



## THE ANNUAL STATE OF THE RESIDENTIAL MORTGAGE MARKET

November 2009

### Significant Statistics

*A copy of the full report is available to download at [www.caamp.org](http://www.caamp.org)*

- Canadians are decidedly more optimistic this year about whether now is a good time to purchase a home: 61 per cent feel that it is, nearly double the response from this time last year, when only 38 per cent felt that way
- Overall, Canadians remain very satisfied with their current mortgage, with 77 per cent either completely satisfied or satisfied. The top reason cited is the mortgage rate, which averaged 4.55 per cent this past year, a dramatic decline from 5.41 per cent last year
- Canadians in provinces that have felt the greatest effect of the recession are also the most optimistic about the increase in house prices. 42 per cent of people in Ontario, 43 per cent of people in Alberta and 47 per cent of people in British Columbia feel that house prices will increase in the next year. People in Quebec are least optimistic, with 13 per cent believing housing prices will decline, more than any other province
- Anxiety over job loss remains the same now as it was in the spring, with 16 per cent expressing continuing concern over job loss. However, the vast majority (80 per cent) have more than 20 per cent equity in their homes, which could provide support during a period of unemployment
- Two thirds of all mortgages are fixed for terms of four or more years, with five year terms remaining the most popular at 56 per cent. However, many people who took out a mortgage in the past year chose a shorter term, with 20 per cent at one year or less
- Average amount of equity Canadians holding a mortgage have in their home is \$142,000, representing 52 per cent of the value of their homes. Approximately one third of homeowners do not hold a mortgage and have an average \$322,000 of equity in their homes. Overall, Canadian homeowners have 74 per cent equity in their homes.
- Canadians take out equity for two primary reasons: debt consolidation and renovations. One third of Canadians said the home renovation tax credit influenced their decision to renovate and 30 per cent of equity taken out in the past year was for renovations (\$12 billion of the total \$41 billion in equity takeout), with an average take-out of \$41,000
- 68 per cent of mortgage holders have fixed rate mortgages, while 27 per cent have variable and adjustable rate mortgages. Fixed rate mortgages are the most popular among people between the ages 18 and 34, while those in the 55+ age group are more likely to prefer variable rate mortgages