

Real Estate Monthly



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New CMHC survey provides insight into attitudes and expectations of future Canadian homeowners

Canada Mortgage and Housing Corporation (CMHC) has released the 2018 Prospective Home Buyer Survey. This survey, the first of its kind for CMHC, explores the dynamics of home buying intentions for three groups of future homebuyers, including First-Time Buyers, Previous Owners and Current Owners, and provides a comprehensive review of overall awareness and understanding of the home buying process.

"The Survey findings provide insights and valuable information for mortgage professionals about their future clients and their needs," said Nathalie Fredette, Vice-President, Client Relationship Management. "It brings awareness amongst the industry and contributes to financial literacy by helping Canadians make informed and responsible home buying decisions."

Top motivators for buying a home

- Improved accessibility (less physical obstacles and barriers) and investment opportunity were noted as top motivators across all groups.
- Changes to mortgage regulations and concerns about possible future interest rate increases were not among the top motivators for prospective home buyers in 2017.

Housing expectations

- Over four-in-ten First-Time Buyers and Previous Owners say they would delay their home purchase if they were not able to find their ideal home, with a fairly similar proportion saying they would be willing to compromise on the size of the home and location.
- An existing move-in-ready home is the top choice for all groups of prospective home buyers, followed by a newly constructed home, noted by approximately one-fifth of First-Time Buyers and Previous Owners.

Financing and saving for a down payment

- Among all groups, the two most common actions completed one to two years prior to the purchase of a home are saving for a down payment and determining what type of home to buy.
- About one-in-four prospective home buyers stated that they would be very likely to consider delaying their purchase in the event of an increase in interest rates.
- The majority of future home buyers intend to obtain a mortgage to finance their home purchase, with First-Time Buyers showing higher incidence compared to Previous Owners and Current Owners.
- Across all groups of future home buyers, more than six-in-ten say they are likely to have a financial buffer in case their expenses change in the future.



LOW INVENTORY COULD LEAVE SOME BUYERS OUT IN THE COLD

Members of the Ottawa Real Estate Board (OREB) sold 712 residential properties in January 2018 compared with 664 in January 2017, an increase of 7.2 percent.

"While January is typically the month we see the lowest number of listings come onto the market, the numbers for this month are very low," observes OREB's President.

"The five-year average for new listings in January is 1,396 for residential and 500 for condominiums. January 2018's listings were at 994 and 406 respectively," OREB's President went on to explain. "We saw this trend throughout 2017, and the result is our resale market is being challenged by decreasing supply in both the residential and condo markets. Furthermore, as the supply continues to be reduced, it will tend to put an upward pressure on prices. This is simple supply and demand economics."

January's sales included 173 in the condominium property class and 539 in the residential property class. The average sale price of a residential-class property sold in January in the Ottawa area was \$427,487, an increase of 8.8 percent over January 2017. The average sale price for a condominium-class property was \$263,744, a decrease of 8.6 percent over January 2017.

The most active price point in the residential market is the \$300,000 to \$449,999 range, accounting for 47.5 percent of the market

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Ottawa Residential Average Sales Chart

from 1956 to 2017

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