



FREE GUIDE

Current Analysis of Investing in Canada

 **CMI** | Mortgage
Investments



Understanding evolving data is crucial in the competitive, interconnected landscape of alternative investments, private mortgages, and financial advising. By using a data-driven decision-making approach, you can better serve your clients by understanding dynamic market fluctuations and aligning investment strategies with their unique financial goals.

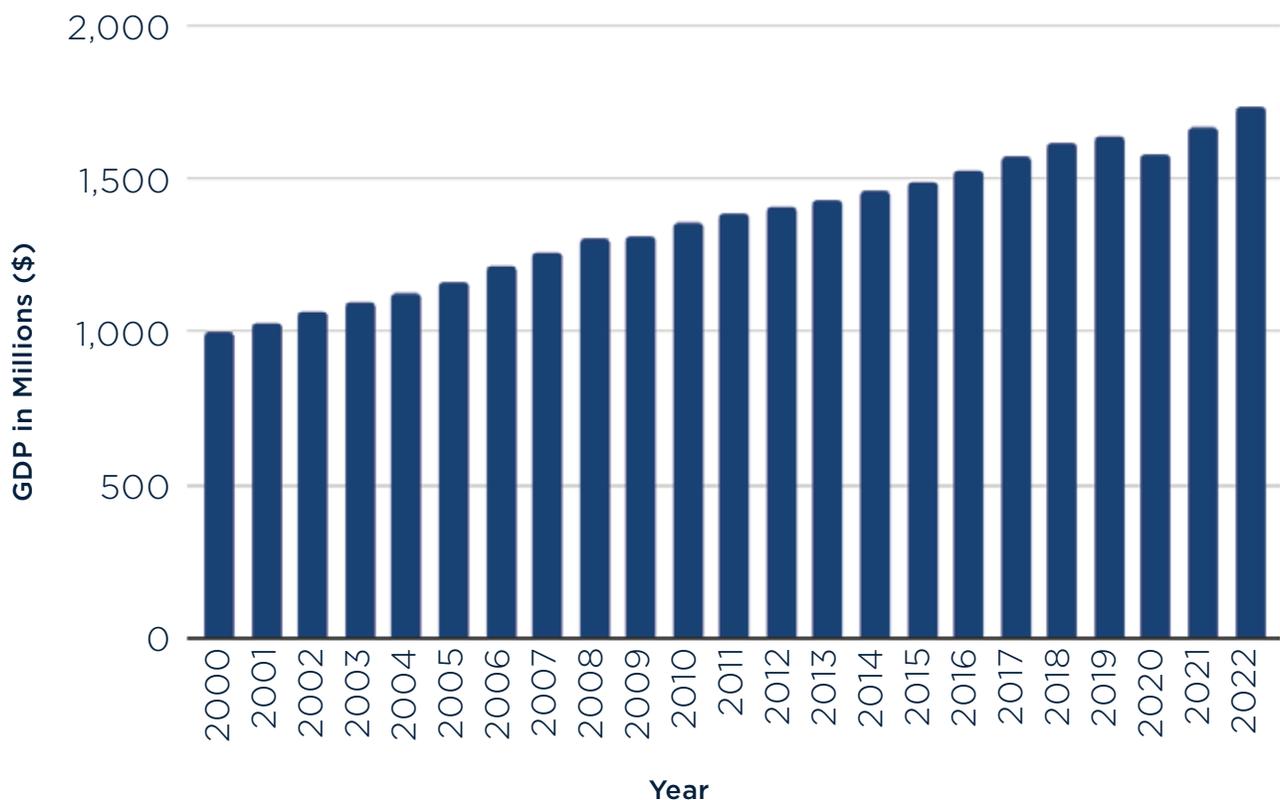
By using detailed analytics and staying up-to-date on industry trends, you can offer tailored advice that helps to maximize returns and mitigate risk. This approach enhances client trust and satisfaction while distinguishing you from other investment advisors.

In this info sheet, we provide you with key statistics and marketing updates to ensure you stay ahead of the competition. With years of industry experience, we understand how important it is to provide your clients with the most comprehensive care when handling their investments.

Economic Indicators and Mortgage Market Overview

Gross Domestic Product (GDP)

Canadian GDP in Millions (2000 - 2022)



GDP growth significantly impacts the mortgage market in several key ways:

Economic Health and Confidence: When GDP grows, it generally indicates a healthier economy, which boosts consumer and business confidence. Increased confidence can lead to more people deciding to buy homes, which drives demand for mortgages.

Investment Opportunities: Strong GDP growth can make real estate more attractive as an investment. Investors might purchase additional properties to benefit from potential appreciation, increasing demand for mortgage loans.

Employment and Income Levels: GDP growth is often associated with lower unemployment and higher wages. With more people employed and earning higher incomes, more individuals can afford to purchase homes, leading to an increased demand for mortgages.

Canada's GDP growth is expected to slow to 0.7 percent in 2024 before rebounding to 1.9 percent in 2025. Private mortgage lenders have unique opportunities to fill a gap.

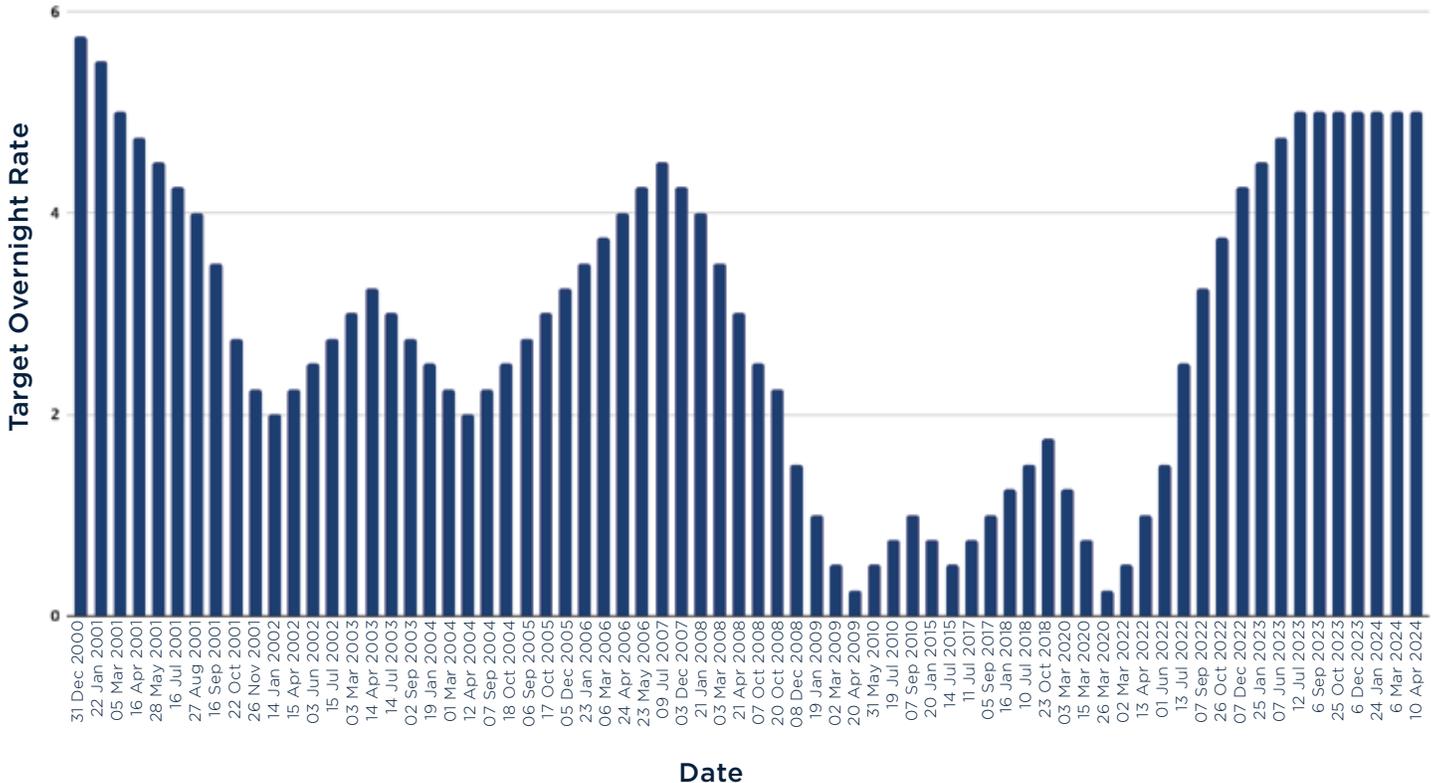
During the slower economic phase in 2024, traditional banks may tighten lending criteria, leaving many interested home buyers ineligible for conventional mortgages. Private lenders can seize the chance to serve borrowers who fall outside these traditional parameters, offering more flexible and creative financing solutions.

Historically, alternative lending has demonstrated resilience, maintaining steady growth and expanding its market share during economic downturns. For instance, in 2023, private mortgage lenders experienced minimal slowdowns compared to other mortgage providers. This track record highlights their ability to adapt and thrive in challenging economic climates.

As the economy strengthens in 2025, improved confidence and increased property transactions are expected, presenting further opportunities for private lenders. These lenders can capitalize on the economic upswing by expanding their portfolios and benefiting from rising property values, which enhance loan collateral.



Bank of Canada Target Overnight Rate Since the 2000s



In 2023, the Bank of Canada steadily increased interest rates, reflecting concerns over persistent inflation. Since the beginning of 2024, the interest rate has remained at 5%. The recent fluctuations in the interest rate impact the real estate market in complex ways.

Despite higher borrowing costs potentially slowing mainstream mortgage activity, many experts still predict advantageous opportunities in the real estate market. With GDP expected to grow, economic stability and improving job markets could bolster consumer confidence and support sustained demand for real estate. The relatively robust economic conditions provide fertile ground for real estate investments as properties continue to be a valuable asset class.

Private mortgages continue to prove they're a compelling alternative for homebuyers and investors. Given the high rates associated with traditional bank mortgages in an era of high inflation, private mortgages offer flexibility and often provide more manageable terms and approval criteria.

This borrowing option can benefit buyers who may not qualify for traditional financing due to stricter lending standards. Additionally, private lenders can often provide faster funding than conventional banks, which is crucial in a competitive real estate market.

Growing Role of Private Lending

Alternative investments have seen significant growth as investors look beyond traditional stocks and bonds to diversify their portfolios and potentially enhance returns. Mortgage investments have emerged as a popular choice among these alternatives.

Private mortgage investments offer an attractive blend of risk and return, backed by real estate as collateral. This category has gained traction among savvy investors seeking monthly cash flows and lower correlation with mainstream financial markets.

As industry professionals, it's essential to keep your clients' portfolios diverse and dynamic. Introducing private lending into your service offerings can open up a whole new realm of opportunities for your clients, moving beyond the usual investment paths.



Both you and your clients can benefit:

Enhanced Portfolio Diversification: Adds a non-correlated asset class to help mitigate risk and possibly improve returns.

Attractive Returns: Offers competitive interest rates compared to traditional fixed-income investments.

Backed Investments: Backed by real estate, providing a tangible security layer.

Cash Flow Generation: Regular, predictable income through interest payments enhances cash flow.

Tailored Investment Solutions: Allows customization according to client risk tolerance and financial goals.

Market Resilience: Less susceptible to market fluctuations, providing stability during economic volatility.

Client Satisfaction and Retention: Unique offerings meet evolving client needs, enhancing satisfaction and loyalty.

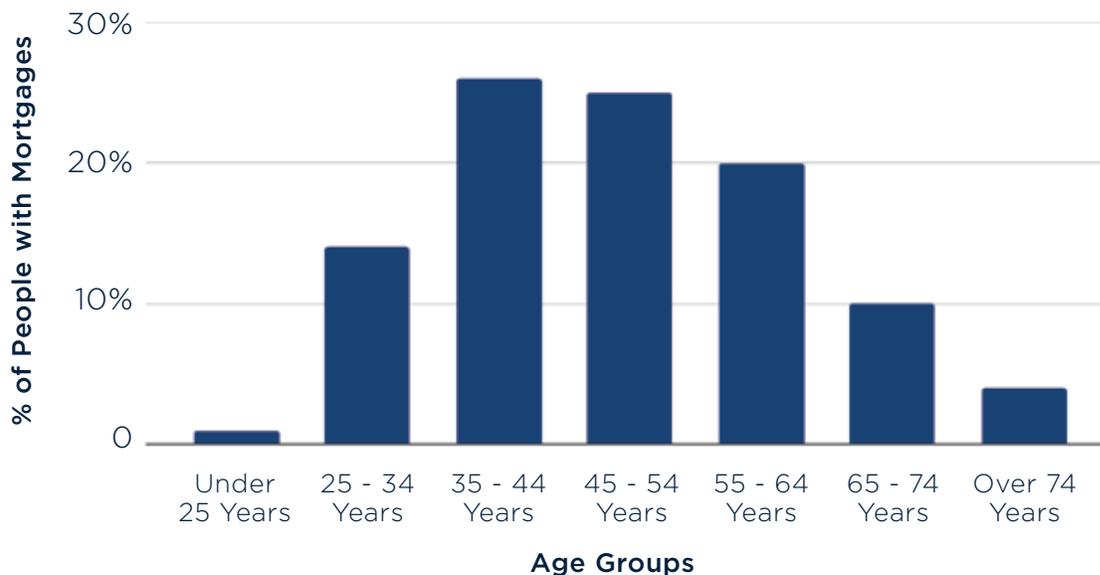
By partnering with CMI, you can expand your suite of services, catering to a broader range of client needs and investment objectives. This move not only differentiates your offerings in a crowded market but also enhances your ability to deliver tailored, robust financial solutions that help secure your clients' financial futures.

Demographics of Canadian Borrowers

High Network Individuals in Canada



Age Distribution of Mortgage Holders in Canada



Understanding your clients' investable assets, along with demographic factors such as age, income levels, and life stages, is essential for tailoring investment strategies that align with their unique needs. Recognizing how these factors influence financial priorities and risk tolerance enables you to identify the most suitable investment options for your clients.

For example, younger clients may prioritize growth and long-term gains, while older clients might seek stability and immediate income. By integrating these demographic insights with a detailed financial profile, you can craft personalized, effective investment plans that resonate with the specific circumstances and aspirations of each client.



Which Clients Should Consider Using Private Mortgages

Considering a private mortgage may be beneficial for your clients if any of the following scenarios apply:

They're a self-employed individual or small business owner who may not meet the stringent income verification standards required by traditional banks.

They're looking to purchase or refinance a nontraditional property type, such as a unique or rural property, that does not easily qualify for a bank loan.

They need quick financing to seize a real estate opportunity or to resolve urgent financial matters, where traditional banking timelines would be too slow.

They are working on improving your credit score but require immediate funding, making traditional mortgage approval challenging.

They require a short-term loan with a clear exit strategy, typically sought for bridge financing or construction projects.

Comparing Investment Returns

Investment Type	Description	Typical Returns	Risk Level
Private Mortgage Investing	Direct loans to borrowers backed by real estate.	High potential	Moderate
Real Estate Investment Trusts (REITs)	Pooled funds invested in various real estate properties, traded like stocks.	Medium to high potential	High due to market volatility
Hedge Funds	Pooled funds employing diverse strategies to earn high returns.	Medium to high potential	High
Exchange Traded Funds (ETFs)	Funds that track indexes, commodities, or baskets of assets, and are traded like stocks.	Varies with market	Low (typically for HNWIs)
Venture Capital	Equity investments in high-growth startups.	High potential	High
Private Equity	Investments in private companies to improve and sell them at a profit.	Varies, potentially high	High
Commodities & Precious Metals	Direct investments in physical goods like gold, silver, and oil.	High during demand spikes	Medium
Guaranteed Investment Certificates (GICs)	Bank-issued investments with fixed terms and rates.	Low	High
Bonds	Debt securities issued by governments or corporations to raise capital.	Low to medium, varies by type	High

Interest in private mortgages remains strong among investors, as it provides a very attractive risk vs. reward ratio when compared to other traditional and alternative investment opportunities.

Because lenders continue to seek mortgage opportunities, your clients seeking alternative borrowing solutions will have various options available if they pursue a private mortgage. The data we've provided highlights the advantages of incorporating private mortgage offerings into your portfolio. By doing so, you can address a broader range of client needs and distinguish your services with more diverse financial solutions.



Partner with CMI

Not every client may find private mortgages directly beneficial, but offering them as an option can enhance your ability to cater to a wider client base. Armed with the comprehensive data, statistical insights, and historical context we provide, you are well-equipped to guide your clients in making well-informed decisions.

Partner with a firm that has a proven track record of success and reliability to ensure you provide top-tier services and offerings. With almost two decades of experience and a customer-centric approach, CMI values its partnerships throughout the industry.

What Sets Us Apart: The CMI Difference

Capital Preservation and Competitive Yields: CMI prioritizes capital preservation while ensuring competitive yields through expert management and access to high-quality mortgages nationwide.

Experience: CMI's investment team brings extensive industry experience and exceptional customer care, ensuring investors receive continuous support and knowledgeable guidance throughout their investment journey.

Active Risk Mitigation Strategy: CMI employs a robust risk mitigation strategy that includes investing in high-growth real estate, diversifying across multiple mortgages, and maintaining strict investment protocols and substantial cash reserves to secure your investments.

Due Diligence: CMI focuses on sustainable yields and stability by investing in a carefully vetted pool of residential mortgages offered to well-qualified borrowers who may not meet traditional bank lending criteria.

Smart Lending Practices: CMI's lending practices are strategically focused on Canadian residential real estate markets that demonstrate solid economic fundamentals.

Meet client needs effectively and maintain your competitive edge in a dynamic investment and financial market!

[Get Support from a CMI Brokerage Relationship Manager Now](#)