



ONTARIO-ATLANTIC CANADA INC.

For immediate release

Luxury homes sales climb close to 40 per cent during first quarter of 2004, says RE/MAX

Toronto, Ontario (April 27, 2004) – Fuelled by low interest rates and strong consumer confidence, luxury home sales in the Greater Toronto Area (GTA) during the first quarter soared close to 40 per cent ahead of 2003 levels, says RE/MAX Ontario-Atlantic Canada.

According to Toronto Real Estate Board statistics compiled by RE/MAX, sales of homes priced in excess of \$1 million rose 37.8 per cent – from 161 to 222 units – during the first three months of 2004. Since 1999, sales in the upper-end have virtually quadrupled (58 vs. 222).

“Given the stellar performance of the residential market, money continues to pour steadily into real estate,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “Affluent purchasers are taking advantage of the upward momentum in the marketplace -- as well as the tax exemption status on a principle residence -- to park some of their earnings in ‘housing futures.’ Last week’s roller coaster ride in the stock market only served to attract more investment dollars.”

More than 60 per cent of luxury sales occurred in the city’s central core. Upper-end activity in TREB’s central district -- the area bordered by the Lake north to Steeles Ave. and Dufferin St. east to the Don Valley Parkway -- rose 40 per cent from 100 sales in the first quarter of 2003 to 140 this year. The top five areas by sales were York Mills, Hogg’s Hollow, Bridle Path (C12), followed by Rosedale/Summerhill, (C09), John Ross Robertson, Lytton Park, Ledbury Park (C04), Forest Hill (C03) and Lawrence Park (C10).

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Strong demand for homes in Toronto's blue chip neighbourhoods continued to create bidding wars throughout the first quarter of 2004, although an influx of listings helped to ease pressure on house prices. An estimated forty per cent of homes in the Forest Hill area sold at or above list price, a clear indication of multiple offer situations. Rosedale/Summerhill also experienced frequent bidding wars, with 36 per cent of homes selling at or above list price. Other areas reporting solid demand include Lawrence Park and Yorkville/Annex/South Hill (C02), where 23 per cent of all home sales involved multiple offer activity.

"The sharp rise in upper-end activity can be attributed to a number of factors," notes Polzler. "For one, strong and steady price appreciation over the last several years has served to edge more homes into the million-dollar price category. Baby boomers trading up to larger, more expensive homes has also contributed to the upswing in activity, as has the rise in Canadians' incomes and personal wealth. Inheritance has also played a role."

Approximately 25 per cent of sales in the GTA occur in the west, spanning from Dufferin St. to the east, west to Oakville). The area recorded 49 sales in the first quarter of 2004, up 19 per cent from 41 sales during the same period last year.

A limited number of multiple offers have occurred on luxury properties in the western district. The Kingsway has seen the greatest number of bidding wars, with one in every 4 homes in the area experiencing sales at or above list price. In Oakville, the market has also been heated, with 17 per cent of sales occurring at or above list price.

The city's east end, particularly the Beach, has seen a significant increase in upper-end sales this year. There were six sales in excess of \$1 million in E02 during the first quarter of this year compared to none the year before.

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