

Boomers drive boom in cottage prices

Demand rising for recreational properties

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Waterfront recreational properties are in record demand across the country, thanks to a growing wave of retiring workers and cash-rich cottage buyers from Canada's resource sector.

"The boomers are starting to enjoy the fruits of their labour," said Elton Ash, executive vice-president with Re/Max of Western Canada. "This is a chance to live the dream and they are creating huge demand."

Buyers in the 50-plus age bracket are behind the increased activity in about two-thirds of the recreational property markets included in a national study of first-quarter activity released by Re/Max yesterday. Add to that mix resource workers from Western Canada with five-figure bonus cheques, and the appetite for a home away from it all has never been greater, Mr. Ash said.

"These are hard-working people. The economy is good. Now they have an opportunity to enjoy the outdoors."



Brian Wheeler and his wife, Kerry, are doing just that. The Victoria couple knew they wanted to live by the water in retirement and found their ideal seaside home last year.

It's located a short drive from the city on a small island off the coast near Sidney, B.C.

"It's an absolutely incredible place," said Mr. Wheeler, 55, who retired from Canada Post Corp. on Valentine's Day after 31 years. His wife, a nurse, is still working and commutes each day in their boat back to the main island and her job as a community service worker.

Their two-bedroom home on the car-free island has its own sandy beach. At night, they can look north and see the lights of Vancouver.

"This was a dream we have always had," Mr. Wheeler said. "We raised our kids. We realized we were at a stage in our life when we were ready for the next step."

Getting to that next step is becoming an increasingly expensive proposition. The Re/Max study found limited supply and increasing buyer interest are pushing up prices in most parts of the country and prompting buyers to consider properties in more remote areas.

The increase in retired buyers is also creating more interest in larger homes that can be used at all times of the year. "You can't really call them cottages," Mr. Ash said.

Many older cottages in prime locations are being torn down and replaced with year-round homes, the study found.

While prices are up across the country, the priciest markets are in Alberta and British Columbia. The starting point for a three-bedroom waterfront or slope-side single dwelling is now more than \$800,000 in seven of the most costly markets: Whistler, Salt Spring Island, Shuswap Lake, Kelowna, Penticton, Sylvan Lake and Vernon.

The Bala-Port Carling area of Muskoka is Ontario's most expensive area: a three-bedroom waterfront property will run you at least \$500,000. One of the most expensive vacation properties up for grabs in the country is located there -- a cottage on its own 42-acre island on Muskoka's Lake Rosseau, listed at \$12-million.

Atlantic Canada remains the most affordable market, with \$200,000 oceanfront properties in some locations, the study

said.

High prices are forcing many buyers who want to stay in prime areas to look at other options, such as condominiums or homes back from the water, Mr. Ash said.

Mr. Wheeler said that back in his old Victoria neighbourhood, buyers are paying millions for waterfront houses and taking them down to rebuild. He and his wife, who are seasoned boaters, were quite willing to move to a more isolated spot without regular ferry service for their piece of shoreline. He doubts they will ever give it up.

"We're here for the long haul."

Soaring cottage prices

Starting prices for recreation properties*

	2002	2006
Prince Edward Island		
South Shore, North Shore**	\$60,000- \$70,000	\$130,000-\$200,000
Nova Scotia		
South Shore, Lunenburg County	\$130,000- \$150,000	\$150,000
Ontario		
Muskoka:		
Port Carling, Bala, Bracebridge,	\$450,000	\$500,000-\$550,000
Gravenhurst		
Manitoba		
Lake Winnipeg***	\$125,000	\$150,000-\$160,000
Alberta		
Sylvan Lake	\$400,000	\$800,000-\$850,000
British Columbia		
Salt Spring Island**	\$600,000- \$700,000	\$1,000,000+
Whistler	\$650,000	\$1,100,000+

*Starting price for a three-bedroom winterized recreational property on a standard-sized waterfront lot.

**Oceanfront property.

***Area expanded.

SOURCE: RE/MAX

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