HomeStars

2020 Reno Report

COVID-19 EDITION

Prepared By: Shir Magen CEO, HomeStars



Executive Summary

2020 Special Edition COVID-19 Report

Last year, we launched our first-ever <u>HomeStars Reno Report</u> which took a deep dive into Canadian attitudes, intentions and spending as it relates to home improvement. We found that with the real estate market flattening in the summer and early fall of 2019, most Canadians were opting to stay in the homes they owned and renovate, rather than move. That year the home renovation industry in Canada peaked at <u>\$80 billion</u>.

Fast forward to 2020 where we have watched a global pandemic unfold. This sent everything into question, from access to building supplies like lumber and other imports required for home improvements, to consumer confidence. While 2020 cannot compare to 2019, for obvious reasons, we felt it was important to reach out to our homeowner base to find out how COVID-19 has influenced their home improvement decisions.

What we found out was eye-opening. The majority (80 per cent) of Canadian respondents were still planning to take on home projects despite COVID-19. Now as we are into the second wave of the pandemic, affecting primarily Ontario and Quebec, we are seeing no slow down in the industry. The Canadians we surveyed, while initially cautious when it came to having service professionals in their homes, were still spending on home improvement -- primarily outdoor projects and repairs around the home, although one fifth (20 per cent) of those surveyed were doing larger projects.

This was confirmed through interviews conducted with our base of home service professionals across the country. When comparing 2020 to 2019, they found they were just as busy, if not busier. Projects ranged from bathroom renos to additions and overall structural improvements that served to maximize living space and make homes more functional. We've learned that access to supplies that were once in question became easier to procure and not a barrier to embarking on projects of all kinds. Lumber prices which were initially higher at the beginning of the year have even begun to soften.

We've all been at home more than ever before. As a result, we are seeing rooms take on more functionality - from dining rooms acting as homeschooling classrooms to pop-up office space in basements, it's all about maximizing the spaces. And for many of us, now has been the time to take care of projects around the home that we had previously put off.

While so many Canadian industries have suffered during this time, the home improvement industry is alive and prospering. This really speaks to the health of our home improvement industry outpacing the broader economy and the strength of our real estate markets from coast to coast. A recent <u>StatsCan</u> report found that home prices are actually increasing, not decreasing as we've seen in other times of economic crisis. Canadians are proud of their homes and despite a worldwide pandemic, we are still showing them some love.

From our home to yours,



Shir Magen CEO of HomeStars



Renovation Economy

Of the homeowners surveyed, 80 per cent said they have or would be willing to conduct home projects inside or outside during the pandemic. For those who aren't willing to do any home improvement projects, the most popular reason was the fear of having outsiders in or near the home at 64 per cent. Finances were a distance second at 18 per cent.

"We've noticed that even though people are conscious of their budgets, the desire to renovate is strong and bigger jobs are more popular for us this year," said Gabrielle Grant of Toronto-based CINCO Home Improvements. "Our main jobs have focused on structural improvements and overall home renovations. A trend we continue to see is the opening of walls, moving of staircases and creation of new entries to create those open concept spaces that people love. It's all about making the home more functional."

Diving In

Exactly half of the homeowners surveyed took advantage of their time at home to conduct <u>outdoor jobs</u> like landscaping, fences, decks, pools, hot tubs and playgrounds. This was certainly the case in the early days of the pandemic when we were looking to spend more time outdoors during the spring months. One quarter (25 per cent) cited the reason for these renovations was to create more usable and enjoyable outdoor space as they are spending more time at home.

Service requests via HomeStars.com saw an unprecedented increase in pool installations and repairs throughout the summer months. For example, in July 2020 we saw a 600 per cent increase in service requests for new inground pool installations compared to July 2019. With annual holidays at a stand still, many families wished to create that resort-like feeling in their own backyards.

Repairs Reign

Forty-seven per cent of Canadian homeowners polled said they spent on general repairs to the home. This stands to reason as we are spending more time at home and are there to notice those smaller jobs that needed to be done or had previously been put off. It was also much easier for homeowners to undertake these jobs as they were at home and available to meet home professionals and help oversee projects. Thirty-nine per cent of those polled said they spent between \$500 and \$5,000.

Staycation Rules

One trend that was noted this year so far was homeowners using their <u>vacation money towards home improvements</u>, with 21 per cent reallocating funds to home improvements. There are also savings in many cases for those working from home, whether they are transit or gas costs which can be put towards these projects.

In terms of spending overall on larger projects, 14 per cent spent between \$5,000 and \$10,000 and 20 per cent said they spent over \$20,000 on home renovations.



Big Jobs

While outdoor projects led the way with 50 per cent of the jobs, inside the home, the bathroom was getting a lot of love with 16 per cent of Canadians undergoing a renovation. That was followed by basement renovations at 10 per cent.

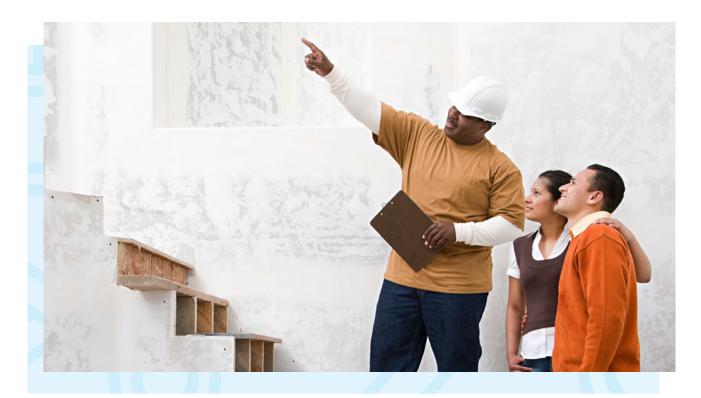
"We've seen a lot of decks and garages, a few kitchens and a couple of full blown basement renovations, but for us the majority has been bathroom remodels," said Don Helfrick, owner of Elvis Renos in Calgary. "Another trend we've noticed is the enclosing of people's decks to create Arizona Rooms, creating more indoor space that can be used year round."

While Helfrick cites being busier this year compared to last, he has noticed that people are budget-conscious and jobs are competitive, meaning he has to price jobs strategically. In terms of the cost of supplies, he notes that getting pressure treated lumber was a bit difficult earlier in the year. To offset that however, he has observed that many big box home improvement stores in the Calgary area have had significant sales and are discounting some building materials, which he is able to pass on to his clients.

Meanwhile, in British Columbia prices for building materials have held strong, while renovation trends were similar with bathrooms dominating, according to Leonardus Kanters owner of Dutch Pride Reno's Inc of Coquitlam. "We have adapted our operations by conducting meetings on the phone or via email, not face to face," said Kanters. "We've also been scheduling our trades people where possible so there is one person at a time working on a renovation."

DIY Dilemma

Despite Canadians' collective obsession with DIY home projects, we are not DIY-ers. A vast majority of respondents (85 per cent) confirmed they would hire a pro for their next home improvement project.



Surge in Requests for Home Services

Each year almost 10 million Canadian homeowners visit HomeStars.com to research their next project or to become immediately connected to a home service professional based on their specific request and their neighbourhood. We took a closer look at what our homeowners were looking for from March 15 to October 15, 2020 vs the same time last year, we immediately noted that overall service requests were up 17 per cent. This confirms the fact that indeed, homeowners have been focused on their homes these past several months.

Highlights confirm that outdoor jobs and appliance repairs ranked higher this year, and we noted that interior services like painting & staining and one-time home cleaning dropped off the list for this year. Instead, people were likely spending more on maintenance tasks with added wear and tear with more people at home. Bathroom renovations dropped one spot this year, but is still by far the most popular room renovation in the top ten for both years running.

The top ten jobs this year, vs last year are:

Rank	March 15 - October 15, 2020	March 15 - October 15, 2019
1.	Install Wood Fence	Asphalt Roofing: Install or Replace
2.	Service/Repair Appliances	Air Duct/Vent Cleaning
3.	Asphalt Roofing: Install or Replace	Install Wood Fence
4.	Deck or Porch: Build or Replace	One-time House Cleaning
5.	Air Ducts/Vent Cleaning	Interior Painting/Staining
6.	Faucets, Fixture & Pipes: Repair or Install	Bathroom Remodel
7.	Bathroom Remodel	Moving Services
8.	Moving Services	Handyman: Small Jobs
9.	Trees, Shrubs and Hedges: Trim or Remove	Deck or Porch: Build or Replace
10.	Electrical Switches, Outlets or Fixtures: Install or Repair	Service/Repair Appliance

Time to Budget

If you're planning on embarking on a renovation, but have no idea where to start, getting a sense of what you might expect to pay is a good first step. Here are some of the average costs of popular jobs in Canada. For more information, visit: <u>homestars.com/cost-guides</u>



Building a Fence

The cost varies greatly based on the size of your space, the height and length of the fence and the materials needed. Most fencing professionals will charge per linear foot and the range for a new fence typically falls anywhere between \$1,900 to \$5,000. On average, most homeowners will spend about \$3,000 for their fence, depending on the type and materials used.

Fence Type	Fence Cost per Linear Foot	Labour Costs per Linear Foot
Metal / Chain	\$9	\$13
Wood	\$15	\$15
Vinyl	\$22	\$9
Aluminium	\$34	\$13+



Appliance Repair

Based on homeowner reports, the average cost for appliance repair is \$220, with most spending between \$135 and \$300. Hourly rates for an appliance repair professional can fall between \$130 and \$260 per hour. It's important to note that smaller repairs that take less than an hour may still cost the same price as a full hour of work.



Asphalt Roofing

Asphalt shingles are one of the most affordable roofing solutions available and will typically last anywhere from 15 to 30 years. Installation prices will vary depending on your roof size and the type of asphalt you choose, ranging from approximately \$2,000 - \$11,000. The average cost of installation in Canada is around \$4,750.



Duct Cleaning See Cost Guide

Cleaning your ducts and vents every one to five years can help airflow and increase energy efficiency. When it comes to cost, the size of your ductwork, degree of contamination and ease of access will affect the price. The average cost of duct cleaning is \$472 with homeowners paying anywhere between \$351 and \$625.



Bathroom Renovation See Cost Guide

Bathrooms were one of the most popular large indoor projects this year where a smart renovation can provide some of the highest returns on investment. While the average bathroom renovation costs approximately \$13,393 naturally, the size of your renovation will greatly affect this price. For larger and master baths, you can expect to spend at least \$17,000.

*If you are planning a renovation, looking to do some research or need an urgent repair, please visit www.homestars.com



Survey Methodology

HomeStars surveyed its homeowner base from October 9 - October 13, 2020 for a total of 351 Canadian responses. Data pulled from HomeStars included the top ten service requests from March 15, 2020 to October 15, 2020 and 2019 as well as total service requests during both periods. Random interviews with home service professionals took place in Toronto, Calgary and Vancouver.

Sources

Yahoo Finance:

https://ca.finance.yahoo.com/news/renovation-nation-canadians-spent-80-billion-on-their-homes-in-2019-193852002.html?guccounter=1

Scotiabank 2020 Housing Poll:

https://www.thechronicleherald.ca/lifestyles/homes/more-than-one-quarter-of-canadians-considering-home-renovations-502285/

The Toronto Star:

https://www.thestar.com/business/2020/09/28/softening-lumber-prices-offer-hope-for-homebuyers-renovation-project-builders.html

Stats Can:

https://www150.statcan.gc.ca/n1/pub/45-28-0001/2020001/article/00080-eng.htm

Mortgage Broker News:

https://www.mortgagebrokernews.ca/news/hgtv-star-believes-tax-credit-on-home-renovations-may-be-coming-soon-33326.aspx

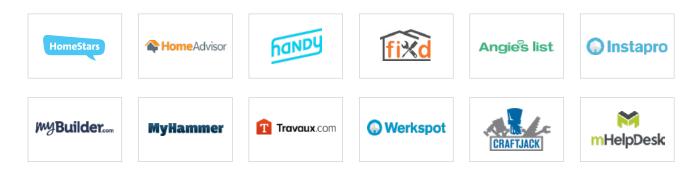
ScotiaBank:

https://www.newswire.ca/news-releases/millennials-most-optimistic-about-buying-a-home-during-covid-19-scotiabank-poll-818170075.html



About HomeStars

HomeStars was created in 2006 and is Canada's largest online marketplace connecting homeowners with trusted home service professionals. Each year, almost 10 million Canadians visit HomeStars to find a pro for their next home improvement project. To help homeowners make better hiring decisions, there are more than 700,000 vetted reviews on HomeStars. As an ANGI Homeservices company, HomeStars is part of a global network of home improvement marketplaces in Europe, the UK and the US, including Angie's List and HomeAdvisor. To learn more, visit @HomeStars on Facebook or Instagram.



For more information about this survey or HomeStars.com, contact: Lauren Wasley lauren@carlawcommunications.com | 647-883-9439