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Foreign buyers form key real estate niche

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A noted economist predicted in 2005 that there would not be a housing bubble in this region because foreign home buyers were shoring up our market.

Rajeev Dhawan told me that in November of that year when I spoke with him at an economic forecasting workshop in Atlanta.

He is the director of economic forecasting at Georgia State University. Bloomberg Markets magazine named him the nation's most accurate forecaster in predicting economic growth.

At the time, he did not predict the relentless speculation by investors, the subprime mortgage meltdown, \$3-per-gallon gasoline and the prolonged war in Iraq as triggers for the current housing depression.

But Dhawan was on the money when he pointed to foreign real estate buyers having a huge impact on the housing market. The National Association of Realtors reported that during its current fiscal year ending in April, 26 percent of all U.S. sales involved foreign buyers.

That is why Patti Bosco targets foreign home buyers as her niche.

The Bradenton real estate broker, founder of Patti Bosco Ltd., will be introducing home buying opportunities in the region to prospects in Toronto on Thursday.

She staged her first Toronto event in June and is "working with 10 qualified buyers" as a result. She says that the prospects are planning trips to Florida during the winter.

But even though their strong currency gives them an advantage, it has not been easy to get them to part with their Canadian dollars. They want to see and touch it first, she says.

Sarasotan Jack Sandelman, a mortgage banker with RBC Centura, agrees.

"Tire kickers abound right now, especially when we talk about characteristics of the Canadian real estate purchaser," he says.

"They're all looking for that great bargain."

RBC is an affiliate of the Royal Bank of Canada, and Sandelman will be one of the speakers at the Toronto event.

Canadian customers "acknowledged great interest in buying in Florida because, as they perceive, its pricing has fallen to 2004 levels," he says.

But they are standoffish, and the most persistent question they ask him is when he predicts that pricing will stabilize.

Of course, real estate practitioners and home builders are asking the same question.

Back in Atlanta, some questioners attended Dhawan's quarterly economic forecast at Georgia State University on Nov. 14.

Their ears were wide-open, searching for answers. He told them that he does not foresee a recession and predicts that the economy will begin its recovery by mid-2008.

Meanwhile, Bosco and Sandelman are being proactive. They believe foreign buyers are their niche and are not waiting for the market to turn around.

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