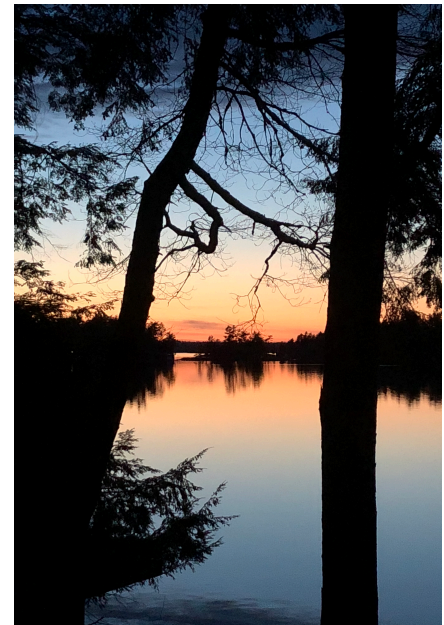




A Sluggish Start To 2019 Muskoka Real Estate

It's been a slow start to Spring in Muskoka. Despite the arrival of somewhat warmer temperatures, we still have a lot of snow in the woods and over a foot of ice on most lakes. As a result, the start of the Spring Cottage Real Estate Season has been delayed. Entries for our 'Guess the Ice-Out' Contest are now closed as we await the winning day, which is starting to look more like early May than the historical norm of mid-April.

The First Quarter of 2019 has witnessed a 35% decrease in dollar sales volume of waterfront residential property in The District of Muskoka* versus prior year. This decrease is driven by an 18% decrease in average sale prices combined with a 20% reduction in the number of units sold. Properties are generally moving at the same sale to list ratio as prior years, approximately 95% but are taking longer to sell with the average Days on Market (DOM) of a SOLD property at 79.



District Of Muskoka Single Family Waterfront	# Sales	Total Dollar Sales	Avg. List Price	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
Q1 2019	20	\$20,590,088	\$1,084,000	\$1,029,504	\$577,500	79	95.0%
Q1 2018	25	\$31,516,625	\$1,337,008	\$1,260,665	\$635,000	64	94.3%
'19 vs. '18	(20%)	(35%)	(19%)	(18%)	(9%)	23%	1%

* District is custom pull that includes Bracebridge, Gravenhurst, Muskoka Lakes Districts and excludes Georgian Bay, Huntsville, Lake Of Bays from District of Muskoka data. This would include Muskoka, Joe, and Rosseau but also smaller lakes like Three Mile, Skeleton. It's meant to give you a sense of the total region

When looking specifically at the Big 3 (Lake Muskoka, Rosseau, Joseph), we see a 46% decrease in Total Sales Volume vs. 2018 (\$14.6MM vs. \$27.2MM) with the number of units sold down 38% and a 5% reduction in average selling prices. These changes should be interpreted with caution, since at this time of year, we are working with an extremely small pool of sales data.

Q1 Single Family Waterfront Sold Listings*	# Sold		Average Sales Price			2019	2019
	2019	2018	2019	2018	% vs. '18	Days On Market	Selling/List Price
Total Big 3	8	13	\$1,962,238	\$2,062,010	-5%	91	94%
Lake Muskoka	5	10	\$2,039,800	\$2,084,100	-2%	107	93%
Lake Rosseau	2	1	\$1,422,500	\$2,799,000	-49%	80	98%
Lake Joseph	1	2	\$1,675,000	\$1,583,063	6%	34	96%

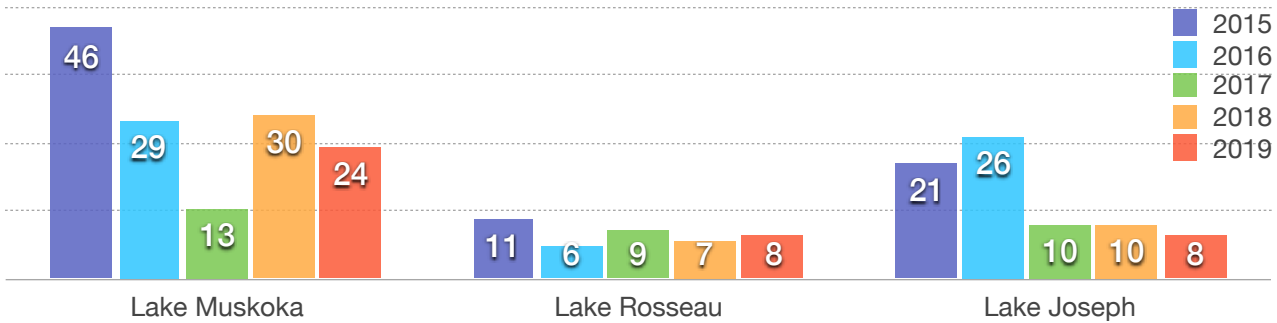
Price Bands of Sold Cottages on Big 3: January-March 2019

We are seeing very little activity below \$1MM (2 sales vs. 7 in 2018) and half the number of sales on Lake Muskoka, which has generated the majority of these “entry level” sales in prior years. The decreases appear to be driven largely by a broad lack of inventory. Fewer cottages are available on MLS, particularly at the lower end of the price spectrum. With plenty of snow still in the area, there are delays in listing activity, with many properties remaining exclusive or on hold until the ice breaks up. Inventories on the ‘Big 3’ are still low vs. historical averages, with a total of just 40 properties listed at the end of March, which is 7 fewer than 2018. Of those 40, 7 properties are listed at \$5MM and above and only 7 are listed below \$1MM, illustrating the shrinking lower end of the market.

# units sold	Muskoka		Rosseau		Joseph		TOTAL BIG 3		% difference
	2019	2018	2019	2018	2019	2018	2019	2018	
In \$MM	2019	2018	2019	2018	2019	2018	2019	2018	
<\$0.5	0	1	0	0	0	0	0	1	-100%
\$0.5-0.99	1	3	1	0	0	0	2	3	-33%
\$1.0-\$1.99	2	1	0	0	1	2	3	3	0%
\$2.0-\$2.99	1	2	1	0	0	0	2	2	0%
\$3.0-3.99	0	2	0	1	0	0	0	3	-100%
\$4.0-4.99	1	0	0	0	0	0	1	0	100%
>\$5.0	0	1	0	0	0	0	0	1	-100%
Total	5	10	2	1	1	2	8	13	-38%

March Active Listing Inventory By Major Lake: 2015-2019

Includes waterfront residential property only



Note: Inventory is counted if it a property was an active listing at any time during the month

Inventories on the ‘Big 3’ are still low vs. historical averages, with a total of just 40 properties listed at the end of March, 7 fewer than 2018. Of those 40, 7 properties are listed above \$5MM and above and only 7 below \$1MM illustrating the dwindling supply of lower end cottages. Cottage Inventory on MLS at this time of year usually consists mainly of properties that were listed last season, didn’t sell and have been reintroduced for sale in the current year. Due to the trend towards lower inventories we have experienced over the past few years, there are fewer of these to start each new season.

Vacant Land On Big 3 Lakes

Total Big 3 Waterfront Land	# Sales	Avg. Sale Price	# Listings	Avg. List Price
Q1 2019	1	\$860,000	13	\$1,251,308
Q1 2018	1	\$119,000	4	\$268,300
'19 vs. '18	0%	623%	225%	366%

Limited sales activity of vacant land occurred in Q1 with only 1 property sold. However, there has been a significant increase in inventory of vacant land listed for sale vs. 2018. As of March 31st, we had 13 properties listed. We continue to see strong interest in properties that can either be subdivided or developed.

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.

My Conclusions

As indicated earlier, many new listings which would normally be on MLS by now are being held back or kept as “Exclusive” listings until the snow melts to allow for better photographs and access. If you want to get a jump on these listings, working with a knowledgeable local realtor is a significant advantage since he or she will be familiar with these listings. My expectation is that we will see a large surge of new listings come onto MLS in May and that sales in Q2 will offset the decline we experienced in Q1. It is very rare to have back to back slow Real Estate seasons in Muskoka and my forecast for 2019 continues to be positive on the heels of a slower than normal 2018.

If you are considering selling, please contact me for a more in-depth discussion about the market and a Complimentary Opinion of Value for your property. With inventory so tight, pricing your cottage right with strong marketing can lead to great outcomes.

Best Wishes,


MUSKOKA REAL ESTATE

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**Please reach out if to me if there are additional questions I can answer.
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.**