

Canadian Housing Statistics Program: First-time homebuyers, 2020

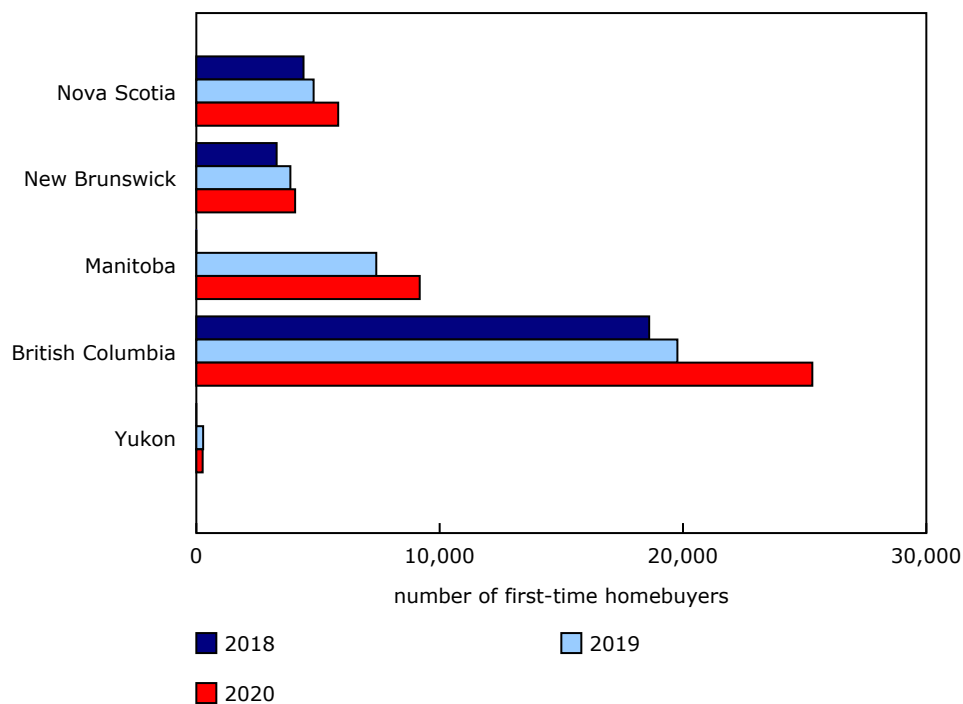
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Number of first-time homebuyers rises in 2020

While the 2020 housing market is mostly remembered for the onset of unprecedented increases in housing prices in some areas, it was also characterized by a sharp increase in the number of first-time homebuyers in certain provinces and territories. For example, in British Columbia, the number of first-time homebuyers reached 25,315, which represented a 28.0% increase from 2019.

First-time homebuyers are of particular interest because they are likely to have had less initial equity to purchase their home, compared with repeat buyers, and may be more vulnerable to affordability challenges. Additionally, first-time homebuyers who opened five-year mortgages at fixed rates of around 2% in 2020 could be renewing at a much higher rate in 2025, if current rates prevail, further exacerbating affordability concerns.

Chart 1
Unique market environment leads to a rise in number of first-time homebuyers in British Columbia



.. not available for a specific reference period

Source(s): Canadian Housing Statistics Program (5257) and table 46-10-0062-01.

In Nova Scotia, the number of first-time homebuyers rose to 5,830 in 2020, up 21.0% from 2019; in Manitoba, there were 9,180 first-time homebuyers, a 24.1% increase. Growth was slower in New Brunswick (+5.0%), and the number of first-time homebuyers declined in Yukon.

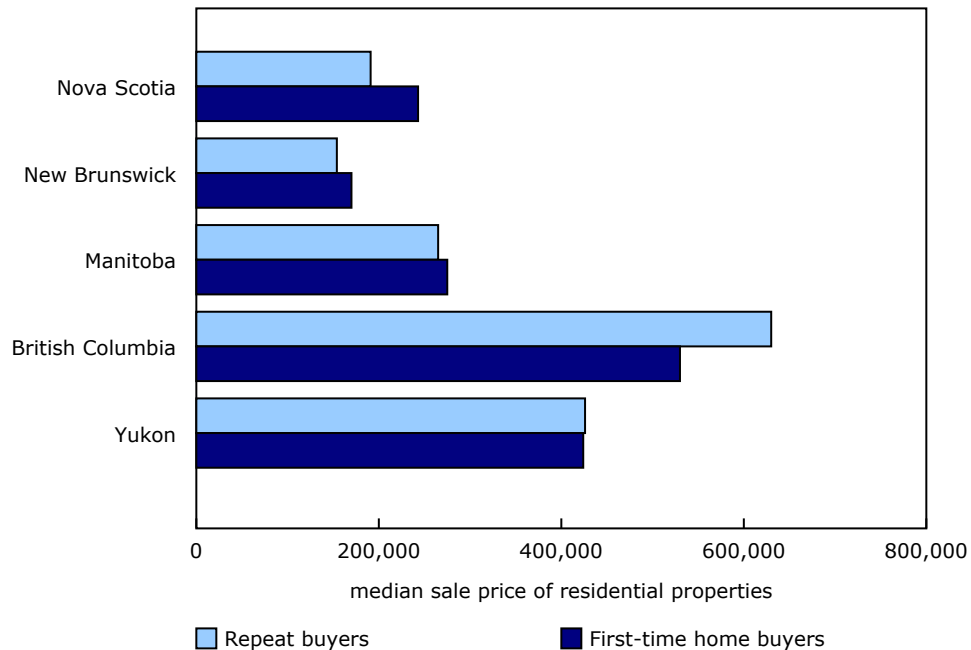


The data showed that, from 2019 to 2020, there were smaller increases in the median family income of first-time homebuyers than in the median sale price they paid in most provinces and territories the analysis covered, except in British Columbia and Manitoba. In Nova Scotia, for example, the median family income of first-time homebuyers increased by 10.5% from 2019 to 2020, while the median price of the properties they purchased increased by 13.0%. In British Columbia, the two indicators experienced a similar evolution, each increasing by 9.1% from 2019 to 2020.

First-time homebuyers paid \$100,000 less than repeat buyers in British Columbia

In some provinces in 2020, first-time homebuyers bought their homes at a higher price than repeat buyers; this was the case for Nova Scotia (+\$52,000), New Brunswick (+\$16,000) and Manitoba (+\$10,000). This tendency can be partially explained by the location of the purchased properties, as, in all provinces and territories this analysis covered, first-time homebuyers tended to purchase properties in urban areas—where prices are higher—at higher rates than repeat buyers.

Chart 2
The median sale price for first-time homebuyers was higher than that for repeat buyers in Nova Scotia, New Brunswick and Manitoba in 2020



Source(s): Canadian Housing Statistics Program (5257) and table 46-10-0062-01.

However, in the high-priced British Columbia market, first-time homebuyers paid a median price of \$530,000, which was \$100,000 less than that paid by repeat buyers.

In addition to differences in the location of purchases, these price differences can be explained by the type of properties bought. In Nova Scotia, New Brunswick and Manitoba, the majority of first-time homebuyers bought single-detached houses. This dynamic was reversed in British Columbia, where a higher share (62.5%) of first-time homebuyers bought condominium apartments and row houses.

Note to readers

Today, the Canadian Housing Statistics Program (CHSP) is releasing new data on homeowners in 2021 and homebuyers in 2020. This analysis focuses on homebuyers in 2020, for which data from Nova Scotia, New Brunswick, Manitoba, British Columbia and Yukon are currently available.

Data for the 2021 reference year reflect the stock of properties available on the property assessment roll for each province and territory for that year. Homeowners in the CHSP data for the 2021 reference year are defined as owners of properties assessed for 2021 property taxes. [The exact stock date varies between provinces and territories.](#)

The universe of homebuyers is restricted to resident owners who are persons that filed their T1 tax return for the tax year 2020 and purchased a property in a market sale from January to December 2020. A market sale refers to an arm's-length transaction where all parties act independently, with no influence over the other.

A property may have more than one owner, and an owner may have more than one property, so the counts of owners and properties can differ.

Geographical boundaries

The CHSP disseminates data based on the geographical boundaries from the 2016 Standard Geographical Classification.

The CHSP database does not contain information about residential properties on reserves.

Definitions

First-time homebuyer refers to a person who purchased a residential property during the reference period and did not own a residential property previously. It includes buyers who claimed the Home Buyers' Amount and buyers whose spouse or common-law partner was a buyer in the same sale, and who claimed the amount.

For the purposes of this release, **repeat buyers** is a residual category comprised of persons who purchased a residential property during the reference period and were not first-time homebuyers.

Available tables: [46-10-0030-01](#), [46-10-0035-01](#), [46-10-0038-01](#), [46-10-0051-01](#), [46-10-0052-01](#) and [46-10-0062-01](#).

Definitions, data sources and methods: survey number [5257](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca).