

FEATURE Packed conference hears of "historic" U.S. housing deals amid hardship across the Sunbelt

Land rush southbound

FRANK O'BRIEN

WESTERN INVESTOR

The annual **Jurock Land Rush** conference in Vancouver traditionally focuses on real estate opportunities in Western Canada, but this year the clear direction was into the U.S. Sunbelt.

With millions of American families losing their homes to foreclosures and others walking away from houses that have lost up to 50 per cent of their value, Canadian investors are swooping in for what one speaker called a "historic" opportunity.

As they take advantage of rock-bottom prices, though, Canadians must also deal with the face of the American housing crisis.

Vancouver-based **Janet LePage, of Element Estate Investments** of Phoenix, said that many of the tenants that rent out the detached suburban houses from Canadian buyers are residents of the same neighbourhood; sometimes they are the former owners of the home.

"They don't want to move because of the kids," LePage said. "These are hard-working, stable tenants." There are so many potential tenants that LePage and Phoenix-based partner **Todd Smith of AZ Performance Realty** said they can virtually guarantee rentals.

LePage and Smith are part of a new type of U.S. real estate business targeting Canadian investors, most from B.C. and Alberta.

These companies find distressed detached houses, do the renovations needed, prepare all the necessary paperwork, find tenants, offer property management and sell the houses as turnkey investments to Canadians. "It's a one-stop shop for Canadians," LePage said.

Element presented five detached house

deals at the conference. One example: a three-bedroom, 1,902-square-foot house with a pool in Surprise, Arizona, that sold in 2008 for \$360,000. It can be rented for \$15,000 per year. Price: \$135,900. Two other examples were priced around \$105,000, less than one-third of the original price two or three years ago.

Mike Kent of Windemere Real Estate in Birch Bay, Washington, summed up the U.S. market.

"This is a pivotal moment in history for Canadians to buy real estate in the United States," Kent said. He added the "historical opportunity" would eventually end, but not likely for years.

Right now – with the Canadian dollar at par, a strong Canadian housing market and a huge inventory of U.S. property for sale at rock-bottom prices – is the time to be looking south of the border, he said. Kent believes some U.S. markets, such as Whatcom County, Washington – where average house prices fell 5 per cent in the past year – could bottom out in six months, but that hard-hit areas like Phoenix and Las Vegas will take four to five years to recover.

Regardless, U.S. residential prices are not likely to get much lower than they are right now, Kent said.

The reasons:

- only 450,000 new homes were started last year in the U.S. and just 600,000 are expected this year, far below what will be needed for a country of 320 million;

- a bulge of Canadian baby boomers are now flooding into Sunbelt real estate; and

- buyers from China and India are now getting into the U.S. housing market.

Kent recommends buying Birch Bay-area recreational real estate, but he added that



Ozzie Jurock speaks during the packed Land Rush conference in Vancouver. (INSET) Now \$135,000: Surprise, Arizona (a Phoenix suburb), three-bed/2.5-bath, 1,950-square-foot house with a swimming pool sold new in 2008 for \$360,000.

Whatcom County apartment buildings are a good deal. "We have a 1.6 per cent rental vacancy rate and there is very little rental construction," he said.

Ozzie Jurock said he is confident that the U.S. housing market will recover, but added the

bargain prices will be seen for some time.

The conference appears to have kicked off a southern land rush. Lepage, speaking a week after the show, said "my phone has been ringing off the hook. Canadians are very excited about U.S. real estate." ♦

Tips for buying in the U.S.

Mike Kent of Windemere Real Estate of Birch Bay, Washington, offers the following advice for Canadians buying U.S. real estate:

- Visit the U.S. market personally and spend time there. Personally check out any real estate you are considering.
- Visit www.zillow.com, which provides sales and price data on all U.S. markets.
- Arrange financing before you buy. Most Canadians take out equity loans for U.S. purchasers. You can get a U.S. mortgage (5.1 per cent fixed rate 30 years) but you will need 25 per cent (at least) down and a credit score in the 650-680 range or better.

Royal Bank of Canada's offices in Florida have worked with some Canadian buyers, he noted.

- Short sales carry risk, and they can drag on for months. If you are looking at short sales, make sure there is a "broker price opinion" approved at the bank.
- ROI (bank-owned) real estate offers "screaming deals" in quick order, but the homes are sold "as is."
- Foreclosure sales have to be checked out for liens. Have your lawyer run a title search.

– With files from *Jurock Insider* (www.jurock.com)

Lower Mainland

DISTRESSED ARIZONA OPPORTUNITIES



BELL ROAD - PHOENIX
±4,042 SF SHELL
OFFICE CONDO - HOSPITAL 1 MI.
LENDER OWNED



SCOTTSDALE AIRPARK
OFFICE / HANGAR
±5,422 SF
NOW PLACED UNDER \$1M



PHOENIX OFFICE
BRAND NEW REMODEL
±8,433 SF - 21+ OFFICES
LENDER OWNER - MAKE OFFER



VERONA MPC - COOLIDGE
±340 ACRES - 593 LOTS
LENDER OWNED
MAKE OFFER



16TH STREET - PHOENIX
±11,431 SF
OFFICE/INDUSTRIAL FACILITY
LENDER OWNED



DEER VALLEY AERO - PHOENIX
HANGAR CONDO
±8,198 SF
MODIFIED SHELL



ARROWHEAD MALL - PEORIA
±3.88 ACRES
ZONED COMMERCIAL PAD
LENDER OWNED



ELESIO FELIX - PHOENIX
±10.8 ACRES
ZONED A-1
LENDER OWNED



SHERMAN - PHOENIX
(5) NEW INDUSTRIAL BUILDINGS
±86,000 SF - 65% OCCUPIED
LENDER OWNED



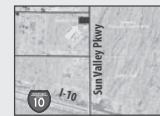
INDUSTRIAL - BUCKEYE
±40 ACRES / FARM
ALL UTILITIES TO SITE
MAKE OFFER



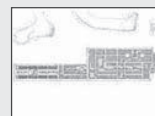
BUCKEYE RETAIL - TOLLESON
±5,000 SF BUILDING
±1.3 ACRE FENCED YARD
ZONED C-3 / COUNTY ISLAND



TONOPAH 78
±78 ACRES - HARD CORNER
CLOSE TO I-10 @ 411TH AVE OFFRAMP
BEST PROPERTY IN AREA



SUN VALLEY PKWY - BUCKEYE
±5 ACRES
COMMERCIAL OVERLAY
PARKWAY FRONTAGE



TIERRA GRANDE ESTATES - CASA GRANDE
ZONED CR-5 MULTI-FAMILY
±46 ACRES - CONCEPTUAL PLAN
MAKE OFFER



STEARMAN - CHANDLER
NEW INDUSTRIAL FACILITY
CHANDLER AIRPARK
LENDER OWNED

BANK OWNED • NOTE SALE • DISTRESSED ASSETS

Arizona is on sale and now is a great time to secure top-quality assets in one of the fastest growth areas in the United States! 300+ days of sunshine annually, professional sports, world-class golf and affordability make Arizona a perfect place to invest!

KENT D. BAKER
(480) 968-3033 Direct
(602) 316-8136 Mobile
kbaker@thebenjamingroup.com



2141 East Broadway Road, Suite 111
Tempe, Arizona 85282
www.thebenjamingroup.com

The information contained herein was obtained from sources deemed reliable; however, Seller or its agent shall not be held responsible for errors or omissions. Subject to prior sale or withdrawal. Exclusively listed by The Benjamin Group, LLC.