Real Estate News

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OTTAWA HOME SALES HOLD STEADY

as New Listings Ease in July

MARKET OVERVIEW

Ottawa's housing market held up better than usual as the spring market gave way to summer. Sales in July were virtually unchanged from a year earlier, while new listings edged lower, improving the balance between incoming supply and sales compared with June. July marked the second time in three months that new listings fell below year-earlier levels, adding to signs that the flow of new supply is beginning to moderate and balance, even as the overall number of homes available remained high relative to recent historical trends.

Sales declined 12.7% from June, compared with a median June-to-July decrease of 20.7% over the previous decade. New listings fell at a more typical seasonal pace, allowing the relationship between new supply and sales to improve.

Pricing indicators were mixed, but once again they collectively pointed to stability rather than a market-wide shift. The average sale price was 1.6% lower than in July 2025, while the median price was unchanged. This divergence suggests that the mix of homes sold contributed to the decline in the average price.

Conditions also remained segmented geographically and by type. Absorption was generally firmer in the suburban markets, while the condominium apartment market continued to experience softer conditions, particularly in the downtown core.

"July's results point to a steady market as it moves through the typical summer slowdown," said OREB's President. "Sales remained close to last year's level, while fewer new listings helped improve the balance between supply and demand. However, conditions continue to vary significantly by property type and neighbourhood, reinforcing the importance of local data and informed guidance when making real estate decisions."

RESIDENTIAL MARKET ACTIVITY

A total of 1,325 homes were sold in the Ottawa area through the MLS® System in July, an increase of 0.2% from July 2025. Although sales declined from June as the spring market gave way to summer, Ottawa retained considerably more of its spring activity than it typically has during recent June-to-July transitions.

Activity continued to vary by property type. Single-family sales rose 5.0% year-over-year to 714 transactions. Townhouse sales declined 4.1% to 417, while apartment sales declined 6.6% to 169. While Townhome and apartment sales both declined compared to 2025, that decline was once again less than the year earlier figures from June.

Year-to-date, 8,288 homes have sold in Ottawa, down 5.2% from the same period in 2025. This July result narrows the year-to-date gap from 6.1% at the end of June. Total year-to-date dollar volume was approximately $5.8 billion, down 5.6% year-over-year.

PRICES AND MARKET BALANCE

The average residential sale price was $683,308 in July, down 1.6% from a year earlier. The median price was unchanged at $635,000.

Taken together with other pricing measures, these figures suggest prices remained broadly stable year-over-year, and that changes in the mix of properties sold influenced the lower average. The MLS® Home Price Index, which is designed in part to adjust for changes in the mix of homes sold, recorded a composite benchmark price of $634,000, down 0.5% year-over-year but up 0.3% from June.

There were 2,530 new listings in July, down 0.8% from a year earlier. Active listings totaled 4,678, up 9.3% year-over-year but down 6.1% from June. Inventory therefore remained high compared with recent historical trends, but the growth in available supply continued to moderate.

The sales-to-new-listings ratio increased from 48.8% in June to 52.4% in July as sales held up comparatively well and fewer new properties entered the market. Months of inventory rose modestly from 3.3 in June to 3.5 in July. Although an increase is typical between June and July, this year's 0.2-month rise was less than half the median increase recorded over the previous decade.

Other transaction measures were somewhat softer. Homes sold for an average of 97.8% of their listing price, compared with 98.0% in July 2025, while the median time on market increased from 24 to 28 days. July therefore showed improved absorption of incoming listings, but not a broad shift toward tighter market conditions.

MONTHS OF INVENTORY

Single Family: 3.2 Townhome: 3.0 Apartment: 5.4

STRATEGIC HOME RENOVATIONS

WHICH UPGRADES ACTUALLY DRIVE RESALE VALUE?

Renovating is one of the biggest investments most homeowners make, and it is easy to assume that any upgrade will pay you back when you sell. The truth is more nuanced. While some renovation projects yield high returns, others recoup little of their costs or can even actively work against your home's value.

If you're looking to invest in renovations, here are a few options that can boost your home's value.

MAXIMIZING VALUE THROUGH KITCHEN AND BATHROOM UPGRADES

Kitchens and bathrooms remain the primary drivers of buyer interest. According to the Appraisal Institute of Canada (AIC), strategic renovations in these spaces consistently offer strong appeal to buyers.

To maximize profitability, homeowners should focus on cosmetic refreshes rather than full-scale gut renovations. Full-scale renovations require a massive upfront investment and rarely yield a complete financial return. Instead, high-impact, cost-effective upgrades offer a much stronger financial return.

In the kitchen, updating cabinet fronts, installing quartz or granite countertops, and modernizing fixtures and lighting will elevate the design without the premium expense of a layout overhaul. Similarly, updating a bathroom with a new vanity, fresh tile, and a contemporary walk-in shower delivers a premium, modern aesthetic at a fraction of the cost of a complete rebuild.

CURB APPEAL UPGRADES OFFER A HIGH RETURN ON INVESTMENT

Investing in a home's exterior remains a highly effective strategy for maximising its resale value. AIC points out that professional painting work offers an excellent return on investment, whilst a high-quality product often allows you to recoup the full cost of your investment. This is particularly true of steel front doors, which prove to be especially cost-effective for enhancing the home's first impression.

ENERGY EFFICIENCY IS THE FASTEST-GROWING CATEGORY

The Canadian real estate market has experienced a significant shift toward sustainability. Driven by escalating utility costs and expanding provincial rebate programs, energy-efficiency upgrades such as enhanced insulation, smart thermostats, cold-climate heat pumps, and high-performance window replacements are increasingly factored into a property's appraised value rather than just its operational costs.

Before establishing a project budget, it is critical to review active federal and provincial incentive programs, as eligibility and funding levels fluctuate annually. Programs such as Quebec's Rénoclimat and Hydro-Québec's LogisVert, Ontario's Home Renovation Savings, and Better Homes BC run concurrently with federal initiatives. Aligning your project with these active incentives can substantially improve your ROI.

WHERE RETURNS GET WEAKER: BASEMENTS, DECKS, AND LANDSCAPING

While basement finishing is highly requested, its financial payback is frequently misunderstood. On its own, a cosmetic basement renovation typically yields a modest return of 50% to 85%. However, two primary factors can dramatically alter this calculation:

Prioritizing Moisture Mitigation:

> Many Canadian foundations sit below the frost line, making freeze-thaw cycles a major risk for water infiltration. A finished basement lacking proper drainage, a sump pump, and corrected foundation grading represents a significant liability rather than an asset.

Creating Legal Living Space:

> Converting a basement into a legally recognized bedroom, full bathroom, or secondary suite changes the valuation structure. This adds official, appraised square footage and introduces rental income potential, making compliant secondary suites one of the highest-yielding renovations in select markets.

Ultimately, not every home improvement needs to be justified by resale value; personal comfort, safety, and long-term enjoyment are equally valid reasons to renovate. However, when return on investment is a priority, cosmetic kitchen and bathroom refreshes, alongside low-cost exterior updates like fresh paint and steel entry doors, offer the most reliable financial recovery.