



## **Ottawa housing market heading for balanced territory as inventory continues to gradually grow**

*Aggregate home price declines modestly for third consecutive quarter*

**OTTAWA, January 13, 2023** – According to the Royal LePage House Price Survey released today, the aggregate<sup>1</sup> price of a home in Ottawa decreased 2.7 per cent year-over-year to \$719,900 in the fourth quarter of 2022. On a quarterly basis, the aggregate price of a home in the region decreased 3.3 per cent; the third consecutive quarterly decline recorded.

Broken out by housing type, the median price of a single-family detached home decreased 5.7 per cent year-over-year to \$826,300 in the fourth quarter of 2022, while the median price of a condominium decreased 8.1 per cent to \$383,700 during the same period.

“Real estate in Ottawa is trending back toward pre-pandemic norms, resulting in healthier market conditions for all. Home prices continued to decline from pandemic highs in the fourth quarter as inventory showed some improvement,” said Jason Ralph, broker of record, Royal LePage Team Realty. “The slowdown in the market is partly due to a chicken or egg scenario - many buyers are holding out for a bargain as prices continue to dip, and some sellers have refrained from listing their homes as they wait for purchaser demand to rise. Although many buyers have chosen to put their purchase plans on hold while they wait to see what interest rates do next, we know that there is a lot of pent-up demand waiting in the wings, especially in the first-time buyer segment. I expect that demand will return once interest rates stabilize.”

Ralph noted that homes in suburban regions surrounding downtown Ottawa have proven to be more resilient to price declines, as retirees and first-time buyers move to the city’s outskirts in search of more space and affordability. Should interest rates stabilize during the first few months of 2023, Ralph anticipates that more sellers will list their homes.

“All signs are pointing to a more balanced market in 2023,” said Ralph. “Interest rates and inflation have been key indicators of real estate activity of late. A leveling off or drop in borrowing rates will boost consumer confidence, resulting in an increase in activity in the Ottawa market.”

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<sup>1</sup> Aggregate prices are calculated using a weighted average of the median values of all housing types collected. Data is provided by RPS Real Property Solutions and includes both resale and new build.

In December, Royal LePage issued a forecast projecting that the aggregate price of a home in Ottawa will increase 2.0 per cent in the fourth quarter of 2023, compared to the same quarter in 2022.

Nationally, the aggregate price of a home in Canada decreased 2.8 per cent year-over-year to \$757,100 in the fourth quarter of 2022; the first year-over-year decline recorded since the end of 2008 during the global financial crisis. On a quarter-over-quarter basis, the aggregate price of a home in Canada decreased 2.3 per cent. This is the third consecutive quarterly decline, and the smallest decrease so far.

“Canada’s housing market closed out 2022 much as expected,” said Phil Soper, president and CEO of Royal LePage. “Activity levels were down sharply compared to the hypercharged state we experienced during the pandemic, with home prices flattening or showing modest declines. While the red-hot market conditions are behind us, there remains a widespread shortage of homes in Canada that cannot be offset by temporarily cooling demand. Many sidelined buyers are waiting patiently for the bottom to be revealed. Once interest rates stabilize and consumers adapt to their new normal, many of today’s sidelined buyers will be back – sooner than many analysts are predicting.”

The Royal LePage National House Price Composite is compiled from proprietary property data, nationally and in 62 of the nation’s largest real estate markets. When broken out by housing type, the national median price of a single-family detached home declined 3.7 per cent year-over-year to \$781,900, while the median price of a condominium increased 1.4 per cent year-over-year to \$561,600. Price data, which includes both resale and new build, is provided by Royal LePage’s sister company RPS Real Property Solutions, a leading Canadian real estate valuation company.

In December, Royal LePage issued its [2023 Market Survey Forecast](#), projecting that the aggregate price of a home in Canada will decrease a modest 1.0 per cent in the fourth quarter of 2023, compared to the same quarter in 2022.

### **Royal LePage Home Price Data:**

**Royal LePage House Price Survey Chart:** [rlp.ca/house-prices-Q4-2022](https://www.rlp.ca/house-prices-Q4-2022)

**Royal LePage Forecast Chart:** [rlp.ca/market-forecast-Q4-2022](https://www.rlp.ca/market-forecast-Q4-2022)

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### **About the Royal LePage House Price Survey**

The Royal LePage House Price Survey provides information on the most common types of housing, nationally and in 62 of the nation's largest real estate markets. Housing values in the Royal LePage House Price Survey are based on the Royal LePage Canadian Real Estate Market Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, RPS Real Property Solutions, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of approximately 20,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Bridgemarq Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](http://www.royallepage.ca).

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