

A windfall for snowbirds

The weak dollar boosted the value of condos purchased by Quebecers



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The fall of the Canadian dollar is good news for Quebecers who have adopted Florida: the value of their condo exploded, making the lure of profits now tens of thousands of dollars.

Lyne Désy and Benoit Carrière were a little disappointed in 2012 have had to pay US \$ 170,000 for their condo located in Aventura, between Hollywood and Miami. The US housing market was depressed and they expected to invest less than \$ 150,000 for two-bedroom. Little balm, at the time, the loonie was similar to that of the US dollar and they do not have to absorb the impact of the exchange rate.

Three years later, the couple from Montreal found the situation quite a bit pink. They come to the condo for sale. They are asking \$ 250,000 in a seller's market. But above all: the price is in US dollars. And with a Canadian dollar made under the 80 cents they can expect to get \$ 300,000 or a profit of \$ 130,000 in less than three years.

"It's a good investment," Lyne said, smiling Désy contacted Tuesday.

Sell!

The market is so favorable to Quebecers that the real estate broker Marcel Beaumont sent an email to all customers before the holidays to emphasize to them that it was a good time to sell if they so desire.

"Since I put three condos for sale. And there is interest in several other cases," said the former police officer based in West Palm Beach.

"We talked about it this week, my wife and me. We would like to keep it, but it sure is tempting to sell," says Patrice Baccichet.

The pair of Saint-Jean-sur-Richelieu invested \$ 125,000 US in 2012 in a small condo in Hollywood, since they rent to an American. They know they could get \$ 160,000 US today, around 190,000 Canadian dollars, hence the temptation to cash in profits right away.

Others, downright sitting on a gold mine, have no intention of selling. This is the case of Patrice Gadoury, owner of a beautiful condo, with the bonus an outdoor pool on the 15th floor overlooking West Palm Beach.

He paid US \$ 175,000 in 2011 while the US dollar had the same value as the loonie, and could sell as much as \$ 435,000 in Canadian dollars, for a juicy profit of \$ 260,000.

"Every time the Canadian dollar goes down, I think the value it continues to take," he said.

The dark side

But all is not rosy for snowbirds. Marcel Beaumont heard several of his former clients emphasize that they were going to tighten the belt a bit when set foot on Florida beach.

"They will stay as long, but some will come by car instead of by plane. And once there, they will pay more attention to

spending at the grocery store and push the air conditioner a little less. "

The negative effects of the dollar fall

"We use a lot of imported goods, thus falling dollar generally increases the price of these goods" says Sylvie Bourassa, Director of Consumer Protection and Information Service of the Mauricie region.

"For now, we have not yet seen significant increases, but it will happen if the dollar remains low," said An-Lap Vo-Dignard, Investment Advisor at National Bank Financial.

Examples of the impact of a weak dollar that may be felt for consumers, if it is not already.

The all inclusive spared for now

The situation may be less problematic for travel enthusiasts all included.

"The tour operators go from one side to pay more for the Southern hotels, which are traded mostly in US dollars but will save the other on the price of gasoline. In the end, the traveler should not see too much difference," hopes Moscow side, the owner of the Voyages Constellation.

The pump prices would have fallen even more in recent months if the Canadian dollar had maintained. You should know that oil is bought and sold in US dollars. So the more the US dollar is stronger, the price of oil is high here.

But the sharp increase in world production was strongly reduce the price of black gold, so we could enjoy despite the rout of the Canadian dollar. So we saw recently gasoline down below the psychologically than a dollar per liter. Imagine if the Canadian dollar had remained at parity with the US dollar ...

If we always saves on gas prices by filling in the United States, shopping spree at Plattsburgh is a lot less interesting with an exchange rate which reduced 20 cents on the dollar.

"I could not tell you if it is the fault of the exchange rate or the economy in general, but we have actually noticed a small drop in traffic in January compared to the same period last year," said Catherine Jennings, director of marketing at Champlain Centre Mall Plattsburgh.

For many, the search for a hotel in New York for school break or a house on Cape Cod for the summer will hurt. Price shown may explode once transferred to the loons. For example, the house on the edge of a beach on the American coast displayed US \$ 1500 cost more than \$ 1,800 when the exchange rate applied.

Time will tell if Quebecers will change their plans and opt to go for a ride in Percé rather than Wildwood.

The decline of the Canadian dollar does not bode good in grocery stores, especially for fruits and vegetables, largely imported in winter. The effect was not still felt? It is only a matter of time, answers Sylvain Charlebois. Professor at the University of Guelph published five years the annual index of food prices. In December, he had expected a rise in vegetable prices by 3% to 5% for 2015. But the Canadian dollar has fallen so much in two months he has just revised its forecasts. It now estimates that consumers will pay up to 7.5% more this year for their vegetables. Nutritionist Stéphanie Côté fears that people reduce their consumption of fruits and vegetables. "For many less fortunate, the grocery budget is incompressible," she said.