

FEATURE Prices slashed on some ski condos as "motivated vendors" signal the resort boom is waning

Big snow, big deals

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Recreational-property values on or near **Mount Washington Alpine Resort** in Vancouver Island's Comox Valley have remained fairly static compared with recent years, although there has been an uptick in motivated sellers willing to cut prices, according to local realtors.

"There are some bargains on the mountain right now," said **Rick Gibson** of **Royal LePage** in Courtenay. "But if you take motivated sellers out of the mix, prices are exactly the same as they were last year."

He estimated that by late October/early November there were about "a half-dozen" sellers who could be categorized as motivated.

Yet current unit inventory was about the same as at the start of seasons in the recent past, he added.

The recreation property market is "a little different" from the residential owner-occupier realty market, according to Gibson.

Prices reduced

Prices are usually firmer for recreational property, he said. Owner-occupier sellers more often than not will have a more negotiable mind-set and generally are willing to move on a price if and when an offer is placed on the table.

"If recreation property owners can't get the price, they are more likely to just keep the property and use it," Gibson said.

However, there also investors who, for any number of reasons related to the worldwide financial environment, want or need to unload their vacation properties.

Just prior to this ski season, Gibson had about 75 units in inventory including five or six in the "motivated to sell" category. One of his offerings was a four-bedroom, three-bathroom townhome on two levels with a ski-in, ski-out



Ski-in, ski-out condos: Some "motivated vendors" reduce asking prices by \$100,000. Big snow: Mt. Washington traditionally has among the deepest snow loads in all of Western Canada.

location in the mountain village. The unit went on the market this summer at \$325,000. By late October, the asking price was \$214,900, with the owner willing to consider any offer beyond \$210,000.

"If this does not make it sell, the owner will take it off the market and keep it," Gibson said. He also had a one-bedroom, ground-floor, 600-square-foot unit "discounted" to \$149,900.

At the high end of the Mount Washington market were half a dozen chalets for sale, including one at \$525,000 and another at \$829,900. The more expensive was a giant custom-built log home with four separate kitchens and 11 bedrooms.

A handful of newly developed lots were also for sale in the mountain's Beaufort Heights development, with reduced prices ranging from \$109,900 to \$129,900, some marked down substantially from a year ago.

Comox Valley

Subhadra Ghose, president of the **Vancouver Island Real Estate Board**, said the Comox Valley had shown the same general year-to-year trend as much of the rest of the mid-island area in its sales statistics.



Photo: Mt. Washington Alpine Resort

"Our job remains educating the public that properties that are priced right are continuing to sell," she said.

Average sale prices in the valley, including Comox and Courtenay, rose by 11 per cent annually to \$368,283. Average price for the entire eastern side of the island from the Cowichan Valley near Duncan, north to Campbell River, rose to \$345,722 – a two per cent increase compared to a year earlier.

Vancouver Island will not escape a general downturn in residential sales next year, according to **Canada Mortgage and Housing Corp.**, which is now forecasting at least a 30 per cent decline in sales provincewide, with little or no increase in average prices.

Comox airport

Marty Douglas, VIREB director for the Comox Valley, said heightened traffic at the Comox Valley Airport continues to affect sales. In the first three quarters of 2008, passenger usage at the airport was up 12 per cent compared with a year earlier.

"After only four years of operation, the airport surpassed one million passengers earlier this year," said Douglas, "the vast majority of

which utilize direct **WestJet** flights to Calgary and Edmonton."

Air Canada no longer offers flights in or out of the Comox airport.

Douglas added that previous buyer profiles for properties in the Comox Valley showed that for every two local buyers there would be one buyer from Alberta.

"Our current sales indicate that ratio is now four locals for every buyer from Alberta," he said. "Despite shrinkage, Alberta buyers are still far more important to the Comox Valley than those from the Lower Mainland or the rest of B.C."

Cash flow

Gibson said that many recreational property purchasers make a "lifestyle choice" when they decide to enter that market.

In other words, it is often hard to make a ski condo cash flow profitably on an annual basis.

"People that look at the mountain from an investment point of view, to rent out on a monthly basis, the numbers many times do not work," Gibson said. "That probably will be true in any recreation market."♦