Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of April 2020

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New Condominium Apartment Dashboard

April 2020			YTD April 2020	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
470	**9,931**	**$984,369**	**7,155**	**$963,495**
-85% ▼	**-33%** ▼	**30%** ▲	**18%** ▲	**23%** ▲
Record low for April	***Lowest since 2017 and also below 10 year average***	***Record high***	***3rd highest YTD April***	***Record high***

% change is from same period a year earlier; "record" is based on Altus Group tracking timeframe

Highlights

- **COVID-19 poured cold water on GTA new condo apartment sales in April**, as both builders and potential buyers stepped back in April from the heated activity of the first quarter. Most planned new project launches were put on hold, sales programs for existing projects moved to virtual or by- appointment-only models, and short-term homebuying plans were disrupted by employment uncertainty, as well as the challenges of stay-at-home routines.
- **For the first time in Altus Group's tracking history (which starts in 2000), April new condominium apartment sales dropped below 500 units.** The last time sales in any month were lower was in the December 2008 through March 2009 period, when monthly sales were in the 200-400 unit range.
- **Homebuying intentions are encouraging in terms of people still wanting to buy home.** However, it may be some time before the intent is translated into actual sales. Given massive job losses in recent months, many potential buyers will be concerned about their own job prospects, and will be wary to buy until there is clear evidence the economy is in recovery. And even among potential buyers with more secure income, many may take a "wait-and-see" approach with respect to prices. **Even assuming some pickup in the Fall, it may be difficult for new condo sales for the year to break the 15,000 unit threshold.**

GTA Condominium Apartment Key Performance Indicators

	Apr-19	Mar-20	Apr-20	*Yr-Over-Yr % Change*	YTD Apr 2019	YTD Apr 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	347	356	358	*3%*	333	356	*7%*
New projects opened	19	2	3	*-84%*	33	21	*-36%*
Units in new projects opened	5,333	461	747	*-86%*	9,129	5,698	*-38%*
Total sales (units)	3,078	2,958	470	*-85%*	6,055	7,155	*18%*
Sales as % of total new & resale	*57%*	*59%*	*41%*		*46%*	*55%*	
Inventory (units)	14,824	9,929	9,931	*-33%*	12,464	10,986	*-12%*
Sales-to-inventory ratio	21%	30%	5%	*-77%*	12%	16%	*41%*
Months of inventory	8.3	3.9	4.3	*-48%*	7.3	4.6	*-37%*
Benchmark price	$758,585	$983,133	$984,369	*30%*	$783,943	$963,495	*23%*
Price PSF Benchmark	$879	$1,014	$1,018	*16%*	$895	$1,010	*13%*
Unit size Benchmark (sq. ft)	863	969	967	*12%*	876	954	*9%*
Units completed	4,171	1,130	2,969	*-29%*	8,581	7,914	*-8%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,357	2,014	667	*-72%*	7,096	5,922	*-17%*
New listings (units)	3,641	3,429	1,659	*-54%*	11,857	9,613	*-19%*
Inventory ("active listings", units)	3,488	2,275	2,560	*-27%*	3,047	2,115	*-31%*
Sales-to-inventory ratio	68%	89%	26%	*-61%*	57%	73%	*28%*
Months of inventory	1.8	1.1	1.4	*-26%*	1.6	1.1	*-33%*
Average price of units sold	$588,168	$658,791	$578,283	*-2%*	$567,767	$645,679	*14%*
HPI constant quality price index (Jan 2005=100)	265.0	296.8	300.0	*13%*	259.9	292.3	*12%*

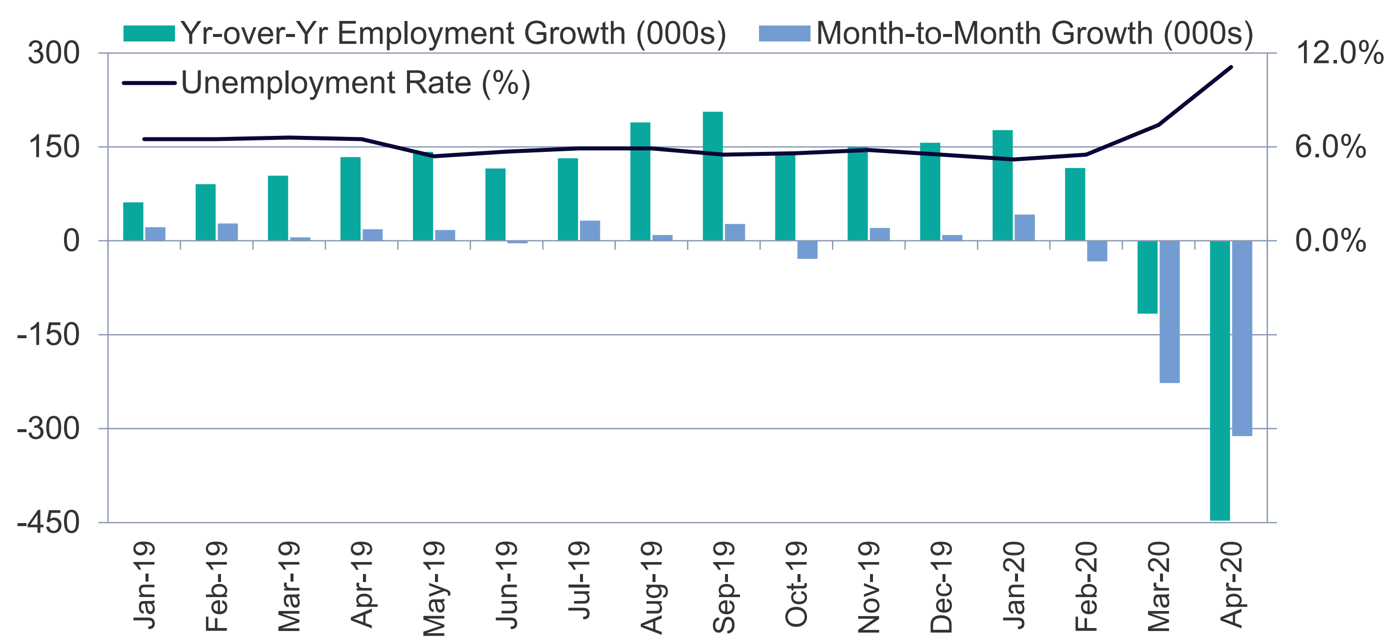
** see end of report for Definitions*

- Employment levels dropped further in April in the GTA. **Cumulative job losses for March and April totaling more than half a million jobs – effectively wiping out 8 years of prior growth.** 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. **Mortgage rates available in the market had been relatively stable on average in recent weeks, but dipped in the past week.**

- Altus Group has been tracking homebuying intentions on a quarterly basis for over 25 years in our FIRM Survey. Our latest survey was in field in early April, when households in the GTA were starting to adapt to emergency orders and work-at-home arrangements. **While homebuying intentions were down from the Winter survey, they are still ahead of a year ago** *(chart next page, bottom),* both among potential first-time buyers (current renters) and current homeowners. Although the relatively favourable robust homebuying intentions for the next 12 months do not necessarily mean that buyers are ready to get out there in the short-term (as evidenced by homes sales in April), they are encouraging for pent-up demand to be released when recovery from the pandemic starts to take hold.

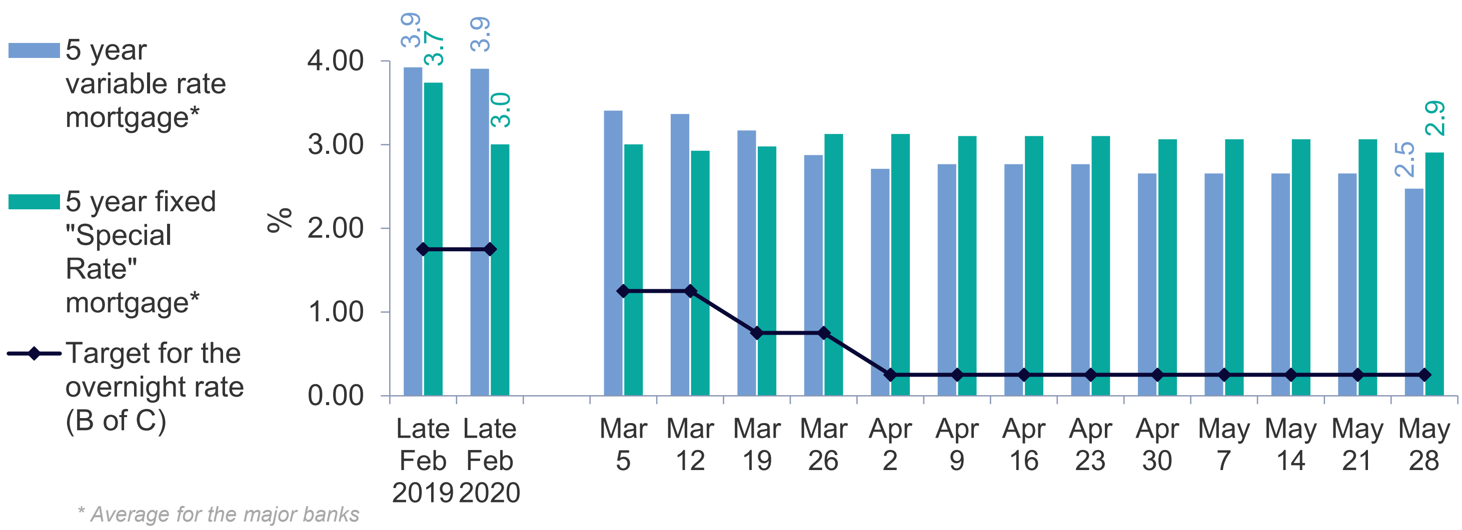
GTA Employment*



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

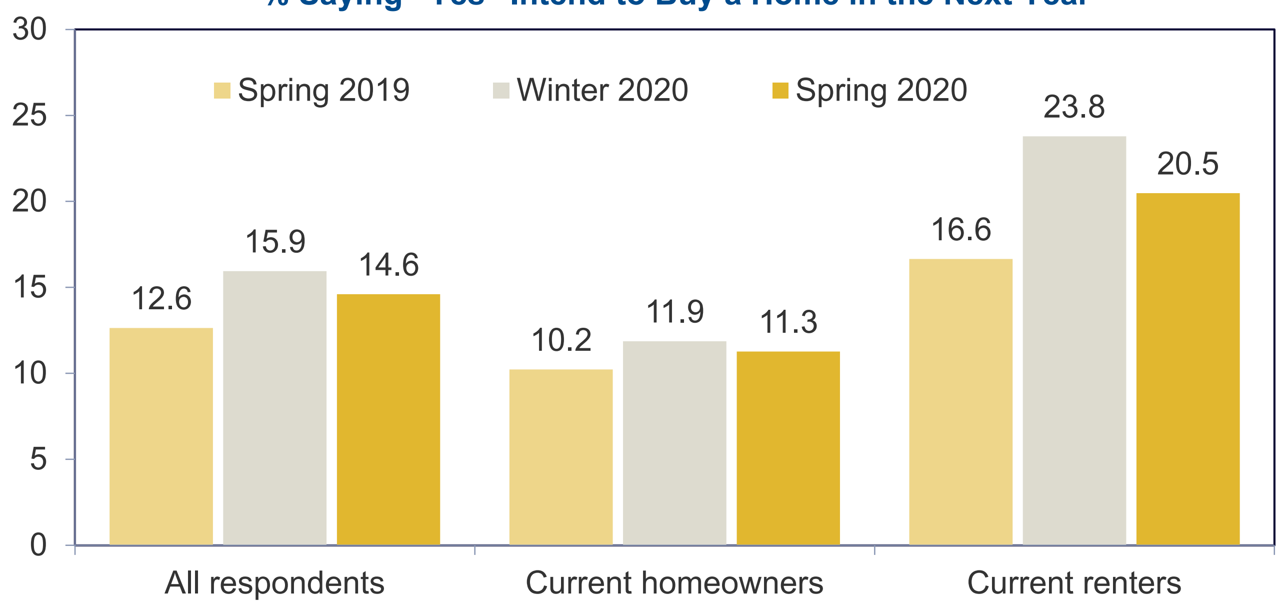
Selected Interest Rates



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

GTA Homebuying Intentions

% Saying "Yes" Intend to Buy a Home in the Next Year

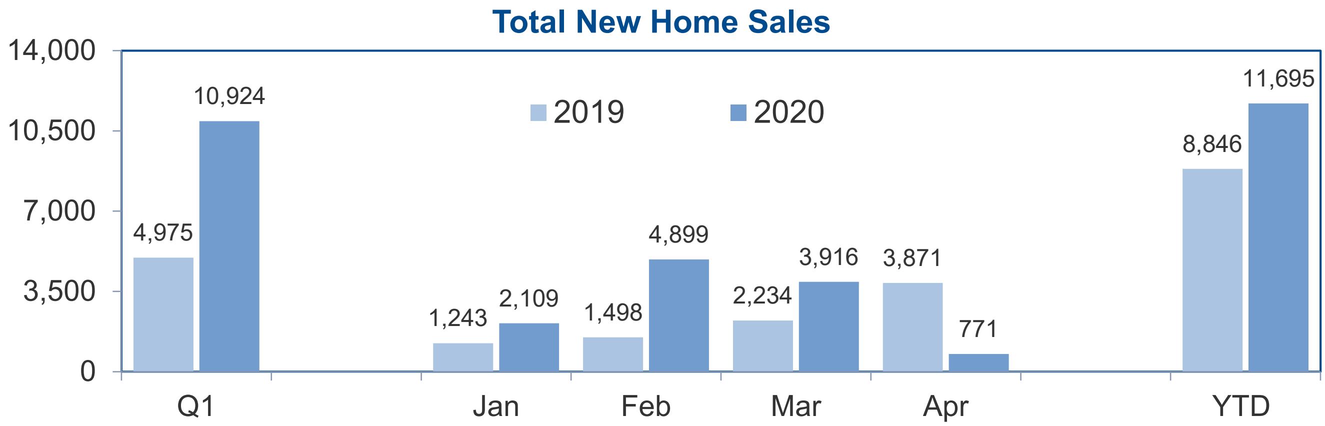


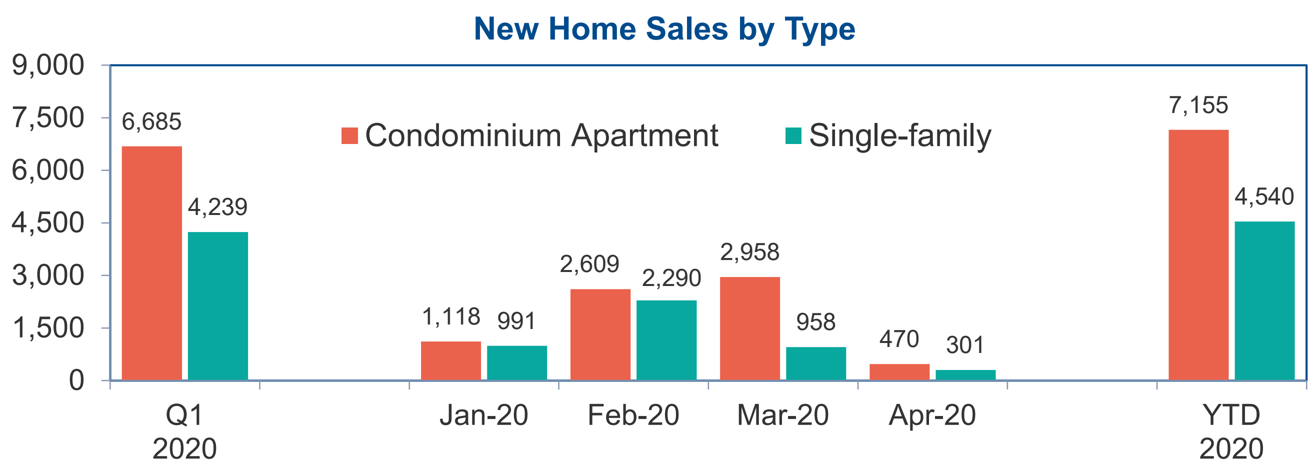
Source: Altus Group, The FIRM Survey

New Home Market - Sales

- After holding up well in March, **total sales of new homes in the GTA plunged in April, as the effects of COVID-19 set in.** Total new home sales were down 80% both from March, and from April of last year. Most planned new project launches were put on hold, sales programs for existing projects moved to virtual or by-appointment-only models, and homebuying plans were disrupted by job losses, as well as work at home/stay at home challenges.
- Total new home sales were down sharply in April in all regions *(chart next page).*
- **Both single-family and condominium apartment sales were the lowest April recorded since Altus Group's tracking began in 2000.**
- **Year-to-date total new home sales remain ahead of last year** at just below the previous 10 year average. Total new home sales year-to-date are up in all regions except Peel (*chart after next page)*.

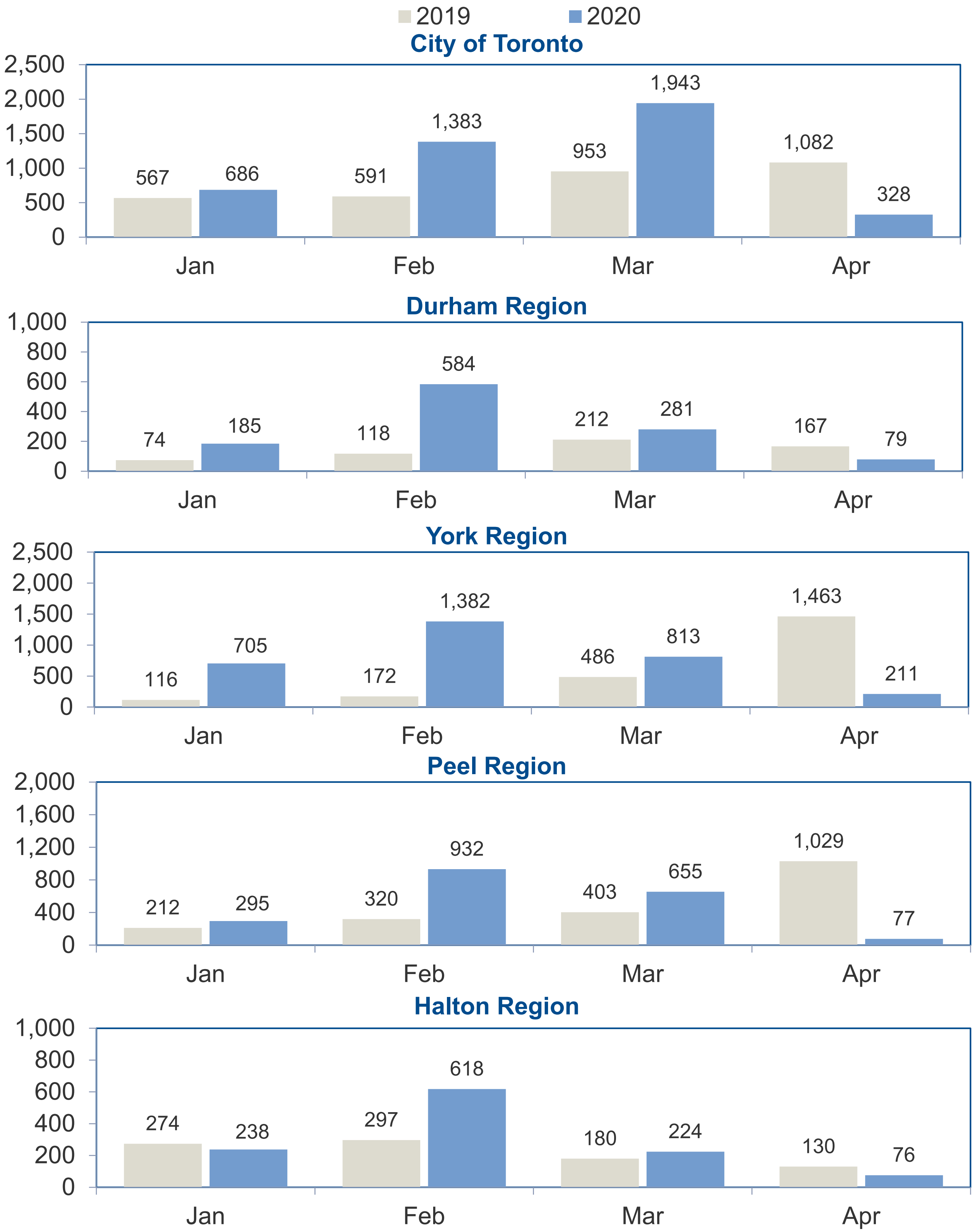
GTA New Home Sales





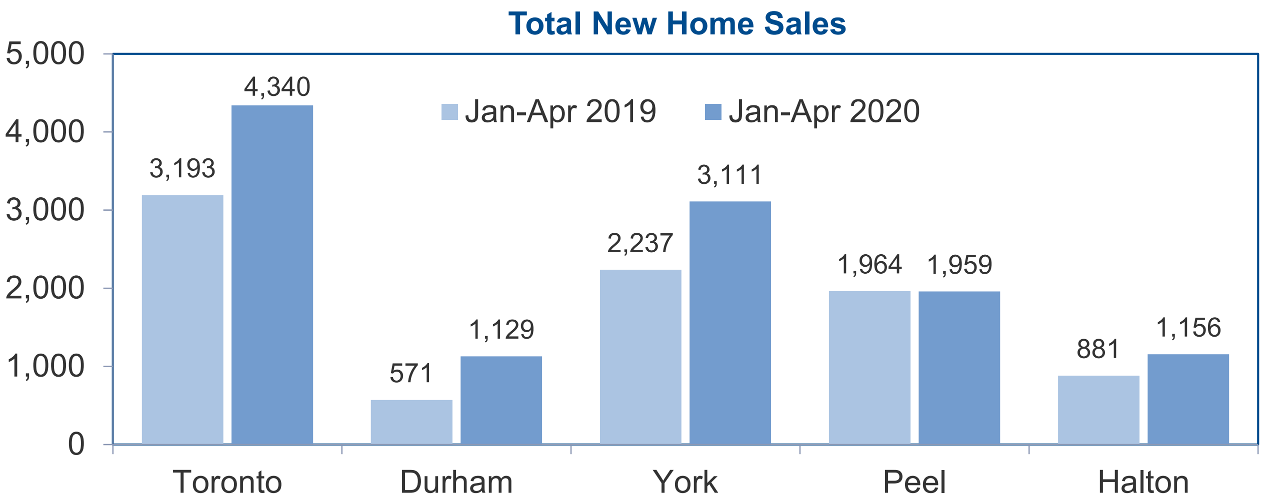
Source: Altus Group

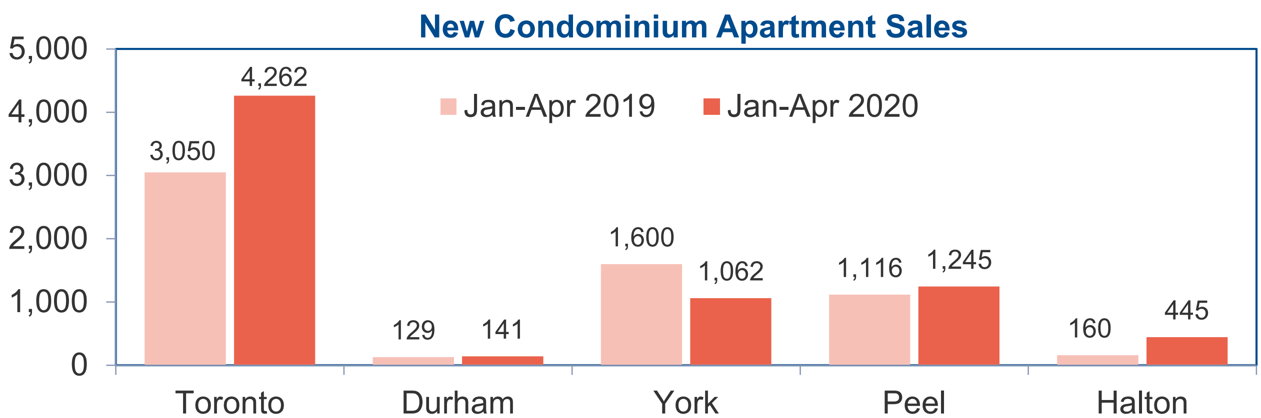
GTA Total New Home Sales by Region and Month

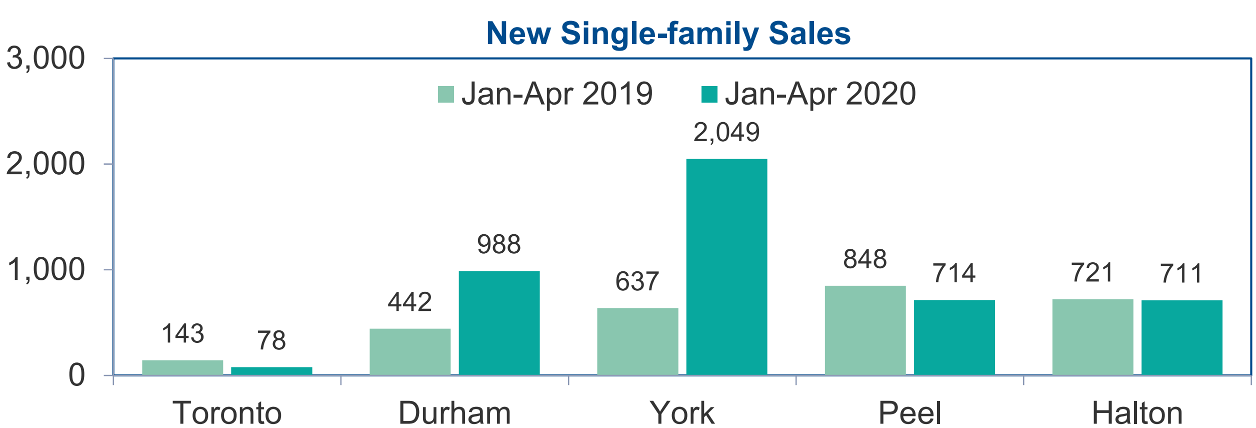


Source: Altus Group

GTA New Home Sales by Region



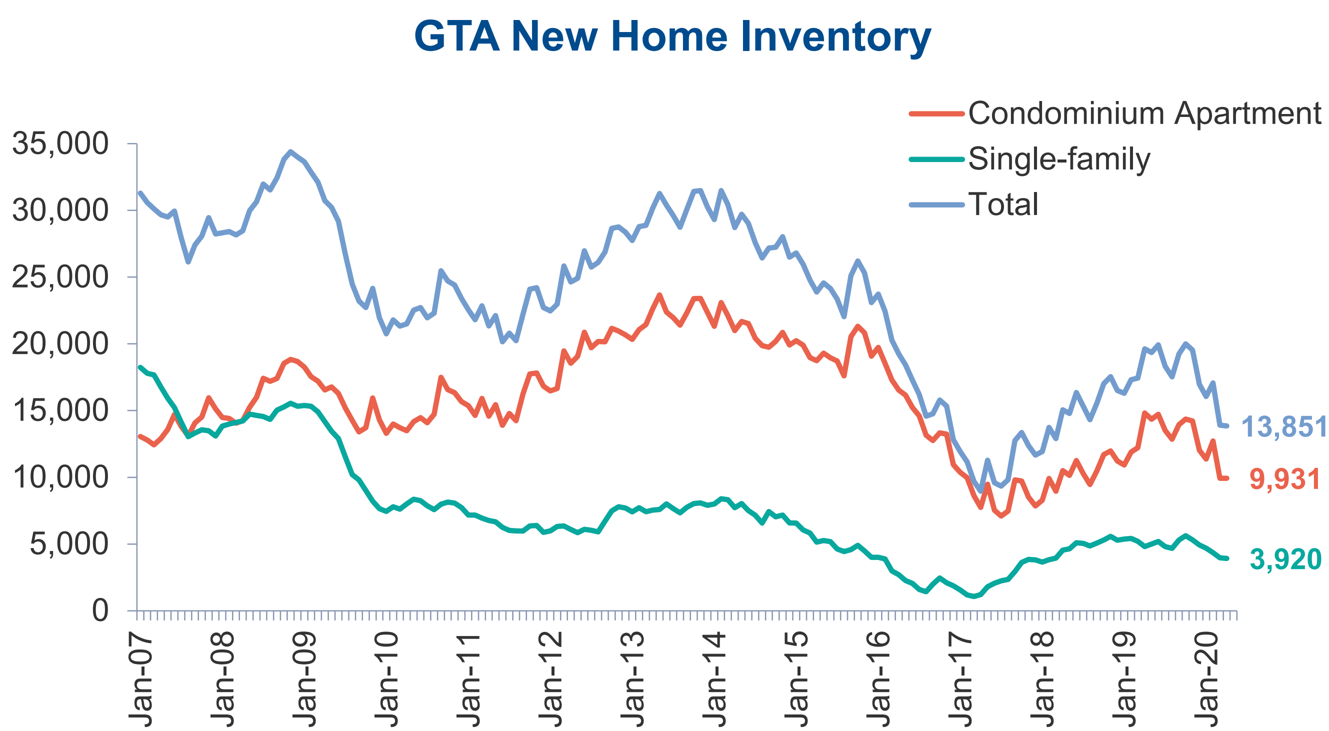




Source: Altus Group

New Home Market - Inventory

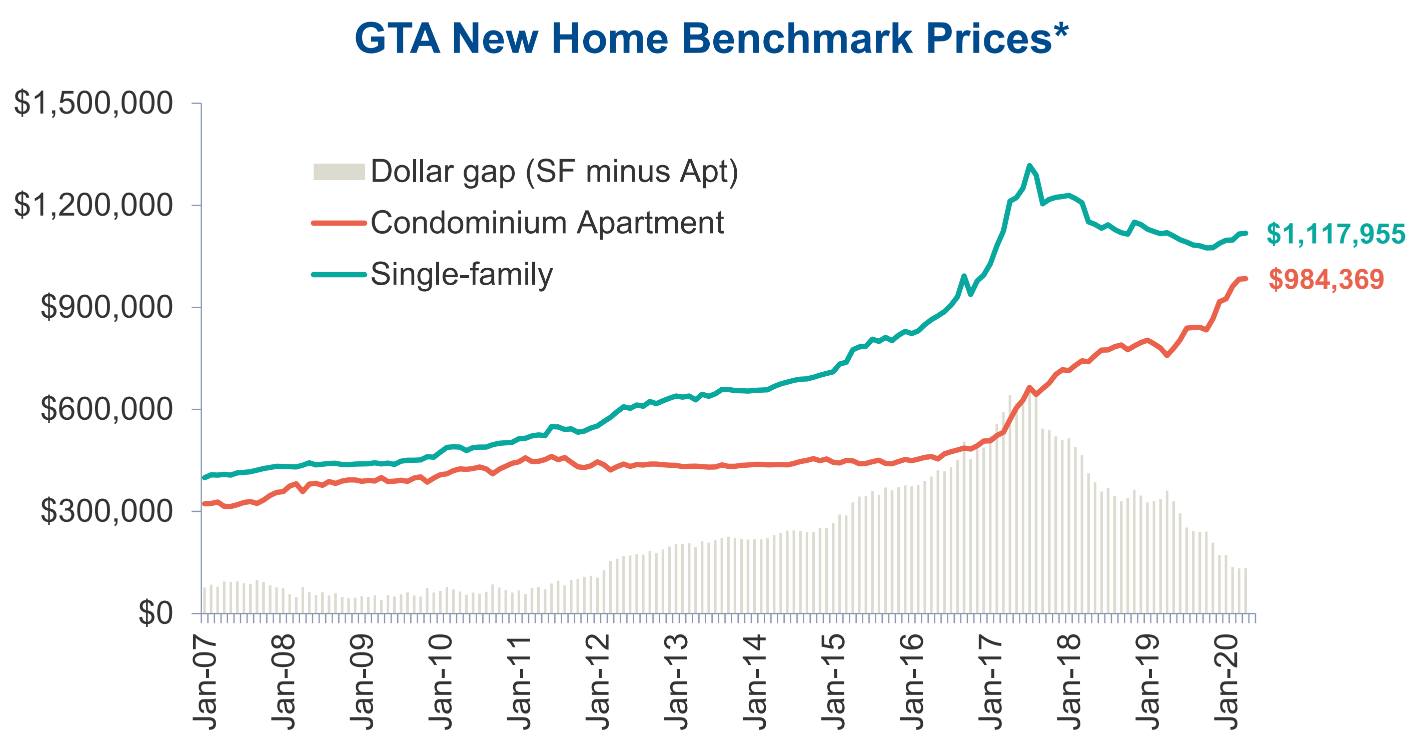
- **Total new home inventory available to purchase was relatively stable in April**, as total sales were more or less offset by units in new projects launched.
- Overall, the current total inventory of new homes available to purchase represents only about 4 months of supply, based on the average monthly 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

New Home Market - Prices

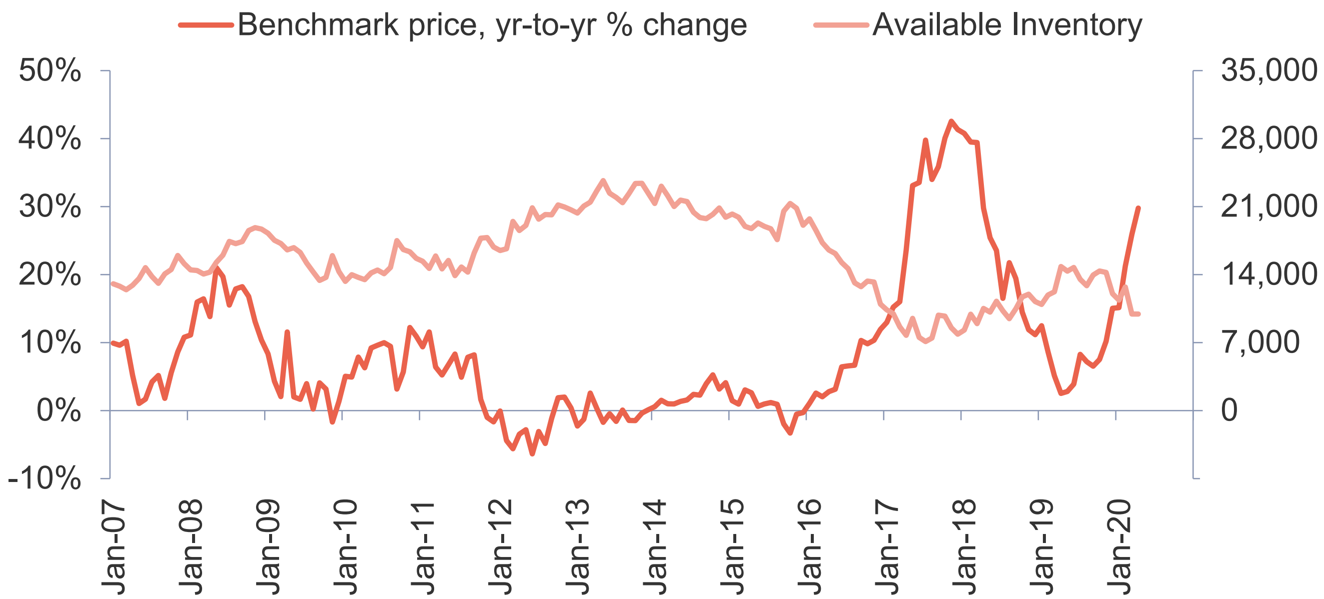
- **The Benchmark price for both new single-family homes and new condominium apartments were relatively flat in April compared to March.** This largely reflects the fact that the sample of available units did not change very much, given low numbers of both sales and new units launched.
- Potential buyers may be expecting reductions in asking prices. However, builders will be resistant, and more likely to favour non-price incentives. **Asking prices for new homes did not decline during the recession of the latter 2000s** (charts next page).



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

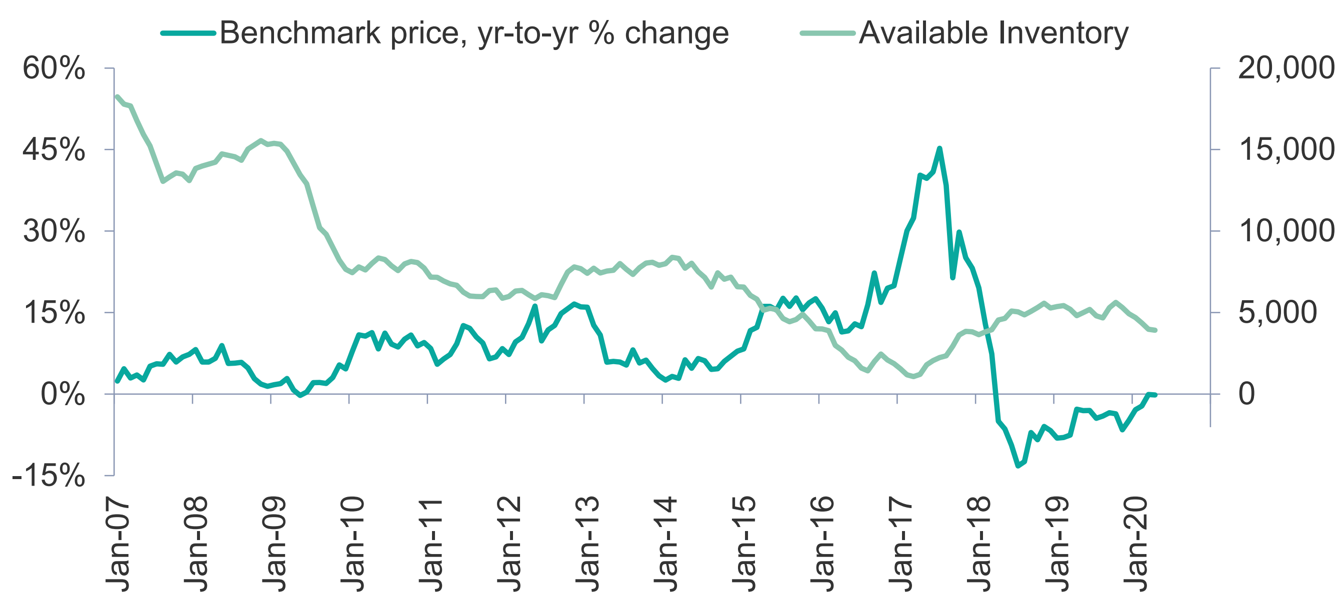
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

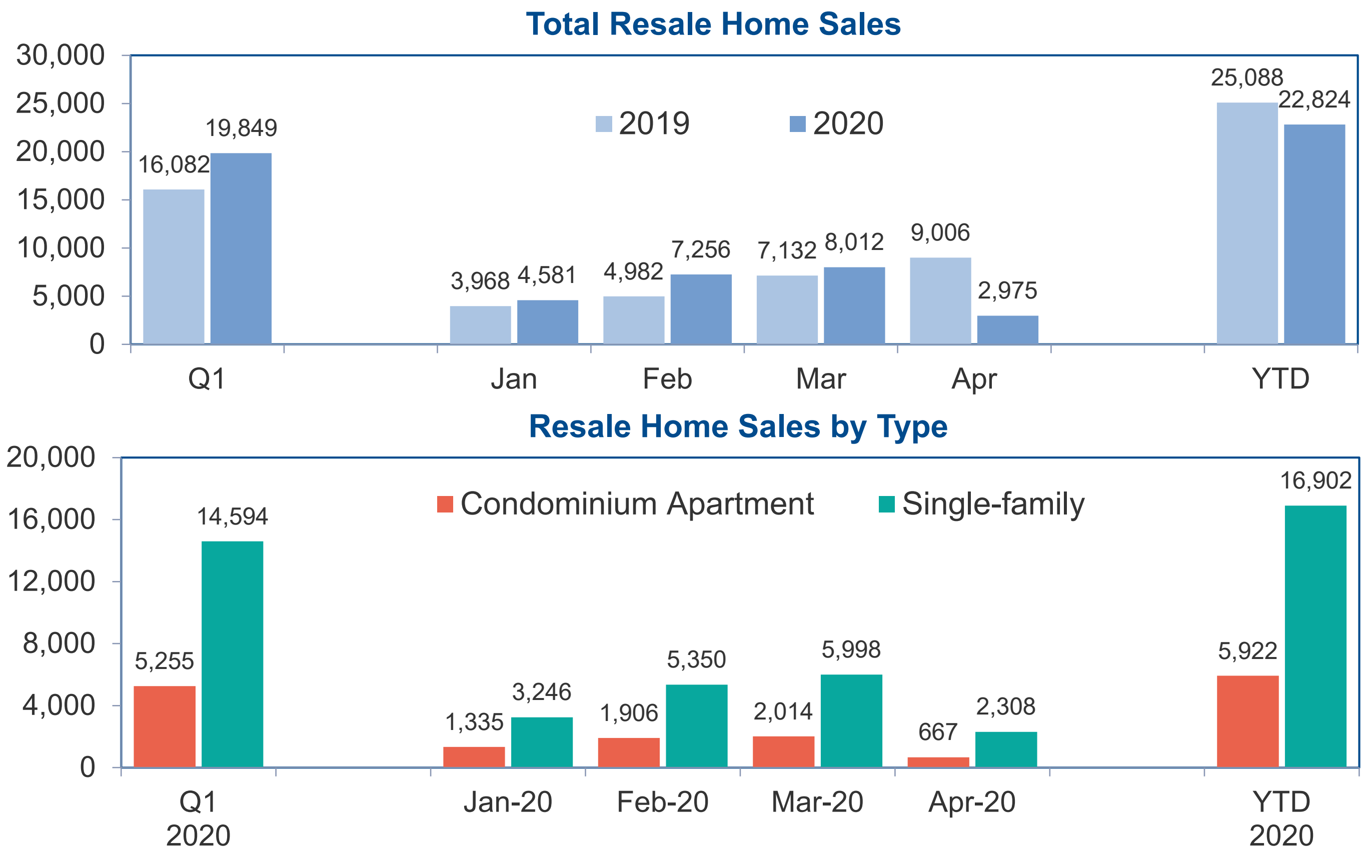


Source: Altus Group

Resale Home Market - Sales

- **Total sales of existing homes in April** (as reported by the Toronto Regional Real Estate Board), like new home sales, plummeted although the decline was somewhat less pronounced (down 67% from a year earlier, compared to the 80% drop for new homes).
- Resale inventories in April were similar to March and remain very low in historical terms *(chart top of next page).*
- The average sale price for a resale home dropped in April by 9% from March, back to a level similar to a year ago (*chart bottom of next page*), with declines in both single-family and condominium apartment average prices.

GTA Resale Home Sales



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

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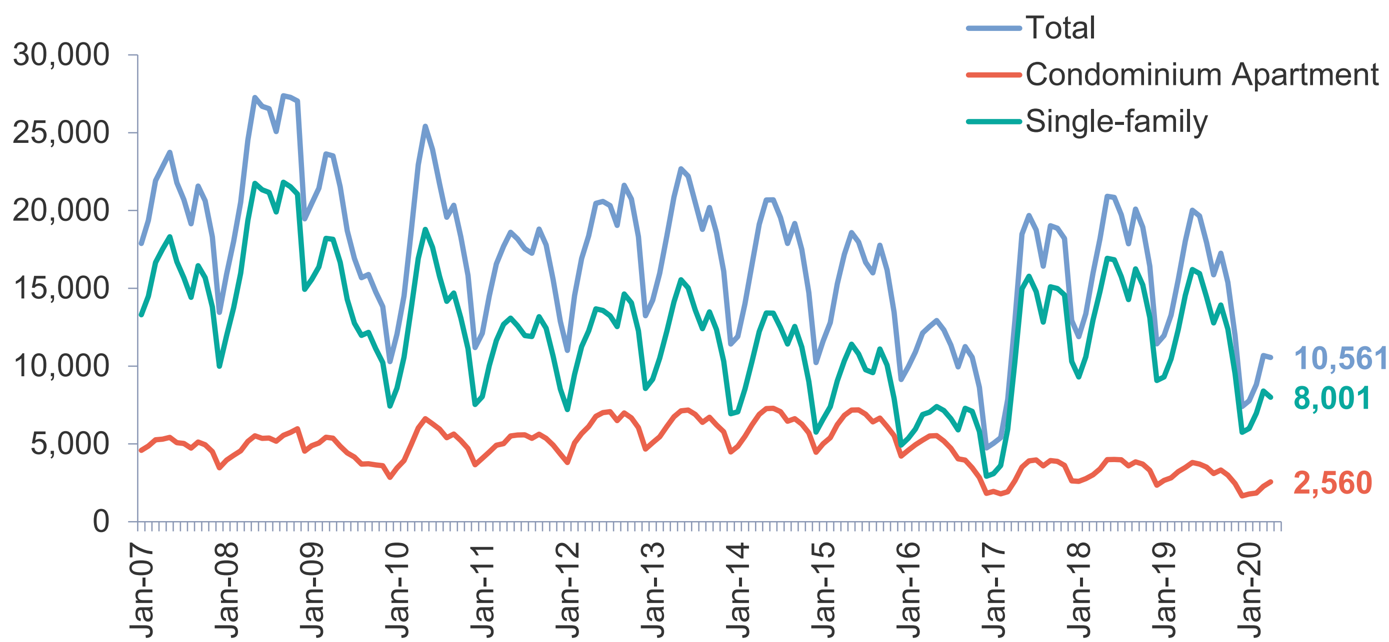
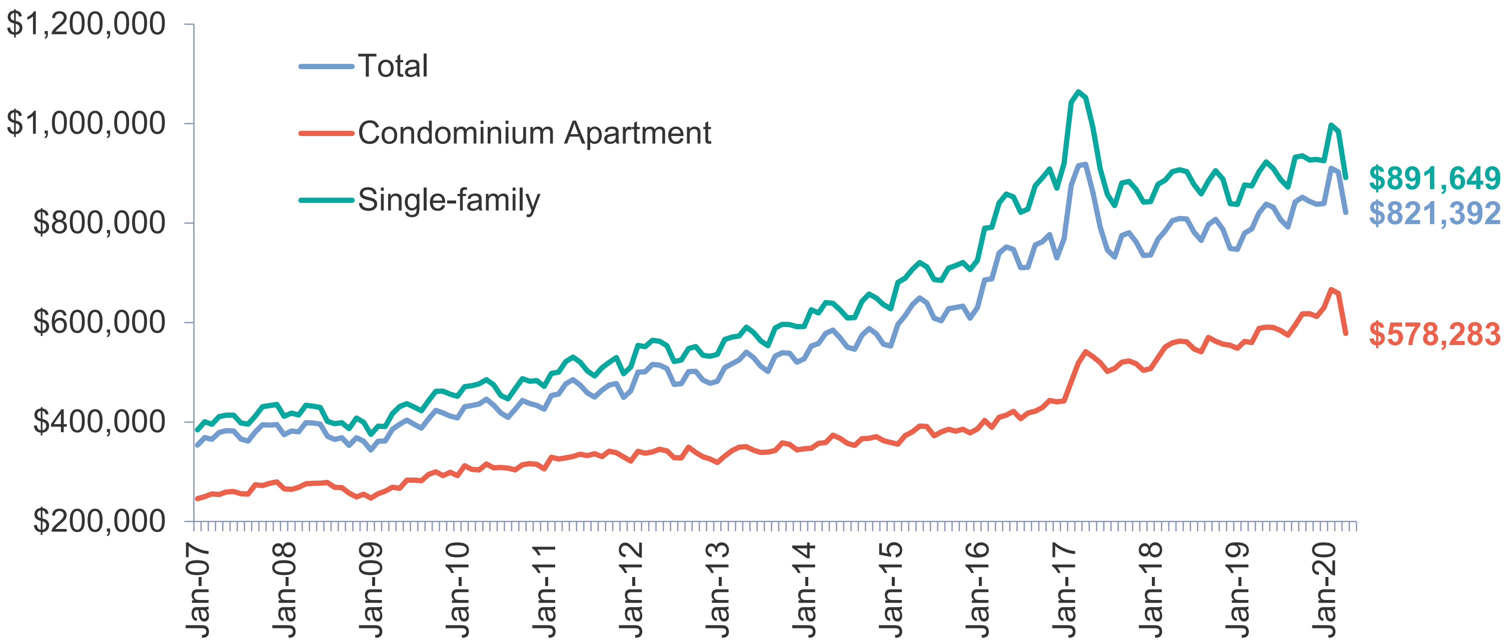
GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

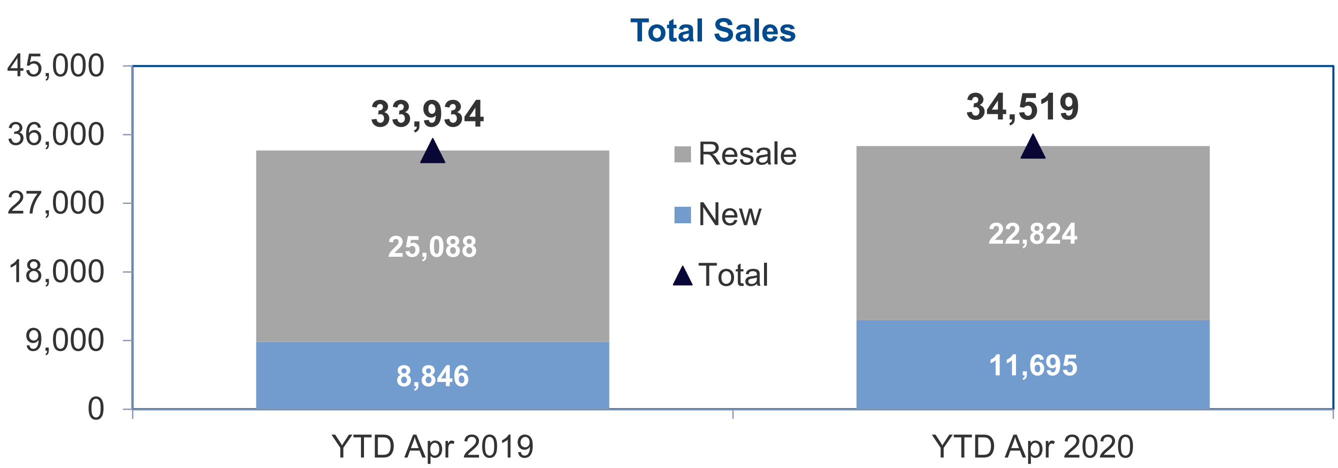


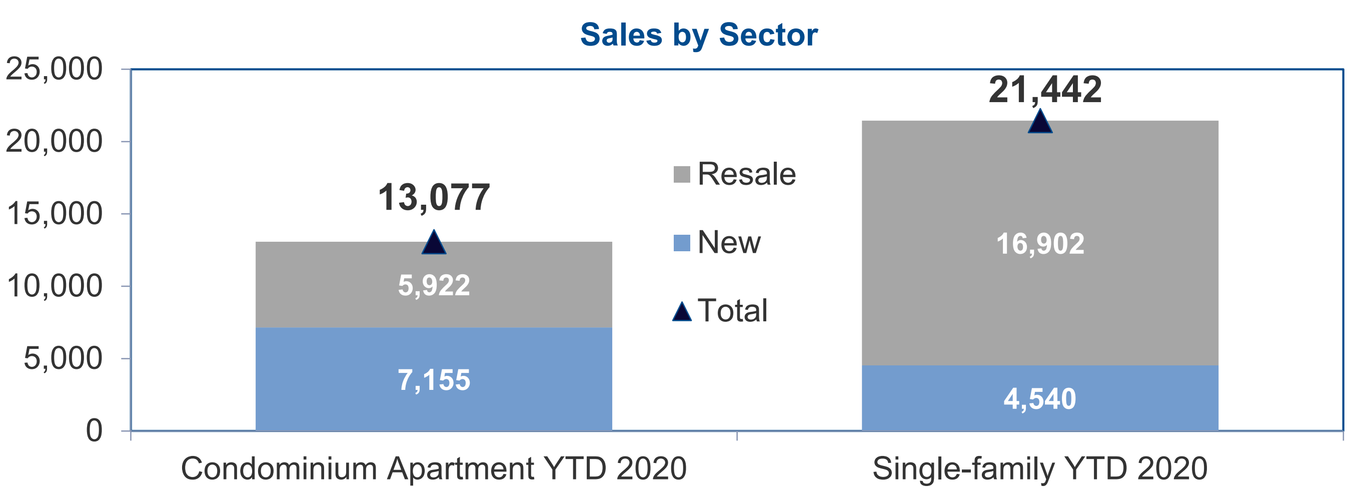
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Combined resale and new home sales,** as measured by TRREB and Altus Group, totaled about 34,500 units for year-to-date April, **up just 2% 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 for year-to-date April**, compared to about one-fifth of single-family sales.

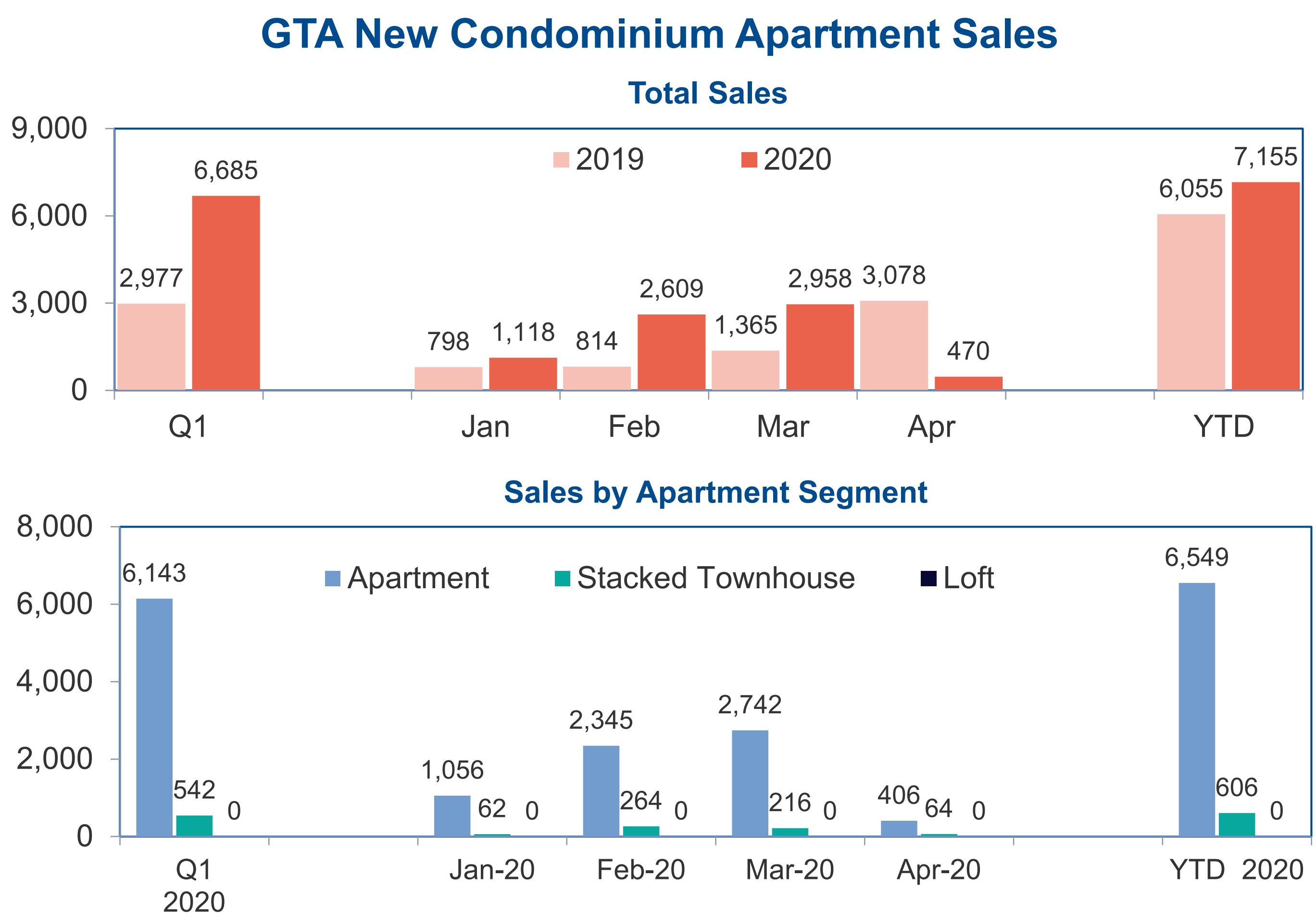
GTA Combined New & Resale Home Sales





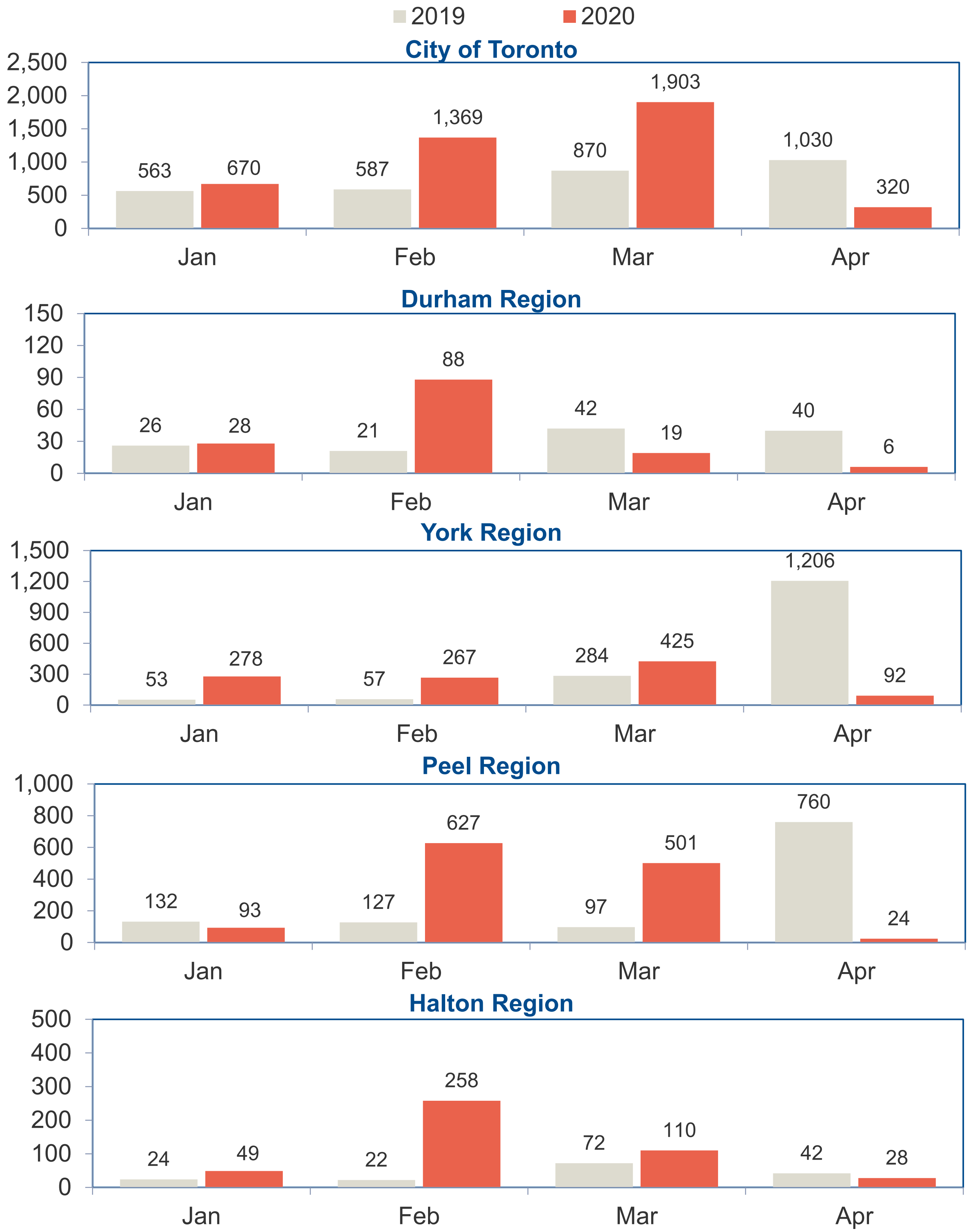
Source: Altus Group and Toronto Regional Real Estate Board data

- The impacts of COVID-19 kept buyers out of the market in April. **For the first time in Altus Group's tracking history (which starts in 2000), April new condominium sales dropped below 500 units.** The last time sales in any month were lower was in the December 2008 through March 2009 period, when monthly sales were in the 200-400 unit range.
- New condominium apartment sales were down in April in all regions *(chart top of next page).* Year-to-date sales remain above last year except in York Region *(chart after next page).*



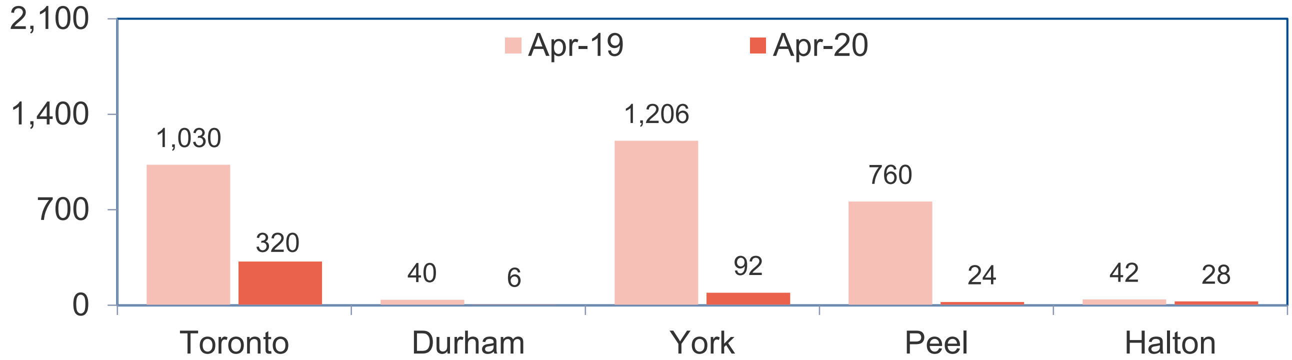
Source: Altus Group

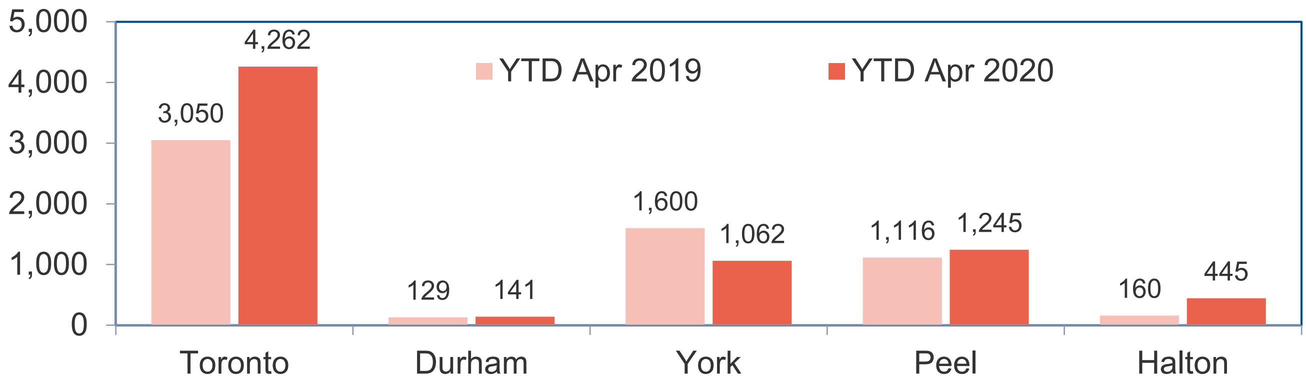
New Condo Apartment Sales by Region and Month

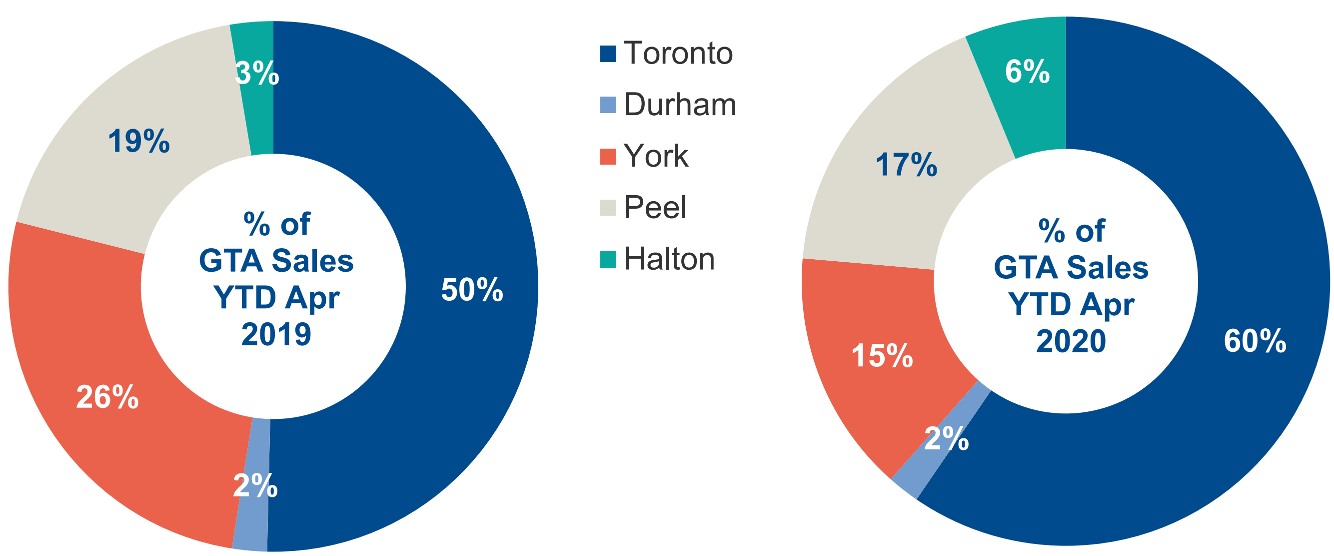


Source: Altus Group

GTA New Condominium Apartment Sales by Region

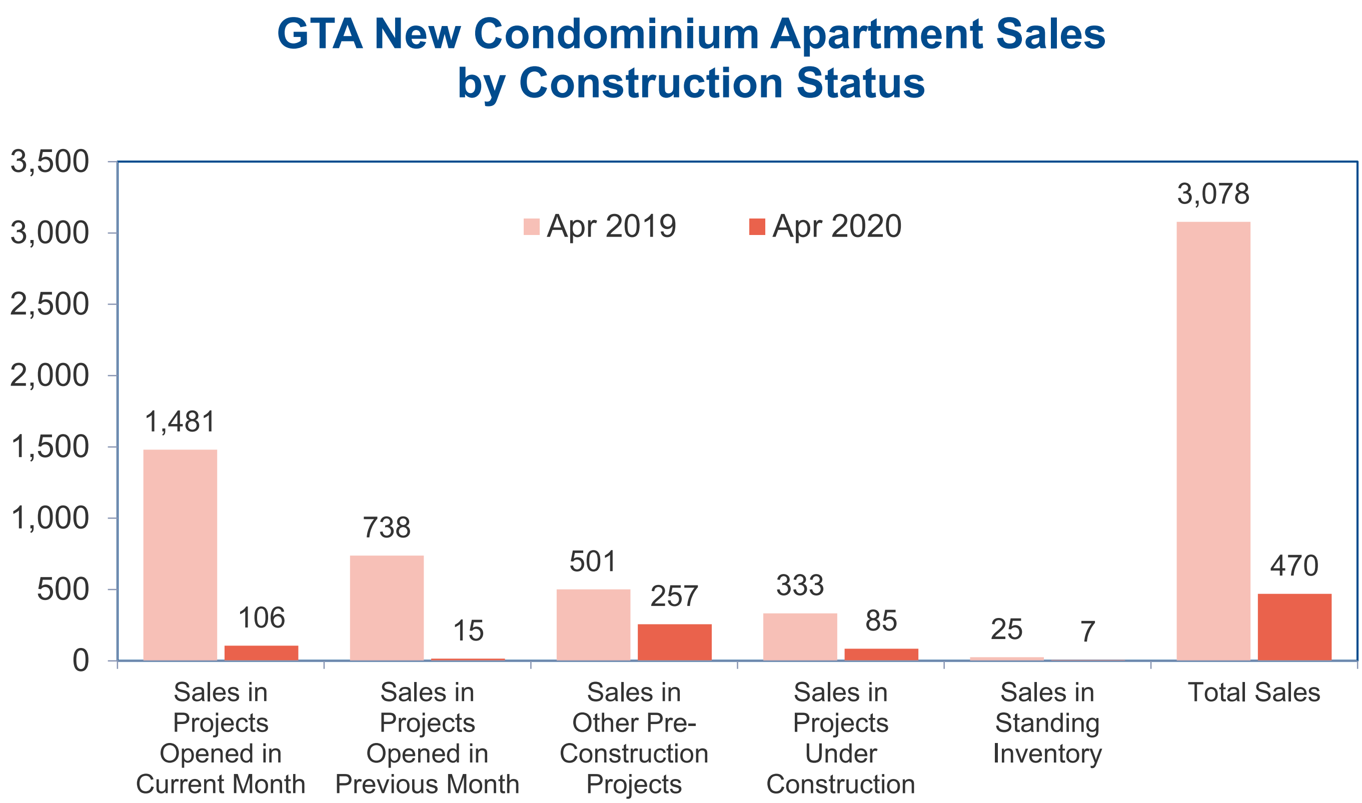






Source: Altus Group

- **There were only 3 new condominium apartment projects opened in April 2020**, which accounted for about one-quarter of April sales. The 2 projects opened in March had a combined 15 sales. The largest proportion of sales was in other pre-construction projects.
- There were only 7 sales in standing inventory, which reflects very low availability of unsold units in completed product *(as shown on the chart on the next page*).

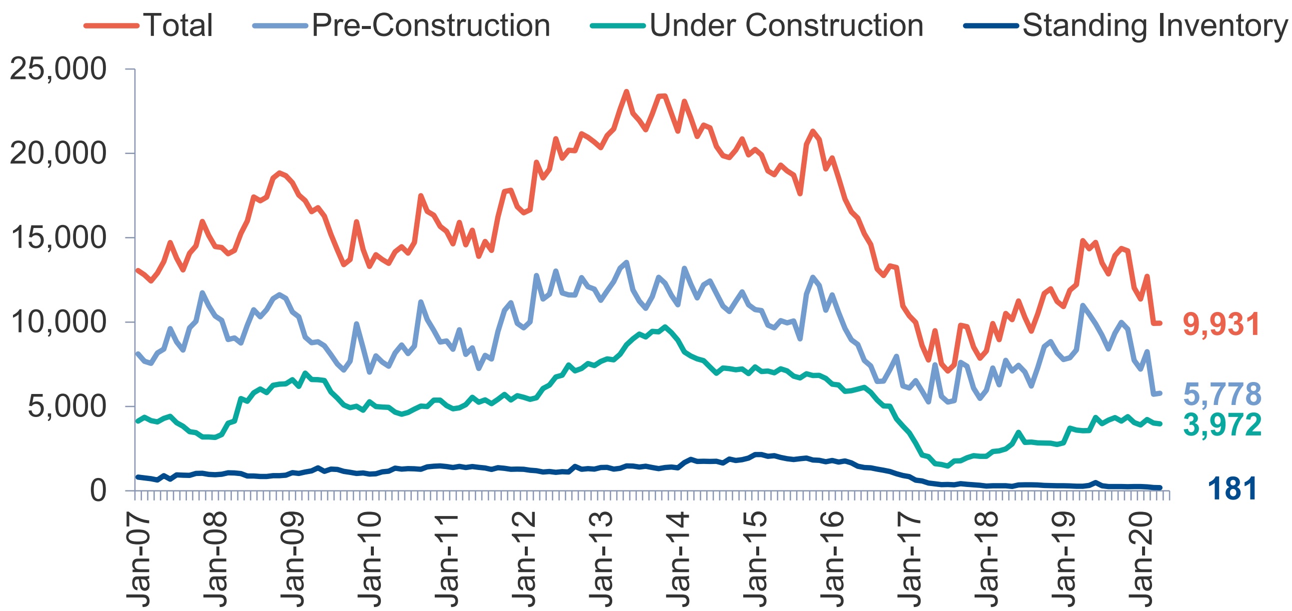


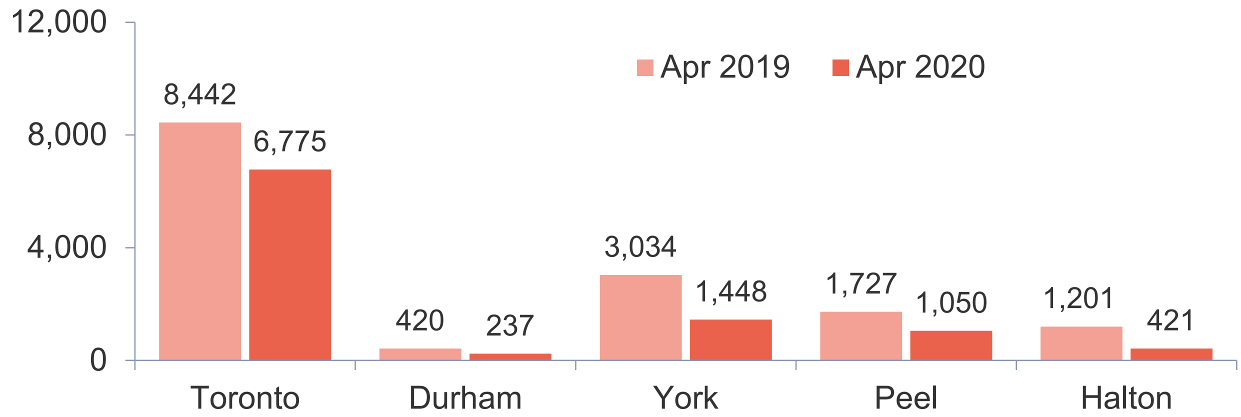
Source: Altus Group

New Condominium Apartments - Inventory

- With low numbers for both units launched and sales, **new condominium apartment available inventory remained relatively stable in April.**
- There is very little inventory to purchase that is available for immediate possession/occupancy (181 units). This is despite the fact that there was an increase in new units completed in April (as discussed later). **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 April of about 10 months. However, as discussed earlier, the months of inventory indicator needs to be viewed with caution in the COVID-19 environment, given sales levels are currently well below the average pace of the past 12 months.

GTA New Condominium Apartment Inventory



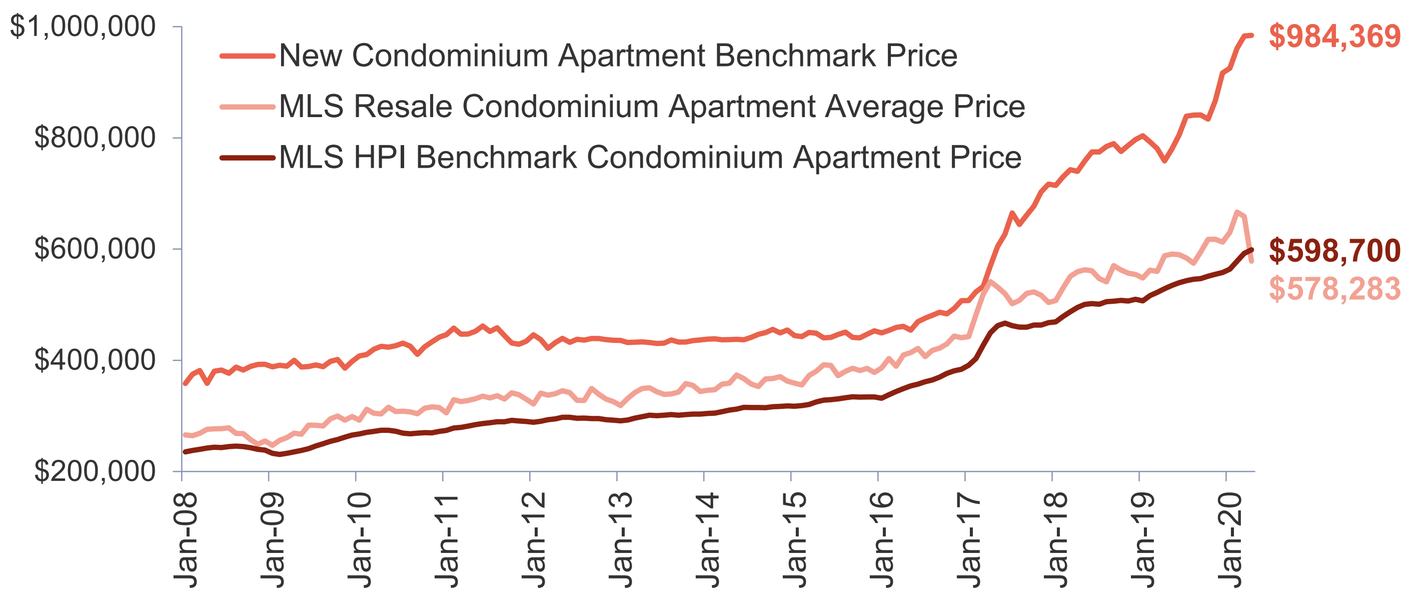


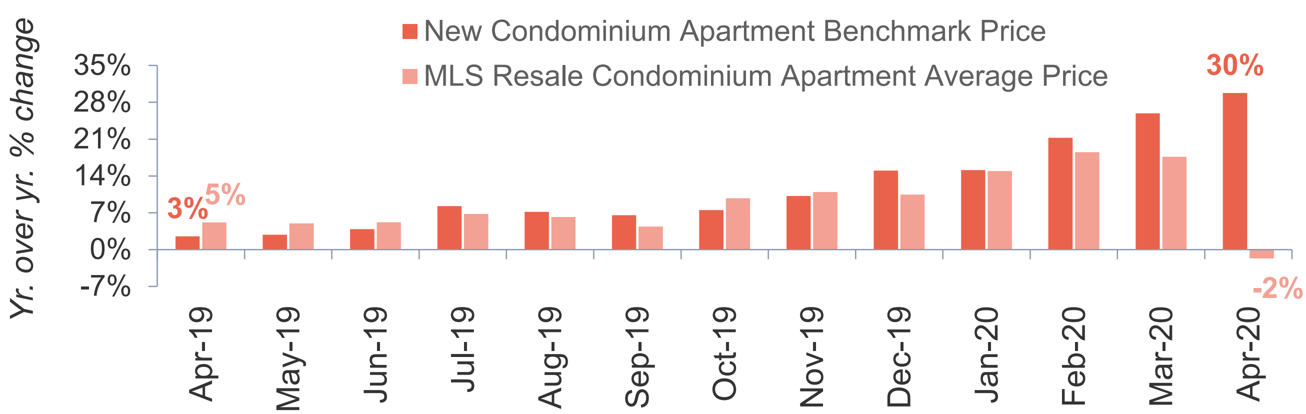
Source: Altus Group

New Condominium Apartments - Prices

- **The Benchmark price for a new condominium apartment set another new record for the 6th month in a row in March, although the increase was minimal.** Year-over-year, the benchmark price is up about 30%.
- **The average price of a resale condominium apartment dropped in April**, and sits 2% below a year earlier. The HPI Benchmark price, however, suggests that on a constant quality basis, prices in April were similar to March.

GTA New and Resale Condominium Apartment Prices

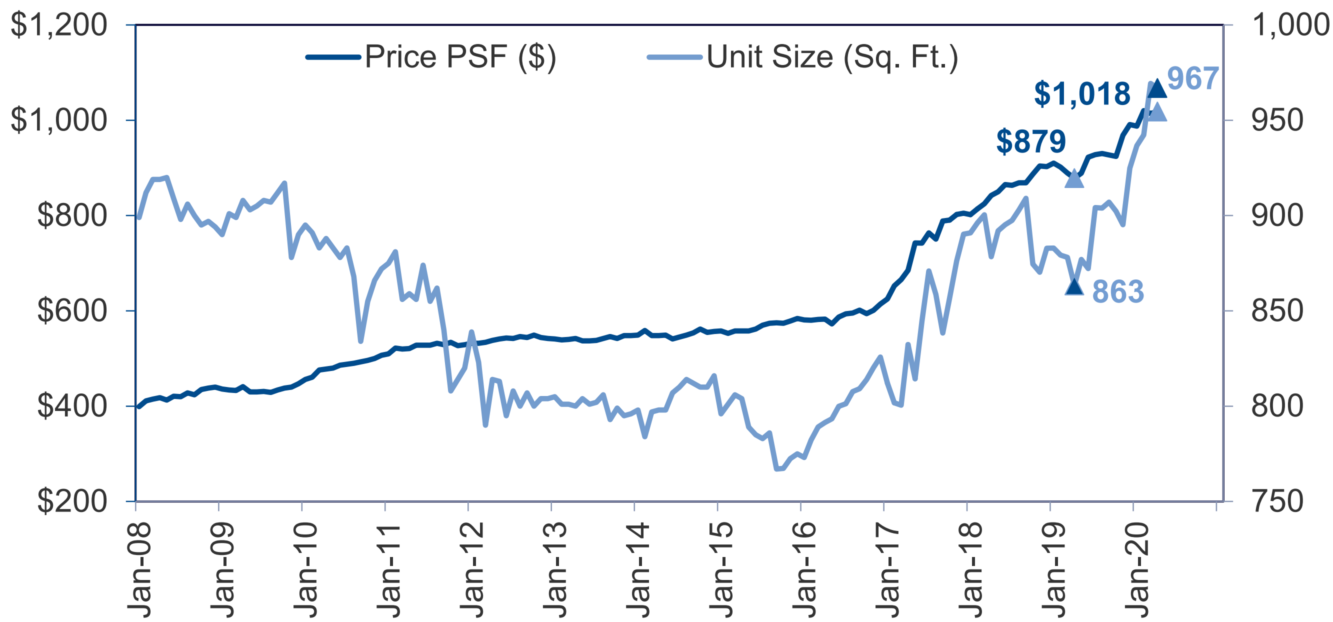




Source: Altus Group and Toronto Real Estate Board data

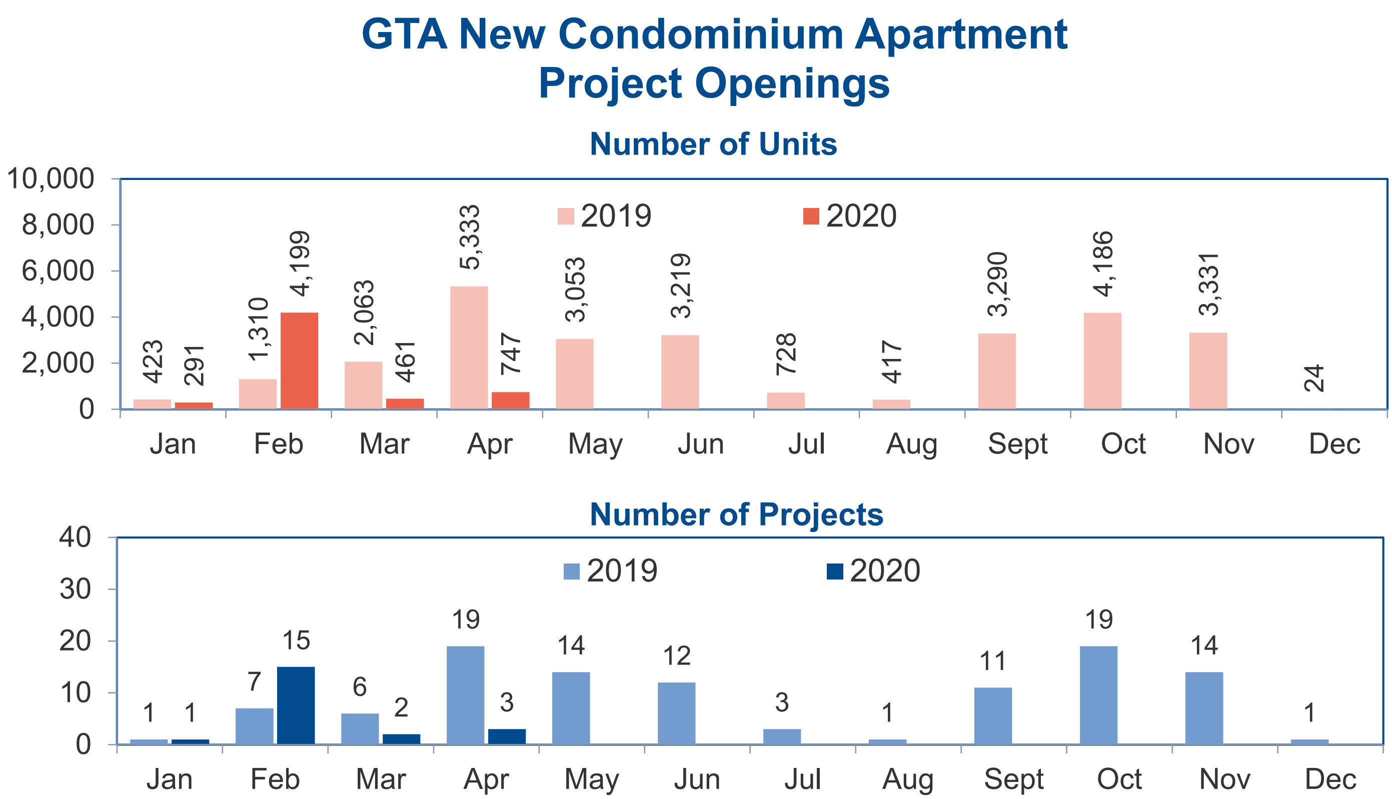
- **While builders will be resistant to reducing prices in response to slower demand (favouring instead non-price incentives), and despite inventory not growing as launches are pushed off, the upward climb in prices is at an end for the time being.** The relative stability in the benchmark price in April compared to March reflected both stable benchmark unit size and stable benchmark price per sq. ft.
- The 30% increase in April 2020 over April 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.
- Caution needs to be used in interpreting the data for any specific timeframe, as product mix may change. For example, smaller unit sizes on average have higher prices per sq. ft., therefore an increase in the price per sq. ft. in a particular month could reflect both a “pure” price increase, and/or 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



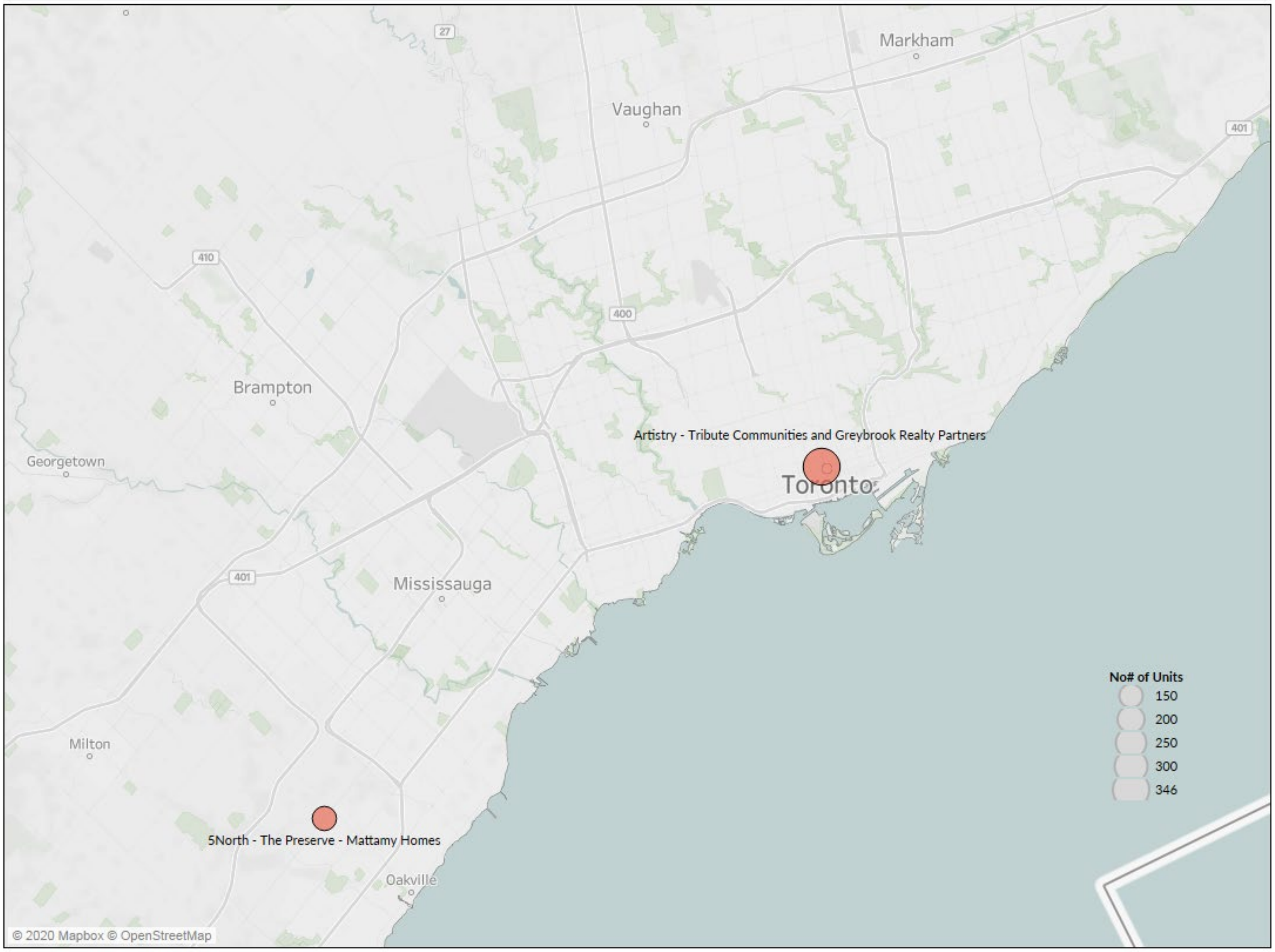
Source: Altus Group

- **With the onset of COVID-19 stay-at-home measures, most scheduled launches were postponed.** There were no projects launched in the latter part of March**. However, there were 3 projects launched in April** (the average for the previous 10 years was 10).
- Projects launched during the Province's emergency order period will be useful in ascertaining the extent of consumer demand that remains active in the current environment. Absorption rates for new project launches are discussed later in this report.
- Following this page are maps showing the location of new projects launched in March and April 2020, 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

March 2020 New Project Launches by Number of Units



Source: Altus Group

Project Record	5North - The Preserve	Artistry

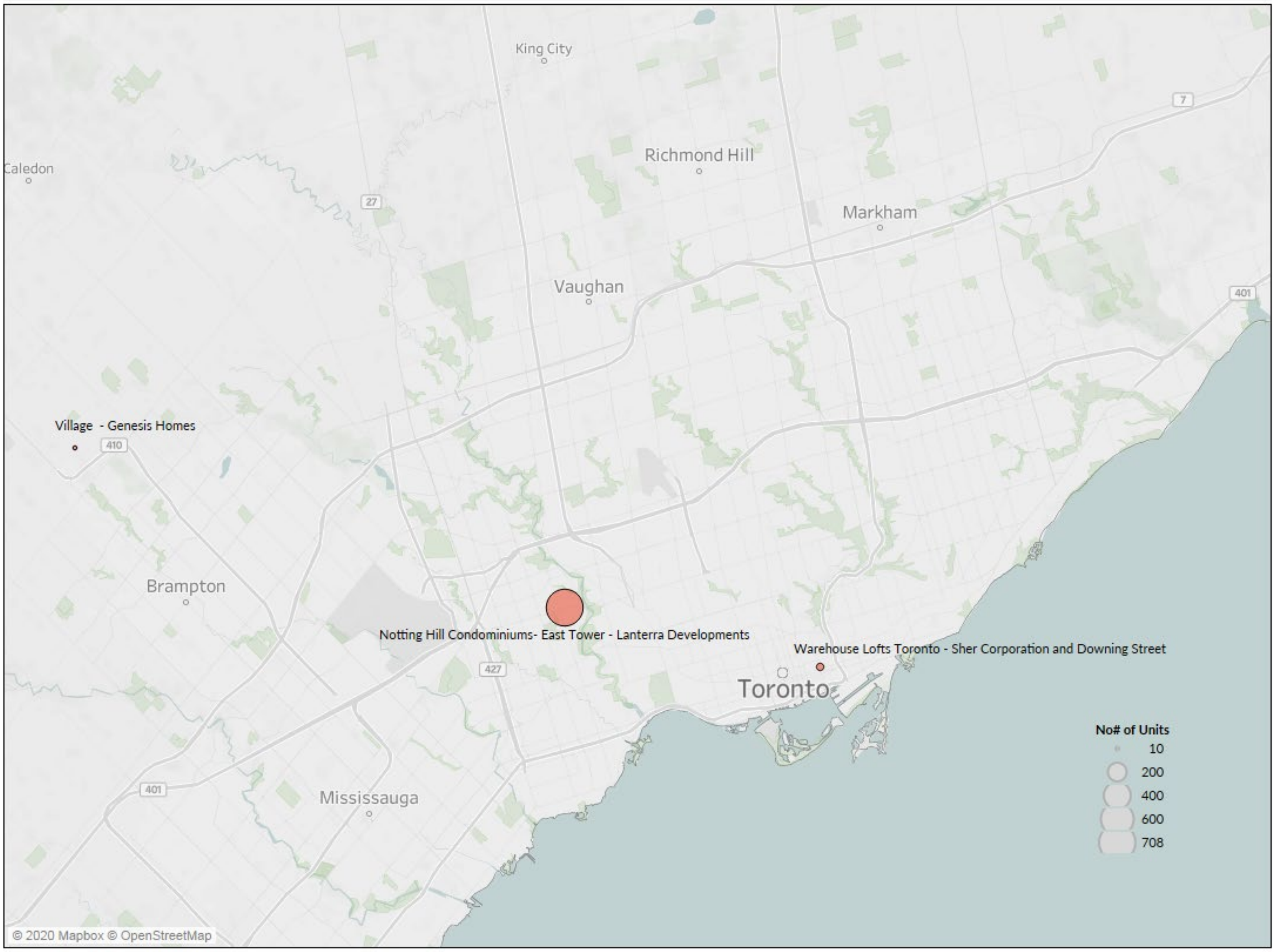
New Condominium Apartment Project Openings - March 2020		
Project Name	**5North - The Preserve**	**Artistry**
Developer	Mattamy Homes	Tribute Communities and Greybrook Realty Partners
Date Opened	2020-03-07	2020-03-07
Municipality	Oakville	Old Toronto
Region	Halton	Toronto
Structural Type	Apartment	Apartment
Floors	7	29
Project Total Units	**150**	**346**
Total Units Released	**58**	**346**
Studio	1	31
1 bedroom	8	113
1 bedroom + den	27	78
2 bedroom	22	89
2 bedroom + den	--	--
3 bedroom & up	--	35
Penthouse	--	--
Other	--	--
Opening month sales	**58**	**258**
Next month sales	**0**	**15**
% Sold (of released units)	*100%*	*79%*
Remaining available inventory	0	73
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

New Condominium Apartments - Openings

AltusGroup

April 2020 New Project Launches by Number of Units



Source: Altus Group

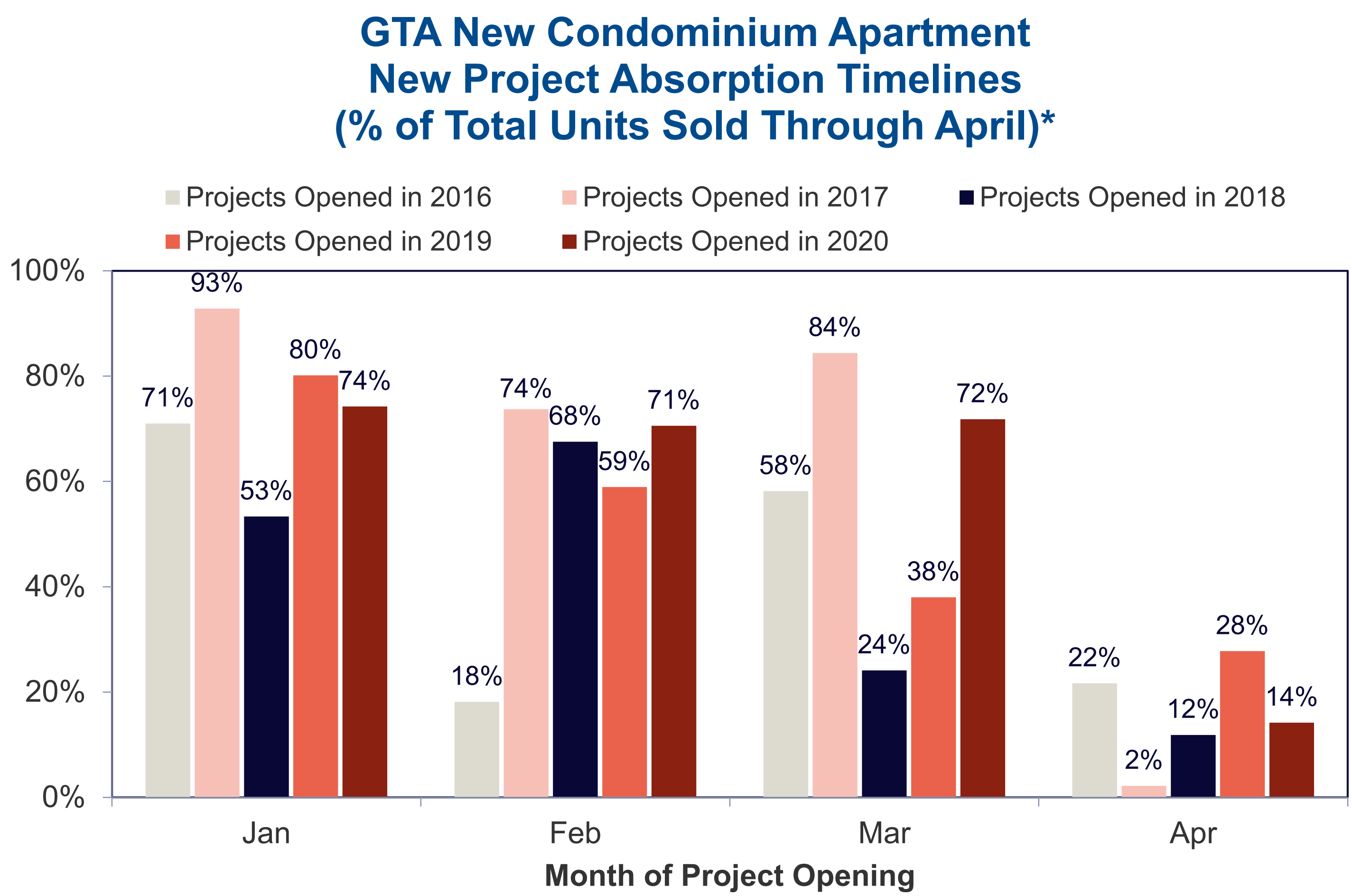
Project Record | Notting Hill Condominiums - East Tower | Village | Warehouse Lofts Toronto

New Condominium Apartment Project Openings - April 2020

Project Name	Notting Hill Condominiums - East Tower	Village	Warehouse Lofts Toronto
Developer	Lanterra Developments	Genesis Homes	Sher Corporation and Downing Street
Date Opened	2020-04-03	2020-04-01	2020-04-01
Municipality	Etobicoke	Caledon	Old Toronto
Region	Toronto	Peel	Toronto
Structural Type	Apartment	Stacked	Apartment
Floors	25	3	11
Project Total Units	**708**	**10**	**29**
Total Units Released	**708**	**1**	**29**
Studio	74	--	--
1 bedroom	161	--	--
1 bedroom + den	170	--	--
2 bedroom	127	--	29
2 bedroom + den	123	--	--
3 bedroom & up	53	1	--
Penthouse	--	--	--
Other	--	--	--
Opening month sales	**97**	**0**	**9**
% Sold (of released units)	*14%*	*0%*	*31%*
Remaining available inventory	611	1	20
Original $PSF	$1,001	n.a.	$1,089
Minimum Size (sq. ft.)	321	2,380	961
Maximum Size (sq. ft.)	1,242	2,380	1,674
Minimum Price	$321,900	$705,000	$1,069,900
Maximum Price	$1,242,900	$705,000	$1,799,900
Notes			

Source: Altus Group

- Sales rates through April in the new condominium projects opened in the first 4 months of the year compared favourably with previous years. **For the limited number of projects launched in April, the absorption rate was down from last year, but was not out of line with April 2018.**
- 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.

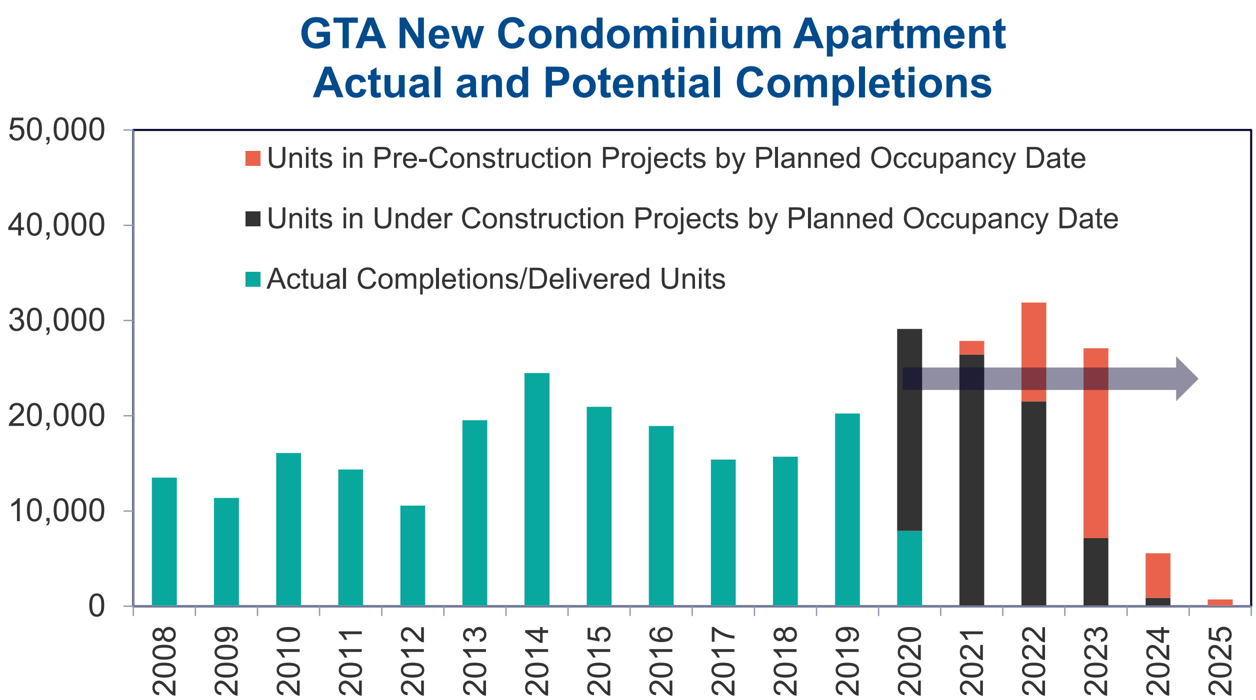


** The total includes unreleased units, and projects opened in the last 10 days of the month.*

Source: Altus Group

New Condominium Apartments - Completions

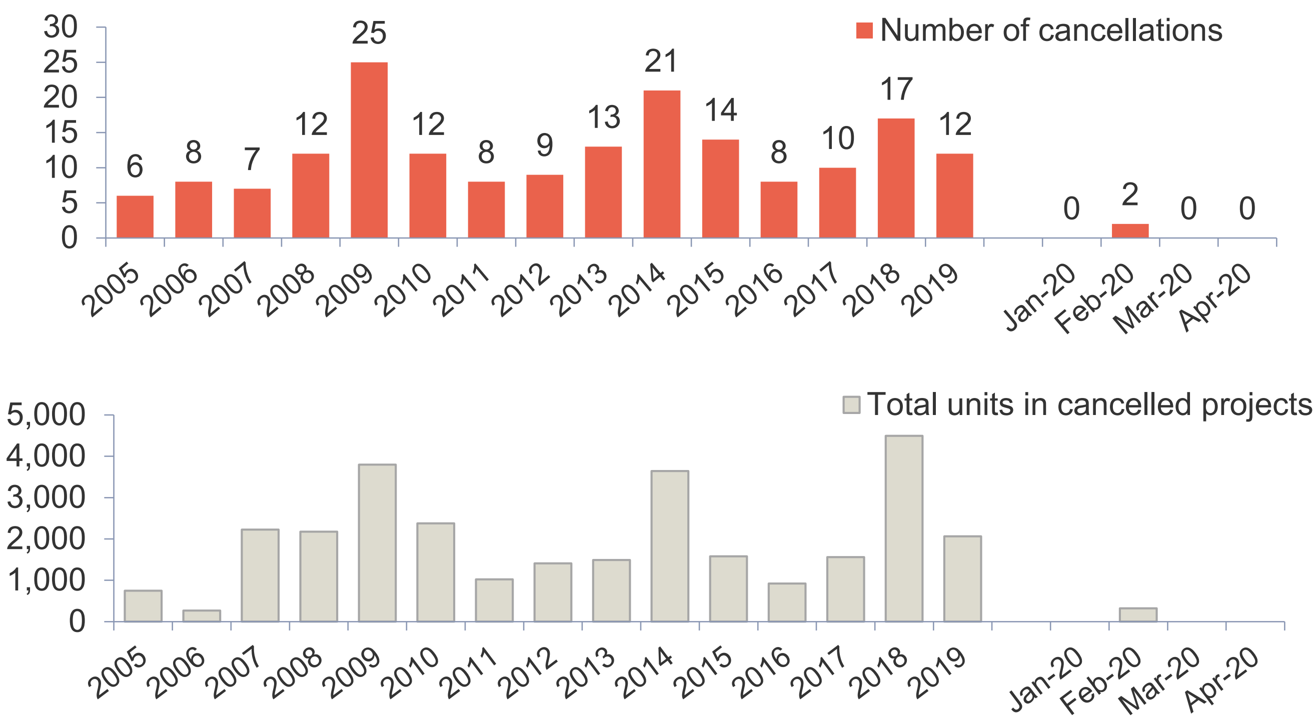
- As of the end of April 2020, there were about 114,300 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Just under 3,000 units were delivered/ready for occupancy in April 2020**, based on Altus Group data. This is the largest monthly number since last April (which was just under 4,200 units). Year-to-date, there have been just over 7,900 units delivered, down 8% from a year ago.
- 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 2020. **While the limited work stoppages mandated during the Province's Emergency Period have now all been lifted, there may still be some COVID-19 related disruption which could delay deliveries beyond the "typical" delays experienced in recent years (such as some construction site delays due to social distancing measures, worker illness, disruption in materials supply chain, etc.).** Looking beyond 2020, slower absorption rates of more recently launched projects could push intended start dates for some newer projects out, with a corresponding delay in delivery dates.



Source: Altus Group

- **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. Going forward, we will be tracking cancelled projects in this report on a monthly basis.
- **There were no new condo apartment projects cancelled in either March or April**.
- **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). **The 2 projects cancelled in February 2020 had not achieved the 70% sales threshold.**

Condominium Apartment Projects Cancelled During Each Year, GTA

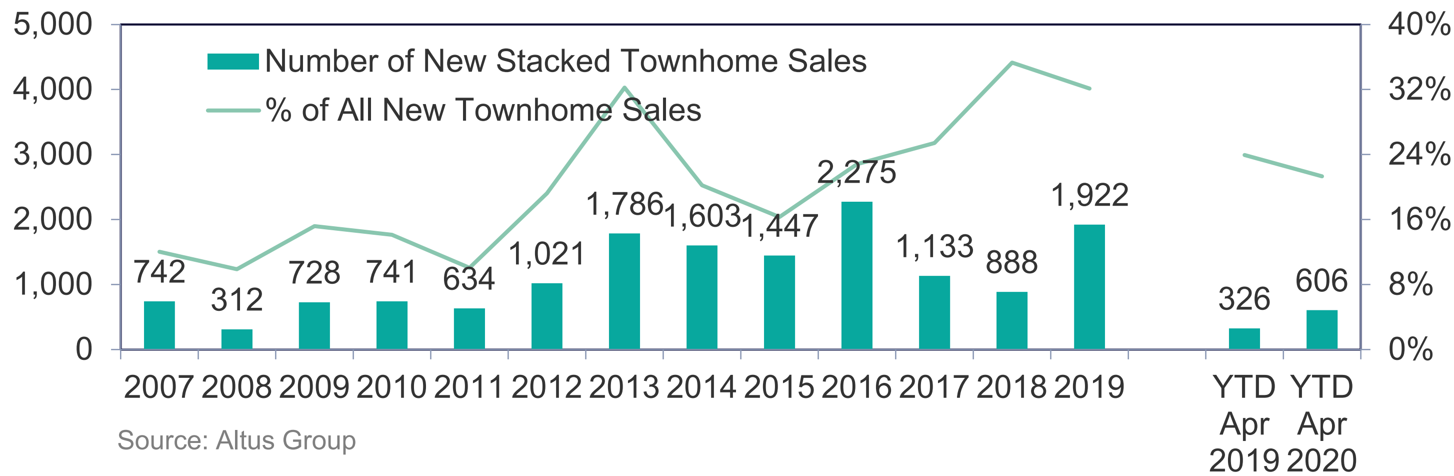


Source: Altus Group

New Stacked Townhomes

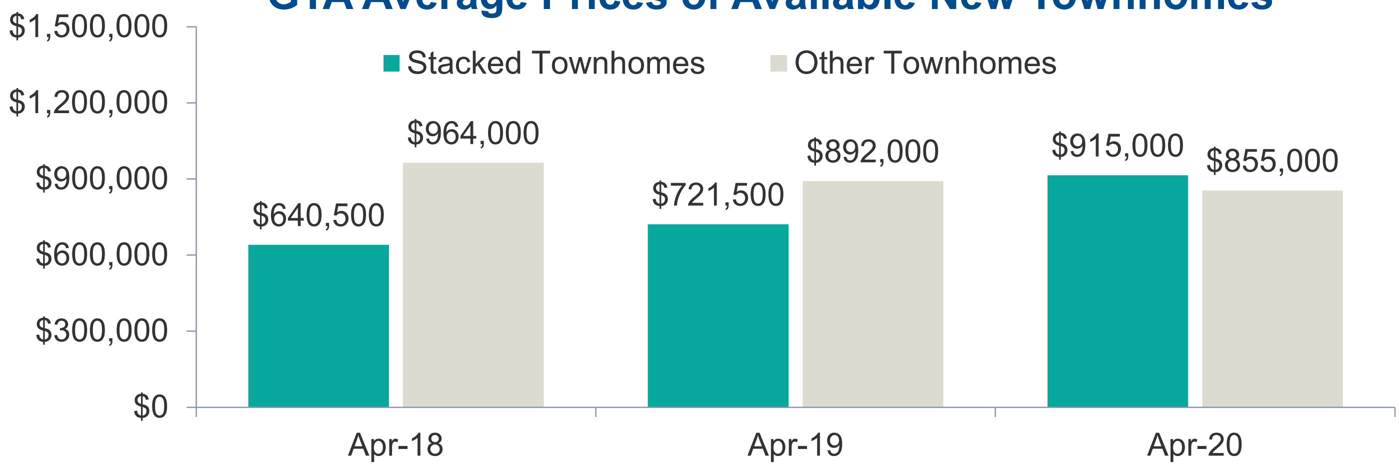
- Stacked townhomes are included in the previous data on condominium apartments. Here we break this product type out separately to look at recent trends in this segment, and to also combine it with traditional townhome information to cover townhomes as a group.
- **Sales of new stacked townhomes** more than doubled in 2019, and **continued to improve in the first four months of 2020**. Sales of new traditional townhomes, however, increased at an even stronger rate, such **that the share of total townhome sales accounted for by stacked townhomes has declined**.
- **The lower average price-point of new stacked townhomes vs. traditional townhomes had been providing an attractive alternative for many buyers seeking more affordable options**. However, **this advantage was wiped out in the past year**, with the average price of an available traditional townhome declining, while the average price for a stacked townhouse continued to move up.

GTA New Stacked Townhome Sales



Source: Altus Group

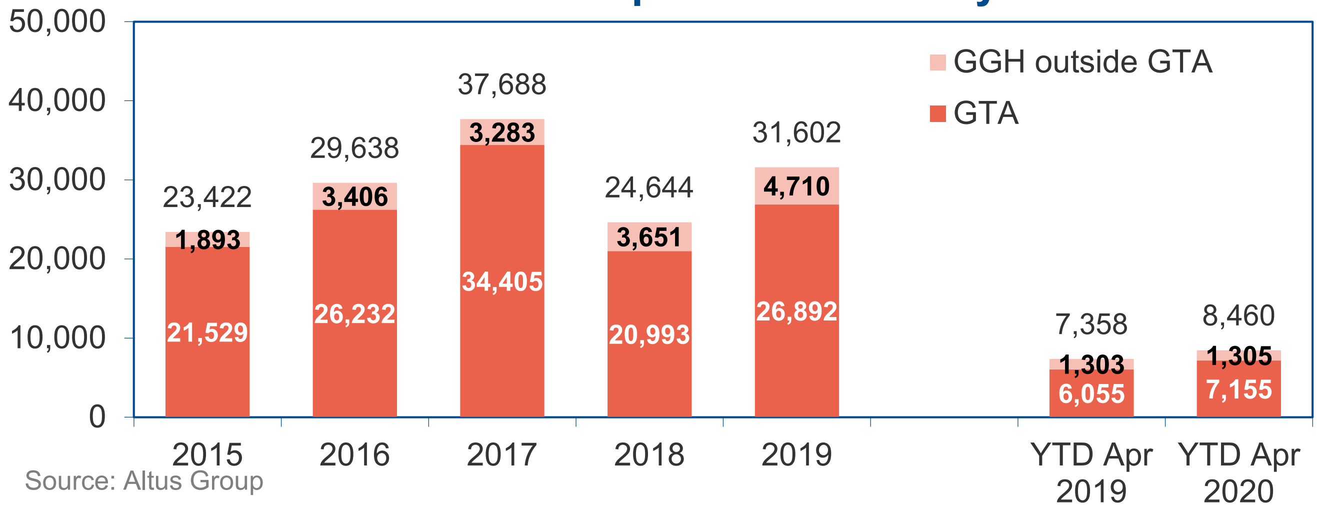
GTA Average Prices of Available New Townhomes



Source: Altus Group

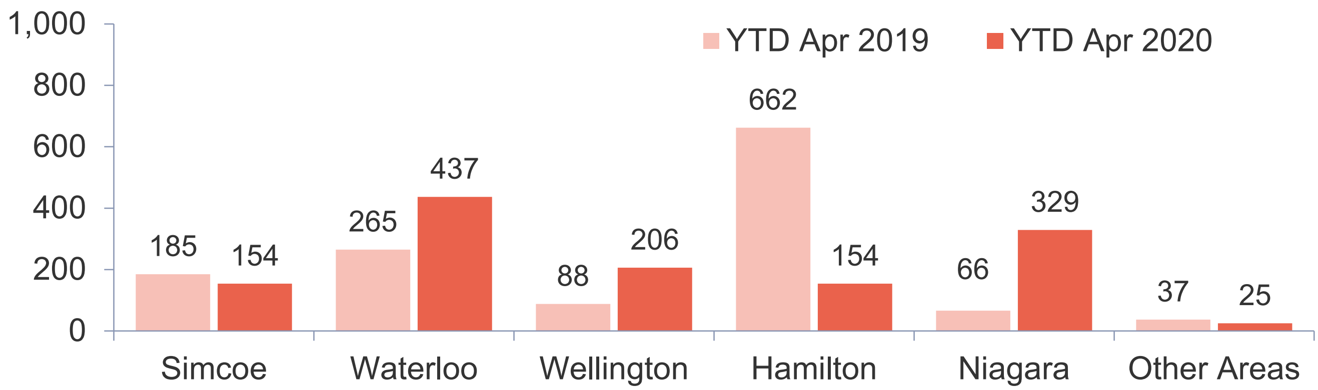
- Altus Group also tracks new condominium apartment sales (as well as new single-family sales) in most areas of the Greater Golden Horseshoe (GGH) outside of the GTA. Like the GTA, **new condominium apartment sales were up in 2019 in other areas of the GGH** covered by Altus Group. Year-to-date 2020, sales in other areas of the GGH have been stable, unlike the overall increase for the GTA. However, like the GTA, new condo sales did plummet in April in GGH areas outside the GTA (*chart top of next page*).
- Some industry observers are speculating that COVID-19 is pushing buyers to lower-density areas. **Pre COVID-19, there had already been some shift emerging of the GGH areas outside the GTA capturing a larger share of total new condo apartment sales** (*chart bottom of next page*). While April did show some additional shift, the small sample and short timeframe suggest this should not be taken at this time as evidence of an acceleration in this trend.

GGH New Condominium Apartment Sales by Broad Area

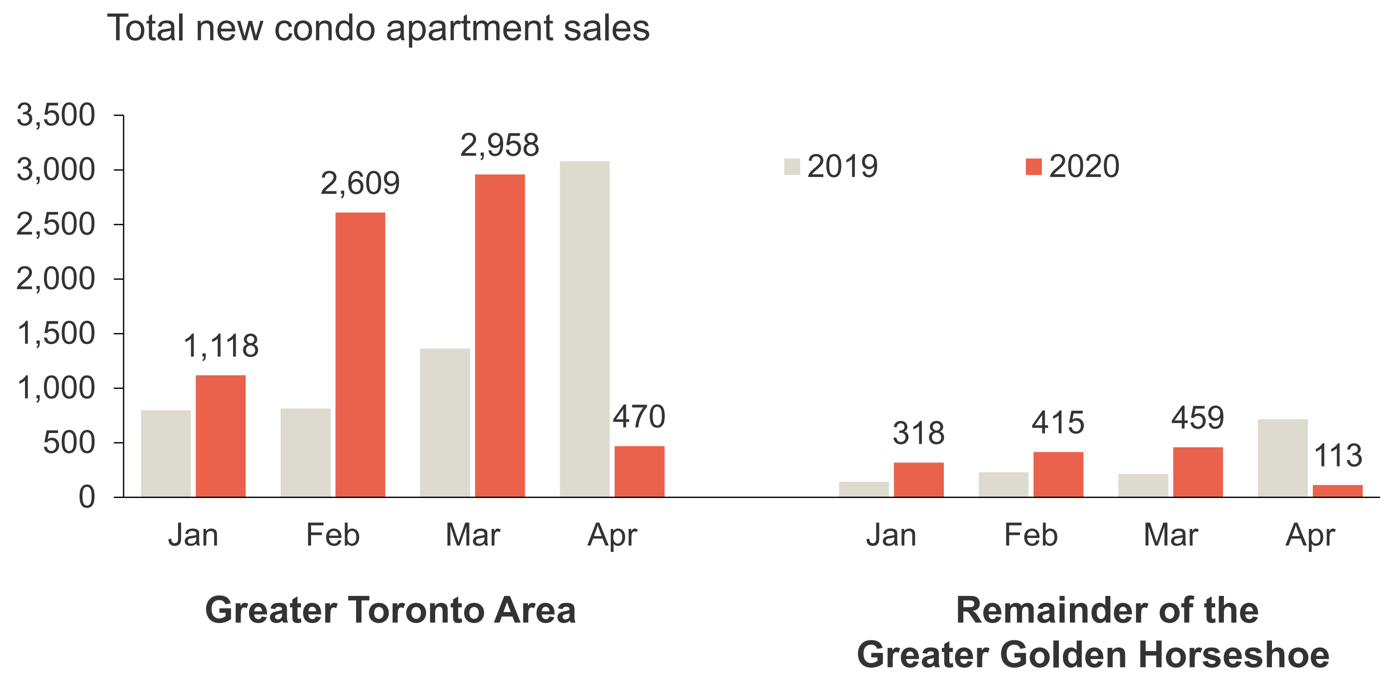


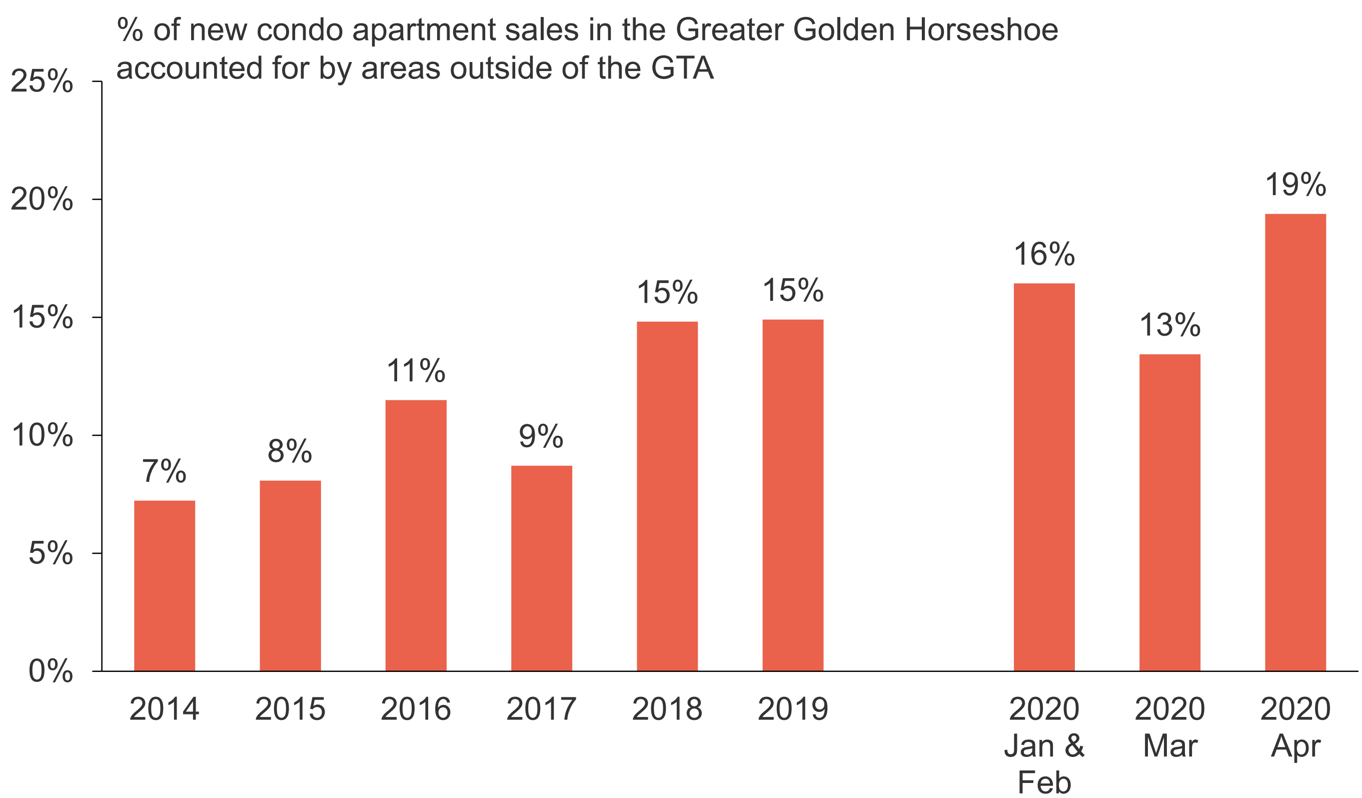
Source: Altus Group

GGH Outside GTA New Condominium Apartment Sales by Region/County



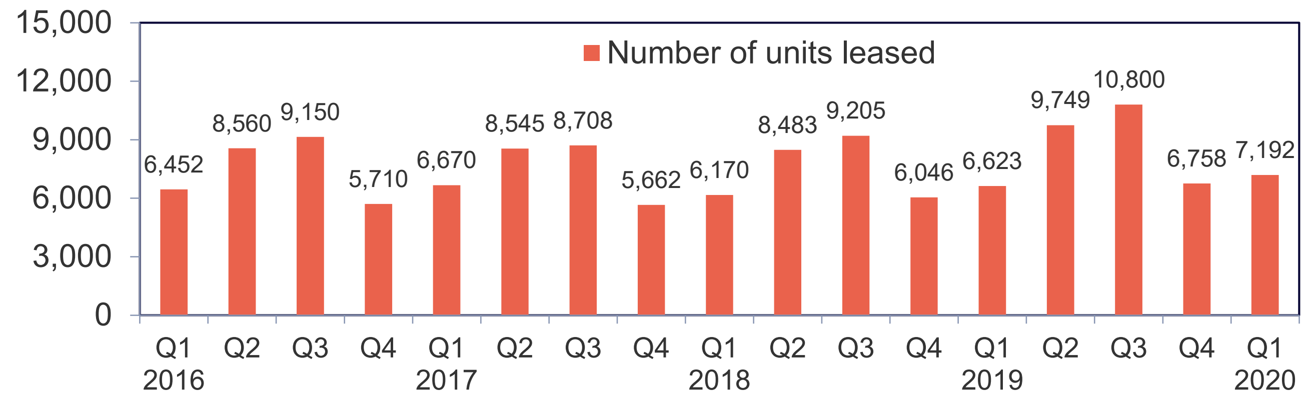
Source: Altus Group

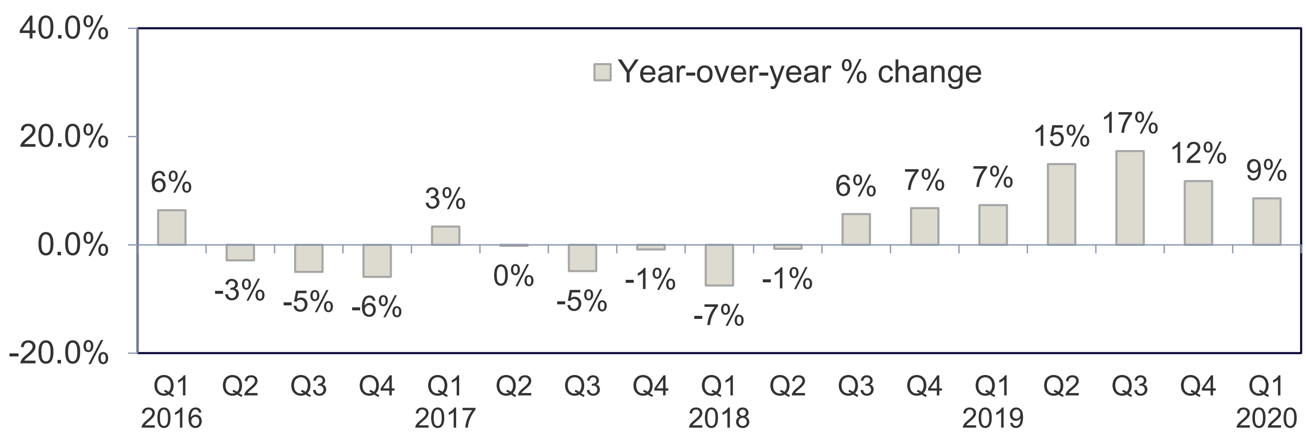

Total new condo apartment sales
3,500
3,000
2,500
2,000
1,500
1,000
500
0
2019
2020
1,118
2,609
2,958
470
318
415
459
113
Jan
Feb
Mar
Apr
Jan
Feb
Mar
Apr
Greater Toronto Area
Remainder of the Greater Golden Horseshoe


% of new condo apartment sales in the Greater Golden Horseshoe accounted for by areas outside of the GTA
25%
20%
15%
10%
5%
0%
7%
8%
11%
9%
15%
15%
16%
13%
19%
2014
2015
2016
2017
2018
2019
2020 Jan & Feb
2020 Mar
2020 Apr

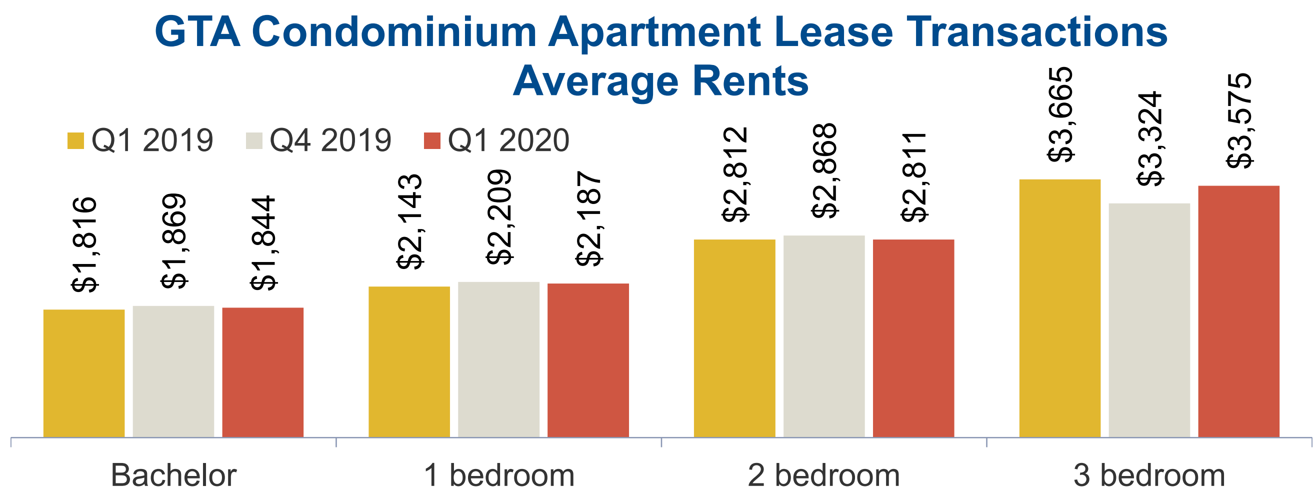
- The number of lease transactions for rented condominium apartment units was up in Q1 2020 from the previous quarter, according to data from the Toronto Regional Real Estate Board. However, this is a typical seasonal pattern. **More importantly, the number of lease transactions was 9% higher than in Q1 2019, marking the 7th quarter in a row to post a year-over-year increase.**
- **Average rents for leased condominium units in Q1 2020 were generally down on a quarter-to-quarter basis** (chart top of next page), except for 3 bedroom units.
- Year-over-year, average rent increases continued their pre-COVID pattern of moderating, with average rents for 1 bedroom units up just over 2% in Q1 2020 from a year earlier (*chart next page*).

GTA Condominium Apartment Lease Transactions (All Bedroom Types)

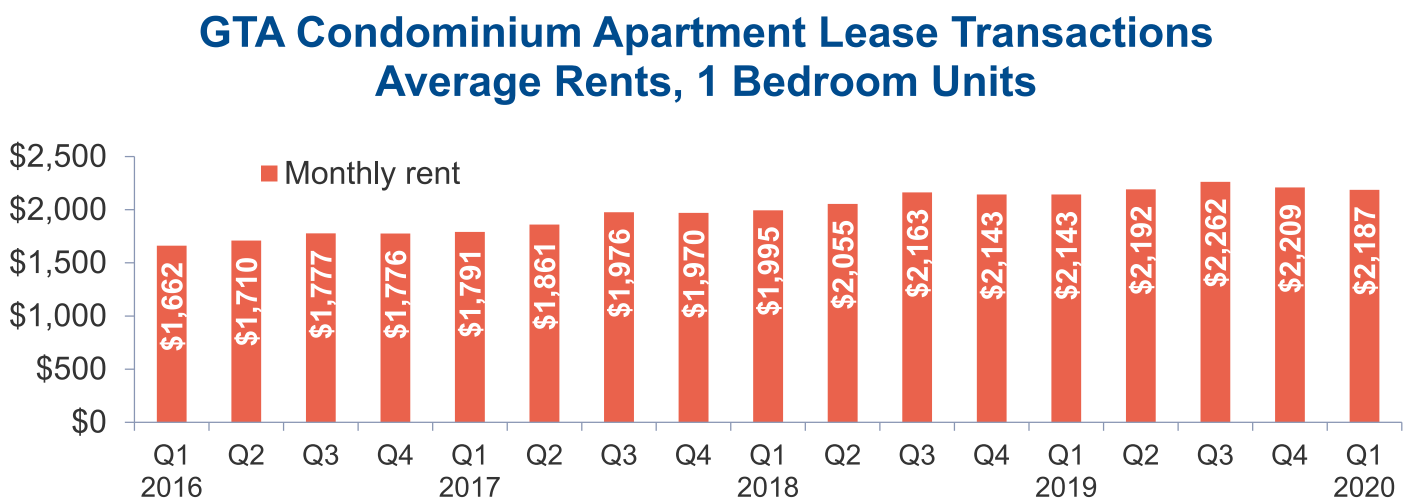


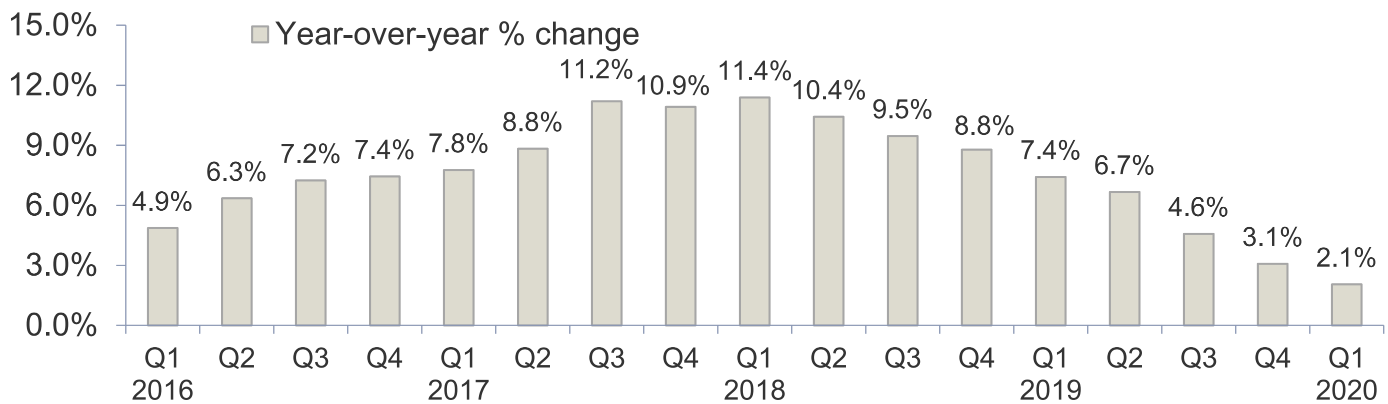


Source: Altus Group based on Toronto Real Estate Board data



Source: Altus Group based on Toronto Real Estate Board data





Source: Altus Group based on Toronto Real Estate Board data

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