The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of March 2019

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New Condominium Apartment Dashboard

March 2019		
Sales	**Inventory**	**Benchmark Price**
1,428	**11,744**	**$780,839**
-13%	**35%**	**5%**
Lowest March since 2013	*Highest March since 2016 but below 10 year average*	*Record for March but below January peak*

YTD March 2019	
Sales	**Benchmark Price**
3,373	**$792,396**
-22%	**9%**
Lowest Q1 since 2013	*Record for Q1*

% change is from same period a year earlier

Highlights

- **Total new condominium apartment sales improved in March** following the disappointing drop in February. However year-to-date sales are well below last year. Improved single-family sales this year suggest that the availability of a somewhat broader range of new single-family product (more units, at more sites and more varied locations) at better price-points may be drawing some buyers back to the new single-family market, at the expense of the new condominium sector.
- **The benchmark price for a new condominium apartment declined for the 2nd month in a row**. The halt to the upward climb in new condominium apartment prices is welcome in terms of improving the relative affordability of new condominium apartments vis-à-vis resale product and restoring a more typical price gap with new single-family homes.
- Looking ahead, **we expect new condominium apartment sales to pick up some momentum as the year progresses,** but a stronger Fall may not be enough to boost annual sales above last year.

Condominium Apartment KPIs

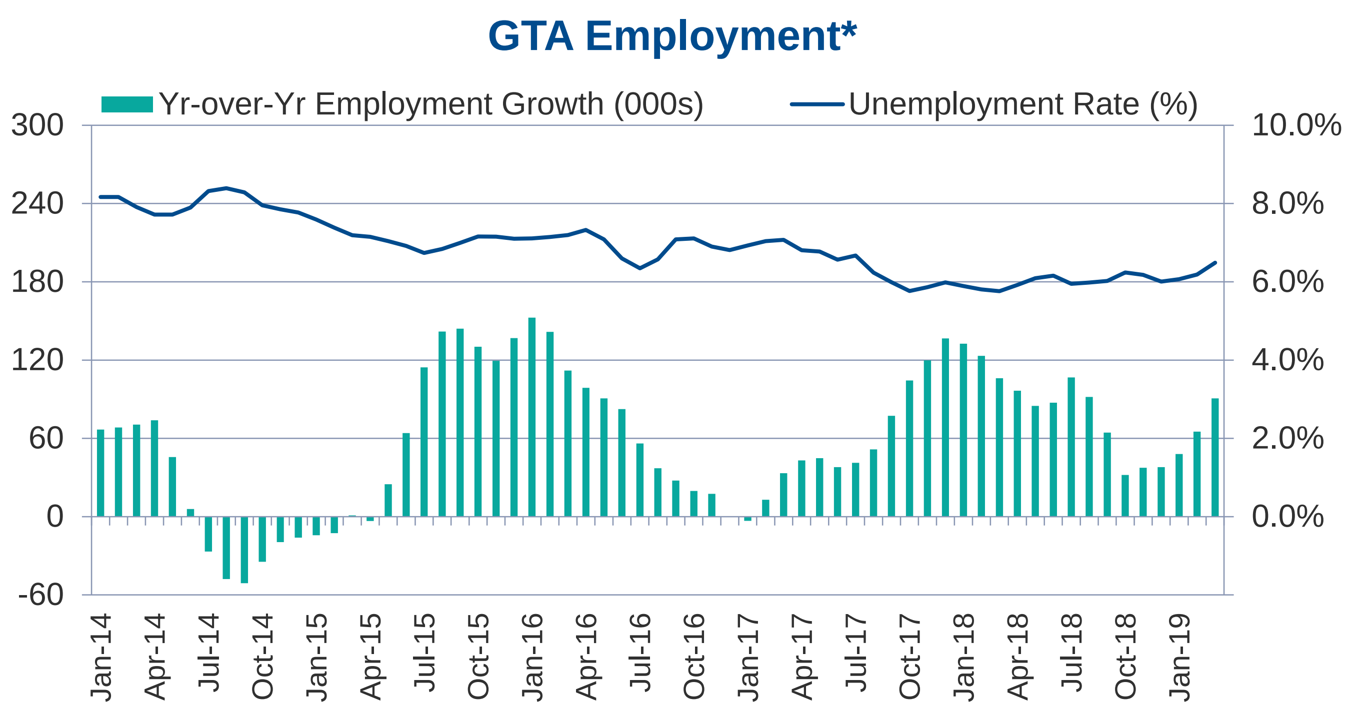
AltusGroup

GTA Condominium Apartment Key Performance Indicators

	Mar-18	Feb-19	Mar-19	*Yr-Over-Yr % Change*	YTD Mar 2018	YTD Mar 2019	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	283	328	329	*16%*	281	327	*16%*
New projects opened	2	6	6	*200%*	20	14	*-30%*
Units in new projects opened	510	1,165	2,080	*308%*	5,155	4,107	*-20%*
Total sales (units)	1,640	824	1,428	*-13%*	4,326	3,373	*-22%*
Sales as % of total new & resale	*43%*	*35%*	*42%*		*46%*	*42%*	
Inventory (units)	8,717	11,460	11,744	*35%*	8,842	11,258	*27%*
Sales-to-inventory ratio	19%	7%	12%	*-35%*	16%	10%	*-38%*
Months of inventory	3.5	6.7	6.9	*98%*	3.3	6.5	*96%*
Benchmark price	$742,801	$792,709	$780,839	*5%*	$728,989	$792,396	*9%*
Price PSF Benchmark	$825	$902	$889	*8%*	$814	$900	*11%*
Unit size Benchmark (sq. ft)	900	879	878	*-2%*	896	880	*-2%*
Units completed	1,600	1,934	759	*-53%*	3,044	3,731	*23%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,183	1,536	1,965	*-10%*	5,089	4,739	*-7%*
New listings (units)	3,305	2,453	3,242	*-2%*	8,030	8,216	*2%*
Inventory ("active listings", units)	3,012	2,821	3,223	*7%*	2,790	2,900	*4%*
Sales-to-inventory ratio	72%	54%	61%	*-16%*	60%	54%	*-10%*
Months of inventory	1.5	1.5	1.7	*18%*	1.3	1.5	*18%*
Average price of units sold	$551,003	$562,161	$560,020	*2%*	$533,300	$557,620	*5%*
HPI constant quality price index (Jan 2005=100)	244.2	258.8	261.7	*7%*	239.7	258.2	*8%*

** see end of report for Definitions*

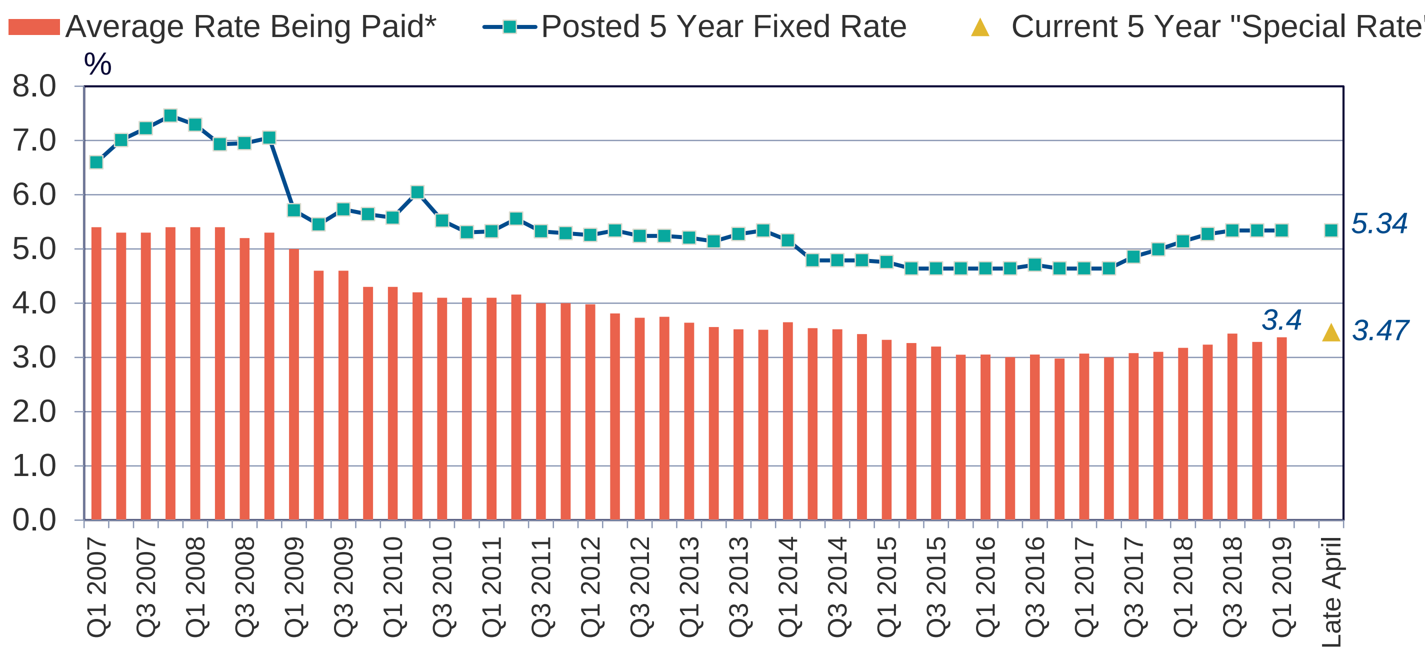
- Employment in the GTA grew for the 5th month in a row in March. **Just over 90,000 more people had jobs in March compared to a year ago**, the strongest 12 month growth since last August. The unemployment rate, however, inched up for the 3rd month in a role, as more people entered the labour force 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 April 24, and noted that "*an accommodative policy interest rate continues to be warranted. We will continue to evaluate the appropriate degree of monetary policy accommodation as new data arrive. In particular, we are monitoring developments in household spending, oil markets, and global trade policy to gauge the extent to which the factors weighing on growth and the inflation outlook are dissipating."* The next rate announcement is May 29, 2019.
- **Despite average house price declines from their peaks, most GTA households still believe that owning a home is a good investment,** according to Altus Group's FIRM Survey (*chart bottom of next page*), although strong agreement is down slightly this year.



** Data are based on 3 month moving averages*

Source: Altus Group based on Statistics Canada data

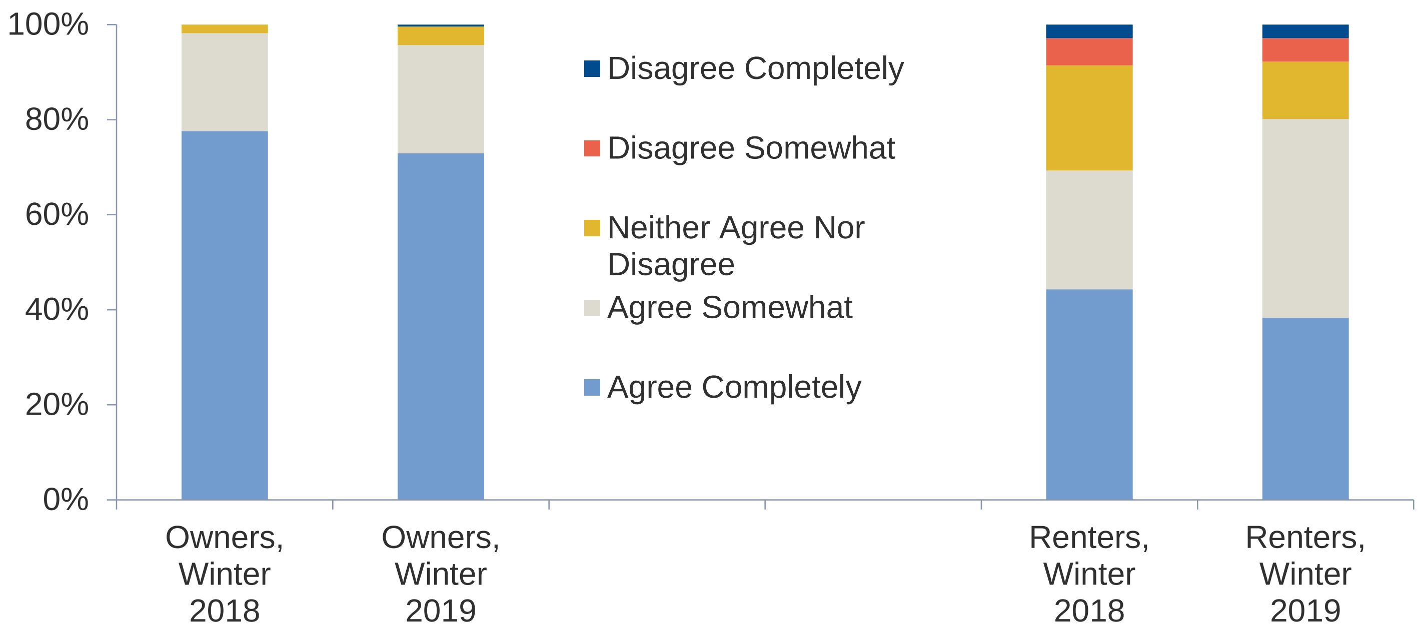
Canadian Mortgage Rates



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*

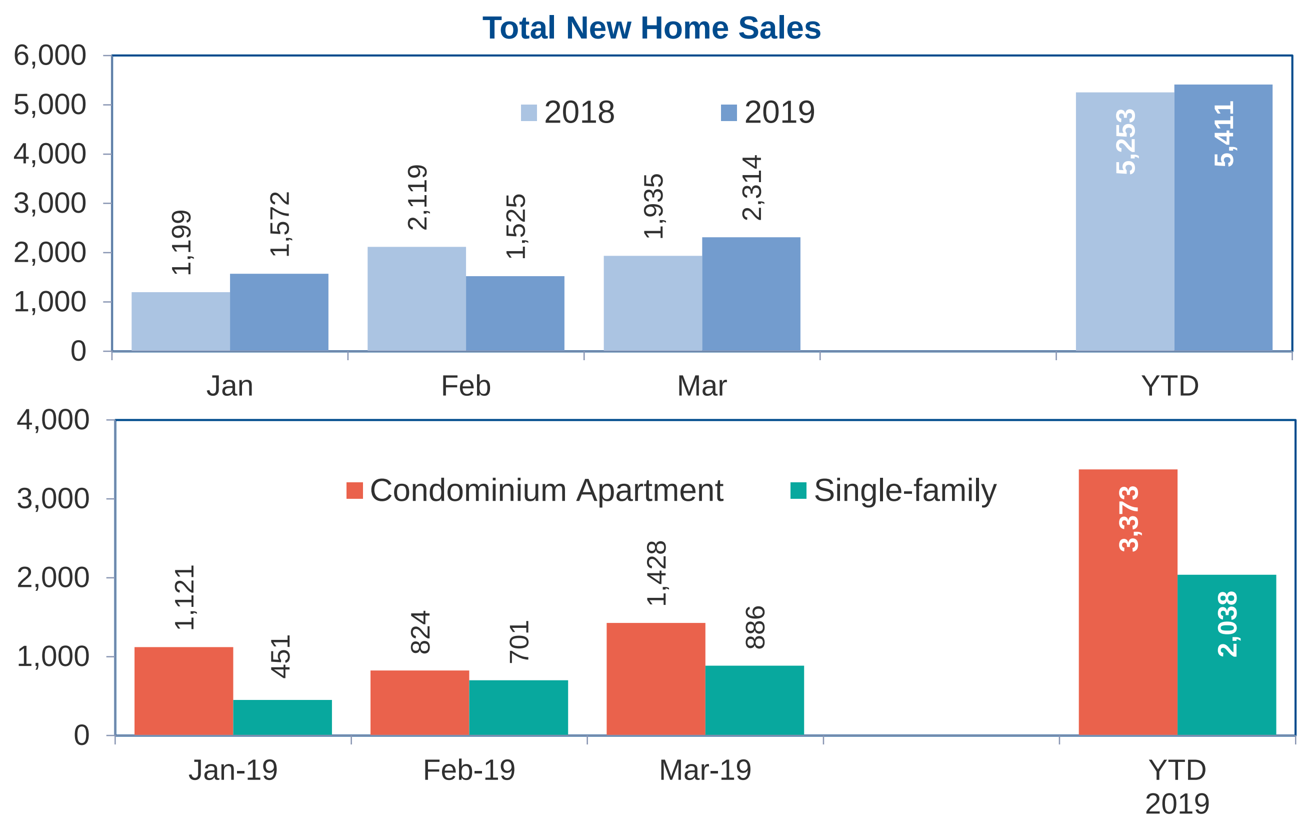
Owning a Home is a Good Investment, GTA



Source: Altus Group

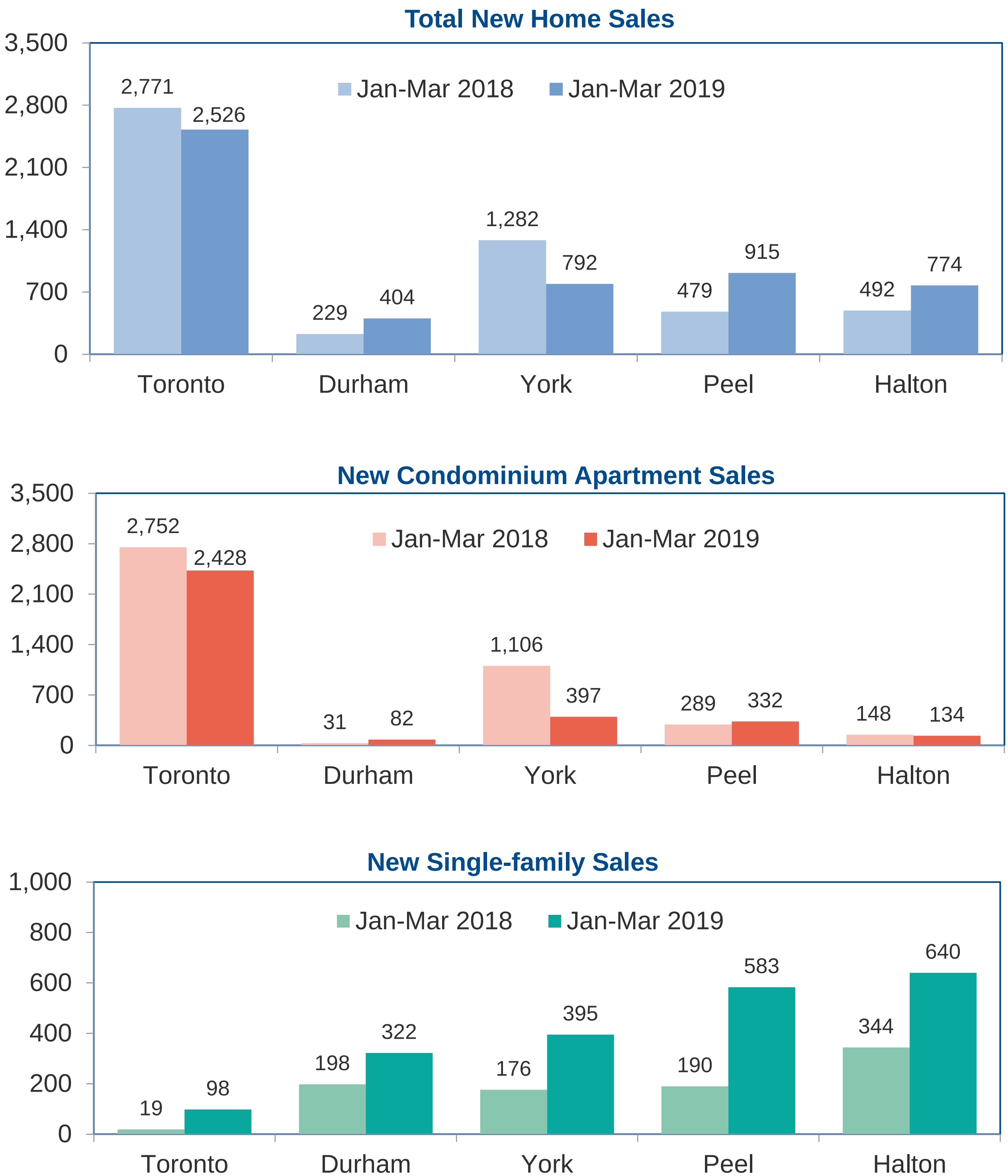
- **Total sales of new homes in the GTA did better in March, both compared to February and March 2018**. Year-to-date sales are now tracking just above 2018 levels.
- **New single-family home sales continued to pick up in March and had their best month since April 2017**, although sales remain very low in historical terms. Year-to-date, new single-family home sales are more than double last year. The broader range of product (more sites, more geographic variation) at more favourable price points that is now available has started to attract some buyers who had been taking a "wait and see" approach into the market.
- **New condominium apartment sales in March also picked up from February**, but were below last March.
- The patterns are mixed by region (*charts next page*). **Total new home sales are up year-to-date in Durham, Peel and Halton**, almost entirely due to improvement in single-family sales. In the City of Toronto and York Region, improvement in new single-family home sales has not been enough to offset fewer new condominium apartment sales. New homes sales this year in Richmond Hill have virtually disappeared (*chart after next page*).

GTA New Home Sales



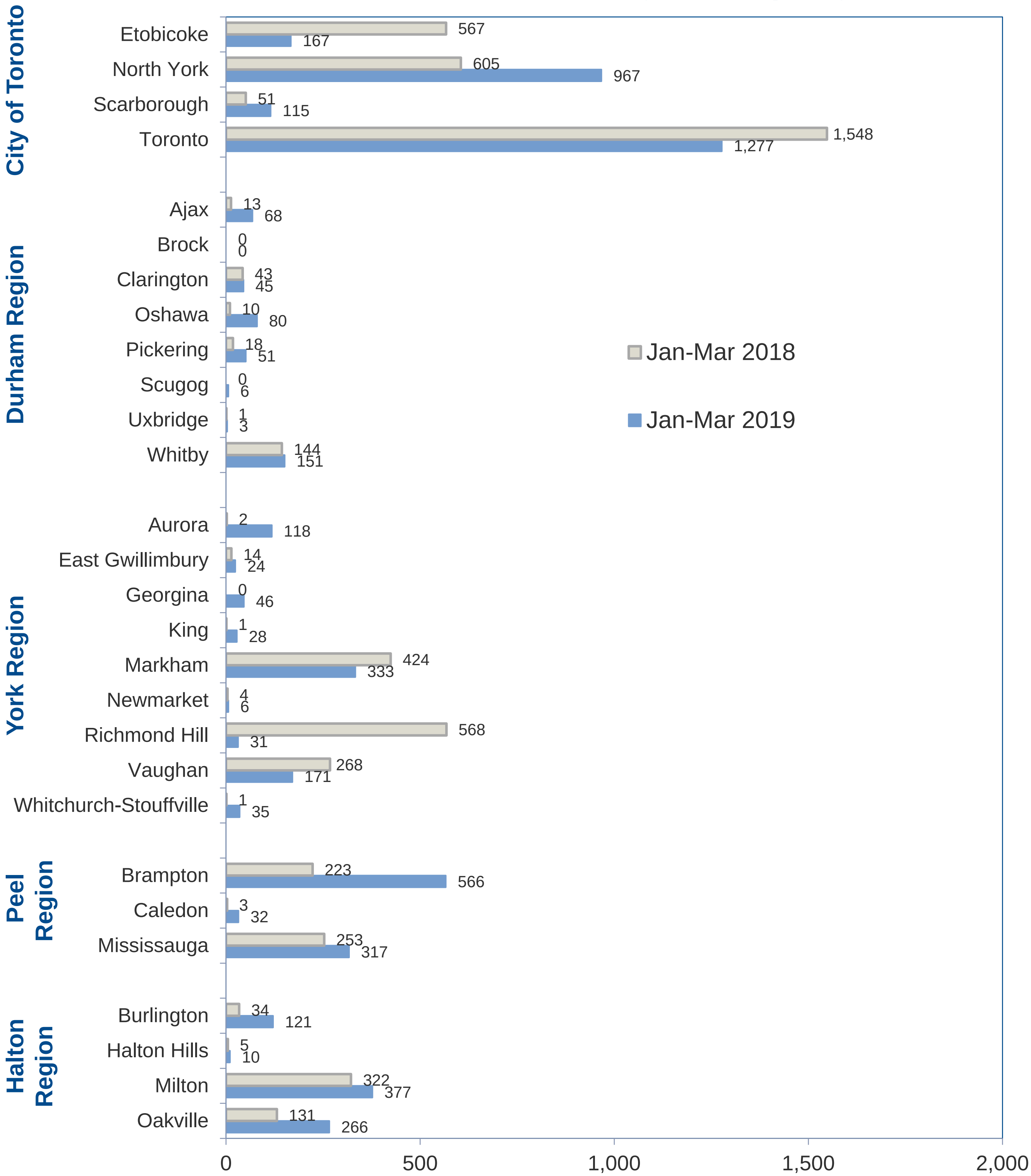
Source: Altus Group

GTA New Home Sales by Region



Source: Altus Group

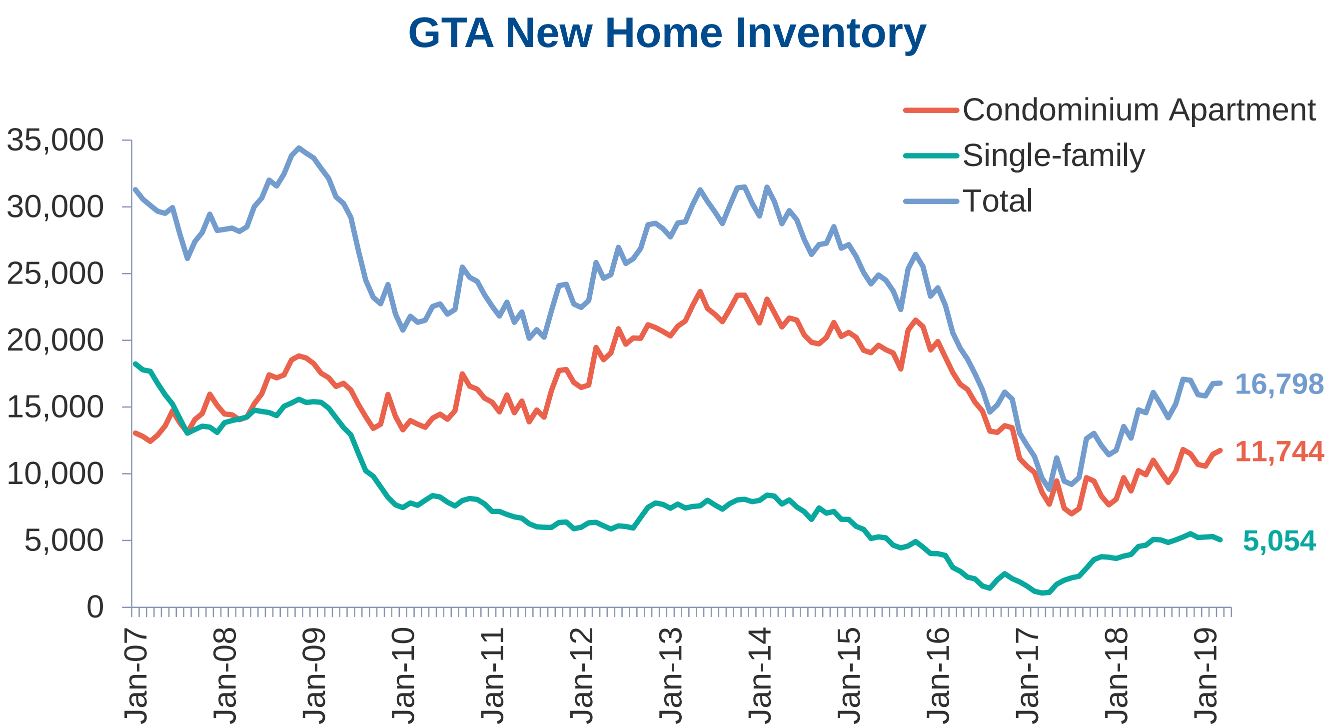
GTA Total New Home Sales by Municipality



Source: Altus Group

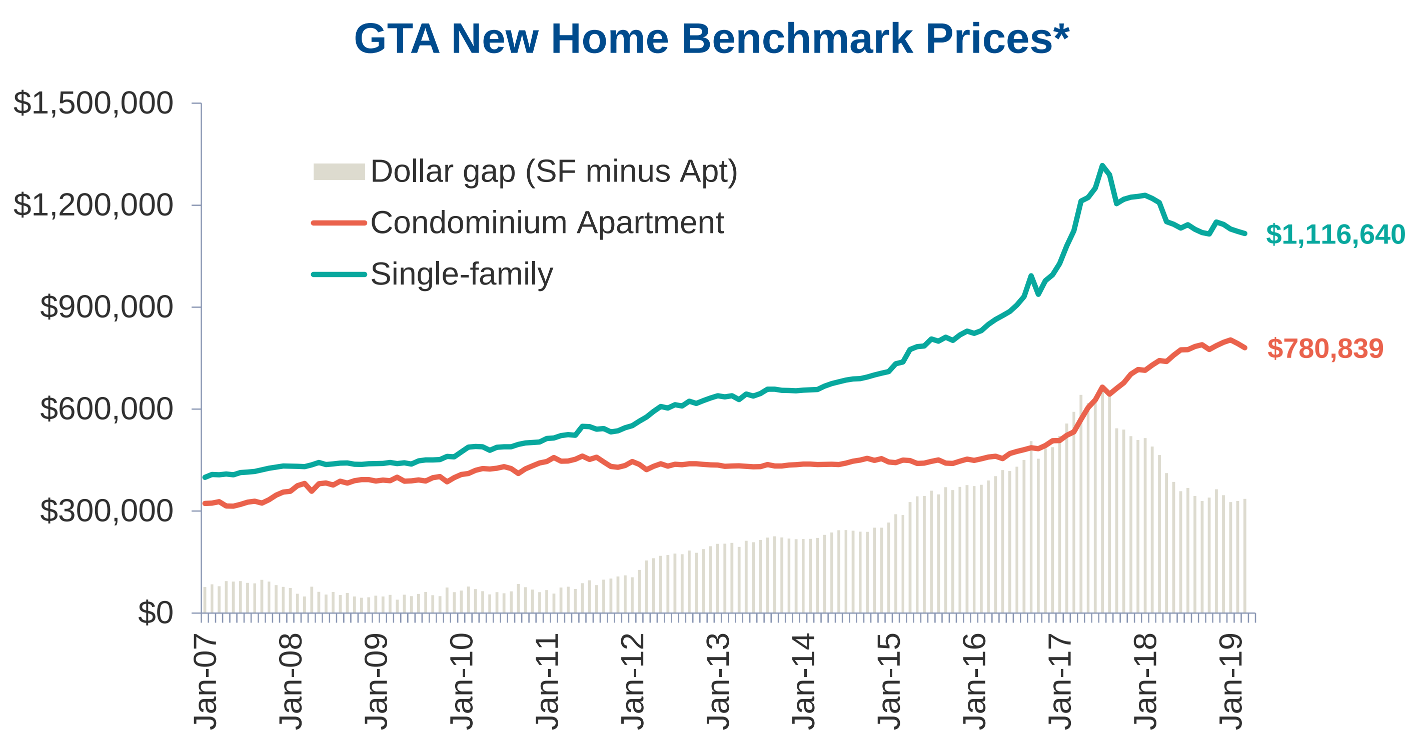
New Home Market - Inventory

- **Total new home inventory available to purchase was relatively stable in March.** Some decline for single-family offset a modest increase for condominium apartment. For condominium apartments, the increase is due in part to the fact that most new openings occurred late in the month.
- At the pace of sales over the past 12 months, the current total inventory represents about 8 months of supply, which is almost double the situation a year ago.



Source: Altus Group

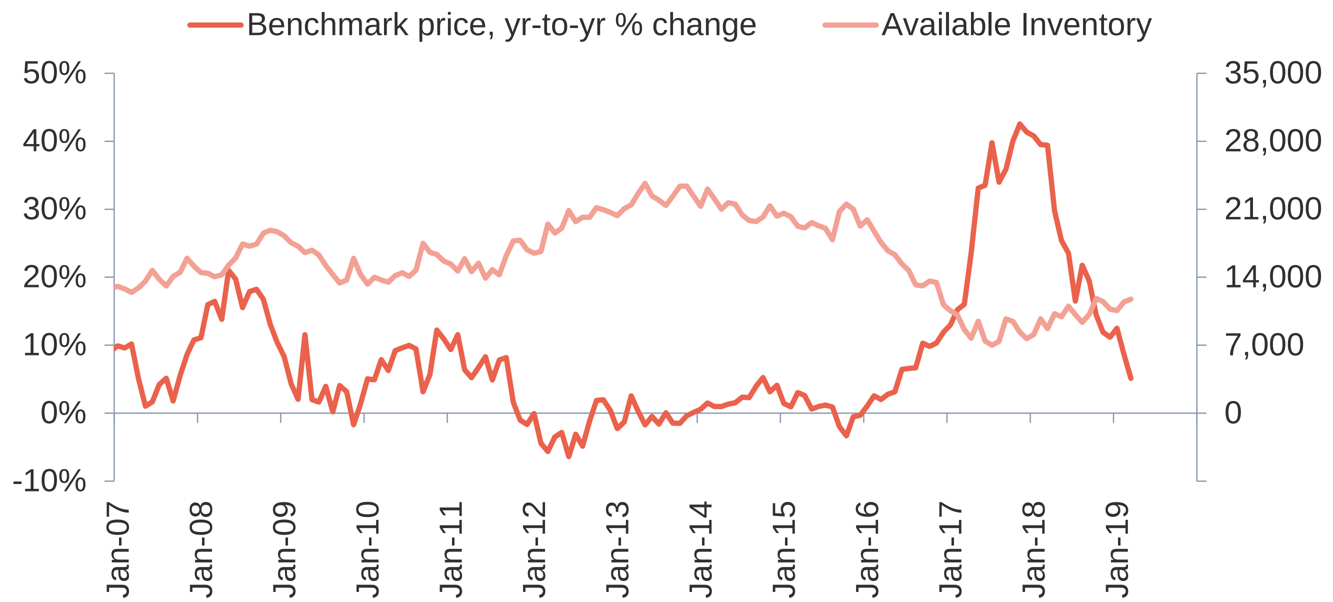
- **The Benchmark price for a new single-family home dipped for the 4th month in a row in March**, and sits 8% below March 2018 (*chart bottom of next page)* and 15% below the peak in July 2017.
- **The Benchmark price for a new condominium apartment eased again in March**, but remains above a year ago, up by 5% (*chart top of next page*).
- The relatively narrow 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 single-family's increased share of total new home sales so far this year.



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

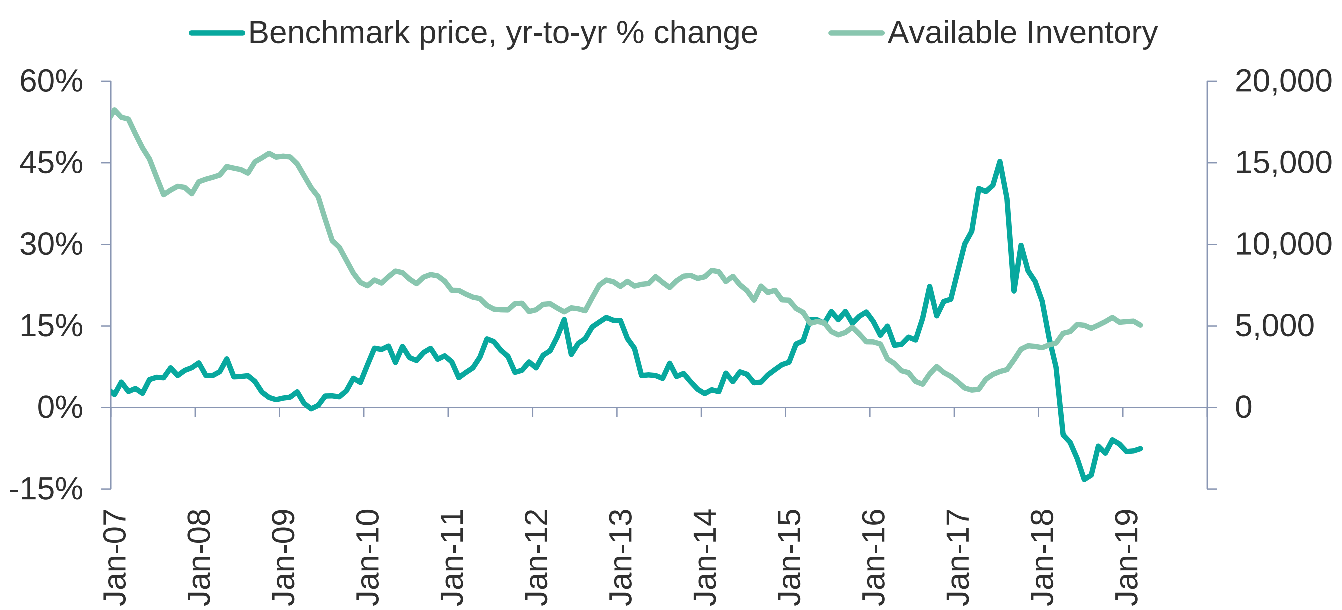
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

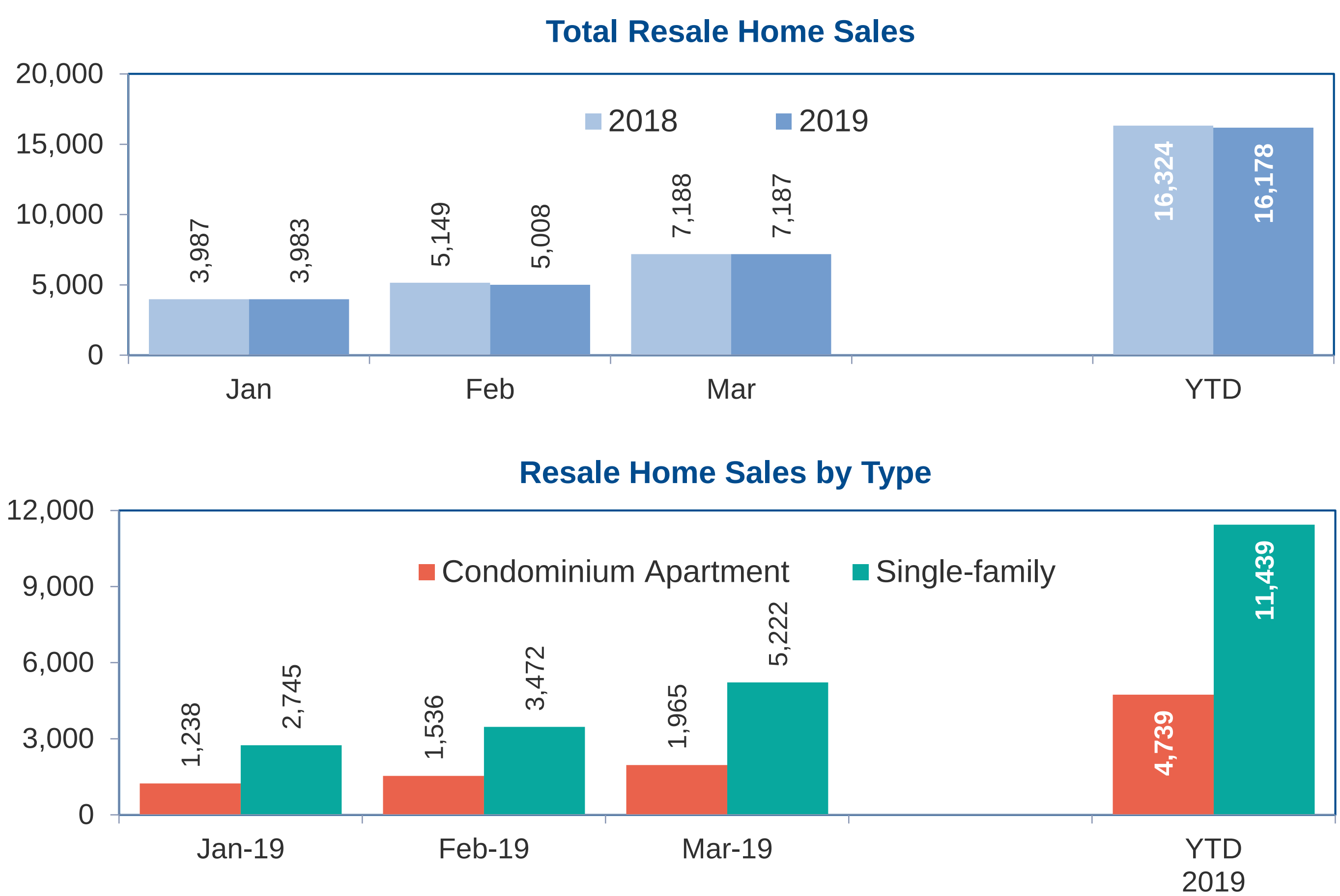
GTA New Single-Family Home Benchmark Price Changes and Available Inventory



Source: Altus Group

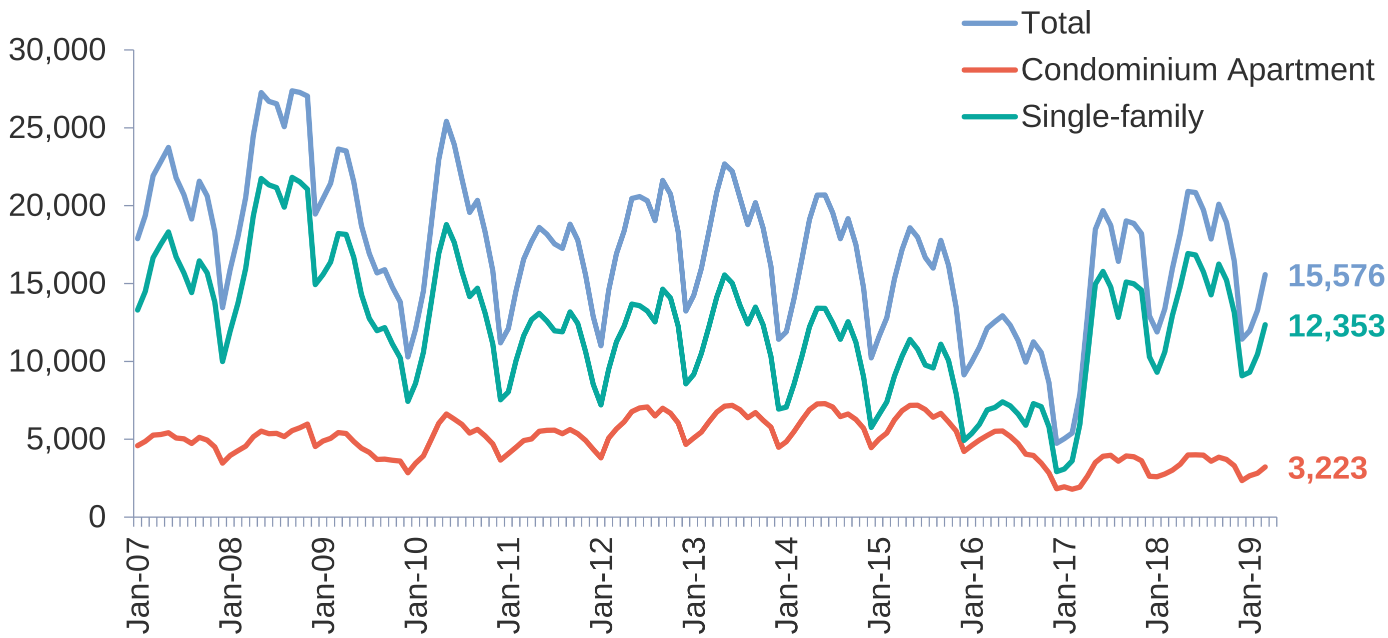
- **Total sales of existing homes in March** (as reported by the Toronto Real Estate Board) **continued to mirror 2018.** While total sales were similar to last March, the mix was slightly different, with a 4% improvement for single-family offsetting a 10% decline in condominium apartment. Year-to-date total existing home sales are now running just slightly below 2018.
- **Resale inventories moved up again in March,** for both single-family and apartment product (*chart top of next page*), which is the typical seasonal pattern. However, total inventory was down slightly compared to last year, with a modest increase for condominium apartment more than offset by less single-family inventory (although it remains high in historical terms).
- Average overall resale prices dipped in March from February for both single-family and condominium apartment units (*chart bottom of next page*). **However, the shift in the mix of sales towards single-family meant the overall resale price moved slightly higher.**

GTA Resale Home Sales



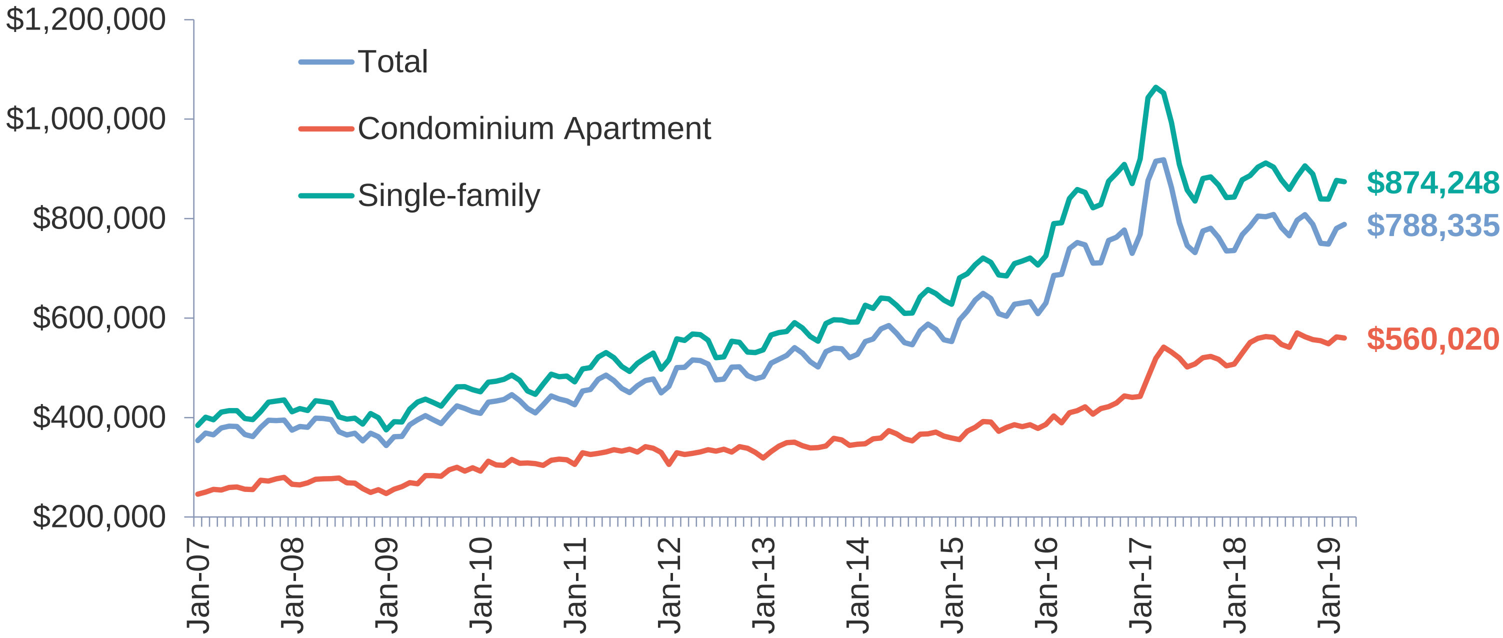
Source: Altus Group based on Toronto Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



Source: Altus Group based on Toronto Real Estate Board data

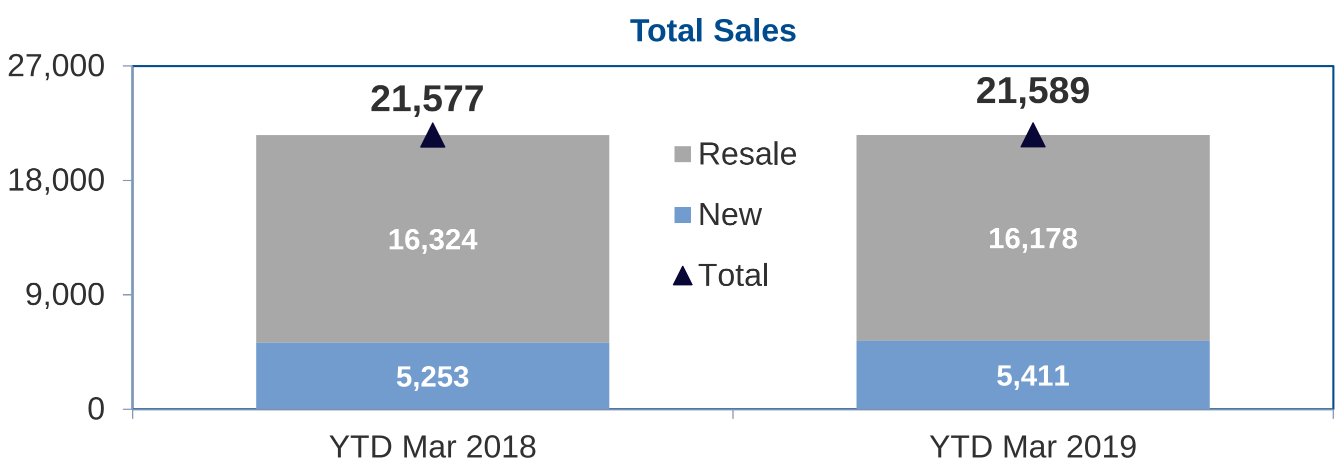
GTA Resale Home Prices

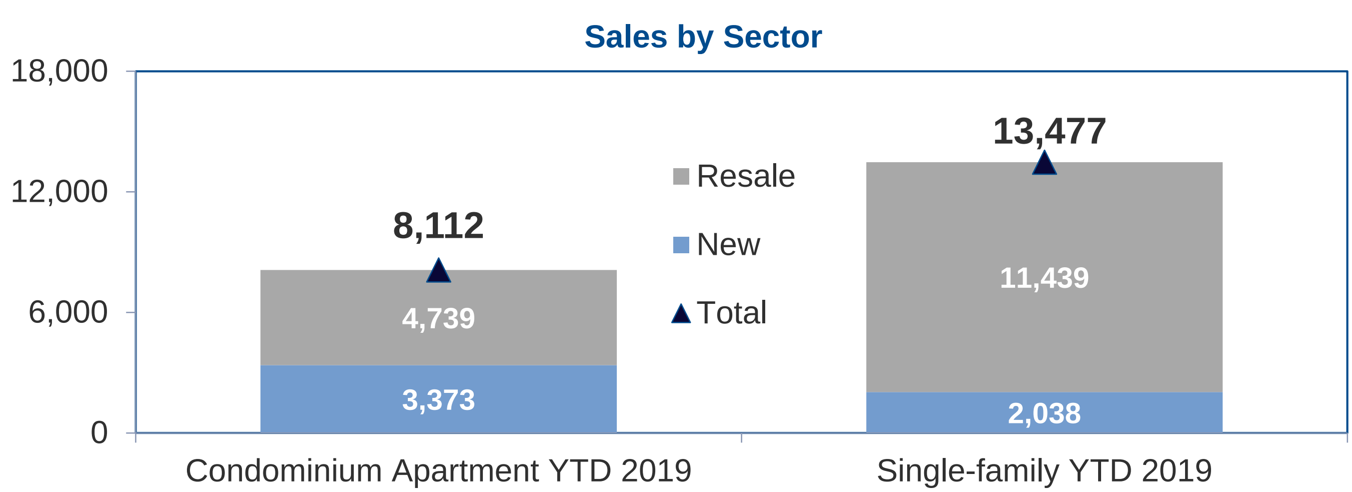


Source: Altus Group based on Toronto Real Estate Board data

- **Combined resale and new home sales,** as measured by TREB and Altus Group, totaled just over 21,500 units for the first quarter of 2019, **virtually matching last year**. Slightly higher new homes sales have offset a modest dip in existing home sales.
- **There continues to be about 3 existing home sales for every new home sale**. The ratios however are quite different for single-family homes (with about 5.6 resales for every 1 new home sale) and condominium apartments (with about 1.4 resales for every 1 new home sale).

GTA Combined New & Resale Home Sales

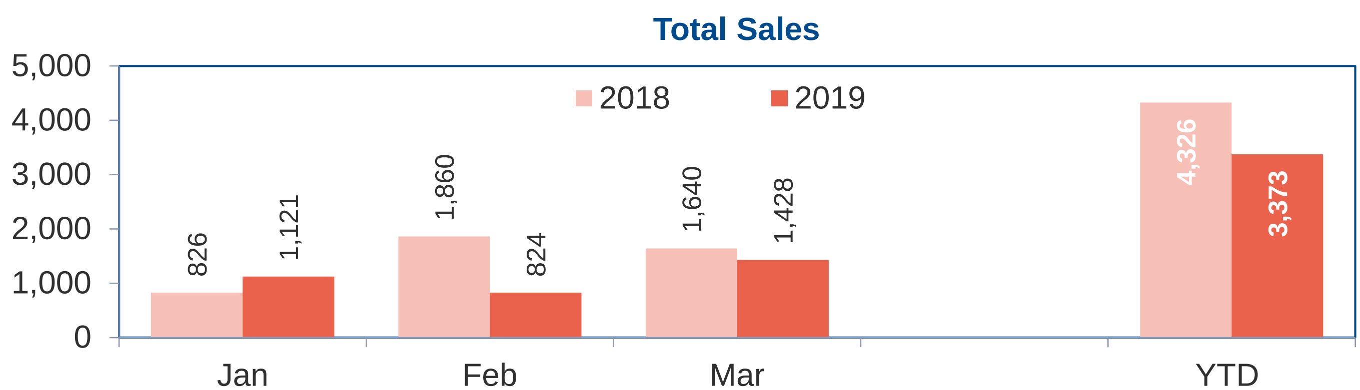


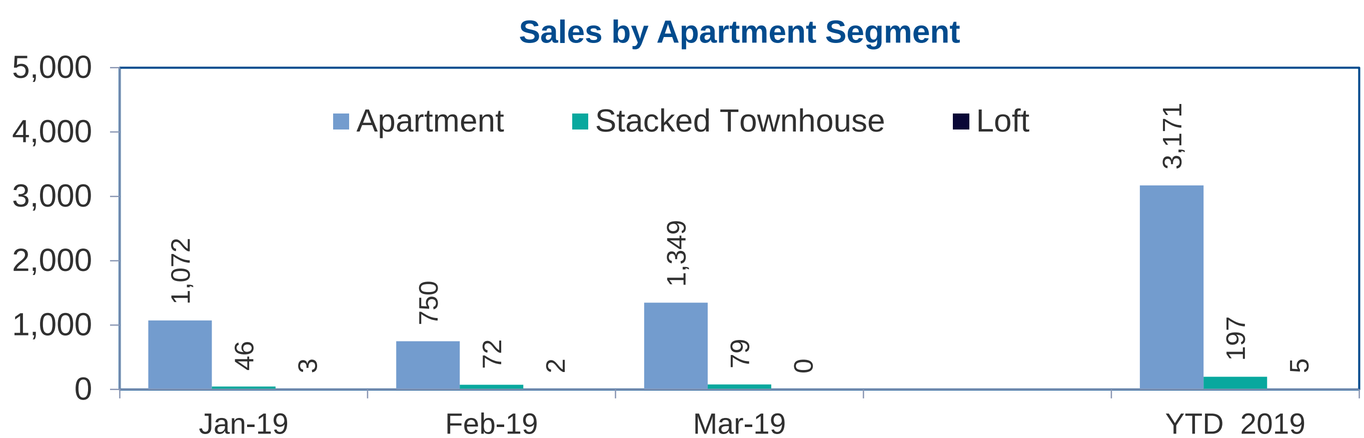


Source: Altus Group and Toronto Real Estate Board data

- **Total new condominium apartment sales did better in March after a disappointing February**, but fell slightly below a year ago. Sales for Q1 were 22% below last year, and were the lowest Q1 since 2013.
- Stacked townhouses and loft units continue to account for a very small proportion of overall sales (about 6% of the total for the first quarter).
- **The year-over-year decline in new condominium apartment sales in Q1 was focused in the City of Toronto and York Region** *(chart next page).* Within the City of Toronto, higher sales in North York and Scarborough were not enough to offset declines in the former City and Etobicoke (*chart after next page*). Richmond Hill accounted for most of the year-over-year decline in York Region.

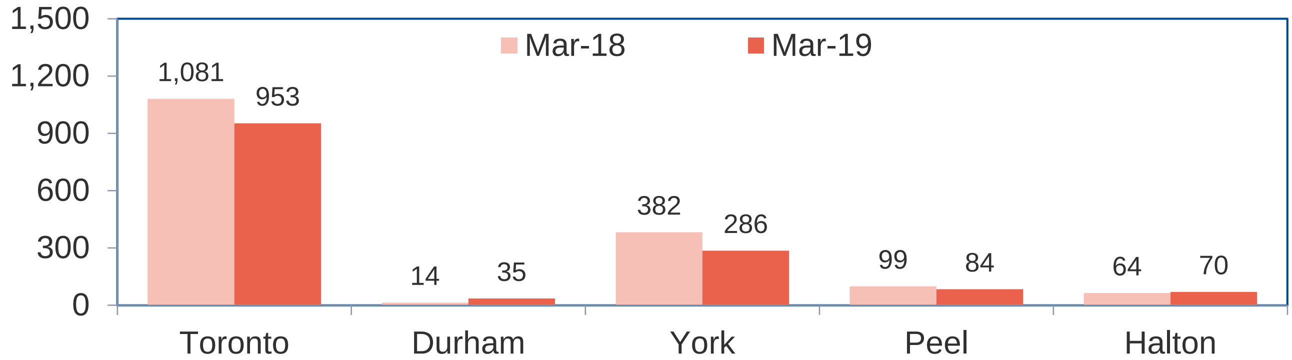
GTA New Condominium Apartment Sales

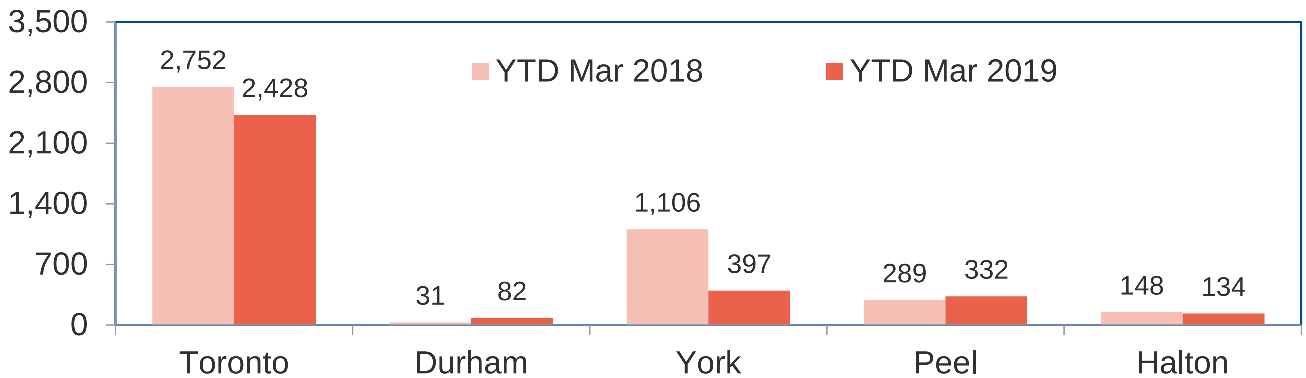


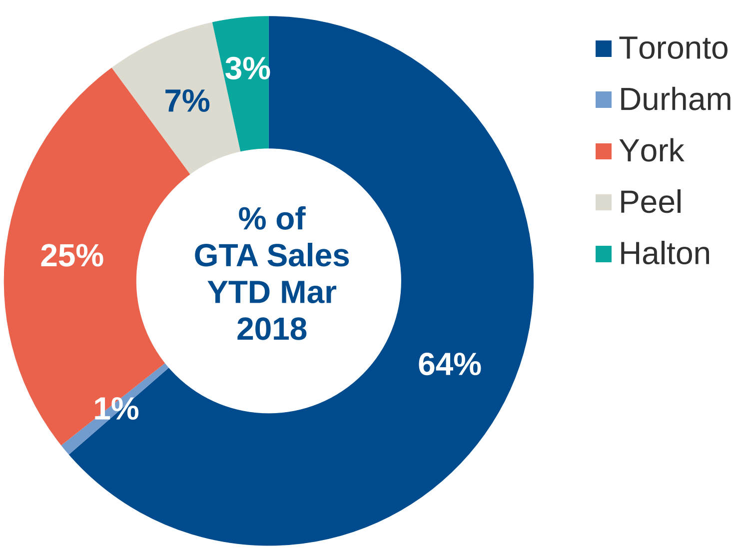


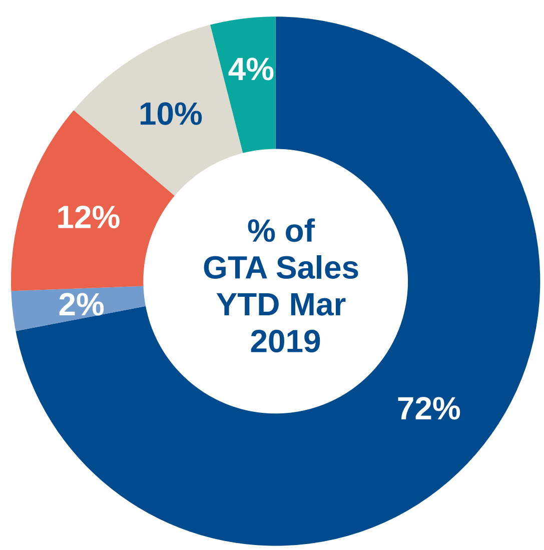
Source: Altus Group

GTA New Condominium Apartment Sales by Region

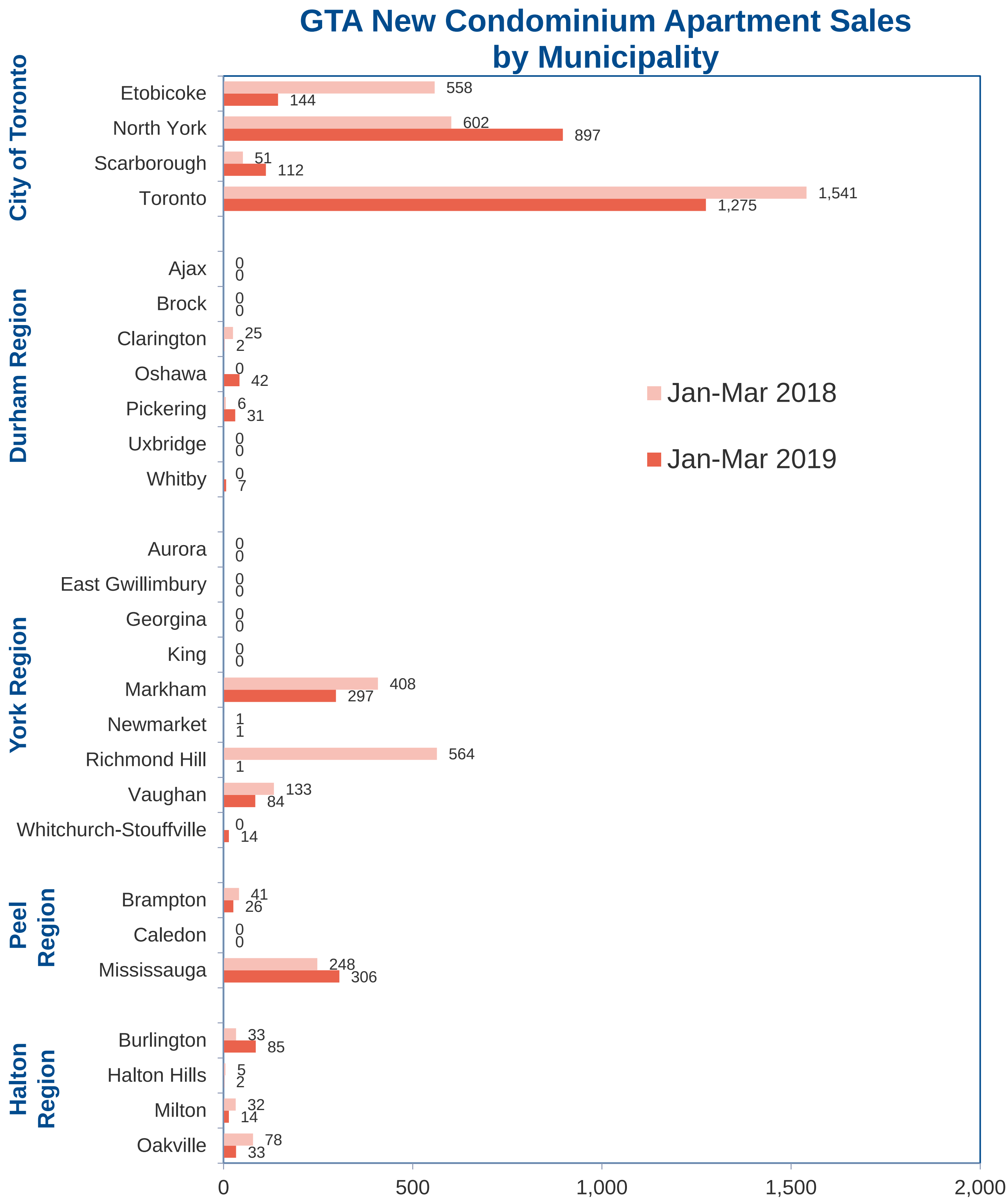








Source: Altus Group

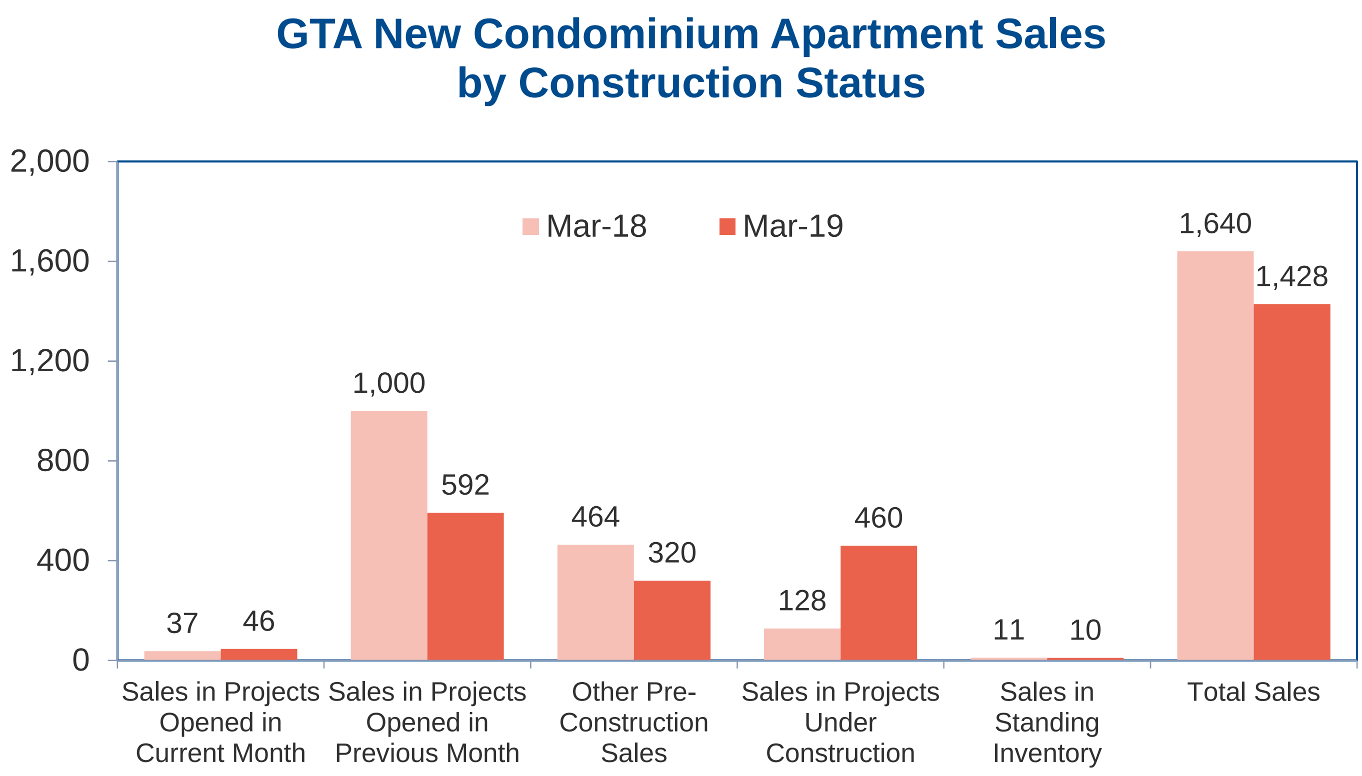


Municipality	Jan-Mar 2018	Jan-Mar 2019
Etobicoke	558	144
North York	602	897
Scarborough	51	112
Toronto	1,541	1,275
Ajax	0	0
Brock	0	0
Clarington	25	2
Oshawa	0	42
Pickering	6	31
Uxbridge	0	0
Whitby	0	7
Aurora	0	0
East Gwillimbury	0	0
Georgina	0	0
King	0	0
Markham	408	297
Newmarket	1	1
Richmond Hill	564	1
Vaughan	133	84
Whitchurch-Stouffville	0	14
Brampton	41	26
Caledon	0	0
Mississauga	248	306
Burlington	33	85
Halton Hills	5	2
Milton	32	14
Oakville	78	33

Source: Altus Group

New Condominium Apartments - Sales

- **Most of the projects opened in March opened within the last 10 days of the month. This contributed to only 3% of total sales of new condominium apartments in March being in March launches.** Sales in projects opened in February accounted for 41% of March sales.
- **There is little standing inventory to purchase** *(chart next page)* and therefore few sales in this segment.



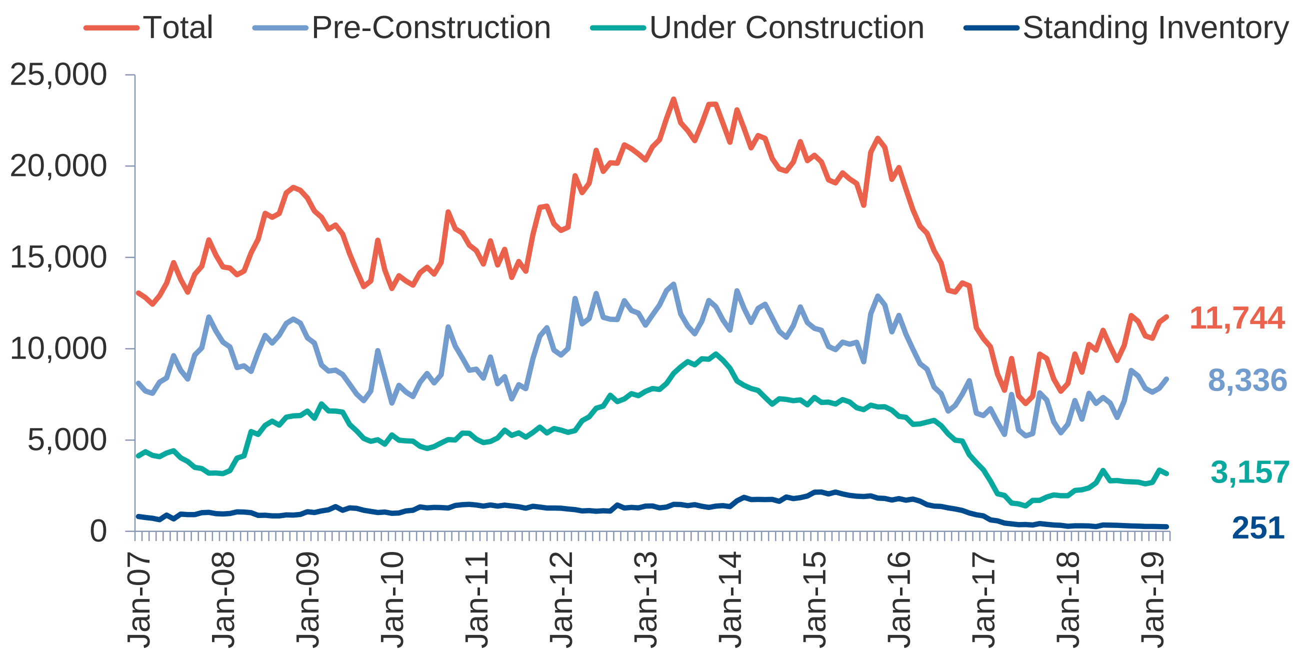
Source: Altus Group

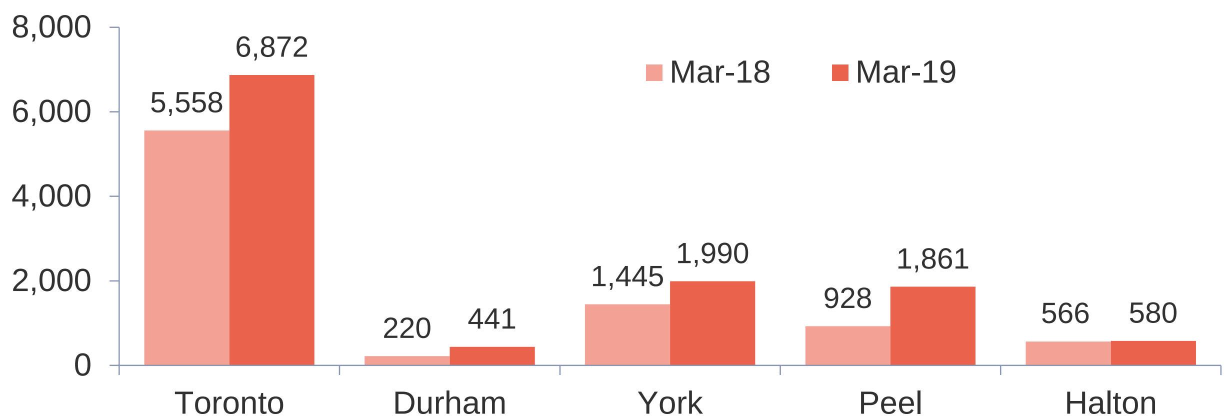
▪ **New condominium apartment available inventory was up slightly again in March, as March sales were less than the number of units in the 6 new projects opened.** However, as previously noted, 4 of the 6 new projects opened within the last 10 days of the month, when firm sales are not recorded.

▪ **The current inventory represents just under 7 months of supply** at the pace of sales over the past 12 months, the highest March since 2016, but below the long term average for March of about 10 months.

▪ Inventory is up compared to last March in all regions.

GTA New Condominium Apartment Inventory

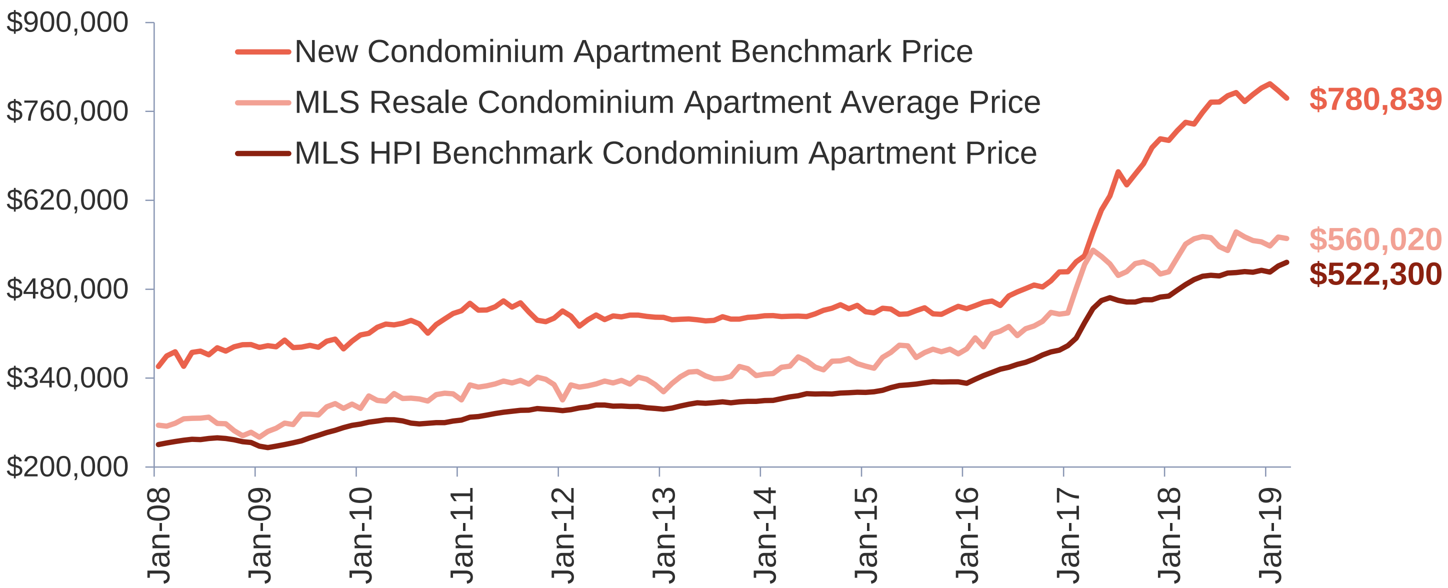


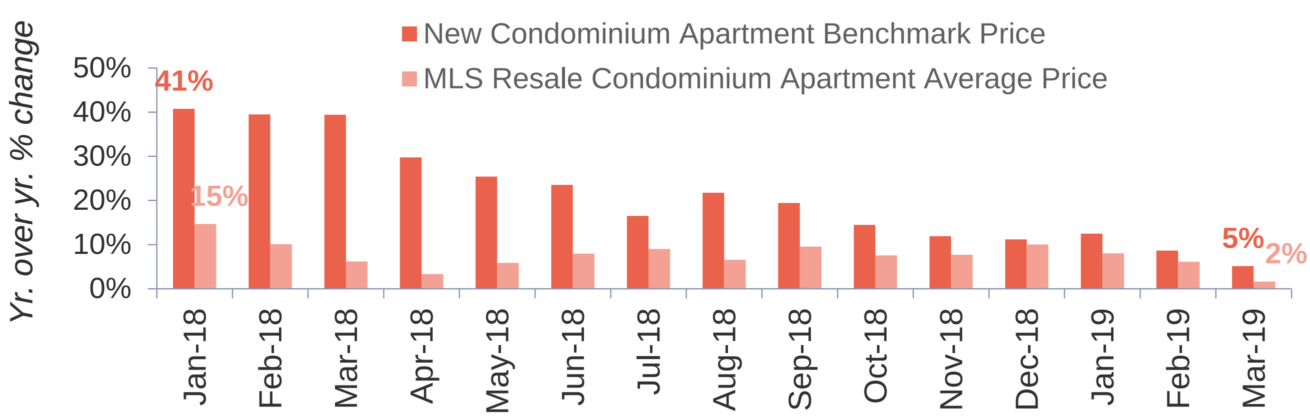


Source: Altus Group

- **New condominium apartment prices eased again in March from the peak reached in January 2019, but are up 5% from a year earlier**.
- The average price of a resale condominium apartment was down slightly in March, and sits about 2% above March 2018.
- **A halt to the upward climb 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.

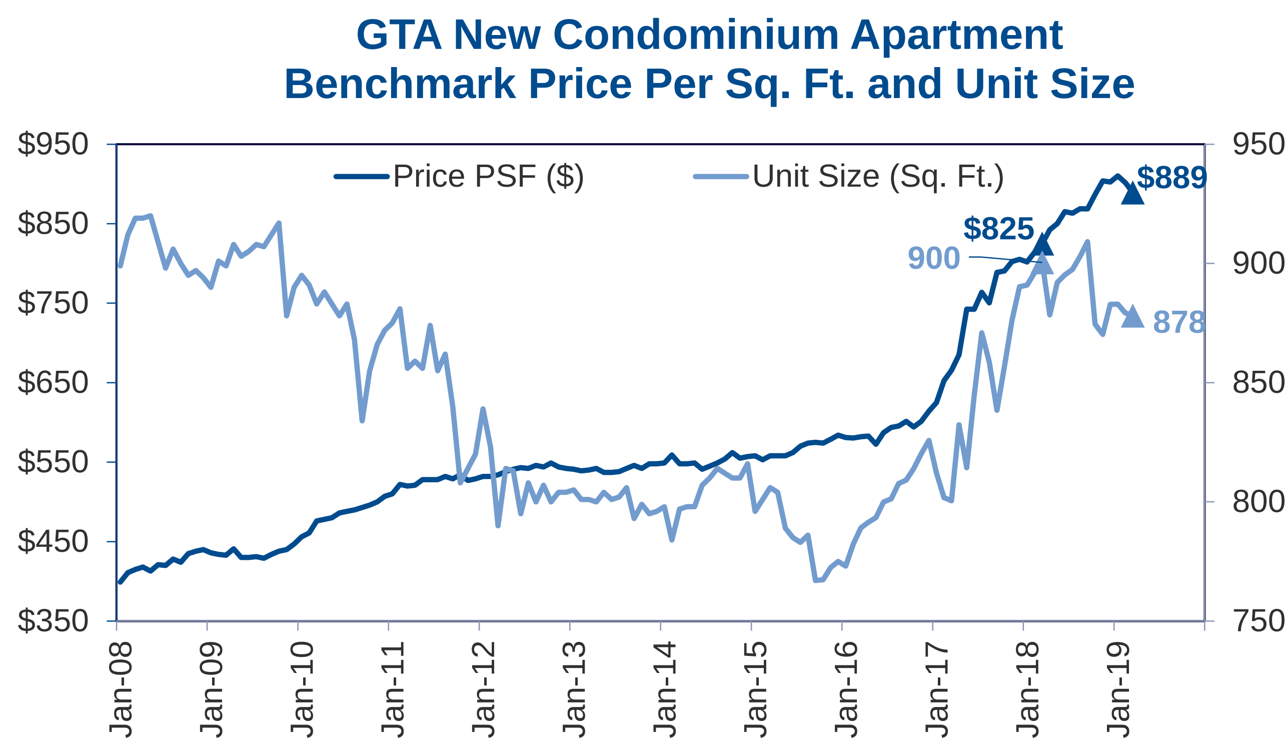
GTA New and Resale Condominium Apartment Prices





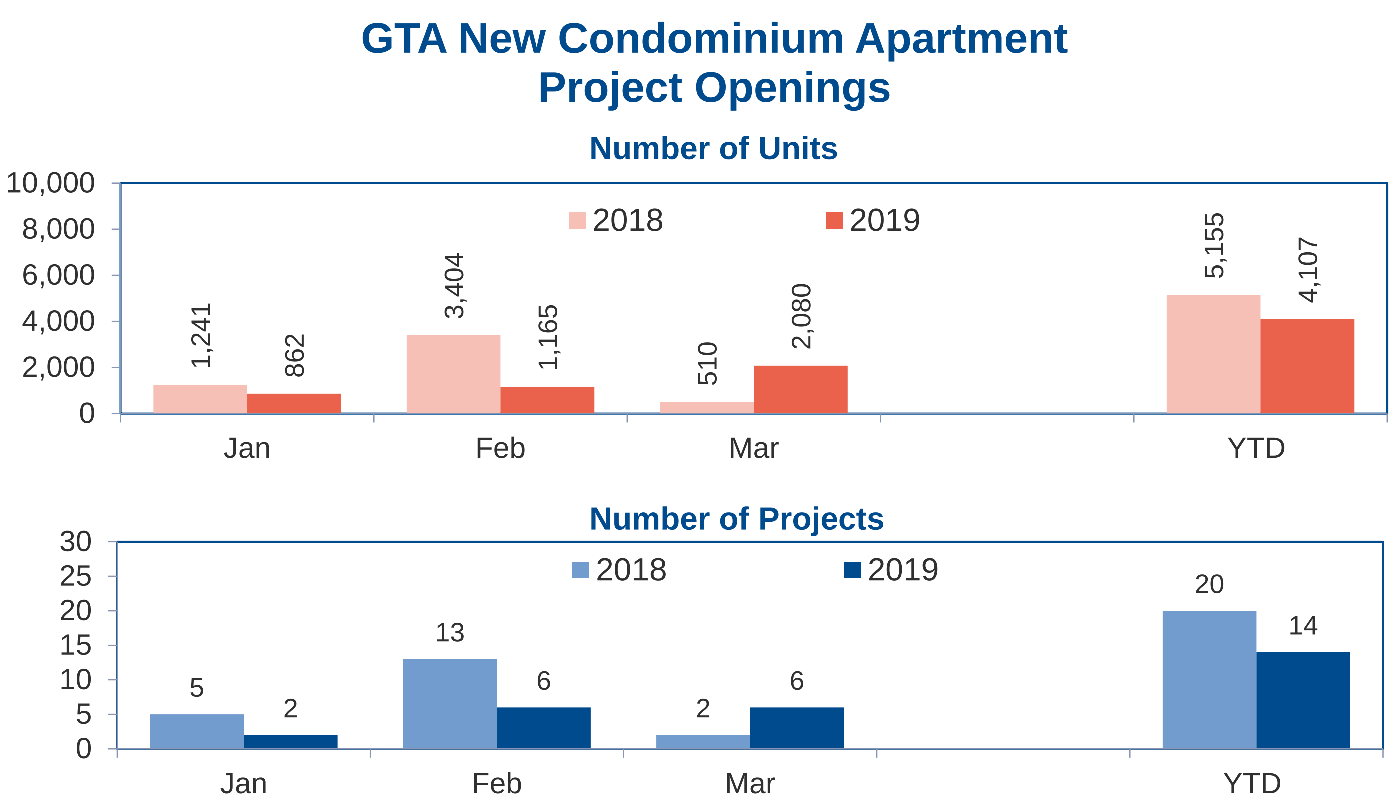
Source: Altus Group and Toronto Real Estate Board data

- **The 5% increase in March 2019 over March 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. Therefore, 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

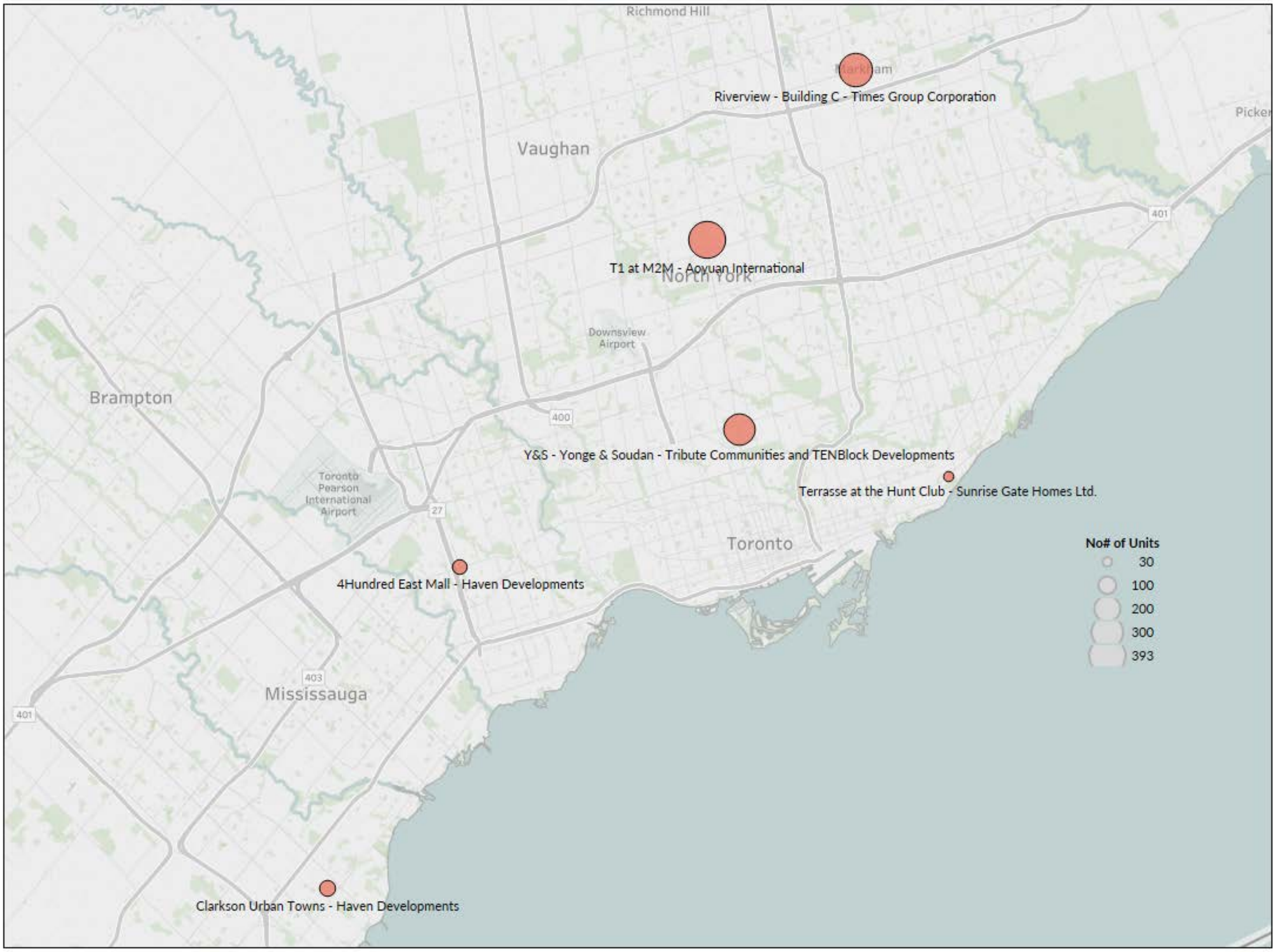
- **Six new condominium apartment projects launched in March 2019 in the GTA.** Of these, 4 opened within the last 10 days of the month.
- In Q1 2019, 14 projects launched, down from 20 for the same period in 2018. The number of units in the Q1 launches was down 20% from Q1 2018. *Note that 1 additional project was added to the February 2019 statistics since our February report was issued.*
- Following this page are maps showing the location of new projects launched in February and March 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.*



Source: Altus Group

New Condominium Apartments - Openings

February 2019 New Project Launches by Number of Units



Source: Altus Group

For February project openings, sales for both the opening month (February 2019) and the subsequent month (March 2019) are provided on the following table. Note that February has been revised to incorporate information on 4Hundred East Mall.

Project Record	[4Hundred East Mall]	[Clarkson Urban Towns]	[Riverview - Building C]	[T1 at M2M]	[Terrasse at the Hunt Club]	[Y&S - Yonge & Soudan]

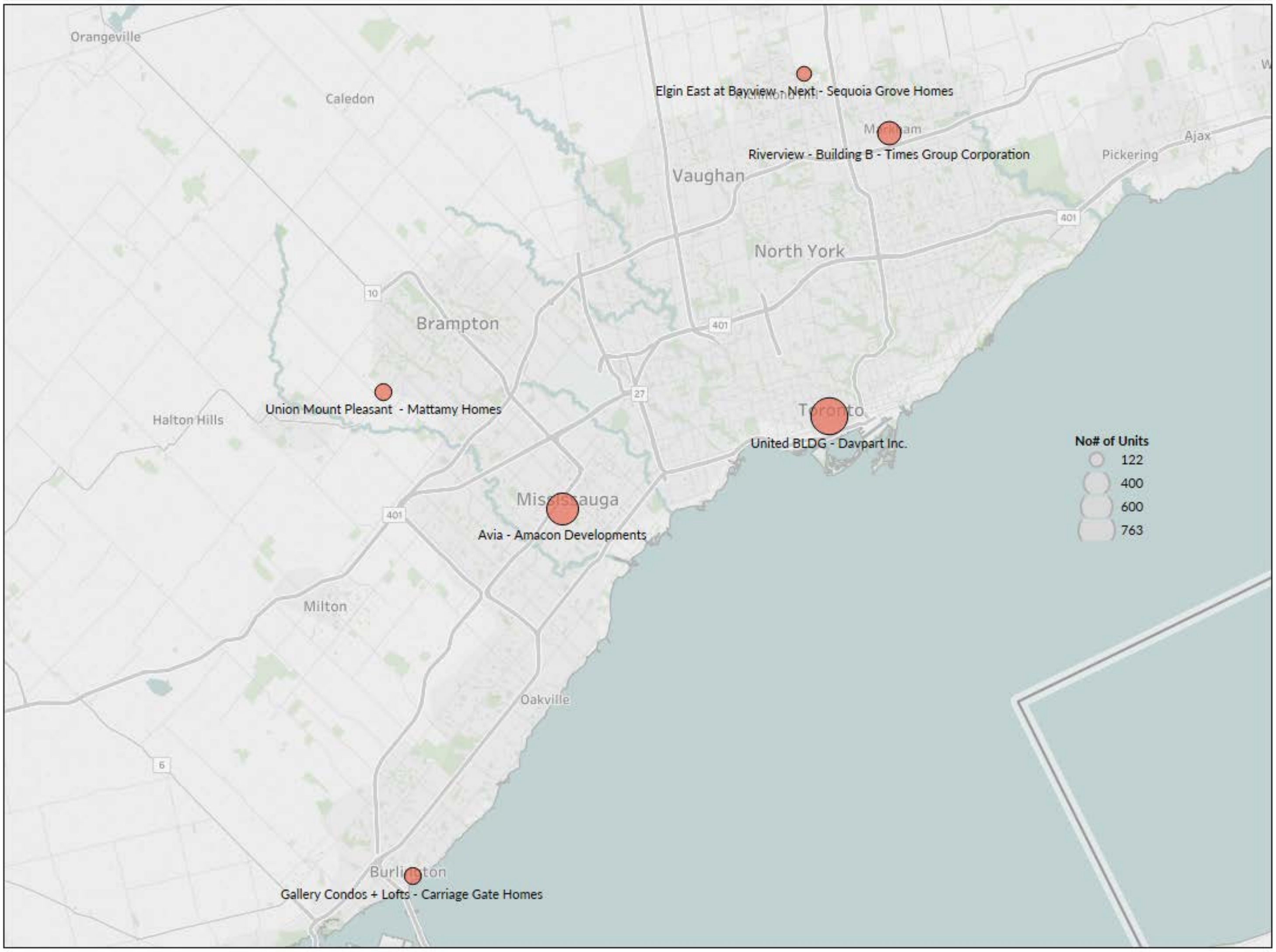
New Condominium Apartment Project Openings - February 2019

Project Name	4Hundred East Mall	Clarkson Urban Towns	Riverview - Building C	T1 at M2M	Terrasse at the Hunt Club	Y&S - Yonge & Soudan
Developer	Haven Developments	Haven Developments	Times Group Corporation	Aoyuan International	Sunrise Gate Homes Ltd.	Tribute Communities and TENBlock Developments
Date Opened	2019-02-21	2019-02-02	2019-02-23	2019-02-23	2019-02-15	2019-02-20
Municipality	Etobicoke	Mississauga	Markham	North York	Scarborough	Toronto
Region	Toronto	Peel	York	Toronto	Toronto	Toronto
Structural Type	Stacked	Stacked	Apartment	Apartment	Apartment	Apartment
Floors	4	4	19	36	7	36
Project Total Units	**62**	**74**	**322**	**393**	**30**	**284**
Total Units Released	**62**	**74**	**322**	**315**	**30**	**276**
Studio	--	--	--	--	--	--
1 bedroom	40	41	34	12	9	81
1 bedroom + den	--	2	143	113	6	51
2 bedroom	20	29	73	129	8	113
2 bedroom + den	--	--	53	32	2	8
3 bedroom & up	2	2	19	29	3	23
Penthouse	--	--	--	--	--	--
Other	--	--	--	--	2	--
Opening month sales	**0**	**39**	**0**	**0**	**0**	**0**
Next month sales	**29**	**18**	**242**	**159**	**6**	**138**
% Sold (of released units)	*47%*	*77%*	*75%*	*50%*	*20%*	*50%*
Remaining available inventory	33	17	80	156	24	138
Original $PSF	$770	$743	$738	$944	$866	$1,115
Minimum Size (sq. ft.)	520	485	557	474	563	455
Maximum Size (sq. ft.)	1,400	1,570	1,123	1,256	2,461	975
Minimum Price	$429,900	$426,900	$411,100	$519,990	$478,900	$512,990
Maximum Price	$979,900	$864,900	$875,900	$1,154,900	$2,264,900	$1,027,990
Notes					2-storey units are included in Other.	

Source: Altus Group

Altus Group

March 2019 New Project Launches by Number of Units



Source: Altus Group

Project Record | Avia | Elgin East at Bayview - Next | Gallery Condos + Lofts | Riverview - Building B | Union Mount Pleasant | United BLDG

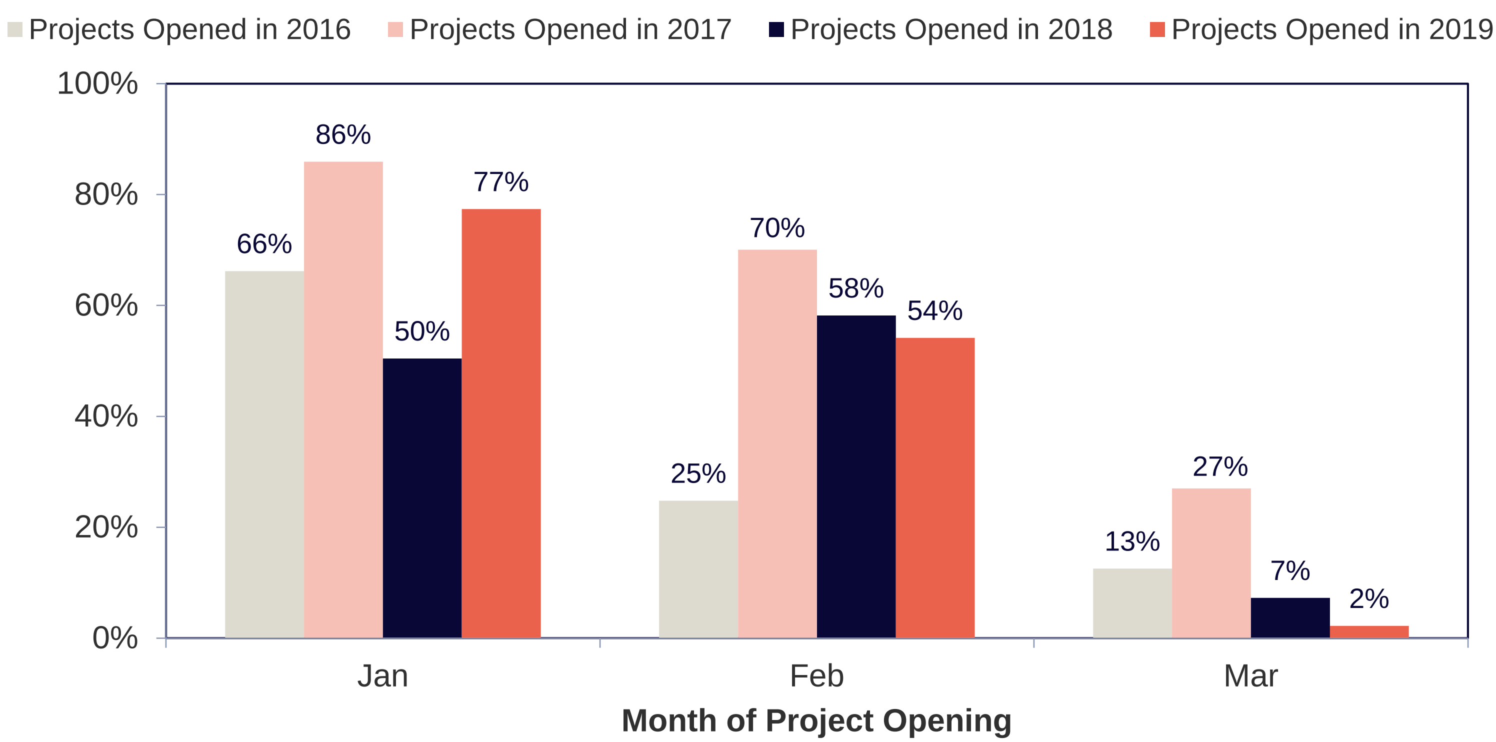
New Condominium Apartment Project Openings - March 2019

Project Name	Avia	Elgin East at Bayview - Next	Gallery Condos + Lofts	Riverview - Building B	Union Mount Pleasant	United BLDG
Developer	Amacon Developments	Sequoia Grove Homes	Carriage Gate Homes	Times Group Corporation	Mattamy Homes	Davpart Inc.
Date Opened	2019-03-21	2019-03-23	2019-03-05	2019-03-16	2019-03-30	2019-03-27
Municipality	Mississauga	Richmond Hill	Burlington	Markham	Brampton	Toronto
Region	Peel	York	Halton	York	Peel	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	50	10	22	36	6	55
Project Total Units	**568**	**122**	**161**	**307**	**159**	**763**
Total Units Released	**493**	**122**	**140**	**299**	**69**	**338**
Studio	40	--	--	--	3	52
1 bedroom	140	18	20	33	16	104
1 bedroom + den	99	56	35	99	16	26
2 bedroom	171	29	84	34	15	156
2 bedroom + den	43	19	1	132	15	--
3 bedroom & up	--	--	--	1	4	--
Penthouse	--	--	--	--	--	--
Other	--	--	--	--	--	--
Opening month sales	**0**	**0**	**42**	**4**	**0**	**0**
% Sold (of released units)	*0%*	*0%*	*30%*	*1%*	*0%*	*0%*
Remaining available inventory	493	122	98	295	69	338
Original $PSF	$779	$699	$757	n.a.	$578	$1,635
Minimum Size (sq. ft.)	460	573	514	643	441	$279
Maximum Size (sq. ft.)	1,044	928	1,200	1,054	1,080	$735
Minimum Price	$350,000	$432,900	$399,000	$467,900	$279,990	$489,900
Maximum Price	$725,000	$633,900	$939,000	$815,800	$559,990	$1,121,900
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.			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.

Source: Altus Group

- Caution needs to be used in analyzing sales rates for 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 to another. **As noted earlier, 4 of the 6 projects opened in March 2019 were within the last 10 days of the month,** which is a factor in their low % sold to end of March.
- **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. 77% sold by end of March for January 2019 openings, compared to 50% for January openings last year). Sales in projects opened in February are running near last year's absorption rate.

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

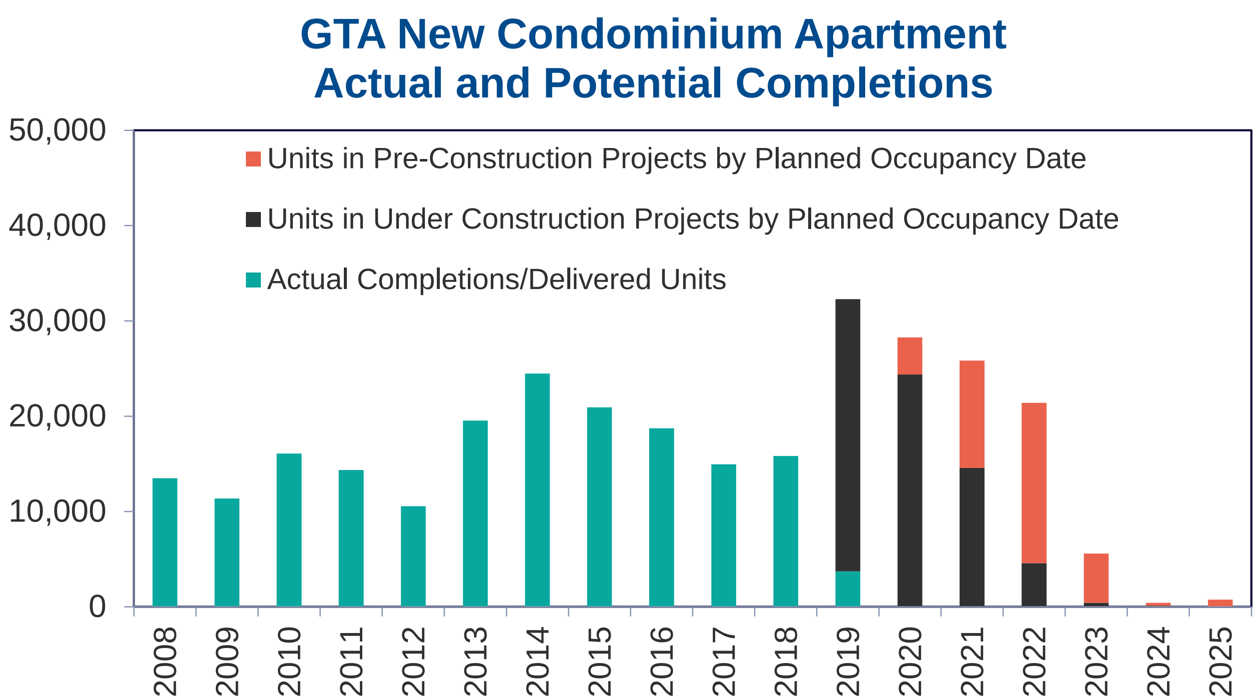


** The total includes unreleased units*

Source: Altus Group

New Condominium Apartments - Completions

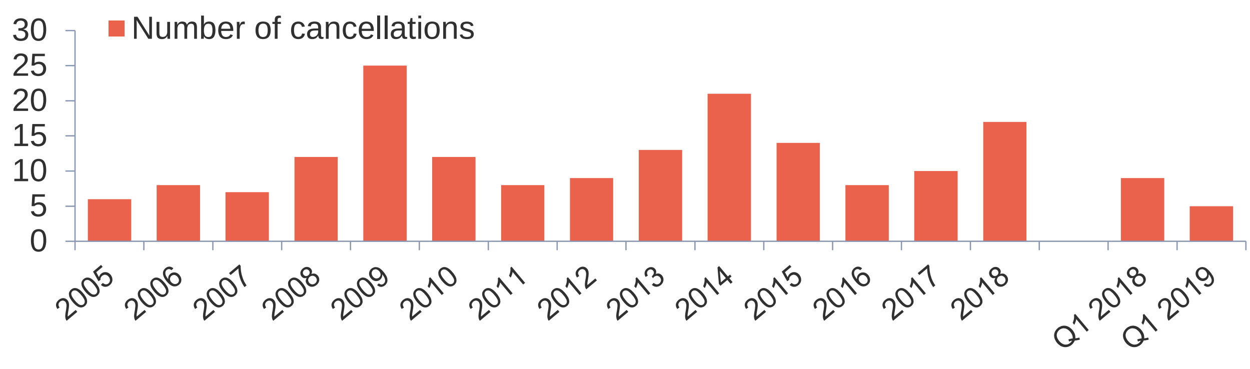
- As of the end of March 2019, there were just under 111,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Just over 3,700 units were delivered/ready for occupancy during Q1 2019**, based on Altus Group data; this is up from just over 3,000 in Q1 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 would mean a larger number of investor-purchased condominium apartment units entering the rental market, with potential impacts on achievable rents. However, as in recent years, industry capacity thresholds are likely to push the delivery timeline for some of these units out further than originally planned dates.

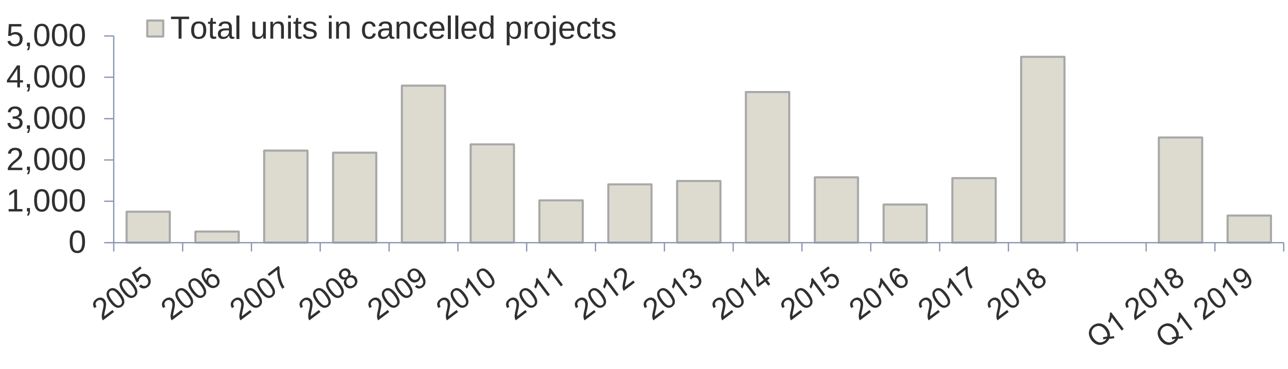


Source: Altus Group

- **There were 5 condominium apartment projects cancelled in Q1 2019, totaling just over 650 units.** This is well below the roughly 2,500 units that were cancelled in Q1 2018, and more in line with Q1 2017. The average size of a cancelled project was smaller than a year ago.
- **Most of the non-cancelled projects that opened before 2017 are now under construction** (*charts top of next page*), and therefore less at risk of being cancelled (although this could still occur).
- **Projects are cancelled for a number of reasons**, including poor sales (some of these projects are redesigned and relaunched), financing challenges and possibly operational challenges (for less experienced builders). Looking at the results for projects cancelled in the 2005 to 2016 period (*chart bottom of next page*), the majority had sales of less than 70% of the units (the typical threshold for construction financing), and most of these were below 50% sold. **For projects cancelled in 2017, 2018 and Q1 2019**, however, this was not the case: **most had achieved sales of 70% or more**.

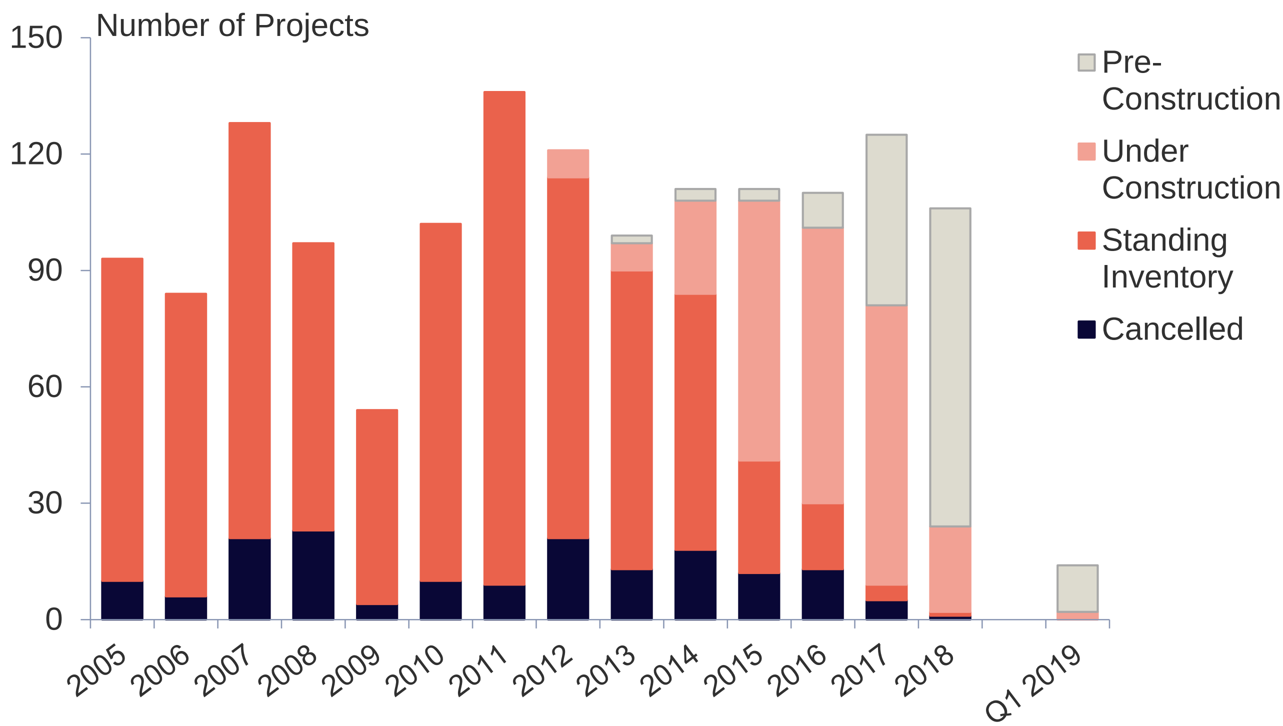
Condominium Apartment Projects Cancelled During Each Year, GTA





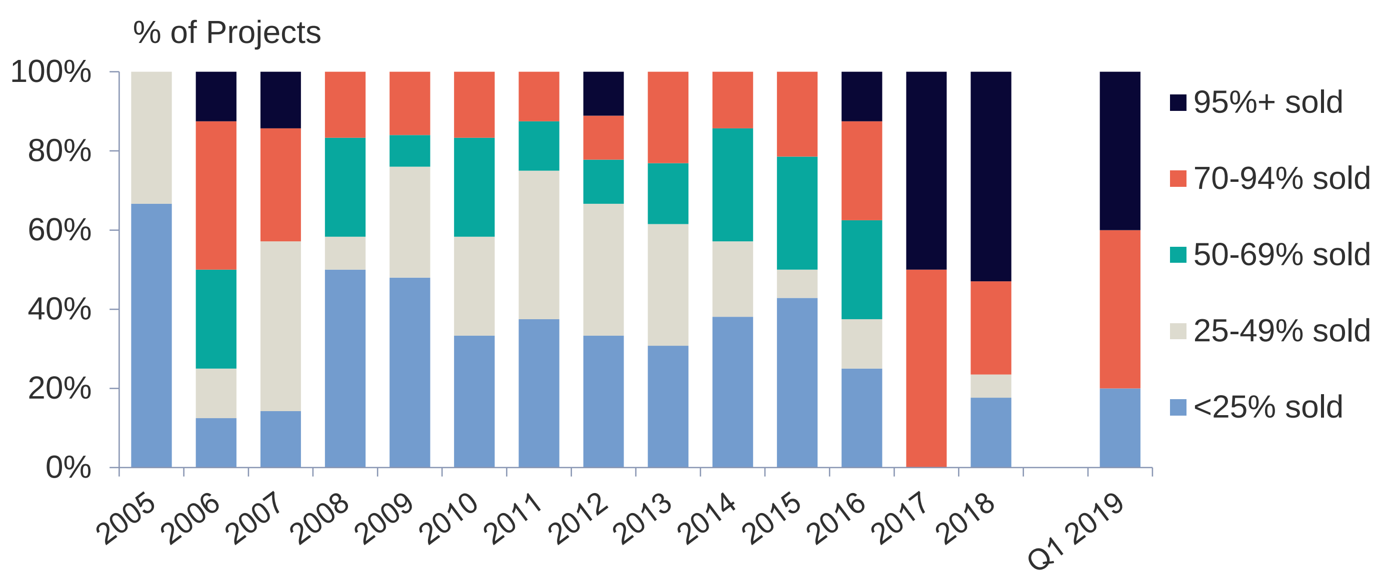
Source: Altus Group

Current Status of Condominium Apartment Projects by Year Opened, GTA



Source: Altus Group

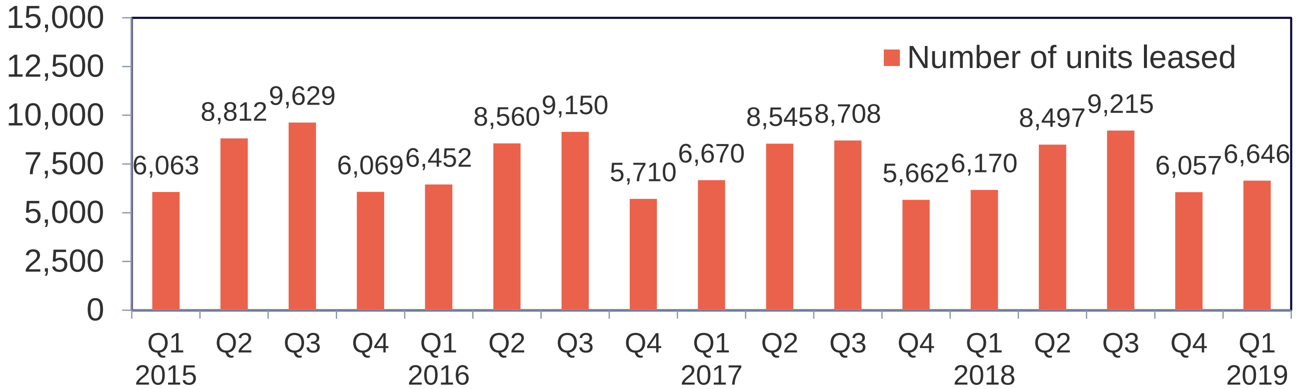
Cancelled Condominium Apartment Projects by Year Cancelled Showing % of Units Sold, GTA

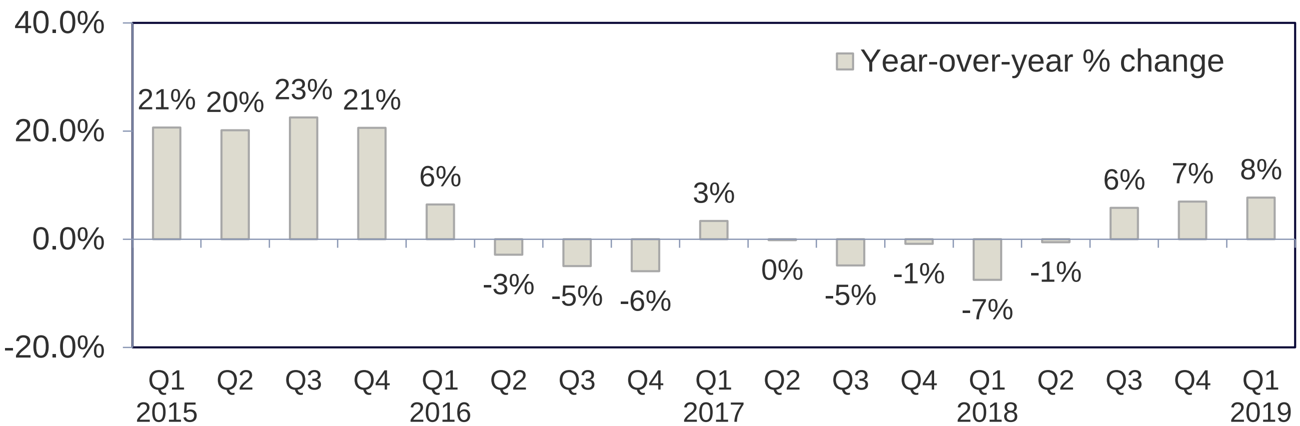


Source: Altus Group

- The number of lease transactions for rented condominium apartment units was up in Q1 2019 from the previous quarter, according to data from the Toronto Real Estate Board. However, this is a typical seasonal pattern. **More importantly, the number of lease transactions was up almost 8% from Q1 2018, marking the 3rd quarter in a row to post a year-over-year improvement.**
- **Average rents for leased condominium units in Q1 2019 were stable on a quarter-to-quarter basis** for bachelor and 1 bedroom units (chart next page), but up for 2 bedroom and 3 bedroom units.
- Year-over-year, average rent increases continued to moderate, but are still well above inflation rates, with average rents for 1 bedroom units up just over 7% in Q1 2019 from a year earlier (*chart next page*).

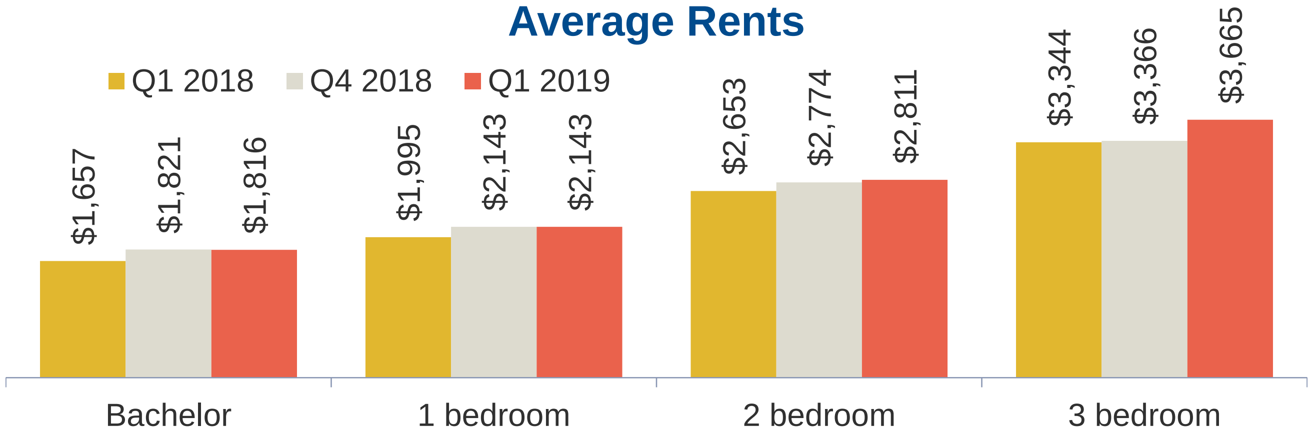
GTA Condominium Apartment Lease Transactions (All Bedroom Types)





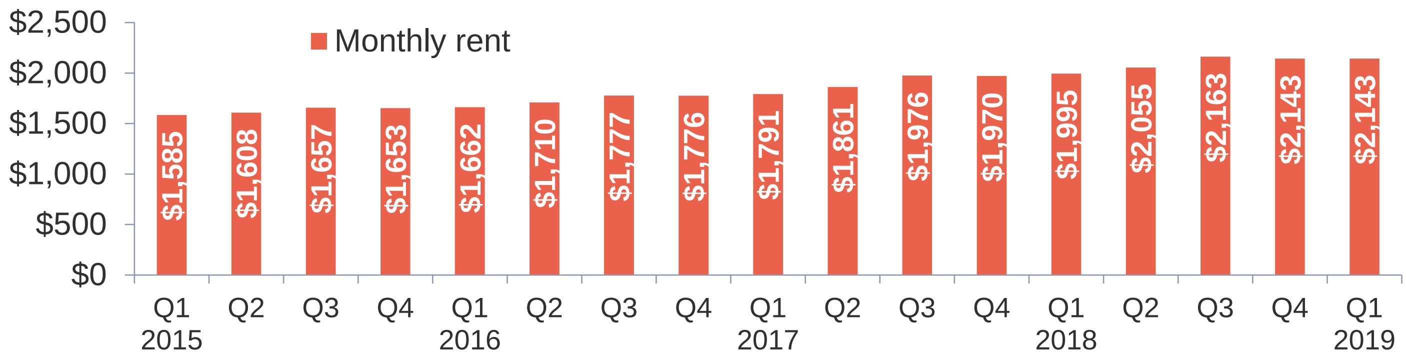
Source: Altus Group based on Toronto Real Estate Board data

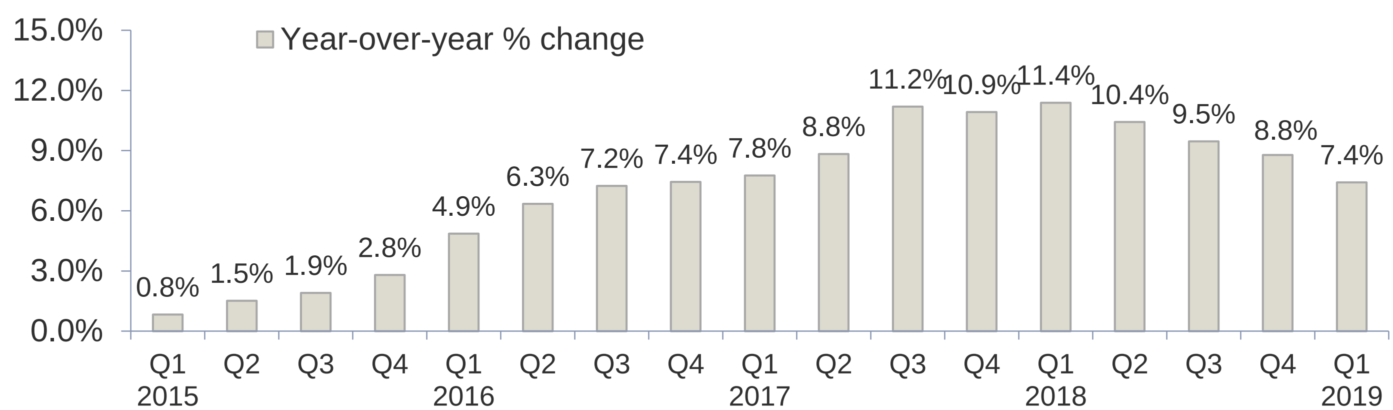
GTA Condominium Apartment Lease Transactions Average Rents



Source: Altus Group based on Toronto Real Estate Board data

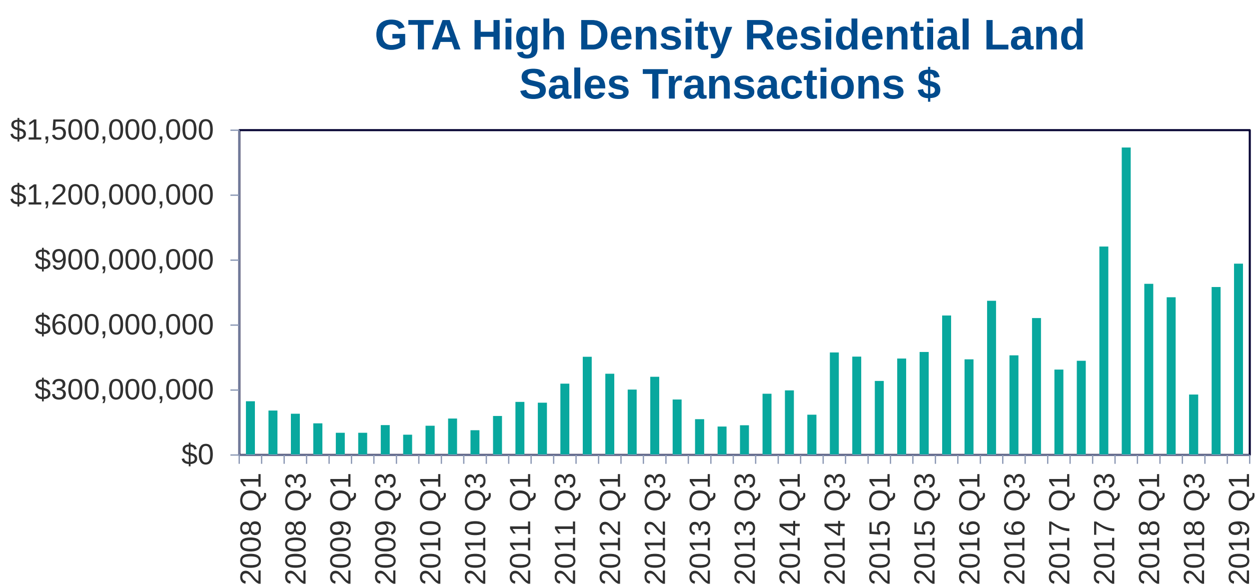
GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units



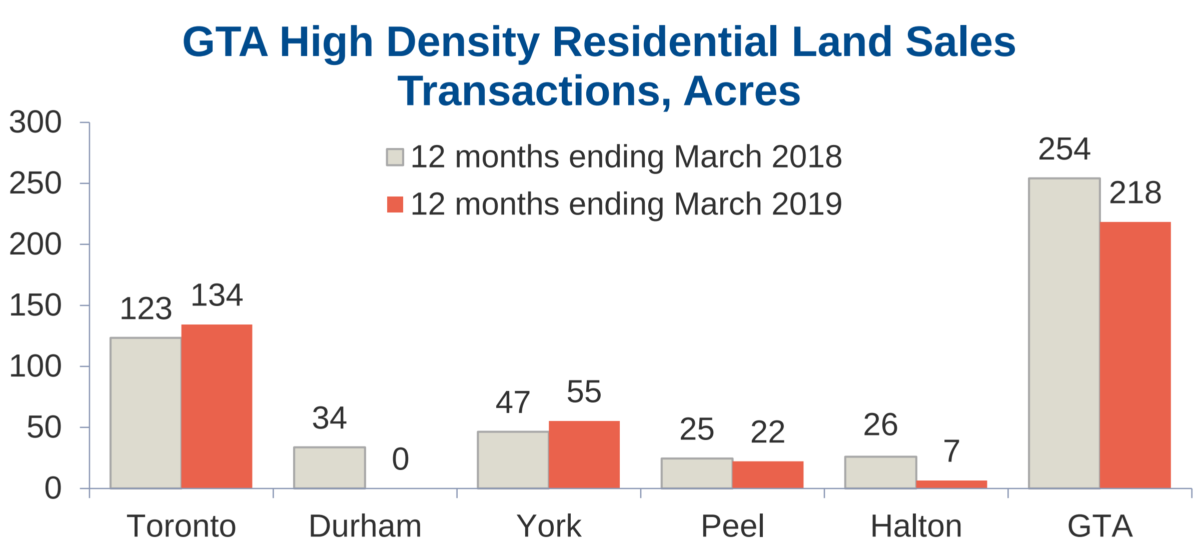


Source: Altus Group based on Toronto Real Estate Board data

- **The dollar volume of sales of high density residential land in the GTA increased again in Q1 2019**, according to Altus Group transactions data. At almost $884 million, it was the highest Q1 yet recorded by Altus Group and the 3rd highest quarter overall.
- For the 12 months ending March 2019, the volume of residential land traded is down about 26% from the preceding 12 months (which included the top 2 quarters). The number of acres of high density residential land traded was also down, by 14%.



Source: Altus Group



Source: Altus Group

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

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