

## HOUSING MARKET ASSESSMENT

Ottawa<sup>1</sup>

CANADA MORTGAGE AND HOUSING CORPORATION

Second Quarter 2019

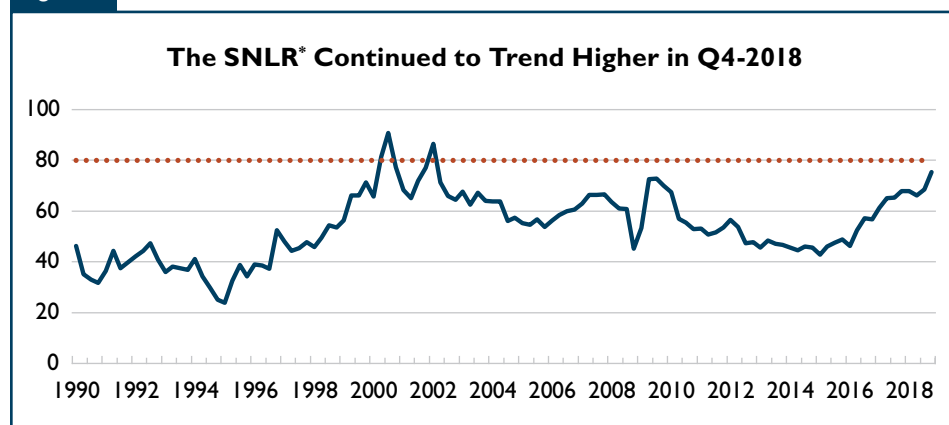
**Low evidence of overvaluation in 2018 but vulnerability rising in early 2019**

- In Q4-2018, the average MLS<sup>®</sup> price continued to grow but at a more moderate pace than the previous quarter. For 2018 as a whole, the average MLS<sup>®</sup> price grew at 3.6%, outpacing growth in earnings at 2%. Data to February point to continued stronger price growth than earnings growth exerting pressure on affordability and overvaluation.
- Sellers' market conditions continued to intensify in Q4-2018, relative to the previous quarter as listings trended down at a stronger rate than sales, placing upward pressure on the sales-to-new-listings ratio (SNLR) and the average MLS<sup>®</sup> price. Recent data to February point to a moderation in the intensity of the SNLR, which remained below the overheating threshold of 80%.

**Spotlight on the resale and new home markets**

- In 2018, households' search for more affordable dwellings lead to growth in condominium<sup>3</sup> and freehold row sales on the existing home market, while single-detached sales declined for the first time since 2013. The average MLS<sup>®</sup> price growth for condominium apartments was weakest at 1.3%.
- On the new home front, while absorptions of new units rose across the board in 2018 relative to 2017, condominium apartments saw the strongest growth at 53%, whereby 61% of total absorbed units were priced below \$350k.

Figure 1



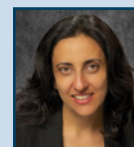
Sources: CREA and calculations (threshold) by CMHC, seasonally adjusted. Last data point 2018Q4.

\*SNLR = Sales to New Listings Ratio

<sup>1</sup> Ontario part of Ottawa-Gatineau CMA<sup>2</sup> Results are based on data as of the end of December 2018 (the annual rental apartment vacancy rates are from October 2018) and local market intelligence up to the end of March 2019. A detailed description of the framework is available in the appendix of the [National edition](#).<sup>3</sup> Condominiums include condominium apartments, condominium rows and other types.**Results Overview  
Ottawa CMA**

	Feb. 2019	May 2019
Overheating	Low	Low
Price Acceleration	Low	Low
Overvaluation	Low	Low
Overbuilding	Low	Low
<b>Overall Assessment</b>	Low	Low

Degree of vulnerability  
■ High ■ Moderate ■ Low



Anne-Marie M Shaker  
Senior Analyst  
Economics

*"Low evidence for all indicators of vulnerability is maintained for Ottawa as population, employment, and earnings growth continued to support housing demand."*

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- Housing Market Outlook, Highlight Reports – Northern Housing
- Housing Market Outlook, Canada and Major Centres
- Preliminary Housing Starts Data
- Rental Market Reports, Canada and Provincial Highlights
- Rental Market Reports, Major Centres
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## DATA TABLES AVAILABLE ONLINE

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