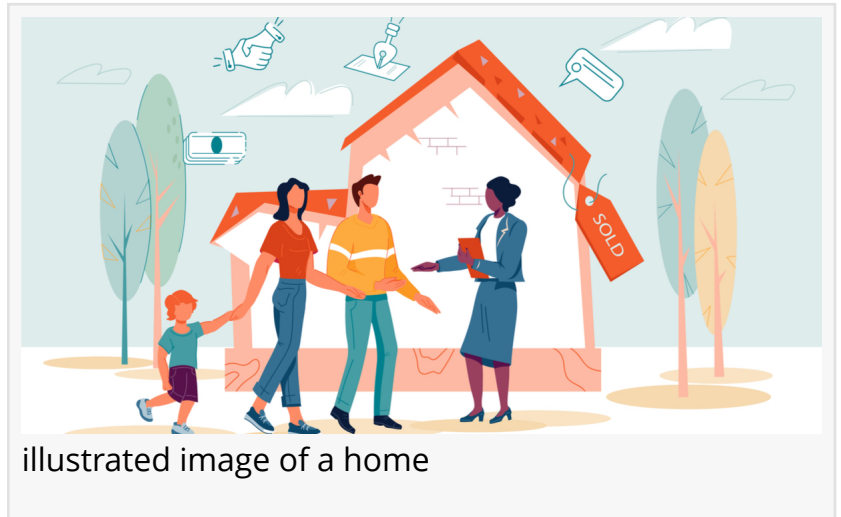


# Signs show the Guelph real estate market is stabilizing. Is now the time to buy?

*We're seeing signs that ever-increasing home prices have plateaued for now, which is a welcome break for buyers," say Guelph Realtors, Beth and Ryan Waller*

GUELPH, ONTARIO, CANADA, June 21, 2021 /EINPresswire.com/ -- With records being set in Guelph real estate for the month of May, you'd think this upwards trajectory of higher home prices is never going to end.



Sales of townhomes, semi-detached homes and detached homes hit new record highs for Guelph in May with double digit gains in each segment. The condo market also appreciated significantly. This news, frankly, is getting old. And very frustrating for buyers.

But early data is showing a shift in the local market

Buyers: pay close attention.

There is pricing stability in the Guelph real estate market from the [highs in January- March 2021](#). "We're seeing signs that the ever-increasing home prices have plateaued for now, which is a welcome break. Buyers rejoice," says Ryan Waller, Sales Representative with Home Group Realty.

Due to low inventory In late 2020 and early 2021, buyers were lining up to purchase homes. As a result, offer prices went well beyond any recent comparable sale.

Neither sellers, or their Realtors were able to pinpoint the buyer demand, which lead to a strategy of "holding offers", where sellers would review offers on a specific day. In almost every case, there were more than one buyer which caused a competition and new highs continue to be set.

For buyers, this strategy is less than ideal and outright exhausting. Time after time, bidding on homes that had 5- 25 other offers selling 10-25% over the asking price takes its toll. But as everyone knows, it can't go on forever.

May 2021 had the largest number of cancelled listings at 61

An interesting stat to watch is cancelled listings: May 2021 had the highest number since pre-pandemic at 61. Why? In a market where prices seemingly don't stop moving upwards, this is another sign that prices are stabilizing. Not declining- but stabilizing.

When sellers decide to sell their house, they look at what has recently sold in their area. But as inventory rose in April, it gave buyers more choice and less competition on an individual listing.

As a result sellers may have put their house on the market expecting a certain sale price and didn't get it. Sellers were left with a tough decision - they either decided not to sell, or reduce the price. Or, a third option is to cancel the listing and start all over again at a new price.

Part of this pricing responsibility lies with Realtors to properly understand the local market, providing their clients with timely, relevant data. Promising prices of 60-90 days ago is misleading and will likely result in short term frustration for a seller.

Government rules will impact first time buyers

The new rules, which were implemented June 1, increases the minimum qualifying rate for all mortgage types (less than 20% down and more than 20% down), a gauge of whether borrowers can handle payments should interest rates increase.

The fear is that these new rules will further impact first time buyers ability to purchase a home, as they don't have a built up equity position that current homeowners may have.

"We're finding that first time buyers are having to get more creative. They're getting help from family, they're putting co-signers like parents on title just to give them an extra boost," says Beth Waller.

Make no mistake: it's still a strong seller's market

In May 2020, when restrictions were lifted after initial COVID fears, buyers left en masse to smaller suburban locations outside the GTA. This surge of buyers hasn't stopped since.

Now, with Stage 2 of the Ontario re-opening plan starting up last Friday, many wonder if history will repeat itself and a surge out of the GTA and into Guelph.

Beth and Ryan Waller have consistently indicated that the Guelph market will outperform the province as a whole, in particular in the higher end segment. It's estimated that Guelph will have

over [10% of homes selling](#) over \$1 million by the end of 2020, led by growth in the downtown and south Guelph markets.

Beth and Ryan Waller are Sales Representatives with Home Group Realty. You can reach them online at <https://bethandryan.ca>

Source: GDAR 2019-2021 single family residential home sales.

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