



# Vertical City – Toronto is Growing Up

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TREB PRESIDENT'S COLUMN AS IT APPEARS IN THE TORONTO SUN

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Torontonians are crazy for condos. Last month there were 2,361 condominium sales in the GTA, an increase of 25 per cent from the previous July.

While sales of all housing types have been robust throughout the past couple of months, condominium transactions are making a stronger contribution to the big picture than ever before.

In little more than a decade, condo sales have gone from comprising a quarter of all GTA resale transactions to accounting for almost one in every three homes that changes hands. In central Toronto condominiums now represent 60 per cent of resale transactions.

As a result of the condo boom the population of downtown Toronto grew by 10 per cent in the last five-year census period, representing the largest five-year population increase in the core throughout the last 30 years.

And there's more to come. According to the Canada Mortgage and Housing Corporation the seasonally adjusted annual rate of housing starts rose in the Toronto area by 10 per cent in June from the previous month to 24,000 units. This can mainly be attributed to condominiums as multi-family developments were up 15 per cent from the prior month.

The popularity of condominiums has skyrocketed because they appeal to people from so many different walks of life. Toronto welcomes nearly 100,000 newcomers to Canada each year from countries like India and China, where high-rise living is the norm. As such, Toronto's condo market is a natural fit.

Well-educated young adults who are on a career path also see condo living as an affordable and convenient option, given its proximity to business and city life. Indeed many from the twenty and thirty something age choose developments that reflect their personality.

Whether you're a media buff, into retro chic or have a penchant for fine art, there's a Toronto condo designed specifically with your needs in mind.

Empty nesters and those who purchase property around the globe are also drawn to Toronto condos, given their spectacular architecture and luxurious features.

A recent report by Urbanation substantiates their wide appeal; indicating that in the second quarter of this year Toronto's new condo sales increased 223 per cent from Q1, to 2,963 units.

Even if you're not drawn to this housing type, our new vertical city has an economic benefit to all GTA residents.

It obviously benefits housing industry related professions, but it also has a positive impact on a number of other sectors. In fact, according to a study by the Canadian Real Estate Association, one out of every 100 jobs depends on spending associated with resale housing transactions, on things like renovations, furniture and appliances. This study also found that the average resale housing transaction in Ontario generates more than \$47,000 in economic spinoffs. Even the smallest businesses benefit from condominium communities, which provide a steady stream of clientele to their ground floor shops.

New housing units also put additional funds into the City's coffers through property taxes. And intensification offers the opportunity to improve, rather than disperse, city services like transit, waste removal and recreation facilities.

As the fifth most populous urban centre in North America behind Mexico City, New York City, Los Angeles and Chicago, Toronto is growing up, both literally and figuratively as it matures into a world-class city.

*Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*