

Weekly Mortgage Rates

March 19, 2011

Luxury Houses Fuel

Every week it seems as though there is a new report issued either by the government or a major Canadian Bank talking about how much housing prices have risen nationally this year or in comparison to the same month last year. Unless you are living in a major housing center such as Vancouver, these numbers can be a little misleading. For example, a recent report came out suggesting home prices in Canada has risen 8.8% from February of 2010. If you were to take out the entire Vancouver housing market, the average only went up 3.4%. Too often clients are using the national average as a gage when calculating their house value increase when it comes time to sell or refinance their property. The attached article is a great piece you can show your existing clients to help them realize what their house value may more realistically look like. <http://www.mortgagebrokernews.ca/news/breaking-news/national-housing-price-rise-fueled-in-part-by-luxury-home-splurge-in-vancouver-crea/76219>



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Japan Woes Felt at Home

The earthquake which struck Japan last Friday is affecting us here in Canada. Our Canadian dollar is dropping, as once again there is a flight to safety with the US dollar by many worried investors. A lower dollar however can be construed as a good thing as we are an exporting nation. In the past few months we have seen our dollar rise above par which was beginning to slow down our exporting market. Only time will tell whether the nuclear reactor plant in Japan will succumb to the Chernobyl like experience we witnessed over two decades ago. With the fear of a nuclear spill coupled with the unrest in the Middle East and the debt laden countries of Europe still reeling, the Canadian bond yields have retreated quite heavily in the past week. What does this all mean in the end? Lower mortgage rates yet again. Our best 5 year fixed rate continues to drop from the 4.20% range we saw at the beginning of February. This will not be long term though, as rates are still expected to go up by the end of the year with some calling for the Bank of Canada to still raise their prime rate by 1%.

Broker Rates

TERM	RATE	PMT/\$1,000	APR
1 YR FIXED	2.80%	\$4.10/\$1,000	2.82%
2 YR FIXED	3.20%	\$4.31/\$1,000	3.23%
3 YR FIXED	3.42%	\$4.43/\$1,000	3.45%
5 YR FIXED	3.89%	\$4.69/\$1,000	3.92%
10 YR FIXED	4.99%	\$5.33/\$1,000	5.02%
3 YR VARIABLE	P - 0.80%	\$3.79/\$1,000	2.22%
5 YR VARIABLE	P - 0.70%	\$3.84/\$1,000	2.32%

* All figures are based off a 30 year Amortization with rates being subject to change

