



# HOME OWNERSHIP TRENDS

2018 MODERN FAMILY HOME OWNERSHIP TRENDS  
PART 1: THE EVOLUTION OF THE CANADIAN DREAM



**Sotheby's**  
INTERNATIONAL REALTY  

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Canada





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# ACKNOWLEDGEMENTS

## MUSTEL GROUP

Mustel Group has been a leading market research and public opinion research firm in Canada for more than 30 years, trusted by a wide range of the country's most esteemed public and private sector institutions to design and conduct qualitative research, quantitative research and omnibus surveys in order to understand the thoughts and motivations underlying peoples' emotions, opinions and behaviours.

## SOTHEBY'S INTERNATIONAL REALTY CANADA

Sotheby's International Realty Canada is the leading international real estate sales and marketing company for the country's most exceptional properties. With offices in over 30 residential and resort markets nationwide, and a global affiliate sales network of over 950 offices in over 70 countries and territories, the international sales and marketing company showcases every property it represents, regardless of neighbourhood or price point, on a premier, global digital and publications network.



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# INTRODUCTION

Sotheby's International Realty Canada releases a series of reports that capture real estate data and consumer trends across the country's largest metropolitan markets.<sup>1</sup> Based on results from a survey conducted in partnership with leading market research and public opinion firm Mustel Group, the **2018 Modern Family Home Ownership Trends Report**, is a multi-part series examining the challenges, preferences, and home buying habits of today's "modern families";<sup>2</sup> a moniker for young, urban families with a focus on those where the adults are between the ages of 20 to 45. Over half of survey responders are Millennial (Generation Y) homeowners, while the remaining represent homeowners from the younger segment of Generation X.<sup>3</sup>

This Mustel Group/Sotheby's International Realty Canada initiative is the first Canadian survey to focus on home ownership trends of young urban families, covering topics such as home feature and location priorities, financial challenges and trends, and levels of real estate market confidence. The report series also highlights regional nuances between modern families in Vancouver, Calgary, Toronto and Montreal, and differences between affluent families,<sup>4</sup> compared to those with incomes below.

**"The Evolution of the Canadian Dream"**, the first in this series, reveals the growing gap between the real estate dreams and the actual home ownership realities of young families – particularly as it relates to the dream of single family home ownership. The report dispels myths about young, urban families' housing preferences, uncovers surprising

insights into their level of satisfaction with their current home, as well as their confidence in the Canadian real estate market.

The report series is based on findings from a survey of 1,743 families in Canada's four largest Census Metropolitan Areas (CMAs): Vancouver, Calgary, Toronto and Montreal,<sup>5</sup> using a disproportionate sampling method to enable analysis within each metropolitan area, as well as across the combined CMAs. The sample was weighted to match Statistics Canada census data on the basis of age, household income and home ownership within each CMA and to bring the total sample into proper proportion based on relative populations.<sup>6,7</sup>

More than half of households surveyed (57%) are couples with one or more children, 35% are couples without children, and 8% are single parents. The age of the oldest adult in each household is between 20–40 years for 53% of the families surveyed; the oldest adult of 37% of the families surveyed is 40–44 years, and 45–49 years in 9% of the families. The large majority of households with children under 18 years of age have one or two children (84%). Less than 13% have three children or more, and fewer than 3% have children older than 18 years of age residing in the household. The gender of responders was almost evenly split at 54% male and 46% female.

Data for this report series was gathered from August 9 to September 6, 2018.<sup>8</sup>

1 The information contained in this report references survey results, plus market data from MLS boards across Canada. Sotheby's International Realty Canada cautions that MLS market data can be useful in establishing trends over time, but does not indicate actual prices in widely divergent neighborhoods or account for price differentials within local markets. This report is published for general information only and not to be relied upon in any way. Although high standards have been used in the preparation of the information and analysis presented in this report, no responsibility or liability whatsoever can be accepted by Sotheby's International Realty Canada, or Sotheby's International Realty Affiliates or Mustel Group for any loss or damage resultant from any use of, reliance on or reference to the contents of this document.

2 For the purpose of this report, "families" refer to "census families" as defined by Statistics Canada. Census families include couple families: couples (married or common-law, including same-sex couples) living in the same dwelling with or without children, and lone parent families: single parents (male or female) living with one or more children.

3 While demographic and statistical researchers and commentators do not cite universal start and end dates for "generations", for the purposes of this report the parameters referenced are: Generation X born between 1965 and 1979 (currently ages 39–53) and Generation Y/Millennial, born between 1980 and 2000 (ages 18 to 38).

4 For the purposes of this report, "affluent family" is defined as any family with over double the median provincial household incomes based on the 2016 Canadian Census. These medians are British Columbia: \$69,995, Alberta: \$93,835, Ontario: \$74,287 and Quebec: \$59,822.

5 While the panel sample is demographically representative, margins of error only apply to random probability samples. (The margin of error on a random probability sample of 1,743 respondents is  $\pm 2.3$  percentage points, 19 times out of 20, and ranges from  $\pm 3.5$  to 4.9 points for 400-800 respondents).

6 The distribution of the total sample of modern families reflects the relative population proportions across the four CMAs surveyed. Toronto represents 41% of the total, Montreal 29%, Vancouver 16% and Calgary 14%.

7 Respondents in the Montreal CMA had a choice of taking the survey in English or French.

8 An online methodology was employed, using a robust national panel of Canadians who reside in the four greater metropolitan areas of interest: Vancouver, Calgary, Toronto and Montreal. The panel is maintained to be representative of the Canadian population and provide high quality data. Panelists are recruited by a double opt-in method from large databases of reputable channels (e.g., major brands/retailers/reward programs/not for profits, etc.) using industry standards of panel quality assurance, validation, verification and best practices for panel management. Panelists receive point system rewards for participation in surveys.

# NATIONAL SUMMARY

## HIGHLIGHTS

- 83% of “modern family”<sup>9</sup> homeowners in Canada’s key metropolitan areas would prefer living in a detached single family home if budget were not a consideration. Only 5% would prefer condo ownership.
- However, just over half (56%) of homeowners in this cohort actually purchased one. In spite of this, single family homes remain the most commonly purchased property by young, urban families across all regions.
- 43% of young, urban families who already own real estate but do not currently own a single family home have given up the “dream” of single family home ownership due to high costs.
- Another 18% have future plans to buy a single family home in the city centre; 21% plan to do so outside the city centre.
- While 82% of modern families feel they have made compromises in the home they purchased, 93% are “very” or “somewhat satisfied” with the home they own.
- 78% of young, urban Canadian families believe their home will either outperform or match the performance of their financial investments in the next five years, with 48% stating that real estate will outperform financial investments.

## THE SINGLE FAMILY HOME “DREAM” VS. HOME OWNERSHIP REALITY

For generations, owning a detached single family home has been symbolic of a traditional, middle-class lifestyle, representing financial success and security for many Canadian families.

In major metropolitan areas across the country today, a number of factors have challenged families’ ability – and some have argued, desire– to buy a single family home. In the Greater Toronto Area and Greater Vancouver, escalating home prices that now surpass \$1.54 million<sup>10</sup> and \$1.01 million<sup>11</sup> respectively, have deterred many from the single family home market. The combination of rising mortgage rates and stricter lending guidelines has also increased the cost of home ownership for many families. At the same time, proponents of urban densification now argue that the desire to live in condominiums, attached homes and duplex/triplex/multiplex units has increased across every demographic group, including a new generation of families who prefer higher-density housing and an urban lifestyle over the traditional single family home “dream”.

Mustel Group/Sotheby’s International Realty Canada’s survey findings reveal a more complex picture.

8 in 10 (83%) young, urban family homeowners would prefer living in a detached single family home if budget were not a consideration, and only 17% indicated a preference for higher density housing options, reflecting the fact that demand for single family home ownership remains dominant amongst today’s families.

In spite of their desire to own a single family home, just over half (56%) of modern family home owners purchased one. When it comes to home ownership 27% of modern families purchased an attached home or duplex/triplex/multiplex unit, and 17% bought a condominium.

The survey also revealed that 4 in 10 (43%) modern family homeowners who do not already own a single family home have now given up their “dream” of doing so, citing high costs as the reason. 18% still plan to buy a single family home within the city centre while another 21% aim to purchase outside the city centre.

<sup>9</sup> For the purposes of this report series, “modern families” is the moniker for young families living in Canada’s largest metropolitan areas, with a focus on those families with adults between the ages of 20 to 45.

<sup>10</sup> Greater Vancouver Real Estate Board, Greater Vancouver, September 2018

<sup>11</sup> Toronto Real Estate Board, September 2018

## CONDO LIVING: “DEMAND” BY NECESSITY

In large urban centres, apartments in low- and high-rise buildings, as well as duplexes, account for a large share of dwellings. In 2016, according to Statistics Canada, apartments made up 58.4% of all dwellings in the Census Metropolitan Area (CMA) of Montreal, 58.1% of all dwellings in the Vancouver CMA, 43.5% in the Toronto CMA, and 25.4% in the Calgary CMA.<sup>12</sup>

In spite of supply, the preference for condominium living is soft amongst the modern family cohort.

Overall, only 5% of modern family homeowners reported that they would prefer buying a condominium if budget were not a consideration, while 12% indicated a preference for buying an attached home or duplex/triplex/multiplex unit. In Canada's major metropolitan centres, desire for higher density living is clearly being driven by generational homebuyers outside the modern family demographic, while purchases by families are motivated by necessity over personal preference.

## HOME CHARACTERISTICS, COMPROMISES AND COST

Across Canada's four largest metropolitan areas, and regardless of the type of property type purchased, more than half (56%) of modern families paid less than \$500,000 for their current primary residence, with significant differences across regions. 37% purchased their home for less than \$500,000 in Vancouver, while 44% did so in Toronto. In Calgary, 63% of young families purchased their home for less than \$500,000 while 80% achieved this in Montreal.

Only 8% of young, urban families purchased a home at a price above \$1 million.

66% of modern families bought a property under 2,000 sq. ft., with three-bedroom and two-bathroom properties being the most commonly purchased home.

Families placed the highest priority on achieving “value per square foot” in their actual home purchased over design, layout and other feature considerations. Other top priorities include buying a “move-in ready” home that requires little to no renovation, achieving a specific number of bedrooms, and purchasing a home that is less than five years old.

82% of modern family homeowners reported that compromises were made in their home purchase; the most common are exceeding their target budget, buying a home that needs more renovation than desired, buying an older property, and having a smaller yard than desired.

## HIGH SATISFACTION WITH HOME OWNERSHIP

In spite of compromises made in their property purchase, the Mustel Group/Sotheby's International Realty Canada survey revealed that 93% of young, urban families are “very” or “somewhat” satisfied with their home. Close to half (47%) reported that they are “very satisfied” with the home they purchased.

## LEVELS OF REAL ESTATE CONFIDENCE

The Canadian Real Estate Association, as well as real estate boards and brokerages nationwide, have noted that policy headwinds, rising interest rates, and the newly introduced federal mortgage stress test have affected real estate consumer sentiment and homebuyer access to mortgage financing, keeping sales activity “in check” in many Canadian markets.<sup>13</sup>

In spite of these challenges, confidence in the real estate market remains high amongst young urban family owners across Canada's major metropolitan areas. 8 in 10 (78%) believe their home will either outperform or match the performance of their financial investments in the next five years, with close to half (48%) maintaining that real estate will outperform financial assets.

<sup>12</sup> Statistics Canada, 2016 Census

<sup>13</sup> Canadian Real Estate Association, Quarterly Forecast, September 2018

## MARKET HIGHLIGHTS

### Vancouver

The impact of steep housing affordability challenges on young families in Vancouver are clearly reflected in the Mustel Group/ Sotheby's International Realty Canada survey results. While 78% of young Vancouver families would prefer single family home ownership if budget were not a consideration, actual single family home ownership is the lowest of Canada's largest metropolitan areas. 46% of modern family homeowners bought a single family home, while ownership of higher-density housing is more common in Vancouver than in other regions at 27% for condominiums, and 27% for attached/duplex/triplex/or multiplex units.

55% of homeowners who do not yet own a single family home have given up their plans to do so, the highest abandonment rate of Canada's major metropolitan areas. 31% of modern family homeowners still have plans to buy a single family home in the future, with 16% planning to within the city centre and 15% aiming to purchase outside the city centre.

While preference for higher-density housing alternatives is higher amongst Vancouver's modern families than in other Canadian urban centres, less than a quarter (22%) of Vancouver families report a preference for condominium, attached or duplex/triplex/multiplex housing if finances were not a consideration.

Like their counterparts in other major metropolitan areas, families in Vancouver share value per square foot and move-in readiness as two of the top priority features in the property they purchased. They are significantly more likely to prioritize having a secondary suite in their home as a revenue/mortgage helper: 11% consider this one of their top three priorities in buying a home compared to 5% who do so in Toronto, 3% in Calgary and 2% in Montreal.

Despite challenges in affordability and compromises made in home ownership, 90% of young Vancouver families express some level of satisfaction with their home purchase, although a lower percentage of families (40%) indicated that they are "very satisfied" with their home purchase compared to their counterparts in Calgary, Toronto and Montreal.

Overall confidence in the Vancouver real estate market also remains high: 79% of Vancouver families believe that financial gains on their home will outperform or be on par with financial investments over the next five years, and half (50%) believe that real estate gains will exceed financial investment performance.



## MARKET HIGHLIGHTS

### Calgary

Uncertainty in Calgary's economy and real estate market has served as a double-edged sword for young families in the region. Job insecurity, above-national average unemployment rates, and a prolonged economic recovery pose fundamental challenges for many, however, stable housing prices, including a benchmark single family home price of \$493,100<sup>14</sup> have offered opportunities for homebuyers.

Preference for single family home ownership is stronger in Calgary than in any of the other metropolitan areas surveyed: 91% of modern families would favour this form of housing over other options if budget were not a consideration. The rate of single family homeownership amongst young families is significantly higher here than in other regions, with 74% of modern family homeowners successfully purchasing this form of housing.

The dream of single family home ownership remains strong amongst those families who have not yet purchased a single family home. Only 37% have given up on their dream, the lowest level of the metropolitan regions.

With the price of home ownership more accessible in Calgary, 63% of modern families purchased their current home for less than \$500,000, regardless of housing type, while 33% bought their home for \$500,000-\$999,999. A nominal 4% of Calgary families purchased a \$1 million-plus home.

As in other major metropolitan areas, families in Calgary report prioritizing value per square foot and move-in readiness more frequently than other home features. They are also significantly more likely to prioritize buying a home less than five years old and having a garage, with 31% of Calgary responders indicating that these factors were among their top three priorities.

In spite of uncertain economic and real estate market conditions, as well as compromises made in their home purchase, 91% of modern families in Calgary families expressed satisfaction with the home they own, with 42% indicating that they are "very satisfied".

Furthermore, real estate confidence is resilient: 64% of modern families who own property believe that their home will outperform or match their financial investments, with 31% asserting that real estate will surpass financial investment performance. Conversely however, 20% of Calgary families believe real estate will perform worse than their financial investments, the highest level of the major metropolitan areas surveyed.



<sup>14</sup> Calgary Real Estate Board, September 2018



## MARKET HIGHLIGHTS

### Toronto

Although housing affordability is a growing concern for families in Canada's largest real estate market, the region's robust economic fundamentals and healthy consumer confidence is reflected in the homebuying trends and market sentiment levels of Toronto's modern families.

While 82% of young Toronto families would prefer buying a single family home if budget were not a consideration, actual home ownership is balanced almost evenly between single family homes at 50%, and higher density options owned by the remaining 50%. 34% purchased an attached home or duplex/triplex/multiplex unit and 16% own a condominium.

Within the region, 42% of modern family homeowners who have not yet purchased a single family home have given up on the dream of ever owning one. Another 38% maintain future aspirations of buying a single family home, divided evenly between those who plan on buying within the city centre, and those who plan on purchasing a single family home outside the city core.

Less than a fifth (19%) of families report a preference for buying a condominium, attached or duplex/triplex/multiplex housing if finances were not a consideration.

Priority home features for Toronto families are in line with those in other major Canadian cities, with value per square foot and move-in readiness ranking as the top considerations in a home purchase. The focus on value per square foot is somewhat stronger here than in Calgary or Vancouver, with 55% of families citing it as one of their top three priorities.

Young families who own a home in Toronto are among the most satisfied of their counterparts in other cities. 95% of modern families report that they are "very satisfied" or "somewhat satisfied" with their purchased home, regardless of challenges faced or compromises made. 46% indicated that they are "very satisfied" with their home, behind only Montreal.

Notably, the Mustel Group/Sotheby's International Realty Canada survey reveals that confidence in the real estate market is higher among young Toronto families than in any other major market. 83% of Toronto modern families believe their home investment will outperform or match their financial investments over the next half decade, and 55% believe real estate gains will outperform their financial investments.



## MARKET HIGHLIGHTS

### Montreal

Montreal's buoyant economy and favourable housing prices have enabled greater accessibility to home ownership than in other regions. This is reflected in positive market sentiment and high confidence levels among Montreal's young families.

Preference for single family home ownership predominates in Montreal: 84% of modern families would favour this form of housing over higher density options if budget were not a consideration, 11% would prefer an attached home or duplex/triplex/multiplex unit, while 5% would choose to buy a condominium.

A single family home was attained by a majority of modern family home owners: 61% purchased a single family home, a higher rate than in Toronto or Vancouver.

For families who own real estate but have not yet purchased a single family home, a higher percentage (41%) maintain plans to buy one in the future compared to those who have given up on this aspiration (39%).

With the median price of single family homes at \$336,000,<sup>15</sup> the lowest of Canada's major metropolitan real estate markets, young families in Montreal paid less for their current home than in any other region. 80% of modern families purchased their home for less than \$500,000 while 19% spent \$500,000– \$999,999.

As in other major metropolitan areas, Montreal families ranked value per square foot and move-in readiness as the top two home features prioritized in their home purchase. Property age, lack of a garage and proximity to the city centre/downtown core were reported as the leading compromises in their home purchase, with 22%, 20% and 19% reporting these as being among their top three trade-offs made.

Compared to those in other major metropolitan areas, Montreal families are among the most satisfied with their home purchase. Regardless of housing type or compromises made, 94% of modern family homeowners report that they are "very satisfied" or "somewhat satisfied" with their purchased home in Montreal, only marginally behind Toronto's levels of 95%. 55% of Montreal modern families report that they are "very satisfied" with their home, surpassing the 46%, 42% and 40% of young families in Toronto, Calgary and Vancouver who share this sentiment.

Confidence in the real estate market is also high: 77% of young families believe that financial returns on their property will either exceed or match the gains on their financial investments in the next half decade, with 46% believing that real estate gains will surpass those of their financial investments. While strong, this is behind the confidence level of families in both Toronto and Vancouver.



<sup>15</sup> Greater Montreal Real Estate Board, September 2018





## **THE MODERN FAMILY**

### ASPIRATIONS VS. REALITY

## REAL ESTATE ASPIRATIONS

OVER 8 IN 10 (83%) YOUNG, URBAN FAMILY HOMEOWNERS WOULD PREFER LIVING IN A DETACHED SINGLE FAMILY HOME IF BUDGET WERE NOT A CONSIDERATION.

12% of young Canadian families prefer an attached home or duplex/triplex/multiplex unit, while 5% favour the purchase of a condominium. The strong preference for single family home ownership is consistent across Canada's largest cities, with slight variations across regions and income levels.

Preference for single family home ownership is highest in Calgary, where 91% of modern families would prefer them over other housing options if budget was not a consideration. Demand for other forms of residential real estate is lower here than in other major Canadian metropolitan areas, with 7% of Calgary families reporting a preference for attached homes or duplex/triplex/multiplex units, and 2% indicating a preference for condominiums.

While 78% of families in Vancouver would prefer single family home ownership if finances were not a consideration, interest in owning attached homes, duplex/triplex/multiplex units and condominiums is higher here than in other cities, with 22% of Vancouver families preferring them to single family homes. 16% favour living in an attached homes or duplex/triplex/multiplex unit. Preference for condominium ownership is 7%, the highest rate among Canada's largest metropolitan areas.

In Toronto, 82% of families would prefer buying a single family home if budget were not a consideration, while 19% favour other housing options. 13% of Toronto families would prefer owning an attached home or duplex/triplex/multiplex unit, and 6% favour a condominium.

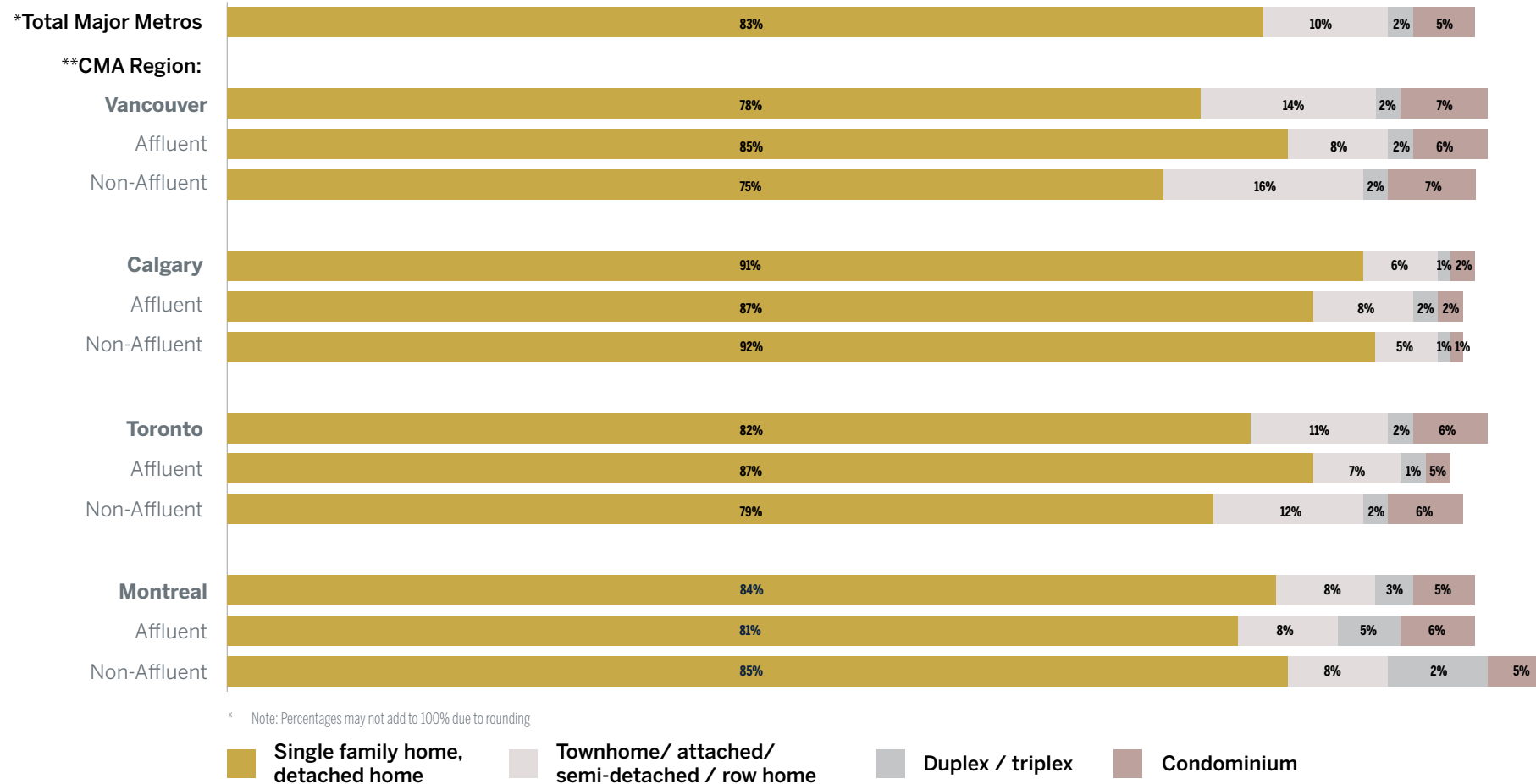
84% of "modern families" in Montreal would favour buying a single family home, while 16% expressed preference for non-single family property types. 11% reported that they would prefer buying an attached home or duplex/triplex/multiplex unit, while 5% would choose to buy a condominium.





# PREFERRED PROPERTY IF BUDGET WERE NOT A CONSIDERATION

Q. IF BUDGET WERE NOT A CONSIDERATION, WHAT TYPE OF PROPERTY WOULD YOU HAVE WANTED TO PURCHASE FOR YOUR PRIMARY RESIDENCE?



\* Base: Total Major Canadian Metropolitan Areas (n= 1,743)  
 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
 Calgary (n=414); Affluent (n=98), Non-affluent (n=316)  
 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177); Non-affluent(n=249)

## ACTUAL HOME OWNERSHIP

WHILE 8 IN 10 (83%) “MODERN FAMILIES” IN MAJOR METROPOLITAN AREAS WOULD PREFER TO OWN A DETACHED SINGLE FAMILY HOME IF BUDGET WERE NOT A CONSIDERATION, JUST OVER HALF (56%) OF HOMEOWNERS PURCHASED ONE.

Findings from the Mustel Group/ Sotheby’s International Realty Canada survey reveal that while single family detached homes are the most commonly purchased property by today’s urban families, the numbers buying them are significantly lower than those who prefer this option. In fact, almost half of homeowners own a residence other than a single family home: 27% bought an attached home or duplex/triplex/multiplex unit, while 17% purchased a condominium.

Trends vary significantly from region to region. The rate of single family home ownership among “modern families” is significantly higher in Calgary than in other major Canadian cities. 74% own a single family home, 17% own an attached home or duplex/triplex/multiplex unit, and 9% purchased a condo.

Single family home ownership was also attained by a majority of modern family homeowners in Montreal, where 61% own a single family home, 21% own an attached home or duplex/triplex/multiplex unit and 18% own a condominium.

In Toronto, home ownership is balanced almost evenly between single family homes and other types of residential housing. While 50% of families own a single family home, 34% had purchased an attached home or duplex/triplex/multiplex unit, and 16% own a condominium.

Vancouver single family home ownership is the lowest amongst families across Canada’s largest metropolitan regions: 46% of

homeowners purchased a single family home. Condominium and attached home/duplex/triplex/multiplex unit ownership is also higher in Vancouver than in other major metropolitan areas, at rates of 27% for condominiums and 27% for condos,

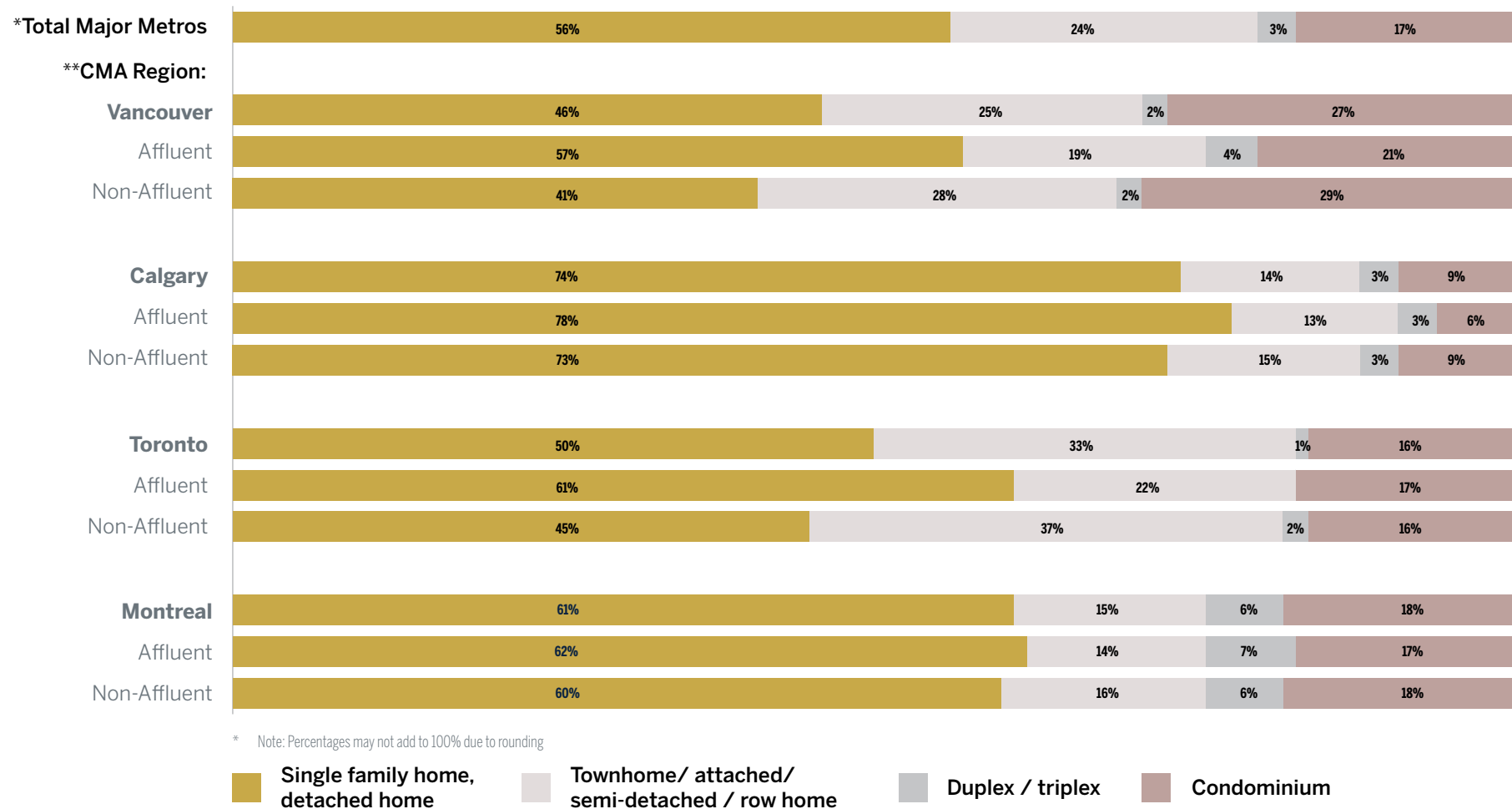
In both Vancouver and Toronto, single family home ownership is significantly more prevalent among affluent families, while the disparity is negligible in Calgary and Montreal. 57% of affluent homeowners in Vancouver own a single family home compared to 41% of non-affluent homeowners, while affluent Toronto homeowners purchased a single family home at a rate of 61% compared to 45% of non-affluent homeowners.





# TYPE OF PROPERTY PURCHASED

Q. WHAT TYPE OF PROPERTY DID YOU PURCHASE?



\* Base: Total Major Canadian Metropolitan Areas (n= 1,743)  
 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
 Calgary (n=414); Affluent (n=98), Non-affluent (n=316)  
 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177); Non-affluent (n=249)

# ABANDONING THE SINGLE FAMILY HOME “DREAM”

4 IN 10 (43%) “MODERN FAMILIES” WHO HAVE PURCHASED REAL ESTATE BUT DO NOT ALREADY OWN A SINGLE FAMILY HOME HAVE ABANDONED THIS “DREAM”, CITING HIGH COSTS AS THEIR BARRIER.

ANOTHER 4 IN 10 (39%) STILL PLAN ON PURCHASING A SINGLE FAMILY HOME WITH 2 IN 10 (18%) PLANNING TO PURCHASE A SINGLE FAMILY HOME IN THE CITY CENTRE, AND ANOTHER 2 IN 10 (21%) PLANNING TO DO SO OUTSIDE THE CITY CENTRE.

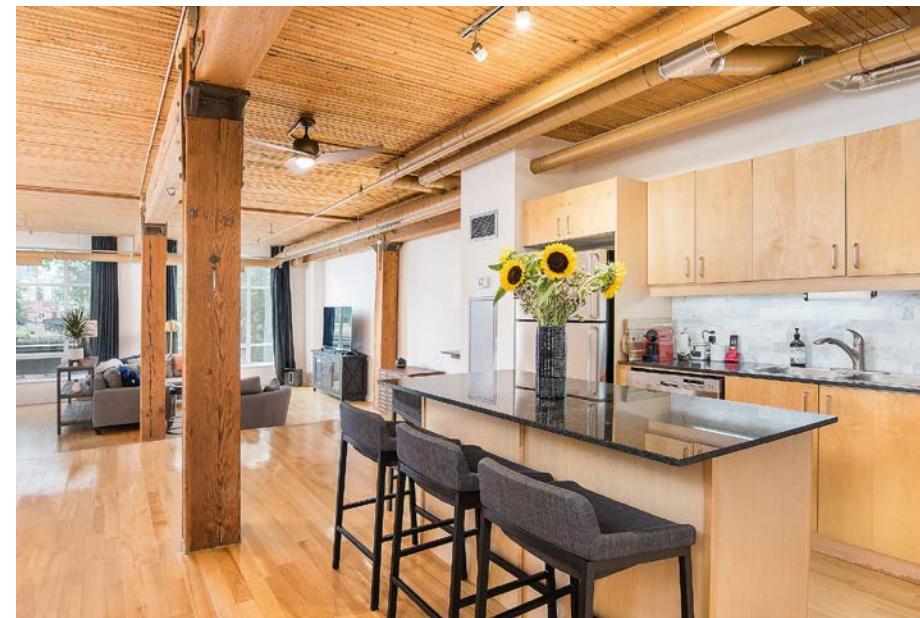
According to the Mustel Group/ Sotheby's International Realty Canada survey, only 18% of families do not aspire to single family home ownership due to their preferences for alternative housing types, such as condominiums or attached homes.

Preferences vary from region to region. Families living in Vancouver, where the benchmark price of single family homes has surpassed \$1.54 million<sup>16</sup> are the most likely to have given up on their dream of single family home ownership due to high costs. Over half (55%) of homeowners who do not yet own a single family home have abandoned their plans to do so, the highest level of the major Canadian cities surveyed. This compares to 42% in Toronto where single family home prices exceed \$1.01 million,<sup>17</sup> 39% in Montreal where the median price of single family homes is \$336,000<sup>18</sup> and

37% in Calgary where benchmark single family home prices are \$493,100.<sup>19</sup>

However, 31% of Vancouver families who own real estate but do not currently own a single family home, still have future plans to buy one within the city centre (16%) or outside of the city centre (15%). This aspiration level is significantly lower than for their counterparts in Toronto, Montreal and Calgary, who have future plans to purchase a single family home at levels of 38%, 41% and 51% respectively.

The percentage of young family homeowners who do not aspire to single family home ownership due to their preference for other housing types is highest in Toronto (21%) and Montreal (20%), while 14% of Vancouver families and 12% of families in Calgary reported this trend.



<sup>16</sup> Greater Vancouver Real Estate Board, Greater Vancouver, September 2018

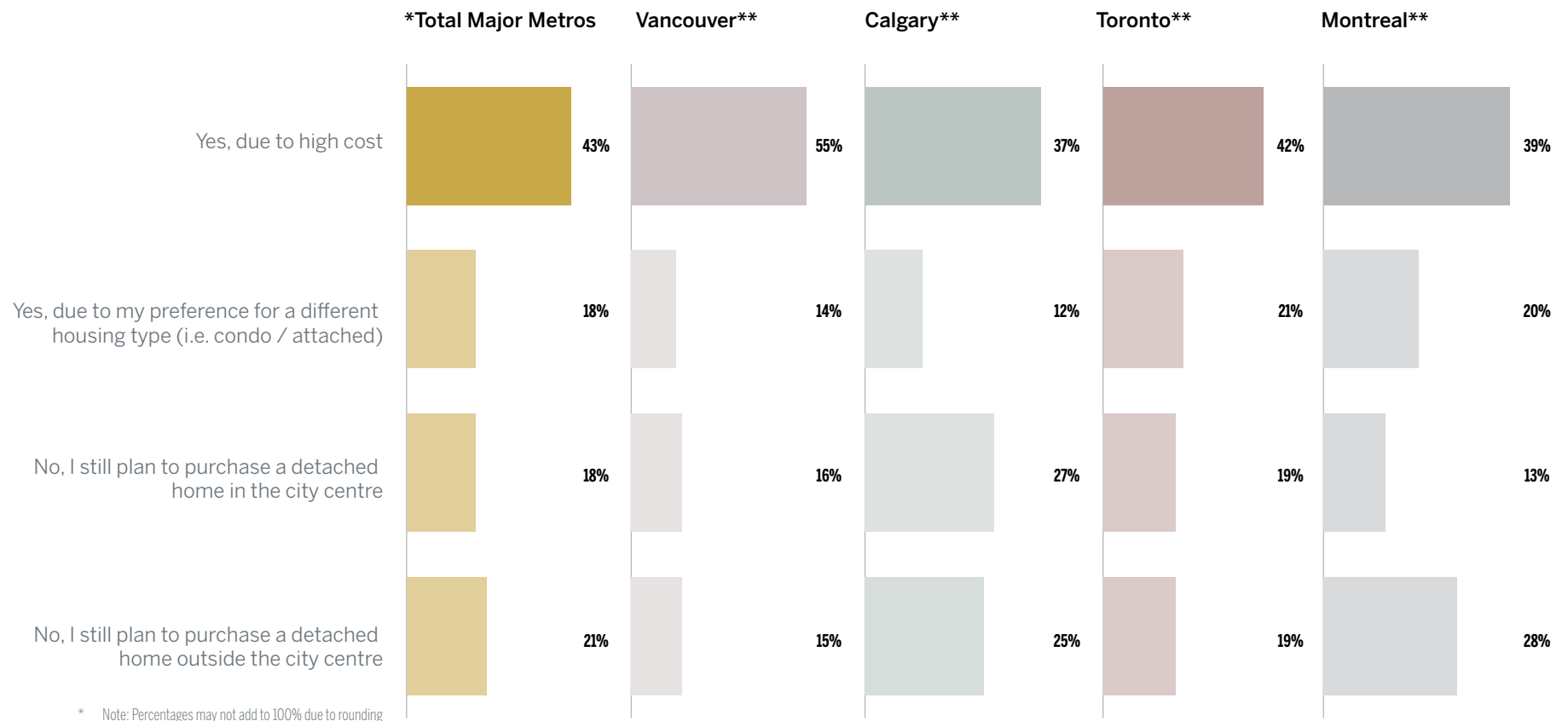
<sup>17</sup> Toronto Real Estate Board, September 2018

<sup>18</sup> Greater Montreal Real Estate Board, September 2018

<sup>19</sup> Calgary Real Estate Board, September 2018

# THE “DREAM” OF HOME OWNERSHIP

Q. HAVE YOU GIVEN UP ON THE TRADITIONAL “DREAM” OF OWNING A DETACHED HOME?



\* Base: Total Major Canadian Metros that do not own a detached home (n=722)  
 Vancouver (n=214), Calgary (n=108), Toronto (n=234), Montreal (n=166)





## **CHARACTERISTICS** OF HOMES PURCHASED

# PRICE

ON AVERAGE MORE THAN HALF (56%) OF “MODERN FAMILIES” FROM ACROSS THE FOUR MAJOR METROPOLITAN AREAS PAID LESS THAN \$500,000 FOR THEIR CURRENT PRIMARY RESIDENCE. THIS RANGES WIDELY FROM 4 IN 10 FAMILIES (37%) WHO PAID LESS THAN THIS AMOUNT IN VANCOUVER, TO 8 IN 10 FAMILIES (80%) IN MONTREAL, WITH TORONTO AND CALGARY FALLING IN BETWEEN AT 4 IN 10 FAMILIES (44%) AND 6 IN 10 FAMILIES (63%) RESPECTIVELY.

Young families in Vancouver paid more for their homes than in any other major Canadian city, reflecting overall residential real estate prices that have increased 74% over the last five years.<sup>20</sup> 16% of modern families spent over \$1 million on their property. 47% purchased their home for \$500,000 – \$999,999.

12% of families in Toronto paid over \$1 million for their current property, while 44% purchased their home for \$500,000 – \$999,999.

Housing is significantly more affordable for families in Calgary in Montreal. 63% of Calgary families purchased their current home for less than \$500,000, while 33% bought their home for \$500,000 – \$999,999. Just 4% of Calgary families spent over \$1 million on their current home.

Families in Montreal paid less for their current home than in any of the major metropolitan areas surveyed. 80% of modern families bought their home for less than \$500,000 and 19% spent \$500,000 – \$999,999 for their property.

<sup>20</sup> Greater Vancouver Real Estate Board, September 2018

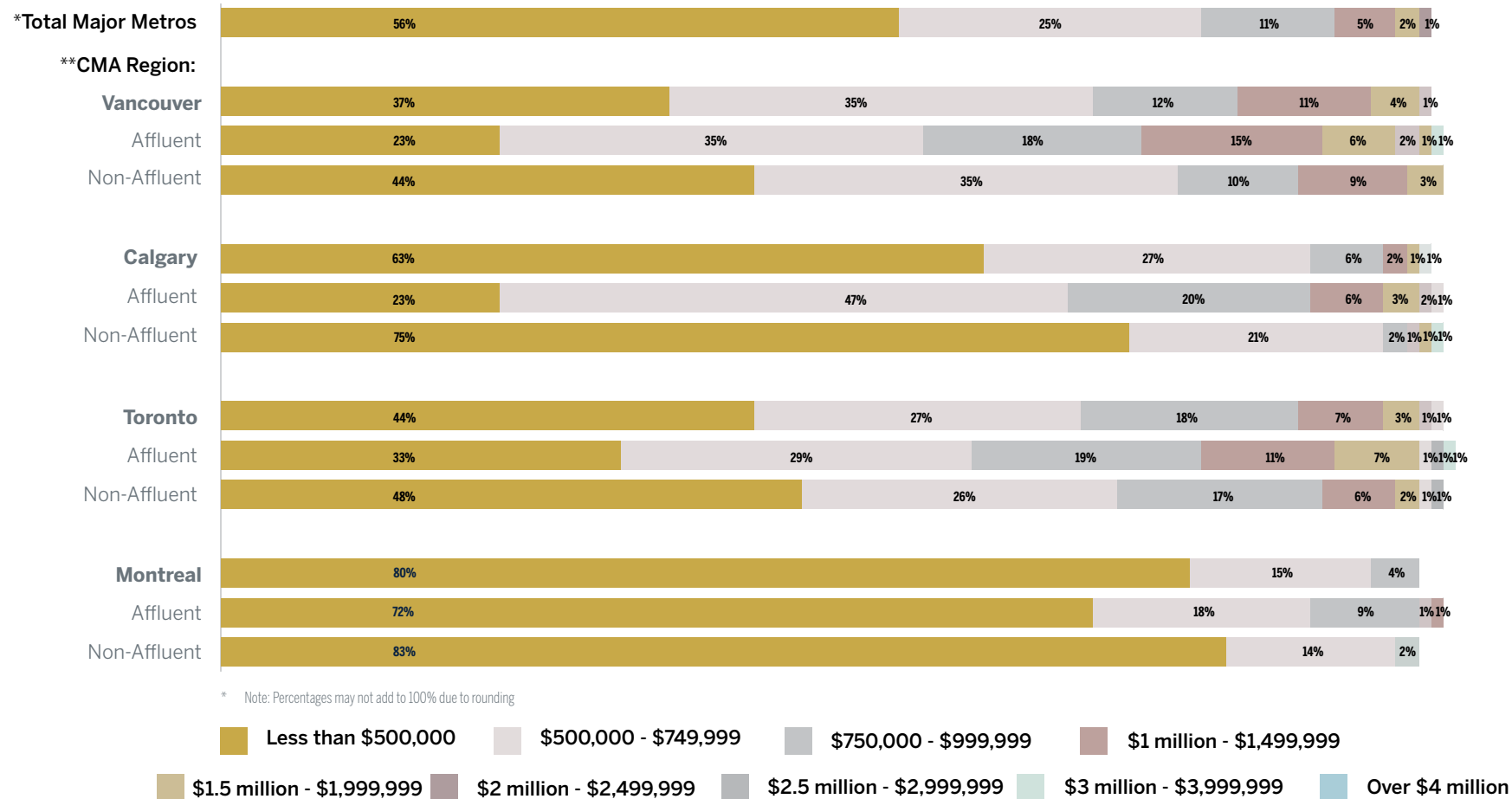
## Timing of Purchase

Overall, approximately 1 in 3 (35%) of “modern family” homeowners purchased their primary residence within the past three years, another 1 in 3 (29%) purchased between four to six years ago, and a further 1 in 3 (35%) purchased over seven years ago.



# PRICE OF HOME AT TIME OF PURCHASE

Q. WHAT WAS THE PRICE OF YOUR CURRENT HOME AT THE TIME YOU PURCHASED IT?

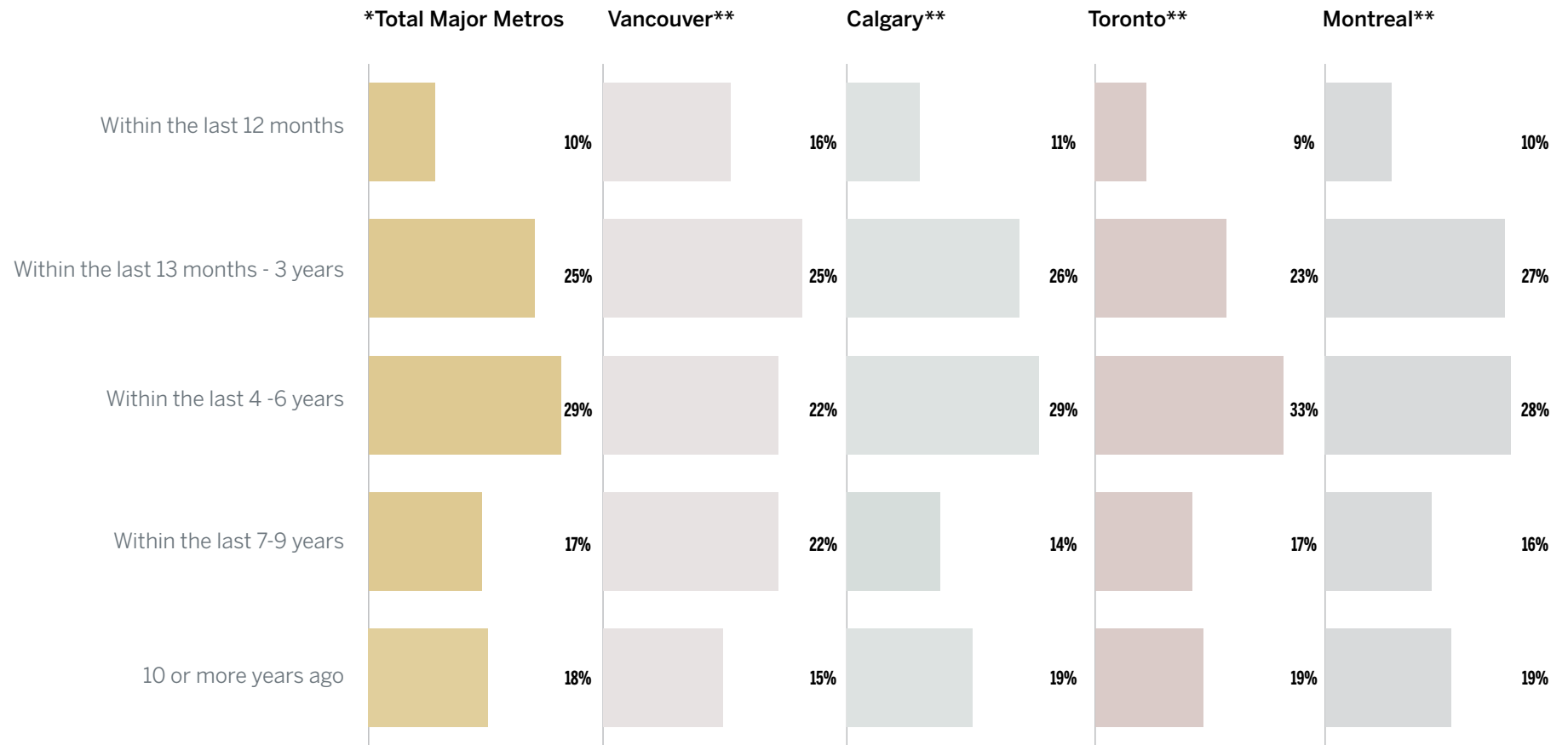


\* Base: Total Major Canadian Metropolitan Areas (n=1,743)  
 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
 Calgary (n=414); Affluent (n=98), Non-affluent (n=316)  
 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177); Non-affluent (n=249)



# PURCHASE TIME OF PRIMARY RESIDENCE

Q. IF YOU OWN YOUR PRIMARY RESIDENCE, WHEN DID YOU PURCHASE IT?



\* Note: Percentages may not add to 100% due to rounding

\* Base: Total Major Canadian Metropolitan Areas (n= 1,743)

\*\* Vancouver (n=401) Calgary (n=414) Toronto (n=502) Montreal (n=426)

## PRIORITY HOME FEATURES

“VALUE PER SQUARE FOOT” IS THE TOP PRIORITY HOME FEATURE FOR HOME PURCHASES, REPORTED BY 5 IN 10 (50%) OF URBAN FAMILIES AS BEING ONE OF THEIR TOP THREE PRIORITIES.

Other top priorities include a home that is “move-in ready” with little or no required renovation (36%), achieving a target number of bedrooms (27%) and acquiring a newer home that is less than five years of age (26%).

Young urban families in every metropolitan area reported value per square foot and move-in readiness as their top two considerations at rates of 43% and 30% respectively in Vancouver, 55% and 36% in Toronto, 50% and 38% in Montreal, and 44% and 38% in Calgary.

Regional differences include a stronger focus on value per square foot for families in Toronto and Montreal, cited as a top priority by 55% and 50% respectively, compared to 44% in Calgary and 43% in Vancouver.

Families in Vancouver are significantly more likely to prioritize secondary suites in their home purchase. 11% of Vancouver families consider having a rental suite for revenue/mortgage purposes a priority in a home purchase, compared to 5% in Toronto, 3% in Calgary and 2% in Montreal. 4% of families in Vancouver prioritize having an in-law suite for parental and family needs, compared to nominal rates of 1–2% in other metropolitan areas.

Compared to those in other regions, Calgary families place a greater priority on buying a newer home of less than five years and one with a garage, with 31% citing these factors as a top priority.



# TOP 3 HOME FEATURE CONSIDERATIONS

| Which of the following were the top 3 home feature priorities in your home purchasing decision? | *TOTAL MAJOR METROS | **VANCOUVER | **CALGARY | **TORONTO | **MONTREAL |
|-------------------------------------------------------------------------------------------------|---------------------|-------------|-----------|-----------|------------|
| Value - good price per sq. ft.                                                                  | 50                  | 43          | 44        | 55        | 50         |
| Move-in ready home, little renovation required                                                  | 36                  | 30          | 38        | 36        | 38         |
| Target number of bedrooms                                                                       | 27                  | 25          | 27        | 28        | 28         |
| Newer home ( 5 years or less)                                                                   | 26                  | 25          | 31        | 26        | 25         |
| Yard space                                                                                      | 19                  | 18          | 18        | 18        | 20         |
| Garage                                                                                          | 19                  | 16          | 31        | 13        | 21         |
| Value - larger than average space for budget                                                    | 18                  | 17          | 16        | 20        | 15         |
| Maximum square footage for budget                                                               | 15                  | 18          | 12        | 17        | 12         |
| Open concept kitchen/ dining/ family room layout                                                | 14                  | 14          | 20        | 13        | 11         |
| Target number of bathrooms                                                                      | 11                  | 14          | 7         | 13        | 9          |
| Separate bedroom for each child                                                                 | 11                  | 10          | 9         | 10        | 15         |
| Patio/deck                                                                                      | 6                   | 7           | 5         | 4         | 11         |
| Number of covered parking spaces                                                                | 5                   | 5           | 3         | 5         | 5          |
| Rental suite / potential rental suite for revenue mortgage helper                               | 5                   | 11          | 3         | 5         | 2          |
| Home office space                                                                               | 3                   | 4           | 7         | 3         | 3          |
| Shared amenities, e.g. swimming pool, gym, games room                                           | 3                   | 3           | 1         | 3         | 4          |
| Entertainment room/ play room                                                                   | 2                   | 3           | 3         | 1         | 3          |
| In-law suite/ potential in-law suite for parents/ other family needs                            | 2                   | 4           | 1         | 1         | 2          |
| Smart home technology eg. electric car charger                                                  | 1                   | 1           | 1         | 2         | 1          |

\* Note: Percentages do not add to 100% due to multiple responses.

\* Base: Total Major Canadian Metropolitan Areas (n= 1,743)  
 \*\* Vancouver (n=401) Calgary (n=414) Toronto (n=502) Montreal (n=426)



## PROPERTY SIZE

### CLOSE TO 7 IN 10 (66%) YOUNG, URBAN FAMILY HOME OWNERS PURCHASED A PROPERTY UNDER 2,000 SQ. FT.

21% of urban families purchased a home under 1,000 sq.ft., 24% purchased a home between 1,000 –1,499 sq.ft. and 22% purchased a home between 1,500–1,999 sq. ft. Properties over 2,000 sq. ft. were purchased by just 33% of modern families across Canada's major metropolitan areas.

Urban families in Montreal and Vancouver are more likely than those in Calgary and Toronto to have purchased a property of less than 1,500 sq. ft. More than half of those in Montreal (57%) and almost half in Vancouver (47%) reported a property purchase of less than 1,500 sq. ft. compared with 37% of families in Toronto and 36% in Calgary.

## NUMBER OF BEDROOMS & BATHROOMS

### THREE BEDROOM, TWO BATHROOM PROPERTIES ARE THE MOST COMMONLY PURCHASED HOME.

Overall, 44% of families own a home with three bedrooms, and 74% own a home with three bedrooms or more.

Families in Vancouver are the least likely to own a property with three or more bedrooms at a rate of 64%, compared to those in Calgary (79%), Toronto (78%), and Montreal (71%). Instead, Vancouver families are more equally likely to own a two, three or four-plus bedroom home at rates of 29%, 34% and 30% respectively.

Of the four metropolitan areas, Calgary families are the most likely to have purchased a home with three or more bedrooms: 51% own a three-bedroom home, while 28% own a home with four or more bedrooms.

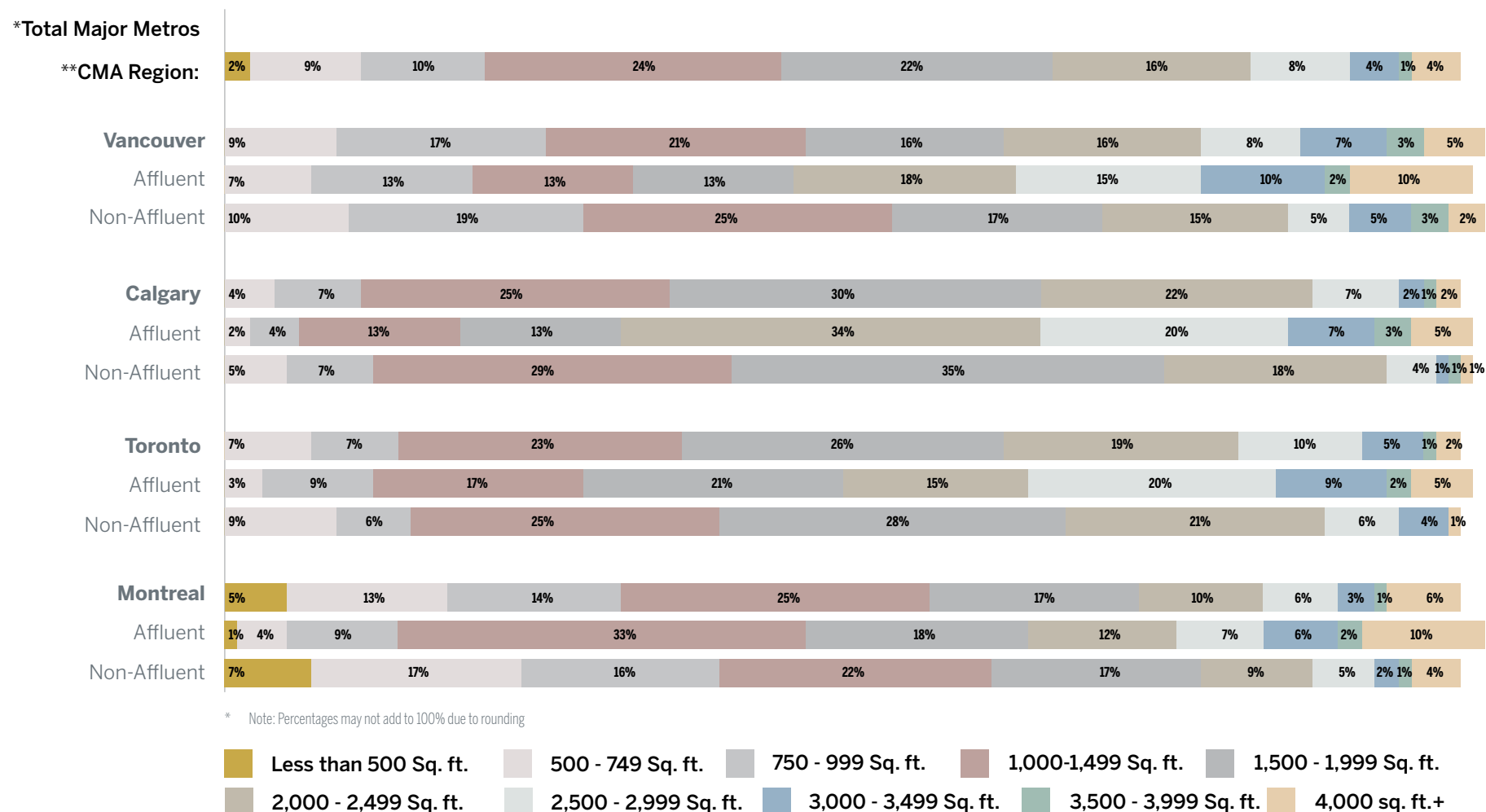
In Toronto and Montreal, families are most likely to have purchased a three-bedroom property at 45% in both metropolitan areas, while 33% of Toronto families and 26% of Montreal families purchased a home with four or more bedrooms.

At the same time, 83% of families purchased properties with at least two bathrooms.



# APPROXIMATE SIZE OF PROPERTY PURCHASE

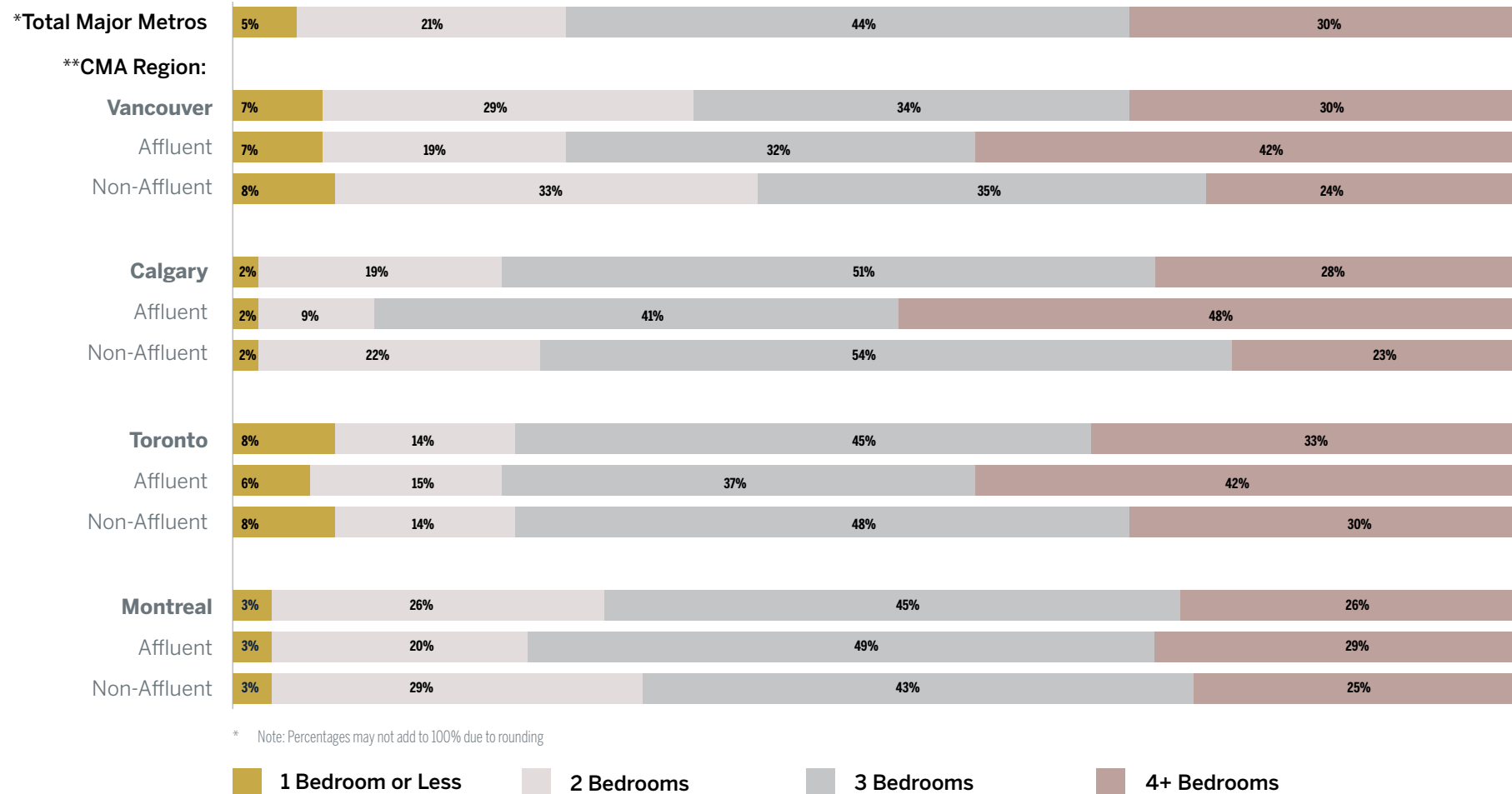
Q. APPROXIMATELY HOW MANY SQUARE FEET IS THE PROPERTY YOU PURCHASED?



\* Base: Total Major Canadian Metropolitan Areas (n=1,743)  
 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
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 Montreal (n=426); Affluent (n=177), Non-affluent (n=249)

# NUMBER OF BEDROOMS IN PROPERTY PURCHASED

Q. HOW MANY BEDROOMS ARE IN THE PROPERTY YOU PURCHASED?

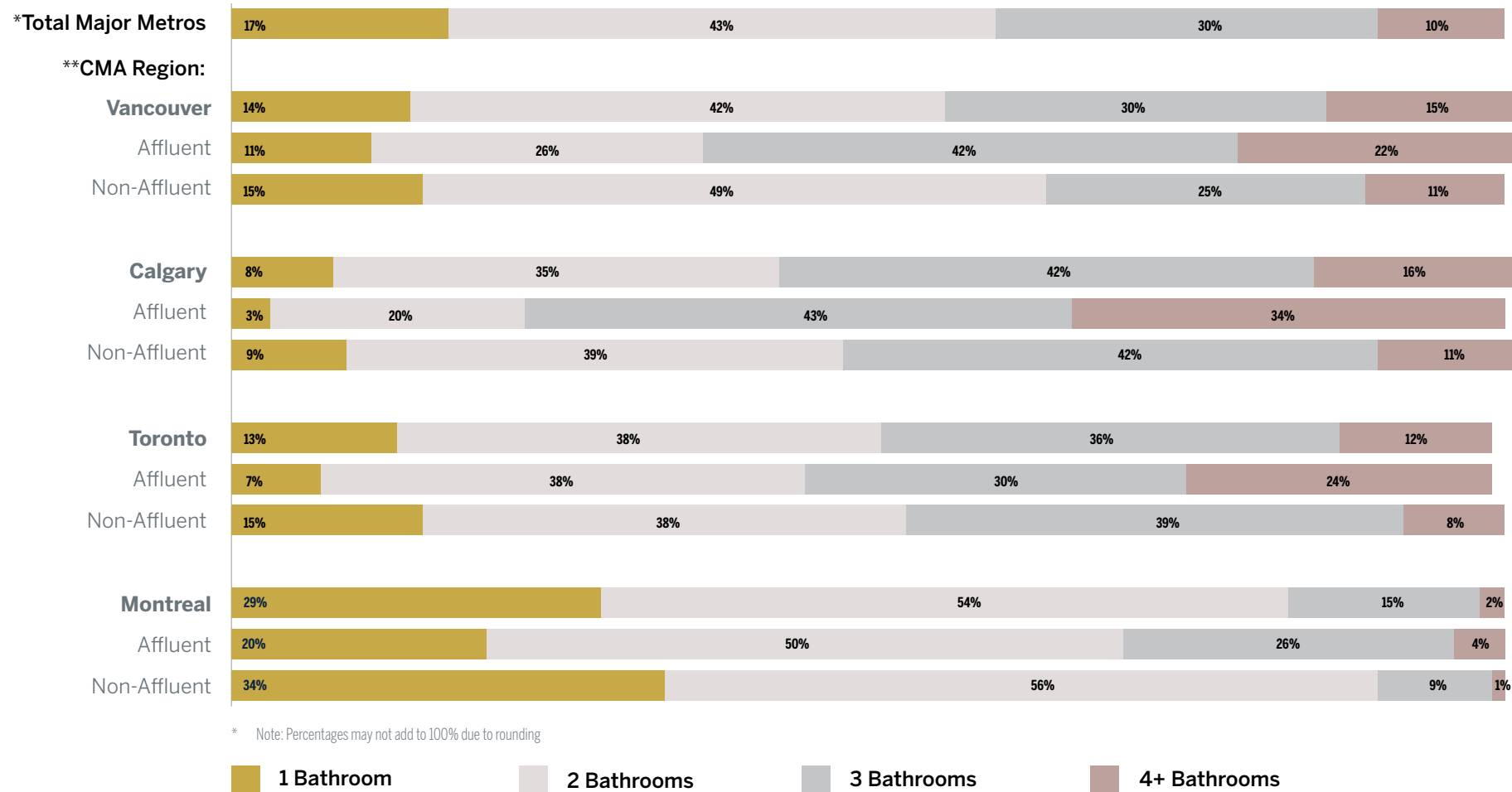


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 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177), Non-affluent (n=249)



# NUMBER OF BATHROOMS IN PROPERTY PURCHASED

Q. HOW MANY BATHROOMS ARE IN THE PROPERTY YOU PURCHASED?



\* Base: Total Major Canadian Metropolitan Areas (n=1,743)  
 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
 Calgary (n=414); Affluent (n=98), Non-affluent (n=316)  
 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177), Non-affluent (n=249)

## KEY COMPROMISES

ONLY 2 IN 10 (18%) FAMILIES REPORTED THAT THEY HAD NOT MADE ANY COMPROMISES IN THE HOME THEY PURCHASED.

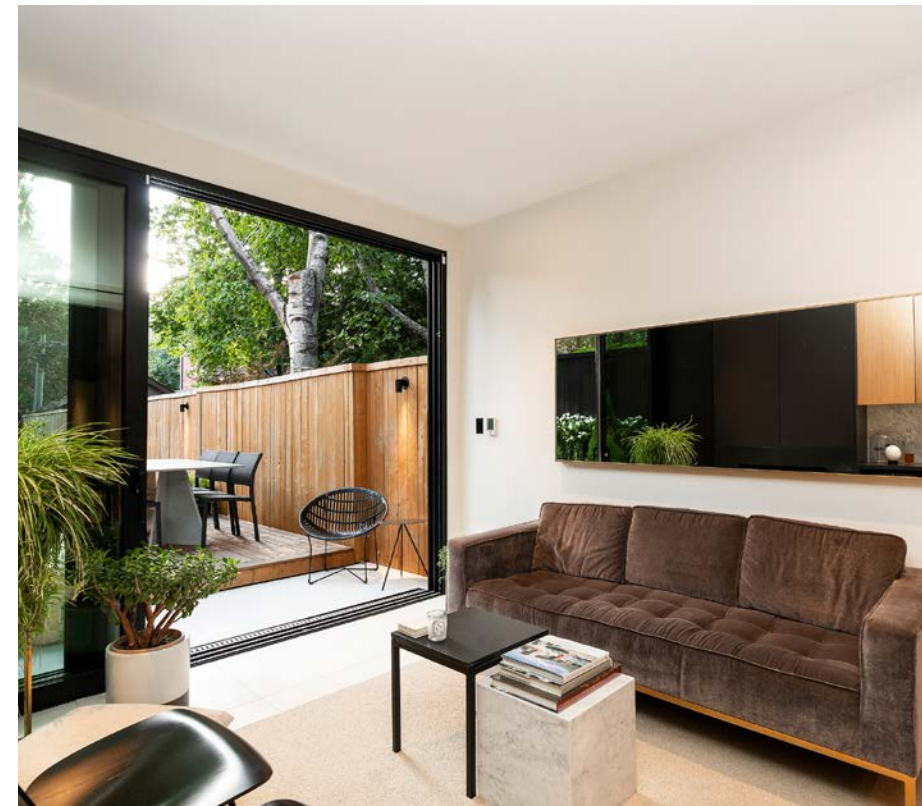
The main compromises made by modern family homeowners are going over budget, buying a home that needs more renovations than desired, buying an older property, and having less yard space. 18% of families cited these factors as being among their top three compromises.

The most frequently cited compromises varied slightly across the major metropolitan areas. In Vancouver, buying a home above target budget, with less than desired yard space, and buying an older home, are the top three compromises reported, at rates of 23%, 22% and 18% respectively.

Toronto families reported the need for renovation (20%), above-budget home price (19%) and square footage (19%) as their key compromises.

Property age (22%), lack of garage (20%) and distance from the city centre/downtown core (19%) were cited as the most frequent compromises made by families in Montreal. Montreal's modern families are the least likely to compromise their target budget when buying a home at a level of 12%, compared to 23% who did so in Vancouver and Calgary, and 19% in Toronto.

In Calgary, families reported excessive price, yard space and distance from city centre/downtown as the leading compromises in their purchased home, at rates of 23%, 21% and 20% respectively.



### 3 MAIN COMPROMISES MADE IN HOME PURCHASED

| What are the 3 main compromises in the home you purchased?           | *TOTAL MAJOR METROS | **VANCOUVER | **CALGARY | **TORONTO | **MONTREAL |
|----------------------------------------------------------------------|---------------------|-------------|-----------|-----------|------------|
| Actual home price was about my target budget.                        | 18                  | 23          | 23        | 19        | 12         |
| More renovation required than desired                                | 18                  | 14          | 19        | 20        | 18         |
| Older property than desired                                          | 18                  | 18          | 14        | 16        | 22         |
| No/ less yard space than desired                                     | 18                  | 22          | 21        | 16        | 15         |
| Less square footage than desired                                     | 17                  | 15          | 14        | 19        | 17         |
| Farther from city centre/ downtown than desired                      | 17                  | 14          | 20        | 15        | 19         |
| No garage                                                            | 13                  | 6           | 14        | 10        | 20         |
| Home was not in my preferred neighbourhoods                          | 12                  | 11          | 12        | 12        | 14         |
| Fewer # of bedrooms than desired                                     | 11                  | 11          | 11        | 11        | 10         |
| Fewer parking spaces than desired                                    | 10                  | 11          | 8         | 11        | 9          |
| Layout was undesirable                                               | 9                   | 11          | 9         | 10        | 7          |
| Fewer # of bathrooms than desired                                    | 9                   | 7           | 7         | 10        | 9          |
| Lack of shared amenities, e.g., swimming pool, gym, games room       | 8                   | 15          | 5         | 7         | 8          |
| No patio/ deck                                                       | 7                   | 6           | 8         | 9         | 4          |
| No rental suite/ potential rental suite for revenue/ mortgage helper | 6                   | 7           | 8         | 8         | 3          |
| Lack of smart home technology, e.g. electric car charger             | 6                   | 5           | 7         | 5         | 8          |
| No entertainment room/ play room                                     | 6                   | 7           | 7         | 4         | 6          |
| No in-law suite for parents/ other family needs                      | 4                   | 6           | 5         | 3         | 4          |
| I did not make any compromises                                       | 18                  | 18          | 17        | 20        | 17         |

\* Note: Percentages do not add to 100% due to multiple responses.



# **SATISFACTION & REAL ESTATE** MARKET CONFIDENCE



## OVERALL SATISFACTION

OVER 9 IN 10 MODERN FAMILY HOMEOWNERS ARE SATISFIED WITH THE HOME THEY OWN, REGARDLESS OF THE PRICE PAID, PROPERTY TYPE, HOME FEATURES OR COMPROMISES MADE. 93% REPORT THEY ARE EITHER “VERY” OR “SOMEWHAT SATISFIED”.

Of the metropolitan areas surveyed, families in Toronto and Montreal have the highest level of satisfaction with their real estate purchase, with 95% of Toronto families and 94% of Montreal indicating that they are either “very” or “somewhat satisfied”. Montreal families have the strongest levels of satisfaction as homeowners, with over half (55%) indicating that they are “very satisfied” with their home, compared to 46% in Toronto.

91% of Calgary families expressed satisfaction with their home, with 42% reporting that they are “very satisfied”.

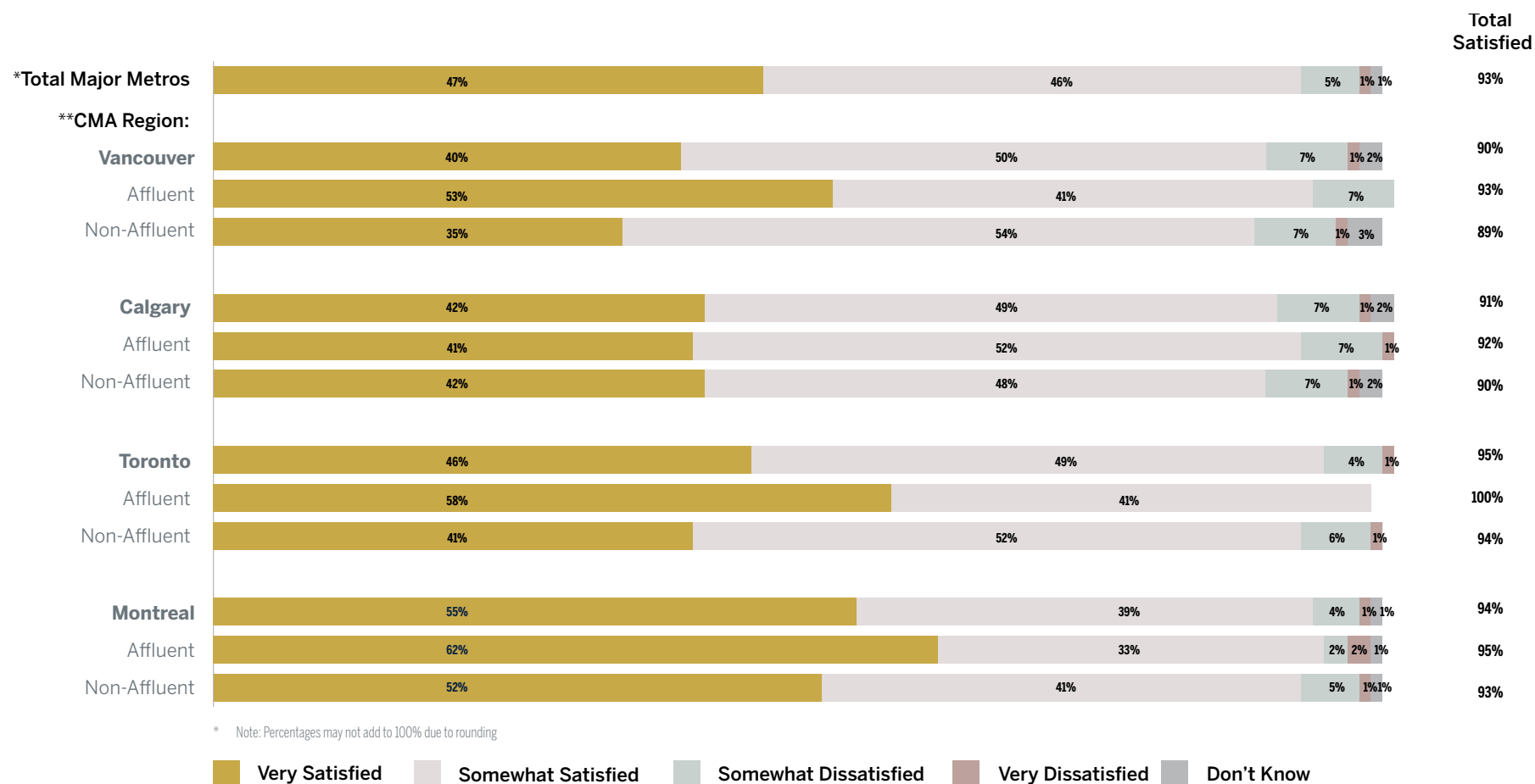
While 90% of Vancouver families express some level of satisfaction with their home, 40% indicate that they are “very satisfied” with their home purchase, the lowest levels of the metropolitan regions surveyed. The disparity in satisfaction between Vancouver’s affluent and non-affluent families is also the most pronounced of the major metropolitan areas: 53% of affluent Vancouver families indicated they are “very satisfied” with their home compared to 35% of non-affluent families.

While Toronto reflected a similar gap in satisfaction, with 58% of affluent families indicating they are “very satisfied” with their home compared to 41% of non-affluent families, the differential in satisfaction rates based on affluence was less extreme in Montreal where 62% of affluent families indicated they were “very satisfied” compared to 52% of non-affluent families. In Calgary, satisfaction is more consistent between the affluent and less affluent, with 41% and 42% indicating that they are “very satisfied” with their home respectively.



# SATISFACTION WITH PROPERTY PURCHASE

Q. CONSIDERING EVERYTHING, HOW SATISFIED ARE YOU WITH THE PROPERTY YOU PURCHASED?



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 \*\* Vancouver (n=401); Affluent (n=143), Non-affluent (n=258)  
 Calgary (n=414); Affluent (n=98), Non-affluent (n=316)  
 Toronto (n=502); Affluent (n=180), Non-affluent (n=322)  
 Montreal (n=426); Affluent (n=177); Non-affluent(n=249)

## REAL ESTATE MARKET CONFIDENCE

8 IN 10 (78%) OF YOUNG, URBAN CANADIAN FAMILIES BELIEVE THEIR HOME WILL EITHER OUTPERFORM OR MATCH THE PERFORMANCE OF THEIR FINANCIAL INVESTMENTS IN THE NEXT FIVE YEARS, WITH 5 IN 10 (48%) MAINTAINING THAT REAL ESTATE WILL OUTPERFORM FINANCIAL INVESTMENTS, AND 3 IN 10 (30%) BELIEVING THEY WILL BE ON PAR.

Confidence in the real estate market remains high for young Canadian family owners across the country's major metropolitan areas, with levels within a consistent range across Vancouver, Toronto and Montreal.

Real estate market confidence levels are highest in Toronto, where 83% of young families believe their home investment will outperform or match their financial investments over the next five years. 55% believe real estate gains will outstrip their financial investments, the highest confidence levels of the metropolitan areas surveyed. According to Sotheby's International Realty Canada experts, consumer apprehension in the Greater Toronto Area following the introduction of the Ontario Fair Housing Plan and the tightening of mortgage lending rules has largely dissolved, with overall real estate consumer confidence levels expected to strengthen across all demographics to the end of 2018.

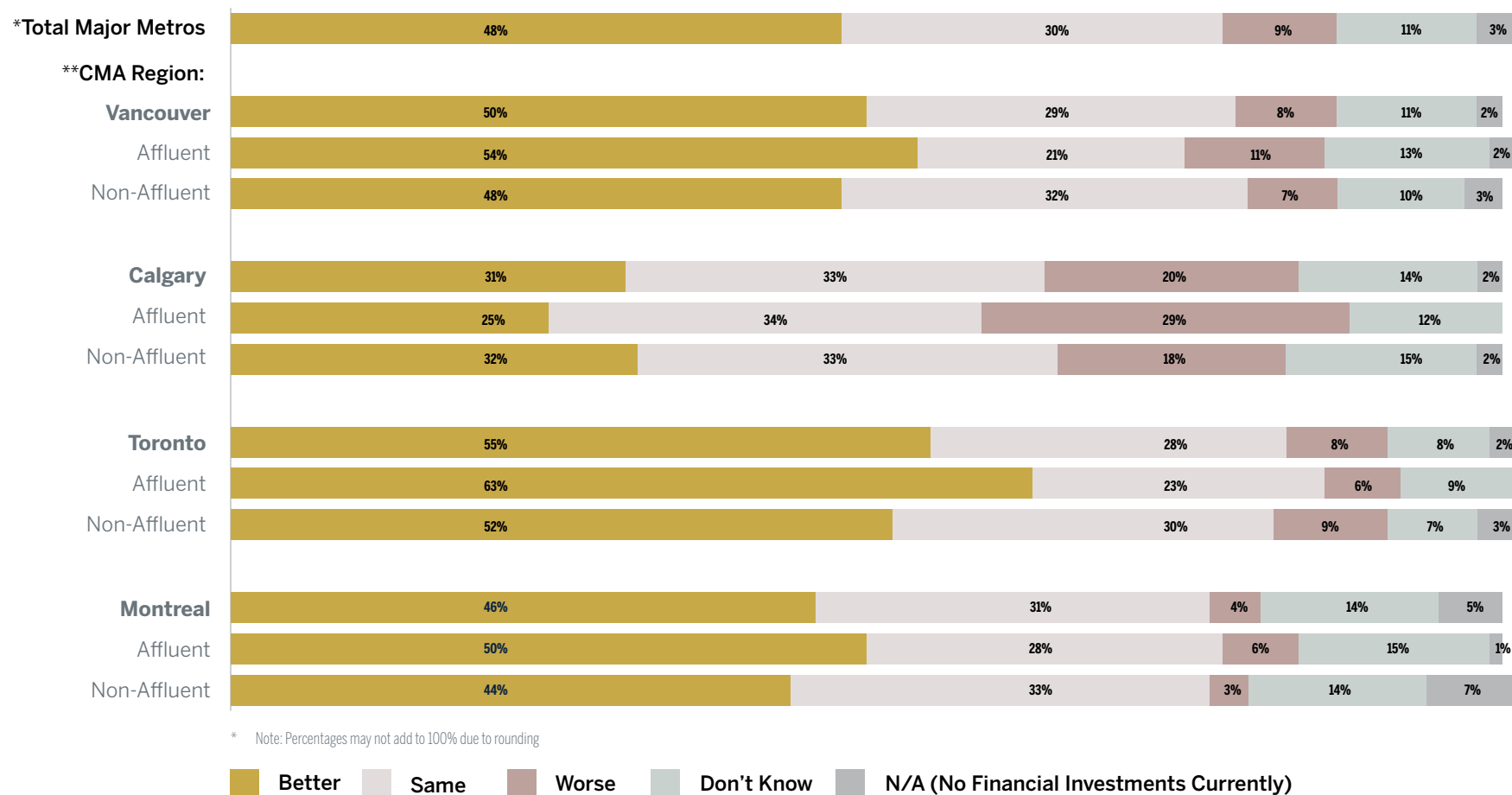
In spite of a decelerating real estate market, 79% of Vancouver families believe that financial gains on their home will outperform or be on par with financial assets over the next five years. 50% believe that real estate gains will surpass financial asset performance.

Real estate market confidence is also high in Montreal, where 77% of young families maintain that financial returns on their home property will either exceed or match financial investments, with 46% indicating that real estate will surpass financial investments. With record-setting gains reported in Montreal's conventional and top-tier real estate markets, Sotheby's International Realty Canada experts report that confidence levels are strengthening across all real estate consumer segments.

In spite of significant challenges confronting the Calgary real estate market, including economic headwinds, a pullback in heavy oil prices and rising mortgage rates that have disproportionately impacted homebuyers in a recovering economy, real estate confidence levels are resilient amongst the region's young families. 64% of families who own real estate maintain that their homes will outperform or match their financial investments in the next five years, with 31% believing that real estate will surpass other financial investments. However, 20% of Calgary families believe real estate will perform worse than other financial investments, more than double the levels of other major metropolitan areas.

# FUTURE PERFORMANCE OF HOME INVESTMENT VS. FINANCIAL INVESTMENTS

Q. CONSIDERING EVERYTHING, HOW DO YOU THINK YOUR HOME PROPERTY WILL PERFORM COMPARED TO YOUR FINANCIAL INVESTMENTS (E.G. RRSP, TFSAS, STOCKS/ BONDS, ETC.) IN THE NEXT 5 YEARS?



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 Montreal (n=426): Affluent (n=177), Non-affluent (n=249)



## YEARS IN CURRENT HOME

CLOSE TO HALF (49%) OF URBAN FAMILIES EXPECT TO LIVE IN THE HOME THEY PURCHASED FOR A TOTAL OF 9 YEARS OR MORE.

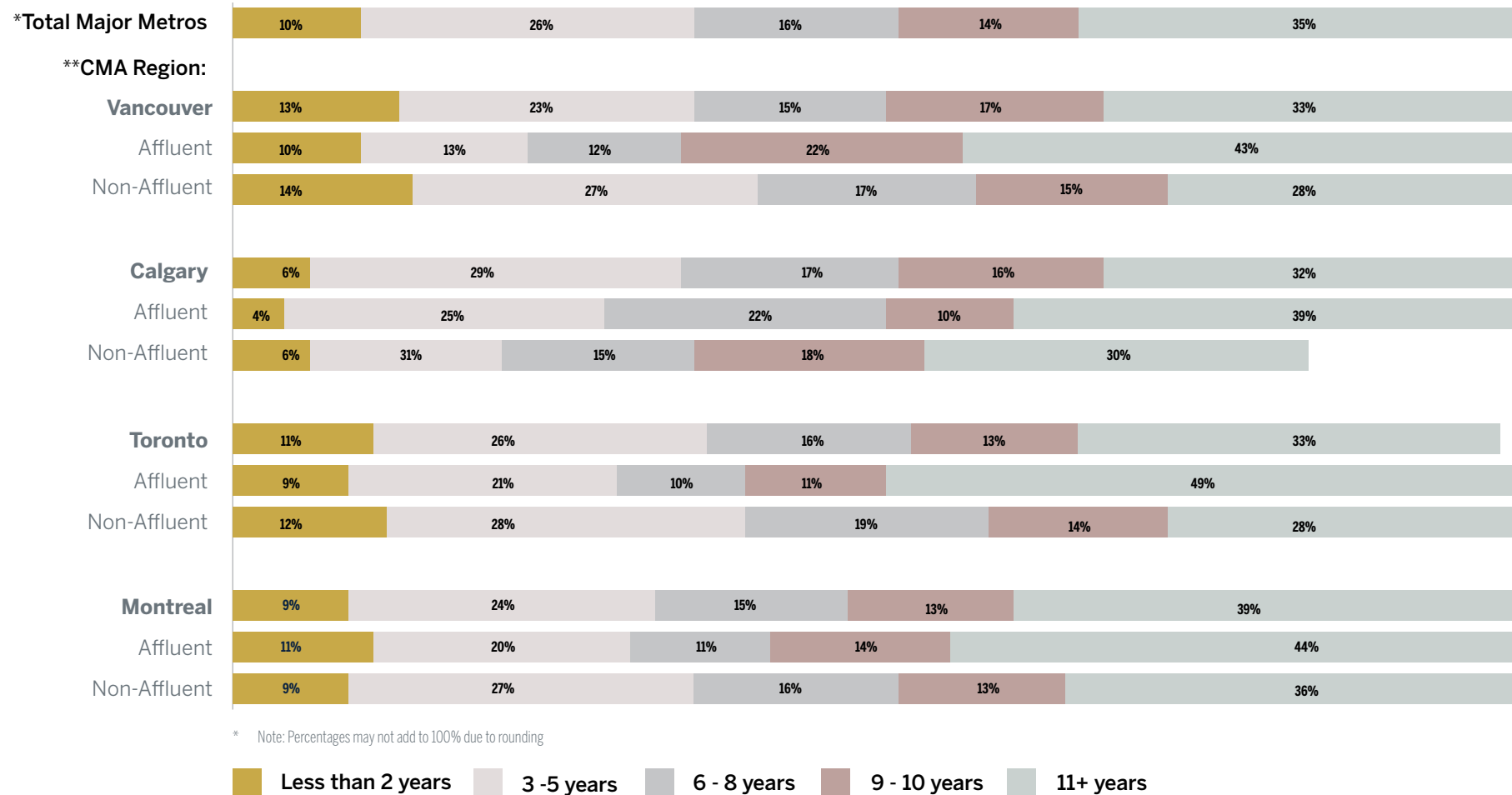
In each of Canada's major metropolitan regions, about half of families surveyed expect to live in the home they purchased for nine years or more, at rates of 52% in Montreal, 49% in Vancouver, 48% in Calgary and 47% in Toronto.

Affluent families in Vancouver and Toronto are more likely to anticipate living in their home for a longer term. 65% of affluent Vancouver families expect to live in their home for nine years or more compared to 43% of families with more conventional incomes, while 60% of affluent families in the Toronto metropolitan area expect to live in their home for over nine years compared to 42% of less affluent homeowners. The disparity between affluent and average income families is less pronounced in Calgary and Montreal.



# TIME INTENDED TO LIVE IN CURRENT HOME

Q. IN TOTAL, HOW LONG DO YOU INTEND TO LIVE IN YOUR CURRENT HOME?



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