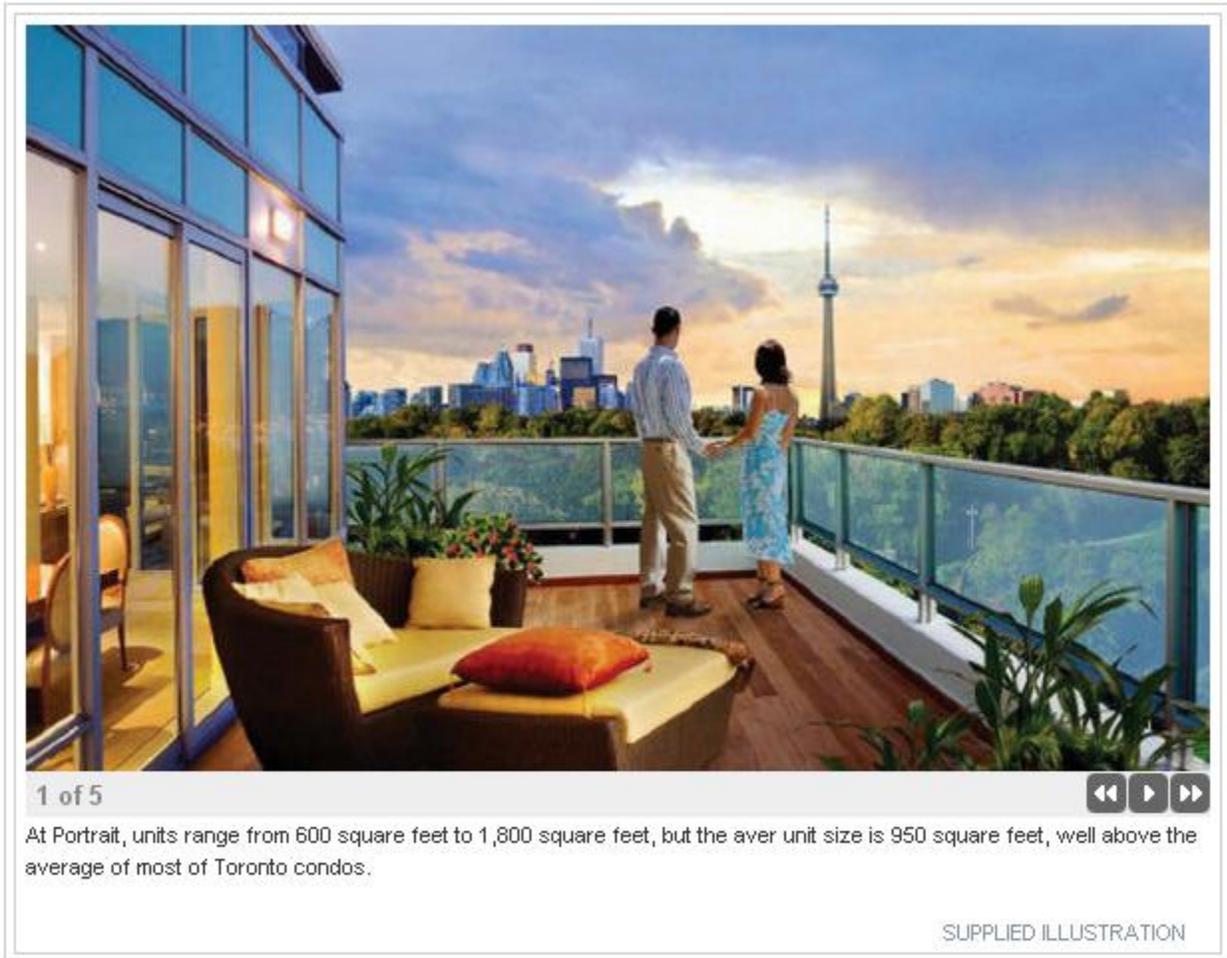


<http://www.thestar.com/living/realestate/article/1284923--end-users-seek-room-to-live-long-term-value>



## End users seek room to live, long-term value

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At Portrait, units range from 600 square feet to 1,800 square feet, but the average unit size is 950 square feet, well above the average of most of Toronto condos.

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### Ryan Starr

Special to the Star

In a market where condos sales have been fuelled in significant part by investors, it counts for something that Portrait Condominiums will be 95 per cent owned and occupied by actual end users.

The project, located at 701 Sheppard Ave. W. just west of Bathurst St., has two eight-storey towers with 188 suites and commercial units on the ground floor.

“There are very few speculators in this building, it’s all end users,” notes Gary Silver, president of Norstar Group of Companies, the project’s developer.

Now that the investor-driven Toronto condo market appears to be taking a breather, builders are returning their focus to owner-occupiers.

End users are attracted to Portrait because it’s located in an established neighbourhood where aging homeowners are looking to downsize into condos, Silver says. “This is a strong neighbourhood and it’s had a strong neighbourhood appeal for years. People don’t want to leave.”

Local purchasers also like the fact that Portrait, which will be finished by year’s end, took only 18 months to build, versus the four or five years buyers typically would have waited had they bought pre-construction in a highrise condo project.

“We have both sides of the (end user) spectrum: the first-time buyer and the last-time buyer, and these buyers want to see (the building), feel it and touch it,” before deciding to lay their money down, Silver says.

The size of suites at Portrait makes a difference, too. They range from 600 square feet to 1,800 square feet, but the average unit size is 950 square feet. (Investors tend to prefer smaller, less expensive suites that they can rent out.)

Size also mattered for end-user buyers at Fairground Lofts in Old Woodbridge, a Wycliffe Homes project with 65 “loft-style” stacked townhouses, where the average size is 950 square feet.

“We marketed to homeowners in the area,” explains Jared Bensky, Wycliffe’s vice president of development, noting that 90 per cent of the buyers at Fairground Lofts have been end users.

“These buyers are used to living in large spaces, so we’re not selling 500-square-foot units. Investors obviously like small units, but we’re doing bigger units because that’s what attracts the end user.”

At **The Station**, a 14-storey project on Wilson Ave. near Allen Rd., Brandy Lane Homes ensured that at least half of the suites had larger layouts, in a bid to appeal to end users.

“Whenever we start marketing projects we always say, ‘Beware of the end user,’ ” says president David Hirsh.

End users also were drawn to The Station because they believe the area is on the upswing and that this will ultimately translate into a higher return on their real estate investment. “They want to know they’re getting the biggest bang for their buck, because they intend to stay there for a long time,” Hirsh says.

B.streets Condos, a nine-storey building at Bathurst and Bloor Sts., is attracting a fair share of end users — many of them locals — simply because it’s the first condo project of its kind in that neighbourhood.

“Nobody’s built anything new like this in the Annex in decades,” says Michael Klugmann, principal of Lindvest Properties, B.streets’ developer. “So there’s pent-up demand and it’s a hot commodity.”

Klugmann thinks the design of the condo is luring end users too: it’s a cool-looking, modernist-inspired midrise with a variety of larger suites and amenity spaces aimed at encouraging neighbourly interaction — a far cry from an impersonal, cookie-cutter, 50-storey tower, he says.

“There will be a sense of community here,” he says. “(End users) want to live in a building where it’s intimate, friendly and welcoming; when you can know the people who live on your floor or who you’ll run into on the elevator — they won’t be like strangers.”

A building with a large number of investor-owned suites can raise red flags for end users who fear that renters lack pride of ownership and will neglect to care for the building; this could have serious impact on the value of each end user’s investment.

Concern about long-term value is a big reason why end users might prefer condos with fewer amenities.

“End users are buying into the property, the building and the neighbourhood, as well,” says Alie Warren, a vice president at Streetcar Developments. “So we keep our condo fees low (by offering) fewer amenities.”

At Streetcar’s most recent projects, The Carlaw and The Carnaby — the largest developments the midrise builder has done to date — “we’re not putting in pools and other high-maintenance amenities that will end up driving up condo fees, which end users are very much aware of when they’re purchasing,” she says.

“They’re focused on the long-term investment; they’re not turning around and flipping this unit.”



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At Portrait condos, located on Sheppard Ave. W. near Bathurst St., units range from 600 square feet to 1,800 square feet, but the aver unit size is 950 square feet, well above the average of most of Toronto condos.

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B.Streets Condos, at Bloor St. W. and Bathurst St., is luring end users because it offers a variety of larger suites.

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Streetcar Developments is a specialist in providing larger units in buildings, pictured here The Carlaw, that aren't weighed down in amenities to keep condo fees down.

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