



The Ottawa Region Report

MAY 2018

Direct: 613-794-8890



Lysanne Brault
Broker

ROYAL LePAGE Performance Realty, 613-830-3350
Brokerage, Independently Owned and Operated

"the power of experience & trusted service"

Market Update

For those who were wondering when the Ottawa market would return to a Seller's market... it is officially back! The Freehold market (all but condo) has experienced this since last year, but now the condo market in the more central areas has also joined up. Competitive bids are more and more common anywhere the supply is limited. The Condo market in the suburb is the only one really lagging behind. Inventory is down approximately 20-26% consistently both Freehold and condo since early 2018. There is more inventory to absorb in the condominium sector all around but it is showing signs of drying up. So stage your condos, it is well worth it!

Get to Know Your Lenders

One of the biggest aspects of a mortgage is figuring out the best lender. Since every file is unique, a good mortgage broker will likely tell you there's no "best" lender. Instead, it will be those unique qualities in your mortgage that will determine which lender you're going to use.

In a typical mortgage, there are three potential types of lenders: the big banks, credit unions and monolines.

A BANK

A bank is a financial institution that accepts deposits, lends money and transfers funds. A key point: they are regulated by the federal government-Office of the Superintendent of Financial Institutions. Everyone knows the big banks and they are considered to be trusted. If you decide to use a fixed-rate mortgage from a big bank, keep in mind the penalty to break the mortgage will be larger than other lenders. The big banks are best for a variable rate, since the penalty will be smaller.

CREDIT UNIONS

Credit unions also deposit, lend and transfer funds. However, after that, we run into some differences between the two. Credit Unions have an elected Board of Directors that consist of elected members from their community. They are local and community-based organizations and unlike the banks, they are not federally but provincially regulated. The advantage to a credit union is they sometimes have different rules and stress test than federally regulated institutions and so can provide financing to someone who may not qualify otherwise.

WHAT'S IN THE NEWSLETTER

Market Update/ Get to Know Your Lenders / A Little Funny

Ottawa Board Residential & Condominium
Sales Year-To-Date up to April 2018 and % change
since last year

TYPE	# UNITS 2018	# UNITS 2017	% OF CHANGE
1.5 Storey	122	103	18.4
2 Storey	2472	2341	5.6
3 Storey	214	205	4.4
Bungalow	987	957	3.1
Double/SBS	6	10	-40.0
Duplex- Up/Down	32	31	3.2
Hi-Ranch	122	125	-2.4
Split	187	156	19.9
Other	5	7	-28.6
Condominium	1196	976	22.5

***The Board cautions that averages sale price information 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 average sale price is calculated based on the total dollar volume of all properties sold.*

(Credit Unions, Continued)

The credit unions calculations for penalties are typically friendlier to the borrower and if there are credit issues, they tend to be more understanding than the big banks.

MONOLINES

Monolines specialize in a single type of financial service, such as consumer credit, home mortgages, or a sole class of insurance. While monolines are often used by mortgage brokers because they are broker friendly, there are some advantages to the consumer. Monolines usually offer better discounted rates, while how they calculate the penalties can be friendly to the client. It should be noted the major investors in monolines are the big banks, so in most instances there's nothing really to fear.

So how is it an advantage to use a mortgage lender is a question I often get asked? A typical broker will have access to up to 90 lenders. That can be a real advantage, because if your mortgage isn't fitting into the right box, a great broker will turn over every stone and work with the lenders to find a solution. Also typically only one credit report is pulled for all lenders. As you know pulling multiple credit reports can affect your credit rating. Finally, since a broker has a number of different lenders to choose from, they understand each of the lender's guidelines and can match it with your needs, and can get you the right mortgage.

One final word on this matter. Having a good relationship with your Mortgage representative is key. Online service is limited by the very fact that financing is increasingly complex under what seems to be constant changing rules, so my experience is nothing replaces an experienced professional in the field of mortgages working with you.

Lysanne Brault
Your Broker for Life

*Selling or buying a home? For world-class, professional and bilingual service, contact **Lysanne Brault** at 613-794-8890. Also visit www.lbhome.ca*

Residential and Condominium Sales (Year-to-date up to April 2018) And % change over last year

PRICE RANGE	2018 # OF SALES	2017 # OF SALES	% CHANGE
Under \$100,000	59	49	20.4
\$100,000-\$124,999	43	38	13.2
\$125,000-\$149,999	80	86	-7.0
\$150,000-\$174,999	168	162	3.7
\$175,000-\$199,999	216	217	-0.5
\$200,000-\$224,999	252	236	6.8
\$225,000-\$249,999	254	216	17.6
\$250,000-\$274,999	214	246	-13.0
\$275,000-\$299,999	261	368	-29.1
\$300,000-\$349,999	720	879	-18.1
\$350,000-\$399,999	832	609	36.6
\$400,000-\$449,999	624	518	20.5
\$450,000-\$499,999	427	345	23.8
\$500,000-\$749,999	945	723	30.7
\$750,000-\$1 Million	197	157	25.5
Over \$1 Million	83	83	0.0
Total	5375	4932	9.0

A little funny

If at first you don't succeed, skydiving is probably not for you! 😊