

REAL ESTATE MARKET REPORT

MARCH 2021: PRINCE EDWARD COUNTY

The month of March this year will be remembered not just for the early onset of spring and blossoming snowdrops and crocuses, but also as an auspicious anniversary for all Canadians who have been weathering the coronavirus pandemic now for one year. This placemark in the calendar is all the more meaningful and challenging as the province and the rest of the country have entered the third wave of the virus, and in an effort to curb the spread of Covid-19, Ontario is subject to yet another lockdown. These very dynamics and factors have thrown the real estate market on its head, prompting breathtaking and unforeseen wild swings in the market. As is well known by now, both demand and supply fell off the cliff one year ago with the initial pandemic induced shutdown, and then bounced back in an unprecedented surge as household priorities shifted with people working from home, and consequently clamouring for more space and access to the outdoors. These same trends continue to dominate the market and are likely to do so for the foreseeable future. Statistical year over year differentials will become even more pronounced as the current sizzling market is compared with conditions one year ago when the market came to a screeching halt. Consequently, while March provides a reasonable gauge as to how the market has evolved, comparative analysis for April and May will reflect a distorted picture, based as they are on the market paralysis that occurred in those months of 2020.

As indicated in previous reports, Prince Edward County ("the County") has been ground zero or a casebook study for the pandemic effect on the real estate market. While supply has remained limited perhaps in part because of sellers' reluctance to have people through their home as well as their renewed appreciation of the benefits of owning property in the County, demand has gone through the roof, as it were, with buyers scrambling to get in on the County lifestyle at what has been traditionally more affordable prices, spurred by the greater flexibility that the workplace shift to remote commuting has offered. While there appears to have been a slight uptick in new listings precipitated perhaps by sellers hoping to cash in on the staggering increase in prices experienced over the last year in the County, it does not come close to keeping up with the seemingly unquenchable demand of those seeking to invest in the County.

New listings did go up almost 15% year over year with 133 properties coming onto the market in March compared to 116 one year ago. Year to date that brings the total number to 260 compared to 308 last year highlighting the broader supply crunch affecting the market. Sales, however, almost tripled! At month's end the Quinte & District Association of REALTORS® ("the Quinte Board") reported 95 sales in March in the wards that comprise the County. That marks an incredible increase of almost 188% over last year when only 33 properties were reported sold, and the effects of the coronavirus had yet to truly percolate through to market activity. Year to date numbers are almost as astounding, adding up to a total of 200 sales so far this year compared to approximately half of that last year at this time when 104 sales had been recorded. Needless to say, with sales outstripping supply at such a pace, property inventory has been gutted with only 154 properties listed by the Quinte Board as being available for sale at month's end compared to 382 at this time last year, a decline of almost 60%.

An inevitable result of this activity is steep upward pressure on prices. The Quinte Board calculated the average sales price of property sold in the County in March to be \$669,685, almost 81% higher than one year ago when it was posted as \$370,534. The median sales price which reflects the centre point of the market paints a very similar scene coming in at \$625,000, an increase of almost 79% over last year's number of \$349,900.

Finally, and not surprisingly, properties sold at a much faster pace than they did at this time in 2020. The average days on market for properties that did sell was 36 days, 35% fewer than the year previous when it was 55. More tellingly the median days on market came in at only 12, illustrating that properties took two weeks less time to sell, or sold 54% faster than in March of 2020 when the median days on market was recorded as 26.

While it is difficult to predict market trends moving forward given the many moving parts in the market including the pandemic, it is reasonable to observe that the experience of the last year has simply contributed to the growing appreciation of buyers from a wide variety of backgrounds in County real estate, that has been building now for a number of years. The timeline for, and extent to which society returns to any state of normalcy as we knew it is yet to be determined, but regardless of any evolution in lifestyle or the speed of broader recovery, there appears to have been a general awakening in the awareness of the value and security of investing in markets like the County, and having the opportunity of participating in the lifestyle that such areas have to offer. It is unlikely that this interest and sensitivity will dissipate any time soon.

PREPARED BY:

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