



2020 ANNUAL REPORT

NIAGARA REGION

An Unpredictable Year

It is tough to find words to describe the 2020 real estate market in Niagara. The sales volume (number of homes sold) was a perfect example of how unique 2020 was. We went from having a record low number of homes sold in March - May to the strongest 2nd half of any year in the past decade. And it wasn't even close. The 2nd strongest year for July through December was 2016 which had nearly 1,000 fewer sales than July through December in 2020. To summarize, looking back over the last decade, the first half of 2020 was 8th place in number of sales while the second half of 2020 was in 1st place by a mile.

Supply & Demand Crunch

2020 had more than 1,087 fewer listings while having 1,032 more sales than 2019. Using exact numbers, there was a decrease of 8.7% in new listings with an increase of 13.3% in the number of homes sold. The result? The 2nd highest annual percentage increase in average sale price on record.

Average Sale Price Trends

Average sale price trends can be a lagging indicator. For example, the incredibly tight supply and demand dynamics of 2016 led to an annual average sale price increase of 17.3%. The activity of 2016 spilled over to produce a record setting increase of 22.1% in 2017 (2017 remains 1st place all-time in % increase in average sale price). The undersupplied second half of 2020 contributed to a 21.2% annual increase in average sale price for 2020, good for 2nd place all-time.

A Trend to Watch

The 2nd half of 2020 has produced similar supply and demand numbers that we saw in 2016. In fact, there were nearly as many sales as there were new listings in the 2nd half of 2020 which is a dangerous trend. For example, for the 2nd half of 2016 there were 4,444 sales with 4,952 new listings. That spread widened considerably in 2018 and 2019. The 2nd half of 2020 matched the 2016 numbers. In the second half of 2020, there were 5,426 sales with 6,006 new listings. That trend will impact the first half of 2021 at least.

Our Suggestion?

As always, make sure the real estate data that you're consuming is local and relevant. While the larger scale data is helpful, it is important to drill down to get more specific to your home or area. One of the McGarr Realtor team is here and ready to help put it into perspective for you.

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

We'd love to hear from you!

MCGARR REALTY CORP.

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

ALL RESIDENTIAL		
2020		% change
8,784 Sold		+13.3%
\$556,000		+21.1%
44		-20.0%

DETACHED		
2020		% change
6,755 Sold		+12.9%
\$585,000		+23.4%
45		-21.1%

\$1 MILLION & UP		
2020		% change
438 Sold		+129.3%
\$1,425,000		+5.9%
112		-8.9%

NEW CONSTRUCTION		
2020		% change
627 Sold		+63.3%
\$618,000		+10.2%
93		-15.5%

*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.

