

Business Edge

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**Historic hotel heading down condo lane
Island property converted into the Beach Club
By Monte Stewart - Business Edge, BC Edition
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Parksville's historic Island Hall Hotel will close its doors in July as it begins its transformation into a new type of resort.

Brothers Brad and Darren McAdams of Victoria, principals in the Pacific Group of Companies, are converting the hotel, which was built in 1917, into 64 fractionally owned condo units on 4.5 acres under the new name of the Beach Club.

The Vancouver Island town's council has granted re-zoning and development approvals for the \$50-million project, and the McAdamses expect to file a building-permit application this week.

"Fractional ownership is a huge thing that's going through North America," says Brad McAdams. "We've seen it work at Whistler. We've seen it work (elsewhere) on the Island as well."



*Pacific Group of Companies
Artist rendering of the Island Hall
Hotel.*

The hotel's closure marks the first phase of a two-phase project which will eventually see 89 fractionally owned condos on the site.

The condos will operate like timeshares, but the difference is that owners will have title to one-quarter of each fully furnished unit and will be able to obtain mortgages on their stakes.

"It's a way you can own a second home but not pay for the whole thing," says McAdams.

The units will range in price from \$49,900 for a 350-sq.-ft. studio to \$194,900 for a 1,275-sq.-ft. two-bedroom unit.

Owners will have access to their vacation homes for 180 days per year.

Sandcastle Holdings Ltd., also owned by the McAdams brothers and their father Rob, is building the project.

Re-zoning and development approvals have already been granted by the Town of Parksville and a building-permit application is expected to be filed this week.

"It's been unbelievable, from my perspective, how much interest we've had," says Brad McAdams.

No units have been sold yet. The developers have registered prospective owners on a priority basis through their website (www.parksvillebeachclub.com) and will hold a sales day in late July or early August, says George Hare, president of Recreational and Residential Project Marketing Inc., the project's marketer.

As previously reported by Business Edge, the project is being marketed through the City and Country Condo Centre in downtown Vancouver. Prospective owners hail from Vancouver,

Victoria, mid Vancouver Island and Edmonton. The developers plan to market extensively in Edmonton and Calgary in the next few weeks.



Pacific Group of Companies

Seaside holidays of bygone years are a memory of the Island Hall Hotel, above and below.

was beginning.

Built from local timber and designed to look like a gabled English country lodge, the hotel grew from a 28-room inn on one acre of land to a 100-room beach resort covering more than 10 acres, but today retains little of its past appearance. Well-heeled guests have included Maharishi Mahesh Yogi, the founder of the International Meditation Society, whose group rented the hotel for 10 days in 1963 and returned in 1967.

The McAdamses have owned the hotel since 1989, when they acquired it from Bruce McLay.

McAdams, who has been making real estate deals since 1990 and developing properties since 1994, says he does not have an answer for why his family's firm did not just keep the property as a hotel.

The original intention was to re-develop the property, he adds.



"We traditionally buy and sell homes, so it has always been in that frame," he says.

The units will come complete with all furnishings.

The property will also contain a Jacuzzi, pool, fitness room and conference and convention facilities. If owners don't use all their 100 days, Pacific Group will arrange to rent out the units on their behalf.

Hare says owners will probably use their condos for an average of 21 days per year.

Work on the second phase is slated to commence shortly before construction is completed on the first.

"We figure that it will be about a five-year process, basically, from re-zoning (approval on the first phase) to finishing the entire project," says McAdams.

The McAdamses also plan to develop seven acres of adjacent land near Parksville Community Park as traditional condos in future.

"The reason why we're starting the hotel (redevelopment) first is because that was part of our deal with Parksville," says McAdams.