

Condos attractive investments

TD Canada Trust poll points to lower prices and interest rates

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Every downturn has its upsides — and in the case of condominium buyers, current economic conditions mean lower prices and mortgage rates, making now an ideal time to buy.

According to the 2009 TD Canada Trust Condo Poll, this is only one of the reasons why homebuyers are looking towards the multi-family lifestyle.

“For Canadians looking to purchase their first residence or make a long-term investment, condos offer a lower maintenance and lower-cost alternative to houses,” says Joan Dal Bianco, vice-president of real estate secured lending for TD Canada Trust.

“This is a good time to explore a condo purchase, given that mortgage rates are very attractive right now and many condos have dropped significantly in price.”

And thanks to increased affordability, survey responses show the perceptions of the condo market have improved significantly over 2008, with 44% of urban Canadians believing the current conditions have improved for buying a condo as an investment — versus 21% in 2008.

In Calgary, affordability is key — 23% locally versus 21% nationally say price is an important factor in whether to make a purchase.

And 52% say market conditions are better than they were one year ago for buying a condo.

However, condo purchasers won't throw money at

any old multi-family development.

In fact, for a two-bedroom condo, 64% of Calgarians say they'd be willing to pay between \$200,000 and \$400,000, while 57% say they would pay between \$200 and \$400 per month in condo fees.

Dal Bianco says that's because prospective condo buyers want to keep their costs low.

“I imagine there are many people who believed just a year ago that they would not be able to get in to the housing market,” she says.

“Now, current market conditions are allowing them to reconsider their options.”

Lower costs and improved affordability aren't the only things potential buyers consider, though.

What makes a condo an attractive investment, respondents say, are low condo fees (97%), good security (96%), energy efficiency (93%) and an attractive design (95%).

Also important to survey respondents is buying new — 58% say they would prefer to purchase in a new building as opposed to an older one.

Of course, with new buildings come new amenities. But it turns out it's old





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favourites that have the widest appeal.

Parking is a driving force in deciding whether or not to purchase a particular condominium.

Calgarians were most likely to pass over a particular condominium due to lack of parking at 87% versus 75% nationally.

Altogether, Dal Bianco

says condo buildings that offer everything buyers are looking for should have no problem selling in today's market.

"Low interest rates, affordability, the range of condo options and amenities make a condo an attractive purchase for many Canadians," he says.

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Joan Dal Bianco, of TD Canada Trust



SUN FILE PHOTO

According to a recent TD Canada Trust Condo Poll, lower interest rates and prices are just two reasons why Canadians are attracted to the condo market.