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Winter 2023

# REAL ESTATE NEWS

## Vacant Unit Tax Declaration (VUT)

Realtors have concerns about this new tax and have sent a letter to Mayor Sutcliffe to address. Below is an excerpt from the letter sent:

- 1) There are privacy concerns with disclosing the personal information of tenants without obtaining their consent. Recommend making it mandatory for tenants to provide landlords with written consent to disclose and share their personal information with the city. Tenants who fail to comply would be fined.
- 2) Update the city's VUT bylaw procedures to ensure that landlords will not be unfairly targeted and penalized with increased risks of audits and higher demand for documents when tenants do not provide consent to the disclosure of their personal information.

### Mandatory declarations:

- 3) Landlords will be asked to provide start and end dates for leases. While most tenancies are term tenancies, some tenancies begin as month-to-month (without end dates) and sometimes there are no formal lease agreements in place. Landlords cannot provide information that does not exist. The city must update the bylaw and their online declaration system to reflect these different situations.
- 4) Landlords will be asked to provide the "full name of tenant". Most tenancies include two or more tenants. Will the city be asking for one name or the names of each tenant?

### Clarity on the Audit process:

Landlords will be asked to provide copies of lease and proof of rental income. Some tenancies do not have written leases and the bylaw does not list the type of documents that must be submitted to meet rental income requirement.

The VUT bylaw does not provide any recourse for landlords when tenants choose not to provide consent to the disclosure of their personal information. When the city staff were asked about this gap, they replied "*While personal consent is required from the tenant, any units with undeclared names or lease terms will have an increased risk of audit and the demand for subsequent documentation will be higher.*"

This statement supports placing landlords in difficult positions as well as penalizing landlords whose tenants do not consent to having their personal information disclosed to the city. Disclosing personal information would be in violation of federal privacy laws. This is unfairly targeting and penalizing landlords. The onus must be placed on tenants to comply.

### Planning on purchasing a property?

Ensure a clause is included in your Agreement of Purchase and Sale that requires the Seller provide proof that they have completed the declaration and that the home is in compliance. There's going to be liability issues because the system is set up so the default, if it isn't done, is to apply the penalty and put it on the purchaser's property taxes.

If you don't have the document the city mailed out with your access code, you can find your access code under the roll number on your property tax bill.

Please visit the City of Ottawa website for more information. You have until March 16, 2023 to submit your declaration.

To download a PDF version of this newsletter please visit [www.giselepoirier.com](http://www.giselepoirier.com) > News

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2022 saw 7 rate increases, bringing the prime rate from 2.45% to 6.45%. This has led to a slump in house prices across much of Canada.

### Canada Prime Rate Changes Since 2010

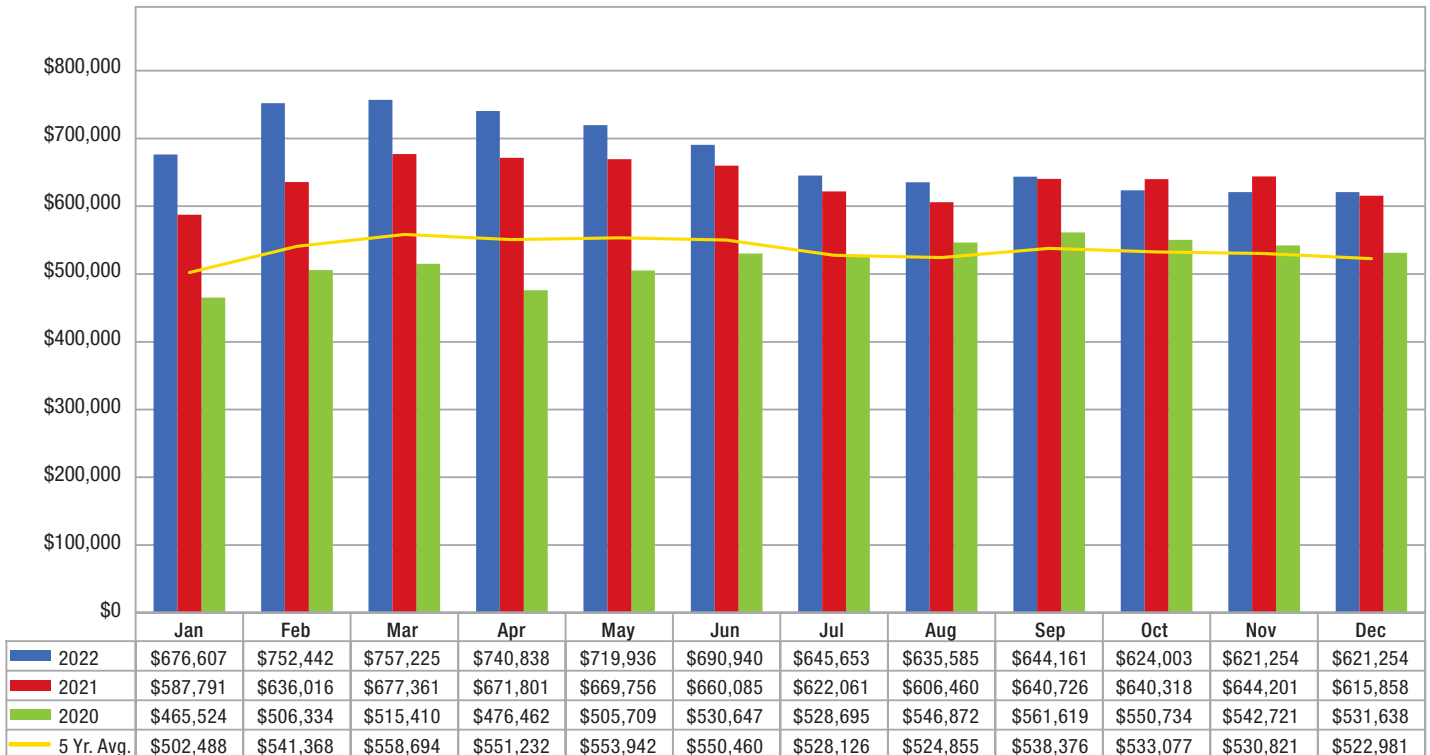
Effective Date	Target Overnight Rate	Change
December 7, 2022	6.45%	0.50%
October 26, 2022	5.95%	0.50%
September 7, 2022	5.45%	0.75%
July 14, 2022	4.70%	1.00%
June 2, 2022	3.70%	0.50%
April 14, 2022	3.20%	0.50%
March 3, 2022	2.70%	0.25%
March 30, 2020	2.45%	-0.50%
March 17, 2020	2.95%	-0.50%
March 5, 2020	3.45%	-0.50%
October 25, 2018	3.95%	0.25%
July 12, 2018	3.70%	0.25%
January 18, 2018	3.45%	0.25%
September 7, 2017	3.20%	0.25%
July 13, 2017	2.95%	0.25%
July 16, 2015	2.70%	-0.15%
January 28, 2015	2.85%	-0.15%
September 9, 2010	3.00%	0.25%
July 21, 2010	2.75%	0.25%
June 2, 2010	2.50%	0.25%

### Ottawa Residential Average Sales Chart from 1970-2022.

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

Year	Average Sale Price	Percent Change	Year	Average Sale Price	Percent Change
1970	\$26,532	3.43%	1997	\$143,873	2.40%
1971	\$27,808	4.81%	1998	\$143,953	0.10%
1972	\$30,576	9.95%	1999	\$149,650	4.03%
1973	\$38,305	25.28%	2000	\$159,511	6.58%
1974	\$46,661	21.81%	2001	\$175,971	10.32%
1975	\$49,633	6.37%	2002	\$200,711	14.06%
1976	\$54,623	10.05%	2003	\$218,692	9.00%
1977	\$57,032	4.41%	2004	\$235,678	7.70%
1978	\$59,134	3.69%	2005	\$244,531	3.80%
1979	\$61,896	4.67%	2006	\$255,889	4.70%
1980	\$62,748	1.38%	2007	\$272,477	6.40%
1981	\$64,896	3.42%	2008	\$289,477	6.30%
1982	\$71,080	9.53%	2009	\$303,888	4.90%
1983	\$86,245	21.34%	2010	\$327,225	7.70%
1984	\$102,084	18.37%	2011	\$344,240	5.20%
1985	\$107,306	5.12%	2012	\$351,792	2.20%
1986	\$111,643	4.04%	2013	\$357,348	1.60%
1987	\$119,612	7.14%	2014	\$361,712	1.20%
1988	\$128,434	7.38%	2015	\$367,632	1.66%
1989	\$137,455	7.02%	2016	\$372,048	1.20%
1990	\$141,438	2.90%	2017	\$392,474	5.49%
1991	\$143,361	1.36%	2018	\$407,571	3.84%
1992	\$143,868	0.35%	2019	\$441,693	8.37%
1993	\$148,129	2.96%	2020	\$529,675	19.5%
1994	\$147,543	-0.40%	2021	\$645,976	21.9%
1995	\$143,193	-2.90%	2022	<b>\$691,528</b>	<b>7.05%</b>
1996	\$140,513	-1.90%			

### AVERAGE SALE PRICE By Month – Residential and Condo Combined



December 2022

Source: Ottawa Real Estate Board

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All information believed to be accurate but not warranted. Not intended to solicit properties currently listed for sale.