



2021

# First-Time Homebuyer Survey & Financial Fitness Study

A snapshot of Canadians' Homeownership Attitudes and Financial Fitness



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# 2021 First-Time Homebuyer Survey & Financial Fitness Study



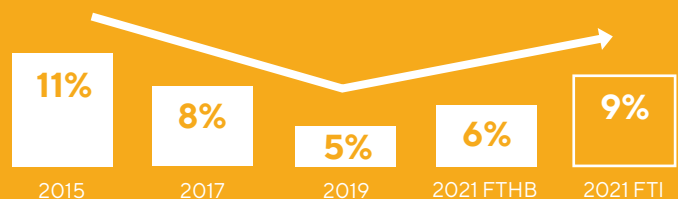
Canadians and Canadian homeowners are now showing their strongest financial fitness to-date. COVID-19 has impacted many buyers and intenders, with some saying it helped them save and buy their home sooner than expected. Compared to recent buyers, intenders anticipate paying higher prices and are more likely to want a detached home and see their first home as a permanent home rather than a starter home. Many first time intenders are expecting to buy a home further from where they work.

## The Big Picture

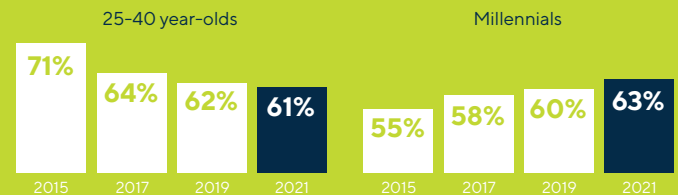
**FTHB:** First-time homebuyers  
**FTI:** First-time intenders



**FTHB** have started to return after declining between 2015-2019, and the anticipated incidence of **FTI** is even higher



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



**53%** of **FTHB** bought in the last 12 months during **Covid**  
**63%** of **FTI** plan to buy in the next 24 months

About

**50%**

say the pandemic had no impact or helped them buy sooner



Intenders

Getting pre-approved rises to **58%** among those planning to buy in the next 6 months.

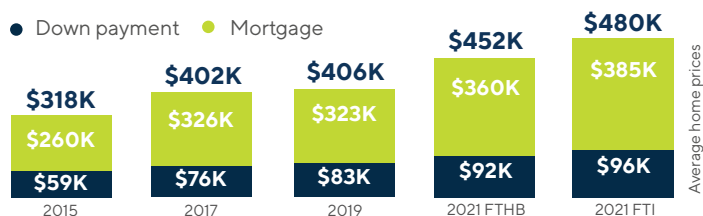
- 85%** looked at **home listings online**
- 69%** used **online home and mortgage tools**
- 56%** learned about **mortgage features**
- 32%** found a **real estate agent** to work with
- 30%** **visited homes** to see if they would meet their needs
- 27%** spoke to a **mortgage specialist** at a bank or credit union
- 27%** spoke to an **independent mortgage broker**
- 25%** got **pre-approved for a mortgage** from a bank or credit union
- 13%** **made an offer** on a home

# Home Price and Mortgages



Increasing prices for purchasers and intenders with faster rising down payments

● Down payment ● Mortgage



**FTI (77%)** are more likely than **recent buyers (65%)** to use their own/partner's savings/non-registered investments for their down payment



**FTI (49%)** are more likely than **recent buyers (43%)** to say they will delay buying a home until they save up a larger down payment themselves if they don't receive a gift/loan



Intenders anticipate accessing more sources, particularly professionals to help them learn about mortgage options

Mortgage/Broker Specialist  
Real Estate Agent  
Bank/Credit Union Rep  
Financial Planner/Advisor

	FTHB	FTI
Mortgage/Broker Specialist	78%	81%
Real Estate Agent	69%	73%
Bank/Credit Union Rep	63%	71%
Financial Planner/Advisor	54%	68%



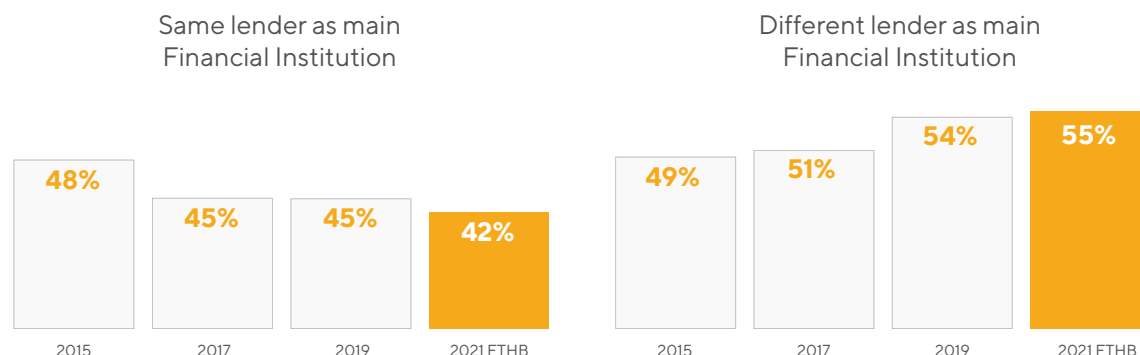
**62%** of buyers and **59%** of intenders prefer to work with mortgage specialists at a bank or credit union

FTI favour mortgage flexibility more than buyers



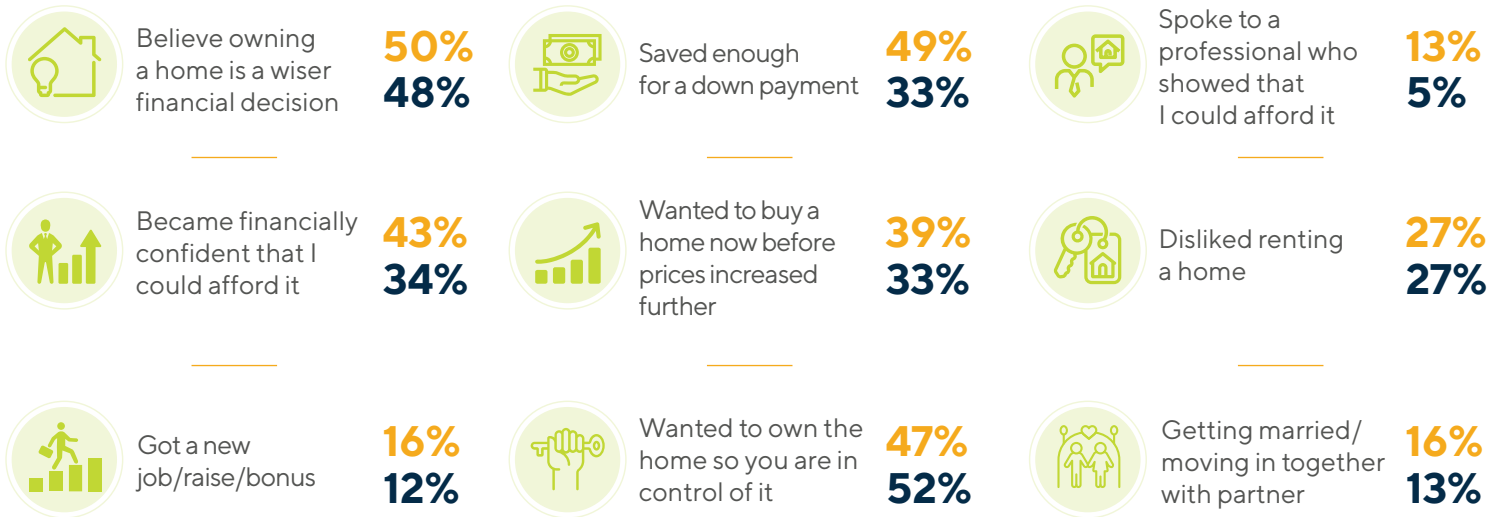
	FTHB	FTI
Payment flexibility	82%	84%
Longer or shorter amortizations	67%	73%
Access to home equity	65%	69%
Energy saving mortgages	49%	60%

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



# Home Purchase Motivations

- First-time homebuyers
- First-time intenders



## What Canadians thought about buying a home:



**56%** of FTI and **46%** of FTHB are optimistic about the future

## Canadians said the main reasons to choose a home is:



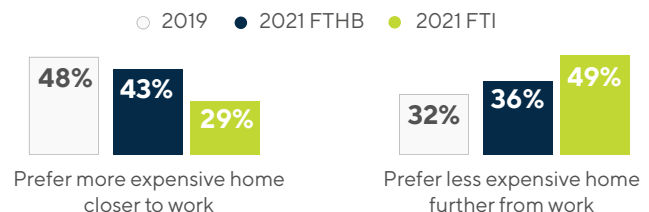
**70%** of FTI are more likely than **64%** of recent buyers to want space to work from home



**82%** of FTI are more likely than **69%** of recent buyers to value energy efficient homes



**FTI & FTHB** shift towards homes that are less expensive and further from work



**48%** of recent buyers are much more likely than **38%** of FTI to see their first home as a starter home



**53%** of FTI favour fully detached homes more than **46%** of recent buyers

# Financial Context and Financial Fitness



**Recent buyers (53%) and intenders (55%)** are able to pay bills and save



Buyers and intenders exhibit similar credit card repayment patterns

Pay off credit cards in full each month  
Pay more than the minimum, but less than the maximum  
Pay only the minimum each month

	FTHB	FTI
Pay off credit cards in full each month	<b>64%</b>	<b>65%</b>
Pay more than the minimum, but less than the maximum	<b>25%</b>	<b>24%</b>
Pay only the minimum each month	<b>7%</b>	<b>4%</b>



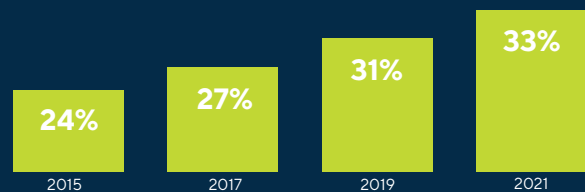
**72%** of FTHB and **65%** of FTI feel they are in good shape



FTHB consistently outpace all Canadians on Financial Fitness



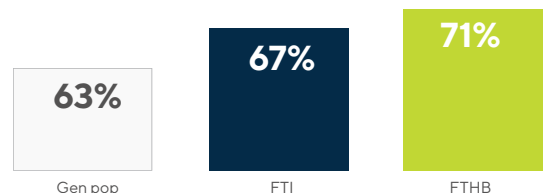
The proportion of those who have doubled-up or increased their mortgage payments continues to grow



## Impact of COVID-19



Buyers and intenders are more likely to say they saw no impact from **COVID-19** on their employment than the general population



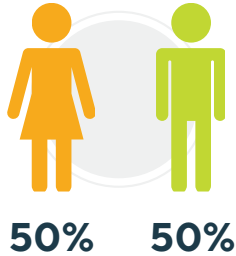
**25%** of FTHB took advantage of mortgage deferrals



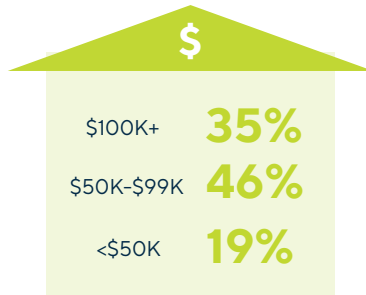
Nearly **4 in 10** Canadians saw savings increase during the pandemic

# Respondent Profile

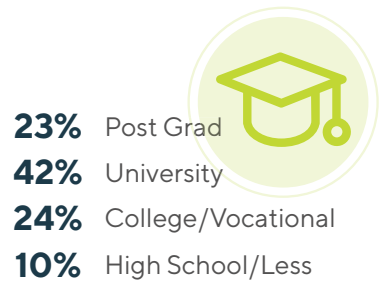
## Gender



## Household Income



## Education

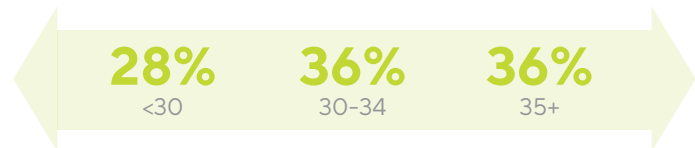


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## Birthplace

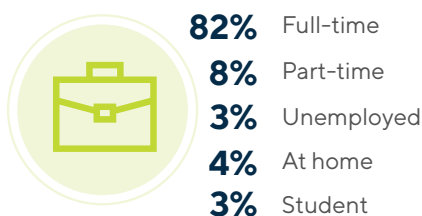


## Age Ranges

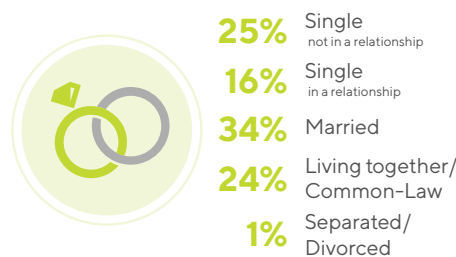


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## Employment



## Marital Status



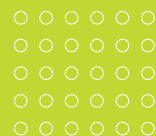
## Household Size



**Methodology:** A total of 1,856 interviews with Canadians aged 25-40 who 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 representative distributions.

Study completed by Environics Research on behalf of Sagen and in association with the Canadian Association of Credit Counselling Services. First-time homebuyer study findings in collaboration with Royal LePage.

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