



CHRIS SCOTT.CA
REAL ESTATE TEAM

ANNUAL REAL ESTATE REPORT OTTAWA



RECAP OF 2019

It was an incredible year of growth and price appreciation in the Ottawa real estate market. Prices were up in all categories. Year end figures show the average freehold property sale price was \$486,590 in 2019. This represents an 8.9% increase over the previous year. In the condo market prices soared over 9%! It would have been hard to predict these numbers before the start of the year. Even with the lack of inventory the number of units sold were way up too.

These incredible gains are being fueled by the lack of supply and strong demand for Ottawa real estate. As the year went on the supply tightened and this put upward pressure on prices. The prices really started to push up in the 2nd half of the year. In some neighbourhoods in Nepean and Ottawa West I have seen price appreciation of 4% between sales in March and sales in September. As the year progressed more buyers entered the market adding more competition in the bidding wars throughout the city.

In 2019 Ottawa's population grew to over 1 million people. Our city is maturing into a world class capital before our very eyes! The new LRT line was unveiled and many new projects are on the way. Legacy projects like the civic hospital relocation, LRT expansion, and Lebreton flats redevelopment are on the horizon. Our local economy should be strong for years to come.



RESIDENTIAL

\$486,590

Based on 14,038 sales

↑ 8.9% CDOM: 44



NUMBER OF UNITS SOLD

RES **14,038** **↑ 4.7%**

CON **4,584** **↑ 13%**



CONDO

\$304,203

Based on 4,584 sales

↑ 9.3% CDOM: 45



COMBINED

\$441,693

Based on 18,622 sales

↑ 8.36% CDOM: 50

Average sales prices are for 2019 based on MLS sales.

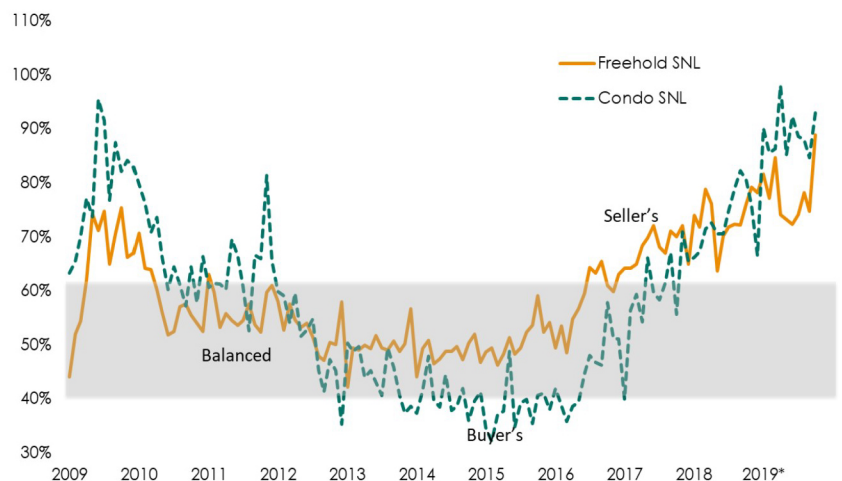
Combined is for all property classes. Arrows are gains from 2018.

FORECAST 2020

The Ottawa real estate market is showing no signs of weakness. Supply issues will persist into 2020. I don't expect the inventory will recover in the near future. There are just not enough good houses coming to market to satisfy the demand. The absorption rate of our current inventory is like nothing we have seen before! The demand for our real estate is at an all time peak. This trend will continue to put upward pressure on prices throughout the next few years. The market is still very much sustainable. Our housing affordability index is good. Our average household can still very much afford to purchase real estate at current prices. The low interest rates have really helped in that regard. I predict prices to rise as much as 5% in the next 12 months.

On the next page you can see a table of real estate prices in Ottawa since 1981. The only declining years are in red. The table illustrates just how stable our market is. The only declines were consecutive (94-96) and houses lost less than 3% in each of those years. If you were at a roulette table and saw this much black on the board how much money would you be prepared to invest. If you are a long term investor it would be pretty hard to lose.

SELLER'S MARKET CONDITIONS CONTINUE INTO 2020

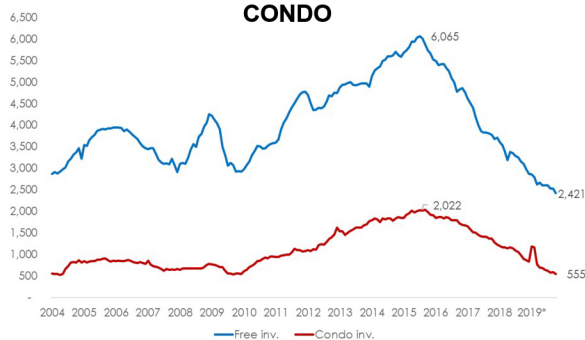


OTTAWA: RELATIVELY HIGHER EARNINGS



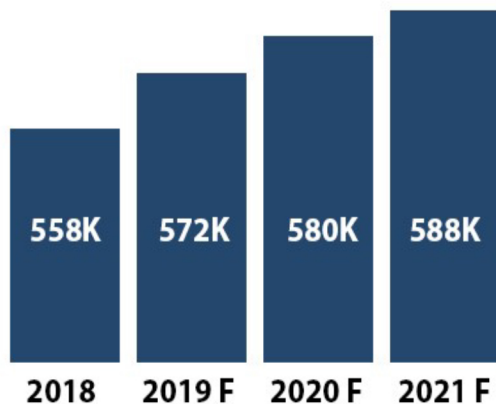
Ottawa's solid public sector is a great foundational piece of our economy. This represents 20% of the workforce in Ottawa. These jobs are high earnings with very good security. When I think of my own network of friends, almost every couple has at least one person working for the government. In some cases both spouses work there and this creates some very high household income. This past year saw a 6.9% increase in our weekly average income. We have not seen that kind of income growth in Ottawa since 2001. When we see our earnings higher than our neighbours down the 401, it surprises some people. Of course with the financial sector in Toronto there is more wealth and one percenters. Ottawa just does a better job with the distribution of wealth.

SUPPLY TRENDS LOWER FOR FREEHOLDS & CONDO



Supply is the single biggest issue in our market. It is so interesting to see where we are from an inventory perspective when compared to the last 15 years. We are at the lowest point in both the condo and freehold segment of the market. Look at the condos available in 2015! Over 6000 on the market. This is the heartbeat of the market. When we see inventory this low, prices can only go in one direction! The little secret I have been telling people about Ottawa's bargain real estate prices is out! Our market is on fuego.

STEADY EMPLOYMENT GROWTH EXPECTED



The local economy and job market in Ottawa are solid. Steady job growth is expected to continue over the next few years. It is good to see that full time job growth is up 5%. This is important because people that occupy full time jobs are much more likely to be approved financially to purchase real estate. Our capital city also is one of the hottest and most diverse tech hubs in North America. Overall the health of our local economy couldn't be better.

Year	Avg Sale Price	% Change
1981	\$64,896	3.42%
1982	\$71,080	9.53%
1983	\$86,245	21.34%
1984	\$102,084	18.37%
1985	\$107,306	5.12%
1986	\$111,643	4.04%
1987	\$119,612	7.14%
1988	\$128,434	7.38%
1989	\$137,455	7.02%
1990	\$141,438	2.90%

Year	Avg Sale Price	% Change
1991	\$143,361	1.36%
1992	\$143,868	0.35%
1993	\$148,129	2.96%
1994	\$147,543	-0.40%
1995	\$143,193	-2.90%
1996	\$140,513	-1.90%
1997	\$143,873	2.40%
1998	\$143,953	0.10%
1999	\$149,650	4.03%
2000	\$159,511	6.58%

Year	Avg Sale Price	% Change
2001	\$175,971	10.32%
2002	\$200,711	14.06%
2003	\$218,692	9.00%
2004	\$235,678	7.70%
2005	\$244,531	3.80%
2006	\$255,889	4.70%
2007	\$272,618	6.50%
2008	\$289,766	6.30%
2009	\$303,888	4.90%
2010	\$327,255	7.70%

Year	Avg Sale Price	% Change
2011	\$343,701	5.20%
2012	\$351,792	2.30%
2013	\$357,346	1.60%
2014	\$361,707	1.20%
2015	\$367,629	1.70%
2016	\$371,897	1.20%
2017	\$392,474	5.49%
2018	\$407,571	3.89%
2019	\$441,693	8.36%
2020	\$463,777	5.0%

WE GO ABOVE AND BEYOND FOR OUR CLIENTS

2019 Highlights



Client Santa Party



Private Movie Screening



Annual Client Draw



Sponsor of Make-a-Wish Tree of Wishes



Top 10 in Canada 2 years running in the team category!



Party in the Park

PERSONAL NOTE

A new decade is upon us! I started my career in real estate in 2005 with Keller Williams. At the time we were a small company internationally. Now we are #1 worldwide. It has been an amazing journey. My 15 years in real estate has flown by. I feel so privileged to have had the opportunity to meet and serve so many wonderful clients. Our mission remains very much unchanged in my 15 years. We are committed to bringing a raving fan service experience to every client. We also want to continually add value to our clients long after they have bought or sold real estate. This mission is really what fuels us and is why we are always trying to improve the client experience. Having a team has made the last 2 years my most enjoyable in real estate. I feel like nothing great is accomplished alone. I am looking forward to what the next 15 years will have in store for us. Happy New Year everyone.

Cheers,

Chris Scott



If you know someone looking to buy or sell this year, keep our team in mind. We are always happy to help.

We have been putting in place a referral rewards program that we are excited about! Just have them mention your name when they get in touch.

