

## OTTAWA HOUSE PRICES REMAIN RELATIVELY FLAT

*Higher inventory and selective buyers lead to a quiet second quarter*

**OTTAWA, July 9, 2014** - The Royal LePage House Price Survey and Market Survey Forecast released today reflected a mixed Ottawa market driven by lower sales volumes.

Prices for homes in Ottawa were relatively flat as detached bungalows increased 1.3 per cent year-over-year to \$401,667, while standard two-storey homes increased 0.8 per cent to \$402,250. Standard condominiums saw a moderate decline in price, dropping 0.7 per cent year-over-year to \$257,500.

"Hesitant buyers and increased inventory led to a relatively soft housing market by our usual standards, in part due to the lingering effects of a long winter," said John Rogan, broker manager, Royal LePage Performance Realty. "Condo prices have softened as there is a significant number of new units making their way onto the market at the same time."

It is estimated by Rogan that because of the long winter buyers in the Ottawa market are about six weeks behind schedule, while sellers have listed at the usual time of year. This has led to a glut of inventory available right now.

The lack of urgency amongst buyers is attributed to a variety of factors by Rogan ranging from recent elections, which can cause residents to adopt a wait-and-see attitude, to comfort about the continuation of lower mortgage rates and the ample inventory available. "There are quality buyers in the market, but unlike what we see in some other major markets, the urgency to buy is simply lacking at the moment," he said.

Looking ahead to the rest of 2014, Royal LePage forecasts moderate price appreciation of 2.5 per cent in the Ottawa housing market. "There are plenty of potential buyers out there and with new rapid transit in development there will be an ability to look for homes throughout the market as opposed to segmenting the search to East or West of the city."

Nationally, with the harsh winter now a fading memory, the average price of a home in Canada increased between 3.9 and 5.2 per cent in the second quarter of 2014. According to Royal

LePage, price increases were posted across housing types, with detached bungalows seeing the highest year-over-year gains, rising 5.2 per cent to an average price of \$406,454. Meanwhile, standard two-storey homes rose 5.1 per cent year-over-year to \$440,972, while standard condominiums posted gains of 3.9 per cent to \$258,501.

"Chronic supply shortages are driving price spikes in Canada's major cities, masking otherwise moderate home price appreciation nationally," said Phil Soper, president and chief executive of Royal LePage. "While a widening affordability gap in Canada's largest urban centres is characterizing the national market Canadians read about daily, year-over-year house price increases in most regions of the country are presently tracking below the historical average."

Looking ahead at the remainder of 2014, Royal LePage is projecting that the national average house price will increase at 5.1% per cent for the full-year.

"Compared to other major forecasts, our year-beginning national outlook predicted a higher level of 2014 average price appreciation, yet supply constraints in a handful of our largest cities necessitate a revision upwards," noted Soper. "Looking ahead to 2015, we expect house prices to track more closely to the rate of general economic growth. That is, we see price increases in Canada's largest cities moderating, just as our smaller city markets should see a lift."

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### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey is the largest, most comprehensive study of its kind in Canada, with information on seven types of housing in over 250 neighbourhoods from coast to coast. This release references an abbreviated version of the survey which highlights house price trends for the three most common types of housing in Canada in 90 communities across the country. A complete database of past and present surveys is available on the Royal LePage website at [www.royallepage.ca](http://www.royallepage.ca). Current figures will be updated following the complete tabulation of the data for the second quarter of 2014. A printable version of the second quarter 2014 survey will be available online on August 6, 2014. Housing values in the Royal LePage

House Price Survey are Royal LePage opinions of fair market value in each location, based on local data and market knowledge provided by Royal LePage residential real estate experts.

### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 15,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

For more information visit: [www.royallepage.ca](http://www.royallepage.ca).

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