

COVER Ucluelet and Tofino are transforming from remote coastal villages to star-drawing all-season resorts

The Wild West Coast

JILLIAN DICKENS

WESTERN INVESTOR

Giant Pacific Rim National Park on the West Coast of Vancouver Island is more than a tourist magnet that draws one million awed visitors a year. It has also redefined the future for the neighbouring towns of Ucluelet and Tofino while restricting the boundaries of both towns. The result: with little room to grow and increasing demand, land values are building to tsunami levels. And there is no shortage of investors hoping to catch the wave.

Jason Priestly, 35, a Vancouver-born Hollywood actor best known for his role in the TV show *Beverly Hills 90210*, is among those who have recognized the opportunity. Priestly and his family have virtually taken over the former **Roots Lodge** in Ucluelet, which they had invested in when it was first launched in 1998. Priestly has taken over management of its portion of the resort, which represents 14 out of 25 units. Now known as **Terrace Beach Resorts**, it is a development that emphasizes the rustic nature of Ucluelet and doesn't hide the fact the town was built on fishing and logging. Uneven boardwalks link the five types of accommodation the resort offers. There are no phones in the units. No frills and no gimmicks, unless you count the large soaker tubs overlooking the rainforest with a backdrop of the roaring Pacific surf.

Citing poor management, **Roots Canada** withdrew from a brand licensing agreement with the developer. The project was originally planned to create a mini-resort town, complete with lodges, hotels, shops, a spa, a restaurant, a waterside pub, a cinema and four-kilometres of boardwalk, with a \$60-million bill attached. "We loved the resort, but we were not happy with the way it was being run," explained Roots spokesman **Richard Patterson**, who emphasized that Roots had never been a direct investor

in the project.

The Priestly family plans on keeping things simple. Using the Priestly name as a sales draw, the family recently hosted a "meet Jason" event for locals and investors, complete with champagne and sandwiches.

"We believe firmly in the viability of the market and the value of this development in Ucluelet," said **Lorne Priestly**, Jason's father. "We are here for the long run."

"The whole Ucluelet scene is so beautiful, picturesque and calming," said Jason. He and his family hope to eventually acquire the whole resort and will be spending plenty of time in the area.

Other investments for this town of 1,751 people include a five-star hotel resort with 150 rooms together with a spa and pub, planned to start this month. The site, which is close to popular Big Beach, will also host 18 multifamily residential units. The development company, **Marine Drive Properties**, own the successful **Tauca Lea Resort** just down the road. The condominium-style suites will range from \$259,000 to \$359,000.

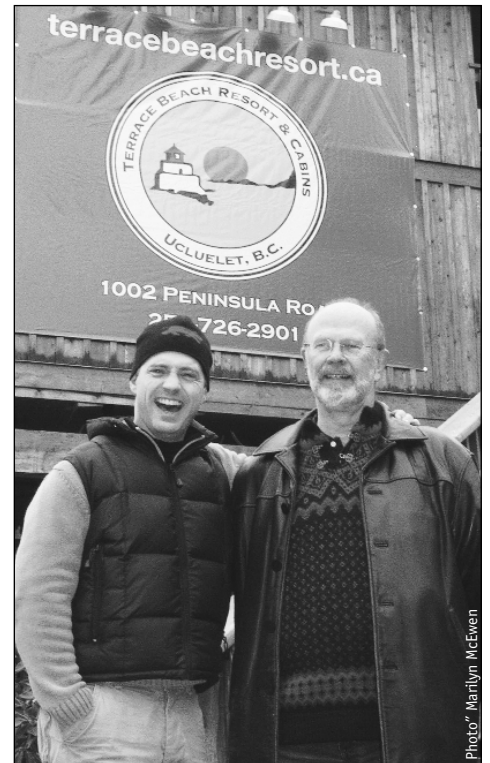
A 52-acre land parcel in the town's centre is reserved for 100 units of staff housing, retail and residential lots. The combined build-out is estimated at \$10 million.

Ucluelet lots still cheap

Although there is a lack of building lots for sale, the few that are available are relatively cheap. Residential building lots can be bought for \$49,000. That being said, there is currently a 159-acre lot with 10,500 feet of waterfront on the market for \$7.9 million.

Low-cost lots are potential colossal investments, according to **Ucluelet Re/Max Mid-Island Realty** agent **Judy Gray**. "There's a lot of room for an increase in value still, compared to other resort communities," she said, "Ucluelet is a budding resort town."

Almost half of the town's economy is indi-



Actor Jason Priestly and his father Lorne share a laugh after investing heavily in the former Roots Lodge at Ucluelet

rectly fed through tourism; forestry, fishing and miscellaneous industries make up the rest. Rent is affordable, with an average rental cost of \$600, and the cost of living is manageable, although higher than most Island towns, considering the remoteness. Because it is cheaper



to live in Ucluelet than Tofino, many people make the daily half-hour commute.

However, Ucluelet could follow Tofino's path. Huge tourism numbers, limited accommodation, soaring property taxes and assessment rates loom on the horizon. Ucluelet District Planner **Felice Mazzoni** understands the threat, and plans to do things differently.

"Tofino is an interesting opportunity for Ucluelet to look into the future, a crystal ball if you will, to see the pros and cons of tourism development. Ucluelet can learn from this and avoid reinventing the wheel," said Mazzoni.

Tofino

Tofino property values have sky-rocketed in the last 12 months. Waterfront regularly sell for more than \$1 million and, according to local Re/Max realtor **Linda Pettinger**, prices will continue to ramp up. Tofino land values already exceed those in most major centres on Vancouver Island.

Tofino land prices have 'skyrocketed' in past year

The average price for a three-bedroom house in Tofino's downtown core, for example, is \$275,000, and the minimum cost for a two-bedroom condo is \$130,000.

Tofino's population is a mere 1,549, but there is an extremely low supply of new homes and this has been the case throughout 2003 and is expected for 2004.

Tourism is now the biggest industry, accounting for an estimated 70 per cent of local incomes. Tofino saw a 30 per cent increase in visitors since last year. Regardless of the estimated 1,500 guest beds, including resorts, motels and B&Bs, there are still people stuck sleeping in their cars, or driving back to Port Alberni — an hour and a half away — to find accommodation.

Tofino-Long Beach Chamber of Commerce manager **Michael Tilitzky** said businesses never broke in Tofino.

"Anybody that opens anything is successful," said Tilitzky.

Like other resort communities, there is a limited supply of retail or business space and any vacancies are filled quickly. Rent is expensive too: a typical small retail space rents for \$1,000 a month outside of the high traffic area.

There are currently 24 businesses that have a District of Tofino business licence for a resort. But this list includes lower-end motels in the same category as high-end resorts. Tofino has five high-end resorts, which during the off-season charge \$200-\$300 a night on average.

And more resorts are in the offing. **Capilano Suspension Bridge Holdings Ltd.**, the same company that owns two lodges near Banff National Park, has proposed a 55-suite development with a rustic theme.

Quick facts



Tofino

Population 1,549,
Average house price \$275,000
Average retail lease rate \$40 per square foot
Major industry Tourism

Ucluelet

Population 1,751
Average house price \$180,000
Average lot price 49,000
Major industry Tourism, forestry, fishing

But the saturation point for the Pacific Rim region is in sight. Visitors go to Tofino and the West Coast for beaches, forests, rest and relaxation. Others go for development opportunities.

The question now in front of West Coast residents is how to balance the two.

"There's only so much development and so much expansion capacity," said Ucluelet Chamber of Commerce manager **Sue Payne**.

Added Tilitzky: "The future is looking good, but where is our ceiling? At some point, as a community, we will reach build out." ♦

