



a fresh perspective

March 2020

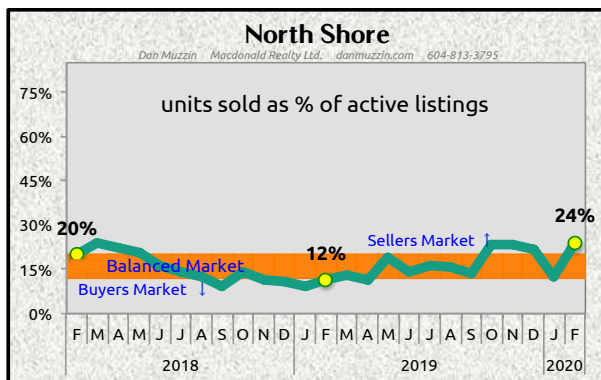
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market update



The Real Estate Board of Greater Vancouver (REBGV) reported total MLS® residential property sales of 2,150 units in February, which represented a 37% sales increase from January and 45% higher sales than in February 2019. Total residential sales activity for the month for all property-types throughout the metro region, came in at 16% below the 10-year historical average for February. At 9,195 the total number of residential property listings at February 29 was 7% higher than at the end of January, and 21% less than at February 28, 2019. At 23%, the metro MLS® sales-to-active-listings ratio was 5% higher than in January. The Home Price Index composite benchmark price for all residential properties in Greater Vancouver is the same as that of 12 months ago and 3% higher than 6 months ago.



North Shore home sales in February, at 259 units, were 101% higher than the 129 properties sold in January, and 60% more than the 162 sold in February 2019. The sales-to-active-listings ratio on the North Shore jumped to 24%, from 13% in January, reflecting 13% fewer-than-normal total sales for February and 9% fewer listings than the average # of properties for sale as at the end of February (*details on page 7*). The North Shore detached homes that sold in February took an average of 11 weeks to sell, fully 20 weeks quicker than it took for those that sold in January, and 11 weeks faster than the average of 22 weeks it took

for houses that sold in February 2019. At February 29, there were 1,093 North Shore properties for sale on MLS® or 7% more than the 1,024 listings at the end of January, and 22% fewer than the 1,398 units for sale at February 28, 2019. Benchmark prices of detached homes are higher by 3% in North Vancouver and lower by 3% in West Vancouver, from 12 months ago.

As prices and market conditions can vary dramatically by neighbourhood, feel free to call Dan to better understand how the market is doing where YOU live. For the entire February 2019 REBGV market report, visit www.danmuzzin.com/news.html.



new mortgage stress tests

On February 18, 2020 Minister of Finance, Bill Morneau, announced changes to the benchmark rate used to determine the minimum qualifying rate for insured mortgages, also known as the "stress test." These changes will come into effect on April 6, 2020.

This follows a recent review by federal financial agencies, which concluded that the minimum qualifying rate should be more dynamic to better reflect the evolution of market conditions. Overall, the review concluded that mortgage standards are working to ensure that home buyers are able to afford their homes even if interest rates rise, incomes change, or families are faced with unforeseen expenses. This adjustment to the stress test will allow it to be more representative of the mortgage rates offered by lenders and more responsive to market conditions.

The stress test for uninsured mortgages is designed for federally regulated banks. But some mortgage lenders, such as credit unions and private lenders, are not under jurisdiction of the Office of the Superintendent of Financial Institutions (OSFI). As such, lenders like these are not required to put their mortgage applicants through these stress tests the way traditional banks and other federally-regulated lenders must.

<i>Insured Mortgages</i>	<i>Uninsured Mortgages</i>	
When a borrower has a down payment of <u>less than 20%</u> of the sale price aka <u>high-ratio</u> mortgage Lenders are <u>required</u> to obtain government-backed mortgage insurance.	When a borrower has a down payment of <u>20% or more</u> of the sale price aka <u>conventional</u> mortgage Lenders are <u>not required</u> to obtain mortgage insurance.	
The Minister of Finance sets the insured mortgage rules including the minimum qualifying rate that insured mortgages must comply with.	For <u>federally</u> regulated financial institutions (like banks), the OSFI sets the minimum qualifying rate for uninsured mortgages.	For <u>provincially</u> regulated financial institutions (like credit unions) and private lenders, the OSFI stress test does not apply.
Current stress test... A lending bank must use the higher of: <ul style="list-style-type: none"> the Bank of Canada's conventional five-year mortgage rate (which takes into consideration the Big Six banks' posted five-year fixed mortgage rates) and the interest rate you negotiate with your lender, <u>plus 2%</u> 		No stress test.
New Stress test - effective April 6, 2020 The new benchmark rate will be the weekly median 5-year fixed <u>insured</u> mortgage rate from mortgage insurance applications, <u>plus 2%</u> .	The OSFI is considering this same new benchmark rate for <u>uninsured</u> mortgages and is seeking input on this proposal before March 17, 2020.	No stress test proposed. (although some credit unions are implementing their own versions of OSFI stress testing)

For more details or an introduction to a terrific mortgage advisor, call Dan at 604-813-3795.

selected sales details

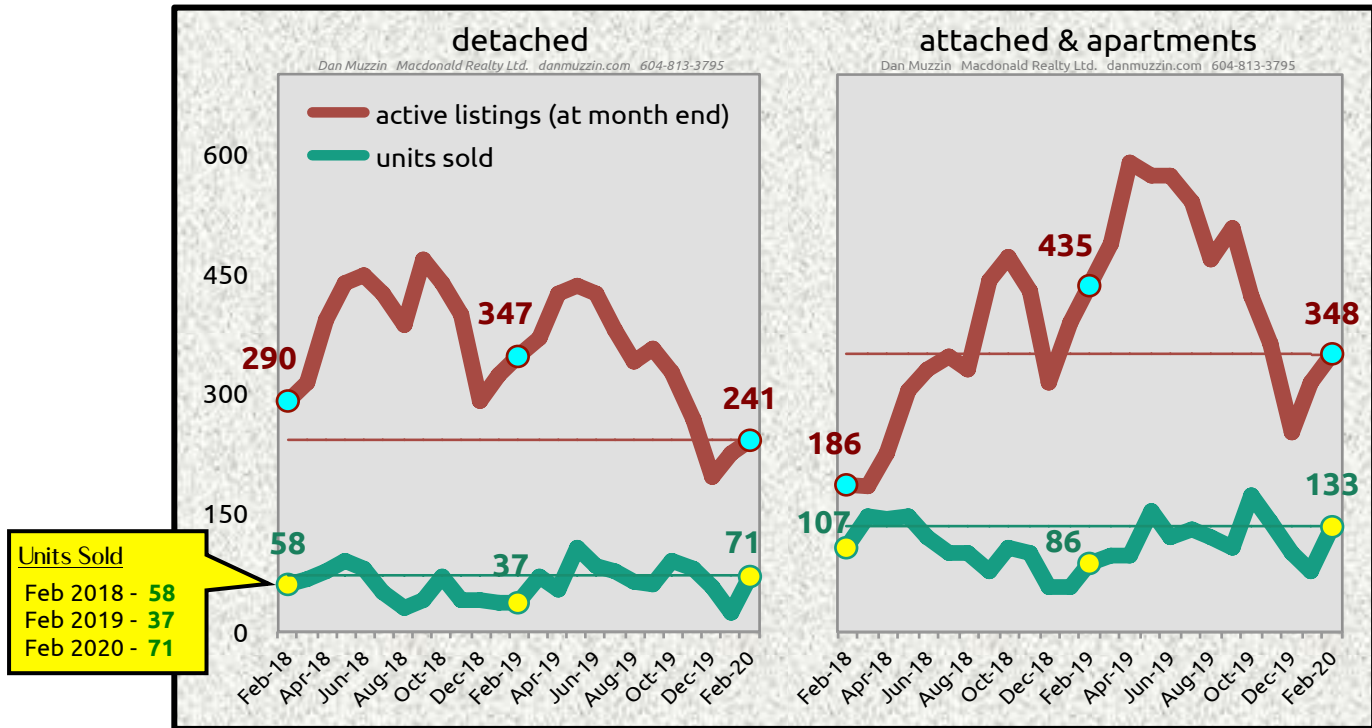


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The following charts show the inventory of North Shore homes for sale on the last day of each month from February 2018 to February 2020, and the sales for each month.

North Vancouver



West Vancouver

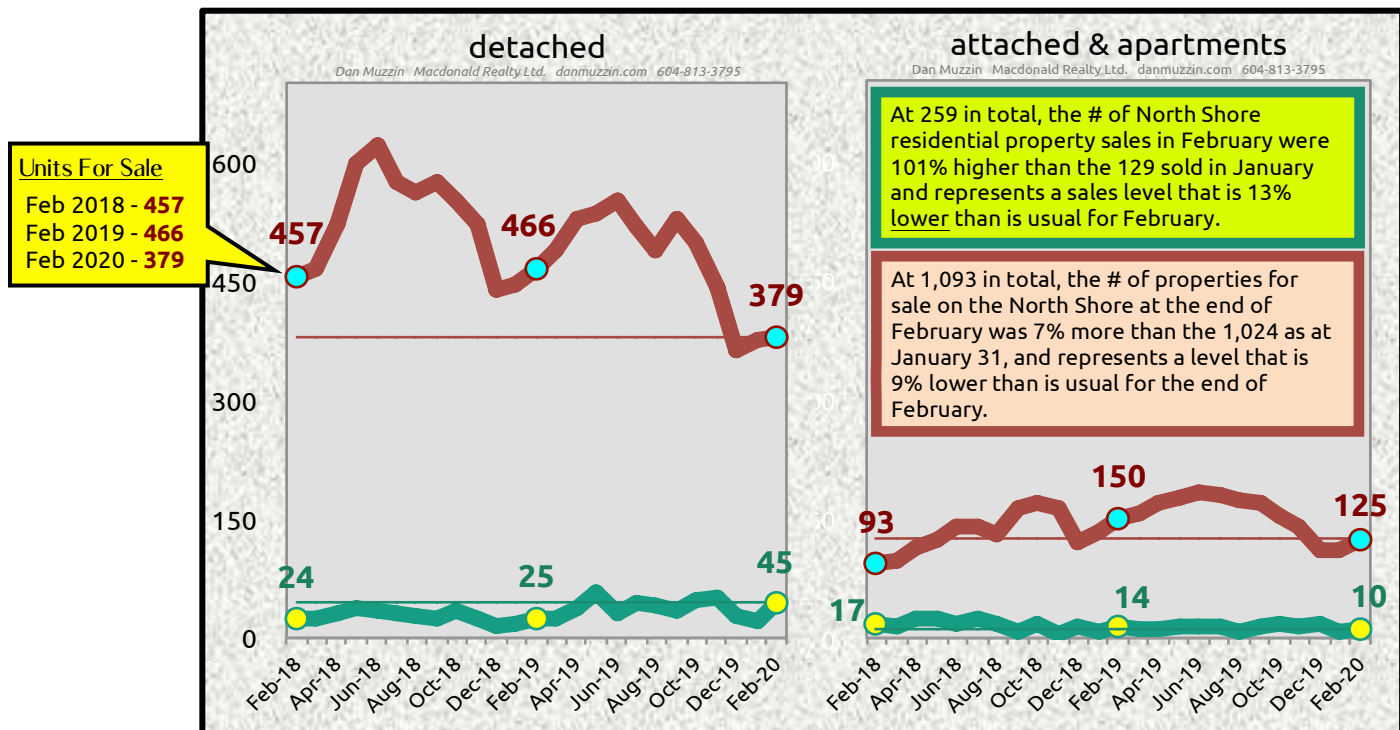


chart data obtained from Real Estate Board of Greater Vancouver

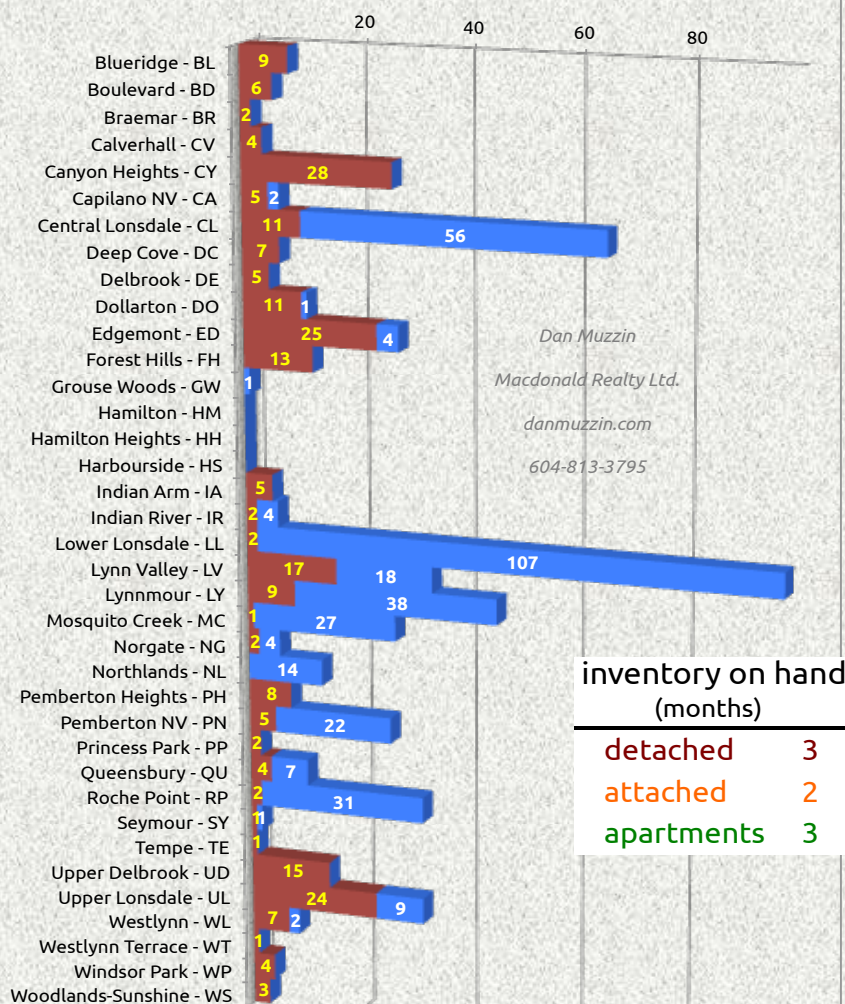
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of North Shore properties for sale at February 29, 2020 (on MLS®)

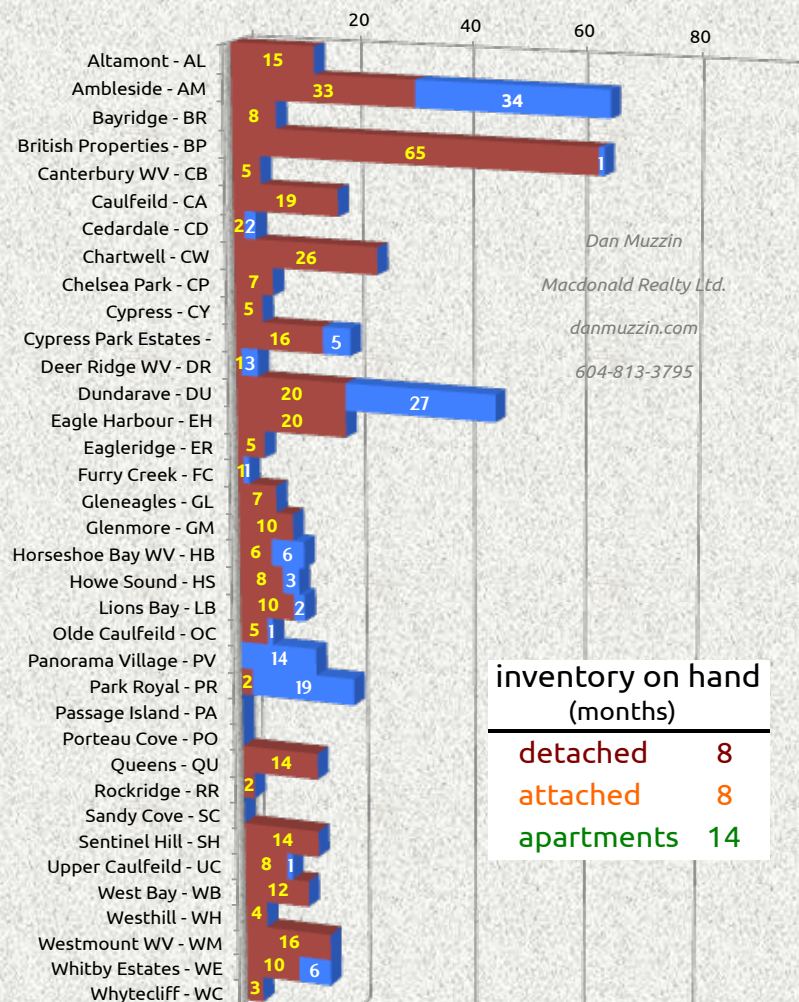
North Vancouver

■ detached (241) ■ attached & apts (348)



West Vancouver

■ detached (379) ■ attached & apts (125)



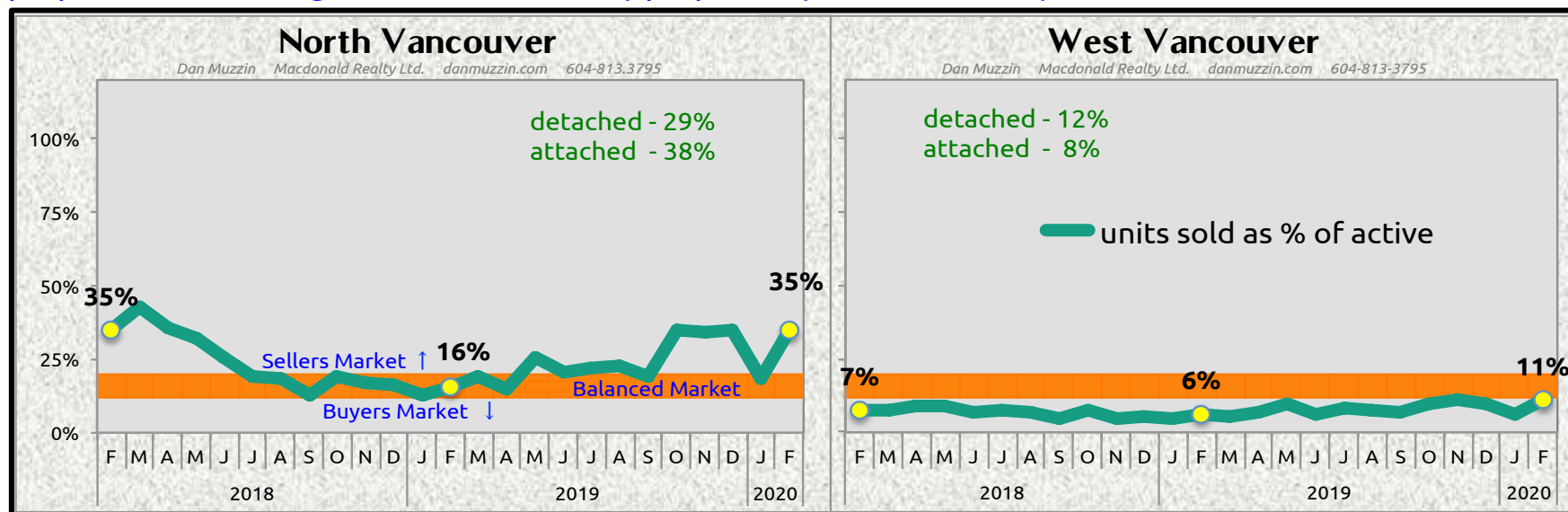
selected sales details



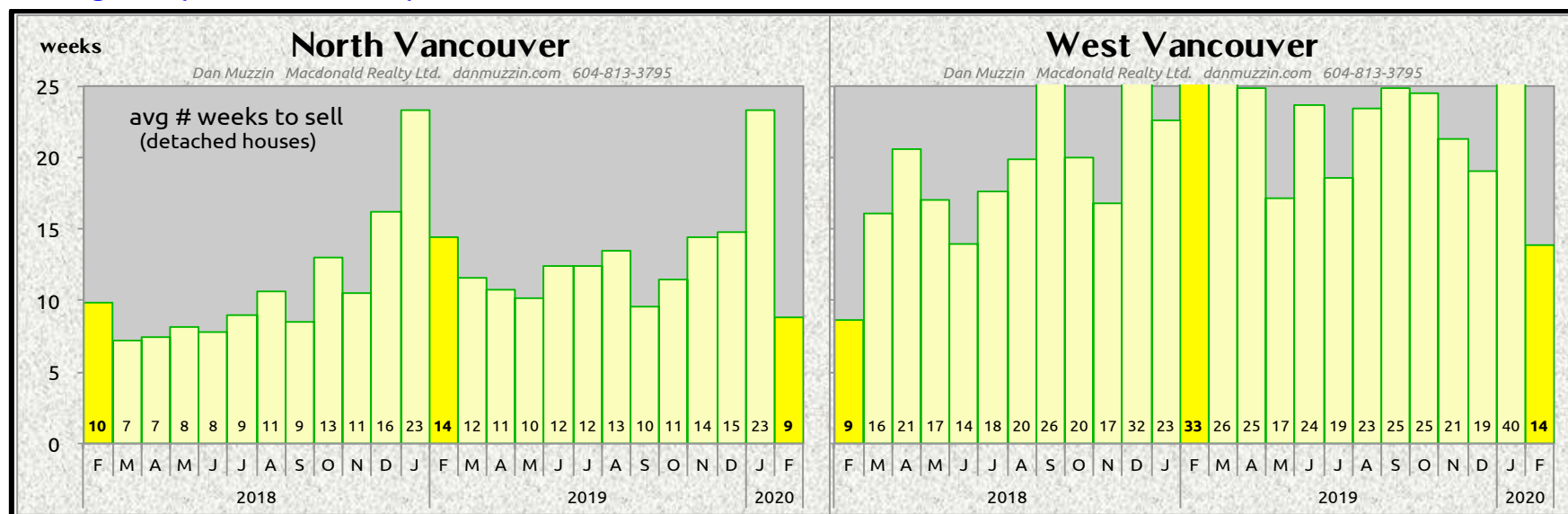
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properties sold during the month, as a % of properties for sale at end of the month



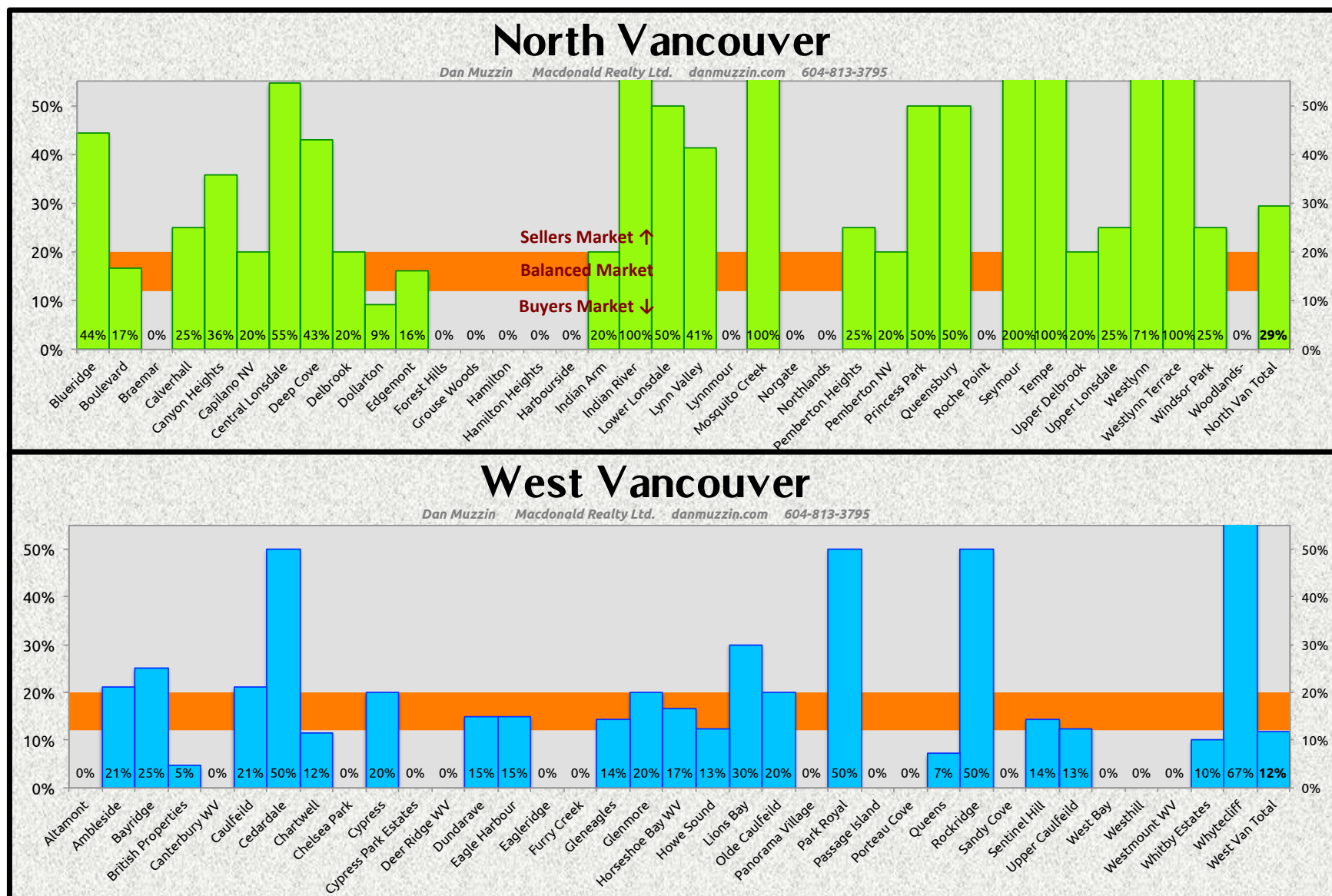
average # of weeks it took for detached houses to sell





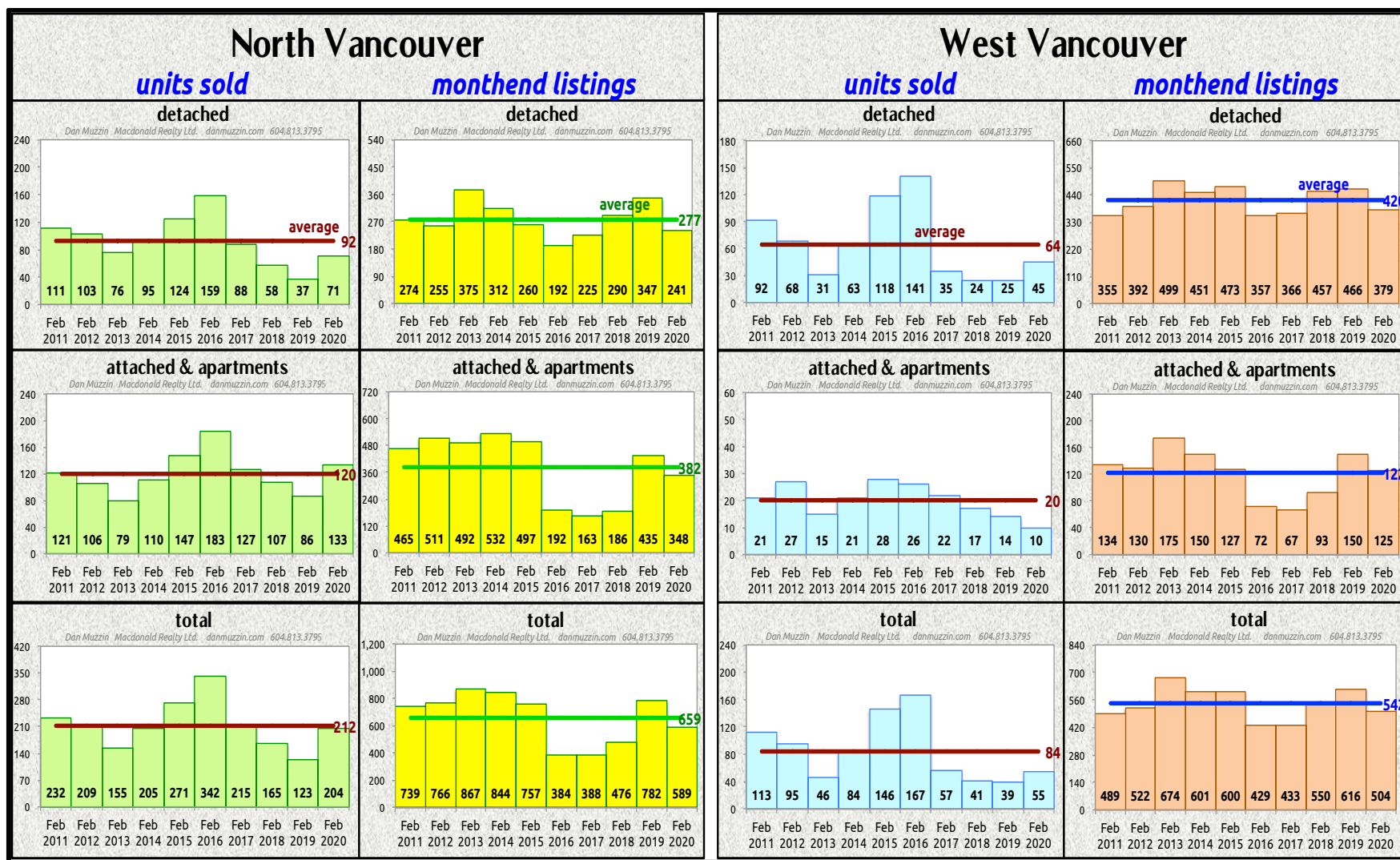
do housing conditions in your neighbourhood favour sellers, buyers or are they in balance?

single-family detached houses sold in February 2020, as % of the number of houses for sale at February 29, 2020





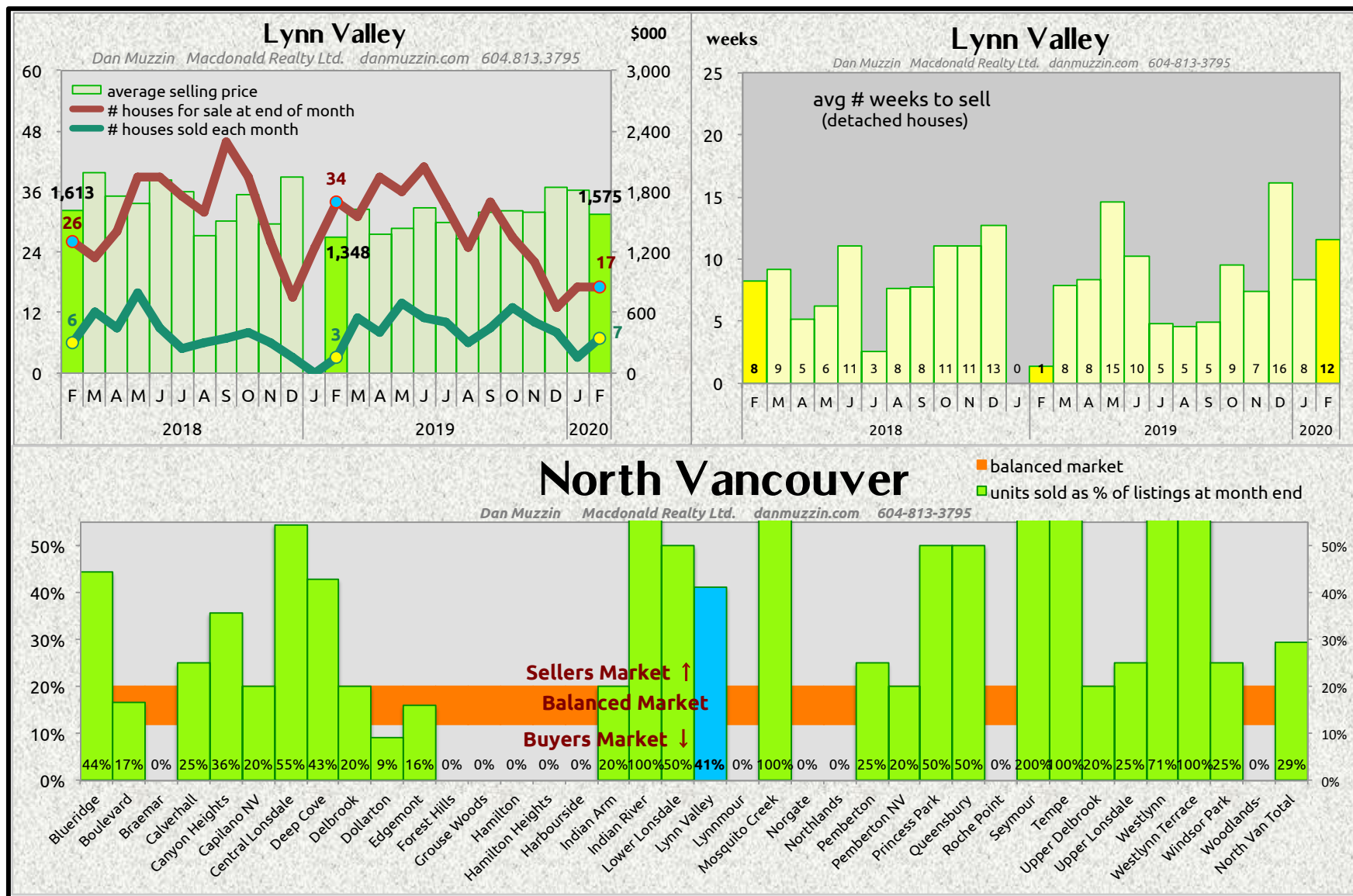
compare 2011 – 2020 Sales and Listings for the month of February





Lynn Valley housing snapshot – February 29, 2020

For a housing snapshot of **your** neighbourhood ...call Dan



sales details for selected North Vancouver neighbourhoods



█ average selling price
 — # houses for sale at end of month
 — # house sales for month

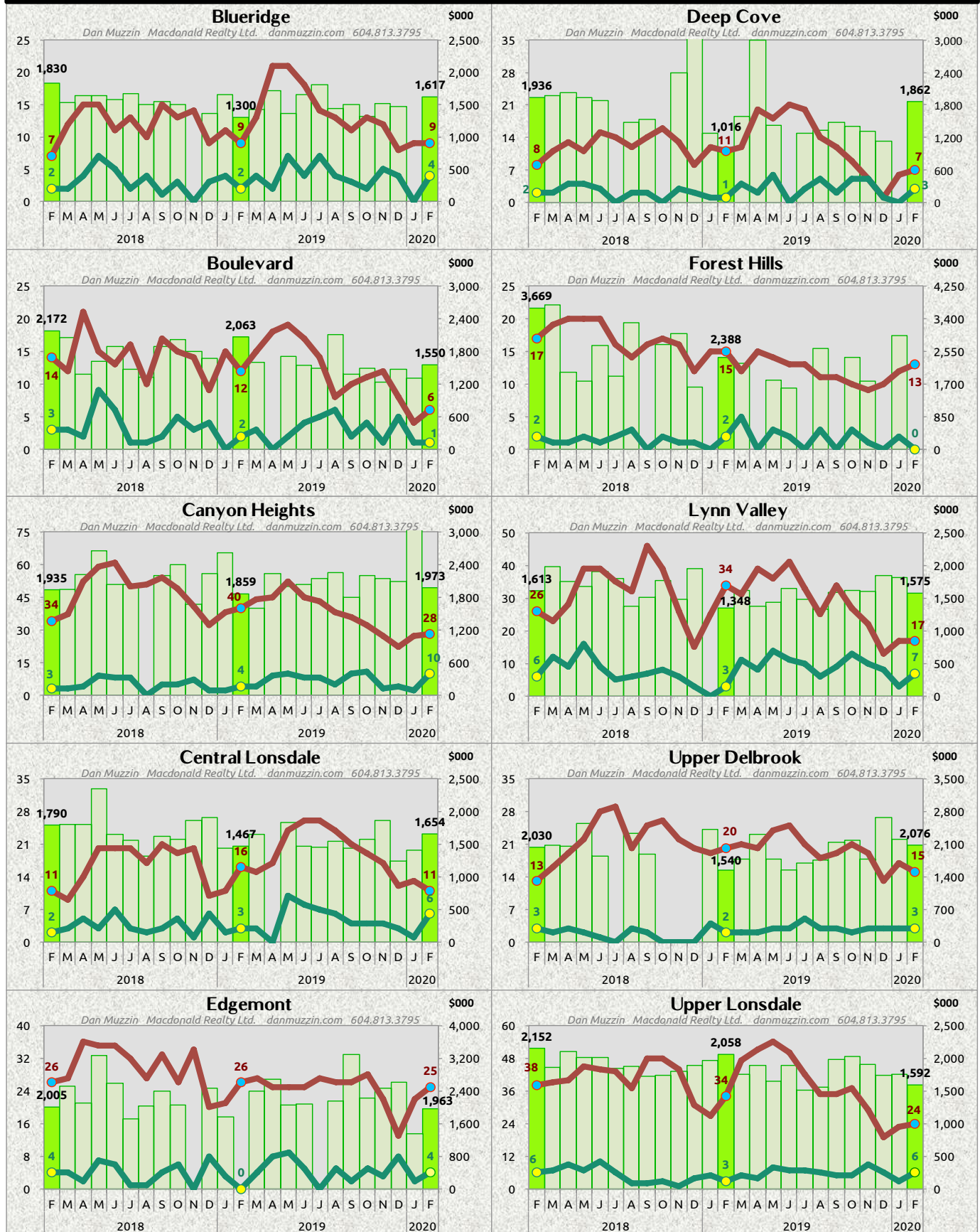


chart data obtained from Real Estate Board of Greater Vancouver

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sales details for selected West Vancouver neighbourhoods



average selling price # houses for sale at end of month # house sales for month

