

*A new condo sells every four minutes in the GTA*

# Overwhelming shift to condos

BY JEFFREY HAWKINS

**T**here were more new high-rise condominium suites sold in the greater Toronto area in June than ever before, Desi Auciello, president of the Greater Toronto Home Builders' Association, said yesterday.

"With an all-time high 2,397 new high-rise condos sold in June, home buyers were literally snapping up a new condo every four minutes [that the sales offices were open]," Mr. Auciello said.

According to RealNet Canada Inc., the association's independent source of new-home market information, an astounding six out of 10 new homes sold in June were high-rise suites. The previous high-rise market share peak was 46%.

Mr. Auciello attributed the continuing condo craze to affordability and choice.

"As house prices rise, home buyers seeking a toehold in the market are obviously turning in increasing numbers to the condo market," Mr. Auciello said, noting that the RealNet new-home price index for high-rise condos (\$314,370) is \$80,000 less than for low-rise homes (\$393,398).

And behind those numbers is a growing demographic of younger Canadians who say they would opt for life in an urban tower over the more traditional starter home.

In a recent Ipsos-Reid poll, 22% of Canadians between the ages of 25 and 44 in Vancouver and Toronto — cities with some of the most expensive homes

in the country — said they would consider having a family in a condo, compared with 13% aged 45 to 59.

Montrealers were most likely to express the view that condominiums are not suitable places for families with children, followed by people in Calgary and then Ottawa.

While 69% of respondents in Toronto and Vancouver say they prefer condos because they are easier to maintain, real estate experts and financial planners say this developing trend may have more to do with the skyrocketing price of inner-city homes.

The average national price of a resi-

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*Younger buyers like  
the lifestyle, and plan  
to raise kids in condo*

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dential home in Canada topped \$300,000 for the first time in May, according to data from the Canadian Real Estate Association.

House prices were highest in Vancouver, averaging \$518,176, followed by Toronto at \$365,537, and then Calgary at \$358,214. Home prices in every other major urban centre were below \$300,000.

"Basically, you're looking at spending at least \$400,000 for your first home," says Brad Lamb, of Brad J. Lamb Realty. "Like it or not, that price locks out a lot

of people, a lot of young people."

Although for Mr. Lamb, the "condo king" of Toronto, this could mean big business, he points out that the numbers are slightly misleading, as the trend is based on prospective condo buyers. Nevertheless, it's a trend the industry is watching.

"We all know it's coming," says Mr. Lamb. "With the price of homes these days, you just know [the shift to condos] is going to be huge."

Dave Fallon, associate vice-president with TD Bank's real-estate secured-lending unit, agrees, but says the affordability of condos is prone to fluctuate with the housing market. He believes the main reason young couples are considering raising a family in a condo is that they have grown accustomed to the benefits of the "condo lifestyle," with its carefree maintenance and safe surroundings.

"As condo developers continue to create new projects with more family-friendly features and amenities, we will see a rise in the number of families who choose this option," says Mr. Fallon.

The poll also found that condos offer amenities important to young families, such as building security, pools or recreation facilities for children, as well as proximity to public transportation, work and schools.

The survey, conducted between April 27 and May 12, is based on responses from 2,125 adults, aged 25-59, living in Toronto, Vancouver, Montreal, Calgary and Ottawa.

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