

Qualitative Research Report on Contributory Value of Boat Slips

Client: Eric Van Maren

To: Eric Van Maren

Dear Sir:

Please find the attached research report discussing the contributory value of boat slips to properties within the Okanagan Valley.

This brief qualitative research report is prepared purely for discussion and general information purposes. The contents are intended only for the use of Eric Van Maren. Information was retrieved from BC Assessment, local real estate licensees, appraisers, and developers of properties with boat slips.

This qualitative report does not include a survey of comparable properties, nor does it contain detailed costing for boat slips or docks. Rather, it relies on local knowledge and experiences pertaining to boat slip values. The consultant is not an appraiser. For in-depth analysis of the local market beyond this qualitative survey, it is recommended that a designated appraiser conduct a full market analysis.

Respectfully submitted,

Jamie McEwan, BA, MA

February 16, 2015

1. Do boat slips make a property more appealing than similar properties without boat slips within the Okanagan context?

“Even if they (purchasers) don’t have a boat, they want a boat slip with their recreational property.”

- South Okanagan Realtor

Knowledgeable sources within the Okanagan market and South Okanagan sub-market responded to this question with 100% agreement that waterfront properties with boat slips are more appealing to a broader customer base than properties without boat slips.

Across the Okanagan, it was stated that absorption rates were almost always higher for properties with boat slips when compared to properties without. Given that many waterfront property investors in the Okanagan market purchase residential properties for recreational purposes, it was felt that the addition of a boat slip was a long-term benefit to them. Developers who are able to include boat slips as part of the purchase of a property are likely to experience faster selling periods than developers who are not able to offer this amenity.

The addition of a boat slip to a property enables residents and investors to easily access one of the greatest natural assets within the Okanagan, the lakes.

2. What is the contributory value of a boat slip for a property in the Okanagan?

Not all respondents to this survey felt comfortable providing a specific contributory value for boat slips to properties within the South Okanagan. That being said, 100% of respondents felt that boat slips added value for properties.

Those who did provide a specific contributory value estimated that a boat slip adds \$35,000 - \$60,000 to the total market value of a property in the Okanagan context. The general consensus was that \$40,000 - \$45,000 was appealing to a broad market, and would be saleable within the South Okanagan context.

One appraiser respondent mentioned that boat slips add value to properties only to those prospective purchasers who own boats, while some purchasers may want the option to own waterfront property without a direct desire to have a boat slip. Consequently, developers may wish to “unbundle” boat slips from properties, selling them as an add-on to properties on a first-come first-serve basis.

3. Is there a shortage of supply, and a demand for boat slips in the Okanagan?

“I could sell 300 boat slips if I had no restrictions on what I could build.”

- Recreational Real Estate Developer

All respondents to this qualitative survey stated that there was pent up demand for boat slips and a shortage of supply in the Okanagan market, and particularly in the South Okanagan.

Private facilities in the Okanagan have long wait lists for boat slip access, and there is high demand for more affordable boat slips. Prospective investors in the South Okanagan are often seeking boat slips with renewable 10-year leases (or longer). There is a notable shortage of supply for boat slips in the South Okanagan.

It was agreed that boat slips are in high demand in the South Okanagan. Developers that can provide boat slips to customers can expect greater interest in their properties.

4. Concluding Comments

This qualitative survey provides a basis for understanding the South Okanagan market for boat slips. It included a survey of appraisers knowledgeable in the field, BC Assessment, 5 real estate corporations, and local developers of waterfront recreational properties.

Respondents felt that due to a shortage of supply and pent up demand for boat slips in the South Okanagan, properties that have boat slips are likely to have shorter selling periods than those without. Boat slips, respondents noted, can be sold in the range of \$35,000 - \$60,000, with a “quick sale” value of approximately \$40,000 - \$45,000.

Respectfully submitted,

Jamie McEwan, BA, MA

McEwan.Planning@gmail.com

250.801.1138

202-10634 Powley Court

Lake Country, BC V4V 2R4