



Condo Communique'

A Newsletter by RICK CROUCH - Broker
Royal LePAGE Locations North

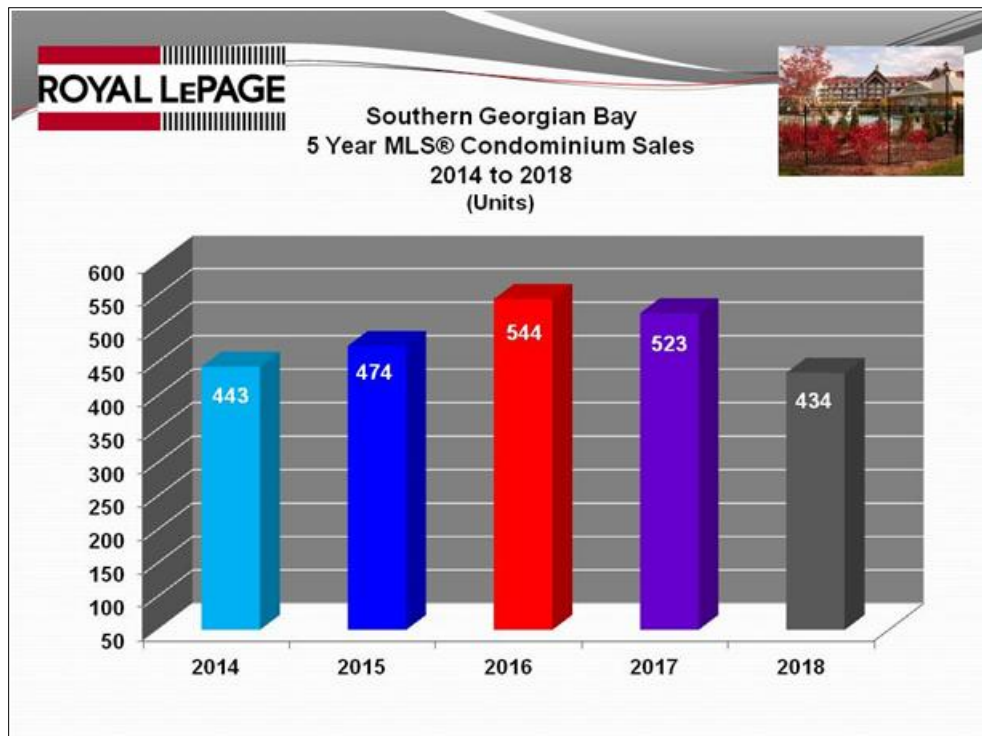


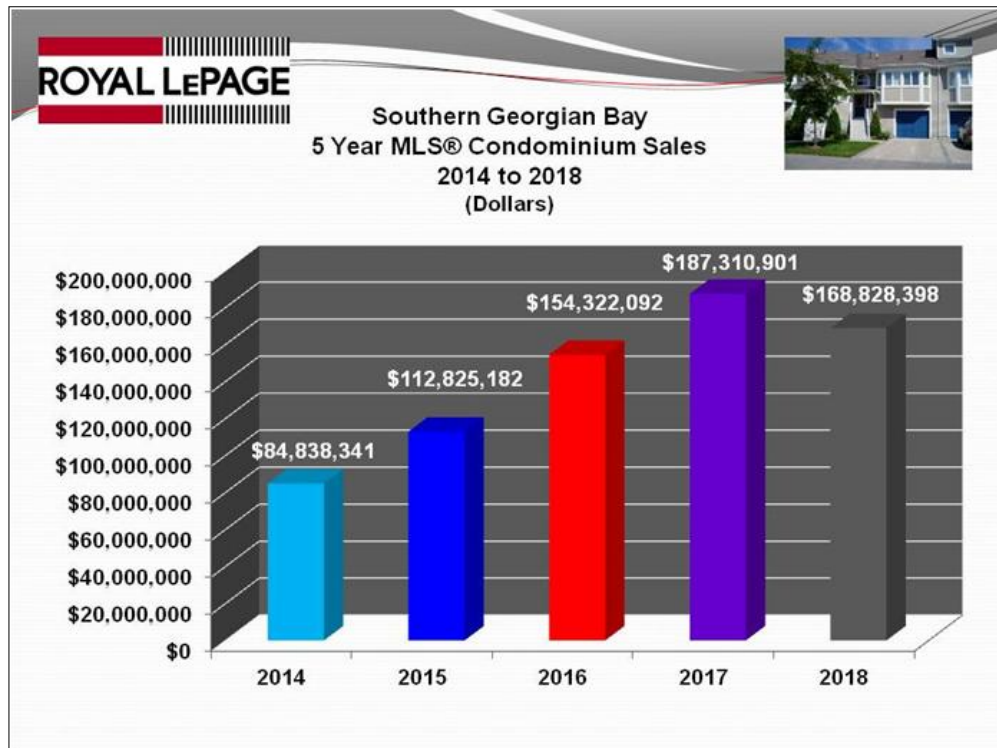
Southern Georgian Bay 2018 MLS® Condominium Year-End Market Report February 2019

Market Overview

Condominium sales across the southern Georgian Bay area have continued to play an increasing role in the local real estate market. Whether it's the preferred lifestyle for recreational or retirement use, affordability of purchase versus a single family home or simply a matter of personal choice, a large number of buyers looking for area property especially in the Collingwood and Blue Mountains area are opting to purchase a condominium of one type or another.

As was the case with our market overall last year, condominium sales softened in 2018. MLS® condominium sales as reported by the Southern Georgian Bay Association of REALTORS® totalled 434 units. This was a 17% drop from 2017 and was the lowest level of sales that we have seen in the last 5 years. It is important to acknowledge that these results do not include the sale of new condominium units made by builder/developers outside of the local MLS® system in such projects as the Shipyards, Silver Glen Preserve and Blue Fairway in Collingwood and others such as Mountain House (Windfall) in the Blue Mountains. The sale of new units has clearly impacted the resale of existing condominium units but this will balance out over time as these new properties will eventually start to hit the MLS® resale market.





From a dollar volume perspective, the 434 MLS® condominium sales last year totalled \$168.8 million, or approximately 18% of the total MLS® sales in our area. Total MLS® condominium sales in 2017 exceeded \$187 million, the highest annual dollar volume ever, sales in 2018 reflected a decrease in dollar volume of just over \$18 million or 10%. Again, these results do not include the sales of new condo units some of which may not as yet be built or finished.

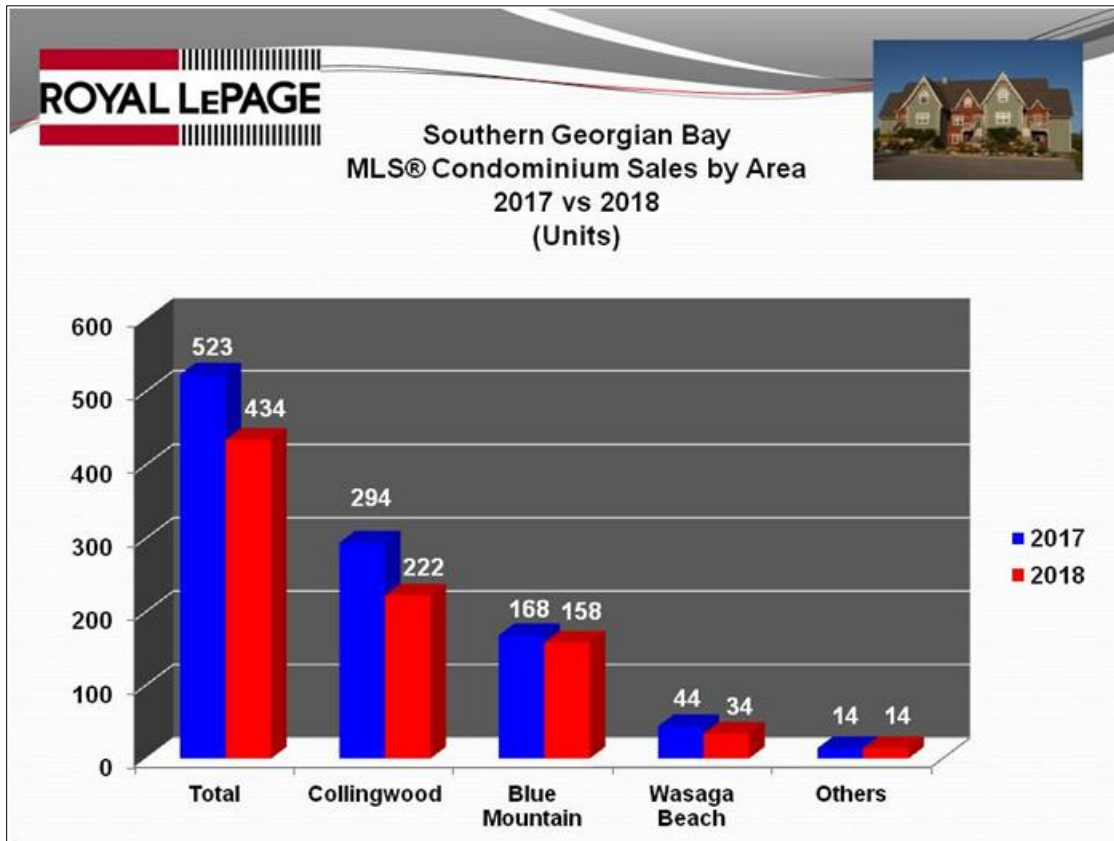
The chart below clearly shows where the growth in condo sales is the strongest and that is in the \$500,000 to \$749,000 range. Over the past several years condo purchasers are clearly looking and buying units that are larger, have better finishes, full basements, garages etc.

ROYAL LEPAGE

Southern Georgian Bay
MLS® Condominium Sales
2017 vs 2018 By Price Range
(Units)

| Price Range | 2018 | 2017 | % Difference |
|-----------------------|------------|------------|---------------|
| Under \$200,000 | 39 | 71 | -45.1% |
| \$200,000 - \$299,999 | 104 | 148 | -29.7% |
| \$300,000 - \$399,999 | 137 | 157 | -12.7% |
| \$400,000 - \$499,999 | 74 | 79 | -6.3% |
| \$500,000 - \$749,000 | 61 | 47 | 29.8% |
| \$750,000 - \$999,999 | 11 | 17 | -35.3% |
| Over \$1 Million | 8 | 4 | 100.0% |
| Total | 434 | 523 | -17.0% |

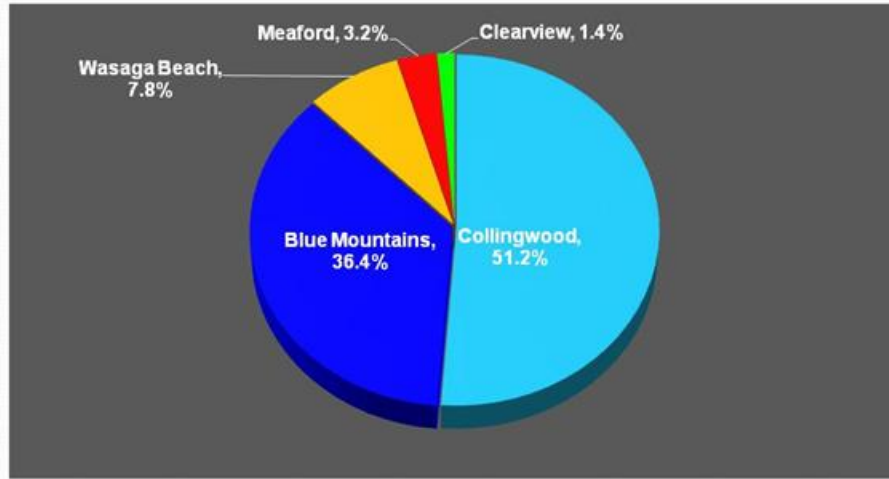
Historically, Collingwood and the Blue Mountains have been the two municipalities where the bulk of area condominium sales have been concentrated. Condo sales commenced in Collingwood back in the early 1980's with the development of Cranberry Resort. In the late 1980's other Collingwood developments such as Dockside Village, Mariners Haven and Lighthouse Point started followed by the commencement of condo construction at Blue Mountain with projects such as Chateau Ridge, Cachet Crossing, Wintergreen and others. With the arrival of Intrawest as part owner in Blue Mountain Resorts around 2000, the Village at Blue Mountain began and marked a big step forward of the "resort condominium" concept where owners of these units could opt in to a formal rental program providing them with a revenue stream of rental income to offset their ownership costs.



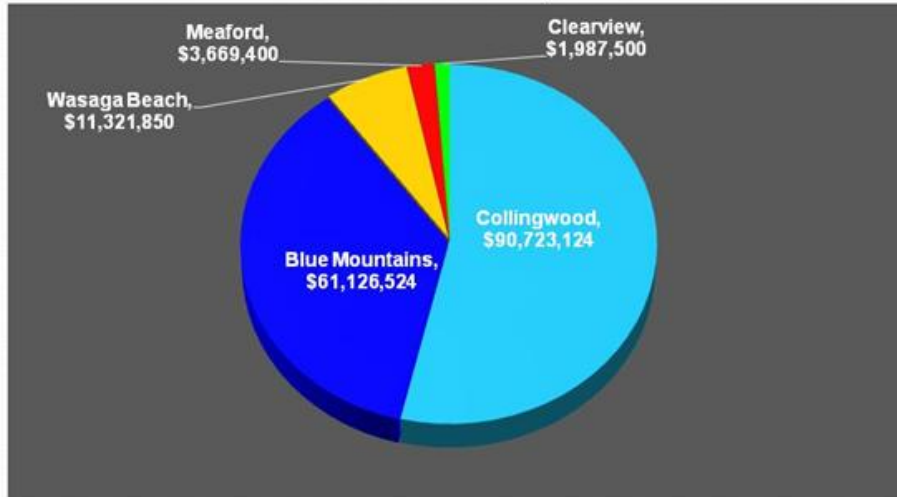
These two municipalities still dominate the condo market in southern Georgian Bay. MLS® condominium sales in Collingwood during 2018 totalled 222 units with a value of \$90.7 million. While these sales were 24% fewer than the 294 MLS® condo sales made in 2017, Collingwood still holds 51% of the market for all condo unit sales in the area. In 2018 MLS® condo sales in the Blue Mountains totalled 158 units at just over \$61 million in value and only 6% fewer than the 168 units sold in 2017. Condo sales in these two municipalities reflected the bulk of the area's condominium market as Collingwood and the Blue Mountains represent almost 88% of the total market in terms of units sold through the local MLS® system.



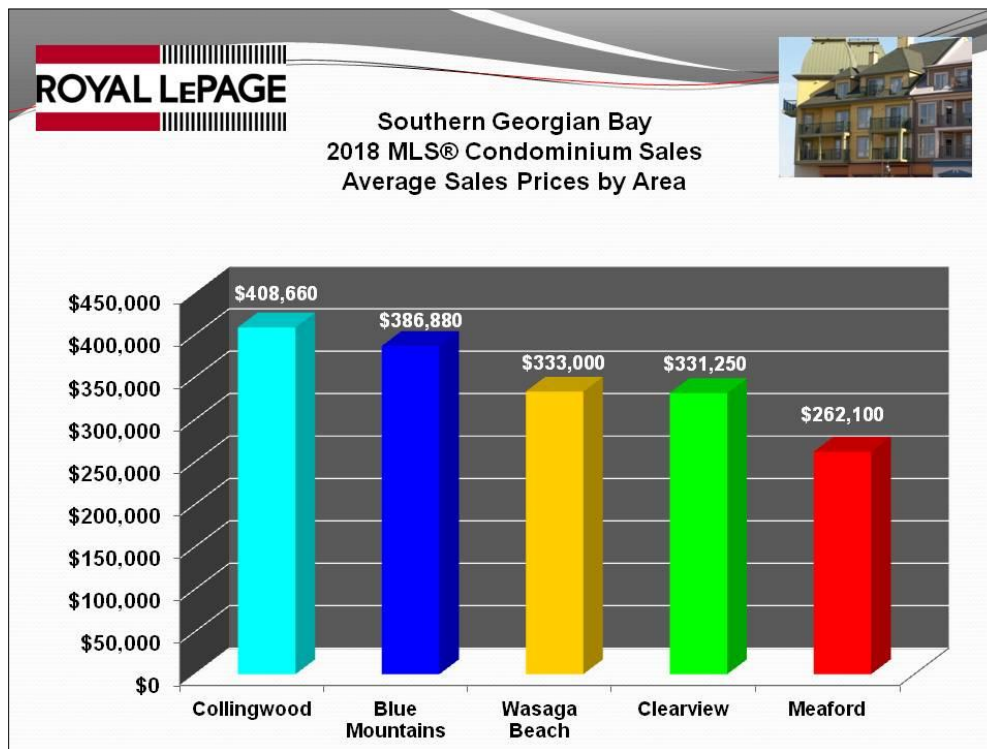
Southern Georgian Bay
2018 MLS® Condominium Sales
% of Units Sold by Area



Southern Georgian Bay
2018 MLS® Condominium Sales
Dollar Volume Sold by Area



In recent years we have seen developers introduce condominium projects in other local municipalities particularly in Wasaga Beach and the Municipality of Meaford. While these areas reflect a much smaller percentage of the overall market thus far, it clearly demonstrates there is an increasing demand for this type of property ownership in our market whether it be for recreational or more significantly full time and or retirement use.



From a sale price standpoint, the Town of Collingwood has the highest average sale price for MLS® residential condominium units in the area at just under \$409,000 (see chart above). The Blue Mountains is a close second with an average condominium sale price of approximately \$387,000. The higher average sale price in Collingwood is driven by the fact that Collingwood has some high priced condominium units located on or new the water. Six such properties located in The Shipyards, Mariners Haven and Lighthouse Point that changed hands in 2018 sold for from \$1.19 to over \$1.73 million. By comparison, there were two MLS® condo sales in the Blue Mountains over the \$1 million threshold, one of which was in Thornbury at \$1.075 million and the other at the Georgian Bay Club for just over \$2 million. I expect we will see this trend continue provided there is an adequate inventory of higher end product to purchase.

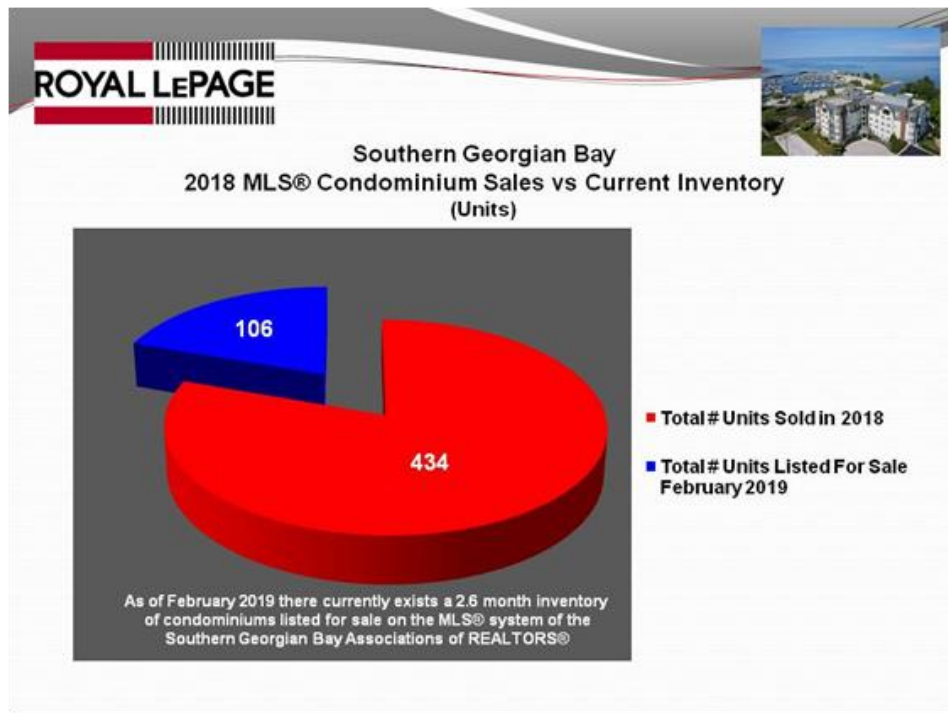
As in many segments of our market over the past two to three years, there has been an overall shortage of MLS® inventory listed for sale to satisfy buyer demand making it very much a seller's market. At the same time there are some subtle differences between the condominium versus the single family home market in terms of available inventory, days-on-market and list-to-sale price ratios. Over the years I have run countless reports and up until the recent real estate boom through 2016 and 2018, our average days-on-market overall fell in the 60 to 90 day range and properties sold for 95% of their asking prices give or take a few tenths of a percent. This changed significantly over the past couple of years and 2018 was no exception.

Overall, 2018 single family homes took on average just 49 days to sell and the average list-to-sale-price ratio was 97.6%. Condominium sales however averaged 46 days-on-market and sold for 98.3% of their listed price. By comparison, a condo listed for \$500,000 sold (on average) three days faster than a single family and for 0.7% or \$3,500 more. While this may not represent a "trend" it is something we can't ignore. Now that our market like many others across the country has shifted or slowed, I suspect we will see the number of days-on-market

increase and the list-to-sale-price ratios may do likewise. Only time will tell and I will follow and report on this as we go through 2019.

As of this report, there are currently 106 condominium units listed for sale on our local MLS® system which represents about 2.9 months or 87 days of inventory based on the rate of sales we saw in 2018. In comparison there is currently 4.6 months or 138 days worth of single family homes listed for sale on our MLS® system. Similar to single family homes once you get into the higher price segments of the market, the inventory level of properties listed for sale typically increases as the size of the market for potential buyers of these "higher priced" properties is smaller. The following is a summary comparison of condominium versus single family home inventory currently listed for sale (as of this report) on our MLS® system above \$500,000. As you can see with the exception of condos priced over \$1 Million, the available inventory of both condos and homes priced from \$500,000 and up at this time is much higher than the levels for the market overall mentioned above.

| | <u>Condominiums</u> | | <u>Single Family Homes</u> | |
|---------------|---------------------|------------------|----------------------------|------------------|
| | # of Listings | Months Inventory | # of Listings | Months Inventory |
| \$500,000+ | 32 | 4.8 | 282 | 6.1 |
| \$750,000+ | 10 | 6.2 | 156 | 8.4 |
| \$1 Million + | 4 | 2.7 | 97 | 12.4 |



The chart below shows the amount of condominium inventory currently listed for sale on our MLS® system in all price segments of the local condominium market. As you can see, the more expensive the unit, the more inventory there is and the longer it takes to sell. This is not something unique to the condo market, it applies to single family homes as well as the number of potential buyers typically decreases as prices increase. For anyone either looking at buying

or selling a property be it a condo or a home, asking about the number of properties listed for sale and the number of days-on-market can should play a role in your pricing strategy.

Summary Takeaway

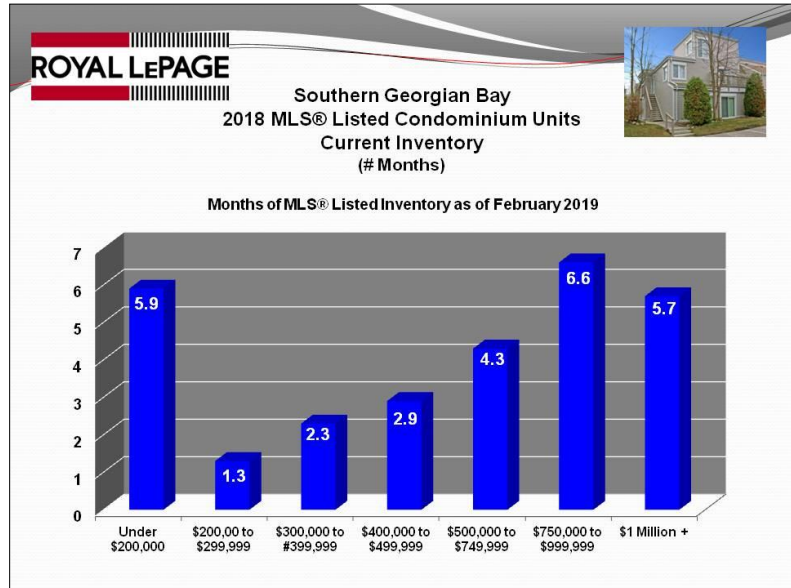
While the market has clearly shifted to a slower pace, this in not a bad thing. Essentially it levels the playing field for both buyers and sellers alike. Are we still seeing multiple offers and prices selling for over their

respective asking prices? Yes but at a substantially reduced rate from eight or nine months ago and this is the case for many markets across Canada.

Demand in southern Georgian Bay area real estate remains strong but a number of factors have impacted market activity overall. Interest rates have risen albeit slightly and this is expected to continue in 2019. Mortgage lending rules have tightened and banks are taking a longer look at what buyers are purchasing and willing to pay. Many of the buyers of property in this area are from the Greater Toronto Area (GTA) and many are finding that the price they can get for their home in Toronto and elsewhere in the GTA now is less that what was attainable a year or two ago. While this may not deter their purchase of area property, it may cause them to think twice about what they buy and how much they should spend.

While I remain positive about the outlook for real estate activity in our area in the months ahead, the onus is on we as REALTORS® to ensure that our clients (buyers and sellers) are duly advised about the market including, sales, pricing and inventory in order that they can make an informed decision with respect to their real estate needs and wants. Now is a good time to buy and or sell and there will be more than enough opportunity for consumers to get good value on both ends of a real estate transaction with the right guidance

As a licensed Broker for almost 20 years my goal is to act for my clients as their "trusted advisor" helping them to make the decisions that are right for them. I want them to **Be Informed, Be Ready, and Be Happy** with the information I provide and the terms I negotiate in order for them to **Be Home**.



RICK CROUCH - Broker, Manager
MVA (Market Value Appraiser - Residential)
ABR (Accredited Buyer Representative)
Royal LePAGE Locations North (Brokerage)
Direct: 705-443-1037
rickcrouch@propertycollingwood.com
www.rickcrouch.realtor

