

REAL ESTATE MARKET REPORT

# JANUARY-DECEMBER 2024: MUSKOKA AND REGION

Prepared by: Chris Kapches, LLB, President and CEO, Broker



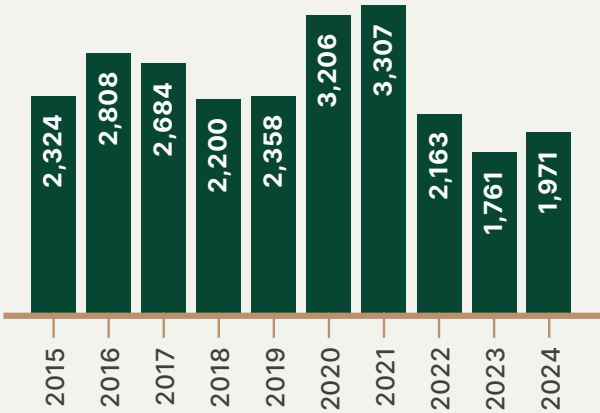
2024 is behind us, and for the most part it has ended positively, particularly when compared to 2023. The Covid-19 pandemic and its impact on both the residential and waterfront marketplace was unprecedented.

What we have inherited post-pandemic are substantially elevated average sales prices, yet historically low sales numbers. In 2024, we saw sales increase in all but one market region, with average sale prices either remaining strong or increasing in almost all market regions.

RESIDENTIAL RESALE MARKET

The residential market in the Muskoka Region (Gravenhurst, Bracebridge, Huntsville and other communities) improved in 2024 as compared to 2023, both in terms of sales activity as well as the dollar volume of total sales. Sales activity increased by almost 12 percent, pushing dollar volume by 8 percent to almost \$2 Billion. Although the improvement in the resale market was welcomed, it was still weak compared to the last decade of market activity.

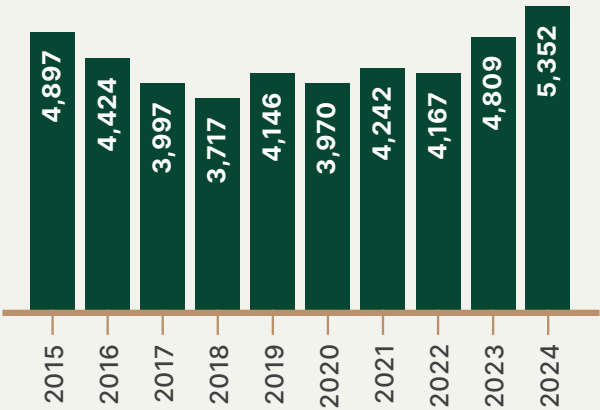
SALES ACTIVITY  
December Year-To-Date



Even though sales activity improved in 2024, the average sale price for all properties sold, although still lofty, declined by 3.6 percent year-over-year to \$975,272. This was the second year in succession that the average sale price declined. Having said that it remains substantially higher than historic norms. In fact it is 62.5 percent higher than the prevailing average sales price just before the Covid-19 pandemic. One reason for the

decline in the average sale price is due to buyer choice. 2024 saw an influx of new listings, more listings than we have seen in more than a decade.

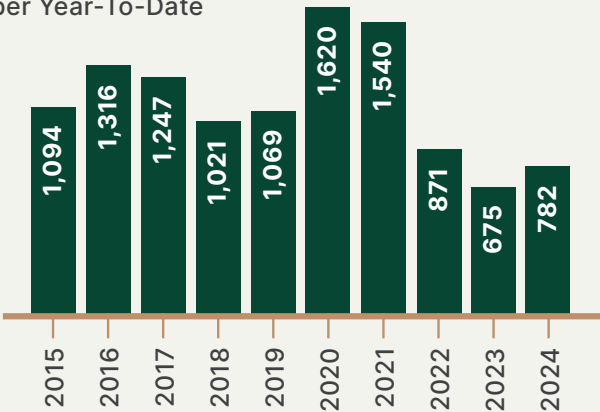
NEW LISTINGS  
December Year-To-Date



WATERFRONT MUSKOKA REGION

Like the Muskoka and Region residential marketplace sales activity in the waterfront marketplace showed significant improvement compared to 2023. In 2024 sales activity improved by almost 16 percent driving the dollar volume of sales up by almost 14 percent to \$1,121,244,252. Sales volume, as the chart below indicates, still remained substantially below historic sales volumes. In fact more waterfront properties were reported sold in 2014, a decade ago, than in 2024.

SALES ACTIVITY  
December Year-To-Date



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The average sale price came in at \$1,433,816 for all waterfront sales for the year, a slight drop compared to last year's average sale price (-2 percent). Average sale prices for waterfront property have grown exponentially over the last decade. In fact, the average sale price achieved in 2024 was 124 percent higher than the average sale price reported in 2014, and 52 percent higher than the pre-pandemic average sale price of 2019.

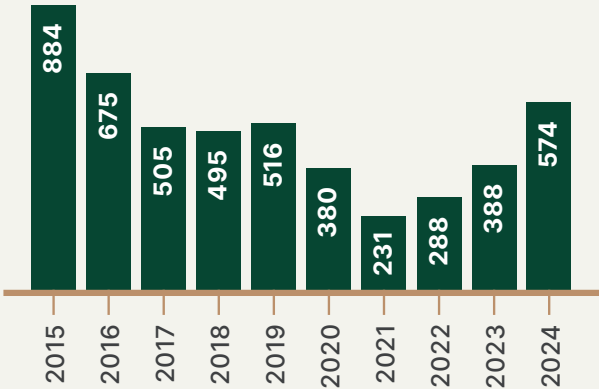
It was not surprising to see inventory levels of waterfront properties increase in 2024, driving the months of available waterfront properties to almost 9 months, the highest level in available inventory in 10 years. These numbers are not an accurate reflection of "new listings" coming to

market. A high percentage of these properties are re-listings, some of which have been available and on the market for two years. We will see months of inventory decline in 2025 as sales activity increases and many of the re-listed waterfront properties are absorbed.

The waterfront marketplaces of Bracebridge, Gravenhurst, and Huntsville all had growth in sales activity in 2024, with Bracebridge area sales increasing by almost 30 percent, coming in with an average sale price of \$1,071,064. Although waterfront sales improved in the Huntsville area, growth was more muted at 2 percent compared to 2023.

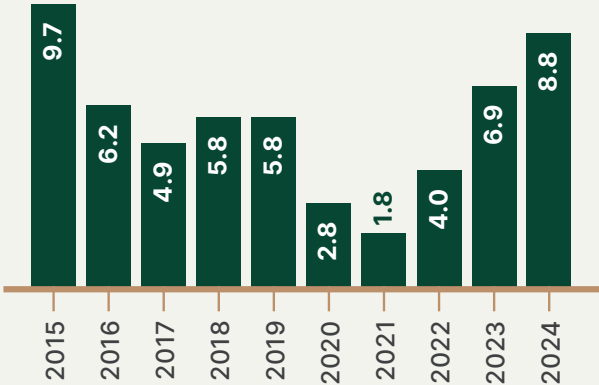
### ACTIVE LISTINGS

December Year-To-Date



### MONTHS OF INVENTORY

December Year-To-Date

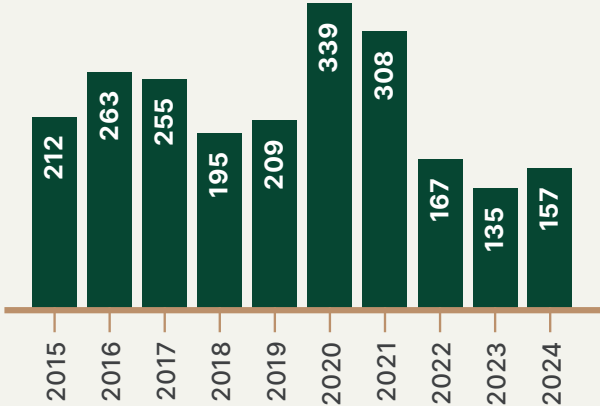


### MUSKOKA LAKES WATERFRONT

As in the case of the over-all waterfront property sales, there was growth in the Muskoka region's most expensive marketplace. In 2024, sales on the Muskoka Lakes improved by more than 16 percent compared to 2023. These numbers do not include exclusive and off-market sales. Almost 30 percent of all Chestnut Park's sales were either exclusive or off-market. The average sale price for all reported sales came in at \$2,545,042, which includes waterfront sales on the smaller lakes in the area. Like all other waterfront markets, sales in 2024 were substantially lower than over the past decade. Sales in 2024 in the Muskoka area were 25 percent lower than sales achieved in 2019.

### SALES ACTIVITY

December Year-To-Date



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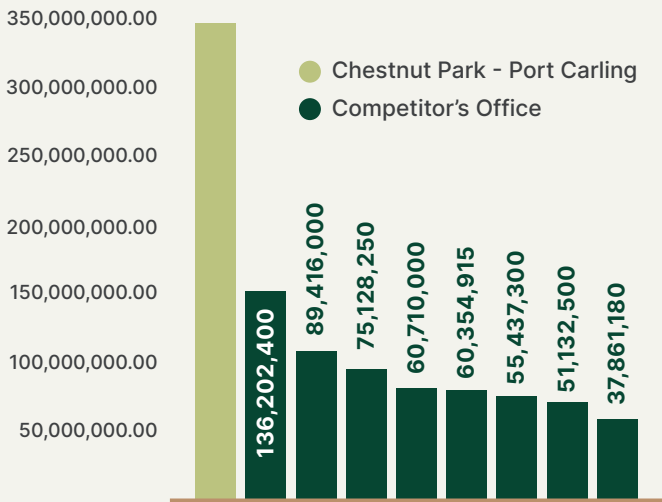
There was considerable sales activity on Muskoka's Big Three Lakes, Lake Muskoka, Lake Rosseau and Lake Joseph, but like other waterfront market areas, not comparable to pre-pandemic numbers. There were 73 reported sales on Lake Muskoka, 26 on Lake Rosseau, and 23 on Lake Joseph\*. These numbers do not include exclusive and off-market sales. The average sale price for all sales on Lake Muskoka was \$2,203,893, \$4,067,768 for Lake Joseph, and \$4,798,265 for Lake Rosseau. These numbers do not include exclusive and off-market sales, which if included would bring these average sale prices up considerably. *\*Numbers as of end of November 2024 due to implementation of new MLS platform.*

### CHESTNUT PARK PERFORMANCE

Chestnut Park's sales representatives had a superlative year in 2024. The waterfront market improved by 16 percent. Chestnut Park's performance was 29 percent stronger in 2024 than in 2023 with an average sale price of \$3,507,445, 145 percent higher than the average sale price of all waterfront reported sales. Even in December when the waterfront market was dormant, Chestnut Park's sales representatives wrote 9 sale transactions. An amazing accomplishment during a challenging resale market. Chestnut Park's Port Carling office outperformed the next closest competitor's office by more than 150 percent as the chart below indicates.

### RANKING REPORT FOR OFFICES LOCATED IN MUSKOKA LAKES AREA

January 1, 2024 - November 30, 2024  
Based on Waterfront Property Sales Volume in Muskoka



### LOOKING AHEAD TO 2025

Sales growth is anticipated to increase by 6 to 8 percent in 2025, a welcome improvement over 2024, but still below the number of sales reported in the years leading up to the pandemic. Expect growth in average sale price to be modest, somewhere in the range of 3 to 5 percent. The cost of financing, which will play less of a role in residential sales than in the case of waterfront transactions, will constrain price growth.

It is impossible to determine the impact of the economic and political turmoil that is expected in 2025 on the Muskoka and Region recreational and waterfront marketplace. An election will take place in Canada, and in Ontario. The threat of American tariffs will no doubt create monetary uncertainty and if implemented, inflationary pressures, an economic downturn, and uncertainty that is not favourable to the residential and waterfront marketplace. Politics aside, 2025 begins positively and optimistically. The real estate landscape, both for residential and waterfront properties, improved in 2024 and it will continue to do so in 2025.

