

2009 Royal LePage Recreational Property Report



2009 Royal LePage Recreational Property Report

Table of Contents

Recreational Property Regional Summaries

Newfoundland	Page 3
Prince Edward Island	Page 3
Nova Scotia	Page 4
New Brunswick	Page 5
Quebec	Page 6
Ontario	Page 6
Manitoba	Page 17
Saskatchewan	Page 17
Alberta	Page 18
British Columbia	Page 20
Contact Information and Regional Spokespeople	Page 25
Recreational Property Price Overview	Page 29

Regional Summaries

Newfoundland

With only three and a half months of prime cabin season to enjoy, market activity for recreational properties in Newfoundland is strong. Properties in Deer Park and Ocean Pond continue to attract the most attention from buyers.

Lower interest rates are making property ownership more accessible for people who otherwise could not afford a mortgage on a second residence. Better access to financing is also allowing people to stretch their limits. "In 2008, most buyers were looking to spend \$100,000 to \$150,000 on a recreational property," said Glenn Larkin, broker/owner, Royal LePage Atlantic Homestead. "Today, this range has climbed to \$150,000 to \$200,000."

In Deer Park and Ocean Pond, waterfront properties sell for an average of \$80,000, and water-access properties for an average of \$100,000. Land-access (non-water) properties sell for an average of \$70,000.

More than half of Atlantic Canadians (57 per cent) say that recreational property ownership would make them unlikely to vacation elsewhere, slightly higher than the Canadian average.

Larkin sees a nesting trend among buyers. "Young families are investing in the long-term enjoyment that cabin life affords. Many remember childhood summers spent on the pond, so nostalgia is certainly influencing their decisions," he said. "The hassle that comes with travel—airports and security—is also making recreational property a more appealing option."

According to the 2009 Royal LePage recreational property survey, six of ten Atlantic Canadians view cottage ownership as a sound financial investment. Explained Larkin: "A 10-per-cent price fluctuation on a \$100,000 cabin that

brings a lifetime of peace and quiet from May to September is much easier to tolerate than a sudden 40-per-cent decline in your stock portfolio."

Compared with other markets across Canada, Newfoundland boasts some of the most affordable recreational properties. But Larkin cautions that buyers should not expect to purchase desirable properties for a steal. "Prices are slowly climbing," he said. "For example, waterfront land located 45 minutes from St. John's that was purchased for \$15,000 four years ago recently sold for \$43,000."

Additional market activity stems from Vale Inco employees who are opting for four-season recreational properties in Deer Park and Ocean Pond over homes in St. John's. With proximity to the plant in Long Harbour driving their decisions, buyers are choosing cabins with highway access and shaving as much as 45 minutes from their daily commute.

With limited inventories available, Larkin advises buyers to be patient as finding the ideal property may take some time. He also suggests arranging financing in advance so that buyers can act fast when the right cabin becomes available.

Prince Edward Island

After an unusually long and harsh winter, the recreational real estate market in Prince Edward Island is returning to seasonal norms, and inventories are expected to increase with the onset of summer in Canada's smallest and greenest province.

"This spring was cold and damp, and that affected the market," said Ken Peters, broker/owner, Royal LePage Peters & Lank Realty. "Most cottages are accessed by clay roads, so waiting for dry conditions delayed buyers from viewing properties of interest."

Nine in ten Atlantic Canadians agree the cottage is a great place for family to gather.

A standard¹ waterfront, land access property ranges from \$100,000 to \$500,000; while a land only property ranges from \$50,000 to \$250,000.

Waterfront properties with land access continue to be the most desirable among buyers in the market for a recreational property, followed closely by cottages with a view of the water. Access to the

island's many beaches and golf courses also ranks high.

In addition, properties that offer three-season capabilities continue to attract interest. "More and more, Islanders are looking for cottages that can be used from mid-May to December. This means that well-insulated cottages are in demand," Peters said.

Price points that appeal most to buyers range from \$80,000 to \$150,000. But properties priced above \$150,000 are attracting increased attention, and in some cases this range extends to \$300,000. There are very few recreational properties priced at \$500,000 and higher.

Most buyers on Prince Edward Island are motivated by the cottage lifestyle rather than financial gain. "Our market is insulated from the ups and downs experienced in other parts of the country, so typically our buyers aren't looking at real estate as a money-making scheme," explained Peters. "Cottagers are more interested in spending time with friends and family, enjoying peace and quiet, and exploring the great outdoors."

Affordable properties and island charm continue to drive interest from buyers across Canada. However, explained Peters, "there's a misconception among some out-of-province buyers that purchasing recreational property on the Island is mired in red tape. This is not the case and PEI remains an excellent source of recreational properties—for Islanders and non-Islanders alike."

Nova Scotia

Retirees, people returning from working away and out-of-province buyers are purchasing recreational properties in Nova Scotia. They're attracted by the province's many lakes, natural beauty, family-friendly environment for seasonal recreation and its affordable market. Most are looking for waterfront cottages with year-round access and use.

"While the majority of out-of-province buyers want a recreational property for seasonal use, local retirees and soon-to-be retirees are considering cottages as year-long residences. The trend is also appealing to people who are returning to Nova Scotia after working out west and elsewhere in Canada," said Cathie Billings, broker/owner, Royal LePage People First. "Electricity, plumbing and road access are must-haves for these buyers. Properties that offer these amenities or can easily be converted to function year-round are attracting interest."

With its beautiful sandy beaches and proximity to Halifax airport, the Lunenburg area draws significant interest from out-of-province buyers. Here, prices of waterfront properties with land access start at \$85,000 but can go as high as \$855,000. Despite these high prices, buyers from Ontario and Alberta perceive great value for their investment, as comparable properties back home bring much higher price tags and are often hard to find.

In the south shore community of Bridgewater, prices for waterfront properties with land access start at \$78,000 and can go as high as

Forty-three per cent of Atlantic Canadians believe that investing in recreational property provides a larger return than investing in the stock market, while only 26 per cent believe the reverse is true.

\$325,000. Prices for similar properties in Liverpool, which is located two hours from Halifax airport with access to fewer beaches, range from \$41,900 to \$229,000.

Prices for land-access (non-water) properties range from \$85,000 to \$125,000 in Lunenburg, from \$65,000 to \$350,000 in Liverpool and from \$69,000 to \$325,000 in Bridgewater.

According to Billings, the return on investment for recreational properties is two-fold. “Unlike stocks, land is a tangible asset and with a finite amount of waterfront property available, there’s a sense of security that comes with ownership,” she said. “On the lifestyle side, cottage living brings instant gratification that can’t be measured in dollars and cents.”

Though inventories remain stable and building permits are down, Billings noted that waterfront lots are selling. “People are planning for the future,” she said, adding that as Baby Boomers continue to look at recreational properties as a viable option for retirement, access to amenities such as healthcare and shopping will also dictate choice.

New Brunswick

From rustic cabins within walking distance of sandy beaches to luxury-appointed waterfront homes, New Brunswick offers a wide variety of properties for seasonal recreation.

“So far, recreational properties priced under \$100,000 are selling,” said Carla Bouchard, broker/owner, Royal LePage Metro. “As the season unfolds, we expect more activity in properties priced in the \$100,000 to \$150,000 range.”

Shediac, where waterfront properties with land access have an average price tag of \$137,000, attracts the greatest interest. In contrast, similar properties in Cap Pelé sell for an average price of \$88,000.

“Waterfront properties are always in demand and areas like Shediac, with its prime beaches, continue to drive the highest prices,” Bouchard said. “But buyers can also look north to communities such as Cocagne and Richibucto River, where riverfront properties can be purchased for less.”

Prices of standard waterfront properties with land access range from \$59,000 to \$90,000 in Cocagne and from \$90,000 to \$112,000 in Richibucto River. Standard water access properties average \$329,000 in Cocagne, range from \$130,000 to \$300,000 in Shediac and from \$129,000 to \$189,000 in Richibucto River. Land-access (non-water) properties average \$100,000 in Cap Pelé, from \$59,000 to \$90,000 in Cocagne and from \$78,000 to \$165,000 in Richibucto River.

The likelihood of purchasing a lakefront cottage ranks highest—84 per cent— among Canadians living on the East Coast.

Typical buyers fit two profiles: young families and empty nesters. For young families who can afford it, beach access plays a significant role in choosing a recreational property. Most buyers older than 50 are drawn to properties that offer peace and quiet.

Resale is not a primary motivator for recreational property buyers in New Brunswick, neither is using cottages as an income generator. However, some out-of-province buyers who visit infrequently and for limited periods are likely to rent out their cottage during the summer season.

With tourist season approaching, interest from out-of-province buyers is expected to rise. These buyers are often willing to pay more for recreational properties because, relative to prices in Ontario and Quebec, recreational properties in New Brunswick represent a great value.

“We are also witnessing a trend among repeat visitors who are graduating from tents and trailers to cabins,” Bouchard said. “From the local perspective, higher-end recreational properties are attracting buyers looking to take up permanent residence.”

Québec

Québec residents are more interested than ever in owning a recreational property, as shown by rising demand for properties under \$300,000 over the past few months.

“Real estate, and more specifically recreational properties such as cottages or condos, constitutes the best investment people can make and the only investment they can enjoy right away,” said Peter Reindler, broker/owner, Royal LePage Action Courtier. “For example, recreational properties located in the Eastern Townships offer a great quality of life and lots of wide open spaces, and the value of the properties has increased by 8 per cent per year over the past 40 years.”

In the Eastern Townships, including Lake Brome, Lake Champlain, Lake Memphremagog and Sutton, the average price of a waterfront property with land access ranges from \$400,000 to \$500,000, while properties with land- access (non-water) range from \$175,000 to \$225,000.

As the 2009 Royal LePage recreational property survey indicates, Québec buyers are mainly looking for quality of life. But return on investment also weighs significantly in their decision: 55 per cent believe a cottage is a good long-term investment, with 35 per cent believing that a recreational property would provide a larger return on investment than the stock market.

Currently, demand for a lakeside cottage is the most sought-after amenity for this market. In the 2009 Royal LePage survey, 73 per cent of Québécois said they are most likely to purchase this type of recreational property. The majority (86 per cent) consider cottages to be a great way to get out of the city and slightly more than half (51 per cent) believe that owning a recreational property makes them unlikely to take vacations elsewhere.

Fifty-five per cent of recreational property buyers in Québec believe that a cottage is a good long-term investment, and 86 per cent consider cottages to be a great way to get out of the city.

“Recreational property buyers want to get away from the stress of the city life. They are looking for mountains, lakes and breathtaking landscapes, as well as nearby accommodations such as golf courses, ski resorts or hiking trails,” said Reindler. “Communities such as Bromont, Sutton, Orford or Owl’s Head are hidden gems for recreational property buyers in Québec.”

The survey also found that the three most important features for buyers in Québec are quiet areas (69 per cent), four-season use (48 per cent), and utilities (36 per cent). Québec buyers also ranked as the most eco-friendly. Thirty-one per cent are looking for green features, which is the highest among all other provinces.

Ontario

Bruce Peninsula

Bruce Peninsula’s Georgian Bay and Lake Huron areas offer buyers more than 500 miles of shoreline, with white sand beaches, tiny villages and limestone cliffs. This area boasts a wide variety of outdoor activities, rest and relaxation, natural beauty and stunning scenery.

“Property prices are down only slightly lower than last year but the overall number of sales are down about 20% this year,” said Paul Annett, sales representative, Royal LePage RCR Realty. “Inventories are low this year, which is a direct reflection of why our sales are down. But I expect that there will be an increase in inventories later this season,” said Annett.

Prices for standard waterfront properties in the area range from \$250,000 to \$450,000, and land-access (non-water) properties range from \$125,000 to \$250,000.”

Annett notes that there is a wide range of property prices this year, starting from the back cottages at around \$100,000 to premium waterfront properties at \$1 million. “Most buyers are expecting to find a great deal because of what they hear or see in the media, but most cottage owners do not have to sell their cottages, so as a result there are not that many incredible deals out there.”

Eighty-nine per cent of buyers in Ontario believe that a cottage or recreational property is a great way to get out of the city.

The market appeals to those looking to get back to nature and escape the city. A beautiful view and privacy are key features sought by many buyers. With its wide variety of natural attractions, the Bruce Peninsula usually meets these needs. Most people looking to buy are between 40 and 60 years of age, who are interested in retirement in the near future and therefore want properties they can use year-round.

Annett suggests that if buyers find a property they like, they should make a move on it because the area has limited inventory to choose from. “I have seen many buyers wait too long, and then have the property they’re considering sell to someone else,” he said.

East Kawarthas

Only 90 minutes from Toronto, the East Kawarthas offers a short commute to those wanting a quick getaway from the hustle and bustle of city life.

Buyers enjoy access to four-season outdoor activities. The Trent Severn waterway system connects to most lakes in the region, offering miles of boating. Access to snowmobile and hiking routes also provide year-round recreational options.

Although 2008 saw the end of nearly a decade of five to eight per cent annual growth, the region is showing signs of recovery. “The market here is on par with the first half of 2008 and is outperforming the second half,” said Bruce Switzer, manager, Royal LePage Frank Real Estate. “The laid-back cottage lifestyle attracts most buyers to the region.”

The region’s wide variety of recreational properties suits various budgets and tastes. The average price of a standard waterfront, land-access property ranges from \$350,000 to \$400,000, and standard water access properties range from \$250,000 to \$300,000. Land access (non-water) properties range from \$150,000 to \$200,000.

Among all Ontario buyers, more than half (56 per cent) ranked quiet among the most important features when deciding to purchase a recreational property.

For those wanting extra privacy, Stoney Lake and Clear Lake offer some of the most secluded—and most expensive—properties in the region.

Switzer advises potential buyers to consult a realtor with local expertise, to determine which of the many available options would best suit their recreational property needs.

Haliburton Highlands

Less than three hours from Toronto, Haliburton Highlands is a popular year-round destination. With more than 600 lakes and rivers, the Haliburton area offers excellent canoeing and boating, as well as hiking, cycling, horseback riding, winter sports and simple relaxation on the lakes.

“It has been a full start to the year, and we have seen an increase in the surge of properties selling in the last month,” said Anthony vanLieshout, broker/owner, Royal LePage Lakes of Haliburton. “People are still interested in buying a recreational property.”

According to vanLieshout, demand for four-season homes is rising in Haliburton. “There is more interest from the Baby Boomers in having a full-capacity cottage that’s more of a residential property they can use year-round,” he said.

The average price of a standard waterfront property with land access in the region is \$300,000. Water-access properties average \$200,000 and land-access (non-water) properties average \$175,000. Buyers are typically looking to purchase in the \$200,000 to \$400,000 price range, which is consistent with last year’s activity.

Despite the current economic downturn, 46 per cent of buyers believe properties in the Haliburton Highlands provide a good financial return on investment. The variety of properties in the area means buyers can find the right property and price point they are looking for, whether their budget is \$100,000 or \$1 million.

While Haliburton offers something for everyone, most buyers are looking for an affordable property that they can use year-round. According to vanLieshout, the Haliburton area offers excellent value for buyers who want a recreational property to enjoy as a family. With lower interest rates and declining prices, vanLieshout sees fewer buyers who are investing with friends and other family members. “Most are looking to buy a property solely for their own personal use on the weekends,” he said.

Kingston and Gananoque

Nestled in the heart of 1,000 islands and with its numerous lakes, history, culture and acclaimed attractions, the Kingston and Gananoque area has been called Ontario’s best-kept secret. The area attracts young professionals looking to relax and have fun on the weekends, families with children, and couples approaching retirement.

“Over the last few years we have seen a shortage of inventories, partly because families are keeping their cottages for longer than before rather than selling, even when not in use,” said Wayne Carrothers, sales representative, Royal LePage ProAlliance Realty. “But as aging owners head back into the city for access to top-notch healthcare, we should see more properties coming onto the market. I anticipate a balanced year ahead in the mid-range area.”

Standard waterfront properties with land access range in price from \$170,000 to \$300,000, and standard water access properties range from \$150,000 to \$200,000. Land-access (non-water) properties range from \$65,000 to \$85,000.

Most of the available properties are in the mid-range, although there are few higher-end cottages in Kingston area, noted Carrothers. “Right now there is a two-year-old cottage on a waterfront property, it’s listed for \$325,000. Someone is going to get a good buy.”

Four out of ten Ontarians believe that purchasing a cottage provides a larger return on investment compared with investing in the stock market.

Today's buyers are looking to escape the city and relax in a stress-free environment. Many buyers find waterfront an important feature. More mature buyers are looking for level access to the water, an important safety feature both for them and for young grandchildren who are visiting the cottage.

In addition, families are investing in properties together to afford the increasing prices of cottages, a trend not typically seen in most other regions. Only 13 per cent of Ontarians expressed an interest in this option in Royal LePage's recreational property survey.

"We don't typically see a lot of people renting out their cottages. But tough economic times usually create this need, so maybe we will see more of this next year," said Carrothers.

For city-dwellers looking to acquire a country property, Carrothers advises them to do their research. "A lot of people come from the city and have no idea how a well works and that there are building restrictions and regulations," he said. "Find a well-informed and experienced agent and they will get you as many things on your wish list as possible, but remember be willing to compromise."

*More than two-thirds
(68 per cent) of Ontarians
believe that a cottage is a good
long-term investment.*

Lake of the Woods (Kenora)

Located on the border of Manitoba and Ontario, Lake of the Woods is home to over 14,000 islands and unspoiled wilderness. Rated as one of the top fishing destinations in North America, Lake of the Woods also offers a variety of recreational activities for outdoor enthusiasts.

"The recreational property market in Kenora has been relatively sheltered from the recent economic downturn," said Loren Knopf, owner, Royal LePage Landry's For Real Estate Kenora. "While we witnessed a slower than usual winter, sales have picked up and we anticipate that sales will remain at par with last year."

The region is still experiencing strong demand for recreational properties that range anywhere from \$150,000 to \$400,000. Buyers generally profile as 30-50 years old, upper-middle class coming to Ontario from Manitoba. Manitoba residents commonly travel to Kenora - slightly farther away from the provincial border - to purchase more affordable properties in the area.

Prices for standard waterfront properties in the area range from \$300,000 to \$900,000 and standard water access properties range from \$250,000 to \$700,000."

*Twenty-seven per cent of
buyers in Ontario rank fishing
as one of the most important
features to look for when
searching for a recreational
property.*

"Privacy and quality of shoreline are the most important features buyers are looking for in a recreational property," added Knopf. "My advice to buyers is that they should do some homework before visiting properties. They should research a number of properties to better understand exactly what they are looking for and how it relates best to their lifestyle."

Meaford/Thornbury

Nestled on the southern shore of Georgian Bay, the Meaford and Thornbury area offers year-round recreational activities such as fishing, skiing, golfing, curling, sailing and cycling in a picturesque, welcoming small-town atmosphere. Typical buyers are professionals who are 40 to 65 years old, either retired or closing in on their retirement years.

“The recreation property market in Meaford and Thornbury has been relatively slow through the first four months of 2009,” said Jim Gray, sales manager, Royal LePage Locations North. “Sales have been slightly down from last year because of the current economic climate. There has only been activity on waterfront sales from here to Collingwood to date, but there are plenty of inventories available.”

Standard waterfront properties in the area range from \$385,000 to \$459,000, and a standard non-waterfront property sells for an average of \$243,000.

Gray sees people investing in the Meaford and Thornbury market for a long-term lifestyle payoff—as most are looking for a property with four-season use. “An investment in the property is something tangible, something they can enjoy right now,” he said.

Reflecting Ontario's aging population, many buyers are looking to purchase four-season recreation properties for their retirement.

The market attracts highly knowledgeable buyers who want to escape the city to relax and enjoy the cottage lifestyle. “Most have past memories of cottages and are now looking to own their own cottage to fulfill that dream,” said Gray. “Typically, they know what they are looking for and also understand that they cannot make too many changes to natural features on their property without having the necessary permits,” he added.

Gray’s best advice is to seek a broker who specializes in recreational properties. “Waterfront properties have a lot of unique features that other brokers may not know about,” he said.

Midland

Located on Georgian Bay, Midland is only 90 minutes north of Toronto. The area is a four-season destination and has significant recreation resources, with some of the best fresh water beaches, hiking trails, fishing and winter sports. This area attracts married couples with children, families and friends, along with retirees.

“This year sales have been slightly down, as we have seen a slow start to the year,” said Jennifer Nieuwdorp, broker/manager, Royal LePage In Touch Realty Inc. “We are witnessing a moderate demand, as buyers this year are being very cautious and are taking the ‘wait and see’ attitude.” Despite the slow start, Nieuwdorp believes that people are still interested in owning a recreational home because they believe it is a good, long-term and safe investment. “Families and retirees are still longing for a different lifestyle, it a great place for friends and family to gather.”

Buyers in Midland can still purchase an affordable waterfront property.

In the 2009 Royal LePage recreational property survey, 90 per cent of respondents believe that a cottage is a great place for the family to gather and 68 per cent believe it is a good long term investment. Forty-one percent also indicated they believe it is currently a better investment than the stock market.

The average price in the area for standard waterfront properties with land access is \$450,000. Standard water access properties are \$300,000; land-access (non-water) properties are \$200,000.”

Most buyers are interested in waterfront, if it is in their price range. Usually they will settle for a back cottage with easy access to the water. They desire access to boating and fishing and want a sandy beach with a beautiful view of the sunset. Some buyers want to be close to amenities, such as hospitals, golfing, skiing and shopping.

Nieuwdorp suggests that when searching for a cottage, it's important to factor in the distance you need to travel to get there. She suggests choosing an area that is only one or two hours away from your home.

Muskoka

Home to lakeside resorts, world-famous golf courses and multi-million-dollar cottages, Muskoka is situated around Lake Muskoka, Lake Rousseau and Lake Joseph, and near the towns of Bracebridge and Gravenhurst.

Recreational property prices in Muskoka region are among the most expensive in Ontario, and waterfront properties continue to be the most sought-after. The average price of waterfront properties in the area ranges from \$450,000 to \$1,350,000 on Lake Muskoka and from \$875,000 to \$3,280,000 on Lake Joseph, depending on location.

Recreational property prices in Muskoka are among the most expensive in Ontario.

According to John O'Rourke, broker/manager, Royal LePage Lakes of Muskoka, overall activity in the area has slowed from last year. "Demand for recreational properties dropped off in September of last year, but we are beginning to see renewed interest this spring," he said.

Inventory levels are expected to remain higher than they were last year, putting downward pressure on prices. "We have conducted a lot of showings, but buyers are holding off in hopes that prices will fall further," O'Rourke explained. "This is making it a lot more difficult for people who are trying to sell their cottages."

The typical Muskoka buyer has not been affected by recent events in the economy, noted O'Rourke, and is continuing to look for properties in the \$750,000 to \$1,250,000 price range. "They are still buying because they can. It's a lifestyle choice," he said.

Interest in four-season, waterfront cottages on larger lots remains high, and buyers are willing to pay the premiums associated with these types of properties. Proximity to amenities found in Bracebridge and Gravenhurst are especially important for those who are retired or nearing retirement.

Forty-one per cent of Ontarians believe that investing in a recreational property will provide a larger return on investment than the stock market.

If multi-million dollar properties are out of your price range, O'Rourke suggests that buyers look into fractional ownership projects. "Although not as popular as a few years ago, co-ownership is always an option worth considering," he said.

North Kawarthas

The North Kawarthas provides a year-round recreational destination offering sandy beaches, swimmable water and access to numerous snowmobile trails. The two- to three-hour commute from Toronto is the longest of all the Kawarthas, which translates into generally lower prices compared with the East Kawarthas and West Kawarthas.

“Affordability is crucial for families and the North Kawarthas offers tremendous value,” explained Bruce Switzer, manager, Royal LePage Frank Real Estate.

The region attracts mostly young families who want the benefits of owning a cottage without the large price tags found in neighbouring areas. Standard waterfront, land access properties in the region sell for \$250,000 to \$300,000, and standard water-access properties sell for \$150,000 to \$200,000. Prices for land-access (non-water) properties range from \$125,000 to \$150,000.

Ninety per cent of Ontarians agree that a cottage is a great place for family to gather.

“Buyers see cottages as great financial investments, but most people consider the investment in quality of life as the key selling feature,” said Switzer. As the Royal LePage recreational property survey shows, more than half (56 per cent) of recreational property buyers in Ontario say they are unlikely to vacation anywhere else than their recreational property. That makes the amenities available in the North Kawarthas an important feature for prospective buyers.

“Why spend your family’s vacation dollars anywhere else?”

“With all the amenities this region provides, why spend your family’s vacation dollars anywhere else?” said Switzer.

Parry Sound

Situated on the shoreline of Georgian Bay and close to the spectacular beauty of the 30,000 Islands, Parry Sound is renowned as a four-season recreational haven. Located two hours north of Toronto, the area offers an abundance of properties for buyers looking for a getaway from the city.

The recreational property market in Parry Sound has changed over the past few years. “People are still looking to own a cottage, but the vast majority are looking to buy a vacation home,” said Bill Kingshott, broker/owner, Royal LePage Team Advantage Realty. “The recent expansion of Highway 400 and the opening of a new health care facility make Parry Sound an ideal place for those who are nearing retirement or who want to buy a property as their primary residence.”

While the majority of properties available for sale are homes, recreational properties are beginning to heat up for the season, along with commercial properties such as resorts and tent and trailer parks.

“The level of sales activity in the market is about the same as it was last year at this time,” Kingshott said. “But lower interest rates and a slightly greater supply of inventory have made it a buyer’s market. Prices have been adjusted to reflect this new environment, and encouraging sales.”

A buyer can expect to find standard waterfront properties ranging in price from \$200,000 to \$400,000. Standard water access properties range from \$150,000 to \$200,000 and land-access (non-water) properties range from \$150,000 to \$200,000, all unchanged from 2008.

Affordable prices are not the only reason why people are buying recreational properties in Parry Sound. “Buyers perceive their purchase as the only solid investment right now,” Kingshott said. “Considering the state of the economy, those who can afford to buy are buying with return in mind.”

According to Kingshott, another trend that has emerged are buyers looking for a property that they can also use as a source of secondary income. Owners are renting out their properties so that they can pay for renovations and property taxes. In Ontario, the 2009 Royal LePage recreational property survey indicated 13 per cent of

respondents would rent their cottage out during the year.

Kingshott advises those seeking to buy a recreational property in Parry Sound to “look around and research the area. Learn about what the area has to offer and ensure that there is resale value.”

Rideau Lake

Rideau Lake offers a wide variety of recreational properties, with something for everyone. The area attracts buyers from 30 to 50 years old who are looking for a property to enjoy during the summer.

“Activity has been great this year, with more interest in waterfront and entry-level properties compared with last year,” said Pauline Auger, broker/owner, Royal LePage Pauline Auger Real Estate. “Most people want to maintain a full-time residence in the city but still want to own an affordable seasonal cottage.”

Average prices range from \$200,000 to \$300,000 for a standard waterfront, land-access property, from \$100,000 to \$200,000 for a standard water-access property, and from \$100,000 to \$150,000 for a land-access (non-water) property.

89 per cent of Ontarians think a cottage is a great way to get out of the city.

With a lot of inventory available for buyers, Auger anticipates a busy year in 2009. “Entry-level properties typically range in the low \$200,000s and properties are moving quickly. Buyers with a lot of money can find properties as expensive as \$1.5 million,” she said. “People are realizing that you can’t play or have fun with your stocks, but investing in a summertime home will always be a Canadian dream.”

Rideau Lake attracts buyers looking for pristine waterfront properties with great access for swimming and boating. Many older buyers are looking for a level lot and a cottage without stairs. Many such properties in the area are well-kept and provide exceptional value.

But for most people, the purchase is about the lifestyle. “They’re satisfying the Great Canadian Dream” Auger said. Her advice for the first-time cottage buyer is to rent a cottage in the area first.

“Get to know the community first, because waterfront, close to amenities and community may be important to some and not others,” she said. “Spend time making sure you like the property.”

South Muskoka – Orillia, Severn Lake

Nestled on the picturesque shores of Lake Couchiching and Lake Simcoe, Orillia is conveniently located 90 minutes north of Toronto and connected to the Trent-Severn Waterway system.

“Over the past year, the market has slowed and sales are down about 15 per cent,” said Josie Manna, broker of record, Royal LePage Real Quest Realty Ltd. “Despite a late start into the season, we are beginning to see things pick up, and we’ve had a steady flow of showings happening throughout the area recently.”

Property prices range from \$150,000 for a vacant lot of land and up to \$650,000 for a waterfront property, significantly lower than 2008 prices. “People want to sell but are holding on to their properties until they feel the property will go up in value,” Manna said. “Last year, we saw properties selling in the \$1,000,000 range; now there is a price cap of \$450,000.”

Although high-end waterfront condominiums continue to appeal to buyers in this area, many have gravitated toward non-waterfront properties because of the lower prices. Regardless of the type of property, buyers are purchasing recreational properties because they see their property as a sound investment even during the current market downturn.

Manna sees people buying into recreational properties for both financial and lifestyle reasons. “Buyers believe that buying a property will provide an immediate return on investment but they are in it more for the cottage lifestyle,” she said. “They often see friends and family escaping the city to their own cottages, and have decided that they too want to own a piece of the pie.”

Recreational property owners are holding onto their property until they feel it will rise in value again.

Many buyers begin their search intending to buy waterfront properties. But prices for these properties are usually higher than what the buyers originally expected. Another common misconception among buyers is that all shorelines are the same.

Manna advises buyers to interview realtors to find one who knows all about waterfront properties. “Be very specific with them and tell them exactly what you want,” she said.

Her other piece of advice? Test the waters. “If it’s waterfront you want, drop your pants and go for a swim,” she said.

Southwestern Ontario

The shores of Lake Huron are renowned for breathtaking beaches where you can walk for miles and watch the sun drop spectacularly over the water.

“People tend to gravitate to the water,” said Fred Lobb, broker/owner, Royal LePage Heartland Realty. “And in southwestern Ontario we are beginning to see more buyers coming from Toronto. They want to avoid the traffic that typically heads north during the summer and get to their destination a lot sooner.”

In Goderich, prices of standard waterfront properties range from \$350,000 to \$650,000, an increase over last year despite the slow start experienced in the first quarter. Prices of non-waterfront properties are also up, and range from \$190,000 to \$400,000 even though general values are down as much as 10 per cent.

In Bayfield, standard waterfront properties range from \$350,000 to \$825,000, up from last year’s range of \$350,000 to \$750,000. Land-access (non-water) properties range from \$192,000 to \$425,000, down from \$192,000 to \$475,000 in 2008.

Inventory levels are lower compared with 2008 but there is still a steady demand for recreational properties. “We’re seeing Baby Boomers selling their homes in the city to own a home on the lake, and young couples looking to buy something they can own by the time they retire,” Lobb said. “Either way, they see real estate as a sound investment given the current state of the financial markets.”

Waterfront properties continue to be the most sought-after, even if fewer people can afford them. As a result, more buyers are willing to purchase that second-row property with a right-of-way to a beach at a lower price.

While most buyers are looking for improved and renovated recreational properties, there are some who plan to purchase a property with the intention of either renovating or rebuilding a few years down the road when they have the money.

Lobb's advice to potential buyers is to "think about how often you are going to use the property, the distance you are willing to travel and how close to water you would like to be. The location should match your lifestyle," he said.

Sudbury

With more than 300 freshwater lakes and rivers, the Sudbury region offers boundless outdoor recreation opportunities. Seasonal waterfront properties located on Lake Wahnapiatae, Lake Penage and the French River are havens for fishing and boating enthusiasts.

The Sudbury region boasts some of the most affordable properties in Ontario. The average price of a standard waterfront cottage is \$200,000, and a water-access cottage averages \$160,000. Prices have dropped slightly compared with 2008, but the level of sales activity has remained the same.

"Activity remains strong for recreational properties in the region," says Alex Dumas, broker/owner, Royal LePage North Heritage Realty. "Although seasonal cottages continue to be the most appealing, we're beginning to see more buyers purchasing properties for four-season-use."

Most buyers think they can still buy a cottage for \$100,000, like you could a few years ago.

The local market offers an attractive number of waterfront properties. "You can buy a waterfront lot in the Sudbury region at a more affordable price than you can in other parts of Ontario," Dumas said. "The desire to be situated on a lake is worth the drive for some, and many consider waterfront property to be a solid long-term investment."

While recognizing that a recreational property can indeed provide a good financial return on investment, many buyers view their purchase primarily as a lifestyle choice. According to Dumas, buyers are more interested in purchasing recreational properties that they can use themselves to escape the chaos of city life and relax.

Dumas tells clients to "be patient and take your time. It can take a while for the ideal property to come available."

Wasaga Beach

Wasaga Beach is only a 90-minute drive north of Toronto, making it a popular destination for buyers. The area offers a variety of year-round activities, including excellent golfing, hiking, cross-country skiing, snowmobiling and swimming, as well as the longest freshwater beach in the world. The nearby Blue Mountain Ski Resort makes Wasaga Beach a highly popular spot for young professionals with children and couples looking to retire in the near future.

"Despite the current economic climate, activity has picked up this spring. Interest seems to be on par with last year," said George Watson, broker/owner, Royal LePage In Touch Realty, Inc. "Activity will likely remain stable, with more product on the market this year."

A standard waterfront property in the area sells for an average of \$750,000, while a standard, non-waterfront property sells for an average of \$250,000.

Riverfront and beachfront properties are popular in Wasaga. Buyers interested in riverfront properties place a premium on boating and fishing, while those interested in waterfront properties want access to swimming. "A waterfront property will be over \$500,000 and riverfront properties can be as low as \$300,000," said Watson.

As the 2009 Royal LePage recreational property survey shows, 48 per cent of Ontarians are willing to make lifestyle or financial changes to afford a property. For many buyers, Wasaga Beach's access to utilities and amenities, such as wells and septic systems, as well as high-speed internet and cable TV, make the area an attractive place to buy a recreational property, especially for buyers interested in owning a cottage they can use year-round.

Fifty-six per cent of Ontarians would likely purchase a cottage on a lake.

Buyers unable to afford waterfront properties usually look to be within walking distance of the beach, said Watson. Many buyers are nearing retirement and find the proximity to amenities important. Recreational chalets are also becoming more popular, a trend that Watson believes is bringing the price point down. "Some buyers even choose to rent out their chalets to generate income, but this is only part of the market," he said, adding that "most people buy for their own use."

Watson advises buyers to find a local broker or agent. "This area is unique, and you need someone who knows about the wells, septic and development charges," he said. "There can be a lot of hidden fees that people may not know about."

West Kawarthas

Located 90 minutes from Toronto, the West Kawarthas offers a less grueling commute than other cottage country destinations. The region is home to a wide variety of recreational properties to suit all budgets. Current prices are discounted by five to eight per cent compared with 2008. Prices for standard waterfront properties range from \$290,000 to \$1.8 million. Prices for standard water-access properties range from \$275,000 to \$435,000; Land-access (non-water) properties range from \$187,000 to \$580,000.

While an enriched lifestyle continues to be the region's main draw, in recent years the market has seen an influx of investment-savvy buyers. Both Baby Boomers and younger buyers flock to the region to purchase lower-priced properties, which are then demolished to make way for four-season luxury abodes.

"People see recreational properties as safer investments than stocks," said Cameron Balmer, sales representative, Royal LePage Kawartha Lakes Realty. "Even if the value stays flat, they know the lifestyle improvement easily makes up the difference."

Some find the prospect of financial gain, along with an improved lifestyle, too enticing to pass up. As Royal LePage's recreational property survey found, 17 per cent of recreational property buyers in Ontario would consider renting out their properties for part of the year just to make cottage ownership possible.

Four out of ten recreational property owners in Ontario say they would rather invest in a cottage than in the stock market.

In the West Kawarthas, many owners use their property to generate income, as there is a "strong market for rentals," according to Balmer.

Manitoba

Lower than average prices have helped boost Manitoba's relatively high per-capita ownership of recreational properties. In the Lake Winnipeg area, prices range from \$250,000 to \$360,000 for waterfront cottages and from \$100,000 to \$250,000 for land-access (non-water) properties.

"Our recreational property market has been steady since I got into the business in 1983," said Jim Muir, sales representative, Royal LePage Dynamic Real Estate. Muir sees inventory levels holding steady for 2009, with new developments being offset by increasing demand.

With sales in the Lake Winnipeg area on track with 2008, one of the strongest years on record, Muir is understandably positive. "The market is perking along quite nicely," he said. "For the most part, Manitoba hasn't been hit by the economic downturn. Our economy is diversified, and manufacturing is doing well."

Young families are mostly looking for entry-level cottages, but Muir has seen all-season (winterized) lakeside properties listed for as high as \$800,000. "People closer to retirement are looking for more permanent homes," he said. "We're less than an hour from Winnipeg, so they can still work in the city and spend lots of time at the cabin."

About 80 per cent of Lake Winnipeg properties are land access, and the area offers both remote properties and cottages clustered together. Muir describes Gimli, which was established by Canadian Pacific Railway at the turn of the 19th century, as "medium density." Developments in provincial parks are mostly low-density lakefront properties.

Fifty-three per cent of Prairie residents are less likely to take vacation when they own a recreational property.

Manitoba buyers are generally confident in the market's stability. Although cottages are largely a lifestyle choice, they can also be part of a diversified portfolio, noted Muir. "Some of my clients are buying cottages as investments. They also make improvements to cottages and rent them out," he said.

As the 2009 Royal LePage recreational property survey demonstrates, 73 per cent of people in the Prairie Provinces believe owning a recreational property is a good long term investment. In the region, nine per cent of buyers would consider purchasing properties with friends or family, and 14 per cent would consider renting out, all for the chance to achieve this recreational ownership dream.

Muir sees all types of buyers in the Lake Winnipeg area, and recently he sold a property to a group of three couples. He recommends dealing with a realtor who knows the local market conditions, including zoning regulations and septic requirements, and preferably one who understands the ins-and-outs of how cottages work.

Saskatchewan

One of Saskatchewan's most popular areas for recreational properties is Last Mountain Lake, which provides some of the best fishing in southern Saskatchewan. Other picturesque locations attracting recreational buyers include the Qu'Appelle Valley, which draws visitors to its rolling hills and numerous creeks, and the popular Regina Beach area.

Seventy-three per cent of recreational property buyers in the Prairies believe a cottage is a good long-term investment—more than any other region in Canada.

Within driving distance of Regina, all three areas continue to draw buyers interested in purchasing properties they can enjoy on weekends and vacations, or rent out to visitors during the busy summer months. Prices in all three areas have held steady over the past year, with waterfront

properties costing an average of \$300,000, and land access (non-water) properties typically selling anywhere from \$200,000 to \$300,000.

As the 2009 Royal LePage recreational property survey shows, Saskatchewan and Manitoba buyers view recreational properties as a good long-term investment, more so than buyers in any other region. According to Mike Duggleby, broker/owner, Royal LePage Regina Realty, many of those interested in buying recreational properties in Saskatchewan are either local families or people who grew up in Saskatchewan and now live in other provinces.

“A lot of the buyers are families, about 30 to 40 years old with children,” said Duggleby. “Their parents had a cottage, and their grandparents had a cottage. So now they are buying properties to be near their families. We are also seeing people who had moved away come back and buy properties on the same lake where they spent their summers growing up.”

Prairie residents also led the nation, with 96 per cent indicating that a recreational property is a great place for the family to gather and that owning a property was a good family investment.

Overall, Saskatchewan recreational property sales have slowed over the past year, which Duggleby attributes to people being cautious in the face of a worldwide economic downturn. While prices have generally remained stable in Last Mountain Lake, Qu’Appelle and Regina Beach, Duggleby points out there are good deals to be found, particularly with undeveloped lakefront lots.

While lakefront cottages are the most popular types of recreational property for Prairie buyers, 22 per cent say they are most likely to purchase a timeshare.

“A number of developments got started when the market was at its peak; for example, lakefront lots listed at \$200,000 for the lot only,” he noted. “With the economic downturn, people started backing off that kind of product, and we now see a lot of those lots available at a lower price.”

Utilities (running water, electricity and septic systems), quiet and four-season use are the three most important features that Prairie buyers look for when purchasing a cottage or other recreational property, according to the 2009 Royal LePage recreational property survey.

Inventory of cottages and other recreational properties for sale in Saskatchewan is expected to remain stable over the coming year. But Duggleby cautions that when good deals become available, buyers have to act fast. “When that opportunity comes, be prepared. Have your financing arranged,” he said.

Added Duggleby: “Shore rights are an issue people need to do more research on, to get a better understanding of whether they can build docks or boathouses. In some areas, those rights are grandfathered, but in other places you simply can’t do it, and buyers need to understand that before they purchase a lakefront cottage.”

Alberta

Lac St. Anne

An hour’s drive west of Edmonton, the Lac St. Anne area, including adjacent Lake Isle and Lake Wabamun, offers lakefront cottages that are well-serviced with septic tanks, electricity and water wells. All three locations are suitable for families and Baby Boomers alike who are looking to purchase an affordable recreational property.

Twenty per cent of Albertans would buy a fixer-upper cottage, but only five per cent would be willing to rent out their cottage.

Average prices in the area range from \$250,000 to \$425,000 for waterfront properties and from \$175,000 to

\$215,000 for land-access (non-water) properties.

“Even though we have been faced with an economic downturn, prices haven’t changed a great deal in the last year,” said Bob Morrison, broker/owner, Royal LePage Westgate Real Estate. “Over the next year, I anticipate a continued stabilization in the market with a possibility of a slight decrease in inventory as the economy begins to recover.”

Pigeon Lake

With its many shores of sandy beaches and recreational activities, Pigeon Lake is a popular, high-profile resort area for families in central Alberta. Pigeon Lake is 45 minutes southwest of Edmonton nearby the communities of Leduc and Wetaskiwin. The lake itself lies within both Leduc County and Wetaskiwin County.

In the Pigeon Lake area, prices for standard waterfront, land-access properties range from \$400,000 to \$600,000, and prices for water access properties range from \$550,000 to \$1 million. Land-access (non-water) properties range from \$250,000 to \$300,000.

“Prices have decreased by about 25 per cent over the past year as a result of shrinking demand,” said Barbara Howey, broker/owner, Royal LePage Parkland Agencies. “Over the next year, I anticipate prices to stabilize, if not increase slightly, as we begin to recover from the downturn.”

Added Howey: “We have a larger inventory than we did last year, so we have a greater selection of every type of property that buyers might be looking for.”

One area that still appeals to recreational property buyers is Jarvis Bay Estates. It is home to some of the most expensive lake properties in the area and is a popular spot among Baby Boomers. The three most important features ranked by Alberta buyers are utilities (60 per cent), quiet (51 per cent) and four-season use (33 per cent), according to Royal LePage’s 2009 survey.

Further, 69 per cent of Albertans believe that owning a recreational property is a good long term investment. Albertans also ranked highest among all provinces for their willingness to purchase a fixer-upper (20 per cent). While other financial choices they would make to ensure recreational property ownership include, purchasing with friends (15 per cent) and willingness to rent out their property (five per cent).

Sylvan Lake

A year-round destination that lays claim to one of the 10 best beaches in Canada, Sylvan Lake continues to attract recreational real estate buyers. The area offers a range of options from lakefront condominiums to land access cottages to million-dollar vacation homes, however the recent economic downturn has reduced demand for properties at the high end of the market, according to Al Hughes of Royal LePage Network Realty.

In the Sylvan Lake area, the average prices for a waterfront, land-access property ranging between 1000 and 3000 square feet is \$691,666, and the price for a water access property (1000 to 3000 square feet) is \$1,125,000. A land-access (non-water) property is \$285,000 (1000 square feet or less but less than 100’ lot).

A year ago, most recreational home sales occurred in the \$350,000-\$450,000 price range, but this year the most active segment of the market is properties ranging from \$250,000-\$350,000, Hughes said.

“There has been some uncertainty due to the economy, but we still have an active market that is fairly comparable to last year in terms of the level of interest from buyers,” Hughes said. However, he noted “it’s taking longer for properties to sell, particularly at higher price ranges.”

Waterfront vacation homes with boat access continue to be in demand in Sylvan Lake, with couples and families from Calgary, Edmonton and Red Deer making up the majority of buyers. While recreational properties at the higher end of the market close to the Town of Sylvan Lake appeal to professionals and higher-income families, younger families are finding waterfront properties at a lower price point in nearby communities like Jarvis Bay and Sunbreaker Cove.

While Royal LePage’s survey found that Alberta buyers believe utilities are the most important feature of a recreational property, followed by quiet and four-season use, Hughes says buyers who gravitate to Sylvan Lake are attracted by the fact that the area offers something for everyone year-round. “People want properties they can use in the winter,” he said. “Boat access is also very important, as is the opportunity to get out of the hustle and bustle. People come here to escape from the city.”

When choosing a recreational property, 60 per cent of Albertans prefer waterfront property.

While Hughes sees some buyers getting into Sylvan Lake properties for long-term investing or to generate revenue, the number of cottages and vacation homes being offered for rent is decreasing. “People seem to be using the cottages themselves,” he said. “A lot of older cottages that were revenue properties are being torn down and the owners are putting in new homes.”

British Columbia

100 Mile House

Located less than five hours from Vancouver on the Fraser Plateau, 100 Mile House is the North American capital of log home and cabin construction. With its many lakes, it is a popular spot for fishing, kite sailing, waterskiing and boating, as well as golf and other seasonal activities.

Recreational property prices are among the most affordable in British Columbia. Standard waterfront properties sell for an average of \$328,000, standard water-access properties for about \$215,000, and land-access (non-waterfront) properties can go for less than \$160,000.

Although properties on Green, Sheridan and Bridge Lakes—which offer trophy fishing—can run as high as \$800,000, buyer interest so far this year has been mostly in more modestly priced cabins. “There’s been an adjustment with the economic downturn,” said Melvyn Grahn, sales representative, 100 Mile Realty. “People are more conservative now with buying a second property. While sales are generally picking up, fewer high-end recreational properties are moving.”

Twenty-two per cent of BC recreational property buyers are willing to make a joint purchase with friends or family—higher than any other province in Canada.

Most buyers are from Vancouver and the Fraser Valley, but Grahn has seen a growing trend of Alberta oil sands workers looking for part-recreational, part-residential properties. “We’re also seeing that trend with Baby Boomers who haven’t quite retired yet and have substantial ties to business on the coast,” he said.

Grahn expects recreational property inventory to increase in the short term. “People who have been holding their properties off the market may start listing them,” he said. “And we’ll continue to see lots of selection in

high-end properties for some time.”

Property in 100 Mile House has become a long-term investment hedge for some buyers concerned about the unstable economy. But for most people, the purchase is about the lifestyle. “They’re satisfying a long-held dream,” Grahn said. “Foremost, they want access to water, views and privacy. We offer the authentic cabin experience, and it’s common for properties to be serviced by a well, lake or stream. People don’t buy here if they’re interested in going to the opera while on vacation.”

People are more conservative now when it comes to buying a second property.

The best advice, he said, is to establish a relationship with a realtor so you have someone with local knowledge that’s looking out for your interests.

Cranbrook – East Kootenay

Boasting spectacular waterfront cottages and a moderate climate year-round, Cranbrook’s recreational property market is showing more inventory selection than in previous years. A recent softening of Alberta’s oil and gas industries has translated into fewer buyers in this East Kootenay area, which historically has been most popular with residents from both Calgary and Edmonton.

“About 85 per cent of recreational property buyers in this part of BC are from Alberta,” said Philip Jones, broker/owner, Royal LePage East Kootenay Realty. “A slower Alberta economy means there’s more selection than in the past.”

Jones noted that while lake cottages have more availability than normal, such properties are still a rare commodity. “At least now, buyers have some choices, whereas a year or two ago there was little inventory on the water,” he said.

Standard waterfront properties in the area can sell for \$450,000 to \$1 million. Prices have either appreciated or held steady on an annual basis, suggesting a safe investment. Standard water access properties are available from \$300,000 to \$600,000 and buyers can find land access (non-waterfront) properties starting at \$200,000 and ranging to \$500,000.

With low interest rates and a good selection of inventory, Jones believes now is a good time to get into the recreational property market. “In general, there just isn’t that much waterfront to choose from in this area. Waterfront properties don’t come up for sale very often, and are usually passed down to family members,” he said.

Inventory in the East Kootenays may become even tighter, with non-stop flights now connecting Cranbrook with Salt Lake City, Utah. Cranbrook’s world-class golf courses are attracting recreational buyers from south of the border, and more Americans are purchasing large tracts of land as an investment strategy.

The most popular features for area buyers are privacy, and access to boating and fishing. Typical buyers are Baby Boomers earning high incomes in Alberta’s oil and gas sectors.

According to Jones, a realtor can educate buyers about compliance with the local regulations, such as rules concerning drinking water and sewage removal.

“Come to the East Kootenays,” he said. “Just not all at once.”

Kelowna

Kelowna offers the warmest, driest climate in Canada and commands some of the country's highest recreational property prices, with waterfront averages typically ranging from \$650,000 to \$1.5 million.

With buyers waiting for prices to drop further, and sellers waiting for a correction in pricing, the recreational property market in Kelowna has been slow through the first four months of 2009. For instance, while Kelowna saw 475 waterfront transactions in 2005, the market cooled off to only 150 in 2008.

"Most property owners in Kelowna have money," said Wade Webb, broker/owner, Royal LePage Kelowna, "so they can afford to wait. We've been at a stalemate." However, the market has started picking up as demand increases heading into summer. Supply, said Webb, is still healthier than demand.

Kelowna offers a tremendous range of recreational property choices, including divided ownership properties (known as "fractionals"), single-family waterfront cottages, native lease-hold properties, fishing lake properties, cooperatives and waterfront condos. According to Webb, buyers interested in divided ownership can get into the market for as little as \$60,000, whereas he's seen single family waterfront properties listed for \$2 million.

Divided ownership properties in Kelowna can cost as little as \$60,000. On the other hand, single family waterfront cottages can reach as high as \$18 million.

The most popular option is a resort strata condo. These properties cost an average of \$500,000 and so far this year they have represented about half the sales in the recreational property market in Kelowna. "You can use it or rent it," Webb said. "The rental income can help with your mortgage payment so they're flexible. These places offer lots of amenities, such as restaurants, pools, gyms and even playgrounds. So they're family-oriented."

Webb sees people buying into Kelowna's recreational property market for the prospect of a long term payoff. "People make money in equity gains," he said, "not cash flow." Waterfront property taxes, he cautioned, are high.

According to the 2009 Royal LePage recreation property survey, 37 per cent of individuals in the province believe purchasing a recreational property is a better investment than the stock market.

Kelowna is attracting international visitors through its status as a semi-arid desert as well as the recent airport expansion. "We're seeing people come from Europe," said Webb. "Plus, we're only minutes away from anywhere in the Pacific Northwest. Flights are only about \$150 from Calgary and \$300 from Seattle."

Webb said people are routinely surprised by the high price points. "People can't believe how expensive it is. We're competing with global destinations like Maui."

Sunshine Coast

This year the idyllic Sunshine Coast—a stone's throw from bustling Vancouver—has a much larger inventory of recreational properties than usual.

"It's the first time in years we've seen this availability," said Bill Binnie, broker/owner, Royal LePage Sunshine Coast. "Over the last six years, you could have come away empty-handed at any price."

The healthy selection of inventory includes a wide range of prices. Buyers looking for a waterfront cottage should expect to pay around \$750,000. Water access properties sell for an average of \$575,000, and land-

access (non-waterfront) properties are considerably more affordable at \$350,000.

Compared with other popular ferry-access cottage areas such as the Gulf Islands, Vancouver buyers will pay a premium for Sunshine Coast properties, given that the water crossing only takes 40 minutes.

Buyers are showing interest in many different locations, and price is the biggest factor affecting a purchasing decision. Proximity to water and amenities such as docks and a boat launch are on most buyers' wish lists. "Those who can't afford waterfront properties may consider buying a land-access property nearby," Binnie said.

Despite a large overall inventory and low interest rates favouring buyers, waterfront properties remain in high demand. "Waterfront tends to stay in the hands of families," said Binnie. "So I see inventory in that area remaining stable or decreasing." He refers to this tendency as the "legacy factor."

The global economic slowdown isn't having a significant impact on the Sunshine Coast's recreational property market, mostly because the area doesn't attract international investors as do other parts of British Columbia.

Waterfront properties tend to stay in the hands of families once purchased.

Recreational property owners in this area commonly rent out their cottages, given the high demand for short-term rental. Although Binnie cautions that "holiday stays," most commonly offered by the week, are technically against zoning by-laws in some areas.

Most Sunshine Coast buyers are either preparing for retirement or looking for a convenient family getaway spot. These buyers, said Binnie, should be ready to act quickly when they come upon the right fit.

Vernon

After seven strong years of performance, Vernon's recreational property market in the Okanagan has slowed as a result of the downturn in Alberta's oil and gas sector.

"We're heavily reliant on Alberta," says Riley Twyford, broker/owner, Royal LePage Downtown Realty in Vernon, "and Alberta has dried up."

Lakeshore apartments in the popular Mara Lake area start at \$250,000 but can reach \$850,000. Predator Ridge, which features golf course cottages, offers properties in the tighter range of \$325,000 to \$400,000. While idyllic for some buyers, Predator Ridge properties come with some restrictions. "These are considered limited use properties," Twyford said. "For instance, you have to park your car and wheel your stuff in."

Buyers in BC rank quiet (56 per cent), utilities (48 per cent) and four-season use (37 per cent) as the most important features to have in a recreational property.

Waterfront is consistently the hottest recreational property commodity in Vernon, with even the lowest priced lakeside lot commanding about \$800,000. Prices, however, are now significantly lower than in past years. "Water access is big for Albertans," said Twyford. "They love to bring out their boats. But if you're a golfer, we also have some great courses."

Twyford sees overall inventory increasing as the economic downturn forces some owners to sell. Although low interest rates are giving sales a boost in other parts of the market, recreational properties are commonly bought with cash.

Families with kids have traditionally represented the biggest part of Vernon's recreational cottage and

lakeshore apartment markets. Most buyers are getting in for the first time. According to the 2009 Royal LePage recreational property survey, 87 per cent of BC residents believe that a cottage is a great place for family to gather, with 22 per cent also indicating that they would be willing to purchase a property with family and friends.

Given the area's high prices, Twyford advises prospective buyers to do their homework and take into consideration the cost of ownership. "Some people assume fractional ownership properties are rented 60 per cent of time, but the actual number is closer to 20 per cent," he cautioned.

¹Standard Recreational Property – Three bedrooms, 1,000 square feet on a 100 foot lot

For further information, please contact:

Melissa Cassar

416.645.3647
Fleishman Hillard
melissa.cassar@fleishman.ca

Tammy Gilmer

416.510.5783
Royal LePage Real Estate Services
tgilmer@royallepage.ca

Regional Spokespersons

East Coast

New Brunswick

Carla Bouchard, Broker/Owner
506.857.0555
cbouchard@royallepage.ca
Royal LePage Metro
www.monctonroyallepage.com/

Nova Scotia

Cathie Billings, Broker/Owner
902.543.0136
cathiebillings@royallepage.ca
Royal LePage People First
www.royallepage.ca/people1st

Newfoundland

Glenn Larkin, Broker/Owner
709.579.8106
glennlarkin@royallepage.ca
Royal LePage Atlantic Homestead
www.royallepage.ca/glennlarkin

Prince Edward Island

Ken Peters, Broker/Owner
902.892.5355
kenpeters@royallepage.ca
Royal LePage Peters & Lank Realty
www.lank.com

Quebec

Eastern Townships

Peter Reindler, Broker/Owner
450.266.7711
preindler@royallepage.ca
Royal LePage Action Courtier
www.peterreindler.com

Ontario

Bruce Peninsula

Paul Annett, Sales Representative
519.793.3544
pannett@bmts.com
Royal LePage RCR Realty
www.royallepage.ca/paulannett

East Kawarthas

Bruce Switzer, Manager
705.748.4056
BSwitzer@royallepage.ca
Royal LePage Frank Real Estate

Ontario

Haliburton Highlands

Anthony vanLieshout, Broker/Owner
705.457.2414
anthony@royalpage.ca
Royal LePage Lakes of Haliburton
www.trilliumteam.ca

Kingston/Ganonoque

Wayne Carrothers, Sales Representative
613.384.1200
wayjo@sympatico.ca
Royal LePage ProAlliance Realty
www.wayneandjoe.com

Lake of the Woods (Kenora)

Loren Knopf, Owner
807.468.9871
lorenknopf@royalpage.ca
Royal LePage Landry's For Real Estate Kenora

Meaford/Thornbury

Jim Gray, Sales Manager
519.538.5755
jimgray@royalpage.ca
Royal LePage Locations North

Midland

Jennifer Nieuwdorp, Broker/Manager
705.526.4271
jennifernieuwdorp@royalpage.ca
Royal LePage In Touch Realty Inc.

Muskoka

John O'Rourke, Broker/Manager
705.645.5257
johnorourke@royalpage.ca
Royal LePage Lakes of Muskoka

North Kawarthas

Bruce Switzer, Manager
705.748.4056
BSwitzer@royalpage.ca
Royal LePage Frank Real Estate

Parry Sound

Bill Kingshott, Broker/Owner
705.746.5844
billkingshott@royalpage.ca
Royal LePage Team Advantage Realty
www.royalpage.ca/teamadvantage

Rideau Lake and Surrounding Area

Pauline Auger, Broker/Owner
613.283.6666
paulineaunger@royalpage.ca
Royal LePage Pauline Auger Real Estate

South Muskoka - Orillia, Severn Lake

Josie Manna, Broker of Record
705.327.9999
josiemanna@royalpage.ca
Royal LePage Real Quest Realty Ltd.
www.orilliaforsale.ca

Southwestern Ontario

Fred Lobb, Broker/Owner
519.482.3400
fredlobb@royalpage.ca
Royal LePage Heartland Realty
www.rlpheartland.ca

Sudbury

Alex Dumas, Broker/Owner
705.688.0007
AlexDumas@royalpage.ca
Royal LePage North Heritage Realty
www.royalpage.ca/sudbury

Wasaga Beach

George Watson, Broker/Owner
705.429.2222
gwatson@royalpage.ca
Royal LePage In Touch Realty, Inc.
www.royalpage.ca/georgewatson

West Kawarthas

Cameron Balmer, Sales Representative
705.878.3737
cbalmer@royalpage.ca
Royal LePage Kawartha Lakes Realty

Manitoba

Lake Winnipeg

Jim Muir, Sales Representative
204.989.5000
JimMuir@royalpage.ca
Royal LePage Dynamic Real Estate
www.jimmuir.ca

Saskatchewan

Regina

Mike Duggleby, Broker/Owner
306.359.1900
mikeduggleby@royalpage.ca
Royal LePage Regina Realty
www.royalpageregina.com

Alberta

Lac St. Anne

Bob Morrison, Broker/Owner
780.962.4950
bobmorrison@royalpage.ca
Royal LePage Westgate Real Estate
<http://www.bobandjan.ca/>

Sylvan Lake

Al Hughes, Sales Representative
403.887.2286
alhughes@royalpage.ca
Royal LePage Network Realty

Pigeon Lake

Barbara Howey, Broker/Owner
780.352.6671
barbarahowey@royalpage.ca
Royal LePage Parkland Agencies

British Columbia

100 Mile House

Melvyn Grahn, Sales Representative
250.395.3424
mel@melgrahn.com
Royal LePage 100 Mile Realty
www.melgrahn.com

Cranbrook

Philip Jones, Broker/Owner
250.426.8211
philip@ekrealty.com
Royal LePage East Kootenay Realty
www.ekrealty.com

British Columbia

Kelowna

Wade Webb, Broker/Owner
250.860.1100
wadewebb@royallepage.ca
Royal LePage Kelowna
www.royallepagekelowna.com

Sunshine Coast

Bill Binnie, Broker/Owner
604.926.6011
billbinnie@royallepage.ca
Royal LePage Sunshine Coast

Vernon

Riley Twyford, Broker/Owner
250.545.5371
riley@royallepagevernon.com
Royal LePage Downtown Realty
www.royallepagevernon.com