



## **Ottawa's home prices continue to climb as ongoing supply shortage and strong competition tighten market**

*Single-family detached home prices rose 20% year-over-year in the first quarter of 2022*

**OTTAWA, April 19, 2022** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in the Ottawa area increased 19.9 per cent year-over-year to \$809,200 in the first quarter of 2022; the highest gain on record since the Company began tracking aggregate prices. Broken out by housing type, the median price of a single-family detached home increased 20.0 per cent to \$947,600, while the median price of a condominium increased 9.8 per cent to \$432,500 during the same period.

“Ottawa’s real estate market remained strong in the first quarter of the year, and I expect this trend will persist as we enter the spring season,” said Rick Eisert, broker and manager, Royal LePage Team Realty. “A shortage of inventory and increased demand in the region continues to drive price appreciation, resulting in a highly competitive environment for buyers.”

Eisert added that demand is largely driven by migration to the city, as Ottawa has become an increasingly appealing destination due to its strong job market and vibrant city culture. However, first-time homebuyers are facing increasing difficulty purchasing in the region due to high demand and escalating home prices as a result of low inventory.

“First-time buyers are finding it challenging to navigate the market with such strong competition. They are opting to move into condominiums or to areas outside of the city, such as Almonte or Carleton Place, where properties are more affordable. However, home prices in these areas are also increasing rapidly,” Eisert added.

Eisert expects a strong spring market as more inventory becomes available, noting that there are numerous developments underway which may help satisfy some of the pent-up demand in the region.

Royal LePage is forecasting that the aggregate price of a home in Ottawa will increase 13.0 per cent in the fourth quarter of 2022, compared to the same quarter last year. The previous forecast,

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<sup>1</sup> 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 and includes both resale and new build.

released in December, 2021, has been revised upward to reflect the continued strength of the market through the first quarter of the year.

Nationally, the aggregate price of a home in Canada increased 25.1 per cent year-over-year to \$856,900 in the first quarter of 2022; the highest gain on record since the Company began tracking aggregate prices. As strong buyer demand continues to outpace supply in almost every market from coast to coast, Royal LePage is forecasting continued strong seller's market conditions this spring.

“Entering 2022, we had anticipated a strong first half, and moderating real estate markets thereafter. Call it buyer fatigue or easing demand, these periods of uncomfortably high home price appreciation do run their course. We are seeing the first signs of moderation in some regions, as more inventory is becoming available and competition eases slightly,” said Phil Soper, president and CEO of Royal LePage. “The first quarter of the year was so strong, however, that we are bumping up our 2022 outlook. And, home prices will continue to climb in the months ahead as a result of our relentless low supply-high demand imbalance.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation's largest real estate markets. When broken out by housing type, the national median price of a single-family detached home rose 26.7 per cent year-over-year to \$906,100, while the median price of a condominium increased 19.7 per cent year-over-year to \$612,900. Price data, which includes both resale and new build, is provided by Royal LePage's sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 15.0 per cent in the fourth quarter of 2022, compared to the same quarter last year. The previous forecast, released in December, 2021, has been revised upward to reflect the continued strength of the market through the first quarter of the year.

### ***Federal and Provincial Housing Policy***

On April 7th, the federal government announced its 2022 budget that includes more than \$10 billion to support housing affordability along with demand-side policies. The federal government has acknowledged that 3.5 million new homes are required by 2031 to keep up with demand.

“Access to suitable shelter is one of the great social challenges of our time. I am pleased to see it addressed in the federal budget, however the budget requires significant participation from provincial and municipal governments to hit its target to provide housing for current demand as well as future demand from new household formation and immigration,” said Soper. “By providing municipalities with funding to accelerate planning and delivery processes, the government is meaningfully helping the process overall, which is a welcomed step in the right direction.”

In regards to the temporary two-year ban on foreign buyers, Royal LePage does not expect the policy to provide material relief to potential homebuyers, as this group does not make up a significant portion of homeowners in Canada. In addition, recreational properties are exempt from the ban.

### *Ontario*

The Ontario government tabled a new housing bill last month with several initiatives aimed at speeding up municipal approval processes for development and allowing more four-to-six-storey residential buildings. The province also updated the rules of its existing Non-Resident Speculation Tax, increasing the tax from 15 to 20 per cent and expanding its reach from the Golden Horseshoe and Southern Ontario to the entire province.

“While new policies aimed at improving real estate market conditions for buyers will take years to produce results, I commend the Ontario government for taking action to increase supply through needed densification. In Toronto, this will give young homebuyers hope that they will be able to purchase a property in the future,” said Karen Yolevski, chief operating officer, Royal LePage Real Estate Services Ltd. “Potential homeowners should not expect relief from the tax increase applied to non-residents, as foreign buyers make up a small percentage of the total market.”

### **Royal LePage Home Price Data:**

**Royal LePage House Price Survey Chart:** [rlp.ca/house-prices-Q1-2022](https://rlp.ca/house-prices-Q1-2022)

**Royal LePage Forecast Chart:** [rlp.ca/market-forecast-Q1-2022](https://rlp.ca/market-forecast-Q1-2022)

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- Media room: [rlp.ca/mediaroom](https://rlp.ca/mediaroom)
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### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 of the nation’s largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market 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 approximately 19,000 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 Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](http://www.royallepage.ca).

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