

## Historically Low Mortgage Rates

With the COVID-19 pandemic moving into December and few signs of letting up, mortgage rates have been moving to historic lows. The time to get a mortgage has never been better. Right now, credit unions in Manitoba are seeing historically low prime rates as well as 1-year, 3-year, and 5-year fixed.

To get an idea of just how big a deal this is, let's look at some historical mortgage rates from Canada as a whole.

### 1935 – 5% Prime Rate

In the swing of the Great Depression, 1935 was a tough year for many Canadians. With an economy in shambles, lenders were looking to encourage borrowing and rates were as low as 5.5%. Going forward, prime rates actually remained mostly consistent and around the 5% mark until the 1970s.

### 1974 – 11.5% Prime Rate, 12% 5-year Fixed

The 1973 oil crisis and following stock market crash once more threw the economy into a recession. By 1974, interest rates had climbed higher than ever seen in the last four decades and inflation remained high until 1980.

### 1981 – 21.75% Prime Rate, 20.75% 5-year Fixed, 20.25% 1-year Fixed

The recession of the early 80s is considered the most severe since World War Two, when North America was just coming out of the Great Depression. Sharp oil price increases led to increased inflation worldwide, and mortgage rates hit their absolute peak in Canadian history with the 21.75% prime rate and fixed rates over 20%.

### 1990 – 14.75% Prime Rate, 14.25% 1-year Fixed, 14.25% 5-year Fixed

Once more a recession plagued the start of a new decade and interest rates rose. After normalizing around 10%-11% in the rest of the 80s, the 90s saw another bump in rates hitting 14.75%. Rates steadily declined after this, with small bumps along the way, all the way to 2009, where interest rates hit lows similar to what we are experiencing now.

### 2021 – 2.95% Prime Rate, 1.90% 1-year Fixed, 2.14% 5-year Fixed

Having looked back through the years, we come to today. At Carpathia Credit Union our current rates are more competitive than ever before. If you're interested in taking advantage of these incredible rates, get in touch with your local branch.

