

## FACTUM

### Rising House Prices, Large Down Payments Deterring Many Canadians from Buying Homes

Two in Three (66%) are Concerned Rising Home Prices Will Prevent them from Being Able to Afford the Home They Want

**Toronto, ON, June 24, 2021** – Affordability is always top-of-mind for those looking to buy a home, and the latest Ipsos polling for Zillow Group shows that it is just as much of a concern as ever. Two in three Canadians (66%) say they are concerned (33% very/33% somewhat) that rising home prices will prevent them from being able to afford the home they want, unchanged from the last time the question was asked in 2019.

In fact, more than half (57%) of Canadians who currently rent say that their reason for doing so is because they can't afford to buy a home. This makes affordability the top barrier to renters becoming homeowners, in line with 2019.

For many, large down payments are an important deterrent. Coming up with a down payment remains the top barrier to owning a home, with two in three Canadians (64%, down 2 points from 2019) citing it as such. Down payments are just as prohibitive for owners (65%) as for renters (64%), suggesting their affordability doesn't improve once Canadians move onto the property ladder. Other barriers include qualifying for a mortgage (54%, +2 pts), debt (50%, -6 pts), a lack of job security (44%, -3 pts), property taxes (43%, -3 pts), and there simply not being enough homes for sale (22%, +8 pts).

### Not Enough Housing Available

For some Canadians, a lack of available properties for sale is affecting their decision to buy or sell their home. Nearly three in ten (29%) say that a low housing inventory in their area has impacted their decision to buy, sell or move – this rises to 39% in Ontario and 35% in British Columbia. Younger Canadians aged 18-34, who are more likely to include first-time buyers with more limited means, are the most impacted by the low availability of housing, with nearly half (45%) say it's affecting their real estate plans.

The hot housing market is causing issues for those who want to sell their current home, too: one in four sellers (25%) say they haven't listed recently for fear they won't be able to find or afford a new home.

### Wanted: More Affordability, More Space

The ongoing crunch in housing prices works two ways, with affordability also being the top reason why many Canadians have moved. More than four in ten (43%) of those who moved within the past year say they did so because they wanted a more affordable home, while 39% of renters say they found a better deal on rent.



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Other top reasons for moving include wanting a larger home (38%), wanting to live closer to family or friends (36%), and a desire for more outdoor space (34%).

### Online Resources Central to Home Buying

Three in four (76%) Canadians who bought a home within the past three years report having looked online for properties for sale, including two in three (66%) who describe it as the very first step they took.

More broadly, online resources like websites or mobile apps were used by nearly nine in ten (85%) recent home buyers, tied with the services of a real estate agent, broker or realtor (86%) for the most commonly consulted resources during the home buying process.

Many use these resources for the convenience of seeing inside properties from wherever they are. Nearly three in four (73%) of those who consulted a website or app during their search and purchase process say they found virtual tours of prospective homes to be valuable (35% very/38% somewhat) to their home search. Home buyers don't stop at virtual tours, however: many also see value in having online access to detailed information about a property (97%) and high-resolution listing photos (88%).

### About the Study

These are some of the findings of an Ipsos poll conducted between April 9-27, 2021, on behalf of Zillow Group. For this survey, a sample of 2,624 Canadians aged 18+ was interviewed online. Quotas and weighting were employed to ensure that the sample's composition reflects that of the Canadian population according to census parameters. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll is accurate to within  $\pm 2.2$  percentage points, 19 times out of 20, had all Canadians aged 18+ 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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## FACTUM

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