BC HOUSING
RESEARCH CENTRE

COVID 19 ADDENDUM

To provide the residential construction industry with more current information during the COVID 19 pandemic, this addendum focuses on new home registrations since the start of 2020.

New Home Registrations

- In the first five months of 2020, 13,218 new homes were registered[1] in B.C., down 28.9% from 2019.
- The second half of May represents the lowest number of new home registrations since the beginning of 2020 and is approximately half of the 3-year average.
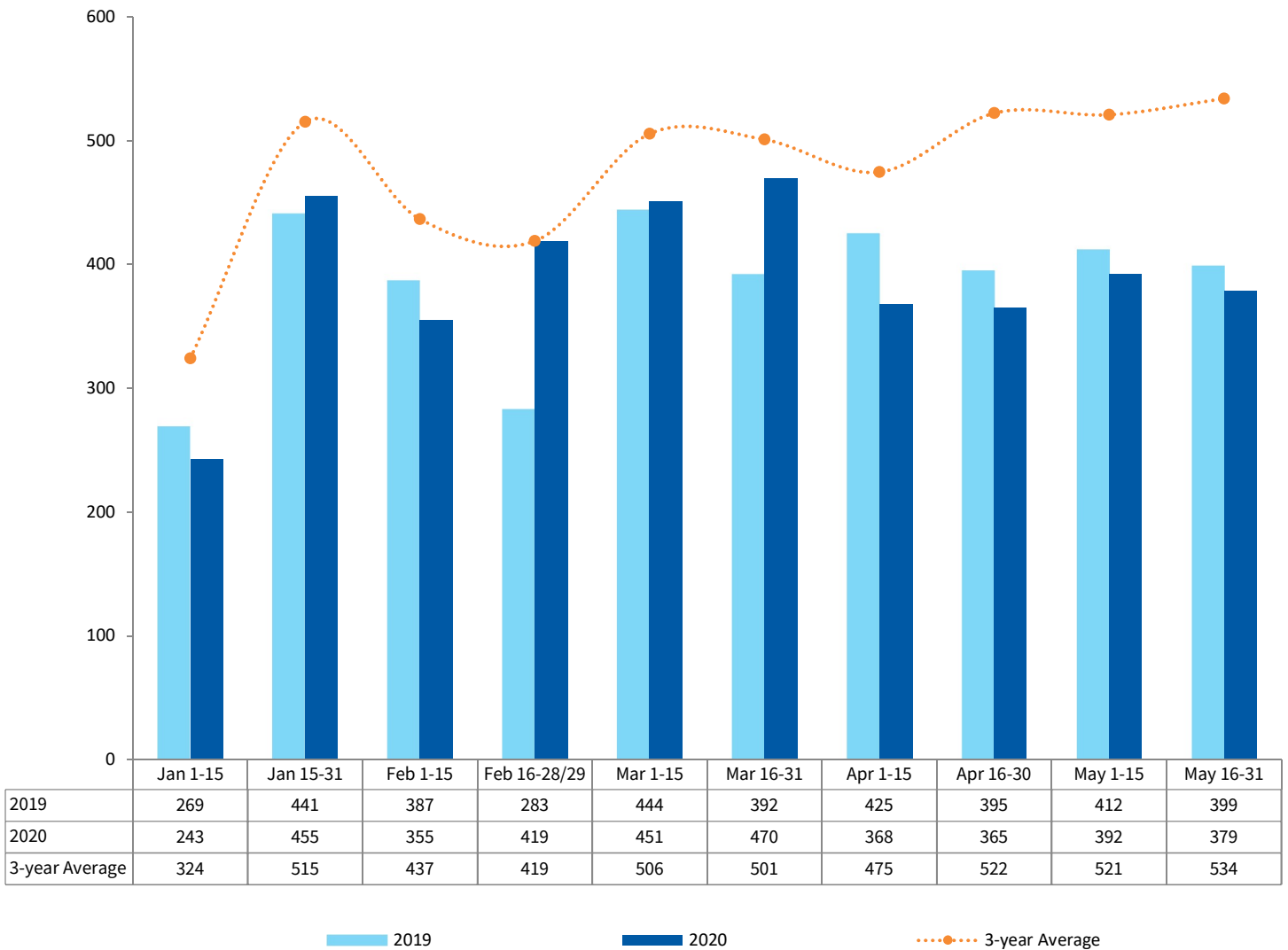- The decline in the second half of May has been primarily driven by a decline in multi-unit enrollments.

Figure 1: Registered New Homes, 2019-2020 Year-to-Date

	Jan 1-15	Jan 15-31	Feb 1-15	Feb 16-28/29	Mar 1-15	Mar 16-31	Apr 1-15	Apr 16-30	May 1-15	May 16-31
2019	594	1,742	1,710	1,385	3,192	1,475	2,822	1,923	1,807	1,945
2020	1,910	1,047	1,594	1,226	1,183	1,178	1,490	1,331	1,408	851
3-year Average	957	2,619	1,315	1,301	2,382	1,598	1,825	2,104	2,247	1,604

2019   2020   3-year Average

Single Detached Highlights

- In the first five months of 2020, 3,897 new single detached homes were registered[2] in B.C.
- Compared with the same period in 2019, single detached registrations increased 1.3% despite small declines in April and May.
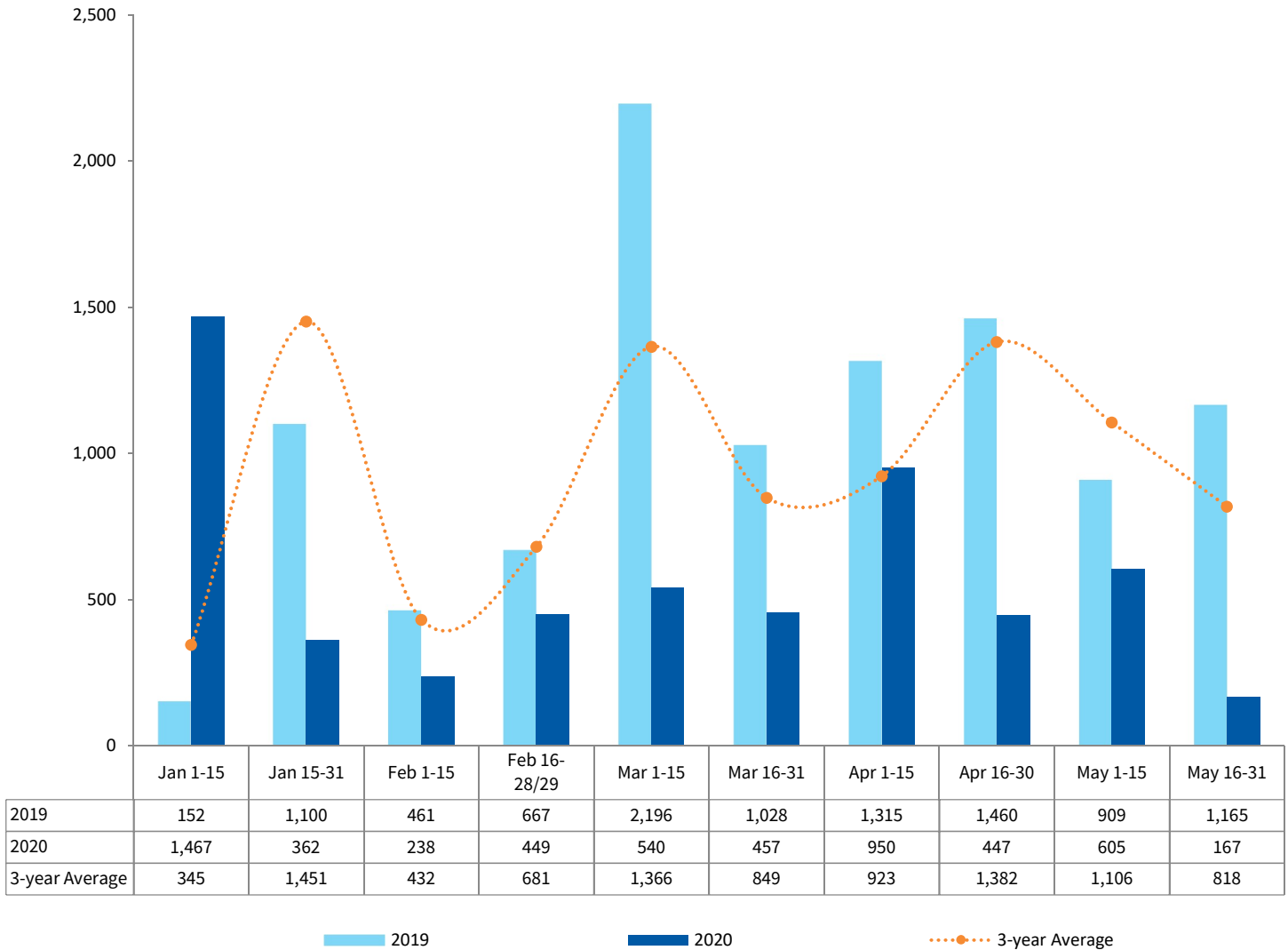
Figure 2: Registered Single Detached Homes, 2019-2020 Year-to-Date

	Jan 1-15	Jan 15-31	Feb 1-15	Feb 16-28/29	Mar 1-15	Mar 16-31	Apr 1-15	Apr 16-30	May 1-15	May 16-31
2019	269	441	387	283	444	392	425	395	412	399
2020	243	455	355	419	451	470	368	365	392	379
3-year Average	324	515	437	419	506	501	475	522	521	534

2019   2020   3-year Average

Enrolled Multi-unit Highlights

- In first five months of 2020, 5,682 new multi-unit homes were enrolled[3] in B.C. Compared with the same period in 2019, multi-unit enrollments declined 45.6%.
- While multi-unit enrollments are historically variable from month to month, the second half of May represents the lowest number of multi-unit enrollments since the beginning of 2020 and is considerably lower compared to 2019 and the 3-year average.
- When comparing against previous years, 2020 has had the lowest number of multi-unit enrollments between January and May since 2010 (5,450).
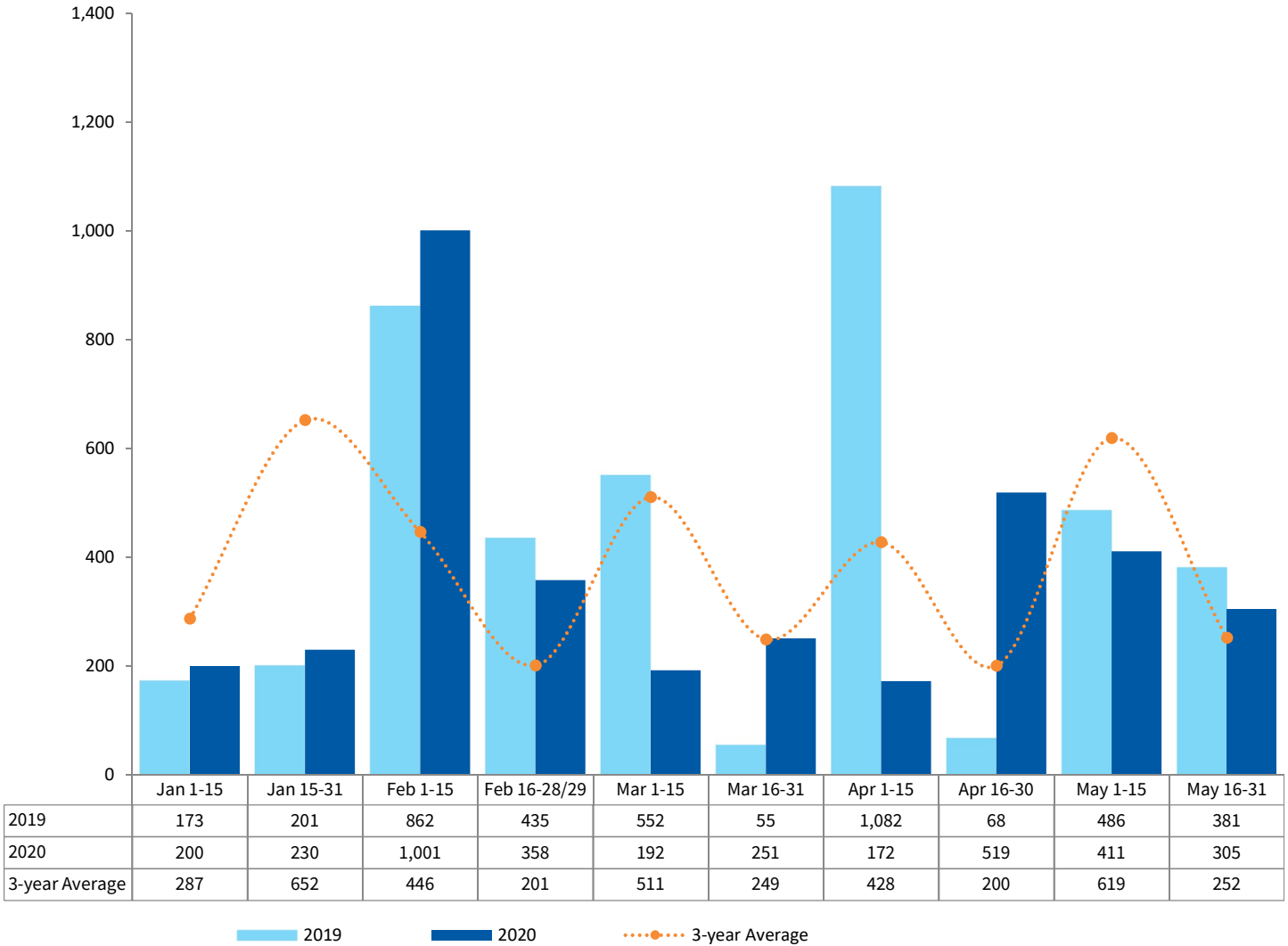
Figure 3: Enrolled Multi-unit Homes, 2019-2020 Year-to-Date

	Jan 1-15	Jan 15-31	Feb 1-15	Feb 16-28/29	Mar 1-15	Mar 16-31	Apr 1-15	Apr 16-30	May 1-15	May 16-31
2019	152	1,100	461	667	2,196	1,028	1,315	1,460	909	1,165
2020	1,467	362	238	449	540	457	950	447	605	167
3-year Average	345	1,451	432	681	1,366	849	923	1,382	1,106	818

2019 2020 ·····•····· 3-year Average

Purpose-built Rental Highlights

- In the first five months of 2020, 3,639 purpose-built rental units[6] were registered in B.C. Compared with the same period in 2019 the number of registered rental units in 2020 have decreased 15.3%, but still represent an increase of 15.4% compared to 2018.
- While rental unit registrations[4] are historically variable from month to month, and despite an increase in rental units registered in May (716) compared with April (691), there has been a declining trend observed since mid-April.

Figure 4: Purpose-built Rental Units, 2019-2020 Year-to-Date

	Jan 1-15	Jan 15-31	Feb 1-15	Feb 16-28/29	Mar 1-15	Mar 16-31	Apr 1-15	Apr 16-30	May 1-15	May 16-31
2019	173	201	862	435	552	55	1,082	68	486	381
2020	200	230	1,001	358	192	251	172	519	411	305
3-year Average	287	652	446	201	511	249	428	200	619	252

2019   2020   3-year Average

Background and Methodology

BC Housing is responsible for the administration of the *Homeowner Protection Act*, with a mandate to help bring about improvements in the quality of residential construction and increase consumer protection for buyers of new homes in British Columbia (B.C.). Under the Act, all new homes in the province must be registered with BC Housing. The registration of new homes in the public registry must occur prior to the issuance of building permits and housing starts. The new homes registry data measures residential construction activities at the beginning of a project before construction commences. Therefore, information in the Monthly New Homes Registry Report is a leading indicator of housing activity in B.C.

New home registration data is collected from Licensed Residential Builders and owner builders through the New Home Registration forms and Owner Builder Authorization applications. Over time, some minor adjustments may be made to the new home registration data as registrations are withdrawn or cancelled from home warranty insurance.

This report provides information on registered new homes by building type, building size, and building location. Figures for registered new homes include both multi-unit and single detached new homes enrolled with home warranty insurance, Owner Builder Authorizations, and, since the August 2016 report, purpose-built rental buildings that are exempt from home warranty insurance.

CSA-approved manufactured homes (modular homes, mobile homes and factory-built homes), floating homes, non-stratified hotels, motels, dormitories and care facilities are excluded from the definition of new home and are not reflected in the report.

Geographical terms in this publication are based on Statistics Canada's 2006 Census area. In February 2009, the regional district of Comox-Strathcona was replaced by two successor regional districts, Comox Valley and Strathcona.

Research

In collaboration with BC Housing, the Bank of Canada conducted a study to assess whether or not new home registration data can be used as a leading indicator for economic activity in B.C. Study findings reveal that quarterly increases in new registrations for single detached homes have statistically significant predictive content for growth in real Gross Domestic Product (GDP) over the next one to three quarters, providing stronger signals compared to housing starts and building permits over this forecast horizon. To view the report, go to the Staff Discussion Papers section on the Bank of Canada's website.

End Notes

[1] Registered new homes includes: single detached and multi-unit homes enrolled in home warranty insurance, single detached homes constructed by an owner builder not covered by home warranty insurance, and purpose-built rental units that are exempt from home warranty insurance. Before August 2016, calculations of registered new homes in this report excluded purpose-built rental units.

[2] Registered new single detached homes includes new single detached homes enrolled with home warranty insurance or with Owner Builder Authorizations issued by the Registrar.

[3] Enrolled new multi-unit homes refers to new homes in multi-unit buildings (two or more dwelling units) enrolled with home warranty insurance.

[4] Purpose-built rental refers to new rental homes in multi-unit buildings that qualify for exemption from home warranty insurance. These exempted homes must be constructed for rental purposes, including social housing, and have a restrictive covenant registered on title restricting the sale of any dwelling unit for a 10-year period. Rental homes with a covenant may however be captured under "enrolled new multi-unit homes" if the unit is voluntarily enrolled with home warranty insurance.