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ONE IN FOUR FIRST-TIME HOMEOWNERS CAUGHT OFF GUARD BY EARLY COSTS

Almost half admit to being unknowledgeable about closing costs such as mortgage loan insurance, legal fees and land transfer taxes

TORONTO, June 28, 2007 – More than 600,000 Canadians will have a moving day by the end of August this year, and one in four first-time homeowners will be unprepared for the costs and surprises that come with their purchase, according to a survey conducted by Ipsos-Reid for First Canadian Title, Canada's leading provider of title insurance.

The Canadian Real Estate Association counts the number of homes selling or trading hands across Canada between January and May of this year at 233,156. Based on Statistics Canada census data that estimate the average occupancy per household at 2.6 people, more than 600,000 Canadians will experience moving in the first eight months of this year. The volume of home sales represents an increase of eight per cent from the same time last year, 19 per cent from five years ago, and 72 per cent from 11 years ago.

“Despite the joys associated with owning a home, people are often dismayed at some of the surprise costs they encounter, particularly during their first year of homeownership,” said Susan Leslie, Vice President, Claims and Underwriting, First Canadian Title. “These can range from something as simple as changing the locks to unanticipated closing costs or having to deal with something more serious like a property encroachment issue.”

Unexpected first-year costs can range from small items such as a new garden hose or a lawn mower, to more expensive items and repairs such as window coverings or a leaky foundation. Serious issues like property encroachments, unpaid liens, defects in title, or costs arising from pre-existing building code violations can be offset with the purchase of title insurance.

Despite the number of Canadians on the move, the survey found that as many as 26 per cent of home owners say they were totally or somewhat unprepared for the costs and expenses that come with the first year in their new homes. A much higher number – 43 per cent – rated themselves as very or somewhat unknowledgeable of closing costs such as mortgage loan insurance, legal fees and land registration fees. The survey found that among Canadians, Quebecers claim to be the most knowledgeable, with 66 per cent stating they were well aware of up-front closing costs before they made an offer on their first home.

The Ipsos-Reid survey, conducted exclusively for First Canadian Title last week, also asked Canadian homeowners about the level of stress they experienced around moving day. The findings revealed that 1 in 5 – or 21 per cent – described the experience of moving as very or quite stressful, and about 65 per cent who described their move as very stressful were either

totally or somewhat unprepared for the costs and expenses that come with the first year in their new homes (66%), or were very or somewhat knowledgeable about up-front closing costs before they made an offer on their first home.

Saskatchewanians and Manitobans experienced being very or somewhat stressed around the time of their moves at 29 per cent.

“There are a lot of emotional issues we encounter when moving, from fear of not being prepared to stress about the financial responsibilities that lie ahead. After all, our home is the most valuable purchase most of us will ever make,” said Leslie. “The best solution for stress is doing your homework – from budgeting and planning to ensuring that your property and title are properly protected.”

For details, please refer to the attached survey highlights, data tables and charts.
[Ipsos link]

About the Ipsos Reid/First Canadian Title survey

The Ipsos-Reid Moving Day online survey was conducted exclusively for First Canadian from June 18 -22, 2007. For the survey, a representative sample of 1019+ adult homeowners from the Ipsos Canadian Online Panel were surveyed. With a sample of this size, the results are considered accurate to within ± 3.0 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian homeowner population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to Census data.

About First Canadian Title

First Canadian Title is Canada's leading provider of title insurance, and other related products and services for residential and commercial real estate transactions. Founded in 1991 and based in Oakville, Ontario, First Canadian Title employs approximately 1,000 people from coast to coast. Its customers include more than 15,000 lawyers and notaries nationwide, every major Canadian chartered bank, other lending institutions, real estate agents, mortgage brokers and builders. First Canadian Title is the registered business name of FCT Insurance Company Ltd. and of the Canadian branch of First American Title Insurance Company. For more information about First Canadian Title, please visit www.FirstCanadianTitle.com or www.ProtectYourTitle.com.

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