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NEWS RELEASE

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Boomer attitude is "go big or stay home"

**Baby boomers living large in recreational property markets across Canada;
Upper-end set to soar in 2007, says RE/MAX**

Kelowna, BC (May 1, 2007) — Luxury recreational property sales are set to soar in coming months as affluent baby boomers drive demand for upscale product from coast-to-coast, according to a report released today by RE/MAX.

The 2007 RE/MAX Recreational Property Report found the top-end of the market stands to gain most from the aging baby boom demographic, as many prepare for their retirement years. Teardowns, custom-builds, and renovation continue unabated as a result, changing the shoreline of lakes and rivers in 34 of the 39 markets surveyed from Newfoundland/Labrador to British Columbia. Upper-end sales have also affected recreational property values across the board, placing upward pressure on prices, particularly in Western Canada. Starting prices have topped \$500,000 in 31 per cent of recreational property markets. Only seven offer waterfront properties under the \$250,000 price point.

"Baby boomers are investing in the future – from both a lifestyle perspective and an economic standpoint," says Elton Ash, Regional Director, RE/MAX of Western Canada. "Tremendous equity gains have been realized in recent years as demand for recreational properties across the country swells. Given the aging of the population, this trend is expected to continue for at least the next five to 10 years as baby boomers move through the cycle."

Boomers -- born between 1946 and 1965 – currently represent about one-third of Canada's population and control approximately 45 per cent of its wealth. They own \$230 billion in real estate assets and have a net worth of \$530 billion. While many boomers have retirement in mind, others are looking for a second home where they can spend quality time with their families and friends. Although the investment aspect is secondary, it still plays an important role in the decision to purchase a recreational property, be it a lakefront cottage, a hobby farm with acreage, or an oceanfront condominium.

"It's been said that money made in stocks and bonds typically works its way into real estate," says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. "This year is a prime example, as economic performance and stock market profits have propped up activity in most Canadian markets. The boomer attitude is go big or stay home."

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While building the dream clearly appeals to a broad range of purchasers, realizing ownership is becoming increasingly difficult. Affordability is top-of-mind in many markets. Purchasers without the financial wherewithal to ante up are considering smaller lakes and riverfront properties, as well as timeshares and fractional ownership. Even land-leased properties are garnering attention.

Atlantic Canada continues to offer up the best bang for the buck, with the Eastern Coastline, NL at \$75,000, Greater Moncton Area, NB at \$80,000, and South Shore, Lunenburg County, NS at \$225,000. In Ontario, Parry Sound, Elliot Lake, and Combermere attract price-conscious buyers staring from \$200,000, \$150,000 and \$190,000 respectively. In the West, great value can be found at Lake Winnipeg, MB from \$200,000 as well as the Central South Cariboo in BC from \$275,000. The most expensive markets in the country, located in British Columbia, Alberta and Ontario, are as follows: Invermere starting at \$2.5 million; Kelowna at \$2 million; Salt Spring Island at \$1.5 million; Whistler at \$1.1 million; Sylvan Lake and Penticton at \$1 million; North Okanagan/Shuswap at \$900,000; Comox Valley – Mt. Washington and Fraser Valley (Cultus Lake, Harrison Lake) at \$800,000; Wasaga Beachfront at \$700,000; Midland at \$550,000; Bala, Port Carling at \$500,000 to \$550,000; and Honey Harbour/ Port Severn, Orillia/Lake Couchiching and Port Elgin/Kincardine/Goderich at \$400,000.

“Limited inventory levels have contributed to the upswing in starting prices in 54 per cent of recreational property markets this year,” says Ash. “Despite upward pressure, purchasers remain grounded when it comes to buying recreational properties. Very few purchasers are willing to spend more than fair market value.”

Forty-six per cent of markets have seen exponential growth in recent years, thanks to an influx of purchasers from other parts of the country, as well as the U.S., Europe, and Australia. Canadian recreational property markets are considered undervalued and world-class – and as such, represent an incredible opportunity for international investors.

“Compared to similar properties in the U.S. and overseas, we are extremely competitive,” says Polzler. “In coveted recreational property areas throughout the U.S., waterfront prices in the double-digit million-dollar range are quite commonplace.”

RE/MAX is Canada's leading real estate organization with over 17,000 sales associates situated throughout its more than 638 independently owned and operated offices across the country. The RE/MAX franchise network, now in its 34th year of consecutive growth, is a global real estate system operating in over 68 countries. More than 6,900 independently owned offices engage 121,000 member sales associates who lead the industry in professional designations, experience and production while providing real estate services in residential, commercial, referral, relocation and asset management. For more information, visit: www.remax.ca.

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