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RealEstateNews

Royal LePage Survey: 79% of real estate professionals would advise their clients to sell this winter rather than wait until spring, as demand continues to outstrip supply

Highlights:

- Nationally, 82% of those who would recommend selling this winter said the main reason is a lack of housing supply coupled with high demand in their region
- Nationally, the number of survey respondents who would recommend selling this winter is 15 points higher than those who would have recommended it prior to the pandemic (64%)

According to a recent Royal LePage survey of more than 950 real estate professionals from across Canada, the commonly held belief that it's best to wait out the winter and list in the spring has been turned on its head this year, given the current strength of the seller's market. Seventy-nine per cent of survey respondents, who indicated a seasonal preference for selling, would advise Canadians looking to sell their homes to list this winter, rather than wait until spring. This represents a 15 point jump from the percentage of respondents (64%) who would have recommended selling during winter months prior to the pandemic.

Nationally, and across all regions

surveyed, the primary reason Royal LePage real estate professionals advise not waiting for the spring market to sell is that there is currently more demand than supply in their local market (82%). Only 7% said their primary reason for recommending a winter sale is that demand will peak this winter and be softer in 2022.

"Few people realize that January is one of the best times to list a property," explains a senior real estate Broker. "The first homes to be listed after the holidays are highly sought-after, and this year more than ever, the imbalance between supply and demand is favourable for sellers, as inventory shortages persist. As there is still some uncertainty surrounding the economy and a hike in interest rates is expected in 2022, I would recommend my clients not wait until the spring to sell."

Among Royal LePage real estate professionals in Ottawa, 68% of them would advise their clients to sell this winter. Prior to the pandemic, that number was 57%. As to the main reason they would give their clients to sell in the winter, 76% said that demand is higher than supply in the Ottawa market right now.

OCTOBER'S REALES TRACK A TRADITIONAL CYCLE

Members of the Ottawa Real Estate Board (OREB) sold 1,677 residential properties in October 2021 compared with 2,132 in October 2020, a decrease of 21%.

"October's resale market was active, busy, and stable – and followed the typical (pre-pandemic) ebb and flow that we commonly see as we enter the fall season" states OREB's President. "The number of transactions increased slightly over September (1,607) as well as the 5-year average. The only reason we see a year-over-year decrease in comparison to last October is because 2020's sales peak had shifted from the spring months to September/October due to the initial Covid-19 lockdown".

The average sale price of a residential-class property sold in October in the Ottawa area was \$716,378, an increase of 19% from a year ago. The average sale price for a condominium-class property was \$404,760 an increase of 10% from October 2020.

"While the number of units sold followed the traditional trajectory, the lack of supply continues to put upward pressure on prices, which are holding strong and steadily increasing. Although there were 1,960 new listings in October, falling just under the 5-year average (1,974), it's simply not enough. Inventory remains at a one-month supply for residential properties and 1.2 months for condominiums. The only way we will find balance in Ottawa's market is to increase the housing stock exponentially," OREB's President explains.

"Low inventory and a lack of suitable housing options restrict movement along the housing spectrum. Move-up buyers and downsizers have nowhere to go, so they stay in place, but we need that exchange of properties in the marketplace to free up supply for entry-level homebuyers" OREB's President concludes.

Call today for real estate advice and information!



Not intended to solicit properties currently listed for sale.

Royal LePage: Canadian home prices soar as persistent supply shortage results in continued seller's market

National aggregate home price increases 21.4% year-over-year



Third quarter highlights:

- Royal LePage maintains its 2021 forecast, with the national aggregate home price expected to rise 16.0% in Q4, compared to a very strong Q4 2020
- Very low inventory pushes potential buyers to sidelines amid national housing supply crisis, resulting in pent-up demand 5% of regions surveyed saw double-digit year-over-year aggregate price growth in Q3
- Condominiums continue price rebound in urban centres as return to 'new normal' allows Canadians to enjoy more aspects of city life

According to the recently released Royal LePage House Price Survey, the aggregate price of a home in Canada increased 21.4 per cent year-over-year to \$749,800 in the third quarter of 2021. Market activity slowed as a result of a chronic lack of inventory, a persisting challenge for housing markets from coast-to-coast, coupled with the seasonal summer slowdown.

“During the third quarter, the torrid pace of home price appreciation moderated as both demand and inventory waned, a typical summer market trend in a very atypical year. With easing pandemic restrictions, there was finally something to talk about other than real estate, and people began travelling and socializing again,” said Phil Soper, president and CEO of Royal LePage. “In addition, a year of relentless competition for too few properties drove some would-be purchasers to the sidelines as buyer fatigue set in. Yet their fundamental need or desire for a new home remains and we

are seeing pent-up demand grow. We expect another unusually busy winter season building to a brisk 2022 spring market.”

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 16.0 per cent to \$771,500 in the fourth quarter of 2021, compared to the same quarter last year. This forecast is consistent with the company's previous update in July, 2021.

“Looking back to the late spring of 2020, the Royal LePage benchmark value of a home was \$580,000. The subsequent 'Covid-catalyst' which drove legions of Canadians to upgrade their living situations, has created a period of exceptional home price growth with real estate values on track to grow 33 per cent by year end,” concluded Soper.

Ottawa

The aggregate price of a home in Ottawa increased 20.7 per cent year-over-year to \$725,200 in the third quarter of 2021. Broken out by housing type, the median price of a single-family detached home increased 23.0 per cent to \$856,900, while the median price of a condominium increased 11.3 per cent to \$414,700 during the same period.

“We've seen a gradual yet steady decline in active listings over the last six years, and that lack of inventory remains the greatest challenge for buyers today,” said a senior member of the Royal LePage management team in Ottawa. “Even if demand returned to historic levels, there would still not be enough housing supply to meet that demand.”

They also noted that while Ottawa remains firmly in a seller's market, the usual summer slowdown did occur in the early half of the third quarter.

“Compared to the spring, there are fewer multiple-offer scenarios today, but they have not been eliminated entirely. Much of the demand is coming from first-time buyers looking for larger properties with adequate space to continue working from home long-term. I expect the final months of 2021 will look very similar to the third quarter. Sales should continue to moderate, and price appreciation will persist.”