



# Financialization of Residential Real Estate

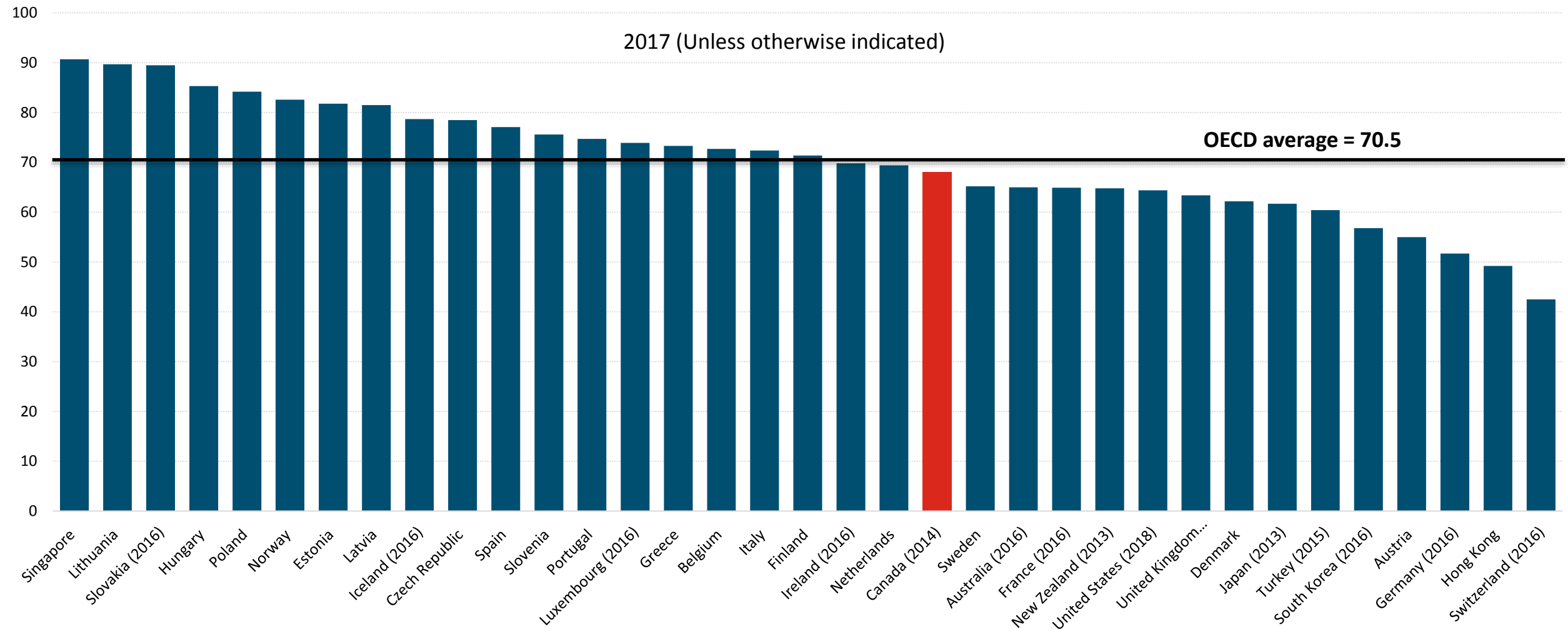
## Evan Siddall – President and CEO of CMHC



# Homeownership Rates in Select Countries

2017 (Unless otherwise indicated)

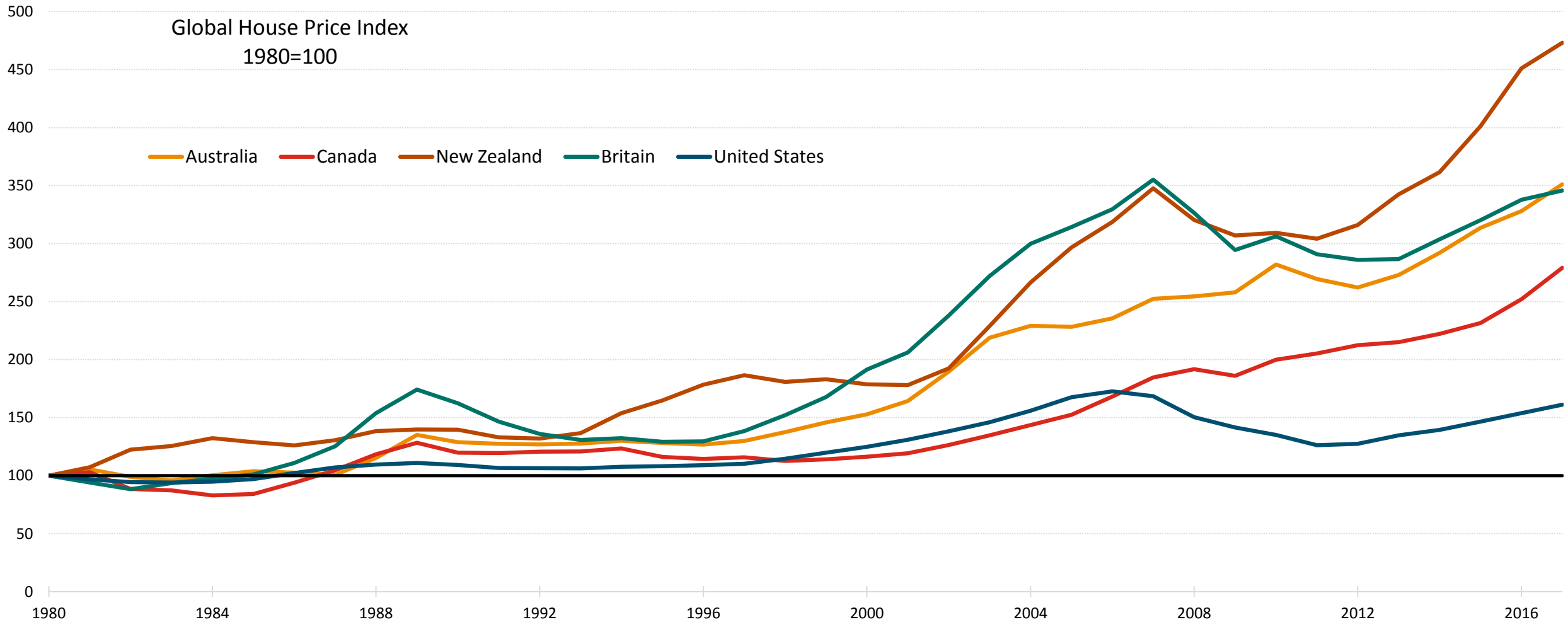
OECD average = 70.5



Source: : Statistics Canada (Census of Canada), ; tradingeconomics.com



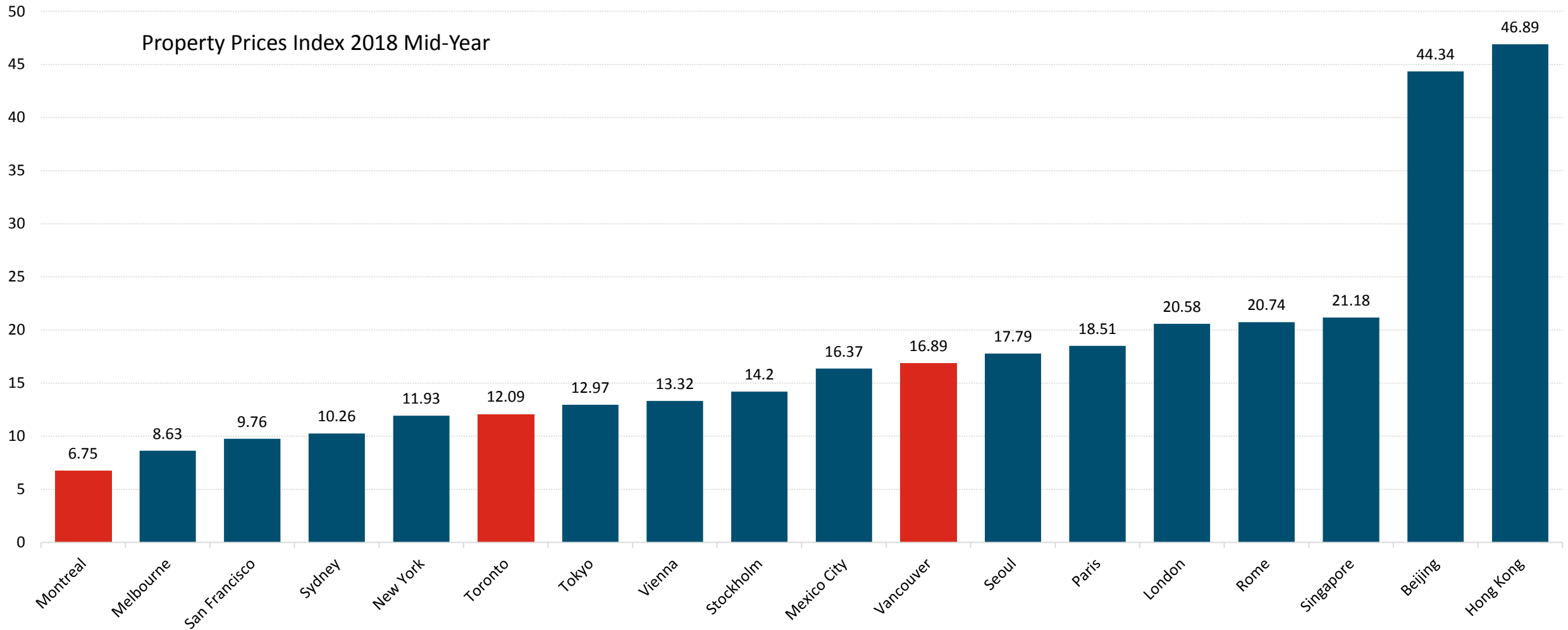
# House Prices Around the World



Source: <https://data.oecd.org/price/housing-prices.htm>



# House Price to Median Income in Cities Around the World

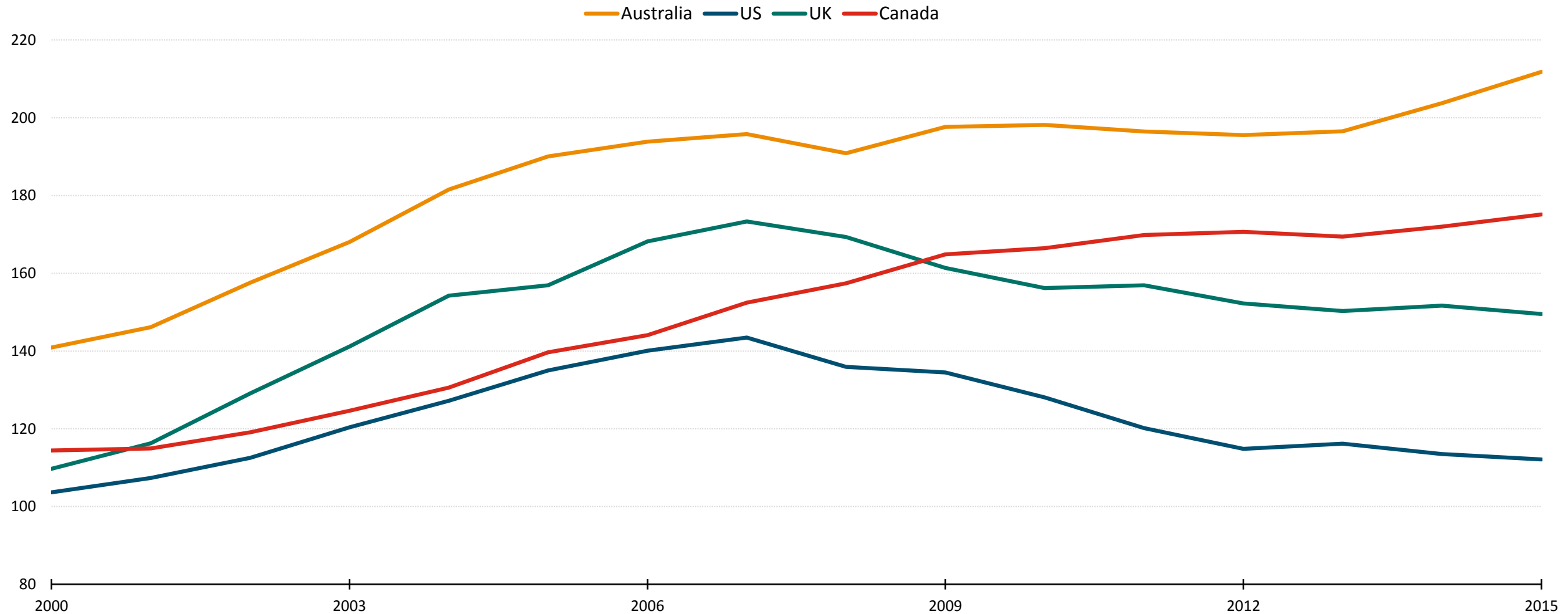


Source: data via Numbeo, [www.numbeo.com](http://www.numbeo.com)

(Calculated as the ratio of median condo apartment prices to median familial disposable income, expressed as years of income.)



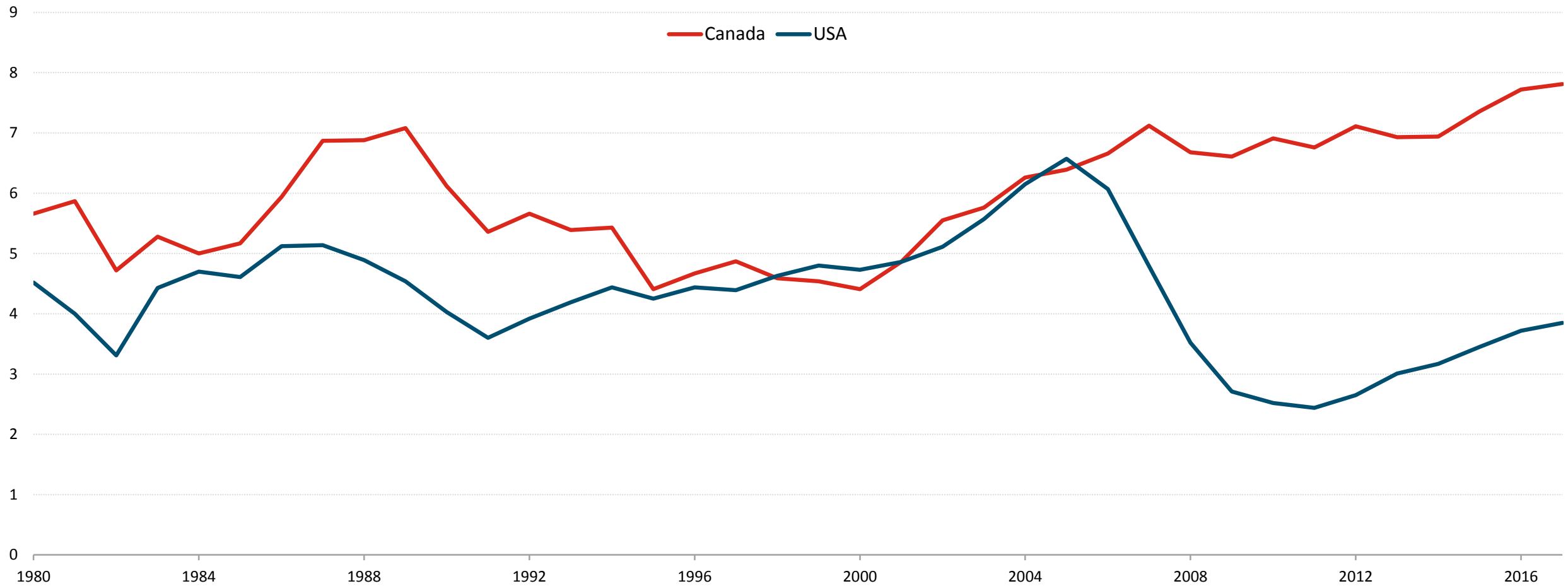
# Ratio of Household Debt-to-Income for Canada, UK, US and Australia



Source: OECD <https://data.oecd.org/hha/household-debt.htm>



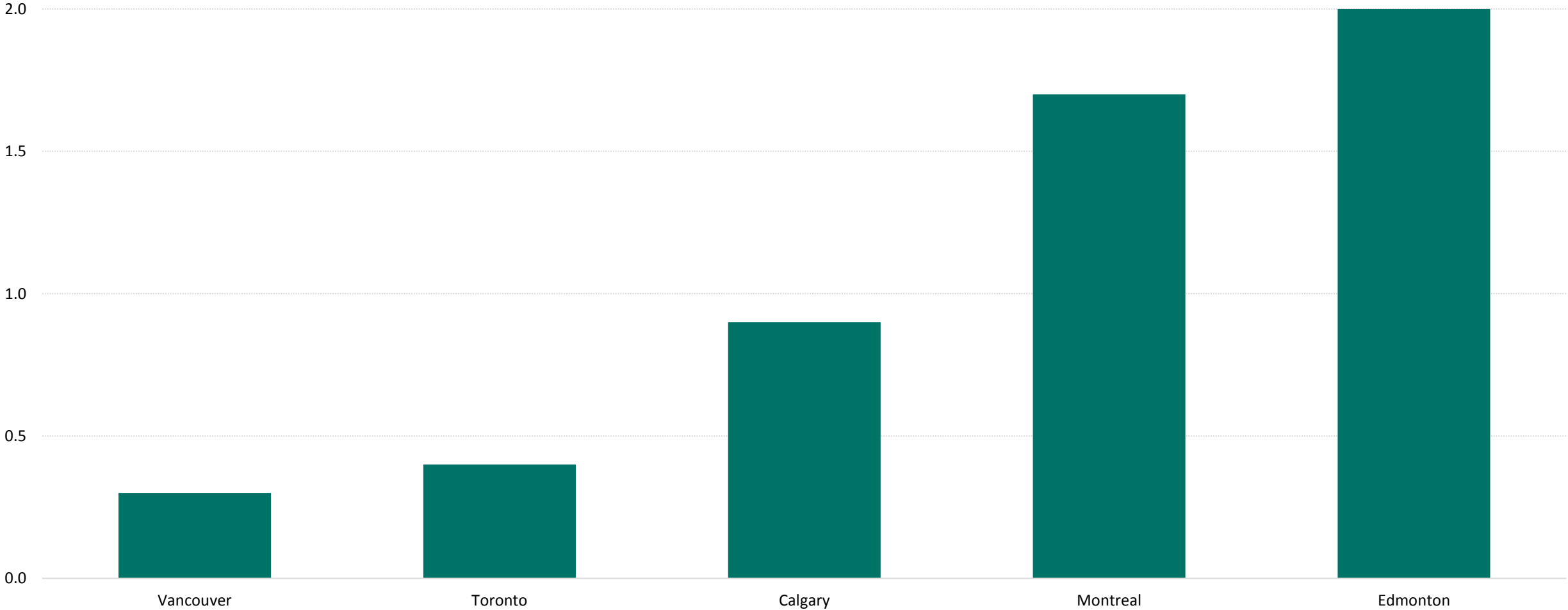
# Residential Real Estate Investment as Share of GDP for Canada and US



Source: OECD - <https://data.oecd.org/gdp/gross-domestic-product-gdp.htm#indicator-chart>



# Elasticity of Housing Starts

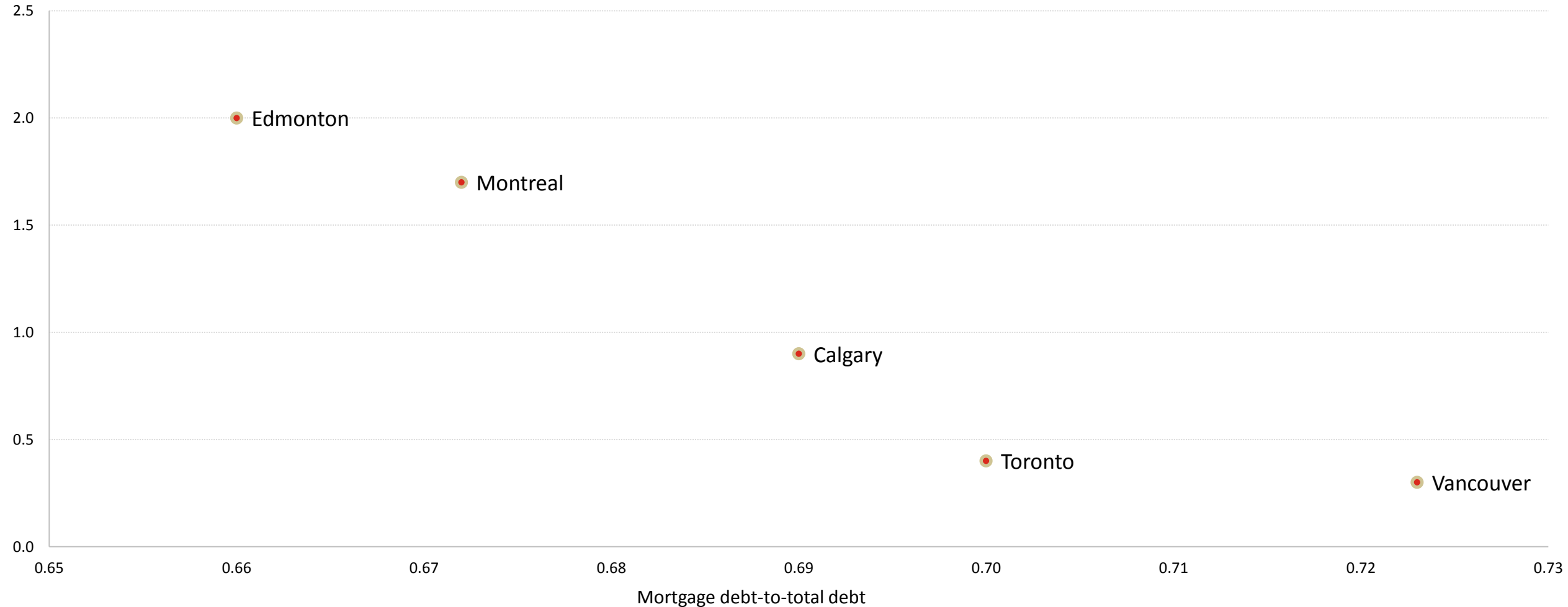


Source: CMHC



# Elasticity of Housing Starts and Mortgage Debt

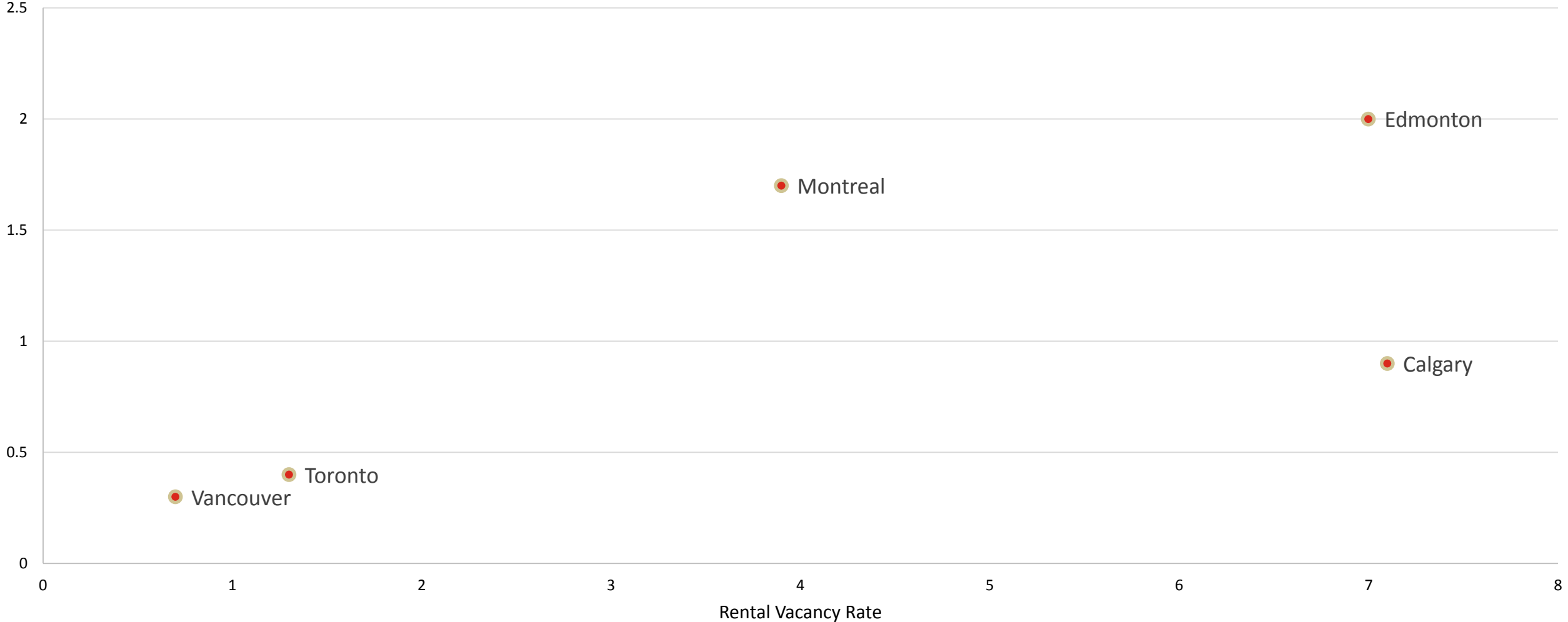
Elasticity of housing starts





# Rental Vacancy Rate and Elasticity of Housing Starts

Elasticity of housing starts



Source: CMHC

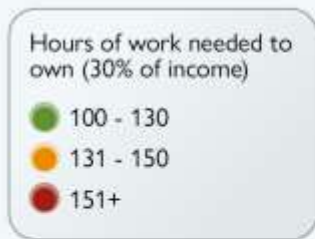


# House Prices and Affordability

Percentage of households  
in core housing needs



# Number of hours a person earning the average hourly wage would need to work in a month so that mortgage payments do not exceed 30% of gross income



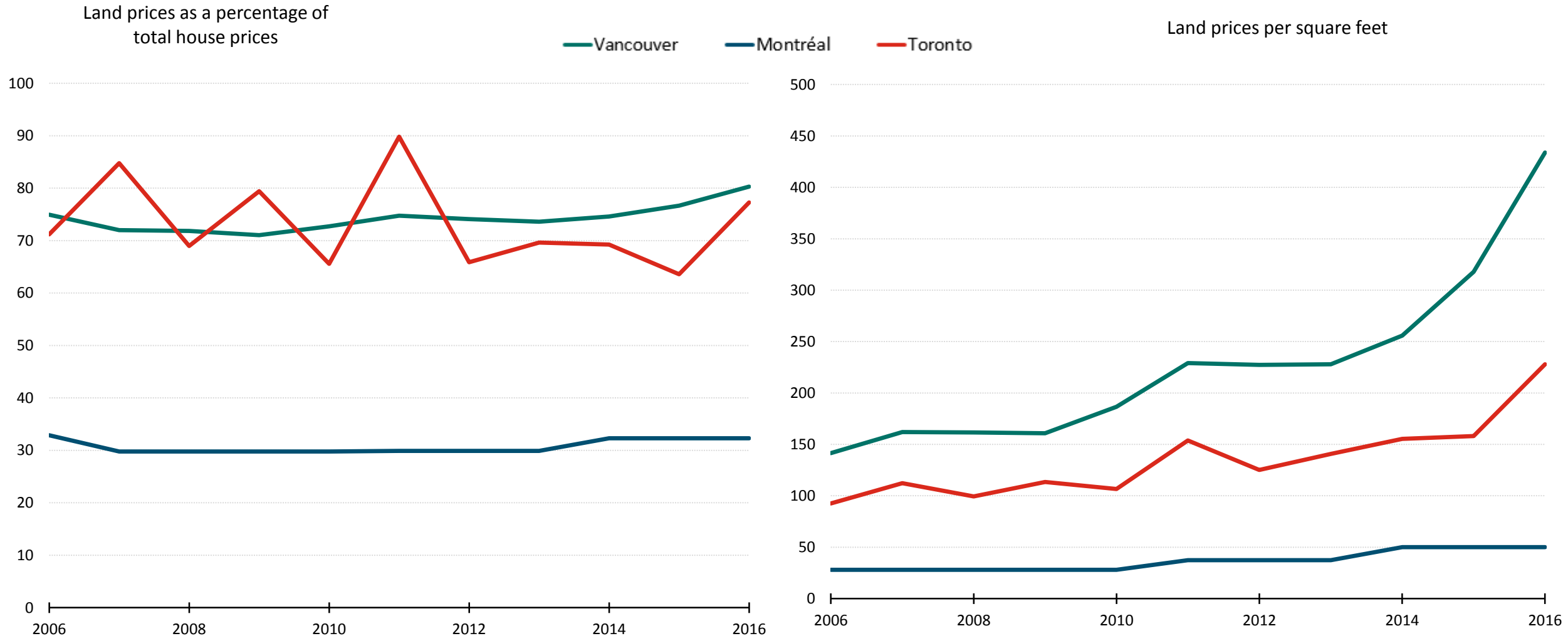
\*Ottawa-Gatineau (Ontario and Quebec)



# Number of hours a person earning the average hourly wage would need to work in a month so that rent payments do not exceed 30% of gross income



# House Prices and Land Values

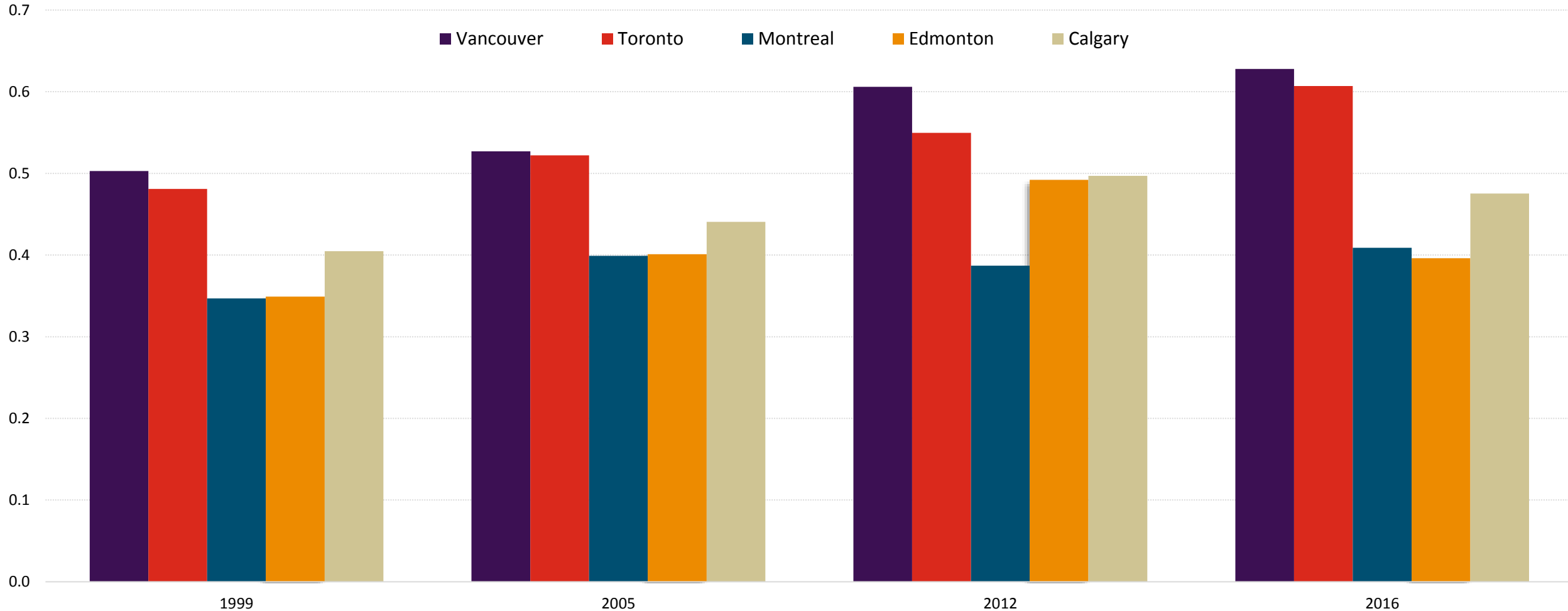


Source: JLR; Landcor; MPAC calculations by CMHC



# Real Estate Wealth to Total Wealth

Fraction of gross real estate wealth  
to gross wealth

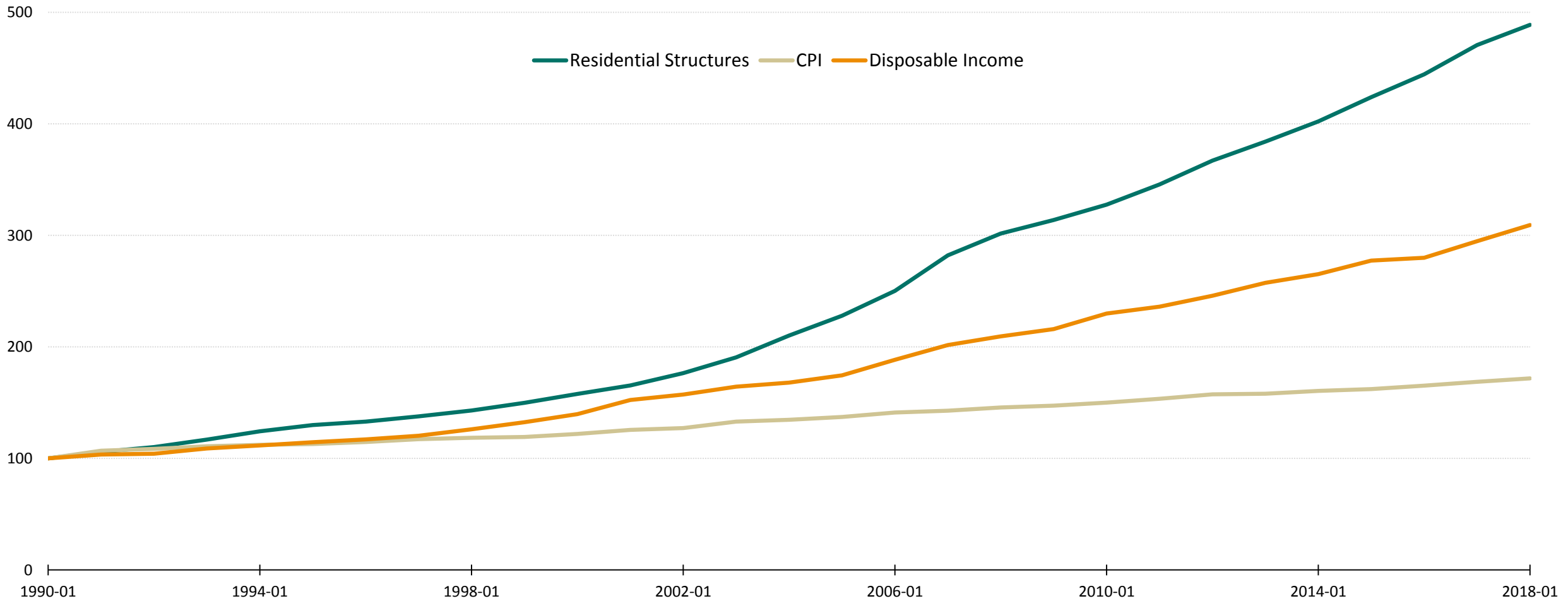


Source: Survey of Financial Security



# Residential Real Estate As An Asset Class

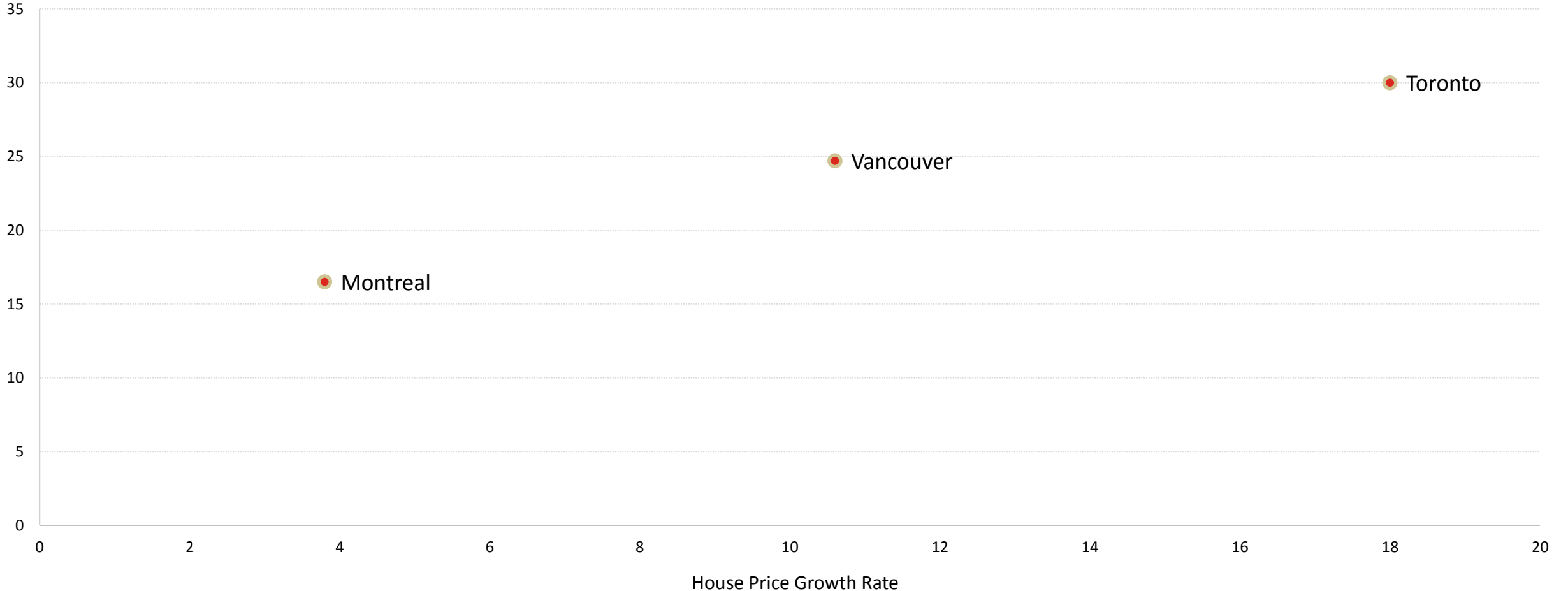
Household real estate assets, disposable income and CPI (index: 1990=100)



# House Price Increases and Expectations

Percentage of homebuyers who believe that house price appreciation is very important

House price growth rate and importance of future housing price growth rates to homebuyers



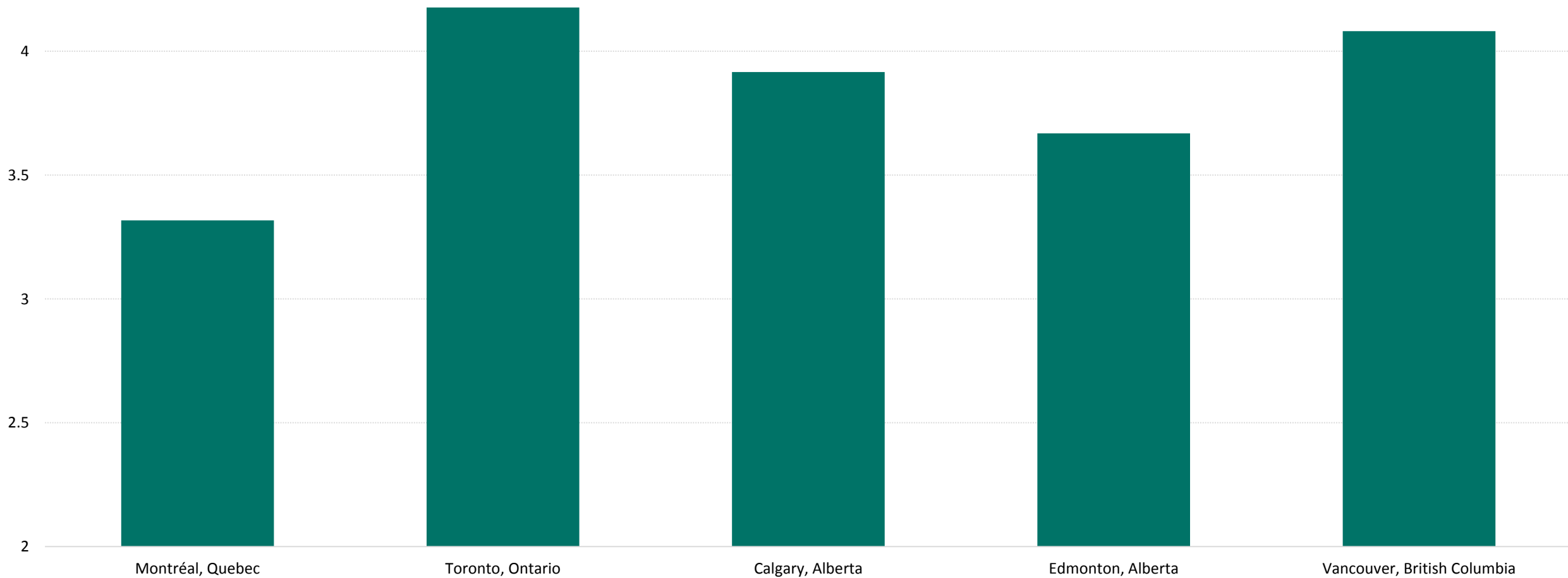
Source: CMHC





# Income Inequality by CMA

Ratio of median total income of top 50% to bottom 50%



Source: Statistic Canada



# Stronger communities and greater opportunities

 530,000

households removed  
from housing need

 300,000

existing housing units repaired  
and renewed representing  
3X as many units repaired and  
renewed under federal programs  
from 2005 to 2015\*

 100,000

new housing units created  
representing 4X as many units  
built under federal programs from  
2005 to 2015\*

 385,000

households protected from  
losing an affordable home  
and another 50,000  
benefiting from an  
expansion of community  
housing

 50%

reduction in estimated  
number of chronically  
homeless shelter users

 300,000

households provided with  
affordability support through the  
Canada Housing Benefit

\* Compared to units built and repaired through the Affordable Housing Initiative (AHI), Renovation Programs and the Investment in Affordable Housing (IAH).