

Welcome to the boom towns: Carleton Place and Arnprior are among Canada's fastest-growing small towns

"Small towns are having a moment. It's a good-news story."

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Ken Smith bought a house outside Carleton Place with a big country lot last fall for \$465,000.

Smith, 32, is a broadcast engineer who works in downtown Ottawa. He grew up in Lanark County and remembers taking the bus to school past fields now filled with new subdivisions.

He had been renting in Barrhaven when his landlord notified him that he wanted the unit back. Smith started a search that took him all around Ottawa's periphery, as far away as Vernon and Casselman.

The house he bought was five minutes away from Carleton Place. Smith learned the house had sold for less than half the price in 2018, but it fit his budget and was a 40-minute commute to work.

"I'm just happy I'm in a house and not on the sidelines watching," he said.

Carleton Place is the fastest-growing town in Canada, a position it has held for the past four years, according to Statistics Canada.

It's a good-news story," said demographer Michael Haan, director of the Statistics Canada Data Research Centre at Western University.

After so many years of stagnant small-town growth, a lot of rural Canada was over-infrastructure and urban areas are under-infrastructure, Haan said.

Three things are happening. The first is the pandemic. "After being cooped up in a condo, people have had a chance to think of what they want for the rest of their lives," he said.

The second is some city folk are choosing to retire to places where housing is more affordable. "My guess is that they're liquidating their assets in the big city and buying in a small town."

The final factor is the nature of work. The pandemic has shown that people can work from anywhere there is reliable internet access. For those who have to appear at the office a couple of times a week, a small town within a short commute is a good bet. Haan also suspects many new small town arrivals still have 10 to 15 years of work left before they can retire.

Kevin and Kaitey Cosgrove got acquainted with Carleton Place in 2016 while looking at hobby farms in Lanark County. They quickly realized that a horse farm was out of their budget, but fell in love with historic homes lining Carleton Place's streets and the Mississippi River.

"We found a charming century home in an established neighbourhood which was the same price as the townhouse in Orléans we were leaving," said Kevin, a sales representative with Cosgrove Real Estate Group eXp Realty Brokerage. The 45-minute commute to work in the city was a fair trade-off for living in a vibrant small town with restaurants, craft breweries and shops just a short walk from home, he said.

In 2018, the average sale price of a resale single-family home in Carleton Place was \$348,938, according to Ottawa Real Estate Board figures. It was \$388,943 in 2019, then jumped with the pandemic to \$466,847 in 2020. Last year, the average price was \$598,163. PHOTO BY ERROL MCGIHON /Postmedia

Carleton Place planned for growth starting in the 1980s and was "aggressive" with infrastructure planning, said the town's mayor, Doug Black.

"We have enough property without annexation (of land in neighbouring rural municipalities) for the next 20 years — and the infrastructure to support it," he said.

But, if price increases in the city were astronomical in Ottawa in recent years, they beggared belief in Carleton Place and other satellite towns around the city, where prices had only increased by inches in the past. Smith recalls that his mother got \$160,000 for a large house with a big yard in Almonte in 2003.

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Carleton Place prices began to rise dramatically in late 2020, Black said. "It was almost overnight."

Cosgrove attributes the increases to low inventory, new-build delays and construction costs for new housing. He has buyers who are expanding their searches beyond Carleton Place to communities like Smiths Falls and Perth. He's optimistic inventory will improve in the near future with new builds currently under construction or in development.

But, for many of those who wanted to make the transition to small-town living — or keep living there — the gap between Ottawa prices and small-town prices is rapidly closing. The competition for real estate in small towns is pushing up prices for both buyers and renters.

There are only about nine resale homes currently on the Carleton Place market, ranging from \$340,000 to \$825,000, said Alex Fedorchuk, a real estate agent at RE/MAX Affiliates Realty in Carleton Place.

“Demand is at an all-time high and inventory is at a historical low.”

Fedorchuk worked with Breanna O’Connell and Darren Sharples-Atkinson when they were looking for a house in the summer of 2020. The couple grew up in the Almonte-Carleton Place area and liked rural living.

But, when they were house-hunting in the summer of 2020, the bidding wars were discouraging, O’Connell said. They widened their search and found a \$300,000 house that had been partially gutted just outside Franktown, a village between Carleton Place, Smiths Falls and Perth, and bought it in September 2020, renovating with the help of handy family members.

“We’re just lucky we got what we did. I have a lot of friends who say they’re going to be living in their parents’ basements until they’re 30,” O’Connell said.

North Grenville Mayor Nancy Peckford says the community has seen rental supply “evaporate. We always had a small supply. But then private homeowners have opted to sell in a very hot market.” PHOTO BY NANCY PECKFORD /Handout

The small-town boom has been fortunate for some, but not for others, said Nancy Peckford, mayor of North Grenville, which includes Kemptville.

“No one saw it coming. We’ve seen rental supply evaporate. We always had a small supply. But then private homeowners have opted to sell in a very hot market,” she said. “People are selling properties for twice they ever expected in their lifetimes.”

What little rental housing was available was “gutted” when Kemptville started to boom, Peckford said. “In some cases, it’s easier to find rental accommodation in Ottawa than in North Grenville.”

One Carleton Place renter said she didn’t think it would make sense for her to live in Carleton Place much longer. It’s hard to find a rental and prices are high.

The 28-year-old woman, who asked not to be identified, said she and two roommates had previously rented a three-bedroom home for \$1,600 a month. Now she shares a two-bedroom apartment with one other person for \$2,100 a month, plus utilities.

A search to buy an affordable house didn't pan out, even though she widened the search beyond Perth. She's working two jobs and is contemplating moving to Ottawa for lower rents. The median rent for a two-bedroom unit in Ottawa is \$1,800, according to the Zumper Canadian Rent Report, which monitors online listings.

"Yes, we're glad people appreciate our town. But it's not livable for people who live here," the woman said. "I'm working myself to death so my things have a place to live."

Arnprior is also booming, with 333 new housing starts last year. Before 2019, it was about 75 starts a year. PHOTO BY ASHLEY FRASER /Postmedia

Arnprior is also booming, growing 10.11 per cent between 2016 and 2020, according to Statistics Canada. Last year, shovels hit the ground on 333 new housing units in Arnprior, compared to 102 starts in 2020 and 120 in 2019, mayor Walter Stack said. Before that, it was about 75 starts a year.

Like Carleton Place and Kemptville, Arnprior has a quaint downtown with proliferating hip shops and eateries, access to water and a four-lane highway connecting it to Ottawa. Stack has met newcomers from Toronto, Southern Ontario, British Columbia, even the Yukon.

But Arnprior also has a housing squeeze.

"Affordability is something we're wrestling with, like every other community," Stack said.

Three apartment buildings are under construction in Arnprior with a total of 178 apartment units to be available by the end of the year and more in the planning stages, Stack said. The fairgrounds, which are within city limits, were sold, allowing for the construction of 200 new homes.

Matthew and Alicia Ott and their family moved to Arnprior in 2015 and were witnesses to the town's explosive growth.

The Otts' original plan when they moved to Arnprior was to open an apiary, but that soon expanded to honey-infused food and body-care products and Bee Savvy Fine Foods, a retail store, in October 2020.

Despite the pandemic, business was good. "Some weekends there was a lineup down the street," said Matthew Ott, who believed many of the store's early customers were people who were "scouting" Arnprior as a potential place to live.

Arnprior Mayor Walter Stack says housing affordability "is something we're wrestling with, like every other community."

The Otts have moved the store to a location about quadruple the size about a block away. They recently bought Arnprior's main street bowling alley with the intent of protecting it while

modernizing other spaces for businesses. When word got around, they were swamped with questions about whether an apartment on the second floor would be available for rent.

There are still opportunities for those who are willing to navigate the market, Fedorchuk said. In recent months, he has sold a condo for \$250,000 and a home in need of updating for \$300,000. Some buyers have spread out their property search as far as Sharbot Lake, he said.