

Construction costs put Westin Kelowna development on hold

New 85-suite boutique hotel planned for Seymour Street site

Real Estate Roundup: Peter Mitham

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Kelowna project revamped

Deposits have been returned to buyers in the 220-unit Westin Kelowna hotel.

Saje Enterprises Ltd. of Kelowna launched the project to much fanfare a year ago. It was the first instance of a major hotel brand venturing to fly its flag in the Okanagan and confirmed that the province's premier wine region was a world-class destination.

The confidence in the destination's appeal hasn't diminished, developer Stanley Yasin said last week, but neither have construction costs.

Rising prices outstripped the construction timeline for the \$160 million project, which was set to wrap up in spring 2009. A building permit was never secured for the project, and a development permit that had been extended last fall expired earlier this summer.

"The costs are just outrageous," he said. "Getting stuff built in an economic fashion is very difficult and the buyers are the ones paying that bill."

Still, pre-load remains on the site, and Yasin is optimistic a new plan for the property – which Kelowna requires be developed as a hotel – will be in place by the end of the year.

"We're reworking the site. These things just do not happen overnight," he said last week, noting that he's just completing his Summerland Resort project after seven years.

Yasin added that the absence of a significant planning department in Kelowna isn't making things easier. The department has been reduced to a rump of just two people with the departure or termination of six staff in recent months, including the department's director.