

NEW HOME MARKET UPDATE

Greater Toronto Area

MAY 2, 2018

New Home Market Down, But Not Out



Source: Twitter

2017 A Year of Records

	CONDOMINIUM APARTMENT	SINGLE FAMILY
SALES	Highest annual total on record	Lowest annual total on record
INVENTORY	July 2017 had the lowest monthly inventory on record	April 2017 had the lowest monthly inventory on record
BENCHMARK PRICE*	Highest on record	Highest on record

**Benchmark price based on remaining
inventory*

Source: Altus Group

It's a Different Market Today

- Condo apartment sales still going strong at a more normal pace
- Single-Family sales very slow, but sales office traffic picking up
- Conversion period is longer. Buyers taking their time
- Incentive offerings becoming more prevalent with single-family projects
- Builders increasing broker coop
- Challenges for buyers to close. Some unable to close, others selling for a loss, others switching lots, builders helping out with mortgages
- Risk of cancelled projects

Source: Altus Group

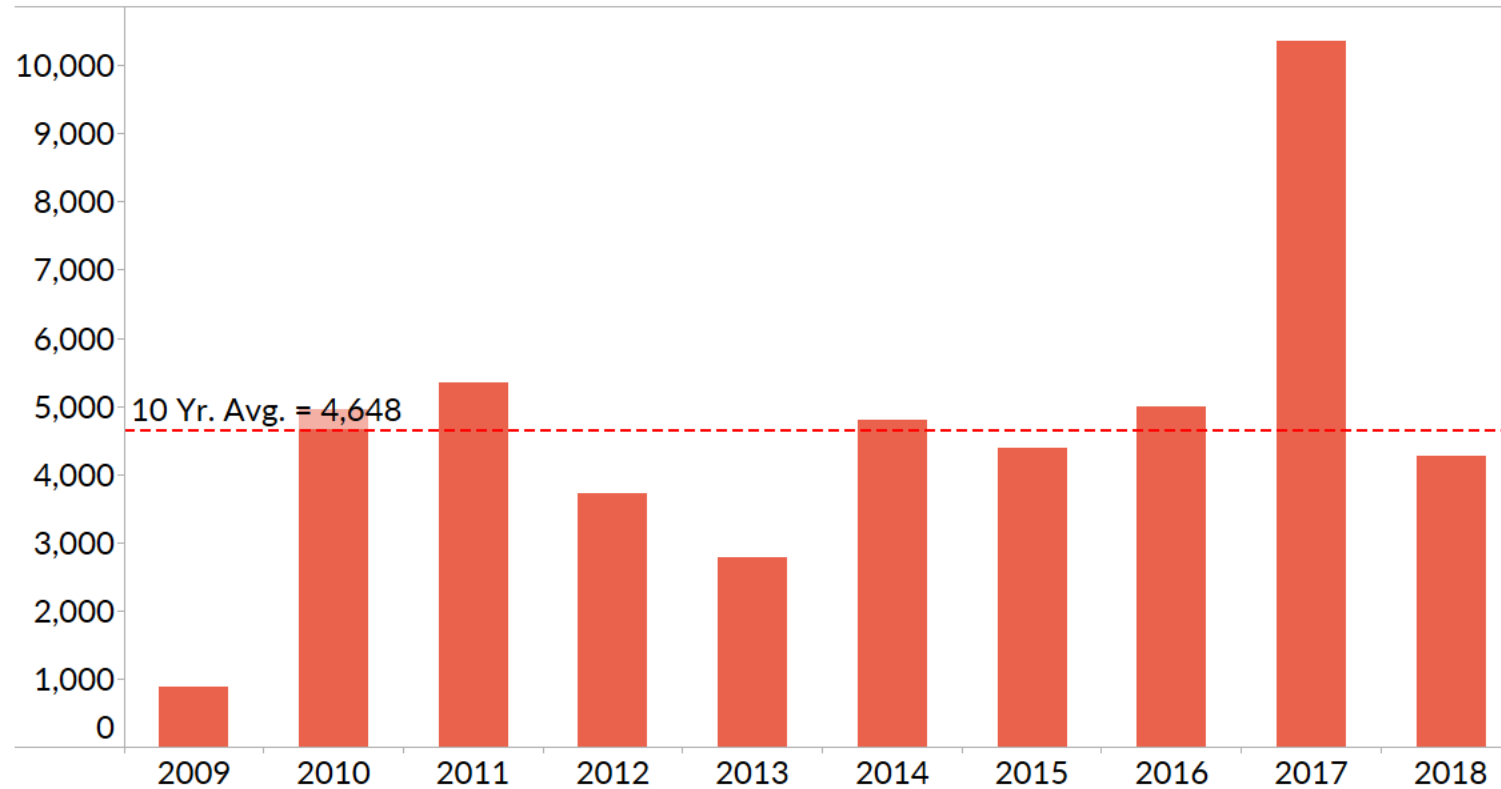
Less Frenzy at Projects!



Source: Altus Group

Condo Sales on Pace with 10 yr. Avg.

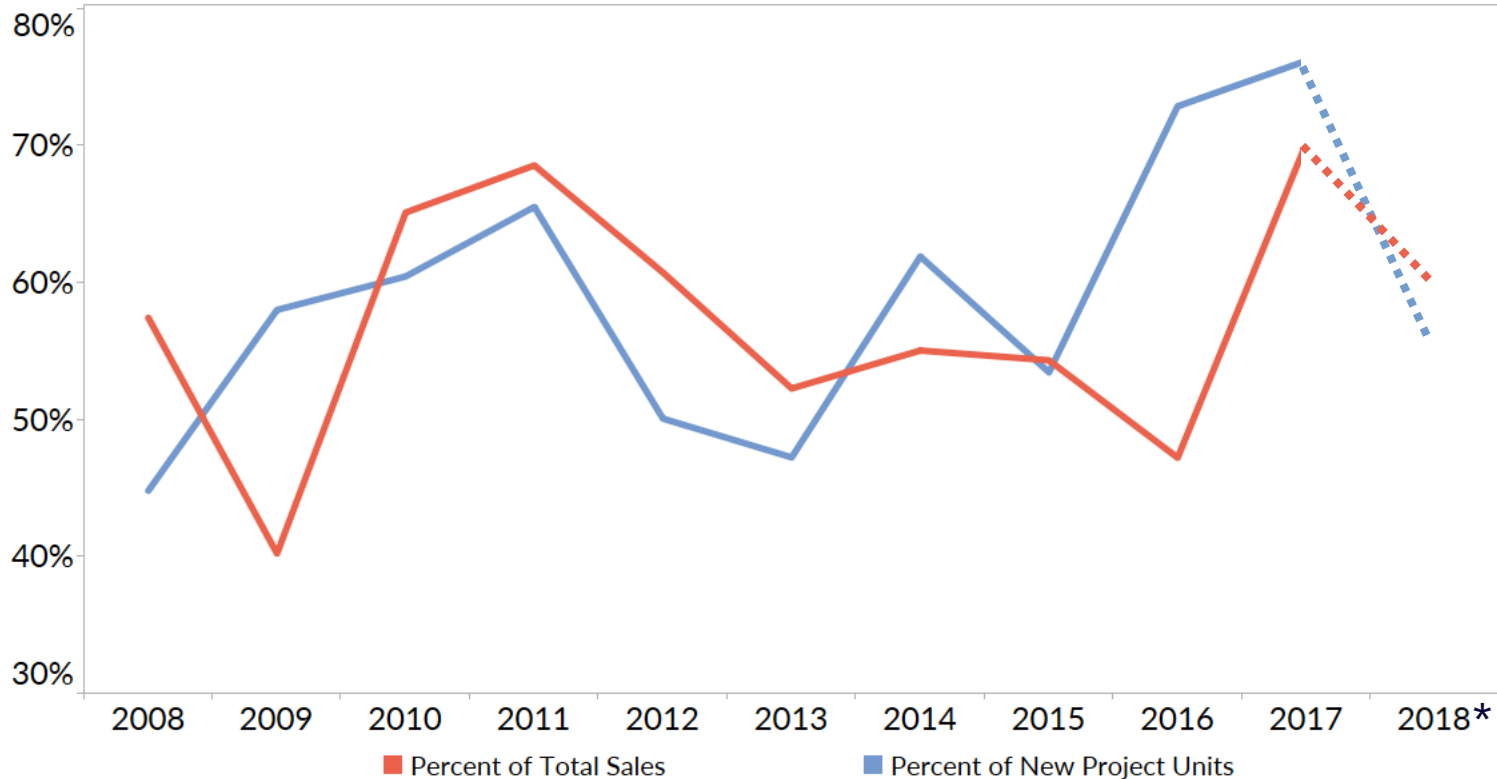
Q1 Condo Apartment New Home Sales
Greater Toronto Area - 2009 to 2018



Source: Altus Group

2017 Highest Absorption Rate in a Decade

Condo Apartment New Project Sales Absorption
Greater Toronto Area - 2008 to Q1 2018

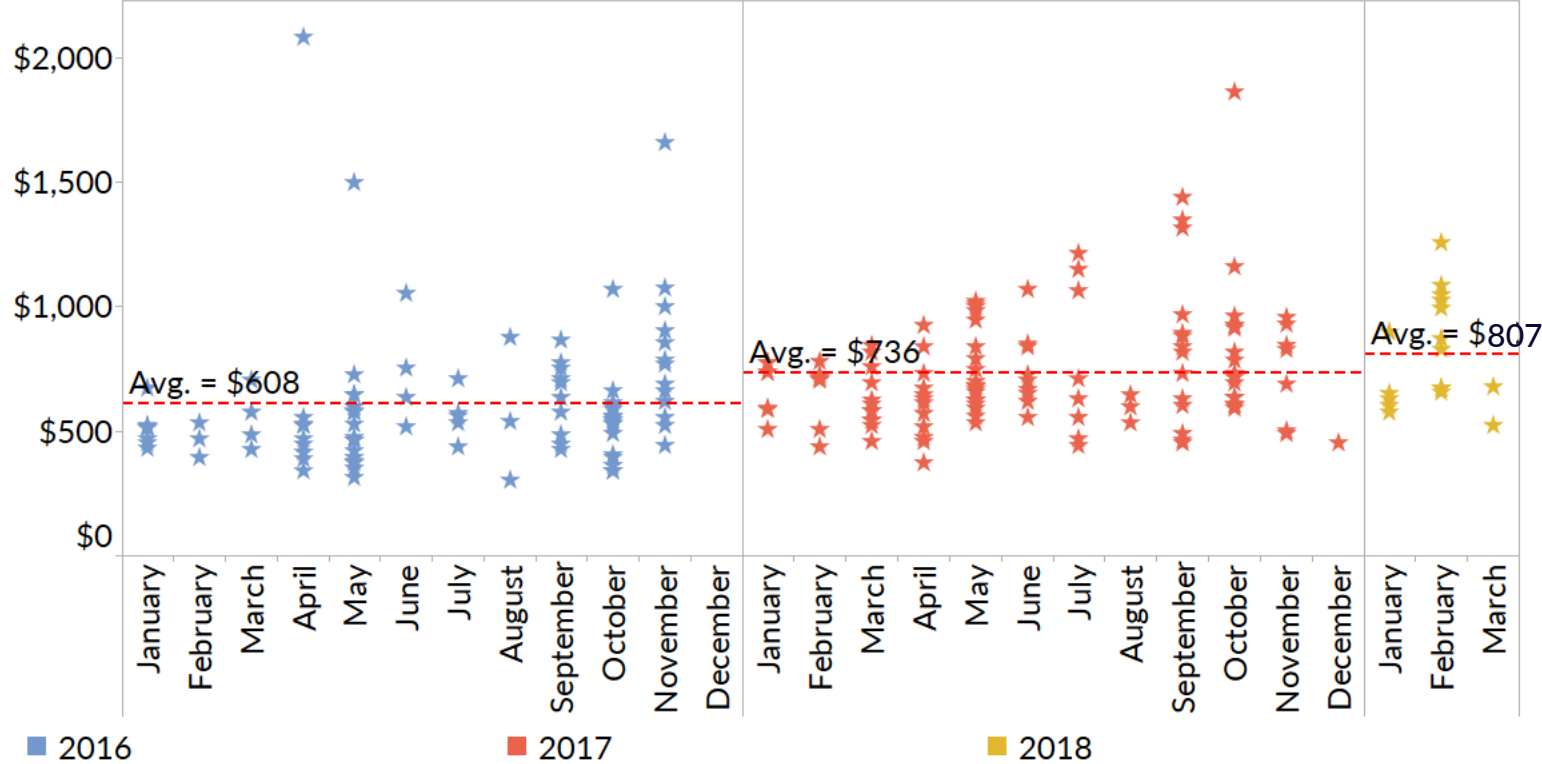


* period Q1

Source: Altus Group

New Condo Apartment Project Pricing

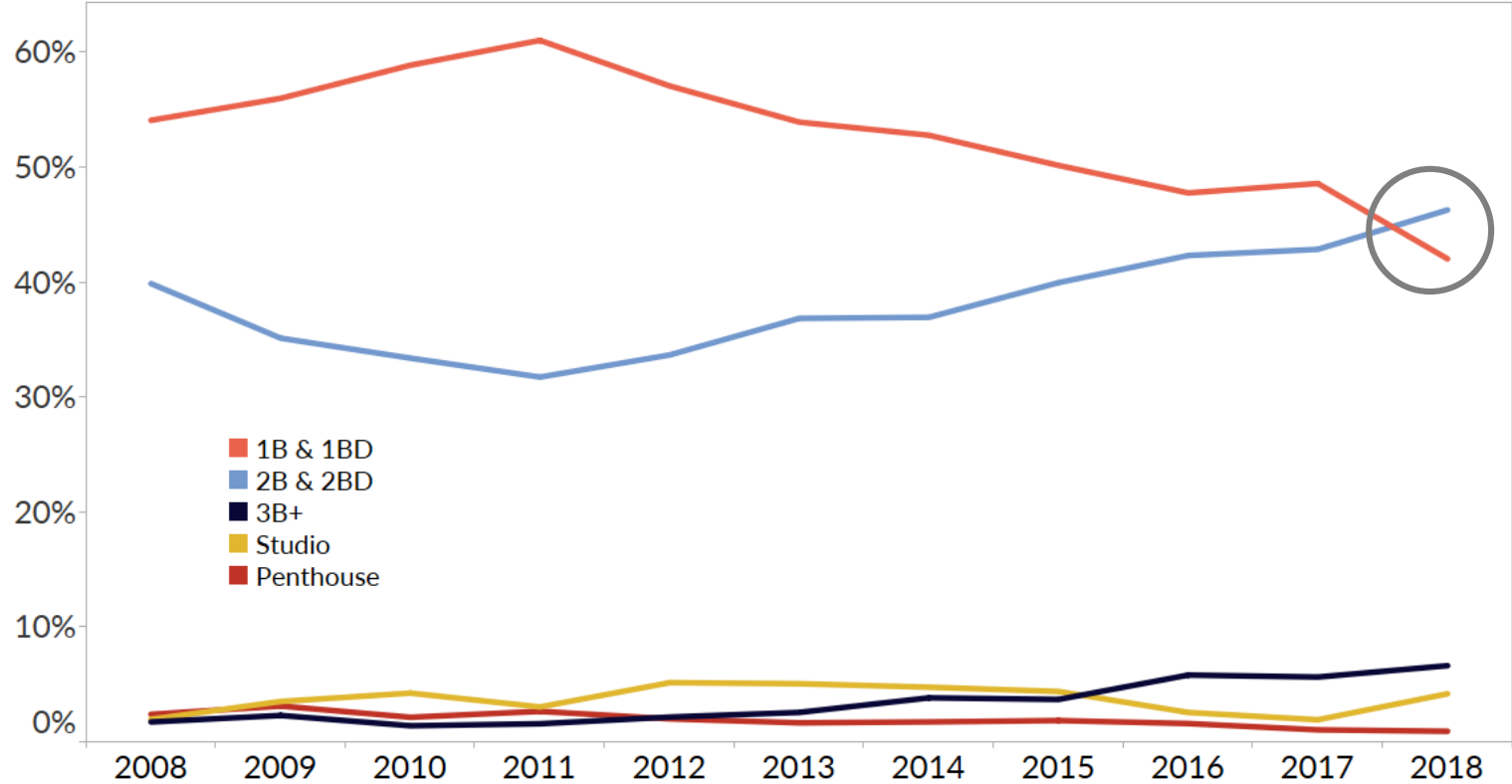
New Condominium Apartment Openings by Launch \$/SF
Greater Toronto Area - 2016 to Q1 2018



Source: Altus Group

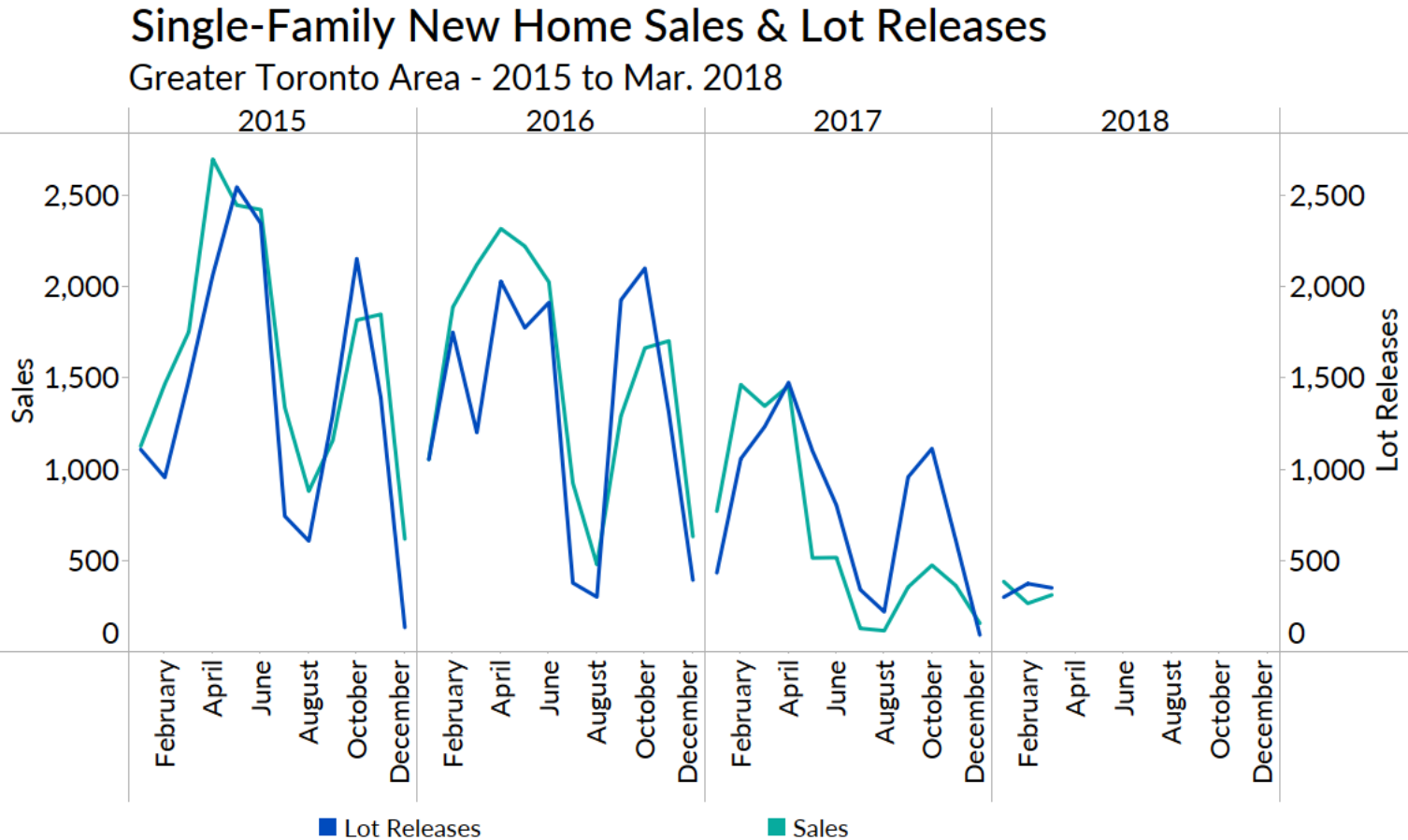
Sales of 2 Bedroom Units Surpass 1 Bedroom

New Condominium Apartment Sales - % of Total by Unit Type
Greater Toronto Area - 2008 to Q1 2018



Source: Altus Group

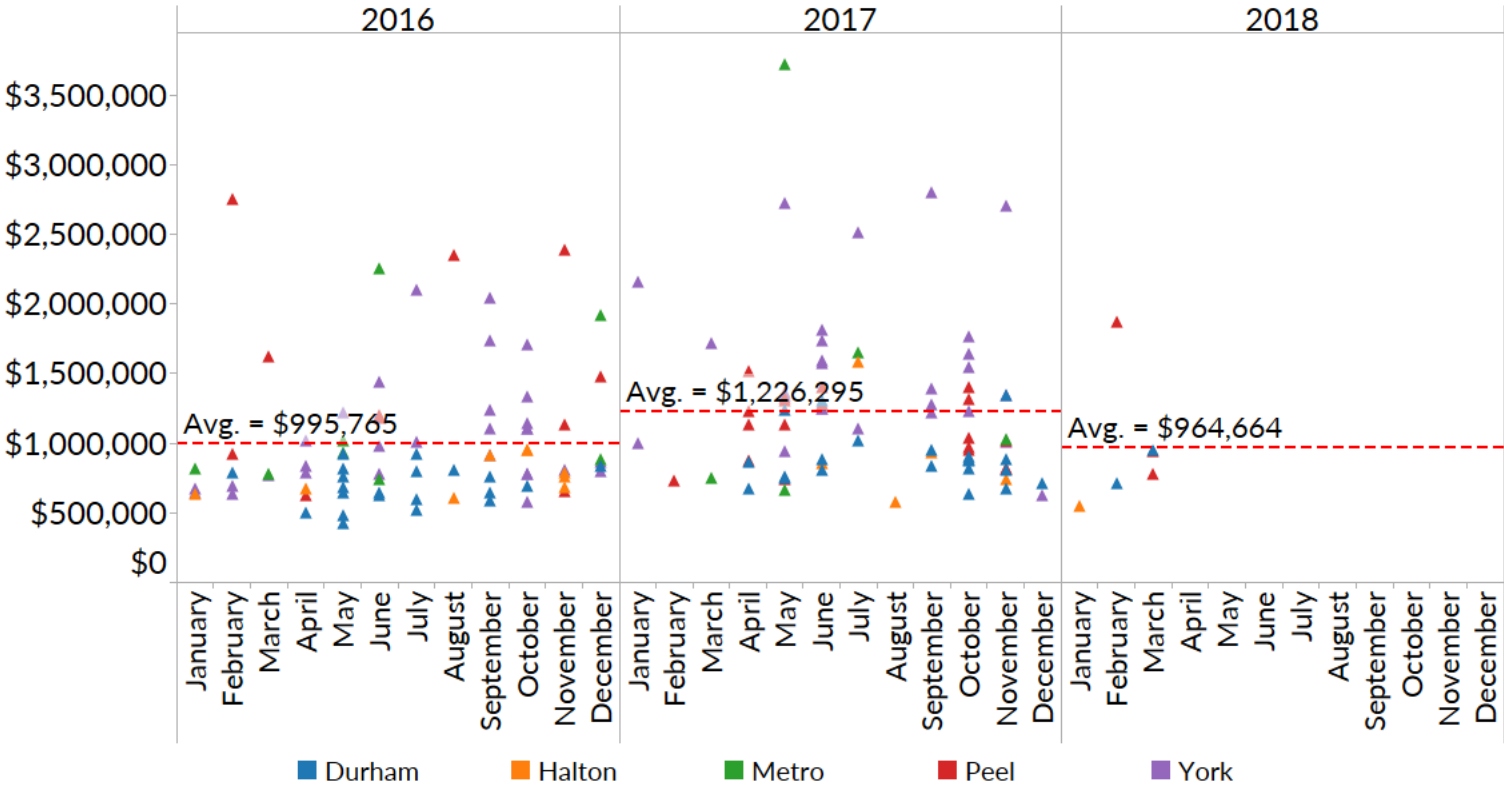
It's a Waiting Game in Single-Family Market



Source: Altus Group

New Single-Family Project Launch Prices

New Single-Family Project Openings by Launch Price
Greater Toronto Area - 2016 to Mar. 2018

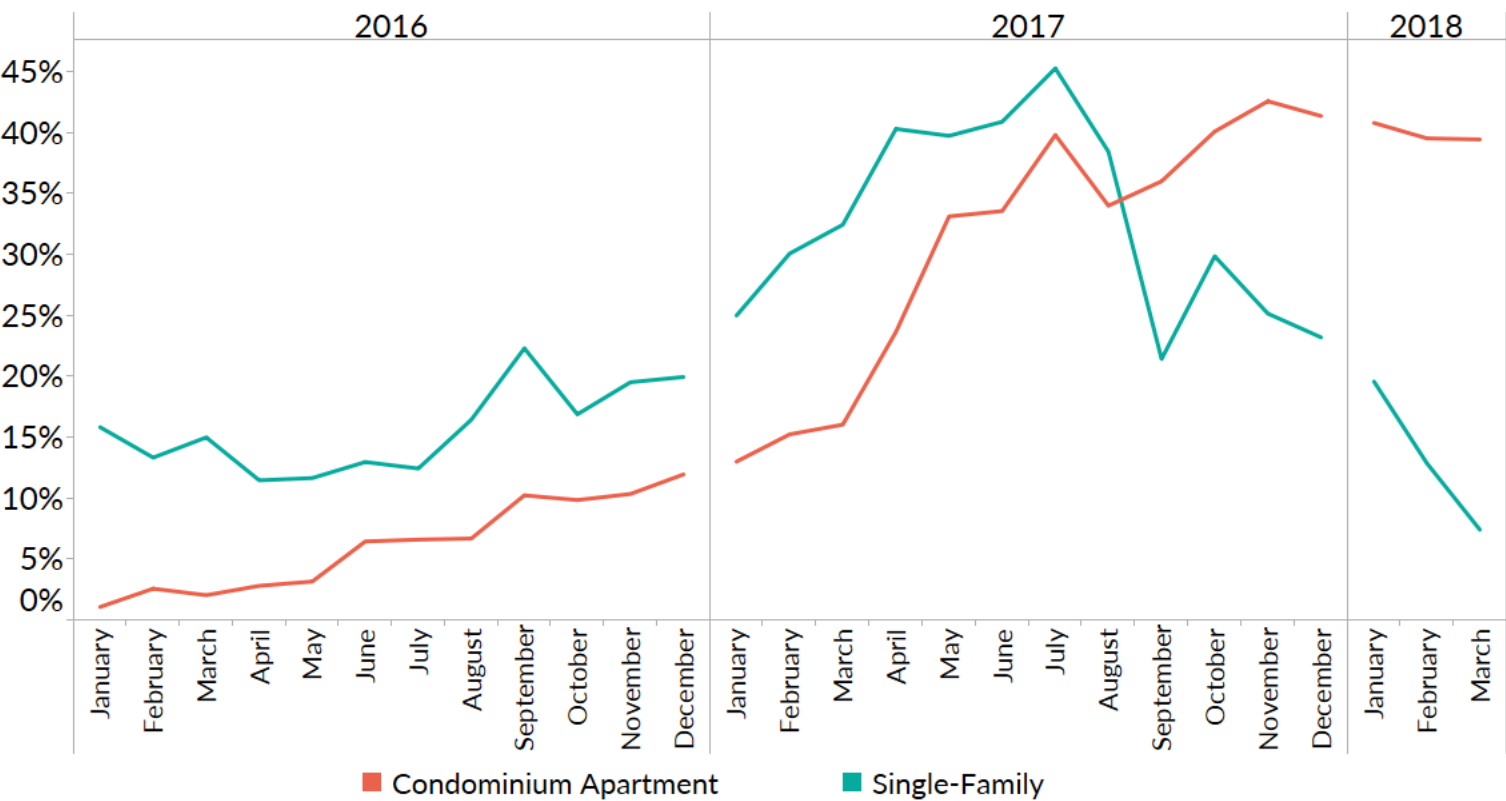


Average price based on remaining inventory

Source: Altus Group

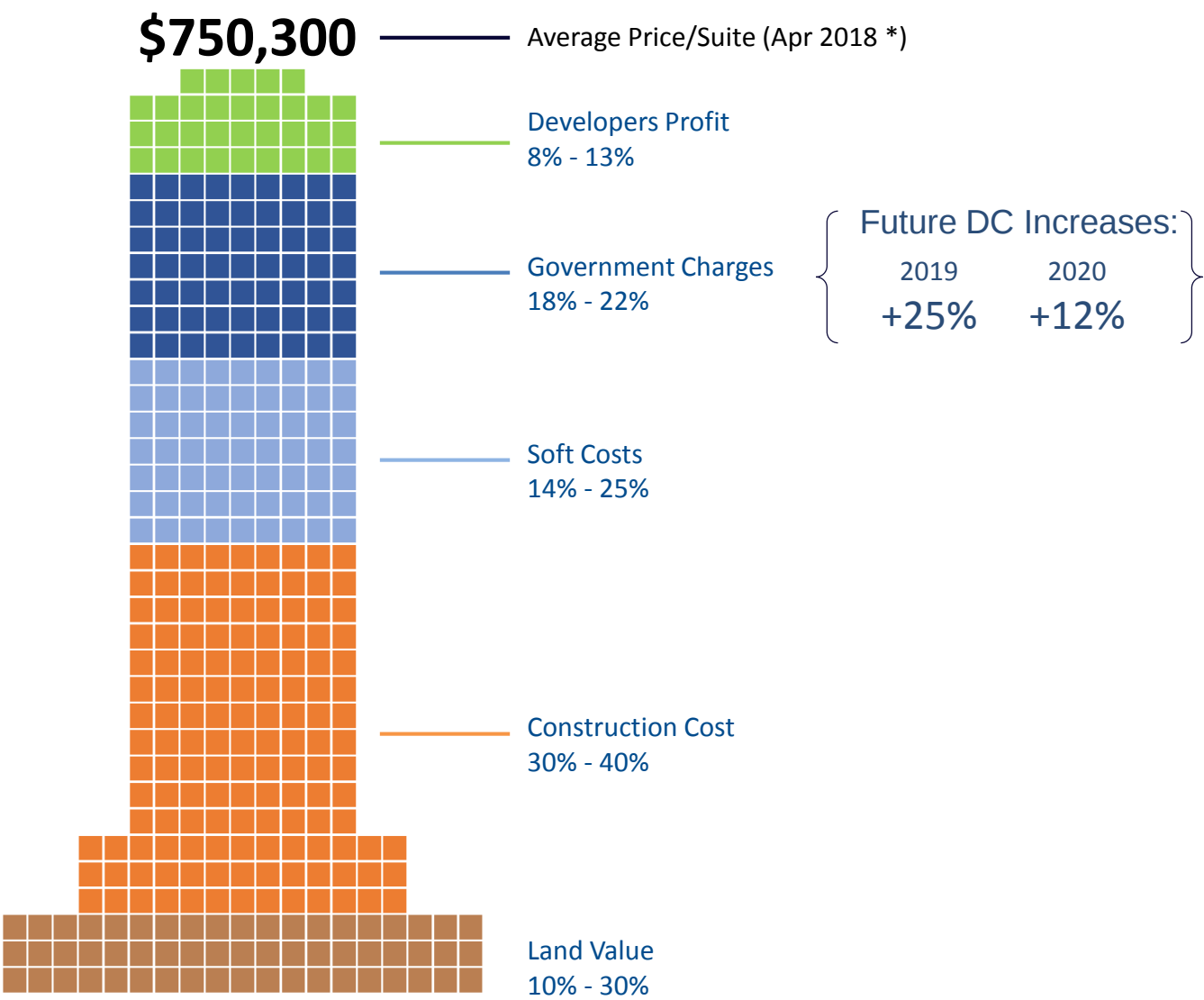
Avg. Condo Price Increasing at Record Rate

Year-Over-Year % Change in Benchmark Price
Greater Toronto Area - Jan. 2016 to Mar. 2018



Source: Altus Group

Typical Condo Price Breakdown and Government Charges

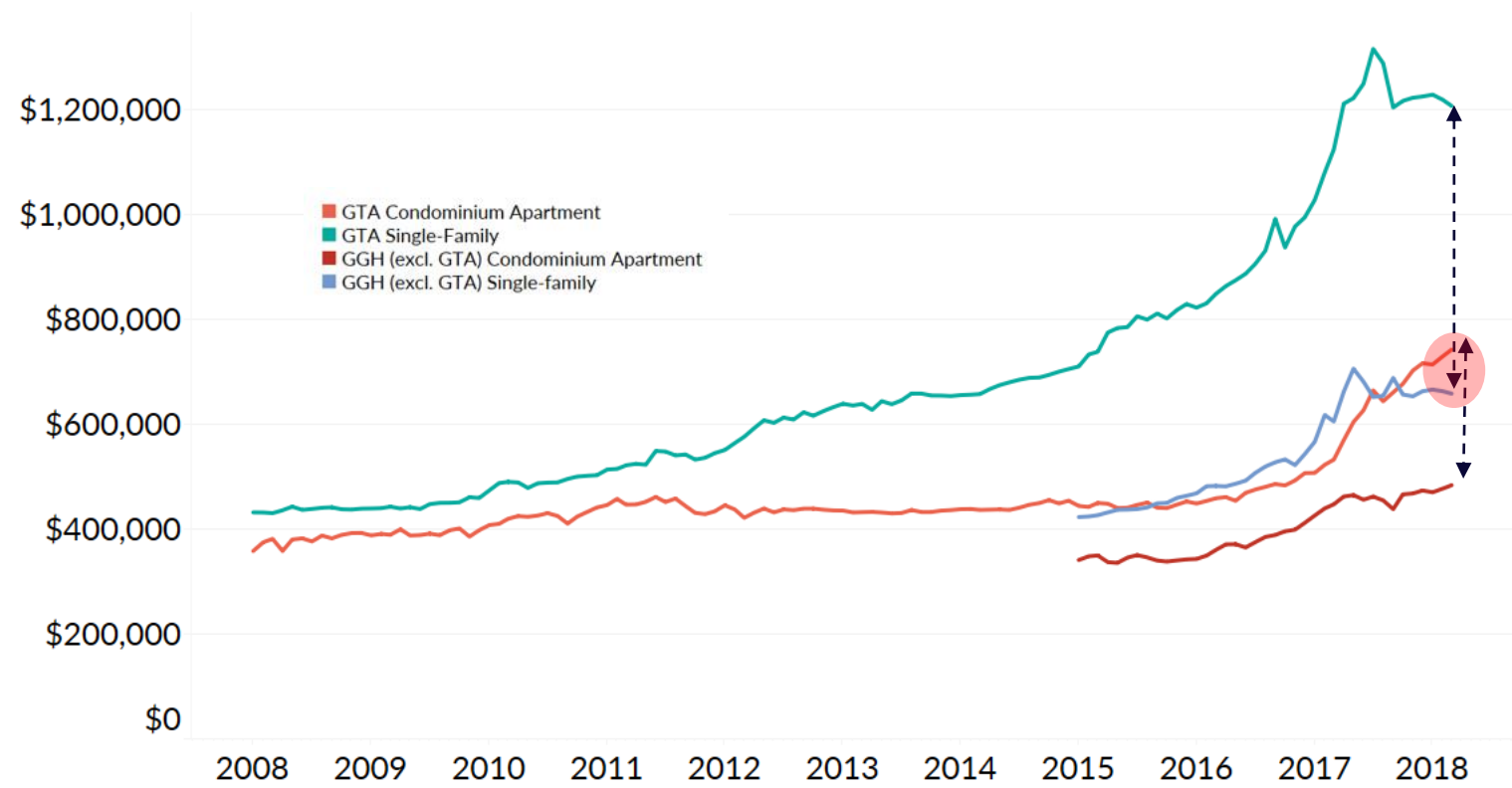


- April 2018 DC's include Nov 2018 Development Charge increase
- Government Charges have increased 138% since July 2013

Source: Altus Group

Price Gap Between GTA & Rest of GGH...

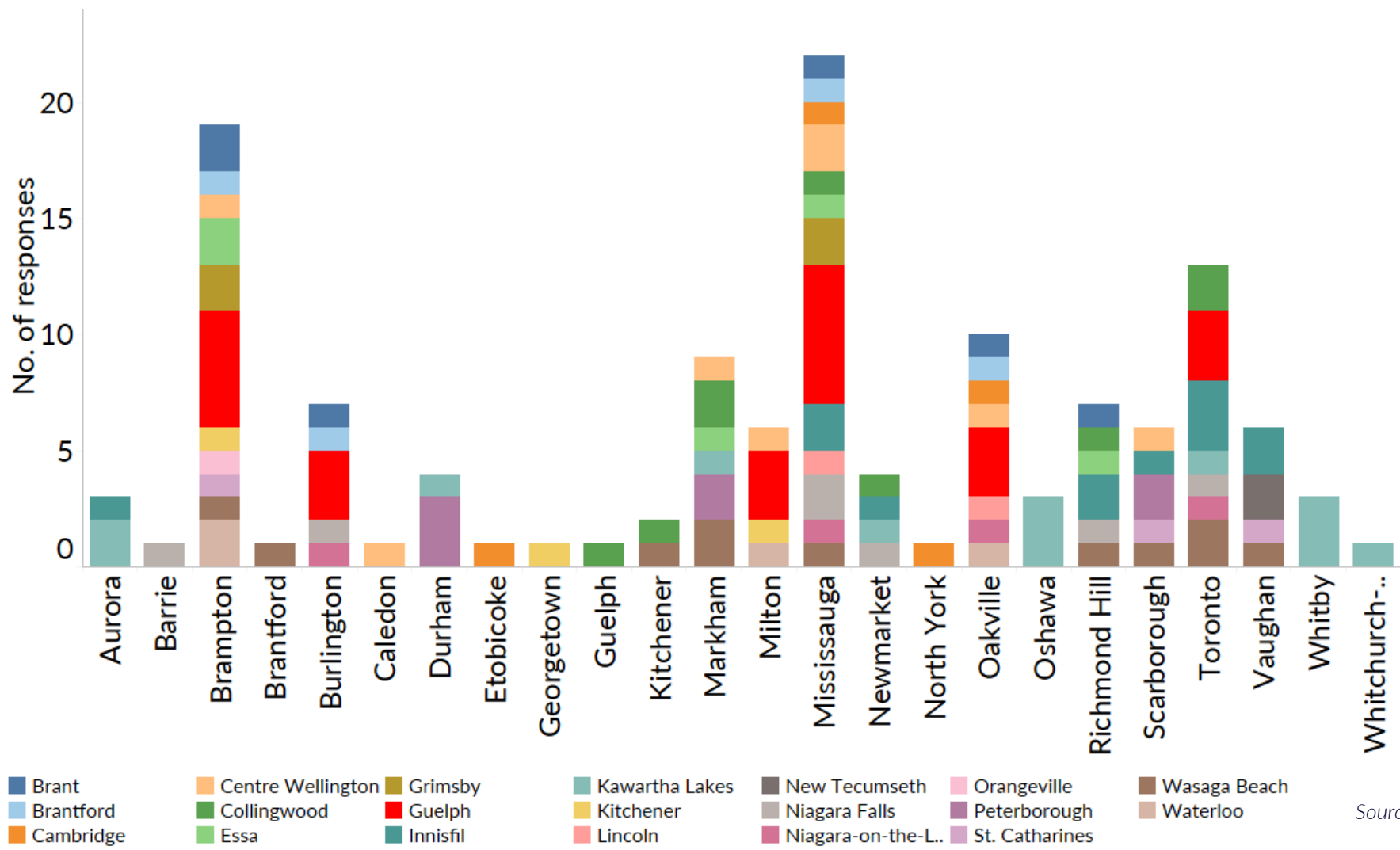
Monthly New Home Benchmark Price
Greater Golden Horseshoe (excl. GTA) & GTA - Jan. 2008 to Mar. 2018



Benchmark price based on remaining inventory

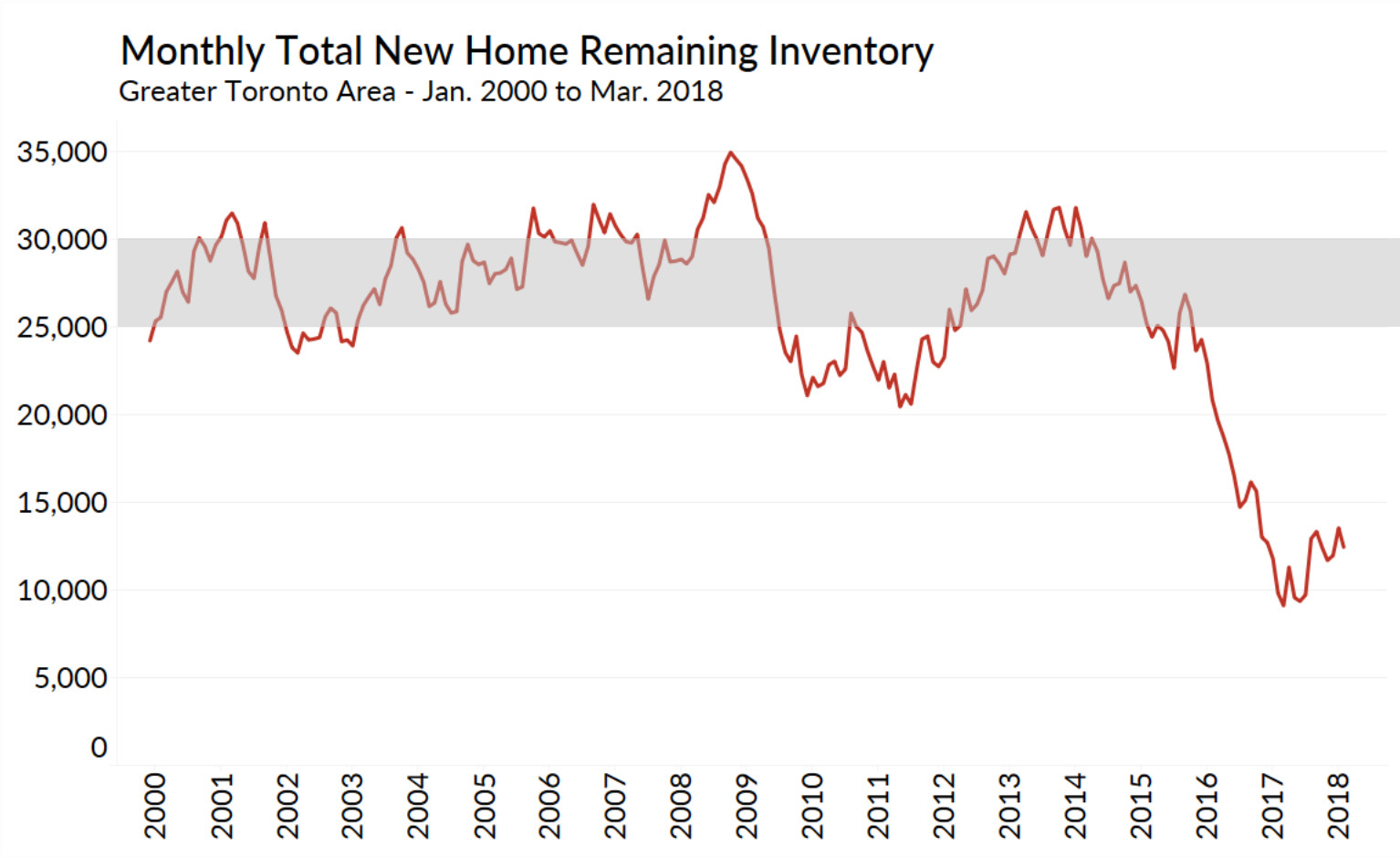
Source: Altus Group

...Is Pushing Buyers to Leave the GTA



Source: Altus Group

New Home Inventory Well Below Needed Levels...

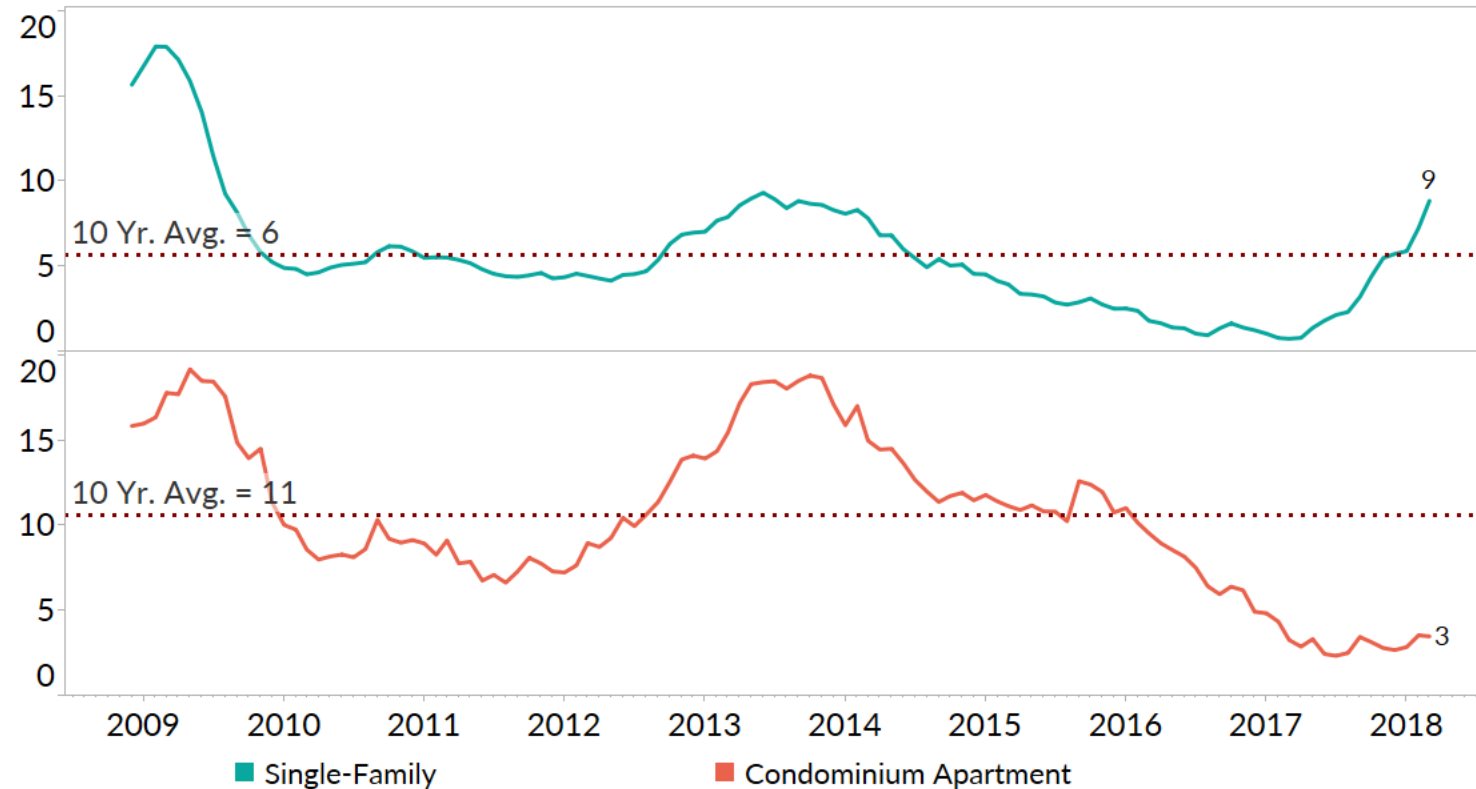


Source: Altus Group

...Especially Condo Apartment Inventory

Months of Inventory

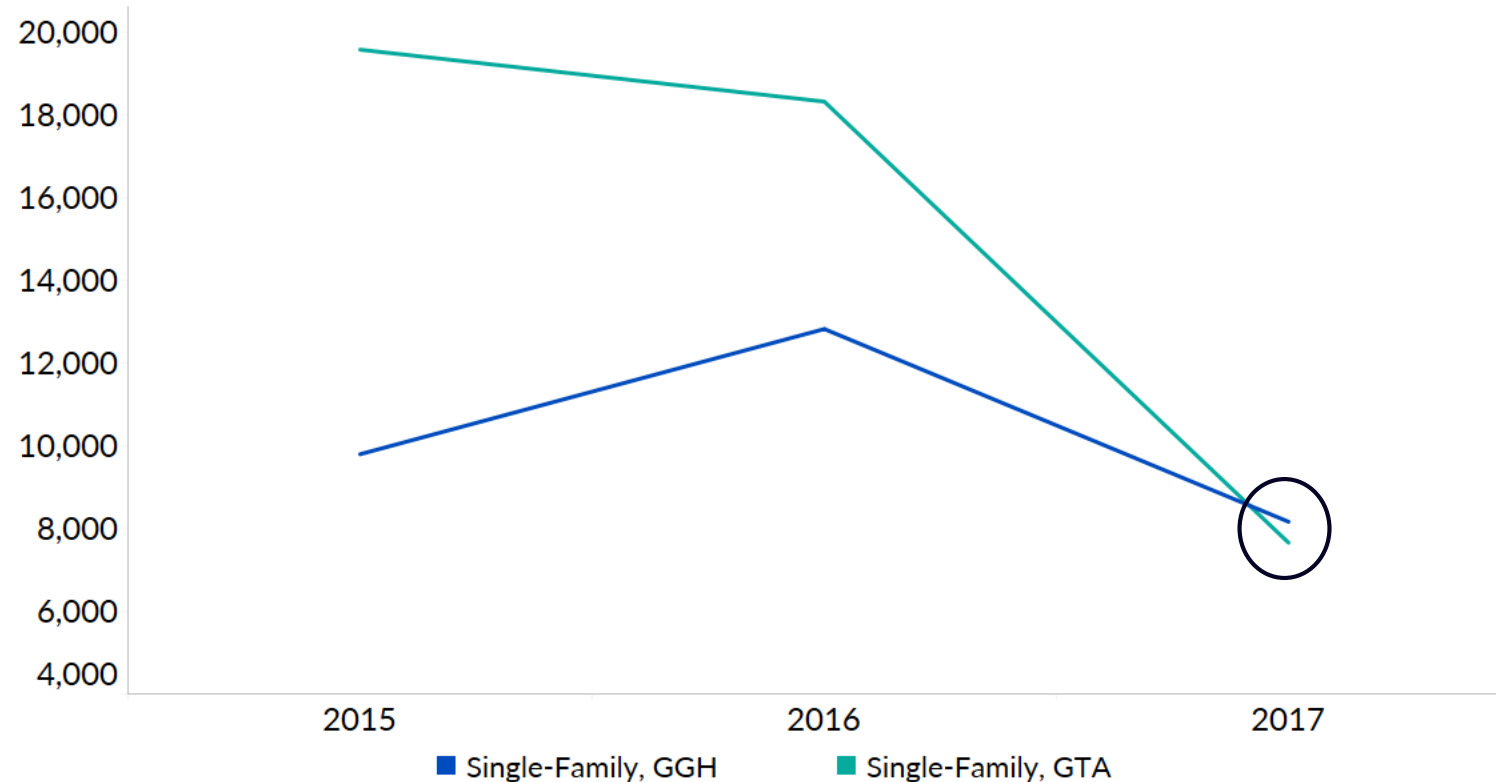
Greater Toronto Area - Jan. 2009 to Mar. 2018



Source: Altus Group

Result of Less Affordable Single-Family Inventory in GTA

Yearly Single-Family New Home Sales
GTA vs Rest of GGH - 2015 to 2017



Source: Altus Group

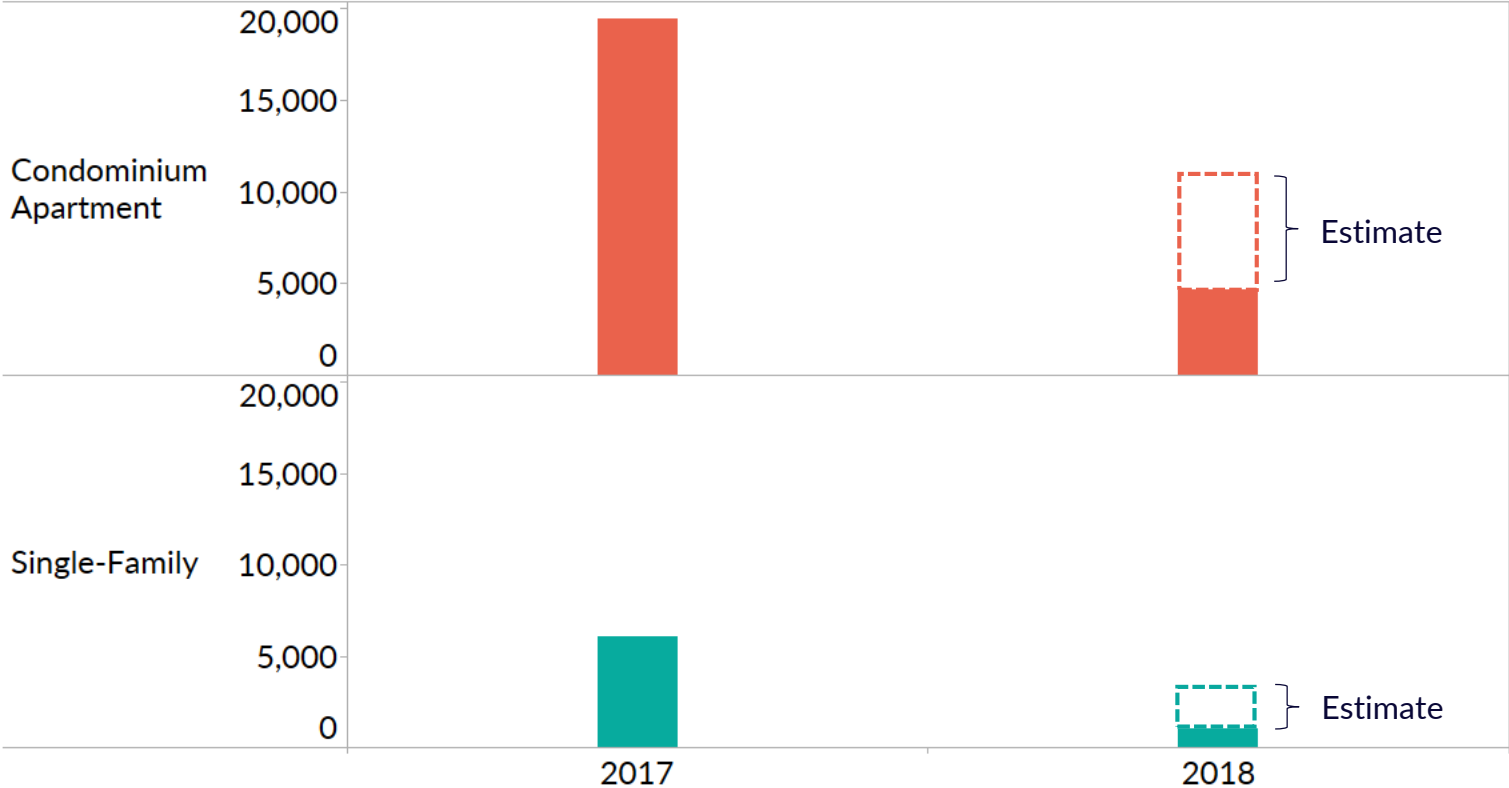
Residential Development Market Overview

A Look Ahead



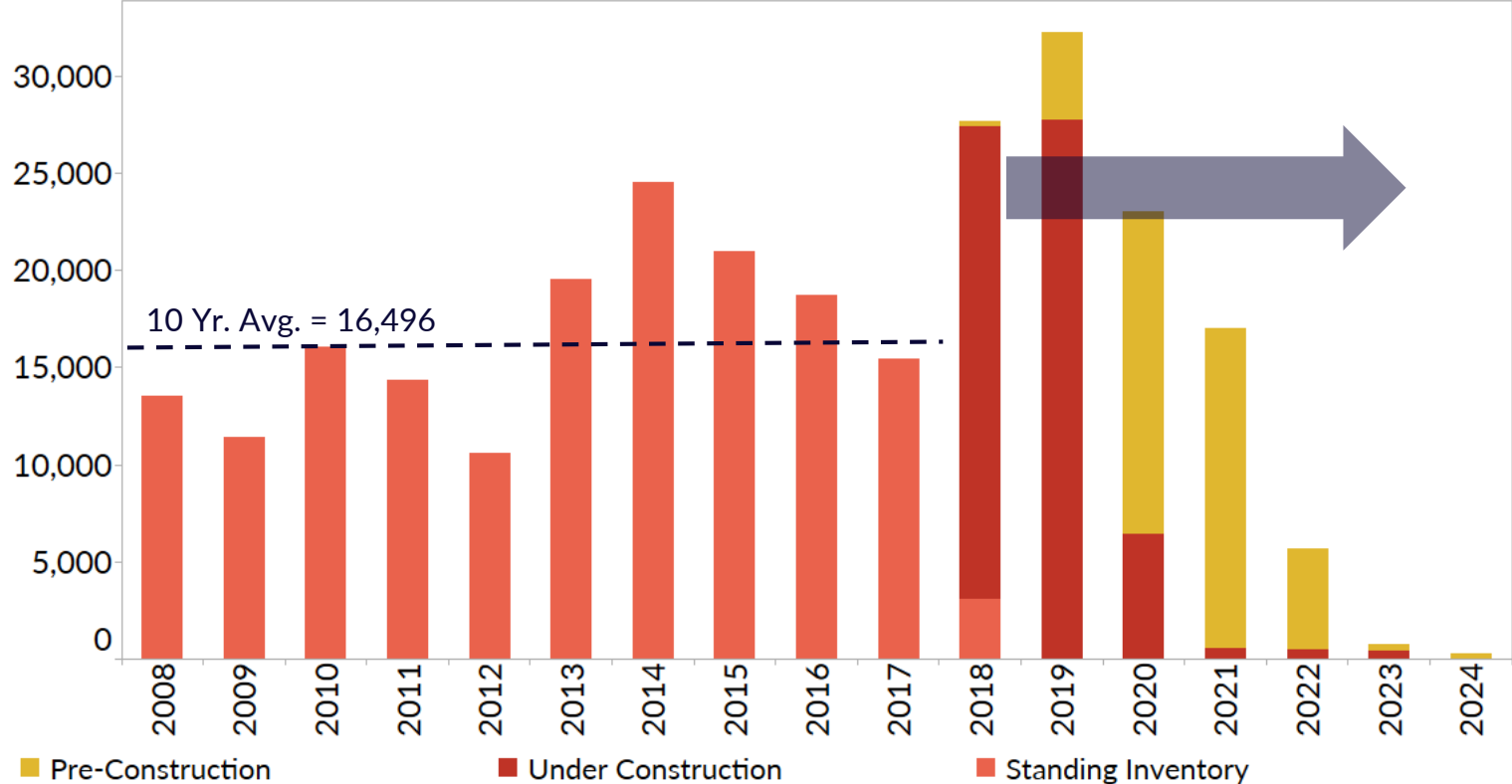
New Unit Releases

Greater Toronto Area - Jan. to Jun., 2017 & 2018 (Apr. to Jun. Estimated)



Source: Altus Group

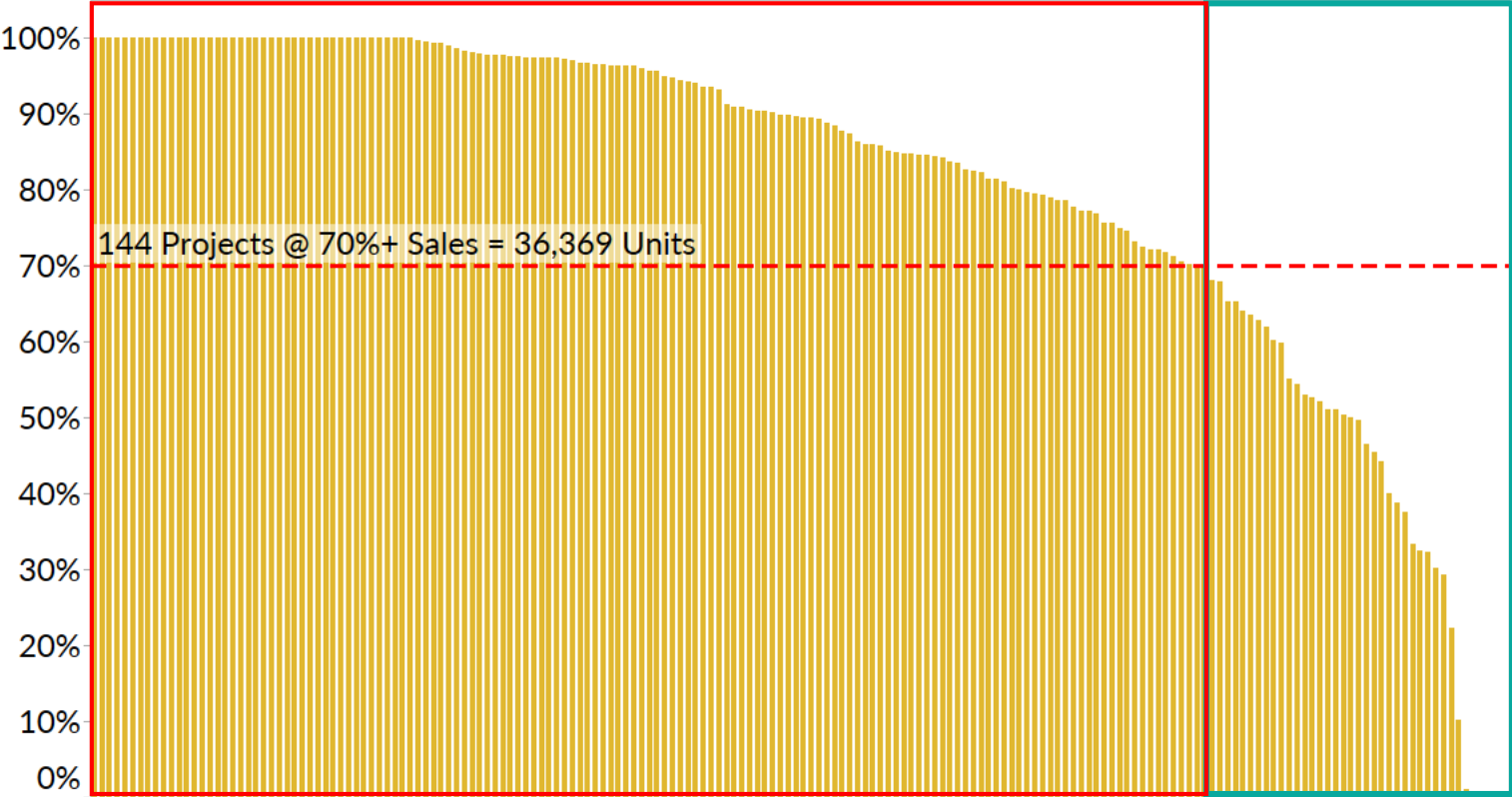
Yearly Condominium Apartment Completions
Greater Toronto Area



Source: Altus Group

Many Projects Starting Construction, Risk for Others

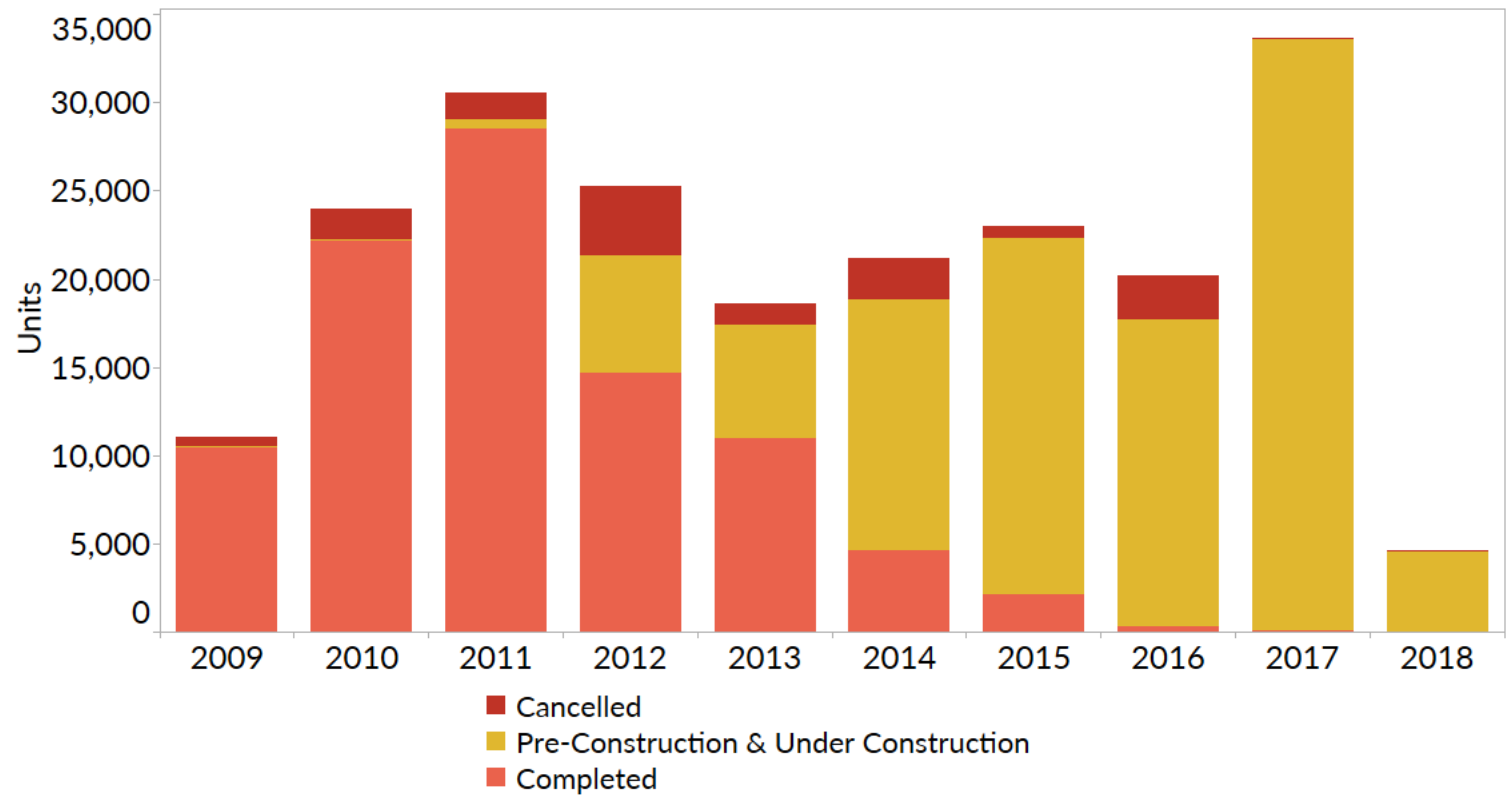
Pre-Construction Condo Apartment Projects by % Sold
Greater Toronto Area



Source: Altus Group

Project Cancellations a Small Portion of Overall Units

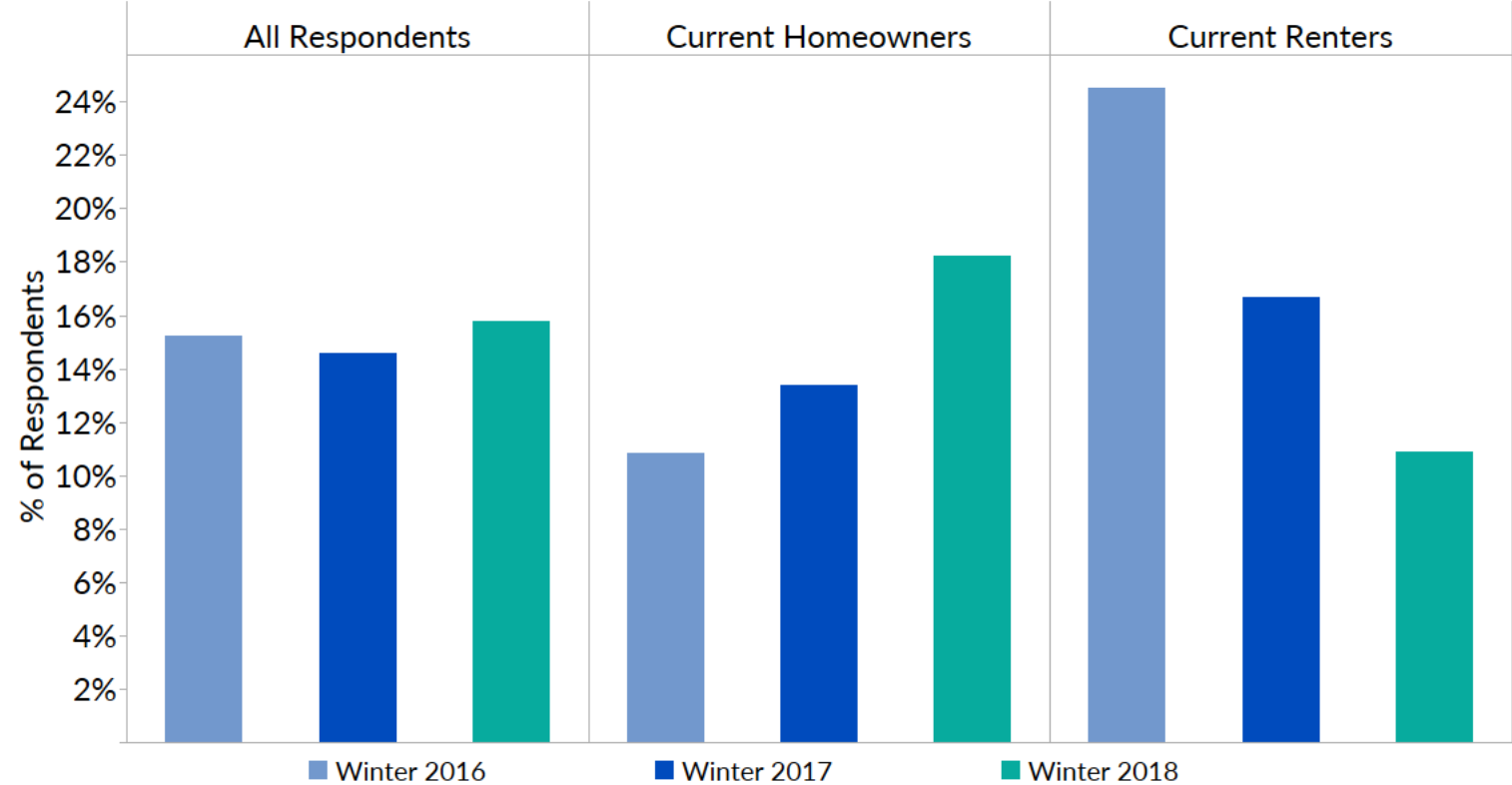
No. of Condo Apartment Project Cancellations by Year of Opening
Greater Toronto Area - 2009 to Q1 2018



Source: Altus Group

People Still Want to Buy a Home

Homebuying Intentions



Source: Altus Group

New Home Market Has Changed and That's Opportunity





Thank you.



Contact Us

Have any Questions?



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