

### Mortgage and Lending Options – Housing Market outlook 2024

Our team at Rock Harbour can help you with mortgage and lending solutions. Interest rates have started to stabilize, albeit at a much higher level than we've seen over the past decade. With that in mind, now more than ever it's important to understand your options when it comes to borrowing. Your home is a crucial part to your overall financial plan. If you have questions or would like our support in shopping the market to find you a competitive rate don't hesitate to reach out to us! We have a team of experts who are completely independent that can help you in the mortgage and lending space.

Studies suggest that a significant portion of Canadian mortgage holders will be renewing their mortgage between Q4 of 2024 and the end of 2025. For many of these Canadians they will be renewing at an interest rate of 2-3 times what they are currently paying. Despite all of this we are anticipating a strong housing market in the spring of 2024 and beyond, especially in Windsor. A combination of immigration, new employment opportunities such as the Windsor Battery Plant, low inventory, and stabilizing interest rates all are likely to contribute to rebounding market locally.

If you are going to be in the market for a home remember rates can be locked in for 90-120 days. It's a good time to start looking at lending options and locking in a rate. Reach out to us today if we can be of assistance.



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### Market Outlook

Strong 4<sup>th</sup> quarter results, continued volatility on the horizon

*Sources for this piece: MAWER Investment Management*

**FROM MAWER QUARTERLY:** The last quarter of 2023 was a stellar period for equity and bond markets with strong returns across both asset classes. Equities and bonds moved higher as bond yields decreased and market participants became increasingly optimistic about the possibility of central banks achieving a soft landing. At this point we have seen inflation wane without a significant effect on economic growth, the goldilocks scenario for markets, though the delayed effects of monetary policy may still be working their way through the economy. Central banks such as the Bank of Canada and U.S. Federal Reserve kept policy interest rates steady during the period and while it is by no means a foregone conclusion, the market is anticipating interest rate cuts in Canada and the U.S. in 2024.

With this backdrop, strong equity performance was broad-based as many sectors delivered positive returns. Growth-oriented technology focused stocks were among the greatest beneficiaries of lower discount rates, while the energy sector was held back by falling energy prices. From a regional perspective, China was a notable point of weakness globally given domestic economic challenges.

**ROCK HARBOUR COMMENTARY:** We continue to believe in market exposure for long term investors. As we saw last year coming off a very difficult 2022, Investors with a balanced to aggressive risk tolerance saw their portfolios bounce back significantly. For most long-term investors (10 plus years until needing the funds) the best solution continues to be a diversified portfolio with a blend of equities and fixed income that fits your risk tolerance. If you're still contributing to savings, making regular deposits over the course of the year as opposed to lump sum deposits is preferable in volatile times such as this.

Unfortunately, more conservative portfolios continue to lag, this is a direct result of interest rate action. Despite better inflation numbers in the second half of 2023 there have been some signals early in 2024 that rate reductions are not as close as we believed even in December. Conservative portfolios can be bolstered by taking advantage of guaranteed tools such as 1-5 year GICs or even high interest savings accounts. For conservative investors or those with a shorter timeline taking advantage of higher interest rates and simply locking in a return can be a very favourable solution.

We continue to work with all clients to find a customized solution that works best. As always we focus on planning for multiple outcomes with a variety of solutions.



Partners: Tim Jones, Michael Steller, Jean Deschenes

