



## Press Release

### **J.D. Power and Associates Reports: New-Homeowner Satisfaction in the Greater Toronto Area Declines Considerably**

#### Brookfield Homes Ranks Highest in Satisfying New Homeowners

**TORONTO: 11 August 2009** — Overall satisfaction with new-home builders declines significantly in the Greater Toronto Area (GTA) for the first time since the study's inception in 2005, according to the J.D. Power and Associates 2009 Canadian New-Home Builder Customer Satisfaction Study<sup>SM</sup> released today.

Overall satisfaction has decreased to 674 points (on a 1,000-point scale) in 2009, down 36 points from 710 in 2008. This overall decline is driven primarily by decreased homeowner satisfaction in the home readiness and service/warranty staff factors.

“Given the challenging market conditions, some builders have had to make some very tough decisions regarding their staffing models, and service levels may have suffered as a result,” said Marc Thibault, real estate practice leader at the Canadian office of J.D. Power and Associates. “Some of the service levels that homeowners may have been promised or have come to expect from earlier experiences with the builder are not being realized.”

The study measures customer satisfaction of homeowners throughout the new-home purchase and early ownership experience in four markets: the Greater Toronto Area, Calgary, Edmonton, and Ottawa. Customer satisfaction is measured across eight factors (in order of importance): home readiness; service/warranty staff; home quality; physical design; price/value; sales staff; design centre; and construction/site team. This marks the fifth year that the study has been conducted in the Greater Toronto Area.

Brookfield Homes ranks highest in satisfying new homeowners in the GTA market, with an overall satisfaction score of 861. Brookfield performs particularly well in six of the eight factors that contribute to overall satisfaction: home readiness; service/warranty staff; construction/site team; physical design; price/value; and sales staff. Mattamy Homes (834) and Tribute Communities (811) follow Brookfield in the GTA market rankings.

The study finds that the total number of construction problems noted by homeowners following possession has increased to 27 problems per home in 2009 from 21 in 2008. Homeowners who experience fewer problems (between one and nine problems) are four times more likely to recommend their builder to friends, relatives or colleagues, compared with homeowners who experience 20 or more problems.

“To resolve these problems, the builder's warranty team (including trade partners) is making an average of seven service visits, and each additional service visit translates into added costs for the builder and an added inconvenience for the homeowner, resulting in lost time and satisfaction,” said Thibault. “This decline in satisfaction may mean fewer referrals, which are especially important in a soft housing market. Builders depend on positive referrals from homeowners to drive as much traffic as possible to their sales centre and cannot be taken for granted.”

The study also finds that nearly two-thirds (64%) of homeowners were offered an incentive from their builder to purchase. While an upgrade credit was offered most often by builders (86%), price discounts and paid closing costs have the greatest impact on encouraging the purchase—considered by homeowners to be twice as important as other builder incentives.

The study finds that less than one-half (44%) of homeowners felt that their builder set realistic expectations and prepared them for what to expect with their new-home purchase experience. Among the builders that successfully set homeowner expectations, 82 percent of their buyers said that the new-home purchase experience exceeded their expectations.

“Buying a new home can be one of the most stressful experiences individuals or families will face in their lifetime,” said Thibault. “Homebuilders that are proactive and provide their homeowners with a comprehensive roadmap of the steps in the process, and then adhere to these commitments, may have far more satisfied buyers. When the homebuilder does not set expectations, they are typically created by the homeowner and disconnects may occur.”

While green initiatives are increasing each year in the residential construction industry, only 26 percent of homeowners say that their builder provided attractive green options for their new-home purchase. Homeowners who purchased energy-efficient features from their builder provide a significantly higher rating on the energy efficiency of their home—7.9 on a 10-point scale, compared with 6.5 among homeowners who did not purchase energy-efficient features.

The 2009 Canadian New-Home Builder Customer Satisfaction Study is based on responses from 2,699 homeowners within the Greater Toronto Area who purchased newly built single-family detached, semi-detached homes and townhomes. All buyers surveyed closed their home purchase in 2008. The study was fielded from March to May 2009. J.D. Power and Associates also measures customer satisfaction with new-home builders in Calgary, Edmonton and Ottawa. For more comprehensive information on GTA and Ottawa builders, visit [www.jdpower.com/canada](http://www.jdpower.com/canada).

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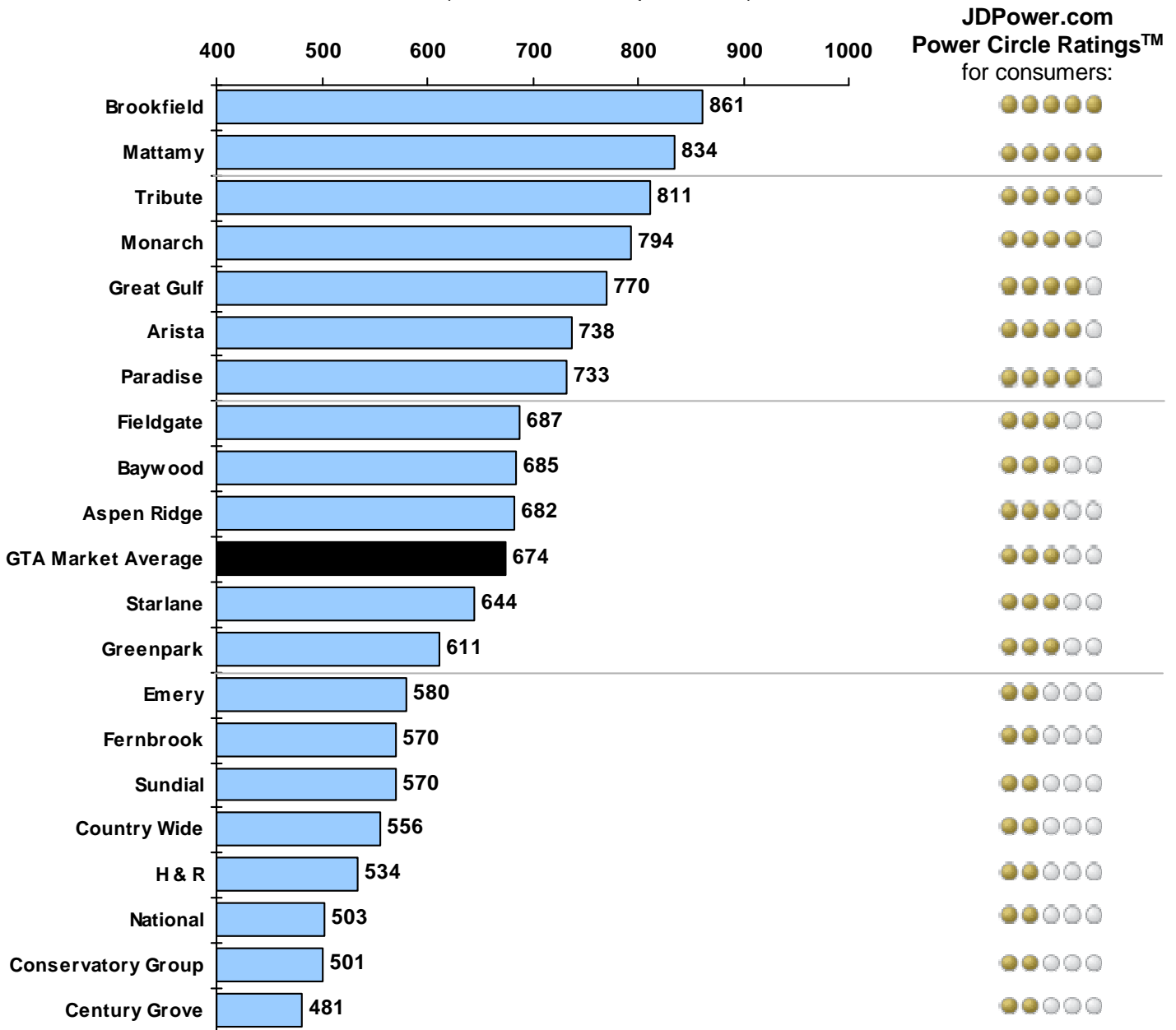
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NOTE: One chart follows.

# J.D. Power and Associates 2009 Canadian New-Home Builder Customer Satisfaction Study<sup>SM</sup>

## Overall Satisfaction Index Ranking Greater Toronto Area (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are Ballantry, Heathwood, Menkes, Remington, Rosehaven and Townwood.

Source: J.D. Power and Associates 2009 Canadian New-Home Builder Customer Satisfaction Study<sup>SM</sup>

### Power Circle Ratings Legend

- 5 Gold ●●●●● Among the best
- 4 Gold, 1 Silver ●●●●○ Better than most
- 3 Gold, 2 Silver ●●●○○ About average
- 2 Gold, 3 Silver ●●○○○ The rest

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