

## **First Time Homebuyers in B.C. look for tenants to help cover their costs**

**- 2011 TD Canada Trust First Time Homebuyers Report reveals trends for B.C. buyers -**

**Vancouver, B.C. (June 15, 2011)** – After years of paying rent, first time homebuyers in B.C. say it's time they started collecting it. According to the 2011 TD Canada Trust First Time Homebuyers Report, 56% of first time homebuyers in B.C. are looking for a home with a rental unit. Eighty-five percent think the unit will generate between \$500 - \$1,000 per month and seven-in-ten (67%) say the extra income will go towards paying their mortgage.

“Taking in a tenant can be an effective way to supplement your income and pay off your mortgage faster,” says Barry Rathburn, Manager, Residential Mortgages, TD Canada Trust. “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.”

The survey also found B.C. buyers to be saving up the longest for their first home and putting down the largest down payment. Nearly six-in-ten say that they have been saving for their first home for three years or more (57% versus 47% nationally) and they are twice as likely to be putting down a down payment of more than 25% (17% versus 10% nationally). Not surprisingly, given B.C.'s infamously expensive real estate, buyers in B.C. are most likely to need a mortgage to finance their purchase (93% versus 87% nationally).

### **Many first time buyers flying solo on the house-hunt**

In B.C., 47% 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.

“Buying a home is a very big purchase and it's great that so many British Columbians feel financially equipped to take on the expense independently,” says Rathburn. “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.”

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, price is the factor British Columbians are least willing to compromise on.

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

- Price (53%)
- Number of bedrooms (44%)
- Number of bathrooms (35%)

They are most willing to make concessions about:

- Proximity to recreational activities (87%)

- Features of the home (85%)
- Layout of home (81%)

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

Many first time homebuyers in B.C. are doing their homework to prepare for the home buying process. British Columbians surveyed were most likely to research mortgage options (87%), calculate closing costs (79%), estimate the cost of heating and water bills and estimate annual maintenance fees (both 76%).

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 B.C. 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.

“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 Rathburn. We’ll help you understand the process so that you know what to expect and what to do next.”

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 131 from B.C. 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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