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Coldwell Banker Rhodes and Company, Brokerage

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Slower May after record-setting April: could it be the HST?

Ottawa, June 3, 2010:Members of the Ottawa Real Estate Board sold 1,694 residential properties in May through the Board's Multiple Listing Service® system compared with 1,967 in May 2009, a decrease of 13.9 per cent. Of those sales, 353 were in the condominium property class, while 1,341 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.

"Many of the sales that would normally have occurred in May were pulled back to April, due to buyers trying to avoid the May 1st transitional implementation date for the HST, as well as new mortgage regulations that came into effect April 19," said Board President Pierre de Varennes. "Buyers knew they would be paying eight per cent more for all of the service costs associated with a real estate transaction if their closing date was after July 1, and that it might be more difficult to qualify for financing, so they moved quickly to avoid either situation. In addition, by comparison May 2009 was a record-breaking month as the floodgates opened on pent-up demand following the brief downturn in the market," he added.

The average sale price of residential properties, including condominiums, sold in May in the Ottawa area was \$333,408, an increase of 6.9 per cent over May 2009. The average sale price for a condominium-class property was \$246,116, an increase of 6.4 per cent over May 2009. The average sale price of a residential-class property was \$356,387, an increase of 8.3 per cent over May 2009. The Board cautions that 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.

The Ottawa Real Estate Board is an industry association of 2,590 sales representatives and brokers in the Ottawa area. Members of the Board are also members of the Canadian Real Estate Association.

The MLS® system is a member based service, paid for by the REALTOR® members of the Ottawa Real Estate Board. The MLS® mark symbolizes the cooperation among REALTORS® to effect the purchase and sale of real estate through real estate services provided by REALTORS®. MLS® commercial and residential listings are available for viewing on the Board's internet site at www.OttawaRealEstate.org and on the national websites of The Canadian Real Estate Association at www.mls.ca and www.ICX.ca. Information about listings and open houses is also available in the Board's weekly newspaper, Ottawa Real Estate Guide, available free at 700 locations across the Ottawa area.