



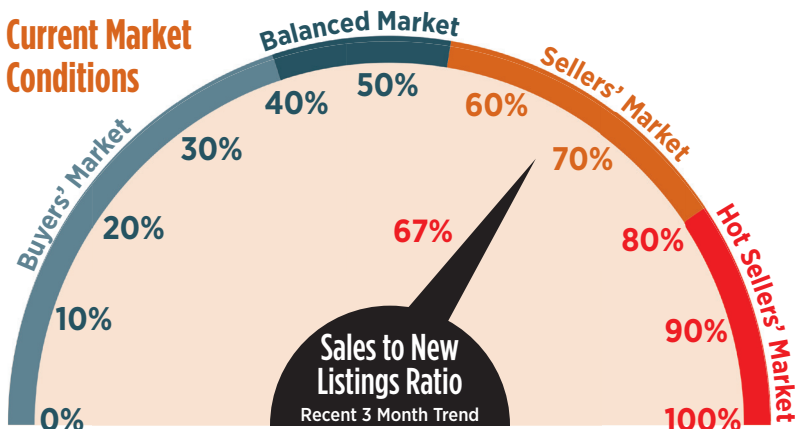


Guelph Housing Market Report

Q3 Update
2017

	 All Guelph Homes	 Detached Homes	 Semis and Towns	 Condo Apartments
Q3 2017 Median Sale Price	\$455,000 ▲ 12.3% 2017 vs. 2016 ▼ 7.0% Q3 vs. Q2	\$540,000 ▲ 13.7% 2017 vs. 2016 ▼ 4.3% Q3 vs. Q2	\$416,500 ▲ 17.3% 2017 vs. 2016 ▼ 3.4% Q3 vs. Q2	\$312,000 ▲ 20.0% 2017 vs. 2016 ▼ 2.8% Q3 vs. Q2
Q3 2017 Median Days on Market	19 ▲ 6d 2017 vs. 2016 ▲ 10d Q3 vs. Q2	19 ▲ 7d 2017 vs. 2016 ▲ 11d Q3 vs. Q2	20 ▲ 7d 2017 vs. 2016 ▲ 11d Q3 vs. Q2	17 ▼ 5d 2017 vs. 2016 ▲ 5d Q3 vs. Q2
Number of Sales in Q3 2017	492 ▼ 15.9% 2017 vs. 2016 ▼ 32.6% Q3 vs. Q2	251 ▼ 25.3% 2017 vs. 2016 ▼ 43.6% Q3 vs. Q2	163 ▼ 5.8% 2017 vs. 2016 ▼ 19.3% Q3 vs. Q2	78 ▲ 2.6% 2017 vs. 2016 ▼ 6.0% Q3 vs. Q2
Number of Listings in Q3 2017	729 ▲ 20.7% 2017 vs. 2016 ▼ 32.1% Q3 vs. Q2	416 ▲ 16.5% 2017 vs. 2016 ▼ 38.2% Q3 vs. Q2	214 ▲ 32.1% 2017 vs. 2016 ▼ 25.7% Q3 vs. Q2	99 ▲ 16.5% 2017 vs. 2016 ▼ 12.4% Q3 vs. Q2



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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 October 2017.

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Guelph Housing Market Report ► Q3 2017 Review

Sales Data Trend Analysis and Interpretation

In the second quarter of 2017, we reported that the market was “changing.” For the third quarter, a more appropriate description would be “changed”. Past tense. Median sales prices have dropped, the length of time it takes to sell a home has increased, and both the number of sales and number of listings have been declining. Below are some takeaways from the Guelph Housing Market Report data.

► The Market Has Shifted

Summer ushered in numerous changes to the Guelph real estate scene as both buyers and sellers realised that the blazing hot market cooled. Here are some interesting trends from the Q3 2017 data:

- Although the median sales price reached an all-time high of \$489K in the previous quarter, it may be a while before we cross the psychological half-million dollar mark. The median sales price for Q3 fell 7% vs Q2 to \$455K. This contrasts sharply with the Q3 2017 vs. 2016 year-over-year market change, during which time the market benefited from a 2.5% median price increase (it was a super hot seller's market then, with a sales-to-listings ratio of 97%).

- Although year-over-year price increases are still significant (13-20%) for all housing types, Q3 median sales prices fell across the board 3-4% compared to Q2.

- Only three detached homes in the entire third quarter sold under \$300K.

- The luxury market (\$700K+) has declined substantially compared to last quarter. In Q2, luxury homes produced 119 or 16% of sales. In Q3, this number dropped to only 36 homes (7%). In the million dollar home range, sales dropped from 18 properties in Q2 to just four in Q3.

► Inventory is Still the Key

Looking only at the top half of the data from the Market Report, it seems like the situation is getting quite dire. The bottom half of the stats and the market conditions dial tell a less frightful story, though.

Sellers seem to be moderating the impact of the declining market though self regulation, with fewer homes placed on the market for sale (listings are down over 32% in Q3 vs. Q2). The sellers are restricting the inventory supply, which means that buyers that have to or want to purchase have fewer options from which to choose. Fewer buyers also seem to be searching for a home; this 32% sales drop vs. Q2 parallels the drop in listings and maintains a sellers' market (67% sales-to-listings ratio). The basics of supply/demand economics teaches us that when supply is constrained, prices are (somewhat) protected. Thank you, sellers!

► Detached Losing out to Apartments

A sharp divide is playing out in the market regarding detached homes vs. condo apartments. The number of detached homes sold plunged nearly 44% in Q3 vs. Q2 while apartments only fell 6% during the same period. With mortgage affordability impacted by several factors (see below), it seems that buyers are choosing to purchase less expensive housing types instead of the detached homes that were once part of the stereotypical family dream.

► Why Has the Market Changed?

There is no perfect answer to why the market has shifted and it's not the result of any single thing. The following factors likely contributed to the market change:

- A year ago, Canada's Finance Minister announced a series of mortgage changes that directly affected home affordability of millions of home buyers in order to curb risks in the housing market and make it more difficult for homeowners to dig themselves into excessive debt levels.

- During the summer, the Bank of Canada raised its lending rate by 0.5% in two back-to-back quarter-point increases. This increase makes some mortgages more expensive and decreases maximum housing affordability.

- Guelph's newly built housing stock consists of nearly all higher density buildings such as condo apartments and townhomes. Very few detached and semi-detached homes are being built as Guelph intensifies its housing density.





► Looking Ahead to the Final Quarter

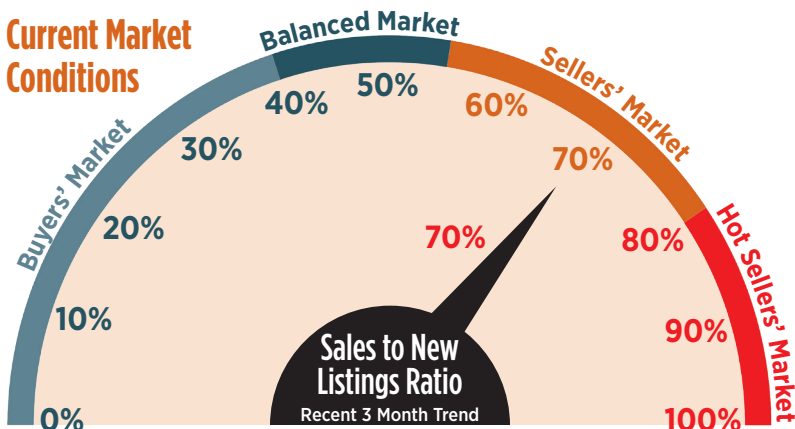
The Bank of Canada is not expected to increase interest rates further in 2017 after the two recent hikes, so any further market changes likely won't be impacted greatly by new rates. As buyers adjust to the new mortgage reality, though, it's possible that prices may even rebound a little.

A seasonal market slowdown is expected throughout Q4 before ramping up again in the spring, though the impact on median sales prices is difficult to forecast. We're still in a sellers' market — and there are no indications of this changing significantly any time soon — so prices aren't expected to plummet.

Guelph Housing Market Report

November Update
2017

	 All Guelph Homes	 Detached Homes	 Semis and Towns	 Condo Apartments
Nov 2017 Median Sale Price	\$446,000 ▲ 4.9% 2017 vs. 2016 ▼ 7.1% Nov vs. Oct	\$546,750 ▲ 12.4% 2017 vs. 2016 ▼ 0.6% Nov vs. Oct	\$400,000 ▲ 2.6% 2017 vs. 2016 ▼ 8.0% Nov vs. Oct	\$312,500 ▲ 19.4% 2017 vs. 2016 ▲ 4.2% Nov vs. Oct
Nov 2017 Median Days on Market	20 ▲ 10d 2017 vs. 2016 ▲ 2d Nov vs. Oct	22 ▲ 14d 2017 vs. 2016 ▲ 4d Nov vs. Oct	17 ▲ 7d 2017 vs. 2016 ▲ 1d Nov vs. Oct	19 ▲ 1d 2017 vs. 2016 ▼ 1d Nov vs. Oct
Number of Sales in Nov 2017	155 ▼ 9.4% 2017 vs. 2016 ▼ 13.9% Nov vs. Oct	94 ▼ 7.8% 2017 vs. 2016 ▼ 7.8% Nov vs. Oct	43 ▼ 4.4% 2017 vs. 2016 ▼ 15.7% Nov vs. Oct	18 ▼ 25.0% 2017 vs. 2016 ▼ 33.3% Nov vs. Oct
Number of Listings in Nov 2017	182 ▼ 1.1% 2017 vs. 2016 ▼ 23.2% Nov vs. Oct	104 ▼ 10.3% 2017 vs. 2016 ▼ 22.4% Nov vs. Oct	51 ▲ 45.7% 2017 vs. 2016 ▼ 17.7% Nov vs. Oct	27 ▼ 18.2% 2017 vs. 2016 ▼ 34.1% Nov vs. Oct



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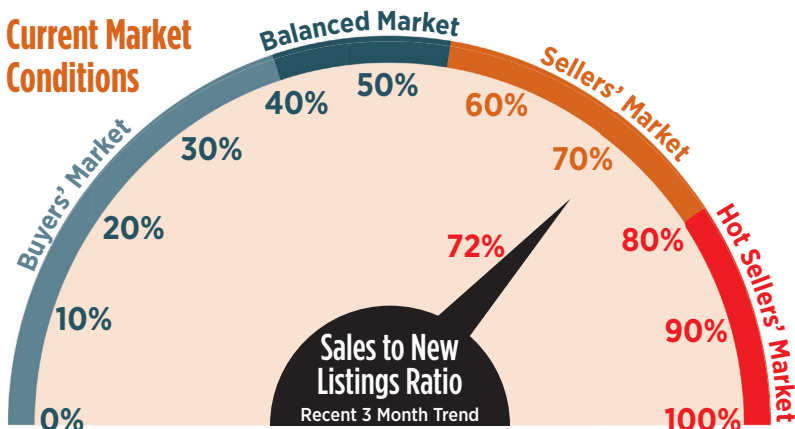
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Guelph Housing Market Report

October Update
2017

	 All Guelph Homes	 Detached Homes	 Semis and Towns	 Condo Apartments
Oct 2017 Median Sale Price	\$479,950 ▲ 15.0% 2017 vs. 2016 ▲ 9.1% Oct vs. Sep	\$549,950 ▲ 16.5% 2017 vs. 2016 ▲ 2.1% Oct vs. Sep	\$435,000 ▲ 17.6% 2017 vs. 2016 ▲ 7.8% Oct vs. Sep	\$300,000 ▲ 15.4% 2017 vs. 2016 ▼ 1.3% Oct vs. Sep
Oct 2017 Median Days on Market	19 ▲ 9d 2017 vs. 2016 ▲ 2d Oct vs. Sep	18 ▲ 9d 2017 vs. 2016 ▼ 2d Oct vs. Sep	16 ▲ 5d 2017 vs. 2016 ► 0d Oct vs. Sep	19 ▼ 1d 2017 vs. 2016 ▲ 5d Oct vs. Sep
Number of Sales in Oct 2017	180 ▼ 8.2% 2017 vs. 2016 ▲ 24.1% Oct vs. Sep	102 ▼ 8.9% 2017 vs. 2016 ▲ 39.7% Oct vs. Sep	51 ▼ 3.8% 2017 vs. 2016 ▲ 4.1% Oct vs. Sep	27 ▼ 12.9% 2017 vs. 2016 ▲ 17.4% Oct vs. Sep
Number of Listings in Oct 2017	237 ▲ 13.9% 2017 vs. 2016 ▼ 9.5% Oct vs. Sep	134 ▲ 8.9% 2017 vs. 2016 ▼ 16.3% Oct vs. Sep	62 ▲ 14.8% 2017 vs. 2016 ▼ 15.1% Oct vs. Sep	41 ▲ 32.3% 2017 vs. 2016 ▲ 41.4% Oct vs. Sep



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