

# REAL ESTATE MARKET REPORT

## APRIL 2021: PRINCE EDWARD COUNTY

April marks the first full month in which any year over year comparisons with last year's real estate market activity are virtually meaningless. As hard as it is to believe, it is now over one year ago that so much of what we had taken for granted as "life as usual" ground to a halt with the onset and spread of the Covid-19 virus, and the consequent lockdown which prompted the real estate market to fall off a cliff. As set out in earlier reports, however, and as is now well known, ironically once society got over the shock of the pandemic, contending with and adapting to the consequences of this phenomenon including the stay at home order, then went on to spur the surge in real estate that has accounted for the sizzling market that we have been experiencing for almost a year now. As a result, contrary to other reports it will be the month to month trend and trajectory that will be most meaningful moving forward and into the summer selling season.

Traditionally, sales in Prince Edward County ("the County") have tended to go into somewhat of a slumber state during the grips of winter, and then blossom with the flowers of spring and on into the summer and fall seasons. This year has been different for the reasons stated, namely the strong and ongoing demand for more space, access to the outdoors, and a safe sanctuary at more affordable prices, facilitated by people working remotely, and the consequent shift in living priorities. As a result, sales have consistently set new thresholds for both volume as well as price points over the preceding months. Because of this unprecedented activity, however, and fueled in part by market commentators and the press warning of a bubble and affordability concerns, there may be early signs that the market is moderating somewhat or plateauing. According to the Quinte & District Association of REALTORS® ("the Quinte Board"), rather than tracing seasonal trends, April sales pulled back somewhat from March which may prove to have been the peak of the market. These early indicators appear to be more evident in the Greater Toronto Area as well as neighbouring markets.

Specifically, the Quinte Board reported that 77 properties sold in the month of April compared to 95 the month previous, a decline of 19%, which is counterintuitive for this time of year. Having said that, this month's sales surpassed last year's numbers by almost 221% when only 24 sales were recorded in early pandemic lockdown. Year to date figures reflect the unbelievably strong market experienced thus far in 2021 with a total of 299 properties changing hands at this point compared to 128 last year, a jump of over 116% year over year.

The number of new listings declined somewhat from March as well with 126 properties coming onto the market, 7 fewer than last month but 60 more than last April, again in the throws of early Covid 19. Year to date, the number of new listings has now inched ahead of last year, with a total of 386 properties being listed compared to 371. Total inventory increased somewhat from last month with 22 more properties on the market, (176 vs. 154 – up 14%), but remains down by over 54% from last year at this time when 380 properties were reported as available for sale. The market does remain very tight and very much within Sellers' market territory, encouraging sellers to bring their properties to market, so long as they have somewhere else to live or buy.

Prices continue to reflect this reality, rising ever higher, breaking the \$700,000 average sales price threshold coming in at \$704,385, over 84% above last year's price and another 5% gain on March's number. The median price, or midpoint in the market, reflects similar year over movement, up almost 80%, coming in at \$620,000 though it did pull back slightly from March when it was calculated to be \$625,000.

Finally with demand continuing to outstrip supply those properties that sold did so quickly, with the average days on market coming in at 27, 54% faster than last year, and median days on market was calculated at only 12 which was the same as March, but 73% below what it was at this point in 2021.

With prices reaching new heights and affordability posing ever greater challenges in virtually all markets across Southern Ontario calls for intervention have been made from a variety of sources to restore sanity to the overheated real estate market fuelled by the pandemic. Early signs, however, indicate that the market may be responding to economic forces of its own accord. On the supply front, while the County may be lagging somewhat, more properties are being listed apparently to take advantage of the heady conditions while they last, while on the other hand some discouraged buyers have opted to step to the sidelines with the view that now is not the time to buy at the peak of the market, and better to wait until the dust settles. While conditions remain strong and the market continues to be tight, rather than heating up consistent with seasonal trends, the market may be moderating somewhat, plateauing in March and pulling back for the first time in anticipation of impending higher borrowing costs and a return to more normal conditions with the vaccine roll out and reopening of the broader economy.

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