

RECREATIONAL PROPERTY



REPORT
2007

Newfoundland/ Labrador

Eastern Coastline

Some of the most affordable recreational property in the country can be found on the eastern shore of Newfoundland. Starting price for a typical, three-bedroom, winterized recreational property on a standard-sized waterfront lot is now approaching \$75,000, up approximately \$5,000 over one year ago. Properties that are between one to one and a half hours from St. John's are most sought-after by baby boomers and families with children. Salmonier, Deer Park, Ocean Pond, Thorburn Lake, Mahers, and Mackinsons are the most popular lakes and rivers in the area and a good selection of waterfront properties is currently listed for sale. Many purchasers are buying vacant land and building or resale proper-

ties and renovating. Those seeking more upscale accommodations may want to consider resort properties on the west coast of the island. Humber Valley and Strawberry Hill are two of the more prestigious developments, attracting purchasers from Ireland, England, Germany, and France. While prices on the east coast of Newfoundland range from \$20,000 to \$130,000, prices on the west coast can run from \$400,000 up to \$1 million.

New Brunswick

Greater Moncton Area

Increased demand and cost of waterfront listings in the Shediac area this year have prompted recreational property purchasers to consider lakes, rivers,



and back-lot properties in surrounding areas. Young families, baby boomers, empty nesters and retirees are fuelling much of the demand for recreational properties, with sales on par with last year's levels. An adequate supply of affordable inventory in all price points is expected to stimulate healthy activity throughout the traditional Spring season. Year-to-date average price has experienced a modest increase over the 2006 figure. The starting price for a three-bedroom, winterized waterfront property is now \$80,000 on lakes and rivers. A good supply of building lots exists in the area, and there are a fair number of people building their dream homes with retirement in mind. Teardowns are occurring with great frequency in the Shediac cottage area. More out-of-province purchasers are realizing the benefits of purchasing in the Greater Moncton Area, as land is still relatively inexpensive. As well, former residents of New Brunswick are coming home to work or retire. The upper-end of the market—\$500,000 plus—is off to a slow start, but is expected to increase as new builds enter the market. Another strong year of sales and average price appreciation is forecast for the region in 2007.

Nova Scotia

South Shore, Lunenburg, Queen's County

Sales of lots have more than doubled year-over-year, as a growing number of recreational purchasers choose to custom-build their dream retreat. Twenty-five parcels of land sold this year—priced as low as \$29,900—compared to just 11 at the same time one year ago. The trend has prompted a nominal drop in average price from \$145,724 in Q1 2006 to \$144,520 in Q1 2007. When land is factored out of the equation, Q1 average price actually rose by a substantial 29 per cent year-over-year from \$211,560 to \$273,638. Despite fewer sales, buyers were more active in the mid-range (\$200,000 to \$300,000).

Inventory has been a major factor, with only 13 active listings priced from \$150,000 to \$200,000, and only 17 listings priced between \$250,000 and \$500,000. A three-bedroom, oceanfront property now starts from \$250,000, while the same product on a freshwater lake can be purchased from \$120,000 to \$150,000. Seasonal properties—a lakefront phenomenon—can offer greater value, priced from \$90,000. Baby boomers, retirees, as well as young professionals looking for permanent homes close to town that offer the recreational lifestyle, are driving demand and sales. Locals, out-of-town and international purchasers are active, with an increasing number from the UK. Most are looking for turn-key properties priced between \$200,000 and \$350,000. Many of those who cannot find the ideal home are choosing to build. Buyers have become more selective overall. The number of days on market has remained the same year-over-year, but purchasers have gained slightly more bargaining power, as list-to-selling price ratio has dropped from 92 per cent in Q1 2006 to 88 per cent at present. Some buyer resistance has been noted in the upper-end, though properties that are priced correctly are generally moving. Properties located within 30 minutes of town are most coveted. Oceanfront is preferred, but is becoming an exclusively upper-end luxury. As a result, local buyers and those looking for greater value are spurring sales on the freshwater lakes. View properties also offer considerable savings, priced \$50,000 to \$100,000 lower than comparable waterfront. A new type of affordable alternative will soon be introduced to the area. Dubbed "Bare-land Condominiums," these detached cottages on the water share septic systems, with three dwellings to a one-acre lot. Higher-density than traditional waterfront, it has yet to be seen if these properties will be well-accepted. Yet, they are generating great interest, particularly from those seeking a lower-maintenance lifestyle. Overall, buyers will have to ante up or look to more outlying areas in 2007.



Price Edward Island

Summerside

After years of lukewarm activity, sales of recreational properties in Prince Edward Island have doubled in the first quarter of 2007. Investors, both local and foreign, are in large part behind the push for properties, driving demand for oceanfront, oceanview, Summer homes, cottages, cottage operations and B&Bs. A good supply of product exists, situated on Prince Edward Island's world-class white sand beaches and ocean fed rivers, within close proximity to golf courses and picturesque countryside. More and more baby boomers are coming to the area to retire and most are looking for that special home with a view at an affordable price point. Starting price for a three-bedroom, winterized recreational property on a standard-sized riverfront lot is \$175,000, while oceanfront costs about \$225,000. Alternate housing types include a town house at \$135,000 and/or condominium at \$225,000. Seasonal properties are available from \$125,000 on the river while oceanfront will start at \$200,000. With some of the most affordable real estate in North America, affordability is not a factor in PEI. Prices here are starting to attract purchasers from the US, as well as other areas of the country. The top-end of the market has benefited from the influx of purchasers, many of whom have been sitting on the fence since last Fall.

first quarter of 2007, average price has experienced some softening from levels reported in 2006. Increased sales of low-end product are in large part responsible for the downward pressure on average price. A limited supply of properties listed for sale is expected to prop up prices in the months ahead. Recreational properties are moving better than ever and some are selling in multiple offer situations. Waterfront starts at about \$375,000, but more affordable alternatives are available off water, in the second row or close to the beach, and on the Ausable River. The most popular price range is between \$175,000 and \$225,000 in Grand Bend. Teardowns and new development are changing the landscape. There are several new subdivisions planned for the area. Condominium construction is underway, with units priced from \$300,000. In recent months, the rising cost of waterfront has prompted many to ask "who can afford it?" A lakefront lot recently sold for \$800,000, setting a new benchmark for the area, while a well-kept older home on a double lot in Beach O' Pines sold for \$1.3 million. Despite these sales, the upper-end has definitely cooled as prices continue to rise. Still, the area is considerably lower priced than the Muskoka Region. The area has certainly seen an upswing in activity as a result of affordability. When compared to other areas of the province, Grand Bend is a rare find.

Ontario

Lake Huron

Grand Bend

Purchasers from the Greater Toronto Area have given a kick start to recreational property sales on the shores of Lake Huron this year. In spite of a 35 per cent increase in the number of properties sold in the

Sauble Beach, Bruce Peninsula

Demand for recreational properties in the Sauble Beach and Bruce Peninsula areas has been solid during the first quarter of 2007. Year-to-date unit sales have increased five per cent over last year. An influx of listings in all price ranges is expected to come on-stream in coming weeks, meeting present demand for recreational properties. Average price has climbed about seven per cent over last year. The most active price range for recreational properties is \$175,000 - \$250,000. The starting price for a typical, three-bedroom, winterized recreational property on a standard-sized waterfront lot is \$350,000. A non-water-



front property on the same-sized lot starts at \$170,000 - \$200,000. The most active purchasers are those in their mid-to-late 40s looking to buy on or close to the water's edge. Baby boomers are buying with future retirement in mind. The most popular areas include Lake Huron and Georgian Bay—Georgian Bay because of its great fishing and breathtaking sunrises with an escarpment view and Lake Huron for its beautiful sunsets and sandy beaches. Prices reflect the shortage of deep water properties in this area. More affordable areas include the inland lakes. As long as supply meets demand, buyers will be able to purchase a waterfront property at fair market value in 2007. The area has grown in popularity due to affordability. Activity in the upper-end of the market is moving at a slow pace, although prices have not reached their ceiling.

Kincardine, Goderich, Port Elgin, Southampton Area

Demand has grown for recreational properties on Lake Huron between Bayfield and Sauble Beach this year. Year-to-date sales and average price are slightly above last year's levels. The most active price range is \$125,000 to \$185,000, which will buy a seasonal, off-water property. The starting price for a winterized three-bedroom recreational property on the water hovers at \$400,000, while a non-winterized home will cost approximately \$225,000. Younger baby boomers are leading the charge for properties in all price ranges. Although the vast majority of purchasers hail from the Greater Toronto Area, there has been a noticeable increase in the number of American buyers. Affordability is not an issue, as many alternative properties exist. Sales in the upper-end of the market, priced at \$450,000 plus, are brisk. Some upscale properties move faster than those in the mid-to-low range. A variety of listings are contributing to a stable housing market. Multiple offers are occurring on prime waterfront properties.

Parry Sound

Strong demand for recreational properties and increased inventory levels have contributed to a healthy first quarter in Parry Sound. Year-to-date, sales are ahead of last year by 28 per cent (14 units vs. 11 units). Average price has climbed a modest four per cent to \$181,000. A typical, three-bedroom, winterized property on a standard-sized lot starts around \$200,000. Baby boomers are driving the market, looking for waterfront properties priced between \$200,000 and \$350,000. More affordable alternatives include non-waterfront properties, which can be purchased for as low as \$140,000. Demand exists in the top-end of the market, although buyers are willing to wait for the right listing. Prime vacant lots, few and far between on Georgian Bay, are selling in excess of \$650,000 and those with an existing cottage start at \$1.5 million. There are, however, older cottage properties on Georgian Bay still available in the \$350,000 to \$500,000 range and even less if one is willing to consider boat access. Very few teardowns are occurring in the area, but new construction is happening on vacant waterfront lots throughout the region. Affordability is becoming an issue, especially on the water, but the area still offers good value for the dollar when compared to more traditional and pricier recreational markets such as Muskoka.

Elliot Lake

Affordability is a major factor in the upswing of sales of cottage lot properties during the first quarter of 2007. Average price has risen in tandem, with the average lot now close to \$60,000, up 23 per cent over last year. The introduction of two-acre plus estate lots, situated on more than 200 ft. of shoreline, helped bolster prices over the past six months. Starting price for a typical, three-bedroom, winterized cottage hovers at \$150,000, while more seasonal product will cost \$115,000. Purchasers from the



Greater Toronto Area account for the vast majority of sales on local lakes and rivers. Many are purchasing with retirement in mind. Demand is strongest for hydro-serviced properties with road access. Although 25 properties are currently listed for sale and plans are underway to introduce another 250 lots on lakes within the City of Elliot Lake over the next 24 months, multiple offers still occur. Quirke and Dunlop Lakes are most popular, with interest growing in neighbouring Popeye Lake. All the properties are located on pristine shoreline. Build-out is expected to dramatically increase in the next three years. Those seeking affordability in South/Central Ontario have discovered Elliot Lake. Value for the money heavily influences their purchase decision and as a result, more and more sales are occurring in the area. Virtually all price ranges are experiencing solid demand, even the luxury segment of the market priced from \$200,000 plus. Although larger and more expensive properties take a little longer to sell, interest is strong and continues to build.

Muskoka

Bala, Port Carling, Bracebridge Gravenhurst

After more than a decade of solid activity and price appreciation, waterfront properties in the coveted Muskoka Lakes region continue to enjoy strong demand. Young baby boomers are in large part behind the push for recreational real estate, snapping up homes and cottages priced from \$300,000 on smaller waterways to as much as \$7 million on the larger lakes. With the most active price range on the larger lakes priced from \$500,000 to \$1.5 million, affordability appears to be a non-issue. Most purchasers are prepared to ante up to realize ownership while those looking for more affordable options tend to drive further north or east. One option that

is available to the budget-minded is timeshare living where ownership can start as low as \$180,000 for a five-week period. Units in a number of these new developments, including J.W. Marriott's Red Leaves, will come on-stream in the year ahead. The starting price for a three-bedroom, winterized recreational property on a 100 ft. waterfront lot now sits at \$500,000 - \$550,000 on Lakes Muskoka, Rosseau, and Joseph. The same property on a smaller lake will start at \$300,000. A limited supply of recreational properties has yet to translate into a significant upswing in values. Unlike 1999 to 2003, when multiple offers were commonplace, today they are the exception. New construction and teardowns continue unabated, although a recent bylaw restricting two-storey boat-houses on properties with less than 300 straight line ft. has had an impact on sales of potential teardowns. Square footage has also been restricted to a limit of 7,500 sq. ft. The landscape of the area has changed substantially in recent years. The quaint, rustic cottages of yesteryear have been replaced by lavish, year-round homes. The area's status as an international destination has grown as a result, attracting investment dollars from the UK, Europe and the US. This year, investor presence is expected to climb yet another 10 per cent. With solid economic fundamentals in place, demand for recreational properties in the Muskoka Lakes region is expected to be strong in months ahead.

Huntsville/Lake of Bays

Despite a strong start to the year, sales of recreational properties tapered with the arrival of Winter in February and March. Inclement weather and reduced access severely restricted activity in the area, with the number of waterfront homes sold in Huntsville to date considerably off last year's heated pace. Affordability continues to be a key motivating factor, with demand greatest for properties priced under \$300,000. A typical, three-bedroom, winterized property on a standard-sized waterfront lot starts at \$300,000 in Huntsville, but more reasonably-priced



alternatives are available. Two-bedroom condominiums can be purchased from \$225,900, while seasonal cottages can be picked up for as little as \$200,000. Other options include timeshares and fractional ownership available for \$149,000 plus. Purchasers in Huntsville are more than willing to invest a little 'sweat equity' to realize ownership. The area is booming with controlled growth, attracting both young families and retirees alike. Meantime, waterfront sales in the Lake of Bays area have experienced a 10 per cent upswing in the first quarter of the year, with the most popular price point \$300,000 to \$600,000. Sales in the top-end have softened this year compared to one year ago and there have been no properties sold over the \$1 million benchmark. The price for a typical, three-bedroom, winterized recreational property is \$425,000 in Lake of Bays, while a seasonal property can be had for a fraction of the price, starting at \$325,000. Baby boomers represent the vast majority of purchasers in the area, seeking properties for seasonal usage, future investment, and possible retirement. The area has also seen an influx of buyers from the UK. Although listings are down about five per cent in Huntsville and 20 per cent in Lake of Bays, waterfront values have dropped by about 10 per cent year-over-year. Properties that are well-priced tend to sell quickly, some in multiple offer situations. Those that are priced above fair market value stagnate. The Spring thaw is currently underway and demand appears to be solid for affordably-priced properties. Luxury recreational product may see some cooling off in the months ahead in the Huntsville/Lake of Bays area.

Haliburton

Buyers seeking the rustic cottage lifestyle, complete with the sound of gentle waves touching the shoreline and the call of the loon, are turning to the more than 600 lakes in the Haliburton Highlands this year.

Highway improvements have made the area more accessible and reduced the drive time to two-and-a-half hours from Toronto. Recreational property sales are up 23 per cent (27 vs. 22) from levels reported one year ago, while average price has experienced a modest increase in the first quarter of 2007. Waterfront priced from \$150,000 to \$600,000 is particularly sought-after, with a severe shortage of listings priced from \$300,000 to \$400,000. Redstone, Gull, Kennisis, Kashagawigamog and Soyers are the most popular lakes in the area. Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot is \$350,000. A similar lot with a seasonal cottage can sell for \$100,000 less. Teardowns are a regular occurrence, with most purchasers buying raw land and building their dream cottage—some of which are valued at as high as \$1.5 million. Very few listings are available at this price point—most of the high-end product is relatively new and rarely comes up for resale. More affordable options are available in terms of fractional and timeshare ownership opportunities. At present, three exist on Kashagawigamog and another four are underway. Rentals are also popular in the area, with some cottages renting for as much as \$4,000 a week in season. Investors have capitalized on the trend, with many buying waterfront as income properties.

Bancroft, Combermere, and Apsley

Inclement weather hampered waterfront sales early in the year, but purchasers are starting to enter the market en masse in Bancroft, Combermere and Apsley. Waterfront property values have finally stabilized after an extended period of serious price appreciation. Yet, given the price of waterfront in other parts of the province, the area continues to offer up an excellent supply of affordable recreational properties. In Bancroft, thirty-five waterfront properties are



currently listed for sale at \$250,000 and under; 58 are priced between \$250,000 and \$400,000 and 20 can be found between \$400,000 and \$700,000. Ten properties are priced over \$700,000. In neighbouring Combermere, inventory levels are limited, with bidding wars now occurring with greater frequency. Price is certainly a factor in the marketplace, with the starting price of a recreational property hovering at \$190,000 on Bark Lake. Paudash and Baptiste offer some the area's best waterfront, with the starting values for a three-bedroom, winterized recreational property priced at \$250,000 to \$300,000. Demand, however, is greatest for entry-level product, priced from \$100,000 to \$200,000, on smaller lakes across the board. On Chandos Lake in the Apsley area, where sales are ahead of last year's pace, starting prices for a three-bedroom, winterized recreational property are approaching \$400,000. More seasonal homes can be purchased for less. Young professionals and baby boomers, most of whom hail from the Greater Toronto Area, are fuelling demand across the board. Some investment activity is also occurring, with people buying waterfront properties, fixing them up, and selling for a tidy profit. The conversion to year-round living is prevalent as more and more rustic cottages are demolished to make way for custom-built homes. Renovations are also happening in the area as both vendors and purchasers seek to improve their investments.

Flesherton

Buyer resistance to price appreciation has hampered sales of waterfront properties on Lakes Wilcox, Irish, and Eugenia in the Flesherton area so far this year. The urgency that has characterized the recreational property market in recent years has subsided. Low-ball offers are starting to occur as overpriced listings languish. Demand still exists for waterfront properties priced at fair market value and supply is limited. The price of a three-bedroom,

winterized recreational property on a standardized waterfront lot now starts at \$350,000 while a three-season property will sell for marginally less. Year-to-date sales of recreational, off-water properties that offer acreage remain on par with level's reported one year ago, while average price is unchanged from last year. Overall, properties priced from \$300,000 to \$400,000 are most popular with today's purchasers. Demand has definitely tapered for product in the upper-end of the market, priced over \$400,000. The four-season lifestyle is popular with a full gamut of buyers in the area. Talisman Resort has plans to build condominiums in the coming year, a move guaranteed to bring more people into the area.

Georgian Bay

Midland

Georgian Bay's eastern shoreline is rapidly changing as renovation and redevelopment redefine cottage living. Older cottages in communities from Tiny, Tay, Midland and Penetang are increasing in popularity as baby boomers and Generation X purchasers (aged 35 to 60) ultimately plan for retirement down the road. Many existing cottages are being demolished to make way for larger, year-round dwellings, complete with all the bells and whistles. Turn-key properties—newer homes with fine-finishes—have also seen an upward spike in activity. Demand in the top-end of the market has also helped boost recreational property values year-over-year, with average price up approximately eight per cent. Sales are on par with levels reported one year ago. The supply of recreational properties, especially in the hot pocket areas and prices ranges, is expected to place moderate upward pressure on prices in the months ahead. The most active price range, \$350,000 to \$800,000, reflects solid demand from both entry-level and upper-end buyers. Typical starting price for a three-bedroom, winterized property on a standard-



sized, waterfront lot is approximately \$550,000 while a seasonal home on the same lot will cost \$400,000. Purchasers seeking more affordable properties in the area have several options available to them. Smaller land-locked lakes such as Fairlane and Orr offer seasonal cottages at the \$200,000 plus price point. Fractional development has also garnered some attention in recent years. Those willing to consider properties close to the water can realize substantial savings as well. Higher recreational property values in Muskoka and the longer commute have prompted a growing number of affluent purchasers to investigate opportunities in the Midland area. These buyers are sparking a new wave of activity in the upper-end of the market.

Honey Harbour

Limited inventory levels are prompting recreational property purchasers to ante up in Honey Harbour/Port Severn this year. Due to a shortage of supply in the most coveted price range—between \$300,000 and \$500,000—a growing number of buyers have thrown in all their chips, spurring demand for more expensive recreational properties priced between \$500,000 and \$750,000. To date, sales are on par with 2006 levels. Baby boomers still account for the lion's share of activity, followed by retirees who are looking to 'reunite the family.' Prices now start at \$400,000 for a three-bedroom, winterized waterfront cottage with water access. Road-accessed properties command more, starting from \$450,000. Multiple offers are expected this season, although most will be limited to prime properties. Listing inventory has fallen by 25 to 30 per cent year-over-year. Building activity abounds in Port Severn, with the introduction of waterfront condominiums—priced from \$300,000—and fractional ownership developments. Though the concept hasn't been widely accepted yet, it's anticipated that interest will increase as recreational property prices continue to rise. An 18-hole golf course is also planned for Port Severn, and

this is expected to drive demand further in the area. The most widespread trend in the Honey Harbour/Port Severn recreational property market is renovation spending. A significant amount of money is being invested in existing cottages—with projects ranging from hundreds of dollars to those involving well over \$1 million. Most dwellings have been converted to year-round use. As a result, seasonal properties are dwindling. Compromise is a reality in today's marketplace. With limited inventory, buyers will have to place greater emphasis on location and lot, as opposed to the existing structure on the property. Despite this, there continues to be a considerable segment of purchasers who are seeking out turn-key properties. Affordability is an issue in the area, with entry-level properties harder and harder to come by. As such, joint purchases with family members are more commonplace than in year's past. Others are considering year-round properties within walking distance to the water, priced from \$200,000. Meanwhile, the upper-end of the market has been very active so far this year, with several million-dollar-plus sales already recorded—on par with 2006. Despite further price escalation, demand remains strong in the area, particularly given that South East Georgian Bay, including Glouster Pool and Go Home Lake, can offer recreational properties priced as much as 40 per cent lower than those located on the "Big Three (Lakes Joseph, Rosseau and Muskoka)." Sellers will retain the upper hand in 2007, with little buyer resistance. Yet, purchasers have become more prudent, and product must be priced at fair market value or risk stagnation.

Collingwood

A seismic shift has occurred in Collingwood's recreational property market in recent years, with a growing number of retirees and leading-edge boomers bypassing ski hills and waterfront for properties located in town. The desire for amenities has factored heavily into the trend, as does maintenance



and rising waterfront taxes—the latter of which has caused some recreational enthusiasts to rethink their purchases. Younger buyers in their 30s and 40s have also shifted gears. Those who can afford it are driving demand for new construction, willing to ante up for the comfort, quality, convenience and options offered by newer recreational property product within a short drive to ski areas or water. Builders have been extremely busy, and five subdivisions are being unveiled in the area in the next six months. Entry-level buyers are most willing to compromise, looking to small, war-time homes priced from \$160,000 to \$200,000 in town. Condominiums are popular among all purchasers, priced from \$140,000 for a two-bedroom in town or a 600 sq. ft. unit on the mountain. Currently, demand is strongest for waterfront and ski hill properties priced from \$450,000 to \$550,000, though this product is in very short supply. The starting price for a three-bedroom, winterized recreational waterfront property (if it can be found) is now \$375,000. Overall, there is an adequate supply of inventory available in Collingwood in most price ranges, and more is expected to come on-stream in coming months. With market conditions easing considerably, recreational buyers are taking their time in making their moves. Year-to-date sales have declined 11 per cent from 419 units in Q1 2006 to 375 in Q1 2007. Declining water levels have been a factor in recent years. As a result, demand and cost is on the upswing for deeper waterfront in nearby Thornbury, with the sandier shorelines commanding premium prices—from \$500,000 for a property that may need work. With out-of-towners and retirees willing to spend top dollar for quality listings, the area's first-time buyers are getting priced out of the market. Many are moving to outlying areas such as Meaford and Stayner. Trade-up activity is occurring in Collingwood's recreational property market, but most owners would prefer to renovate, especially if their properties are well-located. The upper-end of the market has been active so far this year, with a growing number of luxury home purchasers building their dream retreat.

Wasaga Beach

Wasaga Beach recorded a good start to the year, with recreational property sales up for the first quarter of 2007. Early retirees are cashing out in the city and opting for a more relaxed lifestyle in the area. Many are buying their retirement homes ten years in advance and using them as vacation properties in the interim. Starting price for typical, three-bedroom, winterized, recreational beachfront property now hovers at \$700,000 while a similar property on the river will sell for \$400,000. A good selection of properties is available at all price points. Beachfront cottages and homes tend to command top dollar in the area, although sales of these properties have been a little slower. Those looking for more reasonable options may want to consider the first timeshare project which opens this Summer. Anticipation is also building in the Wasaga area, with the announcement of a large, new beachfront resort. Planned for the main beach area over the next five to 10 years, the project is expected to have a substantial impact on the community. Wasaga Beach is still one of the fastest growing communities in Ontario, with 72 projects at various stages of development underway at this time.

Lake Couchiching/ Lake Simcoe

Orillia

Strong demand for recreational properties in Orillia during the first three months of the year has translated into a 41 per cent (24 units vs. 17 units) increase in sales activity compared to one year ago. Average prices have followed in tandem, up approximately 10 per cent to \$400,000 from the same time last year. A three-bedroom, winterized recreational property on Lake Couchiching or Lake Simcoe (North) starts at \$400,000, while a seasonal cottage can be purchased for as low as \$350,000. Inventory is tight for



entry-level properties, lakefront and vacant waterfront building lots, with the latter experiencing multiple offers. Baby boomers are fuelling demand to a large extent, some traveling from Toronto and Barrie, but the majority are move-up buyers from the area. Most purchasers are looking for properties priced from \$400,000 to \$500,000, but limited inventory levels are having an impact on sales activity. Buyers are finding that they may have to compromise on the structure to realize cottage ownership. Teardowns and extensive renovations are occurring, as well as new condominium developments. Three new waterfront condominiums—Panoramic Point, Sophie’s Landing, Driftwood Bay and Elgin Bay Club offer apartment-style units and detached housing priced between \$275,000 to \$600,000. Affordable alternatives are still available in the area. Back-lot properties with lake access and cottages on rivers offer two attractive options to price-conscious purchasers. Activity in the upper-end remains healthy in 2007, with several waterfront properties selling over \$750,000 in the first quarter. The most expensive sale reported this year on Lake Couchiching was \$1.15 million for a four-bedroom, four-bathroom home with over 100 ft. of waterfront frontage.

Lake Simcoe

Innisfil to Oro

Steady demand for recreational properties across the board has resulted in tighter inventory levels in Barrie, Oro and Innisfil this year. Sales of waterfront properties are up approximately 45 per cent (16 units vs. 11 units) over one year ago, yet average price has remained relatively stable. A typical, three-bedroom, winterized property on a 50 ft. waterfront lot starts at \$380,000 and a 100 ft. waterfront lot starts at \$600,000. The vast majority of buyers are baby boomers traveling from the Greater Toronto Area, with most looking for year-round properties with road access ranging

from \$700,000 to \$1 million. Inventory levels are low in all segments of the market with only 39 waterfront properties currently listed for sale on Simcoe’s western shoreline. The most popular areas with today’s recreational property buyers are Sandy Cove and Eight Mile Point. Purchasers who are seeking more affordable direct access to the waterfront might consider purchasing a back-lot with deeded rights to Lake Simcoe from \$200,000 to \$300,000, which allows them to enjoy docking and beach facilities. The landscape is changing with significant tear-down and renovation activity underway. Despite the slow development approval for Big Bay Point, waterfront condominiums North of Oro are selling well from \$300,000 to \$500,000. Sales of luxury recreational properties are also up over last year, despite limited inventory levels.

Beaverton

Unlike years past, demand for recreational property in Beaverton gained momentum in early January and maintained a steady pace throughout the first quarter. The phones started ringing January 1st as baby boomers from the GTA looked to beat the Spring rush for waterfront properties. Moderate price increases have been reported year-over-year, with the price of a three-bedroom, winterized recreational property on a standard-sized lakefront lot starting at \$350,000 on Lake Simcoe. Affordability continues to be a major driver in the marketplace, with most purchasers looking to maximize on their hard-earned dollars. Canal Lake is just one of the options many consider, with seasonal properties starting at \$180,000. Properties along the Trent-Severn are also a popular choice, particularly with boating enthusiasts. Multiple offers have occurred in recent months, but they typically occur on cottages priced in and around \$200,000 in good condition. Older cottages, or handyman’s specials, are becoming harder and harder to find as the renovation craze sweeps cottage country. Waterfront properties in the upper-



end have also experienced an upswing in activity. Given continued demand for recreational properties in the months ahead, the area could post its second best year on record.

Lagoon City

Changing demographics have contributed to an unprecedented upswing in sales of waterfront condominiums and single-family homes in Lagoon City. Sales in the first quarter of 2007 were the best on record in close to 20 years. Younger baby boomers and retirees have, in large part, fuelled demand for properties in Lake Simcoe's only marina-based community. The protected waterways are particularly attractive to boating enthusiasts, as is the ability to dock a 30 ft. cruiser under a covered slip. The resort community, built in the 1960s, has seen some serious improvements in recent years. Up until 2004, there were very few sales over the \$300,000 price point and prices were virtually on par with 1990 levels. Today, condominium units sell from \$160,000 to \$300,000 while single-family homes command \$300,000 to as high as \$600,000. New construction is underway, as purchasers snap up vacant lots to build their dream home or cottage. Future development—condominiums priced at \$300,000 and more—has been approved and plans for a PGA golf course are on the drawing board. Most purchasers are drawn from the Greater Toronto Area, although some are former residents who moved out to British Columbia and Alberta years ago and are now returning to their roots. Consumer confidence is growing in the area and the affluence once associated with the community is evident. Renovations are all the rage and contractors in the area are exceptionally busy. An ample supply of recreational properties is currently listed for sale. The next decade should prove to be extremely fruitful in Lagoon City, Ontario's only officially designed resort town, as baby boomers close in on their retirement years.

West Kawarthas

West Kawarthas has become a popular destination for purchasers aggressively seeking recreational property this year. Although year-to-date sales are on par with levels reported one year ago, listings have experienced a modest decline. Only 96 waterfront properties are currently available for sale on area lakes, including Balsam, Cameron, and Sturgeon. Average price has climbed about four per cent compared to 2006 and multiple offers have already occurred this year. While affordability continues to be an issue in the marketplace, purchasers are more than willing to step up to the plate to realize homeownership in 2007. Starting price for a three-bedroom, winterized recreational property on a standard-sized waterfront lot is now at \$375,000 while a seasonal home on the same lot can be purchased for \$50,000 less. Young families, baby boomers and retirees from the Greater Toronto Area are fuelling waterfront activity, with demand greatest for properties priced under \$500,000. Fewer entry-level cottages are available this year, and as a result, recreational property sales between \$150,000 and \$250,000 are down 20 per cent year-to-date. The \$250,000 to \$500,000 price point has surged in popularity, and 50 per cent of all sales now fall into that category. The top-end of the market, priced over \$500,000, has also gained momentum and sales are expected to climb 10 to 15 per cent by year-end. The shoreline is changing, particularly on larger lakes in the area. Million dollar cottages are not uncommon, with the most expensive recreational property currently listed for sale at \$2.7 million on Balsam. Vacant building lots and seasonal cottages on the larger lakes, ideal for new construction, are priced at \$500,000. Gone are the days when cottages could be scooped up for under \$100,000. Those seeking more reasonably-priced options have focused on waterfront properties on the Burnt River, where prices for a three-bedroom, three-season cottage on 100 ft. frontage start at \$200,000. Timeshares and fractional ownership opportunities are just starting to impact the marketplace, with developments



available on Balsam and Shadow. Demand is also growing for waterfront condominiums in close proximity to town but to date, no such properties are presently under construction.

East Kawarthas

The recreational property season got off to a slow start, but activity has since picked up in the East Kawarthas. Year-to-date sales are now on par with last year's levels, while prices have increased a healthy five per cent. Demand and activity is greatest for four-season cottages priced from \$300,000 to \$350,000 on good waterfront. Yet, buyers can get into the market for considerably less if they are willing to compromise. Riverfront properties with smaller dwellings, for example, can be purchased from \$200,000. Stoney and Clear lakes remain most coveted and most expensive, while Buckhorn and Chemong are more affordable. Starting price for a three-bedroom, winterized, waterfront cottage is now \$300,000. Seasonal properties can offer considerable savings, priced from \$225,000. A good supply of product is available, and as such, multiple offers are a rarity. Teardown activity and/or custom building on the waterfront continues unabated, with a growing number of properties valued over \$1 million. Only a handful of resales in the upper-end have been recorded to date, but figures remain on par with last year. Several timeshare or fractional ownership properties have been introduced to the area, but have gained slow acceptance. A more popular alternative for those seeking affordability in the area is federally-owned, leased land on the canal or riverfront, as well as leased cottage or homes on First Nations' land. Prices for this type of product start at \$150,000. Move-up activity in East Kawarthas recreational property market remains limited, as most prefer to tear down or renovate. This trend is increasingly common. There continues to be some purchasers and vendors who are unrealistic in their expectations, but the ma-

majority are serious in the marketplace. The affordability factor in the East Kawarthas is drawing purchasers who have looked at, but cannot afford, pricier areas. Overall, balanced market conditions prevail, and with the ice now thawed on local lakes, activity is expected to experience a considerable upswing.

Prince Edward County

Recreational property sales in 'the next Niagara-on-the-Lake' have tapered somewhat from levels reported one year ago in Prince Edward County. The area, once considered the best-kept secret in Ontario, has experienced tremendous growth in recent years with an influx of award-winning wineries. Hobby farms with acreage in Wapoo have doubled, and in some cases tripled, rising from \$1,000 to \$2,000 to \$6,000 per acre. Starting price for a typical, three-bedroom winterized recreational property on Lake Ontario, Bay of Quinte, and/or Lake Connecon has jumped 12 per cent, rising from \$225,000 in 2006 to \$250,000 year-to-date. Appreciation has stabilized in recent months and properties priced above 'fair market value' tend to linger. Teardowns and renovation have contributed to the upswing in recreational property values. Baby boomers in their mid-40s and early 50s are fueling demand for large scale bungalows and executive homes priced in the top-end of the market. Most are buying with retirement in mind. Although demand is strongest for properties priced from \$250,000 to \$350,000, three homes have sold over the \$1 million price point in the first quarter alone. Prince Edward County once offered up some of the most affordable real estate in the province. The area of 24,000 has come alive, with fewer and fewer properties available under the \$150,000 price point. Those diligent in their efforts to realize recreational property ownership may find the occasional waterfront home listed at \$200,000.



North Bay

An inadequate supply of recreational properties listed for sale has placed moderate upward pressure on prices in North Bay during the first quarter of 2007. Demand is just starting to heat up for waterfront properties and multiple offers are already occurring. Sales are up over one year ago. Baby boomers from Northern Ontario, the Golden Horseshoe, and the US are fuelling activity, particularly for waterfront properties priced from \$250,000 to \$300,000. The starting price for a typical, three-bedroom, winterized recreational property on a standard-sized, waterfront lot is now \$250,000, while a more seasonal dwelling will cost \$200,000 plus. Lakes Nippising, Temagami, and Cassel are most sought after with today's purchasers. Cassel Lake is becoming very popular with vacant lots starting from \$100,000 up to \$200,000. Prices are steep on Cassel, with some year-round waterfront properties selling for as much as \$600,000. Despite a strong upper-end market, affordability is key. The area's supply of recreational properties has attracted those purchasers seeking reasonably-priced, entry-level waterfront. Riverfront properties and country homes have also proved popular. Fractional ownership will be an option in the future—a new development is planned in the next year or two for the North Bay area. Although land-lease opportunities exist, very few purchasers utilize this option. Smaller lakes also offer a slightly more affordable price point.

Manitoba

Lake Winnipeg

Demand remains strong for recreational properties in the Lake Winnipeg area, with sales up 40 per cent (71 units vs. 50 units) over 2006 levels. Purchasers are looking for bargains, with activity greatest in the \$50,000 to \$120,000 price range. The reality is that the price for a three-bedroom, winterized

recreational property on a standard waterfront lot now starts at \$200,000, with non-winterized product available from \$120,000. Condominiums are popular—one new waterfront project offering two-bedroom units for \$159,000 sold out over one weekend. Demand is fuelled by baby boomers from the Winnipeg area seeking seasonal waterfront properties, with an eye toward retirement. Retirees are attracted to the area due to its close proximity to Winnipeg and amenities such as hospitals, restaurants and entertainment. Buyers from the US and Europe are also drawn to the area, in large part due to Lake Winnipeg's world-renowned fishing. The most popular areas with today's recreational property buyers are Village of Dunnottar, Gimli, Sandy Hook, and Winnipeg Beach. Purchasers who are seeking more affordable product may want to consider Winnipeg Beach and areas north of Gimli that offer better value for the dollar. Teardowns and renovations are occurring along the shoreline as more and more cottage owners move to year-round access. The upper-end of the market—priced between \$300,000 and \$600,000—remains active, which may be indicative to a future trend toward more expensive permanent homes.

Alberta

Canmore

A strong provincial economy continues to fuel demand for recreational properties in Canmore. The current average price of a single-family home has jumped 25 per cent to \$795,000, while condominiums have risen 33 per cent to \$505,744 over 2006 levels. Although the starting price for a 700 sq. ft., two-bedroom condominium is \$300,000, the most active price range is \$500,000 and over. The continued development of hotel condominiums offer a more affordable alternative—lower purchase prices and the opportunity to rent out on a short-term basis when



not being utilized by owners. Buyers are middle-aged Albertans looking for recreational properties with plans for future retirement. International buyers from the US and UK are also driving sales of recreational homes. The market is somewhat balanced as inventory tends to be replaced as properties sell. Canmore is undergoing steady development with continued construction in three mountain resorts—Silvertip Golf Resort, Spring Creek Mountain Village and the Three Sisters Mountain Village. Although timeshares have not been historically successful in the area, some fractional ownership developments are currently underway. Over the past year, purchasers throughout Alberta have had to adjust expectations as the entire province has experienced extraordinary increases in market values. Property values in Canmore have seen a steady increase year-over-year, a sharp contrast to the dramatic upswing that has occurred in neighbouring markets like Calgary and Edmonton. Affordability continues to be an issue as escalation in house prices drives lower income earners to more affordable communities. The upper-end of the market is thriving, with the vast majority of purchasers buying vacation properties. The number of million-dollar-plus homes is increasing, as well. During the first three months of 2007, 10 homes sold between \$1 million and \$2 million, up from two sales in 2006. There are currently 30 listings over \$1 million, with the average list price at \$1.6 million. Given activity levels in Canmore, it's clear that prices have not yet reached their limit and the market shows no sign of abating.

West of Edmonton

Strong demand and low inventory levels are placing serious upward pressure on recreational property prices west of Edmonton. A limited number of waterfront homes listed for sale are prompting multiple offers. As a result, average price at Lake Isle now hovers at \$272,000, up from \$167,500 one year ago.

Baby boomers are drawn to the area's year-round waterfront—less than an hour's drive from Edmonton. The starting price for a typical, three-bedroom, winterized recreational property on a standard-sized, waterfront lot now exceeds \$350,000. More affordable options include seasonal properties from \$240,000 to \$270,000 or back-lot and view properties. Teardown activity is occurring on Lac Ste. Anne, where 50 year-old cabins are being replaced by new custom-built accommodations. Waterfront acreages are also being subdivided for year-round homes starting at \$500,000. Other popular lakes include Lake Wabamun and Jackfish Lake. The upper-end of the market remains healthy with purchasers spending close to \$400,000 for a 1,800 sq. ft. cottage or as much as \$500,000 for a half acre of land. Demand is expected to remain strong in all price ranges in the coming year.

Sylvan Lake

Despite unfavorable Winter weather conditions during the first quarter of the year, recreational property sales in the Sylvan Lake area have remained on par with levels reported at the same time last year. Limited inventory across the board is making ownership difficult to obtain, but purchasers are more than willing to spend a premium to realize their goal. The starting price for a typical, three-bedroom, winterized waterfront property on a standard-sized lot is \$1 million. A seasonal property starts at \$900,000. The most active buyers are 40-something professionals with established careers and families from the Calgary and Edmonton areas. While buying primarily for lifestyle purposes, purchasers have not overlooked the investment factor, holding on to their recreational properties for a few years, then cashing in the equity and trading-up. Baby boomers are also active in the market, searching for a future retirement destination. The most active price range for recreational properties is \$800,000 to \$1.2 million.



Five new waterfront developments are in the approval process, but not all will be available for sale this season. Teardowns are uncommon as most properties are only 15 to 20 years old. Higher prices and fewer listings have prompted some buyers to move further inland to find more affordable product listed for sale on smaller lakes and rivers. The area remains popular due to its close proximity to Calgary and Edmonton, but as affordability becomes an issue, many purchasers are looking to buy back-lot properties with lake access, or properties on Gull Lake, which are one-half the price of Sylvan Lake.

British Columbia

Gulf Islands

Salt Spring Island

Demand for secondary homes in the picturesque Gulf Islands is starting to build. Baby boomers are the most active demographic in the market, looking for waterfront properties offering privacy. Foreign investment is also occurring as an increasing number of people discover the beauty of the area. The starting price for a typical, three-bedroom, year-round waterfront property on a standard-sized lot is now \$1.5 million. A seasonal waterfront property typically starts in the \$1.2 million range. Affordable waterfront alternatives are rare and may involve quarter shares in commercially-zoned resorts. The most active price range is \$450,000 to \$750,000 off the water and \$2 million on the water. Limited inventory levels are in large part responsible for the upward pressure on pricing. The Islands Trust's mandate to preserve and protect the area and its environment, for the benefit of the Province, has also contributed to the shortage of available listings. Despite a growing market for new oceanfront construction, very few contractors are building on spec, and most construction on the Island is custom

work. The upper-end of the market is active with the most expensive sale to date priced at \$4 million. Prices have not yet reached a ceiling and are expected to continue to rise. Higher values have done little to deter purchasers, as the Gulf Islands remain a popular choice due to year-round mild weather, beautiful scenery and close proximity to Victoria, Vancouver and Seattle.

Comox Valley

Mt. Washington

A shortage of quality listings has placed a damper on recreational property sales in the Comox region so far this year. Only six oceanfront properties have sold on the Comox Peninsula year-to-date, compared to 14 at the same time in 2006. Sales on Mt. Washington remain virtually on par with last year's levels. Demand is strongest for entry-level product. With many making plans for the Summer months, demand has shifted to the waterfront. Inventory is tight, however, particularly for starter product. Yet, an ample supply of listings exists on the mountain. Average price is up 17 per cent year-to-date, with the average selling price on the mountain near \$275,000 and reaching approximately \$850,000 to \$900,000 on the waterfront. Those seeking less expensive alternatives might choose a condominium, priced from \$150,000 on the mountain and just under \$500,000 on the Comox waterfront. Currently, a complex of 15 condominiums is planned for the oceanfront, with units priced from \$650,000. Highly anticipated, it is expected to sell out in record time. Waterview condominiums offer good value, priced from \$200,000 in Courtenay. Growing in popularity are quarter shares on the river in Courtenay, which completely sold out its first phase, and an additional fractional ownership project is planned for Saratoga Beach. Mt. Washington continues to offer among the best value for the dollar, priced from



the low-to-mid \$200,000s. With the introduction of direct flights from Calgary and Edmonton to Comox, demand for the Comox area has soared, drawing affluent Albertans to the peninsula. Sales on Mt. Washington continue to be fuelled by residents of nearby Victoria. Baby boomers continue to drive sales activity with an eye to early retirement. People have demonstrated willingness to ante up for quality oceanfront product priced up to \$1 million. Beyond that, some buyer resistance to pricing has been observed. Yet, with double-digit average price appreciation, it is only a matter of time before purchasers accept the new reality. Evidence of that is already occurring, with a sale recorded over \$1.5 million just last month. New benchmarks are being set on an ongoing basis. For example, a very prestigious and unique peninsula property is coming on-stream in the next few weeks. To be priced at approximately \$10 million, the world-class property, when sold, will be one of the most expensive recreational sales recorded to date across the country. Availability of quality listings has also been a factor in the upper-end, with five sales recorded in the first quarter of 2006, compared to two so far in 2007. Teardowns continue to change the landscape, with lots selling from \$900,000, and values surpassing \$2 million once construction is complete. Buyers can expect a competitive recreational market in 2007, as quality waterfront listings command top dollar and multiple offers throughout the season.

Okanagan Valley

Kelowna

The natural beauty of Lake Okanagan continues to draw purchasers, primarily from Alberta, to the Kelowna area. Despite starting prices at the \$2 million-plus benchmark for a three-bedroom, year-round home on the lake, sales continue at a healthy clip. Teardown activity is commonplace, while renovation is also quite popular. Three and four thousand sq. ft.

homes are replacing older lakefront residences, with some of the newer properties valued over \$5 million. Baby boomers are the most active segment of the market, scouting the area and buying up waterfront property for vacations and future retirement. Ski enthusiasts are drawn to the world-class skiing at Big White Resort. Sales are slightly ahead of last year's levels. A good supply of inventory exists at all price points, including multi-million-dollar homes in the upper-end. Affordability is not an issue at Big White. Smaller units, consisting of a single bedroom and bathroom in a hotel-like environment, can be purchased in the low-to-mid \$100,000s.

North Okanagan/Shuswap

The North Okanagan area of B.C. has become an international destination for recreational properties, with purchasers traveling from all over Canada, the US, Australia, and Europe to realize ownership. The area is comprised of several communities including Lumby, Vernon, Silver Star, Armstrong, Enderby, Salmon Arm and the Shuswap Lakes. In recent years, condominium developments that offer world-class skiing, in addition to four-season activities, have been a major attraction. The number of properties sold in Silver Star, for example, is up slightly year-over-year, with prices ranging from \$279,000 to almost \$1 million. Thirty-six properties are listed for sale at present. Some of the most spectacular waterfront properties are found on Kalamalka Lake, Okanagan Lake, Mabel Lake, Sugar Lake and the Shuswap Lakes, priced from \$900,000 to as high as \$3,000,000. Sales are on par with levels reported one year ago and demand is expected to climb in the months ahead. There are more than 150 lakefront properties currently listed for sale. Affordability continues to be an issue in the area, with many baby boomers and retirees hoping for waterfront properties or condominiums on the ski hills, but settling for something in the Foothills. An outback, two-bedroom condominium with a shared beach is priced from \$419,000, while



a three-bedroom waterfront home will start at \$1.5 million. RV lots with shared lakeshore are the most affordable entry point, starting at \$99,000. Those set on seasonal waterfront properties may find a cabin at Mabel Lake starting at \$695,000, but product is limited. Some have purchased condominium developments just steps away from the waterfront due to the significant difference in price. The most active price range in the area is \$250,000 to \$500,000. Recreational property buyers that had been drawn to Kelowna are now considering ownership in Vernon and area due to greater affordability levels. Alternatives for lakefront living include properties within walking distance to the shoreline.

Penticton

Buyers from western British Columbia and Alberta continue to drive strong demand for recreational properties in the Penticton area. The most coveted properties at present are condominium units priced from \$200,000 (for wood-frame construction) and from \$300,000 (for steel and concrete construction). Affordability is a major draw to this type of product. Vineyard properties or acreages and orchards that can be converted to small vineyards—priced from \$100,000 an acre—are also sought-after. The upswing in the wine-making industry has served to bolster tourism substantially in the area, and as a result, has prompted growing interest for vineyards and wineries—many being purchased for recreational and investment purposes. Most purchasers are buying with an eye to retirement. Those with more resources are opting for single-family homes or cottages on popular Lake Okanagan starting from \$1 million. In some cases, cottages are being purchased and torn down to make room for larger homes. Securing trades people, however, is a challenge in today's market and construction can take as long as one full year and more. The mountains are a more affordable recreational alternative, with a ski cabin at Apex starting from \$300,000 to \$400,000, and smaller condos

priced from \$200,000. Mount Baldy offers similar product at cheaper price points. Overall inventory is adequate at present, though waterfront properties remain in short supply and command a premium. More balanced conditions have emerged, with the sense of urgency gone from the marketplace. Buyers are taking more time in making their decisions and are more prudent in the process. New development continues in the region, mainly in the form of condominiums. Of the four projects underway, three are designed for personal use, with the option to place units in a rental pool; the fourth offers fractional ownership and has been well-received by purchasers looking to make a less substantial investment. One developing trend has recreational purchasers buying vacation properties in town. Within walking distance from the lake, these properties appeal to a small, but growing segment of recreational property purchasers. The upper-end of the market, although healthy, has experienced a slight decline in sales momentum. Concerns that prices may have reached their ceiling in the top-end have created some buyer resistance. Overall, prices are expected to continue to move upward, bolstered by strong western economies and increased demand expected with the upcoming Olympics.

Fraser Valley

Harrison Lake, Cultus Lake

Heated demand and a limited supply of recreational properties in the Fraser Valley has resulted in record-breaking prices on Cultus and Harrison Lakes. The traditional Spring market is expected to bring an influx of new listings. Year-to-date, average price has increased approximately 30 per cent. The starting price for a typical, three-bedroom, year-round waterfront property on a standard-sized lot is \$800,000 on Cultus Lake and \$250,000 on Harrison Lake. Due to rising prices, purchasers are hoping to snatch



up a waterfront property in and around the starting price on each of the respective lakes. The younger generation of baby boomers continues to lead the charge for recreational properties on Cultus Lake—just one hour from the Lower Mainland. Alternatively, those looking for better value may want to consider purchasing a back lot on Cultus Lake for \$400,000 or traveling two hours to Harrison Lake—a 40-mile lake comprised almost solely of water-accessed recreational properties. A shortage of available listings is prompting multiple offers on both lakes. Teardowns are common, with purchasers buying 25 x 70 ft. lots on Cultus Lake (\$600,000) or 100 x 140 ft. lots on Harrison Lake (\$200,000) to demolish existing structures and make way for bigger and better year-round homes.

Cariboo

100 Mile & Interlakes Region - Central South Cariboo

A shortage of inventory is expected to place upward pressure on recreational property prices in the Central South Cariboo Region in the coming months. The tight supply has already accounted for a 50 per cent reduction in the number of sales recorded so far this year, compared to the same period one year ago. The inventory crunch is particularly evident for land and building lots, whereas the number of recreational properties sold to date with an existing structure remains on par with Q1 2006 levels. Municipal safeguards recently enacted are expected to restrict the supply of raw lots and will slow development to some degree. Average price has experienced a 25 per cent increase year-over-year in the first quarter and listings are moving noticeably quicker. The majority of buyers are bargain hunting, seeking out entry-level product priced from \$200,000 to \$220,000, but these remain few and far between. Last season, two dozen two-acre waterfront lots offered on Big Lake in the

Williams Lake Area sold like wildfire when initially offered at \$125,000. Once purchasers realize what their money can buy at \$200,000, many are willing to ante up, spending closer to \$300,000. Quality waterfront properties are commanding a premium. For example, a mobile home on a nice, one-acre lot on Lac Lahache, north of 100 Mile House, is expected to sell around \$400,000. The starting price for a three-bedroom, winterized recreational property on a standard-sized, waterfront lot is \$275,000, on par with 2006. The most popular lakes remain Green and Sheridan. Seasonal properties are a rarity. The most active buyers are boomers from the Lower Mainland and Alberta, and the area is attracting international purchasers from Europe. Prices remain extremely affordable by Western standards, and as such, Central South Cariboo the area has seen a significant upswing in demand. Those looking for more affordable alternatives may choose riverfront or mountainview properties or older cabins two hours further a field from \$150,000. With out-of-town purchasers driving up prices for waterfront lots, locals have started to realize the area's potential and have sparked strong move-up activity. The upper-end remains healthy, up slightly over last year, with a growing number of sales exceeding \$400,000 and some already recorded over \$500,000. One sale has already taken place at the \$1 million-dollar price point. Ten-acre, developed lots on Bridge Lake, expected to come on stream late this year, will be priced from \$400,000. With good fundamentals in place, several more years of healthy activity in the Central South Cariboo is expected.



Whistler

Whistler's recreational real estate market set new records in the first quarter of 2007. Unit sales are up 66 per cent (35 units) for single-detached homes and 29 per cent for condominiums. Although sales volumes are up, average price is similar to last year, sitting at \$1.25 million. The starting price of a typical three-bedroom, year-round property on a standard-sized lot is now \$1.1 million off mountain. The most active price range for detached properties is \$1.3 million in popular areas like White Gold and Spruce Grove—only a five minute drive to the village. Condominium prices both inside and outside of the village of Whistler start as low as \$130,000 but the average price is \$570,000. The majority of purchasers are 40-plus, with most buying a second home—condos are a popular choice among this demographic. The high cost of homeownership has forced many to look for more affordable options. Ski chalets on the mountain are now priced at over \$5 million. Phase I and Phase II ownerships have become affordable alternatives for homeowners who don't mind renting out their unit to vacationers throughout the year. These properties pre-designated as "Resort Land" and the Municipality of Whistler requires perpetual availability and use of tourist beds near the village and mountain facilities. Development is occurring with several new custom builds, condominiums, townhouses and hotels. Whistler has become more attractive to those looking to retire in recent years, with plans for retirement housing and health and wellness centres. High prices have made it next to impossible for Whistler employees to realize homeownership, therefore the Whistler Housing Authority (WHA) was created to oversee the development of employee restricted housing through the use of the Employee Housing Fund. The WHA has created an inventory of price-controlled units that are only available to resident employees. Where fair market value is \$700,000 to \$1.6 million, employees pay as low as \$200,000 to \$800,000. The upper-end of the market—\$3 million plus—is booming with six sales reported in the first quarter

of this year compared to two sales during the same period last year. To date, the highest sale on record is close to \$14 million.

Invermere

A severe shortage of recreational properties in Invermere's most popular price range (\$400,000 to \$800,000) has contributed to a considerable decline in sales activity year-to-date. Ninety-four units were sold from January to March of this year versus 148 at the same time one year ago—a 36.5 per cent decrease. Invermere Rural absorbed much of the impact, with sales just slightly more than half of 2006 levels. Average price declined in tandem in the rural areas, due in large part to a greater number of sales in the lower-end of the market. In Invermere proper, average price has recorded strong momentum—up 26 per cent over Q1 2006 to \$377,000. The upper-end of the market remains very strong, with 19 sales to date compared to 15 one year ago. The higher price points, accounting for one to two per cent of all sales, has experienced some buyer resistance in recent months. Purchasers in this segment have been taking more time to make their moves, concerned that prices may have reached their ceiling and therefore hesitant to ante up. Lake Windemere remains most coveted. However, prices have squeezed out the majority of locals, leaving ownership in this sought-after retreat to affluent out-of-towners—the bulk of whom are Albertan baby boomers, who have prospered from the oil and gas sector in recent years. The starting price for a three-bedroom, winterized recreational property on a standard 50 ft. waterfront lot on Lake Windemere is \$2.5 million, while a seasonal cottage on a similar lot is priced from \$1.8 million. Given the affordability factor, a growing number of purchasers are competing for view properties, priced from \$400,000, with multiple offers commonplace up to \$800,000. Lake Columbia is a more affordable alternative. With starting prices



half of those on Windermere, many are willing to make the extra half-hour drive. With the town of Invermere nestled on the banks of Lake Windemere, in-town properties are also experiencing an upswing in sales for recreational use. With amenities and affordability the draw, the trek to the lake appears to be a reasonable concession for some. Others are choosing condominiums, quarter shares or co-ownership among family members. With the supply of available building land dwindling, there is a growing trend toward high-density development, and many new projects have been planned or are underway in the area. Offering condominium apartments and town homes, the most notable are Copper Point, Pine Ridge, Purcell Point, Jade Landing, Pinewood, Sable Ridge, Copper Horn and Mountainview. Point of View, Spirit Reach and Octagon are the most anticipated developments and are expected to sell at a premium, given that they are the only ones offering lake access. Although lots are available, teardown and custom-building activity is limited in the area due to a significant shortage of skilled trades people.



Starting Prices for Recreational Properties*

MARKET	2005	2006	2007
Newfoundland/Labrador			
Eastern Coastline	\$49,000	\$50,000	\$75,000
New Brunswick			
Greater Moncton Area	\$100,000	\$75,000	\$80,000
Nova Scotia			
South Shore, Lunenburg, Queen's County**	\$118,000	\$140,000	\$225,000
Prince Edward Island			
Summerside**	\$135,000	\$150,000	\$250,000
Ontario			
Lake Huron			
Grand Bend	\$325,000	\$350,000	\$375,000
Sauble Beach, Bruce Peninsula	\$350,000	\$350,000	\$350,000
Port Elgin, Kincardine, Goderich	\$300,000	\$375,000	\$400,000
Parry Sound	\$200,000	\$210,000	\$200,000
Elliott Lake	\$155,000	\$200,000	\$150,000
Muskoka			
Bala, Port Carling, Bracebridge, Gravenhurst	\$450,000+	\$500,000	\$500,000 - \$550,000
Huntsville, Lake of Bays	\$300,000	\$275,000	\$300,000
Haliburton	\$280,000	\$280,000	\$300,000
Bancroft	\$250,000	\$185,000	\$250,000-\$300,000
Combermere	N/A	\$180,000	\$190,000
Flesherton	\$300,000 +	\$400,000	\$350,000
Georgian Bay			
Midland	\$350,000	\$350,000	\$550,000
Honey Harbour	\$300,000	\$400,000	\$400,000
Collingwood	\$350,000	\$375,000	\$375,000
Wasaga Beach	\$550,000	\$450,000	\$700,000
Lake Couchiching/ Lake Simcoe			
Orillia	\$290,000	\$375,000	\$400,000

*Starting price for a three-bedroom winterized recreational property on a standard-sized waterfront lot

**Oceanfront property

*** Two-bedroom condominium.

****Three-bedroom, winterized home off the mountain

MARKET	2005	2006	2007
Lake Simcoe:			
Innisfil to Oro	\$340,000	\$360,000	\$380,000
Beaverton	\$200,000	\$350,000	\$350,000
Lagoon City	N/A	N/A	\$300,000
West Kawarthas	\$275,000	\$325,000	\$375,000
East Kawarthas	\$250,000	\$300,000	\$300,000
Prince Edward County	\$200,000	\$225,000	\$250,000
North Bay	N/A	\$250,000	\$250,000
Manitoba			
Lake Winnipeg	\$250,000	\$150,000	\$200,000
Alberta			
Banff/Canmore***	\$200,000	\$210,000	\$300,000
West of Edmonton	N/A	N/A	\$350,000
Sylvan Lake	\$520,000	\$800,000	\$1,000,000
British Columbia			
Gulf Islands			
Salt Spring Island**	\$1,000,000+	\$1,000,000+	\$1,500,000
Comox Valley			
Mt. Washington	\$350,000	N/A	\$800,000
Okanagan Valley			
Kelowna	N/A	\$1,000,000+	\$2,000,000
North Okanagan/Shuswap	\$800,000	\$800,000	\$900,000
Penticton	\$700,000	\$800,000	\$1,000,000
Fraser Valley			
Cultus and Harrison Lakes	\$425,000	\$550,000	\$800,000
Cariboo			
100 Mile & Interlakes - Central South Cariboo	\$200,000	\$275,000	\$275,000
Whistler****	\$1,100,000+	\$1,100,000+	\$1,100,000
Invermere	N/A	N/A	\$2,500,000

*Starting price for a three-bedroom winterized recreational property on a standard-sized waterfront lot

**Oceanfront property

*** Two-bedroom condominium.

****Three-bedroom, winterized home off the mountain



RECREATIONAL PROPERTY REPORT 2007

NATIONAL CONTACTS

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LOCAL CONTACTS

Market	Contact	Office	Phone
Newfoundland/Labrador			
Eastern Coastline	Denise Brophy	RE/MAX Realty Specialist	709-726-8300
New Brunswick			
Greater Moncton Area	Chris Constantine	RE/MAX Quality Real Estate	506 384-3300
Nova Scotia			
South Shore, Lunenburg, Queen's County	John Dibbin	RE/MAX South Shore	902-543-8882
Prince Edward Island			
Summerside	Rocky Arsenault	RE/MAX Harbourside Realty	902-888-3600
Ontario			
Lake Huron			
Grand Bend	Doug Pedlar	RE/MAX Bluewater	519-238-5700
Sauble Beach, Bruce Peninsula	Dennis Herman	RE/MAX Grey-Bruce	519-371-1202
Port Elgin, Kincardine, Goderich	Renate Sieber	RE/MAX Land Exchange	519-524-1900
Parry Sound	John Sallinen	RE/MAX Parry Sound-Muskoka	705-746-9336
Elliott Lake	Clarence Baarda	RE/MAX Nu-Trend	705-848-4705
Muskoka			
Bala, Port Carling, Bracebridge, Gravenhurst	Steve Curry	RE/MAX Muskoka Realty	705-765-6801
Huntsville, Lake of Bays	Lynne Winterfield	RE/MAX New Lifestyles	705-788-1444
Haliburton	Vince Duchene	RE/MAX Haliburton Highlands	705-457-1011
Bancroft, Combermere, and Apsley	Ted Bartlett	RE/MAX Country Classics	613-332-0444
Flesherton	Jean Boynton	RE/MAX High Country	519-924-3513

LOCAL CONTACTS

Market	Contact	Office	Phone
Ontario			
Georgian Bay			
Midland	Peggy Worthen	RE/MAX Georgian Bay	705-361-3613
Honey Harbour	Armin Grigaitis	RE/MAX Baywatch	705-756-7629
Collingwood	Norm Bauer	RE/MAX Four Seasons	705-445-8500
Wasaga Beach	Marilyn Ruttan	RE/MAX of Wasaga Beach	705-429-4500
Lake Couchiching/ Lake Simcoe			
Orillia	Dan Stoutt	RE/MAX Orillia	705-325-1373
Lake Simcoe:			
Innisfil to Oro	Rick LaFerriere	RE/MAX Chay Realty	705-722-7100
Beaverton	Ian Burney	RE/MAX Country Lakes	705-426-2905
Lagoon City	Rick Fenn	RE/MAX Dockside	705-484-1111
West Kawarthas	Mike Barkwell	RE/MAX County Town	705-887-5440
East Kawarthas	John Bowes	RE/MAX Eastern Realty	705-743-9111
Prince Edward County	Mary-Jane Mills	RE/MAX Upper Canada	613-476-5900
North Bay	Patti Bentley	RE/MAX Legend Real Estate	705-495-4555
Manitoba			
Lake Winnipeg	Sheldon Brounstein	RE/MAX Real Estate Service	204-642-4888
Alberta			
Banff/Canmore***	Jessica Stoner	RE/MAX Alpine Realty	403-678-5890
West of Edmonton	Janet Greer	RE/MAX Real Estate (Edmonton)	780-962-8580
Sylvan Lake	Jim Jardine	RE/MAX Real Estate Central Albera	403-887-2217
British Columbia			
Gulf Islands			
Salt Spring Island**	Li Read	RE/MAX Realty of Salt Spring Island	250-537-9977
Comox Valley			
Mt. Washington	Dave Procter	RE/MAX Ocean Pacific Realty	250-339-2021
Okanagan Valley			
Kelowna	Cliff Shillington	RE/MAX Kelowna	250-717-5000
North Okanagan/Shuswap	Brad Marsh	RE/MAX Vernon	250-309-8277
Penticton	Len Fox	RE/MAX Penticton	250-492-2266
Fraser Valley			
Cultus and Harrison Lakes	Alex MacDonald	RE/MAX Nyda Realty	604-858-7179
Cariboo			
100 Mile & Interlakes - Central South Cariboo	Glen Holling	RE/MAX Country Lakes	250-395-3422
Whistler****	Mike Wintemute	RE/MAX Sea to Sky Real Estate	604-932-4117
Invermere	Wende Brash	RE/MAX Invermere	250-342-6505