

# Recreational buyers find sales are up, prices are down

**RECREATION** | Tofino-Ucluelet corridor and Okanagan see a fresh wave of confidence, but most recent round of development concentrates less on high-end investors and more on bottom-line value for families

By WI STAFF

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Two British Columbia recreational markets that saw spectacular crashes in the 2008 financial crisis are now dusting themselves off with new investors and new opportunities – but with lower price expectations.

On the west coast of Vancouver Island, property prices remain down about 20 per cent from the peak price of eight years ago, but a **Re/Max** survey found that buyers are returning, led by those from B.C., Alberta and Asia.

Tofino is a trendy surfer-friendly town that draws many tourists, while neighbouring Ucluelet is a more traditional coastal fishing community.

There is a wide gap in prices. A typical oceanfront property in Ucluelet starts at \$220,000, while a Tofino starting price is about \$769,000, **Re/Max** said.

A decade ago, however, Ucluelet was the planned site for one of the largest resort developments in B.C. The \$650 million **Wyn-dansea**, with its planned **Jack Nicklaus**-designed golf course, hotel and million-dollar homes, faltered and fell into receivership in 2009. The 360 acres were listed this spring for less than \$8 million. (A sale is apparently imminent.)

Today, for smaller, more rugged investors, a recent zoning change



Lakestone is a 550-acre Kelowna-area subdivision master-planned for 1,350 homes. | MACDONALD DEVELOPMENT

has opened up a large oceanfront development site near Ucluelet.

This March, parcels were rezoned country/residential by the **Alberni-Clayoquot Regional District**. The property was split into 26 five-acre lots, including 10 on the 170-acre oceanfront side, said co-owner **David Martin**.

“We’re looking forward to moving ahead with those phases,” said Martin.

About a 20-minute drive from Ucluelet, the property can be occupied year-round and the zoning allows for all kinds of usage.

“It’s intended to provide people with a larger piece of land where they can fulfil any of their dreams,” Martin said.

There’s no hydro electricity, so browsers should be ready to go for

off-grid solutions. Water comes from drilled wells, and septic sewer systems are required.

The land rises at a slant from the ocean, and the acreage lots are 300 feet above sea level, affording views of the Broken Group Islands and Barkley Sound.

Martin recently dropped his prices 30 per cent to kick-start some action, with prices now ranging from \$125,000 to \$300,000 for a five-acre view lot.

## Lakestone redux

Back in 2006, Vancouver-based **20/20 Group Inc.** launched **Lakestone** near Kelowna in the central Okanagan, where \$1.8 million villas would ascend

above vineyards, a marina and golf course.

When the financial crisis hit in 2008, more than \$50 million had been spent on the project. Twenty lots were serviced, 10 had sold, and 20/20 was on the hook to **Royal Bank**.

That’s where **Macdonald Development Corp.** (MDC) of Vancouver stepped in. “I suggested they just pay off their debt and hang on to the property,” said **Rob Macdonald**, president of MDC. “[20/20] just wanted to sell the property, so I ended up buying it for \$16 million, which was the bank debt.”

The deal closed in 2011, and MDC set about reconfiguring the project, eliminating the golf course and vineyards, downsizing the marina and rearranging home sites across the 550-acre property.

Plans continue to include 1,365 homes, but, as planning documents note, “the allocation of densities on the site has changed to reflect current market and phasing considerations.”

Construction and sales resumed last year, with news voters had re-elected the **BC Liberals**.

“Right after the election, we moved forward with the development full-tilt,” Macdonald said.

There are 116 lots under development. Lot prices now range from \$195,000 to \$729,000. ■

– With files from *Westerly News*; Peter Mitham, *BV*



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