

REAL ESTATE NEWS



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Temperatures Cool, but Not Ottawa's Resale Market



Members of the Ottawa Real Estate Board sold 2,017 residential properties in August through the Board's Multiple Listing Service® System, compared with 1,725 in August 2019, a year over year increase of 17 per cent. August's sales included 1,576 in the residential-property class, up 22 per cent from a year ago, and 441 in the condominium-property category, an increase of 2 per cent from August 2019. The five-year average for August unit sales is 1,668.

"August's resale numbers were undoubtedly driven by the considerable increase in new listings that came onto the market in both July and August," states OREB's President. "There were at least 300 more residential and 175 more condo listings added to inventory than we saw last year at this time. In fact, we have not seen new listing numbers like this since August 2015," she adds.

"The question that comes to mind is: what is propelling these new listings? Well, there are several contributing factors; there are Sellers that are ready to capitalize on their investments, there are those who may be moving into new builds or further out of the city, and let's not forget boomers who are downsizing or perhaps moving into rentals."

"Whatever their motivations, if the rate at which properties are coming onto the market can be sustained, it will surely bring some much-needed balance. For some time, as inventory comes on the market, it is quickly being absorbed. If this increased listing trend continues, at some point, the housing stock may finally build to a point that demand is going to be somewhat satiated," OREB's President proposes.

August's average sale price for a condominium-class property was \$383,640, an increase of 24 per cent from this time last year, while the average sale price of a residential-class property was \$592,548, an increase of 22 per cent from a year ago. With

year to date average sale prices at \$566,291 for residential and \$357,779 for condominiums, these values represent a 17 per cent and 19 percent increase over 2019, respectively.

"A culmination of factors has been playing into the price increases in Ottawa's resale market. Certainly, multiple offers are a dominant element. The reason that we have so many offers highlights the number of active buyers in the market – due to a variety of dynamics, such as record low mortgage rates, recently announced decreased debt/equity thresholds, migrating buyers coming from larger markets who may have received high returns on their home sales, etc. When you add these to the already pent-up demand from our local residents, it has created a perfect storm, so to speak."

"This is an extremely challenging market for many, especially those on the buying side. Many are experiencing what we call 'buyer burnout', having placed many offers without success. We perceive a change in buyers behaviour regarding expectations, that were perhaps, until recently 'hyped', or a product of watching a myriad of home improvement shows and/or visiting new builder model homes. Our current reality is perhaps making some buyers more pragmatic and compromising on what they accept, whether it's a home's condition, age, or location," OREB's President suggests.

"What we need to be cognizant of is that Ottawa is a capital city and a growing city, that until now has been well-insulated when it comes to resale prices. If you look at other larger cities, they have gone through this already. We are just in the early stages, with no end in sight at this point. I suspect that prices are not going to come down, nor is activity going to slow down in the near future. Whether you are on the buying or selling side of a transaction, this is not the kind of market to navigate without guidance. An experienced REALTOR® will ensure Buyers are making strategic offers, and Sellers are not leaving money on the table."

In addition to residential and condominium sales, OREB Members assisted clients with renting 2,232 properties since the beginning of the year compared to 1,906 at this time last year.

Call today for real estate advice and information!

REAL ESTATE NEWS

Autumn Maintenance Tips

Use these must-do fall maintenance tips to keep your house in shape and help keep you warm this winter.

Exterior Fixes

Regularly clean gutters and downspouts. Make sure all drainage areas are unblocked by leaves and debris. Consider installing gutter guards to make the job a lot easier.

Use a screwdriver to probe the wood trim around windows, doors, railings and decks. Use caulk to fill the holes or completely replace the wood.

Lower humidity and cooler (not yet cold) temperatures make fall a good time to paint the exterior of your home.

Inspect your roof, or hire a licensed professional to examine your roof for wear and tear. If the shingles are curling, buckling or crackling, replace them. If you have a lot of damage, it's time to replace the entire roof. Also, check the flashing around skylights, pipes and chimneys. If you have any leaks or gaps, heavy snow and ice will find its way in.

To prevent exterior water pipes from bursting when the weather gets below freezing, turn off the valves to the exterior hose bibs. Run the water until the pipes are empty. Make sure all the water is drained from the pipes, if not; the water can freeze up and damage the pipes.

Wrap water pipes that run along exterior walls with heating tape. It will save energy and prevent them from freezing.

System Maintenance

Clean and replace filters in your furnace or heating system. Contact a licensed heating contractor to inspect and service

your gas heater or furnace to avoid carbon monoxide poisoning. Your local utility company will often provide this service for free. If you use a hot water system for heating, drain the expansion tank, check the water pressure, and bleed your radiators.

Check the attic to make sure the insulation is installed properly. The vapor barrier on insulation should face down toward the living space. If it is installed incorrectly (with the vapor barrier facing up) then the insulation will trap moisture causing possible water problems. Cut slits in the vapor barrier to allow moisture to escape. To install attic insulation, unroll the insulation with the paper side out. Install small pieces of insulation between the joists on the attic floor. Be careful not to step between the joists.

Safety Checks

Each fall, check carbon monoxide detectors and smoke alarms and put in fresh batteries. These are very important detectors to have in a home. A smoke alarm can save lives in a house fire. A carbon monoxide detector can also save lives if a home has oil or gas-burning appliances, like a furnace or water heater.

Carbon monoxide is an invisible, odorless byproduct of burning oil or natural gas, and it can be deadly. For just a few dollars, a carbon monoxide detector will sound an alarm if the levels get too high.

Always install carbon monoxide detectors according to manufacturer's instructions. Generally they should be installed near each potential source of carbon monoxide, and within ear shot of the living and sleeping areas.

Have your wood-burning fireplace inspected, cleaned and repaired to prevent chimney fires and carbon monoxide poisoning.

