

Majority (55%) of Canadians Aged 18-34 Think it Makes More Sense to Wait Before Buying a Home

Nearly Half (46%) of Younger Homeowners Say Their Mortgage is Eating Up Too Much of Their Income

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Toronto, ON – Assessing the current condition of the economy and given current housing prices, a majority (55%) of Canadians aged 18 to 34 believe it makes more sense to wait until next year to buy a home (10 points higher than the national average), rather than buy a home now (45%), according to the 18th annual RBC Housing Study conducted by Ipsos Reid. Nonetheless, four in ten (41%) younger Canadians believe the real-estate market is a ‘buyer’s market’ (41%), one quarter (24%) think it’s a ‘seller’s market’. One in three (36%) think it’s a ‘balanced market’.

Perhaps younger Canadians’ relative reluctance to say that now is the time to buy is due to a desire to avoid the mistakes made by some of their peers. Nearly one half (46%) of homeowners under the age of 35 ‘agree’ (11% strongly/35% somewhat) that their mortgage is using up too much of their income and two in three (66%) ‘agree’ (18% strongly/48% somewhat) that their mortgage is ‘bigger than they would like it to be’. More positively, four in ten (43%) young homeowners ‘agree’ (10% strongly/33% somewhat) that they are ‘paying off their mortgage faster than they expected to’.

Younger Canadians are likely going to be leading the charge when it comes to buying homes in the next two years, with 12% indicating that they are ‘very likely’ to purchase in the next two years (with an additional 31% indicating they’re somewhat likely), compared to 7% of

those aged 35 to 54 and 5% of those aged 55 and older who say they're very likely to purchase a home or another home in the next two years.

Younger and first-time homebuyers will no doubt be relying on the wisdom and advice of others to get them through the process of buying a home. Among those young Canadians who are at least somewhat likely to buy a home in the next two years, two in three (64%) say they are likely to use a real-estate agent to assist with their home purchase search, a slightly smaller percentage than the proportion of middle-aged (68%) or older prospective-homebuyers (74%) that say they're likely to rely on a real-estate agent for their search.

Moreover, a majority (55%) of younger Canadians will rely on real-estate websites, such as MLS, Broker.ca, Zoocasa.com, etc. Others will lean on their family (48%), friends (35%), private sale websites such as Kijiji, Craigslist, bytheowner.com, etc (36%) and social media sites such as Facebook, LinkedIn, etc (7%).

Younger Canadians looking to purchase in the next two years are most concerned about home prices increasing (23%), while a similar proportion says having a good down payment (23%) is their biggest concern. Others say that mortgage rates increasing (21%), their current debt level (19%) or qualifying for a mortgage (15%) is their biggest concern.

According to the poll, younger Canadians aren't necessarily looking to buy the same kind of homes as older Canadians:

- Younger Canadians (ages 18-34): Detached house 59%, Condo/loft 15%, Semi-detached house 10%, Townhouse 10%
- Mid-range Canadians (ages 35-54): Detached house 71%, Condo/loft 10%, Semi-detached house 8%, Townhouse 7%



- Older Canadians (55 and older): Detached house 68%, Condo/loft 15%, Semi-detached house 5%, Townhouse 5%

These are some of the findings of an Ipsos Reid poll conducted between January 12 to 17, 2011, on behalf of RBC. For this survey, a sample of 2,103 adults from Ipsos' Canadian online panel was interviewed online. Weighting was then employed to balance demographics and 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. A survey with an unweighted probability sample of this size and a 100% response rate would have an estimated margin of error of +/- 2 percentage points, 19 times out of 20, of what the results would have been had the entire population of adults in Canada been polled. 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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