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Fall 2023

REAL ESTATE NEWS

Canadians are buying homes with family, friends to combat housing unaffordability

76% of Canadian co-owners cite a lack of housing affordability as a major motivator for choosing to co-purchase a property

High property prices, elevated interest rates and the rising cost of living has prompted many Canadians to rethink their lifestyle and housing needs. For some, this means pooling financial resources with other family members and friends in order to gain access to the housing market. By co-owning a property (with someone other than their spouse or significant other), homebuyers can not only divide the expense of homeownership among more people, but potentially access larger homes in more desirable locations that they may not have been able to afford on their own.

“Households group together for many reasons, including communal care for elderly parents, help raising children, cultural preferences or simply to be together. However, the decision to live together, including co-owning a home, is a decision increasingly made for financial reasons,” said Karen Yolevski, COO, Royal LePage Real Estate Services Ltd. “In an environment where home prices and interest rates have risen quickly and sharply, and where the threshold to qualify for a mortgage has become much more challenging, Canadians are pooling their resources and buying homes together. In cases where homebuyers cannot afford to purchase on their own, they are combining their buying power with their parents, children, siblings or even friends.”

Concerning their co-owning situation, 44% of co-owners say that they and all fellow co-owners live in the home together. A smaller percentage (28%) says that they co-own a home with another person(s), but they do not cohabitate. Six per cent of respondents say that they co-own a home with another person(s) and neither party uses the home as a primary residence, rather as an investment or recreational property.

“The decision to buy jointly with family or friends nevertheless requires careful thought and the establishment of clear rules for living together,” said a Broker. “Preparing a cohabitation agreement – ideally notarized - can be beneficial to ensure that rules and obligations are respected by all parties. It is also essential to provide private and common living spaces so that all co-owners can pursue their respective daily routines without encroaching on each other.”

Here are a few highlights from the 2023 Canadian Co-owners Survey:

- Nationally, 6% of homeowners co-own a property with someone other than their spouse,
- Almost one-third (32%) of co-owners who were motivated by low affordability purchased their home after the Bank of Canada began raising interest rates in March 2022,
- Nearly two-thirds (65%) of Canadian co-owners say they own a single-family detached property,
- 56% of co-owners co-own a home with their parent(s) or parent(s)-in-law; 18% co-own with their adult child(ren).

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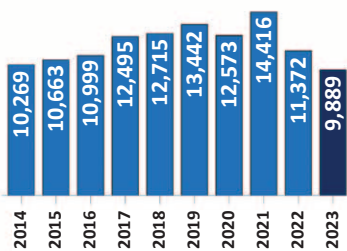
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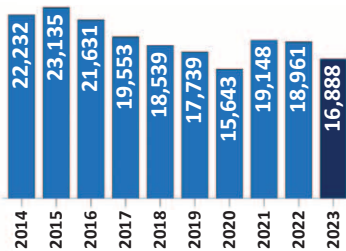
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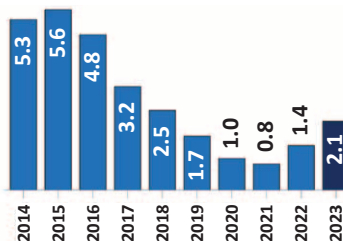
Sales Activity (September Year-to-Date)



New Listings (September Year-to-Date)



Months of Inventory (September Year-to-Date)



OTTAWA & AREA REAL ESTATE MARKET SNAPSHOT SEPTEMBER 2023

POSITIVE PRICE GAINS FOR OTTAWA'S RESALE MARKET

residential HIGHLIGHTS

AVERAGE SALE PRICE

\$725,169

+ 2.6% over September 2022

PROPERTIES SOLD

848

+ 4.4% over September 2022

condo HIGHLIGHTS

AVERAGE SALE PRICE

\$435,826

- 3.4% over September 2022

PROPERTIES SOLD

253

- 4.2% over September 2022

TOTAL PROPERTIES SOLD SEPTEMBER 2023

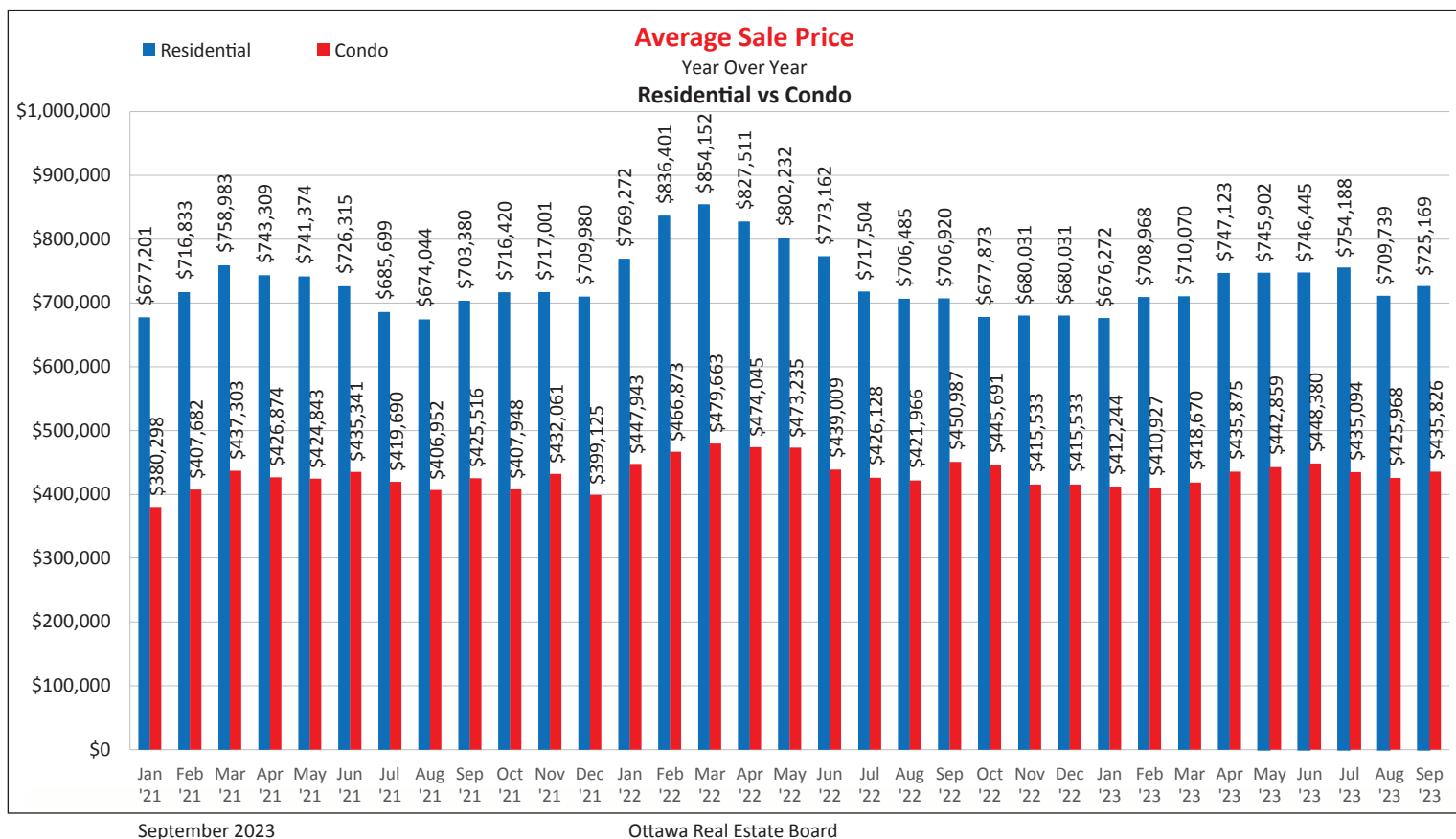
1,101 + 2.3% over September 2022

year to date HIGHLIGHTS

With year-to-date average sale prices at **\$731,511** for residential and **\$432,872** for condominiums, these values represent a 7.2% and 5.4% decrease over 2022, respectively.

By the Numbers – Inventory & New Listings

- The number of new listings saw an increase of 9.8% from September 2022. There were 2,259 new residential listings in September 2023. New listings were 4.8% above the five-year average and 7% above the 10-year average for the month of September.
- Active residential listings numbered 2,997 units on the market at the end of September, a sizable gain of 14% from the end of September 2022. Active listings haven't been this high in the month of September in five years.
- Active listings were 33.9% above the five-year average and 18.5% below the 10-year average for the month of September.
- Months of inventory numbered 3.2 at the end of September 2023, up from the 2.8 months recorded at the end of September 2022 and below the long-run average of 3.3 months for this time of year. The number of months of inventory is the number of months it would take to sell current inventories at the current rate of sales activity.



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