



GISELE POIRIER
SALES REPRESENTATIVE



t: 613.592.6400
c: 613.898.0503
f: 613.592.4945
giselep@royalpage.ca
www.giselepoirier.com

March 2018

REAL ESTATE NEWS

New Mortgage Rules – Renewing and Refinancing



On January 1st, 2018 Canada's new mortgage rules came into effect and it was big news. These new rules appear to have the greatest

impact on those looking to qualify for a new mortgage but if you are looking to renew or refinance your mortgage, you may be impacted as well. At the centre of the new rules is a **stress test** requiring applicants to qualify at a rate at least 2% higher than the rate they will be paying, regardless of the down payment they are making on the home. The new rules may limit your options but rest assured, you will not lose your mortgage over these changes.

MORTGAGE RENEWALS

If your mortgage is up for renewal, lenders do not need to apply the stress test to renew an existing mortgage. This means that as long as you stay with the same lender and don't change any of the terms of your mortgage, you will have no problems. But, if you want to shop around for the best rate, you will need to pass the stress test with any other financial institution. This may limit your options and may force some Canadians to accept a higher or uncompetitive rate if they are unable to pass the stress test.

MORTGAGE REFINANCING

If you are planning on refinancing your mortgage, even if it is with the same lender, you will need to qualify at the higher stress test rates. This will affect Canadians who are looking to borrow money against their homes for renovations or repairs. If you are looking to refinance, you will have to qualify for the new loan at a rate that is 2% higher than your existing rate. This may mean that some Canadians may have to settle for a smaller loan or forego plans altogether.

The most important thing to remember is not to panic, you will not lose your home over these new rules. Many Canadians will be able to pass the stress test for renewals and refinancing, but in any case as long as you stay with your existing lender, you will remain approved for the entire term of the mortgage. To better understand how these changes may affect you, it is always advisable to speak to your mortgage broker or bank well before your renewal date; it is best to understand your options in advance.

If you are looking to buy a home in 2018, especially in the Ottawa real estate market, getting your financing in order before you start serious house hunting, is increasingly important. It will help you act quickly and with confidence when you find your dream home! I can help you find a great mortgage broker.

"Your referrals are important to me. I value your support and trust."

www.giselepoirier.com

ROYAL LEPAGE
Team Realty
Independently Owned and Operated, Brokerage

484 Hazeldean Road
Kanata, ON K2L 1V4

Ottawa Residential Average Sales Chart from 1956-2017

MLS Residential Sales Percentage Increase or Decrease over Previous Year.
(Includes condominiums)

Year	Average Sale Price	Percent Change
1956	\$13,351	0.2%
1957	\$14,230	6.6%
1958	\$15,564	9.3%
1959	\$16,038	3.1%
1960	\$16,791	4.7%
1961	\$16,070	-4.3%
1962	\$15,952	-0.7%
1963	\$16,549	3.7%
1964	\$16,563	0.1%
1965	\$17,056	3.0%
1966	\$18,004	5.6%
1967	\$19,476	8.2%
1968	\$23,329	19.8%
1969	\$25,652	10.0%
1970	\$26,532	3.4%
1971	\$27,808	4.8%
1972	\$30,576	10.0%
1973	\$38,305	25.3%
1974	\$46,661	21.8%
1975	\$49,633	6.4%
1976	\$54,623	10.1%
1977	\$57,032	4.4%
1978	\$59,134	3.7%
1979	\$61,896	4.7%
1980	\$62,748	1.4%
1981	\$64,896	3.4%
1982	\$71,080	9.5%
1983	\$86,245	21.3%
1984	\$102,084	18.4%
1985	\$107,306	5.1%
1986	\$111,643	4.0%
1987	\$119,612	7.1%
1988	\$128,434	7.4%
1989	\$137,455	7.0%
1990	\$141,438	2.9%
1991	\$143,361	1.4%
1992	\$143,868	0.4%
1993	\$148,129	3.0%
1994	\$147,543	-0.4%
1995	\$143,193	-2.9%
1996	\$140,513	-1.9%
1997	\$143,873	2.4%
1998	\$143,953	0.1%
1999	\$149,650	4.0%
2000	\$159,511	6.6%
2001	\$175,971	10.3%
2002	\$200,711	14.1%
2003	\$218,692	9.0%
2004	\$235,678	7.8%
2005	\$244,531	3.8%
2006	\$255,889	4.7%
2007	\$272,477	6.4%
2008	\$289,477	6.6%
2009	\$303,888	4.9%
2010	\$327,225	7.7%
2011	\$344,240	5.2%
2012	\$351,792	2.2%
2013	\$357,348	1.6%
2014	\$361,712	1.2%
2015	\$367,632	1.7%
2016	\$371,901	1.2%
2017	\$392,474	5.5%

WANTED

OTTAWA HOMES FOR SALE

Members of the Ottawa Real Estate Board (OREB) sold 979 residential properties in February 2018 compared with 1,002 in February 2017, a decrease of 2.3 percent.

“There is no doubt our sales numbers would have been much higher if we had more properties available for sale. Buyer demand is there, but our inventory in both residential-class and condos continues to decline. This is creating a supply side issue in the Ottawa real estate market,” concludes OREB’s President.

“If this trend continues, the market will move to favour Sellers, and Buyers will find themselves competing for a limited number of listings,” OREB’s President went on to explain.

“Compounding the supply issue is the fact that after a record year last year, new construction is hindered getting to market because builders just cannot find enough land as a result of the urban boundary and land prices going up. Given this environment, it’s a good opportunity for Sellers to get their property on the market,” he advises.

The average sale price of a residential-class property sold in February in the Ottawa area was \$429,600, an increase of 2.7 percent over February 2017. The average sale price for a condominium-class property was \$273,174, an increase of 5.6 percent over February 2017.

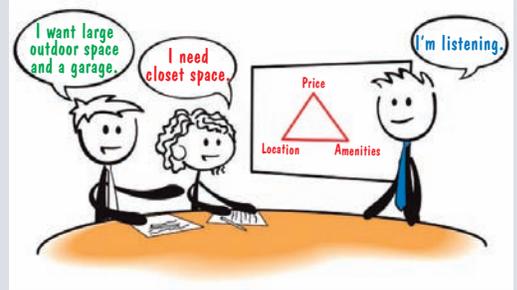
The most active price point in the residential market is the \$300,000 to \$449,999 range, accounting for 47 percent of the market.

Buyer demand is there, but inventory in both residential class and condos continues to decline.

Why Use a Real Estate Professional in Buying a Home...

...why not? Many buyers are currently signed with an agent and get valuable information on new properties before it becomes public. There is **no cost** to you, the buyer, to use the services of a Real Estate Professional and you’ll get all the benefits. Home buying is more than visiting Open Houses, it’s a complicated business process that only a professional can help guide you through, especially in a busy market. If you know someone who is thinking of buying a home this year let me know, so I can help guide them through the Buying Process.

Understanding the Buyer's Triangle



Ottawa is climbing the list as a hot spot for home buyers this year, joining popular cities like Toronto, Montreal and Vancouver.

Condominiums will be 2018's hot trend, experts say, driven by millennials entering the real estate market and by baby-boomers downsizing.