

# REAL ESTATE NEWS



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## Make merry with a late-in-the-year home sale



You may have fewer people viewing your home during the fall and winter months, but that doesn't necessarily mean fewer offers. Compared to selling a home in the spring when there are more homes on the market, selling during the final months of the year can often be a successful endeavour.

With careful planning and a few helpful tips you can showcase your home and find time to enjoy the season too. Here are tips to help you through a late-year sale:

- **Weekends are for showing.**

Homes show better during the daylight hours, but as the days get shorter, the work week gets in the way for many buyers. However, this can work in your favour if you are selling a home late in the year. Show your home over the weekend during the day and leave it the evenings to enjoy outside social events.

- **Get help with the cleaning.**

You'll need to keep your home sparkling clean for showing, so this might be a good time to spend a little extra money on a housekeeper. Alternatively, have the whole family pitch in daily to pick up, wipe

clean, dust and vacuum. Many hand make light work.

- **Trim a smaller tree.**

Opt for a smaller Christmas tree and decorate sparingly to make an impact while not taking over the room. Be sure to store wrapped presents out of sight.

- **Strip out the clutter to make merry.**

If you're selling during the holidays, it's critical to clear out and store away all household clutter and personal items. Once the decks are clear, you can accent with a few tasteful and carefully-placed decorations.

- **Leverage tradition to create a warm, homey atmosphere.**

Plump pillows in cream and golds and soft earthy coloured throws coupled with red and woodsy greens accents provide seasonal touches that draw directly from nature. This kind of decorating is easy on the eye and attractive to any buyer.

## AUTUMN LEAVES ARE FALLING; HOME PRICES ARE NOT

Members of the Ottawa Real Estate Board (OREB) sold 1,393 residential properties in September 2018 compared with 1,383 in September 2017, an increase of 0.7 percent.

"We continue to experience supply-side issues going into our fall market. The fact is, the number of residential sales would be much higher had we more robust inventory to draw from," states OREB's President. "Condos continue to represent a greater proportion of year-to-date unit sales with a 15 percent increase from this time in 2017.

The average sale price of a residential-class property sold in September in the Ottawa area was \$449,613, an increase of 7.9 percent over September 2017. The average sale price for a condominium-class property was \$282,781, an increase of 7.6 percent from September 2017.

"Economic fundamentals are at play in our market with a lack of supply putting an upward pressure on prices in some areas," OREB's President asserts. "Condo price increases on a percentage basis are finally recovering and are catching up to the increases in residential prices which is very encouraging news for condo owners."

"With the inventory of available apartment condo units also declining month over month; this trend of price improvements may help kick-start some of the mothballed condo projects to date," he speculates.

The \$300,000 to \$449,999 range remains the most active price point in the residential market, accounting for 46 percent of home sales while the \$500,000 to \$750,000 price range represents 22.5 percent of residential home sales this past month. Between \$175,000 to \$274,999 was September's most active price point in the condominium market, accounting for almost 57 percent of the units sold.

Call today for real estate advice and information!

## OTTAWA-GATINEAU TORNADO RELIEF: HOW YOU CAN HELP

The United Way: [afterthestorm.ca](http://afterthestorm.ca)

Ottawa Food Bank: [ottawafoodbank.ca](http://ottawafoodbank.ca)

The Canadian Red Cross: [redcross.ca](http://redcross.ca)

Salvation Army: [salvationarmy.ca](http://salvationarmy.ca)

## REAL ESTATE NEWS

# Consumer Report Finds Homeownership is the Affordable Alternative as Rent Costs Continue to Soar

Mortgage Professionals Canada recently released their comparative report, *Owning versus Renting a Home in Canada*. In the report, Will Dunning, Mortgage Professionals Canada's Chief Economist, compares the expected costs of housing of Canadians who will choose to rent versus those who chose to own. In the 266 scenarios examined in the report, taken from a broad cross section of regions throughout Canada, the monthly cost of homeownership is lower than the cost of renting equivalent housing in the majority of cases today, and becomes even more cost effective over time.

"The report demonstrates that the money Canadians are spending on monthly rent, if used instead to finance a home, would be a very beneficial investment over time," explained Will Dunning, author of the report. "The costs of owning and renting continue to rise across Canada. However, the largest cost of homeownership – the mortgage payment – typically maintains a fixed amount over a set period of time – usually for the first five years. The result is that the cost of renting will increase more rapidly than the cost of homeownership."

More and more Canadians are getting used to the idea that they may never own a home and become permanent renters. However, the new report suggests that Canadians who do have the opportunity to invest in homeownership will be significantly better off in the long term. The study compares the costs of renting five and ten years in the future. It finds that if mortgage rates remain at 3.25%, in 10 years the cost of ownership (on the net basis that takes out principal repayment) will be lower than the cost of renting for almost 98% of cases. On average, the net cost of owning will be \$1,295 less than the monthly cost of renting equivalent dwellings. If the interest rate rises to 4.25% after 10 years, the cost of ownership is less than the cost of renting in 92% of case studies, with an average saving of \$1,014 per month.

Even if the interest rate rises to 5.25% - which would be two full percentage points above current typical mortgage interest rates –

in 10 years homeownership will be less expensive than renting in 82% of the cases, by an average of \$726 per month.

"Using conservative expectations for rental increases over time, there is a clear financial benefit of owning versus renting," commented Paul Taylor, President and CEO of Mortgage Professionals Canada. "While recent changes to mortgage qualifying have made the barrier to entry higher, those who can qualify will be much better off in the long term. Given the economic advantages of homeownership, Mortgage Professionals Canada would recommend the government consider ways to enable more middle-class Canadians to achieve homeownership. Our collective long-term economic success may be

compromised without that support." The report outlines that in every one of the 266 cases, when a mortgage is fully repaid the cost of owning will be vastly lower than the cost of renting. In 25 years, on average, the cost of owning is projected at \$1,549 per month versus \$4,655 for renting equivalent dwellings.

### Long-term Benefits

The report also reviews data from Statistics Canada on wealth in Canada. The data shows that homeowners are distinctly better off financially compared to tenants who are similar in age and level of income.

"Everyone wants to save for their future, but rising costs, including rent, are making that more difficult," Dunning stated. "The lower life-time costs of homeownership mean that owners have more ability to save for retirement than do renters. The financial benefits of homeownership go beyond equity accumulation."

