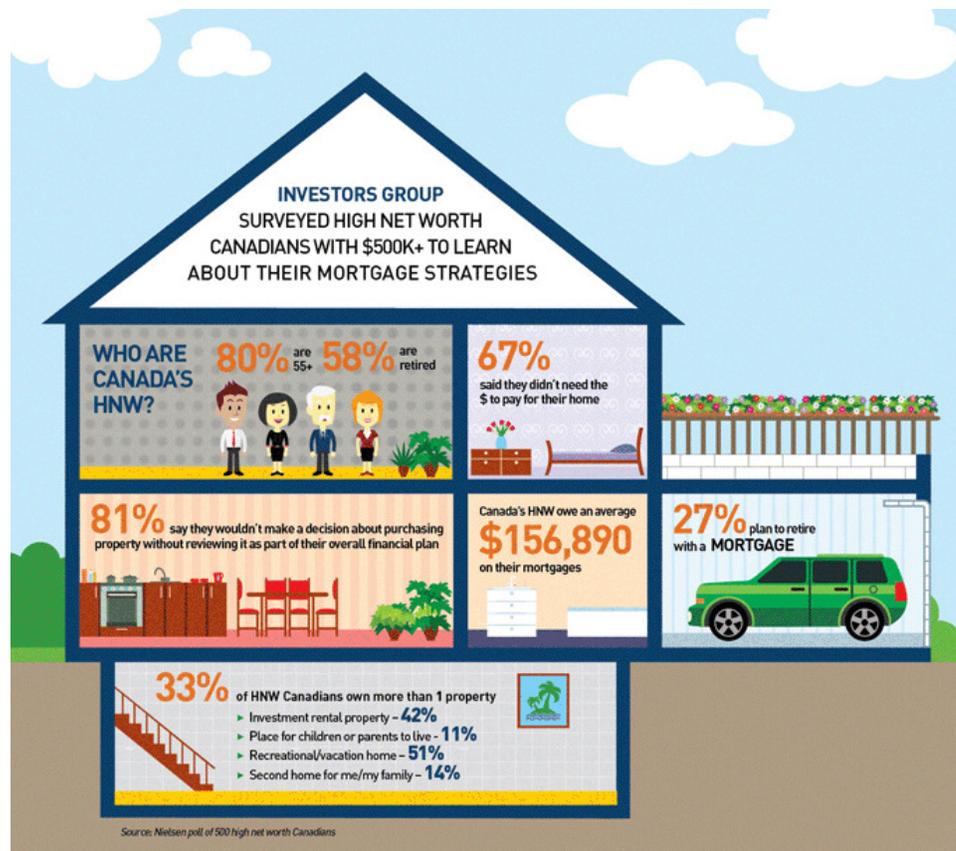


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High Net Worth Canadians may have cash on hand, but some also have mortgages



One-fifth of those with over \$500,000 in investible assets have a mortgage, with an average size of \$157,000

Winnipeg, MB – July 2nd, 2014 : A recent survey of high net worth Canadians, those with investable assets of \$500,000 or more, reveals that for this group, having a mortgage may be a considered and deliberate investment strategy. Sixty-seven per cent of those who have a mortgage indicated they have the cash available to pay for their home in-full.

“The notion that a mortgage is used only when funds aren’t available to pay cash for your home doesn’t ring true for many wealthy Canadians,” says Peter Veselinovich, vice-president of banking and mortgage operations at Investors Group.

The Investors Group survey, which examined how high net worth Canadians are using their mortgages, highlights strategies that touch on a variety of financial planning tactics that range from tax planning to income generating rental properties.

Property ownership is part of the plan

Overall, seven-in-ten high net worth Canadians say they would not think about purchasing property without reviewing it as part of their overall financial plan and almost half (46 per cent) say they wouldn’t make changes to their mortgage without reviewing it as part of their overall financial plan. One-in-five were provided advice by

their financial advisor on mortgage options that would best suit their financial situation.

Property ownership by the numbers:

32 per cent of high-net-worth Canadians own additional commercial or residential properties;

1-in-10 own three or more;

51 per cent have additional properties for recreational use;

42 per cent have investment rental properties;

11 per cent have purchased property for their parents or children to live in

“It’s good to see that some Canadians are including these important decisions as part of their overall financial plan and engaging experts for advice,” says Peter. “Your current and future business strategy, retirement plans, stage of life and overall financial goals will all influence the mortgage you select.”

Mortgages in retirement

While some Canadians plan to pay off their mortgage before retirement, more than one-quarter of wealthy Canadians (with mortgages) don’t have plans to become mortgage-free before retirement.

“Cashing in investments to pay off your mortgage before retirement could trigger capital gains. That would mean additional taxes and less money to invest,” says Peter. “Retirees in this financial demographic who are not concerned about meeting their mortgage payments see a tax advantage to maintaining a low-interest mortgage on their homes.”

Limited fear over rising rates

When asked if they were worried about rising rates in the next year, three years or five, those with any concern amounted to eight per cent, 14 per cent, and 18 per cent of the overall group in each respective time frame.

“While fluctuating interest rates can play a role in selecting a mortgage that fits with your financial situation, there are a number of additional considerations that Canadians need to factor into the equation,” adds Peter. “A financial advisor can help you look at the entire picture and select an option that will work for you.”

To learn more about Investors Group mortgage offerings, visit InvestorsGroup.com

About the Survey Methodology

Data was collected using computer assisted web interviewing (CAWI) via Harris/Decima's proprietary online panel. Overall, 1,009 general population completes were collected nationally between April 2 and April 12, 2014. In addition, 500 completes were collected from high net worth individuals, defined as those with household investable assets (excluding property) of more than \$500,000. For the general population sample, quotas were set by gender, age and region. The general population data were weighted in tabulation to replicate actual population distribution by age and gender within region according to the 2011 Census data.

About Investors Group

Investors Group, founded in 1926, is a national leader in delivering personalized financial solutions to Canadians through a network of approximately 4,800 Consultants located throughout Canada. In addition to an exclusive family of mutual funds and other investment vehicles, Investors Group offers a wide range of insurance, securities, mortgage and other financial services. Investors Group is a member of the IGM Financial Inc. (TSX: IGM) group of companies. IGM Financial is one of Canada’s premier financial services companies with approximately \$138 billion in total assets under management as of May 31, 2014.

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