

Wealthy Chinese put house hunting on Vancouver vacation itinerary

Attractions include quality of education, quality of life and the stability of Canadian society, consultant says

BY DERRICK PENNER, VANCOUVER SUN JUNE 28, 2010



Condos in residential towers, like these along Coal Harbour, and single-family homes in leafier neighbourhoods like Shaughnessy, Dunbar and Point Grey, are particularly attractive for Mainland Chinese buyers. Many believe homes in Vancouver, the most expensive in Canada, are bargains compared with Shanghai, Beijing and other international cities.

Photograph by: Les Bazso, PNG

VANCOUVER — Mainland Chinese interest in Metro Vancouver property is so strong that it's fuelling a market for real estate tourism, with groups of wealthy travellers scheduling visits to the city for the sole purpose of house hunting.

China-based Internet sales company SouFun is organizing two tours — groups of about 20 each from Beijing and Shanghai — which will visit Vancouver and Toronto in August on the hunt for "million-dollar or multi-million-dollar" listings.

First reported in Vancouver's Ming Pao Daily News, and repeated on the news blog Chinese in Vancouver, a SouFun spokesman said potential buyers are particularly drawn to neighbourhoods with "famous" schools or ocean views.

Ming Pao reporter Eric Chan said SouFun drew a lot of participation for the tours from areas around Shanghai.

China's burgeoning wealthy class has been a dominant presence in Metro Vancouver's high-end property market for some time now, so for many people, news of specific buying tours is not a surprising extension.

"I'm surprised why people think it's news," Angel Wang, an agent with Royal Pacific Realty in Vancouver, said in an interview.

Wang added that it has been more common for Chinese visitors to tag house hunting on to the end of a conference or another type of business trip rather than straight real estate tourism.

"I've worked with some business groups before," Wang said. "And maybe they have been with a business conference and will stay here for a few days extra to look around at houses."

They are attracted to Metro Vancouver prices, Wang added, that, despite being the highest in Canada, appear to be bargains compared with Shanghai, Beijing or other international cities they might look at.

Canada, Wang said, also appears to be a more stable real estate market to Chinese buyers.

Even without specific tours, Tom Gradecak, owner of Westside Tom Gradecak Realty, said about 80 per cent of showings for his west-side Vancouver listings are to Chinese buyers, and the majority of sales are within that demographic.

"When [prices] are getting over \$2.5 million to \$3 million, then predominantly that's our market," Gradecak said. "Over [\$4 million to \$6 million], they're almost the entire market."

However, other realtors are skeptical that such a tour would wind up in a buying spree and instead would serve more as a window-shopping trip.

"It's more of an introduction service [to Canada]," Dan Scarrow, vice-president of strategy for Macdonald Realty in Vancouver, said in an interview.

Scarrow said he is aware of other such trips that have been arranged in the past, and when the Mainland Chinese visitors do not have their immigration status in Canada sorted out, they are more reluctant to buy homes.

The trips, he added, are more a chance to get a "lay of the land" for what Metro Vancouver's neighbourhoods are like and what types of homes are available before securing landed immigrant status.

To date, Scarrow said, the preference for Mainland Chinese emigrating to Canada have ranged from Coal Harbour condominiums to single-family homes in Vancouver's leafier enclaves of Shaughnessy, Dunbar and Point Grey.

Vincent Chen, a representative for the Chinese immigration consulting firm Visas Consulting Group, said Canada is presently the most popular destination for Mainland Chinese using his firm. They are attracted by its quality of education, quality of life, the safety and stability of Canadian society and its "attractive investor immigrant program."

Chen said Visas, which is among the largest immigration firms in China, has "organized many property exhibitions for Canadian developers," including Aspac Developments, the firm behind the Harbour Green projects on Coal Harbour, and River Green, the Fraser River waterfront community being built in Richmond.

George Wong, principal of Magnum Projects, the marketing firm selling River Green, said that some 60 per cent of the first 150 pre-sales his company has made in the project were to Asian buyers, including newly arrived Mainland Chinese.

"B.C. has been a destination for a lot of international people to come and buy real estate," Wong said. "In that context, it's nothing new, it's just that the players have changed."

depenner@vancouver.sun.com

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