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## Family fund: \$115K is the average gift for 1st-time homebuyers, CIBC says



Nathaniel Dove || June 25, 2024

More Canadians are getting help from family to buy their first home – and they're getting substantially more money to do it than a few years ago, according to new research published by CIBC.

"Homebuyers relying on a wealth transfer from their parents in order to purchase a home is becoming the norm in Canada," the report states.

The data shows 31 per cent of first-time homebuyers have received financial help from family members so far in 2024, compared with 20 per cent in all of 2015.

And the amount of money they received rose to \$115,000 on average, a 73 per cent increase above 2019 levels.

"Given the surge in home prices during the pandemic," the report finds, "it's not surprising that gift amounts have risen sharply and have risen recently despite the decrease seen in home prices."

Gift amounts have a strong correlation with home prices but gifts have continued to increase while home prices dropped since 2021, during the pandemic, the authors write.

"The increase in gift sizes has likely been facilitated by parents downsizing and reaping the benefits of high home prices upon selling their principal residence."

The research also states "mover uppers," – people moving into bigger homes – are also benefiting from gifts from family. Just 12 per cent are receiving help from family but those who are get even more money, around \$167,000 on average.

First-time buyers in Ontario and British Columbia relied more heavily on gifts than the rest of the country, with 36 per cent in both provinces getting family help.

The B.C. buyers who receive a gift get, on average, \$204,000 while Ontarians receive \$128,000. CIBC suggests this reflects the west coast having more expensive houses.

The report concludes by stating that this trend “is helping to mitigate the bite of housing inflation for buyers, but unfortunately is also contributing to a widening of the already wide wealth gap in Canada.”