

ORES Real Estate Index for August 2008



By Brian Madigan LL.B.

I set up the ORES Real Estate Index last year. In many ways it is like the CPI (consumer price index) in the sense that it is designed to track values over a period of time.

The Index commenced 1 January 2004. All related prices were converted to 100, so everything to be compared would have a common starting point.

Single Family Housing in the GTA

When you are looking at house prices for single family homes in the GTA, you will find the following:

123.60.....31 August 2008
125.36.....31 July 2008
131.53..... 30 June 2008
132.11.....31 May 2008
132.24 30 April 2008
127.42..... 31 March 2008
127.86..... 29 February 2008
125.63..... 31 January 2008
126.31..... 31 December 2007
130.76..... 30 November 2007
130.98..... 31 October 2007
100.00..... 1 January 2004

This means that the average price for single family homes in the Greater Toronto area has increased 23.60% in 56 months. You will also see that the height of the market was reached in April 2008. And, the market has declined every month thereafter.

Condominium Market in the GTA

Here are the comparable statistics for condominiums throughout the GTA:

115.93.....31 August 2008
123.40.....31 July 2008
119.71.... 30 June 2008
119.66....31 May 2008
122.61.... 30 April 2008
118.79.... 31 March 2008
117.17..... 29 February 2008
114.39..... 31 January 2008
118.04..... 31 December 2007
120.82..... 30 November 2007
123.17..... 31 October 2007
100.00..... 1 January 2004

For a significant period, condominiums had been trailing in performance. They still have not performed as well as single family homes, but the gap is much closer. At the height of the market the gap was 9.63 and that has now been reduced to 7.64.

This may be due in part to the fact that the higher end of the market showed the greatest losses and the lower end of the market and condominiums (which tend to be lower priced generally) were less volatile.

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