

Condo market heating up: New buyers looking for high quality and investment potential

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PENTICTON -- Developers and real estate marketers throughout British Columbia are riding on the crest of 58 per cent growth in condominium sales over the past two years in the Penticton and South Okanagan region.

"Sales in Penticton and the South Okanagan real estate market are brisk, especially for buyers and investors in condominiums," says Mark Belling, president of Fifth Avenue Real Estate Marketing of Vancouver.

Fifth Avenue opened pre-sales in September for The Ellis, a new 134-unit condominium development in Penticton.

"The response to our project has been exceptional, with more than 50 per cent of units sold in just six weeks on the market," said Steve Jedreicich, project manager for developer Ellis Homes Inc.

Belling noted this September, the number of condominium units sold in the South Okanagan increased by more than 58 per cent from September 2002. The average condominium sale price in Penticton in September, 2004 was \$159,114.

A new trend is investors buying non-recreation condominiums such as The Ellis for investment as well as residence. Investor interest is being driven by rental availability of less than one per cent in Penticton and affordability with current low interest rates according to Sean Mahoney, sales manager at The Ellis display centre at the former Kettle Valley Railway Station, 256 Hastings Ave.

Despite the increase in real estate prices, rates in Penticton are still affordable compared to the rates in other cities.

A condominium in downtown Vancouver's Coal Harbor sells for an average of \$1,000 per square foot, on Victoria's waterfront for \$600, yet there are rates in downtown Penticton for as low as \$150.

"When you compare value for the dollar, you get very high value and excellent investment potential in Penticton," Mahoney said.

An added challenge for future developments will be to find adequate land for new projects to meet the demand for housing and for investors from outside the Okanagan, Mahoney added. This should have a strongly positive effect on demand and pricing leading to solid investment potential.

While most buyers have been local residents, several have purchased for investment purposes and Mahoney has also had inquiries from Calgary, Winnipeg and Saskatchewan.

"Once people discover the valley, mild climate and outdoor lifestyle, they start making plans to return," said Wayne Tebbutt, Economic Development Officer, City of Penticton. "Developments like the Ellis are exactly what people are looking for."

Mahoney said The Ellis project illustrates the increased demand by condominium buyers in the Okanagan for upscale features such as custom fireplaces, stainless steel upgrades, wood laminate floors and overheight cabinets.

"In the past, this quality of finishing with everything included was limited to single family residential developments," said Mahoney.

"Okanagan **condo** buyers are becoming more selective and demanding higher quality and upscale features found in larger cities such as Vancouver and Calgary," said Mahoney.

An example of some of the upscale features now appearing in new Penticton condominium projects includes gourmet kitchens, hardwood laminate flooring, walk-in closets and ceramic bathroom accents.

More information on Penticton real estate is available from the South Okanagan Real Estate Board at www.mls.ca/boards/southokanagan/. For more information on The Ellis condominium project call 492-5900.

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