

## Will Millennials Bear the Brunt of Mortgage Lending Policy Changes?

To add insult to injury for those trying to step into the challenging reality of homeownership in BC, all insured homebuyers now have to qualify at the posted five-year rate as of October 17, 2016.

In response to these regulation changes for new government-backed insured mortgages, BCREA's Economics Team compiled a Market Intelligence Report, [Millennials Bear Brunt of Fed Policy Changes](#), to discuss the issue. The report concluded that the new rules could cause the sharpest drop in low-equity homebuyers' purchasing power in years. With housing affordability as such a critical issue, chopping millennials' purchasing power by as much as 20 per cent will only exacerbate a well-known problem.

Interested in sharing your opinion about

the affects of the mortgage lending policy change? See the *New Mortgage Rules: Speak Up Now!* article on page 4.

This report is the third of its kind compiled by BCREA's Economics Team to examine statistics and potentially correct some common misconceptions. Previous reports include:

The first report, [What Happens Next to Home Prices?](#), looked at periods of rapid price acceleration, defined as 20 per cent or higher year-over-year growth, which are generally followed by a reversion of growth back to the long-run average within 12 months.

The second report, [Myth of the Retreating Millennial](#), included a myth-busting examination of the narrative that

millennials are leaving Vancouver in droves because of high housing costs.

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