



Mortgage Newsletter

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Updates

1. Stress Test

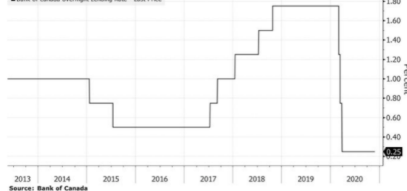
- Stress test remained at 4.79% since Aug 17 2020.

2. Despite the good news on vaccine, bank holds policy rate at 0.25%.

- Policy interest rate at its effective lower bound until economic slack is absorbed so that the 2% inflation target is sustainably achieved.
- As stated in October MPR, the economy will continue to require this stimulus until 2023. Variable prime rate will remain at 2.45%.

Holding Low
Bank of Canada keeps overnight rate at 0.25%

Bank of Canada Overnight Lending Rate - Last Price



Source: Bank of Canada

Mortgage Rates

- 5 years Fixed Mid 1s – High 1s
- 5 years Virm Mid 1s – High 1s
- *variable prime 2.45%
- 3 years Fixed High 1s - 2% range
- 2 years Fixed High 1s - 2% range

Market Snapshot

1. Despite historically low supply, 2020 sets a record year for home sales in Canada.

- Detached home/townhomes: Competition among buyers remains intense.
- Condos: Sales slowed as new listings surged.

2. 511,449 homes have traded hands on Canadian MLS® Systems.

- Up 10.5% from the first 11 months of 2019. Second-highest January – October sales figure on record, trailing 2016 by only 0.3%.

3. Home Prices: MLS® HPI rose by 1.2% m-o-m in November 2020.

- MLS® HPI this month. Largest y-o-y gains: more than 25 - 30% in red, 20 - 25% in blue, 15 - 20% in orange, 10 - 15% in yellow, 5 - 10% in purple, 1 - 2% in green.

4. Canadian federal gov't committed to increase immigration targets for the next 3 years to make up for the shortfall in 2020.

- Aims to welcome 401,000 new immigrants in 2021, 411,000 in 2022 and 421,000 in 2023.

ON	Simcoe & District	\$440,100	1.87	4.39	14.53	21.47	46.96	102.06
	Southern Georgian Bay	\$504,000	0.55	2.13	17.02	21.77	37.95	100.15
	Tillsonburg District	\$415,500	2.33	8.54	17.60	25.93	62.78	110.65
	Greater Toronto	\$910,000	0.78	2.30	5.87	10.48	20.89	57.69
QC	Woodstock-Ingersoll	\$467,200	1.86	8.52	19.83	28.34	58.57	111.72
	Montreal CMA	\$424,900	1.57	4.36	9.94	17.50	34.43	45.35
	Quebec CMA	\$267,800	1.92	2.90	8.08	8.60	10.75	10.87
NB	Greater Moncton	\$224,900	1.78	5.25	10.36	17.30	27.62	38.40
NF	Newfoundland & Labrador	\$281,100	0.82	3.23	4.85	5.35	-1.39	-0.90
	St. John's	\$270,800	0.68	2.61	4.23	5.08	-2.29	-6.29

* Includes Central Okanagan, Northern Okanagan, and Shuswap/Revelstoke.

MLS® Home Price Index Benchmark Price									
Seasonally Adjusted		Percentage Change vs.							
Region	Composite HPI	November 2020	1 month ago	3 months ago	6 months ago	12 months ago	3 years ago	5 years ago	
Aggregate	\$450,100	1.57	3.61	8.29	11.47	17.17	45.28		
BC	Lower Mainland	\$994,200	0.73	2.23	4.04	6.29	3.91	44.93	
	Greater Vancouver	\$1,053,500	0.52	1.91	3.37	5.78	-0.11	37.99	
	Fraser Valley	\$886,400	1.15	3.28	5.73	7.35	9.11	49.43	
	Columbia and District	\$502,900	1.40	4.33	7.81	9.89	14.43	37.42	
	Vancouver Island	\$522,800	1.33	3.33	3.89	5.29	21.50	44.00	
	Okanagan Valley*	\$544,800	0.49	4.14	7.69	7.90	13.30	46.02	
AB	Calgary	\$419,000	0.49	1.36	2.47	1.25	-3.97	-4.89	
	Edmonton	\$324,500	0.44	1.40	3.54	1.91	-1.89	-5.67	
SK	Saskatoon	\$302,300	0.59	1.33	4.44	5.44	2.41	-3.11	
MB	Winnipeg	\$289,900	-0.58	0.84	4.22	6.88	8.53	16.51	
ON	Barrie and Area	\$318,900	3.26	5.03	14.11	23.43	60.87	93.45	
	Barrie & District	\$404,900	3.04	11.62	15.62	23.23	26.58	49.33	
	Burlington Region	\$359,700	2.48	5.25	15.37	20.52	41.62	87.38	
	Cambridge	\$417,400	1.70	5.67	15.09	18.39	38.05	88.64	
	Grey Bruce Owen Sound	\$374,300	0.88	7.35	13.68	19.46	48.79	86.45	
	Greater & District	\$660,400	1.11	4.81	12.80	16.96	33.69	74.27	
	Hamilton-Burlington	\$718,100	1.13	4.54	11.55	16.97	32.93	74.62	
	Home Path	\$414,300	2.23	6.87	13.35	21.76	57.72	89.90	
	Kawartha Lakes	\$465,400	2.48	4.23	19.32	28.38	34.67	87.73	
	Orillia-Woodville	\$414,300	2.00	4.89	11.91	19.56	38.70	88.89	
ON	Lakeland	\$459,300	1.76	6.71	16.11	27.48	40.65	88.34	
	Lindsay & St. Thomas	\$479,800	2.65	7.03	17.54	22.45	40.51	114.81	
	Mississauga	\$967,000	1.23	4.26	9.19	13.24	28.93	44.39	
	Region Niagara	\$512,700	2.20	4.42	12.46	16.94	38.15	91.39	
	North Bay	\$263,000	2.00	5.56	16.55	20.01	25.86	30.09	
	Northumberland Hills	\$512,900	2.55	7.85	14.90	16.72	30.49	86.57	
	Orillia-Milton	\$1,343,600	1.40	2.98	8.15	12.40	20.37	52.08	
	Oshawa	\$442,800	1.40	5.50	12.17	22.39	45.00	40.57	
ON	Peterborough & the Kawartha	\$497,400	2.43	11.80	13.63	17.30	35.79	86.13	
	Shawnee & District	\$404,400	4.09	9.40	18.85	28.11	50.63	103.85	