



Steve Garganis <steve@mortgagenow.ca>

It's Been Quite a Year

2 messages

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Tue, Dec 31, 2019 at 2:28 PM



THE STATE OF HOMEBUYING IN CANADA

Canadians across the country shared their thoughts, attitudes and behaviours about homeownership and the process of buying a home in the Annual Mortgage Consumer Survey. While affordability continues to be the most important factor when it comes to buying a home, consumer optimism is on the rise.

[Click here](#) to explore a few key findings.

A GLIMMER OF HOPE WITH A RETURN TO COMMON SENSE LENDING

With a shrinking mortgage market due to policy changes, it is good to see lenders being proactive with Canadians that have moderate incomes, a significant amount of verifiable liquid assets and strong credit scores. With the reintroduced Total Net Worth Program by a lender, I'd like to think is an indication of what's to come!

[Click here to see](#) how this benefits those who are coming up for renewal.

UNDERSTANDING YOUR CREDIT SCORE AND WHY IT MATTERS

While credit scores alone do not determine whether or not your loan request will be approved, it can mean the difference between quicker mortgage approval and a better rate, or it could mean you may require a larger downpayment and that there could be extra fees.

[Click here](#) to learn more.

YOU CAN'T TAKE IT WITH YOU!

While today's real estate values sitting higher than ever before, we're struggling to get by or really get out and enjoy our lives. Retirement years are supposed to be the best time of our lives. Unfortunately, it could end up being the most miserable for many of us. But it doesn't have to be this way!

[Click here](#) to find out more.

UNTIL DIVORCE DO US PART - WHAT ABOUT THE FAMILY HOME?

Marital splits can be a very emotional and difficult time in one's life and among the many changes that occur there's always one party who wants to keep the house because the kids grew up there or have friends there or it's just more familiar to them.

[Click here](#) to find out more.

A RECAP, A LOOK FORWARD, AND MY BOTTOM LINE...

To say 2019 was full of political turmoil is an understatement...

Canada's Federal Government under Trudeau has been plagued by scandals and yet somehow, still managed to win the October election. The US Trump circus continues with another new development, Impeachment. (I think we've heard that before.)

We also saw an inverted yield curve with interest rates. This is when short-term rates are higher than long-term rates. The five-year fixed rate is actually lower than the one, two and three year fixed rates. History tells us that an economic downturn or recession will follow within 6 to 18 months. And yet, the real estate market has rebounded nicely. Home sales gained steam after April and continued throughout November.

Interest rates dropped by about 1% from January to September. In recent months they've started to increase only slightly. Hey, where are all the interest rate pessimists? The forecast for mortgage rates in 2020 is to remain stable and possibly go down. The Bank of Canada rate has somehow stayed steady even though the rest of the G7 countries have lowered their rates. Watch for one and possibly two interest rate cuts by the Bank of Canada Governor in 2020.

And speaking of Bank of Canada Governor, Mr. Stephen Poloz has announced he will be stepping down at the end of his term on June 1st, 2020. We will have to wait and see who will be replacing him.

The Federal Government has told us that our economy is strong and doing well. However, our National Debt has doubled since 2013. It's gone from \$600Billion to \$1.2Trillion. Our debt has increased during one of the most prosperous times in Canadian history. Usually, during prosperous economic times, our debt goes down and so do our taxes. Neither has been the case and this is concerning. Something must change.

Here's what you can do...

Take charge of your own destiny. Speak with Financial experts. Make a plan. If you want to include real estate as part of your investment strategy, like so many countless others have over the course of history, then do it. Get advice. Ask questions. Don't let others talk you out of it. I have seen far too many people sit on their hands and do nothing because they have listened to pessimistic forecasters that said it was better to wait and rent. I've heard that speech for 30 years. **It's not a sprint it's a marathon.** Buy and hold for at least 7 years. This is how long it normally takes to amortize any acquisition and disposal costs.

Watch for variable rates to make a comeback. I still like variable-rate mortgages and have put several of my properties in variable rate as this is a proven

winner. Lately, with the inverted yield curve, it's been difficult to recommend variable or fixed. **Remember, long term thinking.**

Until next time, Have a Happy New Year! Please reach out if you have any questions.

Follow me



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Steve Garganis <steve@needamortgage.ca>
 To: Alexandra Weremchuk <alex@pageperfect.ca>

Fri, Jan 3, 2020 at 2:10 PM

Hi Alex and Happy New Year!

Nice newsletter. good open rate I see on mailchimp..

One thing i have learned and has served me well. the intro to each article needs to be short. we are in an era of skimmers. and I think if we can make the intros short, it will get them to click on the open tab and we will get more visibility..

I have monitored this for many years and I think this is a good strategy. . keep doing what you are doing. thanks Alex.



Steve Garganis

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