

Calgary Herald – October 21, 2024

## Well-prepared first-timers can find a foothold in today's homes market

*Report: 74 per cent of younger Canadians believe homeownership is a lifetime priority, yet only 54 per cent believe it's an achievable goal.*

Joel Schlesinger || October 21, 2024



Only a little more than half of young Canadians feel that they will be able to buy a home, says a Royal LePage study. PHOTO BY JIM WELLS /Postmedia

Young Canadians may dream of homeownership, but increasingly, they're saying that dream may never be a reality, a recent survey shows.

“There’s always talk about the dream of home ownership in Canada, and whether that dream is being blunted by things like cost of living increase or demographic changes,” says Karen Yolevski, chief operating officer of Royal LePage in Toronto.

The recent Royal LePage 2024 Demographic Survey: Next Generation of Buyers polled Canadians ages 18 to 38, finding that 74 per cent believed homeownership is a lifetime priority.

Yet only 54 per cent believed it was an achievable goal.

“That sentiment that it’s out of reach is very much tied to the price of homes in those provinces,” Yolevski says.

In Alberta, 53 per cent of respondents believe homeownership was attainable.

In British Columbia, 51 per cent felt it was within reach, and in Ontario, 47 per cent believed they could own a home some day. That was the lowest percentage in the survey, while Quebec

Calgary is increasingly a pricey market for young adults amid low supply, likely reflected in the Alberta data, she adds.

Calgary Real Estate Board statistics from September show the benchmark price of a resale home grew 5.5 per cent year over year to \$596,900. Yet the typical first choice for first-time buyers, at least until the pandemic, was a single-family detached home. Its benchmark price in September was \$757,100, up nearly nine per cent from last year.

Higher prices for those homes have led to more demand for other housing types, particularly for row homes. Yet demand for apartment condominiums has picked up among first-time buyers, too. Its benchmark price saw the largest percentage increase last month, up nearly 14 per cent to \$345,000.

Row saw the next highest jump at about 10 per cent to \$492,200. Semi-detached homes — the smallest segment — was considerably more pricey with a benchmark of \$678,400 in September, but still up nearly 10 per cent year over year.

Local realtor Doug Cabral with Royal LePage Benchmark says he’s seen a growing trend among first-time buyers in their approach. “Start small, build equity and eventually transition to larger properties as their financial situations improve.”

Many buyers are “more open-minded and flexible” regarding property types, he adds.

The survey’s findings also reflect how buyers are making sacrifices. It reveals 27 per cent are travelling less; 34 per cent decreased discretionary spending, and 34 per cent were living with family while saving for a down payment.

“This highlights their understanding of real estate as not just a place to live but as a key component of wealth-building,” Cabral says.

Another group of first-time buyers he is seeing are renters and facing rent increases and looking to purchase a condominium, recognizing they could pay a similar mortgage amount to their rent, while building equity.

“But they’re often less prepared and more shocked by what it takes for a down payment as well as qualifying for a mortgage with the stress test rules,” Cabral says.

Overall, most first-time buyers recognize the challenges and are doing the legwork from saving as quickly as possible for a down payment to researching online what homes they can afford.

“It’s inspiring to see this generation’s proactive approaches,” he adds.