

NEW HOMES

INDUSTRY OUTLOOK

THE CHANGING FACE OF NEW-HOME BUYERS

By Hugh Heron

One of my favourite things about being a new-home builder in the Greater Toronto Area today is driving around Heathwood Homes' communities and seeing homeowners of all ethnicities, ages, backgrounds and family configurations interacting. Things have changed a lot since I started in the residential construction industry in the 1960s. Back then, designing and building homes and communities was more cut and dried, because that's what the demographics called for. People rented until they got married and bought a home, and only then did they have their 2.4 children.

By comparison, the crossover market today is remarkable. We have seen brand new market niches evolve, and our job as new-home builders has become more complex – and interesting – than ever before. Nowadays, the people who are making the move from renting to owning are often single professionals or single parents who recognize the wisdom in building equity by making monthly payments on a mortgage. This includes single women, by the way – a growing segment of the home-buying market. Decades ago, women buying homes were rare, but today they are a powerful force across the economic scene. And frankly, even when couples buy homes, it is usually the woman who makes the final decision on which design they choose, and the finishing details. For these buyers, the market is packed with excellent choices, including high-rise condominiums and compact townhomes that require little or no maintenance.

With the attitude that owning a home is both a lifestyle and financial investment, we are also seeing an increase in friends or relatives purchasing a home together as co-owners. They share expenses for a period of time, make some money and move on. This phenomenon is not particularly new, as immigrants have often shared housing with relatives and lodgers until they become established. There are second and third generations now buying their own homes in this multicultural community we call the GTA.

A huge segment of the marketplace includes baby boomers who are becoming empty nesters and retiring. Their choices have changed a lot from those made by their parents and grandparents. Living in the family home until the age of 65 and then retiring to the cottage is a thing of the past for most. Many active adults over the age of 50 are downsizing to more compact homes or condos that are close to their favourite activities. They have terrific choices today, such as adult-lifestyle communities, golf communities and waterfront condominiums. Even this market is divided, as many of the over-50 crowd are choosing to live in a mixed suburban low-rise community where they can interact with younger families.



Demographics have also blurred the formula for who buys what. Builders creating upscale communities who market to move-up buyers, are seeing some first-time buyers who have inherited money or done extremely well in business at an early age and snapping up estate homes. At the other end of the scale, builders may introduce a neighbourhood of small townhomes they feel are perfect for first-time buyers, and find that affluent empty nesters are attracted to them because they want to move down in space and/or maintenance. Many condominiums, even in downtown Toronto, now carry a larger range of square footage so that some of the suites are large enough for families who choose to raise their children in an urban setting.

The whole thing is exciting, and builders continue to adapt to offer homebuyers what they want. In condominiums, you will find everything out there from 400-sq.-ft. bachelor suites to sprawling 2,000-sq.-ft. penthouses. And when it comes to low-rise homes, townhomes, semis, attached singles and detached homes span the gamut from compact to sprawling. One thing for sure – we'll continue to build something for everyone!



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