



For immediate release

Investment in home improvement, key in competitive housing market, says RE/MAX

Mississauga, ON (September 17, 2008) – An increasingly competitive housing environment is prompting a significant number of Ontario homeowners to invest in renovation before listing their homes for sale, according to a recent survey by RE/MAX Ontario-Atlantic Canada.

The *RE/MAX Survey of Home Buying and Selling Trends in Ontario*, conducted by COMPAS Research, in the first half of 2008 found 79 per cent of sellers said they made improvements to their homes two years prior to listing and more than one third (39 per cent) of them did so with selling in mind. Further indicative of how sophisticated sellers and buyers are becoming, 37 per cent of sellers made upgrades to their home after listing their property for sale. Home sellers are typically spending \$21,000 on average in renovations; the most popular of which are updating kitchens, hardwood flooring, and new windows.

“Investing in renovation for the purpose of selling a home continues to grow in 2008,” says Michael Polzler, Executive Vice President and Regional Director, RE/MAX Ontario-Atlantic Canada. “Changing market conditions are largely responsible for the upward momentum in residential investment which is up four per cent to \$6.9 billion in Ontario for the first half of this year, compared to last year at the same time. We are seeing two clear trends emerging with some homeowners looking to boost resale value by renovating and others choosing to bring their home up to today’s standards by upgrading areas that are dated. In either case, the end result is a product that will more likely yield top dollar when it is time to sell.”

Renovations can drastically influence a home’s market value. The RE/MAX Survey found the wealthiest homeowners (those with an income of \$150,000 or more) spent the most on renovation at \$37,663 on average, while those earning under \$30,000 spent the least at \$8,263. Renovation costs typically increased with housing values, with the cost of refurbishing a home priced at \$500,000 or more topping out at \$55,974.

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“With buyers visiting an average of nine properties before settling on the one they want to call their own, sellers need a distinct advantage over the competition,” says Polzler. “Location is still the primary factor for buyers, but a property’s condition also plays an important role. Our Survey found properties with updated kitchen cabinetry, hardwood flooring, new windows, an open-concept and a finished basement appeal most to today’s selective purchaser.”

Most Appealing Upgrades and Gap (Most minus Least) All Sellers

	Most	Least	Most/Least
Kitchen cabinet upgrade	18	1	+17
Hardwood floor upgrade	11	2	+9
New windows	10	1	+9
Removing walls to create open-concept living	8	2	+6
Finishing the basement	8	3	+5
Kitchen appliance upgrade	5	2	+3
New shingles	6	3	+3
New bathroom taps and plumbing	4	3	+1
New bathroom tiles	2	1	+1

The *RE/MAX Survey of Home Buying and Selling Trends in Ontario* surveyed close to 1,000 Ontario home sellers using data provided to COMPAS Research by RE/MAX. Samples of this size are deemed accurate to approximately three percentage points 19 times out of 20.

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