



PRESS RELEASE



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Home Buyers' Plan Helps Turn Home Ownership Dream Into Reality

OTTAWA, Ontario, September 28, 2004 — More than 123,000 individuals participated in the Home Buyers' Plan (HBP) in 2002 and withdrew over \$1.3 billion from their RRSP to purchase homes, reports the latest issue of Canada Mortgage and Housing Corporation's (CMHC), Mortgage Market Trends.

"The program take up has been heavily concentrated in large urban centers. Toronto and Montréal accounted for 25 and 19.4 per cent of all funds withdrawn, and 22.8 and 17.0 per cent of HBP participants respectively in 2002," said Ali Manouchehri, a senior economist at CMHC's Market Analysis Centre. "Some 1.3 million individuals have benefited from the program since 1992. Participants in this program have withdrawn over \$13 billion from their RRSPs to purchase homes over the same period" he added.

Mortgage Market Trends also predicts a growing mortgage market this year and next. "A combination of continued economic growth and job creation, positive demographic factors, and low mortgage rates will sustain demand for homeownership in both new and resale housing markets leading to a 6-8 per cent annual rate of growth in residential mortgage credit next year following a robust 8-10 per cent rate of growth in 2004," according to Ali Manouchehri. "Residential mortgage credit will surpass \$600 billion in 2005" he said.

Another article in this issue of Mortgage Market Trends reviews the performance of National Housing Act Mortgage-Backed Securities (NHA MBS). "NHA MBS and Canada Mortgage Bonds (CMB) programs continued to perform well with \$8.7 billion of CMB and \$7.3 billion of NHA MBS securities issued to the market in the first half of 2004 surpassing the records set in the same time period last year," said Richard Liu of Securitization Operations and Monitoring at CMHC.

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