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# In British Columbia, Asians Make the Difference

By JOANNE BLAIN

VANCOUVER, BRITISH COLUMBIA — With a golf course designed by Jack Nicklaus outside its door and views of Olympic-caliber ski slopes from its master suite, the five-bedroom home in Whistler, British Columbia, could be a perfect fit for a well-heeled buyer.

But the house, listed at 3.5 million Canadian dollars, or \$3.5 million, has languished on the market for more than a year. Other pricey properties in the ski resort area have a similar history.

There is a different story just two hours south in Vancouver, where a 5,985-square-foot, or 556-square-meter, house recently sold to a mainland Chinese buyer less than a month after it was listed, and at close to its 5.3 million dollar asking price.

Overseas buyers are playing significant roles in both real estate markets, but producing markedly different results.

In Vancouver, Asian purchasers, most from mainland China, are snapping up high-end houses and condos, keeping sales brisk and prices high. While in Whistler, sales have slowed, in part because the pool of U.S. buyers, traditionally the dominant foreign presence at the resort, has shrunk and other foreign investors have not picked up the slack.

“Whistler is having the perfect storm,” said Ross McCredie, president of Sotheby’s International Realty Canada. There has been a province-wide decline in sales of recreational property, which is Whistler’s main attraction; many Americans do not want to face the bureaucracy of frequent cross-border trips, and the Canadian dollar is almost at par with the U.S. currency.

American buyers now account for 7 percent to 8 percent of residential sales in Whistler, down from a norm of 10 percent to 12 percent, said Pat Kelly, owner of Whistler Real Estate Co.

To prospective U.S. buyers, Canadian properties no longer look like the bargain they were in

2002, when the Canadian dollar was worth just 62 U.S. cents, or even just a year ago, when it was at 79 U.S. cents.

“The enthusiasm for Whistler property has declined a bit as the currency exchange rate has reversed itself,” Mr. Kelly said. The drop has been exacerbated by a perception among U.S. buyers that real estate, particularly resort property, is not a good investment right now, he added.

Cameron Muir, chief economist for the British Columbia Real Estate Association, said, “It’s going to be a little while before we see recreational real estate buyers and investors return to the kind of numbers they were at prior to the recession.”

Despite their sharp interest in the Vancouver real estate market, buyers from mainland China have not been as captivated by Whistler, perhaps because skiing has only recently started to catch on in popularity with mainland Chinese.

Instead, buyers from Pacific Rim locations like Hong Kong, Singapore, Korea and Taiwan make up the second-biggest group of foreign investors in the resort community, Mr. Kelly said, though they have not filled the void left by U.S. buyers.

“We would certainly define this as a buyers’ market right now,” Mr. Kelly said. But with interest rates near historic lows, many prospective sellers are willing and able to wait for an upturn.

That means U.S. buyers, who have seen “fire sale” prices at some resort communities in Arizona, Florida and California “come up here expecting the same thing is happening in Canada, and it’s not,” Mr. Kelly said. “That usually catches them a little off guard.”

In Vancouver, U.S. investors have always been a small part of the market, but mainland Chinese buyers have a more recent, and rapidly growing, influence, Mr. Muir said.

Mr. McCredie, of Sotheby’s, said that in the past six months, the “vast majority” of sales of Vancouver-area homes priced at 2 million dollars or more have been to foreign buyers, most from mainland China. “Foreign buyers have driven up price points here, and they have heavily influenced local buyers,” he said, adding that from a sales perspective, “if we did not have foreign buyers, we’d be in a lot of trouble.”

British Columbia gets about 55 percent of all “investor-class” immigrants to Canada, Mr. Muir said, and the majority settle in the Vancouver area. To qualify as an investor-class immigrant, an individual needs to have a minimum net worth of 1.6 million dollars and be prepared to invest

800,000 dollars in Canada.

Many make that investment — and more — in real estate, which has helped drive the price of a typical single-family house up to 1.85 million dollars on Vancouver's west side and close to 1.1 million dollars in Richmond, a southern suburb that has a large Asian population, according to a report in March from the Real Estate Board of Greater Vancouver.

In 2010, a record 375 Vancouver houses and condos sold for more than 3 million dollars, according to Multiple Listing Service records, including one single-family home that sold for 17.5 million dollars.

“From a global investment perspective, the real estate market in Canada is seen as relatively stable, not with the kind of volatility we've seen in the United States,” Mr. Muir said.

One high-profile project that has benefited from the strength of the Vancouver market is the Private Residences at Hotel Georgia, a luxury downtown condominium development still under construction that is attached to a refurbished heritage hotel.

Since sales began in 2007, more than 60 percent of its 156 suites have sold at prices ranging from 1.3 million to 9.6 million, and interest from international buyers has been particularly brisk in recent months, sales agents say.