



FACTUM

Waiting it Out: Most (72%) of Canada's Aspiring Homeowners Anticipate Delaying New Home Purchase Until Mortgage Rates Drop

Majority (56%) of Non-Homeowners Think Home Ownership Dream is Unattainable

Toronto, Ontario, May 1, 2024 — A new Ipsos poll conducted on behalf of BMO finds that almost three-quarters (72%), and increasingly higher proportions (+4 pts), of Canada's aspiring homeowners, relative to a year ago, plan to wait until mortgage rates drop before pulling the trigger on a new home purchase. This group – aspiring homeowners – represent just two-fifths (39%) of non-homeowners overall. In fact, a majority (56%) of non-homeowners perceive the dream of home ownership as being unattainable in their lifetime. Optimism is tepid, even among the aspiring homeowners' group, as two-thirds (66%) concede they will have to wait until at least 2025 (or later) before pulling the trigger on a new home purchase. Even many of those who already own their home are feeling pinched by the rates, as most (74%) within this group who intend to refinance their home plan to wait until mortgage rates drop before refinancing. Rising home insurance costs are another barrier as four in ten (41%) Canadians indicate that rising home insurance costs may affect their ability to maintain or buy a home.

Around three in five Canadians are increasingly concerned about inflation (56%) and the cost of living (58%) whereas two in five (38%) are now more concerned about their overall financial situation than they were three months ago. Housing costs (74%), fear of unknown expenses (84%), and overall financial situation concerns (81%) rank among the leading sources of financial anxiety. While those sentiments are worrying, there is some room for optimism as the vast majority (85%) perceive themselves as making at least moderate financial progress (4 or higher, on 10-pt scale) and two-thirds (67%) express confidence in their financial situation.

Overall, three-fifths (62%) of Canadians indicate that home ownership is one of their biggest aspirations in life, a figure which is statistically higher among both Gen Z (68%) and Millennials (70%). Two in five (39%) non-homeowners' express interest in purchasing a home in the future, a figure which includes a majority of Gen Z (51%) and Millennials (56%), though one in three (33%) Gen Z and a slightly higher proportion of Millennials (37%) don't anticipate achieving this milestone until at least 2025 or later.

As many as one in four (26%) expect to receive and/or plan to ask for financial help from their parents and/or grandparents, a figure which includes a majority (52%) of Gen Z and three in ten (31%) Millennials. Sixteen percent (16%) of Gen Z and a slightly lower proportion (12%) of Millennials are looking for support funding a downpayment for a home. By comparison, over one-third (36%) of parents and/or grandparents expect to help their children and/or grandchildren out financially, within the next year. In fact, a majority (54%) of Millennial parents hold this expectation, with as many as one in three (33%) intending to help their children with their home purchase including a cash contribution towards a downpayment for a home (23%) and contributing towards their child's First Home Savings Account (FHSA) (10%). Almost three-fifths (58%) of Canadians, overall, plan on using the FHSA for their home purchase.



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Four in ten (39%) Canadians say climate-related factors such as wildfires, floods, heatwaves, and storms will impact where they choose to live in the next five years, with Gen Z (54%) and Millennials (49%) being among the most likely to prioritize climate-related factors when contemplating the homebuying decision.

About the Study

These are the findings of an Ipsos survey conducted on behalf of BMO. Fieldwork was conducted between February 28 and March 18, 2024. A total of n=2,500 Canadians aged 18+ participated in the survey which was fielded via the Ipsos' panel. Quotas and weighting were used to ensure the sample's composition reflects that of the Canadian population according to census parameters. This survey has a credibility interval of +/- 2.4 per cent 19 times out of 20, of what the results would have been had all Canadian adults 18+ been surveyed.

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