

HOUSING MARKET ASSESSMENT

Ottawa¹

CANADA MORTGAGE AND HOUSING CORPORATION

Fourth Quarter 2019

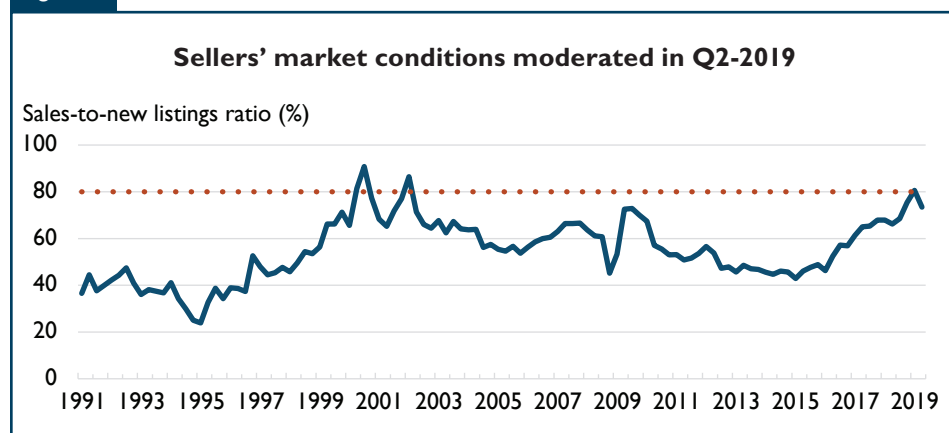
Low evidence of overvaluation in the second quarter of 2019²

- A rise in new listings for the first time since Q2-2018 and a slight decline in sales in Q2-2019 pushed the sales-to-new-listings ratio (SNLR) lower than the previous quarter reducing overheating pressures that had peaked in Q1-2019 above the critical threshold (see Figure 1). Recent data to August 2019 points to a rise in the intensity of this measure once again.
- Despite the moderation in sellers' market conditions as signaled by the lower SNLR, the upward pressure on the MLS® home price continued in Q2-2019. However, price growth remained below the threshold that would signal evidence of price acceleration.
- We continued to detect low evidence of overvaluation because growth in fundamentals such as inflation-adjusted personal disposable income and the young adult population (aged 25 to 34) supported price growth and demand.

Increasing absorption of condominium apartments reduced unsold inventory

- In the new home market, the number of completed and unsold units in Q2-2019 declined from the same quarter a year ago. The number of completed and unsold units per 10,000 population was 2.1, down from 3.3 a year ago, and below the threshold of 7.3 set to signal overbuilding.

Figure 1



Sources: CREA and calculations (threshold) by CMHC, seasonally adjusted
Last data point: 2019Q2

¹ Ontario part of Ottawa-Gatineau CMA.

² Results are based on data as of the end of June 2019 (the annual rental apartment vacancy rates are from October 2018) and local market intelligence up to the end of September 2019. A detailed description of the framework is available in the appendix of the [National edition](#).

**Results Overview
Ottawa CMA**

| | Aug. 2019 | Nov. 2019 |
|---------------------------|------------|------------|
| Overheating | Low | Low |
| Price Acceleration | Low | Low |
| Overvaluation | Low | Low |
| Overbuilding | Low | Low |
| Overall Assessment | Low | Low |

Degree of vulnerability
■ High ■ Moderate ■ Low



Anne-Marie Shaker
Senior Analyst
Economics

“Low evidence for all indicators of vulnerability is maintained for Ottawa as strong population and employment growth supported housing market activity.”

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