

Majority of first time homebuyers in Ontario purchase their first home on their own

- 2011 TD Canada Trust First Time Homebuyers Report finds majority of men and one third of women purchase their first home solo -

TORONTO (June 15, 2011) – A recent survey finds that first time buyers in Ontario are more likely to be house-hunting on their own than they are with a co-purchaser (54% versus 46%). They are most likely in the country to be doing so. 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.”

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 Ontario 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 in Ontario are most likely to say they would not compromise on:

- Price (39%)
- Number of bedrooms (38%)
- Number of bathrooms (28%)

They are most willing to make concessions about:

- Features of the home (90%)
- Renovated kitchen (88%)
- Proximity to shopping and family (both 83%)

Buyers looking for a bargain expect to look for a while:

The report found that those who expect to pay more than the list price on a home spend less time looking and view less homes. One-third of those who are expecting to pay less than asking price (31%) will look at more than 10 homes and are almost twice as likely to spend more than a year shopping than those who will pay above asking (17% versus 10%).

Two-thirds (64%) of first time buyers in Ontario expect to find their home within six months of house-hunting. They are most likely in the country to say they expect to pay more than asking price (13% versus 9% nationally). They are also ready to make an offer on the right house when they find it, being most likely in the country to say they’ve been pre-approved for a mortgage (80% versus 76% nationally).

Compared to last year, homebuyers doing slightly less homework

Many first time homebuyers in Ontario are doing their homework to prepare for the homebuying process. Ontarians surveyed were most likely to research mortgage options (86%), calculate closing costs (82%), estimate annual maintenance fees and get pre-approved for a mortgage (both 80%).

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 Ontario 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 homebuying 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.”

Buyers take in tenants to pay off mortgage faster:

One third (33%) of those surveyed bought or plan to buy a home with a rental unit. Seven-in-ten (71%) 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 (14%).

Half of those planning to buy a home with a rental unit expect it to generate \$500-\$750 per month in rental income (51%). One third (32%) expect to earn \$750-\$1,000, while 7% expect to earn more than \$1,000. Eleven percent expect to generate less than \$500 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 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.”

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 250 Ontarians, 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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