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Mortgage Market to Surpass \$500 Billion in 2003

OTTAWA, Ontario, January 27, 2003 — A growing residential mortgage market in 2003 will surpass \$517 billion in mortgage credit, reports a senior economist in the latest issue of Canada Mortgage and Housing Corporation's (CMHC), **CMHC Mortgage Market Trends**.

"A combination of continued economic growth and job creation, positive demographic factors and low mortgage rates will sustain demand for homeownership in new and resale housing markets", says Ali Manoucherhi of CMHC. "This will lead to a six to eight per cent annual growth in residential mortgage credit in 2003."

The significant role of National Housing Act Mortgage-Backed Securities (NHA MBS) in Canadian housing finance, discussed in another article, shows that \$16.4 billion in these securities was issued in the first nine months of 2002, more than three times the amount issued during the comparable period in 2001.

Another article in this latest issue of CMHC Mortgage Market Trends talks about the fact that more than 144,000 individuals participated in the Home Buyers' Plan in 2001 by withdrawing over \$1.5 billion from their RRSP to purchase a home

"Nearly 1.2 million individuals have benefited from the program since 1992, withdrawing over \$12 billion from their RRSP's to purchase homes over the same period", says Manoucherhi.

"Over the past 10 years, Ontario and Quebec respectively accounted for approximately 40 and 30 per cent of program participation and funds withdrawn."

Mortgage Market Trends is an objective and credible source of mortgage market information and analysis in Canada. It examines developments in the primary and secondary mortgage markets and explores topical issues of interest to mortgagees, mortgagors, policy makers and the public. It is a quarterly publication of CMHC's Market Analysis Centre.

For further information contact:

Ali Manouchehri
CMHC
(613) 748-2506 / 748-2737
email: amanouch@cmhc-schl.gc.ca