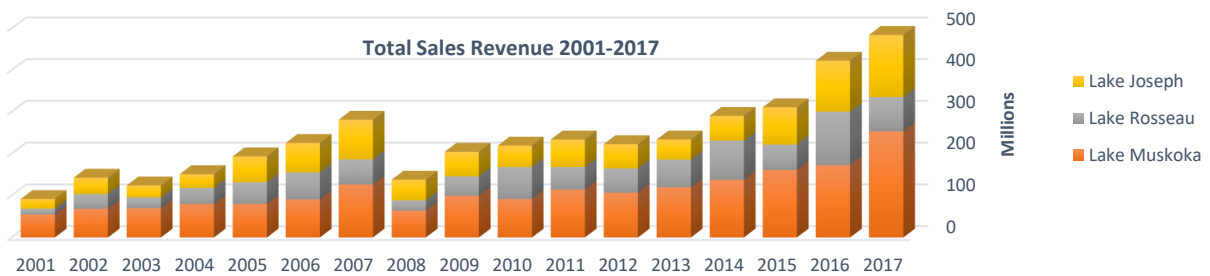


# 2017 Muskoka Real Estate Report

Welcome to Muskoka Cottage Experts 2017 Market Report! The updated format comes courtesy of our newest team member, Valerie Fleck, who has transformed the old "numbers heavy" look into easy-to-read and intuitive charts and graphs. The focus of this report is on the "Big 3 Lakes" including waterways with direct boating access to those lakes. (Mirror Lake, the Indian and Joseph Rivers and sections of the Muskoka River). It was a fascinating year in Muskoka Real Estate and I'm sure you'll find this an enjoyable read. To subscribe to our quarterly market updates, please visit our website at MuskokaCottageExperts.com.

Happy New Year!



## 2017 Cottage Sales

	Muskoka	Joseph	Rosseau	Muskoka Big 3
<b>Unit Sales</b>				
<b>2017</b>	<b>164</b>	<b>59</b>	<b>37</b>	<b>260</b>
2016	148	53	60	261
2015	139	35	38	212
Average Sales ( 2001-2016)	120	38	39	195

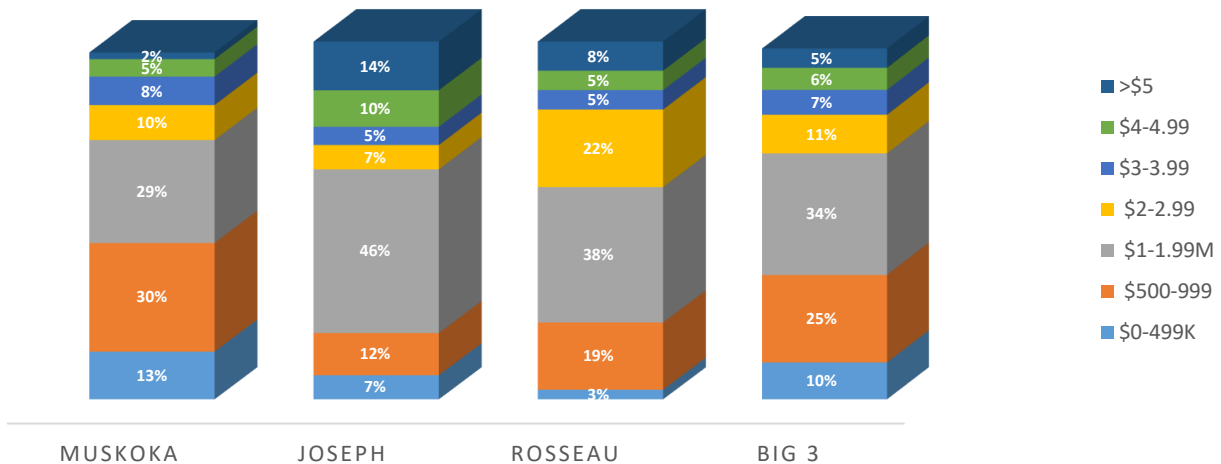
<i>Unit Sales Change:</i>				
2017 vs 2016	11%	11%	-38%	0%
2017 vs. Average (2001-2016)	37%	56%	-6%	33%

<b>2017 Sale Prices</b>				
<b>Total Market</b>	<b>\$ 253,868,313</b>	<b>\$ 149,160,500</b>	<b>\$ 82,116,500</b>	<b>\$ 485,145,313</b>
vs. 2016	46%	22%	-36%	15%
<b>Average Price</b>	<b>\$ 1,547,978</b>	<b>\$ 2,528,144</b>	<b>\$ 2,219,365</b>	<b>\$ 1,921,421</b>
Avg. Price vs 2016	32%	19%	4%	18%
Lowest	\$ 25,000	\$ 233,500	\$ 16,000	\$ 25,000
Highest	\$ 6,600,000	\$ 10,000,000	\$ 9,325,000	\$ 10,000,000
Midpoint	\$ 1,187,500	\$ 1,187,500	\$ 1,565,000	\$ 1,372,500

Overall dollar sales rose 15% in 2017, despite no significant change in overall units sold. The increase in revenue was entirely driven by higher sale prices across all three of the big lakes. This was most dramatically evident on Lake Muskoka, where the average sale price increased by **32%** vs the prior year. The increase in sale prices was largely driven by a lack of inventory during the selling season, which was a trend we observed in 2016 and saw exacerbated in 2017. Over the course of the year, active listings were down between 25% and 50%, which drove intense competition, sometimes resulting in sale prices at, or higher than, the initial list price. The decline in sales on Lake Rosseau is entirely driven by this phenomenon, with overall sales down 36% despite a 4% increase in the average sale price.

## 2017 Price Ranges

# sales	Muskoka	Joseph	Rosseau	Total Big 3	
<\$0.5MM		22	4	1	27
\$0.5-\$0.99MM		50	7	7	64
\$1M-\$1.99MM		47	27	14	88
\$2-2.99MM		16	4	8	28
\$3-3.99MM		13	3	2	18
\$4-4.99MM		8	6	2	16
\$5MM+		3	8	3	14

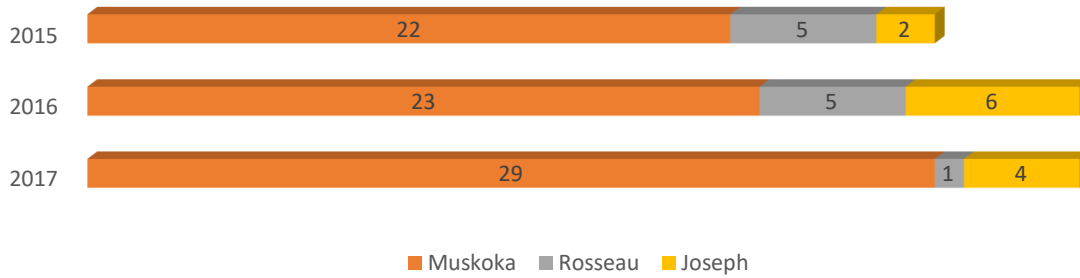


	Lake Muskoka			Lake Joseph			Lake Rosseau		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
<i>in MM's</i>									
\$0-0.49	22	27	35	4	1	0	1	4	2
\$0.5-0.99	50	58	52	7	13	8	7	11	15
\$1-1.99	47	43	34	27	17	13	14	20	10
\$2-2.99	16	12	11	4	10	5	8	14	8
\$3-3.99	13	6	3	3	5	3	2	4	2
\$4-4.99	8	1	2	6	2	2	2	4	0
>\$5	3	1	2	8	5	4	3	3	1
<b>Total</b>	<b>164</b>	<b>148</b>	<b>139</b>	<b>59</b>	<b>53</b>	<b>35</b>	<b>37</b>	<b>60</b>	<b>38</b>

The progression of sale prices over the past few years is clearly illustrated in the charts above which group units sold into price ranges. The price range between \$1 million and \$2 million is still the largest single grouping, but most of the overall growth is actually coming from the higher price ranges. Over the past 3 years, unit sales at prices over \$3 million have more than doubled and sales over \$5 million, which used to be rare, now represents 5% of total units sold! For entry level Buyers seeking cottage property at prices under \$1 million, Lake Muskoka is the most likely target, with 44% of sales on that lake coming from this price range. Lake Joseph sales growth was driven mainly by the \$1million - \$2 million price range, while Lake Rosseau experienced declining sales across all price ranges. This was likely more a function of lack of available properties for sale than a lack of demand.

## Island Properties

# of Island Properties Sold 2015-17



Island properties continued to be popular in 2017, coming on top of a record year in 2016. Island sales represent a significant portion of the total sales at prices below \$1 million, especially on Lake Muskoka which has the largest number of large multi-property islands. In 2017, 1/3 of all sales on Lake Muskoka at a price below \$1,000,000 were Island properties. Increasingly, this is a popular entry level choice for first time buyers in Muskoka. At the other end of the price spectrum, private islands are often a preferred option for those seeking the ultimate in a Muskoka property.

## Vacant Lots

	Muskoka	Joseph	Rosseau	Big 3
# sold	\$ 16	\$ 12	\$ 3	\$ 31
Total Market Sales	\$ 8,175,750	\$ 22,134,000	\$ 2,324,000	\$ 32,633,750
Average Price	\$ 510,984	\$ 1,844,500	\$ 774,667	\$ 1,024,961
Average Price Per Front Ft	\$ 2,313	\$ 4,537	\$ 2,120	\$ 3,275
Lowest Price Per Front Ft	\$ 40	\$ 940	\$ 145	\$ 40
Highest Price Per Front Ft	\$ 5,431	\$ 10,833	\$ 3,908	\$ 10,833

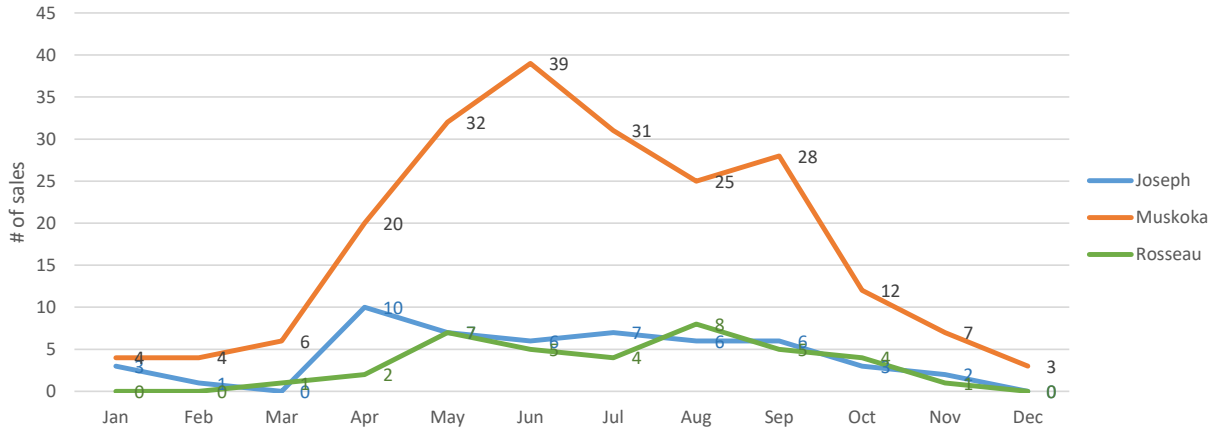
We are often asked to provide a "cost per frontage foot" for vacant waterfront land in Muskoka, so this year we added the chart above to illustrate how unreliable this reference is. Muskoka waterfront property is valued based on the attributes of the land, which include orientation, terrain, building rights, privacy and a host of other factors. Based on the 31 vacant land sales in 2017, the chart suggests that the average cost per frontage foot would be about \$3275. However, the actual price per frontage foot of these sales ranges from a low of \$40 to a high of \$10,833. Essentially, the average rate is useless as a tool in determining individual value.

## List Price to Sold Ratios

Unit Sales	Muskoka	Joseph	Rosseau
<b>2017 average</b>	<b>96%</b>	<b>93%</b>	<b>95%</b>
<b>low</b>	<b>50%</b>	<b>71%</b>	<b>80%</b>
<b>high</b>	<b>125%</b>	<b>109%</b>	<b>103%</b>
2016 average	95%	93%	94%
2015 average	94%	96%	95%

This ratio calculates the amount that the actual sale price represents as a percentage of the list price. It is remarkable how consistent the average ratio has been over the years. Once a property has reached it's final list price (which may be the result of one or more price changes) it will likely sell for about 95% of the asking price. What does fluctuate wildly from year to year is the low and high ratio's. In 2017, there were a number of properties sold at final prices **above** their asking price. The highest of these was a property on Lake Muskoka which sold for 25% over the asking price!

## Sales Trends By Month



This final chart shows the number of units sold on each of the Big Three lakes during every month of 2017. Not surprisingly, sales peak in the spring/summer season and drop off in the fall/winter season. What is interesting however, is the relative consistency of sales on Lakes Rosseau and Joseph through the entire April - September period, while Lake Muskoka experienced a drop off in the period between the peak months of June and September. This may be related to the lack of available inventory we experienced during the summer this year.

The data used to develop this report was pulled from the professional MLS site and is intended to show general trends in the sales of Muskoka properties over both the current year and the longer term. We strive for accuracy but are not responsible for any errors or omissions. This should be one piece of information to add to your total picture of value in Muskoka. Please do not copy or reproduce this report in whole or in part without the express permission of Muskoka Cottage Experts.



Our business thrives on your referrals. We work to the highest standards for our clients and for anyone who is referred to us. If you, or someone you know, needs professional expertise with a Muskoka purchase or sale, please contact me directly:

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