

REAL ESTATE MARKET REPORT

FEBRUARY 2021: PRINCE EDWARD COUNTY

With the arrival of March, the thoughts of many turn to Spring, the prospect of longer days and warmer weather. And in the case of real estate, these same things are traditionally associated with the awakening of the real estate market. Anyone who has lived through the last twelve months, however, will be the first to admit that neither 2020 nor 2021 have been anything but unusual or traditional, and bear no resemblance to anything that they have experienced before. The real estate market in Prince Edward County (“the County”) is no exception. While property sales slowed somewhat from the frenzied pace of the summer and fall, they did not take a seasonal pause or slumber over the cold winter months. Rather the Quinte & District Association REALTORS® (“the Quinte Board”) reported sales in November through January that more closely reflected prime season sales activity in other years. Growth of demand in real estate in the County has been relentless, and it has become even more intense and focused since the pandemic, with buyers looking for more room and open green space at more affordable prices. As repeated in previous reports, the County has proven to be one of the most prized and hotly contested destinations for property investment in this regard.

In February, the Quinte Board reported 56 sales, marking an astounding 75% gain over last year when 32 properties were reported sold. It is noteworthy that the County was already experiencing a strong market in February 2020 with the market posting year over year gains then of 28%. A 75% increase again on top of that is truly remarkable, and indicative of the level of interest in this area. February’s numbers bring early year to date sales figures to 105 compared to 71 last year, an increase of 48%.

Unfortunately, the chronic challenge for the market remains supply. Despite the scorching pace of sales, new listings were down again year over year, trailing last year by over 31% with only 66 properties coming onto the market in February, compared to 96 one year ago. Year to date figures now lag last year’s by 34% with a total of 127 new listings thus far compared to 192 at this time in 2020.

Insatiable demand in conjunction with limited supply can only mean one thing, extremely limited inventory with little to buy. Specifically, at the end of February, the Quinte Board reported only 135 properties being available for sale across all of the wards that make up the County. Remarkably, that is almost 61% fewer than one year ago when 342 properties were on the market in the County.

The final and inevitable product of this trifecta is attributable to the most basic pillar of economic theory, namely strong demand in the context of limited supply pushes prices higher. That is confirmed once again by the February statistics. The Quinte Board calculated the average sale price in the County to be \$624,572, up by almost 42% from the year previous when it was reported as \$440,670. The median price, or mid point of the market is also up by more than 31% coming in at \$560,000 compared to \$427,000 on year ago. This marks the ninth consecutive month of year over year price increases since last March and April when the County along with much of the rest of the country were in shutdown during the initial stages of the pandemic when everything screeched to a halt.

Finally, and needless to say, it is not surprising that in this environment properties are selling faster as well. Average days on market went down by 20% (60 from 75 one year ago). The reported median days on market, which in many ways is more telling of general market activity, was even more compelling, coming in 60% faster than one year ago, taking only 21 days to sell compared to 51 in February 2020.

Despite becoming almost run of the mill or hackneyed, it is difficult to describe the sizzling County real estate market without resorting to the same superlatives and hyperbolae that have become synonymous with current robust sales conditions. Interest in investing in properties in the County has been exponentially growing over the last few years, and that trend has only been further fuelled by the onset of the pandemic. The shift in priorities and greater flexibility facilitated by the adoption of remote work practices, has meant a surge of buyers competing to get a piece of the County, and the lifestyle it has to offer. While affordability has clearly been affected, comparative value continues to give the County a competitive advantage over many other markets, at least for now. The likelihood of any pull back in growth or change in trajectory once there is some return to normalcy after the vaccine roll out remains to be seen, but it is safe to say that interest in the area will persist well into the future, and the market will continue to reflect that.

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