



2021
First-Time
Homebuyer
Survey
& **Financial
Fitness Study**

Methodology

- A total of 1,856 interviews with Canadians aged 25-40 who had either purchased their first home within the prior two years or plan to in the next two years.
- Online interviewing was completed between February 17 and March 16, 2021.
- Quotas were set to oversample in urban regions with weighting to bring them into overall national proportions.

	Total	Vacouver CMA	B.C. xVan.	Calgary CMA	AB xCal	Man./ Sask.	Toronto CMA	Ont. xGTA	Montreal CMA	QC xMont.	Atlantic
Unweighted	1856	173	113	141	159	134	288	349	217	215	124
Weighted	1856	130	116	74	142	126	314	398	217	215	150
Weighted Pct.	100%	7%	6%	4%	8%	7%	17%	21%	12%	12%	7%

...

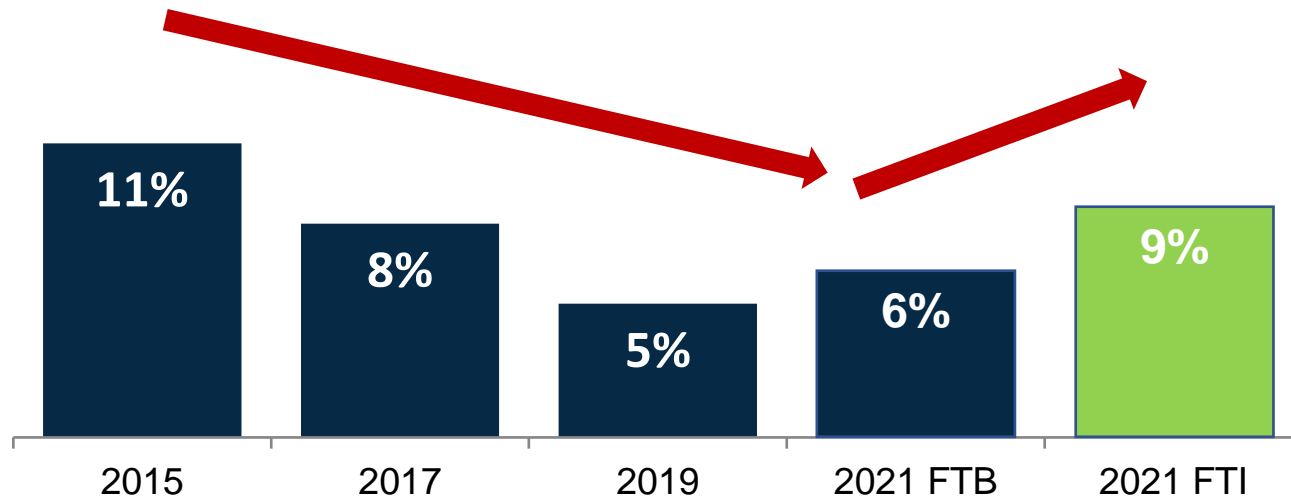
The Big Picture

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Incidence of first-time homeownership

2019: Where are the missing First-Time Buyers?

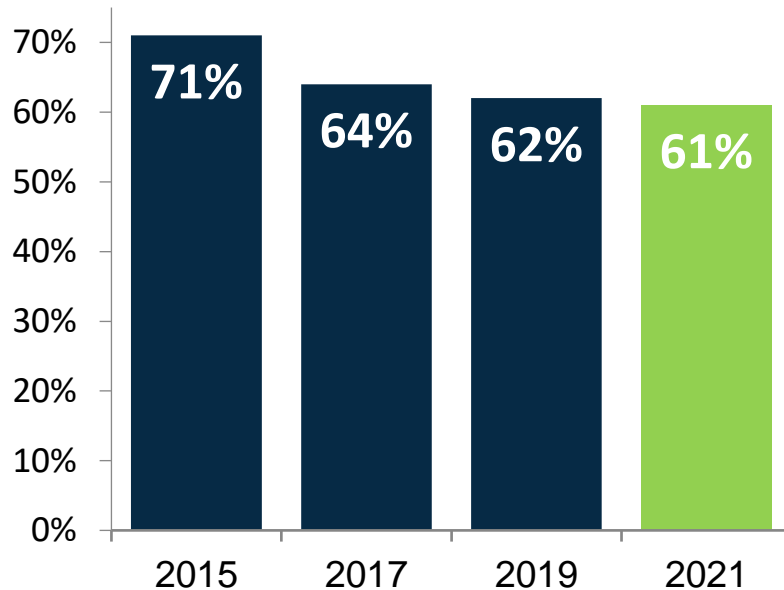
2021: Many are starting to return



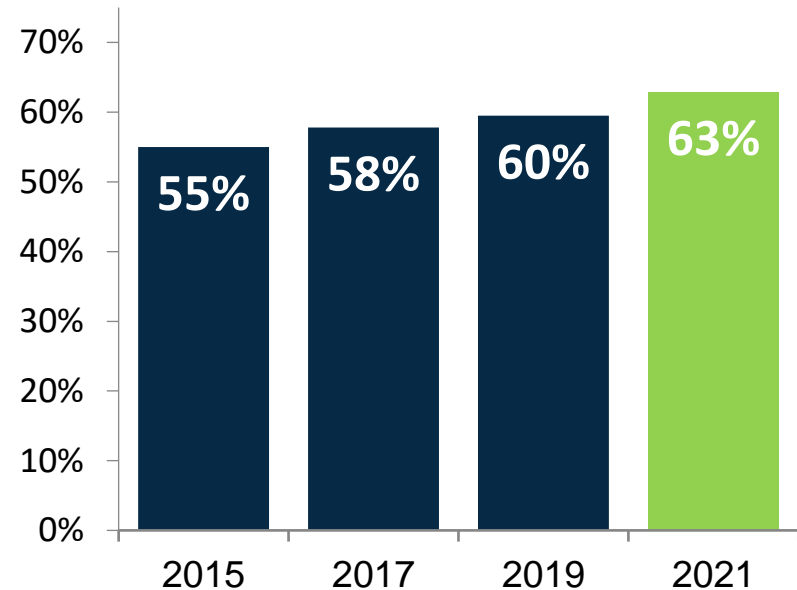
FTHB Study screening question

Homeownership for Millennials rises as they age out of the 25-40 year range

Home ownership: 25-40 year-olds

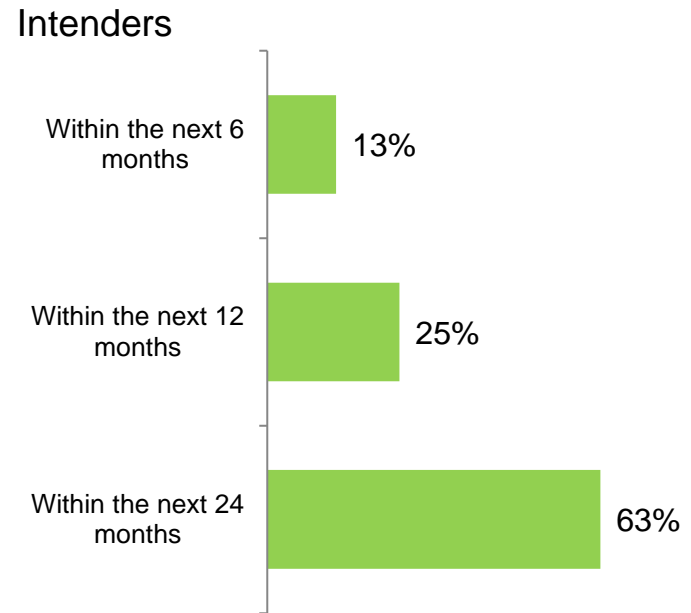
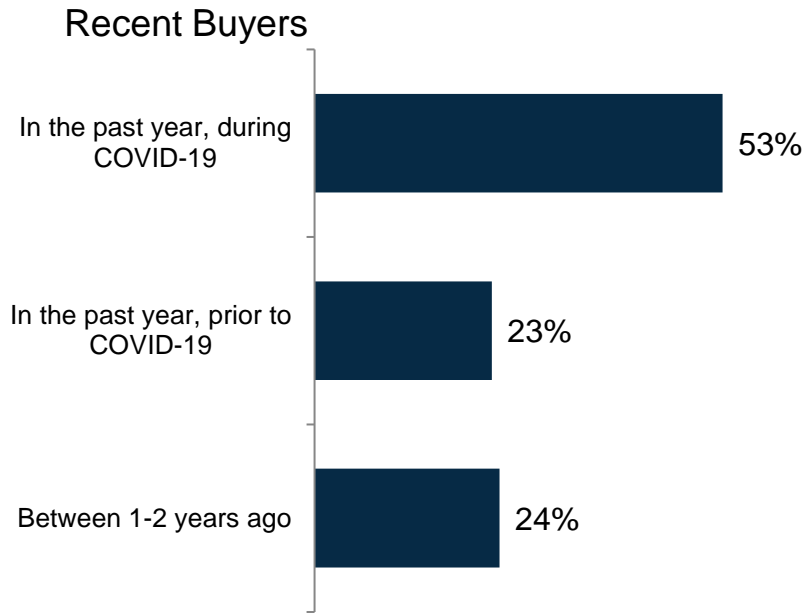


Home ownership: Millennials



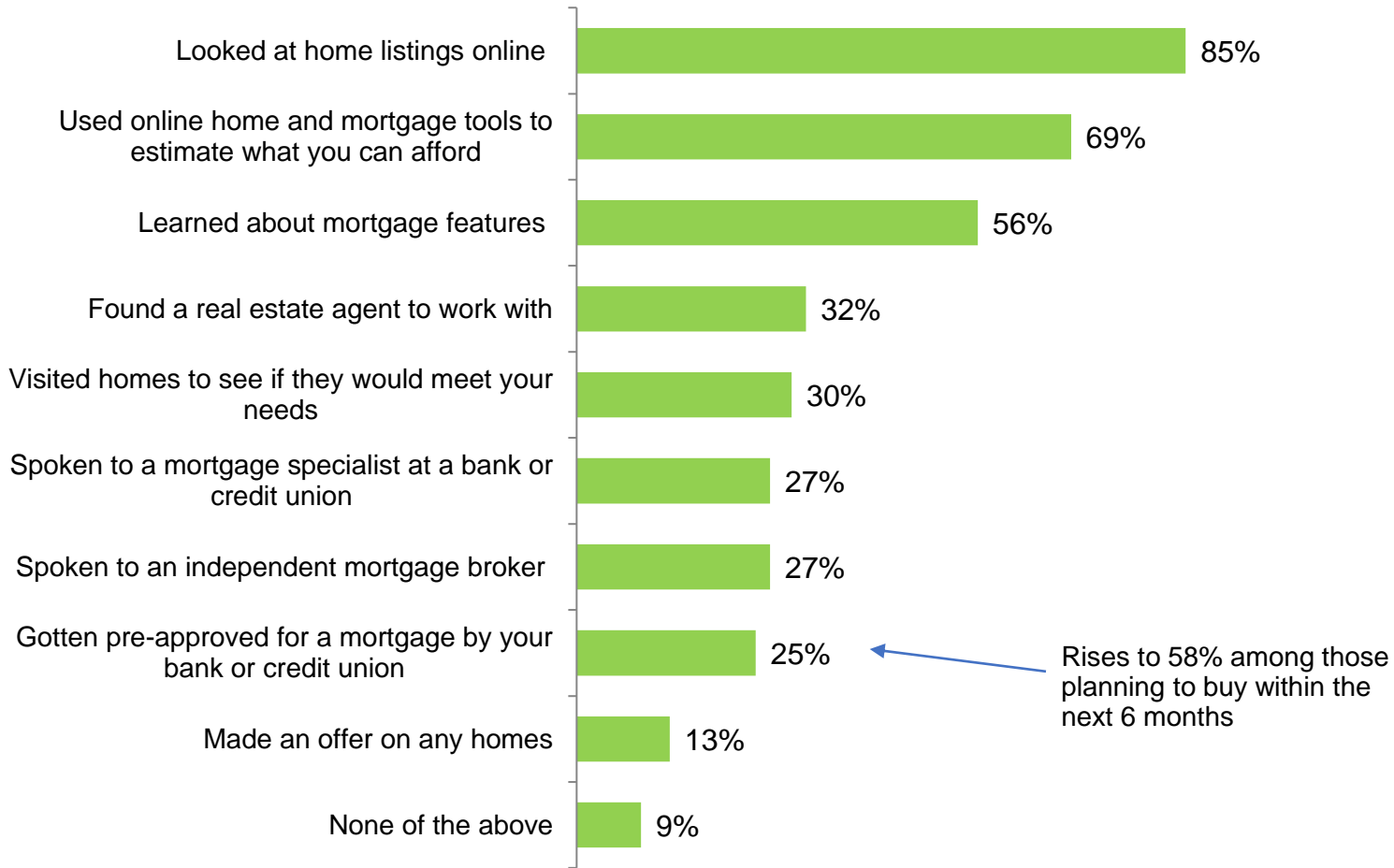
Gen Pop Study

Half of Buyers bought during COVID-19, Intenders have longer horizons



FTB: Did you buy your first home... FI: Do you expect to buy a home within...?

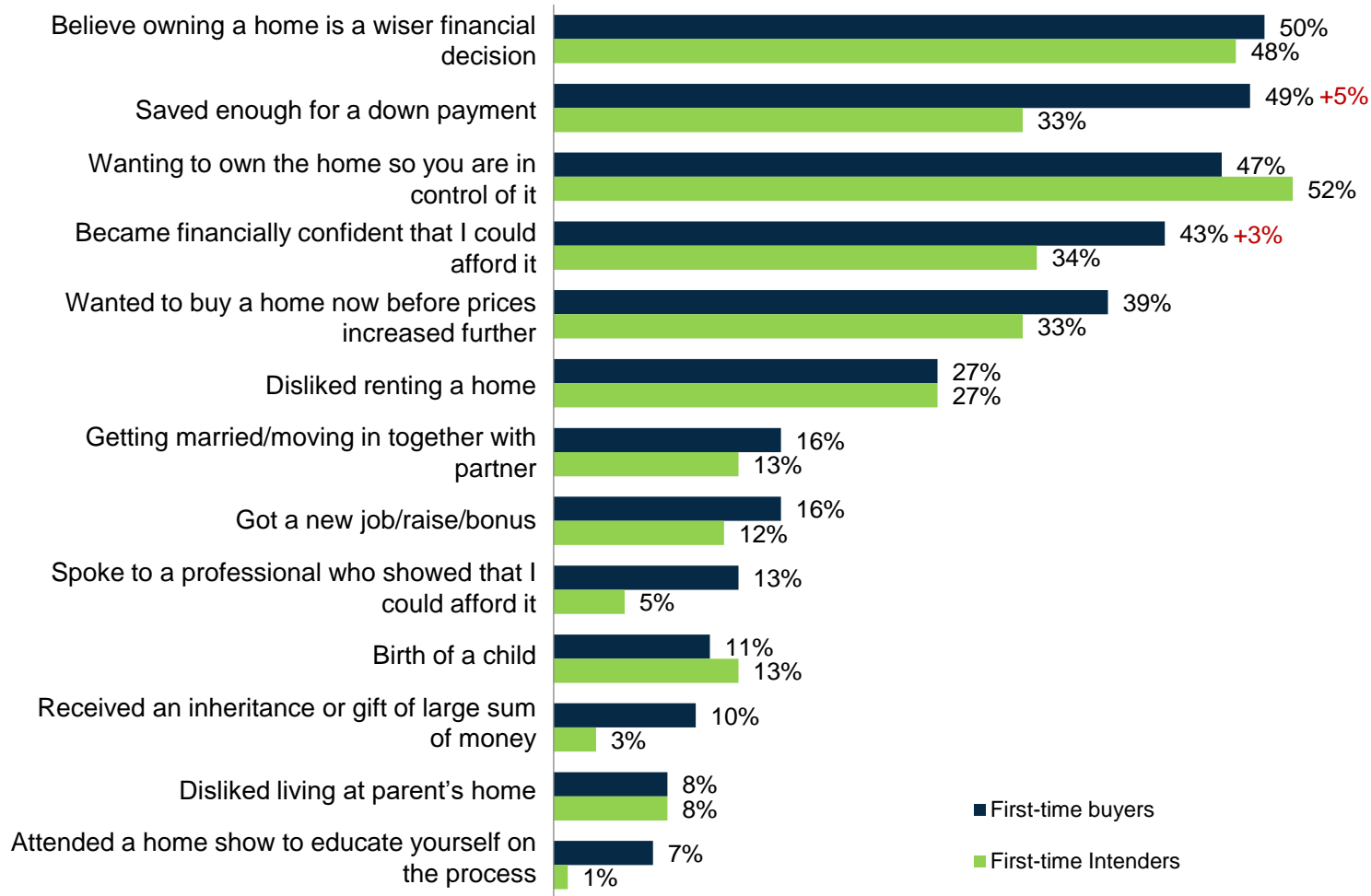
Steps taken by intenders



FTI: Which of the following have you done so far?

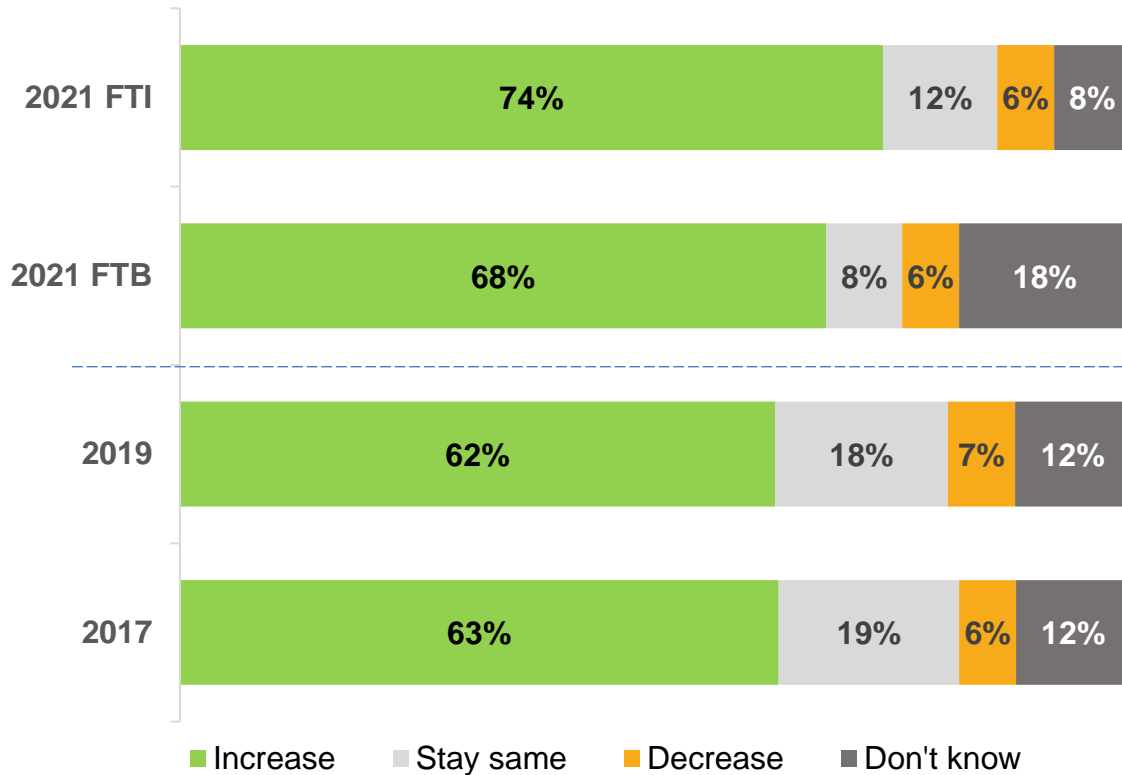
Home Purchase Motivations

Intenders are more likely than recent buyers to want to own a home, so they are in control of it



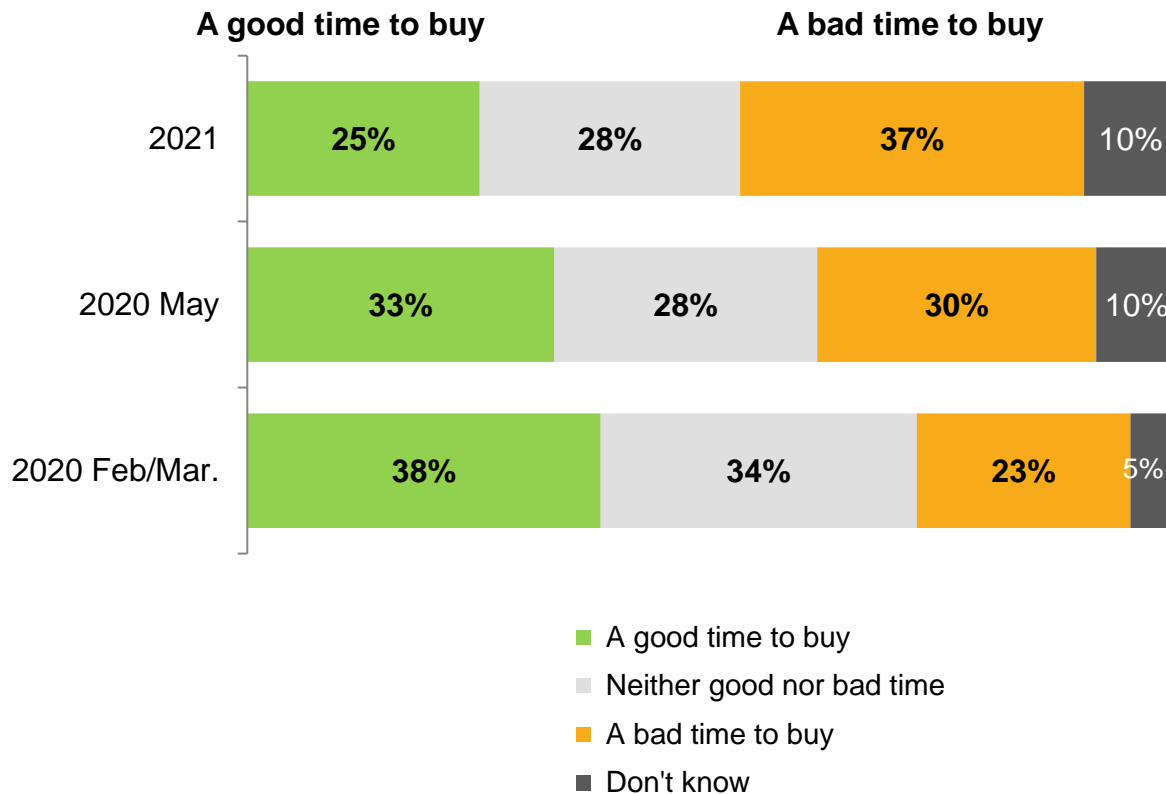
Which of the following were motivations that led you to (want to) purchase a home rather than keep living where you were?

Buyers and especially intenders expect significantly higher home prices to come



By how much do you expect housing prices in your neighbourhood will go up or down in the next 12 months?

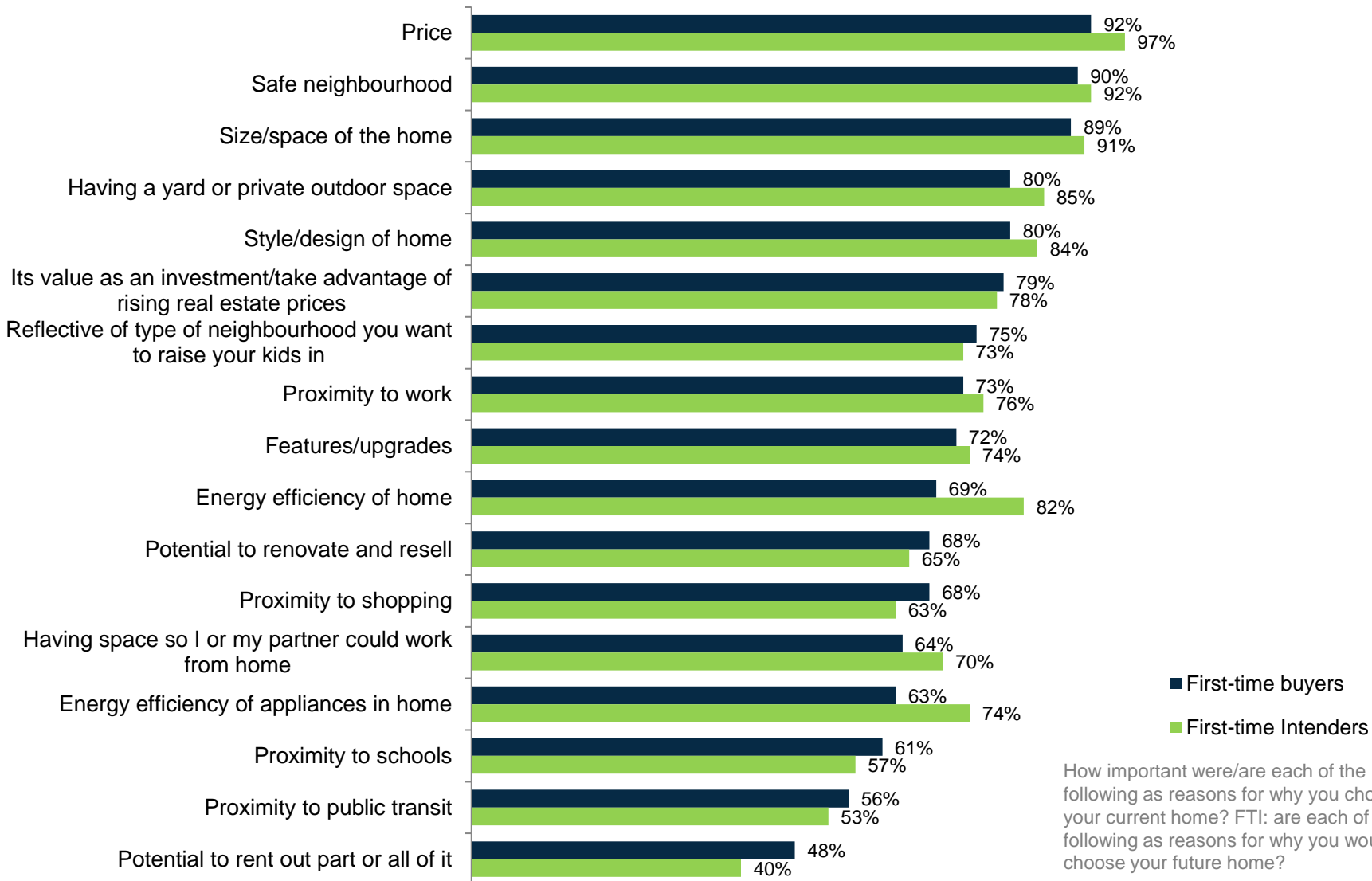
Homebuying confidence among all Canadians remains lower than in 2020



Gen Pop Study

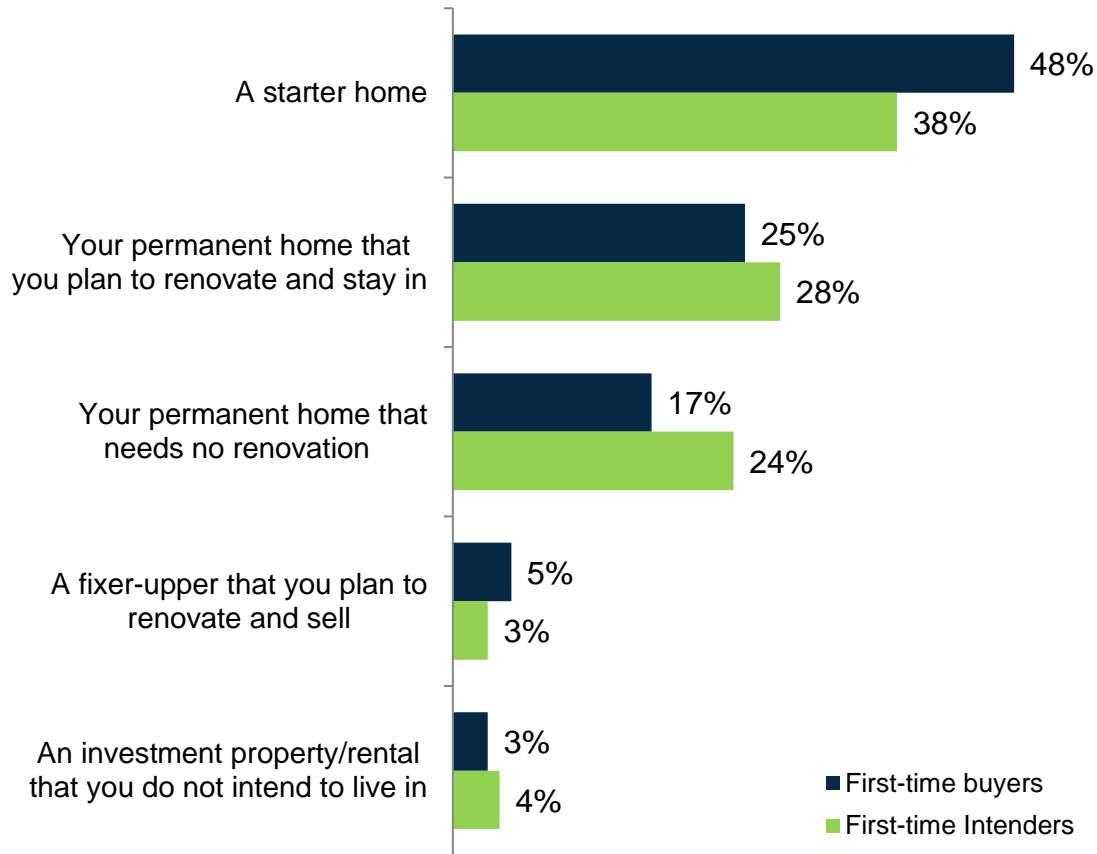
Regardless of whether you plan to buy a home or not, given the state of your local real estate market, would you say that now is...

Criteria for choosing home



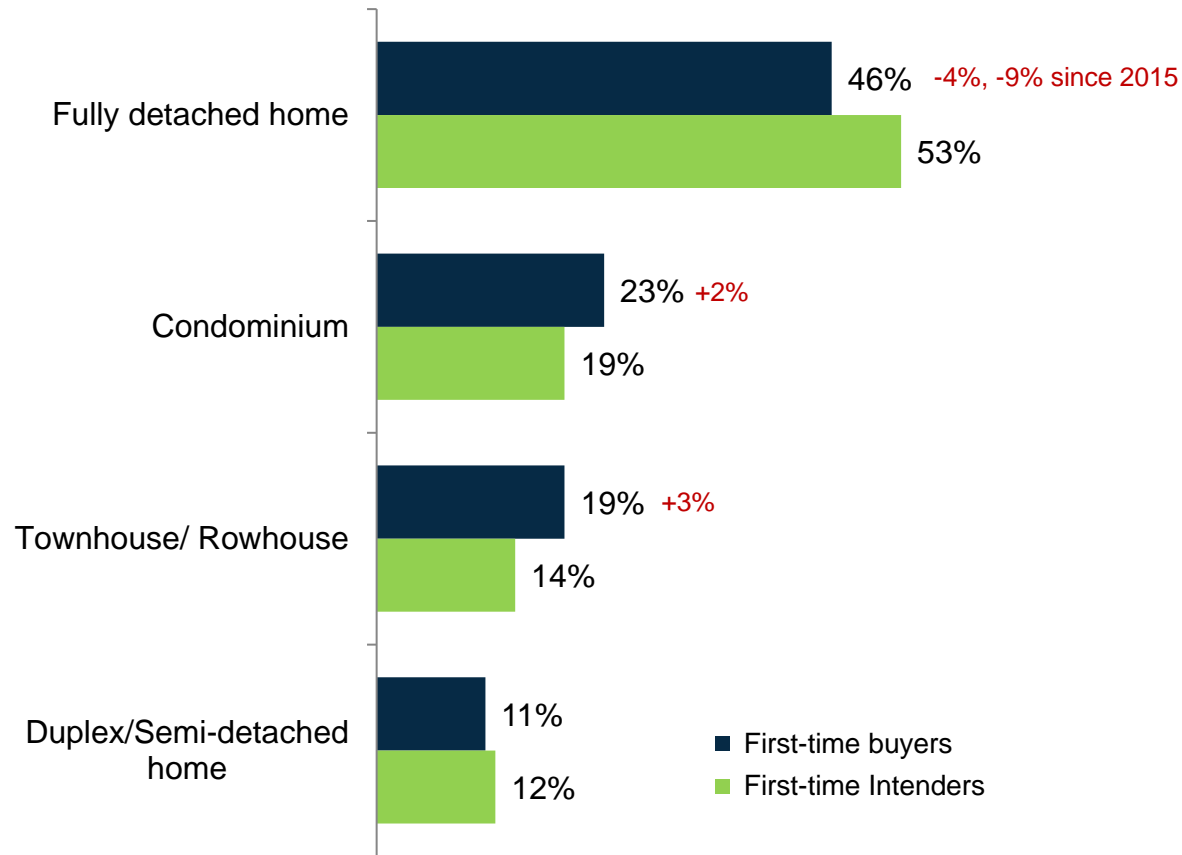
How important were/are each of the following as reasons for why you chose your current home? FTI: are each of the following as reasons for why you would choose your future home?

Starter vs. permanent homes



FTB: Do you see your home as... FI: Do you see your future home as....

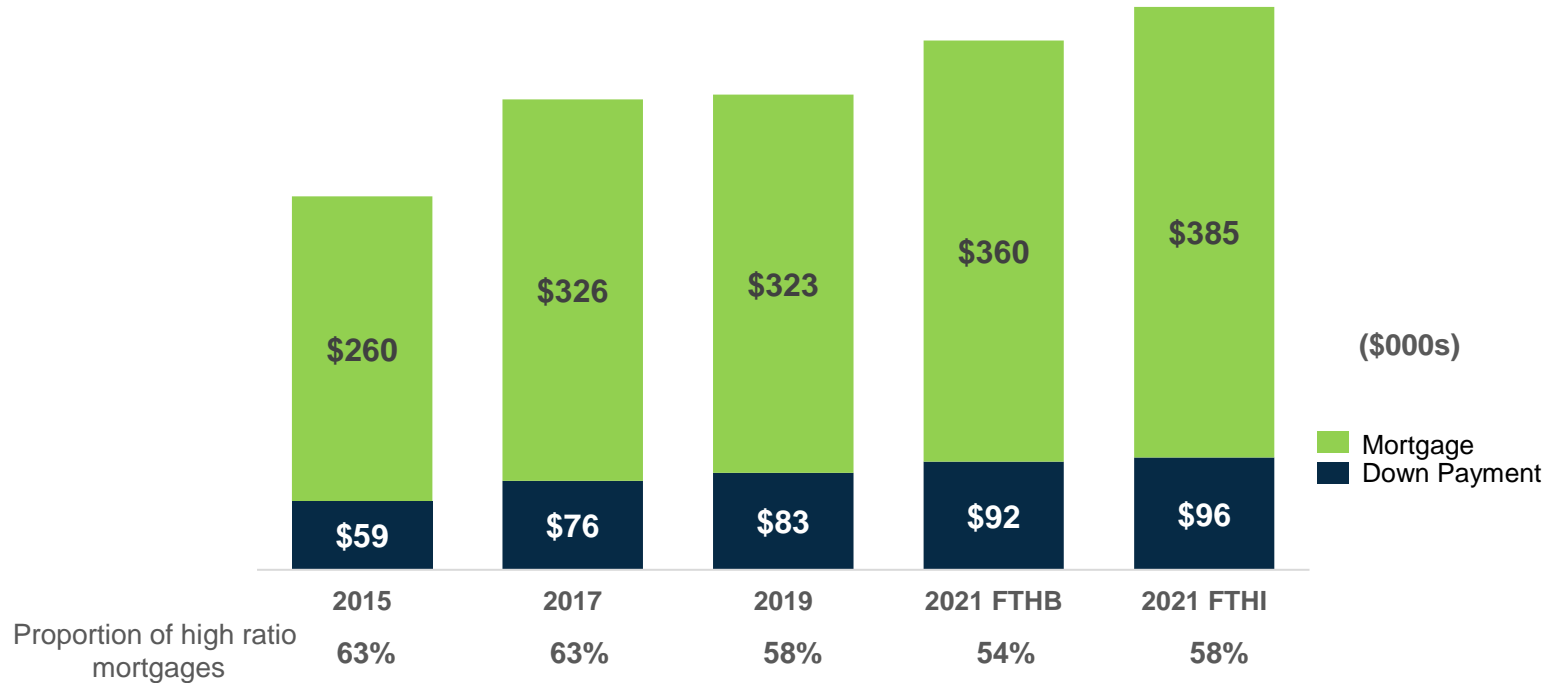
Intenders favour fully detached homes more than recent buyers



FTB: What kind of home did you purchase? FTI: What kind of home are you most likely to purchase within the next 24 months?

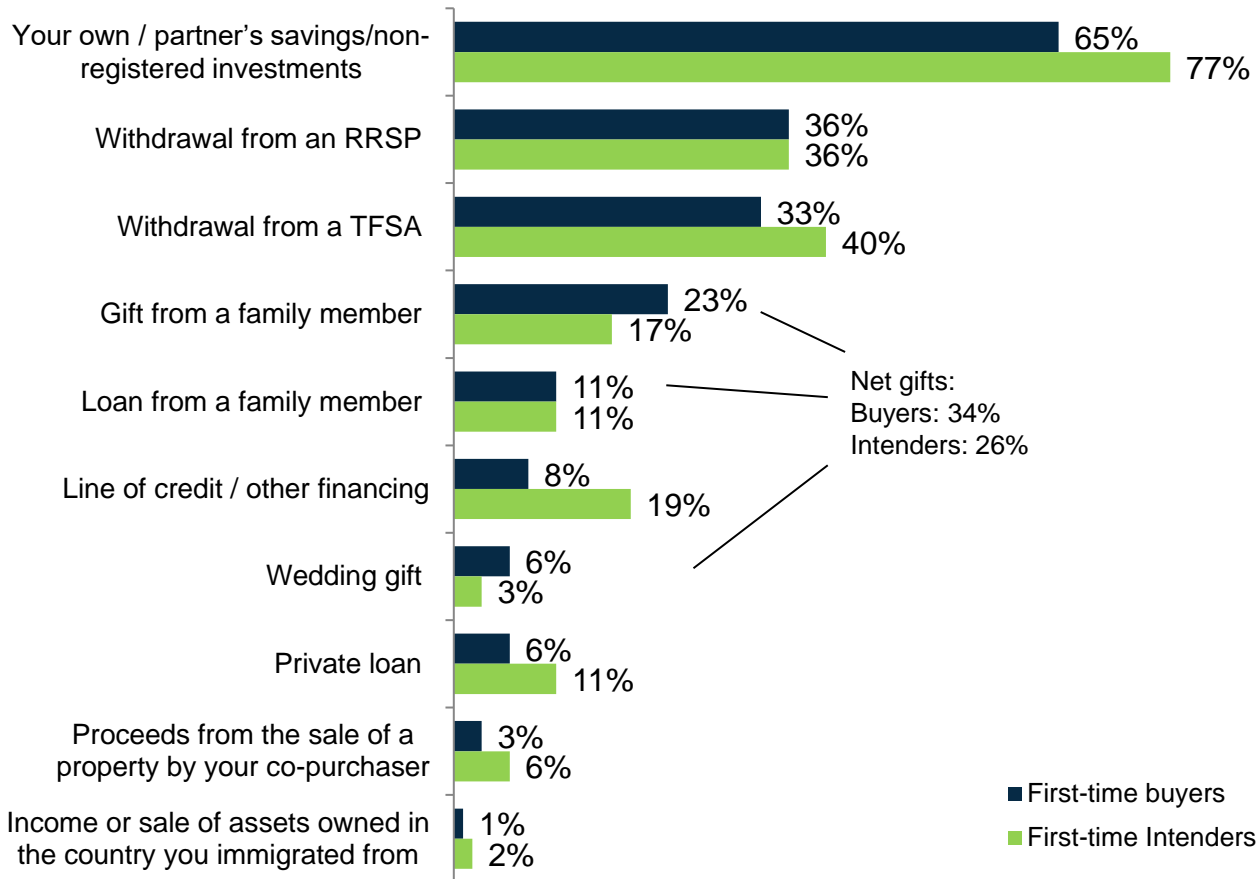
Home Price and Mortgages

Increasing prices down payments rising faster



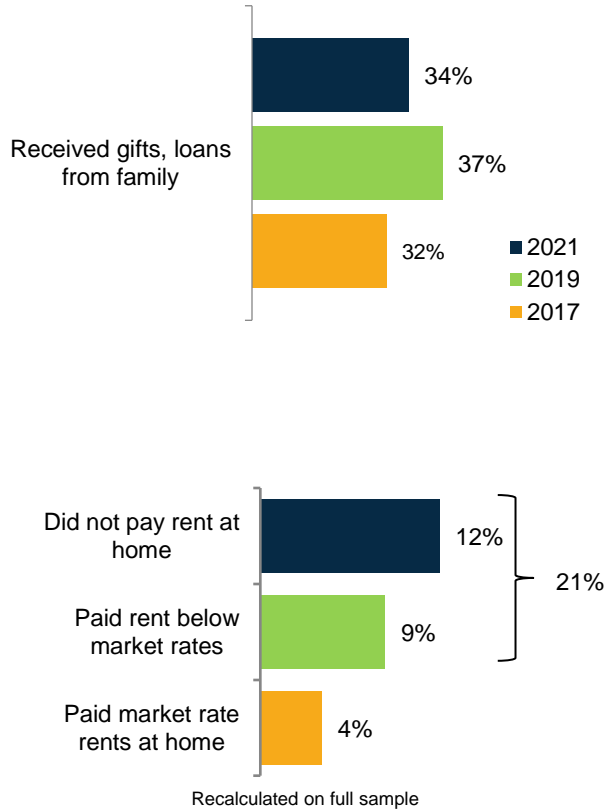
	Van-couver	Calgary	Toronto	Montreal
FTHBs				
Avg. home price	\$662	\$421	\$693	\$373
Avg. down payment	\$171	\$76	\$168	\$74
Avg. mortgage	\$491	\$345	\$524	\$299
DP as pct of price	24%	17%	24%	21%

Personal savings are primary sources of down payments, gifts and loans from family help many



From which of the following sources did you obtain the funds / do you expect to obtain the funds for your down payment?

Gifts/loans and living at home with low rent result in higher home prices and higher down payments



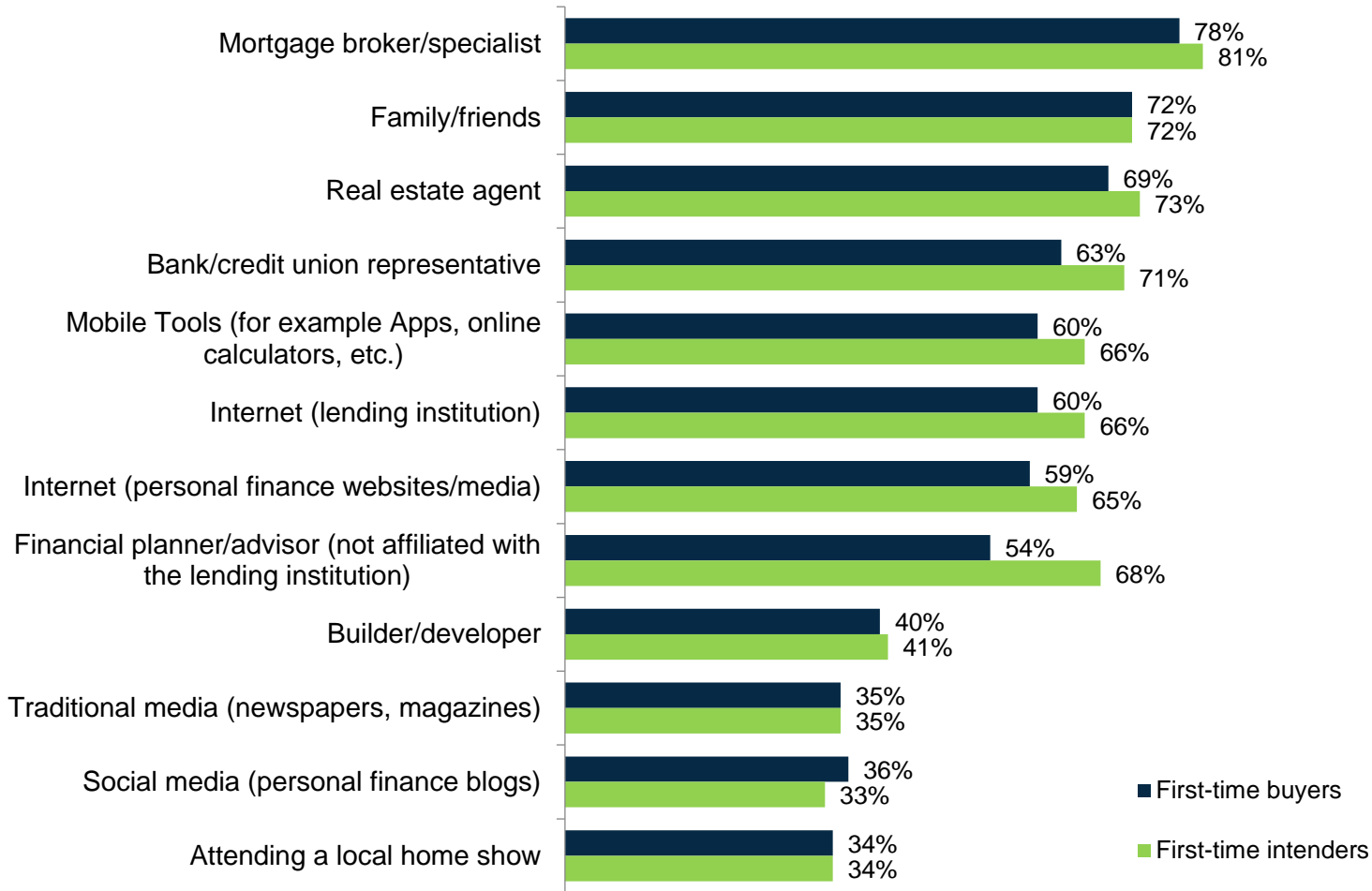
		2019	2021 FTB	Gifts	Low/no rent	Both gifts & low rent	Either	Neither
Price paid for your home	Mean	\$406	\$452	\$493	\$484	\$528	\$484	\$422
	Median	\$350	\$405	\$450	\$436	\$494	\$438	\$384
Total down payment for your home	Mean	\$80	\$92	\$115	\$105	\$140	\$107	\$79
	Median	\$50	\$60	\$80	\$75	\$100	\$75	\$50
Size of the mortgage	Mean	\$326	\$360	\$378	\$379	\$387	\$377	\$344
	Median	\$323	\$330	\$352	\$340	\$355	\$350	\$313
Down payment as proportion of the total cost of the home	Mean	17.9%	18.9%	21.6%	19.5%	23.8%	20.4%	17.5%
	Median	14.0%	17.0%	20.0%	20.0%	20.0%	20.0%	13.0%

Mortgages

ROYAL LEPAGE

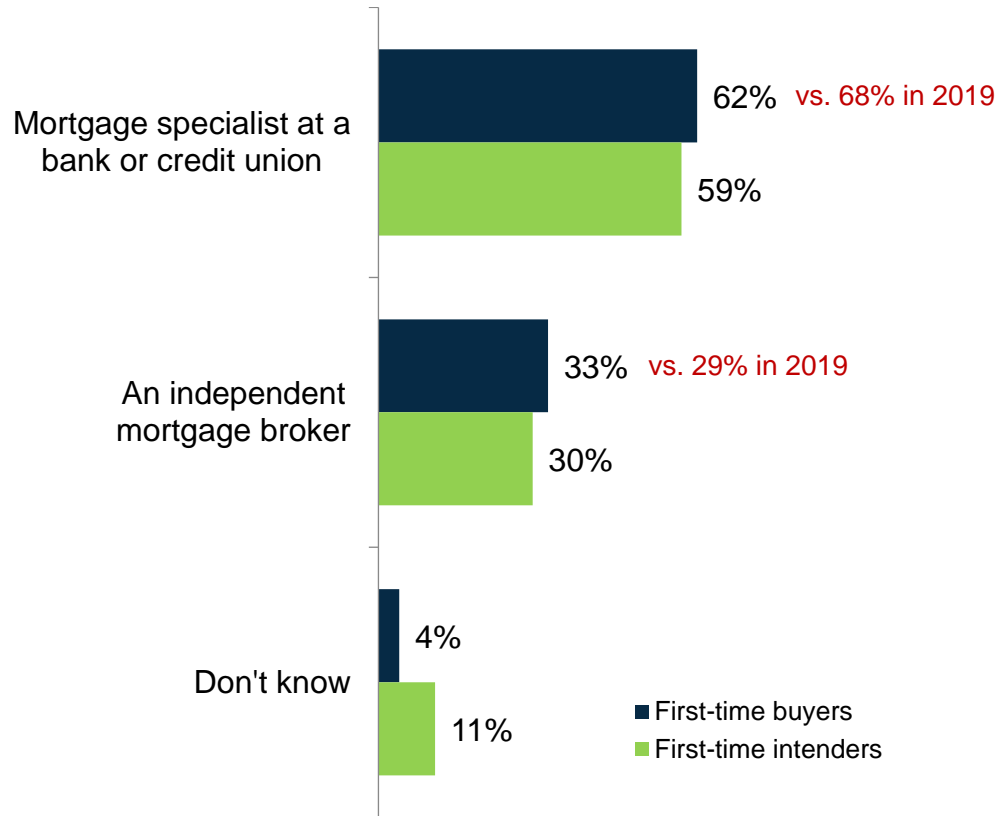
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Intenders anticipate accessing more sources, particularly professionals



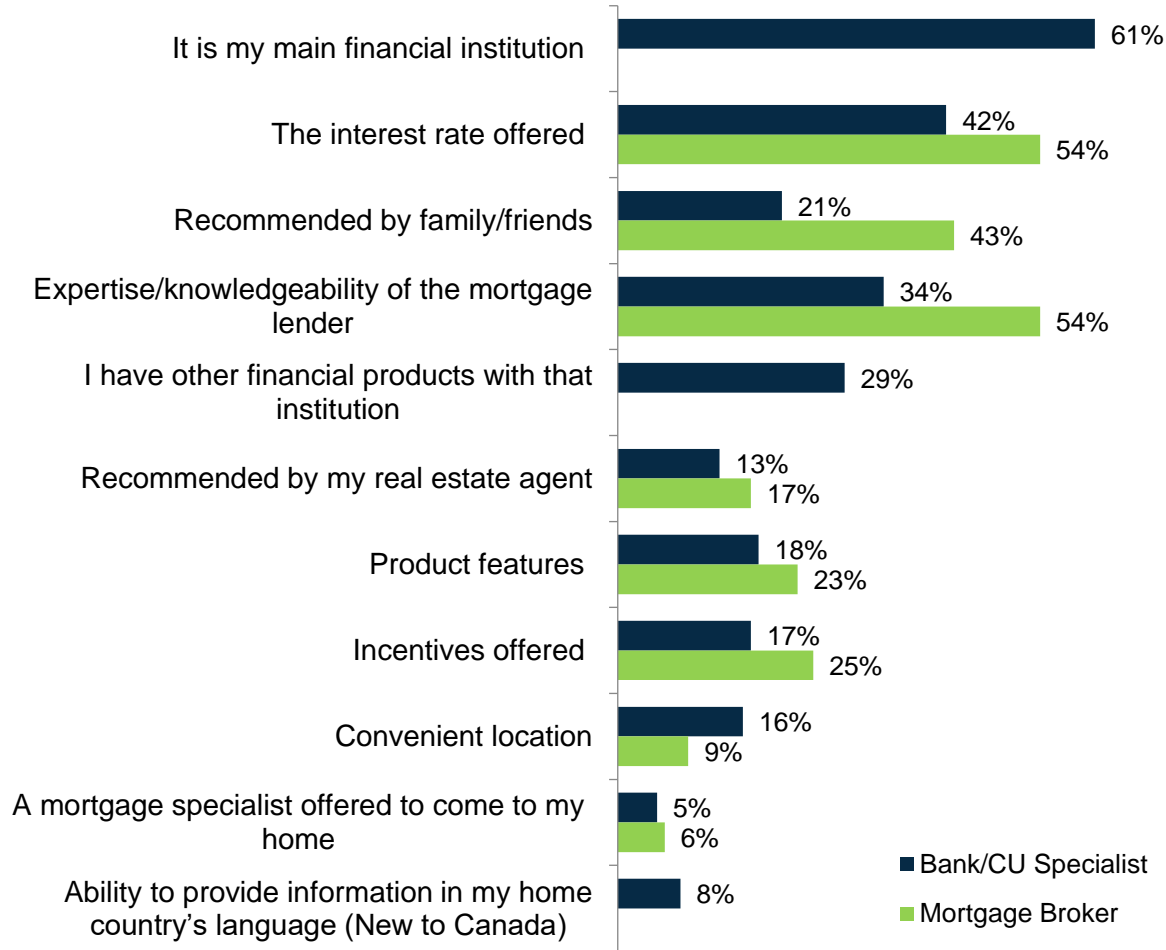
How important were / are each of the following sources of information to you in helping you learn about your mortgage options?

Mortgage sources used



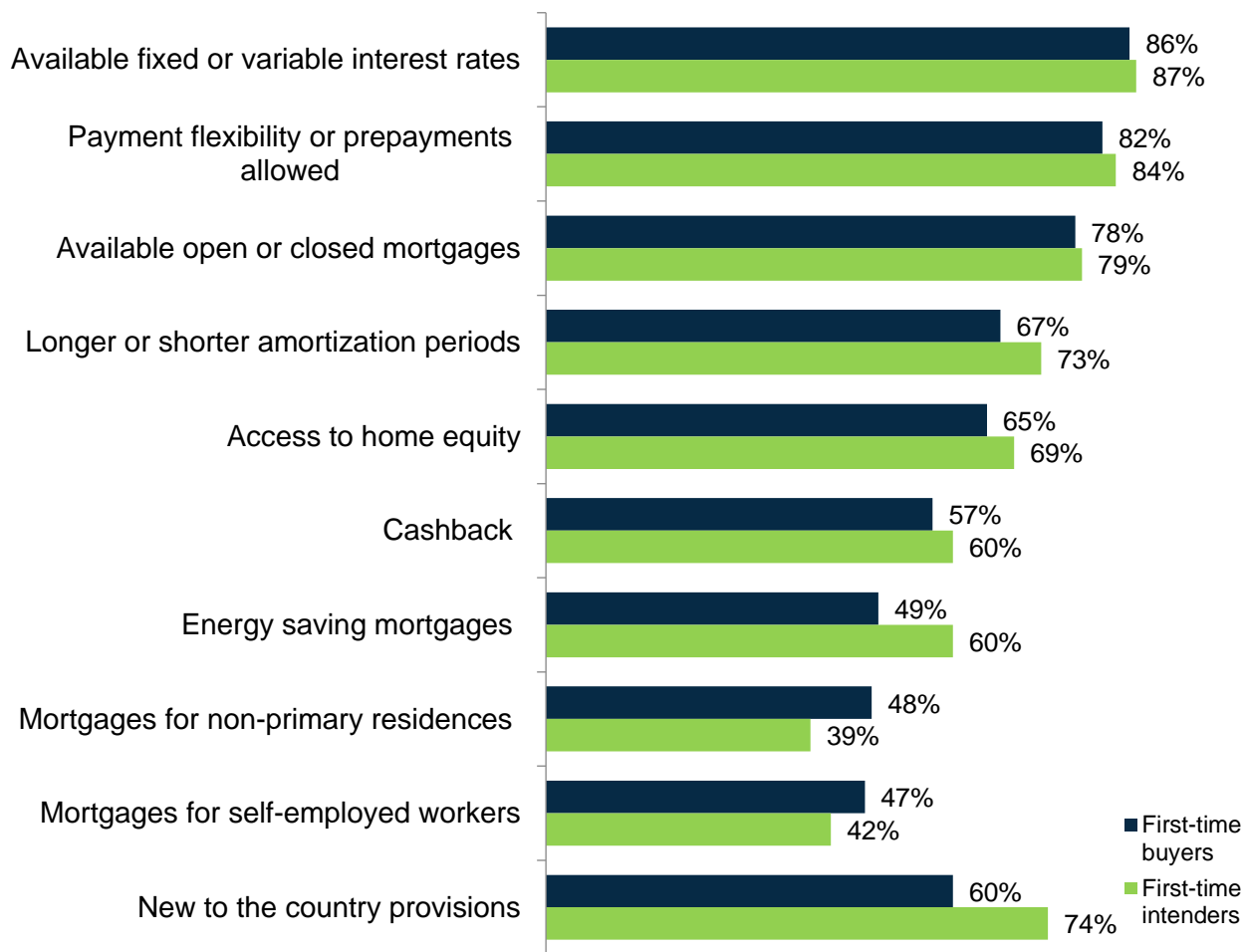
Which of the following did you work with or do you expect to work with to obtain your mortgage for your home?

Buyers have different motivations for choosing a mortgage specialist vs. a mortgage broker



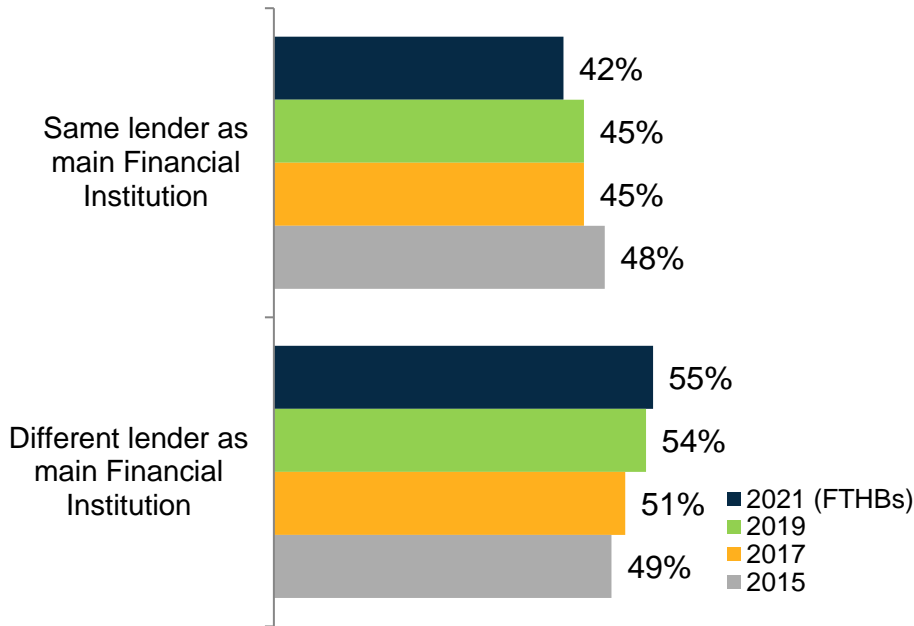
Why did you choose to work with/expect to work with the mortgage brokerage firm or bank or credit union that you chose?

Intenders favour mortgage flexibility more than buyers



How important were / are] each of the following mortgage product features to you when deciding on your mortgage options?

Rising proportion of those who used a different lender than their main FI

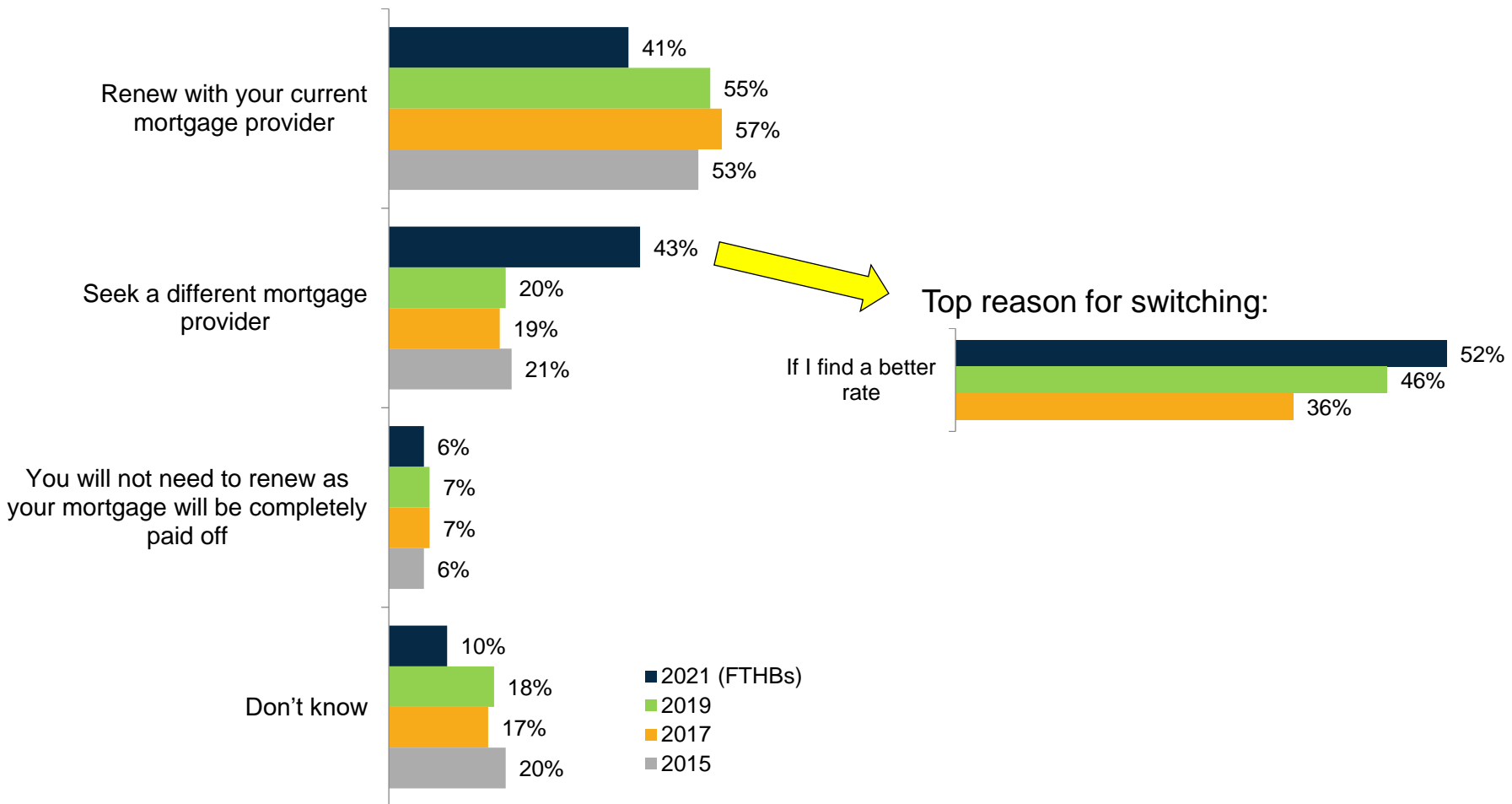


2021 FT HB	Total	Mort. Spec. at bank/ CU	Indep. Mort. Broker
Same as Main FI	42%	53%	22%
Different FI	55%	45%	75%
Don't know	3%	2%	3%

2019 FT HB	Total	Mort. Spec. at bank/ CU	Indep. Mort. Broker
Same as Main FI	45%	55%	21%
Different FI	54%	44%	77%
Don't know	1%	1%	3%

Please indicate which of the following is your main financial institution, where you have a chequing/savings account and debit card, and which is the financial institution you obtained your mortgage from?

Significant drop in the proportion renewing with their current provider



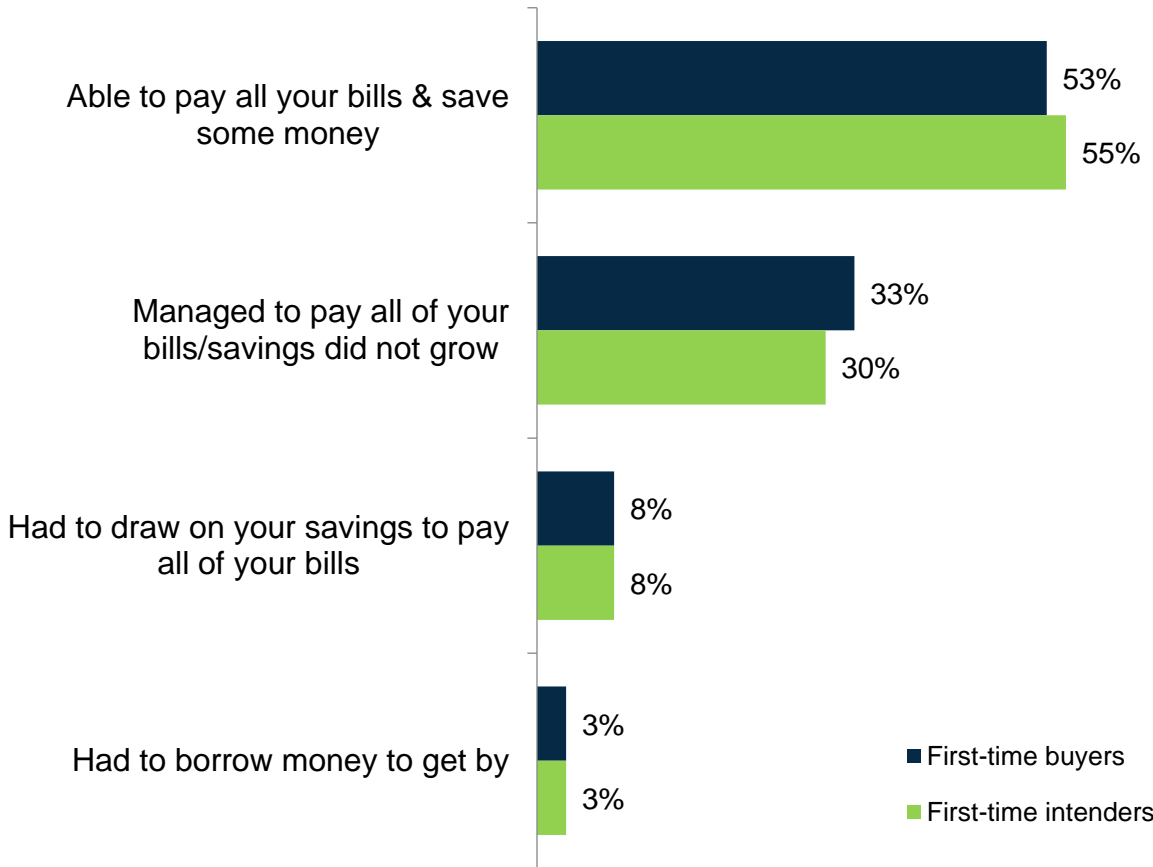
When your current mortgage term ends, will you be most likely to...

...

Financial Context and Financial Fitness

...

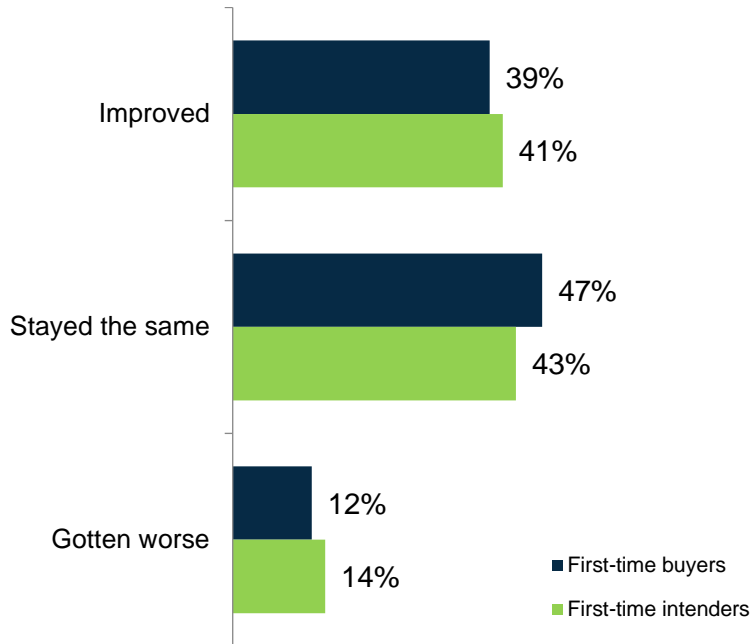
Buyers and intenders both able to pay bills and save



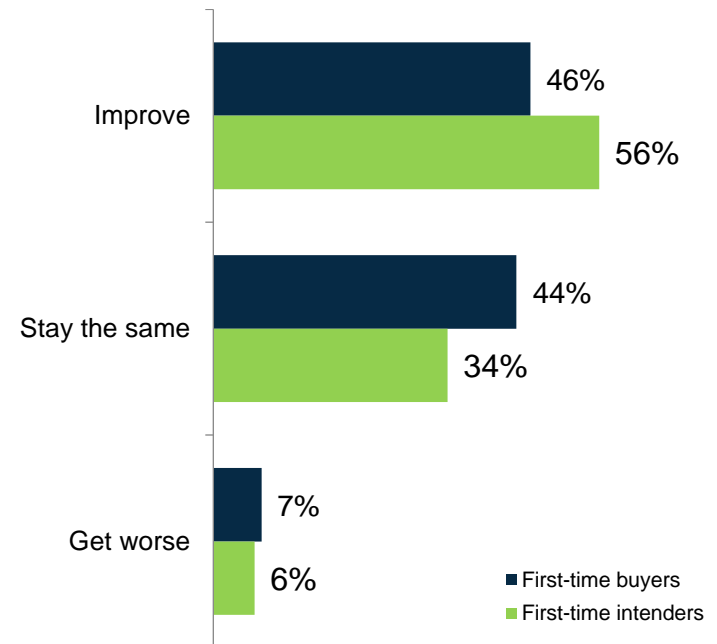
Thinking of your financial situation over the past year, which of the following most accurately reflects your situation

Buyers and intenders are both more optimistic that the future will improve

Financial situation past 12 months

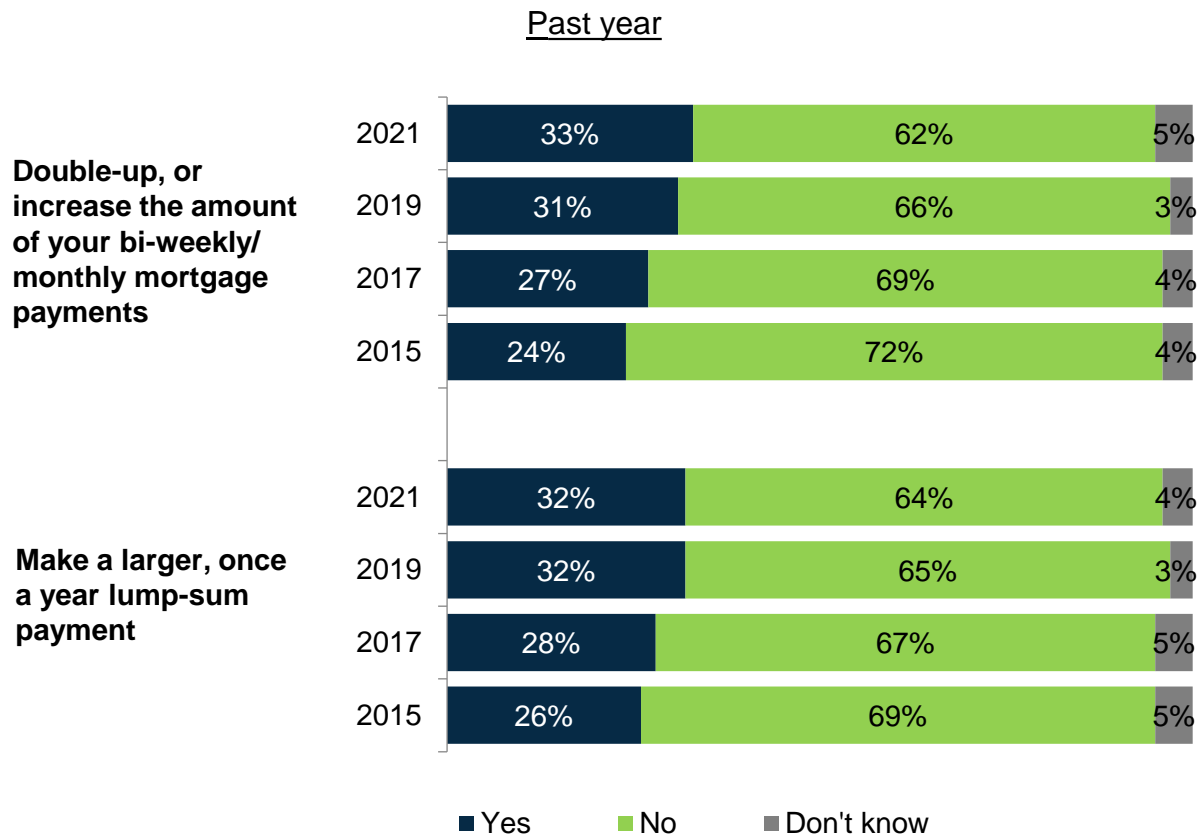


Financial situation next 12 months



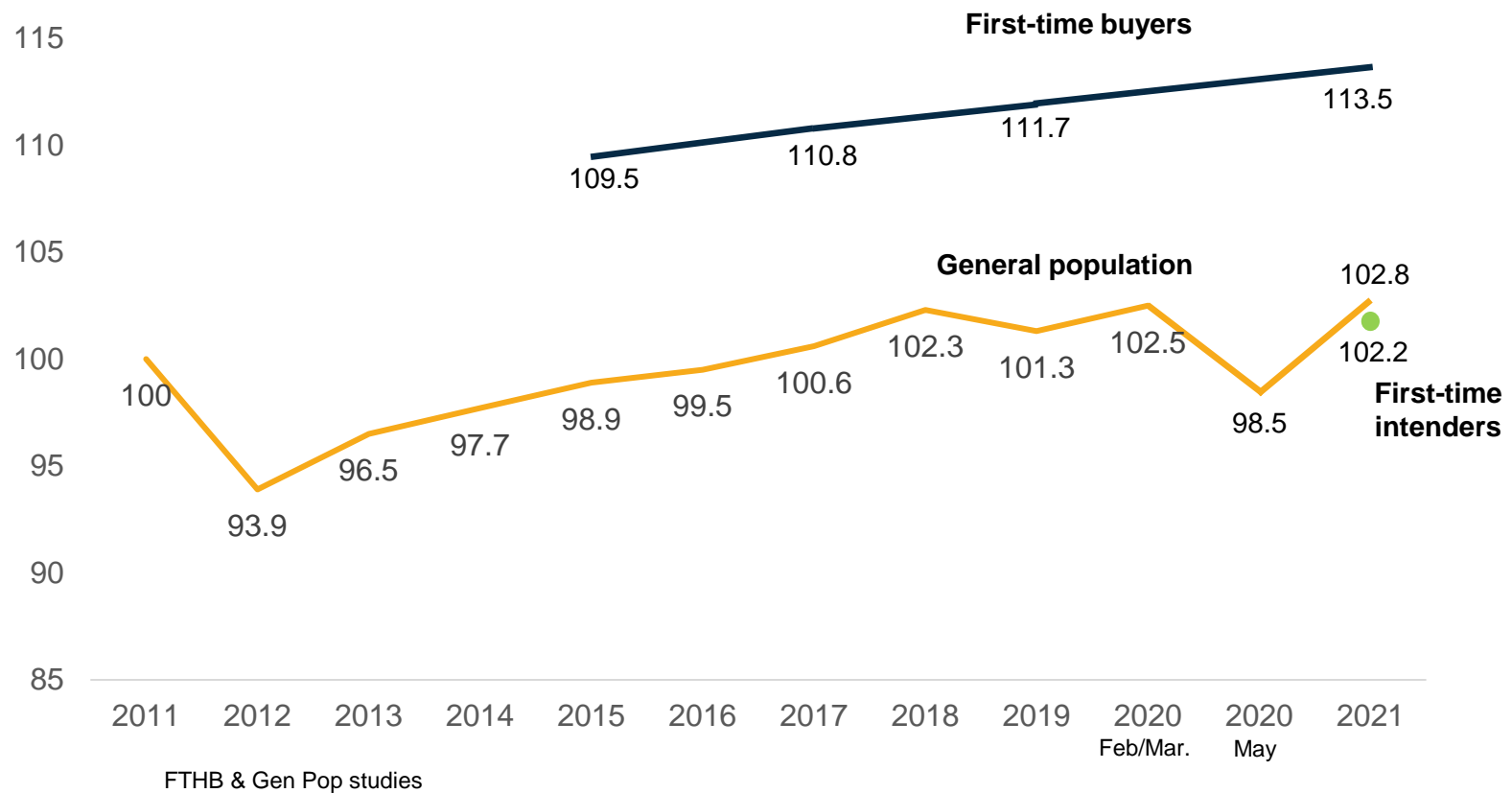
Compared to this time last year, has your financial situation...
Thinking ahead to the next 12 months, do you expect your financial situation will...

The proportion of those who have doubled-up or increased their mortgage payments continues to grow



In the past year, have you done either of the following to pay off your mortgage faster?

First-time buyers consistently outpace all Canadians on Financial Fitness

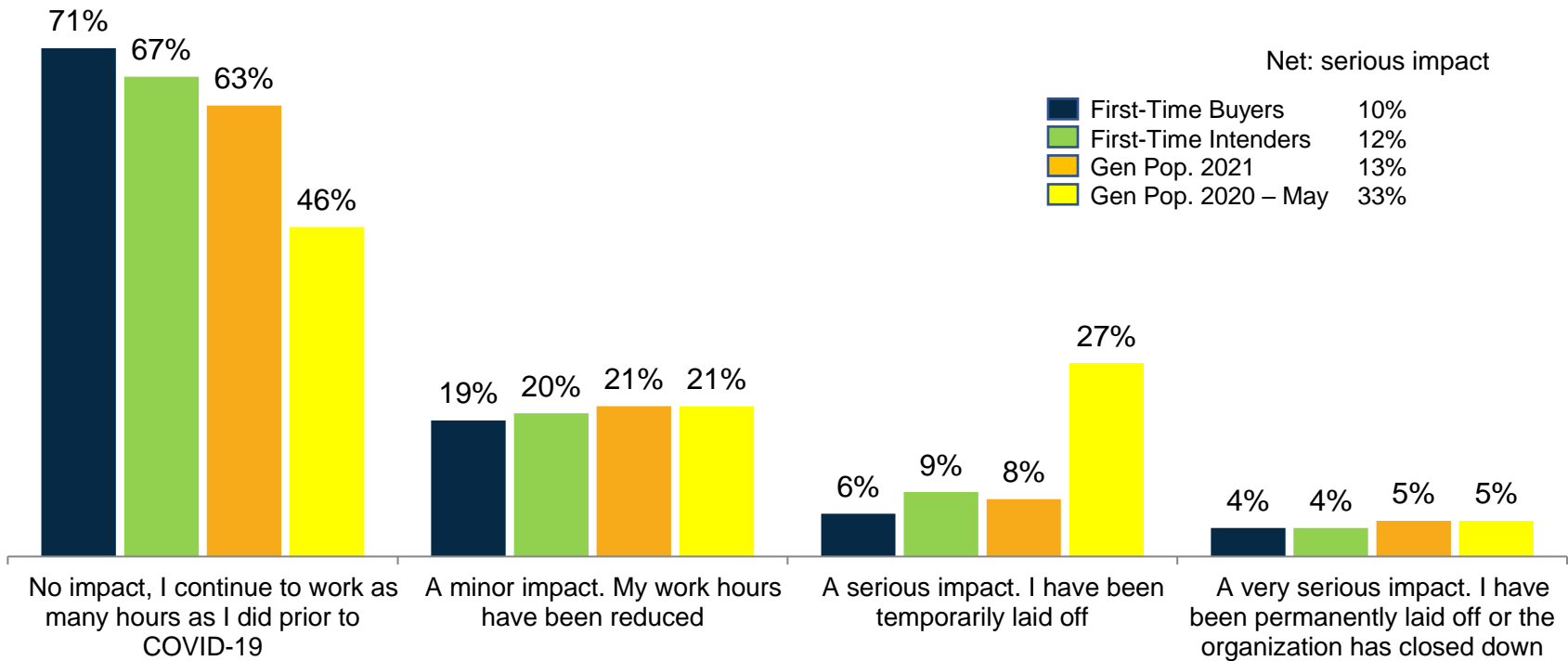


Impact of COVID-19

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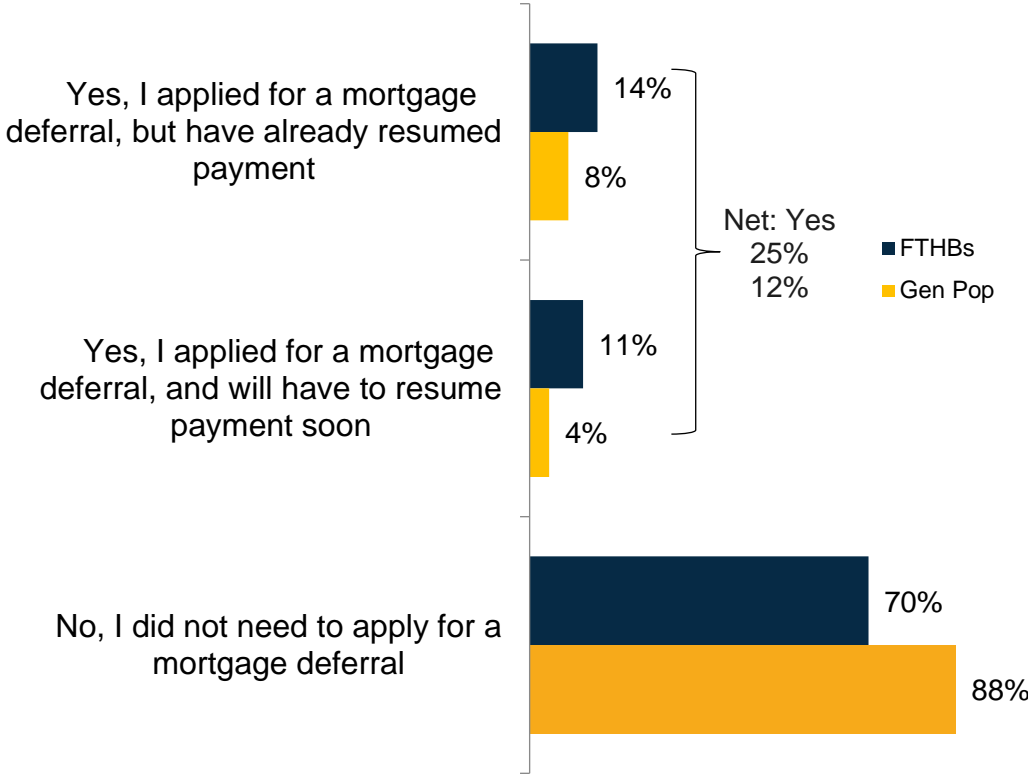
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Buyers and intenders saw less impact employment than gen pop



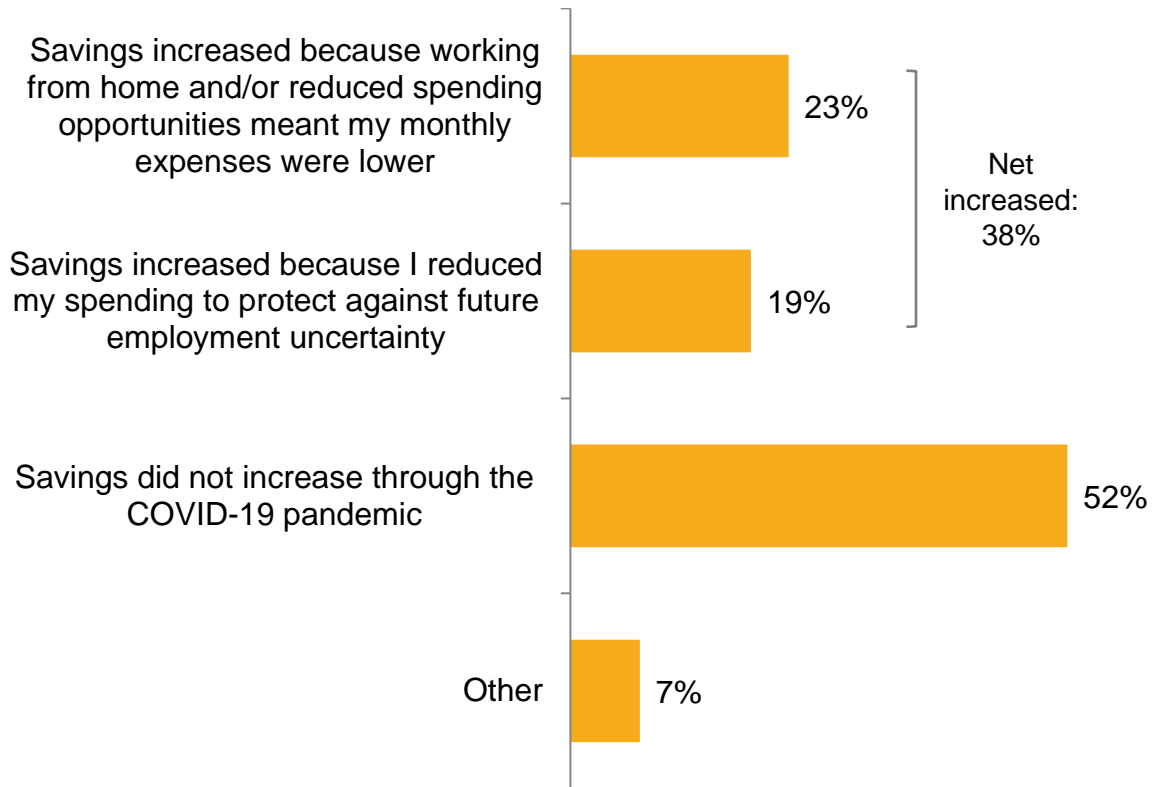
What impact has COVID-19 had on your employment situation? (Base: those working)

One quarter of buyers took advantage of mortgage deferrals, many now repaying



In response to COVID-19, the Government of Canada allowed for mortgage payment deferrals. Did you apply for a mortgage deferral?

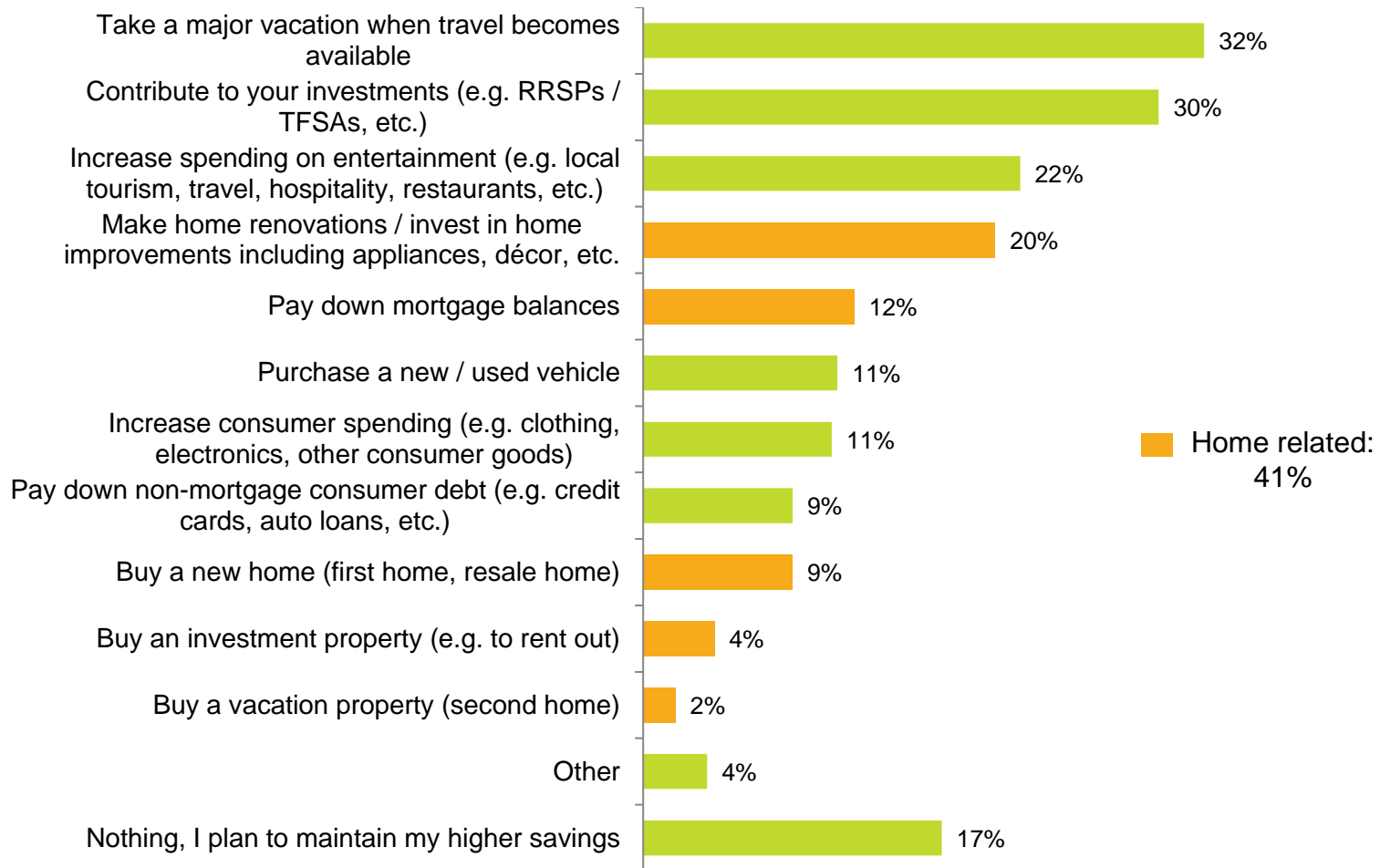
Nearly four in ten Canadians saw savings increase during the pandemic



Gen Pop Study

As a result of the COVID-19 pandemic, many Canadians have seen their savings increase. Which of the following best represents your own situation

Four in ten who saw savings rise plan to make home related expenditures



Once restrictions have eased, what do you intend to do with the savings you have accumulated? *Select all that apply.*

Gen Pop Study

Conclusions

Conclusions

- 1 **First-time buyers** have started to return, and the incidence of intenders is even higher.
- 2 **Financial Fitness** of first-time buyers continues to pace well ahead.
- 3 **Average prices** advance, down payment rise, high ratio mortgage slip
- 4 **COVID-19 impacts** on buyers and intenders varies

Conclusions

- 5 **Impacts on independent** mortgage brokers
- 6 **Mortgage deferrals** are up and repayments have resumed
- 7 **Higher home prices** are expected
- 8 **Intenders** value detached, permanent homes
- 9 **Energy efficiency and proximity** are key considerations

Thank You

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