

Reno spending hits \$13.4 billion

Low interest rates driving Ontario boom

But it's also about priorities and values



Mark Parson
Bricks and Sticks

Last week in this column, we put the spotlight on the contributions made by the home building industry to the GTA's economy.

This week, we put the spotlight on the economic importance of the renovation industry.

Our recently published Powerhouse study revealed that, among other economic benefits, the home building industry in the GTA directly employs more than 168,000 people.

When you combine the GTA's renovation and home building industries, the two generate more than \$10 billion in wages annually and contribute more than \$1 billion annually in taxes to the three levels of government.

A report recently released by housing consultant Clayton Research, shows the Canadian home renovation industry by itself was worth \$33 billion in 2003.

Clayton Research also reports that Canada's home renovation industry is growing by an average annual rate of about 6.5 per cent, twice the country's overall rate of economic growth.

Ontario's home renovation industry grew by 11 per cent in 2003, compared to 2002, an increase that means Ontario residents spent an impressive \$13.4 billion last year on home renovations and improvements.

Studies done by our association show that spending on home improvements in the GTA reached \$4.1 billion in 2003, double the amount spent in 1996. In turn, spending on home renovations generates about 76,000 jobs in the GTA.

One of the main factors driving the booming renovation industry is today's low interest rates.

Low interest rates make housing more affordable for all. The result is homeownership rates are rising and when people move into a home, that's when they tend to renovate.

Rising real estate values also play a part. Clayton Research reports that real estate prices in Canada rose an average of 10 per cent last year.

Rising home values generate equity for homeowners and many have been tapping into that equity to make improvements to their homes.

But there's more than financial factors driving the boom in home renovations, and to speak to these factors, I turn to two brothers with a greater expertise on the subject than myself: Joel and Geno Scopelleti.

Joel and Geno are partners in Carick Home Improvements, a Toronto-based company recently named the GTHBA's renovator of the year for 2004.

Joel says the growth in renovation and home improvement stems partly from people's priorities and values. He says what Carick's clients tend to have in common is the struggle to balance the many demands of career and family life.

"Today, we are so busy, we work so hard. So the home is a place we want to be proud of. Home is a place where we want to enjoy, to the maximum, the family time we have," Joel says.

"We emphasize communication with our clients and we listen to them as well. One thing we find works well is we provide our clients with a written schedule of the various phases of any project. That way, the clients are informed and it makes us accountable," he added.

That level of commitment to customer service is typical of professional renovation contractors that are members of the Greater Toronto Home Builders' Association.

Under our RenoMark program, GTHBA renovators must maintain a safe and organized worksite, carry all applicable licences and offer a minimum two-year warranty on all work (excluding minor home repairs).

For a list of RenoMark renovators, visit www.renomark.ca or call 416-391-4663.

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