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APRIL 2010 - Hottest April on record for resale housing market

Members of the Ottawa Real Estate Board sold 1,841 residential properties in April through the Board's Multiple Listing Service® system compared with 1,591 in April 2009. That represents an increase of 15.7 per cent. Those numbers blew away the record for April, which is always one of the busiest months of the year for resale home sales in Ottawa. The spring market is in full swing now and our members were kept busy working with buyers and sellers alike.

425 of those sales were in the condominium property class, while 1,416 were in the residential property class. The condominium property class includes any property, regardless of style (i.e. detached, semi-detached, apartment, stacked etc.) which is registered as a condominium, as well as properties which are co-operatives, life leases and timeshares. The residential property class includes all other residential properties.

The average sale price of residential properties, including condominiums, sold in April in the Ottawa area was \$332,979, an increase of 11.6 per cent over April 2009. The average sale price for a condominium-class property was \$254,220, an increase of 17.4 per cent over April 2009. The average sale price of a residential-class property was \$356,617, an increase of 11.7 per cent over April 2009. However, average sale price information can be useful in establishing trends over time but should not be used as an indicator that specific properties have increased or decreased in value. The average sale price is calculated based on the total dollar volume of all properties sold.

This increased sales activity may have been partially due to some buyers getting into the market sooner than they intended, trying to avoid the impending HST in Ontario and the mortgage changes that came into effect on April 19. For purchasers of resale homes, it is important to note that HST will not be charged on the house itself but it will apply on services purchased during the process of buying that home, as well as on any goods purchased for the new home, such as renovation materials, furniture, insurance and moving services. HST will apply to newly built homes (as GST does currently); however, there will be rebates available to purchasers of new homes, based on the price – check the Ontario Home Builders' Association website for details. However, an active month such as we saw in April should not be entirely attributed to people trying to beat the tax man. It also demonstrates that consumers feel confident about our local economy. This is also made evident by the fact that more people are listing their homes for sale. The inventory of homes available for sale is still lower than it was last April, but it has been slowly rising since January, which is terrific news for house hunters – more homes for them to choose from.

We're well into the busiest time of year for buying and selling homes in Ottawa. Many people with children like to move in the summer so there is no disruption during the school year. Plus, no snow to contend with during the moving process!