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SPRING ACTIVITY BUILDS as Ottawa Market Remains Balanced



MARKET OVERVIEW

Ottawa's housing market continued its seasonal rebound in April, with activity picking up month-over-month, following a slower winter. Inventory levels, which have been rising since late summer 2025, remain elevated, but stable. The spring increase in new listings has added to this supply, giving buyers more choice and flexibility.

The broader economic backdrop remains mixed. The Canadian Real Estate Association (CREA) recently revised its 2026 forecast downward, citing a weaker-than-expected start to the year and renewed inflation pressures, partly driven by rising energy costs. As a result, expectations for both sales and price growth have been tempered, with only modest gains now anticipated nationally.

Interest rate expectations have shifted. Earlier concerns that inflation could lead to rate increases contributed to more cautious buyer behaviour over the winter. With rates now holding steady, that immediate risk has eased. While borrowing costs remain above pandemic-era lows, they are more in line with long-term norms. A more stable rate environment may help reduce hesitation and support a gradual improvement in activity as buyer confidence strengthens.

"We're seeing the market find its footing after a slower winter," said OREB President. "April's activity reflects a market that is gradually regaining momentum. Buyers are beginning to re-engage, and more listings are helping to keep conditions balanced across most segments."

RESIDENTIAL MARKET ACTIVITY

In April, 1,336 homes were sold, down 1.9% year over year, but up from 1,075 in March.

New listings rose sharply to 3,258 units (+19.3%), pushing active listings to 4,535 units (+17.2%).

With listings continuing to outpace sales, the sales-to-new-listings ratio came in at 41.0%, consistent with balanced market conditions.

Homes are taking slightly longer to sell, with median days on market increasing to 21 days, up from 18 days in April 2025.

Year to date, 3,839 homes have been sold, down 4.4% compared to the same period in 2025. While activity remains below last year's levels, recent trends suggest that the 2026 market may be gradually strengthening.

New listings total 8,933 units (+8.5%), while active listings have increased 16.0%.

PRICES AND MARKET BALANCE

Home prices held steady in April. The average sale price was \$712,184 (+0.8% year over year), and the median price was \$650,000, unchanged from April 2025. Year-to-date, the average price stands at \$683,303, and the median price is \$630,000, both showing little change compared to the same period last year.

The MLS® Home Price Index provides additional context, indicating that benchmark prices have begun to stabilize following earlier declines. Most segments recorded modest month-over-month gains, apart from condo-apartments, which continue to lag. This aligns with the broader trend of price stabilization observed over recent months.

Market balance continues to be shaped primarily by supply. Active listings reached 4,535 units in April, up 17.2% year over year, while new listings also posted strong gains.

With a sales-to-new-listings ratio of 41.0% and 3.4 months of inventory, Ottawa remains in balanced territory. Compared to recent years, conditions are less competitive, with buyers benefiting from increased choice, and sellers facing more competition.

REGIONAL MARKET COMPARISON

Ottawa Centre appears relatively stable from a pricing standpoint, but activity has eased. Sales are lower compared to recent years, while inventory has increased, resulting in slower absorption. This is largely due to the area's higher concentration of condo-apartment units, which has been the softest segment of Ottawa's market for several months.

Suburban markets across the east, south, and west remain generally balanced. Sales-to-new-listings ratios and inventory levels are within typical historical ranges, although sales activity has moderated in some areas, and supply has trended higher. Among these, the western suburbs stand out as the strongest segment, with more consistent sales activity, and slightly tighter inventory conditions.

Rural markets continue to operate at a slower pace, with higher inventory levels, and longer selling times compared to suburban areas. This results in more buyer-friendly conditions, along with greater variability in pricing data due to lower transaction totals.

LOOKING AHEAD

Ottawa's spring market continues to build momentum, with activity improving from the slower pace seen earlier this year. While sales have yet to fully offset the winter slowdown, recent gains suggest the market is beginning to regain ground as the season progresses.

Despite ongoing economic uncertainty, Ottawa continues to demonstrate relative stability. Prices have remained in a narrow range, and demand, while measured, continues to support balanced conditions rather than any sharp shift in either direction.

Inventory will remain a key factor to watch. Supply levels have been elevated for several months and continue to build through the spring, giving buyers more choice and increasing competition among sellers. If this trend persists, however, higher inventory could begin to place downward pressure on pricing and influence seller expectations in the months ahead.

MONTHS OF INVENTORY

Single Family: 3.1

Townhome: 3.0

Apartment: 4.9

Not intended to solicit properties currently listed for sale.

BANK OF CANADA HOLDS RATE AT 2.25% IN APRIL AS INFLATION TICKS UPWARD

Rising energy prices reintroduce risk of higher interest rates as inflation pressures return



In its third scheduled announcement of 2026, the Bank of Canada held the target for the overnight lending rate at 2.25%. This marks the fourth consecutive hold to interest rates since October of last year.

Rising global energy prices tied to the conflict in Iran are adding upward pressure on inflation. For now, the Bank says there is limited evidence that higher oil prices are significantly impacting the cost of other everyday goods and services, though this remains a key area to watch. The focus is on keeping inflation pressures temporary and preventing longer-term price increases. Looking ahead, upcoming Canada–United States–Mexico Agreement negotiations this summer, along with ongoing tariffs, could also influence the direction of interest rates.

“If the United States imposes significant new trade restrictions on Canada, we may need to cut the policy rate further to support economic growth. Alternatively, if oil prices continue to increase, and particularly if they remain elevated, the risk that

higher energy prices become ongoing generalized inflation increases. If this starts to happen, monetary policy will have more work to do – there may be a need for consecutive increases in the policy rate,” said Tiff Macklem, Governor of the Bank of Canada, in a press conference with reporters following the announcement.

“Of course, these are not the only possible outcomes. We will be watching developments closely and assessing their implications for growth and inflation. As the outlook evolves, we stand ready to respond as needed.”

In March, Canada’s Consumer Price Index (CPI) increased 2.4% year over year, up from 1.8% in February. The acceleration was largely driven by higher gasoline prices, with consumers paying 5.9% more than they did in March of the previous year. However, the increase was somewhat tempered by base-year comparisons, as March 2025 prices included the since-eliminated consumer carbon levy. Meanwhile, labour market conditions remained relatively stable, with the employment rate holding at 60.6% last month.

RISK OF RISING RATES COULD SPUR SPRINGTIME ACTIVITY

With inflation pressures resurfacing, mortgage rates could move higher in the near term. As a result, buyers with pre-approvals may feel added urgency to act this spring to avoid rising borrowing costs, potentially supporting an uptick in market activity. Fixed rates have already started to edge higher in recent weeks, tracking bond yields as they respond to ongoing market volatility.

“With inflation pressures resurfacing, the Bank of Canada has no room to lower interest rates further – and the next move could be upward,” said Phil Soper, president and CEO, Royal LePage. “For buyers planning to enter the market this year, securing a mortgage pre-approval sooner rather than later is a prudent step, particularly as rate holds have a limited shelf life.

As that reality sets in, we expect more buyers to come off the sidelines through the spring and summer months.”

According to the Royal LePage® House Price Survey and Market Forecast, the aggregate¹ price of a home in Canada decreased 2.0% year over year to \$812,900 in the first quarter of 2026. On a quarter-over-quarter basis, however, the national aggregate home price remained relatively flat, increasing just 0.7%.

The Bank of Canada will make its next interest rate announcement on June 10th, 2026.

Bank of Canada Overnight Lending Rate

