

Condo deluge

Downtown buyers win at investors' expense

For the pure investor the downtown condo market lately has been a bit of a hell hole. An over-supply of product, some of it of questionable quality, is only now starting to get eaten up.

The consequence has been that investors, the majority of them offshore, seeking to bail out have lost money and in some cases buckets of it.

But does that mean the downtown and West End are disaster areas?

Not at all.

For buyers looking for the downtown lifestyle the market has never been better, if you buy carefully.

Les Twarog, of Remax Crest Realty, who specializes in downtown properties, says investors took a beating over falling values last year.

But prices have levelled off and long-term prospects for the downtown remain solid.

Even so, Twarog is puzzled why so many developers are still building product downtown when the investment element has virtually been wrung out of the marketplace with price drops of up to 30 per cent on certain units.

"There's several different markets at play in the downtown," he says.

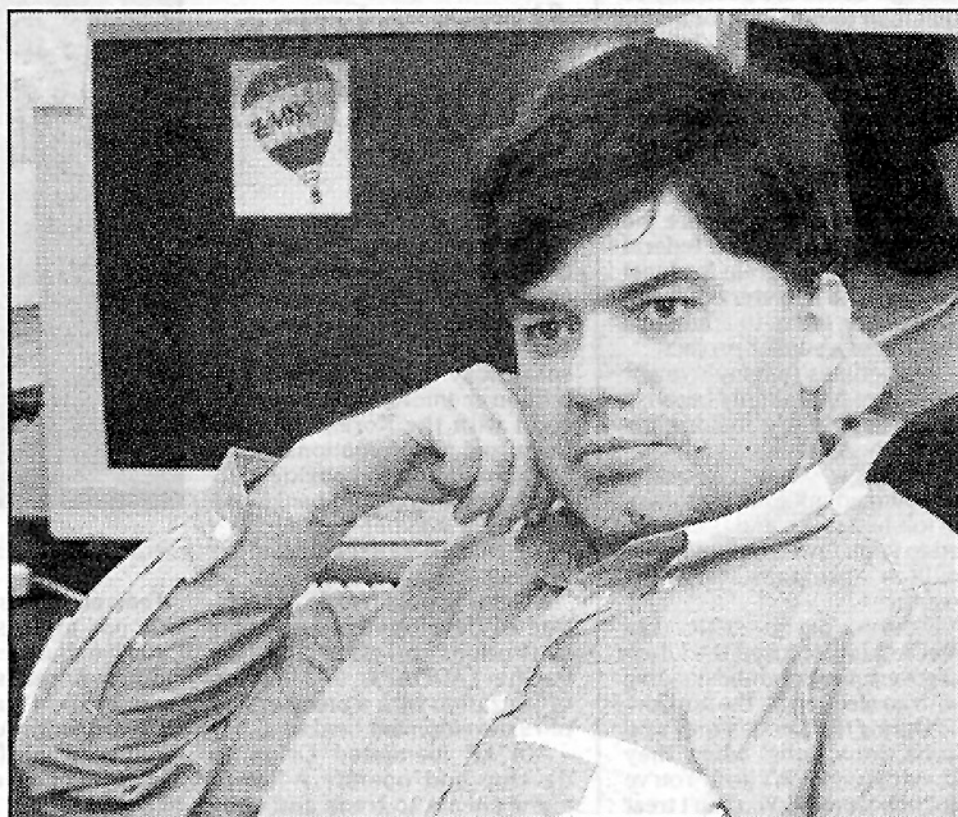
"The high-end of the market is very slow.

"I have six penthouse listings downtown, starting at around \$500,000, and there has been virtually no action for the past six months to a year."

However, he says, when it comes to the \$100,000-to-\$150,000-level or even the \$200,000 range, there is good product



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Staff photo by David Clark

Condo specialist Les Twarog says prospects for downtown market are solid.

demand.

"Anything under \$150,000 goes very quickly," says Twarog.

"When you look at a five-year mortgage rate on \$100,000, the monthly payment is only approximately \$600, which is less than rent. It makes sense to buy."

Another element of the market is buyers who have sold their single-family homes and move downtown to larger, more expensive units, he says.

Most of that activity centres in the redevelopment of Coal Harbor and to some extent the Concord Pacific site.

"The central question potential buyers have to ask themselves is why they are buying?"

"If they truly want to live downtown there are excellent buying opportunities and the values are good and will appreciate over the long term."

There is ample evidence that those who are convinced they want the convenience and the buzz of downtown

living are shopping very carefully.

"People today are real shoppers. Instead of just looking at a couple of properties, they now look at 30 properties and know the market and what is available as well as the realtors."

"There will be increasing numbers of people opting for the downtown way of living. If you buy to live and hold, downtown real estate represents a solid investment. Eventually, real estate values downtown are going to climb."

Strategics, a Vancouver-based company which tracks housing trends, agrees with Twarog and says Vancouver highrise sales will remain strong this year.

The company also says that entry-level and first-time buyers will continue to fuel the market and "condo developers with product under \$200,000 should do well this year."

Twarog says potential buyers looking at Vancouver and the property for sale will find on a global scale it's very affordable.

SATELLITE TV DISHED UP BY SUMMER

By Brian Lewis
Staff Reporter

ExpressVu Inc., the first Canadian company authorized to provide direct-to-home satellite TV service, said yesterday that its long-promised small-dish DTH programming will finally be available this summer.

ExpressVu announced that it has acquired sufficient Anik E2 satellite space to carry at least 75 channels of Canadian and U.S. TV, pay-per-view and music programming at rates

competitive with cable.

"No other Canadian DTH service can come close to the size and diversity of ExpressVu's program lineup," says president Michael Neuman.

ExpressVu's DTH service has been delayed for years by both technical and business glitches.

The potential customer base is believed to have been considerably eroded as hundreds of thousands of viewers turned to the so-called grey market.

That's a situation where dishes and

decoders of questionable legality are purchased to receive bundles of U.S. satellite signals that have not been authorized for distribution in Canada.

Formed in 1994, ExpressVu is owned by telecommunications giant BCE Inc., satellite-signal provider Cancom (Canadian Satellite Communications Inc.) and broadcaster WIC (Western International Communications Inc.).

At this week's annual general meeting in Vancouver, WIC chief executive officer John Lacey told

shareholders that the failure of ExpressVu to launch its service was a major disappointment.

"This was clearly a blow for us," Lacey said.

ExpressVu plans to use the American-pioneered EchoStar technology, which consists of a set-top receiver and converter, a 60-centimetre satellite dish and remote control.

ExpressVu's financial foundations have also been strengthened in recent weeks thanks to additional financing from BCE.