

# REAL ESTATE NEWS



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## Royal LePage Market Forecast: National Home Prices to Show Remarkable Resilience in 2020

According to the Royal LePage House Price Survey and Market Survey Forecast released in mid-April, the aggregate price of a home in Canada is expected to remain remarkably stable through the COVID-19 pandemic.

If the strict, stay-at-home restrictions characterizing the fight against COVID-19 are eased during the second quarter, prices are expected to end 2020 relatively flat, with the aggregate value of a Canadian home up a modest 1.0 % year-over-year, to \$653,800. If the current tight restrictions on personal movement are sustained through the summer, the negative economic impact is expected to drive home prices down by 3.0 % (\$627,900) year-over-year. In December 2019, Royal LePage forecast the national aggregate price to increase 3.2 % by the end of 2020. Due to COVID-19, expected price growth has been revised down almost 70 % compared to Royal LePage's base scenario.



"The impact of COVID-19 on the Canadian economy has been swift and violent, with layoffs driving high levels of unemployment across the country. While it is sad that these people skewed strongly to young and to part-time workers, for the housing industry, the impact of these presumably temporary job

losses will be limited as these groups are much less likely to buy and sell real estate," said Phil Soper, president and CEO, Royal LePage. "From our experience with past recessions and real estate downturns, we are not expecting significant year-over-year price changes in 2020. Home price declines occur when the market experiences sustained low sales volume while inventory builds. Currently, the inventory of homes for sale in this country is very low, matching low sales volumes as people respect government mandates to stay at home.

"It is easy to mistakenly equate a handful of transactions at lower prices to a reset in the value of the nation's housing stock. Distressed sales that occur during an economic crisis are a poor proxy for real estate value," said Soper.

Broad-based measurements of industry activity point to a sharp decline in the four or five weeks since all provinces declared states of emergency. Home search activity on popular real estate websites are down more than 20 % versus norms. Home showings are down by more than two-thirds, based on Royal LePage sampling. Open house gatherings of people at a property for sale have been reduced to almost zero nationwide.

"As we ease out of strict stay-at-home regimens, sales volumes will return; traditional home sales practices will not," continued Soper. "The popular 'open house' gathering of buyers on a spring afternoon is gone, and it won't be coming back any time soon. The industry is

## REAL ESTATE PIVOTS IN THE AGE OF COVID-19

Members of the Ottawa Real Estate Board (OREB) sold 913 residential properties in April 2020 compared with 2,025 in April 2019, a decrease of 55 %. April's sales included 700 in the residential-property class, down 56 % from a year ago, and 213 in the condominium-property category, a decrease of 51 % from April 2019. The five-year average for April unit sales is 1,692.

"While the Ottawa real estate market statistics for April come as no surprise, they are a stark contrast to the previous month and the year-over-year figures for April 2019" states OREB's President. "I am proud to say, our Members have rapidly adapted to following the "State of Emergency" guidelines and are limiting work activity to assisting those who must sell and/or buy during this pivotal time – while keeping the health risk to all parties to a minimum."

The average sale price of a residential-class property sold in April in the Ottawa area was \$521,694, an increase of 6.8% over April 2019. The average sale price for a condominium-class property was \$327,813 an increase of 6.3% from April 2019.

"While the number of unit sales has decreased substantially, residential prices are still holding their own and are up over last year's figures, with properties often selling above the asking price," OREB's President reports. "There is still a holdover of pent-up demand in our marketplace. We believe that when the market opens up again, although it won't be business as usual, sales will rebound and make up for the decline the spring market has experienced."

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leveraging technologies that allow a home to be shown remotely and social distancing protocols, where we restrict client interaction with our Realtors to limited one-on-one or two meetings, will continue for months and months. This process is inherently safer than a trip to the grocery store.”

The aggregate price of a home in Canada increased 4.4 % to \$655,276 in the first quarter. When broken out by housing type, the median price of a two-storey home rose 5.1 % year-over-year to \$770,005 while the median price of a bungalow and condominium rose 2.1 % and 4.4 % to \$541,040 and \$493,917, respectively. Price data, which includes both resale and new build, is provided by Royal LePage's sister company RPS Real Property Solutions, a leading Canadian valuation company.

### **The Ottawa Market**

Low inventory and high demand in the first quarter of 2020 put significant upward pressure on home prices. The aggregate price

of a home in Ottawa increased 8.0 % year-over-year in the first quarter of 2020, crossing the half million dollar milestone for the first time to \$502,808.

Broken out by housing type, the median price of a bungalow and condominium in Ottawa increased 12.0 % and 8.1 % year-over-year to \$519,827 and \$343,998, respectively, while the median price of a two-storey home in the region increased 6.9 % year-over-year to \$526,584.

If business activity in the region resumes by the end of the second quarter, Ottawa may see a year-over-year gain of 2.5 % to its aggregate home price by the end of 2020, rising to \$506,500. If business activity resumes in late summer 2020, the region's aggregate home price is expected to remain flat (\$494,100).

## How to Make Your Own Hand Sanitizer



When it comes to preventing the spread of infectious diseases like COVID-19, nothing beats good old-fashioned handwashing.

But if water and soap aren't available, your next best option, according to the Centers for Disease Control and Prevention (CDC), is to use an alcohol-based hand sanitizer that contains at least 60 percent alcohol.

Unless you have a stockpile of store-bought hand sanitizer, you'll likely have a hard time finding any at a store or online right now. Due to the rapid spread of the new coronavirus, most retailers can't keep up with the demand for hand sanitizer.

The good news? All it takes is three ingredients to make your own hand sanitizer at home.

### **What ingredients do you need?**

Making your own hand sanitizer is easy to do and only requires a few ingredients:

- isopropyl or rubbing alcohol (99 percent alcohol volume)
- aloe vera gel

- an essential oil, such as tea tree oil or lavender oil, or you can use lemon juice instead

The key to making an effective, germ-busting hand sanitizer is to stick to a 2:1 proportion of alcohol to aloe vera. This keeps the alcohol content around 60 percent. This is the minimum amount needed to kill most germs, according to the CDC.

### **How do you make your own hand sanitizer?**

Jagdish Khubchandani, PhD, associate professor of health science at Ball State University, shared this hand sanitizing formula.

His hand sanitizer formula combines:

- 2 parts isopropyl alcohol or ethanol (91–99 percent alcohol)
- 1 part aloe vera gel
- a few drops of clove, eucalyptus, peppermint, or other essential oil

If you're making hand sanitizer at home, Khubchandani says to adhere to these tips:

Make the hand sanitizer in a clean space. Wipe down countertops with a diluted bleach solution beforehand.

Wash your hands thoroughly before making the hand sanitizer.

To mix, use a clean spoon and whisk. Wash these items thoroughly before using them.

Make sure the alcohol used for the hand sanitizer is not diluted.

Mix all the ingredients thoroughly until they're well blended.

Don't touch the mixture with your hands until it's ready for use.