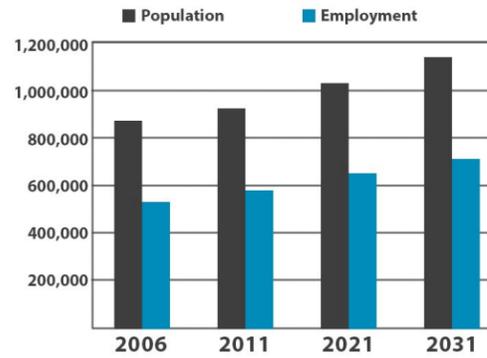
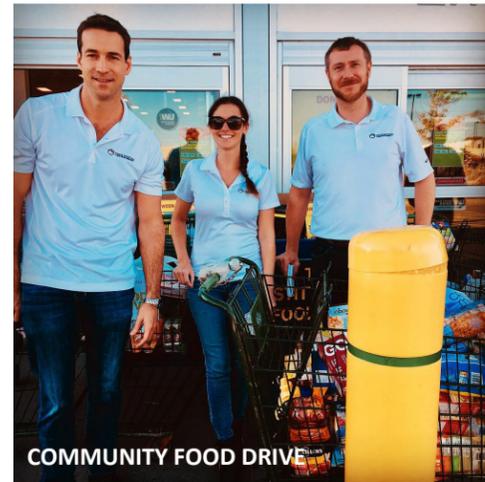


2019 FORECAST



I believe it will be another strong resale year for Ottawa homebuyers and sellers in 2019. There is still pent-up demand and lots of buyers looking to purchase. This was reinforced just before Christmas as our team was involved in 2 multiple bid situations in the Fairwinds area. The targets were modern semi-detached townhomes, one that we sold for a record price with 3 offers. This is not the kind of activity you would typically see just before Christmas. It is indicative of the market in the entry level price points. The \$350k-450k market will continue to be red hot this year. I have spoken with a few builders who had record years. Next year many homebuyers will be on the move to their newly built homes. This will hopefully create some much needed inventory in 2019.

I predict we will have another sellers market that will slowly slide to a balanced market by the time 2019 is complete. Barring an international crisis, it will be another great year for the Ottawa Real Estate market.



PERSONAL NOTE

A very special thank you to our clients for supporting our team in 2018. This has been by far my most enjoyable year in real estate. Growing the team has allowed us to take better care of our clients. This year we launched our client appreciation program that allows our clients to borrow items of utility that they may not want to purchase. Our heavy duty carpet cleaner was the most popular choice!

We have some amazing new initiatives that we are excited to launch in 2019. Our plan is to continue to add the right pieces to make sure our client experience is unmatched by any other agent or team in the city. That includes offering services long after our clients have bought or sold real estate. Our 4th Santa party this year was a big hit! We are hoping to add another client event into the mix for 2019. We will be also launching a referral program to better reward our clients who are promoting our services. I hope everyone has a wonderful New Year!

Chris Scott

Cheers,
Chris Scott



2018 Client Santa Party



CHRIS SCOTT.CA
REAL ESTATE TEAM

ANNUAL REAL ESTATE REPORT OTTAWA



RECAP OF 2018

When I set out last year to undertake this exercise I was optimistic 2018 was to be a good year. I could not predict just how hot our market was going to be. Early in the year, there was a significant shortage of housing inventory across the city. This is usual in places like Westboro and the core of the city. This past year that shortage spread to the suburbs-especially in the west end of the city. The lack of inventory was apparent in almost every class of property and price range. The most active being between 300-450k. In many cases, our clients were offering against as many as a dozen or more other buyers. This is common practice in cities like Toronto but a newer phenomenon here in Ottawa. The spring brought lots of new inventory and this helped stabilize things. It was still a seller's market but as the year went on it became less competitive for properties. Instead of 12 offers on many of the listings, we started seeing 2-4 offers depending on price range. Let's have a look at the numbers driving our market.



RESIDENTIAL

\$446,661

Based on 13,418 sales

↑ 5.1% CDOM: **57**



CONDO

\$278,316

Based on 4,058 sales

↑ 3.2% CDOM: **71**



NUMBER OF UNITS SOLD

RES **13,418** **↓ -0.4%**

CON **4,058** **↑ 13.1%**



COMBINED

\$407,571

Based on 17,476 sales

↑ 3.9% CDOM: **64**

Average sales prices are for 2018 based on MLS sales.

KEY INDICATORS

AFFORDABILITY

Ottawa households have one of the highest household income averages in Canada. If you see the graph on the following page you can see that prices are still relatively affordable for Ottawa buyers. This graph looks very different for buyers in cities like Vancouver and Toronto.

IMMIGRATION

If you Google best places to migrate to in Canada, Ottawa seems to be the number one choice. I am seeing many more immigrants choose Ottawa as their final destination. Toronto and Montreal are of course popular but when someone researches where to live in Canada, Ottawa comes out close to number one in almost all categories.

The common misconception out there is that these immigrants do not have the funds to purchase real estate. That is not always the case. In many instances, it is their credit or lack thereof that may be holding them back. In any case, these immigrants are coming at a record pace and will likely be purchasing real estate in the future.

OTTAWA

GTA

BUILDER MATTAMY HOMES STITTSVILLE		BUILDER MATTAMY HOMES MILTON	
SQUARE FOOTAGE	2115 SQ FT	SQUARE FOOTAGE	2125 SQ FT
DISTANCE TO PARLIAMENT HILL	32.4 KM	DISTANCE TO CN TOWER	51.6 KM
DRIVING TIME (no traffic)	29 MIN	DRIVING TIME (no traffic)	45 MIN
COMMUTE TIME	45 MIN - 1 H 20 MIN	COMMUTE TIME	1 H 5 MIN - 2 H
STARTING AT	\$427,990	STARTING AT	\$801,990



MORTGAGE RULES AND INTEREST RATES

Banks have been forced to stress test buyers at a full 2 percentage points higher than the interest rate of their mortgage. This can impact purchasing power by almost 20%. I see the need for this but as house prices rise in major market centres there has been plenty of pushback. Interest rates have been slowly rising and this has put pressure on affordability for some buyers. If this trend continues it will have an impact on the market for sure. With the economy being more sluggish, the need for further increases may be curbed.



LOCAL ECONOMY

Ottawa has always been an underrated city in my view. We have a strong local economy with one of the highest median household income averages in Canada. Our unemployment rate is at historically low levels. It is a prototypical government town that has a growing technology sector and lots of solid, high paying professional jobs. It is only a matter of time before our prices surge and we become a global player in real estate. For a world-class capital city our prices still might be a bargain. Time will tell!



ELECTION YEAR

Housing affordability has climbed up to be one of the top issues for millennials. This makes it an election issue. A recent poll found that 64% of millennial voters want the government to do something about climbing prices. We will see the politicians respective platforms later this year. My prediction is that some of these platforms will have policies that will make it easier or more affordable for buyers to purchase. It could mean the return of 30-year amortizations. The stress tests might be eased or there could be a new policy altogether. Something to watch for sure.



VACANCY RATE

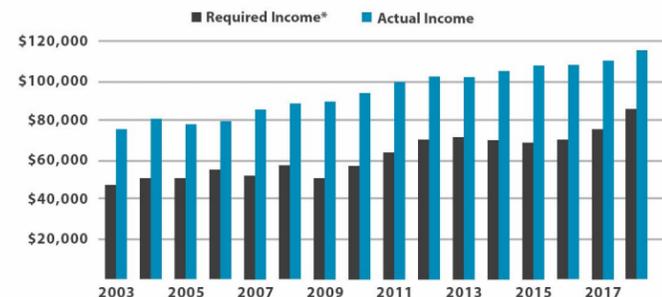
This year renters are facing a 1.3% vacancy rate in Ottawa. This is an all-time low. It has made finding a rental very competitive. Often times renters are actually in multiple offers for rental properties. There is a similar pattern in other major market centres across Canada. As house prices increase it is forcing some people to rent rather than buy. Might be a great time to purchase a property to rent out.



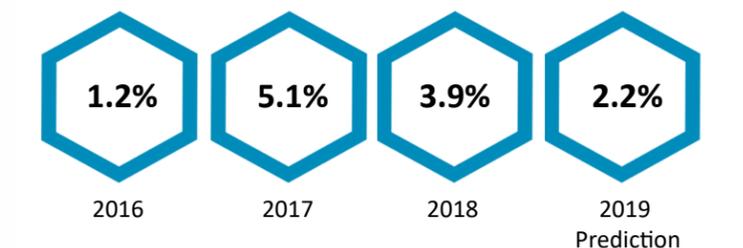
GROWTH AND INFRASTRUCTURE

Ottawa is growing and maturing into a world-class city. We should all be grateful to live in a city with such a high quality of life. By March we will have light rail going right downtown that will make life easier for commuters. This will just be the start of a much broader transportation plan. We have a super hospital that will be coming online in the years to come. Lebreton will eventually get the green light for redevelopment. Lots to be excited about. These will help fuel our economic growth in the years ahead.

OTTAWA REQUIRED VS ACTUAL INCOME



Percentage Increase of Ottawa Housing Prices



Based on RES & CON MLS Sales