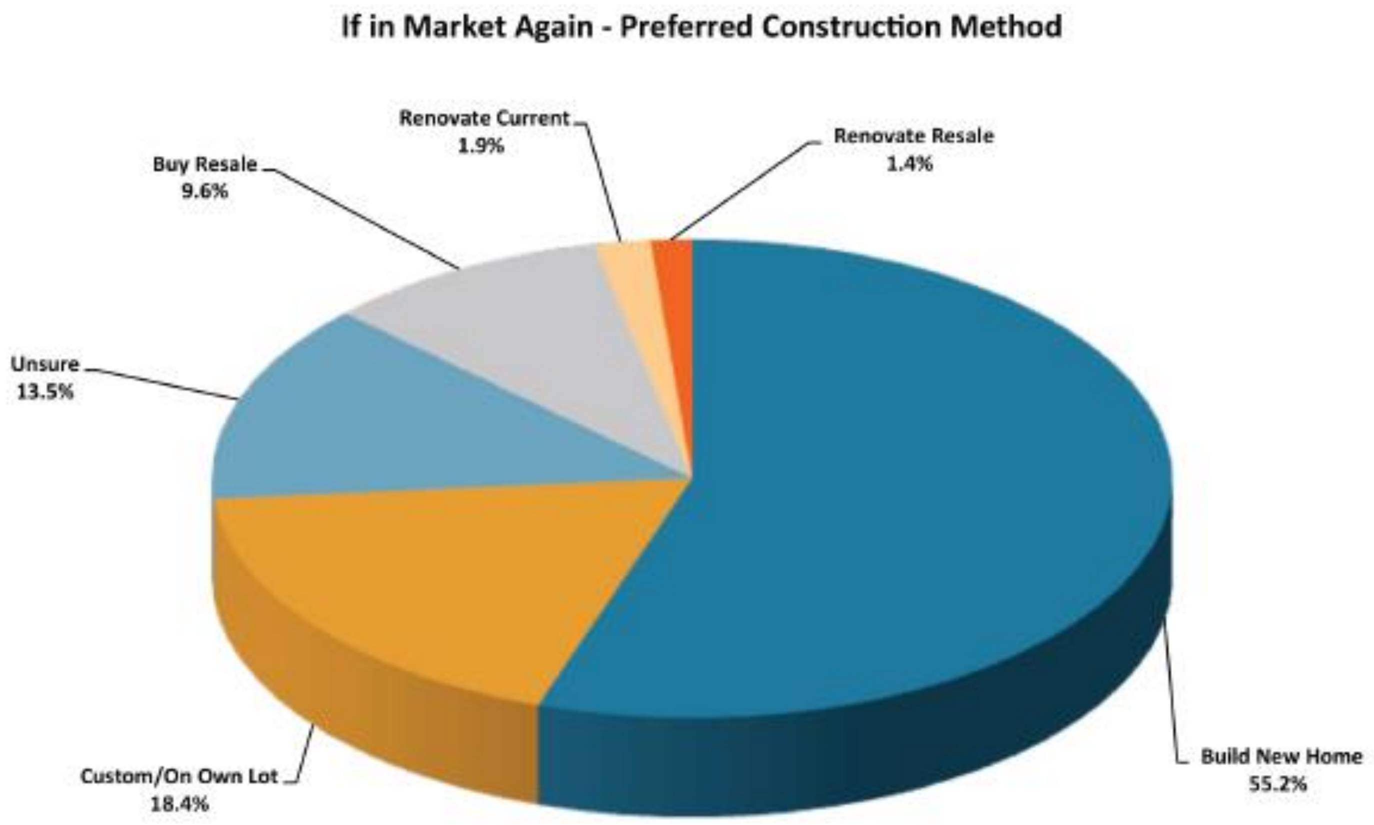
3 baths or 3 ½ baths are preferred by roughly 20% respectively.

Canadian Home Builders' Association

Avid® Ratings Canada

Buyer Profile

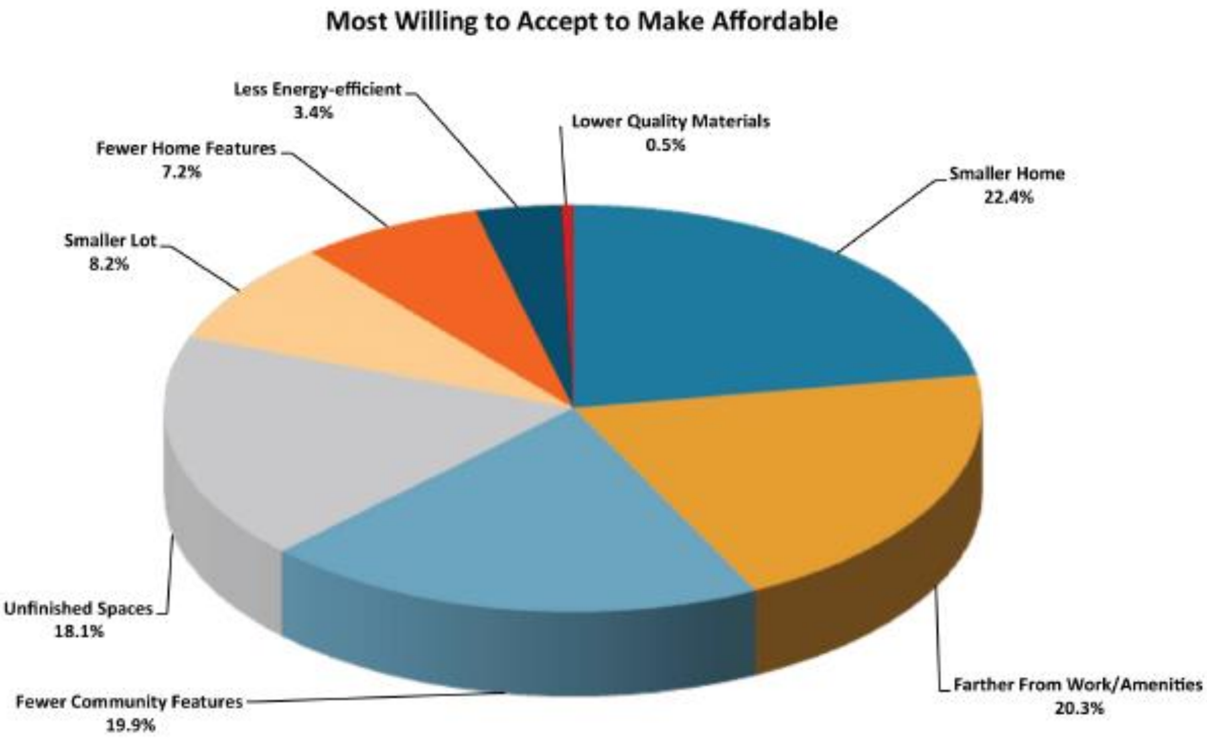
55% of respondents would prefer a brand new house from a builder for their next house.



Adding Custom, 73% of buyers would build again!

Buyer Profile

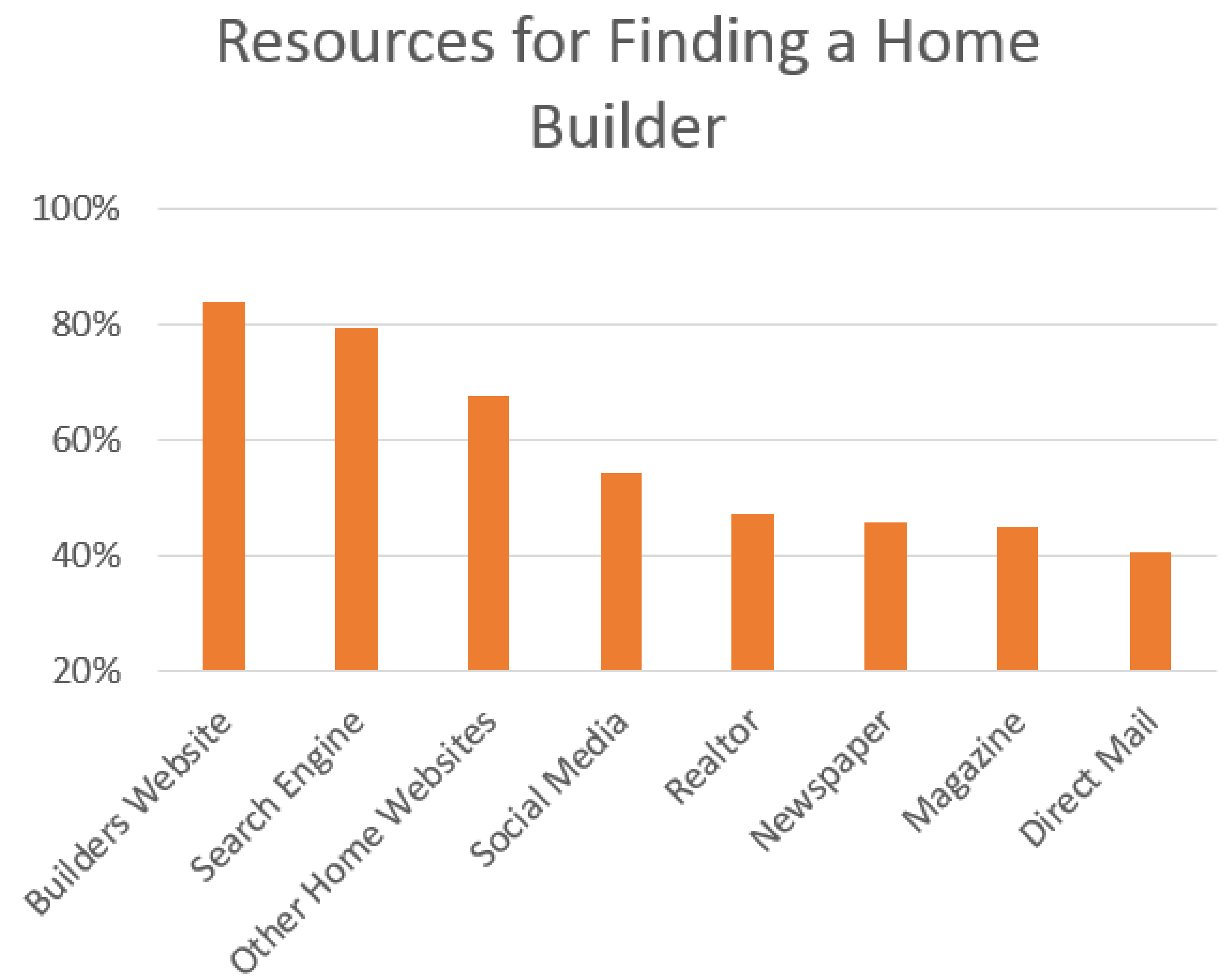
What are respondents most willing to accept to make their next home more affordable?



- ✓ Smaller home 22%
- ✓ Location farther from work/amenities 20%
- ✓ Fewer community features 20%
- ✓ Unfinished spaces 18%
- ✓ Not lower quality nor less energy efficiency

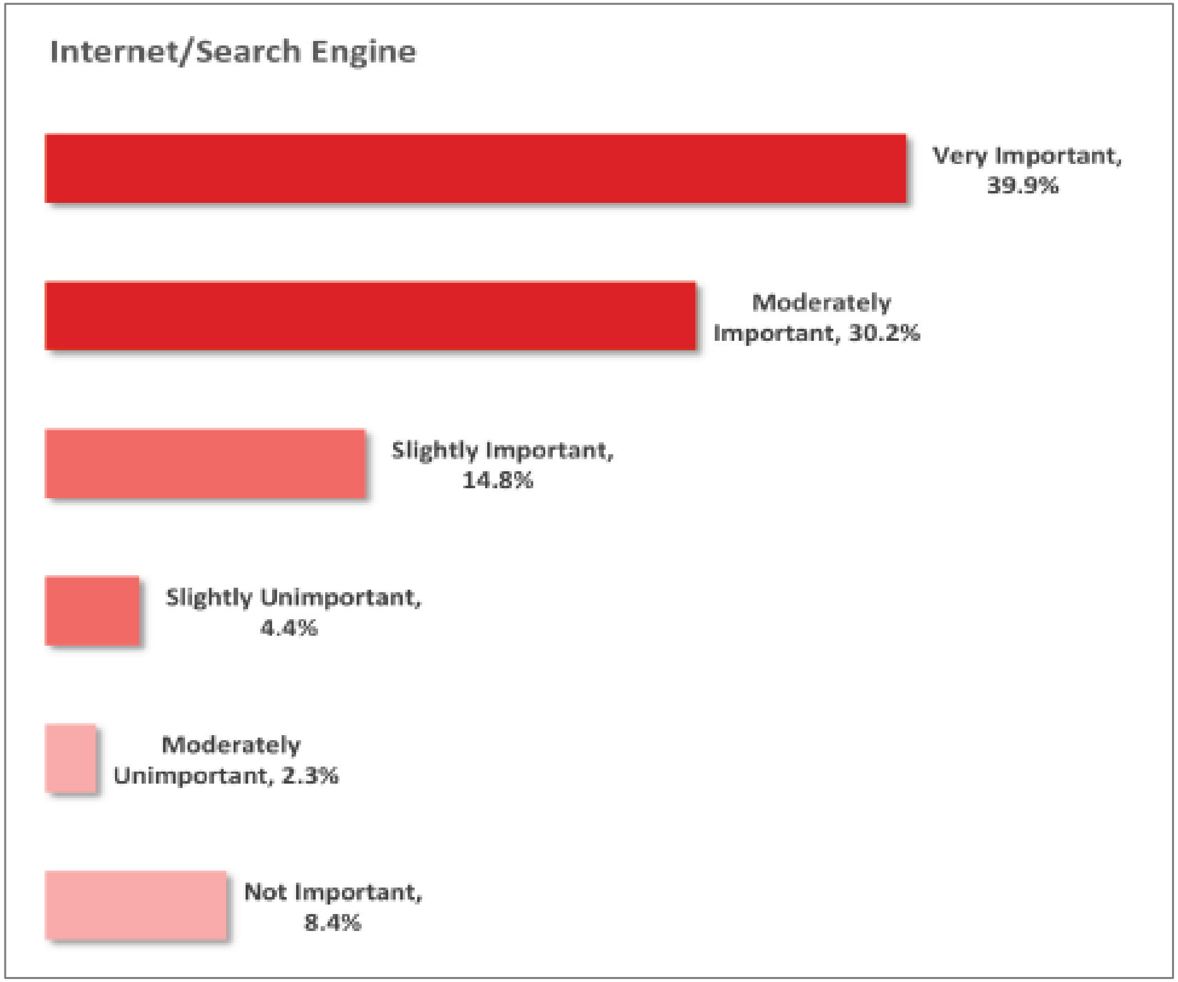
We know more about who they are…

…..but how are they shopping?


Resources for Finding a Home Builder
100%
80%
60%
40%
20%
Builders Website
Search Engine
Other Home Websites
Social Media
Realtor
Newspaper
Magazine
Direct Mail

Marketing

How important is the Internet as a resource in finding a builder?

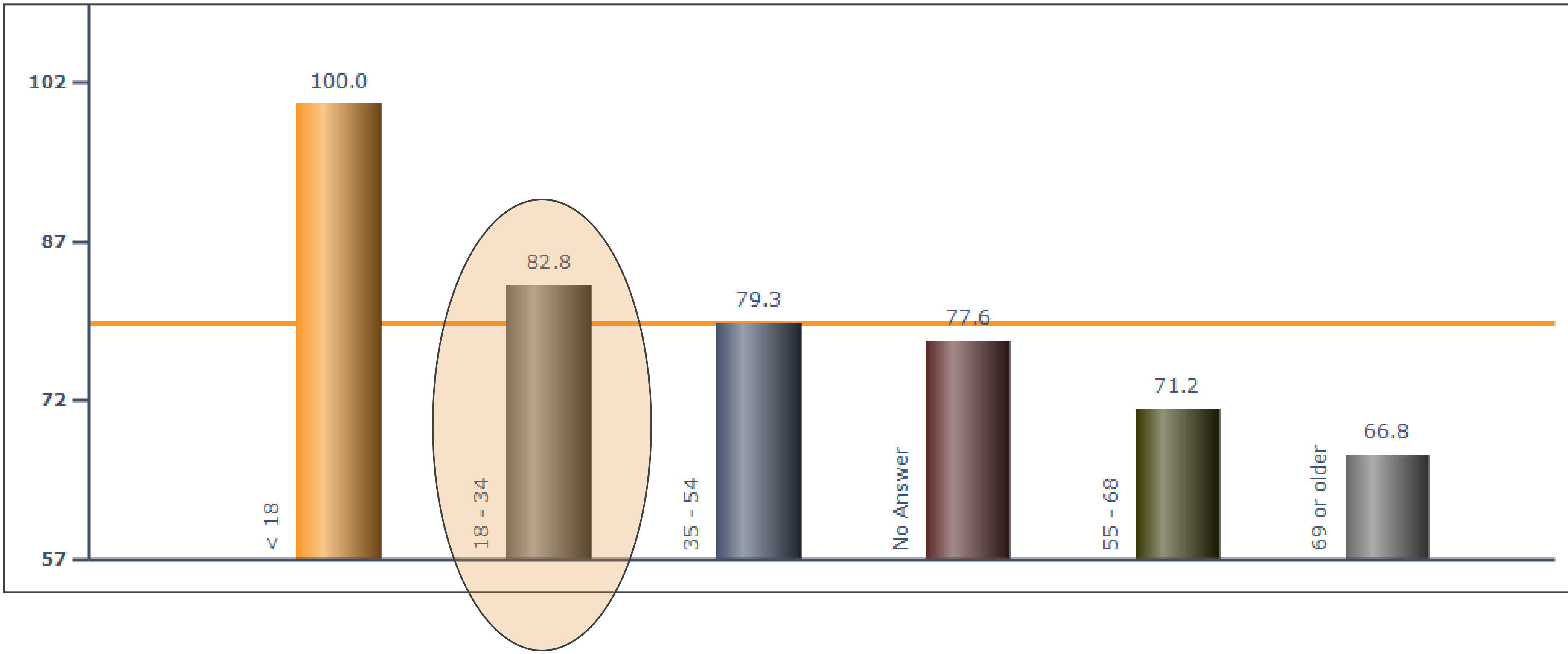


85% of respondents find it important.

Canadian Home Builders' Association

Avid® Ratings Canada

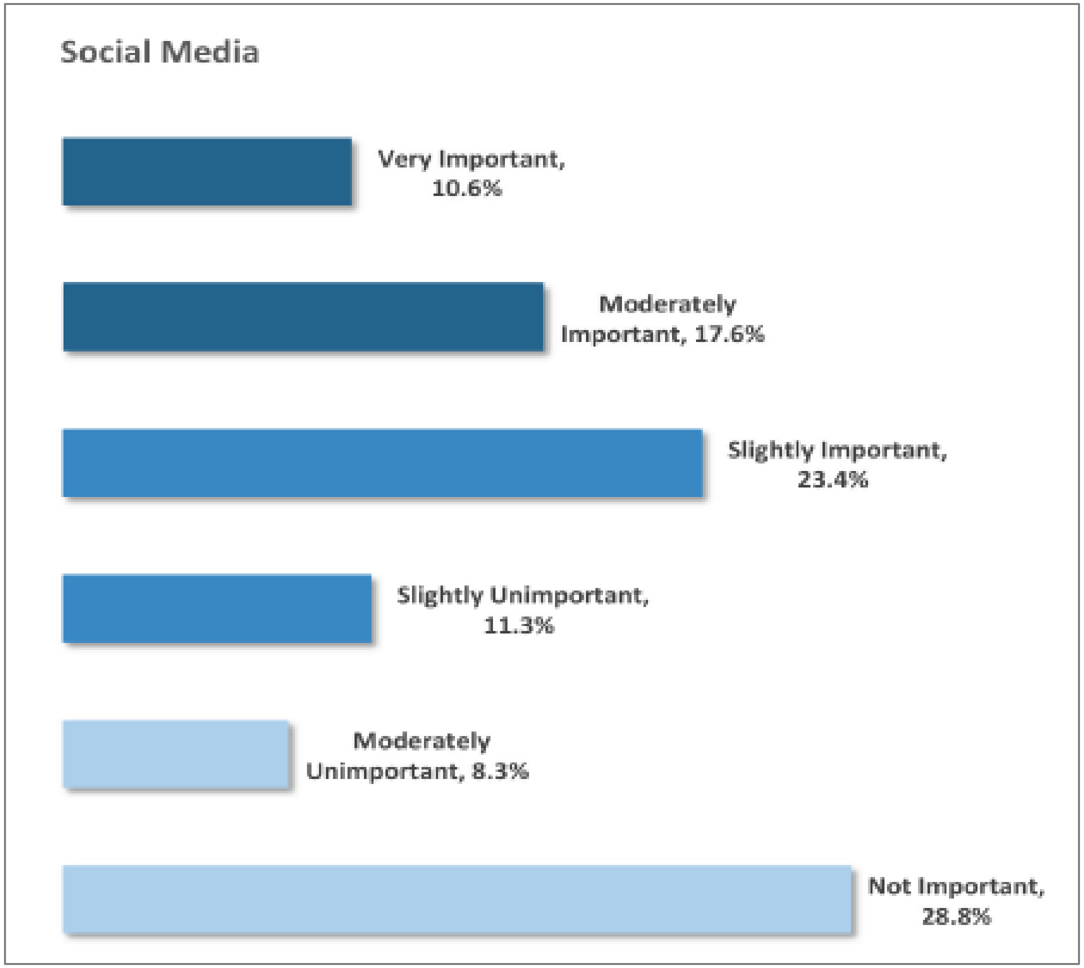
What age group is using the Internet to find a builder across Canada?



Every age group is using the Internet with Millennials leading.

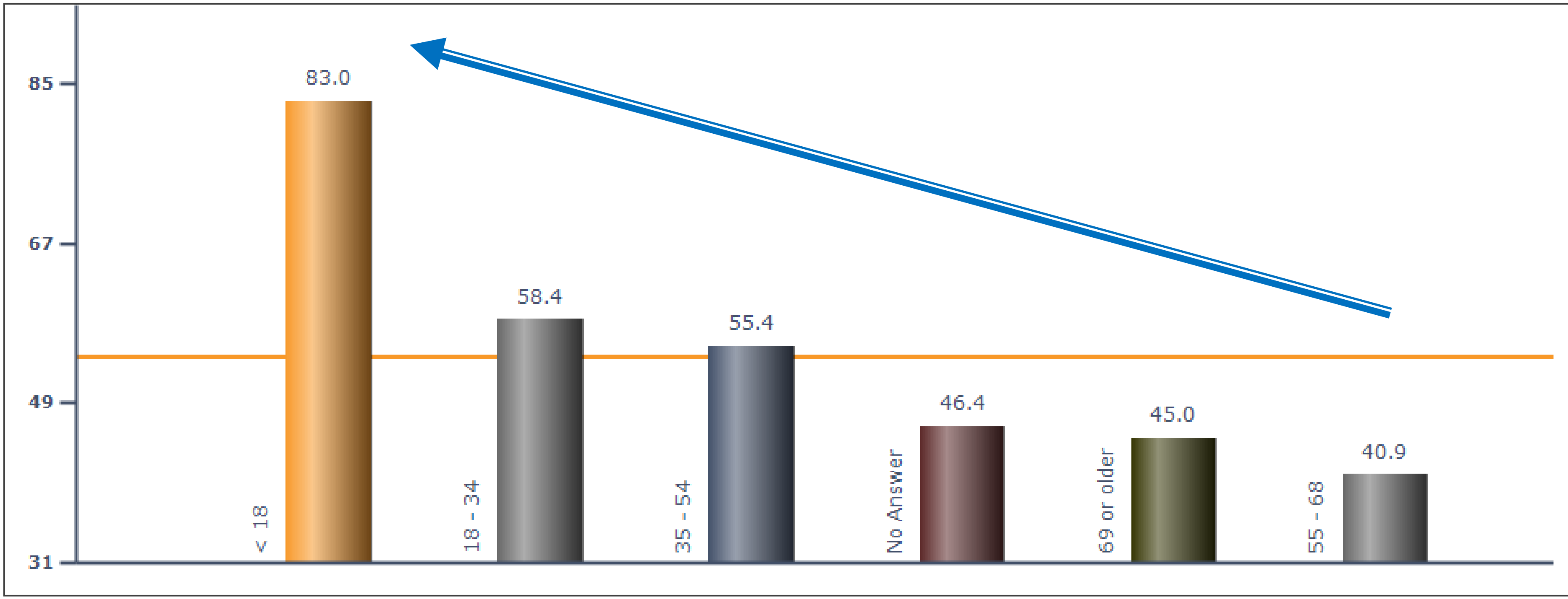
Marketing

How important is Social Media as a resource in finding a builder?



52% of respondents find it important.

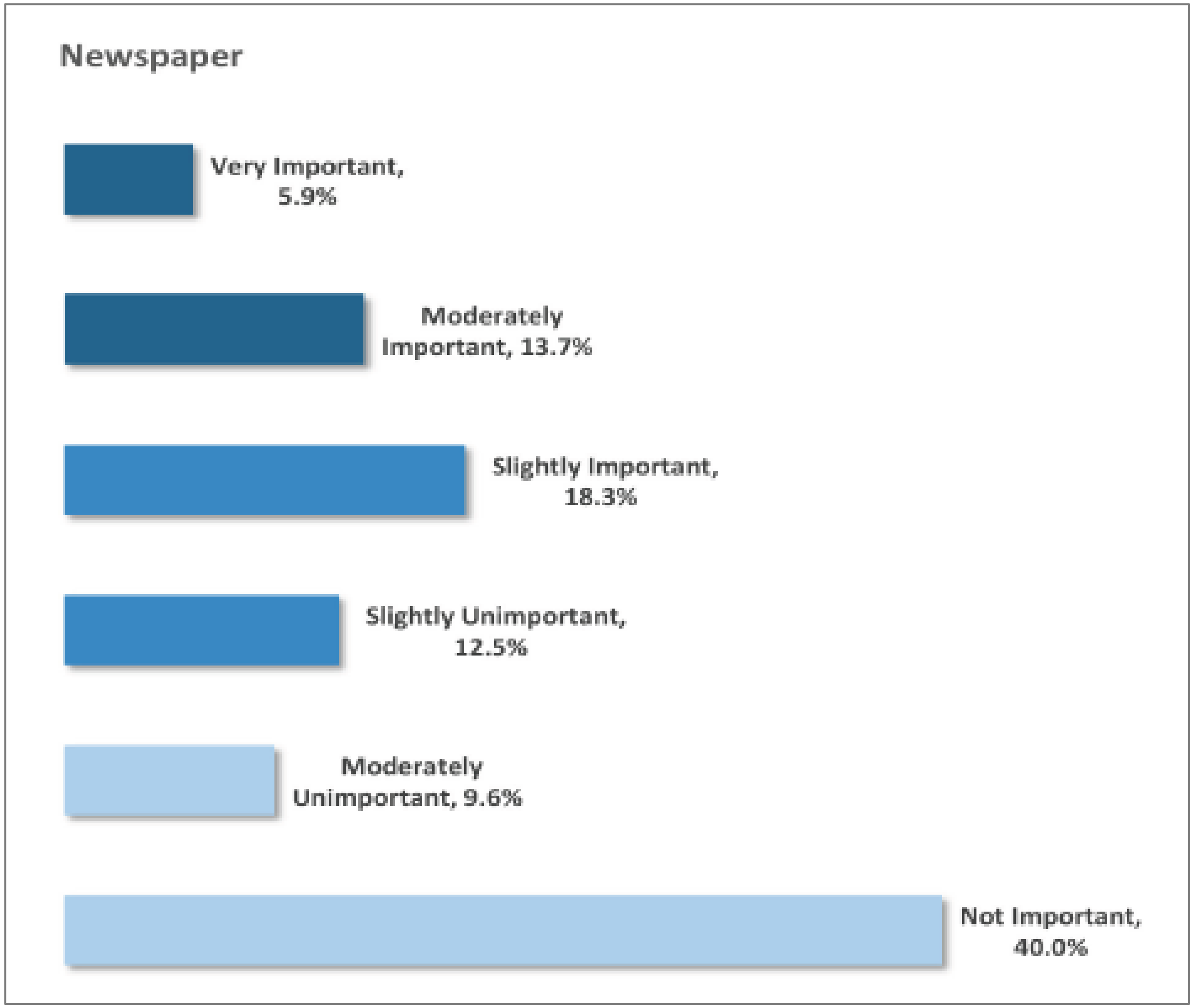
What age group is using the social media to find a builder across Canada?



The younger they are the more they rely on social media to find a builder.

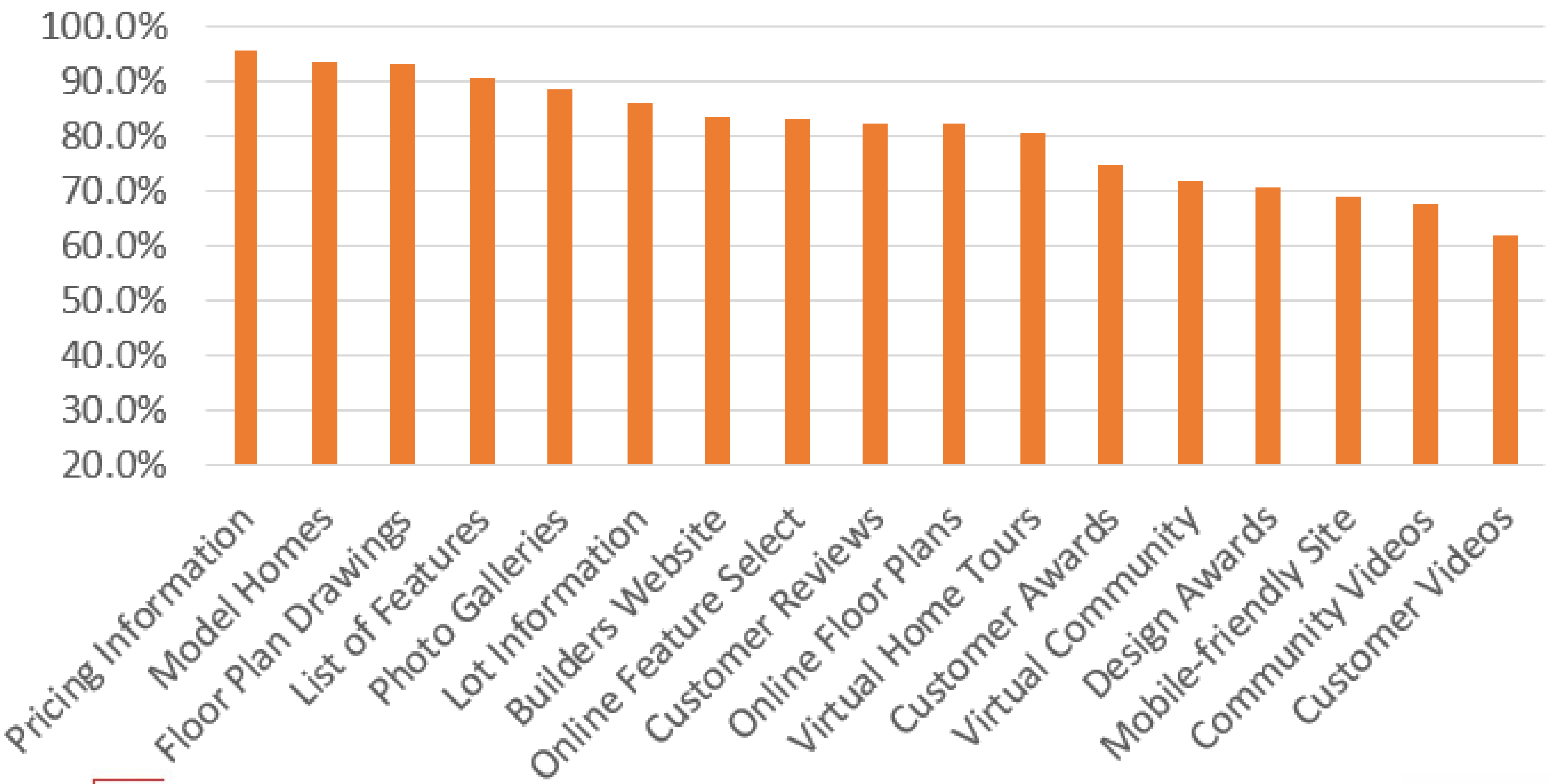
Marketing

How important is newspaper advertising?



62% of respondents rate newspaper ads on the “unimportant” side for finding a builder.

Resources for Making a Final Decision to Buy

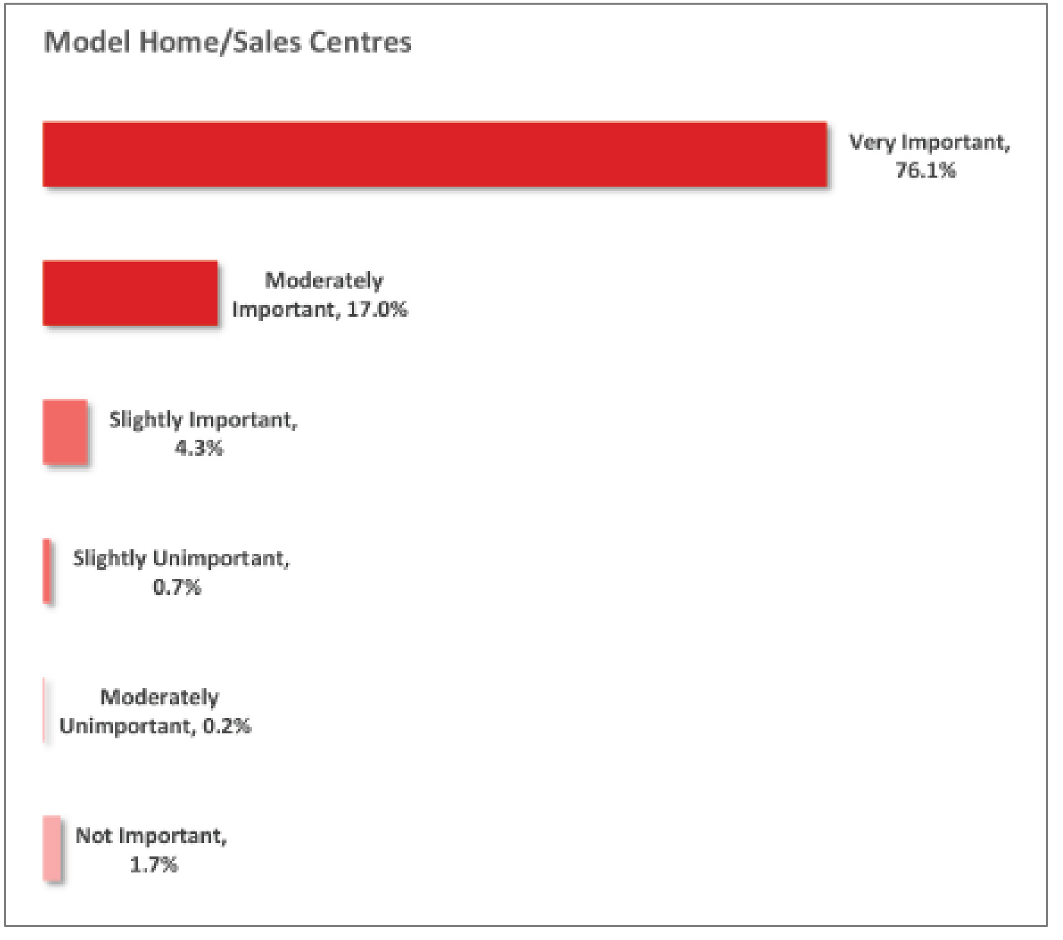


Canadian Home Builders' Association

Avid® Ratings Canada

Marketing

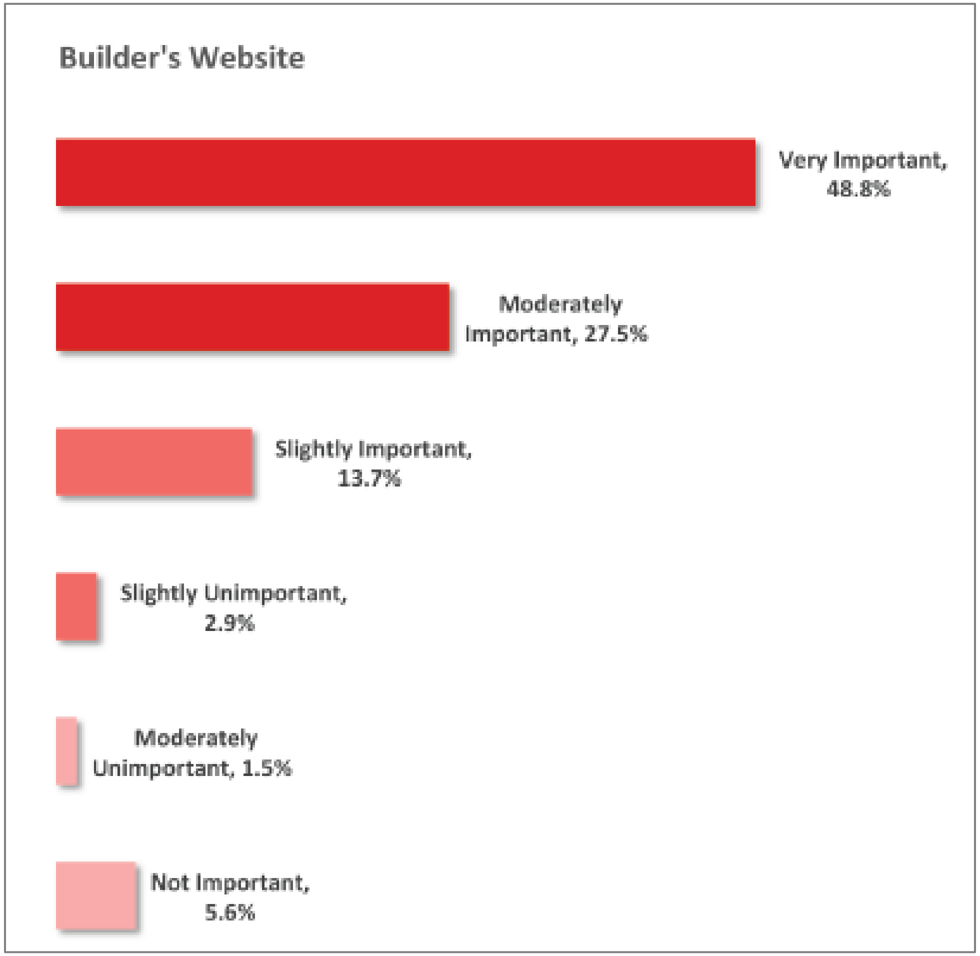
How important are model homes in a buyer's final decision-making process?



97% of respondents find them important.

Marketing

How important is a builder's website in a buyer's final decision-making process?



90% of respondents find it important.

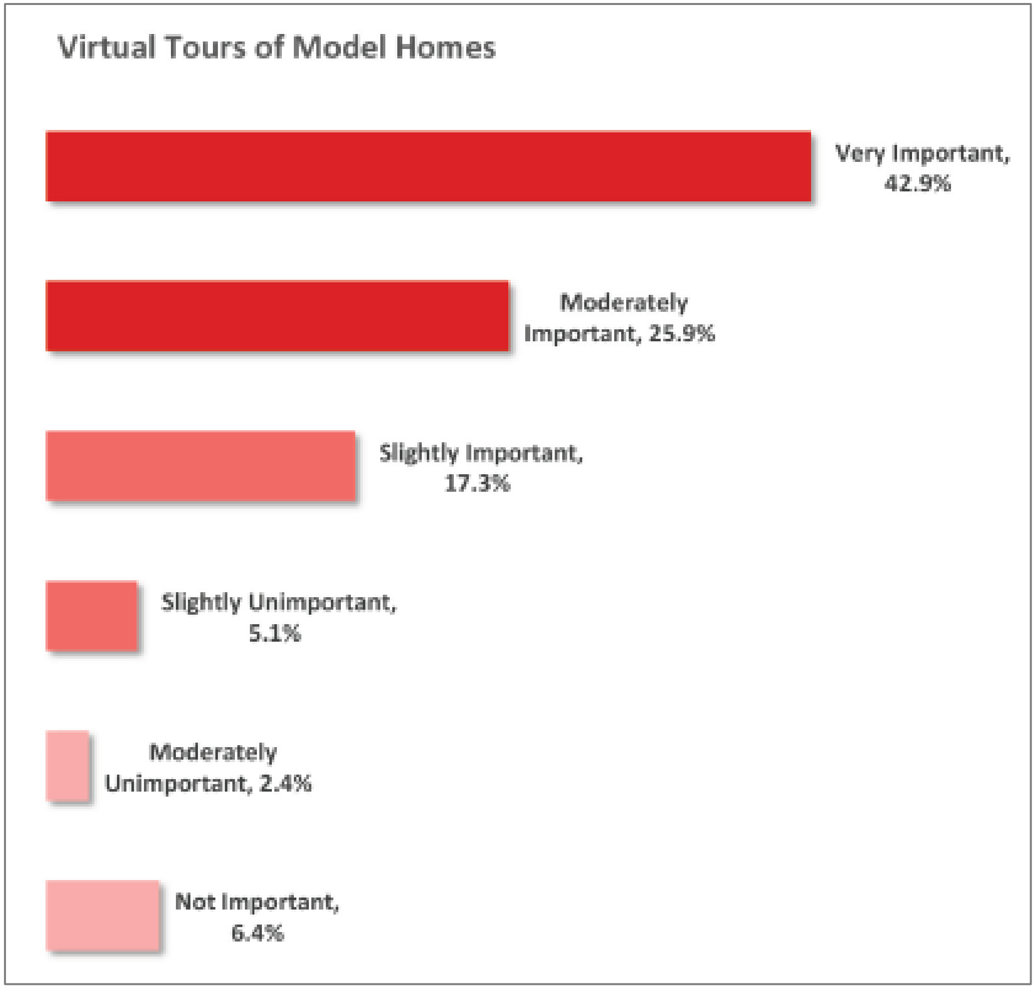
Marketing

Are online customer reviews impacting your sales?

89% of respondents find them important in their decision making process.

Marketing

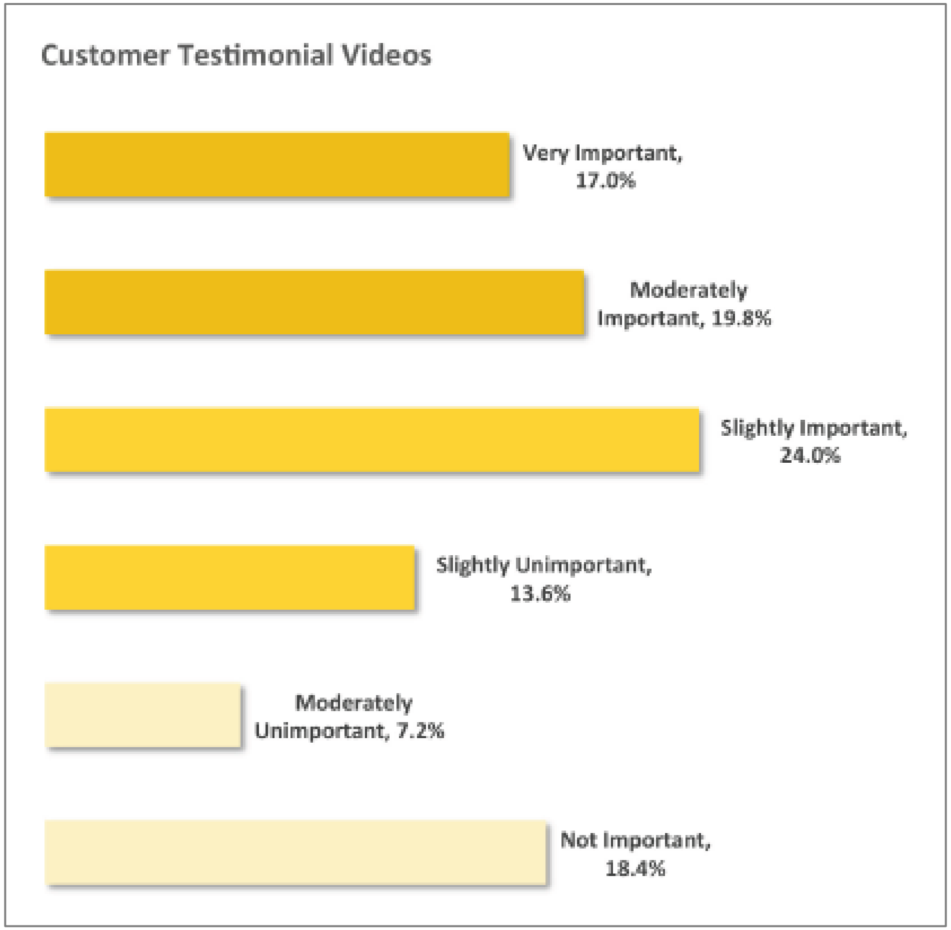
Do your model homes need to be virtualized?



They do if you want to appeal to the 86% of buyers who find virtual tours important.

Marketing

How important are customer testimonials in a buyer's final decision-making process?



Only 61% of buyers find them important – the lowest of the group.

Overall Home Design Preferences

Canadian Home Builders' Association

Avid® Ratings Canada

Feature Category Definition

Must Have

Really Want

Nice if Affordable

Not Important

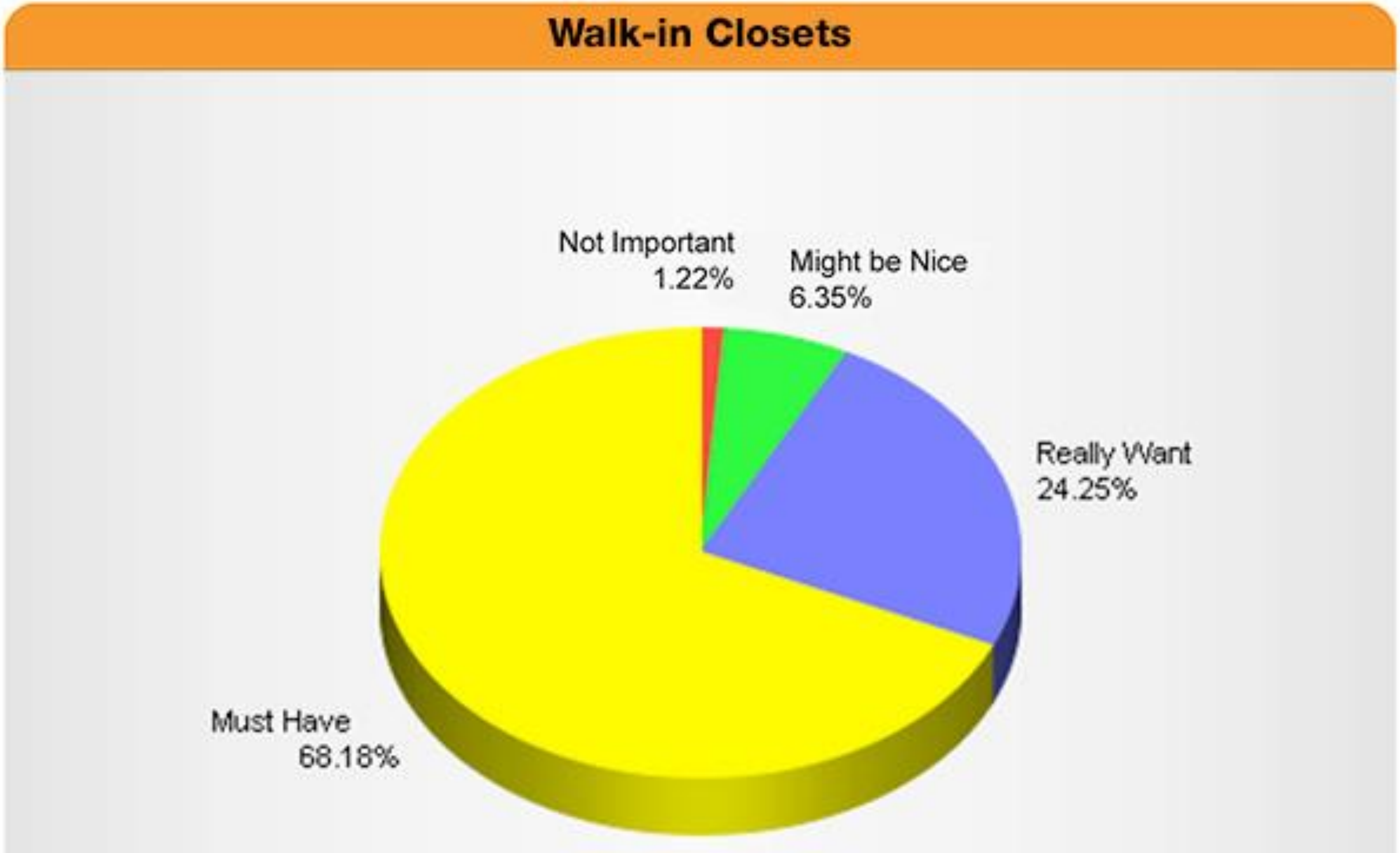
Top 10 "Must Have" Home Features Overall

1. Walk-in closets
2. Energy efficient appliances
3. Overall energy efficient home
4. High-efficiency windows
5. Kitchen islands
6. Linen closets
7. Open concept kitchens
8. Large windows
9. 2-Car garage
10. Walk-in pantry

Avid® Ratings Canada

customers engaged™

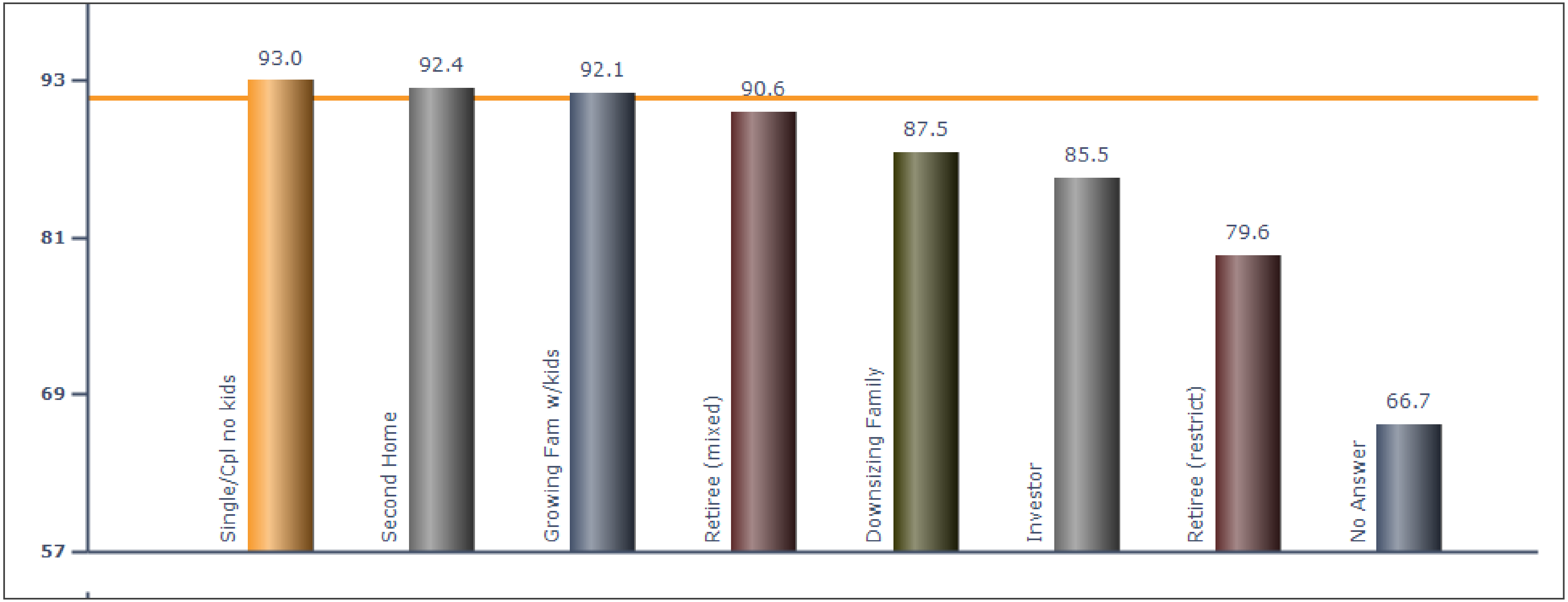
“Must Have” Feature



A “Must Have” Feature to 68% of respondents and a total of 92% want or must have.

“Must Have” Feature

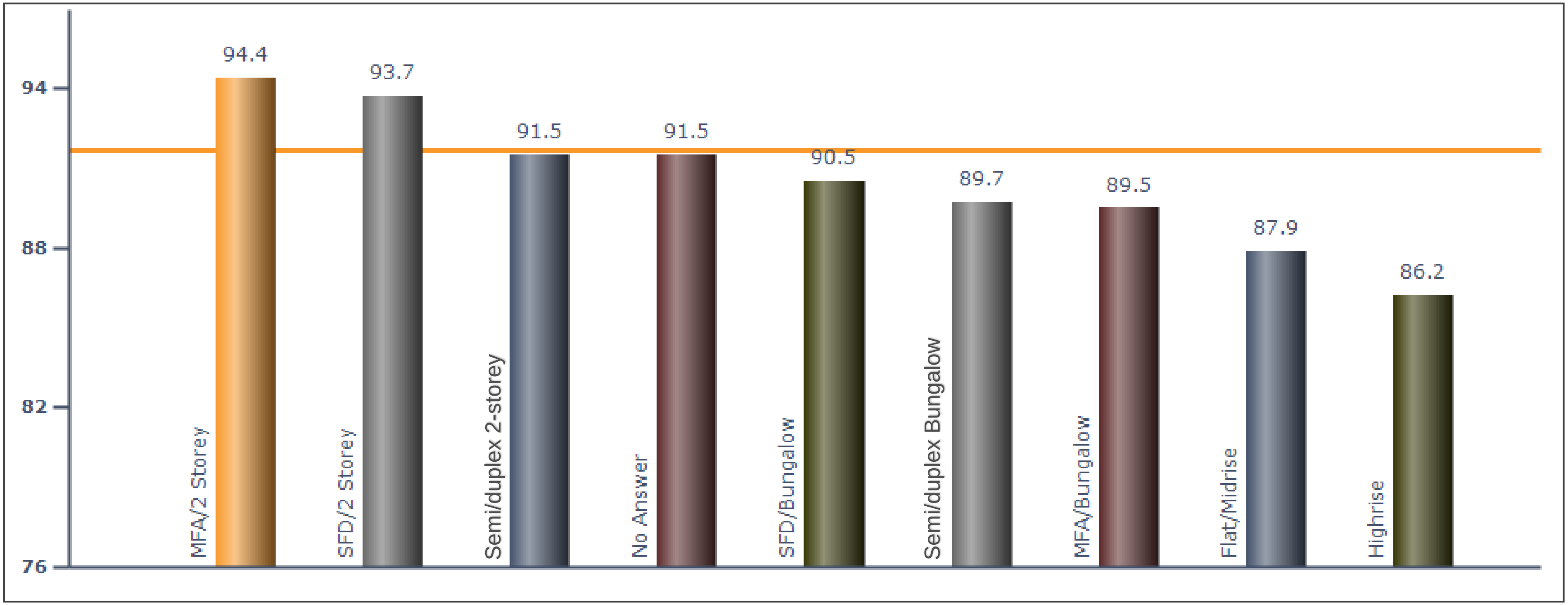
Walk-in Closets



Buyer Profile

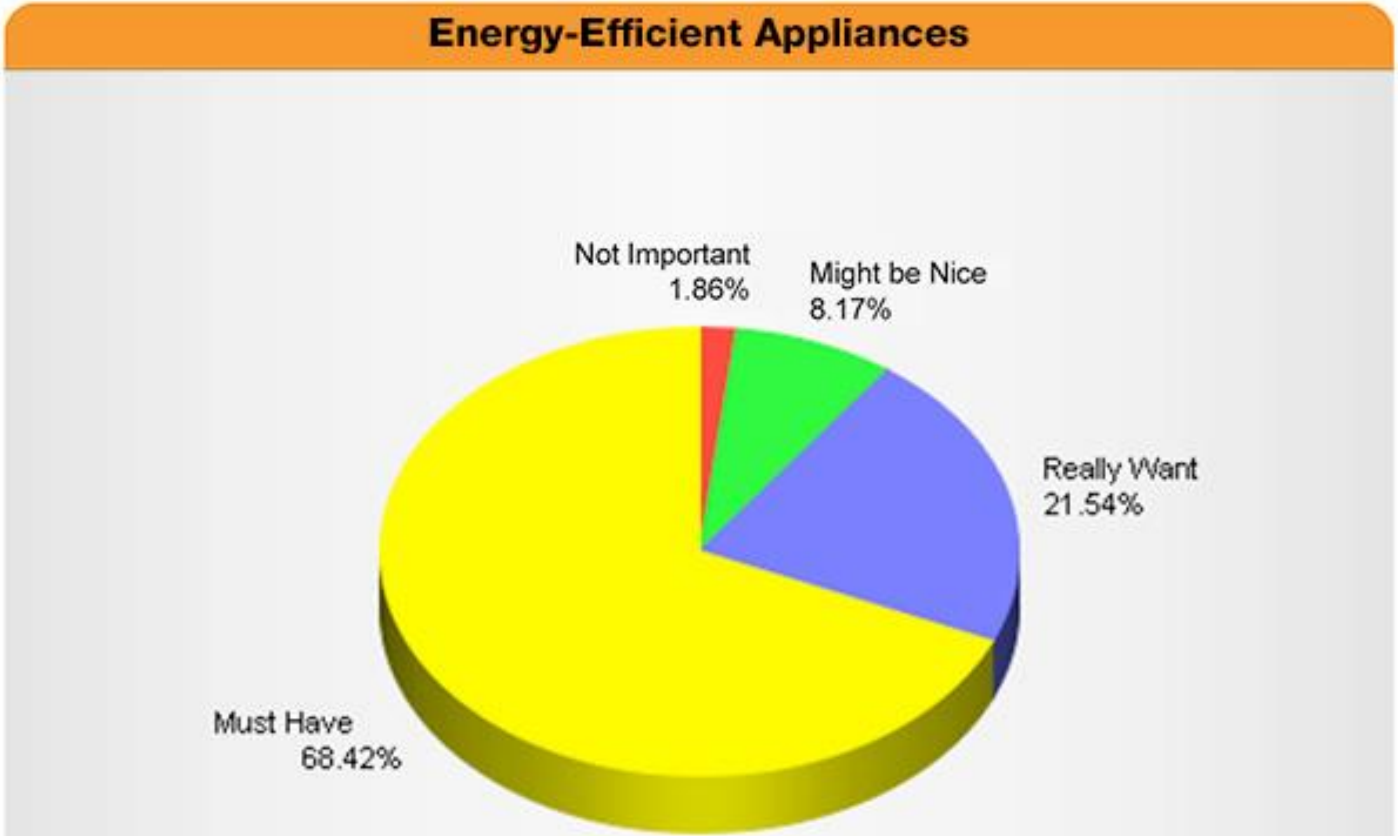
“Must Have” Feature

Walk-in Closets



Home Type

“Must Have” Feature

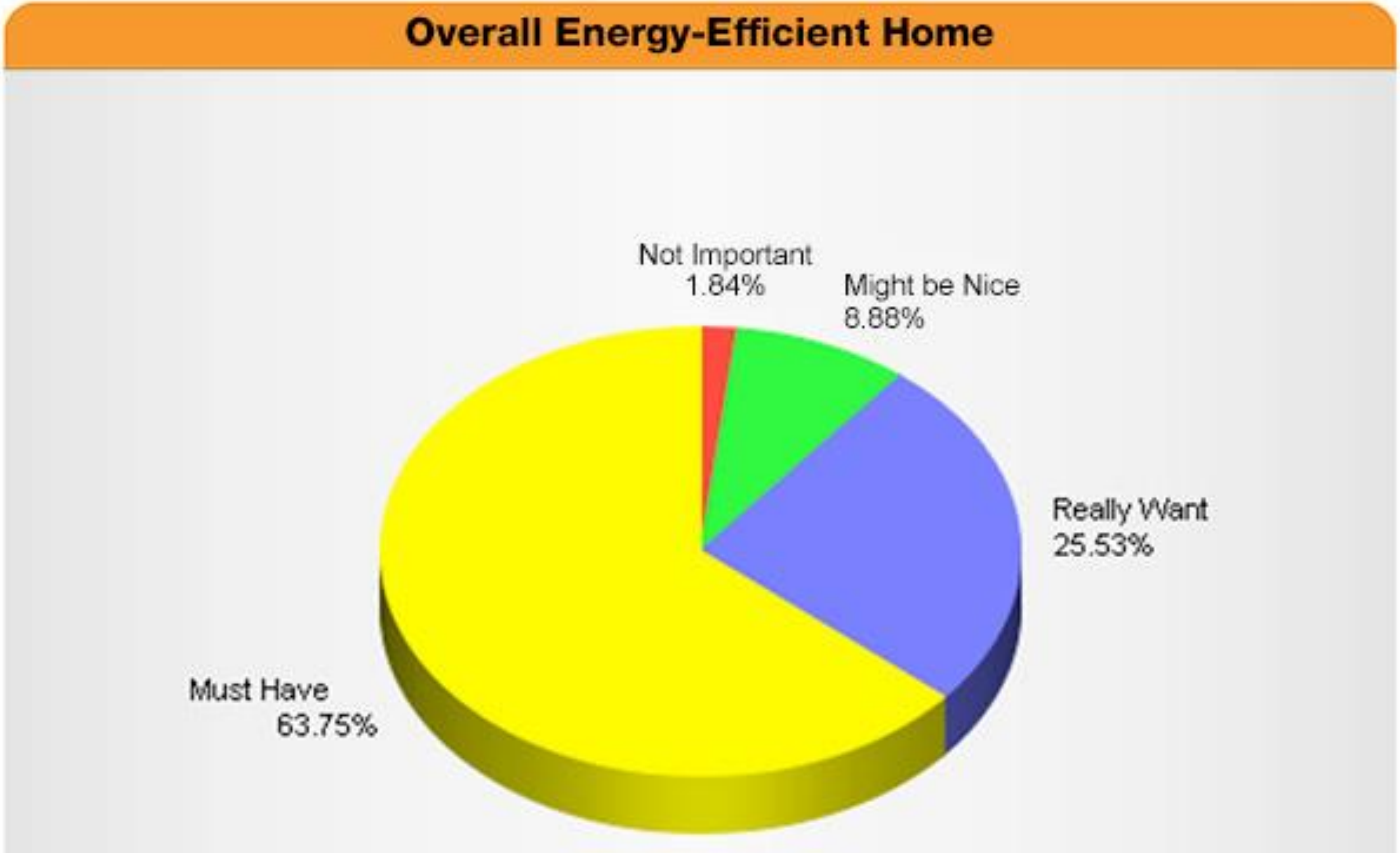


A “Must Have” Feature to 68% of respondents and a total of 90% want or must have.

Canadian Home Builders' Association

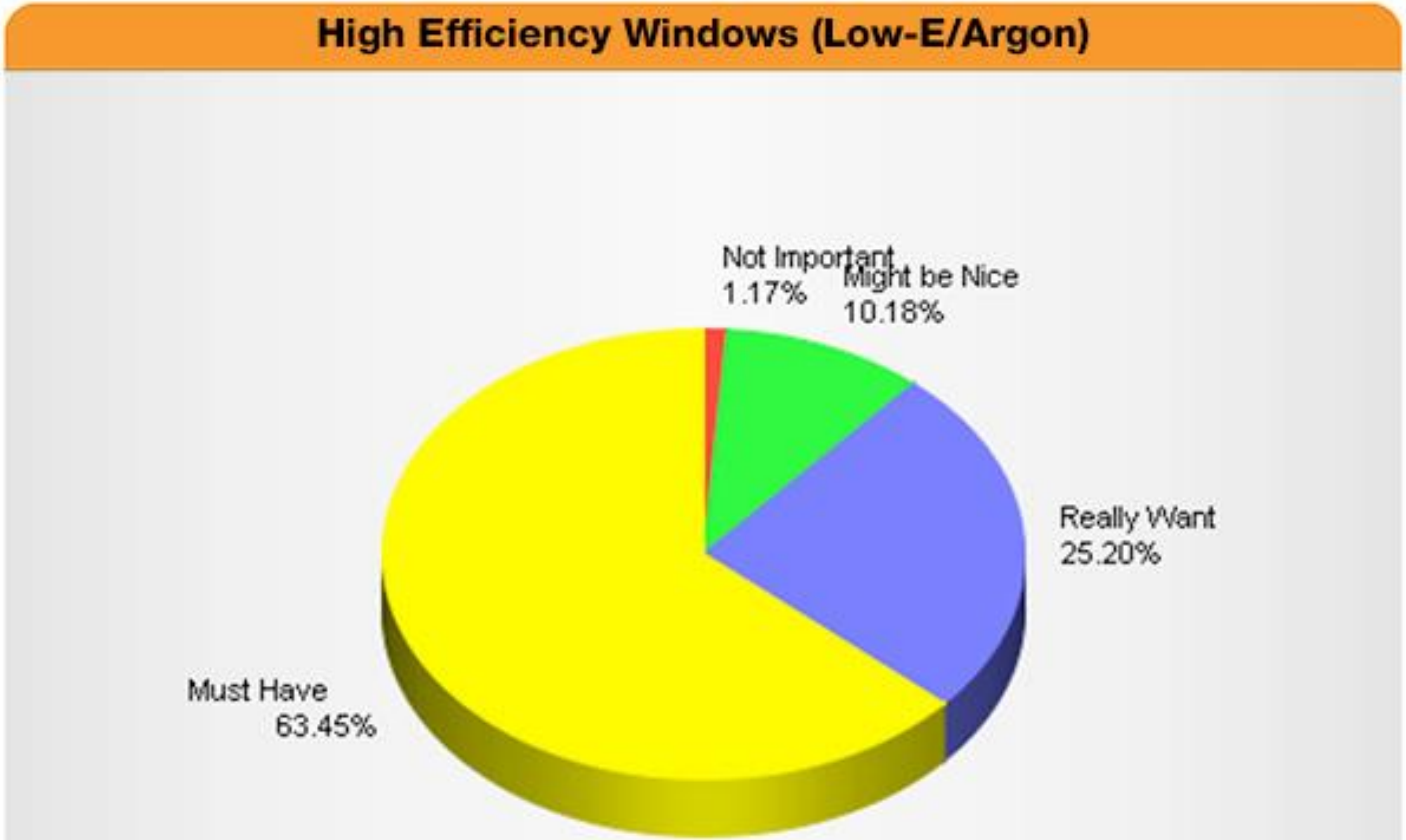
Avid® Ratings Canada

“Must Have” Feature



A “Must Have” Feature to 64% of respondents and a total of 89% want or must have.

“Must Have” Feature



A “Must Have” Feature to 63% of respondents and a total 89% of want or must have.

“Must Have” Feature

A “Must Have” Feature to 64% of respondents and a total of 89% want or must have.

10 Less-Valued Features

1. Open parking & single garage
2. Laminate countertop
3. Swimming pool
4. Vinyl siding
5. Home workshop
6. Hobby/game room
7. Whirlpool tub
8. Stucco exterior
9. Outdoor whirlpool/spa
10. Outdoor fireplace

Canadian Home Builders' Association

Avid® Ratings C

customers

Avid® Ratings Canada

Top "Mid/High Rise" Features Overall

24-Hour Security

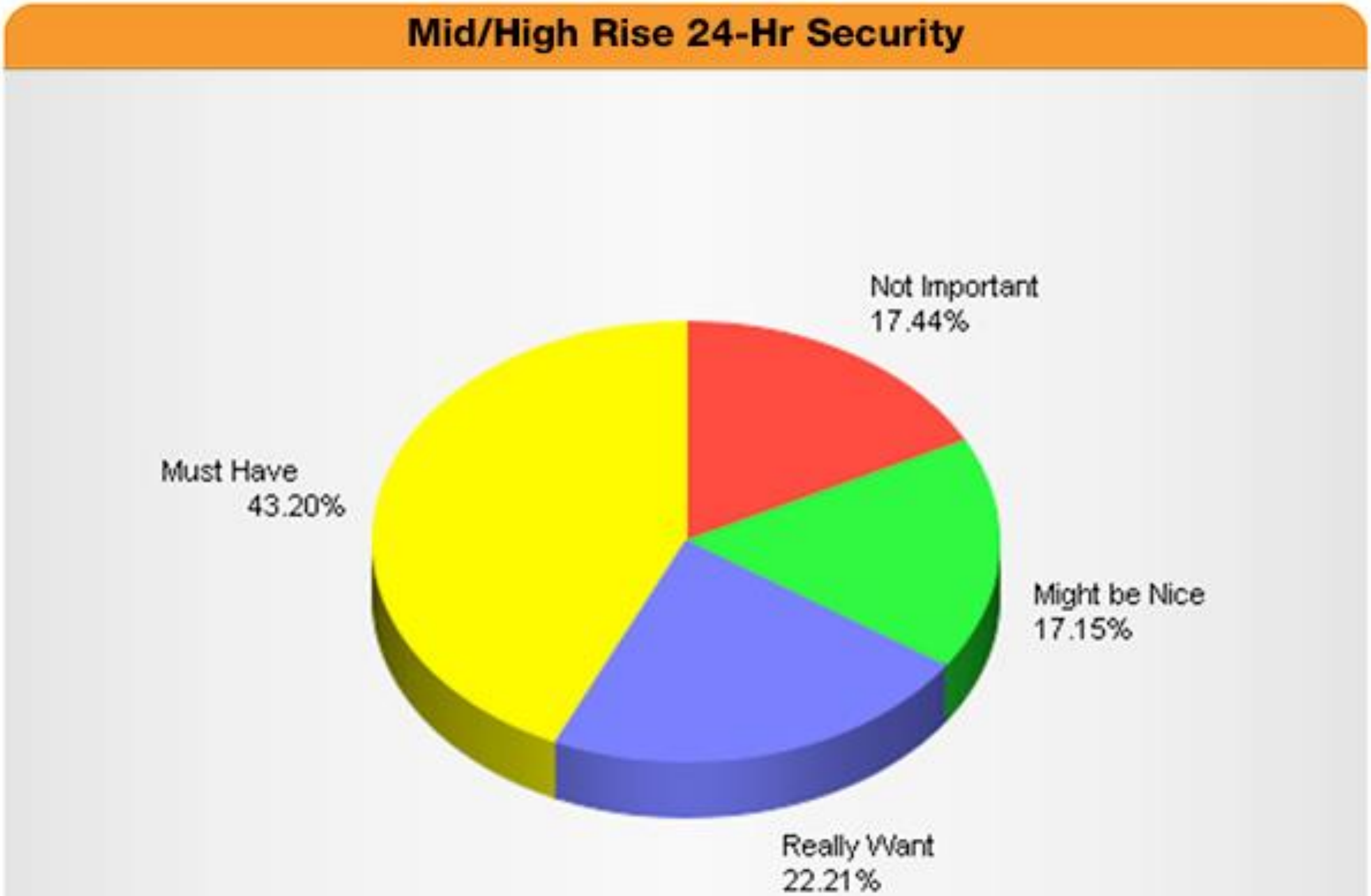
Wireless Internet Access
Throughout Building

Health Club/Gym

Canadian Home Builders' Association

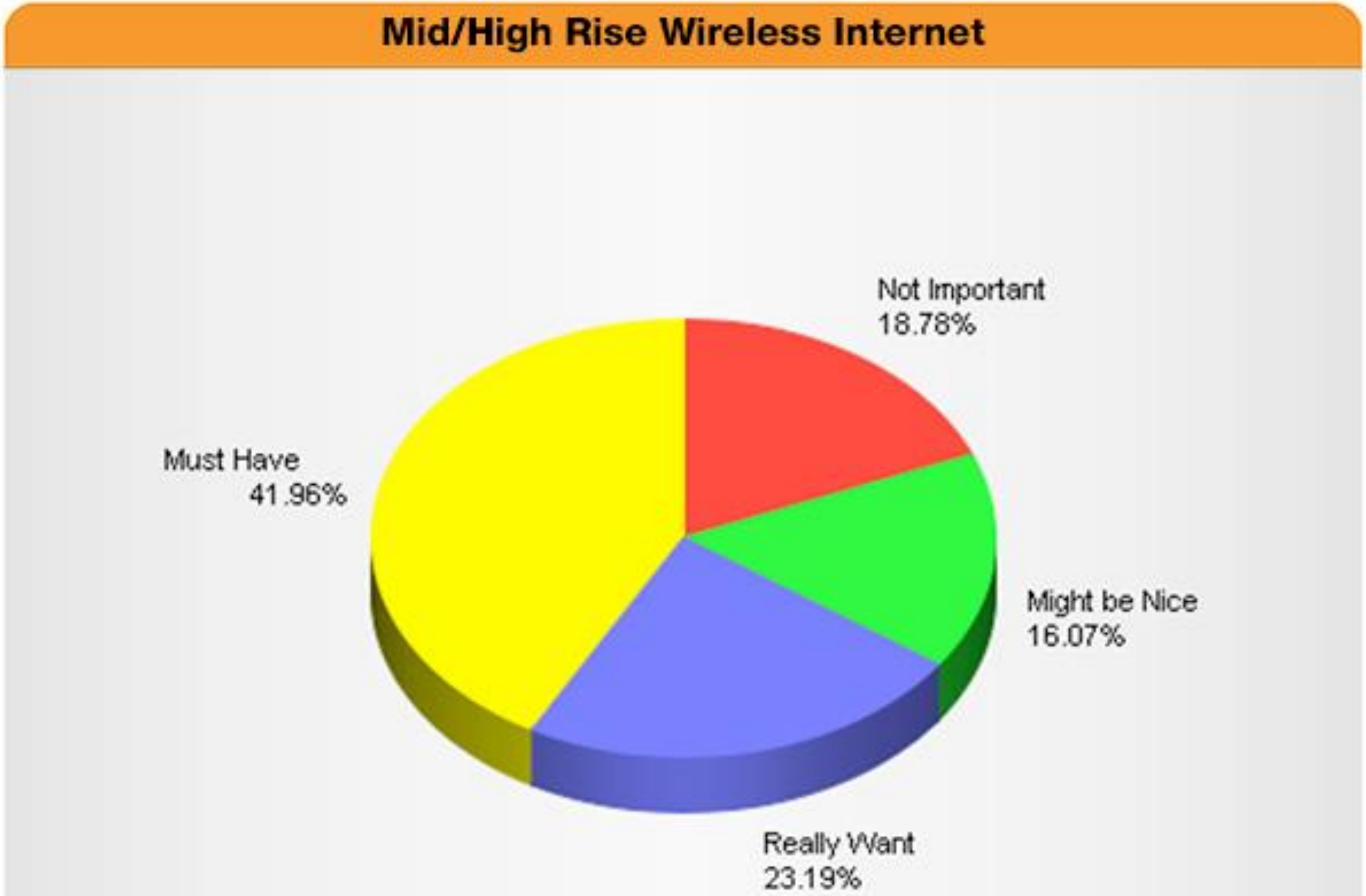
Avid® Ratings Canada

Mid/High Rise Features



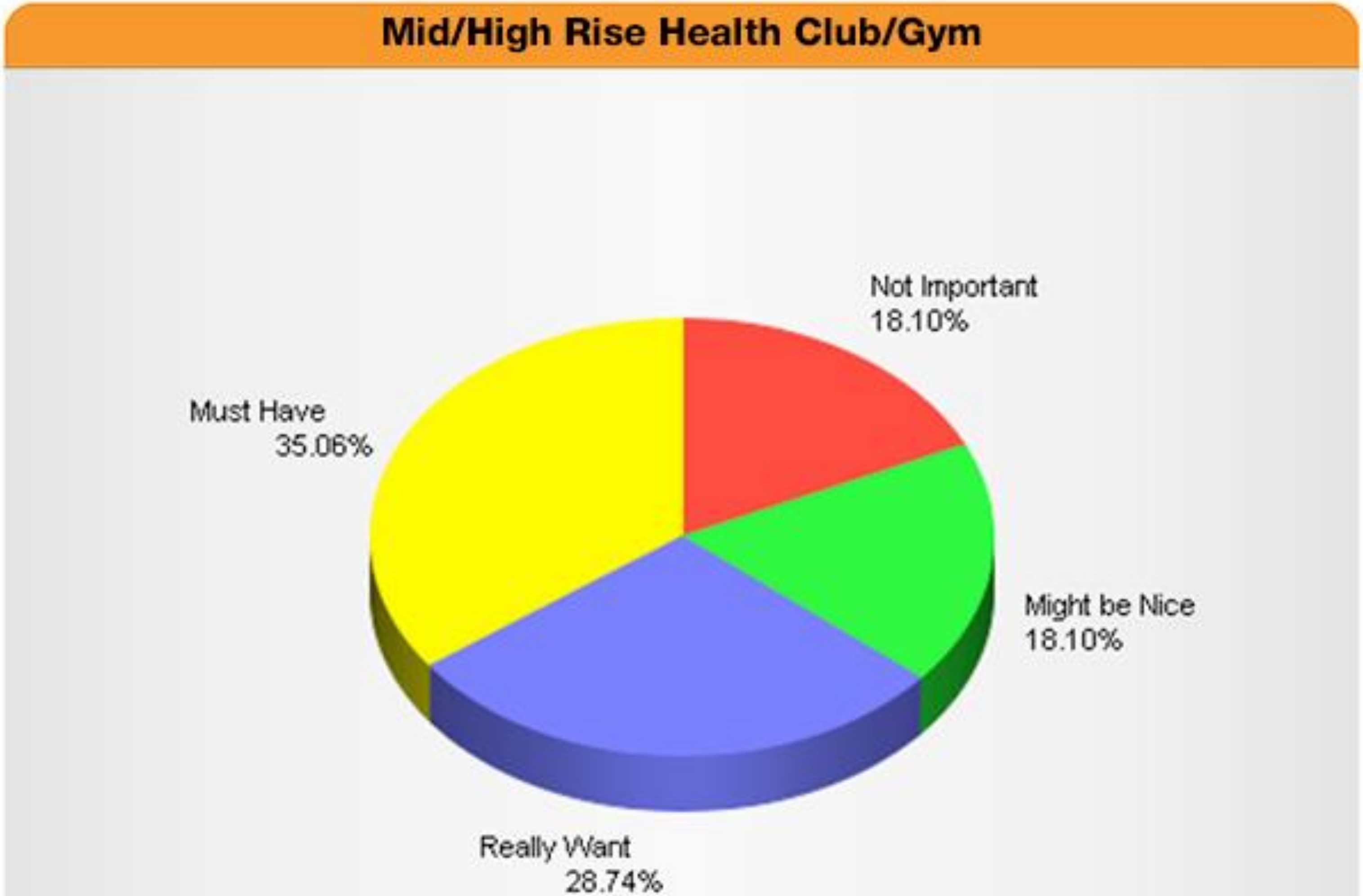
24-hour security is a “Must Have” Feature to 43% of buyers and 65% want or must have.

Mid/High Rise Features



Wireless Internet is a "Must Have" Feature to 42% of buyers and 65% want or must have.

Mid/High Rise Features



Health Club/Gym is a “Must Have” Feature to 35% of buyers and 64% want or must have.

Top “Community Features” Overall

Walking & biking trails

Parks & recreation centres

Overall landscaping

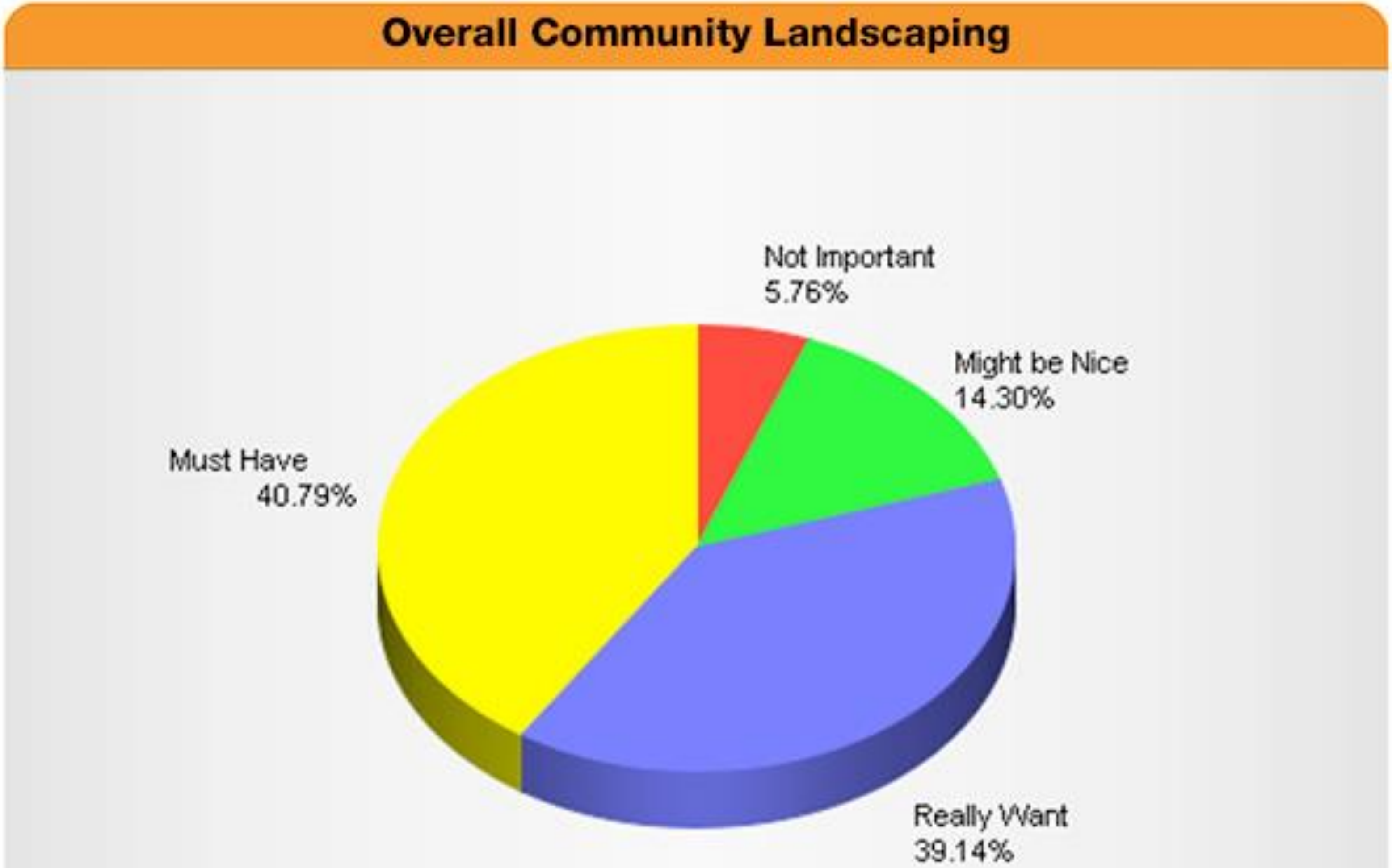
Community Features

Walking and biking paths are a “Must Have” to 53% of buyers and a total of 87% want or must have.

Community Features

Parks and recreation centres are “Must Have” for 46% of buyers and a total of 82% want or must have.

Community Features



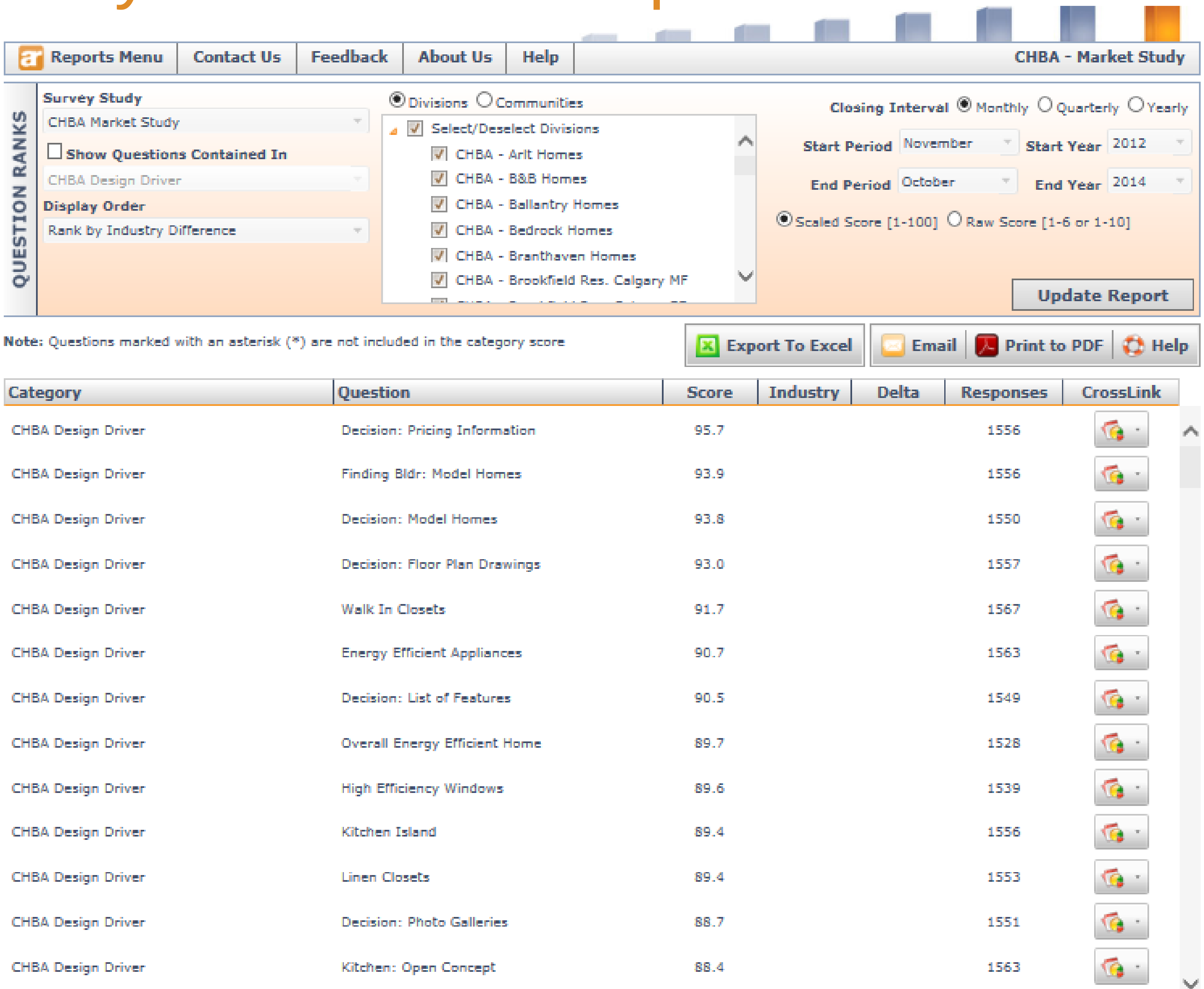
Community Landscaping is a “Must Have” feature to 41% of buyers and a total of 80% want or must have.

Interested in learning more?

National Report (PDF) available through CHBA

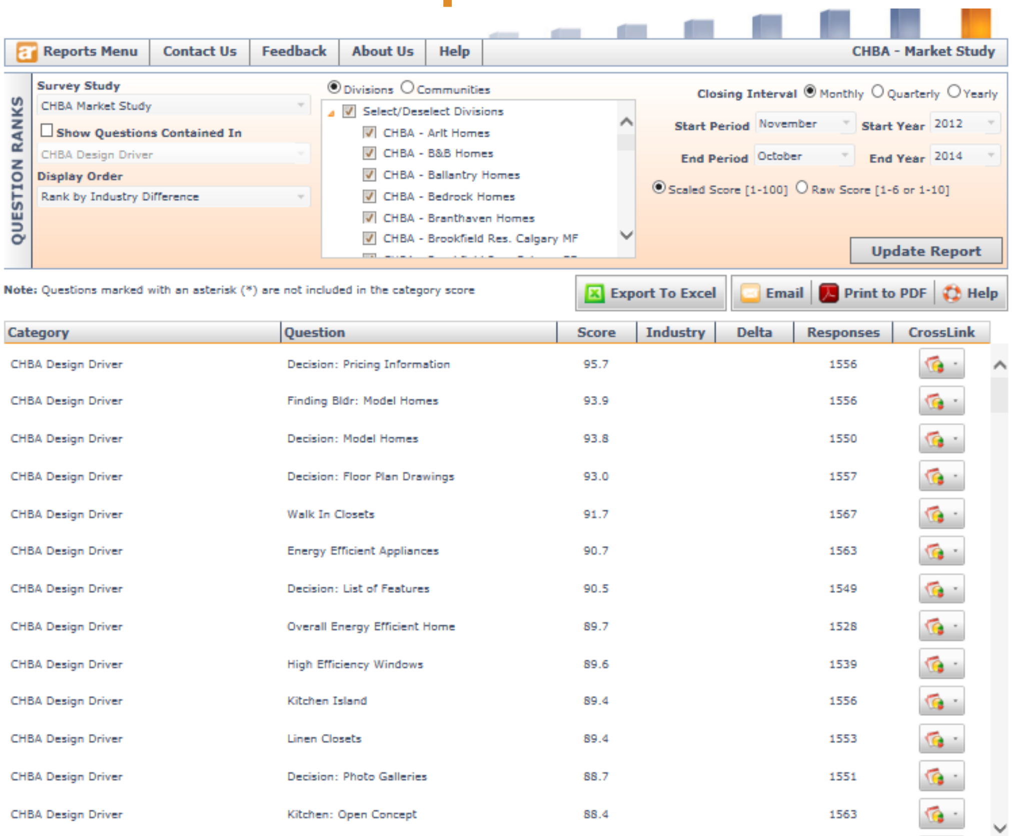
http://www.chba.ca/buyersurvey.aspx

Purchasers will also receive access to the survey data in Avid Reports software.



Category	Question	Score	Industry	Delta	Responses	CrossLink
CHBA Design Driver	Decision: Pricing Information	95.7			1556	
CHBA Design Driver	Finding Bldr: Model Homes	93.9			1556	
CHBA Design Driver	Decision: Model Homes	93.8			1550	
CHBA Design Driver	Decision: Floor Plan Drawings	93.0			1557	
CHBA Design Driver	Walk In Closets	91.7			1567	
CHBA Design Driver	Energy Efficient Appliances	90.7			1563	
CHBA Design Driver	Decision: List of Features	90.5			1549	
CHBA Design Driver	Overall Energy Efficient Home	89.7			1528	
CHBA Design Driver	High Efficiency Windows	89.6			1539	
CHBA Design Driver	Kitchen Island	89.4			1556	
CHBA Design Driver	Linen Closets	89.4			1553	
CHBA Design Driver	Decision: Photo Galleries	88.7			1551	
CHBA Design Driver	Kitchen: Open Concept	88.4			1563	

Avid Reports



Category	Question	Score	Industry	Delta	Responses	CrossLink
CHBA Design Driver	Decision: Pricing Information	95.7			1556	
CHBA Design Driver	Finding Bldr: Model Homes	93.9			1556	
CHBA Design Driver	Decision: Model Homes	93.8			1550	
CHBA Design Driver	Decision: Floor Plan Drawings	93.0			1557	
CHBA Design Driver	Walk In Closets	91.7			1567	
CHBA Design Driver	Energy Efficient Appliances	90.7			1563	
CHBA Design Driver	Decision: List of Features	90.5			1549	
CHBA Design Driver	Overall Energy Efficient Home	89.7			1528	
CHBA Design Driver	High Efficiency Windows	89.6			1539	
CHBA Design Driver	Kitchen Island	89.4			1556	
CHBA Design Driver	Linen Closets	89.4			1553	
CHBA Design Driver	Decision: Photo Galleries	88.7			1551	
CHBA Design Driver	Kitchen: Open Concept	88.4			1563	

- Question Ranking, Frequency Reporting, Survey Viewer, & more
- User defined/specified data-mining of all survey questions
- Drill-downs by product type, buyer type, age group, province
- Participant builders obtain all data from their home buyers complimentary

Value: What You Get & Pricing

Builder/developers members who participate in the CHBA Home Buyer Preference Survey will receive, ***free of charge***, complete data and reporting on the survey results from their customers. This company-level data will not be available to anyone other than your company.

In addition, as a survey participant, you are offered a ***60% discount*** on the results of the nationwide study, which will allow you to compare your customer preference with broader market trends. This offers study participants unique insights into what is happening in their markets, and with their own customers.

Ordering information will be sent to you following completion of the survey, along with your complementary company-level data and results.

Regular Price (Non-CHBA Members)	Nationwide study, including applicable provincial reports	**$495**
CHBA Member-Only Rate (survey non-participants)	Nationwide study, including applicable provincial reports	**$295** (40% OFF!)
CHBA Member Participant Rate (only for firms participating in the survey)	Nationwide study, including applicable provincial reports	**$195** (60% OFF!)
CHBA Member Participant Rate (only for firms participating in the survey)	CHBA Member Participant Special Report	**Free and Exclusive**

Question & Answer

Avid® Ratings Canada

customers engaged™