



Cottages, Camps, Cabins and Condos – RE/MAX report sees sunny skies ahead for recreational property sales in Canada

TORONTO & KELOWNA (June 25, 2014) – Today RE/MAX released its annual Recreational Property Report, showing healthy activity across much of the country and forecasts modest increases in sales and prices through the rest of the year. With schools out and the coming Canada Day long weekend marking the unofficial start of summer, national recreational property sales and listings have rebounded from a slow start caused by the late spring and cold winter experienced in many markets throughout the country.

The full RE/MAX Recreational Property Report, with market activity summaries for 41 regions across the country, is available at: <http://rem.ax/1NuH73>.

Videos summarizing markets in the Ontario and Atlantic Regions can be found here: <http://rem.ax/1NyFfV> and summarizing Western Canada regions can be found here: <http://rem.ax/1OV6TC>.

National Trends

While there are nuances and specific attractions that define local markets across the country, a number of broad national trends have been observed.

Buyer Profiles

Two groups of buyers are driving the majority of recreational properties sales in Canada. The first is made up of families with younger children, who have built up equity in their primary residence and are using that money to purchase a vacation property. The second group is made up of near or recent retirees who have purchased a recreational property with a plan to use it as a primary summer residence and launching pad for winter travel.

Residential Spillover

Canada's hot residential real estate market in urban centres has had a spillover effect on recreational property sales. This is particularly true in markets within a two-hour drive of the country's large urban centres, where price appreciation has allowed homeowners to use equity gains in their primary residence to purchase a second home for recreational use.

Evolving Use

The way buyers are using their recreational properties is changing. While in the past, properties were largely used for weekend getaways and a week or two of summer vacationing, today many are purchasing a property from which they can work throughout the summer. Furthermore, a majority now see their recreational property as a four-season vacation option, rather than just a summer retreat.



CMHC Insurance Changes

While some potential recreational buyers may have been discouraged by the Canada Mortgage and Housing Corporation's recent decision to eliminate insurance on second mortgages, little to no material impact has been witnessed from this change. There are many options available for financing and insuring mortgages on a second property and an experienced RE/MAX agent can help buyers find the option that best meets their specific needs.

Ontario-Atlantic

Activity in recreational property markets across Ontario and Atlantic Canada has picked up in May, following a sluggish April. The majority of local brokers and agents across the region expect activity in their markets to be on par or slightly above last year's numbers in terms of both sales volume and price, as the negative effects of a late spring are expected to melt away by the end of the season.

"Whether you're looking for a cottage in the Muskokas, a camp in Sudbury, an ocean-side retreat in PEI, or a condo in Blue Mountain, agents and brokers across Ontario and Eastern Canada have indicated that there is great inventory that can meet almost any budget," said Gurinder Sandu, Executive Vice President, RE/MAX INTEGRA Ontario-Atlantic Canada Region.

The RE/MAX report looked at local market trends and prices and found there are a number of affordable options available within a couple of hours drive of most major urban centres across the eastern half of the country.

Outside the Greater Toronto Area, an entry-level waterfront property in Kawartha Lakes region starts at around \$300,000. In Keswick, at the south of Lake Simcoe, prices start at \$350,000. Around the Muskoka and Georgian Bay communities of Parry Sound, Huntsville, Bracebridge and Gravenhurst, entry level cottages can be purchased for well under \$400,000.

In the Western Ontario communities of Grand Bend, Port Elgin and Sauble Beach, recreational properties on sandy shores draw buyers from communities such as London, Cambridge and Kitchener-Waterloo, as well as municipalities in the west of the GTA such as Brampton and Mississauga. Here entry level recreational properties can start at or just above \$200,000.

Prices start at \$225,000 in Eastern Ontario where recreational communities such as Renfrew, Dunrobin Shore and Constance Bay serve Ottawa and surrounding area.

Atlantic Canada also has a good selection of properties helping meet buyer demand. In the Shediac area of New Brunswick, just east of Moncton, prices start at an affordable \$110,000 and can climb to about \$400,000. In the south shore of Nova Scotia, prices start at \$100,000 and can get as high as a \$3.9 million listing currently on the market. In PEI, prices for recreational properties start around \$180,000 and most properties sell for less than \$300,000.



This year the entire region has also seen a number of sales occurring at the upper-end of the market as well. Dozens of properties across the region have sold for \$1 million or more, including the most expensive sale so far this year, a \$7.35 million lakefront property in the Port Carling/Bala region.

Western Canada

Recreational property markets across Western Canada are experiencing healthy activity heading into the summer. Consumer confidence is high and motivated buyers are seeking out their dream vacation homes, with some markets reporting the most activity seen since the recession. A weaker Canadian dollar has also prompted buyers to remain in Canada rather than buying south of the border.

“We see momentum in recreational property sales, especially near urban centres where local residents have experienced several years of economic growth,” said Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “This year we are seeing the effects of buyer confidence in some regions thanks to built-up equity gains and strong job markets across the West.”

Recreational property markets in British Columbia saw renewed confidence stemming from last year’s modest price increases. This followed a period where recreational property in some B.C. markets witnessed price depreciation following the 2010 Olympics.

British Columbia’s mild climate, culture and active lifestyle activities continue to be a significant draw for potential buyers. Buyers are attracted to areas such as Salt Spring Island and Shuswap, which are known as rich cultural hubs with vibrant artistic communities and music festivals. The Okanagan Valley, known for its internationally renowned wineries, is also seeing an increase of buyers from Alberta with new direct flights from Fort McMurray.

In Alberta, both Canmore and Sylvan Lake have remained popular with affluent cottage buyers looking for four-season use of properties located in close proximity to national parks and world class ski hills. Demand in Canmore has led to limited inventory for three bedroom single-family properties for less than \$1 million. Current typical buyers are comprised of professionals working as geologists, engineers and executives in the oil industry. This is a new trend building on the existing demographic of retiree buyers.

Strong house price appreciation in recent years has potential first-time buyers in Winnipeg and Regina re-evaluating whether to buy a property in the city or whether to extend their commute time and enjoy the best of both the city and country. At a more accessible price point, first-time buyers can choose a recreational property half way between the beach and the office, allowing for more space and access to activities that are not possible in the city. Similarly, those who already own property in these urban centres are looking to leverage built up equity for a second property that they can enjoy with friends and family.

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