



CONDOMINIUM REPORT 2010

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Hamilton – Burlington

First-time buyers, empty nesters and retirees are driving demand for condominium product in Hamilton-Burlington this year. From January to September, 973 condominium apartments and townhomes changed hands in Hamilton, up six per cent from the 918 units sold one year-ago. Burlington also experienced an upswing in sales, rising six per cent to 996 units this year, an increase over the 2009 figure of 940. Conditions remain balanced in Hamilton-Burlington, with an ample supply of resale inventory across most price points. Condominiums now account for 22 per cent of all residential sales. Newer construction continues to generate the most hype amongst purchasers, with some apartment units virtually flying off the shelves. One such project in Southwest Hamilton, near McMaster Innovation Park, was 65 per cent sold out in a single weekend, with suites priced at approximately \$350 per square foot. Values have held up quite well in the city, with the average price now hovering at \$223,000 versus \$215,000 one year ago—an increase of four per cent. Lifestyle remains the primary factor in purchasing decisions in Hamilton, given that single-detached homes and condominiums can be bought at similar price points. Buyers have been increasingly attracted to the Dundas area, where baby boomers, empty-nesters and retirees have been fuelling sales of high-rise condominiums, priced between \$250,000 and \$650,000. Demand remains steady for these condominium projects, central to all amenities, which are springing up in the area. First-time buyers are flocking to northeast Burlington, driving activity for units priced between \$300,000 and \$325,000. The area is increasingly sought-after given its commuter access. Northeast Burlington has also benefited from spillover from nearby Oakville and Mississauga, as some purchasers are willing to add a few minutes to their commute in exchange for greater value. Downtown Burlington, near the water, is also coveted. The condominium option provides

buyers with an opportunity to live in the downtown for as much as \$100,000 less than it would cost to buy a detached home in the same neighbourhood. The city's most expensive sale to date occurred in Downtown Burlington. The unit—offering nearly 2,700 sq. ft. of living space within walking distance to the water—commanded \$1.125 million. Hamilton's priciest luxury suite sold for \$750,000. The upper end of Burlington's condominium market has been quite brisk, with 35 units changing hands over the \$500,000 price point, compared to 24 in 2009. Yet, there has been some buyer resistance to pricing of larger suites. Values per square foot—particularly in Downtown Burlington—have been disproportionate to the over-all market, and the issue has been compounded by a lack of supply. Builders have yet to respond to demand for larger units. As a result, a new trend has emerged whereby an upper end buyer will purchase two or three regular units and combine and convert these into one substantial high-end suite. This is a relatively new phenomenon and the response these will receive on the market has yet to be seen. On the whole, larger luxury units that are fairly priced are being snapped up quickly within days of hitting the market—even in buildings that are older, smaller or in less-than-prime locations. While end users account for the lion's share of purchases in Hamilton-Burlington, investors also remain active. Affordability continues to be a significant draw. Value, attractive interest rates, and improving economic conditions should serve to maintain demand through to year-end, while prices post modest appreciation.