

# Young investors, older boomers are driving the condo market

BY SHEILA BRADY, THE OTTAWA CITIZEN



A majority of condo sales are smaller, one-bedroom units or one-bedrooms, plus a den geared to younger buyers, some boomers, women and singles looking to move on after a divorce.

**Photograph by:** Photos.com

The condo market is hot and getting hotter. And many of the buyers seem to be getting younger.

Consider Andrew Serre, a high school graduate who stood in line for eight hours to be among the first to buy a condo at Soho Lisgar. The 22-year-old already owns a one-bedroom in the Mondrian, a Bank Street condo he bought when he was 19. "This one is bigger," says the lanky Serre, who had his eye on the B2, a one-bedroom with 619 square feet and a generous balcony facing Cooper Street, while crunching the numbers on his calculator.

The key is to get in early, says Serre, who was second in a lineup that stretched down Lisgar to Bank Street. The condo started at \$276,900 on the second floor, rising by \$2,000 for each floor and by \$3,000 for floors six, seven and eight. He reserved a condo on the eighth floor, and a locker for \$3,500. The initial price: \$291,000.

Serre was eligible for a two-per-cent discount because he bought on the first day and he got an iPad after finalizing the deal. The developer, Mastercraft Starwood, also gave early buyers free, stainless-

steel appliances.

"This is a tangible investment. You can actually see it. It's not like a stock," says Serre, who works for ING Bank and estimates he paid \$158,000 for his Mondrian condo and it's now worth \$240,000.

"I'm not sure what I am going to do. Move, sell it or rent it out."

Further back in line, Jean-François Forgues balanced on crutches to take pressure off his ripped Achilles tendon while zeroing in on the same design, but up on the 10th floor. The 28-year-old has already bought two condos. "This is an investment, a smart investment."

Even further back, Ross Baylin patiently waited as security officials allowed small groups into the slick sales centre. The retired 60-year-old and his wife, Suzan, now live in a rambling 4,200-square-foot house in Cedarhill.

"We don't have a cottage. I like to play golf and want to spend time travelling to Tuscany," says Baylin, who spent years sitting on airplanes and staying in hotels, while working in private industry and for the federal government.

"We visited every part of Florida, now I would like to travel more," says Baylin, who wants to declutter and looks forward to living in an urban, one-bedroom condo. He has checked out several condo sites, but the timing wasn't right. Soho Lisgar will be ready in three years.

At one point, it seemed earlier buyers snagged his first choice, leaving him to write off the exercise as useful, but unproductive. Then a condo was turned back and he picked it up. "It seems like there's good karma here," he said while sipping a celebratory glass of wine.

Across the room, Serre and Forgues were sharing jokes, taking pictures of the model showroom with their cellphones, then sitting down to share wine.

"It's been a good day," says Serre.

The condo market is strong in Ottawa, says Ron Desjardins, predicting sales will control 20 per cent of the new home market in 2010. The housing analyst expects 5,500 sales of new townhomes, singles and condos this year, including 1,200 condos. The condo market controlled about 15 per cent of the new sales market last year.

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Bigger condos seem tailored to boomers, but these buyers take longer to cash out their homes and to make a decision, he says. This explains why many bigger units in a condo building take longer to sell.

"In fact, 85 to 90 per cent of sales are for condos under 1,000 square feet," says Desjardins.

Smaller condos are also a popular choice for investors, says David Wex, partner with Urban Capital and the developer behind the hugely successful projects of East Market, the Mondrian and now Central on Bank Street.

It was condo owners buying a second unit or referring friends that drove many of the early sales at Central during a private launch of Phase Two last week.

The following day brokers and the public bought into the site. "We also sold some of the remaining condos in Phase One," says Wex. Staff also took names for Phase Three.

Over at Soho Lisgar, staff estimate 60 per cent of the buyers were young professionals and investors, while 40 per cent were older boomers.

However, Canada Mortgage and Housing Corp. analyst Sandra Perez Torres says older boomers retiring from public service jobs with indexed pensions will drive condo sales across the city.

"Ottawa has one of the biggest percentages of senior population," says Perez Torres. "The buyer profile will be trending towards the senior market.

"Ottawa is also still a very affordable market, below the Canadian average."

The average price for a house in Canada, including condos, is \$320,000. In Ottawa, it's \$304,801, she says.

"The average price in Toronto is \$396,154 and a hefty \$592,441 in Greater Vancouver."

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