



**Best buy neighbourhoods net gains
well beyond average percentage increase in 2003, says RE/MAX**

Toronto, Ont. (January 28, 2004) -- Heated demand and tight inventory levels pushed the value of residential properties in key Toronto proper neighbourhoods well beyond the GTA average in 2003, according to RE/MAX Ontario-Atlantic Canada Inc.

The top five districts in terms of price appreciation of single-detached homes, as identified by RE/MAX through Toronto Real Estate Board statistics, were C03 (Forest Hill, Cedarvale, and Humewood) with a 15 per cent increase over 2002; W05 (Weston, Downsview, Elia, Humber Summit, and Emery) with 12.3 per cent; E02 (Beach, Upper Beaches, The Triangle, and Danforth Village) at 9.4 per cent; C07 (Willowdale) with 9.3 per cent; and C09 (Rosedale, Moore Park, and Summerhill) at 8.8 per cent.

Average prices for a single-detached home varied in the top five, with C09 topping the list as the most expensive neighbourhood at \$1,213,561. W05, E02, and C07 offered housing options at more affordable levels of \$323,260, \$460,755, and \$416,134 respectively.

Condominium apartments and townhomes were also ranked by price appreciation within districts in Toronto proper. The best buy neighbourhood for condominiums was C02 (Yorkville, Summerhill, South Hill, Annex, Castle Loma, Davenport, and Hillcrest) with a 19.4 per cent increase over 2002 prices. Second, third, and fourth places were dominated by districts in the West, with W10 (Smithfield, Rexdale, The Elms, Thistletown) reporting a 15.2 per cent gain; W01 (Swansea, Parkdale, Brockton Village, High Park, Roncesvalles) up 7.8 per cent; and W09 (Richview, Humber Heights, Kingsview Village) up seven per cent. C11 (Thorncliffe Park) rounded out the top five with a percentage increase of 6.4 per cent.

Single-detached homes posted increases in virtually every district in Toronto proper, while the average price for condominiums showed some softening year-over-year as inventory levels soared. For example, in Toronto's most active condo area—Harbourfront—condo prices declined one per cent to \$253,302 on about 2,000 unit sales last year.

“While all boats rise and fall with the tide, there will always be those that seem to have a greater degree of buoyancy,” says Pamela Alexander, CEO, RE/MAX Ontario-Atlantic Canada. “Traditionally, these ‘hot pocket areas’ are located in close proximity to the city and speak to location, location, location, although we are starting to see strong appreciation in areas that offer ‘better’ value for the dollar.”

Case in point is W05 and C07 – areas that hug Toronto’s northern border – where average price for a single-detached home hovers at \$323,260 and \$416,134 respectively. Appreciation in these areas – at 12.3 and 9.3 per cent – reflect increased demand for affordably-priced homes within city limits. Condominium apartments and townhomes on the peripheral are also extremely popular in Toronto’s W10 area, where average price is still a reasonable \$160,000.

“The impact of baby boomers and immigration on residential real estate are particularly evident in the condominium market where price appreciation has occurred at both ends of the spectrum,” says Alexander. “The significant upswing in luxury condominium values in Toronto’s Yorkville/Annex can be directly attributed to empty nesters and retirees who are selling upscale homes in neighbouring areas. Condominiums in Thorncliffe Park and Rexdale, on the other hand, provide new Canadians and first-time buyers with an affordable first step into homeownership.”

District highlights:

Detached Homes:

Forest Hill, Chaplin Estates, Cedarvale, Humewood (C03) – Single-detached homes in a wide variety of price ranges could be found in the popular C03 area encompassing Humewood, Cedarvale, Chaplin Estates, and Forest Hill in 2003. Average price rose an exceptional 15.3 per cent to just over \$734,000, while sales posted an eight per cent increase year over year. The area, bordered by Dufferin St. to the west, Yonge St. to the east, Eglinton Ave. to the north, and St. Clair Ave. to the south, had one of the lowest days on market at 33 and the highest average percentage sale to list price of 98 per cent. A strong sense of community was a major factor drawing young couples and families to both Humewood and Cedarvale last year. Limited inventory levels placed upward pressure on pricing on these coveted neighbourhoods. With prices starting in the low three-hundreds for homes located closer to Dufferin Ave. and \$500,000 nearing Bathurst St., affordability has been a significant drawing card. Demand for homes in Forest Hill has been heated and supply has been scarce. With values starting at \$1 million, multiple offers occurred with great frequency throughout much of 2003.

Downsview, Elia, Emery (W05) – Purchasers vied for choice product throughout 2003, with sales up close to 20 per cent in the Downsview, Elia, and Emery areas. Bungalows and two-storey, detached homes were in high demand, as limited inventory levels and an influx of purchasers propelled prices upward by 12.3 per cent to \$323,260. New Canadians comprise a significant share of homebuyers who are drawn by affordability—with detached homes starting from \$300,000—cultural diversity and family-friendly neighbourhoods. Excellent proximity to major transportation, the downtown core, and good schools, resonate well with today’s buyers.

The Beach, Upper Beaches, The Triangle, Danforth Village (E02) – With average price approaching a half million dollars, purchasers in Toronto’s Beach are looking to the outlying areas for more affordable homeownership. The Triangle in particular, is experiencing revitalization as purchasers renovate and rejuvenate large, older homes north of the old racetrack. Activity was brisk during much of 2003, with sales up a substantial 23 per cent over one year ago. Several sales occurred over the \$1 million mark, setting new benchmarks in the area. Multiple offers were prevalent throughout the year. While inventory levels were tight, an influx of new resale properties came on stream at the site of the former racetrack.

Willowdale (C07) – Rapid price appreciation south of the 401 prompted many purchasers to consider Willowdale in 2003. Ideally situated on the Yonge St. subway line, sales in the area rose 10 per cent last year, while housing values increased just over nine per cent. Older, well-constructed homes on large lots and tree-lined streets have made this area increasingly popular with young families, some of which grew up in the neighbourhood. Although average price sits at \$416,000, a bungalow on a generous lot can still be purchased in the low \$300,000 range. As is the case in many areas of the city, inventory levels are extremely low. Multiple offers occur frequently as buyers vie for prime product.

Rosedale, Summerhill (C09) -- Scarcity characterized supply in Toronto's prestigious Rosedale area throughout much of 2003, bringing the average price of a single detached home in the area up close to nine per cent to \$1,213,561. Sales of homes in the historic community have risen about five per cent over 2002 levels. Move-up buyers, recognizing the value of a footprint in a central location, have bolstered sales in Rosedale over the past number of years. Corporate transfers of senior executives into the area from out-of-province, the U.S., and Europe have also contributed to healthy activity in the upper-end. Low interest rates, consumer confidence, and the recovery of the stock market strengthened residential real estate markets across the board in 2003 – a fact best illustrated by the flurry of luxury sales in excess of \$1 million in 2003, which brought the number of upper-end sales to almost 700 units, up approximately 20 per cent over 2002.

Condominiums (Apartments and Townhomes)

Yorkville, Annex, South Hill (C02) -- Local and international purchasers drove demand for condominiums in Toronto's Yorkville area throughout 2003. Sales were up close to 18 per cent from one year ago in Yorkville and the surrounding neighbourhoods, while average price appreciation posted the highest gain in the GTA at just over 19 per cent, rising to \$436,594. Out-of-town buyers scooped up apartment units at coveted addresses like 38 Avenue Rd. where condominium prices can top \$3 million for a unit. Rentals in the same building can go for as high as \$25,000 a month. Wealthy empty nesters from nearby Forest Hill and Rosedale sold their large homes to make lateral moves into condominiums boasting unlimited amenities and close proximity to designer shops and boutiques, theatre, fine dining, art galleries and the museum.

Rexdale, Smithfield, The Elms, Thistletown (W10) -- Condominium values in W10 jumped 15.2 per cent, rising from \$139,086 last year to just over \$160,000 in 2003. More than 650 units changed hands in the district bordered by Steeles Ave. to the north, the 401 to the south, the 427 to the west, and the Humber River to the east. Much of the upward appreciation in values can be attributed to strong demand for affordably-priced product, as well as an abundance of new condominium construction. The area has experienced tremendous growth in recent years and many new developments are planned for the future. One such development, The Mansions of Humberwood, featuring two high-rise condominium towers with units starting in the mid-\$160,000's, is scheduled for completion in Fall 2005.

Richview, Humber Heights, Kingsview Village (W09) – Activity was strong for condominium apartments and townhomes W09 in 2003. Close to three hundred units changed hands in the area encompassing the neighbourhoods of Richview, Humber Heights and Kingsview Village, up a moderate 2.5 per cent over 2002 levels. The majority of the area's housing mix was built during the 1950s and '60s. However, newer townhomes and apartment-style condominiums are available in family-oriented Richview. Overall, condominiums in W09 offer purchasers good value for the money, with average price now hovering at \$162,200, up seven per cent over 2002. A great deal of new Canadians establish themselves here, with a strong presence from the Somali community. Purchasers are drawn to the area's amenities including shopping and community programs, and its location—only a 5-10 minute drive to Pearson International Airport.

Parkdale, Brockton Village, Swansea, High Park, Roncesvalles (W01) -- Although supply is limited in the area, condominium values experienced an upswing of close to eight per cent in 2003. The continuing evolution of these older, established neighbourhoods continues to draw purchasers from far and wide. Affordability is the major impetus, in spite of an increase bringing average price to \$225,523. New condominium developments are planned for the Swansea area, including The Pointe and Windemere by the Lake. Sales are expected to grow in the years ahead as the neighbourhood advances and new condominiums are built.

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Thorncliffe Park (C11) -- Affordability drove demand for condominiums apartments and townhomes in Thorncliffe Park in 2003, with average price finishing the year at \$161,600, up 6.4 per cent. A good supply of entry-level product is available in the area's numerous older buildings, with monthly payments, in many cases, cheaper than rent. As such, first-time homebuyers, making their moves from the rental market, and new Canadians accounted for the lion's share of condominium sales. The rising price tags of newer condominiums in neighbouring areas further propped up activity in Thorncliffe Park throughout 2003, with 220 units changing hands—nearly reaching 2002's record pace.

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