

Mortgages/Residential Mortgage Lending - Canada - March 2016

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"A current banking relationship is the most important choice factor for consumers when choosing a mortgage lender, underlying the importance of a strong branch network and motivated front-line staff to cross-sell mortgage products."

– Sanjay Sharma, Senior Financial Services Analyst

This report looks at the following areas:

- Two out of three Canadians find the housing market overvalued
- TD is the market leader
- Current banking relationship is the strongest choice influencer
- Around three in five mortgage holders have a fixed rate mortgage
- British Columbians have higher mortgage debt amounts

The residential mortgage market in Canada has grown to more than \$1 trillion on the back of a generally strong housing market. Mortgages are the most significant debt product that most households have during their lifetime and represent a major portion of a financial institution's consumer lending portfolio. The housing market has got its fair share of media attention as concerns about the level of the market and household debt amounts have received wide coverage. Regulatory authorities continue to closely monitor the housing market, as well as the exposure of financial institutions to vulnerabilities in these areas.

The federal government recently announced changes to the minimum down-payment amounts, to cool the frothier sections of the housing market, mainly concentrated in the cities of Toronto and Vancouver. But a continued low interest rate environment has increased household debt levels to worrying proportions.

The mortgage marketplace is dominated by the major banks but there is strong competition, not only among them, but from smaller virtual banks, regional banks, private lenders and credit unions. This Report covers consumer behaviour around choice of financial institution, factors that influence lender choice, types of mortgages owned, debt amounts and attitudes towards the housing market and mortgages in general.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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