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2023 First-Time Homebuyer Trends & their Financial Fitness

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2023 Financial Fitness Study

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Methodology

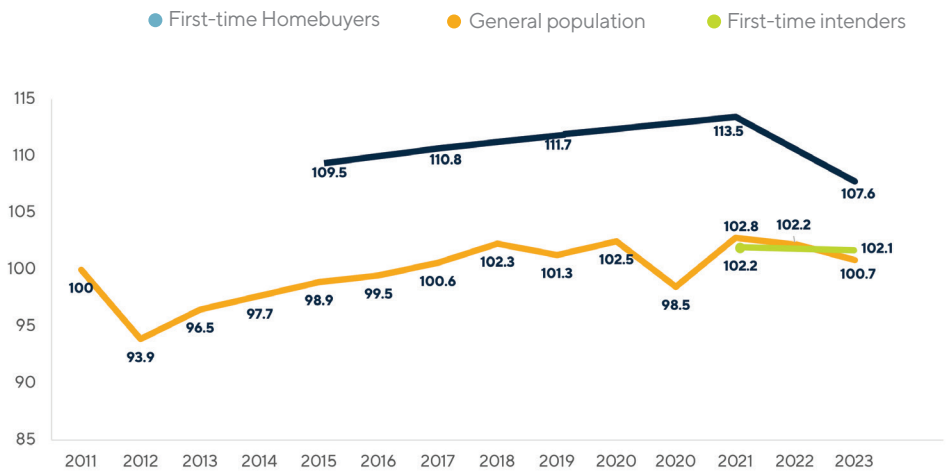
A total of 2,223 interviews completed with Canadians aged aged 25-45 who had either purchased their first home within the prior two years or plan to in the next two years.

Online interviewing was completed between February 22 and March 27, 2023. Results are weighted to reflect home ownership and mortgage ownership patterns as reported in Census 2021.

Study completed by Environics Research on behalf of Sagen and in association with the Canadian Association of Credit Counselling Services.

1 Financial Fitness

First-time homebuyers consistently outpace all Canadians on Financial Fitness; but decline in 2023 as intenders are flat and Canadians decline as a whole.



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

First-Time homebuyers now more concerned about further interest rate increases impacting their ability to pay their mortgage than job loss or other risks.

Concerned about:

Making ends meet month

52% 43%

Long-term financial health

81% 81%

Ability to pay all their bills and save some money

43% 54%

31% of **FTHB** and **44%** of **FTI** say their financial position improved in the past 12 months

46% of **FTHB** and **65%** of **FTI** expect their financial position improve with in the next 12 months

Most FTHB and FTI fall into the Looking Great/Looking Good or Managing Financial Fitness Segments.

Looking Great/Good

39% 32%

Managing

42% 37%

Vulnerable

15% 23%

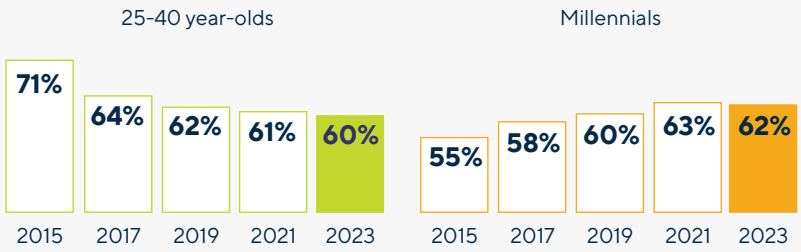
Alert

4% 7%

2 The Big Picture

FTHB FTI

Homeownership rates among 25-40 year olds reaches all-time lows; Millennial homeownership rates stall



Homeownership Preferences and Motivations

Price
95% 97%

Proximity to Work
77% 76%

Having a space to work from home
76% 76%

Energy Eficiency of the Home
75% 84%

Homebuyer confidence is positive among FTHB and FTI

Good time to buy
43%
36%

Neither Good/Bad
26%
27%

Bad time to buy
27%
32%

Don't know
4%
5%

Preferred Type of Homes

	Fully detached home	Condominium	Townhouse	Duplex/ Semi-detached home	
	46% 47%	**24% 24%**	**18% 18%**	**11% 11%**	2023
	46% 53%	23% 19%	19% 14%	11% 12%	2021

25% of **FTHB** received, and **17%** of **FTI** will receive financial assistance with monthly mortgage payments

15% of Canadians who do not own a home plan to buy one in the next 24 months

40% of **Canadians feel there is insufficient supply** of homes available in their areas

13% of Canadians think now is a good time to buy a home

50% of Canadians think now is a bad time to buy a home

3 Home Price & Housing Supply

4 Mortgages

● FTHB ● FTI

Average proportion with high ratio mortgages **49% 56%**

FTHB and FTI each say they received/will receive financial assistance as a gift **46% 38%**

Received financial assistance with monthly mortgage payments from family **25% 17%**

Prefer closer to work, a smaller or more expensive home **45% 34%**

Prefer further from work, less expensive or larger **34% 44%**

Average down payment as a percentage of purchase price **22% 19%**

70% 62% Work with a mortgage specialist at a bank or credit union

26% 26% Work with an independent mortgage broker

67% 73% Cite financial advisors/ planners as important source of mortgage advice

53% of FTHB used a different lender than main financial institution

45% of FTHB expect to renew with their current lender

Almost **2/3** of FTHB and FTI are buying with a spouse/partner

5 Respondent Profile

Gender

50% Female

50% Male

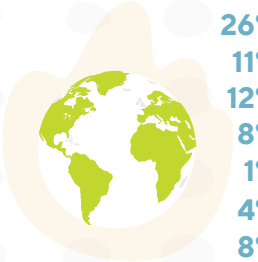
Marital Status

37% Single

60% Married/ Common-Law

2% Separated/ Divorced

Country Immigrated From



26% South Asia
11% China/Taiwan
12% Other Asia
8% Western Europe
1% Eastern Europe
4% Middle East
8% Africa
11% Americas

Household Income

<$75K	$75K-$99K	$100K+
29%	23%	48%

Education

26% Post- Graduate
41% University
22% College/Vocational/ CEGEP
11% High School/Less

Employment

81% Full-time
7% Part-time
4% Unemployed or looking
5% At home full-time
3% Student

Household Size

One 16%
Two 33%
Three 24%
Four 16%
Five+ 11%

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Age

25%	35%	40%
< 30 years	30 - 34 years	35+ year

Birthplace

Canada 71%

Another Country 29%

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