

Boomers and Millennials supporting Canada's condo market

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Toronto's leading the charge with the number of high rise buildings in North America with 130 buildings under construction in 2014, according to a survey by Emporis.

Canada's condo market has grown in cities across Canada with [homebuyers](#) purchasing them as a cheaper option to houses that continue to rise in price and are unaffordable to some buyers. While the cities of Montreal, Vancouver and Calgary are building far fewer buildings with 25, 23 and 22 high rise buildings in progress, respectively, Canada's condo market has seen price increases over the years.

"For [first-time buyers](#), well-maintained buildings with reasonable maintenance fees provide that balance between responsible debt investment and homeownership," said Brian Hurley, Chairman and CEO of Genworth Canada, in a press release.

Many fear that Canada's condos value will see a sudden crash with a large influx of projects that are expected to finish within the next few years, but a recent [Conference Board of Canada and Genworth Canada report](#) says otherwise. It's expected that some condo markets, such as Toronto's will see a cooling market with a soft landing, while western cities, such as Calgary, Edmonton and Vancouver, will continue to see strong demand.

Two demographics continue to be attracted to the condo market in Canada: millennials looking to become homeowners and boomers looking to move out of houses.

For many millennials, condos are their first foray into the property market and even in markets that may seem unaffordable, many are getting a leg up from their parents. A recent [Globe and Mail survey](#) found that one in four young people between the age of 15 to 33 received help or will receive from their parents for a property downpayment, which can come in a form of a "gift letter" to lenders. Also, among those who already own a home, 33 per cent said their parents helped with a downpayment. At the moment, it's unsure how much of the housing market is buoyed by these types of buyers, which is why the CMHC plans to study the matter.

Meanwhile, there's been a trend of baby boomers affecting the condo market with developers creating larger and luxurious suites aimed towards those who are looking to move out of a home, but not looking to necessarily downsize. Condo developers have included luxurious finishes such as marble in bathrooms, wine fridges, a theatre area and amenities aimed towards a senior's needs, such as a community centre run by staff from a neighbouring senior's centre.

A Royal LePage Real Estate poll conducted last year found that only 40.6 per cent of boomers plan

to downsize into a smaller property, while 43.5 per cent are looking to move into another home that's either larger or a similar size.

“Baby Boomers are the wealthiest generation in Canadian history. They live in large homes with ample space for their many possessions. They love their garages and their yards. This study clearly indicates that contrary to popular belief, most Boomers do not intend to downsize anytime soon,” [said Phil Soper, CEO of Royal LePage Real Estate, in a press release.](#)

Many people continue to fret about the condo markets fragility, but some believe condos are becoming a popular option for these demographics and families too. [Mortgage rates](#) are another factor in the market, along with whether the [feds step in to cool the housing market](#). Where do you think the condo market is headed?

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