



## 2016 Muskoka Real Estate Statistics Summary

2016 was a record breaking 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.

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### Unit Sales on Muskoka, Rosseau and Joseph (2001-2016)

Year	Muskoka	Rosseau	Joseph	Totals
2016	148	60	53	261
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

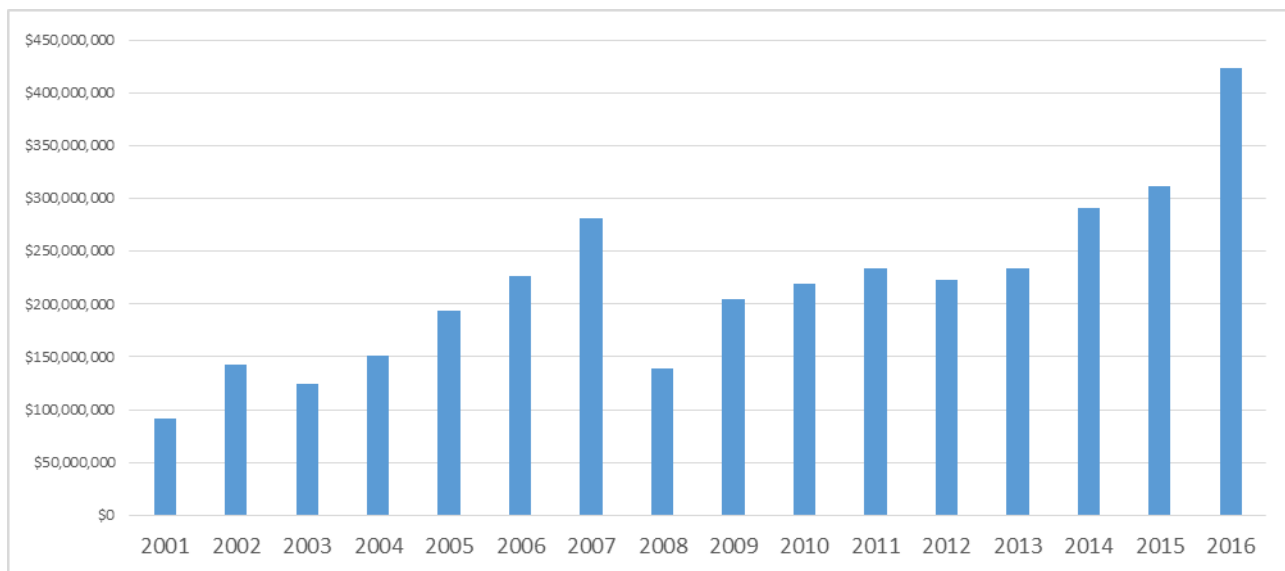
The total number of cottages sold was **up 23%** from 2015 making it the **best year overall** since we started tracking sales in 2000. The growth was spread across all three of the “Big Lakes” with Lake Muskoka unit sales up 6.5%, but the big winners in 2016 were Lake Rosseau where unit sales increased by 57.9% and Lake Joseph where the number of sales grew by 51.4%. All three lakes set an all-time record for unit sales.

Dollar sales were **up 36%**, making 2016 the highest year on record for sales revenue on the big three lakes in Muskoka. This smashes the previous record, which was just set last year, by over \$100 million. Lake Rosseau was the largest source of Dollar sales growth, posting an impressive 110% increase over the prior year. Lake Joseph also grew sales significantly, with a 37% increase, while Lake Muskoka sales grew at a more moderate rate of 7.4% on the heels of a 17.5% increase in 2015.

## Dollar Sales on Muskoka, Rosseau and Joseph (2001 to 2016)

Year	Lake Muskoka	Lake Rosseau	Lake Joseph	Totals
2016	\$173,313,090	\$127,793,000	\$122,343,250	\$423,449,340
2015	\$161,418,143	\$60,865,434	\$89,335,899	\$311,619,476
2014	\$137,360,744	\$94,540,500	\$59,207,500	\$291,108,744
2013	\$119,973,152	\$66,412,500	\$48,072,898	\$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

Annual Dollar Sales in Muskoka 2001-2016



During the 17 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 261 in 2016. Over the past 5 years, the average has been 210 sales per year. This compares to an average of 185 during the 5 year period from 2001 to 2005, representing an increase of just 13.5% in the average number of sales per year.

During this same period however, annual dollar sales have multiplied over 3.6 times! While the increase in total sales dollars is marginally impacted by an increase in unit sales, the main driver of the growth in sales \$'s is the **average price per unit sold\*** which is now just over **\$1.6 Million**. (\*see underlined section of paragraph below)

From the year 2001 to 2016, the average sale price of a property on Lake Muskoka has increased by 106%, while the Lake Rosseau average selling price increased by 242% and Lake Joe prices have increased by 161%. On average, Muskoka cottage prices have increased by 156% since 2001. This translates into an average compounded annual growth rate (CAGR) of 6.05%. **\*We do not suggest 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 at prices above and below it), as well as the minimum and maximum sale prices on each of the lakes. Note how the increase in the 2016 average price on Lake Rosseau is being partially driven by a large increase in the maximum price, while the opposite has occurred on Lake Joseph. These changes illustrate the impact that one very large sale can have. The smaller the sample (# of sales) the greater the effect that a single sale can have on the average price.

### 2012 - 2016 Cottage Sales Details for Muskoka, Rosseau and Joseph

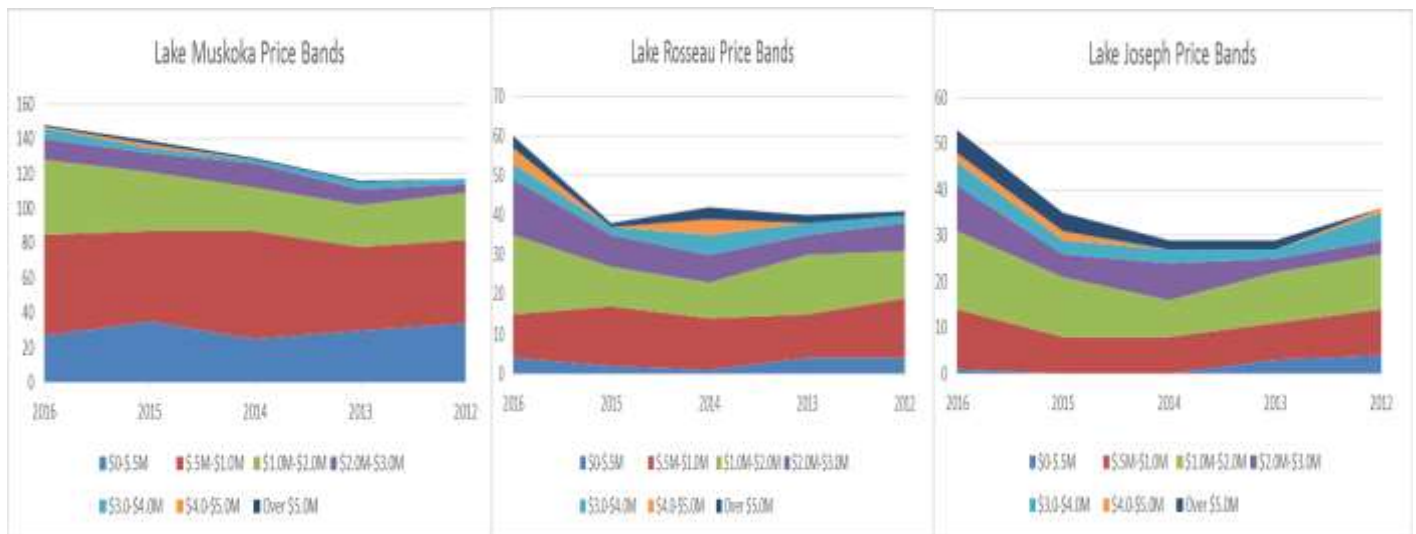
Sale Price	Year	Average	Minimum	Maximum	Middle
<b>Muskoka</b>	2016	\$1,171,034.00	\$130,000.00	\$6,250,000.00	\$900,000.00
	2015	\$1,161,281.00	\$150,000.00	\$10,500,000.00	\$785,000.00
	2014	\$1,064,812.00	\$210,000.00	\$6,700,000.00	\$740,000.00
	2013	\$1,034,251.00	\$155,000.00	\$5,650,000.00	\$710,000.00
	2012	\$918,033.00	\$131,000.00	\$3,450,000.00	\$694,000.00
<b>Rosseau</b>	2016	\$2,129,883.00	\$359,000.00	\$11,400,000.00	\$1,825,000.00
	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
<b>Joseph</b>	2016	\$2,308,363.00	\$450,000.00	\$9,335,000.00	\$1,480,000.00
	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

When we look at sales by price range, the data suggests that the dramatic increase in the 2016 Lake Rosseau average sale price was driven by increases in the number of sales in every price segment above \$1,000,000. By contrast, the decline in average sale price on Lake Joseph can be attributed to an increase in the number of sales in price segments below \$2,000,000. Increases or decreases in the number of sales at the high or low end of the market, tend to have a smaller impact on the Lake Muskoka average selling price, because of the much larger number of sales on that lake each year. In 2016, the average sale price on Lake Muskoka went up slightly, reflecting a reduction in the number of sales at prices below \$500,000 and an increase in the number of properties which sold above that price.

**Sales by price range for Lakes Muskoka, Rosseau and Joseph (2012-2016)**

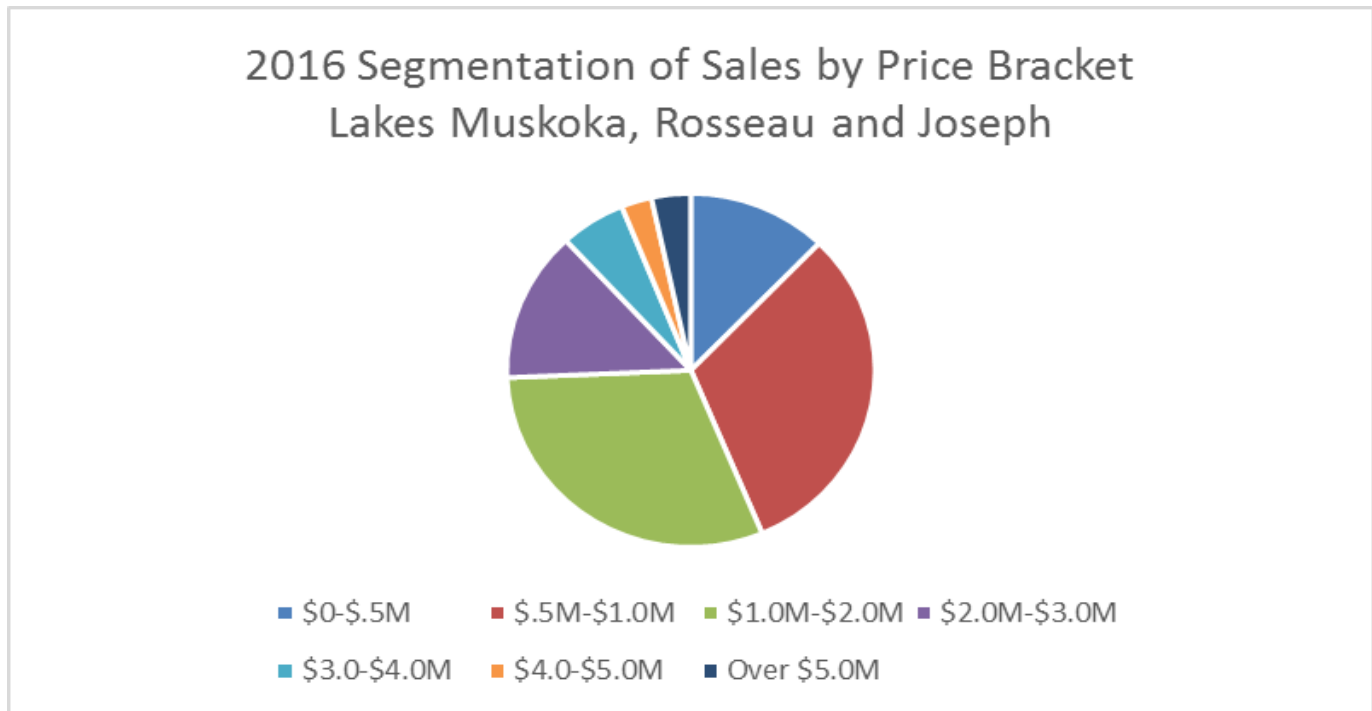
Lake	Lake Muskoka					Lake Rosseau					Lake Joseph				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
\$0-\$0.5M	27	35	25	30	34	4	2	1	4	4	1	0	0	3	4
\$.5M-\$1.0M	58	52	62	48	48	11	15	13	11	15	13	8	8	8	10
\$1.0M-\$2.0M	43	34	25	24	27	20	10	9	15	12	17	13	8	11	12
\$2.0M-\$3.0M	12	11	14	9	5	14	8	7	5	7	10	5	8	3	3
\$3.0-\$4.0M	6	3	2	4	3	4	2	5	3	2	5	3	3	2	6
\$4.0-\$5.0M	1	2	0	0	0	4	0	4	0	0	2	2	0	0	1
Over \$5.0M	1	2	1	1	0	3	1	3	2	1	5	4	2	2	0
Totals	148	139	129	116	117	60	38	42	40	41	53	35	29	29	36

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



The width of each price band represents its portion of the sales on each of the lakes. The red price band (\$500,000-\$1,000,000) is the dominant price range for Lake Muskoka, while the green band (\$1,000,000-\$2,000,000) is the dominant range for Lakes Rosseau and Joseph. On all three lakes, the upper price bands are growing in importance.

Despite the overall increase in average sale price, the belief that the majority of properties on the Big Lakes are \$5 million mansions is a bit of a misconception. As the next chart demonstrates, 44% of 2016 sales on the Big 3 Lakes were at a price below \$1,000,000. A further 30% of 2016 sales were made at prices between \$1,000,000 and \$2,000,000.



## List to Sale Ratios

The list to sale ratio is the amount a property 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 Price ratios expressed as Percentages 2011 - 2016

Year	Lake Muskoka			Lake Rosseau			Lake Joseph		
Sale Price/Original List Price									
	Ave.	Min	Max	Ave.	Min	Max	Ave.	Min	Max
2016	89.6%	42.5%	136.3%	90.5%	59.6%	111.1%	90.0%	56.8%	169.6%
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%
	Lake Muskoka			Lake Rosseau			Lake Joseph		
Sale Price/Final List Price									
2016	94.7%	67.8%	136.3%	93.6%	41.7%	111.1%	93.2%	82.4%	104.9%
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%

It is interesting to see a significant increase in the average **Sale Price to Original List Price** ratio which in 2016 approached an average of 90% across all three lakes. This compares to prior years when the same ratio was in the low to mid 80's. This is consistent with a market experiencing high demand and limited availability of listed properties.

Regardless of the original list price, the average **Sale Price to Final List Price** ratio has been remarkably consistent over the years and across all 3 lakes. On average, when property is appropriately priced, or has taken appropriate price reductions, it will likely sell for about **94%** of its final list price.

## Price Reductions and Days on Market:

There is a strong correlation between a low "sale price to original list" ratio, the number of price reductions taken, and the amount of time required to sell a cottage.

In 2016, the average number of price reductions required to achieve a sale was 0.83. This is down significantly from last year, when the average was 1.06, or an average of just over one price reduction taken for every sale made. Again, the driving factor here appears to be a significant reduction in listed properties, which has been well documented in our reports throughout the year.

In 2016, the average “days on the market” for all properties sold across the big three lakes was 185 days, which is down slightly from 187 days in 2015. 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 – 2016

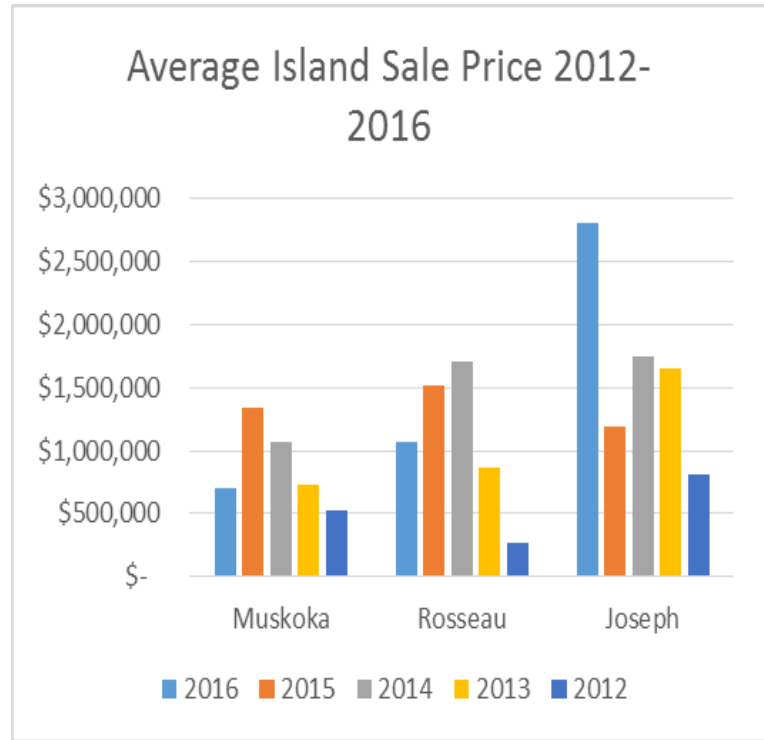
Year	Days	Muskoka Cottages	% of Musk	Rosseau Cottages	% of Ross	Joseph Cottages	% of Joe
2016	0-30	35	24%	17	28%	7	13%
	30-60	22	15%	9	15%	5	10%
	60-100	14	9%	9	15%	8	15%
	100-200	24	16%	10	17%	13	25%
	200-300	21	14%	6	10%	9	17%
	300+	32	22%	9	15%	11	21%
2015	0-30	28	20%	7	18%	16	46%
	30-60	18	13%	5	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%

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. Despite strong demand for cottage property in 2016, over half the cottages sold took more than 100 days to find a buyer and on average, those properties had to take an average of 1.4 price reductions before attracting an offer that ultimately resulted in a sale.

## Island Sales

It was another banner year for Island properties, with a total of 34 sales on the books for 2016. These properties range from rustic entry level cottages to private oasis's that sell at the very top of the Muskoka price spectrum. In 2016, we had more of the former than the latter on Lakes Rosseau and Muskoka, which reduced the average selling price on those two lakes. On Lake Joseph however, the 2<sup>nd</sup> most expensive sale of the year was an Island property. As the chart below illustrates, a single high-end sale can have a dramatic impact on the average sale price of Island properties.

Island Properties Sold/Year			
Year	Muskoka	Rosseau	Joseph
2016	23	5	6
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.



*Referrals are the cornerstone of any service business. We rely on satisfied clients as the primary source of our business. Referrals are both welcome and sincerely appreciated!*

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