

Rec property sales soar from last year

Alpine Revival

BY MARIO TONEGUZZI, CALGARY HERALD MAY 21, 2010

Recreational property sales in most major Canadian markets have soared this year compared with a year ago, according to a report released Thursday by Re/Max.

The 2010 Re/Max Recreational Property Report found that 79 per cent of recreational areas reported an upswing in the number of properties sold during the first three months of the year. Starting prices for recreational properties were also on the move, with 43 per cent posting a nominal increase.

The report said the number of units sold in Canmore was up a substantial 130 per cent over a year ago, with 90 properties sold between January and March as opposed to 39 sales for the same period in 2009.

But the average price dipped by 17 per cent to \$583,000 from \$684,000, "bringing values more in line with markets further afield like Fernie and Invermere."

"Lower values -- combined with rock-bottom interest rates -- have finally kick-started Canmore's recreational property market," said the Re/ Max report.

"The popular resort area lagged behind Calgary and Edmonton in terms of housing recovery, but with prices now at or near bottom, cautious purchasers are coming out of the woodwork."

Pablo Martinez and his partner Gen Bouchard noticed the price reduction when they started looking for a place in Canmore close to three months ago. They purchased a condominium in the resort area about a month ago.

"It was good timing for both of us," said Martinez. "Canmore was a perfect place because we like the outdoors and the landscape is just fantastic.

"The price had dropped a lot. It was affordable for us. It was a very good deal."

Jessica Stoner, with Re/Max Alpine Realty, said the Canmore market has improved since last year.

"Last year there was just not much moving," Stoner said. "The sellers were not able to sell and the buyers were not able to buy because the price point overall hadn't adjusted much in Canmore. Over the last year we've had corrections. We just took longer to get there and because of that now the buyers are very interested in Canmore and the sellers are able to sell it. It's a far-improved market now."

The report said entry-level condominiums have sparked the greatest attention, with one-bedroom units most popular with first-time buyers of secondary properties.

"Demand in the top end of the market has also been on the upswing as buyers take advantage of softer prices. The most expensive sale so far this year was priced at \$2.1 million."

As a contrast to Canmore, Sylvan Lake, the other recreational property market surveyed by the report, has seen buyers "continue to sit on the sidelines."

"No waterfront sales have been recorded to date, although a handful of back row properties have sold under \$500,000," said Re/Max. "The starting price for a three-bedroom, winterized recreational property on a prime waterfront lot on Sylvan Lake is now \$1.2 million.

"Pricing will be critical this season as well-priced properties are expected to move, while those that are overpriced will stagnate."

Carl Stepp, with Re/Max Real Estate Central Alberta, said last year's recreational property market in Sylvan Lake was "relatively slow with the downturn in the economy obviously."

"But there's definitely more people out and about looking around. Sales aren't a whole lot more than they were last spring, but there's more people looking anyway. Showing a little more promise," said Stepp.

"I think as the oilpatch picks up, because we are solely dependent on the oilfield here, people will be back looking at recreational property, lakefront property."

The report said oil executives, aged 35 to 45, with young children, have eclipsed the Baby Boomers as the most active purchasers in the Sylvan Lake market. Re/Max said many potential buyers are being lost to bargain U.S. markets.

At the national level, "stronger than expected economic recovery, combined with additional incentives such as rising interest rates, stricter lending criteria and a new sales tax, have served to kick-start activity in recreational property markets from coast-to-coast," said Elton Ash, regional executive vice-president, Re/ Max of Western Canada.

mtoneguzzi@theherald.canwest.com

© Copyright (c) The Calgary Herald

Read

more: <http://www.calgaryherald.com/business/property+sales+soar+from+last+year/3055047/story.html#ixzz0oaBIQS5x>