

VIBRANT AND BUSY

Last year saw considerable speculation that the GTA real estate market would be severely affected by the pandemic, but surprisingly, this was not the case.

The condo market outside of downtown Toronto, lowrise, resale and cottage properties all saw an increase in pricing. Key to this growth was the terms builders were offering to help the buyers achieve their purchases.

This year promises to be a vibrant year. However, with affordability being a key element for buyers, we see many adjusting the way they live, and some are looking outside of Toronto to buy a home. Add to that the current low interest rates and people are now able to purchase a larger property than they initially imagined.

The condo market in Toronto will bounce back once the pandemic is under control and workers and new Canadians look for housing in the city.

All of these factors contribute to what we believe will be a busy selling year for 2021.



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OPTIMISTIC OUTLOOK

We have an optimistic outlook for 2021, with COVID vaccines becoming more broadly available, historically low interest rates and increasing immigration targets. We believe buyers will be active but will place more significant focus on investments that will appreciate in value and make a real contribution to city building with master plans and transit infrastructure.

Our upcoming master-planned development, Grand Central Mimico – the first official transit-oriented development in Ontario, done in partnership with Metrolinx – will cater to this demand. This transit-oriented community, anchored by the Mimico GO station, will include more than two million sq. ft. of mixed-use development, including well-designed public spaces, retail and residential density.



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ACTIVE AND PROMISING

We are forecasting a very active and promising 2021, with pricing holding strong along with market demand. Toronto has an esteemed reputation globally, and with low borrowing rates and strong immigration numbers, paired with a widespread distribution of the COVID-19 vaccine, we expect our incredible city (and its restaurants, sporting events and cultural programming!) to come back to life in the latter half of this year.

From this citywide re-energization, we foresee an increase in buyer confidence to support the many great sites to be brought to market with much success, including our nine-storey boutique Annex residence project at 500 Dupont, and X02, our King West Development at King and Dufferin in downtown Toronto.



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INDUSTRY RESPONSE TO COVID-19

The pandemic and associated restrictions are not just having an impact on the economy and housing markets, but also on how people physically look for new homes. Large scale public grand openings are on hold, with builders, marketers and consumers all having to rely more on innovation and technology.

And it's working.

"Last year was a challenging one, with the pandemic forcing the closing of new home and condominium sales offices for months," says Debbie Cosic, founder and CEO of In2ition Realty. "And yet we had the best year in the history of our company."

"We spent time working with our management staff and developers via phone, email and online to strategize for our upcoming new home and condo launches. Once restrictions eased up, we had multiple sellouts as a result of pent-up demand. We devised innovative ways to complete online deals, which represented 50 per cent of our business. We are doing the same this year, as we plan for more than 20 launches in 2021."

Builders and developers have routinely adapted, devising creative ways to promote, launch and market their properties via expanded Internet presence and extensive use of social media.

"The table is set for a strong entry into 2021," says Barbara Lawlor, CEO of Baker Real Estate Inc. "We have learned to sell virtually, successfully, despite pandemic restrictions, and technology has definitely been our friend. Being able to complete sales, right down to signing agreements, has paved the way for people all over the globe to purchase. I am proud of how our industry has risen to the challenge."

If, as many experts believe, the COVID challenges are short term, and once the vaccine is fully rolled out and the recovery takes root, things could take off. And quickly.

In the meantime, though some real estate markets are affected, opportunities do exist.

One of them is in condominiums. (See The Appeal of Condominiums, further below.)

LOCATION, LOCATION, LOCATION

What does this mean to you? Most prospective homebuyers understand the traditional golden rule of real estate is "location, location, location." But everything is changing, and new trends are emerging.

More and more people, for example, are looking for bigger homes, more space, larger lots – and some even for out-of-town properties that are conducive to those features. Or in the condo category, features that address their changing needs, such as working from home and technology.

In our recent NextHome Real Estate Survey (story published in our Dec. 5, 2020 issue), for example, 53.29 per cent of prospective buyers said they were willing to look outside of the 416 and 905 areas.

And in terms of what new home and condo features were most important to them, more than 51 per cent cited proximity to greenspace and other natural amenities, followed by work-from-home spaces at more than 30 per cent. And, as always, being close to highway access (28.71 per cent) and transit (28.39) is highly desired.

And no matter where or what you buy, don't forget this simple but critical fact that escapes many consumers: Real estate is local. There is no such thing as a Canadian housing market, just as there's no Canadian traffic or Canadian weather.

What's most important to you is what's happening in your market. When you buy a home, you don't buy a national or provincial market. You buy one property, on one street, in one neighbourhood, in one city and region.

So, forget the national headlines. Examine what's happening in *your* market. The same applies to the economy.

ONTARIO ECONOMY

All the uncertainty related to COVID aside (and you should always include an assessment of the local economy in your pre-buying research), the economy could rebound quicker than some initially thought.

Why does this matter?

FLOURISHING YEAR

The market will remain positively robust for 2021 due to a few predominant factors. Demand for townhomes and single-detached homes has been accelerated by the pandemic, as homeowners are now working from home and the overall importance of a home has changed. Homeowners now want to take advantage of maximizing space and value for their home.

There were record-breaking sales in lowrise in 2020. Southwestern Ontario recorded the largest volume of sales in 2020, as homebuyers relocated to secondary markets outside the GTA. Your average pre-construction price per sq. ft. in Southwestern Ontario is approximately \$600 per sq. ft., compared to approximately \$1,200 per sq. ft. in the GTA. For example, pricing on homes in Hamilton saw nearly a 10-per-cent increase in 2020, despite the pandemic, and this increase will continue in 2021.

Affordability and availability have been driving factors of this new trend. Another new trend due to affordability, supporting the lowrise markets, has been multiple families purchasing together, sharing the costs and residing in one home.

The luxury market will remain strong, with an influx of international buyers and empty nesters relocating. There has been a great demand from people wanting to relocate to Canada, as our country has officially become the most desirable place to live in the world based on Google search data, topping 30 other countries. It is the second-best country in the world to live, and number one for best quality of life, according to U.S. News & World Report, for the past five years.

Affordable condominiums with flexible and stretched out deposit structures are now being designed with thoughtfully curated outdoor amenities, more spacious suites with workspaces, and large balconies and terraces. First-time homebuyers can get into the market now, taking advantage of historically low interest rates. These rates are here to stay for the foreseeable future, and will further assist economic growth.

Getting all Canadians vaccinated will only boost homebuyers' already high confidence, and the federal government's plan to increase immigration will further propel the housing industry. Canada will welcome more than 1.2 million immigrants over the next three years, accepting 401,000 new permanent residents in 2021, 411,000 in 2022 and an additional 421,000 in 2023.

These factors are all conducive to creating another flourishing year for real estate in 2021.

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