



For immediate release

Million dollar home sales continue to climb in the GTA, posting significant year-to-date gains, says RE/MAX

Mississauga, Ont. (April 7, 2005) – Sales of upper-end homes in the Greater Toronto Area continue to spiral upward, climbing 33 per cent in the first quarter of 2005 compared to the same period one year ago, according to RE/MAX Ontario-Atlantic Canada.

Two hundred and ninety-six homes have sold in excess of \$1 million on the Toronto Real Estate Board so far this year, surpassing the annual figures reported in 1996 (113), 1997 (175), 1998 (211), and 1999 (289). Luxury sales over \$1.5 million saw the greatest appreciation, with units sold up 36 per cent over one year ago (102 vs. 75). Upscale homes sold between \$1 million to \$1.5 million were up close to 32 per cent year-to-date (194 vs. 147).

“The strong momentum in the upper end shows no sign of abating,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “Record housing sales continue to characterize the luxury home market. Although solid economic fundamentals are in large part responsible for the upswing, there’s no question Canadians continue to look to diversify their portfolios by trading in paper wealth for material possessions.”

In spite of a 33 per cent increase in sales activity, average price posted a modest gain of two per cent to \$1,566,006 in the first three months of the year, up from \$1,533,653 one year ago. A growing number of neighbourhoods are reporting sales activity over the \$1 million mark. Leading the charge in terms of up and coming areas is Willowdale/Newtonbrook (10) where infill properties are boosting both sales and housing values. Even Leaside (3) and the Beaches (3) are now reporting sales in excess of \$1 million.

Luxury home sales comprised 1.6 per cent of all homes sold in the Greater Toronto Area in the first quarter, up from 1.1 per cent during the same period in 2004. The greatest number of sales over \$1 million took place in the coveted Hogg’s Hollow, Bridle Path, St. Andrews, and York Mills Gardens area (C12) where 43 home changed hands so far this year. The area also had the highest number of listings priced over \$1 million at close to 100. A surge in sales activity has brought the Ledbury Park, Lytton Park, Cricket Club, North Toronto and Allenby (C04) communities into the spotlight with 39 units sold over \$1 million in the first quarter of this year. There are currently 55 homes listed for sale in the C04 district priced over \$1 million.

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Demand is also strong in the prestigious Rosedale (C09) area, with 33 sales occurring year-to-date. With less than 50 homes on the market, tight inventory levels in Rosedale continue to place enormous pressure on housing stock – as a result, one in every three homes listed for sale in Rosedale sold at or above list price during the first three months of the year.

Supply is also an issue in the city's west end (W08), where 41 per cent of homes are selling at or above list price. Seven of the 17 homes sold in the Kingsway, Princess Ann Manor/Gardens, Islington Village, and Thorncrest Village (W08) neighbourhoods experienced this phenomenon in the first quarter of 2005.

The most expensive sale so far this year occurred in Oakville, at \$4.75 million, while the highest priced listing on MLS is located in the prestigious Bridle Path area at \$15 million. Seven homes have sold for more than \$3 million so far this year, up from one in 2004.

Toronto has recorded 13 sales of condominiums and townhomes priced over \$1 million year-to-date, compared to eight during the same period last year—an increase of 62.5 per cent. The most expensive condominium sold in 2005 was a \$2.350 million unit located in Annex/South Hill (C02). Currently, 70 luxury condominiums priced over \$1 million are listed for sale in Toronto through MLS. Nearly 90 per cent of those are located in the central core. The most expensive condominium on the market is an apartment-style suite located in the prestigious Windsor Arms Hotel. The price? \$6.998 million.

Along with the number of million-dollar home sales, the pool of Canadian millionaires continues to swell annually. In 2005, the millionaire market is expected to reach 600,000 households, representing \$1.65 trillion in assets.

“The upper-end of the city's housing market is expected to remain resilient,” notes Polzler. “Playing an increasing role are inheritances, the total value of which is expected to reach \$550 billion over the next 10 years. The boom generation, in particular, is funneling much of this new-found wealth into real estate, as increases in home equity over the past several years have contributed to considerable growth in the net worth of Canadian homeowners.”

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