



Muskoka Ratepayers' Association

Economic Snapshots 2017 #2

Building Activity in the Township of Muskoka Lakes

The building industry in the Township of Muskoka Lakes is important to all of us. It is collectively the largest employer in the Township. In order to better appreciate all of the activity in the building industry and what it means to you, we analysed the situation here in our Township. According to the Ontario Ministry of Municipal Affairs and Housing (2013) the Township of Muskoka Lakes has the largest assessment base and issues the highest building permit value in the District of Muskoka. That's more than Gravenhurst, more than Bracebridge, more than Huntsville. First let's look at the number of building permits issued by the Township over the past 3 years.

	Number of Building Permits Issued (New Builds Only)				
	2014	2015	% change	2016	% change
Single Family House	29	25	-14%	24	-4%
Cottage	78	75	-4%	71	-5%
Commercial	12	8	-33%	34	325%
Accessory Building	85	92	8%	99	8%
Docks	249	192	-23%	193	1%
Boathouse	78	62	-21%	70	13%
Sewage / Septic	224	190	-15%	234	23%
Total	755	644	-15%	725	13%

Single Family Houses are non-waterfront properties. The number of house and cottage builds was very consistent from year to year with new cottages being built at a much higher rate (almost 3 times as many) than non-cottage houses. Thirty-four commercial building permits were issued last year, a big jump over both of the previous years. This may be a good omen for the local economy. Businesses only invest in new buildings if they foresee a return on their investment. Until this spike, our commercial buildings continued to age in place.

Growth in the commercial sector will mean higher employment, retail, and restaurant sales. As they say, if you build it, they will come! As our commercial establishments make themselves more attractive, people tend to buy more locally. Increased commercial activity leads to a more vibrant economy. Commercial growth should be encouraged in the Township.

Also impressive are the permit numbers for boathouses, docks and sewage systems. All of these construction projects mean more jobs, more activity and more people spending money. Construction jobs are vital as builders, carpenters, plumbers, electricians, etc. contribute to the local economy by living and spending locally.

This next chart shows the dollar values behind the issued permits.

	Total Permit Declared Value (\$) (New Builds Only)				
	2014	2015	% chg.	2016	% chg.
Single Family House	\$12,361,514	\$8,594,000	-30%	\$7,940,640	-8%
Cottage	47,273,544	45,404,830	-4%	42,037,250	-7%
Commercial	2,172,225	2,274,440	5%	22,334,087	882%
Accessory Building	7,057,471	5,777,428	-18%	9,063,900	57%
Docks	11,066,440	9,338,401	-16%	10,423,060	12%
Boathouse	12,284,641	11,050,950	-10%	14,162,800	28%
Sewage / Septic	4,042,973	3,634,900	-10%	4,935,520	23%
Total	\$96,258,808	\$86,074,949	-11%	\$110,987,257	29%

These numbers show us the dollar value of the properties being built. When the value of permits for renovations and additions to existing structures (not shown) are added to the total for new builds (above), the total value of permits issued by the Township totalled almost \$122,000,000 in 2016. Once again, the Township of Muskoka Lakes led the District of Muskoka as our new build values surpassed those of Bracebridge, Gravenhurst and Huntsville. That's a lot of economic activity! Building permit fees collected by the Township last year totalled \$1,547,962.

This last chart shows the average amount we are spending on our building projects.

	Average (Mean) Value (New Builds Only)				
	2014	2015	% chg.	2016	% chg.
Single Family House	\$426,259	\$343,760	-19%	\$330,860	-4%
Cottage	606,071	605,398	0%	592,074	-2%
Commercial	181,019	284,305	57%	656,885	131%
Accessory Building	83,029	62,798	-24%	91,555	46%
Docks	44,444	48,638	9%	54,062	11%
Boathouse	157,495	178,241	13%	202,326	14%
Sewage / Septic	18,049	19,131	6%	21,092	10%

From this chart we can see that the average cost of a new house being built in 2016 was about \$331,000 versus close to \$600,000 for a cottage. Note: these figures do not include land value. The average cost of a commercial building was up significantly, which could be a sign of better quality or simply bigger buildings. Several local summer camps are going through major renovations this year adding greatly to the commercial building totals.

In summary, the building industry in our Township is active, creates good paying jobs, and seems to be thriving. That is good news for all of us.