



# Emerging Neighbourhoods

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During the first two weeks of November 3,666 homes changed hands in the Greater Toronto Area, an increase of 84 per cent compared to the same period a year ago. Prices are on the rise as well. The average price of a GTA home is currently \$415,066, up 10 per cent year-over-year.

While buying a home in Toronto might seem daunting, particularly to first-time homebuyers, the city does have areas that remain financially accessible and choosing the right one can net substantial long-term gains.

Spotting the next Cabbagetown, Leslieville or Distillery District before it develops a cachet can be a fairly straightforward process. The key is to look for common characteristics that have contributed to the gentrification of neighbourhoods throughout the city.

Neighbourhoods situated along Yonge Street throughout Toronto for example, have netted strong returns on investment due to their proximity to the subway line. Accessibility to transit is one key characteristic to consider.

Another important factor to note is proximity to urban amenities like parks and beaches. Note the explosion of house values in the Beaches throughout the past two decades as an example.

The waterfront is certainly one favourable characteristic of the Multiple Listing Service® district known to REALTORS® as W06, which is located from the Etobicoke Creek to East of Royal York Road and South of the Queen Elizabeth Way to the waterfront.

It's also important to look for neighbourhoods surrounded by areas that have already experienced improvements, as gentrification is likely to spill over into them. Given that W06 contains single detached homes selling for at least 10 per cent less than the GTA average, and is adjacent to districts with above-average selling prices, there's no doubt that it's ripe for gentrification.

Similar opportunities exist east of central Toronto as well, in districts like E04 and E06 in the East and North-East Danforth areas.

If the opportunity to snap up a great deal and in an up-and-coming neighbourhood appeals to you, you're not alone. In fact, a study released in 2008 by the University of Toronto's Centre for Urban and Community Studies found that 16.4 per cent of neighbourhoods in the City of Toronto have experienced some form of gentrification. Furthermore, when neighbourhoods built before World War II were isolated in this study, it found a remarkable 39.2 per cent have experienced gentrification.

Buying in an emerging area requires careful consideration though. As a first step, walk the streets of the neighbourhood to get a true sense of the local culture. Try to identify areas that being snapped up by homebuyers committed to the neighbourhood's future rather than simply by investors. Remember as well that neighbourhoods in transition are just that; their evolution may take many years so it's important to really enjoy the area in its current form. Emerging areas might not immediately feature your favourite shops for example, however; change in the commercial landscape is another sure sign that gentrification is underway.

To learn more about the many opportunities that exist in neighbourhoods throughout the GTA talk to a Greater Toronto REALTOR® and visit [www.TorontoRealEstateBoard.com](http://www.TorontoRealEstateBoard.com) for neighbourhood profiles, market updates and much more.

*Tom Lebour is President of the Toronto Real Estate Board, a professional association that represents 28,000 REALTORS® in the Greater Toronto Area.*