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PRINCE EDWARD COUNTY

REAL ESTATE MARKET REPORT

CHESTNUT PARK
Real Estate Limited, Brokerage

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With the cooling weather and shorter days of autumn, the pace of the real estate market in Prince Edward County appears to be following suit, and reflecting the moderating trends the Greater Toronto Area ("the GTA") faced over the summer. While choice and desirable waterfront, character and acreage properties continue to find buyers, the numbers produced by the Quinte & District Association of REALTORS® ("the Quinte Board") in its Enhanced Statistics Statistical Query Report confirm that while both new listings and inventory are increasing, the urgency of buyers has dissipated, with many holding off until the perfect opportunity comes along. Markets appear to be rebounding in the GTA with both sales and price recovering from the post peak doldrums, just as they have in the Greater Vancouver trading area following the imposition of measures (including the foreign speculators' tax) intended to reign in the overheated real estate market, but as is often the case, there appears to be a lag of a couple of months in surrounding satellite markets to what is happening in the urban core.

In October, 44 properties changed hands in the County which is both 7 fewer than the month previous, and 17, or 29% fewer than the 61 which were reported sold the same month in 2016. Overall, notwithstanding the robust pace of sales experienced in the first half of the year, sales year to date now trail last year's numbers by 4% with a total of 568 sales being reported by months end in October compared with 592 at this time last year.

In addition, the number of new properties coming onto the market in the County increased in October, both as compared with September as well as the year previous. A total of 89 properties were reported as new listings which is 27% more than the 70 that came out in October 2016, and brings the number of new listings year to date to 1091 which, based on the earlier shortage of properties is still 3% behind last year's figures at this time when 1120 new listings were reported. That, combined with the decline of sales inevitably has an impact on inventory. Not surprisingly active listings were also up 19% with 345 active listings being reported as available at month's end compared to 290 last year at the same time.

Despite that, and perhaps due to the prolonged shortage of desirable properties available to buy in the County for so long, the average days on market continues to be lower than last year with the average property selling in 70 days compared to 74 one year ago.

Consistent with the comments at the outset of this report that desirable properties continue to find buyers, and confirmation that there is still strong demand for the right property (even if buyers are being pickier), the average sale price continues to go up, and not insignificantly. In fact, those properties that did sell, did so for 24% more than they did last year with the average sale price coming in at a very respectable $365,619 compared to $294,402 in October 2016. Any suggestion therefore that properties in the County have in any way lost their luster, or that there is a broader slackening of demand is misplaced. Rather, under the circumstances, and given what has happened in nearby urban markets, a sense of measure and sanity appears to have returned to the market, where qualified and interested buyers are simply less inclined to pay whatever it takes to get a foothold in the market and are instead, and as indicated, prepared to wait for the right property to come along and act decisively at that point.

Reports confirm that urban markets, both locally as well as across Canada are returning to a more bullish track, with Toronto in particular, being in the early stages of same as its suburban market continues to lag. But it is still too early to tell what the impact of further tightening in lending criteria with the imposition of broader stress tests to conventional mortgages will be. Some speculate that it could prompt a brief surge in activity as buyers try to lock in prior to the imposition of the more stringent financial qualification requirements. Generally speaking, however, the broader economic outlook appears positive with indicators generally strong despite the ongoing threat of potentially destabilizing caveats on the international stage with respect to trade and protectionism, amongst other influences.

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