Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of January 2021

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New Condominium Apartment Dashboard

January 2021			YTD December 2020	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
665	**10,651**	**$1,021,017**	**20,767**	**$986,849**
-39%	**-9%**	**10%**	**-22%**	**20%**
Lowest January in past 8 years	***Lowest January since 2018***	***2nd highest month on record***	***Lowest YTD since 2013***	***Highest YTD December on record***

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

Highlights

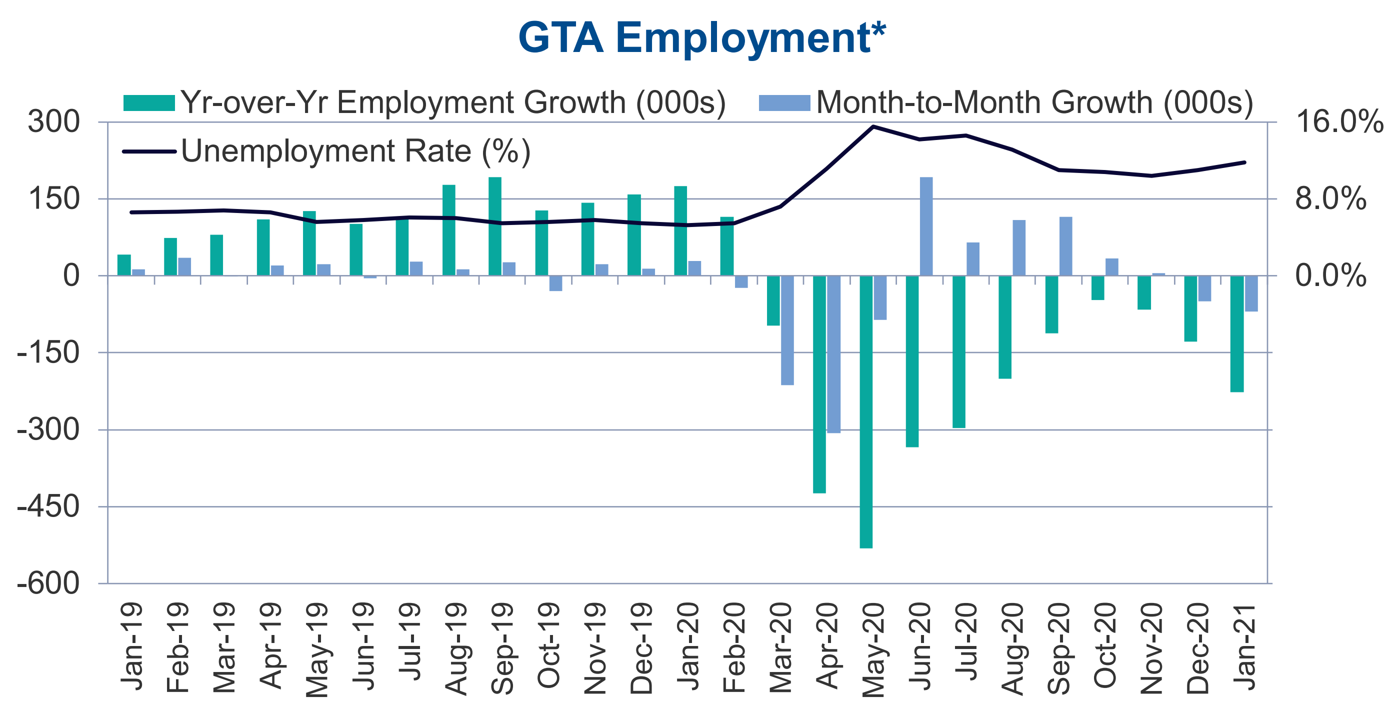
- **The condominium apartment market continued its seasonal slowdown in January.** While sales have been well behind previous year levels the past two months, the end of 2019/start of 2020 saw the new home market accelerating quickly before COVID-19 slammed on the brakes.
- **Total new home sales across the GTA started 2021 on a positive note, up 4% from last year.** However, condominium apartment sales in January 2021 dropped by about 40% from the previous year coming in at an eight year low. On the other hand, single-family sales continued their impressive showing reaching a 15 year high in January 2021.
- **New condominium apartment launches slowed in January 2021.** Indications point to increased openings in the next few months that would provide necessary supply to bolster sales.
- Both developers and purchasers are facing a number of issues of conflicting influence. The economy is currently leaking jobs, shrinking on a month-to-month basis for the 2nd month in a row. Lockdowns and high case counts continue to wreak havoc on consumer confidence. Stalled immigration, elevated resale inventories, and rising rental vacancies and falling rents in the rental market present ample competition for new condominium apartment projects. All the while, interest rates remain at historic lows, prices have remained firm and vaccination roll-out plans are providing a distant light at the end of the long pandemic tunnel.

GTA Condominium Apartment Key Performance Indicators

	Jan-20	Dec-20	Jan-21	*Yr-Over-Yr % Change*	YTD Dec 2019	YTD Dec 2020	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	334	354	355	*6%*	334	343	*3%*
New projects opened	1	1	2	*100%*	109	87	*-20%*
Units in new projects opened	291	254	99	*-66%*	27,683	20,256	*-27%*
Total sales (units)	1,082	923	665	*-39%*	26,637	20,767	*-22%*
Sales as % of total new & resale	*45%*	*30%*	*21%*		*53%*	*48%*	
Inventory (units)	11,664	10,730	10,651	*-9%*	13,371	11,000	*-18%*
Sales-to-inventory ratio	9%	9%	6%	*-33%*	16%	15%	*-4%*
Months of inventory	5.2	6.2	6.3	*21%*	6.9	5.4	*-22%*
Benchmark price	$925,209	$1,025,645	$1,021,017	*10%*	$821,506	$986,849	*20%*
Price PSF Benchmark	$988	$1,072	$1,072	*9%*	$922	$1,038	*13%*
Unit size Benchmark (sq. ft)	937	957	952	*2%*	891	950	*7%*
Units completed	2,179	576	1,274	*-42%*	20,238	21,681	*7%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,335	2,193	2,471	*85%*	23,578	22,278	*-6%*
New listings (units)	2,049	1,990	3,066	*50%*	35,264	46,365	*31%*
Inventory ("active listings", units)	1,779	4,294	3,291	*85%*	3,061	4,444	*45%*
Sales-to-inventory ratio	75%	51%	75%	*0%*	65%	49%	*-24%*
Months of inventory	0.9	2.3	1.7	*87%*	1.6	2.5	*56%*
Average price of units sold	$630,047	$600,840	$600,830	*-5%*	$587,951	$629,326	*7%*
HPI constant quality price index (Jan 2005=100)	282.3	286.6	287.1	*2%*	268.7	293.2	*9%*

** see end of report for Definitions*

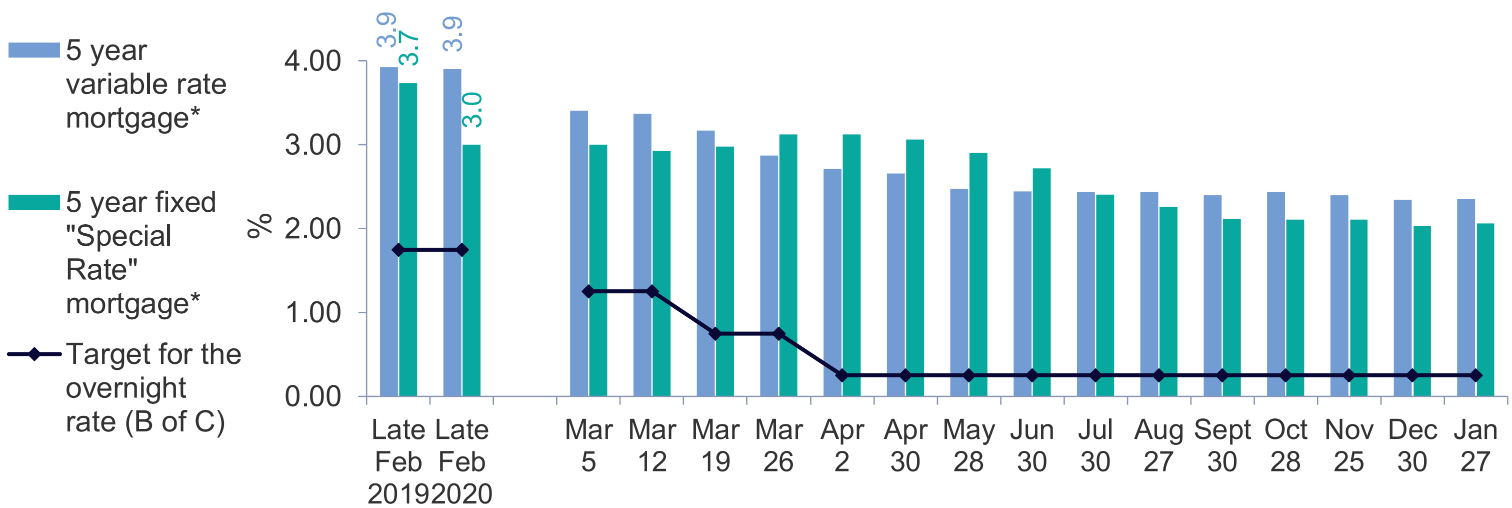
- **Month-to-month employment remained negative for the 2nd consecutive month in January** following a pause in November. These month-to-month declines in employment come aster the torrid jobs recovery following the initial pandemic wave in the early summer. Although case counts at the end of January had shrunk from the record highs of the early part of the new year, they remain elevated with ongoing concerns about extended lockdowns casting a pall on prospects for a return to positive employment growth.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on January 20,** and once again stated *"Governing Council will hold the policy interest rate at the effective lower bound until economic slack is absorbed so that the 2 percent inflation target is sustainably achieved. In our projection, this does not happen until into 2023.* The next rate announcement date is March 10.
- The current 5 year fixed "special" mortgage rates is near to 2% at the end of January with two lenders offering rates below that threshold and remains below the 5 year variable rate, continuing to support housing markets *(chart next page, top)*.
- **With interest rates at generational lows, there has been an increase in intentions to choose a variable rate at next renewal** (*chart bottom of next page*).



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

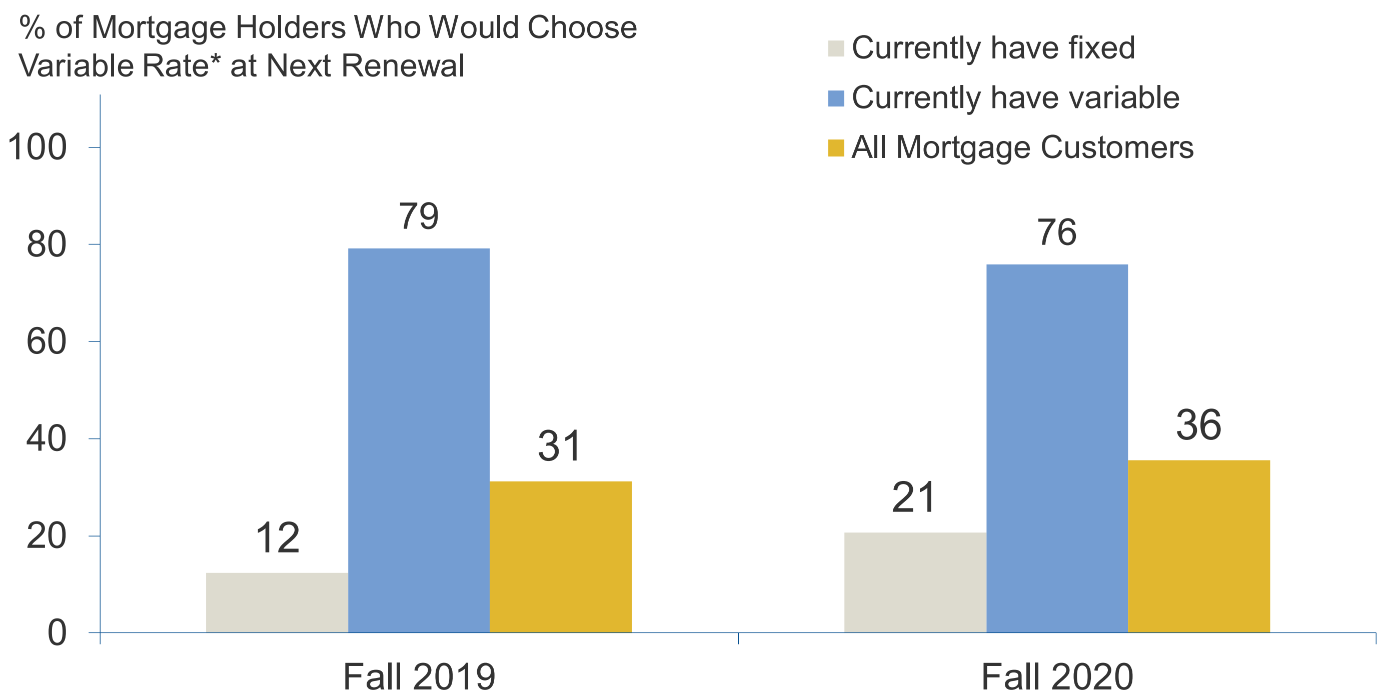
Selected Interest Rates



* Average for the major banks

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

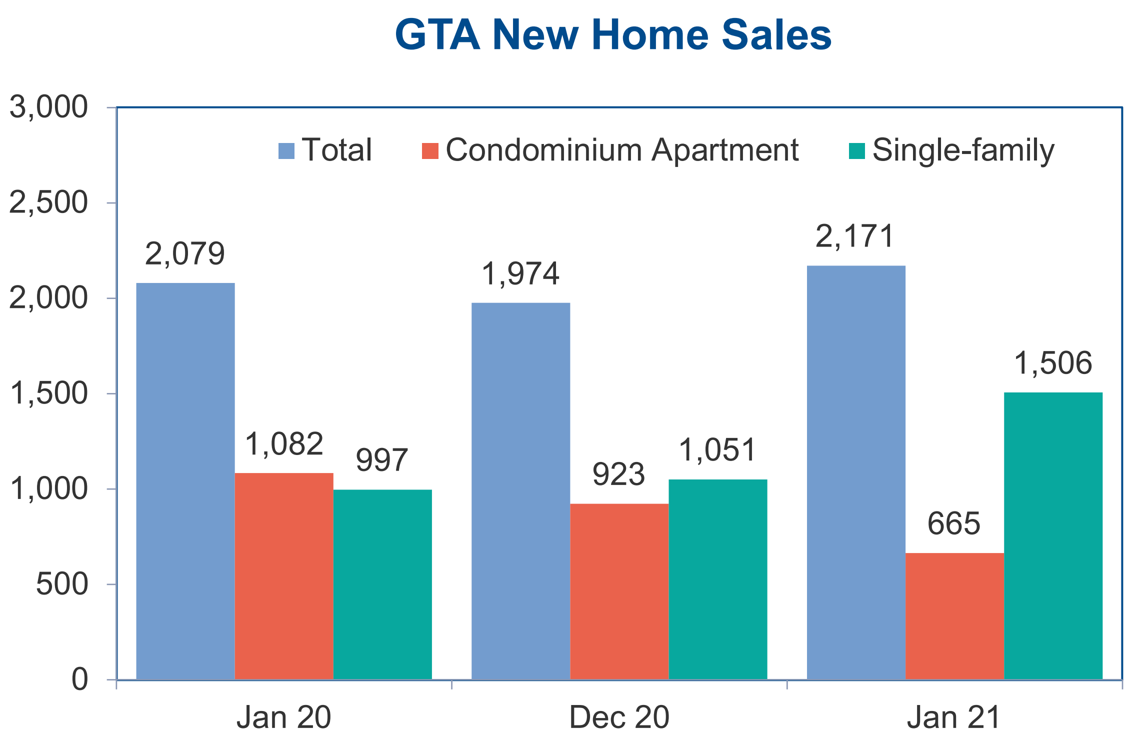
Intentions of GTA Households to Choose a Variable Rate Mortgage at Next Renewal



* Includes where only part variable

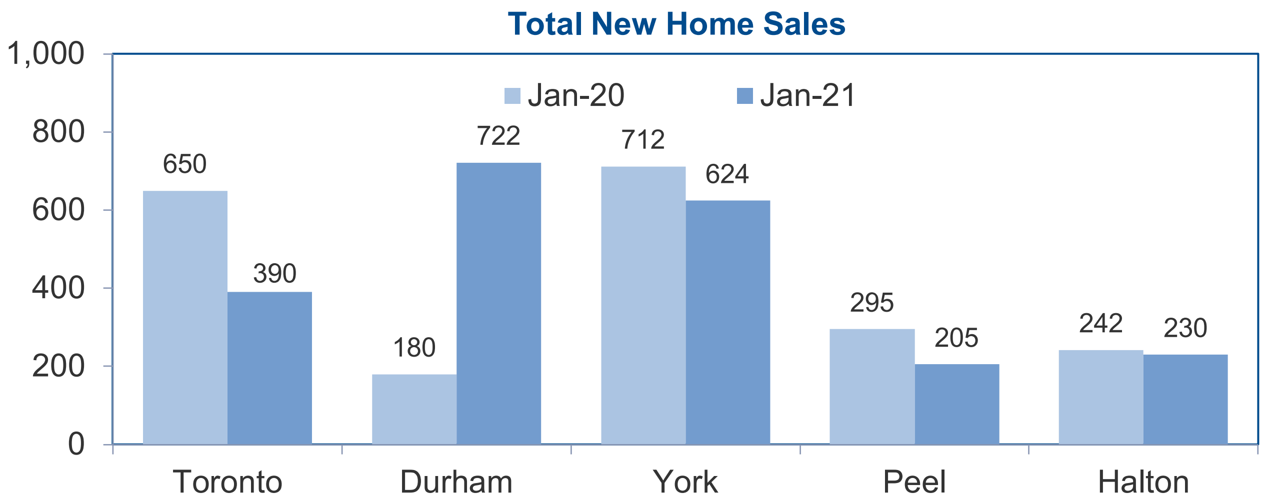
Source: Altus Group, The FIRM Survey

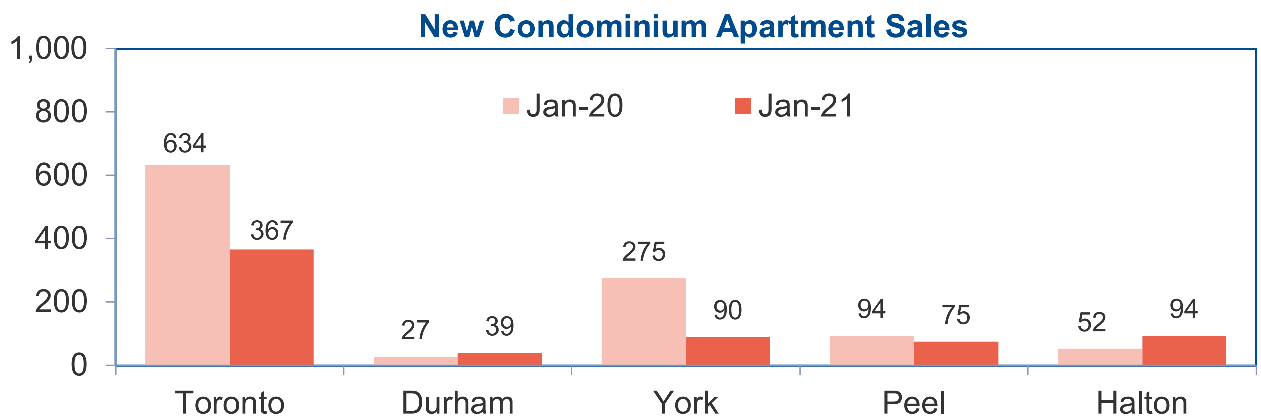
- **Total sales of new homes in the GTA were up in January on a year-over-year basis**. Single-family new home sales were the driving force behind January's increase, up by 51% over January 2020 and above the 10 year average for January. Condominium apartment sales retreated by 39% and are well below the 10 year average.
- **Durham Region was the sole area to post higher total sales** *(chart next page)*. Durham and Halton Regions saw small increases in condominium apartment sales while Durham and York Regions recorded larger increases in single-family sales.

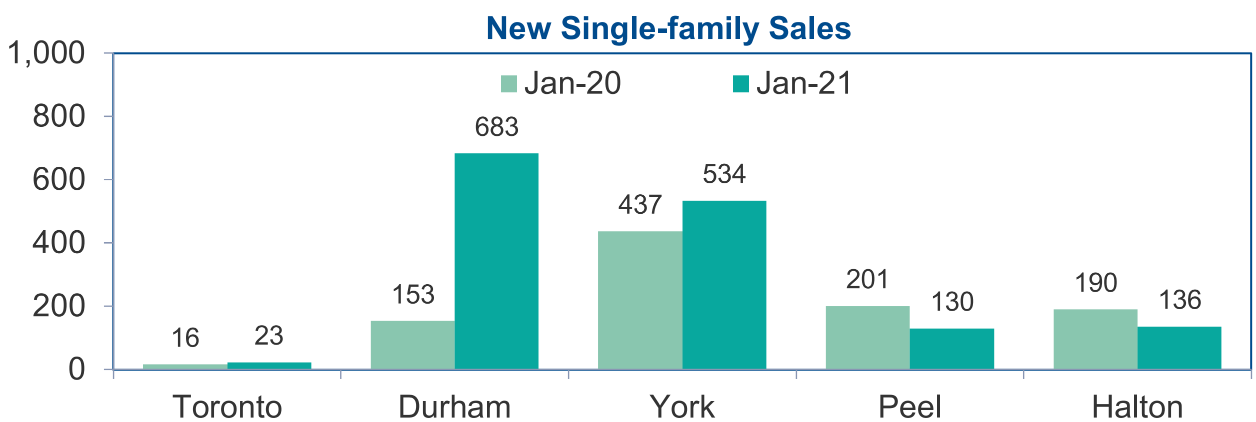


Source: Altus Group

GTA New Home Sales by Region



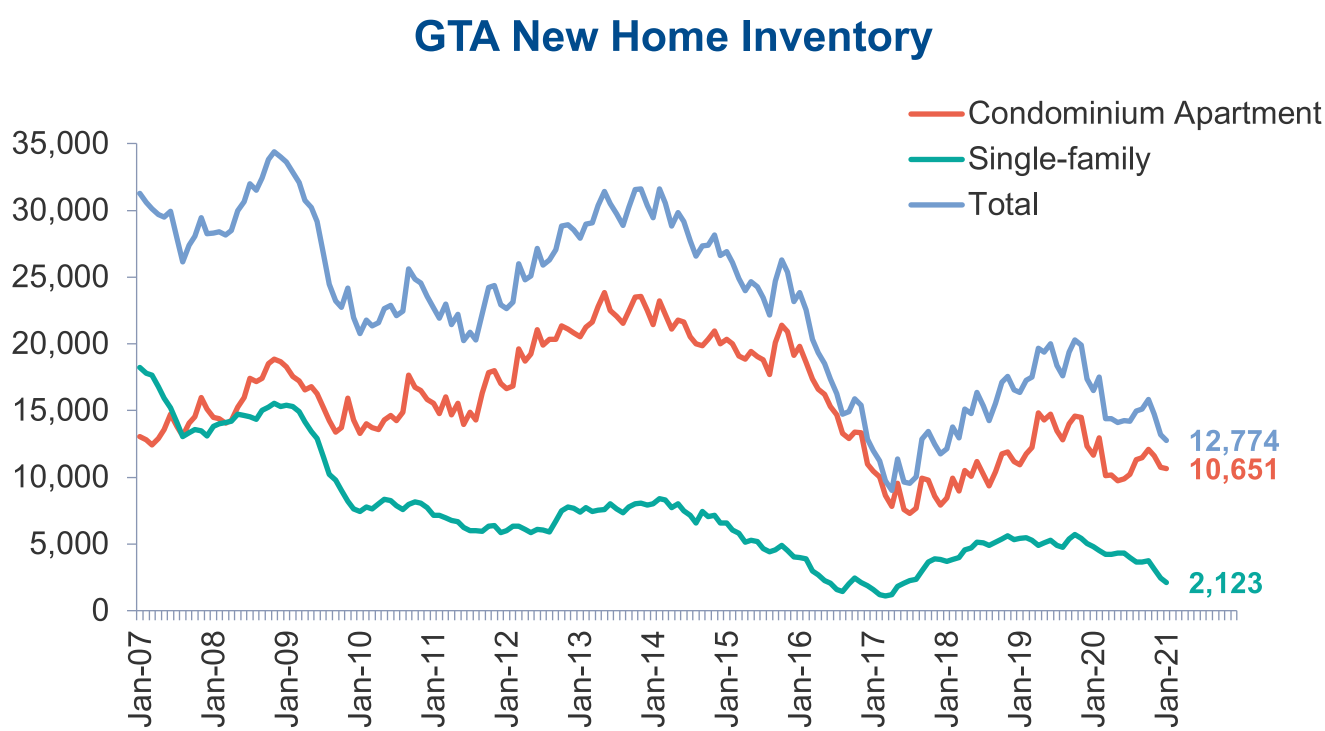




Source: Altus Group

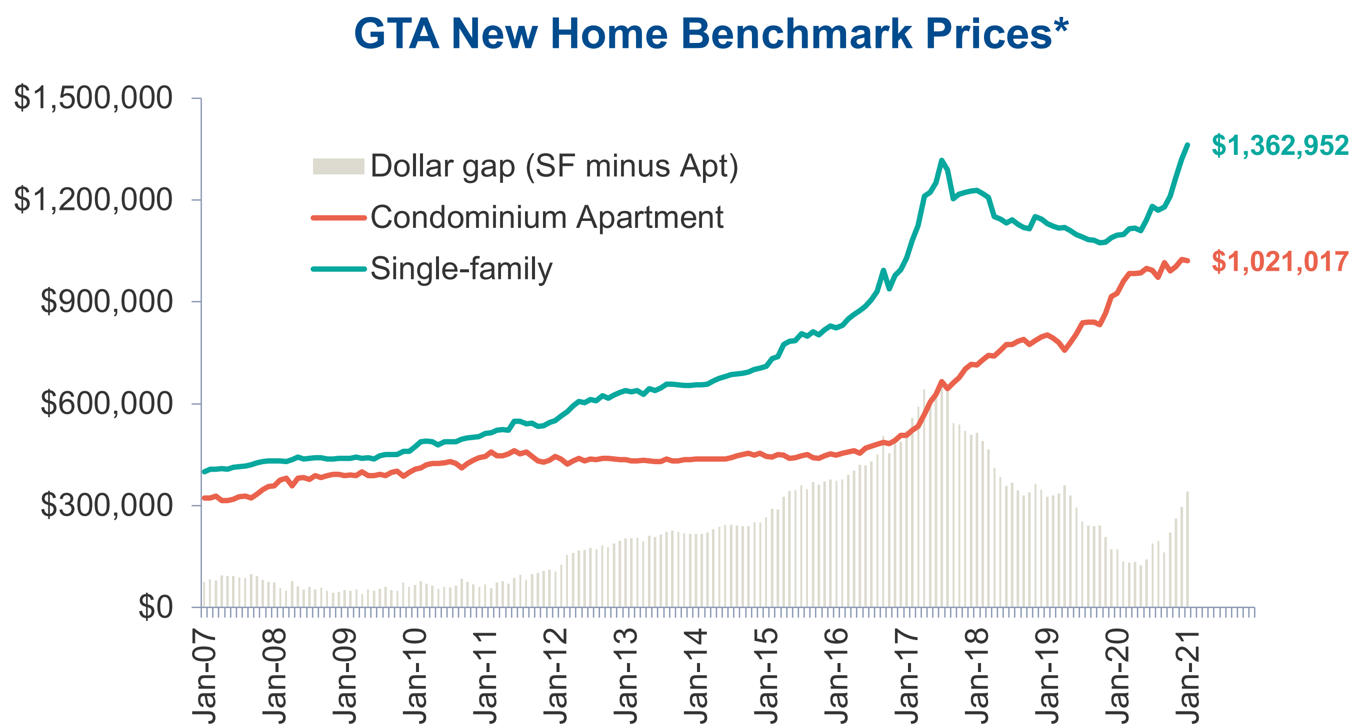
New Home Market - Inventory

- **The total new home inventory in January followed its regular pattern, falling to about 12,800 units.** The months of inventory measure fell further to 4.0 months (based on average sales over the past 12 months), half of the long-term average.
- **The available supply of condominium apartments was little changed,** with only two new project launches failing to match sales. Inventory levels are down by about one-third from the 10-year average.
- **Single-family inventory continued its march downward with January inventory at the 2nd lowest ever level – after only January 2017** with available supply representing just 1.5 months of inventory.



Source: Altus Group

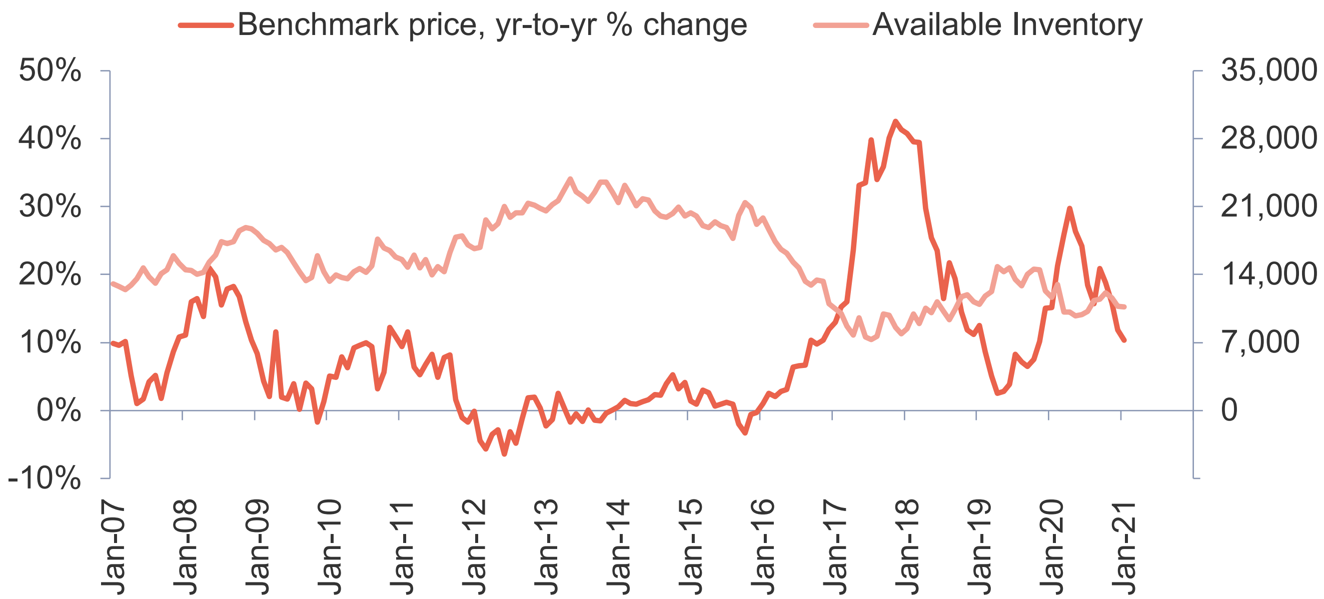
- **The Benchmark price for a new condominium apartment in January eased off last month's record.** Year-over-year, the benchmark price is up 10% (*chart top of next page*).
- **The Benchmark price for a new single-family home hit a 2nd consecutive record high in January at $1.36 million,** up 24% from the previous year – the highest year-over-year increase since late 2017. The increase in the single-family benchmark price was more than double the increase of the condominium apartment benchmark price.
- The gap in the benchmark price of a new single-family and new condominium apartment unit widened further. While the situation has improved some of the competitive advantage of new condominium apartments in terms of relative affordability, the speedy rise of single-family prices has heightened concerns about its sustainability.



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

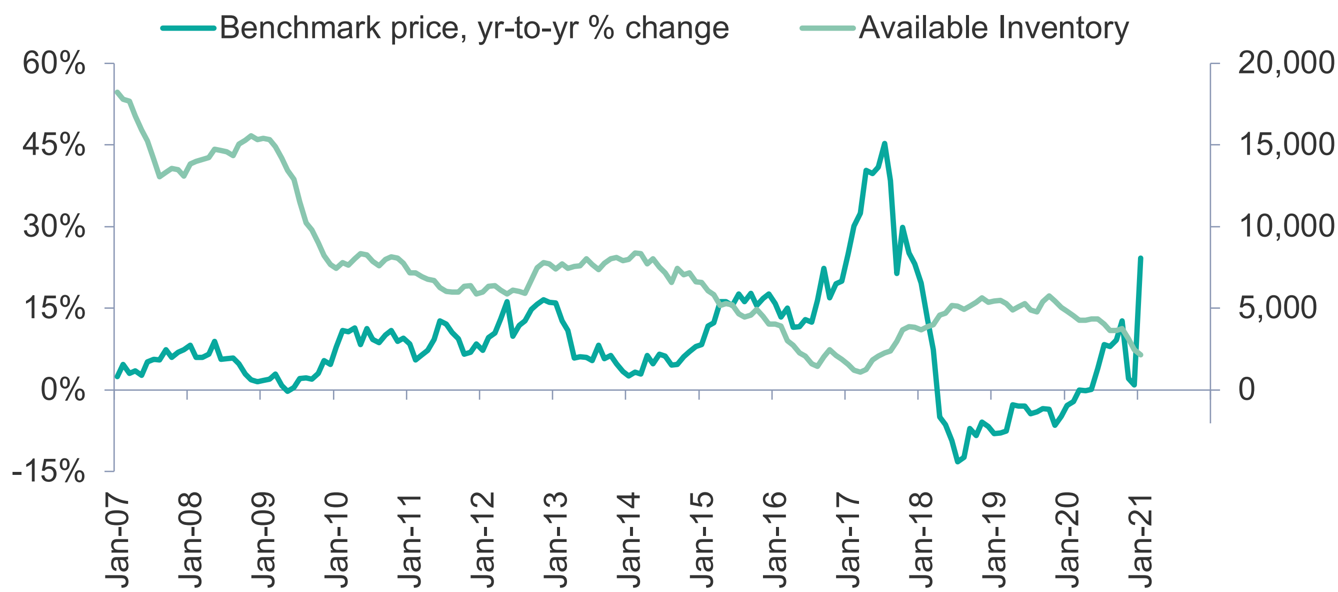
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

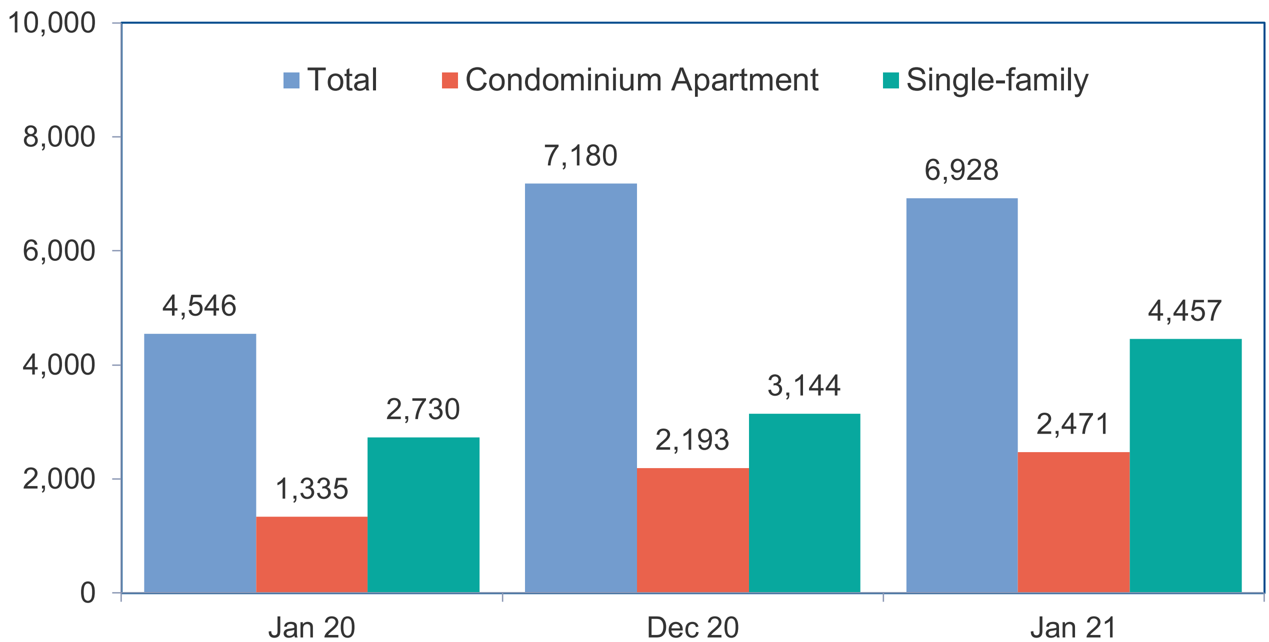
GTA New Single-Family Home Benchmark Price Changes and Available Inventory



Source: Altus Group

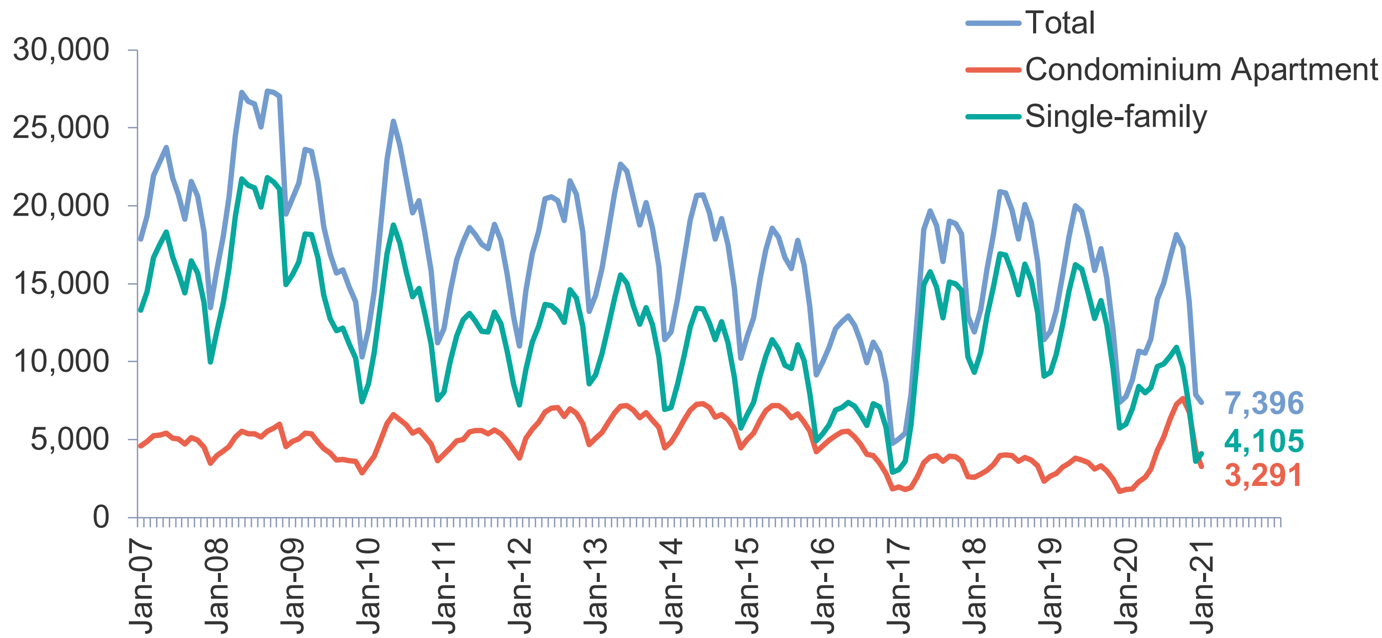
- **Total sales of existing homes in January** (as reported by the Toronto Regional Real Estate Board) **reached a record high for the month exceeding year earlier levels for the 7th month in a row** coming out of the initial wave of the pandemic**.** The increase was led by condominium apartments (+85%) which more than doubled the rise in single-family homes (+39%).
- Total resale inventories declined in January to a four year low *(chart top of next page).* **Resale condominium inventory continues to outpace year earlier levels,** providing more competition for the new home sector. Single-family inventory trends have mimicked the new home sector with the paucity of units putting upward pressure on prices.
- The average sale price for a resale single-family home started the year up 27% from a year earlier to a record high (*chart bottom of next page*). Rising supply helps explain why **the average price for a resale condominium apartment failed to surpass previous year levels for a third month.**

GTA Resale Home Sales



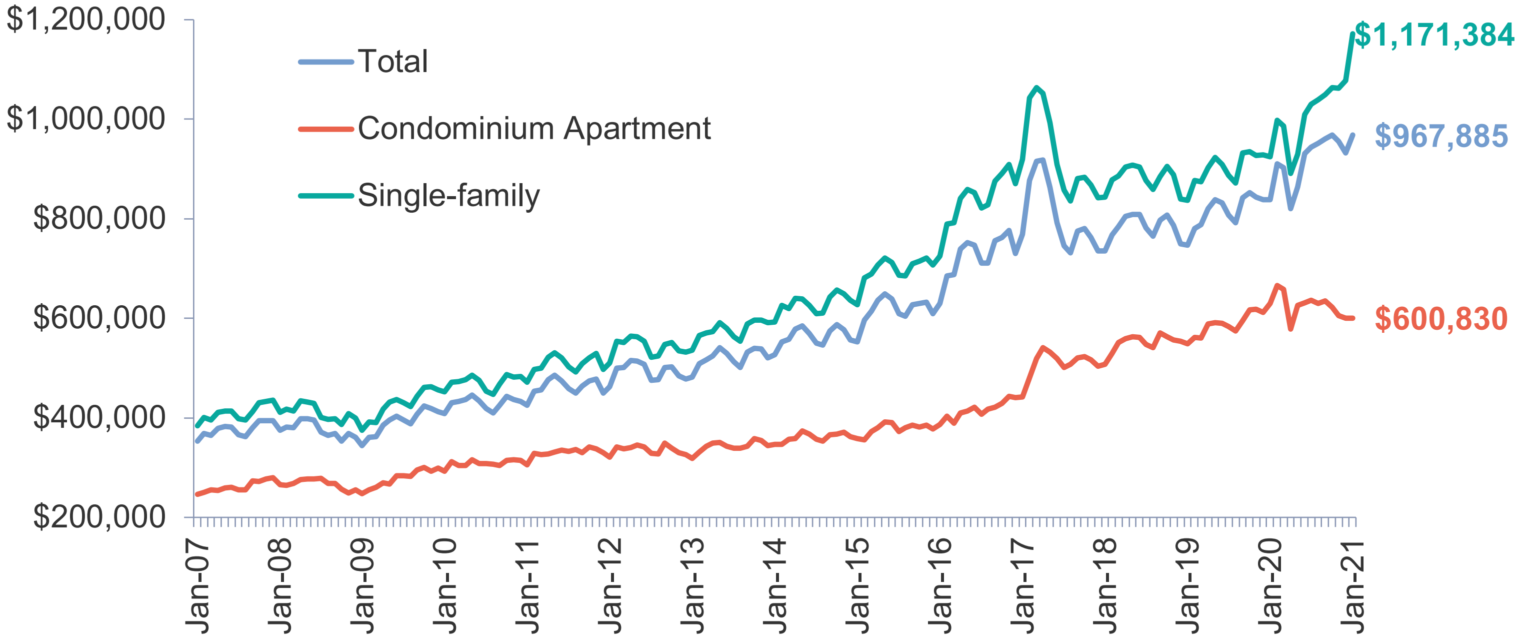
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

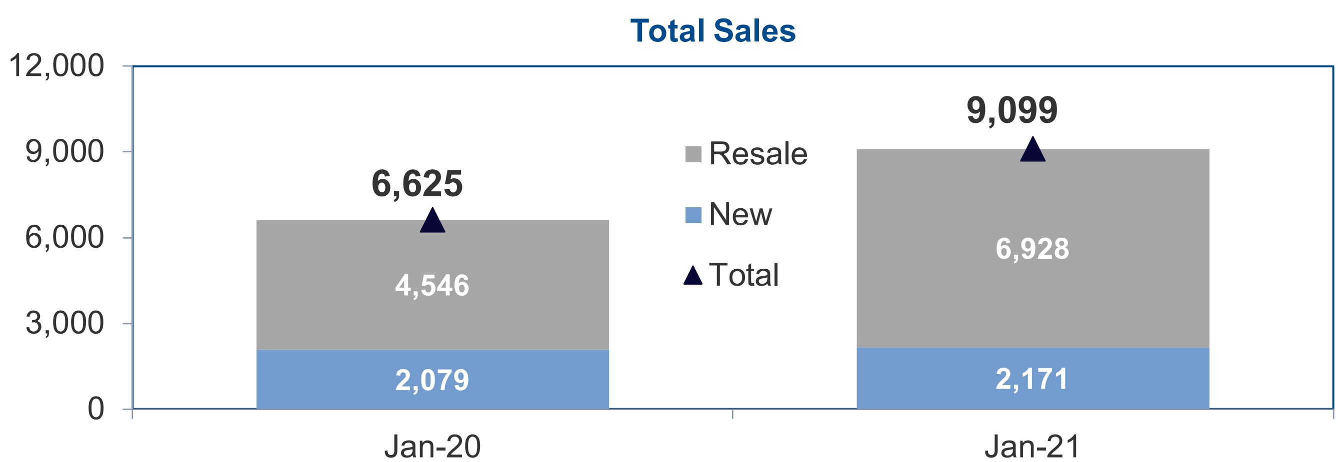
GTA Resale Home Prices

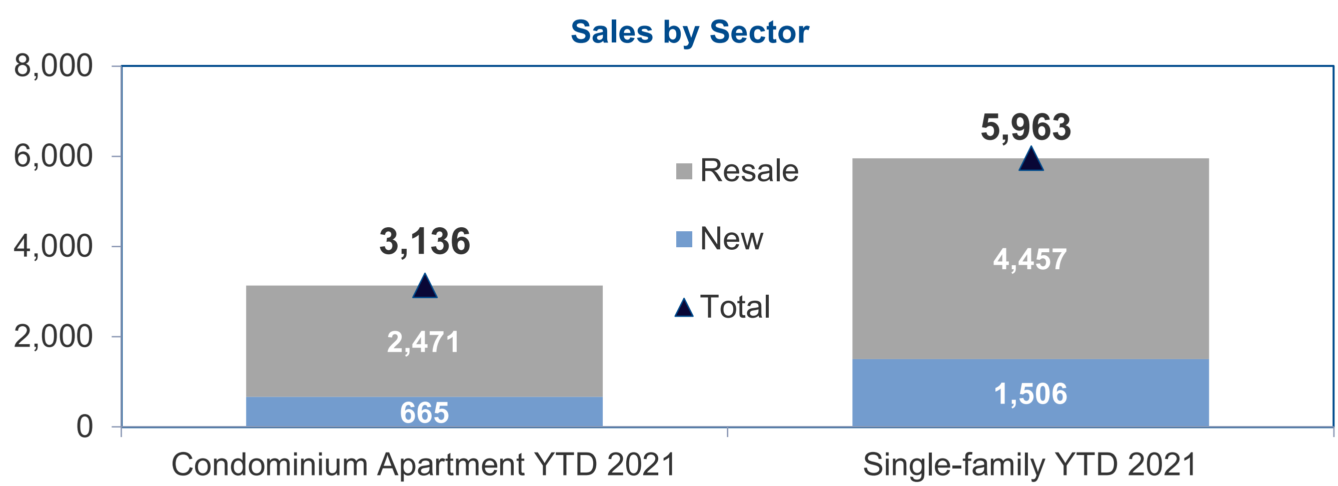


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Combined new and resale activity**, as measured by TRREB and Altus Group, totaled 9,099 units in January 2021, up nearly 30% over last year. Sales of single-family units advanced by one-third while condominium apartment sales rose by 20%.
- In a tale of two sectors, both new and resale condominium apartments face slowing sales, elevated inventories and softening prices for resales. Conversely, the single-family side is experiencing the opposite situation – rising sales, falling inventories and soaring prices.
- **The new home sector accounted for roughly 1 in 5 total condominium apartment sales in January 2021**, compared about to 1 in 4 of single-family sales.

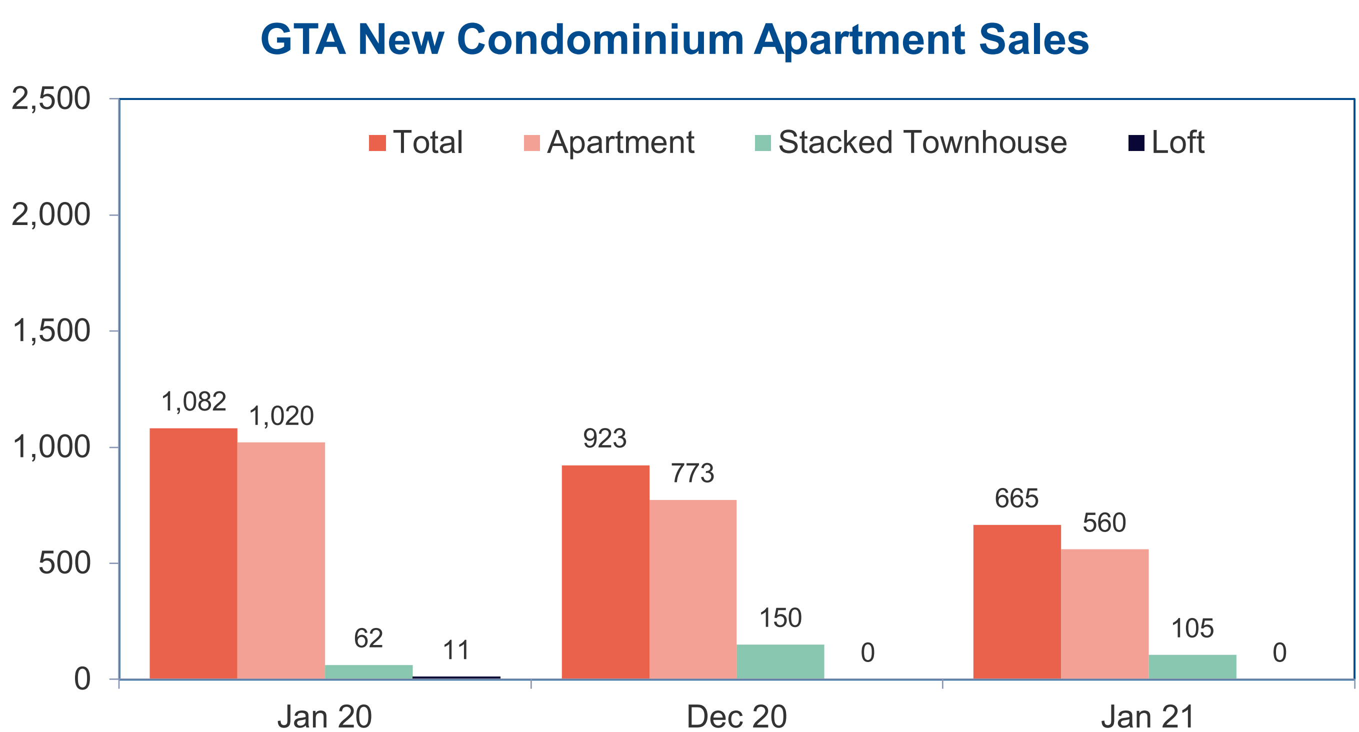
GTA Combined New & Resale Home Sales



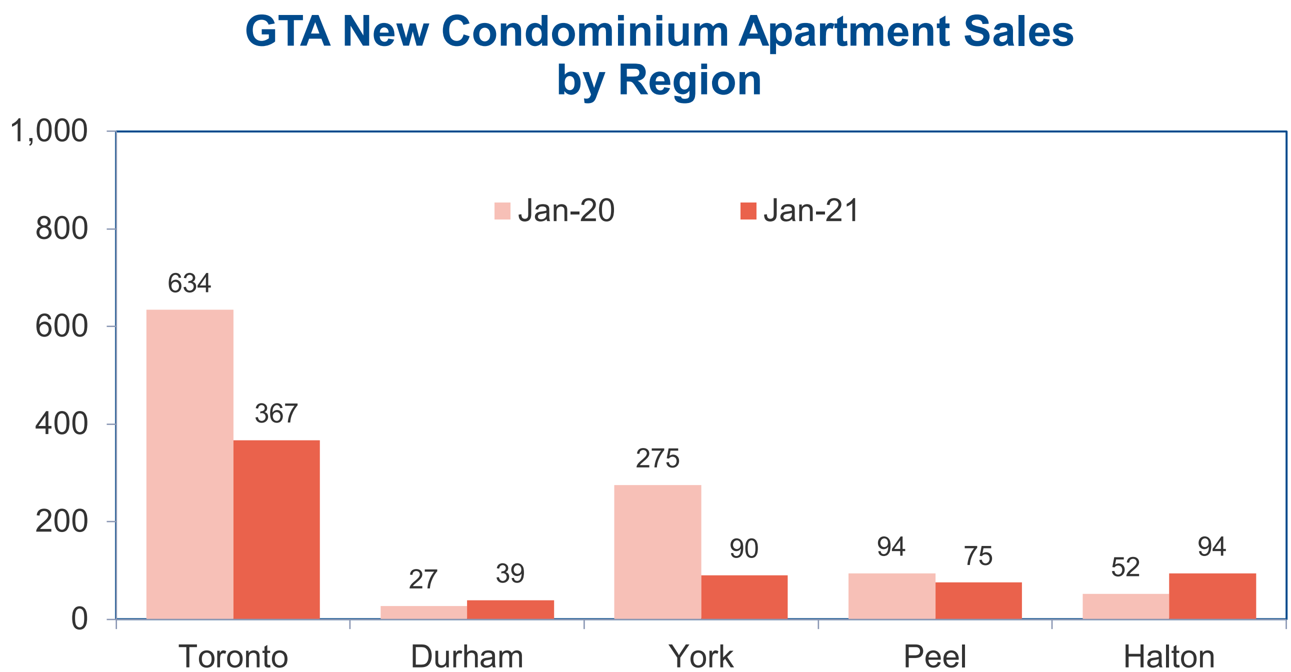


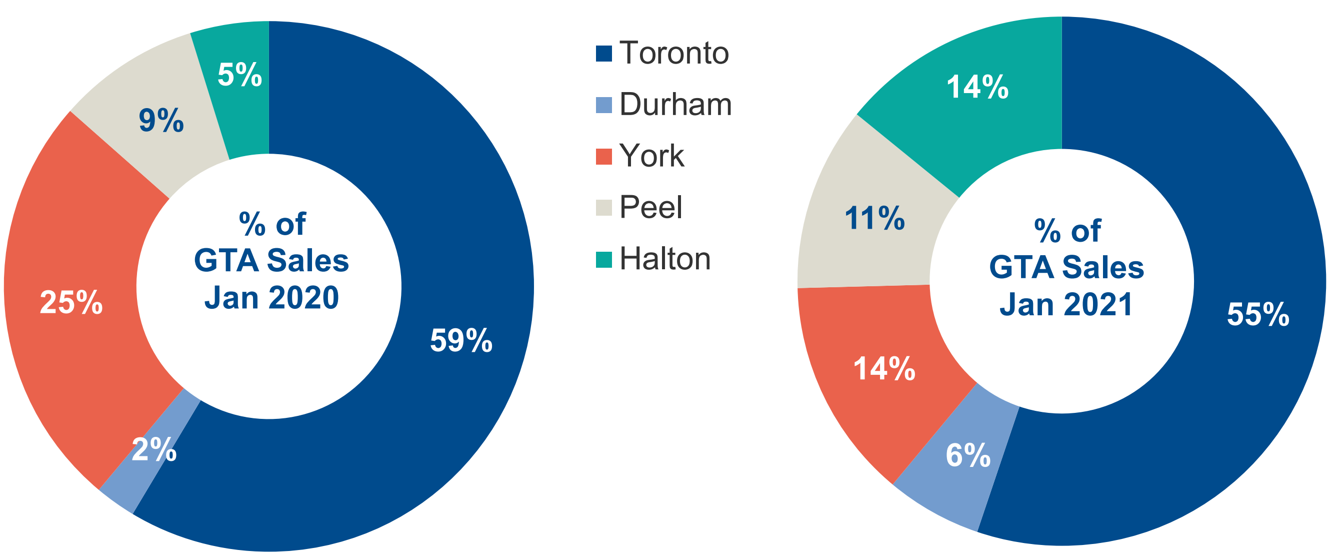
Source: Altus Group and Toronto Regional Real Estate Board data

- **Total sales of new condominium apartments in January 2021 were down by almost 40% and off the 10 year average by nearly one-third.** Only 1 project was selling in January 2021 (the other project was opened in the last 10 days of the month, when firm sales are not recorded) and new units available at launch were one-eighth the number in January 2020.
- **Sales of new stacked townhouses were higher than a year earlier and recorded a monthly high.**
- **The year-over-year fall-off in new condominium apartment sales in the GTA was due to waning activity in both Toronto and York Region**, although sales were up slightly in Durham and Halton Regions (*chart next page*).



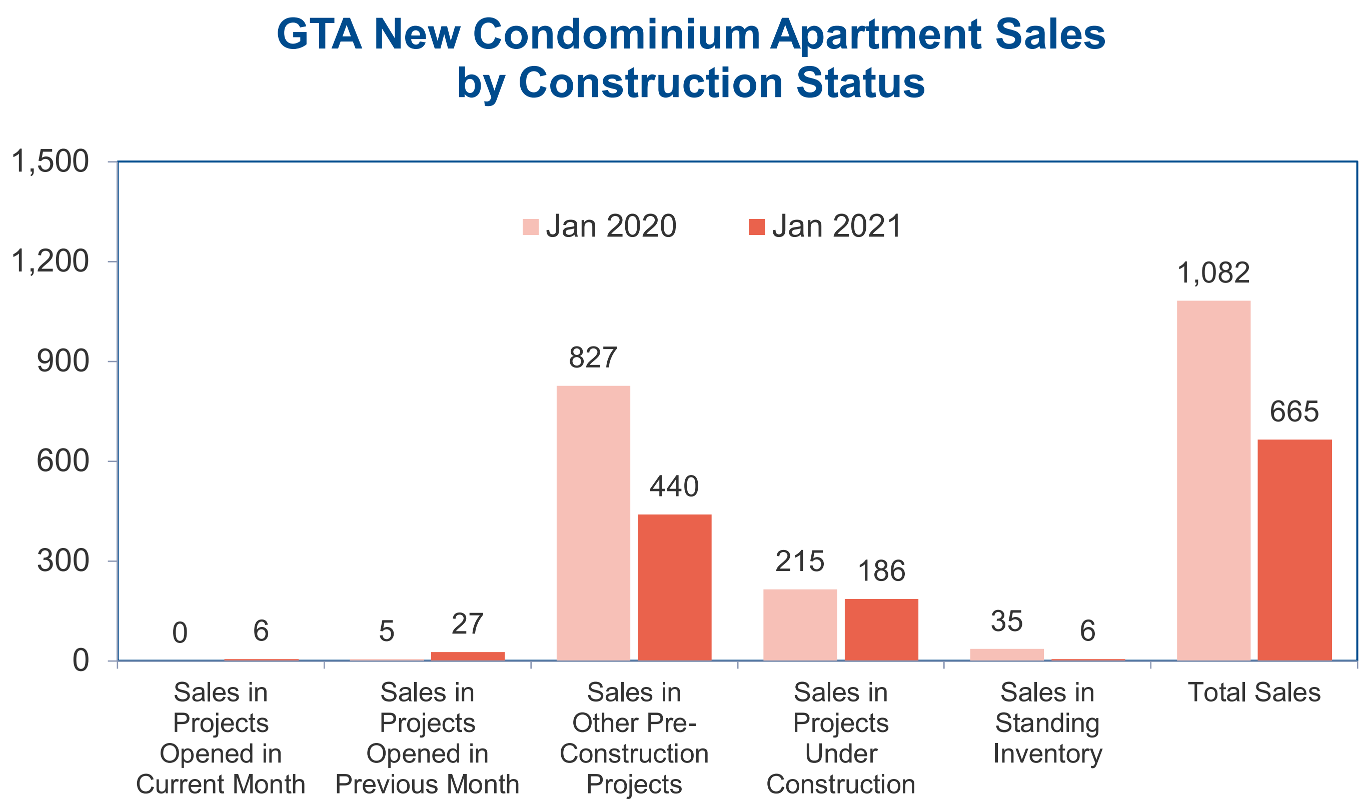
Source: Altus Group





Source: Altus Group

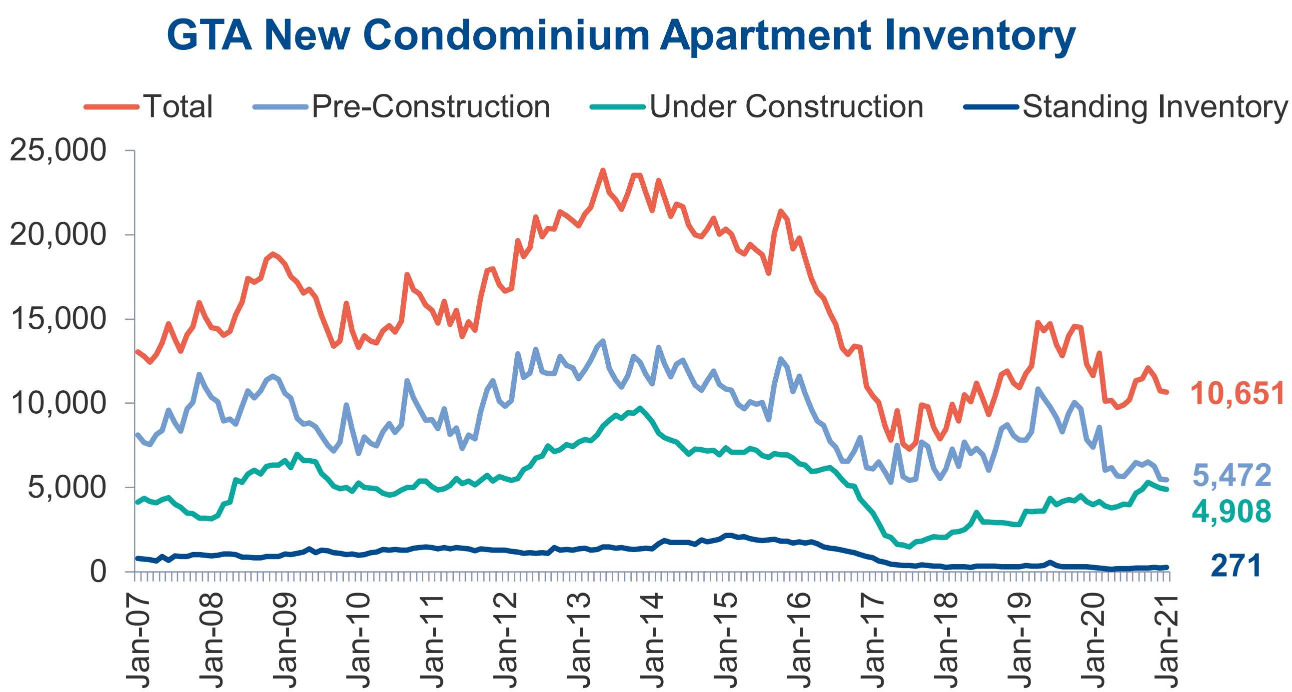
- **The lone project selling units in January 2021 had a quiet month to start.**
- The lower sales in January were primarily attributable to lower sales at projects opened more than two months, though sales also dipped in under construction and standing inventory projects.

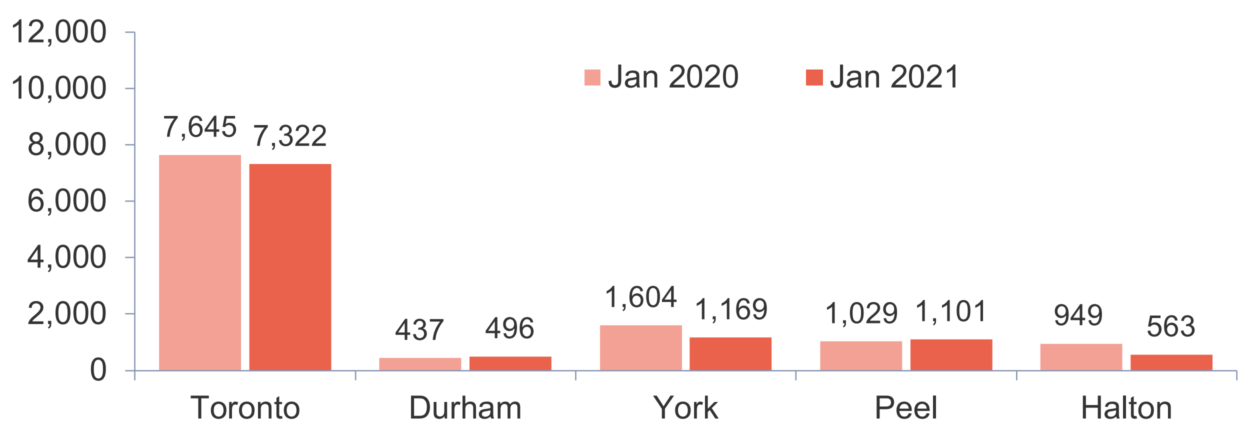


Source: Altus Group

New Condominium Apartments - Inventory

- **Apartment inventory levels continued a slow decline In January 2021,** but sales fell at a faster pace in the face of persistent competition from the resale market.
- **Units under construction remain near the 5,000 unit level for a 5th month,** with pandemic-related construction delays contributing to the elevated number.
- **The current unsold inventory at new condominium apartment projects represents approximately 6 months of supply** at the pace of sales seen over the past 12 months.

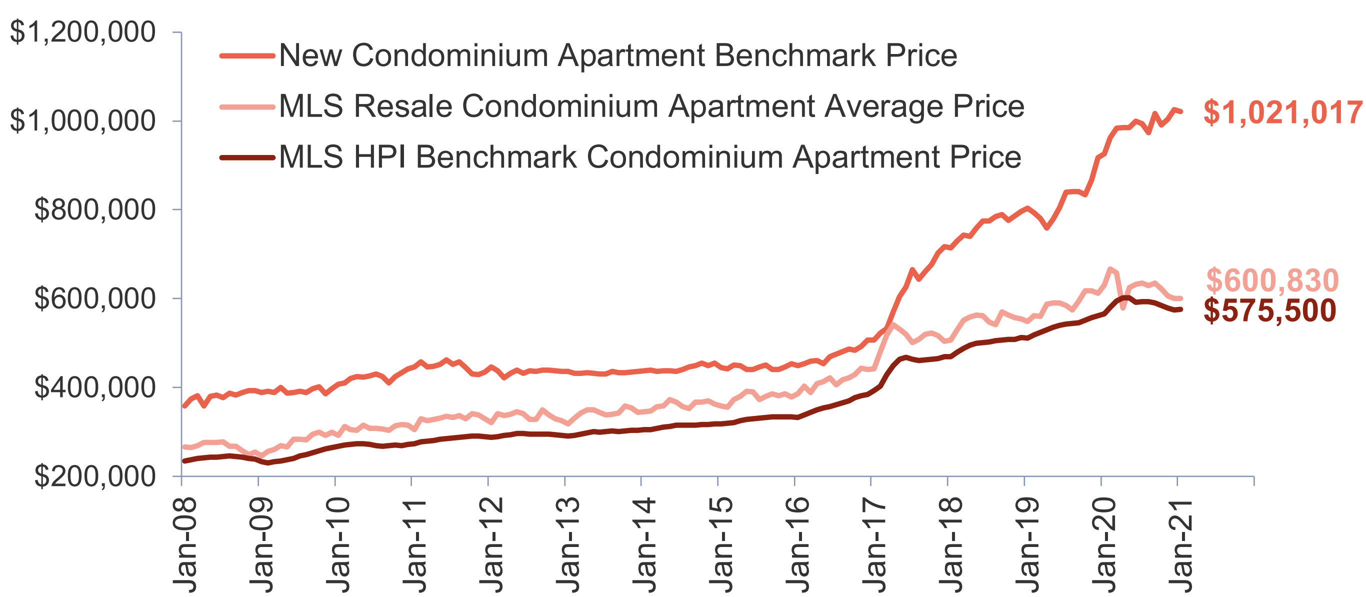


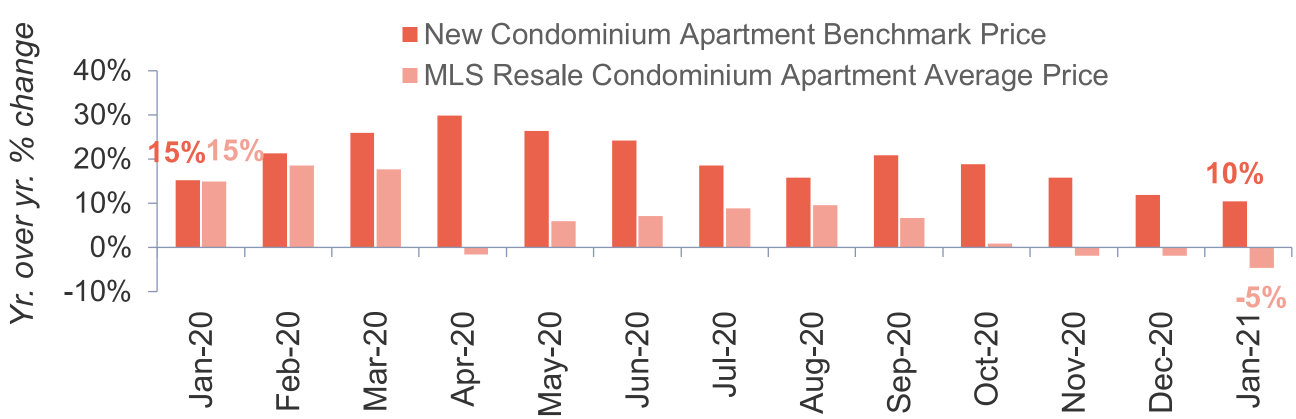


Source: Altus Group

- As sales slow faster than inventory, **the Benchmark price of the available inventory came off the record high of last month.** Key factors behind the dip in the benchmark price include fewer new units added in January than any month in the previous year and buyers continuing to seek out more affordably priced units.
- The average price of a resale condominium apartment fell for a 4th consecutive month and recorded a year-over-year decline for the 3rd month running with elevated inventory levels continuing to plague the market.

GTA New and Resale Condominium Apartment Prices

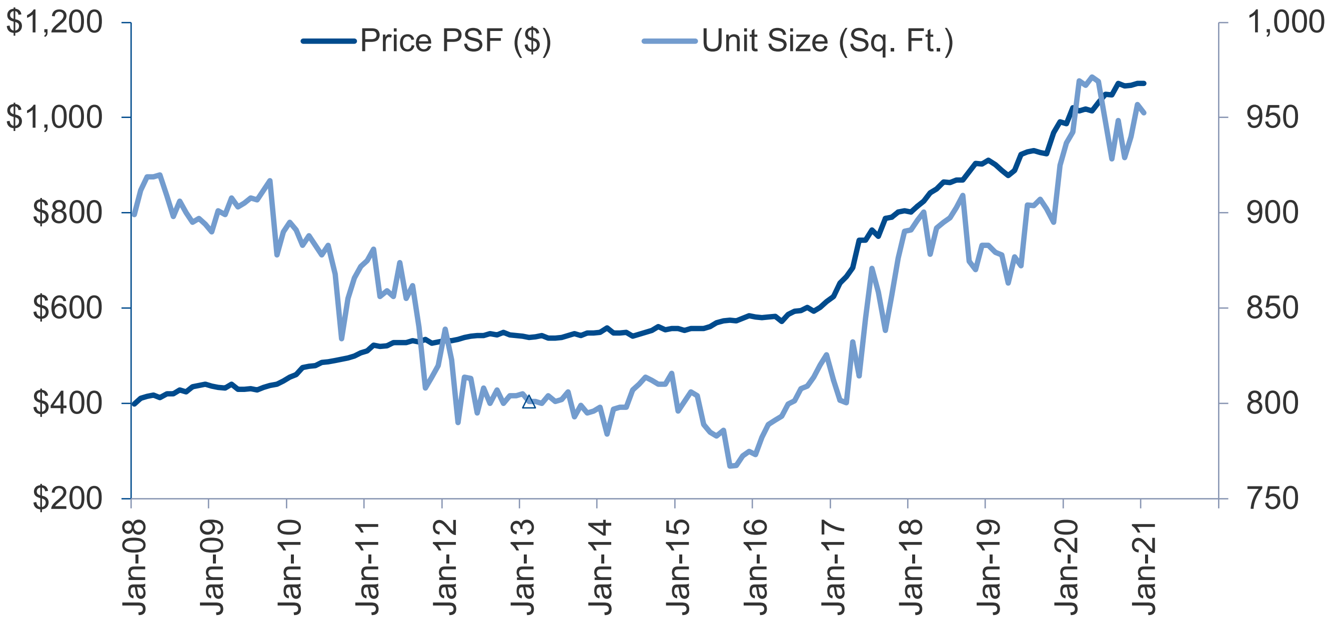




Source: Altus Group and Toronto Real Estate Board data

- **The benchmark price per square foot indictor for January matched its all-time high,** a main contributor to the elevated condominium apartment benchmark price.
- The average size of available condominium apartments dipped in January, but remains elevated adding additional support to prices maintaining year-over-over growth.

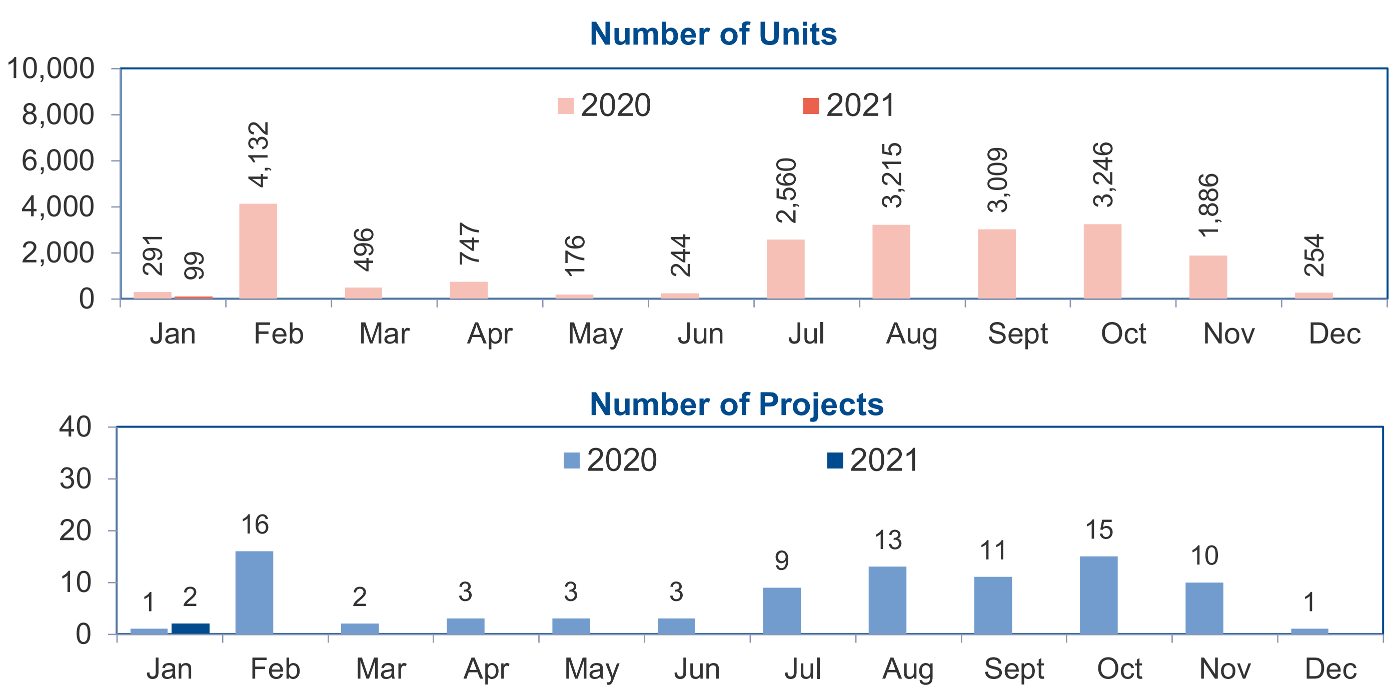
GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



Source: Altus Group

- **There were two new condominium apartment project launched in January 2021**, which along with December are usually the slowest months.
- However, newly launched units totaled only about a third of the units that launched last January.
- Following this page are maps showing the location of new projects launched in December 2020 and January 2021, 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



Source: Altus Group

New Condominium Apartments - Openings

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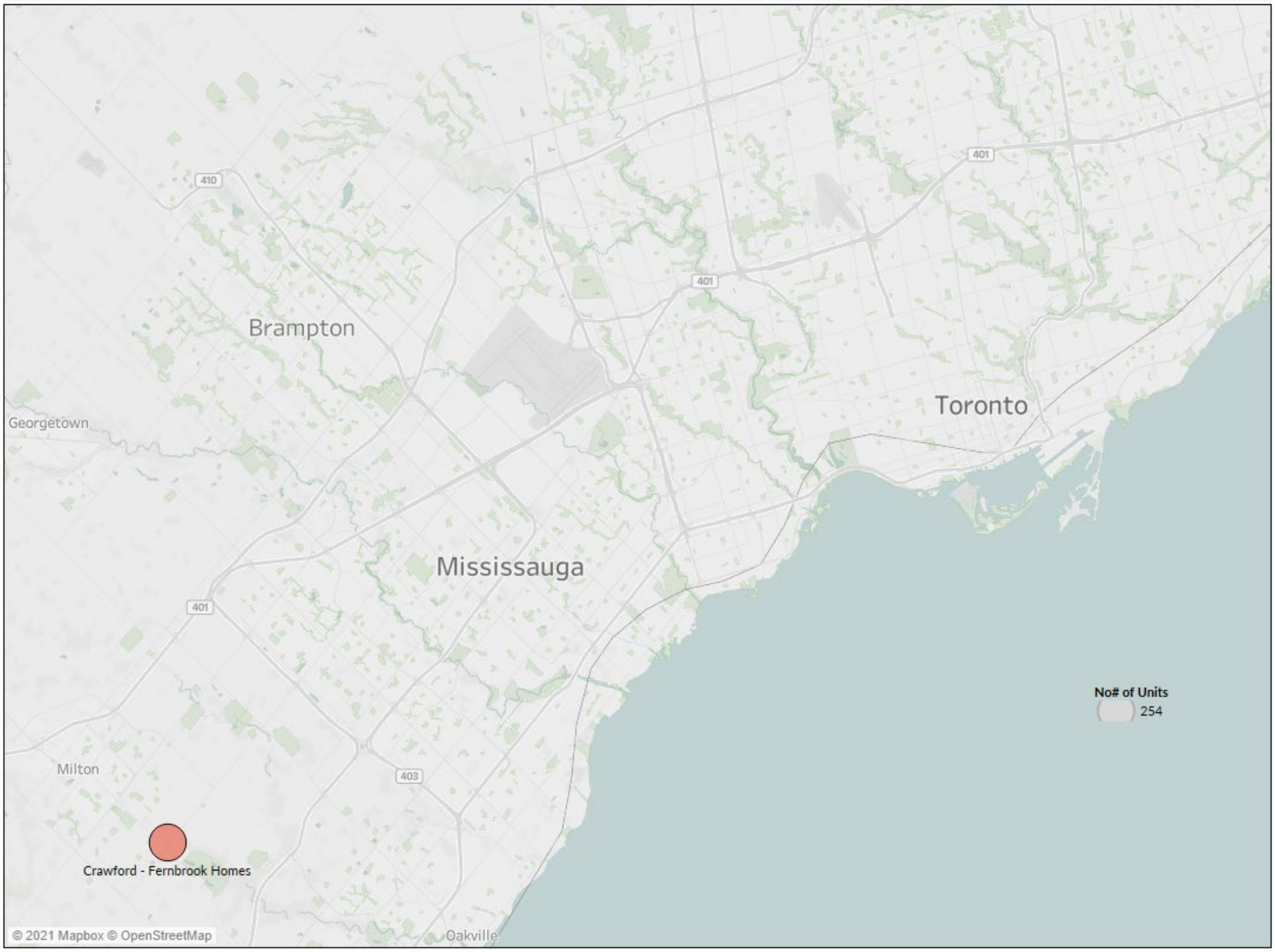
December 2020 New Project Launches by Number of Units



Source: Altus Group

Project Record Crawford

New Condominium Apartment Project Openings - December 2020	
Project Name	**Crawford**
Developer	Fernbrook Homes
Date Opened	2020-12-05
Municipality	Milton
Region	Halton
Structural Type	Stacked
Floors	4
Project Total Units	**254**
Total Units Released	**140**
Studio	--
1 bedroom	--
1 bedroom + den	--
2 bedroom	140
2 bedroom + den	--
3 bedroom & up	--
Penthouse	--
Other	--
Opening month sales	**46**
Next month sales	**27**
% Sold (of released units)	*52%*
Remaining available inventory	67
Original $PSF	$582
Minimum Size (sq. ft.)	911
Maximum Size (sq. ft.)	1,350
Minimum Price	$649,900
Maximum Price	$717,900
Notes	

Source: Altus Group

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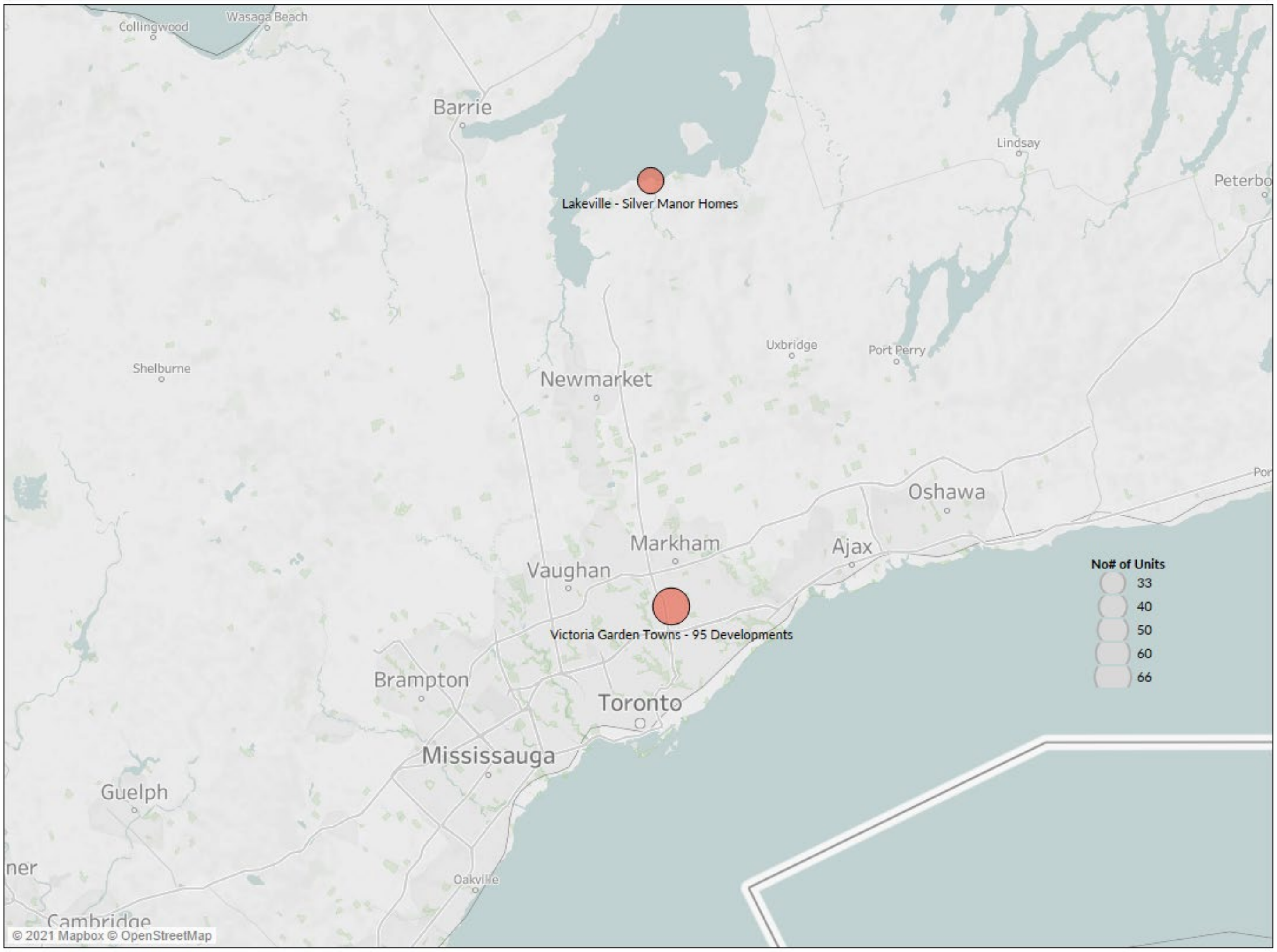
January 2021 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

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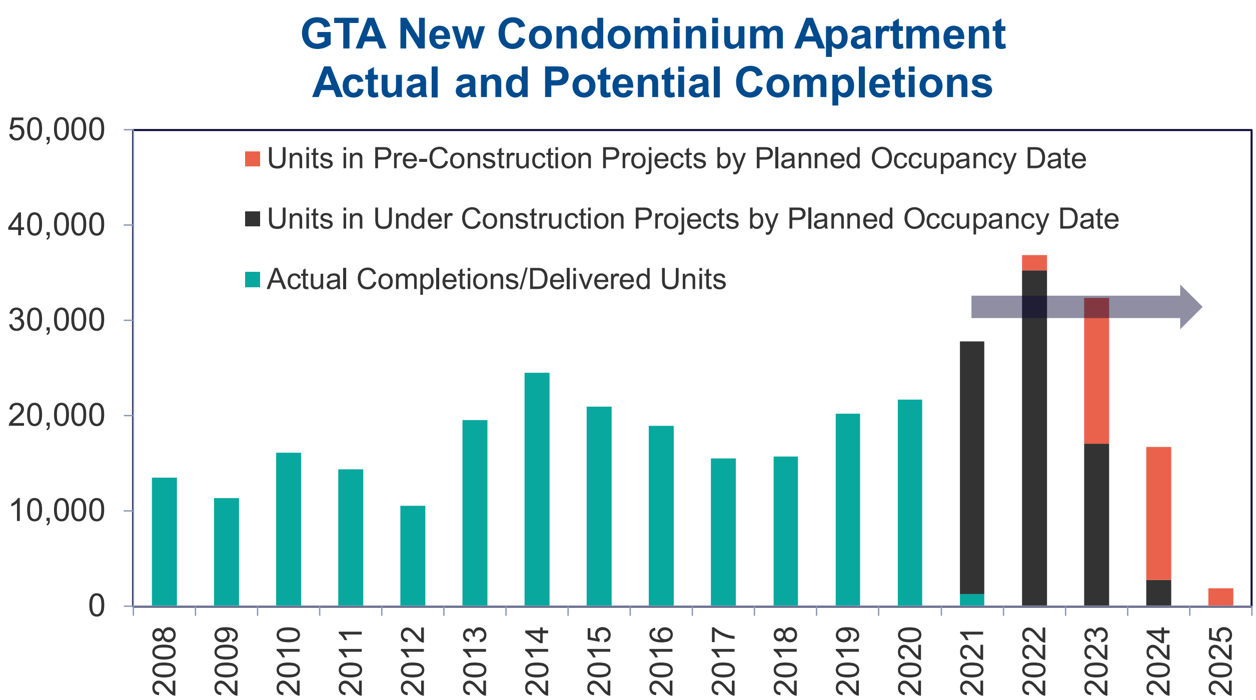
Project Record	[Lakeville]	[Victoria Garden Towns]

New Condominium Apartment Project Openings - January 2021

Project Name	**Lakeville**	**Victoria Garden Towns**
Developer	Silver Manor Homes	95 Developments
Date Opened	2021-01-04	2021-01-23
Municipality	Georgina	Scarborough
Region	York	Toronto
Structural Type	Stacked	Stacked
Floors	4	4
Project Total Units	**33**	**66**
Total Units Released	**33**	**28**
Studio	--	--
1 bedroom	12	--
1 bedroom + den	--	2
2 bedroom	18	5
2 bedroom + den	3	16
3 bedroom & up	--	5
Penthouse	--	--
Other	--	--
Opening month sales	**6**	**0**
% Sold (of released units)	*18%*	*0%*
Remaining available inventory	27	28
Original $PSF	n.a.	$652
Minimum Size (sq. ft.)	788	604
Maximum Size (sq. ft.)	1,300	1,460
Minimum Price	$479,900	$489,900
Maximum Price	$659,900	$869,900
Notes		No firm sales as all deals were subject to the 10-day conditional period.

Source: Altus Group

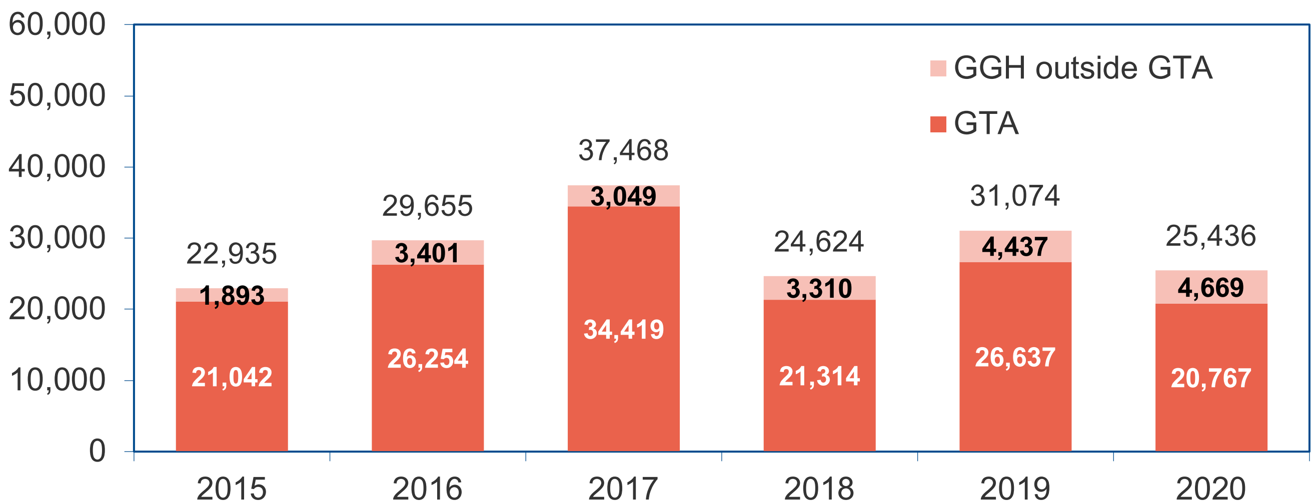
- As of the end of January 2021, there were about 114,300 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Only 1,274 units were delivered/ready for occupancy in January 2021**, based on Altus Group data; this is down over 40% from the previous year.
- 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 2021 and 2022. **However, the troublesome case load numbers and continued lockdowns across the GTA may contribute to additional construction delays beyond the "typical" delays experienced in recent years.**



Source: Altus Group

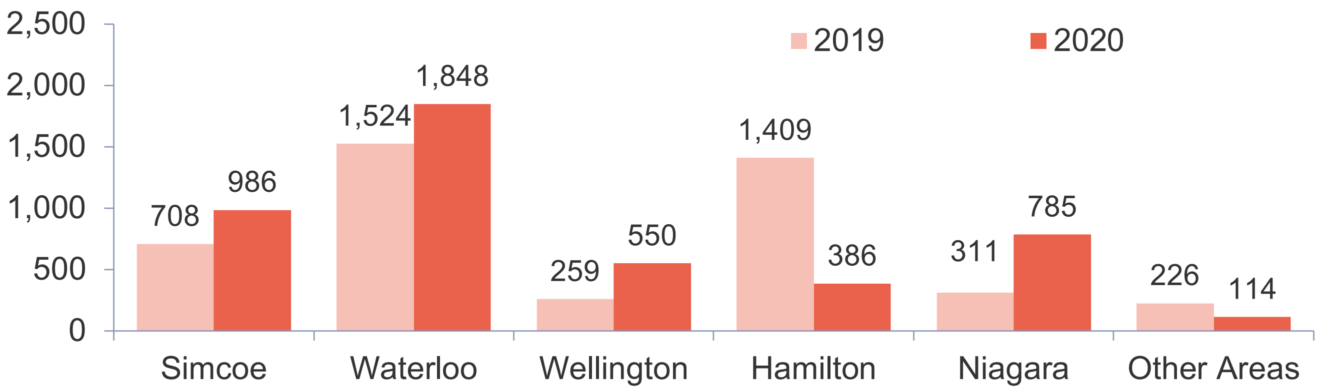
- Altus Group also tracks new condominium apartment sales (as well as new single-family sales) in most areas of the Greater Golden Horseshoe (GGH) outside of the GTA.
- Unlike the GTA, **new condominium apartment sales were up in 2020 in other areas of the GGH** covered by Altus Group, by a combined 5% (compared to the GTA decrease of 22%).
- **The increase was largely driven by a strong showing in Niagara.** Simcoe, Waterloo and Wellington also posted stronger sales in 2020 offsetting a sharp decline in Hamilton.

GGH New Condominium Apartment Sales by Broad Area



Source: Altus Group

GGH Outside GTA New Condominium Apartment Sales by Region/County

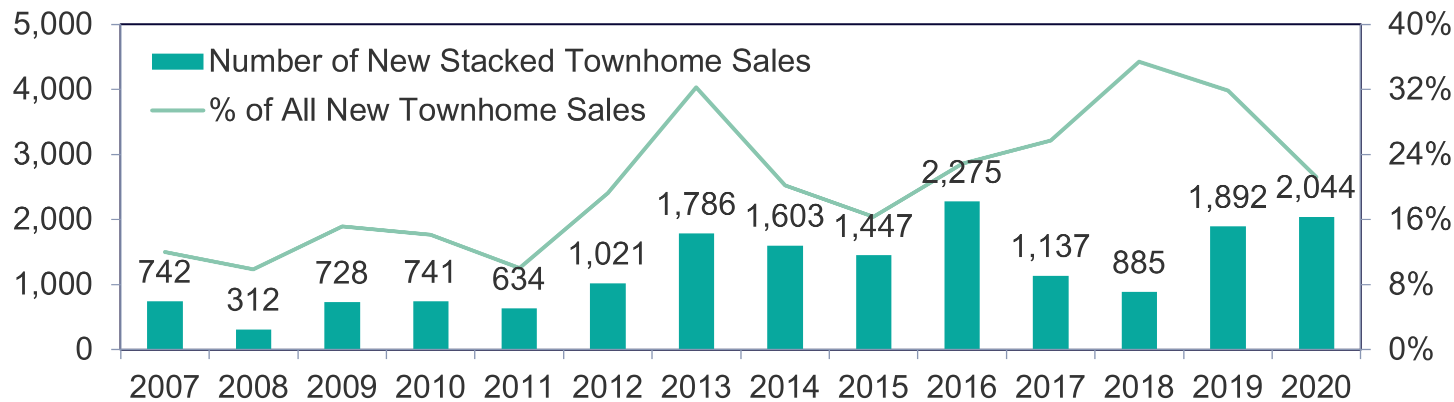


Source: Altus Group

New Stacked Townhomes

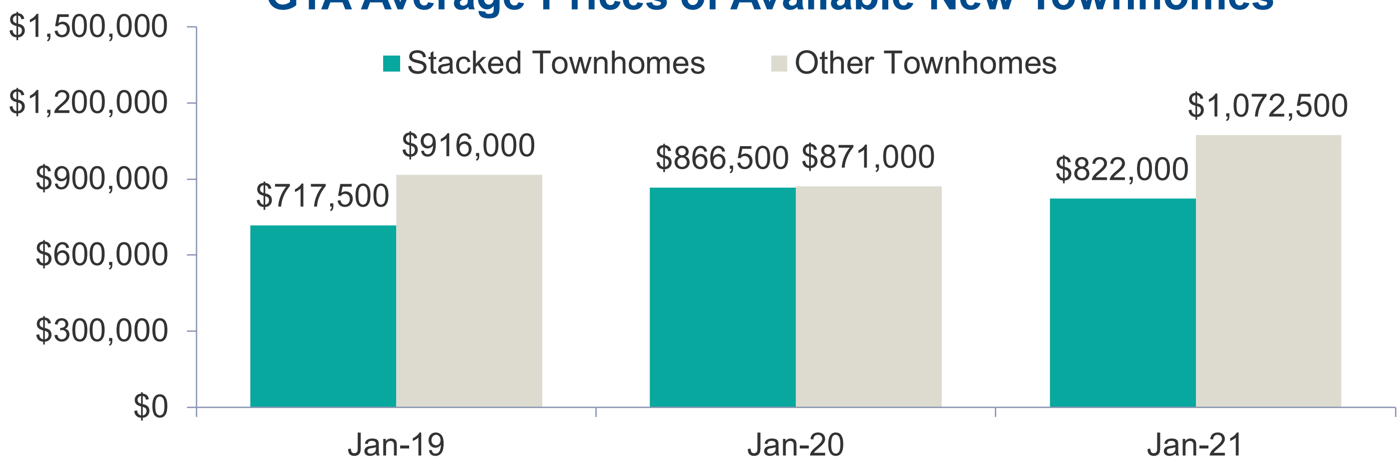
- Stacked townhomes are included in the previous data on condominium apartments. Here we break this product type out separately to look at recent trends in this segment, and to also combine it with traditional townhome information to cover townhomes as a group.
- **Sales of new stacked townhomes posted another solid year in 2020 reaching their 2nd highest level on record**. 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 declined further** to about 1 in 5.
- **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**. After a year in which this advantage was wiped out in 2019, **2020 saw a return to the traditional price gap** with a 23% price gain for traditional townhomes while stacked townhomes prices eased.

GTA New Stacked Townhome Sales



Source: Altus Group

GTA Average Prices of Available New Townhomes



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