

REAL ESTATE NEWS

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Resale Market Stabilizes in February with a Glimmer of Hope for Buyers and Sellers Alike!



Members of the Ottawa Real Estate Board (OREB) sold 855 residential properties in February through the Board's Multiple Listing Service® (MLS®) System, compared with 1,411 in February 2022, a decrease of 39%. February's sales included 633 in the freehold-property class, down 42% from a year ago, and 222 in the condominium-property category, a decrease of 31% from February 2022. The five-year average for total unit sales in February is 1,157.

"We're going to see declines in transactions and prices when we compare current figures to last February — the height of the pandemic resale market activity," says Ottawa Real Estate Board's (OREB) President. "On the other hand, with the Bank of Canada holding interest rates steady, prospective buyers have more budget certainty to work with as we head into the spring market."

By the Numbers – Average Prices*:

The average sale price for a freehold-class property in February was \$708,968, a decrease of 15% from 2022. However, it marks a 5% increase over January 2023.

The average sale price for a condominium-class property was \$410,927, decreasing 12% from a year ago.

With year-to-date average sale prices at \$695,086 for freeholds and \$411,449 for condos, these values represent a 14% decrease over 2022 for freehold-class properties and a 10% decrease for condominium-class properties.

"The average price increase for freeholds over January could be an indicator that buyers have normalized to the current interest rates. And perhaps, it's a glimmer of more activity to come in the months ahead."

By the Numbers – Inventory & New Listings:

Months of Inventory for the freehold-class properties has increased to 2.8 months from 0.7 months in February 2022.

Months of Inventory for condominium-class properties has increased to 2.5 months from 0.7 months in February 2022.

February's new listings (1,366) were 22% lower than February 2022 (1,762) and up 3% from January 2023 (1,323). The 5-year average for new listings in February is 1,632.

Days on market (DOM) for freeholds decreased from 43 to 37 days and 47 to 43 days for condos compared to last month.

"A decrease in the days on market, paired with fewer new listings entering the market, is good news for sellers," says OREB's President. "However, if that trend continues to impact our supply stock and we don't get more inventory, our otherwise balanced market could swing back into seller's territory — but it's too early to predict."

"The best advice for sellers and buyers in today's market is to pay close attention to the comparison and competition insights only a REALTOR® can offer. Ottawa is made up of many micro-markets, and neighbourhood-level data is vital to standing out and closing deals."

REALTORS® also help with finding rentals and vetting potential tenants. Since the beginning of the year, OREB Members have assisted clients with renting 995 properties compared to 800 last year at this time, an increase of 24%.

Five Home Renovations That Increase Property Value

From kitchen upgrades to bathroom renovations, learn about Sagen MI Canada's top five recommendations for increasing your home's property value. These improvements will ensure a greater return on your investment.



1. Kitchen

Kitchens have the most significant impact on the value of a house. As such, it's a crucial investment to keep the space up-to-date – a contemporary kitchen goes a long way. Modern cabinetry, under cabinet lighting and new appliances will contribute to a remarkable increase in the value of your home. To save on cost without compromising construction and desirability, prefabricated options, such as Ikea cabinets, can often take the place of custom cabinetry.



2. Bathroom

In determining property value, the bathroom is the second most important room in the house. If you can add a three-piece bathroom to a home with only one full bathroom, you'll notice a dramatic rise in the market value of your property. While we don't recommend compromising bedroom space for a bathroom, try adding one into an area of unused space in the home. An additional tip for maximizing washroom space is to use glass for the shower – it easily makes the room feel more spacious.



3. Fixtures

Kitchens and bathrooms often look tired and dated, in large part due to old fixtures. Replacing or updating cabinet hardware, light fixtures, countertops and faucets will result in an immediate increase in your home's value. This small, but effective upgrade will also revitalize the entire home. Pot lights are in high demand in open concept style homes.



4. Flooring

Flooring is one of the most important features of your home. You'll find an immediate rise in property valuation with the installation of hardwood floors. Further, existing hardwood floors that can be refinished are ideal, since they are less costly to restore and more desired by homeowners than new flooring materials. For the bathroom space, tiled flooring will always be in high demand and retain its value exceptionally well.



5. Basement

A finished basement will also increase the return of investment of your home. Although basement renovations need not be extensive – renovations that will save the new homeowners money in the future are highly recommended. For example, renovations that will protect the basement from flooding are advised (flooring, walls, and drainage considerations).

