



■ **2015**
MORTGAGE
CONSUMER
SURVEY

Canada 

Everything you need to open new doors


CMHC  SCHL
HOME TO CANADIANS

2015 MORTGAGE CONSUMER SURVEY - QUICK FACTS

In March 2015, CMHC completed an online survey of 3,510 recent mortgage consumers, all prime household decision-makers who had undertaken a mortgage transaction in the past 12 months. Fifty-eight percent had undergone a mortgage renewal, 20% had refinanced their mortgage, and 22% had purchased a home with mortgage financing. CMHC has conducted this survey since 1999. It is the largest and most comprehensive survey of its kind in Canada.

ONLINE MORTGAGE INFORMATION GATHERING

- Online research continues to be the most popular way to gather mortgage information, with 78% of mortgage consumers looking to various online sources to find out about mortgage options and features.
- Among those going online, 56% went to lender websites, 24% to broker websites, and 15% went to both lender and broker websites. When looking for lender and broker websites, two-thirds used an Internet search engine, such as Google. A large majority also simply visited their current lender website (69%) while 47% went directly to their broker website. A significant number also relied on referrals from family and friends, 49% among those looking for broker websites and 43% for lender websites. Only about one-in-four mortgage consumers reported that they found their lender website (23%) or broker website (28%) through online advertising.
- As in previous years, the majority of mortgage consumers who went online used a mortgage calculator (70%). Half (51%) used a calculator from a lender website, followed by 16% from a broker website. Other sources of online calculators included CMHC (15%), and real estate agents or financial planners (both at 13% respectively). The most popular use of online calculators included determining mortgage payments (62%), while about a third used a mortgage comparison calculator (35%), or a mortgage affordability calculator (34%).
- The use of social media to gather mortgage information remains stable at 20%. Facebook (53%), blogs (27%) and forums (26%) continue to be the most popular platforms among those looking to social media. Platforms that mortgage consumers rated as “very useful” include online forums (40%), LinkedIn (37%), and YouTube (36%).
- Accessing online mortgage information through mobile devices is still in the early stages of adoption. Only 17% of mortgage consumers reported using a mobile device. However, among mobile users, tablets are the most common device used (58%).
- Among those using a mobile device, 22% used a mortgage related app. In 43% of the cases, the app was provided by a lender while 30% used an app provided by a broker. Over half (53%) of all apps accessed featured a mortgage calculator.

BROKER SHARE & USE

- Mortgage broker market share is trending upwards for most market segments. This is particularly evident among repeat buyers where market share has increased from 32% in 2012 to 42% in 2015. Over this time period broker share has also increased among first-time buyers (48% to 55%) and refinancers (27% to 33%). Among renewers, broker share has remained stable at around 21%.
- Overall, recent buyers were satisfied with their experience using a broker (79%). Almost half (47%) “totally agreed” they were satisfied, and 32% “somewhat agreed” they were satisfied.
- About three-quarters of broker clients indicated they would likely use their broker again in the future (72%) or would likely recommend their broker to family or friends (73%).
- Although brokers enjoy high levels of client satisfaction, 17% of clients reported changing brokers during the mortgage process. As expected, the main reason for changing was to get a better rate or deal (35%).

LENDER LOYALTY & CHANNEL

- Most mortgage consumers remained loyal to their existing lender. This is most prominent among renewers at 86%. This year lender loyalty among repeat buyers reached 77%, compared to 67% last year. Lender loyalty continues to be lowest amongst first-time buyers where only 47% arranged their mortgage with the financial institution they were dealing with most (54% in 2014).
- Although interest rate remains the main reason for mortgage consumers to switch (63%), conversely 58% of mortgage consumers indicated that an existing relationship was the main reason for remaining loyal.
- Mortgage brokers also have an impact on whether a client remains loyal to their existing lender. Among clients switching lenders, six-in-ten used the services of a broker.
- Forty-two percent of recent homebuyers used a mobile mortgage specialist to arrange their current mortgage, 32% used a lender branch, and 22% used a lender financial planner. Regardless of the channel used, the majority of recent

buyers (79%) were satisfied with their lender experience (42% “totally agreed” and 37% “somewhat agreed” they were satisfied). Among recent buyers, lender satisfaction by channel is as follows: mobile mortgage specialist (84%), branch (77%), and financial planner (76%).

- The majority of those using a lender directly indicated they would likely use their lender again in the future (76%) or would likely recommend their lender to family or friends (69%).

PRODUCT OFFERING FROM MORTGAGE PROFESSIONALS

- When obtaining their current mortgage, about four-in-ten mortgage consumers were also offered other types of financial products by their mortgage professional (39% for broker users and 42% of lender users). In most cases, mortgage life insurance and lines of credit were the most common financial products offered. In fact, 78% of lender clients and 72% of broker clients reported being offered mortgage life insurance, and 66% of lender clients and 48% of broker clients reported being offered a line of credit.
- However, among the products offered during the mortgage process, consumers are more likely to accept a line of credit (65% for both broker and lender users) or a credit card (58% for broker users and 49% for lender users).

RENEWAL PROCESS

- Seven-in-ten (71%) renewers reported they were notified in advance by their lender that their renewal date was approaching. Of these, almost two thirds were notified within three months of their scheduled renewal.
- Only one-quarter (23%) indicated they were contacted in advance by a mortgage broker regarding their upcoming renewal. However, among those that were contacted, 42% actually used the services of a broker to arrange their renewal.
- The majority of mortgage renewers (60%) renewed before their scheduled date. Among these, nearly two-thirds (62%) renewed within three months and 80% within six months of their scheduled renewal date.
- Most (61%) reported they were “totally satisfied” with their decision to renew in advance of their actual renewal date.
- The main reason for renewing in advance was to avoid a perceived increase in rates (55%). A further 19% indicated that the main reason for renewing early was because their mortgage professional convinced them that it was the right decision.
- Almost half of all renewers negotiated different terms than what was presented to them in their renewal statement.

- Providing advice during the renewal process can greatly increase the chance of repeat business and client satisfaction. Indeed, providing advice on keeping mortgage payments at the same level to reduce amortization, can lead to a 66% increase in likelihood of using the same mortgage professional again, and a 55% increase in client satisfaction.
- Renewers are taking action to pay off their mortgage sooner. In fact, 49% have their mortgage payment set higher than the minimum required payment. Thirty-two percent have also either made a lump-sum payment, or increased their regular payment, or both since last renewing their mortgage.
- Within the past year, 64% of renewers have either contributed to an RRSP or to a Tax-Free Savings Account.

POST-TRANSACTION CONTACT

- Fifty percent of consumers who used a broker and 34% who used a lender were contacted by their mortgage professional following their mortgage transaction. The most common methods of contact were telephone (65% of lender clients and 40% of broker clients), followed by email (20% and 31% respectively). Most post-transaction follow-up occurs within one week to one month after the mortgage transaction is completed.
- In most cases, the purpose of such follow-up was simply to thank the customer (49% of those contacted by their lender and 63% of those contacted by their broker) and/or to confirm the closing date (38% and 34% respectively).
- Only four-in-ten mortgage consumers (41%), “totally agreed” that their post-transaction contact was useful.
- Types of follow-up contact mortgage consumers would have considered useful include *advice on long-term mortgage financial strategies* (25% of lender clients and 32% of broker clients), *housing market information* (13% of lender clients and 21% of broker clients), *information on how to manage financial difficulty* (14% of lender clients and 20% of broker clients), and *investment opportunities* (14% of lender clients and 17% of broker clients).
- Post-transaction contact can increase the likelihood for repeat business by nearly 53%. Only 36% of those not receiving follow-up contact “totally agreed” that they will likely use their lender or broker again to arrange their next mortgage. This increases to 55% among those who were contacted.

DEFINITIONS

RECENT MORTGAGE CONSUMERS:

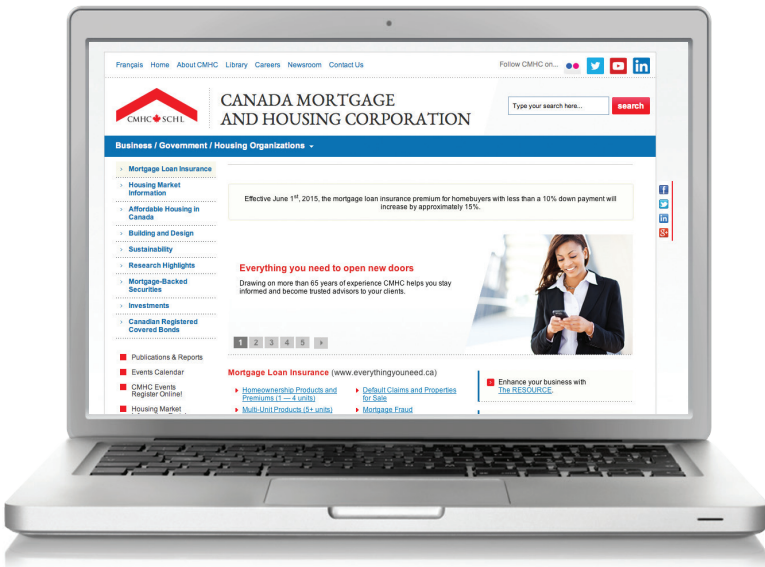
- **First-time buyers** – those who purchased their first home in the past 12 months and took a mortgage.
- **Repeat buyers** – those who previously owned a home and have purchased a subsequent home in the past 12 months and took a mortgage.
- **Renewers** – those who renewed their mortgage in the past 12 months.
- **Refinancers** – those who refinanced their home through a mortgage in the past 12 months.

cmhc.ca/surveys

CMHC offers a number of online tools and a wide variety of housing information to support Canadians in making informed and responsible homebuying decisions as they pursue their housing needs.

EverythingYouNeed.ca

Visit **EverythingYouNeed.ca** and access a wealth of mortgage and housing information. Drawing on more than 65 years of experience CMHC helps you stay informed and become trusted advisors to your clients.



LENDER LOYALTY:

- Lender loyalty for repeat buyers, renewers, and those refinancing means that they obtained their current mortgage from the same mortgage lender they were dealing with previously. For first-time buyers it means that they obtained their current mortgage from the financial institution they were dealing with the most at the time they took out their mortgage.

cmhc.ca/newcomers

Are your clients new to Canada? Visit **cmhc.ca/newcomers** and make sure they're well informed by providing them with relevant housing information in their own native language!



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2015 Mortgage Consumer Survey

ONLINE INFORMATION GATHERING

78%
of Mortgage Consumers RESEARCHED ONLINE

WEBSITES VISITED

56% Lender Sites
24% Broker Sites
15% Both Sites

70% used a MORTGAGE CALCULATOR

Sources	Usage
51% Lender	<input checked="" type="checkbox"/> 62% determined mortgage payments
16% Broker	<input checked="" type="checkbox"/> 35% compared mortgages
15% CMHC	<input checked="" type="checkbox"/> 34% calculated affordability
13% Real Estate Agent	
13% Financial Planner	

20% USED SOCIAL MEDIA

Most Popular
facebook **53%**
Blogs **27%**
Forums **26%**

ONLY 17% of online mortgage consumers used a **MOBILE DEVICE**

among those

22% used a Mortgage Related App

43% provided by a Lender

30% provided by a Broker

53% included a mortgage calculator

THE MORTGAGE PROFESSIONAL EXPERIENCE

LENDER LOYALTY
among mortgage consumers

86% Renewers
77% Repeat Buyers
47% First-Time Buyers

63% of mortgage consumers SWITCHED to get a Better Rate

58% STAYED because of an Existing Relationship

79% of Recent Buyers were satisfied with their

LENDER
(42% "totally agree"
37% "somewhat agree")

Of all lender clients...
76% would use LENDER Again
69% would recommend LENDER to friend or family

79%
SATISFIED

79% of Recent Buyers were satisfied with their

BROKER
(47% "totally agree"
32% "somewhat agree")

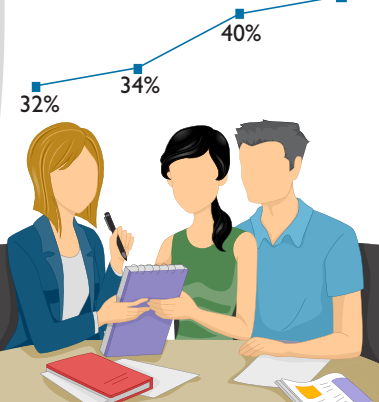
Of all broker clients...
72% would use BROKER Again
73% would recommend BROKER to friend or family

17% of broker clients CHANGED BROKERS during the Mortgage Process

among those **35%** switched to get a Better Rate

BROKER MARKET SHARE TRENDING UPWARDS for most segments

for example Repeat Buyer market share now at **42%**



RENEWERS AND THE RENEWAL PROCESS

71% of RENEWERS were contacted by their lender of **APPROACHING RENEWAL**

60% renewed **before** the scheduled date

55% to avoid perceived **rate increase**

49%

NEGOTIATED different terms than were presented in their renewal statement

Providing advice, like **"Keeping mortgage payments at the same level to reduce amortization"** can lead to

66% increase in likelihood of **Repeat Business**

55% increase in likelihood of **Client Satisfaction**

49% of renewers set mortgage payments higher than minimum

32% have made a lump sum payment and/or increased payment

64% contributed to an RRSP or a Tax-Free Savings Account

PRODUCT OFFERING AND POST-TRANSACTION CONTACT

Mortgage Life Insurance

78% Lender **72%** Broker

Line of Credit

66% Lender **48%** Broker

Line of Credit

65% Lender **65%** Broker

Credit Card

49% Lender **58%** Broker

PRODUCTS OFFERED

PRODUCTS ACCEPTED

About **4 IN 10** Mortgage Professionals offered **OTHER FINANCIAL PRODUCTS**

ONLY 50% of Broker users

ONLY 34% of Lender users

RECEIVED POST-TRANSACTION CONTACT

Mortgage Consumers would have found useful...

"Long term mortgage financial strategy"
25% Lender 32% Broker

"Housing market information"
13% Lender 21% Broker

"How to manage financial difficulty"
14% Lender 20% Broker

"Investment opportunities"
14% Lender 17% Broker

Post-transaction contact can increase likelihood for repeat business by nearly

53%

