



The Ottawa Region Report

SEPTEMBER 2024

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WHAT'S IN THE NEWSLETTER

Ottawa Market Update // Government of Canada Green Building Strategy // Little funny

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

Ottawa Market Update

On September 4, 2024, the Bank of Canada (BoC) cut its key interest rate by another 25 basis point to 4.25% marking the third consecutive cut since June of 2024. The last time the key rate was this low was in 2022. The BoC has been working hard to manage inflation, so also reaching the 2% target this August is a notable achievement. This brings stability to our economy and will likely influence future decisions on interest rates. I'm noticing that these positive updates over the last few months helped buyers and sellers gain more confidence in the real estate market which resulted in a strong summer market, and a heated Fall market as it unfolds.

In terms of numbers, we sold 1,286 units in August alone, resulting in an increase of 7.9% compared to August 2023. On a year-to-date basis, we see an increase of 5.9%. The average home price in August 2024 increased slightly from August 2023, reaching \$646,301. Home values have been stable with a modest upward trend over the past year. The year-to-date average price of \$665,468 which reflects a slightly stronger growth when considering the entire year up to now. When analysing the number of sales by price range, I am noticing a positive increase of transactions in the upper price brackets (600K to low 1M), which is a direct result of buyer confidence. This also confirms that first-time home buyers have clearly re-entered the market allowing for the upper range market to positively move as well.

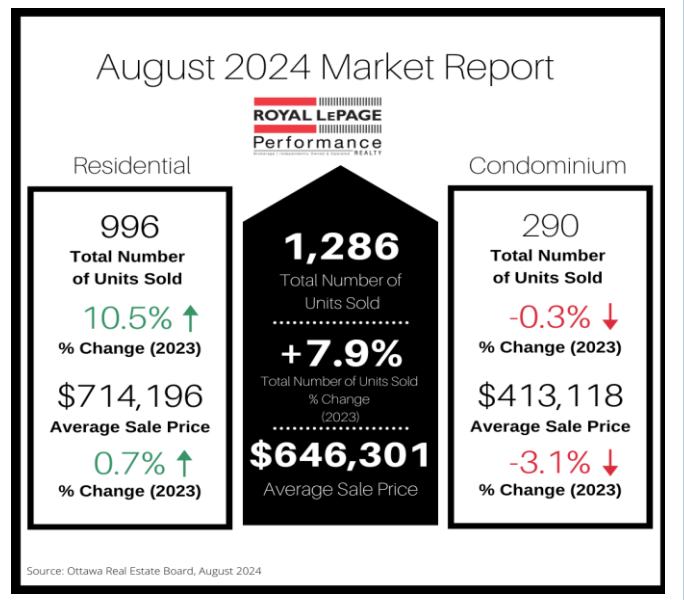
Government of Canada Green Buildings Strategy

The Government of Canada introduced its Canada Green Buildings Strategy. This strategy is a significant step toward enhancing the environmental performance and sustainability of buildings across Canada. While the strategy outlines important goals, it faces several challenges in achieving its net-zero emissions target, which I will summarize here.

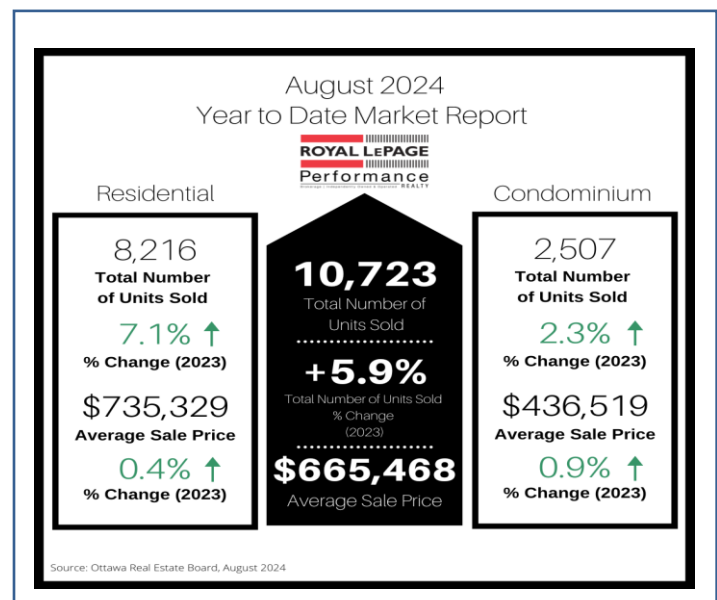
Key Points:

Focus on Affordable, Healthy, and Climate-Resilient Buildings:

- The Strategy aims to promote buildings that are not only environmentally friendly but also accessible and beneficial to occupants' health.



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



Need for Investment and Increased Retrofit Rates:

- Significant investments are required to retrofit existing buildings to meet new environmental standards.

Modernizing Regulations and Practices:

- There's a call to update the Energy Efficiency Act to better support green building practices and ensure that buildings meet high-performance standards.

Phasing Out Heating Oil and Promoting Heat Pumps:

- Transitioning from heating oil to more efficient heat pumps is essential for reducing emissions and improving energy efficiency.

High-Performance Building Codes for Federally Funded Housing:

- Ensuring that federally funded housing projects adhere to stringent building codes is crucial for setting a standard and driving broader adoption of green building practices.

Challenges and Areas for Improvement:

Public Investments and Financial Support:

- The Strategy lacks specific commitments for public investments, which are critical for funding retrofits and supporting green building initiatives.

Regulatory Measures and Pathways:

- Without clear regulatory pathways, there's a risk that the ambitious goals of the Strategy may not be fully realized.

Retrofit and Upgrade Rates:

- Achieving the necessary retrofit rates to meet the Strategy's goals requires substantial coordination and support.

Transition from Heating Oil and Air Conditioning Systems:

- Phasing out heating oil and replacing traditional air conditioners involves logistical and financial hurdles.

Consistency Across Federally Funded Projects:

- Ensuring all federally funded housing adheres to high-performance codes may be difficult without strict oversight.

If you are interested in reading the full policy, it is available here: <https://www.energycanada.org/canada-green-buildings-strategy/>

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

PRICE RANGE	2024 # OF SALES	2023 # OF SALES	% CHANGE
Under \$200,000	69	69	0.0
\$200,000-\$300,000	335	428	-21.7
\$300,000-\$400,000	1,228	1,130	8.7
\$400,000-\$500,000	1,381	1,340	3.1
\$500,000-\$600,000	1,865	1,791	4.1
\$600,000-\$700,000	2,090	1,900	10.0
\$700,000-\$800,000	1,270	1,193	6.5
\$800,000-\$900,000	921	843	9.3
\$900,000-\$1,000,000	555	476	16.6
\$1,000,000-\$1,250,000	581	525	10.7
\$1,250,000-\$1,500,000	229	233	-1.7
\$1,500,000-\$1,750,000	87	99	-12.1
\$1,750,000-\$2,000,000	50	36	38.9
\$2,000,000-\$2,250,000	23	23	0.0
\$2,250,000-\$2,500,000	11	16	-31.3
\$2,500,000-\$2,750,000	9	8	12.5
\$2,750,000-\$3,750,000	6	4	50.0
Over \$3,000,000	13	10	30.0
TOTAL	10,723	10,124	5.9

***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 funny

Why don't skeletons fight each other? They don't have the guts!