



Now is the Time to Buy a Cottage!

By Brian Madigan

I know that no one wants to buy a cottage right now, that's why this is the best time, certainly if you are looking for bargains.

Most cottage sales take place in April, May and June so that the new owner will have the summer to enjoy the cottage. However, the best deals are in the Fall. Many excellent properties are placed on the market during the late Spring and early Summer at prices that are just too high. The market cools, and the prices are gradually reduced, but oftentimes not quite enough to keep up with the decline in sales. So, they remain unsold. And this creates a great market opportunity for those who are willing to take a drive in the country.

Right now, the owners are facing the need to winterize the cottage. They will also have to check on the roof for excess snow during the winter and pay the taxes and maintenance throughout the winter months. Then, in the Spring they'll have to go there early, open up the place and ready the property for the late Spring market. This time, they don't want to miss the market.

So, if you were in their place, you'd be ready to make a deal, and they are too. The problem at the moment is the lack of purchasers for vacation properties. If you're in the market and aware of opportunities, you'll see price reductions. If you do, and you're ready to act you could save thousands. The difficulty is that you'll have to drive around to view the properties. This is inconvenient and time consuming. However, this is also the precise reason why there will be no bidding war and you'll have an opportunity to negotiate with the owner. In fact, the higher the value, the more room there is to negotiate.

For the Fall of 2006, you need to be armed with a few facts:

- Interest rates are declining slightly
- CMHC with insure cottage and recreational property mortgages
- The price of choice vacation property is escalating at a rate higher than single-family homes
- The demographics suggest that is the decade to buy
- Immigration will further increase the demand

So, why wait until Spring? The prices will be higher and there will be more buyers. They are not making any more waterfront, so unless you're waiting for the polar icecap to melt, you should consider buying vacation property now.

Buyers are always trying to out-guess the market. In terms of timing the market, that will always be difficult, you can only take into account long-term trends. Here's what I would suggest:

- Buy within the next decade, that is before 2016
- Buy before 2010, if you can
- Buy within the next year, if that is possible
- And, for the very best time, *right now* in the Fall of 2006

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