

Doncaster Ballyhoo

FOR LAURENTIAN WATERFRONT AND RECREATIONAL PROPERTY

Number 33

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Best wishes for the Holiday Season!

According to *Information du Nord*, Stonehaven, the much talked-about redevelopment of the Oblate Brothers' property is going ahead. The developer, Yves Langlois, says he will start with the hotel and spa construction, however the town has not confirmed that he has the authorization.

We have heard a lot of concerns about the impact the project will have on our area. One of the primary concerns relates to the risk of added boat traffic on the lake. The developer has committed to low-impact usage of his dock, limiting it to 24 motorized craft and 24 non-motor boats. In order for the lake residents to be assured that this promise is respected, the lake association should be reinforced. It currently exists as an ad hoc committee that has been focussed on the interests of the lake for some years. A lake is only as safe as its association is strong. For further information, you should be in touch with the co-chairmen, Erik Wang and Rémi Cloutier.

Regarding the cross-country ski trails, it should be remembered that the Stonehaven development is as dependent on them as the skiers are. For now, it looks like the golf course will not be going ahead due to concerns about the drinking water source at Petit Lac des Sables. There is a lot to be worked out with the Ministry of the Environment.

In sum, Ste. Agathe is ripe for redevelopment and the Oblate Brothers' property is the logical place for it. The project proposed by Mr. Langlois is interesting and could be beneficial to the region. It is in all of our interest to show our support by reinforcing the mandate we have given to our elected officials. Let's look forward to identifying with a redevelopment of this site as proudly as we identify with our lake. Grant MacKenzie, the Ste. Agathe municipal councillor responsible for the environment and urban planning, said that concerns regarding the harmonious development of our area could be addressed to himself, Nicole Meloche who is responsible for recreation, or Robert Lamarre who is responsible for communications. Contact them at (819) 326-4595 or by mail at 50 rue St. Joseph, Ste. Agathe des Monts, QC, J8C 1M9.

We often get asked questions by our clients. They have ranged from a telephone inquiry from a client in Germany simply to ask which countries made up NAFTA to a call regarding the best place in Ste. Agathe to find used hockey equipment. Some have asked when the Ballyhoo would be coming out electronically. We were polled repeatedly for our opinion on last month's municipal election. Sometimes we even get inquiries about the ski conditions. All this has got us to wondering how we could set up a system to keep you informed in addition to the irregular publication of this 'unplugged' newsletter.

On that score, we have thought of the idea of an electronic complement to the Ballyhoo. The only thing is, we have no idea how many of our readers would have access to it. What we imagine is an irregular electronic bulletin to keep people informed regarding their particular interests. If you are using electronic communications, let us know. Simply go to our site at www.doncaster.ca and click on the 'register' button. We look forward to hearing from you.

(819) 326-4963

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LORD SHAUGHNESSY AND THE FOUNDERS OF CANADIAN PACIFIC

Ste. Agathe, a sleepy farming village in the hills, became a railroad boomtown with the arrival of the train. These big, snorting steam engines captured the hearts of people and changed the social structure everywhere in the world. More than a railroad town, Ste. Agathe became a vacation destination for the builders of this new society, including the railroad men.

Four men figure prominently in Canadian railway history. We are all familiar with their names and titles: George Stephen (Lord Mount Stephen) Donald Smith (Lord Strathcona), Sir William Cornelius Van Horne and Sir Thomas George Shaughnessy. The first two, first cousins, were of Scottish ancestry and the second two were both Americans, one of Irish stock and the other, Dutch. All four of them received their titles for their good works, particularly in building the railroad line across Canada. Donald Smith (Lord Strathcona) came from Scotland on an uncle's advice and was sent west in 1869 to quell the Métis uprising. He was captured and made a prisoner by Louis Riel and was later commended for averting unnecessary bloodshed. He stayed active in the west during the creation of Manitoba and was a representative to the House of Commons for Selkirk. He partnered with his cousin George Stephen to create Canadian Pacific Railway in December 1880.

William Van Horne began his working career in 1854 at eleven years old delivering telegraph messages to support his widowed mother and siblings in Joliet, Illinois. Despite a reputation as a prankster, he climbed the corporate ladder and, in 1881, was hired as General Manager for the newly formed Canadian Pacific Railway with the particular responsibility of building the railroad line to the West Coast. He is credited with the speed with which the trans-continental railroad was completed. The last spike was driven on November 7, 1885, less than five years after the creation of CP Rail. He was named president in 1888.

One of Van Horne's best moves was to hire Thomas Shaughnessy away from the Milwaukee & St. Paul Railway and give him responsibility for purchasing at CP. He took over this post in 1882 at 29 years of age. As the rail line neared completion, the company was over-extended and while Strathcona kept good ties with the government and Van Horne ran the work crews, it was Shaughnessy who placated the creditors. A fellow American, one who had worked his way up through Milwaukee & St. Paul Railway from his 16th birthday, he remained Van Horne's able assistant until 1899. That year, Van Horne became the chairman and Shaughnessy inherited the mantle of president, a position he would retain until 1918. Under his stewardship, the company grew from 11,000 km of track to 18,000 by 1913 and 70% of the Prairie lines were double-tracked. He also carried forward the ideas that he and Van Horne had begun in setting up the Angus Shops in

Montreal, allowing CP to build its own rolling stock. During this time CP became a major ship-owner, through the Empress Line in the Pacific and an Atlantic steamship service. It also acquired Consolidated Mining and Smelting (Cominco).

Lord Shaughnessy acquired a property in Ste. Agathe and built his country home in 1907. A large, three-storey wood structure with a high gabled roof, precursor to the chalet, and a spectacular view over the lake, it was built for summer only. It still exists today on Chemin Lac des Sables. Around the same time, he encouraged his friend, Sir Mortimer Davis to acquire the property next door. Shaughnessy was an active philanthropist. He served as honorary president of the Canadian Branch, St. John Ambulance Association and was a governor of the Western Hospital, which amalgamated with the Montreal General Hospital on January 1, 1924, and of Laval University.

We know that Lord Strathcona and Lord Mount Stephen put up \$1,800,000 in the 1890's for the creation and operation of the Royal Victoria Hospital in Montreal, and Lord Strathcona was a protector of the bison and owner of the last herd. We also know that Lord Strathcona never forgot his homeland, and encouraged interaction between Scotland and Canada. There is less information regarding Van Horne's donations, although his deeds speak loudly. He set up passes on CP trains for artists and promoted art through the company, and art historians feel that his encouragement had a significant effect on Canadian art. He also headed up the Cuba Railroad Company once he was no longer needed as president of CP. Cuba was just recovering from the Spanish-American War and Van Horne felt he could do on a minor scale in Cuba what he had done in Canada. It was also through his banking connections that the Royal Bank established itself in Cuba. It was not surprising that upon his death in 1915 he was mourned in three countries.

Shaughnessy, like Davis and others, would have come to Ste. Agathe on their private cars, pulled up the CP line by steam engines. He would have been met at the station and conveyed through Ste. Agathe and around the lake by his own employee, initially in a horse-drawn carriage, and then in a car. He would have socialised in Ste. Agathe with other residents of the Square Mile, and many decisions about the future of Canada would have been taken around Lac des Sables.

*Royal Caledonian Curling Club web site
The History of Joliet, John Whiteside, Herald News
My Family History, Thomas Bebe
The Dictionary of Canadian Biography
Canadian Heritage Stories and Art Galleries, Kevin Patterson
Artists of the CPR: 1881-1900, Donald Allan Pringle
Greater Vancouver Book, Chuck Davis*

What's it Worth?

or

Revisiting the Ratio

Back in 1992 in the very first issue of the Ballyhoo, we discussed the concept of estimating the value of a property based on a ratio between the raw land value and the finished (unfurnished) house. At the time, we suggested a ratio of 1:4. The idea behind this rule of thumb is that it gives a quick way to figure if a particular piece of land is worth building on from an investment point of view, or conversely, it gives a quick way of checking the logic of the asking price of a house based on the underlying value of the land. If we see that the land is much less than one quarter of the total value, it could mean that the investment in the house is too high for the location or for the size of lot. When I find that I have to examine a description of a house for sale, the first thing I check is the municipal evaluation. If I see that the land value is a tiny fraction of the total, then I know that there is something wrong. Most of the time, it is a result of over-investment.

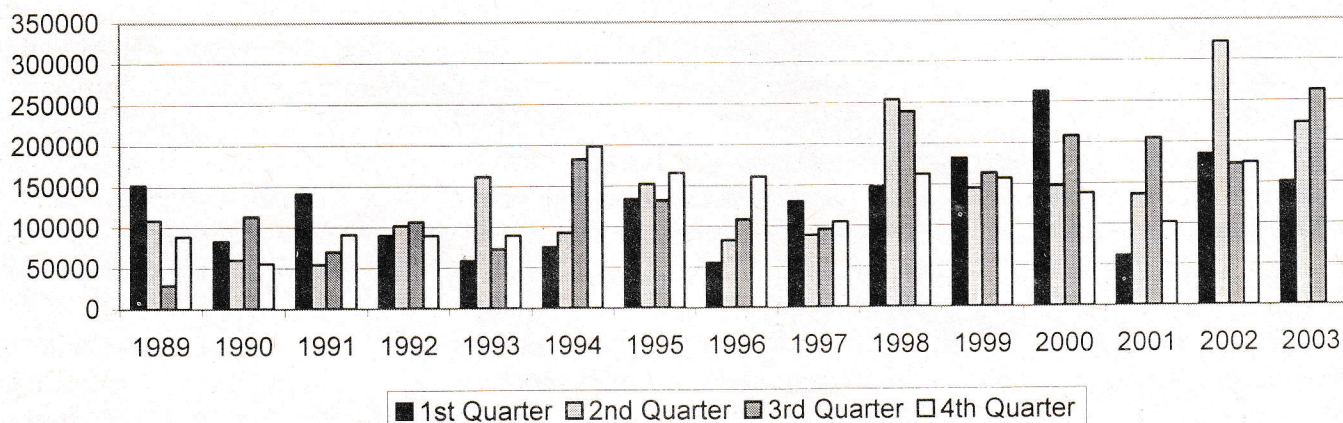
One example of how this could happen is as follows: In the old days, summer houses were often built on lots as small as 5000 square feet. In the early 1980's, the Ministry of the Environment obliged municipalities to establish minimum lot sizes for the proper accommodation of private septic systems. In consequence, while the five thousand square foot lot with an existing house benefits from an acquired right, new homes could no longer be built on lots that small. That didn't stop people from continuing to invest in the summer cottages, but once renovated and winterized, the cottage often cost as much as building a new house on a larger lot would have. Comparing the two on the market, the land value on the smaller lot would be lower, even though the house costs may be equivalent. As a ratio, the land value for the smaller, renovated property would reflect a higher ratio than the ratio of land and total value for the new property.

When the market improves, while the value of the property increases, it does so as a function of the value of the underlying land. While the change in value for a lot may be less significant, it is magnified where there exists an appropriate house. On today's market, a building lot may have risen in value from, say, \$70,000 to \$110,000. The increased value is \$40,000. However, in a situation where the lot has been properly developed with the appropriate house, the value could have changed by the same proportion. A house that sold for as high as \$280,000 when the lot is worth \$70,000, could sell for as high as \$440,000, if the lot value increased to \$110,000.

This is, of course, a rule of thumb, and often what actually happens is that the house, built respecting different parameters, is no longer suitable to the newly re-valued lot and the total price may not be a simple function of the ratio. While land appreciates, houses depreciate. The exercise is useful in many cases, though, and may encourage you to think about how much to invest in renovating an existing house. It does not mean that you will not sell your house for more than four times the value of the underlying land. It simply suggests an optimum target for investment for any particular property. There is another, extremely important influence on the market value of a particular house, and that is the appropriateness of the house. Was it built to standards? Were the materials and finishing used of suitable quality? Are the stairs, counters and windows of standard height? Are the 'extras' something that would appeal to the market? If so, and the house still costs much more than the ratio would suggest you should invest, it does not mean you won't get your money out, either. It just means you might have to discount it.

MARKET TRENDS

Average Sale Price



Third quarter prices have shown a healthy rise over the third quarter of last year. The graph above shows what is happening in the predominantly recreational market in which we work rather than in the broader based full market spectrum that we used to use. The higher average prices reflect a really robust market because the volume is also up over previous years. Currently, the rate of sales in the Ste. Agathe area is close to the rate of new properties coming onto the market. As is normal for this time of year, not many new listings are available, but this, too, tends to help push prices upwards.

MAIN STREET

Are you aware that there is an English-language monthly publication serving the Laurentians? It is called *Main Street* and is published by Jack Burger. It will keep you up-to-date on issues and events throughout the Laurentian region and it even includes a regular history feature written by Joseph Graham. The schedule of events for the summer was published there this year, too. For a subscription, call 1-866-660-6246. Support our community and it will grow and be healthy.

If you would like back issues of the Doncaster Ballyhoo, give us a call or drop by. We will happily add the names of your friends or neighbours to our list if they would like to receive their own copy. Please let us know if you change your address. Having an accurate mailing list helps us keep our costs (and waste) down.

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