MORTGAGE PROFESSIONALS CANADA

Fact Sheet
Annual State of the Residential Mortgage Market in Canada
Fall 2016 Survey Report

- For homes purchased between 2014 and 2016, the average contracted amortization period is 22.4 years.
- For homes purchased between 2014 and 2016, 84% have amortization periods of 25 years or less.
- Each year, more than one-third of mortgage holders take actions that will shorten their amortization periods.
- When asked why they do not own a home, Canadians aged 18-34 stated they need more time to save for a down payment (43%), while those aged 55+ feel renting is a better option (45%).
- Among borrowers who took out a mortgage in 2016, 43% used a mortgage broker.
- The average mortgage interest rate for homeowners is 3.02%, and for homes purchased during 2016 the average rate is 2.76%.
- On average, first-time buyers make down payments equal to 21% of the price of the home.
- Down payments have consistently been around the 20% range for first-time buyers, on homes purchased as far back as before 1990 and as recently as 2016.
- Personal savings remains the most important source of down payments for first-time buyers, while gifts from parents have doubled since 2000 (7% in 2000 compared to 15% for homes purchased between 2014 and 2016).
- On average, home equity in Canada is equivalent to 74% of the value of homes.
- 9% of homeowners took out equity on their homes in the past year, most commonly to pay for home renovation or repair. The average amount of equity takeout was $47,600.
- By a very large margin, Canadian homeowners are happy with their decisions to purchase their homes (91%).
- Mortgage credit growth has averaged 7.1% per year during the past decade, but has slowed to 6.1% for the past year.
- Outstanding residential mortgage credit is forecast at $1.45 trillion by the end of 2016. By the end of 2017 it may be just under $1.5 trillion.