

RECREATION FEATURE Expansion reflects choice of most buyers to make resort a permanent home

Retail village being built at Sun Rivers

FRANK O'BRIEN

WESTERN INVESTOR

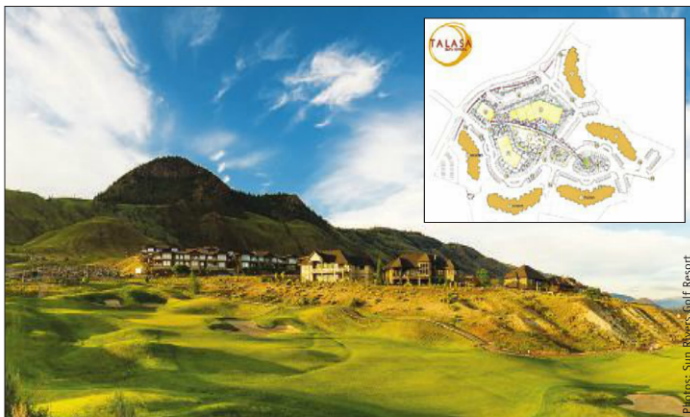
Leslie Brochu, vice-president of marketing at Sun Rivers Golf Course, said, "This is not recreational property," despite the impression for any visitor who tours the award-winning golf community in the hills above Kamloops.

The stunning Graham Cooke-designed 18-hole golf course, the restaurant and pub, the villa-type homes and the sweeping views all indicate a prime vacation destination but, as Brochu pointed out, for 80 per cent of the owners Sun River is their permanent home.

Canada's first geothermal community – meaning all residents benefit from low-cost heating and cooling through a central ground-based thermal system – Sun Rivers is also unique in that it is built on First Nations land, with all property under 100-year leases. The resultant affordability has apparently convinced many to live year-round in the resort community.

Another indication of the permanent residences is that Sun River is now building a 12-acre commercial village that will include office space and retail outlets. A green grocer, coffee shop, bakery, hotel and spa and community swimming pool are all part of the package.

Most of the commercial space has already been leased and the first phase of the Talasa condominium development that will anchor the village is nearly sold out, with the last units priced from around \$140,000. When *Western Investor* visited in June, only eight



Sun Rivers Golf Course at Kamloops is completing a "retail village" (INSET) indicative of the fact most owners live permanently in the resort community.

of the Talasa condos were still available.

Recreational upturn

Sun Rivers' relatively strong sales of both condos and building lots is indicative of a general improvement in the recreational market according to an annual report from **Re/Max Real Estate**.

The report also found that, as at Sun Rivers, "it's getting tougher to classify what constitutes recreational versus residential product" because of the number of baby boomers who are opting to retire in what would normally be considered a vacation property. Prices have made the decision easier, the survey found.

"The value in recreational-housing markets is virtually unprecedented," said **Elton Ash**, regional executive vice-president for Re/Max of Western Canada.

"It has been a soft five years for recreation-

al property markets," Ash added.

That is a bit of an understatement, according to a recent market survey by *Western Investor*. Our search for the best deals in B.C. vacation property in May found some oceanfront prices down 50 per cent, river and lakefront values off 40 per cent and prices at ski condos slashed from the peak five years ago.

In its annual *Recreation Report 2013*, Re/Max recognized similar price reductions but found that prices had bottomed out and were showing signs of increasing in 77 per cent of the recreational markets studied – with the biggest recovery being seen in B.C. "the first to feel the effects of the downturn."

The report also found that recreational product is gaining ground once again among foreign and out-of-province purchasers in markets nationwide.

With the allure of rock-bottom prices in the

U.S. dissipating, there has been a noticeable uptick in sales of cottages, ski/resort properties and second homes in centres such as Salt Spring Island, Whistler and the Okanagan.

According to the Re/Max survey, there are still deals to be had in British Columbia recreational market compared with pre-crash prices of 2009.

In the south Okanagan, the typical two-bedroom lakefront cottage now sells for an average of \$649,000, down from \$800,000 five years ago. At Harrison Lake, a waterfront cottage sells today, on average, for \$289,000, down from \$400,000. On the largest Gulf Island of Saltspring, waterfront homes are now starting at less than \$600,000, a 30 per cent decline from 2009.

However, Re/Max found prices at Cultus Lake have more than doubled in the past five years, to an average of from \$800,000 to \$1.2 million for a two-bedroom lakefront cottage.

Why sales are up

The Re/Max report said there are five reasons for the upturn in recreational sales this summer:

- stronger consumer confidence;
 - a huge selection of recreational properties on the market;
 - lower prices;
 - paper wealth made in the stock market filtering into the vacation market; and
 - an increase in out-of-province buyers.
- "The next four to five months tend to be busiest for recreational properties and, if the current pattern holds, most markets should post growth by year-end," the report concluded. ♦