

# REAL ESTATE MARKET REPORT

## JUNE 2021: PRINCE EDWARD COUNTY

With the warmer summer weather and the prospect of getting out from under the pall of the constraints of the lockdowns brought on by the corona virus, many are turning their attention to getting back to some sense of normalcy and enjoying sunny days outside, perhaps on a patio, with family and friends. It seems that many are simply exhausted with enduring and adapting to all that has been thrown at them over the last year, and just want to kick back a bit, relax and enjoy things as society starts to open up again. That, mixed with the increasingly expensive purchase prices, particularly in secondary markets such as Prince Edward County ("the County") prompted by the consequent shift in lifestyle priorities, appear to have resulted in a comparatively calmer and less urgent market.

As referred to in earlier reports, the month of March marked the apex or zenith of the frenzied market where the thirst of buyers for more space and better access to the outdoors at more affordable prices reached its peak. Since then, the market has witnessed a subtle but perceptible pull back from the over heated frothiness brought on by the pandemic. Demand may in part have been satisfied, or prices have simply pushed some to the sidelines or press pause from fatigue. Notwithstanding some spottiness in the market, this calming or moderating trend has been relatively consistent across both urban and secondary or recreational markets in Southern Ontario with each passing month. While not immune, the County has in some ways experienced a milder version of this trend. Despite some signs of a saner market in which not all properties are selling in multiple offers, the statistics provided by the Quinte & District Association of REALTORS® ("the Quinte Board") confirm that many deals are being negotiated at handsome prices, sellers are listing their properties, and conditions remain remarkably robust.

Specifically, the Quinte Board reported 94 properties sold in the County in the month of June. That marks a 17.5% increase over the year previous in which 80 sales were recorded at a time that the market had already emerged from the doldrums of the initial lockdowns of early 2020. June's numbers are also evidence that any signs of a moderating market are at best relative and may only be notional as more properties sold in June than the month previous when 74 properties changed hands. Year to date, sales in the County have reached 445 properties compared to only 250 last year at this point, an increase of 78% year over year.

More properties are coming onto the market as well. 161 properties were listed for sale in June compared to 143 in May and 150 the year previous, which amounts to an uptick of over 7%. Year to date, new listings are up 8% with a total thus far of 690 compared to 636 one year ago.

Strong demand continues to keep pressure on prices with the Quinte Board calculating the average sale price in June to be \$701,888, an increase of almost 32% over last June when the average sale price was reported to be \$532,080. But perhaps, with a little more to choose from on the market and the frenzied pace falling off a bit, it may not be surprising that prices have pulled back a bit from May when they came in just short of \$780,000. The median sales price or midpoint of the market reflected the same trend, almost 26% more than last year's numbers at \$600,500 compared to \$477,500, but off from the loftier heights of May which logged a median price of \$652,500.

Similarly, properties continue to sell at a brisk pace, on average taking 22 days to sell compared to 72 last year at this time, a difference of over 69%, and median days on market reflecting an even faster rate of 15 days compared to 40 in June 2020, just over 62% faster over one year. But the Quinte Board numbers confirm that both average and median days on market slowed marginally from May (when they were posted as 21 and 12 respectively), perhaps reflecting the slight increase in choice and less frantic buyers.

Inventory followed the same pattern with 246 properties reported as available for sale at month's end, constituting a reduction of over 41% over last year when 418 properties were on the market, but slightly more than last month when 216 properties were available for sale.

In summary, after several months of unrelenting activity in the real estate market across Southern Ontario, most markets are experiencing some moderation and pullback compared to the unsustainable pace that has pushed prices to new thresholds and in many cases out of reach of buyers who were contemplating a move prompted by their changing circumstances due to the pandemic. The gradual opening up of society and the economy may have shifted the dynamic somewhat, posing a distraction and welcome relief to many, and a reminder that some return to normalcy and the world that we knew may once again be on the horizon. Notwithstanding that, interest in investing in the County remains strong. While there may be some perception that the market may be somewhat quieter compared to the frenzied pace that has defined the last few months, June's numbers suggest that the County may be bucking the trend as sales continue to log impressive gains over the year previous as well as surpassing those in May of this year. Barring an unforeseen spike in interest rates, there is little evidence that the fundamentals underpinning the robust County real estate market are likely to change any time soon.

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