

Mortgage Newsletter

November 2020

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Updates

1. Stress Test

- Stress test remained at 4.79% since Aug 17 2020.
- 2. Great news pushed up bond yields, potential increase in mortgage rates.
 - Highly effective vaccine announcements by Pfitzer & Modernal Inc. pushed up US & Canadian bond yields, lead to many suggesting that a rise in mortgage rates can't be far behind.
- 3. Good news on the vaccine front may be overblown due to expanded pandemic restrictions & record cases.
 - Pandemic restrictions & record cases will dampen economic activity through the winter months, mitigating the upward pressure on rates.
 - Any mortgage rate increases will be 10 basis points or less, although discounts might start to disappear.

Mortgage Rates

- 5 years FixedMid 1s High 1s
- 5 years VirmMid 1s High 1s

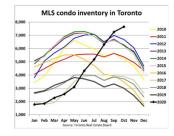
*variable prime 2.45%

- 3 years Fixed High 1s - 2% range
- 2 years Fixed High 1s - 2% range

Market Snapshot

- 1. October housing reports in Vancouver, Toronto & Montreal showed continued sales activity & upward prices, except in the condo space.
 - Condo: Listings rising faster than sales in many regions.
 - Low rise: Remain in very tight supply, prices continue to rise.
- 2. This year, 461,818 homes have traded hands on Canadian MLS® Systems, up 8.6% from the first 10 months of 2019. Second-highest January October sales figure on record, trailing only 2016.
- **3. Home Prices: MLS® HPI rose by 1% m-o-m in October 2020.** MLS® HPI this month. Largest y-o-y gains: more than 25% in red, 20 25% in blue, 15 20% in orange, 10 15% in yellow, 5 10% in purple.
- 4. The anticipated growth later in 2021 would be the best since 1984. Considering:
 - some of the growth rates seen in Q3
 - the added fiscal stimulus still on its way; and
 - the degree of excess savings that households now have at their disposal to unleash in the coming year.

ON	Southern Georgian Bay	\$497,600	5.10	11.91	15.23	19.66	38.33	96.77
	Tillsonburg District	\$405,500	3.70	8.93	16.37	23.00	60.96	106.15
	Greater Toronto	\$898,900	0.14	2.37	4.40	10.49	19.76	57.42
	Woodstock-Ingersoll	\$458,500	2.66	10.01	17.38	26.77	59.53	109.46
αc	Montreal CMA	\$417,100	1.27	4.14	8.59	15.44	31.85	42.83
	Quebec CMA	\$261,900	0.05	1.44	5.45	6.01	8.46	7.69
NB	Greater Moncton	\$220,400	1.54	5.18	9.03	14.29	25.73	36.81
NF	Newfoundland & Labrador	\$278,700	1.34	4.39	3.45	4.14	-2.58	-1.57
	St. John's	\$268.800	1.60	4.43	3.58	3.08	-4.12	-6.42



MLS* Home Price Index Benchmark Price										
	Seasonally Adjusts	Percentage Change vs.								
	Composite HPt:	October 2020	1 month ago	3 months ago	6 months ago	12 months ago	3 years ago	5 years ago		
Region	Aggregate	\$643,400	0.99	3.86	7.04	10.66	16.36	44.38		
вc	Lower Mainland	\$967,400	0.66	2.36	3.26	6.09	3.48	49.59		
	Greater Vancouver	\$1,049,400	0.63	2.49	2.88	5.93	0.48	40.85		
	Fraser Valley	\$875,100	0.84	2.90	3.94	6.42	9.41	71.06		
	Vancouver Island	\$515,300	1.39	-0.35	2.29	4.04	20.96	65.33		
	Victoria	\$721,200	0.44	0.26	1.28	3.43	12.62	53.38		
	Ckanagan Valley*	\$543,000	2.57	5.43	6.84	7.41	14.04	47.69		
AB .	Calgary	\$417,900	0.38	1.91	2.25	1.09	-3.77	-6.85		
	Edmonton	\$322,500	0.28	1.81	2.86	1.41	-3.43	-6.25		
SK	Regina	\$277,600	1.09	3.68	6.40	7.49	-3.72	-271		
	Saskatoon	\$299,000	-0.23	1.25	3.60	4.14	1.06	-4.16		
ма	Winnipeg	\$291,400	1.39	3.26	7.03	8.53	9.52	16.02		
ON	Bancroft and Area	\$307,300	0.48	1.85	12.68	17.70	59.91	87.63		
	Barrie & District	\$562,500	1.94	6.95	10.40	17.78	17.01	57.60		
	Brantford Region	\$491,300	0.85	5.56	14.65	18.78	39.96	85.72		
	Cambridge	\$606,600	1.13	5.70	13.14	18.31	37.21	84.12		
	Gray thruce Owen Sound	\$383,700	3.15	9.04	13.96	19.63	54.16	83.16		
	Guelph & District	\$653,300	1.80	7.11	10.94	16.23	33.76	72.65		
	Hamilton-Burlington	\$725,900	1.14	5.95	11.39	16.26	32.60	74.26		
	Huron Perth	\$404,200	1.04	10.01	17.43	21.46	55.45	83.66		
	Kawartha Lakes	\$473,800	5.25	10.59	18.88	22.18	42.47	87.01		
	Kitchener-Waterloo	\$600,100	1.71	4.90	14.60	15.91	37.65	86.15		
	Lakelands	\$510,600	3.52	10.58	24.09	23.43	54.21	92.32		
	London & St. Thomas	\$465,800	1.60	6.78	14.02	20.20	59.56	110.65		
	Mississauga	\$954,100	0.76	3.36	8.15	12:05	28.13	64.51		
	Niagara Region	\$500,600	1.99	6.67	10.20	17.96	35.35	98.75		
	North Bay	\$271,700	0.74	5.58	12.21	17.37	22.88	33.43		
	Northumberland Hills	\$498,500	0.99	8.13	13.66	13.91	27.86	82.78		
	Oakville-Milton	\$1,144,600	0.10	3.28	5.32	10.86	18.40	52.97		
	Ottawa	\$535,900	1.43	6.49	12.03	22.43	44.16	58.58		
	Paterborough & the Kawarthas	\$494,500	200	8.42	12.16	16.27	38.87	86.18		
	Quinte & District	\$405,100	271	10.92	17.97	24.23	47.35	92.15		
	Simcoe & District	\$431,700	1.12	7.31	11.45	17.47	41.72	105.91		