

RIGHTSIZING

TODAY'S DOWNSIZING BABY-BOOMERS WANT SPACE, AMENITIES AND LUXURY FINISHES IN A TURNKEY HOME



Bellevue in West Vancouver, by Cressey Development Group, is designed with generous floorplans and marketed to rightsizers

When retirees Roger and Jennifer Meloche sold their large hillside detached home on the Port Moody/Coquitlam border two years ago, they purged many of their belongings and bought a four-bedroom townhouse that was a more appropriate size. But it was a move that didn't go far enough, and they have just purchased a shiny new presale, three-bedroom penthouse in central Port Moody, which will be ready in two years.

"With the new place, we're going to get everything on our checklist," says Jennifer. "The rooftop patio, the nearby amenities, the great location close to the park, and the great view. And it's closer to our daughters. We also wanted to go somewhere where there's no upkeep."

The new development the Meloches are moving to, 50 Electronic Avenue by the Panatch Group, is a large development with a 9,000-square-foot community amenities building that includes fitness rooms, a co-working space, a workshop and pet-washing station – something that appeals to the Meloches, who have a dog.

Roger adds, "We also wanted to have single-level living, and make this a more permanent home that will suit us as we get older. And we had to have three bedrooms, as we need space for our daughters to stay, and an office to work." The new development will also have a guest suite for additional visitors to use.

The Meloches are far from being alone in making this kind of move. With baby-boomers taking up such a huge chunk of our population, they are a major driver of today's real estate market. Over the past 10 years, as the upper ages of cohort has hit retirement and the youngest starting to experience empty-nest syndrome, this has translated into one huge real estate trend – downsizing.



The Smithe by Boffo is attracting wealthy downsizers to downtown Vancouver, with all its spacious units offering two bedrooms or more

Or "rightsizing," as it is often – and more accurately – dubbed.

Boomers who have paid off their detached homes and found themselves with lots of equity and too much space are selling up in droves and moving to high-end condos that are better suited to their needs in this next phase of their lives. These condos tend to be smaller than the buyers' previous homes, but not small, and what is given up in space is easily gained back in luxury and amenities. What's more, these homes are generally less expensive than the detached home the buyer has come from, leaving the buyers with equity left over to add to the retirement fund.

Andrew Carros, partner at luxury real estate brokerage Engel & Völkers, has seen this trend emerge over the past decade or so. "The trend started to happen in downtown Vancouver with new developments for these kinds of buyers being built in Coal Harbour and Yaletown, on the waterfront in particular, where people were



High-end kitchens with luxury appliances – such as this one at The Smithe – mean downsizers aren't compromising when giving up their detached home

drawn to larger apartments with views. But even more important, these were buildings with a little more esteem, where there might be a concierge, nice amenities and a secure location. These buyers want to travel, they need somewhere secure, they have less need for a car or outside space, and they don't want the

maintenance of a detached home."

Amenities and luxury are crucial to these buyers, he added. "They want something to be proud of, and they want to be in a newer building. They want this to be their last move so they don't want to have to worry about the building."



The open-concept living spaces such as this one at Cressey's Bellevue are appealing to those who are looking to entertain family in their later years

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When buyers are moving from 5,000-plus square feet down to 2,000 square feet, the quality has to be even better – Jason Turcotte, VP of development, Cressey Development Group

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Rightsizing is all about having a low-maintenance, turnkey home – so a roof terrace like this one at 50 Electronic Avenue in Port Moody is perfect

TARGETING RIGHTSIZERS

It's such a large group of home buyers that some developers focus almost entirely on building units targeted to rightsizers.

"That's always been Boffo's target market," says Karen West, director of marketing and sales at Boffo Developments. "We have always built larger homes than the typical market... These medium-sized homes are highly sought-after as they're still not really prevalent in the marketplace, although we've seen some more of this housing type being built recently."

West points to the developer's

latest luxury project in downtown Vancouver, The Smithe, as a prime example of what is attracting the wealthy rightsizer. "We don't have any one-bed units at The Smithe, they're all two bedrooms and up, with some sub-penthouses of up to four bedrooms. And they're all extremely high-spec. But more than the spec, it's the luxury of having the space to have a family gathering or cocktail party, and to put your house-sized furniture in the rooms. The kitchens are huge and fabulous, with giant refrigerators and massive cooktops, so the buyer isn't compromising on what they had in their family house."

Local developer Cressey Development Group also focuses many of its projects to the rightsizing market. Jason Turcotte, vice-president of development, told WCCH, "We've seen baby-boomers be very responsive to the right offering. They're looking for space, although not as much as in their single-family home, and yet they still want elements of a single-family home. Things like an entry foyer – it might not be huge, but it's still an entry foyer – and a laundry room, and a master suite with space for a kingsize bed. The first project where we really committed to this kind

of offering, Beverley in White Rock, the response was 'finally, this is what we've been missing, we wanted a condo but weren't willing to live in 850 square feet.'"

Cressey is now marketing Bellevue in West Vancouver, Chelsea in Vancouver and Caban in Kelowna – all of which offer luxurious turnkey units with expansive floorplans and panoramic views to attract the wealthy boomer.

FINISHES AND FUNCTIONALITY

For Cressey's rightsizing buyers, premium finishes are a must.



Rightsizers aren't always looking for huge spaces, as many are turning to mid-size projects like Panatch Group's 50 Electronic Avenue for a comfortable option

Turcotte says, "At Bellevue in West Vancouver, our buyers tend to be those selling a large West Side or West Vancouver home, which were often renovated, so they're accustomed to having very nice homes. So when they're moving from 5,000-plus square feet down to 2,000 square feet, the quality has to be even better. That's inside the suite, in the common areas, in the amenities. It's about not having to compromise, and having somewhere they can be proud of."

Other condo projects focus less on space and ultra-prime finishes, and more on lifestyle and smart living. 50 Electronic Avenue, to which the Meloches are moving, offers less square footage than the typical downsizer condo but focuses on functionality and efficiency, with a lot of smart storage and built-in cabinetry. "All you really need is a bed, a dining table and a couch,"

says Roger. "You don't need chests of drawers or bureaus – which means for the average downsizer, you have got to get rid of a lot of stuff, including your furniture. But that's good – it's important to start purging when you get older."

Even though the largest units at 50 Electronic Avenue are less than 1,300 square feet, developer

Kush Panatch says that the first phase of 138 units, which is 60 per cent sold, has attracted many downsizers like the Meloches. "Typically a project sells from the bottom up, with the smaller, less expensive units going first. But 50 Electronic has sold from the top down, with the larger units selling quickly – especially those with rooftop patios, which go up to

900 square feet. We had multiple offers on some of those units." Panatch says that this trend is now firmly entrenched. "People have really embraced condo living, that low-maintenance lifestyle that's less focused on having a lot of material things. They want what they have left to be a higher calibre, and a higher quality, with a higher level of service."

RIGHTSIZING IN A DOWN MARKET

When detached home owners want to downsize to a condo, how significantly have their plans been affected by today's market, in which single-family prices are falling and detached homes are taking longer to sell?

Not hugely, says Andrew Carros of Engel and Völkers. "The shift that we've seen is that as single-family homes have decreased a little bit, and the number of sales decline, everything has slowed down across the board – it all starts at the top. So if you're not able to sell your home as quickly, you might wait longer. But I don't think intent has changed. A lot of these boomers have bought a long time ago and have a lot of equity in their home, so they can still make the move – they just have to look at the market in front of them and act accordingly. I don't think it stops anybody, it's just an adjustment of approach. Single-family homes are still selling if they are priced appropriately, and the vendor is patient."

Cressey's Jason Turcotte agrees. "When anyone has uncertainty about the value of their [single-family] home, it gives them pause. But put that into context of these homes' value adjusting from incredibly high figures, so they have amassed incredible amounts of equity in their homes, even if that price has adjusted. So these buyers are not prevented from making that lifestyle change."