

## HOW DOES YOUR CONDO COMPARE, IN TODAY'S MARKETPLACE?

Condominiums remain an important part of Winnipeg's housing matrix. They tend to be more affordable and easier to maintain than owning a detached home. For younger adults a condominium may be their entry point into the real estate marketplace and for older adults a condominium can be seen as a place to downsize to. However, not all condos are created equal and each property will have its own strengths and weaknesses.

Newer properties will typically have more amenities and a lower monthly common element fee. However, their location may be less desirable for public transportation, shopping and other necessary services. Whereas older properties may have the advantage of being located in established neighbourhoods, their common element fees tend to be higher due to the age of their building and they may also not have some of the more modern features such as internal fire repression systems/sprinklers or in-suite washer and dryers.

Another factor that many do not consider when purchasing a condominium is that for most owners, condominiums are not their forever home, and one day an owner will need to sell their unit to someone else. Developers of new properties focus a lot on design and betterments to remain competitive and attractive to potential buyers in the marketplace, while owners of aging developments tend to focus more on maintenance with not a lot of thought going into how their property compares to the market, which is a mistake.

Most of us have heard the old adage "location, location, location", when it comes to property prices; however, another important factor is curb appeal. Whether you are selling a detached home or a condominium you want to make sure that your property stands out and this is where group ownership in a condominium becomes more complex. In a detached home, you can paint your fence, plant flowers or purchase new windows whenever you desire. However, in a condominium, the board is responsible for making those changes and depending on the costs and attitudes of owners; some betterments may not be seen as essential. Neglecting the curb appeal aspect could prevent you from receiving top dollar from your investment or worse losing money in a market downturn.

So how do you balance this? By taking the opportunity to thoughtfully look at all your maintenance issues as an opportunity to create a betterment. For example if your aging fence requires replacement do not focus on the most affordable quote by replacing like with like. Look for the quote that provides the most value over the long-term and take the opportunity to see if a new style of fencing will be more attractive, provide more security or privacy, etc. Do not see the fence replacement as a potential increase in expenditures but as an investment in the future of the building to remain attractive to the next set of buyers.

Nothing dictates the future sale price of a condominium more than the historical sale figures for that property. Prices tend to rise and fall and it is important that all condo owners and boards remain aware of the value of their assets, and have a mindset to protect them not only from a maintenance position but also from a valuation position. Everyone benefits from a well-managed building with good curb appeal; however, everyone also suffers when things become run down.

The decision as to which direction you and your board should be taking is obvious if you desire to protect your properties value. With increasing competition in the Winnipeg marketplace and more choices for consumers, it is important to understand your property and how it fits into the marketplace.

On the right is an example of two properties and the choices a new owner is faced with. The newer 2019 unit's mortgage is 31% more expensive monthly. However, once the lower common element fee is added in, the newer property is actually 8.4% cheaper on a monthly basis than the older, smaller more established 2BR property.

Purchasing property will always be a personal decision; however, do not forget that curb appeal matters especially in a competitive environment. Invest your maintenance dollars wisely and get the most out of your money. 🍁

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