

Year to harvest “low-hanging fruit” in the market

RECREATION | Resorts and realtors project 2015 as a breakout year, but savvy investors are picking through the low-cost listings this season for everything from golf course homes to entire ski mountains

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Redstone Resort near Rossland in British Columbia's Kootenay region saw something this year that has been rare since the financial crash of 2008: buyers snapping up new homes, lots and condominiums at the golf resort.

“The low-hanging fruit is all but gone, scooped up by savvy buyers. Currently there are seven homes under construction or completed in 2014. Additionally three resale lots were recently sold,” said **Cary Fisher**, Redstone marketing manager. “While 10 may not seem like a lot when you're in a market like Vancouver, for Rossland that's a lot.”

Fisher also notes that the buyer profile is “all over the map” both geographically and demographically. Buyers are coming from Alberta, Ontario and across British Columbia and even from the United States, the latter for the first time in five years. The buyers represent retirees, investors looking for a second home purchase and even young families planning on making Redstone their home, he said.

The Redstone experience is not unique.

“Recreational property sales have rebounded in many markets across the country,” noted the **Re/Max Recreational Property Report** released this summer, which is

forecasting an uplift into 2015.

At Redstone, the recovery has meant a return to condominium sales. When the recession hit six years ago, Redstone returned deposits on four condos that had been pre-sold and stopped development.

“Now we are getting enquires for the same type of unit and we plan to release pre-sale packages later this fall for 2015,” Fisher said, noting he believes 2015 will mark a “breakout” year for recreational sales in B.C.

Mount Baldy on market

The recreational upturn will be tested soon as bids are collected for the purchase of the Mount Baldy ski hill in the southern Okanagan.

A consortium of U.S. investors purchased the 46-year-old property in 2004 for approximately \$2 million and drafted a master plan, approved in June 2006, that sought to position it as “B.C.’s newest four-season resort.”

But when the financial crisis hit, **Mount Baldy Ski Corp.** found itself stuck for financing and unable to build out the real estate development. The hill failed to operate last winter.

Consequently, lead creditor **Stark BC Venture LLC** petitioned **BC Supreme Court** in July to appoint **G-Force Real Estate Inc.** to act as marketing agent for the property.



Redstone Resort in the Kootenays has seen an uptick in home sales this year, indicative of a national recovery in the recreational real estate market. | REDSTONE RESORT

G-Force managing director **Gary Powroznik** is now soliciting bids from prospective buyers. The assets include 44 acres for development, as well as the ski lifts and related equipment.

“What we're looking for is a party that can take this amenity and make it sparkle, and then the real estate will follow,” Powroznik said. “Most of the real estate is driven by the success of the amenity, but the amenity itself is not real estate – it's an activity ... so the expertise that you need is the hospitality expertise. “You need that to drive the business.”

Powroznik aims to conclude a deal in time for the start of ski season. Pre-season work, including maintenance and the sale of season passes, will occur during



Mount Baldy ski resort offered under court-ordered sale.

| G-FORCE REAL ESTATE

finalization of terms.

Such deals typically require six to nine months, but Powroznik is undaunted and said the buyer will be motivated to make good on the acquisition.

There's no suggested price, but Powroznik said all reasonable offers are welcome.

“Do we have sufficient interest to do a deal? I think we do,” he said.

G-Force said it has found an entrepreneur/manager qualified to successfully run the operation.

“We are talking to potential investors. The ideal investor will already see, or could see, how a vibrant growing resort at Mount Baldy could leverage both commercial and intangible benefits for the local communities that it serves,” said Powroznik. ■



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