



MEDIA RELEASE

FOR IMMEDIATE RELEASE

St. Catharines, ON (January 3rd, 2022) - Residential home sales activity recorded through the MLS® system for The Niagara Association of REALTORS® (NAR) totaled 473 units in December 2021, compared to 558 units in December 2020.

In December, the Niagara Association of REALTORS® listed 403 residential properties compared to 393 in December 2020. The average days it took to sell a home in December 2021 was 22 days, compared to 30 days in December 2020.

“LOOKING AHEAD to 2022

2021 not only met our expectations, it surpassed them with record after record along the way.

The question then becomes; ***will the housing market in 2022 continue at the same pace or is there a possibility of a cooling-off and a downturn?***

There are four adjectives which I think are important to understand and use when speaking about the Real Estate market:

Accelerate Decelerate Appreciation and Depreciation

These are much better words to use when describing our market than what our clients often read or hear in the media, *“we are in a bubble, and it is only time before it bursts”* nothing could be the farthest from reality.

Three reasons to be optimistic and confident that 2022 will be an exceptional year

1. **Interest Rates are projected to stay low** – one of the biggest influences for this year’s booming real estate market was the record-low mortgage rates. Most economic projections suggest that *by Q2 and Q3 we will see interest rates rise* but they will remain historically low.

The *projected increase by year-end 2022 ranges between 3.30 to 3.37* percent and while this will alter the buying power especially of the entry level Buyer, the Government’s Stress Test of 5.25% ensures that Buyers especially first-time Buyers, will not over-extend themselves.

2. **Nationally Home Sales are projected to Decelerate by 8.6%** - the pace of the market will be tempered by supply, higher prices, and higher interest rates nationally but because Niagara Region continues to be attractive to GTA centric Buyers ***there is reason to believe that Niagara may “buck the trend”*** and that the number of sales will exceed 2021’s record-breaking pace.

3. **Home Prices will continue to Appreciate** - a simple case of supply and demand; increased Buyer demand and low inventory means increased prices, nationally, prices are projected to increase by 7.5 to 7.8 percent with the *Niagara Region likely trending higher at 10%*.

THE ELEPHANT IN THE ROOM

Well, there may be three . . .

The number of months of listing inventory has only slipped below 2 months four times in history, twice in 2021 alone and with the high demand, it should not be a surprise that prices rose by more than 34% when compared to 2020 and while the expectation is that we will not experience the same extreme in 2022, ***the same conditions which created the 2021 acceleration will not be any different just because the calendar year has changed.***

COVID has delayed plans for many homeowners looking to move the next stage of their life. Market seasonality has been thrown out of the window and recent surveys suggest that there are a significant number of people preparing to enter the market this Winter and we may see more new listings through Q1 than at any other time in 2022. ***Sales are forecasted to moderate somewhat in 2022 because of tight supply, higher prices, and higher interest rates potentially heralding a return to a pre-pandemic pace.***

The Office of the Superintendent of Financial Institutions governs what people are allowed to borrow and it will be re-evaluating the level of the Stress Test. ***If the percentage is increased, it could cause a significant impact on a Buyer's borrowing ability.***

Yet another unknown is ***which of the housing promises made during the recent Federal election*** will become policy and how those enacted will impact our market.

FINAL THOUGHTS

2021 has been an exciting year for the real estate community with record after record in volume of transactions and new highs in pricing.

There will likely be a lot of speculation about the well-being of the market and what might happen in the next while; but ***assuming the market indicators and the crystal ball are correct, 2022 is going to be another busy year for us here in Niagara Region.***

Looking for answers to your Niagara Region real estate questions - one of the 1400 members of the Niagara Association of Realtors will have the answers and will provide you with market centric, up-to-the-minute information." Said Doug Rempel, President of The Niagara Association of REALTORS®.

The MLS® Home Price Index (HPI), tracks price trends far more accurately than is possible using average or median price measures. The overall MLS® HPI composite benchmark price for the Niagara Region was \$720,200 in December 2021. This was an increase of 34.5% compared to December 2020.

The characteristics of the HPI composite benchmark is a home between the age of 51 to 99 with three bedrooms and two bathrooms. A full list can be found in the accompanying chart.

About The Niagara Association of REALTORS® The Niagara Association of REALTORS® represents over 1300 REALTORS® serving the communities of Fort Erie, Fonthill/Pelham, Lincoln, Niagara Falls, Niagara-on-the-lake, Port Colborne/Wainfleet, St Catharines, Thorold and Welland. Our mission is to empower REALTORS® to thrive. Our vision is to foster an environment where leadership and members provide influence, advocacy, enhance professionalism and business acumen.

Contact: Doug Rempel, President
The Niagara Association of REALTORS®
116 Niagara Street, St. Catharines, ON, L2R 4L4
Tel: (905) 684-9459
Email: homes@dougrempel.ca

The characteristics of the HPI composite benchmark is a home between the age of 51 to 99 with three bedrooms and two bathrooms. A full list can be found below:

Composite

Features	Value
Above Ground Bedrooms	3
Age Category	51 to 99
Bedrooms	3
Below Ground Bedrooms	0
Exterior Walls	Masonry & Siding
Freshwater Supply	Municipal waterworks
Full Bathrooms	2
Garage Description	Attached, Single width
Gross Living Area (Above Ground; in sq. ft.)	1,276
Half Bathrooms	0
Heating	Forced air
Heating Fuel	Natural Gas
Number of Fireplaces	0
Total Number Of Rooms	7
Type Of Foundation	Basement, Poured concrete
Wastewater Disposal	Municipal sewers

Market Report: December Residential Overview – Year vs Year

Areas	Number of New Listings		Number of Sales		HPI Benchmark Price		Average Days on Market	
	2020	2021	2020	2021	2020	2021	2020	2021
Fonthill/Pelham	24	23	32	21	\$787,800	\$1,029,300	32	21
Fort Erie	50	31	59	40	\$442,500	\$593,300	30	33
Lincoln	15	18	26	18	\$629,500	\$867,900	23	22
Niagara Falls	84	89	109	89	\$488,800	\$663,200	34	17
Niagara-on-the-lake	11	21	27	19	\$858,900	\$1,144,700	63	34
Port Colborne/Wainfleet	30	26	39	31	\$416,200	\$553,900	27	17
St. Catharines	98	112	141	138	\$503,500	\$674,200	25	19
Thorold	32	29	54	34	\$465,900	\$642,200	31	22
Welland	42	48	56	77	\$437,800	\$599,200	17	19
West Lincoln	7	6	15	6	\$672,500	\$884,300	22	19
Niagara Totals	393	403	558	473	\$535,600	\$720,200	30	22

Note: Numbers of sales represents sales **reported** for the month of December on or before **01/03/2022**.

Market Report: December Residential Overview – Month Previous

Areas	Number of New Listings		Number of Sales		HPI Benchmark Price		Average Days on Market	
	Nov-21	Dec-21	Nov-21	Dec-21	Nov-21	Dec-21	Nov-21	Dec-21
Fonthill/Pelham	36	23	35	21	\$950,200	\$1,029,300	15	21
Fort Erie	99	31	75	40	\$564,100	\$593,300	30	33
Lincoln	40	18	38	18	\$844,800	\$867,900	10	22
Niagara Falls	146	89	139	89	\$626,700	\$663,200	16	17
Niagara-on-the-lake	48	21	40	19	\$1,127,600	\$1,144,700	28	34
Port Colborne/Wainfleet	50	26	38	31	\$521,200	\$553,900	13	17
St. Catharines	178	112	167	138	\$634,000	\$674,200	14	19
Thorold	41	29	43	34	\$610,100	\$642,200	19	22
Welland	98	48	79	77	\$546,400	\$599,200	15	19
West Lincoln	15	6	15	6	\$838,600	\$884,300	22	19
Niagara Totals	751	403	669	473	\$679,400	\$720,200	18	22

Note: Numbers of sales represents sales **reported** for the month of December on or before **01/03/2022**.

Total number of sales, average sale price and average days on market comparison of December 2020 and December 2021 in all jurisdictions of the Niagara Association of REALTORS®.

Residential Only	December 2020	December 2021	% Change
Number of Sales	558	473	-15.2%
HPI Benchmark Price	\$535,600	\$720,200	34.5%
Average Days on Market	30	22	-26.6%
Number of New Listings	393	403	2.5%

Total number of sales, average sale price and average days on market comparison of November 2021 and December 2021 in all jurisdictions of the Niagara Association of REALTORS®.

Residential Only	November 2021	December 2021	% Change
Number of Sales	669	473	-29.3%
HPI Benchmark Price	\$679,400	\$720,200	6.0%
Average Days on Market	18	22	22.5%
Number of New Listings	751	403	-46.3%