

Real Estate Monthly



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Helping Women And Children Escape Violence And Rebuild Their Lives

Because we are committed to strengthening the communities where we live and work, Royal LePage is the only Canadian real estate company with its own charitable foundation. The Royal LePage Shelter Foundation is Canada's largest public foundation dedicated exclusively to funding women's shelters and violence prevention programs.

Every dollar raised goes directly to helping the more than 30,000 women and children who are served each year by the shelters and support programs we fund. Since 1998, the Shelter Foundation has raised more than \$24 million and currently supports 200 local women's shelters and national partners. Our agents donate a portion of their commissions and Royal LePage offices across Canada hold local fundraising events. Our brokers, agents and staff also volunteer and provide in-kind goods to benefit the women and children residing in their local shelters.

How We Help

To make a meaningful difference at a local level, the Royal LePage Shelter Foundation matches Royal LePage offices with a women's shelter in their community. Royal LePage brokers, agents and staff are passionate champions for their local shelter. They help organize fundraising events and many agents donate a portion of the commissions they receive when they help their clients buy or sell a home. All support stays in the local community and because Royal LePage covers the administrative costs of the Shelter Foundation, one hundred percent of the funds raised goes toward our cause. Since 1998, the Royal LePage Shelter Foundation has raised more than \$24 million.

Women's shelters direct our funding to meet their greatest needs and priorities. Shelters use our funding to provide critical services such as: trauma counseling; job training and placement; emergency transportation to the shelter; play therapy for children; homework help for youth; renovations to existing shelters; and building new shelters. In some cases, the funds are used to help women and children after they leave the shelter and move into their own accommodations.

With the help of our national partner, the [Canadian Women's Foundation](http://CanadianWomen'sFoundation.org), we support grassroots programs in every province that help women rebuild their lives after violence, that help children heal and prevent them from becoming victims or abusers themselves, and that help teenagers recognize and avoid abusive relationships. As a founding national partner of the online resource sheltersafe.ca, we are making it possible for women seeking safety to identify a shelter in a specific geographic area along with its 24 hour emergency phone line. This ensures that women and children get the help they need as quickly as possible.



A STRONG FINISH FOR OTTAWA'S REAL ESTATE MARKET IN 2017

Members of the Ottawa Real Estate Board (OREB) sold 771 residential properties in December 2017 compared with 711 in December 2016, an increase of 8.4 percent.

"December saw an increase of 8.4 percent in the number of units sold in residential sales and 25 percent in condo sales. This could very well be attributed to the changes in the mortgage qualification rules implemented January 1, 2018," speculates OREB's President.

"2017 was another solid year for the Ottawa Real Estate market in both the number of transactions as well as the reasonable increase in prices, about seven percent in residential and three percent in the condo market," OREB's President went on to explain. "We continue to have a stable and balanced market. Although inventory tracked low all year and new listings were down each month, new home supply counteracted the impact somewhat."

December's sales included 205 in the condominium property class and 566 in the residential property class. The average sale price of a residential-class property sold in December in the Ottawa area was \$434,098, an increase of 3.4 percent over December 2016. The average sale price for a condominium-class property was \$255,335, a decrease of 3.0 percent over December 2016.

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New OSFI Stress Test Set to Limit National Home Price Appreciation to 4.9% in 2018

According to the Royal LePage Market Survey Forecast released last month, the Royal LePage House Price Composite, which measures home prices in 53 key Canadian cities, is expected to **increase 4.9 per cent** by the end of 2018 to **\$661,919**, in the face of a series of measures aimed at affordability challenges in Greater Vancouver and the Greater Toronto Area.

One of the most significant regulatory interventions in the housing industry in years is the incoming Office of the Superintendent of Financial Institutions (OSFI) mortgage financing stress test, which took effect on January 1. The stress test targets existing and prospective homeowners applying for a mortgage, requiring them to meet stricter criteria when seeking new financing.

With a large number of existing homeowners potentially failing the test when refinancing next year, a temporary reduction in consumer confidence may further stagnate price growth as potential buyers and sellers take a 'wait and see' approach. Moreover, some potential move-up buyers will likely delay listing their homes as they will not be able to access sufficient financing for their desired next purchase. With further diminished affordability, it is likely that demand for entry-level properties will surge. In most urban centres, this will be most evident in the condominium segment.

"Insufficient housing supply in Canada's largest cities will begin to drive significant price increases to higher than normal levels once the market adjusts to the new stress test," said Phil Soper, president and CEO, Royal LePage. "Aggressive home price inflation is still more of a threat today than the risk of a market crash in Toronto or Vancouver. On the other side of the coin, regions where demand is soft and already struggling to absorb the supply of homes for sale may have difficulty adjusting to these measures."

"Royal LePage's research into Peak Millennials shows that younger Canadians desire to own their own homes with the same conviction as their parents before them," said Soper. "Eighty-seven per cent see real estate as a good financial investment. The tight

rental market is reflective of their dreams sitting on hold while they save for a downpayment. Of course there will be those who are priced out of a market altogether. They will continue renting and this will drive demand for investor properties."

Canada's economy is expected to expand by 2.1 percent in 2018, with all provinces, with the exception of Newfoundland, expected to see growth. Economic growth is an important driver of healthy housing markets.

"Most Canadians know how important the resource sector is to our economy but fewer understand just how important the real estate industry is to Canada,"

said Soper. "In 2016, 13 per cent of the country's GDP was driven by real estate. "When people are confident about their jobs and optimistic about the health of their country and their city, they will invest in a home," Soper concluded. "At projected levels of demand, Canadian housing is poised for growth for years to come."

Ottawa

Home prices in Ottawa are forecast to **increase 3.2 per cent** in 2018, rising to an aggregate price of **\$458,208**, reflecting the strong economic growth anticipated in the region through next year. Currently, housing inventory in the Ottawa market is very low and this trend is expected to continue

throughout 2018, putting upward pressure on home prices. As demand in the region is exceptionally high, the incoming OSFI stress test is expected to be quickly absorbed, limiting impacts on both home sales and prices.

"Ottawa is known for its steady growth and we expect consumer confidence to remain high throughout 2018," added Soper. "Most buyers who migrate to Ottawa have found employment locally prior to arriving, however, we are still seeing a surge of demand from buyers employed in Toronto who have the ability to work remotely full or part-time."

