



FACTUM

Toronto Housing Bubble Stokes Fears on Future of Home Ownership in Canada's Largest City

Seven in Ten Torontonians (70%) Concerned Rising Home Prices Will Prevent Them from Being Able to Afford the Home They Want

Toronto, Ontario, February 24, 2020 — It's no secret that Toronto is one of Canada's toughest housing markets to crack. Demand outpaces supply, which keeps prices inching steadily upward. Ipsos polling for Zillow suggests that 84% of Torontonians think that the Toronto housing market is in a bubble, with inflated housing prices and at risk for a correction or price drop. This perception has inched up 2 points since 2018. As far as local residents are concerned, Toronto is the Canadian city most likely to be experiencing a housing bubble right now, with only Vancouver (61%) coming anywhere close. Far fewer Torontonians think there is a housing bubble happening in Victoria (18%), Montreal (13%), Ottawa (10%), Whistler (9%), Calgary (8%), or Edmonton (6%).

This situation is a troubling one for many Toronto residents, with a majority expressing concern that circumstances beyond their control may prevent them from buying a home. Seven in ten (70%) are concerned (43% very/27% somewhat) that rising home prices will prevent them from being able to afford the home they want – rising to 77% among Torontonians who have bought a home in the past three years (+4 points since 2018). Among those who have sold their home within the past three years, this concern is shared by more than two in three (68%), up 13 points.

Despite this, Torontonians are more likely than most to think the risk is worth the reward. More than eight in ten Toronto residents (83%) rate the value of home ownership positively (44% excellent/39% good), up 4 points from 2018. This outpaces the national average (76%) by 7 points.

Barriers to Home Ownership

Though most Torontonians recognize the value of being a homeowner, nearly all (94%) see barriers between themselves and home ownership. In line with their concerns, down payments and mortgage rates are seen as major hurdles. Two in three (66%) say coming up with a down payment is a barrier, followed by monthly mortgage payments that are too high (61%), qualifying for a mortgage (56%), debt (49%), and lack of job security (44%). Even the time it takes to buy a home can be off-putting: nearly four in ten (39%) Toronto home buyers say they spent four months or more searching for a new home, while nearly one in ten (7%) spent a year or more.

Resources Available

The challenging nature of the market is pushing Toronto residents to take advantage of the resources available to them. At the top of the list are real estate professionals. Nearly all Toronto home sellers (91%) and buyers (86%) say they consulted a real estate agent, broker or realtor during their search for or purchase of a new home. Private tours of homes for sale are also popular, with buyers in Toronto having taken 6.1 tours, on average, compared to 4.5 private home tours for buyers in Vancouver.



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About the Study

These are some of the findings of an Ipsos poll conducted between September 24 and October 8, 2019, on behalf of Zillow. For this survey, a sample of 1,503 Canadians aged 18+ (including 821 Toronto residents) was interviewed online via the Ipsos I-Say panel. Quota sampling and weighting were employed to balance demographics to ensure that the sample's composition reflects that of the adult population according to Census data and to provide results intended to approximate the sample universe. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within ± 2.9 percentage points, 19 times out of 20, had all Canadian adults been polled. The credibility interval will be wider among subsets of the population. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

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ISIN code FR0000073298, Reuters ISOS.PA, Bloomberg IPS:FP

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