

YOUNG PROFESSIONALS LIKELY TO TAKE ADVANTAGE OF STABILIZING COTTAGE MARKET

–Survey finds cottages are the preferred long-term investment, compared to stocks and bonds – **TORONTO, June 26, 2008** – Echoing the trend observed in Canadian cities this year, the country’s recreational property market is returning to a more normal state, with price increases moderating when compared to the frenetic pace experienced in 2007. In almost all of the nation’s summer hotspots, prices have continued to rise in 2008, but at a considerably slower rate than in the previous year. This moderating trend bodes well for cottage seekers – particularly the young professionals who make up the single largest group of those planning or considering a cottage purchase (19%), according to the 2008 Royal LePage Recreational Property Report released today.

The 2008 Royal LePage Recreational Property Report comprises a nationwide research poll of Canadian cottage owner and buyer attitudes and actions, and an extensive 53-market analysis of recreational property prices, trends and activity in selected leisure markets across the country.

The survey showed that Canadians overwhelmingly see the benefit of owning real estate – be it a primary residence or a cottage; the survey found that nearly two-thirds (61%) of cottage owners and those who plan on buying a recreational property feel that buying a cottage is a better long-term investment than buying stocks, bonds or mutual funds. In fact, the survey revealed that 15 per cent of recreational property owners own more than one recreational property.

“Mirroring the trend we are seeing in urban real estate markets, recreational property prices continue to rise, albeit at a slower rate than in recent years,” said Phil Soper, president and CEO, Royal LePage Real Estate Services. “Improving supply has helped temper price increases this year, which will have a disproportionately favourable impact on cottage seekers when compared to their city counterparts. The Canadian recreational property market has been notoriously short of supply for several years.”

Added Soper: “The fact that an increasing number of young people are joining more mature adults in the quest for a recreational retreat comes as no surprise; today’s young adults are increasingly savvy when it comes to investments. The average age of first-time homeowners

continues to drop. It's only natural for this trend to spill over into the cottage market."

Despite moderating prices, huge disparities continue to book end the country's most expensive and most affordable properties. Recreational playgrounds that are frequented by Hollywood celebrities and Canada's elite, such as Kelowna's Okanagan Valley, The Muskokas, and Nova Scotia's South Shore, boast properties that command price tags upwards of \$1.5 million. For the more modest shopper, affordable abodes in areas including Parry Sound and Sudbury can be acquired for approximately \$300,000. Hidden gems for under \$100,000 can be found in Kingston and Haliburton Highlands in Ontario, and throughout much of Atlantic Canada – however, at this price point; it will be rare for these properties to have water access.

A little more than half (54%) of cottage-craving Canucks, who are likely to buy or are planning to buy a recreational property, have budgeted to spend between \$50,000 and \$300,000. Some very modest will-be buyers will have to do a lot of searching to find their wilderness retreat, as 33 per cent of these respondents said they were looking to spend less than \$50,000.

Putting the brakes on heading to cottage country?

The lure of the great outdoors and promise of rest and relaxation continue to trump rising gas prices, increased traffic congestion, and a changing real estate climate, as the number of Canadian cottage owners has remained steady over the past three years, at nine per cent.

However, reason (and a need to mind the bank account) is likely to outweigh passion this summer, as 19 per cent of cottage owners stated they would consider selling their properties if gas prices continue to rise; an increase of seven per cent since last summer. The poll also revealed that 33 per cent of recreational property owners said that the rising gas prices would impact the number of trips they take to the cottage this summer. On the flip side, local cottage rentals could see a spike in activity this summer, as rising fuel prices keep some families from flying to their summer vacation destinations.

Summer lovin' replaced with summer siestas

It seems that the blazing weekend warrior has finally simmered down. Once known for their boundless levels of energy come Friday at 5 PM, a startling truth has now come to light: once at the cottage, their fire seems to flicker out. When it comes to activities at the cottage, a dramatic 45 per cent of cottage owners would rather catch up on sleep, than have a 'romantic liaison' with

their partner.

Given most people's hectic social schedules in the city and busy work demands, it's little surprise that catching up on sleep at the cottage is placed at a premium; for some cottage-goers, R&R will be hard to come by, as 16 per cent of respondents won't be able to escape the rat race, claiming they will continue to work from the cottage.

ADDITIONAL POLL FINDINGS

When asked, "How do you plan to unplug yourself from the wired work world while enjoying your recreational property," the top two responses included: there won't be Internet access at the cottage (24%) and I won't take my Blackberry or cell to the cottage (17%).

Among cottage owners, and those who plan to buy a cottage, 11 per cent spent or will spend more on their vacation property, than on their primary residence; 35 per cent plan to spend between \$50,000 and \$150,000.

While there are an infinite number of elements that make a recreational property special, Canadians list the top three most important features to be a pristine waterfront, four-season capability, and low maintenance properties.

Rank	Top 10 Most Important Recreational Property Features*
#1	Pristine waterfront
#2	Four-season capability
#3	Low maintenance
#4	Proximity to primary residence
#5	Surrounding amenities (restaurants, stores, etc)
#6	Number of bedrooms
#7	Large kitchen
#8	High-end amenities
#9	Great room
#10	Wine cellar

**Reported by Canadians who currently own or are planning to purchase a recreational property*

2008 Recreational Property Price Summary Average Price Range by Province*	
Standard Waterfront, Land Access Cottage	
PROVINCE	AVERAGE PRICE RANGE 2008
Prince Edward Island	\$80,000 -\$350,000
Nova Scotia	\$49,000 -\$315,000
Newfoundland	\$81,000 -\$112,000
New Brunswick	\$112,000 -\$192,250
Quebec	\$400,000 -\$500,000
Ontario	\$300,000 -\$1,625,500

Source: Royal LePage, averages are based on the examination of select recreational areas in each province.

Methodology

The following top-line summary presents the results for the 2008 Recreational Property Study conducted for Royal LePage Residential Real Estate Services. The survey was conducted by Acrobat Research Inc. Fourteen proprietary questions were included over two waves of Omnitel, the national Canadian omnibus of Acrobat Research Inc. In total, 3,000 Canadians were interviewed over two waves of Omnitel and fieldwork was completed on June 9, 2008. All interviews were conducted among a random representative sample of adult Canadians. More specifically, the research focused on those who currently own, are likely or are planning to purchase or would consider purchasing a recreational property. Due to the highly specific audience the actual number of respondents that qualified for this wave of the 2008 Recreational Property Study was 574. With a sample of this size, results can be considered accurate to within +/-4.09%, 19 times out of 20.

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