



REAL ESTATE MARKET REPORT

While urban markets across the Greater Toronto Area may be undergoing some adjustment and moderation, cooling trends at this point do not appear to have extended eastward towards Prince Edward County ("the County") where statistics for the month of May released by the Quinte and District Association of REALTORS® ("the Quinte Board") indicate that a Seller's market continues to prevail in the County with demand continuing to outstrip supply. Indeed, the Enhanced Statistics Statistical Query Report published by the Quinte Board support ongoing strength and sustainability in the real estate market for the County. The County falls outside of, and is less affected by recent provincial measures to curb the overheated real estate market in the Greater Golden Horseshoe, but only time will tell as to whether the impact on market players in the greater urban context as well as the general real estate psyche and confidence across Southern Ontario will have a ripple effect into the County and translate into any market softening or calming moving forward. One significant distinguishing factor, however that continues to be influential in the County real estate market, apart from the desirability and general growth and profile of the area, is its competitive advantage in affordability when assessed and compared to comparable markets.

The Statistics published by the Quinte Board for the month of May for the wards comprising the County report an 8% boost in sales year over year with May's numbers coming in at 84 properties changing hands compared to 78 in May 2016. May's performance brings year to date figures to 298 so far in 2017, besting last year's numbers at this point by 34 sales, representing a 28% increase. While it is too early to tell this significant uptick in sales would appear to be front-end loaded, in other words disproportionately dependent upon the larger surge in activity experienced earlier this year.

New listings continue to lag behind last year. Only 131 new properties came onto the market in May compared to 160 one year ago which marks an 18% decline in new listings, contributing to overall numbers of new listings year to date of 577 compared to 630 at this time last year. This translates to an 8% overall decline in listings year to date. Notably, it would appear that the rush to list and take advantage of what some may perceive to be the height of the market observed in the Greater Toronto Area has not, thus far, spread to the County, leaving real estate conditions in the same tight market circumstances. Consistent with this, the number of available listings continues to significantly lag behind last year's numbers with the Quinte Board reporting at month's end only 372 properties available for sale on the Multiple Listings System® in the County. That is a decrease of 23% over last year when the Quinte Board reported 486 active listings at this time.

Not surprisingly, with the Quinte Board reporting persistently strong sales and limited inventory, and therefore that tight market conditions prevail, those properties that are on the market continue to sell faster than they did one year ago. The reported numbers for May indicate that property for sale in the County took on average only 63 days to sell which is a week less than last year, translating into a 10% decline in time on the market. Similarly, and consistent with these basic market forces, prices for real estate in the area continue to rise with more buyers chasing after fewer listings. The average sale price for property in the County in May came in at \$376,450 which is a 6% increase over last May when the average sale price was reported as \$363,726.

This, however, marks a reduction in the extent of price increases measured year over year in previous months, which could be an early indication of a moderating or calming market, but it is likely too early to tell. As indicated in earlier reports, the County is a smaller market which, by definition renders it more susceptible to greater statistical swings dependent upon the particular composition and cross section of properties that sell at any given time. Nonetheless, real estate markets in Ontario do appear to be in somewhat of a transitional or wait and see stage at this time, therefore it is worthwhile taking note of potential changes or shifts that may be perceived in market statistics. Whether this translates into actual and measurable impacts upon the County real estate market, only time will tell, and as pointed out in earlier reports the County is not quite an island, either in fact or metaphorically, therefore it is unlikely to remain completely impervious to market trends experienced elsewhere across Southern Ontario.

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