



## FACTUM

### Likely Home Sellers in Ontario Anticipate 15% Higher Sales Price in the Year Ahead Amidst Stable Selling Intentions (18%, -1)

Citing Favourable Market and Timing as Main Motivations to List, More Sellers Not Willing to Go Below Asking Price (27%, +10)

**Toronto, ON, May 25, 2021** – The COVID-19 pandemic hasn't put a dent in the Ontario housing market, with selling intentions relatively unchanged from February 2020, as revealed by a recent Ipsos poll on behalf of the Ontario Real Estate Association (OREA). One in five (18%, -1 point since February 2020) Ontario homeowners say they are likely (5% very/12% somewhat) to list their home for sale in the next twelve months.

The research also found that the pandemic has raised sellers' expectations, especially those looking to list the most sought-after types of homes in the most desirable areas. Sellers are now not only less willing to go below asking price, but also on average now expecting to get 15% more for their home than they were last year, bringing the average expected selling price for a home in Ontario to \$663,647.

#### *Looking to Cash In, Sellers are Expecting More and Less Open to Compromise*

Among those likely to sell, middle-aged Ontarians are more likely to say they'll likely list their home for sale (42% among 35-54 years), though younger Ontario homeowners are not far behind (31% among 18-34 years), followed by older Ontarians (27% among 55+ years). In addition, a strong majority (81%) say they are selling their primary residence, whereas one in five (13%) say they are likely to sell their investment property, and even fewer (5%) say they are likely to sell their vacation property. Notably, sellers aged 55+ are most likely to be selling their primary residence (88%) compared to an investment property (9%) or a vacation property (3%). While those aged 18-34 also highly likely to be selling their primary home (74%), they are also a little more likely than other age groups to be selling their investment property (18%).

Looking back to a year ago, some of the main reasons for moving were based on personal factors, such as family-related motives or downsizing. This year, there are different reasons behind homeowners' decisions to sell, with market-oriented factors being the leading motivations. However, while housing prices (19%, +4) and timing (19%, +2) are the main factors, family reasons (17%, -2) and downsizing (14%, -5) continue to affect likely sellers' calculations.

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### Main Reason Behind Timing of Home Sale

*Δ indicates change from 2020*

Reason	Total	Δ	18-34	Δ	35-54	Δ	55+	Δ
Housing prices are favourable right now for selling	19%	+4	23%	+8	20%	+2	14%	+4
I'm ready to sell - the time is right	19%	+2	23%	-	21%	+3	10%	-
I'm moving for family reasons	17%	-2	19%	-1	18%	-7	14%	+2
Downsizing	14%	-5	4%	-	12%	-2	30%	-7
Low mortgage/interest rates	7%	*	8%	*	8%	*	3%	*
I'm moving for work reasons	6%	-2	11%	-5	5%	-3	2%	-
Age or health reasons	6%	-3	6%	+1	2%	-3	12%	-6
I want to exit the real estate market	2%	-1	3%	-4	2%	-	1%	-
Other	10%	-	4%	-7	11%	-	15%	+5

\* not asked in 2020

Additionally, younger sellers are more likely to indicate they are likely moving due to favourable housing prices (23% among 18-34, 20% among 35-54 v. 14% among 55+) or that the timing is right (23% among 18-34, 21% among 35-54 v. 10% among 55+), whereas Boomers are more likely to cite downsizing (30% among 55+ v. 4% among 18-34 and 12% among 35-54) or age/health reasons (12% among 55+ v. 6% among 18-34 and 2% among 35-54) as their main motivation behind their decision to sell their home.

In the current market, how much are Ontario homeowners expecting to get for their home? The average anticipated selling price is \$663,647 (+\$86,955, +15%), quite a bit higher than the \$610,208 that likely buyers anticipate spending on their home. In addition, nearly one in five (17%, +3) of the homes being sold are anticipated to be sold for over \$1,000,000. In contrast, one in ten (14%, +4) likely buyers are expecting to pay \$1,000,000 and over for their new home. Those aged 55+ are anticipating selling their home for the most when compared to other age groups at \$712,944, an increase of \$104,972 since last year.

The shift in the housing market reflects how sellers have become firmer on prices; almost three in ten (27%) sellers are not willing to accept an offer below asking price, a ten-point increase since last year. However, younger sellers still appear to be willing to accept a lower asking price.

### Homeowners Likely to List Condos or Semi-Detached Homes

What kinds of homes are Ontarians looking to sell? Among those looking to sell, the biggest change from last year is an increase in the proportion saying they are looking to list condos (11%, +2 listing high-rise condos, 4%, +1 listing low-rise condos) or semi-detached homes (10%, +3). While detached homes remain the most common type of home being sold overall (62%, -4), sellers are more likely to hold onto them compared to last year, suggesting tight conditions going forward for buyers looking for the coveted single-detached home.

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In particular, those aged 55+ remain the demographic most likely to sell their detached homes (73%), but this proportion has decreased since last year (-7). In the current pandemic market, older Canadians may have realized that their single detached home is even more in demand. A higher proportion of smaller homes on the market may also be reflective of the growing desire for more space, as those with larger homes may be deferring decisions to downsize.

### Type of Home Most Likely to Sell, By Age Group

*Δ indicates change from 2020*

	Total	Δ	18-34	Δ	35-54	Δ	55+	Δ
<b>Detached home</b>	<b>62%</b>	<b>-4</b>	<b>50%</b>	<b>-4</b>	<b>65%</b>	<b>+2</b>	<b>73%</b>	<b>-7</b>
Town/rowhouse	13%	-1	18%	-2	12%	-3	9%	+1
High-rise condo (6+ stories)	11%	+2	14%	-1	11%	+2	8%	+4
Semi-detached	10%	+3	14%	+5	8%	-	8%	+2
Low-rise condo (≤5 stories)	4%	+1	5%	+2	4%	-	2%	-

Overall, where are Ontarians likely to sell their homes?

- Downtown/urban areas: 25% (+1)
- Suburban areas: 42% (+3)
- Small city/town: 22% (unchanged)
- Rural area: 11% (-4%)

When it comes to location, one quarter (25%, +1) will be selling a downtown/urban home, whereas four in ten (42%, +3) will be selling a suburban home. Fewer Ontarians indicate they are listing their home located in a small city/town (22%, unchanged), or a rural area (11%, -4). While the pandemic may lead one to expect that there would be an increase in those looking to list homes in downtown/urban locations, urban centres remain a highly desirable location even if some buyers are looking to move further afield.

Perhaps not surprising, younger Ontarians are more likely than other age groups to be selling a home in an urban area (30%, -3). Though, this age group has also seen an increase in listing suburban homes compared to last year (39%, +6). As well, those aged 55+ are more likely to say they will be selling their home located in suburban areas (42%, +3) or small city/town (31%, +6). The biggest decrease from last year is from older homeowners in rural areas, who perhaps are re-thinking whether they should stay put (13%, -9).

### Use of REALTOR®

A growing proportion of sellers say they will use the services of a REALTOR® to help sell their home (88%, +4%). Although all age groups are roughly aligned when it comes to using a REALTOR® service, younger sellers are directionally little less likely to say so (84%). Additionally, among those likely sellers who have previously sold a home, a majority say they will be using the same REALTOR® this time around (55%, +7%), indicating high retention rates.



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The main reason likely sellers *might not* choose REALTOR® to help them sell a home is due to the perceived cost associated with it (33%). For those aged 35-54 and 55+, over four in ten cite this as the main reason to not work with one (41% and 40%, respectively). Notably, those aged 35-54 are most inclined to say they can get away with using online resources to sell their home (26%); however, those aged 55+ who also have previous experience in selling a home seem to be less willing to enlist help in selling a home (31%).

The top three traits remain the same as last year: trustworthiness (43%), being a skilled negotiator (39%), and experience (32%). Also of note is that one in ten (7%) likely sellers in Ontario say they value a REALTOR® who is welcoming, accepting, and inclusive. Other valued traits include:

- Local market knowledge (27%)
- A personal connection (17%)
- They are accessible to show me properties/convenience (11%).



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### About the Study

These are some of the findings of an Ipsos poll conducted between March 1-6, 2021, on behalf of the Ontario Real Estate Association (OREA). For this survey, a sample of 1,421 Ontario residents aged 18+ years was interviewed online through the Ipsos i-Say panel, of which 1,186 were likely homebuyers in the next 12 months and 1,000 were likely home sellers in the next 12 months. Overlapping was allowed between the buyer and seller groups. Along with using quotas, the total number of participants (including those who disqualified or dropped out) was weighted according to Statistics Canada census data by gender, age, and region to accurately reflect the Ontario population.

The precision of Ipsos online polls is measured using a credibility interval. In this case, the polling is considered accurate to within +/-3.3 percentage points for buyers and +/-3.5 points for sellers, 19 times out of 20, of what the results would have been had every adult in Ontario been polled. The credibility interval is wider among sample subsets. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

The 2020 Home Buyer and Seller Survey was conducted between January 27-February 6, 2020, before the pandemic took hold in Canada. The sampling procedure was similar, with a sample of 1,420 Ontario residents (1,170 of whom were likely homebuyers and 1,000 were likely home sellers). Further details on the 2020 study can be found [here](#).

### For more information on this news release, please contact:

Sean Simpson  
Vice President, Ipsos Public Affairs  
[sean.simpson@ipsos.com](mailto:sean.simpson@ipsos.com)

Chris Chhim  
Senior Account Manager, Ipsos Public Affairs  
[chris.chhim@ipsos.com](mailto:chris.chhim@ipsos.com)



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

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