Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of June 2019

Table of Contents

New Condominium Apartment Dashboard

June 2019			YTD June 2019	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
2,420	**14,377**	**$804,591**	**12,331**	**$786,675**
14% ▲	**31%** ▲	**4%** ▲	**24%** ▲	**6%** ▲
Near 10 year average	***Nearly double June 2017 but below 10 year average***	***Record high***	***3rd highest YTD June***	***Record for YTD June***

% change is from same period a year earlier

Highlights

- **Sales of new condominium apartment units returned to a more sustainable, but still solid, pace in June**, after exceptional performances in both April and May.
- **The benchmark price for a new condominium apartment unit** moved up for the second month in a row in June, moving past January 2019 to **set a new record**.
- **Inventories of new condominium apartment units available to purchase are almost double the low of 2 years ago** but well below the long term average.
- **Absorption rates at newly launched projects** on average **are doing a little better this year** than in 2018. At the same time, **there have been fewer cancelled projects/units**.
- With sales in Q2 2019 at their second highest Q2 ever and new project launches setting a new record for Q2, both buyers and builders are back, signaling that **the downward adjustment in the GTA's new condominium apartment market may now be over**. Our expectation is that total new condominium apartment sales for 2019 will top 25,000 units.

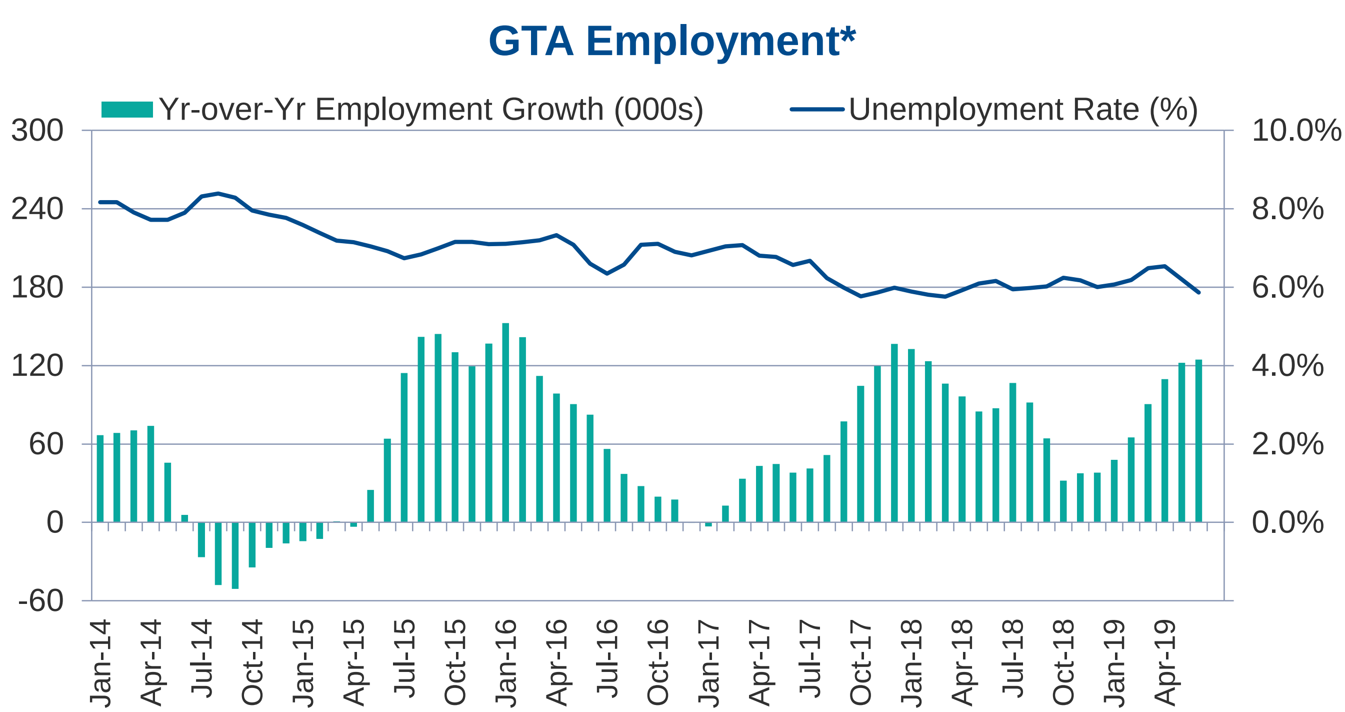
Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

	Jun-18	May-19	Jun-19	*Yr-Over-Yr % Change*	YTD Jun 2018	YTD Jun 2019	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	301	346	352	*17%*	287	336	*17%*
New projects opened	15	13	13	*-13%*	54	59	*9%*
Units in new projects opened	3,593	2,826	3,248	*-10%*	13,213	15,225	*15%*
Total sales (units)	2,125	3,755	2,420	*14%*	9,906	12,331	*24%*
Sales as % of total new & resale	*49%*	*60%*	*53%*		*45%*	*51%*	
Inventory (units)	10,997	13,438	14,377	*31%*	9,593	12,560	*31%*
Sales-to-inventory ratio	19%	28%	17%	*-13%*	17%	16%	*-8%*
Months of inventory	5.6	6.9	7.3	*29%*	4.1	6.9	*70%*
Benchmark price	$774,554	$779,687	$804,591	*4%*	$743,309	$786,675	*6%*
Price PSF Benchmark	$865	$889	$923	*7%*	$833	$899	*8%*
Unit size Benchmark (sq. ft)	895	877	872	*-3%*	892	875	*-2%*
Units completed	2,556	780	3,053	*19%*	8,079	10,750	*33%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,234	2,542	2,149	*-4%*	11,934	11,787	*-1%*
New listings (units)	3,585	4,133	3,333	*-7%*	19,527	19,323	*-1%*
Inventory ("active listings", units)	4,005	3,806	3,708	*-7%*	3,294	3,284	*0%*
Sales-to-inventory ratio	56%	67%	58%	*4%*	60%	59%	*-2%*
Months of inventory	2.1	2.0	2.0	*-5%*	1.6	1.7	*7%*
Average price of units sold	$561,097	$590,876	$590,274	*5%*	$549,278	$576,854	*5%*
HPI constant quality price index (Jan 2005=100)	251.5	267.9	270.3	*7%*	244.9	263.0	*7%*

** see end of report for Definitions*

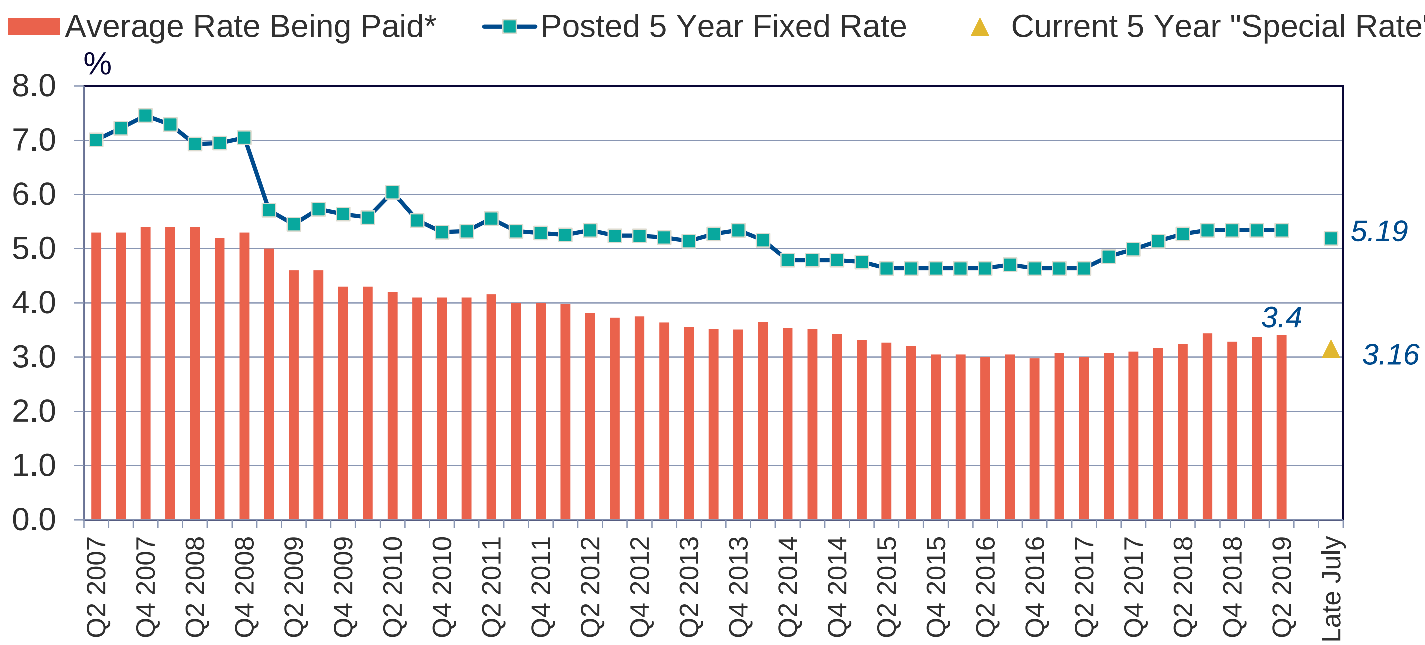
- **Jobs continue to grow, which is positive for underling housing demand.** Total employment grew on a seasonally adjusted month-to-month basis for the 8th month in a row in June. Almost 125,000 more people had jobs in June compared to a year ago, the strongest 12 month growth since January 2018. The unemployment rate moved down to below 6% for the first time since April 2018.
- **The posted 5 year mortgage rate moved down by 15 basis points in mid July, the first decline since September 2016** (*chart top of next page*), according to Bank of Canada data. However, there are "special" mortgage rates to be had in the market well below posted rates, with some 5 year fixed rate mortgages available below 3%. Over the past year, there has been some movement away from variable rate mortgages, into 5+ year fixed rates, according to Altus Group's FIRM survey (*chart bottom of next page*).
- The Bank of Canada maintained the target for the overnight rate at 1.75% again at the last rate announcement on July 10, and remarked that "r*ecent data show the Canadian economy is returning to potential growth. However, the outlook is clouded by persistent trade tensions. Taken together, the degree of accommodation being provided by the current policy interest rate remains appropriate. As Governing Council continues to monitor incoming data, it will pay particular attention to developments in the energy sector and the impact of trade conflicts on the prospects for Canadian growth and inflation."* The next rate announcement is September 4, 2019.



Source: Altus Group based on Statistics Canada data

** Data are based on 3 month moving averages, seasonally adjusted*

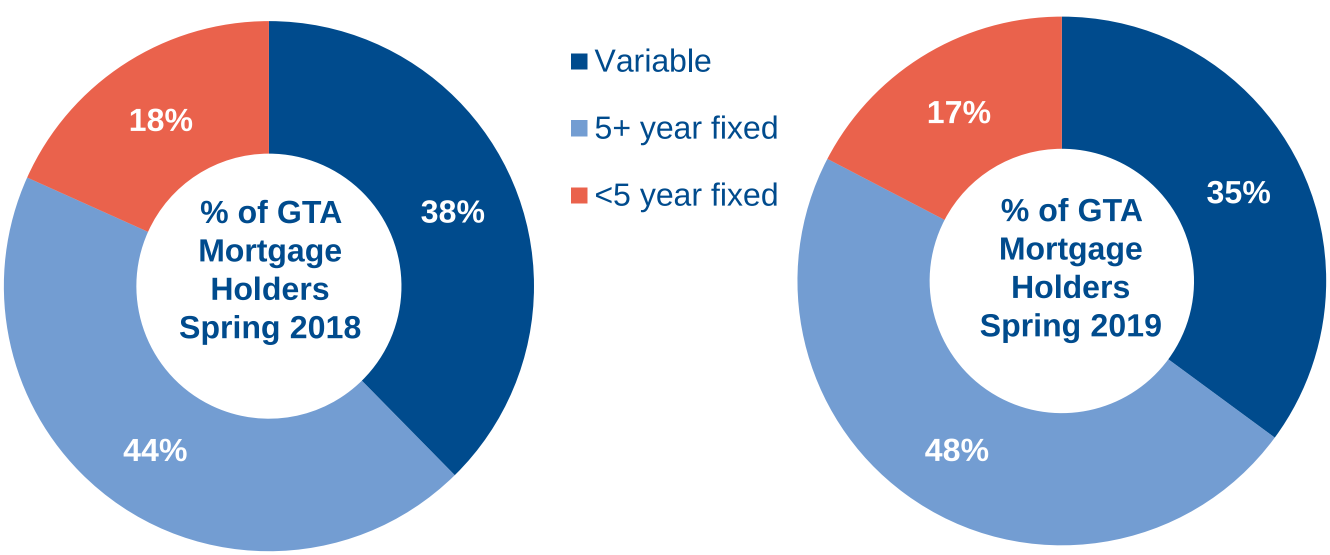
Canadian Mortgage Rates



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*

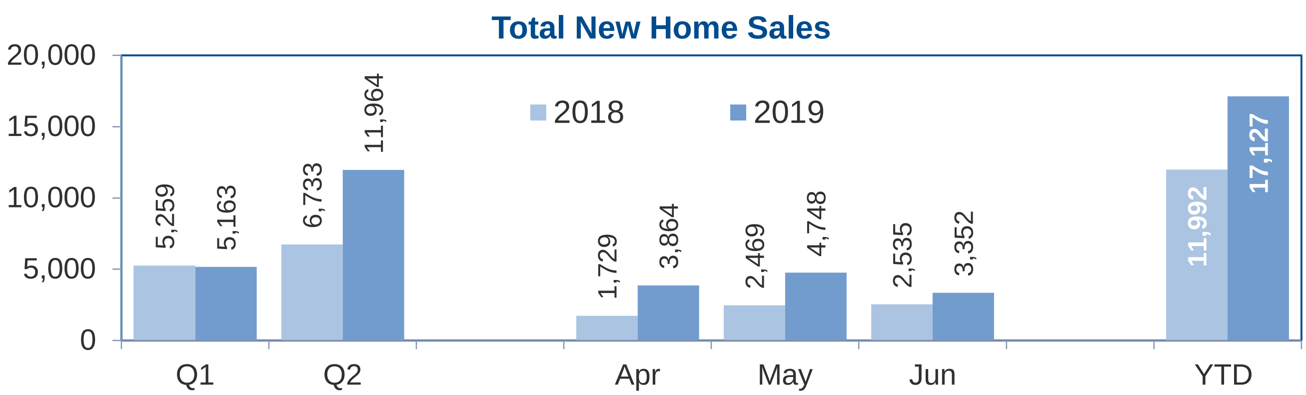
GTA Mortgage Holders by Mortgage Choice

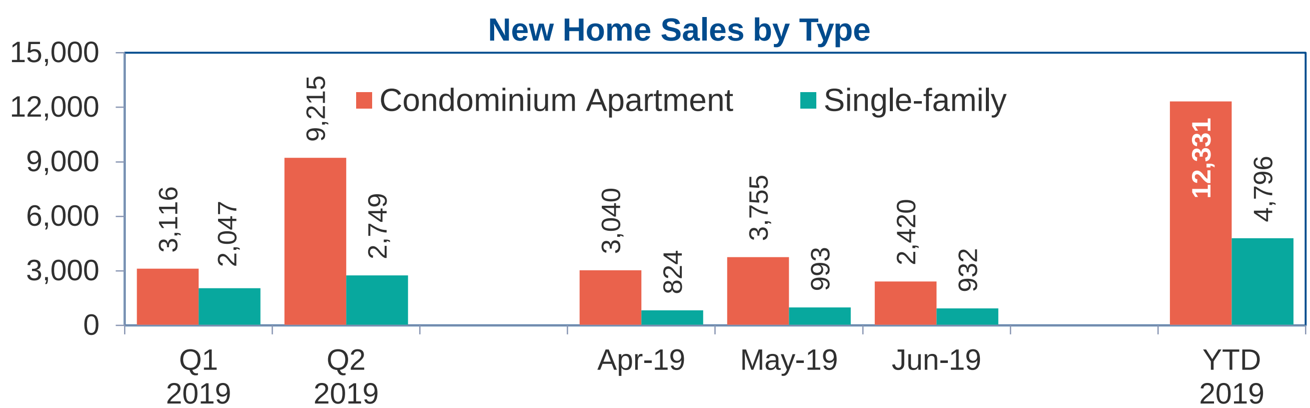


Source: Altus Group

- **Total sales of new homes in the GTA moderated in June after the surge in May** but were still well ahead of June 2018. Year-to-date total sales are now 43% ahead of 2018 levels.
- **New condominium apartment sales also were down from May**, but up 14% from June 2018.
- New single-family home sales were ahead of year ago levels for the 8th month in a row, although sales remain very low in historical terms. **Year-to-date, new single-family home sales are 130% above the first half of 2018, and more than 1,000 units higher than 2018's annual total** (*chart bottom of next page*).
- **Total new home sales are up year-to-date in all regions except the City of Toronto** (*see charts on page 9)*). In the City of Toronto, improvement in new single-family home sales has not been quite enough to offset fewer new condominium apartment sales. On a unit basis, the lower-tier municipalities with the strongest year-over-year increases are Mississauga, Vaughan and Oakville (*see chart on page 10*).

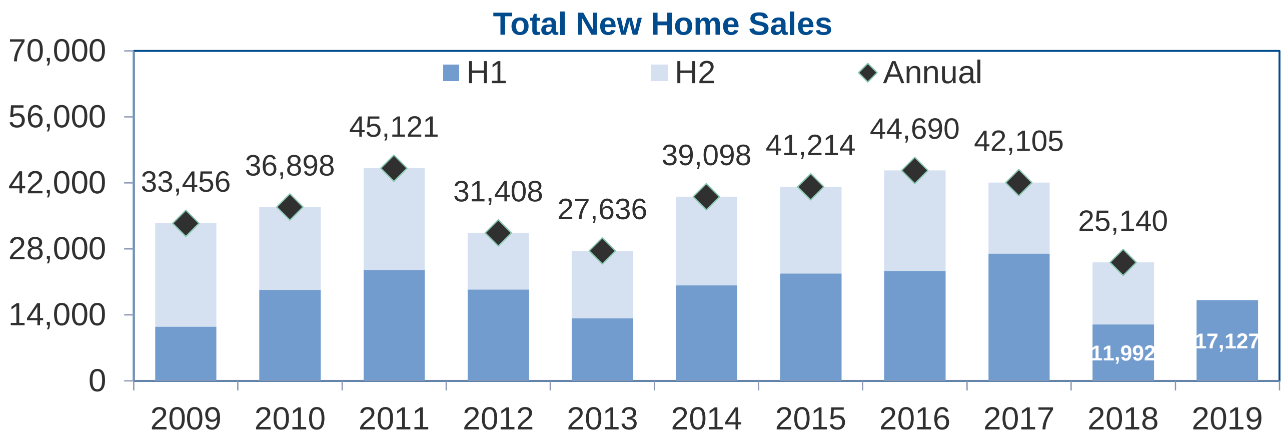
GTA New Home Sales

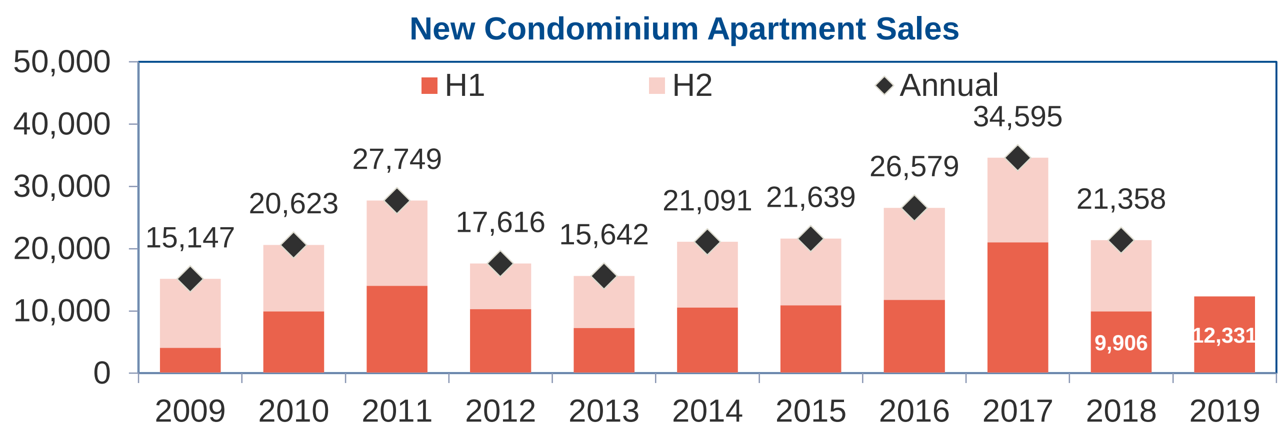


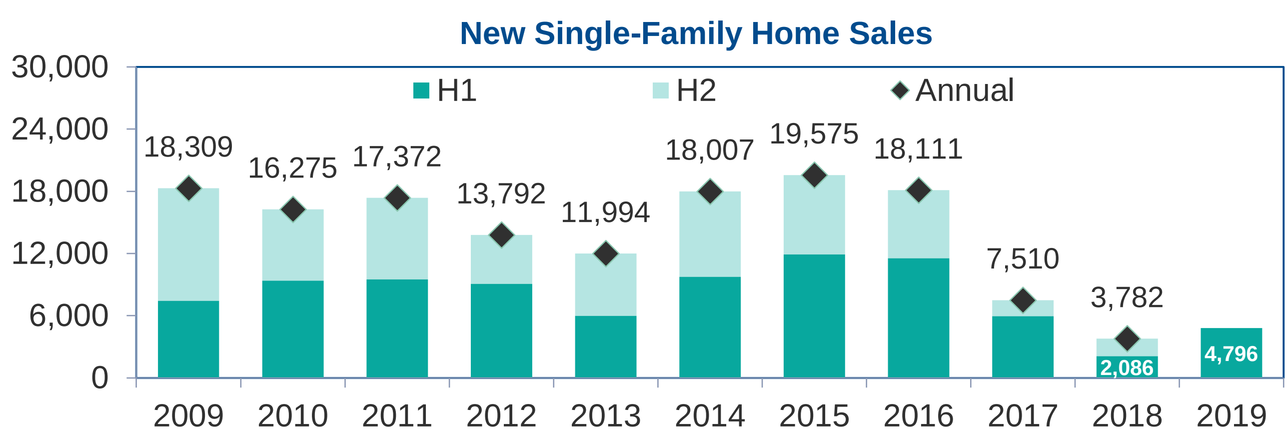


Source: Altus Group

GTA New Home Sales

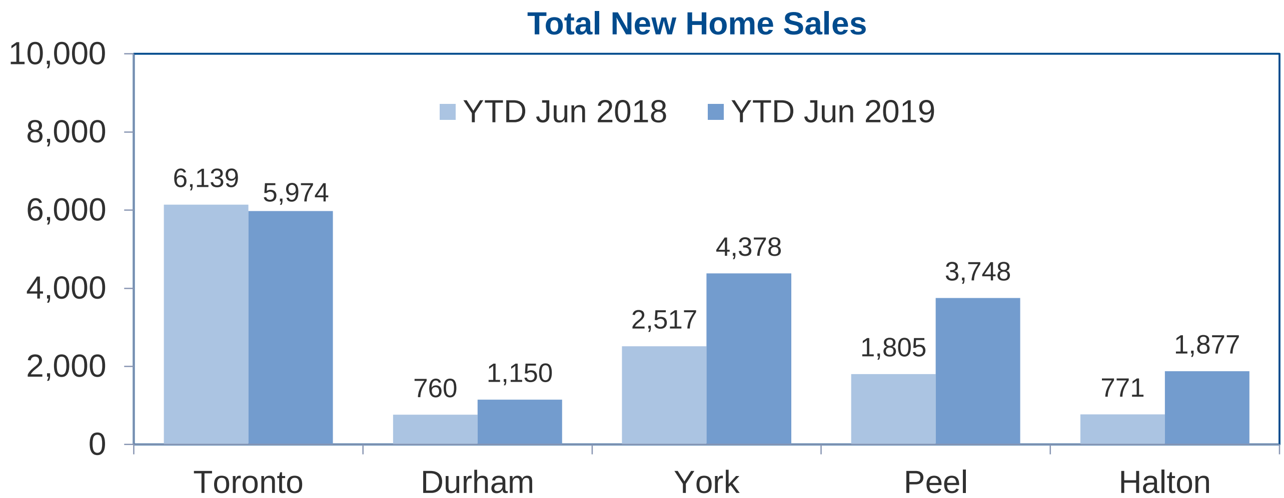


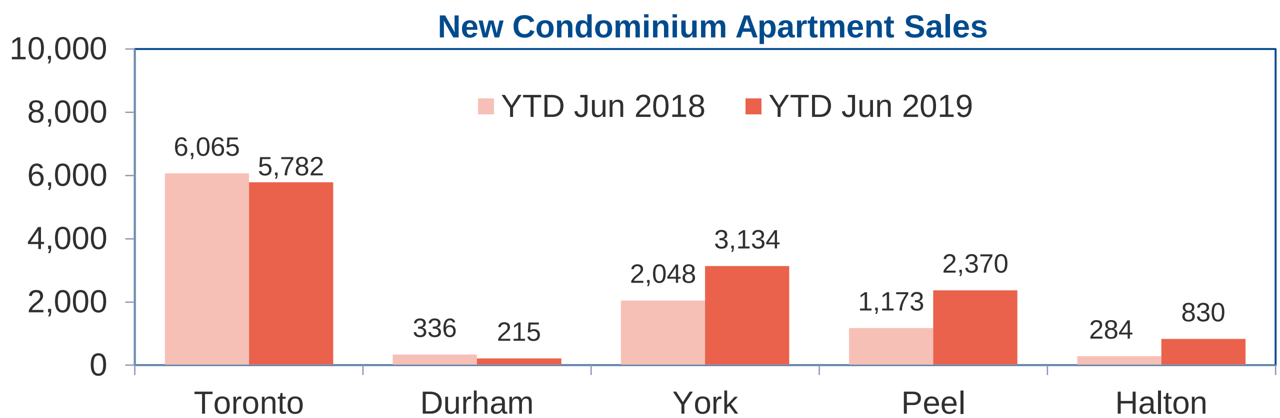


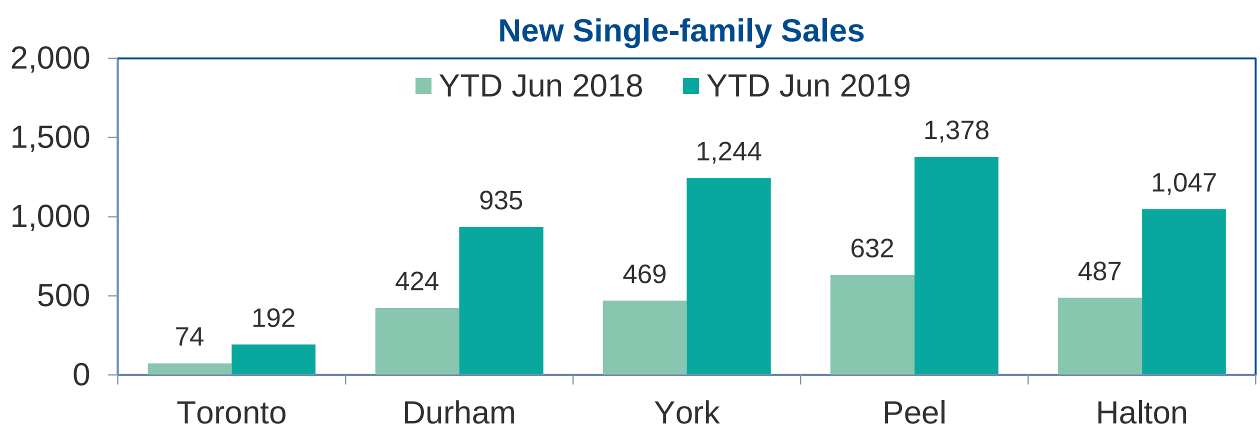


Source: Altus Group

GTA New Home Sales by Region

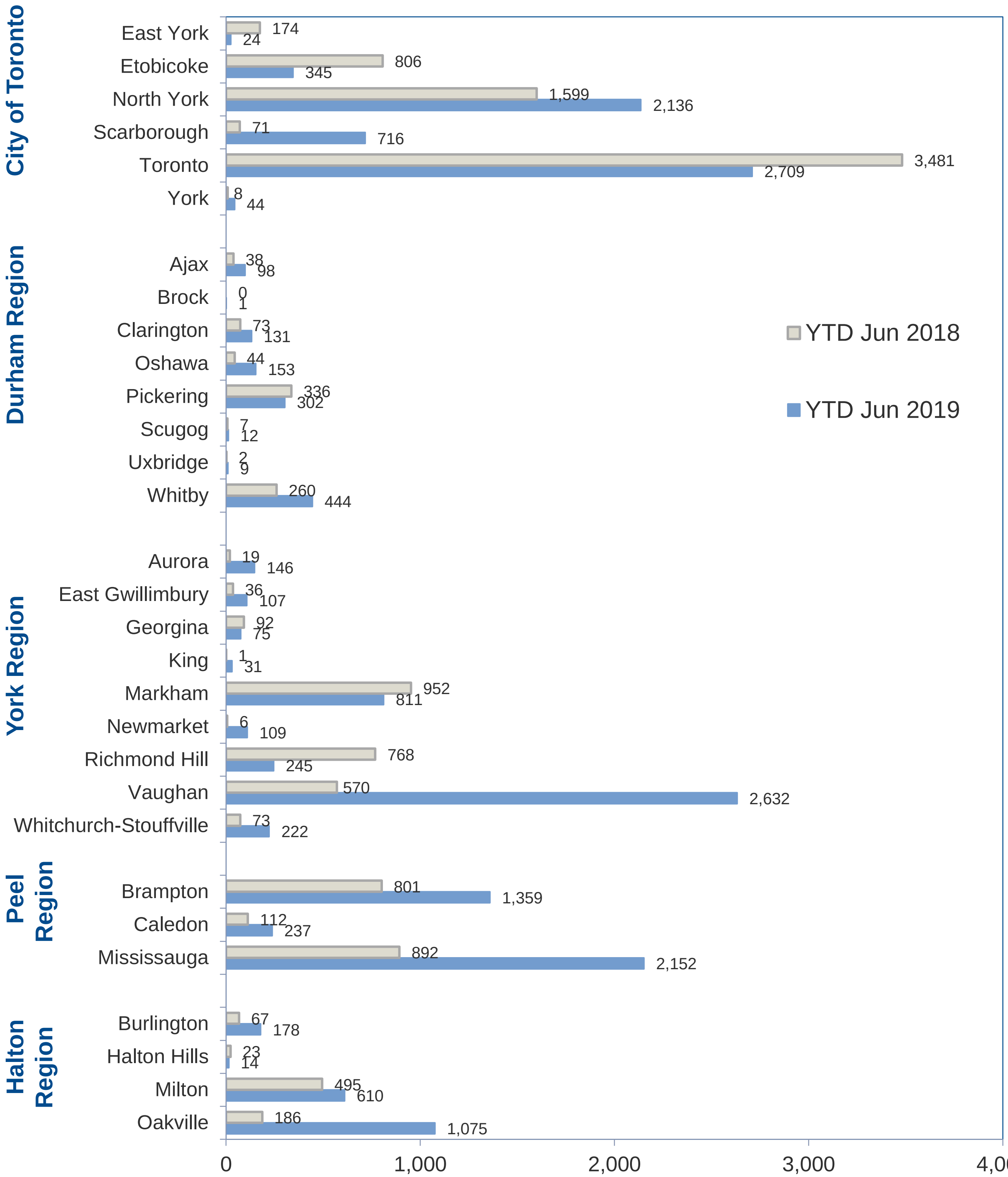






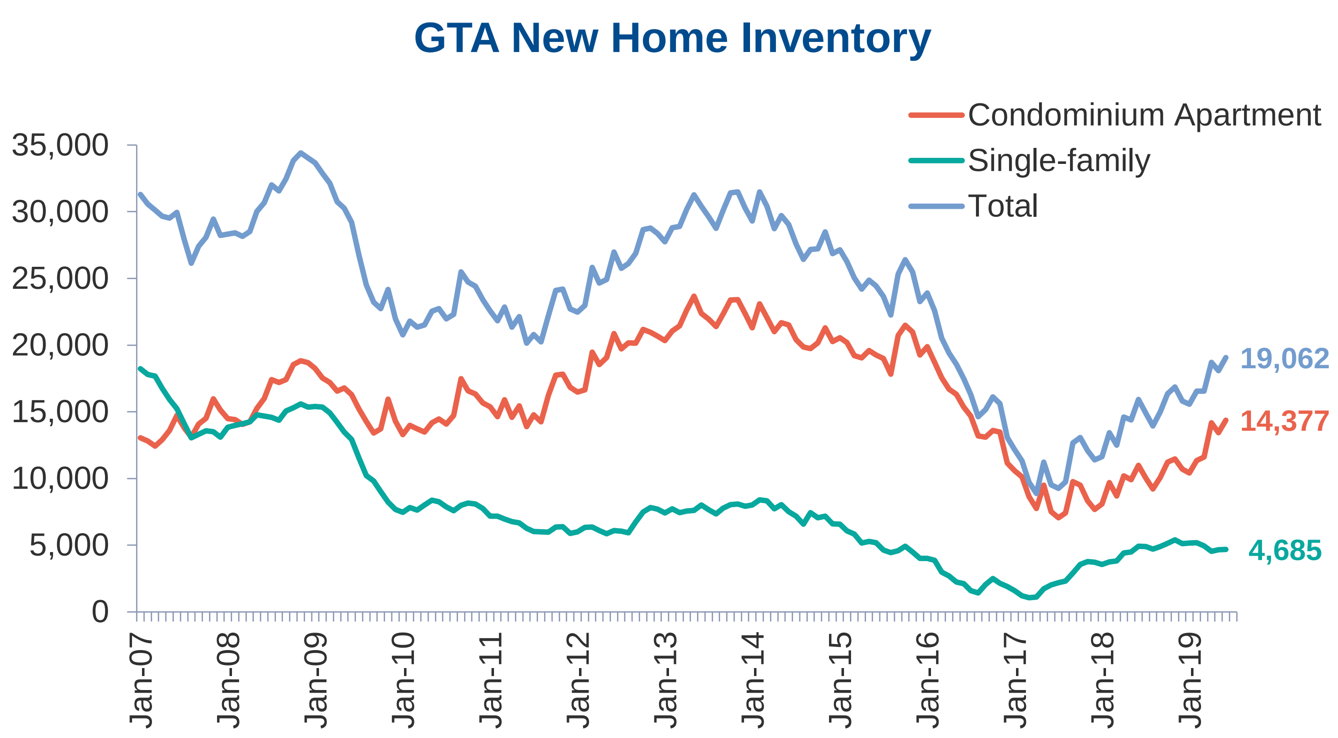
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

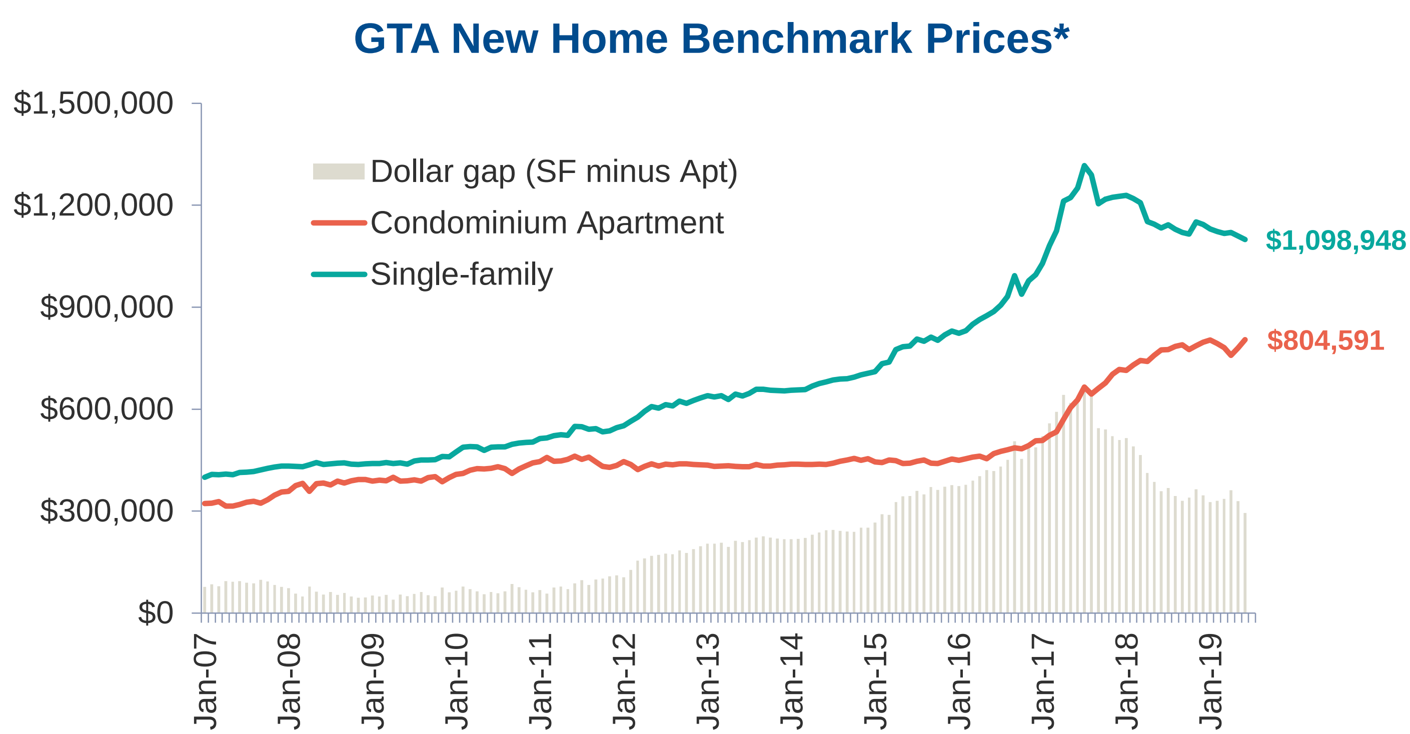
- **Total new home inventory available to purchase moved up in June.** While available total inventory is at its highest June level since June 2015, it remains well below the longer-term averages.
- Virtually all of the increase was in new condominium apartments. Single-family inventory is lower this year than in June 2018; this is the first month there has been a year-over-year decline since June 2017.



Source: Altus Group

New Home Market - Prices

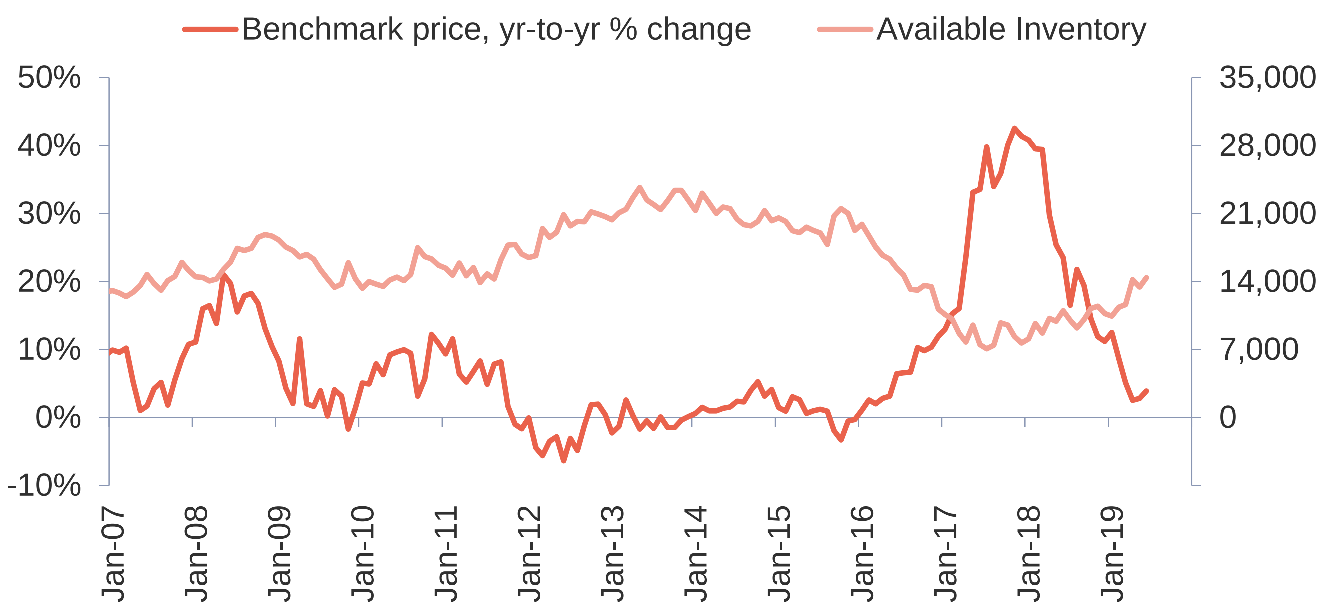
- **The Benchmark price for a new single-family home dipped again in June,** and sits about 3% below June 2018 (*chart bottom of next page)* and 17% below the peak in July 2017.
- **The Benchmark price for a new condominium apartment moved up for the 2nd month in a row in June, to a new record.** In part, the increase reflected a number of higher-end project openings during the month. Year-over-year, the benchmark price is up about 4% (*chart top of next page*).



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

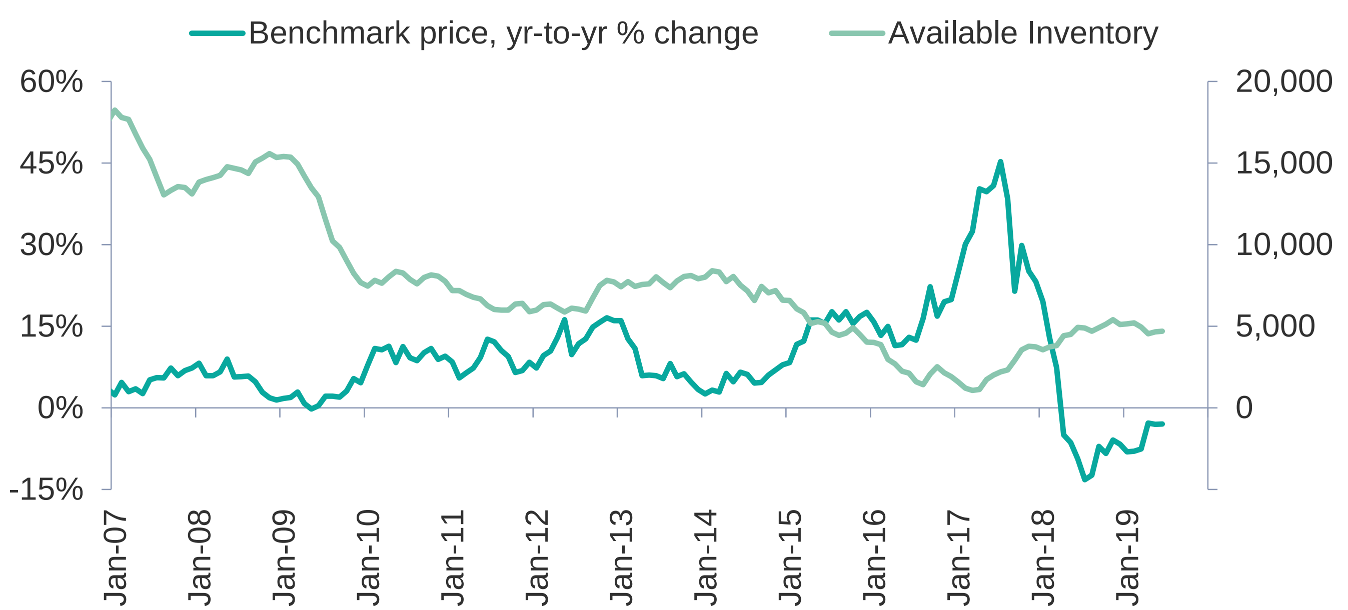
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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



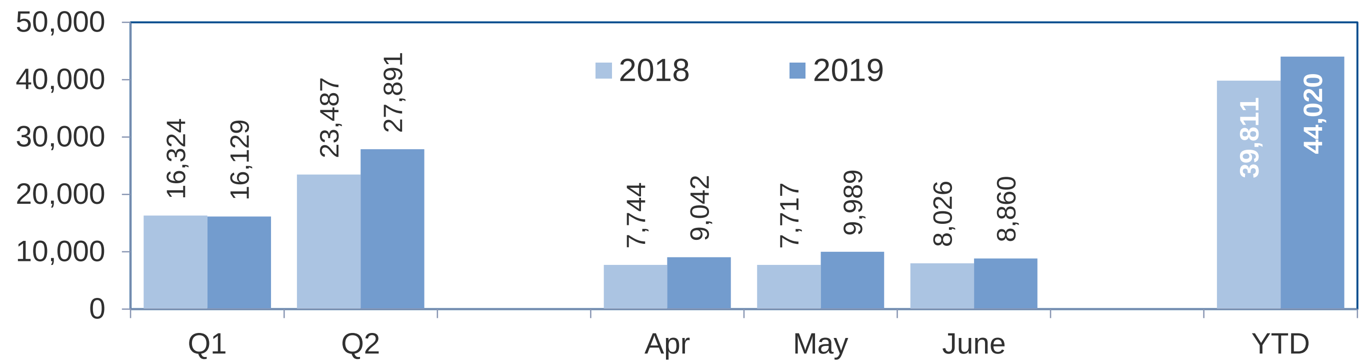
Source: Altus Group

Resale Home Market - Sales

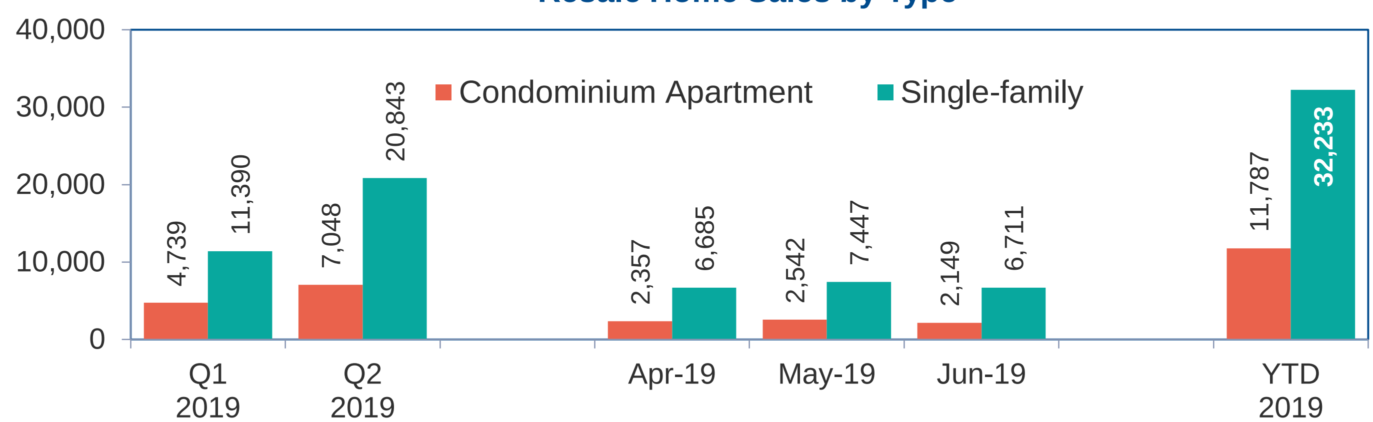
- **Total sales of existing homes in June** (as reported by the Toronto Real Estate Board) **exceeded 2018 for the 3rd month in a row.** The improvement was entirely due to higher sales this year for single-family homes, as sales of condominium apartments dipped slightly. Year-to-date total existing home sales are now running 11% above 2018.
- **Resale inventories were down somewhat from May and also below last year,** for both single-family and apartment product (*chart top of next page*), meaning somewhat less competition for the new home sector.
- The average price for a resale condominium apartment fell just slightly below the record high set in May (*chart bottom of next page*). The average price of a single-family unit also slipped back, and sits 14% below the peak in March 2017.

GTA Resale Home Sales

Total Resale Home Sales

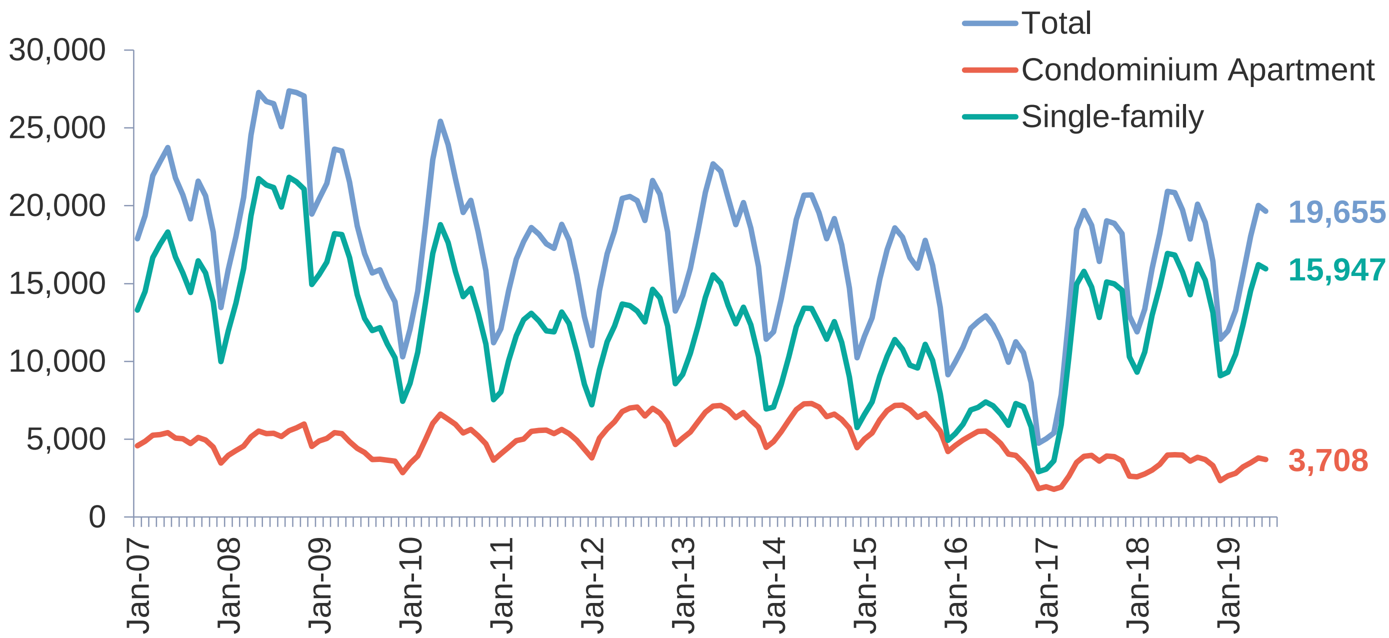


Resale Home Sales by Type



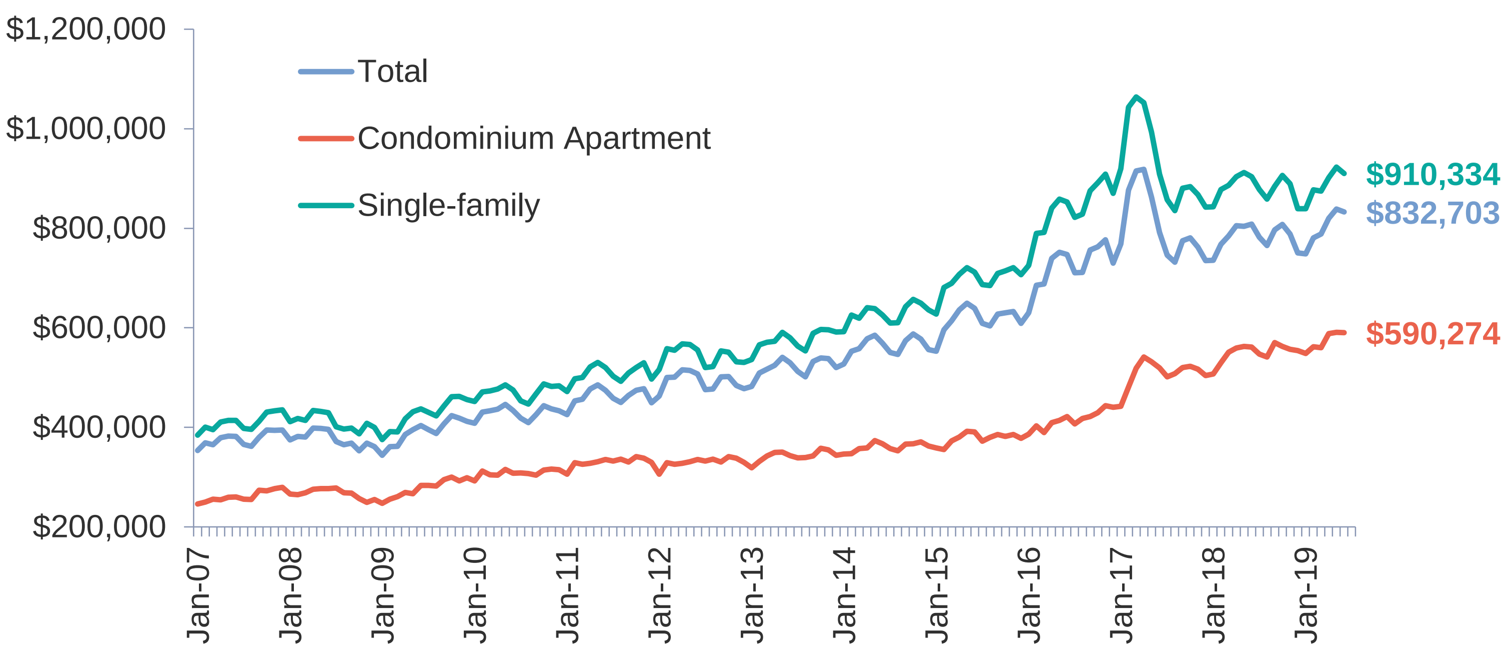
Source: Altus Group based on Toronto Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



Source: Altus Group based on Toronto Real Estate Board data

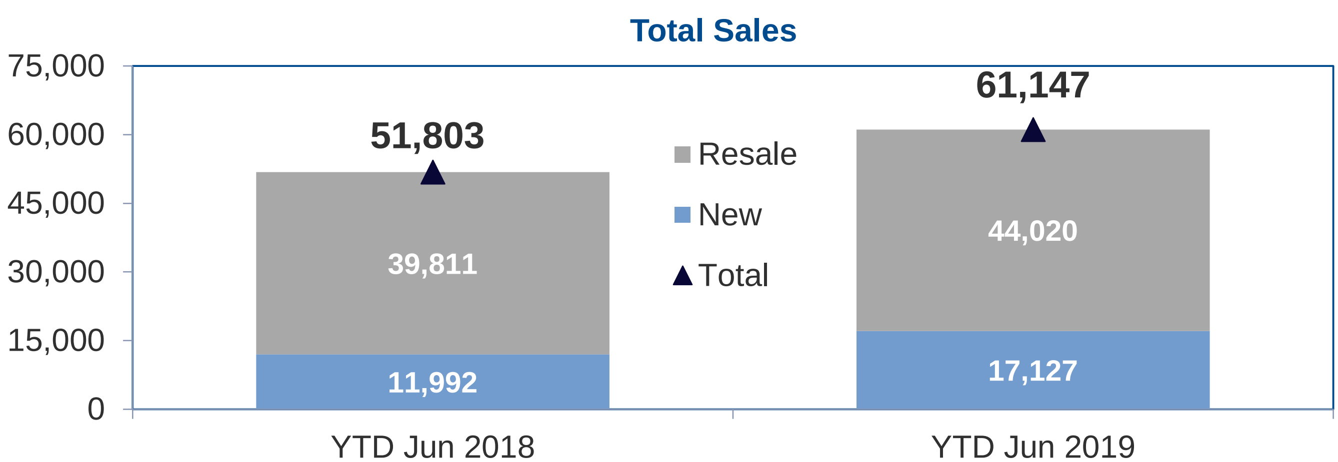
GTA Resale Home Prices

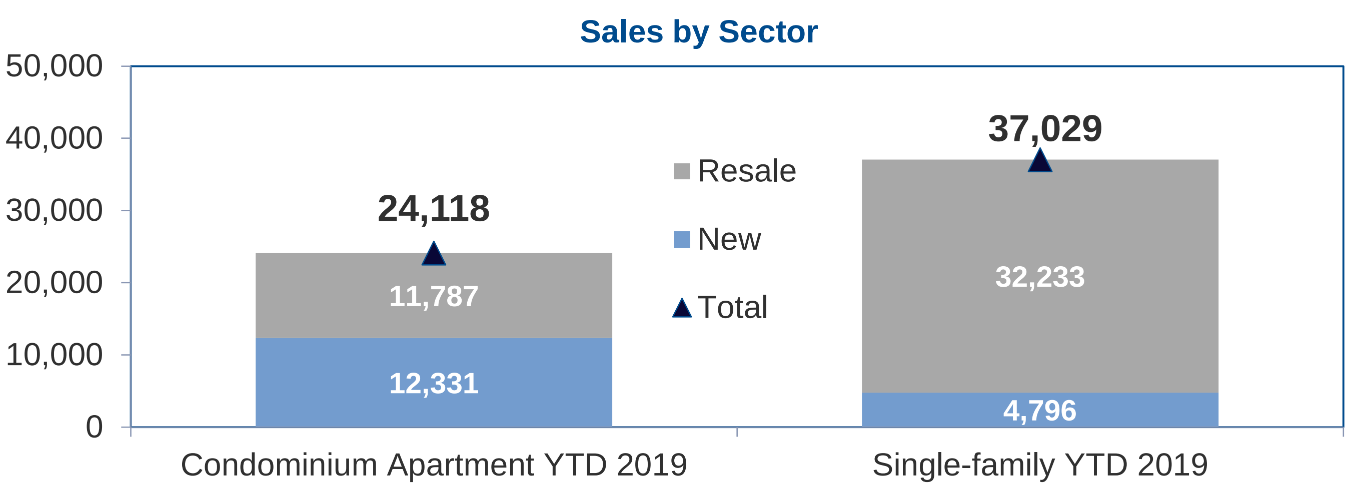


Source: Altus Group based on Toronto Real Estate Board data

- **Combined resale and new home sales,** as measured by TREB and Altus Group, totaled just over 61,000 units for year-to-date June 2019, **up 18% from last year**. While both the new and resale sectors have contributed to the increase, the increase has been more focused on the new home side in both relative (%) and absolute (unit) terms.
- **Sales of condominium apartments so far this year have been split roughly equally between the new and resale market.** With the improvement in new single-family sales, the new home sector's share of total single-family sales has increased to about 13% this year, from 7% for year-to-date 2018.

GTA Combined New & Resale Home Sales



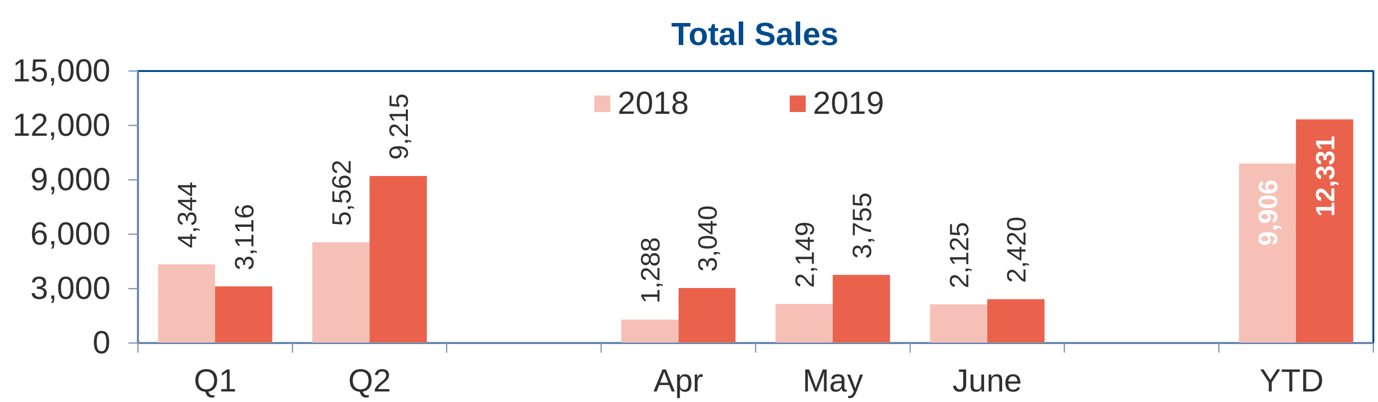


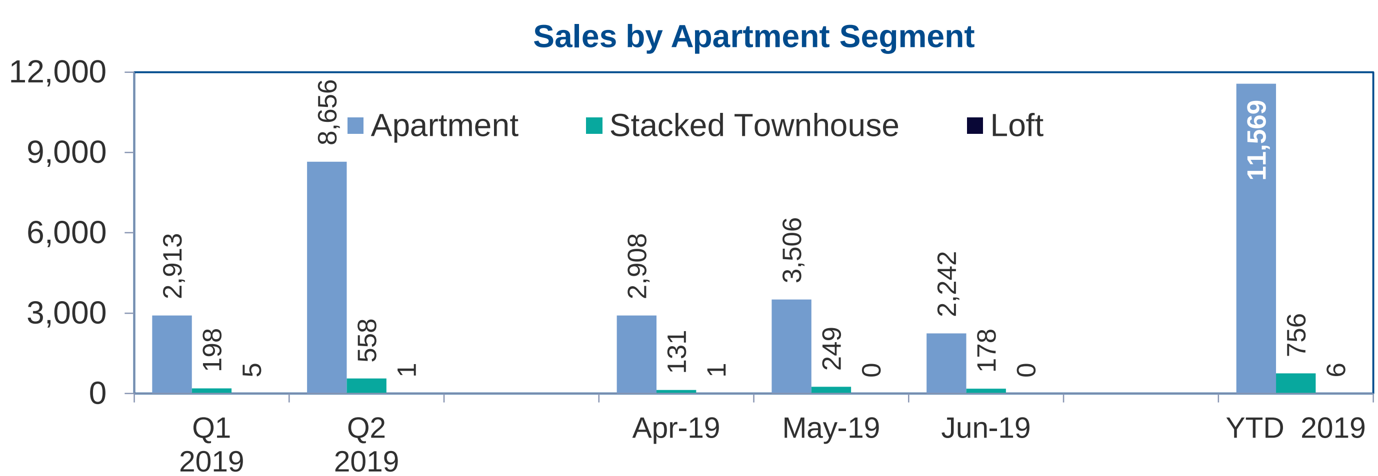
Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Sales

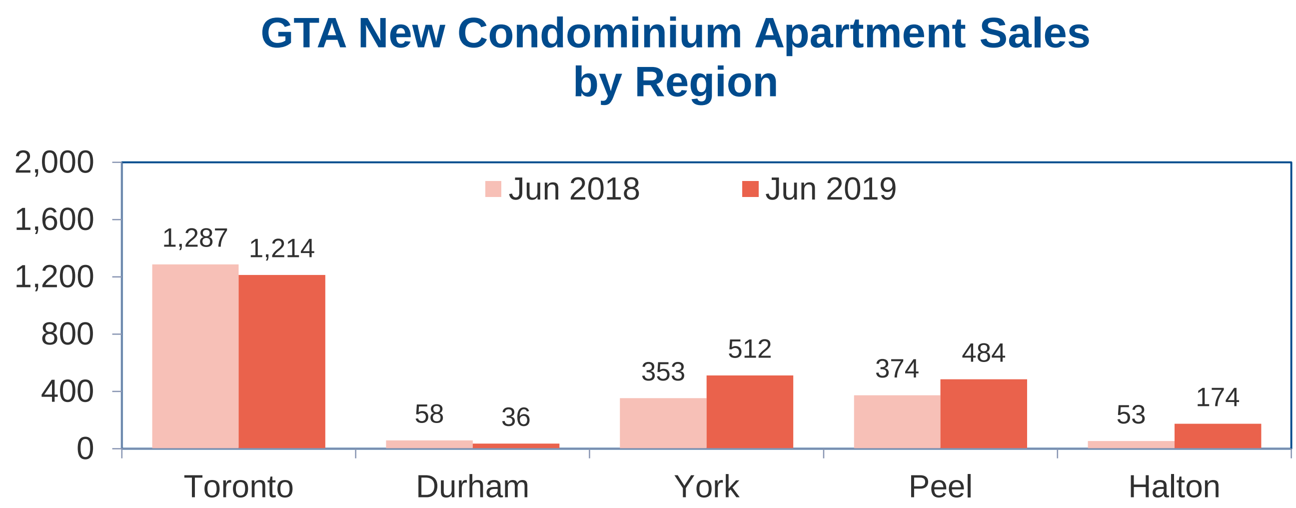
- While total new condominium apartment sales cooled somewhat in June after the very brisk pace set in April and May, they helped push **Q2 as a whole to the 2nd highest Q2 on record (after 2017)**. Sales year-to-date are now running 24% ahead of last year.
- **Sales of new stacked townhouses had another good month**, with sales in the first half of the year exceeding the first half of 2018 by 61%.
- **Year-to-date, stronger new condominium apartment sales in Peel, Halton and York Regions have offset modest declines in the City of Toronto and Durham Region** *(chart next page).* Rebounds from last year in Vaughan and Mississauga have been key drivers in the overall GTA sales recovery (*chart after next page*).

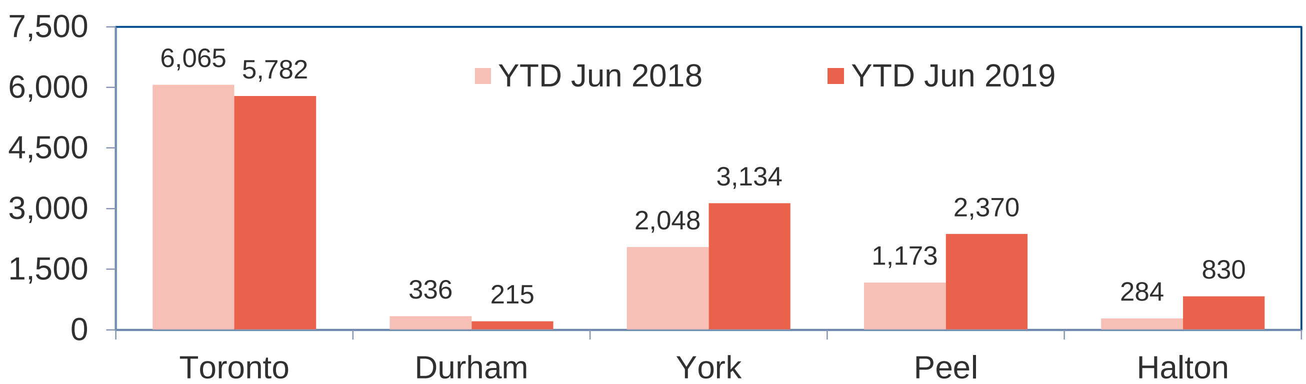
GTA New Condominium Apartment Sales

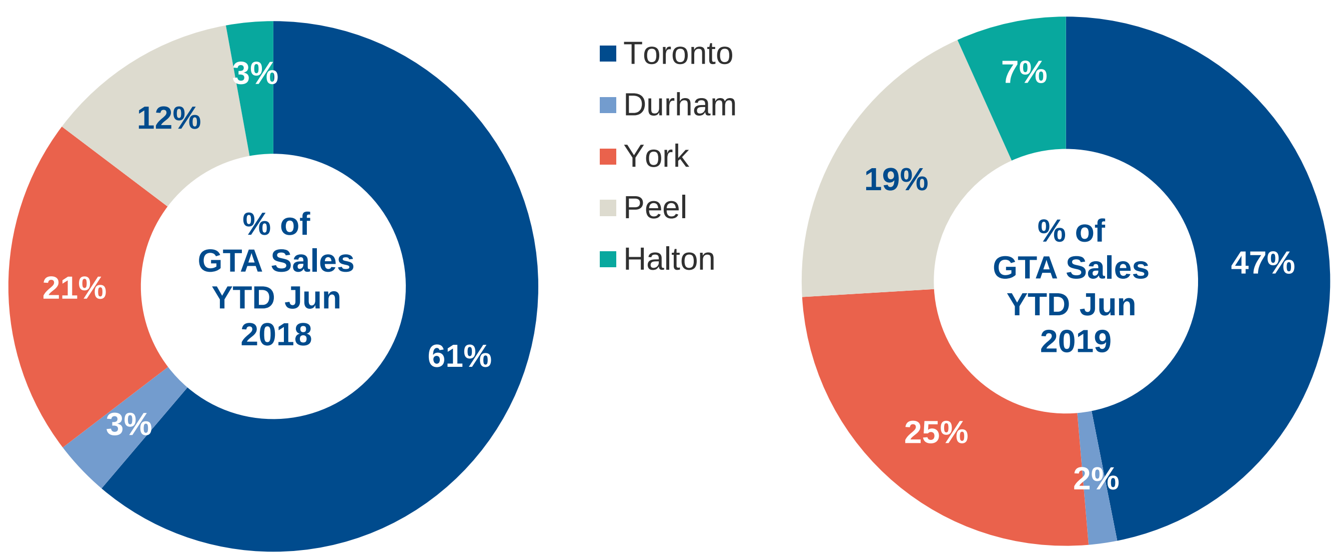




Source: Altus Group

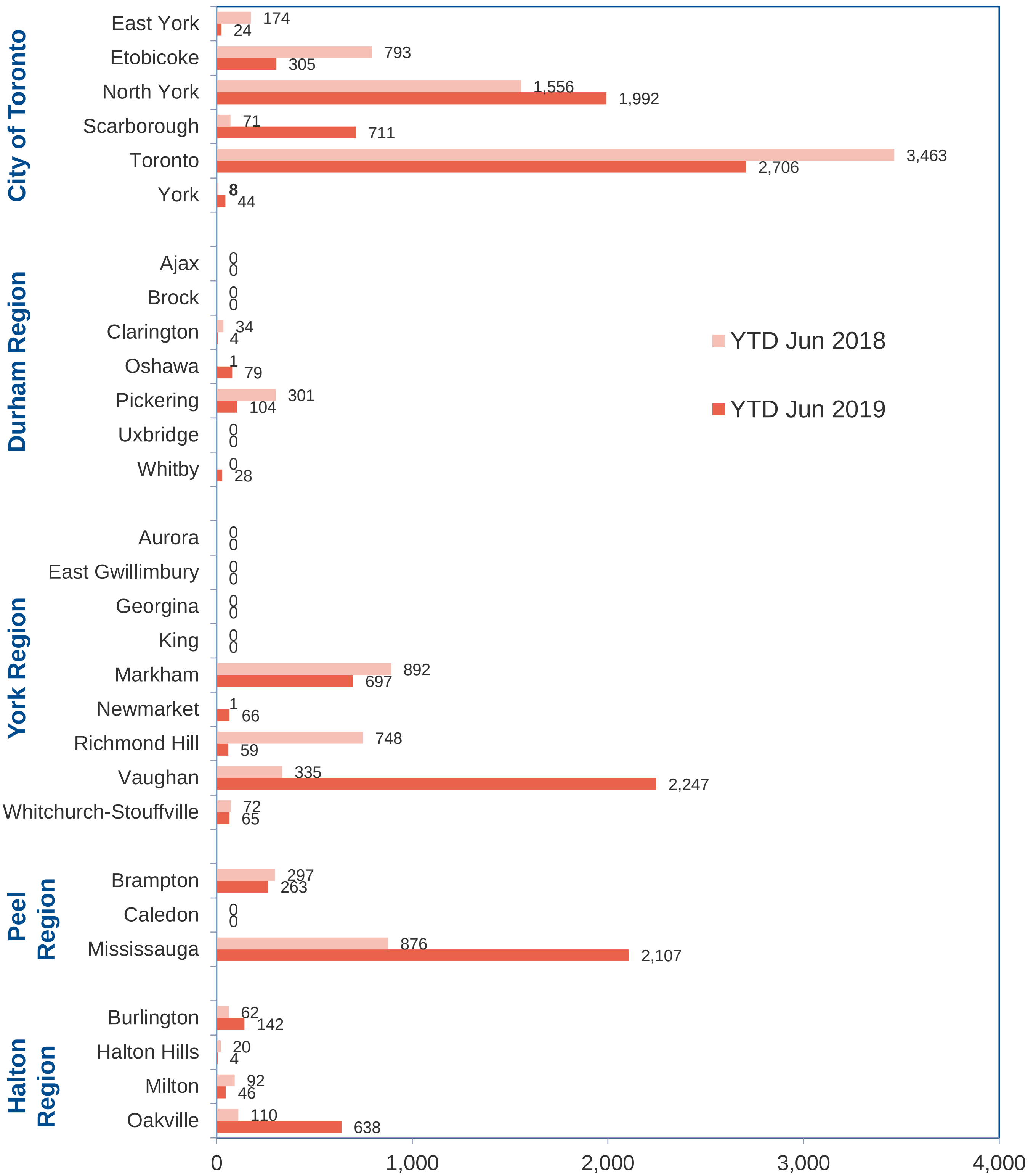






Source: Altus Group

GTA New Condominium Apartment Sales by Region

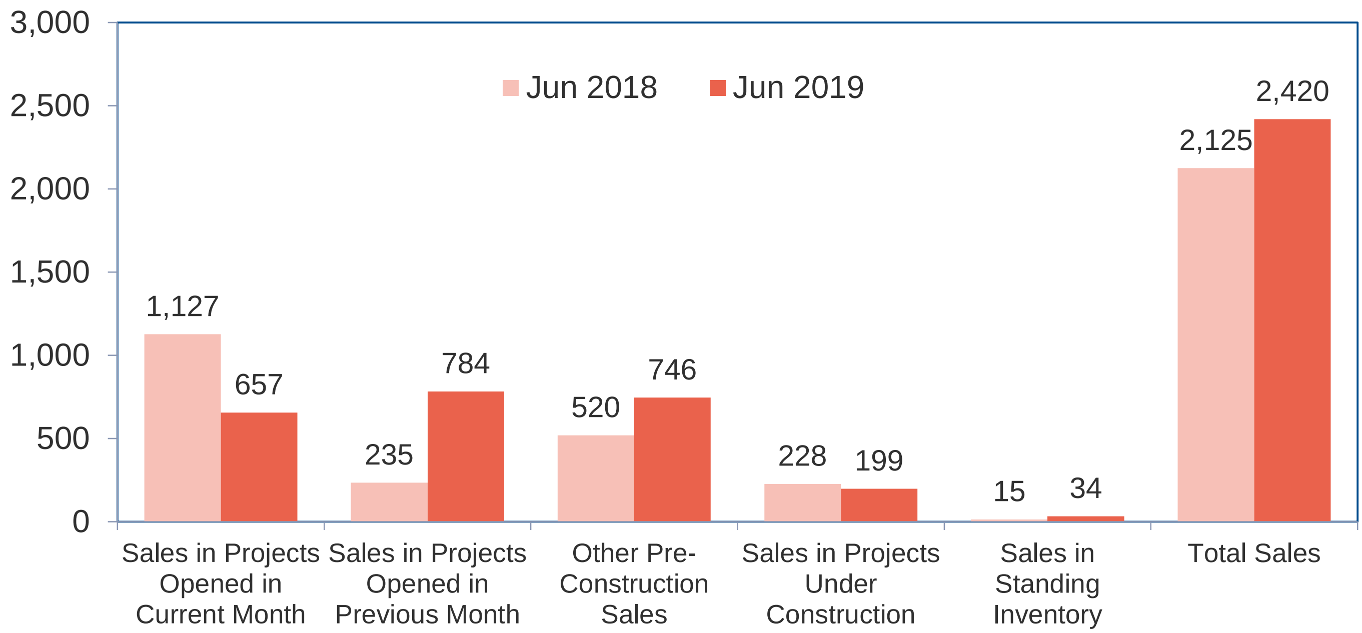


Source: Altus Group

New Condominium Apartments - Sales

- **Projects opened in June** (with 5 of 13 opened within the last 10 days of the month, when firm sales are not recorded) **accounted for about one-quarter of the new condominium apartment sales in June 2019.**
- About one-third of June sales were in projects opened in May and a similar proportion in other pre-construction projects.
- Sales in standing inventory were higher than a year ago, however there is still little available to purchase in this segment *(chart next page)*.

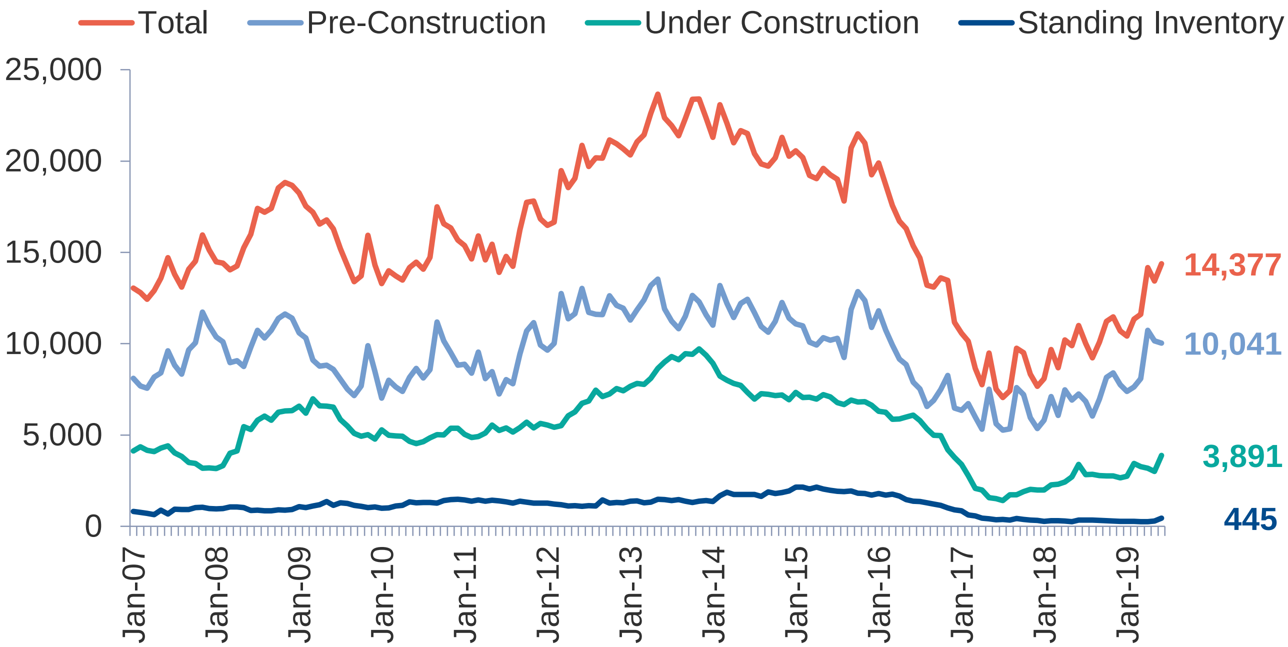
GTA New Condominium Apartment Sales by Construction Status

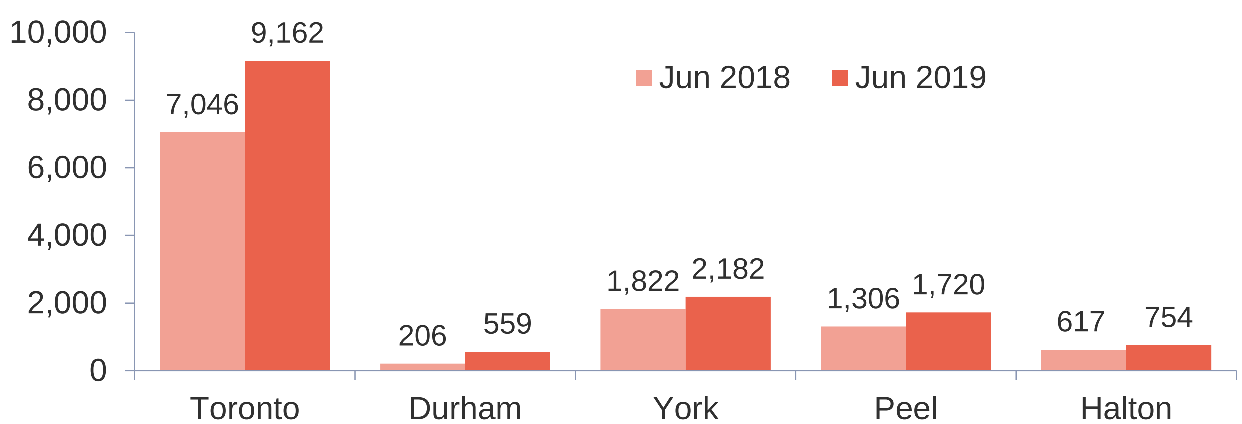


Source: Altus Group

- **New condominium apartment available inventory reversed up again in June**.
- **The current inventory represents between 7 and 8 months of supply** at the pace of sales over the past 12 months, below the long term average for June of about 10 months.
- At 445 units, **standing inventory in June** (unsold units in completed projects) **moved up to its highest level since April 2017**. The increase is related to a large number of completions in June (as discussed later); in historical terms, standing inventory remains very low.

GTA New Condominium Apartment Inventory

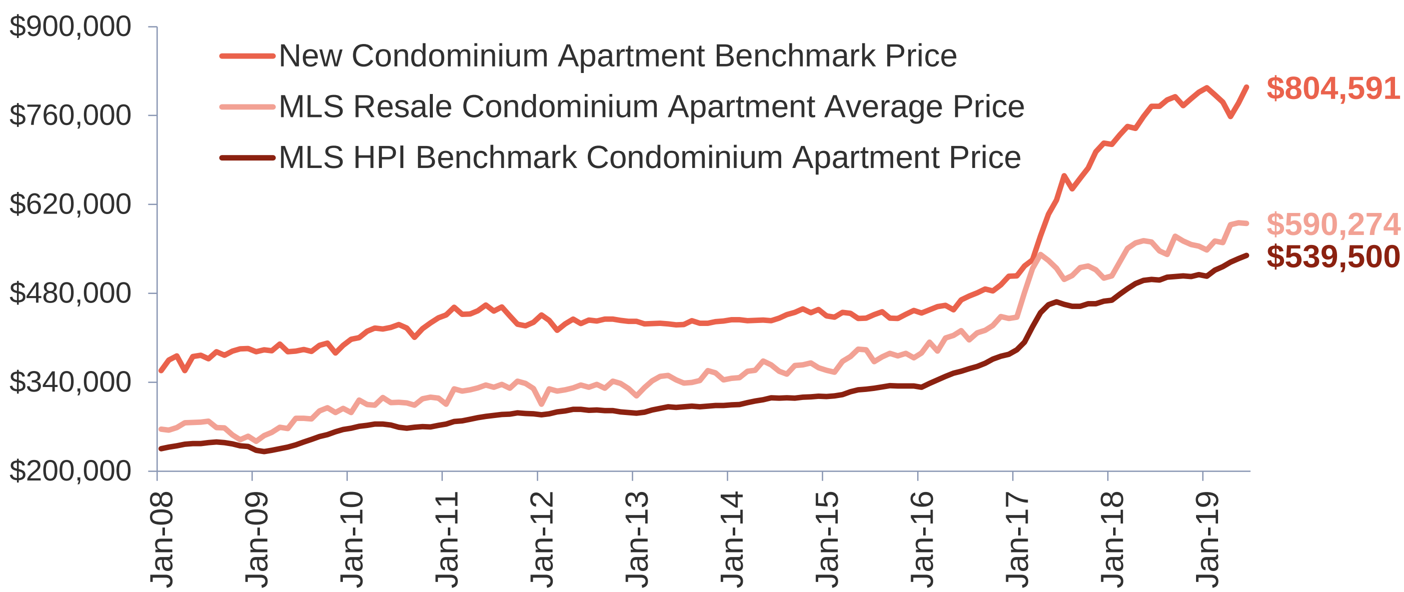


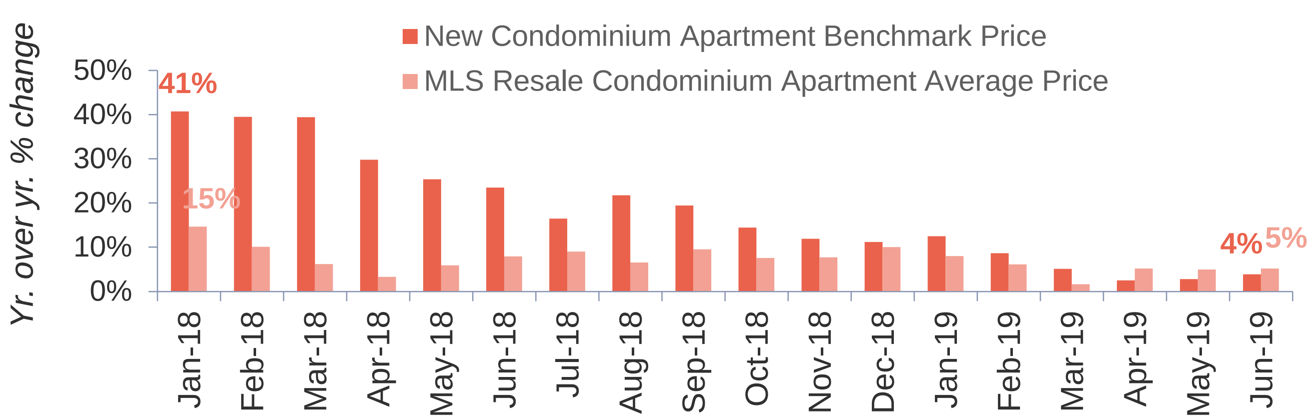


Source: Altus Group

- **The benchmark price for a new condominium apartment increased for the 2nd month in a row in June, pushing it to a new record** (just above the previous high in January 2019).
- **The average price of a resale condominium apartment in June slipped slightly** below the record set in May 2019.
- Both new and resale condominium apartment prices have settled into more sustainable year-over-year % increases, compared to the situation in early 2018.

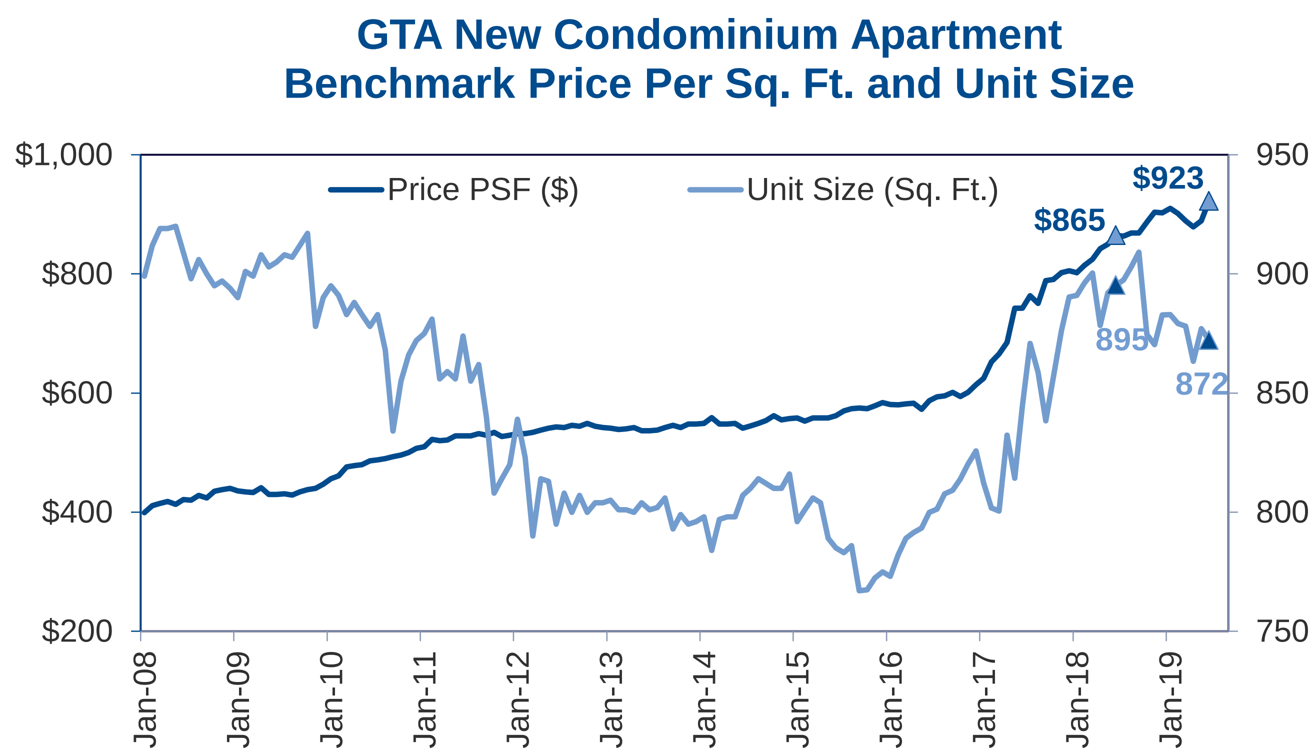
GTA New and Resale Condominium Apartment Prices





Source: Altus Group and Toronto Real Estate Board data

- **The 4% increase in June 2019 over June 2018 for 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 declines in average size of available units (and, of course, location shifts).

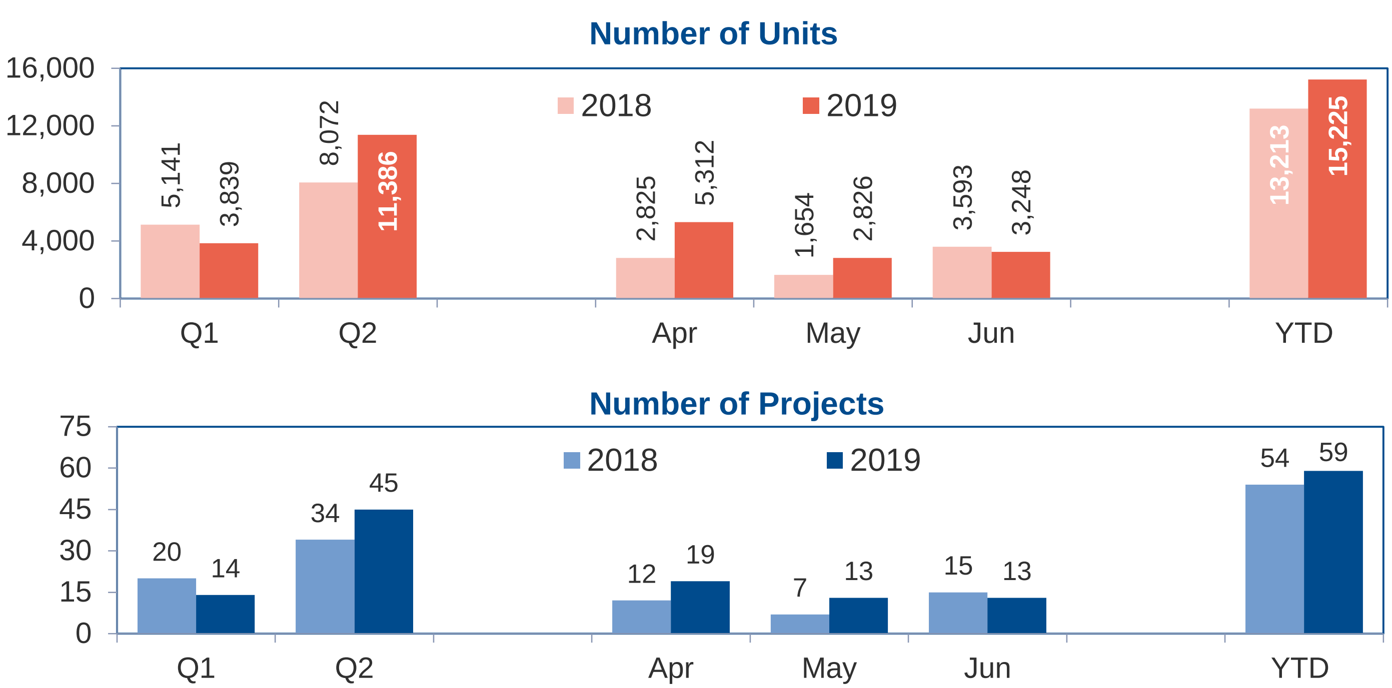


Source: Altus Group

- **Thirteen new condominium apartment projects launched in June 2019 in the GTA.** Of these, 5 opened within the last 10 days of the month. The projects opened in June were larger on average than those opened in May.
- For Q2 2019 as a whole, there were almost 11,400 units in new projects opened – the highest Q2 on record, just nudging past Q2 2017.
- Maps follow showing the location of new projects launched in May and June 2019, accompanied by summary tables with additional detail on each project. *Note that due to the large number of openings, there are 2 maps and 2 tables for both May and June openings; also 3 additional openings were added to the May openings since our May report was issued, and 1 project opened in May was removed as subsequently cancelled.*

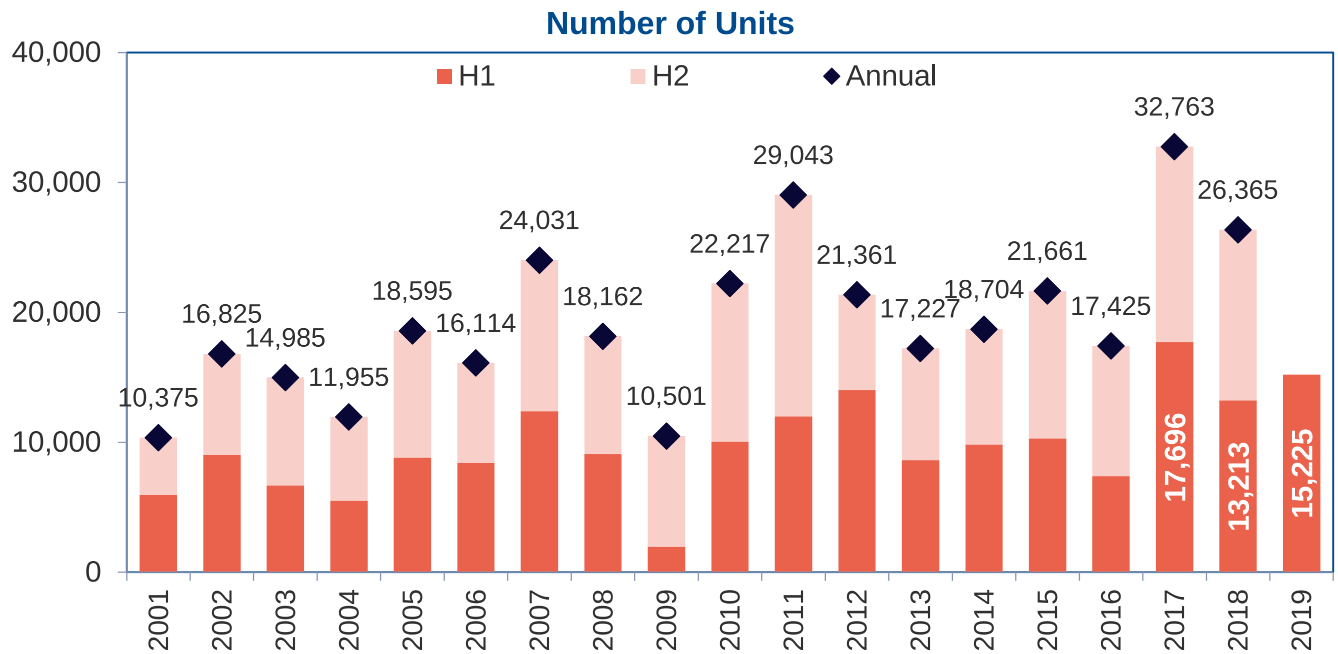
- *Note: clicking on the "project record" link in the summary tables will take logged-in Altus Group RealNet GTA High-Rise module subscribers directly to the full on-line record for that project; as the on-line record becomes updated, specific data may be more up-to-date than information contained in the report here.*

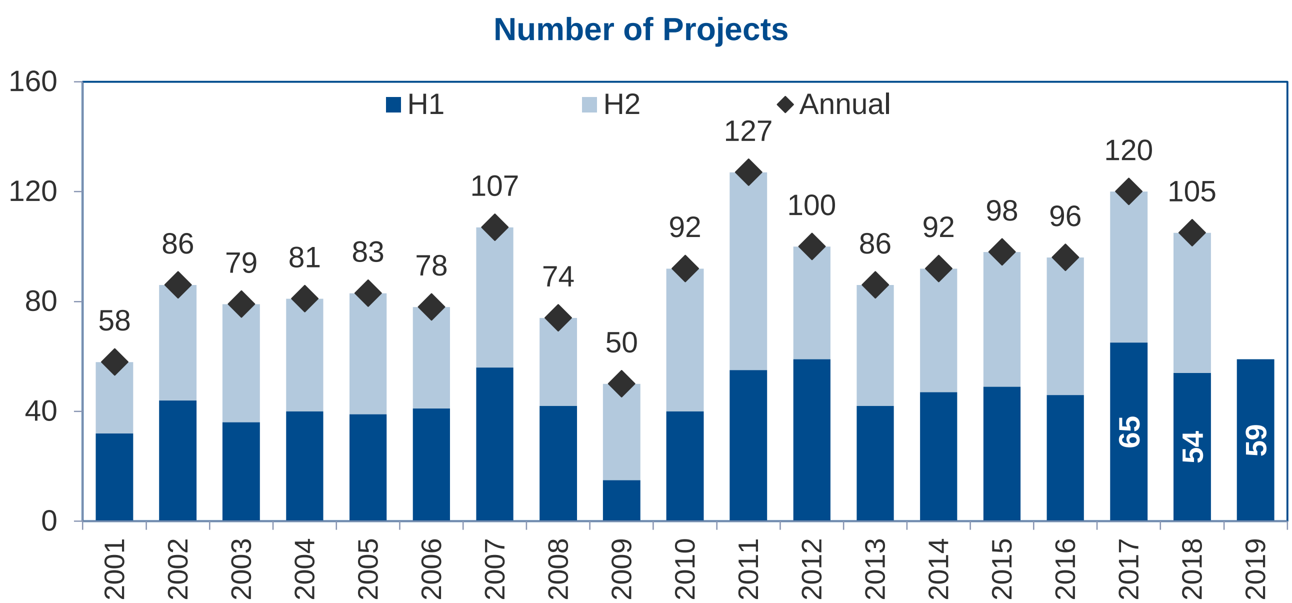
GTA New Condominium Apartment Project Openings



Source: Altus Group

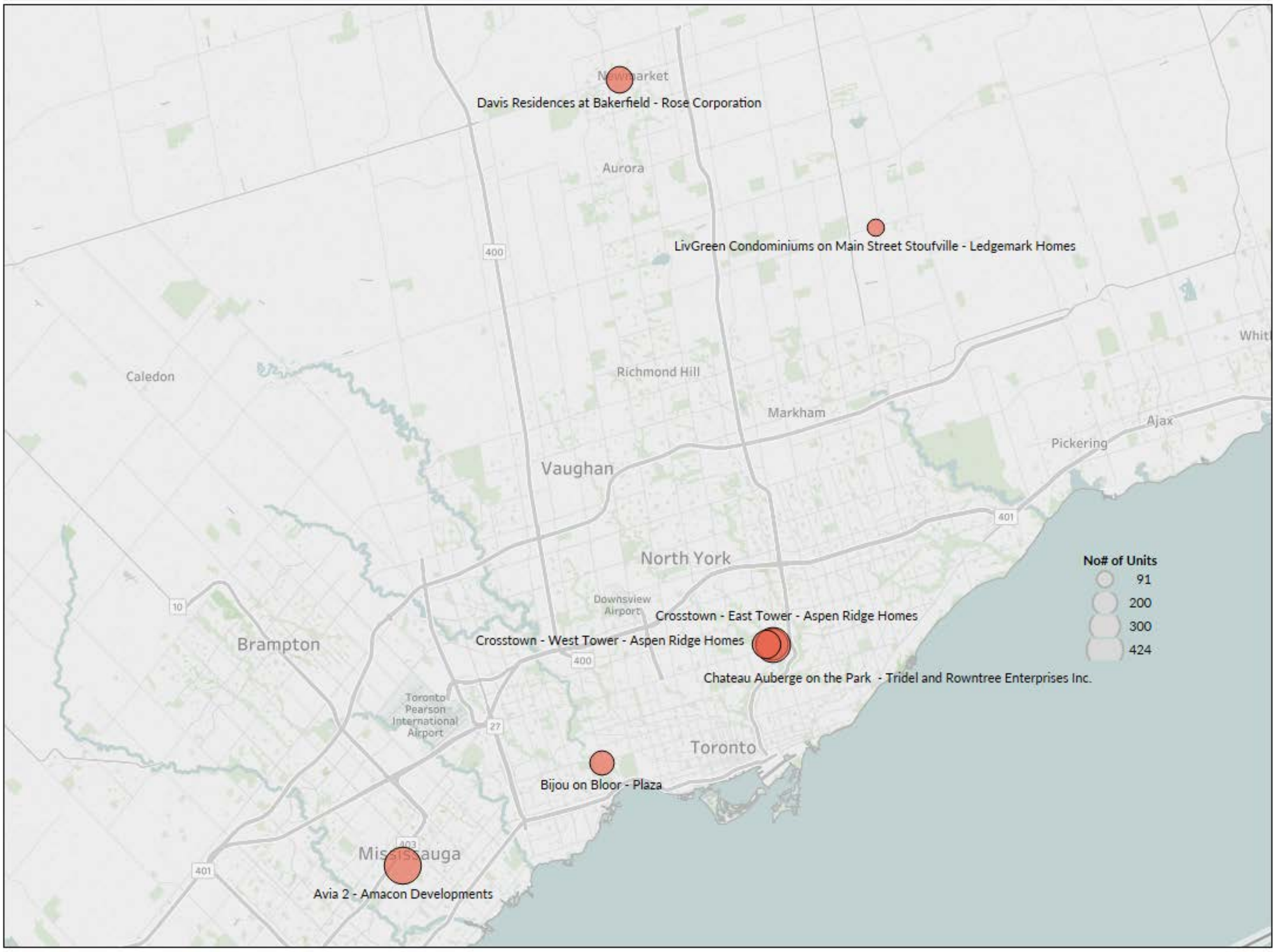
GTA New Condominium Apartment Project Openings





Source: Altus Group

May 2019 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

Note: due to the large number of openings in May, project maps and details each have 2 pages.

For May project openings, sales for both the opening month (May 2019) and the subsequent month (June 2019) are provided on the following table. Note that May information has been revised to incorporate information on Crosstown – East Tower, Crosstown – West Tower and LivGreen Condominiums on Main Street Stouffville as well as remove a cancelled project, Chelsea on the Green – Tower 1.

New Condominium Apartments - Openings

Altus Group

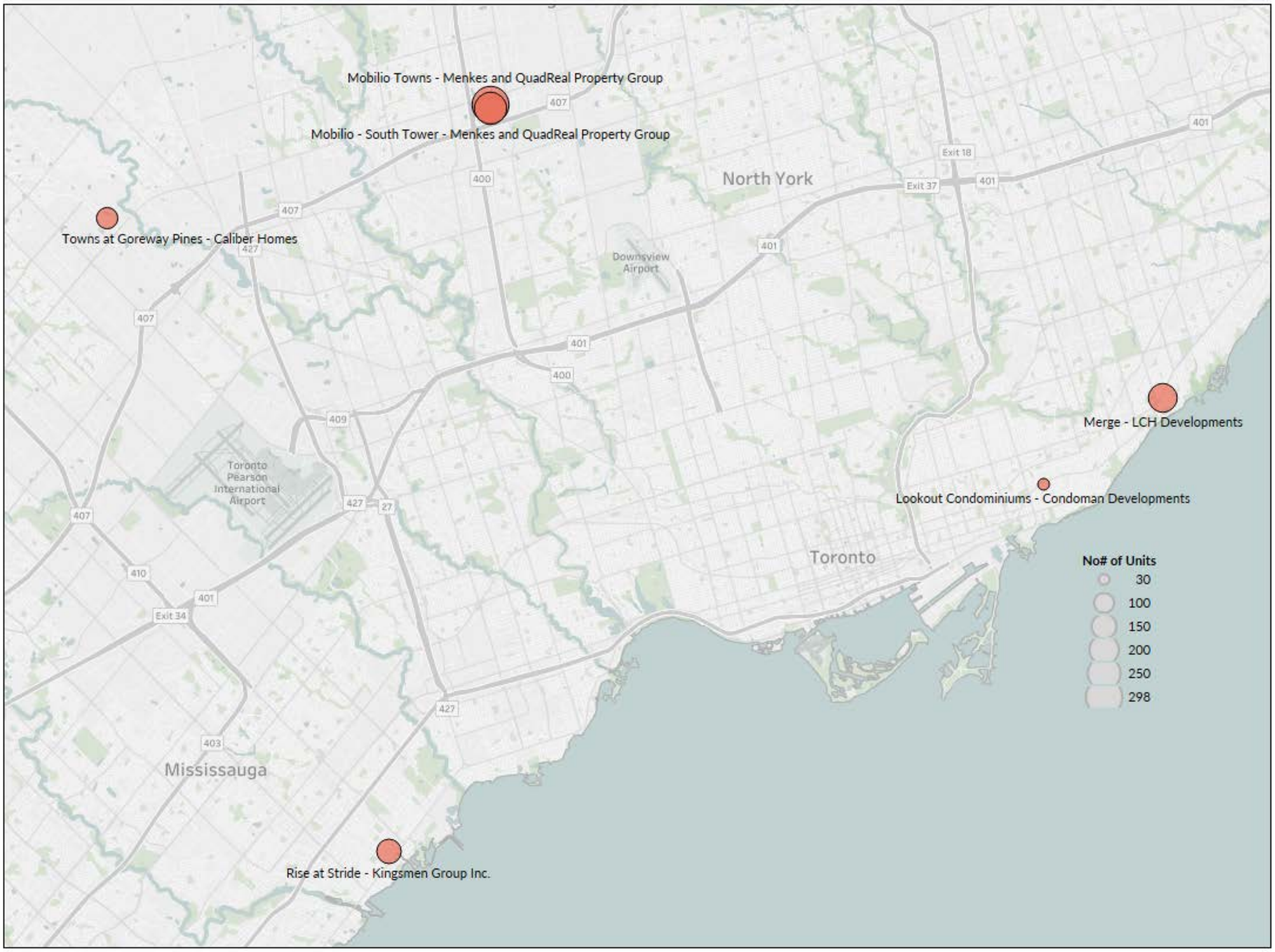
Project Record	Avia 2	Bijou on Bloor	Chateau Auberge on the Park	Crosstown - East Tower	Crosstown - West Tower	Davis Residences at Bakerfield	LivGreen Condominiums

New Condominium Apartment Project Openings - May 2019 (1 of 2)

	Avia 2	**Bijou on Bloor**	**Chateau Auberge on the Park**	**Crosstown - East Tower**	**Crosstown - West Tower**	**Davis Residences at Bakerfield**	**LivGreen Condominiums on Main Street Stouffville**
Developer	Amacon Developments	Plaza	Tridel and Rowntree Enterprises Inc.	Aspen Ridge Homes	Aspen Ridge Homes	Rose Corporation	Ledgemark Homes
Date Opened	2019-05-15	2019-05-04	2019-05-01	2019-05-17	2019-05-17	2019-05-23	2019-05-01
Municipality	Mississauga	Toronto	North York	North York	North York	Newmarket	Whitchurch-Stouffville
Region	Peel	Toronto	Toronto	Toronto	Toronto	York	York
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	37	12	39	39	32	15	8
Project Total Units	**424**	**186**	**251**	**379**	**308**	**219**	**91**
Total Units Released	**398**	**186**	**251**	**347**	**277**	**219**	**91**
Studio	34	--	--	--	--	--	--
1 bedroom	137	10	62	146	119	41	--
1 bedroom + den	47	69	2	55	45	104	7
2 bedroom	134	62	83	105	86	42	14
2 bedroom + den	46	22	39	41	27	21	49
3 bedroom & up	--	23	57	--	--	11	21
Penthouse	--	--	--	--	--	--	--
Other	--	--	8	--	--	--	--
Opening month sales	**0**	**0**	**138**	**12**	**6**	**0**	**0**
Next month sales	**201**	**91**	**17**	**39**	**39**	**65**	**41**
% Sold	*51%*	*49%*	*62%*	*15%*	*16%*	*30%*	*45%*
Remaining available inventory	197	95	96	296	232	154	50
Original $PSF	$845	$1,249	$978	$935	$957	n.a.	n.a.
Minimum Size (sq. ft.)	455	513	600	460	488	594	n.a.
Maximum Size (sq. ft.)	1,005	2,017	2,346	946	935	1,159	n.a.
Minimum Price	$382,900	$562,000	$536,000	$404,990	$464,990	$406,990	n.a.
Maximum Price	$824,900	$2,759,000	$2,570,000	$1,004,990	$1,241,990	$750,990	n.a.
Notes			Townhouse units grouped into Other				

Source: Altus Group

May 2019 New Project Launches by Number of Units



Source: Altus Group

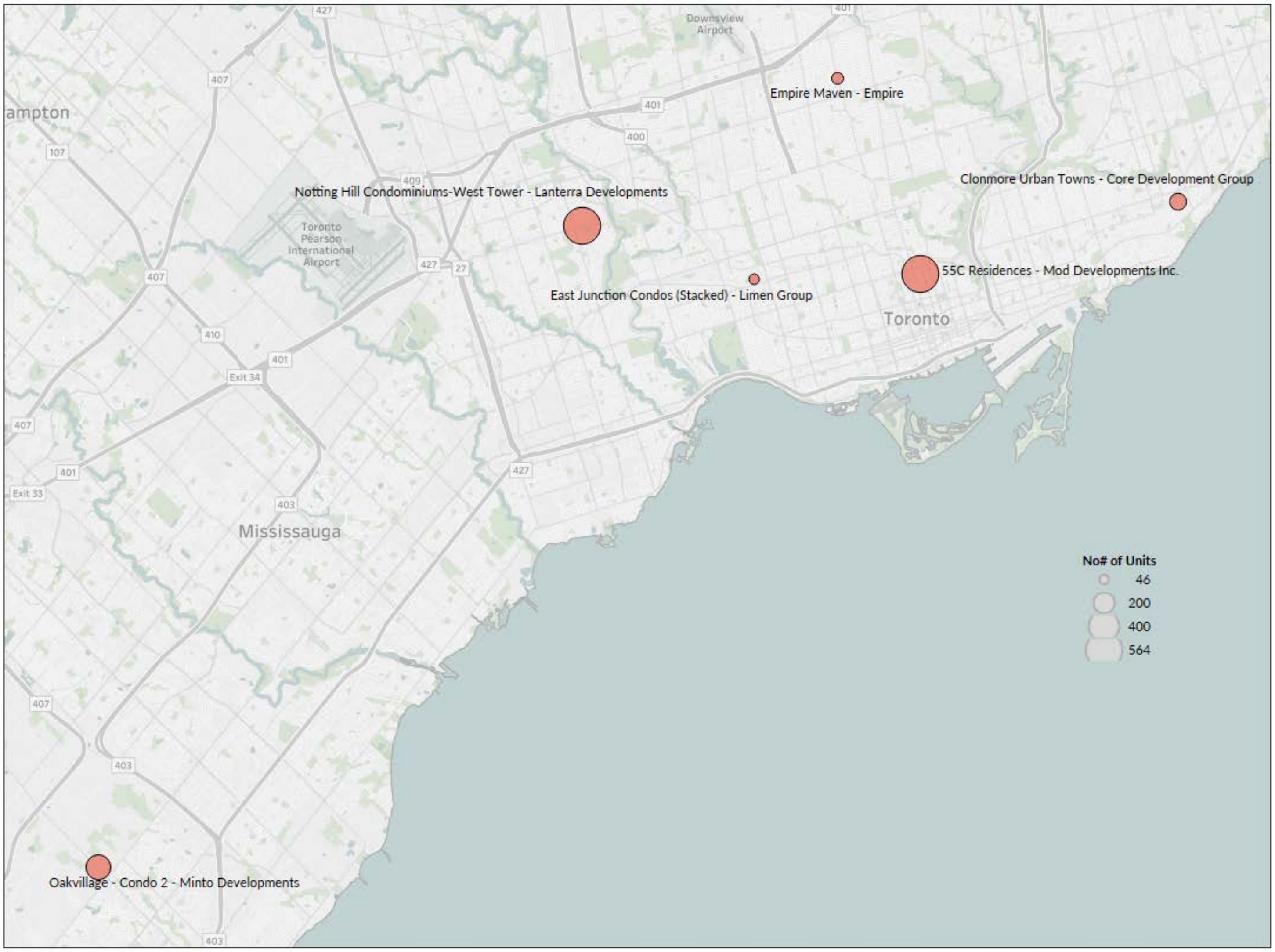
Map 2 of 2

New Condominium Apartment Project Openings - May 2019 (2 of 2)

Project Name	Lookout Condominiums	Merge	Mobilio - South Tower	Mobilio Towns	Rise at Stride	Towns at Goreway Pines
Developer	Condoman Developments	LCH Developments	Menkes and QuadReal Property Group	Menkes and QuadReal Property Group	Kingsmen Group Inc.	Caliber Homes
Date Opened	2019-05-01	2019-05-04	2019-05-11	2019-05-22	2019-05-01	2019-05-25
Municipality	Toronto	Scarborough	Vaughan	Vaughan	Mississauga	Brampton
Region	0	Toronto	York	York	Peel	Peel
Structural Type	Apartment	Apartment	Apartment	Stacked	Apartment	Stacked
Floors	8	11	16	3	13	3
Project Total Units	**30**	**180**	**228**	**298**	**132**	**100**
Total Units Released	**30**	**180**	**228**	**96**	**82**	**72**
Studio	--	15	24	--	--	--
1 bedroom	--	41	72	--	12	--
1 bedroom + den	--	45	108	--	20	--
2 bedroom	4	37	24	48	34	72
2 bedroom + den	9	13	--	--	16	--
3 bedroom & up	8	5	--	48	--	--
Penthouse	2	--	--	--	--	--
Other	7	24	--	--	--	--
Opening month sales	**0**	**102**	**0**	**0**	**20**	**0**
Next month sales	**5**	**31**	**193**	**0**	**2**	**60**
% Sold	*17%*	*74%*	*85%*	*0%*	*27%*	*83%*
Remaining available inventory	25	47	35	96	60	12
Original $PSF	$947	$711	n.a.	$605	$793	$558
Minimum Size (sq. ft.)	$715	416	441	1,082	735	960
Maximum Size (sq. ft.)	$2,609	1,228	645	1,314	1,241	1,056
Minimum Price	$732,875	$355,900	$382,990	$680,000	$604,990	$524,990
Maximum Price	$3,652,600	$963,900	$541,990	$770,000	$917,990	$579,990
Notes		Townhouse units grouped into Other				

Source: Altus Group

June 2019 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

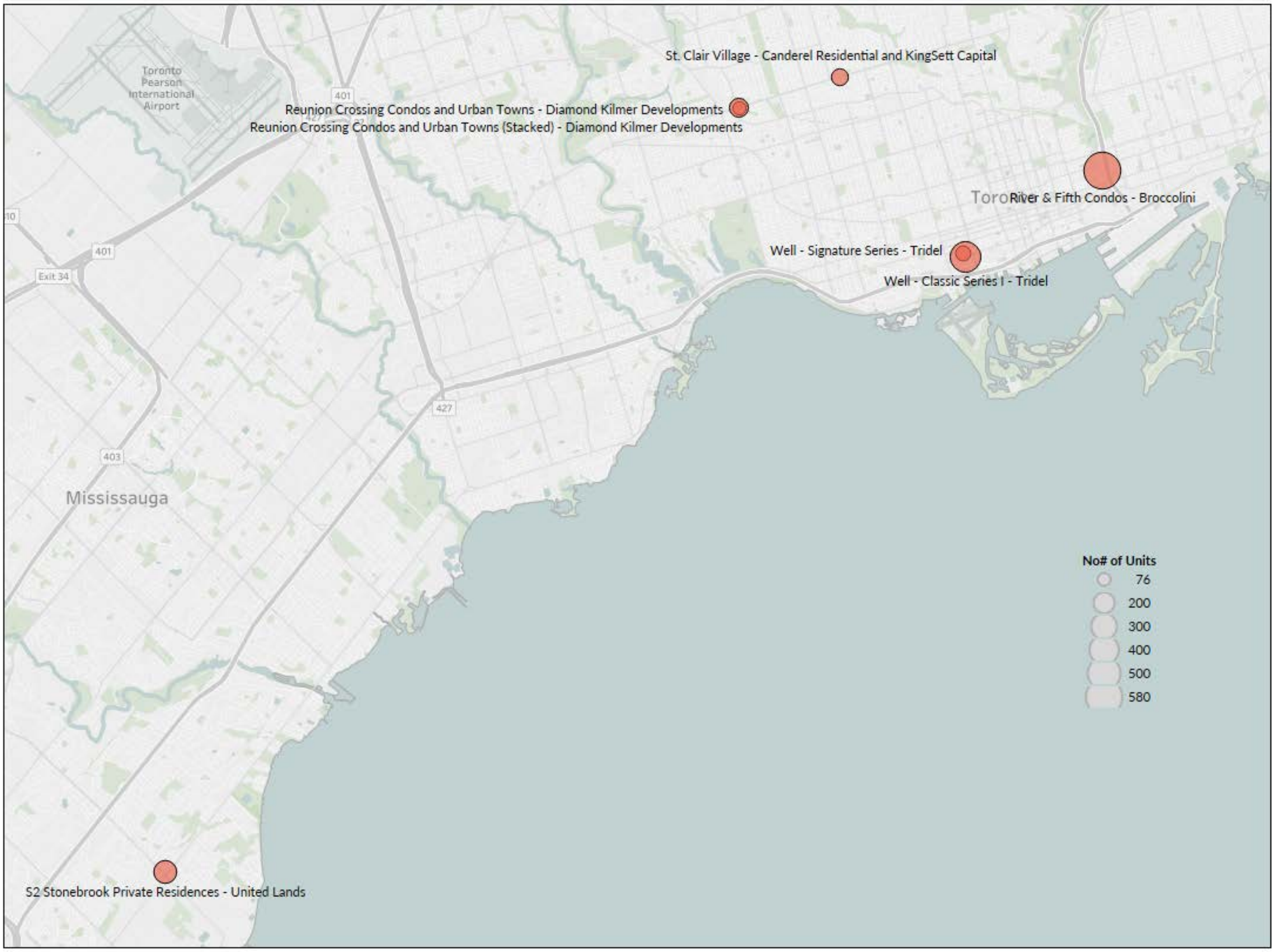
Note: due to the large number of openings in June, project maps and details each have 2 pages.

New Condominium Apartment Project Openings - June 2019 (1 of 2)

Project Name	55C Residences	Clonmore Urban Towns	East Junction Condos (Stacked)	Empire Maven	Notting Hill Condominiums - West Tower	Oakvillage - Condo 2
Developer	Mod Developments Inc.	Core Development Group	Limen Group	Empire	Lanterra Developments	Minto Developments
Date Opened	2019-06-09	2019-06-01	2019-06-27	2019-06-21	2019-06-22	2019-06-04
Municipality	Toronto	Scarborough	Toronto	North York	Etobicoke	Oakville
Region	Toronto	Toronto	Toronto	Toronto	Toronto	Halton
Structural Type	Apartment	Stacked	Stacked	Apartment	Apartment	Apartment
Floors	48	3	4	7	25	20
Project Total Units	**551**	**118**	**46**	**58**	**564**	**257**
Total Units Released	**466**	**118**	**46**	**55**	**351**	**248**
Studio	38	--	--	--	17	--
1 bedroom	257	9	--	--	72	69
1 bedroom + den	--	9	--	1	60	138
2 bedroom	120	4	21	18	71	29
2 bedroom + den	--	--	--	15	69	12
3 bedroom & up	51	96	25	21	62	--
Penthouse	--	--	--	--	--	--
Other	--	--	--	--	--	--
Opening month sales	**211**	**48**	**0**	**0**	**0**	**93**
% Sold	*45%*	*41%*	*0%*	*0%*	*0%*	*38%*
Remaining available inventory	255	70	46	55	351	155
Original $PSF	$1,437	$676	$975	$1,415	$747	$675
Minimum Size (sq. ft.)	335	536	753	701	330	610
Maximum Size (sq. ft.)	1,006	1,730	1,316	2,530	1,141	848
Minimum Price	$548,900	$399,900	$734,175	$895,000	$259,900	$415,990
Maximum Price	$1,477,900	$1,109,900	$1,283,100	$3,550,000	$832,900	$572,990
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.	No firm sales as all deals were subject to the 10-day conditional period.	

Source: Altus Group

June 2019 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

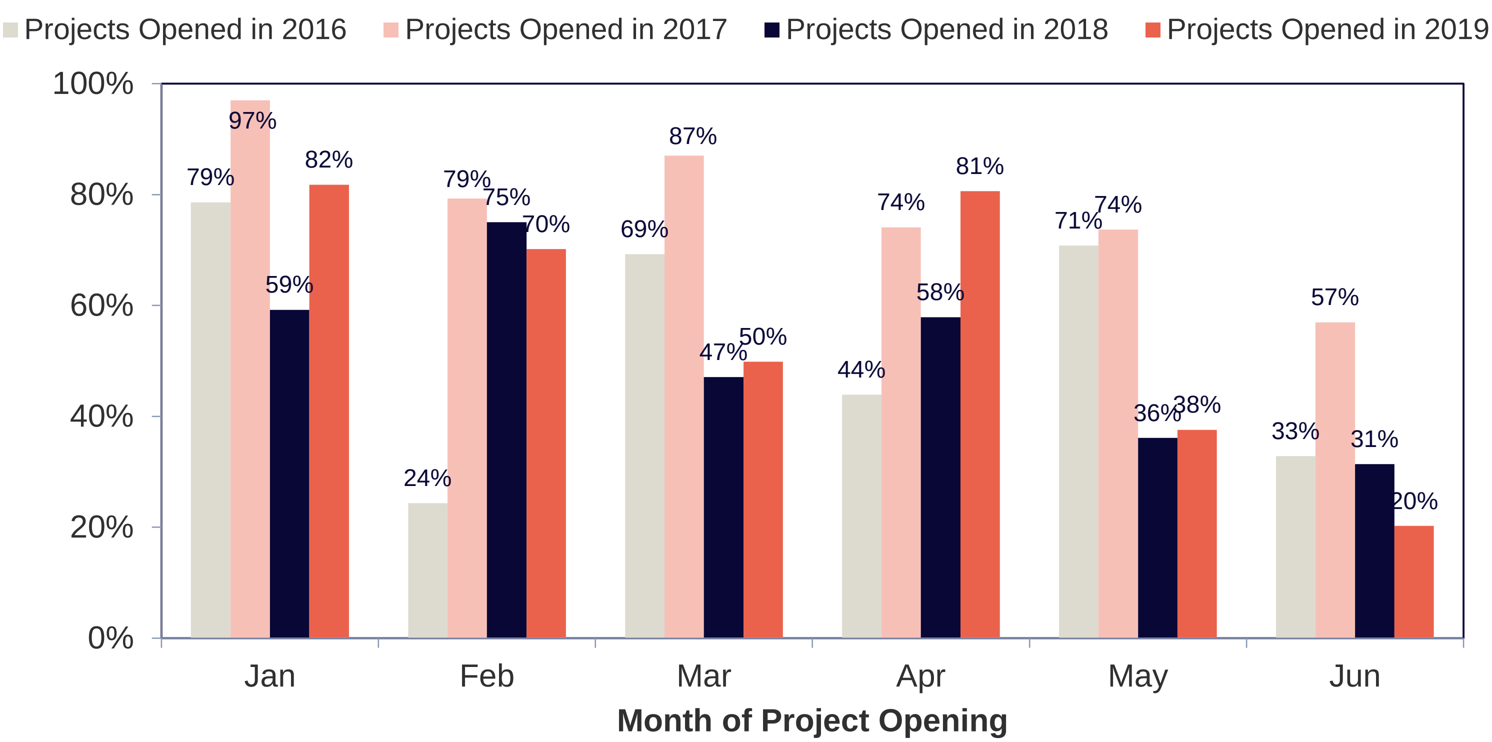
New Condominium Apartment Project Openings - June 2019 (2 of 2)

Project Name	Reunion Crossing Condos and Urban Towns	Reunion Crossing Condos and Urban Towns (Stacked)	River & Fifth Condos	S2 Stonebrook Private Residences	St. Clair Village	Well - Classic Series I	Well - Signature Series
Developer	Diamond Kilmer Developments	Diamond Kilmer Developments	Broccolini	United Lands	Canderel Residential and KingSett Capital	Tridel	Tridel
Date Opened	2019-06-01	2019-06-01	2019-06-01	2019-06-10	2019-06-01	2019-06-29	2019-06-29
Municipality	Toronto	Toronto	Toronto	Mississauga	York	Toronto	Toronto
Region	Toronto	Toronto	Toronto	Peel	Toronto	Toronto	Toronto
Structural Type	Apartment	Stacked	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	11	5	39	18	12	38	14
Project Total Units	**153**	**76**	**580**	**225**	**122**	**400**	**98**
Total Units Released	**148**	**72**	**580**	**225**	**122**	**400**	**98**
Studio	--	--	17	--	--	--	--
1 bedroom	31	--	134	--	19	94	--
1 bedroom + den	19	--	192	105	35	127	--
2 bedroom	89	12	140	65	36	120	32
2 bedroom + den	9	--	37	51	15	17	54
3 bedroom & up	--	60	60	4	17	42	11
Penthouse	--	--	--	--	--	--	1
Other	--	--	--	--	--	--	--
Opening month sales	**46**	**11**	**137**	**67**	**44**	**0**	**0**
% Sold	*31%*	*15%*	*24%*	*30%*	*36%*	*0%*	*0%*
Remaining available inventory	102	61	443	158	78	400	98
Original $PSF	$811	$672	n.a.	$654	n.a.	$1,308	$1,444
Minimum Size (sq. ft.)	435	852	470	727	n.a.	491	1,062
Maximum Size (sq. ft.)	983	1,313	998	1,991	n.a.	1,652	3,259
Minimum Price	$384,900	$649,900	$529,990	$507,900	n.a.	$622,500	$1,375,000
Maximum Price	$819,900	$819,900	$998,990	$1,280,900	n.a.	$2,420,000	$5,500,000
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.

Source: Altus Group

- **Sales to date in projects opened in 2019 compare well with 2018 absorption rates**, with absorption to date in projects opened in various months running generally close to or above last year.
- For projects opened in the first half of 2019 as a whole, 55% of the units have sold; this compares to 52% for projects opened in the first half of 2018 (note that a larger share of first half openings in 2018 were in Q1, and therefore opened longer) and 75% for projects opened in the first half of 2017.
- Caution needs to be used in analyzing sales rates for projects opened in any particular 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 month to another, and from one year to another for the similar month.

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

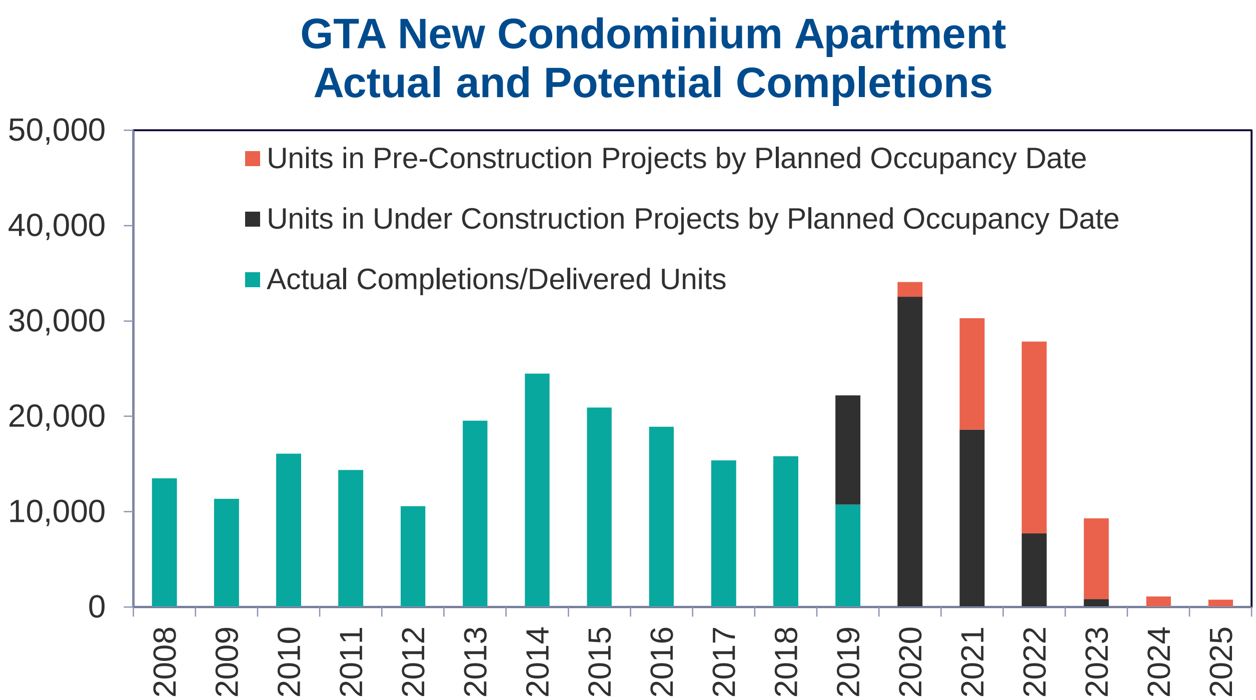


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

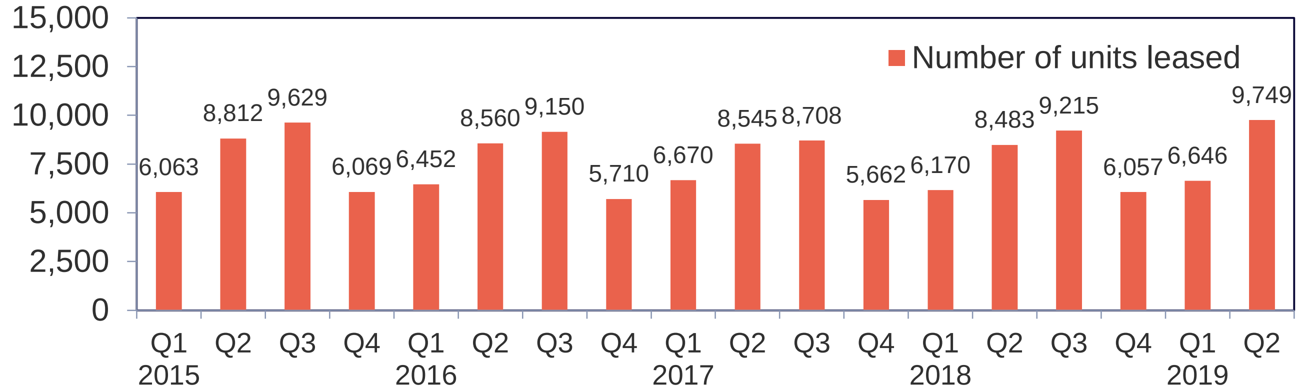
- As of the end of June 2019, there were just under 115,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Just under 10,800 units were delivered/ready for occupancy during the first half of the year**, based on Altus Group data; this is up from just under 8,100 units for the first half of 2018. In Q2 2019 alone, over 6,800 units were ready for occupancy.
- 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.

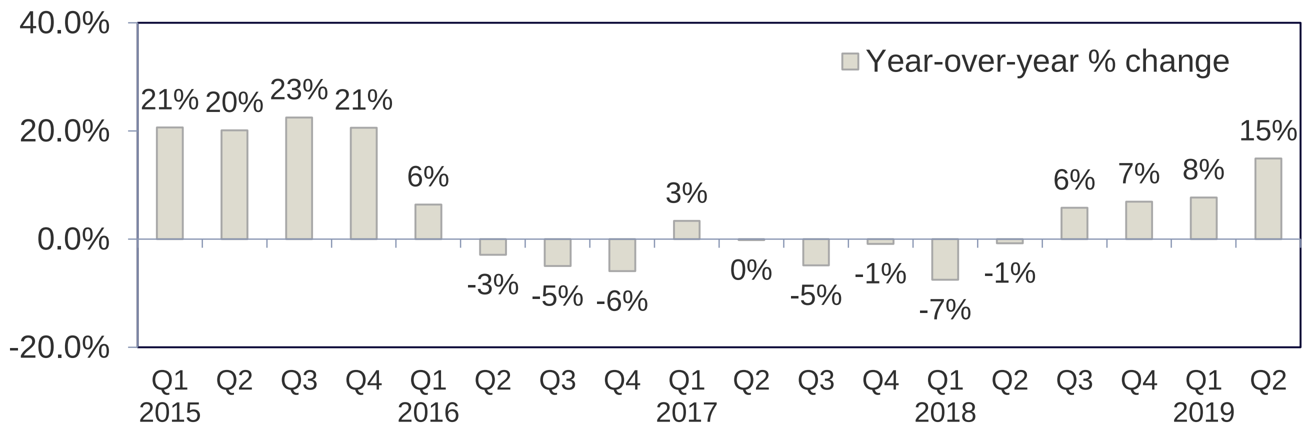


Source: Altus Group

- The number of lease transactions for rented condominium apartment units was up in Q2 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 15% from Q2 2018, marking the 4th quarter in a row to post a year-over-year increase** and the strongest year-over-year upturn since Q4 2015.
- **Average rents for leased condominium units in Q2 2019 were up slightly on a quarter-to-quarter basis** for bachelor, 1 bedroom and 2 bedroom units (*chart next page*), but down slightly for 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 under 7% in Q2 2019 from a year earlier (*chart next page*).

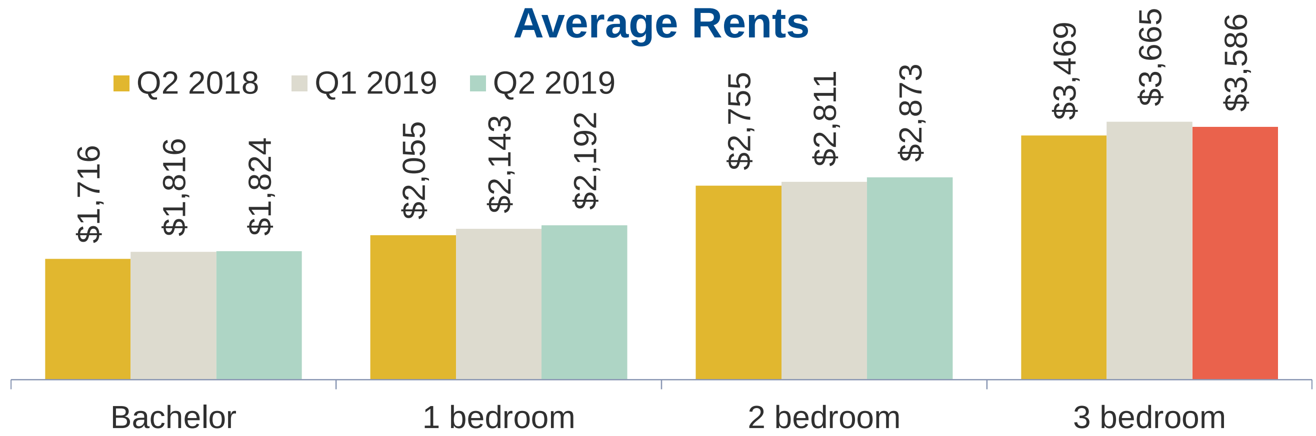
GTA Condominium Apartment Lease Transactions (All Bedroom Types)





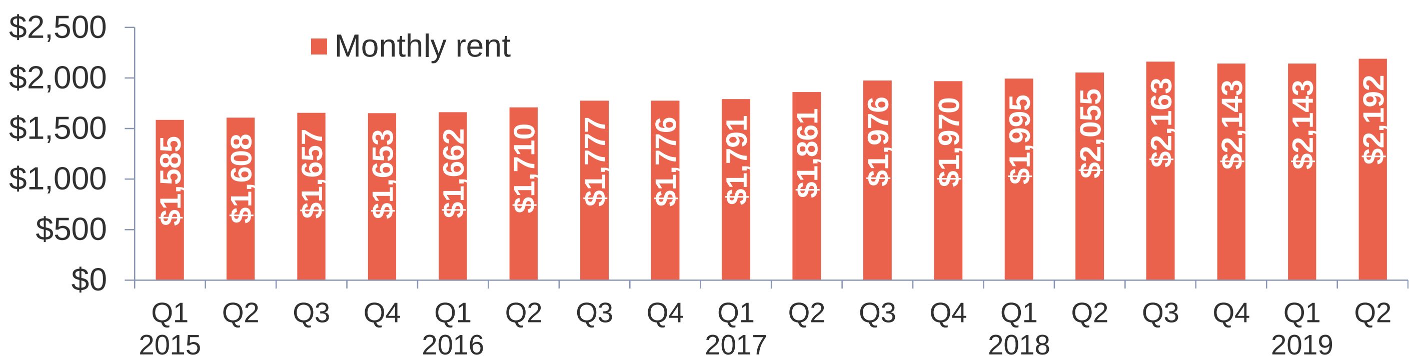
Source: Altus Group based on Toronto Real Estate Board data

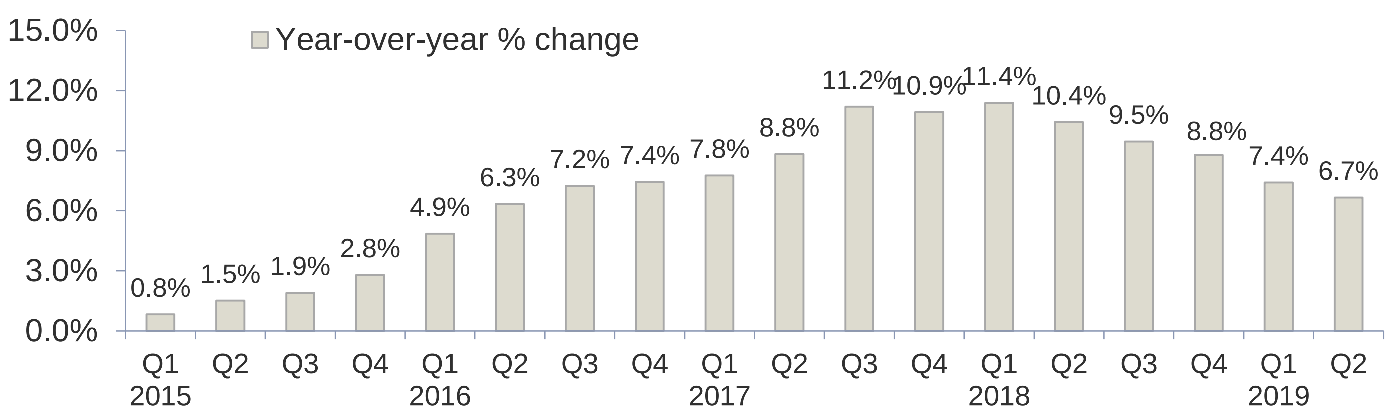
GTA Condominium Apartment Lease Transactions Average Rents



Source: Altus Group based on Toronto Real Estate Board data

GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units

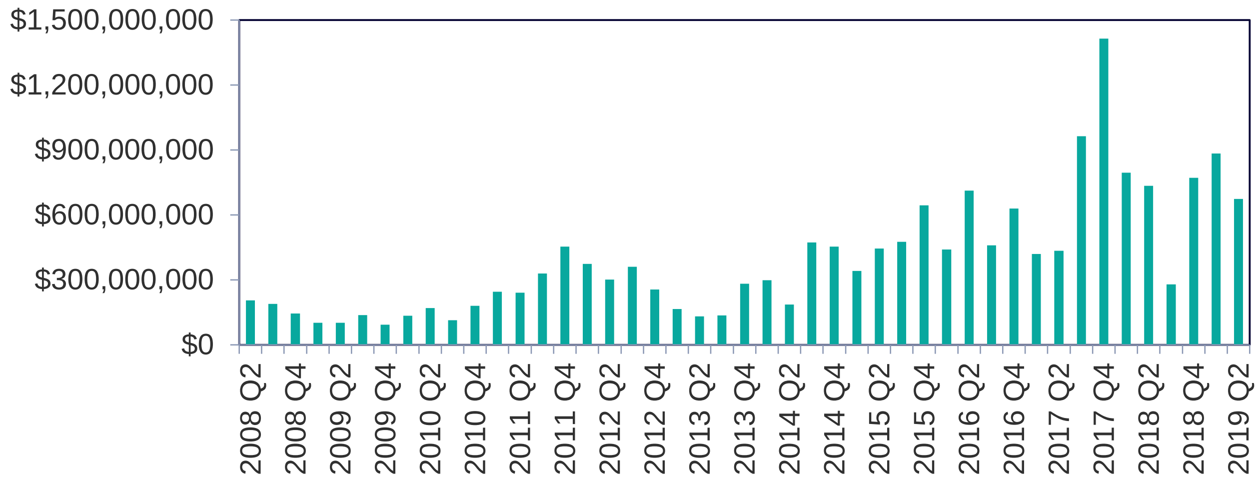




Source: Altus Group based on Toronto Real Estate Board data

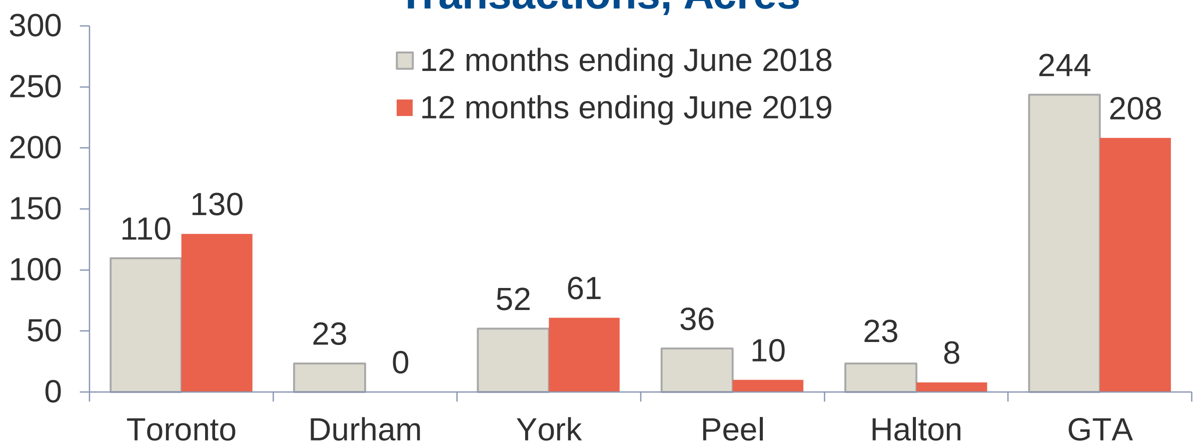
- **The dollar volume of sales of high density residential land in the GTA dipped in Q2 2019**, according to Altus Group transactions data, to just under $675 million.
- For the 12 months ending June 2019, the volume of residential land traded is down about one-third from the preceding 12 months (which included 3 of the top 4 quarters ever). The number of acres of high density residential land traded was also down, by 15%.

GTA High Density Residential Land Sales Transactions $



Source: Altus Group

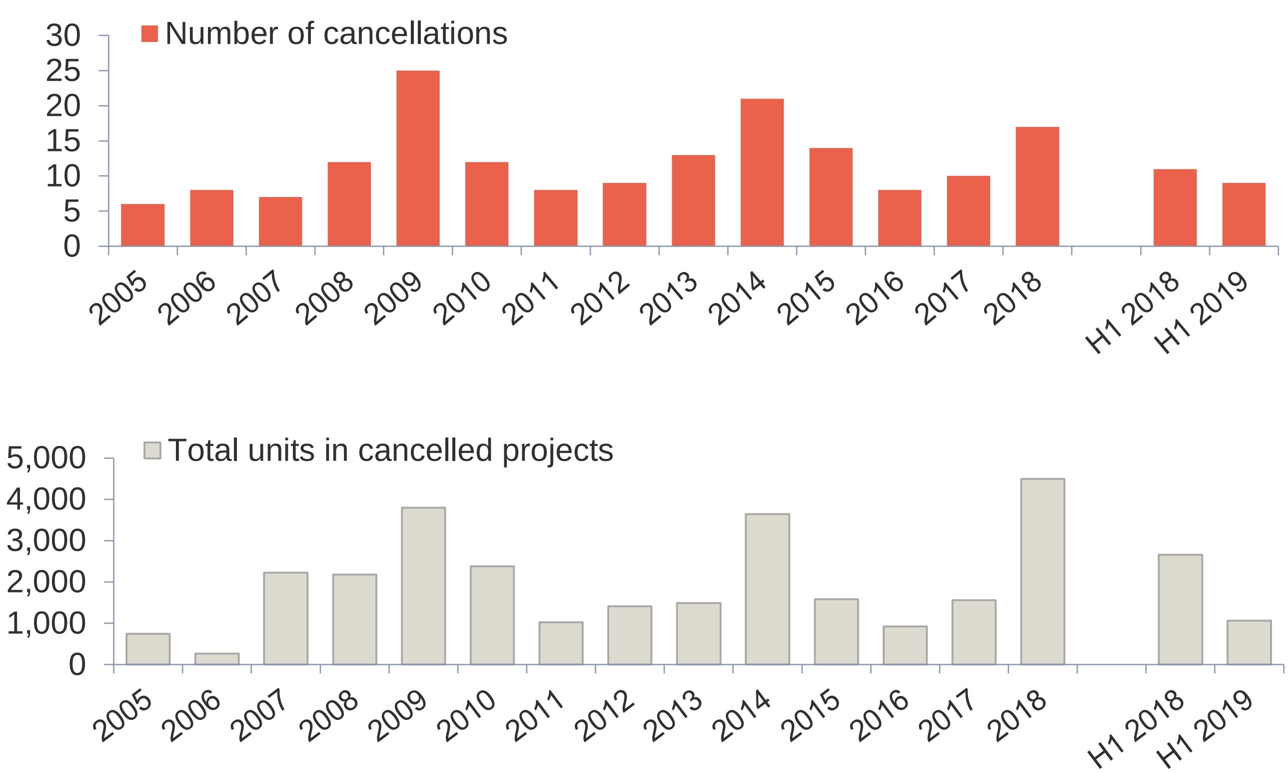
GTA High Density Residential Land Sales Transactions, Acres



Source: Altus Group

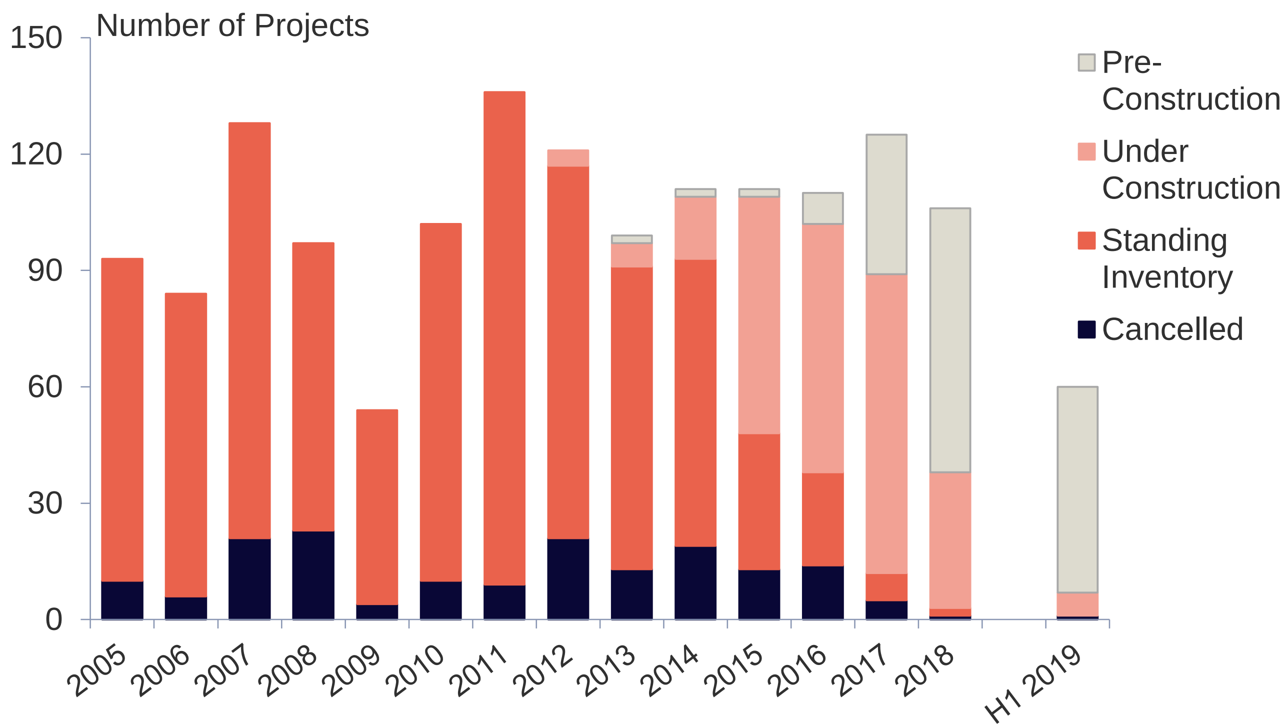
- **There were 9 condominium apartment projects cancelled in the first half of 2019, totaling 1,065 units.** This is well below the over 2,600 units that were cancelled in the first half of 2018. The average size of cancelled projects is smaller this year than in 2018.
- **Most of the non-cancelled projects 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). There are 14 “active” projects opened in the 2013-2016 period that still have not started construction.
- 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 the first half of 2019**, however, the situation has been different: **most had achieved sales of 70% or more**.

Condominium Apartment Projects Cancelled During Each Year, GTA



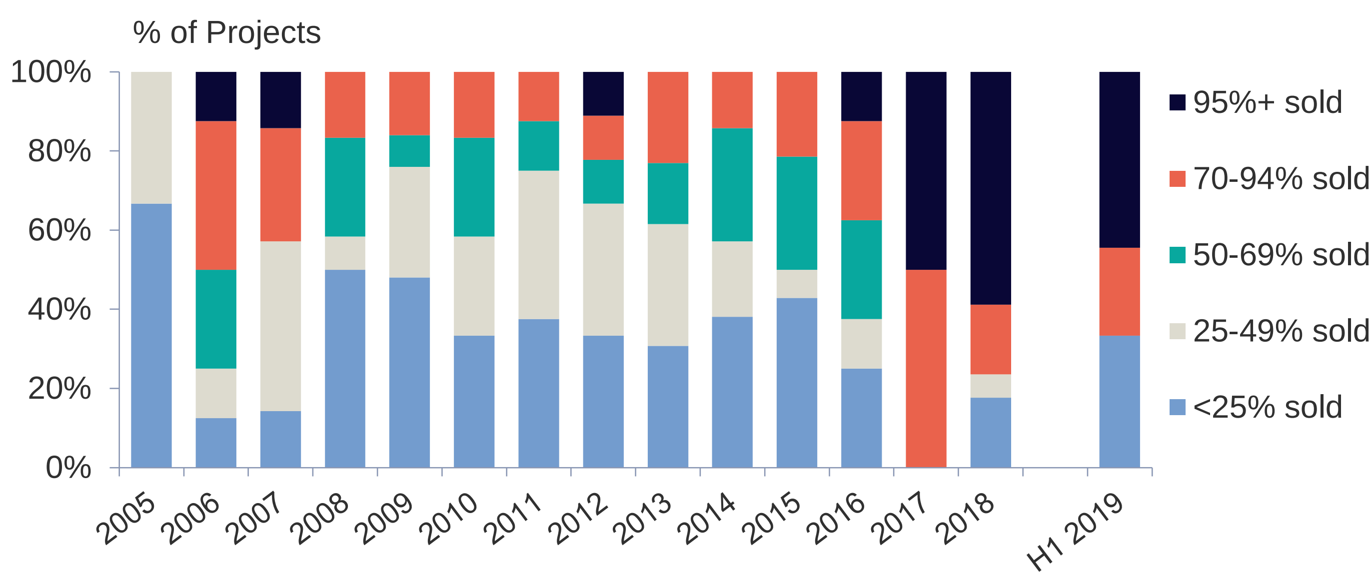
Source: Altus Group

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

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