

2011 Midland Area Real Estate Year in Review.



Happy New Year everyone. 2011 was an interesting year in our local real estate market. The national headlines were talking about price increases and prices will soon “hit the Bubble” as there is no way they can continue to rise. As we always say, however, each market is different and we saw quite different results in our local market.

Number of Sales:

As the chart below shows, the total number of sales over the last six years have shown a slight decline, with a fairly substantial 10% drop from 2010 to 2011. These are the statistics supplied by the Southern Georgian Bay Real Estate Association.

Year	2011	2010	2009	2008	2007	2006
Total # of Listings	2695	2623	2443	2803	2709	2583
Total # of Expireds	1358	1246	1152	1167	1096	1046
Total # of Sales	949	1050	1040	1039	1329	1270
Avg Days on Market	93	96	111	83	82	81

These numbers, on the surface, showed that only 35% of listings taken actually sold. This can be a little misleading as on a number of occasions a property may have been listed, expired, relisted and then sold. This would indicate that the actual number is slightly higher. The residential sale to listing ratio for the year was 40%. This means that 40% of the houses listed actually sold. That number is down from 45% in 2010. To many people that may seem like a low number but historically around 50% would represent a balanced market.

What did this mean to a home seller or buyer? Home Sellers had to be priced very tight to market value to get any offers or even showings. A Buyer often has more than one option to choose from and is usually well educated on the value of homes. The old adage from a Seller that “I can always come down” only works if the Buyer decides they can’t find another more reasonably priced house. Buyers don’t want to waste their time trying to battle to get a price down to market value if they don’t have to.

Prices Overall:

The average sale price of all types of properties, despite the drop in number of sales, managed to be quite stable over the year. It has shown a small increase of 3.5 %. This is much different than the larger gains reported by the media for Canada. Those national statistics are influenced almost exclusively by the large gains in the Metro Toronto, Vancouver and other large centres. Our local markets are not only influenced by many of the national factors like low interest rates but also by local factors, the largest one being employment. Local employment affects the market in many ways, the two greatest being the

ability of local home owners to afford the type of home they want and the attraction of new potential home owners to our area.

Our Real Estate Market is broken down even further as sale prices in Midland may be different than those in Penetanguishene or Tiny Township.

Here are the average sale prices for each area for single family residential homes. These numbers may appear somewhat lower than some numbers you see published. This is because most sales figures you see have waterfront property sales included in the averages. These average sales prices have been adjusted to exclude waterfront sales, representing a clearer picture of actual averages for the majority of sales.

	2011	2010	# of Sales in 2011
Midland	\$194,806	\$189,426	192
Penetanguishene	\$210,328	\$216,168	88
Tiny Twnshp	\$256,983	\$237,380	152
Tay Twnshp	\$183,761	\$177,389	122

As you can see, every area showed a slight increase in price over 2010 except for Penetanguishene. This increase however does not necessarily mean that an individual house appreciated by this amount. Just as each local market differs, each and every house is unique. The only way to truly get an idea of what your home is worth is to compare it similar properties with similar features and location. Contacting your REALTOR® is a great way to get this information.

Another indication of market health is the average number of days on market it takes to sell a property. If the amount of time it takes is increasing, this represents a market that is slowing down. This number is a difficult one to track as the Days on Market for each sale only shows how long it was listed for the current contract. A house may have been listed for 5 months, expired and then relisted with another agent. If it sold within a month of the new listing then the days on market would show as 30. In this case any number you see for average number of days on market is going to be lower than the actual time period. Also, if a property doesn't sell, then that time on market does not appear in the statistics. Once again, pricing seems to be one of the major factors influencing this statistic.

The first chart shows average number of days on market for 2011 is 93, which is consistent with other years.

Waterfront Overview:

The overall waterfront market in 2011 seems to be consistent with the rest of the local market. It is down slightly in number of sales and prices have remained stable. The average length of time on market is longer than the residential market, but that is not unusual as it requires a more specific type of buyer.



The statistics below are for the overall market in our area and they include both single family and cottage recreational properties. They also include road and boat access only properties. Waterfront properties are even more individual than residential properties so to get an accurate value of your own waterfront definitely engage the services of a local REALTOR®

Year	2011	2010	2009	2008	2007	2006
Total # Sales	140	150	157	92	162	151
Avg Sale Price	\$492,598	\$471,020	\$522,448	\$467,443	\$432,272	\$475,851
Days on Market	133	133	152	129	103	98

Average price seems to fluctuate but that is often due to the small number of sales. One or two higher or lower sales could greatly affect the statistic.

Statistics are available for subsets of road or boat only access, but the amount of data is becoming too small to properly represent an overall market trend.

2012 Outlook

Many experts are predicting a “return” to a balanced market in Canada and that prices should decrease. Our market, in 2011, didn’t experience the large increases in price that were seen in the larger urban centres so hopefully we will also not see a price decrease from national pressure. Interest rates should remain relatively stable with perhaps a slight increase. The greatest influences on our market are local employment figures and the secondary home/cottage demand. Our pool of buyers from within the area is relatively small, so a small number of jobs lost or gained and a spike in people from out of area looking for recreational property can make a difference.

Subsequently, the 2012 market should be good for both buyers and sellers. A well priced home for sale will undoubtedly sell and there should be an adequate supply of homes for sale to choose from. For the investor, a stable market means that a short term flip may not be quite as lucrative. There continue to be properties being sold under Power of Sale, which can be good for investors that have the ability to complete renovations inexpensively.

I trust this year in review was both informative and helpful. If you would like to discuss any of the information contained in the report or any other Real Estate related matters you may contact me through any of the methods below.

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