



2018 Year End Southern Georgian Bay Carriage Trade Luxury Homes Market Review



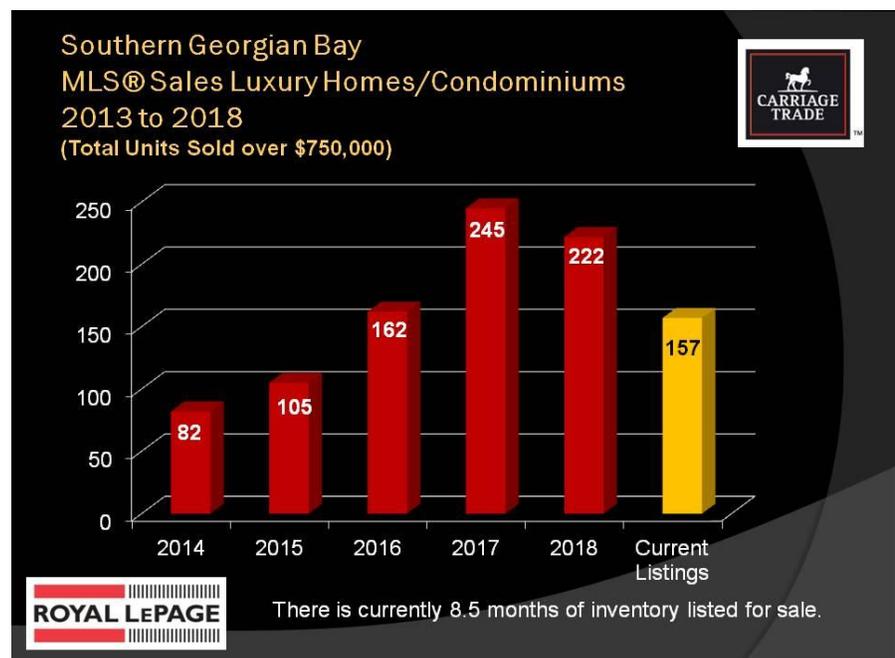
RICK CROUCH
Broker, ABR, MVA
Royal LePAGE Locations North



Georgian Triangle Luxury Home & Condominium Market Report 2018 Year-End Review

As reported in the [2018 Year End Real Estate Market Review post of my Live Play - Georgian Bay blog](#), sales activity across the southern Georgian Bay area softened in 2018 and this also included the high end luxury home segment of our market.

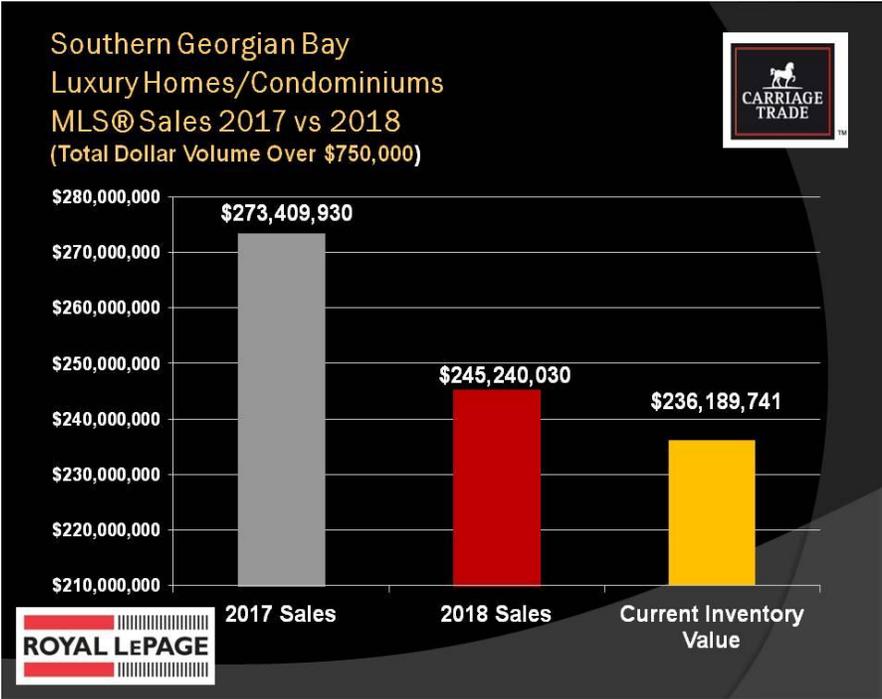
After running and reviewing a number of statistical reports for last year, I have made a number of observations. MLS® sales of homes and condominiums priced above \$750,000 totalled 222 properties, 23 or 9% less than in 2017. Given the fact that MLS® unit sales in the area overall declined 24% last year, the upper end performed quite well. During the past five years sales of higher priced properties in our market have grown significantly from 82 units in 2014 to well over 200 sales in both 2017 and 2018. Even with the 9% reduction in MLS® unit sales last year, sales of properties priced above \$750,000 were up 170% from just five years ago.



MLS® sales over \$750,000 from 2014 to 2018 and current inventory of active listings.

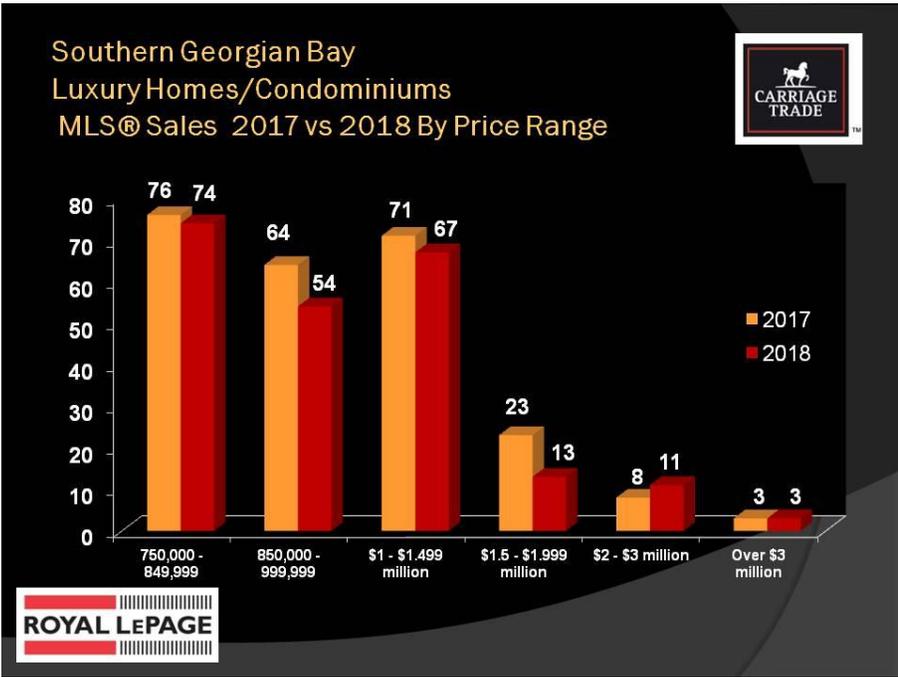
MLS® dollar volume in this segment of our market in 2018 totalled \$245.2 million and while that was roughly 10% less than the level of sales in 2017, this amount represents over 25% of total MLS® dollar sales in our area as reported by the Southern Georgian Bay Association of REALTORS®. The lower MLS® sales results for higher price homes in the area was also impacted in 2018 by the significant number of new builds particularly in developments such as Lora Bay and Trailwoods both just west of Thornbury, in the third phase of Nipissing Ridge and others situated close to the base of Blue Mountain.

MLS® dollar sales over \$750,000
2017 vs 2018 and value of
current inventory listed for sale.



As shown in the accompanying chart, the reduction in higher end sales during 2018 versus 2017 was experienced in most price segments of the luxury home and condominium market with two exceptions. Properties sold in the \$2 to \$3 million range increased from eight sales in 2017 to eleven sales during 2018, an increase of almost 36%. MLS® sales above \$3 million remained unchanged from the prior year with three sales reported in both 2017 and 2018. While the actual number of sales in these two segments is not large, these results clearly reflect that our market is continuing to move upscale with both full and part-time residents increasing to invest in expensive, finely finished homes and condominiums.

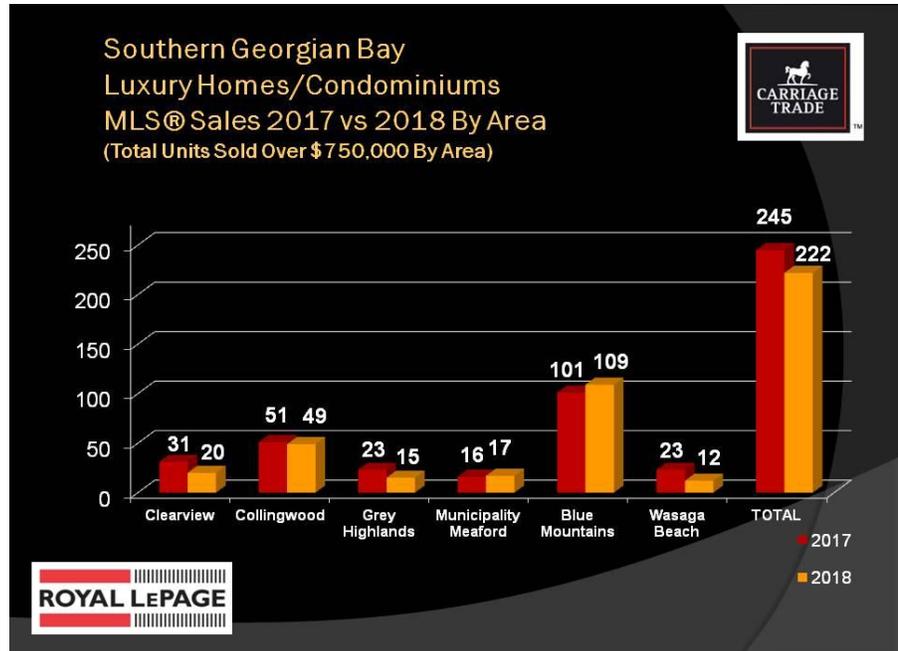
2017 vs 2018 MLS® sales over
\$750,000 by price range.



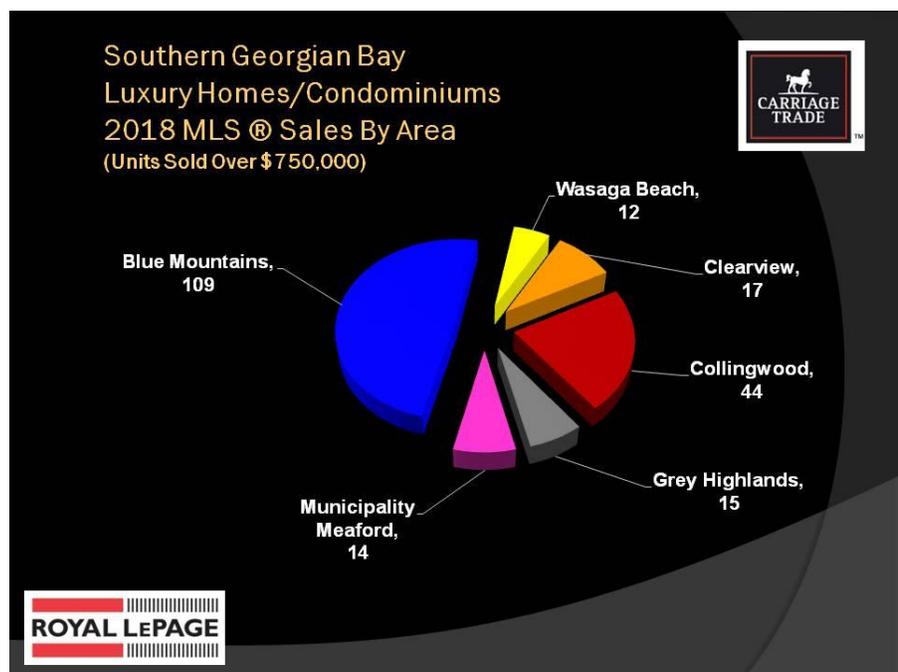
In terms of luxury home and condo sales by area, the municipality of the Blue Mountains had 49% of all properties sold above \$750,000 in our market last year. Many of the buyers for these properties are members of the area's private ski and golf clubs and as such, desire a residential location close to those amenities as well as ready access to shopping etc.

MLS® sales above \$750,000 in the Blue Mountains totalled 109 units and over \$130 million last year. The town of Collingwood was a distance second with 49 sales totalling \$49 million representing 22% of the market overall for higher end property sales in 2018. All other municipalities had MLS® sales ranging from 12 to a maximum of 20 residential units or 5% to 9% of the total market.

MLS® unit sales over \$750,000 by area 2017 vs 2018.

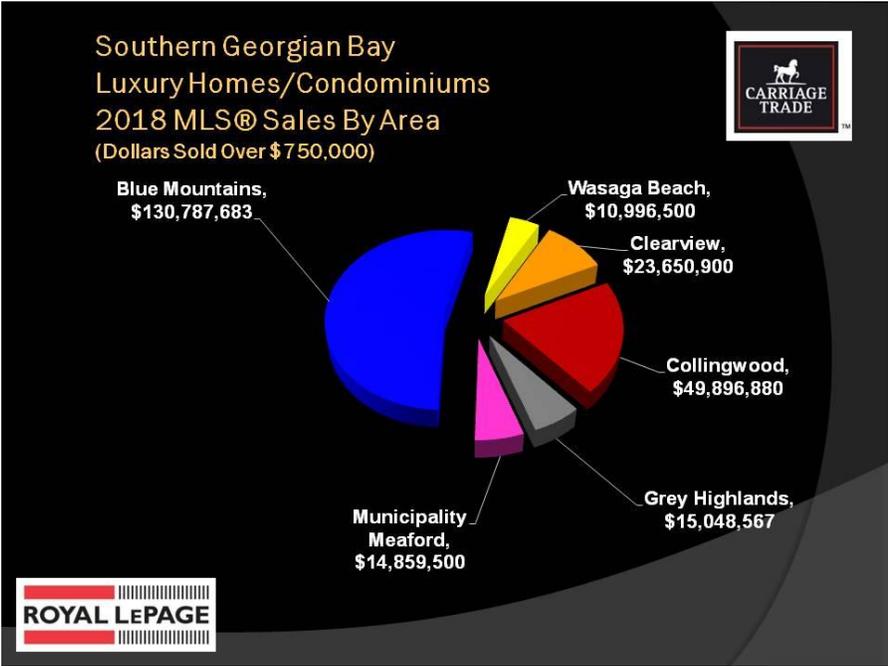


2018 MLS® unit sales over \$750,000

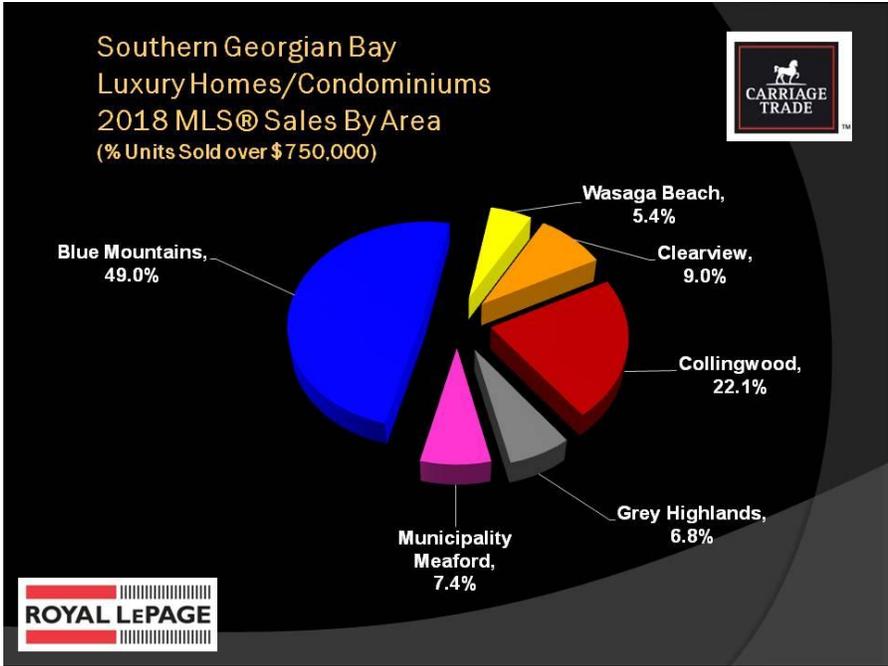


NOTE: A data has been taken from the MLS® system of the Southern Georgian Bay Association of REALTOR®.

2018 MLS® sales volume over \$750,000 by area in dollars.

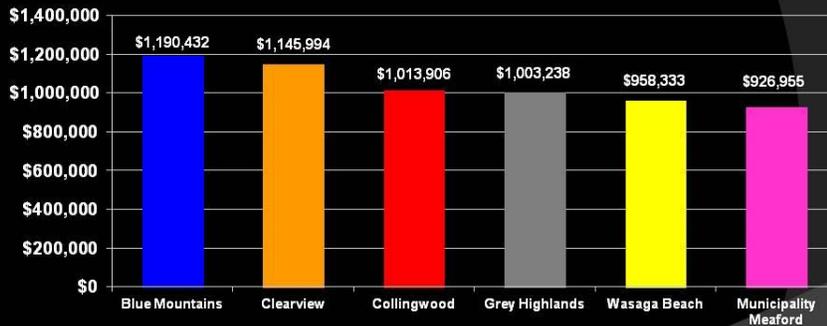


2018 MLS® unit sales by area as a percent of total luxury property sales.



In terms of prices, the Blue Mountains lead the market with an average sale price for properties above \$750,000 of \$1.190 million. Clearview Township was second with an average sale price of \$1.146 million with Collingwood coming in third with an average sale price of \$1.014 million. Sales in the remaining three municipalities averaged from \$927,000 to \$1.003 million. Of the three residential sales that were over \$3 million, all were located in the Blue Mountains.

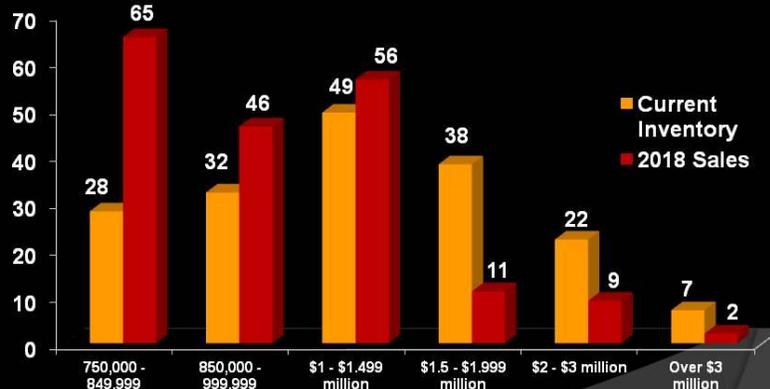
Southern Georgian Bay
 Luxury Homes/Condominiums
 2018 MLS® Average Sale Prices By Area
 (Units Sold over \$750,000)



2018 MLS® average residential sale prices over \$750,000 by area.

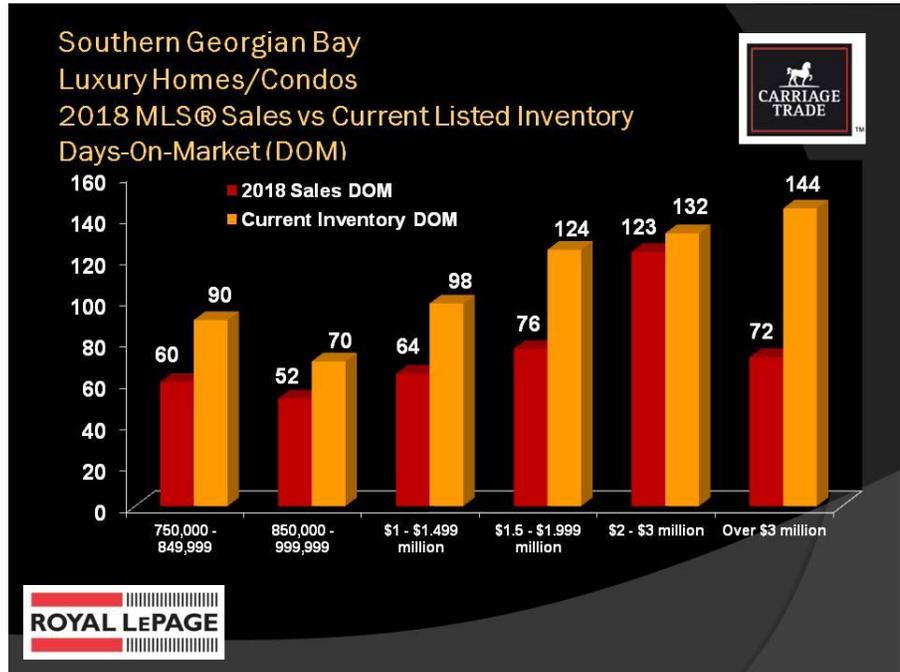
The slowdown in market activity is somewhat seasonal in nature and will trend upwards in the months ahead as we approach spring. As of this post, there are 157 active MLS® listings for properties priced over \$750,000 which represents 8.5 months of inventory based on the current rate of sales. Looking at inventory listed for sale over \$1 million there is currently over 14 months of product available. As per the accompanying graph the majority of these listings are in the \$1.5 million range and higher where unlike below the \$1.5 threshold, inventory in these price segments well exceeds total sales for all of 2018. Higher price homes and condominiums typically take longer to sell. The potential market for high price properties is smaller with fewer buyers in this segment. The higher the price the longer it generally takes to sell. Properties sold in 2018 above \$750,000 were on average on the market for anywhere from 52 to 123 days depending on price. Right now active listings currently for sale have been on the market for anywhere from 70 to 144 days.

Southern Georgian Bay
 Luxury Homes/Condominiums
 2018 MLS® Sales vs Current Listed Inventory
 (Units Sold & Currently For Sale Over \$750,000)



2018 MLS® unit sales vs current inventory listed for sale by price

2018 MLS® days-on-market by price range vs days-on-market for current inventory listed for sale.



As we head towards spring it will be interesting to see how this segment of our real estate market behaves. Given weaker sales and market activity in the Greater Toronto Area (GTA) buyers of luxury homes appear to be stepping back and are taking a wait-and-see attitude before committing to a purchase. At the same time two area waterfront properties recently sold for over their asking price and I am aware of another sale which was over \$2 million did not close due to insufficient funds so there are definitely some mixed signals being sent.

Overall I remain positive about the level of market activity we will see in the coming year. At the same time however both buyers and sellers need to be well informed and advised about pricing, market activity and other factors that may impact their buying and selling objectives. The market has definitely changed, multiple offers are no longer as prevalent as they were in 2016 and 2017. For sale signs without SOLD stickers are lingering and are much more commonplace. Those are the things that we as REALTORS® need to excel at communicating with our clients. We need to follow the market closely, know the numbers and share them with our valued clients to assist them in making informed, rational decisions.

Copies of my other real estate market reports are available on the [Newsletters](#) page of my website www.rickcrouch.realtor. Please feel free to contact me if you have any questions or would like a no obligation consultation as to how current market conditions relate to your real estate buying and or selling needs.



INSTITUTE for LUXURY HOME MARKETING



RICK CROUCH

Broker, Manager MVA (Market Value Appraiser - Residential)

ABR (Accredited Buyer Representative)

Royal LePAGE - Lifetime Award of Excellence

Past President (2008) - Southern Georgian Bay Association of REALTORS®

Royal LePAGE Locations North (Brokerage Independently Owned and Operated)

330 First Street, Collingwood ON L9Y 1B4 Direct: 705-443-1037 Office: 705-445-5520 ext 230