



# 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 Pfizer & Moderna 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 Fixed Mid 1s – High 1s
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- \*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.

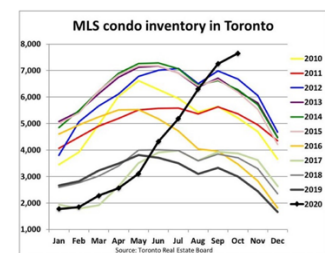
### 2. This year, 461,818 homes have traded hands on Canadian MLS® Systems, up 8.6% from the first 10 months of 2019. Second-highest January – October sales figure on record, trailing only 2016.

### 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.



MLS® Home Price Index Benchmark Prices											
Seasonally Adjusted			Percentage Change vs.								
Region	Composite HPI	October 2020	1 month %	3 months %	6 months %	12 months %	2 years %	5 years %	10 years %	15 years %	20 years %
BC	Aggregated	\$451,400	0.9%	3.8%	7.5%	10.6%	16.3%	44.3%			
	Lower Mainland	\$497,400	0.6%	2.3%	5.2%	8.3%	13.4%	40.0%			
	Greater Vancouver	\$1,049,400	0.6%	2.4%	2.8%	9.9%	9.4%	40.0%			
	Fraser Valley	\$275,100	0.5%	2.9%	3.5%	6.4%	6.4%	71.0%			
	Vancouver Island	\$311,300	1.3%	-0.3%	2.2%	4.5%	20.0%	65.3%			
	Victoria	\$275,200	0.4%	0.2%	1.2%	3.4%	12.4%	53.3%			
	Chilliwack Valley	\$445,000	2.5%	5.4%	6.8%	7.4%	14.0%	47.6%			
	Carleton Place	\$411,900	0.3%	1.9%	2.2%	1.0%	-3.7%	-4.8%			
	Edmonton	\$152,200	0.2%	1.8%	2.8%	1.4%	-3.4%	-4.3%			
	Regina	\$277,600	1.0%	3.6%	6.4%	7.4%	-3.7%	-2.1%			
AB	Calgary	\$411,900	0.3%	1.9%	2.2%	1.0%	-3.7%	-4.8%			
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	Winnipeg	\$201,400	1.3%	3.3%	7.0%	9.5%	9.5%	10.0%			
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Region	City	Price	1 month %	3 months %	6 months %	12 months %	2 years %	5 years %	10 years %	15 years %	20 years %
ON	Southern Georgian Bay	\$497,600	5.10	11.91	15.23	19.66	38.33	96.77			
	Timberlake 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			
	Montreal CMA	\$417,100	1.27	4.14	8.59	15.44	31.85	42.83			
QC	Quebec CMA	\$261,900	0.05	1.44	5.45	6.01	8.46	7.69			
	Greater Montreal	\$220,400	1.54	5.18	9.03	14.29	25.73	36.81			
NB	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			