



## 2015 Muskoka Real Estate Statistics Summary

2015 was another strong year for Real Estate in Muskoka. The discussion that follows will provide you with a detailed look at the year. Feel free to call or e-mail us if you have any questions. ([Thelma@royalpage.ca](mailto:Thelma@royalpage.ca) 705-645-2110 or [stephentaylor@royalpage.ca](mailto:stephentaylor@royalpage.ca) 416-723-8207)

### Unit Sales on Muskoka, Rosseau and Joseph (2000-2015)

Year	Muskoka	Rosseau	Joseph	Totals
2015	139	38	35	212
2014	129	42	29	200
2013	116	40	29	185
2012	117	41	36	194
2011	121	37	38	196
2010	99	49	28	176
2009	107	38	37	182
2008	63	20	30	113
2007	126	38	44	208
2006	104	49	45	198
2005	118	48	47	213
2004	120	34	33	187
2003	127	33	25	185
2002	122	38	37	197
2001	97	22	26	145
2000	106	22	28	156

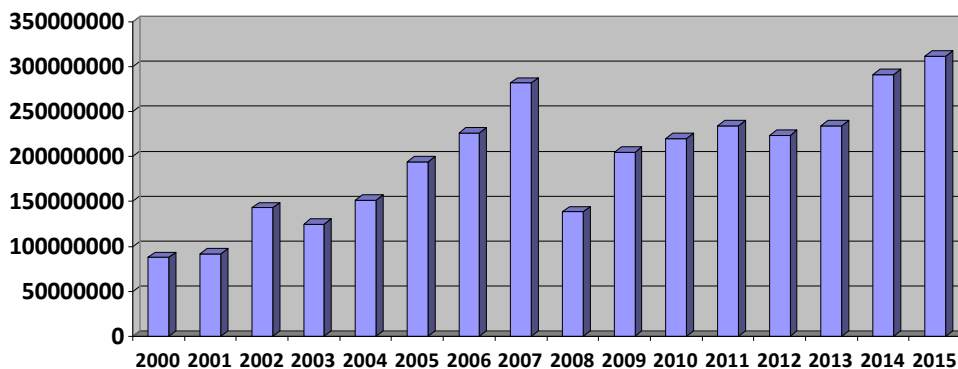
The total number of cottages sold was **up 6%** from 2014 making it the 2<sup>nd</sup> best year overall since we started tracking sales in 2000. The driver of this growth was Lake Muskoka which posted a gain of +7.8% vs 2014 and set another new record for units sold on top of the previous high level set last year. Lake Joseph had the best % growth with an increase of +20.7%, while Lake Rosseau experienced a decrease of 9.5% in units sold. Both Lakes Rosseau and Joseph had unit sales very close to their historical average since the year 2000.

Dollar sales were **up 7%**, making 2015 the highest year on record for sales revenue on the big three lakes in Muskoka, smashing last years' previous record and surpassing \$300 million for the first time ever. Lake Joseph was the driver of Dollar sales growth, posting an impressive 51% increase over the prior year. Lake Muskoka also grew sales significantly, with a 17.5% increase, while Lake Rosseau sales fell 36% after posting a 42% increase in 2014.

## Dollar Sales on Muskoka, Rosseau and Joseph (2000 to 2015)

Year	Lake Muskoka	Lake Rosseau	Lake Joseph	Totals
2015	\$161,418,143	\$60,865,434	<u>\$89,335,899</u>	\$311,619,476
2014	\$137,360,744	\$94,540,500	<u>\$59,207,500</u>	\$291,108,744
2013	\$119,973,152	\$66,412,500	<u>\$48,072,898</u>	\$234,458,550
2012	\$107,409,872	\$57,916,500	\$57,936,250	\$223,262,622
2011	\$114,836,889	\$54,028,500	\$65,442,000	\$234,307,389
2010	\$91,920,000	\$76,697,500	\$51,244,000	\$219,861,500
2009	\$99,812,132	\$46,684,500	\$58,612,000	\$205,108,632
2008	\$64,656,500	\$24,405,000	\$49,354,000	\$138,415,500
2007	\$126,887,490	\$60,039,500	\$94,971,000	\$281,897,990
2006	\$91,049,650	\$64,790,000	\$70,385,000	\$226,224,650
2005	\$80,116,938	\$52,142,995	\$61,786,500	\$194,046,433
2004	\$80,095,200	\$38,449,500	\$32,883,000	\$151,427,700
2003	\$70,324,050	\$25,357,610	\$28,848,500	\$124,530,160
2002	\$68,820,400	\$35,296,500	\$38,892,323	\$143,009,223
2001	\$55,203,600	\$13,711,000	\$23,039,075	\$91,953,675
2000	\$46,459,050	\$19,180,500	\$22,227,000	\$87,866,550

Total Dollar Sales in Muskoka 2000-2015



During the 16 year period we have been recording sales data, the number of cottage sales annually has ranged from a low of 113 in 2008 to a high of 213 in 2005. Over the past 5 years the average has been 197 sales per year. This compares to an average of 174 sales per year during the 5 year period from 2000 to 2004, representing an increase of just 13.2% in the average number of sales per year.

During this same period however, average dollar sales have multiplied over 3.5 times! The increase in total sales dollars is minimally impacted by the increase in unit sales. The driver of the growth in sales \$'s is the **average price per unit sold**.\* (see underlined section of paragraph below)

From the year 2000 to 2015, the average sale price of a property on Lake Muskoka has increased by 165%, while the Lake Rosseau average selling price increased by 84% and Lake Joe prices have increased by 221%. On average, Muskoka cottage prices have increased by 161% since 2000. This translates into an average compounded annual growth rate (CAGR) of 6.2%. \*Exercise caution when using these rates to estimate the value of a specific property, especially over a shorter time period. We know that during the last few years in particular, average price changes have been impacted more by a few very high priced sales than a general increase in the price of all properties.

### Average, Middle, Minimum and Maximum Sale Prices

Reporting an average can be a meaningless statistic if you do not know more about the sample from which it came. To that end, the chart below shows us the average sale price, the middle sale price (which has the same number of sales higher than it and lower than it), as well as the minimum and maximum sale prices on each of the lakes. Note how the increase in the 2015 average price on Lake Joseph is being driven by a large increase in the maximum price, while the minimum and middle prices have actually gone down. (See hi-lighted section in chart below) The smaller the sample (# of sales) the greater the effect that one sale can have on the average price.

### 2011 - 2015 Cottage Sales Details for Muskoka, Rosseau and Joseph

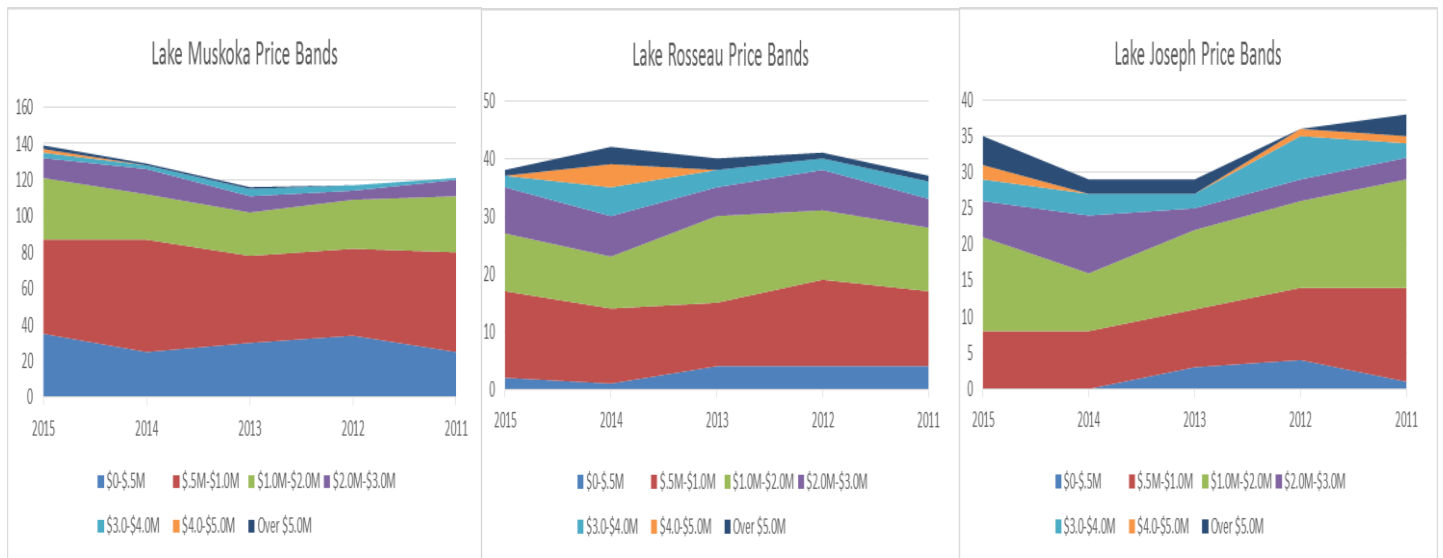
Sale Price	Year	Average	Minimum	Maximum	Middle
<b>Muskoka</b>	2015	\$1,161,281.00	\$150,000.00	\$10,500,000.00	\$785,000.00
	2014	\$1,064,812.00	\$210,000.00	\$6,700,000.00	\$740,000.00
	2013	\$1,034,251.00	\$155,000.00	\$5,650,000.00	\$710,000.00
	2012	\$918,033.00	\$131,000.00	\$3,450,000.00	\$694,000.00
	2011	\$949,065.00	\$130,000.00	\$3,350,000.00	\$740,000.00
<b>Rosseau</b>	2015	\$1,601,722.00	\$435,000.00	\$6,500,000.00	\$1,070,000.00
	2014	\$2,250,964.00	\$275,000.00	\$7,350,000.00	\$1,705,000.00
	2013	\$1,653,438.00	\$275,000.00	\$5,800,000.00	\$1,300,000.00
	2012	\$1,412,598.00	\$270,000.00	\$5,900,000.00	\$1,050,000.00
	2011	\$1,460,230.00	\$385,000.00	\$5,000,000.00	\$1,050,000.00
<b>Joseph</b>	2015	\$2,552,454.00	\$525,000.00	\$12,500,000.00	\$1,600,000.00
	2014	\$2,041,638.00	\$600,000.00	\$5,495,000.00	\$1,900,000.00
	2013	\$1,657,686.00	\$475,000.00	\$5,500,000.00	\$1,175,000.00
	2012	\$1,609,340.00	\$400,000.00	\$4,025,000.00	\$1,180,000.00
	2011	\$1,734,919.00	\$375,000.00	\$6,300,000.00	\$1,250,000.00

When we look at sales by price range, the data suggests that the dramatic increase in the 2015 Lake Joseph average sale price was driven largely by an increase in sales of properties over \$4 million. By contrast, the decline in average sale price on Lake Rosseau in 2015 can be attributed to a reduction in the number of sales in those same price segments. Increases or decreases in the number of sales at the high end of the market have a smaller impact of Lake Muskoka average selling prices, because of the much larger number of sales on that lake each year. The price segments most responsible for the 2015 **unit** sales increase on Lake Muskoka are in the \$0 to \$2million price range. (See hi-lighted sections in the chart below)

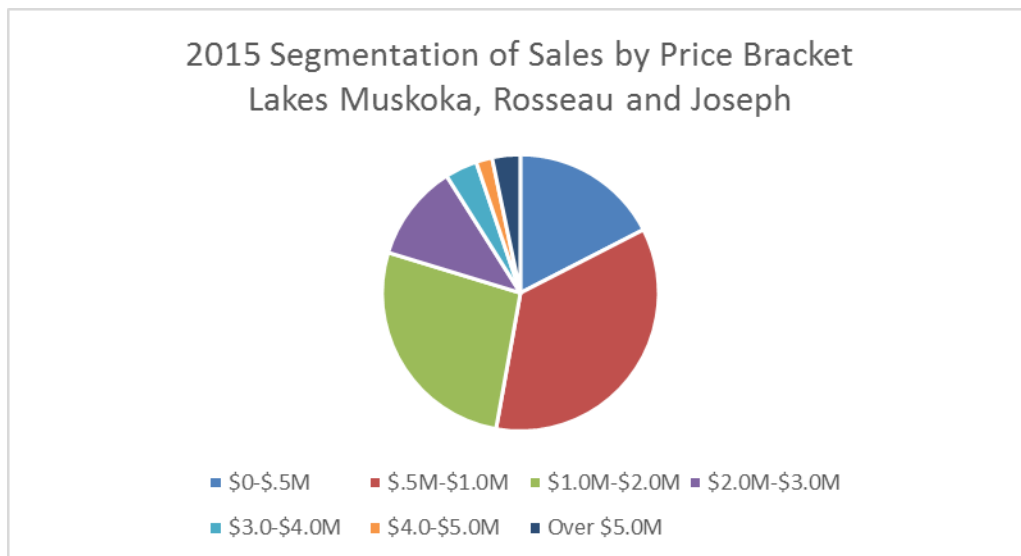
## Sales Price Spread for Lake Muskoka, Rosseau and Joseph (2011-2015)

Lake	Lake Muskoka					Lake Rosseau					Lake Joseph				
Millions	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
\$0-\$0.5M	35	25	30	34	25	2	1	4	4	4	0	0	3	4	1
\$0.5M-\$1.0M	52	62	48	48	55	15	13	11	15	13	8	8	8	10	13
\$1.0M-\$2.0M	34	25	24	27	31	10	9	15	12	11	13	8	11	12	15
\$2.0M-\$3.0M	11	14	9	5	9	8	7	5	7	5	5	8	3	3	3
\$3.0-\$4.0M	3	2	4	3	1	2	5	3	2	3	3	3	2	6	2
\$4.0-\$5.0M	2	0	0	0	0	0	4	0	0	0	2	0	0	1	1
Over \$5.0M	2	1	1	0	0	1	3	2	1	1	4	2	2	0	3
Totals	139	129	116	117	121	38	42	40	41	37	35	29	29	36	38

The relative importance of each price band for sales on each of the big three Lakes is illustrated in the charts below:



Despite the increasing average sale price, there is still affordable property to be found in Muskoka. As the next chart demonstrates, over 50% of 2015 sales on the Big 3 Lakes were at a price below \$1,000,000.



## List to Sale Ratios

The list to sale ratio is the amount a cottage sells for, expressed as a % of the price it was listed for. We like to show this in two ways: Original list to sale is the selling price compared to the initial list price for the property. Final list to sale compares the selling price to the list price for the property at the time it sells, after any price reductions. We show the average list to sale percentage as well as the lowest (min) and highest (max) selling price to list price ratio for an individual property on each lake from the season sales.

Notice that some cottages sell for as little as **50%** or less of their original list price. When this happens, it is often because the cottage has been listed far higher than the market will bear and has languished on the market for a long time, until price reductions bring it down to an attractive price. Paradoxically, these properties often end up selling for a lower final price than they might have if they were more appropriately priced when initially listed or had list price adjustments consistent with negative feedback or fewer than expected showings. The lesson here for sellers is to ensure they are realistic in setting the initial asking price, and after the property is listed, responsive to feedback, and number of showings, and make timely adjustments to the asking price as necessary.

## List to Sale Prices expressed as Percentages 2010 - 2015

Year	Lake Muskoka			Lake Rosseau			Lake Joseph		
<b>Sale Price/Original List Price</b>									
	Ave.	Min	Max	Ave.	Min	Max	Ave.	Min	Max
2015	86.6%	48.1%	102.1%	85.6%	53.2%	100.0%	90.2%	54.2%	115.1%
2014	86.7%	45.2%	107.5%	85.7%	50.7%	103.2%	83.4%	46.7%	102.0%
2013	86.0%	50.1%	113.4%	89.1%	60.8%	102.0%	90.5%	74.0%	102.0%
2012	80.7%	38.6%	103.0%	84.9%	53.3%	105.0%	83.9%	60.0%	99.5%
2011	84.6%	51.5%	111.7%	82.8%	41.0%	99.5%	88.4%	64.1%	108.2%
2010	84.2%	35.7%	109.3%	86.2%	35.6%	100.1%	85.0%	70.6%	100.0%
<b>Sale Price/Final List Price</b>									
	Lake Muskoka			Lake Rosseau			Lake Joseph		
2015	94.3%	81.7%	102.1%	94.8%	84.1%	102.3%	95.8%	83.8%	115.1%
2014	94.0%	78.8%	107.5%	93.2%	80.1%	103.8%	93.8%	79.2%	100.0%
2013	93.1%	67.0%	113.4%	92.4%	72.9%	102.0%	93.0%	80.4%	102.0%
2012	92.6%	70.2%	104.0%	92.8%	71.1%	105.0%	92.4%	73.2%	99.5%
2011	93.3%	75.1%	111.7%	92.1%	81.4%	100.3%	92.2%	81.4%	108.2%
2010	93.8%	50.0%	109.3%	93.6%	62.3%	100.7%	92.5%	76.6%	100.0%

Regardless of the original list price, the average final list to sale ratio has been remarkably consistent over the years and across all 3 lakes. In 2015, we saw this number increase slightly vs the prior 5 years, which is consistent with a market experiencing high demand and limited availability of listed properties. On average, when property is appropriately priced, or has taken appropriate price reductions, it will likely sell for about **95%** of its final list price.

## Days on the Market

There is a strong correlation between a low “original list to sale” ratio, the number of price reductions taken, and the amount of time required to sell a cottage. In 2015, the average “days on the market” across all 3 of the big lakes was 187 days, which is up slightly from 182 days in 2014. Since most cottage listings are removed from MLS during the winter, the chart below references the number of days each listing has been on MLS, not calendar days. A property that has more than 200 “days on market” has likely been listed for more than 1 calendar year.

### Days on Market 2012 – 2015

Year	Days	Muskoka Cottages	% of Musk	Rosseau Cottages	% of Ross	Joseph Cottages	% of Joe
2015	0-30	28	20%	7	18%	16	46%
	30-60	18	13%	5	13%	1	3%
	60-100	23	17%	4	11%	2	6%
	100-200	27	19%	9	24%	4	11%
	200-300	11	8%	5	13%	5	14%
	300+	32	23%	8	21%	7	20%
2014	0-30	31	24%	13	31%	8	28%
	30-60	16	12%	4	10%	2	7%
	60-100	18	14%	5	12%	4	14%
	100-200	21	16%	8	19%	5	17%
	200-300	12	9%	5	12%	3	10%
	300+	31	24%	7	17%	7	24%
2013	0-30	21	18%	13	33%	11	38%
	30-60	22	19%	5	13%	5	17%
	60-100	20	17%	6	15%	1	3%
	100-200	26	22%	8	20%	8	28%
	200-300	6	5%	6	15%	0	0%
	300+	21	18%	2	5%	4	14%
2012	0-30	20	17%	18	44%	6	17%
	30-60	14	12%	3	7%	4	11%
	60-100	10	9%	5	12%	2	6%
	100-200	24	21%	2	5%	8	22%
	200-300	19	17%	4	10%	5	14%
	300+	28	24%	9	22%	11	31%

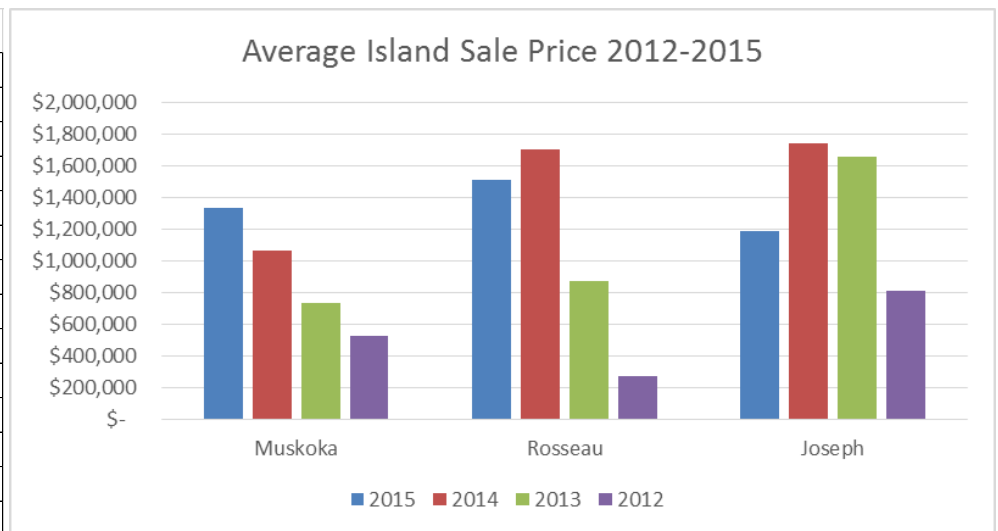
Sellers are often quite surprised and dismayed to see how long the average cottage stays on the market. While no one wants to “leave money on the table”, starting out with too high an asking price is false economy. Cottages which took more than 100 days to sell in 2015 had to take an average of 1.8 price reductions, lowering their asking price by 12.1% before attracting an offer that ultimately resulted in a sale.

## Island Sales

Looks like the secret is out regarding the benefits of Island cottaging! These properties range from rustic entry level cottages to private oasis's that sell at the very top of the Muskoka price spectrum. In 2015, the highest price paid for a property on Lake Muskoka, and the 2<sup>nd</sup> most expensive sale on all 3 of the big Lakes, was an Island property which sold for over \$10 million. As the chart below illustrates, high-end sales are having a dramatic impact on the average sale price of Island property. This development, rather than an increase in all Island properties, is driving increased dollar sales.

Unit sales continue to grow steadily and the growth in dollar sales has been dramatic over the past few years. Island sales reached nearly \$40million in 2015, **up 24%** vs the prior year. This is on top of **38%** growth in 2014 and **41%** in 2013. The success of this segment is particularly satisfying to us, since we are BIG fans of Island properties and have represented either the buyer or the seller in a significant percentage of these sales.

Island Properties Sold/Year			
Year	Muskoka	Rosseau	Joseph
2015	22	5	2
2014	20	3	3
2013	20	2	3
2012	19	1	6
2011	6	1	1
2010	15	5	3
2009	13	0	1
2008	5	3	1
2007	18	3	7
2006	9	5	2
2005	25	3	4
2004	18	2	0
2003	26	2	2



Our statistics are intended to show trends in the listing and sale of Muskoka cottages over both the short range, and the long range, and to be one piece of information to add to your total picture of value in Muskoka. Although we have taken great care with our data collection, we do not guarantee the accuracy of these statistics, which are taken from the professional MLS site.



**Our business thrives on your referrals. We work to the highest standards for our clients and for anyone who is referred to us. Do you know someone who needs professional expertise with a Muskoka purchase or sale?**

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