

## When do you expect to be mortgage free?

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When you make the decision to enter the real estate market, chances are that you'll need to take out a mortgage to afford calling your house or condo home.

Canadians expect they'll be 58 years old before they're mortgage free, which is one year older than the average expectation last year, [according to a recent poll by CIBC](#). Albertans expect to pay off their mortgages the fastest by age 55 and British Columbians expect to pay off their mortgages the slowest by age 66.

"A mortgage is the largest debt most Canadians will take on in their lifetime, and being mortgage-free is an important goal for many," says Barry Gollom, Vice President, Secured Lending and Product Policy, CIBC.

"With current low interest rates, this may be an opportune time to make progress against your mortgage - even a few small changes can make a big difference in the length of time it takes to pay off your mortgage and the amount you pay in interest charges."

The number of Canadians attempting to be mortgage free faster and accelerated their mortgage payments has dropped to 55 per cent from 68 per cent last year. For homeowners looking to pay off their mortgages faster, 32 per cent have increased how frequently they pay, 28 per cent have increased how much they pay and 18 per cent have made a prepayment or lump sum payment.

Canadians may not be as focused on paying down their mortgage faster since mortgage rates are fairly stable and have been low for the past few years, says Gollom, but putting a little extra to your mortgage can go a long way, including shaving off years from your mortgage.

It may come as a surprise that while some of Canada's wealthy have enough cash to pay off their mortgage, they haven't yet.

According to a survey by the Investors Group, 67 per cent of high net worth (\$500 K) individuals have enough cash to become mortgage free, but the average mortgage amount of these individuals is \$156,890. Also, 27 per cent of them plan to retire while having a mortgage. But there is an investment strategy in place to hold onto these mortgages.

"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 Veselinovich, vice-president of banking and mortgage operations at Investors Group, in a press release](#).

“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.”

Also, very few of them are concerned about rising interest rates with eight per cent of wealthy individuals worried rates would go up within a year and 18 per cent of them were worried rates would go up within five years.

If you [qualify for an HST rebate](#), that's a good lump sum payment you can put towards paying off your mortgage and save yourself from years of debt. [Rebate4U](#) prioritizes providing our clients with the most professional and quality service in obtaining rebates for their new and renovated homes. We are proud to offer our clients the most personal and attentive service, and we make sure that all of our clients are 100% satisfied.