

28 February 2018

***Global survey: 1 in 5 current mortgage holders say they'd struggle if rates rise, yet Canadians amongst the least likely to shop around***

Based on a survey of 10,000 people across 10 countries including Canada, the latest findings from HSBC's *Beyond the Bricks* global research series offers deeper insights into how a shift from the low interest rate environment could affect Canadian homeowners, and how they compare against their global peers.

**Key findings at-a-glance:**

Country	Haven't seen a rate rise on their current mortgage	Would struggle or not be able to afford a <b>2 point</b> mortgage rate rise		Would struggle or not be able to afford a <b>5 point</b> mortgage rate rise	
		Current	Prospective	Current	Prospective
France	97%	36%	37%	57%	51%
USA	87%	24%	24%	45%	44%
UK	84%	16%	25%	35%	38%
<b>Canada</b>	<b>78%</b>	<b>20%</b>	<b>24%</b>	<b>48%</b>	<b>46%</b>
Taiwan	74%	18%	40%	48%	57%
Australia	73%	18%	28%	41%	48%
China	64%	13%	30%	37%	53%
Singapore	61%	22%	33%	54%	60%
Malaysia	58%	27%	43%	51%	43%
Mexico	55%	26%	30%	51%	30%
<b>Average</b>	<b>75%</b>	<b>22%</b>	<b>32%</b>	<b>47%</b>	<b>52%</b>

**Key highlights:**

- **A better deal you say? No thank you, we're Canadian.** Mortgage holders in Canada are amongst the *least likely* across all markets surveyed to say they've looked around to see if they can get a better mortgage rate (Canada: 50%, global average: 61%). According to the research, the most active mortgage rate deal-hunters are in France (79%), Malaysia (72%), and China (69%).
- **Prospective homebuyers: best-prepared or overly-optimistic?** While one in four (24%) *prospective* homebuyers in Canada say they expect they'd struggle or not be able to afford a 2 point mortgage rate rise, they are the *least likely* across all 10 markets surveyed to feel this way (global average: 32%). Prospective home buyers who are *most likely* to struggle with a 2 point mortgage rate increase are in Malaysia (43%), Taiwan (40%), and France (37%).
- **Like vinyl records and barber shops, higher interest rates may be making a comeback:** Almost four in five (78%) *current* mortgage holders in Canada report they've *never* experienced a rise in the interest rate on their current mortgage/home loan. Those *most likely* to have never seen an increase are in France (97%), the US (87%) and the UK (84%).

- **Standing on our financial tippy-toes:** Despite the affordability challenge and the prospect of rising interest rates, about two in five (37%) prospective homebuyers in Canada are willing to stretch themselves financially to afford a better home (global average: 41%). The most 'financially-flexible' prospective buyers are in Mexico (59%), France (56%) and Malaysia (50%), whereas the least flexible are in Taiwan (29%), Singapore (32%) and the US (34%).

“While faring better than many of their global peers, up to one in four current and prospective home buyers expect they’d struggle if mortgage rates were to continue to rise,” said **Larry Tomei**, Executive Vice President and Head of Retail Banking and Wealth Management, HSBC Bank Canada. “Whether you’re considering locking in your rate or looking to strike a balance with a variable rate, it’s important to factor potential rate rises into household budgets and of course to shop around for the best possible rate.”

**Tips for current and prospective mortgage holders:**

- **A few simple calculations can go a long way.** Use a [mortgage calculator](#) to get a clear perspective on your specific situation. Enter a mortgage rate that is 2 points higher to see how you’ll fair.
- **Get pre-approved to bring confidence to the table when looking.** This empowers you to negotiate from a position of strength, knowing that financing will not be an issue when your offer is accepted.
- **When diving in to the market, make sure you have a life vest.** Part of a good financial plan includes planning for the unexpected, so considering creditor or separate insurance is a must.
- **More than ever, shop for the best rate, offered by a secure institution.** Visit the HSBC Bank Canada [mortgage centre online](#) for more information about HSBC’s mortgage solutions.

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**Notes to editors:**

- 1) Beyond the Bricks is an independent consumer research study into global home ownership, commissioned by HSBC. It provides authoritative insights into peoples’ attitudes and behaviour towards home buying, renting and funding around the world.  
*The value of home* survey represents the views of 10,005 people in 10 countries: Australia, Canada (1000), China, France, Malaysia, Mexico, Singapore, Taiwan, UK and USA.  
The findings are based on a survey of current and prospective home owners aged 21 or older from a nationally representative online sample in each country. The research was conducted by Kantar TNS in September and October 2017.
- 2) HSBC Bank Canada, a subsidiary of HSBC Holdings plc, is the leading international bank in the country. We help companies and individuals across Canada to do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management. Canada is a priority market for the HSBC Group – one of the world’s largest banking and financial services groups with assets of US\$2,522bn at 31 December 2017. Linked by advanced technology, HSBC serves customers worldwide through an international network of around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa. For more information visit [www.hsbc.ca](http://www.hsbc.ca) or follow us on Twitter: @hsbc\_ca or Facebook: @HSBCCanada

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# Hitting the switch

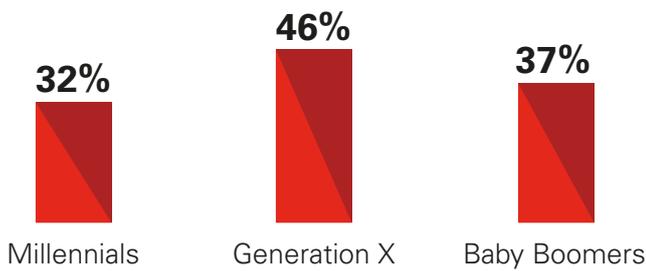
Almost two-fifths of home owners in Canada have changed mortgage provider

## Beyond the Bricks *The value of home*

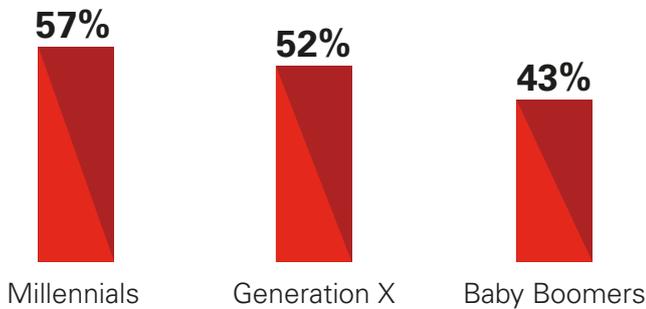
Responses from current and prospective home owners aged 21+ in a survey of 1,000 people in Canada conducted by Kantar TNS in September and October 2017

### Mortgage holders are switching

**39%** have ever switched mortgage/home loan provider



**50%** have looked to see if they can get a better deal by switching their mortgage/home loan



### Why mortgage holders switched

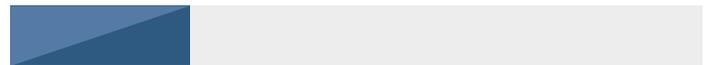
**36%** to get a better deal or because the rates went up



**36%** because their deal expired



**26%** when they moved house or bought another property



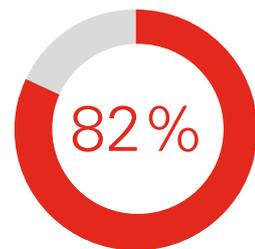
### Home owners are well-informed about their mortgage/home loan



know how many years they have left to pay off their loan



know how much interest they are paying



are confident they know the terms of their loan