



MORTGAGE  
PROFESSIONALS  
CANADA



Under Pressure, but Still Hopeful:  
**Canadians' Mortgage and  
Homeownership Outlook**



## Spotlight: Affordability

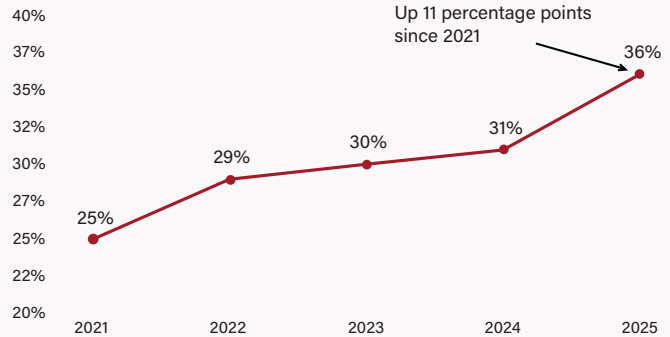
- 01 Renewal risk is becoming a borrower-resilience issue  
Higher renewal rates matter most for borrowers with limited payment flexibility, not just those facing a near-term maturity.
- 02 Recent buyers are carrying more of the stress  
Past-five-year first-time buyers show higher renewal anxiety, thinner payment buffers and greater reliance on income from their property.
- 03 Newcomers face an even sharper affordability challenge  
New-to-Canada borrowers report larger mortgages, higher payment vulnerability and greater concern about qualifying because of limited credit history.
- 04 Rental income is increasingly supporting ownership  
More Canadians say they need to rent part of their home to afford ownership, pointing to a broader shift in how households are making homeownership work.

# Higher payments would quickly strain households

## A near-term renewal wave is colliding with limited payment flexibility:

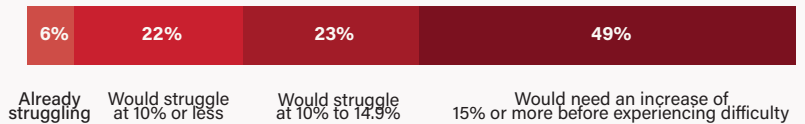
- **One-third** of mortgage holders expect to renew within the next 12 months.
- Among them, **67%** are anxious about renewing at a higher rate.
- **6%** Across all mortgage holders **6%** already struggle, while another **44%** would struggle before payment rose **15%**.
- **36%** say they need to rent part of their home to afford ownership, up from **25%** in 2021.

## More homeowners need rental income to afford ownership



## About half of overall mortgage holders have little room for higher payments

6% already struggle with payments, while another 44% would have difficulty if payments rose by less than 15%



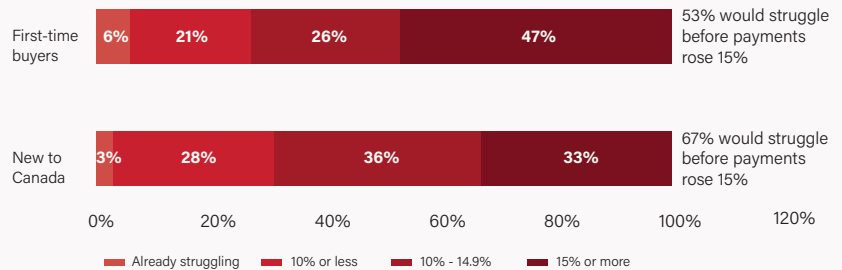
# Affordability stress is sharper among recent buyers and newcomers

## Stress is most acute among borrowers newer to the market:

- First-time buyers and newcomers are more anxious about renewing at higher rates: **66%** and **68%**, respectively.
- Newcomers show the greatest payment vulnerability: **67%** are already struggling or would struggle before payments rose **15%**.
- Rental-income reliance is much higher among newcomers, with **53%** having rented or planning to rent part of their home, compared with **29%** of past-five-year first-time buyers.

## Newcomers have thinner payment buffers

Two-thirds of newcomers are already struggling or would struggle before a 15% payment increase.



## Rental income is a bigger part of the newcomer affordability equation

More than half of newcomers have rented or plan to rent part of their home.



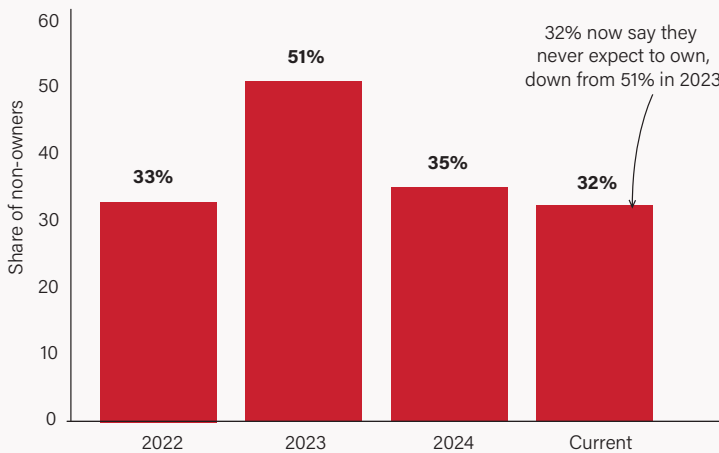
## Homeownership expectations are improving but remain fragile

### Homeownership pessimism has eased, but affordability remains the defining barrier:

- **32%** of non-owners say they never expect to own, down from **51%** in 2023.
- **66%** say current conditions have delayed their homebuying plans.
- **22%** expect to buy within two years, with nearly one in five motivated by the need to live somewhere less expensive.

### Homeownership pessimism has eased from its 2023 peak

Share of non-owners who say they never expect to own a home



### Reasons non-owners don't expect to purchase

I'm satisfied with my current home and don't plan to move **36%**

Home prices are too high **23%**

I don't expect to be able to save enough for a down payment **12%**

My financial situation feels too uncertain right now **10%**

I don't expect to be approved for a mortgage **2%**

I don't expect to find a suitable home in the area where I want to live **2%**

Interest rates are too high **2%**

Other **8%**

## Canadians remain committed to homeownership

### Even amid affordability pressures, Canadians continue to see housing as a long-term asset:

- **76%** agree real estate in Canada is a good long-term investment.
- **74%** classify mortgages as "good debt."
- Confidence remains broadly consistent across key segments, including first-time buyers and newcomers.

### Canadians continue to view both real estate and mortgages positively

