



The Ottawa Region Report

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A Few words

Hello everyone, we hope you and your family are well. We continue to provide services with full attention to Covid-19 protocols for your and our protection.

If anyone in your surrounding has been affected by the Covid-19 virus we extend to you and your dear ones, our most sincere thoughts of sympathy and courage.

Ottawa Market- how is it going?

With so many news reports lately on Canadian Real Estate, you may be wondering, what is really going on in the Real Estate Ottawa market? How long is this frenzy going to last, is the next question?

The Royal LePage National February survey of the 25-35 yrs old Canadians summarizes it very well, and confirms what we are observing on the ground (see link on www.lbhome.ca just below this newsletter*)

In essence it all boils down to demographics and the Pandemic accelerating its effects.

The Millennials (25-35/40) are the largest demographic group after the Boomers. Throw both groups of buyers/sellers into the mix and you get lots of Real Estate activity. The millennials are buying in droves, and in Ottawa their employment for the most part is fairly secure due to the gradual departure of the boomers retiring and the high proportion of stable Government and High-Tech employment in the region. Add to this the pandemic which has either helped them leave the nest earlier due to the restrictions or alternatively support buying a multigeneration house or one with income. At that same time, many boomers and generation X are moving up their retirement plans enabled by the "working from home" possibilities, moving to their dream retirement location: cottage, closer to family, smaller vibrant community. Did the pandemic help? Yes, it provided plenty of time for people to think about their next step and what was really important.

The survey provides elements of answer to an important question: When will it end? If nearly half of the Millennials own their home already and 25% bought during the 2020 portion of the pandemic, that leaves fewer purchasers per year, who's plan is to buy within the next 5 years, (see survey *)

WHAT'S IN THE NEWSLETTER

A few Words / Ottawa Market- how is it going? /

A Little Funny

Ottawa Board Residential & Condominium
Sales Year-To-Date up to March 2021 and % change
since last year

TYPE	# UNITS 2021	# UNITS 2020	% OF CHANGE
1.5 Storey	34	32	6.3
2 Storey	1,081	694	55.8
3 Storey	97	62	56.5
Bungalow	346	259	33.6
Double/SBS	3	1	200.0
Duplex- Up/Down	14	8	75.0
Hi-Ranch	58	38	52.6
Split	64	59	8.5
Other	1	2	-50.0
Condominium	580	351	65.2

***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.*

**Residential and Condominium Sales
(Year-to-date up to March 2021)
And % change over last year**

The survey further indicates that 68% of the remaining Millennials intend to purchase in the next 5 years. We are noticing in Ottawa this spring some very minor signs of slow down. The tell-tell signs will be when this translates into less bidding wars, which we are starting to see in small pockets and price ranges. A soft landing is expected as we near the summer and fall with prices stabilizing as they did for the condo market downtown last summer when universities and parliament required less physical presence downtown.

Indeed, the Royal LePage national survey suggests that prices will likely not go down, when the slow down happens and that the demand will remain solid as the demographics are there to support it, but the rush will be reduced. We should then move from a very heated seller's market to move to a more balanced market. Transactions will return to a more "normal" pace. The recent introduction by CMHC of a more demanding stress test on mortgages will contribute to the slow down. (June 1st effective date)

That being said, the construction sector, material supply and impact of Covid on the whole supply chain and local trades, will have a longer-term effect on housing and will further support the resale prices. The high price of lumber and other materials will have an impact on new construction retail prices and on the delivery timeline of homes, which will, for a while, further support a shortage of additional inventory and therefore of total supply of homes. This will affect all demographics: new homeowners all the way to boomers looking for new solutions in attached bungalows and other lifestyles.

We are witnessing complex market dynamics and we are not out of the pandemic with possible unexpected twists and turns on the horizon. But, all in all, the Ottawa market is well positioned and will continue to perform well. Due diligence is needed in all aspects of purchasing and selling in the current market.

Feel free to give us a call if you have any questions.

We will keep you informed on development, and of course we remain in constant contact with our clients who are/plan to buy or sell this year.

Lysanne Brault and Dan Mayer
Your Broker and Salesperson for Life
For World class, professional and bilingual service contact
Lysanne Brault at 613-794-8890 or
Dan Mayer at 613-315-8363
Also visit www.lbhome.ca

- <https://www.royallepage.ca/en/realstate/news/nearly-half-of-canadians-aged-25-to-35-own-their-home-one-quarter-of-these-homeowners-have-purchased-a-property-since-the-onset-of-the-covid-19-pandemic/>

PRICE RANGE	2021 # OF SALES	2020 # OF SALES	% CHANGE
Under \$100,000	10	12	-16.7
\$100,000-\$149,999	16	28	-42.9
\$150,000-\$199,999	20	72	-72.2
\$200,000-\$249,999	93	180	-48.3
\$250,000-\$299,999	159	225	-29.3
\$300,000-\$349,999	232	299	-22.4
\$350,000-\$399,999	306	296	3.4
\$400,000-\$449,999	348	391	-11.0
\$450,000-\$499,999	298	441	-32.4
\$500,000-\$549,999	307	351	-12.5
\$550,000-\$599,999	405	260	55.8
\$600,000-\$649,999	467	226	106.6
\$650,000-\$699,999	371	174	113.2
\$700,000-\$799,999	571	216	164.4
\$800,000-\$899,999	385	104	270.2
\$900,000-\$999,999	254	57	345.6
Over \$1000000	394	94	319.1
Total	4,636	3,426	35.3

A LITTLE FUNNY: Ah...that is why the engine is at the back!!

