

# Condo crystal ball

► Can the condominium boom keep going in 2012? Metro investigates



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The last two years have seen phenomenal growth in condo sales in Toronto.

With the new year at hand, we look toward the future with a few predictions from the experts. The big question on everyone's mind: Is the condo boom over? That depends on who you talk to.

The Bank of Canada warns of a cooling off of housing prices in its December 2011 economic outlook and predicts that "Certain areas of the national housing market may be more vulnerable to price declines, particularly the multiple-unit segment of the market, which is showing signs of disequilibrium."

As well, The Canada Mortgage and Housing Corporation recently reported that the number of multiple-unit housing starts across Canada dropped sharply by 23 per cent in November.

**'The market needs a breather'**  
"We had two crazy sales years in a row. The market needs a breather and if sales continue at this pace, investors won't get the returns they were looking for and stop buying until the market gets better. 2012 is the year to be careful and make informed choices," cautions prominent Toronto realtor Brian Persaud.

But that certainly doesn't mean that the condo market is in decline. Matthew Slutsky, president of BuzzBuzzHome says that "The GTA was flush with

new condo launches in 2011, and we are seeing builders pushing to launch a lot of product in early 2012."

He anticipates an interesting year ahead. "The condo market will be especially exciting to watch in 2012, as there are many new condo sites coming to market that are impressive on an international stage due to the size of the lots and the heights that the buildings will be reaching for."

**Downtown still rules**  
2011 saw a lot of speculation regarding the 905 area — the suburbs surrounding Toronto's pricey downtown core.

"905 has lots of condos that can be sold, but people are not buying," says Persaud. "Investors haven't re-

ally strayed into the 905. As a result, builders have had a tougher go with sales in the past. Builders rely on investors to buy units so they could build, and investors will happily buy if they get good returns. But in the past, the downtown core has always been better for an ROI."

And watch for ultra-compact studio spaces like in Vancouver's Hastings Street.

As Emma Teitel writes in Macleans magazine, "Ranging from 226- to 291-square-foot, the new lofts, located in the once-condemned Burns Block building, are said to resemble many metropolitan apartments in Europe and Asia — with floor space roughly the size of two parking spaces, or a generous prison cell."



► Toronto's condo sales showed no sign of slowing in 2011.