

TAKE CONTROL OF YOUR HOME EQUITY

Real estate has been an outstanding investment in most parts of Canada over the past few years. Home valuations have broken through the peak of their 1989 "bubble" in many areas of the country. That's good news for Canada's 8.5 million homeowners - over two-thirds of whom (68.4%) own their home, the highest rate since 1971 according to Statistics Canada.*

At the same time, we're seeing a rise in home renovations, with approximately 40% of Canadian homeowners saying that they intend to spend \$1,000 or more on renovations in 2008, according to the Canada Mortgage and Housing Corporation.**

These two factors are intersecting with a third trend - rising levels of Canadian consumer debt. Total debt is now equal to a new record of 131% of household income after transfers and income taxes, as reported in a study by The Vanier Institute of the Family. This compares to only 91% in 1990.***

As a result of these three major trends, Canadians who have built up the equity in their home over the last few years are borrowing against that equity in record numbers.

Consider this: if you have equity in your home, you can take advantage of attractive mortgage rates to save on interest charges. Compare current mortgage rates with the rates charged on your other debts. Get professional advice to determine whether it would pay to do some refinancing - whether it's to consolidate your existing debt or to roll in expenses for important projects, such as home renovation. Many savvy homeowners are also working with their mortgage advisor to acquire second properties, make investments or pay for their education.



You may also want to consider refinancing your existing mortgage. If your mortgage is coming up for renewal, this is the perfect time to tap into your home equity at today's excellent rates. Even if you are in the last year or two of your mortgage, it may make sense to renegotiate your mortgage now and roll in all your debt at a low rate. Or, you may be able to access funds through a second mortgage.

Your best option - have a mortgage professional outline your options for using your mortgage to consolidate your debt and increase your cash flow.

*The Daily, 2006 Census: Changing patterns in Canadian homeownership and shelter cost, Statistics Canada, June 4, 2008

** Renovation Spending Across 10 Major Centres Up by \$2 Billion in 2007, CMHC, May 22, 2008

*** The Current State of Canadian Family Finances 2007 Report, The Vanier Institute of the Family, February 11, 2008



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