



## **Fact Sheet**

### **A Profile of Homebuying in Canada**

### **Spring 2017 Survey Report**

- A majority (55%) of Canadians agree that now is a good time to buy a home in their community. Significantly fewer Next Generation Buyers (44%) think now is a good time to buy, compared to Recent Buyers (67%), Move-up Buyers (58%) and Downsizers (52%).
- Next Generation homebuyers in Toronto and Vancouver have the highest stress levels around home purchasing decisions while those in Atlantic Canada and Quebec have the lowest.
- Next Generation Buyers do not seem to be motivated by market conditions or the “fear of missing out” but rather are motivated by their own personal circumstances.
- Canadians generally consider mortgages as “good debt” with recent homebuyers most positive.
- Less than half of Canadians (46%) were aware of the recent changes to Canada’s mortgage rules. Awareness is significantly lower among the Next Generation of homebuyers (29%) compared to other segments. Unsurprisingly, awareness is significantly higher among Recent Buyers (55%).
- Prior to discussions about the mortgage rule changes, two-in-ten Canadians stated they plan to rent a part of their home, while one-in-ten plan to buy jointly with someone other than their significant other as strategies to afford homeownership. However, that change to three-in-ten and just over one-quarter respectively after being presented with the market implications of the new stress test.
- About 20% of potential buyers would be disqualified by the stress test, based on a hypothetical rate of 4.64%.
- Of those who said that they would increase their down payments, they identified the following ways to avoid the stress test:
  - 31% would withdraw from RRSPs,
  - 16% would obtain loans from financial institutions,
  - 43% would delay their purchase, and
  - 30% would seek help from family (gifts/loans).

After gaining an understanding of the impacts of these changes, one-half of Next Generation Buyers state they are more likely to consider renting in the long-term, as an alternative to homeownership (significantly more compared to other segments).