

## Alberta Recreational Property Sales Expected to Increase in 2017 as Economy Recovers

*Province records the highest aggregate recreational property price in the country*

**ALBERTA, June 20, 2017** – According to the 2017 Royal LePage Canadian Recreational Housing Report<sup>1</sup> released today, the Alberta recreational property market is primed to witness a recovery, as sales activity continues to gradually strengthen over the coming year, thanks in part to the improving economy.

Regions across the province saw mixed results, with some reporting year-over-year price increases, while others noted declines. Particularly, regions closest to the major centres of Calgary and Edmonton have begun to see their markets turn a corner, with slight year-over-year<sup>2</sup> price increases so far in 2017, while those closer to harder-hit regions, like Red Deer, have witnessed a slight depreciation during the same period.

“Market conditions are favourable to buyers in the province’s recreational property segment, with prices having declined or remained flat for the last couple years during the economic slowdown,” said John Hripko, sales representative, Royal LePage Benchmark. “Buyers are currently recognizing that they’re in the midst of a very opportune time, cashing in on depressed property values while they can.

“There is a transition happening,” continued Hripko. “With the economy improving, and consumer confidence strengthening across the province, we expect to see an upswing in demand for discretionary purchases like recreational properties in the near term, which will ultimately put upward pressure on prices.”

Of all regions studied, Alberta recorded the highest provincial aggregate<sup>3</sup> price in Canada at \$816,700, as a result of the province’s limited availability of lakefront property near major metropolitan areas and a growing level of demand from buyers electing to stay within the province due to current economic realities.

Advisors within the region indicated that most buyers in Alberta are willing to drive up to two hours away from their primary residence to find their ideal recreational property, with four hours being the maximum distance buyers would drive for a suitable home. Desired lifestyle and vacationing, as well as purchasing the property as an investment were the top cited buyer motivations for purchasing a recreational home within the province.

“There is a perception in the Alberta marketplace that recreational properties are undervalued,” explained Hripko. “Buyers purchasing recreational homes believe they are making a sound investment that enables them to capture a piece of the good life. Very little can replace the

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<sup>1</sup> The annual report compiles information from a cross-Canada survey of real estate advisors who specialize in recreational property sales

<sup>2</sup> The survey specifies year-over-year as May 2017 over May 2016

<sup>3</sup> Aggregate prices are calculated an average of the values of homes for reported property types in the regions surveyed

magnificent experiences and memories a recreational sanctuary away from the city can bring.”

### Alberta Regional Insights

“With its close proximity to Calgary and stunning Rocky Mountain landscape, **Canmore** is the ideal recreational property region in Alberta, which is strongly reflected in the area’s high price point,” said Brad Hawker, broker and owner, Royal LePage Rocky Mountain Realty. “The Canmore market remained remarkably resilient through the recent energy downturn. Home prices have increased in the last year and sales activity levels have remained stable, with demand only continuing to rise as both local and international buyers are drawn to the area’s many stunning attributes.”

“Sales activity in **Pigeon Lake** is starting to pick up, driven by the improving Alberta economy and buyers purchasing properties for retirement in what is one of the province’s more affordable recreational markets,” said Barbara Howey, broker and owner, Royal LePage Parkland Agencies. “With each passing year, the ratio between available inventory and interested buyers slightly declines, gradually giving way to stronger market conditions.”

“Due primarily to economic uncertainty, home prices and sales activity levels in **Pine Lake** have decreased slightly year-over-year,” said Dusty Smith, associate broker, Royal LePage Network Realty. “However, an improvement in the local economy is now being felt and we are expecting to see an upswing in sales volumes by year-end when compared to 2016 levels.”

“Property values in **Sylvan Lake** have decreased slightly year-over-year in the wake of the recent energy sector downturn and additional inventory is coming onto the market,” said Ted Iverson, sales representative, Royal LePage Network Realty. “It is a good opportunity for buyers to explore one of the most sought-after recreational property markets in the country, while market forces are temporarily kept in-check.”

“Property prices in **Wabamun Lake and Lac St. Anne** have seen year-over-year increases, as demand for the relatively affordable properties in the region continues to outstrip limited supply,” said Tom Shearer, broker and owner, Royal LePage Noralta Real Estate. “Favourable prices have brought a flurry of interest to this market, however, there is very little turnover in the region, as families are holding on to their irreplaceable properties.”

### Average regional prices

The chart below provides average 2017 prices across Canada for six recreational property types studied in the report including lakefront, riverfront, oceanfront, island, woods cottage/cabin and resort/condo. The aforementioned segments that are not highlighted in the chart below did not have an associated value for any region studied within the province.

Region	Lakefront	Riverside	Woodland Cabin (non-waterfront)	Resort/Condo
Canmore		\$2,750,000		\$790,000
Pigeon Lake	\$450,000		\$315,000	\$236,000

Region	Lakefront	Riverside	Woodland Cabin (non-waterfront)	Resort/Condo
Pine Lake	\$600,000			
Sylvan Lake	\$1,000,000			
Wabamun Lake & Lac St. Anne	\$516,900		\$242,400	

Nationally, the report found that recreational property prices increased year-over-year in the majority of regions in the month of May. For the same period, the majority of markets saw a year-over-year increase in sales volumes, coupled with a drop in inventory levels – putting further upward pressure on prices in a number of regions. Looking ahead, sales activity is forecast to rise this year when compared to levels achieved in 2016.

“The Canadian recreational property market had a resounding start to the year, with the majority of markets nationwide witnessing healthy increases in both sales activity and pricing,” said Kevin Somers, Chief Operating Officer, Royal LePage Real Estate Services Limited. “Looking ahead, we expect this trend to stay in place for the remainder of the year, as warmer weather continues to heat up the market, constraining inventory levels across the country.”

Click [here](#) for a more in depth national analysis.

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