Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of July 2020

Table of Contents

New Condominium Apartment Dashboard

July 2020			YTD July 2020	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
1,991	**9,829**	**$993,811**	**10,381**	**$976,065**
-4% ▼	**-27%** ▼	**18%** ▲	**-28%** ▼	**23%** ▲
3rd highest July since 2008	***Lowest since 2017 and also below 10 year average***	***Highest July on record***	***Lowest YTD July since 2013***	***Record high***

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

Highlights

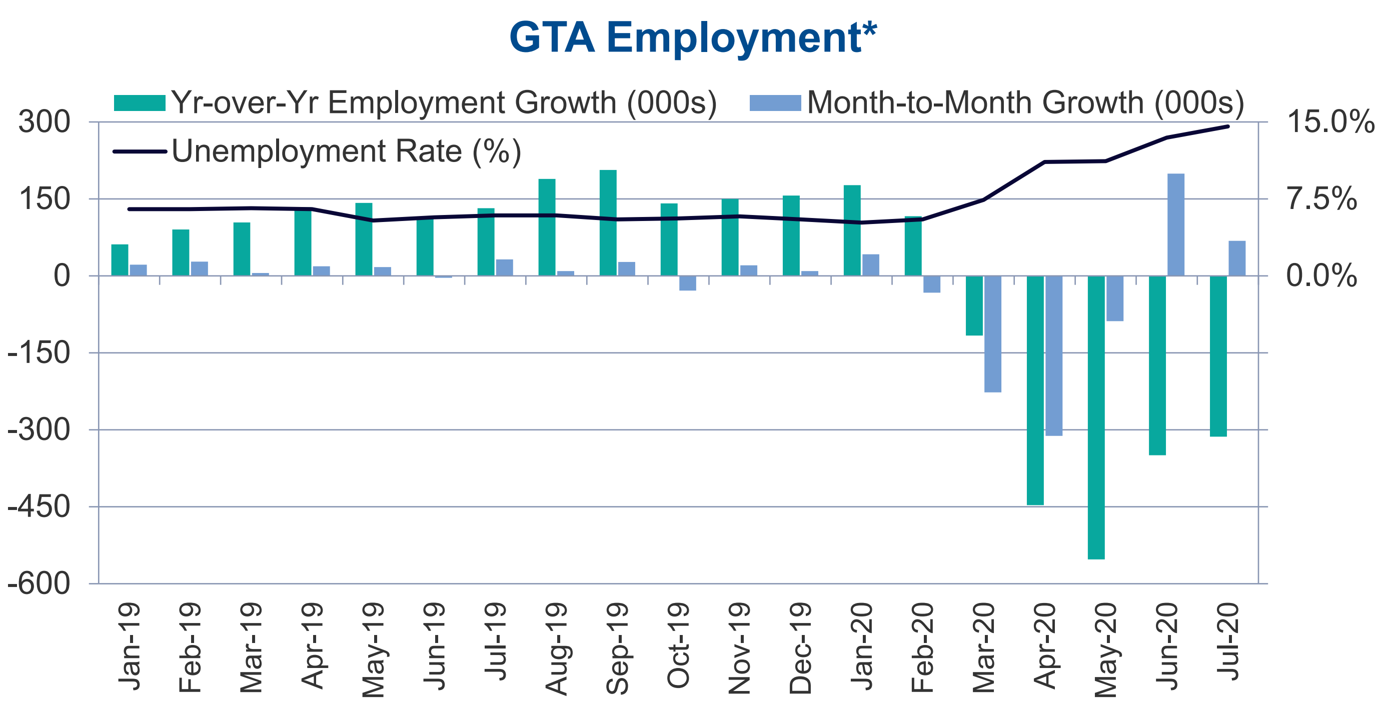
- **The condominium apartment market continued to shake off the impacts from the COVID-19 pandemic as both sales volumes and new project launches strengthened**. With all regions of the GTA now in Stage 3, the easing of pandemic restrictions has seen indications of pent-up consumer demand with builders boosting new launches on the supply side.
- **July new home sales across the GTA soared to their highest level since 2007.** Sales are typically slow in July and August but after 3 months of pandemic-induced weakness, July is making up for lost time. Apartment sales more than doubled June's level to match the previous 4 years' July average, and single-family sales surged to an 11-year high surpassing 1,500 units in July, led by the single and semi-detached sectors.
- **As anticipated, a more active summer sales season is underway as deferred launches are now coming to the market (at near record levels in July).** With one-third of new July launches occurring in the final 10 days of the month, the carryover to August should provide additional traction to the summer sales surge.

GTA Condominium Apartment Key Performance Indicators

	Jul-19	Jun-20	Jul-20	*Yr-Over-Yr % Change*	YTD Jul 2019	YTD Jul 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	354	360	367	*4%*	341	359	*5%*
New projects opened	3	3	9	*200%*	62	36	*-42%*
Units in new projects opened	728	244	2,539	*249%*	16,146	8,600	*-47%*
Total sales (units)	2,067	749	1,991	*-4%*	14,432	10,381	*-28%*
Sales as % of total new & resale	*48%*	*29%*	*45%*		*51%*	*48%*	
Inventory (units)	13,397	9,554	9,829	*-27%*	13,122	10,373	*-21%*
Sales-to-inventory ratio	15%	8%	20%	*31%*	15%	14%	*-7%*
Months of inventory	6.7	5.0	5.2	*-22%*	7.1	4.7	*-34%*
Benchmark price	$838,824	$999,228	$993,811	*18%*	$794,125	$976,065	*23%*
Price PSF Benchmark	$928	$1,031	$1,048	*13%*	$903	$1,019	*13%*
Unit size Benchmark (sq. ft)	904	969	948	*5%*	879	958	*9%*
Units completed	2,477	1,163	1,677	*-32%*	15,091	11,893	*-21%*
Resale Condominium Apartments (Toronto Regional Real Estate Board data)							
Total sales (units)	2,277	1,793	2,423	*6%*	14,064	11,140	*-21%*
New listings (units)	3,391	4,525	5,349	*58%*	22,714	22,013	*-3%*
Inventory ("active listings", units)	3,504	4,320	5,182	*48%*	3,315	3,010	*-9%*
Sales-to-inventory ratio	65%	42%	47%	*-28%*	60%	59%	*-1%*
Months of inventory	1.8	2.5	3.0	*65%*	1.7	1.7	*-5%*
Average price of units sold	$584,019	$631,704	$635,778	*9%*	$578,014	$639,456	*11%*
HPI constant quality price index (Jan 2005=100)	270.8	295.2	296.1	*9%*	263.9	294.3	*12%*

** see end of report for Definitions*

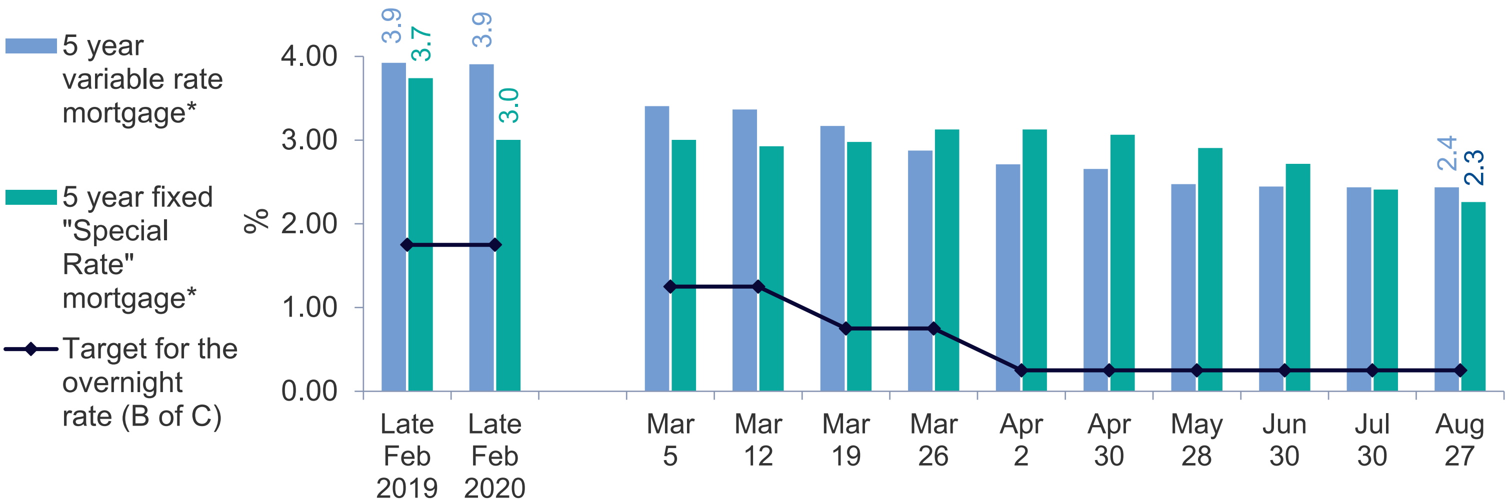
- Employment growth continued in July, albeit at a lower level than June and unemployment rates have continued to creep up. With **government wage subsidy programs extended for a further month,** employment levels may take additional time to recover. However, once these support programs are reduced or 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,** with the next rate announcement date is September 9.
- 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 July, when households in the GTA were just starting to enter Stage 3 of the reopening plan. **While overall homebuying intentions were down from last year, they showed improvement from the Spring results** *(chart next page, bottom).* There was disparity' however, by tenure with current homeowners reporting fewer intentions to purchase than the previous wave, but down considerably from last year, while current renters reported much stronger intentions to purchase than both last year and the previous quarter. The relatively favourable homebuying intentions for the next 12 months are a measure of the pent-up demand that is driving the current surge in both the resale and new home markets.



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

Selected Interest Rates

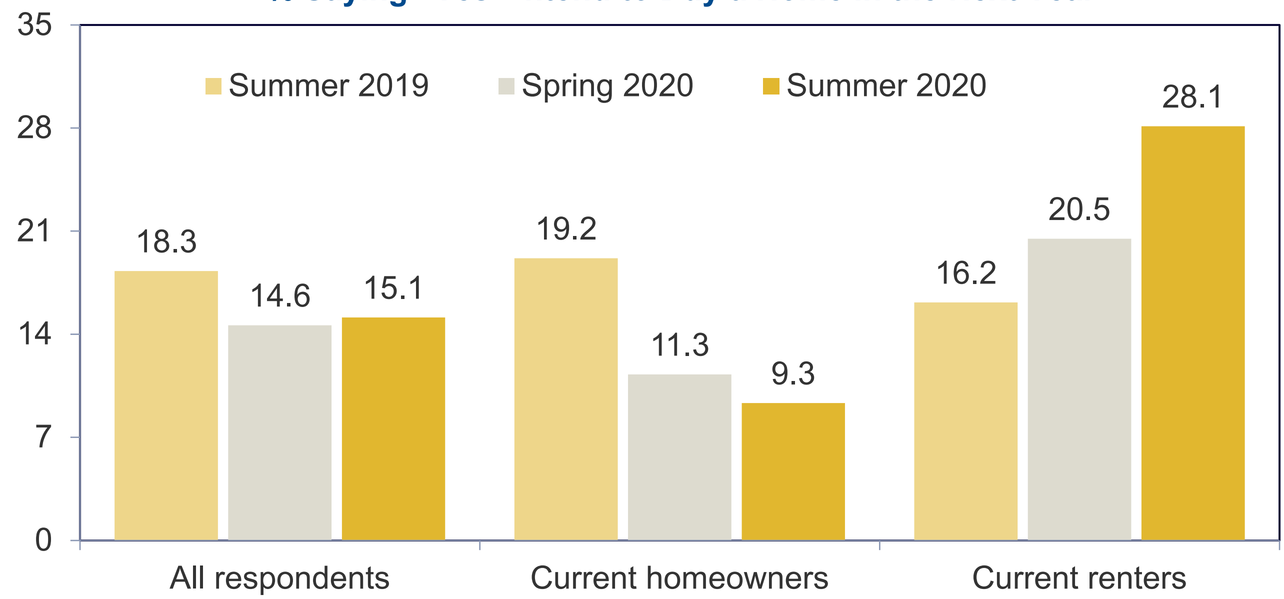


** Average for the major banks*

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

GTA Homebuying Intentions

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



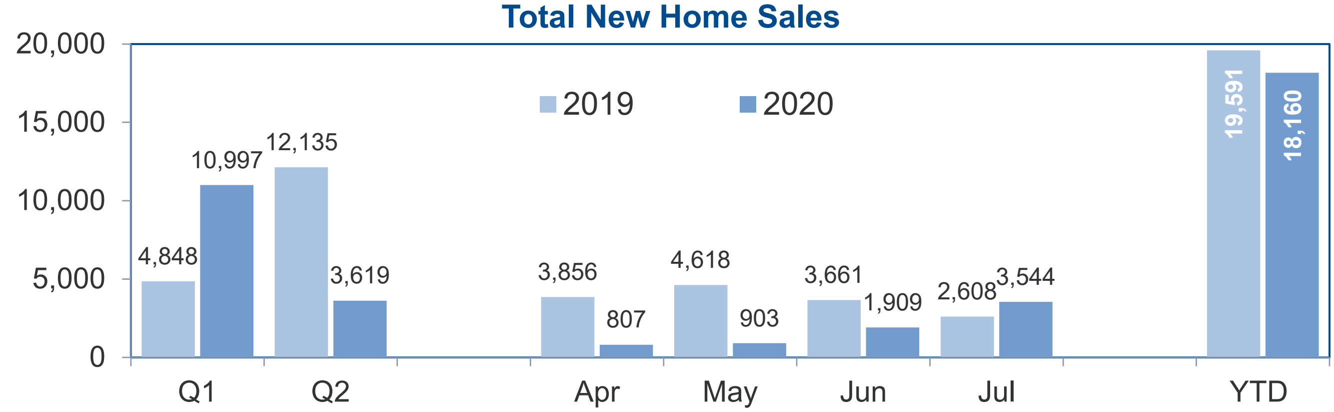
Source: Altus Group, The FIRM Survey

New Home Market - Sales

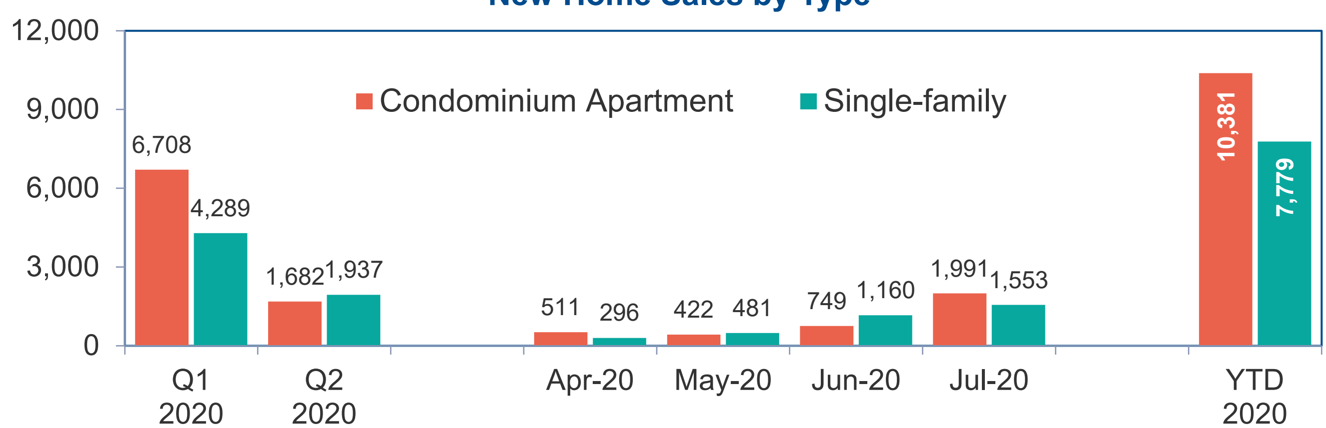
- The new home market continued its recovery from COVID-19 disruptions as July sales showed further strength. **Total new homes sales volumes posted a healthy 36% gain in July** compared to a year earlier, **nearly twice the level seen in June**.
- **New condominium apartment sales in July more than doubled June's level** and sit just 4% below last year's levels.
- **Single-family sales continued their impressive march upward hitting their highest July level since 2007**, driven by increases in single- and semi-detached projects.
- **Year-to-date sales for the GTA only lag last year's volume by 7%** despite 2 months of pandemic-related lows.
- **Total new home sales are up year-to-date in Durham and Halton Regions** (*see charts on next page*). Condominium apartment sales were lower across all regions; however, higher single-family sales, particularly in Durham, York and Halton, have offset much of the decline in apartment sales.

GTA New Home Sales

Total New Home Sales

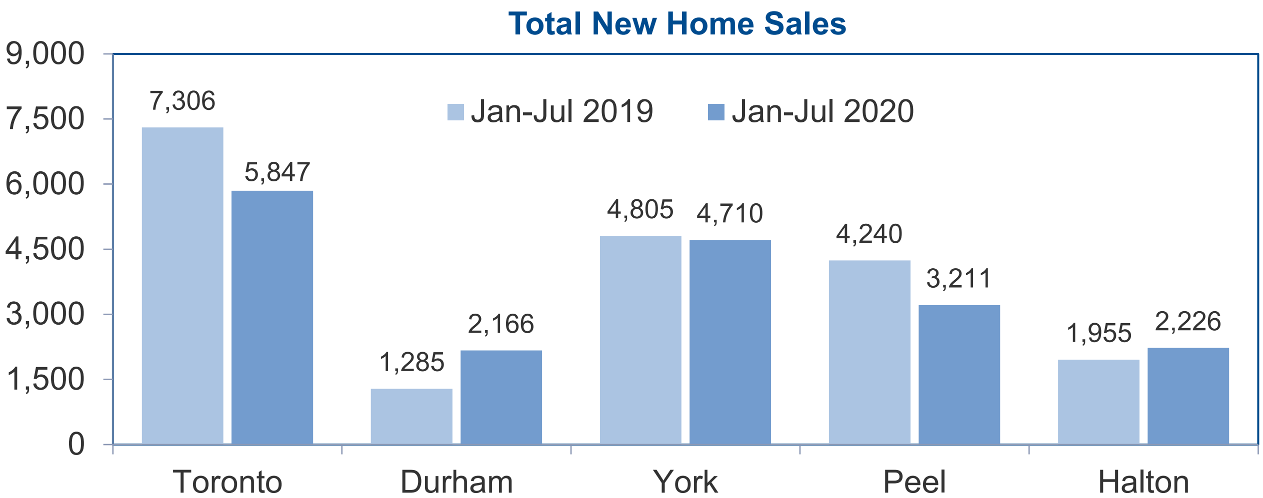


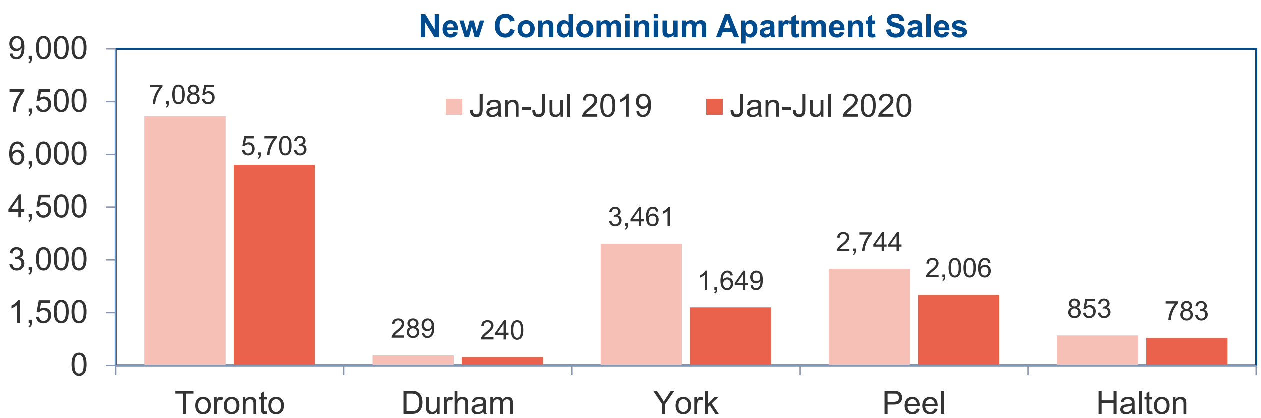
New Home Sales by Type

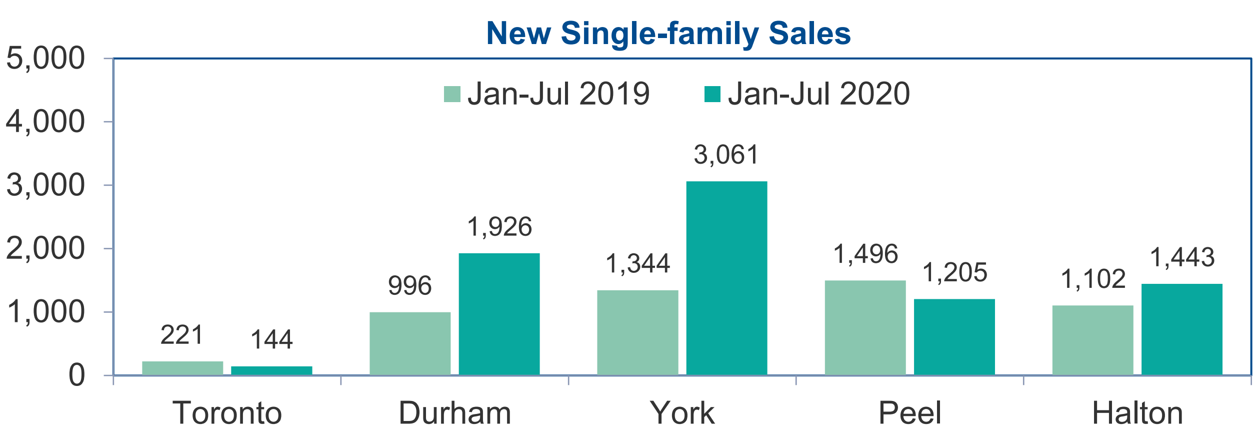


Source: Altus Group

GTA New Home Sales by Region

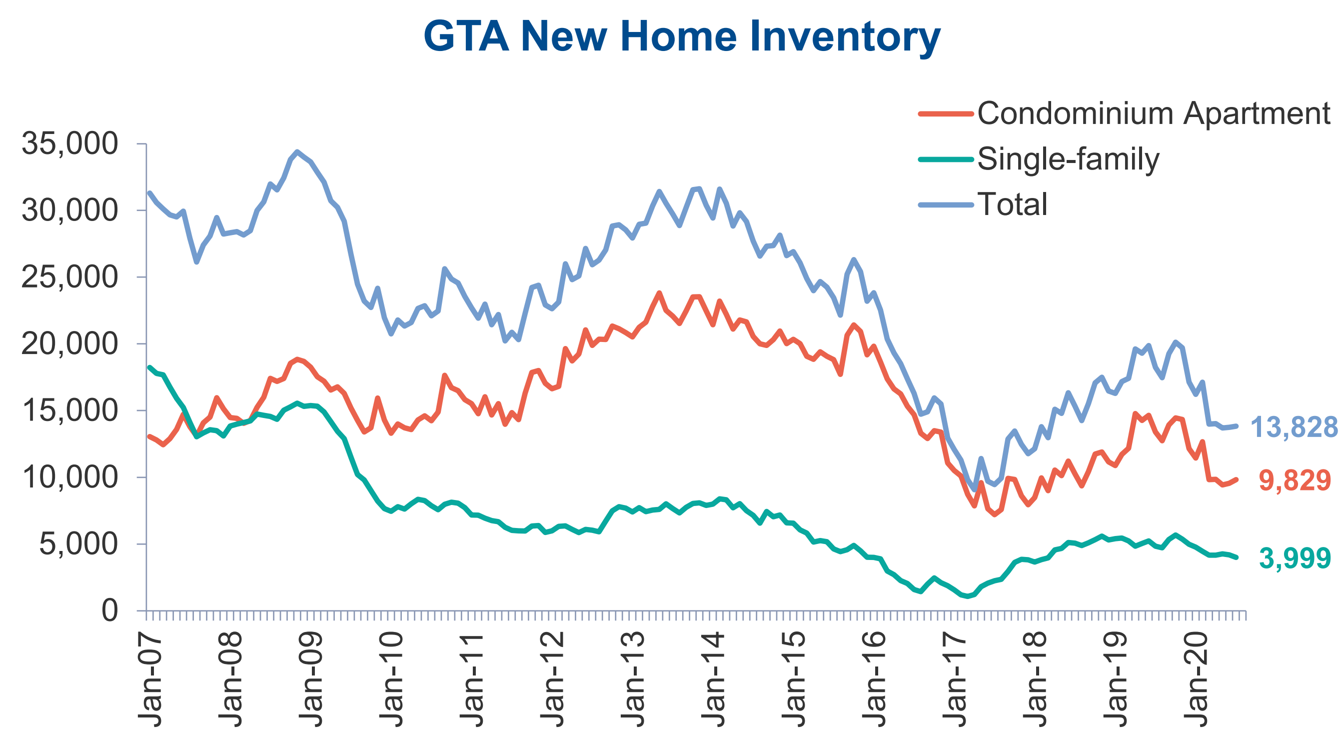






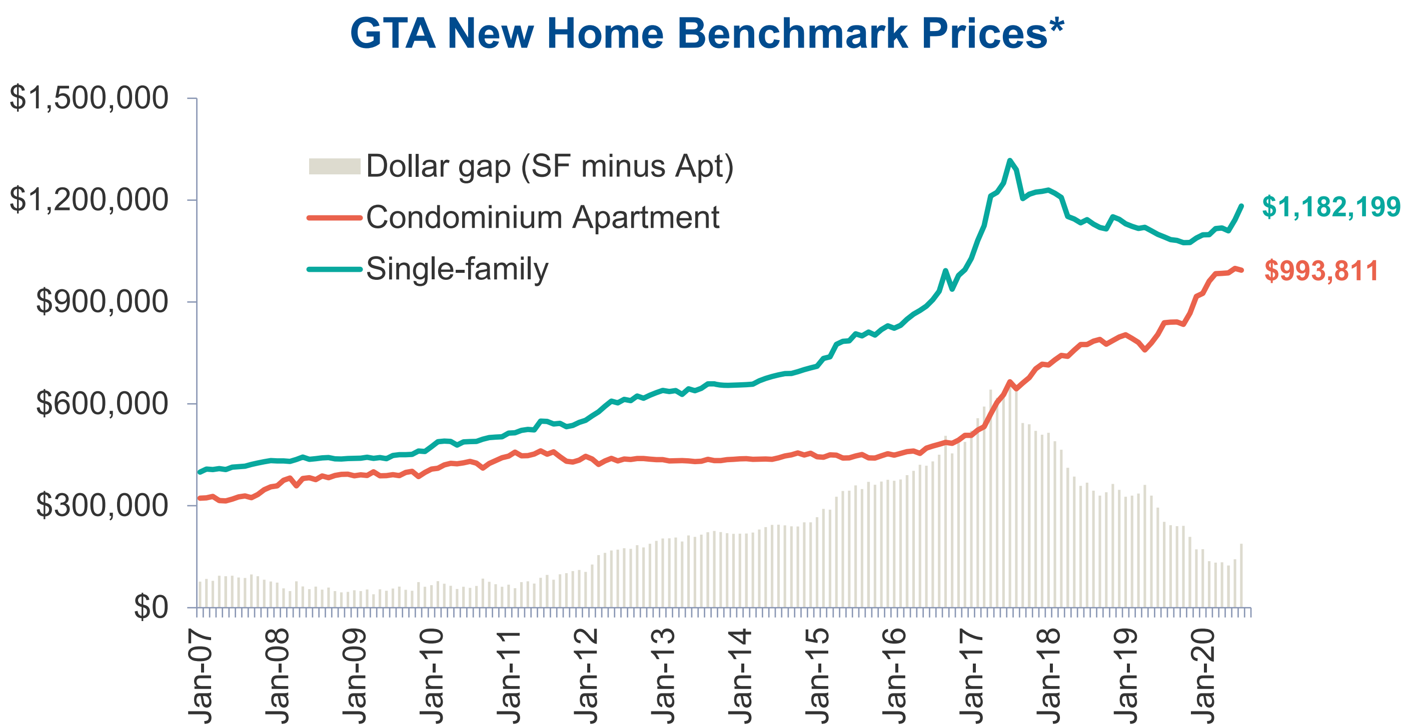
Source: Altus Group

- **The total new home inventory remained essentially flat for the 5th consecutive month in July with 13,828 units currently available.** The current supply represents approximately 4.8 months of inventory (based on average sales over the past 12 months) – very low in historical terms.
- Given the slower market conditions and sales centre restrictions, the current supply remains balanced to sales demand, with the market still being impacted by the pandemic. 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 further boost market supply**.**
- It will be critical to pay attention to the relationship of recovering sales activity volumes compared to available inventory which will largely signal where prices will land.



Source: Altus Group

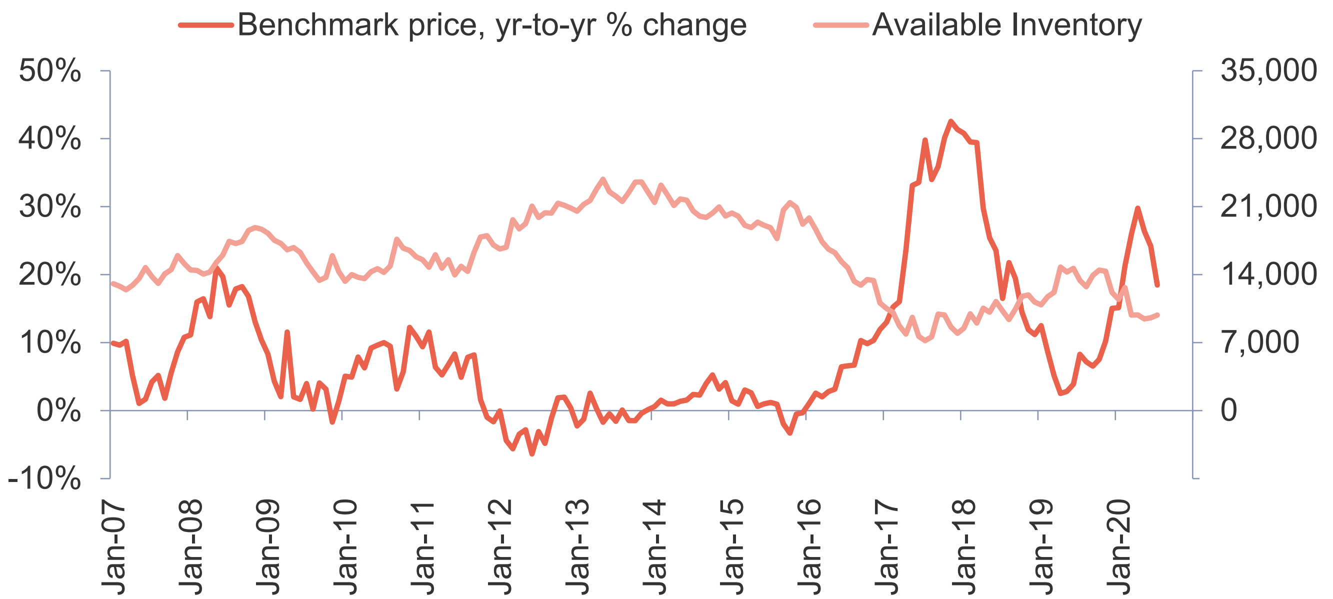
- **The Benchmark price for a new single-family home climbed further in July,** and sits 8% above July 2019 (*chart bottom of next page)* and is within 10% of the peak in July 2017.
- **The Benchmark price for a new condominium apartment inched lower from last month's record reaching nearly $994,000.** Year-over-year, the benchmark price is up 18% (*chart top of next page*).



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

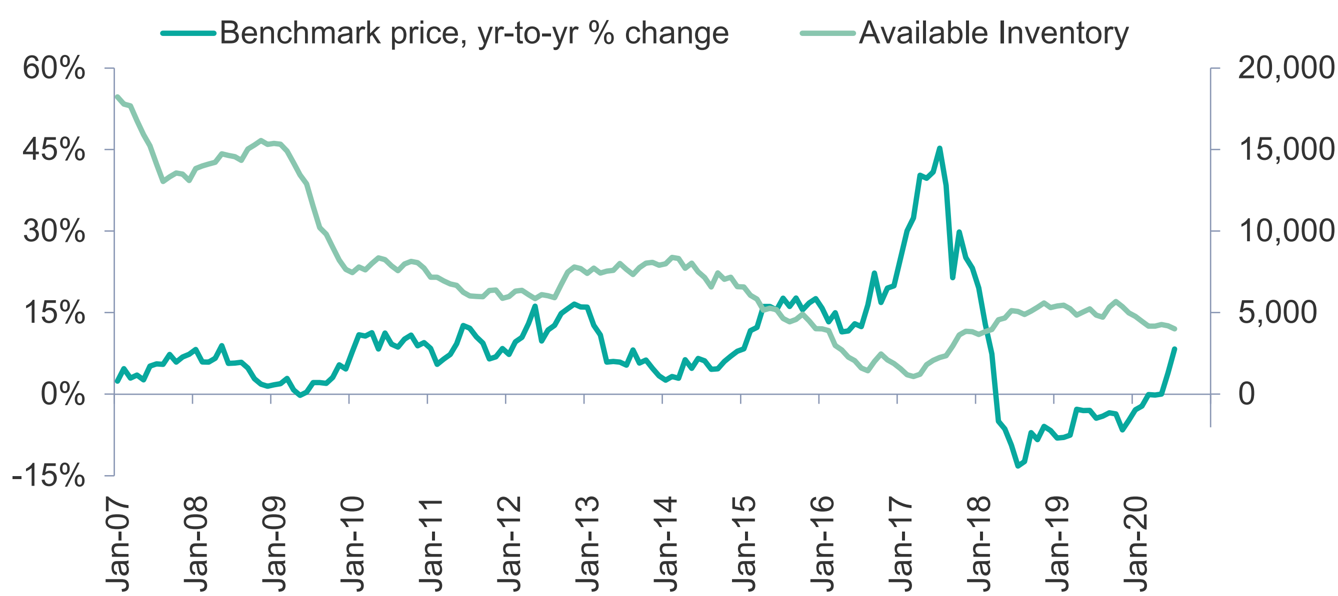
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



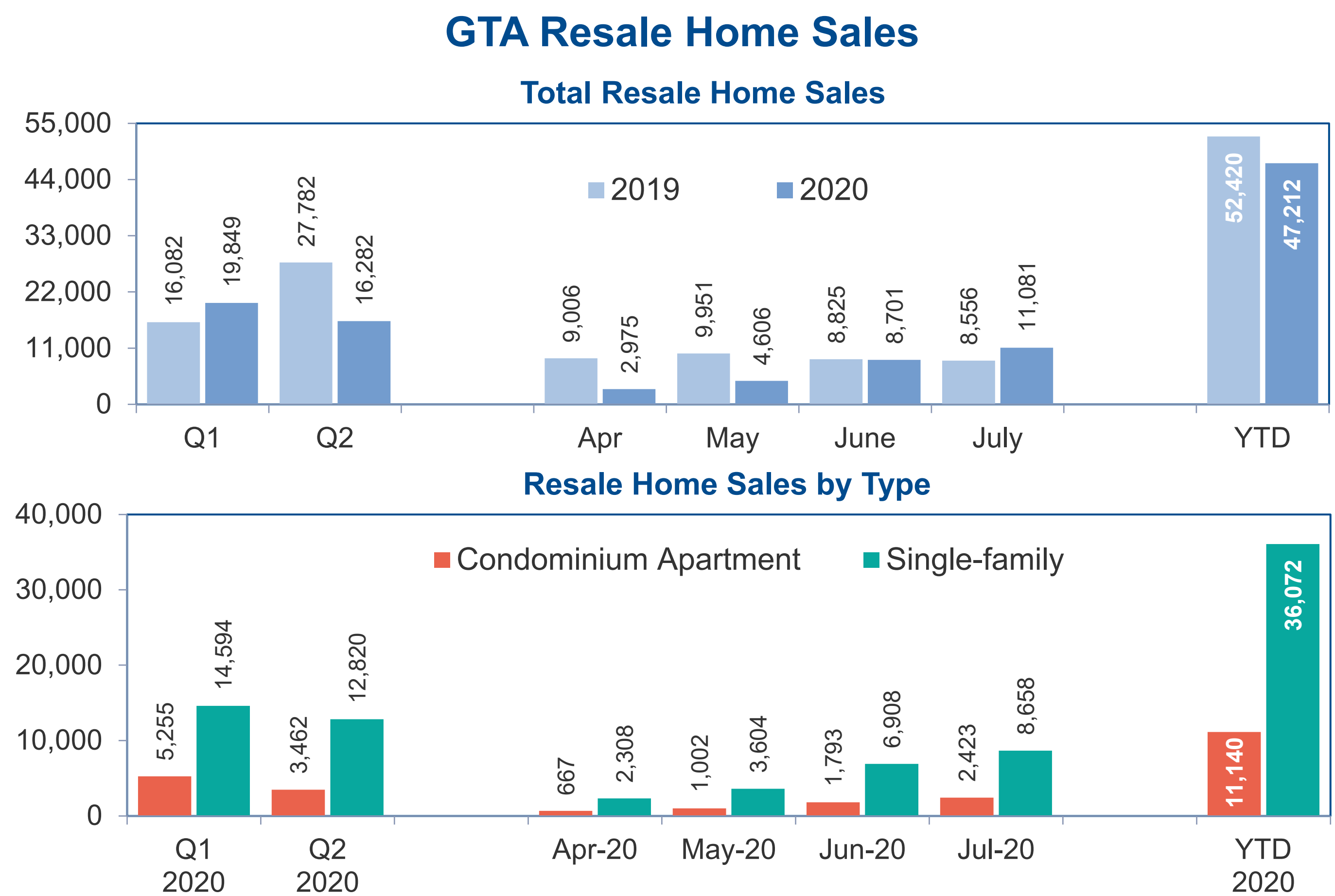
Source: Altus Group

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



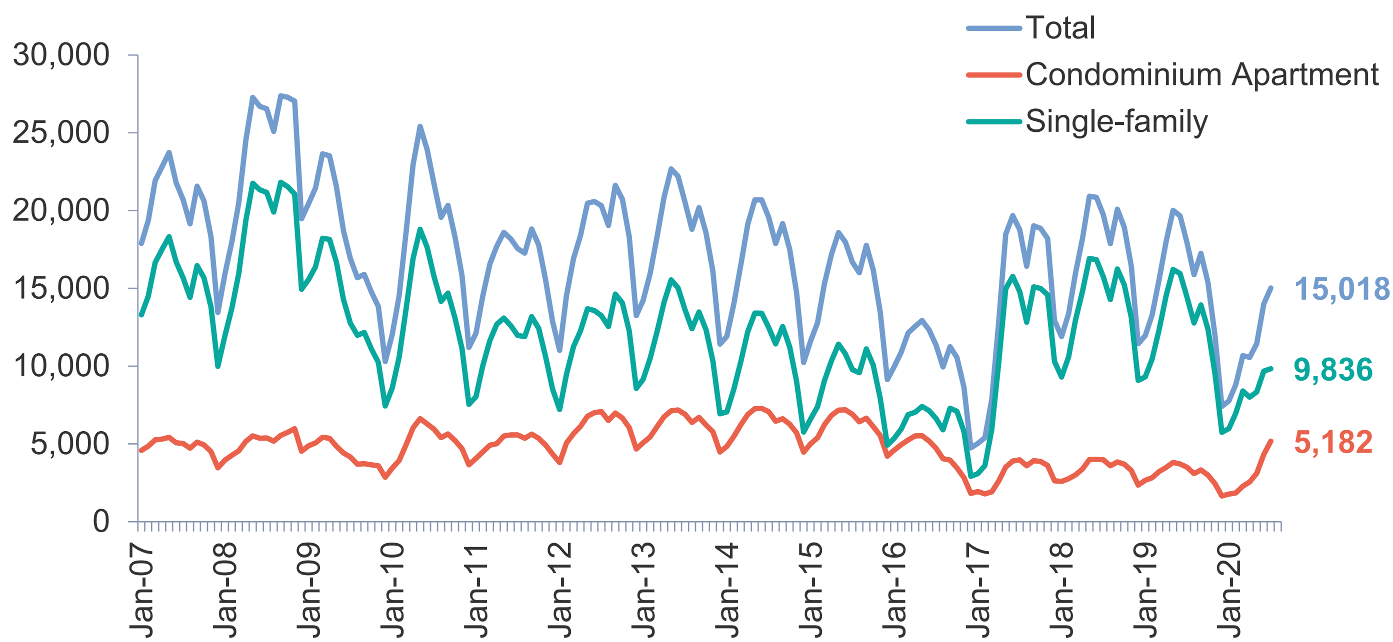
Source: Altus Group

- **Total sales of existing homes in July** (as reported by the Toronto Regional Real Estate Board) soared to a record high for July and 30% above June 2020 as recovery from the pandemic-induced lows takes greater hold. The improvement in sales activity in June and July compared to April and May indicates that buyer demand remains robust in the market. The jump in sales was shared between both the condominium apartment and single-family sectors *(chart below)*.
- Activity listings in July mostly kept pace with the rise in sales such that the months of available inventory only inched higher. Condominium apartment inventory rose markedly in July and to a lesser extent for single-family *(chart top of next page)*. The recent rise in inventory has not been nearly sufficient to return listings to more typical levels (about 30% below the 10 year average) continuing to exert upward pressure on prices.
- The overall average price of homes sold climbed to a record higher in July and now sits 17% higher than July 2019 (*chart bottom of next page*). The rise in average prices in July for both the condominium apartment and single-family sector accelerated year-over-year and each now is within 5% of their record levels.



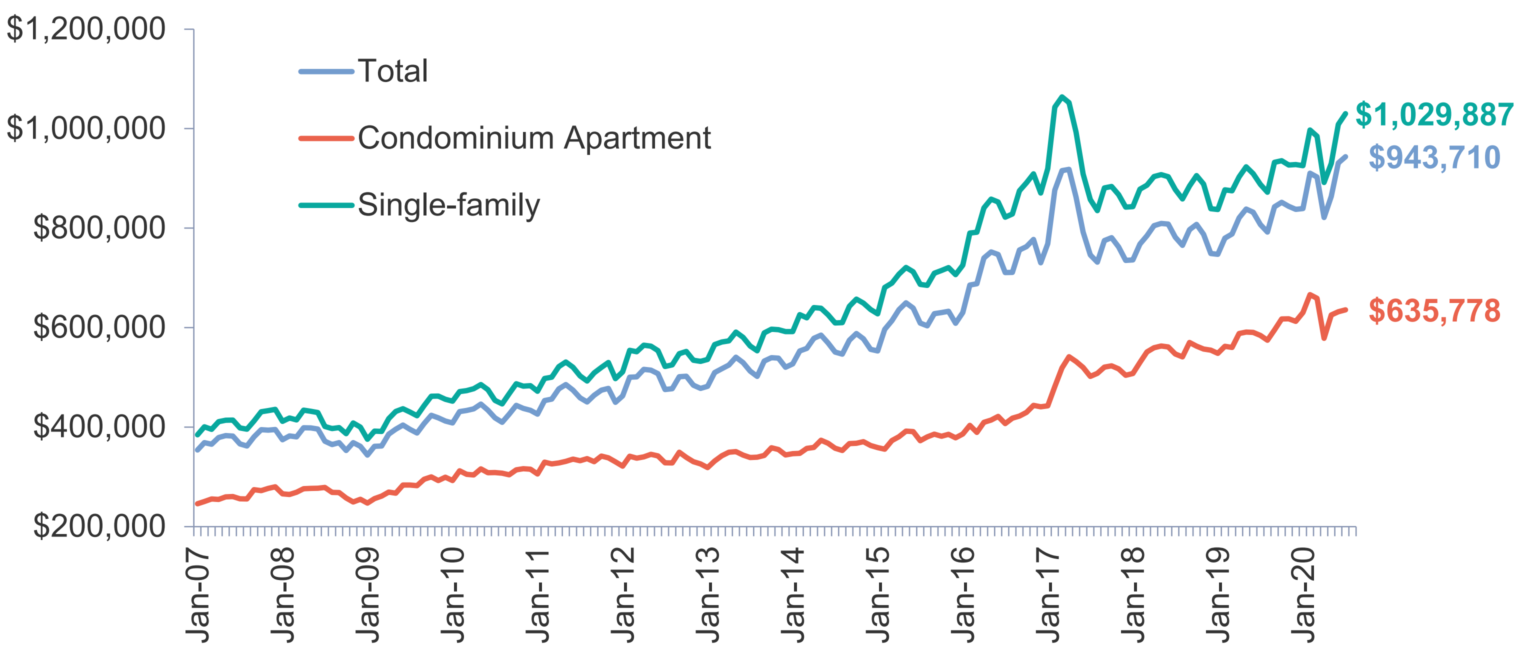
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

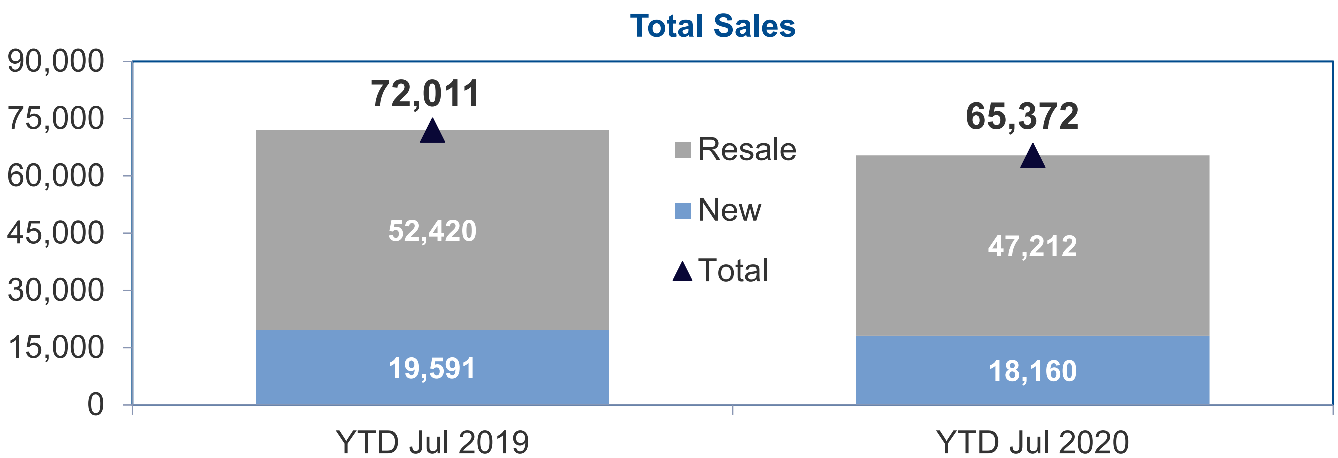
GTA Resale Home Prices

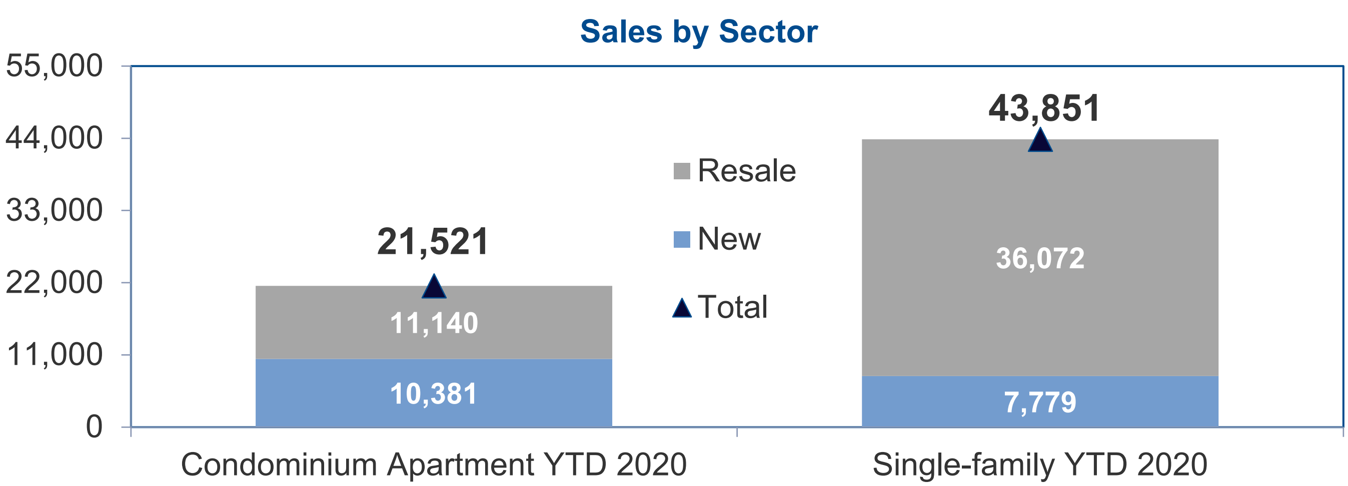


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Combined new and resale activity**, as measured by TRREB and Altus Group, totaled 65,372 units for year-to-date July, which is down 9% from the over 72,000 units reported in 2019. The decline in sales in 2020 was due entirely to a 24% decline in condominium apartments sales – single-family sales matched last year's level.
- **The new home sector accounted for nearly half of total condominium apartment sales** for year-to-date July, compared to about one-sixth of single-family sales. The recovery in new home sales has followed a similar pattern as the resale market – the recovery in the apartment sales has lagged that of the single-family sector.

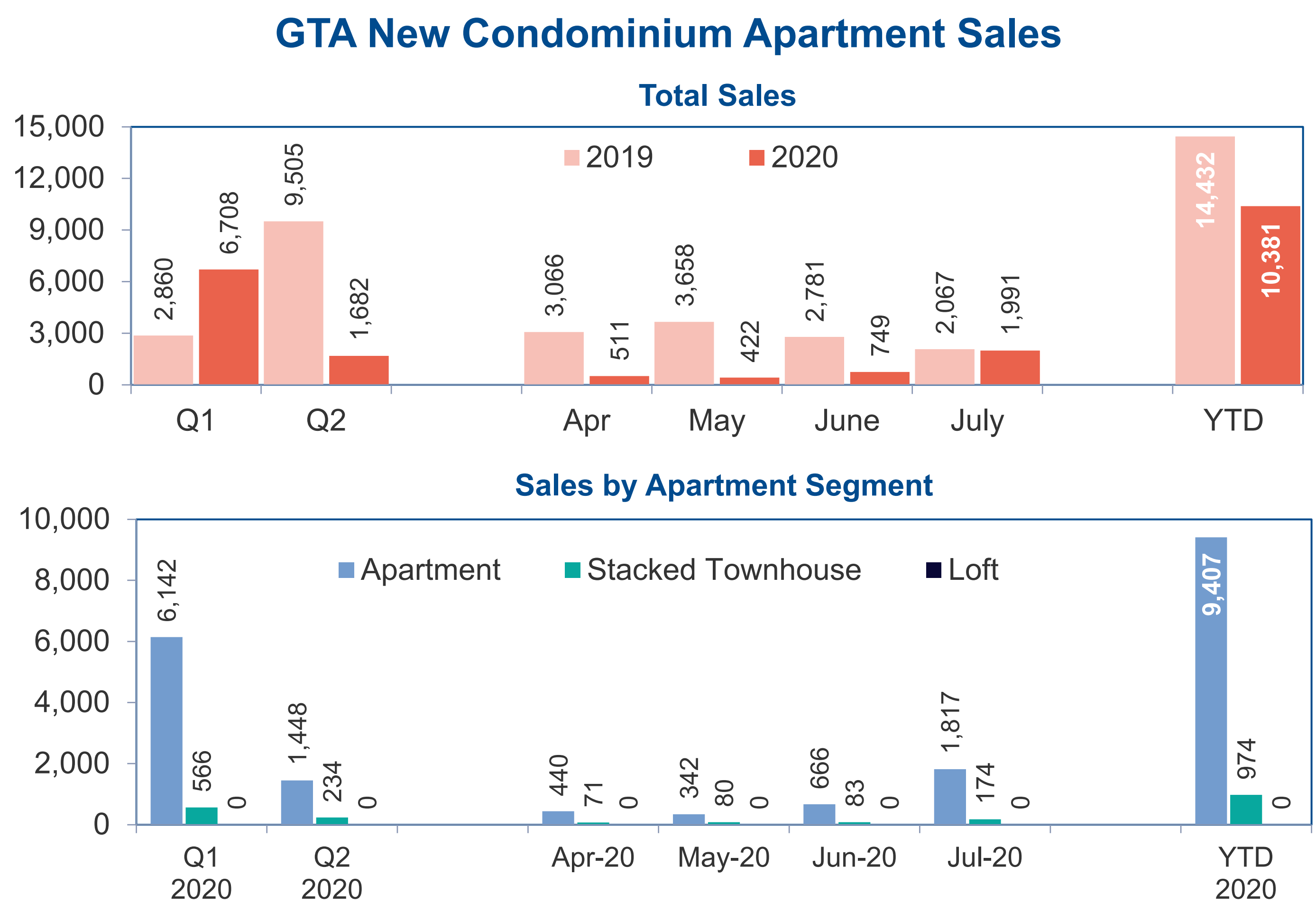
GTA Combined New & Resale Home Sales





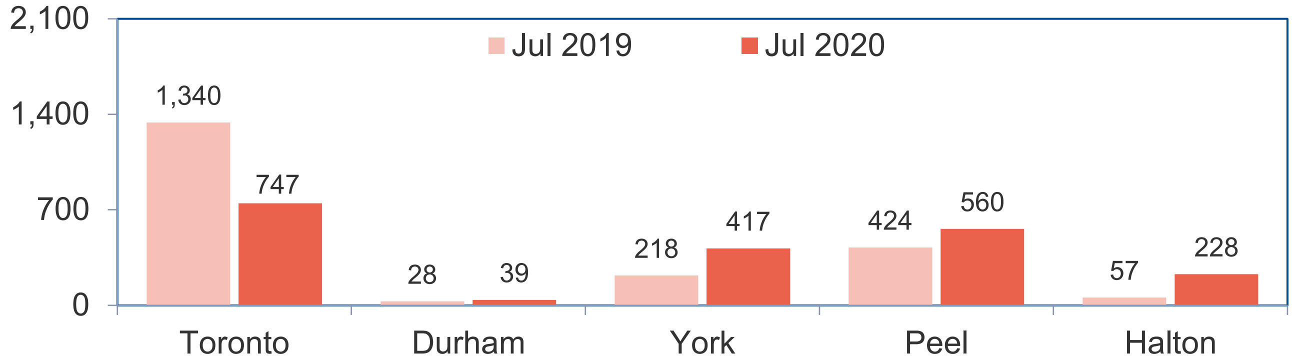
Source: Altus Group and Toronto Regional Real Estate Board data

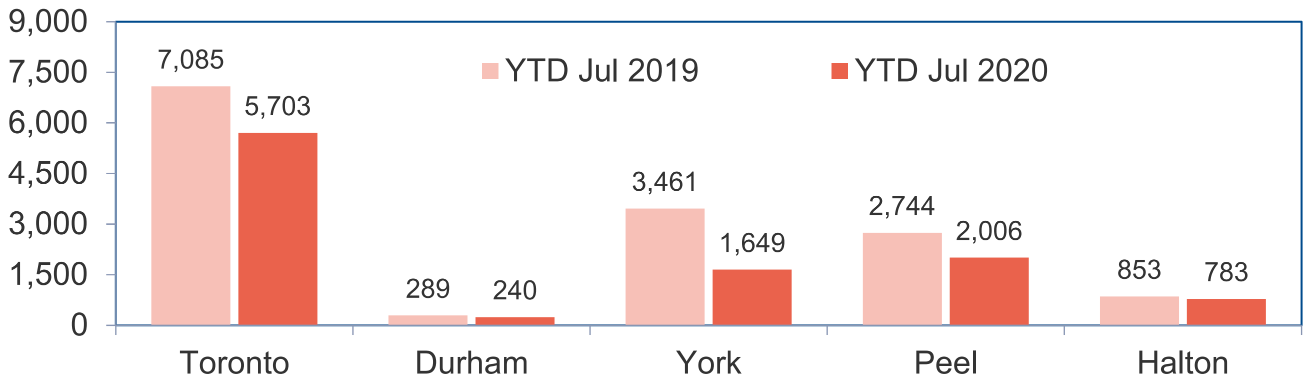
- New condominium apartment sales in July continued their recovery registering 1,991 units and are **the 3rd highest July level since 2008.** The typical seasonal pattern is for July sales to be lower than June but the pent-up demand from the COVID-19 lows of April and May is now being released.
- The strong July sales numbers can be tracked to the surge in new openings, where we typically see the largest sales volumes. For projects opened before the last 10 days of the month (6 of 9 projects), almost 90% of released units were sold.
- The rise in new condominium apartment sales in July was shared across all regions except Toronto *(chart next page)* but were down year-to-date in all regions, with York Region losing market share.

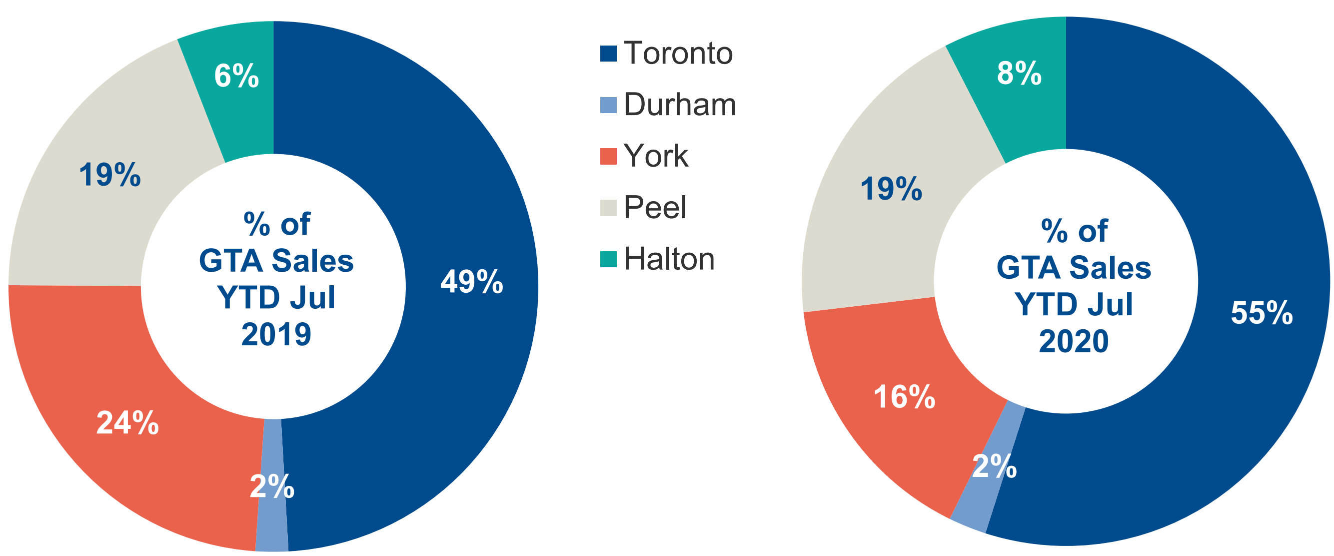


Source: Altus Group

GTA New Condominium Apartment Sales by Region



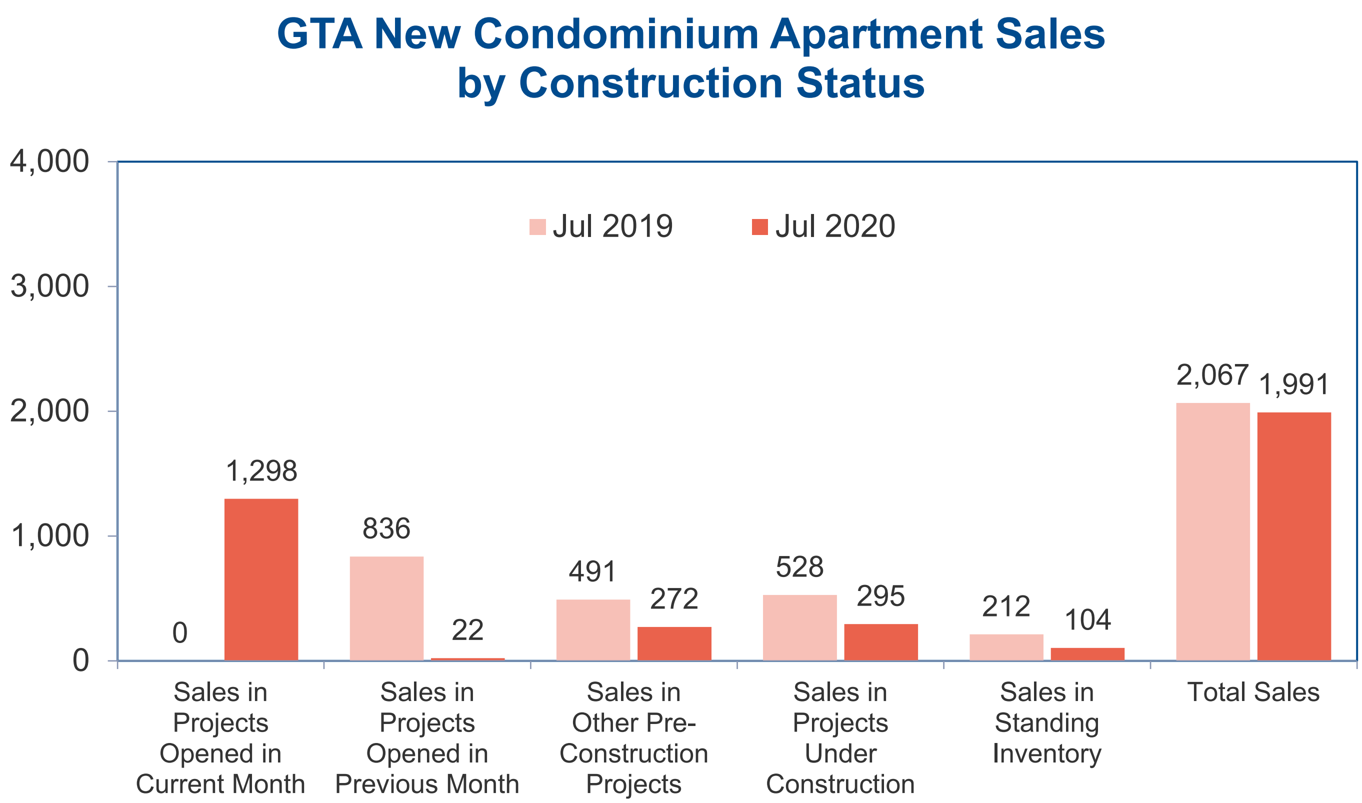




Source: Altus Group

New Condominium Apartments - Sales

- **Sales were strong at the newly launched projects**, with almost two-thirds of the sales reported in July occurring at newly opened projects (including launches late in the month). With many projects launching towards the end of the month, this strong sales activity is expected to carry-over into August.
- The pattern is markedly different than last year as 2 of the 3 launches were in the final 10 days of the month.

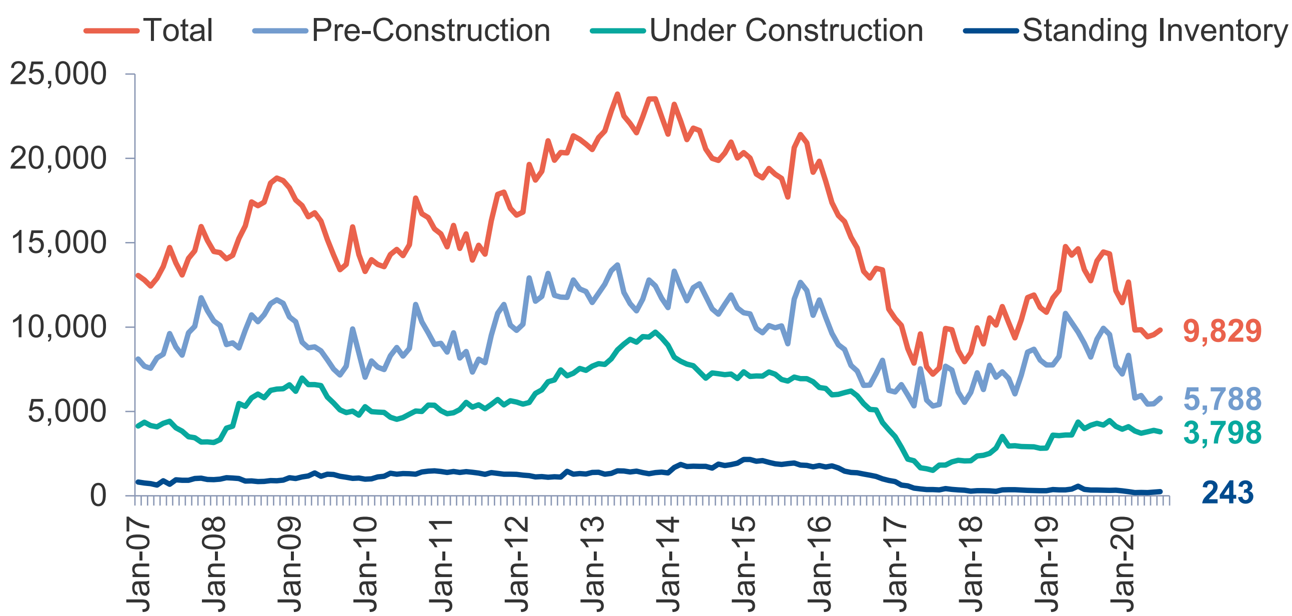


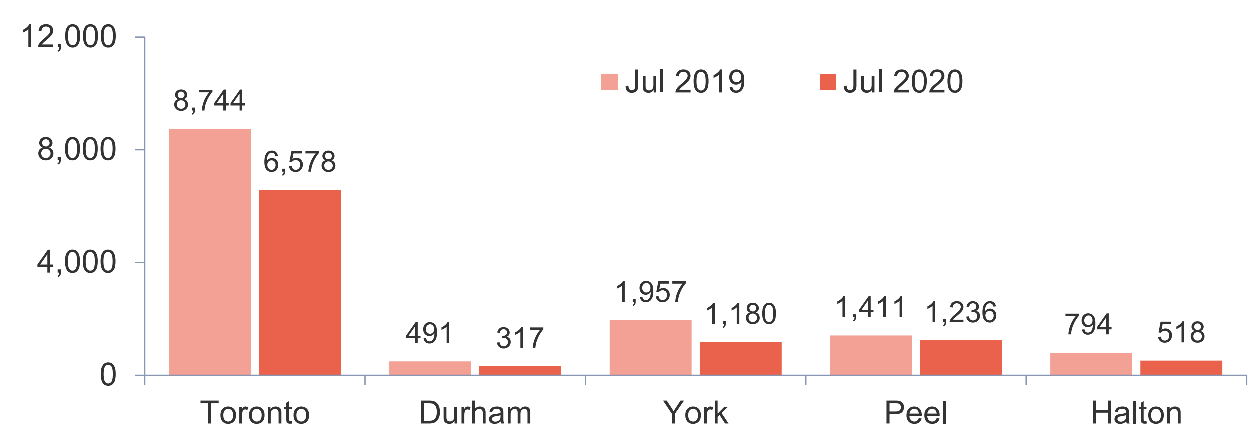
Source: Altus Group

New Condominium Apartments - Inventory

- Despite a surge of new project launches in July, **available inventory remained below 10,000 units** and sits well below the 10-year average.
- The strong pace of sales at new project launches in July means **little pre-construction inventory has been added,** and quick occupancy units remain scarce.
- **The current unsold inventory at new condominium apartment projects represents approximately 5.2 months of supply** at the past of sales seen over the past 12 months, which is well below the long-term average of almost 10 months. Given the strong demand seen at new project launches, we anticipate the inventory levels to remain lower through the balance of 2020.

GTA New Condominium Apartment Inventory

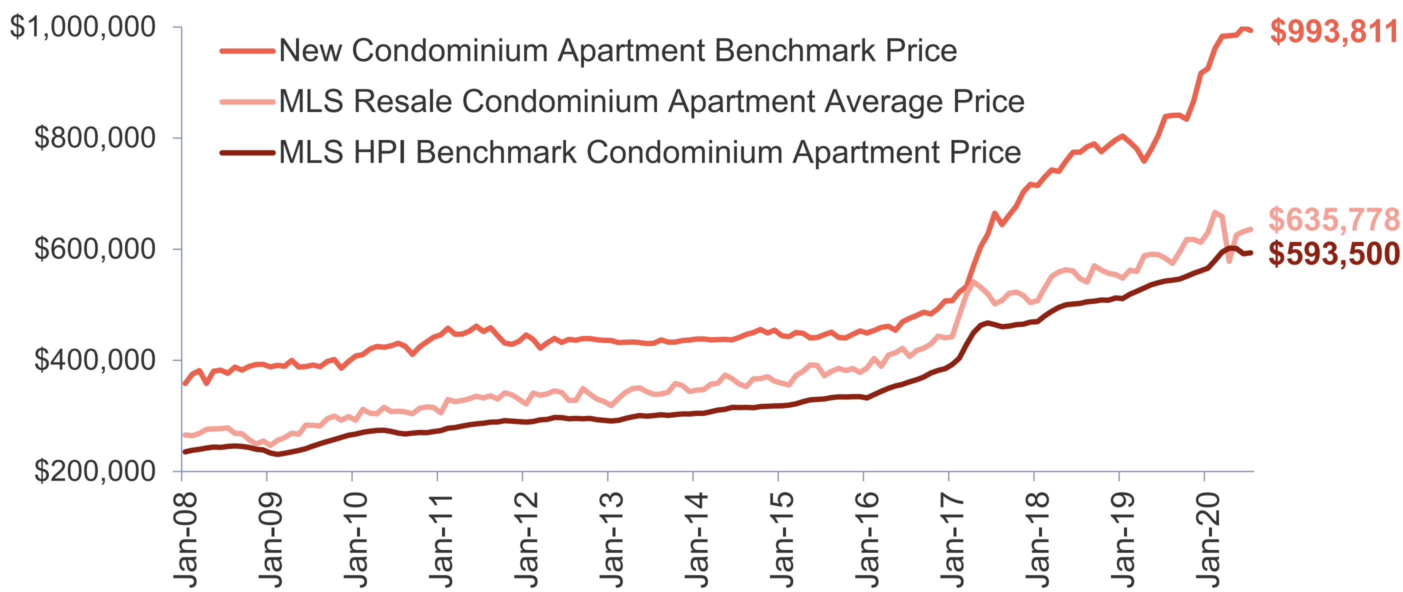


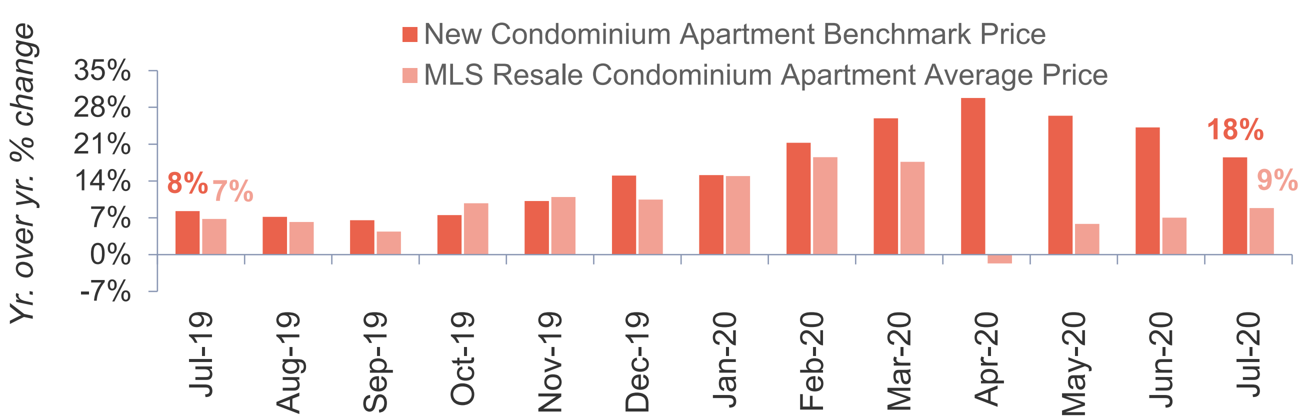


Source: Altus Group

- **The Benchmark price of the available inventory in July slipped off last month's record and sits at just under $994,000** - up 18% over last year. The elevated Benchmark price is being driven by the persistent low inventory numbers coupled with the recovery in sales from the pandemic-induced lows of March and April.
- The average price of a resale condominium apartment rose for the 3rd consecutive month in July and sits 9% higher than a year earlier. The resurgent resale market saw inventory return to the market in July helping to lessen the upward pressure on prices, at least for now.

GTA New and Resale Condominium Apartment Prices

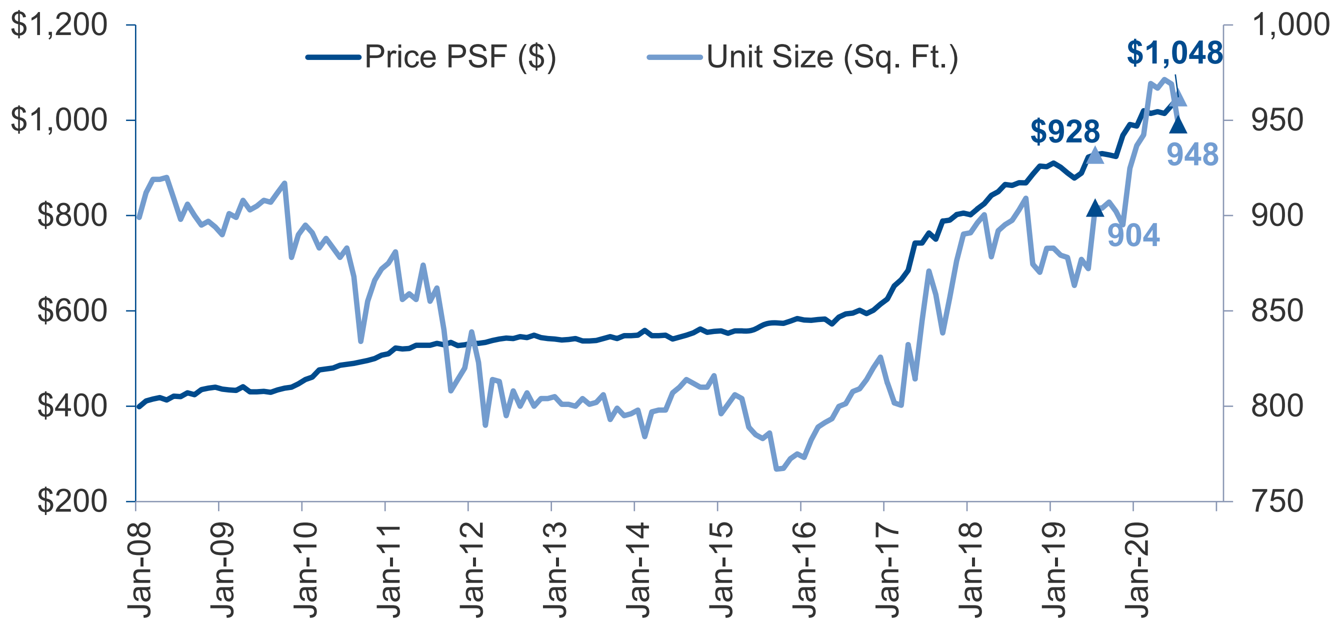




Source: Altus Group and Toronto Real Estate Board data

- **The benchmark price per square foot indictor reached a record high in July, partially due to the reduced benchmark average unit size.** The price per square foot benchmark was also driven higher by the sales recovery from recent lows.
- The strong sales and low inventory have continued to put upward pressure on prices, although the pace of price growth has slowed appreciably compared to 2019. Resale prices also turned positive since COVID-19 restrictions have lifted, with both sectors of the market influenced by strong demand and low inventories.

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

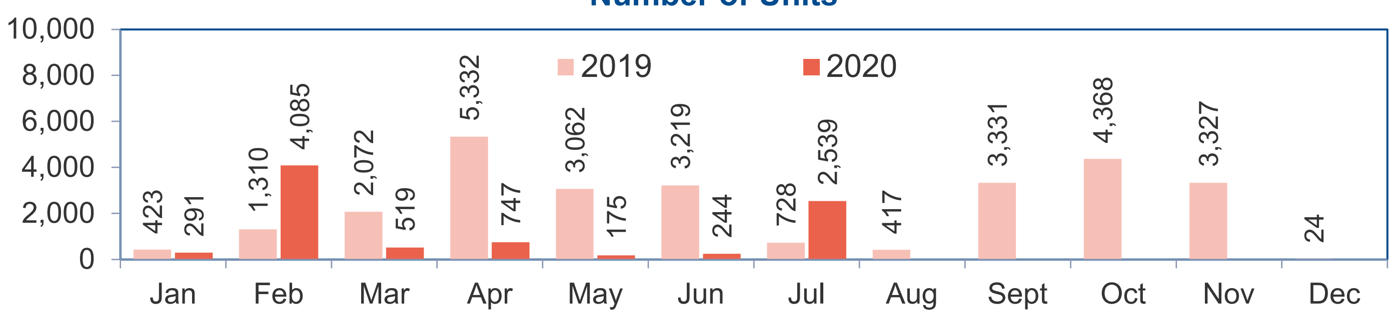


Source: Altus Group

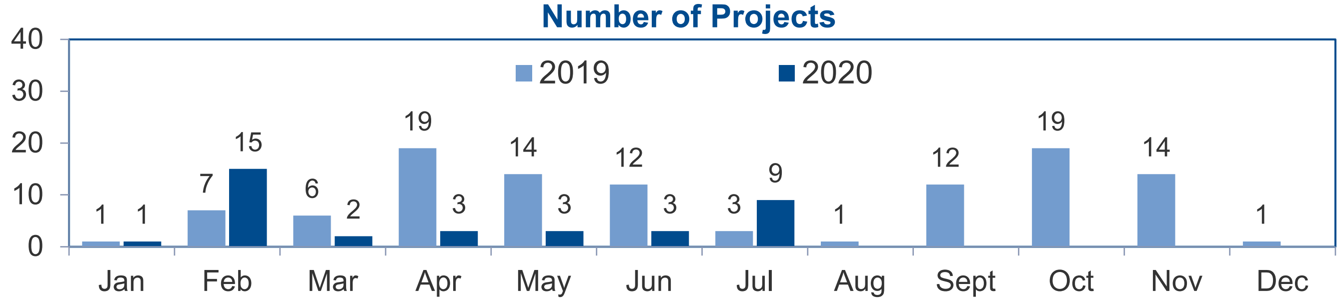
- **July saw a near record nine new project launches and the most ever number of units added for a July at 2,539 units**. Despite July's strong levels, 2020 year-to-date project launches (-42%) and unit openings (-47%) remain well below 2019.
- August is typically one of the slowest months of the year but deferred openings are expected to boost the number of new project openings.
- Year-to-date there have been only 8,600 units in new projects opened, down nearly 50% from last year. **York Region lost about half of its market share compared to last year. Within the City of Toronto, the former City of Toronto's share was boosted at the expense of North York** (*charts next page*).
- Following this page are maps showing the location of new projects launched in June and July 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.*

GTA New Condominium Apartment Project Openings

Number of Units

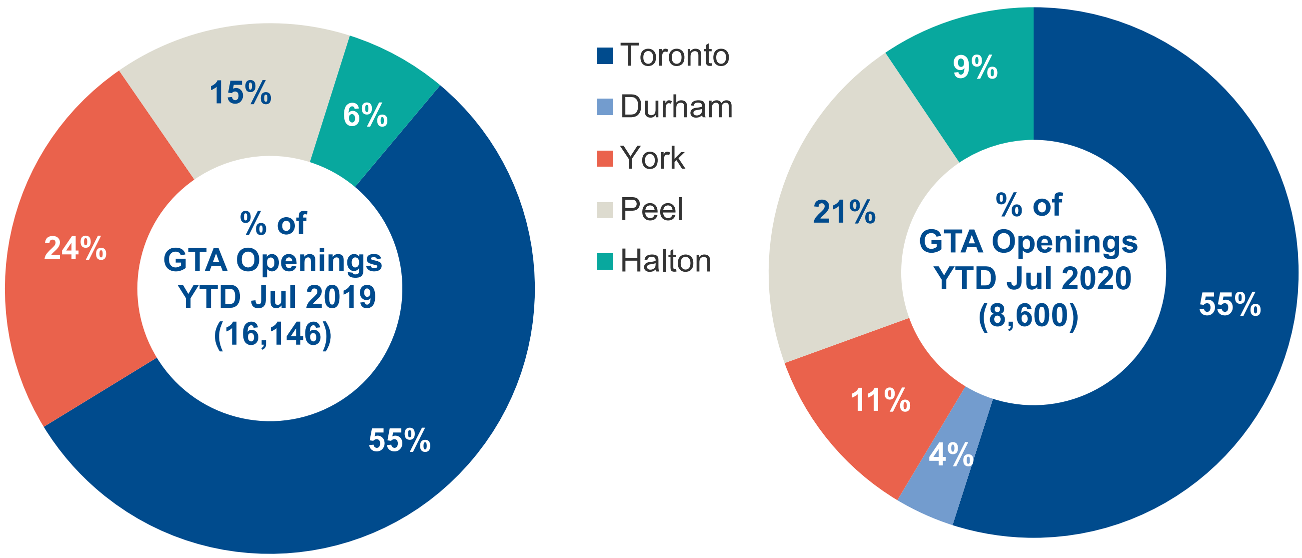


Number of Projects



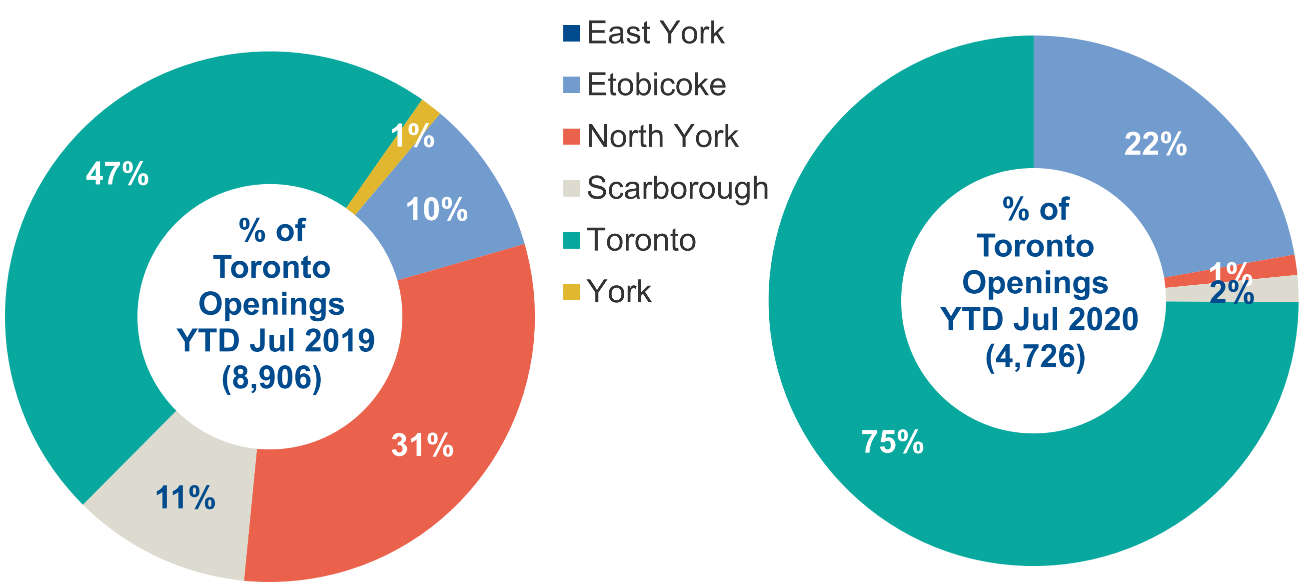
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



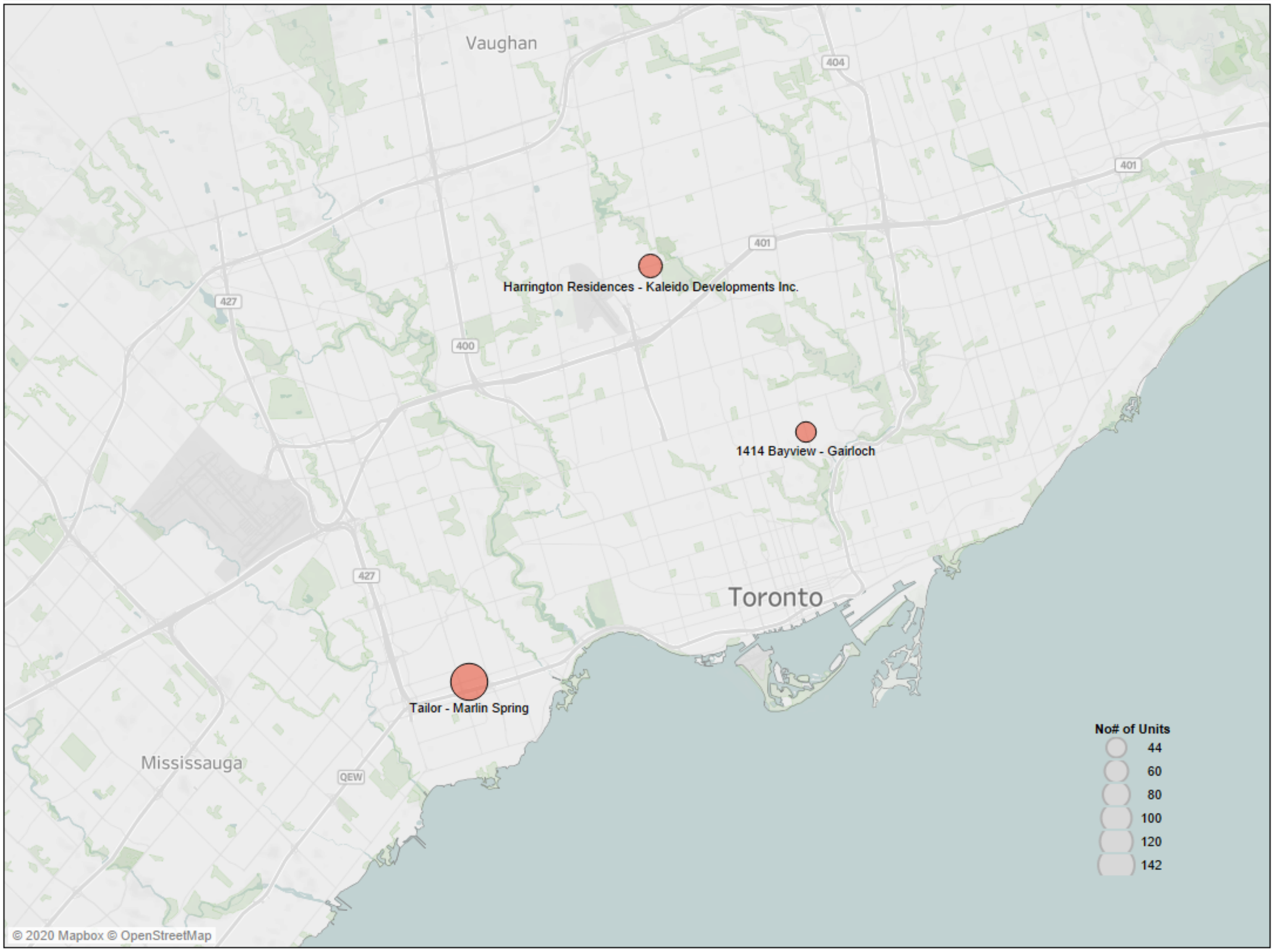
Source: Altus Group

City of Toronto Condominium Apartment Units in New Openings by Former Municipality



Source: Altus Group

June 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

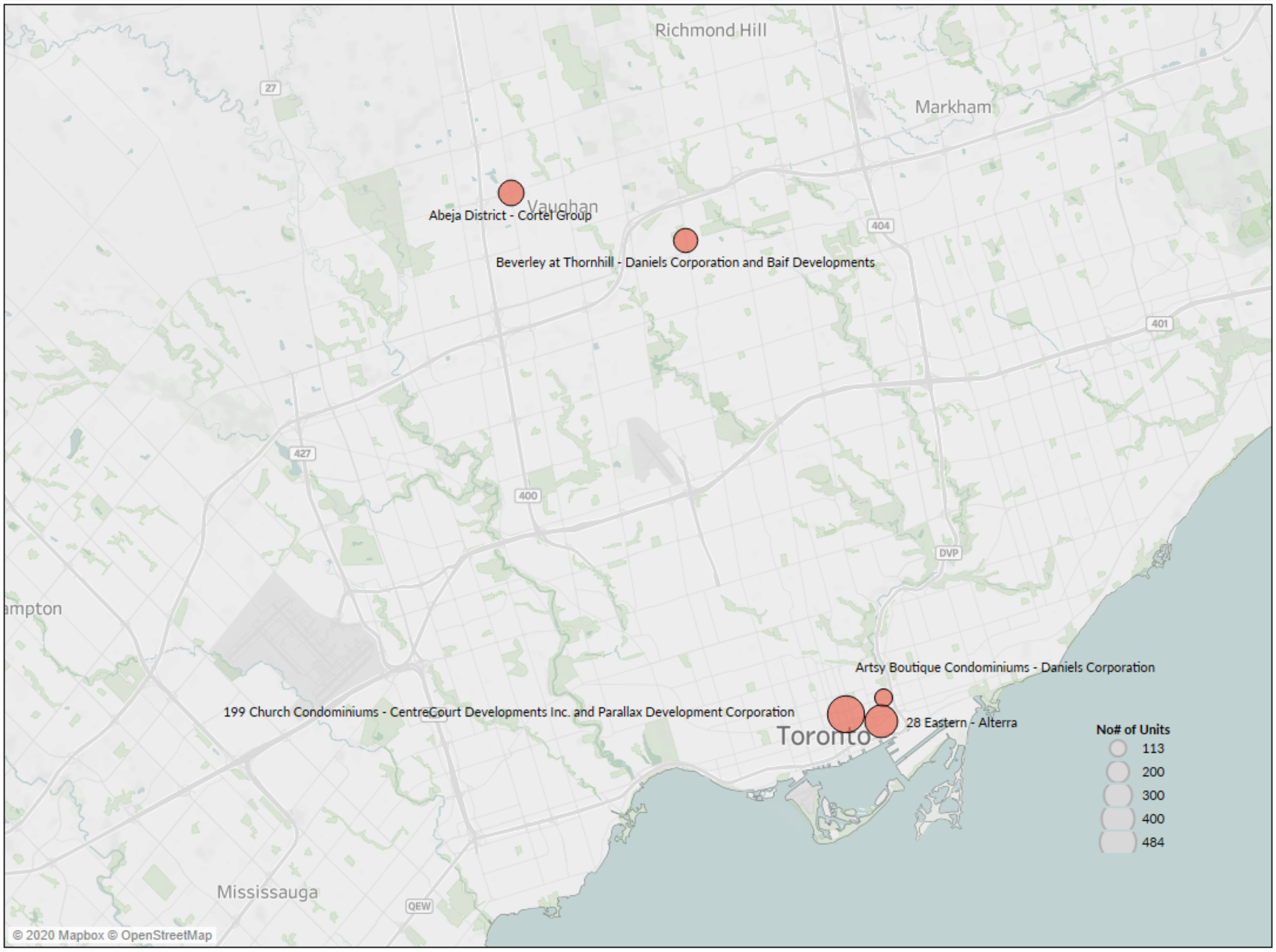
Project Record | 1414 Bayview | Harrington Residences | Tailor

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**
Next month sales	**4**	**8**	**10**
% Sold (of released units)	*34%*	*51%*	*77%*
Remaining available inventory	29	18	32
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

July 2020 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

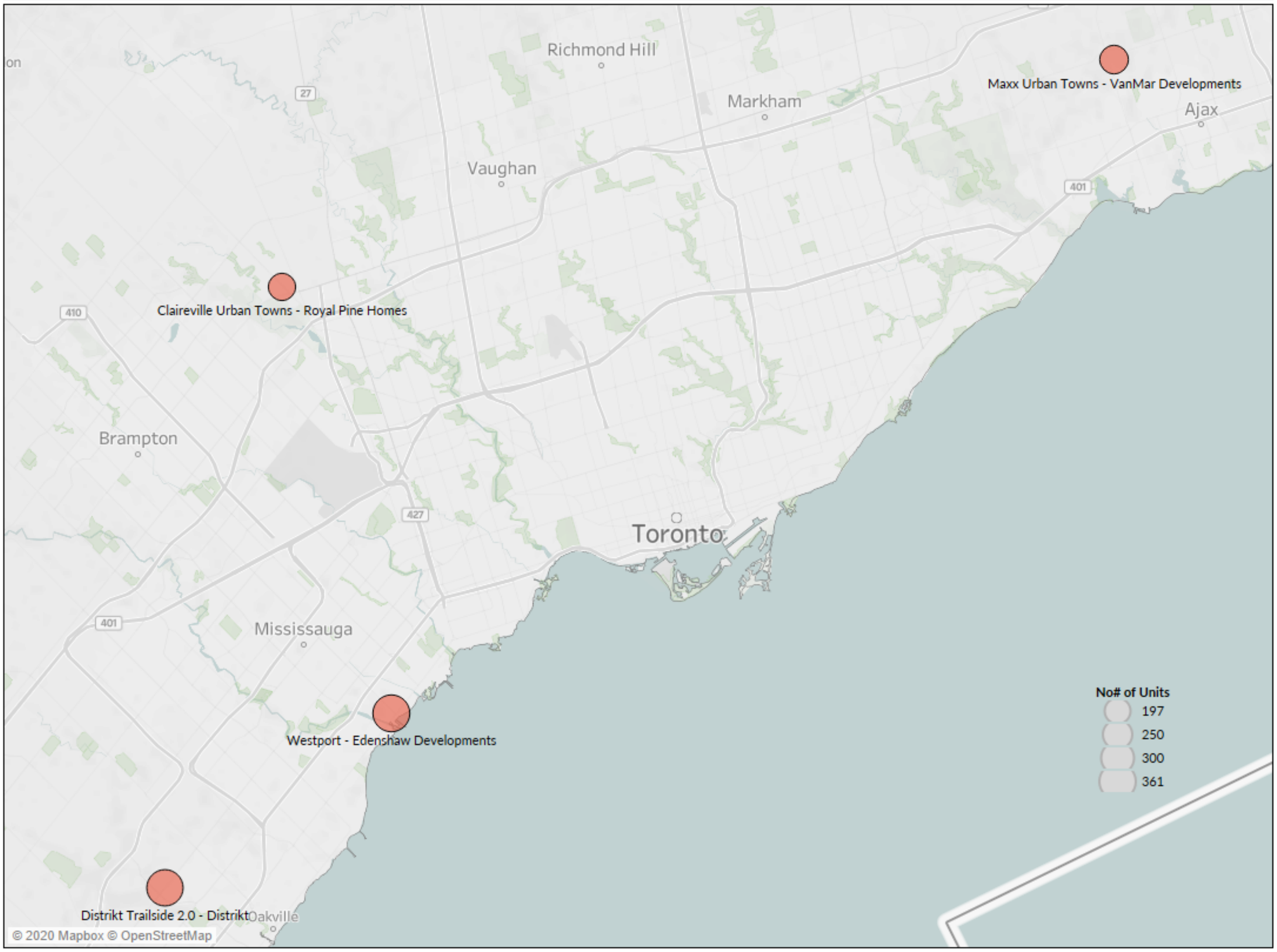
Project Record | 28 Eastern | 199 Church Condominiums | Abeja District | Artsy Boutique | Beverley at Thornhill

New Condominium Apartment Project Openings - July 2020

Project Name	28 Eastern	199 Church Condominiums	Abeja District	Artsy Boutique Condominiums	Beverley at Thornhill
Developer	Alterra	Developments Inc. and Parallax Development Corporation	Cortel Group	Daniels Corporation	Daniels Corporation and Baif Developments
Date Opened	2020-07-18	2020-07-22	2020-07-09	2020-07-18	2020-07-04
Municipality	Old Toronto	Old Toronto	Vaughan	Old Toronto	Vaughan
Region	Toronto	Toronto	York	Toronto	York
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	12	39	27	11	15
Project Total Units	**379**	**484**	**232**	**113**	**208**
Total Units Released	**379**	**463**	**232**	**113**	**208**
Studio	42	135	--	1	2
1 bedroom	173	142	21	31	118
1 bedroom + den	--	15	86	36	17
2 bedroom	128	122	102	31	35
2 bedroom + den	--	--	--	--	21
3 bedroom & up	36	49	23	14	6
Penthouse	--	--	--	--	--
Other	--	--	--	--	9
Opening month sales	**375**	**0**	**232**	**88**	**150**
% Sold (of released units)	*99%*	*0%*	*100%*	*78%*	*72%*
Remaining available inventory	4	463	0	25	58
Original $PSF	$1,162	$1,343	$791	$1,074	$869
Minimum Size (sq. ft.)	460	355	505	408	471
Maximum Size (sq. ft.)	1,340	860	1,000	1,023	1,619
Minimum Price	$549,990	$520,990	$419,999	$454,900	$417,900
Maximum Price	$1,379,990	$999,990	$754,999	$1,032,900	$1,177,900
Notes		No firm sales as all deals subject to the 10-day conditional period.			Townhouse units included in Other.

Source: Altus Group

July 2020 New Project Launches by Number of Units



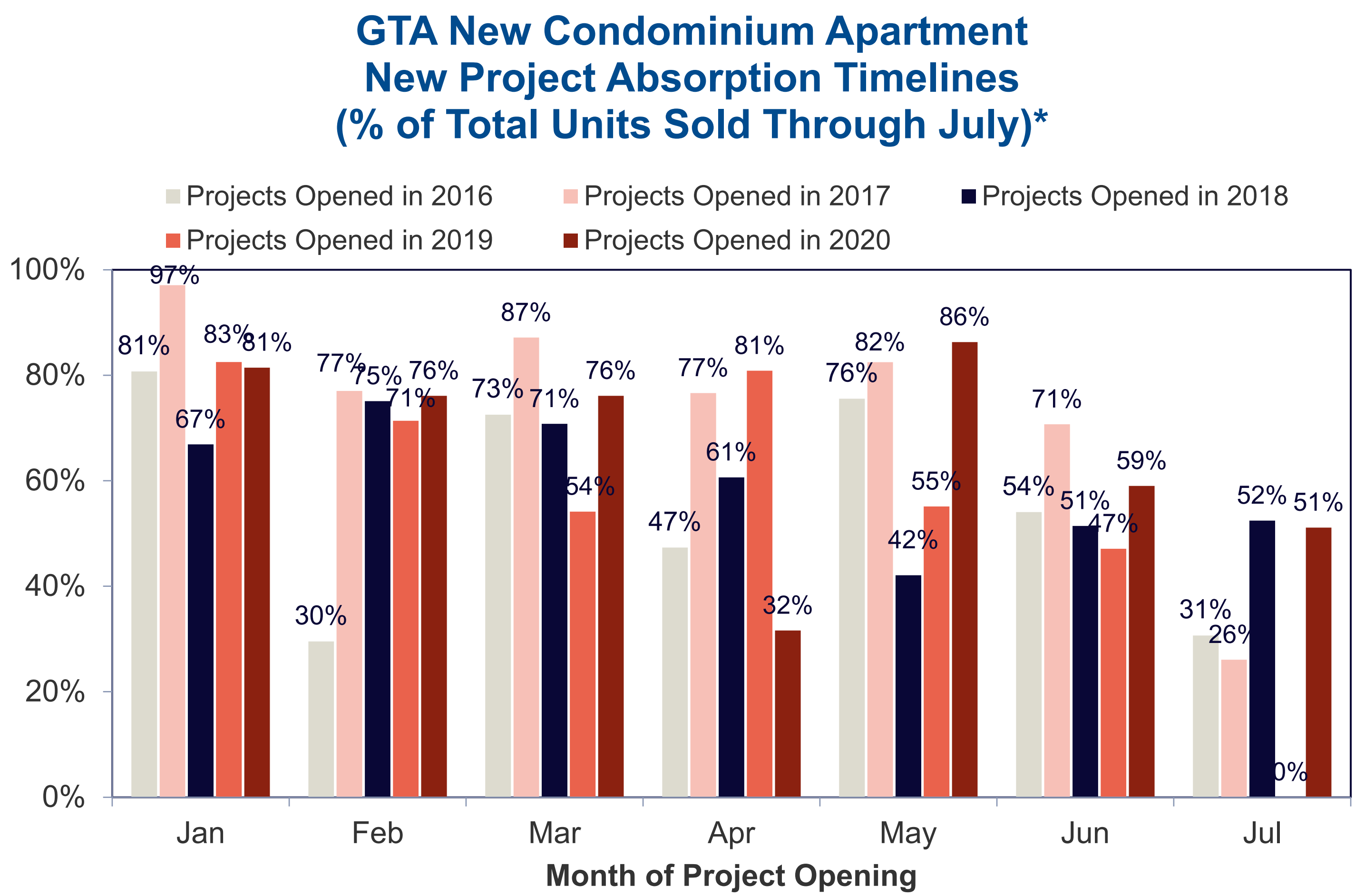
Source: Altus Group

New Condominium Apartment Project Openings - July 2020 (continued)

Project Name	Claireville Urban Towns	Distrikt Trailside 2.0	Maxx Urban Towns	Westport
Developer	Royal Pine Homes	Distrikt	VanMar Developments	Edenshaw Developments
Date Opened	2020-07-25	2020-07-10	2020-07-25	2017-10-07
Municipality	Brampton	Oakville	Pickering	Mississauga
Region	Peel	Halton	Durham	Peel
Structural Type	Stacked	Apartment	Stacked	Apartment
Floors	4	10	3	22
Project Total Units	**197**	**349**	**216**	**361**
Total Units Released	**77**	**216**	**56**	**328**
Studio	--	--	--	--
1 bedroom	44	30	2	103
1 bedroom + den	--	107	4	143
2 bedroom	28	60	15	66
2 bedroom + den	2	9	13	9
3 bedroom & up	3	10	22	7
Penthouse	--	--	--	--
Other	--	--	--	--
Opening month sales	**0**	**153**	**0**	**300**
% Sold (of released units)	*0%*	*71%*	*0%*	*91%*
Remaining available inventory	77	63	56	28
Original $PSF	$746	$828	$491	$995
Minimum Size (sq. ft.)	495	484	536	449
Maximum Size (sq. ft.)	1,480	1,088	1,367	1,139
Minimum Price	$459,900	$440,000	$396,900	$496,990
Maximum Price	$899,900	$820,000	$555,900	$1,200,000
Notes	No firm sales as all deals subject to the 10-day conditional period.		No firm sales as all deals subject to the 10-day conditional period.	

Source: Altus Group

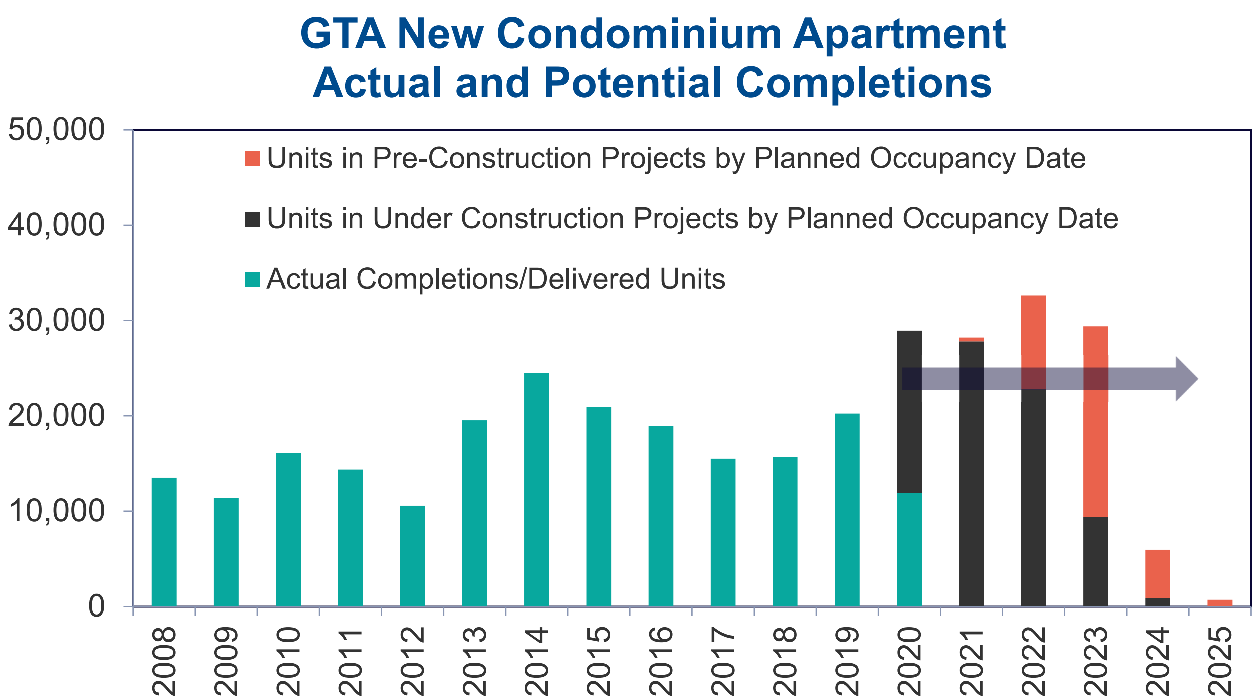
- **Sales to date in projects opened in 2020 compare well with absorption rates in previous years**, with absorption to date in projects opened in various months running generally close to or above last year, except April.
- Caution needs to be used in comparing sales in projects opened in the latest 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.
- 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

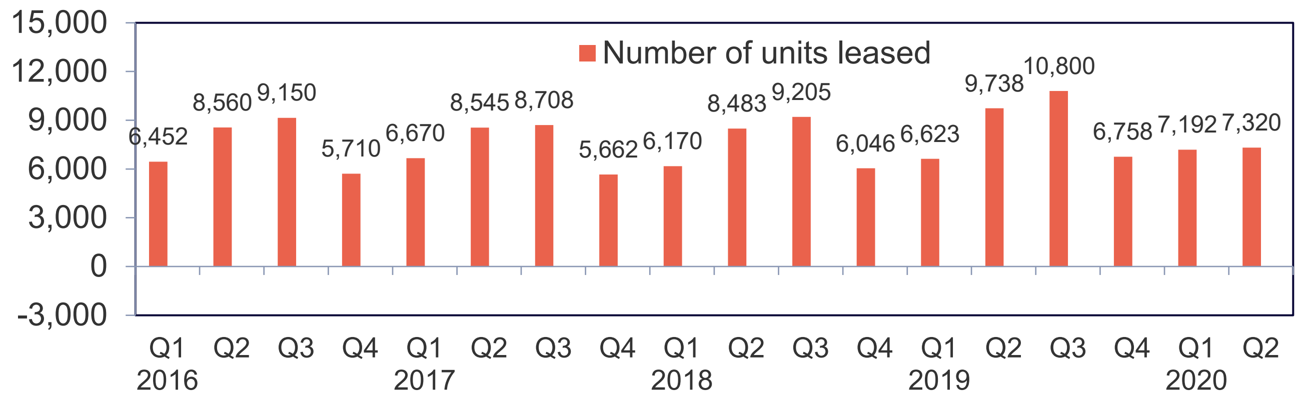
- As of the end of July 2020, there were about 114,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **1,677 units were delivered/ready for occupancy in July 2020**, based on Altus Group data, down one-third from July 2019. Year-to-date, almost 11,900 units were delivered, down 21% 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 physical distancing measures, worker illness, disruption in materials supply chain, etc.) which could delay deliveries beyond the "typical" delays experienced in recent years.**

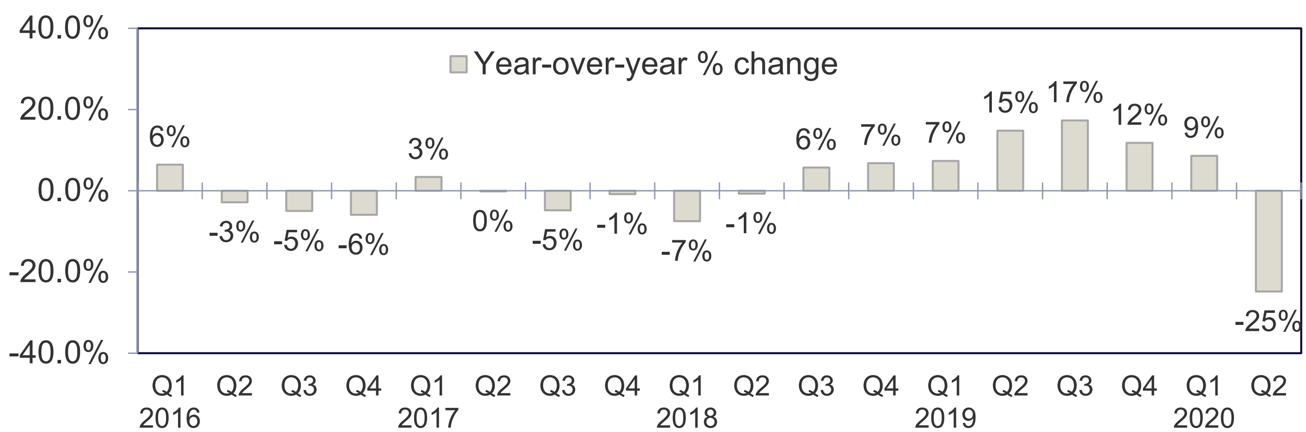


Source: Altus Group

- The number of lease transactions for rented condominium apartment units in Q2 2020 inched higher than 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 saw their first year-over-year decrease in two years falling 25%.**
- **Average rents for leased condominium units in Q2 2020 were down across all bedroom counts, both on a quarter-to-quarter and year-to-year basis** *(chart top of next page)*.
- Q2 2020 was the first quarter entirely covered by COVID-19 restrictions and the resulting disruption to market activity. The shortfall of new leasing activity has removed all pressure on rents with 1-bedroom rents falling by 5% from last year (*chart bottom of next page*), the first decline in year-over-year rents in 6 years.

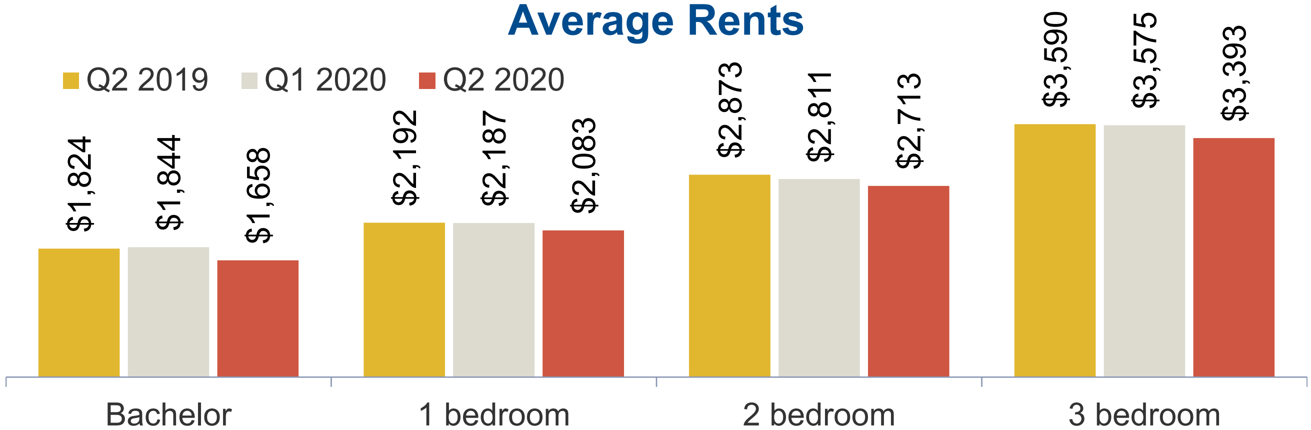
GTA Condominium Apartment Lease Transactions (All Bedroom Types)





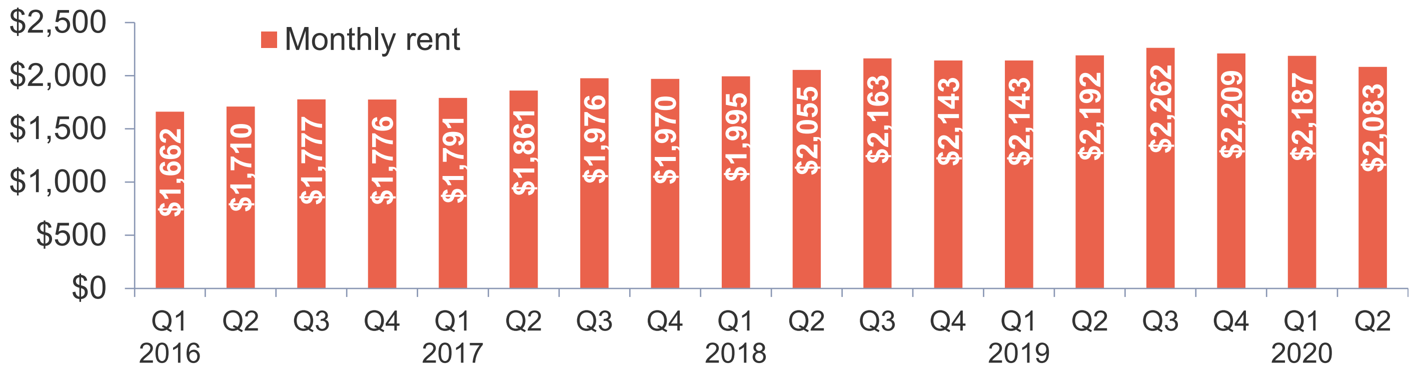
Source: Altus Group based on Toronto Regional Real Estate Board data

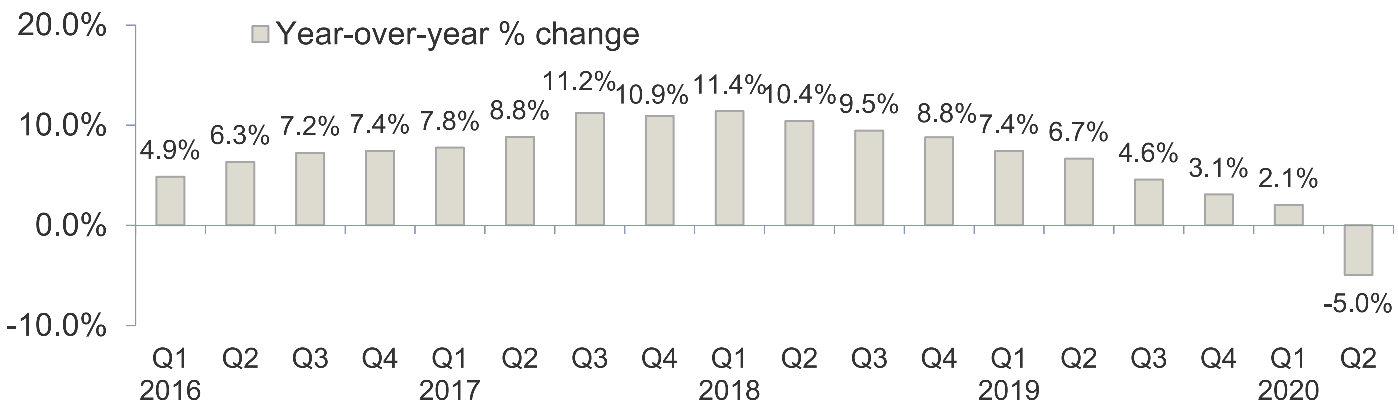
GTA Condominium Apartment Lease Transactions Average Rents



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

GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units





Source: Altus Group based on Toronto Regional 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