

CANADIAN BUYERS...
It's a GREAT time to purchase Real Estate in Arizona from
THE PURPLE COW TEAM

A few things to consider....

1. Always hire an experienced Real Estate Agent...preferably The Purple Cow Team with Realty Executives...US!

We can guide you through the process of buying real estate in Arizona. If you choose to purchase a Vacation Home for the winter months and rent it out in the summer, we can connect you with a property management service to assist you with that...they are part of **The Purple Cow Synergy Team**. We can also recommend lenders, inspectors, title companies, attorneys, accountants, insurance agents, and contractors to help you maintain your home in Arizona. Whatever your needs may be, let us know and we will do our best to help you with your property investment in "remarkable" Arizona. **We're The Purple Cow Synergy Team...a team of teams devoted to making your Investment in Arizona Real Estate a SUCCESS!**

Please Click on this link to learn more about Arizona, and Phoenix! <http://phoenix.about.com/>

Please Click on this link to learn more about The Purple Cow Synergy Team services! <http://bit.ly/b880Co>

2. Buying property in Arizona if you are Canadian can be interesting. Always check with your CPA/Attorney to discuss your situation before you leap. Cash buyers of course will have different issues/needs than buyers that will be needing a loan. We do have "hard money" lenders available for properties that you may want to Fix & Flip. However, we will always recommend you have the following readily available when obtaining financing to buy property in Arizona:

- Copies of passport and visa.
- Last two pay stubs.
- Last two bank statements.
- Last two years of tax returns. If self employed, a letter from an accountant stating how many years you've been in business, and business tax returns.
- Verification of two years employment history.
- International credit report - lender will order.
- Set up American bank account for transfer of money.
- Generally, the lender will require 20% to 35% down payment.

Some things to consider :

- Most of the mortgages that you will get in the US as a Canadian will carry a premium, because as a foreigner you will be perceived to be an increased risk. This is because you probably do not have a US Social Security number nor any income or assets in the US. For instance, in the US you need a credit score. You can get your Canadian credit rating but if you default on a US loan, it will not affect your Canadian credit score.
- There is another alternative and that is to finance the home in Canada on your Canadian credit and pay cash for the US property. Before you discard this idea, think about the benefits: You're using your strong Canadian dollar to purchase property in the US...which currently is suffering from a weak dollar.
- Always consult your accountant first to choose the "best" financing option for you.

Please Click on the link below to learn more about Canadian Residents making the Transition and going down South. (Transition Financial Advisors Group, Inc.) We highly recommend the book by Terri Richie - "The Canadian Snowbird in America". <http://www.transitionfinancial.com/>

3. Transferring Funds at Close of Escrow.

Financial Services can be set up ahead of time to make the process that much smoother.

Please Click on the link below to learn more about " Custom House", a wholly owned subsidiary of Western Union. <http://www.customhouse.com/individual-services/>

"Custom House" provides an easy, safe, and fast way to convert and deliver funds to the US via an international wire transfer. You may want to consider this option which will give you the peace of mind of knowing that, once your purchase and paperwork are complete, your funds are ready to transfer immediately - quickly, and at your convenience. "Custom House" is known today as an innovator in financial services. The Western Union Company has become an industry leader in global money transfer with over 400,000 Agent locations in 200 countries and territories. They are a Fortune 500 company with a market capitalization of more than \$12.5 billion USD - a size that rivals most major Canadian financial institutions. Western Union has an A3/A -credit rating, \$1.6 billion of cash, and greater than \$1.1 billion operating cash flow.

4. What are the costs associated with buying property in Arizona? Most of the costs involved in purchasing a property will be in fees that you pay to the lender, which is primarily through a neutral third party, a title company. If you are paying CASH then, you will not experience any loan fees. In Arizona, the title company handles the transaction, so there isn't the cost of an attorney for this part of the transaction. You will also most likely pay for a home inspection, termite inspection, an appraisal, the escrow (title) fee, title insurance, recording fee, property taxes and homeowner's insurance. If the property resides in an HOA, a homeowner's transfer fee may apply which sometimes is paid by the seller, however, always check with the Homeowner's Association to find out what the fees/dues are and if any transfer fee applies. ***(Keep in mind that if you are purchasing property through a Trustee's Sale the process is very different. Inspection periods, etc. are not the norm and therefore the risks associated with the Trustee Sale are heightened. We, however, do have a company that is part of The Purple Cow Synergy Team that can manage the purchase of property via a Trustee's Sale for you.)***

To help offset the initial cost of the infrastructure of a resort like community, some neighborhoods have a Special Assessment or Community Facilities District Tax (CFD). These are additional fees that you may not pay on another property in another neighborhood. Always check with your REALTOR, so you don't have any surprises at the last minute.

A good rule of thumb, is to figure your closing costs will be 3% of the purchase of the home. This cost will be much less if you are paying CASH for a property, then figure around 1% of the home's purchase price.

Arizona does not have a real estate transfer tax. The Seller pays the commission for the Real Estate Agent, both sides: Listing Agent and Buyer's Agent. So, why not use a Buyer's Agent? **We've listed some really "great" reasons why you should use an experienced real estate agent, "US", when purchasing property in Arizona:**

- In today's turbulent real estate market, buying without representation is like going to court without an attorney.
- A Buyer's Agent exclusively represents Your Interest.
- A Buyer's Agent can handle and advise on all price and contract negotiations. A strong Buyer's Agent will always be able to pull an analysis of homes that have sold in the area, those that are pending a sale, and those that are active in MLS. Knowing the history of the community, and what the sales trend is, will only help you, the Buyer, make an educated offer.
- A Buyer's Agent will give an unbiased, realistic view of the property. They have no emotional attachment. They will provide you with all possible options and opportunities.
- Time. An experienced Buyer's Agent has many transactions under their belt. Use their knowledge and experience. They've also handled many negotiations, know many of the agents and brokerages, and can be your best arrow in your quiver. You're time is valuable, tap into their expertise.

Property taxes are comparatively low in Arizona. Each city and county will vary slightly, but taxes are usually around .8 - 1.5% of the purchase price. Please verify this with your agent. A new Canadian homeowner will pay the same property tax rate in Arizona as their American neighbors next door.

Always consult your accountant or lawyer for specific tax and legal questions when purchasing or selling property in the U.S. **The Foreign Investment in Real Property Tax Act (FIRPTA) imposes U.S. tax on income and gains from real estate owned by "non-resident aliens"**. Please check with your Attorney/CPA to understand your exposure to any withholding tax on income from the property or sale of the property. For instance, Snowbirds who rent out their real estate located in the US, should beware: a withholding tax may apply. Please consult with your CPA/Attorney on your exposure to tax and the possibility of filing a U.S. income tax return and taking advantage of the net rental income election. The amount subject to tax at the marginal rate may be substantially lower than the amount subject to withholding.

One last point, before you BUY anything in Arizona, make sure you do your research...and start with hiring a professional REALTOR that knows the area, and understands the nuisances that come with working with Canadian Buyers. Going through a competent REALTOR that specializes in second homes and vacation neighborhoods will not cost you anymore, on the contrary, they will become an asset and much needed resource. Many exceptional deals are available in the Phoenix market right now, deals that we may never see again in our lifetime. Buying property to fix and hold, for family vacations, or for rental purposes is a great strategy if tied into your overall wealth building strategy. The Purple Cow Team is at your service and ready to get "you" MOOVING in the right direction.

*Jane and Al Andersen are experienced REALTORS with Realty Executives out of Chandler, AZ. They are experienced Relocation Agents, and are currently working both the BUY and SELL side of real estate. They started The Purple Cow SYNERGY TEAM to support Foreign and US Investors purchase property with ease and confidence. Their team of teams is a one stop shop, and Investor's Dream. Whether you are looking for a VACATION home, a 2nd HOME, an INVESTMENT property that you'll RENT, or you want to start the FIX & FLIP process by buying homes on TRUSTEE'S Sales, the SYNERGY TEAM has you covered. You can reach The PURPLE COW TEAM at www.ThePurpleCowTeam.com or **call Al Andersen @ 602-684-9300** and ask about SYNERGY. Email: ThePurpleCowTeam@cox.net.*