JOHNSPAGNOLI

SALES REPRESENTATIVE, ABR

YOUR **HOME** IS WORTH IT

PROVIDING 32 YEARS OF REAL ESTATE EXCELLENCE!

613-282-6917 DIRECT

www.JohnSpagnoli.com

ROYAL LEPAGE Team Realty

Independently Owned and Operated, Brokerage

Know of Someone Buying or Selling? Please Refer Us!

Bank Of Canada Rate Increase

The Bank of Canada recently increased its target for the overnight rate to ½ %, with the Bank Rate at ¾ % and the deposit rate at ½ %. The Bank is continuing its reinvestment phase, keeping its overall holdings of Government of Canada bonds on its balance sheet roughly constant until such time as it becomes appropriate to allow the size of its balance sheet to decline.

The unprovoked invasion of Ukraine by Russia is a major new source of uncertainty. Prices for oil and other commodities have risen sharply. This will add to inflation around the world, and negative impacts on confidence and new supply disruptions could weigh on global growth. Financial market volatility has increased. The situation remains fluid and we are following events closely.

Global economic data has come in broadly in line with projections in the Bank's January Monetary Policy Report (MPR). Economies are emerging from the impact of the Omicron variant of COVID-19 more quickly than expected, although the virus continues to circulate and the possibility of new variants remains a concern. Demand is robust, particularly in the United States. Global supply bottlenecks remain challenging, although there are indications that some constraints have eased.

Economic growth in Canada was very strong in the fourth quarter of last year at 6.7%. This is stronger than the Bank's projection and confirms its view that economic slack has been absorbed. Both exports and imports have picked up, consistent with solid global demand. In January, the recovery in Canada's labour market suffered a setback due to the Omicron variant, with temporary layoffs in service sectors and elevated employee absenteeism. However, the rebound from Omicron now appears to be well in train: household spending is proving resilient and should strengthen further with the lifting of public health restrictions. Housing market activity is more elevated, adding further pressure to house prices. Overall, first-quarter growth is now looking more solid than previously projected.

CPI inflation is currently at 5.1%, as expected in January, and remains well above the Bank's target range. Price increases have become more pervasive, and measures of core inflation have all risen. Poor harvests and higher transportation costs have pushed up food prices. The invasion of Ukraine is putting further upward pressure on prices for both energy and food-related commodities. All told, inflation is now expected to be higher in the near term than projected in January. Persistently elevated inflation is increasing the risk that longer-run inflation expectations could drift upwards. The Bank will use its monetary policy tools to return inflation to the 2% target and keep inflation expectations well-anchored.

Has Spring Sprung Early in Ottawa's Resale Market?

Members of the Ottawa Real Estate Board (OREB) sold 1,421 residential properties in February 2022 compared with 1,385 in February 2021, an increase of 3%.

"Although February's resales were only 3% higher than last year at this time, we saw a 52% increase in the number of transactions compared to January's figures (936). While a month-to-month increase is typical for this time of year, the gradation of this increase is higher than previous years, which could be an indication that our spring market may ramp up earlier this year" states OREB's President.

"Whether this has to do with the easing of government pandemic restrictions and the opening up of the economy or perhaps due to apprehension of the (then) upcoming interest rate increase, which is now in effect, we can't entirely be sure," she adds. "We are watching intently to see how the 2022 spring market will play out considering not only the higher interest rates and inflation but also other macro factors in our global environment that could affect our local economy."

"Undoubtedly, the interest rate increase along with the higher rate of inflation will weaken potential Buyers' purchasing power. And even though average price growths are not as acute as they were in the past two years, we are still seeing significant increases that are without question a result of the unrelenting high demand and current housing stock scarcity."

The average sale price for a condominium-class property in January was $466,682 an increase of 15 per cent from 2021, while the average sale price for a residential-class property was $837,517, increasing 17 per cent from a year ago.

Call today for real estate advice and information!

Single-storey suite deemed most essential feature by Canadians who want to age in place; Royal LePage experts.

According to a recent Royal LePage survey of real estate professionals across the country who specialize in senior living or accessibility, Canadians who wish to age in place consider a main floor that is or can be converted to a single-story unit essential, meaning that if the home is not a bungalow, it can accommodate a bedroom, full bathroom, laundry and kitchen all on one floor. Forty-three per cent of respondents categorized this feature as essential, while 54 per cent marked it as desirable.

"As Canadians enter their golden years, their housing priorities often change, but no one size fits all. Not all seniors are looking for the same home features, but what they do have in common is the desire to choose where and how they live, rather than have that decision made for them," explains a senior real estate Broker. "In addition, they are thinking about their long term needs much earlier than previous generations. Even before retirement, many buyers are thinking about the features of a home that will help them transition into old age with ease."

Also of great importance to this demographic when renovating or shopping for a new home are an entrance to the front and rear of the property without steps, and a walk-in tub or shower with a wide entrance. Forty-two per cent of respondents say their clients deem these features essential, while another 57 and 51 per cent, respectively, categorize them as desirable. Thirty-eight per cent of respondents say non-slip flooring is essential, while 49 per cent call it desirable.

"Safety and comfort are key considerations. Although they may not need a walker or a wheelchair now, they might someday. If the plan is to stay in their current home longer, it will need to accommodate these potential eventualities."

The Broker added that many middle-aged clients have seen their elderly parents go through a transition that has encouraged them to consider their own needs for the future.

Lowest on the priority list of buyers at the time of purchase, according to Royal LePage experts, are a whirlpool tub (16% desirable, 84% not necessary), lowered countertops and cabinets (3% essential, 46% desirable, 51% not necessary), and an outdoor wheelchair ramp (6% essential, 46% desirable, 48% not necessary).

When asked about the importance of other considerations made by older Canadians looking for a home they can live in longer, 94 per cent of experts say buying close to family is top of mind for this demographic. Also top of mind are buying close to a hospital and community services (88%), walkability to near-by stores and restaurants (86%), and the benefits of living in a condominium (84%). When asked if buying with family is an important factor, nearly two-thirds of experts say no (65%).

"More and more, Canadians are choosing to right-size rather than down-size as they age," added the senior Broker. "Some mature buyers are looking for a turn-key condominium, so they can spend less time on maintenance and more time traveling after retirement. Others may choose to move from a two-storey home to a bungalow to avoid stairs as they age, or into a multi-generational property that offers the option to live with family. Others will opt to renovate their existing properties to accommodate their changing needs."

A consumer survey conducted by Leger for Royal LePage last summer found that 52 per cent of Canadian boomers would prefer to renovate their current homes rather than move.

Seventy-four per cent of respondents say older Canadians are increasingly interested in aging in place due to concerns over the high financial cost of living in senior care facilities. Meanwhile, 59 per cent say the reason is in part due to concerns over the safety of senior care facilities, highlighted during the pandemic.