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RECREATION FEATURE Resort developers charge ahead with large marina, golf resorts and ski cabins

Big projects fire up

FRANK O'BRIEN

WESTERN INVESTOR

Despite the current slow market in the resort industry, large developers have kicked off large projects in the Okanagan and the Kootenays, bucking a trend of resorts shutting down or failing to launch.

Capital investment and development in the Thompson-Okanagan region, for instance, slowed last year as a result of market uncertainty and financing constraints. According to the BC Major Projects Inventory, the total value of new project proposals in the fourth quarter of 2009 was \$2.8 billion—down almost 50 per cent when compared with the same time period in 2008. The value of projects starting construction was also down significantly, from \$3 billion in 2008 to \$1.7 billion in 2009. Also, 10 projects were put on hold last year, none of which have restarted.

Some developers apparently believe it is time to get back into a bottoming market.

Tobiano

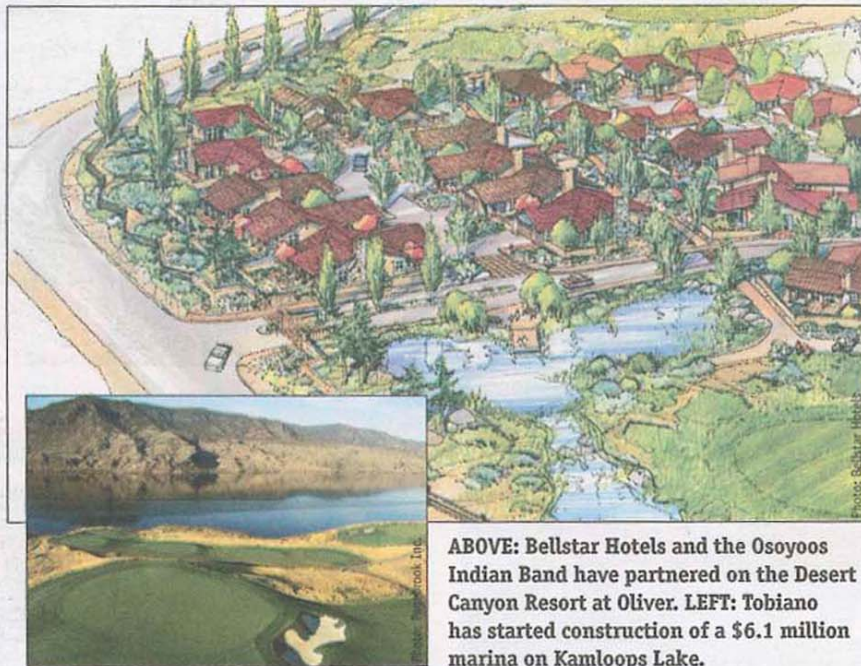
Tobiano, the resort community near Kamloops, will begin construction of the Tobiano Marina on the south shore of Kamloops Lake this fall.

In recognition of the tough market, Tobiano is tying the marina into a land sales promotion, offering buyers of building lots a free boat slip for 2011, free golf membership for a year and a full sales credit on the harmonized sales tax. Lots start at \$189,900.

Michael Grenier, president of Pagebrook Inc. and developer of Tobiano, said the first phase of the marina will include 124 boat slips that can take boats of up to 30 feet.

Vancouver Pile Driving Ltd. will prefabricate the marina components in its works yard and install them at Tobiano throughout this fall and winter.

Set upon 1,000 acres, Tobiano already fea-



ABOVE: Bellstar Hotels and the Osoyoos Indian Band have partnered on the Desert Canyon Resort at Oliver. **LEFT:** Tobiano has started construction of a \$6.1 million marina on Kamloops Lake.

tures three resort residential subdivisions and two townhouse projects overlooking Kamloops Lake. Future amenities include an equestrian centre, vineyard, resort village and hotel accommodations.

Last year, Pagebrook cut lot prices by up to 50 per cent as the resort market faltered.

Canyon Desert

Meanwhile, villa sales have started at the new Canyon Desert Resort at Oliver, where Bellstar Hotels and Resorts, the Osoyoos Indian Band and Watermark Asset Management have teamed up on a master planned resort.

The development borders the existing NK'MIP Canyon Golf Course.

Twenty villas in the first phase are being offered from \$299,000. The two- and three-bedroom golf villas range from 1,050 square feet to 1,550 square feet, according to Bellstar

real estate director Curt Jansen. The land is under a 99-year government lease.

Bellstar's vision for Canyon Desert Resort includes the South Okanagan's first wine cave, a BC Wine Interpretive Centre and a Culinary Arts School. Located on the edge of Lake Tuc-El-Nuit, the Canyon Desert Resort will be built in five stages and eventually include a restaurant, wine bar, spa and Canyon Desert Inn hotel.

Lakestone Resort

Three years ago, the Lakestone Resort on Okanagan Lake by Vancouver-based 2020 Properties was ranked as the biggest residential resort project in B.C.

The luxury \$1.5 billion development was to include 1,350 homes, a golf course, hotel, spa, marina and winery. But after spending heavily on the infrastructure, 2020 quietly put the

project on hold in 2008, including the 18-hole, 6,800-yard golf course that was supposed to open last year.

Now 2020 has sold the property to Bob MacDonald and Derek Tretheway of Macdonald Development Corp. of Vancouver, which purchased the Lakestone site for \$16 million this summer.

"It will still be a big resort, but it will be different," MacDonald said.

A lot different, and a lot less expensive. "I could never understand 2020's prices," MacDonald said, noting that waterfront lots were listed at up to \$2 million. 2020 sold 10 of the 20 lots in the first phase, and MacDonald has sold the other 10 to local home builders "who we have worked with in the past."

He estimated that lot prices will be about half of what 2020 was trying to achieve three years ago. "The market has changed," he said.

MacDonald is preparing a revised master plan that will be presented to regional authorities this fall. The new plan eliminates the hotel, the golf course and the winery, and reduces the number of homes to 1,100, he said. He added the public lakefront access and amenities will be included in the new concept.

MacDonald Corp. has previously been involved in successful Okanagan properties, including the Cove Resort in West Kelowna, the Outback Resort in Vernon and The Lakes in Lake Country.

Red Mountain

The Red Mountain Ski Resort near Rossland, B.C., has turned to modular construction as it develops the next phase of its Calterra subdivision. The modular "cabins in the woods" are being built by Kelowna-based Freeport Industries. By having the homes built indoors, Red Mountain can deliver the units to the hill, ready for finishing, year round, said Howard Katkov, president and CEO of Red Mountain Ventures.

The stylish cabins measure about 700 square feet to 1,000 square feet, but will be priced at less than \$400,000. "They are finished like a ski condo, but they are freestanding, detached cabins," a spokesman explained. ♦