



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

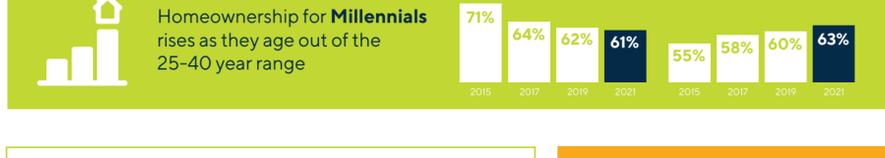


& Financial Fitness Study

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



53% of FTFB 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

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

Intenders

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

Home Price and Mortgages



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

Source	FTFB	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

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



Home Purchase Motivations

Believe owning a home is a wiser financial decision: FTI 50%, FTFB 48%

Saved enough for a down payment: FTI 49%, FTFB 33%

Spoke to a professional who showed that I could afford it: FTI 13%, FTFB 5%

Became financially confident that I could afford it: FTI 43%, FTFB 34%

Wanted to buy a home now before prices increased further: FTI 39%, FTFB 33%

Disliked renting a home: FTI 27%, FTFB 27%

Got a new job/raise/bonus: FTI 16%, FTFB 12%

Wanted to own the home so you are in control of it: FTI 47%, FTFB 52%

Getting married/moving in together with partner: FTI 16%, FTFB 13%

What Canadians thought about buying a home:

Category	2021	2020
Good time	25%	33%
Neither good/bad	28%	28%
Bad time	37%	30%

56% of FTI and 46% of FTFB are optimistic about the future

Canadians said the main reasons to choose a home is:

Reason	Buyers	Intenders
Price	92%	97%
Safe neighbourhood	90%	92%
Size/Space	89%	91%

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 & FTFB shift towards homes that are less expensive and further from work

Year	Prefer more expensive home closer to work	Prefer less expensive home further from work
2019	48%	32%
2021 FTFB	43%	36%
2021 FTI	29%	49%

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

Category	FTFB	FTI
Pay off credit cards in full each month	64%	65%
Pay more than the minimum, but less than the maximum	25%	24%
Pay only the minimum each month	7%	4%

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

FTFB consistently outpace all Canadians on Financial Fitness

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

Year	Proportion
2015	24%
2017	27%
2019	31%
2021	33%

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

Group	Percentage
Gen pop	63%
FTI	67%
FTFB	71%

25% of FTFB took advantage of mortgage deferrals

Nearly 4 in 10 Canadians saw savings increase during the pandemic

Respondent Profile

Gender: 50% Male, 50% Female

Household Income: \$100K+ (35%), \$50K-\$99K (46%), <\$50K (19%)

Education: 23% Post Grad, 42% University, 24% College/Vocational, 10% High School/Less

Birthplace: 75% Canada, 25% Another country

Age Ranges: <30 (28%), 30-34 (36%), 35+ (36%)

Employment: 82% Full-time, 8% Part-time, 3% Unemployed, 4% At home, 3% Student

Marital Status: 25% Single (not in a relationship), 16% Single (in a relationship), 34% Married, 24% Living together/Common-Law, 1% Separated/Divorced

Household Size: One (23%), Two (39%), Three (18%), Four (13%), Five+ (7%)

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. Quotes 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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