

Saskatchewan Recreational Property Prices Remain Relatively Stable in 2017

Sales activity levels expected to remain flat until economic improvement takes hold in region

SASKATCHEWAN, June 20, 2017 – The 2017 Royal LePage Canadian Recreational Housing Report¹ released today found that property prices in Saskatchewan remained relatively stable so far in 2017, when compared to the same time last year. Provincially, the aggregate² price of a recreational property in Saskatchewan was \$297,200 in May 2017.

Across the province, inventory levels remained relatively flat as a harsher-than-normal economic climate has resulted in less properties being built. While weakened commodity prices have resulted in softened demand across most recreational market segments, supply has adjusted to the region's new economic climate, enabling prices to remain relatively stable or even grow in certain instances.

“Weakness in the resource sector has been a key driver in the softening of Saskatchewan’s economy, and in turn, the recreational real estate market,” said Matt Miller, broker, Royal LePage Saskatoon Real Estate. “Potash and oil prices are still at historically low levels, and the federal implementation of new mortgage stress tests has sucked a considerable amount of demand out of the market. These factors have prolonged what has been overall a very flat market and has delayed a rebound in many recreational regions.”

Despite significant economic uncertainty being experienced in the province in recent years, low interest rates have helped to offset the negative impacts of the economy and improve the region’s affordability. Looking forward, property sales in the majority of recreational markets will likely remain flat until the economy shows sustained improvement.

“While recreational property prices across the province have been remarkably resilient in the face of economic uncertainty, it will likely be some time before we see a significant rebound in market activity,” continued Miller. “Those currently purchasing a recreational property, however, are making out like bandits. Not only do they get to enjoy the lifestyle that a recreational property brings, but they are able to take advantage of currently low prices and find significant value in some of Saskatchewan’s most prolific markets. Then, once the market recovers, they can either choose to cash in and capitalize on their recreational property’s value or elect to enjoy some more fun in the sun.

“Saskatchewan has great amenities for people who desire the lake lifestyle,” said Miller. “The province has a tremendous supply of accessible lakes and options for lakefront homes, where recreational property owners can enjoy boating, fishing and the beaches.”

Saskatchewan Regional Insights

Recreational property prices in the **Christopher Lake, Emma Lake and Candle Lake** region

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 an average of the values of homes for reported property types in the regions surveyed

increased slightly when compared to the same time last year as a result of limited supply and sustained demand. As of May 2017, prospective purchasers can expect to spend an average of \$600,000 for a lakefront property and \$250,000 for a wood cabin across the region.

“With the economy finally beginning to stabilize somewhat, many purchasers have begun to come into the market in order to take advantage of current recreational property trends, creating a lack of waterfront listings and placing an upward pressure on pricing,” said Lou Doderai, broker and owner, Royal LePage Icon Realty. “Buyers are finally adjusting to the new economic reality and are beginning to explore options outside of their principal residences.”

While within a two-hour drive from Saskatoon, **Melfort** has recently experienced some price softness, despite property sales and supply having remained relatively comparable to the same time last year. Within the region, the average price of a lakefront property in May 2017 was \$245,000, while purchasers interested in one of the region’s wood cabins typically spent \$198,000 over the same period.

“Since the beginning of the downturn, Melfort’s recreational property market has felt the sting of Saskatchewan’s lackluster economy, with prices slightly declining year-after-year,” said Joline Ozeroff, associate broker, Royal LePage Hodgins Realty. “Instead of looking to buy, many prospective purchasers in the region are electing to tighten their finances in an effort to weather the storm. Until we witness sustained economic improvement, this trend will likely continue to persist.”

Recreational property prices and inventory in **Regina** have remained relatively unchanged over the past year, while property sales decreased due to economic uncertainty in the region. Overall, the average price of a lakefront property and wood cabin in the region was \$360,000 and \$130,000, respectively, during the month of May this year.

“While pricing has remained relatively untouched in Regina’s recreational property market, sales activity has softened somewhat as a result of limited new developments and the economic downturn reducing the amount of dollars available for discretionary purchases,” said Mike Duggleby, broker and managing partner, Royal LePage Regina Realty. “However, having been faced with great economic uncertainty for quite some time, we’ve come to expect this trend, and the market seems to finally be adjusting. As a result, we expect to see an improvement in the market over the next year, as trends continue to become more aligned with current realities.”

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	Woodland Cabin (non-waterfront)
Christopher Lake, Emma Lake & Candle Lake	\$600,000	\$250,000
Melfort	\$245,000	\$198,000

Region	Lakefront	Woodland Cabin (non-waterfront)
Regina	\$360,000	\$130,000

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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