

The Economic Impact of COVID-19 Survey

Executive Summary

The Canadian Home Builders' Association of British Columbia (CHBA BC) conducted a survey of its members, through our eight local associations, from May 13 to May 24, 2020 to receive insight on how COVID-19 has economically affected their work life and businesses. [You can find the interactive graphs for visual reference here.](#)

- The majority of respondents categorized themselves as home builders (56%) followed by renovator (25%), developer (23%) professional service (15%) and supplier (11%).
- Overall, the data from respondents (151) showed that **43% had seen an approximate lay off of between 1 and 4 employees**, 8% between 5 and 9, and 34% had seen no layoffs at all.
- An overwhelming number of respondents have indicated they are **using CEBA (Canadian Emergency Business Account) at 57%**, in comparison to other resources, such as the CEWS (Canadian Emergency Wage Subsidy) 33% and the Temporary 10% Wage Subsidy, at 25%.
- As of March 15th, until the time of taking the survey, **approximately 50% of respondents (115 overall) found that permit approval timelines have increased in length.**
- In regards to effects upon supply chains for businesses, **45% of respondents (146 overall) found that COVID-19 had negatively affected their supply chains.** There is no clear majority in specific products or services affected, and likely shows that all suppliers are being affected by the current supply chain setting.
- Our respondents (150) overwhelmingly found **(69%) that their level of business following March 15, 2020 had seen a decrease.**

CHBA BC Analysis

Although designated an essential service by the provincial government, the residential construction industry was nonetheless negatively impacted by the outbreak of COVID-19. With a median full-time staff of six, a layoff of 1-4 employees, as 43% of our respondents noted, is significant to many of these small businesses. Renovator and supplier members were hit hardest by layoffs, with almost one in five supplier members seeing a layoff of between 10 and 15 employees.

Employees are only able to continue their work in the residential construction industry when municipal governments are moving forward with the requisite permits; however, half of our respondents noted an increase in permit approval timelines, further delaying worksite activity.

Layoffs, permit delays and supply chain issues have all stymied workplace activity within our industry. Combined with a noticeable overall decrease in business, as noted by more than two out of three of our respondents, it all reflects that our industry can benefit from future government financial support and continue to play a key role in the economic recovery of British Columbia. Success in this area can maintain important jobs, located across the province, and continue progress on delivering the new housing we need.

This injection of stimulus will be particularly needed in the next 6-12 months, when federal government programs, and members' pre-COVID contracts, will both end. New work can be incentivized through many different member suggestions, including direct rebates, confidence-oriented messaging, and tax incentives.

Respondent Overview

The survey received a total of 151 responses, representing company owners in residential construction.

The majority of respondents categorized themselves as **home builders (56%) followed by renovator (25%), developer (23%) professional service (15%) and supplier (11%)**. Please note that respondents were able to indicate they were a member of more than one category subtype, therefore percentages do not total to 100%.

Respondents were given the ability to indicate the number of direct employees (on payroll) that work at their company.

- Of 146 respondents, the data indicated that the median number of full-time employees was approximately six.
- Of 80 respondents, the data indicated that the median number of part-time employees was approximately two.

Staffing and Layoffs:

Our survey sought to find out how our overall membership and specific member subtype categories were affected by COVID-19 by asking if a member or, the primary business that they work with, has had to lay off staff due to the economic impacts of COVID-19.

- Overall, the data from respondents (151) showed that 43% had seen an approximate lay off of between 1 and 4 employees, 8% between 5 and 9, and 34% had seen no layoffs at all.

When reviewing the data for each category of member, there were notable differences in the number of layoffs or lack thereof.

Category (Responses)	Number of employee layoffs					
	1- 4	5-9	10-15	16-20	20+	No layoffs
Home builders (85)	46%	8%	2%	0	0	35%
Renovators (38)	47%	16%	3%	0	0	21%
Suppliers (17)	35%	12%	18%	6%	0	18%

Some of our qualitative data reflected the constantly changing nature of the economy and COVID-19 such as reduced working hours, staff taking time off due to personal or family health reasons, temporary and/or short-term layoffs, as well as foreseeing layoffs in the near future.

Federal Government Resources and Subsidies:

The survey also examined which of the many various federal government resources and subsidies our members have been using to aid their business. **An overwhelming number indicated using CEBA (Canadian Emergency Business Account) 57%**, in comparison to other resources, such as the CEWS (Canadian Emergency Wage Subsidy) 33% and the Temporary 10% Wage Subsidy with 25%.

Members overwhelmingly found that CEBA, of all resources, was easily accessible and quick in the transfer of funding. Of those government supports that are working, some members made these comments:

- “They are all working because they are helping relieve the slow down in revenues/cash flow.”
- “Wage subsidy was working but due to seasonality of construction our volume is increasingly coming out of winter and won’t qualify going forward while still significantly affected.”

Conversely, members also noted the following in how or why **these government resources are not working for them:**

- “Wage Subsidy is non-effective for a company that contracts homes and sells at occupancy. The only way to get true numbers is full year over full year.”
- “CEWS is too difficult to prove the loss of revenue at this point in our year.”

How Can the Provincial Government Help?

A critical function in receiving member feedback is its ability to help guide our advocacy efforts with the provincial government. The residential construction industry has been deemed as an essential service and referred to as a significant contributor to the further economic recovery within the province.

From Our Members:

Below are highlights of the various ideas and opinions on how the provincial government can best support the residential construction industry in moving forward with economic recovery (Comments have been edited for grammar and spelling):

- “Stimulate the economy, build consumer confidence through incentives and promotional messaging.”
- “Reassure the general public that the construction industry has a protocol to follow and is trustworthy to do so.”
- “Put in place initiatives aimed at promoting real estate transactions and sales.”
- “Suspend the PST from new construction to better compete against resale homes.”
- “Not require businesses to pay sick leave because of COVID. Provide no-interest loans. Provide tax incentives for hiring temporary or underskilled workers.”
- “Consider giving on property transfer tax paid on land upon the sale of a newly home built on the same lot. This is similar to GST collected on the sale of the house and not on the lot.”
- “Via tax incentives or rebates, instantly aid the affordability of housing; both for the cost to build or purchase. If there was some benefit to building or buying right now that was meaningful and significant the market may jump on the opportunity.”
- “It was positive that home builders were able to continue to work. Because of this, we have not experienced a decrease in sales. Since COVID, our leads dropped off significantly. I am more concerned about the sales for the next 6-12 months and that is when many home builders will be suffering.”

Permits and Approvals:

The above graph notes that as of March 15th, **approximately 50% of respondents (115 overall) found that permit approval timelines have increased in length**, 39% have found the length to remain unchanged and 11% have seen a decrease in approval length.

Supply Chain Disruptions:

In regards to effects upon supply chains for businesses, 45% of respondents (146 overall) found that COVID-19 had negatively affected their supply chains. There is no clear majority in specific products or services affected, and likely shows that all suppliers are being affected equally by the current supply chain setting.

Some examples include difficulty in receiving products out-of-country, PPE and safety equipment, general availability and speed of shipping of products, as well as a reduction of staffing at supply stores leading to overall delays in acquiring supplies. **Therefore, we interpret that this is a widespread issue and a key concern for economic recovery.**

Business Confidence:

Our respondents (150) overwhelmingly found (69%) that their level of business following March 15, 2020 had seen a decrease, with only 17% seeing no impact at that time, and with less than 10% seeing any increase.

Furthermore, the majority of respondents that saw their business decline feel that for the **next six months that this decline will continue**. Similarly, though overall a much smaller number, respondents who saw an increase in previous business feel that this increase will continue.

This data suggests that at the point respondents took this survey, no significant shifts had happened in public policy, business fortunes or the state of COVID-19 to alter their impression of how their business will fare in the future.

Closing Remarks

Overall, this data has shed a light on how our members grappled with the beginning weeks and months of COVID-19 in British Columbia. It reflected which of our members were hit harder than others, what government financial resources were being used and why, what disruptions this caused both to workforce numbers and also supply availability and permit timelines.

It can be best used as a snapshot in time for respondent confidence in business, and with follow-up surveys, be a useful indicator of how business confidence has evolved. Lastly, with over 200,000 on and off site jobs in the residential construction industry, this is helpful information for B.C.'s discussions on economic recovery.

On behalf of all of us at CHBA BC, thank you to all those who participated in this survey. We value your time and effort.

CHBA BC