

# Is now the right time to buy a condo in Toronto?

Supply is up and rates are down, but will people take advantage?

by Brad Lamb for TRNTO Posted: October 28, 2020 Photo: © Bloor West Village BIA



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## **Will the current second wave of the pandemic impact the showing and selling of condos in Toronto?**

So, I have talked about this before, and there is no second wave. It's the same infection that was always here. What we did was we hid for three months. And then we came out of hiding. The economy has been opened. So to answer your question, with that background, if our government and the public health people continue to make people afraid, the level of fear will increase to try to keep people separate. But the real estate market continues to hum along despite all of

that. The real estate market continues to perform very well but not in all sectors.

## **What sectors are not performing well?**

Well, the rental market for obvious reasons. It doesn't take anyone of any intellect to figure this out with 75,000 students not in university in person and with Airbnb and tourism operating at zero and most of the high office buildings in the financial core empty and people either not working or working at home. The rental apartments in the core are not being rented like they should be. There's more apartments than tenants right now, so rents have fallen probably 20 per cent. So in lockstep with that, of course, you're going to see the condominium sales market downtown taper off, and eventually prices will fall — probably slightly like they did in 2009. Depending on how long all of this shutdown continues, if indefinitely, then our country's bankrupt, and everyone will be killing each other with spears. But if common sense returns to public policy, then I think it's a very, very short term.

## **So is now a good time to buy a condo then, or if not, when?**

You're going to have a certain period of time where the market looks over supplied, falsely, but it looks over

supplied, and then you're going to have a prolonged period when the market is drastically under supplied. This market reminds me of 2009 in that, back then, the price didn't drop right away. And there was this bravado. And then eventually, over a period of nine or 10 months, prices fell a little bit. The people who were sitting on the sidelines, you know, trying to time the absolute bottom of the market, most of them missed it. They ended up paying more money because the market very quickly rebounded and overshot whatever it was. And that will happen here too. This season right now from September to December is the single best time in the last 20 years to buy real estate in Toronto. The single best time. And most people will miss it because most people react out of fear.

## **Are banks accommodating younger buyers, gig economy workers?**

Well, people who operate in the gig economy have always had a hard time borrowing money, and they will always have a hard time borrowing money. If they lose one of their gigs, they won't qualify. So, I think that's stayed the same. But I've not heard of any situations. I think the banks are being pretty accommodating.

## **Which neighbourhoods do you predict will see the largest increase in condominium density**

## **over the next several years?**

I think that the east end of downtown will see a lot. The area of Bloor West near the Junction is going to see a lot of development. As well, I think north of the Beach, along Kingston Road in Scarborough is going to see an awful lot of growth.