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Daryl Simpson, senior vice-president of Bosa Developments, unveils a new model of the 177-unit Promontory tower on the Songhees. The company will start construction this fall after selling 57 units since the end of July.

Condos hot again on Songhees

Bosa to start 177-unit tower in fall as right-priced market stays hot

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If the Victoria condominium market was getting a little congested, someone forgot to tell Bosa Properties.

The Vancouver-based company, which in March bought the rights to build the second residential tower on the 8.09-hectare Bayview property in Songhees as well as an option for a third, is steaming ahead with its first foray into the Victoria market with the 177-unit Promontory tower.

"We actually think it's pretty good, some people told us the condo market here was quiet, but we've found it all right," said Bosa Properties senior vice-president Daryl Simpson.

Promontory, which went on sale at the end of July, now boasts 57 sales and a suite-map that is quickly filling with "sold" stickers.

"A lot of people were saying there's a lot of supply and units sitting on the market, but our sales may be an indication that we priced the homes right, an indication that they are

sized right and maybe it's an indication people like what they see," said Simpson, during a tour of their newly built sales centre which features two full display kitchens and bathrooms to give prospective buyers a sense of what they're getting.

Canada Mortgage and Housing Corporation reported the supply of condos to the Victoria market has been steady and is going to continue. There were 168 multi-family units started last month and 114 started in June. And over the first seven months of the year multi-family housing starts are well above their 10-year average.

"There is quite a bit of supply on the market, but the new supply appears to be building to meet specific price points," said CMHC senior market analyst Travis Archibald, noting the trend was started a few years ago to build smaller units to attract first-time buyers and investors.

"I think what we've seen in Victoria is the supply is more meeting what the local buyer is looking for,"

he said, adding with a low rental vacancy these units may appeal to people getting out of rental and into ownership. "There hasn't been much new rental accommodation built here over the last 20 years."

Archibald said there is also a steady supply of multi-family projects in the pipeline that may start this fall or next spring.

Playing into Bosa's favour with its Promontory project is its location.

The 21-storey building will sit on a high point of the Bayview site, giving it impressive views.

Simpson said it's possible they may be getting buyers who had expressed some interest in the original high-end Bayview development which offered larger floor plans and the commensurate higher pricetag, but are now seeing units more in their price range.

The Promontory is offering a range of options and entry points with one-bedroom suites starting at \$199,900, two-bedrooms starting at \$357,900 and sub-penthouses starting at \$889,900. The floor plans range from 450 square feet to more than 2,000 square feet.

Penthouses with 2,000-plus square feet of space will likely start at more

than \$2 million.

Simpson said pricing was key for this market, both to attract buyers and allow the company to make its name in a new market.

"Almost 100 of these suites are under \$450,000," said Simpson, noting keeping suites under the \$525,000 threshold was also a key factor. That threshold is when the harmonized sales tax kicks in.

"Psychologically being under that and getting the full rebate regardless with what happens with the HST is important."

If sales continue steadily in August, Simpson said he anticipates breaking ground and blasting for the foundation in October or November and a 21-month build-out period.

Meanwhile, work continues on remediating the Roundhouse portion of the Bayview development.

Earlier this year developer Ken Mariash, who built the first Bayview tower and brought Bosa in to do the next two, said that was still more than three years from being complete.

The 4.25-hectare Roundhouse will be redeveloped with shops, pubs, restaurants, offices, a hotel, residences and a rail-line maintenance facility.