



# MARKET TRENDS REPORT

2004



## NEWFOUNDLAND

### St. John's

*Most expensive residential MLS sale in 2004:*

*Detached - \$675,000 (King William Estates)*

*Condominium - \$254,500 (McKinley Place)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$30,000 (Central St. John's)*

*Condominium - \$61,000 (Downtown)*

The housing market in St. John's remained brisk throughout 2004, buoyed by solid economic fundamentals and a stable employment outlook. In recent months, however, the market has begun to show signs of leveling. Year-to-date unit sales have increased five per cent to 2,692 units compared to the same period one year ago when just 2,563 homes changed hands. Inventory levels are rebounding, although this has yet to ease tight market conditions. Despite the shortage of supply, pent-up demand has subsided, and it is expected that more balanced market conditions will take shape in coming months. Average price, meanwhile, has experienced significant appreciation, rising nine per cent year-to-date to reach \$131,671—an increase of \$11,000 in a single year. First-time purchasers remain undaunted, as they continue to be a strong force in the St. John's real estate market. Clearly demonstrating their commitment to homeownership in 2004, some young buyers have bypassed the entry-level category to purchase brand new semi-detached homes priced in the \$130,000 price range. Others have looked to alternatives to achieve the dream of homeownership, opting for duplexes which have become a popular choice among first-time purchasers. Older, detached homes start from \$110,000, while new, detached homes are now priced from \$150,000. Renters continued to make the leap to homeownership this past year, causing vacancy rates to

climb a full percentage point to about three per cent. Investors remained active despite the softer rental market, driving demand for single-family duplexes, particularly bungalow-style product offering two separate units. Move-up buyers continue to be the impetus of overall activity in St. John's, fuelling sales in the \$120,000 to \$160,000 price category. On average, most spent an extra \$30,000 to \$40,000 to make the move to larger or more modern homes. The trend toward bigger and better was most evident in the upper-end of the market, with sales of homes priced in excess of \$250,000 ahead of year-to-date 2003 levels by 75 per cent (124 sales took place during Jan. – Oct. compared to 71 during the same period one year ago). Current conditions are expected to be a temporary reprieve for purchasers, as the market picks up steam once again in the spring. Overall, 2005 will be a strong year for sales, especially given the significant number of White Rose employees anticipated to enter the housing market. The record pace will fall slightly posting a four per cent decrease in 2005 to 3,200 units, while average price edges up a further two per cent to \$135,000.

St. John's

\$131,700



## NOVA SCOTIA

### Halifax-Dartmouth

*Most expensive residential MLS sale in 2004:*

*Detached - \$1 million (South End)*

*Condominium - \$750,000*

*Least expensive residential MLS sale in 2004:*

*Detached - \$47,000 (Dartmouth)*

*Condominium - \$46,000 (Sackville)*

A seasonal slowdown during the latter half of the year contributed to a softening in residential housing sales in Halifax-Dartmouth in 2004. After several years of tremendous upward momentum, sales are expected to remain on par with 2003 levels. Average price, however, continues to spiral upward, with Halifax-Dartmouth set to report yet another significant increase that will bring housing values to \$177,300 by year-end. Affordability is a major draw in Halifax-Dartmouth, despite double-digit price increases in recent years. First-time buyers are the engine driving strong activity in Halifax-Dartmouth's entry-level communities such as Timberlea, Forest Hills, and Lower Sackville. Semi-detached homes, between 1,100 and 1,200 sq. ft. in size, can be purchased for under \$115,000, while one-bedroom condominiums can sell as low as \$50,000. Heated demand for properties in Dartmouth's desirable Woodlawn area, priced between \$140,000 and \$160,000, has generated several multiple offer situations. Condominiums are expected to remain a popular choice with first-time buyers, particularly those who are renters, throughout 2005. With several poor quality rental apartments in Spryfield condemned, renters will ultimately face a tighter rental market in the months to come. Move-up buyers should fuel demand for homes priced between \$175,000 to \$225,000 in the New Year. Although the upper-end of the market—priced over \$350,000—has also seen an increase in sales activity, some purchasers in Halifax's south end have experienced sticker shock. Inventory levels, which had been steadily improving over September and October, have tapered yet again, creating more balanced market conditions. Given the recent government moratorium on development, some purchasers are looking at properties within close proximity to the centre core. Downtown Dartmouth has seen a substantial increase in demand over the past 12 months as buyers rush to take advantage of affordable house prices. The construction of a huge, multi-million dollar art college has brought renewed activity to the neighbourhood, which has also been bolstered by the addition of a second lane on the bridge connecting Dartmouth and Halifax. Increased interest on the Dartmouth side of the harbour has resulted in upward pressure on prices. Even though Halifax is Atlantic Canada's

regional centre, housing values are considerably lower than other major cities across the country. The economic fundamentals are strong in the city, underpinned by a provincial budget surplus. With further strengthening expected locally, real estate in Halifax-Dartmouth is forecast to bode well in 2005.

## NEW BRUNSWICK

### Saint John

*Most expensive residential MLS sale in 2004:*

*Detached - \$650,000 (Rothesay)*

*Garden Home - \$180,000*

*Least expensive residential MLS sale in 2004:*

*Detached - \$16,000*

A positive economic picture set the stage for another healthy year of real estate activity in Saint John in 2004. Homebuyers continued to demonstrate strong demand, pushing unit sales to 1,329 year-to-date. Although that represents a seven per cent decrease from 2003 levels, the market may be further ahead than statistics suggest. This year, the real estate board implemented a new system that records transactions only upon the closing date, rather than the sale date. This means that nearly 150 sales that would have been counted by the old system have yet to be posted. When factored in, Saint John is actually close to 3.5 per cent ahead of last year in terms of unit sales—an indication that this market continues to have momentum. Average price recorded substantial gains in 2004, rising nearly 11 per cent to reach \$115,695 year-to-date. Multiple offers continue to occur, though mostly limited to choice neighbourhoods such as Rothesay and Quispamsis, where move-up buyers are most active in the \$140,000 to \$200,000 price range. Many of these purchasers are spending \$40,000 to \$60,000 to trade up to a larger home, but often the difference it makes to a monthly mortgage payment is negligible given today's low interest rates. Inventory has improved slightly since last year, but has not yet reached normal levels. The shortage is most evident in the city's west side, where affordable properties priced between \$80,000 and \$140,000 are highly sought after. Renters continued to choose homeownership in 2004, enticed by low interest rates. The majority of first-time purchasers made their moves in East Saint John, where bungalows priced from \$100,000 to \$130,000 were popular. Alternatives, such as town, row or garden homes, are available for entry-level purchasers, but many young buyers find themselves competing with empty nesters for these types of properties. Typically, these homes start at \$110,000 for older product or from \$160,000 for new product. Builders are very in tune with the trend toward garden

homes and many are now cropping up in Milligeville, geared toward the 50-something crowd. The upper-end of the market remains one of the strongest real estate segments in Saint John, with homes priced between \$200,000 and \$240,000 up 40 per cent over one year ago. Sales of luxury homes priced over \$250,000 are also strong, yet less prevalent, representing only two per cent of all homes sold. The momentum in the upper-end of the market has been fuelled by positive job growth, equity gains, and the return of former residents to the city. The most expensive sale in Saint John in 2004 was \$650,000 and took place in the Rothesay area. Renewed interest seems to be brewing in the city's waterfront, with revitalization planned or underway, and investors have been the first out of the gate looking to make long-term investments in an area that has much potential for the future. The city has been encouraging further growth, but a lack of available land for development and upward pressure on the price of vacant land have caused builders to become more selective.

## Fredericton

*Most expensive residential MLS sale in 2004:*

*Detached - \$450,000 (outside city limits)*

*Condominium - \$225,000 (adjoining golf course in Fredericton)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$28,000 (Fredericton North)*

*Condominium - \$43,000 (Skyline Acres)*

Consumer confidence and low interest rates fuelled residential housing activity in Fredericton throughout 2004. Unit sales were up five per cent within city limits (including adjoining subdivisions) while overall sales (city and rural areas) have climbed 12 per cent over last year's levels. Average price has experienced a significant upswing within the city, rising 19 per cent to \$150,000, while a more moderate four per cent increase has been reported for Fredericton and the surrounding areas. Multiple offers continue to be a factor in the downtown area, as well as Lincoln and Nashwaaksis, one of Fredericton's most active communities. Although listings are up 12 per cent over 2003, the sales-to-listing ratio has improved slightly, rising to 58 per cent. There are approximately 1,500 homes currently listed for sale in Fredericton. The Northside of the city continues to draw first-time buyers who are looking at various types of housing. Entry-level condominiums start at \$60,000, but they are few and far between. Detached homes starting at \$100,000 are easier to come by. The most active price range in Fredericton is \$120,000 to \$140,000. Condominium apartments and townhomes are increasing in popularity and availability in Fredericton. New condominium developments

underway in Fredericton North are eagerly anticipated. The upper-end of the market, defined as \$200,000 plus, has also experienced a substantial increase in sales activity. Up 75 per cent over one year ago, this segment of the market represents less than two per cent of all sales activity. Given strong economic fundamentals and a continuation of low interest rates, residential housing activity in Fredericton is expected to maintain its steady pace well into 2005.

## Moncton

*Most expensive residential MLS sale in 2004:*

*Detached - \$525,000*

*Condominium - \$159,900*

*Least expensive residential MLS sale in 2004:*

*Detached - n/a*

*Condominium - \$84,900*

Moncton's real estate market is expected to round out 2004 with another record-breaking year. Unit sales have reached 1,845—an increase of 13.5 per cent over one year ago—and are on track to break the 2,000 mark. Average price has also posted strong appreciation just over eight per cent to \$112,927. Solid economic fundamentals—a stable labour market propped up by a booming retail sector and an expanding manufacturing industry—served to buoy consumer confidence, and as a result, the demand for housing reached an all-time high. First-time buyers remain the driving force, with homes priced from \$110,000 to \$150,000 accounting for 20 per cent of all sales in 2004. Some are considering alternative forms of housing such as townhomes located in the city, Dieppe and Riverview. Move-up purchasers fuelled activity in the \$150,000 to \$200,000 price range, with most spending \$30,000 or more to trade up to larger or more modern housing. Baby boomers have been particularly active. With many purchasing the homes to which they've always aspired, sales in the upper-end—priced over \$250,000—have increased a substantial 50 per cent over one year ago. Inventory levels rebounded considerably in 2004. Active listings have increased by 15.5 per cent year-to-date, and multiple offers have become the exception. Given better selection, purchasers should expect a return to more balanced market conditions in 2005. Price appreciation should be held in check with more moderate gains expected. In-migration will be a significant factor, as will continued growth in the local and provincial economies. Therefore, demand and sales are expected to remain brisk.

## PRINCE EDWARD ISLAND

### Charlottetown

*Most expensive residential MLS sale in 2004:*

*Detached - \$635,000 (Bayfield)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$15,300 (Souris)*

The real estate market in Prince Edward Island continued to be characterized as tight throughout 2004, as low inventory levels were a significant factor resulting in slowdown in sales activity. Year-to-date unit sales have fallen nearly eight per cent, with a shortage of quality product across all price ranges. Demand remains solid, with many purchasers waiting in the wings for the right home to come on stream. Interest rates continued to be among the greatest motivating factors for purchasers. Average price has climbed eight per cent, reaching \$98,000. However, it is estimated that some neighbourhoods within the Greater Charlottetown Area experienced appreciation that is more than double the average. Multiple offers continue to occur in sought-after pockets such as Stratford and West Royalty. The upper-end of the real estate market remained brisk in 2004, with the P.E.I. Real Estate Association reporting a 23 per cent increase in home sales priced in excess \$200,000 year-to-date. Luxury condominiums priced over \$200,000 have also become a new and growing phenomenon in Charlottetown and have been well-received by purchasers. Out-of-town and province purchasers continue to account for the vast majority of high-end sales. First-time buyers—the most active segment in Charlottetown and P.E.I.—are driving activity in West and East Royalty. They have also spurred demand for semi-rural properties that offer larger homes at similar prices. Most sought split-entry or detached homes and bungalows priced from \$130,000. Semis and duplexes were also popular throughout 2004. Many builders have been targeting empty nesters and retirees, and as a result, a good deal of new construction reflects single-level product preferred by that segment. A healthy amount of in-migration is taking place, with many ex-patroids and out-of-province purchasers choosing P.E.I. to fulfill their retirement dreams. Most new development has taken place within the boundaries of major centres, as the lion's share of buyers seems hesitant to get too far from the action. The most coveted product—oceanfront or view properties—is still a rare find, snapped up quickly by eager purchasers. Activity from “off-island investors” has been steady, with most looking to purchase multi-unit residential buildings, particularly those with 12 units or more. The outlook for the real estate market looks bright into 2005, with a growing amount of non-residential construction bringing new jobs on-stream and

making the area more attractive than ever. A new, \$35 million government building is being built in Charlottetown, and a growing number of businesses are relocating to the city as well. Retail development has been brisk, with the introduction of several new big box stores. With no provincial sales tax on clothing in P.E.I., it is expected that the growing retail segment will have a positive effect on the local economy as those from New Brunswick and Nova Scotia take advantage of the greater savings. As the year draws to a close, healthy demand and favourable weather conditions have extended buying activity into the traditionally quiet holiday season. Look to 2005 to be a peak year for sales, while prices experience further, yet more moderate appreciation.

## ONTARIO

### Ottawa

*Most expensive residential MLS sale in 2004:*

*Detached - \$2 million (Ottawa South/Manotick)*

*Condominium - \$850,000 (Lindenlea)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$80,000 (Ottawa West-Centre)*

*Condominium - \$73,000 (East End)*

Strong resale activity characterized the Ottawa housing market during the first half of 2004, generating solid gains in both unit sales and average price. The second half of the year softened somewhat, as in years past, with home sales performing slightly under 2003 levels. By year-end, Ottawa is expected to record a one per cent increase in unit sales, bringing the total number of homes sold to 13,000. Average price is forecast to climb seven per cent to \$235,000, up from \$219,713 in 2003. Appreciation has slowed in recent months, with the highest monthly average price reported in May at \$242,544. Healthy demand for product continues to exist, particularly in the older, more established areas of the city where inventory levels are limited. Westboro, Lindenlea, and Ottawa South continue to be popular neighbourhoods that offer affordably-priced pre-50s character homes when compared to Glebe, the Civic Hospital area or the Golden Triangle. These homes, many with original finishes, are coveted by purchasers seeking unique properties outside of the cookie-cutter style of homes introduced in the 1960s and beyond. Revitalization is also occurring in Ottawa West-Centre and the Overbrooke area. Some greenbelt areas have already been residentially developed with other areas being considered. Speculation also exists regarding the future development of prime real estate across from City Hall on Elgin Street. New construction is expected to be a boon to potential purchasers, particularly those who are first-time buyers. This segment of

the market continues to be active, despite rising prices. Many first-timers have adjusted their expectations and opted for condominium apartments and townhomes. Given that the starting price for a single-detached home in Ottawa now hovers at \$240,000, it's not surprising that only 34.5 per cent of residential sales are priced under \$250,000. A huge percentage of entry-level purchases are condominiums, with the vast majority occurring in the \$125,000 to \$174,000 price category. The upper-end of the market has also seen tremendous growth, with sales of homes priced in excess of \$500,000 rising close to 61 per cent during 2004. Investment continues to occur on a small-scale basis, with purchasers snapping up multi-unit residential properties with six to 12 units. With a solid economic forecast in the cards for the Ottawa area, real estate is expected to perform well in 2005.

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## Kingston

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.2 million (West End)*

*Condominium - \$475,000 (Downtown Waterfront)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$34,000 (Millhaven)*

*Condominium - \$68,000 (near Kingston Shopping Centre)*

Strong consumer confidence and solid employment levels drove activity in Kingston's real estate market in 2004. Average price has reached \$175,000, a double-digit increase of 10 per cent over last year. Unit sales have increased about three per cent to 3,400 units from 2003 levels. The renovation phenomenon is strong in Kingston and has been a factor impacting the market. A growing number of homeowners are deciding to renovate or build additions rather than sell. With the shortage of inventory, product that is in good shape and priced realistically is being snapped up quickly. Activity remains strong and the market continues to be competitive. Multiple offers are still a factor, occurring primarily on well-maintained homes priced under \$175,000. Choice products can move as quickly as two to three days in Kingston. Overall, homeownership remains attainable, with entry-level detached homes on the outskirts of the city starting from \$150,000 to \$160,000, while those located in Kingston proper range from \$160,000 to \$170,000. The most active price range this year falls between \$140,000 to \$180,000, and represents approximately 26 per cent of all sales. Quality neighbourhoods such as Taylor Kidd Blvd/Gardiners Rd. and Henderson Place experienced the most activity in this price range. Many first-time buyers, most of whom are established in their jobs and have two incomes, are bypassing the traditional starter home. Instead they are setting their sights on homes listed at or above the average price. Older homes with character and charm

near the hospital or university are popular, as are newer homes in the east and west ends of the city. The condominium market in Kingston is more appealing now than in previous years. Older condominiums start at \$70,000, while newer products start from \$130,000. The least expensive condo sold this year was priced at \$68,000 and located near the Kingston Shopping Centre. The most expensive condo was a downtown waterfront property that was snatched up for \$475,000. Condominiums continue to be most popular with empty nesters, while baby boomers are fuelling move-up activity for single-detached homes. The majority of trade-up activity is taking place near the Cataraqui Mall, where buyers are spending an extra \$30,000 to \$40,000 to make the step up to a bigger home. The most active move-up price range is between \$180,000 to \$200,000. Sales in the upper end of the market remain healthy with an increase of 10 to 15 per cent over last year's figures. Homes priced over \$300,000 represented 10 per cent of sales, while homes over \$500,000 represented one per cent. The most expensive property sold in 2004 – \$1.2 million – was in the city's west end. Kingston continues to attract baby boomers seeking retirement in adult lifestyle communities. In addition, the city is also a prime location for American and European buyers seeking waterfront properties as second homes. Bolstered by a positive economic outlook, Kingston has the capacity to maintain a healthy real estate market well into the coming year. Both unit sales and average price are expected to break records by year-end.

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## Belleville

*Most expensive residential MLS sale in 2004:*

*Detached - \$1 million (Prince Edward County)*

*Condominium - \$289,900 (Pier 31)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$42,000 (Foster Ward)*

*Condominium - \$59,900*

A combination of strong economic factors contributed to a positive year for Belleville's housing market. Solid consumer confidence combined with healthy employment rates, net migration and an influx of retirees from the Toronto region all had an impact on real estate. Year-to-date, Belleville and the Quinte area have recorded an 11 per cent increase in unit sales to 3,477. Average price has also experienced a significant surge of 12 per cent to \$142,208. Multiple offers continue to be prevalent in hot pocket areas of the city. In particular, waterfront condominiums are most coveted. There are currently 2,011 homes listed for sale in Belleville/Quinte, a 20 per cent decrease compared to two years ago. Despite tight market conditions, homeownership is relatively attainable, with entry-level detached homes starting at \$120,000 and condos starting

**Belleville****\$142,200**

at \$80,000. Older, established neighbourhoods are growing in popularity with first-time buyers. However, there is not enough supply to meet the demand. As such, an increasing number of entry-level buyers, particularly those between the ages of 20 and 30, are seeking out alternative forms of housing including condominiums, townhomes and row housing. Conditions in the condominium market remain tight, with lower-end product in greatest demand. There are three proposed condominium projects, two of which are 50 per cent pre-sold, and one presently under construction. A new trend has emerged in Belleville, with builders constructing more freehold condominiums. These have been well-received by purchasers, as no maintenance fees are required. The move-up segment remains active in Belleville's market, often seeking out properties in new subdivisions. The \$200,000 to \$240,000 price range is experiencing the most activity, with the majority of buyers spending an additional \$60,000 to purchase a larger, more expensive property. This year was a brisk year for the upper-end market, with homes priced in excess of \$300,000 selling quickly. However, lack of product in this segment has slowed the momentum. The development of a racetrack and casino is planned for 2005, and that should bode well for the economy. Belleville's real estate market is expected to remain buoyant, returning to more balanced conditions in 2005.

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## Peterborough

*Most expensive residential MLS sale in 2004:*

*Detached - \$850,000 (West End)*

*Condominium - \$300,000 (Northeast)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$60,000 (Central)*

*Condominium - \$60,000 (Suburbs)*

Demand for residential properties continues unabated in Peterborough, where unit sales are up four per cent over levels reported one year ago. Average price has also experienced upward momentum, rising 11 per cent to \$188,000 in 2004. Despite rising prices and mortgage rate hikes, Peterborough remains one of the most affordable areas of the province,

offering single-detached homes starting as low as \$60,000. Nineteen per cent of sales occurred between \$140,000 and \$160,000 this year. Move-up buyers are contributing to strength in home sales in the \$200,000 to \$240,000 price range while luxury homes, priced at \$400,000 plus, have increased 61 per cent to 124 units so far this year, up from 77 during the same period in 2003. Multiple offers are occurring on well-priced properties in the northwest end of the city. Although inventory levels are scarce within city limits, the number of homes listed for sale improves in the peripheral areas. Overall listings are up seven per cent over one year ago. The sales-to-listings ratio hovers at 75 per cent in Peterborough proper and 63 per cent in more suburban/rural areas. Condominiums are also generating a buzz as seniors flock to resale and new bungalow townhouse developments. Priced from \$150,000 to \$250,000, these one-storey homes have sprung up all over Peterborough, with the newest projects currently underway in the city's west end. Investment is occurring on a small scale, with demand greatest for low-rise buildings with six to 30 units. Interest rates and affordable housing are the major factors influencing purchasers, but there are also strong economic fundamentals in place. The partnership between the city and the provincial and federal governments in a commitment to build a DNA research facility is expected to bode well for Peterborough and the surrounding areas. Over the next 10 years, an estimated 5,000 new jobs will be created in Peterborough to support the DNA Cluster—a high-tech facility to be primarily utilized by Sir Sandford Fleming College, Trent University and the Ministry of Natural Resources.

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## Durham Region

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.5 million (Ajax)*

*Condominium - \$525,000 (Ajax)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$70,000 (Oshawa)*

Durham Region's affordably-priced housing has caught the attention of a growing number of homebuyers from the Greater Toronto Area. Home sales in Durham have increased close to 10 per cent to just over 8,700 units year-to-date, up about 800 units over 2003 levels. Average price is up 8.5 per cent over one year ago and now hovers at close to \$240,000. Both sales and prices are poised to break existing records in 2004. Demand has been strong and supply tight for housing product for most of the year. Multiple offers were commonplace across the board, occurring on detached homes, condominiums, and townhouses, until November. The seasonal shift and an influx of new listings have helped to ease the competitive

environment and the market has now returned to more balanced market conditions. Although an ample supply of listings currently exists, there continues to be a limited supply of bungalows and homes priced from \$250,000 to \$350,000. First-time buyers have been active in areas like North Whitby and Clarington where affordability has been the biggest draw. Condominium townhomes, links, and smaller detached homes typically range in price from \$157,000, \$163,000, and \$230,000 respectively. Condominiums have also become a force in Durham Region where they now represent one in every three sales. Condominium apartments are scarce but townhouses are quite common and particularly popular with the younger segment of the market. Vacancy rates are tight in the area, which has also served to propel would-be renters into the housing market. Move-up buyers also played a role in Durham's solid housing market, fuelling activity in the \$280,000 to \$300,000 price range. Luxury home sales, priced over \$750,000, were also up significantly earlier in the year, but tapered as the year drew to a close. Strong economic growth is forecast for the Durham Region in coming years. The proposed regional airport is expected to create employment opportunities and attract industry along the 407 corridor. Given the current economic outlook, the future looks quite bright for real estate in Durham Region.

## Greater Toronto Area

*Most expensive residential MLS sale in 2004:*

*Detached - \$6.7 million (Forest Hill)*

*Condominium - \$2.825 million (Yorkville)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$135,000 (East York)*

*Condominium - \$45,000 (North York)*

Buoyed by extraordinary demand throughout the first three quarters of the year, residential home sales in the Greater Toronto Area softened somewhat in the final quarter of 2004. Increased listing inventory and the advent of the traditional seasonal slowdown impacted overall sales, especially in the city's peripheral areas. By year-end, sales are expected to climb nine per cent to 85,700 units, up from 78,898 one year earlier. Housing values in the Greater Toronto Area are forecast to continue to spiral upward, with average price peaking at \$318,000 in 2004, up 8.5 per cent over 2003. Both unit sales and average prices are expected to break records set in 2003. First-time buyers continue to be an integral piece of the housing puzzle. Fuelling demand for affordably-priced homes - - condominium apartments, townhouses, link, row, semi-

detached, and smaller single-detached - first-time buyers have yet to be deterred by recent interest rate hikes. The desire to own a home is strong in Canada's largest centre. As a result, first-time buyers are looking at more affordable new home construction in suburban areas like Mississauga, Ajax, Pickering, Richmond Hill, and Newmarket. Those who seek properties in close proximity to the downtown core will likely sacrifice size for location, although there are some up-and-coming neighbourhoods that are proving attractive to entry-level purchasers. Once again, Roncesvalles, South Parkdale, East York, and the Lansing area lead the charge for affordable product, with average prices still hovering under \$300,000 in East York and between \$300,000 and \$400,000 in Roncesvalles, South Parkdale, and the Lansing area. Although an influx of new inventory has created more choice for purchasers in the East, West, and North districts, the number of homes listed for sale in Toronto's central core remains on par with 2003 levels - 23,444 homes listed for sale year-to-date compared to 23,316 during the same period in 2003. Located within the city's central core are many of the coveted blue chip neighbourhoods, such as Lytton Park, Cricket Club, Forest Hill, Summerhill, Rosedale, South Hill, and the Annex. New, well-priced listings in these older, established areas continue to be quickly snapped up by interested purchasers, often in multiple offer situations. Upper-end home sales priced at \$1 million plus, many of which are situated in the central core, have also seen a 36 per cent jump over 2003 levels. Condominium apartments and townhomes continue to represent approximately one in every three sales in the Greater Toronto Area. Baby boomers have contributed to strong activity in the upper end of the market, as they make lateral moves from centrally-located, single-detached homes to ideally-located condominium apartments in Toronto's tony Yorkville area. First-time buyers are also partaking in condominium purchases in the downtown core where year-to-date sales have climbed from 2,078 units in 2003 to 2,347 units. Average price, incidentally, has also followed suit, rising from approximately \$271,000 to just over \$278,000 in 2004. With strong fundamentals in place for another solid year of economic performance, real estate activity is expected to bode well in 2005. In keeping with our earlier forecast, RE/MAX is projecting a further increase of two per cent in unit sales, bringing the number of homes sold on residential MLS to 87,400 units in 2005. Average price projections call for a 3.5 per cent increase to \$329,000 by year-end, moderating somewhat from 2004's hectic pace.

## Barrie

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.3 million (waterfront)*

*Condominium - n/a*

*Least expensive residential MLS sale in 2004:*

*Detached - \$152,000*

*Condominium - \$121,000*

The upsurge in Barrie's residential housing activity can be directly attributed to its designation as a "smart growth" community. With plans underway to extend the GO Train, the area is expected to attract even more commuters from the Greater Toronto Area in the years to come. Home sales are projected to climb nine per cent to 4,700 units by year-end, while average price is forecast to top the \$200,000 benchmark this year, weighing in at \$210,000, a six per cent increase over 2003. New record highs in both unit sales and average price are expected in 2004. The local economy continues to fair well, with low interest rates and job security the catalyst behind strong market activity. If proposed plans for Molson Park come to fruition, the city could see even greater economic stimulus. With inventory levels off from last year, multiple offers are commonplace in virtually every neighbourhood. New housing developments in the city's south end have helped to offset demand to some extent, although overall sprawl is expected to be limited as a result of zoning restrictions on government-controlled land. Most purchasers are drawn to the city's south end initially, however, the north end is becoming increasingly popular as commuters realize that they can purchase a larger home on an acre lot in a desirable area like Midhurst and spend only another five minutes on the road. Waterfront continues to be a hot commodity, with purchasers vying for properties located within the Barrie city limits. Empty nesters and retirees are driving demand for waterfront condominiums across from Centennial Beach. Condominium sales are up nine per cent over one year ago, climbing to just over 300 units. Grand Harbour, Barrie's premier waterfront condominium development, is erecting a second tower in Spring 2005. A smaller, exclusive condominium with eight units is proposed



Barrie

\$210,000

for Kempenfelt Bay with units starting at \$1 million. Investment is underway in hot pocket rental communities located in close proximity to the college and hospital. The move-up market is thriving as young families take advantage of tremendous equity gains in recent years and trade-up to homes offering more square footage or more prestigious communities such as Stonegate, Midhurst, and Springwater Township. In fact, some buyers are upgrading to the tune of \$100,000. Despite increased activity in the higher-end of the market, the \$200,000 to \$250,000 price point is by far the most popular. Barrie also offers a variety of affordable housing alternatives, including townhouses starting as low as \$145,000 and freehold bungalows priced from \$185,000.

## Orillia

*Most expensive residential MLS sale in 2004:*

*Detached - \$860,000 (waterfront)*

*Condominium - \$499,900 (waterfront)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$72,000 (Cumberland Beach)*

*Condominium - \$90,000*

A limited supply of affordable housing placed upward pressure on average price in Orillia for much of 2004. Housing values are expected to appreciate 12 per cent by year-end, rising from \$166,000 in 2003 to \$186,000, as a direct result of the decline in the number of homes listed for sale. Unit sales activity is on par with levels reported one year ago. Although multiple offers have slowed and purchasers appear to be showing some resistance to price hikes, properties priced under \$150,000 continue to experience competition as first-time buyers vie for entry-level homes. The hot market, characterized by a 56 per cent sales-to-listings ratio, has impacted homeownership to some extent. First-time buyers are undaunted for the most part, with many simply adjusting their expectations and snapping up smaller, detached homes or townhouse condominiums as they become available. Other alternatives include condominium apartments starting at \$110,000. The most active segment of the market, priced between \$160,000 and \$179,000, represents approximately 16 per cent of total sales. While other parts of the province have seen vacancy rates rise, Orillia continues to experience a tight rental market. The city's largest employer, Casino Rama, is responsible for the steady stream of job-seekers flocking to the Orillia area. Demand for rental housing has caused monthly rates to rise across the board and prompted many renters to make the leap into residential housing. Investment activity has also been on the upswing as smaller investors seek multi-unit income properties. Some astute purchasers have bought duplexes with the intention of living in one unit and renting out the other.

Move-up buyers have also fuelled activity, spending \$30,000 on average, to trade-up to a larger home or better neighbourhood. Luxury home sales have experienced upward momentum over the past year. As new home construction continues unabated and more listings come on-stream, housing values are expected to moderate to some degree. A continuation of low interest rates and strong consumer confidence levels are expected to contribute to healthy sales activity in Orillia in 2005.

## Hamilton

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.42 million (Ancaster)*

*Condominium - \$650,000 (Burlington)*

Hamilton's real estate market maintained a healthy pace once again in 2004, buoyed by continued consumer confidence and the low cost of borrowing. Unit sales have posted a healthy gain of three per cent to 11,602 year-to-date, while average price in Hamilton experienced an upswing of nine per cent over last year's record to \$215,400. Activity has slowed recently, especially in light of uncertainty at one of Hamilton's largest employers—Stelco—which has approximately 4,000 jobs hanging in the balance. There continues to be optimism that a resolution is close, and that should spark a rebound in local real estate activity, as some families are sitting on the fence in the interim. The upper-end of the market has also experienced a recent slowdown in activity. As such high-end vendors may have to adjust their prices and their thinking to achieve a quicker sale. Despite the recent slowing, a clear seller's market persists. A shortage of inventory exists across the board, but is most pronounced in the \$150,000 to \$200,000 price range, with homes located on the mountain in greatest demand. The sales-to-listing ratio reflects tight market conditions at 70 per cent. The move-up segment remains most active, with homes priced between \$200,000 and \$300,000 moving well. Price appreciation in 2004 has outpaced increases in income on average, yet a consistent number of first-time buyers continue to enter the market. Popular are entry-level, older detached homes located on or near the mountain, while others—particularly singles or those with one income—look to condominiums. Conversions—one completed and more underway or planned—have become an emerging phenomenon in the downtown core and are starting to be considered a trendy option. These projects, with units priced from \$90,000—such as the conversion of the former federal building and old Eaton's warehouse to affordable condominium apartments—have been well-received. It is hoped that this will prompt further rejuvenation in the centre

of the city, as good potential exists for the future. In 2004, condominium sales rose more than five per cent in Hamilton, although investors continue to favour multi-unit building such as duplex, triplex and four-plexes. Meanwhile, revitalization has begun on the city's waterfront—Hamilton/Burlington Bay. The HMCS Haida has been moved there, and that is expected to improve tourism. Development of the surrounding parks and walking trails is underway. Expansion of the Red Hill Expressway, which will finally connect Hwy. 403 to Hamilton Airport, has started. This, along with the planned expansion of the Lincoln Alexander Expressway, should open up Hamilton and make it more attractive, particularly for industrial/commercial investment and for potential homebuyers. The population has increased in recent years, with healthy in-migration due to Hamilton's attractive house prices.

## Cambridge

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.11 million*

*Least expensive residential MLS sale in 2004:*

*Detached - \$71,000*

Healthy economic performance, characterized by strong consumer confidence levels and low interest rates, bolstered housing market activity in Cambridge for much of 2004. First-time buyers played an active role in the marketplace, working in tandem with move-up purchasers, to drive housing sales and prices to new heights. So far this year, Cambridge has seen a two per cent increase in home sales, bringing total residential MLS sales close to 2,500 units, while values have broken through the \$200,000 barrier for the first time in history. Year-to-date average price has appreciated 11 per cent to approximately \$209,000, up from \$188,800 in 2003. Affordability has been a major factor influencing commuters from the Mississauga area and Toronto's west end to buy in Cambridge. A small condominium can be purchased for as low as \$120,000 to \$130,000 while a semi-detached home typically starts at \$155,000. Single-detached properties can still be bought for \$180,000 to \$190,000. Move-up activity is well underway in Cambridge with many existing homeowners taking advantage of substantial equity gains in recent years. Despite trading up to a larger home, many find that the difference in carrying costs is negligible. More mature buyers such as empty nesters and retirees are finding the promise of maintenance-free living enticing and are considering Cambridge's luxury condominium complexes. With starting prices for a one-bedroom hovering at close to \$170,000, demand for these units is unprecedented – in fact, some

purchasers wait as long as a year for a unit to become available. New home construction has rounded out consumer choice in Cambridge, with condominium townhomes, links, and single-detached available for sale. However, a severe shortage of land available for development has builders heading for greener pastures in Kitchener-Waterloo. Given legislative restrictions placed on land development by the provincial government, housing starts are expected to slow somewhat in coming years. Resale homes may see a surge in activity as a result of decreased supply.

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## Kitchener-Waterloo

*Most expensive residential MLS sale in 2004:  
Detached - \$1.4 million (Deer Ridge)*

Tight market conditions have placed upward pressure on average prices in the Kitchener-Waterloo area, with average price hovering at \$211,000. Multiple offers have become the exception, but are still common on bungalow-style homes. Urban sprawl in Kitchener-Waterloo is yet another issue that may place further pressure on pricing in coming years, as available land for development becomes increasingly scarce. Building activity is starting to approach the moraine and many are concerned about ground water pollution, given that it is the source of the local drinking water. In addition, much of the surrounding farmland and Mennonite communities are also protected from sprawl, which means little development can occur beyond the town line. As such, prices are edging upward significantly, with some builders now paying nearly double for land that only two short years ago would have been \$1,700 per frontage foot. Unit sales are expected to increase 13 per cent by year-end, rising to approximately 6,000 units. Inventory levels have improved a considerable 20 per cent, but have yet to return to normal levels. The average number of days on the market is 55. While detached homes remain the product of choice, freehold townhomes have become increasingly popular among the first-time buyer segment. Demand for this type of product is growing over apartment-style condominiums, given maintenance fees and the new trend toward the mixing of commercial space below residential condos. Move-up purchasers are most active in the \$200,000 to \$250,000 price range, with many spending approximately \$50,000 more on average to trade up to a larger home. The most active neighbourhoods were the west and east sides of Waterloo and the south east side of Kitchener in 2004. The active baby boomer segment of the market has driven sales of homes

priced between \$400,000 and \$750,000, up 45 per cent over last year's levels. The most expensive sale in Kitchener-Waterloo to date—\$1.4 million—took place in the Bridle Path Estates area. The area's real estate market is expected to slow slightly in 2005, yet remain strong, supported by a positive employment outlook and interest rates that are expected to remain historically low.

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## Guelph

First-time and move-up buyers contributed to healthy housing market activity in Guelph and District in 2004. The number of homes sold so far this year has climbed close to seven per cent to approximately 2,600 units, 160 ahead of sales figures posted in 2003. Average price has also seen strong upward momentum, climbing ten per cent to just under \$216,000, topping the \$200,000 price point in 2004 for the first time ever. Government and the university continue to anchor Guelph's solid economic performance. Increased full-time job growth is expected to carry stable market activity for the remainder of the year and well into 2005. Close proximity to Brampton and the Greater Toronto Area has secured Guelph's status as a bedroom community. Affordability has put the market on the map. With prices starting as low as \$90,000 for a condominium, Guelph is a purchaser's paradise, particularly for first-time buyers. With most entry-level product priced between \$120,000 and \$200,000, first-time buyers are looking at a wide assortment of homes, ranging from condominiums and semi-detached homes to link houses and single-detached properties. Regardless of recent interest rate hikes, first-time buyers remain committed to making the leap into homeownership in Guelph. For many, the 40-minute commute to an office in Toronto is a reasonable trade-off. Demand for new home construction has also been heated throughout the year. Developments traditionally located in the city's south end have now sprung up east, west, and north of the city. Small scale investment is also occurring – a trend that is common in areas close to the university. Some parents are opting to buy, rather than rent accommodations for their children attending the University of Guelph. Once the student has completed his or her course, many parents find that they've made a tidy profit over the three or four year period. Although housing starts may slow in the year ahead, resale housing activity is expected to continue at a steady pace. With solid economic fundamentals in place in Guelph, the outlook is positive for residential real estate.

## St. Catharines

*Most expensive residential MLS sale in 2004:*

*Detached - \$1.595 million (Niagara on the Lake)*

*Condominium - \$975,000 (Niagara on the Lake)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$52,900 (Thorold)*

*Condominium - \$59,900 (St. Catharines Westside)*

St. Catharines' housing market continues to benefit from an active baby boomer segment and a healthy amount of immigration from Toronto and the Golden Horseshoe. Many of these purchasers are setting their sights on retirement in the area, attracted by close proximity to the U.S. border and Toronto, as well as the favourable weather conditions (winters are slightly milder close to the escarpment). Bungalow-style condominiums continue to be the product of choice in St. Catharines, coveted for one-level living. The most active price range in 2004, fuelled by move-up buyers, was \$180,000 to \$250,000. The areas of North and South St. Catharines, as well as neighbourhoods close to Brock University, were most popular. In general, most move-up buyers are spending approximately \$40,000 to trade-up to a bigger or more modern home within their current community. Sales in the upper end of the market remained brisk in 2004, with no signs of slowing as year-end approaches. Overall, unit sales in St. Catharines and District have maintained the pace set in 2003, with 2,741 units changing hands, up two per cent year-to-date. Average price has posted a significant 11 per cent gain over one year ago, rising to \$183,786—an increase of \$18,500 in a single year. That hasn't deterred first-time purchasers who remain active in West St. Catharines and the Downtown Core. While some have made compromises to realize homeownership by turning to condominiums, most are still seeking single-detached homes starting from an affordable \$80,000. Investor activity has cooled somewhat in recent months, although block student housing remains in demand. The downtown core and Western Hill have started to experience renewed interest from purchasers, and may gain further sales momentum in 2005. Inventory has improved slightly, with condominiums—particularly bungalow-style—in shortest supply. Seller's market conditions continued throughout 2004 and will persist into next year. The momentum is expected to continue in 2005, with prices experiencing strong gains yet again.

## Niagara Falls

A strong local economy has bolstered residential housing sales in Niagara Falls-Fort Erie in 2004. Year-to-date figures for the area show a 13.5 per cent increase (1,760 units) in the number

of homes sold while average price has jumped nearly 13 per cent to reach \$161,700, up from \$143,500 in 2003. Niagara Falls has gone through a metamorphosis of epic proportions over the past 10 years. An abundance of hotel construction and a new casino have attracted many job seekers to the area, spurring demand for real estate across the board. Affordable housing can be found throughout Niagara Falls, with entry-level, older, two-storey properties starting at \$80,000 in the downtown core. Townhouses and condominiums are priced from \$100,000. The move-up market is particularly active, fuelling activity for properties priced between \$180,000 to \$300,000 in Niagara Falls. Newer subdivisions like Beaver Valley and Orchard Grove have served to draw many young families with small children because of close proximity to schools and amenities. Vacancy rates are tight in the area, sparking investor activity for income properties. New home construction has been well-received, with Garner Estates in the city's west end and the upscale Calaguire Estates on the northern perimeter enjoying strong sales activity. Inventory levels are ample, with approximately 1,800 homes currently listed for sale, up two per cent over one year ago. The condominium lifestyle is becoming increasingly popular in Niagara Falls, in large part due to an aging population. Demand has been building over the past three to four years for these one-storey, separate units starting at \$225,000. Tourism and non-residential construction, including a \$200-million indoor water park slated for completion in 2005, continue to be the economic engine driving housing activity in the Niagara Falls area. Although sales experienced a seasonal slowdown during the fourth quarter, the outlook is bright for the New Year.

## London-St. Thomas

*Most expensive residential MLS sale in 2004:*

*Detached - \$975,000 (Chantry Place)*

*Condominium - \$620,000*

*Least expensive residential MLS sale in 2004:*

*Detached - \$35,000*

*Condominium - \$32,000*

Residential MLS sales activity has been very brisk in London-St. Thomas in 2004. To date, 7,915 home sales have occurred in the area, and the city is on track to surpass the record year of 2003. All types of product have experienced tremendous demand. The number of detached homes sold is up nearly 10 per cent, while condo sales have surged ahead 11 per cent compared to one year ago. Average price has reached \$167,168 year-to-date, a 10 per cent increase over the previous year. The stellar performance of the area's housing

market can be attributed to strong economic growth, low interest rates, high consumer confidence and a good supply of developable land. While inventory levels have improved, contributing to strong sales growth, demand continues to outpace supply in all price ranges. Yet, the momentum is not as frenzied as in previous years, as some pent-up demand has been satisfied. On average, homes are selling within 42 days on the market. First-time purchasers remain active in South London, where established neighbourhoods such as White Oaks and Westminster Park are popular. Many young, two-income purchasers have been able to bypass entry-level housing, instead buying homes priced from \$130,000, as interest rates have allowed them to afford more. Demand for condominium product remains very strong, now accounting for one in every five sales, but inventory is tight. A great deal of bungalow-style condominium development is taking place across the London CMA, targeted mainly toward baby boomers, empty nesters and retirees. That may offset some of the pent-up demand. High-end condos have also been moving well, experiencing tremendous appreciation in the past several years. Tight rental market conditions in London have some renters turning to homeownership, as the difference in monthly carrying costs is negligible in many cases. Investors are responding to low vacancy rates by driving demand for multi-family units, although very little of this type of product is available. Move-up purchasers have been very active in the \$180,000 to \$250,000 price range in the neighbourhoods of North London including Stoneybrook, Westmount, Masonville and Byron. Overall, 2004 is expected to break records in both unit sales and average price by year-end. Activity and prices should begin to level off in 2005, as more balanced market conditions emerge.

## Windsor

*Most expensive residential MLS sale in 2004:*

*Detached - \$2.1 million (Tecumseh)*

*Condominium - \$550,000 (Riverside)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$20,400 (Windsor)*

*Condominium - \$51,000 (Windsor)*

Positive economic stimulus fuelled housing market activity in Windsor-Essex throughout 2004. Low interest rates, job security, and a strong automotive industry were the major factors influencing homebuyers -- prompting a 7.5 per cent increase in sales to almost 4,800 units year-to-date. Average price has also been on the move, appreciating close to \$10,000 to \$162,500, up six per cent over 2003. Pent-up demand played a role in stimulating home buying activity this year, as has an 18 per cent increase in the number of homes listed for

sale. Eager purchasers quickly consumed all new listings in multiple offer situations in 2003 due to tight market conditions. This year, the sales-to-listings ratio has dropped to a more manageable 53 per cent, allowing potential purchasers the luxury of time and choice. Average time on market is now 68 days. Although multiple offers are still occurring on well-priced properties, especially in coveted Riverside and South Windsor, they have been less prevalent in 2004. First-time buyers continue to be a strong segment of the market, driving demand for entry-level product. Many first-timers are former renters who found that carrying a mortgage could be less than the rent on a two-bedroom apartment in Windsor. With the price of a brick home starting for as low \$50,000 to \$60,000 and a one-bedroom condominium apartment priced at \$75,000 and up, homeownership is a realistic expectation in Windsor - in spite of marginally higher interest rates. Condominium apartments are attracting a fair share of attention, with sales at 502 units—up nearly 28 per cent over last year. Representing a small segment of the market at close to three per cent, condominiums are expected to grow in popularity as baby boomers head into their retirement years. Condominium town homes are also a new phenomenon in Windsor. Originally priced to appeal to mid-range purchasers, these units are continually edging higher in price and attracting the 50-something set. By far the most active price range is between \$150,000 - \$250,000. Approximately 35 per cent of all sales occur in this category, supported primarily by move-up buyers. Many are moving back into the city from the suburbs, sparking demand for properties in Riverside and South Windsor. Upper-end sales are on the upswing as well, with the number of homes sold over \$500,000 up 27 per cent over 2003 figures. Given a continuation of current, healthy economic performance, the real estate market is expected to bode well in 2005.

Windsor

\$162,500



## North Bay

*Most expensive residential MLS sale in 2004:*

*Detached - \$555,000 (Waterfront property outside of North Bay)*

*Condominium - \$280,000 (Waterfront Condominium in North Bay)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$13,500 (45 minutes outside of North Bay)*

*Condominium - \$64,500 (North Bay)*

Inventory remained tight in North Bay throughout 2004, with demand continuing to outpace supply in most neighbourhoods. Despite the challenges of a competitive marketplace, total sales surged ahead 15 per cent year-to-date, with 1,655 homes changing hands compared to 1,440 in 2003. Single-family homes remained in greatest demand, and multiple offers were a factor on properties priced between \$120,000 and \$140,000 in the city's hot pocket areas. Homeownership is a realistic goal for most purchasers in North Bay, with the starting price of a typical detached home ranging from \$85,000 to \$100,000. However, the current shortage of homes listed for sale in this price range has had an impact on the first-time buying segment of the market, creating pent-up demand for these types of properties. Properties in more rural locations and those that require work offer young buyers a cheaper entry-point into the market, with homes priced under \$80,000 representing 23 per cent of all residential sales. Move-up purchasers remained the driving force throughout 2004, fuelling demand for homes priced from \$100,000 to \$180,000. Sales in this category accounted for one in every two sales or 53 per cent of the market in 2004. North Bay's waterfront properties also experienced an upswing in demand in 2004, as a growing number of outdoor enthusiasts proved willing to make further treks from larger centres to find the ideal property. Although condominiums have sprung up in North Bay in recent years, demand for these types of properties are limited. Condominiums are generally priced from \$65,000 for entry-level product. A healthy, local economy was in large part responsible for North Bay's thriving residential housing market in 2004. All indications point to another solid year of real estate performance in 2005.

## Sudbury

*Most expensive residential MLS sale in 2004:*

*Detached - \$700,000 (Lake Ramsey)*

*Condominium - \$300,000*

*Least expensive residential MLS sale in 2004:*

*Detached - \$17,000 (Minnow Lake and downtown)*

*Condominium - \$71,000 (New Sudbury)*

Anchored by a strong local economy and new commercial developments, Sudbury's real estate market has maintained a healthy, balanced pace this year. The city's housing market has been positively influenced by Inco—which has funneled \$200 million into its operations—the construction of a new hotel and shopping centre, as well as the opening of the new medical school. Sales have climbed to just over 2,200 units, a 15 per cent increase over last year. Average price has also appreciated over last year's level, with a 3.5 per cent increase to \$122,000. With the positive economic outlook, purchasers continue to take advantage of record-low interest rates. Sudbury's net migration has improved considerably given moves to diversify the local economy, increasing its attractiveness among young professionals and workers who, in past years, migrated to major centres seeking greater opportunity. As such, the first-time buyer segment is still a significant force in the market. With the ample supply of older, affordable homes in Sudbury, first-time buyers are able to purchase a home for as low as \$50,000 to \$60,000. But despite the abundant supply of cheaper product, many first-time buyers are stepping up to more expensive homes in the \$100,000 to \$120,000 price range, in particular those that offer larger lots and more privacy. Multiple offers continue to occur on well-priced homes in high demand areas such as the south end, New Sudbury and on the lakefront. A shortage of available listings in the \$120,000 to \$150,000 price range currently exists in New Sudbury and South End. The construction of new subdivisions in the south end, New Sudbury and outlying areas around the hospital has pushed up prices across the board. These new areas have attracted many

**Sudbury**

**\$122,000**



move-up buyers, most of whom have spent an additional \$50,000 to upgrade to newer homes. Currently, the most active price range among the move-up buyer segment is between \$150,000 to \$200,000. Condo living continues to be most popular with empty nesters and baby boomers, with many attracted to the few condo developments located around the lake. Due to the high demand of this type of product in recent years, Sudbury will see construction of a high-end, lakeside condo project—the first condominium development in the city in 15 years. Two-bedroom units will start from \$300,000. Representing just five per cent of all sales, condominiums are now beginning to experience greater acceptance. Investors, however, still prefer traditional triplex and four-plex buildings. Unprecedented demand has been evident in the upper end in 2004, with sales priced over \$250,000 up 52 per cent over 2003 levels. To date, the most expensive listing is a large executive home on Lake Ramsey with a price tag of \$700,000. With the promise of healthy economic activity and increased job prospects, Sudbury's real estate market is expected to remain strong in the coming year.

## Thunder Bay

*Most expensive residential MLS sale in 2004:*

*Detached - \$400,000 (Mount Forest)*

*Condominium - \$227,500 (Brookside)*

*Least expensive residential MLS sale in 2004:*

*Detached - \$23,000 (East End)*

*Condominium - \$38,000 (Academy Heights)*

Brisk real estate activity continues in Thunder Bay, with unit sales up close to five per cent year-to-date. Average price remains virtually on par with last year at \$108,950. Multiple offers are occurring in choice neighbourhoods such as Mariday Park, and pockets of Grandview, River Terrace, and Northwood. Sought after addresses include Winnipeg Avenue, Summit Avenue, South Hill Street, and McKibbon, to name a few. Low interest rates throughout much of 2004 allowed first-time buyers to bypass entry-level housing and move into homes

listed closer to average price. As a result, Thunder Bay now has an oversupply of lower-end product priced under \$80,000. Areas popular with young purchasers in 2004 included Westfort, Current River and parts of Northwood in 2004. Those looking to new construction drove demand in the suburbs, while a growing number of young buyers and baby boomers chose semi-rural properties. Representing just four per cent of the market, condominiums remain in short supply, with 17 listed for sale at present. Demand is strong for higher-end condominiums, but development has been limited in recent years. Executives are attracted to apartment-style condominiums for investment purposes, while traditional investors are seeking out four and six-plex buildings, particularly since they can live in one unit and rent the others. The upper-end of the market, priced over \$200,000, is up slightly over last year, but has slowed in recent months, as the bulk of sales in this segment is typically more heated during the first half of the year. Out-of-town buyers account for the majority of sales priced over \$300,000, while Americans continue to flock to the area to purchase waterfront properties. Less than three per cent of sales occurred over the \$250,000 mark in Thunder Bay, making the area one of the most affordable in the province. The most expensive sale to date was a \$400,000 detached home located in the executive estates of Mount Forest. The priciest condo in Thunder Bay in 2004 sold for \$227,500 and was located in Brookside. The least expensive sale in Thunder Bay in 2004 occurred in the city's east end, priced at \$23,000, while the lowest priced condominium sold for \$38,000 in Academy Heights. Recent developments expected to bode well for the city's housing market include the new hospital, expansion of the university and recreational facilities, and a new golf course.

Thunder Bay

\$108,950



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Note: All figures cited in the RE/MAX Market Trends Report 2004 represent January to October statistics (Residential MLS) as reported by the Canadian Real Estate Association (CREA) or local real estate boards. Toronto figures reflect January to November statistics as published by the Toronto Real Estate Board (TREB). North Bay figures reflect Total MLS sales/average price. Year-end 2004 estimates and 2005 projections have been sourced from the RE/MAX Housing Market Outlook 2005.