

## **Bank of Canada warns housing market is still vulnerable**

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Vulnerabilities in the Canadian housing market are still high despite rising interest rates and tighter mortgage rules, Bank of Canada Senior Deputy Governor Carolyn Wilkins said on Thursday.

Wilkins said the potential problems posed by the housing market would not disappear quickly given they had been building for a long while.

“The vulnerabilities are down but they are still high,” she told an Ottawa conference arranged by the Canada Mortgage and Housing Corporation.

The central bank – which has hiked rates five times since July 2017 – is watching closely to see how tighter monetary policy is affecting highly-indebted segments of the population.

The Bank said last week that the quality of mortgages being issued had improved since the clamp-down on credit.

It also released results of a model it said showed Canadian banks’ capital positions would not be affected by a 20 per cent correction in the housing market, with the biggest declines in Toronto and Vancouver.