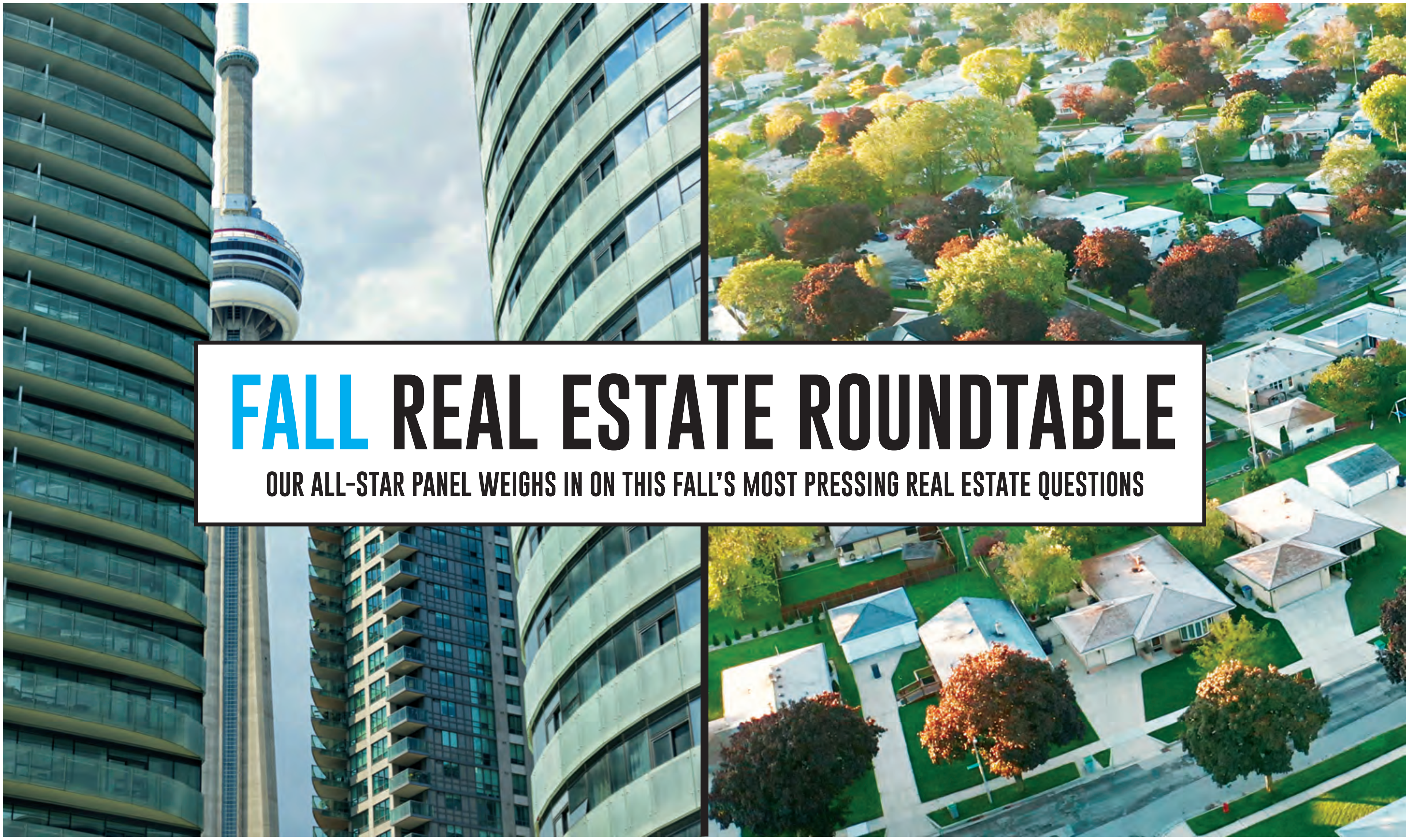


FALL REAL ESTATE ROUNDTABLE

OUR ALL-STAR PANEL WEIGHS IN ON THIS FALL'S MOST PRESSING REAL ESTATE QUESTIONS

WHEN WE HELD OUR SPRING REAL ESTATE ROUNDTABLE IN FEBRUARY, IT WAS A 400-PERSON EVENT AT THE UNIVERSITY OF TORONTO'S ROTMAN SCHOOL OF MANAGEMENT. COVID-19 HAD NOT YET HIT CANADA IN ANY SIGNIFICANT WAY. NOW, EVERYTHING HAS CHANGED. WITH THE ALL-IMPORTANT FALL MARKET JUST AROUND THE CORNER, WE ASKED OUR HOUSING EXPERTS WHAT EVERYONE WANTS TO KNOW: JUST WHAT IS GOING TO HAPPEN WITH OUR LOCAL MARKET, AND WHERE IS IT HEADED?

PANELLISTS

BARRY COHEN
T.O.'s #1 agent over all competitors for sales volume $3-20M combined since 2012

ODEEN ECCLESTON
Co-founder (Wiltshire Homes Canada) & Broker of Record (WE Realty Inc.)

BRIAN GLUCKSTEIN
Principal of Gluckstein Design

MICHAEL KALLES
President, Harvey Kalles Real Estate

JENNIFER KEESMAAT
CEO, The Keesmaat Group

BRAD LAMB
Developer, Lamb Development Corp.

MICHELE ROMANOW
Dragon on CBC's *Dragons' Den*; Co-founder & President, Clearbanc

BENJAMIN TAL
Deputy Chief Economist, CIBC Capital Markets

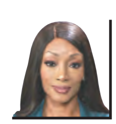
POST CITY: Give us your perspective on the state of the market heading into fall.

BENJAMIN TAL: Real estate has been the pioneer of the current recovery. Activity is strong, reflecting pent up demand and increased domestic investment activity. According to our poll, 25 per cent of homeowners are considering buying an additional unit due to low-interest rates and that the market is a bit softer. So that's the opportunity they have been waiting for. I suggest that activity will remain strong in the coming two or three months, but following this honeymoon period I see some softening in the pace of economic growth as the risk of a second wave along with the fact that the virus will overlap with the flu season will lead to increased confusion and thus reduced economic growth. The housing market will also feel the impact, contributing to that will be the impact of the end of the mortgage payment deferral period that will have at the margin a negative impact on housing activity. Overall I see a strong two to three months followed by some softening in activity during late fall and the winter with a very strong spring 2021.

MICHAEL KALLES: I'm bullish on the real estate market. You'll note that the share of the pie given to ground level housing and the suburbs has grown, as people seek sanctuary and access to outdoor space, but I would never bet against the downtown core. So the demand is there. Homes are transacting in a timely fashion and at a good price. I think we'll have a strong fall and as prices for detached homes rise, buyers will shift their attention to higher-density options.

BRAD LAMB: Even with COVID-19 still top of mind, the marketplace is incredibly strong, given a lot of other businesses, and it looks to me like that will continue as the fundamental demand for homes in Toronto exceeds the fundamental supply of homes.

In terms of the buy-and-sell side, we will continue to be a seller's market, and buyers will continue to bid for homes, and it'll just get worse through the early fall, and, of course, you know the winter will come and things will slow down to the typical winter months. But the markets are still very strong.



ODEEN ECCLESTON: So immediately following the news of the stay-at-home restrictions, things were at a bit of a standstill. But as every month has gone by, I have seen people get more and more comfortable with the notion of living through this pandemic and sort of adjusting the way they do things. But in the first couple of months, people were kind of paralyzed, and there was very little activity. So now you're seeing all of these record-breaking stats, and a lot of it has to do with those people who were waiting are now comfortable and jumping in.

JENNIFER KEESMAAT: Well, the interesting thing is that it's super hot. Last winter at the Rotman roundtable, I don't think there was anyone on the panel who was bullish. Everyone was saying anything can happen. We're not sure what's going to happen with the coronavirus. But there wasn't a single person who said, wait for it, things are going to explode. It's going to get hot. It's not something that anyone predicted or expected. That's the first thing. The second thing is that if you heed CMHC [Canada Mortgage and Housing Corporation], there's reason to believe that the market is artificially propped up right now by the banks — what's happened with the putting on hold of mortgages and other kinds of government incentives. And that once we start weaning ourselves off these very unconventional incentives, we don't know what kind of recalibration is going to take place. So I would love to sit here and say it's

JENNIFER KEESMAAT: TORONTO'S FORMER CHIEF PLANNER ON HOW THE RULES OF PLANNING OUR CITY HAVE CHANGED

It's too early to tell how big of an impact the pandemic will have on city projects such as Rail Deck Park

How has the pandemic changed how we're looking at and planning cities?
I think that's a really good question. And it's a question that almost every four weeks could have a little bit of a different answer. I think part of what's happened in the past couple of weeks is the idea has kind of settled in for all of us that we're not going back to the office any time soon. And that's a new idea because, in the beginning, we thought, OK, we're all going to stay home. We're going to do our part. It's a lockdown. And now working from home, working remotely doing Zoom calls is actually becoming a new normal. Dr. Tam has indicated we should expect this new normal to last for a year or two years even. So the tech companies that came out very early and said all our workers can work from home well into 2021, that was a little bit of a sign that commuting would change and the way our living circumstances would change. So there's a whole variety of reasons why people choose to live in the location that they choose, but one of them is access to employment. And if you sever that connection to geographically where you can get to work from where you live, then people have a lot more choice in terms of their mobility. And we're going to see those patterns play out, I think, in the next six months.

So what are the implications then for city planners?
Well, at the end of the day, creating walkable neighbourhoods, where people can do a whole variety of things within proximity to home, is always going to be a more sustainable form of design. And that doesn't change because of COVID. In fact, in some ways, because of COVID it accentuates it even more. That being said, I think we'll continue to see huge demand in walkable neighbourhoods for people to access housing. And in the ideal scenario, we will start intensifying our suburbs by adding a mixture of uses. So that people truly can live more in their neighbourhoods, which is I think, what has been happening during COVID. We've been living in our neighbourhoods, doing things at neighbourhood scale and discovering that this offers a pretty good quality life.

The city's going to have some serious budget issues for a few years. What impact do you think that might have on some of the bigger public projects such as, say, Rail Deck Park?
Well, I think it's hard to say in these early days because there are so many moving parts. The city just got a massive bailout from the province on transit, which helps balance the books. And the part we haven't heard about, which I'm curious about as well, is the positive impacts of COVID just in terms of the expenses of the city. Smaller municipalities, unlike the City of Toronto, who had the building of new facilities for staff on their books have decided, Oh wait a minute, we're going to adopt the model where more of our staff works from home. We don't need to build this new civic centre. Oh, guess what, we just found $80 million in our municipal budget. So there's a lot of moving parts, and smart municipalities will find ways to capitalize on the things that can mitigate the impacts of the lockdown. But on the flip side, a big part of the revenue in the city of Toronto comes from the land transfer tax, and early concerns about that disappearing have now evaporated. You know, two months, three months ago that was a really serious issue, but now the market is really hot again. So I do think it's a little bit of a moving target.

hot and it's staying hot. But there are some numbers that don't really make any sense.

BARRY COHEN: Who would have thought, but it seems to be one of the few bright spots of the economy! There has been a significant shift in demand and behaviours, due to COVID-19, that has placed greater importance on people's homes. The detached market is incredibly tight, with very little inventory, while the condo market is seeing inventory levels grow and a bit of a softening in prices.

MICHELE ROMANOW: We're starting to see which early lockdown predictions are coming true. We all expected prices would drop when COVID hit (myself included), but they never did. In reality, the selling prices in Toronto have actually increased 17 per cent, and new listings are up 25 per cent compared to last summer. Which is great for the economy but tough for new buyers. On the other hand, leasing and rentals are both way down this year because lots of people are leaving the city for cottages and more space. But it's still too early to know if that's an indicator for long-term real estate changes.

BRIAN GLUCKSTEIN: The market is quite hot right now. People are spending a lot of time at home, and they're evaluating their needs and maybe opting for a new home to meet those needs. They might be looking at having more outdoor space or a home with an office or a library to work from.

POST CITY: During our last roundtable, affordability was a key issue. Things are not getting any better. What's your take?

ROMANOW: I was surprised housing prices have remained stable throughout. The combination of low interest rates and people not wanting to change anything in their life during a crisis (like selling their house) means there hasn't been much movement yet. But it also means that affordability continues to be a huge problem, and that's more important than ever with millions of people losing their jobs due to the pandemic.

TAL: I don't think the current crisis will have a long-term and lasting impact on affordability. All the changes we see now will be short-lived, and by 2022 the market will again witness the issues seen in 2019 — mainly lack of supply and strong demand.

KEESMAAT: At the beginning of the pandemic, there was a perception that everything was going to slow down. And I think there was an overwhelming sense that that might be good because, if we cool our market, rents will drop significantly and you will see a lot less pressure on housing affordability. But in fact, the opposite happened. Whereas rent dropped a little bit, which could be mostly attributed to a slowdown in Airbnb, which was on hold. There was a significant number of new listings that were fully furnished units that were likely previously Airbnb units that are now becoming new long-term rental housing. That's good. And there has been a little downward pressure on rents at about 10 per cent. But the overall housing market has continued to be hotter than ever. And we haven't expedited the delivery of supply over the past six months during this pandemic. If anything, you could argue that municipalities were back on their heels, so they slowed down the processing of applications, and that will have a ripple effect and impact new supply into 2021. But on the flip side, the government is more motivated than ever to be investing in affordable housing particularly given the correlation between poverty and COVID-19, which has been directly attributed to a lack of appropriate housing — people in overcrowded housing situations were more likely to be affected by an outbreak. That has made our government incredibly motivated to do something to address affordable housing. So we're going to see a response from CMHC investing specifically in affordable housing in the next two years, and that will be a legacy and a direct outcome of COVID-19. It still doesn't address the fact that we have a supply problem, but it means there will be incentives in place to drive supply.

KALLES: Affordability is a real issue and it's not going anywhere. Look at the new homes and condos market. Construction costs haven't gone down, land costs haven't gone down, government fees have not gone down (if anything, they will rise following the costs associated with COVID-19), so why would we expect the cost of homes to drop? I think people entering the housing market will either require significant help from family or they will have to look outside of the city. And the latter option is OK. That's how communities evolve and grow.

Milton today is not the same as it was 20 years ago. Oshawa today is not what it was a decade ago. Downtown Barrie is unbelievable. Remember, people make communities, and as the population spreads out, the amenities and businesses follow. We have a housing site at Yonge and Bloomington that we're selling for Acorn Homes, the very northern reaches of Richmond Hill. Five minutes from the site is a community centre on the banks of Lake Wilcox, and it is teeming with life. We have nothing like it in Toronto. So there are plenty of great places to call home in and around the GTA, and there always will be. Plus, with working from home becoming part of the culture, commute times to city offices become less of a deterrent.

COHEN: In the centre core, yes, no question, affordability is getting worse, and that is really due to a lack of inventory. Because of COVID, people were and still are reluctant to make a move unless they really feel they need to financially or for significant lifestyle changes. But, in some ways, COVID has made real estate more affordable as it has allowed people to broaden their search to areas where they feel like they may have a better quality of life because they do not have to come into the office every day.

POST CITY: If there is a segment of real estate showing cracks, it is the condo market for a few reasons, such as Airbnb. What can we expect here?

LAMB: Two items are impacting the market here, and one is Airbnb, which is, I think, the less important factor. The most important factor I think is that students are not in town. So that's the single biggest thing. There are currently around 6,000 places currently for rent at a time in downtown Toronto or in the central part of Toronto. If students come back, that will get sucked up with one-tenth of the number of students that come to the city. So I think it's a short-term thing, and you're seeing about a 10 to 15 per cent reduction in the pricing of rental property in that category. But otherwise, the market is quite strong. And I don't see it changing. I can only really see it getting better as inevitably more people will come back to work, and you know, it seems to me every week, every month there is more confidence overall in the economy.

KEESMAAT: Well in the short term, in a logical world, you should actually see that there's less pressure on the housing market because we have, you know, universities in Toronto as a university town. Many universities are seeing on average about 10 per cent less for students that are returning. So they're deferring for a year. And then on top of that, the drop in immigration is not translating into housing prices going down. And in fact, we're seeing people are spending more than ever, and for some reason — I don't know where the money's coming from — seem to have the disposable income to do that. Now, of course, lending is part of this mix, and lending distorts, in all kinds of ways, what people are willing to do. It might be wrong, but we're entering into a world where interest rates don't go up when people take on and governments take on a significant amount of debt. Historically that's been the disincentive to having too much debt: that interest rates will start to skyrocket. But in the course of the past four months, we've actually seen that election [by the Bank of Canada] not happen. We've seen governments pumping money into the economy, and we haven't seen any inflation at all. So if we're entering a new economic era, where people can have a tremendous amount of debt and interest rates stay low, housing prices are going to stay high.

TAL: Yes, the condo segment is more fragile now for a few reasons. Condos did not experience the correction seen in the low-rise due to B20 [the mortgage stress test]. Also in the GTA, we are seeing a relatively strong level of completions. Add to that the Airbnb factor and the significant decline in immigrations and non-permanent residence, and you see reduced rental demand well into 2021. Within the condo space, I see the high end of the market feeling more of the pain. I don't buy the notion that people would like to avoid living in an apartment building. This will be only short-lived and will not have a significant impact on that segment of the market in the long term. Also, note that an offsetting factor to that negative demographic issue is

BRAD LAMB: THE CONDO KING ON INVESTING AND THE FUTURE

Condos in downtown Toronto continue to prove a worthy investment

Is there an opportunity now presenting itself to buy or sell given what we're going through right now?
We're not seeing that. And you know, it tells you the incredible strength of those that own this real estate. I mean, I'm looking all the time for extraordinary value, and it does not exist. We're not seeing anyone, you know, after six months of this pain, we're not seeing anyone dumping assets. And I don't think that's going to happen. I think it would have happened and at least we are not seeing signs of it. I just bought a development site yesterday, and I paid a lot of money for it, and I fought very hard with the vendor to get the best price I could. I got the best price I could, but I don't think by any means it was a bargain. And that's just the state of affairs here. I don't see Toronto suffering much from a real estate standpoint because of COVID.

What is happening in the downtown core of Toronto?
From the standpoint of being a developer, the condo market will continue to be strong. Right now projects are selling quite well. You know, we're expensive. Toronto is not a cheap city at $1,300 or $1,400 a foot. Some people look at that and cock their head. It is a lot that's happened quickly. And you know, it's one of those things that takes time to be absorbed in and accepted. And it is being accepted. I don't know where the next jump is. Personally, I can't see $2,000 a foot downtown right now in my crystal ball, but I think it's coming. But I think we're going to struggle through this. I don't think we're going to break through it quickly. I think it's going to take a few years.

What do you see happening over the next three to five years?
Well, I think Toronto has a very exciting future. Over the next five years, it's going to be very exciting. There are a bunch of new hotels opening. There's a ton of interest from other five-star brands and four-star brands. There's all kinds of interesting chefs and great food entities that want to be here, lots of new office space, lots of new companies wanting to develop here from Europe and from Asia. Toronto is the new New York City. We will replace New York as one of the cities of the future while New York City has its problems. Toronto will not have those same problems, and I would not be surprised if in 20 years Toronto is a more expensive city to live in than New York City, just because it will be so desirable.

SPRING ROUNDTABLE REWIND

Although Sebastian Clovis is busy filming new episodes for this HGTV show, we look back at two of his important points from the live event earlier this year.

"I think the way people are buying their homes is changing. And the types of renovations they're doing is changing as well. And perhaps that's indicative of the crisis, the affordability because, you know, the era of buying and flipping homes is long gone."

"I've done a lot of research on solar in the last couple of months. I've installed a few systems, and I know, in the summertime, you can get your energy bills down to almost nothing. You know, we're talking about infrastructure in the city, but that's a personal infrastructure that you can do on your home that could really knock your costs down, and it's a form of an income property. You know, let that sun work for you. We all know how much electricity costs these days."

Solar panels are a great way to invest in personal infrastructure

Continued on next page

ODEEN ECCLESTON: THE STAR OF HGTV'S HOT MARKET ON THE MOVE TO COTTAGE COUNTRY

South Pickering is booming with great restaurants and developers coming in

Is there a type of person or living situation more typical in terms of moving out of town: first-time homebuyers, those looking to upgrade or downsize?
So there's been quite a variation. I've definitely had a number of calls from people living in the heart of the city where it looks like the model of their work has changed. Their employer has changed the model where maybe they only have to go into work once a week or twice a week. And so as a result, they're saying, "Well, wait, why am I living in this 500-square-foot box? How much is my property worth right now?" And I tell them all it's worth X. "OK, well, how much can that money get me in cottage country? How much can that money get me in the suburbs?" And they realized, "Wait I can get a lot more house." And these are people who were certain that they would never leave the core of the city or another prime neighbourhood like the Beach.

The Beach, really? So you are seeing people that already have like a nice detached home looking to move out of the city?
Exactly. I sold a house in that neighbourhood, and they were Beach people to the bone. I told them like, "Look, I can get you so much more [outside the city]." And that's what they decided on, and they're happy. And they were part of that demographic as well where living in the Beach was advantageous for many reasons, including the proximity to work. But if they don't have to go in and work as much, it's not as big of a factor.

Is there a potential downside to moving to a rural area or cottage country in terms of infrastructure?
The infrastructure in a lot of these places is not quite there yet. They've been preparing for an influx, but they're not quite there in terms of, for example, Internet servicing. That is still developing. But I think that they're getting there. I think they're in a position to embrace the growth.

Where are you guiding people in terms of suburbs such as Scarborough versus that extra hour that gets you to Bowmanville.
I tend to steer people within the immediate GTA suburb because it's still affordable. But you do have people that are saying, "I don't want to see a neighbour. Like, I want you to buy me land where I can build a house and I cannot see a neighbour. I have been congested for so many years, and now I just want to be quiet." And there's pockets that I know of, like, for example, in north Pickering that's rural but still close.

Give me three examples.
You know what, I think Scarborough is grossly underrated. It's a great place to be. And I'd say south Pickering area right down by the water. South Pickering is booming, and actually there are some really great restaurants that have invested in the area, and developers coming in. They are championing an airport. There's a new multibillion-dollar casino project and entertainment district in the works. And of course, we have Mississauga, which is a great city. And I would go a step further and say the Port Credit area of Mississauga.

the fact that the vast majority of the 100,000 Canadians who usually move to the USA every year are staying home and therefore not adding to supply.… And in fact, that positive factor might be long-lasting since to the extent that people can and will work from home. You can continue to work for, say, a New York company from your basement in Toronto.

GLUCKSTEIN: I think people will always want that carefree, low-maintenance, urban living. If anything, the downturn in the use of Airbnbs could contribute to lowering the price of rental condos, making them more affordable.

ECCLESTON: I think that living in the heart of a city will always be attractive to enough people for it to continue to be like a real, robust and healthy market. But I think what was happening is that it was just getting perhaps a little frenetic and overvalued. So I don't think that there's going to be a tremendous dip. And because so many people spent so much money on these, they're going to do everything they can to not take losses. Right. So I think it's going to take some time, but you know what, the numbers are still strong. They're just not as crazy strong as they were in years past.

POST CITY: Our market has long benefited from foreign investors and buyers. How do you foresee this issue moving forward?

TAL: I think that foreign investment in real estate will, in fact, rise in the coming year or two reflecting the situation in Hong Kong.… In fact, it's already happening. The situation in the USA will also be a positive factor for Canada.

KEESMAAT: So our housing market has traditionally been directly linked to immigration. Well, immigration is at an all-time low. And, of course, it could be that there's a bump once the borders open up again, and there's a significant amount of processing. And we could see an acceleration of immigration. If we see an acceleration of immigration, meaning that the demand to immigrate hasn't wavered and that it's only been put on hold because the borders have been closed, well, then the next 12 months is going to be crazy for the housing market. Because you're going to continue to see a built upsurge in need to be setting up new homes. That's one scenario. The other scenario is that we are entering a period of lower immigration. We don't know which it is. In each scenario, it is a completely different outcome, which has implications for the housing market. We don't know what it is.

LAMB: What I would say is this: I mean, being a relatively intelligent human being, if I was an immigrant in any other country, my number one choice would be Canada and my number one choice in Canada would be Toronto, pure and simple. In the world, it would be the number one place to live. As somebody who's seen a lot of the world, as a new immigrant, your best opportunity on this planet is to get a chance to live in this country.

ECCLESTON: Well, we as Ontarians and our government have done exceedingly well in the pandemic compared to other jurisdictions in the world in how we've dealt with this crisis. So I think long term that will just sort of add to our appeal and make our country and our city that much more attractive. Our cases have been low, and we've proven ourselves to have an excellent health-care system with how we handled the situation compared to many other places on the planet. And so I think those stats are going to actually cause us to say OK, when everybody's evaluating how the world dealt with this disaster. OK. Especially when compared to Yeah, sure. Might be a model. Yeah. So it might be a lot of people [out] there that are like, "You know, what, exactly, let's choose that. I was thinking about Toronto before, but now, it's for sure. Like this is where I want to be. Yeah." So when those borders are opened back up, I think we might see a stream of people.

POST CITY: There is a lot of talk about people moving out of the core or out of the city, people moving to small towns, to formally cottage-style areas. What have you seen?

COHEN: Yes I've seen first-hand, people looking to move up north or retire faster to the country. I think the cottage market/areas should see strong price appreciation because of this shift in buyer demand for more space but also because, now that families aren't going on vacations, they are looking to recreational properties as an alternative.

ROMANOW: It's here to stay. A

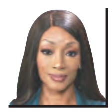
lot of [my] Clearbanc employees bought houses during the pandemic, most of them outside the city — it's much nicer to be in an area with nature and more space if you're spending more time at home. The data shows sales are up 40 per cent in the GTA, compared to 16 per cent in Toronto, but it's probably too soon to say how many people will move to the suburbs. We're still discussing what work will look like for Clearbanc when the office reopens. We've seen a lot of people leaving San Francisco and N.Y.C. because of density and affordability, but Toronto hasn't seen that yet at the same scale. If housing prices continue to go up and the shutdowns continue, we could see it happening here more and more.

KEESMAAT: There's a big narrative right now about people moving out of the city. But if you look at the data, it's actually hot everywhere, which is kind of astounding. There's a great article in the Globe that actually talks about what's happening in the 905. But, you know, it's kind of a giveaway, right? When you get into the second half of the article … it talks about one of the reasons why people are looking at 905 is because prices are so high in the core of the city. So it's a bit of a myth to say, well, people are looking elsewhere because they don't want to live in the core of the city. It's hot everywhere.

LAMB: What is the agenda of the Liberal Party right now? It's a green economy, right? You can't have a green economy living in the suburbs. So it goes counterproductive to what humans are concerned about with global warming and carbon emissions. You can't be concerned about global warming and carbon emissions and then go and flood the suburbs again with people so it destroys the Greenbelt. Right. It's counterintuitive to the way that most people say they want their lives to be. It's a short-term reaction to a short-term problem. And that's how humans behave. Smart humans understand that these are short-term trends. These people who are making these stupid decisions, thinking this is the new normal way of life, they will get stuck in the suburbs and get priced out and be miserable. Because they're going to have to have a two-hour commute with all the other idiots that moved to the 905 when they didn't have to. That's what's going to happen. And, you know, the young people who opt to do the same thing or to not buy or live in the city, because they think that the era of the city is over, they're wrong. The era of the city is just beginning. Affordability will only get worse.

KALLES: It isn't a lot of talk, it's fact. We are seeing it. In July, the number of single-detached homes sold in the 905 was up over 48 per cent from the same time a year earlier. Our Muskoka offices cannot hold on to their listings. Everything sells … some sight unseen. But, as mentioned before, I think it's temporary. Work from home is here to stay, but at some point, prices get too high and buyers revert to more affordable options, typically high-density condominiums.

GLUCKSTEIN: There's definitely been a strong trend toward purchasing vacation homes, not just to get away from the city but to move there. And I'm seeing a shift to a smaller home or *pied-à-terre* in the city, with a larger home in the country. Some people are seeing it as potentially a nice lifestyle change. And people are also thinking ahead to retirement and where they'd want to be based.



ECCLESTON: Typically it's like retirees that move a lot to the burbs, and a lot move to cottage country. But this year, we're actually seeing quite a lot of young families, growing families, as they evaluate their lives and evaluate their marriages and their family dynamics during this quarantine. So it made them realize, "OK, we need more space." Right? And it made them re-evaluate their priorities. Like, "How important is it for us to live close to this coffee shop anymore? It might have been really important to be right next to this bar, or, you know, within walking distance to this bar when we were in our mid- to late-20s. But now, it's not that important. So what are we holding on to?" So, yes, I've seen that a lot. The demographic making that sort of exodus, it's changed. They are all age ranges now.

EVOLUTION OF THE CARRIAGE TRADE MARKET

How has the work-from-home movement impacted what people are looking for when shopping for a home?

BARRY COHEN: People are now looking for more enclosed space. For the last decade, open concept was what people were looking for, but now there is a bit of a shift, and buyers are considering more what level of privacy the home offers. People also have home offices and libraries higher up on their priority list than before and a desire for more amenities such as a pool, theatre and gym.

Do you think this fall is a good time to sell a home in Toronto before a potential downturn next year?

MICHAEL KALLES: I would never make that prediction. None of us have a crystal ball. Who could have predicted that July — 100 days removed from COVID-19 lockdowns — would be the busiest month for real estate sales in the history of Canada? I wouldn't have, and I've been around real estate my whole life. What I can tell you is that it's never a bad time to buy a home, if you're going to hold. Pick any date from the past 50 years, if you bought a house and held it for seven years, you made money. So I am forever confident in real estate's ability to retain its value. And, as an added bonus, you can even live in it!

Homebuyers are starting to consider new amenities such as home office space

MICHELE ROMANOW: T.O. ENTREPRENEUR ON THE MYRIAD OF WAYS COVID HAS IMPACTED THE TECH SECTOR

As families leave the city, suburban house prices will increase

How will or how has the pandemic already impacted the tech sector in Toronto, especially in terms of attracting talent and housing them?

I never thought we [Clearbanc] would be a remote company, but we've hired amazing talent from across Canada and the U.S. over the last few months. We've brought on people in New York and San Francisco, some of which are Canadians who may want to move home at some point. When you combine that with the immigration restrictions in the U.S., this can be a huge opportunity for Canada to bring skilled engineers and tech talent here to help build great Canadian companies. But to really be a global tech hub, we need those people to not just move here, but stay for the long term — and that's where high housing prices could really hurt us.

How do you see this unfolding over the next few years?

I think there will be a few important changes:

1. A lot of companies are talking about working from home even after shutdowns lift, which can be a cost saver for companies but will have a big impact on commercial real estate and retail in those areas. I'm worried about the small business owners that support the office workers, like dry cleaners and small restaurants that would normally be packed during the daytime.
2. If more young people and their families are leaving the city, there could be an increase in suburban house prices. People have never wanted a backyard, front door and garage more. And downtown condos don't offer that.
3. Rental prices will continue to go down. It has been a renter's market since COVID hit, and that won't change through the rest of this year and probably 2021 as well.

What changes would you like to see to keep our tech sector pushing forward right now?

Our tech sector needs to be pushing a number of initiatives. This includes increased venture funding for Canadian companies and programs for Canadian startups to grow. For young people to stay in Canada and raise a family, we need more initiatives like the First-Time Home Buyer Incentive, which was rolled out last year.