



For immediate release

Rising confidence levels, lower values, and favourable supply spark buyer enthusiasm in Canadian recreational property markets, says RE/MAX

77 per cent of recreational markets reported stagnant starting prices or a year-over-year decline

Kelowna, BC (June 25, 2013) -- Greater stability is returning to recreational markets as demand gains traction in major Canadian centres, according to a report released today by RE/MAX.

The RE/MAX Recreational Property Report 2013 found that many markets have experienced a rebound in activity— set in motion by softer values and better selection—in recent months. Starting prices are down or unchanged in 77 per cent (24/31) of markets examined in 2013, prompting renewed interest. As a result, recreational sales are projected to match and/or exceed 2012 levels by year-end in almost 70 per cent (20/30) of centres.

The shift can be attributed to six major factors:

1. Confidence is growing in overall economic performance.
2. Selection of recreational product is at its best level in recent years.
3. Prices have softened in many Canadian markets.
4. Paper wealth accumulated in the stock market in recent years is making its way into recreational property markets.
5. Purchasers are bypassing tighter financing criteria through HELOCs (Home Equity Line of Credit) on their principle residence.
6. Increased foreign and out-of-province investment.

Some of that upward momentum is already evident in Western Canadian markets, the first to feel the effects of the downturn that began in 2009. Recreational property sales in seven of the 10 markets (70 per cent) examined in the Recreational Property Report are on par or ahead of year-ago levels. Greater political stability in British Columbia, where the Liberals now have a clear mandate to govern, and fewer purchasers looking south of the border have also served to bolster sales of recreational product on waterfront and mountain top.

“The value in recreational housing markets across the country is virtually unprecedented,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “Softer prices, in combination with an overall brighter economic picture and growing consumer confidence levels, have served to bolster activity in this segment. A stronger U.S. economy has also contributed to the traction in the market for secondary homes in Western Canada, as higher values in sun destinations and—in some instances—challenging logistics prompt purchasers to once again consider Canadian options. “

- more -

In fact, the report found that recreational product is gaining ground once again among foreign and out-of-province purchasers in markets nationwide. With the allure of the U.S. dissipating, there has been a noticeable uptick in sales of cottages, ski/resort properties, and second homes in centres such as Salt Spring Island (U.S. and Ontario), Whistler (Hong Kong and Singapore), Bracebridge/Gravenhurst (Europe and Asia), and Nova Scotia's South Shore/Lunenburg (U.K.).

"It's been a soft five years for recreational property markets, with improvement slow, but consistent," says Gurinder Sandhu, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. "Given the steady momentum of today's market, there are indications that 2013 could emerge as the turning point. Excellent value exists in cottage/resort communities from coast to coast at present, and purchasers are starting to hone in on that fact—but the window of greatest opportunity is likely drawing to a close."

Baby boomers continue to be the most active demographic in the recreational market, with a strong focus on ownership. Some are buying properties with an eye toward retirement (year-round living), while others are hoping to introduce the simpler lifestyle to younger generations. More mature boomers are opting for existing and proposed residential development on the waterfront, offering all the comforts of home, but none of the upkeep. Ontario's Midland/Penetang/Tiny/Tay and Huntsville are prime examples. With recreational product ever-evolving, it's getting tougher to classify what constitutes recreational vs. residential product.

"Whether they're buying for full-time usage or for family enjoyment, the desire to own a piece of paradise remains front and centre among baby boomers," says Sandhu. "This demographic continues to be the single most influential driver of recreational market trends, and they're not that keen on compromise. Most are waiting for the right property to present itself—once it does, this savvy segment is prepared to act."

After years of strong activity, the trend toward teardowns has subsided. When it comes to the ideal property, most continue to take the "watch and wait" approach. In some cases, there are simply no 'traditional cottages' left to teardown, while in others, the high cost of construction is prompting purchasers to investigate more attractively-priced resale product. There are some exceptions to the rule including Whistler in BC, Canmore and Sylvan Lake in Alberta, Saskatchewan's Qu'Appelle Lakes, Lake Winnipeg in Manitoba, Ontario's Grand Bend, Bala/Port Carling, Midland, Innisfil to Oro, and Eastern Ontario markets, Shediac Bay in New Brunswick and Newfoundland, where new builds continue unabated.

Affordability remains top of mind with Canadian purchasers, with the RE/MAX Recreational Property Report identifying the \$250,000 to \$500,000 segment as strongest in terms of sales activity. However, there has been growing number of luxury properties reported sold this year in Ontario markets such as Prince Edward County, Collingwood, Honey Harbour, Grand Bend, Haliburton, and Innisfil to Oro.

Gains in the stock markets, realized in recent years, are also expected to have an impact on recreational markets moving forward.

"In the past, money made in the stock market has filtered into the real estate market," says Ash. "With the price of secondary product so enticing, we expect the trend to continue in markets throughout the country."

The improving economic climate is also a major factor in growing demand. Purchasers were quick to hop on the bandwagon for residential properties during the lull in 2009—2013 could be the equivalent of that year in terms of recreational product. The next four to five months tend to be busiest for recreational properties and, if the current pattern holds, most markets should post growth by year-end.

RE/MAX 2013 Recreational Property Report...3

RE/MAX RECREATIONAL PROPERTY REPORT 2013 - STARTING PRICES FOR RECREATIONAL PROPERTIES¹

Market	2009	2010	2011	2012	2013
NEWFOUNDLAND & LABRADOR - Newfoundland Coast (East)	n.a.	n.a.	n.a.	\$150,000	\$150,000
NEW BRUNSWICK - Shediac Bay ²	\$200,000	\$230,000	\$450,000 - \$500,000	\$375,000 - \$425,000	\$300,000
NOVA SCOTIA - Cape Breton	n.a.	n.a.	\$279,000	\$175,000 - \$250,000	\$210,000
South Shore/Lunenburg ²	\$230,000	\$230,000 - \$240,000	\$230,000 - \$240,000	\$245,000	\$225,000
PRINCE EDWARD ISLAND - North Shore/South Shore ²	\$300,000	\$300,000	\$300,000 - \$350,000	\$300,000	\$350,000
ONTARIO -					
Eastern Ontario:	n.a.	n.a.	n.a.	\$250,000	\$250,000
Barry's Bay/Combermere	n.a.	\$200,000	\$300,000	\$289,000	\$249,000
Bancroft/Coe Hill	\$260,000	\$235,000	\$265,000	\$275,000	\$250,000
Apsley	\$375,000	\$400,000	\$389,000	\$399,000	\$399,000
Kingston	\$250,000 - \$270,000	\$290,000	\$300,000	\$250,000	\$260,000
Prince Edward County	\$200,000-\$250,000	\$200,000 - \$250,000	\$300,000	\$265,000 - \$300,000	\$250,000 - \$300,000
East Kawarthas	\$195,000	\$225,000	\$300,000	\$300,000	\$300,000
Lake Simcoe/Lake Couchiching:					
Beaverton	\$300,000	\$375,000	\$300,000	\$329,000	\$329,000
Lagoon City	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Innisfil to Oro	\$500,000	\$520,000 - \$530,000	\$520,000 - \$530,000	\$520,000 - \$530,000	\$550,000 - \$575,000
Orillia	\$425,000	\$430,000	\$440,000	\$450,000	\$450,000
Georgian Bay:					
Wasaga Beach ³	\$525,000	\$570,000	\$640,000	\$640,000	\$499,000
Midland/Penetang/Tiny/Tay	\$500,000	\$550,000	\$500,000 - \$600,000	\$450,000 - \$500,000	\$450,000 - \$500,000
Collingwood	\$390,000 - \$550,000	\$600,000	\$600,000	\$600,000	\$600,000
Honey Harbour/Port Severn	\$400,000 - \$425,000	\$450,000	\$450,000	\$375,000	\$375,000
Muskoka/Haliburton:					
Haliburton	\$240,000 - \$350,000	\$350,000	\$325,000	\$240,000 - \$250,000	\$240,000 - \$250,000
Huntsville/Lake of Bays	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Bracebridge/Gravenhurst	\$350,000 - \$400,000	\$325,000	\$325,000 - \$350,000	\$325,000 - \$350,000	\$350,000
Bala/Port Carling	\$450,000	\$450,000	\$500,000 - \$550,000	\$650,000	\$699,000
Parry Sound	\$185,000	\$219,900	\$225,000	\$225,000	\$225,000
Lake Huron:					
Sauble Beach/Bruce Peninsula	\$350,000	\$350,000	\$350,000	\$330,000	\$300,000
Port Elgin/Southampton	\$450,000	\$450,000	\$450,000	\$475,000	\$425,000 - \$450,000
Grand Bend	\$400,000	\$425,000	\$475,000	\$425,000	\$400,000
MANITOBA - Lake Winnipeg	\$300,000	\$250,000	\$280,000	\$250,000	\$250,000
SASKATCHEWAN - Qu'Appelle Lakes/ Last Mountain Lake	\$300,000 - \$350,000	\$400,000	\$400,000 - \$500,000	\$400,000 - \$500,000	\$400,000
ALBERTA - Sylvan Lake	\$1,125,000	\$1,200,000	\$800,000	\$750,000	\$750,000
Canmore ⁴	\$295,000	\$270,000	\$229,000	\$195,000	\$225,000
BRITISH COLUMBIA - Okanagan Valley:					
North Okanagan	\$1,200,000	\$1,150,000	\$995,000	\$900,000	\$900,000
The Shuswap	n.a.	n.a.	n.a.	\$585,000	\$585,000
South Okanagan	\$800,000	\$800,000	\$800,000	\$610,000	\$649,000
Fraser Valley: Cultus Lake	\$450,000	\$800,000	\$800,000 - \$1,000,000	\$650,000	\$799,000 - \$1.2 million
Harrison Lake	n.a.	n.a.	\$350,000 - \$400,000	\$365,000 - \$499,000	\$289,000
Vancouver Island: Tofino ²	\$789,000	\$875,000	\$825,000	\$795,000	\$769,000
Ucluelet ²	\$555,000	\$499,000	\$529,000	\$500,000	\$549,000
Comox Valley/Mt. Washington	\$500,000	\$475,000	\$400,000 ¹ - \$700,000 ¹	\$92,000 ¹ - \$400,000 ¹	\$329,000 ¹ - \$459,000 ¹
Whistler ⁵	n.a.	\$799,000	\$700,000	\$700,000	\$700,000
Gulf Islands: Salt Spring Island ⁴	\$890,000	\$750,000 - \$800,000	\$669,000	\$597,000	\$559,000
Source: RE/MAX					

¹Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot, ²Oceanfront property, ³Beachfront property, ⁴Two-bedroom condominium, ⁵Mountain chalet, ⁶Water-access property

RE/MAX is Canada's leading real estate organization with over 19,000 sales associates located in 750 independently-owned and operated offices nationwide. The RE/MAX network, now in its 40th year, is a global real estate system operating in more than 90 countries, with over 6,300 independently-owned offices and more than 89,500 member sales associates. RE/MAX associates lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, and asset management. For more information, visit: www.remax.ca.

###

For more information:
David Geraghty
RE/MAX of Western Canada
250.860.3628

Eva Blay/Charlene McAdam
Point Blank Communications
416.781.3911