

Waterfront Condos: Toronto or Florida?



By Brian Madigan

Well, if you are talking about the weather, Florida for sure, but if you are looking at real estate as an investment, study the situation carefully. You might be surprised!

What about the half million dollar difference!

Florida's waterfront condo market has been skyrocketing for years, at least until recently. Toronto's market on the other hand has been steady, but progressive.

Five years ago, a waterfront condo on Daytona Beach would set you back \$500,000 (US). If you were a Canadian, that would be \$750,000 (CDN).

But, the world has changed. That same waterfront condo, now goes for \$350,000 (US), and with the Canadian dollar now at par, that means \$350,000 (CDN).

It is now a buyers market in Daytona, but really, not so, in Toronto.

The downtown Toronto condo market has gone up about 35.13% in five years. If you break that down, that's 7.03% annually.

So, if you had \$750,000 and put it into a Toronto condo five years ago, it would now be worth \$1,013,475.00 and you would have \$663,475 more in equity than buying the Daytona condo.

Or, let's say that you have that \$350,000.00 Toronto condo today. What did you pay for it 5 years ago? The answer is \$249,195.63!

So, if we roll back the clock five years, a \$249,195.63 Toronto condo and a \$750,000.00 Daytona condo, are both worth \$350,000 (CDN) today. That's a \$100,804.37 gain and a \$400,000.00 loss. But, no matter how you look at it, it's a ***half million dollar difference!***

Well, that was certainly easy to figure out using a “rear-view mirror”. Hindsight is a wonderful tool. And, if you use binoculars, should you trade the Toronto condo for the Daytona condo today? One thing, for sure, you’ll get better weather!

So, when you are considering the purchase of real estate:

- Consider the investment potential
- Know the local market and the trends
- Consider the purchasing power of the dollar
- Consider the direction of value of the currency
- Compare prices and shop carefully

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