



## 2019 Market Report

**Coming off a relatively slow year in 2018, the trend toward fewer sales at higher prices continued in 2019.**

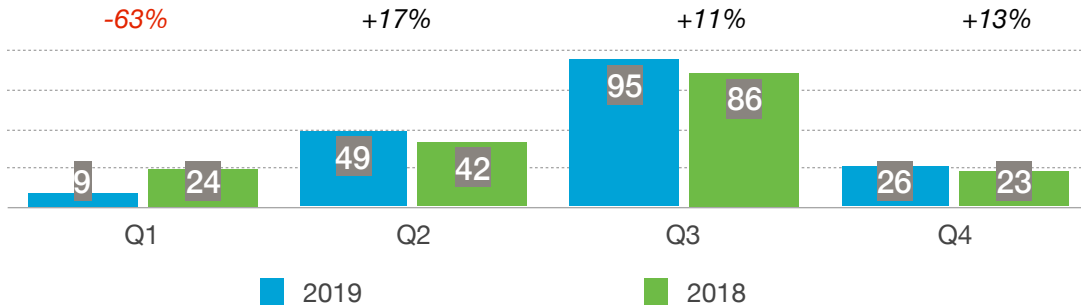
Total 2019 Waterfront Dollar Sales on the Big 3 Lakes were up 13% vs. 2018. This increase was driven by a 2% increase in units sold and average selling prices increasing by 11%. The median sale price rose by 2%. The average Days on Market (DOM) for a sold property held steady at just over 2 months (68 days) and the % sold vs. listed price slipped slightly.

These trends indicate that the market is stable and the popularity of Muskoka Real Estate remains strong. Total Waterfront Dollar Sales in the entire District of Muskoka rose +7%, District of Haliburton +12%, and Parry Sound -9%.

Big 3 Single Family Waterfront	# Sales	Total Dollar Sales	Avg. List Price	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
<b>2019</b>	179	\$372,292,500	\$2,198,347	\$2,079,846	\$1,433,000	68	95.2%
<b>2018</b>	175	\$328,601,875	\$1,970,288	\$1,877,725	\$1,400,000	67	95.8%
'19 vs. '18	2%	13%	12%	11%	2%	1%	(1%)

\*\*Big 3 includes Muskoka, Rosseau, and Joseph as well as Muskoka River up to the Muskoka Falls, Mirror Lake, Joe River

## Purchase Activity By Quarter: 2019 vs. 2018



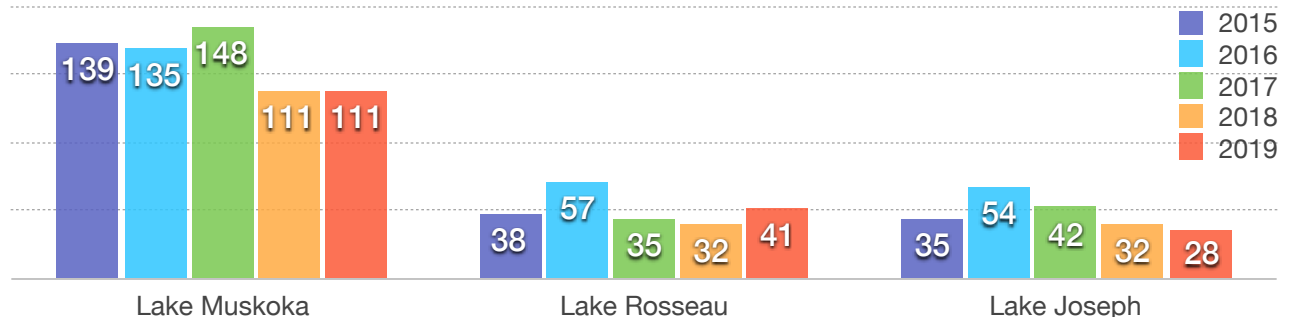
Due to the long winter and flooding in the Spring, Q1 sales volumes declined significantly. The majority of the 2019 sales increase came in late Spring and Summer.

Single Family Waterfront Sold Listings*	# Sold			Average Sales Price			2019	2019
	2019	2018	% vs. 2018	2019	2018	% vs. 2018	Days On Market	Selling/ List Price
Total Big 3	179	175	2%	\$2,079,846	\$1,877,725	11%	68	95%
Lake Muskoka	111	111	0%	\$1,428,886	\$1,510,187	(5%)	65	95%
Lake Rosseau	40	32	25%	\$2,899,930	\$2,062,063	41%	75	95%
Lake Joseph	28	32	(13%)	\$3,411,929	\$2,968,285	15%	66	95%

The slight increase in unit sales came from Lake Rosseau where units increased by 8 over 2018 while Lake Joseph units were down 4. Lake Muskoka units were flat to 2018 but down 25% compared to the 5 years peak in 2017. The average sales price on Lake Rosseau increased significantly to just under \$3MM while Lake Joseph maintained its position as the most expensive of the three lakes. Average sales prices dropped by 5% on Lake Muskoka but the overall trend towards higher sale prices continued.

## Historical Sales By Major Lake: 2015-2019

Includes waterfront residential property only



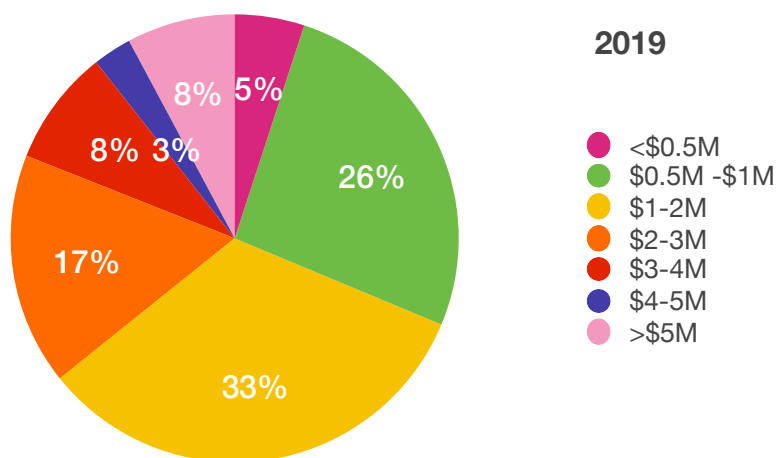
Source: The Lakelands Matrix System/Ontario Collective. Information in this report is not guaranteed. There is no express or implied warranty of the accuracy of information. Do not reproduce without the expressed written consent of Steve Taylor.

## Price Bands of Sold Cottages on Big 3: 2019 vs. 2018

# units sold	Muskoka		Rosseau		Joseph		TOTAL BIG 3		% difference
	2019	2018	2019	2018	2019	2018	2019	2018	
In \$MM									
<\$0.5	9	4	0	0	0	0	9	4	125%
\$0.5-0.99	40	44	7	7	1	2	48	53	(9%)
\$1.0-\$1.99	39	37	10	13	10	11	59	61	(3%)
\$2.0-\$2.99	11	12	11	7	7	7	29	26	12%
\$3.0-3.99	10	12	3	2	2	5	15	19	(21%)
\$4.0-4.99	2	1	2	0	1	2	5	3	67%
>\$5.0	0	1	7	3	7	5	14	9	56%
<b>Total</b>	<b>111</b>	<b>111</b>	<b>40</b>	<b>32</b>	<b>28</b>	<b>32</b>	<b>179</b>	<b>175</b>	<b>2%</b>

The increase in sale prices was most noticeable in the upper price ranges (over \$4MM) where sales were up 58%, while the middle of the market, between \$2 million and \$4 million, was down slightly. Despite an increase in sales under \$500,000 on Lake Muskoka, this segment only represents 5% of total unit sales on the Big 3 compared to 21% in 2015. The trend towards more expensive properties is continuing, with Higher End (over \$3 million) properties now comprising 19% of total units sold.

## Big 3: Percent Of Cottages Sold In Each Price Band



Source: The Lakelands Matrix System/Ontario Collective. Information in this report is not guaranteed. There is no express or implied warranty of the accuracy of information. Do not reproduce without the expressed written consent of Steve Taylor.

## Water Access Sales On Big 3 Lakes

Total Big 3 Boat Access	# Sales	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/ list price
<b>2019</b>	25	\$1,233,260	\$693,500	53	97%
<b>2018</b>	18	\$1,024,333	\$900,000	95	96%
19 vs. '18	39%	20%	(23%)	(44%)	1%

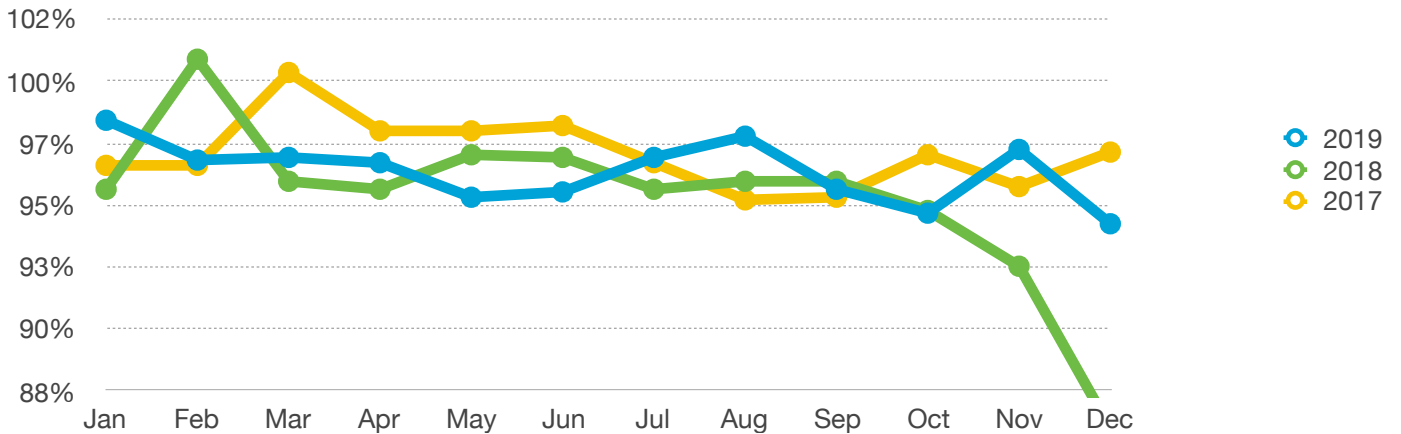
A continuing trend is increasing sales of water access properties. Unit sales were up 39% versus 2018 and the average sale price rose 20%. Average Days on Market (DOM) of sold properties dropped to 53, which is below the average for all properties. The shift in Average selling price was largely driven by increased sales of private and semi-private island properties. In total, the average sale price of the 8 water access properties sold in 2019 at prices over \$1million was \$2.55 million. In 2018, the average of the 6 sales over \$1million was \$1.64 million. Similar to the general trend, prices of the more expensive properties seem to be increasing faster than the average.

## Vacant Land On Big 3 Lakes

Total Big 3 Vacant Land	# Sales	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
<b>2019</b>	17	\$1,033,838	\$820,000	94	95%
<b>2018</b>	15	\$1,079,533	\$1,000,000	188	99%
19 vs. '18	13%	(4%)	(18%)	(50%)	(4%)

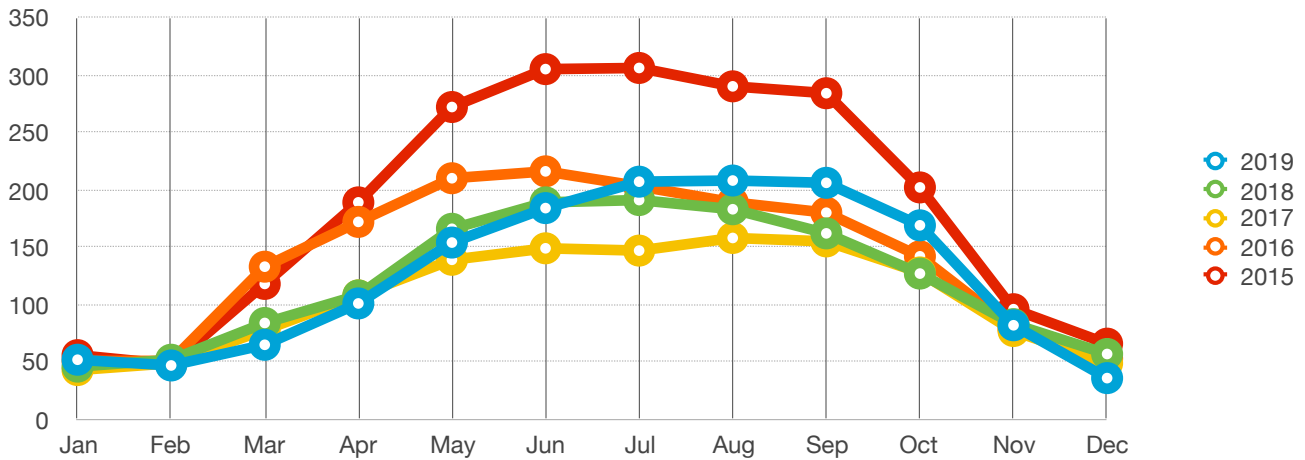
Lot sales increased 13% (+2 units) versus a year ago, while both average sale price and median prices were below 2018 levels. Our experience with buyers looking for land suggests this is due to the lack of available vacant land listings. An alternative that has become more popular is to purchase a re-development property, typically an older cottage on good land for under \$2 million, and building new. These properties are in high demand by developers and tend to move very quickly, sometimes never reaching MLS.

## Sale Price vs. List Price Ratios on Big 3 Lakes



We are seeing a fairly high and consistent “Sale To List” price ratio which hovers around 96%. The data suggests properties are priced well to buyer’s expectations coupled with low inventory levels.

## Active Listings By Month 2015-2019 on Big 3 Lakes



The number of active listings followed a similar trend to 2017 and 2018 for the 1st half on the year. However there was a slight surge in available properties in Q3 which likely drove the sales increase. The peak period for cottage listings is usually during the months of May through September. Over the past several years, the number of active listings during those months has declined dramatically, from a peak of around 300 active listings per month in 2015 down to just under 200 in 2019.

Source: The Lakelands Matrix System/Ontario Collective. Information in this report is not guaranteed. There is no express or implied warranty of the accuracy of information. Do not reproduce without the expressed written consent of Steve Taylor.

## Commentary

We have now had three years in a row of relatively low sales volumes, increasing prices, and low inventory of listed properties. My expectation is to see these trends continue in 2020. Demand in Muskoka continues to be strong, driven by two fundamentals:

1. Demographics: A continuation of the trends of young affluent buyers investing in cottage properties and baby boomers retiring to waterfront properties.
2. Supply and Demand: A decrease in inventory of listed properties combined with an increase in the number of prospective buyers.

Royal LePage forecast that the aggregate price of a home in the Greater Toronto Area would increase 4.75 per cent year over-year in 2020, rising to \$883,700. “Young families have traditionally made up a significant portion of the demand for recreational property, as they look to create a special place for children to grow up,” says Phil Soper, President and CEO of Royal LePage. “Today they find themselves having to compete with their parents for that spot on the water, with boomers leveraging the significant equity from their existing urban homes. In Ontario and Quebec, this has resulted in exceptional demand and upward pressure on prices.”

I’m very excited to have some beautiful properties coming on the market this Spring. Additionally, I have Buyers across all price points who hope to find their dream cottage in 2020. If you are considering listing your cottage this year, please contact me for a complimentary Opinion of Value.

Steve

**Please reach out if to me if there are additional questions I can answer and feel free to forward this on to friends and family. The lifeblood of my business is referrals and I would be happy to help them with a Muskoka purchase or sale.**



### *Clients*

*If you are interested in attending the Show on March 26-29th, please let me know and I can send you tickets. This year there is a convenient option to send via email. I will be working at the Royal Le Page booth and I would love to see you there.*