

Buyers in Manitoba and Saskatchewan save up quickly for down payment on first home

- 2011 TD Canada Trust First Time Homebuyers Report finds more than a quarter save for less than a year for first down payment -

TORONTO (June 15, 2011) – People in Manitoba and Saskatchewan spend the shortest amount of time nationally saving for the down payment on their first home. However, many are able to buckle down and pull together a sizeable down payment quickly. According to the 2011 TD Canada Trust First Time Homebuyers Report, more than one quarter say they saved for less than a year for their down payment yet they are the most likely in the country to put down a down payment of over 25% (14% versus 10% nationally).

It may be because they have a powerful motivator that some are able to pull together a down payment so quickly; almost a quarter in the region say they decided to purchase their first home at this time because they are moving in with a significant other. However in the rush to save, some in the region are overlooking other important steps to prepare for homeownership – they're least likely to get pre-qualified for a mortgage (44% versus 31% nationally).

“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 Farhaneh Haque, Regional Manager, Mobile Mortgage Specialists, TD Canada Trust. “A mortgage expert can walk you through the process and prepare you for each step along the way.”

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 Manitoba and Saskatchewan 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.

Some buyers are flying solo on house-hunt

Though they're most likely in the country to say that their first home purchase was motivated by moving in with a significant other – there are still many in the province who are going at it alone. Four-in-ten first time homebuyers in the province will be buying their first home on their own. 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 Haque. “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 in the region realize they may have to make concessions because the perfect home may not exist – or at least not be in their price range. People in Manitoba and Saskatchewan are the most likely to say that they will not compromise when it comes to the price of their first home (63% versus 50% nationally).

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

- Price (63%)
- Number of bedrooms (46%)
- Garage or sheltered parking (37%)

They are most willing to make concessions about:

- Proximity to recreational activities (81%)
- Proximity to shopping and a finished basement (both 80%)
- Renovated kitchen (78%)

Some buyers take in tenants to pay off mortgage faster:

One fifth (20%) of first time buyers in the region are looking for a home with a rental unit. Though more than half (55%) say they will use the income from the rental property to pay their mortgage off faster, many in the region say the rental income will not go towards their mortgage but will help them live more comfortably. They are the most likely in the country to say this (36% versus 15% nationally). Nine percent will put it towards savings.

“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.”

Half of those planning to buy a home with a rental unit expect it to generate \$500-\$750 per month in rental income (50%). More than a third (36%) expect to earn \$750-\$1,000, while 5% expect to earn more than \$1,000. Nine percent expect to generate less than \$500 in extra income each month.

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 129 from Manitoba and Saskatchewan 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

TD Canada Trust offers personal and business banking to more than 11.5 million customers. We provide a wide range of products and services from chequing and savings accounts, to credit cards, mortgages and business banking, to credit protection and travel medical insurance, as well as advice on managing everyday finances. TD Canada Trust makes banking comfortable with award-winning service and convenience through 24/7 mobile, internet, telephone and ATM banking, as well as in over 1,100 branches – most open 8 ‘til late and many now open Sunday. For more information, please visit: www.tdcanadatrust.com. TD Canada Trust is the Canadian retail bank of TD Bank Group, the sixth largest bank in North America.

For further information:

Sinead Brown / Liz Christiansen
Paradigm Public Relations
416-203-2223
sbrown@paradigmpr.ca / lchristiansen@paradigmpr.ca

Tamar Nersesian
TD Bank Group
416-944-7095
Tamar.nersesian@td.com