

NEWSLETTER

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NAVIGATING LIFE'S NEXT CHAPTER WITH EXPERT REAL ESTATE GUIDANCE

With over 39+ years of experience in real estate and a background in design, I have had the privilege of navigating thousands of sales, helping clients find the perfect home. Many of my clients are still happily settled, while others are now contemplating their next steps.

For some, retirement brings the opportunity to scale down and travel, embracing a lifestyle with fewer responsibilities and more freedom. For others, a growing family calls for a larger home to accommodate their evolving needs. No matter the transition, my role as an experienced real estate professional is to listen, understand, and help clients map out the best path forward.

A NOTE TO OTTAWA HOME BUYERS AND SELLERS: NAVIGATING THE MARKET BEYOND THE HEADLINES

The Ottawa real estate market is in a more balanced state than it has been in years, but a significant disconnect exists between this reality and public perception. For both first-time buyers and long-time homeowners, understanding this is key to making a successful move.

First-Time Buyer

The media narrative of a "bad time to buy" often focuses on high interest rates, creating a sense of paralysis. However, this is only part of the story. The federal foreign buyer ban, extended until January 1, 2027, is one of the few national laws that directly benefits you. While foreign buyers represented a small portion of the market, their presence often inflated prices, particularly in high-demand, luxury, and pre-construction segments. By removing this segment of speculative buyers, the ban has helped to level the playing field, reducing competition and allowing you to make more thoughtful offers without the pressure of a global bidding war. Don't let negative headlines deter you; focus on your personal financial readiness and the tangible local market benefits that this policy provides.

Long-Time Homeowner

If you're selling a home you've owned for years, your experience will be very different from what you've seen in recent headlines. The days of listing a home on a Tuesday and accepting a no-conditions offer by Thursday are largely over. The media may portray a "slower" market, but that simply means buyers are more cautious and informed.

You also need to be aware of the Vacant Unit Tax (VUT). This new City of Ottawa regulation requires all homeowners to declare their property's occupancy status annually. If your property is deemed vacant for more than 184 days and doesn't meet an exemption, you'll be charged a tax of 1% of the property's assessed value. This applies even if you have moved out before selling. It is crucial to make this declaration to avoid penalties and to be transparent with potential buyers.



IS YOUR OTTAWA SHORT-TERM RENTAL AT RISK? AVOIDING NEW PENALTIES

Earning extra income from your Ottawa property through short-term rentals like Airbnb or VRBO can be a smart financial move. As this market has evolved, so too have the rules governing it. Both the City of Ottawa and the Canada Revenue Agency (CRA) have implemented stricter regulations, and understanding these changes is now more important than ever to ensure you're operating legally and maximizing your returns.

City of Ottawa Regulations: To operate legally in Ottawa, your short-term rental must be your principal residence. You are required to have a City-issued permit for any rental of less than 30 consecutive nights. All online listings must display this permit number and the maximum number of guests. You must also collect and remit a 5% Municipal Accommodation Tax (MAT) on all room revenue. Be sure to check your lease or condominium bylaws, as they may prohibit short-term rentals even if you live there.

CRA Tax Updates (Effective 2024): The Canada Revenue Agency (CRA) has implemented a major change that affects non-compliant short-term rentals for tax years after 2023. The CRA can now deny the deduction of common rental expenses—such as mortgage interest, property taxes, and maintenance costs—if your STR does not comply with all municipal or provincial rules. This can significantly increase your taxable income. The CRA has an unlimited reassessment period to deny deductions for non-compliant properties, meaning they can retroactively deny expenses from tax years after 2023. The form you use depends on your operation. If you offer basic services like utilities, report your income on Form T776 (Statement of Real Estate Rentals). If you provide additional services such as daily cleaning or meals, the CRA may consider it a business, requiring you to use Form T2125 (Statement of Business or Professional Activities).



Source: Airbnb | City of Ottawa

BANK OF CANADA HOLDS STEADY ON INTEREST RATES



Source: CREA

The Bank of Canada has once again held its key policy rate at 2.75%, marking the third consecutive time the rate has remained unchanged. This decision signals a cautious approach by the central bank as it navigates ongoing economic uncertainties.

For you as a homeowner or prospective buyer, this period of stable interest rates offers a degree of predictability. It can make it easier to plan your real estate moves, whether you are considering a new purchase, a refinance, or selling your current property. A predictable rate environment allows for more confident financial planning.



YOUR HOME & YOUR BUDGET: THE IMPACT OF OTTAWA'S 2025 CITY FINANCES ON YOU

As an Ottawa homeowner, understanding the City's budget is crucial for your finances. The 2025 City of Ottawa budget, approved last December, brought several changes now in effect, impacting your household and property.

The most direct change is the 3.9% property tax increase, adding approximately \$168 to the average residential bill this year. This helps fund essential city services, police, and transit.

Beyond property taxes, other fees have also risen:

- Water, Wastewater, and Stormwater Fees: Up 4.4% overall.
- Solid Waste User Fees: A single-family household flat fee is now \$243 (up from \$145), now including the waste diversion tax.
- Public Transit Fares: OC Transpo fares increased by 5% since January 1, 2025, affecting daily commuters.
- Recreation and Permit Fees: Modest increases for various city services, including short-term rental permits.

For homeowners and those nearing retirement, these changes require a look at household budgets. For investment property owners, these rising operating costs directly impact your net rental income. While no one welcomes higher costs, these investments fund the infrastructure and services that maintain Ottawa's stability and appeal as a place to live and own property. Understanding these changes is vital for informed financial planning.

Source: City of Ottawa

OTTAWA'S CHANGING NEIGHBOURHOODS

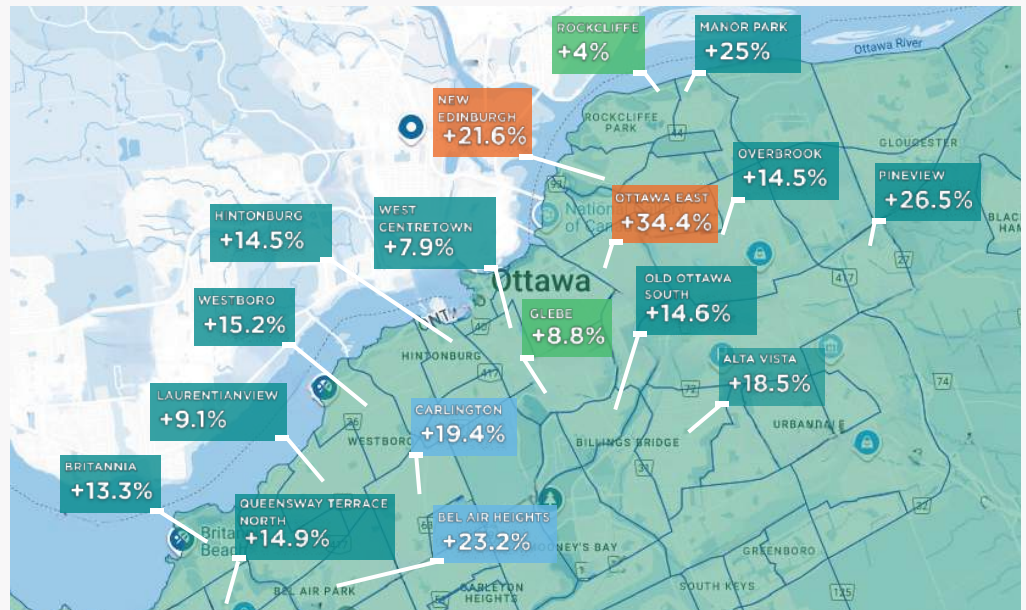
The real estate market's biggest gains often reflect a neighbourhood's journey—its growth, charm, and changing appeal!

Up and Coming Communities

Areas like Ottawa East (+34.4%) and New Edinburgh (+21.6%) have been "rediscovered" for their blend of classic charm and a lively, urban feel. This revitalization is a huge part of their impressive growth.

Mature Market

In contrast, prestigious areas like the Glebe (+8.8%) and Rockcliffe (+4%) show more modest gains. This isn't a sign of weakness; it's a reflection of their steady, high-end value. They are reliable, long-term investments rather than rapid-growth ones.



Source : OREB | 2020-2025 year over year change

Urban Suburban Blend

The strong appreciation in places like Carlington (+19.4%) and Bel Air Heights (+23.2%) shows a key trend: people want the best of both worlds! These neighbourhoods offer more space and green areas while still being close to the city center, with ongoing improvements like the LRT expansion making them even more connected.



HOT OFF THE PRESS: HINTONBURG/WELLINGTON WEST HIGHLIGHTS!

Have you been to Hintonburg or Wellington West lately? This neighbourhood has officially gone from "up-and-coming" to "must-live." With its perfect blend of artsy vibes, family-friendly atmosphere, and incredible local spots, Hintonburg has quickly become one of Ottawa's most sought-after communities for both buyers and renters.

What's the secret to its success? It's the amazing collection of local gems that make every day feel like an adventure. Here are a few of our favourite spots:



Source: Tooth and Nail Brewing Co

- District Deli: The new kid on the block serving up sandwiches that are already legendary.
- The Third: Your go-to for a fantastic brunch and that cozy, "I-could-live-here" feeling.
- Tooth and Nail Brewing Co.: The ultimate community watering hole for craft beer lovers and friendly faces.
- Darling Vintage: A treasure trove of unique finds that perfectly captures Hintonburg's one-of-a-kind style.
- Bar Lupulus: A sophisticated spot known for its incredible craft beer selection, natural wines, and fantastic food, all in a stylish, welcoming space.

Beyond the great food and fun shops, Hintonburg is a real estate winner. It's a fantastic place to raise a family, thanks to its walkable streets and parks. Plus, its central location—close to downtown and other popular hubs—makes it incredibly convenient. This has led to strong demand for both homes and rental properties, making it an excellent investment. If you're looking for a neighbourhood with personality and a promising future, Hintonburg is where it's at.

Source : Wellington West BIA

O-TRAIN UPDATE: NEW STATIONS AND TIMELINES

Great news for Ottawa homeowners and commuters: the O-Train expansion is finally taking shape after many long years.

The Trillium Line (Line 2), with a new connection to the airport, is now open, providing a huge boost for residents and travelers in the south.

Looking ahead, the Confederation Line East extension (Line 1) will bring the O-Train to Orléans, with an anticipated opening in the fourth quarter of 2025. Further west, the Confederation Line West extension is on track to open in 2027.

The O-Train network is more than just new tracks; it's about building a more connected city. For real estate, an expanded network makes neighbourhoods more accessible and desirable, which can significantly boost property values.



Source: OC Transpo | City of Ottawa | CBC

