



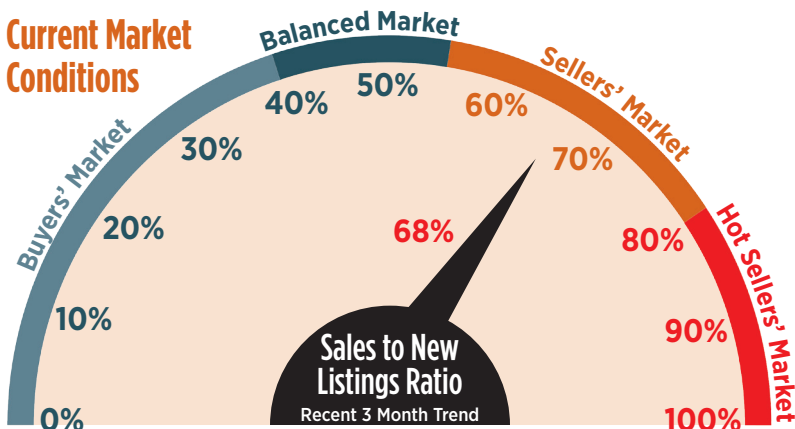


Guelph Housing Market Report

Q2 Update
2017

| |  All Guelph Homes |  Detached Homes |  Semis and Towns |  Condo Apartments |
|--------------------------------------|--|--|---|--|
| Q2 2017 Median Sale Price | \$489,200 ▲ 23.8% 2017 vs. 2016 ▲ 4.8% Q2 vs. Q1 | \$564,000 ▲ 27.5% 2017 vs. 2016 ▲ 2.5% Q2 vs. Q1 | \$431,050 ▲ 27.3% 2017 vs. 2016 ▲ 1.2% Q2 vs. Q1 | \$321,100 ▲ 31.1% 2017 vs. 2016 ▲ 10.2% Q2 vs. Q1 |
| Q2 2017 Median Days on Market | 9 ▼ 4d 2017 vs. 2016 ▲ 1d Q2 vs. Q1 | 8 ▼ 3d 2017 vs. 2016 ► 0d Q2 vs. Q1 | 9 ▼ 5d 2017 vs. 2016 ▲ 1d Q2 vs. Q1 | 12 ▼ 16d 2017 vs. 2016 ▼ 2d Q2 vs. Q1 |
| Number of Sales in Q2 2017 | 730 ▼ 13.3% 2017 vs. 2016 ▲ 12.1% Q2 vs. Q1 | 445 ▼ 15.4% 2017 vs. 2016 ▲ 21.3% Q2 vs. Q1 | 202 ▼ 5.6% 2017 vs. 2016 ▲ 2.0% Q2 vs. Q1 | 83 ▼ 18.6% 2017 vs. 2016 ▼ 3.5% Q2 vs. Q1 |
| Number of Listings in Q2 2017 | 1074 ▲ 19.7% 2017 vs. 2016 ▲ 37.9% Q2 vs. Q1 | 673 ▲ 15.6% 2017 vs. 2016 ▲ 51.6% Q2 vs. Q1 | 288 ▲ 34.6% 2017 vs. 2016 ▲ 25.2% Q2 vs. Q1 | 113 ▲ 11.9% 2017 vs. 2016 ▲ 7.6% Q2 vs. Q1 |



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 July 2017.

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Guelph Housing Market Report ► Q2 2017 Review

Sales Data Trend Analysis and Interpretation

Everyone is talking about local real estate conditions, whether it's water cooler talk in the office or market news splashed across the internet. Government interventions through legislation or interest rate adjustments further fuel these discussions. It's clear that Southwestern Ontario real estate is experiencing dynamic market shifts, but what is the magnitude of these changes and how does it affect our local area? Below are some takeaways from the Guelph Housing Market Report data.

► A Transitioning Market

The second quarter poses challenges when analysing market stats because it bridges the change from a spring to summer market. Conditions experienced in April may not be strongly related to those in June, with the 2017 year exhibiting a more pronounced division. Nevertheless, here are some interesting trends from the Q2 2017 data:

- The median sales price of all homes creeps ever closer to the psychological half-million dollar mark, yet actually reaching that barrier may not be in the near future.
- Year-over-year, all housing types experienced dramatic median sales price increases in the 25-35% range. Quarter-over-quarter, though, the increases have been much more moderate. Focusing only on detached home seasonal changes in May and June alone shows a combined median sales price dip of nearly 14% (from \$608,250 to \$525,000) vs. an 8% dip during the same time frame in 2016.
- Only four detached homes in the entire second quarter sold under \$300K; that market segment has disappeared.
- Meanwhile, the luxury market (\$700K+) produced 119 or 16% of the Q2 2017 sales vs. only 4% in 2016. The roster of million dollar home sales added 18 properties in Q2 2017.

► Self-Fulfilling Prophecy

We want to be crystal clear about the status of our local real estate market, as derived from concrete data:

- Yes, the market has been changing;
- No, the market is not crashing;
- No, sellers are not flooding the market with listings;
- No, it's not even remotely close to a buyers' market.

Talk about the real estate market often creates self-fulfilling prophecies: when enough people believe something to be true, even if evidence shows otherwise, conditions may change and it ends up coming true. If enough buyers and sellers believe that the marketing is crashing and take action on those beliefs, they can actually change the market conditions ... at least for a short period of time. In the long run, the real estate market always trends to its natural free-market balance between buyer realities and seller desires.

► So What Is Happening, Then?

We are seeing several trends from April to June that are softening the frantic pace of the blazing sellers' market. The number of sales are dropping significantly (-18%) while listing are increasing sharply in the same period (+22%). This divergence is continuing the move of the "Current Market Conditions" sales-to-listings dial down to 68% – positioned in the sellers' market range but trending closer to a balanced market. Contrast this with last year's conditions, in which Q2 saw the sales-to-listings ratio set at a staggering 94%. There is currently a greater selection of inventory from which buyers will shop and the resulting supply/demand economics puts downward pressures on negotiated prices.

But it isn't happening fast. Of the 730 sales in Q2, 557 or 76% sold at or above the listing price (61% in June alone). Compare this to Q2 2016 of "only" 52%. Local houses are currently being priced well, competition is healthy and producing frequent multiple offers on properties, and discriminating buyers remain willing to pay handsomely for the home that suits their precise needs. The market may be shifting slightly but it's not immediate nor dramatic.

► Looking Ahead to the Third Quarter





The Bank of Canada has been signaling that summer interest rates hikes are likely, which in turn will increase some mortgage rates. After such a long period of low and flat rates, the real estate market may cool substantially if the increase is large (+0.5% or above). More likely, any increases will be small and the market impact minimal.

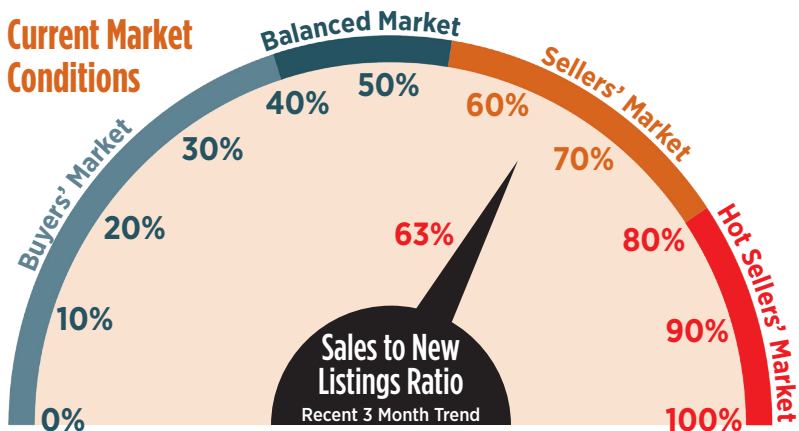
Even removing rate changes from the forecast, we expect the current slight cooling trends to continue throughout the summer. The market peaked in the spring and there are no signals that the expected seasonal trend will reverse during the second quarter. Value appreciation will remain high when compared to 2016 sales prices but will likely be close to flat or slightly reduced throughout Q3.

Finally, with some moderation of market conditions, we expect more buyer offers to include financing and inspection conditions that are often removed in a heated market. This will result in multi-day increases to the Days on Market stat.

Guelph Housing Market Report

July Update
2017

| |  All Guelph Homes |  Detached Homes |  Semis and Towns |  Condo Apartments |
|--|--|--|---|--|
| July 2017 Median Sale Price | \$480,000 ▲ 20.8% 2017 vs. 2016 ▲ 4.3% Jul vs. Jun | \$558,000 ▲ 20.0% 2017 vs. 2016 ▲ 6.3% Jul vs. Jun | \$445,000 ▲ 35.5% 2017 vs. 2016 ▲ 6.0% Jul vs. Jun | \$289,500 ▲ 16.9% 2017 vs. 2016 ▼ 9.5% Jul vs. Jun |
| July 2017 Median Days on Market | 20 ▲ 6d 2017 vs. 2016 ▲ 9d Jul vs. Jun | 21 ▲ 8d 2017 vs. 2016 ▲ 11d Jul vs. Jun | 21 ▲ 8d 2017 vs. 2016 ▲ 8d Jul vs. Jun | 16 ▼ 7d 2017 vs. 2016 ► 0d Jul vs. Jun |
| Number of Sales in July 2017 | 165 ▼ 28.3% 2017 vs. 2016 ▼ 29.8% Jul vs. Jun | 92 ▼ 26.4% 2017 vs. 2016 ▼ 39.9% Jul vs. Jun | 54 ▼ 23.9% 2017 vs. 2016 ▼ 3.6% Jul vs. Jun | 19 ▼ 44.1% 2017 vs. 2016 ▼ 26.9% Jul vs. Jun |
| Number of Listings in July 2017 | 258 ▲ 18.3% 2017 vs. 2016 ▼ 27.9% Jul vs. Jun | 146 ▲ 19.7% 2017 vs. 2016 ▼ 31.8% Jul vs. Jun | 77 ▲ 24.2% 2017 vs. 2016 ▼ 24.5% Jul vs. Jun | 35 ▲ 2.9% 2017 vs. 2016 ▼ 16.7% Jul vs. Jun |



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