

Why Muskoka cottage owners are renting their properties more



Muskoka cottages for rent have increased by 8 per cent since 2013

Many Ontarians achieved their dream of owning a cottage over the past few years. But with interest rates soaring and prices sinking in cottage country, there's been an uptick in cottages listed on the rental market — including in the coveted Muskoka region.

According to the June 2023 edition of the Muskoka Second Home Study, 11 per cent of regional cottages are now for rent — an increase of four per cent since 2017 and eight per cent since 2013.

Jayne McCaw, president and founder of Jayne's Luxury Rentals, a cottage rental company based out of Port Carling, has also noticed increased rental activity in the area.

Asked what might be prompting this trend, McCaw believes several factors are at play, including people returning to travelling. She also notes that many people who bought during COVID are now deciding to rent.

It makes sense as life returns to pre-pandemic norms and people increasingly are expected to return to in-person work, among other things. Rising costs of pretty much everything also appear to contribute to rental activity.

“Some owners are more anxious to rent due to higher mortgage payments.”

“People are renting because they need to due to the economy, interest rates and inflation,” said McCaw. “We have noticed that some of our owners are now more anxious to rent due to the economy and higher mortgage payments.”

But McCaw also noted that her company has seen heightened selling activity in the area.

“We have noticed a few new owners that are now selling, as there is more cottage supply and rental prices are coming down,” said McCaw, “So the return on the cottage has lessened — making selling more attractive.”

With the exception of properties belonging to generational owners or high-earning households, it's no wonder that 30 per cent of Muskoka cottages are now co-owned between relatives and friends.

To help offset costs or earn some extra revenue, opening private cottages to eager holiday-seekers may seem enticing.

But what should cottage owners know about opting into the rental market? McCaw suggested that quality is the key to success.

“Owners need to understand that the better the product they put forward, the more guests they will have and the more revenue they will make,” she said.

—Rebecca Hesse



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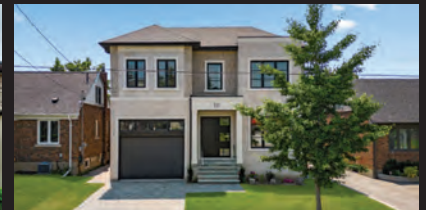
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