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Source: Mountain Research and Development, 31(2) : 89-101

Published By: International Mountain Society

URL: <https://doi.org/10.1659/MRD-JOURNAL-D-10-00095.1>

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# Resort-induced Changes in Small Mountain Communities in British Columbia, Canada

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The provincial government of British Columbia (BC) has proactively pursued resort development opportunities in its interior towns.

Traditionally dependent on extractive industries such as forestry and mining, many interior

mountain communities in BC are increasingly looking toward tourism and resort-induced economic opportunities. Fueled by the movement of amenity seekers, primarily from urban areas, resort development in mountain communities has triggered several internal and external pressures. This exploratory study examines growth trends in the mountain resort industry in 5 communities in BC: Fernie, Golden, Kimberley, Rossland, and Revelstoke. The analysis is based on secondary data, followed by field visits during the months of June and July

2006, which included 30 qualitative interviews with the mayors, planners, residents, and other stakeholders in the tourism and resort sectors. Research results indicate a significant growth in resort-induced development, primarily to attract second home owners and seasonal tourists. The development of mountain resorts may be characterized as enclavic, where almost all resorts are physically separate from the towns. This has given rise to gentrified communities, and it has posed planning and destination management challenges. The study concludes that local-level planning capacity needs to be greatly improved to address issues that are much broader in scope and require collaborative approaches to address the conflicting needs of the various stakeholders.

**Keywords:** Mountain communities; resorts; real estate; second homes; amenity migration; British Columbia; Canada.

**Peer-reviewed:** February 2011 **Accepted:** April 2011

## Introduction

Mountainous regions have always attracted visitors, from ancient pilgrims, explorers, and adventurers to modern-day tourists. Increasingly, mountain regions have become places to play and retire and invest in tourism-related services and facilities. Visitors to mountain communities may range from casual tourists to ski enthusiasts, second home owners, retirees, and various types of amenity migrants (Chipeniuk 2004; Nepal and Chipeniuk 2005; Moss 2006). A significant and more current aspect of mountain communities is the growth in second homes and resort accommodations. The combination of tourism, second homes, and amenity migration has fueled the economy of many mountain regions, but it has also raised alarms about changing cultural values, lifestyles, sense of place, environmental degradation, economic inflation, housing and labor shortages, and community cohesion (Clove and Thrift 1990; Gill and Williams 1994; Darling 2005; Clove 2006). In particular, resort accommodations and second homes are seen as putting further pressure on existing home stock and driving real estate prices (Pringle and Owen 2006). This has made it difficult for many long-time residents to maintain their property, whereas for newcomers, property is simply unaffordable. Where

substantial seasonal variation exists, for example, in the interior mountain communities of British Columbia and parts of Alberta, economic growth is characterized by seasonal employment patterns and demand for resources. These trends are very challenging to local planners and land management agencies, who struggle to balance economic growth and resource scarcity (Chipeniuk 2005).

In the Canadian province of British Columbia, it has been reported that in 2003 approximately CAD 1.9 billion was spent by resort tourists, which represents 20% of the total CAD 9.2 billion spent by tourists in British Columbia (BC). In recent years, the provincial government of BC has been proactively pursuing resort and other forms of tourism development (British Columbia Resort Task Force 2004). Considered an important aspect of the government's "heartland strategy," which is to revitalize the dwindling economies of interior BC communities, many potential sites for resort development are located in BC's "peripheral" regions. Proposed resort projects under review by Land and Water BC, Inc. (LWBC), represent an estimated 2–3 billion dollars in new capital investment, and several thousand construction and permanent jobs over the next 10 to 20 years (British Columbia Resort Task Force 2004). Many of these resorts are proposed in traditional mountain communities in BC, which have

neither the planning capacity for such large investments nor any growth management strategies in place (Chipeniuk 2004). The economic, social, and environmental implications of mountain resort development are therefore critical issues and remain to be addressed by the British Columbia Resort Task Force.

While several recent papers have focused on the effect of resort tourism (Nepal 2008), amenity migration (Chipeniuk 2004; Moss 2006), and sustainable mountain community development as it relates to nontraditional economic sectors such as tourism (Gill and Williams 1994), with the exception of Travis (2007) and Gosnell and Abrams (2009), most studies have provided little theoretical basis for analyzing the socioeconomic trends emerging in smaller mountain communities with resort development potential. Therefore, we begin this paper with a brief discussion of 3 theoretical perspectives—counterurbanization, rural gentrification, and economic restructuring in rural areas—to suggest that the issues addressed here may be viewed from multiple, interconnected perspectives, and that a single perspective is inadequate to explain the drivers of resort-induced growth in small mountain communities.

### Theoretical perspectives

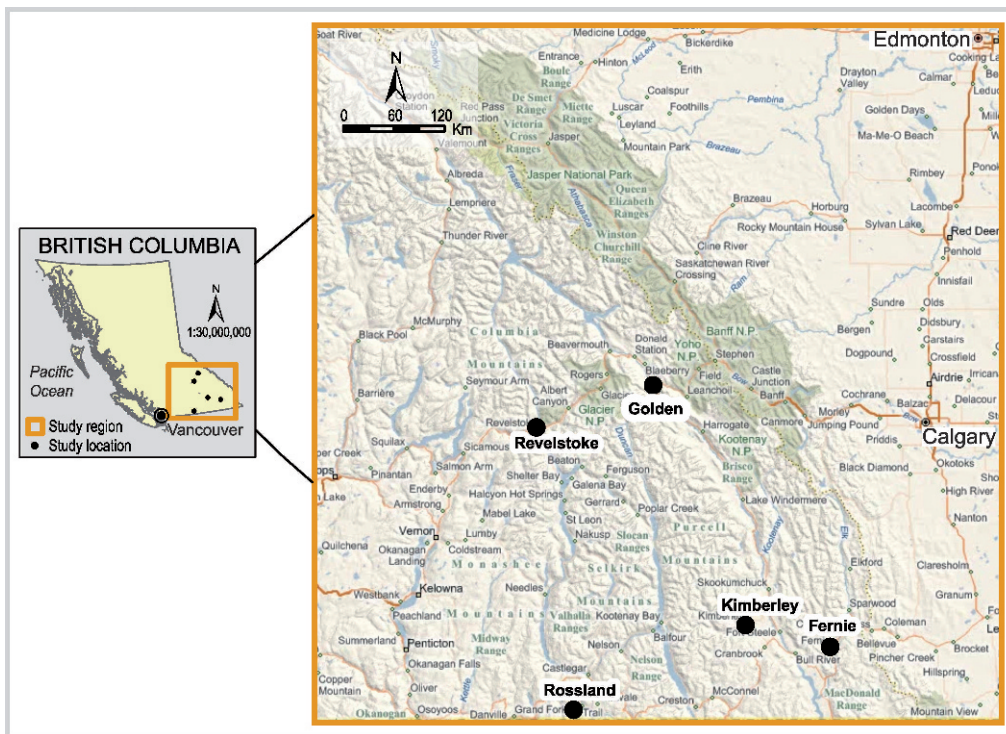
*Counterurbanization* has been defined in at least two ways: first, as a movement of people from urban to rural areas, and, second, as a change in settlement system (Mitchell 2004). One consequence of this phenomenon is that many rural areas are experiencing a transition from agrarian-based to service-based industries, with dramatic effects on rural landscapes (Boyle and Halfacree 1998; Stockdale et al 2000). A primary consideration of counterurbanization includes the deconcentration of people from cities to rural areas (Berry 1976), taking the form of an inverse relationship between the population of an area and its rate of growth (Champion 1989; Fielding 1998). Explanations for the triggers of counterurbanization are numerous: structural changes in national and international economies (Bolton and Chalkey 1990), attraction factors such as environmental amenities (Shumway and Otterstrom 2001), the attraction of a better environment and a tranquil lifestyle (Halliday and Coombes 1995; Jobes 2000), place utility (Sant and Simons 1993), the rising importance of service industries rather than manufacturing (Frey 1993), and commodification of rurality (Grieve and Tonts 1996). One significant process, which has intensified since the 1990s, is the increase in the number of tourists and amenity migrants to rural areas (Butler et al 1998; Hall and Müller 2004; Moss 2006). This demand has fueled a rural service industry that continues to shape and reshape rural landscapes, land use, and housing and mobility patterns, and it produces rural areas that look increasingly urbane in character and sophistication. From a planning perspective, this increase in seasonal population, second homes, tourist

accommodations and attractions, and related tourist infrastructure is very challenging (Chipeniuk 2005).

Drawing on literature from urban studies, scholars have used *rural gentrification* as a framework in which to analyze the effects of counterurbanization in rural areas (Smith 2002; Phillips 2004). Travis (2007) discusses the gentrification of ranching landscapes in the American West as driven largely by the transformation of rangelands from low-value to high-value properties. The emergence of segregated housing, subdivisions, and gated communities in erstwhile rural communities gives rise to social tensions and displaces local households that can no longer afford to live there due to the rising cost of goods, services, rents, and property taxes (Darling 2005). Gentrification results in segregation of households inhabited by the rich, affluent, and elite and poor households without access to basic amenities (Cloe and Thrift 1990). From a land-use planning perspective, rural gentrification poses a tremendous challenge to local planners and municipal administrators due to issues of control and influence. The influence of elites on community events such as arts and crafts exhibition and performance events may be resented by longtime residents, who see the actions of the former as attempts to commodify local culture.

A third concept is *economic structural changes*, which many rural areas are currently experiencing (Travis 2007; Ramsey 2010). These changes are brought about by global patterns of capital investment and disinvestment and patterns of production and consumption (Gosnell and Abrams 2009). With the emergence of global trade liberalization, enabled by post-1980s neoliberal economic policies and technological innovations, rapid transformations in the rural economy have occurred (Travis 2007). Some consequences of the new economic policies are a gradual decline in investment or downsizing in operations in traditional extractive industries such as forestry and farming, and the trend towards a service-oriented industry (Power 1996; Nelson 2002). This orientation in patterns of production has been made possible by new patterns of demand in consumption from people who have moved to rural areas for a variety of economic (new job potential) and noneconomic (a desire to live in amenity-rich locations) reasons. The new migrants have triggered a boom in the production and consumption of real estate not unique to rural areas (Grieve and Tonts 1996). While rural restructuring is predominantly defined by globalized patterns of production of goods and services, changes in employment patterns and demographics are equally important. The baby-boomers, still active in postretirement, comprise a good proportion of counterurban migrants. This has led to the demand for a range of health- and service-based products, including gym and spa facilities, yoga and meditation centers, spiritual retreats, organic food vendors, alternative medicines, and others. This

**FIGURE 1** Map showing the location of Fernie, Golden, Kimberley, Revelstoke, and Rossland in interior British Columbia. (Map by S. Nepal)



transformation of consumerism, “from a focus on the consumption of objects of utility to the consumption of lifestyles, identities, culture, and leisure” (Gosnell and Abrams 2009, in press) is a rapidly expanding research area. However, research on tourism and resort-induced transformation of mountain communities is still in its infancy, at least in North America. This study, therefore, makes an important contribution to that literature.

### The issues

The transition from a traditional community to one that is based on resort tourism will not be easy, because many mountain communities looking for opportunities in nontraditional sectors such as resort tourism will have to develop their capacity to plan for growth management issues as a result of changing economic and demographic patterns. In smaller mountain communities, the availability of baseline information on resort growth and other similar externally driven pressures will be critical to planners, civic leaders, industry stakeholders, and the general public. Where potential resort investments and interests are growing, local perspectives on the type and scale of development and their implications for community well-being are important issues to address (Nepal 2008).

This paper examines resort trends and their implications for mountain community development in British Columbia, Canada. Specifically, it addresses four key questions: (1) What is the recent real estate growth trend in

mountain communities? (2) What patterns of resort tourism are evolving, and in what ways are they affecting local economic development? (3) What are the planning implications of rapid growth in the resort sector? (4) What are some of the ways in which local concerns about resort tourism can be incorporated into considerations for a sustainable future. This study is primarily exploratory and qualitative in its assessment. The objective of the paper is not to test any hypotheses but rather to identify specific research themes for further exploration.

### Methods and study area

The five mountain communities examined here include Fernie, Golden, Kimberley, Revelstoke, and Rossland (Figure 1). Kimberley and Rossland have ski resorts that were established more than 3 decades ago, and, therefore, they may be considered mature resort communities, whereas Fernie, Golden, and Revelstoke have experienced significant resort development more recently.

The research method is primarily exploratory, and it is based on secondary data (BC Stats is the primary source of all data reported in this study) plus on-site meetings with representatives of local communities using several open-ended questions. Numerous published and unpublished sources were examined to assess current trends in resort development and associated real estate growth (Q.1). This was followed by field visits and on-site observations in the 5 mountain towns and ski resorts



located near these towns, during which we explored patterns of resort tourism and their impacts on local economic development (Q.2).

We then conducted several interviews with local municipal planners, mayors, residents, and tourism and real estate industry representatives to explore their perspectives on resort growth and development and its implications for sustainable mountain community development (Q.3). Research questions focused on identifying key issues and challenges perceived by community planners and other key stakeholders. Likewise, the stakeholders were also asked questions about the ways in which civic leaders, agencies, and organization and community representatives have responded to resort developments, the planning and development strategies they have pursued, and the forms of partnership undertaken. More than 30 formal meetings, ranging from 45 minutes to 90 minutes, were held in June 2006 with key stakeholders, including planners, mayors, economic development officers, tourism agency directors, public or nonprofit representatives involved in developing cultural activities and festivals, resort developers or their local representatives, and environmental organizations (nongovernmental organizations [NGOs], or local environmental institute). In addition, local town hall meetings were attended where possible. For instance, in Golden, we attended a community meeting held to discuss the results of a cultural scan conducted by a consultant retained by the town. Similarly, even though it is not included in this paper, we attended the final visioning meeting of the initiative "Mining the Future" in Canmore, Alberta. These meetings captured the essence of current challenges and future prospects in small mountain communities. Fieldwork was completed in June, with a total of 25 field days spent in the 5 communities. Finally, based on the results of the aforementioned 3 questions, we explored strategies to manage the growth and development of mountain resorts (Q.4).

### Study locations

**Fernie:** Established in 1898 and named after William Fernie, who brought coal mining to the valley where the town is located, Fernie (elevation 1010 m) today is a rapidly growing ski resort town. In 1963, the Fernie Snow Valley ski hill was opened, and it operated until 1998, when it was purchased and renamed Fernie Alpine Resort (base elevation 1925 m; Figure 2A). The ski hill has been central to Fernie's transition to a resort town, since numerous second homes and condominiums have been built to accommodate demand, mostly from Calgary residents. A recent study reports that migration to Fernie increased in the early 1990s, peaking in 1994 with approximately 200 people, in the year 2000 with 225 people, and declining somewhat since 2005 when more than 150 people migrated that year (Pacific Analytics Inc. 2009). The town has recently completed an Official

Community Plan, which addresses issues of infrastructure upgrades, growing population, and the effects of increased resort and tourism activities.

**Golden:** The town originated as a survey crew camp and emerged as an important stop along the Canadian Pacific Railway during its early years. Several Swiss mountain guides were brought in to take railway passengers on mountaineering expeditions. The Edelweiss Village in the center of the town stands as a testament to the town's Swiss influence. Today, Golden (elevation 800 m) is dependent on two important resources: forestry and tourism. In 2004, Golden and the surrounding area began a program of rebranding their collective tourism product. The recently completed CAD 200 million Kicking Horse Mountain Resort (base elevation 1190 m; Figure 2B) has made Golden a destination for advanced-level skiing, snowboarding, and mountain biking. At the time of our fieldwork, the Dutch owners were planning a major expansion ([www.tca.gov.bc.ca](http://www.tca.gov.bc.ca)). Permanent amenity-influenced migration to Golden reached its peak in 1992 and in 2001, when more than 225 people migrated, declining steadily thereafter and rising again after 2004 (Pacific Analytics Inc. 2009).

**Kimberley:** Established in 1896 to extract minerals such as lead, silver, and iron ore, Kimberley once was a booming mining town. Situated at an altitude of 1120 m, it is one of the highest cities in Canada. Although the town went through a series of periods of growth and decline, mining remained the primary economic driver well into the 1970s. When it was reported that the local ore would be exhausted in a couple of decades, Kimberley, in 1973, made efforts to reinvent itself as a touristic alpine town with particular Bavarian characteristics (Figure 2C). Since then, tourism has become an important economic driver, and, most recently with upgrades on the ski hill where Kimberley Alpine Resort is located (base elevation 1230 m), the town is trying to attract second home residents. Several second home properties have been constructed during the last decade. Compared to other towns reported in this study, Kimberley has the lowest absolute number of amenity migrants (below 50) of all small towns in BC, and growth has remained almost flat throughout the past two decades (Pacific Analytics Inc. 2009).

**Revelstoke:** Founded in the 1880s, Revelstoke has an economy that is dependent on transportation and mining supply operations, timber, and tourism. Starting in 1965, the town was buoyed by the construction of 3 nearby dams. When dam construction wrapped up in the mid-1980s and the economy began a downturn, Revelstoke began to undertake planning and launched projects to turn the economy around. Today, it has emerged as a base for backcountry skiing, heli-skiing, Cat-skiing, snowmobiling, all-terrain vehicle (ATV) driving, hiking, mountain biking, and other adventure sports (Figure 2D).

**FIGURE 2** Many British Columbian interior towns, which in the past had relied on extractive industries such as forestry and mining, are gradually transforming into resort towns. Study locations: (A) View of Fernie Alpine Resort; (B) the Kicking Horse Ski Resort in Golden; (C) a mining headquarters transformed into a hotel in Kimberley; (D) a heli-ski business in downtown Revelstoke; and (E) Rossland's Red Mountain Ski Resort condominiums. (Photos by SK Nepal)



The town is a short distance from Mount Revelstoke (1943 m) and Glacier National Park. One of the key elements under consideration for development is Mt. McKenzie (2143 m), which used to be a community ski hill. Renamed as the Revelstoke Mountain Resort, its first resort phase was completed in 2007. The absolute number of amenity migrants has been the highest in Revelstoke, peaking in 1992 (>350 people), declining somewhat in 2006 (>270 people), and steadily rising since 2004 (Pacific Analytics Inc. 2009).

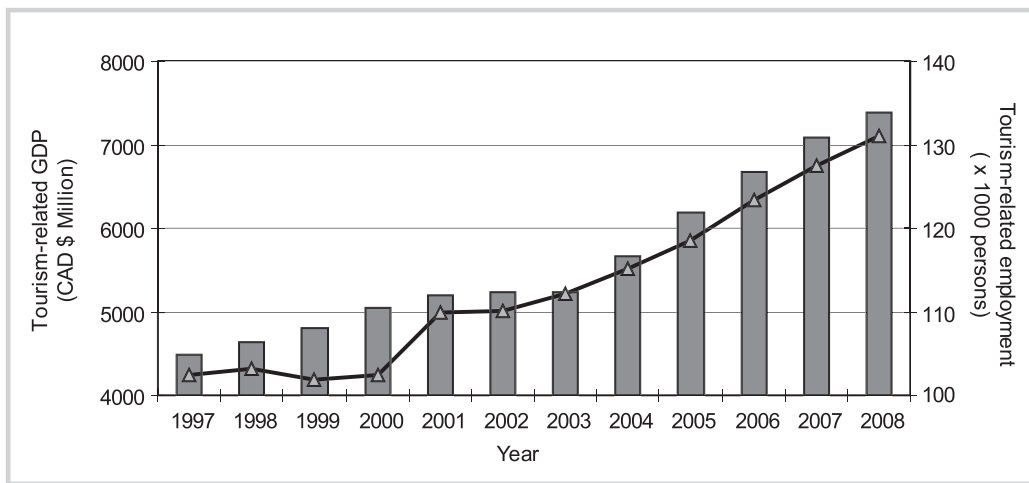
**Rossland:** Rossland (elevation 1023 m) was the center of a gold rush in the 1890s that helped to populate the town with over 7000 residents by the turn of the century. The gold mines stayed open for 40 years and closed in the 1930s. The Comneco smelter in nearby Trail has remained open and is still the largest employer in the area. Tourism has become important, and, more recently, mountain resorts

have been built at nearby locations. Although tourism is of growing importance, further development is currently restricted by two main factors: first, Comneco owns the land in the surrounding area, and, second, the surrounding areas are not serviced by the town's utility infrastructure. The Red Mountain Resort (base elevation 1185 m; Figure 2E) has constructed several second homes and condominium units. The town has an Official Community Plan that acts as a guide for development. Amenity migration to Rossland peaked in the late 1980s and early 1990s (~190 people in 1992), declined steadily since that time, and has risen modestly since 2004 (Pacific Analytics Inc. 2009).

### Trends in resort-induced development and growth in British Columbia

Tourism is a significant source of revenue in British Columbia. For example, it is estimated that tourism

**FIGURE 3** Annual tourism-related GDP and employment in British Columbia (1997–2008). The figures reported here do not include revenue from the transportation sector. If this is considered, total tourism revenues in 2008 are close to CAD 14 billion. (Source: BC Stats 2009a)



revenue is roughly 4% of the provincial gross domestic product (GDP). Since 1997, both tourism GDP and employment in BC have risen significantly (Figure 3). For example, tourism employment in 1997 was roughly 102,000, which increased to 131,000 in 2008 (BC Stats 2009a). Likewise, the GDP grew from CAD 4.5 billion in 1997 to CAD 7.4 billion in 2008. It is important to consider the increasing proportion of provincial tourism GDP compared to other resource-based industries. Since 1998, total tourism revenue has grown 62%, while growth in agriculture has been –8%, and growth in forestry has been –18% over the last 10 years; since 2004, tourism has outperformed all other industries (BC Stats 2009b).

Table 1 shows major resort-related projects proposed or under construction in the two development regions of interior BC, namely, Thompson/Okanagan and Kootenay (regions relevant to this study). The list includes projects upward of CAD 50 million only; there are several other small-scale resort projects. Overall, the Thompson/Okanagan region is the leader in resort investments; areas in and around Kelowna, Vernon, and Kamloops have the highest number of resort proposals. Several smaller communities have also attracted significantly large resort projects; for example, the Kicking Horse Ski Resort in Golden and Revelstoke Mountain Resort in Revelstoke will be very large (>CAD 1 billion) projects if fully implemented (Kicking Horse Mountain Resort 2009). The Revelstoke resort offers a new marketing angle: It will boast the fourth-greatest vertical drop of any ski resort in the world and the greatest in North America. In the Kootenay region, which has seen some of the highest growth rates (21% between 1998 and 2008) in tourism establishments, Fernie, Kimberley, and Rossland have all attracted multiple projects.

An interesting aspect of this development is that very large investments have been proposed in very small mountain communities. For example, all 5 communities included in this study have resident populations of less

than 7500 (Table 2), and all have experienced significant real estate growth, not in the town proper, but in surrounding areas where resort properties have been developed. Overall, tourism room revenues in both Thompson/Okanagan and Kootenay regions have almost doubled since 1998. The Kimberly Alpine Resort (CAD 200 million), Fernie Alpine Resort (CAD 250 million), Kicking Horse Alpine Resort (CAD 200 million currently, but the total planned is estimated at roughly CAD 1 billion), Red Mountain Resort, and Revelstoke Mountain Resort on Mt. McKenzie are just a handful of examples.

Table 3 shows growth in the values of residential building permits in the 5 communities since the year 2001. Building permits in these communities are lower in value compared to other bigger municipalities in more developed resort communities. However, since 2005, with the exception of Golden, all communities have experienced dramatic increases in the value of building permits. It should be noted that these values are still considerably lower than other more established resort communities; for example, the total value of residential building permits in Canmore, Alberta, averaged CAD 55 million annually between 1996 and 2005. Real estate data from the Kootenay region illustrate the overall patterns in property values and ownership. Between 1989 and 1996, median property prices more than doubled in the East Kootenay regional district. Roughly 60% of the properties were sold to Albertans. Between 1996 and 2000, property markets remained flat, rising again after 2000. Nonresident owners acquired 62% of the new properties (Pringle and Owen 2006).

All 5 resort communities have experienced dramatic increases in residential unit and real estate prices. Between 2001 and 2005, 150 residential units (8% of all occupied dwellings) were constructed in Fernie. This consisted of 90 units (5.6%) in Golden, 85 (3%) in Kimberley, 75 (2.4%) in Revelstoke, and 40 (3%) in Rossland (BC Stats 2009c). Between 1995 and 2005, the

**TABLE 1** Major projects in interior British Columbia. (Source: Ministry of Economic Development 2006. Values in Canadian CAD). (Table continued on next page.)

Region	Village	Project name (status: P = proposed, C = construction started, O = on hold, Cm = completed) <sup>a)</sup>	Estimated cost (million CAD)	Proposed start year	Completion year
Thompson/ Okanagan	Blue River	Saddle Mountain Ski Resort (P)	150	2006	2010
	Golden	Kicking Horse Ski Resort (C)	200	2000	2010
	Kamloops	Kamloops on the Lake Resort (C)	180	2001	2010
		Sun Peaks Ski Resort (C)	635	1993	2015
		Sun Rivers Community (C)	450	1997	2010
	Kelowna and area	The Cove Beach Resort (Cm)	90	2005	2007
		Vintage Landing Resort (P)	477	2007	2010
		Tower Ranch Golf Resort (P) <sup>b)</sup>	1000	2006	2016
		Woodsdale Ranch in Lake Country (P)	700	2007	2013
		Lake Stone Resort Development (P)	1500	2007	2017
		Lawson's Landing (O)	250	? <sup>e)</sup>	? <sup>e)</sup>
		Barona Beach Resort (C)	70	2006	2007
		Black Mt. Estates and Golf Resort (C)	164	2004	2011
		Playa del Sol Resort (C)	50	2005	2007
		Glenmore Highlands Development (C) <sup>c)</sup>	2100	2002	2020
		Big White Ski Resort (C)	250	1992	2009
	Merritt	Juliet Creek Ski Resort (P)	150	2007	2012
		Active Mountain Resort (C)	250	2005	2009
	Oliver	Mt. Baldy Ski Resort (P)	100	2007	2017
		Villaggio d'Asolo (P) <sup>d)</sup>	125	2006	2008
	Osoyoos	Watermark Resort Development (P)	68	2007	2008
	Penticton	Skaha Beach Club & Spa (P)	150	2006	2007
	Revelstoke	Mt. McKenzie Ski Resort (P)	1000	2006	2020
	Summerland and area	Summerland Hills Resort (P)	780	2006	2026
		Greata Ranch (P)	50	2007	2009
	Vernon	The Rise Resort & Residential Dev (C)	1000	2005	2013
		Silver Star Ski Resort (C)	150	1999	2009
		Kristall Resort & Wellness Centre (C)	70	2005	2007
		Outback Resort Development (C)	125	2006	2009
		Predator Ridge Golf Resort (C)	500	1999	2014
	Westbank	Crystal Mt. Ski Resort (P)	125	2006	2011
		Residential & Resort Development (P)	85	2006	2011



TABLE 1 Continued. (First part of Table 1 on previous page.)

Region	Village	Project name (status: P = proposed, C = construction started, O = on hold, Cm = completed) <sup>a)</sup>	Estimated cost (million CAD)	Proposed start year	Completion year
Kootenay	Fernie	Elk River Golf Resort (P)	100	2006	2009
		Blackstone Resort Development (P)	100	2006	2009
		Fernie Alpine Resort (C)	250	1998	2008
	Invermere	Jumbo Glacier Resort (P)	450	2006	2009
		Fairmont Hot Springs Golf Resort (P)	300	? <sup>e)</sup>	? <sup>e)</sup>
		Panorama Mountain Village	250	1997	2010
	Kimberley	Kimberley Ski Resort	200	1998	2008
	Rossland	Red Mt. Ski Resort	750	2005	2015

<sup>a)</sup>Projects valued  $\geq$  CAD 50 million only.

<sup>b)</sup>IntraWest resort.

<sup>c)</sup>Major multipurpose housing/town development.

<sup>d)</sup>Agri-tourism resort.

<sup>e)</sup>? indicates on-hold status.

average sale price for single-family residential (detached) dwellings in Fernie increased from CAD 89,556 to CAD 317,912, and in Kimberley, it increased from CAD 81,500 in 2000 to CAD 192,930 in 2005. Similar trends were observed in Golden, Revelstoke, and Rossland (Table 4).

The implication of this increase in new dwellings and property values is that local residents are experiencing significant price inflation. BC's median household income was approximately CAD 42,160 in 1995 and CAD 46,472 in 2005—an increase of 11% over a 5 year period. The increase in median household income in Kimberley was less than 10%, and in Fernie, it was less than 3%; incomes were lower than the provincial average (2005 figures were CAD 37,953 for Kimberley and CAD 42,909 for Fernie). It is estimated that to afford a home in Kimberley priced at the median value of CAD 192,930, a household needs to earn an annual income over CAD 47,000. Similarly, the median price of a house in Fernie is CAD 317,912; a household would need to earn CAD 70,000 to afford it (Pringle and Owen 2006).

Housing affordability data for owner-occupied dwellings show that many owners spend more than 30% of their annual household income on housing (Table 4). This indicates that many new residential properties are beyond the reach of local residents. This is especially true for ski resort-related properties, which are valued at an average of CAD 410,100 in the East Kootenay region (Berlin and Ramlo 2006), and it is a major reason why significant proportions of buyers of this type of property are outsiders. For example, in Windermere, a lake community in East Kootenay, 54.7% of homeowners were from outside BC (53.3% from Alberta; 47.9% from Calgary) (Fedrigo 2006).

One consequence of this trend is the considerable increase in a town's share of new residents, identified in the census data as residents who moved in a year before the census year. In 2006, 16% of the resident population in Fernie had moved from outside, and 4% had moved from outside BC (BC Stats 2009b). The figures were 23% for Golden (3% from outside BC), 15% for Kimberley

TABLE 2 Census population in selected BC communities. (Source: BC Stats 2009b)

Town	Year				% change 2001–2006
	1991	1996	2001	2006	
Fernie	5012	4877	4611	4217	–8.5
Golden	3721	3968	4020	3811	–5.2
Kimberley	6531	6738	6484	6139	–5.3
Revelstoke	7729	8047	7500	7230	–3.6
Rossland	3557	3802	3646	3278	–10.1

**TABLE 3** Residential building permit values in BC communities (in million CAD). (Source: BC Stats 2009c)

Year	Residential building permit values				
	Fernie	Golden	Kimberley	Revelstoke	Rossland
2001	3.6	3.7	10.5	1.4	1.7
2002	2.9	3.9	6.6	2.6	3.0
2003	7.3	0.9	15.1	1.8	4.9
2004	8.3	2.5	13.3	1.9	10.0
2005	12.7	1.7	39.3	4.1	10.0
2006	9.2	5.5	25.7	7.9	22.7
2007	24.9	3.6	28.2	39.8	17.2
2008	9.9	9.1	14.9	31.9	9.2

(3% from outside BC and 1% from outside Canada), 14% for Revelstoke (2% from outside BC), and 14% for Rossland (2% from outside BC and 1% from outside Canada). When these figures are compared to 2001 census data, they show a significant increase in 2006. For example, Fernie had 11% new residents in 2001; comparable figures were 7.3% for Golden, 7.5% for Kimberley, 3.8% for Revelstoke, and 7.1% for Rossland. These numbers do not take account of seasonal migrants nor resort property owners outside municipal boundaries.

Moreover, an analysis of British Columbia Assessment Authority data conducted by the Vancouver-based Urban Futures Institute (UFI) shows that significant numbers of new owners have permanent addresses outside the region. Between 2001 and 2005, approximately 17% of all titles in the regional district of East Kootenay were registered to people living in Alberta, about 3% to the BC lower mainland and southwest region, 1.8% to people living in other parts of BC, 1.6% to people from other parts of Canada, and less than 2% in the US and other countries (Pringle and Owen 2006). Roughly 47% of the buyers of resort properties in the Fernie/Sparwood area, 44% in the

Radium/Fairmont area, and 27% in Cranbrook/Kimberley were outsiders. Roughly 64% of all titles owned by Albertans were seasonal properties (ie ski resort properties), and 42% were strata-condominiums.

### Local perspectives on resort-induced growth and change

In this section, we focus on two main issues that emerged from our meetings with local residents and planning officials. These include the physical separation of resorts from communities and associated planning challenges. Although other issues, including economic, environmental, social and cultural heritage, and place identity, were discussed, they are beyond the scope of this paper.

#### Spatial segregation

Much resort-fueled growth is not occurring within the municipal boundaries, where the resident population continues to decline (Table 2), but immediately outside the municipal boundaries. With the exception of Rossland, where the resort is within the municipal

**TABLE 4** Housing affordability in BC communities in 2005, not including dwellings within resort properties. (Source: BC Stats 2009d)

Communities	Average housing price (CAD)	Median household income (after tax, CAD)	Owners spending >30% of their income on housing (%)	Number of owner-occupied dwellings <sup>a)</sup>	Number of rented dwellings <sup>a)</sup>
Fernie	317,912	42,909	18	1375	565
Golden	243,990	46,879	14	1120	435
Kimberley	192,930	37,953	16	2340	555
Revelstoke	258,426	44,546	14	2240	850
Rossland	242,668	51,699	10	1180	260

<sup>a)</sup>Information obtained from community profile of each town.

boundaries (1.5 km from the city center), resorts are constructed near the ski hills, which the communities have developed and managed in the past. Thus, resorts and related housing and amenity developments have taken place beyond the purview of local municipalities. The distances between the town center and the resort vary from roughly 6 km in Revelstoke, Fernie, and Kimberley to nearly 14 km in Golden. This has given rise to a form of touristic and amenity development that can be best characterized as “enclavic.” Higher housing prices, the quality of housing, aesthetic appeal, and exclusivity are the hallmarks of such developments.

Both local businesses and ordinary residents were concerned that a parallel town development was taking place right outside their boundaries and had not provided any economic benefits to the local residents. For example, several business owners in Golden voiced concern that skiers and second home owners hardly come to town to eat or attend local festivities. City planners were debating whether to extend the municipal boundaries to include the resorts, feasible in all towns except Golden, due to the greater distance, or avoid it altogether. Extending the boundaries implies expanding the tax base, but it also means adding essential services such as utilities and sewerage, which require significant investments. On the positive side, in Fernie, the socioeconomic impacts of recreation/resort- and tourism-driven growth and development were inducing downtown revitalization and growth of hospitality, facilities, and the service sector. Residents showed great enthusiasm about a major store like Canadian Tire (a hardware and automotive store) coming to town.

### Planning challenges

The key challenges that were identified included monitoring the growth and development of resorts and associated second home and nonpermanent populations, environmental changes occurring around the communities, and economic leakage as a result of external developers working with business owners and construction/trades companies brought in from other areas due to shortages of local skills and labor. Smaller resort communities face a major challenge with human and financial resources, and they generally rely on resident volunteers to assist with planning and development issues. When major resort development proposals hit the town offices, it further taxes local capacity and resources. One Revelstoke official commented, “... one of the challenges is that changes are being made so fast that it is difficult to get information to answer questions, there is not adequate time ... decisions have to be made quickly, we have limited staff and resources ... developers need decisions.” Information on key economic and social sectors was deemed a priority issue. Questions were also raised as to the optimal threshold for second homes. More accurate information

on housing demand, including affordable housing, and profiles of residents and nonpermanent residents were deemed necessary to better address growth management issues.

A common theme identified by the planners in all 5 communities was the absence of reliable data and current information about local residents’ perspectives on changing economies and social structures. Understanding the public’s perspectives on current issues (eg, second home owners) relevant to the community was considered vital to identify solutions and develop management strategies. As one official stated, “... where we are at in regard to community economics, land inventory (there is no shared understanding of where we’re at), and the lack of a picture of the current state of affairs in economy/employment, housing ...” inhibits the ability to better plan for the future. The need for research, information, and assistance was mentioned in all communities we visited, and Whistler and the US resort communities were mentioned several times as good sources of insight and information that could address the challenges currently being faced. Examples from other resort communities on developing community plans, second home ownership, strategic planning, affordable housing policies and strategies, design guidelines, and pedestrian development were viewed as especially valuable. In communities seeking to examine the cost–benefit of resorts located outside municipal boundaries, information on governance and boundary expansion was deemed critical as well.

On matters related to the environment, one of the community leaders in Revelstoke noted that the town does not get as much snow as in the past and attributed this to climate change. Similarly, planners in Rossland also noted that ski visits were down in 2003–2004, and 2004–2005 was seen as a bad year due to a lack of snow for many winter resort communities in the region. Concerns were expressed about global warming impacts on low-elevation ski hills like Red Mountain. Similar concerns were voiced in Kimberley, which had exercised a planned entry into tourism—activity picked up as the December 2001 closure of its main mine approached. The uncertainty of snow conditions in the future thus looms large in these small mountain communities, and it appears that not much thought has been given to future climatic conditions when developing large-scale winter resorts. Other environmental challenges included traffic congestion and shortage of parking space in downtown locations during summer. This was exacerbated by the increase in recreation vehicle (RV) traffic. Street signs and washrooms were also reported to be inadequate during peak summer periods.

While European investment was primarily responsible for the development of a high-scale destination resort in Golden, many important local businesses were also being bought by outside interests, for example, the Downtown

Mark Creek Mall in Kimberley was recently bought by Calgary residents. The same was true for the Chateau Kimberley Hotel, formerly a mining headquarters and now a tourist lodge owned and operated by Calgary residents. Another concern, particularly in Kimberley, was the apparent conflict between older businesses on the Bavarian-themed Platz and the new resort-oriented businesses, which wanted to market Kimberley not as a “Bavarian” but as a family-oriented “alpine” town. A planner from Rossland noted that town hall meetings have become increasingly noisy. Similar competing interests and values were apparent in Fernie and Golden, and they have also been reported in other BC mountain communities (Nepal 2008).

## Summary and conclusions

The 5 communities share several common characteristics. The communities have small populations (ie <7300 residents) and a negative growth rate (Table 2). They are transitioning from extractive industries such as mining and forestry to tourism and resort services. The communities serve as bases for outdoor recreation opportunities in the surrounding areas. Some characteristics of the nature of resort development adjacent to these communities include: (1) the presence of a ski hill nearby, which was once established and managed as a community recreation facility; (2) a ski hill physically separated from the town and hence outside the jurisdiction of the municipal administration; (3) a ski hill currently undergoing major expansion in size, form, and function; (4) privately financed developments on a ski hill; (5) a ski hill providing a base for resort property development (second homes, condominiums, and related infrastructure); and (6) resort development in these communities reflecting the trend at the provincial level. Our findings with reference to the 4 questions examined in the study are summarized next.

### Recent real estate growth trends

Overall, 5 trends seem to be evolving in the communities: (1) Total population within municipal boundaries is declining; (2) the number of new residents is increasing; (3) the number of new residential units is increasing; (4) increases in median housing prices do not correspond to increases in household income (ie incomes have increased at a lower rate than housing prices); and (5) the number of ski resort-related real estate properties is increasing.

A primary reason that small mountain towns in British Columbia are experiencing rapid growth and development is the increasing tendency of people to seek out areas of high-quality amenities and their desire to pursue a lifestyle that is more appropriate to mountain settings. Described as amenity migrants (Chipeniuk 2004; Moss 2006), these people are difficult to categorize in terms of specific demographics, but research shows that they tend to be people who are

about to, or have already, reached retirement stage, and they may have high disposable incomes. There are also others who migrate to such places because of their lifestyle choice, irrespective of the demographics.

Research on population movements from urban to rural areas, amenity-related or not, has been characterized as counterurbanization (Champion 1989; Sant and Simons 1993). To meet the growing and varied needs of these people, alpine resorts have been built in places that were once resource-extractive, one-industry towns (Travis 2007). Research conducted in mountain communities in BC has shown a strong correlation between the number of amenity-influenced migrants and the presence of ski hills and golf courses (Pacific Analytics Inc. 2009). As a result, there is increasing rural gentrification, a process that is gradually delineating physical as well as psychological boundaries between well-heeled recent migrants who own a second home at the resorts, and long-time local residents who bear the burden of having to experience new challenges (Clope and Thrift 1990; Smith 2002; Phillips 2004). The BC resort towns are examples of early-stage rural gentrification. A third perspective is that of rural restructuring, a process caused by declining market demand for products from the forestry and mining sectors, and the increasing significance of service-based products (Serow 2003). Essentially, this is a transformation process from a traditional economy to a “new economy” (Ramsey 2010) that is global in scope but local in terms of specific processes and characteristics (Jenkins et al 1998; Nelson 2002). The transformation of a mining headquarters in Kimberley to a hotel is symbolic of this rural economic restructuring.

### New spatial, social, and economic patterns

The growth in resort-induced real estate properties and associated amenities is creating specific challenges. These include a rapid increase in property values affecting housing affordability, changes in land use and the environment, social tensions arising from competing interests in natural and cultural resources, and conflicts between local residents and semipermanent residents, among others. The communities covered in this study include towns in earlier stages of resort expansion and growth (like Fernie and Rossland), one with repositioning strategies (Kimberley), one with a recent major resort development (Golden), and one with major expansions (Revelstoke). Residents in these communities are aware of the opportunities and challenges that come with new economic development. Communities such as Fernie, Golden, and Rossland are already experiencing the challenges, while Kimberley and Revelstoke anticipate the challenges to occur with continued resort and tourism growth. Revelstoke has expended a great deal of effort in developing strategic plans and studies to address key issues such as affordable housing and retail sector development.



### Planning implications

This study indicates that the relationship between new, large-destination resorts, and older, traditional communities needs to be addressed, not only with respect to social aspects such as corporate social responsibility, stewardship activities, interactions with residents, marketing the image of the resort in relation to community, and place meaning, but also with respect to policy and financial issues, including municipal boundary issues, the tax base, and socioeconomic costs and benefits to residents related to the location of the ski hill. Destination marketing, cooperative marketing, and identifying and positioning unique destination amenities and attractions are a priority for all 5 communities.

All municipal planners expressed the need for research and expertise to address the major trends and issues we discussed with them. Climate change was a particularly serious concern for low-lying ski resorts. Monitoring population and residency changes is an essential planning task, and keeping track of both second home ownership and amenity migration into the community is an important priority. Strategies for “community involvement” in towns with high second-home ratios are critical. Developing collaborative linkages and networks among those involved in community and resort development, planning, and marketing is an important priority, as is the need for a joint information base to enable shared learning. Future research into this

and into the key themes and issues identified previously herein will help mountain communities such as the ones discussed in this study to be more proactive in their pursuit of sustainable mountain development.

### Considerations for a sustainable future

A final note on economic uncertainty and the future prospects of mountain resort communities should be included here. Given the current economic downturn in the United States and Canada, many small towns in BC are experiencing significant difficulties. Some of the resort projects mentioned in Table 1 have either been downscaled or are not going to occur. For example, 2 Canoe Mountain resort projects in the town of Valemount (see Nepal [2008] for an overview of the projects), which were supposed to be nearly completed by 2010, have been put on hold indefinitely; ground clearance had not even started when the first named author revisited Valemount in 2006. This raises the question: Should small mountain communities even continue to pursue a single-industry economy? While resort development plans in the towns we visited are proceeding as planned, it is reasonable to assume that the size and rate of development will have to be scaled down if economic uncertainties persist. The way in which mountain communities adapt to changing economic circumstances and global market forces will depend on their level of preparedness and ability to chart a prosperous and sustainable future.

### ACKNOWLEDGMENTS

This study was funded by the Canadian Embassy (Washington, DC) and the Real Estate Foundation of British Columbia. It would not have been possible without the support of the local residents in the communities we visited. We would like to acknowledge all individuals, including town officials, local residents, and key

informants, who volunteered their time and shared their knowledge with us about the challenges of planning and managing tourism and resort development. Thanks are also owed to Dr. Raymond Chipeniuk for his support of the project, and to Stella Nepal for Figure 1.

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