

# RE/MAX 2018 Recreational Property Report



## As Canada's residential market recovers, recreational property experiences surge

Canada's increasingly aging population has retirees driving and inflating the recreational market in popular leisure locations

- Recreational properties are experiencing a surge in pricing with 78 per cent of regions surveyed showing growth
- A RE/MAX survey showed that retirees drive demand for recreational properties in 91 per cent of regions examined
- An older Canadian population with more purchasing power is driving prices up

A recent survey of RE/MAX brokers and agents found that recreational properties are experiencing a surge in pricing, with 78 per cent of regions surveyed showing a higher median price in 2018 compared to 2017. A RE/MAX survey conducted in the spring showed that 91 per cent of popular Canadian recreational markets are being driven by retirees, and with seniors outnumbering children in Canada for the first time as reported last year, retirees as a population are also driving up prices.

Compared to 2018, the median price of recreational properties, including waterfront, non-waterfront, water access and ski-in properties, has increased by 13 per cent across Canada. Median price information was calculated for the periods of July 2016 to June 2017, and July 2017 to June 2018.

"Compared to 2017, when only 55 per cent of regions surveyed had retirees driving the market, this year's 91 per cent are having a much bigger impact," says Christopher Alexander, Executive Vice President and Regional Director, RE/MAX INTEGRA Ontario-Atlantic Canada Region. "Combined with the fact that Canada's senior population is the largest it has ever been, and many of these retirees are

using recreational properties as retirement properties, pricing has increased across the majority of markets.”

Overall, British Columbia saw an increase of 19 per cent, with the median price in areas like Tofino increasing by as much as 112 per cent. Lack of inventory in the small region drove prices higher. Sun Peaks, one of Canada’s largest ski areas, saw an increase of 34 per cent, due to its available services and schooling attracting retirees as well as families.

The Prairies tell a different story however, with median price compared to 2017 decreasing by four per cent overall. For instance, median price for both non-waterfront and water-access properties in Turtle Lake, SK dropped by 16 per cent and 10 per cent respectively. The same is true for Qu’Appelle Valley, SK with the median price for non-waterfront properties dropping by as much as 25 per cent. Changes in mortgage rules and an economic slowdown are factors that contributed to the decrease. Sylvan Lake, AB showed no price change.

“The economic slowdown in the Prairies, combined with stricter mortgage qualifications, has affected demand in its recreational market,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “On the other hand, BC’s economy is the fastest growing in the country and its status as a destination market has contributed to the strong growth of its recreational market.”

Meanwhile, Ontario saw an overall price increase of 15 per cent, with the median price in areas like Haliburton’s waterfront properties increasing by as much as 98 per cent. The same rings true for its water access properties, with the median price increasing by 71 per cent. The median price of waterfront communities in the French River also showed strong growth of 36 per cent.

Atlantic Canada saw a very modest median price increase of 0.13 per cent. While areas like Shediac showed modest growth – three per cent for waterfront properties and five per cent for water access properties – Newfoundland’s East Coast saw a decline of as much as 18 per cent for waterfront properties. Part of this was due to unusually high-priced properties that sold in 2017.

“Atlantic Canada’s market is faced by slow economic growth, compared to Ontario,” says Alexander. “Those still recovering from the 2017 market downturn in places like Newfoundland and Labrador are delaying purchases of recreational properties at the moment.”

RE/MAX brokers foresee current trends continuing into 2019. In the next two to five years, brokers in BC speculate the market will see a shift from retirees to younger buyers driving demand for recreational properties, as the latter accumulate more purchasing power. However, in the prairies, the tighter mortgage qualifications and overall economic performance will make it more difficult for younger buyers to enter the market. In Ontario, brokers see both retirees and younger buyers driving demand in the next few years. Atlantic Canadian brokers are closely aligned with those in the Prairies who see retirees continuing to drive the market.

## **Key Findings from the 2018 RE/MAX Recreational Property Omnibus Survey**

1. One-quarter (24 per cent) of Canadians would consider buying a recreational property in the future.

2. Canadians cite the following reasons to own or want to own a recreational property:

- It is where I can go and relax and spend time with friends and family = 58 per cent
- It is a getaway home = 46 per cent
- I can do activities I can’t do at my permanent residence (hiking, fishing, etc.) = 41 per cent
- It is an investment property = 33 per cent
- It is a retirement home = 19 per cent

- Other = 4 per cent
- 3. More than two-thirds (68 per cent) of Canadians who own or are considering owning a recreation property are willing to travel up to two hours, with 31 per cent saying they would travel two hours. Slightly less (28 per cent) are willing to travel three or more hours.
- 4. Canadians identify the following features as important when considering their current recreational property or a future purchase of a recreational property:
  - Affordable purchase price = 64 per cent
  - Waterfront access = 55 per cent
  - Reasonable maintenance costs = 53 per cent
  - Proximity to town = 43 per cent
  - Reasonable distance from primary residence = 37 per cent
  - Relative seclusion = 33 per cent
  - Land access = 30 per cent
  - Proximity to sports/recreation = 25 per cent
  - Accessible medical facilities = 24 per cent
  - Nearby neighbouring properties = 15 per cent
  - Island property = 12 per cent
  - Other = 1 per cent
  - None, don't mind which features my recreational property has = <1 per cent
  - Don't know/prefer not to answer = 3 per cent

[Click here for Full Geographic Stats](#)