

April 2018



New Home Sales ↓3.4% • YTD Sales ↑2.7% • Resales ↑13.6%

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New Home Sales in April 2018 were 453, a -3.4% decrease compared to the same month last year with sales at 469 and is 2.49% higher than the 10-year average. Townhomes lead the market with a 42% share, singles are second with 36% for a combined total of 78% of total new home sales.

According to CMHC Housing Now Tables published in April, March 2018 housing starts were trending at 6,994 units, compared to 6,302 in March 2017.

Resale sold 2,032 residential properties in April compared to 1,788 in April 2017, an increase of 13.6%. The five-year average for March sales is 1,704. The breakdown of sales is 416 condominiums and 1,616 residential.

The average sale price of a residential home was \$455,212 an increase of 4.2% over April 2017. The average price for condominium properties was \$269,294, an 0.3% increase in one year.

Market Wrap-Up Ever-increasing buyer demand, low resale inventory, bidding wars, and record-high prices are creating conditions for an unprecedented sellers' market in Ottawa. The story is similar for new homes – tight supply, a shortage of trades, longer closing dates, unknown future costs – all the while as buyers anxiously await new openings and product releases.

Contributing factors include Ottawa's booming high-tech sector, low unemployment rate (the lowest in 30 years!), and low rental vacancy, combined with a steady flow of buyers who are priced out or cashing out of Toronto, and local and especially foreign investors.

Selling particularly well are lower price point products. Town-homes are flying off the shelf – builders can't release them fast enough. And this pace, or should I say race, is showing no sign of slowing down anytime soon.

Also in April, the Toronto Dominion Bank increased its interest rate by a hefty 0.45 percentage points, and the other top banks followed suit. This is sure to impact mortgage approvals, but determined new home buyers wanting to get in on the action in Canada's hottest housing market – will.

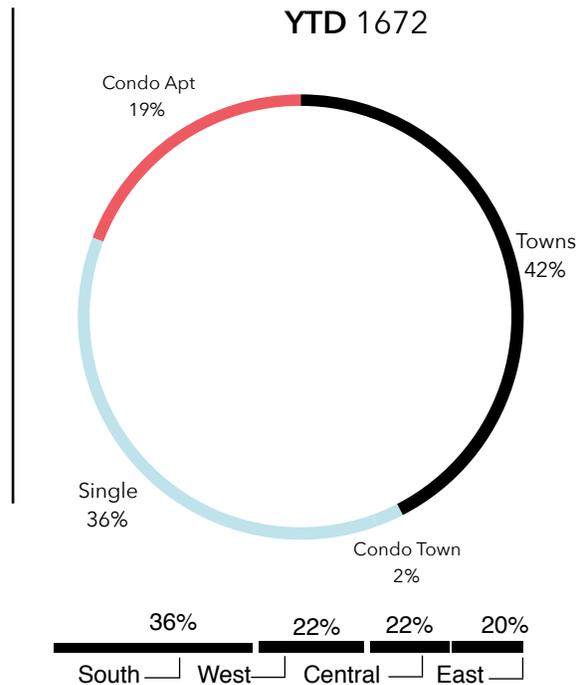
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In partnership with the Greater Ottawa Home Builders' Association.



NEW HOME SALES 453 (-3.4%)
 YTD 1672



RESALES 2,032 (+13.6%)
 YTD 5,375
 April 2018

April 2015

residential \$455,212 | condo \$269,294



KEY ECONOMIC INDICATORS

mortgage rate 1yr **3.34%** (0.0%)
 mortgage rate 5yr **5.14%** (0.0%)
 new home pricing index **105.2** (0.4%)
 consumer pricing index **132.7** (0.6%)
 unemployment rate **4.9%** (-0.4%)
 avg weekly earnings **\$1125** (0.35%)

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