

# Hot incentives for cool market

## Builders offering cars, trips or cash

### Some get creative to attract buyers

ELVIRA CORDILEONE  
STAFF REPORTER

Condo buyers are firmly in the driver's seat these days, says an industry watcher.

With plenty of new product to choose from and a relatively smaller pool of buyers, developers have had to find creative ways to distinguish themselves from the competition, says Mi-

mi Ng, senior market analyst with N. Barry Lyon Consultants.

From the heady days of 2002, when new condo units "flew off the shelves" almost as soon as they came on the market, Ng said developers now have to work hard just to get prospective buyers to visit their sales centres.

"Buyers could go to five or six sites on a weekend to pick up information. Developers have to stand out in order to compete," she explains.

The condo market began to cool down in 2003, as more projects opened and investors

started pulling back. Developers began offering small incentives, such as a month or two of free maintenance or upgraded counters or floors.

### One developer offered hot-air balloon rides so potential buyers could see the view they'd be getting

Two years later, incentives are not only a permanent fixture, but the value of the inducements has shot up significantly, Ng says.

She has a two-page list of in-

centives now being offered at various projects, including cars, cash-back programs, hefty discounts on the purchase price, travel, shopping sprees and free upgrades worth thousands.

"Projects that kept their advertising campaigns fresh (with incentive programs) kept the momentum going. Those that didn't saw a drop-off in buyer attention after the launch," Ng says, noting one developer offered hot-air balloon rides so potential buyers could see the view they'd be getting.

Context Development found another way to give its buyers added value. Instead of using incentives to lure potential purchasers, Context is offering something that will make their lives easier after they buy.

It's a membership to Clubcontext, which entitles buyers to hefty discounts, preferred rates and incentives on a range of products and services related to their move and to the neighbourhood, explains marketing director Craig Taylor.

Discounts vary, depending on the merchant, but Taylor says

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## Discount package introduces buyers to area merchants

► **Incentives** From P1

many are around 20 per cent.

A moving company is on the list, as is a specialist to help organize a relocation. Among the merchants are furniture stores, a paint store, a florist, a live theatre, restaurants and a yoga studio.

Clubcontext, which Taylor defines as a "purchaser appreciation program," was launched in the fall, as buyers started moving into the south tower of the Radio City project on Jarvis St. north of Carlton St.

But membership has been extended to everyone who bought a unit from Context (more than 2,000) since 1997.

"Moving can be difficult. It's another way of showing we care," says Taylor, noting the idea came to him about a

year and a half ago, after his own very stressful move to Toronto from the London area.

He points out membership costs nothing, whereas many of the bonuses, incentives and discounts other builders offer are factored into the purchase price.

Ng suggests Context's program is a "nice touch," at a time when developers are promoting their neighbourhoods much more aggressively.

"It's a way to help buyers familiarize themselves with neighbourhood services," she says. "When you're selling these units, you're selling the neighbourhood as well, and this is a good way to help build that bridge."

Context has five projects under construction in Toronto. For information, log on to [www.context.ca](http://www.context.ca).



DAVID COOPER/TORONTO STAR FILE PHOTO

Buyers at the Radio City condo on Jarvis St., along with other Context Development projects, get discounts on goods and services at stores in the neighbourhood.