



For immediate release

**Gen X to flex new purchasing muscle
in recreational property markets across Canada, says RE/MAX**

Demographic shift underway in 74 per cent of markets surveyed

Mississauga, ON (June 2, 2009) -- Generation X purchasers are poised to replace aging baby boomers as the major force in recreational property markets across the country, according to a report released today by RE/MAX.

The demographic shift was noted in the 2009 RE/MAX Recreational Property Report highlighting sales, pricing, trends and developments in 50 Canadian markets. The report found demand from Gen X (those born between 1965 and 1980) has nearly doubled over one year ago. Seventy-four per cent of markets surveyed this year reported a marked trend toward thirty-something buyers snapping up affordably-priced product, ranging from waterfront cottages to resort condominiums, compared to just 40 per cent in 2008.

“After being priced out of most markets for the better half of the last decade, Gen X purchasers now have the financial wherewithal to buy recreational product at virtually every price point,” says Michael Polzler, Executive Vice President, Regional Director, RE/MAX Ontario-Atlantic Canada. “Gen X is ideally positioned to pick up any slack in recreational property markets caused by softer demand from baby boomers and retirees. They represent the next wave of recreational property owners in Canada and they know it.”

The financial strength of the cohort dovetails well with current market realities. Sixty-six per cent of recreational property markets surveyed reported a decline in the number of recreational product sold in the first four months of 2009, while 22 per cent indicated sales were either up or on par compared to one year ago. While the combination of inclement weather and a global recession clearly hampered sales activity earlier in the year, many major centres are currently experiencing an upswing in activity as the traditional cottage season gets underway.

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“Much of the activity in the marketplace today has to do with the mindset of this particular generation,” says Elton Ash, Regional Executive Vice President, RE/MAX of Western Canada. “More important than the investment aspect is the commitment to lifestyle. The purchase of a waterfront home or a condominium is more than a simple transaction to Gen X purchasers – owning a recreational property underscores their dedication to family and balance.”

The time to buy has never been better. With four exceptions, recreational property prices have softened in most major markets across the country. Only on the Newfoundland Coast and in Ontario, from Innisfil to Oro, Kingston, and Beaverton, have values increased this year compared to 2008. Starting prices remain similar to one year ago and in some cases are even higher.

“While buyer’s market conditions exist virtually across the board, sellers of recreational properties from coast-to-coast are clearly content to wait out the storm,” says Polzler. “They are in no hurry to unload their product. Many have held on to their properties for generations – they’re fully-owned yet underutilized, which has prompted some aging owners to list them for sale.”

The report also found that while lowball offers are on the rise, very few meet with success. Through tough negotiations with multiple sign backs, purchasers who are serious tend to find out the hard way that sellers are serious too. As a result, the sales-to-list ratio remains relatively high in most recreational property markets across the country.

“The prospect of greater stability down the road is creating cautious optimism in the marketplace,” says Ash. “Purchasers are seeking to buy quality product, whether it be situated on lakes, rivers, or ponds, before values start to once-again edge up.”

Highlights:

- Supply is adequate in most markets, but heated activity in the lower-end has resulted in tight inventory levels for entry-level product in 18 per cent of markets including: Bancroft, Combermere, Honey Harbour/Port Severn, West Kawarthas, Orillia, Flesherton, North Saskatchewan, and Salt Spring Island.
- Older cottage owners, many who own their properties outright, are selling to younger purchasers with families.
- Some American cottage owners in Canada are taking advantage of the stronger dollar to cash out of the market.
- American purchasers have largely fallen off the radar, with some exceptions: Lake Winnipeg, Shediac Bay, and Sault Ste. Marie.
- Pent-up demand is a factor in the marketplace, as those purchasers who had intended on buying recreational properties in the latter half of 2008 deferred their purchases to 2009.
- Older Canadians continue to seek secondary homes in warmer parts of the U.S such as Florida, Arizona, California, and Nevada.

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- Generation X purchasers are prepared to spend their hard-earned dollars on recreational properties, but at the end of the day, they want to know that they've negotiated the best deal possible.
- The upper-end has somewhat softened in markets across the country.

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Starting Prices for Recreational Properties*

Market	2008	2009
Newfoundland - Labrador - Newfoundland Coast**	\$95,000	\$97,500
New Brunswick - Shediac Bay	\$200,000	\$200,000
Nova Scotia - South Shore, North Shore**	\$200,000	\$230,000
Prince Edward Island -South Shore, North Shore, Summerside **	\$250,000	\$300,000
Ontario - Lake Huron- <i>Grand Bend</i>	\$350,000	\$400,000
<i>Kincardine, Saugeen Shores</i>	\$500,000	\$450,000
Parry Sound	\$180,000	\$185,000
Elliott Lake	\$225,000	\$225,000
Sault Ste. Marie	N/A	\$200,000
Temagami	\$250,000 - \$300,000	\$275,000
North Bay	\$300,000	\$300,000
Haliburton	\$275,000	\$240,000 - \$350,000
Bancroft	\$225,000	\$260,000
Apsley	N/A	\$375,000
Combermere	N/A	\$290,000
Muskoka: <i>Huntsville, Lake of Bays</i>	\$299,000	\$300,000
<i>Port Carling, Bala</i>	\$500,000 - \$550,000	\$450,000
<i>Bracebridge, Gravenhurst</i>	\$400,000	\$350,000 - \$400,000
Flesherton	\$450,000	\$400,000
Georgian Bay: <i>Midland</i>	\$600,000	\$500,000
<i>Honey Harbour</i>	\$400,000	\$400,000 - \$425,000
<i>Sauble Beach/Bruce Peninsula</i>	N/A	\$350,000
<i>Collingwood</i>	\$650,000	\$390,000 - \$550,000
<i>Wasaga Beach</i>	\$550,000	\$525,000
Lake Simcoe, Lake Couchiching- <i>Orillia</i>	\$425,000	\$425,000
<i>Innisfil to Oro</i>	\$480,000-\$520,000	\$500,000
<i>Lagoon City</i>	\$300,000	\$300,000
Beaverton	\$350,000	\$300,000
East Kawarthas	\$150,000	\$195,000
West Kawarthas	\$410,000 - \$450,000	\$400,000
Kingston	\$179,900	\$250,000- \$270,000
Gananoque	\$300,000	\$250,000- \$300,000
Fort Erie	\$360,000	\$299,000
Prince Edward County	\$295,000	\$200,000-\$250,000
Amprior	\$300,000	\$300,000

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

**Oceanfront Property

***Two-Bedroom Condominium

****Seasonal property

Starting Prices for Recreational Properties*

Market	2008	2009
Manitoba - Lake Winnipeg	\$250,000	\$300,000
Saskatchewan - Last Mountain and the Qu'Appelle Lakes	\$300,000	\$300,000 - \$350,000
North Saskatchewan	\$350,000	\$250,000
Alberta -West of Edmonton	\$400,000	\$390,000
Sylvan Lake	\$1,250,000	\$1,125,000
Canmore***	\$320,000	\$295,000
British Columbia - Gulf Islands- Salt Spring Island**	\$1,300,000	\$890,000
Comox Valley- <i>Mt. Washington</i> **	\$480,000- \$800,000	\$500,000
Vancouver Island - <i>Ucluelet</i> **	\$649,000	\$555,000
<i>Tofino (including inlet waterfront)</i> **	\$869,000	\$789,000
Fraser Valley -- <i>Cultus Lake/Harrison Lake</i>	\$750,000	\$450,000
Okanagan Valley- <i>South Okanagan</i>	\$1,000,000	\$800,000
<i>North Okanagan/Shuswap-</i>		
<i>Vernon</i>	\$1,500,000	\$1,200,000
<i>Shuswap</i>	\$800,000	\$800,000
Central South Cariboo****	\$140,000	\$135,000
Whistler	N/A	\$1,000,000
Lake Windermere	\$1,300,000	\$1,200,000

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