

\$150,000: the average Guelph home price appreciation this year

But we're seeing a welcomed slowdown from the highs, say Beth and Ryan Waller

GUELPH, ONTARIO, CANADA, May 26, 2021 /EINPresswire.com/ -- It's no surprise to almost anyone that housing prices in Guelph had to slow a little. By the end of April, the average price of a house in Guelph year to date has increased by over 25%. Yes, 25%! On the average Guelph home, that's an increase of about \$150,000 in value over a 12 month period.

From an investment perspective, it's likely the best performing asset you have. But if you're like most people, you don't treat your home as an investment- it's a home. Unless you're actually planning a move, it's nice to know you have an appreciating asset but you're not realizing the gain.

However, in 2021 it appears that many sellers realized that their appreciating asset may be worth moving for. There has been a 38% increase in the number sales this year, or 250 more homes sold in Guelph in 2021 versus 2020.

Changing patterns are a sign of hope for buyers

Typically when more of something is available, buyers of that product have more choices and can negotiate the prices. But in this case, more available homes AND higher prices can only mean one thing: huge demand.

As the mountain of sellers gets taller, the mountain of buyers wanting into Guelph real estate is still even taller. And until we reach the peak of that buyer mountain, there will be pressure on prices.



pyramid of houses with read house at front

But, good news for buyers: Since the beginning of the year, we've also noticed that the competitiveness is becoming a little more contained: In January, the average home sold 12% over asking, then 11% in February, then 9.3% in March and 8.7% in April. This sort of trend in a market is typical, as early in the year there was a frenzy and seemingly endless heights to prices.

As more stock becomes available, pricing stabilizes and buyers and sellers have a better idea of market value. However as of May 14, there were 166 active residential listings in Guelph- this is roughly 3 weeks supply in Guelph and still indicative of a strong seller's market.

The other indication of a changing market are the pricing strategies: the common strategy in early 2021 was to "hold offers" which means setting a date to review offers in anticipation of multiple offers who compete with each other. This strategy is used in a market where a property is highly desirable, either due to uniqueness or rarity so that the open market can determine the final price.

However, there have been numerous times in the past month where this strategy has left sellers with no offers on the offer day. With more choice, buyers are less inclined to compete at the higher prices of early 2021.

What's going to happen this summer in Guelph real estate?

[Beth and Ryan Waller](#) make 3 predictions for the summer of 2021 in Guelph real estate:

[Condos and non-condos](#) will trend at the same pace. Both segments grew together in the first 4 months of 2021 and this will likely continue into the summer months

Higher value homes above \$800K will continue to see strong performance as GTA buyers consider Guelph a more affordable alternative than other cities such as Milton and Brampton

East and [South Guelph homes](#) will outperform as vaccine rollouts continue. More GTA employers will open doors to employees and buyers in Guelph will want to have proximity to the 401 and a shorter commute.

Beth and Ryan Waller are Guelph area Realtors. You can reach them at 226 780 0202, by email at info@bethandryan.ca or bethandryan.ca.

Ryan Waller
Home Group Realty
+1 5195463390

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