

COTTAGES STAYING IN THE FAMILY FOR BETTER OR WORSE

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81% Of Cottage Owners Plan To Bequeath Their Cottage To Other Family Members; 22% Believe That This Is Likely To Cause A Rift In Their Family



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Toronto, ON – On behalf of Royal LePage Real Estate Services Ltd., Ipsos-Reid conducted a national poll reflecting the cottage owner and buyer attitudes, as part the Royal LePage Recreational Property Report 2002. The poll findings illustrate that the family recreational property can be a source of family bliss and conflict. The national survey of 4,002 Canadians shows that the majority of current recreational property owners (97%) share their vacation home with other family members, and for over one-in-10 (11%) this has caused a rift in their family.

Furthermore, the vast majority of current cottage owners (81%) say that they plan to pass their vacation home to other family members despite that almost one-quarter (22%) believe that this is likely (10% very) to cause strife in their family.



Ipsos-Reid conducted a national survey for Royal LePage Real Estate Services Ltd. as part of its Recreational Property Report 2002. The survey was conducted between March 15-28 among a proportionately representative random sample of 4002 Canadians, 18 years or age or older. With a sample of this size, the results are considered accurate to within ± 1.6 percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. A total of 576 Canadian respondents qualified for the study, yielding a margin of error of $\pm 4.2\%$, 95% of the time. Confidence limits for regional results vary depending on the sample size.

Cottages Staying In The Family

Of the nine per cent of Canadians who say that they currently own a recreational property, the majority (68%) say that their cottage has been in their family for 10 or more years, while 13 per cent say between five and nine years, 12 per cent say between two and four years and seven per cent say less than two years.

Few existing cottage owners say that they plan to sell their property in the next three years. Only five per cent of respondents (down from 8% last year) said that they are very likely to sell and eight per cent said they are somewhat likely to sell (same as last year). Fifteen per cent of cottage owners report that they are somewhat unlikely to sell (up from 11% last year) and 71 per cent are very unlikely to sell (same as last year).

Instead, the majority of current cottage owners (81%) report that they plan to bequeath their cottage to a family member. This is of little surprise given that current cottage owners already share their cottages with extended family. Ninety-seven per cent of cottage owners report that at least one member of their extended family also uses their cottage. This is



comprised of 33 per cent who say that more than 10 family members use their cottage, 31 per cent who say that six to 10 members share it and 33 per cent say one to five members.

The poll findings illustrate that inventory in the recreational property market in Canada will remain tight in the foreseeable future. Currently, 13 per cent of cottage owners are likely to sell their property while six per cent of Canadians say that they are planning to purchase a cottage or recreational property.

- Cottage ownership is highest in Saskatchewan/Manitoba (11%) and Ontario (10%), followed closely by Quebec (8%), Atlantic (8%), British Columbia (6%) and Alberta (6%).
- In addition, older (55 years/older = 12%) and middle-aged (35-54 years = 10%) Canadians are more likely than their younger counterparts (18-34 years = 4%) to currently own a cottage/recreational property.
- Higher income households are more likely to own recreational property (\$60,000+ = 13%) compared with middle (\$30,000-\$59,000 = 8%) and lower (less \$30,000 = 4%) income households.
- The likelihood of purchasing a cottage/recreational property in the next three years is highest in Alberta (9%), followed closely by Saskatchewan/Manitoba, Ontario and Atlantic Canada (each at 6%), and Quebec and British Columbia (each at 5%).
- Younger (18-34 years = 7%) and middle-aged (35-54 years = 7%) Canadians are somewhat more likely than older Canadians (55 years/older = 3%) to say that they are planning to purchase a cottage in the next three years. More men (8%) plan on buying a cottage compared to women (4%). Eight per cent of higher income households (\$60,000+) say that they are planning to purchase, compared with six per cent of households earning \$30,000-\$59,000 and five per cent of households earning less than \$30,000.



But Family Cottages Can Cause Problems

While the majority (97%) of cottage owners share their cottage with other family, more than one-in-10 (11%) report that shared use has caused a rift in their family in the past. Even more owners (22%) believe that when they do pass their cottage down to other family members it likely to cause strife in the family (10% very likely).

This issue weighs even more heavily on the minds of the six per cent of Canadians who say they plan on purchasing a cottage in the next three years. One-third (34%) of prospective purchasers say that bequeathing the family cottage will likely (16% very likely) cause a rift in their family.

Support For New Cottage Development Increasing

As previously noted, the survey findings suggest that inventory in the cottage/recreational property market in Canada is expected to remain tight in the foreseeable future.

Given this, while further development in already developed areas is not well-received by most current cottage owners, almost four-in-10 (38%) current cottage owners say that they would favour (12% strongly favour) new development in the area in which their cottage is located. This is up slightly from last year when 36 per cent favoured development (13% strongly favour, 23% somewhat favour).

Opinion is more divided among those who are looking to purchase in the next three years. Half (50%) of these Canadians say that they strongly (18% same as last year) or somewhat



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(32% up from 29% last year) support new development in the areas they are searching even though ample cottage development already exists.

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