

## **Atlantic Canadians think about buying their first home for a while but don't spend as much time saving for it**

**- 2011 TD Canada Trust First Time Homebuyers Report reveals Atlantic Canadians don't make large down payments on their first home-**

**TORONTO (June 15, 2011)** – First time buyers in Atlantic Canada are the most likely in the country to say they've spent less than a year saving for their first home (24% versus 16% nationally). In fact, the majority admit their down payment will be less than 10%. This is despite the fact that, according to the 2011 TD Canada Trust First Time Homebuyers Report, they are most likely in the country to say they've been thinking about buying their first home for a while.

More than a third of first time buyers in the region will purchase their first home on their own rather than with a co-purchaser. Nationally, the 2011 TD Canada Trust First Time Homebuyers Report found that nearly six-in-ten men (57%) will buy on their own, along with 33% of women.

"Buying a home is a very big purchase and it's great that so many people feel financially equipped to take on the expense independently," says Farhaneh Haque, Regional Manager, Mobile Mortgage Specialists, TD Canada Trust. "I recommend that people find a home that they can comfortably afford and this is especially important for people buying a home on their own. Ensure the mortgage you take on allows room in your budget to set some money aside for the future, because should your financial situation change, you are the only person legally responsible for the mortgage."

Those Atlantic Canadians who will have a co-purchaser on their first home are most likely to say that the co-purchaser will be a boyfriend or girlfriend (33% versus 20% nationally) rather than a spouse (62% versus 72% nationally).

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 in Atlantic Canada realize they may have to make concessions because the perfect home may not exist – or at least not be in their price range.

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

- Price (58%)
- Number of bedrooms (43%)
- Size of backyard/garden (39%)
- Shared/mutual driveway (37%)

They are more willing to make concessions about:

- Proximity to recreational activities (83%)
- Proximity to shopping (82%)
- Features of the home and a renovated kitchen (both 77%)

### **Buyers take in tenants to pay off mortgage faster:**

One third (31%) of those surveyed bought or plan to buy a home with a rental unit. Those taking in a tenant are the most likely in the country to say that the extra income will help them pay off their

mortgage faster (79% versus 71% nationally). Those who will not be putting the payments towards their mortgage say they'll put it towards savings (11%) or it will help them live more comfortably (10%).

"Taking in a tenant can be an effective way to supplement your income and pay off your mortgage faster," says Haque. "If you have a rental unit, 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 tenant moved out during the same month that your furnace broke down - you could miss payments with no penalty."

How much extra income do people in the region expect from the rental unit? One-in-five expect less than \$500 per month, which is nearly double the national average expecting that amount (21% versus 11% nationally). A little more than half expect it to generate \$500-\$750 per month in rental income (55%), 21% expect to earn \$750-\$1,000 and 3% expect to earn more than \$1,000.

### **Compared to last year, homebuyers doing slightly less homework**

Last year, the First Time Homebuyers Report found that first time buyers really did their homework to prepare for the homebuying process. There are still a significant number of buyers doing so, but this year's report showed a decline in the number of people taking steps to prepare themselves; findings in Atlantic Canada 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.

First time buyers in Atlantic Canada said they learned about mortgage options (86%), estimated heating, electricity and water bills (82%) and estimated annual maintenance costs (75%).

"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," says Haque. "A mortgage expert can walk you through the process and prepare you for each step along the way."

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](http://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 Atlantic Canadians who had either bought their first home in the past 24 months or intend to buy their first home in the next 24 months.

### **About TD Canada Trust**

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**For further information:**

Sinead Brown / Liz Christiansen  
Paradigm Public Relations  
416-203-2223  
[sbrown@paradigmpr.ca](mailto:sbrown@paradigmpr.ca) / [lchristiansen@paradigmpr.ca](mailto:lchristiansen@paradigmpr.ca)

Tamar Nersesian  
TD Bank Group  
416-944-7095  
[Tamar.nersesian@td.com](mailto:Tamar.nersesian@td.com)