

In 2021 the real estate market in Prince Edward County (“the County”) catapulted out of the gate from the outset. This appears to be a harbinger of a blistering pace for the rest of the year, and builds upon the jaw dropping market activity of 2020 which was accelerated by shifting buying priorities due to the pandemic. Buyer demand for properties in secondary markets outside of urban centres remains extremely strong, and the County has been one of the areas that has been most impacted by this trend, and in particular favour. Lack of supply, however, has been a chronic problem with too many buyers competing over too few properties, pushing prices ever higher and in many cases beyond the reach of many would be buyers.

The New Year did not bring any relief on the supply front. New listings were down once again year over year with only 61 properties coming onto the market in January compared to 96 last year, marking a decline of over 36%.

Notwithstanding that, sales continued to surge (over 26% year over year) with 49 properties changing hands, 10 more than last year at this time. There is little doubt that despite the fact that we are in the grips of winter, sales would undoubtedly have been even higher if there were more properties to choose from. At this point, even with the impressive sales numbers, lack of inventory is constraining activity that would otherwise be taking place, and putting a cap on numbers. Specifically, at the end of the month, according to the statistics released by the Quinte & District Association of REALTORS® (“the Quinte Board”), only 157 properties were available for sale across the wards that make up the County. That constitutes a drop in inventory of over 51% year over year. In contrast, at this time in 2020, 323 properties were reported as being available for sale.

As has been explained in earlier reports and set out above, when you have the confluence of seemingly insatiable demand mixed with severely limited inventory, price inflation is inevitable, breaking new barriers and setting new thresholds on a regular basis. While in a smaller market such as the County average sales price can be disproportionately affected by the particular make up and cross section of sales at any one time, the relentless upward trend in prices is still inescapable, and there seems to be no end in sight. In January, according to the Quinte Board the average sales price came in at \$681,845, over 65% higher than the year previous when it was reported as \$412,874. These numbers are clearly astounding if not alarming, and raise real questions as to the prospects for affordability. As further evidence of the upward trend in numbers affecting all property types rather than just being attributable to one or two higher end sales, the median sale price, or midpoint of the market, was calculated to be \$590,000 compared to \$355,000 in January 2020. That actually exceeds the increase in average sales price coming in at over 66% higher year over year.

Finally, and consistent with what might be expected, with this sort of sizzling pace in the market, the median days on market has gone down significantly with the mid point in the time that it takes for a property to sell in the County, calculated at 37 days, which is over 24 % faster than last year when it was recorded as 49. The average days on market was longer, influenced presumably by the sale of some properties that had lingered on the market longer than usual, coming in at 89 days compared to 75 the year previous.

The County real estate market has seen remarkable growth for several years now as many buyers have discovered the many attributes, charms and advantages of investing in the area. The pandemic has simply accelerated this trend several fold with so many buyers seeking sanctuary, more room and open space, and a greater diversity in lifestyle options. This of course has been contributed to by the growth of the number of people working remotely from home, giving buyers greater flexibility in where they can choose to live. While it is difficult to accurately predict what a post pandemic real estate market will bring given the many moving parts at play, it is fair to say that even with a re-opening of the borders, return to travel and the workplace (despite in a potentially modified form), interest in the County will not evaporate and will remain strong. It is fair to say, however, that the current frenzied market is not sustainable in the long term and is unlikely to persist once there is some return to normalcy.