

Metro Vancouver 'millionaire' homeowners selling out and buying in rural areas

City slickers cash in for a more tranquil life, leaving money to spare

BY NICK EAGLAND, POSTMEDIA NEWS FEBRUARY 28, 2016

true



This 4,560-square-foot home on 14 acres in the Ryder Lake community of Chilliwack sold for under \$1 million. — Graham Osborne

Photograph by: Graham Osborne

Millionaire homeowners cashing out of Metro Vancouver's red-hot real estate market are seeking greener pastures elsewhere in B.C.

Real-estate experts say they're seeing more city slickers selling off their urban homes and heading north or east to buy hobby farms and acreages, where they can live off the land with cash to spare.

And in regions where property prices haven't yet been affected by the Vancouver market, some realtors say it's only a matter of time.

Landcor Data Corporation tallied 3,226 sales of single-family detached properties of more than two acres in 2015, up from 2,988 in 2014.

The real estate data and analysis firm also counted 1,139 units of residential, vacant land larger than two acres sold in 2015, up from 803 in 2014.

Ian Hornby, a realtor with Home & Life in Chilliwack, said that over the past year there's been a surge in homebuyers leaving Metro Vancouver to snatch up hobby farms in the city's rural Ryder Lake community — and they're not in it for speculation or investment.

Hornby said it's "not a mass migration, by any means," but enough to keep him busy, with places that used to stay listed for two or three years getting offers within a week of going on the market.

"We've seen more and more people coming out from North Vancouver, selling \$3-million homes and buying 10 acres (for \$700,000 to \$900,000)," Hornby said.

"More people coming out from Cloverdale, a lot of people from New Westminster, Vancouver, selling old houses (and) moving out here, buying a small acreage with a bigger, newer, nicer house, a new car and putting money in the bank."

Most buyers aren't investors or farmers but people with a "dream" of owning space to grow some crops, raise chickens and keep a couple of dairy cows, he said.

Hornby estimates half those buying in the community come from Metro Vancouver.

"I don't think that trend is going to stop now," he said. "We're scrambling to try and find properties to meet the demand."

The Real Estate Investment Network has seen bidding wars as demand surges for small rural properties, particularly hobby farms on lots under 10 acres, senior analyst Don Campbell said in an email.

Campbell said he expects such demand to increase this spring and summer.

Homeowners who discover the kind of lifestyle and house size they can get for their money in rural areas are finding it more difficult to justify Vancouver living, he said.

"Part of it is people cashing their equity out of the city and looking for larger space and a less frenetic lifestyle," Campbell said.

"This can be achieved more readily now, even if they still have jobs in Vancouver, due to the increase in accessibility on highways."

Beyond the Fraser Valley, realtors specializing in rural and recreational properties say they haven't seen much migration yet.

But with the average price of a detached Greater Vancouver property at \$1.27 million — up 26 per cent over a year ago — and property prices staying relatively stable in rural areas, those realtors say they're taking more phone calls than usual.

"We expect there's going to be a bunch of people doing this," said Richard Osborne, president of LandQuest Realty Corp.

"There's no speculation going on in rural B.C., so there's a lot of priced-right real estate that's available for people if they decide to cash out in the city. It's a very good time from them to go out and shop," said Osborne.

Dana Hinsche, a realtor with Sutton Cariboo Realty and owner of Ranches Only, a website specializing in ranch and acreage sales, said her buyers usually seek a "lifestyle" — tranquillity, privacy, fresh air and open sky — rather than investment, when they buy in places like the Cariboo.

Hinsche said most buyers come from Alberta, but she sees quite a few Metro Vancouver homeowners, such as some West Vancouver buyers currently closing a deal on a 624-acre property in Williams Lake that was listed for \$829,000.

Hinsche said as farmers and ranchers age, and younger generations opt out of farm work, they're breaking up acreages and selling them off, making it easier for buyers to find smaller parcels of land.

"There's a lot of ranchers selling out and they're realizing that they can sell the different parcels for a stronger price," she said.

Thomas Davidoff, associate professor at the Sauder School of Business at the University of B.C., said that as Metro Vancouver real estate prices seem to be "getting unhinged from reality," buyers may turn to relatively "dirt cheap" rural land in places where "there isn't the same incredible frothiness" as in Vancouver's market.

"\$2 million in the overwhelming majority of the world gets you a beautiful home," Davidoff said.

"If you buy a beautiful home and then put \$2 million in the bank, you know, maybe ... make \$25K a year, that's enough for food. Then you tap the interest on the \$2 million for other expenses. That's a pretty good life. Why get yelled at by a boss?"

neagland@theprovince.com

twitter.com/nickeagland

© Copyright (c) The Vancouver Sun

[Previous](#)

[Next](#)



The buyer of this Kitsilano house paid \$735,000 more than the asking price of \$3.495 million.

