



2022 Financial Fitness Study



Hosts



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Poll #1

Builders: who do you build for?



**Brookfield
Secures 100%
Ownership: 2021**

**Sagen
Celebrated It's
1 Year Brand
Anniversary**

**Sagen Became
the #1 Mortgage
Insurer in
Canada: Q2 2021**

**Helped > 55,000
Families Stay in
Their Homes During
Tough Times**



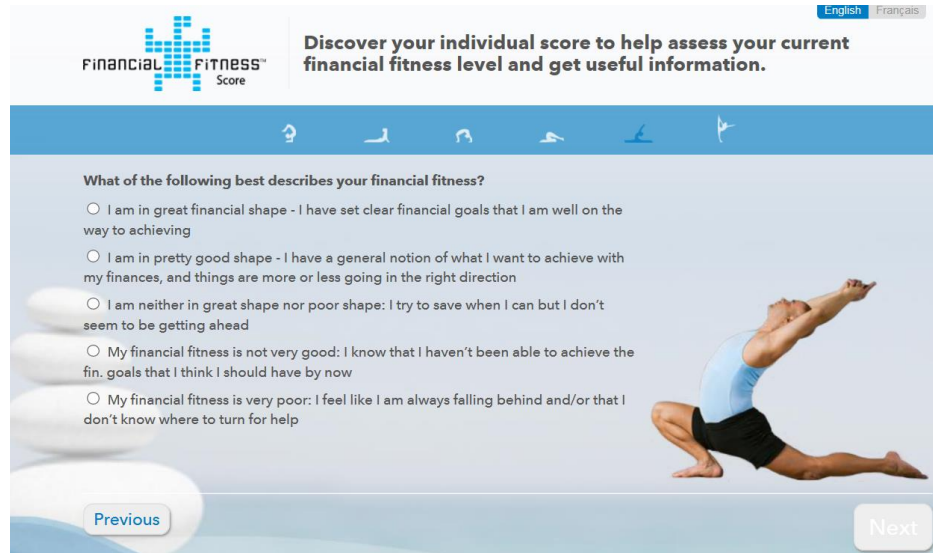
Methodology

- A total of 2,005 interviews were completed with Canadians aged 18+ using an online methodology.
- Interviewing was completed between March 7-21, 2022
- Data weighting by age, by gender and region, with a subsequent weighting to homeownership and mortgage ownership as reported by Statistics Canada.



Financial Fitness

Financial Fitness Index



The screenshot shows the Financial Fitness Index assessment interface. At the top left is the logo for Financial Fitness Score, which consists of a blue cross-like icon made of small squares. To the right of the logo is the text "Discover your individual score to help assess your current financial fitness level and get useful information." Below this is a navigation bar with icons for a question mark, a person, a bar chart, a line graph, a pie chart, and a target. The main content area has the heading "What of the following best describes your financial fitness?" and five radio button options. To the right of the options is an image of a person in a blue shirt and black shorts performing a backbend. At the bottom left is a "Previous" button and at the bottom right is a "Next" button.

English Français

FINANCIAL FITNESS™ Score

Discover your individual score to help assess your current financial fitness level and get useful information.

What of the following best describes your financial fitness?

- ☐ I am in great financial shape - I have set clear financial goals that I am well on the way to achieving
- ☐ I am in pretty good shape - I have a general notion of what I want to achieve with my finances, and things are more or less going in the right direction
- ☐ I am neither in great shape nor poor shape: I try to save when I can but I don't seem to be getting ahead
- ☐ My financial fitness is not very good: I know that I haven't been able to achieve the fin. goals that I think I should have by now
- ☐ My financial fitness is very poor: I feel like I am always falling behind and/or that I don't know where to turn for help

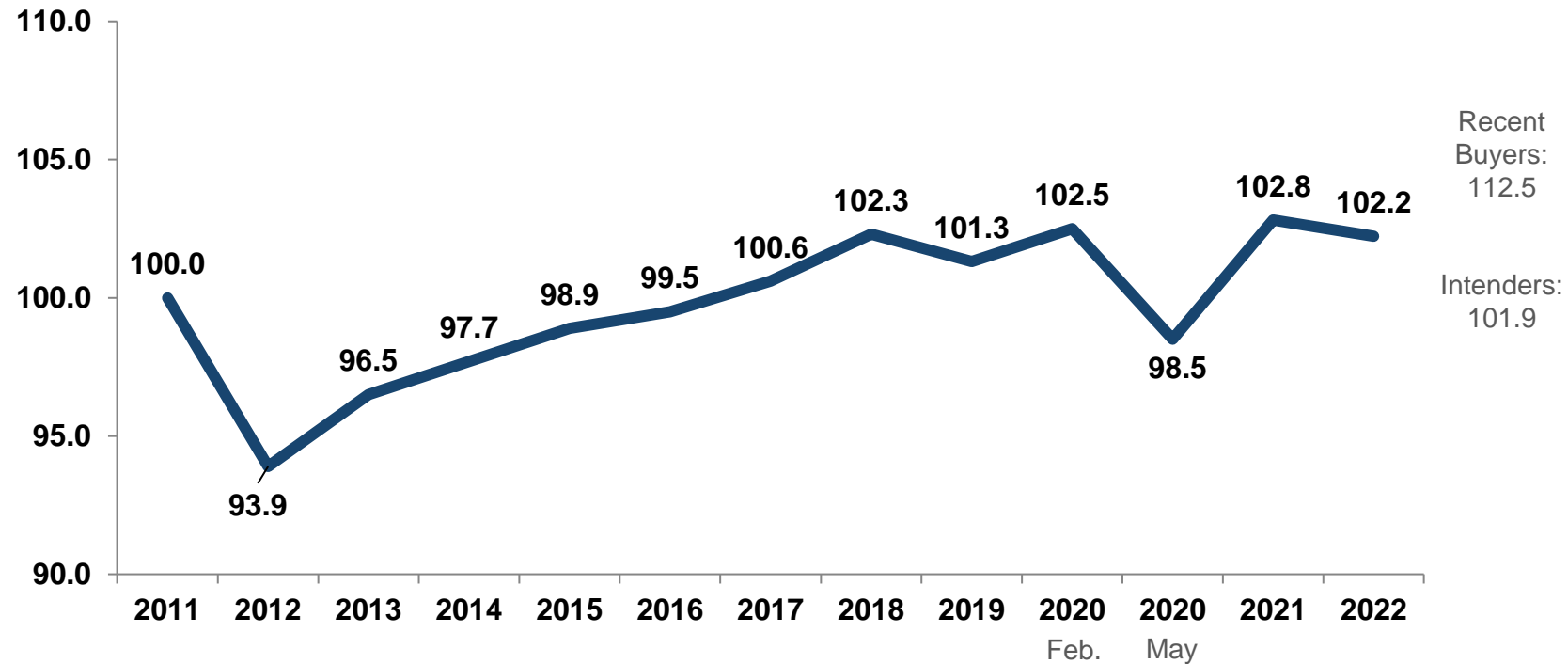
Previous Next



- The Financial Fitness Index assesses Canadians' financial well-being, using a range of behavioural and attitudinal questions as inputs, while avoiding outcome measures like income or wealth
- Different measures and applications than the Consumer Confidence Index
- Created in 2011, measured annually since, linked to the Environics Social Values program
- Genesis began with a single-item self-assessment question in 2007

Financial Fitness

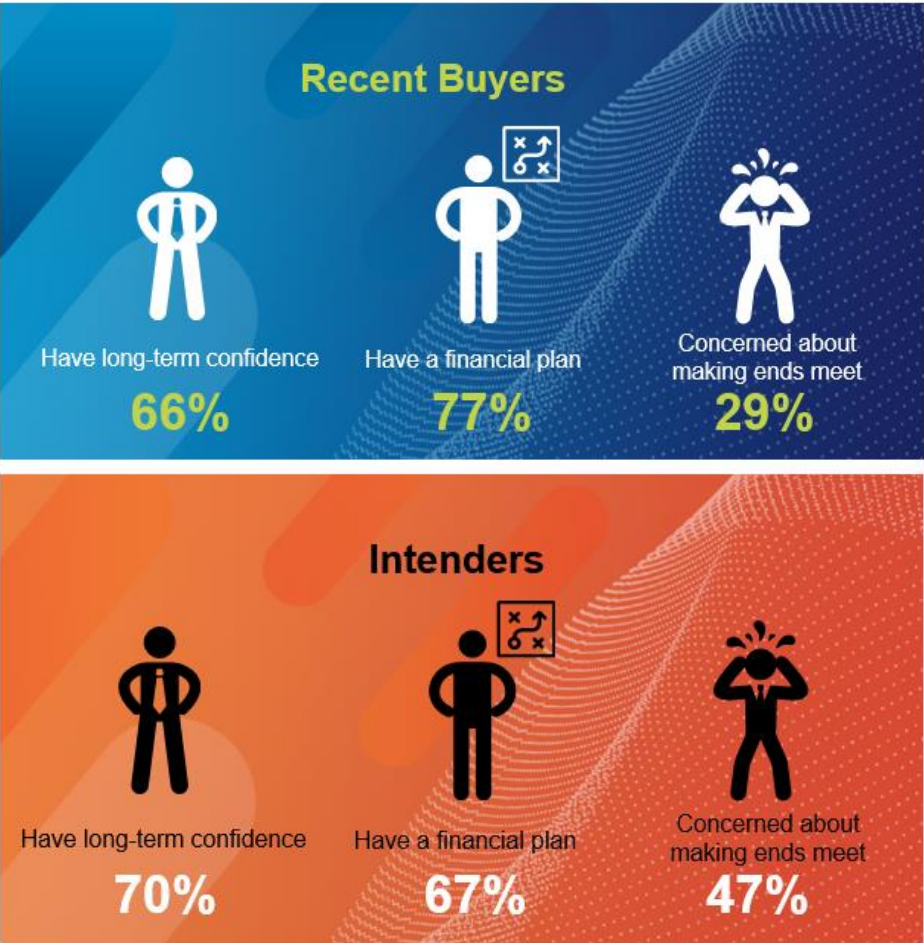
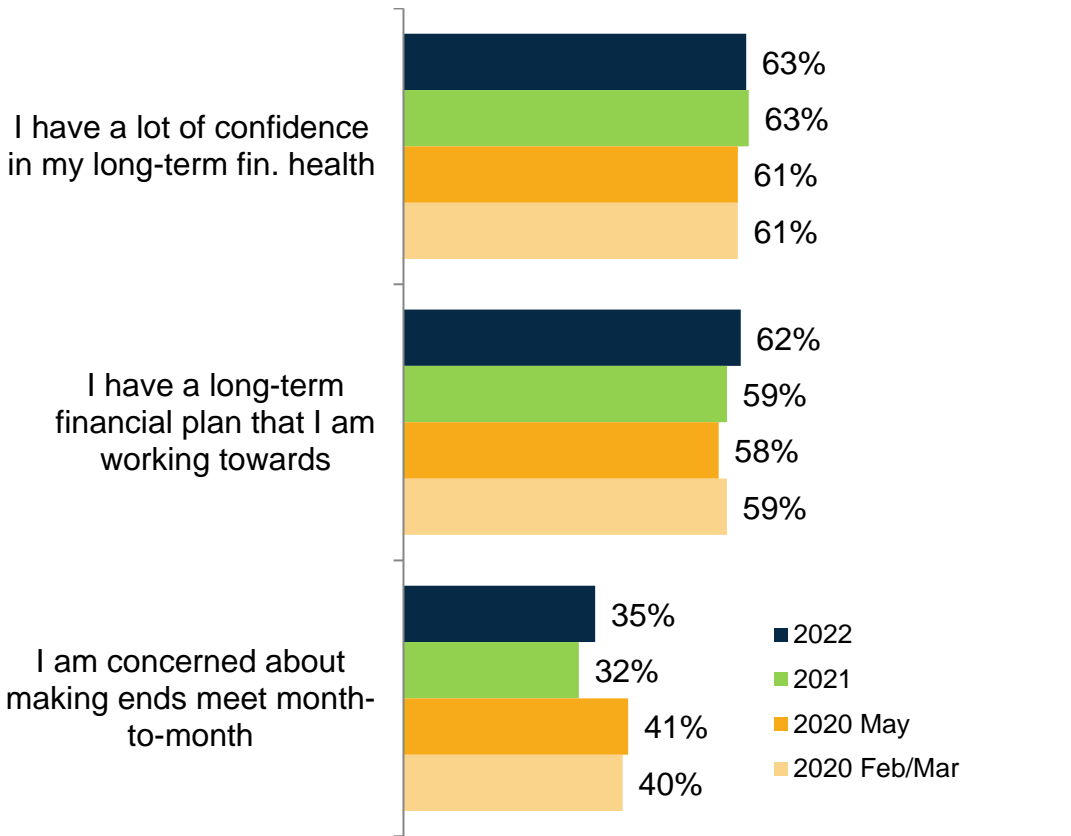
Set at 100 in 2011, the Financial Fitness Index initially declined but regained until 2020. The pandemic caused a sharp downward movement, but it would have been worse without government assistance. 2021 represents the highest Financial Fitness on record, with 2022 showing decreases to 2018-levels.



Did you or will you resume paying your mortgage through...(base: applied for mortgage deferrals n=90)



Small increase in concern about making ends meet month to month overall; Intenders more concerned about making ends meet



For each of the following, please indicate if you strongly agree, somewhat agree, somewhat disagree or strongly disagree...

Key Takeaway

Declining Financial Fitness a worry

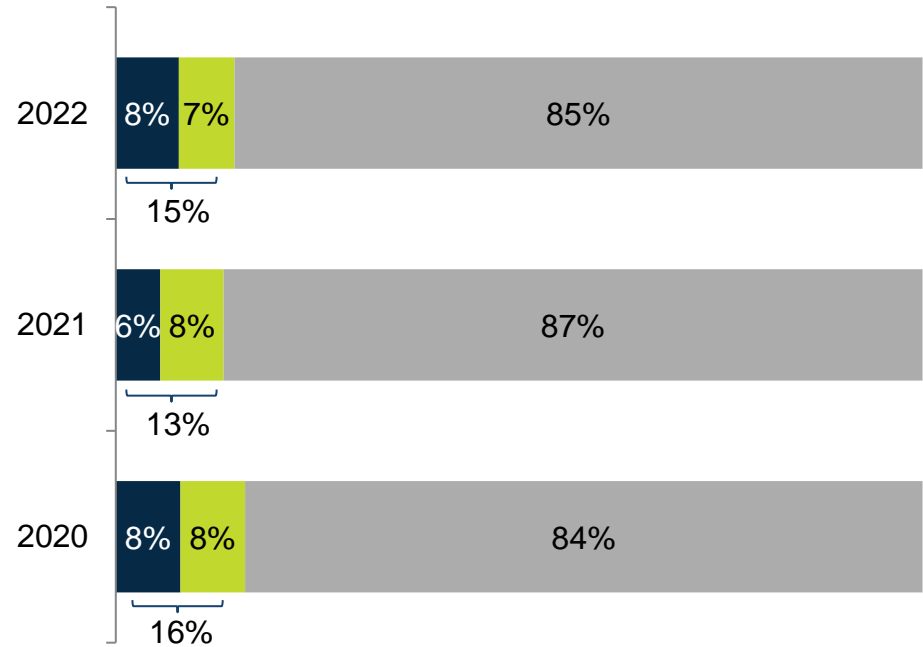
- Despite record low unemployment, the Financial Fitness of Canadians declines to 2018 levels
- Growing proportions of Canadians worry that their financial situation will worsen in the coming year
- Confidence in long-term financial health is growing

Buyer Behaviour

Poll #2

Builders: Are you seeing a disproportionate drop-off in first-time homebuyers relative to other groups?

Small increase in the proportion of first-time homebuyers



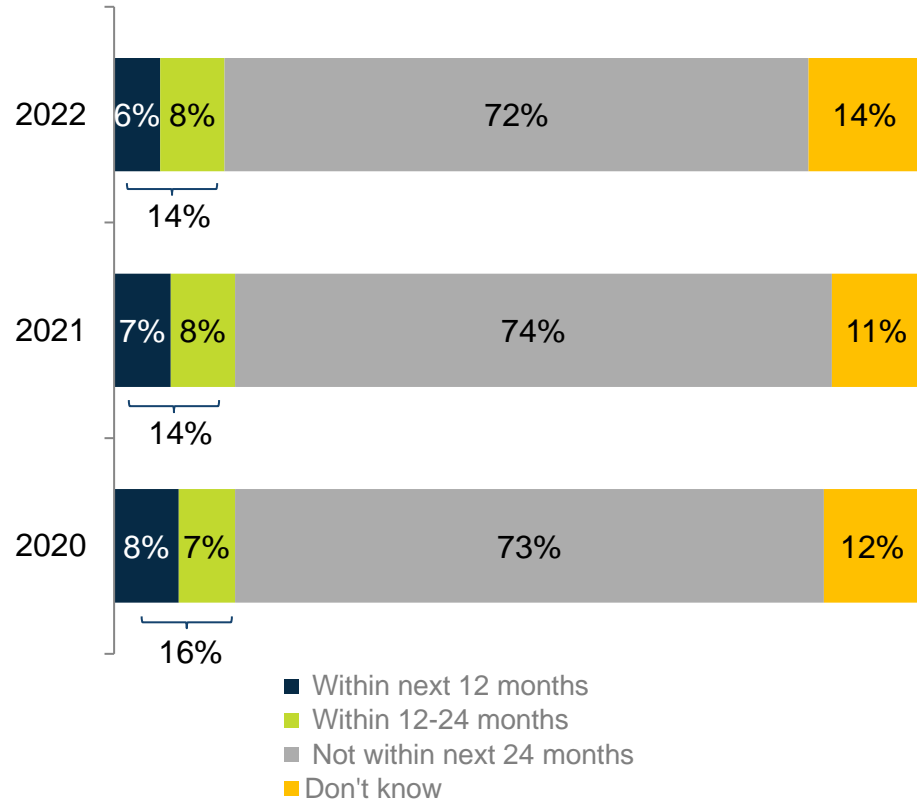
- Bought in the past 24 months as your first home
- Bought in the past 24 months as a home that was not your first
- A home you have owned for more than 24 months

Homeowners: Was the home you own...

More likely to have bought first home:

- Millennials (18%)
- Singles (14%)
- Those in Quebec (12%)
- Those with household incomes \$50-\$99k (11%)

Little change in repurchase intentions

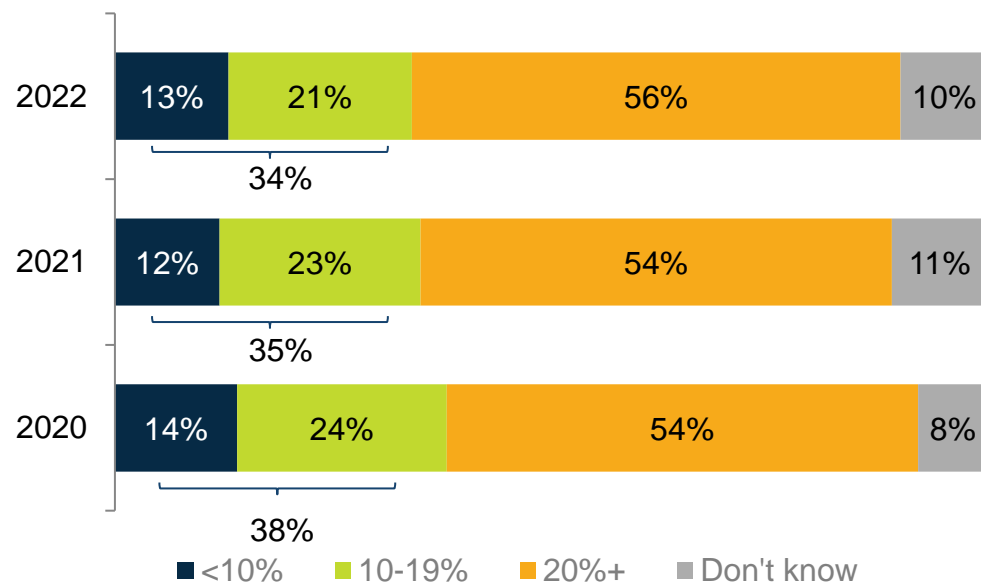


Current owners more likely to sell and buy another home:

- Millennials (19%)
- Those with children (19%)
- Those new to Canada (31%)

Homeowners: Whether you bought one recently or not, do you expect to sell your current home and buy another home...

Slightly fewer using high ratio mortgages; fewer recent buyers needed them than intenders anticipate needing them

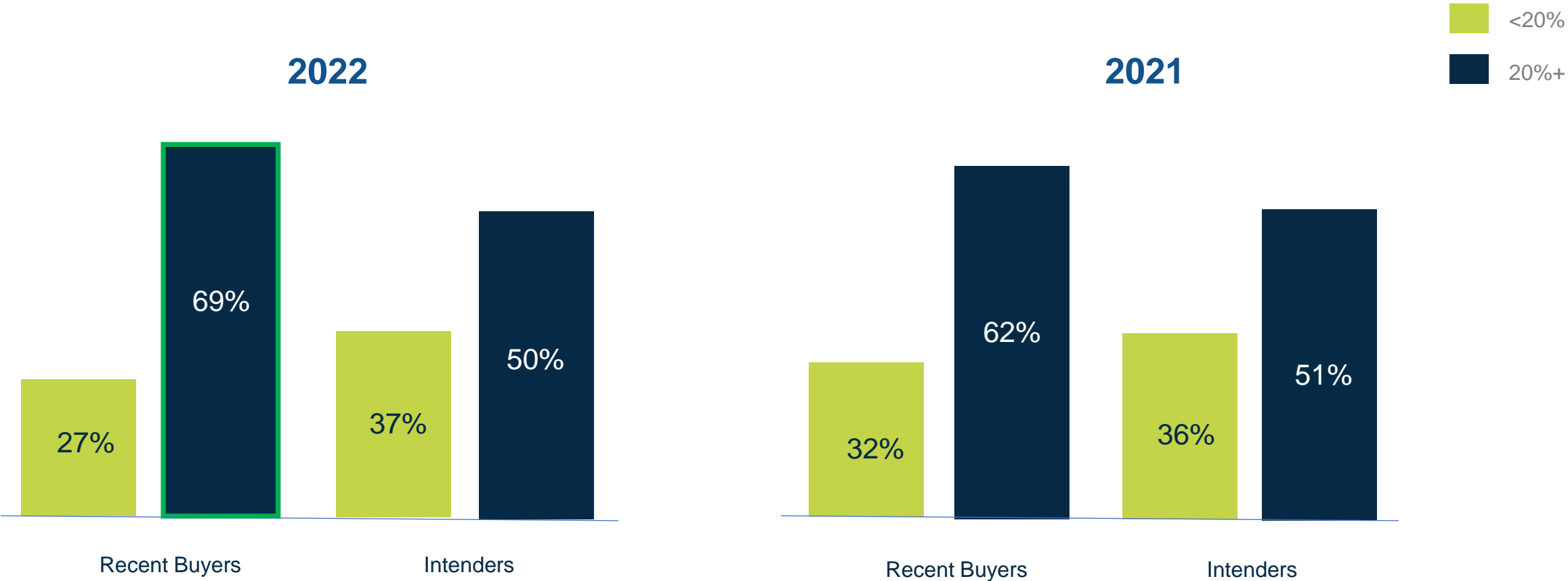


Those more likely to require high ratio mortgages:

- Millennials (43%)
- New Canadians (51%)
- First time buyers more than repeat buyers (39% vs. 25%)
- First-time intenders more than repeat intenders (52% vs. 29%)
- Those buying semi-detached (51%) and townhouses (45%) more than those buying detached homes (27%)

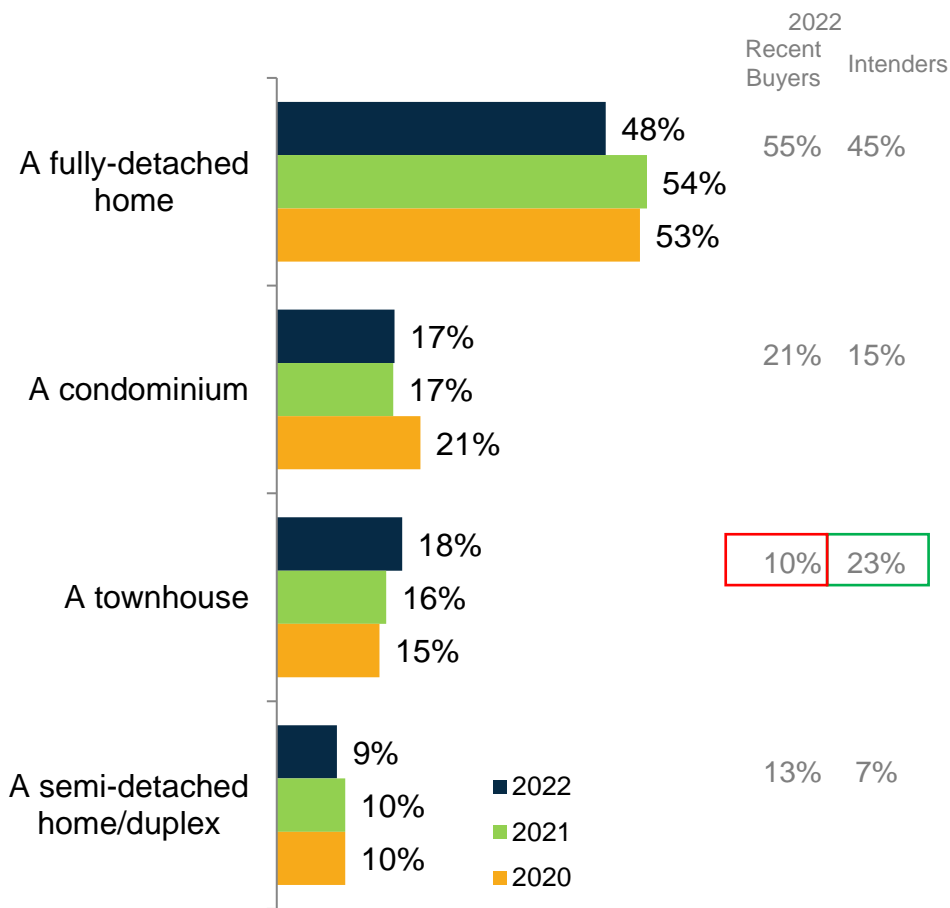
Intenders/Buyers: How much of a down payment do you anticipate making as a proportion of the total purchase price when you buy your next home?
(base: bought home in the past 24 months or plans to buy home in next 24 months – n=463)

Intenders continue to be more likely than recent buyers to anticipate needing high ratio mortgages



Intenders/Buyers: How much of a down payment do you anticipate making as a proportion of the total purchase price when you buy your next home?
(base: bought home in the past 24 months or plans to buy home in next 24 months – n=463)

Detached homes remain most popular, but intenders are more likely than recent buyers to anticipate buying townhomes



Condos:

- Recent first-time buyers (28%)
- Those in urban areas (35%)
- Retirees (35%)

Townhouses:

- Intenders (23%)
- Those in suburban areas (25%)

Semi-Detached:

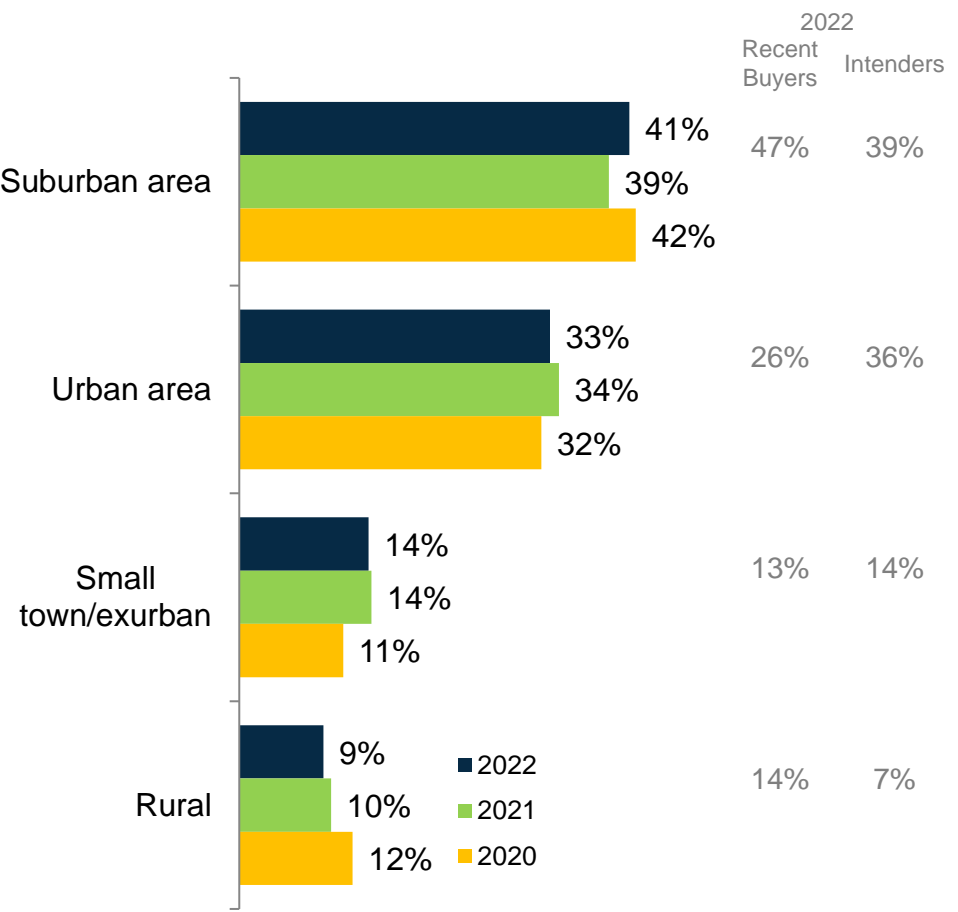
- Millennials (15%)

Fully-Detached:

- Those with children (60%)
- Those in small towns (70%) and rural areas (71%)

IF BOUGHT HOME IN PAST 24 MONTHS: What kind of home did you recently buy?
 IF PLANS TO BUY HOME IN NEXT 24 MONTHS: What kind of home do you expect to buy as your next home?
 (base: bought home in the past 24 months or plans to buy home in next 24 months – n=471)

Recent buyers are more likely to have purchased in suburban areas, while intenders consider both urban and suburban areas



Urban areas:

- Those buying condominiums (66%)

Suburban areas:

- Those buying townhomes (56%)

Small town & rural:

- Those buying fully detached homes (20% small town; 13% rural areas)

IF BOUGHT HOME IN PAST 24 MONTHS: What kind of area did you recently buy a home in?
 IF PLANS TO BUY HOME IN NEXT 24 MONTHS: What kind of area do you expect to buy your next home in?
 (base: bought home in the past 24 months or plans to buy home in next 24 months – n=471)

Key Takeaways

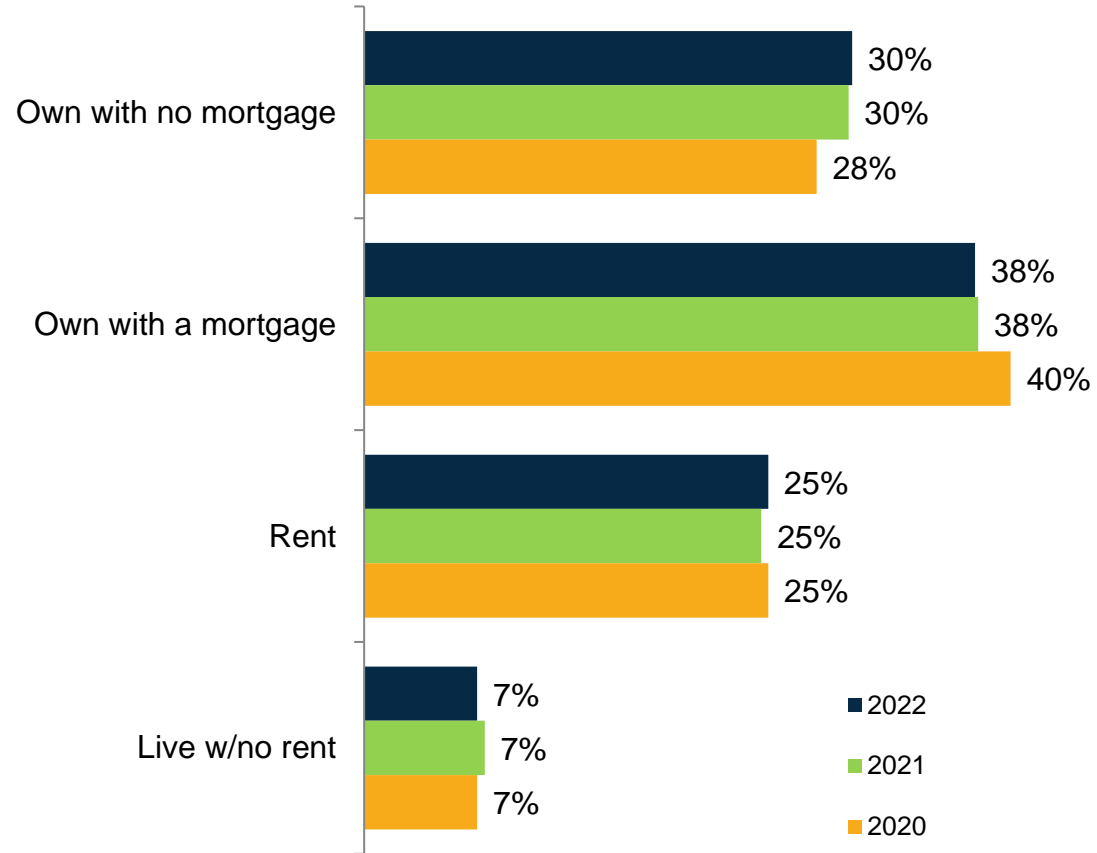
People still want to buy:

- Despite challenges, the proportion of first time and repeat buyers is being maintained



Homeownership Trends

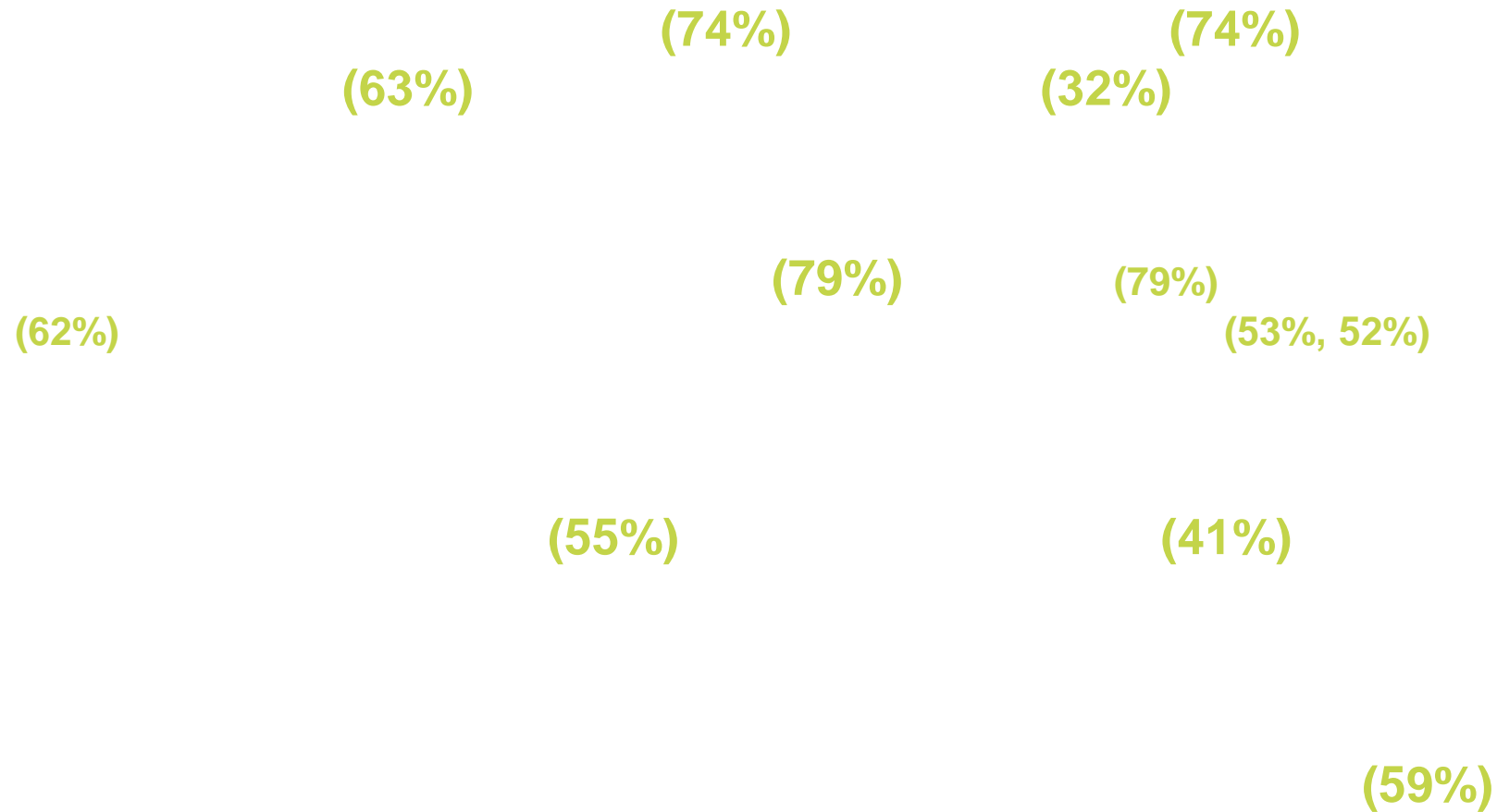
Homeownership patterns change little



2021 Census housing data was just released

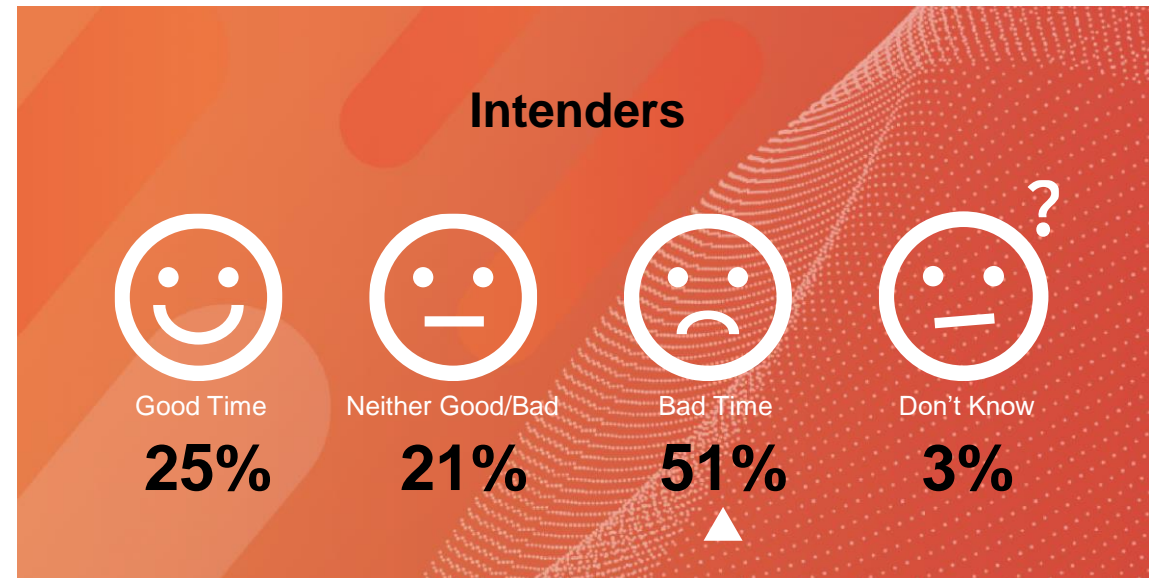
Do you currently...? Weighted according to Statistics Canada 2016 census and 2019 Statistics Canada Survey of Financial Security data

Homeownership patterns change little



Do you currently...? Weighted according to Statistics Canada 2016 census and 2019 Statistics Canada Survey of Financial Security data

Home buying sentiment reaches a new low; both buyers and intenders are pessimistic



Regardless of whether you plan to buy a home or not, given the state of your local real estate market, would you say that now is...



Key Takeaways

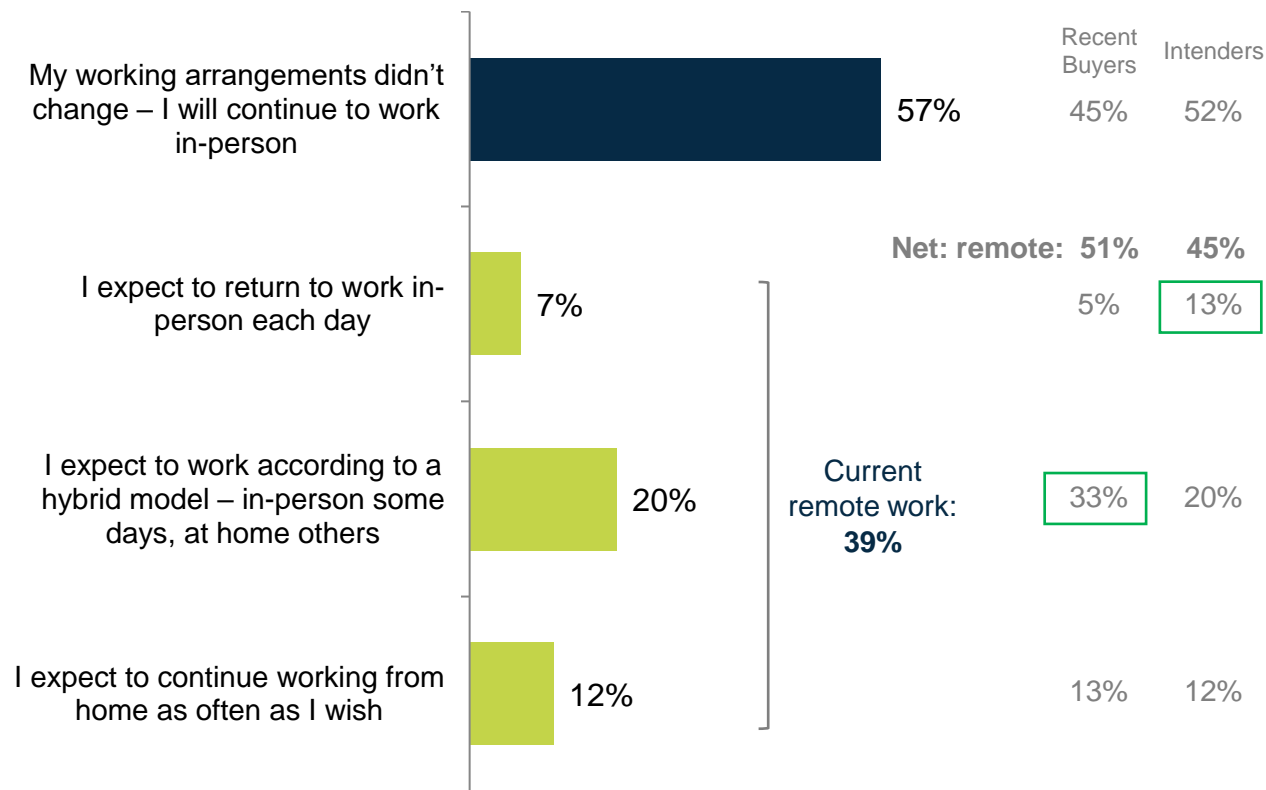
It's tough out there right now:

- Record proportions say now is a bad time to buy a home. Economic environment, including rising interest rates are contributing to this sentiment
- Lowest homeownership rate in recent years for 25-40 year olds; millennials have been buying for a number of years
- Lack of available supply and rising home prices are causing stress



Impact of Covid-19

A majority of working Canadians are not working remotely. Of the 39% who are currently working remotely, most (32%) expect to continue doing so once COVID-19 restrictions are lifted



Once the COVID-19 restrictions lifted, what working arrangements do you expect to work under?
Base: employed (n=1170)

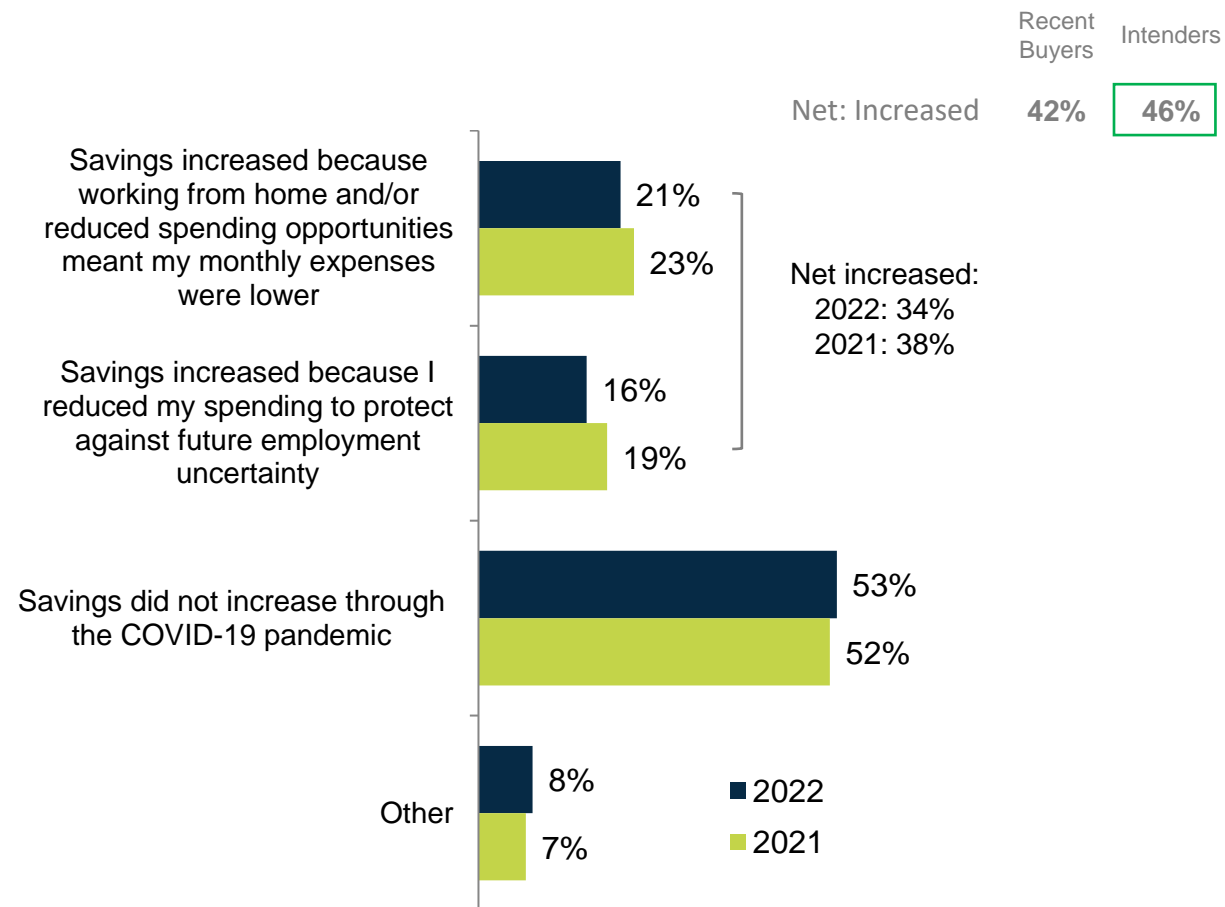
Anticipated working arrangements for different subgroups

Those in Ontario **(25%)** and those with household incomes over \$100K **(27%)** are more likely to expect to work according to a hybrid model.

Those working full-time are more likely to expect a hybrid work model **(22%)**, while those working part-time are more likely to say working arrangements didn't change and they will continue to work in-person **(65%)**.

Those who own home without a mortgage are more likely to expect to continue working from home as often as they wish **(18%)**, while those who own home with a mortgage are more likely to expect a hybrid work model **(26%)**.

One third of Canadians continue to see savings grow through the pandemic, more among recent buyers and intenders



As a result of the COVID-19 pandemic, many Canadians have seen their savings increase. Which of the following best represents your own situation?

Pandemic savings by subgroup

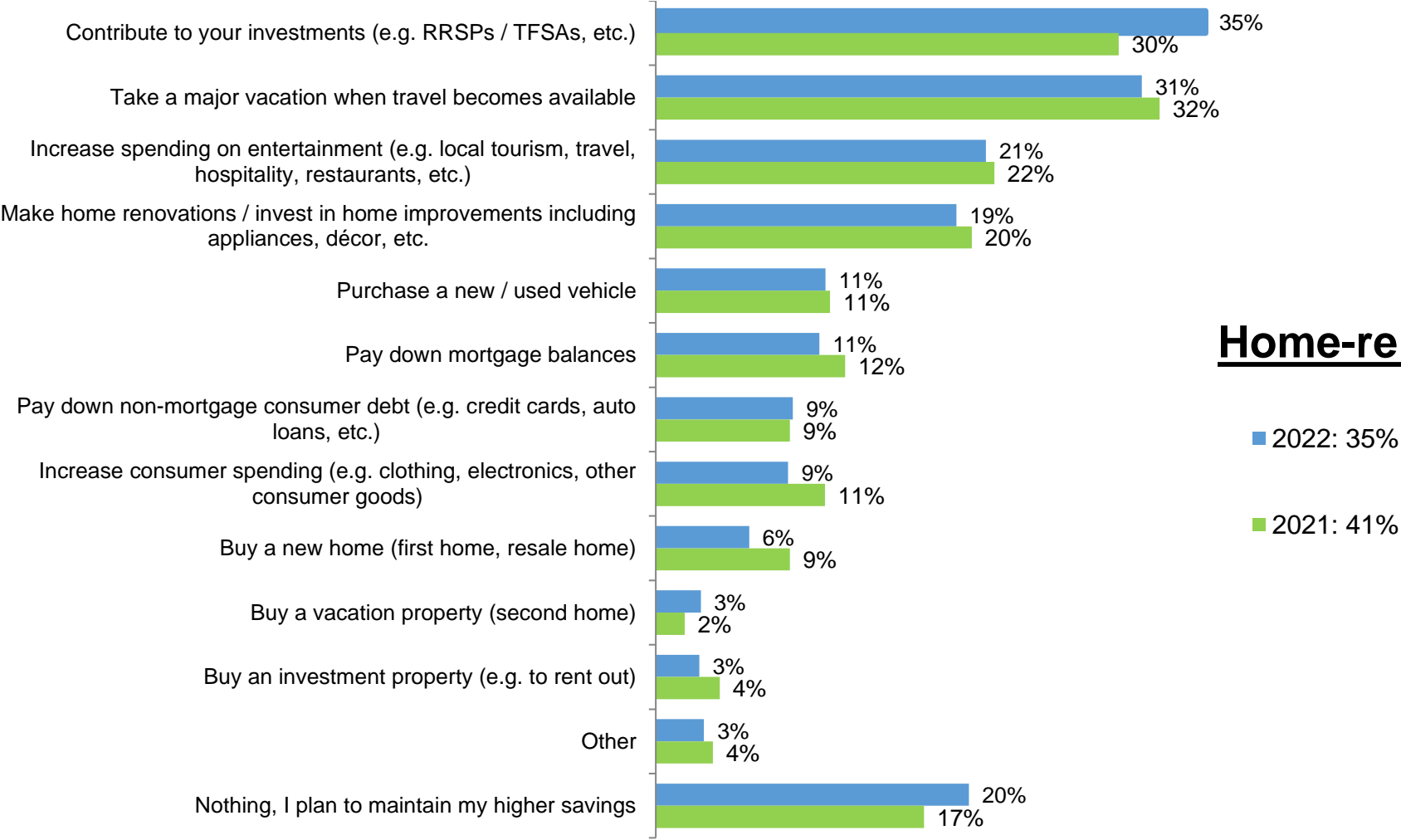
Millennials are more likely than Boomers to say their savings increased **(38% vs. 29%)**.

Intenders are more likely to say their savings increased **(46%)**.

New Canadians are more likely to say savings did not increase **(66%)**.

As a result of the COVID-19 pandemic, many Canadians have seen their savings increase. Which of the following best represents your own situation?

Home-related expenditures are where savings are being spent



Home-related:

■ 2022: 35%

■ 2021: 41%

Once restrictions have eased, what do you intend to do with the savings you have accumulated? Base: Savings gre (n=846)

Key Takeaway

Impact of remote working:

- Most currently working remotely intend to keep doing so, at least a few days a week
- Expectations of continued remote working is impacting purchase location decisions of a quarter of recent buyers and intenders
- Without remote working options, affordability challenges in major CMAs would be much worse



2022 First-Time Homebuyer Trends and their Financial Fitness

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Innovative Solutions



Investment Property Program

Provide qualified borrowers with the opportunity to purchase an additional investment property with as little as 20% down.



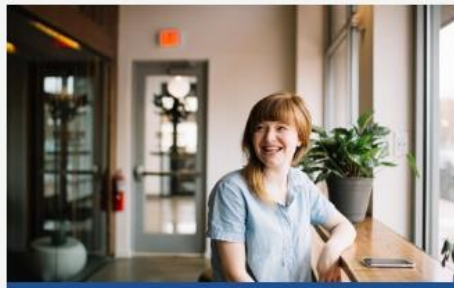
Family Plan Program

Help customers buy a home for immediate family with good credit who do not meet standard GDSR/TDSR requirements.



Vacation/Secondary Homes

Enable customers to purchase a second home at an affordable monthly payment with just 5% down.



Self-Directed RRSP



Borrowed Down Payment



Second Mortgage Program



Homeowner Assistance Program



- Helping families stay in their homes
- Available at no cost to Sagen-insured homeowners
- Assisted more than 55,000 families to date
- Dedicated team of accessible and responsive HOAP specialists



Our **Spring/Summer Digest** is now available!

From exclusive homeownership insights to high-impact home improvements, it's filled with engaging and relevant content for you to share with your customers.

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Questions?



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