

# Real Estate Monthly



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## Young Professionals and the Stabilizing Canadian Cottage Market

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**.



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 percent 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 the President of Royal LePage Real Estate. “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.”

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 percent of these respondents said that they were looking to spend less than \$50,000.

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 9 percent.

However, 19 percent of cottage owners stated that they would consider selling their properties if gas prices continue to rise; an increase of 7 percent since last summer. The poll also revealed that 33 percent of recreational property owners said that the rising gas prices would impact the number of trips that 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.

### Rainy June Can't Dampen Home Buyers' Enthusiasm

Members of the Ottawa Real Estate Board (OREB) sold 1,691 residential units in June compared with 1,640 in June 2007, an increase of 3.1 percent. There were 1,897 sales in May 2008.

“Despite much wetter than usual weather in June, buyers obviously liked what they were seeing on the market. Condo sales are on par with last year and freehold homes continue to see increased sales over 2007,” said OREB's President. “Higher-end properties, in particular, saw a big jump in June. Board members sold 27 homes priced between \$750,000 and \$1 million, which is a 52.4 percent increase in that price category over last June.”

The average price of residential properties, including condominiums, sold in June in the Ottawa area was \$298,484, an increase of 7 percent over June 2007.

## Protecting Your Home

### *A primer on keeping your home safe when you're away on holiday.*

It's that time of year when many of us are getting excited about heading out on that annual vacation.

Too bad that we can't bring the house along. Besides getting caught up with all the yard work before we leave, there's always a nagging worry about the security of our empty house.

Here are some ideas that might help protect your home and your belongings from the attention of thieves while you're away.

- Leaving a car parked in the driveway gives the appearance that someone is home.
- Good exterior lighting around your perimeter creates a psychological barrier.
- Ensure all exterior doors have deadbolts with at least a 25-millimetre throwbolt.
- Keep your doors locked at all times. Half of all break-ins are through unlocked doors.
- Going out of town? Give your neighbours a house key so that they can check in.
- Help the police help you. Make sure you keep your street address visible. When affixing numbers to your house, make sure that they are at least 10 centimetres high, reflective and visible from the street.
- Car parked outside? Lock your vehicle and take your garage door opener with you. Don't leave it in the car.
- Been at the same house for a while? Replace your outside locks, as you've probably given out your house key a lot through the years.
- Backyard secure? Consider installing a fence, and plant fast-growing bushes as extra barriers around the exterior of your home.
- Start a Neighbourhood Watch Program -- it's the most effective method of keeping your home safe.
- Keep an extra key outside your house? Not a good idea. Burglars know all the hiding spots. Instead, leave a key with a trusted neighbour. Better yet, install a keyless entry system.



## Summer Energy Conservation

### *The Canada Housing & Mortgage Corporation (CMHC) offers these tips:*

- Low-voltage outdoor lighting and solar-powered garden or walkway lights are smart ways to illuminate your garden path or walkway. They are also energy-efficient, inexpensive to operate, simple to install and safe.
- Grass is a fast-growing, high-maintenance ground cover that "browns off" quickly in dry weather. Other ground covers such as clover and other low-growing, spreading plants require less maintenance and are more drought resistant. Your local garden centre can advise you on alternatives to grass that will thrive in your area.
- Shelter sun-exposed windows with awnings and shrubbery. Keep your blinds and draperies closed on hot, sunny days.
- Keep windows closed in the heat of the day. Open windows in the cool of the night.
- Your attic gets hot in the summer - temperatures of up to 65°C (150°F) are common. Insulation in your attic protects your home from excessive heat penetration in summer and cold penetration in winter. Invest in attic insulation for year-round comfort and efficiency.
- Make sure roof ventilation is adequate to prevent heat buildup in summer and moisture buildup in winter.
- Use floor and ceiling fans to create gentle breezes to keep you and your family comfortable.
- If your basement is dry, use the furnace fan to circulate cool basement air throughout your home. Maintain your furnace air filter at peak efficiency to reduce indoor pollen levels.
- Make full use of microwave ovens in hot weather. Microwave cooking can reduce energy consumption by two thirds and produces much less waste heat than your stove. Toaster ovens and slow cookers are also a great way to reduce energy use in the kitchen.