

Mortgage Financing – Canada – 2022

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This report looks at the following areas:

- **Consumer behaviours and attitudes related to mortgage financing.** This Report examines areas such as purchase behaviours, financing behaviours, lender choice for mortgages, switching factors, preferred channels for mortgage-related activities and attitudes about mortgages and home ownership.

Mortgages are the biggest chunk of the lending business. The red-hot housing market has ensured strong growth, not only in mortgages, but other home equity products as home owners borrowed more to upgrade their homes; the result of white-collar employees spending more time at home due to the pandemic. As a consequence of high real estate values, housing affordability is a major issue for first-time home buyers.

Housing prices have generally witnessed a steady climb over the last decade and a half; accelerating in the past few years. Low interest rates and high prices meant that Canadians racked up \$193 billion in new mortgage debt during the pandemic, taking total household debt to a record \$2.5 trillion. The mortgage market in Canada comprises the major banks and credit unions, alternative and private lenders and even some new fintech entrants. As home ownership remains a top priority for many, mortgages will continue to be the engine of growth in consumer lending.



“Mortgage volumes will continue to increase, fuelled by a hot housing market and low rates. First-time buyers will be squeezed as no solutions emerge to mitigate housing affordability while rate increases, expected in the near future to combat inflation, will further stretch some mortgage holders.”

– **Sanjay Sharma, Senior Financial Services Analyst**

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