

Notwithstanding the shorter days, snow, ice and bitter cold weather that has gripped Prince Edward County (“the County”) for most of 2022 thus far, the real estate market for the area can hardly be described as experiencing a chill or seized by anything approaching a deep freeze. In fact, quite to the contrary, conditions are the “polar” opposite. Quite uncharacteristically for January, sales have jumped up to levels last seen in, and more consistent with, an August market. One contributing factor may well be a welcome surge in listings with Sellers perhaps seeking to capitalize on the impressive prices garnered by neighbouring properties that have sold in the County over the last year or so. Having said that, and moving forward, supply will continue to be one of the greatest challenges facing the County real estate market with strong demand continuing to outstrip supply by a healthy margin, endemic of a chronic problem that has been frustrating buyers throughout the pandemic, contributing to pent-up demand that by any account will be difficult to satisfy.

As mentioned, January did see an uptick in listings on a year over year basis. According to the Quinte & District Association of REALTORS® (“the Quinte Board”), this is the first such positive differential in a very tight market since June of last year. Specifically, 82 properties came to market in January compared to 60 last year at this time, which is almost 37% more year over year.

Consistent with the above, however, these new listings were snapped up as soon as they came out resulting in a surge in sales of over 51% compared to last year. 74 properties in total sold in January compared to 49 the same period in 2021. In fact, more properties changed hands in January than in each of the preceding months going right back to August or the mid summer market which more typically posts sales of this magnitude.

Not surprisingly, when the number of sales goes up that much more than new product coming onto the market, inventory is depleted to levels even lower than those that have become commonplace in the tight market conditions experienced over the last few years across the County. In fact, reviewing statistics produced by the Quinte Board reveals that inventory reached record lows in January with only 113 properties available for sale, a drop of almost 28% from the year previous, which itself was experiencing very tight market conditions with only 156 properties available for sale.

As a further indication of the temperature of the County real estate market, despite it being in the depths of winter, properties sold at a rate that is at or near the pace set back in the frenzied months of spring of last year. On average properties took only 25 days to sell which is almost 72% faster than one year ago. The median rate, which discounts the influence of activity on the fringes of the market was only 12 days, constituting a 68% reduction in time spent on the market for properties sold, a truly remarkable figure, particularly for primarily rural markets.

Prices, however, have remained relatively flat year over year consistent with last month and the end of the year. This may reflect the fact that price comparisons are being made with markets that were experiencing unprecedented surges brought on by the pandemic related reasons reviewed in detail in earlier reports. The average sale price of properties sold in the County in January came in at \$652,963, 4% less than last year when it was recorded by the Quinte Board as \$681,845. In addition to that, it is also possible that the higher profile higher priced properties are being held back until some of the snow accumulation and ice encasing most properties dissipates to allow buyers to be able to actually get out and see the features of the signature or showcase properties on offer. As also mentioned in earlier reports, statistics can vary more dramatically on a month to month basis in a market as small and concentrated as the County depending on the particular cross section of properties for sale at any one time. In any event the Median Sale Price was posted by the Quinte Board as \$516,400, 12% lower than one year ago when it was calculated to be \$590,000.

Lack of supply will continue to be the principal factor and main story influencing the County real estate market into the new year and for the foreseeable future. Pent-up demand for, and interest in County real estate is simply too great to be side swiped or ground to a halt by an increase in interest rates, even if several appear to be inevitable in 2022 to stem inflation. Buying priorities, work arrangements and lifestyles have simply shifted to such an extent over the last few years that investment in the County is likely to continue to have a very solid and promising future.

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