The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of March 2020

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New Condominium Apartment Dashboard

AltusGroup

March 2020			YTD March 2020	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
2,840	**10,083**	**$983,133**	**6,458**	**$956,537**
108% ▲	**-17%** ▼	**26%** ▲	**117%** ▲	**21%** ▲
2nd highest March	***Down from last year and also below 10 year average***	***Record high***	***2nd highest YTD March***	***Record high***

% change is from same period a year earlier

Highlights

- **Sales of new condominium apartments in March confirmed that the market was poised for a strong year, before the impact of the COVID-19 hit.** Record openings in February helped to buoy the sales: 8 of 15 projects launched in February opened in the last 10 days of the month and as such firm sales were not recorded until the early part of March.
- **While data is not available by specific date within the month, it is expected that the strength of the month was during the first half, before COVID-19 measures became prevalent.** There were no launches in March after the first week, and already launched projects adopted new sales models, with most moving to in-person by appointment and/or virtual appointments, and some simply suspending their sales programs.
- **Prior to the disruption in March**, given the strength in sales in the latter part of 2019 and into the early part of the year, **our expectation had been for 2020 sales to at least match, if not outdo, 2019.** The uncertainty with respect to the timing of the economy "re-opening" makes it challenging to provide a revised sales forecast for 2020 until we have some additional data points. **For now, we caution that significant downturns are not unprecedented -** with about one-third drops in condo sales on an annual basis in 2008, 2012 and 2018 and a 2 year drop of 86% between 1988 and 1990.

Condominium Apartment KPIs

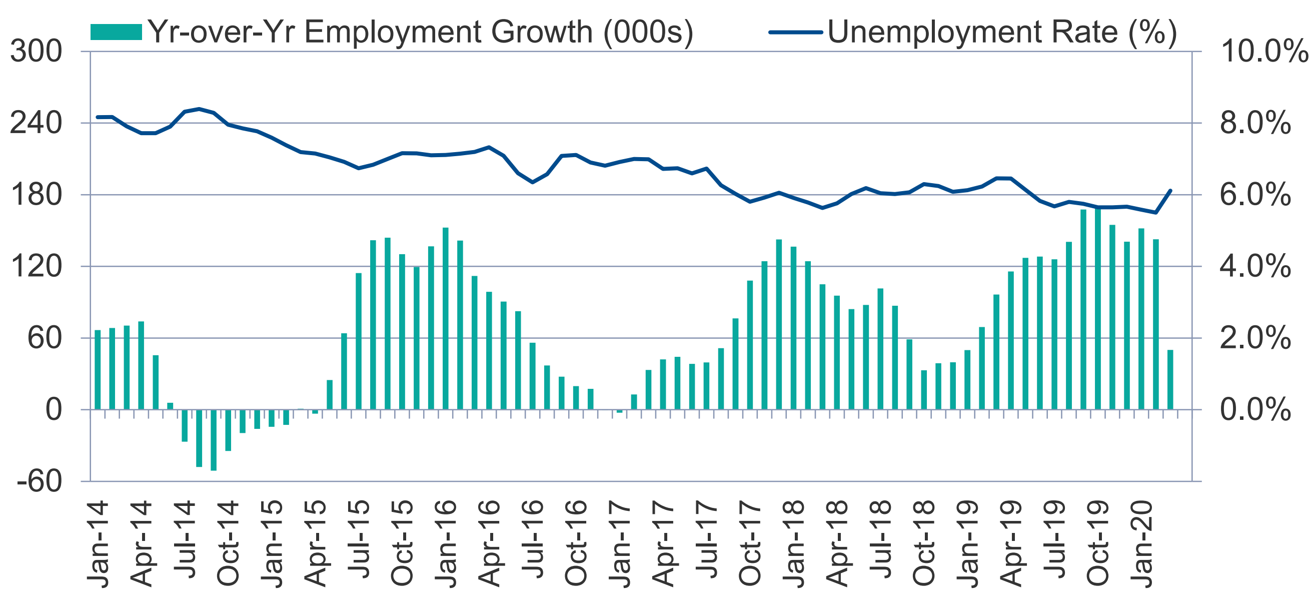
GTA Condominium Apartment Key Performance Indicators

	Mar-19	Feb-20	Mar-20	*Yr-Over-Yr % Change*	YTD Mar 2019	YTD Mar 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	330	360	356	*8%*	328	355	*8%*
New projects opened	6	15	2	*-67%*	14	18	*29%*
Units in new projects opened	2,063	4,085	496	*-76%*	3,796	4,847	*28%*
Total sales (units)	1,365	2,503	2,840	*108%*	2,976	6,458	*117%*
Sales as % of total new & resale	*41%*	*57%*	*59%*		*39%*	*55%*	
Inventory (units)	12,190	12,661	10,083	*-17%*	11,640	11,381	*-2%*
Sales-to-inventory ratio	11%	20%	28%	*152%*	8%	19%	*127%*
Months of inventory	7.4	5.3	4.0	*-46%*	6.9	4.8	*-31%*
Benchmark price	$780,839	$961,268	$983,133	*26%*	$792,396	$956,537	*21%*
Price PSF Benchmark	$889	$1,020	$1,014	*14%*	$900	$1,007	*12%*
Unit size Benchmark (sq. ft)	878	942	969	*10%*	880	949	*8%*
Units completed	655	1,276	1,700	*160%*	4,410	4,719	*7%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,965	1,906	2,014	*2%*	4,739	5,255	*11%*
New listings (units)	3,242	2,476	3,429	*6%*	8,216	7,954	*-3%*
Inventory ("active listings", units)	3,223	1,844	2,275	*-29%*	2,900	1,966	*-32%*
Sales-to-inventory ratio	61%	103%	89%	*45%*	54%	89%	*65%*
Months of inventory	1.7	0.9	1.1	*-34%*	1.5	1.0	*-36%*
Average price of units sold	$560,020	$666,358	$658,791	*18%*	$557,620	$654,233	*17%*
HPI constant quality price index (Jan 2005=100)	261.7	289.8	296.8	*13%*	258.2	289.7	*12%*

** see end of report for Definitions*

- **The Greater Toronto Area has seen very strong population growth in recent years**, which was boosting housing demand. And international migration has been key to that growth (*chart top of next page, left*). **But we are in a situation right now where prospects for new international migrants coming to Toronto in the short and possibly medium term are limited.** But it's not only fewer new migrants coming in - in recent months, some of the previous international migrants, like students and temporary workers from abroad, have gone back home.
- **In terms of the impact on the housing market, job growth is an even stronger factor than population growth.** Unfortunately, our regular tracking chart below does not tell the short-term story well, as it is based on 3 month averages. But the chart to the right on the top of the next page illustrates why **the massive job losses in the Toronto area in March are of concern – in a single month, almost 3 years of job growth was wiped out.** Some of these jobs will be quickly regained, and others that might have been lost going forward will now be retained, thanks to the **Canada Emergency Wage Subsidy** initiative. And many of the remainder will gradually come back, although the timing is uncertain. But some of the job losses will be permanent, as some businesses close down. And it is not just a simple job/no job situation - among those that have not lost their jobs, many have experienced income reductions (due to fewer hours worked, declines in variable/commission-type pay, etc.). Offsetting some of this is that new job opportunities have opened up as the economy adapts to a new reality.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on April 15**, citing it as the "effective lower bound" (*chart bottom of next page*). The next rate announcement date is June 3.

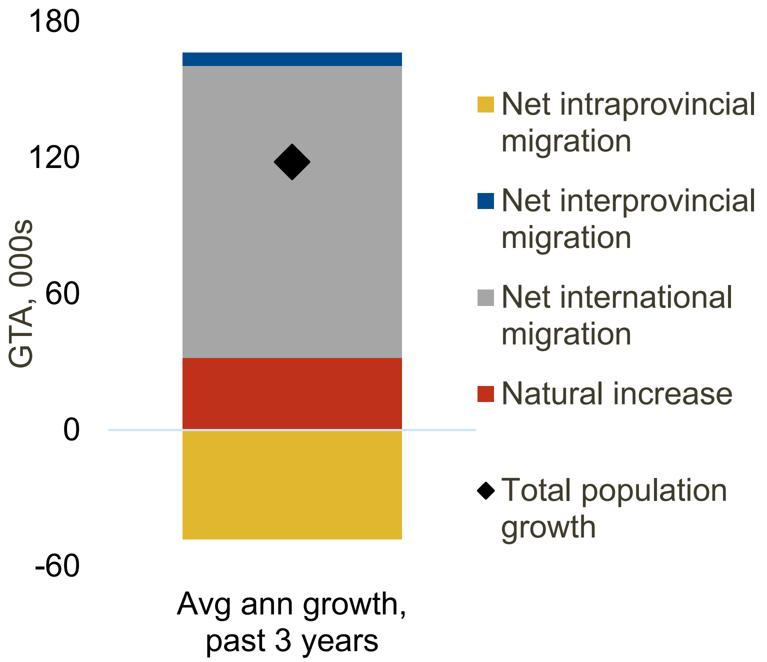
GTA Employment*



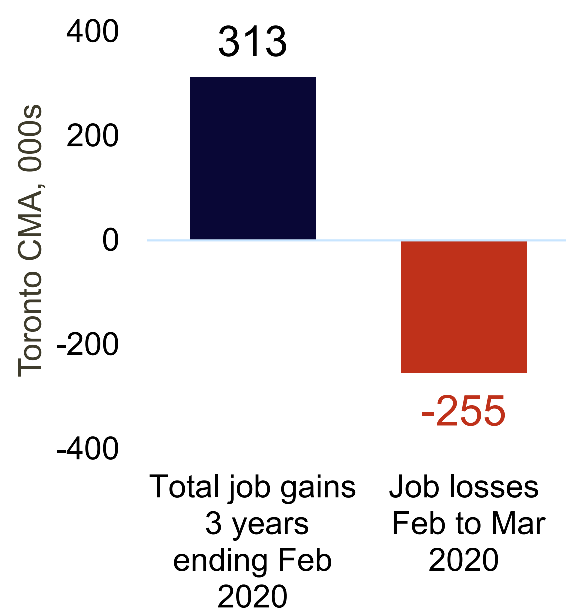
Source: Altus Group based on Statistics Canada data

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

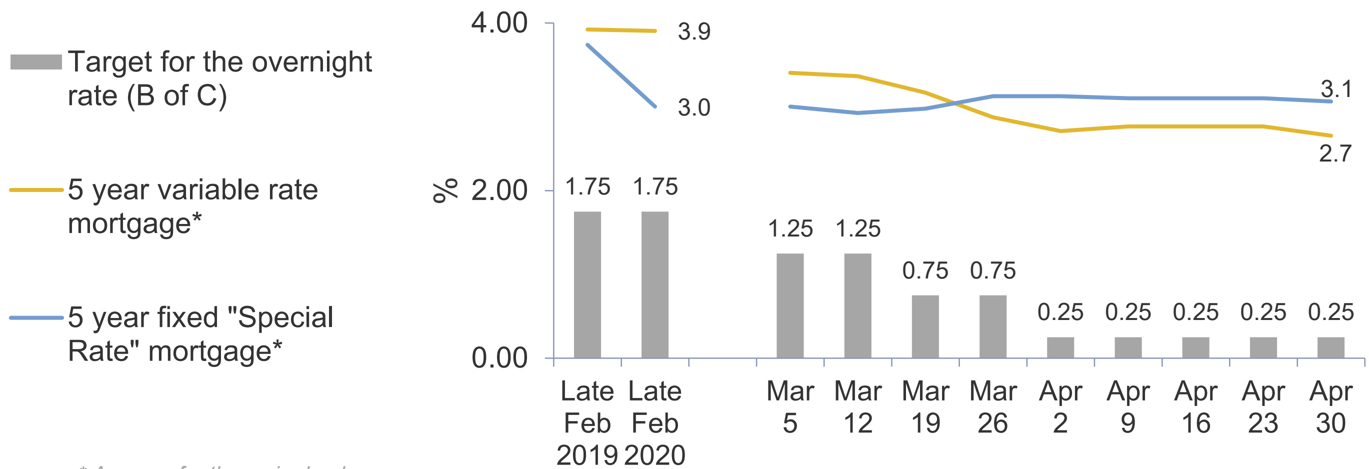
1 Population



2 Employment



3 Interest rates



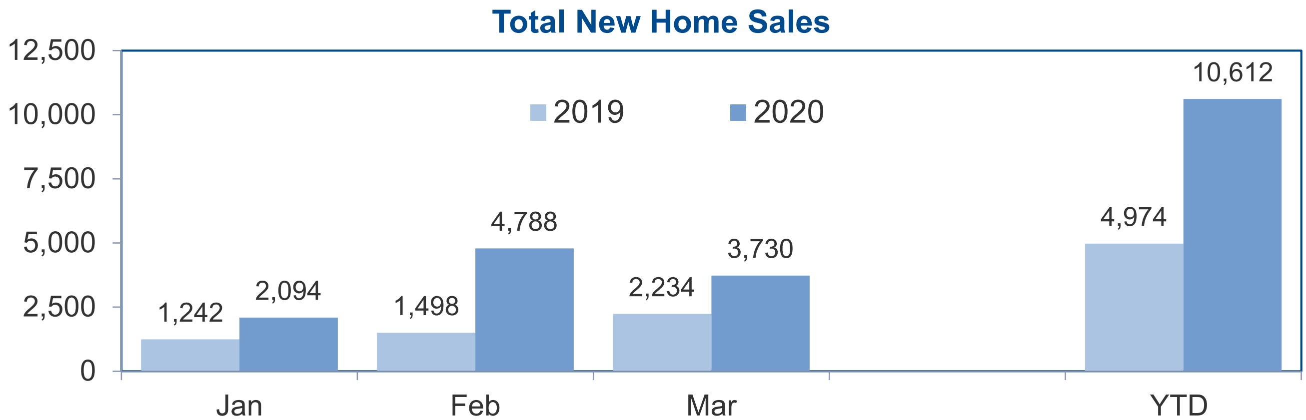
** Average for the major banks*

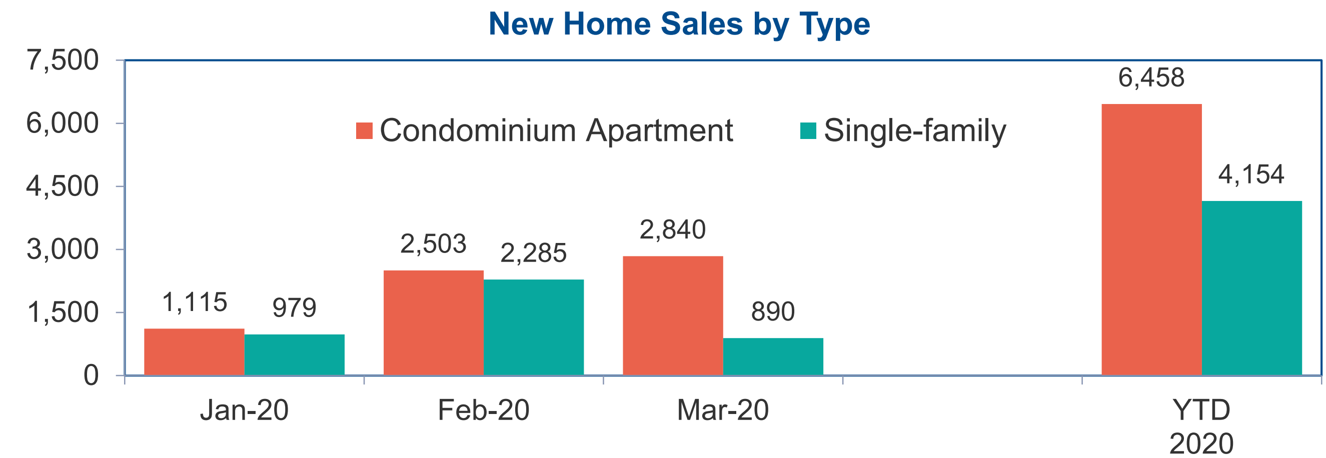
Source: Altus Group based on data from StatCan, Bank of Canada and major bank web sites

New Home Market - Sales

- **Total sales of new homes in the GTA were relatively robust in March, despite the fact that the COVID-19 measures started to hit mid-month.** Total sales were up 67% from March 2019, pushing year-to-date sales to more than double a year ago.
- **Single-family sales dropped back from the elevated February level**, more or less matching March 2019's performance.
- **Condominium apartment sales, however, posted the 2nd highest March** (after 2017) since Altus Group's tracking began in 2000. As discussed later in this report, **record openings in February played a key role in this performance.**
- **Year-to-date total new home sales are up in all regions** (*chart next page*), for both single-family (with the exception of the City of Toronto) and condominium apartment sales.
- Q1 total new home sales by municipality follow after the next page.

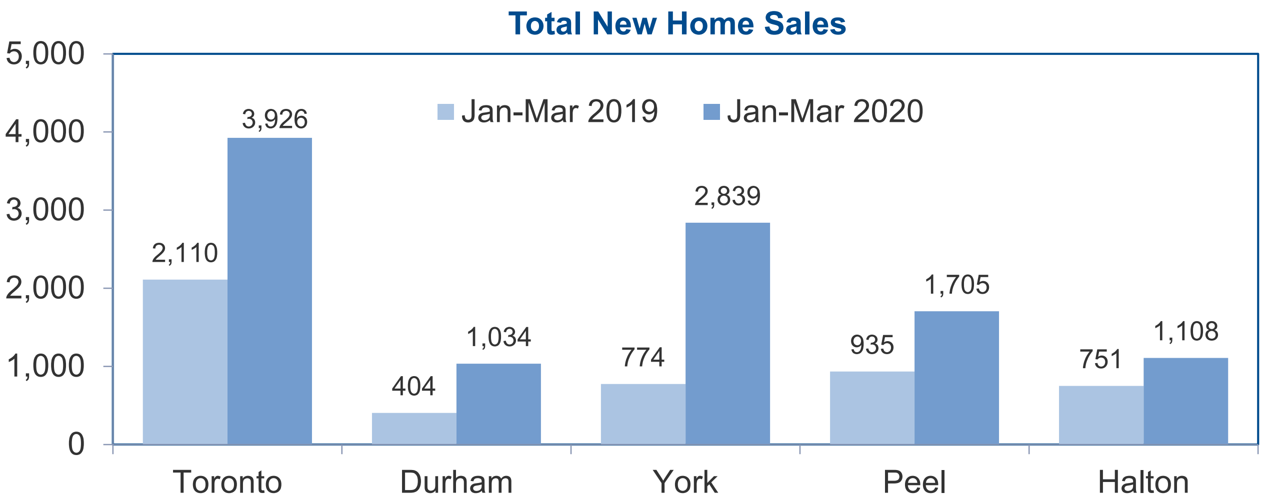
GTA New Home Sales

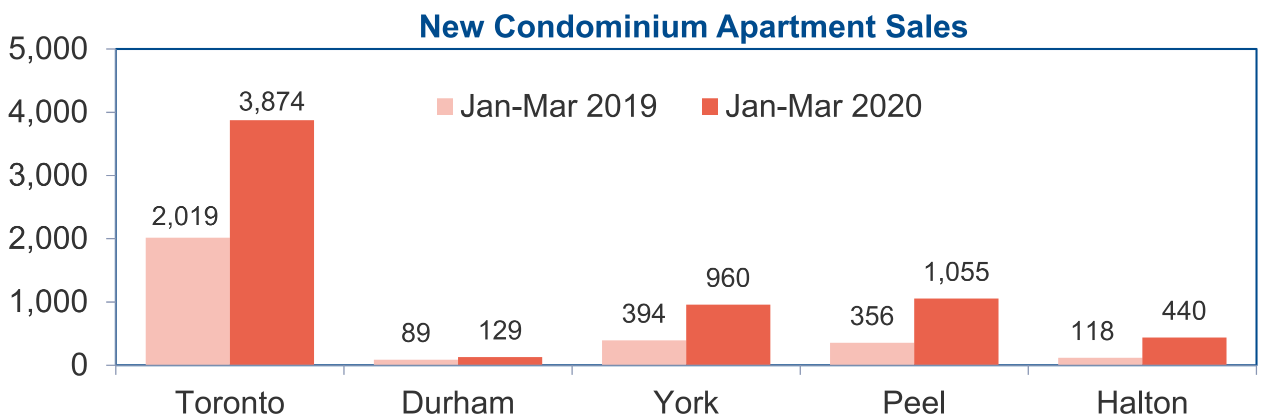


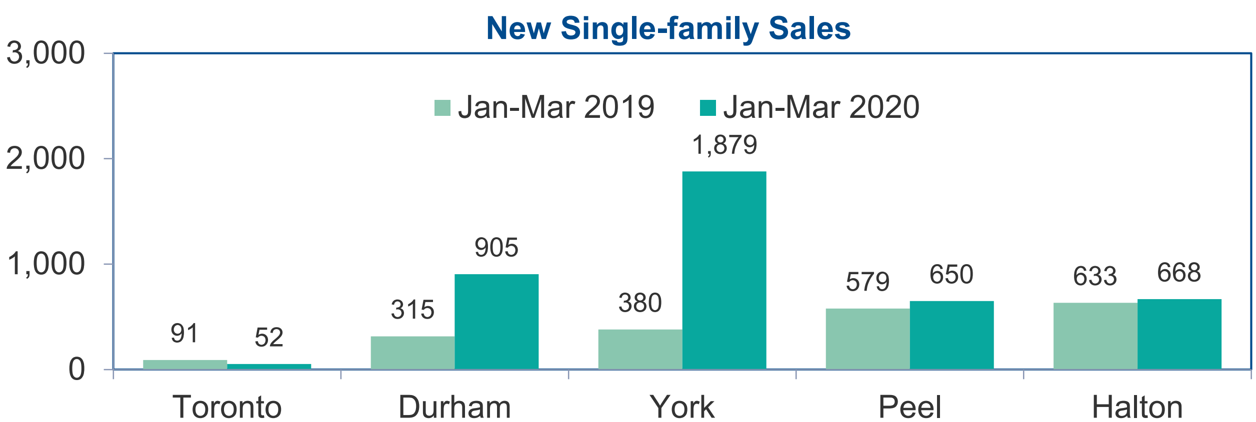


Source: Altus Group

GTA New Home Sales by Region

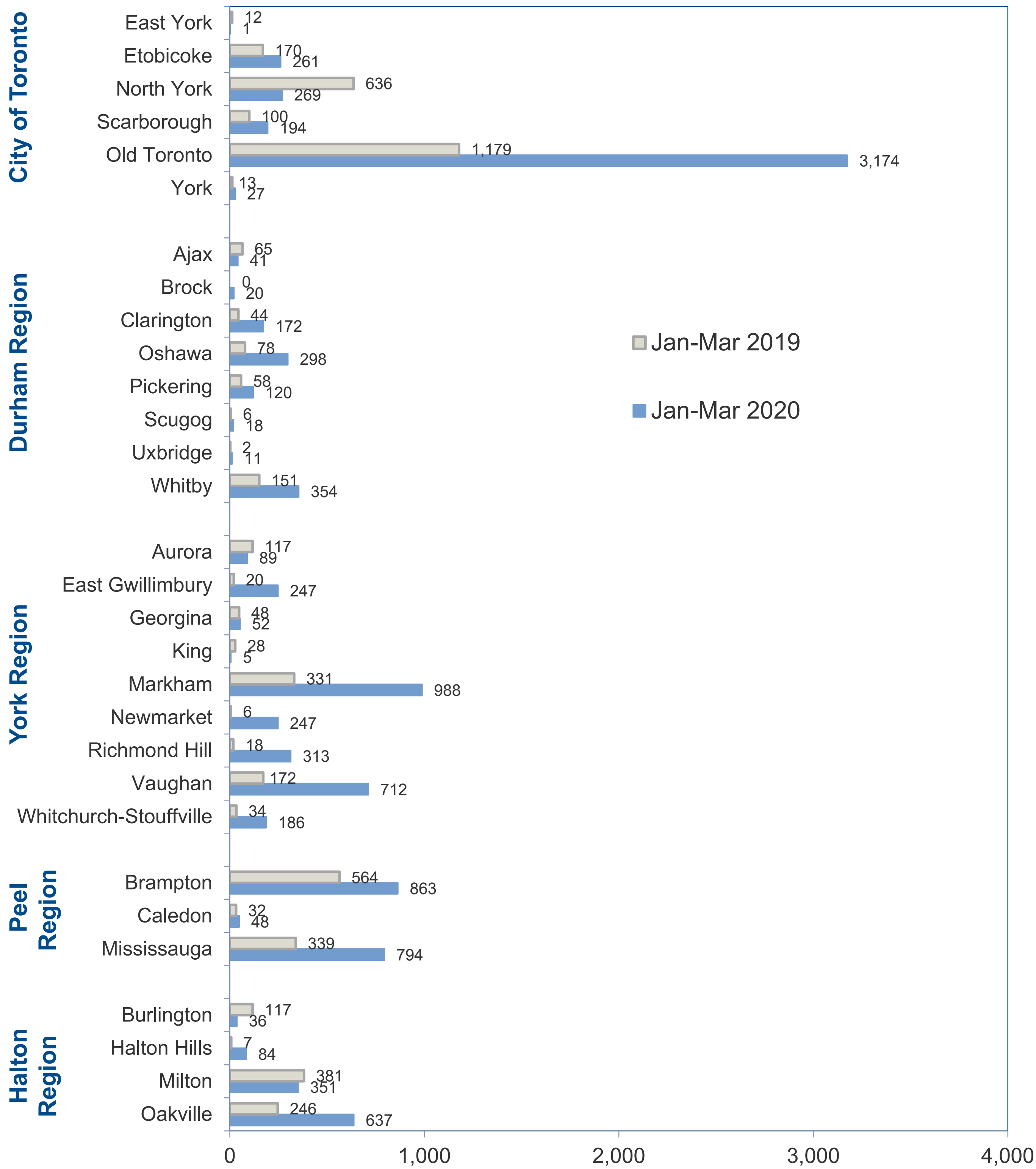






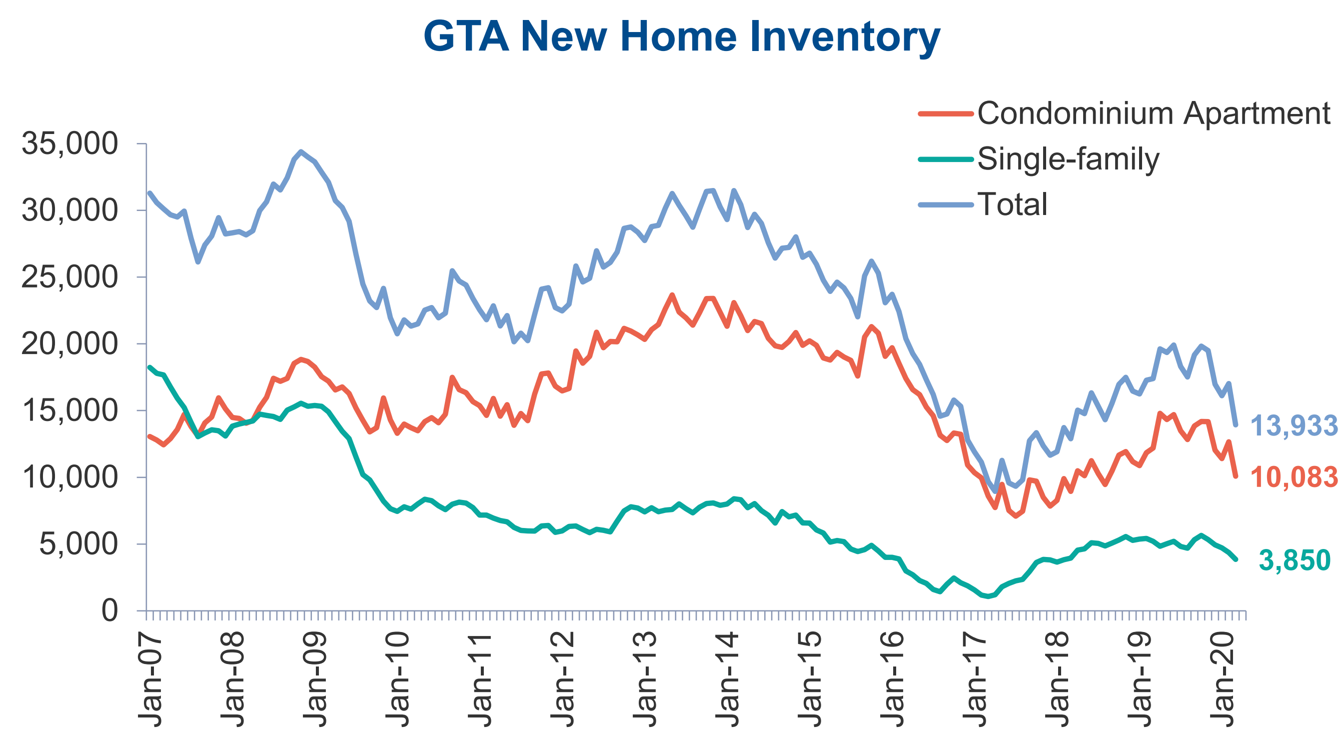
Source: Altus Group

GTA Total New Home Sales by Municipality



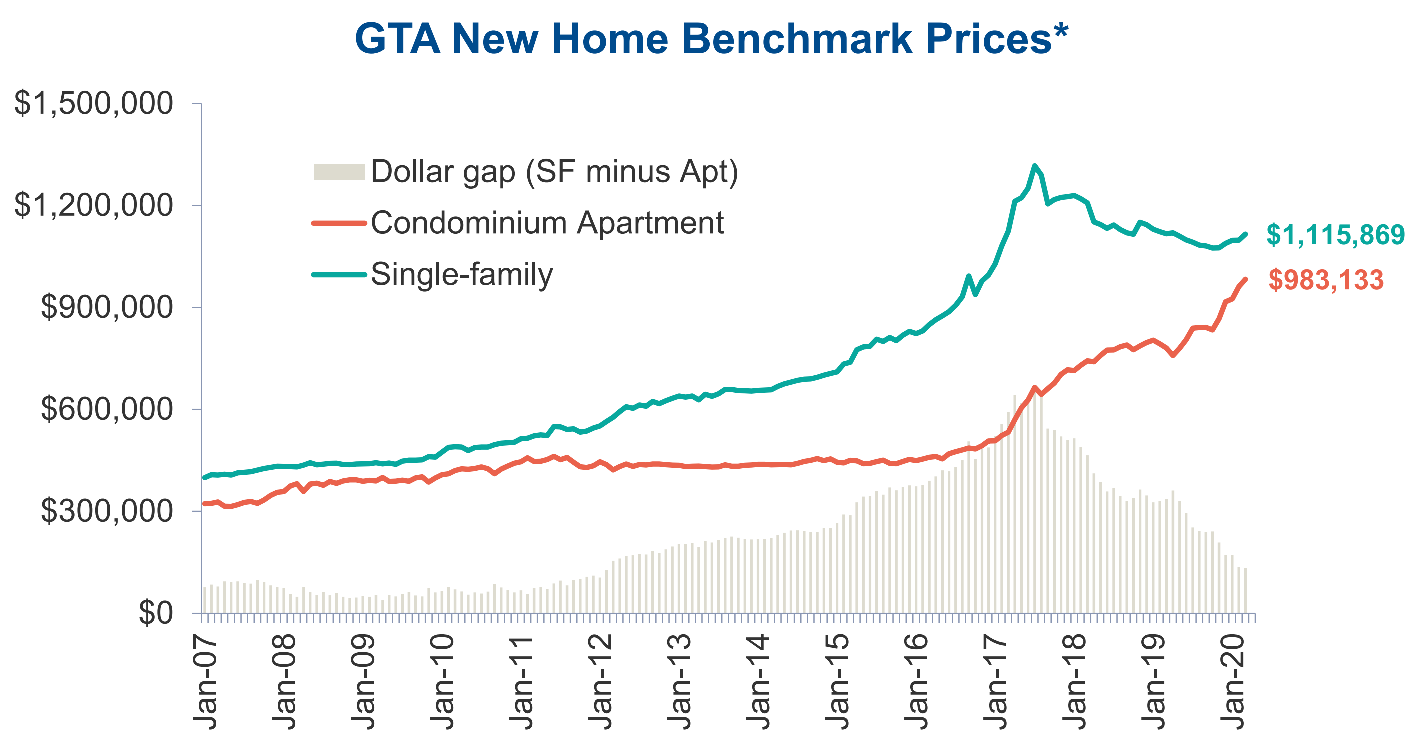
Source: Altus Group

- **Total new home inventory available to purchase dropped in March**, for both single-family and condominium apartment units. The declines were due to a combination of strong sales and little in the way of new project launches.
- Overall, the current total inventory of new homes available to purchase represents only about 4 months of supply, based on the average monthly pace of sales in the past 12 months. **However, this indicator at present needs to be viewed with caution, given sales in the next few months are unlikely to match the average pace of the past year.**



Source: Altus Group

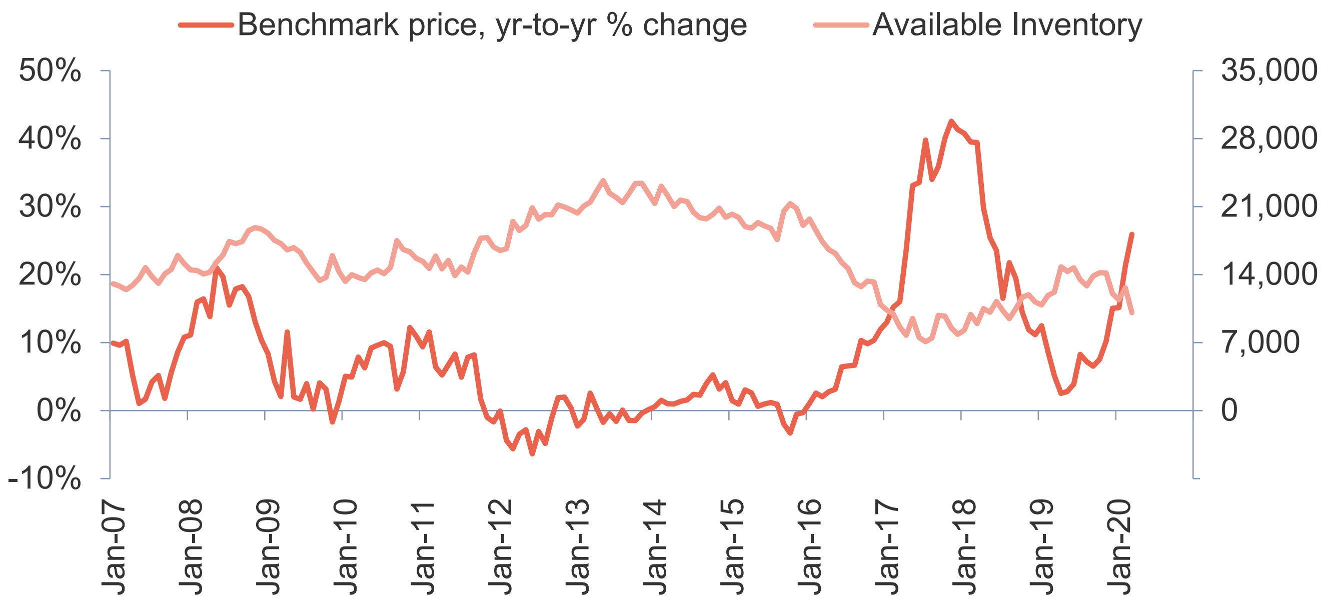
- **After stalling in February, the Benchmark price for a new single-family home moved up again in March** and sits about just below March 2019 (*chart bottom of next page)* and about 15% below the peak in July 2017.
- **The Benchmark price for a new condominium apartment however hit another record in March**. Year-over-year, the benchmark price is up about 26% (*chart top of next page*).
- Additional price increases are unlikely in the short term**. While potential buyers may be expecting reductions in prices, builders will be resistant, and more likely to favour non-price incentives.**



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

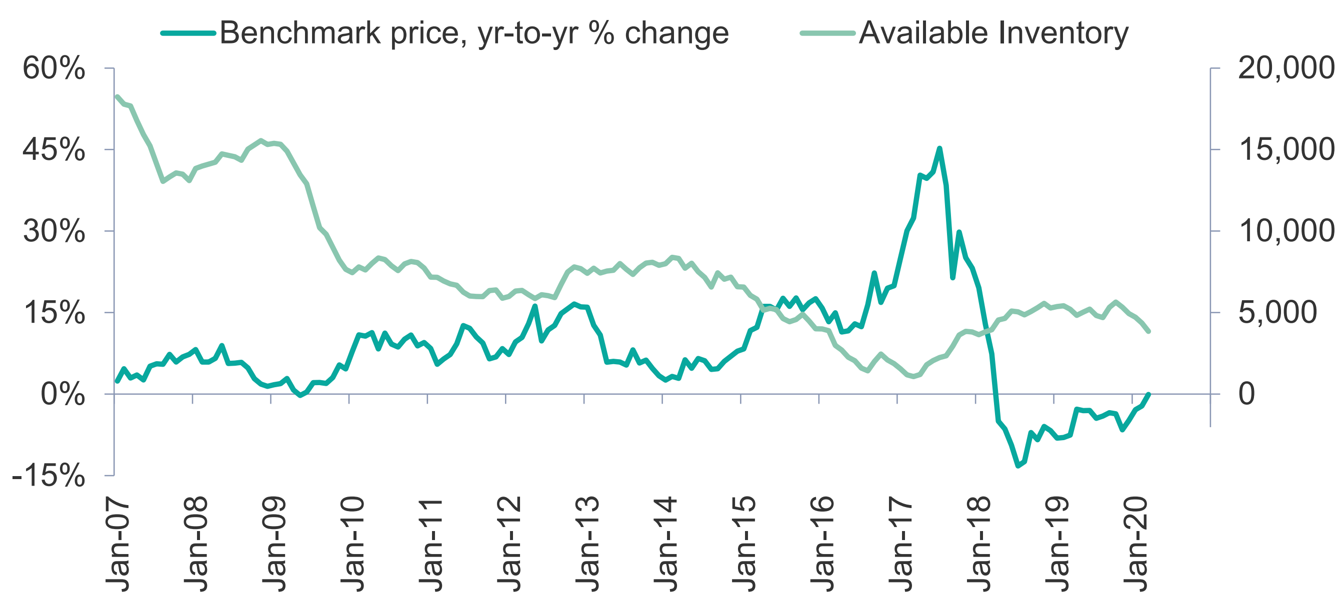
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

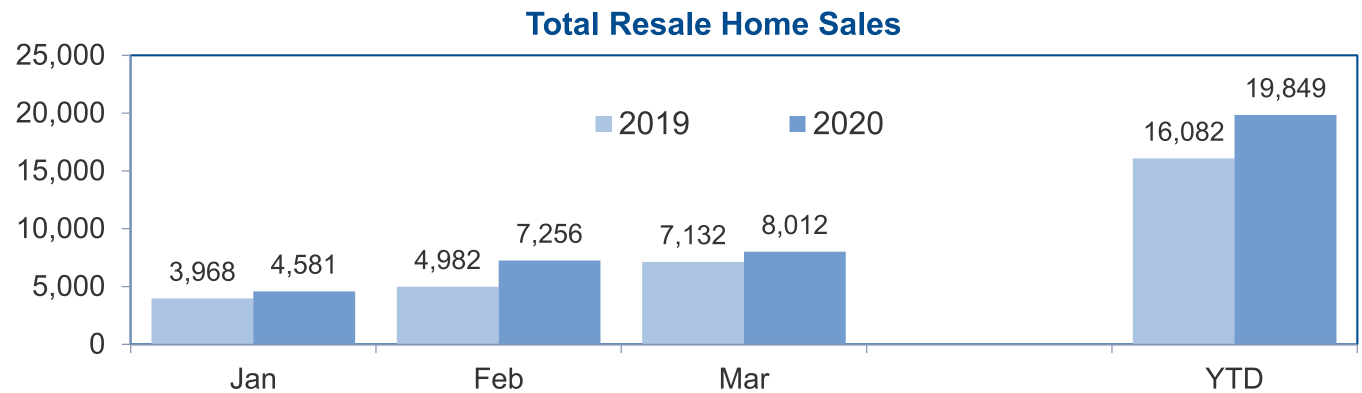
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

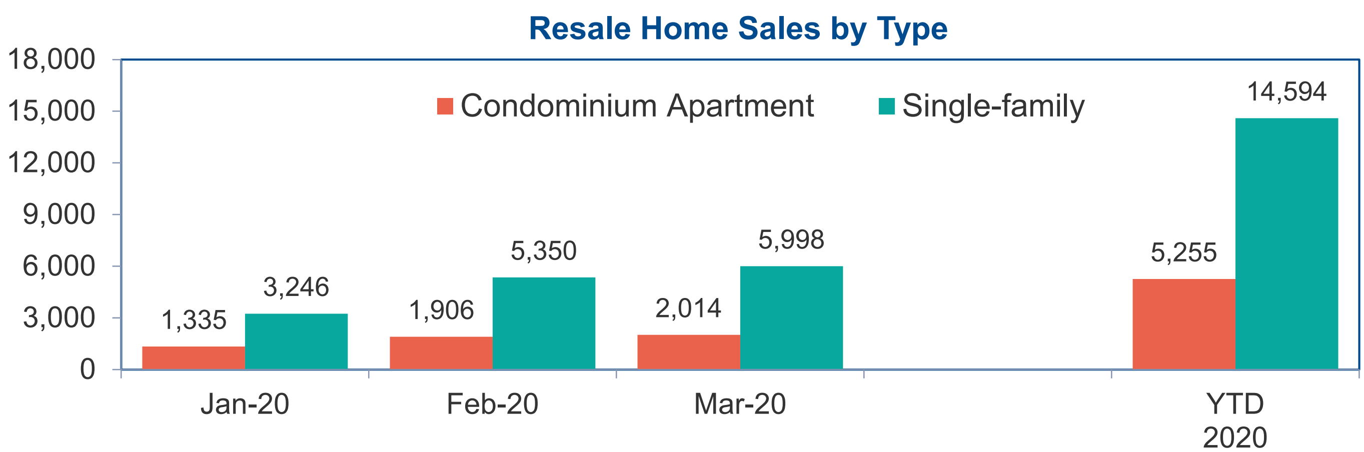


Source: Altus Group

- **Total sales of existing homes in March** (as reported by the Toronto Regional Real Estate Board) **exceeded year earlier levels for the 12th month in a row.** Both single-family homes and condominium apartments shared in the year-over-year increase, although the improvement was more focused in single-family. **TRREB analysis however showed that "despite a strong increase in sales for March 2020 as a whole, there was a clear break in market activity between the pre-COVID-19 and post-COVID-19 periods",** with sales in the first 14 days up 49% from the same period a year earlier, and sales in the remainder of the month down 16% from a year earlier (*TTREB Market Watch*). **TTREB more recently reported that sales in the first 17 days of April were down 69% from the same period in 2019.**
- Resale inventories were up from February (the typical seasonal pattern) but were well below the March levels of the past two years *(chart top of next page).*
- The average sale price for a resale single-family home dipped from February but was up 13% from a year earlier (*chart bottom of next page*). The average price for a resale condo apartment dipped from the record in February. **TTREB analysis indicates the overall average price was higher in the first 14 days of March than the remainder of the month.**

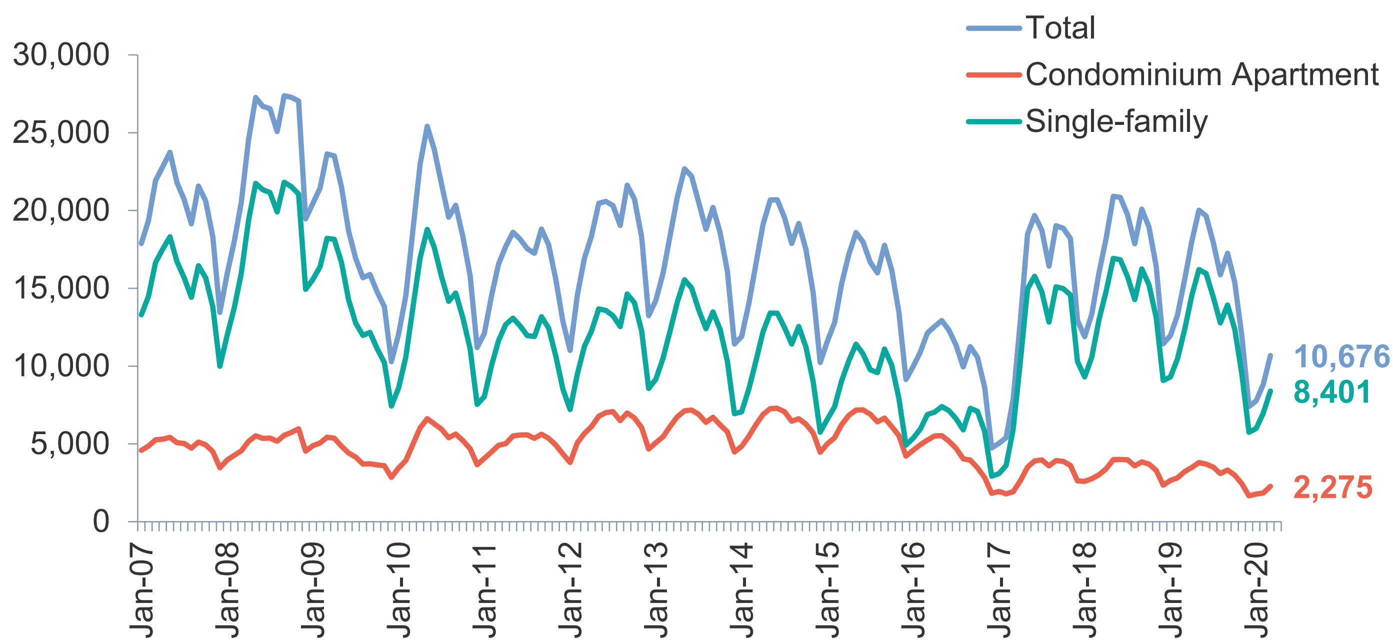
GTA Resale Home Sales





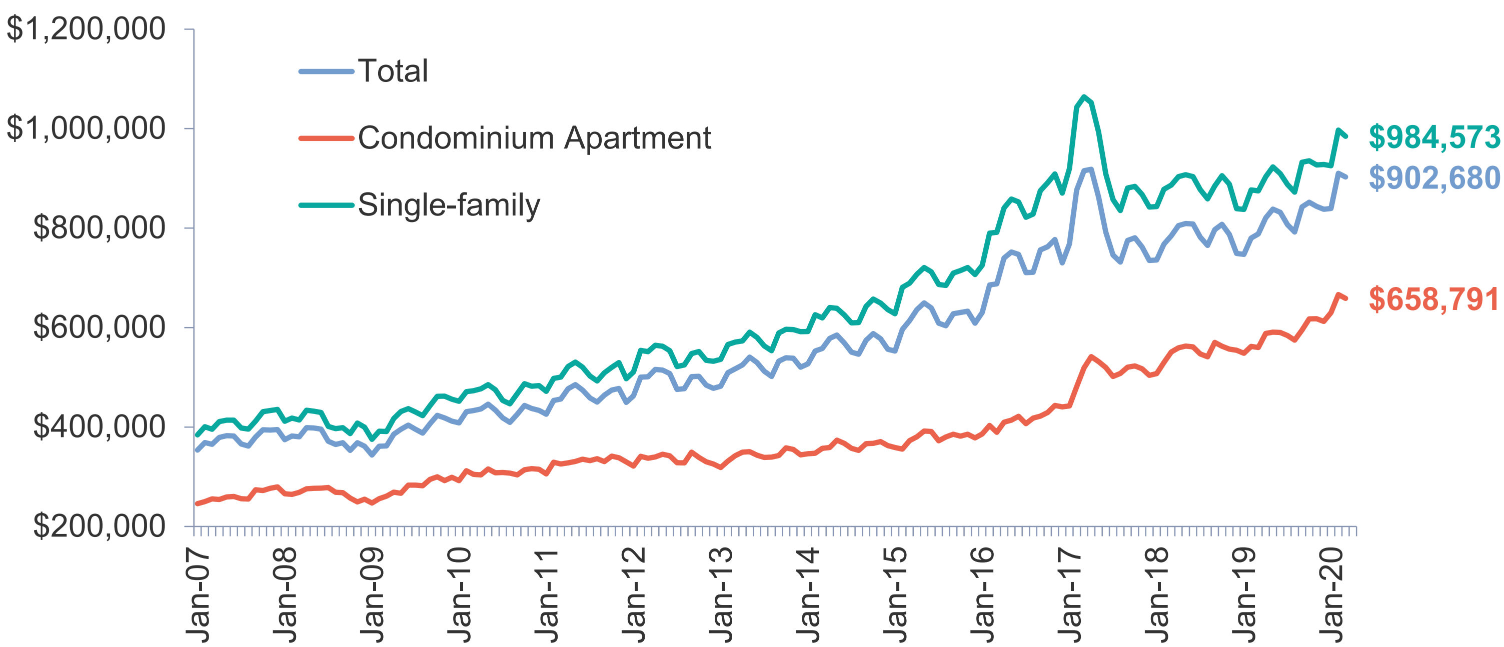
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory (“Active Listings”)



Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Prices

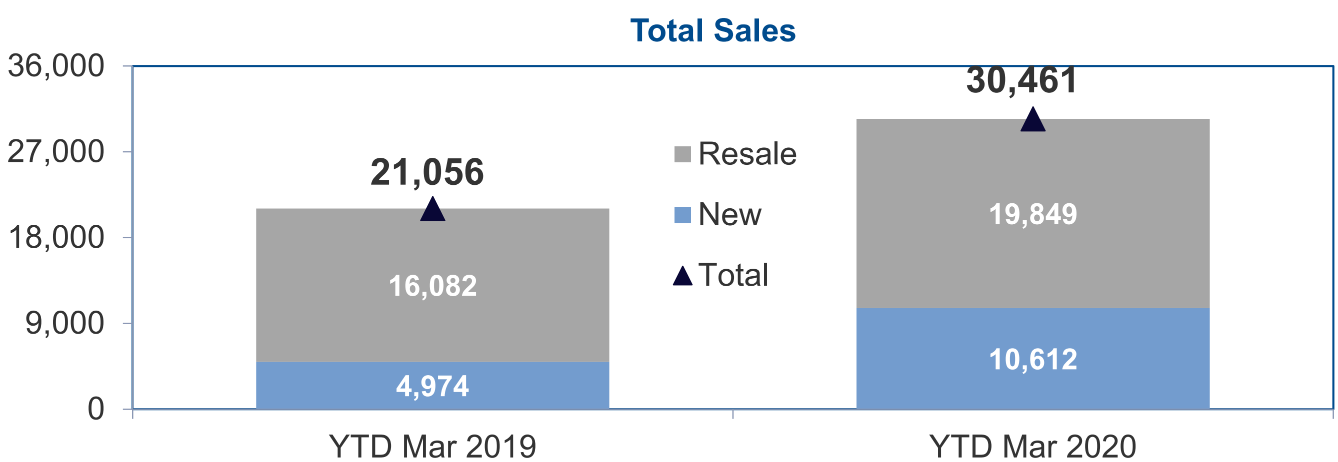


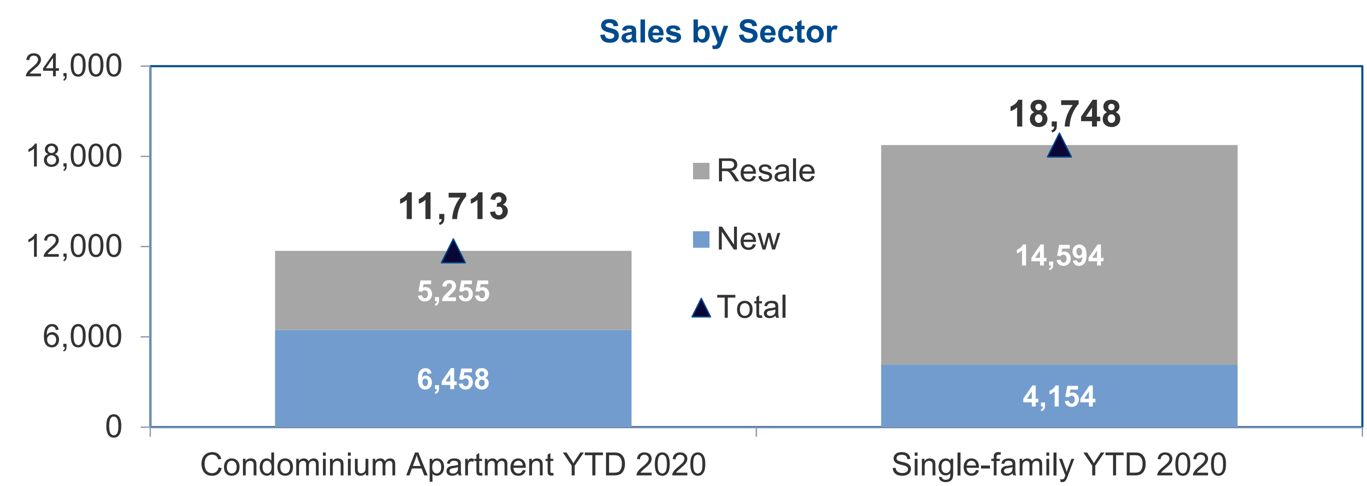
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Combined resale and new home sales,** as measured by TRREB and Altus Group, totaled almost 30,500 units for year-to-date March 2020, **up 45% from a year earlier**. The new home sector accounted for about 1 in 3 sales, compared to about 1 in 4 for the same period in 2019.
- **The new home sector accounted for over half of total condominium apartment sales in the first quarter**, up from just over one-third in Q1 2019.

GTA Combined New & Resale Home Sales

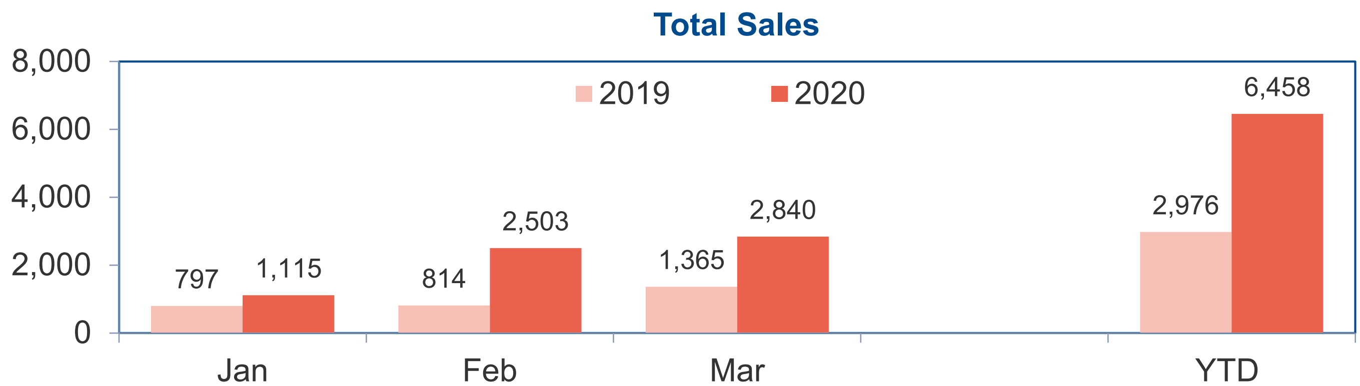


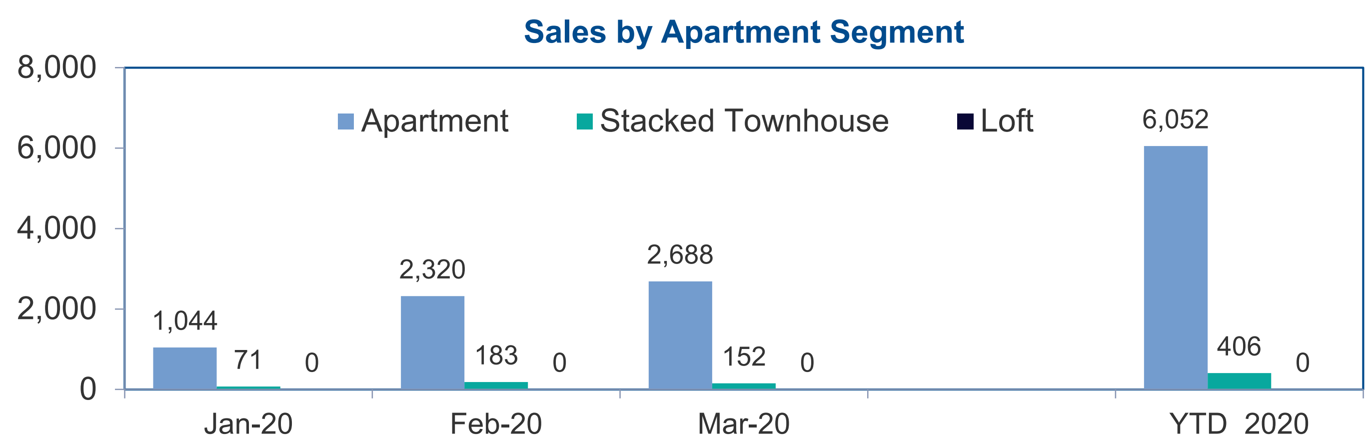


Source: Altus Group and Toronto Regional Real Estate Board data

- **Total sales of new condominium apartments in March 2020 were more than double the level of a year earlier**, and the 2nd strongest March on record (after 2017). Altus Group does not obtain information from builders on specific sales dates, so it is not possible to disaggregate the results for the month into the pre-COVID-19 and subsequent period. **However there is evidence to suggest sales were stronger in the earlier part of the month:**
  - Newly launched projects tend to have stronger sales in the months soon after launch, and February had record launches for that month
  - Moreover, 8 of the 15 projects launched in February were opened within the last 10 days of February - any sales during the rescission period would not have been recorded as "firm" sales until early March
  - There were only 2 new projects launched in March and both of those were in the first week
  - Sales offices started to close in mid March – most builders pivoted offering in person by appointment only and/or virtual appointments, but some simply suspended their sales programs

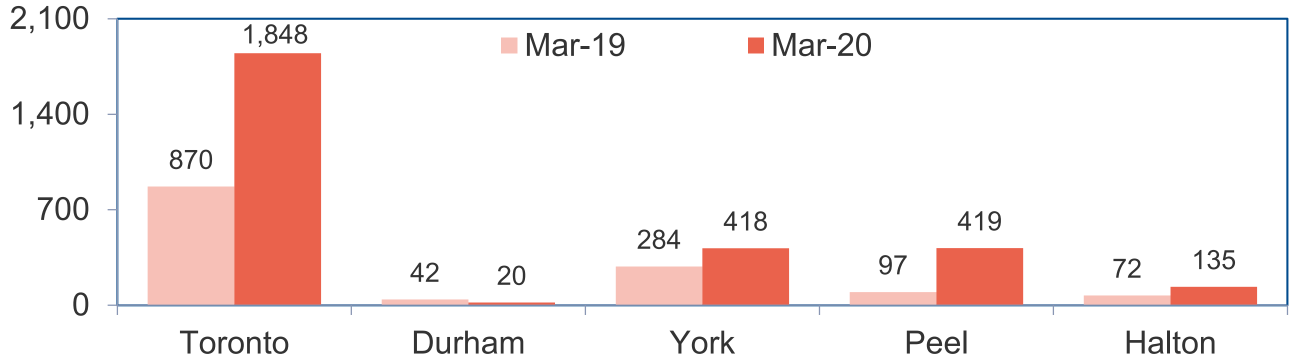
GTA New Condominium Apartment Sales

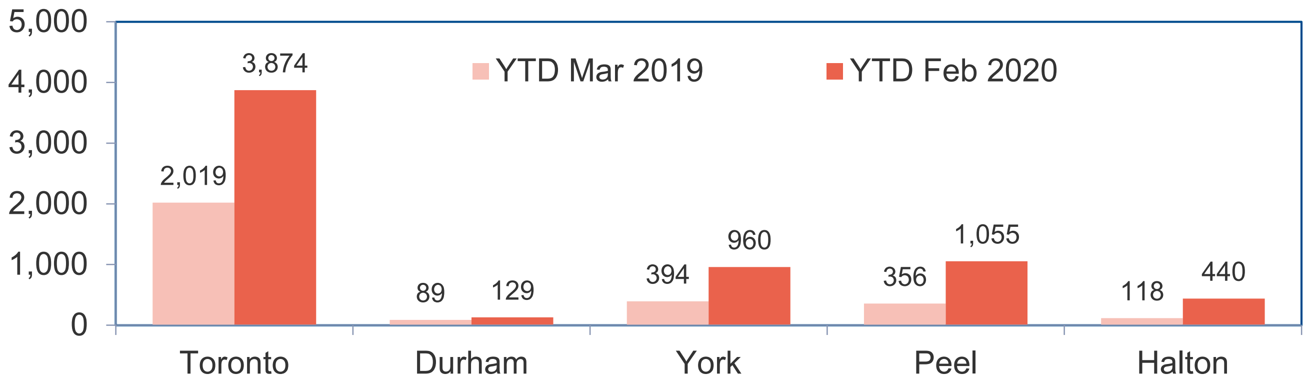


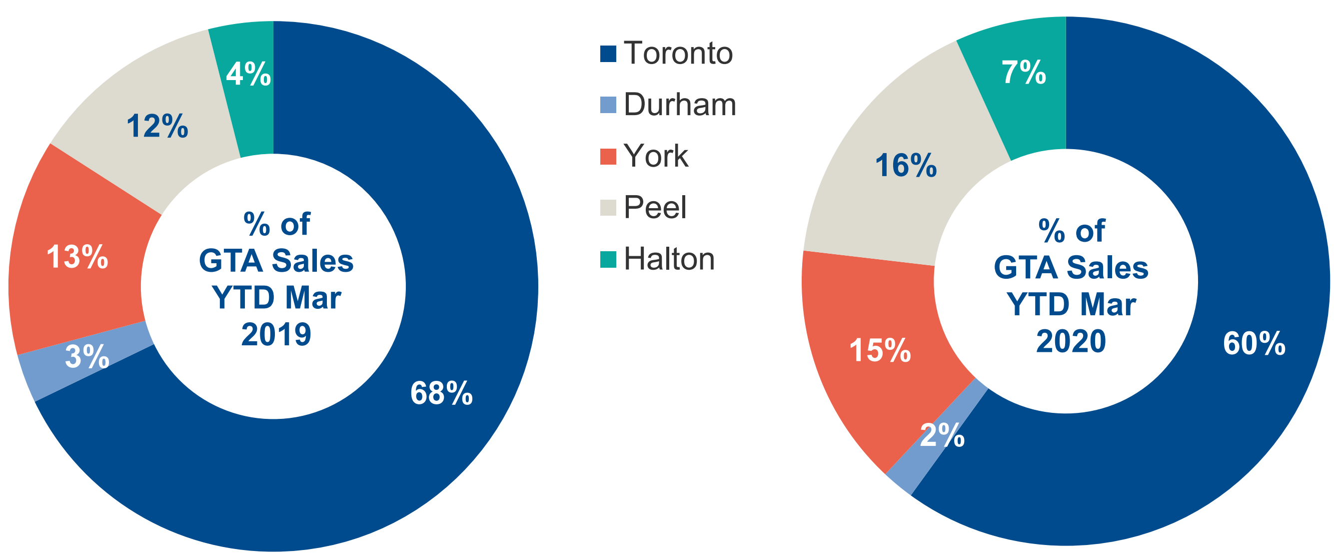


Source: Altus Group

GTA New Condominium Apartment Sales by Region

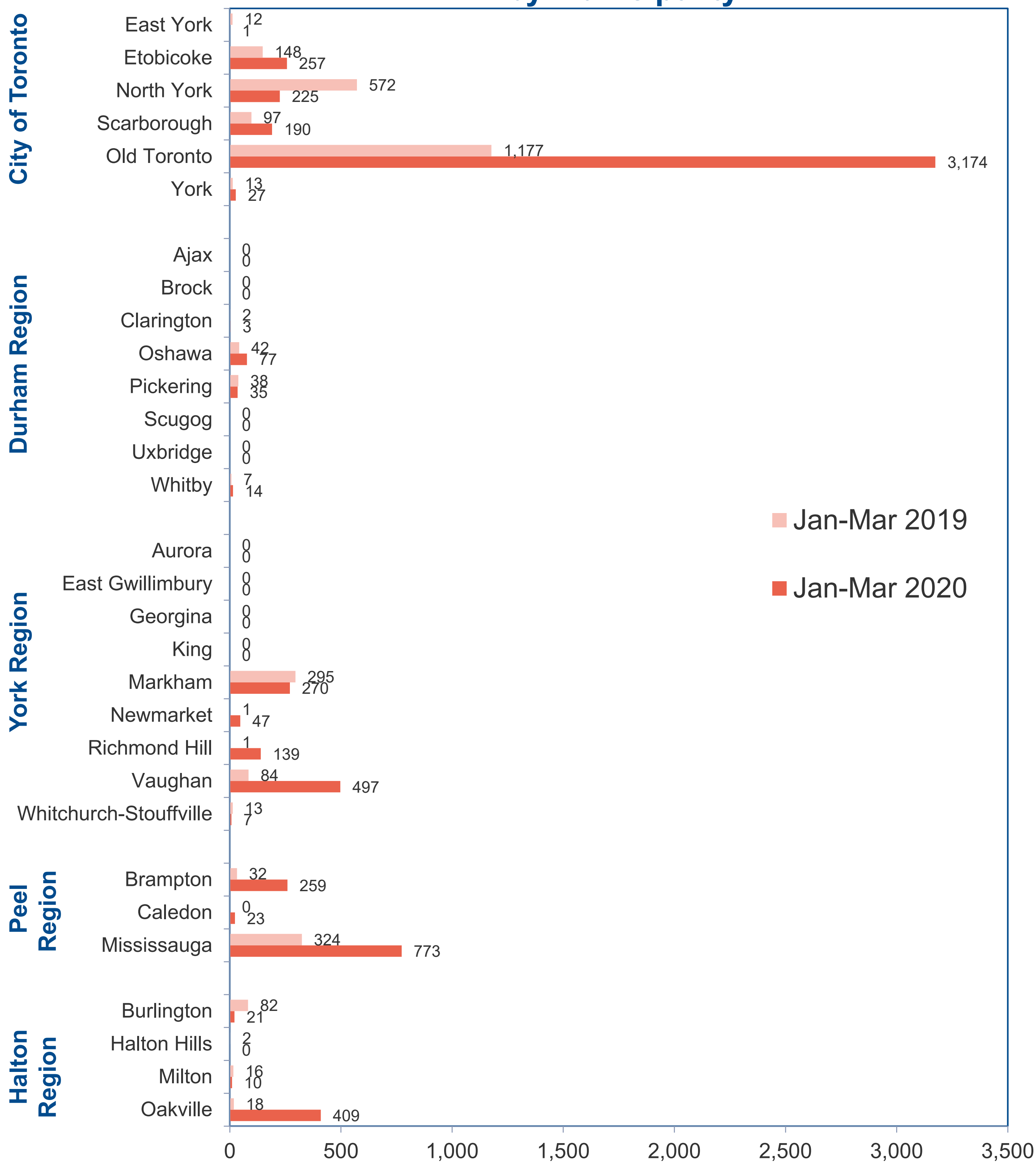






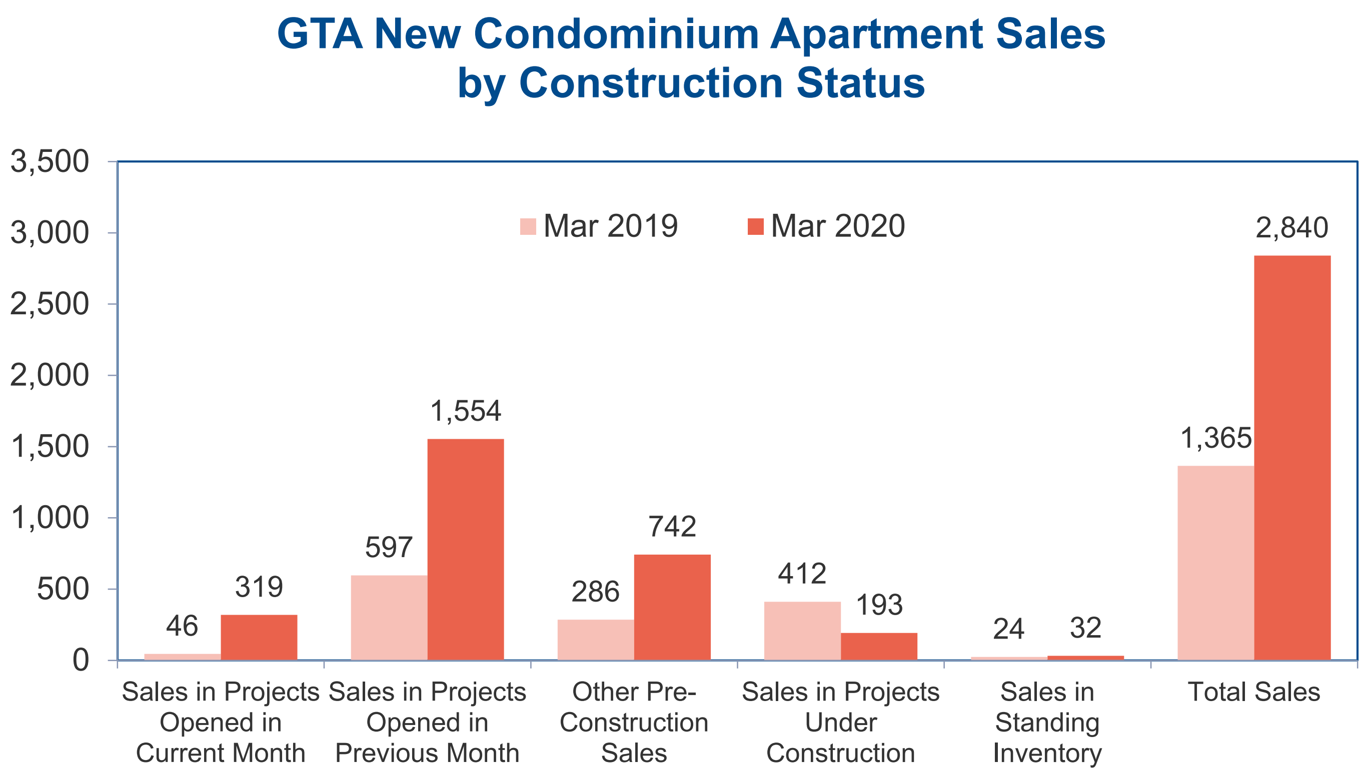
Source: Altus Group

GTA New Condominium Apartment Sales by Municipality



Source: Altus Group

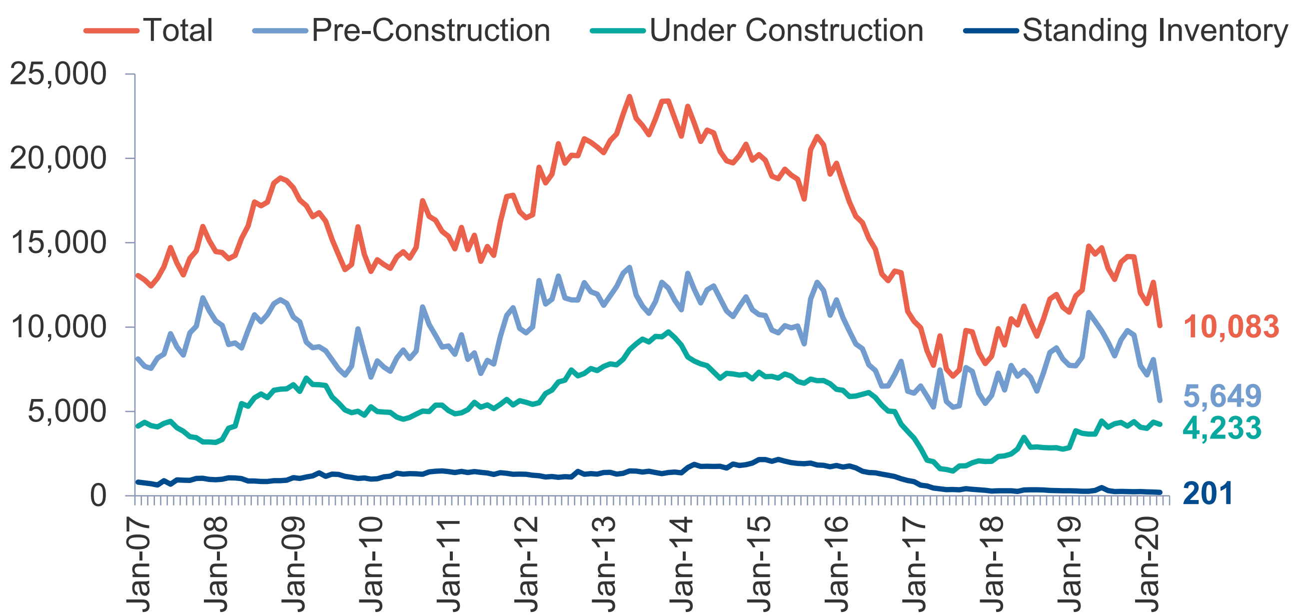
- **Over half of March sales were in projects opened during February**. As discussed, 8 of the 15 projects opened within the last 10 days of February.
- Sales were also brisk in other pre-construction projects, accounting for 1 in 4 sales.
- **There were only 2 new condominium apartment projects opened in March 2020**, which accounted for 11% of March sales. There were only 32 sales in standing inventory, which reflects very low availability of unsold units in completed product *(as shown on the chart on the next page).*

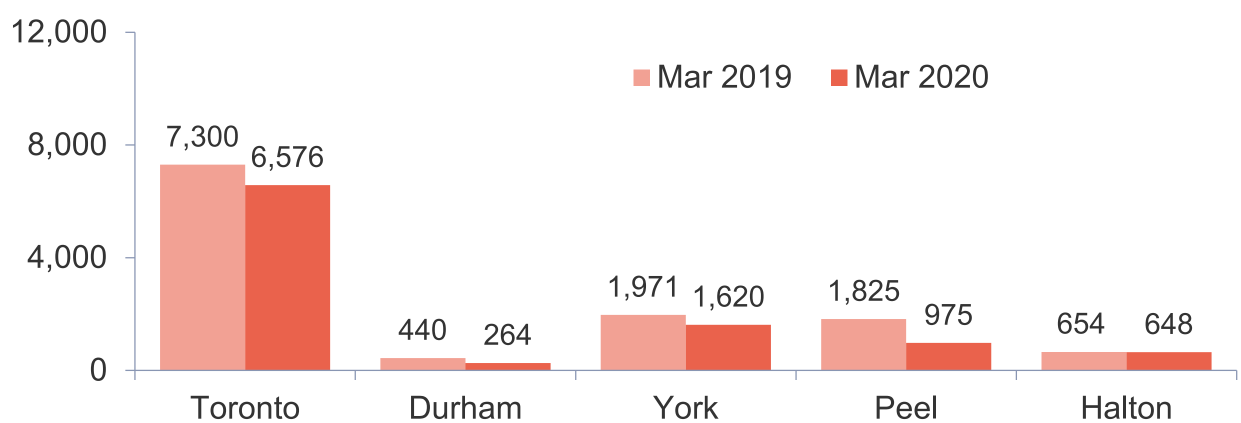


Source: Altus Group

- **With strong sales, and limited new product coming to the market, new condominium apartment available inventory decreased in March.**
- There is very little inventory to purchase that is available for immediate possession/occupancy (200 units). **Unsold inventory in completed projects is at the lowest ever recorded by Altus Group**, since tracking began in January 2005.
- **The current total unsold inventory of new condominium apartments represents only 4 months of supply** at the pace of sales over the past 12 months, **less than half the long term average for March** of about 10 months. Low inventory in both the new and resale condo markets was exerting upward pressure on prices. **However, as discussed earlier, the months of inventory indicator needs to be viewed with caution in the COVID-19 environment, given the likely decline in sales levels from the average pace of the past 12 months.**

GTA New Condominium Apartment Inventory

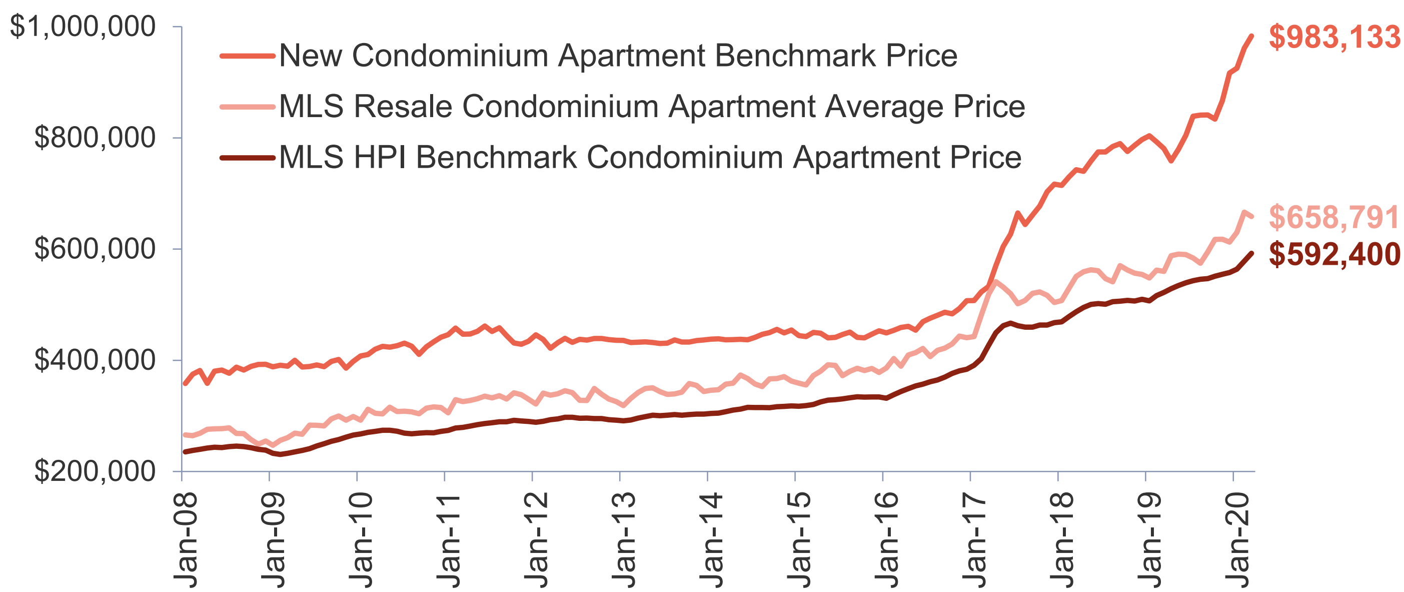


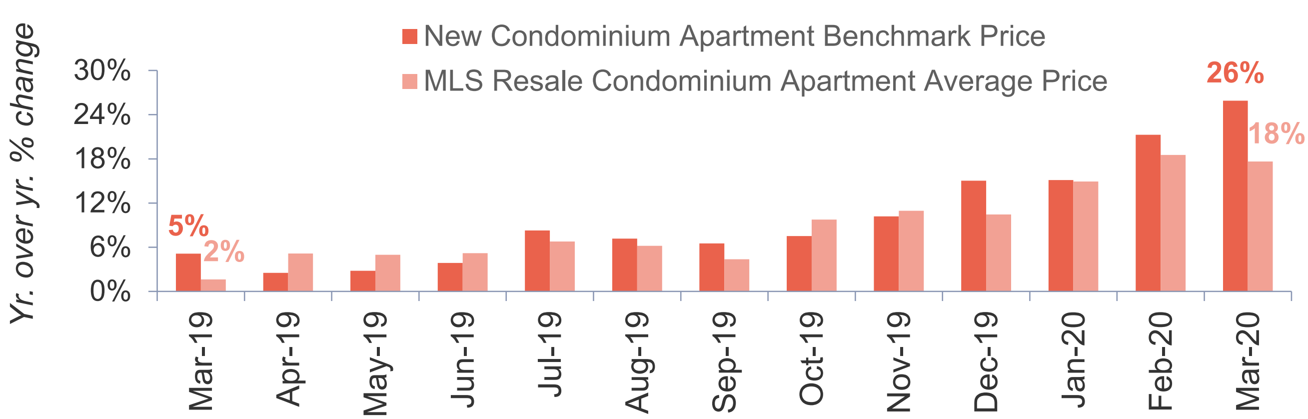


Source: Altus Group

- **Limited inventories relative to demand levels caused price increases for new condominium apartments to accelerate in recent months.**
- **The Benchmark price for a new condominium apartment set another new record for the 5th month in a row in March.** Year-over-year, the benchmark price is up about 26%.
- **The average price of a resale condominium apartment dipped slightly from the record set in February**, and sits 18% above a year earlier. As discussed earlier, TTREB analysis showed somewhat lower prices overall (all products types combined) in the 2nd half of March.

GTA New and Resale Condominium Apartment Prices

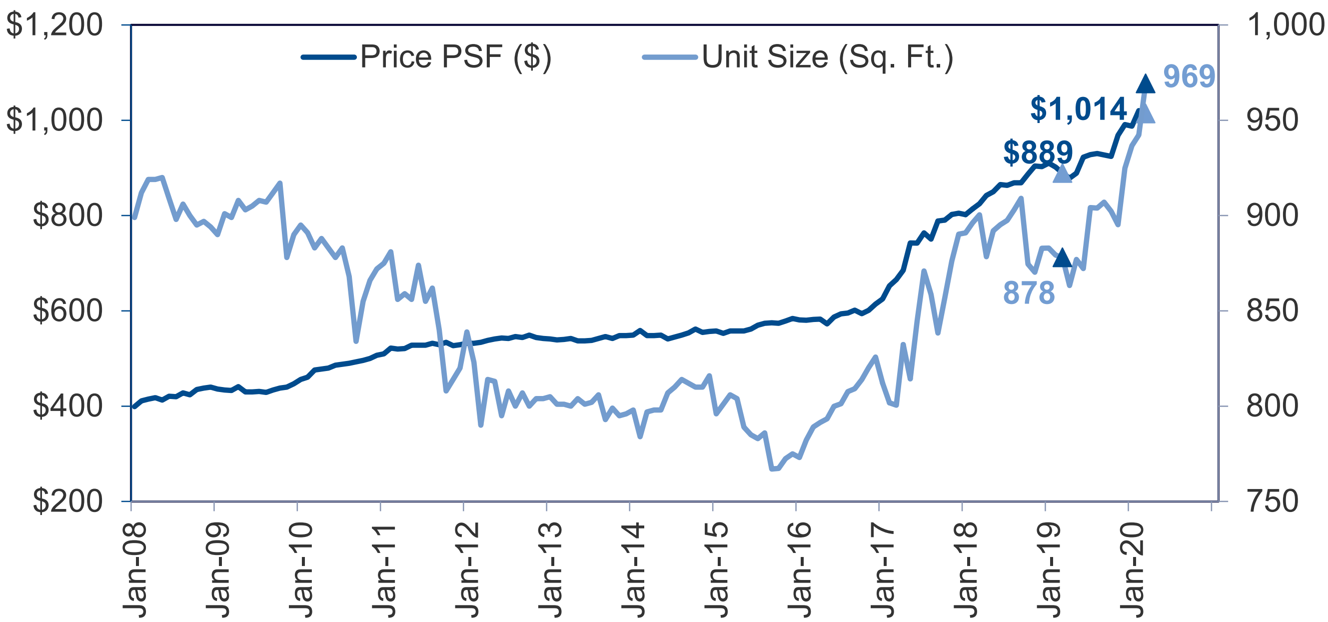




Source: Altus Group and Toronto Real Estate Board data

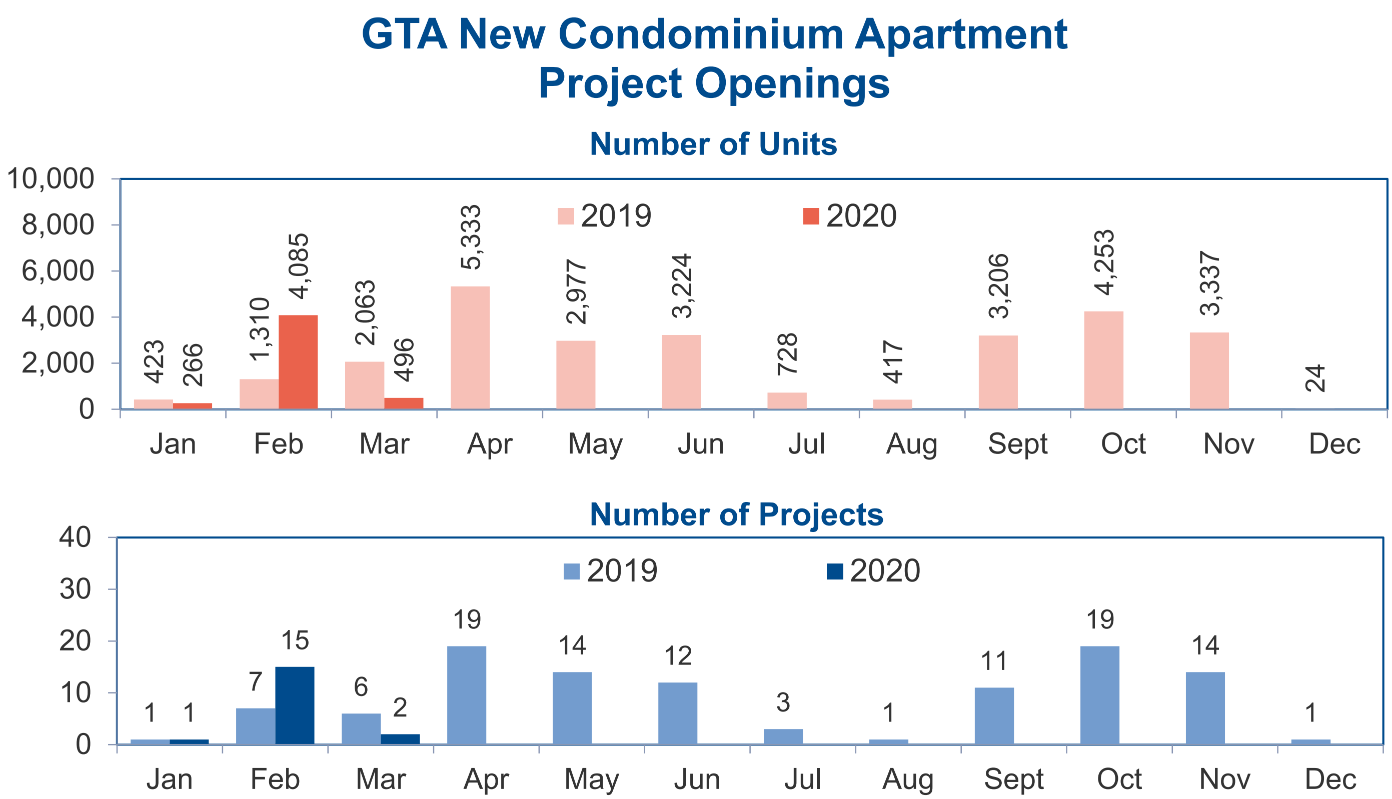
- **Larger sizes of available inventory, as well as pure price changes, were contributing to record benchmark prices for new condominium apartments in the GTA.**
- The 26% increase in March 2020 over March 2019 for the benchmark price for a new condominium apartment unit was due to an increase in both the price PSF Benchmark of remaining inventory and in the unit size Benchmark for remaining inventory.
- Concerns were emerging of price overheating, however with the sharp slowdown in the market, these prior concerns may now be moot. **While builders will be resistant to reducing prices in response to slower demand (favouring instead non-price incentives), and despite inventory not growing as launches are pushed off, the upward climb in prices is likely coming to an end for the time being.**
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per sq. ft. For example, an increase in the price per sq. ft. in a particular month could reflect both a "pure" price increase, as well as a decline in average size of available units (and, of course, location shifts).

GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



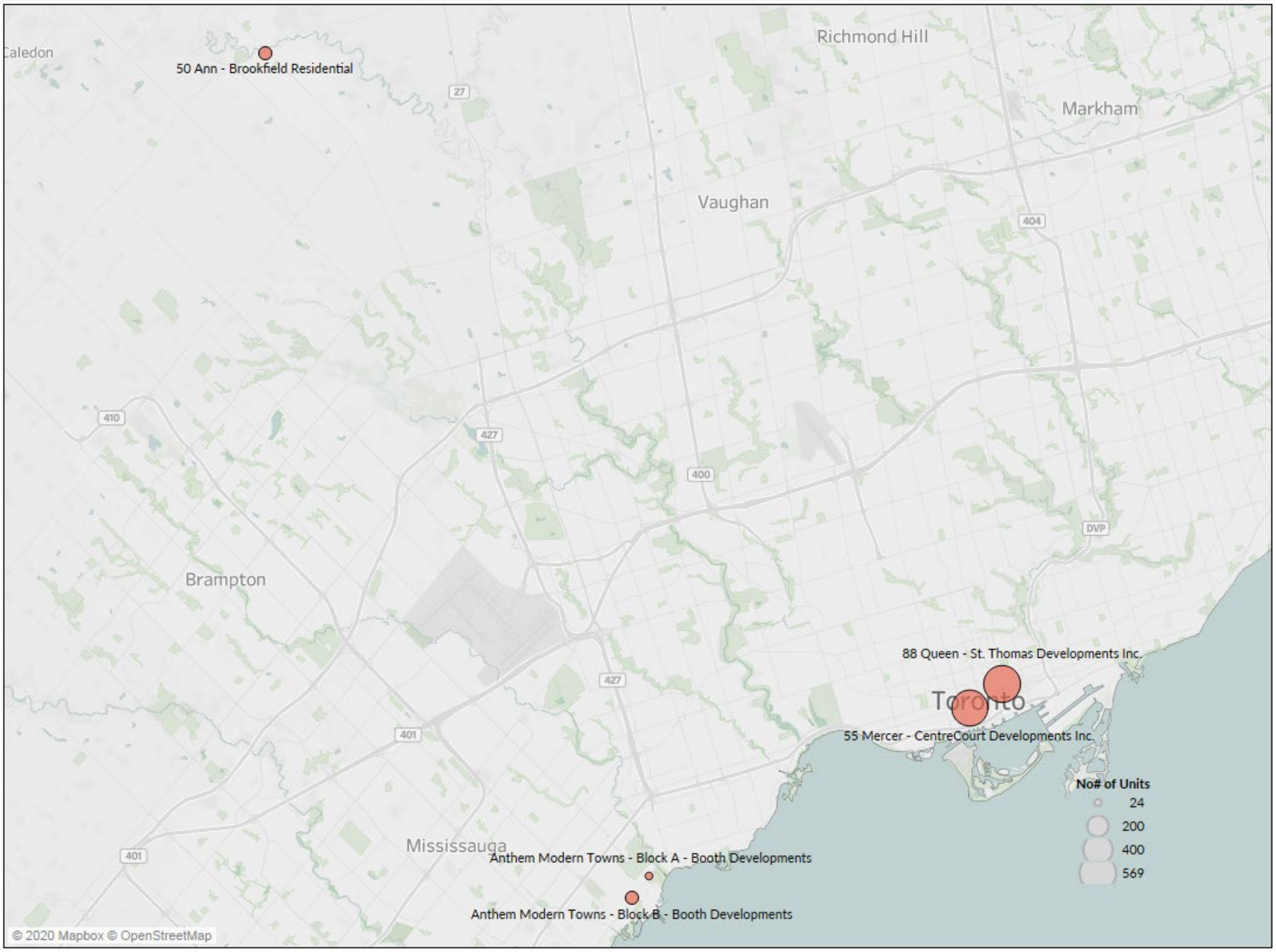
Source: Altus Group

- After 15 new project launches in February**, there were only 2 projects launched in March**, both within the first week. These 2 projects sold well (a combined two-thirds of total units by the end of March).
- At present, it appears that most scheduled launches have been postponed, although there are a few projects that plan to move ahead with "virtual" launch events. These will be useful in ascertaining the extent of consumer demand that remains active in the current environment.
- Following this page are maps showing the location of new projects launched in February and March 2020, accompanied by summary tables with additional detail on each project. *Note that due to the large number of openings, there are 3 maps and 3 tables for February openings*.
- *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

February 2020 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 3

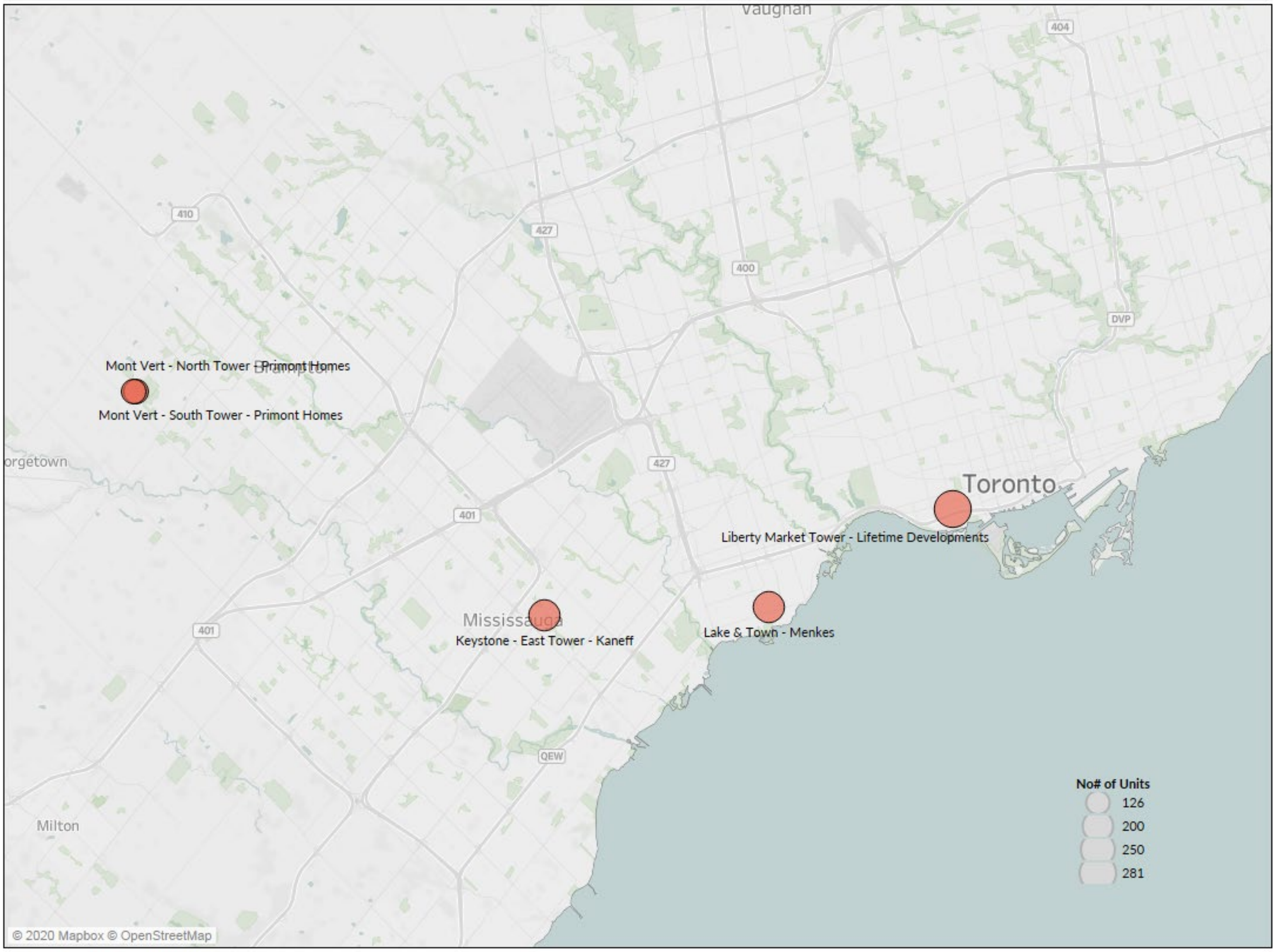
Note: due to the large number of openings in February, project maps and details each have 3 pages.

New Condominium Apartment Project Openings - February 2020 (1 of 3)

Project Name	**50 Ann**	**55 Mercer**	**88 Queen**	**Anthem Modern Towns - Block A**	**Anthem Modern Towns - Block B**
Developer	Brookfield Residential	CentreCourt Developments Inc.	St. Thomas Developments Inc.	Booth Developments	Booth Developments
Date Opened	2020-02-07	2020-02-22	2020-02-15	2020-02-08	2020-02-08
Municipality	Caledon	Old Toronto	Old Toronto	Mississauga	Mississauga
Region	Peel	Toronto	Toronto	Peel	Peel
Structural Type	Apartment	Apartment	Apartment	Stacked	Stacked
Floors	5	47	51	3	3
Project Total Units	**73**	**543**	**569**	**24**	**72**
Total Units Released	**73**	**543**	**553**	**24**	**33**
Studio	--	81	--	--	--
1 bedroom	3	174	84	3	4
1 bedroom + den	20	176	170	3	8
2 bedroom	37	39	215	10	21
2 bedroom + den	11	19	--	7	--
3 bedroom & up	2	54	84	1	--
Penthouse	--	--	--	--	--
Other	--	--	--	--	--
Opening month sales	**15**	**0**	**471**	**10**	**20**
Next month sales	**8**	**495**	**24**	**2**	**6**
% Sold (of released units)	*32%*	*91%*	*90%*	*50%*	*79%*
Remaining available inventory	50	48	58	12	7
Original $PSF	$722	$1,388	$1,319	$720	$741
Minimum Size (sq. ft.)	675	370	514	557	603
Maximum Size (sq. ft.)	1,212	1,002	791	1,642	1,141
Minimum Price	$469,900	$602,990	$718,000	$455,200	$497,475
Maximum Price	$876,900	$1,153,990	$1,077,000	$1,165,820	$775,880
Notes					

Source: Altus Group

February 2020 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 3

New Condominium Apartments - Openings

AltusGroup

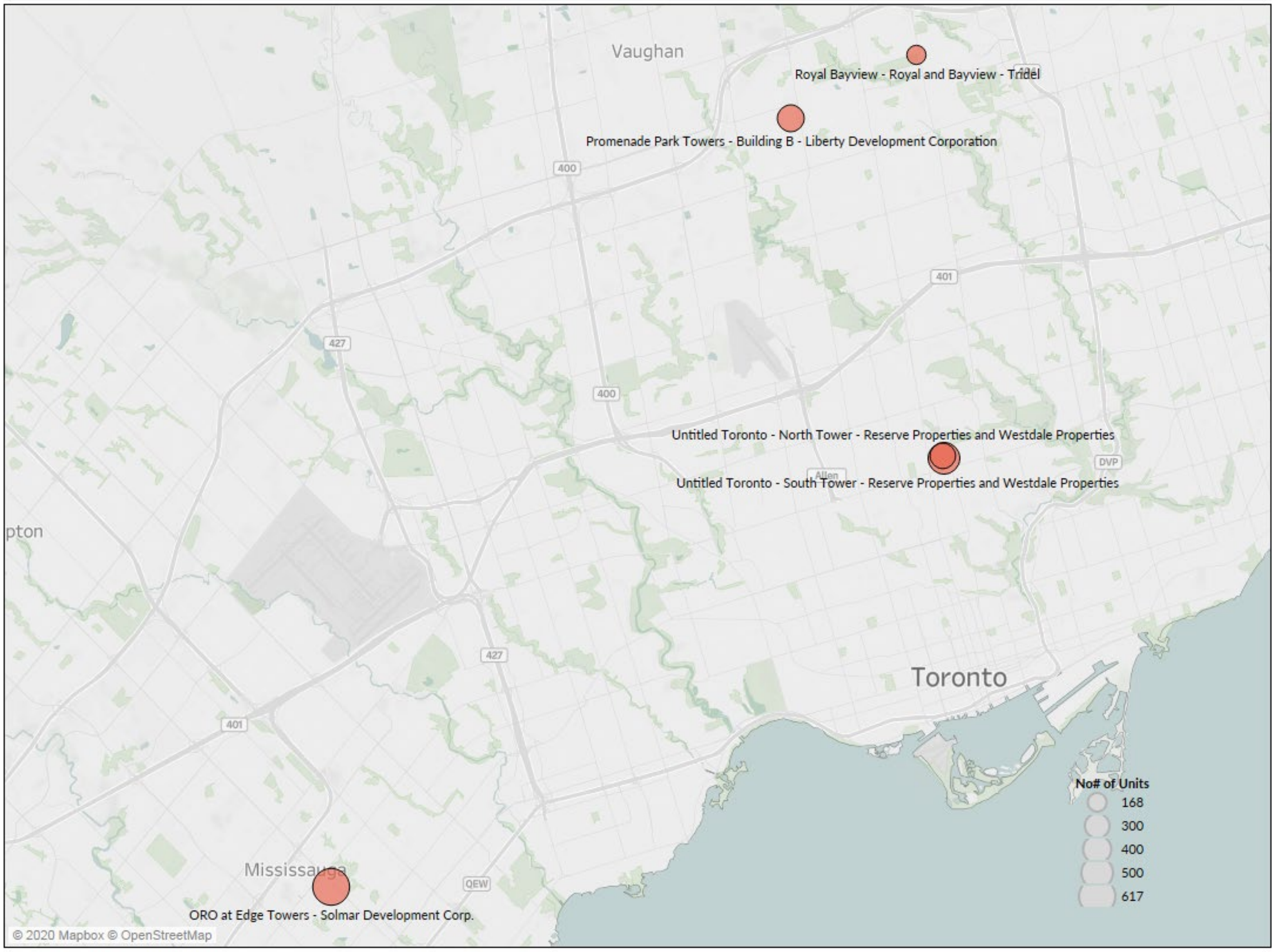
Project Record	[Keystone - East Tower]	[Lake & Town]	[Liberty Market Tower]	[Mont Vert - North Tower]	[Mont Vert - South Tower]

New Condominium Apartment Project Openings - February 2020 (2 of 3)

Project Name	**Keystone - East Tower**	**Lake & Town**	**Liberty Market Tower**	**Mont Vert - North Tower**	**Mont Vert - South Tower**
Developer	Kaneff	Menkes	Lifetime Developments	Primont Homes	Primont Homes
Date Opened	2020-02-06	2020-02-18	2020-02-29	2020-02-26	2020-02-26
Municipality	Mississauga	Etobicoke	Old Toronto	Brampton	Brampton
Region	Peel	Toronto	Toronto	Peel	Peel
Structural Type	Apartment	Stacked	Apartment	Apartment	Apartment
Floors	20	3	28	12	12
Project Total Units	**204**	**200**	**281**	**129**	**126**
Total Units Released	**204**	**60**	**198**	**118**	**125**
Studio	--	--	--	--	--
1 bedroom	7	--	109	--	--
1 bedroom + den	72	--	42	45	68
2 bedroom	73	30	37	61	53
2 bedroom + den	46	--	--	12	4
3 bedroom & up	6	30	10	--	--
Penthouse	--	--	--	--	--
Other	--	--	--	--	--
Opening month sales	**40**	**0**	**0**	**0**	**0**
Next month sales	**35**	**60**	**168**	**97**	**109**
% Sold (of released units)	*37%*	*100%*	*85%*	*82%*	*87%*
Remaining available inventory	129	0	30	21	16
Original $PSF	$830	$596	$1,169	$804	$761
Minimum Size (sq. ft.)	559	1,091	470	496	495
Maximum Size (sq. ft.)	1,384	1,302	1,205	877	965
Minimum Price	$518,900	$675,990	$560,900	$403,990	$360,990
Maximum Price	$966,900	$749,990	$1,459,900	$720,990	$688,990
Notes					

Source: Altus Group

February 2020 New Project Launches by Number of Units



Source: Altus Group

Map 3 of 3

New Condominium Apartments - Openings

AltusGroup

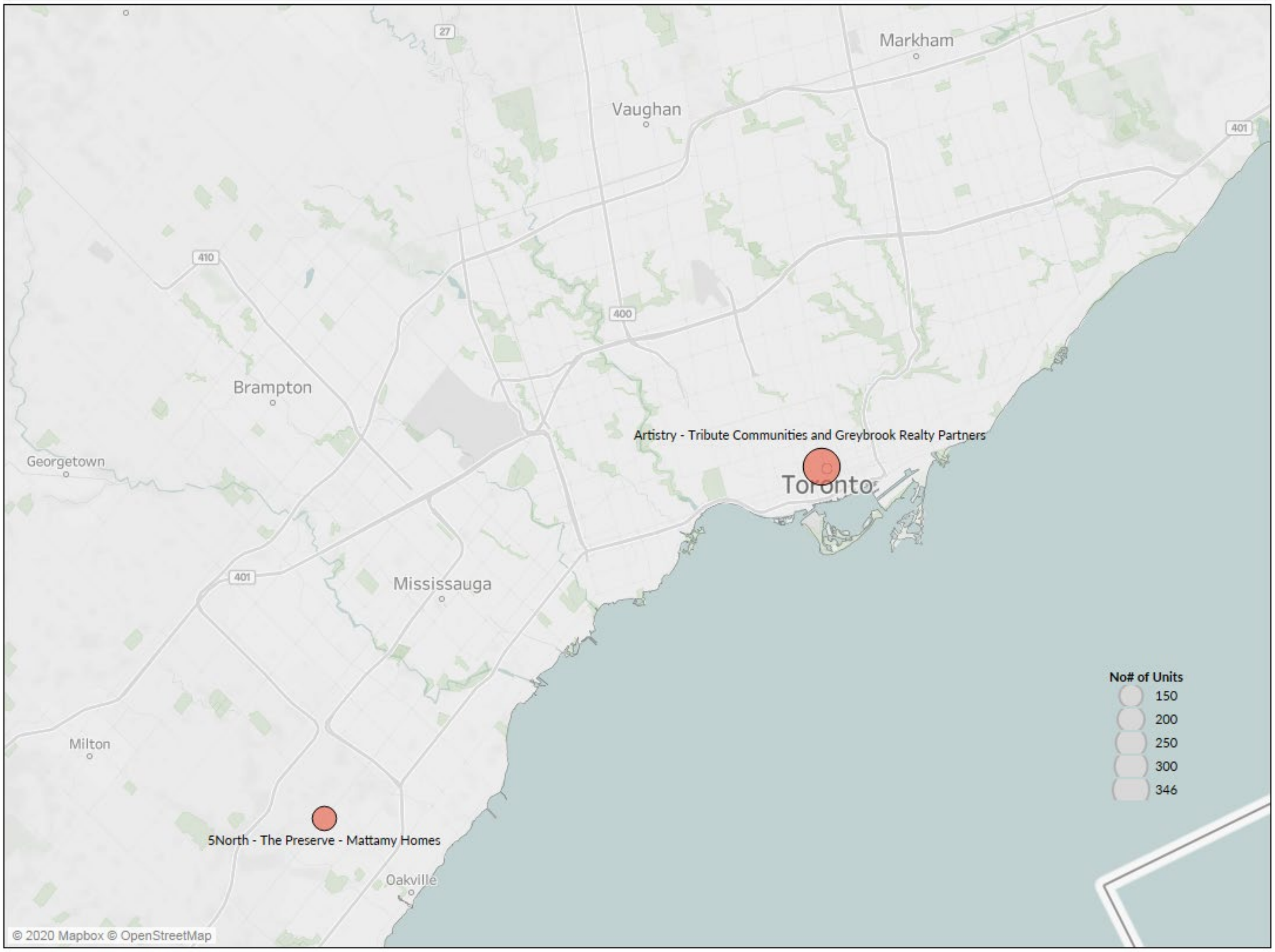
Project Record	[ORO at Edge Towers]	[Promenade Park – Building B]	[Royal Bayview - Royal and Bayview]	[Untitled Toronto – North Tower]	[Untitled Toronto - South Tower]

New Condominium Apartment Project Openings - February 2020 (3 of 3)

Project Name	**ORO at Edge Towers**	**Promenade Park Towers - Building B**	**Royal Bayview - Royal and Bayview**	**Untitled Toronto - North Tower**	**Untitled Toronto - South Tower**
Developer	Solmar Development Corp.	Liberty Development Corporation	Tridel	Reserve Properties and Westdale Properties	Reserve Properties and Westdale Properties
Date Opened	2020-02-09	2020-02-19	2020-02-29	2020-02-22	2020-02-01
Municipality	Mississauga	Vaughan	Markham	Old Toronto	Old Toronto
Region	Peel	York	York	Toronto	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	50	30	12	21	33
Project Total Units	**617**	**327**	**167**	**295**	**457**
Total Units Released	**421**	**327**	**167**	**255**	**391**
Studio	--	--	--	43	66
1 bedroom	--	56	8	68	79
1 bedroom + den	270	218	--	79	136
2 bedroom	143	49	71	37	76
2 bedroom + den	--	1	74	--	3
3 bedroom & up	4	3	--	28	31
Penthouse	4	--	14	--	--
Other	--	--	--	--	--
Opening month sales	**280**	**0**	**0**	**0**	**366**
Next month sales	**120**	**200**	**45**	**179**	**6**
% Sold (of released units)	*95%*	*61%*	*27%*	*70%*	*95%*
Remaining available inventory	21	127	122	76	19
Original $PSF	$1,037	$859	$1,222	$1,201	$1,193
Minimum Size (sq. ft.)	555	497	631	307	302
Maximum Size (sq. ft.)	1,849	2,130	4,781	1,071	903
Minimum Price	$538,900	$432,900	$780,000	$424,900	$399,900
Maximum Price	$1,840,000	$1,838,900	$5,900,000	$1,179,900	$1,056,900
Notes					

Source: Altus Group

March 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

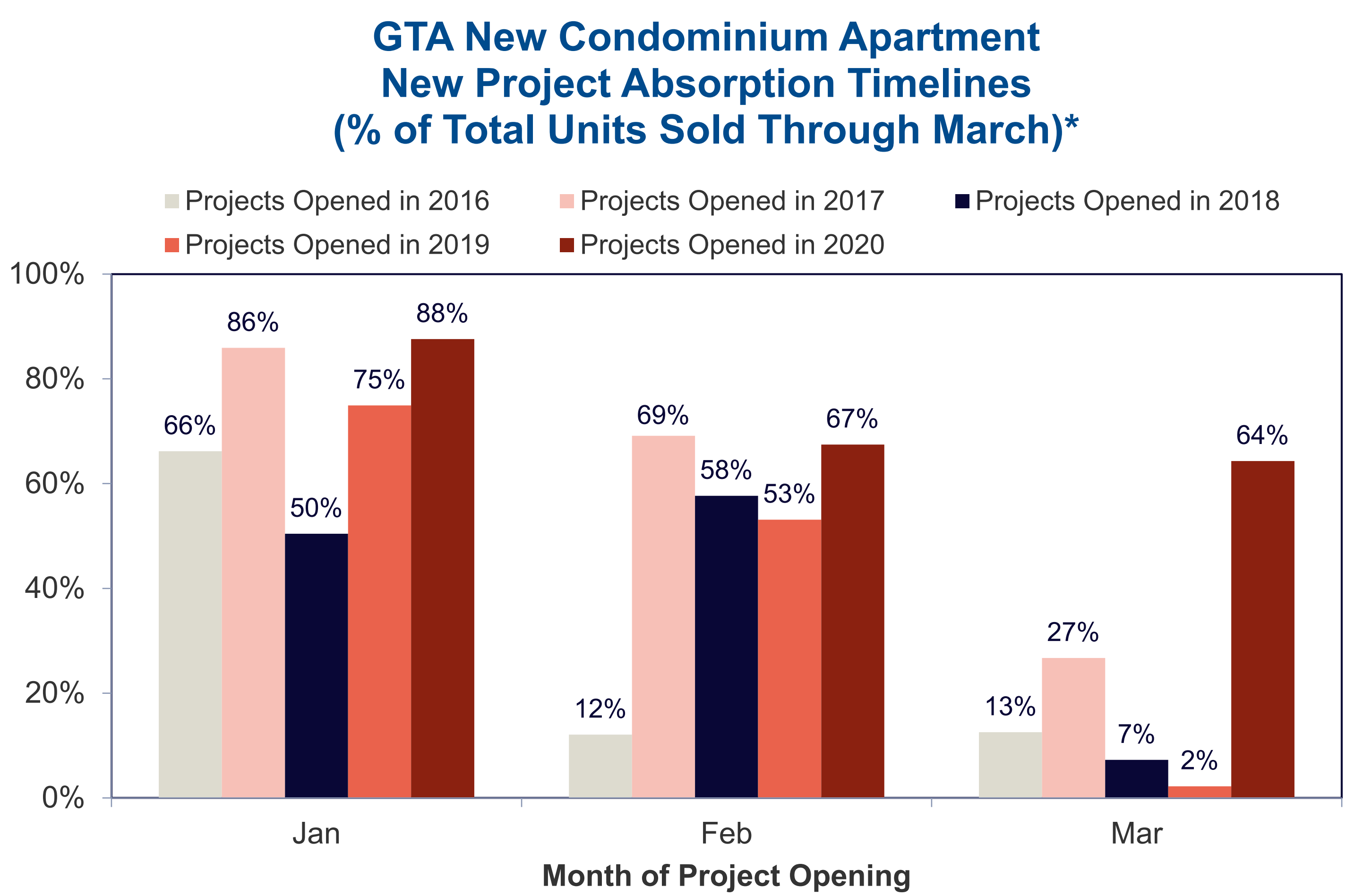
Project Record	5North - The Preserve	Artistry

New Condominium Apartment Project Openings - March 2020

Project Name	**5North - The Preserve**	**Artistry**
Developer	Mattamy Homes	Tribute Communities and Greybrook Realty Partners
Date Opened	2020-03-07	2020-03-07
Municipality	Oakville	Old Toronto
Region	Halton	Toronto
Structural Type	Apartment	Apartment
Floors	7	29
Project Total Units	**150**	**346**
Total Units Released	**93**	**346**
Studio	1	31
1 bedroom	8	113
1 bedroom + den	34	78
2 bedroom	50	89
2 bedroom + den	--	--
3 bedroom & up	--	35
Penthouse	--	--
Other	--	--
Opening month sales	**61**	**258**
% Sold (of released units)	*66%*	*75%*
Remaining available inventory	32	88
Original $PSF	$746	$1,431
Minimum Size (sq. ft.)	496	350
Maximum Size (sq. ft.)	894	905
Minimum Price	$364,990	$559,990
Maximum Price	$655,990	$1,190,990
Notes		

Source: Altus Group

- **Sales rates through March in the new condominium projects opened in the first 3 months of the year compare favourably with previous years.**
- 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. For example, both of the projects opened in March were opened early in the month.

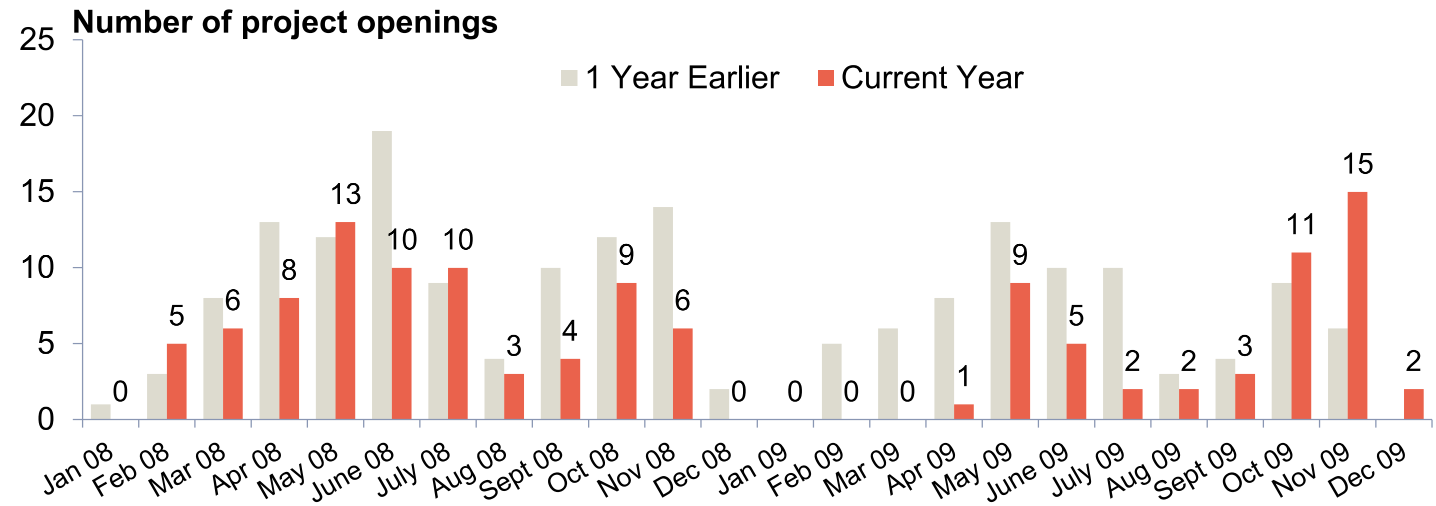


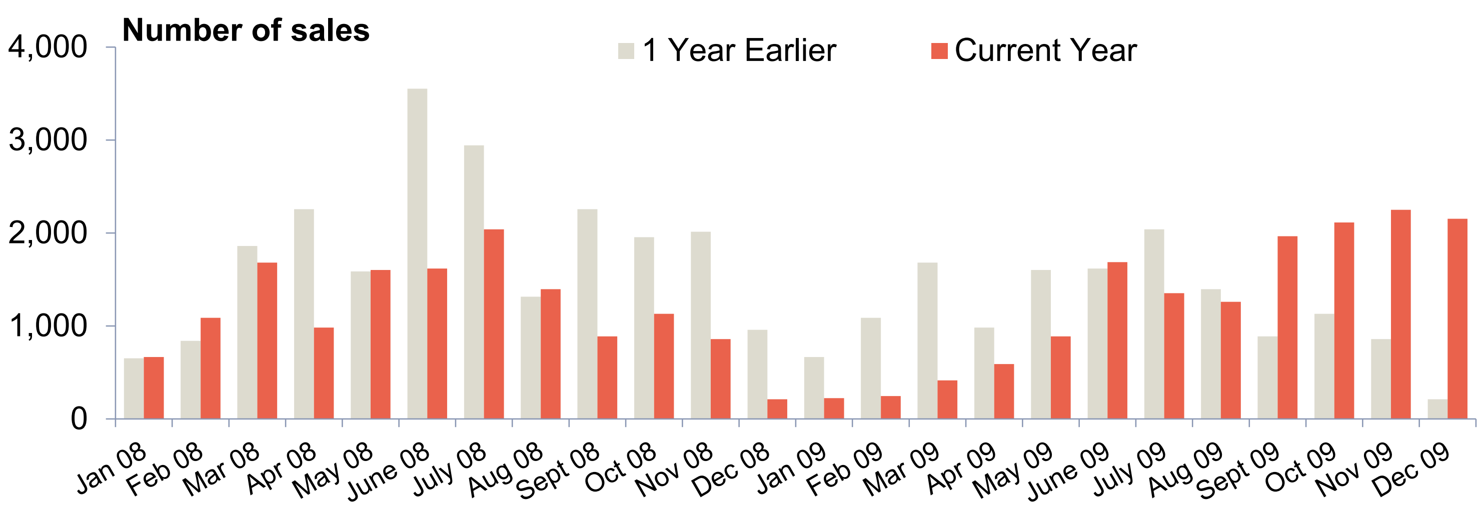
** The total includes unreleased units, and projects opened in the last 10 days of the month.*

Source: Altus Group

- Many previous planned project launches have been pushed off for the time being.
- **What did we see during the market downturn in the latter 2000s?** Project launches relative to a year earlier were already starting to fall off earlier in 2008 (after a robust 2007), but then dropped further during the Fall market as the downturn took further hold. **From the five month period from December 2008 through April 2009 only 1 project was launched.** While no launches in December and January is not unheard of, the lack of launches in February, March and April was far from typical.
- It was not until sales started to pick up again in the Summer of 2009 and accelerated into the Fall that project launches started to rebound.

GTA New Condominium Apartment Project Openings and Sales

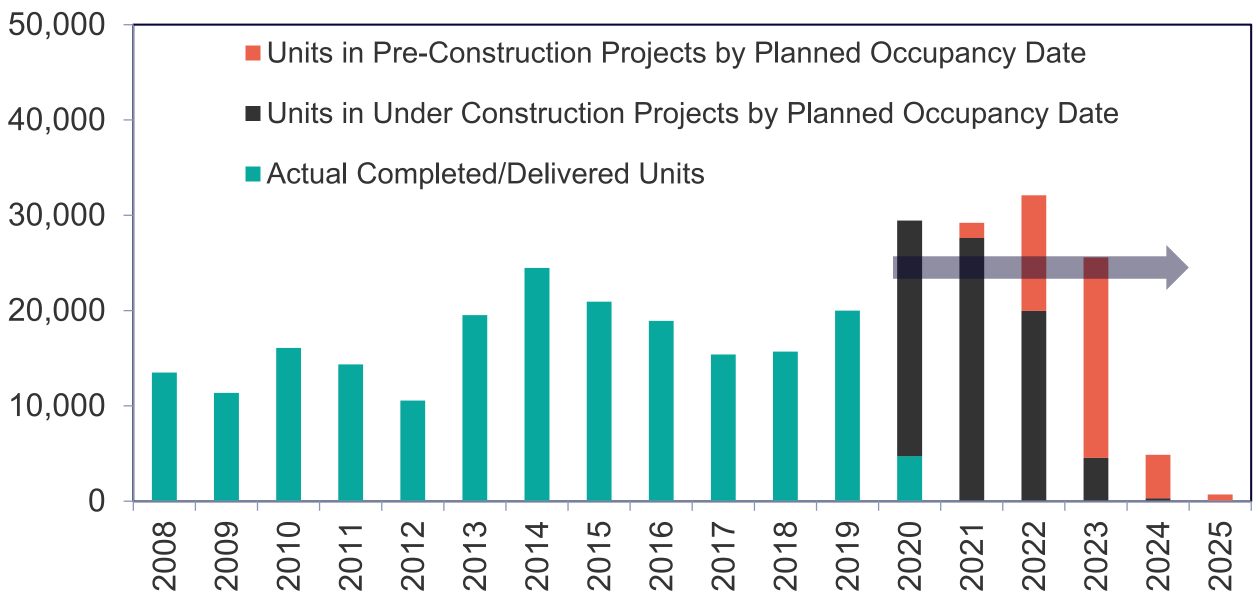




Source: Altus Group

- As of the end of March 2020, there were over 117,000 new condominium apartment units in projects either under construction or in pre-construction stages in the GTA.
- **Just over 4,700 units were delivered/ready for occupancy in the first 3 months of the year**, based on Altus Group data.
- Based on planned occupancy dates, and only considering units currently under construction, it is likely that annual completions of condominium apartment units would have been significantly higher in 2020 than in recent years.
- **However, construction timelines at present are very uncertain, given the COVID-19 pandemic.** Most of the under construction condominium apartment units that were expected to be delivered this year and next likely qualify under the now more restrictive "essential services" definition (above-grade structural permits in place), so technically construction work can continue during the current Emergency Period. **However, there are still likely to be some delays, due to labour illness, work refusals, some builders voluntarily shutting down sites, materials/equipment supply disruptions, etc.** For units under construction that were expected to be delivered post 2021, many of these may not yet have above-grade permits, and therefore construction is stalled for the time being.
- On the next page, we look at pre-construction projects.

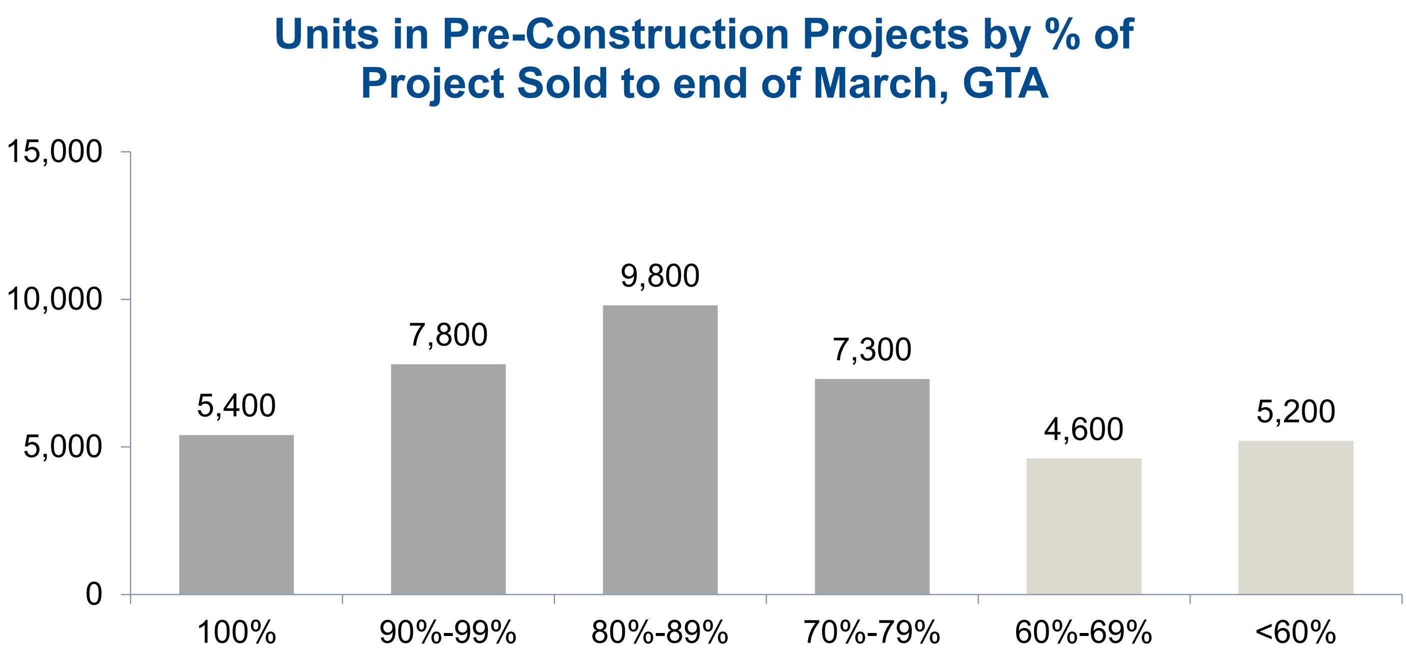
GTA New Condominium Apartment Actual and Potential Deliveries



Source: Altus Group

New Condominium Apartments - Construction

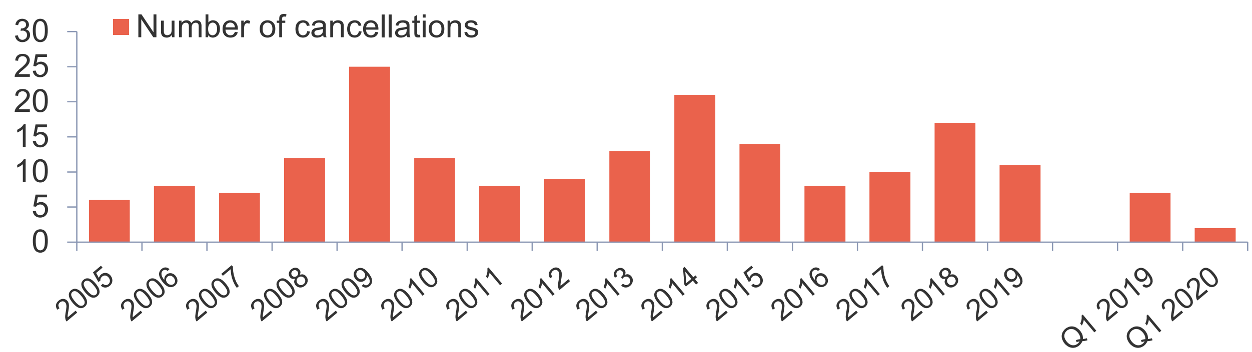
- **There are currently about 30,000 units in pre-construction condo projects that have achieved the 70% of units sold threshold** that is typically the minimum for construction financing. Those that are sold out, or close to it, would have been the ones most likely to have started construction in the short-term.
- Until the essential services list was modified on May 1, these units had to wait for any construction activity to commence. With the changes to the essential services list just announced by the Province, some of these projects may now get going in terms of “necessary excavation, grading, roads or utilities infrastructure”, but as of this report date, actual building construction is still not permitted. This means there could be potential delays in delivered units from originally planned occupancies although, industry capacity permitting, some of the delay could be made up when construction begins.

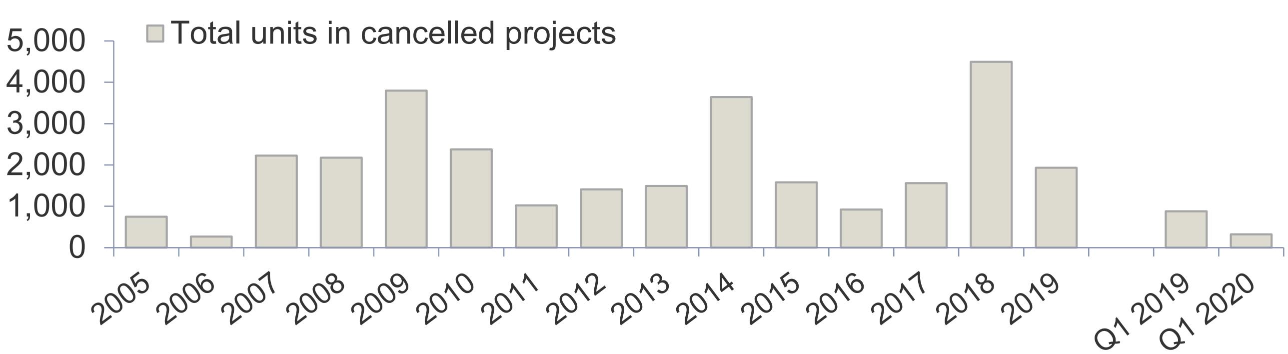


Source: Altus Group

- **There were 2 condominium apartment projects cancelled in Q1 2020, totaling 321 units.** This is well below the 7 projects, with 881 units, cancelled in Q1 2019.
- **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 minimum threshold for construction financing), and most of these were below 50% sold. For projects cancelled in 2017, 2018 and 2019, however, this was not the case: most had achieved sales of 70% or more. **The 2 projects cancelled in the first quarter of 2020 had not achieved the 70% sales threshold.**
- **In the COVID-19 environment, the risk of cancellation has been increased.** An increased number of cancellations occurred in 2009 due to the economic downturn at that time, largely from projects opened in 2007 and 2008 (*chart top of next page*). Going forward, we will be tracking cancelled projects in this report on a monthly basis.

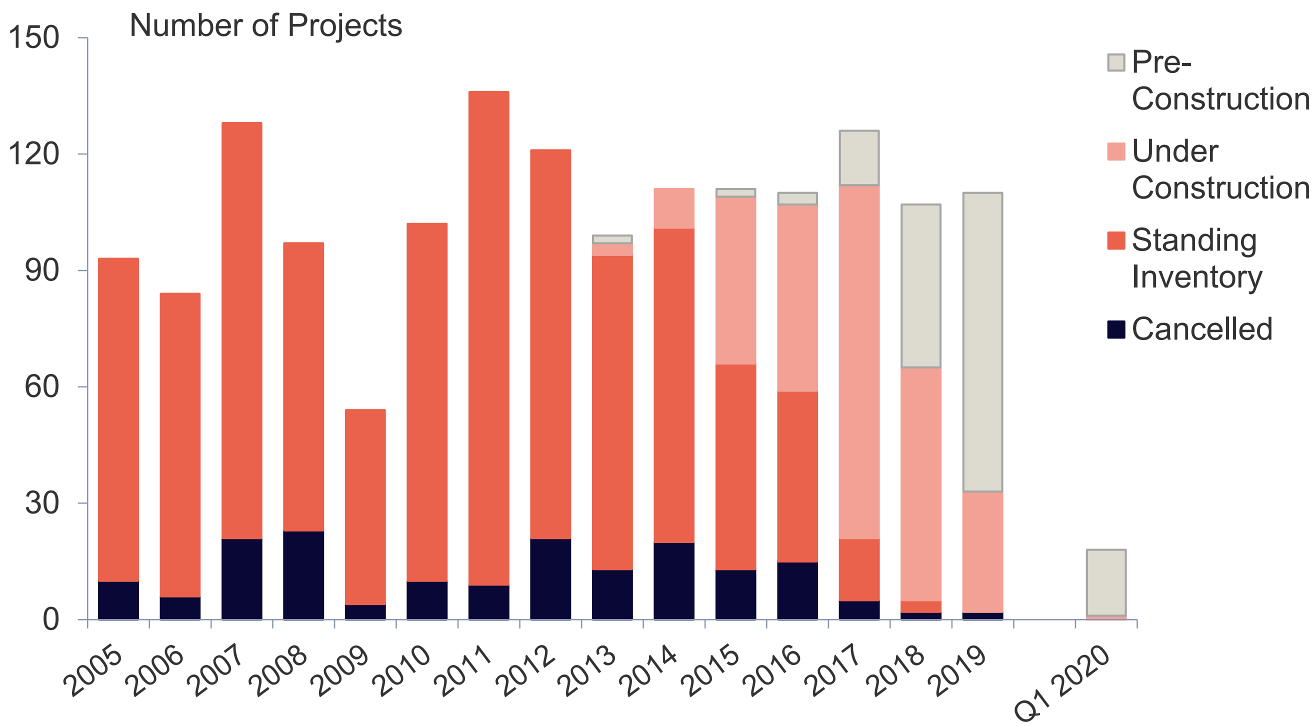
Condominium Apartment Projects Cancelled During Each Year, GTA





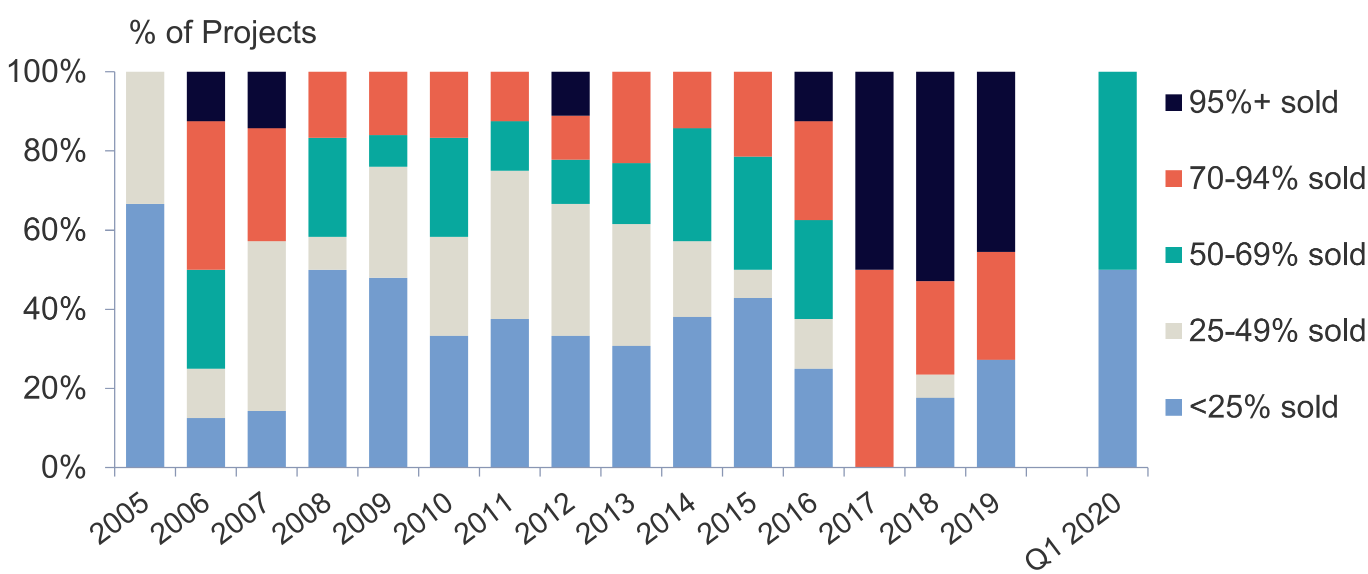
Source: Altus Group

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

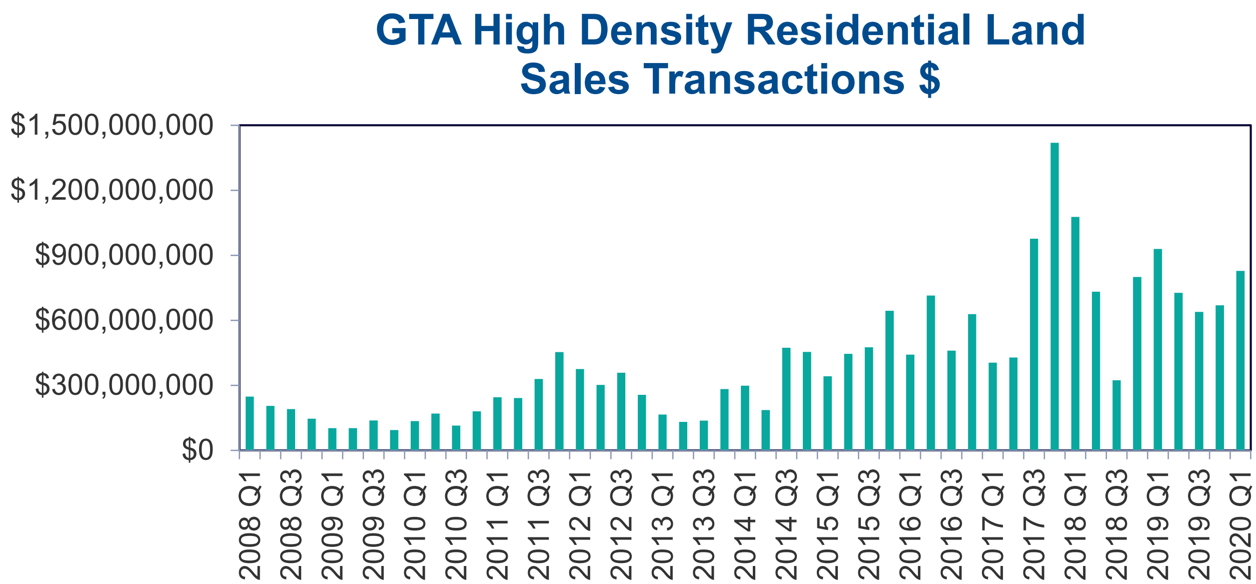


Source: Altus Group

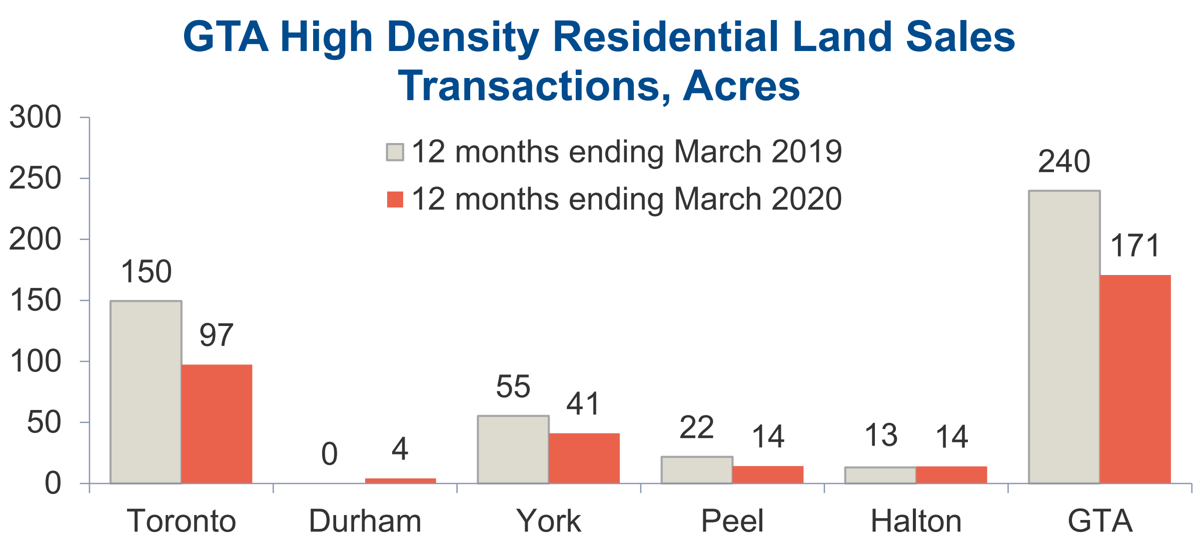
High Density Residential Land Sales

▪ **The dollar volume of sales of high density residential land in the GTA was up from Q4 2019, but below Q1 2019**, according to Altus Group transactions data.

▪ For the 12 months ending March 2020, the volume of residential land traded was up about 3% from the preceding 12 months. The number of acres of high density residential land traded however was down, by 29%.



Source: Altus Group



Source: Altus Group

Altus Group GTA New Home Data Definitions

Altus Group

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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