

Real Estate Monthly



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2016 proves to be a record-breaking year for Ottawa resales

Members of the Ottawa Real Estate Board sold 715 residential properties in December through the Board's Multiple Listing Service® System, compared with 703 in December 2015, an increase of 1.7 per cent. The five-year average for December sales is 656. The total number of residential and condo units sold through the Board's MLS® System throughout all of 2016 was 15,537, compared with 14,653 in 2015, an increase of six per cent. Separately, residential and condo unit sales each outperformed the 2015 numbers.

"No matter what is said in the history books about 2016, it proved overall to be a great year for Ottawa real estate," says Rick Eisert, 2017 President of the Ottawa Real Estate Board. "While prices remained fairly flat over the course of the year, the unit sales recorded in five separate months were the highest on record, including December. The spring market picked up early in April with strong sales and this trend continued well into the fall. The monthly unit sale performance in 2016 was often bolstered by a strengthened condo market which recorded increases over 2015 for much of the year."

December's sales included 165 in the condominium property class, and 550 in the residential property class. The condominium property class includes any property, regardless of style (i.e. detached, semi-detached, apartment, stacked etc.), which is registered as a condominium, as well as properties which are co-operatives, life leases and timeshares. The residential property class includes all other residential properties.

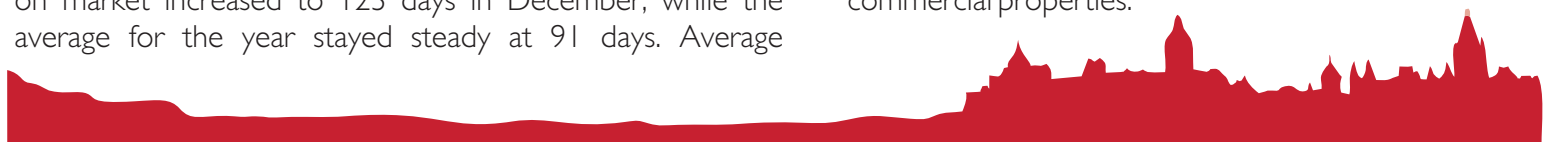
"The listing inventory for both residential and condos trended lower all year, however units sold trended higher most months, outpacing 2015 by a fair margin," says Eisert. "Cumulative days on market increased to 123 days in December, while the average for the year stayed steady at 91 days. Average

residential sale prices remained virtually unchanged over last year, however we are seeing an increase in December compared to 2015, which could be a result of a higher concentration of properties sold in the \$500,000 and up range."

The average sale price of a residential-class property sold in December in the Ottawa area was \$420,750, an increase of 8.7 per cent over December 2015. The average sale price for a condominium-class property was \$262,698, an increase of 4.9 per cent over December

2015. The year-to-date numbers for average residential sale price in 2016 was \$397,778, an increase of 1.5 per cent over 2015. While the average condominium sale price was \$260,982, an increase of 0.4 per cent over 2015. The Board cautions that average sale price information can be useful in establishing trends over time but should not be used as an indicator that specific properties have increased or decreased in value. The average sale price is calculated based on the total dollar volume of all properties sold.

"Looking at the whole year, the two most active price points in the residential market were \$300,000 to \$399,999 and then \$200,000-\$299,999, accounting for 54.6 per cent of the market. While the condominium market was most active in the \$150,000 to \$249,999 price range, accounting for 55.4 per cent of the market," says Eisert. "In addition to residential and condominium sales in 2016, OREB Members have assisted clients with renting 3,053 properties, the sale of 19 farms units, and the sale of 340 commercial properties."



REAL ESTATE NEWS

5 thrifty DIY fix-ups to help sell your home

When preparing your home for the market, it's great to know there are some relatively inexpensive improvements that can make a big impact with buyers.

A few well-placed pieces of décor and a clutter-free home are simple things you can do on a budget to bump up interest in your home," recommends Marian Barry, a broker-owner at Royal LePage True North Realty in Fort McMurray, Alberta. Once the fundamentals of a well-maintained home are taken care of, these easy initiatives can seal the deal.

Clear the decks. Counter space is extremely important for buyers. Be sure to store kitchen and bathroom items off the counters. Purchase storage baskets in several different



sizes to help you clear the decks in a hurry and minimize clutter.

Brighten up storage spaces. Closets and cupboard space are important selling features.

You can make the most of what you have by purging unused items and painting a light colour inside cupboards and closets. Adding battery-operated lighting is also an inexpensive way to brighten a dark closet.

Replace interior room doors. Quickly and inexpensively brighten hallways and rooms by replacing interior doors and hardware. New white panelled doors and hardware can quickly freshen the home. Look for sales at your local building centre.

Tear up dingy broadloom. You may be pleasantly surprised by what's underneath. Even if you don't like what you see, replacing broadloom is one of the most economical improvements you can make when you consider overall return on your dollar.

Paint. Even high-end interior paints are a bargain when you look at what can be achieved with a fresh new finish. Opt for neutral colours in matte or eggshell finishes to camouflage flaws in walls. Trim is best handled with a white shade of satin, semi-gloss or high-gloss finish.

Ontario increases tax refund for first-time home buyers

Effective Jan. 1, 2017, the Ontario government will refund first-time home buyers up to \$4,000 from the land-transfer tax.

"Purchasing your very first home is one of the most exciting decisions in a young person's life," Finance Minister Charles Sousa told the legislature in November's fall economic statement. "But many are worried about how they will be able to afford their first condo or house."

The up-to-\$4,000 refund will effectively remove the land-transfer tax from the first \$368,000 of a home price for anyone buying their first home. First-time home buyers are currently eligible for an up-to-\$2,000 refund.

The government will pay for the measure by jacking up the land-transfer tax on other buyers. Any portion of a home price over \$2-million will be subject to a tax rate of 2.5 per cent, up from 2 per cent; the rate on a portion of the purchase price of non-home properties – such as commercial buildings – over \$400,000 will rise from 1.5 per cent to 2 per cent.

The province's real estate lobby heaved a sigh of relief. Realtors had urged the government to cut the land-transfer tax instead of taking steps to cool the market, which could have eaten into their business.

Tim Hudak, incoming CEO of the Ontario Real Estate Association, said cutting the tax would help ease the upfront cost of buying a house.

"For millennials, which they call Generation Screwed, it's increasingly difficult to get that Canadian dream of home ownership," he said. "I'm very pleased that Premier [Kathleen] Wynne and Finance Minister Sousa are listening."

