

Canadians say homeownership is smart, but few people are buying

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EXTRACT

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The poll, which was conducted by Ipsos-Reid, found that approximately four in every 10 Canadians intend to enter the housing market in two years or so. However, there is still a considerable number of homeowners who say that they are playing it by ear. For example, 15 percent of respondents said that they are taking a wait-and-see approach. But even here, that's down from how many took this position in 2012, which was around 27 percent.

Not only are homeowners bullish about becoming homeowners because they want to live in a place they can call their own, but they're also entering the market because they consider it to be a smart financial decision. The poll found that an overwhelming majority of respondents - 84 percent - believe that a home purchase is a sound investment.

The Ipsos-Reid survey also broke down the numbers based on where people lived in the country. In Ontario, the poll found, approximately the same percentage of respondents as the national average said that they considered homeownership to be a wise move from an investment standpoint. Despite this, however, the majority said that they will likely not purchase a home within the next two years.

Meanwhile, even though many people appear to be optimistic about the housing market and consider it a smart financial move, national home sales have dipped. According to the Canadian Real Estate Association, property purchases fell 2.1 percent from February on a month-over-month basis.

Gregory Klump, chief economist at CREA, noted that home sales also fell on a yearly basis. One potential explanation for this is because there was one extra day in February 2012 because it was a leap year. He stipulated, however, that the decline for the most part was a reflection of demand not being quite as robust as it has been.

CREA: Home sales slid in February

Along with diminished demand, there have been fewer properties to select from. CREA noted that new listings dropped by about 60 percent in local markets in February, with the largest declines coming in Toronto, Montreal, Vancouver and Saskatoon.

Wayne Moen, CREA president, indicated that these declines have been offset by home sales in more rural locations, which haven't been as impacted by last year's mortgage rule changes.

Speaking of which, something prospective homeowners may need before they purchase a property is a rural insurance policy. Individuals looking to buy a residence may want to consult with their agent to determine if applying for a loan requires coverage to be in place.

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