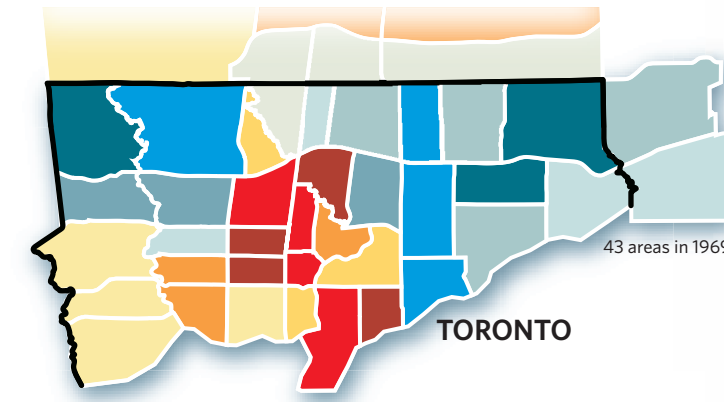
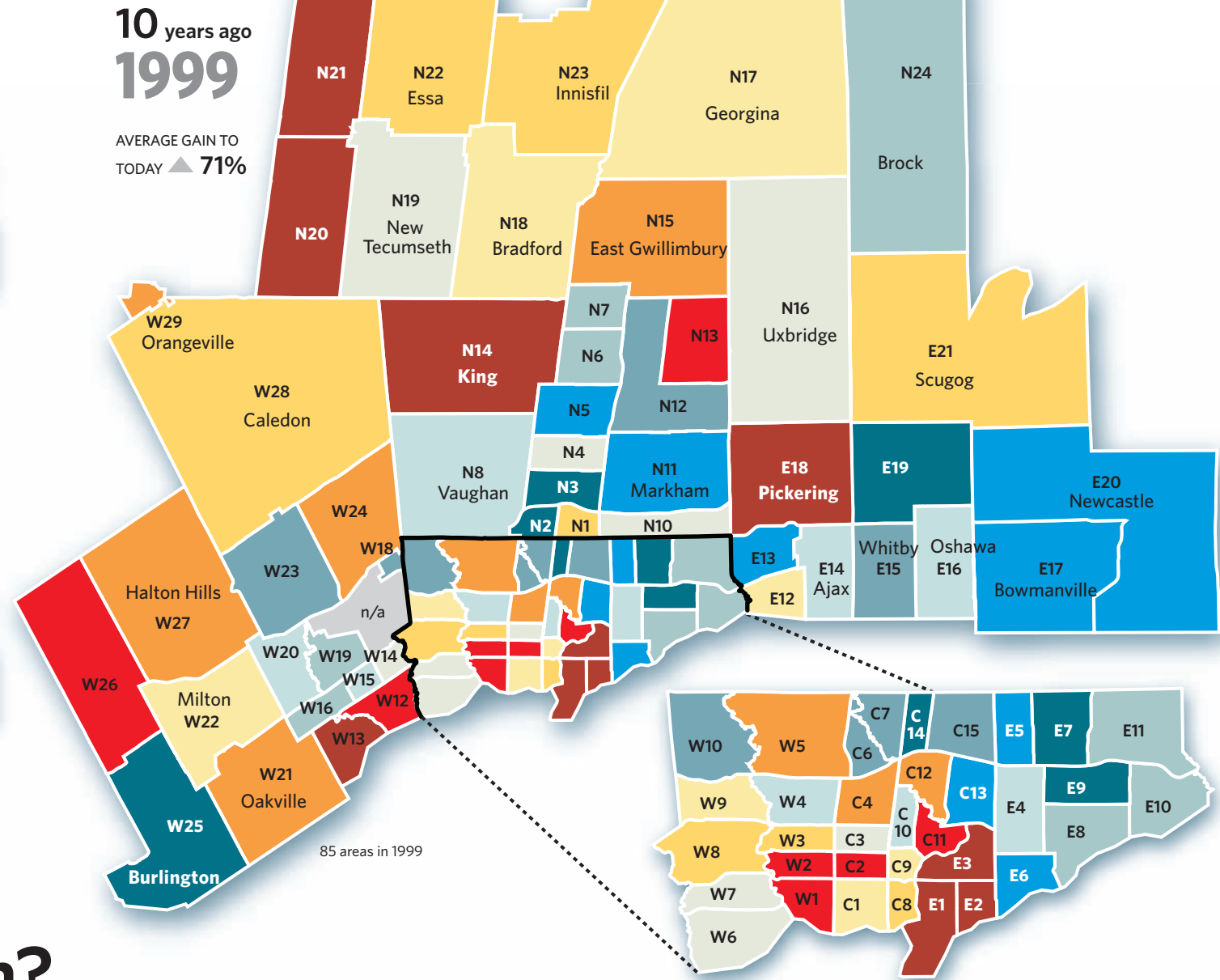
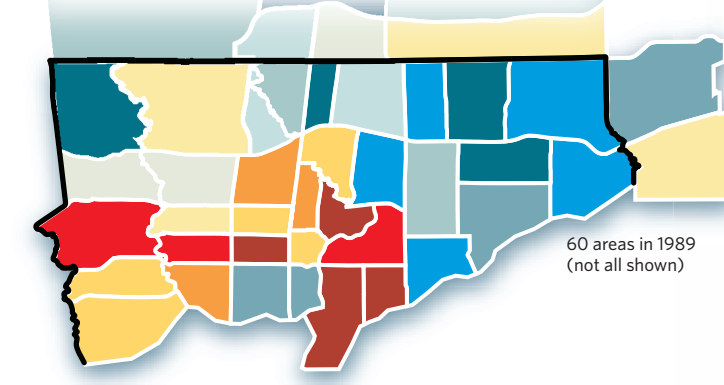


House price gains

40 years ago
1969
AVERAGE GAIN TO TODAY ▲ 1,250%



20 years ago
1989 peak
AVERAGE GAIN TO TODAY ▲ 43%



Crunching the numbers

This analysis is based on the average price of resale homes in the 85 areas defined and published regularly by the Toronto Real Estate Board.

TREB has published the average monthly price in each area since the 1950s. In the 1980s, they added the median price — where half the sales are below and half above. The newer statistic is less influenced by unusually high or low prices, and is about 15 per cent below the average. We chose the average because it is the only statistic that goes back 40 years and is more suitable for analysis.

All inflation-adjusted numbers are based on the Bank of Canada Inflation Calculator which is available on the Web.

Area variations
Some areas cover a wide range of house prices, so individual prices and increases may be very different from the average — especially where exclusive enclaves are surrounded by more modestly priced homes, or where part of an area becomes more desirable.

Area by area

Price gain comparisons are not available for all areas. In 1969, 43 areas in and around Toronto were tracked by TREB. By 1989, another 17 had been added. The current 85 have been tracked since 1991.

INFLATION FACTOR

Since the 1989 peak, house prices are up 43%, while inflation is up 54%. Prices in 40 areas are lagging behind inflation:

Ranking of percentage gains

- Top 10
- Bottom 10

20-year gains 1989-2008 relative to inflation

- Way ahead
- Better
- Lagging
- Way behind

	AVERAGE PRICE				% CHANGE TO 2008			Price gain since peak v. inflation
	1969	1989	1999	2008	From 1969	From 1989	From 1999	

OVERALL	\$28,945	\$273,698	\$228,372	\$390,839	+1,250%	+43%	+71%	
W-1	\$26,757	\$276,534	\$254,899	\$494,447	+1,748%	+79%	+94%	○
W-2	26,112	267,657	243,488	485,645	1,760	81	99	●
W-3	24,500	192,893	165,967	293,443	1,098	52	77	●
W-4	29,830	195,723	172,418	284,975	855	46	65	●
W-5	31,066	189,501	153,792	277,338	793	46	80	●
W-6	24,894	225,564	215,790	367,448	1,376	63	70	○
W-7	31,953	294,015	278,145	470,654	1,373	60	69	○
W-8	38,290	309,472	324,176	572,769	1,396	85	77	●
W-9	35,362	231,697	191,068	332,050	839	43	74	●
W-10	30,398	212,753	158,001	251,436	727	18	59	●
W-12		251,139	236,270	474,240		89	101	●
W-13		247,853	266,648	540,214		118	103	●
W-14		225,017	184,128	314,884		40	71	●
W-15		199,444	149,117	244,930		23	64	●
W-16		243,420	227,789	367,444		51	61	●
W-18		195,145	161,221	257,824		32	60	●
W-19		301,421	224,633	361,917		20	61	●
W-20		218,469	220,904	368,404		69	67	○
W-21		283,824	282,123	536,943		89	90	●
W-22		265,153	200,252	346,534		31	73	●
W-23		220,423	197,689	312,192		42	58	●
W-24		205,704	179,440	323,584		57	80	○
W-25			231,493	354,090			53	●
W-26			372,600	741,165			99	●
W-27			212,812	379,889			79	●
W-28			280,769	490,167			75	●
W-29			163,178	299,395			83	●

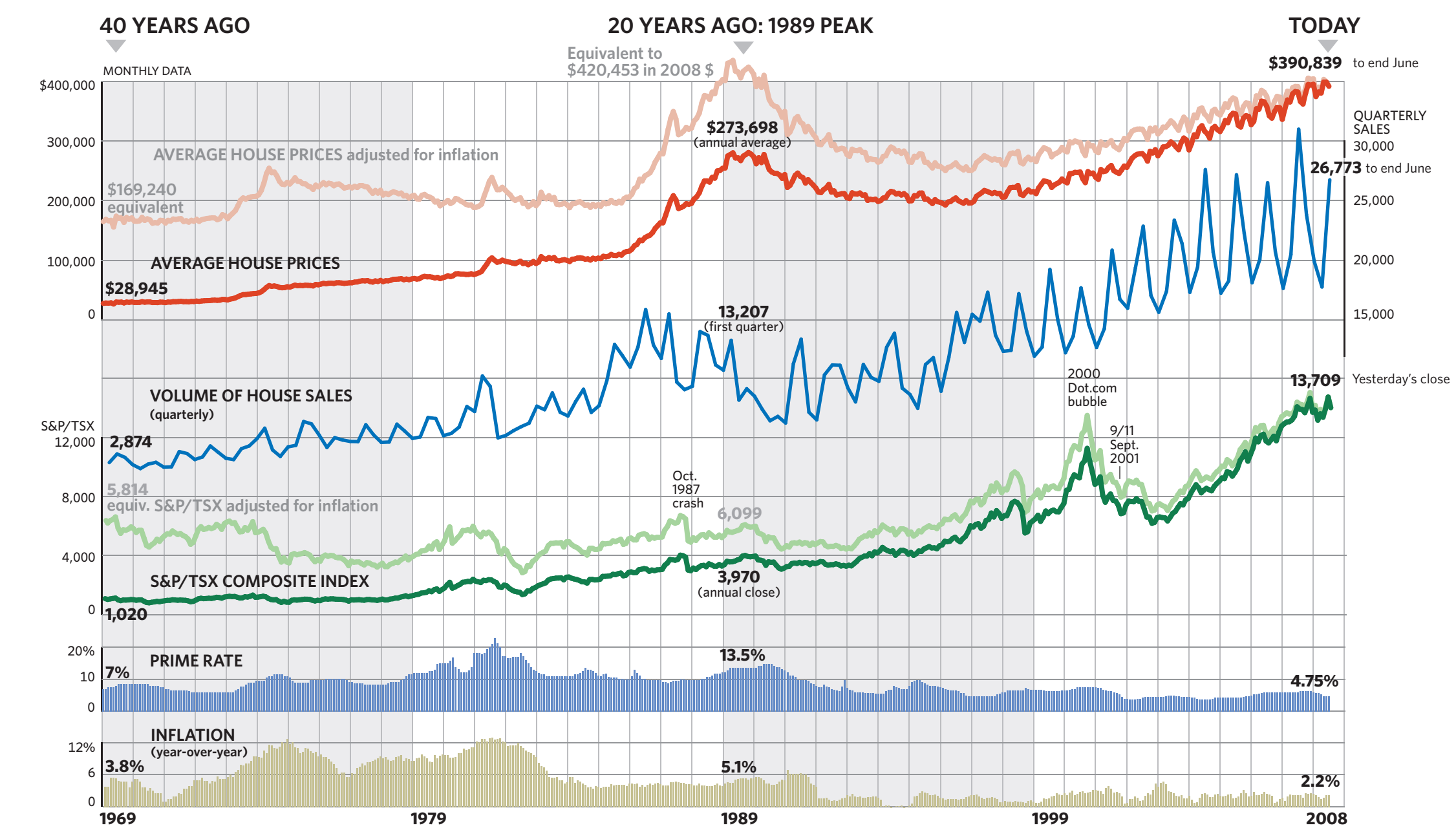
N-1	34,372	350,517	274,512	484,016	1,308	38	76	●
N-2	31,382	331,333	287,300	434,170	1,284	31	51	●
N-3	24,430	369,055	290,077	434,234	1,677	18	50	●
N-4		324,480	286,154	479,863		48	68	●
N-5		387,942	319,235	492,454		27	54	●
N-6		340,911	269,785	440,799		29	63	●
N-7		270,796	216,522	350,983		30	62	●
N-8	31,382	361,370	281,810	466,927	1,388	29	66	●
N-10	34,372	284,894	247,551	422,300	1,129	48	71	○
N-11	27,120	355,962	291,976	456,711	1,584	28	56	●
N-12			274,097	436,654			59	●
N-13			353,220	678,095			92	●
N-14			343,730	722,481			110	●
N-15			235,840	424,169			80	●
N-16			230,361	388,714			69	●
N-17			152,661	265,440			74	●
N-18			182,975	313,658			71	●
N-19			173,859	297,226			71	●
N-20			224,751	500,930			123	●
N-21			167,765	349,939			109	●
N-22			144,068	256,705			78	●
N-23			149,611	264,664			77	●
N-24			144,901	233,178			61	●

E-1	19,891	220,773	202,952	446,795	2,146	102	120	●
E-2	23,202	250,175	259,817	534,025	2,202	113	106	●
E-3	24,332	211,232	182,440	379,247	1,459	80	108	●
E-4	30,430	208,156	159,537	266,190	775	28	67	●
E-5	33,064	255,087	192,131	301,918	813	18	57	●
E-6	24,552	228,708	202,194	406,689	1,556	78	101	○
E-7	27,634	256,551	191,592	279,615	912	9	46	●
E-8	29,696	233,457	183,463	296,116	897	27	61	●
E-9	29,094	228,504	169,505	240,732	727	5	42	●
E-10	30,596	284,550	221,419	356,424	1,065	25	61	●
E-11	34,676	221,157	161,158	263,777	661	19	64	●
E-12	25,569	204,420	171,650	298,196	1,066	46	74	●
E-13	30,700	247,910	202,042	312,082	917	26	54	●
E-14	207,045	182,076	182,076	301,130		45	65	●
E-15		186,923	297,739				59	●
E-16		132,743	219,439				65	●
E-17		157,720	243,576				54	●
E-18		296,335	824,075				178	●
E-19		224,930	345,482				54	●
E-20		179,145	282,049				57	●
E-21		181,685	320,559				76	●

Where do you fit in?

If you purchased your first home in your mid-30s, here's how it has performed as an investment to date.

YOUR AGE TODAY	AGE 75	AGE 65	AGE 55	AGE 45	AGE 35
Made first house purchase in	1969	1979	1989	1999	2008
Average Toronto house price	\$28,945	\$70,830	\$273,698	\$228,372	\$390,839 to end June
Average household income	\$10,500*	\$63,800	\$76,500	\$79,600	\$93,400*
Ratio of house price to income	x 2.76	x 1.11	x 3.58	x 2.87	x 4.18
S&P/TSX Index (annual close)	1,020	1,813	3,970	8,414	13,709 yesterday's close
Prevailing prime rate	8.0%	12%	13.5%	6.75%	4.75%
Prevailing inflation rate	4.7%	8.5	5.1	0.7	2.2% year over year, may
Inflation to 2008	485%	189%	54%	24%	2.4% jan to may
House appreciation to 2008	+\$361,894	+\$320,009	+\$117,141	+\$162,467	+\$16,390 jan to June
House % gain to 2008	+1,250%	+452%	+43%	+71%	+4.3% jan to June
Annual return on investment	6.9%	6.1%	1.9%	6.1%	8.9%
TSX % gain to 2008	+1,244%	+656%	+245%	+63%	-0.9% '07 close to yesterday
Annual return on investment	6.9%	7.2%	6.7%	5.6%	-2%



The difference 20 years makes

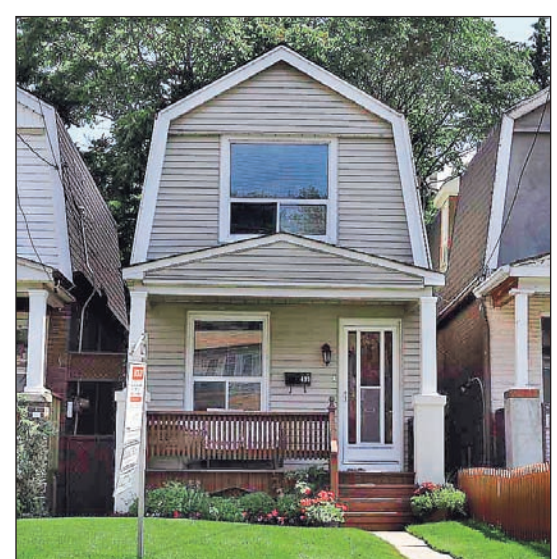
These three houses produced above-average returns in their areas and illustrate the range of price increases experienced in the Toronto market in the last 20 years.

+70%
5%
Inflation-adjusted gain



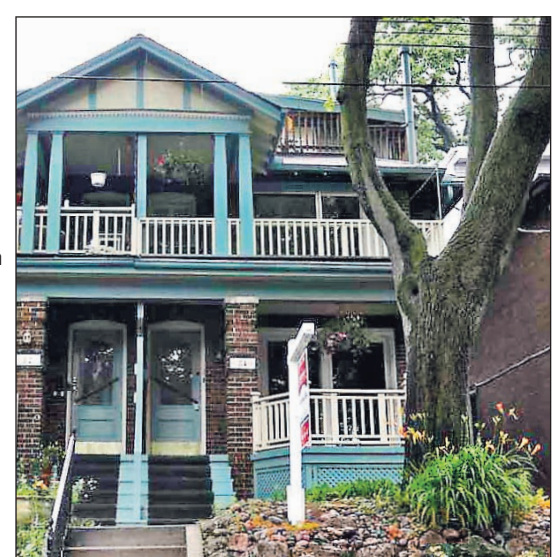
Detached 4-bedroom 2-storey in Markham sold for \$423,000 in April this year. It sold for \$249,900 in 1988 (\$403,560 in 2008 \$). Factoring in inflation, return was 4.8%.

+150%
55%
Inflation-adjusted gain



Detached 2-bedroom 2-storey in East York sold for \$295,000 in July this year. It sold for \$118,000 in 1988 (\$190,462 in 2008 \$). Factoring in inflation, return was 55%.

+255%
112%
Inflation-adjusted gain



Semi-detached 4-bedroom 2.5-storey in the Beach sold for \$1,285,000 in March this year. It sold for \$362,000 in 1987 (\$607,397 in 2008 \$). Factoring in inflation, return was 112%.

MAPS AND GRAPHICS: Catherine Farley/Toronto Star
RESEARCH: Catherine Farley, Peter Smith, Toronto Star Library
DATA ANALYSIS: Damian Lister, Hidy Ng, Andrew Bailey

SOURCES: Toronto Real Estate Board, Statistics Canada, Bank of Canada, MapInfo, Bloomberg, Royal LePage