



Muskoka Real Estate Market Report for End of May 2017

It's been an unusual start to 2017!

After a very slow start in the first quarter, total units sold so far in 2017 on the big three lakes have picked up and are now down just 4% from where they were at this time last year. In total, 73 cottage properties have changed hands during the first 5 months of this year, vs 76 in 2016. However, it's far from a consistent story when we look at each of the big lakes individually.

Both Lakes Muskoka and Joseph, which were down slightly at the end of the first quarter, saw a surge in buying activity in April, and returned to their historical normal pace in May. These lakes are both now tracking ahead of last year in total units sold on a year-to-date basis. Lake Rosseau also started out slow, but that trend continued in April and May, resulting in a decline of over 50% in units sold year-to-date.

Monthly Cottage Sales to End of May 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		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	45	41	37	28	25	9	20	11	10	8	19	15	9	8	10

While year-to-date unit sales are down by 4%, total dollar sales are only down 2% on a year-to-date basis. The difference between the units and \$ sales growth was driven by a 2% increase in the average selling price during the first five months of the year from \$1,671,516 in 2016 to \$1,711,240 in 2017.

This overall increase in selling prices was entirely driven by Lake Muskoka, where the year-to-date average sale price (ASP) went up by 49% vs last year, to \$1,429,022. Conversely, both Lakes Rosseau and Joseph experienced declines in the YTD average sale price. Lake Rosseau had a 9% decrease to an average selling price of \$2,382,669 while Lake Joseph had a 19% decrease which resulted an average sale price of \$2,061,605 during the first 5 months of 2017.

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

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

	2017	2016	2017	2016	2017	2016
\$0-.5mil	8	13	0	1	0	1
\$.5-1.0mil	16	17	3	4	4	2
\$1.0-2.0mil	12	8	2	6	9	6
\$2.0-3.0mil	3	2	1	4	2	2
\$3.0-4.0 mil	3	0	1	1	0	2
\$4.0-5.0 mil	2	0	1	2	3	1
\$5.0-6.0+ mil	1	1	1	2	1	1
Total Cottages	45	41	9	20	19	15

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 May (Compared to Last Year)

Value/Lake	Lake Muskoka		Lake Rosseau		Lake Joseph	
Year	2017	2016	2017	2016	2017	2016
0-\$.5 mil	11	20	1	1	3	1
\$.5-1.0 mil	17	23	3	7	3	8
\$1.0-\$2.0 mil	21	32	6	9	10	18
\$2.0-\$3.0 mil	4	12	4	11	5	5
\$3.0-\$4.0 mil	14	8	2	4	4	9
\$4.0-\$5.0 mil	6	7	0	1	2	1
\$5.0-\$6.0+mil	6	5	4	3	12	10
Total	79	107	20	36	39	52

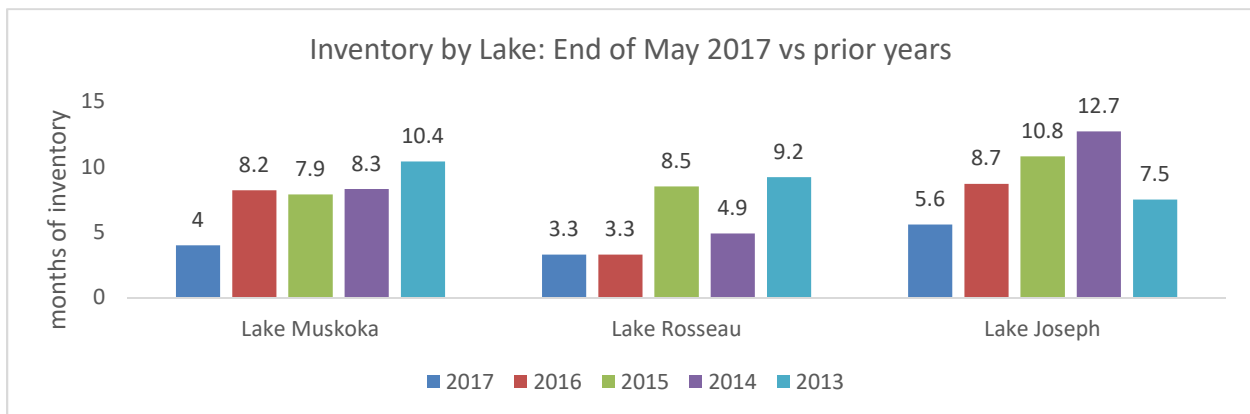
We have recently noticed a trend towards new cottage listings selling quickly, sometimes within days (or hours) of being listed, when they are reasonably priced.

If we look at the number of current active listings, the reason for this becomes clear. Last year, on May 31 there were **195** 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 May is only **138**, which is only **70%** of what was available at the same time last year and just **53%** of what was listed on May 31, 2015. Most of the “missing” listings are from the lower price ranges, (under \$3,000,000) where demand is strongest.

This is not welcome news for Buyers searching for “entry level” property on one of the “Big Three” lakes. Currently, the average asking price for a currently listed cottage property (not including vacant land or properties on one of the rivers with access to the Lakes) is **\$3,358,631**.

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 high this early in the season. This year, as of May 31, we have only 4.1 months of cottage inventory across all of the big three lakes, compared to 4.9 months at the same time last year. This reduction in available listings will begin to have an impact on sales if it is not reversed by a surge of new listings in the coming months.

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		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	9	6	6	0	1	1	1	1	0

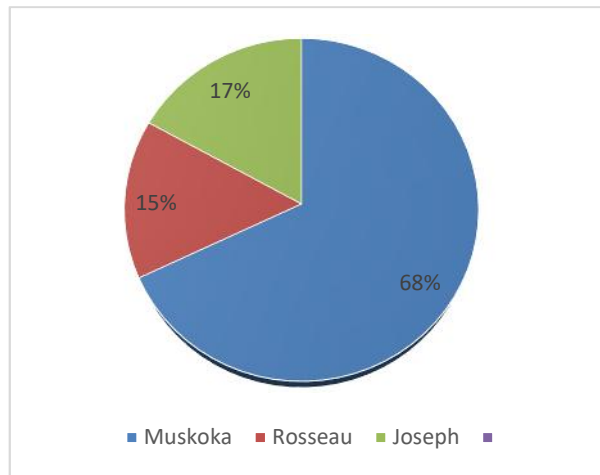
As of May 31 there were 26 island listings- 19 on Lk Muskoka, 1 on Lk Rosseau and 6 on Lk Joseph

Sales of Island properties, particularly on Lake Muskoka, were brisk in April and May this year despite the cool and wet Spring weather. As a result, inventory of Island listings are also down, from a total of 37 at this time last year. Possibly, this has contributed to the higher prices of the remaining listings, since Island properties 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: While it is still early in the season, it is clear is that the trend which we observed at the end of the first quarter, towards fewer active listings, particularly at prices under \$3,000,000, appears to be continuing. If the trend persists, this would suggest a market that favours Sellers. Certainly, if you a cottage owner considering listing your Muskoka property for sale, now would be a good time to ask your 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. Once you have found "the one" and having exercised appropriate due diligence, be prepared to act decisively. Finally, for entry level buyers, don't get discouraged. Despite the high sale and list AVERAGE prices, over 25% of current listings are properties priced under \$1,000,000.

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