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THE GREAT OUTDOORS

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A BREATH OF FRESH AIR

PANAMA LIVING

GREEN HOMES IN
CENTRAL AMERICA

FORMULA ONE

HOMES LOCATED IN
THE LAP OF LUXURY

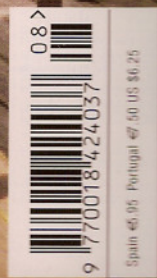
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Fractional exchange
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explained

HOW TO BUY A BARGAIN

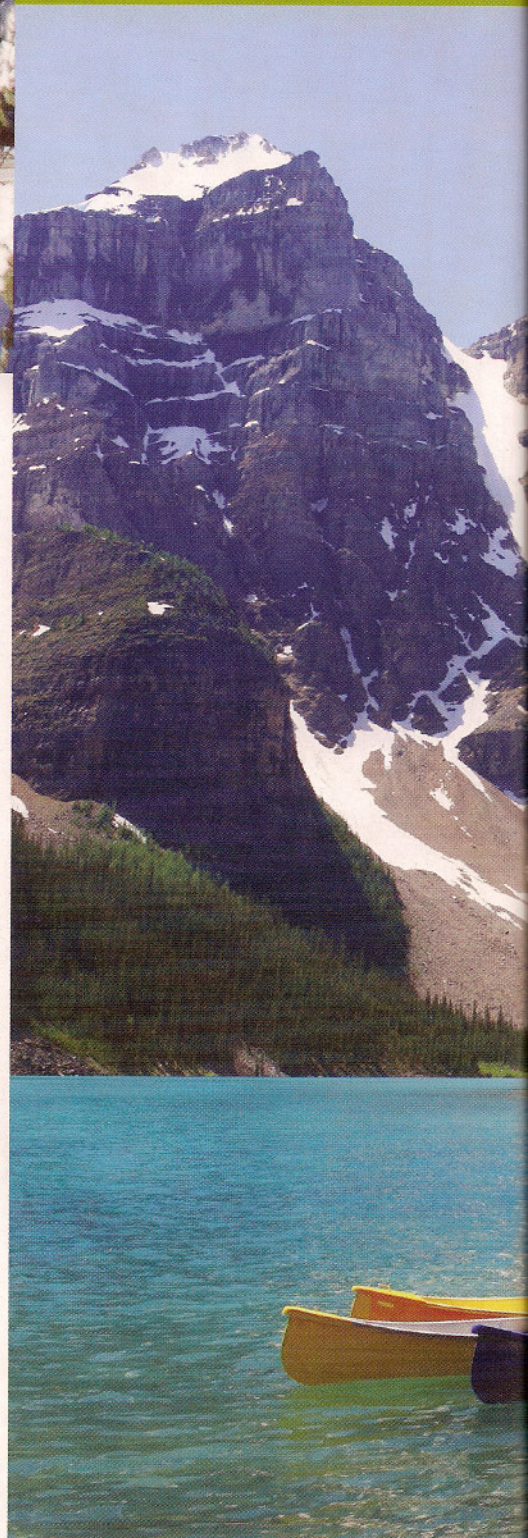
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LEFT Undiscovered Properties has a range of luxury log chalets, each situated on a plot of at least 1.5 acres
 RIGHT This log lodge at the new Ogilvy Lakes development offers cathedral ceilings and huge windows, and modern quality kitchen and bathrooms. Available via Invest-in-MontTremblant
 FAR RIGHT The Bay of Islands development in Newfoundland, Eastern Canada, will feature estate homes, chalets and condos
 BELOW Dramatic landscapes are just one of Canada's many attractions
 BELOW RIGHT Gateway to the wine, golf, ski and lake country of the Okanagan in central British Columbia, Trepanier Manor is a five star all-inclusive privately owned hotel with separate premier private residences for sale
 BOTTOM RIGHT Prices start from just £250,000 for both property and plot La Grande Foret, Mt. Tremblant



According to the most recent Mercer's report on Quality of Living, Canada is ranked in the top five for the best overall quality of life, perched next to Switzerland, Austria and New Zealand. An increasing number of young relocaters and property investors are making a move there, fuelled by good prices and a relatively safe market. The quality of life and standard of living also makes it a popular country to retire, especially as English is the main language.

Canada also has so much space that over development is unlikely, and coupled with strong planning regulations, high build standards and generous room dimensions, it represents a good overseas property opportunity. A Reuters report from June suggests that housing starts are expected to steadily improve and they 'rose 9.2 per cent in May, slightly better than expected'.

Karen Leggett, head of Home Equity Financing, Royal Bank of Canada told *Homes Overseas*: "The current economic environment does not appear to have dampened overall confidence in the Canadian housing market.

"Our recent study shows Canadians continue to be generally very optimistic about our housing market. While activity may have slowed, lower mortgage rates and more favourable housing prices this year compared with 2008, are providing greater opportunity for buyers."

Canada benefits from being one of the strongest of the G7 economies according to the IMF with a prudent banking system that had less exposure to toxic investments and have not suffered any bank failures. The IMF also rated the Canadian property market as three per cent under valued compared to the UK's 28 per cent over priced.

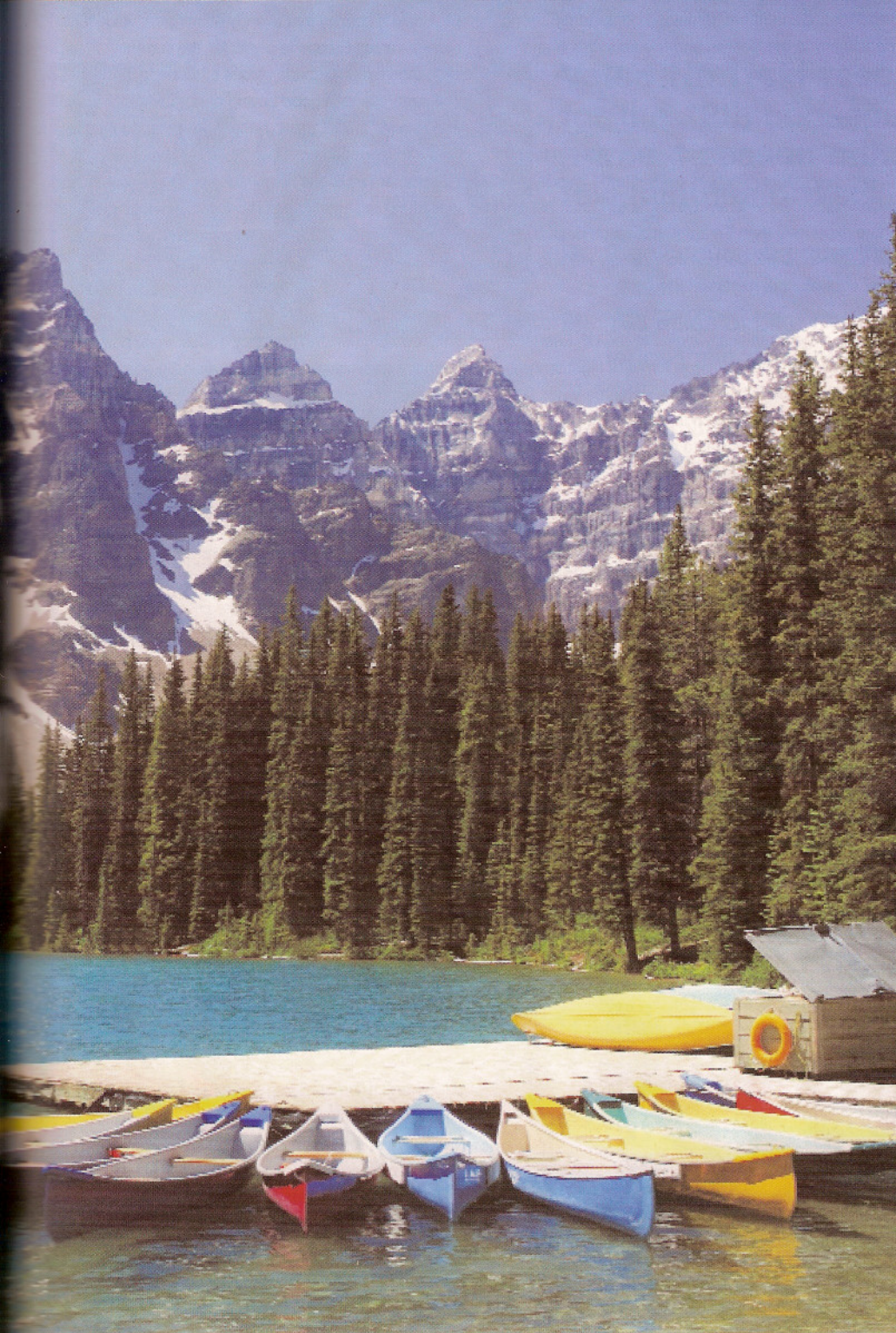
In terms of house pricing, Canada is a vast country. Former president, W.L. Mackenzie King, famously declared: "If some countries have too much history, we have too much geography". And at nine million square kilometres, prices tend to depend on which province you choose to live in, and whether it's a city or rural location. For example, a home in Calgary, Alberta, will be more expensive than a comparable home in rural Prince Edward Island. Surrounding amenities, size and condition of the property will also play a role in the price point, as with any overseas investment.

Property experts, Invest-in-MontTremblant specialise in marketing the area of, you guessed it, Mont Tremblant, Quebec. It has been voted the best ski resort in Eastern North America for the 12th consecutive year. It also typically benefits from hot summers and almost every imaginable sport and outdoor activity available nearby.

Phil Scoltock says: "In the current climate there are fewer buyers so it is a great time to buy as prices are generally lower and with the right guidance there are some great deals available."

He adds: "While the number of resale condos and high-end signature homes remains at previous levels, sales transacted have slowed with prices typically down by 15 per cent (peak to trough) with occasionally resales as low as 24 per cent down for a distressed sale – however many owners have declined reduced offers, happy to continue to use their holiday home and confident that the tourist fundamentals and investment in resort expansion will result in a bounce back of property prices to previous levels."

John Prior, principal of Undiscovered Properties agrees with this positive outlook. He comments: "Where property prices in both the UK and US have estimated to have dropped approximately 18 to 25 ▶



“Canada benefits from being one of the strongest of the G7 economies according to the IMF with a prudent banking system that had less exposure to toxic investments and have not suffered any bank failures”



“There are regional differences in Canada with the Eastern Canada market near static in terms of property prices, whereas Western Canada which historically was always ten to 20 per cent more expensive than the East, has fallen back by ten to 20 per cent”



TOP Recently built and beautifully crafted, this four-bedroom open-plan house in West Vancouver is on the market for £810,000 with BestHomesBC.com
 ABOVE This development in Compass offers a collection of 104 contemporary apartments and 139 spacious townhouses ranging from two to four bedrooms
 BELOW Vladi Private Islands is marketing this property which features its own harbour, a further boat wharf for guests and a 20 x 40 metre tennis court

per cent in the past 18 months with regional variances, Canada has remained consistently strong particularly in the lifestyle and leisure location and also against its near neighbour the US and its cultural cousin the UK.

“However, there are regional differences in Canada with the Eastern Canada market near static in terms of property prices, whereas as Western Canada which historically was always some ten to 20 per cent more expensive than the East, has fallen back by some ten to 20 per cent is more closely making it now equivalent to the East.”

Prior adds: “Why this regional variation? Eastern Canada is geographically closer to the US Eastern Seaboard and also Europe in terms of flight times. Also house price inflation over recent years has been more regulated at between five and eight per cent growth per annum, so has a more realistic base than has perhaps been seen in the US, UK and also, to some degree, Western Canada.”

Canada’s financial sector is also relatively stable and her exposure to the recent sub-prime issues is estimated to be less than five per cent of the total Canadian mortgage market due to their more regulated banking system and therefore not such an issue. Mortgage lending to non-Canadians is still freely available with major Canadian banks typically offering 65 per cent LTV and at rates of about five per cent.

Sterling has plummeted against the major currencies (namely the euro and dollar), and as a consequence, these regions are not so appealing to would-be investors in overseas homes. But, Canada is currently trading at \$1.78 to the £1, which is only

slightly below its long term trading rate of \$1.85 to the £1. So, in a country that already offers great value for money, versus Europe in particular, the current exchange rate in Canada versus other parts of the world represents a good buying opportunity.

To add to that, Canada benefits from sound natural resource management, a wealth of resources with oil reserves of 180 billion barrels the second largest in the world, and the third largest producer of natural gas. As well as strong technological infrastructure, ahead of Japan and Europe.

Geoff McClure, managing director of Azure Property International comments that although Canada has suffered from her own currency issues, there has not been the same level of downturn as in Europe.

“Good infrastructure, a stable political climate and regular flights from the UK all make Canada a destination that people will consider. Furthermore, the weather offers opportunities to get outside all year round. Winter sports enthusiasts will enjoy the skiing, snowboarding and snowshoeing in regions such as Newfoundland and Labrador, Alberta and British Columbia. Summer activities include hiking and cycling. As opposed to the UK, there is a real active outdoor culture, making for a healthy lifestyle.”

And it is this envious lifestyle which compelled the Farrants, from Buckinghamshire, to buy three acres of forested land near Mont Tremblant, in 2006, on which they could build the house of their dreams. Jane Farrant says: “We wanted to have a holiday home abroad we could visit a few times every year and as a means of having a portion of our retirement savings in property, that would be low risk and whose value would grow steadily, at least in line with or beat UK property prices.”

“As an investment we are confident that with the level of tourism in Mont Tremblant in the long-term there should be steady appreciation of property prices in the area. Especially as the resort is expanding, with more ski runs and ski lifts, plus they are building a casino and more hotels as well as adding even more attractions which will increase tourism further. We hope it will drive up property prices and the value of our house even more.”

So whether you’re the outdoorsy type who fancies a bit of year-round action, a fan of vast open spaces, verdant landscapes and thick forests, or a savvy investor keen to stay abreast of a strong market, Canada seems to be a safe bet.



CONTACTS

AZURE PROPERTY INTERNATIONAL

+44 (0) 20 7851 2930

www.azureinternational.co.uk

INVEST IN MONT TREMBLANT

+44 (0)20 8144 9161

www.invest-in-monttremblant.com

RBC ROYAL BANK

+1800 769 2511

www.rbcroyalbank.com

UNDISCOVERED PROPERTIES

+44 (0)870 7347 968

www.undiscoveredproperties.com