

# REAL ESTATE MARKET REPORT

## OCTOBER 2021: PRINCE EDWARD COUNTY

As we move into the waning months of 2021, an inventory shortage continues to be the dominant factor affecting the Prince Edward County ("the County") real estate market. A lack of supply persists in most markets across Southern Ontario. Its effects however, feel particularly pronounced in the County which continues to garner a seemingly insatiable and ever growing interest amongst buyers who appreciate the merits and benefits of living and investing in the County. In keeping with this evolution of the market, the profile of properties in the County has experienced a significant upward shift as well, with the simplest of properties being purchased at premium prices and then being fixed up and improved at an unprecedented rate. The impact on the market is thus a self fulfilling one with the level of quality and sophistication of the property stock being wrenched upward to new heights forever transforming the fundamentals and character of the County real estate market.

According to the Quinte & District Association of REALTORS® ("the Quinte Board"), 61 properties changed hands in the month of October. That marks a decrease of over 42% from the year previous when 106 sales were recorded by the Quinte Board, and the shift in buying patterns prompted by the pandemic was still very much at play. As stated in earlier reports, buyers were scrambling for more space, access to the outdoors and a better lifestyle at what they perceived to be more affordable prices, all of which was facilitated by the evolution in working arrangements and the impact of technology allowing people to pursue their lives and careers further afield from urban centres. Notably as well, however, more properties were available. While not by any means flush, inventory was not quite as tight, and prices were more within reach for the average buyer.

Specifically, only 94 properties were listed for sale this October compared to 110 last year, an almost 15% decline causing inventory to decline at a similar rate of almost 16% further from the year previous, ending the month with only 220 properties available for sale across the County compared to 261 at this time in 2020.

With ongoing strong demand and limited supply, it is not surprising that the average sale price continued to ratchet up, surpassing the \$700,000 threshold, coming in at \$708,533, according to the Quinte Board. This amounts to a year over year gain of over 23%. The median sale price, or mid point of the market, which is less influenced by outlier high priced properties, came in at \$600,000, almost 21% higher than one year ago.

Year to date new listings are down by 6% (1121 vs. 1187), notwithstanding that the market screeched to a halt during the onset of the pandemic in the spring of 2020, and sales trail by a slightly smaller margin of 5%, coming in at 728 thus far compared to 764 one year ago when the buying spree in the County was in full gear.

A final indicator of the disparity between supply and demand and the fundamental robustness of the market, notwithstanding the year over year decline in sales, is the pace of sales. Properties continue to fly off the market soon after they are listed. Given the recreational/hybrid nature of the County real estate market, it is noteworthy that the Quinte Board calculated median days on market in October to be 17, which is 17% faster than one year ago when the market was red hot and the median for days on market was 21. Average days on market came in at 36, a decline of 55% from the year previous when it was recorded to be 80. And again, the comparator is the sizzling market of the fall of 2020.

The County real estate market has experienced seismic shifts over the last few years and has been permanently transformed by forces including the effects of the pandemic on buying patterns and priorities. The character of the property stock is evolving to reflect that, becoming ever more sophisticated and expensive. There are no signs that this trajectory will either reverse itself or slow down. This is a market on the rise that has captured the imagination and interest of buyers across a wide and diverse demographic. The long term outlook is that despite recent prospects of potential increases in interest rates, buyers will still be inclined to stretch to get a piece of the County which has clearly moved beyond the stage of just being discovered, but rather entered the realm of one of the premium locations to invest and live in the Province.

---

PREPARED BY:

Richard Stewart, Vice President & Legal Counsel