

Recreational Property

REPORT 2012



RE/MAX®



Newfoundland Coast (East)

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$105,000

It's been a slow start to the recreational property season on Newfoundland's East Coast, with sales down 10 to 15 per cent from last year's levels. Buyer's market conditions are firmly in place, with plenty of properties listed for sale and purchasers taking their time making decisions. Yet, vendors continue to test the market, many with no real impetus to sell—pricing resale properties closer to their newer counterparts. Currently, there are 55 listings available and 22 listings have expired since January. Values have held steady year-over-year, with the starting price of a three-bedroom, winterized home on the ocean starting from \$105,000. This type of product tends to be snapped-up as full-time residences or as vacation properties for those coming from outside the province. Locals, by far, demonstrate a firm preference for fresh water ponds/in-land lakes, where the average price for a three-bedroom, winterized cabin is \$250,000 on standard frontage. Similar product off the water can be had from \$175,000, but this type of product is moving slowly. Demand is strongest at the entry-level for smaller, older cabins. Thirteen sales have taken place (three were teardowns), with an average sale price of \$141,500. Newer cabins are in tight supply and tend to move quickly. Young families are driving the market, seeking turn-key product. While they are willing to pay for it, they're also well-educated and keenly aware of fair market values. As a result, there is a strong trend at present toward custom building, with vacant lots available from \$60,000 to \$80,000 on fresh water. The resulting cabins offer modern floor plans and are generally worth \$200,000 and up at the end of the process. A lot of renovations are also taking place, driving up values and quality. Three hundred and forty building lots are expected to come on-stream within the next year, as the government

offers up parcels from the 1930s-era former Salmonier Correction Institute site. Most lots will offer direct pond frontage, in close proximity to neighbouring Deer Park, the Salmonier Nature Park and the golf course. The government Cottage Initiative is very unique and expected to be well-received. The lowest priced listing currently on the market is a \$79,000 waterfront property on Woodless Bay Line, with the highest-priced cabin available for \$400,000 in Deer Park. The most expensive cabin to sell this year offered 2,400 sq. ft of living space and boasted a one-acre lot on prime frontage. It moved for \$352,000 in coveted Deer Park. The most sought after areas continue to be Deer Park, Salmonier Line, Ocean Pond, Middle Gull Point and Brigus Junction.



The momentum in Nova's Scotia's recreational property markets is on the upswing, with sales in Cape Breton up over a year ago, while activity in South Shore Lunenburg remains in line with 2011 levels. Conditions now lean in favour of the buyer throughout the province. Purchasers remain cautious, taking their time to make decisions. Price resistance is evident. Buyers are well-informed and will not overpay. Fair market value has become key to recreational property sales. The entry-level segment of the market is moving best, supported primarily by locals, as international demand has yet to recover.

Cape Breton

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$175,000 - \$250,000

The demand for recreational properties in Cape Breton has been steady in 2012, with a solid start to the season. Locals have stepped forward in greater numbers, while activity among international purchasers has fallen back from previous years due to economic conditions. However, a smaller presence remains among U.S., German and Swiss buyers. The market is transitioning



from balanced territory and is now leaning slightly in favour of the purchaser. Days on market are creeping up, as buyers exercise caution, taking more time to make decisions. Most want to view numerous properties—and in various areas—before finally committing. Prices have held up well year-over-year, with modest appreciation recorded. Yet, with the tide starting to turn, buyers have demonstrated some price resistance, with stronger negotiations taking place. Vendors, on the other hand, have been slow to accept new market realities. The starting price for a three-bedroom oceanfront property on a standard lot is now \$175,000 to \$250,000, although the hottest price point remains \$200,000 to \$250,000. The most popular areas are the Bras D'or Lakes, including Baddeck, West Bay, St. Peter's and Whycomomagh, where prices typically range from \$360,000 to \$1.5 million, as well as areas along the Cabot Trail, especially Inverness and Ingonish—both prime waterfront areas. Locals have been drawn to the Myra River, where prices trend slightly lower. Affordability is a major draw to Cape Breton. Those willing to compromise can get into the market as low as \$150,000, with an occasional offering under that threshold. Americans have been driving demand in the Inverness area, where a new development, featuring an oceanfront Club Links golf course and a new hotel is quite sought-after. Mabou and Cheticamp, on the Westside, are also in steady demand. The Ben Eion area of East Bay is also growing in popularity, given its half-hour proximity to the city. Waterfront properties in Ben Eion generally sell from \$400,000 to \$650,000. The development of a new marina, golf course and ski hill in the area has drawn enthusiastic purchasers. While some are custom building, teardowns remain a rare phenomenon, while renovation activity is commonplace. The most expensive property sold in Cape Breton in 2012 changed hands for \$640,000 in East Bay on the Bras D'or Lakes.

South Shore, Lunenburg

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$245,000

Recreational property activity in South Shore/Lunenburg remains virtually on par with one year ago, with 18 waterfront properties changing hands in the first four months of the year, just slightly shy of the 20 properties sold during the same period in 2011. Buyer's market conditions are in place, except in the entry-level, where conditions are balanced and supply is less abundant. Overall, purchasers remain both cautious and

price sensitive. Deals are taking longer to come together, especially as vendors adjust. Days on market are up considerably, particularly for lakefront product. Perceived value is critical to a successful sale—a clear focus for those buying. The market is currently supported by domestic demand—given the economic crisis in Europe and the weak U.S. recovery. An uptick in demand has been observed among Albertans and those moving back home from other areas of Canada. The entry-level now accounts for the lion's share of sales. Of all properties sold in the district so far this year, 78 per cent moved under \$220,000, and more than sixty per cent sold under \$150,000. As such, price adjustments have been more common in the mid-to-upper-end price points. The average price for oceanfront property now hovers at \$300,000, up from \$229,000 last year, but it has been skewed higher by a few sales at the upper end. A three-bedroom, oceanfront home now typically starts from \$245,000. On the lakes, average price is now \$109,800, up from \$95,800 one year ago—a clear reflection of strength in the entry-level segment. Affordability has been affected by the trend toward four-season recreational living and higher quality product. The new base price for the area is typically around \$100,000, although it's closer to \$130,000 for a three-bedroom, winterized lakefront home. Most sought-after are starter properties priced from \$150,000 to \$170,000, coveted by young buyers—aged 20 to 40—and baby boomers alike. Ponhook, Molega, Sherbrooke, Fancy, Blysteiner, Crooked and Mush-a-Mush remain the most desirable lakes. On the oceanfront, South Shore properties over the bluffs, offering panoramic views are tops. Those looking for small-town comfort and amenities continue to be drawn to areas such as historic Chester. Quality is on the rise, with renovations commonplace. Once virtually non-existent, two instances of teardown activity were recorded locally last year. The most expensive oceanfront property to sport a sold sign in 2012 was located at Indian Point, and moved for \$900,000, while \$395,000 was the highest price paid for lakefront (Fitch Lake). Opportunity is the hallmark of the current marketplace, and the most savvy purchasers have taken note.



South Shore/ North Shore

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$375,000 - \$425,000

The recreational property market is shaping up well on Prince Edward Island's South and North Shores in 2012, with current demand running about 25 per cent ahead of last year, but still off peak levels recorded early in the decade. The waterfront market is showing signs of a comeback, after a few years of sluggish activity. However, challenges do exist, particularly in the form of federal layoffs at the Department of Veteran Affairs. With caution the order of the day, buyers have become more modest in their pursuits. Starter product is most sought-after, priced from \$150,000 to \$250,000, as well as properties located a few rows back from the water. While oceanfront is coveted across the board, the central area between Summerside and Charlottetown is a perennial favourite. Buyers can snap up a nice home on good oceanfront from \$250,000 to \$375,000, but the starting price for prime oceanfront is typically \$300,000-plus. Economic woes south of the border have reduced the American buyer pool, but increasing demand from British Columbia and Alberta, as well as from former Islanders returning home, has offset the decline for the most part. Affordability remains a significant factor buoying the market, and prices have held relatively steady. The greying of the population is propping-up sales, as those approaching retirement look to summer properties or transition to year-round living. This impending wave of retirees is expected to bode well for the region in the years ahead.

Shediac Bay

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$375,000 - \$425,000

While recovery is still underway in Shediac Bay's recreational property market, overall sales have been healthy year-over-year. One hundred and forty-seven Bay Area waterfront homes or cottages have changed hands (May 2011 to April 2012), compared to just 132 during the same period the previous year—an 11 per cent gain. One factor that has contributed to the increase in activity is softer recreational property values. Average price has declined year-over-year, down nearly 12 per cent, creating an impetus among local purchasers, as well as those from other parts of Canada, including BC, Ontario, and Québec. Chinese and Korean buyers, most from the west coast, have now discovered the area, and are investing in waterfront condominiums, priced from \$200,000 to \$300,000. This type of product has gained some traction in recent years, but builders have given pause in light of the current economic climate. Affordability is a serious factor buoying activity, whether moving in or trading up. The starting price for a three-bedroom, winterized home on prime oceanfront is now \$375,000 to \$425,000. Yet, it's possible to enter the recreational market for as low as \$150,000 on rivers that empty into the ocean. In fact, the trend toward waterfront slightly more inland is rising, as buyers increasingly prefer the calmer and warmer waters. Young families now account for the lion's share of purchasers, with most seeking properties close to average price. The bulk of the momentum has been at the lower price points. Buyers are taking their time, seeking out choice properties at good prices, and many are spending the difference renovating to suit. The most expensive recreational property to change hands in 2012, at \$365,000, was an oceanfront home on Rue Sainte Croix at the mouth of the Bouctouche Bay—clear evidence that lower end sales have dominated. Demand has fallen off substantially among Americans and Europeans. Buyer's market conditions are expected to remain in place, with ample choice for purchasers across the board.



Activity is on the upswing heading into the busy cottage season in Québec's recreational property markets. Average price has fallen for waterfront homes and back-lot properties, underscoring the strength evident in the lower end of the market. Yet, starting prices remain on par with year-ago levels. An abundance of inventory and softer values are expected to provide a solid impetus for buyers throughout 2012, as favourable affordability, low interest rates and buyer's market conditions help young families secure the dream of recreational property ownership.

The Laurentians

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot : \$175,000

Buyer's market conditions remain firmly in place in the Laurentians this year. An abundance of inventory and lower pricing has begun to re-invigorate the market, as buyers seek out opportunity. The momentum during the first four months of the year was steady and remains on the upswing. Waterfront sales climbed almost two per cent year-over-year, with 390 units changing hands, compared to 384 during the same period in 2011. Average price has softened, falling just over five per cent to \$281,000 from \$297,000 one year earlier. While sales are strongest near the average price point, purchasers can enter the market for as low as \$175,000 for a three-bedroom, winterized recreational property on a standard, waterfront lot. Product is moving quickly at the lowest end of the price spectrum, and good demand has been reported in the upper-end for properties priced over \$500,000. Supply is more than adequate across the board, but selection declines closer to the city, especially within areas located 45 minutes to an hour outside of Montreal. Currently, over 900 waterfront single-family homes are listed for sale. Popular areas include St-Adolphe D'Howard, Ste-Anne-des-Lacs as well as St-Sauveur and Mont-Tremblant. Preferred waterways include Lac Tremblant, Lac St-Joseph, Lac-Sainte-Marie, as

well as Lac Marois in the upper-end. Young families with children—mainly hailing from Montreal, Ottawa and other parts of Eastern Ontario—are driving demand, but are taking time making decisions. There are now more negotiations, clauses, and inspections involved in the transaction process. Yet, ultimately most deals are coming together. Demand for ski product was solid this past winter, with new and resale condominiums moving well. Once again, affordability played a role, with units within walking distance to the ski hills priced from \$250,000 most popular. The most expensive property to sell in the Laurentians in 2012 was a home located on seven acres at the base of Mont-Tremblant. It sported a \$5-million price tag. The upper-end of the market has posted a healthy performance early in the season, with three waterfront sales over \$1 million.

Eastern Townships

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$220,000

Recreational property activity in Québec's Eastern Townships continued to bounce back in 2012, with sales up just over eight per cent in the first four months of year, compared to the same period one year ago (146 units vs. 135 units). Softer values proved a considerable impetus, with average price down 10 per cent year-over-year (\$321,000 in 2012 vs. \$360,000 in 2011). With a starting price of \$220,000, affordability remains front and centre. Inventory is also favourable, with 325 waterfront homes available for sale, and product to satisfy almost every budget. The greatest demand exists for properties priced near \$300,000, with young families leading the charge. The most expensive home to change hands moved for \$2 million on sought-after Lac Memphrémagog, which remains the most coveted in the Eastern Townships. The property featured almost two acres of land on 198 ft. of prime lake frontage. The Magog-Orford area remains a favourite among purchasers, with Lakes Massawippi, Lovering, and Magog also popular.



Clear evidence of recovery exists in Ontario's recreational property markets. Seventy-one per cent of all areas examined in the province reported sales on par or ahead in year-over-year comparisons. Only five markets noted lower sales, but of the five, three markets—Prince Edward County, Haliburton, and Huntsville/Lake of Bays—fell short by just three, seven and 12 sales respectively, and are expected to close the gap as the season wears on. Overall, the climate is healthy and stable. Buyer's conditions remain largely in place across the board, with an ample supply of inventory from which to choose, although selection tends to be less abundant at the lower end. Prices have held firm or fallen in nearly 71 per cent of cottage areas. Purchasers remain sensitive to price point and are negotiating, but overpriced properties are generally being overlooked. Buyers are very selective this year, and will wait for the right property to come on stream, but overall intentions remain strong.

Eastern Ontario

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$250,000

Generation X is behind the push for waterfront in Eastern Ontario, with sales up eight per cent in the past 12 months, compared to the previous year. Three hundred and ninety-two recreational properties changed hands between May 2011 and April 2012—an increase of 30 units over the 362 sales reported during same period one year earlier. Average price has also experienced modest appreciation, climbing close to two per cent from \$380,818 one year ago to \$383,687. Close to 70 per cent of sales in Eastern Ontario are occurring under the \$400,000 price point. Just eight per cent of waterfront properties are sold for over the \$700,000 threshold. The most expensive waterfront sale this year—a year-round home on the Rideau River near Manotick—moved for \$950,000. With hundreds of lakes within an hours' drive from Ottawa, recreational property ownership is an attainable goal at almost any price point. While the starting price for a typical, three-

bedroom winterized waterfront cottage is \$250,000, similar product can be purchased for significantly less on smaller lakes and rivers in the area. In fact, almost 20 per cent of recreational properties sell for between \$100,000 and \$199,999. Approximately 500 waterfront properties are currently listed for sale along the Rideau River and Rideau Lake System—including Lower Rideau Lake, Big Rideau Lake, Upper Rideau Lake, Newboro Lake, Clear Lake, Dog Lake, and Whitefish Lake. Lanark Highlands, just north of the Rideau Lakes, is another popular destination for recreational property purchasers seeking cottages on Lakes Robertson, Dalhousie and Palmerston, as well as the Clyde and Mississippi Rivers. The Gatineau area in Québec is also a favourite with purchasers from Ottawa and the surrounding areas, offering up affordable recreational properties at a substantial cost-savings.

Prince Edward County

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$265,000 - \$300,000

Although buyers remain cautious, the recreational property market has held up relatively well in Prince Edward County, with waterfront sales down by just three units in the first four months of the year vs. the same period in 2011 (31 units vs. 34 units). Prices have fallen just one per cent, despite buyer's market conditions, with the average now hovering at \$449,000 vs. \$454,000 one year earlier. The momentum, albeit slower than anticipated, is steady heading into the summer season. The exception remains the upper-end, where demand has softened. Purchasers are taking their time, viewing multiple properties, resulting in rising days on market. Buyers tend to be more conservative in their spending habits since 2008, negotiating hard, and in some instances, meeting with success. Vendors are beginning to adjust—some are moving prices in line with the current market; some are considering lower offers, while others are still content to wait-and-see. The greatest challenge has been finding common ground, as the disparity between market conditions in the major centres and cottage country has skewed the expectations of some. Baby boomers and retirees from Ottawa and Greater Toronto continue to drive the market. The \$350,000 to \$400,000 price point is most active, with turnkey properties in highest demand—although at this level, some compromise is still a reality. The starting price for



a three-bedroom, winterized recreational property on a standard waterfront lot is now \$265,000 to \$300,000. The most sought-after waterways include the Bay of Quinte, West Lake, East Lake, Wellers Bay and Lake Ontario. Affordability remains favourable, although a growing segment of buyers is choosing off-waterfront lots or small acreages, starting at \$200,000. The most expensive waterfront home sold in 2012, at \$1.5 million, offered a stone exterior, over 3,000 sq. ft. of living space on the main floor, 176 ft. of prime water frontage, a three-car garage and a detached coach house. While some purchasers are sitting on the sidelines, given the current global uncertainty, opportunity clearly exists for those ready to commit. Despite an abundance of listings, inventory is short at both the low end and in the most active price range—a fact that is expected to hold prices stable through year-end. Overall, recreational property sales are forecast to remain on par with year ago levels.

Kawarthas

Affordability and selection continue to draw young purchasers to recreational product in the Kawarthas. With values starting at \$300,000 for a three-bedroom, winterized cottage in both East and West Kawartha, the area offers up some of the best priced entry-level product in the province just two hours northeast of the Greater Toronto Area. The top-end of the market has also experienced solid activity, with demand brisk for upscale waterfront properties. Low interest rates have been a factor, prompting some purchasers to take advantage of ideal market conditions.

East Kawarthas

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$300,000

While demand for recreational properties under the \$400,000 threshold is strong in the East Kawarthas, overall sales have softened year-over-year. Three hundred and eighteen waterfront properties changed hands between May 2011 and April 2012, down 11 per cent from the 359 sales reported during the same period in the previous year. Average price, however, rose five per cent to \$385,000. Young professionals with small children are largely behind the push for lakefront homes at entry-level price points. An adequate supply of cottages is

available at the low end, while inventory improves between \$500,000 and \$1 million price point. Lakes Buckhorn and Stoney remain most popular with purchasers, most of whom are demanding turnkey product. Teardowns are happening, but not to the same extent as in years past. Upscale waterfront homes are still coveted, with sales over \$1 million strong on Stoney, including the highest priced sale this year—a four-bedroom home with 400 ft. of sandy beach frontage at \$2.1 million. Starting price for a decent, four-season, winterized cottage on a standard 100 ft. waterfront lot is on par with year ago levels, at \$300,000.

West Kawarthas

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$400,000 – \$500,000

Stability and confidence have propped-up the market for recreational properties in West Kawarthas this year. While prices are in line with year-ago levels, unit sales have climbed 16 per cent to 287 between May 2011 and April 2012—forty units higher than the 247 reported during the same period in the previous year. More listings have come on-stream in recent months, giving purchasers' greater selection than in years past. Retirees and empty-nesters remain a force in the area, driving demand for year-round waterfront homes. Younger purchasers—first-time buyers—comprise a growing segment of the market, fuelling entry-level waterfront sales. Affordability is top of mind with this demographic, and many are buying back-lot properties one or two streets from the lake, riverfront, or the lower end of Pigeon Lake to realize cost savings. The greatest activity is occurring at the \$300,000 to





\$350,000 price point. A three-bedroom, four-season recreational property on Sturgeon or Pigeon Lakes will typically start at \$300,000 to \$400,000—while similar product on sought-after Balsam and Cameron Lakes is generally priced from \$400,000 and up.

Lake Simcoe/ Lake Couchiching

Orillia

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$450,000

With consumer confidence on the upswing, demand for recreational product—lakefront cottages, condominiums, and river cottages—is gaining traction in the north end of Lake Simcoe and Lake Couchiching. Waterfront sales in and around Orillia have climbed 54 per cent year-to-date, rising from 35 sales one year ago to 54 in the first four months of 2012. Lakefront condominiums have also seen an uptick in demand, with sales doubling year-over-year. The most active price range is up marginally from one year ago, with move-up buyers, empty-nesters, and retirees seeking out product at the \$400,000 to \$500,000 price point. Inventory is balanced in Orillia, leaning toward a buyer's market at the top end. The starting price for a three-bedroom, winterized recreational property on a standard 50 ft. lot is up slightly, now sitting at \$450,000, compared to \$440,000 one year ago.

Innisfil to Oro

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$520,000 – \$530,000

While sales of recreational product from Innisfil to Oro remain on par with year-ago levels, pent-up demand is building among would-be purchasers. Lack of inventory—especially 100 ft. lots—is a major concern, given that there are just over 60 properties currently listed for sale. Starting prices for a three-bedroom, winterized recreational property on a 50 ft.

waterfront lot are stable at \$520,000 to \$530,000, yet buyers are choosing to wait for larger frontage, particularly on sought-after private roads. Overpriced listings have been reduced in some instances, while others continue to stagnate. Days on market hover at 235 as a result. Well-priced product tends to move quickly, even more so if it's located on Moosenlanka, Fleming, Woodlands or Crescent Harbour in Innisfil or on private roads in Oro. 2011 proved to be an exceptionally strong year for recreational property sales in the area, with 73 properties changing hands—including 39 in Oro and 34 in Innisfil—the priciest of which sold for \$13 million. New construction and higher property taxes in Innisfil have been somewhat of a deterrent in recent years, prompting some potential purchasers to travel north to Oro. Privacy has become a serious selling factor, especially in Innisfil, where residential expansion is a factor. Affordability does not appear to be as much an issue as availability. While the average price was \$1.295 million last year, the greatest activity continues to occur between the \$800,000 and \$900,000 price point. Empty-nesters are fuelling demand for recreational product across the western shoreline of Lake Simcoe, many buying with the intent of keeping the family unit together. Although some buyers have purchased property south of the border, recreational product within a short distance of the GTA remains coveted by most.

Georgian Bay

Most of the Georgian Bay region has demonstrated marked improvement in demand and sales in 2012, although Midland/Penetanguishene remains off last year's pace by 20 units—a gap it could well close as peak season get underway. Starting prices have held relatively firm, although average price is down across the board, with the exception of Wasaga Beach, which posted a modest increase. The trend is representative of the solid activity at the entry-level price points. Growing demand for new(er) homes in areas set back from the water is evident in all areas, as buyers seek out affordable options. Supply varied from market to market, but a healthy selection is generally available throughout Georgian Bay.



Wasaga Beach

Starting price for a three-bedroom, winterized beachfront property on a standard lot: \$640,000

Recreational living continues to draw purchasers from across Ontario to the Wasaga Beach area. An early start to the season and warm weather helped bolster demand out of the gate, and as a result, year-to-date sales are ahead of 2011 levels (163 units vs. 138 units). This is best illustrated by the upswing in demand for riverfront properties, which had been slower over the past few years. Average price in the Town of Wasaga Beach has seen modest appreciation, now hovering at \$273,600. Demand remains greatest at the \$200,000 to \$300,000 price point, but the \$350,000 to \$500,000 range has also demonstrated a significant increase in units sold over last year. Properties north of Mosley are most coveted, with tear-downs commonplace on older cottages within walking distance to the water. Retirees continue to account for the lion's share of purchasers, along with baby boomers with an eye to the future. The starting price for a three-bedroom beachfront property on a standard-sized lot has held steady year-over-year at \$640,000, although prime beachfront typically sells between \$750,000 and \$850,000. Balanced market conditions exist, and a good selection of product is available across all price points. New and newer homes in subdivisions south of Mosley, further back from the water, are attracting growing interest from buyers—including young families—due to affordability and turnkey condition. These properties start from \$270,000 to \$300,000. Some are looking to up-and-coming neighbourhoods such as Allenwood Beach and New Wasaga, where prices can start even lower—from \$225,000. Nottawasaga riverfront cottages and homes also provide an affordable alternative, starting from \$350,000 to \$400,000 or from \$250,000 further upstream. Condominium product has been slow to take off with recreational property buyers, but the tide is starting to turn. Well-appointed waterfront units are available from \$450,000 to \$650,000 and have been well-received. A prime example is the Beachhouse development by Baywood Homes. Some purchasers are downsizing from years of cottage ownership and are looking to adult lifestyle and retirement communities, where product can range from as low as \$89,000 for a modular home to \$225,000. Clearly, there is something for all budgets. Land is becoming more scarce as

time goes by, and vacant lots, particularly on or near the water are few and far between. As a result, in-town parcels and those in golf communities are garnering growing interest. The most expensive recreational property sold in 2012 was a 2,400 sq. ft. beachfront home that changed hands for \$822,500.

Midland/ Penetanguishene/ Tiny/Tay

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$450,000 – \$500,000

While demand for recreational property is gaining greater traction in the Midland/Penetanguishene area, sales remain slightly off last year's pace. The market is starting to take shape in most price ranges, with the exception of waterfront properties in the upper-end, which remain weak. The average price for all types of properties—both on and off the water—in the area is down four per cent to \$442,000 from \$460,000 one year ago, while the average beachfront value, based on properties sold, is down just over seven per cent—reflecting softness in the top end of the market. Yet, it's important to note that property values do vary substantially by shoreline community within this area. Affordability continues to attract purchasers to Midland/Penetang. A three-bedroom, winterized cottage on a standard waterfront lot now starts from \$450,000 - \$500,000, but budget-conscious consumers are opting for new (er) product just a few rows back from the water. In fact, a surprising number of new(er) homes have sold in back-row cottage areas in recent months for between \$275,000 and \$350,000. However, entry-level waterfront continues to sell best. Selection tends to improve along with budget. Buyers are taking their time, viewing all available listings, and exercising their due diligence. Waterfront tear-downs and vacant lot sales have slowed considerably, as purchasers have been reluctant to build in the current climate of economic uncertainty. Renovations continue and the quality of recreational/residential product is greater, with cottage owners setting a whole new standard.



Collingwood/ Blue Mountain

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$600,000

Unseasonably warm weather meant recreational property buyers got off to an early start in Collingwood this year. Both showings and sales were up out of the gate, and by the end of May, momentum was running at full tilt. Yet, waterfront activity has proven softer in large part due to a tighter selection at the sought-after lower price points. Half of all recreational property sales have occurred under \$600,000 so far this year. At the other end of the price spectrum, upper-end homes have begun to move, with solid demand up to \$1.5 million. The most expensive waterfront home sale in 2012 was recorded at \$1.975 million. Confidence seems to be there, but urgency is not. On the whole, buyers are more conservative—many have pared down budgets. As a result, average price has fallen just between three and six per cent, depending on the area and type of product. Condominiums typically offer the greatest savings, and builders have offered some considerable reductions. Units can be had from \$350,000. Affordability has improved overall, but has held steady on the waterfront. The starting price of a three-bedroom, winterized recreational property on a standard waterfront lot remains on par with one year ago at \$600,000. Purchasers willing to compromise can find waterfront cottages from \$445,000. Product in the \$400,000 to \$600,000 range is most sought-after at present, with young families leading the charge. Areas west of Collingwood, including Thornbury, are gaining in popularity, although Intrawest is also doing well this year. The Georgian Triangle Area—and Collingwood/Blue Mountain, in particular—continues to experience considerable growth. The market remains healthy and balanced, but leans slightly in favour of the purchaser.

Muskoka

Ontario's Muskoka Region experienced a solid start to this season's recreational property market, especially as favourable weather prompted early interest and activity among buyers. Sales were up almost across the region, with the exception of Haliburton and Huntsville, where the decline was negligible at just a handful of units. Momentum was on the rise, with buyer's conditions characterizing the market. Choice is ample, albeit tighter at the lower end, where demand tends to be concentrated this year. That has prompted some multiple offers on starter product in both Huntsville and Bracebridge/Gravenhurst. Prices have seen some softening in Haliburton, Huntsville/Lake of Bays and Bracebridge/Gravenhurst, but have held up well in both Bala/Port Carling and Parry Sound. While some properties remain overvalued, adjustments have levelled out for the most part. The upper-end of the market has shown good traction in most areas—a positive sign that confidence is building.

Haliburton

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$240,000 – \$250,000

Recreational property sales in Haliburton remain virtually on par with year-ago levels—269 waterfront homes changed hands from May 2011 to April 2012 versus 276 during the same period a year earlier. The momentum is healthy, although still off its pre-recession pace. Buyer's market conditions remain in place, and purchasers are increasingly savvy—well-informed about current values and unwilling to overpay. The average waterfront sale price is down approximately five per cent (\$360,520 vs. \$377,670). Supply remains ample—nearly 850 properties were available in the month of April. Yet, starter properties on the big lakes are limited in number, particularly under the \$400,000 price point. Purchasers willing to compromise can realize waterfront living from \$240,000 to \$250,000 given the increased selection of inventory available. The chain of lakes that includes Kennesis, Redstone, Drag, 12-Mile, Boshkung, and Kashagawigamog is most sought-after, but demand for the small-to-mid-sized lakes is also



solid due to greater affordability. Product exists to satisfy most any budget. The strongest segment of the market is currently the entry-level, driven by young families, with the \$250,000 to \$350,000 price range most active. The most expensive recreational property sold in 2012 was located on Lake Kashagawigamog. It moved for \$905,000. Given the current climate, property prices are slowly moving in line with fair market value, but vendors have been reluctant to adjust. As a result, time on the market is on the rise, now averaging 77 days.

Huntsville, Lake of Bays

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$300,000

A shortage of recreational property at entry-level price points has placed some upward pressure on values in the Huntsville, Lake of Bays area this year. Multiple offers are occurring for the first time in years on product priced at \$400,000 and under, thanks to an influx of purchasers from the Greater Toronto Area, Kitchener-Waterloo, Hamilton-Burlington, and the Golden Horseshoe. Average price in April 2012 was up 10 per cent over April 2011 as a result. The limited supply of waterfront is also reflected in softer sales activity year-over-year, with the number of properties sold off last year's pace by 12 units. Seventy-two recreational properties changed hands between May 2011 and April 2012 in

Huntsville, Lake of Bays, and the Parry Sound District, down from 81 units during the same period one-year earlier. Affordability continues to be top of mind with purchasers, particularly those aged 35 and over with small children. While the mid-sized lakes in the area offer three-bedroom, winterized waterfront product starting at \$300,000, more affordable alternatives are available, including smaller lakes and rivers, as well as three-season cottages and condominiums. While the four-lake chain of Vernon, Fairy, Mary and Peninsula offers excellent value, those seeking more exclusive waterfront properties may want to look at Waseosa Lake where starting prices range from \$400,000 to \$500,000 or Lake of Bays where they start at \$550,000. Luxury sales overall have gained traction in recent months, with the most expensive waterfront property sale on MLS this year moving at \$1.87 million and the priciest exclusive sold at \$3.4 million.

Bracebridge/ Gravenhurst

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$325,000 – \$350,000

Demand for waterfront properties—cottages, estates, vacant lots, condominium apartments, towns, and fractional ownership—continues to climb, with sales 11 per cent ahead of last year's levels in Gravenhurst, Bracebridge, and the Muskoka Lakes Region.





Four hundred and forty-nine properties changed hands between May 2011 and April 2012—up significantly over the 404 units sold in the same period one year earlier. Average waterfront price has increased close to two per cent in the area, rising more than \$13,000 from \$730,873 to \$743,477. Stability is the hallmark of the market for recreational properties this year, with mild weather, greater affordability, and good selection the major anchors. Baby boomers with an eye to future retirement remain most active, followed by younger families at the entry-level. Starter cottages on any of the 60 smaller lakes in the area, including Turtle, Loon, and Muldrew, have been snapped-up, some in multiple-offer situations. While balanced conditions exist overall, an influx of entry-level product would ease upward pressure on prices in that segment of the market. Luxury waterfront properties have also experienced solid demand as investors move money out of the volatile stock market and into a tangible asset like recreational real estate. Teardowns are still occurring on both the smaller and larger lakes in the area, as end users demolish older cottages to make way for custom-built estate-like homes. Spec builders are largely gone from the landscape, with most of their inventory absorbed. Starting prices remain unchanged at \$325,000 to \$350,000 for a three-bedroom, winterized cottage on 100 ft. of waterfront.

Bala/Port Carling

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$650,000

Demand for waterfront properties is gaining momentum in Bala/Port Carling, with waterfront sales ahead of year-ago levels. Two hundred and seventy units sold from May 2011 to April 2012—an increase of 13 per cent over the 248 units sold during the same period one year prior. Despite a good selection of properties available for sale (buyer's market conditions exist), prices have held steady or experienced modest appreciation. Strong activity has been reported, especially below the \$1 million mark, but demand is evident at all price points, including the upper-end, where six waterfront properties sold over \$2 million during the first four months of the year. The highest-priced sale was recorded on Lake Rosseau for \$5.9 million. Buyers are quite discriminating at present, waiting for the ideal product to come on-stream. More than 400 recreational waterfront properties were available for sale as of mid-May, but selection remains tighter at the entry-level, and some listings remain overpriced. Deals are tougher to bring

together than in years past, but stricter financing criteria hasn't dampened intentions. Affordability is top of mind, given that the starting price for a three-bedroom, winterized cottage on a standard waterfront lot now sits at \$650,000 on the Big Three (Lakes Muskoka, Rosseau and Joseph). Similar product is available on smaller lakes from \$350,000.

Parry Sound

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$225,000

Affordability remains the driving force behind an upswing in recreational property sales in the Parry Sound area, with purchasers travelling from as far as the Golden Horseshoe to realize ownership. Mild weather has been a contributing factor, with well-priced, well-located product moving within a week in some instances. An excellent selection of waterfront at virtually every price point is drawing younger purchasers to the area, many of whom are buying their first cottage. Prices remain stable—especially at the entry-level—while the top-end of the market has experienced some softening, particularly on Georgian Bay. The vast majority of recreational property sales still occur under the \$500,000 price point, with the sweet spot between \$300,000 and \$325,000. Starting price for a three-bedroom, winterized cottage on a standard waterfront lot hovers at \$225,000—matching last year's level.

Lake Huron

Low interest rates and softer starting values have sparked renewed interest in recreational properties along the eastern shore of Lake Huron. Mild weather conditions throughout the winter and spring have also contributed, with demand on the upswing from Grand Bend to the Bruce Peninsula and all points in between. Today's recreational property purchasers run the gamut, ranging from young families to empty nesters and retirees. Although most are from London and the surrounding areas, there has been an influx of buyers from the Greater Toronto Area. While the greatest activity continues to occur at the entry-level, there has been some movement at the top end of the market, indicative of growing consumer confidence levels. Selection of recreational product is good, with supply ample at all price points.



Sauble Beach/ Bruce Peninsula

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$330,000

An exceptionally mild winter prompted an early start to the 2012 recreational property season in Sauble Beach/Bruce Peninsula. The market, which normally gains momentum in May, experienced an upswing in activity in January that has continued unabated. Inventory levels have increased as a result of favourable conditions, with the supply of recreational product now meeting demand. A slight dip in starting prices has contributed to the increase in demand in Sauble Beach and the Bruce Peninsula. A three-bedroom, winterized recreational property on a standard waterfront lot now starts at \$330,000, down from \$350,000 one year ago. Purchasers willing to travel further north will find similar product for under \$300,000, while those interested in three-season usage can purchase a cottage for as low as \$250,000. Well-priced waterfront properties are moving quickly as a result, while overpriced listings still meet with buyer resistance. Affordability is a key factor in today's market. The vast majority of buyers are from London, Sarnia, and surrounding communities, but more and more buyers from the Greater Toronto Area are discovering the region in large part due to its attractive price point.

Port Elgin/ Southampton

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$475,000

The recreational property market in Port Elgin/Southampton is off to a good start, with sales ahead of last year's levels. Younger purchasers, along with some retirees, are behind the push for waterfront properties along the Lake Huron shoreline, many enticed by the region's affordability—especially when compared to other parts of the province. Starting price for a three-bedroom, winterized recreational property on a standard lot is up \$25,000 over last year, hovering at \$475,000, but product can be purchased for a fraction of the

price if purchasers are willing to go one or two rows back from the water. Lakeview cottages start at about \$240,000. Leased-land is also an option in the area for those that are seeking value. Inventory is ample across the board, with recreational properties available from as low as \$209,000 to \$879,000.

Grand Bend

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$425,000

Demand for real estate—be it residential or recreational—from Grand Bend to Bayfield is on the upswing. Sales have increased 28 per cent over last year (115 vs. 90) in the first four and a half months of 2012, well ahead of previous years' levels. Affordability is a major driver, especially with buyers from the Greater Toronto Area who comprise a greater share of the purchasing pool this year. With the starting price of a three-bedroom, winterized recreational property on a standard waterfront lot down to \$425,000 (from \$475,000 one year ago), value-conscious buyers have been exceptionally active. Approximately 50 per cent of properties sold have moved under the \$500,000 threshold so far this year. Back-lot product has also soared in popularity, with properties one or two streets back from the lake selling within a week, some in multiple-offer situations. These homes, priced between \$250,000 and \$350,000, represent the best of both worlds, especially for young families. Twenty-eight lakefront properties are currently listed for sale, ranging in price from \$329,000 to \$1.4 million. A good selection exists between the \$350,000 to \$400,000 price points. The most expensive sale this year was \$875,000. The top end of the market has also seen an uptick in activity, spurred by empty-nesters in their 50s. New construction continues in the area, but few lakefront lots are available on the 30 miles of shoreline between Grand Bend and Bayfield. Purchasers interested in building will likely tear down an existing cottage to make way for their dream home. Once a force in the area, American buyers have tapered significantly. Most are now selling their recreational properties to take advantage of the currency exchange—cashing in on product bought when the Canadian dollar was at 60 or 70 cents. A select few are investing in smaller cottages for the long-term, renting out their properties in the interim.



Lake Winnipeg

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$250,000

After last year's severe flooding, demand for waterfront has rebounded in Manitoba, with sales on the upswing in the region's recreational property markets. Pent-up demand, created by the events of 2011, has bolstered sales of lots as well as existing cottages on Lake Winnipeg. Empty nesters and young retirees are driving demand for year-round recreational product for the most part, buying-up properties lakeside, renovating or tearing down. Families are also an integral component of today's recreational market, with many seeking affordable, four-season recreational product within two to two and a half hours from Winnipeg. Lake Winnipeg's Gimli area, comprised of Winnipeg Beach and waterfront just north of Petersfield on the western shoreline, remains most sought-after, given the community's proximity to smaller centres with shops and restaurants. Grand Beach and Victoria Beach on the eastern shores of Lake Winnipeg are also popular with buyers, but more rural in nature, appealing to those who like 'cottaging in the bush'. Starting price for a three-bedroom, winterized recreational property on the shores of Lake Winnipeg hovers at \$250,000 this year, reflecting an increase in inventory at entry-level price points, but budget-conscious consumers who travel further north can realize greater savings on similar product. Waterfront properties along the Winnipeg River to Lac du Bonnet also represent excellent value. Luxury product can be found in Ontario's Lake of the Woods area—just a three to four hour drive from Winnipeg on a divided highway. Whiteshell Provincial Park is also a popular choice with purchasers, with prices for a four-season recreational property starting at \$220,000. The supply of recreational properties in Manitoba is ample across the board, and at all price points. Numerous developments are underway, offering new recreational product

to those looking for turnkey ownership. Americans, once a fixture in Manitoba's recreational property markets, are taking advantage of current market conditions, including the high Canadian dollar, to sell their properties.



Strong economic performance continues to have a positive impact on Saskatchewan's real estate markets, with demand for recreational properties on the upswing this year. The market has vastly improved over the 2011 season, when record rainfall and flooding put a damper on activity throughout the region. Pent-up demand has played a role, contributing to the uptick in recreational property sales, particularly at entry-level price points. Younger purchasers are most active in the market, driving sales of recreational product priced from \$200,000 to \$300,000. Given rising inventory levels across the board, buyers are taking longer to make decisions. Most are looking for that 'perfect' property. Empty nesters and retirees comprise a smaller segment of today's market, which has contributed to softer sales at the top end. Popular waterfront destinations include Last Mountain Lake, Katepwa Lake, Pasqua Lake, Echo Lake, and Mission Lake for purchasers from Regina, while buyers from Saskatoon and the surrounding areas tend to favour Waskesiu Lake, within the Prince Albert National Park, Emma Lake, and Delaronde Lake.

Last Mountain Lake, Qu'Appelle Lakes

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$400,000 – \$500,000

Sales of recreational properties on Last Mountain Lake and the Qu'Appelle Lakes Region are up 10 per cent, with 96 properties changing hands in the 12-month period ending April 30, 2012, up from 86 in the previous year. Starting prices—for a three-bedroom, winterized recreational property on a standard waterfront lot—remain on par with year-ago levels, hovering



at \$400,000 to \$500,000. Recreational product has seen steady increases in average price, although rising inventory levels have kept appreciation in check. Despite the challenges, entry-level purchasers are finding creative ways to achieve ownership on their own terms. Driven primarily by young families from the Regina area, the most active price point for recreational properties is between \$200,000 and \$300,000. Demand for three-season cottages just one or two rows back from the lake has surged as a result. Some first-time buyers are travelling further to realize considerable savings, choosing a one-hour commute over the traditional 30 to 45 minutes. Others are choosing cabins starting at \$40,000 off the lake. Waterfront condominiums also offer an affordable alternative, priced from \$284,900. More upscale buyers are considering properties within newer developments overlooking the lake, offering all the creature comforts of home. With prices starting at \$450,000, these resort communities are gaining momentum throughout the province. Teardowns are also occurring, but at a slower pace given the shortage of builders and trades. Some buyers at the higher-end of the market are also seeking to live at the lake year-round, commuting to the city as required, given rapidly increasing prices for residential real estate in the province's major cities. To date, the most expensive recreational property sale—a newer, 2,400 sq. ft. home boasting 125 ft. of waterfront on Katpwa Lake—sold for \$800,000.



While strong economic performance has bolstered residential real estate activity in Alberta to date, recreational markets are still feeling the pinch. Market conditions in key areas like Sylvan Lake and Canmore remain on par or slightly ahead of last year's levels, with some spillover expected in the days and months ahead. Inventory in both markets—from lakefront to mountainside—is ample, although quality product is starting to move. Starting prices are down marginally year-over-year, making today's climate one of the most affordable in recent years. Buyers are beginning to take note, cherry-picking prime properties on the water or well-priced condominiums within close proximity to the ski hills. Young buyers with small children are driving the lion's share of activity,

particularly at entry-level price points. Retirees have scaled back on their local purchases, with many considering second properties south of the border. The combination of low interest rates and softer housing values has made recreational property ownership more accessible, but financing second properties remains a challenge for some.

Sylvan Lake

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$750,000

With just three waterfront sales to date, Sylvan Lake appears to be heading for another year of modest activity. The market for recreational properties continues to steadily improve after bottoming out in 2010, yet the pace is exceptionally reserved as buyers take time to make their decisions. Turnkey product on prime waterfront is most sought-after, with value-conscious purchasers acting quickly on properties that are well-priced and well-located. Case in point was the sale of a high-end listing, situated on a level lakefront lot, recently sold at \$1.85 million. Although selling prices have ranged from \$677,000 to the \$1.85 million this year, the overall price of a three-bedroom recreational property on 50 ft. of good waterfront has softened since 2011, falling \$50,000 to \$750,000. Older teardowns are available at lower price points (approximately \$400,000), but those have been a struggle to move in today's market. Four cabins within a block of the beach have sold so far this year, an attractive option for the younger purchasers just entering the recreational property market. Some purchasers are choosing to buy 30 ft. lots—priced at about \$225,000—and custom-building. Upon completion, the finished product will typically net as much as \$525,000. Condominiums also represent good value, with starting prices on the waterfront hovering at \$350,000. Buyers in the area have been younger in recent years, with most holding well-paying jobs in the oil and gas sector. The vast majority are travelling from Calgary, and to a lesser extent, Edmonton. There has been an influx of purchasers from Ontario, although they represent a very small percentage of homebuying activity. Inventory remains on par with last year's levels, with just over 30 properties currently listed for sale on the water, as well as 26 back-water cabins, and five building lots.



Canmore

Starting price for a two-bedroom, winterized recreational property on a standard-sized waterfront lot: \$195,000

Demand for recreational properties in Canmore is on the upswing, with sales in recent months gaining serious traction. The stronger momentum in the first four months of the year has much to do with softer property values, with prices dropping below \$400,000 for the first time in recent years. Younger purchasers with families are leading the charge—exceptionally active at the \$200,000 to \$400,000 price point—picking up condominium units starting at \$195,000 for a two-bedroom, down from \$229,000 one year ago. Over the 12-month period between May 2011 and April 2012, 314 homes changed hands, up a handful of sales from the previous year. Empty-nesters are having an impact at the other end of the spectrum, driving sales of recreational properties at the top end of the market. Demand has been steady over \$1 million, and despite an ample supply of homes listed for sale, there has been some upward pressure on prices. The most expensive property sold this year was a \$2.6 million, four-bedroom, five-bathroom waterfront home, backing onto the Bow River. Inventory is plentiful at the entry-level price point but diminishes as values increase. In fact, the \$700,000 to \$900,000 price point has only a few listings available, with inventory increasing again at the \$1 million mark. Teardowns are also occurring, given Canmore’s finite footprint. Nestled between national and provincial parks and mountains, there is little room for growth. Mining cabins on R4 and R2 lots are coming down as a result,

making way for new construction. While the trend has been slower than in years past, new construction on these lots has begun to garner activity again, and the pace is expected to pick up in the coming months. Albertans make up the vast majority of purchasers in the area, with most travelling from Calgary and Edmonton. Low interest rates and a recovering economy are largely behind the push for recreational property, with most buyers hoping to get in ahead of rising prices.



Lower prices have stimulated renewed interest in British Columbia’s recreational property markets in 2012, with most areas reporting modest increases in sales year-over-year, with the exception of the North Okanagan, which was off last year’s pace following a slow start to the season. Prices are down considerably from peak levels. Locals are driving demand overall, although Albertans have factored in to varying degrees in some markets. Baby boomers are active across the board, but were less of a factor in some markets, where young families were primarily behind the push for recreational product. Inventory levels are more than adequate, and as a result, buyers are more selective than ever, taking their time to make their moves.

Okanagan Valley

North Okanagan

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$900,000

Despite the significant price reductions and an abundance of waterfront inventory, activity has been slow to take off in the North Okanagan so far this year, and sales remain off last year’s levels. Weather has played a role, with plenty of rain dampening purchaser enthusiasm this spring. The market has lost a fair share of recreational/investor buyers to the southern U.S., taking a bite out of the boomer/retiree purchasing pool. The bulk of those making their moves now are Albertans—





most with young families. To that end, there is optimism that sales will improve along with the weather, given Alberta's positive economic outlook. Many Albertan purchasers have already investigated the area in previous years and are now recognizing that this is an excellent time to buy before prices begin to increase. Prices are down approximately 30 per cent from peak levels in 2007/08. The starting price for prime property on Lake Okanagan is now approximately \$900,000. However, some buyers are more budget-minded and are compromising, opting for view properties with nearby access to the water, priced from \$500,000 to \$600,000. Others are going further afield, buying more rural properties an hour outside of Vernon for between \$400,000 and \$500,000. The riverfront is also an affordable alternative, but these properties are not close to amenities. Lake Kalamalka and Lake Okanagan, however, remain most desirable, and the upper-end of the market is experiencing some positive activity. The most expensive recreational property to change hands in the North Okanagan to date was an exclusive \$3.5 million estate, located on prime Lake Kalamalka shoreline. The good news is that it appears that the market has levelled out and prices appear to be stabilizing. The summer is expected to herald healthier activity.

The Shuswap

Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot: \$585,000

While recreational property sales in the Shuswap area got off to a slow start this year, activity is starting to warm up, with sales slightly ahead of 2011 levels. Purchasers are starting to recognize that good value and opportunity exist for those willing to make their moves. Buyer's market conditions are in place, with an ample selection of inventory available for sale. Prices are now stable, but offer considerable savings from peak levels. For example, homes that sold at the peak of the market for \$1.2 million can be had for \$870,000 today. The median price for a detached waterfront home is now \$511,000, down 13 per cent from the \$587,000 reported last year. The starting price for a three-bedroom home on the water is now \$585,000, but buyers can get in as low as \$450,000 for a two-bedroom property, with a little compromise. Currently 79 detached waterfront homes/cottages are offered for sale. Condominiums can be had from \$180,000, and slightly more than 50 units are listed for sale. Selection tends to be greatest

in the upper-end. The bulk of buyers are north of 50 years old, with locals driving demand, followed by those from the Lower Mainland. It is felt that the trend toward buying in the southern U.S. is easing up, as people become more educated about the taxes, income rules and various other caveats. The buyer pool is starting to make a modest comeback. The most active price point this year has been \$750,000 for detached waterfront properties, with the North Shore, Blind Bay/Eagle Bay and Sunnybrae areas of Shuswap Lake most sought-after. In terms of condo/strata, the most popular price point hovers at \$330,000, with the Sicamous area—including Mara Lake, the closest body of water to the Alberta border— attracting the lion's share of buyers. Overall, the market does show signs of turning the corner, but the transition is expected to be gradual, given the absence of urgency.

Whistler

Starting price for a three-bedroom, winterized mountain chalet on a standard lot: \$700,000

With adjusted prices and an ample supply of inventory, Whistler's recreational property market has some newfound vigour, with many purchasers seizing the chance to enter the market or trade-up while affordability is favourable. Over the past 12-month period ending in April 2012, recreational property sales climbed 7.5 per cent compared to the same period one year earlier (565 units vs. 526). Conversely, the average sale price fell almost six per cent to \$661,550 from \$702,750. Yet, the starting price for a three-bedroom chalet remains on par with year-ago levels at \$700,000. It is possible to get a foot in the door to recreational ownership at a much lower cost, with small Phase II pied-à-terre condominiums selling for as low as \$85,000. (Restrictions on personal use apply.) The average condominium sells between \$350,000 and \$400,000. While better value exists at every price point, some buyers are looking to peripheral areas, choosing nearby Pemberton or Squamish, where prices tend to be considerably lower. Squamish has been identified as a growth community, with 5,000 to 7,000 new units expected to be built over the next 10 years. Within Whistler, the under \$1 million price point is performing best overall. Homes under the \$2.5 million threshold are also experiencing good traction. Improvement has been noted in the upper-end of the market for properties priced over \$5 million, with more showings taking place, although this has yet



to translate into higher sales. Pricing at the top-end has softened to a greater extent than at the entry-level. For example, Whistler's most expensive sales to date in 2012 are \$3.55 and \$3.53 million. One of these homes previously sold for over \$5 million in a stronger market. Given the current economic climate, people are choosing renovations over custom building to the benefit of older product which is now being revitalized. So far this year, townhomes have been most coveted, followed by condominiums of all types and chalets. Seventy-five per cent of all purchasers are coming from BC—most are young families or baby boomers—with Vancouverites comprising the lion's share.

Comox Valley/ Mt. Washington

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$400,000

Despite a slow start to the year, sales of waterfront recreational properties (all types) in the Comox Valley/Mt. Washington area have climbed year-over-year (37 units vs. 31 units). Affordability has been a major driver in the market, with average price down approximately six per cent. Local buyers are most active, taking advantage of softer values, low interest rates, and good selection. The greatest activity is occurring at entry-level price points, with condominiums starting at \$92,000 to \$200,000 and waterfront homes priced from \$400,000 - \$600,000. Buyers willing to custom-build can purchase a fully-service waterfront lot on a high bank for \$275,000 (including HST) in Comox. Well-priced product on Mt. Washington is garnering greater interest, although just over a dozen sales have been recorded so far this year. Waterfront properties in this area currently represent tremendous value, with prices down significantly from peak levels. Trade-up activity is occurring, especially on the Georgia Straits, as buyers now realize that waterfront ownership is within reach. The top-end of the market remains sluggish, with sales off last year's levels. The most expensive properties sold in the past year were a waterfront home at \$970,000 and a chalet in Mt. Washington for \$520,000. Although a good supply of properties is currently available for sale, waterfront inventory is expected to dwindle over the next 24 months. Given the upswing in recent sales activity, the recreational property market in Comox Valley/Mt. Washington is poised for recovery.

Gulf Islands

Salt Spring Island

Starting price for a three-bedroom, winterized oceanfront property on a standard lot: \$597,000

A late spring surge in Salt Spring Island's recreational property market pushed 2012 sales well-ahead of year-ago levels. Fifty-six homes changed hands in the first five months of the year, compared to 49 during the same period in 2011—representing a year-to-date increase of just over eight per cent. Starting price has softened somewhat, down from \$669,000 one year ago to \$597,000 in 2012, for a three-bedroom, single-family detached home on waterfront. Buyer's market conditions, characterized by softer values and a good selection of product, are fuelling homebuying activity, especially at entry-level price points. Despite lower prices, affordability continues to be an issue as 'qualification rules' at the charter banks evolve in response to the federal government's efforts to tighten lending practices. This is particularly true for rural properties and homes with acreage. Baby boomers remain most active in Salt Spring Island, with most seeking recreational property under the \$500,000 price point offering a view, garden, privacy, and a bedroom on the main level. Demand for homes on acreage is also brisk, with those that offer woodlots, small orchards/gardens, and a good source of water, commanding top dollar. Oceanfront is most sought-after, with Scott Point Drive, Old Scott Road, Vesuvius, Sunset Drive areas prime locations. Fewer high-end sales overall have been reported in the past 12 months, with just nine properties selling over the million dollar price point. Still, the highest priced sale on the island this year moved for close to \$3.5 million. The 6,500 sq. ft., meticulously-crafted modern-classic residence was situated on a three-acre point of land, complete with dock and private setting. Inventory levels have dropped from an all-time high of 53.67 months in January of this year to 14.19 months in May—a figure lower than the two previous years for May. Properties priced in excess of \$500,000 are in good supply, while more product is needed under the \$500,000 point. As in years past, local buyers are behind the push for real estate on the island, representing approximately 39 per cent of total single-family dwelling sales. In 2011, eight per cent of buyers originated from Alberta. Purchasers from Vancouver, Victoria and other Gulf Islands comprised about 43 per cent of the market—up over previous years thanks to last year's influx of Asian buyers to high-end neighbourhoods in the Vancouver area that allowed sellers to retire to Salt Spring Island.

Starting Prices for Recreational Properties¹

Market	2009	2010	2011	2012
NEWFOUNDLAND – LABRADOR				
Newfoundland Coast (East) ²	\$97,500	\$105,000	\$105,000	\$105,000
NEW BRUNSWICK				
Shediac Bay ²	\$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
QUÉBEC				
Eastern Townships	n.a.	n.a.	n.a.	\$220,000
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

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 only

Starting Prices for Recreational Properties¹

Market	2009	2010	2011	2012
ONTARIO				
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	\$1,125,000	\$1,200,000	\$800,000	\$750,000
Canmore ⁴	\$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
Ucluelet ²	\$500,000	\$475,000	\$400,000 ⁴ - \$700,000	\$92,000 ⁴ - \$400,000 ¹
Comox Valley/Mt. Washington ²				
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

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³Beachfront property

⁴Two-bedroom condominium

⁵Mountain chalet

⁶Water access only

NATIONAL CONTACTS

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RE/MAX of Western Canada	Jackie Ostash	250-860-3628
RE/MAX Québec	Jessica Lavoie	450-668-7743
Point Blank Communications	Eva Blay/Charlene McAdam	416-781-3911

LOCAL CONTACTS

Market	Contact	Office	Phone
NEWFOUNDLAND & LABRADOR			
Newfoundland Coast (East)	Craig Walker	RE/MAX United Inc. (Mt. Pearl)	709-782-4084
NEW BRUNSWICK			
Shediac Bay	Brian Richford	RE/MAX Quality Real Estate	506-384-3300
NOVA SCOTIA			
Cape Breton	Valarie Sampson	RE/MAX Park Place	902-567-9880
South Shore, Lunenburg County	John Dibbin	RE/MAX South Shore	902-543-8882
PRINCE EDWARD ISLAND			
North Shore/South Shore	Rocky or Darlene Arsenault	RE/MAX Harbourside Realty	902-888-3600
QUÉBEC			
Eastern Townships	Marc-André Pilon	RE/MAX Laurentides Inc.	450-227-8411
The Laurentians	Marc-André Pilon	RE/MAX Laurentides Inc.	450-227-8411
ONTARIO			
Eastern Ontario:	Jennifer Skuce	RE/MAX Metro City	613-563-1155
Prince Edward County	Christine Henden	RE/MAX Quinte Realty	613-476-5900
Kawartha Lakes:			
East Kawarthas	John Bowes	RE/MAX Eastern Realty	705-743-9111
West Kawarthas	Darolyn Jones	RE/MAX County Town	705-324-6153
Lake Simcoe/Lake Couchiching:			
Orillia	Dan Stoutt	RE/MAX Orillia	705-325-1373
Innisfil to Oro	Rick LaFerriere	RE/MAX Chay Realty	705-722-7100
Georgian Bay:			
Wasaga Beach	Jason Ruttan	RE/MAX of Wasaga Beach	705-429-4500
Midland/Balm Beach	Peggy Worthen	RE/MAX Georgian Bay	705-361-3613
Collingwood	Norm Bauer	RE/MAX Four Seasons	705-445-8500

LOCAL CONTACTS

Market	Contact	Office	Phone
ONTARIO			
Muskoka/Haliburton:			
Haliburton	Rick Forget	RE/MAX North Country	705-457-1011
Huntsville / Lake of Bays	Sue Morrison	RE/MAX North Country	705-788-1444
Bracebridge, Gravenhurst	Tina Freeburn	RE/MAX North Country	705-687-2243
Port Carling, Bala	Cam White	RE/MAX Hallmark Realty	705-645-7023
Parry Sound	John Sallinen	RE/MAX Parry Sound - Muskoka	705-746-9336
Lake Huron:			
Sauble Beach/Bruce Peninsula	Darlene James	RE/MAX Grey-Bruce	519-379-3121
Port Elgin/Southampton	Cleo Decoppel	RE/MAX Land Exchange	519-389-4600
Grand Bend	Doug Pedlar	RE/MAX Bluewater	519-238-5700
MANITOBA			
Lake Winnipeg	Al Shrupka	RE/MAX Associates	204-989-9000
SASKATCHEWAN			
Last Mountain Lake/Qu'Appelle Lakes	Craig Adam	RE/MAX Crown Real Estate North	306-791-7666
ALBERTA			
Sylvan Lake	Carl Stepp	RE/MAX Real Estate Central Alberta	403-887-2217
Canmore	Jessica Stoner	RE/MAX Alpine Realty	403-678-5890
BRITISH COLUMBIA			
Okanagan Valley:			
North Okanagan	Priscilla Sookarow	RE/MAX Vernon	250-549-7050
The Shuswap	Ken Magel	RE/MAX Vernon	250-832-7051
Whistler	Ann Chiasson	RE/MAX Sea to Sky Real Estate	604 905 6322
Comox Valley/Mt. Washington	Dave Procter	RE/MAX Ocean Pacific Realty	250-339-2021
Gulf Islands:			
Salt Spring Island	Jan Macpherson	RE/MAX Realty of Salt Spring Island	250-537-9977