

## The pressure's off rec property

With less demand for vacation homes, prices have been coming down

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The B.C. recreational property market has shifted to more balanced conditions, with fewer buyers creating less upward pressure on prices, according to a Re/Max report.

The report said the one B.C. exception to the trend is Saltspring Island, where the Islands Trust limits the supply of new properties.

"The demand for waterfront recreational properties remains strong, but prices have stabilized," Re/Max regional executive vice-president Elton Ash said in an interview. "That's good news for consumers because there are fewer multiple offers driving prices higher."

As well, Ash said, the availability of bargain real estate properties in the U.S. has clearly reduced the number of buyers looking at Canadian recreational properties.

"We see U.S. owners of Canadian properties putting them up for sale now so they can take their profits and reinvest them in the U.S. sun belt," Ash said.

While the price of a three-bedroom winterized home on ocean frontage on Saltspring Island starts at about \$1.3 million, there are more affordable properties for sale throughout B.C.

The report said the South Okanagan market has moved into "clear buyer territory" for the first time in five years, with rising inventories, falling sales and price corrections underway.

The price of a two-bedroom condo on the water near Penticton now starts at about \$400,000, with some developers paying the GST and providing complete appliance packages.

The report noted the North Okanagan recreational property market has also reached a plateau, but affordability remains an issue with a typical three-bedroom winterized home on a 66-foot Okanagan Lake lot starting at \$1.5 million.

Ash said the Cariboo region near 100 Mile House and Williams Lake has one of the most affordable recreational property markets in Canada, with budget-conscious buyers choosing rustic cabins or smaller non-waterfront homes.

The report said the majority of sales in the region range between \$130,000 and \$300,000.

"There are some great buys in the area because people have to drive longer to get there. It's about eight hours from Vancouver," Ash said. "It's really popular with young families who want to unplug because they work 24/7 and they remember enjoying time at the family cabin when they grew up."

The report said sales of upper-end properties in the Comox Valley/Mount Washington region remain strong this year, with four properties selling for more than \$1 million -- including a \$2.2-million sale in Comox.

Sales of Ucluelet/Tofino recreational properties have slowed from last year's pace and the inventory of properties priced below \$500,000 has increased significantly -- "creating buyer's market conditions for the first time in many years," the report said.

Across the country, the realty firm said it had found a "substantial increase" in the supply of recreational properties listed for sale, as 91 per cent of the areas it surveys were moving from being sellers' markets to something more favourable to buyers.

Affordability is now a primary factor, Re/Max said, as a result of serious upward pressure on recreational values in recent years. Rising energy prices and a faltering economy in the East have also dampened demand.

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