

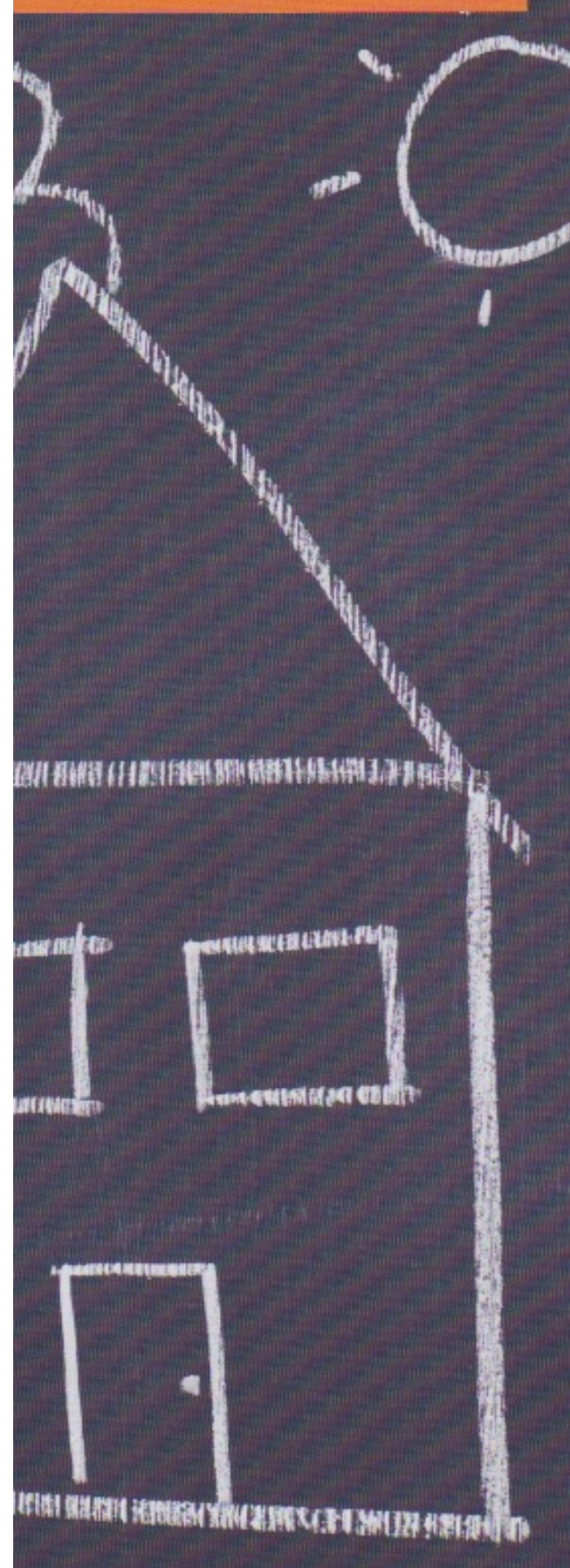
Creating wealth in Canada with property

Property investing
can help grow your
assets say Todd and
Danielle Millar

"The only constant
is change..."
That may be the
best-suited quote for
our times.

The benefits of choosing a stable country and a stable asset class to invest in are all there in Canada. Following proper diligence, building a team of professionals and making sound investments – will build a financial fortress for you and your family.

As the world becomes smaller and more globally entwined than ever before, you're certain to notice how an event in Japan affects you whether you live in London, Munich or Dubai. Nowadays we experience global events first in the media then secondly in the economy. Like everything in life, there is balance between the good and the bad opportunities. >>



Let's talk about a good one...

Like many people, when you conjure up an image of Canada the first words that come to mind are 'friendly, clean, safe, natural and multicultural'. That's according to a web survey with input comprised from travelers, new immigrants and generational residents. But what is the 'new' language being used to describe Canada that concerns you?

You're more likely to hear words like "stable", "diverse" and "multi-tiered economy" which directly translate to "safe and profitable" for investors.

Understanding Canada's strength and identifying is where property investing makes sense in this economy.

Reuter's reported in June of this year "Canada was the star performer among the hard-hit G7 developed economies during the global recession, helped by its sound banking system and the fact it avoided the property crash seen in the United States and much of Europe. Unemployment has also been much lower than in its southern neighbor.

"While final numbers are not in, the Bank of Canada and most economists expect the Canadian economy grew 3 percent last year well ahead of most G7 peers." The International Monetary Fund edged upward its 2011 growth forecast for Canada, which is now expected to outperform the U.S., its largest trading partner. IMF

Remember, the IMF's upgrade was back in June, before the recent debt crisis debacle.

Why Canada makes sense now

Strong and diverse economy including oil/energy, commodities, agriculture, forestry, nanotech, fertilizer and tourism to name just a few

Stable political leadership

Prudent fiscal responsibility

What investment vehicle should you choose in Canada?

Real estate. It's that simple. Real estate is recession proof if purchased correctly. It creates a stream of cash flow that can mean money in your pocket every month. Real estate is leveraged with Triple A secured bank mortgages; this means you can buy more property for your money. Most international buyers only need a deposit of 35% of the property's value or less, unlike stocks where your purchase ratio is 1:1. Another great point is due to real estate's stability



Here are some key factors that will influence real estate prices and help you analyze the direction of where prices are headed.

Quick Canadian Facts:

- Canada's population is growing the 2nd fastest of the G8 group – the largest population increase is seen in Alberta
- Canada has 2 assets the world needs – water and oil
- Canadian Energy Research Institute (CERI) reports that over the next 25 years, through 2035, \$2.077 trillion will be invested in building and maintaining the oilsands
- The total GDP impact of oilsands investment and operations over the 25-year period is estimated to be \$2.1 trillion for Canada, and \$521 billion for the U.S.
- The number of jobs, direct and indirect, are expected to grow from 75,000 in 2010 to 905,000 jobs in 2035 – creating long term jobs, drives housing demand

lending rates are lower for mortgages, so you can buy more "house" and pay less to own it. Owning a quality property in a stable market with strong economic fundamentals is like having your own perpetual money machine.

"Thanks to the overall stability of residential real estate investments, banks and other financial institutions will provide you with substantial leverage on your investment. This leverage will vastly increase your Return On Investment (R.O.I.). It will also assist you in using as little of your own capital as possible, allowing you to invest in more property."

Don R. Campbell: Investor and Bestselling Real Estate Author of "Real Estate Investing In Canada"
Where should I buy Real Estate in Canada?

The main thing to remember for international investors is that real estate is regional, not national. You need to know the market like a local. This means buying in an area that is leading the national curve. Sophisticated investors from around the world see this area as Alberta. This is a province that leads the nation in almost all economic indicators. Alberta's demand for a young and growing job force has lead to incredible in-migration from other Canadian provinces producing a strong demand for housing. This type of demand increases rents and housing prices and R.O.I.'s of those savvy enough to invest there.

THE MORE "YES" ANSWERS YOU GET, THE BETTER THE MARKET WILL PERFORM.

1. Is the area's average income increasing faster than the provincial average?
2. Is the area's population growing faster than the provincial average?
3. Is the area creating jobs faster than the provincial average?
4. Does the area have more than one major employer?
5. Is real estate booming in the surrounding region more than where you're looking?
6. Will the property values benefit from a major new development nearby?
7. Has the local and provincial political leadership created a "growth atmosphere"?
8. Is the region's economic development office helpful and pro-active?
9. Is the neighborhood located in an area of renewal or gentrification?
10. Is there a major transportation improvement occurring nearby?
11. Is the area attractive to "baby boomers"?
12. Is there a short-term perceived problem (negative stories, short-term layoffs) that will disappear?

Current real estate market conditions don't tell us what the market will look like in the future. Only addressing the above economic fundamentals can help in making projections of long-term values.

Top 12 courtesy of Alberta REIN

How to buy? Some Do's and Don'ts

The biggest question faced by the international investor is how can I buy property? Financing, property management and market timing are very real concerns that hold completely different implications when the property you purchase is not a quick drive away. You may fear that your distance from the property will hinder the proper management, that the mortgage you need will require a larger down payment or that your separation from the market will cause you to sell low or buy high either way costing you precious profit points that are crucial to your financial success.

The easiest solution is to enter a partnership or joint venture agreement with a real estate expert that understands the unique ins and outs international investors face.



Do's....

DO Look for an experienced partner that focuses on investors living abroad who can guide you, not just a salesperson that is eager to sell to you. Your tax situation, mortgage qualification abilities and the extra time needed to get documents signed and notarized all need to be taken into account.

DO Talk to your partner's past clients. Get referrals - how did their investment go? Take action but don't be too hasty, if the deal has to be done by this Friday then let it go. Anything quality will wait. Does your partner have a proven track record?

DO Your due diligence on your partner and on the location where you are investing. What is the area's economic outlook? Does the investment make sense?

DO Consult with a tax specialist and have a real estate lawyer read over all legal documents. You don't want any surprises when you invest. It should be the most boring thing you do with your money.

DO Expect updates on your property. You should get a yearly update to let you know how the investment is going and any changes in the market.

...And Don'ts

DON'T Slip into the dangerous rut of analysis paralysis. What is your goal for this investment? Is it for retirement or income? Once that goal list is done research three Joint Venture companies and chose one.

DON'T Purchase on pretty pictures. Sunsets, ocean views and happy couples dancing in the sand are all great but who will buy the property after you? Is this an emotional buy or are you investing in real estate to make a profit?

DON'T Micro manage, let the expert do their job. You don't need to see every receipt for every light bulb bought - but it should be transcribed and accessible. Remember your deal is to free up your time not bring you more headaches.

DON'T Let your taxes slide. International investors may often pay higher taxes than other investors - go into the deal armed with knowledge of what your real ROI will be.

DON'T Think every deal is a get rich quick deal. The fact is real estate is a proven long-term wealth generating investment. If you have the mindset of a day trader you're gambling not investing. Invest for the long term - a minimum of 3 years an average of 5 years or longer.

There is no reason you can't take advantage of real estate markets all around the world, it's essential that you realize your choices are ample, not diminished. Just remember to be successful you need to be aware of your end goal and take action. The devil is in the details and with proper due diligence your financial dreams are only a few sound investments away.

Todd and Danielle Millar - expat investors and Founders of Glenn Simon Inc. have highlighted the benefits of investing in Edmonton, Alberta real estate since 2002 and are expert in Oil Sands Real Estate. The Millars have been featured in various articles including NuWire Investor Magazine and Executive Impact - Japan Times and are contributors to Canadian Real Estate Magazine. The Millars contribute strategies for building successful joint venture partnerships in REIN materials, author a bimonthly newsletter, and are featured in best selling author Don Campbell's '51 Success Stories from Canadian Real Estate Investors' books and have many client success stories to vjeir credit. The Millars share their insights speaking at investment seminars and workshops in Canada and Japan. If you'd like to get more facts and learn exactly how to invest in Canada, please email info@glennsimoninc.com with the subject line "Special Investor's Report" for your complimentary copy.