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Local News

Buyers snap up condos in core

Demand strong, supply dwindling

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It was four years ago that an ambitious residential project for the east Exchange area was unveiled -- four condominium projects involving 170 units on a brand-new street, Waterfront Drive.

Most of those units have now been sold, as have many others in the west Exchange and other parts of downtown.

"It shows that if given the opportunity, Winnipeggers will choose to live downtown" said Stefano Grande, executive director of the Downtown Business Improvement Zone.

Realtors said there are only a handful of units remaining in the high-profile projects along Waterfront Drive and only scattered units left in the Exchange District.

Even though construction on the Sky on Waterfront Drive is just getting underway, realtor Sheldon Zamick said three-quarters of the 107 units have been pre-sold, adding that several two-storey loft units are still available.

The other projects on Waterfront Drive have also reported similar sales.

Realtor Bill Thiessen said there has been a flurry of activity in condo projects in the downtown area over the last three years and while there is talk of others getting underway, he doesn't expect construction on any new projects to begin for another 12 to 18 months.

Thiessen said the lag in new condo projects will only result in rising values for the existing units.

"When young professionals are relocating here from across the country they almost always want a loft, warehouse-conversion, condo in the downtown," Thiessen said. "With so few of them available, if you have one for sale its value will increase."

Thiessen said an example of how he thinks the downtown condo market will develop can be seen in the experience of one loft unit on Princess Street, whose value has increased 56 per cent since it was built four years ago: It originally sold for \$107,000, resold for \$134,000 and then sold again for \$167,000.

Peter Squire, spokesman for WinnipegREAL TORS (formerly the Winnipeg Real Estate Board) said the average sale price of downtown condominium units has been steadily rising in value, adding that this year downtown units are selling at an average price greater than the average across the city.

To help the downtown condo developers, the Downtown BIZ created the Downtown Living tour, primarily for suburban realtors not familiar with the downtown market. Grande said the success of the year has resulted in this year's tour being cancelled.

"As we were putting the tour together, the people we approached said we shouldn't bother because either all their units had been sold or they only had a few left and weren't worried about them selling," Grande said.

Grande said the Downtown BIZ originally developed the Downtown Living tour because it was seen as an ideal way to promote the downtown business community.

Grande said studies show that people who own their own homes in a downtown will spend considerably more, on an annual basis, than those who rent, downtown office workers or tourists.

"To get the biggest bang for your buck is to encourage people to buy a home downtown," Grande said, acknowledging, however, that renters still make up 90 per cent of those who live in downtown Winnipeg.

Grande said developers are realizing that the older, smaller multi-storey buildings in the downtown are unable to attract tenants and the best alternative is to convert them into living units.

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