



Fact Sheet
A Profile of Homebuying in Canada
January 2019 Survey Report

- Housing markets across Canada slowed significantly in 2018 as a result of higher interest rates coupled with mortgage stress tests and other policy changes that have constrained homebuying
- Canadians are highly motivated to repay their mortgages as quickly as possible. 1/3 of mortgage holders do take action to shorten their amortization periods, including:
 - Making lump sum payments
 - Increasing the frequency of payments
 - Increasing the scheduled payment amount
- Average mortgage interest rate is 3.09%, compared to an average of 2.96% recorded a year ago
- Greater than one-half (55%) of Canada's homeowners have ever renovated their current homes, including 27% who renovated during 2015-2018 with an average spend of \$41,000
- Down payments by first-time homebuyers make up on average 20% of the purchase price. Those down payments come from multiple sources, including:
 - Personal savings – 52%
 - Parents and family – 20%
 - Financial institutions – 19%
 - RRSP Home Buyers' Plan – 9%
- It appears highly likely that the homeownership rate will fall further during the coming years because of:
 - Mortgage stress tests suppressing homebuying
 - Increased difficulty of saving for down payments
 - The elevated rate of "forced saving"
 - Further government policies by the federal government making it more difficult to buy
- Resale activity fell by 11% compared to 2017, and 15% from the all-time record set in 2016. Sale rates fell during the last four months of 2018
- There is a strong belief that real estate in Canada is a good long-term investment, and that mortgages are a good form of debt
- 90% of responders were happy with their decision to buy a home. Of those not happy, 70% contextualized their regret as pertaining to the particular property purchased
- Consumers seem to be increasingly satisfied with the mortgage choices they have made, and there is little to no variance across the provinces; British Columbia and Ontario have scores that are essentially equal to the national average.
- Young prospective homebuyers are dissuaded by personal financial circumstances, lack of employment stability, and the steep overhead needed for a down payment.