

TRREB RELEASES CONSUMER HOME BUYING & SELLING INTENTIONS SURVEY

TORONTO, ONTARIO, May 20, 2020 – Toronto Regional Real Estate Board President Michael Collins announced that TRREB contracted Ipsos Public Affairs to provide up-to-date information on consumer sentiment related to the housing market and the specific impact of the COVID-19 pandemic. The Ipsos online survey captured home buying and selling intentions along with consumer opinions on preferred government policy directions related to the housing market.

This release specifically covers the Ipsos survey conducted between April 24 and 27, 2020.¹ Ipsos will be conducting another survey for TRREB at the end of May, after which TRREB will release more detailed comparative results.

Summary results from the first survey wave are as follows:

Home Buying Intentions

- GTA-wide, 27 per cent of survey respondents said they were likely (very likely or somewhat likely) to purchase a home in the next 12 months. While buying intentions were down compared to spring 2019 (31 per cent likely), they remained relatively inline with the five-year trend, especially after taking into account survey credibility intervals. Home purchasing intentions were above the GTA average in the City of Toronto (34 per cent), for younger people aged 18 to 34 (45 per cent) and households with children (37 per cent).
- Similar to previous surveys, the most common reason for not intending to purchase a home over the next 12 months was that they liked their current home (62 per cent). General affordability issues were also a common response. COVID-19-related issues influenced 16 per cent of respondents who indicated that they were unlikely to purchase a home.

“While COVID-19 has temporarily impacted home sales and listings in the GTA, the Ipsos survey results that show home buying intentions have remained quite stable certainly suggest that many people will be looking to satisfy pent-up demand for ownership housing once recovery starts to take hold. As people gradually return to work, consumer confidence will improve, and a growing number of people will look to take advantage of very low borrowing costs to purchase a home. Home purchases will continue to be aided by the use of technology available to REALTORS®, including live-stream open houses,” said Mr. Collins.

Home Selling Intentions

- Existing homeowners were asked how likely they are to list their home for sale over the next 12 months. At 17 per cent, listing intentions of homeowners were down markedly compared to spring 2019, when 32 per cent of survey respondents said they were likely to list.
- A very large proportion (80 per cent) of respondents who indicated that they were unlikely to list their home for sale simply liked the home in which they are currently living.² COVID-19-related issues influenced 22 per cent of respondents who indicated they were unlikely to list.

“The supply of listings was an issue before the onset of COVID-19, with market conditions tightening and price growth accelerating throughout the first quarter of 2020. The Ipsos survey results suggest that the supply of listings will continue to be an issue as the economy and housing market recovers. Policy makers have acknowledged that there is a lack of a diverse housing supply in the GTA. While the supply issue has understandably taken a back seat to COVID-related issues in the short term, it should once again be top-of-mind once recovery takes hold,” said Jason Mercer, TRREB’s Chief Market Analyst.

¹ The Ipsos online survey was conducted among residents aged 18 years and older in the Greater Toronto Area (GTA). The sample consisted of 802 respondents. Online interviews were carried out from April 24 to 27, 2020. Data is weighted according to Statistics Canada census data by gender, age, and region to make certain that the data accurately reflects the actual distribution of adults living in the GTA. The accuracy of Ipsos online polls is measured using a credibility interval. In this case, the results are considered accurate to within +/- 3.9 percentage points of what the results would have been had every adult resident in the GTA been polled.

² Survey respondents could provide more than one reason for being unlikely to list their home for sale.

Opinions on Housing Market-Related Public Policy

- With consumers still concerned about affordability, the survey results also showed that public support for government assistance for home buyers hasn't changed since the pre-COVID-19 period:
 - 82% support increased and more flexible access to Registered Retirement Savings Plans through the Home Buyers' Plan;
 - 75% support relief from municipal and/or provincial land transfer taxes;
 - 73% support relief from municipal property taxes;
 - 71% support relaxation of federal mortgage insurance rules to allow home buyers the option of qualifying for a mortgage with smaller down payments; and
 - 65% support relaxation of the federal mortgage "stress test."

"Home ownership affordability is, and will continue to be, a top concern as the economy recovers from the impact of the COVID-19 pandemic. With this in mind, it is not surprising that there is public support for government assistance in this regard. There is a definite role for governments to play in addressing affordability concerns, but policy makers at all levels should proceed with caution and assess the impact of pent-up demand and the potential lack of listing inventory during the initial recovery period," said TRREB CEO John DiMichele.

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