

Vacationers from Alberta and Saskatchewan eyeing B.C. recreational real estate

With weak dollar and rising prices in southwest U.S., Prairie buyers are shifting their gaze back home

BY KIM PEMBERTON, VANCOUVER SUN JUNE 25, 2014



This oceanfront house listed at \$7.9 million is the most expensive recreational property on the market in Tofino. Recreational property buyers from western Canada are shifting their attention back to B.C. real estate and away from U.S. properties, according to a new report.

The low dollar is helping lure Canadian recreational property buyers back home and away from the U.S. sun belt, Re/Max's annual recreational property report suggests.

Buyers from Alberta and Saskatchewan who used to purchase recreational property in hot spots like Arizona and Florida are now buying in B.C.'s Interior, where recreational housing sales are rising, according to Elton Ash, regional executive vice-president for Re/Max of Western Canada. The increase in some areas is striking — in the North Okanagan, for example, unit sales surged 51 per cent compared to last year, to 223 this May compared to 148 units a year earlier.

“There’s a diminishing Canadian dollar and an improving U.S. real estate market,” Ash said. “In the past we saw a large increase of Prairie buyers going to the U.S. sun belt and that hurt the B.C. recreation market in a big way. With the 25- to 30-per-cent increase in U.S. real estate prices, Canadians are now spending their money closer to home.”

Even the Comox and Courtenay regions on Vancouver Island — where prices are lower than other popular B.C. vacation spots, with a median price of \$347,000 in May — are getting Prairie buyers through the WestJet connection, Ash added.

The shift back to Canada is one of the key findings of the report released Wednesday, which also

showed that recreational properties are no longer just seen as weekend getaways or summer vacation retreats.

A new trend is buyers making their recreational property their permanent residence and opting to work from there. Others who still have a primary residence in more populated cities are working all summer from their recreational property.

“If you live in Langley and commute downtown, you can buy a second property at Harrison Lake or the Okanagan for that matter, with technology, and continue to work from there,” Ash said.

Recreational property buyers are typically those using equity from gains in their primary homes, and retirees or those preparing for retirement, Ash said.

“The trend nationally and certainly in Vancouver and B.C. is the strong real estate market that is really creating some equity gains. There are two types of consumers actively buying second homes — younger families who have equity (from their first home) and are looking to buy a second home, and retirees and near retirees.”

Whistler retiree Doug Wylie, 69, recently purchased a condo in the 20-unit Solana project, which breaks ground next week. Wylie is no newcomer to the recreational community — he got a job 33 years ago as a civil engineer and has been there ever since.

He and his wife also have a second home, a small apartment in North Vancouver, that they keep to enjoy that area’s hiking and biking recreational activities.

“I originally came to Whistler for the skiing and it only took one summer for me to realize how nice it was year-round,” said Wylie, of his decision to make the community his permanent home.

Ash said recreational properties in Whistler declined by 20 per cent post-Olympics, but are starting to see a recovery. Prices have increased by about seven per cent in the past year.

“That market will continue to build,” he said.

According to the Re/Max study, properties start at \$650,000 to \$800,000 and increase in price the closer they are to the city and the mountains.

In the Shuswap, recreational property starts at about \$427,000 but there are also condos in the low-to mid-\$200,000 range in Sicamous and Sorrento.

North Okanagan prices range from about \$650,000 to almost \$6 million.

“When you are buying recreational property you have to look at your personal lifestyle,” Ash said. “They should be a long-term investment. It’s not something you buy today and flip tomorrow. If you make some money on it in the long-term, that’s great.”

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