



The former industrial area to the east of the downtown core may get a major facelift with Toronto hosting the 2015 Pan American Games.

PHOTO ILLUSTRATION COURTESY TORONTO 2015 PAN AM GAMES BID COMMITTEE

Not ready to buy? Rental prices increasing quickly



CONDO TRENDS
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It may be getting harder to find a rental condo in Toronto. According to a recent report by real estate analysts Urbanation, rental prices are increasing faster than resale and new condo prices as the market tightens, particularly in the downtown core.

The average rental now goes for \$1,856 per month, or \$2.33 per square foot. That's an increase of more than 10 per cent in the past

two years.

"Clearly the rental condo market is very tight, there's no doubt about that. The vacancy rate would be substantially less than one per cent," says Jim Ritchie, marketing VP at Tridel, which owns Del Condominium Rentals.

Urbanation found that 31 per cent more condo units were leased in the first quarter of 2013 than in the previous year. Ritchie attributes this to two factors.

"One is, how that compares to the number of new condominium suites that were completed and brought

into the marketplace for that same period. So there's more supply of the product that could be rented.

"Number two, we certainly saw period of time where the market has softened somewhat and people who did not make a buying decision chose to rent and that has put pressure on the condo rental market."

Because of the tightening of mortgage lending rules last year, many first-time buyers are waiting it out by renting instead of buying and condo investors are tending to rent out their units rather than sell them.

Add to that the competition by empty nesters downsizing from the family home.

It's not impossible to find a rental unit, but potential renters should be prepared for competition for the more desirable and affordable units. Landlords look for certain characteristics: Having a good credit rating definitely helps, as well as providing a rental "resumé" listing your positive attributes such as not having pets or being a non-smoker.

As new rental inventory comes on the market over the next few years, there

will be more supply available, particularly after the conclusion of the Pan Am Games in 2015 when the Athletes' Village condo units become available.

"The supply of inventory is the big question inasmuch as there's lots of opinions as to how much and when," says Ritchie. "Statistically if you look at the last 10 years, our industry has been able to actually build and complete about 15,000 units annually. These projections that we see for 2014 and 2015 would be substantially higher than that. I don't know the industry can actually do that."