

Whatever happened to the dog days of Summer? Rather than prompting a slower sleepy pace, many people appear to have turned their minds to one thing, and that is real estate instead of a hammock or mint julip. While this is evident across much of Southern Ontario, this trend appears to have taken particular hold in recreational and more traditionally rural markets within striking distance of urban centres, reflecting the evolving tastes, preferences and lifestyle choices of many influenced by the recent health pandemic, and facilitated by the advent of flexible work arrangements and technology. The Prince Edward County (“the County”) real estate market is no exception to this, but rather is perfectly situated to take advantage of this development.

After sales activity virtually dried up in March and April following the emergency shutdown, both buyers and sellers have been gradually returning to the market, with each month registering more impressive and certain signs of recovery as evidenced by the number of new listings, sales, and surging average sales price. Following upon this incremental and surprisingly resilient rebound, July stands as a new benchmark, breaking through many market thresholds established to date.

Specifically, the Quinte & District Association of REALTORS® (“the Quinte Board”) recorded 145 properties selling in the County during the month of July. That represents a staggering 123% increase in activity over July of last year when 65 properties changed hands, and is almost double the in June, which is usually a very active month in real estate. Clearly, the gradual reopening of the provincial economy and relaxation of restrictions play some role in this as people acclimatise to the new reality, but that is not the entire story. Pent-up demand, record low financing costs and an evolving priorities contribute significantly to this red hot market. This remarkable turnaround brings year to date sales to 393 thus far, surpassing last year’s performance of 319 properties sold by 23%, more than making up for the substantial shortfalls in activity experienced in the first three months of the pandemic.

Fortunately, many sellers appear to be taking advantage of the strong demand and are bringing their properties to market. New listings are up almost 10% year over year with 168 being listed in July compared to 153 one year ago. July’s numbers bring the year to date total to a virtual tie with last year at this time with only one fewer property listed so far (712 vs. 713). It is not, however, enough to keep up with the pace of sales, hence overall inventory is down by almost 5% with only 572 properties being available for sale at month’s end compared with 601 at this point one year ago.

With more people competing for fewer properties, the imbalance between supply and demand inevitably puts pressure on prices. The Quinte Board’s reported average sale price for July is testament to this reality, coming in at \$572,426, marking a whopping year over year increase of over 21% compared to \$471,377 in July 2019. The median sale price or midpoint of properties sold was also up by almost 28%, recorded at \$550,000 as compared to \$430,000 one year ago. This is evidence that the market has generally shifted to a higher price point rather than simply being distorted by one or two high priced or outlier property sales.

Finally, consistent with all of the above, those properties that did sell, did so almost 9%, or 7 days faster on average than they did last year at this time (75 compared to 82 days), with the median number of days on market being even fewer, namely 43 vs. 48 in July 2019, suggesting that Buyers had less time to deliberate and had to act decisively on order to avoid missing out on properties of interest.

All things considered, current conditions are extremely conducive for sellers in the County. With many buyers reassessing their traditional real estate wish lists given the pandemic, and with travel and border restrictions imposing further limits on how people spend their time and allocate their budgets, lifestyle driven real estate investments have become more attractive than ever. In addition, historically low interest rates are encouraging buyers to take action. Given the number of moving parts currently involved in assessing the direction of the economy, however, including the economic devastation experienced by certain sectors, the sustainability of current market conditions remains one of the most difficult and challenging questions to determine with any certainty.

---

PREPARED BY:

Richard Stewart, Vice President & Legal Counsel

CHESTNUT PARK REAL ESTATE LIMITED, BROKERAGE | [CHESTNUTPARK.COM](http://CHESTNUTPARK.COM)