



## 2020 Market Report

Many were thrilled to see 2020 come to a close. It was a challenging year for so many reasons and also a year that had many people re-evaluating where they spent time. The impact on Muskoka Waterfront Real Estate was a dramatic surge in demand, which began immediately after the lock downs began and continues today.

Total 2020 Waterfront Dollar Sales on the Big 3 Lakes were up **85%** vs. 2019. This increase was driven by a 42% increase in units sold and an increase of 31% in average selling prices. The median sale price rose by 43% while the Average Days on Market ( DOM) for a sold property was down to 59 days. The % sold vs. listed price rose by 2 points to 97.4%.

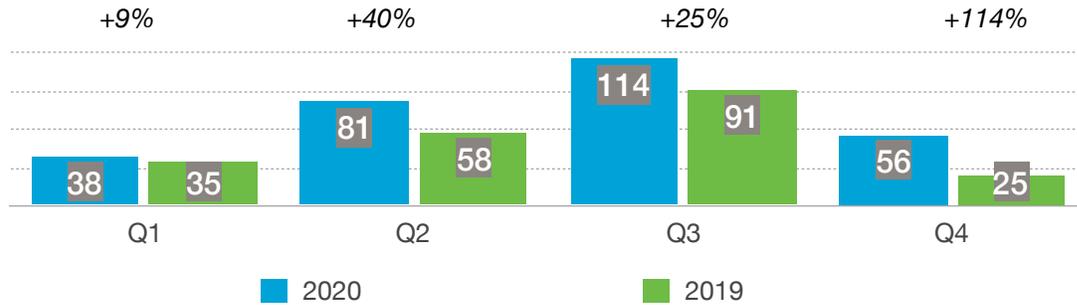
These trends indicate that the market is robust and the popularity of Muskoka Real Estate continues to be strong. Total Waterfront Dollar Sales in the entire District of Muskoka rose by 66%, while the District of Haliburton increased by 61%, and Parry Sound rose by 95%.

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>2020</b>	254	\$689,436,304	\$2,820,475	\$2,714,316	\$2,045,000	59	97.4%
<b>2019</b>	179	\$372,292,500	\$2,198,347	\$2,079,846	\$1,433,000	68	95.2%
'20 vs. '19	42%	85%	28%	31%	43%	(13%)	2%

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

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## Big 3 Purchase Activity By Quarter: 2020 vs. 2019



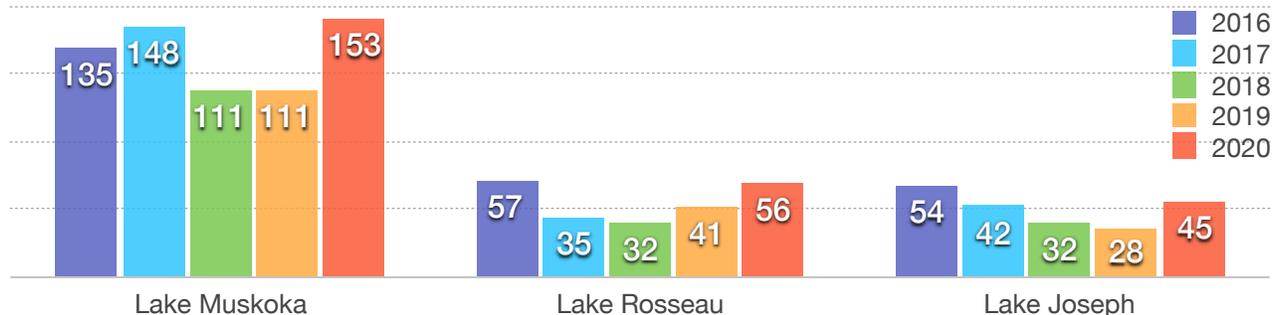
Following the initial lockdown in March, sales volumes increased significantly. Q2 sales were 40% above prior year and sales in Q3 and Q4 were only restricted by inventory. Normally, cottage sales activity drops off after Thanksgiving but this year we saw 56 properties sold in Q4 which is a **+114%** increase versus 2019.

Single Family Waterfront Sold Listings*	# Sold			Average Sales Price			2020	2020
	2020	2019	% vs. YA	2020	2019	% vs. YA	Days On Market	Selling/List Price
<b>Total Big 3</b>	254	179	42%	\$2,714,316	\$2,079,846	31%	59	97%
<b>Lake Muskoka</b>	153	111	38%	\$1,995,115	\$1,428,886	40%	62	98%
<b>Lake Rosseau</b>	56	40	40%	\$3,543,680	\$2,899,930	22%	59	97%
<b>Lake Joseph</b>	45	28	61%	\$4,218,460	\$3,411,929	24%	49	96%

There were 254 units sold on the Big 3 Lakes, the highest number in the past 5 years. All three lakes experienced large increases in unit sales led by Lake Joseph which increased 61% in units combined with a 24% increase in average sale price to \$4.2MM. Lake Muskoka had a 38% increase in units sold while the average sale price increased by 40% to just under \$2MM. Lake Rosseau's units sold increased 40% and the average selling price rose 22% to \$3.5MM.

## Historical Sales By Major Lake: 2016-2020

Includes waterfront residential property only



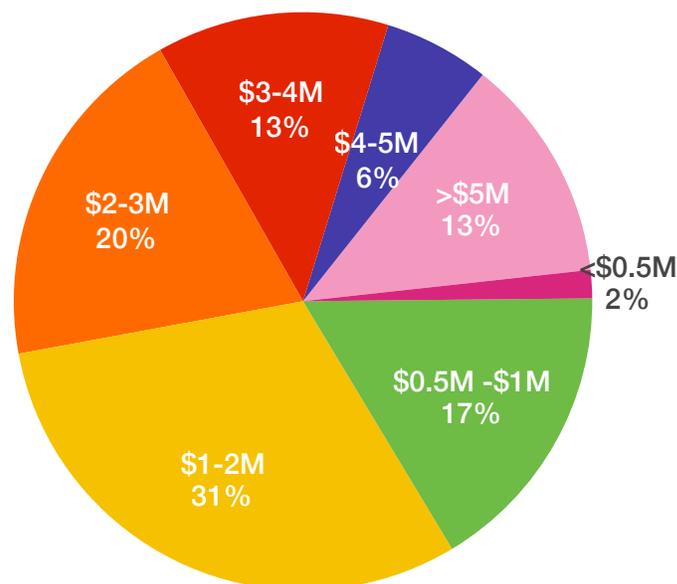
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## Price Bands of Sold Cottages on Big 3: 2020 vs. 2019

# units sold	Muskoka		Rosseau		Joseph		TOTAL BIG 3		% difference
	2020	2019	2020	2019	2020	2019	2020	2019	
In \$MM									
<\$0.5	4	9	0	0	0	0	4	9	(56%)
\$0.5-0.99	37	40	3	7	2	1	42	48	(13%)
\$1.0-\$1.99	57	39	8	10	13	10	78	59	32%
\$2.0-\$2.99	26	11	22	11	2	7	50	29	72%
\$3.0-3.99	15	10	8	3	10	2	33	15	120%
\$4.0-4.99	6	2	5	2	4	1	15	5	200%
>\$5.0	8	0	10	7	14	7	32	14	129%
<b>Total</b>	<b>153</b>	<b>111</b>	<b>56</b>	<b>40</b>	<b>45</b>	<b>28</b>	<b>254</b>	<b>179</b>	<b>42%</b>

The increase in sale prices was most noticeable in the upper price ranges (over \$4MM) where units sold were up 147%, while the middle of the market, between \$2 million and \$4 million, was up 88%. Sales under \$500,000 have virtually disappeared with only 4 units sold. This segment only represents 2% 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 \$4 million) properties now comprising 19% of total units sold.

## 2020 Big 3: Percent Of Cottages Sold In Each Price Band



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## 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>2020</b>	47	\$1,992,650	\$1,395,000	77	97%
<b>2019</b>	25	\$1,233,260	\$693,500	53	97%
'20 vs. '19	88%	62%	101%	45%	0%

A continuing trend is increasing sales of water access properties. Unit sales were up 88% versus 2019 and the average sale price rose 62%. Average Days on Market (DOM) of sold properties actually rose to 77, versus 58 for all properties. The shift in average selling price was driven by an increase in higher end island properties. There were 3 island properties that sold for over \$7 million.

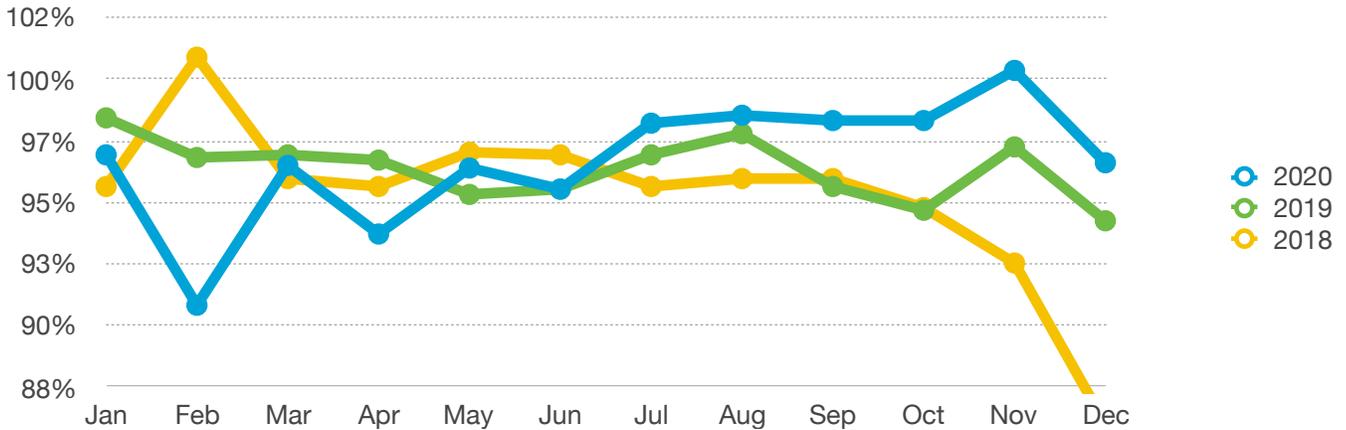
## Vacant Land On Big 3 Lakes

Total Big 3 Vacant Land	# Sales	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
<b>2020</b>	33	\$1,384,773	\$795,000	92	93%
<b>2019</b>	17	\$1,033,838	\$820,000	94	95%
'20 vs. '19	94%	34%	(3%)	(2%)	(2%)

Lot sales increased 94% (+26 units) versus a year ago, while average sale price increased by 34%. This is a trend we don't expect to continue since the availability of vacant land on the Big 3 Lakes is limited.

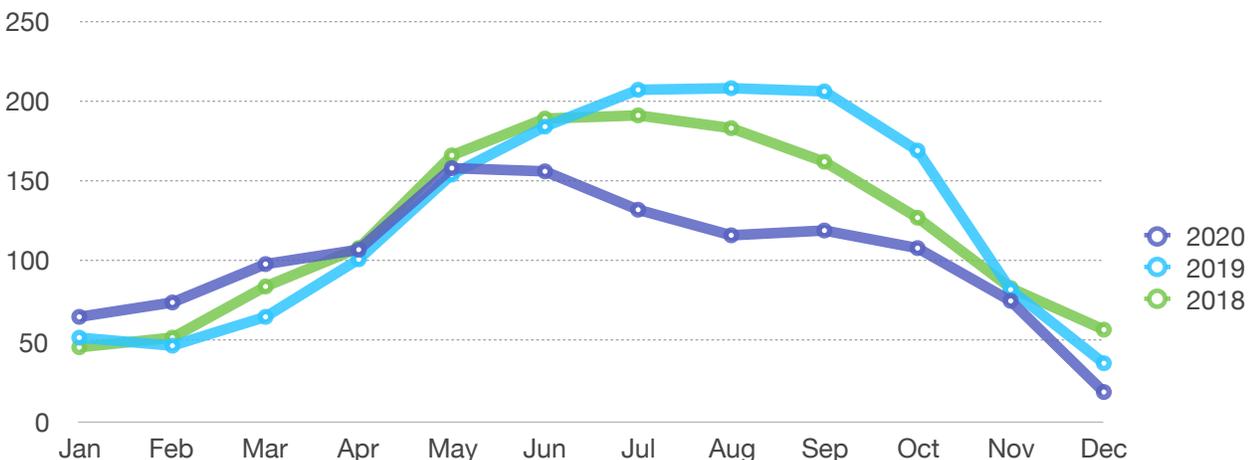
## Sale Price vs. List Price Ratios on Big 3 Lakes

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



## Active Listings By Month 2018-2020 on Big 3 Lakes

The number of active listings dropped in June and trended below 2019 and 2018 for the remainder of the year. 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. In 2020, there were 248 active listings in July and August versus 415 in 2019, a decline of 40%.



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## Commentary

2020 was clearly a strong seller's market which was characterized by increasing sales volumes and prices combined with low inventory of listed properties. My expectation is to see these trends continue in 2021. Demand in Muskoka will continue to be strong, driven by a desire to escape city life, reduced international travel, and increased ability for remote work.

Muskoka is not alone in this expectation. Recreation home prices across Canada increased by 11.5% in 2020 according to **Royal LePage Recreation Property Report**. Some additional highlights from the report:

- Canada's recreation property market forecast to increase 8% in 2021
- 86% of recreation property regions are reporting lower inventory as demand outpaces supply
- 54% of recreation property regions are reporting a significant increase in buyers who are purchasing a new primary residence where they will work remotely

"In addition to the new wave of pandemic-era buyers, simple demographics have been buoying the exurban market as more and more of the giant Baby Boom generation retire," says Phil Soper, President and CEO of Royal LePage "Interest in all types of recreational property is soaring, and I have never seen the number of cottages, cabins, chalets and farmhouses for sale at such a low level relative to demand."

I'm very excited to have some beautiful properties which will be coming on the market this Spring. Additionally, I have Buyers across all price points who hope to find their dream cottage in 2021. If you are considering listing your cottage this year, please contact me for a complimentary Opinion of Value.

Stay well and stay safe!

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.**