
URBAN CANADIAN HOME BUYERS SURVEY



© Angus Reid Group, Inc.
Public Release Date: October 28, 1998

This Angus Reid Group poll was conducted by telephone between September 28th and October 5th among a representative cross-section of 900 Canadians who have either purchased a home in the last twelve months or expect to purchase a home within the next six months.

Interviews were conducted by phone in Vancouver, Calgary, Winnipeg, Regina, Toronto, Ottawa, Barrie, St. John's, Halifax and Fredericton.

With a sample of 900, one can say with 95 percent certainty that the results are within ± 3 percent of what they would have been had the entire target population been polled. The margin of error will be larger for sub-groupings of the survey population.

URBAN CANADIAN HOME BUYERS SURVEY

A recent survey of urban Canadian home buyers commissioned by RE/MAX and conducted by the Angus Reid Group between September 28th and October 5th, 1998 asked a cross section of 900 *urban Canadian home buyers* in selected urban centres to consider what is important to them in the real estate buying and selling process.

Who is the Urban Canadian Home buyer?

The RE/MAX Urban Canadian Home Buyer Study defined the urban Canadian home buyer as someone who has either purchased real estate in the last 12 months or intends to purchase real estate in the upcoming 6 months. For the most part, the real-estate purchases in question involve residential properties. The average urban Canadian home buyer is 40 years old, lives in a household with two other individuals and the plurality (35%) have an annual household income of over \$75,000. Men and women are just as likely as one another to be Canadian home buyers.

Urban Canadian Home Buyers Up-Beat about Home Ownership

Urban Canadian home buyers are confident about the prospect of home ownership and consider it the most secure investment option among a range of alternative investments that they were asked to consider in this survey. When respondents were asked to indicate if they are more or less confident in a particular investment option, or about the same as they were two or three years ago, home ownership was met with the greatest amount of optimism (45% more optimistic today) while two in five (41%) indicate that their confidence is the same. Thirteen percent say they are less confident. In addition, half (49%) consider home ownership the most secure investment option among the range of possibilities tested.

This group also sees other real estate purchases in a positive light. One-quarter (25%) of *urban Canadian home buyers* indicate that they are more confident today than they were two to three years ago about the possibility of buying an acreage or vacation spot. An additional two in five (44%) indicate that they are no more or less confident in making this type of an investment while one quarter (26%) are less confident.

One-quarter (23%) of *urban Canadian home buyers* indicate that they are more confident about investing in the stock market and mutual funds today than they were two or three years ago. One-third (33%) express the same level of confidence in stocks and mutual funds as they did in the past, while 41 percent are less confident now.

Relatively few urban Canadian home buyers are more confident in the possibilities offered by foreign currencies (13% more confident) and commodities such as metals, grain and livestock (10% more confident). In addition, half (53%) indicate that they are less confident in foreign currencies and three in ten (30%) express the same level of confidence. Regarding commodities, two in five (38%) indicate that they are less confident and 43 percent express the same level of confidence

Respondents were read these investment options and asked to indicate which investment option they feel will provide the best security over the next five years (they were also invited to volunteer another form of investment). Home ownership topped the list as half (49%) predict that it will provide the best security over the next five years. Following home ownership, three in ten (31%) mention stocks and mutual funds as providing the best security over the next five years. All other investment options are mentioned by less than 10 percent of respondents.

Appeal of real estate widespread among *urban Canadian home buyers*

The appeal of real estate is re-enforced through the responses elicited from *urban Canadian home buyers* about owning a home or other type of real estate. Respondents were read a series of statements and asked if they agreed or disagreed with the opinion being advanced.

- ◆ 92 percent agree that they are proud of their home and like to show it off. Only 7 percent disagree.
- ◆ 88 percent agree that owning real estate makes them feel more financially secure. 11 percent disagree
- ◆ 87 percent agree that owning real estate is a responsible thing to do. 12 percent disagree.
- ◆ 81 percent agree that home ownership is a sign of achievement and success. 18 percent disagree.

In addition, *urban Canadian home buyers* demonstrate high levels of agreement with the following statements,

- ◆ 87 percent agree that owning a home provides a greater sense of community
- ◆ 96 percent agree that owning a home is much more than just a place to live or having a roof over your head
- ◆ 94 agree that one of the best things about owning a home is that it's yours and you set the rules.

Pocketbook considerations top list

Respondents were asked to contemplate the various considerations that people make when deciding to make a real estate purchase. *Urban Canadian home buyers* were read a list of items and asked to indicate how important each factor is to their decision to buy a home.

Factors related to an individual's financial where-with-all and price topped the list.

- 94% indicate that their own financial readiness is an important consideration.
- 93% say that real estate prices are important.
- 86% place importance on mortgage rates.

In addition, the selection or availability of homes on the market (82%) is an important consideration for respondents.

Two in three (67%) indicate that personal situations such as marriage, change in family size or other circumstances are also important considerations when making the decision to purchase a home.

While less important, broader economic and regulatory matters also muscle in on respondents' decisions to purchase a home. In particular, three in five (62%) would consider the stability of the Canadian economy and half (52%) would consider home ownership in the balance against other investment options. Today's *home buyer* also deems the existing regulations on minimum down payments and the extent to which they can use their RRSP funds to be important considerations (53%).

“Honesty and trustworthy” most important consideration in choosing an agent

Respondents were read a list of items that might be important in deciding which agent to work with.

Urban Canadian home buyers were asked to consider each item and to rank it on a ten point importance scale where “ten” means very important and “one” means not at all important.

Urban Canadian home buyers consider an agent’s honesty and trustworthiness more important than other items when choosing an agent to work with.

The following table specifies the importance rating (the average ranking given to each item) accorded to each item by *urban Canadian home buyers*.

How important is each of the following in your decision of which agent to use?	
	Rank
Honest and trustworthy	9.6
Takes time to listen and understand needs	9.3
Easy to reach when called	9.0
Friendly and helpful	9.0
Familiar with neighbourhood	8.9
Contacts you on a regular basis	8.4
Can provide advice about mortgage , insurance	7.9
Referral	7.4
Has many years of experience	7.4
Dealt with before	7.0

Majority (56%) of *urban Canadian home buyers* would use the Internet for real estate – most interested in seeing pictures of homes (97%)

Urban Canadian home buyers were asked how likely they would be to use the Internet to get information about or to help with buying/selling a home or other real estate. A majority (56%) indicates that they would use the Internet for such a purpose. An additional 15 percent indicate that they might or might not, while 28 percent would not use the Internet to help with their real estate ventures.

The 56 percent of respondents who indicate that they would or might use the Internet in their real estate pursuits demonstrate that they have an appetite for seeing photos of homes and properties for sale on an Internet site (97% interested). The second most popular item among this group is having information about neighbourhoods available on the Internet (94% are interested). In addition, 89 percent indicate that they would want to view open house or registration information on the Internet, 88 percent would be

interested in taking a virtual or simulated tour of homes, 87 percent would want to see information about mortgages and financing, and 71 percent would be interested in viewing a directory of real estate agents.

– 3 0 –

For more information on this news release, please contact:

Janet Lazaris
Senior Vice-President
Angus Reid Group
(416) 324-2900

Visit our website at **www.angusreid.com**