



## Muskoka Real Estate Market Report for End of July 2017

Both weather and real estate in Muskoka have been unpredictable so far in 2017!

After a slow start to the year, total units sold so far in 2017 on the big three lakes have picked up and are now up 6% from where they were at this time last year. In total, 160 cottage properties have changed hands during the first 7 months of this year, vs 151 in 2016. However, it's far from a consistent story when we look at each of the lakes individually.

Sales on Lake Muskoka exploded in June and July and are now 37% over 2016 on a year-to-date basis. The opposite is true for Lake Rosseau which has had a dismal year so far, with year to date units sold at less than 50% of last year. Splitting the difference is Lake Joseph, which has exactly the same number of units sold this year as at this time in 2016.

### Monthly Cottage Sales to End of July 2017 (compared to the same period in other years)

Month	Lake Muskoka					Lake Rosseau					Lake Joseph				
	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
Jan	2	2	1	3	4	0	1	1	0	0	2	0	1	0	1
Feb	2	2	2	1	1	0	1	1	0	0	1	4	1	2	2
Mar	3	5	2	1	0	1	4	2	0	0	1	1	0	0	0
Apr	17	11	5	5	3	2	2	1	0	2	8	3	2	2	1
May	21	21	27	18	17	6	12	6	10	6	7	7	5	4	6
Jun	34	19	21	19	9	6	9	4	10	7	4	8	9	8	6
Jul	31	20	21	24	20	4	11	3	4	7	8	8	6	3	2
Aug		25	25	18	29		12	9	6	8		12	3	5	5
Sep		20	15	16	12		6	5	5	3		6	3	1	3
Oct		12	16	16	10		2	4	4	6		3	3	4	1
Nov		9	4	5	5		0	1	3	2		1	2	0	0
Dec		4	0	3	2		0	1	0	0		0	0	0	0
<b>Totl YTD</b>	<b>110</b>	<b>80</b>	<b>79</b>	<b>71</b>	<b>54</b>	<b>19</b>	<b>40</b>	<b>18</b>	<b>24</b>	<b>22</b>	<b>31</b>	<b>31</b>	<b>24</b>	<b>19</b>	<b>18</b>

While year-to-date unit sales are up 7%, total dollar sales are up almost 15% on a year-to-date basis. The difference between the units and dollars sales growth was caused by an 8% increase in the average selling price during the first seven months of the year from \$1,550,507 in 2016 to \$1,678,629 in 2017.

This overall increase in selling prices was primarily driven by Lake Muskoka, where the year-to-date average sale price (ASP) went up by 47% vs last year, to \$1,433,101. Conversely, Lakes Rosseau's average sale price experienced a decline of 3% vs last year to \$2,123,105. The average sale price on Lake Joseph has experienced an 11% increase so far this year, which has resulted in an average sale price of \$2,277,435 during the first 7 months of 2017.

Even this late in the season, we are still dealing with a relatively small sample size, so this doesn't suggest a trend in pricing so much as a shift in the type of properties being sold so far this year. For example, as the chart below illustrates, so far this year Lake Muskoka has had 14 sales over \$3,000,000 vs only 2 during the same period in 2016.

#### Price Spread of Cottage Sales to Date- Jan 1 to July 31, 2017 and 2016

Cost of Cottages	Lake Muskoka		Lake Rosseau		Lake Joseph	
	2017	2016	2017	2016	2017	2016
\$0-.5mil	20	17	1	3	0	1
\$.5-1.0mil	37	37	3	7	6	8
\$1.0-2.0mil	31	20	8	16	15	12
\$2.0-3.0mil	8	4	3	6	3	4
\$3.0-4.0 mil	6	1	1	2	1	3
\$4.0-5.0 mil	6	0	1	3	4	1
\$5.0-6.0+ mil	2	1	2	3	2	2
Total Cottages	110	80	19	40	31	31

In our statistics, we include all cottages that have frontage on water that has direct access to Lakes Muskoka, Rosseau, and Joseph. This means we are including cottages on the Indian River, Mirror Lake, Joe River and Muskoka River, with the numbers for the closest lake. For this reason our numbers may differ slightly from statistics collected by another source.

Our statistics are hand collected from the professional MLS site. Please be aware that our statistics can only be as reliable as that site is. The numbers that we record for any given month can change, as cottages that were reported as sold, may not close, and that alters the numbers at a later date.

At the end of the year we take a fresh set of numbers off the site, and update the monthly numbers we had previously reported, in our Monthly market report. We believe that this is the way to have the most accurate year end numbers.

## Current Cottage Listings at the end of July (Compared to Last Year)

Value/Lake	Lake Muskoka		Lake Rosseau		Lake Joseph		Total	
Year	2017	2016	2017	2016	2017	2016	2017	2016
0-\$0.5 mil	4	22	0	1	3	2	7	25
\$0.5-1.0 mil	17	34	3	5	5	10	25	49
\$1.0-\$2.0 mil	21	35	5	8	9	13	35	56
\$2.0-\$3.0 mil	5	13	4	7	6	4	15	24
\$3.0-\$4.0 mil	10	11	1	5	3	10	14	26
\$4.0-\$5.0 mil	10	9	2	1	2	2	14	12
\$5.0-\$6.0+mil	5	4	4	3	14	10	23	17
<b>Total</b>	<b>72</b>	<b>128</b>	<b>19</b>	<b>30</b>	<b>42</b>	<b>51</b>	<b>133</b>	<b>209</b>

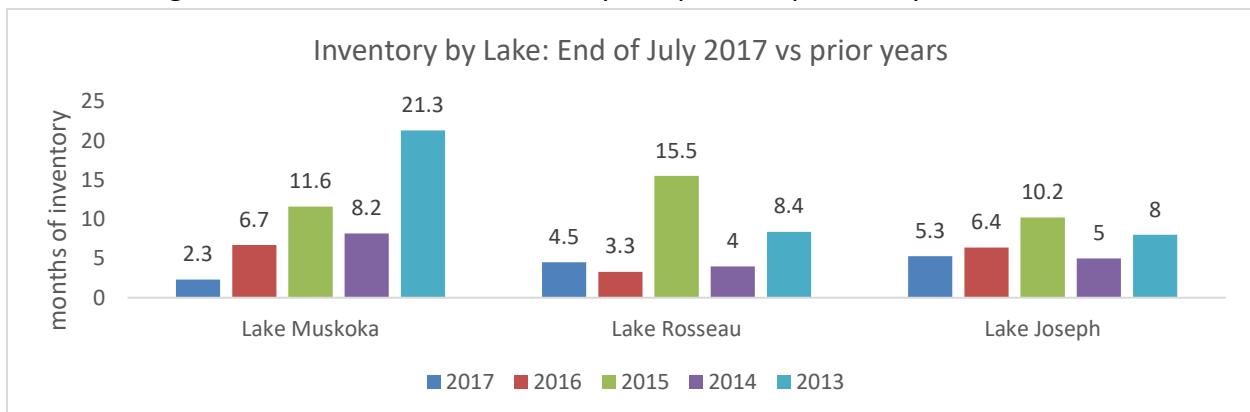
We have continued to see a trend towards new cottage listings selling quickly, particularly at lower and mid-range price points, when they are well featured and reasonably priced.

If we look at the number of current active listings, the reason for this becomes clear. On July 31, 2016, there were 209 properties listed for sale across the big lakes, which was down significantly vs the number of listings at the same time in 2015. This year, the number of listings at the end of July is only 133, which is **down 36% vs last year** and **is less than half** of what was listed on May 31, 2015.

Most of the “missing” listings are from the lower and middle price ranges, where demand is strongest. Listings over \$4,000,000 are actually up by 28% and now represent over 27% of currently listed properties. Conversely, listings priced below \$1,000,000 are down 57% and account for less than 25% of total current listings.

### Cottage Inventory Levels on Muskoka, Rosseau and Joseph

The following chart shows how 2017 inventory compares to previous years:



Inventory is calculated by the number of cottages available, divided by the number of sales in the previous month, and the current inventory level is stated in the months it would take to deplete the current inventory. Inventory levels are normally fairly steady at this point in the season, as new listings replace sold properties. This year however, as of July 31, we have only 3.1 months of cottage inventory across all of the big three lakes, compared to 5.4 months at the same time last year.

Reduced inventory is one of the key indicators of a Sellers market, but without a substantial increase in new listings, sales may suffer in the fall.

### Island Sales

	Lake Muskoka			Lake Rosseau			Lake Joseph		
	2017	2016	2015	2017	2016	2015	2017	2016	2015
Jan	0	0	0	0	0	0	0	0	0
Feb	0	0	1	0	0	1	0	0	0
Mar	0	0	0	0	0	0	0	0	0
Apr	3	1	0	0	0	0	1	0	0
May	6	5	5	0	1	0	0	1	0
Jun	8	5	3	0	0	0	0	1	1
Jul	7	3	2	0	1	0	1	1	1
Aug		5	6		2	1		1	0
Sep		2	3		0	3		2	0
Oct		1	2		1	0		0	0
Nov		1	0		0	0		0	0
Dec		0	0		0	0		0	0
Total YTD	24	14	11	0	2	1	2	3	2

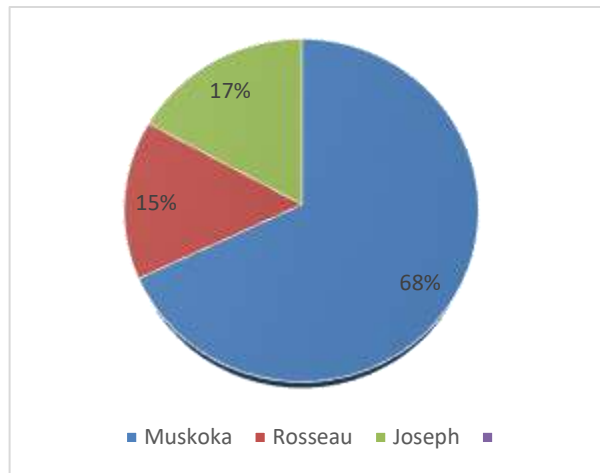
**As of July 31 there were 23 island listings- 15 on Lk Muskoka, 2 on Lk Rosseau and 6 on Lk Joseph**

Sales of Island properties, particularly on Lake Muskoka, continue to be brisk this year despite the cool and wet weather. As a result, inventory of Island listings are way down, from a total of 44 at this time last year. This has likely contributed to the higher prices of the remaining listings, since Island properties, particularly on the larger islands of Lake Muskoka, are usually among the best values in Muskoka.

## Historical Muskoka Island Property Sales

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

## Percentage of Sales per Lake



*Authors note: Despite unseasonable weather during much of the summer, it is clear is that the trend, towards fewer active listings, particularly at prices under \$3,000,000, appears to be continuing. This suggests a market that favours Sellers. Despite the hot market, pricing your property correctly is critical to a successful sale. Almost 40 percent of SOLD properties this year needed to take a price reduction before they were able to attract a Buyer. If you a cottage owner considering listing your Muskoka property for sale, ask an experienced local Realtor for an Opinion of Value. For Buyers, our advice would be to work with a reputable local Realtor who knows the market and may be aware of new properties coming up for sale before they become visible on MLS. Once you have found “the one” and having exercised appropriate due diligence, be prepared to act decisively.*

Our statistics are intended only 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 help with a Muskoka purchase or sale?*

**Call Steve Taylor 416-723-8207 or Thelma Jarvis 705-645-2110**