

Georgian Triangle Condo Communiqué

Fall 2010 Edition



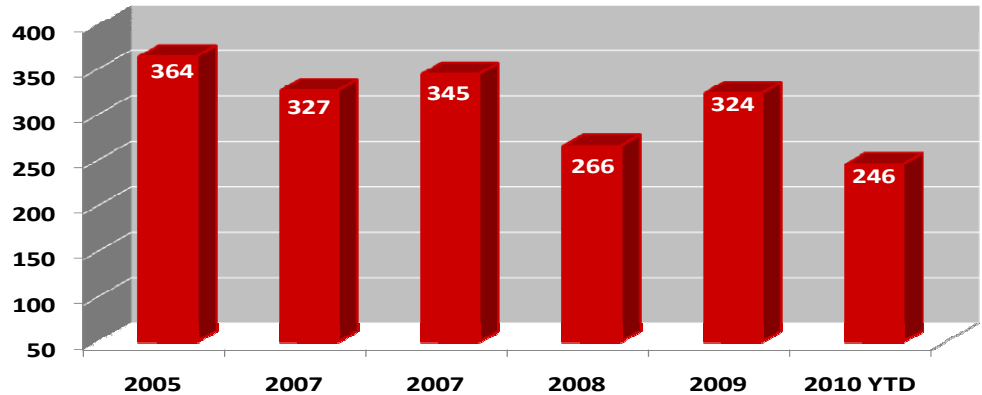
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2010 Highlights

- ◆ Total MLS® condominium unit sales have increase by 6.9% year-to-date 2010, totaling 246 units.
- ◆ Total year-to-date 2010 MLS® condo sales revenue is \$37.4 million up 64% from last year.
- ◆ Collingwood MLS® condo unit sales 2010 YTD total 152 units sold compared to 140 last year.
- ◆ Blue Mountain MLS® condo unit sales 2010 YTD total 73 units sold versus 70 in 2009.

2010 Condo Sales Remain Strong

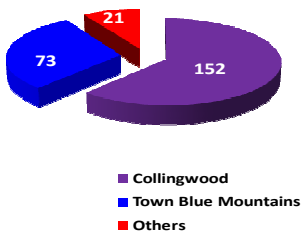
Total Georgian Triangle Condominium Sales 2005 to September 2010



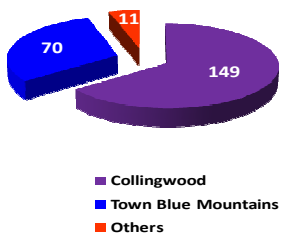
Throughout the southern Georgian Bay area, the bulk of condominium purchases are for recreational purposes. As such this segment of the market can show greater volatility especially during economic downturns. Unit condo sales as reported through the MLS® system of the Georgian Triangle Real Estate Board are up 6.9% for the first nine months of this year totaling 246 units as compared to 230 in the first nine months of 2009. Increasingly, we are seeing many first-time buyers electing to purchase a condo versus a single family home somewhat the result of affordability. Sales revenue for the first nine months totals \$56.1 million compared to \$48.8 million last year an increase of 14.9%. The accompanying graph illustrates sales in the two major condominium markets, Collingwood and Blue Mountain. The average condo sale price for the year stands at \$227,998 up 7.5% from the average sale price of \$212,157 one year ago. As with single family home sales, we are seeing greater activity in the upper end of the condo market as buyers trade up from modest entry level units to larger and more sophisticated 3 and 4 bedroom models.

NOTE: These results do not include sales of new condo units made by developers such as Intrawest, the Shipyards and others. The table below reflects year over year sales activity at some of the major condo developments throughout the area for 2010 versus 2009. Contact us for specific developments not shown.

2010 Condominium Sales (units)



2009 Condominium Sales (units)



| | Sold 2010 | Sold 2009 | Diff | % +/- | Average Price 2010 | Average Price 2009 | % +/- |
|------------------------|--------------|--------------|------|--------|-----------------------|-----------------------|--------|
| Applejack | 9 | 6 | 3 | 50.0% | \$193,433 | \$166,166 | 16.4% |
| Cranberry | 75 | 67 | 8 | 11.9% | \$182,127 | \$172,965 | 5.3% |
| Dockside Village | 1 | 3 | -2 | -66.7% | \$246,500 | \$243,333 | 1.3% |
| Heritage Corners | 6 | 11 | -5 | -45.5% | \$280,483 | \$201,863 | 38.9% |
| Lighthouse Point | 23 | 28 | -5 | -17.9% | \$344,996 | \$278,060 | 24.1% |
| Mountain Springs Lodge | 2 | 2 | 0 | 0.0% | \$91,000 | \$122,500 | -25.7% |
| Rivergrass | 1 | 2 | -1 | -50.0% | \$308,000 | \$357,500 | -13.8% |
| Ruperts Landing | 9 | 6 | 3 | 50.0% | \$207,267 | \$185,483 | 11.7% |
| Summit Green | 3 | 0 | 3 | 100.0% | \$284,667 | N/A | N/A |
| Sunset Cove | 1 | 8 | -7 | -87.5% | \$767,500 | \$228,162 | 236.4% |
| Village at Blue | 14 | 12 | 2 | 16.7% | \$254,750 | \$193,200 | 31.9% |

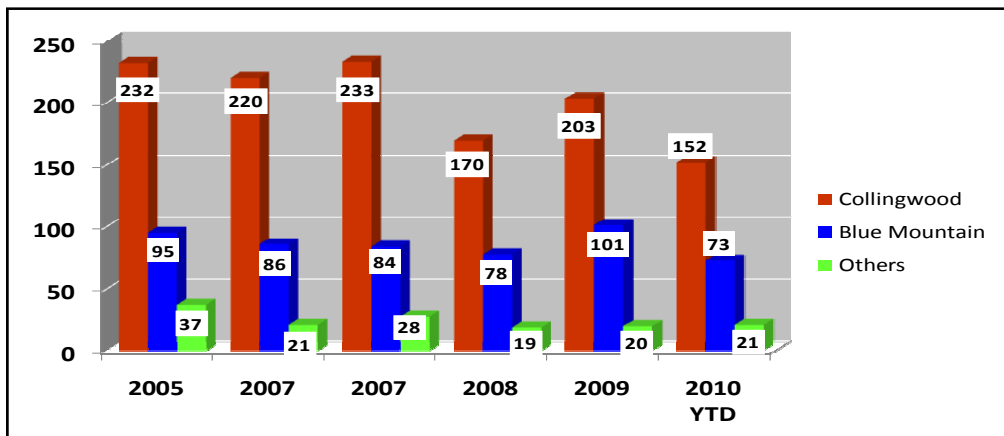


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Condominium sales in 2010 represent 20% of total residential properties SOLD.

Condominium Units Sold by Area 2005 to 2010 YTD



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What's included in a monthly condo fee?" For those unfamiliar with the condominium ownership concept, one of the many items that may present some confusion is what's included with the monthly "condo fee?" We have a great number of condominium corporations present throughout the Georgian Triangle and there is no universal answer to this seemingly basic question. In general terms most monthly condo fees consist of three main components. (1) Is the monthly maintenance fee for things such as grass cutting, snow removal, garbage collection etc. (2) Is the premium for the master insurance policy on your particular condominium complex and (3) Is a monthly contribution to the condo corporation's "reserve fund levy which is a fund to pay for large capital projects such as roof and window replacement etc. Increasingly, area condominiums are raising their reserve fund levy to ensure that adequate money is being accumulated to pay for repairs on buildings that in some case are getting somewhat dated. We have and continue to see special assessments being levied to cover the replacement of siding, windows and doors etc. in some of the older complexes at Cranberry and elsewhere. In some instances condo fees are starting to become quite expensive ie: Mariner's Haven is \$1,000+ per month. Some condo fees ie: at Lighthouse Point also include the cost of amenities such as pools, tennis courts etc. The advent of Ontario's Harmonized Sales Tax (HST) that became effective July 1st may further increase condo fees in the area. Although condo fees themselves are not HST taxable most of the elements that make up the condo fee are such as snowplowing, landscaping and other maintenance all subject to the new tax. Undoubtedly some of this burden will be passed on to the owners.

Market Outlook Fall 2010: According to the Conference Board of Canada's index of consumer confidence, consumer sentiment lost some ground in the 2nd quarter after having increased in this 1st quarter of the year. This has been reflected in somewhat weaker market activity through the 3rd quarter of this year throughout most markets across the country. This decrease in consumer confidence reflects weaker outlooks for household budgets and employment with less enthusiasm towards making major purchases. This will no doubt continue throughout the remainder of 2010. Real estate consumers especially buyers are remaining very cautious in their purchasing decisions, fearful of over paying should prices decline in the months ahead.

Increases in condo fees may have an impact on sales through the remainder of 2010 and into 2011. The implementation of the Harmonized Sales Tax (HST) will no doubt force some condominium corporations to raise their fees. Although condo fees themselves are not HST taxable, many of the components that make up these fees, ie: landscaping, snow removal and other maintenance costs etc. are now subject to this increased tax. We are starting to see condominiums valued at less than \$200,000 with condo fees that exceed \$300 monthly. This will no doubt have an impact on the affordability of these properties for both first time buyers and those looking to buy a second home for recreational purposes.



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