

How Foreign Investment Will Influence the Condo Market in Toronto in 2016

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International buyers are not loosening their grip on the Canadian housing market. Foreign investors may not have expanded their reach all over Canada, but they show much interest in Canadian condos, especially in major cities such as Toronto and Vancouver. With continued foreign investment in the Canadian housing market, we could be looking at a steady increase of housing prices in 2016.

In recent years, the Greater Toronto Area has seen a sudden increase of finished condos. In the first half of 2015, the GTA witnessed over 26,000 condo completions — that's 3 times more than the numbers seen in [previous years](#). Canada in general is a low-risk market, so with the newly furnished properties and the depreciating Canadian dollar, foreign buyers see the perfect opportunity to invest. According to the [Ontario Chamber of Commerce](#), the average sale price will breach \$700,000 during 2016 and \$750,000 during 2017; residential building permits are also forecasted to increase 20.7 percent in 2016, and 4.3 percent in 2017.

There are no strict measurements of foreign purchases set by the Canadian government, so all sources of data collection are not fully representative. A 2013 Sotheby's survey found that as many as 40 per cent of luxury home sales in Vancouver and 25 per cent in Toronto were sold to international buyers. An [urban planner study](#) at University of British Columbia found that foreign purchasers make up about 65% of luxury homeowners in some of the neighbourhoods in these cities.

The soaring prices of the Toronto condo market are forcing locals to rent rather than buy, as well as move into suburban areas in search of more affordable housing. A condo in the popular spots of Toronto may well [exceed \\$1 million](#), but as you drive farther away from the centre of downtown

Toronto, condos start at around \$350,000 to \$550,000. So to escape from the high housing prices driven up by foreign investors, local Canadians have to decide between the pleasure of owning their own homes with the expense of being far away from their workplace, or renting houses near their work offices while having no sense of attachment.

If you are still curious about the influences of foreign investments on the Canadian condo market in 2016, or if you're thinking of purchasing a property and want to know about the rebates you'll be

eligible for, feel free to book an appointment with Rebate4U —a highly-skilled and experienced tax rebate and HST refund consultation firm. If you have more questions, you can reach us at 1-800-610-4510, or by email at info@rebate4u.ca. We are always happy to help!