

How much are first-time homebuyers willing to spend?

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

#187856790 / gettyimages.com

With prices in Canada's housing market continuously climbing with no end in sight, it's a hard market to break into for first-time homebuyers.

It's no wonder that the average budget for a hopeful first-time homeowner has increased to \$316,000, which is up \$16,000 from the average budget last year, [according to BMO's annual Homebuying Report](#). But buyers continued to save the same amount in preparation with the average downpayment percentage remaining at 16 per cent (\$50,576), says the report.

Unfortunately, it looks like the average budget will be enough for first homes in some cities with Montrealers spending an average of \$237,900. Meanwhile, buyers in Toronto, Calgary and Vancouver need larger budgets with the average cost of the first home reaching \$408,300, \$363,400 and \$506,500, respectively.

Also it likely doesn't come as a surprise that six out of ten Canadians are putting their home purchasing plans on hold with 39 per cent citing high real estate costs as a reason.

But don't count first-time homebuyers out yet since one third of those surveyed expect to get help from friends and family in their large purchase. This percentage rises to 40 per cent in the cities of Montreal and Vancouver.

Meanwhile, younger Canadians may still be barred from the housing market with the average age of a first-time homeowner rising to 36, says a BMO poll. This is huge jump in age from the average age of 29 in 2013. Calgary is home to the youngest homeowners in the nation with an average of 32, but even then it's a change from the past where many current homeowners bought their first property before the age of 30.

While there's greater interest for homebuyers to own a house, interest dropped this year, while interest in owning a condo increased. Fifty four per cent of Canadians considering a property purchase within the next five years are looking at houses, while 22 per cent of Canadians considering a property purchase in the next five years are looking at condos.

It's important that first-time homeowners save enough for their [closing costs](#), along with a downpayment. Also, they can save money on their home purchase if they buy a newly built home

or condo, which qualifies them for an [HST housing rebate](#).

[Rebate4U](#) can help you receive the maximum HST rebate back and ensure that the [CRA won't take your HST rebate back later](#). 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.