The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of June 2020

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New Condominium Apartment Dashboard

June 2020			YTD June 2020	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
744	**9,679**	**$999,228**	**8,347**	**$973,107**
-73% ▼	**-33%** ▼	**24%** ▲	**-32%** ▼	**24%** ▲
Record low for June	***Lowest since 2017 and also below 10 year average***	***Record high***	***Lowest YTD June since 2013***	***Record high***

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

Highlights

- **The condominium apartment market is starting to shake off the impacts from the COVID-19 pandemic as sales volumes strengthened further, though new project launches continue to languish**. The relaxation of pandemic restrictions is allowing reopening plans to gather momentum. However, as was expected, sales activity remained significantly below typical levels.

- **June new home sales across the GTA, though improved, remained below 1,000 units for the 3rd consecutive month.** Once again, the June levels were the lowest reported since tracking began in 2000. While condominium apartment sales declined, single-family sales surpassed 1,100 unit in June, led by the single-detached and townhouse sectors.

- Consumer demand remains strong as the recovery in sales attests. With the further relaxing of restrictions as all areas in the GTA enter Stage 3, **we anticipate a more active summer sales season as deferred launches are pushed into July and August; given the early signs of increasing activity in the resale market.**

Condominium Apartment KPIs

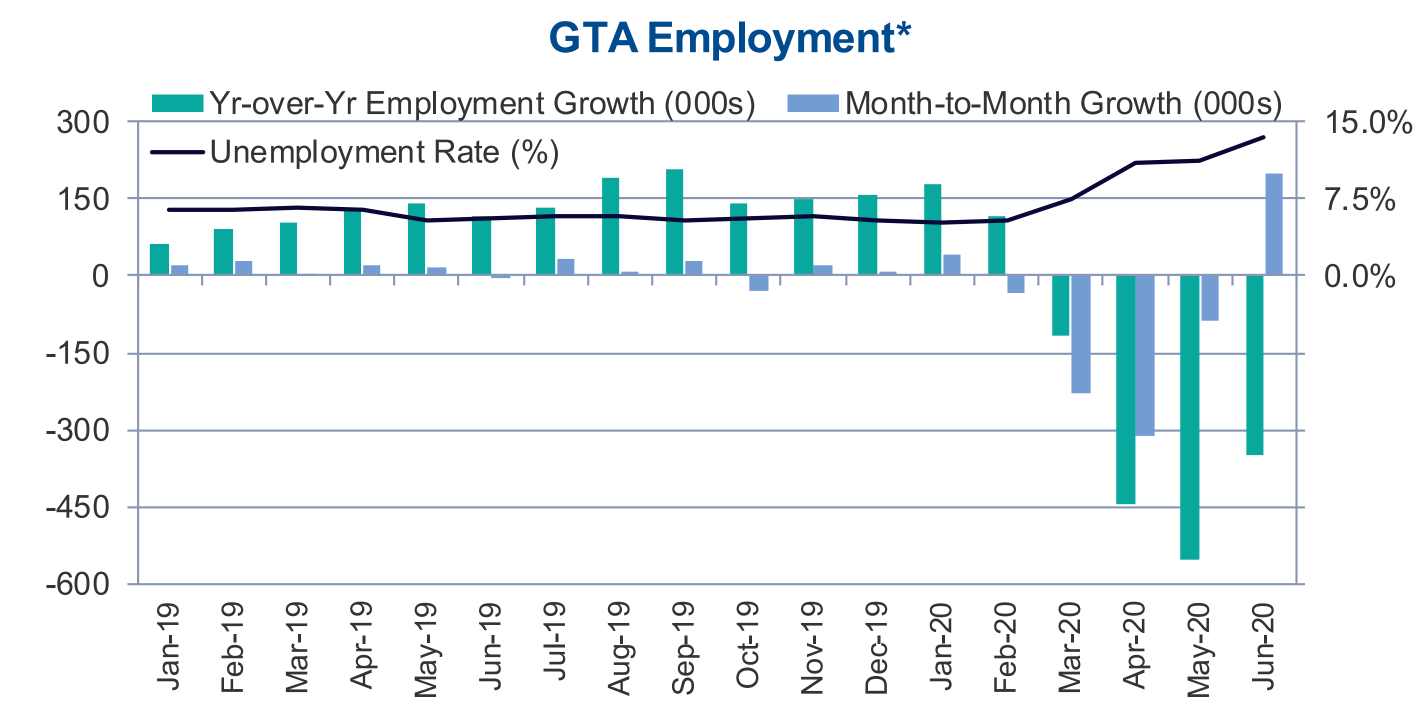
Altus Group

GTA Condominium Apartment Key Performance Indicators

	Jun-19	May-20	Jun-20	*Yr-Over-Yr % Change*	YTD Jun 2019	YTD Jun 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	356	361	360	*1%*	339	357	*5%*
New projects opened	12	3	3	*-75%*	59	27	*-54%*
Units in new projects opened	3,219	175	244	*-92%*	15,489	6,236	*-60%*
Total sales (units)	2,775	426	744	*-73%*	12,325	8,347	*-32%*
Sales as % of total new & resale	*56%*	*30%*	*29%*		*51%*	*49%*	
Inventory (units)	14,513	9,549	9,679	*-33%*	12,933	10,544	*-18%*
Sales-to-inventory ratio	19%	4%	8%	*-60%*	15%	13%	*-15%*
Months of inventory	7.3	4.6	5.1	*-30%*	7.1	4.7	*-34%*
Benchmark price	$804,591	$985,436	$999,228	*24%*	$786,675	$973,107	*24%*
Price PSF Benchmark	$923	$1,014	$1,031	*12%*	$899	$1,014	*13%*
Unit size Benchmark (sq. ft)	872	971	969	*11%*	875	959	*10%*
Units completed	2,075	950	1,163	*-44%*	12,614	10,222	*-19%*
Resale Condominium Apartments (Toronto Regional Real Estate Board data)							
Total sales (units)	2,149	1,002	1,793	*-17%*	11,787	8,717	*-26%*
New listings (units)	3,333	2,526	4,525	*36%*	19,323	16,664	*-14%*
Inventory ("active listings", units)	3,708	3,108	4,320	*17%*	3,284	2,648	*-19%*
Sales-to-inventory ratio	58%	32%	42%	*-28%*	59%	61%	*3%*
Months of inventory	2.0	1.8	2.5	*29%*	1.7	1.4	*-17%*
Average price of units sold	$590,274	$625,445	$631,704	*7%*	$576,854	$640,478	*11%*
HPI constant quality price index (Jan 2005=100)	269.2	300.0	295.2	*10%*	262.8	294.0	*12%*

** see end of report for Definitions*

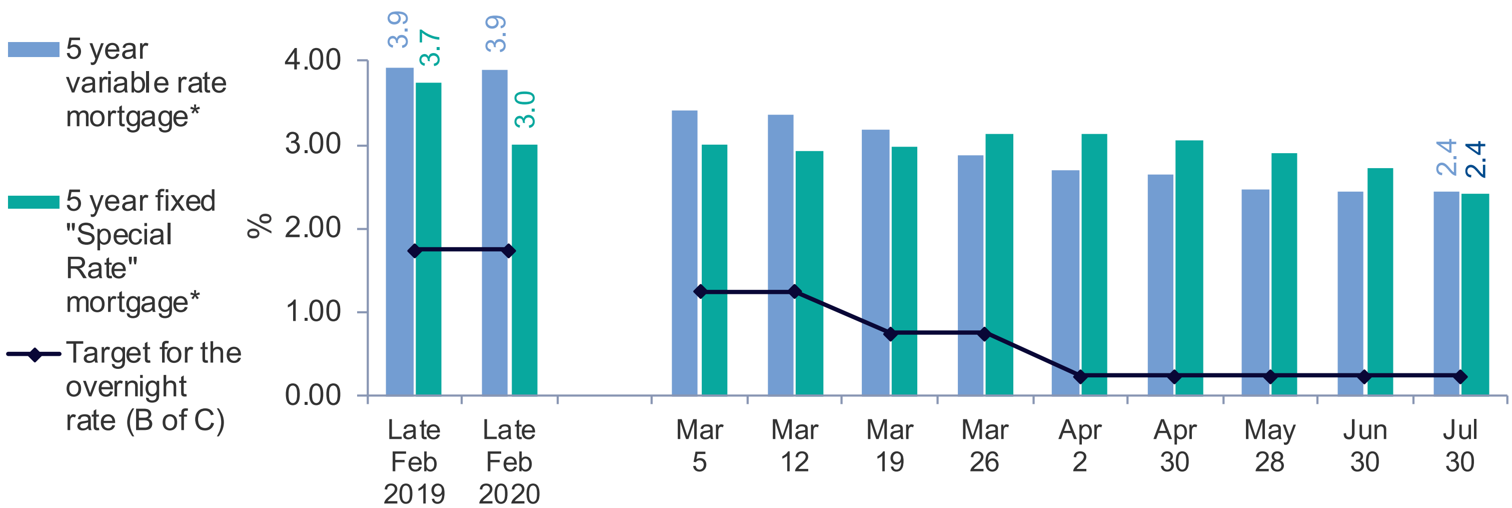
- Employment levels started to recover in June as the economy slowly began to reopen and **as government wage subsidy programs in May slowed the pace of layoffs**. Government support programs, such as CERB, have also helped consumers weather the storm and mitigate some of the major concerns regarding missed rent payments and evictions. However, as these support programs are reduced or retracted, further impacts on the economy and consumers are expected.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on July 15,** citing the "global and Canadian outlook is extremely uncertain" (*chart top of next page*). The next rate announcement date is September 9.
- **Mortgage rates have been declining since the onset of the COVID-19 pandemic** (*chart top of next page*). Currently, there are "special" fixed mortgage rates to be had in the market well below posted rates, with rates now similar to 5 year variable rates. 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*).



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

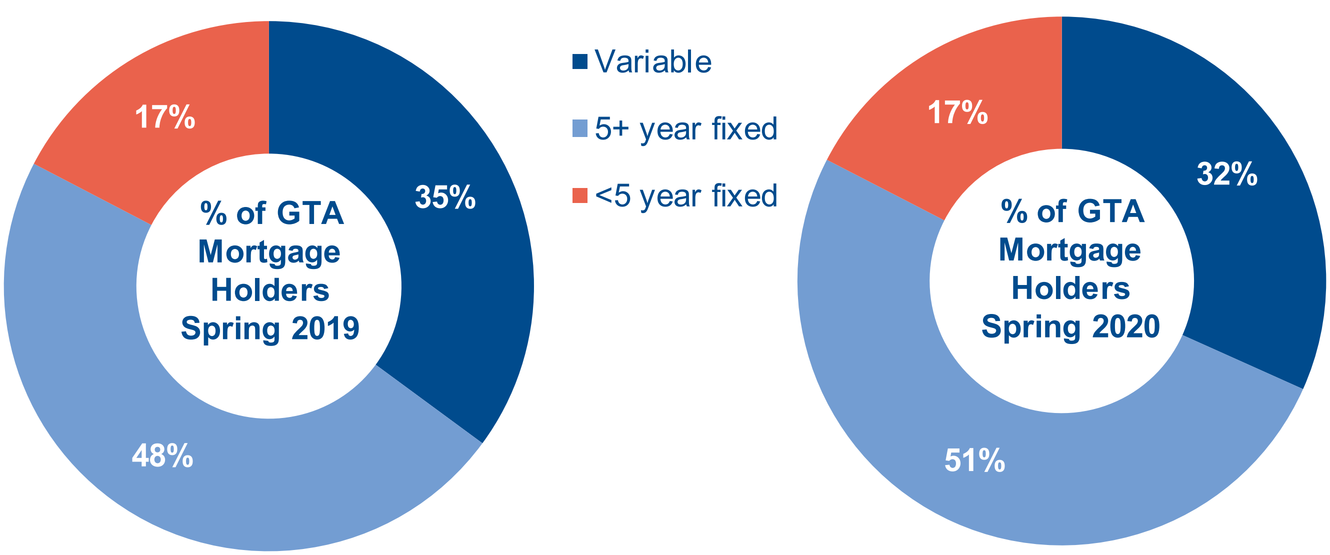
Selected Interest Rates



** Average for the major banks*

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

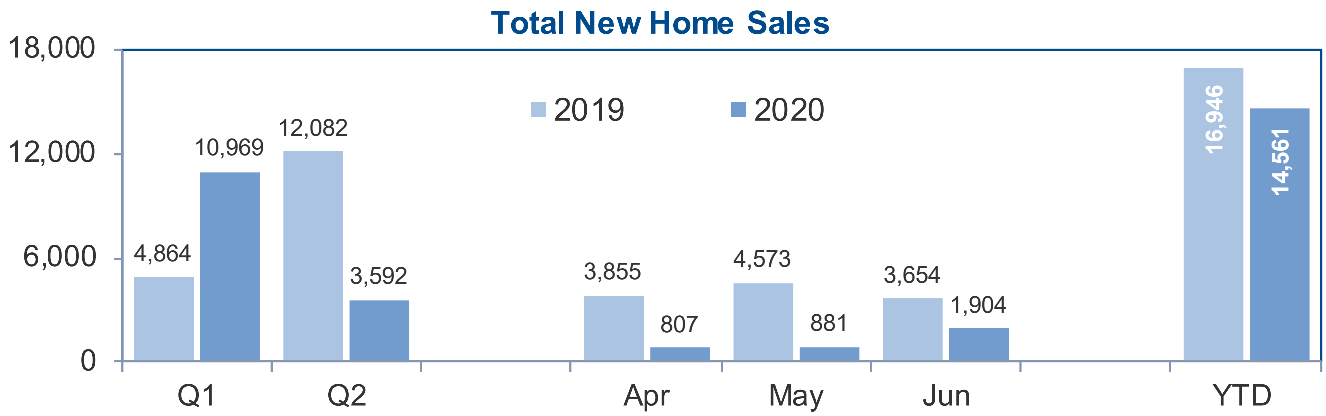
GTA Mortgage Holders by Mortgage Choice

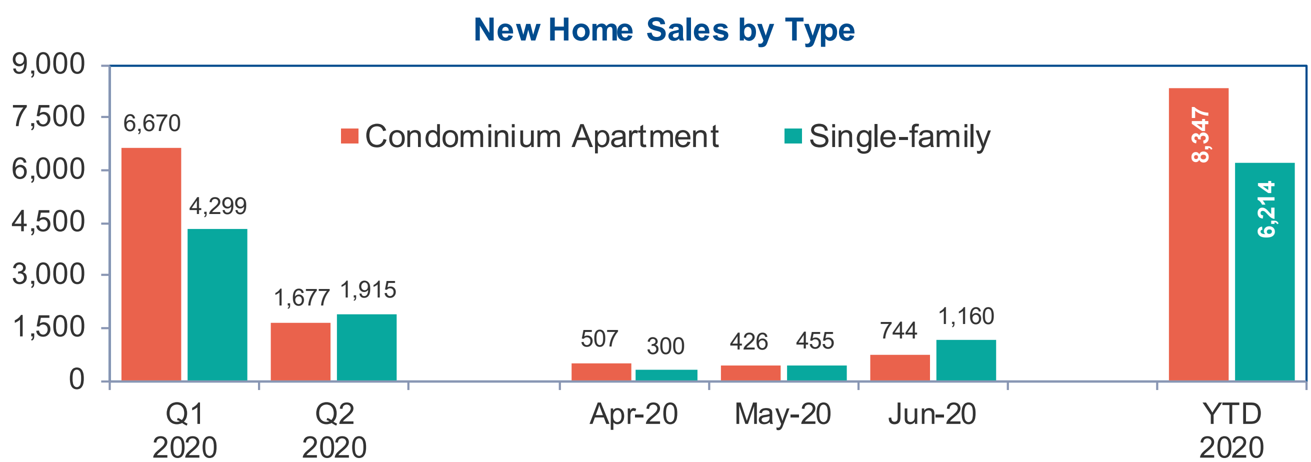


Source: Altus Group, The FIRM Survey

- The new home market is starting to recover from COVID-19 disruptions as June sales improved over the record lows in April in May. **Total new homes sales volumes were down over 48% in June** compared to a year earlier, but **more than double the level seen in May**.
- **New condominium apartment sales also were up from May,** although still well off last year's levels (*chart middle of next page*).
- **Single-family sales have improved since April and May**, with sales more than doubling in June at townhouse and detached projects (*chart bottom of next page*).
- **Year-to-date sales for the GTA are below last years volumes** at 14,561 (compared to 16,946 in 2019) though single-family sales continue to track ahead of last year.
- **Total new home sales are down year-to-date in all regions except Durham** (*see charts on page 9*)). Condominium apartment sales were lower across all regions; however, higher single-family sales, particularly in York and Durham, have offset much of the decline in total new home sales.

GTA New Home Sales

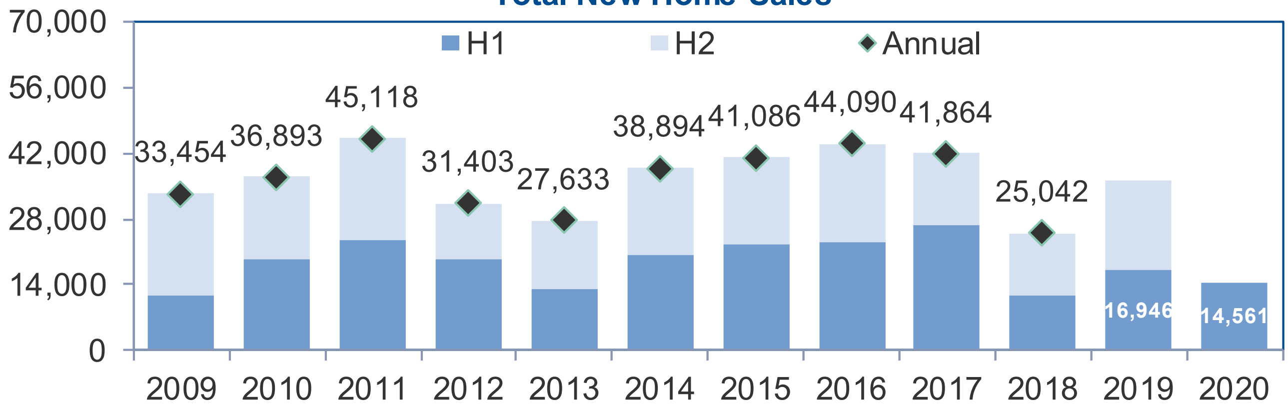


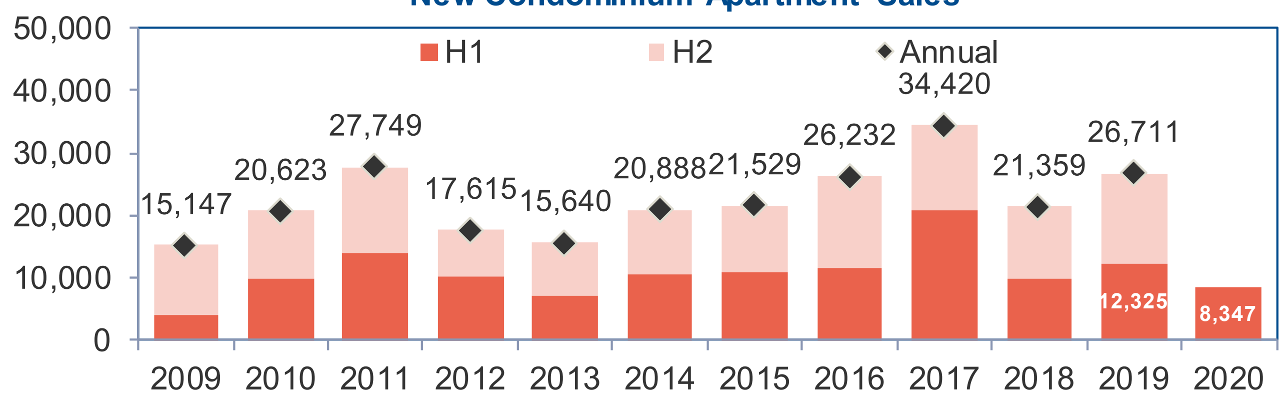


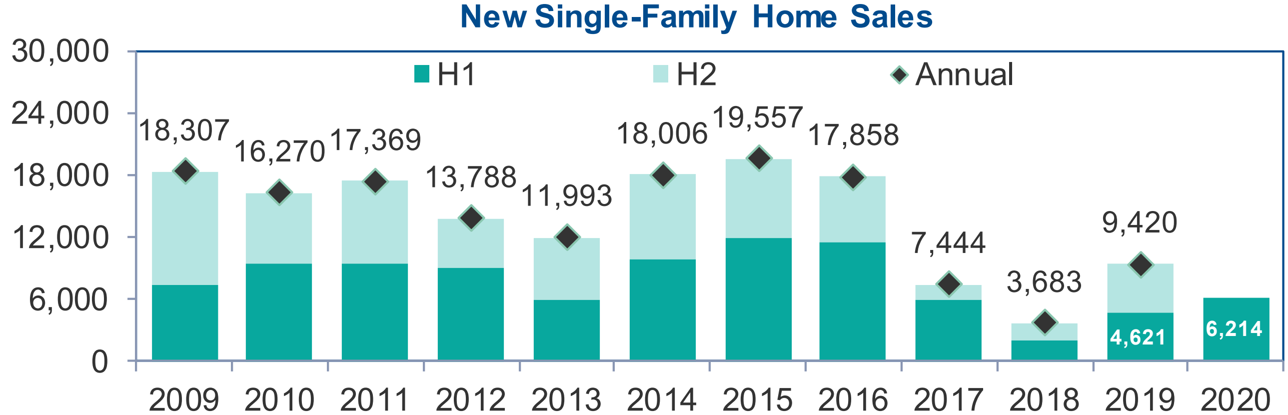
Source: Altus Group

AltusGroup

GTA New Home Sales

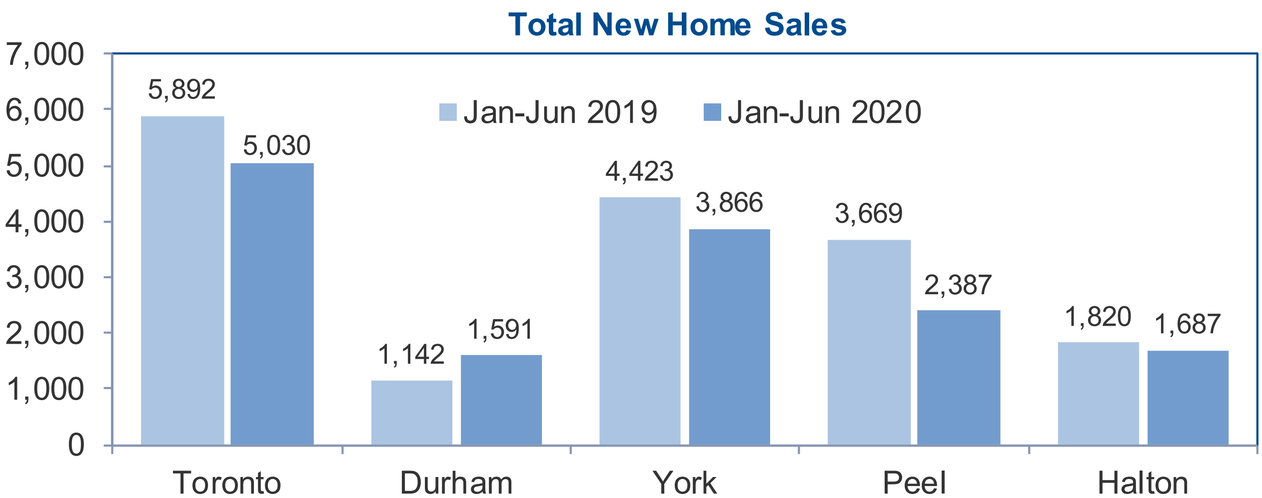


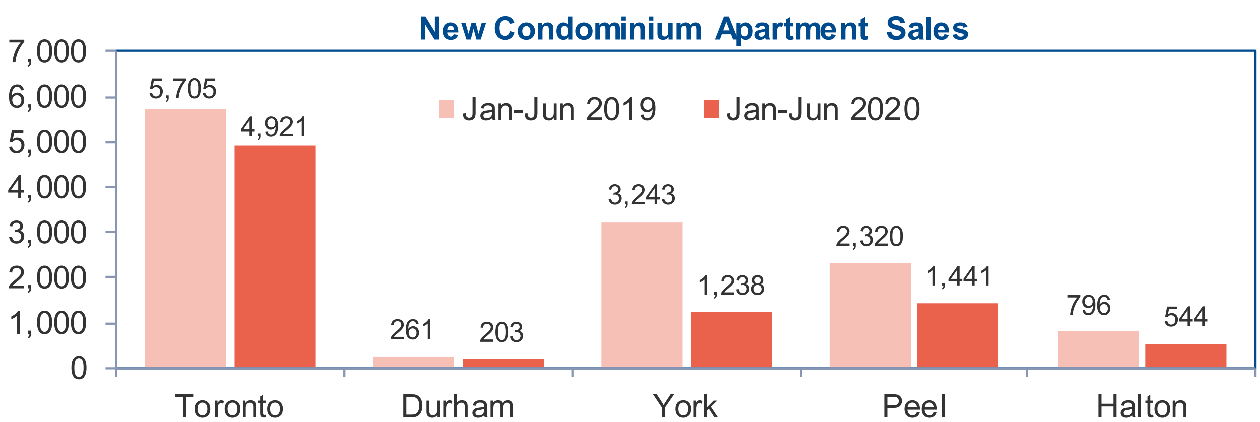


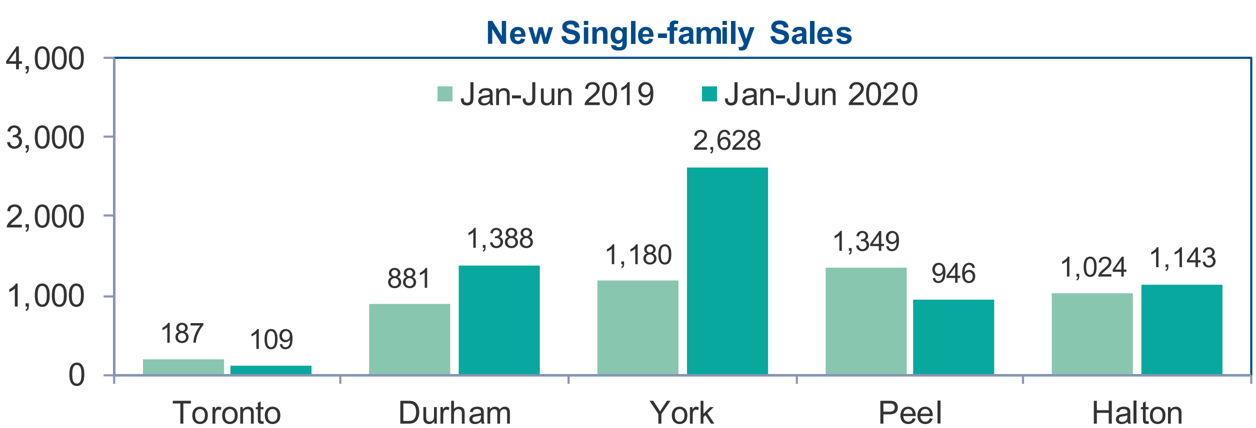


Source: Altus Group

GTA New Home Sales by Region

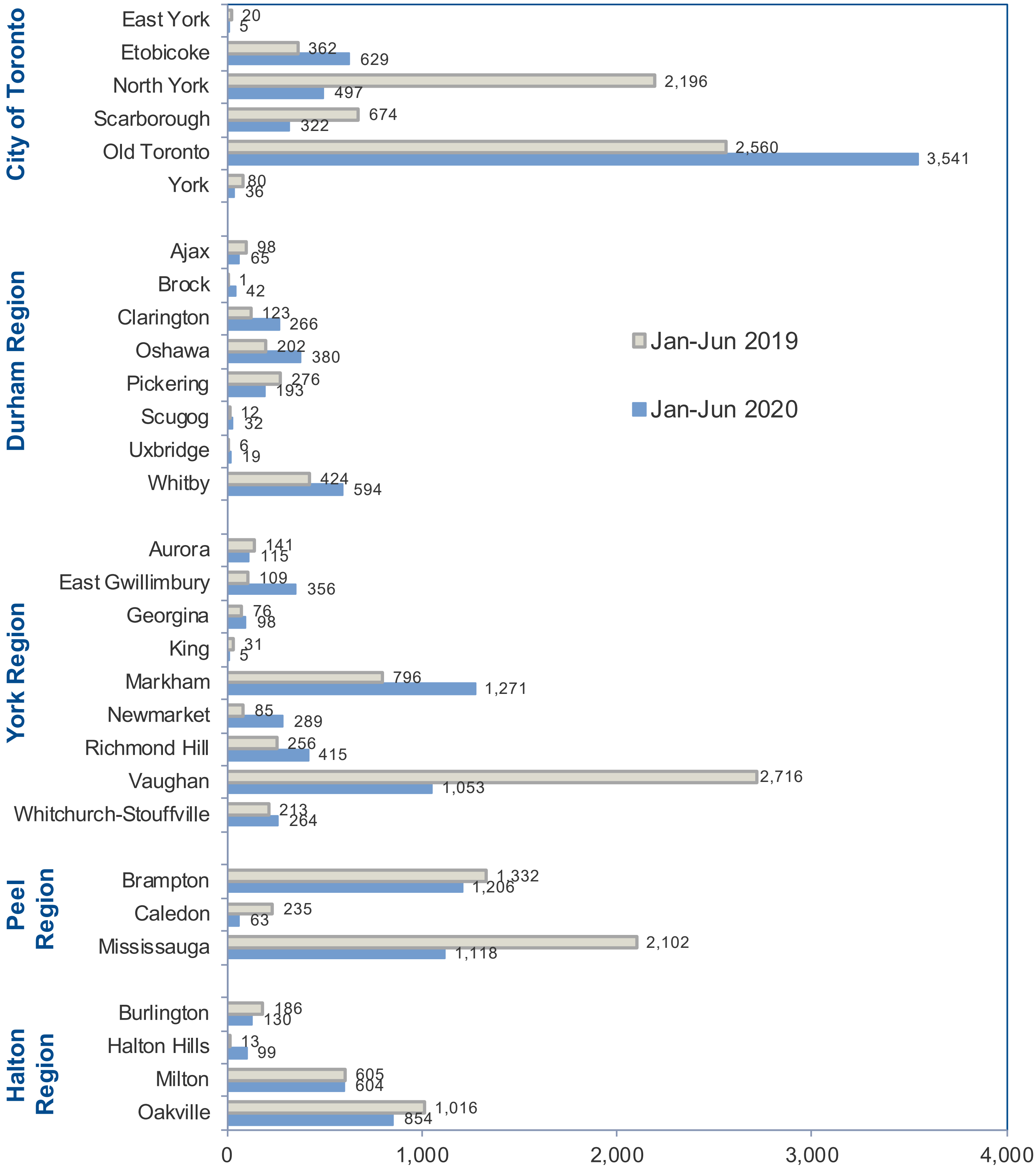






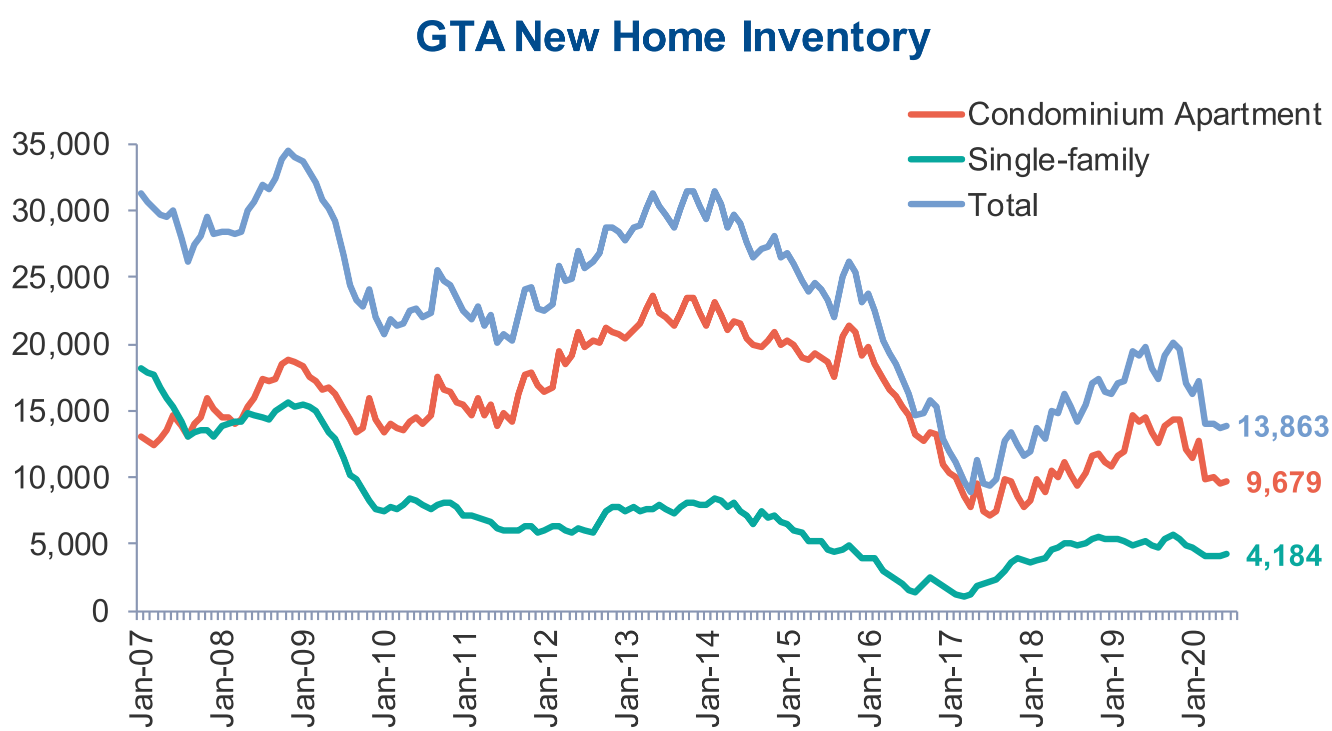
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

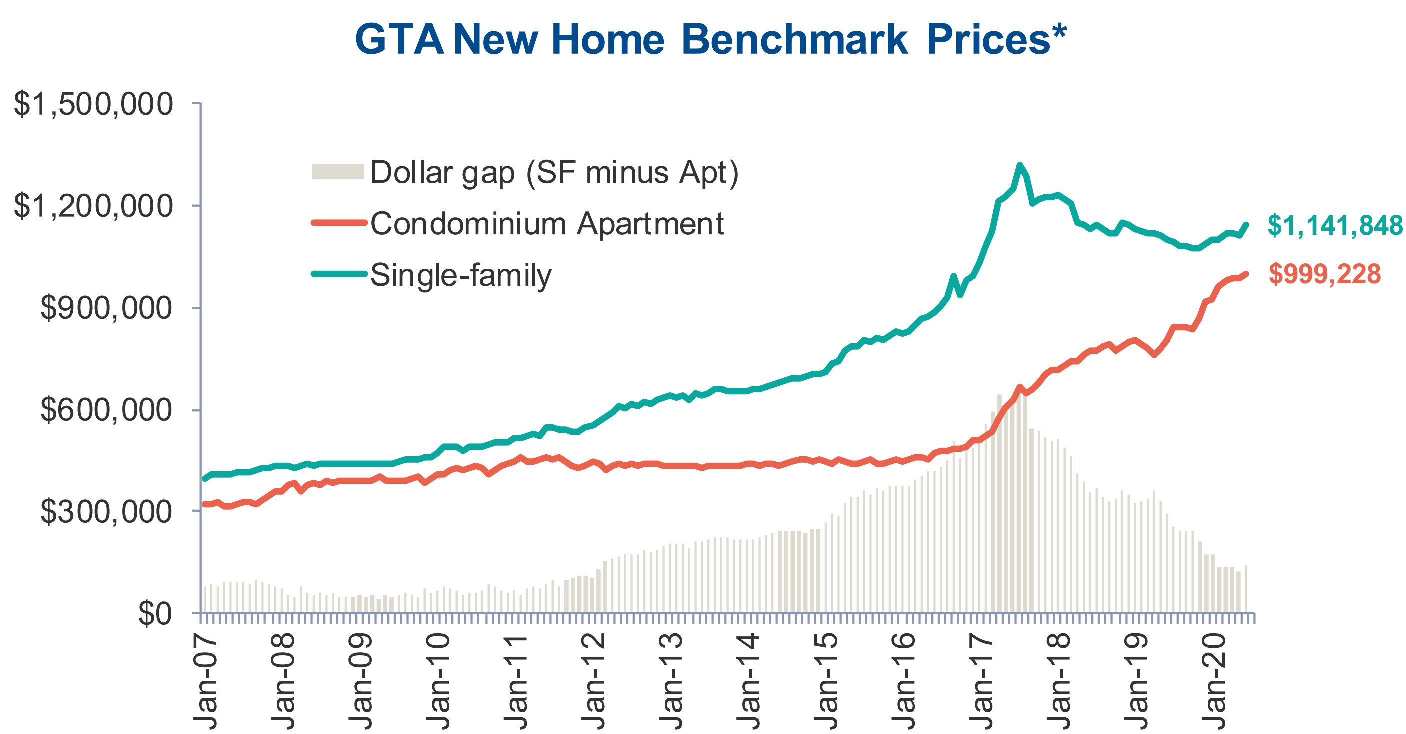
- **The total new home inventory remained essentially flat compared to May with 13,863 units currently available. The current condominium apartment supply represents approximately 5.1 months of inventory at normalized sales volumes**; however, as noted these are not normal market conditions.
- Given the slower market conditions and sales centre restrictions, the current supply remains balanced to sales demand with the market, in effect, on pause. We continue to track a number of projects that were expected to launch in the first half of 2020 that have been delayed by the pandemic; the launch of these projects could add almost 7,000 units to the market.
- **It will be critical to watch sales activity volumes as the economy reopens as faster recovery in sales without new supply could erode available inventory further.**



Source: Altus Group

New Home Market - Prices

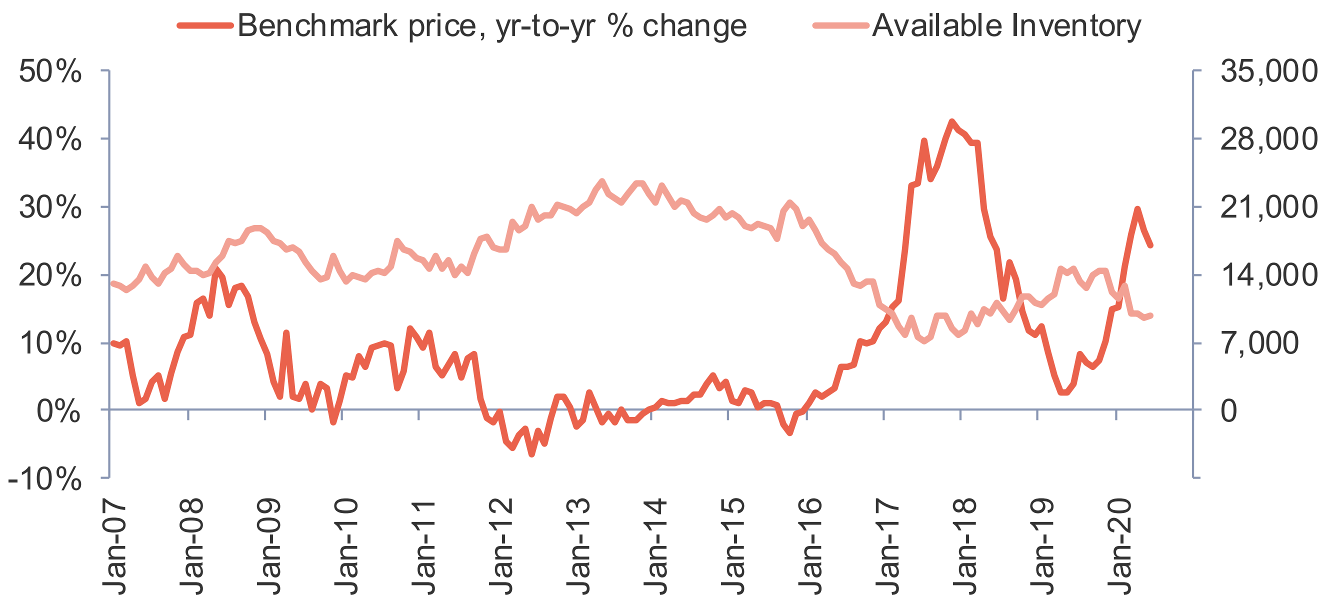
- **The Benchmark price for a new single-family home inched higher in June,** and sits about 4% above June 2019 (*chart bottom of next page)* and 13% below the peak in July 2017.
- **The Benchmark price for a new condominium apartment recorded another record high at just under $1 million.** In part, the increase reflected higher-end project openings during the month. Year-over-year, the benchmark price is up 24% (*chart top of next page*).



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

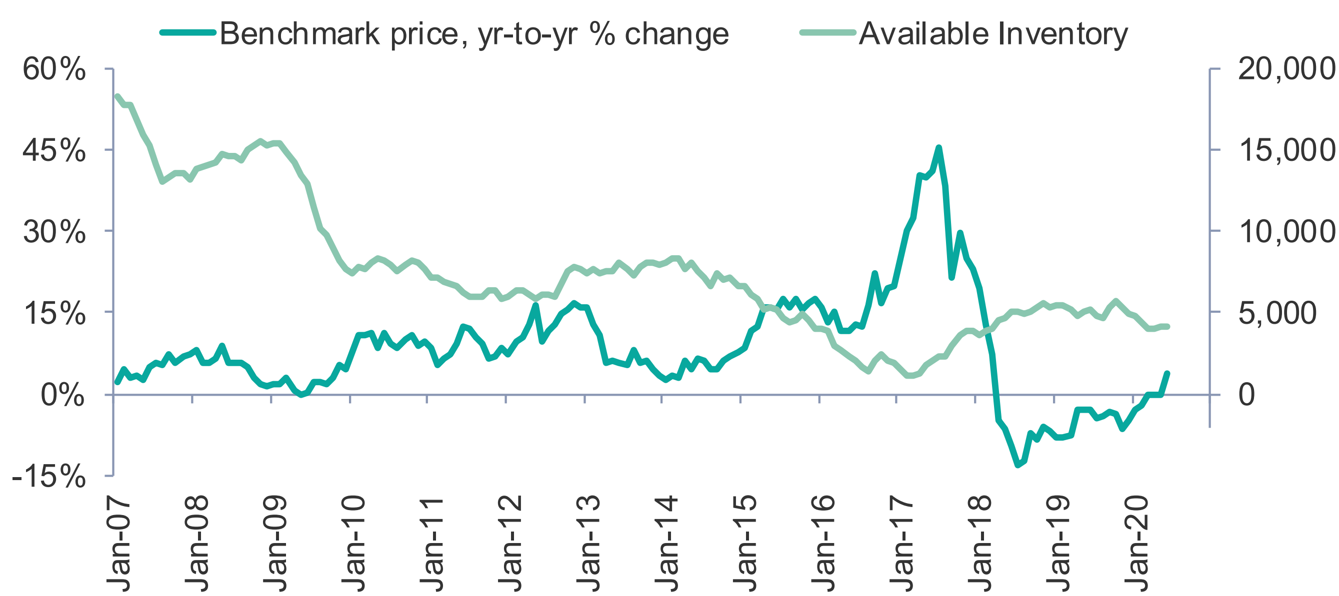
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

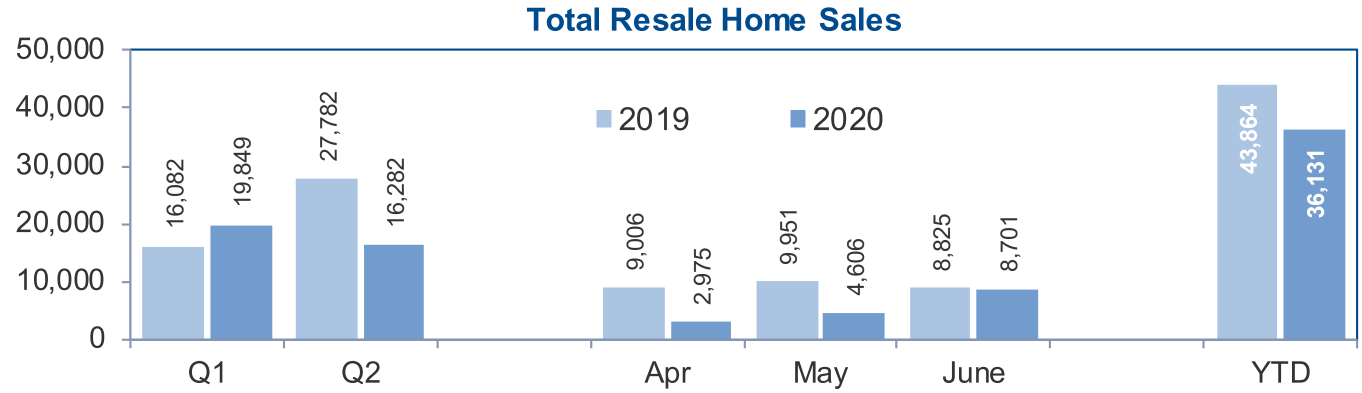
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

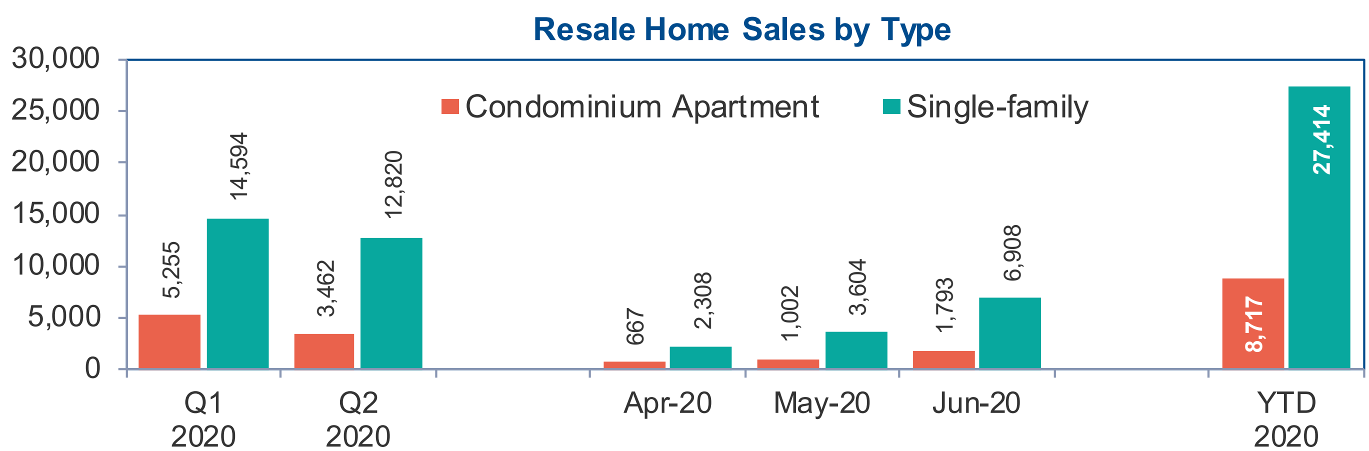


Source: Altus Group

- **Total sales of existing homes in June** (as reported by the Toronto Regional Real Estate Board) sit just 1% below June 2019 as recovery from the pandemic induced lows appears to be in full swing. The improvement in sales activity compared to April and May indicates that buyer demand remains robust in the market.
- Activity listings in June followed sales on the upward swing as both the single-family and apartment markets shared in the surge *(chart top of next page)*. That said, the number of active listings remains very low compared to more typical levels (about 30% below the 10 year average). Continued improvements in sales, as restrictions are further relaxed, could result in additional upward pressure on prices.
- The average price of homes sold climbed to a record higher in June and now sits 12% higher than June 2019 (*chart bottom of next page*). The low levels of inventory will continue to put pressure on prices and TRREB is continuing to forecast price growth through the balance of the year.

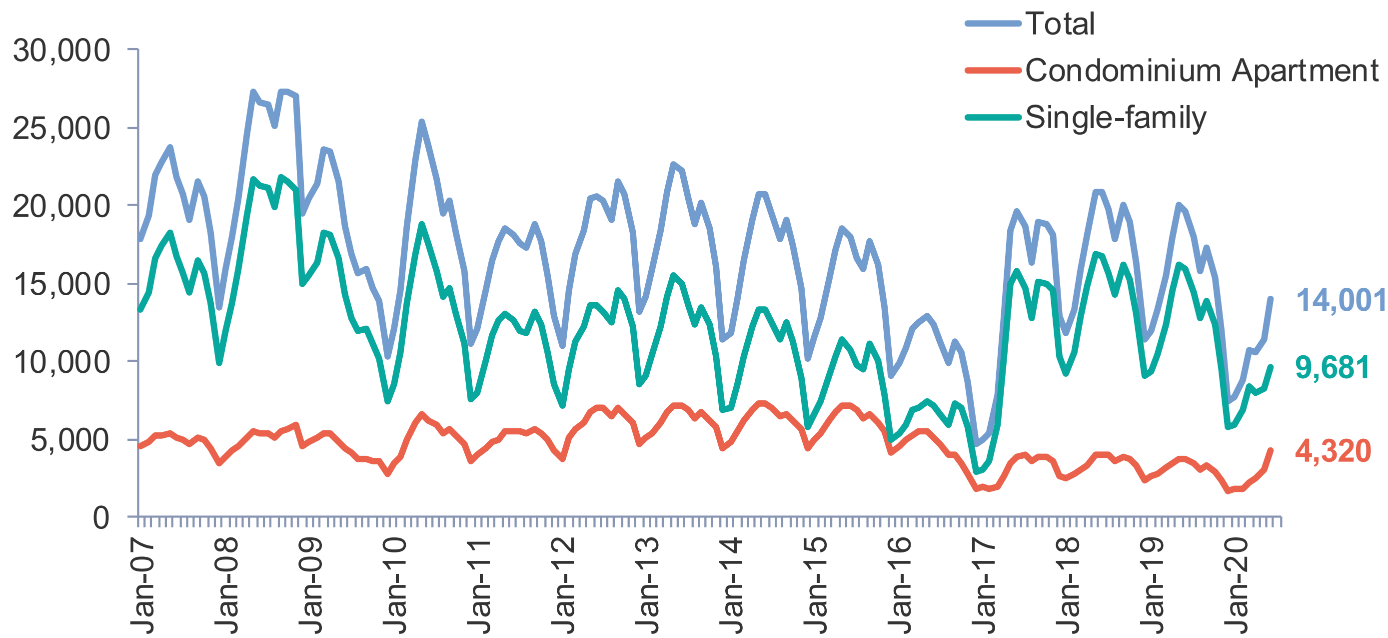
GTA Resale Home Sales





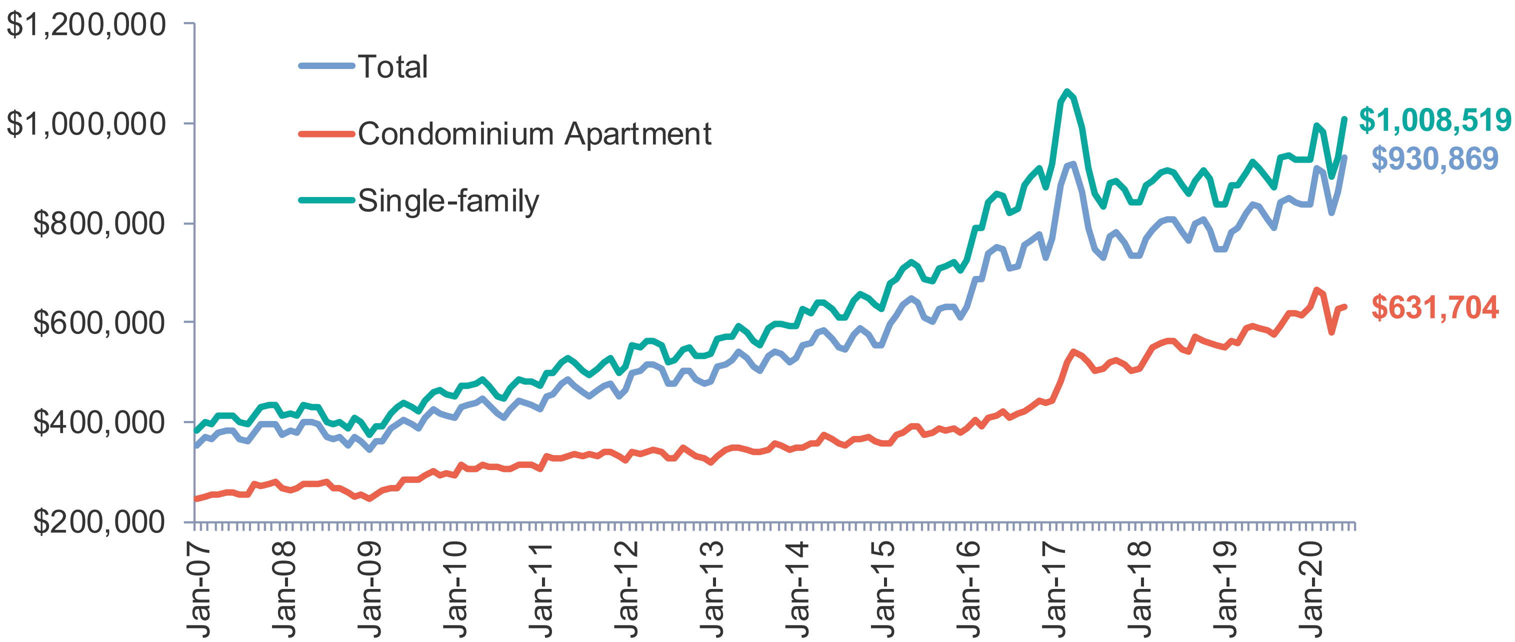
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

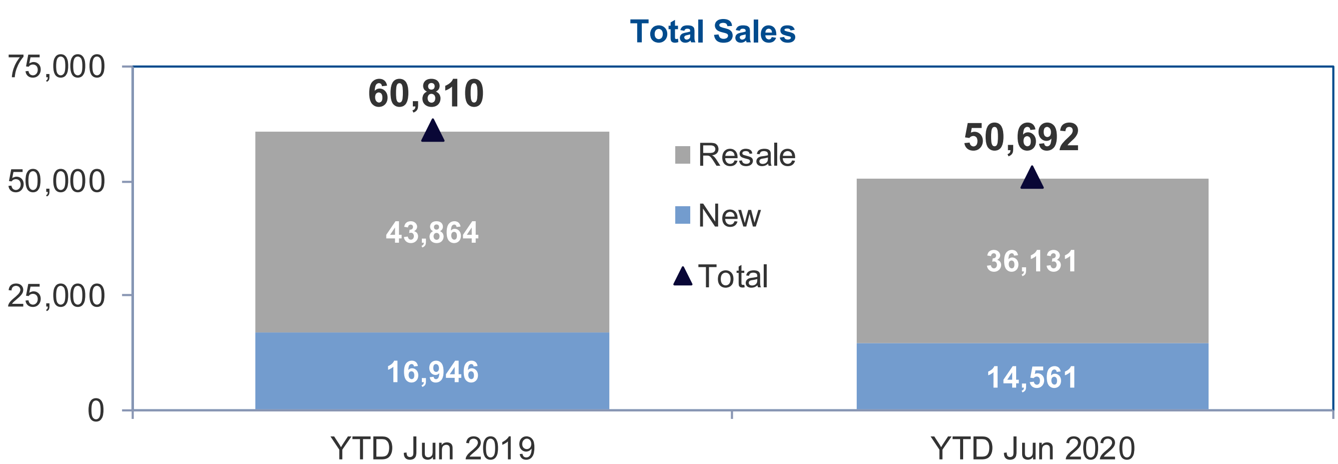
GTA Resale Home Prices

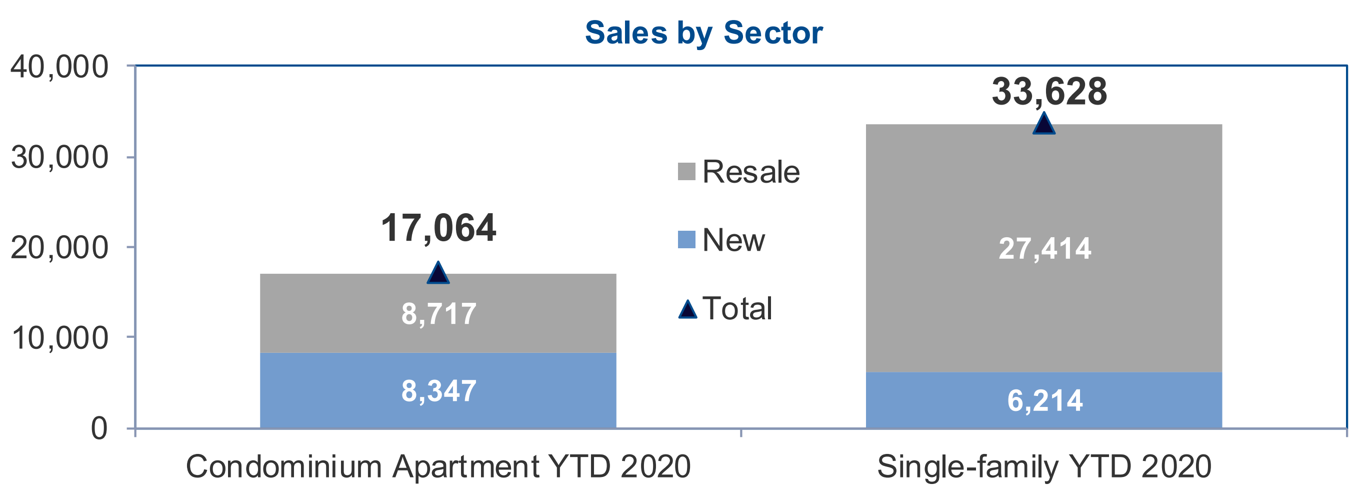


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Combined new and resale activity**, as measured by TRREB and Altus Group, totaled almost 50,700 units for year-to-date June, which is down from the over 60,800 units reported in 2019. The decline in sales in 2020 was similar in both the resale and new homes markets.
- **The new home sector accounted for over half of total condominium apartment sales** for year-to-date June, compared to about one-fifth of single-family sales. The slower sales and new supply in the new condominium apartment market is also being seen in the resale market, where new apartment listings, and sales, lag the single-family market.

GTA Combined New & Resale Home Sales

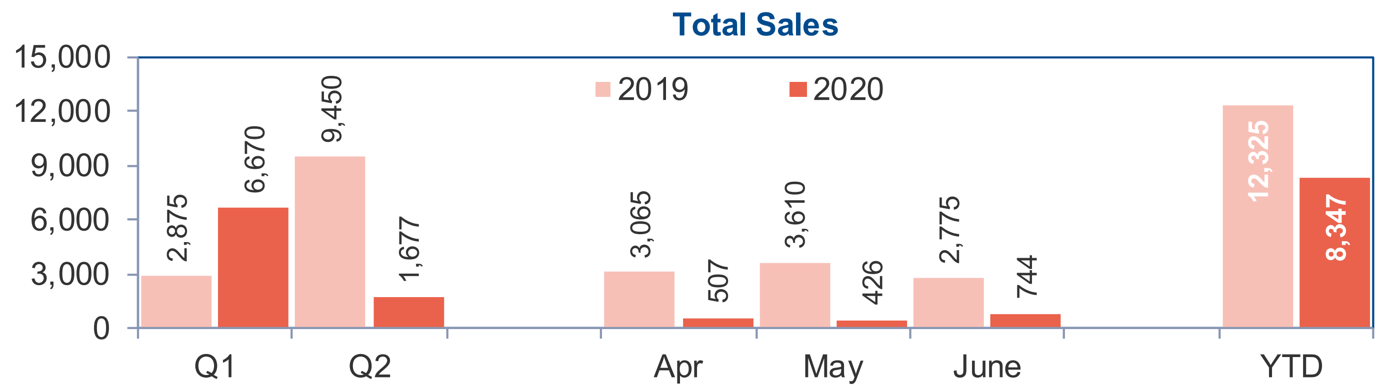


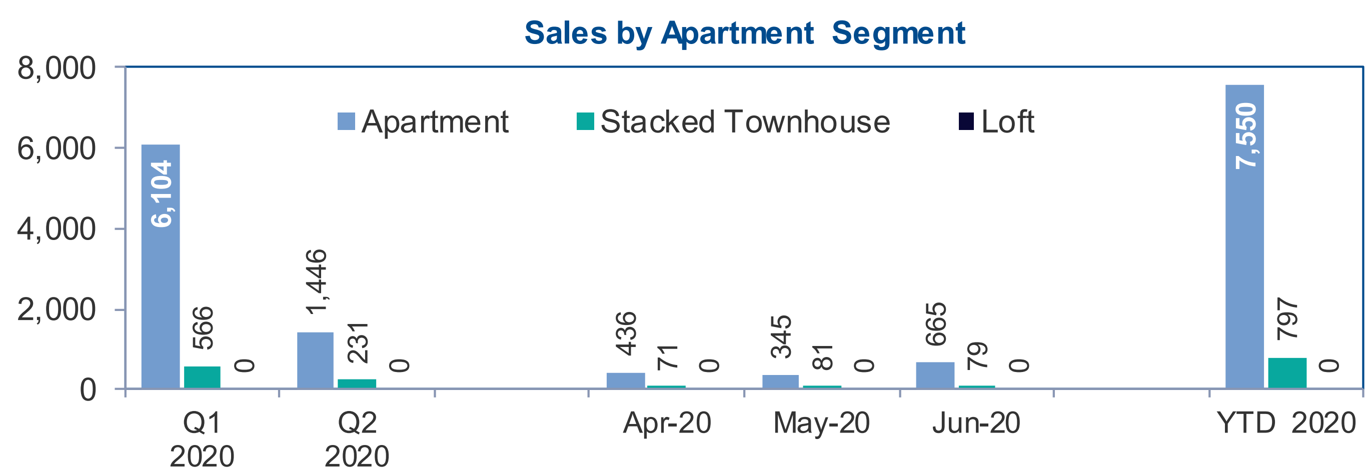


Source: Altus Group and Toronto Regional Real Estate Board data

- New condominium apartment sales rebounded in June to 744 units but are **the lowest June level since tracking started in 2000.** June sales are typically among the strongest of any month with current sales levels, though elevated relative to April and May, down nearly three-quarters from the 10 year average.
- The still weak numbers in part reflect the lack of new project launches, where we typically see the largest sales volumes. For projects opened in May and June, nearly two-thirds of available units have been sold.
- New condominium apartment sales were down in June in all regions *(chart next page)* and also are down year-to-date in all regions, as the price competitiveness of condominium apartments continues to be eroded. North York, Vaughan and Mississauga had the largest year-over-year declines in condominium apartment sales *(chart after next page)*.

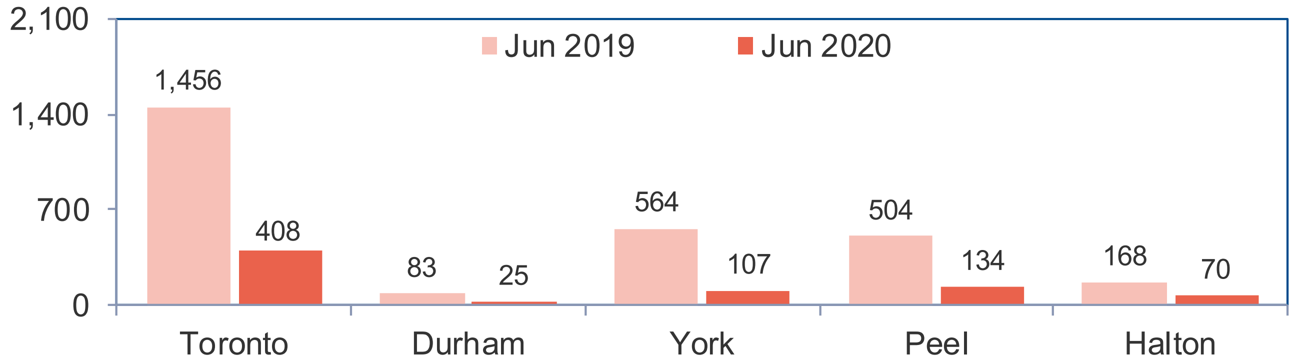
GTA New Condominium Apartment Sales

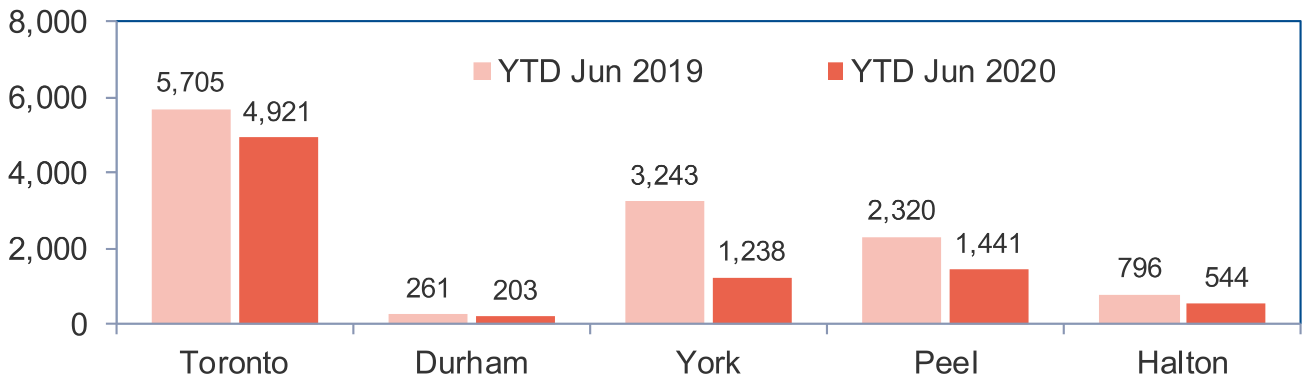


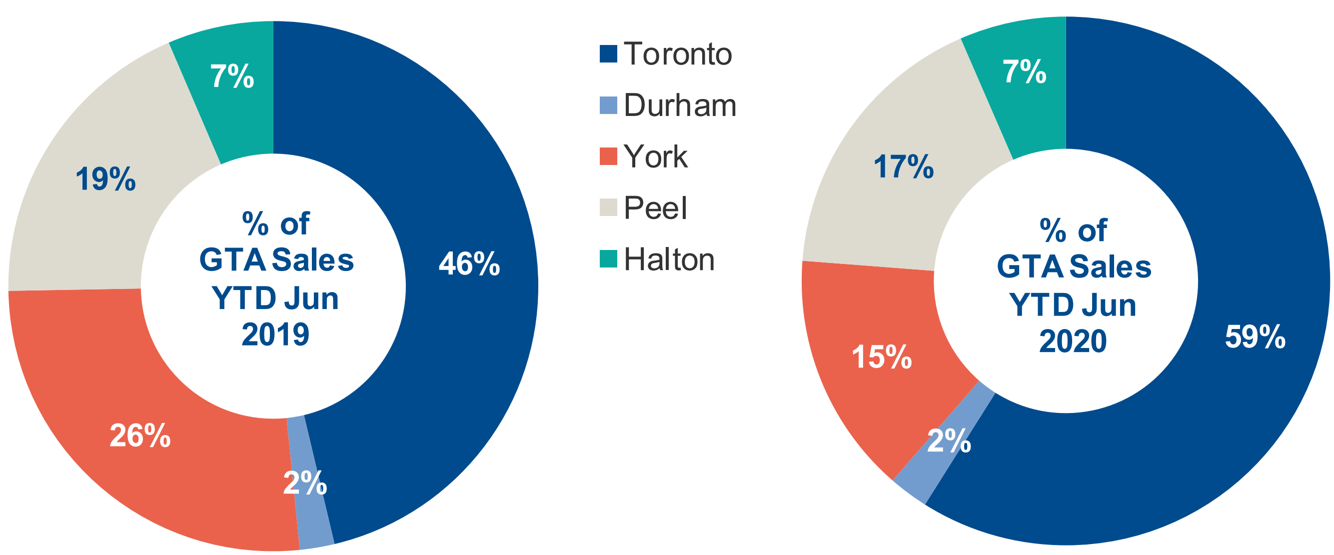


Source: Altus Group

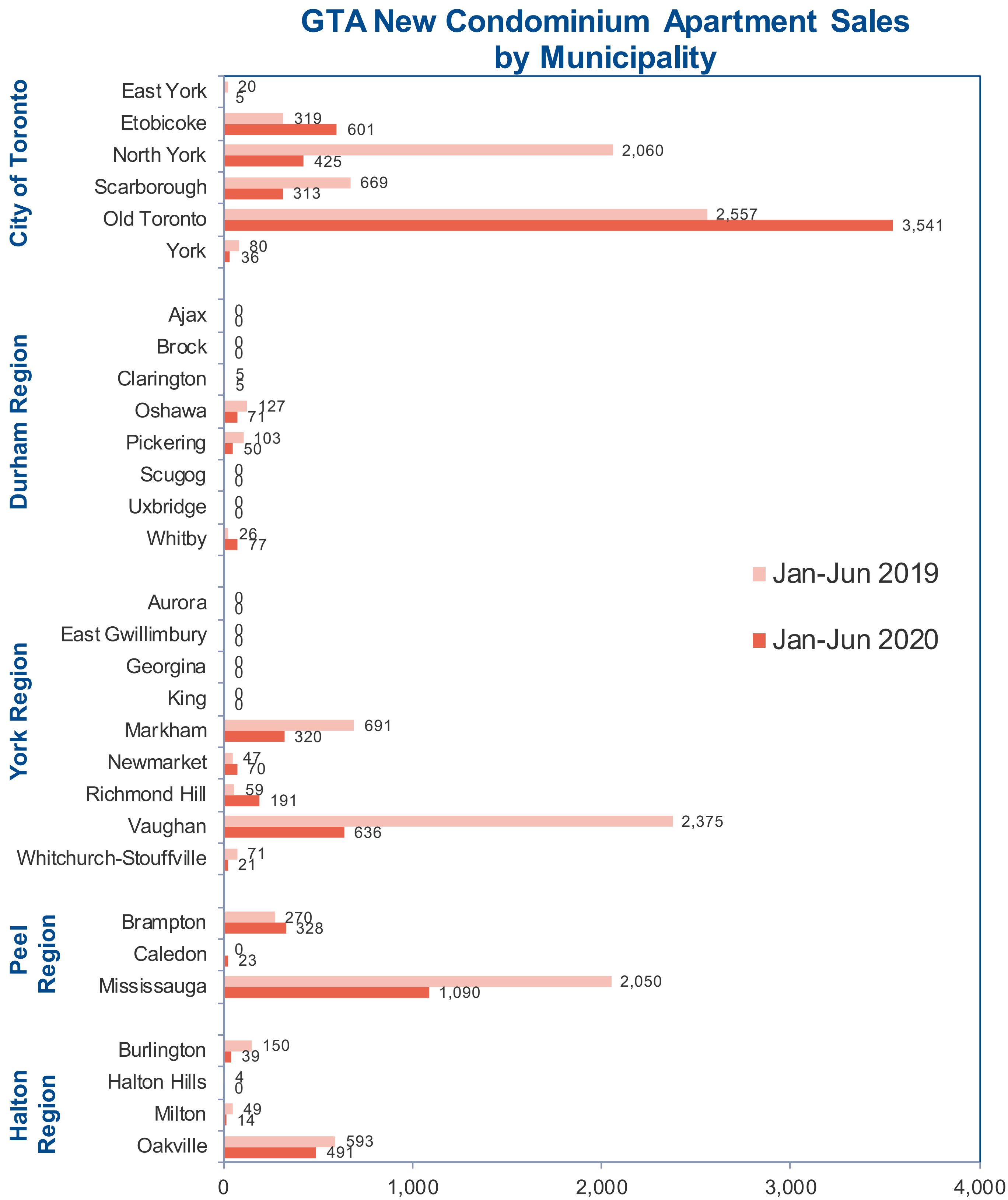
GTA New Condominium Apartment Sales by Region







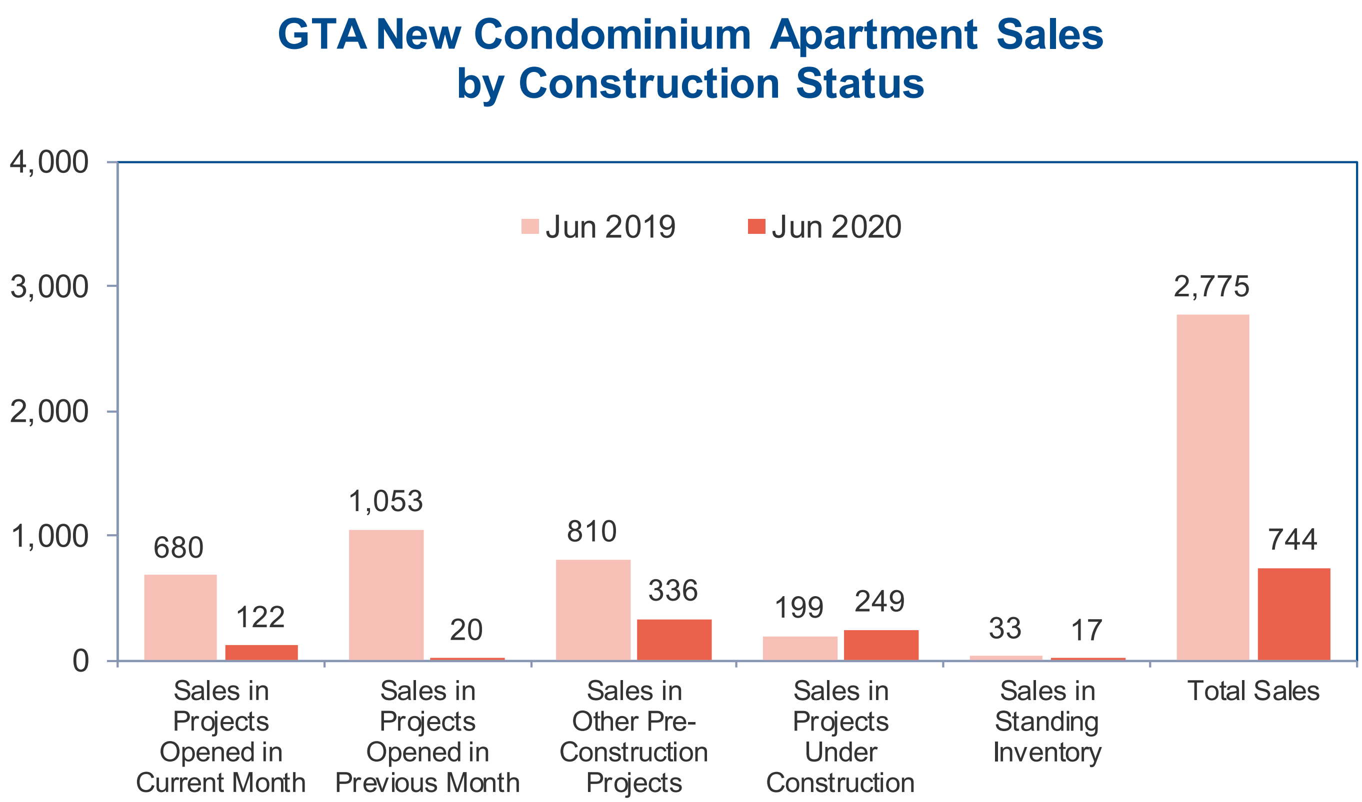
Source: Altus Group



Source: Altus Group

New Condominium Apartments - Sales

- **Only three projects opened sales in June** and accounted for just 16 percent of the monthly sales. The majority of sales occurred in projects opened more than 2 months ago and those under construction.
- About 40 percent of sales in May and June combined have been in projects under construction, highlighting both the lack of new project launches, and the fact that buyers active during the pandemic may be seeking more immediate occupancy opportunities.

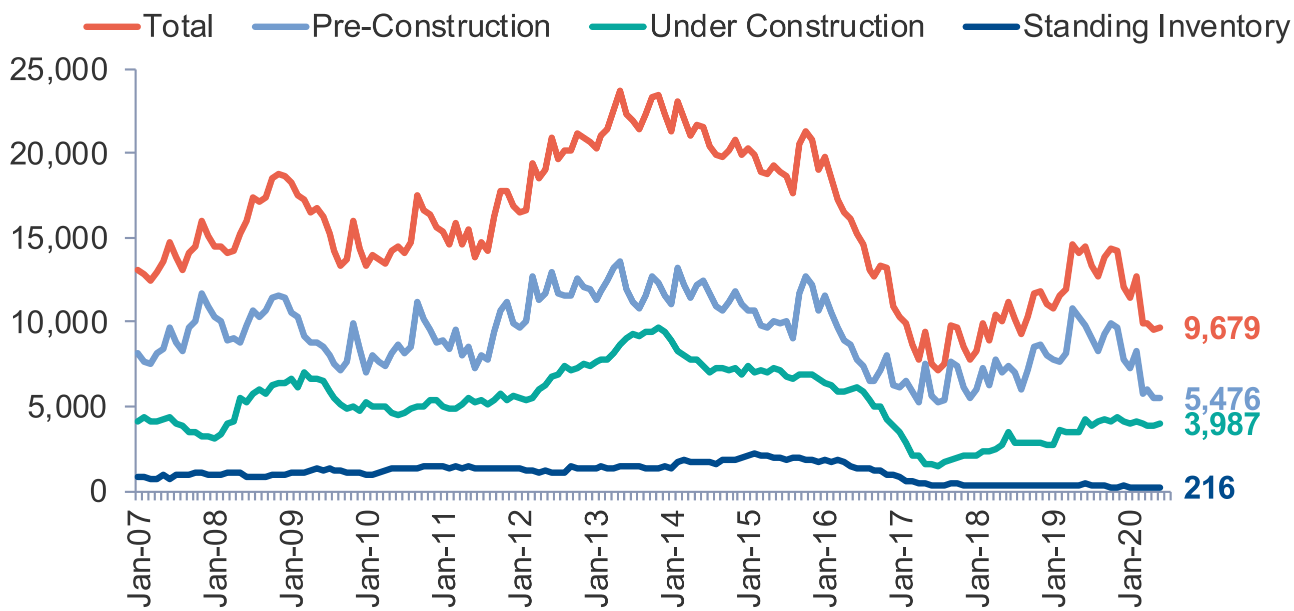


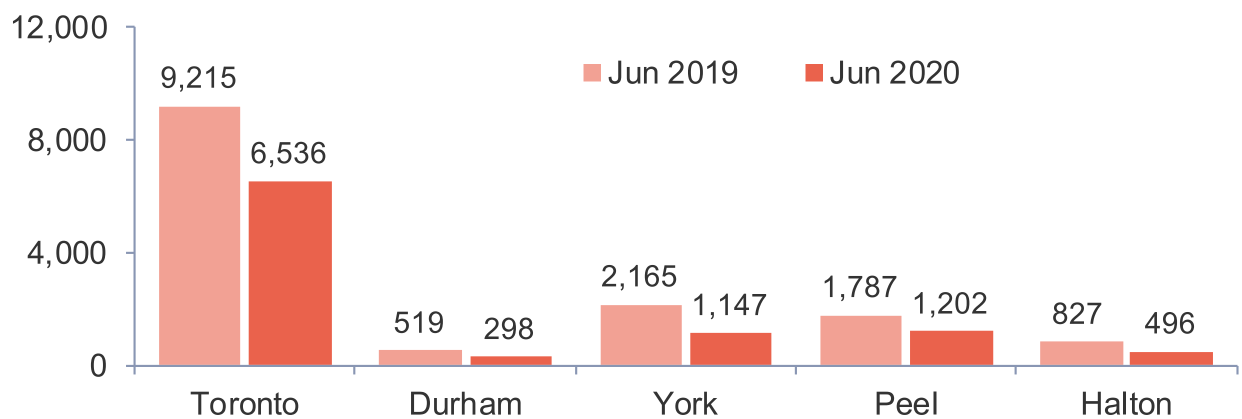
Source: Altus Group

New Condominium Apartments - Inventory

- The recent paucity of new project launches has resulted in **available inventory remaining stagnant below the 10,000 unit level** and sits at levels not seen since early 2018.
- Although the majority of inventory remains in pre-construction projects, **the recent lack of new project launches means pre-construction and under construction inventories have been converging,** with very few quick occupancy units available.
- **The current unsold inventory at new condominium apartment projects represents approximately 5.1 months of supply** at the past of sales seen over the past 12 months, which is about half the long term average. In light of the current sales volumes, and lack of new supply, these numbers need to be viewed with caution, but do highlight the fact that the market has relatively little excess supply and could face inventory constraints once sales improve.

GTA New Condominium Apartment Inventory

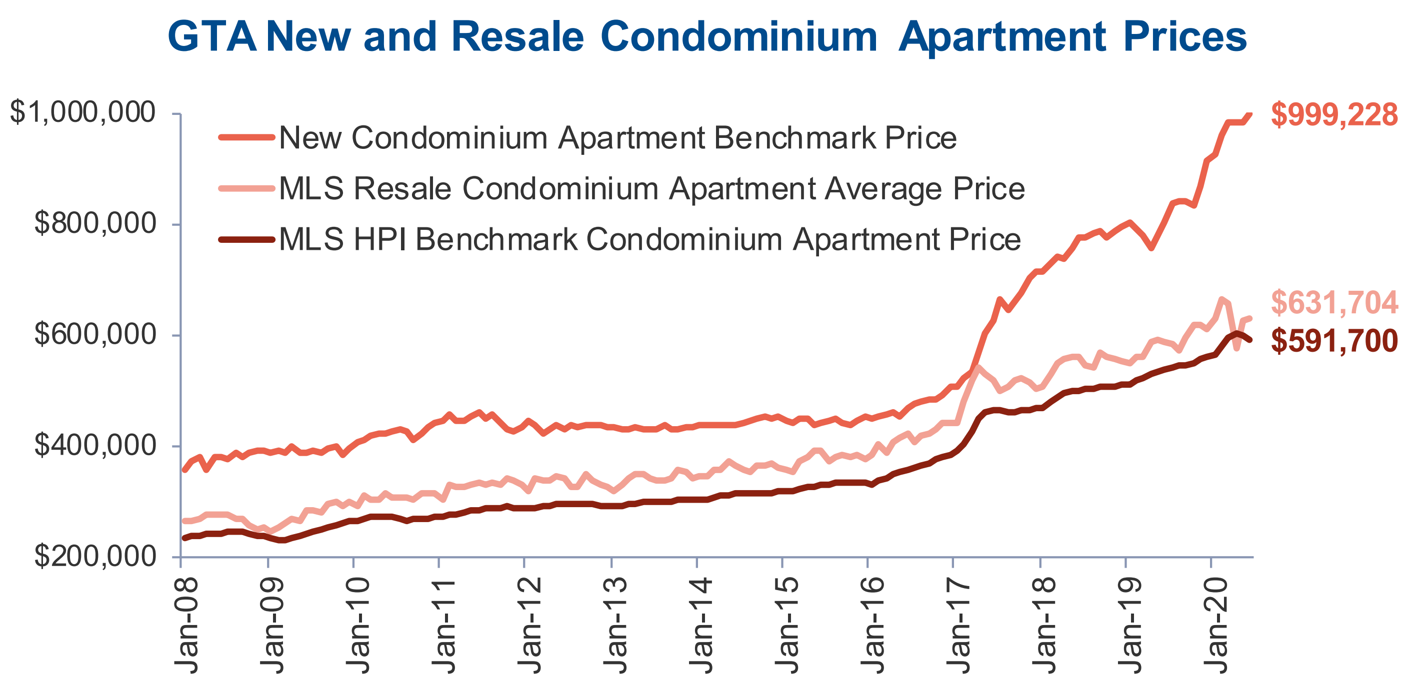


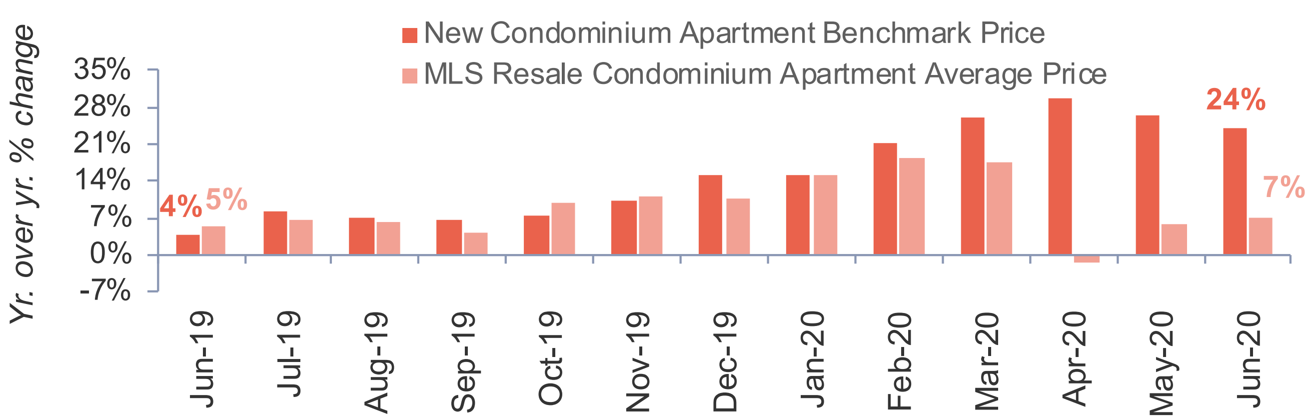


Source: Altus Group

New Condominium Apartments - Prices

- **The Benchmark price of the available inventory in June increased to a record of just under $1 million,** and the 8th consecutive month of rising values - up 1.4% over May. The rising Benchmark price is reflective of the lack of new supply and modest sales, as well as the fact that builders have not adjusted prices during the COVID-19 crisis.
- The average price of a resale condominium apartment recorded a 2nd consecutive increase in June and now sits 7% higher than a year earlier. The resale market has surged in the past 2 months as sales have increase at more than twice the pace of inventory resulting in upward pressure on prices.

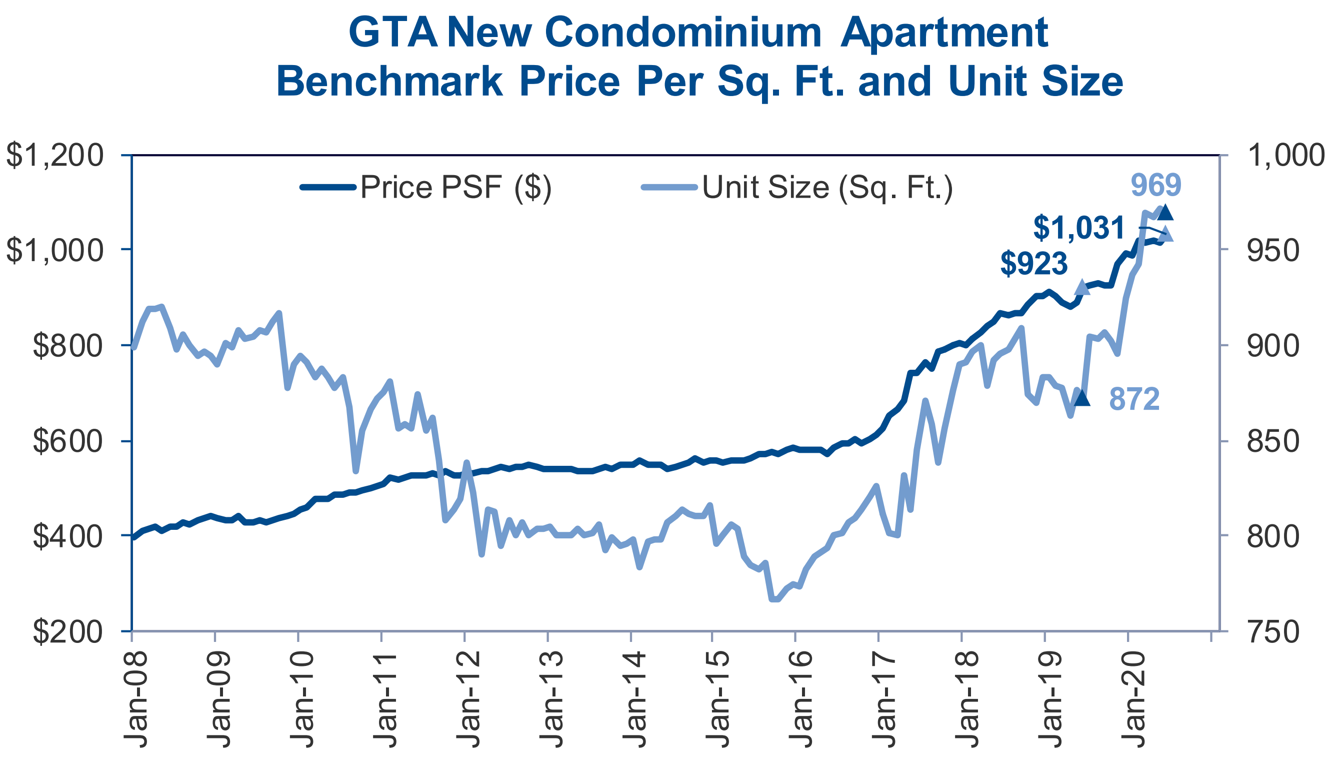




Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

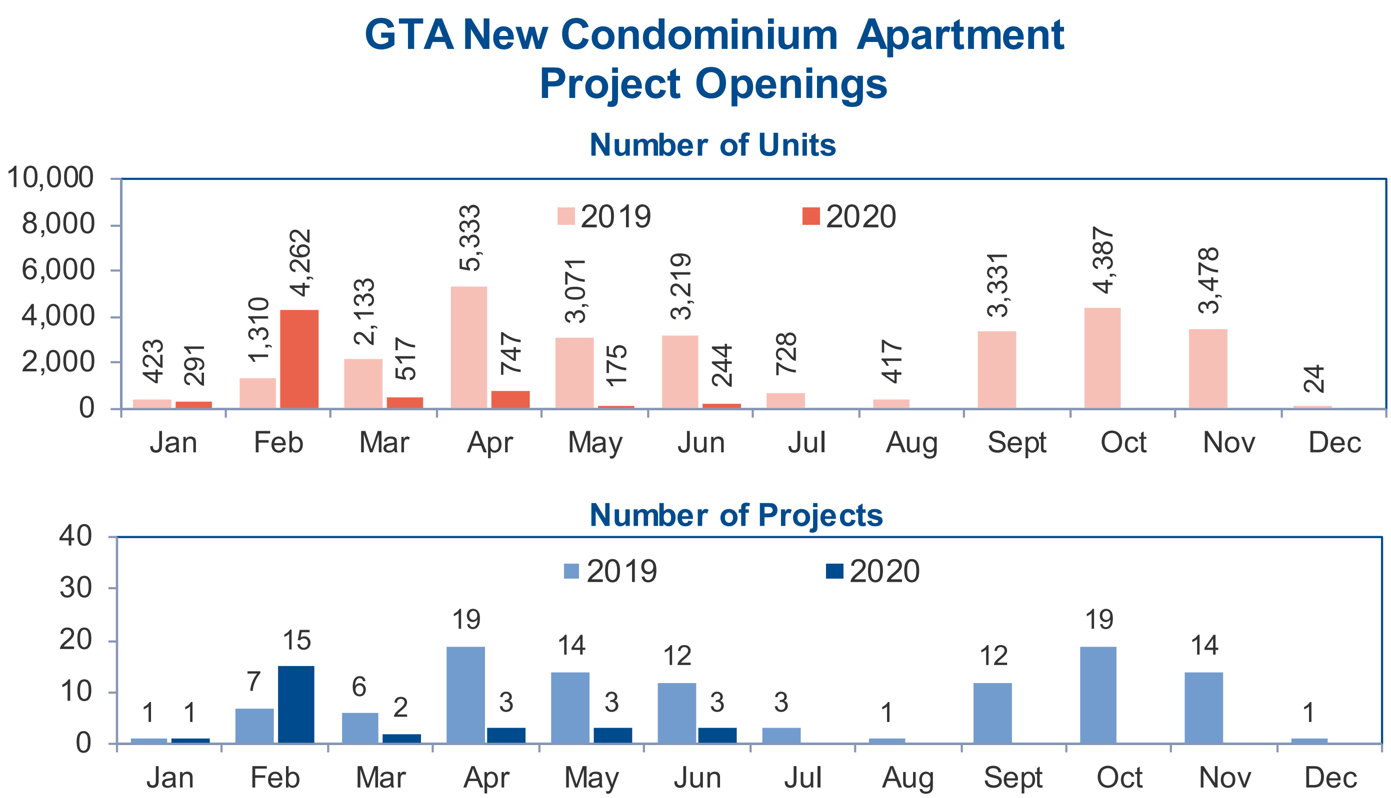
- **The benchmark price indictors have remained stable since the onset of the COVID-19 crisis** – a result of few new project launches and lower sales levels which has kept the available inventory fairly steady. The few projects that have launched are in line with current market pricing and little price movement has been noted at projects.
- With all regions of the GTA now in Stage 3 of the reopening plans, sales centres are likely to see additional traffic with the easing of restrictions, setting the stage for higher sales and additional price pressure unless additional supply is brought to the market. As noted last month, pricing in the resale market has shown early signs of recovery which is anticipated to help propel new condominium apartment activity.



Source: Altus Group

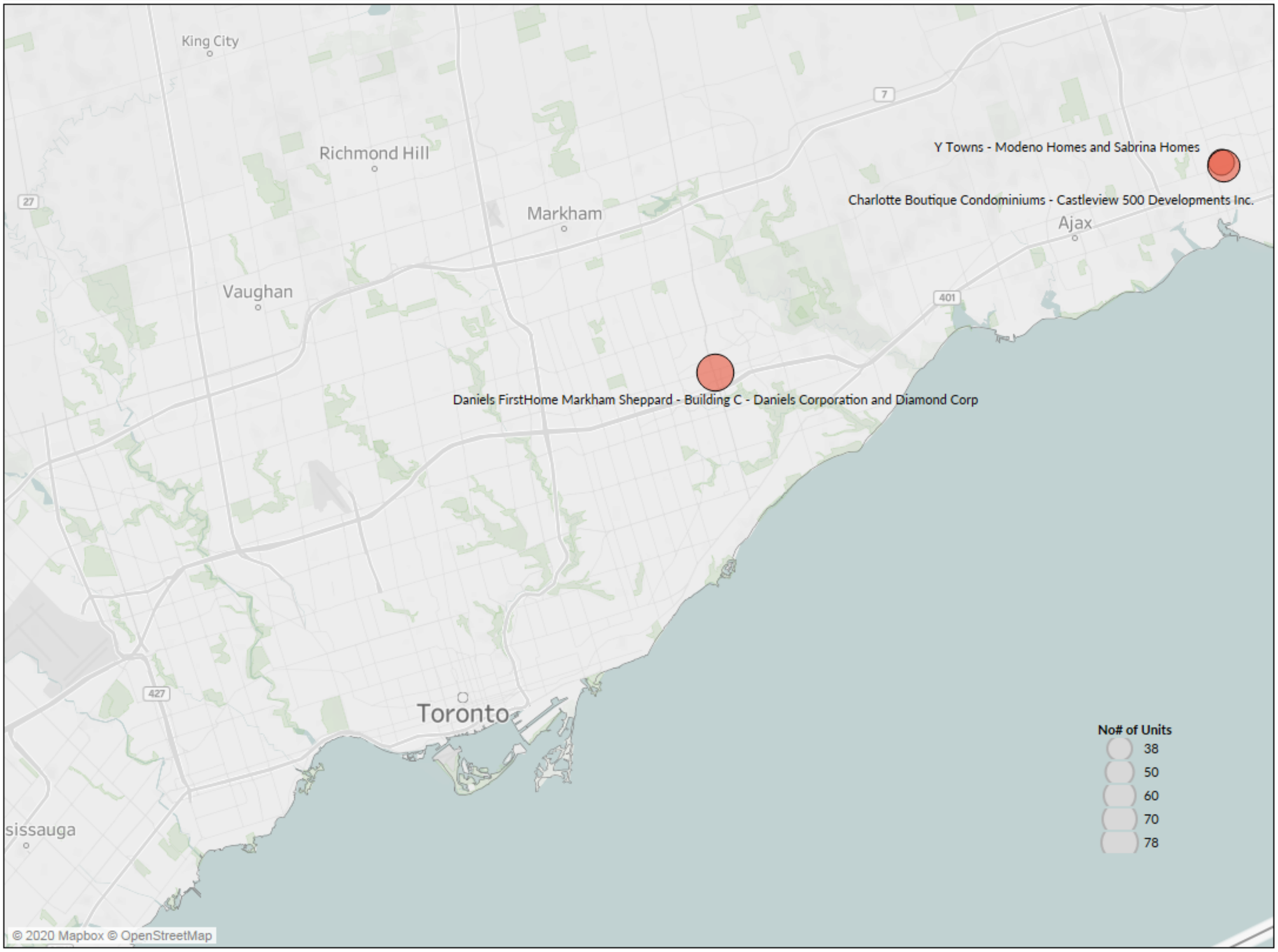
New Condominium Apartments - Openings

- **June saw fewer project launches than is typical for this time of year with only three new projects coming to market adding 244 units**. Over the last four months, only 11 projects have launched – one-fifth the total over the same period in 2019 and only 12 percent of the number of units.
- Deferred openings continue to constrain the number of new projects is a result of many deferred openings, with July/August expected to see an improvement in the number of new project openings.
- Following this page are maps showing the location of new projects launched in May and June 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

May 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

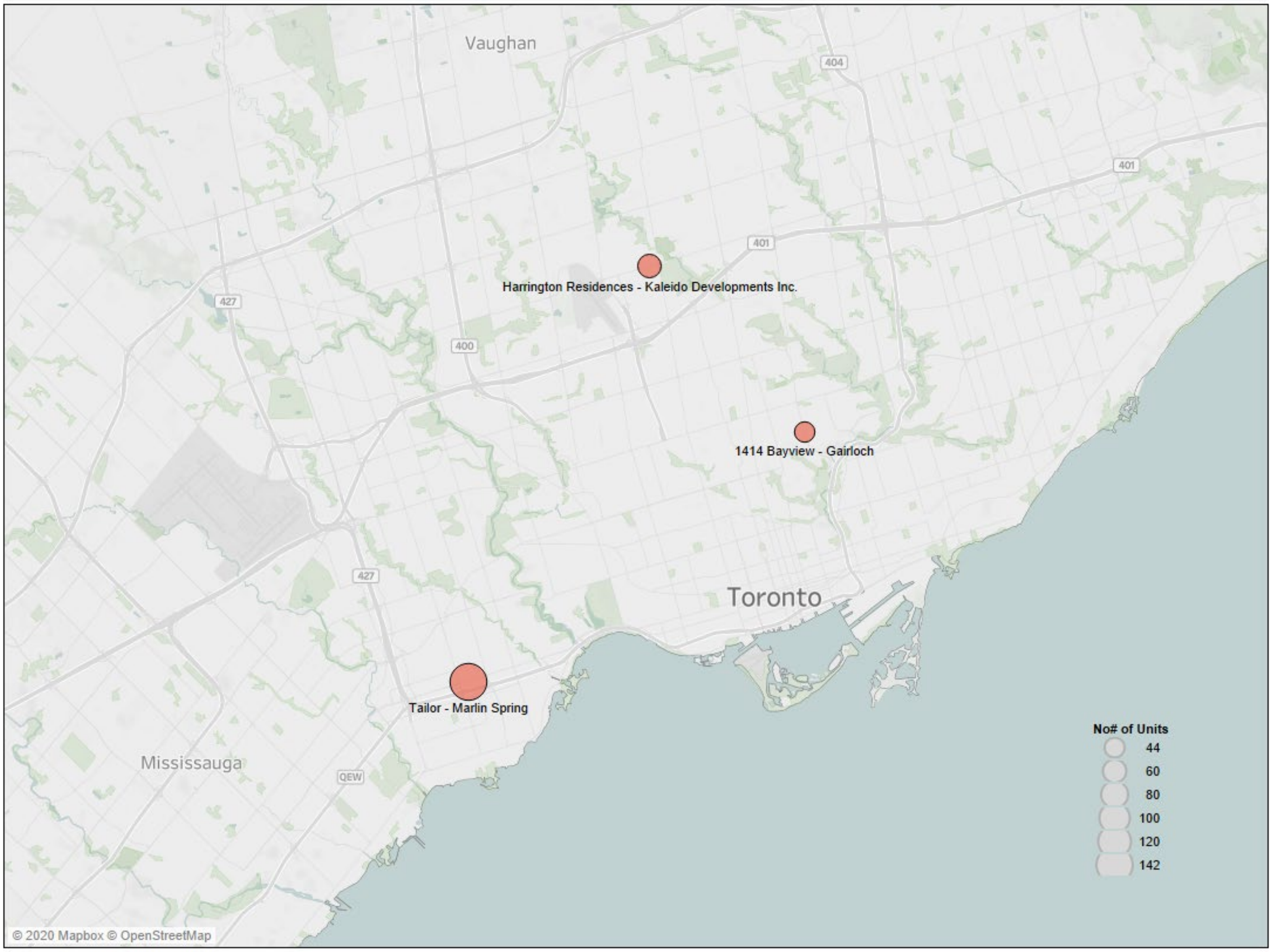
Altus Group

Project Record	Charlotte Boutique	Daniels FirstHome - Building C	Y Towns

New Condominium Apartment Project Openings - May 2020			
Project Name	**Charlotte Boutique Condominiums**	**Daniels FirstHome Markham Sheppard - Building C**	**Y Towns**
Developer	Castleview 500 Developments Inc.	Daniels Corporation and Diamond Corp	Modeno Homes and Sabrina Homes
Date Opened	2020-05-02	2020-05-14	2020-05-01
Municipality	Whitby	Scarborough	Whitby
Region	Durham	Toronto	Durham
Structural Type	Apartment	Apartment	Stacked
Floors	6	6	4
Project Total Units	**59**	**78**	**38**
Total Units Released	**59**	**78**	**38**
Studio	--	1	--
1 bedroom	24	19	--
1 bedroom + den	9	30	--
2 bedroom	18	23	19
2 bedroom + den	2	--	--
3 bedroom & up	--	5	19
Penthouse	--	--	--
Other	6	--	--
Opening month sales	**40**	**75**	**13**
Next month sales	**6**	**3**	**11**
% Sold (of released units)	*78%*	*100%*	*63%*
Remaining available inventory	13	0	14
Original $PSF	$600	$629	$466
Minimum Size (sq. ft.)	657	443	964
Maximum Size (sq. ft.)	1,593	1,070	1,303
Minimum Price	$404,900	$293,000	$544,900
Maximum Price	$841,900	$570,000	$614,900
Notes	Townhouse units included in Other.		

Source: Altus Group

June 2020 New Project Launches by Number of Units



Source: Altus Group

AltusGroup

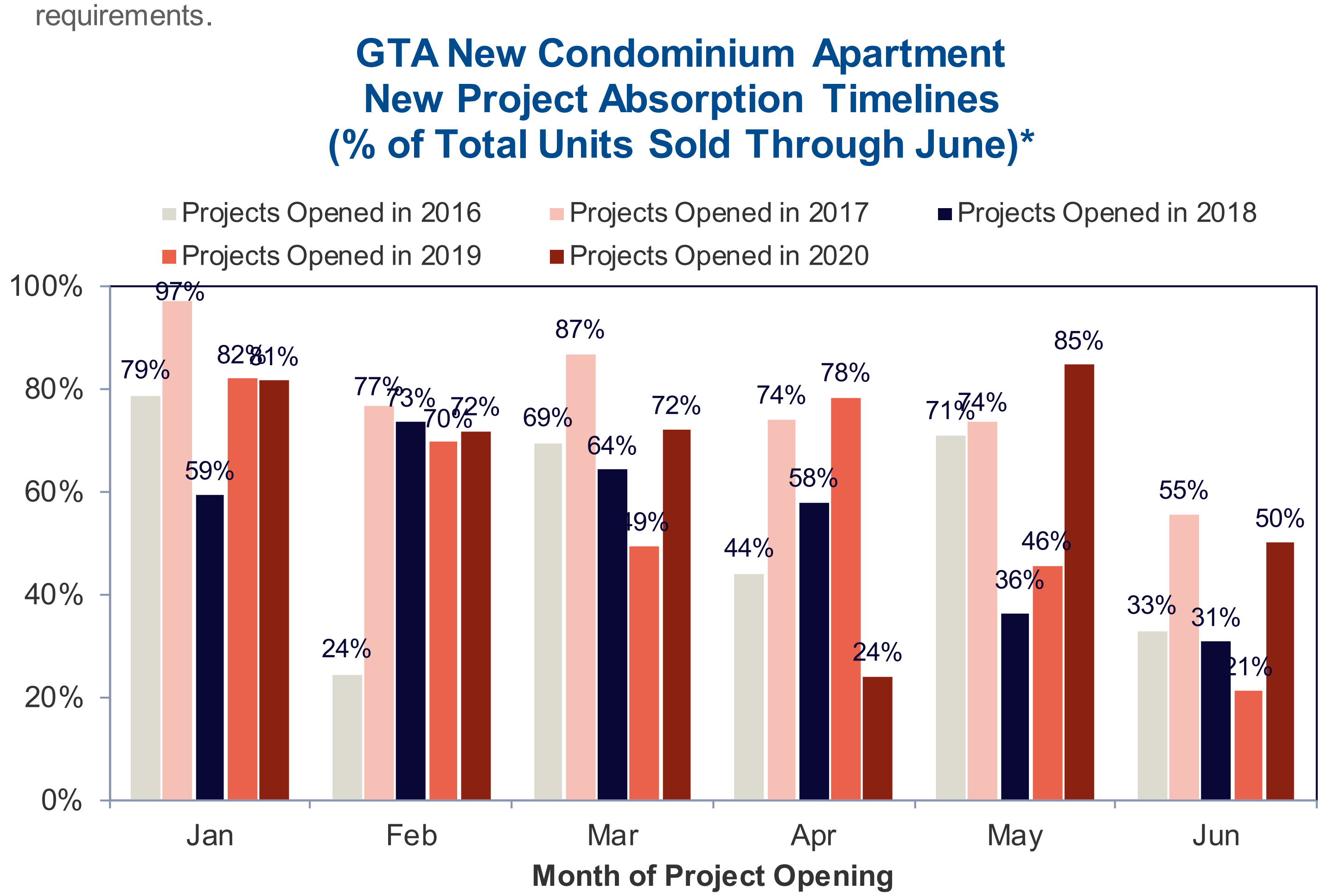
Project Record   1414 Bayview   Harrington Residences   Tailor

New Condominium Apartment Project Openings - June 2020			
Project Name	**1414 Bayview**	**Harrington Residences**	**Tailor**
Developer	Gairloch	Kaleido Developments Inc.	Marlin Spring
Date Opened	2020-06-13	2020-06-15	2020-06-02
Municipality	Old Toronto	North York	Etobicoke
Region	Toronto	Toronto	Toronto
Structural Type	Apartment	Apartment	Apartment
Floors	8	5	10
Project Total Units	**44**	**58**	**142**
Total Units Released	**44**	**37**	**142**
Studio	--	2	8
1 bedroom	9	15	36
1 bedroom + den	--	9	32
2 bedroom	29	11	42
2 bedroom + den	--	--	10
3 bedroom & up	6	--	14
Penthouse	--	--	--
Other	--	--	--
Opening month sales	**11**	**11**	**100**
% Sold (of released units)	*25%*	*30%*	*70%*
Remaining available inventory	33	26	42
Original $PSF	$1,470	$878	$896
Minimum Size (sq. ft.)	507	361	329
Maximum Size (sq. ft.)	2,125	878	942
Minimum Price	$749,000	$357,900	$398,990
Maximum Price	$3,700,000	$787,900	$780,990
Notes			

Source: Altus Group

New Condominium Apartments - Openings

- While the number of new project launches was low during both May and June, sales at the recently launched projects surpasses those of the previous two years as developers were able to successfully orchestrate virtual launch events during COVID. **The improving sales occurred as restrictions began to lift in late May and throughout June** as buyers and builders were able to more easily interact (while maintaining physical distancing requirements).
- 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, all 3 projects opened in June were opened during the first half of the month.
- This caution should specifically be applied during pandemic restrictions where sales activity during the "opening" period is not directly comparable to periods without social distancing requirements.

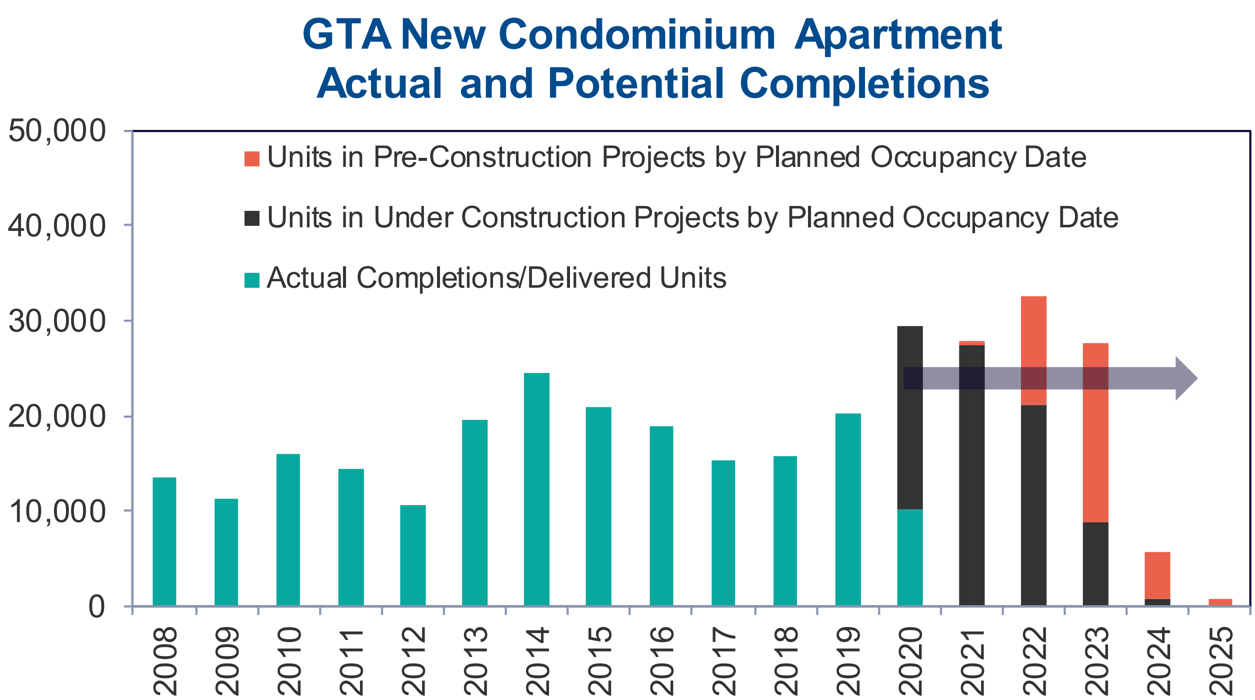


** The total includes unreleased units, and projects opened in the last 10 days of the month.*

Source: Altus Group

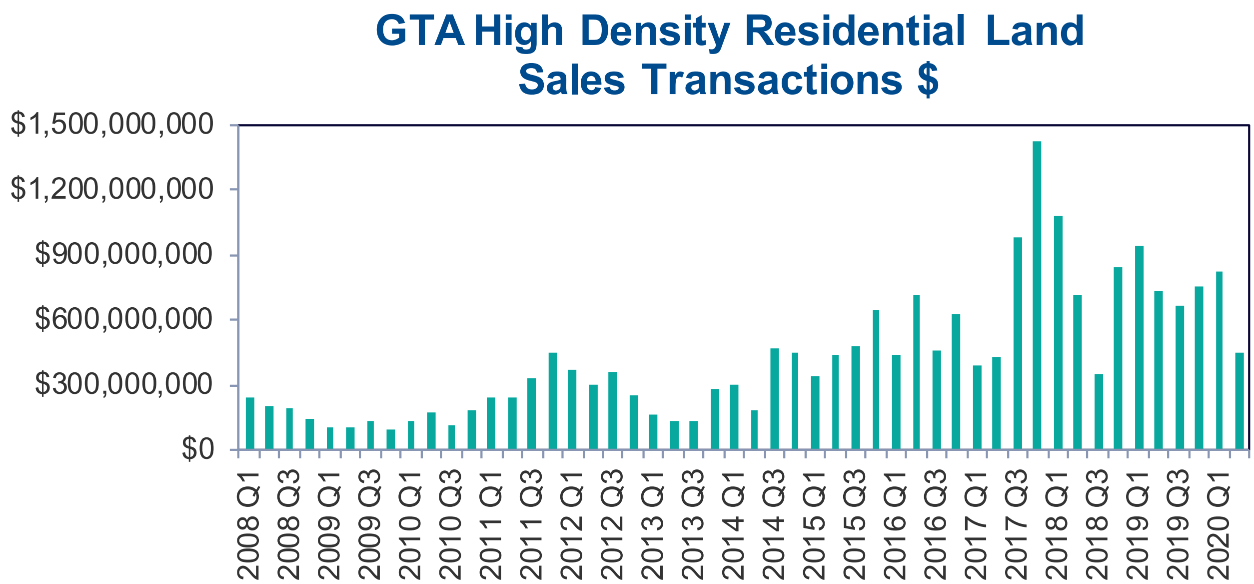
New Condominium Apartments - Completions

- As of the end of June 2020, there were about 113,600 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Over 1,150 units were delivered/ready for occupancy in June 2020**, based on Altus Group data, over 40% below the 10 year average for June. Year-to-date, there have been just over 10,200 units delivered, down 12% 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. **The limited work stoppages mandated during the Province's Emergency Period have now all been lifted, though there may still be some COVID-19 related disruptions (such as some construction site delays due to social distancing measures, worker illness, disruption in materials supply chain, etc.) which could delay deliveries beyond the "typical" delays experienced in recent years.** 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.

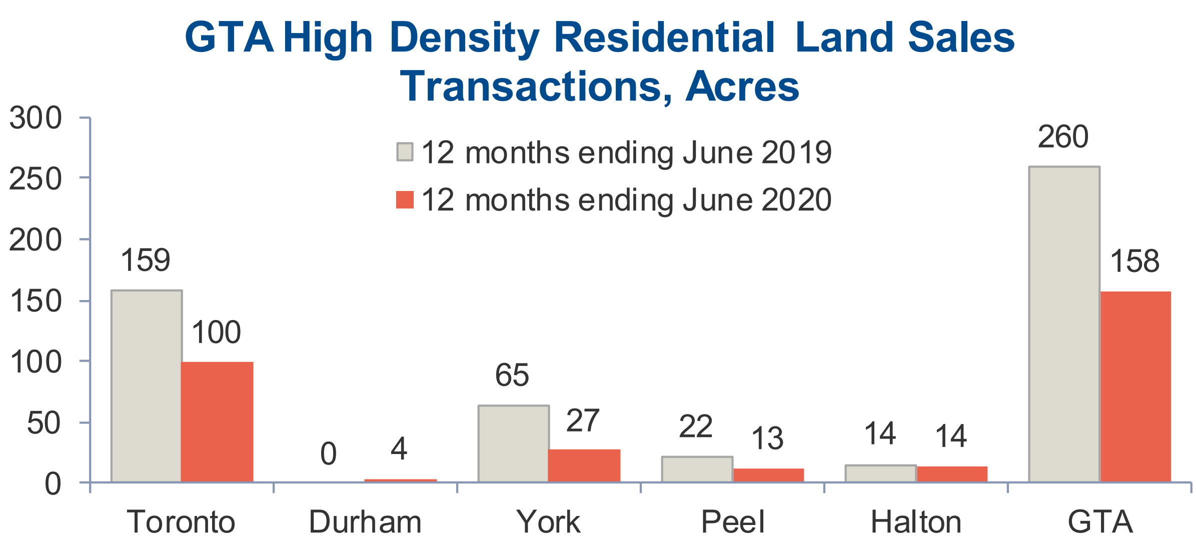


Source: Altus Group

- **The dollar volume of sales of high density residential land in the GTA slumped in Q2 2020 – down from both Q2 2019 and Q1 2020**, according to Altus Group transactions data.
- For the 12 months ending June 2020, the volume of residential land traded was down about 6% from the preceding 12 months. However, the decline in the number of acres of high density residential land traded was even steeper - down by about 40%.



Source: Altus Group



Source: Altus Group

Altus Group GTA New Home Data Definitions

Condominium apartment	Includes condominium apartment structures of all heights (low, medium and high-rise), stacked townhouses, and loft units. Replaces the former RealNet term "high-rise".
Single-family	Includes detached, link, semi-detached and townhouse units (excluding stacked townhouse). Replaces the former RealNet term "low-rise".
Inventory	New units available to purchase/unsold at end of the period. Includes available units in pre-construction, under construction, and completed projects.
Months of inventory	Unsold available inventory at period end divided by average monthly sales for a defined previous period (e.g. previous 12 months). Indicates how long current inventory would last assuming same pace of sales (and no additional product added).
Average price	Average asking price of all available new home inventory at end of period.
Benchmark price	Average asking price of available new home inventory at end of period with outliers removed. Replaces the former RealNet term "Price Index"
$PSF Benchmark	Average asking price per square foot for units in remaining inventory at the end of the period with outliers removed.
Unit size Benchmark	Average size (sq. ft.) of units in remaining inventory at the end of the period, with outliers removed.
Completions	Units in projects that have reached occupancy status during the period.
"Record" performance	All "record highs" and "record lows" are based on the time period over which Altus Group has been tracking the variable.

Note: all historical data is subject to revision

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