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New global study: 82% of millennials in Canada expect to buy their first home in the next five years, despite facing significant barriers

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The home ownership dream is not dead, but deferred, for many millennials in Canada and around the world, with slow salary growth and house price inflation the greatest barriers to millennials buying a home.

This, according to HSBC’s new global study, *Beyond the Bricks: the meaning of home*, an independent consumer research study on home ownership based on feedback from 9,000 people across nine countries – including 1,000 in Canada. It provides authoritative insights into peoples’ attitudes and behaviour towards home buying, renting and funding in markets across the globe.

Millennial home ownership

	Average	China ²	Mexico	France	Malaysia	USA	Canada	UK	Australia	UAE
Millennial home owners	40%	70%	46%	41%	35%	35%	34%	31%	28%	26%
Millennial non-owners intending to buy in next 5 years	83%	91%	94%	69%	94%	80%	82%	74%	83%	80%

Q. Thinking about the main home you live in, which of the following best describe (a) your current situation (b) your expected situation in five years from now?
(Base: Millennials)

Larry Tomei, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC Bank Canada said: “This study challenges the myth that the home ownership dream is dead for millennials – be it in Canada or around the world. In fact, more than three in 10 Canadian millennials already own their home, and more than eight in 10 are planning to do so in the next five years.”

Key Findings: Canada vs. the world

- 1) **Living the dream:** Just over a third (**34%**) of millennials in Canada own their own home (global average: 40%), and of those who don’t currently own, a whopping **82%** say they intend to buy in the next five years (global average: 83%). This is slightly above the **70%** of Canadians across all generations surveyed.

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- 2) **Budget-shmudget:** Of millennial non-owners intending to buy a home in the next two years, **27%** have no overall budget in mind and a further **53%** have only set an approximate budget (global average: 31% and 54%, respectively). Furthermore, **42%** of millennials in Canada who bought a home in the last two years ended up overspending their budget (global average: 56%).
- 3) **Banking on mom & dad:** More than one third (**37%**) of millennial home owners in Canada have used the ‘Bank of Mom and Dad’ as a source of funding, and **21%** of millennial home owners moved back in with their parents to save for a deposit. The ‘Bank of Mom and Dad’ is in demand again when millennials who recently bought a home found they had exceeded their budget.
- 4) **Millennials vs. baby boomers:** The meaning of home is changing as our homes become places to work as well as places to live. In fact, **48%** of millennials in Canada work from home and **33%** would like to, whereas just **29%** of baby boomers work from home and only **18%** would like to. Further, **53%** of baby boomers have never worked from home and do not want to.
- 5) **Goodbye takeout (and other “luxury” expenses):** Many millennials are willing to consider making sacrifices to afford their own home. In fact, **59%** of Canadian millennials intending to buy would consider spending less on leisure and going out (global average: 55%), while **37%** would be prepared to buy a smaller than ideal place (global average: 21%). Furthermore, almost a third (**30%**) – the highest proportion of all markets surveyed – would even be prepared to delay having children.

Added Tomei: “Despite a strong desire to take the homeownership journey, the findings also suggest that Canadian millennials face some significant barriers, with more than two thirds (**70%**) saying they haven’t saved enough for a deposit nor do they have a firm budget in mind. The reality is, it’s a challenge – and so I can’t stress enough the importance of having a good plan that includes getting the right financial services advice and support before and after you buy.”

Here are some practical steps, drawn from the research findings, to help people bring their home ownership dream to life:

- 1) **Plan early and don’t underestimate the deposit.** Start planning early to make home ownership a reality sooner. Include saving for the deposit – usually the first payment you will need to make – and any significant taxes such as land transfer taxes. Find a competitive mortgage to help make borrowing the rest more affordable. Check out [HSBC’s free online mortgage calculator tool](#).
- 2) **Budget beyond the purchase price.** Think about the extra things that will make the house you buy the home you want to live in, and make sure to include them in your home purchase budget.

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- 3) **Consider what sacrifices you can make.** Consider cutting back on your day-to-day spending. Think outside the box about what could help you to buy a home, such as buying with a family member or friend.
- 4) **Get a full view of your finances.** Think of your mortgage as part of your long-term financial plan, not as a one-off transaction. Different types of home loan suit different needs and situations. Seek professional financial advice if you need help to make the right choice.

For more information about HSBC's *Beyond the Bricks*, visit www.hsbc.ca/beyondthebricks

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Notes to editors:

1) About Beyond the Bricks

Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples' attitudes and behaviour towards home buying, renting and funding around the world. The global factsheet, *The meaning of home*, represents the views of 9,009 people in nine countries: Australia, Canada, China, France, Malaysia, Mexico, UAE, UK, USA. The findings are based on a survey of home owners and non-owners aged 18 or older from a nationally representative online sample in eight countries and a nationally representative face-to-face sample in the UAE. The research was conducted by Kantar TNS in October and November 2016. Millennials are defined as those born between 1981 and 1998.

2) About HSBC Bank Canada

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management. HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 4,000 offices in 70 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. With assets of US\$2,375bn at 31 December 2016, HSBC is one of the world's largest banking and financial services organizations. For more information visit www.hsbc.ca or follow us on [Twitter: @hsbc_ca](https://twitter.com/hsbc_ca) or [Facebook: @hsbccanada](https://www.facebook.com/hsbccanada)

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