

MARKET OUTLOOK

Magazine

SPECIAL REPORT

and what it means to you...



Mortgage rates will eventually stop climbing



Buyers will return to the market



Home prices will stabilize later this year



Rent prices will continue to climb

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Mortgage Rates will eventually stop climbing

There are signs that the central bank's series of rate hikes many be coming to an end. If that happens, variable mortgage rates may finally stabilize. Fixed mortgage rates, on the other hand, could continue to trend lower. It's also possible that rates on both variable and fixed-term mortgages will climb instead. Bank of Canada Governor Tiff Macklem has made clear that central bank is prepared to keep hiking rates aggressively if inflation fails to dissipate.

What does it mean to you?

No one knows for certain where mortgage rates will land. But if you have plans to buy a home or renew your mortgage in the coming year, you'll want to weigh your options carefully when deciding between a variable or fixed rate. Reach out for a referral to a mortgage professional who can help.

Source: Reuters, Global News

Buyers will return to the market

The pace of home sales fell steeply last year as higher mortgage rates priced would-be buyers out of the market. However, some industry experts predict that Canadian housing market is poised to turn a corner. Douglas Porter, chief economist at BMO Capital Markets, projects that existing home sales will fall through the first half of 2023 and then reverse course and begin to rise in Q3.

What does it mean to you?

If you're a buyer who has been waiting for conditions to normalize, now may be an ideal time to start your home search. As more buyers begin to enter the market, you will face steeper competition and reduced negotiation power. And if you've delayed selling your home, this could be the year to make a move. Reach out to schedule a free consultation and home value assessment.

Source: Reuters

Home prices will stabilize later this year

Economists at CIBC speculate that home prices will hit a floor in the coming months: "A lower 5-year rate and pent-up-demand amplified by demographics will work to establish a bottom in prices by the spring of 2023," write Benjamin Tal and Katherine Judge. RBC Assistant Chief Economist Robert Hogue offers a similar projection: "We expect prices will keep falling until a bottom (this) spring."

What does it mean for you?

It can feel scary to buy a home when there's uncertainty in the market. However, real estate is a long-term investment that has been shown to appreciate over time – and the best bargains are often found in a slower market, like the one we're experiencing now. If you are planning to sell this year, you will need to chart your path carefully to maximize your profits. We can help you make an informed decision about the right time to make a move.

Source: CIBC Capital Markets, RBC Special Housing Reports

Rent prices will continue to climb

Affordability challenges for would-be buyers, inflationary pressures, and an overall lack of housing are expected to continue driving up rent prices in much of the country. "Interest rates are actually working to elevate rent inflation because many people are not buying, so they are renting more," CIBC Economist Benjamin Tal told CBC News. And according to Tal, the higher rates have also disincentivized builders and developers from investing in rental properties. That, in turn, has exacerbated the undersupply of available units.

What does it mean for you?

Rent prices are expected to keep climbing. But you can lock in a set mortgage payment and build long-term wealth by putting that money towards a home purchase instead. Reach out for a free consultation to discuss your options.

Source: CBC News

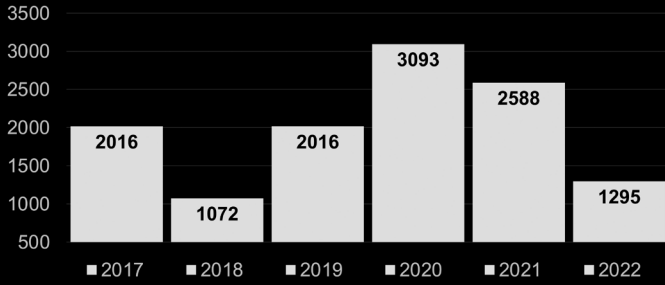
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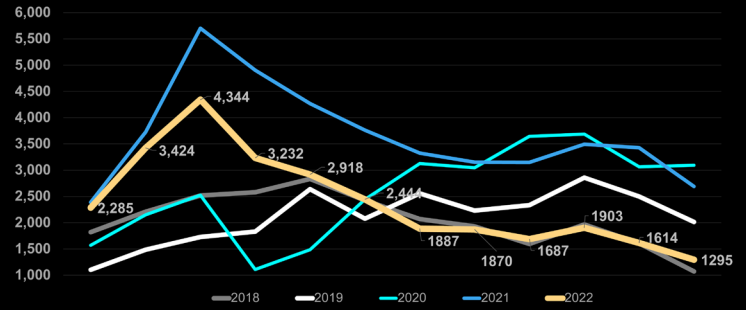
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Real Estate Metro Vancouver 2023

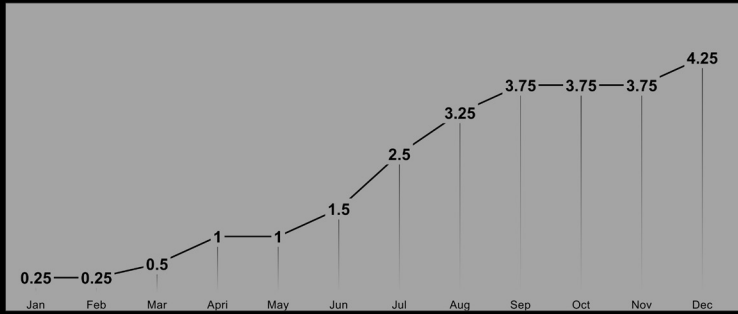
REBGV 6 Year December Sales | 2017 to 2022



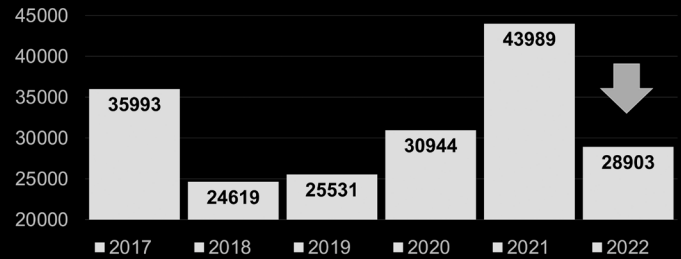
REBGV 5 Year Monthly Sales | 2018 to YTD 2022



Bank of Canada Rate Changes in 2022



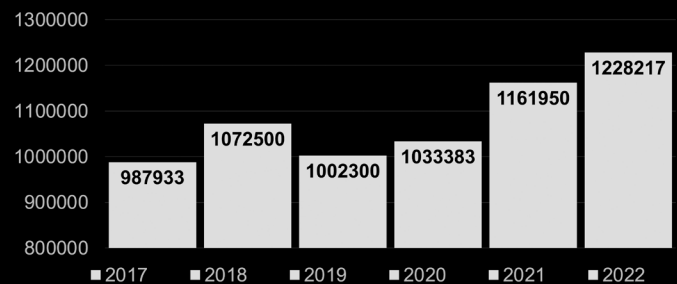
REBGV 6 Year Total Sales | 2017 to 2022



REBGV 2022 Key Stats

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Sales	2285	3424	4344	3232	2918	2444	1887	1870	1687	1903	1614	1295
Active Listings	5663	6742	7628	8796	10010	10425	10288	9662	9971	9852	9179	7384
M.O.I.	2.5	2.0	1.8	2.7	3.4	4.3	5.5	5.2	5.9	5.2	5.2	5.7
Benchmark Price	\$1.255M	\$1.313M	\$1.360M	\$1.374M	\$1.261M	\$1.235M	\$1.207M	\$1.181M	\$1.156M	\$1.149M	\$1.132M	\$1.114M

REBGV 6 Year Avg Benchmark Price | 2017 to 2022



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