

MORTGAGE MARKET OUTLOOK 2026

Understanding
the Cooling-Off
Period

Are Rate Cuts
Coming?

Newcomer
Mortgage Guide

Reverse Mortgages
Explained



Editor's Note & Table of Contents

Welcome to Eye on Mortgage Magazine

Welcome to our first 2026 edition of the Eye on Mortgage Magazine. As market dynamics shift, we believe access to clear, relevant information is key. Whether you're a first-time buyer, seasoned investor, or just mortgage-curious, this issue will help you navigate with clarity and confidence.

Why This Issue Matters

The housing market is evolving — stay informed and empowered.

TABLE OF CONTENTS

- Understanding the Cooling-Off Period
- Are Rate Cuts Coming?
- Newcomer Mortgage Guide
- Reverse Mortgages Explained
- Rate Holds vs. Pre-Approvals
- Mortgage Wellness Check
- Ask a Broker
- Spring Issue Preview
- Free Resources + Call to Action



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Understanding the Cooling-Off Period

Scope

In 2026, a cooling-off period becomes mandatory in select provinces to provide homebuyers with a short period, typically 3-7 days, to reconsider their decision after signing a purchase agreement.

- Mandatory for new builds in covered provinces
- May apply to resale homes depending on province
- Passed into law, but details can vary by region

Buyer Benefits

This pause gives buyers valuable time to:

- Revisit their financing terms and secure additional funds
- Get a home inspection done if not previously arranged
- Reconsider the purchase based on family needs or market changes

Risks & Considerations

While beneficial, the cooling-off period also has potential drawbacks:

- May prolong the sales process, leading to added stress for sellers
- There may be a fee if the buyer backs out of the deal within this period
- Market conditions could change during the pause, affecting the renegotiation.



From Landing to Closing: A Newcomer's Guide

Who This Guide Is For

Buying your first home in Canada as a newcomer can feel overwhelming—but with the right preparation, it's absolutely achievable. This guide is designed for newcomers who are ready to understand the mortgage process and take confident steps toward homeownership.

Eligibility Basics

To qualify for a mortgage as a newcomer, lenders typically look for:

- Permanent resident status or valid work permit
- Minimum down payment of 5–10%, sourced from personal savings or a gifted down payment
- Proof of stable employment and income
- A Canadian bank account and documented savings history

Requirements can vary by lender, so guidance matters.

Building Your Canadian Credit

Establishing Canadian credit is one of the most important steps toward mortgage approval.

How to get started:

- Open a secured or unsecured credit card with a major Canadian bank
- Pay all bills on time to build a positive credit history
- Keep balances low and avoid frequent credit inquiries
- Aim for 6–12 months of active credit use

Key Takeaway

Newcomers don't need to wait years to buy a home—they need the right strategy, the right timeline, and the right guidance.

Real Newcomer Story:

Tariq & Monique – Buying in Bowmanville



- ✓ Arrived in Toronto and secured stable employment
- ✓ Built Canadian credit within their first year
- ✓ Saved for a down payment with disciplined budgeting
- ✓ Purchased first home in July 2025 for \$680,000

Is a Reverse Mortgage Right for You?

Pros, cons, and who it benefits—retirees, equity-rich households)

What is a Reverse Mortgage

A reverse mortgage allows homeowners aged 55+ to convert home equity into tax-free cash without selling their home or making monthly payments.

Pros

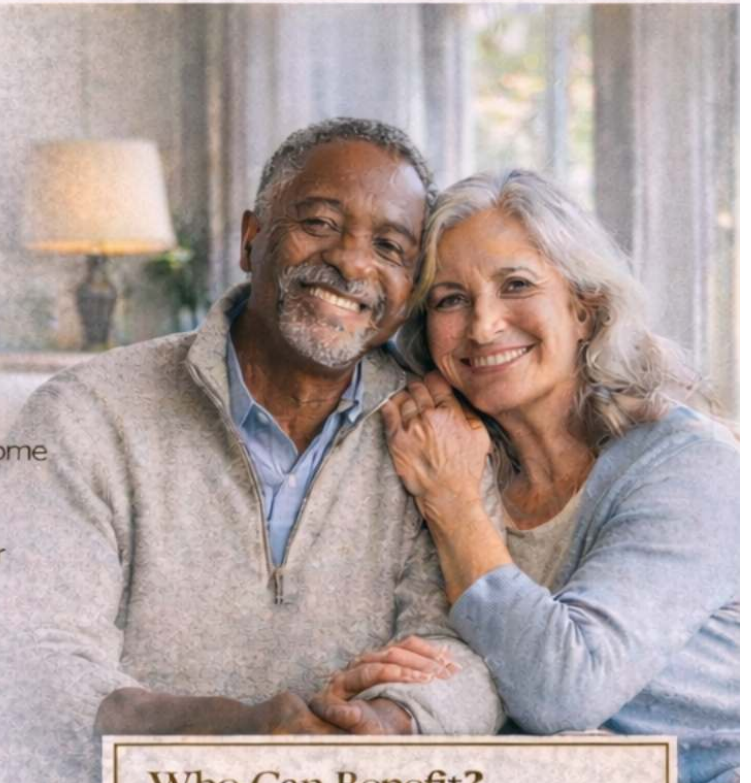
- Access tax-free cash while keeping your home
- No monthly mortgage payments required
- Supplement retirement income for a better quality of life
- Use payout for healthcare, renovations, travel, or debt relief

Cons

- × Interest accumulates, reducing home equity
- × May impact inheritance for heirs
- × Service fees and higher interest rates
- × Potential penalties for early pay-off

Who Can Benefit?

- ✓ Retirees 55+ looking to supplement their income
- ✓ Equity-rich households seeking to tap into their home value.
- ✓ Homeowners wanting to age in place without downsizing



Where Are Rates Headed in 2026?

Mortgage rates are no longer climbing — but they aren't rushing down either. 2026 is shaping up to be a transition year where strategy matters more than timing headlines.

2026 Outlook

Economists remain divided on the timing of rate cuts, with many forecasting gradual reductions between Q2 and Q4 of 2026, depending on inflation data and employment trends.

What Influences Mortgage Rates

Fixed mortgage rates continue to be beyond largely by tend, by yields.

- Inflation trends
- Bond yields
- Global markets
- Government spending

What Could Happen Next

Economists are split on mid-to-late 2026 rate cuts.

- Some expect gradual relief,
- Others expect rates to hold
- Lenders often move before official announcements.

Historical vs. Projected Mortgage Rates (2021–2026)



What a 0.25% Rate Shift Means

On a **\$500,000** mortgage, a 0.25% rate change can impact monthly payments by approximately:

\$70–\$80 per month

Over a year, this can add up to nearly \$1,000 in additional housing costs.

Rate Holds vs. Pre-Approvals: Know the Difference

Clear comparison of the two; when to use each.

Rate Hold

VS.

Pre-Approval



Rate Hold

- ✓ Locks in current interest rate for a set period (typically 60-120 days)
- ✓ Requires minimal documentation (personal info and income estimate)
- ✓ No guarantee of final loan amount
- ✓ Exclusive to specific lenders

Uses

- ✓ Anticipating rate increases
- ✓ Beginning the home search process
- ✓ Gaining peace of mind about potential mortgage payments



Pre-Approval

- ✓ Provides a conditional lending assessment based on the information reviewed at the time
- ✓ Requires credit check, income verification, and documentation
- ✓ Indicates the maximum loan amount you qualify for
- ✓ Sharpens negotiation power when making an offer

Important to know:

A **pre-approval** is not a guarantee of final mortgage approval. Final approval is subject to full underwriting, property review, updated documentation, and lender conditions at the time of purchase.

Mortgage Wellness Check

Is Your Mortgage Still in Good Shape?

Review your mortgage regularly to ensure it supports your current financial goals and lifestyle. Use this checklist to see if it's time for a mortgage update.

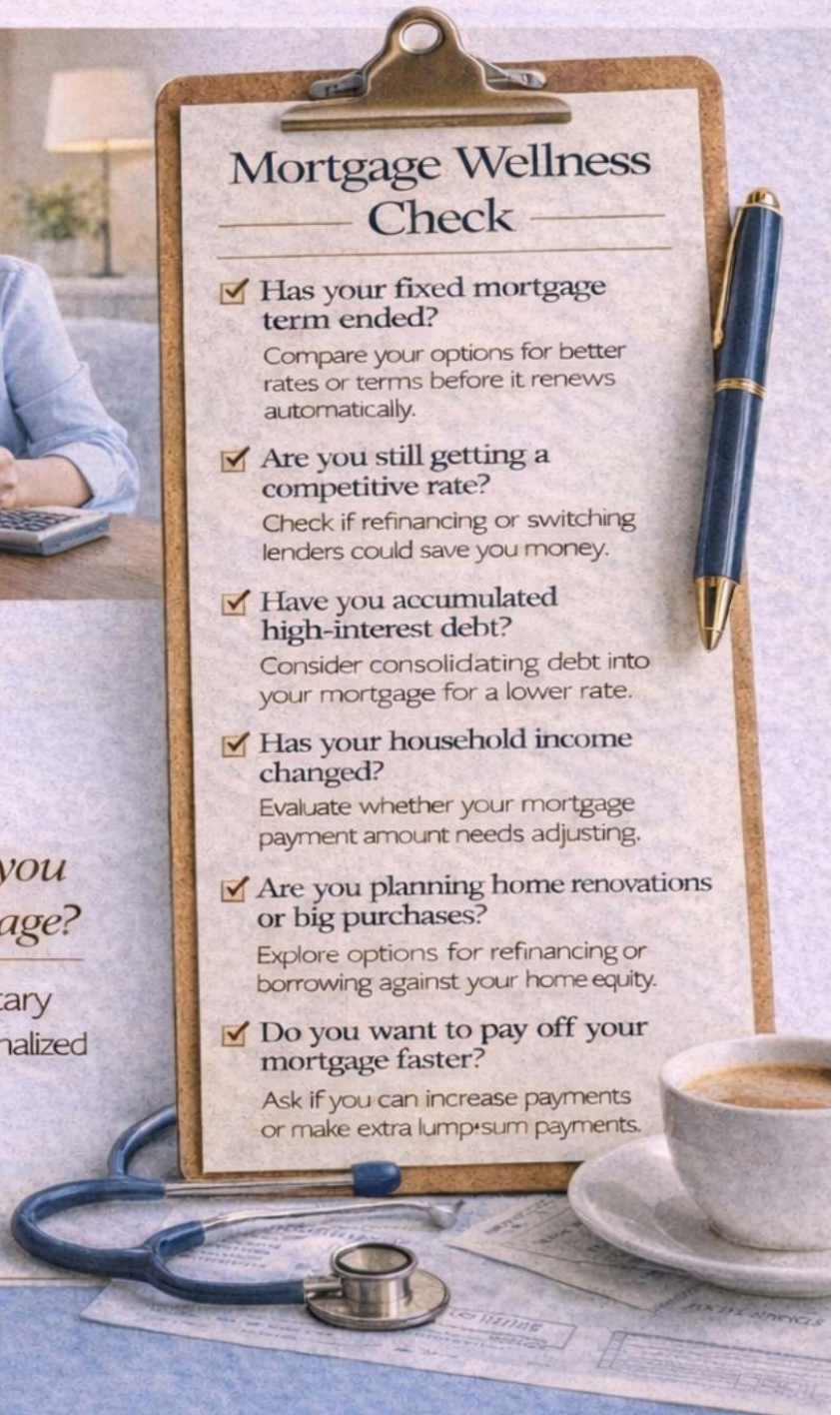


When's the last time you checked on your mortgage?

Contact us for a complimentary mortgage checkup and personalized review to see if it's time to update your plan!

Mortgage Wellness Check

- ☒ **Has your fixed mortgage term ended?**
Compare your options for better rates or terms before it renews automatically.
- ☒ **Are you still getting a competitive rate?**
Check if refinancing or switching lenders could save you money.
- ☒ **Have you accumulated high-interest debt?**
Consider consolidating debt into your mortgage for a lower rate.
- ☒ **Has your household income changed?**
Evaluate whether your mortgage payment amount needs adjusting.
- ☒ **Are you planning home renovations or big purchases?**
Explore options for refinancing or borrowing against your home equity.
- ☒ **Do you want to pay off your mortgage faster?**
Ask if you can increase payments or make extra lump-sum payments.



Ask a Broker



Q: Should I consider refinancing my mortgage?

Broker: Refinancing can be a smart move if you want to lower your interest rate, reduce monthly payments, or consolidate debt. Let's review your current mortgage and see if refinancing could benefit you.

Q: What's the difference between a fixed rate and a variable rate *mortgage*?

Broker: A fixed rate mortgage keeps the same interest rate and payment throughout the term, while a variable rate mortgage has an interest rate that can fluctuate. Each has pros and cons, so let's discuss which type is better for your situation.

Coming Next:

Spring 2026 Edition



✓ First-Time Buyer Grants

Learn about government grants and programs available to help you get into your first home.

✓ Refinancing Tips

Discover expert tips for refinancing your mortgage this spring.

Stay tuned for more helpful articles in our Spring issue!



Eye on Mortgage

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Bringing your homeownership journey to a reality

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