



ONTARIO-ATLANTIC CANADA INC.

For immediate release

## **Heated housing activity throughout 2009 lends little air to bubble theory in the GTA, says RE/MAX**

*Single- detached housing values remain slightly off 2008 levels in 27 per cent of TREB districts*

**Mississauga, ON (January 28, 2010)** – Despite limited inventory levels in the Greater Toronto Area (GTA) in the latter half of the year, double-digit price appreciation failed to materialize in the single-detached housing category in 2009, says RE/MAX Ontario-Atlantic Canada.

In fact, an in-depth analysis by RE/MAX of 63 districts within the Toronto Real Estate Board found that detached housing values in 27 per cent of districts remained slightly off 2008 levels, while 57 per cent reported price appreciation of less than five per cent in 2009. Sixteen per cent of districts recorded an increase in average price in excess of five per cent. No double-digit gains were noted.

“There is simply no evidence of a housing bubble,” says Michael Polzler, Executive Vice President, RE/MAX Ontario-Atlantic Canada. “While sales were up considerably over one year ago—and supply was tight in many of the city’s hot pocket areas—the expected surge in average price did not occur. Buyers remained cautious in their pursuit of homeownership—with most unwilling to overpay for the privilege. “

While one quarter of all TREB districts saw prices in the detached housing category soften in 2009, just over half declined by less than two per cent. Those that saw prices fall by more than two per cent were primarily upper-end neighbourhoods—the vast majority located in the central core—which were slower to rebound once the market regained momentum. By year-end, however, sales in all of these areas posted double-digit growth—a fact that clearly indicates a greater number of transactions at the lower end of the price spectrum. Inventory may have also played a role as sellers held off listing their luxury properties until market conditions improved.

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Leading the GTA in terms of price appreciation was South Pickering (E12) where the average has risen 9.4 per cent to \$358,493; Malvern, Hillside, Rouge (E11) takes second place with a 7.3 per cent upswing to \$368,095; North Pickering (E13) was ranked third with values climbing 7.2 per cent to \$396,973; fourth spot goes to Port Credit (W12) in Mississauga where values have climbed seven per cent to \$614,144; and rounding out the top five -- the lone downtown Toronto district -- was Riverdale, Leslieville (E01) where prices escalated 6.7 per cent to \$522,017. Ballantrae, Cedar Valley (N13) ranked sixth with a reported 6.4 per cent increase to \$662,268. In seventh place is Richmond Hill – North End (N05) with a 6.3 per cent increase in average price to \$574,642. The Applewood, Rathwood neighbourhoods (W14) in Mississauga ranked eighth in terms of price appreciation, rising 6.1 per cent to \$505,994, while Markham (N10) claimed ninth spot with a 5.3 per cent escalation in detached housing values, bringing the average to \$510,268. Bathurst Manor, Armour Heights (C06) in the city's north end secured tenth place with a 5.1 per cent upswing in average price to \$597,025.

The East clearly dominated the top five and affordability factored in heavily, with single-detached homes in both Pickering districts and Malvern, Hillside, Rouge, priced under \$400,000. Young families – most buying their first home -- were attracted to communities like Riverdale and up-and-coming Leslieville, while move-up buyers looked to Port Credit, which has steadily increased in popularity in recent years.

“First-time buyers were a driving force throughout much of the year, but their role was most noticeable in early 2009,” says Polzler. “Almost one in every two homes sold was priced under \$400,000 in the first quarter of the year. An entirely different picture emerged in the final quarter when just one-third of homes moved under the \$400,000 price point.”

As the move-up segment swelled, so too did demand for more upscale properties across the board. Yet, despite the upswing, average price registered only a small percentage increase. In the central core, for example, where the average price ranges from \$572,529 in Don Mills to as high as \$1,717,190 in Rosedale, overall values rose one per cent to \$919,838, compared to 2008. Unit sales in C-district jumped 31 per cent to close to 4,000 units.

The number of homes sold in the city's north end saw the greatest percentage increase at 32 per cent to 8,843 units. Average price in North district, which ranges from \$398,864 in Newmarket to \$700,499 in King City, rose two per cent overall to \$555,616. Housing sales climbed in the west, where values range from \$298,136 in Brampton to \$790,060 in the Kingsway, by close to 19 per cent to 12,453 units. West district's average price rose a nominal 1.5 per cent to \$467,227. The increase in sales was more moderate in the East End (including Scarborough and Pickering, Ajax), where values range from \$325,393 in Bendale, Woburn to \$691,128 in the Beach. The number of detached homes sold increased 15 per cent year over year to 6,690. Average price in East Toronto rose 2.6 per cent overall to \$400,813.

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“After a dismal start, the stats confirm that 2009 returned to the healthy, upward trajectory that we have followed for much of the last decade,” says Polzler. “We see detached homes continuing on that course in 2010, with moderate gains expected. The detached housing category continues to be a solid gauge of the market’s overall performance, accounting for approximately half of the activity in GTA.”

<b>GTA'S BEST RETURN ON INVESTMENT NEIGHBOURHOODS 2010</b>					
<b>TOP TEN DISTRICTS BY PRICE APPRECIATION - DETACHED HOMES*</b>					
<b>Rank</b>	<b>District</b>	<b>Neighbourhood</b>	<b>2008 Average Price</b>	<b>2009 Average Price</b>	<b>YY % Increase</b>
1	E12	South Pickering	\$327,838	\$358,493	9.4%
2	E11	Malvern, Hillside, Rouge	\$343,154	\$368,095	7.3%
3	E13	North Pickering	\$370,458	\$396,973	7.2%
4	W12	Port Credit	\$574,160	\$614,144	7.0%
5	E01	Riverdale, Leslieville	\$489,244	\$522,017	6.7%
6	N13	Ballantrae, Cedar Valley	\$622,568	\$662,268	6.4%
7	N05	Richmond Hill - North End	\$540,432	\$574,642	6.3%
8	W14	Applewood, Rathwood	\$476,885	\$505,994	6.1%
9	N10	Markham	\$484,516	\$510,268	5.3%
10	C06	Bathurst Manor, Armour Heights	\$567,915	\$597,025	5.1%
Source: RE/MAX, Toronto Real Estate Board (TREB)					
*Based on districts reporting sales greater than 100 units.					

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