



Muskoka Real Estate Market Report for End of March 2017

Welcome to Spring 2017! Total units sold so far in 2017 on the big three lakes are down significantly from where they were at this time last year. In total, 12 cottage properties have changed hands during the first quarter (Jan-Mar) of this year, vs 20 in 2016. All three of the lakes have experienced a decline in units sold, with Lakes Muskoka and Joseph sales slightly down vs last year, while Lake Rosseau has had just 1 sale so far this year, compared with 6 at this time last year. The reason, as detailed below, has little to do with demand but stems from a lack of listed properties.

Who buys a cottage when the water and land is completely covered in ice and snow? Not surprisingly, many of these sales are properties that were actually listed in 2016. In most years, May has marked the beginning of significant unit sales across all three big lakes.

Monthly Cottage Sales to End of March 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		11	5	5	3		2	1	0	2		3	2	2	1
May		21	27	18	17		12	6	10	6		7	5	4	6
Jun		19	21	19	9		9	4	10	7		8	9	8	6
Jul		18	21	24	20		11	3	4	7		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
Totl YTD	7	9	5	5	5	1	6	4	0	0	4	5	2	2	3

While year-to-date unit sales are down by 40%, total dollar sales are only down 23% during the 1st quarter of 2016. The difference between the two was driven by a 29% increase in the average selling price during the first three months of the year from \$1,640,500 in 2016 to \$2,116,291 in 2017.

On Lake Muskoka the year-to-date average sale price (ASP) went up by 53% to \$1,194,714. Lake Rosseau experienced a similar increase in average sale price with a 55% increase to \$4,675,000. Lake Joseph had the most dramatic increase in ASP by more than doubling vs the first quarter of last year to an average price of \$3,089,375.

Because it's a very small sample size, this wouldn't suggest a trend in pricing so much as a shift in the mix of properties being sold at the start of the season this year.

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

Cost of Cottages	Lake Muskoka		Lake Rosseau		Lake Joseph	
	2017	2016	2017	2016	2017	2016
\$0-.5mil	3	2	0	0	0	1
\$.5-1.0mil	2	6	0	0	1	0
\$1.0-2.0mil	1	0	0	3	1	3
\$2.0-3.0mil	0	1	0	0	0	0
\$3.0-4.0 mil	0	0	0	1	0	1
\$4.0-5.0 mil	1	0	1	1	1	0
\$5.0-6.0+ mil	0	0	0	1	1	0
Total Cottages	7	9	1	6	4	5

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 best way to have the most accurate year end numbers.

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

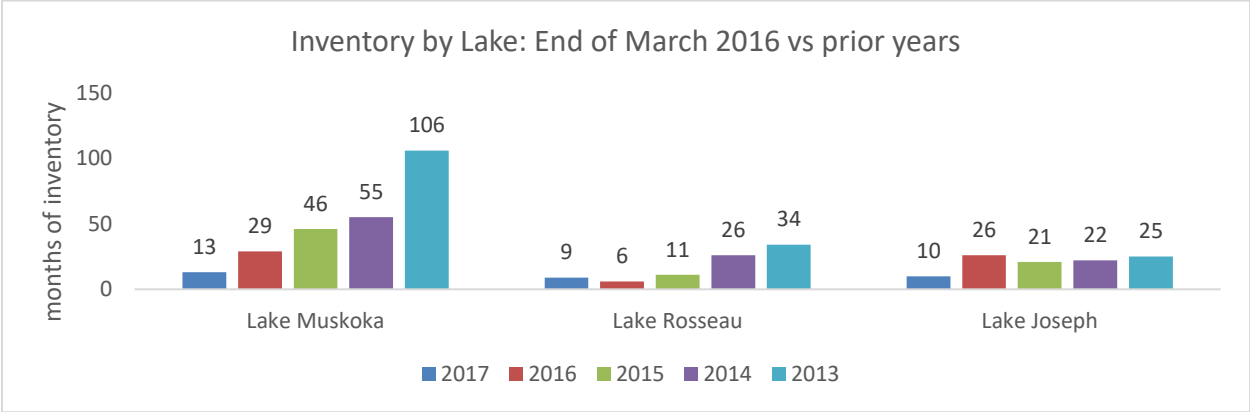
Value/Lake	Lake Muskoka		Lake Rosseau		Lake Joseph	
	2017	2016	2017	2016	2017	2016
0-\$.5 mil	7	22	1	1	0	0
\$.5-1.0 mil	11	23	3	6	1	5
\$1.0-\$2.0 mil	6	24	2	5	4	9
\$2.0-\$3.0 mil	1	9	0	3	0	3
\$3.0-\$4.0 mil	10	4	1	2	2	5
\$4.0-\$5.0 mil	3	1	0	0	0	1
\$5.0-\$6.0+mil	2	3	2	2	3	3
Total	40	86	9	19	10	26

When we look at active listings, the reason for the reduction in sales becomes clear. Last year, on March, 31 there were **131** properties listed for sale across the big lakes. This was down only slightly vs the number of listings at the same time in 2015. This year, the number of listings at the end of March is only **59** or 45% of the number available at the same time last year. The picture is ever bleaker for Buyers searching for cottages priced under \$3million. These total less than 1/3 of the listings that existed at the same time last year.

Cottage Inventory Levels on Muskoka, Rosseau and Joseph

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 high this early in the season. As of March 31, we have only 11.8 months of cottage inventory across all of the big three lakes, compared to 18.7 months at the same time last year. The dramatic reduction in available listings will have an impact on sales if it is not reversed by new listings in the comings months.

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



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		1	0		0	0		0	0
May		5	5		1	0		1	0
Jun		5	3		0	0		1	1
Jul		3	2		1	0		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	0	0	1	0	0	1	0	0	0

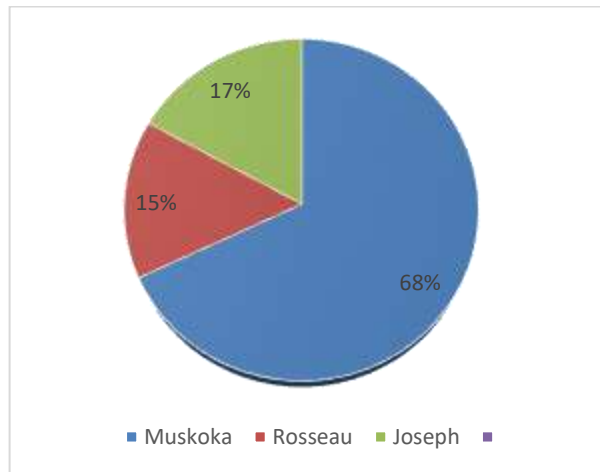
As of March 31 there were 12 island listings- 10 on Lk Muskoka, 1 on Lk Rosseau and 1 on Lk Joseph

As of the end of the first quarter, we have yet to record the first sale of an Island property in 2017, which is not unusual for this time of year. Each of the three big lakes has both single family islands and subdivided islands. However, Lake Muskoka has many more islands that were subdivided into lots ranging from 100 feet to over 300 feet. Lakes Rosseau and Joseph have more single and double family islands, than islands that are divided into many lots. For this reason, Lake Muskoka would traditionally have more island sales, in any given year.

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



A NOTE OF CAUTION: At the start of a season, the relatively few number of sales and listings can often produce data trends that appear severe, when in fact the lack of data points is causing the disruption. We therefore urge our readers not to rely solely on this report when making important decisions regarding real estate. What we can say with confidence, is that the trend which we observed at the end of 2016, towards fewer active listings and higher average sale prices, appears to have continued in 2017. If it continues, this would suggest a market that favours Sellers. Certainly, if you are considering listing a property in Muskoka for sale, now would be a good time to ask your Realtor for an Opinion of Value.

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



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