

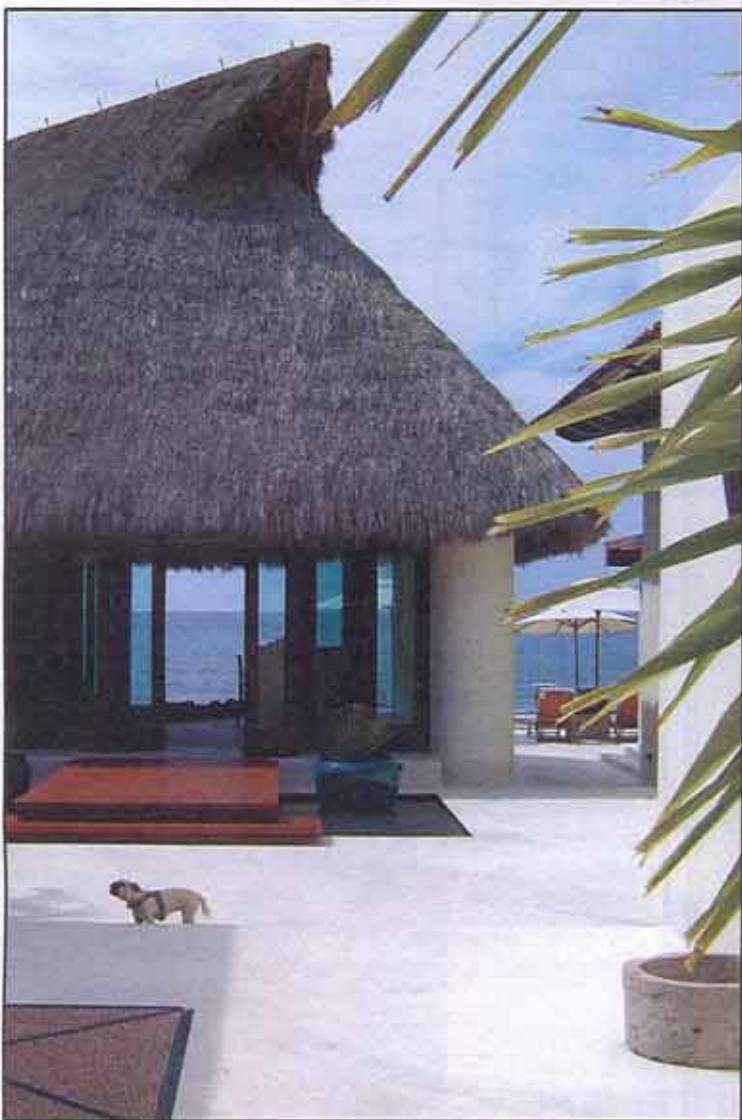
INVESTOR'S GUIDE

RECREATIONAL PROPERTIES

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FEATURE With prices soaring like a Tiger Woods' drive, investors have scored with prime fairway real estate

Acing a golf course home

STEPHEN RAE

WESTERN INVESTOR

Golfing is now the No. 1 recreational activity in the country, according to a recent study by **Statistics Canada**. And because properties around golf courses enjoy wide open manicured green spaces, views and lower densities, they show better appreciation value performances than similar homes in other areas.

The Stats Can document found that by 2006, golfing had replaced spectator sports — including horse racing — as the top revenue producer of all recreational activities in the country. British Columbia, with 228 golf courses and the only province with year-round golf play, has been reaping huge benefits from the trend.

In 2006, Canadian golf courses and country clubs reported \$2.3 billion in operating revenues, an increase of 15 per cent over 2005.

Spectator sports including professional teams increased revenues by just 4.9 per cent, to \$2.2 billion.

One British Columbia golf course and resort complex that has shown remarkable valuation increases of its adjoining properties is Victoria's **Westin Bear Mountain Resort and Golf Club**, featuring a **Jack Nicklaus**-designed course. Sales went long off the tee as soon as lots were placed onto the market in late 2002.



Boomers are driving sales of high-end golf homes, such as **Wyndandsea Oceanfront Golf Resort** near Ucluelet, B.C., designed by **Jack Nicklaus**, where lots can fetch \$1 million.

Land rush

"Let me put it this way," said **Dale Sproule**, Bear Mountain's director of real estate sales. "We never had a property on the market for longer than four hours. In 2005, we sold 183 lots in two and a half hours."

A buyer of a 5,500-square-foot lot at Bear Mountain's Echo Drive development paid \$85,000 in 2002. "That same lot today, the same sized lot, in the relatively same location, sells for \$270,000," said Sproule.

Coming onto the market this spring will be the company's **Players' Drive** family-oriented development, with 35 lots ranging

from \$270,000 to \$310,000. Twenty-six more lots in the phase will be released later in the year.

Bear Mountain also began marketing high-end properties in its **Compass Pointe** project, offering spectacular views of the golf course and panoramic vistas. Just a handful of the half-acre lots remained from the 14 first

building lots can top \$1 million.

Golf Research Group (GRG) in the U.S. recently released a study showing that properties near golf courses designed by big-name players such as **Nicklaus**, **Greg Norman** and **Davis Love III** had a significantly better overall resale value than those designed by lesser-known golf course architects.

Crown of the Valley

The Comox Valley's outstanding growth potential shows no sign of throttling back any time soon. The **Crown Isle Golf Community** remains a centrepiece development, now in the planning stages to produce half-acre estate lots that will go on the market for around \$500,000 each.

Crown Isle has already integrated about 400 homes into an 831-acre property, according to **John Waterman**, managing broker for **Crown Isle Realty**. The golf course covers an additional 500 acres.

When the development first came on line 15 years ago, lots sold for as low as \$40,000. A similar lot today goes for \$200,000.

The company recently released a block of 30 lots, which were all purchased by a pair of local building outfits. Beyond that, Crown Isle has less than a dozen lots available. "They go from \$168,000 off the golf course to a maximum \$309,000 on the golf course," Waterman said.

Alberta buyers

A notable trend at Crown Isle and in other golf locales in B.C. is Vancouver-area boomers selling their high-priced homes to buy on the links. Another winning proposition is the influx of Albertans into the Comox Valley via direct **WestJet** flights. "Some of them buy a place here but still work in Calgary. They fly back to play golf every weekend," Waterman said. ♦



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