

B.C.'s top 10 growth towns

Surrey, Maple Ridge, Abbotsford lead the way for investors

BY GORDON HAMILTON, VANCOUVER SUN., MARCH 11, 2009

The Surrey Central building and the surrounding area are at the hub of that city's economic future, which shines bright according to the Top B.C. Investment Towns survey.

Despite a recession, declining home prices and slowing real estate sales, there are still towns in British Columbia that have the fundamentals in place for future growth, according to a survey released Wednesday by a real estate investing network.

The survey, called Top B.C. Investment Towns, names **Surrey** as the best place to invest, based on its rapid growth, high renter population and easy access to transportation corridors.

Maple Ridge/Pitt Meadows takes the No. 2 spot. It is expected to be “the place to live for lifestyle” once TransLink and Gateway infrastructure projects are completed.

Abbotsford is in third place for its rapid growth and diversifying regional economy.

The survey is by the Real Estate Investment Network, a trademark-protected organization headed by real estate consultant Don Campbell.

The survey forecasts that the recession will last until mid-2010 and “will provide an excellent buying opportunity for property buyers who focus their research on the economic fundamentals of key regions of the province.”

In an interview, Campbell said he is taking a five-to-nine-year perspective in his look at the best regions in the province to buy real estate. The survey examines all major B.C. towns based on 12 factors — from economic development to demographics — and measures them against provincial averages.

“We try to identify regions that are going to have long-term stability, even during what we are going through right now; and where the short-term problems are,” Campbell said.

For the top three towns, “the big impact is going to be the Gateway Program,” he said.

The survey lists fundamentals considered key in each town in the top-10 list. For the top three, Surrey, Maple Ridge and Abbotsford, it is growth, transportation links and diversity.

The remaining seven are:

4. Kamloops: A vacation destination and transportation hub, Kamloops is attracting new business and industry. A decline in housing starts coupled with a low vacancy rate “will drive up demand for all types of properties in town.”

5. Dawson Creek and Fort St. John: Oil and gas exploration will have “dramatic effects” on the local economy. Dawson Creek’s fundamentals are its proximity to Alberta and natural gas resources. In Fort St. John, oil and gas will drive growth as long as prices remain profitable. However, energy price cycles will put pressure on housing, calling for an understanding of smaller markets and energy demand cycles.

6. Kelowna: Serving a trading area of 450,000 people, Kelowna is attracting business and recreation investment. Despite a slower real estate market, rental revenues are high, providing opportunities for investors.

7. Comox Valley: An armed forces base provides economic stability and an airport providing service to Calgary and Edmonton is attracting buyers who choose the region for its lifestyle. The slow real estate market means cash flow will be difficult to achieve, so choosing the right property counts.

8. Penticton: Tourism and agriculture are expected to continue growing. Strong population growth will drive demand for both rentals and home purchases.

9. Vancouver: The Olympics will increase the city's business profile. The focus for investors should be on cash flow; speculators may wait a long time for prices to go up.

10. Prince George: Its diversity makes it better suited to weather the economic storm in the forest industry. Rail links through Prince Rupert to the Pacific ensure future growth.

Campbell said he is not advising investors try to buy at the bottom of the market; it's too difficult to predict. Further, he said other factors, such as interest rates, need to be taken into account. As prices bottom out and start up, interest rates are also likely to go up, making monthly payments higher.

The validity of such surveys depends heavily on the different expectations people have about what is going to happen to the

economy as a whole, said Tsur Somerville, director of the centre for urban economics and real estate at the University of B.C.'s Sauder School of Business.

He also said that small markets are not as liquid an investment as larger markets and can be more volatile.

“It’s not necessarily going to be the best thing for everybody and that’s a separate question from whether now is the best time to buy.”

“When you are investing in these towns you are investing in their future and in their growth,” he said.

According to its website, the Real Estate Investment Network is an exclusive membership program “dedicated to educating its members about how, where and when to buy Canadian real estate.”

gghamilton@vancouversun.com

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