

# REAL ESTATE NEWS



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## 2021 Resale Market Normalizes and Breaks Records

Members of the Ottawa Real Estate Board sold 862 residential properties in December through the Board's Multiple Listing Service® System, compared with 997 in December 2020, a decrease of 14 %. December's sales included 601 in the residential-property class, down 15 % from a year ago, and 261 in the condominium-property category, a decrease of 10 % from December 2020. The five-year average for total unit sales in December is 809.

"December's resale market performed as it typically does with a marked decrease in sales from November as families turned their attention towards the holiday break. Although slightly above the five-year average, the number of properties exchanging hands was lower than the year before due to the atypical market we experienced in 2020 when peak market activity shifted to later in the year because of the initial spring pandemic lockdown," states Ottawa Real Estate Board's (OREB's) 2021 President. "However, while the market normalized in the latter part of the year, looking at the year-end figures, 2021 was still a record-breaking year," OREB's President adds.

The total number of residential and condo units sold throughout 2021 was 20,302, compared with 18,953 in 2020, increasing 7 per cent. Meanwhile, total sales volume in 2021 was approximately \$13.1B compared to \$10B in 2020.

"This significant increase in sales volume reflects the price acceleration that we have seen over the last year and correlates with average sale price increases for the city," OREB's President elaborates.

"As we have reiterated for the past few years, Ottawa's housing inventory challenges have been and will continue to place an upward pressure on prices. Reviewing the year-end figures for 2021, the average sale price year to date was \$719,605 for residential-class properties and \$419,683 for condominium units. These values represent a 24 % and 16 % increase over 2020, respectively."

The average sale price for a condominium-class property in December was \$399,125, an increase of 12 % from 2020, and the average sale price for a residential-class property was \$709,980, increasing 18 % from a year ago.

"Six hundred new listings entered the housing stock in December, which represents a 58% decrease from November and down 15% from the 5-year average. At less than one month's supply of units in both the residential and condominium property classes, we are firmly entrenched in a strong Seller's market and will continue to be in this state until our inventory increases to a 3-4 month's supply for a balanced market to be achieved," cautions OREB's President.

When asked for a forecast, Ottawa Real Estate Board's new 2022 President suggests, "January through March are usually slower months. With the macro factors that are currently at play in the resale market, it is difficult to predict what the effects will be going forward. We are entering yet another pandemic wave, Buyers are fatigued, parents are focusing on remote learning, interest rate hikes are looming – I don't expect we will see the first quarter increases as we did in 2021."

"We are unlikely to see the true outcome of these macro factors until the spring. Presumably, we will see more of the same with the market performing as well as it can with the current housing stock. Unfortunately for homebuyers, it will sustain itself as a Seller's market for quite some time until our inventory issues are remedied. Whether you are buying or selling a home right now, the experience and knowledge of a REALTOR® is essential in this current challenging market," OREB's President concludes.

OREB Members also assisted clients with renting 4,813 properties since the beginning of the year compared to 3,364 in 2020.



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# Ottawa Residential Average Sales Chart

## from 1956 to 2021

### MLS Residential Sales Percentage Increase or Decrease Over Previous Year

| Year | Average Sale Price | Percent Change | Year | Average Sale Price | Percent Change |
|------|--------------------|----------------|------|--------------------|----------------|
| 1956 | \$13,351           | 0.24%          | 1990 | \$141,438          | 2.90%          |
| 1957 | \$14,230           | 6.58%          | 1991 | \$143,361          | 1.36%          |
| 1958 | \$15,564           | 9.37%          | 1992 | \$143,868          | 0.35%          |
| 1959 | \$16,038           | 3.05%          | 1993 | \$148,129          | 2.96%          |
| 1960 | \$16,791           | 4.70%          | 1994 | \$147,543          | -0.40%         |
| 1961 | \$16,070           | -4.29%         | 1995 | \$143,193          | -2.90%         |
| 1962 | \$15,952           | -0.73%         | 1996 | \$140,513          | -1.90%         |
| 1963 | \$16,549           | 3.74%          | 1997 | \$143,873          | 2.40%          |
| 1964 | \$16,563           | 0.08%          | 1998 | \$143,953          | 0.10%          |
| 1965 | \$17,056           | 2.98%          | 1999 | \$149,650          | 4.03%          |
| 1966 | \$18,004           | 5.56%          | 2000 | \$159,511          | 6.58%          |
| 1967 | \$19,476           | 8.18%          | 2001 | \$175,971          | 10.32%         |
| 1968 | \$23,329           | 19.78%         | 2002 | \$200,711          | 14.06%         |
| 1969 | \$25,652           | 9.96%          | 2003 | \$218,692          | 9.00%          |
| 1970 | \$26,532           | 3.43%          | 2004 | \$235,678          | 7.70%          |
| 1971 | \$27,808           | 4.81%          | 2005 | \$244,531          | 3.80%          |
| 1972 | \$30,576           | 9.95%          | 2006 | \$255,889          | 4.70%          |
| 1973 | \$38,305           | 25.28%         | 2007 | \$272,477          | 6.40%          |
| 1974 | \$46,661           | 21.81%         | 2008 | \$289,477          | 6.30%          |
| 1975 | \$49,633           | 6.37%          | 2009 | \$303,888          | 4.90%          |
| 1976 | \$54,623           | 10.05%         | 2010 | \$327,225          | 7.70%          |
| 1977 | \$57,032           | 4.41%          | 2011 | \$344,240          | 5.20%          |
| 1978 | \$59,134           | 3.69%          | 2012 | \$351,792          | 2.20%          |
| 1979 | \$61,896           | 4.67%          | 2013 | \$357,348          | 1.60%          |
| 1980 | \$62,748           | 1.38%          | 2014 | \$361,712          | 1.20%          |
| 1981 | \$64,896           | 3.42%          | 2015 | \$367,632          | 1.66%          |
| 1982 | \$71,080           | 9.53%          | 2016 | \$372,048          | 1.20%          |
| 1983 | \$86,245           | 21.34%         | 2017 | \$392,474          | 5.49%          |
| 1984 | \$102,084          | 18.37%         | 2018 | \$407,571          | 3.84%          |
| 1985 | \$107,306          | 5.12%          | 2019 | \$441,693          | 8.37%          |
| 1986 | \$111,643          | 4.04%          | 2020 | \$529,675          | 19.5%          |
| 1987 | \$119,612          | 7.14%          | 2021 | \$645,976          | 21.9%          |
| 1988 | \$128,434          | 7.38%          |      |                    |                |
| 1989 | \$137,455          | 7.02%          |      |                    |                |