

HAVENS; Bargains Across the Border

By JUDITH MATLOFF (New York Times – April 11, 2003)

For about three years, David Johnson searched along the North Atlantic seaboard for an ocean retreat for his family, but didn't like what he found. Cape Cod was congested, and the Hamptons had too frenetic a social scene. "It was too pricey for us, and a culture where you're leaving one stressful environment for another," said Mr. Johnson, 43, a banker who works in Midtown Manhattan and lives in Short Hills, N.J.

Then his wife, Teresa, 41, who has family in Canada, suggested they check out Nova Scotia. Mr. Johnson was quickly captivated by the miles of empty coastline, brimming with heron and eagles. The word condominium didn't exist in the weathered hamlets, where fishermen discussed lobster catches instead of celebrities. What's more, the prices were a fraction of what the couple had seen in Massachusetts, in part because of the favorable exchange rate.

So in 1997, the Johnsons bought a sprawling white-shingled house, with a pool, on a bluff overlooking Mahone Bay, between the towns of Chester and Lunenburg. From there, their three children boat to deserted islands, and Mr. Johnson can watch ospreys as he sails.

"The quality of life is laid-back, it's like a throwback to another time," he said. "We like the values -- respecting neighbors, traditions, privacy, the sea. And obviously, the affordability with the Canadian dollar makes it attractive." (Mr. Johnson declined, however, to disclose how much he paid for his home.)

Many Americans seeking second homes along the Atlantic have shivered at the thought of Nova Scotia as too far and too cold. But with an exchange rate of about 1.5 Canadian dollars to the United States dollar, the rocky shores of Nova Scotia are looking ever more attractive to home buyers willing to put up with an admittedly arduous commute.

"We used to see a lot of Americans visiting," said Pat Parker, a Chester-based agent with the Royal LePage real estate company. "Now, they're buying."

Tim Harris, the owner of Tradewinds Realty, also based in Chester, estimated that prices have risen by as much as 100 percent over the last two years, buoyed by United States demand. During that same period, his company's sales nearly doubled, he said, to \$19 million, with half of the purchasers from the United States. He said that many buyers were leapfrogging Massachusetts or Maine to get oceanfront property for one-fifth the price. One recent sale: a three-bedroom colonial with a veranda overlooking the bay, for \$115,000. (All house prices are in United States dollars, using the conversion rate at the time of the sale.)

The most popular area is the southern coast, whose historic towns Chester, Lunenburg and Mahone Bay lie about an hour's drive from the Halifax airport. The area is warmed by the Gulf Stream, which frees it of the heavy fogs and cold water elsewhere in the province. There are gingerbread Victorians perched on the rocky coast and fine kayaking along the bay, whose 365 islands provide sublime bird-watching. More intrepid souls opt for Cape Breton Island farther north, or head to remote pockets on the Bay of Fundy, which has the world's highest tide. Both areas are renowned for whale watching.

Some of Nova Scotia's popularity is a bit of a throwback to earlier days. The locale has drawn visitors from across the border since the Revolution, when British loyalists sought sanctuary. Chester was a favored summer spot of 19th-century Philadelphians who traveled by steamship. More recent United States interest has been buoyed by the lack of restrictions on foreign ownership of land. The downsides are that local banks require 25 to 50 percent deposits for mortgages and that property taxes in some communities have risen as much as 20 percent in the last five years.

Many buyers said they had no intentions of buying, but became smitten with the notion of cheap seafront property while on vacation. "I wasn't looking for a country place," said Francis O'Brien, a management

consultant from Washington, who fell in love with Nova Scotia's pristine shores while visiting a Celtic music festival. Last October, he paid \$150,000 for four acres on the uninhabited Rosehead Peninsula, where he plans to build a small house on a cliff. "If you bought this in the Hamptons or on Martha's Vineyard, you'd be paying millions," Mr. O'Brien said.

Peter Devine, 56, a landscape painter from TriBeCa, also bought on impulse. He and his wife, Nancy, said they never thought they could afford a beach home. But while on a holiday 10 years ago, they grew enchanted with the Bay of Fundy -- and a gabled five-bedroom house on the water that cost "less than an S.U.V." (A similar property nearby is now on sale for \$93,000.) "We looked at each other and said 'This is a good idea,'" he recalled.

Chester most closely resembles a resort, with a private golf course and old-money estates on the hills that can fetch \$1 million plus. A more modest three-bedroom house with a harbor view recently sold for \$87,000, and a private island of 10 acres had an asking price of \$242,000.

The fishing town of Lunenburg, population 2,500, became a tourist destination with its 1995 designation as a Unesco World Heritage Site because of its architectural integrity. A two-bedroom wooden house with no water access just sold for \$83,000 and a six-bedroom Victorian with harbor views went for \$147,000. The more modest Mahone Bay, with only about 1,000 residents, recently had a two-bedroom colonial in town go for \$38,000. A three-bedroom ranch-style home with 190 feet of oceanfront fetched \$206,000.

The real bargains lie farther south, north or inland, where the terrain grows scrubby and marshy and the trip to the airport is longer. For instance, near Pictou, a 90-minute drive from Halifax, a three-bedroom cottage with 25 acres and three-quarters of a mile of ocean frontage recently had an asking price of \$77,400. Cheapest are inland cabins lacking electricity or running water, which can go for \$10,000 with 10 acres of wild berry fields.

But even for inland vacationers, the sea is never more than 35 miles away. While Americans thrill over what strikes them as bargains, their interest has pushed real estate taxes and prices so high that many year-round residents can no longer afford seaside homes. "This has caused some resentment," Ms. Parker said.

However, most of the second-home owners interviewed described a warm response. Banks often stay open after hours upon request. Deals are closed with a handshake, and neighbors drop by with gifts of fresh cod or scallops. Vegetable stands often go unmanned, with simply a dish for leaving payment.

"It's folksy, like a trip back in time," said Paul Seltzer, 70, a former caterer from Syracuse, who was overwhelmed by the welcome when he bought his 1889 captain's house in Mahone Bay. "The mayor showed up with a loaf of bread and blueberry jam." Less hospitable is the weather. Winters in some sections of Nova Scotia can be bitterly windy, and spring can be soggy.

Getting there is another drawback. The five-hour airport-to-airport commute from Newark to Halifax is an expensive trek for a normal weekend. (The cheapest round-trip fares run about \$250 a person.) The drive from Manhattan to, say, Chester can entail 20 hours, including a border crossing that has grown more laborious since Sept. 11. Some people prefer to drive to Bar Harbor, Me., take a three-hour ferry to Yarmouth, Nova Scotia, and continue on in their cars.

For this reason alone, homeowners seldom use their places as weekend retreats. More common are weeklong vacations, or a month or two in the summer. Mr. Devine spends half the year in Nova Scotia, including a large chunk of the winter -- he likes the cold weather -- with his wife coming up for long weekends or a couple of weeks here and there.

Once there, the place can grow monotonous for those who like to do more in the evening than read and listen to the surf. The big evening event in a village might be a lobster bake at the church. Some communities don't even have a tavern. "Night life? It isn't there," said Mr. O'Brien, whose nearest village, Kingsburg, is bereft of shops.

But such isolation is precisely the enchantment, Mr. Seltzer said, gazing out his window at pelicans and seals sunning themselves on the ice. "Where can you beat that, at this price?" he asked.