

# American Dreams

Low prices, a high loonie and great interest rates have many of us looking southward



The front exterior, pool and entertainment patio of a 7,323-square-foot golf course home at Bighorn Properties in Palm Desert, Calif.

A weak United States housing market, frigid Alberta winters, low interest rates and a Canadian dollar near par ... call it the perfect storm for Calgarians looking to buy American real estate. In the past two years, we have become so important to the U.S. market that many American realtors are boning up on Canada, hoisting the maple leaf on their websites and catering to our market.

California realtor Sheri Dettman is one of those. Of the roughly 75 deals she closed in the Palm Springs area last year, about half the buyers were Canadian. "I think that breakdown is probably pretty representative of the area," she says.

Dettman, whose firm, Sheri Dettman and

Associates, is a leader in Coachella Valley real estate sales, says sales activity is recovering from the low point it hit a year and a half ago — and the numbers back her up. MLS reports show activity in that part of California has been increasing steadily each month since the summer of 2011.

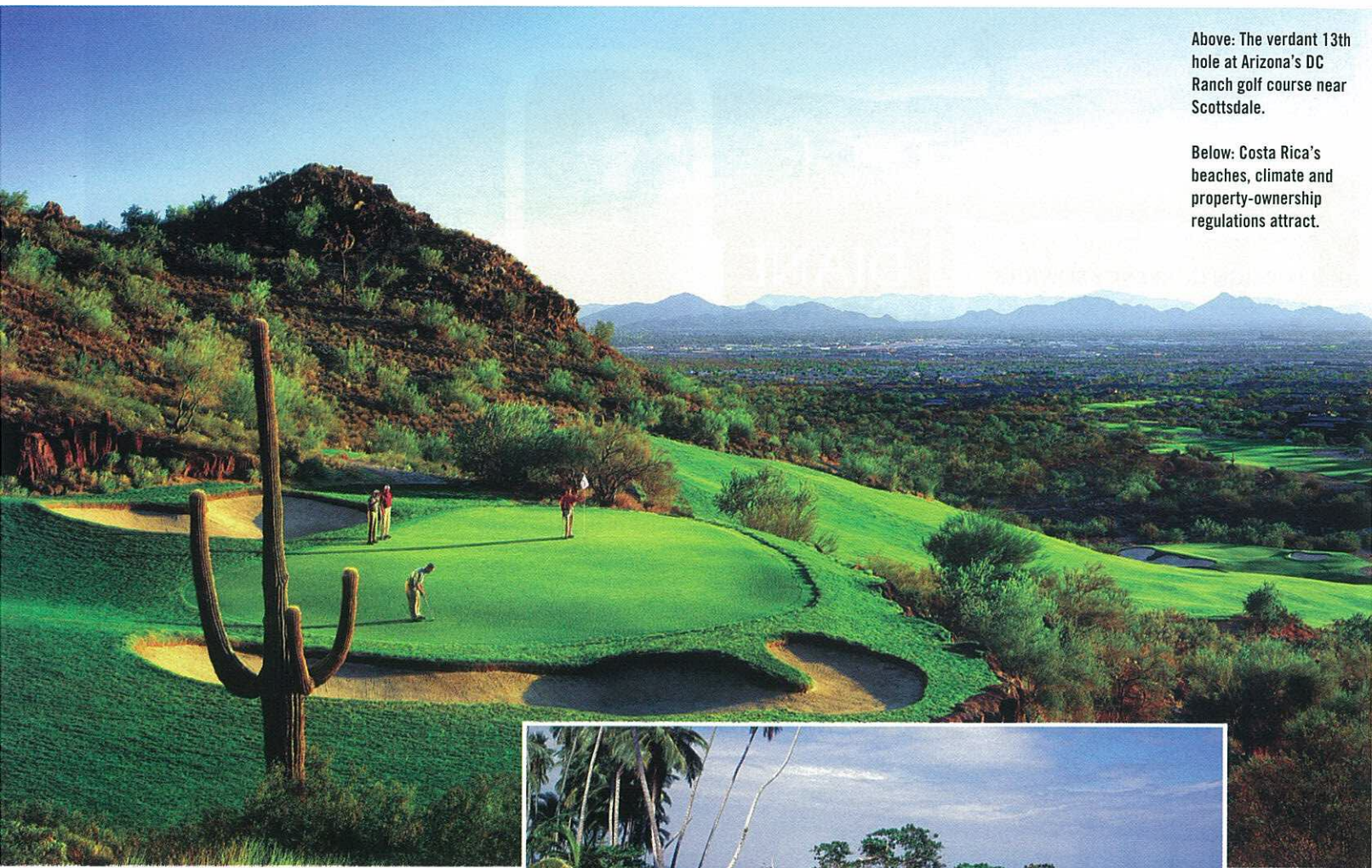
"There's less inventory here now, and I'm hearing that from Arizona and Florida and other parts of California, as well," Dettman says.

It's not only the sun spots drawing Canadians. You could buy 3.35 hectares (eight acres) on the lake in Whitefish, Mont., for around \$300,000 earlier this year. Try doing that in the Okanagan. Or even Sylvan Lake.

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—author Philip McKernan





Above: The verdant 13th hole at Arizona's DC Ranch golf course near Scottsdale.

Below: Costa Rica's beaches, climate and property-ownership regulations attract.



Before you start trawling U.S. property listings, remember that some caution is required when buying so far from home. Entrepreneur and investor Philip McKernan, who wrote about the American real estate market in *Real Estate* 49, says that, aside from the tax implications and residency concerns, you need to clarify your reasons for buying in the United States.

"In 2010, there were plane-loads of people flying down because they thought it would be a great investment. You really need to ask yourself why you're buying. And the answer should be that you really want to spend time there."

### Tips for buying in the U.S.

Author Philip McKernan suggests that you talk to tax accountants on both sides of the border to ensure you don't end up being double-taxed. Canadians can spend no more than 180 days per year south of the border before they are considered U.S. residents and must file taxes. Residency also has an effect on Canadian health

insurance. Finally, think ahead about how you will finance your purchase. A good local realtor can guide you through the process of finding and buying the right property.

### Tips for buying in Mexico, Costa Rica, the Caribbean or elsewhere

Every country has its own twist on buying and owning property. For example, if you buy in Mexico close to the coast, the deal has to be done through a Mexican trust, which has an annual cost associated with it. But, in Costa Rica, foreigners and locals have equal rights when purchasing property. The best suggestion: do your research early.

### BUYER PROFILE

Greg Sawatzky bought a single-family home at the PGA West golf resort community in La Quinta, Calif., in February of this year. Sawatzky has been golfing since he was 12, so this development, which contains six golf courses, was perfect for him. "We've been going to the area for about 15 years and we obviously like it. I always wanted a place down south to get away in the winter and enjoy some golfing."