



2020 Housing Market Strength During COVID-19 to Continue into 2021 and Beyond Indicates Annual Mortgage Professionals Canada Housing Report

Toronto, ON (March 25th, 2021) – Today, Mortgage Professionals Canada (MPC) released its annual report on the State of the Residential Mortgage Market. 2020 reflected a turbulent year in the country as a result of COVID-19, but shifts in home-use habits and low interest rates contributed to the resulting strong market being felt across all of the country. The report was written by MPC’s Chief Economist Will Dunning, incorporated data collected through an online survey of 1,957 Canadians conducted between January 18 and February 9, 2020 by Bond Brand Loyalty for Mortgage Professionals Canada.

“In a normal year, about 4.5% to 5% of Canadians buy a new or existing home”, explained Will Dunning, Chief Economist for MPC. “This year, that share might rise to about 5.5% to 6%. There has been a quite small rise in the percentage of Canadians buying homes, but in proportional terms, this is a very large increase, and it is overwhelming the available supply. It is possible, but far from certain, that this could continue for some time – that a small rise in the percentage of Canadians who buy homes could result in sustained very strong demand”.

The report outlined that about 6.08 of the overall 10.01 million owner-occupied dwellings in Canada have mortgages. For new mortgage borrowers last year, 40% relied on the support of a Mortgage Broker.

“At the outset of the COVID-19 pandemic, there were concerns about unemployment and the impact on housing defaults. Since June, Canada has experienced 8 consecutive months of record breaking real estate transaction figures. Through the uncertainty, our collective desire for the stability and security that home ownership provides seems to have significantly buoyed the market. And while mortgage indebtedness has increased, so too has prudent repayment activity. In 2020, many Canadians decided to voluntarily increase their payments to shorten their mortgage amortization periods, to the tune of a \$5.2 Billion (annualized) in payments”, added Paul Taylor, CEO of MPC. “Further, lump sum payments totaled \$28 Billion and an additional \$7 Billion was paid to fully pay out mortgages. Canadians continue to exercise sound judgment in taking on mortgages and repaying mortgage debt.”

As the economy moves towards a post-lockdown COVID-19 reality, and with the increase in vaccination efforts, the housing market may deliver more surprises in the coming months.

It remains to be seen to what extent Canadians will return to the traditional office setting, and work-from-home is a factor that may affect housing choices and the level of demand, for some time to come. As discussed in the report, there is a large set of powerful and unusual factors in play that make forecasting unusually challenging.

“While interest rates have recently increased from record lows, and house prices have increased sharply, calculations of affordability continue to show that mortgage costs are still positive for home buying”, concluded Dunning. “Low interest rates have created ‘affordability space’ in which prices might rise. Unfortunately, the imbalance between demand and supply has allowed for extreme price growth to fill a lot of that space.”

The full report can be read [here](#).



About Mortgage Professionals Canada

Mortgage Professionals Canada (MPC) is the national mortgage industry association representing over 13,000 individuals and 1,000 companies, including mortgage brokerages, lenders, insurers and industry service providers. Our members make up the largest and most respected network of mortgage professionals in Canada. MPC represents members' interests to government, regulators, media and consumers. With our members, the association is dedicated to maintaining a high standard of industry ethics, consumer protection and best practices.

The mortgage broker channel originates almost 40% of all mortgages in Canada and 55% of mortgages for first-time homebuyers, representing approximately \$110 billion dollars in economic activity annually. With our diverse and strong membership, Mortgage Professionals Canada is uniquely positioned to speak to issues impacting all aspects of the mortgage origination process.

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