

Ottawa Home Prices Make Strong Gains in the Third Quarter of 2017

Region witnesses surge in demand as buyers fear being priced out of housing market

OTTAWA, October 12, 2017 – The aggregate price of a home in Ottawa rose 7.9 per cent year-over-year in the third quarter of 2017, increasing to \$441,453, according to the Royal LePage House Price Survey¹ released today.

When broken out by housing type, the median price of a standard two-storey home climbed 8.8 per cent year-over-year to \$464,391. During the same period, the median price of a bungalow grew 5.4 per cent year-over-year to \$430,448, while condominiums rose 6.0 per cent year-over-year to \$333,754.

“There is significant momentum in Ottawa. Prices are appreciating and potential buyers are moving quickly fearing that they may get priced out of the market,” said Hanna Browne, broker, Royal LePage Team Realty. “Migration from Toronto and its surrounding regions are putting upward pressure on prices as buyers choose Ottawa for its affordability, good lifestyle, strong economy and proximity to both Toronto and Montreal. We are also seeing an increase in foreign buyers who are mostly choosing to relocate to Ottawa for the same reasons.”

Browne added that the surge in sales activity and reduced inventory have greatly benefitted the health of the condominium market, which had been relatively depressed over the past five years as a result of overbuilding.

“There is still good inventory across Ottawa’s communities, however, listings in highly desired communities or priced between \$300,000 and \$500,000 are the most limited,” noted Browne.

Nationally, the Royal LePage National House Price Composite, compiled from proprietary property data in 53 of the nation’s largest real estate markets, showed that the price of a home in Canada increased 13.3 per cent year-over-year to \$628,411 in the third quarter. When broken out by housing type, the median price of a standard two-storey home rose 13.9 per cent year-over-year to \$748,049, and the median price of a bungalow grew 9.5 per cent to \$525,781. During the same period, the median price of a condominium rose 15.2 per cent to \$413,670.

Meanwhile, on a quarter-over-quarter basis, home prices in Canada’s five most populated housing markets are rising at a similar, healthy pace – the first time this has occurred in six years.

“For now, the Toronto and Vancouver housing markets have returned to earth,” said Phil Soper, President and CEO, Royal LePage. “After a period of unsustainable price inflation and sharp market corrections, we are seeing low single digit appreciation in each. Calgary has shaken off the oil-bust blues and Montreal appears to be at the beginning of a new era of economic prosperity. Rounding out the ‘big five,’ the Ottawa market is behaving like it usually does - a picture of healthy market growth.”

¹ Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions.

“Uneven regional economic growth has plagued Canada for much of the past decade, a challenge most evident in the nation’s housing markets,” continued Soper. “For the first time since 2011, we are seeing real estate in all five of our largest cities appreciate at a manageable, healthy clip. Canadian housing is enjoying a Goldilocks moment – not too hot, and not too cold.”

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

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 17,000 real estate professionals in more than 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 further information, please contact:

Catherine Snider
Kaiser Lachance Communications
647-725-2520 ext. 212
catherine.snider@kaiserlachance.com