

HOUSING MARKET ASSESSMENT

Ottawa¹

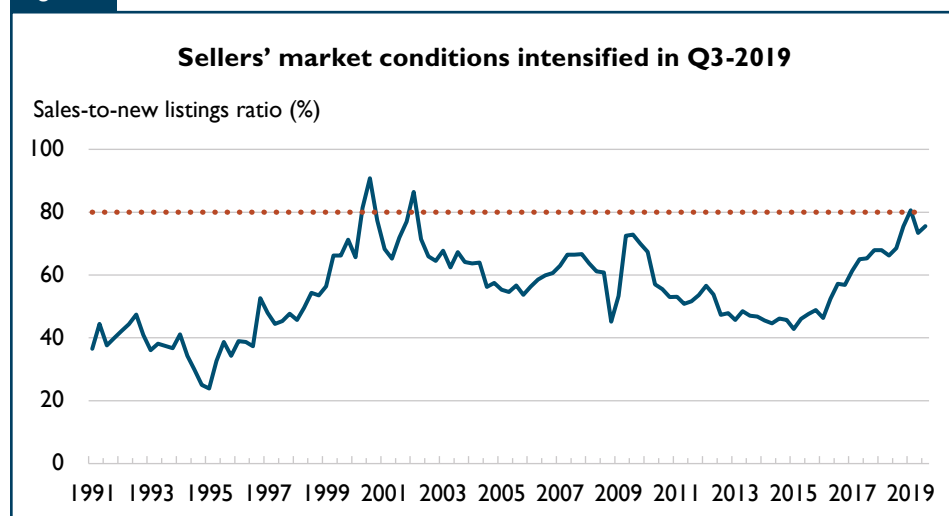
CANADA MORTGAGE AND HOUSING CORPORATION

First Quarter 2020

Overheating and price acceleration pressures rose in Q3-2019²

- Sellers' market conditions intensified in Q3-2019 as sales grew at a stronger rate than the increase in new listings, pushing the sales-to-new-listings ratio (SNLR) upward compared to the previous quarter. This intensified the overheating measure (see Figure 1) for the second time in 2019. Recent data to December 2019 points to a continued rise in this measure.
- As demand outpaced supply growth, this put outward pressure on the MLS® existing home price, pushing the price acceleration measure closer to its threshold. Robust demand and low supply continued to support strong price growth to December.
- Low mortgage rate, and growth in fundamentals such as inflation-adjusted personal disposable income and the young adult population (aged 25 to 34) have remained supportive of demand and price growth keeping overvaluation pressures at bay.
- In the new home market, the number of completed and unsold units in Q3-2019 declined from the same quarter a year ago. The number of completed and unsold units per 10,000 population has been trending lower, and is well below the threshold set to signal overbuilding. In addition, although the vacancy rate rose slightly, it remained low pointing to strong demand.

Figure 1



Sources: CREA and calculations (threshold) by CMHC, seasonally adjusted
Last data point 2019Q3

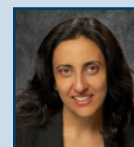
¹ Ontario part of Ottawa-Gatineau CMA

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

**Results Overview
Ottawa CMA**

	Nov. 2019	Feb. 2020
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 in Q3-2019, however, overheating and price acceleration have mounted and are hovering close to critical thresholds."

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