

Recreational Property Prices in Manitoba Remain Flat in 2017

New construction and proximity to major city centres maintain balanced market

MANITOBA, June 20, 2017 – The 2017 Royal LePage Canadian Recreational Housing Report¹ released today found that property prices in Manitoba have remained relatively flat when compared to 2016, due in part to the province’s balanced market and stable economy. As of May 2017, the aggregate² price of a recreational property within the province was \$238,600, providing prospective buyers with access to some of the most affordable recreational dwellings in Canada.

With the exception of Lac Du Bonnet, sales activity and inventory levels across all markets studied in Manitoba remained flat or declined slightly when compared to the same period last year.³ Looking ahead, sales activity within the majority of Manitoba-based recreational markets are forecast to remain on par with levels seen in 2016, as the province’s balanced market continues to produce a stable amount of supply and demand throughout the year.

“Since 2010, Manitoba has been witness to a stable rise in new recreational listings each year, as waterfront properties continue to be developed and parceled off,” said Michael Froese, broker and manager, Royal LePage Prime Real Estate. “While sales activity has either remained flat or waned slightly when compared to 2016, we’re seeing a constant stream of demand flood the market year-after-year, as buyers look to capitalize on the province’s affordable prices and great livability.

“Simply put, there aren’t many places across Canada where you can find a more cost-effective selection of year-round properties that offer great hunting, fishing and boating opportunities, all within a 75-minute drive of a major city centre,” Froese continued.

While affordability continues to drive demand in recreational markets across Manitoba, purchasers often look to the segment as a means to retire, invest or merely enjoy its associated lifestyle. As a result, a growing number of Generation Xers have recently begun to enter the market in hopes of finding a residence that they can enjoy with their family, and retire in over the long-term.

“Together, low borrowing costs and our market’s sheer affordability has made the dream of living life on the lake very attainable in Manitoba,” said Froese. “When met with an ample amount of supply, rising residential prices across the province have granted many prospective recreational purchasers the ability to buy now with an eye towards their future.

“As technology continues to evolve, the transition towards retiring on the waterfront becomes easier and easier,” Froese explained. “Prospective buyers are now able to set up an office in their cabin and work remotely while enjoying the lifestyle that a recreational property brings in the

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

² Aggregate prices are calculated via a average of the values of homes for reported property types in the regions surveyed

³ The survey specifies year-over-year as May 2017 over May 2016

spring and summer months. There is now a reduced need to commute back and forth to the city.”

Manitoba Regional Insights

When compared to last year, recreational pricing, sales activity and inventory all remained flat across the **Interlake Area** as a result of a balanced market generating a steady stream of supply and demand. Within the region, purchasers can expect to pay an average price of \$252,000, \$80,400 or \$121,600 for a lakefront property, recreational condo or wood cabin, respectively.

“Age remains one of the predominant factors propping up demand within the Interlake Area recreational property market,” said Jim Muir, sales representative and associate broker, Royal LePage Dynamic Real Estate. “Recently, retirees have continued to cash in on the equity built up in their primary residences, turning around and liquidating their higher-priced urban properties in order to replace them with lower-priced year-round recreational units.”

Of the regions studied, **Lac Du Bonnet** was the only market in Manitoba that reported a price increase over the past year, as lower interest rates and greater faith in the overall economy bolstered market trends within the region. Overall, the average price of a lakefront property in the region was \$440,000 as of May 2017, while riverside and wood cabins fetched \$340,000 and \$200,000, respectively, over the same period of time.

“Recently, Lac Du Bonnet has experienced a widespread turnover in recreational ownership,” said Tammy Beutel, realtor and associate broker, Royal LePage Top Producers Real Estate. “Many sellers are now looking to capitalize on the wealth that their properties have accumulated throughout the years, selling their pre-existing recreational homes in order to upsize into lavish lakefront residences.”

In the region of **Lake Manitoba**, recreational pricing has remained relatively comparable to previous years, while sales have decreased slightly year-over-year. As a result, purchasers paid an average price of \$295,700 for a lakefront property in the region during the month of May, while riverside dwellings and recreational condominiums fetched an average price of \$324,000 and \$239,800, respectively.

“Buyers are being more selective and taking additional precautions when purchasing a recreational property this year, thanks in large part to inclement weather conditions,” said Warren Neufeld, broker of record, Royal LePage Portage Realty. “Potential buyers are spending more time looking into the flood prevention measures that have been implemented in the areas that they are considering buying in, which is ultimately contributing to a slight lag in market activity.”

While recreational property prices remained unchanged when compared to last year in **Lake Winnipeg**, market trends, including sales activity and inventory, have recently been somewhat tempered as a result of poor spring weather conditions. Currently, prospective purchasers can expect to spend an average of \$268,500 for a lakefront property or \$111,500 for a wood cabin across the region.

“Throughout the beginning of the year, recreational property trends across Lake Winnipeg have softened slightly, with cool spring temperatures curbing the number of buyers and listings found within the market,” said John M. Bucklaschuk, broker and owner, Royal LePage JMP & Associates. “However, given the market’s attractive price point, and proximity to the province’s capital, we expect that these trends will subside in the coming months as the region begins to heat up, causing a substantial amount of pent-up demand and supply to be unleashed onto the market.”

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
Interlake Area (West Shore of Lake Winnipeg)	\$252,000		\$80,400	\$121,600
Lac du Bonnet	\$440,000	\$340,000	\$200,000	
Lake Manitoba	\$295,700	\$324,000		\$239,800
Lake Winnipeg	\$268,500		\$111,500	

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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For more information visit: www.royallepage.ca.

For further information, please contact:

Catherine Snider
Kaiser Lachance Communications
905.751.9619
catherine.snider@kaiserlachance.com