

Neither boom nor bust – so get in there!

Wondering how the resale housing market is doing in Ottawa these days? The Ottawa Real Estate Board released its January sale statistics last week, and they showed that members of the Board sold 530 residential properties in January through the Multiple Listing Service® system compared with 652 in January 2008. Those numbers represent a decrease of 18.7 per cent.

That may not look like good news, but when you look at those numbers alongside the December statistics, it offers a clearer picture. Resale home sales declined almost exactly the same amount in January as they did in December (18.8 per cent), which implies that buyer confidence is holding steady here in the national capital.

It's also significant that the average price of residential properties (including condominiums) sold in January in the Ottawa area actually rose 1.5 per cent over January 2008. This means that homes are holding their value, despite the fact that winter is always a quieter time of year for real estate, and in the face of a generally pessimistic economic outlook across Canada. So while the market in Ottawa may not be booming, it's certainly not a bust either.

There was more good news for potential home buyers in January, particularly first-time buyers. The federal budget included something that REALTORS® have been requesting for several years: an increase to the withdrawal limit under the federal Home Buyer's Plan. Previously, the Plan allowed first-time home buyers to withdraw up to \$20,000 from their RRSPs to put towards their down payment on a house. That withdrawal limit had not been raised since the Plan was created in 1992, and thus had not kept pace with the price of homes in Canada. The withdrawal limit is being raised to \$25,000 per person, for a total of \$50,000 if the buyer is purchasing the home with a spouse who has a separate RRSP.

This increase will greatly assist Canadians with healthy RRSPs who wish to take advantage of the current historically low mortgage rates but who do not have adequate savings for a down payment. After all, the bigger the down payment you can make, the lower your monthly carrying costs will be on your new home.

Also included in January's federal budget was a one-time tax credit of up to \$750 to help first-time buyers cover the costs associated with a home purchase. That's on top of the pre-existing land transfer tax rebate of up to \$2,000 that first-time buyers may apply for. If you're purchasing a newly-built home or substantially renovating an existing one, you are also eligible for a GST rebate.

There are so many programs out there right now to assist first-time home buyers, so if you're apprehensive about purchasing a home, talk to a REALTOR® who can provide concrete examples of carrying costs, and show you how much you can save by using all the incentives available to you. He or she can also help you apply for those incentives when it comes time to buy. Combine those savings with the lowest interest rates this country has seen in decades – why not at least consider buying? Find an Ottawa REALTOR® today at www.OttawaRealEstate.org and start your home search!

Readers are encouraged to send questions or request topics to be discussed in this column. Please send your requests to info@thenewsemc.ca