

It's a small world

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Question: How do you get the first-time home buyer into the condo market at a price he can afford, while giving him the space he says he needs?

Final answer: You can't do both.

No, this isn't *Who Wants to be a Millionaire*? It's the real-life dilemma developers face every time they put up a condominium.

Toronto's booming, and whether it's a project in outer Scarborough or smack in the middle of the city, the marketplace sets the tone. Space gets sacrificed to get a price point the market will bear. And when space shrinks, so do cupboards, sinks and closets.

"We can never deliver the product at the price that the public thinks they should be paying for it," says land developer Bob Forrest of The Forrest Group.

People want more space, for less money. And that's a contradiction he can't solve.

He firmly believes that, for the first-time home buyer, "we should be delivering everything we possibly can deliver to them, *but* the most important thing we can do for the first-time home buyer is get 'em there."

And, just like the person who sacrifices some wants and needs to buy a starter house, so too does the new condo buyer.

New buyers may have cash flow but a tiny down payment. Single women are a huge part of the market. If the price is too high, they can't qualify for a mortgage. High-ratio mortgages and help from mortgage brokers are needed to help some squeak by.

Forrest emphasizes that, in time, new buyers build up equity and can move up, and up again. "They don't have to stay in that 500-square-foot studio."

So, while he's sensitive to the quandary and works to provide the best design to maximize practical living space, in the end he's got to make a profit. And there's much less wiggle room at the market's entry level.

It's about to get tougher. Eric

Wegler, president of the Greater Toronto Home Builders' Association, says governments have, or will soon add, development charges or taxes that add about \$4,000 to the cost of a new condominium, squeezing new home buyers even further. (An Ontario Municipal Board ruling Aug. 30 blocks the city from automatically charging hefty fees for increased density; the policy



Less wiggle room for entry-level condo buyers

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would have added another \$6,000 to the cost of a one-bedroom condominium.)

Adding density (more units) is one way developers carve out profit. Shrinking unit size is another.

"If you're selling \$109,900, whether it's \$109,900 or \$111,900 is a big deal," Forrest says, and because of that "you're making tradeoffs every day."

So, you might get a sink-and-a-half instead of two sinks, to allow for more under-the-counter storage.

He is quick to distinguish between the first-time buyer and a move-up buyer or a last-time homebuyer. At the market's upper echelons, "we should be delivering a lot."

And a criticism he has levelled against the industry himself, is that "we do not put enough time and effort into the design process." Indeed, he would like to teach architects practical design, to think beyond the "beautiful monolith." Usable space can dramatically increase depending on how you

locate sinks, washer/dryer, fridges and stoves.

So a small, thoughtfully designed unit can be a real find.

Forrest, for example, Forrest always puts in at least one Lazy Susan, to maximize cupboard space. If you want a second one, you'll pay, as you would for an upgrade. (And on that note, his Avanti project has signs saying, "Yes, it's included" prominently displayed on furniture, counters, etc. It's smart marketing and saves confusion.)

Generally, model suites include features that give the appearance of space: mirrored closet doors, mirrored backsplashes in kitchens. If they aren't standard features, you need to try to visualize what your condo will look like if you can't afford them. Can you live there comfortably?

Walls that don't rise all the way to the ceiling also help give the appearance of space by letting in more light. So do cutouts in a wall, such as one used at APEX at CityPlace, which looked like a giant eye turned on its

side. The feature, however, was not available, even as an upgrade.

Remember, a model suite is the designer's Sunday best, all dressed up for a special occasion.

How about closets and kitchen space? Are the drawers deep enough? Are closets large enough to hold everyday items, such as the ironing board, vacuum and perhaps a shopping cart for groceries.

"Closet space is one of the real irritants for people," says marketer Brad Lamb. And it's not just entry-level condos that are problematic. Lamb himself chose to have someone come in and customize his closet in his previous condo after seeing what was to be installed.

He recently moved into a new condo, which he says would sell for between \$400,000 and \$500,000, and the kitchen is so small, he has to store half of his stuff.

"I don't even cook; I'm a guy, right? Half of the stuff that I've accumulated will fit in this kitchen. The rest has to go into storage. It's unbelievable."

When he's selling a new building, he meets with the developer and architect before the launch and goes over floor plans.

Sometimes, "I look at it and say, realistically, no woman is going to put up with this kitchen. This is appalling. We have to make these changes."

Or "The bathtub is five feet. Who actually soaks in a five-foot bathtub? We need at least 5½ feet."

Though he says there are some shining examples that have turned condo design on its ear, there is room for improvement. He says attention to detail is important. You have to think about how someone actually *lives* in a condo.

Jim Scott, 62, a veteran condo dweller, agrees. He has lived in several developments around Toronto in the past 20 years and has a combined 10 years' plus experience on boards of directors.

Scott, along with his partner, has been looking at new condos recently. Both are retired schoolteachers who winter in Mexico. Though they love

their penthouse at Market Square, they've considered downsizing, but can't find what they want.

Among his bugbears are kitchen sinks smack in the middle of the galley counter, where guests often gather barside; and inadequate shelving in closets and cupboards.

With suites getting smaller, he even asked to combine two units into one, but found the cost prohibitive.

He'd like to see a virtual reality tour showing closet sizes, shelving and finishing, as well as placement (and number) of electrical plugs.

At The Bellagio, you can see for yourself how many plugs the kitchen has. One model suite showed four duplex (two-plug) outlets in the kitchen. That's standard, says the salesperson.

Any doubts? For your own peace of mind, write it into the offer, she says. That's good advice regarding any feature you're told is standard.

And lastly, a word about lockers. They often cost extra, but it's tough to do without them. Unless you're a minimalist, you'll likely need one.