

**COVER** Prized in the city, waterfront is a bargain along the B.C. coast with some prices at 2004 levels

# Changing tide

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**"Y**ou can't go wrong buying waterfront," has been a real estate mantra in B.C. for decades, but this year is seeing a split in the market: unprecedented demand in Metro Vancouver, but continued signs of a prices falling in the hinterland.

"There is a big gap between vendor expectations [of prices] and the market reality," said **Mark Lester of Colliers International's** Unique Properties group, which often markets high-end waterfront property.

Today's B.C. coastal market, he said, is characterized by a huge number of listings and flat sales. "The Gulf [Islands] is not moving at all," Lester said, adding that the sales downturn is seen in both raw waterfront land and in potential income-generating property, such as fishing lodges.

It is a far cry from four or five years ago when there was a frenzy for any type of waterfront real estate along the B.C. coastline, a trend that led to some poorly thought out commercial projects, he said.

Lester said the withdrawal of Alberta and U.S. buyers following the 2009 recession has meant waterfront vendors must now depend on a smaller – and less wealthy – pool of domestic buyers, and he said prices have fallen to what could be record lows.

He points to one property, not a Colliers listing, on DeCourcey Island near Nanaimo where one acre of serviced waterfront is up for sale for \$199,900.

"Look at this long term," Lester said, "and it could be a great investment."

Other Vancouver Island realtors agree, noting that waterfront prices on Quadra Island and even Vancouver Island are now in the bargain-basement bin.



Photo: Coast Realty Group

**(RIGHT)** False Creek continues to attract developers despite high land prices. **(TOP)** Classic oceanfront cottage near Ladysmith on Vancouver Island listed for \$399,900 – 40 per cent down from the peak.



Photo: Green

**Lorne Gait of Coast Realty Group** in Ladysmith is offering a classic old oceanfront cottage on a 7,600-square-foot waterfront freehold lot for \$399,900, 40 per cent below what the property may have sold for back in boom times. He said there are other waterfront parcels on the east side of Vancouver Island now selling for \$550,000 to \$750,000, which would have started at \$850,000 in 2006.

## Quadra Island

Waterfront prices on Quadra Island are now close to 2004 prices, agreed **Nancy Allweather of Discovery Islands Real Estate** on Quadra. "It's all based on supply and demand," she said, "and now there is more supply than demand." Discovery has "ideal waterfront cottages" listed from under \$600,000, including a one-quarter-acre lot with a 2,000-square-foot house at \$459,000.

At the Bold Bay waterfront development on Quadra, prices start at \$454,000 for five acres of road-access oceanfront, complete with a new 770-square-foot timber-frame beachfront cottage. Meanwhile, the 620-acre Cape on Bowen Island development started marketing last month, offering 29 10-acre waterfront lots at \$2 million each, "dramatically below" what



Photo: Parklane Homes

**Vancouver mayor Gregor Robertson opens the River District project.**

## How waterfront prices have changed\*

Market	2008	2011
<b>BRITISH COLUMBIA:</b>		
North Okanagan	\$1,500,000	\$995,000
South Okanagan	\$1,000,000	\$800,000
Tofino	\$869,000	\$825,000
Ucluelet	\$649,000	\$529,000
Salt Spring Island	\$1,300,000	\$669,000
<b>ALBERTA:</b>		
Sylvan Lake	\$1,250,000	\$800,000
<b>SASKATCHEWAN:</b>		
Qu'Appelle Lakes	\$300,000	\$500,000
<b>MANITOBA:</b>		
Lake Winnipeg	\$250,000	\$280,000

\*Starting price for a three-bedroom, winterized recreational cottage on a standard-sized waterfront lot.  
Source: Re/Max Recreational Property Report 2011

they would have been priced at a few years ago, according to a spokesperson for the developer, **Leeda Development Group**.

A **Royal LePage** survey of B.C. waterfront cottage sales shows that prices have fallen on other waterfront parcels close to Vancouver.

On the southern Sunshine Coast, a 35-minute ferry ride from West Vancouver, waterfront prices are off at least 20 per cent to 30 per cent

from the peak, local realtors say. Recently, the price of a 1.5-acre land-access waterfront parcel with a dock and a small cabin near Sechelt was cut by nearly \$30,000 to \$299,500. Some waterfront lots in popular Pender Harbour are also priced under \$300,000.

**Pacific Spirit Properties'** 104-unit Watermark condominium project on the Sechelt waterfront reduced prices 5 per cent