

Ten more years of boom?

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The Daily Courier

Kelowna's housing boom has at least a decade more in it, according to the president of the Okanagan Mainline Real Estate Board.

"2007 to 2017 will see 25 per cent of Canada's population turn 60," says Bert Chapman, who is also a realtor with Kelowna-based Premier Canadian Properties.

"Many boomers now vacation in the Okanagan and enjoy the lifestyle," he said. Those people will soon buy here as an investment to have a vacation home or to retire.

With the last few years posting record real estate construction and sales and a doubling in house prices, many have felt Kelowna's bubble was about to burst.

However, Chapman believes the opposite. "The baby boomers who are buying in Kelowna) have enjoyed a full working career uninterrupted by wars and depression," he said.

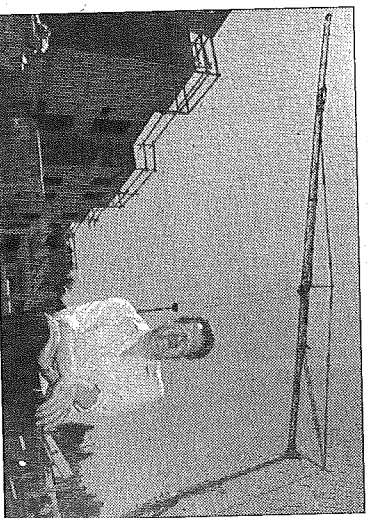
"They had the advantage of cheap real estate, cars, gasoline and computers. To top it off, many have already or will soon receive an inheritance from their parents. This will be a significant transfer of wealth."

What are these moneyed boomers doing with their cash?

Buying homes in Kelowna because the city has a mild climate, great scenery, recreational lifestyle and big-city amenities with a small-town feel.

Chapman's optimism persists even though recently released figures from the Central Okanagan Economic Development Commission show that Kelowna's economic growth slowed to 2.6 per cent in 2006 from 11.1 per cent in 2004.

The brakes are being applied because the labour shortage and the overheated economy created an atmosphere where companies



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Okanagan Mainline Real Estate Board president Bert Chapman feels the real estate boom will last a minimum of 10 more years.

don't look for new work because they are already busy enough and can't hire enough employees.

That has certainly played out in house construction, where a home that used to take six months to build now takes a year.

It's difficult to find a contractor to do renovations because they are so busy with projects that are already going overtime.

"Maybe boom isn't the right word for it anymore, because it has slowed even from a year ago," says Terry Heinrich, the president of the Kelowna branch of the Canadian Home Builders' Association.

"But we are having steady growth and we are a niche area that will remain strong because baby boomers want to come here."

Heinrich — who owns and operates Distinctive Developments, a builder at Black Mountain Golf Community — expects the market to stay strong at least through the 2010 Olympics in Vancouver and a couple of years past that.

He said he doesn't feel confident forecasting beyond that.