



2021 ANNUAL REPORT

FONTHILL

New Home Construction

The supply of new homes in Fonthill has definitely been a driver in the overall real estate picture. Take a drive through town and you'll see you a transformation is clearly underway. There are detached homes, townhomes and condo apartments newly built, under construction or on the books to be built throughout the area.

While some think new home sales drive up average sale prices, in Fonthill that is not the case where the average price of a home categorized as 'new' is actually lower than the town average. As mentioned in other reports, not all new construction homes are in the Realtor.ca data so it is tough to put a huge amount of weight on the impact.

Average Sale Prices

The perennial 2nd place finisher behind Niagara-on-the-Lake in terms of average sale price, Fonthill posted a very strong 2021 with the average price coming in at \$919,000. That is up 22% over 2020 and up an astonishing 68% in 5 years. Even looking back 2 years ago, the average sale price grew from \$630,000 in 2019 to \$919,000 in 2021. What is possibly even more surprising is the growth of the market over \$1 million. In just 4 years, the number of homes sold over \$1 million grew by 10x from 9 in 2018 to 109 in 2021. Looking at it another way, the \$1 million plus market went from 4% of all sales in 2018 to nearly 1/3 of all sales in 2021.

Breaking It Down A Bit

As we all know, one of the impacts of COVID was a historic shuffling of the deck as people moved in all directions for all reasons. While the typical buyer in Fonthill used to largely be the down-sizer, that has widened to all segments of the buyer market. As a result, the importance of the bungalow was less important as homes of all shapes and sizes became highly desirable.

For example, looking at detached 2 storey homes, they represented nearly 1/3 of all sales and had an average sale price of \$1,083,000. That is up from \$684,000 in 2018. Meanwhile, there were 70 townhome sales that sold for an average of \$707,000. As previously mentioned, since Fonthill is so varied, drilling down the data is necessary to get a better handle on a particular property.

Market Imbalance

Looking at the last 2 years, there has been a remarkable change in the ratio of supply and demand. In general, the supply of new listings has decreased while the number of homes sold has increased. For example, in 2018, there were 522 new listings with 273 homes sold. Fast forward to 2021, Fonthill had 456 new listings with 371 sales. That is a market that is significantly tighter resulting in reduced supply, reduced time to sell and increasing prices.

A Trend to Watch

Similar to the rest of the region, supply vs demand will be the variable to watch. Will the demand ease back or continue at pace? That combined with supply levels and any impact that the arrival of new construction units have will be crucial factors to consider.

If you are interested in taking a deeper look into the Fonthill real estate market or a specific property, please feel free to reach out anytime.

LEGEND: # of Sales | Average Sale Price | Cumulative Days on Market

ALL RESIDENTIAL		
2021		% change
371 Sold		-1%
\$921,000		+22%
24		-60%

DETACHED		
2021		% change
280 Sold		-13%
\$1,006,000		+27%
25		-60%

NEWER THAN 5 YEARS		
2021		% change
105 Sold		+5%
\$957,000		+20%
24		-66%

\$1 MILLION & UP		
2021		% change
103 Sold		+110%
\$1,372,000		+4%
41		-66%

*According to MLS(r) data for residential real estate.

*CDOM represents the cumulative days on market for a property, taking into account previous days on market for a property that is cancelled and re-listed.