

Savvy Albertan first time homebuyers do their homework

- 2011 TD Canada Trust First Time Homebuyers Report reveals Alberta buyers least willing to pay more than asking price on a home-

Calgary, AB (June 15, 2011) – Albertans are the most willing in the country to visit multiple open houses before they purchase their first home. In fact, one-third say that they will view more than 10 houses in their search (32% versus 26% nationally). This is according to the TD Canada Trust First Time Homebuyers Report, which for the second year in a row found that the overwhelming majority of first time buyers in Alberta (97%) expect to buy their home for at - or below - the listing price. Despite viewing so many homes and being set on finding a home to purchase at or below the list price, Albertans are most likely to say they'll spend six months or less shopping for their new home (76% versus 64% nationally).

The survey also found that many house-hunters are flying solo on the house-hunt. In Alberta, 41% of first time buyers plan to purchase their first home on their own (rather than with a co-purchaser). Nationally, nearly six-in-ten men (57%) will buy on their own, along with 33% of women.

“A home is a very big purchase and it's great that so many feel financially equipped to take on the expense on their own,” says Jessy Bilodeau, Mobile Mortgage Specialist, TD Canada Trust. “Our report found that Albertans explore their options and stick within their price range when looking at homes. This is important - especially for those buying a home on their own. If you buy without a co-purchaser, should your financial situation change, you are the only person legally responsible for the mortgage. Ensure your mortgage allows room in your budget to set some money aside for the future.”

While people buying independently don't have to compromise with anyone about the features, location and type of home they're looking for, first time buyers realize they may have to make concessions because the perfect home may not exist – or at least not be in their price range. Encouragingly, the survey found that Albertans name price as the factor they are least willing to compromise on.

First time homebuyers are most likely to say they would not compromise on:

- Price (60%)
- Number of bedrooms (48%)
- Garage or sheltered parking (39%)

They are most willing to make concessions about:

- Proximity to recreational activities (84%)
- Layout of home (82%)
- Features of the home and proximity to shopping (both 81%)

Compared to last year, homebuyers doing slightly less homework

Many first time homebuyers in Alberta are doing their homework to prepare for the homebuying process. Albertans surveyed were most likely to research mortgage options (83%), estimate the cost of heating and water bills (76%) and calculate closing costs (75%).

Though a significant number of buyers are still taking steps to prepare themselves, the 2011 TD Canada Trust First Time Homebuyers Report found an overall trend that not as many buyers as last year were preparing themselves; findings in Alberta were consistent with this trend. Nationally, steepest declines

were in terms of getting pre-approved for a mortgage (76%, down from 91%), speaking to a mortgage lender before shopping (72%, down from 84%) and arranging for a home inspection (67%, down from 85%). First time buyers were also less likely this year to learn about mortgage options (85%, down from 93%), estimate heating, electricity and water bills (78%, down from 85%) and calculate closing costs (77%, down from 88%) in 2011 versus 2010.

“The majority of first time buyers in Alberta are taking the right steps to prepare themselves. To make sure they’ve covered all their bases, I recommend all buyers speak with a mortgage expert,” says Bilodeau. “From getting pre-approved for a mortgage to estimating closing costs and hydro bills when you move in, there are many aspects of the home buying process and homeownership that many first time buyers may not even consider. A mortgage expert can walk you through the process and prepare you for each step along the way.”

Buyers take in tenants to pay off mortgage faster:

One quarter of Albertans surveyed (25%) bought or plan to buy a home with a rental unit. Three-quarters (73%) say they will use the income from the rental property to pay their mortgage off faster. Those who will not be putting the payments towards their mortgage say it will help them live more comfortably (15%) or they’ll put it towards savings (12%).

Half of those planning to buy a home with a rental unit expect it to generate \$500-\$750 per month in rental income (50%). Thirty-five percent expect to earn \$750-\$1,000, while fewer expect to earn more than \$1,000 (8%) or less than \$500 (8%) in extra income each month.

“Taking in a tenant can be an effective way to supplement your income and pay off your mortgage faster,” says Bilodeau. “For the quarter of Albertan buyers who are considering taking in a tenant, I’d recommend exploring flexible mortgage options. These products allow you to pay more towards your mortgage when you can afford to and give you the peace of mind of knowing that if something changed financially – for instance your house flooded, forcing your tenant out of a basement apartment - you could miss payments with no penalty.”

There is additional information about the home buying process, including [online mortgage calculators](#) that allow prospective buyers to calculate monthly mortgage payments and compare repayment plans available at www.tdcanadatrust.com . When you know what you can afford, you can narrow your search and shop with more confidence, knowing that the houses you view may fit within your budget.

About the 2011 TD Canada Trust First Time Homebuyers Report

From April 29 to May 16, 2011 results were collected by a custom online survey by Environics Research Group. Data was collected from 1,000 Canadians, including 130 from Alberta who had either bought their first home in the past 24 months or intend to buy their first home in the next 24 months.

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For further information:

Sinead Brown / Liz Christiansen
Paradigm Public Relations
416-203-2223

sbrown@paradigmpr.ca / lchristiansen@paradigmpr.ca

Lynzey MacRae
TD Bank Group
403-294-3328

lynzey.macrae@td.com