

FLORIDA REAL ESTATE WOOING CANADIANS

Likes sunny climes, outspends the locals

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A dearth of U.S. buyers has made Canadian house shoppers a coveted sight down south, even prompting one Florida real estate agent to create a field guide to the spending habits of the snowbird.

Debt-averse and technologically savvy, price-conscious Canucks may initially be cautious, according to a summary of Canadian buyer characteristics by Sarasota-based agent Patti Bosco. Gain their trust, however, and you'll likely end up with a personal and business relationship that endures over the long haul, she says.

The southern migration of winter-weary Canadians has become a more important business than ever in the devastated U.S. market, and real estate professionals are taking notice. Many are flocking to Canada for a winter marketing push, despite the frosty weather they once headed south to escape.

David Dziedzic, a Toronto native who played for a brief stint with the Marlies hockey club and runs a real estate agency in Phoenix, has been making monthly trips to Canada since the dollar hit par. Ms. Bosco, who grew up in Michigan, is setting up a satellite office in Toronto, the same city that U.S. builder Taylor Morrison visited this week to showcase its Florida properties.

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Forming a bond with Canadian customers is becoming a necessity for people in the Florida real estate industry, where buying activity has all but dried up, said Jack Sandelman, residential loan officer for RBC Centura Bank.

"There's little activity with U.S. buyers domestically right now, but my business is up 15 to 20 per cent on the

Canadian side of the border," said Mr. Sandelman, whose office serves Sarasota, Charlotte and Lee counties. Eighty to 90 per cent of Mr. Sandelman's loans are to Canadian borrowers, he added. RBC Centura is owned by Royal Bank of Canada.

Some of the biggest busts in the U.S. housing market have taken place in desirable vacation states such as Florida, Arizona and Nevada, where prices that had already been hit by a glut of new homes were then steamrolled by the wave of foreclosures that followed defaults on risky mortgages.

Florida already has about 18 to 21 months of excess inventory on the market relative to sales, Mr. Sandelman said. Another flood of foreclosures is expected in the next six months when mortgages with low initial mortgage rates reset dramatically higher. By a conservative estimate that should throw another 200,000 units on to the market, Mr. Sandelman added.

The glut of supply means there are some great deals out there, and agents are bending over backward to make Canadian buyers happy, said Gary Ellsmere, 63, a Bolton, Ont., resident looking for a Florida vacation property.

Mr. Ellsmere and his wife recently made a \$200,000 (U.S.) offer on a 3,000-square-foot luxury home in central Sarasota, originally listed at \$595,000 by a speculative buyer who had bought a slew of new homes directly from the builder.

"It's looking good right now, but if it doesn't go through we have lots of other backups," Mr. Ellsmere said of his pending offer.

Mr. Dziejcz said about 50 per cent of his business now comes from buyers in Canada, mainly Albertans looking for a two-bedroom condo in a desirable area of Arizona like Scottsdale. Prices for those units are averaging around \$250,000, down almost 30 per cent from a couple of years ago, he said.

Despite being in what is decidedly a buyer's market, Canadians need to do their homework before making a U.S. real estate purchase.

"The great danger when you're buying foreign real estate is: 'Who are you actually dealing with?' " said Brian Johnston, president of the Canadian division of home builder Monarch. Monarch is lending its sales office and logo to Taylor Morrison's Canadian marketing efforts to give comfort that it is a "legitimate operation," he added. The two builders are owned by the same parent company, Taylor Wimpey PLC, based in Britain.

Buyers have to get a careful look in person at the properties they are thinking of buying, said former construction industry worker Mr. Ellsmere.

"You have properties that have been foreclosed, where people have been physically kicked out, and some of them have really wrecked the place before they left," he said.

Buyers should also do their research to make sure they don't overpay or buy in the wrong neighbourhood, and should be aware of longer closing times and higher closing costs in the U.S. than in Canada, Mr. Sandelman said.

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