



Press Release

J.D. Power and Associates Reports: New Homebuyer Satisfaction Increases Considerably in Both Calgary and Edmonton

Sterling Homes Ranks Highest in Satisfying New Homebuyers In the Calgary and Edmonton Single-Family Home Markets

TORONTO: Embargoed until 12 a.m. EDT 19 September 2009 — New homebuyer satisfaction has increased significantly in 2009 in both the Calgary and Edmonton single-family home markets, according to the J.D. Power and Associates 2009 Alberta Single-Family New-Home Builder Customer Satisfaction StudySM released today in association with The Alberta New Home Warranty Program.

Overall new homebuyer satisfaction in Calgary has increased to 678 on a 1,000-point scale in 2009, up 53 points from 2008. In Edmonton, satisfaction has increased to 648, up 36 points from 2008.

“Despite challenging economic conditions that have forced many builders to re-evaluate their business models during the past year, builders have succeeded in making meaningful improvements in homebuyer satisfaction,” said Marc Thibault, real estate practice leader at the Canadian office of J.D. Power and Associates. “In order to survive in this increasingly competitive market, builders need to continue focusing on making further improvements.”

Now in its second year, the study measures [new homebuyer satisfaction throughout the new-home purchase and early ownership experiences](#) among builder members of The Alberta New Home Warranty Program. Customer satisfaction is measured across eight factors (in order of importance): service/warranty staff; sales process/staff; home readiness; construction/site team; workmanship/materials; price/value; physical design; and design process.

Among production builders closing 100 or more homes annually, Sterling Homes ranks highest in satisfying new homebuyers in both single-family home markets, with an overall satisfaction score of 761 in Calgary and 773 in Edmonton. Stepper Custom Homes (729) and Baywest Homes (727) follow in the Calgary rankings, while Daytona Homes (728) and Centrex Homes (708) follow in the Edmonton rankings.

“It’s quite an accomplishment that Sterling Homes came out on top in both of the largest markets,” said John L. Kozole, president and chief executive officer of The Alberta New Home Warranty Program. “It’s an achievement that requires determination and commitment, and all the staff in both offices should be proud. The changes in rankings over last year and significant increase in homebuyer satisfaction are a clear indication of how hard all of our builder members have worked to enhance homebuyer satisfaction.”

The study finds the total number of construction problems identified by homebuyers has decreased to 18.6 problems per home, down 10 percent from 20.6 problems per home in 2008. The readiness and quality of the home at possession, as well as the builder’s responsiveness to any outstanding concerns, are particularly influential in the homebuyer’s evaluation of their overall experience.

“Above all, homebuyers want to take possession of a defect-free home that satisfies all of the commitments from their builder,” said Thibault. “Most homebuyers will give their builders some latitude to resolve outstanding concerns, but rectifying problems needs to be done in an efficient and timely manner to minimize disruption.”

The study finds that a low rate of problems leads to higher satisfaction levels, which in turn lead to higher rates of builder referrals from homebuyers. Referrals are one of the most common sources of builder awareness—second only to signage. Homebuyers who experience relatively few problems with their homes (between one and nine problems) are five times more likely to refer others to their builder, compared with homebuyers who experience 20 or more problems.

“Referrals are key to increasing builder awareness, which is especially important in a softer housing market when builders are in search of as many prospects as they can find,” said Thibault.

The study also finds that the percentage of homebuyers taking possession of their home on the promised date or earlier has increased considerably to 64 percent, up from 47 percent in 2008. When homebuyers experience a delay, the average wait is nearly 3.5 months beyond the promised date.

The 2009 Alberta Single-Family New-Home Builder Customer Satisfaction Study is based on responses from 5,274 buyers within the Province of Alberta who purchased newly built single family detached and semi-detached homes. The study was fielded from July 2008 to July 2009. For comprehensive information on Canadian builders, visit the J.D. Power Consumer Centre at www.jdpower.com/ca.

About The Alberta New Home Warranty Program (ANHWP)

The ANHWP was established in 1974 by Alberta home builders to provide a package of warranty protections and encourage improved performance for the new home building industry. In addition to providing warranty services, the Program offers its Builder Members an array of tools and services to enhance their expertise and supports the relationship between Builder Members and their homebuyers. The Program has over 650 Builder Members who are committed to the business of home building. Additional information can be found at www.anhwp.com.

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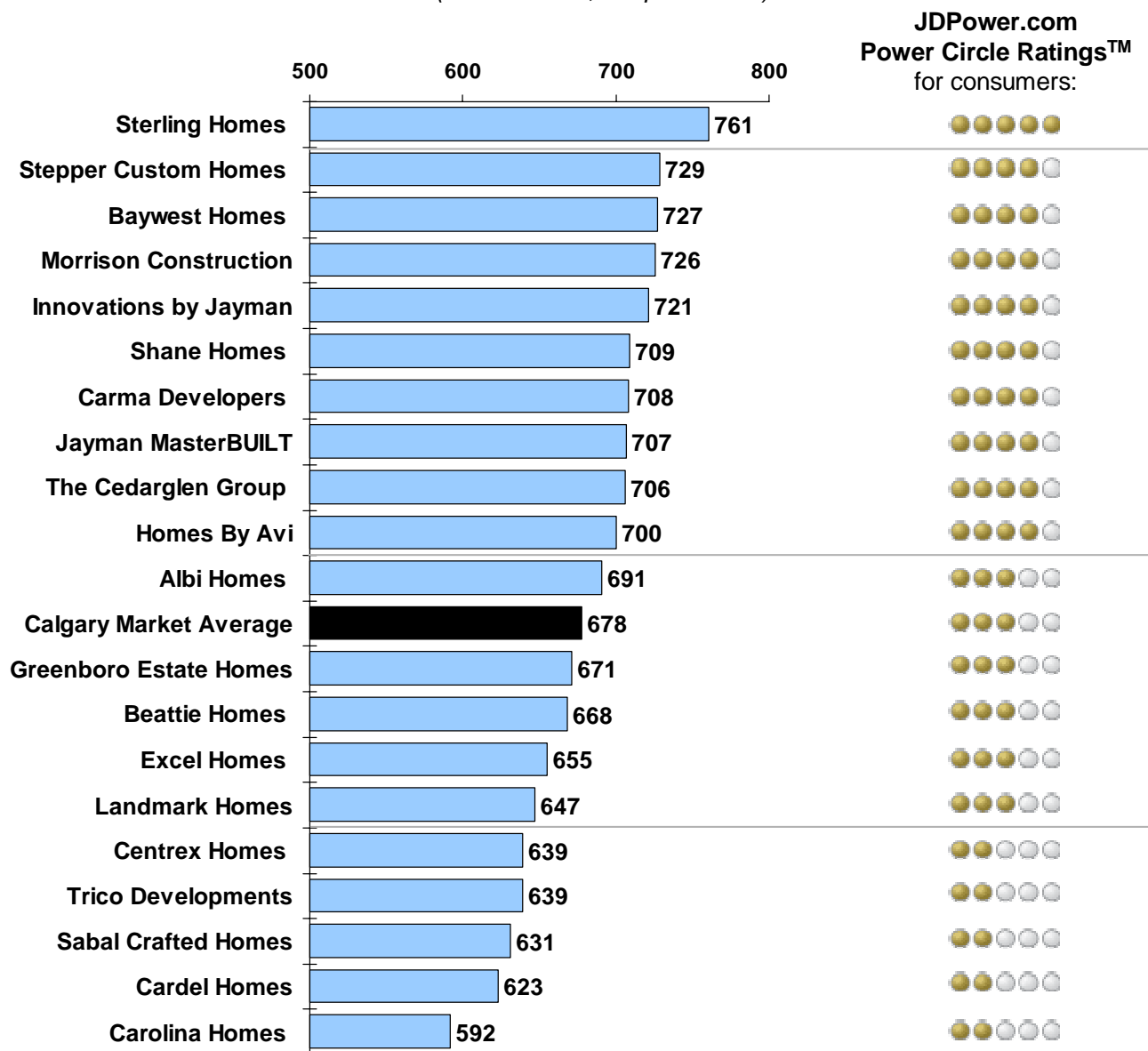
NOTE: Two charts follow.

J.D. Power and Associates 2009 Alberta Single-Family New-Home Builder Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

Calgary Market

(Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2009 Alberta Single-Family New-Home Builder Customer Satisfaction StudySM

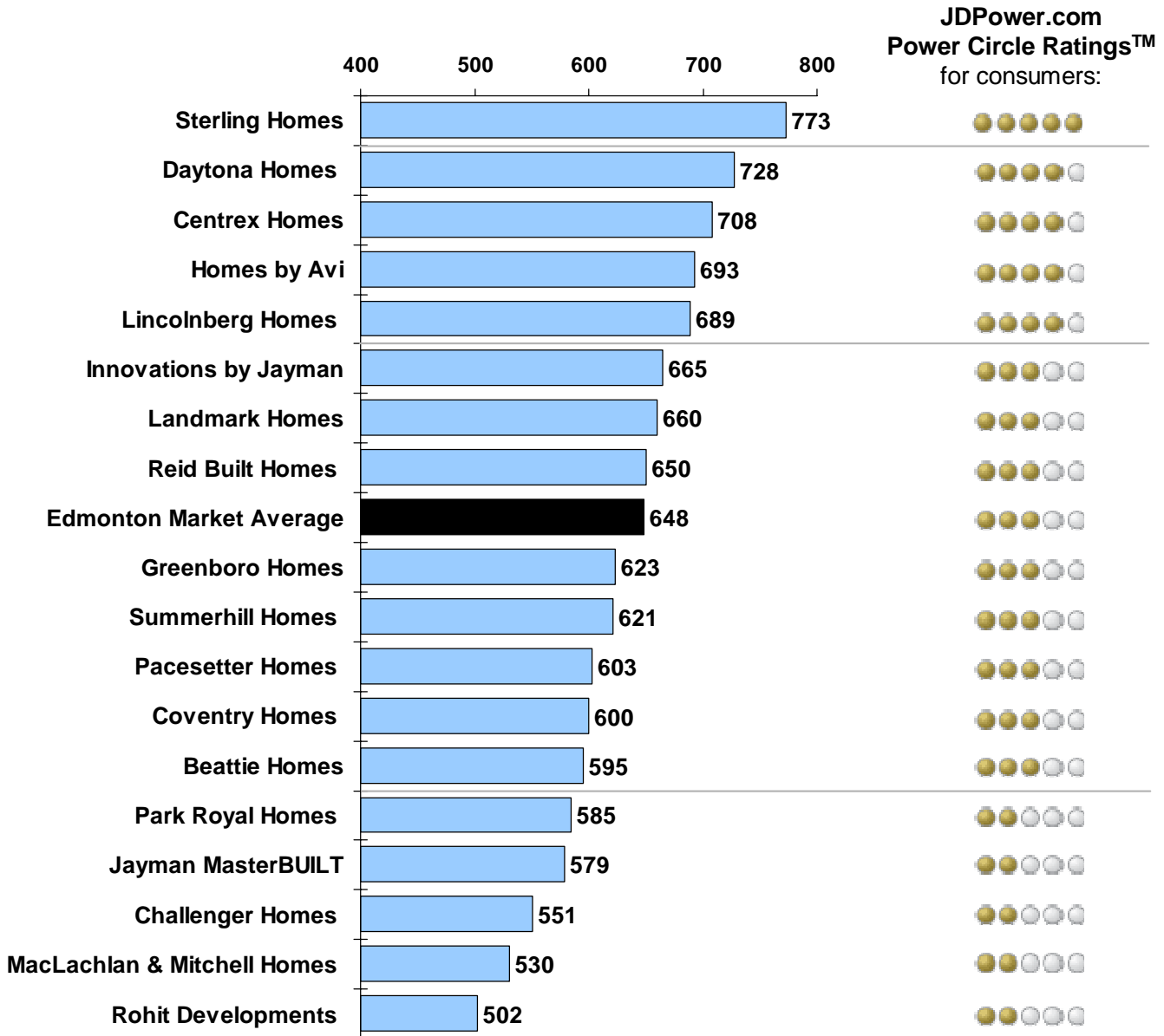
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J.D. Power and Associates 2009 Alberta Single-Family New-Home Builder Customer Satisfaction StudySM

Customer Satisfaction Index Ranking

Edmonton Market

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is Best Communities by Landmark.

Source: J.D. Power and Associates 2009 Alberta Single-Family New-Home Builder Customer Satisfaction StudySM



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