Faulkner
Faulkner Real Estate
Ltd., Brokerage

Seasonal Activity Improves, but Ottawa's May Market Remains Cautious

Market Overview

Ottawa's housing market remained balanced in May, with activity improving from April but continuing to trail last year's spring pace. A total of 1,616 homes sold in May, up from 1,336 in April, reflecting the typical lift as the spring market progressed. However, sales were down 10.6% compared to May 2025. These slower sales are becoming a theme so far in 2026, even as the market remains active.

The sales-to-new-listings ratio rose to 48.2%, while months of inventory eased to 3.0, indicating demand kept better pace with new supply than it did in April. Active listings remained elevated at 4,917, keeping pressure on sellers to price strategically.

Average prices across market segments were mixed, though overall pricing remained relatively stable. Single family home pricing was flat year over year, while average prices for townhomes and apartments saw modest declines. Overall pricing was less than one percentage point below last year's level, indicating continued market stability. The average residential sale price was $721,270 in May, up from $712,184 in April, and relative flat at 0.9% below May 2025. The median sale price followed a similar pattern, rising to $660,000 from $650,000 in April while remaining 1.6% lower than last May.

Performance varied by property type. Single-family homes remained resilient, with average prices essentially unchanged year over year and the median price up 1.3%. Townhomes and apartment-style properties continued to face softer conditions, with both average and median prices below last year's levels.

The MLS® Home Price Index (HPI) composite benchmark price increased 0.9% from April, but remained 0.6% below May 2025, reflecting continued variation across market segments.

Economic uncertainty continues to influence market activity. Recent GDP data has fuelled discussion about Canada's economic momentum, while the Bank of Canada has continued to take a cautious approach to interest rates. CMHC data reported lower employment levels in the first quarter compared to a year earlier, while CREA's labour-market charts point to stronger full-time job growth and an unemployment rate that has eased from its early-2026 peak.

Ottawa's market remains balanced, but the data also points to clear challenges. Sales continue to lag last year's pace, inventory is elevated, and softer segments are weighing on the broader price picture. The strength of the summer market will depend on whether demand continues to absorb supply at a steady pace.

"The Ottawa market is not moving in one direction across all property types," said OREB President Tami Eades. "May brought the seasonal increase in activity we typically expect to see in Ottawa's housing market, but sales continue to trail last year's pace. While economic uncertainty continues to influence consumer confidence, the key question moving into the summer market will be whether demand continues to keep pace with supply. The market remains active, but inventory levels, employment trends, and buyer confidence will all play an important role in shaping the months ahead."

Residential Market Activity

In May, 1,616 homes were sold through the MLS® System in Ottawa, a 10.6% decrease compared to May 2025, but a clear increase from 1,336 sales in April. The month-over-month gain reflects the typical spring lift in activity, even as demand continues to trail last year's stronger spring pace.

Sales activity was down in May compared to 2025, though the extent of that decline varied by property type. Single-family homes recorded 904 sales in May, down 8.6% from a year earlier. Townhouse sales totalled 481, down 14.3%, while apartment-style properties recorded 203 sales, down 12.1%. The segment-level results point to a market where demand remains present, but activity is trailing 2025 across all segments.

Supply remained elevated. New listings totalled 3,351 in May, down 2.2% from May 2025, while active listings rose to 4,917 units, up 12.2% year over year and above April's 4,535 listings. While new listings did not surge this month, the elevated level of active inventory shows that supply has continued to accumulate.

The sales-to-new-listings ratio improved to 48.2%, up from 41.0% in April and consistent with balanced market conditions.

Year to date, 5,453 homes have sold in Ottawa, down 6.3% from the same period in 2025. New listings total 12,284, up 5.4%, while average active listings are up 14.8%. The year-to-date sales-to-new-listings ratio of 44.4% and 3.5 months of inventory point to a market that remains balanced overall, but one where sellers face more competition than they did last spring.

Prices and Market Balance

Price trends remained stable in May, but they were not uniform across property types. The average residential sale price in May was $721,270, down 0.9% from May 2025 but up from $712,184 in April. The median price was $660,000, down 1.6% year over year and up from $650,000 in April. Year-to-date, the average price is $694,539, down 0.6%, while the median price is $639,000, down 1.7%.

Single-family homes remained the most resilient segment, with an HPI benchmark price of $723,800, up 0.9% from April and 0.3% year over year. The average single-family sale price was essentially unchanged from last May, while the median price rose 1.3% to $800,000.

The townhome segment softened in May data compared to recent months. Earlier in the year, townhome activity was holding up comparatively well, but May reversed that pattern. Townhouse sales fell 14.3% year over year, pulling year-to-date sales 2.8% below 2025. Pricing has not fallen sharply month over month, with the townhouse HPI benchmark at $557,500, down 0.4% from April and 3.2% from last May. The larger signal is softer absorption, as active listings remain elevated and months of inventory sit well above last year's level.

Apartment-style properties continued to show the most pronounced pressure. The apartment benchmark price was $385,500, up 1.5% from April but down 6.7% from May 2025. Average and median apartment prices were also lower year over year. This weakness is not unique to Ottawa; Toronto's condo sector has also been affected by weaker investor demand and higher carrying costs. Ottawa's apartment segment, however, should still be understood within local conditions: the data points to a slower, more price-sensitive segment, not a broad market correction.

Market balance continues to be shaped by supply. Active listings remained elevated at 4,917 units, up 12.2% year over year. While inventory levels are higher than last spring, stronger absorption in May helped keep conditions balanced overall.

With a sales-to-new-listings ratio of 48.2% and 3.0 months of inventory, Ottawa remains in balanced territory. Conditions vary by property type, with single-family homes continuing to show relative strength, while apartment-style properties remain the softest segment of the market.

Months of Inventory
Single-Family: 2.7
Townhome: 2.7
Apartment: 4.8

Ottawa is not experiencing broad-based price growth, but neither is the market showing a uniform decline in price. Single-family homes continue to provide support, townhomes are adjusting, and apartment-style properties remain the softest part of the market. For sellers, accurate pricing remains critical; for buyers, the data points to a market where patience and property-specific analysis matter more than broad assumptions about Ottawa as a whole.

Regional Market Comparison

Ottawa's regional picture was uneven in May, reinforcing that the citywide market is not moving as one single market. The central market and Ottawa Rural West were the only subareas to record year-over-year sales gains, while the suburban areas continued to drive most of the overall activity.

Ottawa Centre had the clearest positive activity signal, with sales up 13.5% from May 2025 and prices also higher year over year. This suggests stronger engagement in the central market after a softer start to the year, though the area's varied property mix means monthly price movements should be interpreted with some caution.

The suburban markets remained the core of Ottawa's sales activity, but the story differed by area. Ottawa Suburb West recorded the highest sales total and the lowest months of inventory, pointing to relatively stronger absorption. However, prices were lower than last May, so its strength was more about activity than price growth. Ottawa Suburb South remained steady but softer than last year, while Ottawa Suburb East saw a sharper decline in sales even as prices moved higher.

Rural markets were more variable, which is typical given smaller transaction volumes. Ottawa Rural West was the relative bright spot, with sales slightly above last May, while Ottawa Rural East and Rural South both recorded weaker activity. Rural East also had the highest inventory level among the subareas, pointing to slower absorption.

Overall, the regional data points to a market shaped by local differences rather than one broad trend. Central Ottawa improved in May, the west remained active, and rural conditions were more uneven. For buyers and sellers, neighbourhood, property type, and local competition continue to matter more than the citywide averages alone. Those interested in exploring these dynamics further can access the non-HPI report in the monthly stats package.

Looking Ahead

As Ottawa moves into the summer market, the most useful signals will come less from broad forecasts and more from whether demand continues to absorb supply at a steady pace. REALTORS® should be watching the sales-to-new-listings ratio, months of inventory by property type, median days on market, sale-to-list ratios, and whether benchmark prices continue to diverge between single-family, townhouse, and apartment-style properties.

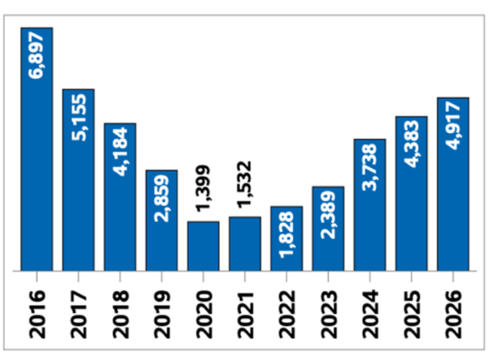
CMHC's latest construction data adds important context. Housing starts were lower year over year across all dwelling types in April, but the pipeline is shifting in composition. Rental projects accounted for 61% of starts by market type, while apartments made up most new starts and the large majority of units currently under construction. That changing mix will matter most for apartment-style resale pricing, investor demand, and rental-market competition as projects move toward completion.

Completed and unabsorbed inventory should also be monitored closely. CMHC's April data shows this inventory has risen, with the largest concentration in row and single-detached homes. For REALTORS®, absorption of newly completed units will be an important companion indicator to resale inventory, especially in segments where pricing has already become more sensitive.

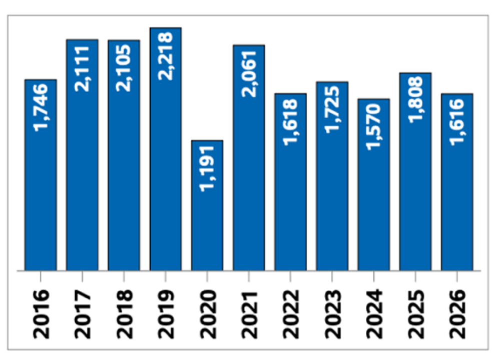
Taken together, the indicators to watch are clear: resale inventory, new listings, absorption of completed new homes, the apartment-heavy construction pipeline, and local employment conditions. These will offer a better read on Ottawa's next phase than any single month of sales or pricing data alone.

Source- Ottawa Real Estate Board

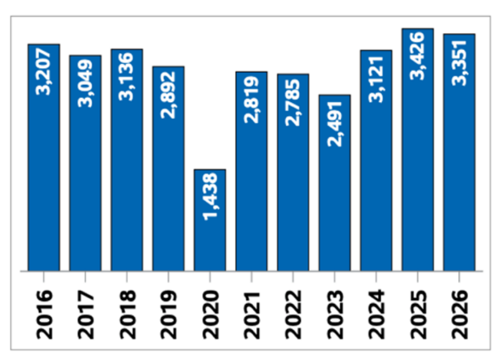
Active Listings
(May only)



Sales Activity
(May only)



New Listings
(May only)



Ottawa
MLS® Residential Market Activity

Actual	May 2026	Compared to [8]					
		May 2025	May 2024	May 2023	May 2021	May 2019	May 2016
Sales Activity	**1,616**	-10.6%	2.9%	-6.3%	-21.6%	-27.1%	-7.4%
Dollar Volume	**$1,165,571,573**	-11.4%	6.9%	-0.9%	-17.5%	14.0%	68.4%
New Listings	**3,351**	-2.2%	7.4%	34.5%	18.9%	15.9%	4.5%
Active Listings	**4,917**	12.2%	31.5%	105.8%	221.0%	72.0%	-28.7%
Sales to New Listings Ratio [1]	**48.2**	52.8	50.3	69.2	73.1	76.7	54.4
Months of Inventory [2]	**3.0**	2.4	2.4	1.4	0.7	1.3	4.0
Average Price	**$721,270**	-0.9%	3.8%	5.8%	5.2%	56.4%	82.0%
Median Price	**$660,000**	-1.6%	2.3%	3.9%	5.4%	56.9%	85.0%
Sale to List Price Ratio [3]	**98.7**	98.8	98.8	99.5	110.3	100.6	97.7
Median Days on Market	**20.0**	17.0	16.0	13.0	6.0	13.0	29.0

Year-to-Date	May 2026	Compared to [8]					
		May 2025	May 2024	May 2023	May 2021	May 2019	May 2016
Sales Activity	**5,453**	-6.3%	-5.5%	-0.5%	-35.1%	-23.4%	-2.7%
Dollar Volume	**$3,787,321,412**	-6.9%	-3.8%	3.4%	-33.3%	17.8%	73.6%
New Listings	**12,284**	5.4%	13.2%	41.3%	14.9%	23.4%	-4.9%
Active Listings [4]	**3,782**	14.8%	35.2%	75.6%	258.9%	52.4%	-33.0%
Sales to New Listings Ratio [5]	**44.4**	49.9	53.2	63.0	78.5	71.5	43.4
Months of Inventory [6]	**3.5**	2.8	2.4	2.0	0.6	1.7	5.0
Average Price	**$694,539**	-0.6%	1.8%	3.9%	2.7%	53.8%	78.4%
Median Price	**$639,000**	-1.7%	0.6%	3.1%	1.7%	54.9%	82.6%
Sale to List Price Ratio [7]	**98.3**	98.6	98.6	98.6	112.1	100.1	97.6
Median Days on Market	**22.0**	19.0	17.0	16.0	6.0	15.0	29.0

[1] Sales / new listings * 100; compared to levels from previous periods.
[2] Active listings at month end / monthly sales; compared to levels from previous periods.
[3] Sale price / list price * 100; average for all homes sold in the current month.
[4] The year-to-date active listings figure is a monthly average of the number of homes on the market at the end of each month so far this year.
[5] Sum of sales from January to current month / sum of new listings from January to current month.
[6] The year-to-date months of inventory figure is calculated as average active listings from January to current month / average sales from January to current month.
[7] Sale price / list price * 100; average for all homes sold so far this year.
[8] Sales to new listings ratio, months of inventory, sale to list price ratio, and days on market shown as levels; all others calculated as percentage changes.

Source: Canadian MLS® Systems, CREA