



The Ottawa Region Report

JANUARY 2024

Direct: 613-315-8363



ROYAL LePAGE Performance Realty,
Brokerage, Independently Owned and Operated

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New Year /New Stats!

I would like to start by wishing each and everyone of you a very prosperous 2024. May it be filled with health and laughter. I hope you had a great holiday with family and friends.

You will notice that the Ottawa statistics in our newsletter are now presented in graphics. You will now be able to see monthly and year-to-date sales with the percentage of change since the previous year, as well as the number of active listings and months of inventory (the number of months of inventory is the number of months it would take to sell current inventories at the current rate of sales activity). I hope that these new graphics will be useful.

Ottawa Market Update

As we wrapped up 2023, our housing market experienced an expected slowdown in activity. It is certainly typical to see a seasonal decline in the winter months, but we are still seeing buyers and sellers on the sidelines, waiting for the Bank of Canada (BoC) to lower lending rates.

In terms of numbers, on a year-to-date basis, home sales totalled 13,655 units in all of 2023, a decline of 10.6% from 2022. The average price of homes sold in December was \$622,495, increasing 1.7% from December 2022 but if we are looking at more significant year-to-date data, the average price was \$654,857, a decline of 5.5% from 2022. You can also notice that the number of active listings is closer to pre-pandemic levels and by consequence, the months of inventory has increased. This is true representation of a balanced market.

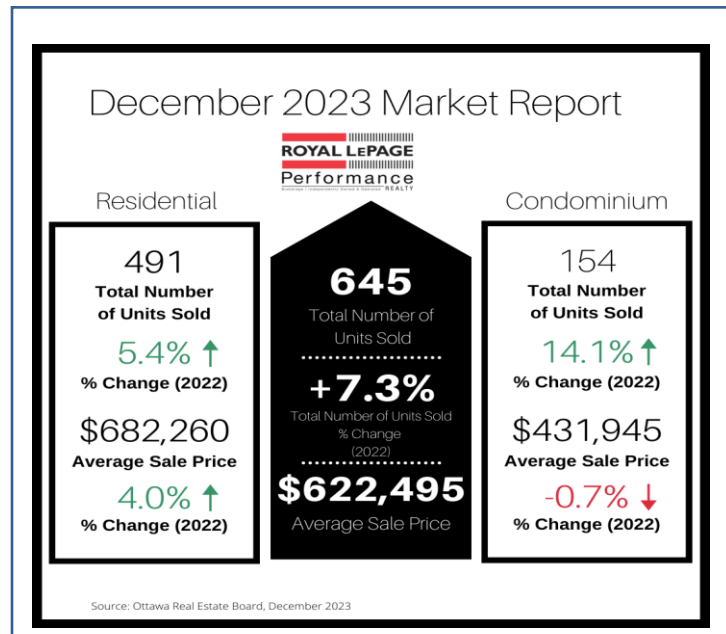
December marked the third consecutive BoC decision to keep the key rate at 5%. With eager buyers on the sidelines, the slight decrease in the lending rates over the last few months, and with the BoC expected to start decreasing the key rate over the next months, we expect the market to surge by the end of the first quarter of this year and into the Spring.

The President and CEO of Royal LePage, in his January 2024 forecast, said "I believe the narrative suggesting that the housing market will rebound only when the Bank of Canada lowers rates misses the mark...The recovery will begin when consumers have confidence the home they buy today will not be worth less tomorrow. We see that tipping point occurring in the first quarter, before the highly anticipated easing of the Bank of Canada's key lending rate"

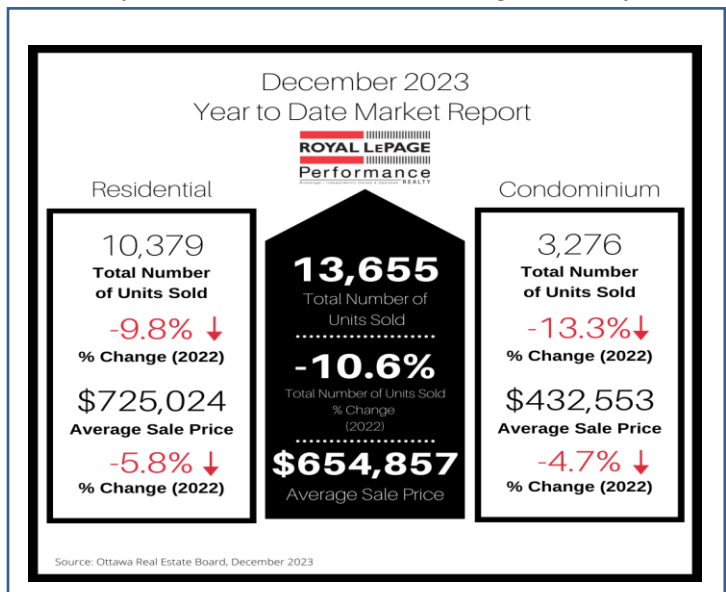
WHAT'S IN THE NEWSLETTER

New Year/new stats! // Ottawa Market update// Recreational property market – what to expect? // Little funnies

Ottawa Board Residential & Condominium December 2023 sales and % change since last year



Ottawa Board Residential & Condominium YTD up to December 2023 sales and % change since last year



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BILINGUAL SERVICES

613.315.8363 (Direct)
613.830.3350 (Office)
E-mail: dan@lbhome.ca
Web: www.lbhome.ca

Finally, in December, Royal LePage issued a forecast projecting that the aggregate price of a home in Ottawa will increase 4.5 per cent in the fourth quarter of 2024, compared to the same quarter in 2023. The link to the forecast can be found in the newsletter section of our website.

Recreational property market – what to expect?

Recreational properties have typically acted as vacation and secondary homes for Canadians, but since the pandemic and shift toward more remote work, more Canadians are opting for recreational markets as their primary residences – which in turn pent up the demand for this type of property.

For those who bought recreational properties as second residences with the goal of renting them to offset some expenses, many are facing challenges with the rules established by municipalities regarding short-term rental. It leaves them no choice but to rent for longer periods or sell. Fortunately, unlike purchasing a primary residence, most people in the market for a recreational property have the luxury to wait for the right home to come along, or for more favourable market conditions.

But what does this mean for the recreational property market?

Despite these challenges, a recent report by Royal LePage predicts continuous stability in Canada’s recreational real estate market. Just like the Ottawa market, the market for recreational properties across our country has shown a slight decline over the start of 2023 as the demand soften due to the interest rates and rising living costs. Annual sales are down in most regions and inventory has climbed modestly as the market continues to regain balance. This has not, however, translated to steep price declines in a majority of recreational markets. While demand has weakened and supply has increased compared to pre-pandemic levels, market activity for recreational properties is trending back to normal historical levels. This will keep prices on a modest upward trajectory in the coming year as people continue to look for that perfect recreational property.

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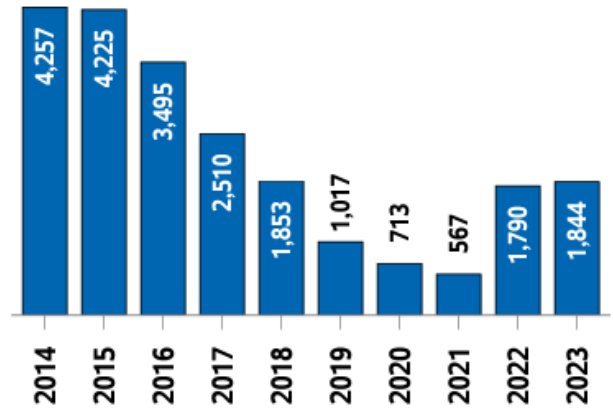
Dan Mayer

613.315.8363

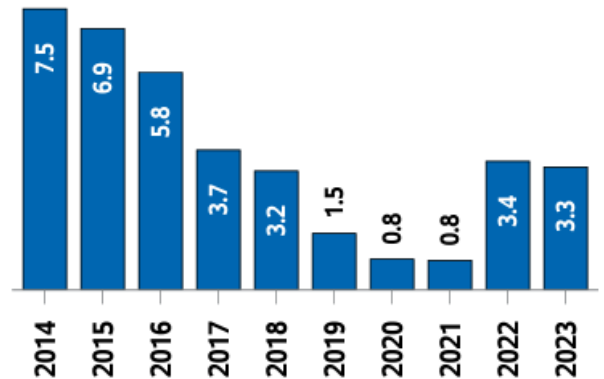
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Active listings - December only



Months of inventory – December only



***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*

Little funnies

- What is a fancy fish called?
So-fish-ticated
- Cashier: “Would you like the milk in a bag, sir?” Dad: “No thank you, just leave it in the carton!”