

MARKET

Cottage sales cool off amid grey days

But agents are starting to see signs of improvement after a rainy spring and economic jitters appeared to

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In Ontario's Prince Edward County, Stone Mills House is a saffron-coloured landmark set on a stretch of Lake Ontario shore close to the spot where many residents and visitors catch the boat to the mainland.

"It's a house that everyone knows because they see it from the ferry," says real estate agent Laurie Gruer of Chestnut Park Real Estate Ltd.

Many city dwellers have weekend retreats in the county, which juts out into the lake near Belleville, Ont.

In past years, a circa-1812 stone house with an addition, 325 feet of waterfront and a history as a childhood home of Canada's first prime minister would attract lots of interest from well-off Torontonians undaunted by an asking price of \$1.15-million.

"It's the kind of house people wait years for," Mr. Gruer says.

So far this summer, he hasn't seen the rush of people he was expecting. It's the same story in cottage country to the north, where agents also report that jittery financial markets and a cold, rainy spring appear to be deterring buyers.

In Muskoka, real estate agents are just starting to see an improvement after a very slow start to the cottage-buying season.

"I think the weather has played havoc with our market this year," says broker Anita Latner of Anita Latner Realty Inc.

It's too soon to tell, she says, whether sales will pick up with rising summer temperatures.

"It's hard for us to have a barometer right now that's accurate. We're hoping and assessing," she says. "It's a hard market to read. It's a hard market to price cottages in."

Ms. Latner says she has not seen a lot of owners selling because of financial stress. In many cases, cottage owners have reached a different stage of family life and the cottage no longer suits them but they do not feel pressed to set a low price and sell quickly.

Buyers, meanwhile, have a



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slight edge in a sluggish market and therefore like to feel they are striking a bargain.

"A lot of it is bragging rights," she says of buyers who want to boast that they got the best deal.

Some cottages remain on the market for two or three years and it's also not uncommon for a buyer to spend as many seasons looking around before purchasing.

Paul Crammond, an agent with Chestnut Park based in Port Carling, Ont., has seen signs of a rebound so far in June but he, too, is waiting to see if that pace will hold.

Sales in all segments of the market, from cottages in the \$300,000 range to \$5-million, have picked up in the past three weeks, he says.

Mr. Crammond estimates sales in the first four months of 2011 dropped 43 per cent from the first four months of 2010 on the big three lakes of Muskoka, Joseph and Rosseau. For the

broader Muskoka-Haliburton region, sales of recreational properties fell 36 per cent in the same period.

He notes, however, that April and May of 2010 were unusually warm and sunny, with the top temperature of the day beating the high in Naples, Fla., on five occasions. By contrast, April and May this year were unseasonably cold and wet.

"Even though I've been in the business 15 years in Muskoka, I'm amazed at how affected my industry is by the weather," he says.

The number of listings is beginning to rise after recently sitting 19 per cent below last year's level in Muskoka-Haliburton.

"If we have a sustained period of poor weather, not only do we not get buyers interested, we don't even get sellers interested in the market."

He says prices will likely remain stable compared with last year but still below the 2007

peak. He advises sellers to set an asking price that's close to what they hope to receive instead of testing the market with a higher list price. Sellers are sometimes frustrated when they don't even receive offers, he says, but buyers will wait for a cut in the asking price rather than put in a lowball bid.

He is encouraged to see that some island properties have sold recently, as well as cottages on smaller lakes.

"Most people, if they have the choice, prefer the convenience of mainland access," he says.

But a stand-alone island with a cottage and a boathouse recently sold for just under \$1.3-million at the start of its third summer on the market.

In a transaction valued at about \$265,000, he sold a 50-year-old cottage with 200 feet of shoreline on the smaller Leonard Lake.

Still, Mr. Crammond says unsettled global financial markets and