

Figure 1 – Average Price Per Acre - Residential

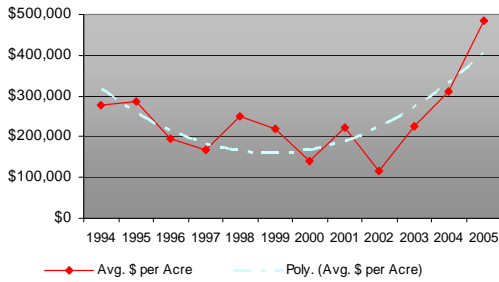
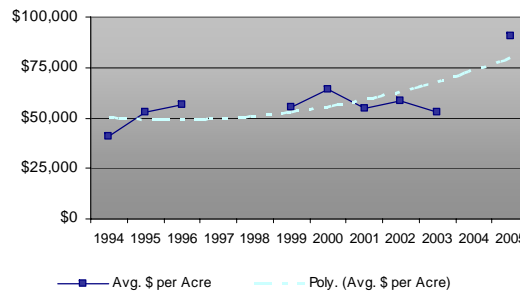


Figure 2 – Average Price Per Acre - Rural



Residential land in Vaughan has now broken the \$500,000 per acre level in selected transactions – almost two and a half times the average price in 1994 (Figure 1). Conversely, rural land prices have risen at a much more modest rate over the same period (Figure 2).

Is this gap a direct result of the steep increase in development costs and development charges? Single and semi-detached dwelling development charges alone grew from \$13,780 in 1999 to \$15,844 in 2003 (Figure 3 – source: IBI Group).

Nonetheless, the total volume of rural and residential land sales since 1994 in Vaughan has been enormous; looking only at parcels of \$5 million and over, a total of 6,479 acres has sold since 1994, for a total value of \$802 million (Figures 4 and 5).

Although the overall price trend has been upward, there have been huge year over year price swings (Figure 6). How is the builder to absorb these rapid changes and pass them on to the consumer? Figure 7 shows that the price of the average single family dwelling lot now stands at \$220,000, an increase of 84% since 1994. Figure 9 shows the relative price changes over time and drives the point that changes in residential land prices are far more drastic than changes in lot prices. As well, rural land prices are comparatively minimal over this period.

Lower home mortgage rates have definitely helped to ease the flow through of cost increases. Nevertheless, even with all cost increases, the better builders will maintain their sales levels through improved design efficiencies, to the satisfaction of the home buyer and will be able to continue to pass through land cost increases.

* Note: No rural land sales available for 1997, 1998 and 2004

Figure 3 – Development Charges

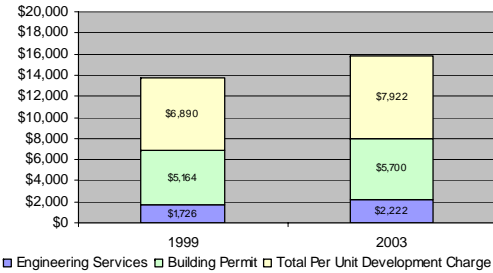


Figure 4 – Total Sales (\$)

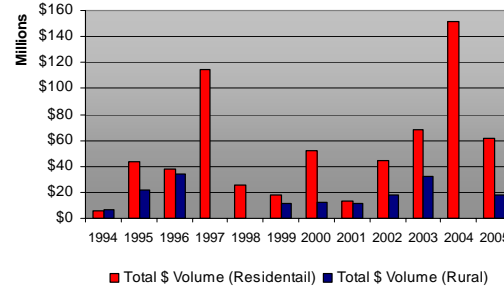


Figure 6 – Year to Year Price Changes

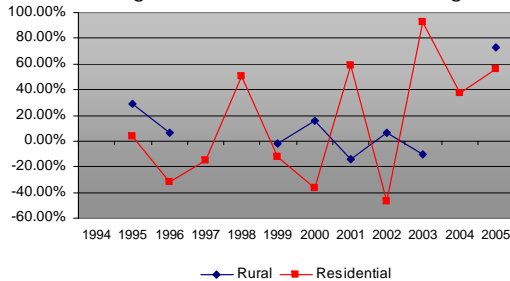


Figure 7 – Detached Lot Prices

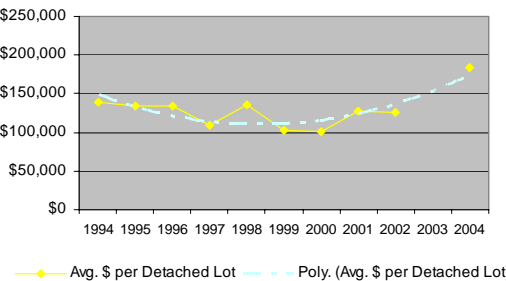


Figure 8 – 2000 Base Price Changes

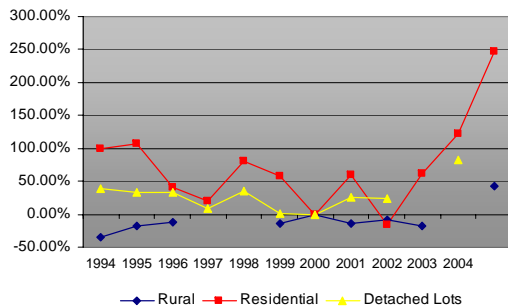
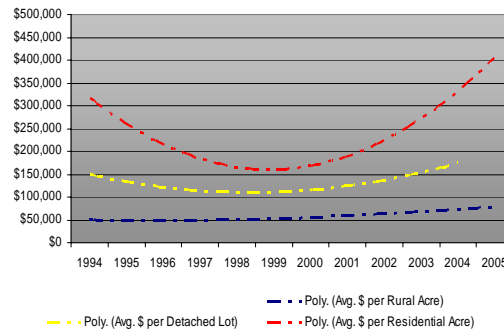


Figure 9 – Relative Average Prices

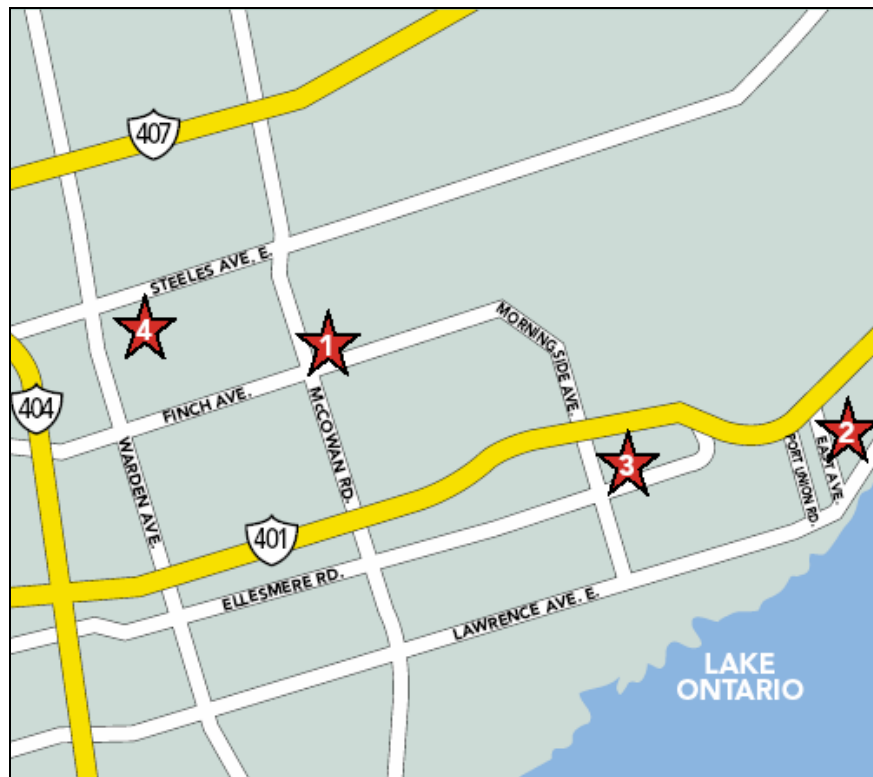


Portfolio Land Sales Infill Residential Potential

We have closed four of the six sites in the infill residential portfolio. Individual sales closed at a 15% premium over prices otherwise proposed in full portfolio purchase. Many thanks to my associate John Morrison of Royal LePage Commercial Inc.

Site 1 - Sandhurst Circle and White Heather Blvd. North east of Finch Avenue and McCowan Road in Scarborough.	<ul style="list-style-type: none"> • Serviced and unzoned • 3.5 acres • potentially 24 larger SFD 	<ul style="list-style-type: none"> • \$2,635,000 or • \$752,857 per acre or • \$109,792 per lot • Closed August 11, 2004
Site 3 - Ellesmere Road and Conlins Road East of Morningside Avenue in Scarborough.	<ul style="list-style-type: none"> • Serviced and unzoned • 5 acres • potentially 42 townhouse site 	<ul style="list-style-type: none"> • \$3,075,000 or • \$615,000 per acre or • \$73,214 per lot • Closed August 31, 2004
Site 4 - Sanwood Blvd. and Canongate Trail South east of Steeles Avenue and Warden Avenue in Scarborough.	<ul style="list-style-type: none"> • Serviced and unzoned • 5 acres • potentially 67 row housing lots plus 14 townhouses 	<ul style="list-style-type: none"> • \$4,625,000 or • \$925,000 per acre or • \$57,098 per unit • Closed October 28, 2004
Site 2 - East Avenue and Lawrence Avenue East Avenue south of Lawrence Avenue in Scarborough.	<ul style="list-style-type: none"> • Serviced and unzoned • 5 acres • potentially 61 row housing lots 	<ul style="list-style-type: none"> • \$2,315,000 or • \$661,428 per acre or • \$37,951 per lot • Closed December 1, 2004

Total \$12,650,000



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