

House prices will keep rising

By Todd Taylor

In Orangeville many of us have been wondering about local real estate prices. The massive run-up in values during the first part of 2017 still shocks me personally. Prices during the key spring selling season one year ago increased 35 percent in three months. It would be an understatement to call that time in Orangeville real estate unprecedented.

Personally, I enjoy finances. I like learning about investments and I pride myself on not being surprised or getting caught up in an unsustainable trend. I knew the era of multiple bids, agents holding listings, and houses selling over asking price would have to end. The strong price gains of spring fell to a still very impressive year-over-year gain of 7% in 2017. It makes me wonder, what will happen to prices in 2018?

I spent a fair amount of time asking real estate experts in our town what their thoughts were on our current situation. Debbie VanWyck is the very diligent, hardworking, real estate expert from Settlers Creek in Orangeville.

Ms. VanWyck shared that it is her belief that prices in Orangeville will rise by another four percent this year. A simple Web search shows that the average house price in Orangeville at the end of last year was \$483,000. It is shocking to think that you could have bought that same average home in 2014 for \$363,000. If Debbie Vanwyck's prediction is correct, the average home owner will see their net worth rise by approximately \$20,000 in 2018 or almost \$150,000 in four short years.

If you currently own a home, the massive increase in perceived wealth is extremely exciting. Yet there are quite a few concerning social consequences that our region will have to deal with as the growth continues.

Selfishly, I worry about my children and their ability to make their own way. The next generation may very well be the first group not to have better lives than their parents. Housing for many will simply be unaffordable. In addition, the rental market has been adversely affected. It is appalling to see rental prices in Orangeville for something decent to live in is approximately \$2,000 per month. Higher real estate prices and taxes have forced landlords to charge these rates or leave the rental business altogether.

There is some hope coming for our town. Habitat for Humanity Wellington-Dufferin-Guelph recently announced that they have purchased property on Broadway. The organization has plans to build at least six homes. "There is an urgent need for affordable homes in our community, as about 10% of Dufferin County is living in poverty and one in every nine households are living in conditions that are unsuitable, unsafe and unaffordable," says Steve Howard, CEO of Habitat WDG. "Through our build on Broadway and our future build efforts, we will work to solve this problem, and we hope that our community will join us on our journey to do so." Habitat also has two additional properties that are currently under exploration, which may allow for further construction.

Debbie VanWyck shared that new people are moving to our area from Brampton and Mississauga. Although many are thrilled with the idea of a more simple existence in Orangeville, she stated that potential purchasers are shocked to learn taxes are so high in Orangeville. In addition, the realization of our difficult local political climate is also surprising to new residents. Some believe it is simply not worth putting up with these nuisances and decide not to come to Orangeville. Ms. VanWyck stated that "the value for Orangeville used to be more significant when comparing with Brampton, yet now that gap has narrowed. The market is tight. There are currently 55 houses for sale. Not long ago there would be 160 at any one time. Today, it takes three or four weeks to sell a property and the prices realized are at 98% of ask. As Orangeville continues to run out of land and the Places To Grow Act inhibits expansion, the area's prices will continue to spike. It would not surprise me to see years of 8-10% growth."

Other well-respected realtors in our area agree with her. Jerry Gould believes that the soft spring be abated and the year will finish strong with 6-8% growth. Sandy Brown thinks that if the Ontario political climate allows for a Conservative government in Ontario, prices will rise by 5% this year. Shawn Lanigan is the group's contrarian and believes the many changes to mortgage rules will hold our area to flat pricing this year.

Personally, I think we live in an amazing town with incredible potential and much to offer. We should all be prepared for real estate prices to continue at an aggressive growth rate for the foreseeable future. As such, the need for innovative ideas that support affordable housing will be more important than ever.