

# FLORIDA REAL ESTATE OPPORTUNITIES: WHAT CANADIANS NEED TO KNOW

March 31, 2008

The strengthening Canadian dollar, coupled with the subprime mortgage crisis in the United States, has created new opportunities for Canadians interested in Florida real estate. To help legal and financial professionals advise clients in this area, Hodgson Russ LLP hosted “There’s a smarter way to cross: A program on structuring investments in Florida real estate” on March 27, 2008 at the St. Andrew’s Club & Conference Centre.

Guest speaker **Joe Price**, a nationally recognized real estate appraisal expert, began the program with a presentation on the state of the residential and commercial real estate market in Florida. Some of the highlights of his talk:

- In Palm Beach County, home prices have dropped by an average of 15% in the past twelve months
- Each downturn (recession) differs; in this one, the real estate decline started in the housing market, and there are indicators that it is moving into the industrial and retail markets
- Florida’s Treasure Coast has been hit hard, with Port St. Lucie faring the worst; one in 25 single-family homes is now in foreclosure
- Also in Port St. Lucie, one developer recently purchased ready-to-build lots for 25 cents on the dollar
- Moodys.com predicts a continuing decline through at least 2009’s first quarter
- In addition to Canadian buyers, many Europeans see this as a good time to buy in Florida

Mr. Price was followed by a panel of Hodgson Russ cross-border attorneys, **James M. Hankins** (Real Estate & Finance Practice Group), **Leslie R. Kellogg** (U.S. Federal/International Tax Practice Group), **Paul E. Roman** (Estates & Trusts Practice Group), and **Marla Waiss** (U.S. Federal/International Tax Practice Group). They discussed the following topics Canadians need to know about when considering a Florida real estate purchase:

- Forms of real property ownership
- U.S. income, gift, and estate tax issues
- The Foreign Investment in Real Property Tax Act
- Probate, trust administration, and life insurance issues
- Florida real estate taxes and property insurance
- Purchase contract issues

Hodgson Russ attorneys advise Canadian clients on U.S. legal issues affecting cross-border business operations in the United States. Ours is one of the few law firms with a full-time office in Toronto devoted exclusively to practicing U.S. law, and we have one of the largest Canadian practice groups among U.S. law firms. Our attorneys have counseled Canadian clients for more than 50 years. In addition to our Toronto office, we have two offices in New York, New York, and offices in

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Albany, Buffalo, and Johnstown, New York, and Boca Raton and Palm Beach, Florida.

