Guelph home sales drop 70% as the real estate machine comes to a grinding halt

Into mid-March there has been an average of 47 sales/week this year. Over the past few weeks in Guelph, this number has decreased by over 70% to 13 sales/week.

Beth and Ryan Waller are Guelph Realtors®

GUELPH, ONTARIO, CANADA, May 6, 2020 /EINPresswire.com/ -- Now with just over five weeks of social isolation, many of us are forming new habits. Maybe spending more time on video chats, discovering a new TV show or accepting a new hairstyle.

Regardless of what you're doing, it's likely a big change from the normal day-to-day.
The current state of things

Our front-line workers are the true heroes these days, working tirelessly to ensure that people are treated quickly and safely, all while putting themselves in harm's way. Thank you isn't enough for their dedication.

Our essential service retail workers are working up to seven days a week to ensure that we can get food and drink, our car fixed, a bottle of wine or a tank of gas. Thank you for your patience and welcoming smile.

For the non-essential retail and service industries, they've been forced to all but close down. And for the ones that can offer some sort of delivery or pickup option, they're likely just trying to keep the lights on. It's heartbreaking to see a "closed" sign with a COVID-19 explanation on the front door, not knowing what the future holds or how long we'll be in this state.

These are the places we need to think of.

Instead of ordering from a national chain, think about your local family-run restaurant, bookstore or brewery. Gift certificates are also an option that gives them cash now because in many cases, they're still paying rent on their storefront despite having very little sales. A full list of open downtown Guelph businesses can be found at www.downtownguelph.com but there are many more outside of downtown.
The impact on Guelph real estate

The Guelph real estate market is no exception to the slowdown. Since January and into mid-March there has been an average of 47 sales per week. Over the past few weeks in Guelph, this number has decreased by over 70% to 13 sales per week.

Real estate has been deemed by the Provincial government to be an essential service, but it's not business as usual. The Government banned all open houses effective April 4th (rightfully so) and discouraged any in-person showings. Most real estate brokerages have shut down. Services that support real estate have significantly reduced hours. The machine has just come to a grinding halt.

But there are situations where people need to buy and sell homes. They may have been transferred to Guelph by their employer and need to buy a house. Maybe they've already bought a house and need to sell now because they can't hold two mortgages. There are a wide variety of reasons why a person could be in the market buying or selling a home right now. However, if you're not in a situation where you must buy or sell right now, it's encouraged to just wait for a bit more normalcy to return to the market.

But despite the lack of sales, there continues to be a low number of homes for sale in Guelph. For some perspective, as of April 16, there were 177 active homes- in April 2019 alone, there were 231 sales. In other words, the entire Guelph real estate stock today could be wiped out in 23 days based on sales just one year ago.

The average price of a home in Guelph hasn't changed much either. Despite the low number of sales, the average price has actually increased slightly on sold homes. Homes are also still selling at the average number of days on market and very close to their original asking prices. For those buying or selling in the $600-$750K segment, this price bracket just hit an 8 week high number of listings, which could result in more negotiation power for buyers.
What does this mean?

A lack of available houses and a lack of buyers to purchase them means that we're in limbo. For prices to decline, we require a sharp increase in houses on the market, which hasn't happened yet. For prices to increase we need a sharp increase in the number of buyers to purchase them, which also hasn't happened yet. Until then, the local real estate market seems to be frozen.

Stay safe, be respectful of others and we'll get through this together.

Beth and Ryan Waller are Sales Representatives at Home Group Realty and strong supporters of Guelph small business. You can reach them at 519 546 3390 or visit bethandryan.ca.

Source: GDAR single family residential homes, 2017-2020. Photo by

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