

Developer sees potential in Victoria

# Canadian builder bets on affluent baby boomers

Markus Gaertner in Vancouver

Robert Quigg has built riches on his ability to spot the most promising places for new property.

The Vancouver developer, who started as a simple craftsman and built one of the leading real estate companies in British Columbia, has set his sights on the provincial capital Victoria, which boasts the highest park-to-people ratio in North America and offers more sunshine than any other place in the Maple country, at 2,185 hours a year.

While construction companies in Vancouver, British Columbia's urban centre on the Pacific coast of the mainland, saw housing starts crashing down by 22 per cent last month, Victoria's real estate sales went up by 15 per cent compared to last year.

"Victoria, like much of BC, is experiencing a heightened demand for prime property as new residents purchase for retirement, recreation, and investment," said Mr Quigg, who last month announced that he acquired land from the Bear Mountain Resort, 20 minutes north of Victoria, in order to build a luxury condominium complex totalling US\$1.2 billion.

"Canadians are turning their attention dockside," said Phil Soper, president and chief executive at Royal LePage Real Estate Services in Canada.

With one-third of the country's population of 32 million and by controlling roughly 45 per cent of Canada's wealth the boomers – born between 1946 and 1965 – are a major and growing force in the national real estate market. "Baby boomers are investing in the future, from both a lifestyle perspective and an economic standpoint," explained Elton Ash, regional director with Re/Max of Western Canada.

The company issued a market study last month that forecasts luxu-

ry recreational and residential property sales to soar in the next couple of months as affluent baby boomers are increasingly driving demand.

"This demand has put pressure on prices, particularly in Western Canada, with starting prices topping US\$460,000 in 31 per cent of recreational property markets," the study said. The Canada Mortgage and Housing Corp identified Vancouver Island, especially Victoria, as one of the national growth centres in its yearly outlook conference in February.

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"The boomer attitude is to go big or stay home," said Michael Polzler, executive vice-president and regional director with Re/Max Ontario-Atlantic Canada, on the buying habits of the generation that is about to enter retirement on a massive scale.

Statistics in Victoria support that notion. According to the Victoria Real Estate Board, 28 single family homes, each worth more than US\$900,000, were sold in April pushing the average price to a new record high of US\$510,000.

But real estate agent Liz Grambart tries to ease the growing affordability concerns. "Over 21 per cent of single family homes in April sold for under US\$360,000," she said.

Here prognosis for the market is positive, because slowing construction and rising inventories are met with steadily growing demand. "The strong sales and robust prices that we are seeing this year are good signs of continued public confidence in the underlying strength of the real estate market," Ms Grambart writes in a real estate update.

Mr Quigg hopes to build on this confidence by hooking up with his independent development to one of the biggest projects in the region. The Bear Mountain Resort, spearheaded by former National Hockey League legends Len Barrie and Calgary Flames goalie Mike Vernon, is a multibillion-dollar lifestyle resort that straddles two municipalities north of downtown Victoria boasting an 18-hole Jack Nicklaus golf course and an active construction of 2,500 luxury condos with a resort village centre.

Approval for a second golf course has been given.

The 10- to 15-year plan for the resort includes hotels, cabins, and a main street in the village that will provide a focal point with markets, an amphitheatre, coffee shops, pubs and restaurants.

