

New in Homes & Condos

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TRENDS

Consumer confidence, pricing driving market

Many fast-selling sites geared to first-time buyers, but pricier homes also moving well

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Buoyant consumer confidence, competitive pricing and a robust resale market have fuelled a surprisingly strong comeback for the new lowrise home market.

Several recent openings have attracted overnight lineups and virtual sellouts in their first few days offered to the public.

Mattamy Homes, Zancor and Arista Homes are just a few examples of builders who have had projects sell out within days of opening within the last month. While many fast-selling sites have been geared to first-time buyers, pricier homes geared to move-up and move-down buyers have also been moving briskly.

"It's really a reflection of the improved level of confidence," says Shaun Hildebrand, senior analyst with the Canada Mortgage and Housing Corp. He says first-time buyers are driving demand, accounting for 57 per cent of sales compared with just 33 per cent last year.

But Hildebrand says there has been a wave of higher-end buying as existing homeowners take advantage of low interest rates and some "pretty steep price decreases" offered by new homebuilders. The tight resale market where there is more demand than supply has also spilled over to new homes, says Hildebrand.

Because of the affordability factor, many first-time buyers who might have only considered condos are instead looking to the suburbs and as a result, semi-detached homes have been selling well in the GTA.

Arista Homes can attest to the current popularity of semis: In September, on the opening weekend for a release of 48 semis at its Boxgrove site in Markham, people lined up overnight and all 48 sold, even as the prices increased as the day went on.

"We never had a lineup like this before," says Dominic Bauco. "It was unbelievable. It's the first time we've offered semis and they were priced at \$289,900, which was extremely aggressive pricing. The price was established when we were in a more challenged market