



Temperatures Cool, but Not Ottawa's Resale Market

OTTAWA, September 3, 2020 - Members of the Ottawa Real Estate Board sold 2,017 residential properties in August through the Board's Multiple Listing Service® System, compared with 1,725 in August 2019, a year over year increase of 17 per cent. August's sales included 1,576 in the residential-property class, up 22 per cent from a year ago, and 441 in the condominium-property category, an increase of 2 per cent from August 2019. The five-year average for August unit sales is 1,668.

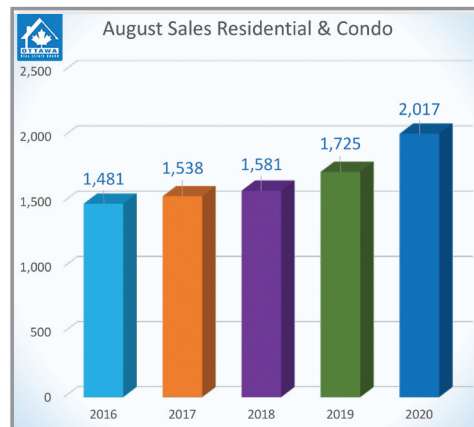
"August's resale numbers were undoubtedly driven by the considerable increase in new listings that came onto the market in both July and August," states Ottawa Real Estate Board President Deb Burgoyne. "There were at least 300 more residential and 175 more condo listings added to inventory than we saw last year at this time. In fact, we have not seen new listing numbers like this since August 2015," she adds.

"The question that comes to mind is: what is propelling these new listings? Well, there are several contributing factors; there are Sellers that are ready to capitalize on their investments, there are those who may be moving into new builds or further out of the city, and let's not forget boomers who are downsizing or perhaps moving into rentals."

"Whatever their motivations, if the rate at which properties are coming onto the market can be sustained, it will surely bring some much-needed balance. For some time, as inventory comes on the market, it is quickly being absorbed. If this increased listing trend continues, at some point, the housing stock may finally build to a point that demand is going to be somewhat satiated," Burgoyne proposes.

August's average sale price for a condominium-class property was \$383,640, an increase of 24 per cent from this time last year, while the average sale price of a residential-class property was \$592,548, an increase of 22 per cent from a year ago. With year to date average sale prices at \$566,291 for residential and \$357,779 for condominiums, these values represent a 17 per cent and 19 per cent increase over 2019, respectively. *

"A culmination of factors has been playing into the price increases in Ottawa's resale market. Certainly, multiple offers are a



dominant element. The reason that we have so many offers highlights the number of active buyers in the market - due to a variety of dynamics, such as record low mortgage rates, recently announced decreased debt/equity thresholds, migrating buyers coming from larger markets who may have received high returns on their home sales, etc. When you add these to the already pent-up demand from our local residents, it has created a perfect storm, so to speak."

"This is an extremely challenging market for many, especially those on the buying

side. Many are experiencing what we call 'buyer burnout', having placed many offers without success. We perceive a change in buyers behaviour regarding expectations, that were perhaps, until recently 'hyped', or a product of watching a myriad of home improvement shows and/or visiting new builder model homes. Our current reality is perhaps making some buyers more pragmatic and compromising on what they accept, whether it's a home's condition, age, or location," Burgoyne suggests.

"What we need to be cognizant of is that Ottawa is a capital city and a growing city, that until now has been well-insulated when it comes to resale prices. If you look at other larger cities, they have gone through this already. We are just in the early stages, with no end in sight at this point. I suspect that prices are not going to come down, nor is activity going to slow down in the near future. Whether you are on the buying or selling side of a transaction, this is not the kind of market to navigate without guidance. An experienced REALTOR® will ensure Buyers are making strategic offers, and Sellers are not leaving money on the table."

In addition to residential and condominium sales, OREB Members assisted clients with renting 2,232 properties since the beginning of the year compared to 1,906 at this time last year.

** The Board cautions that the average sale price can be useful in establishing trends over time but should not be used as an indicator that specific properties have increased or decreased in value. The calculation of the average sale price is based on the total dollar volume of all properties sold. Price and conditions will vary from neighbourhood to neighbourhood.*



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August 2020 - Residential and Condominium Sales

Ottawa Real Estate Board

Property Class	Type	Number of Units			Average Sale Price			
		2020	2019	% Chg	2020	2019	% Chg	
RES	1 1/2 Storey	48	42	14.3	\$418,786	\$356,317	17.5	
	2 Storey	913	749	21.9	\$626,845	\$514,799	21.8	
	3 Storey	77	46	67.4	\$646,782	\$578,942	11.7	
	Bungalow(1 Story)	388	323	20.1	\$560,847	\$444,320	26.2	
	Double	3	1	200.0	\$841,000	\$786,000	7.0	
	Duplex	9	9	0.0	\$723,000	\$486,122	48.7	
	Hi Ranch	71	50	42.0	\$481,115	\$401,490	19.8	
	Mobile	11	8	37.5	\$146,218	\$136,975	6.7	
	Modular	3	2	50.0	\$217,000	\$140,000	55.0	
	Other	0	7	-100.0	\$0	\$322,714	-100.0	
	Split Level	53	57	-7.0	\$539,338	\$469,286	14.9	
			1,576	1,294	21.8	\$592,548	\$484,015	22.4
	CON	1 1/2 Storey	2	0	0.0	\$389,440	\$0	0.0
2 Storey		172	150	14.7	\$363,594	\$270,264	34.5	
3 Storey		23	11	109.1	\$394,196	\$278,263	41.7	
Bungalow(1 Story)		6	5	20.0	\$334,133	\$372,360	-10.3	
Hi Ranch		0	2	-100.0	\$0	\$214,950	-100.0	
One Level		226	254	-11.0	\$397,045	\$331,218	19.9	
Other		10	9	11.1	\$412,472	\$371,811	10.9	
Split Level		2	0	0.0	\$470,000	\$0	0.0	
			441	431	2.3	\$383,640	\$309,438	24.0
		2,017	1,725	16.9	\$546,872	\$440,396		

Year To Date August 2020 - Residential and Condominium Sales

Ottawa Real Estate Board

Property Class	Type	Number of Units			Average Sale Price			
		2020	2019	% Chg	2020	2019	% Chg	
RES	1 1/2 Storey	244	303	-19.5	\$410,967	\$360,424	14.0	
	2 Storey	5,380	6,027	-10.7	\$592,033	\$509,789	16.1	
	3 Storey	553	547	1.1	\$647,138	\$573,858	12.8	
	Bungalow(1 Story)	2,130	2,429	-12.3	\$527,113	\$446,592	18.0	
	Double	9	13	-30.8	\$715,000	\$592,846	20.6	
	Duplex	65	64	1.6	\$624,463	\$527,384	18.4	
	Hi Ranch	301	322	-6.5	\$458,674	\$382,953	19.8	
	Mobile	50	65	-23.1	\$130,641	\$102,983	26.9	
	Modular	12	6	100.0	\$189,583	\$139,490	35.9	
	Other	13	20	-35.0	\$485,716	\$371,665	30.7	
	Split Level	386	427	-9.6	\$547,577	\$456,066	20.1	
			9,143	10,223	-10.6	\$566,291	\$484,677	16.8
	CON	1 1/2 Storey	4	2	100.0	\$311,470	\$677,500	-54.0
2 Storey		1,057	1,133	-6.7	\$329,553	\$263,580	25.0	
3 Storey		139	124	12.1	\$375,601	\$313,774	19.7	
Bungalow(1 Story)		28	53	-47.2	\$411,256	\$327,411	25.6	
Hi Ranch		2	3	-33.3	\$308,500	\$223,300	38.2	
One Level		1,481	1,798	-17.6	\$376,013	\$321,159	17.1	
Other		62	77	-19.5	\$339,178	\$300,862	12.7	
Split Level		8	8	0.0	\$394,219	\$265,425	48.5	
		2,781	3,198	-13.0	\$357,779	\$300,080	19.2	
		11,924	13,421	-11.2	\$517,660	\$440,691		