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RealEstateNews

Real estate activity in Canada's cottage country returns to seasonal norms after more than two years of pandemic-fueled exuberance



Following a period of relentless buyer demand and fast-rising home prices during the pandemic real estate boom, Canada's recreational markets are anticipating more subdued activity levels and price declines in 2023.

According to the recently-released Royal LePage 2023 Spring Recreational Property Report, the aggregate price of a single-family home in Canada's recreational regions is forecast to decrease 4.5% in 2023 to \$592,005, compared to 2022, as activity in the market wanes. This is due to reduced demand as a result of economic uncertainty and a lack of available housing stock, which has helped to keep prices stable. Despite a modest decrease expected this year, the national aggregate price would remain more than 32% above 2020 levels, after two years of double-digit price gains in the country's recreational real estate market.

In 2022, the aggregate price of a single-family home in Canada's recreational property regions increased 11.7% year-over-year to \$619,900. This follows year-over-year price gains of 26.6% in 2021.

"After two years of relentless year-round competition, Canada's recreational

property markets have slowed and returned to traditional seasonal sales patterns," said Phil Soper, president and CEO, Royal LePage. "While interest rate hikes have less of an impact on the recreational market than homes in urban settings, because families typically put more money down and borrow less, general consumer inflation combined with a severe lack of inventory has dampened sales activity.

According to a survey of more than 200 Royal LePage recreational real estate professionals across the country, 57% of respondents reported less inventory this year, compared to last year. At the same time, 51% of respondents said they have witnessed less demand for recreational properties in their region, compared to this time last year. When compared to typical pre-pandemic levels, 65% of recreational property experts nationally reported less inventory, while a majority reported similar (38%) or more (38%) demand.

"Recreational homebuyers tend to purchase for leisure and life-enriching purposes. Call it a want versus a need," added Soper. "Unlike many city buyers who may need to acquire a principal residence quickly, secondary home purchasers often have the benefit of time to find the right property for their specific needs."

Quebec and Ontario expected to see the largest recreational property price decreases in 2023, with forecasted declines of 8% and 5%, respectively, compared to 2022

RESALE MARKET SPRINGS BACK IN FAVOUR OF SELLERS

Members of the Ottawa Real Estate Board (OREB) sold 1,488 residential properties in April 2023 compared with 1,876 in April 2022, a decrease of 21%.

"Ottawa's resale market is on a steady upward trajectory, narrowing the comparison gap to peak pandemic activity in 2022. However, with new listings not keeping pace, the available housing stock is declining, and with less than two months of inventory — we're back into seller's market territory," says OREB's President.

The average sale price of a residential-class property sold in April in the Ottawa area was \$747,123, a decrease of 10% from a year ago. The average sale price for a condominium-class property was \$435,875 a decrease of 8% from 2022.

"Upward pressure on sales prices continues with average prices increasing for the fourth month since the market low in December. Additionally, multiple offer situations have returned to certain neighbourhoods and overall days on market are maintaining their downward trend. There continues to be low inventory in certain property classes and new product is coming to the market at a slower rate, which is affecting supply", adds OREB's President.

Call today for real estate advice and information!

6 tips for a seamless moving day



Moving into a new home should be an exciting time, but without proper planning and organization, the whole experience can quickly turn into an overwhelming ordeal.

To help ease the anxieties of moving day, here's a handy to-do list to keep you organized and on-track:

1. Plan ahead

This may seem obvious, but many people find themselves rushing to hire movers and pack their belongings in the final frantic days leading up to their big move. To avoid the stress this can cause, and to ensure moving day flows smoothly, be sure to start packing at least one month in advance. Focus on one room or closet at a time, and use this as an opportunity to purge items you no longer need. Moving into a new place means starting fresh – donate, rehome or recycle those belongings that won't serve a purpose in your new home. Remember, the first and last days of the month are popular moving days, so don't put off booking your professional movers in advance.

2. Optimize your packing process

For safe travels and storage, pack your belongings in durable moving boxes, ideally new or ones that have little wear-and-tear. There's also the option to rent reusable moving crates that can be returned once your move is complete. You can even hire professional packers to do it for you! To avoid sensitive items getting wet or damaged, use plastic, sealable bags and bins to protect clothing, books and important documents. And, be sure to bubble wrap glassware and fragile items to keep them from shattering in transit.!

3. Label and organize your boxes

Label each moving box with the room it belongs in (ie. kitchen, bathroom, bedroom #1). Take it a step further by numbering each box and creating a tracking document to specify which boxes should go in each room. This not only makes it easier for your movers to know where to place your items, but it also helps you to keep track of all your boxes.

4. Make those small repairs before moving in

If time allows, paint the walls, deep clean the appliances, and complete any minor repairs before moving into your new place. Unsurprisingly, it is a lot better to have a fully-functioning home before you start to unpack and assemble furniture. If this is not an option for you, consider placing all your items in the garage or basement at first, or simply in the centre of a room, to allow you a few days to clean thoroughly and complete any small jobs necessary before settling into your new space.

5. Update your services and accounts

It can take time for some utilities to get up and running. Set a reminder to take your name off your current utility bills and set up accounts for services at your new place in advance of moving in. Remember to also change the mailing address on your subscriptions, delivery services, and most importantly government and banking documents.

6. Make a plan for your first night

Moving day can be a long and tiring process, so you'll want to plan ahead for that first night. You may not have the time or energy to set up your bedroom right away, or perhaps you are having a new mattress delivered in the coming week. Book a hotel or arrange to stay with family or friends until you are ready to sleep comfortably in your new home.