

Greater Toronto Area Suburban Regions See Significant Growth in First Quarter of 2016

Buyers look outward, resulting in rising prices and multiple offer situations

TORONTO, April 7, 2016 – The Royal LePage House Price Survey¹ released today showed significant increases in the year-over-year price of homes across the Greater Toronto Area (GTA). In the first quarter of 2016, the aggregate² price of a home rose 8.4 per cent over the previous year to \$613,733.

When broken down by housing type, the median price of a two-storey home in the GTA climbed 9.3 per cent year-over-year to \$724,901, followed closely by bungalows, which appreciated by 8.7 per cent to \$603,353. Condominiums also experienced moderate price appreciation, increasing by 4.5 per cent to a median price of \$366,714.

The strongest growth during the quarter was found in the suburban areas surrounding the City of Toronto, with all regions except Oakville outpacing the core. Milton and Brampton to the west, Richmond Hill, Vaughan and Markham to the north, and Whitby and Oshawa to the east all saw aggregate prices surge by more than 10 per cent year-over-year.

“Prices have continued to climb across the GTA in the first quarter of 2016 – especially in the suburban areas adjacent to the City of Toronto,” said Gino Romanese, senior vice president, Royal LePage. “When coupled with low inventory levels, the demand brought on by prospective buyers looking outside the city limits has put pressure on many regions, pushing prices ever-higher. As a result, multiple offers have become the norm, with many properties selling above their asking price.”

Greater Toronto Area Market Summaries

Toronto has maintained its growth pattern over the first quarter of 2016 with aggregate prices climbing 6.2 per cent year-over-year to \$630,442. While migration into the area has generated relatively constant demand, many living within the city have chosen to remain in their current dwellings in order to shelter themselves from the competitive, high-priced environment. Shortages in inventory have opened the door to an influx of multiple and pre-emptive offers within the region as purchasers compete among a growing pool of buyers for limited listings.

Scarborough experienced an appreciation in pricing in the first quarter of 2016, as many buyers yearning to be close to the downtown core looked to the region for reasonably-priced real estate. The affordability of the condominium market in particular has led first-time buyers into the marketplace at an earlier age than was previously observed by agents in the area, contributing to increases in demand, and ultimately leading to a significant year-over-year aggregate price increase of 9.3 per cent to \$506,942.

¹ Powered by Brookfield RPS

² Aggregate prices are calculated via a weighted average of the median values of homes for reported property types in the regions surveyed

In York Region, **Richmond Hill** and **Vaughan** have experienced substantial growth, with aggregate prices rising by 12.4 and 10.4 per cent year-over-year to \$874,707 and \$740,697, respectively. With demand already spiking, remarkable migration into the area has put further strain on the market, creating a situation where both cities are unable to support the influx of prospective buyers due to shortages in supply.

Prices jumped in **Markham** in the first quarter, where the aggregate price climbed 10.3 per cent year-over-year to \$765,517. This appreciation can be attributed to currently depressed inventory levels causing the region's buyers to make offers to purchase properties as quickly as homes are listed.

In the north-west, **Brampton** also saw the aggregate house price climb by 10.3 per cent year-over-year to \$524,241 in the first three months of the year, as affordability issues across the GTA pushed many buyers into the region, where their dollars go further. When coupled with low inventory levels, this has heated the market, ushering in a period of higher demand and multiple offer situations.

Primed for another strong year, house prices in **Mississauga** continued their upward trajectory in the first quarter of 2016, rising 8.2 per cent year-over-year to \$552,035. Price appreciation within the region has been fueled by intense demand, leading many prospective purchasers to engage in bidding wars for the limited inventory available.

Milton has quickly become one of the fastest growing communities in Canada, with many young, educated families migrating into the area, ultimately increasing demand as a result. This has led to strong growth within the region for the first quarter of 2016, with the aggregate price of a home rising 10.9 per cent year-over-year to \$572,805.

While being outstripped by all other GTA regions in terms of house price appreciation, homes in **Oakville** have continued to be in high demand as a result of the city's strong reputation and proximity to Toronto. The market, which is one of the nation's most expensive, saw the aggregate price increase moderately by 6.0 per cent to \$788,972 year-over-year in the first quarter of 2016.

Durham Region saw the greatest price appreciation within the GTA. Current interest rates and expensive Toronto real estate prices have led many first-time buyers into the area in search of relatively affordable housing, ultimately spiking demand, and in turn, prices. **Whitby** and **Oshawa** saw the GTA's strongest house price appreciation, with the aggregate price surging 15.4 and 14.3 per cent year-over-year to \$513,844 and \$385,493, respectively. **Pickering**, the westernmost commuter town in Durham, saw strong growth during the quarter, with the aggregate price rising 9.7 per cent to \$542,906. **Ajax** also experienced a noteworthy uptick in its aggregate house price, increasing 8.3 per cent to \$514,419 this year over last.

Market	Two-Storeys				Bungalows				Condominiums				Aggregate			
	Q1 2016	Q4 2015	Q1 2015	Year-Over-Year % Change	Q1 2016	Q4 2015	Q1 2015	Year-Over-Year % Change	Q1 2016	Q4 2015	Q1 2015	Year-Over-Year % Change	Q1 2016	Q4 2015	Q1 2015	Year-Over-Year % Change
Greater Toronto Area	\$724,901	\$720,004	\$663,333	9.3%	\$603,353	\$596,148	\$555,178	8.7%	\$366,714	\$364,747	\$351,049	4.5%	\$613,733	\$609,311	\$566,125	8.4%
Toronto	\$912,131	\$905,373	\$855,024	6.7%	\$670,190	\$666,112	\$621,546	7.8%	\$402,303	\$399,543	\$384,091	4.7%	\$630,442	\$626,005	\$593,396	6.2%
Scarborough	\$623,461	\$625,067	\$580,964	7.3%	\$589,146	\$580,134	\$520,495	13.2%	\$264,486	\$263,039	\$246,588	7.3%	\$506,942	\$504,467	\$463,899	9.3%
Richmond Hill	\$944,037	\$930,401	\$842,472	12.1%	\$806,963	\$791,329	\$677,786	19.1%	\$323,109	\$327,517	\$309,372	4.4%	\$874,707	\$862,483	\$778,213	12.4%
Vaughan	\$811,607	\$819,473	\$734,237	10.5%	\$734,482	\$699,566	\$638,379	15.1%	\$359,303	\$360,531	\$343,239	4.7%	\$740,697	\$744,866	\$671,077	10.4%
Markham	\$829,034	\$825,597	\$741,908	11.7%	\$784,402	\$780,213	\$808,402	-3.0%	\$343,393	\$344,083	\$338,737	1.4%	\$765,517	\$762,567	\$694,008	10.3%
Brampton	\$547,440	\$541,225	\$494,716	10.7%	\$443,089	\$444,492	\$412,816	7.3%	\$248,827	\$248,403	\$239,961	3.7%	\$524,241	\$518,835	\$475,382	10.3%
Mississauga	\$643,166	\$645,010	\$586,066	9.7%	\$540,609	\$525,963	\$521,819	3.6%	\$283,556	\$282,113	\$277,547	2.2%	\$552,035	\$551,449	\$510,318	8.2%
Milton	\$599,890	\$586,267	\$540,714	10.9%	\$494,303	\$482,062	\$450,922	9.6%	\$324,629	\$314,804	\$290,093	11.9%	\$572,805	\$559,552	\$516,443	10.9%
Oakville	\$847,635	\$836,088	\$792,131	7.0%	\$645,837	\$650,538	\$631,093	2.3%	\$326,819	\$345,209	\$360,189	-9.3%	\$788,972	\$781,444	\$744,358	6.0%
Ajax	\$528,064	\$527,662	\$487,577	8.3%	\$428,379	\$428,256	\$403,717	6.1%	\$280,450	\$281,238	\$242,722	15.5%	\$514,419	\$514,069	\$475,006	8.3%
Pickering	\$570,211	\$562,345	\$517,378	10.2%	\$503,771	\$506,282	\$461,529	9.2%	\$298,445	\$291,536	\$297,154	0.4%	\$542,906	\$536,463	\$494,989	9.7%
Oshawa	\$410,461	\$392,908	\$354,458	15.8%	\$345,380	\$339,437	\$310,225	11.3%	\$192,789	\$200,399	\$187,123	3.0%	\$385,493	\$372,170	\$337,170	14.3%
Whitby	\$523,287	\$511,326	\$453,953	15.3%	\$507,934	\$481,905	\$432,336	17.5%	\$279,367	\$278,772	\$263,344	6.1%	\$513,844	\$500,139	\$445,153	15.4%

*Data presented in the table above may not match same period data reported previously due to subsequent market updates

Nationally, Canada's residential real estate market showed strong year-over-year price increases in the first quarter of 2016. The Greater Vancouver and Greater Toronto Area (GTA) real estate markets continue to lead the country in home price appreciation, with Canada's economic landscape supporting robust housing demand in these metropolitan areas. Additionally, an emerging trend of inter-provincial migration to British Columbia and Ontario from commodity-focused economic regions such as Alberta is expected to put further upward pressure on home prices in these areas in the coming months.

The price of a home in Canada increased 7.9 per cent year-over-year to \$512,621 in the first quarter of 2016. The price of a two-storey home rose 9.2 per cent year-over-year to \$629,177, and the price of a bungalow increased 6.8 per cent to \$426,216. During the same period, the price of a condominium increased 4.0 per cent to \$344,491.

"A glance at our national house price composite points to a very strong Canadian real estate market, yet the findings contain extreme regional disparities of the kind we haven't seen in over a decade," said Phil Soper, president and CEO, Royal LePage. "Like an economic triumvirate, the impact of rock-bottom interest rates, the low Canadian dollar and a rapidly expanding U.S. workforce are stimulating economic growth and housing demand in our largest metropolitan areas. Conversely in cities like Calgary, the ongoing drags in depressed energy prices and worrisome employment trends have taken a material bite out of sales volumes. As a lagging

indicator, home prices in Alberta and Newfoundland are just beginning to adjust to the lower demand.”

“Redistribution of labour across the country is further reinforcing disparities among housing markets, as the broader impacts of the oil recession on Alberta’s economy take hold. For the first time in many years, we are witnessing an out-migration trend in the province, as economic conditions and employment prospects dim,” continued Soper. “We expect British Columbia, followed by Ontario, to be the top recipients of new household inflows in the coming year, which will further fuel housing demand and price appreciation in Greater Vancouver and the GTA. This is in sharp contrast to the situation from 2011 to 2014, and in the mid 2000’s, when a booming energy sector attracted families from all over Canada to Alberta.”

About the Royal LePage House Price Survey

The Royal LePage House Price Survey provides information on the three most common types of housing in Canada, in 53 of the nation’s largest real estate markets. Housing values in the House Price Survey are based on the Royal LePage National House Price Composite, produced quarterly through the use of company data in addition to data and analytics from its sister company, Brookfield RPS, the trusted source for residential real estate intelligence and analytics in Canada. Commentary on housing and forecast values are provided by Royal LePage residential real estate experts, based on their opinions and market knowledge.

About Royal LePage

Serving Canadians since 1913, Royal LePage is the country’s leading provider of services to real estate brokerages, with a network of over 16,000 real estate professionals in more than 600 locations nationwide. Royal LePage is the only Canadian real estate company to have its own charitable foundation, the Royal LePage Shelter Foundation, dedicated to supporting women’s and children’s shelters and educational programs aimed at ending domestic violence. Royal LePage is a Brookfield Real Estate Services Inc. company, a TSX-listed corporation trading under the symbol TSX:BRE.

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