

2018 Cottage Market Forecast

Time flies: 2017 was my 21st year as a Chestnut Park realtor in Muskoka. This was my busiest year ever, with \$45 Million in sales transactions. My career sales of cottage properties now exceed 190 properties and \$260 Million.

I am the only Chestnut Park agent that actively works in both The Muskoka Lakes & The Lake of Bays markets. Approximately 80% of my sales are now comprised of repeat and referral clients. Thank you for your ongoing support!

Chestnut Park is the exclusive Muskoka affiliate for "Christie's International Real Estate". The Christie's connection has added proven global marketing reach to our Muskoka cottage listings, via the popular Christie's website & magazine.

Chestnut Park's team of Muskoka agents again outpaced the market in 2017, and increased the Brokerage's market share. Chestnut Park continues to dominate the mid and high-end cottage market segments across Muskoka.

In 2017 the greater Muskoka/ Haliburton/ Orillia Region saw total Recreational property listings fall by 6%, while total number of properties sold dropped by 10% from record-high 2016 levels. However, the total dollar value of those 2017 transactions rose by 9%, indicating a significant rise in the Region's average sale price of a cottage property this year.

On The Muskoka Lakes, the total number of cottage transactions for 2017 year-to-date showed an 8% decline from excellent 2016 results, due to a proportional decline in available cottage inventory. The average sale price of a "Big Three" property rose in most market segments.

The 2017 high-end Muskoka Lakes segment saw 69 property sales over \$2 Million, besting the record-60 properties that sold in this segment last year. 27 of these 2017 sales were in excess of \$4 Million, compared to "only" 13 sales in this segment in 2016. There were 4 sales over \$8 Million each. High net-worth buyers may be more insulated from the current economic uncertainties. 6 of these 69 sales were Island properties. This high-end Island segment started to revive in 2015 after being near- dormant since 2007. Entire Islands are gaining in popularity, offering the ultimate in privacy & status.

The Lake of Bays area saw 2017 cottage transactions drop by 12% from excellent 2016 results. Inventory levels fell by 14%, no doubt causing the drop in sales. The average sale price slipped by 6%, as the high-end

segment saw 5 cottage sales over \$2 Million each, compared to 6 sales in this segment in 2016. A sale over \$2 Million is a rarity on the Lake. I sold a huge vacant parcel of land on the Lake listed for \$9.340M, which may be a record such sale. In my opinion, the demand exists for newer luxurious cottages on Lake of Bays, but the supply is weak and listing prices are often unrealistic.

If the 2016-2017 Muskoka market forces of increased demand & lower supply continue into 2018, expect a noticeable rise in average sale prices of cottages fueled by multiple/ competing offers. Properties on Islands and smaller Lakes will also see rises in market activity & values. In Spring 2017 we didn't see the insane buying frenzy & then the dramatic slowdown that some areas of Toronto experienced; we don't have the offshore or investment buyers prevalent in Toronto.

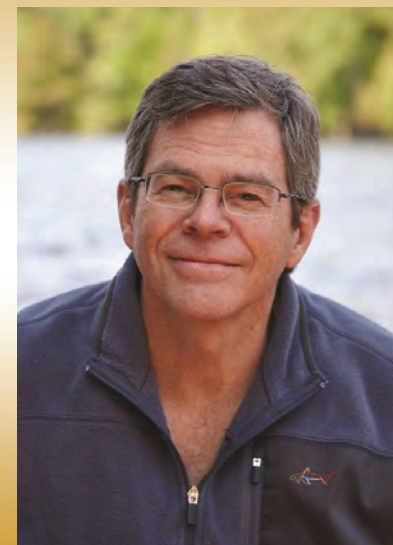
For 2018, expect the active Muskoka market to continue, however the volume of cottage transactions will be constrained by ongoing inventory shortages. I predict the market segment above \$2 Million will remain buoyant, as the Muskoka region continues to be in favour amongst high net-worth buyers.

Since 2015 we've seen numerous "ex-pat" cottage buyers securing a cottage to enjoy upon their return to Canada. They're Canadians living in the U.S., Europe & Asia, thus earning Euros and American dollars. They know Muskoka, and are buying now due to the depressed Loonie. I expect this buying trend to continue until the Loonie rebounds.

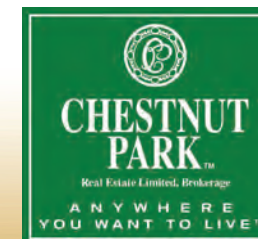
The effect of Donald Trump's Presidency on the Canadian economy is still uncertain, with NAFTA in jeopardy. Our Muskoka cottage market is influenced by buyer's confidence levels, and by the health of the world's equity markets.

As I predicted, many of my recent buyers have been existing cottagers looking to upgrade to a larger property or different location; they were seeking the "ideal" property and thus didn't make urgent decisions. Expect this trend to continue into 2018 and beyond as baby boomers "mature".

Do you know what your cottage is worth in our evolving 2018 market? Call me for a complimentary evaluation without obligation. I currently have qualified clients wishing to purchase cottages and vacant lots on Lakes Rosseau, Joseph, Muskoka, Skeleton and The Lake of Bays.



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MUSKOKA HAPPENINGS: YEAR END 2017

Muskoka enjoyed a warm, spectacular Autumn after a cool, soggy Summer. The Long Weekends all Summer and Fall saw record crowds enjoying the towns & lakes across Muskoka. Lake levels are being lowered in readiness for the winter season, to avoid flooding next Spring.

The Toronto International Boat Show will take place from January 12th to 21st at the Enercare Centre, Exhibition Place.

Please join your local cottage association if you're not already a member. These volunteer groups provide valuable programs to help you get more enjoyment out of your cottage.

Their efforts can boost your property investment.

For Muskoka Lakes cottagers see www.mla.on.ca.

For Lake of Bays cottagers go to www.loba.ca

If you wish to receive this newsletter via email, please contact me at pcrammond@muskoka.com

It is my goal to know everything about our Muskoka cottage neighbourhood that affects the value of cottages like yours and mine. The following may advise you as to Muskoka's happenings during the recent Autumn months:

Recent Developments & Commercial Real Estate

The most important issue to affect Muskoka cottagers in recent history has surfaced this Summer and Fall. There are proposed changes to the District's Official Plan that would designate up to 50 % of a Resort's property for high-density Residential/Recreational development. This has been proposed to give Resort owners a means to raise capital to improve their properties. However these OP changes could encourage high-density cottage complexes to be built.

There are already 2 of these developments under construction; one on the old Tamwood Lodge property on Lake Muskoka comprises 22 cottages ("The Villas"), and the other on the former Lakeside Lodge site on Lake Rosseau ("Legacy of Lake Rosseau"). "Legacy" is building 42 detached cottages on 470 feet of shoreline.

There are over 80 Resort properties in the District that could be affected by these OP changes. Cottagers are concerned for reasons of density, boating safety, and the environmental health of the Lakes. Many cottage groups

are opposing these OP changes. For info and to support these groups see www.mla.on.ca and www.loba.ca and www.savemuskoka.ca

The Port Carling community "Health Hub" has now opened. A Nurse Practitioner will treat minor illnesses and injuries for seasonal & year-round residents. The Health Hub is part of the "Brock & Willa Wellness Centre", located beside the Foodland. Fundraising efforts continue, with over \$1.5 Million raised of the \$2.0 Million total cost. Completed, the Centre will include a retirement residence & "Andy's House" Hospice. See; www.brockandwillawellnesscentre.com

In Bracebridge, the Library will move from the current historic Carnegie building downtown to a new facility on the Town outskirts, shared with a new arena complex. Also in Bracebridge, a new \$7M combined firehall & paramedic facility has just opened on Taylor Road.

The District of Muskoka has seen its OPP costs increase from \$10Million in 2014 to over \$15Million for 2017, due to a new Provincial funding model. Annual property taxes have increased an average of \$70 per property. Townships with sparse populations such as Muskoka Lakes and Lake of Bays pay proportionately higher policing costs than Bracebridge, Gravenhurst & Huntsville. Politicians from these 3 Towns, the District & the Province have refused to modify the model.

On The Lake of Bays, the new owners of historic Langmaids Island have indicated to the Township they wish to create up to 37 vacant building lots on the Island. The average lot would comprise over 500 feet of shoreline. The Island measures over 140 acres in size with approximately 3 miles of shoreline. The new owners have also purchased “Beauview Resort” on South Portage Road to use as a mainland base for car parking and a boat shuttle service to the Island. This is similar to Bigwin Island’s method of transporting cottagers.

On the resort scene, most Muskoka resorts were quiet during the Summer weekdays and very busy on the weekends, despite the rainy weather. The Rock golf course in Minett is actively for sale, while the nearby Clevelands House is rumoured to be available, as its controversial owner/developer Ken Fowler died in Spring 2017. Lake Joseph’s iconic Sherwood Inn has a romantic Lakeside summer patio for brunch or lunch, and the elegant dining room and lounge are open year-round. Windermere House’s verandah may have the best Lake-views of any Resort.

On the Port Carling restaurant scene this summer, "Turtle Jack's" continued to dominate. On the waterfront beside the LCBO, “Grand Electric” and “Frankie’s Surf Club” bar were summer hot-spots. “Loondocks” is sadly for sale. On Highway 118, the former “Rebecca’s” restaurant has reopened as “Richwell’s” casual fine dining, with former chef Charles returning to run the kitchen. Also in Port, the new “Cottage Bistro” was open but only for Summer service. The Tim Horton’s finally opened, employing 25 full-and-part-time employees. On summer weekends, there is a need for a traffic light nearby on Highway 118. The traffic jams are reminding cottagers of Toronto tie-ups! In Baysville on The Lake of Bays, the Cast Iron Restaurant had another popular summer.

In Bracebridge, the new Irish restaurant, “Kelly’s Kitchen Pub”, at the south end of the main (Manitoba) street, is proving very popular. It features a wide choice of Irish beers, plus some authentic Irish dishes. The Mexican restaurant “El Pueblito” is still proving very popular after its 3nd summer. The former “Inn at The Falls” is closed and for sale.



*Represented the Purchaser

Not intended to solicit properties already listed for sale.
If you do not want to receive future newsletters
please contact me at perammond@muskoka.com

MY 2017 MUSKOKA SALES

SOLD: LAKE JOSEPH Desirable “Hemlock Point” notable Estate. Ideal 540 ft ideal shoreline: Beach too. Luxurious, newer 5-suited main cottage for family & friends to enjoy year-round. New 3-bedrm guest cottage, fab 2-story boathouse with guest suite, & 3-bay garage. Listed at \$9,895,000.

SOLD: LAKE OF BAYS “Once in your Lifetime” offering of 2,640 ft of perfection granite & beach shoreline. Perfect south lake locale, just minutes to Baysville, convenient to Highway 11. Sweeping views to South & Southeast. Create the ultimate family compound. Listed at \$9,340,000.

SOLD: LAKE MUSKOKA Popular Acton Island/Innisfree locale. Almost 400 feet private treed shoreline. Spacious newer 6-bdrm year-round cottage, ideal for extended family. Great 2-story boathouse w/ guest suite. Minutes to Port Carling & Bala. Listed at \$3,595,000.*

SOLD: LAKE MUSKOKA Perfect location: rarely-offered Mortimers Point/Heather Lodge Road locale. Long panoramic views & 270 ft private shoreline; Clear deep waters. Newer renovated winterized 4-bedroom luxe cottage, boathouse & 3-bay coachhouse. Listed at \$3,195,000.*

SOLD: LAKE MUSKOKA Gorgeous 330 ft point of classic granite & towering white pines. Ideal Foreman Rd location, 6 minutes to Port Carling by car or boat. Luxe newer 3-slip/2-story boathouse & iconic Panabode summer cottage. Listed at \$2,250,000.

SOLD: LAKE ROSSEAU Rare offering of historic, large & private shoreline on Royal Muskoka. Spectacular South/Southeast views to Morinus church & beyond. Immaculate classic cedar bungalow cottage shows charm. Large party docks. Listed at \$2,195,000.*

SOLD: LAKE MUSKOKA Popular & convenient “Sunset Bay” immaculate 4-season family cottage. Open concept 3bedroom/2 bath “Post & Beam” cottage with loft. Long East views. Excellent boathouse & garage. Close to Bala. Listed at \$1,795,000.

SOLD: LAKE ROSSEAU Spectacular & Inspiring 5-mile views down Lake Rosseau. Classic Viceroy cottage is ideal for family fun year-round. 200 ft of private, classic rock shoreline. Minutes to Rosseau Village. Listed at \$1,695,000.

SOLD: LAKE JOSEPH Coveted Port Sandfield/ Cumberland Bay locale on Central Joe. Charming, winterized newer 3 bedroom/ 2 bath cottage at water’s edge. Minutes to Lake Joseph Club. An ideal condo alternative. Listed at \$1,395,000.

SOLD: LAKE OF BAYS Popular “Greenpoint” community. Due-West sunset exposure. Charming 4-season renovated Viceroy cottage; move-in & ready to enjoy. 225 feet treed, private shoreline with large dock. Offered at \$1,195,000.

SOLD: LAKE MUSKOKA Authentic & charming 1913 Olde Muskoka cottage & bunkie. Situated on 400 ft gentle waterfront on Shaw Island in “The Kettles”. Experience summer cottaging as it was meant to be. Listed at \$795,000.

SOLD: BRUCE LAKE Beautiful treed vacant building lot offers 410 ft sunny shoreline. 4 acres of privacy. Minutes to Marriott Resort & Port Sandfield. Build your new dream cottage & boathouse here. Listed at \$595,000.

SOLD: LAKE MUSKOKA Unique opportunity to access big lake boating & enjoyment. 65 ft shallow shoreline in Milford Bay. Over 4 acres of land. Build a year-round home or cottage. Listed at \$195,000.

MY 2018 MUSKOKA PROPERTY LISTINGS



LAKE JOSEPH
*Welcome to “Edgestone”
Enjoy over 2,100 feet of spectacular shoreline; Forever privacy. 4 vacant lots for family expansion. 29 acres for Trails/ Helipad/ Golf holes. Newer 7,000 sq ft luxurious & traditional vacation home. Your ultimate family vacation destination. Exclusive at \$12,900,000.*



SPARROW LAKE
Ultra-Convenient location just 90 minutes from Toronto. Unique opportunity to build 3 family cottages & 3 bunkies. Incredibly private 6-acre peninsula offers 2,900 feet of shoreline. Gorgeous natural sand beach & dramatic pink granite points. All-day sunshine with every exposure, & year-round sunsets. Listed at \$2,995,000.



FOR DETAILS ON THESE PROPERTIES, OR FOR A CONFIDENTIAL
MARKET EVALUATION OF YOUR COTTAGE,
CONTACT ME AT 705-646-8129 or perammond@muskoka.com



LAKE ROSSEAU
Central locale; only 6 minutes to Mariott Resort by car or boat. 170 feet treed shoreline. Low-maintenance granite landscaping. Completely renovated & bright contemporary cottage to enjoy. Spectacular Luxe boathouse for entertaining friends & family. Incredible due-South views to Tobin Island & beyond. Exclusive at \$2,599,000.



BRUCE LAKE
Central Muskoka’s ultimate small-lake estate. 420 feet of SouthWest shore; 32 forested acres of privacy. Minutes to Marriott Resort, Ports Sandfield & Carling. Luxurious, furnished 7,500 sq ft 4-season vacation home. Beautiful 2-slip, 2-story boathouse for guests. Listed at \$2,499,000.

