January's Record-Breaking Home Sales!

Members of the Ottawa Real Estate Board sold 820 residential properties in January through the Board's Multiple Listing Service® System, compared with 708 in January 2018, an increase of 15.8 percent. January's sales included 611 in the residential property class, a rise of 14.2 percent from a year ago, and 209 in the condominium property class, an increase of 20.8 percent from January 2018. The five-year average for January sales is 683.

"January is typically one of the slowest months of the year for local real estate. Yet, in spite of the record cold and snowfall, unit sales are up almost 16%. This is the highest number of January transactions we have experienced in decades," states Ottawa Real Estate Board's President.

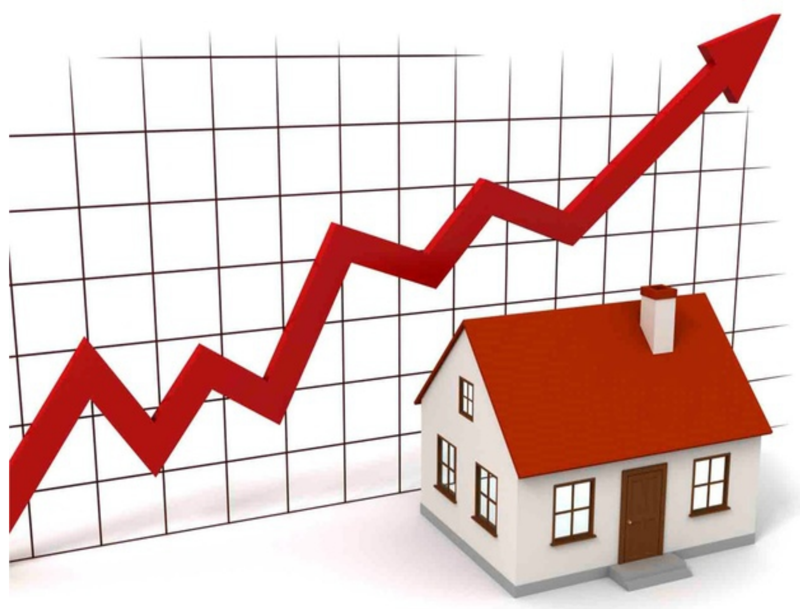
"Buyers are extremely motivated, despite the weather, and properties are moving very quickly as days on market continue to decline," he adds. "If you're thinking of selling, you don't have to wait for spring. A REALTOR® is in the best position to assist in this active market where buyers are waiting for the opportunity."

The average sale price of a residential-class property sold in January in the Ottawa area was $432,829, an increase of 1.5 percent over January 2018. The average sale price for a condominium-class property was $283,990, an increase of 7.7 percent from this month last year.

"Even though inventory is at its lowest level in years, Ottawa's home prices reflect reasonable appreciation. New builds are helping prices remain stable with homebuilders adding enough supply to keep the market equitable. We don't have the supply constraints of Toronto and Vancouver because we have serviceable lots within a 20-minute drive," added OREB's President

"Similar to the fact that you don't need to own a BMW to get where you want to go, some of the more expensive neighbourhoods in the city are a lifestyle choice. The fact is there is quality affordable housing available for almost every level of homebuyer in Ottawa."

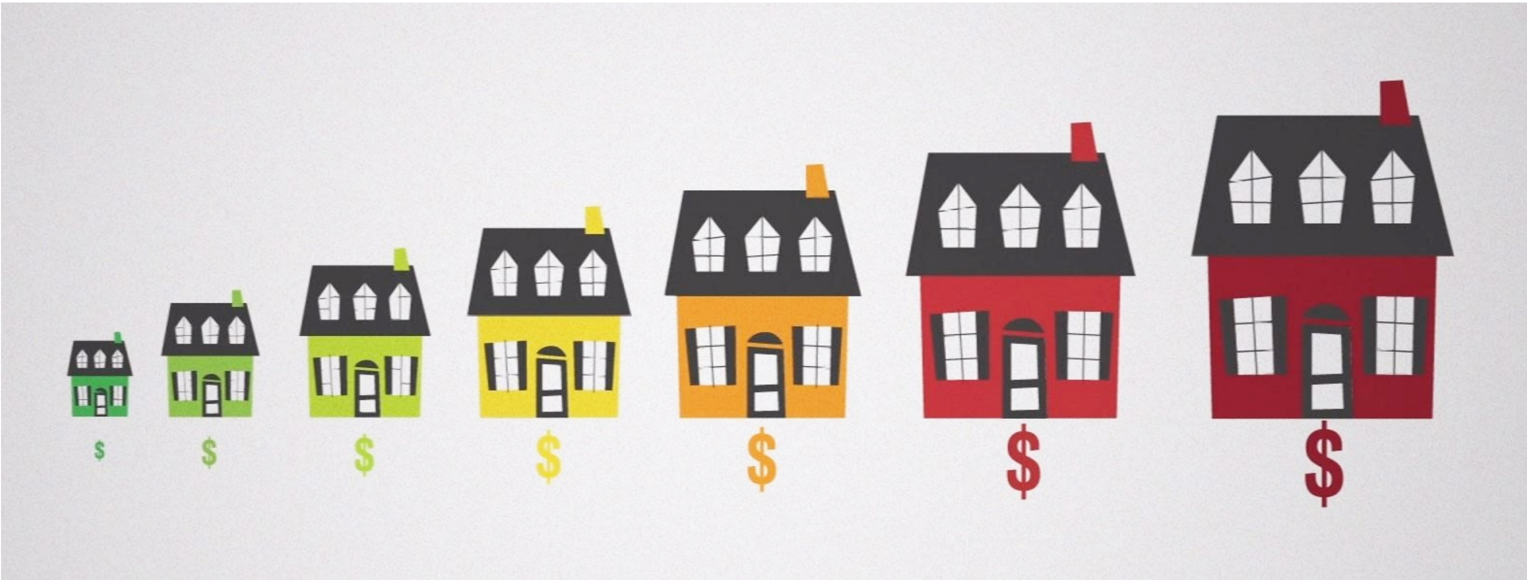
The $300,000 to $449,999 range continued to represent the most active price point in the residential market, accounting for nearly 42.5 percent of January's sales while 22.7 percent of sales were in the $500,000 to $750,000 price range. Between $175,000 to $274,999 remained the most prevalent price point in the condominium market, accounting for 54.1 percent of the units sold.



When asked what he forecasts for the upcoming year, OREB's Presidents speculates, "Based on last month's sales, I'd say we go with Wiarton Willie's prediction – it will likely be an early spring for the real estate market as well."

In addition to residential and condominium sales, OREB Members assisted clients with renting 169 properties in January 2019.

Canadian Home Prices See Healthy Gains in the Fourth Quarter as Market Begins Recovery from the Most Significant Housing Correction in a Decade



According to the Royal LePage House Price Survey released last month, year-over-year home prices made healthy gains in many regions across Canada in the fourth quarter of 2018, continuing the recovery from the most significant housing correction since the financial crisis.

The Royal LePage National House Price Composite, compiled from proprietary property data in 63 of the nation's largest real estate markets, showed that the price of a home in Canada increased 4.0 percent year-over-year to $631,223 in the fourth quarter of 2018.

Royal LePage projected modest home price appreciation in 2019 in its recent forecast, expecting the aggregate price of a home in Canada to rise 1.2 per cent in Canada over the next year.

"The invisible hand that guides our complex economy hit the real estate reset button in 2018 and that is a good thing," said Phil Soper, president and CEO, Royal LePage. "Major market home price inflation through much of the decade had led to dangerous overheating in our most populous regions. "While some economists are adjusting their forecast for the economy as a whole, Canada's real estate market is beginning to emerge from the correction that began a year ago. The national real estate market is stable and should see modest price gains by the end of the 2019," said Soper.

"House prices and home sales volumes were soft and slow last year; expect modestly better results in 2019," said Soper. "That said, the underlying Canadian economy, and employment in particular, continues to impress. Job creation is beating expectations handily. The unemployment rate of 5.6 percent is a 43-year low. "A silver lining in this cloud of uncertainty is the opportunity for young families to enter the market," Soper continued.

The unemployment rate is about half of where it was during the financial crisis. It is also important to note that actual retail-market rates for a five year fixed term mortgage, the most popular offering in Canada, sit at approximately 3.5 percent today versus approximately 5.9 percent a decade ago; a full forty per cent lower.

"Employment is high, rates are low, and home prices are essentially flat. 2019 is shaping up to be a year of rare opportunities," Soper concluded.

Tight rental markets, record levels of immigration, and a wave of Millennials looking to buy their first homes are putting pressure on limited housing stock in many of Canada's metropolitan regions.

"Despite the price corrections and low sales activity we saw in 2018, it is important that policymakers don't take their eye off the ball when it comes to housing supply. That would be a huge mistake," added Soper. "In down markets, construction tends to slow, exasperating our housing shortage problems. From there it is simple supply and demand; if we don't build more homes, we risk another housing crisis and a return to runaway prices in our major markets."

Of the regions studied in the Royal LePage National House Price Composite, Ottawa, Kitchener/Waterloo/Cambridge, and London saw strong aggregate price gains of 9.3 percent, 9.0 percent, and 8.9 percent, respectively.