# Calgary Market Area
# Calgary Inner-City

Altus Group

New Homes Sub Market Report
Data as of June 2020

# Calgary Inner-City

## Submarket Report – June 2020


## YTD Sales June 2020

| High Rise Apartment | Mid Rise Apartment | Low Rise Apartment | Townhomes | Total |
|---|---|---|---|---|
| 69 | 17 | 11 | 4 | 101 |

## Annual Sales

| 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|
| 922 | 1,819 | 1,815 | 1,904 | 937 | 453 | 576 | 433 | 421 |

## Current Overview:

- There were a total of 21 projects with 22 actively selling phases in the Calgary Inner-City Submarket as of the end of Q2 2020. The number of active phases declined from 27 in the previous quarter with Gablecraft Homes' Low Rise apartment Bridgeland Hill, and CDH Developments' Low Rise apartment Tela both selling out. Meanwhile Nest High Rise apartments by BMP Construction Management, alongside Torode Realty Advisors' Mid Rise apartment Irvine were converted to purpose-built rental buildings. Additionally, Salim Daklala's Low Rise apartment Dallas 54 was cancelled due to inactivity.

- These 22 active phases represent approximately 3,000 new home units, of which 569 remain available for sale and 101 have yet to be released to market. In total, 78% of the total released units have been sold. Based on 2019 sales activity, the current availability represents approximately 1.4 years of supply. The remaining inventory decreased by 52% compared to Q2 2019 due to a combination of phases selling out, converting their remaining inventory to rental, or converting entirely to purpose-built rental buildings.

- There were 29 new home sales reported in Q2 2020, reflecting a decrease of 74% from Q2 2019. A significant portion of this variance can be attributed above average sales figures documented during Q2 2019 by Batistella Developments' High Rise Nude, as well as Minto's High Rise Era (now sold out) both of which recorded their second highest sales numbers during Q2 2019.

- The current average monthly sales rate for the active phases stands at 1.8 units per month, although sales per phase during the second quarter averaged less than 1 unit per month as was the case in Q1 2020.

- There were zero new launches in the Calgary Inner City submarket during Q2 2020.

## Current Supply

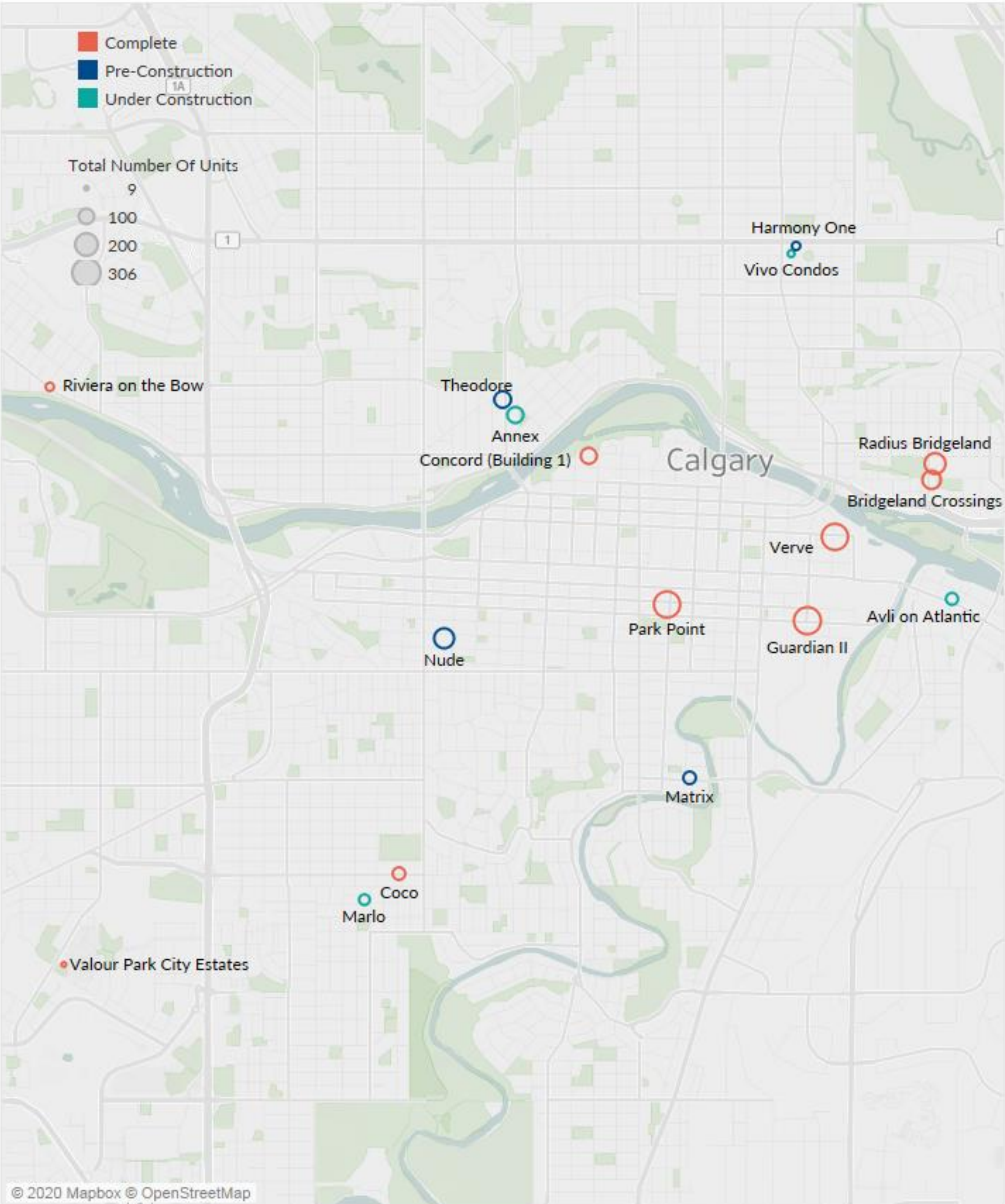
| Property Type | Number of Active Phases* | Total Homes | Homes Sold | Homes Available | Unreleased Homes |
|---|---|---|---|---|---|
| High Rise Apartment | 8 | 1,802 | 1,463 | 332 | 7 |
| Mid Rise Apartment | 7 | 564 | 407 | 141 | 16 |
| Low Rise Apartment | 4 | 224 | 112 | 53 | 59 |
| Townhomes | 3 | 77 | 15 | 43 | 19 |
| **Grand Total** | 22 | 2,667 | 1,997 | 569 | 101 |

**A phase is defined as a component within a project (E.G. A project consisting of three buildings would be counted as having three phases)*

## Current Pricing & Size

| Property Type | Avg. $/SF Min | Avg. $/SF Max | Current Avg. $/SF | Avg. Min Size | Avg. Max Size |
|---|---|---|---|---|---|
| High Rise Apartment | $530 | $884 | $650 | 564 | 2,138 |
| Mid Rise Apartment | $507 | $518 | $605 | 685 | 1,601 |
| Low Rise Apartment | $352 | $490 | $502 | 602 | 1,298 |
| Townhomes | $405 | $430 | $422 | 1,632 | 2,267 |

## Current Active Phases



## Active Phases – Top 5 by Quarterly Sales

| Phase Name* | Developer | Type | Open Date | Current Avg. $/SF | Homes Sold | Quarterly Sales |
|---|---|---|---|---|---|---|
| Theodore | Graywood Developments Ltd | High-Rise Apartment | May-2019 | $609 | 38 | 6 |
| Nude | Battistella Developments | High-Rise Apartment | Oct-2018 | $538 | 79 | 5 |
| Guardian II | Hon Developments | High-Rise Apartment | Mar-2014 | $639 | 240 | 4 |
| Avli on Atlantic | Greenview Developments | Mid-Rise Apartment | Nov-2014 | $581 | 48 | 3 |
| Annex | Minto | Mid-Rise Apartment | Jun-2018 | $650 | 44 | 2 |

**A phase is defined as a component within a project (E.G. A project consisting of three buildings would be counted as having three phases)*

## Market Insights

- While a small number of developers have re-opened their sales centres to walk-in clients whilst maintaining social distancing measures, most sales centres in the Calgary Inner-City Submarket continue to offer to meet clients virtually or by appointment only in Q2 2020. According to comments shared by sales staff, the overall volume of inquiries they've received gradually increased over the last couple of weeks.

- As initially expected, the impact that COVID-19 had on the market was significantly more pronounced during the Q2 period. Although Q2 2020 recorded the lowest sales figures across all build types in the Calgary Inner City submarket in the last four years, average price per square foot continued the uptrend it has observed since the first half of Q1 2020.

- Some phases in the Calgary Inner City submarket have converted a portion of their remaining inventory to rental, a notable example would be Bucci Development’s Mid Rise Radius Bridgeland which leased 42% of its original remaining inventory and is considering converting further units to rental to capitalize on the demand they are experiencing. Vivere Development Partnership’s Mid Rise apartment Vivo is also entertaining the idea of converting their development to a purpose-built building.

- Notable incentives being offered in the Calgary Inner City submarket in Q2 2020 include: three year rental guarantees for investors, a developer offering to pay the mortgage, condo fees and utilities of the buyers for the rest of the 2020 calendar year, a developer offering to pay for half of the buyers’ mortgage payments for one year on select suites, and a developer offering a 10% discount on the purchase price of their largest units.

## Future Phase Supply**

| | Coming Soon (Next 12 months) | |
|---|---|---|
| **Property Type** | **Number of Phases** | **Total Homes** |
| High Rise Apartment | -- | -- |
| Mid Rise Apartment | 2 | 258 |
| Low Rise Apartment | 1 | 66 |
| Townhomes | 2 | 104 |
| **Grand Total** | 5 | 428 |

***Based on new openings/releases projected to launch within the next 12 months as confirmed at the time of this report*