

Residential Summary



London is Going to Grow

Trends in Ontario, should they hold, state that London is anticipated to continue growing – thus will require new housing options and more urban living



Downtown London Faces Competition from the Periphery

The large amount of surrounding rental product does create direct competition for the downtown; however, at present the downtown is the most in-demand sub-market



London is Predominately an End-User Market

End-users typically take longer to purchase (especially with unfamiliar product or location). As a result, absorption in the Downtown market is comparatively low relative to other markets in Ontario



London Developers Finance to Build Differently

Without the minimum 70% pre-sales to trigger bank financing, London developers need to have deep enough pockets to start construction – this a distinct difference from other markets which can bring product to market faster



There is Currently A Large Amount of Supply Planned

Some projects that were previously approved have not moved forward, while new, larger ones have recently or will soon be approved for development; this is also locking-up some prime downtown sites

Residential Market Opportunities



Slow, Steady and Sustainable Growth in the Residential Market

Unless there is a major structure shift in the economy, it will do so slowly; this is largely due to:

- London being an End-User driven marketplace
- Large theoretical supply of product



Projects on Opportunity Sites Should be Encouraged to Move Forward

Through tools like the CIP review and the Rapid Transit planning process, properties that have an existing approval that have stalled should be encouraged to move forward as they currently take-up valuable downtown development sites



High-Quality & Differentiated Projects Should be Pursued

To improved Downtown London's strategic position relative to surrounding product, higher quality & differentiated projects need to lead – Downtown London has the market demand to support this offering