



3rd Quarter & YTD 2018 Market Report

Most people involved in Muskoka Real Estate would say this has been a highly unusual year. Slower sales, low inventories, and relatively flat market prices don't often occur at the same time.

Total Waterfront Dollar Sales on the Big 3 Lakes are showing significant declines year to date (-26% vs. 2017). This decrease is driven by a 23% decrease in units sold combined with a 4% decrease in selling prices. Median prices are showing a slight increase. There is also a 26% increase in the number of days a property was on the market before selling, averaging at 63 days. In the Third Quarter, average list prices were down 8% and selling prices down 7% versus year ago, coupled with a 21% decrease in unit sales (77 sales in 2018 versus 97 in 2017).



Big 3 Single Family Waterfront	# Sales	Total Dollar Sales	Avg. List Price	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
YTD Sept. 2018	154	\$285,208,975	\$1,941,798	\$1,852,006	\$1,427,500	63	96.0%
YTD Sept. 2017	200	\$386,368,040	\$2,031,558	\$1,931,840	\$1,397,500	50	96.1%
18 vs. '17	(23%)	(26%)	(4%)	(4%)	2%	26%	(0%)

**Big 3 includes Muskoka, Rosseau, and Joseph as well as Muskoka River up to the Muskoka Falls, Mirror Lake, Joe River

When reviewing the sales by Major Lake, there continues to be sharp decrease in the number of units sold on Lake Muskoka in 2018 with 46 fewer sales versus 2017 (a 27% decrease). On a more positive note, average prices on Lake Joseph were up 8% above 2017 levels. After witnessing stable pricing in the First Half of 2018, we are now seeing declines in average pricing on Lake Muskoka and Lake Rosseau.

YTD Single Family Waterfront Sold Listings*	# Sold			Average Sales Price			2018	2018
	2018	2017	% vs. 2017	2018	2017	% vs. 2017	Days On Market	Selling/List Price
Total Big 3	154	200	(23%)	\$1,852,006	\$1,931,840	(4%)	63	96%
Lake Muskoka	97	132	(27%)	\$1,509,339	\$1,606,398	(6%)	57	96%
Lake Rosseau	28	31	(10%)	\$2,000,036	\$2,420,081	(17%)	100	95%
Lake Joseph	29	37	(22%)	\$2,885,246	\$2,683,811	8%	47	97%

Price Bands of Sold Cottages on Big 3: January-September 2018

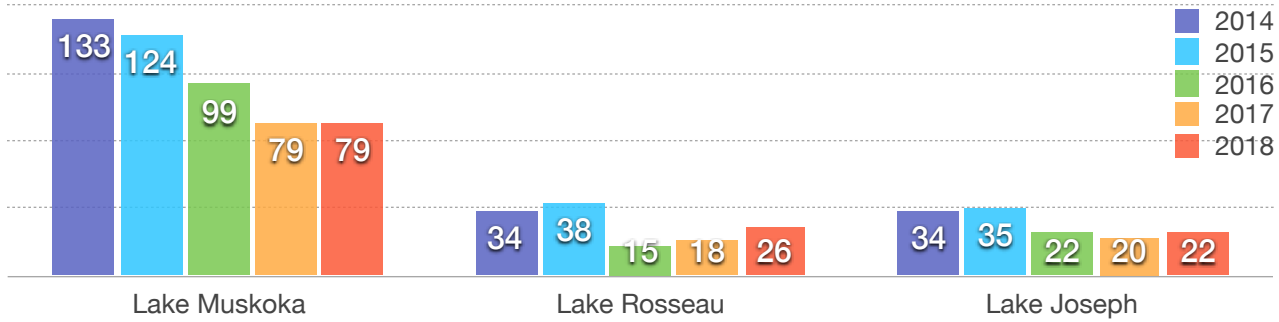
As we discussed in our Summer 2018 newsletter, there has been a dramatic decrease in the number of properties sold under \$2MM especially on Lake Muskoka where there were only 75 unit sales compared to 101 in 2017, a 26% decline. The \$2-4MM price bands are up slightly. Activity in the higher price bands remains soft, with sales on all three lakes down vs. last year.

# units sold	Muskoka		Rosseau		Joseph		TOTAL BIG 3		% difference
	2018	2017	2018	2017	2018	2017	2018	2017	
In \$MM									
<\$0.5	5	11	0	0	0	0	5	11	(55%)
\$0.5-0.99	36	46	6	5	2	6	44	57	(23%)
\$1.0-\$1.99	34	44	12	12	11	17	57	73	(22%)
\$2.0-\$2.99	11	10	6	7	5	4	22	21	5%
\$3.0-3.99	9	12	2	2	5	1	16	15	7%
\$4.0-4.99	1	7	0	2	2	3	3	12	(75%)
>\$5.0	1	2	2	3	4	6	7	11	(36%)
Total	97	132	28	31	29	37	154	200	(23%)

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September Active Listing Inventory By Major Lake: 2014-2018

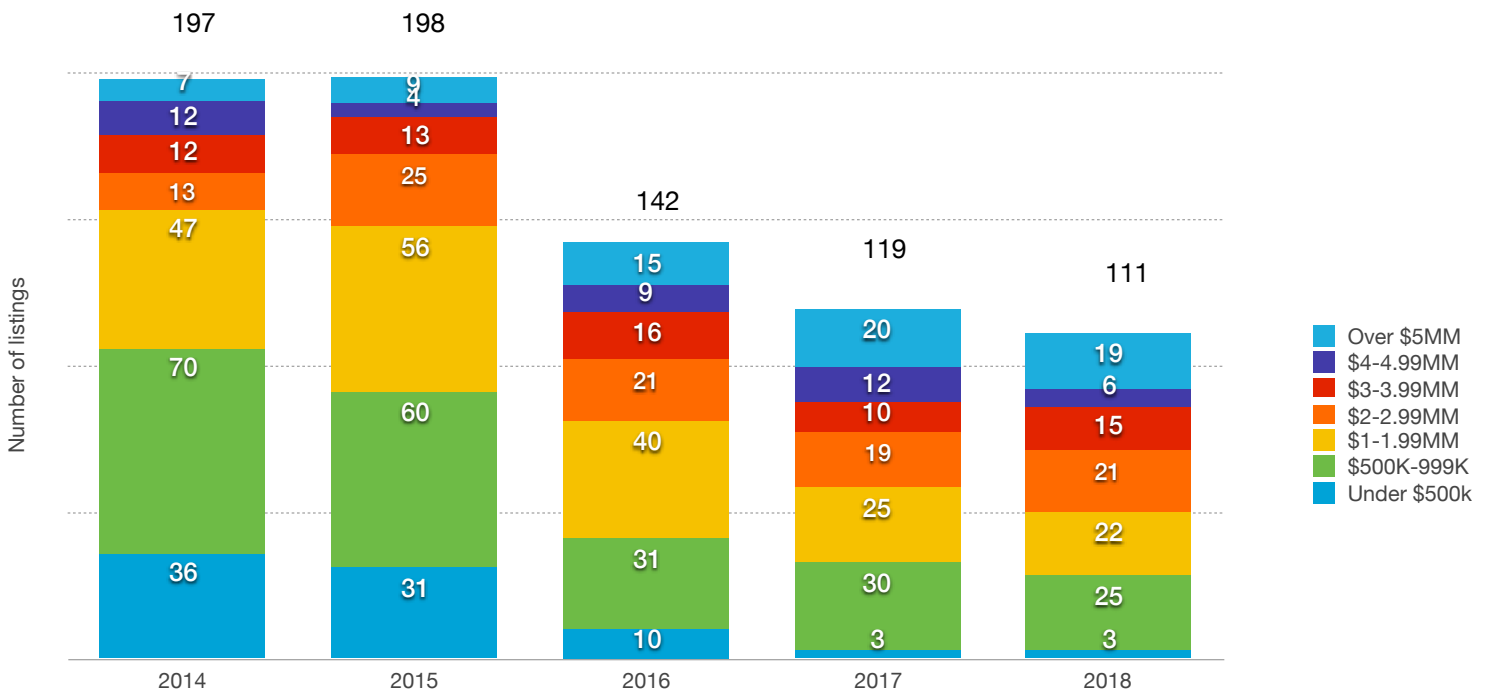
Includes waterfront residential property only



Note: Inventory is counted if a property was an active listing at any time during the month

September Active Listing Inventory By Price Band: 2014-2018

Includes waterfront residential property only



Inventory levels continue to be low but stable vs. 2017. As discussed in a previous newsletter, the mix of listings by lake and price point has experienced a significant shift over the past few years. The “entry level” segment of the market has contracted dramatically with listings under \$1MM now accounting for only 25% of active listings (28 of 111) in 2018 compared to 54% in 2014. Conversely, active listings over \$3MM now represent 30% of the market compared to 16% in 2014. This shift in prices has resulted in a surplus of high end listings and a shortage of lower priced properties, which may partially explain the significant reduction in units sold.

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Water Access Sales On Big 3 Lakes

Total Big 3 Boat Access	# Sales	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
Jan - Sept 2018	19	\$1,009,368	\$885,000	87	97%
Jan - Sept 2017	18	\$1,134,944	\$755,000	66	96%
18 vs. '17	6%	(11%)	17%	32%	1%

A bright spot in the market is water access properties. Unit sales are up slightly versus 2017 and median prices are up 17% impacted by 6 properties sold over \$1MM compared to 4 in 2017. September closing inventory of active listings includes 15 properties over \$1MM accounting for 50% of total listings.

Vacant Land On Big 3 Lakes

Total Big 3 Vacant Land	# Sales	Avg. Sale Price	Median Sale Price	Avg. DOM	% sold. price/list price
Jan - Sept 2018	13	\$1,092,923	\$1,000,000	207	99%
Jan - Sept 2017	27	\$922,731	\$657,500	69	94%
18 vs. '17	(52%)	18%	52%	200%	5%

Lot sales are down 52% versus year ago. However, both average sale price and median prices are above 2017 levels. In 2018, there have been 8 sales above \$1MM including one lot sale for \$3.45MM. As of September 30th, there were 29 active land listings including 14 water access properties with 9 in the under \$500,000 price band and 13 in the \$500,000 to \$999,999 band.

Commentary

I reached out to my Broker Of Record John O'Rourke for some commentary on what he believes are the underlying factors driving the current slowdown in the Muskoka Waterfront Market. His insights are as follows: *"Downward pressure was applied across many fronts; low inventory, a cooling GTA market, consumer edginess regarding changing U.S. relations, and Buyers digging in their heels following the frenzied market in 2016 and 2017."*

I have always said that no one "needs" a Muskoka cottage and it's an important investment both financially and emotionally, so its critical to get a good fit. I have found that many of my Buyers are patiently waiting for the right properties to come up and therefore it's critical to act quickly when they do. Good properties continue to move quickly, even in this market. For me personally, September and October have been uncharacteristically busy and many of my colleagues are also experiencing increased activity. My expectation is that our year end report will show a stronger Fourth Quarter trend.

For more information on National and Key Market Real Estate Trends, here is a [Link](#) to Royal LePage House Price Survey and Market Third Quarter Survey Forecast.

**Please reach out if to me if there are additional questions I can answer.
Feel free to forward this on to friends and family. The lifeblood of my business is referrals
and I would be happy to help them with them with a Muskoka purchase or sale.**