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NATIONAL POST
SATURDAY,
OCTOBER 3, 2020

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The 45-storey Condominiums at Square One District will feature pathways, leafy streets and a three-acre community park.

The Summer of 905

Cheap money, pent-up demand and mammoth revitalization projects are giving the GTA a leg up among condo-hunters

ADAM BISBY

This year's warmest season has been called many things: The Summer of COVID, the Summer of Social Distancing, the Longest March Break Ever. But for GTA condo-hunters, it was also the Summer of the 905.

According to the Toronto Regional Real Estate Board (TRREB), July and August saw the number of year-over-year condo sales in the 905 region jump by 11.7 per cent and 14.5 per cent, respectively, compared to 4.7 and 9.2 per cent in the City of Toronto. Year-over-year price increases followed suit, with the 905's 10.6- and 12.9-per cent bumps eclipsing the 8.8 and 8.7 per cent increases recorded in the 416.

The summer numbers mark a return to form for the 905 following the pandemic-fuelled spring downturn that affected the entire GTA condo market. According to the Urbanation consultancy, the 905 accounted for 42 per cent of all new condo sales in 2019, up from 32 per cent in 2018 and outperforming the 416 for the first time.

That surge in the 905 may not be a lasting trend, according to Jason Mercer, the TRREB's chief market analyst, but he does believe the region is poised for continued increases in condo sales and pricing. He chalks it up to improving economic conditions and job creation, rock-bottom borrowing costs, and pent-up demand following the dramatic spring downturn. "When COVID-19 hit, a lot of people who were looking to buy a home took a bit of a step back," Mercer says. "Now, in fairly short order, that confidence has returned, and that has prompted a lot of individuals to get off the sidelines and back into the market."

See SUMMER on HP3

“EXPANSION OF PUBLIC TRANSIT IN RELATIVELY AFFORDABLE PLACES LIKE VAUGHAN AND MISSISSAUGA IS THE REAL GAME-CHANGER. PEOPLE ARE REALIZING THAT THEY CAN OWN A HOME AND STILL GET INTO DOWNTOWN FOR WORK WITHOUT HAVING TO DRIVE. — CAMERON FORBES

‘A VISION YOU CAN BUY INTO’

SUMMER

Continued from HPI

These stimulants also apply in the 416 region, but several other factors — some long-standing, others tied to the pandemic — give the 905 a leg up among GTA condo-hunters.

With new condos in the 416 costing nearly 30 per cent more on average than those in the 905 — \$1,108 per-square-foot compared to \$795 per-square-foot in 2019, according to Urbanation — much of the suburban appeal is being driven by the compelling combination of affordability and accessibility, says RE/MAX Realtron general manager and broker Cameron Forbes. “The expansion of public transit in relatively affordable places like Vaughan and Mississauga is the real game-changer. People are realizing that they can own a home and still get into downtown for work without having to drive or even own a car.”

This is among the principal selling points of Festival Condos, slated to launch this fall. Steps from the three-year-old Vaughan Metropolitan Centre (VMC) subway station near highways 7 and 404, the 2,500 one- and two-bedrooms units in the five-building highrise pro-

ject from Menkes and Quad-Real start in the \$400,000s.

Across the 905, municipalities “are creating these master plans with a lot of the development work complete at the onset,” explains Jared Menkes, executive vice-president of highrise residential at Menkes Developments. “So as a developer, you can go into these neighbourhoods and they welcome you with a vision you can buy into.”

For Festival Condos, this means more than subway access. By 2031, the City of Vaughan aims to have 12,000 residential units, 1.5 million square feet of commercial office space and 750,000 square feet of new retail space in place around the VMC, all connected by a tree-lined network of parks, paths, squares and eclectic streets and complemented by Festival’s open-air promenades and plentiful green spaces.

A similar approach is being taken by the Daniels Corp. in its Mississauga City Centre master-planned neighbourhood, which is about to see its first residential building, the 45-storey Condominiums at Square One District, go on sale. Featuring pathways, leafy streets and a three-acre community park, the 130-acre project reflects the municipal government’s Down-



Affordability is part of what’s driving buyers to the 905: New condos cost 30 per cent less in the GTA than in the 416.

town21 Strategic Plan to transform the city’s core “from suburban to urban” with everything from pedestrian- and cyclist-friendly infrastructure to new public spaces and extensive tree-planting. It’s also blocks away from the Hurontario LRT station, which is expected to open in 2024.

“Real estate investors are looking for value, and the value in the 905 is still under-appreciated,” says Dominic Tompa, Daniels’ vice-president of sales. Like Vaughan, Markham and Oakville, which, together with Mississauga, now account for more than half of the 250-odd condo de-

velopments on sale across the GTA, “the 905 is really coming into its own not as a suburban region, but as the home of major Ontario cities that are undergoing major urban revitalization.”

With this kind of large-scale revitalization being less of an issue in the 416, many new builds there “are not really what people would call value investments,” says RE/MAX Realtron general manager and broker Cameron Forbes. “The sweet spot for investing in GTA condos right now is around \$800 or \$900 per square foot. When this starts topping \$1,000 the buyer tends to be more focused on lifestyle than on

value or investment potential.”

The pandemic-fuelled shift to working at home has also played a role. As Forbes points out, “more people are considering the suburbs now that they don’t have to commute downtown.”

Will that erode the value of public transit? Forbes sees it more as offering versatility. “For commuters, life gets easier. For the work-from-home crowd, their mortgage payments go down.”

As well as being numerous, new condo projects taking shape across the 905 are remarkably diverse, ranging as they do from Festival, Square One and

the 2,995-unit Brightwater community in Mississauga’s Port Credit neighbourhood to more boutique offerings, like the 10-storey 8188 Yonge property being built by Trulife Developments and Constantine Developments in Thornhill.

“Our market research has shown that people in the 905 want to be part of a community,” says Freddy Mak, Trulife’s president of sales and marketing. “Downtown, it’s more about being close to work and close to the action. Here, residents want to be in more peaceful neighbourhoods without the crowding and the hustle and bustle.”

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