

# Guelph real estate- the home buying frenzy continues | Beth & Ryan Waller

*A number of variables in play for a wild ride in the Guelph real estate market: abundance of buyers, lack of sellers, investor uncertainty and more!*

GUELPH, ONTARIO, CANADA, January 23, 2021 /EINPresswire.com/ -- A lot of factors to consider for the coming months

In mid- December of 2020, the real estate inventory in Guelph had declined to record lows and prices were reaching new highs as buyers scrambled for any available home. Has the situation improved?

Not at all. In fact, some would say it's become even more complicated.

Let's start with the basics, including the Government of Ontario's newly implemented stay at home order. As an essential service, real estate can still operate under strict safety protocols which have already been in place for 10 months, including: no public open houses, masks, sanitizer, limited number of people entering homes, health questionnaires and more. Guelph REALTORS have done a great job of ensuring that they respect buyers, sellers and each other by following these protocols.

In the first 15 days of January there was a decline of 40% in number of homes sold versus 2020 while the average price has increased an incredible 35%. At one point in early January there were less than 30 available homes in Guelph. In many cases, there were only 1-2 homes in a given price bracket and likely hundreds of potential buyers, resulting in homes selling significantly over asking.

"As REALTORS in the Guelph market, we believe this imbalance is unsustainable," says [Guelph](#)



Beth and Ryan Waller, Guelph Realtors | Guelph Real Estate Agents

[Real Estate agents Beth and Ryan Waller](#). “If you’re buying a house in Guelph and have some flexibility, we suggest you hold off as inventories have nowhere to go but up. If you’re selling, we suggest that now may be the time as the available home selection is slim. No, we don’t have a crystal ball, but it’s our job as REALTORS to help our clients make good decisions.”

“If the current market is similar to March and April 2020, both buyers and sellers will almost immediately move to the sidelines to wait this out. Prices remained stable as if we were frozen in time and then resumed their march upwards as restrictions were lifted and GTA buyers fled the city.”

There is also concern of an economic divide, not just in Guelph but North America. Many white-collar employees have maintained their jobs and income and can afford to make a move, while service and hospitality employees have been hardest hit and may not be able to enter the market, or potentially even exit the market because they can no longer afford their mortgage.

This alone could bring an influx of new listings from those that can no longer afford their homes, explains Beth and Ryan. A key indicator that this may be starting to happen is the flood of “We buy your house” flyers that you have likely received. These have been widely distributed around Southern Ontario and while it’s convenient to sell to a willing buyer, it’s likely well under the true market value and preys on the vulnerable.

The other unknown is around investors and student rentals which were significantly impacted by the University of Guelph shutdown. It’s estimated that roughly 30% of students didn’t come back in September — either wanting out their lease or still paid rent but didn’t physically return.

This could explain the rush of entry-level condos that have hit the market in the past week. Condos under \$500K now make up 30% of available homes in Guelph.

In January 2020, [Beth and Ryan Waller outlined some of the key student rental developments in Guelph](#). Looking through 2020 sales, the three developments mentioned collectively underperformed the Guelph market in terms of average price appreciation for 2020 - an indication that perhaps investors were hesitant to get into the rental market. For 2021, will we see more landlords put Guelph rental properties for sale?

And lastly, have you had to renew a mortgage lately? Just to fuel the fire, mortgage rates have hit historic lows, making it more appealing than ever to get into, or increase your buying power in the housing market.

Yes, it’s complicated. This perfect storm of lack of sellers, an abundance of buyers, economic and educational uncertainty and low mortgage rates will unfold in due time, hopefully not all at once.

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Source: GDAR data, 2019–2020 Single family residential homes, City of Guelph.

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