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# Real Estate Foundation: Change or Transition?



Photo credit: www.wildmanphotography.com

Since 2001 a number of BC regions have experienced burgeoning demand for property.

In the non-metropolitan areas, proximity to natural amenities—waterfront in particular—has drawn recreation property buyers, second-home owners, and retirees. Often the impacts on regional settlement are extreme.

For example, the Real Estate Foundation has been involved in research related to property demand and attendant impacts in the Columbia Valley area of the Regional District of East Kootenay.

The value of total residential permit activity reached the highest level ever in 2004 and it continued to increase in 2005. Some facts were drawn from analysis of BC Assessment Authority data about property ownership in the region.

1. In 1980 the assessed value of a typical property on Windermere Lake was \$30,800. In 2004 its assessed value was \$720,000, an increase of 2328 percent over the value in 1980.
2. From 2000 to 2005, median home prices increased between 75 percent and 121 percent in the region's communities.
3. Forty percent of properties in the Regional District of East Kootenay are owned by people who do not reside in the area. New properties created since 2000 reflect 62 percent non-resident ownership.

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These trends paint a picture of communities that are changing quickly. But when you ask about the potential benefits and liabilities of such economic activity, a range of social, environmental, economic, and governance factors arise. For example, what is the impact of the following?

- Flows of capital that create jobs, new services, and businesses
- Increased development demands on utility infrastructure and viewscales
- A growing population on lake water quality
- Higher housing costs and an increasing number of (lower paying) service jobs on housing affordability



Photo Credit: Barry Brown-John

Residential construction is booming in Invermere and other Columbia Valley communities.

- Pressing demand for land and amenities on local governments' ability to address longer-term planning concerns

The Columbia Valley is not the only BC locale experiencing such pressures. And it is not the only place with few local government resources to deal comprehensively with the changes that are coming thick and fast.



Based on its discussions with communities around the province, the foundation initiated Communities in Transition (CIT) in late 2004. With 28 partner organizations as of May 2006, CIT is a program whose purpose is to enhance the ability of communities to address the challenges they face when planning for the use and conservation of land.

Challenges may arise from the impacts of destination resort development; rapidly increasing recreational ownership and access to lands; aging of populations; oil and



Photo Credit: Barry Brown-John

People are drawn to the wilderness around Invermere, though some would say it is quickly disappearing.

gas industry activities; and social/economic dislocation caused by lack of investment. The program's intent is to build and share expertise among partners and others to achieve more successful strategies and plans.

Here is a sampling of CIT projects to date.

- Lillooet/Lytton Tourism Diversification Project
- Revelstoke Retail Strategy
- Oliver Agricultural Area Plan/ Agricultural Resort Area
- Community-Based Intergovernmental Planning: Pilot Project with the Sliammon First Nation and Powell River Local Governments
- Impacts of Recreation and Resort Property Market Growth in the Columbia Valley
- Model Wetlands/Grasslands Bylaw Project
- A Strategy for Planning Policy and Growth Management in Prince Rupert and Port Edward

As a funder of a broad range of real estate and land use-related initiatives, the Real Estate Foundation

has a unique opportunity to observe projects involving similar issues and strategies where it could be beneficial for proponents to collaborate or at least talk to one another. CIT brings together organizations that might not normally interact, such as the Land Trust Alliance of BC and the Real Estate Institute of BC, the BC Treaty Commission, and the North Central Municipal Association.

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#### **Aging in Place**

As communities change, so do the housing preferences of their residents. Commonly, as people age, their requirement for space decreases and their need for support increases. Many are "cash poor and asset rich." If they

live in a smaller community, they may want to maintain their independence and local ties without having to climb stairs or do yardwork. Options for dwelling types may be scarce.

These demographic realities create demand for the Real Estate Foundation to fund various non-profit housing projects. Examples are feasibility studies, pre-development work, and the cost of building non-profit rental housing for seniors. Small-scale projects with relatively low land costs are where the foundation's contribution has the most impact.

The Houston Lions group is the most recent recipient of a capital grant. In 2005 the Naramata Seniors' Housing Society and the Nechako View Senior Citizens Home Society (Vanderhoof) received grants to assist with construction.

The foundation also supports research. The Peachland Wellness Centre is conducting a housing needs analysis to determine the amount and type of seniors' housing that is required now and that will be required over the next 20 years; to what extent the private market can satisfy these housing needs; and local people's preferences for rental or purchase options. The resulting report will provide a resource for the Peachland community over time.

Another current study is the BC Non-Profit Housing Association's examination of the potential risks and benefits of financing seniors' housing projects using resident equity, e.g., life leases. The research will consider the policies of government housing agencies and financial lenders in light



*The Agricultural Area Plan/Agricultural Resort Area will address agricultural, economic, and environmental values of landscapes in Oliver.*

Photo credit: Oliver & District Community Economic Development Society



Photo Credit: Wildsight

*The Real Estate Foundation and its partners are studying the impacts of the growing recreation and resort property ownership around Windermere Lake.*

**Created in 1985, the foundation has approved 1181 grants totalling \$37.9 million.**

program and seniors' housing. Like the Notary and Law Foundations, the Real Estate Foundation is enabled by provincial legislation (*Real Estate Services Act*, BC) to receive interest income from specified trust accounts that hold the client's money for a short term. The Act requires the foundation to use its financial resources for purposes that support the public trust.

The Real Estate Foundation receives the interest that accrues on real estate brokerage trust accounts, invests it, and disburses the income for grants that support real estate-related research, public and professional education, law reform, and other projects intended for the public or professional good in relation to real estate activities.

Created in 1985, the foundation has approved 1181 grants totalling \$37.9 million. Due to our current positive financial position, the Board of Governors has already awarded \$1.2 million in 2006 (to March).

The Real Estate Foundation receives Letters of Inquiry on an ongoing basis and would welcome questions or correspondence from readers of *The Scrivener* and their contacts throughout the province. Please review the foundation's funding criteria in the "How to Apply" section of our Website: [www.realestatefoundation.com](http://www.realestatefoundation.com). ▲



Photo Credit: Pauline Gomez

*Nechako View Seniors Home Society has received two grants for affordable housing projects in Vanderhoof.*

of relevant legislation and other key considerations. It will identify best practices and produce a step-by-step guide to help community organizations learn more about ways to create affordable options for seniors.

The foundation awards grants for a variety of projects as well as those related to the Communities in Transition