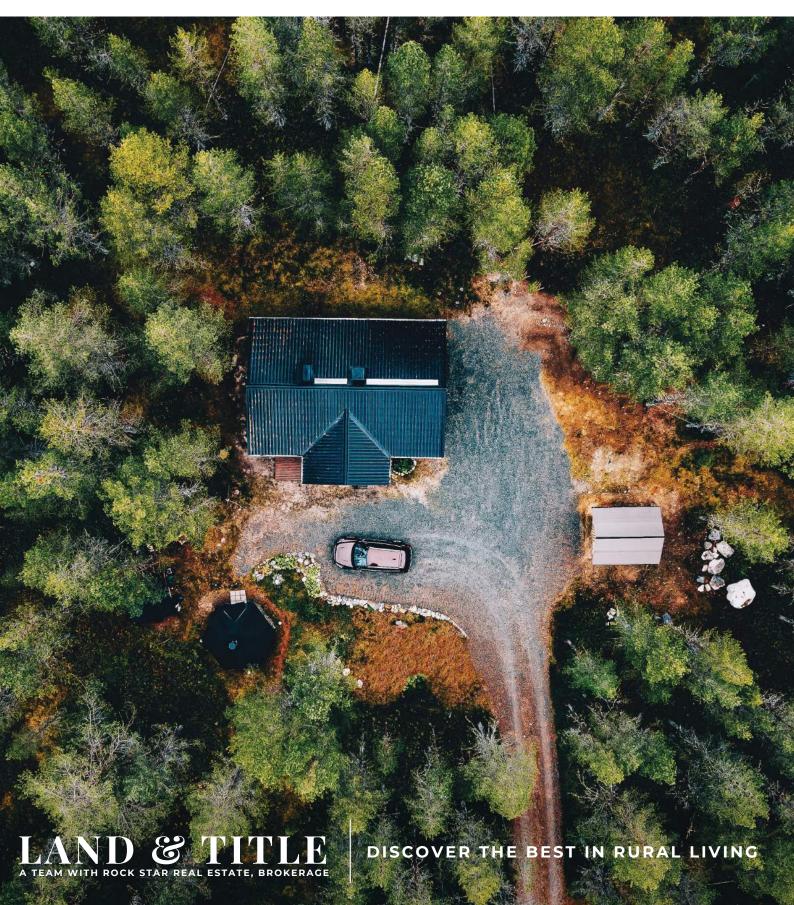
RURAL

REAL ESTATE MARKET REPORT

WWW.LANDANDTITLE.CA

GREATER GOLDEN HORSESHOE AREA

AIMEE WESSON & JP GULBIS



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2020 RURAL HOME MARKET REPORT

2020: A RECORD BREAKING YEAR

2020 was a remarkable year for real estate.

Many thought the global pandemic would lead to a serious downturn in the real estate market. It appears the opposite happened.

Compared to previous years, month over month, appreciation rates, low inventory levels and sales price records were shattered in 2020.

For rural homes and hobby farms specifically, across the Greater Golden Horseshoe, property values were up about 18% from the previous year (2019).

Inventory remained low, which it has been for some time. A trend that is forecast by CREA to continue into 2021. Interestingly, there was a significant number of rural homes that had not sold in 2019 but were relisted in 2020 (sometimes at a higher price) where they then sold very quickly.

Low inventory, low-interest rates and easy access to credit fueled the fire for competition across the province. Even buyers looking for homes at the higher price points (i.e. over \$1,000,000), saw bidding wars and houses selling for well over the asking price.

For rural homes and country properties, the average sales to list price ratio was just over 110%. This is quite impressive considering rural homes are often priced higher, on average, than other residential properties.

In this report, we cover relevant statistics to help you get an idea of how the 2020 rural real estate market performed and hopefully prepare you for what is to come in 2021.

This report delves into 2020 rural home statistics and some of the factors that likely led to this, frankly, crazy market and why we are likely to see it continue in 2021.

2020 RURAL HOME MARKE

SOME BRIEF STATS FOR RURAL HOMES

Average Days of Market

List To Sales Price Ratio

% Increase in Sold Listings Compared to 2019

Average Appreciation Rate Average Appreciation Rate Compared to 2019

2015 - 2020

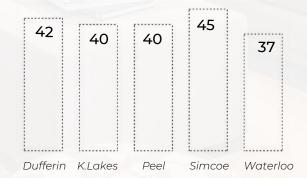
Highest Sale in 2020 Non Farm or Development Land

*Best Performing Areas Compared to 2019



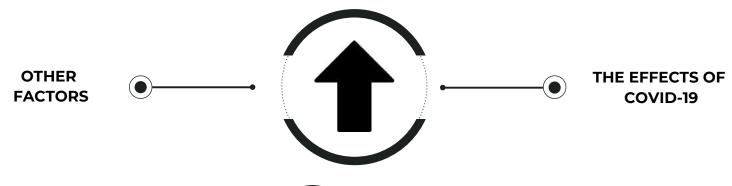
*based on percentage increase in sale price, average sale price, list to sales price rations & number of sold listings

Areas That Had The Quickest Sales Average DOM



FACTORS THAT INFLUENCED PRICE INCREASES IN RURAL HOMES

TYPICAL FACTORS & COVID





LOW INTEREST RATES

With low interest rates we have seen both an increase in buyer activity and a willingness of buyers to pay more for their home. In part, this is a reason for buyers looking to country properties and hobby farms as an option. Competition between buyers has been strong for these properties and interest rates have a part to play.



POPULATION GROWTH

Population growth, mainly due to immigration levels will continue to put pressure on the real estate market if low. inventory remains Although COVID restricted the number of newcomers in 2020, with a forecasted 401,000 newcomers for 2021 this pressure will likely continue. Simple economics says increased demand with limited supply will result in increased prices.



LOW INVENTORY

We are unquestionably in a seller's market. There are few good properties to choose from and when one pops up, there are many other buyers looking for the same type of home. And are ready to compete for it. This lack of inventory and high demand is a huge driving factor in the prices we have been seeing.



LAND & LAND PRICES

Land is a finite resource - we all know this. The more we develop. slowly but surely we see less vacant land. And it isn't just in downtown or suburban areas. Farm land outside of the protected greenbelt is slowly eaten away to make way for paved roads and rows of identical homes. But even this development can't keep up with demand. As this happens prices of both land and homes will continue to rise.



In an effort to keep money flowing through the economy during a pandemic, banks have lowered, and maintained low interest rates.



The ability to work from home has allowed people to look elsewhere for a home, not just in major cities. They can buy homes in the countryside (and they have been doing just that).



had more people looking at their home as a place to recreate. Buying a country home or hobby allowed opportunities to have more space, spend times outdoors and focus on hobbies.

Having to stay at home



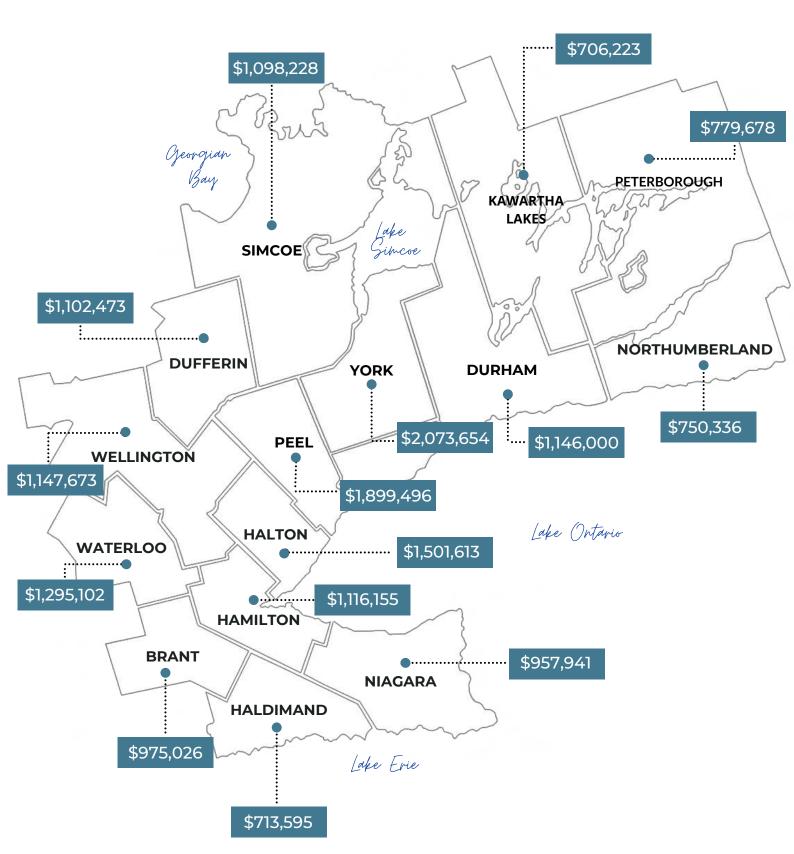
As you'll see from increased average sales prices, interest in cottage country surged as travel restrictions prevented people from freely travelling. A desire to buy a cottage as a rental investment or as a home to enjoy as an alternative to travelling was at a high level which hasn't been seen in some time.



GREATER GOLDEN HORSESHOE

2020 AVERAGE HOME PRICES

2020 Average Sales Price for Rural Homes in 15 regions and counties in the Greater Golden Horseshoe.



HISTORICAL TRENDS IN THE RURAL REAL ESTATE MARKET

A SNAPSHOT OF THE LAST 6 YEARS

2015	2016	2017	2018	2019	2020	LOCATION	5 YE	EAR APPRECIATION
			2,659,586			(0)		(%)
	:	2,284,653			2,073,654			
	1,877,765	2.199.004		1,936,921		YORK		34%
1,548,737		2,199,004	2,044,257		1,899,496			
	1,657,407			1,833,879		PEEL		51%
	18		1,556,107		1,501,613			
1,259,084	1,330,593	1,431,150		1,385,790		HALTON		35%
1,113,947	9				1,295,102			
1,113,547						WATERLOO		77%
			939,347	976,200	1,147,673			
733,628	763,505	877,124	-			WELLINGTON		79%
		904,656		995,147	1,462,785			
	794,180	904,636	865,125		1,402,703	DURHAM		82%
640,554	-			/				
	0071/7	1,128,441	1,032,541	1,105,160	1,116,155	HAMILTON		57%
802,220	963,147	974,764	957,544	1,062,143				
					1,102,473	DUFFERIN		89%
710,208	803,897			929,404		DOTTERM		3370
		818,850	844,204		1,098,228	SIMCOE		63%
583,471	668,151					SINICOL		
		792,249	779,722	813,708	975,026	BRANT		71%
672,729	718,820	_	773,722	849,014		DIVINI		7170
-		717,679	836,431	0 + 5, 0 +	957,941	$NIIA \subset A D A$		94%
	622,241		698,456	805,265		NIAGARA		9470
570,302		715,872			779,678	DETERDOROLICII		770/
493,552	563,002	2 842	2,103			PETERBOROUGH		37%
133,337			608,07	666,173	750,336	NORTHUMBERLAND) ———	66%
570,10)9		000,0			NONTIONIDENLAND	,	0070
•	418,149	581,133	575,695	593,348	713,595	HALDIMAND		79%
	401770		-	605,698				
451,553 •	464,336	570,06	576,199	003,030	706,223	KAWATHA LAKES		79%
	435,31	8 500.77	2	F00 377		IVAVVATITA LANES		, 5, 0
399,37	503,345	598,74	577,120	590,17				
	503,345							

HISTORICAL TRENDS IN THE RURAL REAL ESTATE MARKET

A SNAPSHOT OF THE LAST 6 YEARS



COTTAGE COUNTRY SURGE

One of the most noteworthy changes in 2020 was the increase in buyer interest in rural homes and cottages. This can be seen especially in cottage country areas like Kawartha Lakes, Northumberland and areas in Peterborough. Although days to sell were about average, sales prices were up on average as were the number of sales compared to previous years.



GOOD PERFORMERS

A number of regions saw substantial increases this year - namely Durham, Wellington, Dufferin, Simcoe and Niagara. You can find a good mix of higher-end, luxury country homes as well as more affordable options, which is a likely reason for their popularity. When looking at the number of sold listings, appreciation rates, days to sell and available inventory these regions were some of the best performing areas in 2020.



THE NEXT EXCLUSIVE AREA

Hamilton has been very popular for the last number of years. However, buying a country home here is somewhat an exclusive affair. Not that many rural homes are available to purchase here, which is likely why we didn't see a significant jump in prices compared to some of the other areas.



THE LUXURY MARKET

Higher priced areas like York, Peel and Halton are often the most susceptible to market conditions and fluctuations which is why you see a number of changes in the average rural home sales price from 2015 to 2020. Having said that, these areas followed the same trend with price increases, quick sales and plenty of buyer competition in 2020.



OUTSIDE THE GREENBELT

Waterloo & Brant are interesting areas. Both have seen a lot of residential development over the last number of years but still have large areas of important farmland. These regions had the lowest numbers of available and sold rural home inventory in 2020 (and this has been quite typical for previous years). However, this lack of supply just lead to higher prices being paid for the rural home that did sell in 2020.



THE UP AND COMER

Haldimand is a region that we would classify as an up and comer. Prices are affordable here but as more people are priced out of the other areas, Haldimand Country will likely see more activity and price increases in the new year.



YOUR JOURNEY BEGINS HERE.

LET'S WORK TOGETHER TO FIND YOUR IDEAL COUNTRY HOME TODAY!

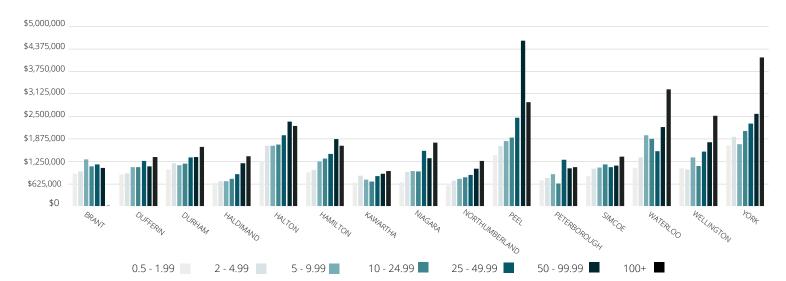


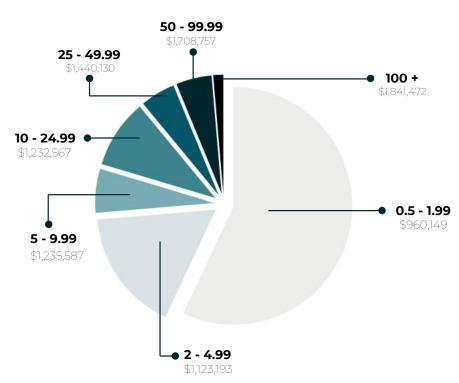
RAGE SALES PRICE BY ACREAGE

RURAL HOMES, COUNTRY HOMES & FARMS

Here you can see the average sale price across multiple acreage ranges in the 15 different counties/regions across the Greater Golden Horseshoe.

The highest average sales price increase from last year was seen in the 5 - 9.99 acreage range. There was a 26% increase in this acreage range from last year. The remaining acreages increased between 14 - 18% on average. Once again, the majority of the country home sales occurred in the 0.5-1.99 acreage range. Properties of this size are attractive to the vast majority of people for a number of reasons. They are more manageable, you see fewer financing restrictions here and compared to the larger sized acreages, these properties are often more affordable. Typically there are also more properties of this size available to purchase.





Generally, the larger the acreage, the more expensive the property. However, this is not always the case. It depends on a few things like location, existing property use, the condition of the home and any additional infrastructure on the property.

As you might imagine, few sales happen at the 100+ acreage range and these average sale prices are often not reflective of what you can expect to pay for a property this size that has a turnkey home or barn on the property. In fact, it is not unreasonable to see only a handful of these sales in each region/county during any given year. If you are looking for a turnkey 100 acres property you should actually expect to pay closer to \$3 million +.

WHAT TO EXPECT IN 2021

THE FUTURE OF RURAL REAL ESTATE

It seems that the impacts of COVID both socially and personally were a catalyst for many to make the jump to a more rural lifestyle. If they didn't before, many could clearly see the benefits of living in the countryside. If you're going to be locked at home it is better to be somewhere with space and fresh air. Working from home gave people the opportunity to widen their home search to rural properties and of course many now see a benefit to being away from crowds as well as living a more self-sufficient lifestyle.

We have been saying for some time now that rural living has been growing steadily in popularity year over year. Although, in fairness, we did not expect this level of activity in such a short period of time, nor did we see a pandemic being a strong driving factor for this market.

But, with a vaccine on the horizon and hopes of returning to normal, you might wonder where that will leave the 2021 rural real estate market...

CREA is predicting further price increases of 9.1% across Ontario's residential markets in 2021.

Immigration levels are only set to increase over the next few years. The Canadian Government announced immigration targets of 401,000 in 2021. With many of these newcomers likely settling in Ontario, we don't see the pressure on the housing market ceasing any time soon.

Interest rates may fluctuate slightly but the chances of them jumping drastically overnight are slim as this would do some severe damage to our already fragile economy.

We might see a slight increase in inventory in 2021 as people take the opportunity to sell their homes while the market is hot. However, this increase likely won't be enough to meet the demand we are seeing.

It is tough to say whether we will have a continuation of the cottage country surge in 2021. As the vaccine is rolled out, travel restrictions will hopefully be lifted and it is possible that fewer people will look to these areas for vacation homes at the same level of intensity as they seemed to this year. On the other hand, these areas are still predominately more affordable than areas within an hour's drive of Toronto so it is difficult to say with absolute certainty what will happen.

As the push continues, more people are going to be priced out of areas around major cities and will look to areas outside of the Greater Golden Horseshoe for alternatives.

In 2020, the Canadian government announced that by 2022 they are going to have a new tax strategy for owners of vacant properties in Toronto. All these types of taxes do is encourage people to move their money out of the city to other areas, causing more pressure in different parts of Ontario.

It seems some of the same factors impacting the 2020 rural real estate market are here to stay for 2021. Only time will tell where things go from there.

The inevitable disclaimer:

This report is intended to be informative as it relates to the country home real estate market in the Greater Golden Horseshoe. The information provided in this report has been taken from the Multiple Listing Service, Toronto Real Estate Board and the Hamilton-Burlington Real Estate Board. All of which cover the 15 regions and counties laid out in this report covering January 1, 2020 to December 31st, 2020 for rural homes specifically. The statistics information obtained from these sources is deemed to be reliable but cannot be guaranteed. It is possible that data may not reflect current market conditions at your time of reading this report since we cannot forecast with absolute certainty and cannot possibly know the future of market conditions. This report, the information contained herein, Land & Title and Land & Title's logo are all copy-written and cannot be duplicated or used in any way without written permission. Should you want to use any information in this report, contact Aimee at aimee@landandtitle.ca.





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