



# The Ottawa Region Report

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## WHAT'S IN THE NEWSLETTER

Ottawa Market Update // Housing Crisis in Canada  
// Little funnies

Ottawa Board Residential & Condominium  
March 2024 sales and % change since last year

### Ottawa Market Update

The Ottawa real estate market is experiencing a strong start of the year compared to last year. We are seeing quite a bit of upward pressure on housing prices as we enter the Spring market, with some properties (especially in the 600K-800K range) selling in multiple offer situations. The inventory level has improved compared to the same period last year (by 13.5%), but it is still not enough to satisfy the growing demand. Since the peak of the Covid market in June of 2022, several buyers have put their home buying projects on hold and continued to save money waiting for interest rates to come down. They have accepted and adjusted to the higher borrowing costs and are eager and well positioned to re-enter the market.

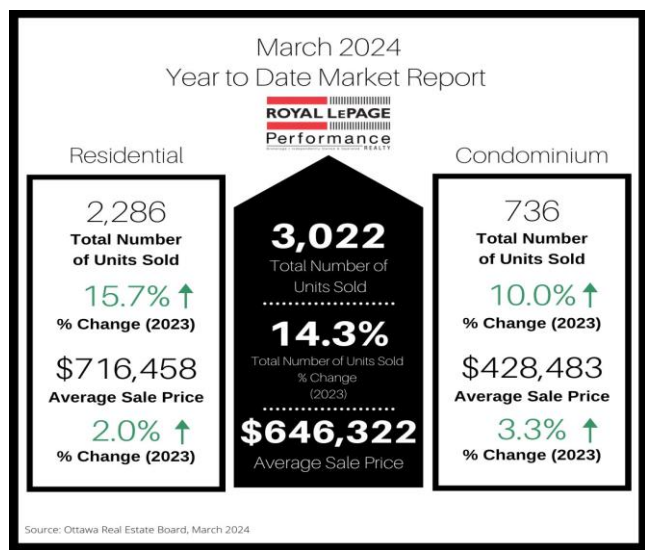
The Bank of Canada announced last week that they are seeing what they need to see to start making cuts to their key rate but need to see it for longer to be convinced that our economy is heading towards stability. With the key rate held at 5% for the sixth consecutive time, and with a potential cut coming this Summer, buyers and sellers are regaining confidence and are beginning to come off the sidelines. It is expected that the momentum we are seeing now will continue into the summer and fall markets.

The Ottawa Real Estate Board President says: "People have adjusted to post-pandemic life and that means revisiting their housing needs. Some are downsizing or moving in from the city's outskirts. Others are looking at more suitable properties that better meet all their needs, which weren't accessible to them in the peak pandemic market. That's creating pressure from multiple angles on the mid-range property market".

In terms of numbers, we have seen an increase of 10.3 % in terms of units sold compared to March 2023 (14.3% year-to-date) and an increase of 4.6% to the average sale price compared to the same time last year. On a year-to-date basis, 82% of the transactions are between the prices of \$300,000 and \$800,000 and the high-end market is doing well in select areas of the city.



Ottawa Board Residential & Condominium  
YTD up to March 2024 sales and % change since last year



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The Q1 [Royal LePage Home Price Update and Market Forecast](#) was also released last week. This survey shows a stronger than expected first quarter. Royal LePage is also forecasting 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 last year.

### **Housing Crisis in Canada**

The lack of housing, particularly affordable housing is a serious issue in Canada and in our city. It is becoming more and more difficult for many to own a home, and because of that, the demand for rental homes/units has increased significantly to the point that the rental vacancy rate dropped to 1.5% nationwide in 2023, which is at historical low since 1988 according to CMHC.

As announced earlier this month, Ottawa will receive, under the Housing Accelerator Fund (led by Canada Mortgage and Housing Corporation (CMHC)), 176 million in new federal funding to help build much needed housing in our city. Through this initiative, up to 4,450 new homes will be delivered over the next 3 years.

As per this news release, this funding will support 9 initiatives in Ottawa:

- Fund and support the construction of non-market affordable housing.
- Expand high-density housing around LRT stations and main streets (pre-zone for additional density);
- Add new missing-middle housing and expand options within neighbourhoods, such as multiplexes and low-rise apartments.
- Incentivize non-market affordable housing to reduce rents.
- Support the conversion of vacant office space into housing.
- Accelerate the sale and preparation of City-owned lands for housing.
- Streamline planning approvals.
- Deliver the new Comprehensive Zoning, Bylaw and Digital Twin Tool.
- Support infrastructure and program service improvement.

See full article at: <https://ottawa.ctvnews.ca/ottawa-receives-176-million-in-federal-funding-for-housing-1.6764693>

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### **Residential and Condominium Sales (Year-to-date up to March 2024) And % change over last year**

PRICE RANGE	2024 # OF SALES	2023 # OF SALES	% CHANGE
Under \$200,000	21	23	-8.7
\$200,000-\$300,000	112	152	-26.3
\$300,000-\$400,000	379	322	17.7
\$400,000-\$500,000	397	359	10.6
\$500,000-\$600,000	543	504	7.7
\$600,000-\$700,000	606	480	26.3
\$700,000-\$800,000	347	295	17.6
\$800,000-\$900,000	222	202	9.9
\$900,000-\$1,000,000	153	115	33.0
\$1,000,000-\$1,250,000	144	111	29.7
\$1,250,000-\$1,500,000	49	49	0.0
\$1,500,000-\$1,750,000	22	14	57.1
\$1,750,000-\$2,000,000	8	6	33.3
\$2,000,000-\$2,250,000	8	5	60.0
\$2,500,000-\$2,750,000	4	3	33.3
\$2,750,000-\$3,000,000	4	1	300.0
Over \$3,000,000	3	3	0.0
Total	3,022	2,644	14.3

*\*\*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.*

### **Little funnies**

- What do you call a bear with no teeth? *A gummy bear!*
- When is chicken soup not good for your health? *If you're the chicken*