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RealEstateNews

Royal LePage: More than half of Canada's largest real estate markets see double-digit price growth as national home values soar 9.7% in fourth quarter



According to the recently released Royal LePage House Price Survey, aggregate price of a home in Canada increased 9.7 per cent year-over-year to \$708,842 in the fourth quarter of 2020, as strong seller's market conditions continued to shape Canada's real estate market through the end of the year.

"In April 2020, we issued our pandemic period forecast for Canadian real estate, the principle prediction being that unexpectedly soft spring home prices, historically low interest rates, and years of pent-up demand would trigger a sharp recovery of sales volumes and rising property prices in the second half of the year," said Phil Soper, president and CEO of Royal LePage. "As we close the books on the strangest year in my long career, 'recovery' proved to be an understatement. Looking at fourth quarter results we can state without hyperbole that the health crisis triggered a real estate boom. "High levels of unresolved housing demand and low inventory levels will likely characterize the 2021 spring market, putting further upward pressure on housing values, particularly in the detached and larger townhome segments, as families with access to extremely low borrowing costs trade

traditionally desirable urban locations for more personal space," he continued.

"Confined to their homes, Canadians are struggling to adapt their properties to accommodate the need for an office, school classroom and gym, and find themselves longing for more living space," said Soper. He added that the surge in sales that characterized the second half of the year is a sign that Canadians feel confident buying and selling properties during the pandemic.

Ottawa

In 2020, the aggregate price of a home in Ottawa increased 19.5 per cent. The aggregate price of a home in Ottawa increased 14.9 per cent year-over-year to \$568,608 in the fourth quarter of 2020. During the same period, the median price of a two-storey home increased 14.8 per cent to \$595,991, while the median price of a bungalow increased 15.9 per cent to \$588,320, and the median price of a condominium increased 13.8 per cent to \$385,525.

"The strong seller's market is expected to persist through 2021, as demand continues to outpace supply in Ottawa," said Jason Ralph, managing partner, Royal LePage TEAM Realty. Ralph noted that prices are set to continue a steady upward climb as potential buyers who were unsuccessful purchasing in 2020 re-enter the upcoming spring market.

PENT-UP BUYER DEMAND DRIVES JANUARY'S RESALE MARKET

Members of the Ottawa Real Estate Board (OREB) sold 964 residential properties in January 2021 compared with 778 in January 2020, an increase of 24%.

Pent-up Buyer demand fueled the exceptional number of sales that took place in January even as the mid-month lockdown further restricted supply. Earlier in the month, listing activity increased, likely driven by those Sellers waiting until after the holiday season to put their properties on the market. However, once the Stay-at-Home Order was announced, Sellers pulled back (rightfully so) and the number of properties entering the market declined," states OREB's President.

"Even though inventory is up from last month, it is still down substantially from last year at this time with 43% fewer properties on the market. This inventory shortage coupled with strong demand triggered a brisk pace to the market. We would have certainly seen higher sales numbers if there were more properties available because the demand is definitely there."

The average sale price of a residential-class property sold in January in the Ottawa area was \$677,197, an increase of 31% over January 2020. The average sale price for a condominium-class property was \$380,336 an increase of 13% from January 2020. Compared to December, the average price for residential-class properties has increased by 12 per cent, and the average price for condominium-class units is 7 per cent higher.

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Ottawa Residential Average Sales Chart

from 1956 to 2020

MLS Residential Sales Percentage Increase or Decrease Over Previous Year

Year	Average Sale Price	Percent Change	Year	Average Sale Price	Percent Change
1956	\$13,351	0.24%	1990	\$141,438	2.90%
1957	\$14,230	6.58%	1991	\$143,361	1.36%
1958	\$15,564	9.37%	1992	\$143,868	0.35%
1959	\$16,038	3.05%	1993	\$148,129	2.96%
1960	\$16,791	4.70%	1994	\$147,543	-0.40%
1961	\$16,070	-4.29%	1995	\$143,193	-2.90%
1962	\$15,952	-0.73%	1996	\$140,513	-1.90%
1963	\$16,549	3.74%	1997	\$143,873	2.40%
1964	\$16,563	0.08%	1998	\$143,953	0.10%
1965	\$17,056	2.98%	1999	\$149,650	4.03%
1966	\$18,004	5.56%	2000	\$159,511	6.58%
1967	\$19,476	8.18%	2001	\$175,971	10.32%
1968	\$23,329	19.78%	2002	\$200,711	14.06%
1969	\$25,652	9.96%	2003	\$218,692	9.00%
1970	\$26,532	3.43%	2004	\$235,678	7.70%
1971	\$27,808	4.81%	2005	\$244,531	3.80%
1972	\$30,576	9.95%	2006	\$255,889	4.70%
1973	\$38,305	25.28%	2007	\$272,477	6.40%
1974	\$46,661	21.81%	2008	\$289,477	6.30%
1975	\$49,633	6.37%	2009	\$303,888	4.90%
1976	\$54,623	10.05%	2010	\$327,225	7.70%
1977	\$57,032	4.41%	2011	\$344,240	5.20%
1978	\$59,134	3.69%	2012	\$351,792	2.20%
1979	\$61,896	4.67%	2013	\$357,348	1.60%
1980	\$62,748	1.38%	2014	\$361,712	1.20%
1981	\$64,896	3.42%	2015	\$367,632	1.66%
1982	\$71,080	9.53%	2016	\$372,048	1.20%
1983	\$86,245	21.34%	2017	\$392,474	5.49%
1984	\$102,084	18.37%	2018	\$407,571	3.84%
1985	\$107,306	5.12%	2019	\$441,693	8.37%
1986	\$111,643	4.04%	2020	\$529,675	19.5%
1987	\$119,612	7.14%			
1988	\$128,434	7.38%			
1989	\$137,455	7.02%			