

# 2018 Mortgage Consumer Survey

## REFINANCERS

### Refinancers

- 24%** are Gen X (35 – 44 years old) and 35% are Baby Boomers (55+ years old).
- 61%** are employed full-time; 7% are self-employed and 17% are retired.
- 72%** owned a single-detached home.
- 23%** have a household income of \$60k – \$90k.



# INSIGHTS FROM THE 2018 MORTGAGE CONSUMER SURVEY

## Mortgage Process

### Top reasons for refinancing your mortgage

- 34% Reconcile debt (e.g. credit cards, loans)
- 25% Fund home improvements
- 7% Fund financial investments (e.g. stocks, securities)
- 7% Purchase of investment rental property(ies)



Most **Refinancers** obtained a mortgage loan only, fixed interest rate, a 5-year renewal term and 25-year amortization period.



More than

**1/4**

of Refinancers indicated their current level of debt, including their mortgage, is higher than expected.



More than **1/4** of **Refinancers** do not have a monthly budget.



## Mortgage Information Gathering

### Websites used to gather mortgage-related information

**Lender specific** (e.g. bank, credit union, trust company)

59%

**Broker specific**

25%

**Mortgage industry assoc.**

(e.g. Mortgage Professionals Canada)

17%

**Interest rate comparison** (e.g. Rate Hub)

18%



**Refinancers**, along with **Repeat Buyers**, represent the highest proportion of self-employed mortgage consumers.



Actions conducted online

**(78%)**

Compared interest rates

**(71%)**

Used an online mortgage calculator

**(37%)**

Completed a financial self-assessment

**(26%)**

Submitted an online mortgage pre-approval application

**(23%)**

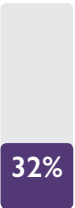
Submitted an online mortgage pre-qualification application



## Technology



Facebook was the top social media channel used among Refinancers.



## Broker & Lender Experience

**79%** of Refinancers were satisfied with their Mortgage Lender.

**68%** of Refinancers were satisfied with their Mortgage Broker.



How did you find your **Broker**?

- (25%) Received a recommendation
- (22%) Broker website
- (12%) Already knew my Broker

How did you find your **Lender**?

- (10%) Received a recommendation
- (48%) It's my primary lending institution
- (24%) Already knew my Lender

## Renovation



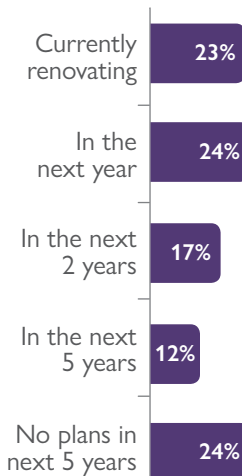
About **50%** of Refinancers somewhat or totally agree with the following statements:

"I would feel comfortable using more technology to arrange my next mortgage transaction."  
(i.e. online mortgage renewal)

"I feel comfortable not having to visit my bank if I could access secure online tools/apps which provide me with the same access to services."



When are Refinancers planning to renovate?



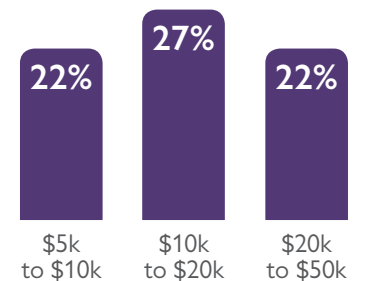
Refinancers will mainly rely on their **savings** to finance their renovations (**44%**)

Secondary sources include:

- ✓ As part of HELOC (35%)
- ✓ As part of their mortgage (26%)
- ✓ Credit (i.e. Credit cards) (14%)



How much do Refinancers plan to spend?



**27%** of Refinancers did not know their reno costs could be incorporated into their mortgage.

**44%** of Refinancers will mainly rely on their savings to finance their renovations.

## Summary of key findings

### Researching mortgage-related information

- Refinancers, along with Repeat Buyers, represent the highest proportion of self-employed mortgage consumers.
- The main reason for refinancing is to consolidate debt, followed by to fund home improvements.
- Most use a computer to access online mortgage-related information. The top actions conducted online include using an online mortgage calculator and comparing interest rates.
- About half indicated they would feel comfortable using more technology to arrange their next mortgage transaction; however, face-to-face interaction is still rated as important.
- On average, Refinancers contact 2.2 brokers and 2.6 lenders.

### Broker experience

- Broker share decreased slightly amongst Refinancers.
- Most found their broker as a result of a recommendation or broker website.
- The main reason for using a broker was to get the best rate or deal.
- Refinancers would have liked more info on mortgage or purchase fees, types of mortgages and closing costs.
- 69% of Refinancers were satisfied with their broker.

### Lender experience

- Lender loyalty has decreased slightly amongst Refinancers.
- When asked how they found their lender, almost half of Refinancers indicated that it was their primary lending institution.
- Beside a better interest rate, a top reason for staying with their lender is: trust in the existing relationship, while for switching: better product terms/conditions.
- Refinancers using a lender would have wanted more information on types of mortgages and interest rates.
- 79% of Refinancers were satisfied with their mortgage lender.

### Mortgage features and related costs

- Most Refinancers obtained a mortgage loan only, fixed interest rate, a 5-year renewal term and 25-year amortization period.
- Almost 1/3 of Refinancers indicated their current level of debt, including their mortgage, is higher than expected.
- More than 1/4 of Refinancers do not have a monthly budget.
- More than 3/4 are renovating or plan to renovate in the next 5 years.
- 27% of Refinancers did not know their renovation costs could be incorporated into their mortgage.

For more 2018 Mortgage Consumer Survey findings, go to [cmhc.ca/MCS2018](https://cmhc.ca/MCS2018)



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