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PRINCE EDWARD COUNTY

REAL ESTATE MARKET REPORT



CHRISTIE'S
INTERNATIONAL REAL ESTATE

Moderating conditions continue to predominate across Prince Edward County ("the County") in the second half of summer and as we move into fall. The Enhanced Statistics Statistical Query Report prepared by the Quinte and District Association of REALTORS® ("the Quinte Board") confirms that the real estate market for the area is not as frenetic or overheated as it was earlier this year, but that despite calming trends, continues to manifest most of the fundamentals reflective of a healthy and stable market. Despite a slight increase in the number of listings, product supply remains generally tight and when desirable properties do come to market, they do not tend to linger on the shelf for long.

Whether due in part at least to an ongoing shortage of inventory, or attributable more to an infusion of buyer caution prompted by the market adjustment currently taking place in the Greater Toronto Area, or a combination of both, sales in the County in August are down again year over year. The decline in sales recorded by the Quinte Board, however, was not at the same pace or to the same degree as recorded in previous months. Specifically, the Quinte Board recorded 59 properties as having sold in August compared to 72 last year, constituting a drop in sales of 18%. Year to date sales are essentially on a par with 2016 coming in just short of last year's numbers. Based on calculations from numbers obtained monthly from the Enhanced Statistics Statistical Report, 473 properties appear to have sold thus far this year compared to 480 the year previous, signaling only a 1% shortfall.

As indicated, the number of new listings was up in August year over year. The Quinte Board recorded 95 properties coming onto the market, 11 more than the 84 recorded in August 2016, a 13% increase. Given the chronic shortage of properties in the market and the increased profile of the County and consequent on going strong demand for real estate in the area, any increase in supply is welcome at this stage and will not likely fully alleviate the pent-up demand which has built up over time amongst buyers looking for property in the County. Year to date new listings continue to lag behind last year's numbers with a total of 928 recorded thus far compared to 958 at this time last year, which amounts to a 3% negative differential, but highlighting the nature of the persistent property shortage. Further confirmation of this is found in the pace at which properties that do come onto the market sell. The average days on market for sold properties continued to shrink. According to the Enhanced Statistics Statistical Query Report, the amount of time it took for properties in the County to sell was on average only 51 days which is 37 days or 42% less time than last year when the average number of days on market for properties sold came in at 88 days. Having said that, the general inventory has increased somewhat with the Enhanced Statistics Statistical Query Report showing 454 properties available at month's end compared to 395 one year previous, an uptick in the range of 15%.

Another indicator of the general health of the market is average sale price. According to the Quinte Board, the average sale price of properties that sold in the County in the month of August came in at \$393,129 which is 13% higher than August 2016 when the average sale price was \$347,646. Demand for property in the County remains strong and combined with a scarcity of listings continues to push the price of properties higher. Further evidence in this regard suggesting that the County real estate market has legs is the fact that the average sale price of properties sold in the County in August is also higher than it has been since April when market conditions were at their hottest and frothiest.

All in all, prospects for the fall are optimistic. Broader economic indicators including employment figures continue on an upward trajectory, to the extent that the Bank of Canada surprised most market commentators by raising interest rates earlier than anticipated and for the second time this year, pointing to better than expected economic performance across many sectors. Reports also point to the fact that housing starts are on the rise, an indication of broader sector confidence and optimism despite recent market adjustments and increasing interest rates, which thus far are not anticipated to exert significant downward pressure on the market, though it may have somewhat of a moderating effect on the extent to which buyers are prepared to stretch to secure their property of choice. Interestingly, it would appear that inventory may be one of the biggest determinants of the pace of sales and activity in the County real estate market moving forward, as buyers cannot buy what is not for sale.

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