

# What You Need to Know About Canada's Housing Market

More than **90%** of Canadians see real estate as a good investment.\* Whether you're thinking of buying, selling or are actively involved in the market, the statistics below will give you a clearer perspective of the state of the market.

\*Source: Royal Bank of Canada, March 9, 2011

## Current National Trends in Housing

Canada's homeownership rate is **68%**.

Source: Statistics Canada

The average Canadian home is valued at **\$336,000**.

Source: CAAMP/ACCHA, Stability in the Canadian Mortgage Market

**Home sales for 2012** are expected to remain in line with the annual average for the last decade.

Source: Canadian Real Estate Association

**31%** of Canadian first-time homebuyers will look at **10** homes before buying.

Source: 2011 TD Canada Trust First Time Homebuyers Report

Buyers aged 25 to 34 make up **60%** of first-time buyers; **25%** are aged 35 to 49.

Source: Telegraph Journal, May 14, 2011

**23%** of Canadians aged 18 to 34 say that "having a good down payment" and "rising real estate prices" are their primary concerns in buying a home.

Source: Royal Bank of Canada; 18th Annual RBC Homeownership Study

Average price of...

A detached bungalow: **\$349,974**

A standard two-storey home: **\$388,218**

A standard condo: **\$239,300**

Source: Montreal Gazette, October 5, 2011

## Affordability

- The affordability measure of the average detached bungalow in Canada is **42.7%**, meaning that homeownership costs comprise **42.7%** of a homeowner's pre-tax income.
- The affordability measure of the average standard two-storey home is **48.8%**.
- The affordability measure of the average standard condo is **29.0%**.

Source: RBC Economics: Housing Trends and Affordability, November 2011

The average home price range is forecast to be between **\$315,800** and **\$418,700** in 2012.

Source: Canada Mortgage and Housing Corporation

# Financing the Home Purchase

Of 9.45 million Canadian homeowners, 5.7 million have mortgages.<sup>1</sup>

81% of Canadian homebuyers used one form of savings to purchase their homes: Contributions to Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account (TFSA), investments other than an RRSP or an emergency fund.<sup>2</sup>

**\$150,000:** The average outstanding principal on a mortgage.<sup>1</sup>

The average interest rate: 3.92%, down from 4.22% from a year ago.<sup>3</sup>

Interest rates are projected to remain low during 2012.<sup>4</sup>

78% of Canadians who renewed their mortgage in the past 12 months saw their interest rate reduced.<sup>5</sup>

23% of mortgage holders refinanced in the past year.<sup>3</sup>

Sources: 1. CAAMP/ACCHA, Stability in the Canadian Mortgage Market  
2. Condo.ca, June 24, 2011  
3. The Globe and Mail, November 9, 2011  
4. Canadian Real Estate Association  
5. Canadian Association of Accredited Mortgage Professionals, November 9, 2011  
6. Montreal Gazette, November 10, 2011  
7. RBC Housing Snapshot poll, November 17, 2011

1.35 million Canadians renewed or refinanced their mortgages in the last year, which saved them \$2.7 billion.<sup>6</sup>

37% of Canadians who renewed or refinanced their mortgages chose a variable rate mortgage.<sup>6</sup>

60% of mortgages issued were fixed-rate mortgages.<sup>3</sup>

Canadians, on average, frequently add an additional \$400 per month to their regular mortgage payment.<sup>1</sup>

Fewer Canadians are taking out equity in their homes: 10% did so in the last year, compared to 40% the year before.<sup>6</sup>

72% of Canadians with mortgages aspire to be mortgage-free by 65 years of age.<sup>7</sup>

## Talk to Your Real Estate Professional Today

While these figures provide an overview of the national market, keep in mind that your local market may differ. Consult your trusted real estate professional for more information about your local market.

## Average Home Price, by Province



Source: Canadian Real Estate Association