

# FEATURE Direct flights to Alberta among signals recreational real estate sales lifting off

# Uplift in the Okanagan

WI STAFF  
WESTERN INVESTOR

**K**elowna, the biggest city in the Okanagan, has seen a 14.5 per cent increase in residential sales in the first quarter of this year, and, across the central Okanagan, sales were up 26.8 per cent in March from a year earlier, reports the **BC Real Estate Association (BCREA)**.

A sudden spurt in sales of Kelowna luxury waterfront homes – eight in February alone – and large acreages suggest that recreational demand and prices will be ramping higher this year, according to a study by **Re/Max**.

Kelowna now has direct flights to Alberta, including Fort McMurray, reflective of the rising number of Alberta buyers, responsible for about one of every five home sales so far this year.

“[Albertans] are increasingly choosing Kelowna over cities like Phoenix or Palm Springs,” said the Re/Max report, which notes that the lower Canadian dollar is helping to keep vacation property buyers north of the border.

Kelowna prices are rising, however, after being in the doldrums for years. In the past year, the average house prices increased 13.9 per cent to \$380,000 in Kelowna and rose 5.2 per cent across the central Okanagan to \$365,500.

During March, overall sales in the central Okanagan were up 22.9 per cent to 403 units from 328 in 2013. Total residential sales for the month improved 20.8 per cent to 360 units compared with last year at the same time. The sale of detached houses was up



Photo: Skaha Hills

**Show home at 550-acre Skaha Hills near Penticton where sales have been rocking since the lease-land development opened April 5. Thirty homes sold in the first 10 days at an average of around \$500,000 each.**

26 per cent over March 2013 and the days it took to sell dropped to 70 in March compared to 99 last year.

**Darcy Griffiths**, president of the **Okanagan Mainline Real Estate Board**, is confident in the market’s direction. “While other B.C. markets have been on a downward trend for the past four months, all three [Okanagan] zones have seen modest to strong improvement in sales,” Griffiths said.

A test of Kelowna’s real estate depth is the twin-tower Monaco project that is expected to complete in 2017. A four-star hotel and 161 condos are included in the 22-storey and 30-storey towers, tallest in the city. Buyer pre-registration has been “positive,” said **Tyler Dueck** of **Premier Pacific Properties**, the developer. The Monaco condos start at around \$500 per square foot, Dueck said.

It is not only vacationing Albertans fueling the Kelowna market. **UBC Okanagan** recently completed a \$450 million devel-

opment program that provides teaching and research space and residences for 8,300 students.

The school also supports a thriving aerospace sector, led by **Kelowna Flightcraft Ltd.** at **Kelowna International Airport** – the main passenger hub in B.C.’s southern Interior.

## South Okanagan

Yet while Kelowna is showing strength, it is the south Okanagan that is setting the fastest pace in B.C. with a 59 per cent spike in home sales this year.

This was in evidence April 5 when the new Skaha Hills development, which includes a winery and a \$250 million mixed residential and commercial development, opened near Penticton.

Within the first 10 days, 30 homes had sold, surprising even veteran agent **Curt Jansen**, head of sales at Skaha Hills. “There was a lot of pent up demand for something



Photo: Okanagan Monaco

**Construction will start later this summer on the twin-tower Monaco condominium project in downtown Kelowna.**

like this,” Jansen said, adding that all of the first buyers were from the Penticton area.

“We haven’t even started marketing in Alberta or the Lower Mainland,” he said.

Skaha Hills is a **Greyback Developments** project in partnership with the **Penticton Indian Band**. The 550-acre site has been assigned a Crown lease for up to 150 years, the first of its kind. This means that home buyers can arrange conventional financing, Jensen explained.

The homes are not inexpensive. Prices range from \$430,000 to \$570,000 for ranchers. The average resale detached house price in the south Okanagan is \$286,056, according to the BCREA.

Skaha Hills will develop in seven phases and includes a \$5.2 million vineyard and winery to be opened in 2015.

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