

CHRIS SCOTT'S

# ANNUAL

MARKET REPORT FOR 2017



613.863.6999



CHRIS SCOTT.CA  
REAL ESTATE SERVICES



# THE YEAR IN REVIEW:

*It was a very strong year for our local real estate market. The year started with lots of doom and gloom predictions from major publications and economists. This seems to be status quo each year. I have been reading about a bubble in Maclean's magazine since the U.S. market tanked in 2007.*

*In general, the market exceeded most expectations with very balanced conditions overall. The market was quiet to start and then we had a run of record breaking months in terms of units sold. There was a 6% increase from 2015 in residential and condo units sold through the Board's MLS® System. Five months in 2016 were record breaking months for units sold. This is due in part from stronger than expected condominium sales. It was an active market but a very fair one. Buyers had lots to choose from and this pushed the days on market over 100 days in December.*

*The year-to-date numbers for the 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 average sale price for condo and residential combined increased by 1.2 per cent to \$371,901 from 2015 to 2016.*



## MARKET CONDITIONS



**Interest Rates/Mortgage Rules:** In October the government announced new rules on fixed rate mortgages. Applicants now need to get approved at a higher qualifying rate. It is a stress test. This reduces the affordability for insured buyers by about 18%. Although this has been in place for a few months the full effect and impact of the governments new plan will come to light in 2017. Ottawa may be left unscathed but markets like Toronto and Vancouver will be effected.



**First-Time Home Buyers Tax Credit:** The total land transfer tax credit for first time buyers will be increasing from \$2000 to \$4000 in 2017. That means if a first-time buyer purchases they will not pay any land transfer tax on the first \$368,000 of a purchase price. This will certainly help this segment of the market. It leaves a first-time buyer with less out of pocket costs or more money they can put towards a down payment.

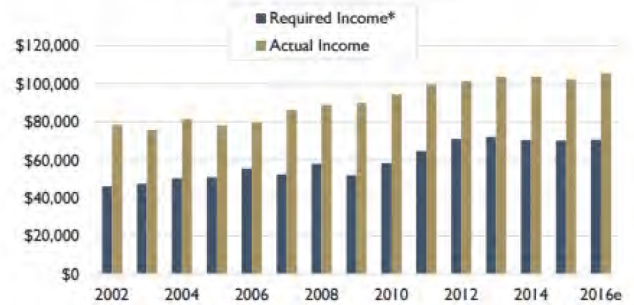


**Consumer Confidence:** In general, Ottawa has much to be optimistic about. With the new government in place the public sector has more job security. There are plenty of major construction projects on the go. This year marks Canada's 150 anniversary. We will be in the international spotlight. Ottawa is on just about every major travel publication as the place to be in 2017.

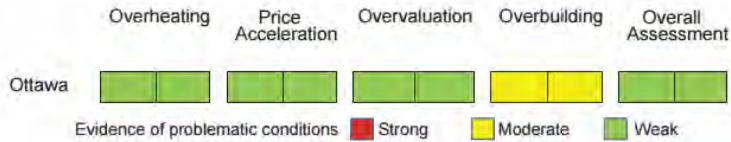


**Affordability:** Ottawa continues to stay well in line with the required income to qualify for home purchases. The required income vs actual income has been steady for the last couple of years. Ottawa is relatively affordable compared to other major markets in Canada. See graph next page that illustrates this.

Ottawa Required vs. Actual Income



CMHC (Canadian Mortgage Housing Corporation) Market Assessment



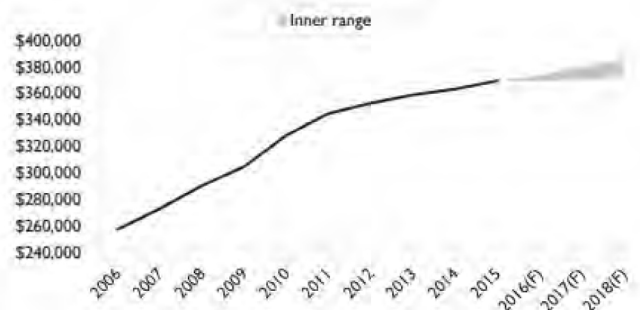
As this graph illustrates the overall assessment for Ottawa is very positive. There is little evidence of any problematic housing conditions here in Ottawa. My only concern is the condominium market as there is lots of unsold inventory with new builders. This is something we will keep an eye on. In some cases builders have delayed or cancelled major projects because of weak demand.

## MY PREDICTIONS FOR 2017

A strong local economy and job market has been the foundation to our housing market for some time. Ottawa is likely one of the most stable housing markets in North America. We are very fortunate to live in a capital city that ranks so highly in quality of life. I think Ottawa will be in a buyers market for much of 2017. Prices will remain fairly flat over the next 12 months. Overall I think we will have another year of modest growth between .75% and 1.5%. I think units sold will decrease. It will not be the record breaking year we had in 2016. Much will depend on the micro market -i.e. what neighbourhood you live in. I think we will see larger price increases in the core of the city and around LRT stations.

Personally, I will be on the hunt for another investment property. Practice what I preach! I believe that in 20 years from now every house sale in 2017 will look like a great deal. If you are prudent with your purchase and have a long-term vision it will be very hard to fail. It surprises me how few people invest in real estate.

Ottawa MLS® Price



Ottawa is a very underrated city. Our housing prices seem quite reasonable when compared to other major Canadian cities. Even better when you compare the prices to other major world Capital cities. The years ahead are bright. As mayor Jim Watson said "we are going through one of the most significant transformations of our history". Ottawa is a world class city that will grow and thrive in the years and decades ahead. I think many people in the future will look back at the real estate opportunities out there today in Ottawa and wish they would have acted. We will have 1 million people living in the city by 2019 and 1.2M in 20 years from now.

I am extremely confident that the long-term prospects of our market are strong. It is reasonably safe to say there are going to be some ups and downs in the years ahead. However, based on all the key indicators it suggests this year could be another strong one.



# PERSONAL NOTE

*This year marks my 12th year in real estate. It has been an amazing journey. I look through my clientele and I am so grateful to have the support of so many wonderful people. You guys have really supported my business. A shout out to my military peeps! This year I was named one of the top 10 agents in Keller Williams Canada. Something I am very proud of. I owe this entirely to your support. Thank you. I have some great new initiatives I am working on this year to bring more value to my clients. It was great catching up with many of you at our Christmas event.*

*I would also like to welcome Stephanie to our team. She is our new executive assistant and marketing co-ordinator. She will be working along side our client care co-ordinator Andrea. We are growing to serve our clients better. Our mission is to bring a "raving fan" service experience to every client and continually add value long after our transaction is completed.*

*I hope everyone has a wonderful and prosperous 2017. I have never been so excited to start a year. It is a privilege to serve.*

Cheers,



Keller Williams Integrity Realty



-2016 Santa party

## Events you don't want to miss for Canada's 150th!

