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Real Estate News

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Balanced but Softening: Ottawa Housing Market Shifts Toward Higher Supply

Ottawa eased into a slower market rhythm in November, shaped by early winter weather and a cautious economic environment. Sales declined from October and fell below November 2024 levels. Although active listings dipped month over month, months of inventory (MOI) rose again after tightening earlier in the fall. The market remained broadly balanced, but the data shows a tilt toward higher supply, with November's seasonal slowdown more pronounced than usual.

Recent rate cuts offer some optimism for renewed buyer engagement through the typically quiet winter months, setting the stage for a steadier start to the new year and a more energized spring. At the same time, elevated inventory in the townhome and apartment segments warrants ongoing attention to ensure clients understand the current dynamics.

November Snapshot: Home Sales in Ottawa

- November total sales: 880, down from 1,177 in October 2025
- 18.2 per cent lower than November 2024
- Year-to-date sales remain 1.5 per cent ahead of this point in 2024
- Average sale price: $680,496, up a little more than 2 per cent year over year
- Year-to-date average: near $700,000, 3 per cent higher than a year ago
- Gains are largely driven by single-family sales, which continue to climb
- Single-family homes averaged $825,827 in November 2025, up 4.8 per cent compared with November 2024 and up 4 per cent year-to-date

Residential Market Activity: Big Picture

- Total 2025 home sales to date: 13,075
- Increase in home sales compared with 2024: 1.5 per cent
- Average sale price in November: $680,496
- Increase in sale price from 2024: 2.2 per cent, down more than 4 per cent from October*
- Year-to-date average home price: $699,635, a 3.0 per cent increase over the first 11 months of 2024
- Total value of homes sold in November: $599 million (16.5 per cent decrease year over year)
- Year-to-date sales: more than $9 billion, a 4.6 per cent increase over 2024
- New residential listings in November: 1,458, down 39 per cent from October but 10 per cent higher than November 2024
- November active listings: 3,721, a 12 per cent decrease from October but 31.3 per cent higher than 2024

**Prices typically decrease from October to November. A 4 per cent drop is notable as it is larger than usual.*

This active listing indicator is trending higher than each of the past five years, indicating this is more than the cyclical supply buildup associated with late fall and early winter.

Months of inventory (MOI), a key measure of supply, rose overall from 3.6 in October to 4.2, reflecting what remains a generally balanced market. Though it is worth noting that the disparity in MOI between property types.

Canada's Housing Market Poised for a Reset in 2026, with Modest Price Growth and Increased Activity

Improved Affordability Expected to Draw Canadians Back into the Market Through 2026

After a tumultuous 2025 marked by economic and political shifts, 2026 emerges as a crucial reset year for Canada's housing market. According to the Royal LePage Market Survey Forecast, Canada's residential real estate market is expected to post modest price gains next year and an increase in sales activity, as buyers continue to move off the sidelines. The aggregate price of a home in Canada is set to remain relatively flat, increasing a modest 1.0 per cent year over year to $823,016 in the fourth quarter of 2026. The median price of a single-family detached property is expected to increase 2.0 per cent to $876,934, while the median price of a condominium is anticipated to decrease 2.5 per cent to $563,918.

“Solid market fundamentals – including lower interest rates, increased supply, and reduced competition – have created a more favourable environment for consumers,” said Phil Soper, president and chief executive officer, Royal LePage. “First-time buyers and those searching in the country's most expensive regions have a rare window to act on their home ownership plans at reduced prices. While we don't expect a sharp rebound, this improved affordability will rebuild market confidence among both buyers and sellers, setting the stage for more sustainable, albeit modest, price growth in 2026.”

Rate Cut Cycle Comes to a Close

In 2025, the Bank of Canada reduced its target for the overnight lending rate four times, bringing the key rate down to its current level of 2.25 per cent. After an 18-month rate-cutting cycle that followed two-decade-high interest rates, the Bank has now shifted its focus to supporting a cooling economy while keeping inflation on a sustainable path. Economists widely expect the Bank will only make further cuts if the economy shows major signs of weakness as Canada continues to navigate trade tensions with the United States.

“Mortgage rates are no longer the villain in this story. Borrowing costs have stabilized at a level that supports healthy market activity. Buyers can move forward without worrying they are missing out on cheaper money tomorrow. That clarity alone will unlock demand,” concluded Soper.

Ottawa

In Ottawa, the aggregate price of a home in the fourth quarter of 2026 is forecast to increase 2.0 per cent year over year to $788,970. During the same period, the median price of a single-family detached property is expected to rise 3.5 per cent to $907,488, while the median price of condominium is forecast to increase 1.0 per cent to $408,646.

“Looking ahead to next year, we expect activity in the Ottawa housing market to return to more typical levels, with prices increasing by low single digits. Sales activity should follow a more cyclical rhythm – a brisk spring market, a slowdown during the summer months as families take vacations, and another boost after Labour Day,” said Jason Ralph, president and broker of record, Royal LePage Team Realty. “Encouragingly, we've already seen a jump in buyer demand following several rate cuts this fall, and with the Bank of Canada indicating that further cuts are unlikely in the near term, many sidelined buyers are beginning to re-enter the market.”

Ralph noted that what consumers are really looking for is stability, and greater consistency in lending rates, paired with a potential trade deal, will go a long way in restoring confidence.

“While there has been some concern around federal workforce reductions, we do not anticipate a dramatically negative impact on the local housing market. Most of these changes are expected to occur through attrition and retirement, which could in fact lead to a modest boost in recreational property sales, as some homeowners transition into new lifestyles,” added Ralph. “Both buyers and sellers are adjusting their expectations to reflect market realities. Overall, Ottawa's real estate economy continues to prove its stability and resilience. With increasing demand, steady prices, and a market environment that remains fundamentally healthy, we expect to see continued strength through 2026.”