

Cottage Life Attracting More Retirees and First-time Buyers

The summer cottage is no longer just a family affair...

For many years, the traditional market for recreational properties was couples with children, wanting a summer or year-round retreat where they can unwind, spend quiet time away from the city and create years of happy family memories.

Of course, many buyers still fall into that category.

But in recent years, Realtors have seen more and more retirees and first-time buyers purchasing cottages and country homes, for a variety of reasons.

Here's a look at who's buying and why:

Retirees looking for a Quieter Pace or Investment Property

The cottage market in the last few years has seen a surge in retirees or buyers who are close to retirement and have decided they're ready for a quieter pace or an investment property.

In a 2018 survey of RE/MAX brokers and agents across Canada, more than 90 per cent of Realtors in cottage areas said retirement-age buyers were driving their local markets. That was up from the previous year, when only 55 per cent of markets described retirees as a driving force in sales.

Some plan to use their cottage for part of the year and rent it to others for income when they are not using it themselves.

To finance the purchases, some are selling their city houses and moving to a condo unit or a rental property.

Others are deciding to give up their city homes altogether and move to a year-round residence in the country as their retirement homes. They look forward to long walks, swimming and boating in the summer, and being surrounded by the sounds of nature.

"We found that baby boomers and retirees were increasingly selling their homes in urban centres," one RE/MAX official said when the survey was released.

"It's clear that many put the equity they received from those sales into the purchase of a recreational property, with the intention to retire in comfort and away from the city."

"Many of these individuals are engaging in more active forms of retirement, choosing to maintain physical fitness and emotional fulfilment by pursuing passion projects and leading lifestyles that involve farming, hiking and maintaining vineyards," the RE/MAX survey reported.

This is particularly true, the report noted, in areas that include the Rideau Lakes area southwest of Ottawa, and the Okanagan region in British Columbia.



Realtors say some retirement-age buyers they are seeing are those who owned vacation properties the U.S. or abroad and have decided to sell those properties and buy a cottage closer to home, allowing them to be closer to family in their retirement.

First-time Buyers, Tele-commuters and Bargain Hunters

More and more young first-time buyers, including couples and singles, have been purchasing cottages and rural properties in recent years, for a variety of reasons.

Some are just looking for the escape from the city that attracts many buyers.

Others have decided to use a cottage as a more affordable entry into the real estate market rather than a house or condo in the city where they live.

In Ottawa, we are fortunate that average house and condo prices are a fraction of what they are in Toronto, and young first-time buyers in our region are still able to enter the market.

But in Toronto, where many young buyers feel priced out of the local market, some are deciding to invest in a cottage instead.

If they can't afford a place in the city, they reason, at least they can get into the real estate market with a recreational property and perhaps earn rental income.

Other young buyers from cities are deciding to move to cottage country, find work there or perhaps telecommute, as more and more workplaces have been allowing employees to work from home.



In a 2017 report for CBC Radio on the trend, Suzanne Martineau, a Realtor with RE/MAX Hallmark in the Muskoka region, said she had been seeing an increase in Millennial-age buyers coming to her from the Toronto market.

“I hear often, ‘the city is congested, it’s getting too busy, it’s unaffordable, it’s not an enjoyable lifestyle’...so people are rethinking their choices in life,” she said.

“With technology, I think it’s allowing people to be employed further from core centres in this country.”

In 2020, the COVID pandemic has seen even more people of all ages looking for a city escape.

With international travel on hold for many, some buyers have decided to opt for a cottage in a quiet, uncrowded area closer to home instead of spending on international trips every year.

Prince Edward County, an idyllic area just 2.5 hours southwest of Ottawa featuring vineyards, excellent restaurants, art galleries and antique shops, is among the regions where Realtors have seen a surge in cottage hunters this year in response to COVID.

Cottage country north of Toronto has also reported increases in sales and multiple offers.

Troy Austen, a RE/MAX Realtor in Haliburton Highlands, told the *Toronto Star* in July he and other Realtors had seen a big increase in cottage buying even earlier than the usual spring rush.

As the *Star* reported, "Austen said buyers who can't travel, can't send their kids to camp and are afraid to ride the elevator to their condo are looking for a sandy beach, sunset views and internet _ not necessarily in that order."