

The Bank of Canada is under pressure to stabilize inflation, and the result is rising interest rates which will have a large impact on those looking to purchase homes and cottages.

It's led to a slower real estate market – a return to pre-pandemic norms – and put the ball back in the buyers' court during the autumn and winter markets. However, premium properties in sought-after neighbourhoods and communities will retain their value.

Though buyers will be in a strong negotiating position due to a slower market brought on by the higher borrowing rates, they will need to balance the added cost against the need to make strong offers, explains mortgage broker Drew Donaldson of Donaldson Capital.

“For example, if the house is listed at \$1.9 million, your offer

STRENGTH IN KNOWLEDGE

Mortgage experts help navigate fluctuating rates

may be \$1.7 million in order to offset the \$200,000 more interest you will be paying,” says Drew.

In September, the Bank of Canada raised interest rates by 0.75 percent and experts are predicting two more rate hikes by the end of 2022.

“The interest rate hikes will likely slow down the housing market and bring GDP growth back around its normal level of two percent,” says Drew.

Building knowledge and strategies throughout their 16-plus years in the industry, the Donaldson Capital team are experts in providing residential, second home, and construction financing for high-value properties.

“If you find yourself flush with cash,” says Drew, “put a concrete plan in place to add to your real estate portfolio: early 2023 may have great buying opportunities.”

Fixed or Variable?

Navigating the mortgage financing market during these times requires a team of experts to give you the best possible advice.

Donaldson Capital continues to embody and build upon its four core strengths: key relationships with lenders,

market experience in Toronto, Muskoka, Simcoe and beyond, personal experiences and a committed team.

Variable and fixed rates are currently about the same, Drew notes. Although each circumstance is unique, he and his team are generally recommending shorter mortgage terms, so their clients can quickly take advantage of lower rates when this abnormal market stabilizes.

“We believe rates will normalize over the next two years, supply chain issues will slowly work themselves out, and inflation will ease, which will result in stabilization in the market,” says Drew. “This is when clients can be more confident in less volatile interest rates.”

TEXT CHRIS OCCHIUZZI
PHOTOS ANDREW FEARMAN

DONALDSON CAPITAL

CUSTOMIZED MORTGAGE SOLUTIONS

800-769-7220 • info@donaldsoncapital.com
www.DonaldsonCapital.com



*Drew Charles Donaldson,
Mortgage Broker, Founder
of Donaldson Capital*