

## Real Estate Bargains Draw Canadian Buyers

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By **Sheree R. Curry** | May 24th 2010 @ 9:00PM  
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COMMENTS



For the first time in a couple of years the Canadian dollar has surpassed the U.S. dollar in value, causing an influx of interest by our northern neighbors to purchase vacation property in the States – or even income property and retirement homes.

"The interest in retirement homes isn't likely to wane any time soon," says broker Robert Pugh, an agent at Coldwell

Banker Rhodes & Co. Brokerage in Ottawa, Ontario. As in the U.S., Canada's demographics are shifting due to the aging baby boomer population, he said in a national release. "Watch for a heightened interest in American property from Canadian buyers in the months ahead, especially in those sunshine destinations most favored by retiring Canadian 'snowbirds,' such as Arizona and Florida."

But is the Canadian invasion a good thing for U.S. homeowners?

It depends whom you ask.

Canadians are able to afford more home in America since their own country's home prices have been on a rather steady double-digit rise while U.S. prices have dropped drastically in recent years. The national average price of homes sold via the Canadian MLS rose 12.2 percent as of April compared to the same period last year, according to a May report by the Canadian Real Estate Association. The average home price for Canadians as of April was just under 345,000 "Loonies" (the nickname for the Canada's dollar coin with the aquatic bird on it). Whereas the average price for a single-family home in the U.S. has fallen to just over \$166,000, according to the National Association of Realtors.

"The economic turmoil [in the U.S.] over the past few years has created a Disneyland-type atmosphere for Canadian real estate buyers," said Jeffrey Rogers, COO and president of Integra Realty Resources, a real estate valuation firm.

In some parts of Florida, said Rogers, Canadians are seeing property sold at around \$100 per square foot compared to an average of \$350 per square foot in parts of Canada. This is especially true in the major markets in Alberta, Ontario and Québec, which have made large strides in price gains. "To a Canadian, it appears that Florida is on sale," Rogers told HousingWatch.

In fact, in many markets, American real estate is more affordable than most Canadians can ever remember, said Pugh, who told HousingWatch that about 10 percent of his income comes from cross-border sales.

"Our offices are full of Canadians purchasing real estate because they are a conservative bunch," said Barbara Watt-Biggs of Century 21 Sunbelt Realty Inc. in Cape Coral, Fla. "They watch, they wait, they study, they watch, they ask, they wait some more and then when all the stars line up they jump into real estate with a vengeance. They are a very educated real estate consumer. Now that their due diligence is done, they know they would have to be 'loonies' not to take advantage of these incredible real estate deals."

Canadians seeking American properties are most interested in bungalows, split-levels and high-rise apartments, Pugh told HousingWatch. Basically, smaller family

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homes that have an opportunity as a future retirement environment are popular. Depending on the state and the buyer, golf communities and retirement communities can also appeal to Canadians, he said.

In the Greater Phoenix area, Canadians are predominantly buying 1,500- to 2,500-square-foot single-level homes with a pool in quieter suburban locations, not necessarily in golf course communities but close to them, says Arizona Premier Realty agent Laurie Lavine, who is a dual citizen and dual resident of Phoenix and Alberta. His website, [canadatophoenix.com](http://canadatophoenix.com), features properties in both locations. He says U.S. properties between \$100,000 and \$200,000 have been popular with his Canadian clients.

American home sellers looking to target Canadian buyers would fair well seeking a real estate agency with an international presence, such as Lavine's agency or Coldwell Banker, which has a presence in 48 countries. "Coldwell Banker Canada has developed newer strategies to align a Canadian agent directly with an American counterpart. That is something just discussed at our national awards banquet held May," Pugh said.

In the current U.S. real estate market, willing buyers of any nationality are welcome – especially when they think asking prices are low and affordable.

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