

Studies say better to buy 2 bedroom condo

It is better to buy a two-bedroom condominium than a one bedroom unit, based on resale studies that show the larger units are more flexible, easier to rent and offer higher appreciation.

A survey done by one developer found that, over a three-year period, new one bedroom condos increased by 24 per cent in value, while a two bedroom increased by 31 per cent.

A similar study by RealNet, which tracks Canadian real estate facts, confirms this price appreciation, though the study was conducted over a two-year period. RealNet president, George Carras, explains: "What you'll see is an overall trend in the greater price increase on two-bedrooms. There's a 17 per cent increase for one bedrooms and

a 22 per cent increase for two bedroom suites - that's a 5 per cent difference, but it can mean thousands of dollars in extra investment return."

Carras says the advantages to pushing your finances for that initial purchase far outweigh the disadvantages: "From a value perspective, you can't deny that the two-bedroom unit is a better investment." He adds that sometimes a two bedroom gives you the kind of square footage that a one bedroom gave you many years ago, because condo sizes are shrinking.

Buyers should also be aware that a two-bedroom condo can often be purchased in the Fraser Valley for less than a one-bedroom in Greater Vancouver. For instance, a 1,000 square foot two-bedroom suite in

Surrey can cost less than a 600 square foot one bedroom in Vancouver.

A July survey by MPC Intelligence Inc., of Vancouver, found that the typical price for a new woodframe condominium in South Surrey/White Rock is from \$320 per square foot to \$340 per square foot. This compares to more than \$550 per square foot in Vancouver for new woodframe condominiums. For new townhomes, the average price in South Surrey/White Rock is from \$250 to \$270 per square foot, less than half the price of similar product in either Vancouver or Richmond.

Ask your Fraser Valley Realtor how buying bigger can be a smart investment in today's condominium or townhome market.