

the rennie brief

MARCH 2022

WHAT YOU NEED TO KNOW ABOUT CONSUMER SENTIMENT IN METRO VANCOUVER

- A survey of consumer sentiment in Metro Vancouver was recently conducted by rennie intelligence, in partnership with Mustel Group.
- The survey sheds light on consumer expectations and potential future behaviours, adding a layer of insight that does not often accompany traditional housing market metrics.
- Key findings include a sizable proportion of residents planning to looking for a home in the next 6 months, as well as concern around a lack of inventory.

A recently-conducted survey of Metro Vancouver residents reveals an expectation of continued housing market opportunities despite challenges that include rising interest rates and high prices.

A NEED TO BETTER UNDERSTAND CONSUMERS

We live in a world awash in data on consumer patterns and habits, allowing us to understand how much income we earn, what we purchase, what websites we visit, and what songs we listen to (and how long we listen to them). The common feature of this type of information is that it is concerned with the “whats”, “whens”, and “wheres” of the world around us, and not so much the “whys” or the “hows”. Put slightly differently, we have a great ability to understand many things that have already happened—when a phone call was made, that someone moved to Canada from India, the features of a home that was purchased—and a fairly limited ability to understand motivations and processes, leading to data gaps. Why was the phone call made? Why did someone immigrate to Canada and when did they start contemplating this big decision? What factors led to that recent home purchase?

Such data gaps conspicuously exist within our local real estate market: we can readily examine past trends related to home buying and selling activity, but why do buyers and sellers make the decisions they make? How confident are they about their future finances and the health of the housing market, and what are their intentions?

Having a better understanding of such views, perceptions, and plans can, in turn, be incredibly useful for realtors, developers, and indeed, other buyers and sellers, as we collectively navigate a complex economic and housing market landscape.

So with that in mind, we conducted our first rennie consumer sentiment survey (in conjunction with Mustel Group) at the end of 2021. As part of this, 800 adult respondents were surveyed throughout Metro Vancouver. Below is a summary of the key findings.

KEY FINDINGS

In the next 6 months:

- 31% of adult residents are either currently looking for, or plan to start looking for, a home (24% home; 16% investment; 9% both)
- 17% are either currently trying to sell, or plan to sell, a property (home or investment)

In the next 12 months:

- 73% expect mortgage rates to be higher
- 68% expect home values to be higher
- 48% expect it to be a worse time to buy real estate
- 40% expect it to be a better time to sell real estate

In addition:

- 54% believe Metro Vancouver is in a housing bubble
- The most significant reported challenge in buying/selling a home is affordability (64%), followed by a lack of inventory (24%)

WHAT THIS TELLS US

Overall, respondents indicate that they plan to continue to participate in the regional housing market, despite the expectation of rising interest rates and the challenges associated with affordability and availability.

This points to continued resale activity at above-average levels, and to opportunities in the pre-sale market for buyers looking for additional inventory and greater price transparency.

Q4 2021 RENNIE CONSUMER SENTIMENT SURVEY | METRO VANCOUVER

geographic distribution of respondents

