

# Genworth Financial Canada – First-Time Homebuyer's Monitor

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Genworth  
Financial  
Canada

*The HOMEOWNERSHIP Company*

## Background and Methodology

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### **Methodology**

- A total of 2,001 interviews were completed via the Environics Research Group national omnibus. A sample of this size produces results that can be considered accurate to within +/-2.2 percentage points, 19 times out of 20. The margin of error for subgroups will be larger.
- Interviewing was completed between February 4-9, 2010.



## FINDINGS

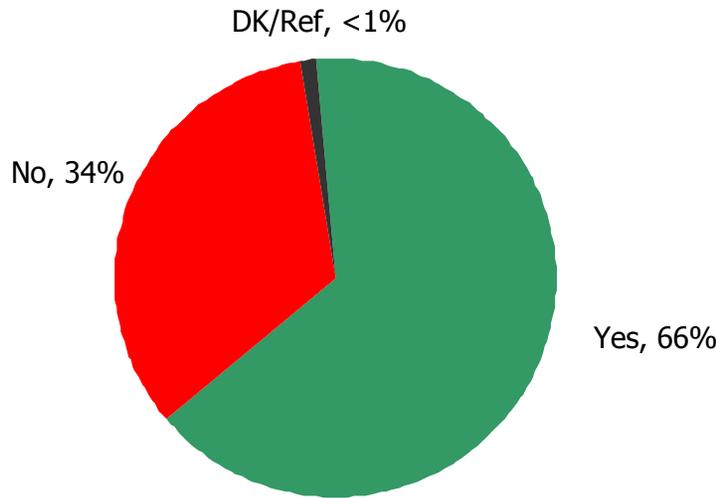




# Awareness of First Time Home Buyers Program

Base: Total Respondents (n=2,001)

Currently, the Federal Government’s Home Buyer’s Program allows first time buyers to temporarily withdraw up to \$25,000 from their RRSPs to put towards the purchase of their first home. Before today, had you heard of the Home Buyer’s Program?



	Total	FTB: HBP Used/Will
Yes	66	81 ↑
No	34	19
DK/NA	<1	<1

### Findings:

- Two-thirds (66%) of Canadians have heard of the Home Buyer’s Program. Only one-third (34%) have not.

### Key Differences:

- First time buyers are no more likely to be aware of the program (64%), but resale buyers/intenders are more likely to be (75%).
- Three-quarters of those aged 30-44 (74%) or 45-59 (73%) have heard of the Home Buyer’s Program. However, only half (48%) of those aged 18-29 have heard of it.
- Regionally, those in Ontario (69%), Alberta (68%) and B.C. (67%) are more likely to have heard of it than those in Quebec (63%), the Prairies (59%), or Atlantic Canada (55%).
- Those who are renting are less likely to be aware of the Home Buyer’s Program (57%).

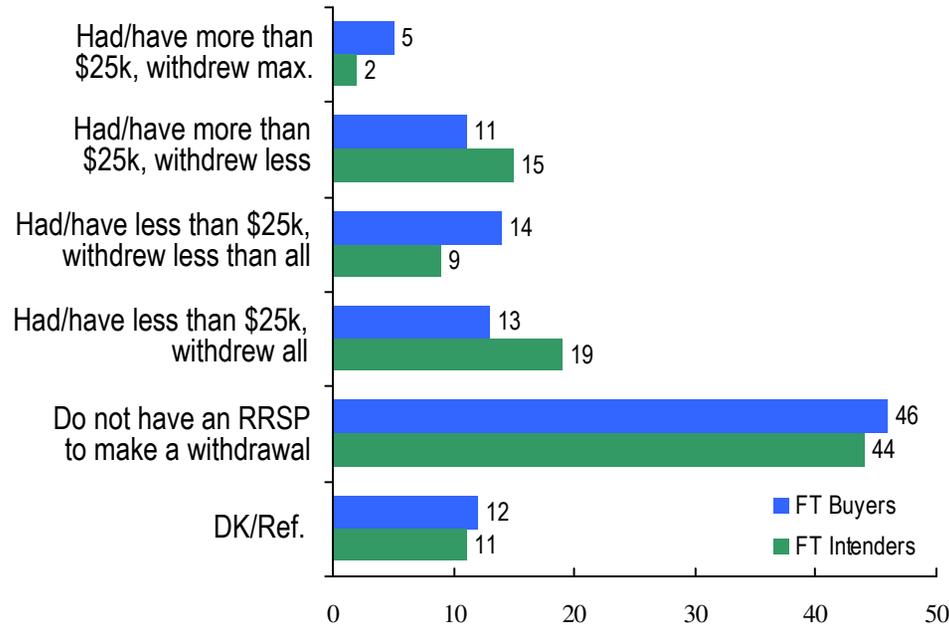
↑↓ : Significantly higher / lower at the 95% confidence level



# Use/Planned Use of RRSPs for Downpayments

Base: First Time Buyers/Intenders (n=198)

Which of the following best describes your use/potential use of the Home Buyer's Program...?



### Findings:

- Half of recent first time buyers (46%) or intenders (44%) do not have an RRSP to make a withdrawal from.
- Very few first time buyers (16%) or intenders (17%) have more than \$25k to make a withdrawal from.

### Key Differences:

- Small sample sizes prevent detailed analysis by demographic subgroups.
- Half of those aged 18-29 do not have an RRSP to make a withdrawal from (50%).

	Total	FTB: HBP Used/Will
You have/had more than \$25k, withdrew it all	3	7 ↑
You have/had more than \$25k, not withdraw max.	13	29 ↑
You have/had less than \$25k, not withdraw all	11	26 ↑
You have/had less than \$25k, and withdrew all	16	37
You do not have an RRSP	44	
DK/NA	12	

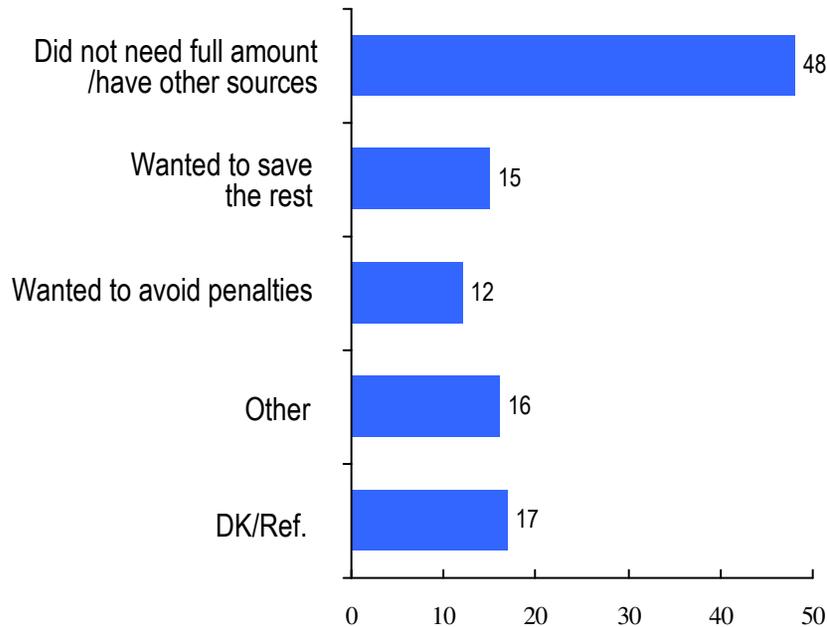
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## Reasons for not Withdrawing Maximum Amount

Base: Those planning to withdraw less than maximum (n=34)

Why did you/do you plan to withdraw less than the maximum allowable amount from your RRSP?



### Findings:

- While sample sizes are very small and should be treated with caution, half (48%) who did not withdraw or plan to withdraw the maximum amount say they have other savings or did not need the money.
- 15 percent wanted to retain their savings, while 12 percent sought to avoid penalties.

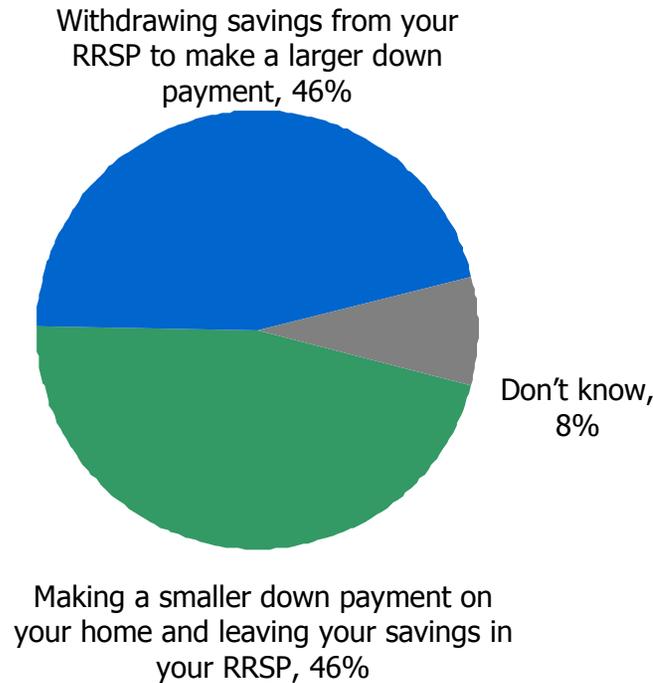
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# Better Investment

Base: First Time Buyers/Intenders (n=144)

Over the long-term, which of the following do you believe would make a better investment?



	Total	FTB: HBP Used/Will
Withdraw from RRSP, larger DP	46	59
Save RRSP, smaller DP	46	37
DK/NA	8	4

### Findings:

- First time home buyers are split in terms of whether it is better to withdraw savings from their RRSPs to make a larger down payment (46%), or to make a smaller down payment, leaving their savings in their RRSP (46%). Only 8 percent did not know.

### Key Differences:

- Interestingly, 59 percent of those who used or plan to use the HBP feel it is better to withdraw savings from their RRSP. 37 percent feel it is better to make a smaller down payment and keep their savings in their RRSP.
- Those aged 18-29 are slightly more likely to believe it is better to make a smaller down payment (52%) than withdraw from their RRSPs (42%).
- Those earning \$75-\$99k are more likely to believe it is better to withdraw their savings (59%) than make a smaller down payment (32%). Those earning less than \$25k are more likely to be unsure (17%).

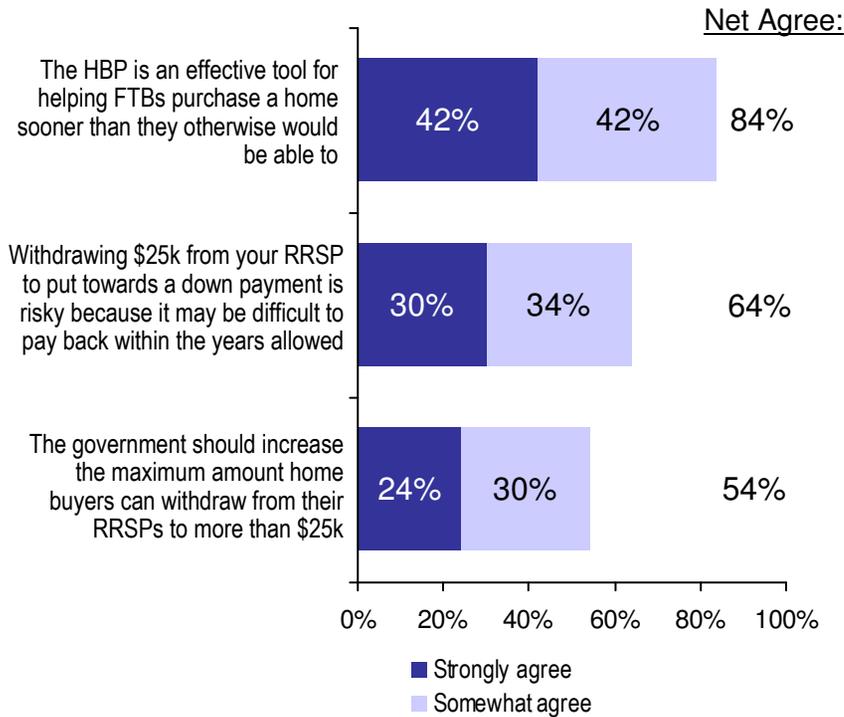
↑↓ : Significantly higher / lower at the 95% confidence level



# Home Buyer Program Attitudes

Base: Total Respondents (n=2,001)

Please indicate whether you...with each of the following statements



	Total	FTB: HBP Used/Will
The HBP is an effective tool	84	91 ↑
Withdrawing \$25k is risky	64	60
Gov't should increase \$25k withdrawal amount	54	57 ↑

### Key Findings:

- Eighty-four percent agree that the HBP is an effective tool for helping FTBs purchase a home sooner. 42 percent strongly agree.
- Half (54%) would like to see the maximum amount one can withdraw increased to more than \$25k.
- However, two-thirds (64%) feel that withdrawing \$25k from their RRSPs can be risky because it may be difficult to pay back within the timeframe required.

### Key Differences:

- Those earning \$50-\$74k are more likely than those earning less than \$25k to believe the HBP is an effective tool (91% vs. 79%). Those 30-44 are also more likely to believe this (88%).
- Those in Quebec are less likely to believe withdrawing \$25k is risky. Those with incomes below \$25k are more likely than those with incomes over \$100k to agree it is risky (70% vs. 61%).
- Men are more likely than women to believe the amount that can be withdrawn should be increased (57% vs. 51%). Those in B.C. are more likely than those in Man/Sask. to agree (58% vs. 44%). Similarly, those 18-29 are more likely than those 60+ (60% vs. 48%). Those earning less than \$25k are more likely than those earning \$100k+ (60% vs. 52%).

↑↓ : Significantly higher / lower at the 95% confidence level



## Conclusions



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- Results from this research show that Canadians have a high degree of familiarity and use of the Home Buyer's Program.
- Unfortunately, just under half of First Time Buyers/Intenders do not have an RRSP to make a withdrawal from. Among those who do, few are able to withdraw the maximum allowed.
- Respondents are split on whether it makes more sense to withdraw savings from an RRSP and make a larger down payment versus leaving their savings and making a smaller down payment.
- Two-thirds of first-time buyers feel that withdrawing \$25,000 from their RRSP's can be risky because it may be difficult to pay the amount back within the timeframe required.
- Younger Canadians need the most education about the Home Buyers Program, only 48 per cent of those aged 18-29 had heard of the plan, compared to 74 per cent of Canadians aged 30-44.