

Zero per cent mortgage rate a “wake-up” call

British Columbia residential and resort developers have been offering incentives and reducing prices to move product, but one Okanagan developer has raised the ante by offering 0 per cent mortgages.

“Wake up, investors. There hasn’t been a better time to buy resort property in years,” said **Sam Boguslavsky**, president of **Sable Developments**.

Sable is offering 0 per cent financing on newly purchased resort properties at Legacy on Mara Lake in the Okanagan.

“The dramatic decline in the prime lending rate means a difference of literally tens of thousands of dollars in the cost of a vacation home. In some cases, hundreds of thousands of dollars. That difference is putting the vacation home within reach for families who couldn’t afford it even a year ago.”

Boguslavsky adds, “We can’t make an offer like this indefinitely, but the fact that we can make the offer at all shows the buyer that the economic climate is changing and the time to consider this type of investment is now.”

Mara Lake is a three-acre luxury community on 400 feet of lakefront in the Shuswap area, anchored by a seven-storey concrete condominium project. Construction is 80 per cent complete, with the first possessions scheduled for May 2009. Condominium prices start in the \$360,000 range.

The Sable zero interest offer reflects the slowdown in the once-booming Okanagan real estate market. According to latest figures from the **B.C. Real Estate Association**, the dollar volume for residential sales in the central Okanagan was down 67 per cent in January, compared to a year earlier, with the number of sales down 62.1 per cent in the same period.

The association reports that the average selling price in the region as of the end of January was \$334,000, down 13.6 per cent from January 2008.

Meanwhile, at least one resort developer in the Kelowna area is suing pre-sale buyers who have refused to close on condominiums they purchased before the project completed.



Luxury Okanagan resort tries no-interest loans.

Photo: Sable Developments

Ritz-Carlton project shelved

The global economic crisis is being blamed for the cancellation of another downtown development with the news that the **Ritz-Carlton** luxury hotel-condo project has been mothballed.

The \$500 million 60-storey development was cancelled after the vendor was unable to sell at least 75 strata lots in the development by the end of February, according to

lawyers representing developer **Holborn Group**. About 62 of the 123 condos had been sold. Prices ranged from \$1.4 million to \$28 million. According to published reports, buyers will get their deposits back. A 127-room Ritz-Carlton hotel was to have occupied the first 20 floors, with condos occupying the top 40 floors. The development had run into problems last October, when work first halted.

Court documents reveal that the developers were being sued after they allegedly encroached on a neighbouring property during excavation work for the underground parking.◆