



Surge in activity expected this spring as prospective buyers await rate reductions

Aggregate home price increased a modest 0.4% year over year in Q1 of 2024

OTTAWA, April 12, 2024 – According to the Royal LePage® House Price Survey released today, the aggregate¹ price of a home in Ottawa increased 4.4 per cent year over year to \$757,700 in the first quarter of 2024. On a quarterly basis, the aggregate price of a home in the region rose by a modest 0.4 per cent.

Broken out by housing type, the median price of a single-family detached home increased 4.5 per cent year over year to \$869,300 in the first quarter of 2024, while the median price of a condominium increased 4.6 per cent to \$401,500 during the same period.

“The Ottawa housing market has seen a positive start to the year, with an uptick in activity persisting as we enter the spring market. With an anticipated drop in interest rates expected this year, buyers and sellers are regaining confidence and are beginning to come off the sidelines,” said Jason Ralph, broker of record, Royal LePage Team Realty. “With this boost in market activity, we have begun to see more multiple-offer scenarios taking place, less so in comparison to the peak of the pandemic, but enough to put upward pressure on housing prices. I expect this momentum will continue into the summer and fall markets.”

While the region's inventory levels have seen improvement compared to the previous year, there is still not enough supply to satisfy the growing demand.

“Demand for all housing types continues to outpace available supply in Ottawa. While we are seeing more product become available, we are still lacking enough inventory to satisfy demand, especially as buyer activity ramps up. I expect more sellers will be willing to list their homes if we see interest rates decrease in the coming months,” added Ralph.

Ralph noted that new developments for both single-family homes and condominiums have picked up again as buyer demand surges. He predicts that this uptick in new developments will

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 and includes both resale and new build.

help alleviate inventory constraints, and anticipates an increase in new-build transactions this year.

“Looking ahead, I expect interest rate cuts will spur market activity further in Ottawa as more buyers and sellers jump back into the market. I believe we will see a robust spring market followed by even stronger summer and fall seasons, where we will really begin to see the benefits of lowered lending rates,” added Ralph.

Royal LePage is forecasting that the aggregate price of a home in Ottawa will increase 4.5 per cent in the fourth quarter of 2024, compared to the same quarter last year.

Nationally, the aggregate price of a home in Canada increased 4.3 per cent year over year to \$812,100 in the first quarter of 2024. On a quarter-over-quarter basis, the national aggregate home price increased 2.9 per cent, an indication that sidelined buyers are rebooting their real estate purchase plans ahead of expected interest rate cuts, as predicted in January.

“Consistent with our previous forecast, the market did reach a critical tipping point in the first quarter of 2024, when home prices bottomed out and began to appreciate again. Clearly, more and more buyers are motivated by the need to get ahead of rising home prices, rather than adopting the strategy of waiting for mortgage rates to fall,” said Phil Soper, president and CEO, Royal LePage.

Within the first months of the new year, the Canadian housing market has already recorded solid price appreciation and higher sales activity. Starting in July of 2023, the Bank of Canada has held rates steady through six review periods. This has prompted many homebuyers to come off of the sidelines in advance of what they expect will be a more competitive spring market that will drive home prices higher.

“Many consumers – particularly first-time buyers – who have the capacity to transact have accepted and adapted to the higher borrowing cost environment. Thus, the modestly-rising home prices we are experiencing today,” continued Soper. “Once the central bank does make a move, and that first highly-anticipated cut to rates is made, even if it is only by 25 basis points, I expect we will see the price appreciation curve steepen upwards when the highly rate-focused crowd jumps into the market.”

The Royal LePage National House Price Composite is compiled from proprietary property data nationally and regionally in 63 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home increased 4.5 per cent year over year to \$845,300, while the median price of a condominium increased 3.5 per cent year over year to \$591,900. On a quarter-over-quarter basis, the median price of a single-family

detached home increased 3.6 per cent, while the median price of a condominium increased 1.4 per cent. 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.

“While real estate boards across the country are reporting a boost in listings, which is typical as we head into the spring market rush, just about every region from coast to coast remains chronically short of housing supply,” added Soper. “While we expect that interest rate decreases will draw more buyers back into the ring, this will not be the primary driver of rising home prices – it is the severe shortage of housing in markets small and large in virtually every part of the country that remains the main culprit.”

Royal LePage is forecasting that the aggregate price of a home in Canada will increase 9.0 per cent in the fourth quarter of 2024, compared to the same quarter last year. The previous forecast has been revised upward to reflect a stronger-than-expected first quarter. Nationally, home prices are forecast to see strong price appreciation through the second and third quarters, and taper off in the final months of the year, as is the seasonal norm.

Royal LePage House Price Survey Chart: rlp.ca/house-prices-Q1-2024

Royal LePage Forecast Chart: rlp.ca/market-forecast-Q1-2024

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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 63 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. Additionally, commentary on housing market trends and data on price and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

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