



# Genworth Financial Canada First-Time Homebuyer's Monitor

February 2008

# Methodology

- **On-line interviews were conducted between November 29<sup>th</sup> and December 11<sup>th</sup>, 2007 with 963 Canadians who had recently purchased their first home or were intending to do so.**

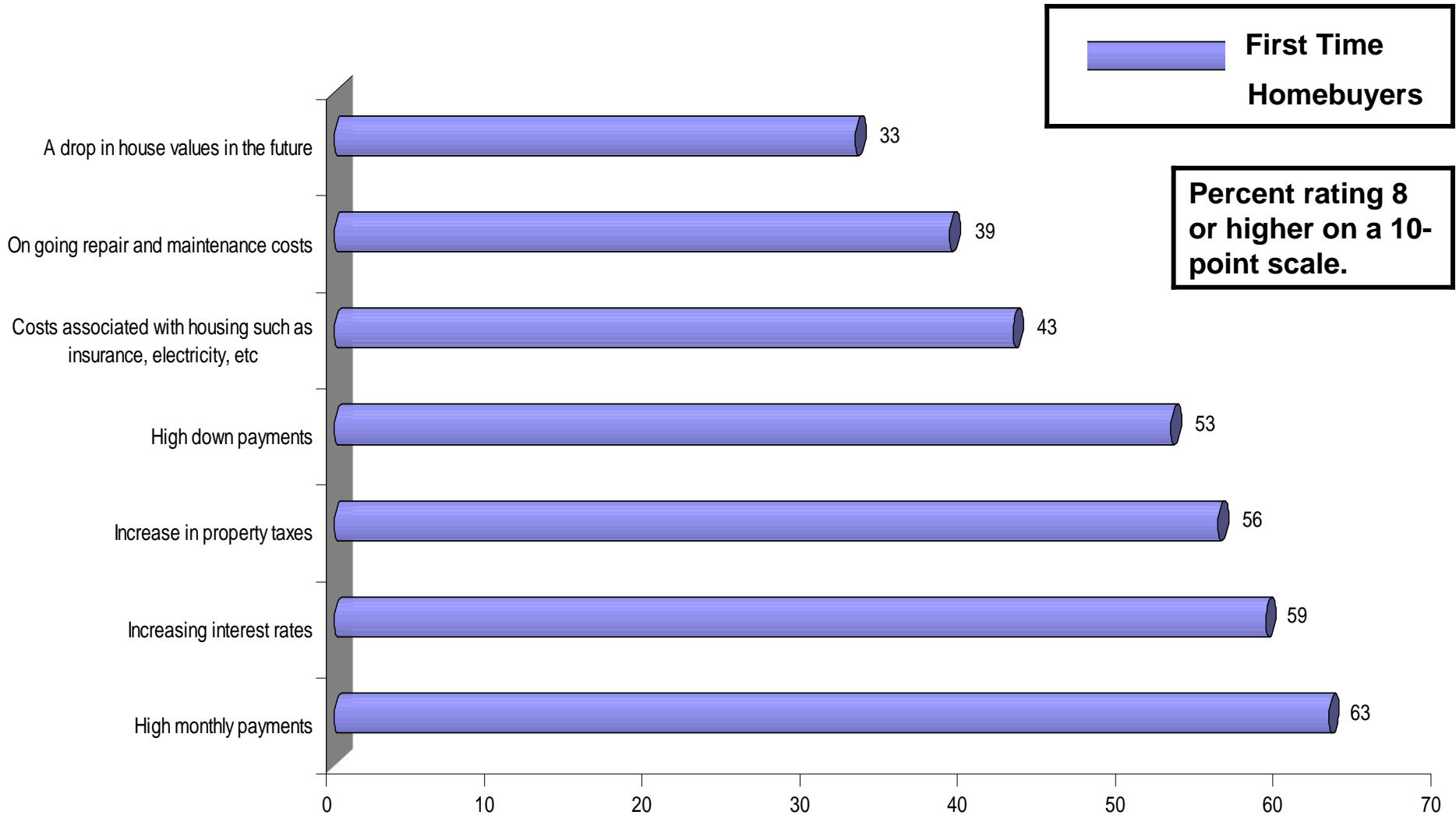
# Summary of key findings

- **Overall, Canadian first-time home buyers remain confident in the stability of the housing market and are not overly concerned about the potential for declining home values.**
- **The top concerns identified by respondents are high monthly payments (63%), rising interest rates (59%) and increasing property taxes (56%).**
- **Single, detached homes are overwhelmingly the most sought type of home by first-time buyers (61%), although condos are strong choices in B.C. and the Greater Toronto Area.**

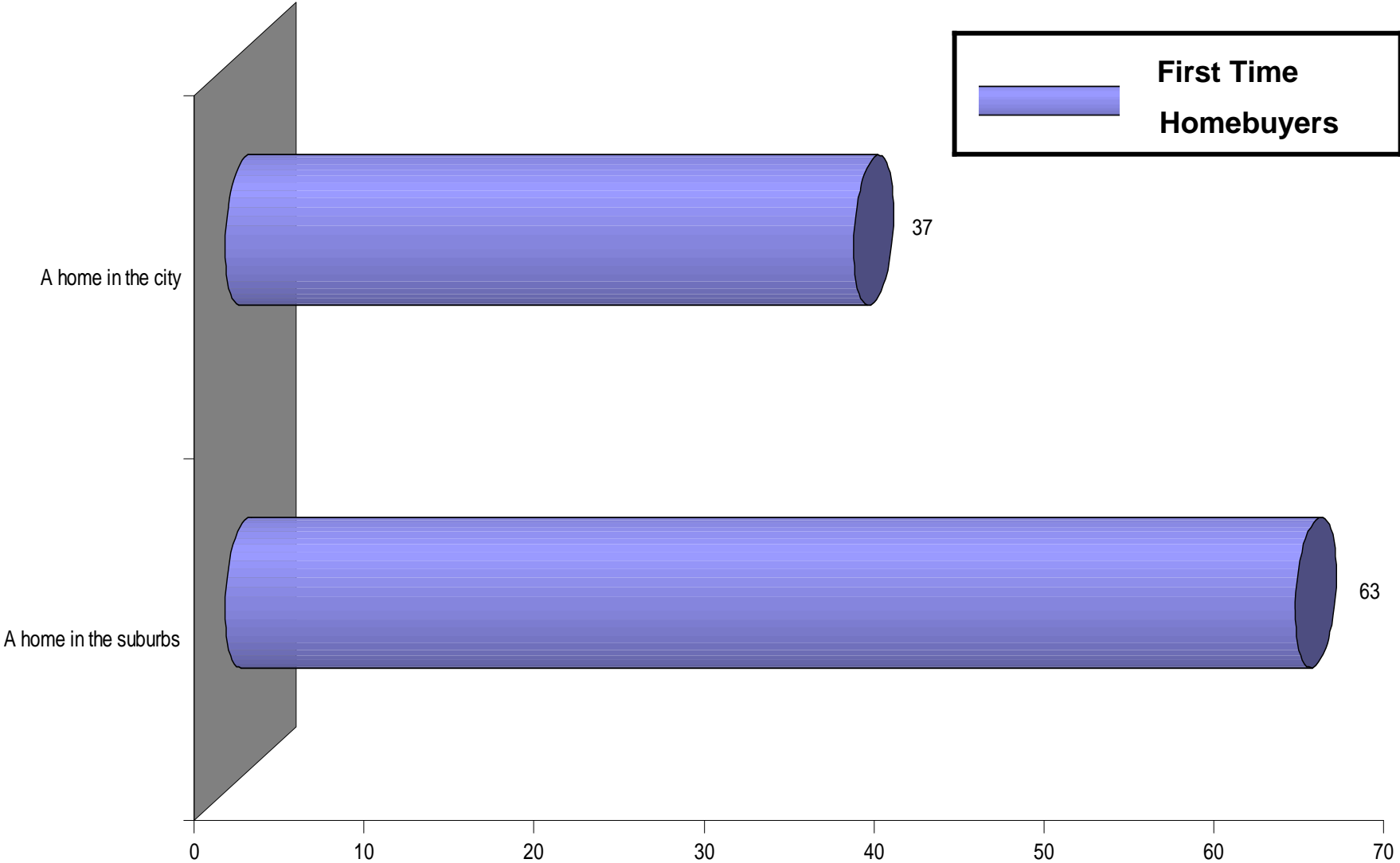
## Summary of key findings, cont'd

- **More than two-thirds (68%) of respondents say buying a home is the single most important investment they will ever make.**
- **68% of first-time buyers would prefer a newer home, and 65% want a modern, open floor plan.**
- **Almost two-thirds (63%) planned on making a down payment of 10% of the purchase price or less.**
- **More first-time buyers were seeking mortgages with a 30-year amortization or longer (42%) than those looking at 25 years (37%).**
- **Roughly half of respondents (52%) sought 5-year mortgage terms, with almost one-quarter (23%) preferring terms of seven years or more.**

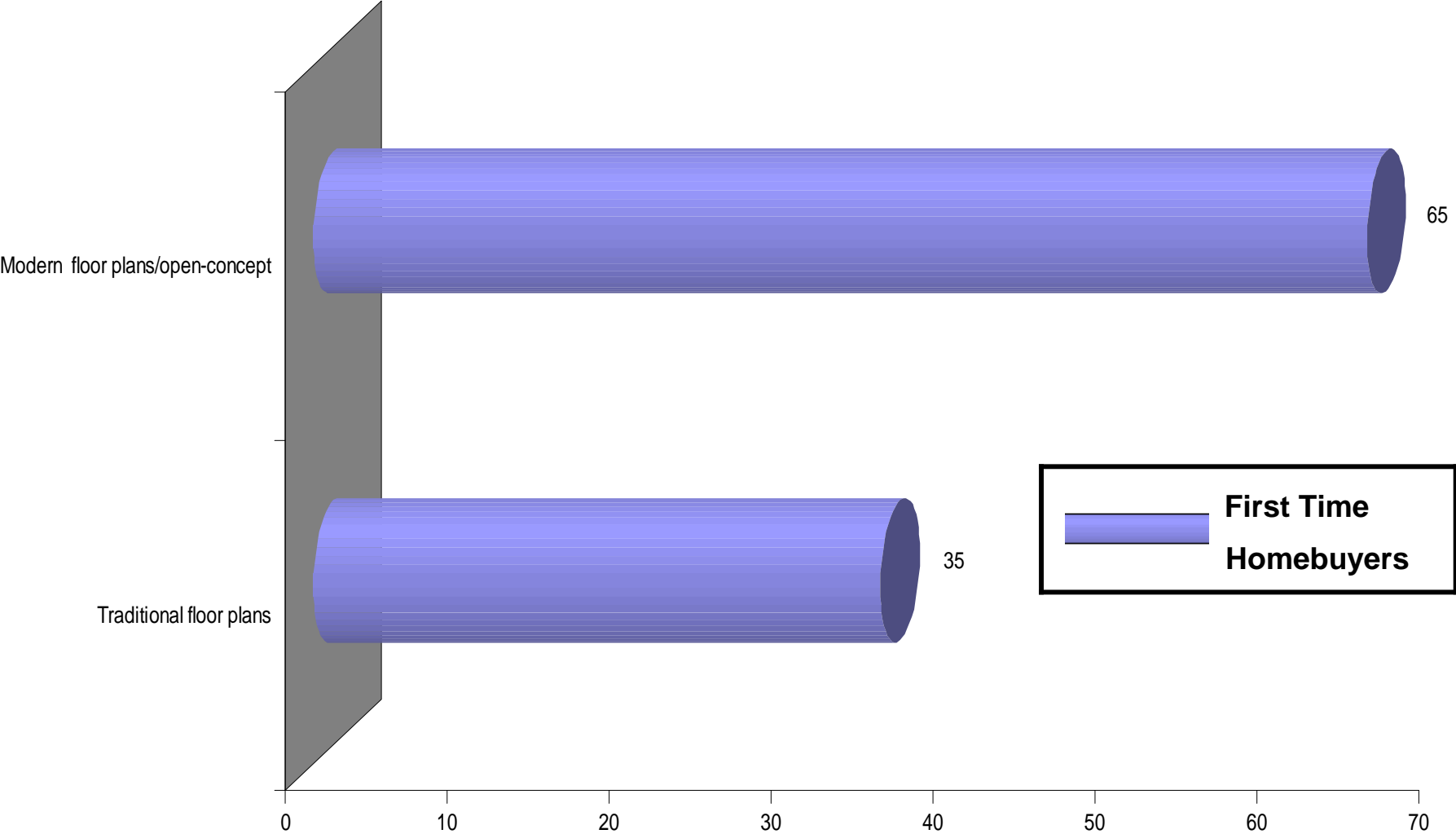
## How concerned are you about the following aspects of owning a home?



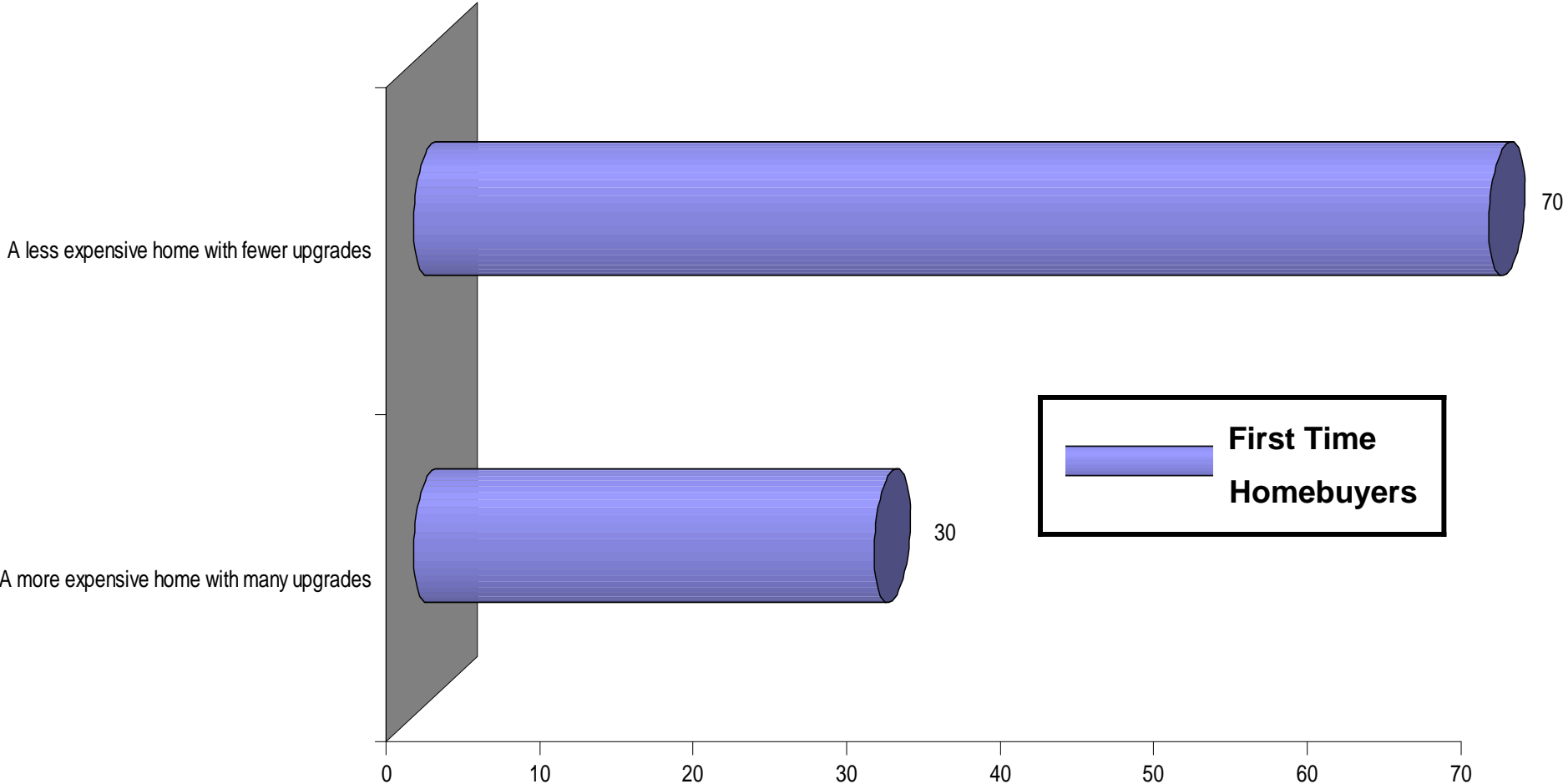
When shopping for your new home, did you/would you prefer:



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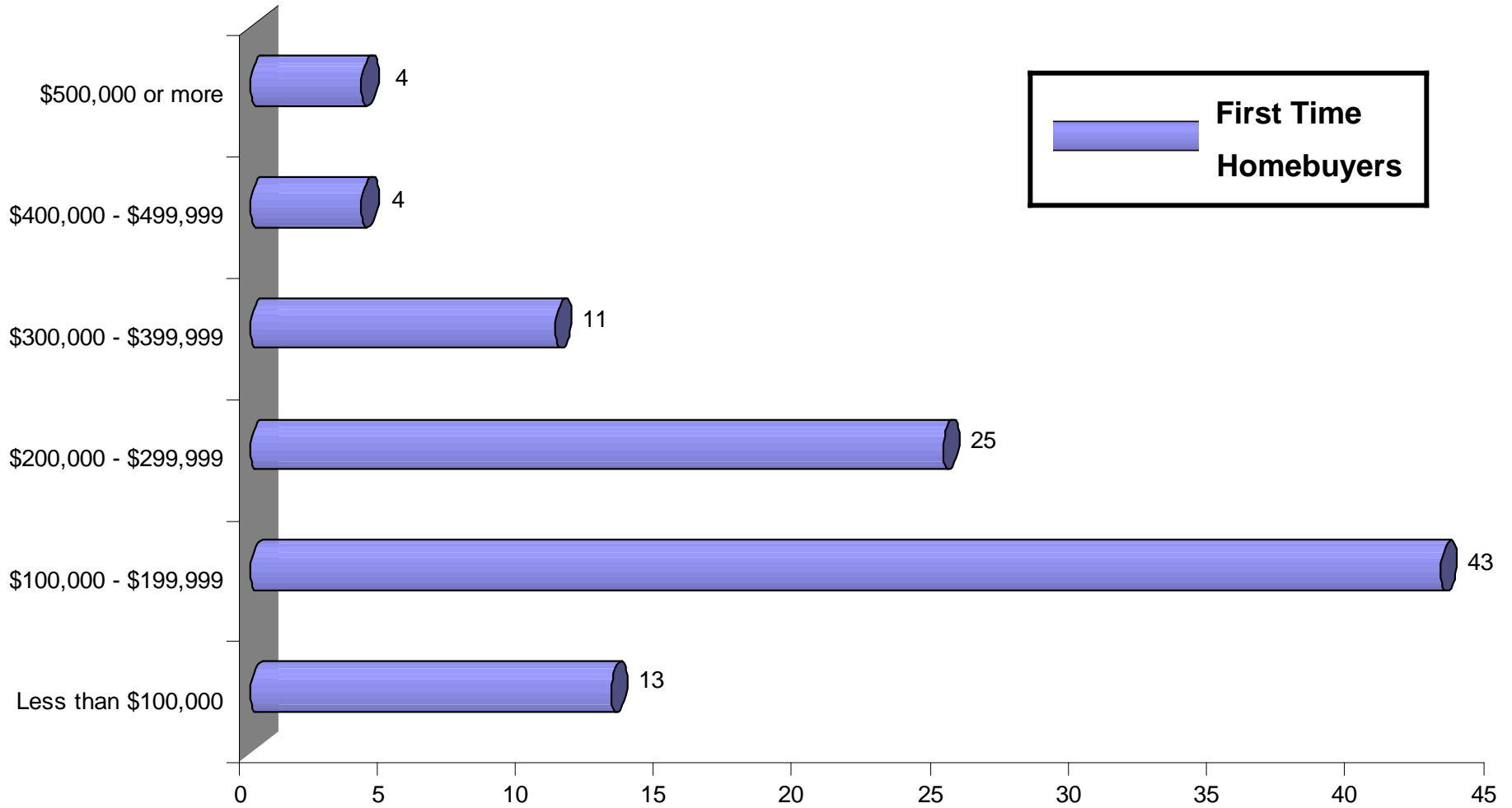


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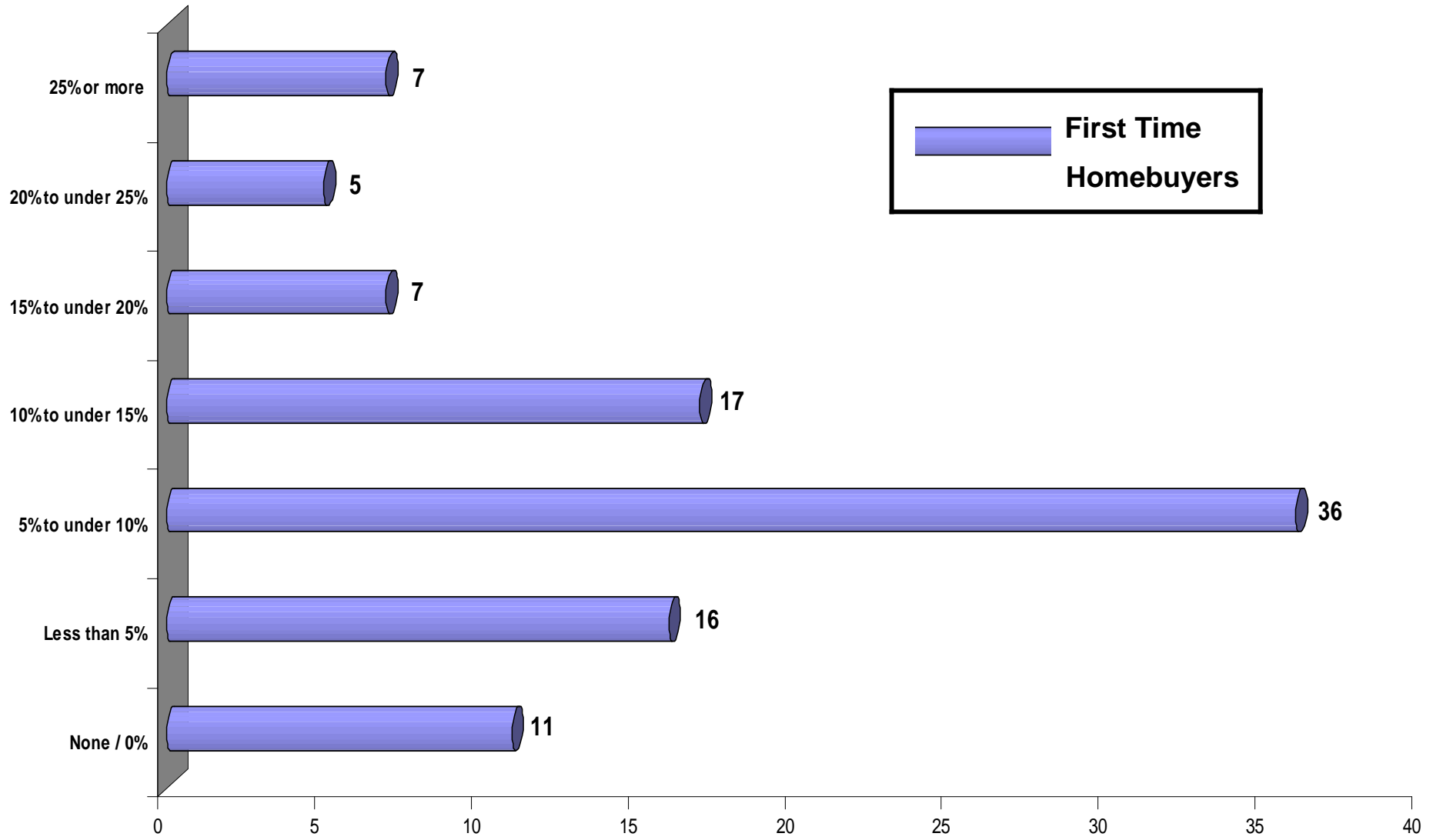




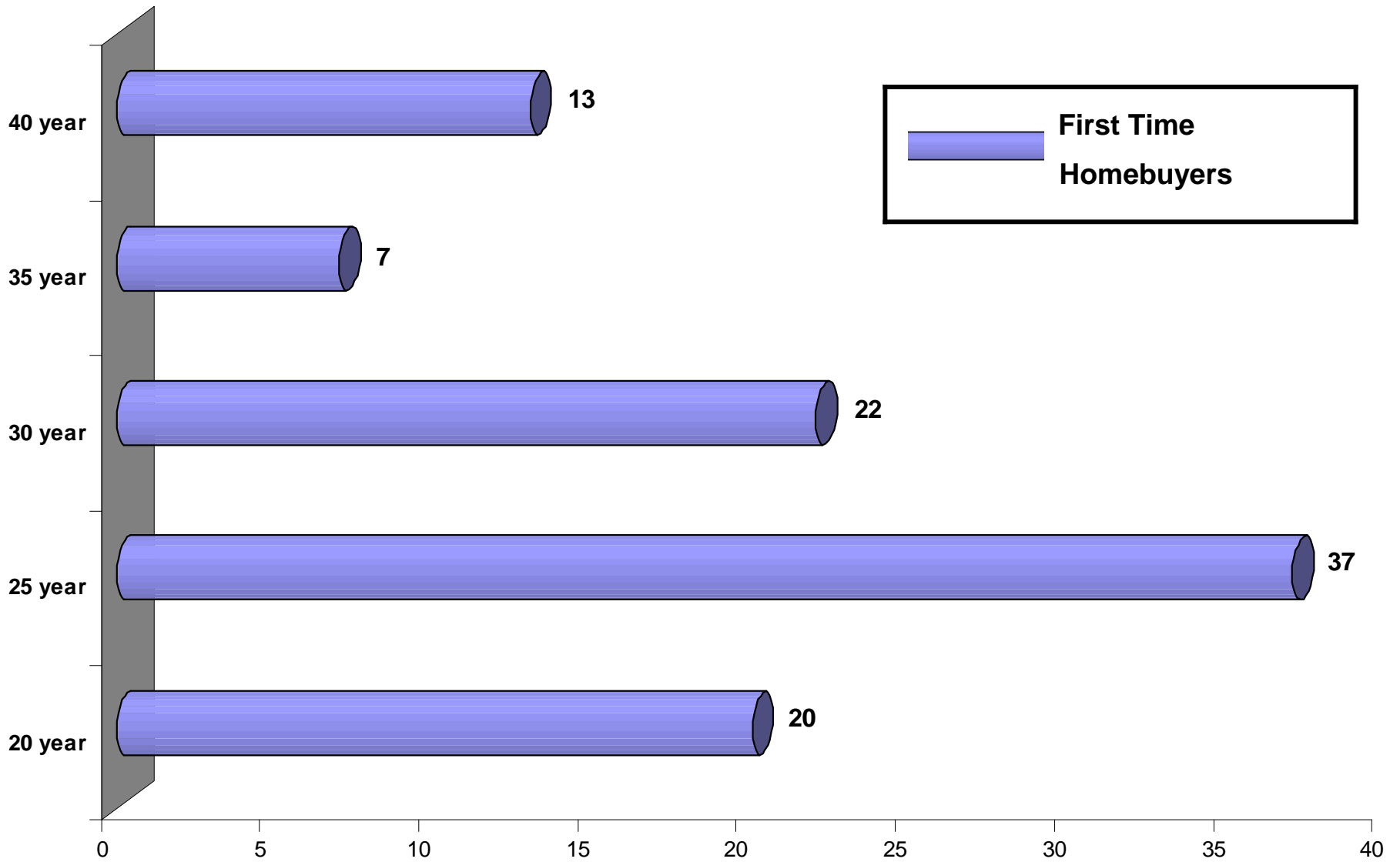
Please estimate to the best that you can, which of the following ranges the value of the home that you bought or plan to buy will fall



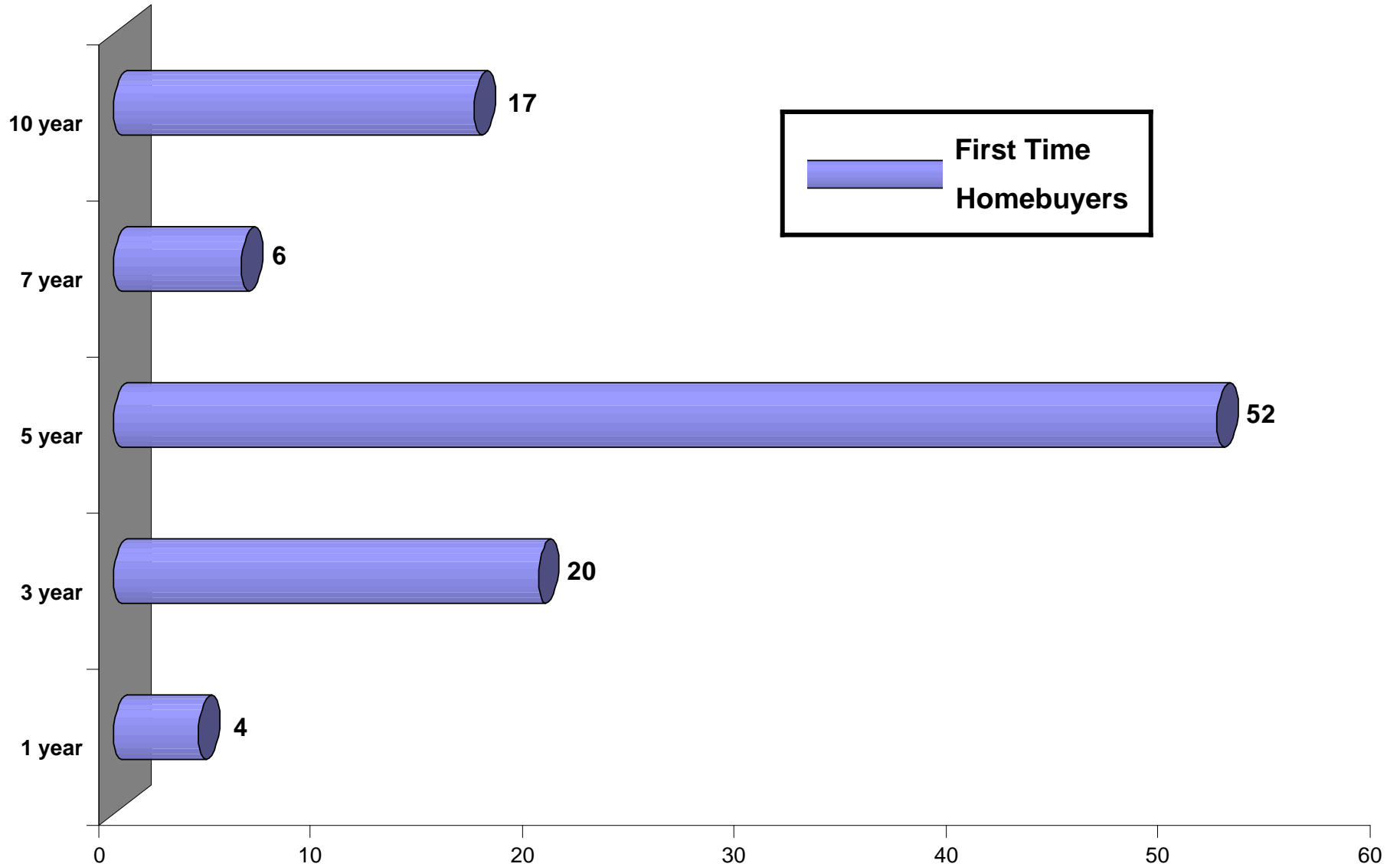
# How much of a down payment did you make/do you intend to make?



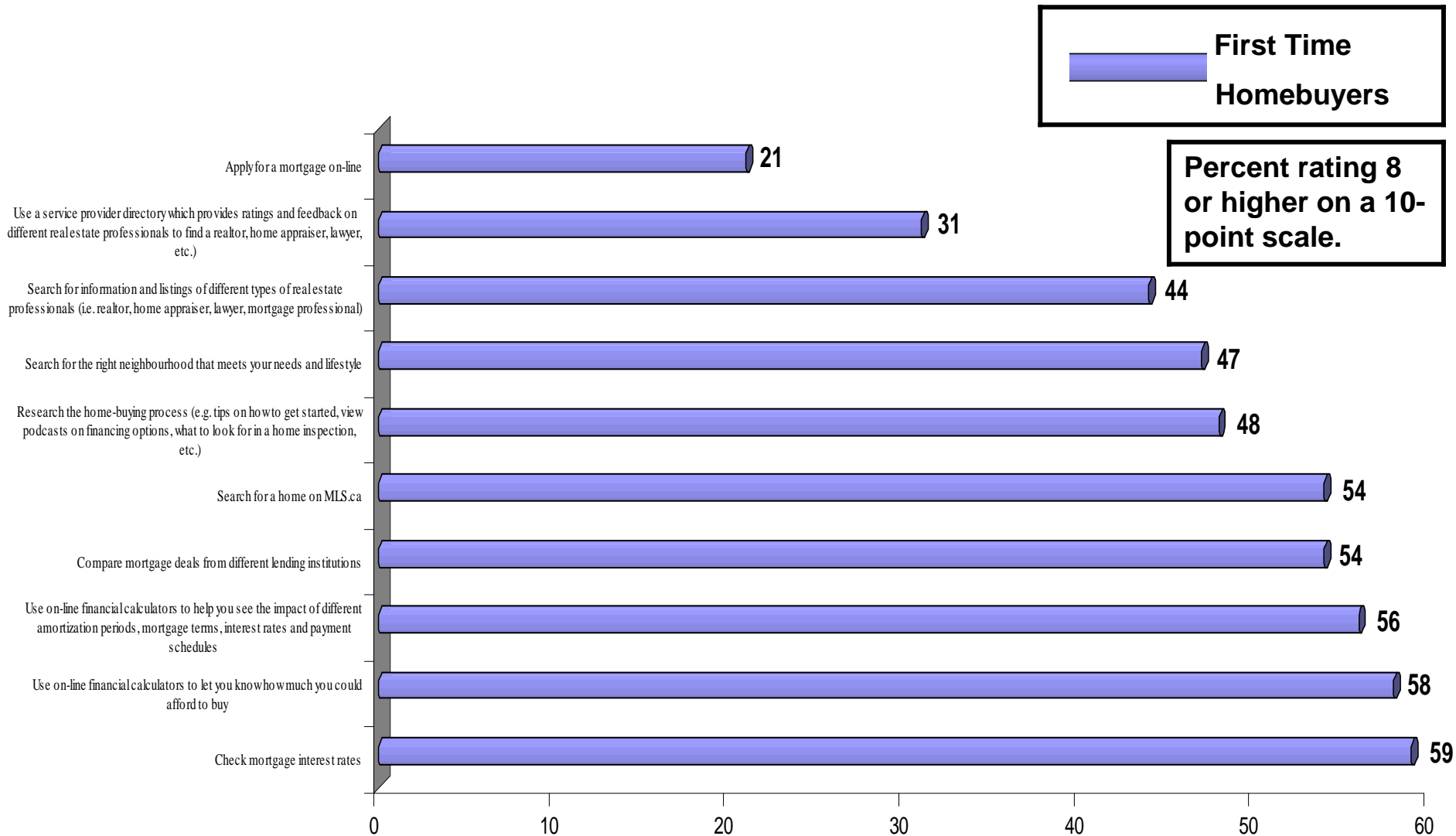
# Preferred Amortization



# Preferred Mortgage Term



# How likely were you/are you to use the Internet for each of the following while shopping for your home and mortgage?



## Appendix: Regional Data Summary

## What type of home did you/will you buy?

	Total	Atlantic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
Condominium in a low-rise building	7	3	8	4	10	6	16	15	4	5	4
Condominium in a high-rise building	8	3	2	14	3	4	12	4	1	26	8
Duplex	7	3	10	6	6	2	7	12	9	5	7
Single, detached home	61	75	67	51	76	68	49	59	72	35	59
Semi-detached home	5	9	5	6	1	1	4	2	7	11	4
Row house, town house	9	5	5	13	4	11	10	5	5	15	12
Cottage or vacation property	2	2	1	2	0	4	0	3	1	1	3
Farm	2	0	1	3	0	4	0	0	1	2	4

## How concerned are you about the following aspects of owning a home?

	Total	Atl- antic	QB	ON	Man /Sk	Alb	BC	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
High monthly payments	63	61	50	71	63	74	65	49	50	73	69
Increasing interest rates	59	60	45	66	56	67	66	44	45	70	63
High down payments	53	56	40	55	57	64	64	41	40	61	52
Increase in property taxes	56	54	39	65	50	72	67	36	41	69	62
Costs associated with housing such as insurance, electricity, etc.	43	46	30	53	40	47	38	27	32	60	50
On going repair and maintenance costs	39	45	26	46	40	51	36	22	28	50	44
A drop in house values in the future	33	33	19	42	29	54	31	21	17	50	37



## When shopping for your new home, did you/would you prefer:

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
A newer home	68	68	68	69	76	67	64	73	64	66	70
An older home	32	32	32	31	24	33	36	27	36	34	30
Traditional floor plans	35	31	37	33	37	32	44	28	42	29	35
Modern floor plans/open-concept	65	69	63	67	63	68	56	72	58	71	65
A smaller lot size that costs less	56	47	50	60	60	51	64	60	45	65	58
A larger lot size that costs more	44	53	50	40	40	49	36	40	55	35	42
A larger home that costs more	27	30	24	26	32	36	24	21	27	23	27
A smaller home that costs less	73	70	76	74	68	64	76	79	73	77	73

## When shopping for your new home, did you/would you prefer (Cont'd):

	Total	Atl- antic	QB	ON	Man Sask	Alb	B.C	Mtl	Oth QB	GTA	Oth ON.
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
A more expensive home with many upgrades	30	26	37	28	37	33	15	41	34	32	27
A less expensive home with fewer upgrades	70	74	63	72	63	67	85	59	66	68	73
A home in the suburbs	63	69	76	58	39	59	63	76	75	46	64
A home in the city	37	31	24	42	61	41	37	24	25	54	36

Please estimate to the best that you can, which of the following ranges the value of the home that you bought or plan to buy will fall...

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth. ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
Less than \$100,000	13	22	19	7	16	5	10	7	25	5	8
\$100,000-\$199,999	43	59	60	35	61	14	17	61	59	17	45
\$200,000-\$299,999	25	16	14	35	13	38	23	21	11	35	35
\$300,000-\$399,999	11	0	4	14	3	25	30	6	3	26	7
\$400,000-\$499,999	4	0	1	4	3	11	9	1	1	8	1
\$500,000-\$599,999	2	0	1	2	2	4	7	2	0	3	2
\$600,000-\$699,999	1	0	0	1	0	0	1	1	0	3	0
\$700,000-\$799,999	0	0	0	0	0	1	0	0	1	0	0
\$800,000-\$899,999	0	0	0	0	0	0	0	0	0	0	0
\$1,000,000 or more	1	1	0	1	0	0	1	1	0	1	1
Don't know	1	2	1	1	2	1	2	0	2	4	C

## How much of a down payment did you make/do you intend to make?

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON.
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
None / 0%	11	14	17	8	10	9	7	13	19	4	10
Less than 5%	16	19	19	14	15	16	14	19	18	19	11
5% to under 10%	36	42	33	38	39	36	35	34	32	31	41
10% to under 15%	17	13	16	17	18	21	21	19	14	19	16
15% to under 20%	7	4	6	9	3	7	10	4	7	9	9
20% to under 25%	5	2	3	6	10	4	4	3	4	6	5
25% or more	7	5	6	9	6	8	9	7	6	12	7

## Preferred Amortization

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth. ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
20 year	20	22	22	20	23	21	11	22	21	21	20
25 year	37	39	37	37	36	35	37	36	37	36	39
30 year	22	19	21	24	29	17	25	20	21	22	25
35 year	7	6	8	7	4	11	8	8	8	8	6
40 year	13	13	13	12	9	16	19	13	12	14	10

## Preferred Mortgage Term

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
1 year	4	8	3	4	0	5	4	5	2	2	5
3 year	20	15	22	19	27	16	19	22	21	18	20
5 year	52	51	54	53	51	51	51	49	56	56	51
7 year	6	6	7	7	4	5	7	7	7	7	7
10 year	17	20	15	17	17	23	20	16	14	18	17

## How likely were you/are you to use the Internet for each of the following while shopping for your home and mortgage?

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
Check mortgage interest rates	59	63	58	62	49	60	57	57	59	62	62
Use on-line financial calculators to let you know how much you could afford to buy	58	60	59	58	50	59	56	58	60	60	57
Use on-line financial calculators to help you see the impact of different amortization periods, mortgage terms, interest rates and payment schedules	56	56	58	58	43	59	53	58	59	56	59
Compare mortgage deals from different lending institutions	54	49	55	57	41	54	57	57	54	60	55
Search for a home on MLS.ca	54	64	41	60	56	64	47	46	37	61	60
Research the home-buying process (e.g. tips on how to get started, view podcasts on financing options, what to look for in a home inspection, etc.)	48	48	44	53	41	37	54	45	44	54	53

## How likely were you/are you to use the Internet for each of the following while shopping for your home and mortgage? (Cont'd)

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
Search for the right neighbourhood that meets your needs and lifestyle	47	45	35	57	36	54	46	40	32	56	58
Search for information and listings of different types of real estate professionals (i.e. realtor, home appraiser, lawyer, mortgage professional)	44	48	40	47	40	52	40	48	36	50	45
Use a service provider directory which provides ratings and feedback on different real estate professionals to find a realtor, home appraiser, lawyer, etc.)	31	28	31	33	21	36	29	35	28	38	30
Apply for a mortgage on-line	21	20	19	25	14	17	19	23	17	31	22



## How strongly do you agree/disagree with each of the following related to home ownership?

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
My home is the single most important investment I am likely to make	68	73	71	68	50	70	71	68	73	68	67
I plan to live in my home for a long period of time	55	55	57	54	53	52	58	55	59	48	57
When it comes to various financial products and planning, I prefer to seek the advice of professionals	54	52	58	54	44	54	55	56	60	56	52
I am concerned about making ends meet month to month	44	33	67	36	37	30	29	63	69	37	36
I am very concerned about an unexpected expense impacting my ability to pay the mortgage	40	38	42	41	40	35	40	40	44	42	41
I have a lot of confidence in my long term financial health	40	33	50	39	27	46	30	47	52	34	41

## How strongly do you agree/disagree with each of the following related to home ownership? (Cont'd)

	Total	Atl- antic	QB	ON	Man/ Sask	Alb	B.C.	MTL	Oth. QB	GTA	Oth ON
	616	99	277	339	70	81	97	99	179	117	221
	100	10	29	35	7	8	10	10	19	12	23
Building equity in my home is the most significant part of my long term financial plan	39	40	35	42	24	49	34	37	34	38	44
I am very concerned about job loss and being able to pay the mortgage	31	28	26	35	24	32	35	29	25	38	33
I have a long term financial plan for retirement I am working towards	29	24	29	33	21	30	30	30	28	35	31
I plan to use the equity in my home to finance home improvements or other large purchases in the future	28	34	29	24	23	35	24	25	31	22	26
I plan to use the equity in my home for investment purchases	20	22	23	21	11	19	16	21	25	24	19