



For immediate release

Up-and-coming areas also provide 'blue chip' returns in 2006, says RE/MAX

Mississauga, ON (February 22, 2007) – While strong demand for single-detached homes in traditional blue-chip neighbourhoods pushed housing values higher, up-and-coming communities also experienced a solid return on investment in 2006, says RE/MAX.

Swansea, Roncesvalles, Parkdale (W01) lead the charge with the average price of a single-detached home rising 18.02 per cent (\$544,196 to \$642,269) in 2006. Offering older, character homes in close proximity to the sought-after area of High Park/Old Mill, the area has benefited enormously from the renovation boom of recent years. Blue-chip, central-core neighbourhoods such as Hoggs Hollow, York Mills, Bridle Path (C12), Lawrence Park (C10), and Bayview Village (C15) also saw significant price appreciation at 13.64 per cent (\$1,238,030 to \$1,406,909), 12.38 per cent (\$963,813 to \$1,083,108) and 12.24 per cent (\$519,018 to \$582,528) respectively. Rounding out the top five was Scarborough Bluffs (E08) at 10.95 per cent (\$315,969 to \$350,580), an area bordering on the coveted Beach community.

“There’s no question that the areas that have undergone considerable revitalization in recent years have seen serious upward pressure on housing values,” says Micheal Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “Affordability has played a major role as first-time buyers look to tired, older neighbourhoods in close proximity to the central core. The decision to invest their money in both their home and community is a trend that is expected to continue in 2007.”

Of the 62 Toronto Real Estate Board districts examined by RE/MAX, just under 10 per cent (six) experienced double-digit increases in the single-detached category in 2006. This time last year, approximately one in five districts reported a double-digit increase in the average price of a single-detached home—an indication that overall appreciation has slowed in the Greater Toronto Area. A number of factors have contributed to the slowdown, including an influx of new listings. As a result, most districts—including many of 2005’s top performers—report gains ranging from four to six per cent, which is in line with the GTA average of five per cent overall (for all types of residential properties).

“All boats rise and fall with the tide,” says Polzler. “However, blue chip neighbourhoods in the central core continue to hold their own – with three of the top six performing markets located within the city centre. The value of single-detached homes rose 7.5 per cent in the central core in 2006, with average price hovering at \$816,938 at year-end (up from \$759,906 one year earlier).”

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In terms of condominium apartment and townhomes, three districts reported double-digit gains in average price (on par with last year's figure). Leading in terms of percentage increase was Hoggs Hollow, York Mills, Bridle Path (C12), where the average price of a condominium climbed 21.78 per cent from \$407,594 in 2005 to \$496,350. Affordability played a significant role in Humber Heights, Kingsview Village, and Richview (W09) where condominium values rose 12.79 per cent, from \$168,491 to \$190,042 in 2006. In C02, Yorkville, Annex, Summerhill and South Hill, average price escalated 11.31 per cent from \$444,582 to \$492,861. Ranking fourth and fifth were the Queensway and Sunnylea (W07), where average price rose from \$248,283 to \$270,558 in 2006 and Lawrence Park (C10) where values jumped from \$300,229 to \$326,564 – an increase of 8.97 and 8.77 per cent respectively.

“New condominium construction continues unabated in key locations,” says Polzler. “In Yorkville, for example, we’ve seen a major shift to upscale multi-unit residential. In fact, some high-rise buildings specifically target luxury buyers, with prices starting at \$1 million per unit. We expect demand for condominiums to be strong for years to come as both affluent baby boomers and out-of-town investors enter the marketplace.”

Condominiums within the central core also saw the greatest increase, with average price rising 5.9 per cent to \$292,064, an increase of more than \$15,000 over the 2005 figure. In total, seven districts reported a decrease in the average price of a condominium apartment or townhome, ranging from just under one per cent to close to six per cent, in 2006.

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Toronto's Best Return on Investment Neighbourhoods 2006

Top Five Districts by Price Appreciation Detached Homes*					
Rank	District	Neighbourhood(s)	2005 Avg. \$	2006 Avg. \$	% +/-
1	W01	Swansea, Roncesvalles, Parkdale	\$544,196	\$642,269	18.0
2	C12	Hoggs Hollow, York Mills, Bridle Path	\$1,238,030	\$1,406,909	13.6
3	C10	Lawrence Park	\$963,813	\$1,083,108	12.4
4	C15	Bayview Village	\$519,018	\$582,528	12.2
5	E08	Scarborough Bluffs	\$315,969	\$350,580	10.9
Top Five Districts by Price Appreciation Condominium (Apartment and Townhomes)*					
Rank	District	Neighbourhood(s)	2005 Avg. \$	2006 Avg. \$	% +/-
1	C12	Hoggs Hollow, York Mills, Bridle Path	\$407,594	\$496,350	21.8
2	W09	Humber Heights, Kingsview Village, Richview	\$168,491	\$190,042	12.8
3	C02	Yorkville, South Hill, Summerhill, Annex	\$444,582	\$493,861	11.3
4	W07	The Queensway, Sunnylea	\$248,283	\$270,558	8.9
5	C10	Lawrence Park	\$300,229	\$326,564	8.7
Source: RE/MAX, Toronto Real Estate Board (TREB)					
* Based on districts reporting unit sales over 100 per annum					