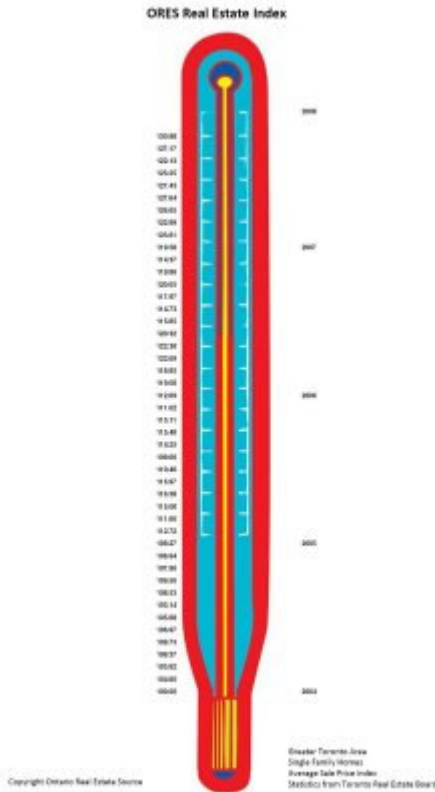


ORES Real Estate Index

By Brian Madigan



130.98 **October 2007**

127.17

122.13

123.25

127.43

127.64

126.65

122.89

123.81

119.58 **January 2007**

114.37 **December 2006**

119.86

120.05

117.97

114.73

115.85

120.32

122.38

122.69

118.85

119.08

112.69 **January 2006**

111.02 **December 2005**

115.11

115.48

114.25

109.60

110.46

115.97

116.38

115.08
111.60
112.72

109.27 **January 2005**

106.94 **December 2004**

107.90
109.56
108.53
103.14
105.68
106.97
109.73
108.37
103.82
104.80

100.00 **January 2004**

What does it mean?

This is an Index, somewhat like the Consumer Price Index. Over time it tracks changes in house prices. It records both increases and decreases.

It looks like a thermometer?

Yes, a thermometer has been chosen to visually present the information. Generally, house price are going in one direction and that is up.

How does it work?

The right side shows time. The time starts with January 2004. Each line represents one month. The time period being monitored is 4 years.

The left side of the thermometer shows the actual index. We are assuming that the base price is equal to 100.00. That was in January 2004. You will see that the Index climbed to 109.27 in January 2005. That means in twelve months, there was a 9.27% increase in values.

The last number shown at the top of the Index is 130.98. That is October 2007 and means that there has been a 30.98% increase in house prices since the beginning, or the time of commencement (the base year, January 2004).

Is it accurate?

The accurate numbers appear in the column to the left. So, you will notice that in September 2005 (the 9th month, 8 lines above January) the index was 114.25, and in December 2006 (one line below January 2007) the index was 114.37. This means the increase was 0.12% over that time period (both compared to the base year).

What do the figures represent?

The numbers represent average house prices for single family homes in the Greater Toronto Area.

What is the source of the statistics?

The statistics are drawn from the published prices made available by the Toronto Real Estate Board as of month end.

Why use four years?

The time period chosen is four years since it is a common period used by the mutual fund industry. As time goes by, the Index will change somewhat. The attempt is to consistently show the trailing four year period. Other indexes showing other periods of time will also be available.

How do you compute interim increases?

Of course, it's easy to figure out any increase from the base year, that is what the index is for. So let's figure out the increase from June 2005 to June 2007. June 2007 was 127.43 and June 2005 was 106.97. The difference is 20.46.

$$20.46/106.43 = 19.22$$

So, this means that the actual percentage increase over that time period was 19.22%. You can't simply subtract the numbers, since they are both based on the January 2004 number which is no longer relevant.

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