



FIVE CONDO TRENDS IN 2018

1. Condos are booming! The popularity of vertical living now attracts nearly 50% of all buyers, whereas a few years ago, the condo market comprised only 30% of sales. Typically, condos are snapped up with multiple offers and aggressive over-asking bids.
2. Prices are surging. The average condo price is approaching \$600,000. House prices were relatively flat this year, but the cost of condos jumped double digits. New condos fetch north of \$1000 per square foot, a record-breaking benchmark.
3. Condos are shrinking. The average size of new condos is under 800 square feet compared with 900 square feet a few years ago. Dining rooms have disappeared and 3- bedroom suites are virtually extinct. Parking spaces and lockers are expensive add-ons.
4. Condos are becoming family-oriented. Traditionally, first-time buyers and mature empty-nesters drove the condo market. Currently, young families are buying condos as an affordable housing alternative. Many new buildings are child-friendly, offering day care services and playgrounds.
5. Condo rents are spiking. It is rare to find a basic downtown rental under \$2000. per month, whereas a 1-bedrooms suite previously rented for under \$1500 per month. Two bedrooms are fetching \$2500. or more.

What is the future for condos? The key factor triggering recent trends is affordability. Compared with detached homes at \$1M, condos are relative bargains, at least for now. My prediction is that the condo frenzy may fade when buyers hit an affordability wall. The sky is not falling, but as prices escalate, wildly outpacing incomes, condo sales may soon return to a normal market with more moderate, rational appreciation. Stay tuned ...

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