

Affordability buoys condo demand

BY ALLISON LAMPERT, MONTREAL GAZETTE SEPTEMBER 9, 2010



A shortage of land and the hot Montreal real-estate market is prompting developers to build affordable housing projects in lower-income areas, such as in Montreal's Hochelaga-Maisonneuve district.

Photograph by: Robert J. Galbraith, The Gazette

Jean Boudrias has made a career out of looking at abandoned body shops, distribution centres and gas stations in less savoury areas of Montreal and seeing modestly priced condos.

And these days - at a time of relatively low interest rates and a lack of affordable housing and land in the city's centre - Boudrias has been seeing a lot of condos. The president of Idevco Développement Inc. has a condo project under way in Hochelaga Maisonneuve, another one for sale in Rosemont, and is poised to announce a new one with 36 units at the corner of Papineau Ave. and St. Grégoire St. at the Eastern edge of the Plateau Mont Royal.

"There is a lack of available land downtown so one needs to do residential development in other areas," he said. "Right now we're demolishing old industrial sites that are no longer really usable and we're redeveloping the land as residential."

The impact on these neighbourhoods is gentrification - as more homeowners move in, businesses follow to provide services for residents, which leads to a revitalization of the area, developers say.

Despite the Bank of Canada's decision Wednesday to hike its key overnight rate to one per cent, and despite an expected slowdown in housing sales during the second half of 2010, developers like Boudrias say their projects - which top off at around \$350,000 - are in demand.