

## **Rural Recreational Property Prices in New Brunswick Increase in 2017, While Prices Near Urban Areas See Marginal Decreases**

**NEW BRUNSWICK, June 20, 2017** – The 2017 Royal LePage Canadian Recreational Housing Report<sup>1</sup> released today found that property prices in New Brunswick saw slight increases in rural recreational markets when compared to the same time last year, while prices in urban areas saw marginal decreases. In May 2017, the aggregate<sup>2</sup> price of a recreational property in the province was \$179,500.

Provincially, rural recreational markets across New Brunswick saw slight increases in pricing as a result of competitively priced waterfront listings attracting more buyers, and retirees electing to sell their primary residences in the city in order to settle into year-round recreational properties in more tranquil regions. Urban areas on the other hand saw marginal price declines as work shortages caused many New Brunswick-born oil patch workers to return home and tighten their finances, electing to stand pat and avoid discretionary purchases like a recreational property.

When compared to the same time last year, sales activity rose across all regions studied within the province, while the majority of recreational markets witnessed relatively flat inventory levels over the same period.

“Unchanged inventory levels in many markets across New Brunswick is a hallmark of the current state of our economy,” said Chris Pitman, broker and manager, Royal LePage Gardiner Realty. “While many New Brunswick-born interprovincial workers are coming back to the province, they are primarily venturing into the residential market, avoiding additional discretionary purchases at this time. As a result, there is a wealth of recreational properties sitting on the market, and this will likely remain unchanged until employment in the oil sector stabilizes or new entrants and retirees create a strong enough sense of demand to move the needle.”

Typically, recreational purchasers in New Brunswick are Generation X couples seeking a leisurely lifestyle. With the lowest recreational property prices in Canada, New Brunswick continues to attract purchasers from all over the nation. Many prospective buyers view property within this market segment as a great investment, and often look to buy into it when the time comes to retire, selling their primary residences for something on the waterfront.

“The recreational housing market in New Brunswick remains as affordable as ever with properties in certain areas selling for the same amount as a luxury sedan,” continued Pitman. “Purchasers are effectively able to own more than twice the recreational home here when compared to anywhere else in the nation. This has historically enticed many buyers from across Canada to the market, particularly retirees looking to cash in on their pre-existing home values elsewhere and purchase an estate on the water.”

### **New Brunswick Regional Insights**

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

Despite many rural recreational regions throughout the province strengthening, **Fredericton** witnessed its market soften, as recreational prices decreased when compared to the same time last year. Within the month of May, recreational property purchasers could typically expect to pay an average price of \$86,700 for a lakefront property and \$33,500 for a woodland cabin.

“While recreational market characteristics have waned slightly in Fredericton, the region’s affordability has remained extremely appealing to many prospective purchasers,” Pitman explained. “Where else in Canada are you able to find a lakefront property near a major city centre for less than \$100,000?”

Market activity and recreational property prices in the **Perth-Rowena area along the Tobique River** have increased when compared to the same period last year, as retirees increasingly settle into properties close to the river, using them as their primary residences. In May 2017, the average price of a riverside property and woodland cabin within the region was \$275,000 and \$100,000, respectively.

“Buyers are coming to the Tobique River to build large, primary residences that they can live in year-round,” said Nicole Levesque, broker and manager, Royal LePage Grand Falls Real Estate. “We are located quite close to Perth, allowing young professionals to continue establishing their careers and businesses in the city while living life on the lake.”

Similar trends are being witnessed in **Southeast New Brunswick** with recreational property sales and prices slightly increasing over the previous year, while supply has decreased as older Baby Boomers looking to sell their properties have already done so over the past 10 years. As of May 2017, the average price of riverside property within the region was \$175,000, while oceanfront properties, woodland cabins and recreational condominiums typically costed \$350,000, \$32,000 and \$179,000, respectively.

“We have seen a decline in the number of waterfront properties coming onto the market for the first time in eight years,” said Norah Higgerty, sales representative, Royal LePage Atlantic. “With less available inventory and a slight increase in demand, our market has moved from a strong buyer’s market to one that is more balanced.”

### **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	Oceanfront	Woodland Cabin (non-waterfront)	Resort/Condo
Fredericton	\$86,700			\$33,500	
Perth-Rowena along Tobique River		275,000		\$100,000	
South East New Brunswick		\$175,000	\$350,000	\$32,000	\$179,000

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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