

For Immediate Release

Soft real estate market calls for unique sales tactics

Team behind \$52M Oak Bay Beach Hotel project had to think outside the box to see success

Nov. 22, 2011, Victoria, BC – Back in 2006, when Kevin and Shawna Walker first received permission from local council to redevelop the iconic Oak Bay Beach Hotel, the duo was yet to know that the greatest hurdle of the \$52M project was still to come.

“Getting the project rolling was a feat in itself,” said Kevin Walker, co-owner and developer of the Oak Bay Beach Hotel. “Because the original hotel stood for nearly 80 years, serving as one of our community’s most familiar and loved destinations, we anticipated opposition against the rebuild as a whole and, later, the construction noise. But facing a years-long downturned real estate market? That was something we couldn’t imagine.”

Thanks to low mortgage rates, government incentives and an abundance of available inventory, the current real estate landscape has never been more in favour of the average buyer. And with pre-development sellouts a thing of the past, it’s become imperative for today’s sales teams to think outside of the box in order to achieve success.

“It’s been a buyer’s market for a number of years now, with plenty of inventory available and fewer sales,” said Brad Neufeld, director of sales at the Oak Bay Beach Hotel. “As a response, we’ve had to dust off our thinking caps and come up with some innovative ways to attract sales at the hotel. All in all, we’ve done pretty great – with 50 per cent of Oak Bay Beach Hotel’s vacation hotel suites and residences now sold.”

Built to five-star standards, the new Oak Bay Beach Hotel is set to reopen on May 1, 2012 as a six-story hotel, containing 100 combination guestrooms and vacation hotel condos and 20 private residences. Pre-opening pricing starts at \$350,000 Cdn (vacation hotel suites, ranging from 400- to 1,200-square-feet) and \$1M Cdn (residences, ranging from 900- to 2,300-square-feet).

Highlights of Oak Bay Beach Hotel sales tactics, overviews and results:

- ➔ **3.9 per cent annual return of investment (fall 2011)** – With the release of the third phase of vacation hotel suite properties on Oct. 14, 2011, the sales team at Oak Bay Beach Hotel rolled out a tempting incentive to vacation hotel suite buyers. The first 10 to purchase a unit in the newly-released third phase are guaranteed a 3.9 per cent annual return of their investment – nearly doubling the standard, 2 per cent triple-net return rate of the hotel’s other vacation suites.

Results: More than 50 per cent sold just one week into the program.

- ➔ **100 per cent buyback guarantee (spring 2011)** – Last spring, with expressions of interest at an all-time high, the team at Oak Bay Beach Hotel introduced an incentive with the goal of closing sales with fence sitters and easing buyer anxiety regarding future real estate values. The offer guaranteed a two-year, 100 per cent buyback to those who purchased a vacation hotel suite or residence between Jan. 4 and March 15, 2011.

Results: During the buyback guarantee incentive period, \$10M in inventory was made available and the program was over-subscribed. As of March 15, 2011, the total sales at Oak Bay Beach Hotel were at 27 vacation hotel suites (100 total available) and 7 residences (20 total available).

→ **Bond offering (starting spring 2009 and ongoing)** – To entice investors and spearhead construction of the new Oak Bay Beach Hotel, a unique bond offering was introduced to the marketplace. In exchange of a minimum investment of \$150,000, participants of the bond offering program enjoyed a range of perks, such as being paid an annual return rate of seven per cent, earning exclusive investor membership and a credit of up to five per cent of total investment value to be used at the hotel upon reopening and having the option to, upon investment maturity, convert their bond into a real estate purchase at the hotel with special pricing of up to 30 per cent off.

Results: Through the bond offering program, more than \$41M has been raised and more than \$15M in hotel real estate has been sold.

For more information about the Oak Bay Beach Hotel, visit www.oakbaybeachhotel.com or call 1-800-668-7758.

About the Oak Bay Beach Hotel

The new Oak Bay Beach Hotel is being completely rebuilt on the same spectacular oceanfront lot where the previous hotel sat for over 80 years. It will reopen in 2012 as a 100-room hotel with 20 luxury residences and vacation hotel suites. Built to five-star standards, hotel and residential amenities include a seaside therapeutic mineral pool, a fitness centre, spa, dinner theatre program and fine-dining restaurant. Not only is this Victoria's first combination full-service luxury hotel and private residence, it is also the only commercial waterfront development in Oak Bay.

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Note to editors: high-res renderings of Oak Bay Beach Hotel interiors/exterior are available. Historic photos of the original building are also available.

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