Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of February 2019

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New Condominium Apartment Dashboard

February 2019			YTD February 2019	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
772	**11,269**	**$792,709**	**2,030**	**$798,174**
-58% ▼	**16%** ▲	**9%** ▲	**-24%** ▼	**11%** ▲
Lowest February since 2009	***Highest February since 2016***	***Record for February***	***Lowest since 2013***	***Record for YTD February***

% change is from same period a year earlier

Highlights

- **Total new condominium apartment sales in the GTA fizzled in February** following the promising start to the year in January.
- Factors contributing to the disappointing sales include **limited new openings** (only 5, with 3 of these near month end), **buyer resistance to prices**, and perhaps some "**wait-and-see" related to potential incentives** that were being hinted to be coming in the Federal budget.
- Looking ahead, **there is now more uncertainty as to whether new condominium apartment sales for 2019 as a whole can push, even slightly, above 2018's level.** While we still expect a reasonable year for sales, the Spring market is likely to be more muted now than previously envisioned as builders with projects ready to launch re-assess their market timing in light of less certainty on the underlying strength of the economy and some potential buyers wait for more information on the **First-Time Home Buyer Incentive** (*see our preliminary Federal budget analysis later in this report*). While the Fall market is expected to pick up, some of the sales recovery could be pushed into 2020.

Condominium Apartment KPIs

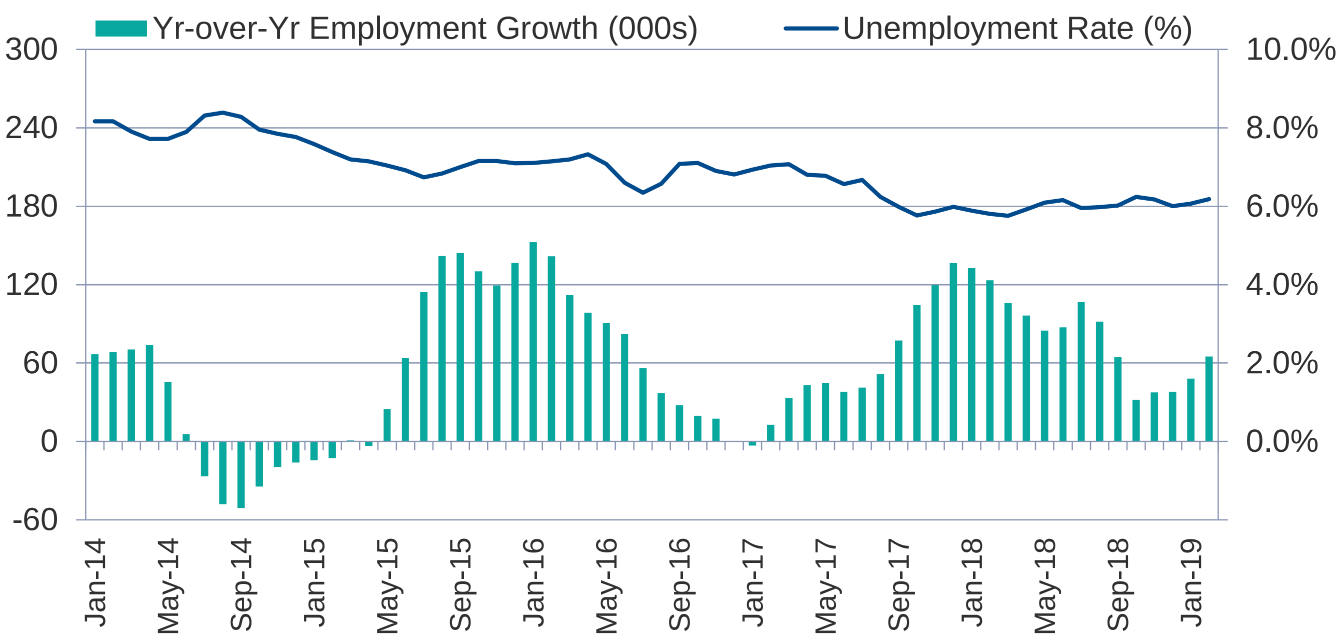
GTA Condominium Apartment Key Performance Indicators

	Feb-18	Jan-19	Feb-19	*Yr-Over-Yr % Change*	YTD Feb 2018	YTD Feb 2019	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	285	327	330	*16%*	282	329	*17%*
New projects opened	13	2	5	*-62%*	18	7	*-61%*
Units in new projects opened	3,404	862	1,096	*-68%*	4,645	1,958	*-58%*
Total sales (units)	1,860	1,258	772	*-58%*	2,685	2,030	*-24%*
Sales as % of total new & resale	*53%*	*50%*	*33%*		*48%*	*42%*	
Inventory (units)	9,702	10,471	11,269	*16%*	8,894	10,870	*22%*
Sales-to-inventory ratio	19%	12%	7%	*-64%*	15%	9%	*-36%*
Months of inventory	3.5	5.8	6.5	*84%*	3.2	6.1	*92%*
Benchmark price	$729,735	$803,638	$792,709	*9%*	$722,083	$798,174	*11%*
Price PSF Benchmark	$814	$910	$902	*11%*	$808	$906	*12%*
Unit size Benchmark (sq. ft)	896	883	879	*-2%*	894	881	*-1%*
Units completed	1,082	1,038	1,401	*29%*	1,444	2,439	*69%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,631	1,238	1,536	*-6%*	2,906	2,774	*-5%*
New listings (units)	2,486	2,521	2,453	*-1%*	4,725	4,974	*5%*
Inventory ("active listings", units)	2,768	2,657	2,821	*2%*	2,680	2,739	*2%*
Sales-to-inventory ratio	59%	47%	54%	*-8%*	54%	51%	*-7%*
Months of inventory	1.3	1.4	1.5	*16%*	1.2	1.4	*17%*
Average price of units sold	$529,782	$548,176	$562,161	*6%*	$520,002	$555,920	*7%*
HPI constant quality price index (Jan 2005=100)	239.8	254.0	258.8	*8%*	237.5	256.4	*8%*

** see end of report for Definitions*

- **Employment in the GTA continued to expand in February, on both a year-over-year and month-to-month basis.** The unemployment rate, however, inched up for the 2nd month in a role, as more people entered the labour force seeking job opportunities.
- **After several modest bump-ups since the beginning of 2018, posted mortgage rates and average effective mortgage rates have been relatively stable more recently** *(chart top of next page*), according to Bank of Canada and Altus Group FIRM data and future increases are likely on hold for the time being. The Bank of Canada maintained the target for the overnight rate at 1.75% again at the rate announcement on March 6, suggesting that the timing of future increases was uncertain (and hinting at potential declines) by noting that "*the outlook continues to warrant a policy interest rate that is below its neutral range. Given the mixed picture that the data present, it will take time to gauge the persistence of below-potential growth and the implications for the inflation outlook. With increased uncertainty about the timing of future rate increases, Governing Council will be watching closely developments in household spending, oil markets, and global trade policy."* The next rate announcement is April 24, 2019.
- **As shown last month, intentions to buy homes were higher among GTA renter households – the key potential first-time buyer group – early this year compared to last year**, likely at least in part reflecting the fact that first-time buyers have now had had time to build up their downpayments in order to qualify for a mortgage based on the more stringent stress tests. Renters are more concerned this year however about their future job prospects**,** according to Altus Group's FIRM Survey (*chart bottom of next page*).

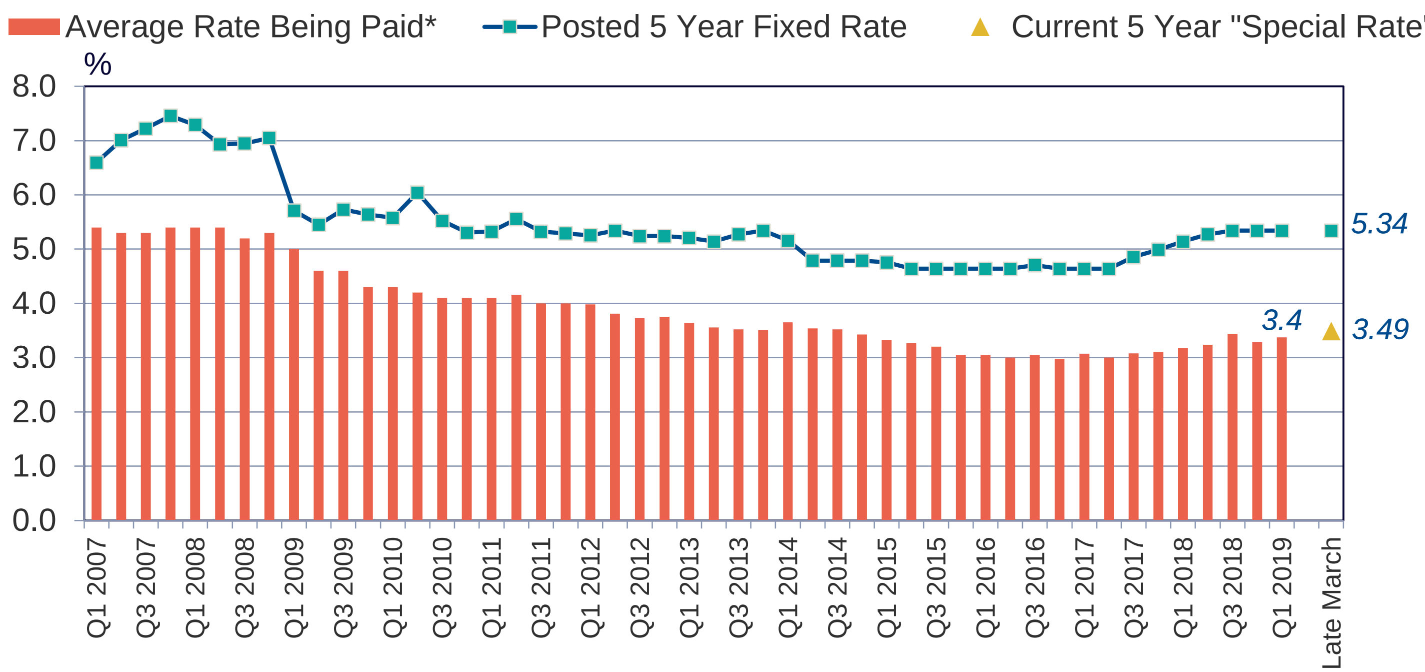
GTA Employment*



** Data are based on 3 month moving averages*

Source: Altus Group based on Statistics Canada data

Canadian Mortgage Rates

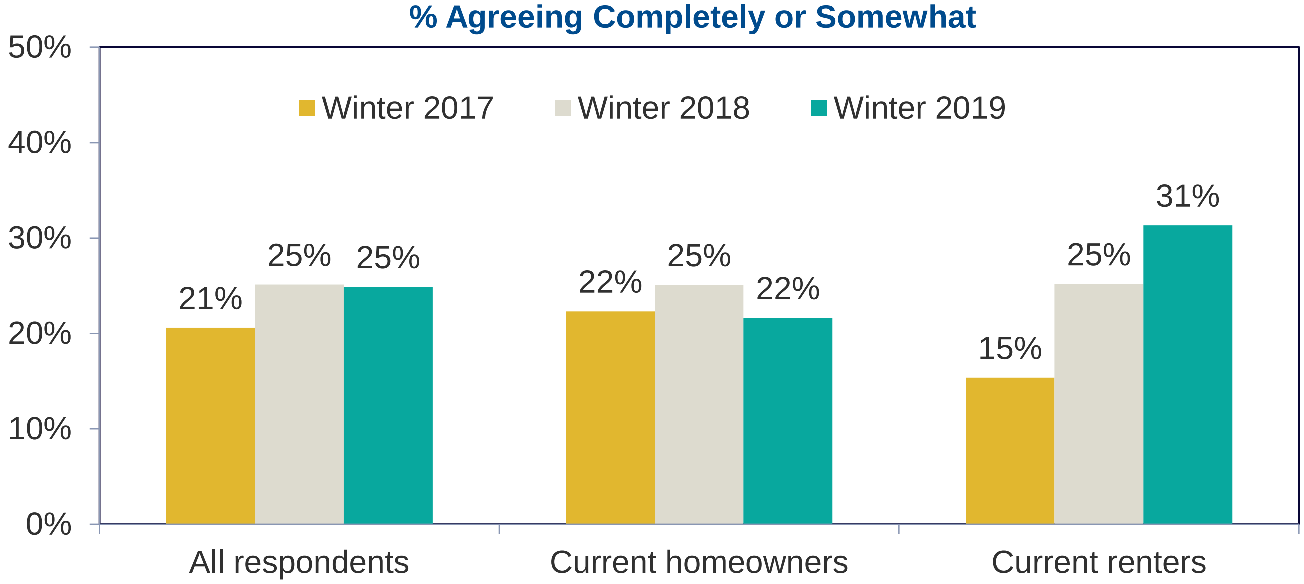


Source: Altus Group and Bank of Canada data

** The average rate currently being paid by all mortgage customers, regardless of term or type or when arranged*

Concerned About Self/Spouse Losing Job Over Next Year, GTA

% Agreeing Completely or Somewhat

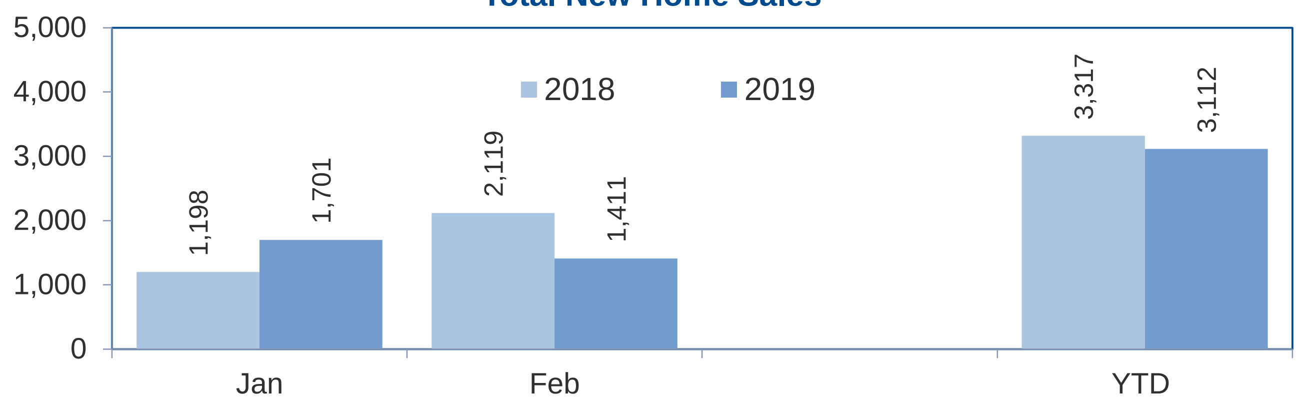


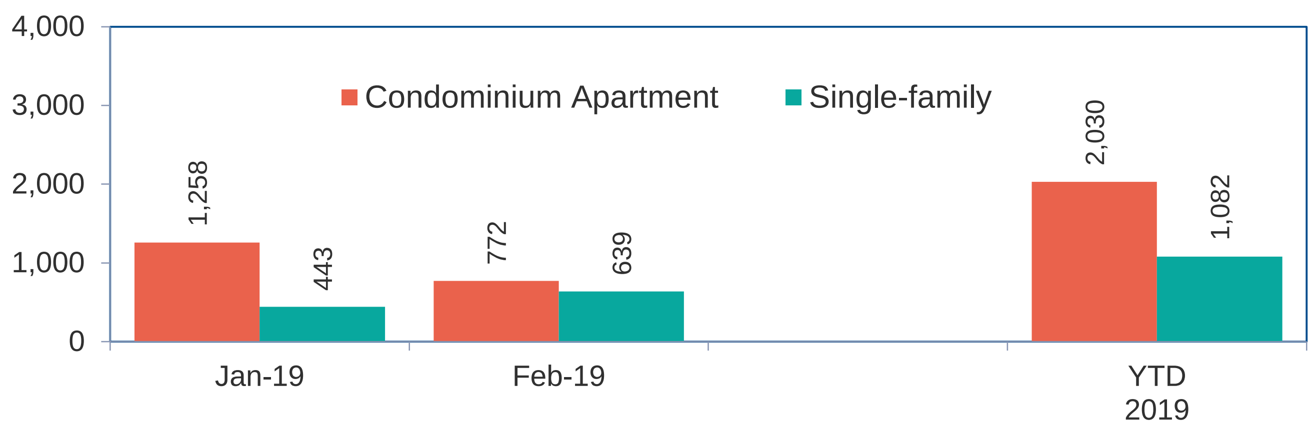
Source: Altus Group

- **Total sales of new homes in the GTA slipped in February, both compared to January and February of 2018**. However, with revised data for January showing a stronger month than originally reported, year-to-date sales are tracking just below 2018 levels.
- **Single-family sales in February had their best month since April 2017**, although remain very low in historical terms. Year-to-date, single-family sales are up 71% from last year.
- **Condominium apartment sales in February were the lowest February since recession-impacted 2009.**
- The patterns are mixed by region (*charts next page*). **Total new home sales are up year-to-date in Peel and Halton**, largely due to the improvement in single-family sales. The largest drop has been in York Region, as some modest improvement in single-family home sales has not been enough to offset the plunge in condominium apartment sales.

GTA New Home Sales

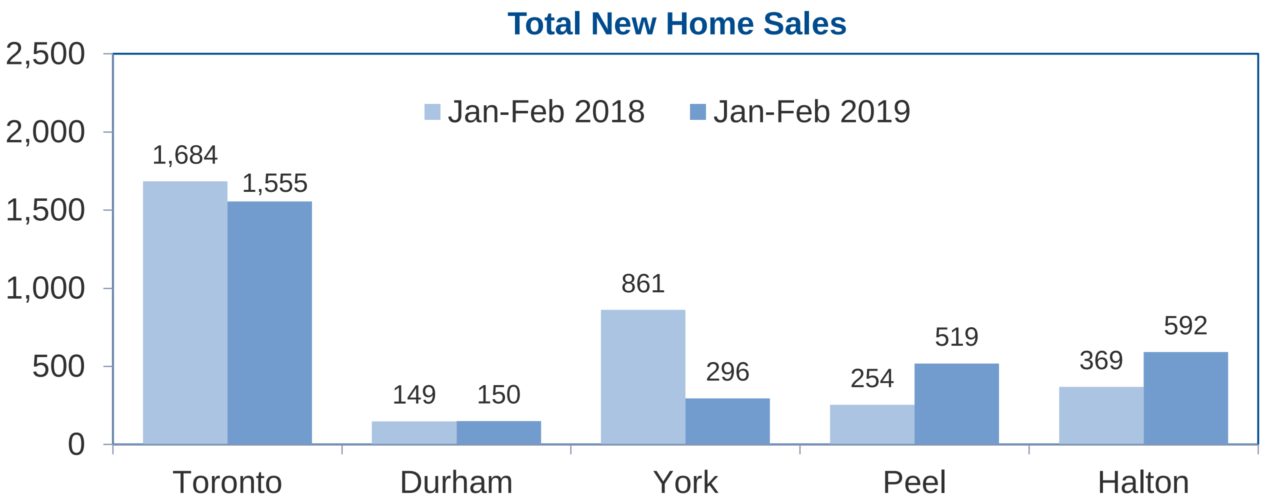
Total New Home Sales

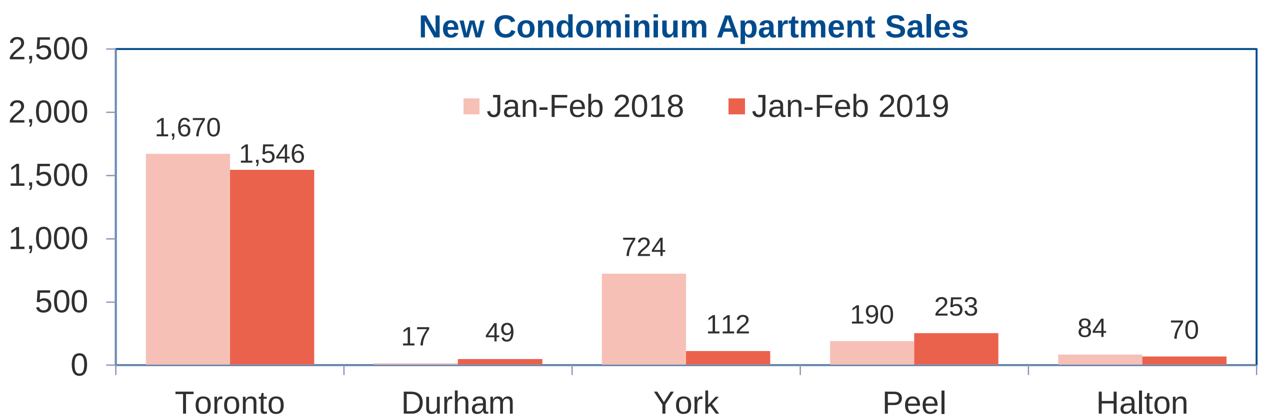


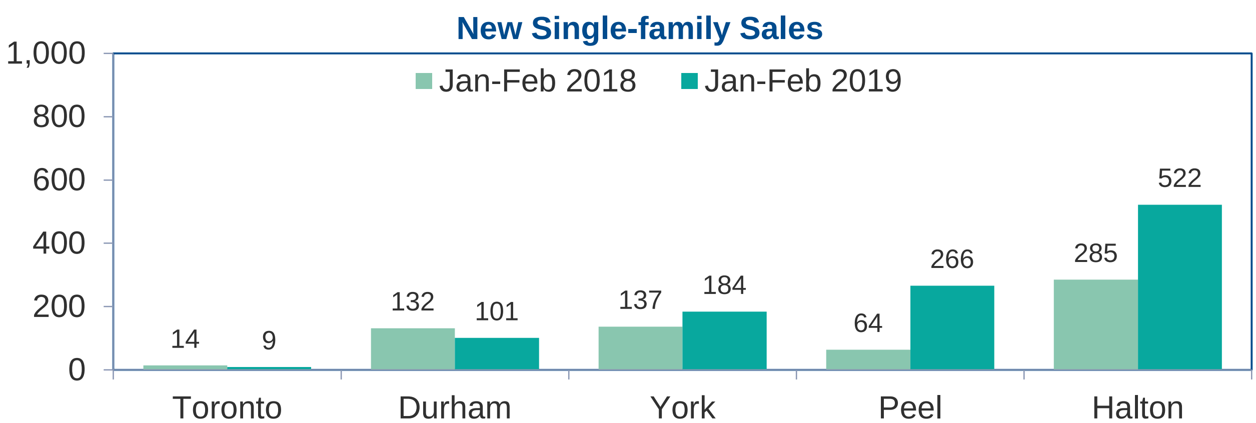


Source: Altus Group

GTA New Home Sales by Region



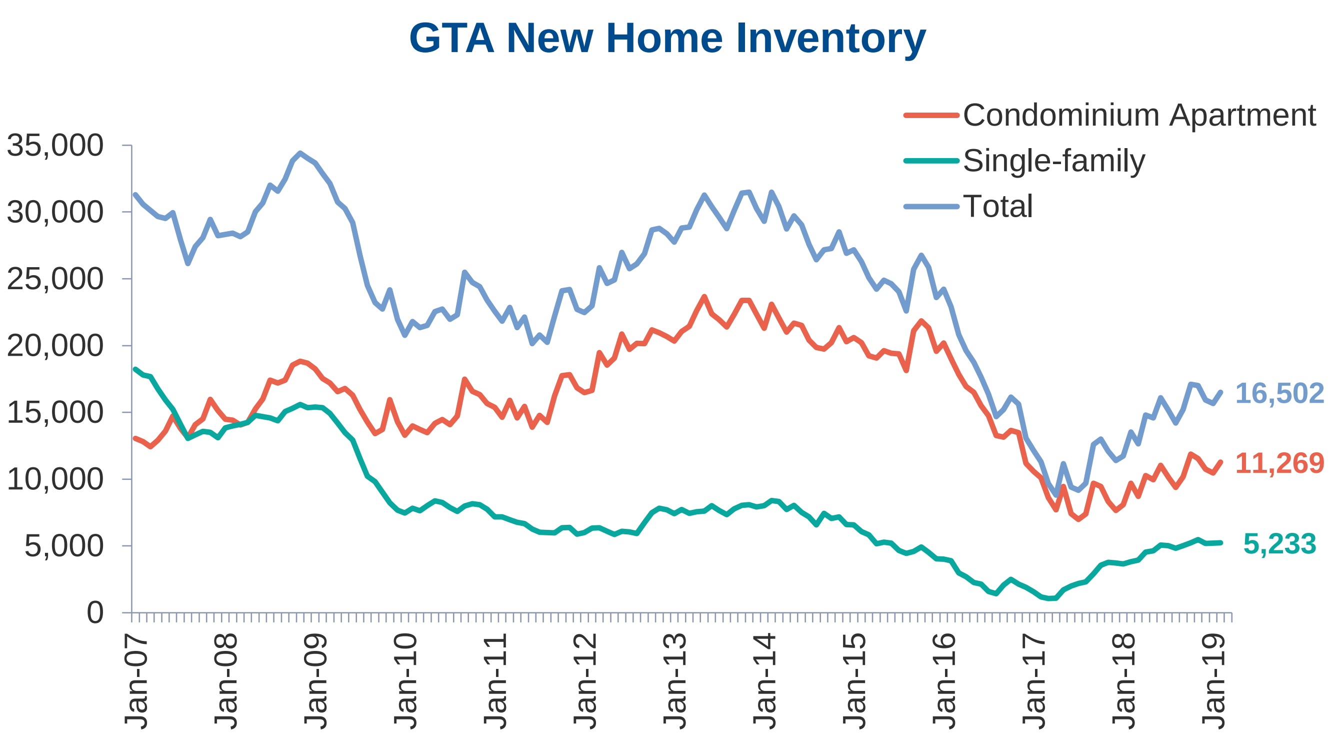




Source: Altus Group

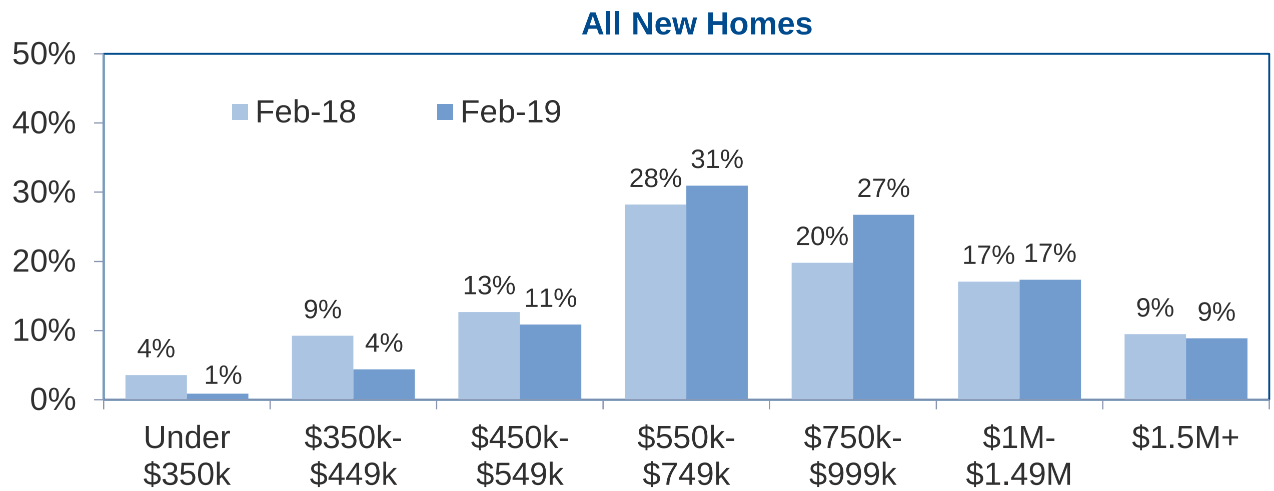
New Home Market - Inventory

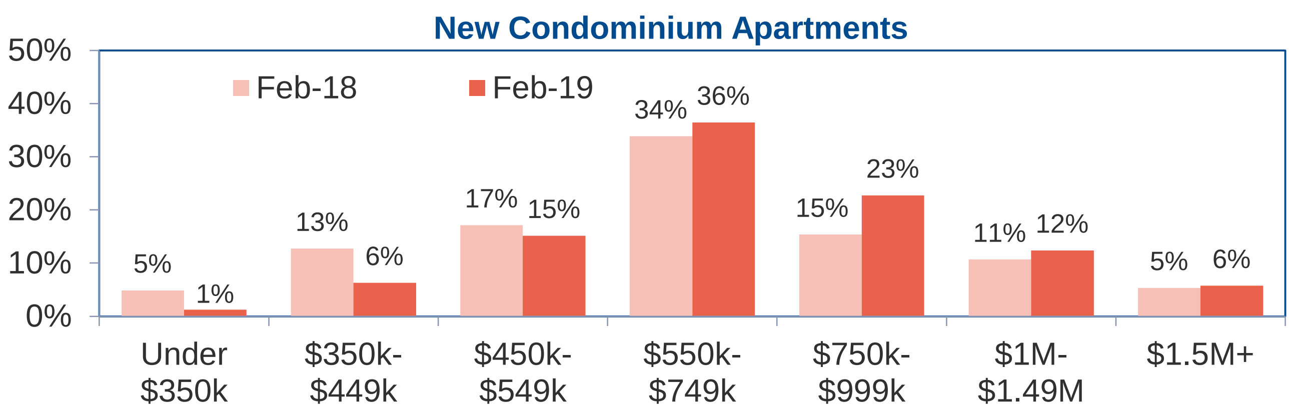
- **Total new home inventory available to purchase inched up in February**, with both the single-family and condominium apartment sectors contributing to the increase. For condominium apartments, the increase is due in part to the fact that most new openings occurred late in the month.
- **The available supply of "more affordable" single-family product has improved somewhat over the past year**, with a higher number of units available to purchase in the under $1 million range (*chart bottom of next page*).
- **The opposite is true however for condominium apartments, with about 4 in 10 now priced at $750,000 or more**, compared to 1 in 3 a year ago (*chart middle of next page*). Unlike the single-family sector, however, there is inventory available to purchase that is below the half million dollar mark (*more on this in our Federal budget analysis later in this report*).

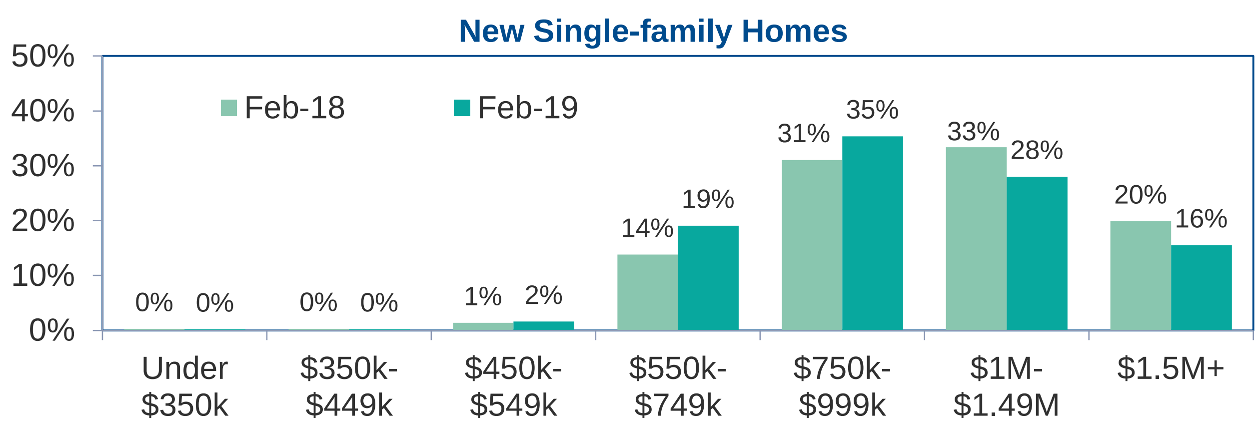


Source: Altus Group

Available Inventory by Asking Price Range

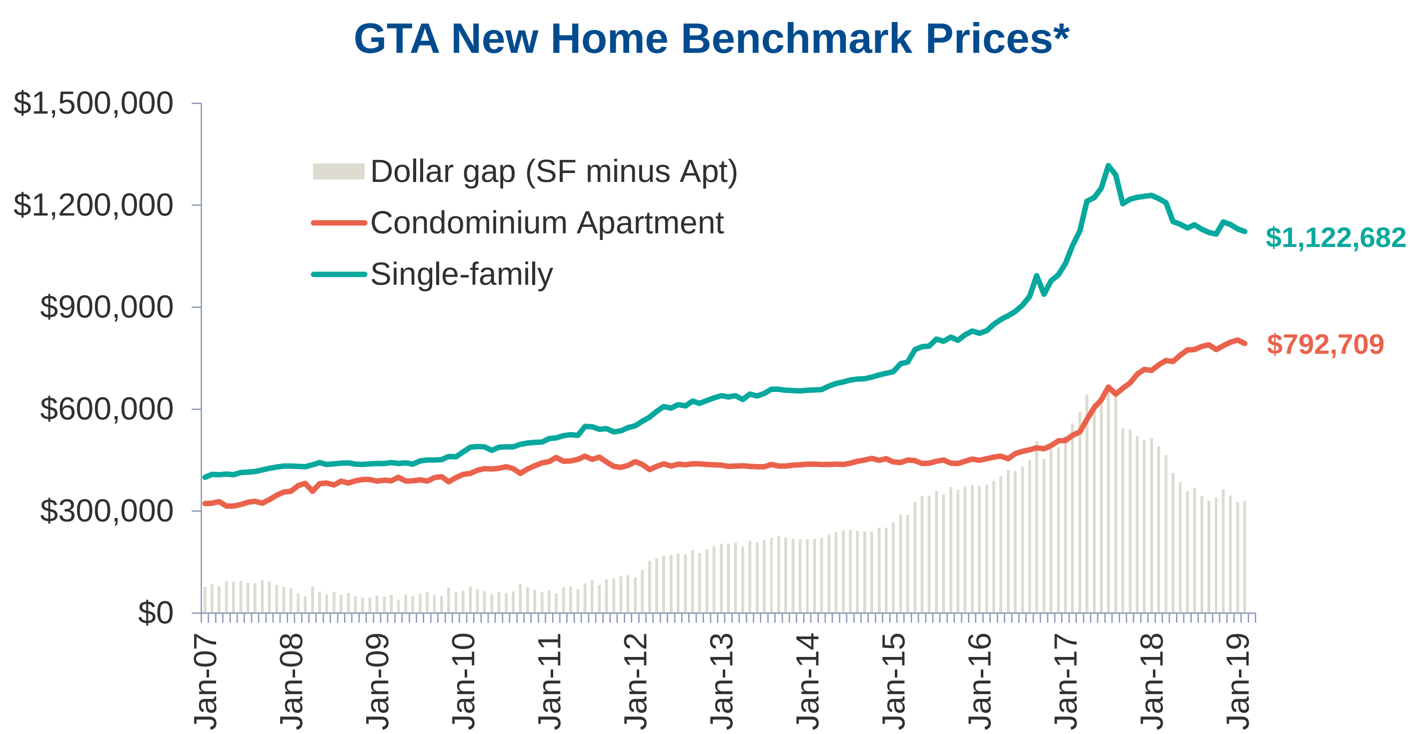






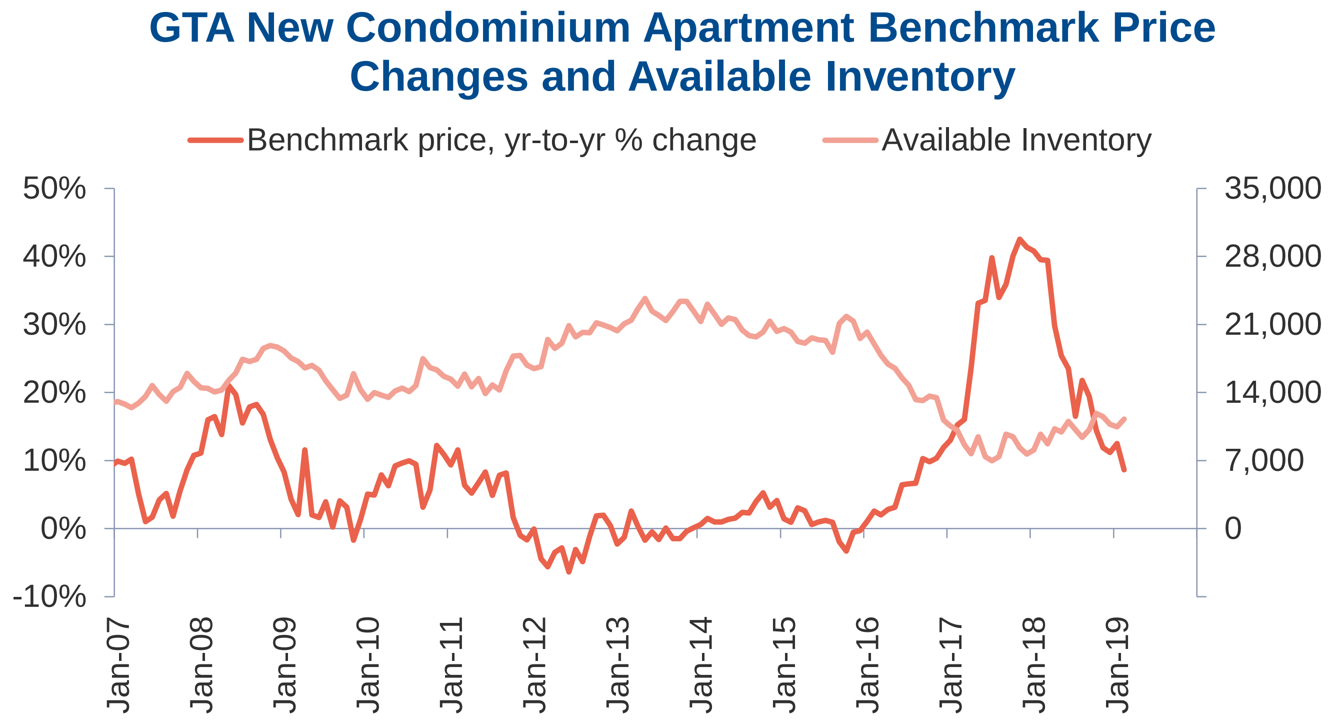
Source: Altus Group

- **The Benchmark price for a new single-family home dipped for the 3rd month in a row in February**, and sits 8% below February 2018 (*chart bottom of next page)* and 15% below the peak in July 2017.
- **The Benchmark price for a new condominium apartment eased slightly in February**, but remains well above a year ago, up by 9% (*chart top of next page*).
- **The relatively small gap in both percentage and absolute dollar terms between the benchmark prices of a new single-family home and a new condominium apartment** is a likely factor in the softer condominium apartment sales recorded in February.

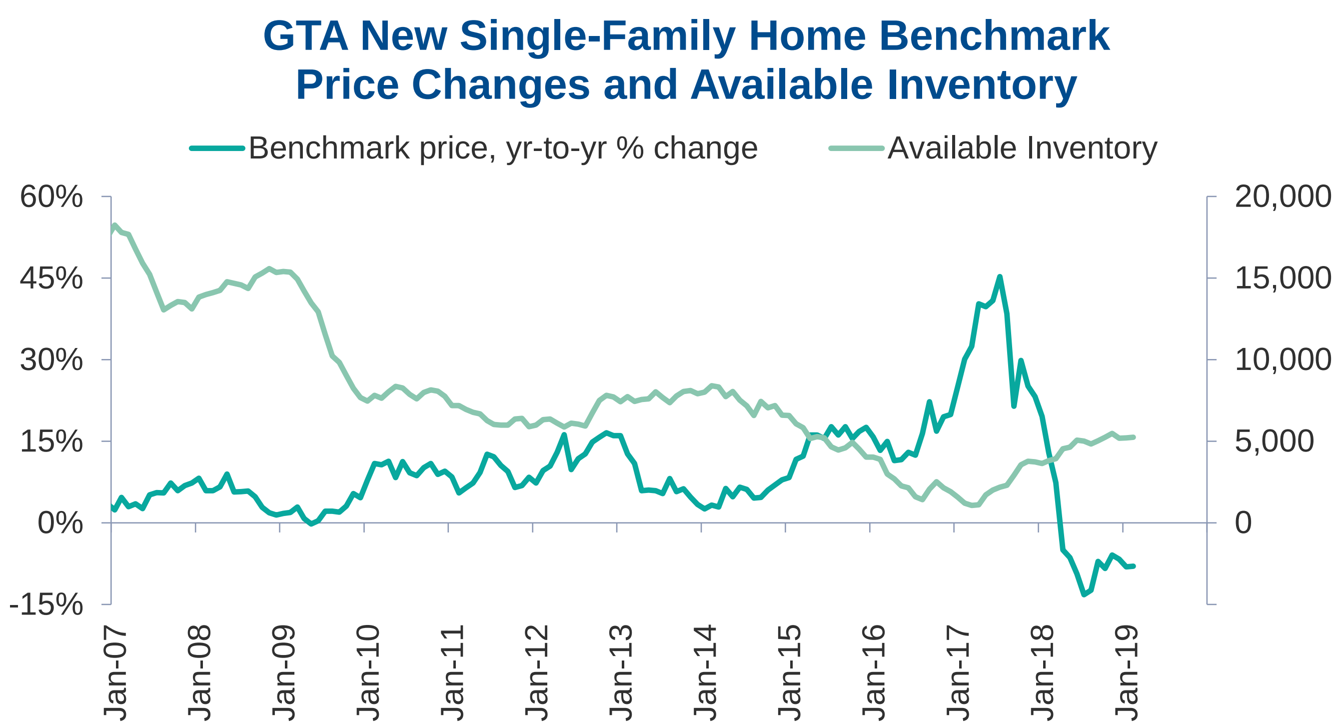


** Average asking price of available new home inventory at end of period with outliers removed*

Source: Altus Group



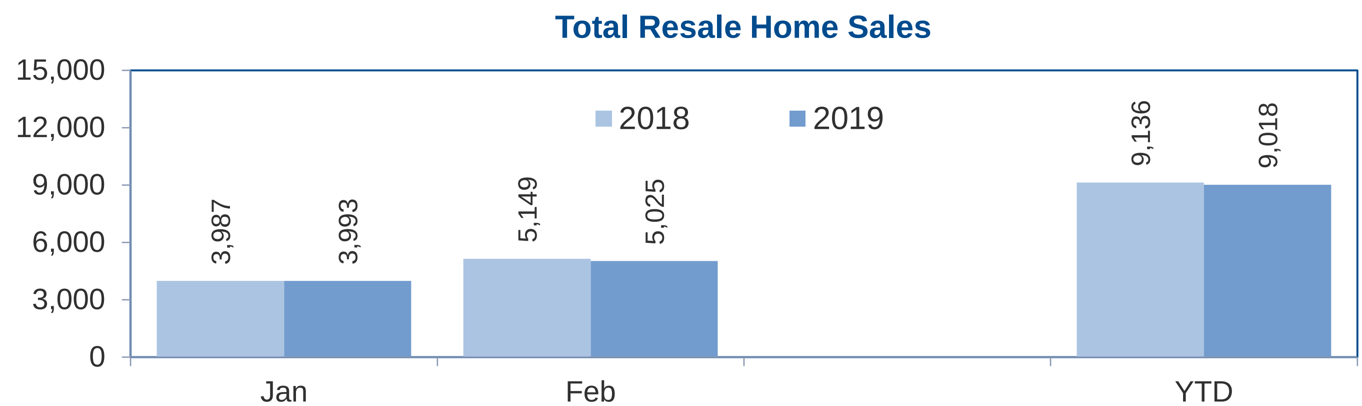
Source: Altus Group

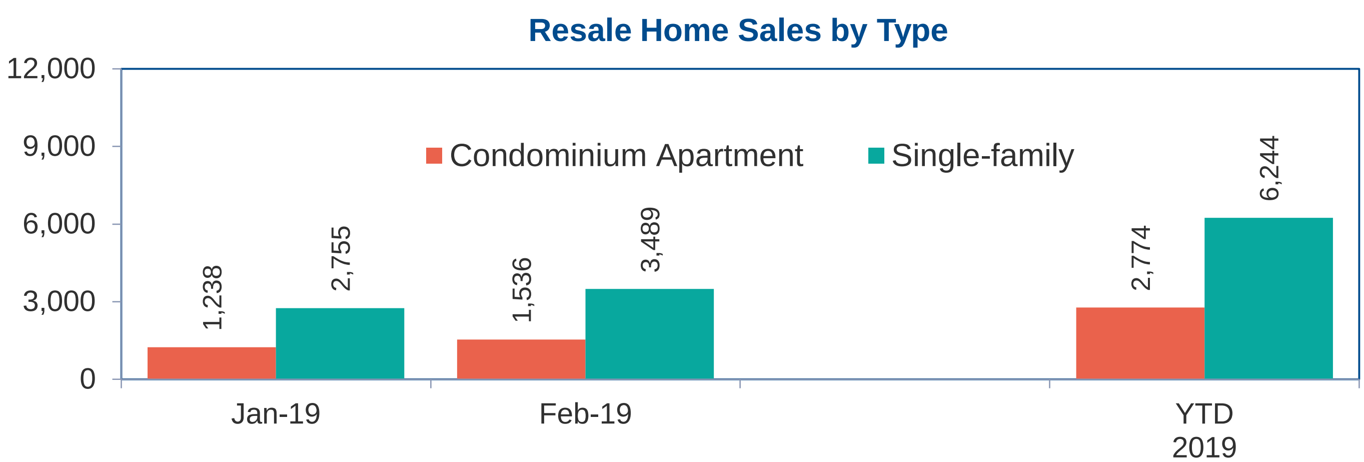


Source: Altus Group

- **Total sales of existing homes** (as reported by the Toronto Real Estate Board) **in February 2019 were just slightly below a year earlier**, but up from January (the typical seasonal pattern)**.** Both single-family and condominium apartment sales were just below their year ago levels.
- **Resale inventories moved up in February,** for both single-family and apartment product (*chart top of next page*), which is the typical seasonal pattern. Single-family inventory remains high in historical terms while the opposite is true for condominium apartments.
- Average overall resale prices were up in February from January, and 1.6% higher than in February 2018 (*chart bottom of next page*). **While the average price for a resale condominium apartment was up about 6% from a year earlier, the average single-family price was similar to last year.**

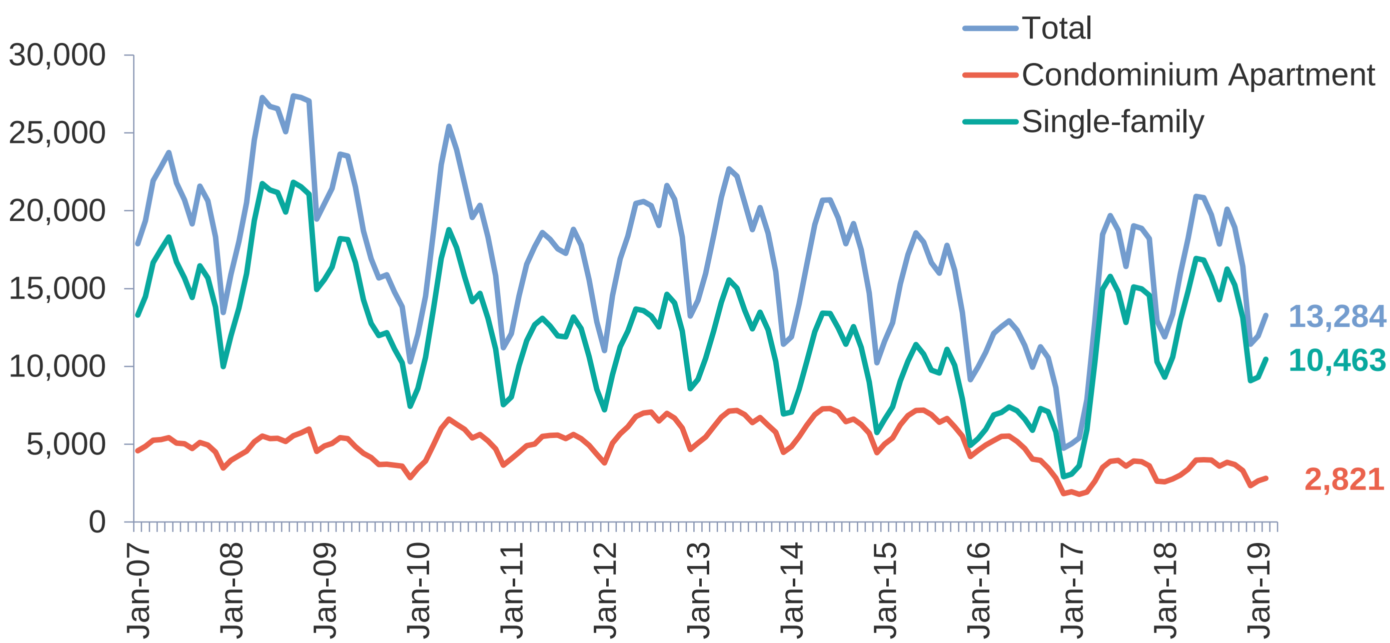
GTA Resale Home Sales





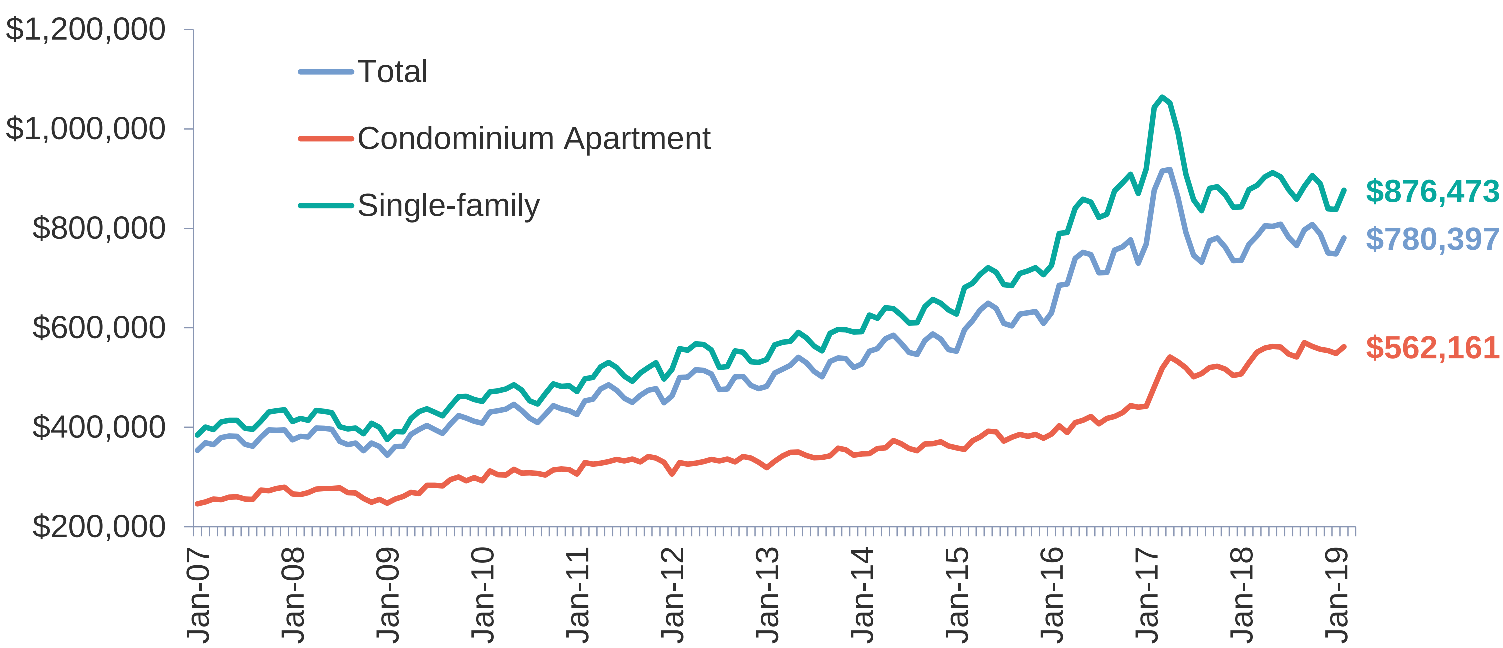
Source: Altus Group based on Toronto Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



Source: Altus Group based on Toronto Real Estate Board data

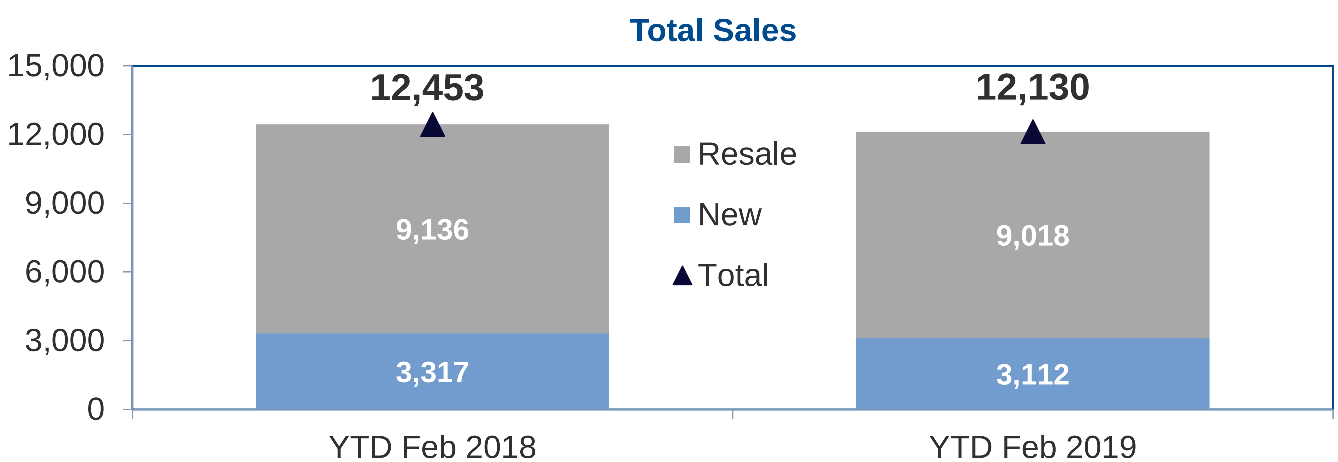
GTA Resale Home Prices

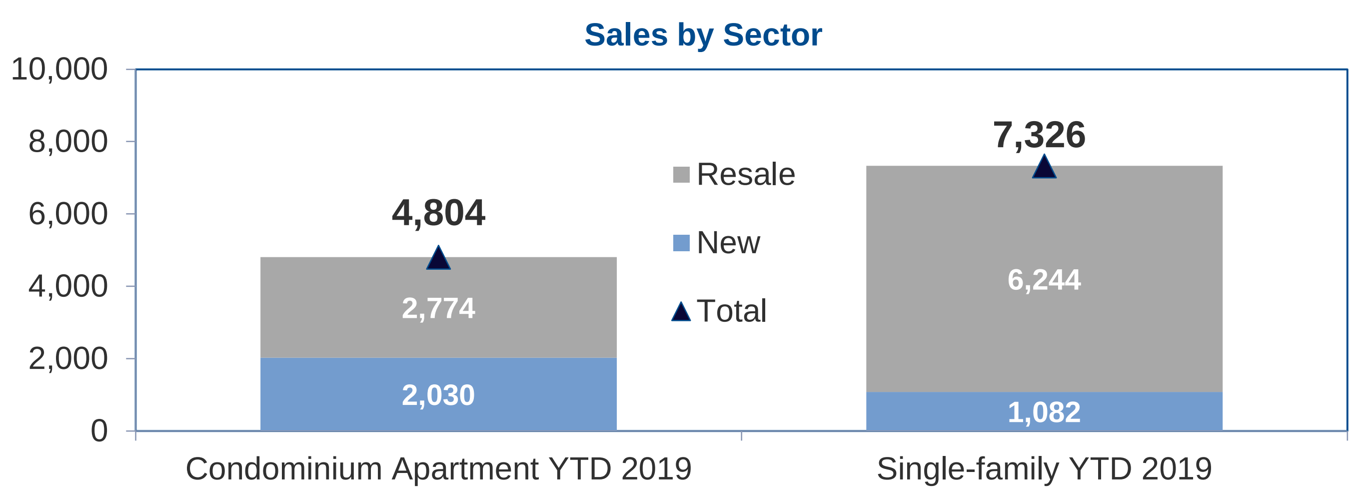


Source: Altus Group based on Toronto Real Estate Board data

- **Combined resale and new home sales,** as measured by TREB and Altus Group, totaled just over 12,000 units for the first 2 months of 2019, **down about 3% from last year**. Both the new and resale sectors contributed to the dip.
- **About 1 in 4 total home sales year-to-date were new homes – similar to the ratio in 2018**. The ratios however are quite different for single-family homes, with new accounting for 15%, and condominium apartments, where 42% of sales in the first 2 months of the year were new condos.

GTA Combined New & Resale Home Sales

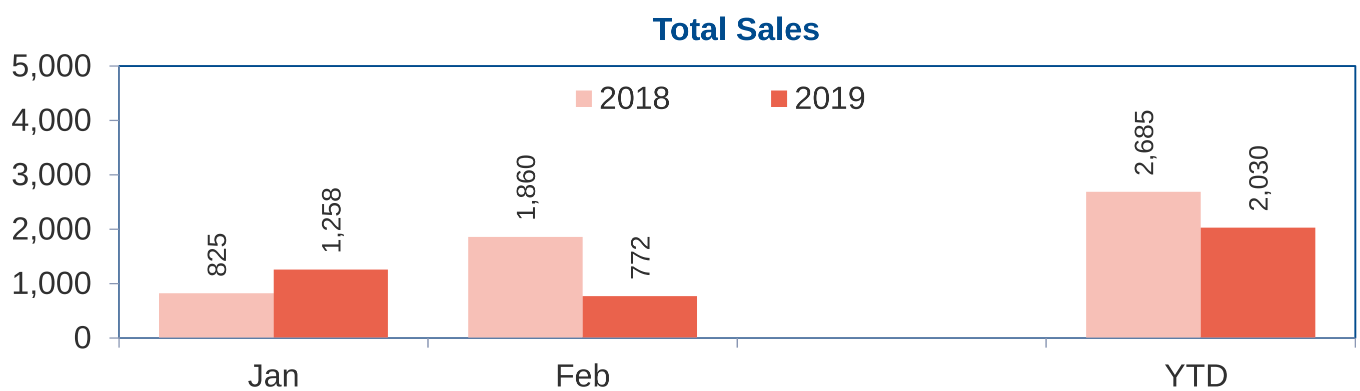


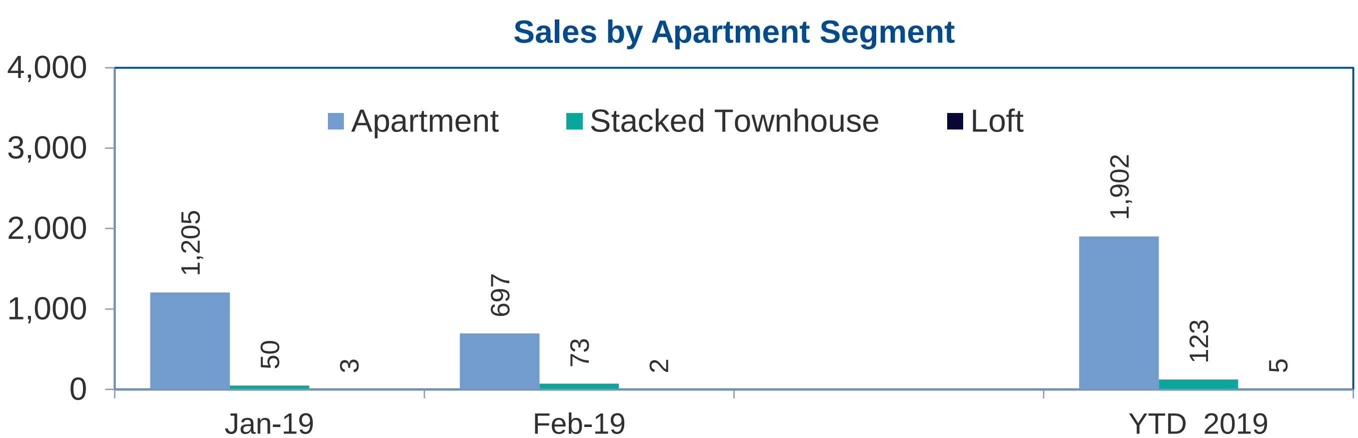


Source: Altus Group and Toronto Real Estate Board data

- **Total new condominium apartment sales fizzled in February 2019**, down significantly from both a year ago, and from January. Relatively few launches, as well as price escalation in recent years – in absolute terms and relative to single-family new homes – are playing a role. It is also possible that speculation ahead of the federal budget about potential new programs/measures put some first-time buyers (and builders) into wait-and-see mode. Later in this report, we give our take on the potential impact of the housing related budget measures.
- While still relatively small, sales of new stacked townhouses were up in the first 2 months of this year compared to last year (81% year-to-date).
- **The year-over-year decline in new condominium apartment sales in February was focused in the City of Toronto and York Region** *(chart next page).*

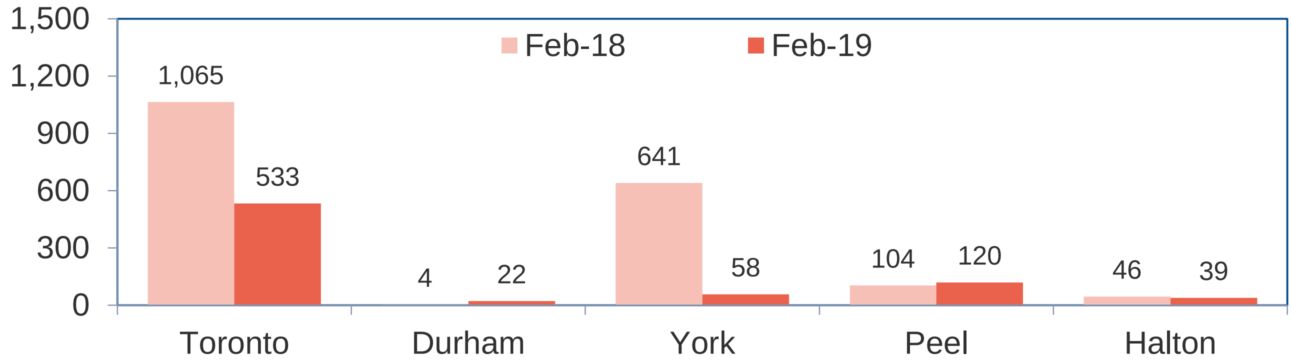
GTA New Condominium Apartment Sales

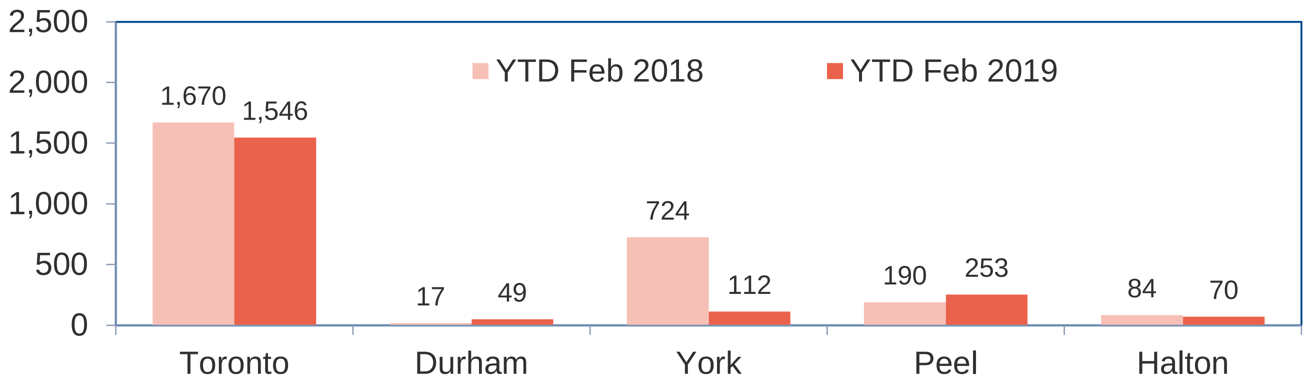


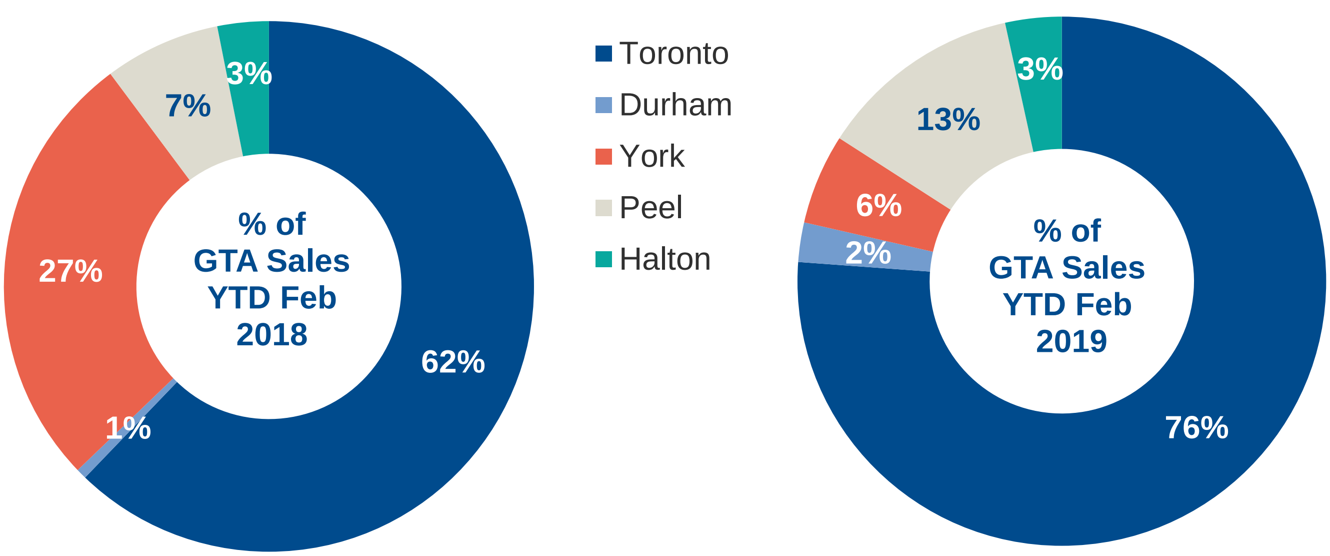


Source: Altus Group

GTA New Condominium Apartment Sales by Region



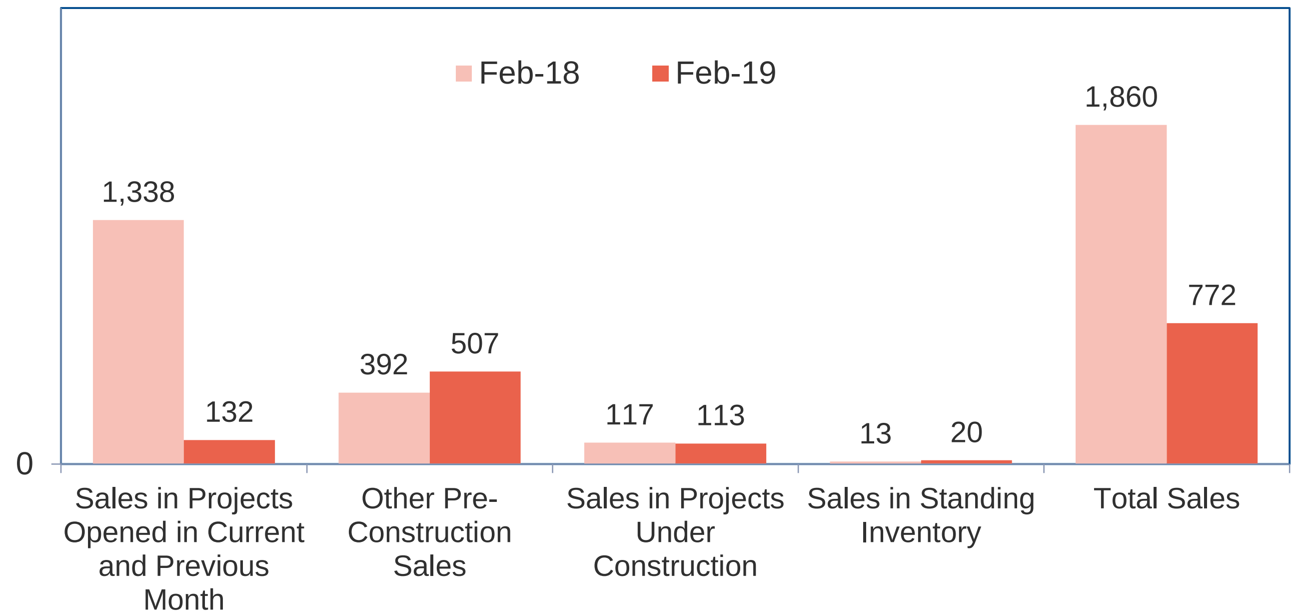




Source: Altus Group

- **Relatively few projects opened in January and February, and these accounted for only 17% of total sales of new condominium apartments in February 2019.** Sales in projects opened more than 2 months were actually above levels of a year ago.
- **There is little standing inventory to purchase** *(chart next page)* and therefore few sales in this segment.

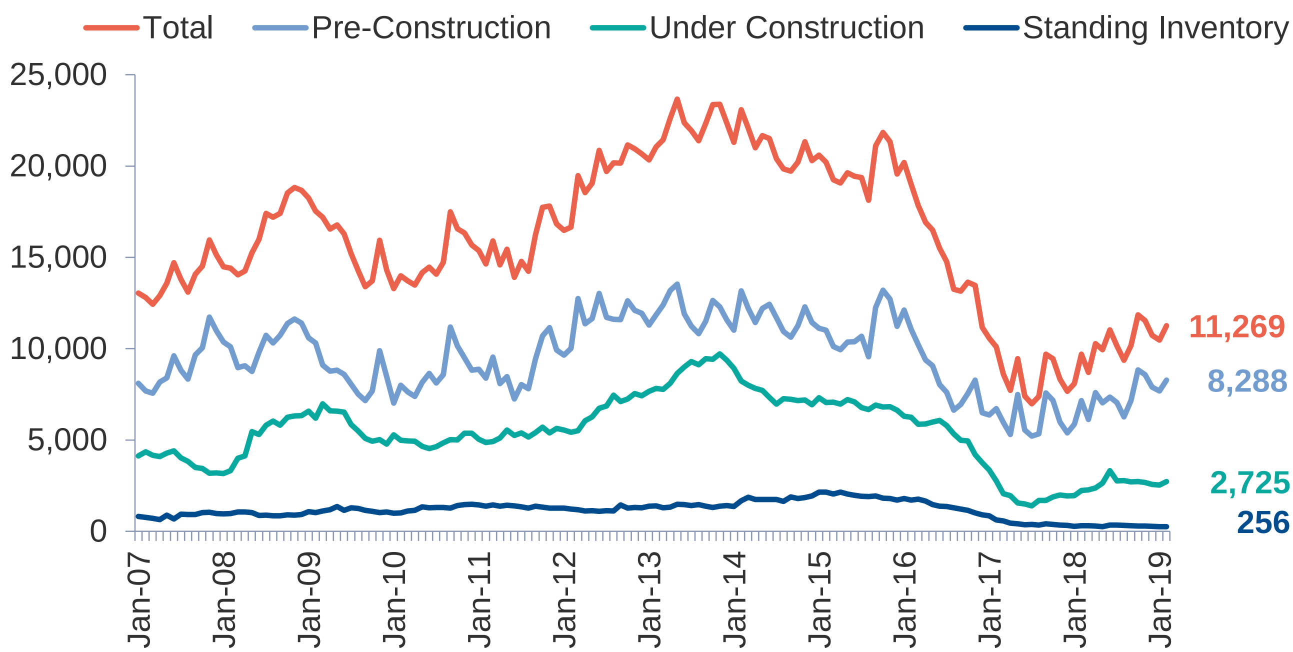
GTA New Condominium Apartment Sales by Construction Status

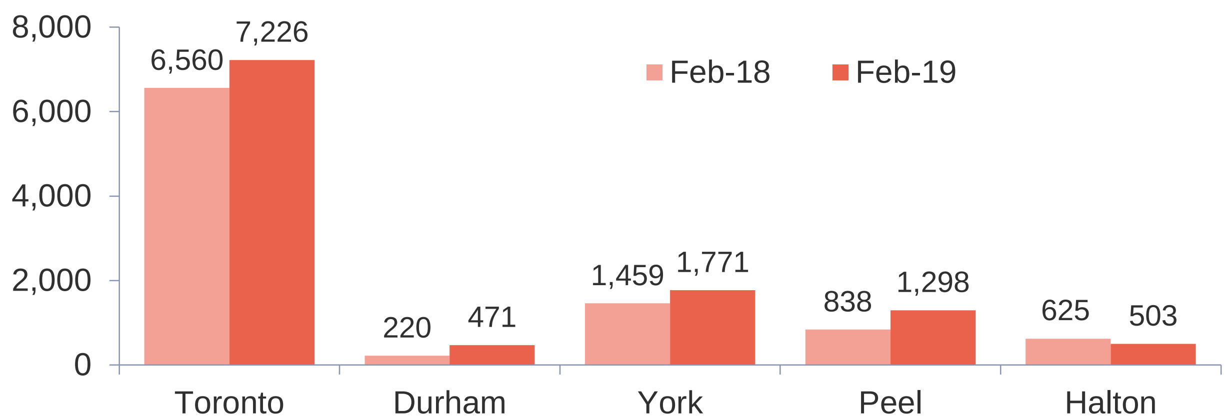


Source: Altus Group

- **New condominium apartment available inventory reversed up slightly in February, as February sales were less than the number of units in the 5 new projects opened.** However, 3 of the 5 new projects opened within the last 10 days of the month, when firm sales are not recorded.
- **The current inventory represents just over 6 months of supply** at the pace of sales over the past 12 months. While up from February of the previous 2 years, **this compares to the average of about 11 months for February for the 2001-2016 period**, and is below each year in that period.
- Inventory is up compared to last year in all regions except Halton.

GTA New Condominium Apartment Inventory

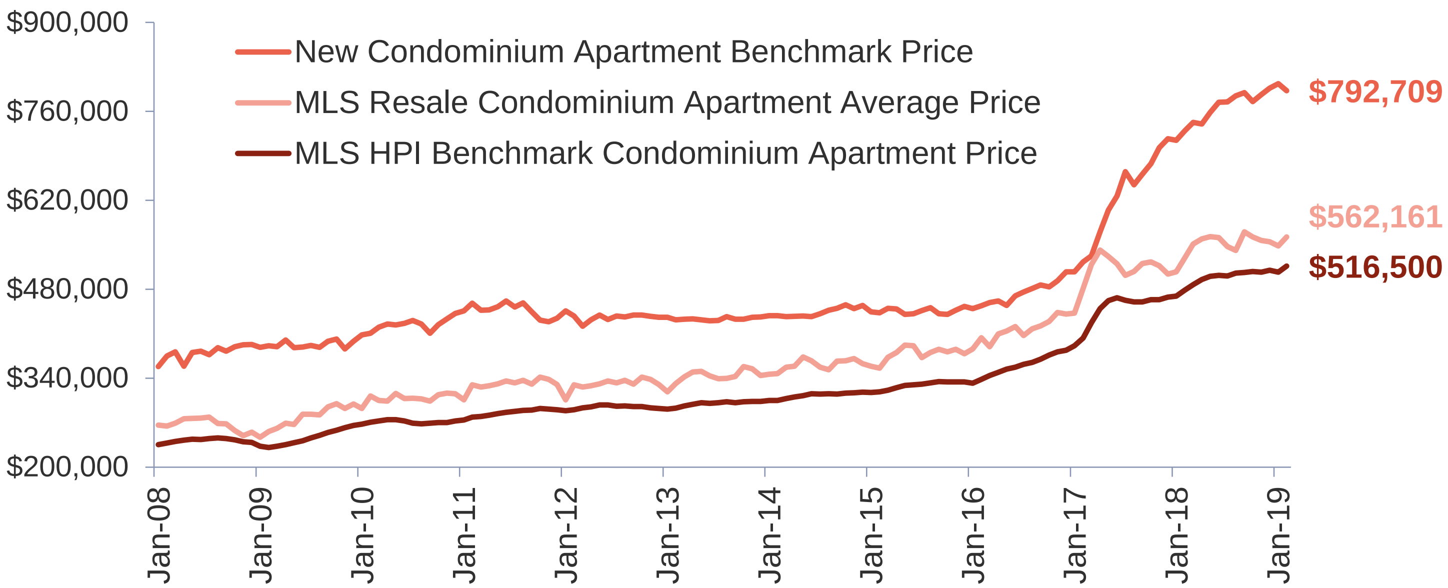


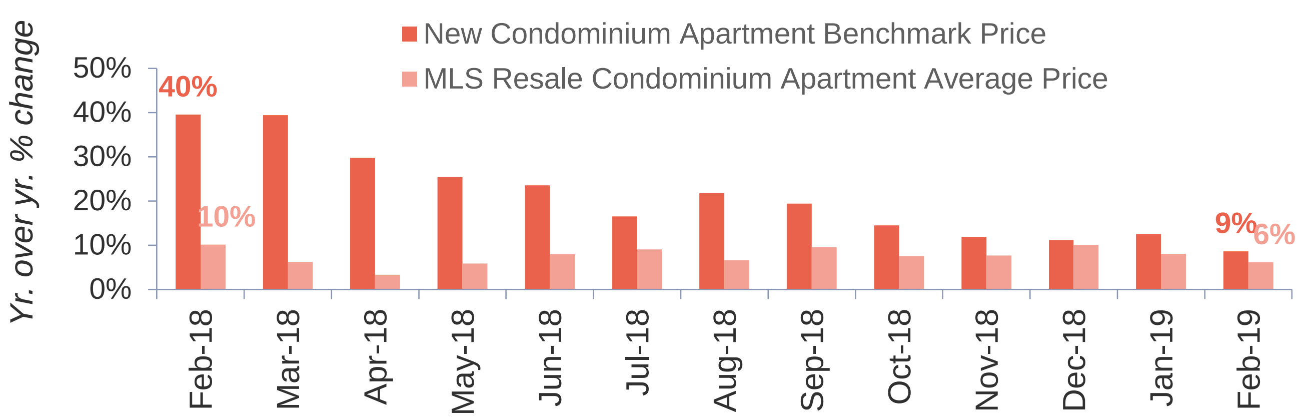


Source: Altus Group

- **New condominium apartment prices eased slightly in February, but are up 9% from a year earlier**.
- The average price of a resale condominium apartment was up slightly in February, and sits 6% above February 2018.
- **A halt to the upward march in new condominium apartment prices is important in terms of improving the relative affordability of new condominium apartments vis-à-vis resale product**, after the gap that opened up since early 2017.

GTA New and Resale Condominium Apartment Prices

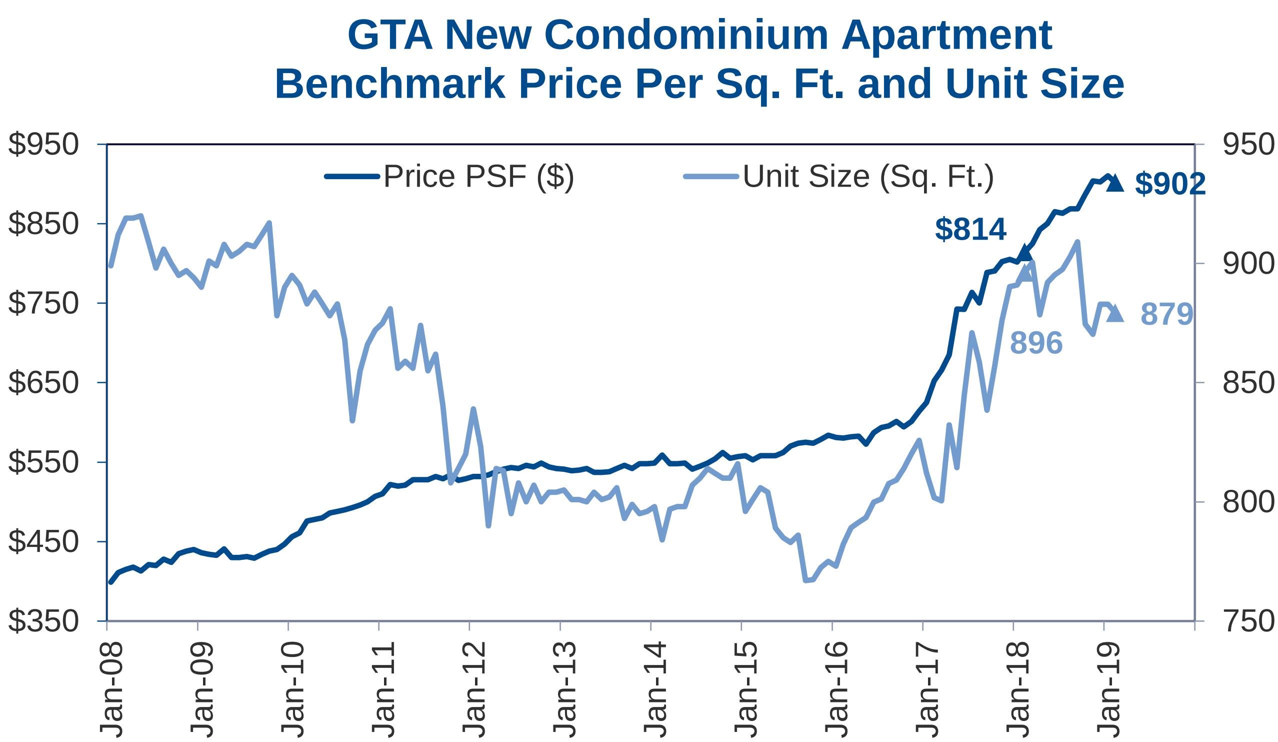




Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

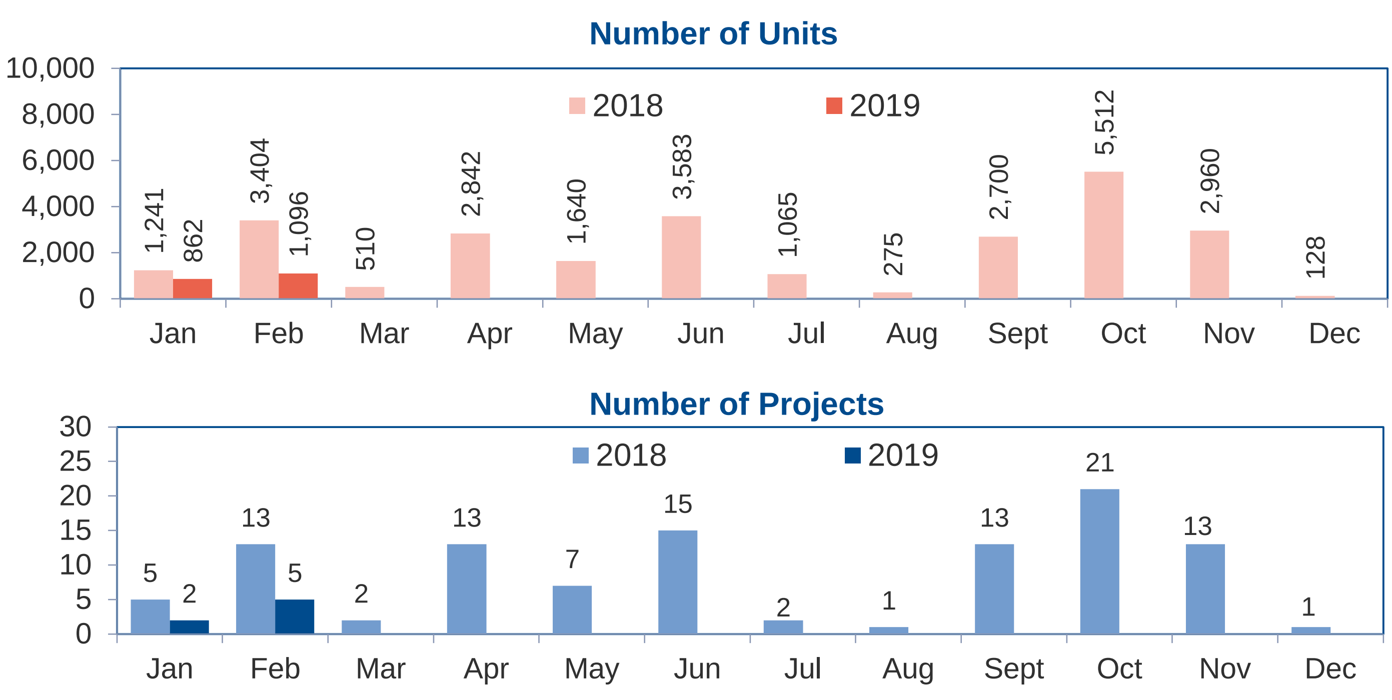
- **The 9% increase in February 2019 over February 2018 in the benchmark price for a new condominium apartment unit was entirely due to an increase in the price PSF Benchmark** of remaining inventory, as the unit size Benchmark declined over the same period.
- Caution needs to be used in interpreting the data, as smaller unit sizes on average have higher prices per sq. ft. A such, the increase in the price per sq. ft. may reflect both “pure” price changes, as well as changes in average size of available units (and, of course, location shifts).



Source: Altus Group

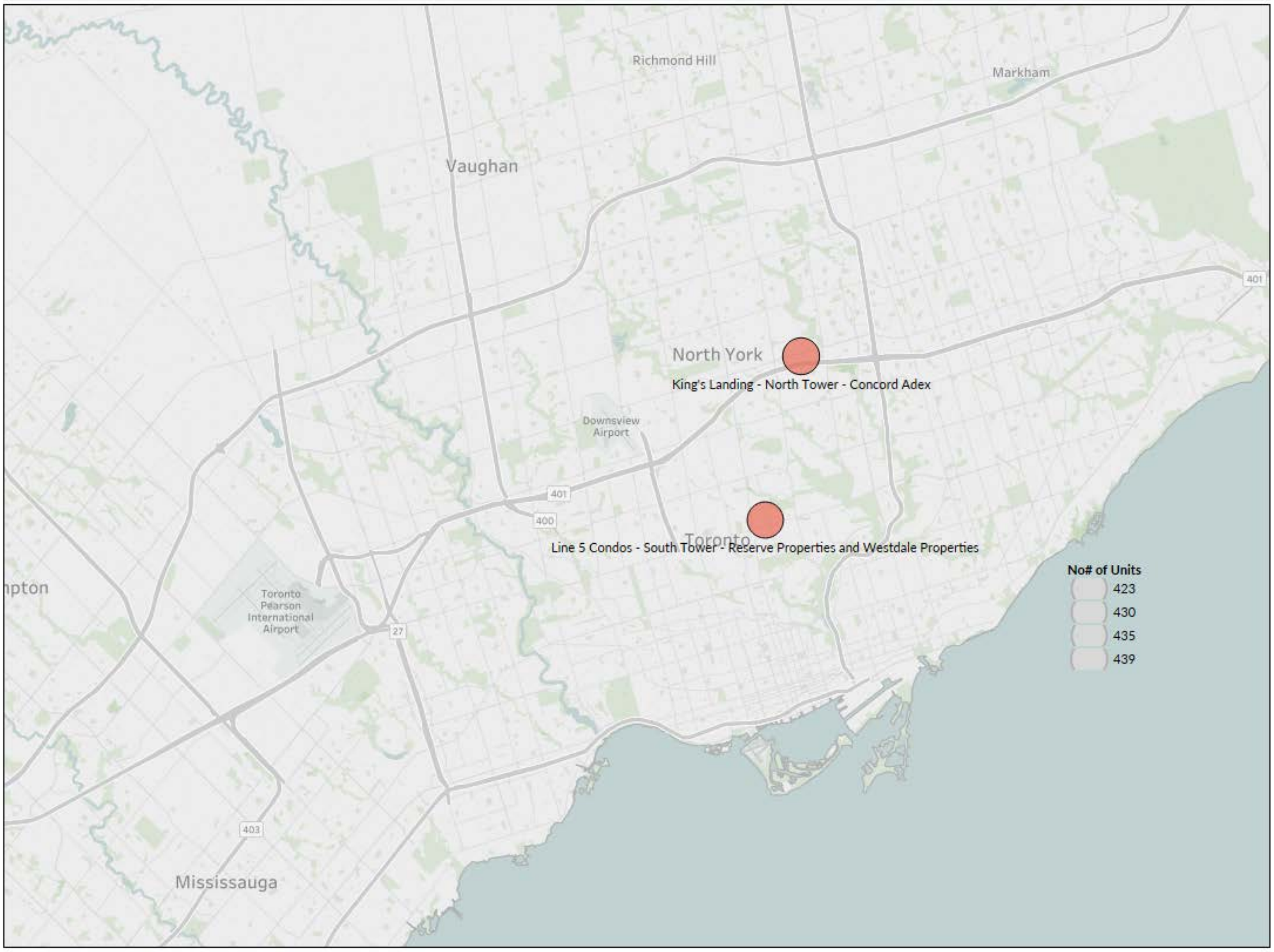
- **Five new condominium apartment projects launched in February 2019 in the GTA.** Of these, 3 out of 5 opened within the last 10 days of the month.
- Year-to-date, 7 projects have launched, down from 18 for the same period in 2018. *Note that 1 additional project was added to the January statistics since our January report was issued.*
- Following this page are maps showing the location of new projects launched in January and February 2019, accompanied by summary tables with additional detail on each project.
- *Note: clicking on the "project record" link in the summary tables will take logged-in Altus Group RealNet GTA High-Rise module subscribers directly to the full on-line record for that project; as the on-line record becomes updated, specific data may be more up-to-date than information contained in the report here.*

GTA New Condominium Apartment Project Openings



Source: Altus Group

January 2019 New Project Launches by Number of Units



Source: Altus Group

For January project openings, sales for both the opening month (January 2019) and the subsequent month (February 2019) are provided on the following table. Note that January information has been revised to incorporate information on King's Landing.

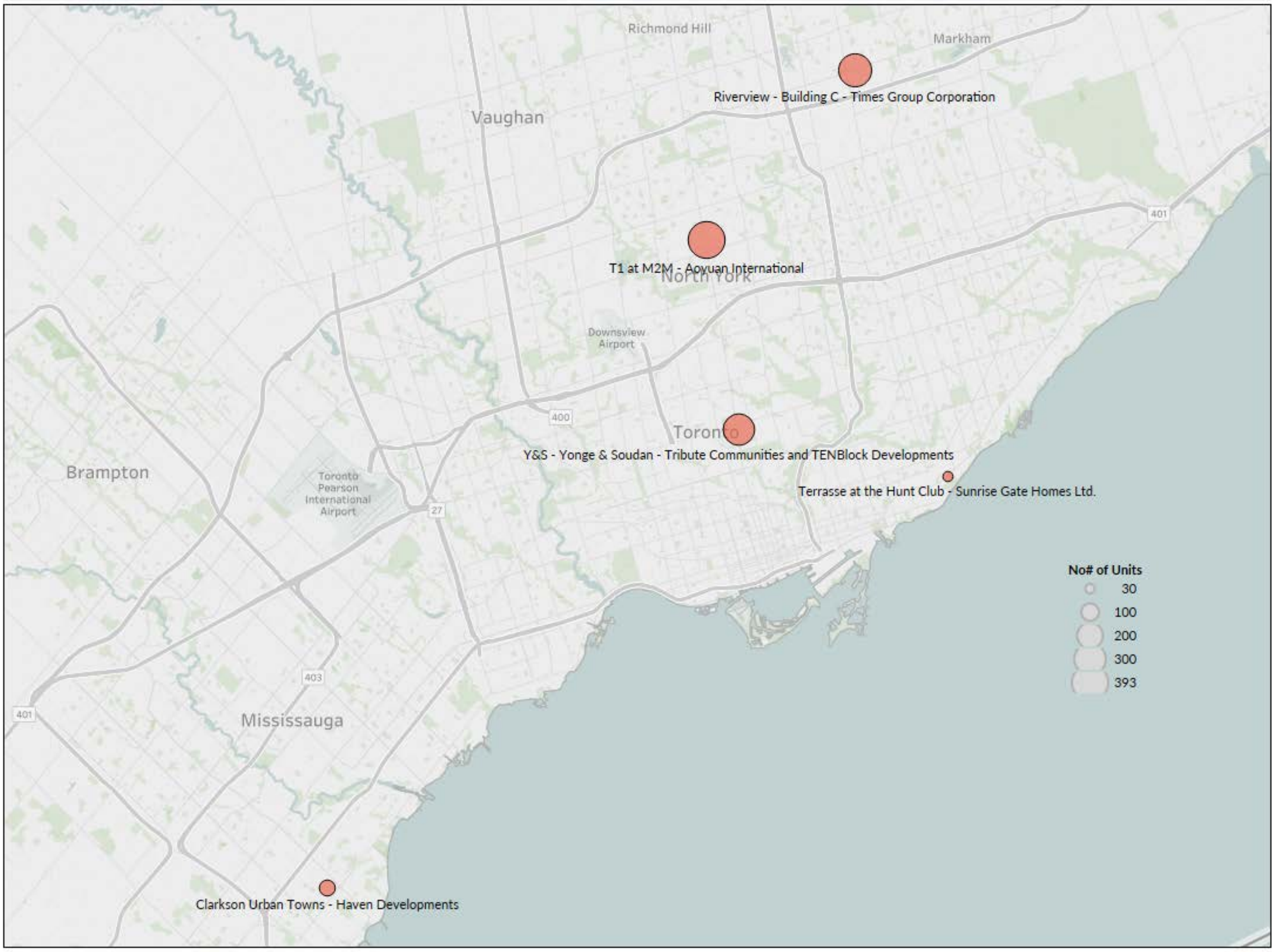
Project Record [Line 5 Condos - South Tower] [King's Landing - North Tower]

New Condominium Apartment Project Openings - January 2019

Project Name	**Line 5 Condos - South Tower**	**King's Landing - North Tower**
Developer	Reserve Properties and Westdale Properties	Concord Adex
Date Opened	2019-01-17	2019-01-17
Municipality	Toronto	North York
Region	Toronto	Toronto
Structural Type	Apartment	Apartment
Floors	33	26
Project Total Units	**423**	**439**
Total Units Released	**375**	**439**
Studio	37	15
1 bedroom	145	52
1 bedroom + den	50	81
2 bedroom	86	76
2 bedroom + den	4	4
3 bedroom & up	53	56
Penthouse	--	--
Other	--	--
Opening month sales	**247**	**280**
Next month sales	**34**	**59**
% Sold (of released units)	*75%*	*77%*
Remaining available inventory	94	100
Original $PSF	$1,016	n.a.
Minimum Size (sq. ft.)	353	n.a.
Maximum Size (sq. ft.)	942	n.a.
Minimum Price	$395,900	n.a.
Maximum Price	$949,900	n.a.
Notes		

Source: Altus Group

February 2019 New Project Launches by Number of Units



Source: Altus Group

Project Record [Clarkson Urban Towns] [Riverview - Building C] [T1 at M2M] [Terrasse at the Hunt Club] [Y&S - Yonge & Soudan]

New Condominium Apartment Project Openings - February 2019

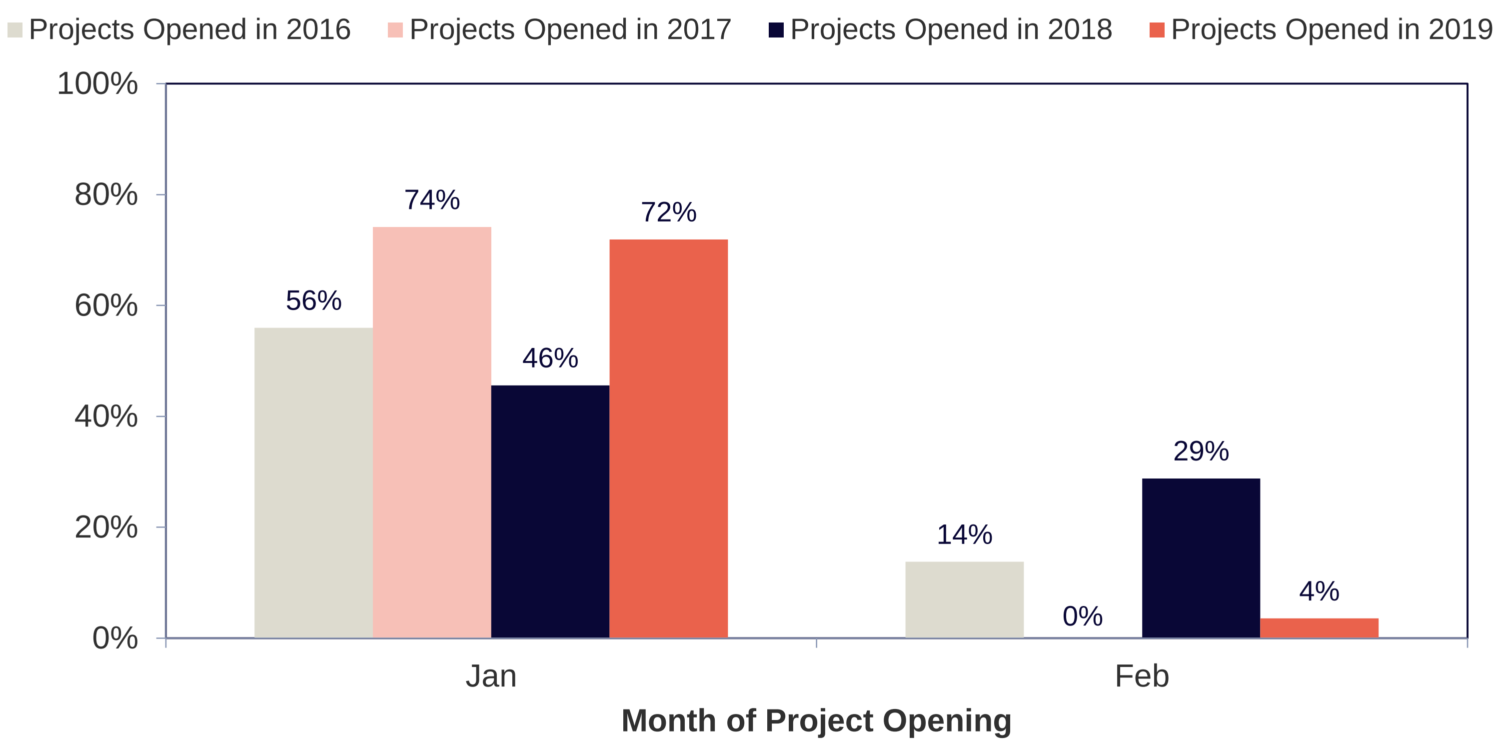
Project Name	**Clarkson Urban Towns**	**Riverview - Building C**	**T1 at M2M**	**Terrasse at the Hunt Club**	**Y&S - Yonge & Soudan**
Developer	Haven Developments	Times Group Corporation	Aoyuan International	Sunrise Gate Homes Ltd.	Tribute Communities and TENBlock Developments
Date Opened	2019-02-02	2019-02-23	2019-02-23	2019-02-15	2019-02-20
Municipality	Mississauga	Markham	North York	Scarborough	Toronto
Region	Peel	York	Toronto	Toronto	Toronto
Structural Type	Stacked	Apartment	Apartment	Apartment	Apartment
Floors	4	19	36	7	36
Project Total Units	**74**	**322**	**393**	**30**	**284**
Total Units Released	**74**	**322**	**315**	**30**	**273**
Studio	--	--	--	--	--
1 bedroom	41	34	12	9	81
1 bedroom + den	2	143	113	6	51
2 bedroom	29	73	129	8	113
2 bedroom + den	--	53	32	2	8
3 bedroom & up	2	19	29	3	23
Penthouse	--	--	--	--	--
Other	--	--	--	2	--
Opening month sales	**39**	**0**	**0**	**0**	**0**
% Sold (of released units)	*53%*	*0%*	*0%*	*0%*	*0%*
Remaining available inventory	35	322	315	30	273
Original $PSF	$743	$738	$944	$866	$1,115
Minimum Size (sq. ft.)	485	557	474	563	455
Maximum Size (sq. ft.)	1,570	1,123	1,256	2,461	975
Minimum Price	$426,900	$411,100	$519,990	$478,900	$512,990
Maximum Price	$864,900	$875,900	$1,154,900	$2,264,900	$1,027,990
Notes		No firm sales as all deals were subject to the 10-day conditional period.	No firm sales as all deals were subject to the 10-day conditional period.	2-storey units are included in Other.	No firm sales as all deals were subject to the 10-day conditional period.

Source: Altus Group

New Condominium Apartments - Openings

- Caution needs to be used in comparing sales in projects opened in the latest month, as the proportion of projects opened in the last 10 days of the month (when firm sales are not recorded) can vary from one year, or one month, to another. **As noted earlier, 3 of the 5 projects opened in February 2019 were within the last 10 days of the month,** which is a factor in the low % sold to end of February for projects opened in February.
- **Sales to date in the 2 new condominium projects opened in the GTA in January 2019 are good, in comparison to the sales pace last year** (i.e. 72% sold by end of February, compared to 46% for January openings last year). However, this needs to be put into the context of there being less competition from other new openings, given fewer new launches in January 2019 compared to January 2018 (2 vs. 5 launches).

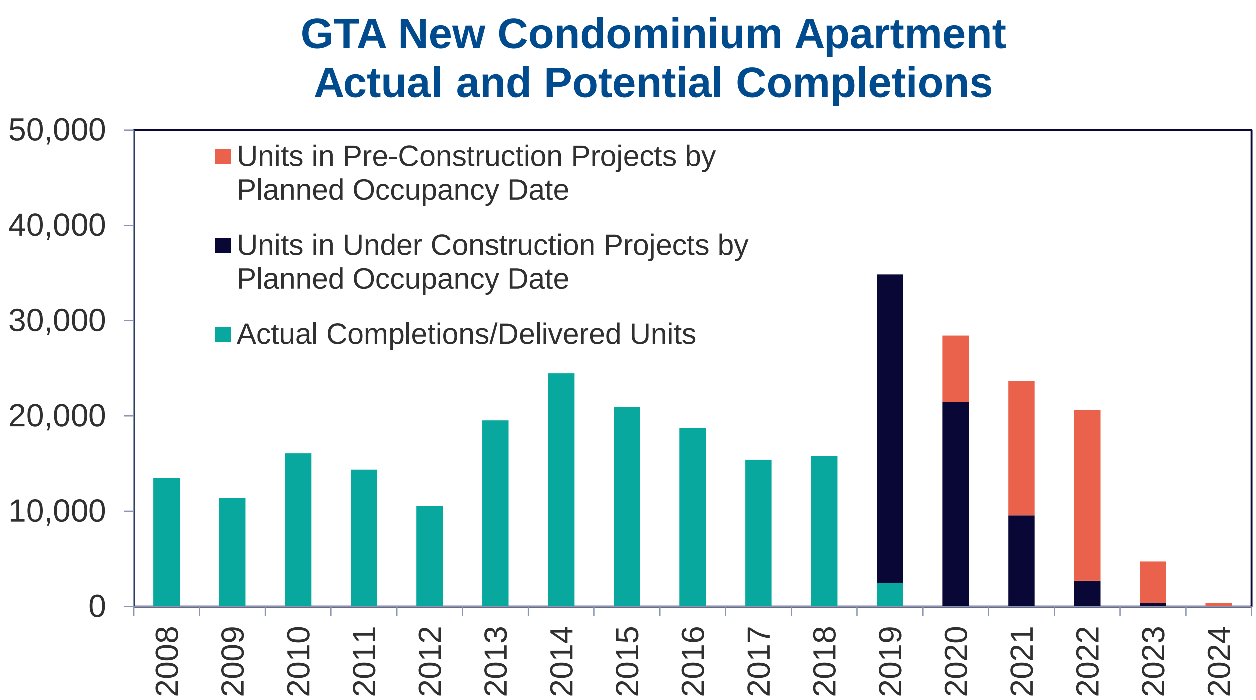
GTA New Condominium Apartment New Project Absorption Timelines (% of Total Units Sold Through February)*



** The total includes unreleased units*

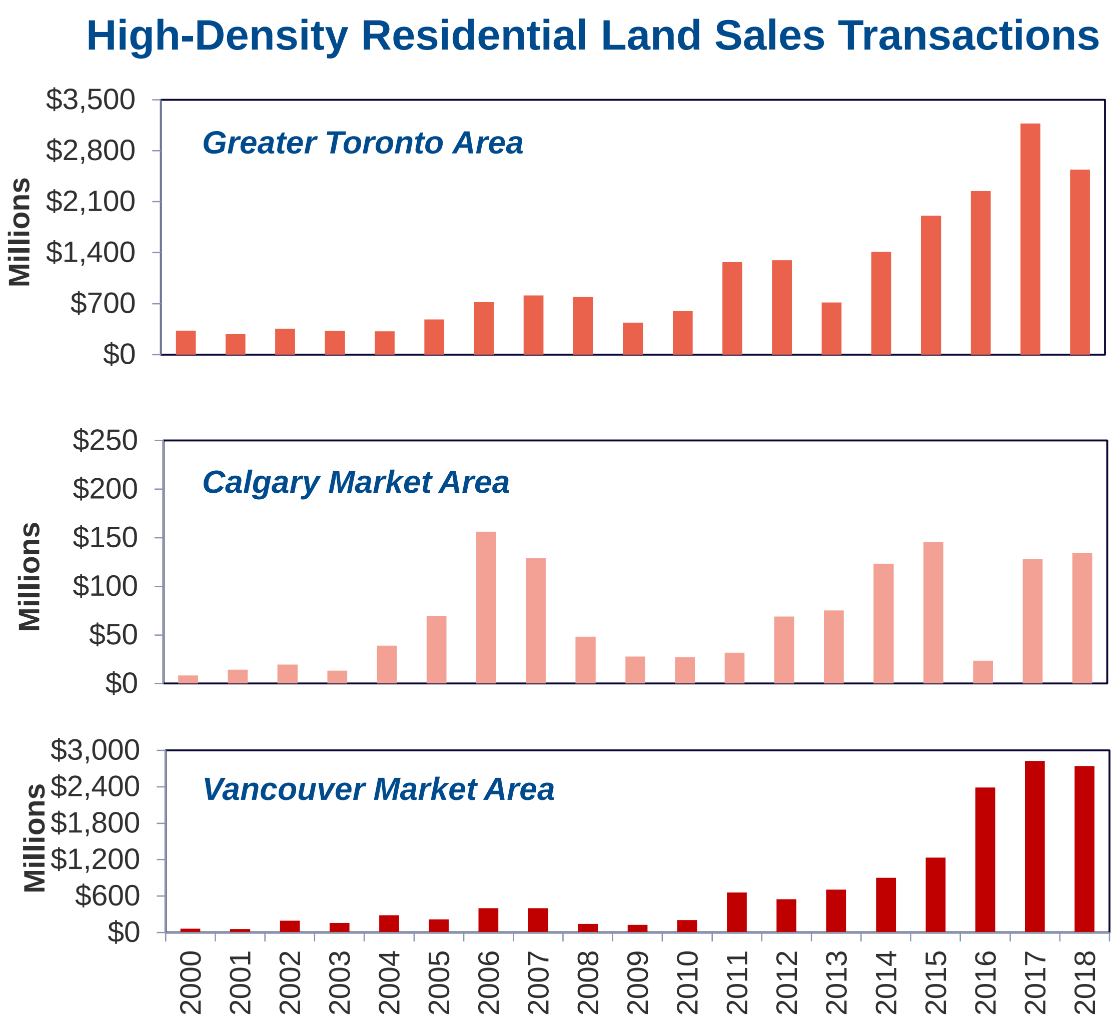
Source: Altus Group

- As of the end of February 2019, there were just over 110,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Just over 2,400 units were delivered/ready for occupancy during January and February**, based on Altus Group data; this is up from about 1,400 in January and February of 2018.
- Based on planned occupancy dates, and only considering units currently under construction, **it is likely that annual completions of condominium apartment units could be significantly higher in 2019 and 2020 than in 2018.** This will mean a larger number of investor-purchased condominium apartment units entering the rental market, with potential impacts on achievable rents. However, industry capacity thresholds could push the delivery timeline for some of these units out further than originally planned dates.



Source: Altus Group

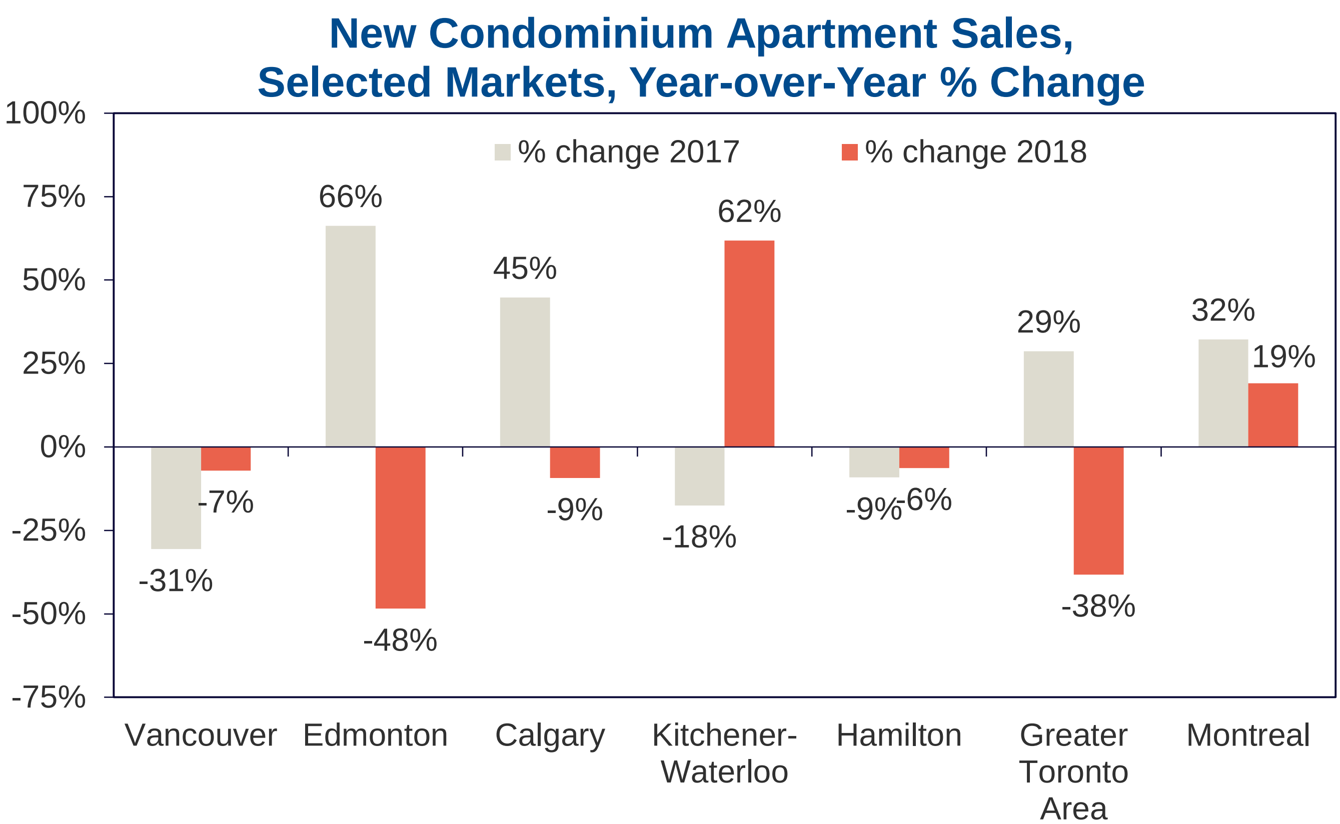
- Sales of high-density residential land in the GTA - potential land for future condominium apartment and purpose-built rental projects – eased slightly in 2018 to about $2.5 billion from the record of almost $3.2 billion in 2017.
- How does the GTA pattern compare to other major markets in Canada?
  - **Vancouver high-density residential land sales in 2018 came very close to matching 2017's record.**
  - **In Calgary, high-density residential land sales continued to recover in 2018** following the plummet in 2016. Sales in 2018 reached $135 million, up 5%.



Source: Altus Group

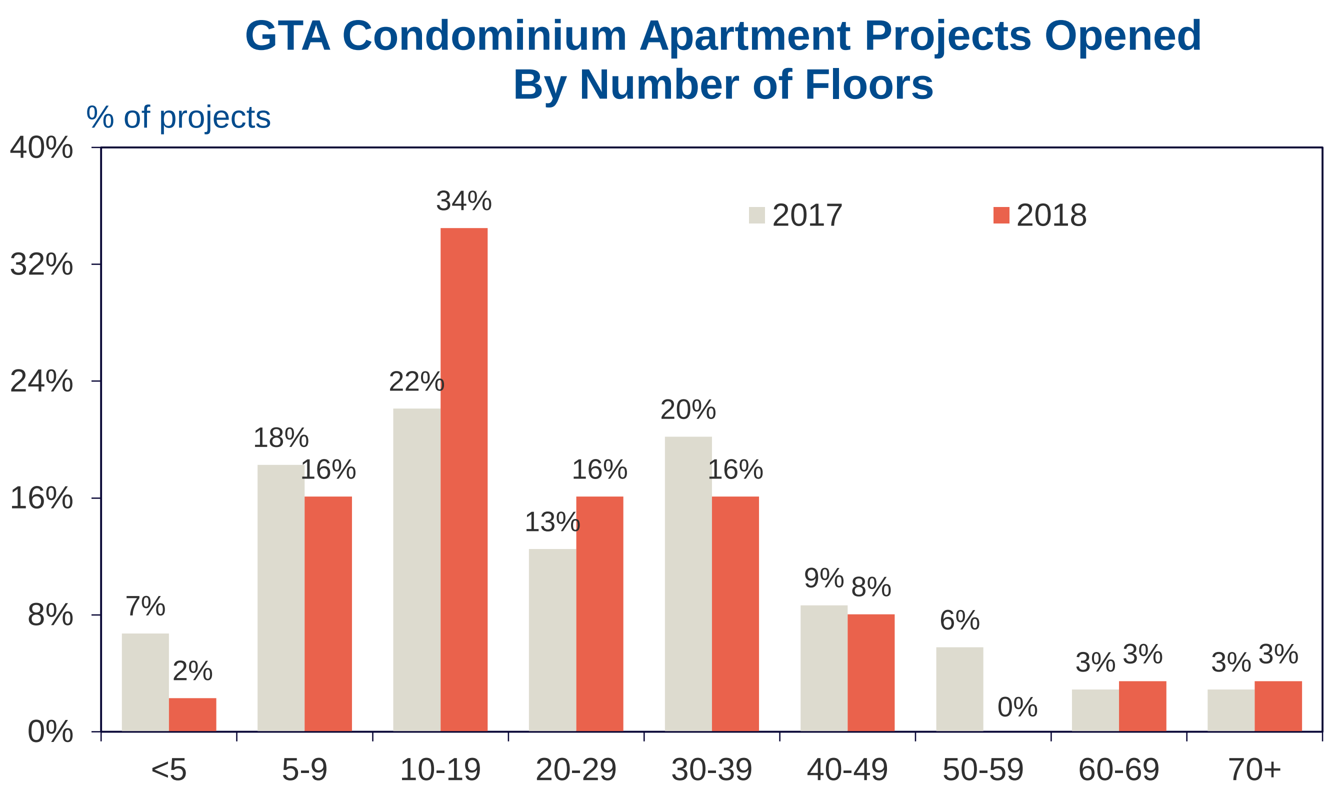
New Condo Apartment Sales Across Canada

- New condominium apartment sales showed mixed patterns in 2018 in the markets tracked by Altus Group:
  - **Montreal and Kitchener-Waterloo were the only markets to post increases in 2018.** For Montreal it was the 3rd year in a row of higher sales.
  - After posting strong increases in 2017 over 2016, new condominium apartment sales in **the GTA, Edmonton and Calgary fell back in 2018**.
  - **Sales moderated in Vancouver and Hamilton for the 2nd year in a row**, following strong showings in each market in 2016.



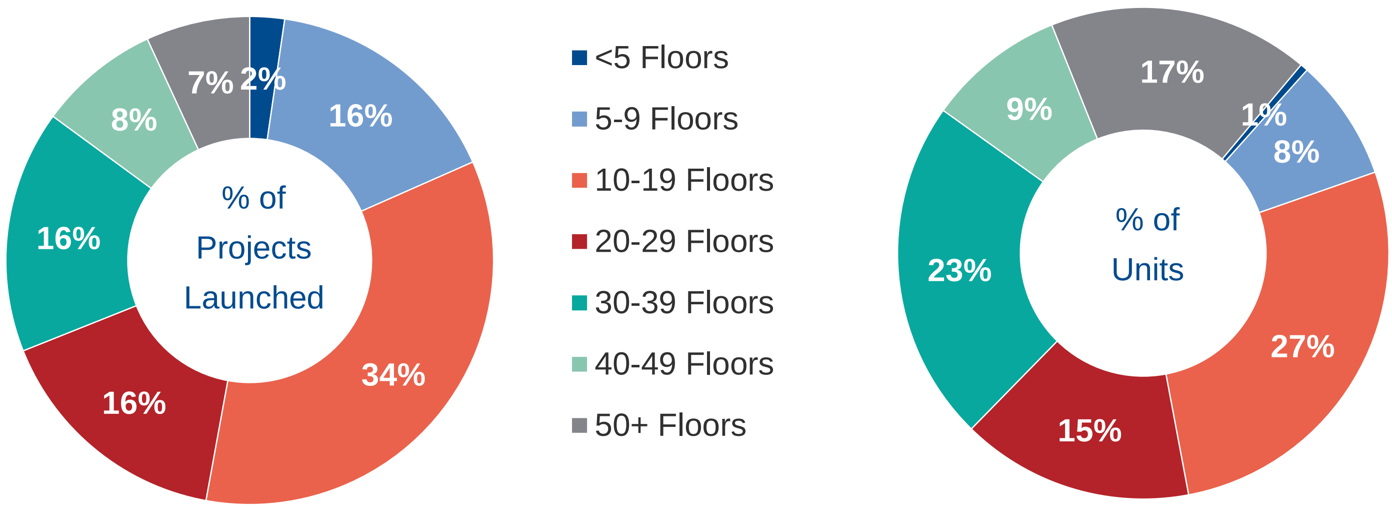
Source: Altus Group

- For new condominium project openings, **there was a shift in 2018 towards buildings with 10-29 floors, away from both shorter (under 10 floors) and taller (30 or more floors) buildings.** Half of new condominium apartment buildings opened in the GTA in 2018 had 10-29 floors, compared to only about one-third in 2017. The median number of floors for 2018 openings was 17 (the median being the point at which half the projects were shorter and half taller).
- On a unit basis, about half of units in new projects launched in 2018 were in buildings of less than 30 floors (*chart top right of next page*). **Buildings of 50 or more floors accounted for about 1 in 6 units**.
- Both the City of Toronto, and the 905 regions combined, had about half of new projects in the 10-29 floor range. However, the distribution within that grouping was quite different, with **the City of Toronto skewed more to the 10-19 floor range** (*chart bottom of next page*).



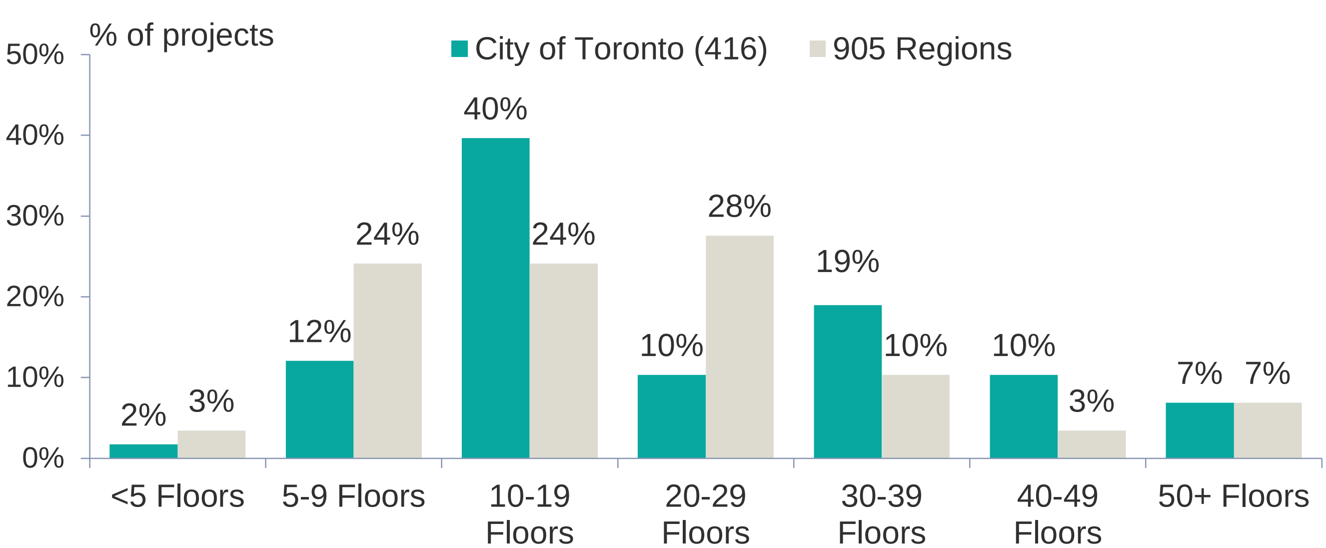
Source: Altus Group

GTA Condominium Apartment Projects Opened 2018 by Number of Floors



Source: Altus Group

GTA Condominium Apartment Projects Opened 2018 by Number of Floors, 416 vs. 905



Source: Altus Group

2019 Federal Budget Measures

- The 2019 Federal Budget included several measures related to the housing sector. Here we provide some initial thoughts on key ones and their potential implications for the new condominium apartment sector in the GTA this year.

The First-Time Home Buyer Incentive (FTHBI)

- The key details provided to date:
  - This incentive will provide FTBs with CMHC equity assistance of up to 10% of the purchase price for new homes (5% for resale homes) for a CMHC insured mortgage
  - Incentive paid back upon sale of the home (or sooner, if desired)
  - Maximum household income: Under $120,000
  - Maximum mortgage plus CMHC equity contribution: 4 times income (i.e. under $480,000)
  - Program expected to be operational by September 2019
- **There are still a lot of unknowns not addressed in the budget document related to how exactly this incentive will work**. Questions that the Altus Group Data Solutions, Economics, Cost Consulting and Valuation teams have raised include:
  - While comments made by the Minister suggest CMHC would share in any appreciation – or depreciation - in the property value, to what extent (full share)? And how would appreciation associated with owner-funded substantial renovations be dealt with? i.e. would CMHC share in the full appreciation amount, or some renovation-adjusted amount? How would this amount be determined?
  - What form of charge against the home/unit title will CMHC have for their equity stake?
  - How would income be determined for purposes of maximum income allowed? Would it be the same criteria as for the CMHC insurance/mortgage approval?
  - The Budget document uses a 5% buyer downpayment in its examples but it does not actually specify if there is a maximum for the downpayment ratio. Is more than a 5% downpayment possible? And if so, does the insured mortgage still need to be a "high ratio" insured mortgage (i.e. with the buyer's downpayment at a maximum of just under 10%, so along with the CMHC incentive the downpayment sums to less than 20% of the price). Or can an applicant have a higher downpayment, but still qualify, as long as they also take out CMHC insurance? Assuming it needs to be a high ratio mortgage, but more than 5% is ok, the maximum price limits (assuming a buyer downpayment of just under 10% and 10% from CMHC) would be in the $535,000 range; but a higher allowed downpayment ratio would increase the potential price maximums. We expect that the intent is that the incentive is for high ratio insured mortgages only, but there needs to be clarification around this point.

  - The program is to provide funding "over 3 years" – but how exactly would that work for pre-construction new condominium apartments that are unlikely to be delivered (and registered) within the next 3 years but also require deposit instalments early on? Would the incentive be made available at the deposit stage? If the incentive is made available at the deposit stage will CMHC be okay with those deposits being released to Developer to funds costs?
  - Purchasers of new condominium units often select and pay for upgrades. Will the extent of upgrades be limited by CMHC?
  - Would a CMHC designate need to be part of the condo corporation? What about new home warranty issues, or occupancy issues with the developer if CMHC has a stake in a unit?
  - What if a buyer receives approved equity funding on a new condominium apartment, but the project is cancelled? Can the buyer transfer the funding to another new condo unit?
  - *Note that as we were "going to press" CMHC released a statement on the federal budget housing measures, however there was no additional information as yet related to these questions.*

- **Other questions we are thinking about, that are not specific to the program details:**
  - To what extent will buyers who may otherwise have been in the market this Spring now wait until there is additional information on the incentive (to decide if it will be right for them or not), and until the incentive is in place in the Fall to actually act?
  - Will lenders require some additional reporting on buyers using the FTHBI? Will lenders impose developer sales qualification limits on purchasers to limit their closing risk exposure on projects?
  - How will the CMHC contribution be considered by lenders in terms of the overall household debt/equity equation (e.g. if a participant wants to borrow against household equity such as with a HELOC down the road)?
  - According to Altus Group's FIRM Survey, about half of FTBs in Canada get at least some help from parents/grandparents with their downpayment. Will the incentive simply displace some of this money?
  - Is the timing optimal, or would this incentive have been more timely from a market perspective a year ago? Many first-time buyers have been saving longer to manage the increased lending criteria/stress tests implemented since late 2016. As shown earlier, first-time buyer intentions in the GTA were already up in early 2019, based on our FIRM Survey, suggesting many of them are ready to get into the market. Will an additional boost at this point simply put some upward pressure on prices? (note that in its statement released April 4, CMHC estimates price impacts will be minimal)

- **Our take on the impact of the First-Time Home Buyer Incentive on the GTA new condominium apartment market is that it is likely to have some moderate negative impact on the Spring market as potential program participants simply wait for more information.**
  - While the income and price limits for qualification are likely to mean the program is less applicable in high price markets like the GTA and Vancouver, there will still be a segment of the market that would qualify (as shown earlier on page 10, just over one-fifth of available new condominium apartment inventory in the GTA is priced below $550,000, although most of this is in the $450,000 to $550,000 range).
  - The higher incentive for new homes may provide a bit of a boost to the relative price competitiveness of the GTA market vis-à-vis the resale market, countering some of the negative impact of the growing price gap in recent years (refer back to page 20).

Home Buyers Plan (HBP)

- Two key changes to the plan were announced in the Budget:
  - The **maximum tax-free withdrawals** from RRSPs that first-time buyers could use towards a downpayment were **increased from $25,000 to $35,000 for individuals** (implying a $70,000 maximum for a couple combining their minimums). This change was effective as of March 20, 2019.
  - The HBP was **extended so that "individuals that experience the breakdown of a marriage or common-law partnership be permitted to participate**… even if they do not meet the first-time home buyer requirement". This change is effective with withdrawals made after 2019.
- With respect to **the increase in the withdrawal limits**, this is expected to have **a very modest positive impact on new condo buying in the GTA**:
  - According to Altus Group's FIRM Survey, only about 1 in 3 recent first-time buyers Canada-wide used RRSPs towards their downpayment and about half of renter households under the age of 50 do not have any RRSP funds. In part this may reflect shifts to TFSAs in recent years.
  - And, again from our FIRM Survey data, among renters that do have RRSPs, relatively few have at least $35,000. Over time, the limit extensions could encourage renters to put more into RRSPs, increasing the impact modestly down the road.
- With respect to **the expansion of the HBP to "dissolved" couples**, this is expected to have a **minimal positive impact on new condo sales**, but not this year.

Altus Group GTA New Home Data Definitions

Condominium apartment	Includes condominium apartment structures of all heights (low, medium and high-rise), stacked townhouses, and loft units. Replaces the former RealNet term “high-rise”.
Single-family	Includes detached, link, semi-detached and townhouse units (excluding stacked townhouse). Replaces the former RealNet term “low-rise”.
Inventory	New units available to purchase/unsold at end of the period. Includes available units in pre-construction, under construction, and completed projects.
Months of inventory	Unsold available inventory at period end divided by average monthly sales for a defined previous period (e.g. previous 12 months). Indicates how long current inventory would last assuming same pace of sales (and no additional product added).
Average price	Average asking price of all available new home inventory at end of period.
Benchmark price	Average asking price of available new home inventory at end of period with outliers removed. Replaces the former RealNet term “Price Index”
$PSF Benchmark	Average asking price per square foot for units in remaining inventory at the end of the period with outliers removed.
Unit size Benchmark	Average size (sq. ft.) of units in remaining inventory at the end of the period, with outliers removed.
Completions	Units in projects that have reached occupancy status during the period.
“Record” performance	All “record highs” and “record lows” are based on the time period over which Altus Group has been tracking the variable.

Note: all historical data is subject to revision