



Despite COVID-19, the 2020 Muskoka Waterfront Real Estate Season Is Off To A (Relatively) Strong Start

Firstly, I'm hoping you and your family are safe at home and making the best of these trying times. Despite the early arrival of spring and the Ice Out on the Lakes coming fairly early this year, it's been an unusual start to cottage season here in Muskoka. There have been few visitors to the area and marinas and most stores are shut. Local restaurants are trying to keep some revenue flowing by offering take out specials and we are doing our best to support the community as much as we can. Despite the strong Q1 sales numbers, Waterfront Real Estate procedures in Muskoka are NOT "business as usual". No open houses are allowed, restrictions on showings are in place with an emphasis on virtual tours, if they are available, and strict protocols for physical visits.

The First Quarter of 2020 has witnessed a modest increase of 3% in dollar sales volume of waterfront residential property in The District of Muskoka versus prior year. This increase was driven by an 9% increase in units sold, offset by a 5% reduction in average selling prices. Properties are generally moving at about the same sale to list ratio, but selling quicker, with the average Days on Market (DOM) of a SOLD property at 87. Note that the 2019 full year DOM was 68 so you can see that 87 days reflects off season demand being lower.

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 2020	38	\$33,853,400	\$943,616	\$890,879	\$605,000	87	94
Q1 2019	35	\$32,715,198	\$974,757	\$934,720	\$629,700	115	96
20 vs. '19	9%	3%	(3%)	(5%)	(4%)	(24%)	(2%)

Q1 Single Family Waterfront Sold Listings*	# Sold		Average Sales Price			2020	2020
	2020	2019	2020	2019	% vs. '19	Days On Market	Selling/List Price
Total Big 3	9	8	\$1,924,278	\$1,962,238	-2%	121	95%
Lake Muskoka	6	5	\$1,531,417	\$2,039,800	-25%	34	97%
Lake Rosseau	2	2	\$2,482,500	\$1,422,500	25%	365	92%
Lake Joseph	1	1	\$3,165,000	\$1,675,000	89%	161	91%

When looking specifically at the Big 3 (Lake Muskoka, Rosseau, Joseph), we see a 10% increase in Total Sales Volume vs. 2019 (\$17.3MM vs. \$15.7MM) with the number of units sold up 12% and a 2% 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.

Price Bands of Sold Cottages on Big 3: January-March 2020

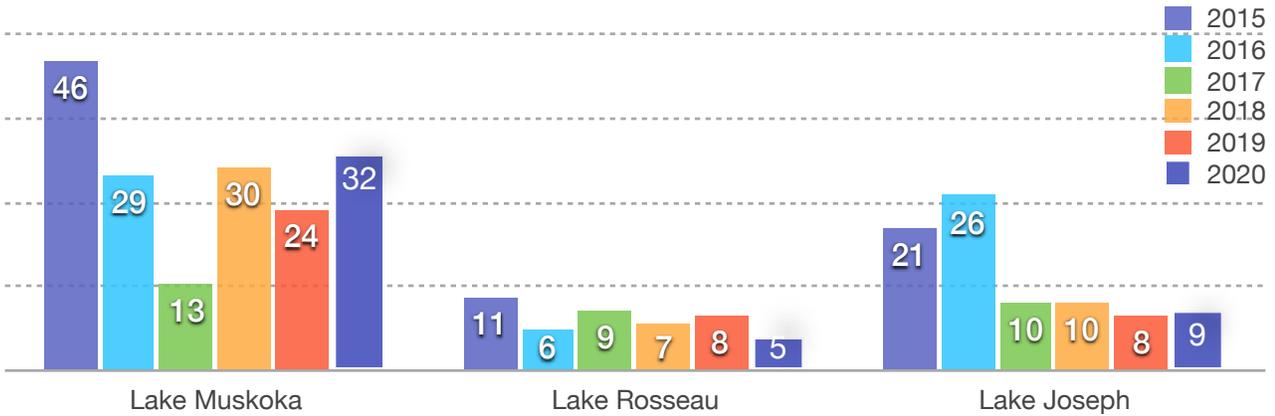
We have seen very little activity below \$1MM in both 2019 and 2020 with the majority of sales at prices between \$1-3MM.

# units sold	TOTAL BIG 3		% difference
In \$MM	2020	2019	
<\$0.5	1	0	100%
\$0.5-0.99	1	2	(50%)
\$1.0-\$1.99	3	3	0%
\$2.0-\$2.99	3	2	50%
\$3.0-3.99	1	0	100%
\$4.0-4.99	0	1	(100%)
>\$5.0	0	0	0%
Total	9	8	13%

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

March Active Listing Inventory by Major Lake: 2015-2020

Includes waterfront residential property only



While there was a small increase in total active listings in Q1, we are seeing a reversal of this trend so far in April. Fewer cottage listings are being activated on MLS due to the restrictions put on showings. Many properties remain exclusive listings or on hold at this time. Inventories on the 'Big 3' are still low vs. historical averages, with a total of just 46 properties listed at the end of March. Of those 46, 7 properties are listed at \$4MM and above and only 4 are listed below \$1MM, illustrating the shrinking lower end of the market and an increase in high-end listings.

Vacant Land on the Big 3 Lakes

# Listings	Avg. List Price	\$/Acre	\$/waterfront foot
10	\$899,190	\$331,250	\$1,941

Limited sales activity of vacant waterfront land occurred in Q1 with no property sold. As of March 31st, we had 10 properties listed at an average price just below \$900,000 or \$331,000 an acre. We continue to see strong interest in properties that can either be subdivided or developed.

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 impact of the corona virus is more clearly understood. If you want to ensure you are aware of these listings, working with a knowledgeable local realtor is a significant advantage since he or she will be familiar with many properties being offered for sale that are not yet on MLS.

Assuming we start to see some degree of easing of stay at home restrictions by June 30th, my expectation is that we will see a surge of new listings come onto MLS in Q2 and that unit sales in second half of 2020 will offset any declines we may experience in the first half. My personal viewpoint is that Muskoka will remain very attractive to potential buyers. With possible restrictions/fears of taking overseas trips and attending summer camps, I expect the demand for both rentals and purchases to stay strong. Staying close to home is likely going to be a new way of life for some time to come. The underlying value of waterfront property in Muskoka appears to be holding firm with little evidence of a significant decline in prices.

If you are considering selling your cottage, please contact me for a more in-depth discussion about the market and a Complimentary Opinion of Value for your property.

Best Wishes and Stay Safe,

Steve

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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 them with a Muskoka purchase or sale.