

ABSTRACT

The process of new home purchase can be divided into three stages: the identification of housing needs, the search for new dwellings, and the purchase decision. Using this model to organize the data collected from a survey of households who recently bought new homes, this report attempts to explore the new homes market in the City of Kingston, Ontario.

Major findings are listed below:

- There were three market segments: "Middle-aged A" which included young to middle-aged homebuyers with moderate income, "Middle-aged B", which was composed of young to middle-aged homebuyers with high income, and "Seniors", which consisted of all those homebuyers aged over 50.
- Those between 30 to 40 years of age constituted the largest age cohort among all home buyers. The seniors over 60 years of age were the second largest age group.
- Over 30 percent of all respondents had a combined household income of between \$40,000 and \$59,999. Twenty-eight percent earned between \$60,000 and \$79,999. Another 27 percent had a combined income greater than \$80,000.
- Fifty-five percent of the respondents had previously lived in Kingston. The rest came from a variety of places.
- Respondents coming from outside Kingston had a similar age distribution as those previously lived in the local areas, but they tended to have higher income levels.

- About 47 percent of all respondents came to know of the availability of the new dwellings through real estate agents. Twenty-four percent had used newspaper advertisements. The “for sale” signs were used by 19 percent of the respondents.
- More than 66 percent of all respondents had considered buying a resale home, but less than 10 percent had considered renting a place.
- Fifty-eight percent of the respondents spent between \$100,000 to \$150,000 to buy a new house. About 30 percent spent between \$150,000 to \$200,000.
- Sixty percent of the respondents stated that the builder took good care of their needs. Yet, improvements could have been made in the design of the house, as well as in the after-sales service.
- Seventy percent of the respondents stated that the real estate agents were responsive to their needs. More communications are needed between agents and buyers.
- The home buyers regarded the attributes of the house as more important than both the builder and the characteristics of the neighbourhood.
- The location, design and price were the most common factors that made the home buyer settle for a house.
- Elderly home buyers had a greater tendency than younger home buyers to use advertisements in newspaper and magazines for information about new dwellings.
- Home buyers with high income tended to use real estate agents for information, while those with moderate income tended to use other information sources such as relative/ friends, advertisements, and “for sale” signs.