

## THE REISS REPORT

### CONDO REAL ESTATE BLOG: WITH THREE MONTHS TO GO BEFORE THE END OF THE 2021 SALES YEAR, THE CONDO MARKET REMAINS HOT.

**W**hy have sales been so brisk? In a word, the reason is none other than affordability. While prices of single-family homes have skyrocketed due to a lack of inventory and resulting bidding wars, condos have continued to assert themselves as an affordable – and more readily available – option, especially for first-time home buyers.

This past September, condo sales were exceptionally strong across the board. As it turned out, over three out of four – or 76.8 percent – of condo sales occurred in the \$100,000 to \$299,999 price range. The most active price range was from \$150,000 to \$199,999, which accounted for 31.4 percent of all sales.

By contrast, 75 percent of single-family homes sales were spread out from \$200,000 to \$550,000, with nearly half of sales taking place within the \$275,000 to \$399,999 price range. That range is also where most bidding wars took place, which left many first-time buyers out in the cold.

Is there a second factor that accounts for the popularity of condos? The answer is yes, and that factor is none other than availability. While many buyers couldn't find a single-family home in the area they wanted to live in, they were usually able to find a condo in their desired neighborhood. Consequently, the sales conversion rate for condos is at an all-time high due to the perfect storm created by affordability and availability.

The result? Well, with three months to go in the 2021 sales year, a total of 2,014 condos have been sold. That figure has already smashed the record of 1,847 units sold in 2020. That record of 2,014 will only continue to grow in the coming months as home buyers continue to discover the great value condos offer in terms of the high level of affordability, availability and livability that they offer.

Question is, can these record sales numbers continue? That's hard to predict. However, with interest rates remaining low, a high number of home buyers – particularly first-time buyers – will continue to gravitate to the condo market. That attraction figures to continue as consumers realize they can gain equity in a home in the area they want to live in. And with condo projects continuing to pop up all over the city, inventory figures to stay strong as affordable prices continue to prompt people to give the turnkey condo lifestyle a try.

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