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Royal LePage 2023 Winter Recreational Property Report British Columbia Section

BRITISH COLUMBIA

In the first 10 months of the year, the median price of a single-family detached home in British Columbia's popular ski regions decreased 1.6 percent year over year to \$2,026,400, while the median price of a condominium decreased 1.4 percent to \$525,000. In the province's recreational market, the median price of a single-family detached home is forecast to increase 4.1 percent over the next 12 months.

Whistler

The median price of a single-family detached home in Whistler's recreational property market for the first 10 months of the year remained flat, decreasing 0.4 percent year over year to \$3,632,400, while the median price of a condominium increased 3.4 percent to \$600,000. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$3,000,000 and \$1,000,000, respectively. Total sales were down 12.3 percent year over year in the region.

"Although there are buyers out there, very few people are putting pen to paper at the moment. With all of the conversation around rising interest rates, many consumers – including luxury homebuyers – have temporarily withdrawn from the market and are prepared to wait and see what the Bank of Canada decides to do in December and next year," said Frank Ingham, associate broker, Royal LePage Sussex. "This year, British Columbia experienced the worst wildfire season on record, which has also driven some business away from recreational markets in the province. In addition to physical dangers, purchasers are concerned over insurance risks. Many insurance policies include a clause which can halt the closing of a property should a wildfire come within a specific radius of the affected home. This policy is pushing some buyers to less disaster-prone markets, and could spell more challenges in the future as wildfires become more frequent."

Although increased mortgage costs can be more easily absorbed by affluent homeowners, Ingham added that the true effects of higher interest rates have yet to be felt in Whistler. The impact of elevated borrowing costs will likely be seen between 2024 and 2026, when many five-year mortgages will be up for renewal.

Royal LePage is forecasting that the median price of a single-family detached home in Whistler will increase 5.0 percent over the next 12 months.

Invermere

The median price of a single-family detached home in Invermere's recreational property market for the first 10 months of the year increased 1.1 percent year over year to \$659,000, while the median price of a condominium increased 1.3 percent to \$400,000. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$440,000 and \$275,000, respectively. Total sales were down 23.4 per cent year over year in the region.

"Higher interest rates are having an impact on Invermere's recreational market. We are seeing more homes come online as mortgage rates have climbed over the past year and a half. The short-term rental market has also seen a boost in supply as homeowners look to rent out their properties to gain additional income to help cover monthly expenses," said Barry Benson, broker, Royal LePage Rockies West Realty. "As a result, the pool of homes available for sale has increased, which is a welcome sign for buyers who now have more options to choose from. Although demand for Invermere homes has stayed steady, growing supply levels have moderated price growth. I expect this will be the norm for the near future as borrowing rates remain higher than normal."

Benson added that clients have found it more challenging to sell their recreational properties in 2023 as a result of climate factors. Wildfires burned west, east and south of Invermere in August, prompting evacuations in nearby towns.

"Forest fires have had an impact on the Invermere market, as fires burning close to the community caused disruption during the summer. Still, demand has remained consistent throughout the year," said Benson. "With its proximity to the Alberta border, buyers from Calgary who are looking for year-round recreational opportunities continue to cross provincial lines to achieve their recreational property goals."

Royal LePage is forecasting that the median price of a single-family detached home in Invermere will increase 5.0 per cent over the next 12 months.

Revelstoke

The median price of a single-family detached home in Revelstoke's recreational property market for the first 10 months of the year decreased 1.1 per cent year over year to \$816,000, while the median price of a condominium decreased 12.7 per cent to \$680,000. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$4,000,000 and \$750,000, respectively. Inventory for slopeside houses is extremely limited in Revelstoke. Total sales were down 1.9 per cent year over year in the region.

"Though our inventory and average days on market have grown, demand for Revelstoke properties has remained somewhat stable this past year. While the frenzy of the pandemic market has dramatically pushed property prices up over time, Revelstoke still provides good value compared to other major ski resort regions, which continues to draw buyers to the area," said Don Teuton, broker and owner, Royal LePage Revelstoke. "Although wildfires were active throughout the province over the summer, it was not enough to dissuade new buyers from visiting the area, or homeowners from listing their properties. If wildfires occur more frequently, however, this could impact demand down the road."

Teuton added that rising interest rates have negatively affected the return on investment for rental properties, as higher mortgage costs eat into rental profit. The region has seen a slight decrease in the number of buyers who intend to use their recreational properties for rental purposes compared to last year. Although mortgage costs have increased, Teuton noted that Revelstoke has not seen a material increase in recreational properties for sale as a direct result of rising interest rates.

Royal LePage is forecasting that the median price of a single-family detached home in Revelstoke will decrease 2.0 per cent over the next 12 months, as both demand and inventory levels remain stable.

Mount Washington/Comox Valley

The median price of a single-family detached home in the Mount Washington/Comox Valley region's recreational property market for the first 10 months of the year increased 26.5 per cent year over year to \$1,075,000, while the median price of a condominium decreased 2.1 per cent to \$465,000. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$700,000 and \$280,000, respectively. Total sales were down 47.1 per cent year over year in the region. Lower than usual sales in the region resulted in greater price fluctuation.

"Like many housing markets across the country, Mount Washington/Comox Valley has seen demand soften this year. Home inventory and the number of days properties are staying on the market have increased, giving homebuyers more time and choice when shopping around," said Rick Gibson, sales representative, Royal LePage in the Comox Valley. "As cash buyers are common in this community, higher interest rates have not prompted many residents to list their recreational homes for sale due to increased mortgage costs. However, more homeowners are renting out their properties, as many paid a higher-than-average purchase price during the peak of the pandemic-fueled market."

Gibson added that until buyers and sellers gain more confidence about the trajectory of interest rates and the overall economy, home price appreciation and market activity will remain subdued. "Buyers are drawn to this region not only for its affordability, but also its all-season recreational options, proximity to airports, and access to nearby communities," said Gibson. "Although there has been a reduction in overall buyer demand compared to 2022, the market continues to receive interest from locals and buyers from other communities on Vancouver Island."

Royal LePage is forecasting that the median price of a single-family detached home in Mount Washington/Comox Valley will flatten, increasing 0.5 per cent over the next 12 months, as buyer demand remains muted.

Sun Peaks

The median price of a single-family detached home in Sun Peaks' recreational property market for the first 10 months of the year decreased 21.3 percent year over year to \$1,212,500, while the median price of a condominium decreased 9.9 percent to \$449,500. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$1,349,000 and \$350,000, respectively. Total sales were down 47.7 percent year over year in the region, which is located outside Kamloops, British Columbia.

“Higher borrowing costs have put a noticeable damper on the secondary property market this year. Our home sales have dropped by almost half compared to 2022, and the number of days on market has increased dramatically as buyer demand wanes,” said Kyle Panasuk, sales representative, Royal LePage Westwin Realty.

Panasuk noted that inventory has grown compared to 2022 levels. This rise in supply is partially due to an uptick in residents listing their homes for sale as a result of elevated monthly mortgage costs. Meanwhile, short-term rental listings have continued to be in high demand.

“The Sun Peaks rental market has been strong as of late,” said Panasuk. “Homeowners are not only incentivized to rent out their properties on account of increased demand, but also to counterbalance their mortgage payments, which have increased significantly for variable-rate borrowers over the past year and a half.”

Royal LePage is forecasting that the median price of a single-family detached home in Sun Peaks will increase by 3.0 percent over the next 12 months, as buyers are expected to return to the market when interest rates stabilize or dip.

Big White

The median price of a single-family detached home in Big White’s recreational property market for the first 10 months of the year decreased 6.3 per cent year over year to \$1,500,000, while the median price of a condominium decreased 9.1 per cent to \$500,000. For those looking to buy a house or condominium slopeside or at mountain base, prices typically start at \$1,000,000 and \$800,000, respectively. Total sales were down 30.5 per cent year over year in the region, located outside Kelowna, British Columbia.

“Despite activity being lower than the 2021-2022 pandemic-fueled boom, we are not experiencing the same downturn that some other recreational markets have seen this year. Big White has transitioned from a community that was slightly overbuilt to one with dwindling inventory, as the few properties for sale are being quickly snapped up. As a result of inflation and increased borrowing costs, it is taking longer and becoming more costly to replenish supply, meaning new homes come at a higher premium. Fewer homeowners are choosing to rent out their properties, which is constraining accommodation options for vital resort staff,” said Andrew Braff, sales representative, Royal LePage Kelowna. “Although buyers in this market rarely make their purchases with financing, the negativity surrounding interest rates and the economy as a whole has given consumers reason to pause, which has kept prices stable despite low supply levels.” Braff noted that nearby wildfires in Kelowna interrupted the market for a full month as insurance policies could not be issued and some buyers felt hesitant to transact. Big White Ski Resort served as an evacuation centre for those affected by wildfires in the Okanagan Region. Buyers are unlikely to be dissuaded by future fires, however, as Big White’s large homes and popularity among avid skiers continue to attract affluent buyers from Toronto and other major Canadian cities.

Royal LePage is forecasting that the median price of a single-family detached home in Big White will increase 5.0 per cent over the next 12 months, as demand continues to outstrip supply.

Royal LePage 2023 Winter Recreational Property Report

| Region | Single-family Detached | | | | | Standard Condominium | | |
|--|------------------------|--------------------|-------------------------|-------------------|--------------------|----------------------|--------------------|-------------------------|
| | Median Price 2022* | Median Price 2023* | Year-over-year % Change | 2024 Forecast (%) | 2024 Forecast (\$) | Median Price 2022* | Median Price 2023* | Year-over-year % Change |
| Canada | \$1,075,600 | \$1,068,200 | -0.7% | 2.9% | \$1,099,661 | | | |
| Quebec | \$465,500 | \$501,600 | 7.8% | 1.8% | \$510,629 | \$380,500 | \$399,300 | 4.9% |
| Mont-Tremblant (Mont-Tremblant, Mont-Blanc, La Conception) | \$500,000 | \$539,000 | 7.8% | 4.0% | \$560,560 | \$475,000 | \$465,000 | -2.1% |
| Mont Saint-Sauveur (Saint-Sauveur, Morin-Heights, Piedmont) | \$562,500 | \$600,000 | 6.7% | 4.0% | \$624,000 | \$382,300 | \$357,500 | -6.5% |
| Val Saint-Côme & Mont Garceau (Saint-Côme, Saint-Donat) | \$435,000 | \$431,000 | -0.9% | -2.0% | \$422,380 | - | - | - |
| Bromont | \$586,000 | \$650,000 | 10.9% | 2.0% | \$663,000 | \$498,500 | \$555,000 | 11.3% |
| Mont Sutton (Sutton, Brome, Lac-Brome) | \$548,000 | \$697,500 | 27.3% | 8.0% | \$753,300 | - | - | - |
| Mont Orford (Orford, Magog) | \$470,000 | \$495,000 | 5.3% | 2.0% | \$504,900 | \$291,000 | \$305,000 | 4.8% |
| Mont Sainte-Anne (Beaupré, Sainte-Anne-de-Baupré, Saint-Ferréol-les-Neiges, Saint-Joachim) | \$286,200 | \$290,000 | 1.3% | -4.0% | \$278,400 | \$145,000 | \$266,000 | 83.4% |
| Stoneham & Lac-Beauport (Stoneham-et-Tewkesbury, Lac Delage, St-Gabriel-de-Valcartier, Lac-Beauport) | \$475,300 | \$457,000 | -3.9% | -3.0% | \$443,290 | - | - | - |
| Massif de Charlevoix (Baie-Saint-Paul, Les Éboulements, Isle-aux-Coudres, Petite-Rivière-Saint-François, Saint-Hilarion, Saint-Urbain) | \$327,500 | \$398,800 | 21.8% | 3.0% | \$410,764 | - | - | - |
| Mont Grand Fonds (La Malbaie, Clermont, Saint-Siméon, Saint-Aimé-des-Lacs, Notre-Dame-des-Monts, Sainte-Irénée, Baie Sainte-Catherine) | \$190,000 | \$231,000 | 21.6% | 3.0% | \$237,930 | - | - | - |
| Ontario | | | | | | | | |
| Southern Georgian Bay (Collingwood/Meaford/Thornbury) | \$890,000 | \$800,000 | -10.1% | 4.5% | \$836,000 | \$702,900 | \$640,000 | -8.9% |
| Alberta | | | | | | | | |
| Canmore | \$1,557,700 | \$1,707,300 | 9.6% | -0.5% | \$1,698,764 | \$667,900 | \$696,900 | 4.3% |
| British Columbia | \$2,058,800 | \$2,026,400 | -1.6% | 4.1% | \$2,109,198 | \$532,700 | \$525,000 | -1.4% |
| Whistler | \$3,648,200 | \$3,632,400 | -0.4% | 5.0% | \$3,814,020 | \$580,000 | \$600,000 | 3.4% |
| Invermere | \$652,000 | \$659,000 | 1.1% | 5.0% | \$691,950 | \$395,000 | \$400,000 | 1.3% |
| Revelstoke | \$825,000 | \$816,000 | -1.1% | -2.0% | \$799,680 | \$778,500 | \$680,000 | -12.7% |
| Mount Washington/Comox Valley | \$850,000 | \$1,075,000 | 26.5% | 0.5% | \$1,080,375 | \$475,000 | \$465,000 | -2.1% |
| Sun Peaks | \$1,540,000 | \$1,212,500 | -21.3% | 3.0% | \$1,248,875 | \$499,000 | \$449,500 | -9.9% |
| Big White | \$1,600,000 | \$1,500,000 | -6.3% | 5.0% | \$1,575,000 | \$550,000 | \$500,000 | -9.1% |

* Median price data for 18 popular ski regions across Canada was compiled and analyzed by Royal LePage for the periods between January 1, 2022 and October 31, 2023, and January 1, 2022 and October 31, 2022. Data was sourced through local brokerages and boards in each of the surveyed regions. 2022 price data may vary from the 2022 Winter Recreational Property Report as a result of updated transaction records from local real estate boards. Prices are rounded to the nearest hundred. National median prices are calculated using a weighted average of the median values collected in surveyed regions. © 2023 Bridgemark Real Estate Services Manager Limited. All rights reserved.