



MORTGAGE
PROFESSIONALS
CANADA

PROFESSIONNELS
HYPOTHÉCAIRES
DU CANADA

Semi-Annual State of the Housing Market Report: **2024 Mid-year**



Highlights: 2024 Mid-year Consumer Survey



A return to optimism, but concerns persist

While there's a sense of renewed optimism thanks to falling interest rates, many consumers still have concerns. The recent Bank of Canada rate cuts have helped, but many are cautious, knowing the economic challenges aren't over yet.



Fixed rates more popular in 2024, but likely to shift

Fixed-rate mortgages have been the go-to option for many in 2024, as consumers look for stability amid rising rates. However, with the Bank of Canada continuing to cut rates, we expect more borrowers to consider variable rates in the near future.



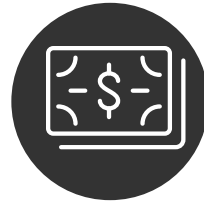
Mortgage broker share on the rise among younger Canadians and those living in Alberta

Mortgage broker share has remained steady since last year, but is up 4 points from the end of 2022. Recent increases have been seen among Millennials (up 1 point from 2023, +5 points from 2022), residents of Alberta (+2 points vs 2023, +2 points vs 2022), and Gen X (+7 points vs 2022)



A majority of borrowers are anxious about renewals

With upcoming renewals on the horizon, 61% of mortgage holders are feeling anxious. The uncertainty surrounding rate hikes is creating stress, especially for those facing significantly higher renewal rates than they had when they first took out their mortgage.



Financial concerns and spending cutbacks are broad-based

Financial stress is widespread, with many consumers adjusting their spending habits in response to higher borrowing costs. This includes everything from cutting back on discretionary spending to re-evaluating homeownership plans.

SURVEY RESULTS

2024 MID YEAR

A woman with long dark hair is sitting on a patterned rug in a living room, smiling and interacting with two young children. One child is sitting on the rug, and the other is standing. They are playing with colorful toys, including a small white table and blocks. In the background, there is a large window and a lamp. The scene is dimly lit, with the text overlaid in the center.

CONSUMER SENTIMENT

2024 MID YEAR

Consumer sentiment

42%

think it is a good time to buy
a home in their community

Improving sentiment on real estate

Forty-two percent of respondents believe it is a good time to buy a home in their community, marking an improvement in sentiment since last year. This represents a notable increase of 9 percentage points compared to the previous year, reflecting growing optimism among homebuyers.

Pessimism down among non-owners

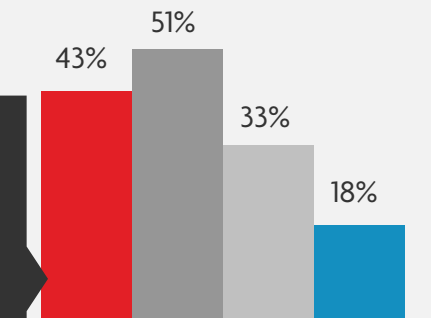
Fewer non-homeowners now think they'll never own a home, with 43% saying this in 2024, down from 51% in 2023. This shift shows a growing sense of hope about homeownership. At the same time, 18% of respondents expect to buy a home within the next year, though this is slightly down from 22% in 2022.

When do you expect to purchase a primary residence?

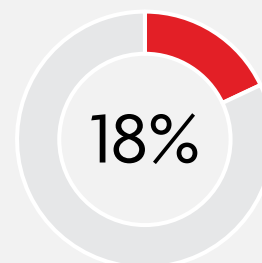
Never
% Among Non-Homeowners

In next 12 Months
% Among Non-Homeowners

43% say they will never purchase a primary residence



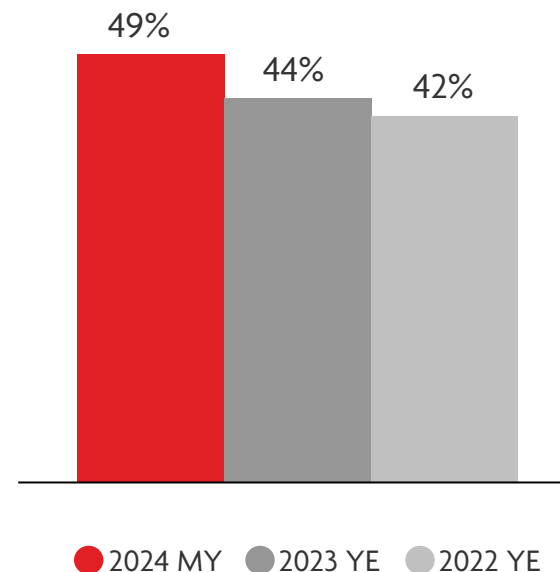
● 2024 MY ● 2023 YE
● 2022 YE ● 2021 YE



2023: 17% | 2022: 22%

Optimism about the economy is on the rise

There has been a positive shift in sentiment, with **49% of respondents expressing optimism about the economy** in the next 12 months, up 5 percentage points from 44% in late 2023. This reflects a growing sense of confidence in the near-term economic outlook.

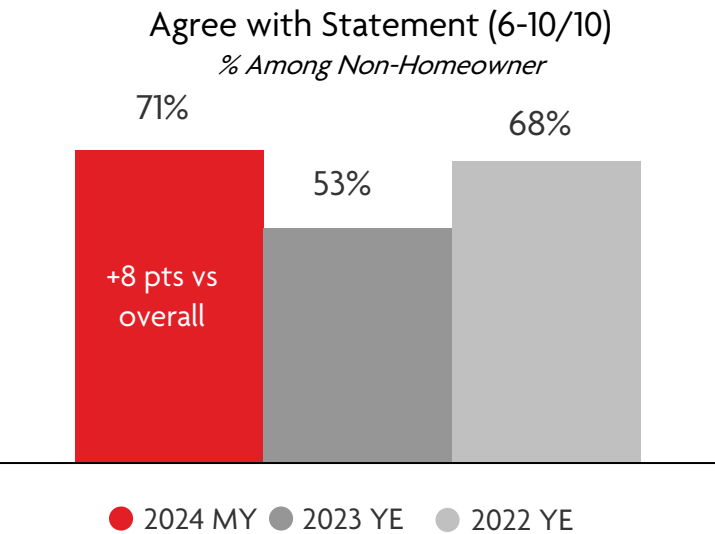


Consumer sentiment

Concerns rising over household finances

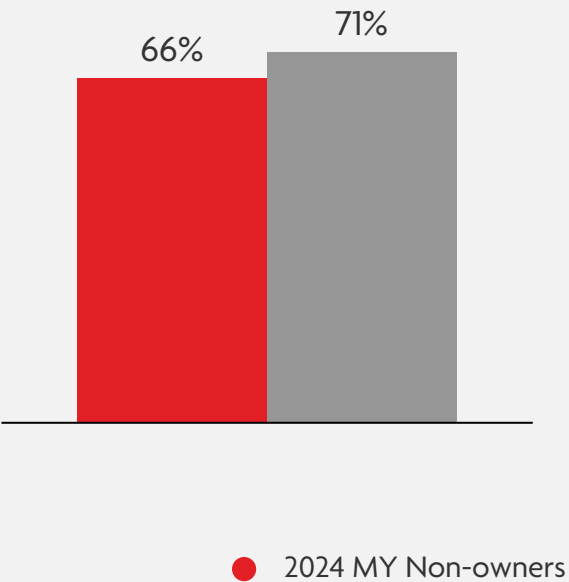
Anxiety about household financial situations has increased, with **63% of respondents expressing concern**, up 10 percentage points from 53% at the end of 2023. This growing unease is linked to the ongoing impacts of inflation, suggesting that financial stress is becoming a more significant issue for many families. This is especially true among non-owners, with nearly three quarters (71%) expressing concern about their family's financial situation.

As the result of inflation, I am anxious about my/my family's financial situation over the next few months.



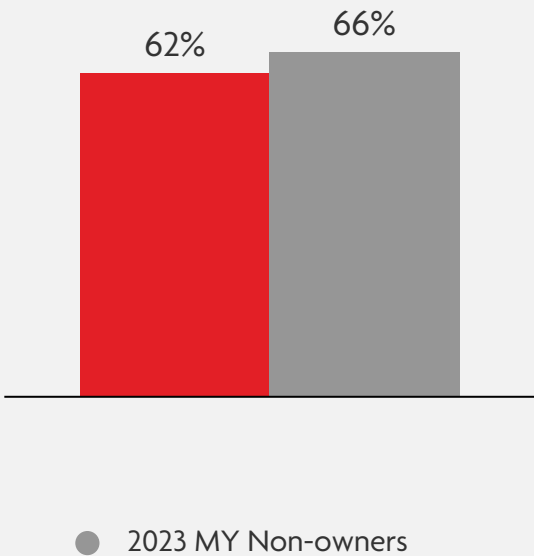
Comfort with current monthly cashflow

Agree with Statement (6-10/10)



Comfort with current level of debt

Agree with Statement (6-10/10)





RENEWALS

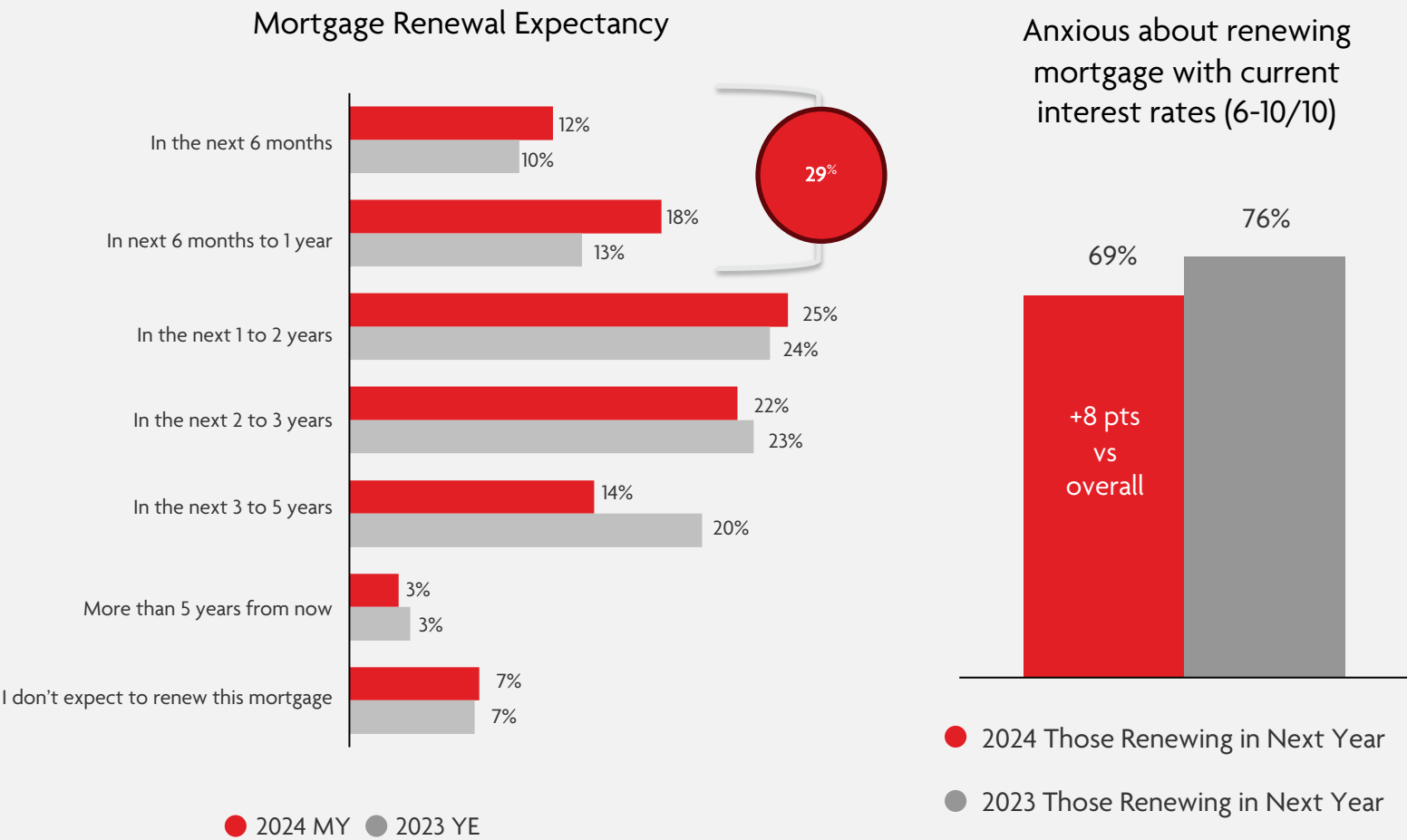
2024 MID YEAR

Renewals

Overview of upcoming renewals

Nearly 30% of Canadians expect to **renew their mortgage** in the next year, an increase from 23% last year and 16% in 2022. While renewal anxiety has decreased slightly compared to six months ago, it remains 8 percentage points higher than the average, with 69% of those renewing in the next year expressing concerns about current interest rates.

Three-in-10 Canadians expect to renew their mortgage in the next year (up from 23% last year and 16% in 2022). Renewal anxiety is lower than 6 months ago among this group, but still +8 pts above average.

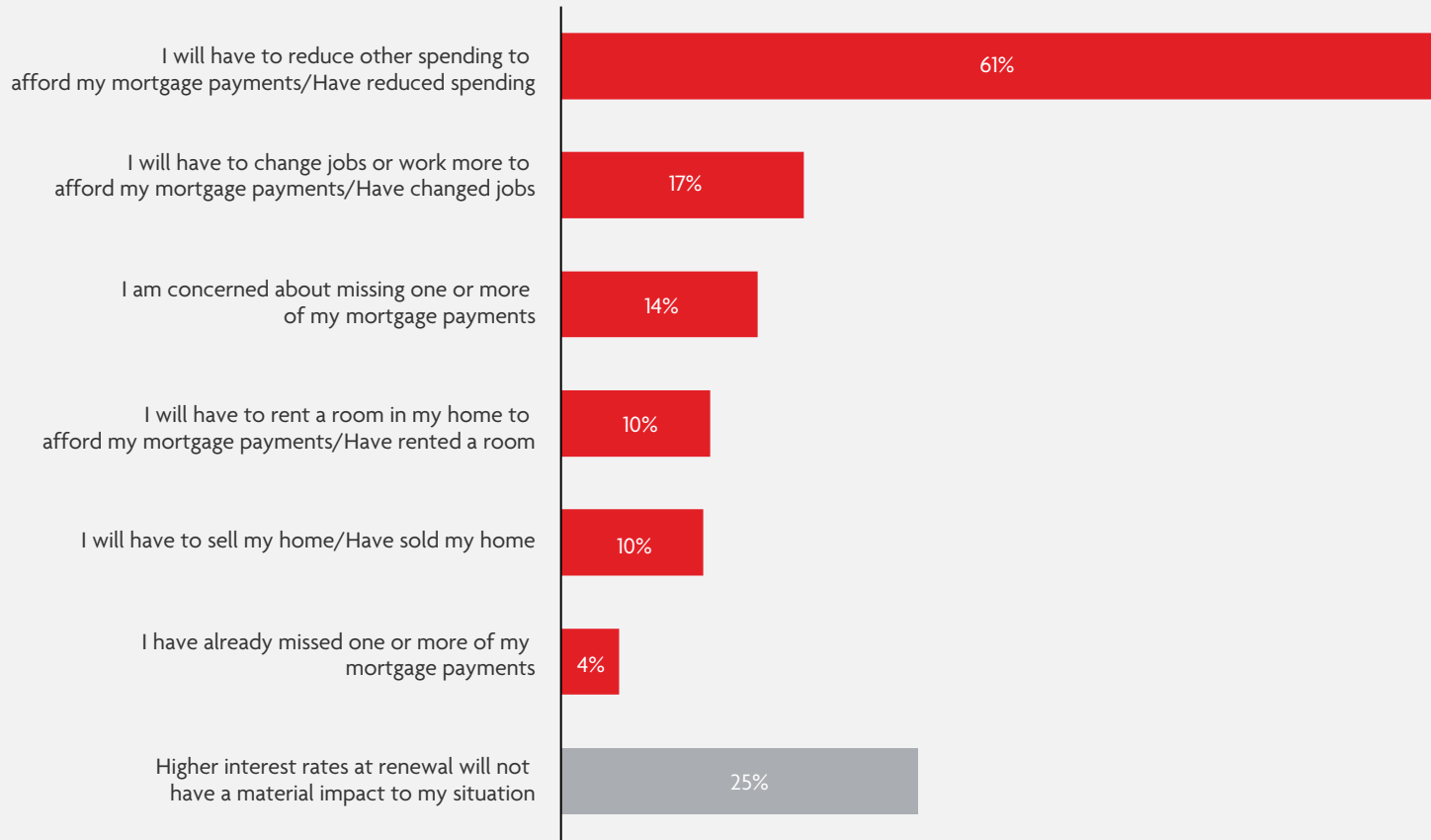


Renewals

Many Canadians plan to cut spending ahead of mortgage renewal payment hikes

Among mortgage holders anxious about renewing, **the most common concern is the need to reduce other spending to afford higher payments**, with a significant portion (61%) mentioning this. Other concerns include changing jobs or working more (17%), and worries about missing payments (14%). A smaller number (10%) mentioned needing to rent out a room, while another 10% may need to sell their home to manage higher payments. However, a quarter of respondents believe that higher renewal rates will not materially impact their situation.

Impact of higher renewal rates on your situation – among those anxious about renewing.



A man with a beard and a blue denim shirt is moving a large cardboard box into a new home. He is standing in a doorway, looking up and to the right with a smile. The box has "THIS WAY UP" and "FRAGILE" labels. In the background, there are more boxes and a green plant. The scene is dimly lit, with a dark overlay on the left side.

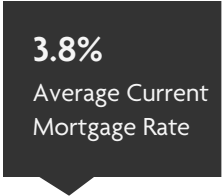
MORTGAGE DETAILS

2024 MID YEAR

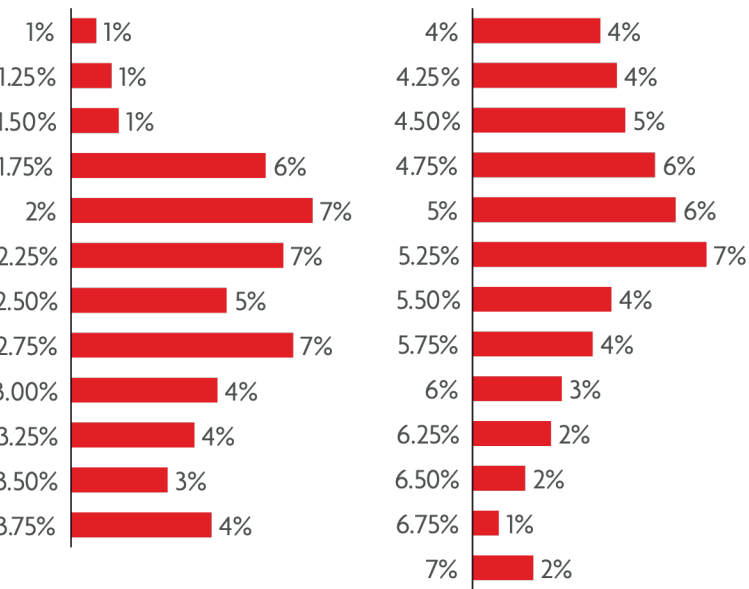
Mortgage details

Mortgage rates

Current mortgage rates for holders vary widely, mostly falling between 1.75% and 5.75%. The average current mortgage rate among respondents is 3.8%.

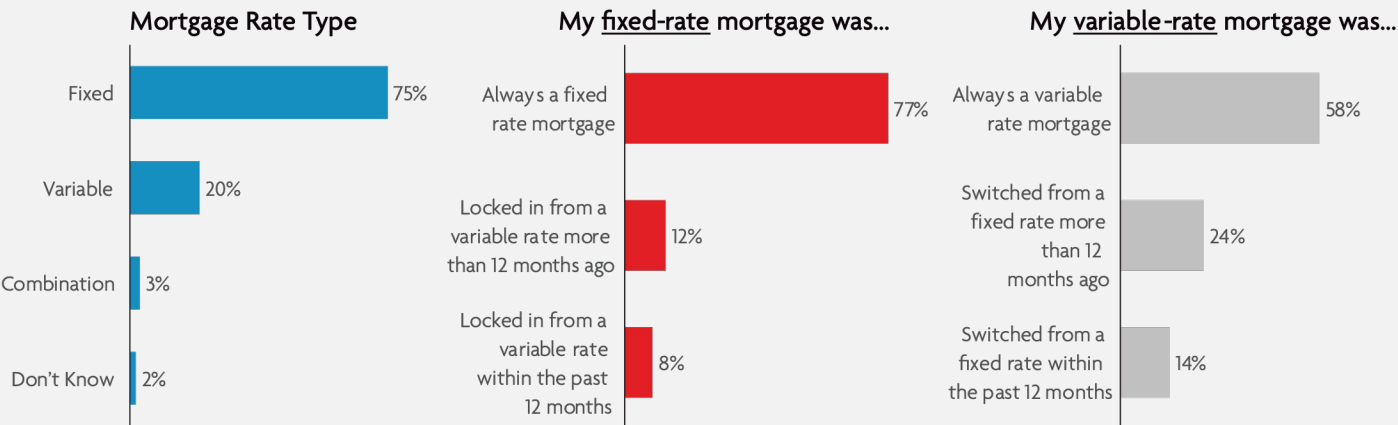


Current Mortgage Rate



Mortgage type

Fixed-rate mortgages have become significantly more popular over the course of 2024, now almost four times as common as variable-rate mortgages, compared to three times last year. Among fixed-rate holders, **77% have always had a fixed rate, while 20% have locked in from a variable rate**. Nearly 24% of variable-rate mortgage holders switched from a fixed-rate mortgage. However, this trend is starting to reverse, with the popularity of variable rates on the rise since the Bank of Canada began lowering rates.

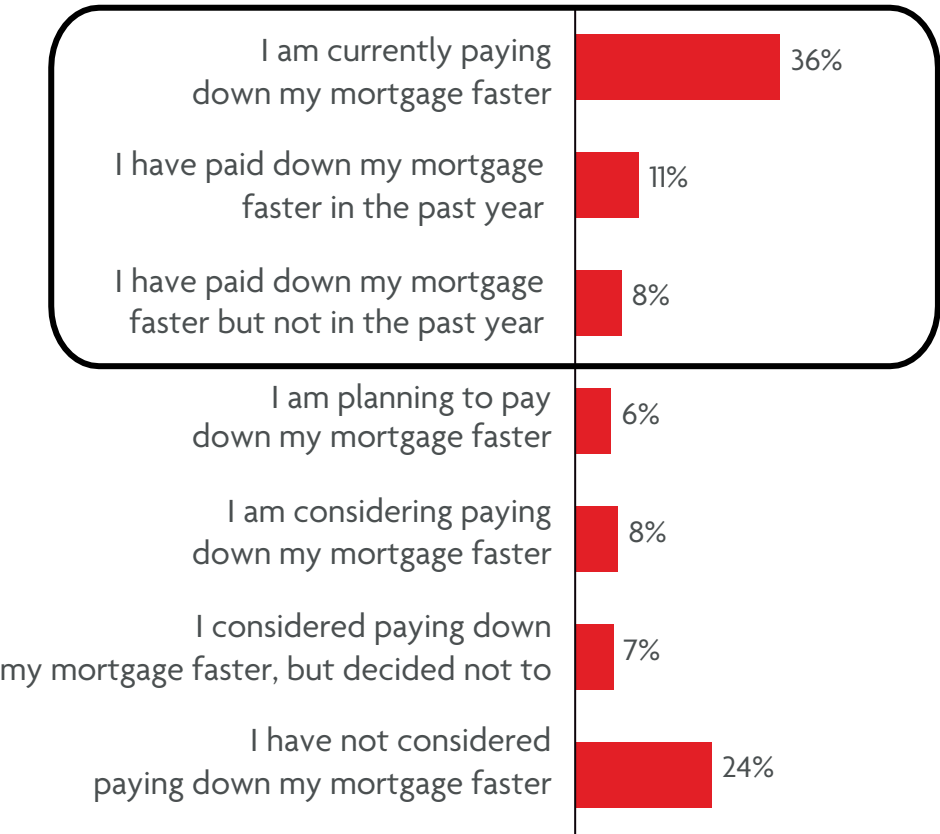


Mortgage details

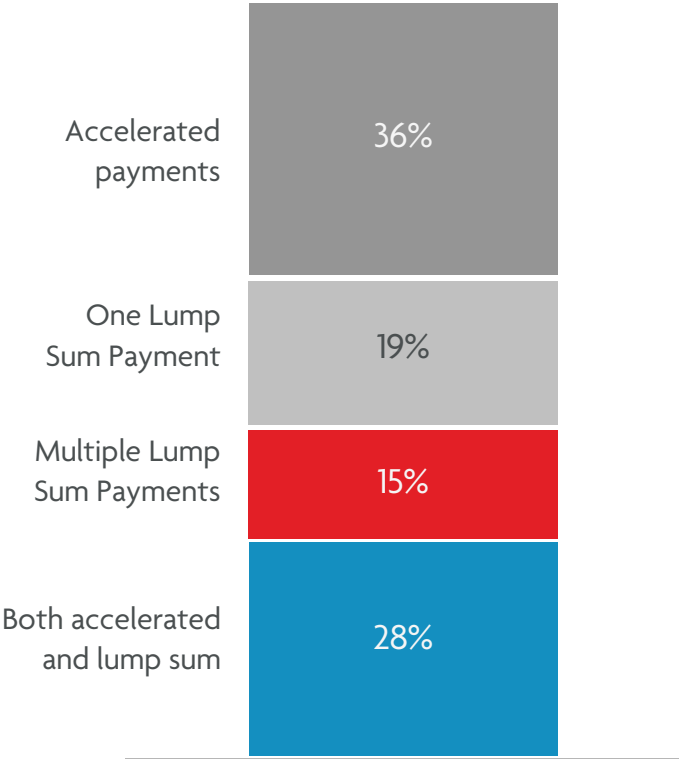
Prepayments

Over half of mortgage holders have paid down their mortgage faster at some point, a 5-point increase from last year. Among those currently paying down their mortgage faster or considering it, there is no clear preference for one method, with a mix of accelerated payments and lump sum payments being used.

Consideration of Paying Mortgage Down Faster



Method of Paying Mortgage Down Faster



Mortgage details

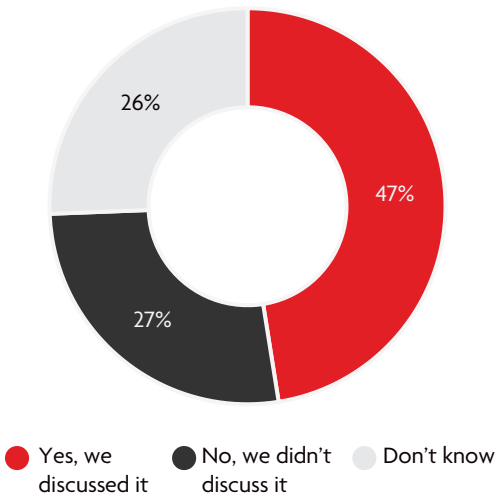
Penalties

Ten percent of respondents paid a penalty when breaking their most recent mortgage, consistent with last year’s findings. About half (47%) recall discussing potential penalties with their mortgage professional.

Paid Penalty When Breaking Recent Mortgage



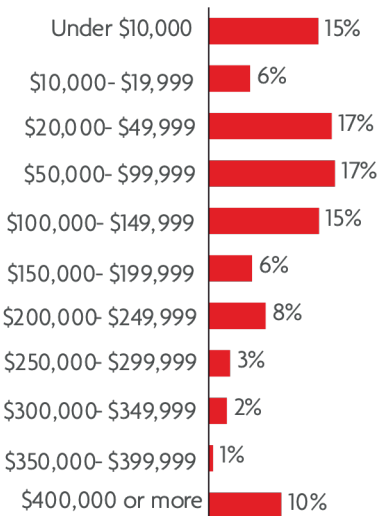
Spoke to Mortgage Professional About Penalties for Breaking Mortgage



HELOC usage

Mortgage holders with access to a HELOC could borrow an average of \$116,000, yet have only used about 28% of this amount, with the average amount borrowed standing at \$32,672. Over half of those with a HELOC (51%) have never borrowed against it.

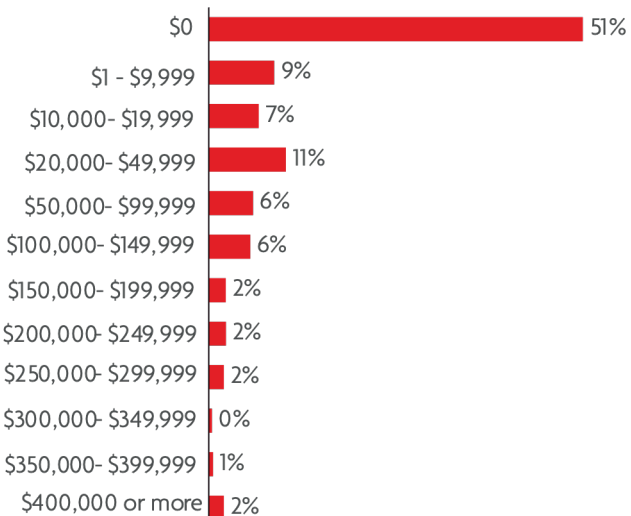
Amount Could Borrow on HELOC



\$115,910

Average amount could borrow on HELOC

Amount Have Borrow on HELOC



\$32,672

Average amount have borrowed on HELOC

A woman with dark hair, wearing a light blue denim jacket over a white shirt, is smiling and looking down at a small, fluffy white dog. She is sitting on the floor, surrounded by several large cardboard boxes, suggesting she is moving. To her left is a large potted plant with broad, green, patterned leaves. The background is slightly blurred, showing more boxes and a window with vertical blinds. The overall lighting is soft and warm.

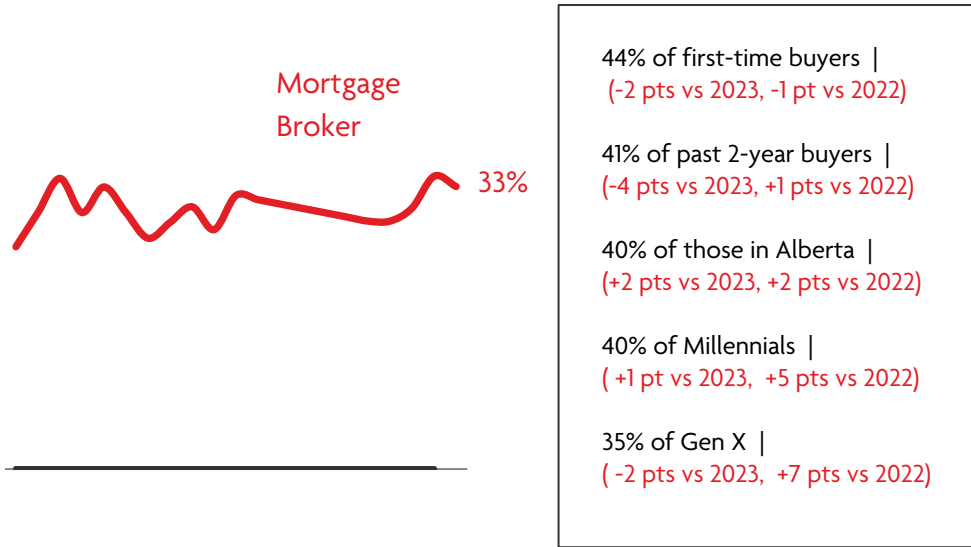
SECURING A MORTGAGE

2024 MID YEAR

Securing a mortgage

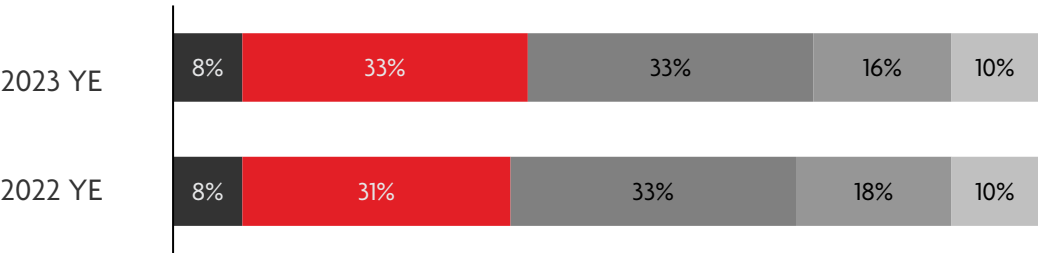
Mortgage broker share

Mortgage broker share has increased across several segments. Currently, **33% of mortgage holders reported working with a broker**. Notable increases include those living in Alberta (up two points from 2023) and Millennials (up one pt.). First-time buyers remain the group most likely to work with a broker, at 44%.



Understanding of mortgage broker services

Understanding of services provided by mortgage brokers remains stable from last year, with **40% of respondents having at least a good understanding**. Key groups with the highest understanding are past-two-year buyers (57%) and broker customers (62%), with 17% of past-two-year buyers and 12% of broker customers indicating full understanding of the services. Overall, 33% have a partial understanding, and 10% have weak understanding.



- Full Understanding
- Good Understanding
- Partial Understanding
- Weak Understanding
- No Understanding

Securing a mortgage

Canadians' top choices for mortgage assistance

When it comes to securing a mortgage, **Canadians are most likely to turn to banks (56%) or mortgage brokers (43%), with fewer relying on financial advisors, rate comparison sites, or online sources.** This shows that Canadians still place a high degree of trust in traditional mortgage professionals.

