

Like most other markets across Southern Ontario, Prince Edward County ("the County") continues to see a gradual moderation in its frenzied real estate market which it has been experiencing since the late spring of 2020. As indicated in earlier reports, the surge in activity was brought on in large part by the shifting priorities of buyers due to the coronavirus and its consequential impact on working arrangements, lifestyles and increased demand for more space and access to the outdoors. Following month after month of record breaking sales figures and dizzying prices, the pull back or levelling off is likely attributable to several factors including absorption, fatigue and affordability. With the warmer summer days and respite from the confines of Covid shutdowns, buyers may simply want a break and acknowledge that their pocketbooks have to be stretched even further to secure the property of their choice. Incomes have not kept up with price increases. Despite that, the market remains strong and inventory is tight. Contrary to suggesting a market downturn, conditions rather seem to be returning to more sustainable pre pandemic conditions which were in fact both robust and strong.

The Quinte & District Association of REALTORS® ("the Quinte Board") reported 81 sales across the County in July, which is 13 fewer than sold in June and 66 fewer than the year previous, marking a drop of almost 45% in sales numbers. It is noteworthy that after the market ground to a halt with the lockdowns, demand for property shifted into overdrive in July 2020, jumping from only 41 sales in May to 79 in June to 147 in July when the appetite for country properties seemed truly insatiable. The County appeared to possess the perfect combination of attributes for the times, namely four season utility, access to transportation, the internet and amenities, including a reasonable commute to urban centres. With traditional seasonal variations, the market has remained very hot since then, and has only recently started to moderate. This trend has developed somewhat later than other markets, likely because of the County's comparative affordability, notwithstanding substantial price increases. Year to date sales in the County total 526 according to the Quinte Board, still 32% ahead of last year at this time.

New listings were also down, both from earlier months as well as last year, with only 95 properties coming onto the market. This amounts to a year over year decline of over 44%, and is markedly less than June's 161 new listings. Year to date supply is lower with a total of 785 new listings compared to 807 last year. It is no surprise therefore that with continuing strong sales, even if somewhat moderated, inventory remains very tight with the Quinte Board recording only 221 properties available for sale at months end, a decrease of almost 44% from one year ago when market conditions were also tight.

Prices tend to lag other market indicators and the County is no exception. Sellers appear to be reluctant to let go of their lofty price expectations and enough buyers are apparently willing to step up to the plate to satisfy them. As a result, while still below record prices set earlier this year, the average sale price was calculated at an eye popping \$742,443 which is almost 31% more than July 2020 when it was \$568,539. The trend in median sale price, or the midpoint in the market reflects a similar significant uptick coming in at \$650,000, a gain of over 19% compared to last year's figure of \$545,000.

While in keeping with the moderating market, the pace of sales has slowed somewhat month over month, but relatively speaking properties continued to sell at a brisk pace. Year over year it took 43 days less on average to sell a property in July compared to one year ago (37 versus 80), a difference of almost 54%. Median days on market reflected similar trends with a 51% negative differential, specifically 21 days compared to 43 the year previous.

The fundamentals that have spurred the unprecedented growth of the real estate market in the County remain in place except that the opportunities to invest have become appreciably more expensive and thus more difficult for some to afford. In addition, some buyer urgency may have been quenched and absorbed by the surge in sales experienced over the last year or so. What lies ahead, however, is still uncertain and has yet to unfold. With memories of pandemic lockdowns still fresh in most people's minds, and the threat of a fourth wave very much on the horizon, the draw of sanctuary and quality of life on offer in the County, at still comparatively affordable prices, will continue to sustain the market, leaving little likelihood that demand for properties in the area will evaporate any time soon.