



# 2021 ANNUAL REPORT NIAGARA REGION

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

## A Year Like No Other

The first line of last year's report: "It is tough to find words to describe the 2020 real estate market in Niagara". Well, here we are again, trying to make sense of a year that produced data and market conditions unlike anything we've seen.

**January & February** - the number of sales surpassed all previous records and quickly got everyone's attention.

**March thru June** - sales absolutely smashed previous records, reaching levels we may not see again. As an example, there were 1,149 sales in March 2021. The incredible market of March 2017 (now 2nd place) had a mere 886 sales.

**July & August** - after COVID restrictions were eased, the general population turned their attention to everything but real estate. As a result, sales pulled back to resemble more normal levels.

**September thru December** - each month saw the imbalance of supply & demand compound as new listing inventory (supply) simply could not keep pace with the record number of sales (demand). The result was increased escalation in pricing.

To summarize, the back half of 2020 and the first half of 2021 produced an absolutely jaw dropping number of sales. While the last half of 2021 was very strong, stay tuned for 2022 as that level of intensity can only last for so long.

## Supply & Demand Crunch

There was plenty of talk about a lack of supply. "There simply aren't enough listings!" Yes, that's true, but there was more to that story. The reality is that the supply of new listings wasn't exactly terrible. In fact, compared to the 10-year average, the number of new listings was actually 7% higher than normal. Meanwhile, the number of sales were 34% higher than normal. So yes, historic demand was the impetus behind the market conditions.

## Average Sale Price Trends

When demand continuously outpaces supply, prices typically go in one direction which is up. And up they went. The average price of a home in 2020 was \$555,000. That average was \$709,000 in 2021, a 28% increase which makes 2021 a record setter in terms of average sale price increase for any year on record. Perhaps more alarming is the trend only intensified toward the end of 2021. The average sale price for the last 3 months of 2021 was \$754,000, the result of that ramped up supply & demand imbalance.

## A Trend to Watch

Buyer demand. If demand returns towards normal, we'll have a market resembling normal, at least in terms of general conditions. As we type this, there are rumours afoot about the government introducing new restrictions or rules in an effort to slow that demand down, so it is definitely the factor to watch. At least among all of the others.

## Our Suggestion?

As always, make sure the real estate data that you're consuming is local, accurate and relevant. In a market that seemingly changes shape every few months, the role of an informed and skilled Realtor is more important than ever.

*If we can help, please do not  
hesitate to contact us.*

*We'd love to hear from you!*

MCGARR REALTY CORP.

ALL RESIDENTIAL		
2021		% change
10,049 Sold		+15%
\$709,000		+28%
21		-51%

DETACHED		
2021		% change
7,697 Sold		+14%
\$747,000		+28%
21		-52%

\$1 MILLION & UP		
2021		% change
1,175 Sold		+169%
\$1,416,000		-1%
41		-62%

CONDO APARTMENTS		
2021		% change
545 Sold		+33%
\$465,000		+25%
28		-30%

\*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.

