

HomeStars

2019 Reno Report

Prepared By:

Kishawna Peck

Manager of Data Analytics

Executive Summary



Welcome to the first-ever HomeStars Reno Report!

For the past 13 years, HomeStars has been the leading authority in the home services industry. As Canada's largest home service marketplace, it has been our mission to provide homeowners with a resource that allows them to research, find and connect with trusted home service professionals across the country. Over 8,000 new reviews are added each month to [HomeStars](#).

In 2017, the [Altus Group](#) reported that Canadians spent almost \$78 billion on home renovations and that number continues to grow, with renovations having a larger impact on the economy than new home construction.

The 2019 Reno Report was inspired by our U.S. sister company, HomeAdvisor, who has been releasing a similar report that surveys Americans on their attitudes, intentions and spending as it relates to home improvement. Now, we're pleased to bring that knowledge to Canada for the first time ever by surveying over 1,000 Canadian homeowners.

Our survey confirmed what we anticipated, that Canadians are staying put and choosing not to move. With home sales flat, according to a June 2019 report from the [Canadian Real Estate Association](#) (CREA), and the uncertainty of a Federal election on the horizon, more Canadians are opting to renovate the home they're in, rather than make a move. Nearly two-thirds of respondents indicated that they planned to spend as much or more on improving their homes in the next 12 months. And remarkably, a whopping 77% of Canadian homeowners reported they had the cash on hand to do renovations.

According to an [RBC Economic Report](#) released in February, 40% of homes in Canada are owned by people who are younger than 35. When we looked at spending among the generations, it was the Millennials who were the most active. Almost three quarters plan to spend as much or more on maintenance in the coming year and 72% plan to spend as much or more on larger renovations.

We know Canadians are house proud. Read on to learn more about what they are doing in their homes and what you can expect to pay for similar projects.

From our home to yours,



Kishawna Peck
Manager of Data Analytics
HomeStars

Key Findings

Home Improvement Trends

- ✓ **Repairs:** 57% of homeowners completed one to two smaller repairs during the last year, with 36% completing between three and 10 repairs. 23% of homeowners spent \$2,000 - \$5,000, 24% spent \$5,000 - \$20,000 and only 5% spent more than \$20,000 on their home repairs last year.
- ✓ **Renovations:** 57% of homeowners did one or two major projects in the last year -- 26% spent between \$5,000 and \$20,000 and 8% spent more than \$20,000.
- ✓ 77% of all homeowners reported they had the cash on hand to carry out their home improvements.
- ✓ Alberta was the province with the highest percentage of renovations over \$50,000.
- ✓ The majority of Canadians researched pricing before hiring a home service professional for both renovations and repairs (88% and 83%, respectively).

Looking Ahead

- ✓ Canadians are staying in their homes, in fact only 9% are considering selling in the next 12 months.
- ✓ Looking forward, 64% of all respondents and 70% of younger respondents said they may consider renovating their home in the next year.
- ✓ Millennials are planning on spending the most in the next year, with 72% saying they plan to spend as much or more on larger renovations.
- ✓ The group planning to spend the least is the Silent Generation, with less than half saying they will spend as much on minor repairs and major renovations in the coming year.

Current Home Improvement Trends

House Proud

Most Canadians are making the decision to stay in their homes, but are keeping busy when it comes to maintaining and improving their households. The 2019 HomeStars Reno Report surveyed homeowners across the country on both small and large projects in - and around - the home. We looked at four generations of homeowners to determine who was spending and doing the most home projects. But first, let's look at the typical Canadian home and how that impacts spending.

Four Generations of Homeowners Surveyed:



Millennials
23 - 38 yrs



Generation X
39 - 54 yrs



Boomers
55 - 73 yrs



Silent Generation
74 - 94 yrs

Living Large

Most Canadians live in older homes, between 20 and 69 years old. Due to the age of the homes, it is not surprising that both minor repairs and major renovations are required and increase the longer the homeowner stays in the property. While the older generations had understandably lived in their homes longer, they weren't the generation spending the most on their homes.

According to an [RBC Economic Report](#) released in February, 40% of homes in Canada are owned by people who are younger than 35, which is historically higher than in many other countries, including the U.S., where 34% of households under that age own their homes. Millennials are also spending the most, with over half completing a major project in the last year.

The vast majority (91%) of Canadian homeowners surveyed said they live in homes worth under \$1 million. In terms of financing renovations, a surprising 77% of all homeowners reported they had the cash on hand to carry out any home improvements. Of the remaining 23% who had to finance at least part of their renovation, most used either a line of credit or credit cards. Millennials were the most likely age group to finance renovations using their credit card.

Snapshot of a typical Canadian Home



62% live in a home built between 1950 and 1999



79% live in a detached home



91% live in homes worth under \$1 million



63% of Millennials have been in their homes 5 years or less



33% of Generation X have been in their homes for 11-20 years



24% of Boomer Generation have been in their homes for 21-30 years



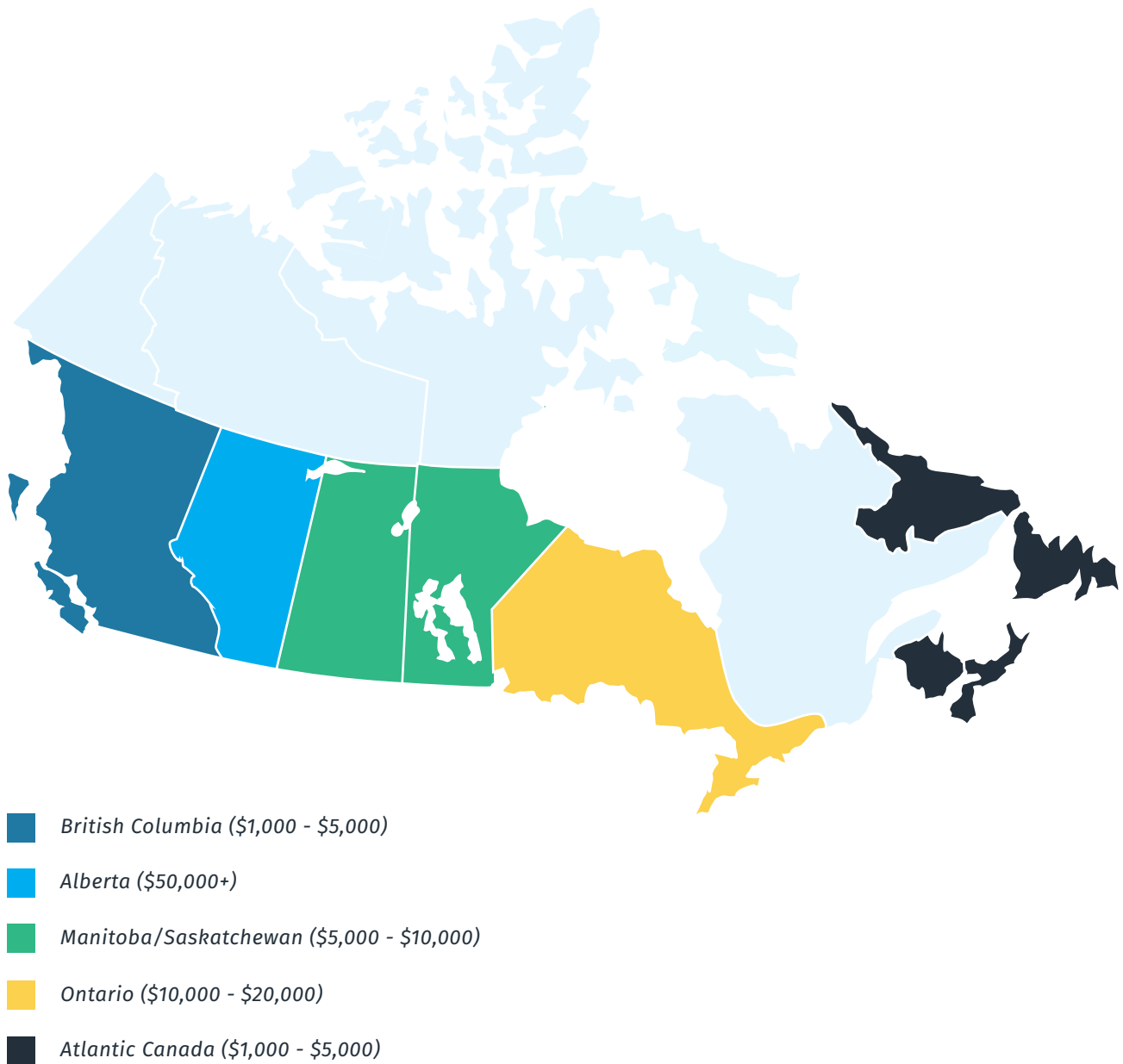
25% of Silent Generation have been in their homes for 21-30 years

Owning a Second Home

Just over 1 in 10 respondents (11%) own a second home, primarily to enjoy their leisure or vacation time. Secondary motivations for owning a second home were financially oriented (that is, to invest in real estate or to earn rental income). Only 10% did it to escape the Canadian winter! Regardless of why they own a second home, most are happy with it "as is" with 54% having no plans to renovate it in the year ahead.

Spending by Province

A look at spending over the last 12 months by province revealed that Alberta was the province with the highest percentage of renovations over \$50,000. The higher spend in Alberta may be attributed to the 2016 recession where many people lost their jobs, took severance and re-invested it in their homes. In addition, that same year, the devastating fire in Fort McMurray resulted in a boost to renovations and repairs on homes in that area, with many projects still underway this year. Ontario had the most projects between \$10,000 - \$20,000, likely skewed by the older homes located in Toronto, where homeowners have either renovated for their own enjoyment, or updated their properties in order to sell. In contrast, homeowners in British Columbia had the highest percentage of renovations under \$5,000, which could be due to the market stabilization brought on by government regulations, like the foreign buyers tax.



**Among provinces, these budget ranges were the most popular and represent money spent on home improvements over the last 12 months.*

Small Repairs vs. Renovations

Interestingly, 57% of Canadians carried out both repairs and renovations in the last year.

Smaller projects range from general maintenance such as duct cleaning to system repair upgrades (like HVAC), fixing a burst pipe or a broken thermostat. More than half of homeowners (57%) completed one to two repairs during the last year, with over a third (36%) completing between three and 10 repairs.

Larger projects are typically major home improvements that take a lot of planning, such as kitchen or bathroom renovations, major landscaping, building an addition, or installing a new HVAC system. Homeowners were busy with renovations in 2018, with 57% doing at least one or two major projects and spending a considerable amount of money.

What constitutes a Renovation?

Renovating projects change the structure and style of a space.

In a **small-scale renovation**, you may refinish or reface existing cabinets, replace countertops, paint the walls, and install new flooring & fixtures

In a **large-scale renovation**, you might knock down walls; change the floor plan; and tear out all of the existing cabinetry, appliances, flooring and fixtures to install a complete suite of brand-new components.

Any room can be renovated, but bathroom and kitchen renovations are the most popular.

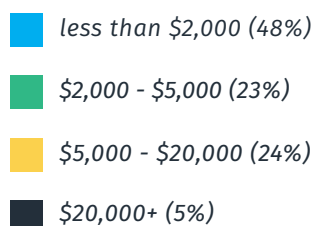
Average Bathroom Renovation Costs:



Average Kitchen Renovation Costs:



Project Spend: Repairs vs. Renovations



The Silent Generation: Aging in Place

The group doing the smallest renovations was the Silent Generation, comprised of Canadians over the age of 74. Almost half spent less than \$5,000 on renovations in the past 12 months. This is largely attributable to the fact that seniors in Canada wish to stay in their homes and are making the appropriate low-cost adjustments. In 2017, HomeStars authored the [Aging in Place](#) report, confirming that 85% were planning on aging at home vs. moving to a retirement facility. The types of renovations highlighted in the report included installing handrails in bathrooms, railings and entryway modifications as well as adjustments in the kitchen. In terms of intent to renovate in future, 18% said they plan to do some renovations in the next 12 months.

Millennials: Renovation Generation

Government incentives like the [First Time Home Buyers program](#) have undoubtedly allowed more younger, first time buyers to enter the real estate market. In fact, Millennials are more active in their homes than both Generation X and Boomers. Over half of Millennials (57%) completed one or two major home projects in the last 12 months. In addition, 53% of Millennials are considering renovating their homes in the next 12 months. Almost half of Millennials (48%), plan to spend up to \$5,000 in the next 12 months, while the other half (approximately 46%), plan to spend a minimum of \$5,000 up to \$50,000 and beyond. Of the projects Millennials are considering, interior painting, bathroom renovations and kitchen renovations are their top priorities.

Popular Projects

Painting is Preferred

One of the quickest and least expensive ways to make a major impact in your home is a fresh coat of paint. Interior painting continues to be a very popular category among HomeStars users, with service requests increasing 142% from February to May this year. It's not a surprise then that interior paint jobs dominated as the most popular project planned in the next 12 months. A third of all respondents indicated that plans to paint were imminent. Homeowners in British Columbia were the most inclined to paint, with 36% planning to redo their interiors in the next 12 months. Interestingly, their neighbours in Alberta were the least likely at 24%. As previously mentioned, Alberta has been busy with renovations over the last year, so it's likely that interior painting jobs have been completed, and therefore respondents from that province are showing a low intent to pursue painting in the coming year.

In regards to cost for the paint, it takes a minimum of two gallons to cover an average sized room (10 x 12ft). Actual paint costs vary between brands, but for higher-end brands expect to budget between \$30 and \$79 per gallon - and don't forget primer which is especially important if you're covering a dark colour.

Brand	Flat	Semi-gloss	High-gloss
Behr	\$39	\$45	\$46
Benjamin Moore	\$61	\$62	\$62
Olympic	\$23	\$28	N/A
Sherwin Williams	\$30	\$65	\$75
Valspar	\$70	\$75	N/A

*Prices from national retailers as of May 2019.

When looking at labour, for an average-sized room expect to pay between \$500 to \$1,040, but this price does not include ceilings, trim or the cost of paint. [Learn more](#) about paint costs in Canada, or [get a quote](#) for your next job.

Boosts to the Bathroom

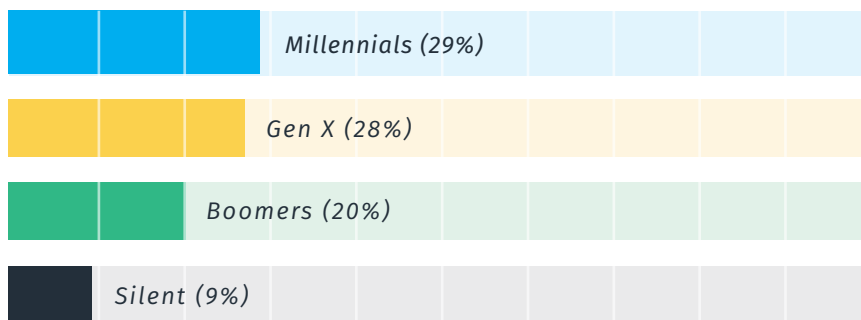
Kitchens and bathrooms are often the most popular renos with great return on investment. Aside from the aesthetics, a renovation of these areas of your home can provide a return of 75 to 100% of what you spent according to the [Appraisal Institute of Canada \(AIC\)](#). Among Canadian homeowners, bathrooms won the battle when it came to major home renovations planned in the next 12 months at 24%. Kitchens followed at 20%.

Among provinces, it was Ontarians who expressed the most interest in these two spaces with 28% planning for a bathroom renovation in the next 12 months and 24% planning a kitchen upgrade. In comparison, the Atlantic provinces were the least fussed about making changes to the bathroom with just 10% planning a renovation, but with a higher intent to renovate the kitchen at 15%.

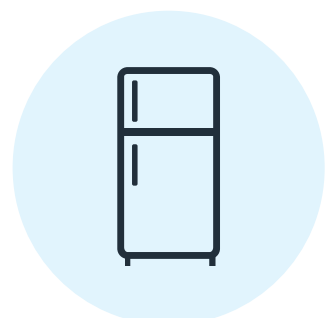
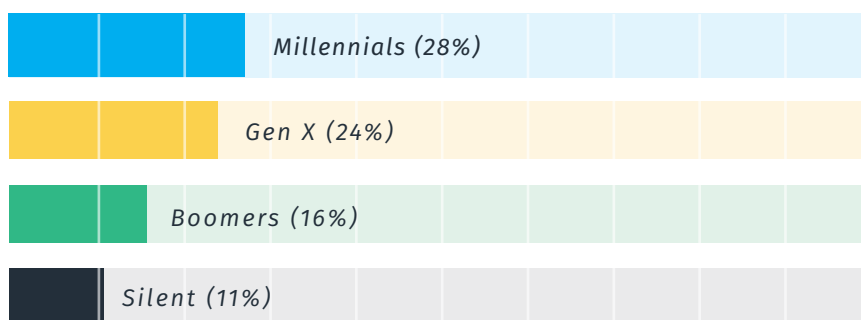
Bathrooms vs. Kitchens

Of the age groups surveyed, Millennial homeowners were the most inclined to undergo a bathroom renovation at 29%, followed by Generation X at 28%. These numbers dipped substantially amongst the older population with only 9% of respondents in the Silent Generation interested in a major bathroom overhaul.

Bathrooms



Kitchens



Bathroom Budget Breakdowns

According to HomeStars, [the average bathroom renovation in Canada costs \\$13,393](#) with homeowners spending between \$7,785 and \$19,338. The price varies substantially based on bathroom size. As mentioned earlier, a bathroom renovation can add a lot of value to your home, but the costs to undertake this type of renovation can add up quickly. Here's a closer look at some of the components of a bathroom update and what you might expect in terms of expenses.

Task	Materials	Labor	Removal & Disposal	Total
Install Bathtub	\$525 - \$1,310	\$589 - \$786	\$65 - \$393	\$1,179 - \$2,490
Install Countertops	\$131 - \$1,310	\$65 - \$196	\$6 - \$39	\$203 - \$1,546
Install Flooring	\$78 - \$170	\$458 - \$851	\$39 - \$786	\$576 - \$1,808
Install Lighting Fixture	\$65 - \$157	\$196 - \$288	\$6 - \$13	\$268 - \$458
Install Shower	\$300 - \$1,000+	\$394 - \$5,000+	\$39 - \$65	\$956 - \$1,310
Install Sink	\$100 - \$250	\$300 - \$350	\$15 - \$95	\$415 - \$695
Install Toilet	\$131 - \$655	\$151 - \$457	\$13 - \$26	\$602 - \$1,271

Average Costs of Top Jobs

1. Interior Painting	Average Cost: \$500 - \$1,040
2. Bathroom Renovation	Average Cost: \$13,393
3. Kitchen Renovation	Average Cost: \$30,944 (\$195/sq.ft)

**For an average sized room (10 x 12ft), the cost of labour ranges depending on the complexity of the job. This price does not include ceilings, trim or the cost of paint.*

After the top three jobs, the most popular projects and average prices are: installing new wood flooring (\$10,457 based on 1,000 sq.ft.), installing landscaping (\$1,809 - \$9,901 for individual landscaping projects and approximately \$17,204 for an entire landscaping job), and installing a new asphalt roof (\$4,750 national average).

For more information on the cost of projects, visit our [Cost Guides](#):

Looking Ahead Part 1: Improving over Moving

There are three signs that point to ongoing growth in home improvement. The first is that Canadians are improving their homes instead of moving.

There's no denying that over the last several years, home improvement reality shows have taken over the airwaves. The "reveal" has become an obsession for viewers tuning in to see the latest design and renovation trends. A healthy real estate market for the last several years has also contributed to the interest in home renovations. But the twist here is that Canadian homeowners aren't trying to sell, they want to stay - for the long haul.

We already know that older Canadians want to stay in their homes as they get older, and our [Aging-in-Place](#) report dives into that, but they're not the only ones. [CREA](#) recently reported the number of home sales reached a six-year low in February 2019. Since then the number of sales increased in March, April and May, but sales activity remains well below levels recorded over much of 2015, 2016 and 2017. Bottom line: Homeowners are staying put.

With borrowing rules tightened, mortgage stress tests and eroding affordability - particularly in major cities like Toronto and Vancouver - it's no surprise that homeowners are choosing to stay in their homes. Of the Canadians surveyed for this report, the vast majority are planning to stay in their homes with only 9% planning to sell in the next 12 months.

In addition to staying, Canadian homeowners are looking to make improvements with 48% currently considering renovating all or part of their homes. Whether they're making small repairs or undergoing major renovations, one thing is for certain: Canadians are investing in their homes.



Part 2: Spending Forecast

72% of millennials say they plan to spend as much or more on larger renovations.



The survey found that the majority of homeowners plan to spend as much or more on their homes in the next year. Millennials are the most active group, with 74% saying they will spend as much or more on repairs in the coming year and 72% saying they plan to spend as much or more on larger renovations. The group planning to spend the least is the Silent Generation, with less than half saying they will spend as much on minor repairs or major renovations in the coming year.

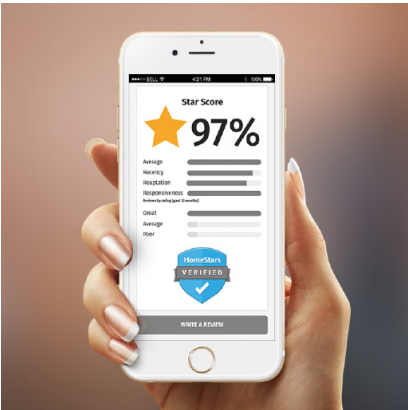
Overall, two-thirds of respondents said they may consider renovating their home in the next year. When asked if they would ever consider buying a “fixer upper”, the group that responded the most positively were the Millennials, with 34% saying they would likely buy one, compared to only 17% of Baby Boomers. Unsurprisingly, the lower cost of “fixer upper” homes was one of the main reasons, as well as the option to personalize a home to their tastes.



Part 3: Homeowner Confidence in Hiring

Homeowners have more confidence in hiring a home service professional than ever before. In our survey, 52% of homeowners said they always (or almost always) hire a pro to do major home improvement projects compared to only 17% who never or rarely hire pros.

Online reviews are playing an increasingly important role in hiring. In a homeowner survey conducted by HomeStars in January 2019, 88% of homeowners researched home service professionals by reading reviews before making a hiring decision, and 80% of consumers said they trusted online reviews as much as a personal recommendation from friends or family.



The Reno Report survey confirmed that over 88% of Canadians will conduct research on pricing before hiring a home service professional. When asked, more than half of homeowners said they agreed that they would put off home projects if they didn't know the cost.

To help homeowners make better hiring decisions, there are 300,000 Canadian home service pros on [HomeStars](https://www.homestars.com). Over 8,000 new reviews are added to the site each month.



Overall, almost three quarters of Canadians surveyed were confident they were charged a fair price for recent major home projects, but this confidence was highest among the oldest age group and lowest among the youngest age group (88% and 64% respectively.)



Summary of Home Spending and Forecast

Not only are Canadians making the decision to stay in their homes, we also know they are spending on both repairs and major renovations. The intent to improve in the next year is also strong, which indicates a healthy future for the home improvement industry in this country.

While Millennials don't have the disposable income of the older generations, they have demonstrated a strong interest and desire when it comes to renovations. It will be a group to watch in the future to see how their home improvement decisions will help shape trends.

With more Boomers retiring and Millennials and Generation X largely increasing the size of their households, the future of home improvement in Canada looks robust.

Methodology

1,018 Canadian homeowners were surveyed online between April 13 and April 30, 2019. Respondents were either the sole or joint decision maker of the household and had completed at least one home project in the past year.

Our sample was representative of the Canadian Census age groups:

- ✓ Millennials: born 1981 to 1996 (ages 23-38 in 2019)
- ✓ Gen X: born 1965 to 1980 (ages 39-54 in 2019)
- ✓ Boomers: born 1946 to 1964 (ages 55-73 in 2019)
- ✓ Silent Generation: born 1925 to 1945 (ages 74-94 in 2019)

Sources

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RBC:

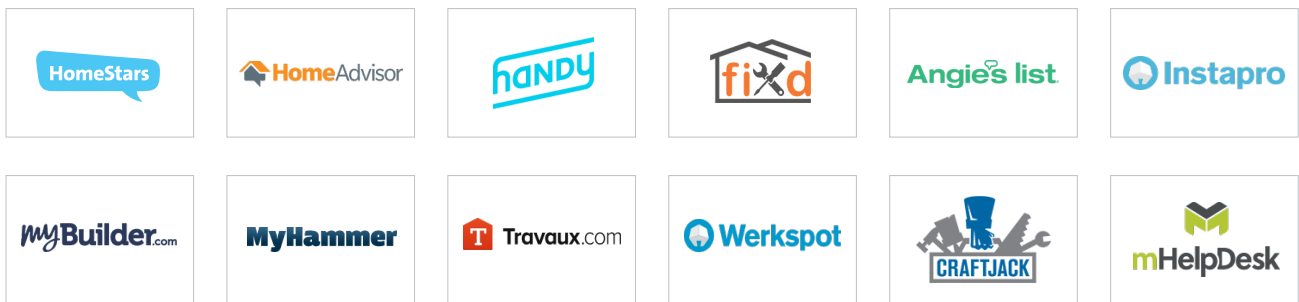
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About HomeStars

HomeStars is Canada's largest online marketplace connecting homeowners with trusted home service professionals. In 2018, eight million homeowners visited HomeStars looking for a pro for their next home improvement project. HomeStars was created in 2006 to help homeowners make better hiring decisions. HomeStars, an ANGI Homeservices company, 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