

'TODAY, THERE IS ROOM TO MANOEUVRE'

With more than 2,700 new, completed and unsold condos in the Montreal area, builders of 80 projects hope to woo buyers with their annual Open House event. And in this buyer's market, many will be open to negotiating



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It's a buyer's market for condos, no question about it.

So it's time to buy! That's the enthusiastic motto for Montreal's 19th edition of Open House Weekends, March 21-22 and March 22-29. The event showcases 80 residential projects in Montreal and beyond, with about 1,500 to 2,000 homes on offer.

There is some evidence the market is moving to a more balanced state. While new condos are constantly being added to the inventory – favouring buyers as supply exceeds demand – construction should slow down in coming months, according to the Canada Housing and Mortgage Corp., which lists 2,788 new, completed and unsold condos in the Montreal area in January.

And with the Bank of Montreal, followed by TD, dropping the fixed five-year mortgage rate to 2.79 per cent this week, a historic low for the big banks, buyers may have the spark they need to push the Montreal housing market out of two years of doldrums.





Jonathan Sigler, co-president of Prével, has four projects in development, three of them, with about 350 units on sale for delivery from right now to 2017, as part of the open-house event.

Prével had stunning success with its Seville project near the Forum, for which hopeful buyers were prepared to line up all night in 2010 for a unit. All were gone in a flash. In November, Prével launched S sur le Square, just across the street from Le Seville, and all 84 units were reserved the first day.

"But the reality of the market is that not everybody ended up signing an offer to purchase, and even some that did were unable to obtain financing," Sigler said, adding that project is now about 75 per cent sold. It is not part of the open house weekend.

Still, don't expect bargains or incentives from Prével, Sigler said: "The price is the price."

He has seen ads for promotions from other developers. "It relates to inventory. There might be room for negotiation," Sigler said.

Jacques Beaulieu, organizer of the event, agrees

that there could be promotions and incentives like free months, parking spots, notary fees paid, upgrades, and very often, appliances included. There could even be rebates of up to \$20,000, although he declines to call that a bargain.

"Five years ago, it was absolutely useless to try to negotiate for a condo," Beaulieu said. "Today, there is room to manoeuvre."

Prével's other projects, in the southwest and Ville Marie boroughs and all part of the Open House Weekends, are the 21st Arrondissement, on the edge of Old Montreal, Les Bassins du Havre on the Lachine Canal near de la Montagne St., and Griffintown's Lowney, which is set to finish up its successful run with a 15th phase (not on offer yet) of a 20-storey building in 2018.

Asked why developers keep going even as building exceeds demand, Sigler compared real estate to a cruise ship, in that it is slow moving, and takes time to get plans and permits in place, and then actually build.

"A lot of the projects you see started way back when, in early 2010-11-12, when the condo market

market was very hot. We were selling out even before construction.

“What you are seeing a consequence of the euphoric years.”

There is not a huge inventory in the downtown area, Sigler said, but over the next few years, with projects under construction, there will be more inventory. “But we’re selling 1,800 units on average in the downtown core on an annual basis,” he said, meaning in total, not just Prével.

Among Prével’s other projects, in the southwest and Ville Marie boroughs, Phase 1 of 21st Arrondissement is 85 per cent sold. About 350 people came to the launch of Phase 2 of the project recently, he said. That project is at William and Queen Sts., in the area known as Faubourg des Recollets. Phase 2 will have 86 units on seven storeys above six storeys of rental units and retail on the ground floor.

“So there is interest.”

Lowney has been particularly successful, he said, because it is a lifestyle community with amenities that



attract a young demographic, aged about 25 to 35.

Like many of the projects in urban areas, the Lowney units – Lowney sur Ville 3 and 4 are now on offer, are small, with a 420-square-foot apartment going for \$169,000 plus tax and parking. Two bedrooms, at \$235,000 plus, measures 635 square feet.

“It’s very, very functional,” Sigler said, adding the developer has been working with architects and designers to maximize efficiency. “Our objective is to match our clients’ pocketbooks.”

And Prével is also showcasing Les Bassins du Havre on the Lachine Canal near de la Montagne, with larger and more expensive units.

All three of Prével’s open house projects are up for two categories of Prix Habitat Design awards, sponsored by the organization.

The public will vote for winners in model units while a panel of experts will choose the best sales offices from among about a dozen developer’s projects. El-Ad Canada for Le Nordelac and Cité Nature, Mon-

tréal Design Zone for Platopolis and La Catherine and DevMcGill for the Beaumont N.D.G. are among the finalists in the two categories.

Sigler’s advice to buyers: “Do your due diligence on the developer, his reputation, his ability to deliver on time, that he will be available for any type of service needs that you have.”

As for a return to a balanced market, Sigler said: “I don’t have an answer to that.”

For full listings on the Open House Weekends, go to www.monhabitationneuve.com

For a look at the Prix Habitat Design finalists, go to www.prixhabitatdesign

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