

Real Estate Monthly

Grace Glastonbury



Sales Representative
Office: (613) 725-1171 Fax: 725-3323
graceglastonbury@royallepage.ca



Ottawa Real Estate in 2009: Steady and Dependable

Steady as she goes. That's the expert consensus on Ottawa's 2009 housing resale market. It means that, continuing the trend of 2008's tail end when the recession finally took hold, we'll see a slight decline in the number of homes sold, a minimal increase in average prices, and a balanced market that equally favours buyers and sellers.

And, in an economy where the pundits see little but dark clouds on the horizon, steady is probably a good thing.

Last year saw a plunge of roughly 15 percent in resale transactions across Canada, compared to a record-breaking 2007.

Ottawa's resale numbers fared better than the country in 2008. We were down 5 percent from 2007's record number of transactions, with some 14,000 units sold. This year will see a further slip of 3 to 4 percent. On the other hand, our two-year position relative to high-flying 2007 will still be rosier than many other Canadian cities.

On price increases, we're set to again outperform the national average. Last year saw prices in the capital rise about 7 percent, while 2009 should see growth of 3 or more percent. That will put the selling

price of the average Ottawa home at \$292,000 this year.

So why our relatively healthy numbers? With its high number of post-secondary graduates and healthy income levels, "Ottawa tends to be a little more of a cerebral market compared to other market places," says president-elect of the Ottawa Real Estate Board. "It seems we don't get caught up in the extremes of market excitement in either direction."



Our relatively stable prices mirror our stable economy, which is partially rooted in the civil service and differs radically from the boom-and-bust mentality of Alberta, for example, where housing prices have sometimes resembled a bucking bronco.

Others mention the capital's population growth and overall consumer confidence as helping to support our housing market.

CMHC predicts that the market, already returning to a better buyer-seller balance by the end of 2008, will continue

to favour both sides this year. That's in part because of supply side growth in 2008, especially during the second quarter.

What could push resales higher than anyone's predicting are falling interest rates on mortgages, currently under 5 percent. Rate cuts are the equivalent of a price cut and that's bringing buyers into the market. Buyers should also work with their bankers to take advantage of declining interest rates over the next several months.

Ottawa Resale Market Balanced, Prices Still Rising

Members of the Ottawa Real Estate Board (OREB) sold 467 residential units in December, a decrease of 18.8 percent over December 2007, when there were 575 sales. This brings the total number of residential properties sold in 2008 to 13,733, down from a record-setting 14,565 in 2007. However, the average price for all of 2008 was \$289,766, an increase of 6.3 percent over 2007.

"We are seeing the effect of consumer concerns about the national and international economy reflected in the Ottawa market, but the fact that the average sale price is fairly stable shows the underlying confidence in the local marketplace," said OREB's President.

"Ottawa remains a relatively stable resale housing market, buffered by a strong job market and a stable economy, but will of course be affected by the ongoing economic climate in the rest of Canada. Real estate is local, and Ottawa is still in fairly good shape compared to many areas of the country," he added.

Housing and Design Trends: Back to Basics

Smart consumers will shop cautiously in 2009, buying simple white dishes, classic furnishings smaller, greener homes.

With the housing market in a slump and the economy teetering on a recession, experts predict that 2009 will be a year marked by cautious spending, with smaller housing designs gaining popularity and more homeowners opting to renovate, choosing comfortable, quality finishes over trendy home fashions.

Affordable, entry housing, including small singles, townhouses, condos, and stacked terrace homes, are poised to attract the most interest, primarily from young buyers or renters looking to purchase their first home.

Rather than move to a larger house, analysts expect more people will stay put and invest their money on renovating and expanding their existing home. A well-planned renovation not only increases a home's value but appeals to people's environmental sensibilities.

Going "green" will remain increasingly popular in 2009, as homeowners and builders try to reduce their carbon footprint.

To stretch the home decorating budget, one designer suggests taking "inventory of what you currently have and if there are things that you could get rid of that you're not using, sell and use that opportunity to create funds to purchase new things that you may be missing."

To get the most longevity out of your furniture investments, buy more classic, neutral pieces and add a touch of whimsy and personality with vibrant

cushions, throws and accessories.

"This is a year of back-to-basics. If you're buying new dishware, buy white. If you need new bedding, buy white. You can always funk it up later," he says.

Despite all the doom and gloom that we read in the headlines, people are still going to want to jazz up their homes. The key is to think twice before you buy. If money is tight and shoppers are fearful about the future, think long term. Take a risk with something affordable like paint or accessories. If you're ready for a bigger investment, make sure it's something that you're still going to love 10 years from now.

Clean lines and contemporary will be the prevalent theme in luxury bathrooms. Steam showers, soaker

tubs and furniture-style vanities will dominate and though chrome will be the popular choice for faucets, the classic white and black taps that are making a big splash in Europe will find their way into Ottawa bathrooms.

If you browsed the clothing stores over the holidays, you were likely blinded by all things plum, grape and eggplant purple. What

shows up on the fashion front usually spills over into home decor. Toned-down shades of mauve, wine and lilac will be big in luxe bedding, velvet toss cushions and accessories.

Watch for gray to be the new neutral and shiny chrome to make a strong comeback in everything from kitchen faucets to lighting fixtures.

Home theatre rooms with big-screen TVs and plush seating will be high on the wish list of many homeowners this year. They want that room that the whole family will use. Comfort and cosy will still be big.

