

“Groundbreaking” year expected in Asian investments

FEATURE | Hotels, golf courses, resorts and small businesses are now on the radar of foreign buyers, mostly from China. A new web page, *PNPbusinessesforsalecanada.com*, aims at offshore investors

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Last March, China-born **Owen Wang**, a recent immigrant to Canada, purchased the 18-hole **Sechelt Golf and Country Club** and said he plans to sink \$20 million into improvements, including the construction of a hotel on the site. Investors from mainland China have also purchased a marine resort at Garden Bay on the Sunshine Coast, a 43-acre island off the coast of Pender Harbour and even the Gibsons' movie theatre. A Chinese group is also eyeing a multi-family development site in Gibsons.

Chinese offshore investors were behind the purchase of an Okanagan lakeside resort last summer and an equestrian centre in Langley and are backing a \$50 million hotel project in Nanaimo. In Vancouver, the 120-room **Best Western Plus Sands Hotel** on Davie Street was recently sold for \$30.3 million to a numbered company backed by Asian capital. According to a study by hotel consultant **HVS International**, investors from China also purchased the **Days Inn** in Vancouver and a “good portion” of hotel-condos in the **Westin Grand** hotel.

In January, a Chinese-born Canadian with homes in Hong Kong and Vancouver bought a 234-acre development site straddling Port Moody and Anmore on

the southeast edge of Metro Vancouver through Vancouver-based **Brilliant Circle Group (BCG)**.

BCG, which has also purchased a number of Vancouver commercial buildings, is tied to investors from China.

Johathan Ramscar, a senior vice-president with **Jones Lang LaSalle**, a Vancouver real estate brokerage that has worked with many offshore buyers, including BCG, said the recent downturn in the Canadian dollar would likely ramp up offshore investment.

China-based B.C. investments are also expected to increase because China eased its offshore-investment regulations in 2014.

This could be a “groundbreaking year for Chinese outbound investments,” according to **Chadbourne & Parke LLP**, an international law firm headquartered in New York City. Its 2014 report *China Widens Door to Outbound Investment*, noted that offshore Chinese investments “other than in the financial sector” reached US\$90 billion in 2013 and hit US\$20 billion in the first three months of 2014.

“This is just the beginning for Vancouver,” said **Tina Mak**, president of **Asian Real Estate Association of America**, Vancouver chapter, and a residential realtor with **Coldwell Banker Westburn Realty**.

Mak expects a huge increase in B.C. commercial real estate activity by buyers from China.

Last April, China's government



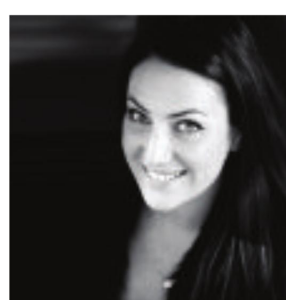
Owen Wang with his wife Vivian Zhang at the Sechelt Golf and Country Club. Wang recently purchased the 18-hole course and is planning a new hotel on the site. | CHRISTINE WOOD / COAST REPORTER

relaxed constraints on citizens buying in other countries. Now, deals under \$300 million may not even hit regulators' radar. “China has opened the door to outbound investment more widely than ever,” Chadbourne & Parke commented.

While much of the offshore real estate money flows from China into New York, London, England, and Los Angeles – the most popular cities for Asian investors – Vancouver is considered among the top secondary targets.

While Mak said return on investment is the primary aim, some immigrant investors are apparently drawn to B.C. as much for the lifestyle.

The new owner of Sechelt Golf and Country Club, for example,



Business broker Aleksandra Magee specializes in helping would-be immigrants buy B.C. businesses.

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said the profit motive was not the main driver for his investment decision.

Wang said he wanted to

purchase the course for three reasons: his love of golf, the quality of life and natural beauty in Sechelt and the possibility of retirement in the area.

“Sechelt is a great place to live,” Wang said through a translator.

Small business

There is also a local trigger for Asian investments into B.C.: the province's Provincial Nominee Program (PNP), which can speed up immigrant applications for permanent residency permits through buying a business.

The minimum personal investment is \$400,000 in the entrepreneur category and \$200,000 in the regional entrepreneur category, which favours investments outside of Metro Vancouver and Abbotsford.

“There is a big demand for these programs,” said Russia-born **Aleksandra Magee**, a West Vancouver realtor and business broker who has helped more than two dozen immigrants purchase a local business.

Magee works with B.C. business brokers to locate investments for immigrants from around the world, but primarily from China.

To help explain the PNP and profile eligible investments, Magee has launched the first website dedicated to bringing foreign investors and B.C. businesses together. See www.PNPbusinessesforsalecanada.com. ■

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