



Dear Real Estate Enthusiast,

This Edition:

LEADING REAL ESTATE INVESTMENTS CONTINUE TO SHINE

AFFORDABLE LUXURY RETIREMENT REAL ESTATE

Investment Up-date

In uncertain economic times such as these, some investors and business people become overly cautious - while savvy business people confidently pursue opportunities.

Real estate developers, for example, are finding significant opportunities in this downturn: costs associated with development and construction, such as material and trades, have become cheaper, and the time frames for work, approvals, etc have decreased. As a result, many investments related to these developments are performing well.

Canadian Horizons First and Blended Mortgage Pools, for example, have remained a popular source of working capital and have continued to provide investors with consistent and reliable returns (of 8.5 - 9% and 9.5 -10% respectively).

The Wildflower Ranch development has also progressed well in this environment and was quickly able to achieve final approval from the City of Strathmore. Moreover, with the City of Calgary proposing to limit rural development (in favour of higher density urban development), Wildflower Ranch may be of particular interest to home builders as lots become available. As might be expected, investor interest in the project has been keen and is on track to be fully subscribed.

The recently launched Comox Bay Resort and Marina investment offering has also enjoyed a very strong initial response and local media interest is growing. A communications campaign for the community, including a large public presentation, has been scheduled for early May. Investors and residents alike are eager to proceed and take advantage of the cyclical lull in construction activities.

Even home owners are seeking to capitalize on the downturn with a rising interest in home and office renovations – and the new tax credit! Contractors, trades people and suppliers (flooring, cabinets, etc) are reporting much greater than anticipated home renovation activity.

As the economy moves through this cycle, and the business environment returns to normal, cost will again rise, and time frames for work will extend. Those taking advantage of the circumstances now will certainly be glad they did.

For more information regarding the ideas, projects and investments referred to above please contact us at info@globalrealestateinvest.com

Do-It-Yourself Fractional Ownership

For Baby Boomers, the recent economic crisis and stock market collapse could not have come at a worse time. A decline in financial confidence and strength may leave some feeling less ambitious and less optimistic about their coming retirement years.

For example, some may decide to alter their dreams of leisure and lifestyle, and forgo an investment in recreational real estate: sea-side villas, mountain chalets, and lake-side cottages.

Yet, there is still an excellent opportunity to achieve the lifestyle without having to deplete precious retirement funds: do-it-yourself fractional ownership. This strategy involves a small group of friends and/or family pooling their resources to make a purchase of recreational property together.

Besides allowing for a dramatic reduction in up-front costs/person (including furnishings), the participants also benefit from sharing the on-going responsibilities and costs: such as maintenance fees, utility costs and property taxes. A rotating schedule of use is normally agreed upon in advance and is typically proportionate to the financial participation.

Of course, many will choose partners with whom which they could easily swap use or would happily over-lap their visits, and, thereby, enhance their leisure experience. Pre-established rules (including those pertaining to resolving disagreements) are essential. For these reasons, the selection of congenial partners is critical.

The other critical factor to consider is location. Participants should consider the attractiveness of various potential sites with the following question: could I see myself spending a month or two each year in this location?

Some popular areas for fractional ownership (such as Las Vegas, Mexico, Florida, and California) have recently experienced a general decline in prices. However, depending on the value of the Canadian dollar, better buying opportunities, cheaper on-going costs, and greater accessibility may be experienced with a purchase in Canada.

Organizers of such fractional investments have some preparation work: for example, overseeing the purchase, collecting money, and perhaps forming a corporate entity and issuing shares. This effort, though, is much more cost-effective, and provides for greater control, than buying a fraction created by someone else.

When done with some care, a do-it-yourself fractional ownership can provide a rare opportunity for an investor: both pleasure and profit. For more information about this topic, contact us at info@globalrealestateinvest.com