



# October 2017

New Home Sales **↑25.5%** • YTD Sales **↑21.6%** • Resales **↑2.3%**

market definition

**New Home Sales** in October 2017 were 542, a 25.5% increase compared to the same month last year with sales at 432. October sales were also 33% higher than the five year average of 407 and the highest since 2009. Year-to-date sales continue its upward trend with a 21.6% increase from 2016 and is on pace to surpass the 5,000 mark. Ottawa South led with 42% of the October marketshare, of which 120 or 55% of sales were from Townhomes.

According to CMHC Housing Now Tables published in October, September housing starts are trending at 7,622 units, compared to 8,578 in September 2016. Actual starts in September were 678, a 5.0% decrease from September 2016.

**Resale** sold 1,243 residential properties in October compared to 1,214 in October 2016, an increase of 2.3%. The five-year average for October sales is 1,165. The breakdown of October sales is 261 condominiums and 982 residential.

The average sale price of a residential home was \$425,256, an increase of 8.6% over October 2016. The average price for condominium properties was \$269,604, a 6.9% increase in one year.

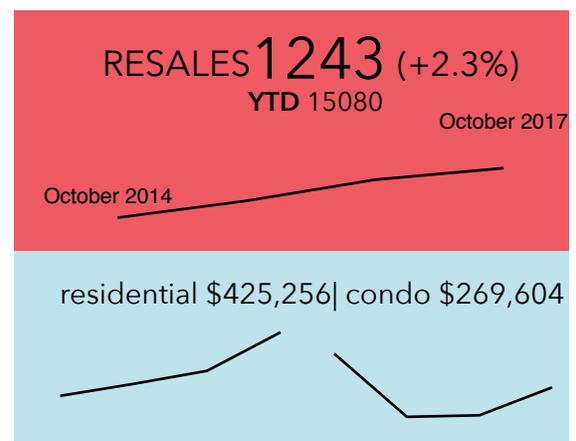
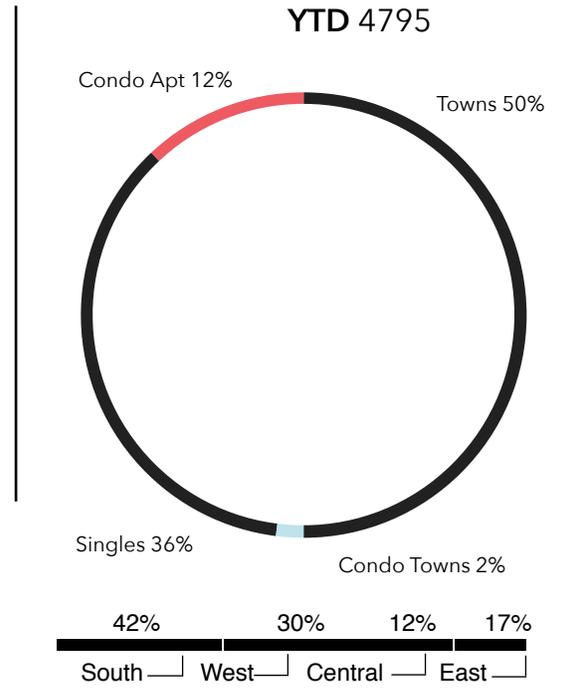
**Market Wrap-Up** A vast majority of Ottawa's new home builders have far surpassed their year-to-date sales numbers compared to 2016, but for a few builders whose projects are near end of life, or by design they've deliberately slowed the pace of sales. This upswing trend and other market indicators are pointing to a strong close to 2017 and a positive outlook on next year's results.

The new rule announced last month by the Office of the Superintendent of Financial Institutions (OSFI) prompted another rush of buyers in October and into November, similar to what we saw when the Bank of Canada hiked interest rates this year – twice. The OFSI's new rule targets uninsured buyers with down payments of more than 20%. These borrowers will effectively need to qualify at an interest rate 2 points higher than the Bank of Canada's five-year qualifying rate, as opposed to the rate on their contract.

And although the Bank of Canada has gone on record estimating that at least one in six uninsured borrowers will be affected, it is expected that the impact on Ottawa's new home market will be minimized due to the abundance and of choice of affordable homes, low unemployment rate, high average incomes, and growing economy.

*Live positive!*  
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NEW HOME SALES **542** (+25.5%)  
 YTD 4795



## KEY ECONOMIC INDICATORS

- mortgage rate 1yr **3.09%** (-0.05%)
- mortgage rate 5yr **4.89%** (+0.05%)
- new home pricing index **103.1** (+0.4%)
- consumer pricing index **130.3** (+1.2%)
- unemployment rate **5.8%** (-0.1%)
- avg weekly earnings **\$1139** (+0.9%)

Sources: PMA Brethour Research, Conference Board of Canada, The Ottawa Citizen, The Star, CMHC, Stats Canada, Globe and Mail