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NEW DIGS: THE MARKET

Condos catering to new demographic

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This could be described as the year that condominium builders and buyers started to venture into unknown territory.

Economists and housing analysts have been predicting for five years now that oversupply and rising interest rates would lead to a slowdown in condominium sales throughout the Greater Toronto Area. Well, it hasn't happened, mainly because of an influx of new kinds of buyers into the market.

More than half of all condominium buyers are still purchasing for the first time, but now a full quarter are considered to be empty-nesters or people downsizing.

What's more, government conservation efforts have sharply curtailed the development of new low-rise housing, which has led to higher new-home prices for such dwellings, especially in Vaughan, Richmond Hill, Mississauga and Oakville. That has added another segment to the condo market -- young families who have been priced out of the low-rise market.

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This new diversity of condo buyers has not only made for sustained demand, but also a greater diversity in the types of condos available -- in terms of size, luxury, design sensibility and location. Builders have responded to these imperatives, some in memorable fashion.

One of the most interesting launches of the year was the latest phase of Mississauga's Absolute project: two dramatic, undulating glass towers -- 50 and 56 storeys -- that will strike a soothing elliptical chord on

Mississauga's skyline. (Three smaller buildings designed by Burka Varacalli Architects are under construction and a fourth is being planned.)

The latest towers at Absolute, spearheaded by Cityzen Development Group and Fernbrook Homes, are the creations of Beijing architect Yansong Ma, and they have certainly raised the bar for architectural design in the GTA. (Standard suite sizes will be between 600 and 1,200 square feet, with prices ranging from \$183,000 to \$457,000.) If these towers' lasting legacy is to make builders (and buyers) break free of the standard boxy façades, it will have been worth it.

Another growing 905 municipality, Markham, has taken major strides in evolving into a diverse and mature condominium market. Buyers seem to have warmed up to the idea that this York Region city has the potential to become a more urbanized community.

The first phase of the massive \$3-billion Downtown Markham development, called Rouge Bijou, hit the market this summer. The 187 suites in the first two mid-rise buildings were sold out in the first weekend.

When all is said and done, Remington Group's Downtown Markham will be nicely integrated with the regional transit systems' Viva express buses and the GO train. It will also include a ritzy commercial and entertainment component. But Rouge Bijou, boasting a battery of environmentally sustainable and energy-conservation features, is also considered a hit with eco-friendly buyers.

In downtown Toronto, the launches continued to come at a fast and furious pace, with 8,500 new suites going on sale between January and October. The big news here is how builders are pinning their fortunes on two vastly different markets: first-time and budget-conscious buyers, many of whom are single professionals who have busy lifestyles, and millionaires who demand the latest in luxury appointments and finishes as well as brands that reflect their status.

On the affordable side, the corridors along Wellesley Avenue East, College Street between Yonge Street and University Avenue, and the area surrounding the St. Lawrence Market have proven popular, thanks to their proximity to the subway and the white-collar cubicle jungle.

The Residences of the Ritz Carlton on Wellington Street West, and One Bedford in the Annex, set new standards in price and luxury. Suites at the Ritz, by Graywood Development, start at \$1.2-million and top out at \$13-million for more than 10,000 square feet. Sales, we are told, have been going well.

One Bedford, by Lanterra and MCE Developments, will reinvent the western boundary of Yorkville when it gets under way, with suites ranging from \$333,000 to more than \$2-million in a 32-storey luxury project.

Prices have remained very stable over 2006, however, especially with the influx of luxury suites that cost four or five times what an average high-rise suite fetches. The average cost of a high-rise suite stood at \$350 a square foot in September, up 11.5 per cent from September of 2005, according to RealNet Data Services. This makes Toronto a very affordable condominium market compared with Canada's condo capital, Vancouver, where the average cost is more than \$500.

Remaining inventory (unsold units) across the GTA in September was 12,433 suites, up slightly from 11,808 a year earlier. But there were 13,804 sales between January and September, 2006, compared with 13,388 in the same period last year.

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