

First-time homebuyers active in Canada's housing market

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Despite the rising prices of homes, this hasn't stopped first-time homebuyers from jumping into the housing market.

Between January 2013 to May 2015, 620,000 homes were sold with first-time buyers scooping up about 45 per cent of them (280,000 homes), [according to a recent Canadian Association of Accredited Mortgage Professionals \(CAAMP\) report](#).

While the majority of these first-time homebuyers were within the 25 to 34 age range, there were still a few first-time buyers who were older between the ages of 45 to 64.

For many first-time homebuyers, their average budget was \$251,000 to \$333,000, which many of them stuck to since the average amount spent was \$318,000.

Many first-time homebuyers avoided paying mortgage default insurance with average down payments of \$67,000, which is 21 per cent of the purchase price. To come up with a down payment, many first-time buyers (18 per cent) received help from family in the form of a gift or loan or they tapped into their RRSPs (10 per cent) or TFSA (five per cent).

Deciding to purchase property is no easy decision with many first-time buyers saying they found buying a home as stressful (56 per cent), exciting (49 per cent) or educational (44 per cent). There's lots to consider when buying a home, with the top issues being housing prices and their budgets, not finding properties they like and the property's location.

Many first-time buyers are well prepared to buy a home with 75 per cent of them getting preapproval for their mortgages. They were also less concerned about competing with other buyers, falling home prices, mortgage qualification, down payments, a change in lifestyle or needing to make a snap decision on their home purchase.

More than half of first-time homebuyers ventured into the housing market to stop renting, but they are also buying to build equity or for appreciation (32 per cent) and to for the pride of being a homeowner (32 per cent).

Many recent homebuyers opted to lock down their mortgages with fixed rates (72 per cent) with the average interest rate for homebuyers at three per cent. Many opted for five-year terms and it's expected they would have an amortization period of 22.7 years, but many homeowners expect to pay back their loan five years earlier.

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