



For immediate release

Affordability factors into greater demand for recreational property in markets across the country this year, says RE/MAX

Sales of recreational product up in 70 per cent of Canadian markets examined

Laval, QC (June 18, 2012) -- Canadian recreational property markets have been reinvigorated, with softer values, increased selection, and a rebound in consumer confidence contributing to an upswing in sales in 2012, according to a report released today by RE/MAX.

The RE/MAX Recreational Property Report, highlighting trends and developments in 33 markets nationally, found that sales were ahead of last year's levels in 70 per cent of communities examined—including the Laurentians and the Eastern Townships in Quebec—while six per cent were on par with 2011 figures. Greater affordability has been a major impetus, in large part due to rising inventory levels and low interest rates. While entry-level prices remained on par in Quebec's major cottage areas, downward trending in starting prices was reported in 49 per cent of markets, while 33 per cent experienced no change. Nineteen per cent posted an uptick in starting values year-over-year.*

"The good news is that there is something for everyone, regardless of budget, in Canadian recreational property markets," says Sylvain Dansereau, Executive Vice President, RE/MAX Québec. "The challenge in the current climate is balancing expectations with market realities—both on the part of the vendor and the purchaser. Yet, deals are coming together, and the start to the season has been encouraging. We've had false starts in the past, but this has the hallmarks of a market with promising momentum."

Inventory levels have climbed in virtually all centres, with the Laurentians and the Eastern Townships no exception, although some shortages were noted at entry-level price points. Throughout Canada, activity is exceptionally healthy for recreational properties under the \$400,000 threshold, while demand for luxury product over \$1 million has also seen renewed interest in several markets, particularly as values have moved more in line with current conditions. The mild winter weather also brought purchasers out earlier in the year in many parts of the country.

"While buyers are still cautious, they're motivated," says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. "Current market conditions have placed them firmly in the driver's seat. While the more favourable climate has factored in, activity has also been fuelled by pent-up demand that's been building since 2008, when many began waiting it out on the sidelines. Opportunity does exist. Canadians love a good deal, and there's no question that there are still some to be had in recreational property markets across the country."

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The report found that the changing mix of purchasers has also had an undeniable impact on the current momentum, particularly in Western Canada. Activity among the baby boomer demographic over 60 has softened, compared with years past. Enticing prices in the southern U.S. have played a considerable role in rerouting purchases, but some retirees are returning to their own backyard, as prices north of the border have edged downward. Younger families and first-time buyers have stepped in to fill the void in most markets. In Quebec, locals are largely driving the demand for recreational properties.

Starter waterfront product (three-bedroom, winterized), priced under \$350,000, is now offered in 53.5 per cent of all recreational markets, while 58 per cent of recreational centres offer entry-level properties under \$400,000—an improvement over 2011. Value markets were identified as the Laurentians and Eastern Townships in Quebec, Atlantic Canada, more than half of Ontario—inclusive of the coveted Muskokas—as well as Lake Winnipeg, Canmore, Harrison Lake and Comox Valley/Mt. Washington in Western Canada.

The mindset of this year's buyer pool falls firmly into two camps—those willing to compromise, buying back-row properties off the water (happening in larger numbers—reflective of more young families active at the entry-level), and those who are steadfast in their search for the ideal location. While turnkey product is always the preference, it's rarely a deal breaker, as renovation activity abounds. Teardowns and custom-builds are occurring where possible, but older, rustic cottages and/or vacant waterfront lots, are becoming increasingly scarce.

“Recovery is still in its early stages, but there are subtle differences on the recreational property front this year,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “The gains are more widespread, affecting more markets and regions. Affordability has provided some serious stimulus, but renewed consumer confidence is the true driver. Buyers will simply not move forward if any doubts exist—economic or otherwise. So the demonstration of confidence we see today bodes well for the future.”

RE/MAX is Canada's leading real estate organization with nearly 18,900 sales associates situated throughout its more than 720 independently-owned and operated offices in Canada. The RE/MAX network, now in its 38th year, is a global real estate system operating in 87 countries, with close to 6,300 independently-owned offices and over 87,700 member sales associates. RE/MAX realtors 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.

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For more information:

Jessica Lavoie
RE/MAX Québec Inc.
450.668.7743

Eva Blay/Charlene McAdam
Point Blank Communications
416.781.3911

*Figures may not equal 100 per cent due to rounding.

RE/MAX RECREATIONAL PROPERTY REPORT 2012 - STARTING PRICES FOR RECREATIONAL PROPERTIES ¹				
Market	2009	2010	2011	2012
NEWFOUNDLAND & LABRADOR -				
Newfoundland Coast (East) ²	\$97,500	\$105,000	\$105,000	\$105,000
NEW BRUNSWICK - Shediac Bay²	\$200,000	\$230,000	\$450,000 - \$500,000	\$375,000 - \$425,000
NOVA SCOTIA - Cape Breton	n.a.	n.a.	\$279,000	\$175,000 - \$250,000
South Shore, Lunenburg ²	\$230,000	\$230,000 - \$240,000	\$230,000 - \$240,000	\$245,000
PRINCE EDWARD ISLAND -				
South Shore/North Shore ²	\$300,000	\$300,000	\$300,000 - \$350,000	\$300,000
QUEBEC - Eastern Townships				
The Laurentians	n.a.	\$175,000	\$175,000	\$175,000
ONTARIO -				
Eastern Ontario:	n.a.	n.a.	n.a.	\$250,000
Barry's Bay/Combermere	n.a.	\$200,000	\$300,000	\$289,000
Bancroft/Coe Hill	\$260,000	\$235,000	\$265,000	\$275,000
Apsley	\$375,000	\$400,000	\$389,000	\$399,000
Kingston	\$250,000 - \$270,000	\$290,000	\$300,000	\$250,000
Prince Edward County	\$200,000 - \$250,000	\$200,000 - \$250,000	\$300,000	\$265,000 - \$300,000
West Kawarthas	\$400,000	\$400,000	\$450,000	\$400,000 - \$500,000
East Kawarthas	\$195,000	\$225,000	\$300,000	\$300,000
Lake Simcoe/Lake Couchiching:				
Beaverton	\$300,000	\$375,000	\$300,000	\$329,000
Lagoon City	\$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
Orillia	\$425,000	\$430,000	\$440,000	\$450,000
Flesherton	\$400,000	\$389,000	\$400,000	\$400,000
Georgian Bay:				
Wasaga Beach ³	\$525,000	\$570,000	\$640,000	\$640,000
Midland/Penetang/Tiny/Tay	\$500,000	\$550,000	\$500,000 - \$600,000	\$450,000 - \$500,000
Collingwood	\$390,000 - \$550,000	\$600,000	\$600,000	\$600,000
Honey Harbour/Port Severn	\$400,000 - \$425,000	\$450,000	\$450,000	\$375,000
Muskoka/Haliburton:				
Haliburton	\$240,000 - \$350,000	\$350,000	\$325,000	\$240,000 - \$250,000
Huntsville, Lake of Bays	\$300,000	\$300,000	\$300,000	\$300,000
Bracebridge, Gravenhurst	\$350,000 - \$400,000	\$325,000	\$325,000 - \$350,000	\$325,000 - \$350,000
Bala/Port Carling	\$450,000	\$450,000	\$500,000 - \$550,000	\$650,000
Parry Sound	\$185,000	\$219,900	\$225,000	\$225,000
Elliot Lake	\$225,000	\$215,000	\$215,000	\$194,000 ⁶
Lake Huron:				
Sauble Beach/Bruce Peninsula	\$350,000	\$350,000	\$350,000	\$330,000
Port Elgin/Southampton	\$450,000	\$450,000	\$450,000	\$475,000
Grand Bend	\$400,000	\$425,000	\$475,000	\$425,000
MANITOBA - Lake Winnipeg	\$300,000	\$250,000	\$280,000	\$250,000
SASKATCHEWAN - Last Mountain Lake/				
Qu'Appelle Lakes	\$300,000 - \$350,000	\$400,000	\$400,000 - \$500,000	\$400,000 - \$500,000
ALBERTA - Sylvan Lake				
Canmore ⁴	\$1,125,000	\$1,200,000	\$800,000	\$750,000
	\$295,000	\$270,000	\$229,000	\$195,000
BRITISH COLUMBIA - Okanagan Valley:				
North Okanagan	\$1,200,000	\$1,150,000	\$995,000	\$900,000
The Shuswap	n.a.	n.a.	n.a.	\$585,000
South Okanagan	\$800,000	\$800,000	\$800,000	\$610,000
Fraser Valley: Cultus Lake	\$450,000	\$800,000	\$800,000 - \$1,000,000	\$650,000
Harrison Lake	n.a.	n.a.	\$350,000 - \$400,000	\$365,000 - \$499,000
Vancouver Island: Tofino ²				
	\$789,000	\$875,000	\$825,000	\$795,000
Ucluelet ²	\$555,000	\$499,000	\$529,000	\$500,000
Comox Valley/Mt. Washington ²	\$500,000	\$475,000	\$400,000 ⁴ - \$700,000	\$92,000 ⁴ - \$400,000 ¹
Whistler ⁵	n.a.	\$799,000	\$700,000	\$700,000
Gulf Islands: Salt Spring Island ²	\$890,000	\$750,000 - \$800,000	\$669,000	\$597,000

Source: RE/MAX

¹Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot²Oceanfront property³Beachfront property⁴Two-bedroom condominium⁵Mountain chalet⁶Water-access property