

Business Edge

BRITISH COLUMBIA BUSINESS NEWS - WITH AN EDGE

Boomers look south for retirement homes

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Washington market seeing growing interest

As the loonie remains strong, Canadian homebuyers are flocking south of the border to purchase future retirement homes.

U.S. real estate industry professionals in border locales - particularly in the West - say sales to Canadians are on the rise in recent months as Canuck Baby Boomers buy weekend and summer getaways and investment properties that they will use more during retirement.

Meanwhile, American developers are seeing higher interest from Canadians on projects that are in the works.

"About 70 per cent of our buyers, for the last three, four months have been from Canada - Vancouver in particular," says Mike Kent, a realtor who focuses on Birch Bay, Wash., just south of Vancouver.



Photo courtesy of Peak Communicators

Fred Bovenkamp of FW Bovenkamp Ventures stands at the site of the future Horizon project.

Kent, a Birch Bay resident who sells for Blaine, Wash.-based Windermere Real Estate, says Canadian buyers follow a general trend in the U.S., where buyers are purchasing retirement homes now before they get beyond their reach and using the homes as rental properties to offset the cost before they stop working.

"It's made Whatcom County the exception to the downturn in (U.S.) real estate overall," says Kent. "We're experiencing about a four- to five-per-cent increase in average price, versus most areas that are experiencing either flat (numbers) or a decline."

Birch Bay, a popular haven for Vancouverites, was predominantly under Canadian ownership during the 1960s and '70s, but Canadians stayed home in the 1980s and 1990s as the Canuck buck faltered.

Kent, who was born in Portland, Ore., but spent his school-age years in North Vancouver and West Vancouver, says current times are reminiscent of when his family and others took advantage of a Canadian dollar that was then higher than its U.S. counterpart.

"Two things have happened," said Kent. "Your dollar has strengthened against our U.S. dollar. And second-home property options in British Columbia have become so expensive - Kelowna, Victoria and the like - that (buyers) realize they can find houses across the border for typically one-third to one-half of the price of a comparable property there.

"They've learned how to work with the border better, whether it be with a Nexus card (which allows for fast passes through customs) or schedules."

He says the development in which he lives has been able to maintain the same number of sales in a market that has more inventory because of increased Canadian demand. Most deals result from referrals from other Canadians who have lived there.

"It gives them the confidence level that they're looking for," he says. "They're not the first chicken through the fence. That helps a great deal."

Most of the Canadians he deals with are from Vancouver or other parts of B.C. He has had some inquiries from Albertans, but no sales yet.

The increased Canadian interest in homes has also sparked an increase in retail and commercial developments, he adds.



Image courtesy of Peak Communicators

An artist's rendering of a single-family home at Horizon, near Birch Bay, Wash.

Fred Bovenkamp and Craig Anderson, who are marketing and developing the 200-acre single- and multi-family Horizon project near Birch Bay, say Canadian interest in their project has exceeded their expectations. They base their comments on pre-sale registrations from prospective buyers in advance of sales that launch in October.

"Initially, we didn't think we'd probably see 20 per cent (Canadian ownership)," says Bovenkamp, owner of Bellingham-based FW Bovenkamp Ventures.

"As we see the Canadian dollar strengthening, we see that number changing a little bit. (Because of) the initial feedback that we're getting from people, we hope to get

maybe 30 to 40 per cent, if it's possible."

Like Kent, Bovenkamp attributes the higher Canadian interest to lower prices in Washington than B.C. Quarter- and half-acre lot prices in the first phase at Horizon ranged from \$288,500 to \$538,500.

He says Whatcom County realtors and developers have made "a real marketing push" into Vancouver and other parts of the Lower Mainland and those efforts are now starting to bear results, although it's likely Seattle-area residents will make up the bulk of buyers.

Anderson, marketing director for Pilothouse Real Estate Inc., based in the Vancouver suburb of New Westminister, expects the development to appeal to high income-earning Canadians, such as National Hockey League players, who live in the U.S. for tax reasons and must meet minimum annual-residency requirements.

"The border has become less of an issue for people," says Anderson.

Meanwhile, Albertans are also starting to show more interest in Montana, says Peggy Sue Amelon, a realtor with Re/Max of Whitefish.

"I'm noticing a lot more Internet leads coming in from Canada from your 403," says Amelon, referring to the telephone area code for southern Alberta. "I've been getting a lot of that within the last two or three months."

Since Internet leads usually take about a year to carry out, she says not many new Alberta buyers have actually moved into homes in Whitefish yet.

"There's still a bit of a sense that we have a slowdown," she says. "But I do believe that that dollar change is huge as far as bringing Canadians to this area. I've been here 22 years and I know they were kind of a driving force for a lot of the properties here.

"A lot of these older subdivisions in Whitefish were created, in a lot of cases, for vacation properties ... It was typically Canadians who were going to be down here for the summer or winter."

Amelon is waiting to see what effect the stronger loonie will have over the long term.

"The general market is a little nervous right now," says Amelon. "Buyers don't know what they should pay and sellers don't know what they should sell for.

"There's not a lot of confidence in what to do with real estate right now whereas, about three years ago, everybody was buying whatever."

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