



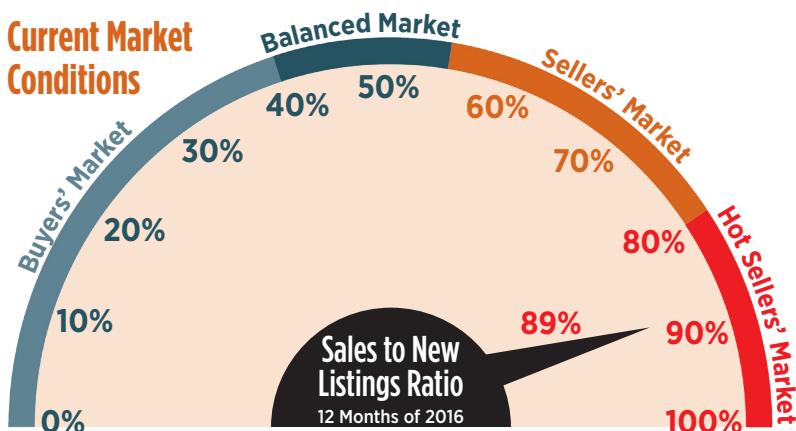


Guelph Housing Market Report

Year In Review
2016

	 All Guelph Homes	 Detached Homes	 Semis and Towns	 Condo Apartments
2016 Median Sale Price	\$392,750 ▲ 13.2% 2016 vs. 2015 ▲ 2.5% Q4 vs. Q3	\$450,500 ▲ 12.9% 2016 vs. 2015 ▼ 0.1% Q4 vs. Q3	\$340,000 ▲ 10.0% 2016 vs. 2015 ▲ 7.0% Q4 vs. Q3	\$254,250 ▲ 8.2% 2016 vs. 2015 ▲ 3.1% Q4 vs. Q3
2016 Median Days on Market	12 ▼ 9d 2016 vs. 2015 ▼ 2d Q4 vs. Q3	10 ▼ 8d 2016 vs. 2015 ▼ 4d Q4 vs. Q3	13 ▼ 8d 2016 vs. 2015 ▼ 2d Q4 vs. Q3	22 ▼ 7d 2016 vs. 2015 ▼ 4d Q4 vs. Q3
Number of Sales in 2016	2464 ▲ 2.7% 2016 vs. 2015 ▼ 17.8% Q4 vs. Q3	1420 ▲ 3.7% 2016 vs. 2015 ▼ 19.0% Q4 vs. Q3	714 ▲ 1.4% 2016 vs. 2015 ▼ 26.0% Q4 vs. Q3	330 ▲ 1.2% 2016 vs. 2015 ▼ 6.6% Q4 vs. Q3
Number of Listings in 2016	2760 ► 0.0% 2016 vs. 2015 ▼ 21.0% Q4 vs. Q3	1628 ▲ 4.7% 2016 vs. 2015 ▼ 22.7% Q4 vs. Q3	736 ▼ 9.2% 2016 vs. 2015 ▼ 30.2% Q4 vs. Q3	396 ▼ 1.7% 2016 vs. 2015 ▲ 3.5% Q4 vs. Q3



Market statistics and analysis
are compiled for you by

AT **HOME GROUP**
— REALTY INC —
BROKERAGE

Based on sales data from the Guelph & District Association of REALTORS® MLS® system for detached and semi-detached homes, townhomes, and apartment condominiums in the City of Guelph. Data not independently verified. For information purposes only. Compiled January 2017.

homegrouprealty.ca

Guelph Housing Market Report ► Year in Review 2016

Sales Data Trend Analysis and Interpretation

Those who thought that 2015 was a hot local real estate market were surely blown away by the blazing conditions in 2016. More than half of all homes sold in Guelph moved at or above their asking prices — a median sales price of 102% of list price! — pointing to multiple offer competitions becoming a normal (and even expected) reality. Many sellers were exceedingly happy with this trend; buyers, less so. Below are some takeaways from the Guelph Housing Market Report data.

► The Market That Seemingly Won't Quit

New listings coming on the market are an indicator of supply. Sales are the indicator of demand. The sales-to-new-listings ratio thus becomes an indicator of both and is the best expression of what type of market we are experiencing. The higher the ratio, the greater the demand relative to supply. A ratio below 40% points to a buyers' market, 40-55% indicates a balanced market, and above 55% is in a sellers' market territory.

2016 saw an astounding sales:listing ratio of over 89%, with 2464 sales for just 2760 listings. This means that the average home had more than an 89% chance of selling, which could either result from an over abundance of buyers or a shortage of homes listed for sale (or both) — the single ratio alone doesn't reveal the source of this market trend.

► Homes Are Outearning Many Owners

Some homeowners may be shocked to learn that their home earned more in market appreciation in 2016 than they did from their employment income! The median sales price of detached homes in 2016 increased by an astounding \$51,600 (12.9%) vs. 2015. For semis and townhouses, the increase was \$31,000 (10%).

It's almost like having two simultaneous careers, but only having to invest significant time into one of them.

► Inventory Not Sole Focus of Increase

One of the topics that dominated discussions amongst sales professional in 2016 was the shortage of home inventory available for sale. Lots of buyers looking, yet seemingly no homes to buy. Many have pointed to this shortage as the driving force behind the sharp price increases, yet this trend is likely only partially responsible.

Sales volume increased by a modest 2.7% vs. 2015 while the number of listings has remained relatively flat. This gap is noticable but it isn't significant enough alone to drive the 13%+ median appreciation in 2016. Perhaps buyers (many from outside Guelph) are simply now willing to pay more to ensure they can live in the home they want and aren't driven by the desire to pay the least amount of money possible.

► Detached Continues Dominance in 2016

Guelph has historically always been a city of primarily detached homes. In recent year, intensification has pushed development of more semis, towns, and condo apartments, yet the existing number of fully detached homes still largely outstrips other housing forms. In 2016, detached homes accounted for 58% of resale homes purchased.

There remains a perception in Guelph, though, that there aren't enough detached homes available for sale and that intensification of housing forms has made detached homes a rare find. The data doesn't necessarily back up this assertion, though, with a 3.7% increase in the number of detached sales in 2016 vs. 2015 but a 4.7% increase in the number of listings over the same period.

The detached market is changing dramatically in Guelph. The luxury home market (which we define as >\$700K sales price) in 2016 doubled to 110 home sales from only 55 sales in 2015. Furthermore, there were only 50 detached homes sold for under \$300,000, representing a mere 3.5% of the detached home sales.

The gap between detached homes and everything else is growing and shows no sign of slowing down.

► Looking Ahead to 2017

• What will be the effect of mortgage rule changes?

In the last quarter of 2016, Canada's Finance Minister announced a series of mortgage changes that directly affects the home affordability of potentially millions of home buyers. Since these changes were only enacted recently, Guelph hasn't seen their full impact yet. 2017 could reveal some interesting trends as buyers potentially settle for lower-priced starter homes, which may affect the overall market across all price ranges.

• America's impact on the Canadian housing market

The US Federal Reserve Chair has recently raised the US interest rate — the first hike in a year — and increases may continue. Rising rates south of the border will put downward pressure on our dollar and may also put upward pressure on mortgage rates in Canada. Higher rates in 2017 will likely have a small cooling effect on the local housing market.