



## **Royal LePage: Canadian recreational house prices forecast to increase 15% in 2021**

### **Highlights:**

- A house in Ontario's and Atlantic Canada's recreational property markets expected to see highest price gains in 2021, rising 17%; Quebec and British Columbia recreational markets forecast to increase 15% and 13%, respectively
- 91% of recreational experts in Canada reporting lower inventory than typical for respective regions as demand continues to outpace supply
- 46% of recreational experts reporting an increase in inter-provincial migration, as many Canadians choose cottage country over cityscapes as the backdrop to their home offices

**TORONTO, ON, March 23, 2021** - According to Royal LePage, the aggregate price of a house in Canada's recreational regions is forecast to increase 15 per cent in 2021 to \$502,730, as demand continues to rapidly outpace inventory. The company revised its 2021 recreational property forecast, released in November 2020, upward to reflect the increasing unmet demand from potential buyers who are actively looking for properties.

"From coast to coast, the line between primary residence and recreational property is blurring," said Phil Soper, president and CEO, Royal LePage. "The trend began last summer when the option of traveling abroad was taken away, and continued to gain popularity as it became clear that with access to high speed internet, many people can do their jobs from just about anywhere."

The aggregate price of a house in Canada's recreational property regions increased 16.0 per cent year-over-year to \$437,156 in 2020 compared to 2019. During the same period, the aggregate price of a waterfront property increased 9.8 per cent to 813,385 and the aggregate price of a condominium rose 10.5 per cent to \$310,257.

Houses in the recreational regions of Ontario and Atlantic Canada are forecast to see the highest price appreciation in the country this year, set to increase 17 per cent, while prices in Quebec and British Columbia are forecast to increase 15 per cent and 13 per cent, respectively. According to a survey<sup>1</sup> of 190 Royal LePage recreational real estate professionals across the country, 91 per cent said that their market has less inventory than typical for their respective regions including 72 per cent that reported significantly less inventory available.

In many areas, supply shortages are forcing buyers into multiple-offer situations, which often result in properties selling above the asking price. In Ontario, 87 per cent of recreational real

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<sup>1</sup> *Royal LePage 2021 Spring Recreational Property Advisor Survey: A national online survey of 190 brokers and sales representatives serving buyers and sellers in Canada's recreational property regions. The survey was conducted between March 5th 2021 and March 18th 2021.*

estate professionals said that more than half of properties available on the market are selling above the asking price. In Quebec and British Columbia, 65 and 52 per cent respectively reported the same.

“The low inventory, high demand scenario that is defining Canada’s current real estate landscape can be frustrating for buyers and their agents,” continued Soper. “Without enough supply to meet demand, prices continue to increase at above normal rates. And with so few listings to choose from, owners are concerned they will have nowhere to go if they sell before buying, so they hesitate to list. This cycle makes it difficult for anyone to move ahead.

“Life during the pandemic has made cottage country and country living more desirable than ever, in every part of Canada. The flexibility provided by working remotely, excess savings from months sitting at home, and low interest rates have left Canadians young and old alike to seek properties with more space, easy access to nature, and the ability to achieve that ever-elusive work-life balance. And an increasing number of new owners intend to use these escapes for both weekend play and Monday to Friday work.”

Royal LePage real estate professionals in Western and Atlantic Canada have reported an increase in out-of-province buyers over the past year. All experts in the recreational regions of the Maritimes and more than two-thirds (68%) of those in British Columbia reported seeing a boost in inter-provincial migration this year.

The younger generation is a very active segment of buyers. [A recent Royal LePage survey released last month](#)<sup>2</sup> on real estate trends among Canadians aged 25 to 35 found that when given the choice, 47 per cent said they would choose small town or country living, while 45 per cent said they’d prefer to live in a city. Nearly two-thirds of Canadians in this age group (63%), who are employed or seeking employment, say the ability to work for an employer that allows the option of remote work is important. Fifty-two per cent said the availability of remote work has increased their likelihood to move further from their current or future place of work. Overall, 39 per cent of this cohort are considering a move from their current home to a less dense area as a result of the pandemic, while 46 per cent said the pandemic had no impact on their desire to move to a less dense area.

“According to our research, access to high speed internet and the ability to work remotely are among the top criteria for those seeking properties in Canada’s recreational regions, followed closely by four-season usability,” said Soper. “There is no doubt the pandemic has had an impact on our lifestyle, but also our mindset. The more time Canadians spend in their homes, the more apparent their needs and priorities become.”

**Royal LePage 2021 Spring Recreational Property Price Forecast and 2020 Price Data Chart (national and regional):** [rlp.ca/table\\_2021springrecreationalpropertyreport](http://rlp.ca/table_2021springrecreationalpropertyreport)

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<sup>2</sup> Royal LePage 2021 Demographic Survey: Canadians aged 25-35 ([rlp.ca/2021demographicsurvey](http://rlp.ca/2021demographicsurvey)). An online survey of 2000 Canadians aged 25-35 was completed between December 29, 2020 to January 8, 2021, using Leger’s online panel. No margin of error can be associated with a non-probability sample (i.e. a web panel in this case). For comparative purposes, though, a probability sample of 2000 respondents would have a margin of error of  $\pm 2.2\%$ , 19 times out of 20.

## British Columbia

The aggregate price of a house in British Columbia's recreational regions is forecast to increase 13 per cent in 2021 to \$781,918. In 2020, the aggregate price of a house in the province's recreational markets increased 12.9 per cent year-over-year to \$691,963 compared to 2019. During the same period, the aggregate price of a waterfront property increased 2.7 per cent to \$1,784,872, while the aggregate price of a condominium increased 3.9 per cent to \$340,812.

According to a Royal LePage survey of recreational property experts, 68 per cent of respondents in British Columbia reported an increase in the number of buyers from other provinces, compared to previous years. Forty per cent of experts in the region representing buyers reported that their clients are making four to seven offers on average before transacting.

Meanwhile, 40 per cent of those working primarily with sellers say that their clients' properties are receiving four to seven offers on average. Eighty-eight per cent of regional experts reported a significant decrease in inventory in B.C.'s recreational property market compared to what is typical for their respective regions.

"Our biggest challenge right now is extremely low inventory and increased buyer demand," said Francis Braam, broker, Royal LePage Kelowna. "I expect we'll see double digit price gains in Central Okanagan this spring. Canadians will be spending another summer at home, further propelling their interest in the recreational property market."

In Whistler and Pemberton, remote work and low borrowing costs remain a driving force behind increasing prices.

"I am anticipating a brisk spring market with lots of activity," said Frank Ingham, associate broker, Royal LePage Sussex. "We should see a boost in supply, although it still won't be enough to satisfy demand at the rate it is increasing. Every buyer has their own motivation, but overwhelmingly Canadians are shifting their mindset and their priorities. They want more space and more fresh air, with access to nature and wildlife."

According to the Royal LePage 2021 Demographic Survey released last month, 35 per cent of those aged 25 to 35 in the province of British Columbia say the pandemic has increased their desire to move to a less dense area, and 63 per cent say it is important to work for an employer that allows them to work remotely.

**Royal LePage 2021 Spring Recreational Property Price Forecast and 2020 Price Data Chart (national and regional): [rlp.ca/table\\_2021springrecreationalpropertyreport](http://rlp.ca/table_2021springrecreationalpropertyreport)**

### **List of Royal LePage recreational property experts - Whistler and Pemberton**

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## Atlantic Canada

The aggregate price of a house in Atlantic Canada's recreational regions is forecast to increase 17 per cent in 2021 to \$226,961. In 2020, the aggregate price of a house in the Maritimes' recreational markets increased 12.3 per cent year-over-year to \$193,984 compared to 2019. During the same period, the aggregate price of a waterfront property increased 18.8 per cent to \$255,222 and the aggregate price of a condominium increased 20.8 per cent to \$260,297.

According to a Royal LePage survey of recreational property experts, 73 per cent of respondents in Atlantic Canada reported a significant increase in the number of buyers from other provinces, compared to previous years. Forty per cent of experts in the region representing buyers reported that their clients are making four to seven offers on average before transacting. Meanwhile, 60 per cent of those working primarily with sellers say that their clients' properties are receiving four to seven offers on average.

"Sight-unseen purchases in Shediac are becoming more prevalent today," says Heather FitzGerald, real estate professional, Royal LePage Atlantic in Moncton, New Brunswick. "Most out-of-province buyers are coming from Ontario, Quebec and B.C. Some are retirees returning home or fulfilling the dream of a vacation home in the Maritimes, while others are young professionals who have chosen a waterfront cottage as their primary residence. Working remotely has afforded them that opportunity."

All Royal LePage recreational property experts surveyed in the region are reporting that recreational regions in Atlantic Canada have seen a decrease in inventory than what is typical for their respective regions; more than half reported significantly less inventory than in previous years.

"Supply is the lowest it's been in a long time, leading to a highly competitive market and often resulting in multiple-offer scenarios," said Kirk Richards, sales representative, Royal LePage Atlantic in Greenwood, Nova Scotia. "While I do expect to see a lift in supply this spring, it will likely not be enough to satisfy growing demand. And, with buyers from out of town so active in the region, locals are being priced out of the market."

According to the Royal LePage 2021 Demographic Survey released last month, 43 per cent of Canadians aged 25 to 35 in Atlantic Canada say the pandemic has increased their desire to move to a less dense area, and 68 per cent said they would choose living in a town or countryside over the city.

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## Quebec

The aggregate price of a house in Quebec's recreational regions is forecast to increase 15 per cent in 2021 to \$291,993. In 2020, the aggregate price of a house in the province's recreational markets increased 18.8 per cent year-over-year to \$253,907 compared to 2019. During the same period, the aggregate price of a waterfront property increased 23.6 per cent to \$335,633, while the aggregate price of a condominium increased 19.3 per cent to \$225,202.

"Demand remains excessively strong in Quebec's recreational markets," confirms Éric Léger, real estate broker, Royal LePage Humania, in the Laurentians. "We are at the height of the wave of demand right now and there is a desperate need for more inventory. On average, selling times have gone from around 60 days in 2019 to around 10 days in 2020 and it's common to receive more than five offers on a property today."

He adds that compared to last year, buyers must budget approximately 20 per cent more to get their hands on a well-located and maintained property. Léger also notes that the lack of inventory prompts buyers to change their search criteria.

"Inventory is so limited that buyers looking for a primary residence who have the possibility of working remotely are expanding their search area. On average, in the Laurentians, this is a 30 per cent increase in their search radius, which is around 30 kilometres more than a year ago. They are very committed to buying and making concessions on the terms and conditions of their purchase," said Léger.

According to a Royal LePage survey of recreational property experts, 67 per cent of buying agents in Quebec's recreational markets reported that their clients are making four to ten offers on average before transacting. Meanwhile, 69 per cent of agents who work primarily with sellers say that their clients' properties are receiving a minimum of four offers on average, and 16 per cent of those agents say they are seeing more than ten offers per listing.

The inventory shortage has intensified in part due to older sellers being absent from the market since the onset of the pandemic and young buyers are looking for opportunities to leave their apartment in the city or anticipating to enhance their quality of life moving to a larger property in cottage country. Eighty-one per cent of Royal LePage recreational property experts in Quebec are reporting a significant decrease in inventory over the past year.

"Older owners are slow to put their home on the market due to the pandemic. Finding a new place to live at the moment is challenging due to record low housing supply and COVID-19 fears remain a concern for seniors. On the other hand, demand from young buyers has risen as this cohort aspires to have more interior and exterior space to live, play and work. Eventually, the progress in the vaccination rollout should lead to increased inventory. And, a return of regular activities, such as travel, will lessen demand."

According to the Royal LePage 2021 Demographic Survey released last month, 36 per cent of those aged 25 to 35 in the province of Quebec say the pandemic has increased their desire to

move to a less dense area, and 57 per cent said they would choose living in a town or countryside over the city.

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**Ontario**

The aggregate price of a house in Ontario's recreational regions is forecast to increase 17 per cent in 2021 to \$547,207. In 2020, the aggregate price of a house in the province's recreational markets increased 19.4 per cent year-over-year to \$467,698 compared to 2019. During the same period, the aggregate price of a waterfront property increased 21.5 per cent to \$673,400, while the aggregate price of a condominium increased 8.5 per cent to \$406,188.

According to a Royal LePage survey of recreational property experts, eighty-seven per cent of respondents said that recreational regions in Ontario have seen inventory decrease compared to what is typical for their respective regions, including the highly-sought after cottage destination of Muskoka, north of Toronto.

"Muskoka, like many smaller communities within a reasonable drive from the GTA, was particularly impacted by the migration out of the GTA, and by buyers who accelerated their long-term plans to purchase a second property," said John O'Rourke, broker, Royal LePage Lakes of Muskoka. "A scarcity of inventory added more fuel to the fire, creating competition in the market unlike anything we've seen before."

Fifty-six per cent of Royal LePage recreational property experts in Ontario representing buyers reported that their clients are making on average four to ten offers before transacting. Meanwhile, 69 per cent of those who work primarily with sellers say that their clients' properties are receiving a minimum of four offers on average, and 27 per cent of those agents say they are seeing more than ten offers per listing.

"Land O'Lakes is not a region that typically experiences this kind of activity, but since the onset of the pandemic, supply cannot keep up with the increasing demand," said Chris Winney, broker, Royal LePage ProAlliance Realty. "As no one has been able to travel for the last year, buyers of all ages and stages of life are looking for recreational properties that offer the flexibility, and internet quality, that will allow them to work remotely if they choose, but also have rental potential."

Properties with four-season usability are particularly attractive to buyers in Ontario, and experts expect another brisk spring market.

According to the Royal LePage 2021 Demographic Survey released last month, 43 per cent of those aged 25 to 35 in the province of Ontario say the pandemic has increased their desire to move to a less dense area, and 68 per cent say it is important to work for an employer that allows them to work remotely.

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**Prairies**

The aggregate price of a house in the Prairies' recreational regions is forecast to increase 9 per cent in 2021 to \$260,862. In 2020, the aggregate price of a house in the Prairies' recreational markets increased 21.8 per cent year-over-year to \$239,323 compared to 2019. During the same period, the aggregate price of a waterfront property increased 18.2 per cent to \$377,793.

According to a Royal LePage survey of recreational property experts, only 25 per cent of respondents in the Prairies reported an increase in the number of buyers from other provinces, compared to previous years. Some multiple-offer scenarios are taking place, which is not typical for the area. Twenty per cent of experts in the region representing buyers reported that their clients are making four to seven offers on average before transacting. Similarly, 20 per cent of those working primarily with sellers say that their clients' properties are receiving between four and seven offers on average.

The top criteria for buyers looking for a recreational property in the Prairies is four-season usability, waterfront access and proximity to the city.

"The Interlake region has many benefits, including year-round access to the lake and amenities like fishing, camping and water sports," said Tyler Bucklaschuk, broker, Royal LePage JMB & Associates. "Being just a short drive from Winnipeg makes it a very attractive vacation destination; a place to get away on weekends or even work remotely. The challenge is finding a property and transacting."

Bucklaschuk expects the supply shortage to remain a challenge through the spring, putting continued upward pressure on prices. Eighty-eight per cent of Royal LePage recreational property experts in the region are reporting a decrease in inventory compared to what is typical for their respective regions.

"With travel restrictions prohibiting snowbirds from spending time in their vacation homes south of the border over the past year, recreational properties in Lac du Bonnet have become extremely popular," said Rolf Hitzer, broker and owner, Royal LePage Top Producers Real Estate. "I've had many clients trade their U.S. properties for waterfront cottages closer to home. The increased competition and low inventory have at times resulted in multiple-offer scenarios, which are not typical for the region."

According to the Royal LePage 2021 Demographic Survey released last month, 41 per cent of those aged 25 to 35 in the Prairies say the pandemic has increased their desire to move to a less dense area, and 52 per cent say it is important to work for an employer that allows them to work remotely.

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## Alberta

The aggregate price of a house in Alberta's recreational regions is forecast to increase 6 per cent in 2021 to \$942,881. In 2020, the aggregate price of a house in the province's recreational markets increased 9.5 per cent year-over-year to \$889,510 compared to 2019. As a large recreational market, Canmore impacts the median price of a single-family home in Alberta with its proximity to Banff National Park and luxury mountain properties.

"Canmore is seeing unparalleled demand from people wanting to accelerate their life plans and focus on their physical and mental health," said Brad Hawker, managing broker, Royal LePage Rocky Mountain Realty. "We've seen a growing segment of young and middle-aged buyers seeking primary residences in the area. If they can work remotely from anywhere, they want to live in a place that caters to their active and adventurous lifestyles."

According to a Royal LePage survey of recreational property experts, 44 per cent of respondents in Alberta reported an increase in the number of buyers from other provinces, compared to previous years. Demand and prices continue to grow in recreational regions easily accessible from Edmonton and Calgary. Experts in Alberta say 78 per cent of recreational markets have seen a decline in inventory compared to what is typical for their respective regions.

"There simply is not enough inventory to satisfy the growing demand in this area," said Tom Shearer, broker, Royal LePage Noralta Real Estate. "Wabamun Lake and Lac St. Anne are reasonably affordable recreational regions, and the short commute from the city makes these areas attractive to those looking to escape the urban centres. I expect the spring market to be a challenge for buyers, due to a lack of supply."

According to the Royal LePage 2021 Demographic Survey released last month, 32 per cent of those aged 25 to 35 in the province of Alberta say the pandemic has increased their desire to move to a less dense area, and 60 per cent say it is important to work for an employer that allows them to work remotely.

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### **About the Royal LePage Recreational Property Report**

The Royal LePage Recreational Property Report compiles insights, data and forecasts from 51 markets. Median price data was compiled and analyzed by Royal LePage for the period between January 1, 2020 and December 31, 2020 and January 1, 2019 and December 31, 2019. Data was sourced through local brokerages and boards in each of the surveyed regions. Royal LePage's aggregate home price is based on a weighted model using median prices. Data availability is based on a transactional threshold and whether regional data is available using the report's standard housing types. Aggregate prices may change from previous reports due to an increase in the number of participating regions.

### **About the Royal LePage Recreational Property Advisor Survey**



A national online survey of 190 brokers and sales representatives serving buyers and sellers in Canada's recreational property regions. The survey was conducted between March 5th 2021 and March 18th 2021.

### **About Royal LePage**

Serving Canadians since 1913, Royal LePage is the country's leading provider of services to real estate brokerages, with a network of over 18,000 real estate professionals in over 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women's and children's shelters and educational programs aimed at ending domestic violence. Royal LePage is a Bridgemark Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE. For more information, please visit [www.royallepage.ca](http://www.royallepage.ca).

### **List of Royal LePage recreational property experts**

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