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2023 Canadian Real Estate Market Sentiment

GENERATIONAL TRENDS REPORT

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Acknowledgements

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Introduction¹

Sotheby's International Realty Canada releases a series of reports that capture real estate data and consumer trends across the country's key metropolitan markets.

The Mustel Group and Sotheby's International Realty Canada "2023 Canadian Real Estate Market Sentiment" is Canada's first in-depth study comparing the relative confidence levels of Baby Boomers (ages 58–77), Generation X (ages 43–57), Millennials (ages 27–42) and Generation Z adults (ages 18–26) as it relates to the current housing market, and to examine changes in consumer sentiment and housing mobility aspirations since January 2020. It is the first in a multi-part report series studying the housing intentions and preferences across multiple generations in 2023 and is based on a survey of 2,000 Canadians ages 18–77 in the Vancouver, Calgary, Toronto and Montréal Census Metropolitan Areas.

An online methodology was employed, using a robust national panel of Canadians between the ages of 18–77 who reside in the Vancouver, Calgary, Toronto and Montréal Census Metropolitan Areas (CMAs).

The panel is maintained to be representative of the Canadian population and provide high quality data. Panelists are recruited by a double opt-in method from large databases of reputable channels using industry standards of panel quality assurance, validation, verification and best practices for panel management. A total of 2,000 Canadian adults were surveyed, using a disproportionate sampling method to enable analysis between generational cohorts and within each metropolitan area, as well as across the combined metros (Census Metropolitan Areas, CMAs). The sample was weighted to match Canada census based on age and gender within each CMA and to bring the total sample into proper proportion based on relative populations. While the panel sample is demographically representative, margins of error only apply to random probability samples. (The margin of error on a random probability sample of 2,000 respondents is \pm 2.2 percentage points, 19 times out of 20, and ranges from \pm 3.8 to 4.9 points for 400 - 680 respondents). Data for this report series was gathered from Jan 3 to Jan 10, 2023.

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Highlights

- Confidence in the performance of real estate over the next 10 years is high across all major metropolitan areas, with 6 in 10 (60%) of urban Canadians between the ages of 18–77 years across the Baby Boomer, Generation X, Millennial and Generation Z adult demographics believing that a home or residential real estate purchase will perform the same or better than their other financial investments in the next decade, including over 1 in 3 (35%) who believe real estate will perform better.
- Nearly half (49%) believe that a home or residential real estate purchase will perform the same or better than their financial investments in the next 12 months, including 1 in 4 (23%) who believe that real estate will perform better.
- **Overall, across all markets, Baby Boomers are the most likely generation to believe real estate will outperform their financial investments in one year, as well as within 10 years, with 28% and 44% doing so respectively.**
- **1 in 3 (35%) urban Canadians between the ages of 18–77 are now more likely to buy a home in the next five years as compared to their intentions in January 2020 before the COVID-19 pandemic, a finding that is relatively consistent across all metropolitan areas and generations surveyed. This includes 12% who are now “much more likely” to buy.**
- **1 in 3 (35%) of urban Canadian primary homeowners ages 18–77 are more likely to sell a home within the next five years, compared to their intentions in January 2020, including 14% who are now “much more likely” to sell.**

- **The pandemic has had the least influence on Generation X and Baby Boomers’ likelihood to buy or sell, with more than 4 in 10 (41% and 44% respectively) reporting no change in their propensity to buy compared to January 2020 and another 4 in 10 (43% and 42% respectively) reporting no change in their propensity to sell.**
- **In contrast, urban Millennials are now less likely than Generation X and Baby Boomers to sell their primary residence in the next five years compared to pre-pandemic with 32% reporting a reduced propensity to sell, compared to 21 and 23% amongst Generation X and Baby Boomers respectively.**

Results from a new study by Mustel Group and Sotheby’s International Realty Canada reveals that an overwhelming majority of urban Canadians across the Baby Boomer, Generation X, Millennial and Generation Z adult demographic remain confident in the long term financial performance of residential real estate. Despite rising interest rates, stubborn inflationary pressures and economic uncertainty, nearly half (49%) of urban Canadians ages 18–77 believe that a residential real estate purchase will perform the same or better than their other financial investments in the next 12 months, while a resounding 60% believe it will perform the same or better than their financial investments in the next 10 years. In fact, over one-third (35%) report that they are even more likely to purchase a primary residence in the next five years than they were in January 2020 before the advent of the pandemic, while one-third (35%) of those who already own a primary home report that they are now more likely to sell within the next five years compared to their intentions pre-pandemic.

According to Mustel Group and Sotheby’s International Realty Canada survey results, 23% of urban Canadians spanning the Baby Boomer, Generation X, Millennial and Generation Z adult cohorts believe that

a home or residential real estate purchase will outperform financial investments within one year, while 26% believe performance will be on par. Across all metropolitan areas, Baby Boomers are the most likely to believe that real estate will outperform their financial investments in a year, at a rate of 28%, while 24% believe performance will be the same. In comparison, 23% of urban Generation X anticipate that real estate performance will outstrip the performance of their financial investments, while another 23% believe performance will be on par. At the same time, 21% of Millennials believe that real estate performance will surpass financial investments and 28% believe performance will be the same. 18% of Canada's youngest home buying cohort, urban Generation Z adults, believe real estate will outperform their financial investment, while 31% expect performance to be on par. According to Sotheby's International Realty Canada experts, the appeal of primary home ownership has only increased with the stock market's tumultuous volatility, as Canadians seek alternatives for protecting their financial security.

Longer term confidence in real estate is also high across all metropolitan areas and generational cohorts, with approximately 60% of urban Canadians across the generations surveyed believing that a home or residential real estate purchase will perform the same or better than their financial investments in the next 10 years, including 35% who believe it will outperform them in that time and 24% who believe performance will be on par. Urban baby Boomers are also the most likely generation to believe that real estate will outperform their other financial investments in a decade, at a rate of 44%, while 21% believe performance will be the same. 34% of Generation X respondents believe that real estate performance will surpass their financial investments' performance in this time frame, while 26% believe performance will be on par. Meanwhile, 32% of urban Millennials expect a home or real estate purchase to outperform financial investments, while 27% believe performance will be the same. 30% of urban Generation Z adults expect real estate to outperform their financial investments in the next 10 years, while 25% expect performance to be the same.

Survey results reveal that over one-third of urban Canadians between the ages of 18–77 years are now more likely to buy or sell a home in the next five years as compared to their intentions in January 2020, underscoring a rise in domestic demand for housing and housing mobility since the pandemic's inception. Overall, 35% are more likely to purchase a primary residence in the next five years compared to in January 2020, including 12% who are much more likely and 23% who are somewhat more likely. 33% report no change in their likelihood to buy a home, while 28% are less likely, including 16% who are somewhat less likely and 12% who are much less likely.

Slight variations are reported across the generations, with Generation X and Baby Boomers the least likely to report a change in likelihood to purchase a primary residence compared to January 2020. More specifically, 29% of urban Baby Boomers are more likely to buy a primary residence in the next five years compared to pre-pandemic, while 44% report no change in their likelihood to buy a home. 23% are now less likely to buy a home in the next five years. In comparison, 35% of Generation X across the metropolitan areas surveyed are now more likely to buy a home in the next five years, while a significant 41% say there has been no change in their likelihood to purchase and 23% state that they are now less likely to buy.

Results from the Mustel Group/Sotheby's International Realty Canada survey also reveal that while 36% of Millennials are more likely to buy a home in the next five years than pre-pandemic and 28% report no change in likelihood, a notable 31% of Millennials are now less likely to purchase a home than pre-pandemic, a higher proportion than compared to Baby Boomers and Generation X. Meanwhile, 40% of Generation Z adults are now more likely to buy a home in the next five years, while 33% report no change in their homebuying propensity. 33% report that they are less likely to buy relative to their intentions in January 2020, again a higher percentage than for Baby Boomer and Generation X.

Across all the generations surveyed, a significant 35% of urban Canadian primary homeowners ages 18–77 are more likely to sell a home within the next five years, compared to their intentions in January 2020; this includes 14% who are much more likely to sell and 21% who are somewhat more likely. Another 36% report no difference in their likelihood to sell their home, while 26% are now less likely to sell in the next 5 years, including 15% who are somewhat less likely, and 11% who are much less likely.

The pandemic had the least impact on the likelihood of Baby Boomers and Generation X to sell their primary home within the next five years. While 33% of Baby Boomers report that they are more likely to sell their primary residence in the next five years than before the pandemic, a more significant 42% report no change. 23% are now less likely to sell a home in the next five years. Similarly, while 33% of Generation X are more likely to sell a home in the next five years, 43% say there has been no change in their propensity to sell, while 21% report that they are now less likely to do so.

In contrast, while 34% of Millennial homeowners report that they are now more likely to sell their home in the next five years as compared to before the pandemic, 31% report no change in likelihood, a lower rate than for the Baby Boomer and Generation X cohort. Another 32% of Millennials are now less likely to sell in the next five years. Generation Z adult homeowners comprised a relatively small group of 66 respondents to the survey, however, those who responded are the most likely generation to sell their primary residence in the next five years, with 54% of this up-and-coming cohort of real estate sellers reporting that they are more likely to do so compared to January 2020. Just 10% report no change in likelihood, while 30% report that they are less likely to sell.

“THIS REPORT REFLECTS FINDINGS FROM CANADA’S FIRST CROSS-GENERATIONAL STUDY COMPARING AND CONTRASTING THE SENTIMENT, CONFIDENCE LEVELS AND HOUSING INTENTIONS OF SEVERAL GENERATIONS IN TODAY’S HOUSING MARKET. RESULTS FROM THE MUSTEL GROUP/SOTHEBY’S INTERNATIONAL REALTY CANADA SURVEY REINFORCE THE FACT THAT CONFIDENCE IN THE COUNTRY’S REAL ESTATE MARKET REMAINS RESILIENT DESPITE RECENT SHIFTS IN MARKET CONDITIONS.”

— **Josh O’Neill, General Manager**
Mustel Group

“ONE OF THE MOST TRANSFORMATIVE AND ENDURING SOCIAL AND ECONOMIC OUTCOMES OF THE PANDEMIC IS THAT CANADIANS NOW PLACE A HEIGHTENED IMPORTANCE ON PRIMARY HOME OWNERSHIP, NOT ONLY AS AN INVESTMENT IN THEIR LIFESTYLE AND PERSONAL SECURITY, BUT AS AN INVESTMENT IN THEIR FINANCIAL FUTURE. EVEN THOUGH CANADIANS ARE NOW CONFRONTING THE CHALLENGES OF STEEP INTEREST RATE HIKES, RISING INFLATION, MOUNTING ECONOMIC UNCERTAINTY AND SIGNIFICANT HOUSING AFFORDABILITY CONCERNS, THE RESULTS OF THE MUSTEL GROUP/SOTHEBY’S INTERNATIONAL REALTY CANADA SURVEY REVEAL THAT CONFIDENCE IN OUR REAL ESTATE MARKET REMAINS HIGH, AND THAT DEMAND FOR HOUSING AND HOUSING MOBILITY ACROSS EVERY GENERATION IS MORE PRESSING THAN EVER.”

— **Don Kottick, President and CEO**
Sotheby’s International Realty Canada

Vancouver

On the heels of a year that saw Vancouver real estate prices and sales activity catapult to historic highs in the first quarter of 2022, only to abruptly shift towards more balanced conditions by the end of the year in response to climbing mortgage rates and general unease at changing market circumstances, newly released Mustel Group and Sotheby's International Realty Canada survey results reveal that underlying local confidence in the housing market has remained resilient. Furthermore, despite minor variations in the housing intentions and sentiments of Baby Boomers, Generation X, Millennials and Generation Y adults, a significant percentage of Vancouver residents, regardless of generation, are now even more likely to buy or sell a home in the coming years than they were pre-pandemic.

According to Mustel Group and Sotheby's International Realty Canada, 43% of Vancouver residents between the ages of 18–77 believe that a home or residential real estate purchase will outperform or be on par with the performance of their financial investments in the next 12 months. This includes 20% who believe real estate will perform better, and 23% who believe it will perform the same.

Confidence in near-term real estate performance varies slightly across the generations. 18% of Vancouver Baby Boomers anticipate real estate performance will surpass their financial investments within a year, while 30% believe performance will be the same. In comparison, 26% of the region's Generation X believe that real estate performance will surpass that of their financial investments, while 14% expect performance will be the same.

Millennials in Vancouver are the most likely generational cohort to believe that real estate will perform worse than their financial investments in the next 12 months, with 30% anticipating this to be the case, while 23% expect real estate performance to match

financial investment performance. 16% expect real estate to outperform. Of the region's emerging generation of first-time home buyers and sellers, Generation Z adults, 23% expect a home or residential real estate purchase to perform better than their financial investments in the next year, while 26% expect performance to be on par.

Confidence in the performance of Vancouver's real estate market is even higher in the longer term. Overall, a resounding 60% of those spanning the Baby Boomer, Generation X, Millennial and Generation Z adult cohorts believe that a home or residential real estate purchase will outperform or match the performance their financial investments in the next 10 years, including 36% who expect real estate to perform better and 24% who believe performance will be the same.

From a generational standpoint, a significant 41% of Baby Boomers expect real estate to exceed financial investment performance over the next 10 years, while 21% believe performance will be the same. 38% of Generation X believe that real estate will outperform their financial investments over the next decade, while 23% believe performance will be on par. At the same time, 33% of Vancouver Millennials expect a home or real estate purchase to outperform their financial investments, while 26% anticipate performance to be on par. 30% of Vancouver's youngest demographic of real estate consumers, Generation Z adults, believe real estate will outperform financial investments in 10 years, while another 26% expect performance will be on par.

The results of the Mustel Group and Sotheby's International Realty Canada survey also reveal that a significant percentage of Vancouver homeowners, regardless of generation, are even more likely to engage in a primary home sale or purchase in the next five years than they were before the pandemic's inception in January 2020. According to Sotheby's International Realty Canada, this intensified demand foreshadows an intensification in the pressures for additional housing supply and options for housing mobility.

Overall, 31% of Vancouver residents between the ages of 18–77 years are now more likely to purchase a primary home in the next five years compared to their intentions in January 2020, before the pandemic; this includes 9% who are much more likely to buy, and 22% who are somewhat more likely. 39% report that there is no change in their propensity to purchase a home. A comparably less significant 26% are now less likely to purchase a home than pre-pandemic, including 15% who are somewhat less likely to buy and 11% who are much less likely to do so.

As in the case of their generational counterparts in Calgary, Montréal and Toronto, Baby Boomers and Generation X in Vancouver are less likely than Millennials and Generation Y adults to have had any change in their likelihood to buy a primary home as compared to their intentions in January 2020. While 31% of the Vancouver Baby Boomers are more likely to buy a primary residence in the next five years, a notable 49% report no change in likelihood, while only 14% are now less likely to buy a home than they were in January 2020. At the same time, 27% of Generation X are now more likely to buy a home in the next five years, while 47% report that there has been no change in their propensity to do so. A less significant 24% indicate that they are less likely to do so.

Although a notable percentage of Vancouver Millennials and Generation Z adults are more primed for a home purchase in the next five years than they were pre-pandemic, their likelihood to do so is more muted when compared to the intentions of the region's Baby Boomer and Generation X cohorts. While 33% of Millennials report that they are more likely to buy a home in the next five years than pre-pandemic and 35% indicate no change in likelihood, a notable 29% are now less likely to purchase a home than they were pre-pandemic. Out of Vancouver's youngest generation of prospective homebuyers, Generation Z, 34% indicate that they are more likely to buy a home in the next five years, 22% report no change, while a sizable 38% report that they are now less likely to buy.

Generational home selling trends also suggest that overall intentions to transact in the Vancouver real estate market are robust over the next five years. Overall, in comparison to their intentions in January 2020, approximately one-third of Vancouver homeowners between the ages of 18–77 report that they are more likely to sell their primary home within the next five years. 33% of homeowners report that they are now more likely to sell their home, including 11% who are much more likely to sell and 23% who are somewhat more likely to do so. 41% report no difference in their propensity to sell. Another 23% are less likely to sell in the next five years, including 14% who are somewhat less likely, and 9% who are much less likely.

As in the case of all other metropolitan areas surveyed, the pandemic had the least influence on the likelihood of Baby Boomer and Generation X homeowners in Vancouver to sell their primary home in the next five years. While 40% of Baby Boomers report that they are more likely to sell their primary residence in this timeframe compared to their intentions in January 2020, a significant 49% report no change in their intentions. A nominal 7% are now less likely to sell their home. At the same time, 25% of Generation X are now more likely to sell their home within five years while 48% indicate no change in their propensity to do so. 25% of Generation X report that they are now less likely to sell in the next five years than pre-pandemic.

In contrast, 28% of Millennial homeowners in Vancouver report that they are more likely to sell their home in the next five years than they were pre-pandemic, while 38% report no change in likelihood and 32% report a lower propensity to do so.

Calgary

Buoyed by economic optimism and steady in-migration, Calgary has positioned itself as one of Canada's leading real estate market performers in the past year, according to Sotheby's International Realty Canada, as the region steadily attracts Canadians drawn to its favourable quality of life, lower cost of living and relatively affordable housing. Mustel Group and Sotheby's International Realty Canada survey results reinforce the fact that local confidence in the real estate market is resilient across multiple generations despite minor variations in intentions and sentiment, and that a consequential percentage of Calgary residents are more likely to buy or sell a home in the coming years than prior to the pandemic's inception.

According to survey results, 52% of Calgary respondents between the ages of 18–77 believe that a home or residential real estate purchase will surpass or match the performance of their financial investments in the next year. This includes 19% who believe that real estate will perform better, and a notable 34% who believe it will perform the same, positioning those in Calgary to be the most likely of the regions to feel that real estate performance will be on par with financial investment performance.

As in the case of other major metropolitan areas, Calgary's Baby Boomers are the most likely of the generations to expect that real estate will outperform their financial investments in a year's time, with 23% anticipating this to be the case, while 31% expect performance will be the same. In comparison, just 16% of the region's Generation X and Millennials believe that real estate performance will surpass that of their financial investments, while 33% and 32% respectively believe performance will be the same. In comparison, 19% of Calgary's Generation Z adults believe real estate will outperform their financial investments, while a more significant 42% expect performance to be the same.

Confidence in the long-term performance of Calgary real estate is solid across all generations surveyed, albeit more muted relative to the confidence levels reported in Vancouver, Toronto and Montréal. Overall, 55% of those ages 18–77 believe that a home or residential real estate purchase will perform the same or better than their financial investments in the next decade, with 28% expecting real estate to perform better, a slightly lower rate than those with this expectation in Vancouver, Toronto and Montréal (36% respectively). Another 28% believe performance will be on par with financial investments.

From a generational standpoint, 28% of Baby Boomers expect real estate to exceed financial investment performance, while 23% believe performance will be the same. 35% of Generation X believe that real estate will outperform their financial investments over the next decade, while 29% believe it will be on par. 20% of Millennials expect a home or real estate purchase to outperform their financial investments and 30% expect performance to be the same, 29% of Calgary's youngest demographic of real estate consumers, Generation Z, expect real estate to outperform financial investments while another 29% expect performance to be on par.

A significant percentage of Calgary residents report that they are more likely to engage in a primary home sale or purchase than they were pre-pandemic in January 2020, suggesting enduring, multi-generational demand for housing and housing mobility in the years ahead. 38% of those between the ages of 18–77 years are more likely to buy a home in the next five years compared to their previous intentions in January 2020, before the pandemic, including 13% who are much more likely to buy, and 25% who are somewhat more likely. 37% report that there is no change in their propensity to buy a home. In contrast, a less significant 22% are now less likely to purchase a home, including 10% who are somewhat less likely and 12% who are much less likely.

Baby Boomers and Generation X in Calgary are notably less likely than Millennials and Generation Y adults in the region to have had any change in their propensity to buy a primary home as compared to January 2020. While 25% of the region's Baby Boomers are now more likely to buy a primary residence in the next five years, a significant 44% report no change in likelihood. 23% are less likely to buy a home than they were in January 2020. At the same time, 30% of Generation X are more likely to buy a home in the next five years, while 50% say there has been no change in their likelihood to buy and 19% report that they are now less likely to do so.

According to survey results, a noteworthy percentage of Calgary's Millennials and Generation Z adults are more primed for a home purchase than they were pre-pandemic. 44% of Millennials report that they are more likely to buy a home in the next five years than pre-pandemic, while 29% report no change in likelihood and 24% state that they are less likely to purchase a home. 51% of Generation Z adult respondents are more likely to buy a home in the next five years even as 26% report no change in their homebuying intentions and 21% report that they are now less likely to buy.

At the same time, approximately one-third of Calgary residents are more likely to sell their primary residence within the next five years than they were in January 2020. 32% of homeowners between the ages of 18–77 report that they are now more likely to sell their home, including 12% who are much more likely to sell and 20% who are somewhat more likely. Another 38% report no difference in their propensity to sell. 27% are less likely to sell in this timeframe, including 15% who are somewhat less likely, and 12% who are much less likely.

As in the case of Vancouver, Toronto and Montréal, the pandemic had the least impact on the likelihood of Calgary's Baby Boomers and Generation X to sell their primary home within the next five years.

Although 27% of Baby Boomers report that they are more likely to sell their primary residence in the next five years than compared to January 2020, 45% report no change in their intentions. 25% are now less likely to sell their home. Similarly, while 29% of Generation X are now more likely to sell their home within five years, 43% report no change in their propensity to sell, and 26% report that they are now less likely to do so.

In contrast, 29% of Calgary's Millennial homeowners report that they are more likely to sell their home in the next five years as compared to pre-pandemic, while 35% report no change in likelihood and 32% report a lower likelihood to sell.



Toronto

Even as sales activity and price escalation has calmed across Toronto as the region continues to absorb the effects of interest rate hikes and the pressures of dwindling housing supply, consumer demand for real estate has remained remarkably resilient. This is underscored by Mustel Group/Sotheby's International Realty Canada's newly released survey results, which reveal that consumer confidence in Canada's largest real estate market remains upbeat in both the short- and the long-term, with a significant percentage of Toronto residents even more primed to engage in a real estate transaction than they were prior to the inception of the COVID-19 pandemic.

Overall, 46% of Toronto respondents spanning the Baby Boomer, Generation X, Millennial and Generation Z adult cohorts expect that a home or residential real estate purchase will outperform or match their financial investments in the next year, with 19% anticipating real estate to outperform, while 28% believe performance will be the same. This sentiment varies slightly by generation. 20% of the region's Baby Boomers believe that real estate will outperform their financial investments in a year, while 25% expect performance will be the same. 17% of Generation X believe that real estate performance will exceed that of their financial investments, while 28% believe performance will be the same. 20% of Toronto's Millennials believe that real estate will surpass the performance of their financial investments, while 30% anticipate that performance will be the same. At the same time, 15% of the region's Generation Z adults expect real estate to outperform their financial investments, while 28% expect performance to be on par.

As in the case of other major metropolitan areas surveyed, confidence in real estate performance over the longer term is optimistic across all generations surveyed in Toronto. Overall, 60% of those ages 18–77 believe that a home or residential real estate purchase will perform the same or better than their financial investments in the next decade, including 36% who expect real estate performance to be better, and 24% who expect it to be the

same. The region's Baby Boomer generation is the most optimistic about real estate's longer term performance, with a noteworthy 44% expecting it to surpass financial investment performance within 10 years, while 22% believe performance will be the same. 31% of Toronto's Generation X believe that real estate will exceed their financial investments' performance in the next decade, while 25% believe performance will be on par. In comparison, 37% of Millennials expect a home or real estate purchase to outperform their financial investments, with 27% believing that performance will be the same, while 31% of Toronto's Generation Z adults expect real estate performance to be superior to financial investments, with 20% expecting it to be the same.

Survey findings also reveal a general, heightened level of likelihood to engage in the Toronto real estate market over the next five years. In fact, 36% of those in Toronto between the ages of 18–77 years report that they are now more likely to buy a home in the next five years compared to their intentions to do so in January 2020, prior to the pandemic. This includes 12% who are much more likely to buy, and 24% who are somewhat more likely to do so. 32% report that there has been no change in their propensity to buy a home. In comparison, 28% are now less likely to purchase a home, including 18% who are somewhat less likely and 11% who are much less likely.

As in the case of other major markets, Toronto's Generation X and Baby Boomers are the least likely to have experienced a change in their propensity to buy a primary home compared to January 2020. 29% of Baby Boomers are more likely to buy a primary residence in the next five years compared to pre-pandemic, while a more significant 44% report no change in likelihood. 26% are now less likely to buy a home in the next five years. At the same time, 35% of Toronto's Generation X are now more likely to purchase a home in the next five years, while 39% say there has been no change in their propensity to buy and 25% report that they are less likely to do so.

In comparison, 34% of Millennials are more likely to buy a home in the next five years than pre-pandemic and 28% report no change in likelihood, while 32% are now less likely to purchase a home than

pre-pandemic. At the same time, 47% of Generation Z adults are now more likely to buy a home in the next five years, while 17% report no change in their homebuying intentions and 29% report that they are less likely to buy compared to their intentions in January 2020.

At the same time, a notable 31% of Toronto primary residence owners ages 18–77 say that they are now more likely to sell their home in the next five years than in January 2020, including 12% who are much more likely to sell and 19% who are somewhat more likely. 37% report no changes in their propensity to sell, while 30% say that they are now less likely to sell in the next half decade, including 17% who are somewhat less likely, and 12% who are much less likely.

As in the case of other major Canadian metropolitan areas, the pandemic had the least effect on the propensity of Toronto's Baby Boomers and Generation X to sell their primary home within the next five years. Although 29% of Baby Boomers report that they are more likely to sell their primary residence in the next five years than before the pandemic, a more notable 43% report no change in their intentions. 28% are now less likely to sell their home in this time frame. Further, while 31% of Generation X are more likely to sell a home in the next five years, 43% report that there has been no change in their propensity to sell, while 22% report that they are less likely to do so than in January 2020.

In contrast, 30% of Toronto's Millennial homeowners report that they are now more likely to sell their home in the next five years as compared to January 2020, while 28% state that there has been no change in their likelihood to do so. A significant 38% of Millennials are less likely to sell in the next five years.



Montréal

In a resounding reflection of local confidence in the region's real estate market, those surveyed by Mustel Group and Sotheby's International Realty Canada in Montréal expressed the most confidence in the performance of real estate over the 12 months compared to those surveyed in other major metropolitan areas.

Overall, 55% of those in Montréal between the ages of 18–77, encompassing the Baby Boomer, Generation X, Millennial and Generation Z adult cohorts, believe that a home or residential real estate purchase will outperform or be on par with their financial investments in the next year. This includes 32% who believe that real estate will perform better, and 23% who believe it will be the same. Compared to their counterparts in Vancouver, Calgary and Toronto, Montréal's Baby Boomers are the most optimistic that real estate will outperform their financial investments in a year's time, at a rate of 46%, while 18% believe performance will be the same. In comparison, 31% of Montréal's Generation X believe that real estate performance will surpass that of their financial investments, while 19% believe performance will be the same. 28% of the region's Millennials believe that real estate will surpass the performance of their financial investments, while 25% believe performance will be the same. At the same time, 18% of Generation Z adults in Montréal believe real estate will outperform their financial investments, while 35% expect performance to be the same.

Longer-term confidence in real estate is also robust in Montréal across all generations. Overall, 61% of those ages 18–77 believe that a home or residential real estate purchase will perform the same or better than their financial investments in the next 10 years, including 36% who expect real estate performance to be better, and 24% who believe performance will be the same. Once again, the region's Baby Boomer generation is the most bullish on real estate, with 49% expecting real estate to surpass financial investment performance, while 18% believe performance will be the same. 36% of Generation

X anticipate that real estate will surpass their financial investments' performance in the next decade, while 27% believe performance will be on par. 29% of both Millennials and Generation Z expect a home or real estate purchase to outperform their financial investments, with 24% and 30% believing that performance will be the same, respectively.

Mustel Group and Sotheby's International Realty Canada's findings also reveal that a sizable percentage of Montréal residents are now more likely to engage in a primary home sale or purchase than they were in January 2020, prior to the pandemic's inception. This foreshadows an escalation in housing demand and sales activity in the years ahead. 35% of Montréal residents between the ages of 18–77 years are more likely to buy a home in the next five years compared to their previous intentions in January 2020, before the pandemic. This includes 13% who are much more likely to buy, and 22% who are somewhat more likely. 27% report that there is no change in their propensity to buy a home. In contrast, 32% are now less likely to purchase a home, including 15% who are somewhat less likely and 16% who are much less likely.

Montréal's Generation X and Baby Boomers are the least likely to have experienced a change in their likelihood to purchase a primary home compared to January 2020. 28% of the region's Baby Boomers are more likely to buy a primary residence in the next five years compared to pre-pandemic, while a more significant 38% report no change in likelihood. 28% are now less likely to buy a home in the next five years. At the same time, 45% of Generation X are now more likely to buy a home in the next five years, while 33% say there has been no change in their likelihood to buy and 21% report that they are now less likely to do so.

In contrast, Millennials and Generation Z adults are somewhat less likely to buy a primary residence in the next five years compared to their Baby Boomer and Generation X counterparts. While 36% of Millennials are more likely to buy a home in the next five years than pre-pandemic and 22% report no change in likelihood, a notable

35% of Montréal Millennials are now less likely to purchase a home than pre-pandemic, a higher percentage than for the region's Baby Boomers and Generation X. Meanwhile, even though 28% of Generation Z adults are more likely to buy a home in the next five years and 22% report no change in their homebuying intentions, a significant 42% report that they are even less likely to buy compared to their intentions in January 2020, once again, a higher percentage than for Baby Boomers and Generation X.

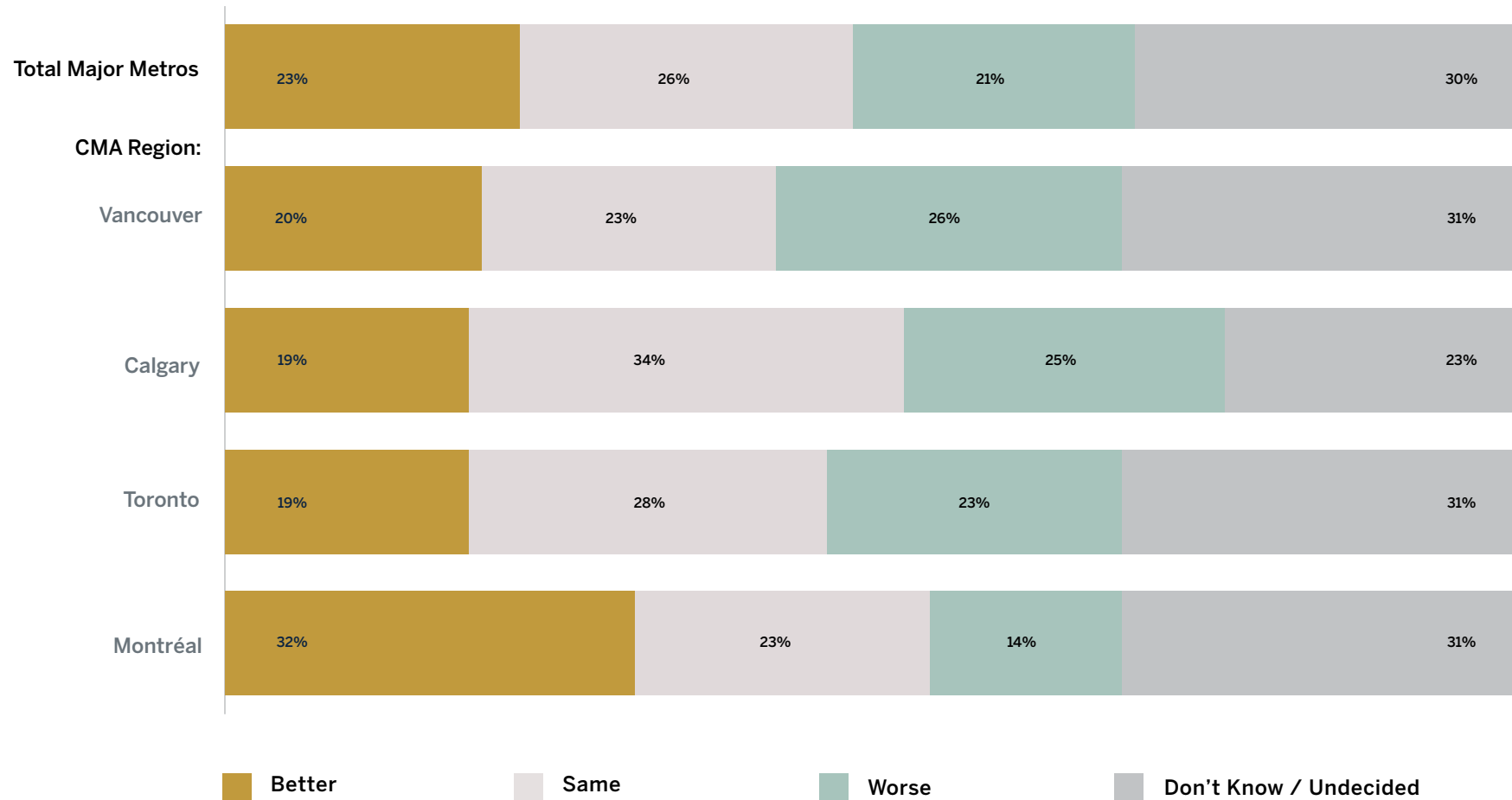
Amongst Canadians in the country's largest metropolitan areas, those in Montréal are the most likely to sell their primary residence within the next five years, with a significant 44% of Montréal primary homeowners ages 18–77 saying that they are now more likely to sell their home than in January 2020, including 21% who are much more likely to sell and 23% who are somewhat more likely. Another 29% report no difference in their propensity to sell, while 23% are now less likely to sell in the next five years, including 12% who are somewhat less likely, and 11% who are much less likely.

The pandemic had the least impact on the likelihood of Baby Boomers and Generation X to sell their primary home within the next five years. While 34% of Baby Boomers report that they are more likely to sell their primary residence in the next five years than before the pandemic, another 34% report no change in their intentions. 27% are now less likely to sell their home during this time frame. While 45% of Generation X are more likely to sell a home in the next five years, 38% say there has been no change in their propensity to sell, and 15% report that they are now less likely to do so.

In comparison, 46% of Millennial homeowners report that they are more likely to sell their home in the next five years as compared to January 2020, while 29% report no change in likelihood. 19% of Millennials are now less likely to sell in the next five years.



CONFIDENCE IN REAL ESTATE OUTPERFORMING FINANCIAL INVESTMENTS IN THE NEXT 12 MONTHS



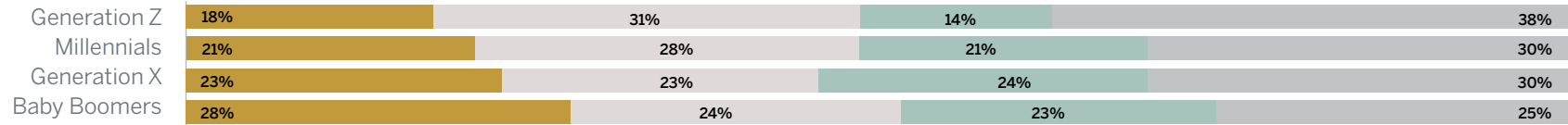
Question: Considering everything, how do you think a home/residential real estate purchase will perform compared to your financial investments in the next 12 months (e.g. RRSP, TFSAs, stocks/bonds, etc.)?

Base: Total Major Canadian Metros (n=2,000)
 Vancouver (n=440), Calgary (n=400), Toronto (n=680), Montreal (n=480)

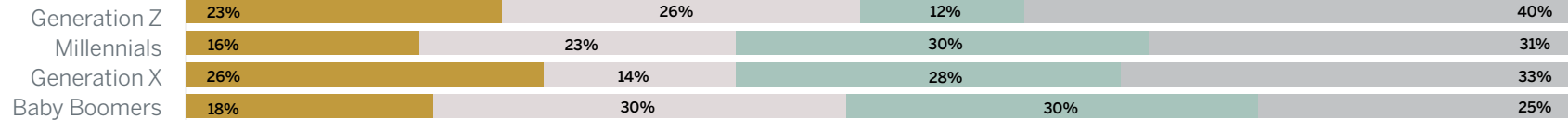
Note: Percentages may not add to 100% due to rounding

CONFIDENCE IN REAL ESTATE OUTPERFORMING FINANCIAL INVESTMENTS IN THE NEXT 12 MONTHS GENERATIONAL TRENDS

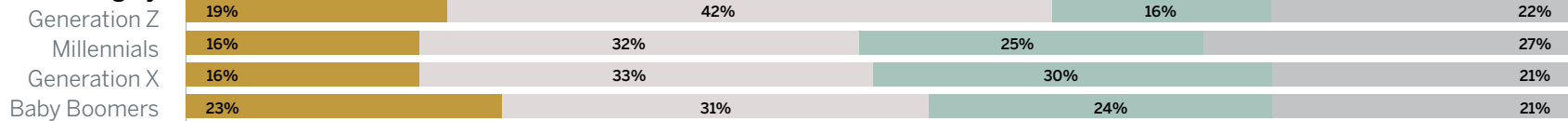
Total Major Metros



Vancouver



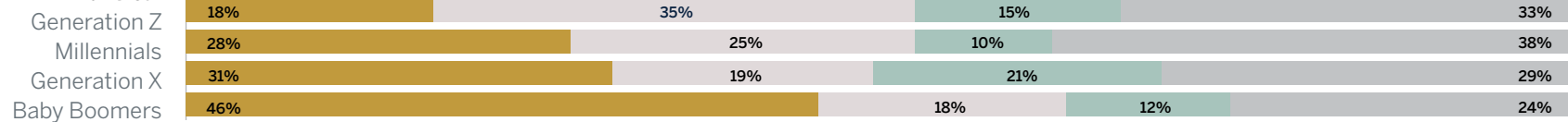
Calgary



Toronto



Montreal



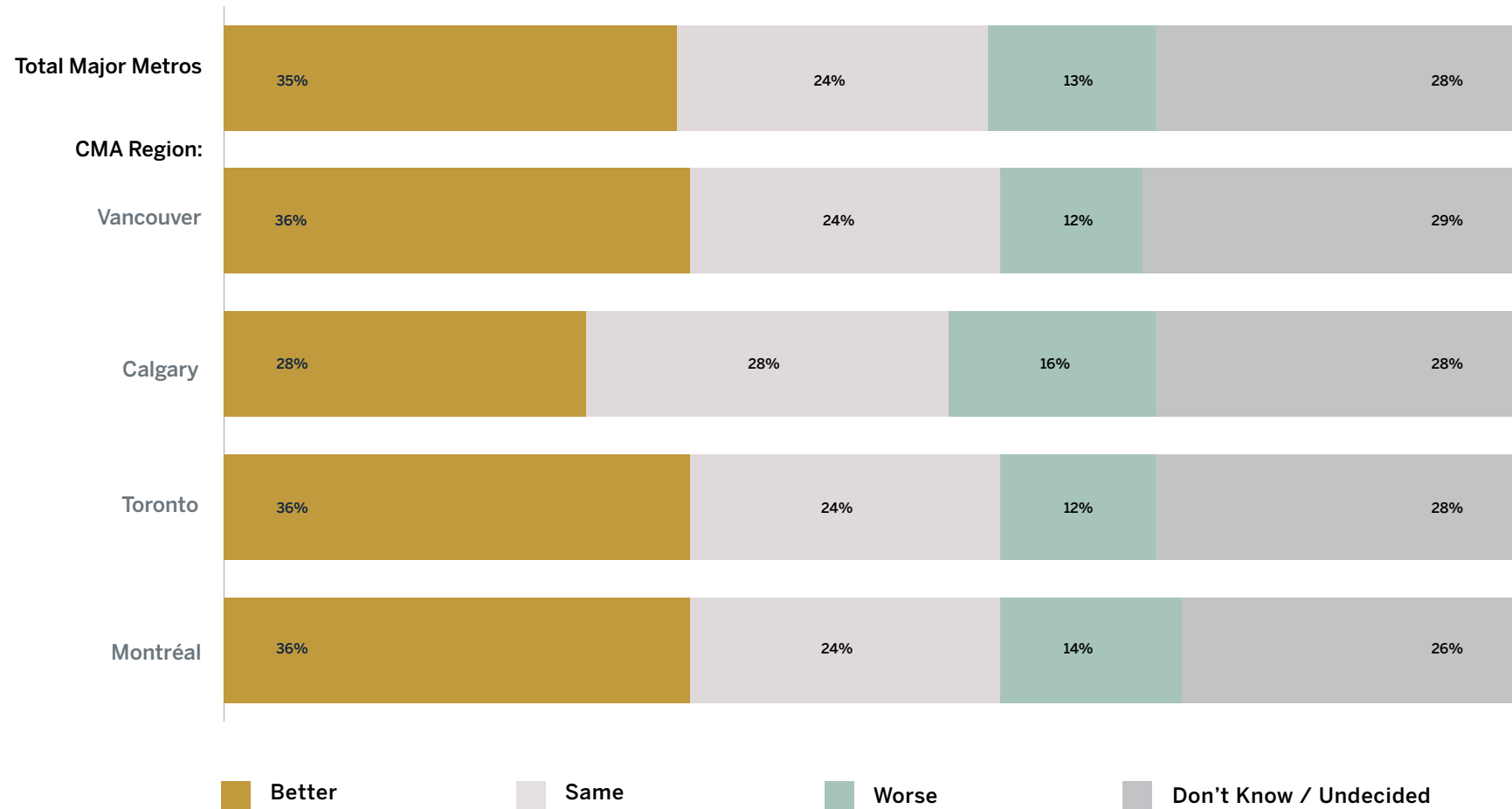
Question: Considering everything, how do you think a home/residential real estate purchase will perform compared to your financial investments in the next 12 months (e.g. RRSP, TFSA, stocks/bonds, etc.)?

Base: Total Major Canadian Metros (n=2,000)
 Total Major Metros: Ages 18-26 (n=311), 27-42 (n=622), 43-57 (n=541), 58-77 (n=526)
 Vancouver: Ages 18-26 (n=67), 27-42 (n=136), 43-57 (n=117), 58-77 (n=120)
 Calgary: Ages 18-26 (n=57), 27-42 (n=134), 43-57 (n=110), 58-77 (n=99)
 Toronto: Ages 18-26 (n=118), 27-42 (n=208), 43-57 (n=185), 58-77 (n=169)
 Montreal: Ages 18-26 (n=69), 27-42 (n=144), 43-57 (n=129), 58-77 (n=138)

Ages 18-26: Gen Z, Ages 27-42: Millennial, Ages 43-57: Gen X, Ages 58-77: Baby Boomer

Note: Percentages may not add to 100% due to rounding

CONFIDENCE IN REAL ESTATE OUTPERFORMING FINANCIAL INVESTMENTS IN THE NEXT 10 YEARS



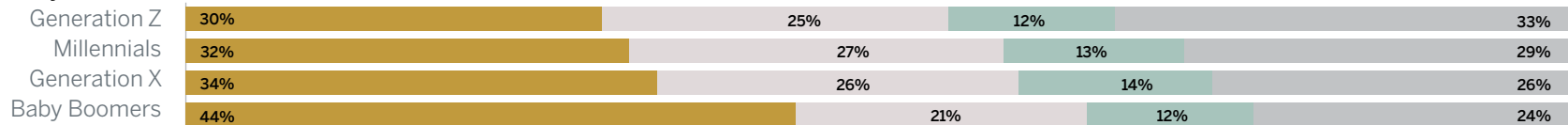
Question: Considering everything, how do you think a home/residential real estate purchase will perform compared to your financial investments in the next 10 years (e.g. RRSP, TFSA, stocks/bonds, etc.)?

Base: Total Major Canadian Metros (n=2,000)
 Vancouver (n=440), Calgary (n=400), Toronto (n=680), Montreal (n=480)

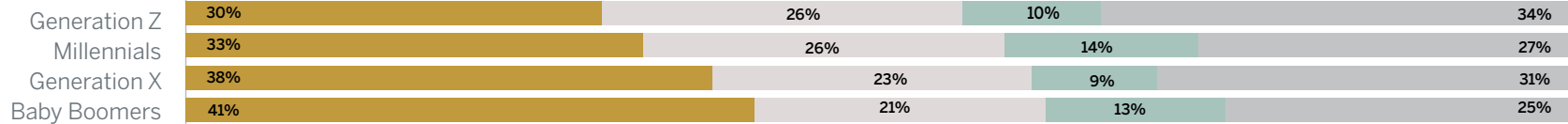
Note: Percentages may not add to 100% due to rounding

CONFIDENCE IN REAL ESTATE OUTPERFORMING FINANCIAL INVESTMENTS IN THE NEXT 10 YEARS GENERATIONAL TRENDS

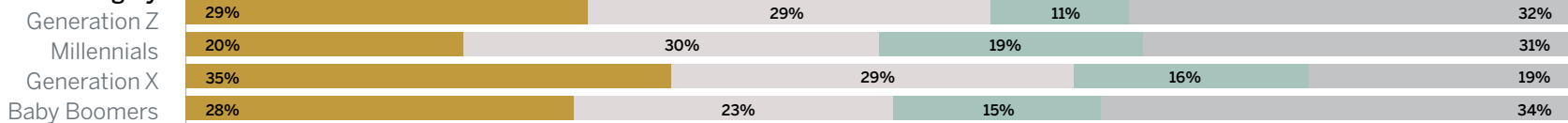
Total Major Metros



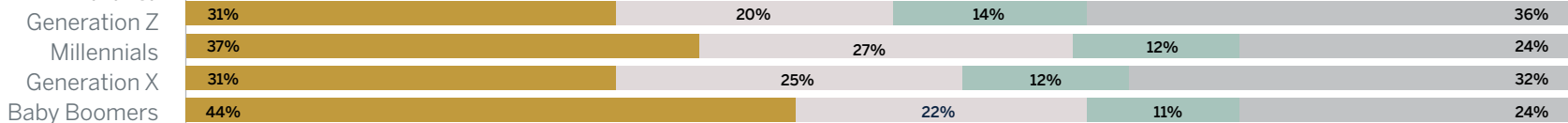
Vancouver



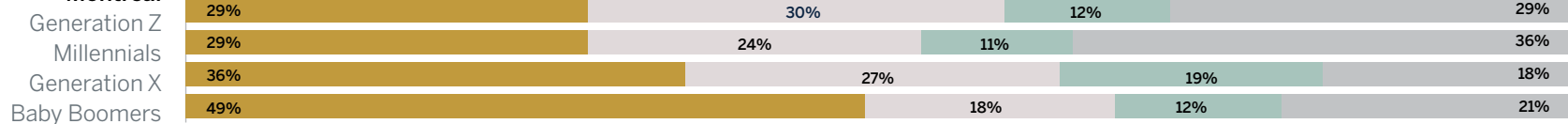
Calgary



Toronto



Montreal



Question: Considering everything, how do you think a home/residential real estate purchase will perform compared to your financial investments in the next 10 years (e.g. RRSP, TFSA, stocks/bonds, etc.)?

Base: Total Major Canadian Metros (n=2,000)

Total Major Metros: Ages 18-26 (n=311), 27-42 (n=622), 43-57 (n=541), 58-77 (n=526)

Vancouver: Ages 18-26 (n=67), 27-42 (n=136), 43-57 (n=117), 58-77 (n=120)

Calgary: Ages 18-26 (n=57), 27-42 (n=134), 43-57 (n=110), 58-77 (n=99)

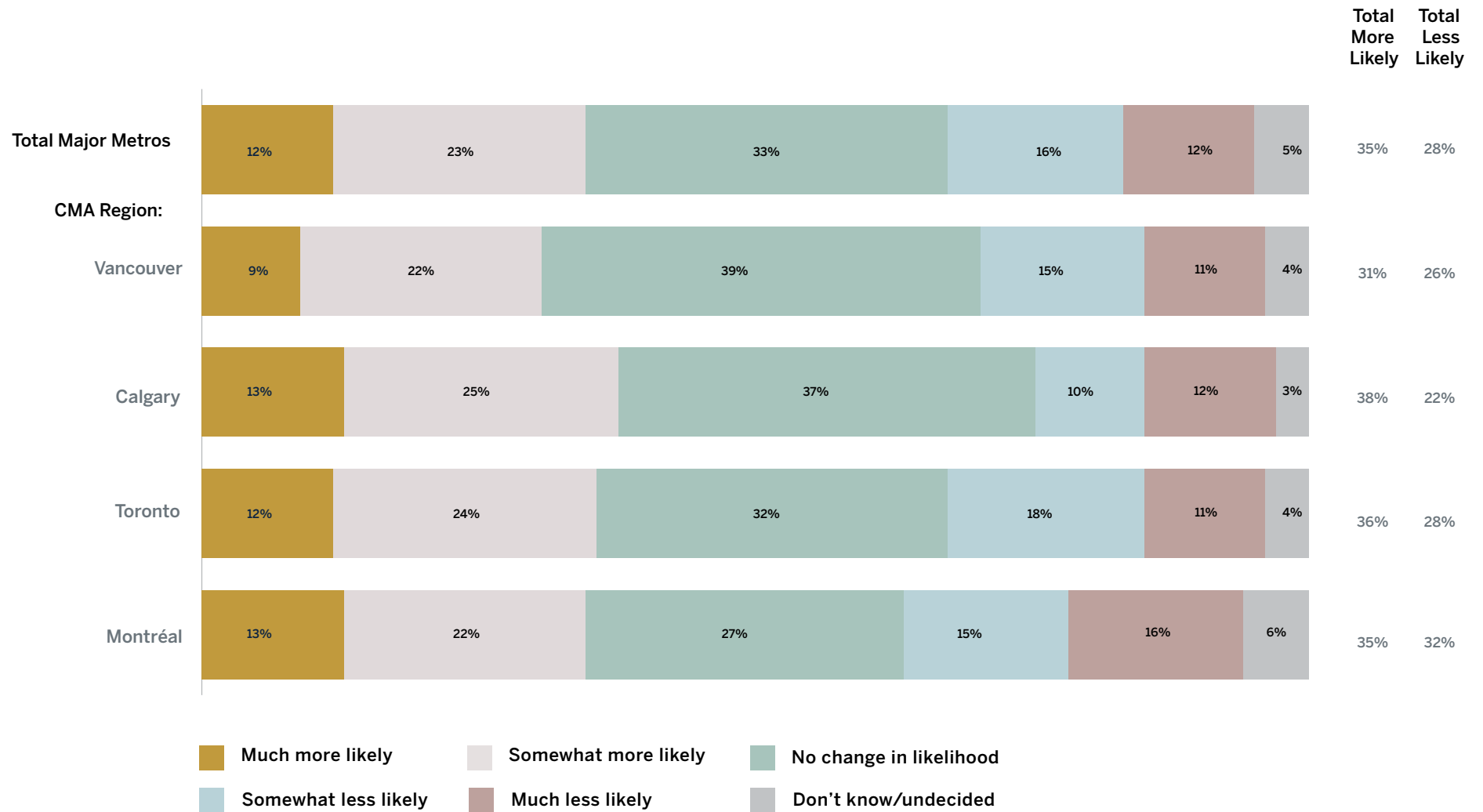
Toronto: Ages 18-26 (n=118), 27-42 (n=208), 43-57 (n=185), 58-77 (n=169)

Montreal: Ages 18-26 (n=69), 27-42 (n=144), 43-57 (n=129), 58-77 (n=138)

Ages 18-26: Gen Z, Ages 27-42: Millennial, Ages 43-57: Gen X, Ages 58-77: Baby Boomer

Note: Percentages may not add to 100% due to rounding

LIKELIHOOD TO BUY WITHIN THE NEXT 5 YEARS (VS. IN JAN. 2020)

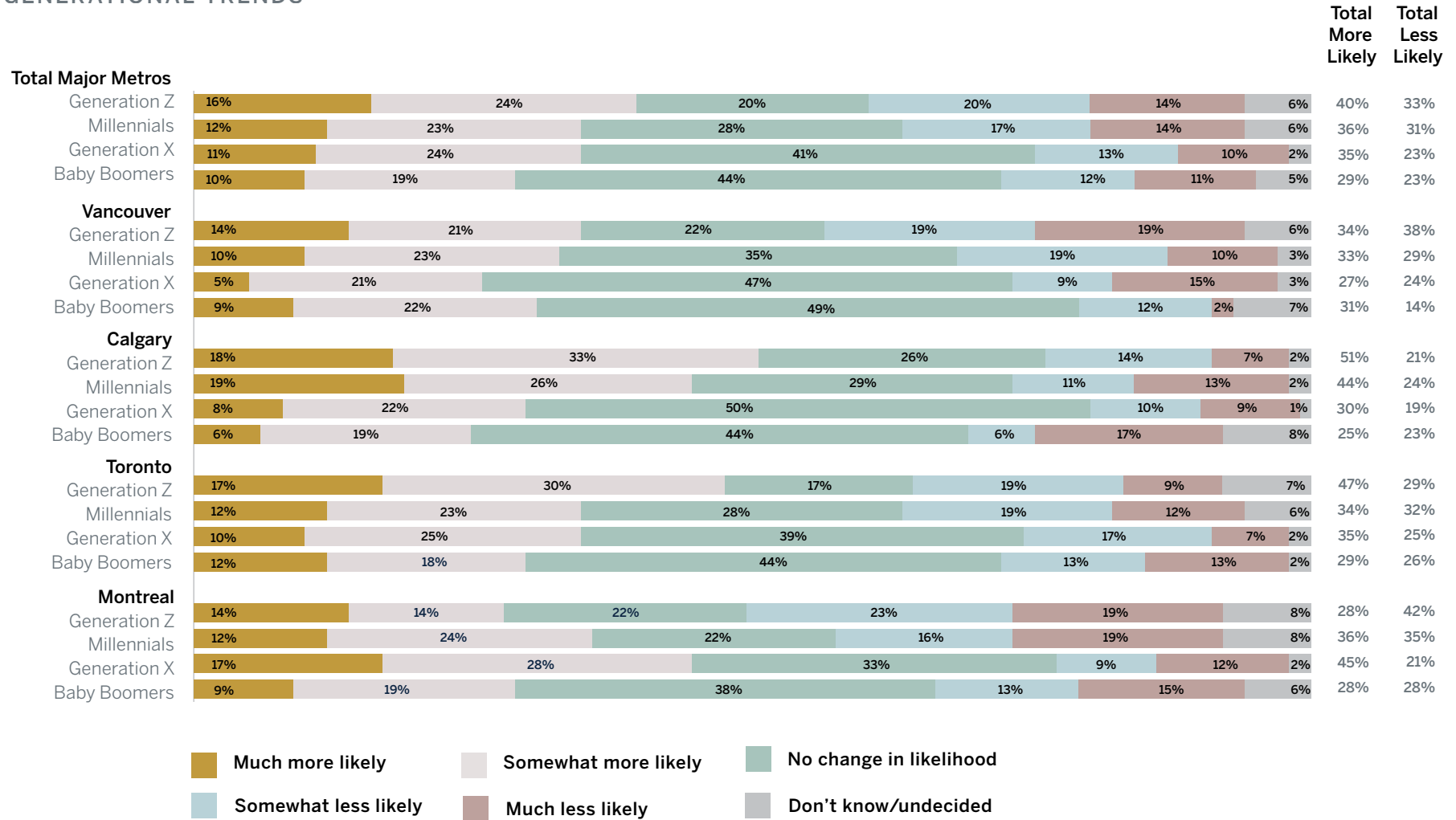


Question: Compared to January 2020 (before the COVID-19 pandemic), are you more or less likely to buy a primary residence within the next five years?

Base: Total answered 'Yes' to buying a home (n=1,203)
 Vancouver (n=278); Calgary (n=263); Toronto (n=412); Montreal (n=250)

Note: Percentages may not add to 100% due to rounding

LIKELIHOOD TO BUY WITHIN THE NEXT 5 YEARS (VS. IN JAN. 2020) GENERATIONAL TRENDS



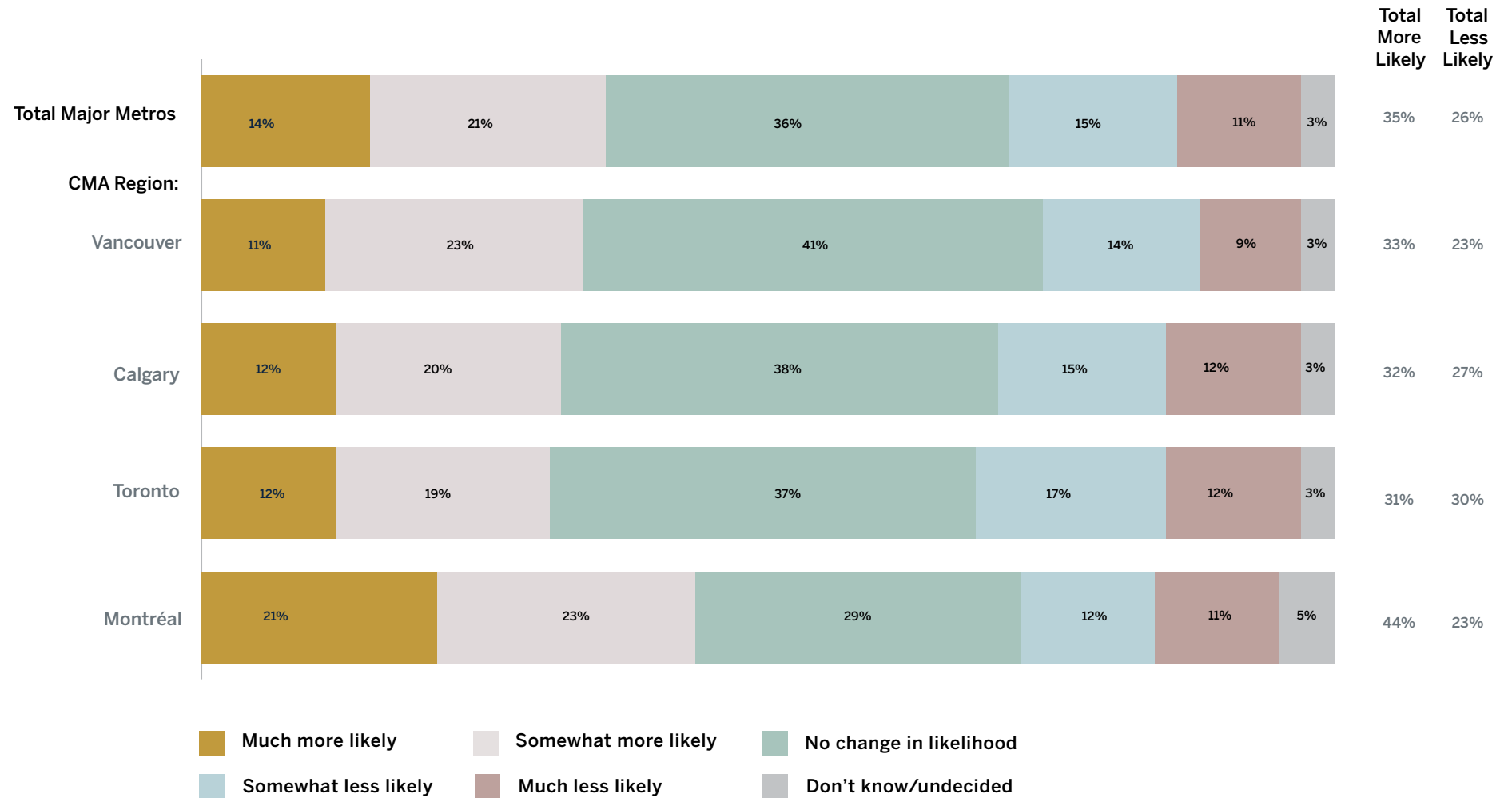
Question: Compared to January 2020 (before the COVID-19 pandemic), are you more or less likely to sell your primary residence within the next five years?

Base: Total answered 'Yes' to buying a home (n=1,203)
 Total Major Metros: Ages 18-26 (n=244), 27-42 (n=419), 43-57 (n=317), 58-77 (n=223)
 Vancouver: Ages 18-26 (n=53), 27-42 (n=91), 43-57 (n=75), 58-77 (n=59)
 Calgary: Ages 18-26 (n=51), 27-42 (n=90), 43-57 (n=74), 58-77 (n=48)
 Toronto: Ages 18-26 (n=87), 27-42 (n=146), 43-57 (n=110), 58-77 (n=69)
 Montreal: Ages 18-26 (n=53), 27-42 (n=92), 43-57 (n=58), 58-77 (n=47)

Ages 18-26: Gen Z, Ages 27-42: Millennial, Ages 43-57: Gen X, Ages 58-77: Baby Boomer

Note: Percentages may not add to 100% due to rounding

HOMEOWNERS' LIKELIHOOD TO SELL WITHIN THE NEXT 5 YEARS



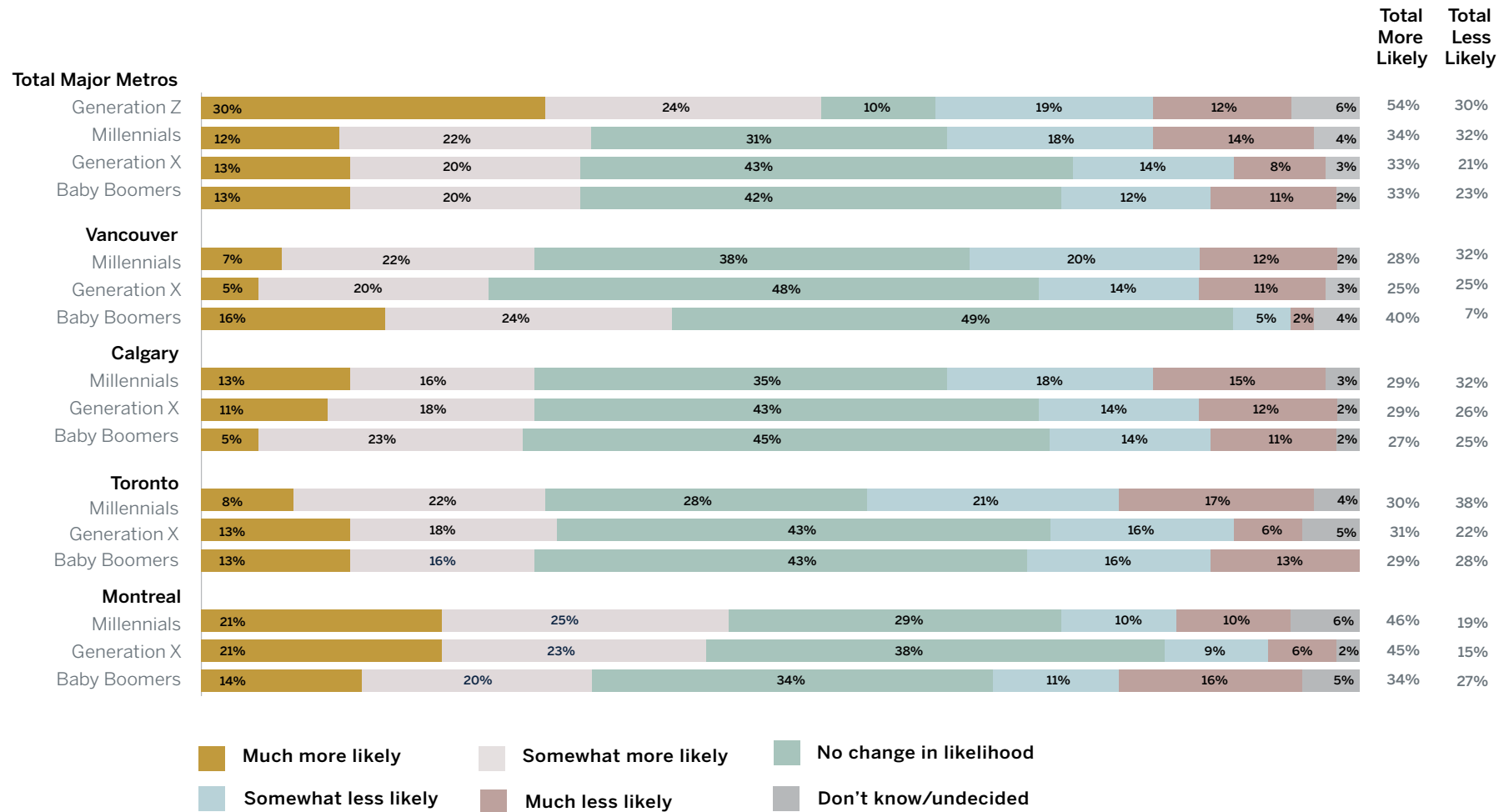
Question: Compared to January 2020 (before the COVID-19 pandemic), are you more or less likely to sell your primary residence within the next five years?

Base: Total Homeowners (n=802)
 Vancouver (n=200); Calgary (n=192); Toronto (n=247); Montreal (n=163)

Note: Percentages may not add to 100% due to rounding

HOMEOWNERS' LIKELIHOOD TO SELL WITHIN THE NEXT 5 YEARS

GENERATIONAL TRENDS



Question: Compared to January 2020 (before the COVID-19 pandemic), are you more or less likely to sell your primary residence within the next five years?

Base: Total Homeowners (n=802)
 Total Major Metros: Ages 18-26 (n=66), 27-42 (n=266), 43-57 (n=264), 58-77 (n=206)
 Vancouver: Ages 18-26 (n=20*), 27-42 (n=60), 43-57 (n=65), 58-77 (n=55)
 Calgary: Ages 18-26 (n=15*), 27-42 (n=68), 43-57 (n=65), 58-77 (n=44)
 Toronto: Ages 18-26 (n=11*), 27-42 (n=86), 43-57 (n=87), 58-77 (n=63)
 Montreal: Ages 18-26 (n=20*), 27-42 (n=52), 43-57 (n=47), 58-77 (n=44)

Ages 18-26: Gen Z, Ages 27-42: Millennial, Ages 43-57: Gen X, Ages 58-77: Baby Boomer

Note: Percentages may not add to 100% due to rounding



MUSTEL GROUP
MARKET RESEARCH

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INTERNATIONAL REALTY



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