

One third of first-time homebuyers receive money from family

Categories : [First-time homebuyer](#), [Rebate Blog](#)

As Canada's housing market continues to climb despite warnings of a soft landing or hard crash, many real estate watchers say this trend is fueled by [foreign investors](#) and family members gifting money to help first-time homebuyers afford a home.

There is little data available into the number of first-time homebuyers who receive monetary gifts or loans, but a recent survey by private mortgage insurer Genworth sheds some light into this trend.

Thirty seven per cent of first-time homebuyers paid for their home purchase with some money that they didn't save or earn, according to the [2015 Genworth Canada – First-Time Homeownership Study](#). In these cases, 22 per cent of first-time homeowners received the money as gift from family, nine per cent received the money as a loan from family, five per cent received the money as a wedding gift and one per cent received the money as a part of their inheritance.

Many first-time homebuyers paid \$293,000 with a \$34,000 downpayment, which accounted for 12 per cent of the total cost of the home, and a mortgage of \$242,000. About 63 per cent of those surveyed had a high ratio mortgage where they paid a downpayment of less than 20 per cent.

The majority of first-time homeowners (55 per cent) bought fully detached homes, followed by 17 per cent of new homeowners buying condos. New homeowners in Toronto, Montreal, Calgary and Vancouver were more likely to buy a condo as their first home.

Also, many new homeowners (80 per cent) bought resale homes, but those living in Calgary (31 per cent), Alberta (31 per cent) and Vancouver (36 per cent) were more likely to buy a brand new home.

First-time homebuyers were more likely to have a higher income than the general population with 31 per cent boasting household incomes higher than \$100,000. Many new homeowners worked full-time (81 per cent), had a post secondary education (89 per cent) and were married or in a common law relationship (81 per cent). One fifth of the new homeowners were also born outside Canada.

The majority of people buying a home bought it with a spouse or partner (62 per cent), while 35 per cent bought property on their own and two per cent bought it with their parents.

The most popular reasons for buying a home included believing that owning a home was a wiser financial decision (53 per cent), having saved enough for a downpayment (47 per cent) and

wanting to own the home you live in so you are in control of it (47 per cent).

Many homeowners were savvy shoppers with price considered a very important or somewhat important factor in their choice, but the neighbourhood's safety, size and space of the home and the style and design of the home were all factors in their decision.

"The survey shows that today's first-time homebuyers have their eyes wide open, their hands firmly on their pocketbook and are thinking hard before assuming the responsibility of homeownership," [said Stuart Levings, President and CEO of Genworth Canada, in a press release](#). "This prudence and careful planning should serve Canada's housing market well as responsible first-time buyers grow into responsible long-term owners."

The survey conducted interviews with 1,800 new homeowners who had bought properties in the last 24 months and were between the age of 25 to 40.

Homeowners may not be aware of the [HST rebate](#), which can be claimed whether you plan to live in the property or rent it out and if you've bought a newly built property. [Rebate4U](#) can help you property claim your money back so you don't run into [issues with the CRA](#) in the future. Our priority is to provide our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.