



## Pandemic Has Supercharged Muskoka Waterfront Real Estate

The unparalleled demand for waterfront real estate continues as we enter the second year of the global pandemic. With Canadians staying and working from home, their attention is focused on where they spend their time and Muskoka continues to offer an escape from city life. Whether it's first time cottage buyers looking for space, people downsizing or cashing out on their city property, or investors looking for rentals or improvement opportunities, the market is supercharged with growth in both averages prices and volume.

In the first four months of 2021, there has been a remarkable **326% increase** in dollar sales versus prior year. This increase was driven by an astounding 240% increase in units sold (51 vs 15), combined with a 33% increase in average selling prices. With most listed properties holding back offers, the result is average Days on Market (DOM) of a SOLD property being reduced to 32 days compared to 115 in 2020. Note that 45% of the properties sold were on the market for less than 10 days and often sold in competition, with no conditions.

Big 3 Single Family Waterfront	# Sales	Total Dollar Sales	Avg. List Price	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
Jan - Apr 2021	51	\$142,503,180	\$2,794,180	\$2,792,585	\$2,450,000	32	106
Jan - Apr 2020	15	\$33,446,895	\$2,229,793	\$2,091,867	\$1,550,000	115	94
'21 vs. '20	240%	326%	25%	33%	58%	(72%)	13%

Jan-Apr. Single Family Waterfront Sold Listings*	# Sold		Average Sales Price			2021	2021
	2021	2020	2021	2020	% '21 vs. '20	Days On Market	Selling/List Price
Total Big 3	51	15	\$2,792,585	\$2,091,867	33%	32	106%
Lake Muskoka	34	11	\$2,658,824	\$1,527,650	74%	24	106%
Lake Rosseau	5	2	\$2,910,000	\$2,482,500	17%	14	104%
Lake Joseph	12	2	\$3,122,652	\$5,332,500*	-41%	64	106%

The majority of the activity on the Big 3 was on Lake Muskoka with 34 properties sold vs. only 11 in 2020 and average selling prices increasing 74%. Only 5 properties were sold on Lake Rosseau with inventory being extremely limited and 12 properties sold on Lake Joseph compared to just 2 in 2020. (\*The 2020 average selling price on Lake Joseph should be interpreted with caution as it included only 2 high end properties.)

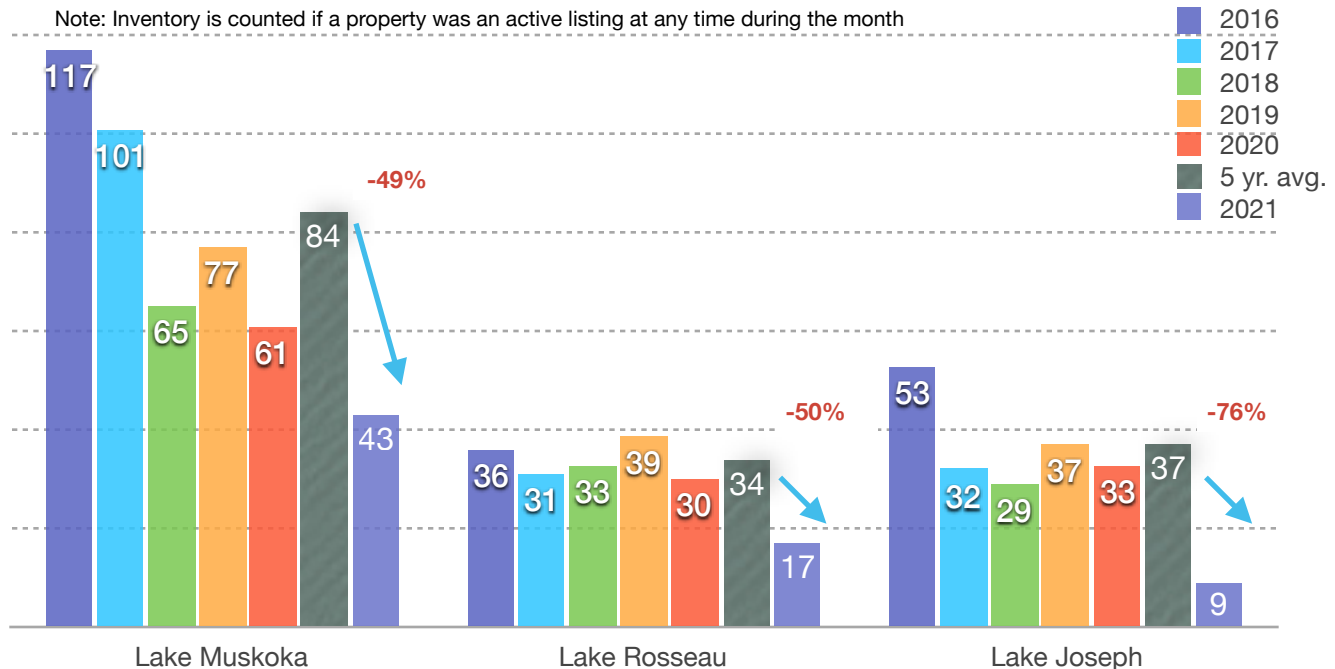
## Price Bands of Sold Cottages on Big 3: YTD 2021 vs. 2020

Only 2 properties were sold below \$1MM with the majority of sales priced between \$1-3MM. The under \$1MM market continues to disappear and in 2021, the few listings under \$1MM were all sold over asking price. Conversely, sales at over \$3MM are now common place and continue to grow dramatically.

# units sold	TOTAL BIG 3		% difference
In \$MM	2021	2020	
<\$0.5	0	1	(100%)
\$0.5-0.99	2	3	(33%)
\$1.0-\$1.99	16	7	129%
\$2.0-\$2.99	17	3	467%
\$3.0-\$3.99	9	1	800%
\$4.0-\$4.99	3	0	
>\$5.0	4	1	300%
<b>Total</b>	<b>51</b>	<b>15</b>	<b>240%</b>

# April Active Listing Inventory by Major Lake: 2015-2021

Includes waterfront residential property only



Despite the flurry of selling activity, we continued to see very few active listing. Many properties came on the market early so sellers could take advantage of the market conditions. Historically, the Cottage Life Show at the end of March was a target date for waterfront listing activations but with the cancellation of the show, properties were listed and sold early. In April, there were only 69 active listings compared to 124 in 2020 and a 5 year average of 155.

## Vacant Waterfront Land on the Big 3 Lakes

# Sales	Avg. Selling Price	\$ /Waterfront Frontage (ft)	\$/Acre
8	\$1,510,000	\$6,064	\$216,643

Similar to residential properties, vacant waterfront land was in high demand with a total of 8 sales taking place in the first four months of the year. As discussed in prior reports, raw waterfront lots are becoming rare and many development properties today are purchased with existing structures.

## My Conclusions

We are experiencing a classic sellers market characterized by rising prices, low inventories, and increasingly desperate buyers. The question is: How much longer will it last? In my opinion, the current buying frenzy is not sustainable and I expect to see a gradual return to a more “balanced” marketplace over the course of the summer.

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

Enjoy The Sunshine 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.**