

September marked yet another month in which, after the emergency shut down in the Spring due to the pandemic, the real estate market rebound continued unabated. Prince Edward County ("the County") in many ways stands as a poster child for this effect with so many buyers drawn by the prospect of more space, healthy lifestyle, ready access to the outdoors and open spaces at comparatively affordable prices. As indicated in earlier reports, increasingly flexible work arrangements spurred by advances in remote technology have further contributed to shifting buyer priorities, but unfortunately supply of product, or inventory has not kept up. The net effect is that more and more buyers are fighting over fewer and fewer properties.

According to the Quinte and District Association of REALTORS® ("the Quinte Board"), an astonishing number of sales occurred in the month of September across the wards that make up the County. Specifically, 139 properties changed hands which amounts to an increase in sales of over 162% from last September when 53 properties were reported as sold. Year to date, despite the COVID-19 induced pause in real estate activity over the Spring, the pace of sales is now a whopping 48% ahead of last year at this time with a total of 649 sales thus far compared to 438 last year by the same time.

As indicated, however, supply is simply not keeping up. In fact, new listings were actually down in September with only 118 properties coming onto the market. Last year 143 new listings came out in September, resulting in a negative year over year differential of over 17%. Total listings for the year thus far trail last year's numbers by approximately 2% with a total of 987 properties listed by month's end compared to 1009 one year go. This disparity in demand and supply is of significant concern if there is any chance of buyer demand ever being met. With these forces at play it is not surprising that overall inventory is down with the Quinte Board reporting only 363 properties as being available for sale at month's end compared to 649 the year previous, amounting to an overall decline in choice of 41%.

Consistent with fundamental economic principles, when you have more buyers competing over limited inventory, upward pressure is inevitably exerted on prices, and the County is no exception. Last year, the average sales price for properties sold in the County came in at \$481,411 in September. That number has now climbed to \$557,474 which marks a year over year price increase of almost 16%. The median prices for County properties track average sales prices relatively closely this month showing an annual increase of over 11%, confirming that average sales price increases cannot simply be attributed to one or two outlier high priced sales. Rather it would appear that increases are being experienced more evenly across most price ranges.

Average days on market in September have remained relatively consistent, with properties on average taking 65 days to sell compared to 61 the year previous. The median, or midpoint for time on the market before a property sells, however is down by almost a third, with the Quinte Board reporting 30 days on the market compared to 45 one year ago. That is more consistent with the red hot market conditions with which most have become familiar in the County over the last few months.

As indicated in earlier reports, despite the robust performance of the County real estate market over the last few months, with so many moving parts, it is difficult to predict the long term outlook with any certainty. The severity of any second wave of the COVID-19 virus, and the government and regulatory response to it, will inevitably have an impact on market activity. So too will the extent and manifestation of any collateral economic fallout from the virus. On the other hand, the cost of borrowing remains at historic lows, and all indications point to a continuing shift in buyer preferences focusing ever more specifically on property attributes in keeping with what the County has to offer. All things considered then, it would appear that the County real estate market is as well placed as any to weather any uncertainty or turbulence that could present itself.