The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of February 2021

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New Condominium Apartment Dashboard

Altus Group

February 2021			YTD February 2021	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
1,623	**10,305**	**$1,042,064**	**2,318**	**$1,031,540**
-38% ▼	**-20%** ▼	**8%** ▲	**-37%** ▼	**9%** ▲
Near to 10 year average	***Lowest February since 2018***	***Highest month on record***	***YTD in line with 10 year average***	***Highest YTD February on record***

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

Highlights

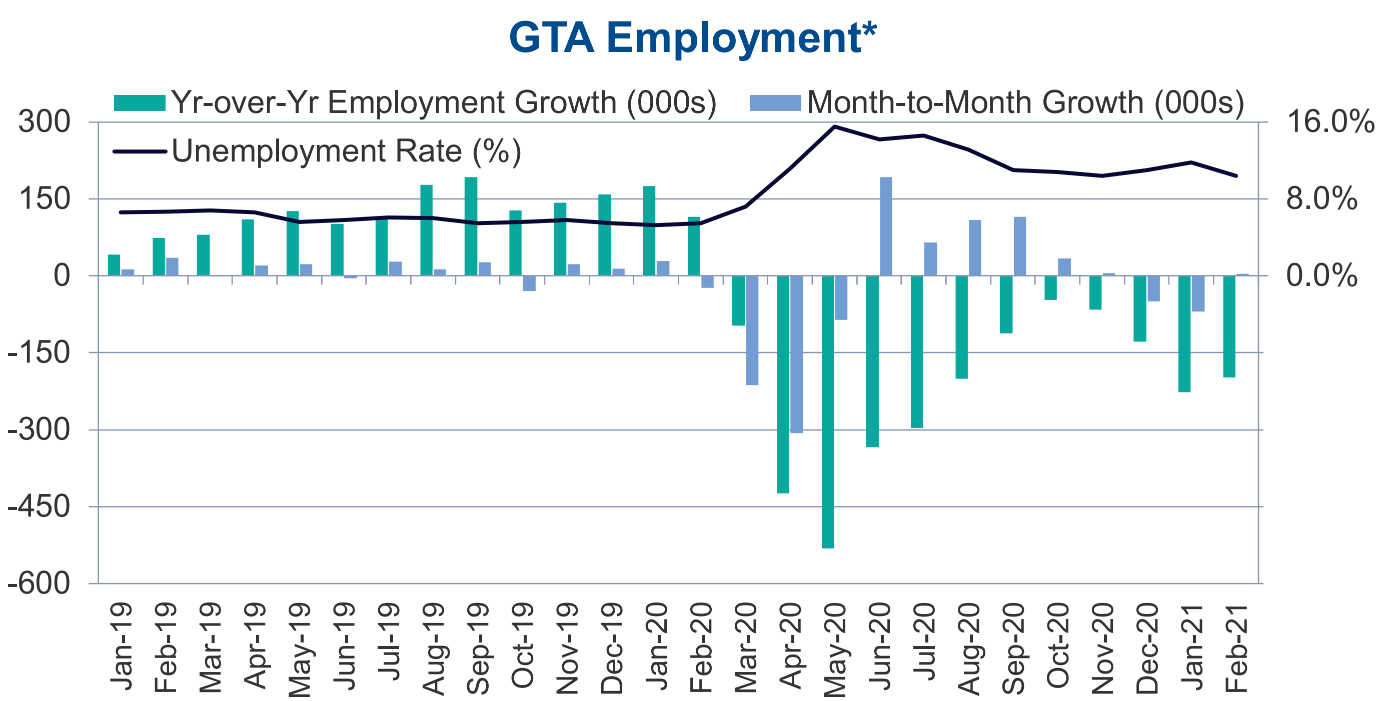
- **Sales of new condominium apartment units in the GTA were down from last February, near the 10 year average**. Total new home sales also came in below year ago levels as both single-family and apartment sales failed to keep pace with last year's surge.
- **To date this year, new condominium apartment sales are well off the pace of 2020**, however, it should be noted the first two months of last year were pre-pandemic and saw robust sales activity prior to the shutdown.
- **The benchmark price for a new condominium apartment continued to rise and set another record in February,** with relatively tight supply of both condominium apartments and single-family homes contributing to the rise.
- **With many new condo projects waiting to launch, increased savings among those with stable employment, and signs from the resale market that condo demand is firming up, there is potential for an active Spring market.** But the market will not be without its challenges: the COVID-19 pandemic continues to inflict uncertainty on the market, the unemployment rate remains elevated, immigration continues to be stalled, and heated new and resale single-family house price increases have raised the possibility of cooling measures.

GTA Condominium Apartment Key Performance Indicators

	Feb-20	Jan-21	Feb-21	*Yr-Over-Yr % Change*	YTD Feb 2020	YTD Feb 2021	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	337	351	348	*3%*	334	350	*5%*
New projects opened	16	2	6	*-63%*	17	8	*-53%*
Units in new projects opened	4,133	137	957	*-77%*	4,424	1,094	*-75%*
Total sales (units)	2,615	695	1,623	*-38%*	3,693	2,318	*-37%*
Sales as % of total new & resale	*58%*	*22%*	*34%*		*53%*	*29%*	
Inventory (units)	12,936	10,694	10,305	*-20%*	12,282	10,500	*-15%*
Sales-to-inventory ratio	20%	6%	16%	*-22%*	15%	11%	*-25%*
Months of inventory	5.4	6.3	6.4	*18%*	5.3	6.3	*20%*
Benchmark price	$961,268	$1,021,017	$1,042,064	*8%*	$943,238	$1,031,540	*9%*
Price PSF Benchmark	$1,020	$1,072	$1,103	*8%*	$1,004	$1,088	*8%*
Unit size Benchmark (sq. ft)	942	952	945	*0%*	940	949	*1%*
Units completed	1,597	1,274	2,214	*39%*	3,776	3,488	*-8%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,906	2,471	3,116	*63%*	3,241	5,587	*72%*
New listings (units)	2,476	3,066	3,410	*38%*	4,525	6,476	*43%*
Inventory ("active listings", units)	1,844	3,291	2,663	*44%*	1,812	2,977	*64%*
Sales-to-inventory ratio	103%	75%	117%	*13%*	89%	96%	*8%*
Months of inventory	0.9	1.7	1.3	*41%*	0.9	1.5	*64%*
Average price of units sold	$666,358	$600,830	$642,346	*-4%*	$651,401	$623,984	*-4%*
HPI constant quality price index (Jan 2005=100)	289.2	287.1	293.2	*1%*	285.8	290.2	*2%*

** see end of report for Definitions*

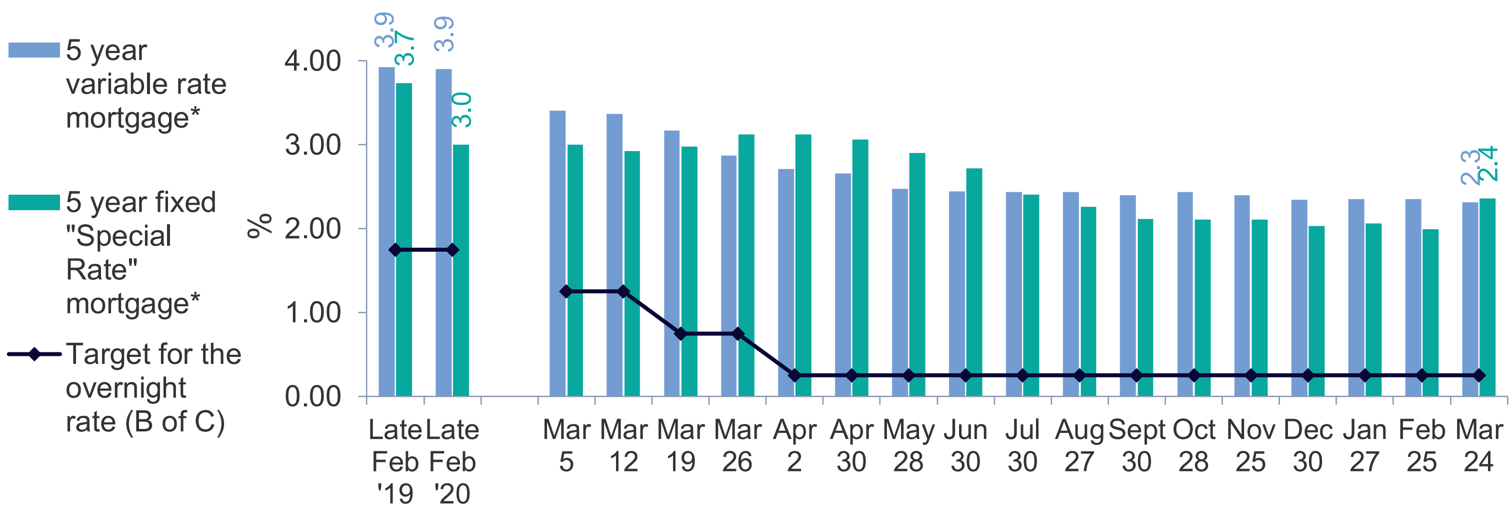
- **Month-to-month employment growth reversed course in February and turned positive** for the first time since November 2020, though only 3,800 jobs were added. The prospects for future employment growth will continue to be impacted by the breadth and length of COVID-19 related restrictions.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on March 10,** and stated *"We remain committed to holding 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 the Bank's January projection, this does not happen until into 2023".* The next rate announcement date is April 21.
- **Mortgage rates have started to move up again, as lenders price in more risk.** The current average 5 year fixed "special" mortgage rate has climbed to 2.37% at the end of March and is now above the 5 year variable rate *(chart next page, top)*.
- **Relatively tighter pandemic-related restrictions have resulted in more saving activity among younger Toronto renters than in Ontario and Canada as whole.** Half of Toronto renters under the age of 50 (the primary potential first-time homebuyer group) reported they are saving more during the pandemic according to our FIRM survey (*chart bottom of next page*). Additional savings could help offset some of the negative impact on affordability of increasing mortgage rates and higher prices.



Source: Altus Group based on Statistics Canada data

** Data are monthly, seasonally adjusted*

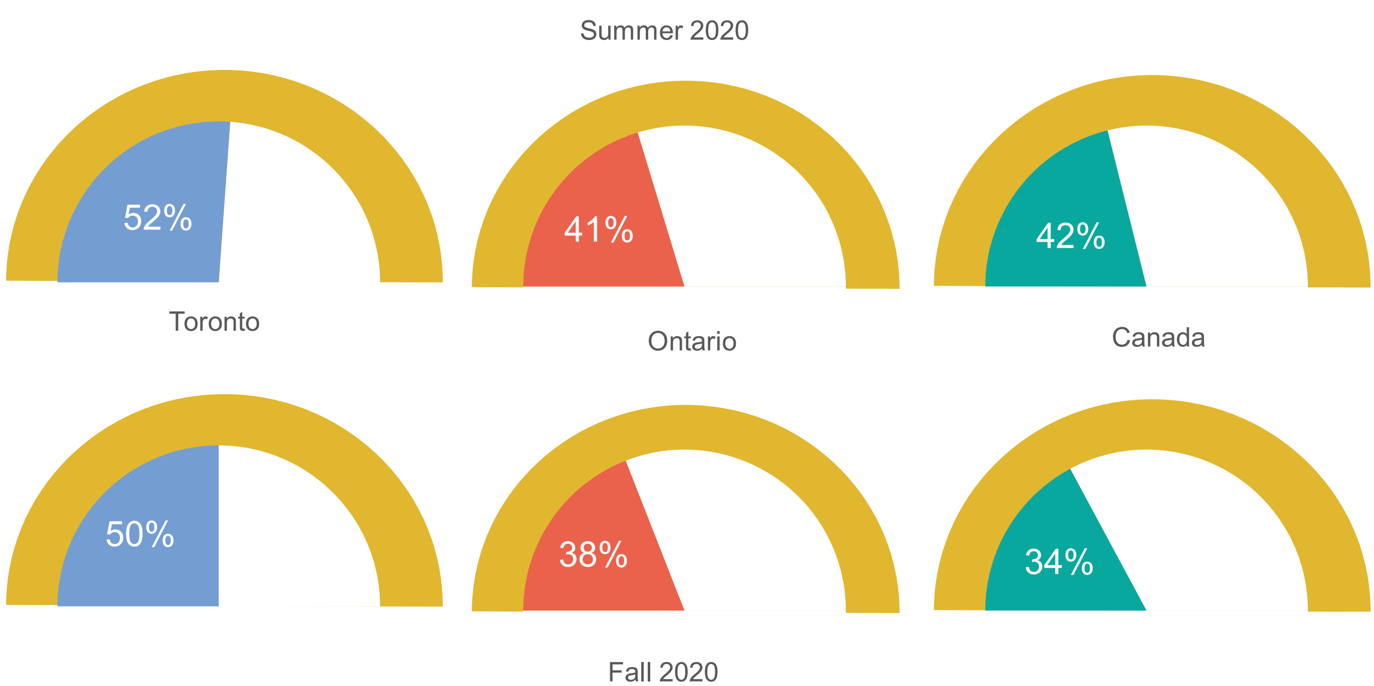
Selected Interest Rates



** Average for the major banks*

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

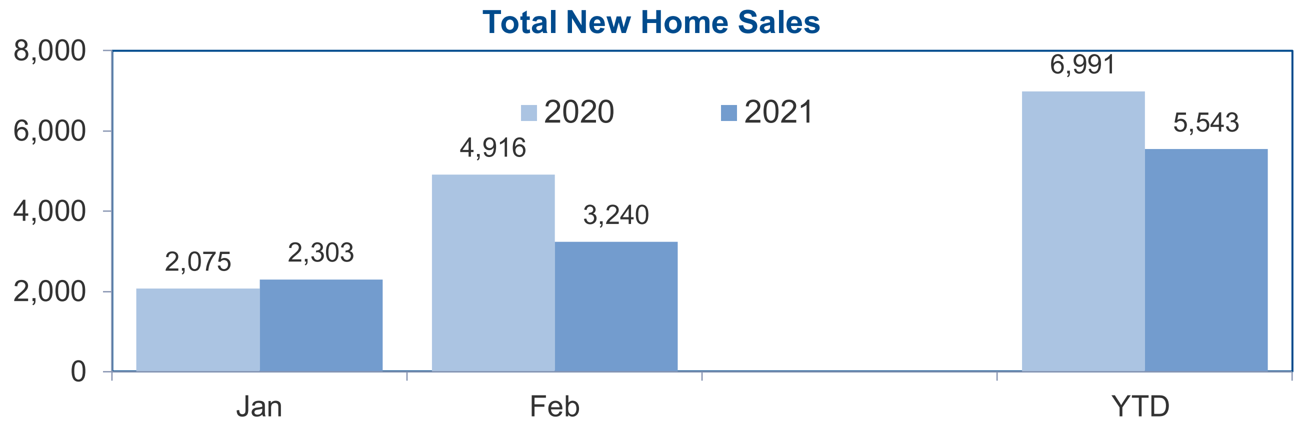
Has Your Household Been Saving More Due to COVID-19? GTA Renters Under Age 50*

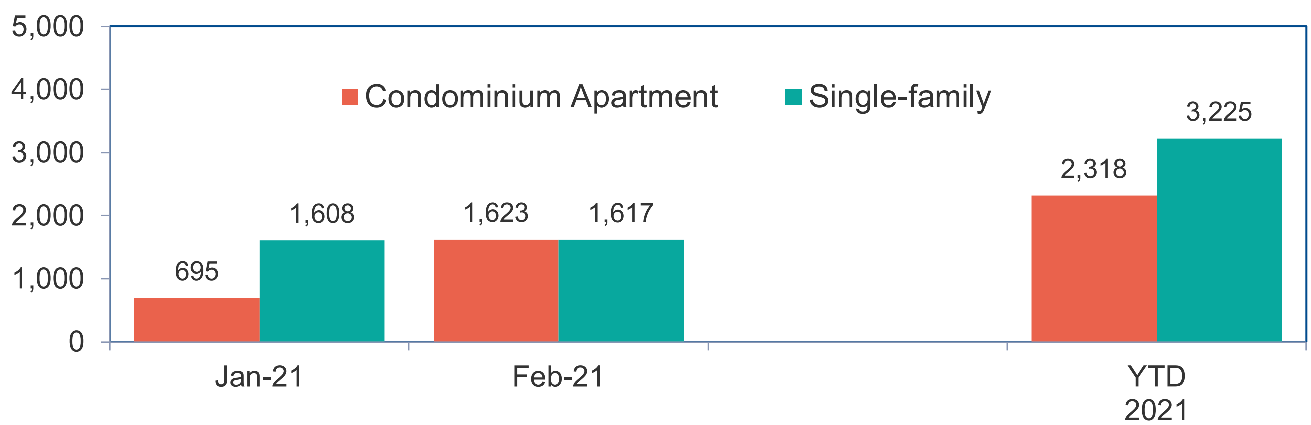


* Percent agreeing completely or somewhat
Source: Altus Group, The FIRM Survey

- **Total sales of new homes in the GTA were down in February on a year-over-year basis,** from the particularly strong pre-pandemic showing in February 2020, however, were up relative to the 10 year average. Single-family new home sales once again performed relatively well, up from the 10 year average for February. Condominium apartment sales were on par with the 10 year average.
- **Durham Region was once again the sole area to post higher total sales** *(chart next page)*. Only Halton Region saw a small increase in condominium apartment sales while Durham was the sole region that recorded an increase in single-family sales as some buyers sought more affordable single-family space.

GTA New Home Sales

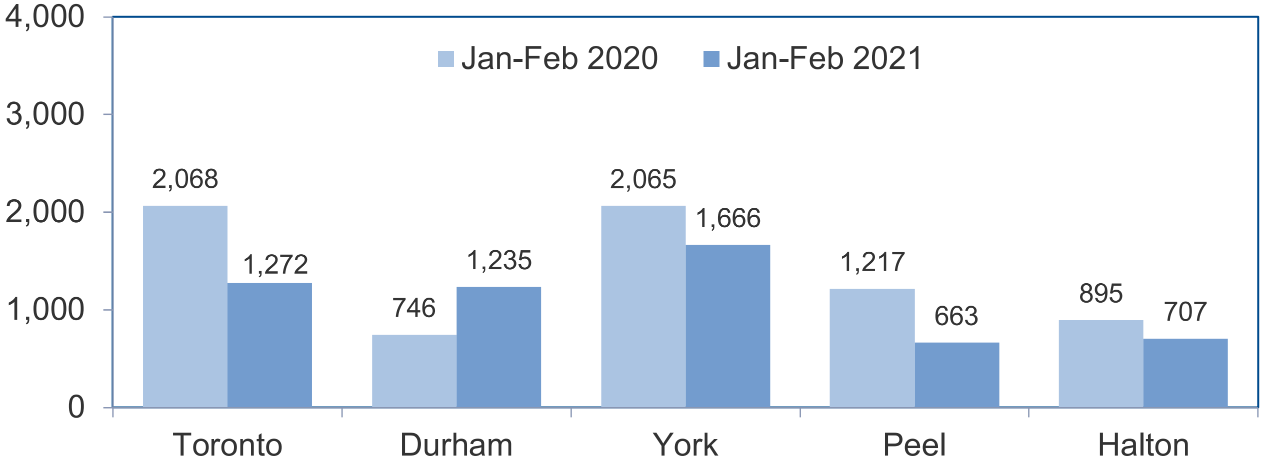




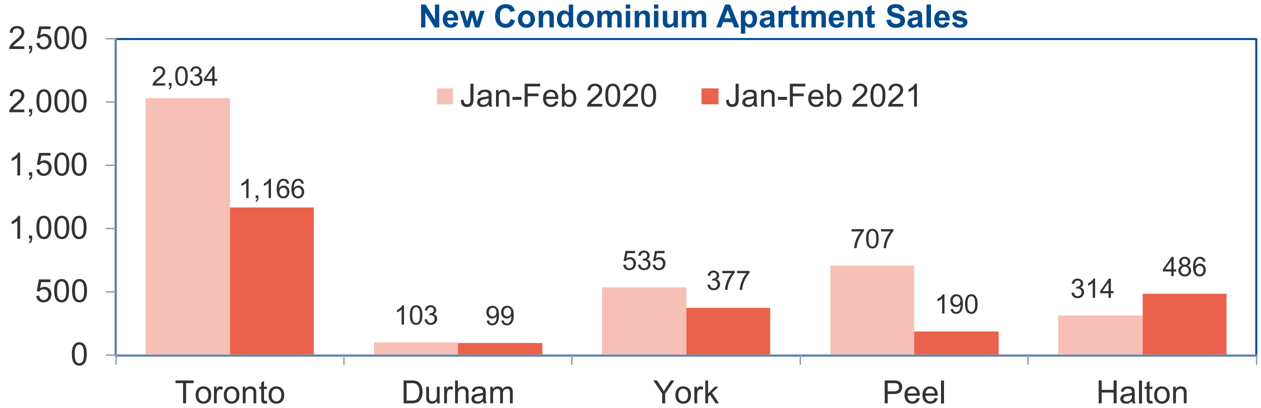
Source: Altus Group

GTA New Home Sales by Region

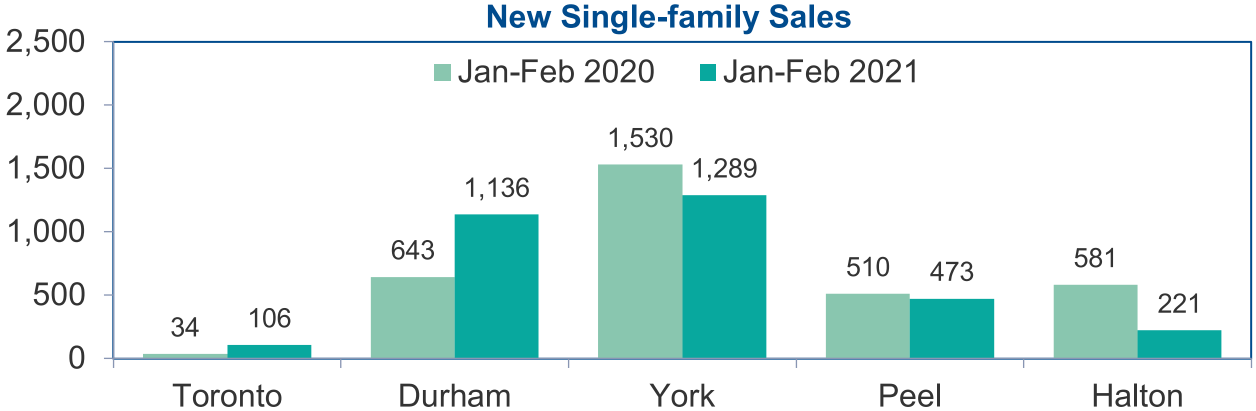
Total New Home Sales



New Condominium Apartment Sales

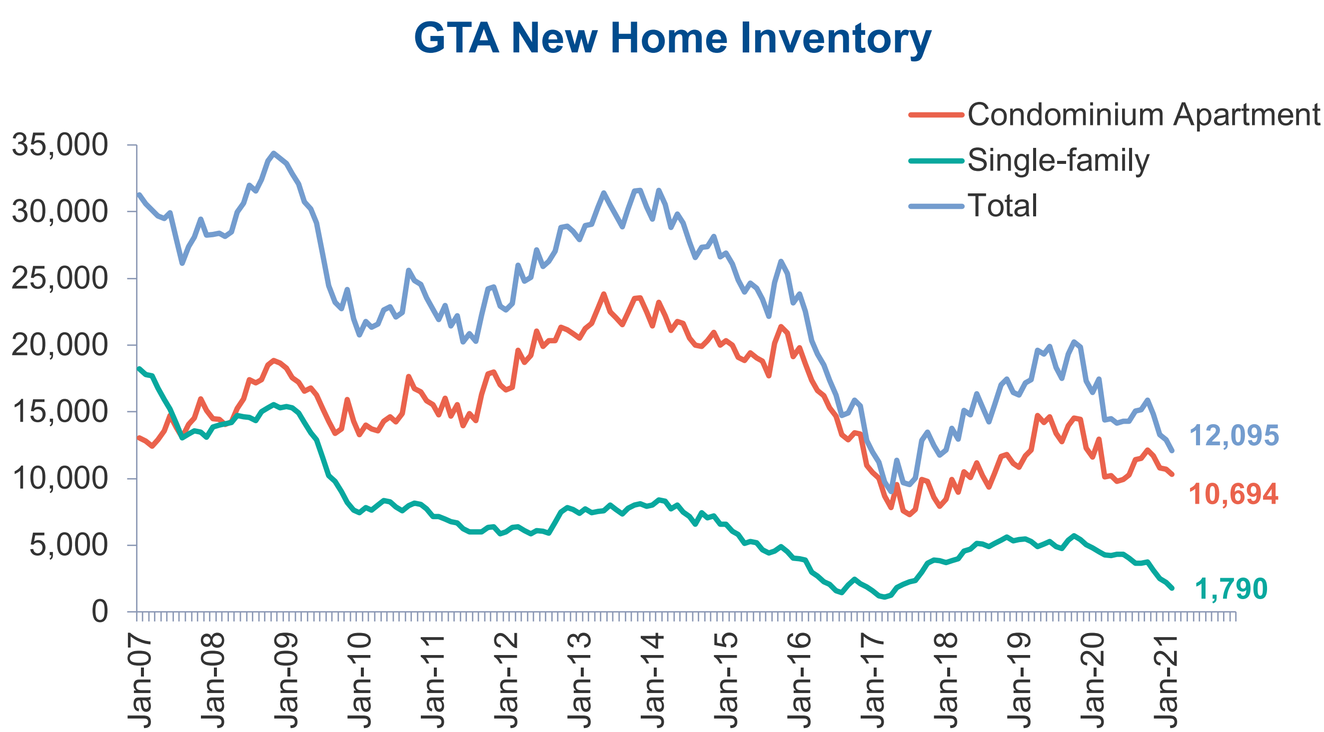


New Single-family Sales



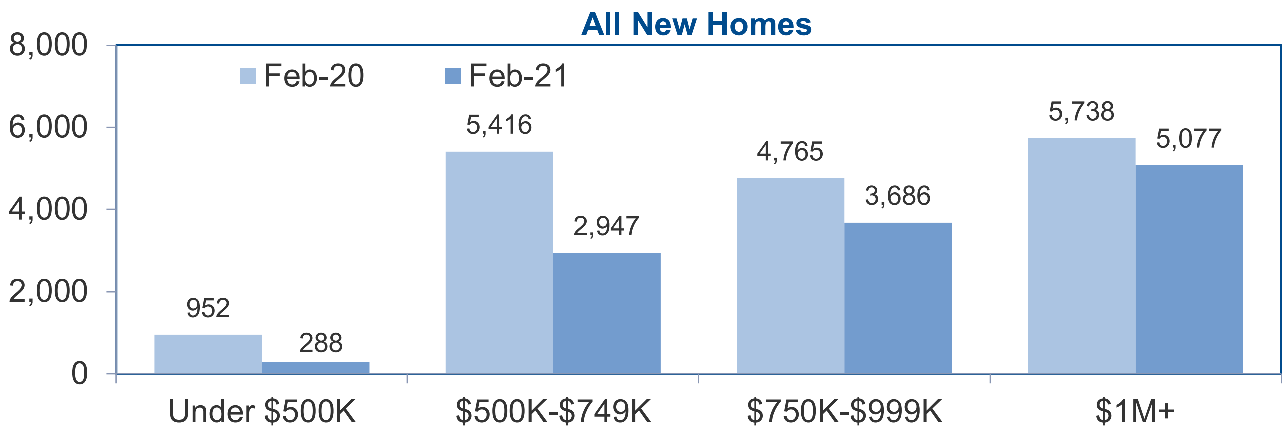
Source: Altus Group

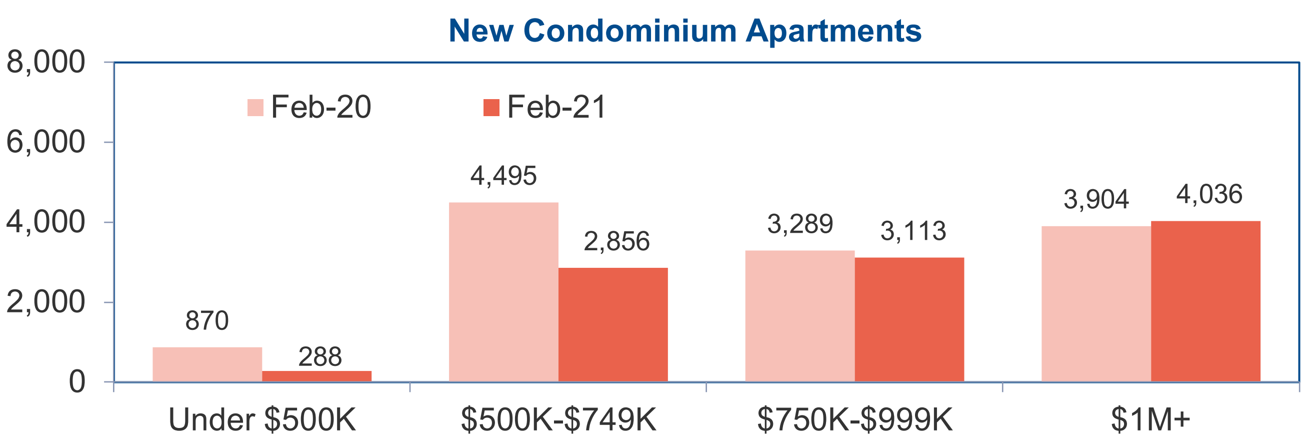
- **New home inventory remains relatively tight.** The total new home inventory continued to decline in February, falling to about 12,100 units. The months of inventory measure fell further to 4.0 months (based on average sales over the past 12 months), half of the long-term average.
- **The available supply of condominium apartments declined,** with sales outpacing the number of units in the new projects launched during the month. Inventory levels are below the 10-year average by about one-third.
- **Single-family inventory dropped further with February inventory at the 2nd lowest ever level** – after only February 2017 with available supply representing just 1.3 months of inventory
- There is currently very little available inventory of new homes in the under $750,000 price range *(charts next page)*, in particular for single-family homes and also condominium apartments.

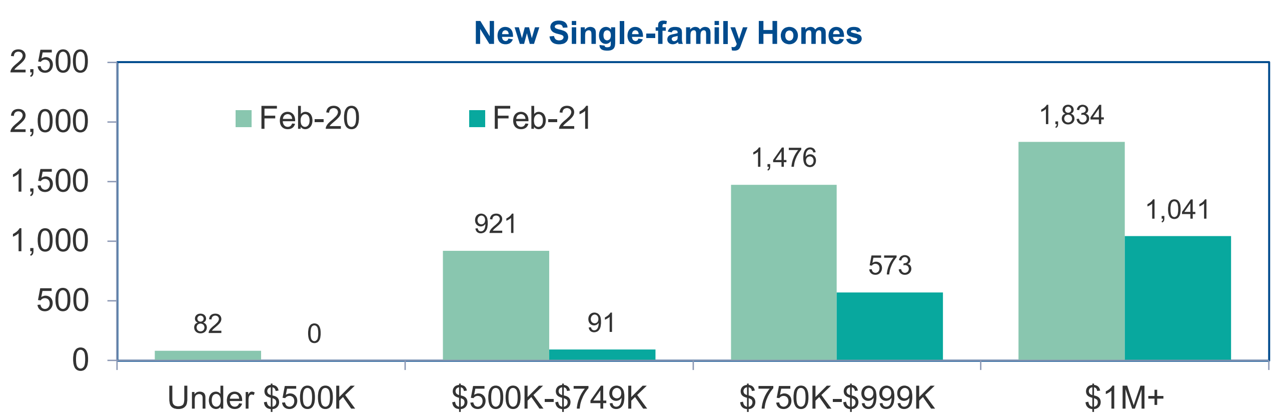


Source: Altus Group

Available Inventory by Asking Price Range*





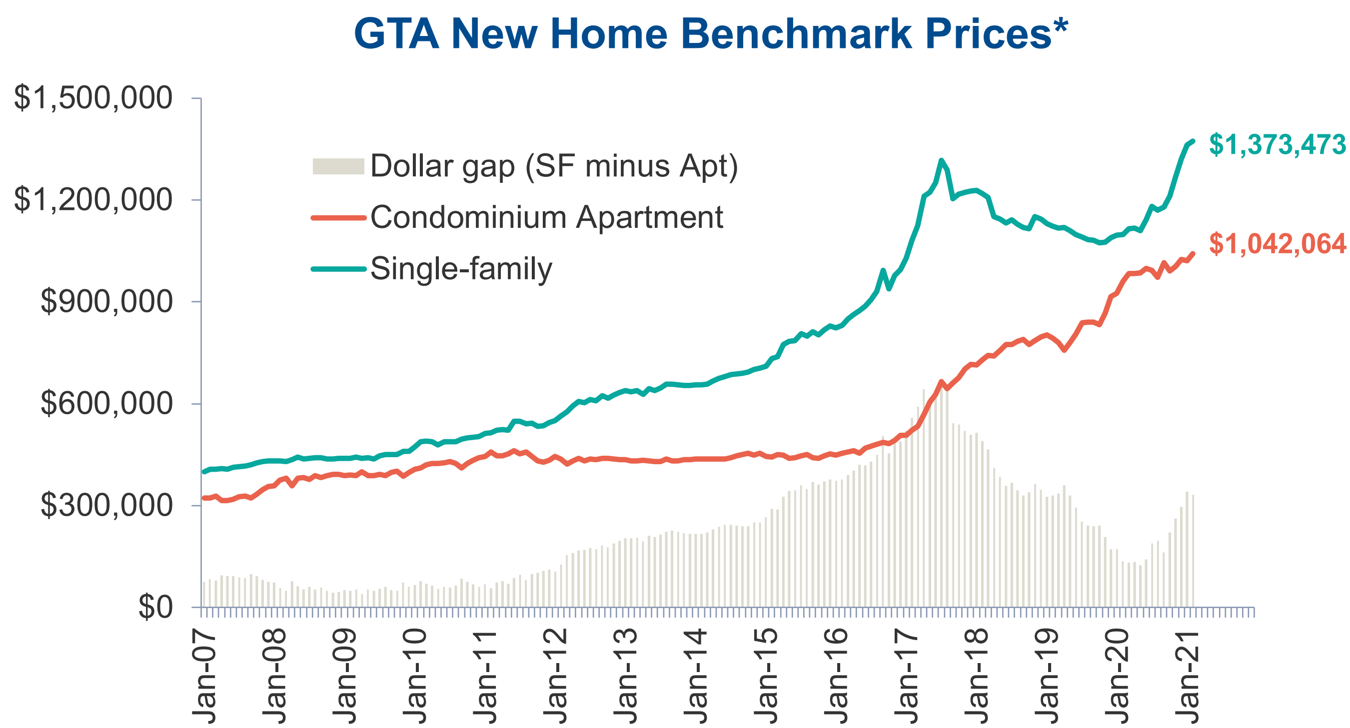


- Excludes inventory with no pricing information

Source: Altus Group

New Home Market - Prices

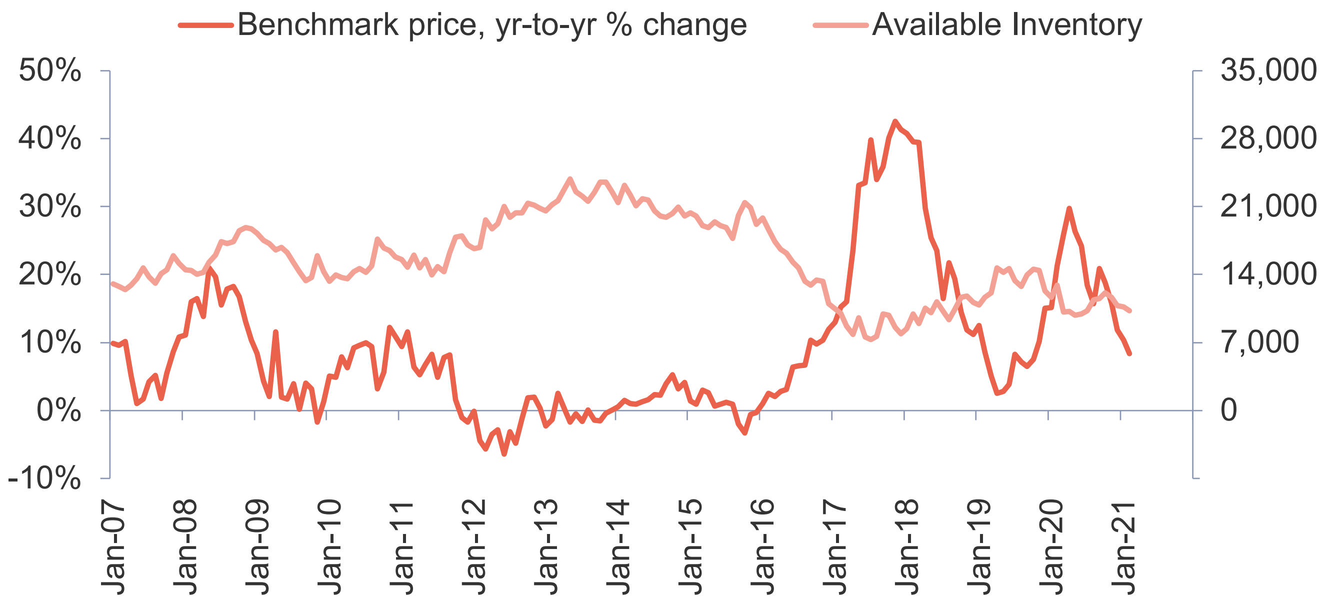
- **Prices of available new homes continued to reach new highs**, for both single-family and condominium apartment units.
- With the Benchmark price of a new single-family home rising much more rapidly in the past year than the Benchmark price for a new condo apartment, **the gap in prices has opened up again, improving the relative affordability of new condo apartments.**



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

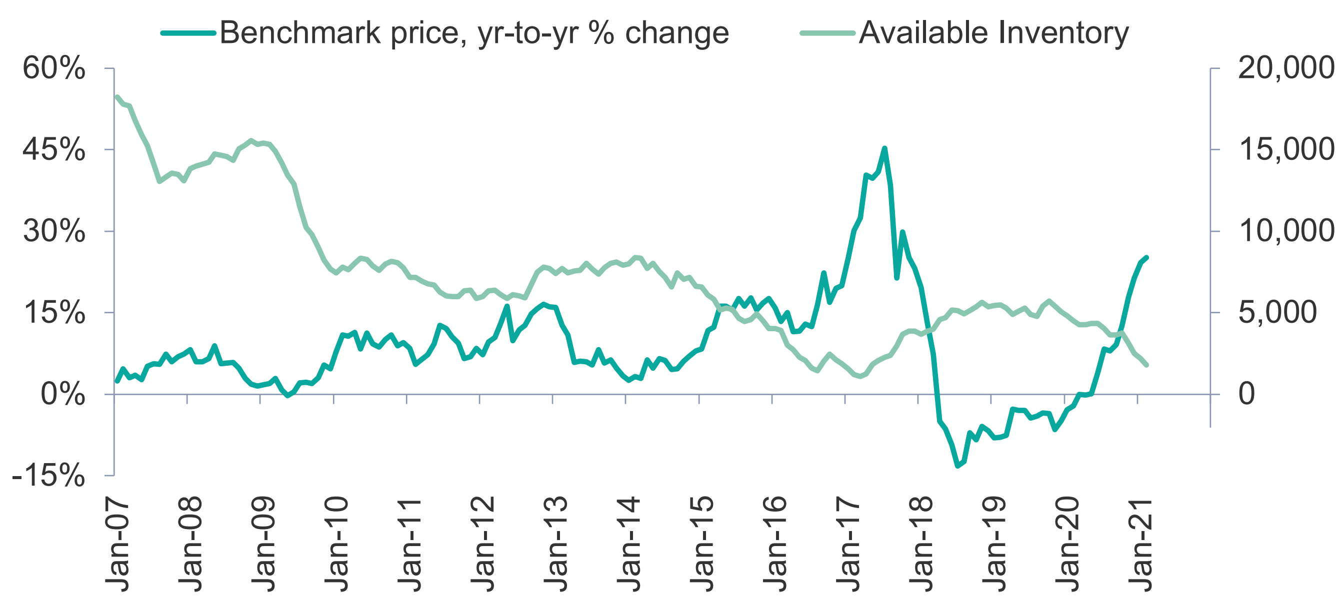
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

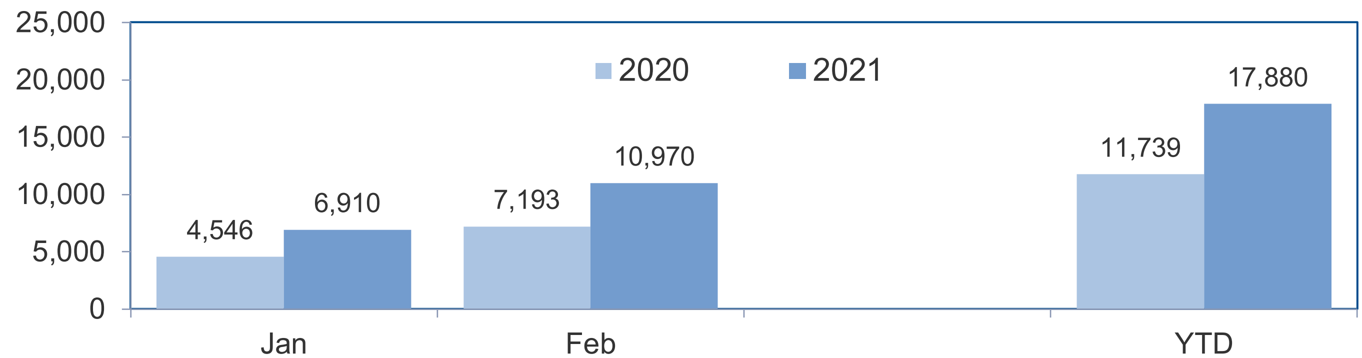
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

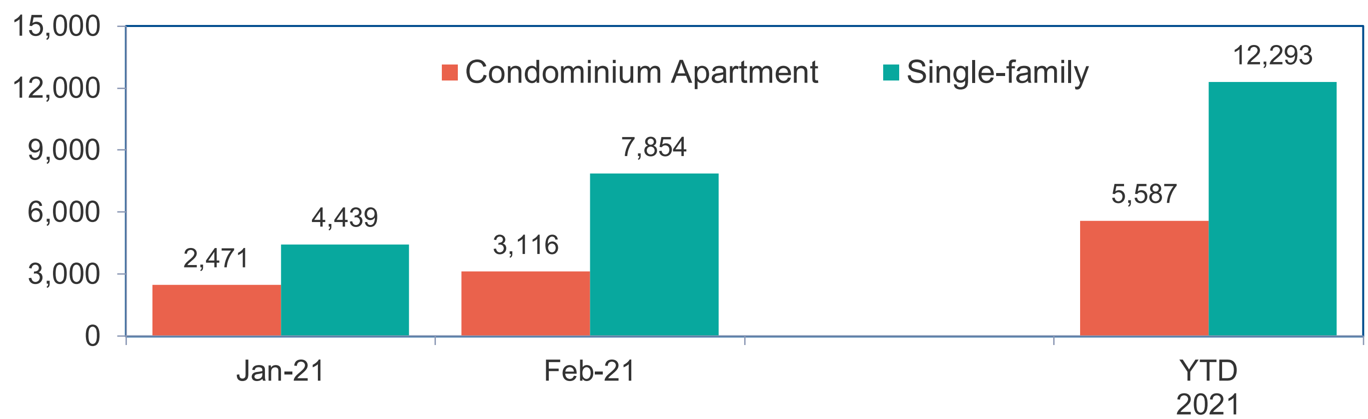


Source: Altus Group

- **Total sales of existing homes in February** (as reported by the Toronto Regional Real Estate Board) **reached a record high for the month exceeding year earlier levels for the 8th month in a row.** The increase was from both products with condominium apartments up 63% while the rise in single-family home sales was 49%.
- **Recovering sales in the resale condo market suggest that the underlying appeal of the condo sector in general has survived the current pandemic**, although excess resale supply will provide some competition to the new condo sector in the short term.
- **Resale condominium inventory continues to outpace year earlier levels,** providing more competition for the new home sector *(chart top of next page)*. 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 was up 21% from a year earlier to a record high (*chart bottom of next page*). **The average price for a resale condominium apartment reversed its recent trend and increased in February,** however, was still 4% below its February 2020 level**.**

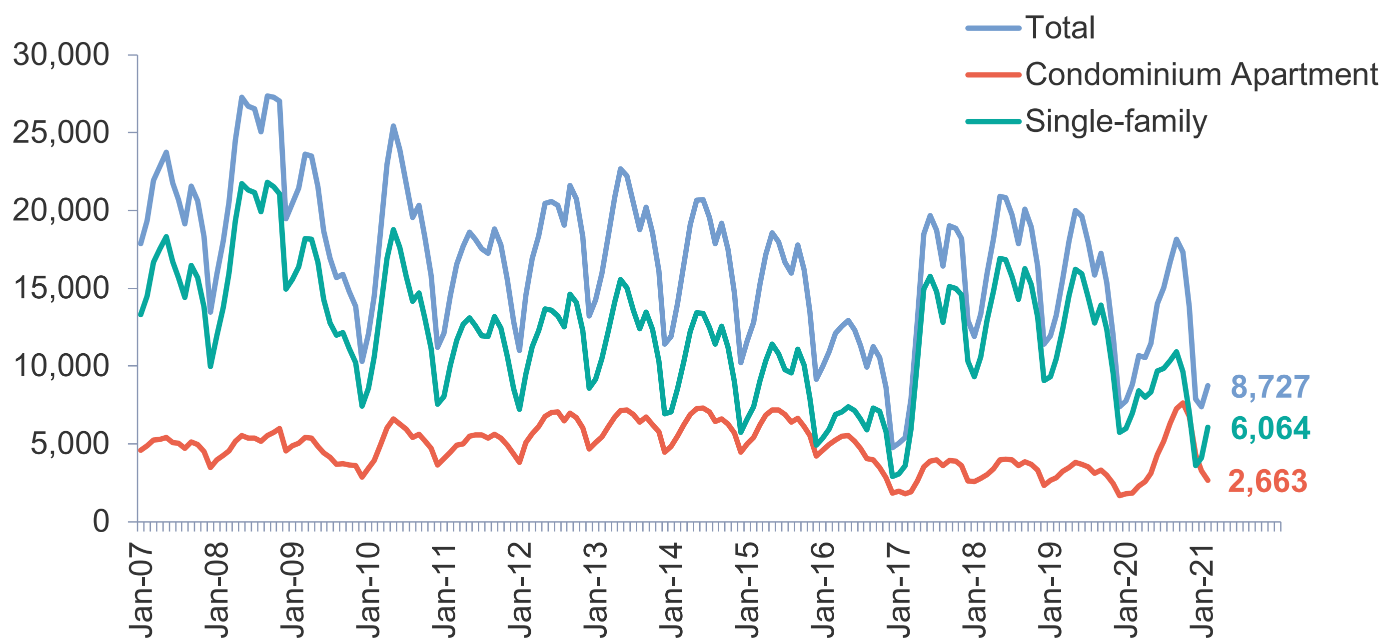
GTA Resale Home Sales





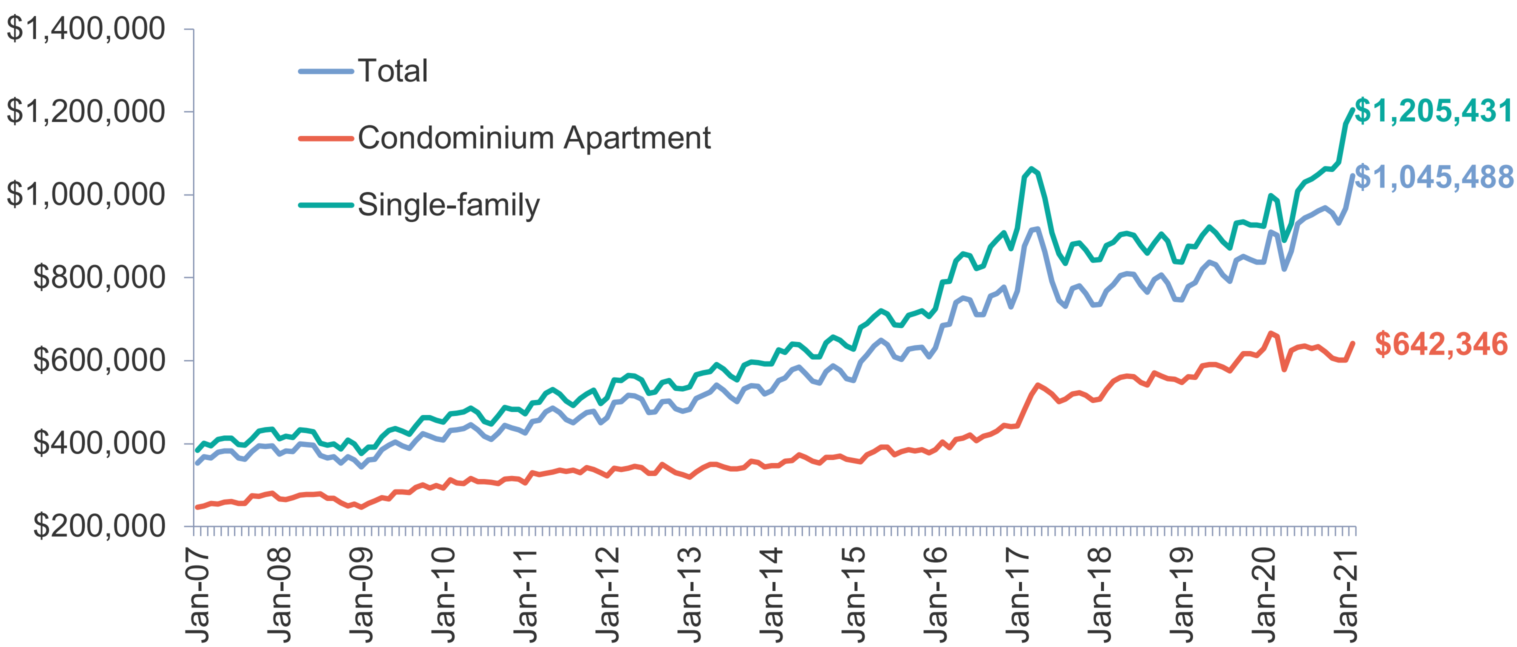
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

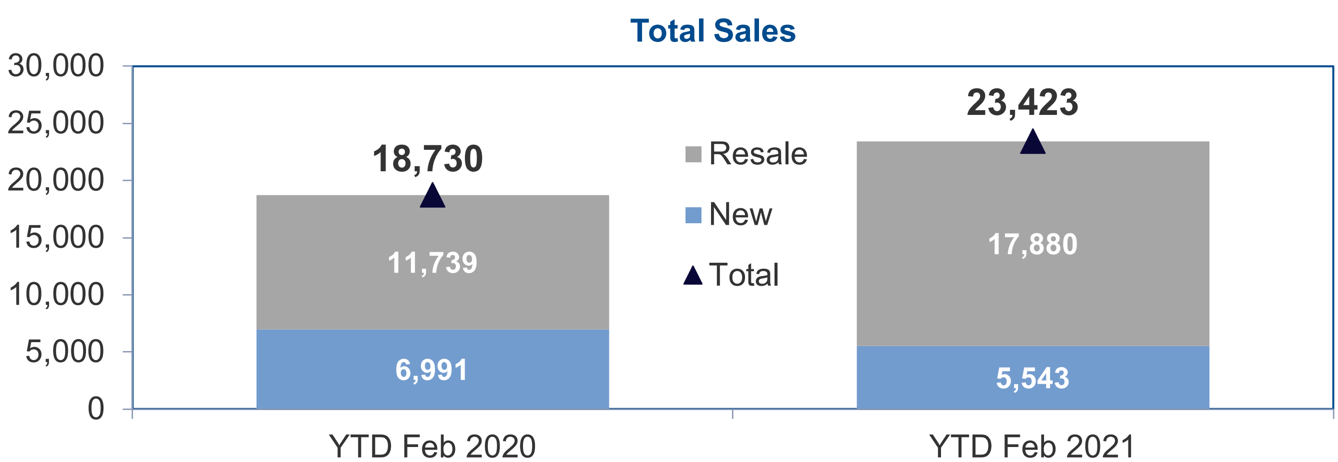


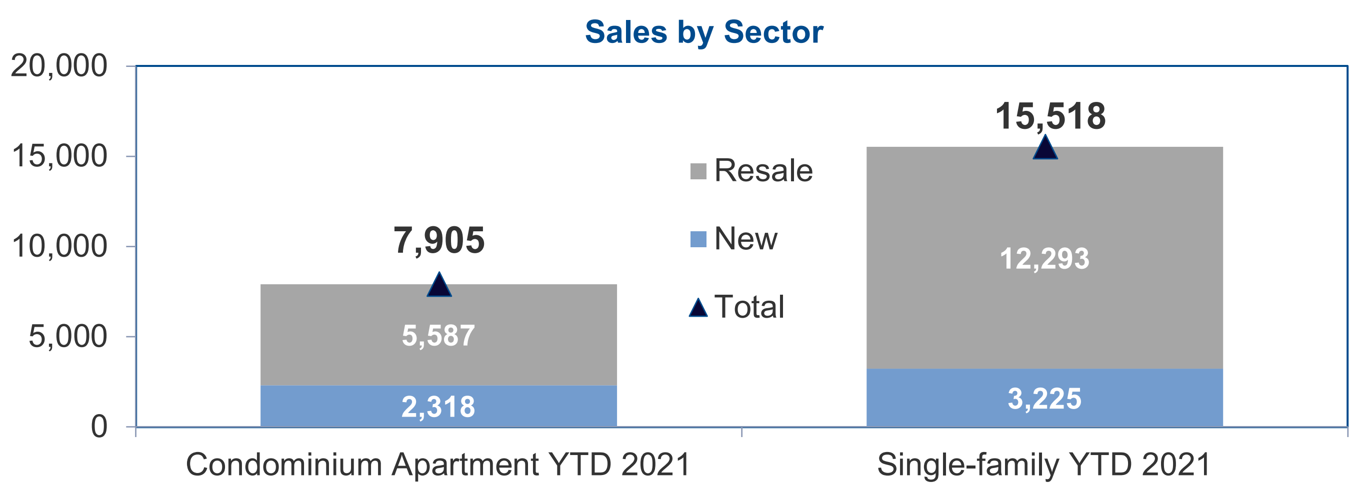
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Sales for the housing market overall are well ahead of a year ago - a period that itself was relatively strong - raising concerns about overheating in the market.**
- Combined new and resale activity, as measured by TRREB and Altus Group, totaled 23,423 for year-to-date February 2021, up 25% over last year. Sales of single-family units advanced by one-third while condominium apartment sales rose by 14%.
- **The new home sector has accounted for almost 1 in 3 total condominium apartment sales to date in 2021**, compared to about 1 in 5 single-family sales.

GTA Combined New & Resale Home Sales



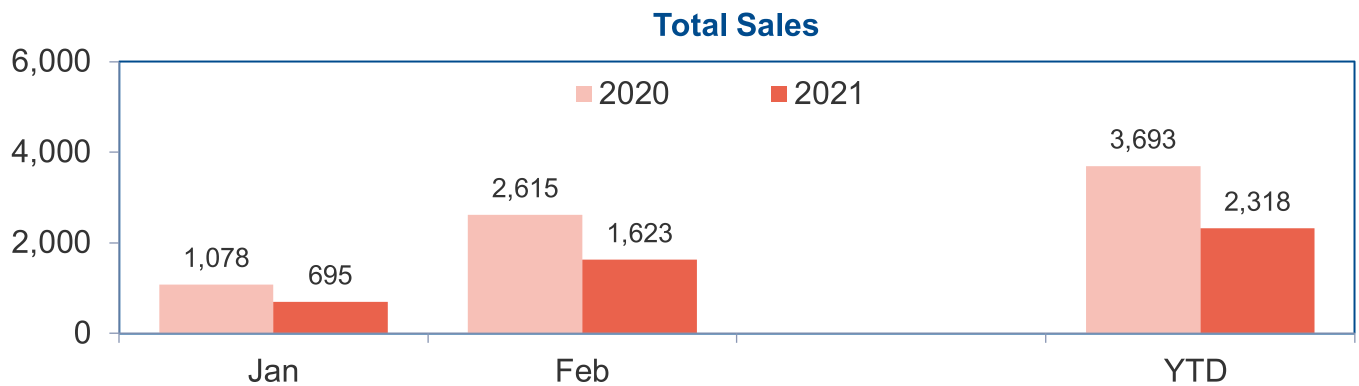


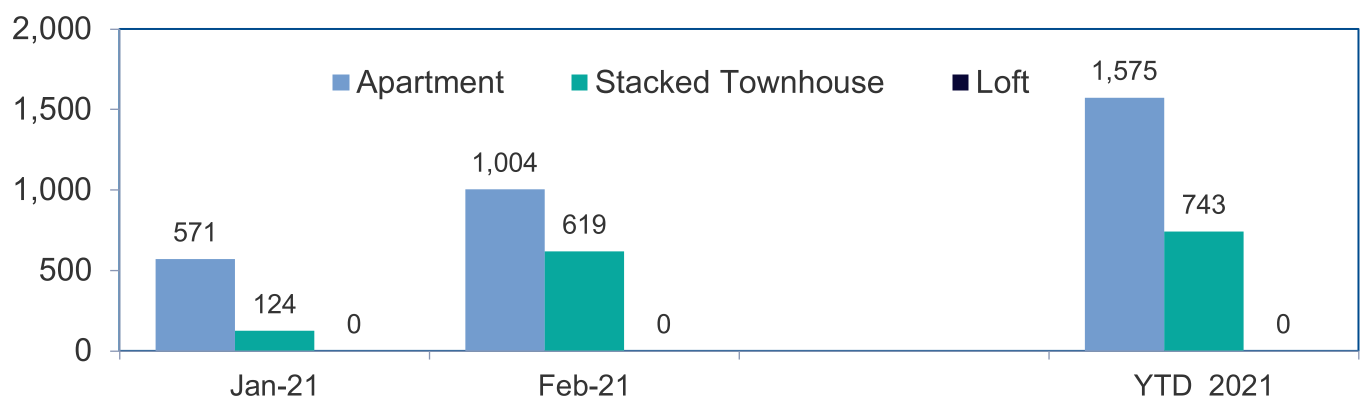
Source: Altus Group and Toronto Regional Real Estate Board data

New Condominium Apartments - Sales

- **Total sales of new condominium apartments in February 2021 were down by almost 40% from a very strong showing in February 2020 and almost on par with the 10 year average.** As discussed later in this report, the number of units in new openings was only a quarter of what was launched last year, which contributed to the decline in activity.
- **The appeal of larger space options, at more affordable price points, may be a factor in increase stacked townhouse sales.** Sales of new stacked townhouses were more than double a year earlier and a record high for any month since 2000.
- **The year-over-year fall-off in new condominium apartment sales in the GTA was due to lower activity in both the City of Toronto and Peel Region**, although sales were up slightly in York and Halton Regions (*chart next page*).

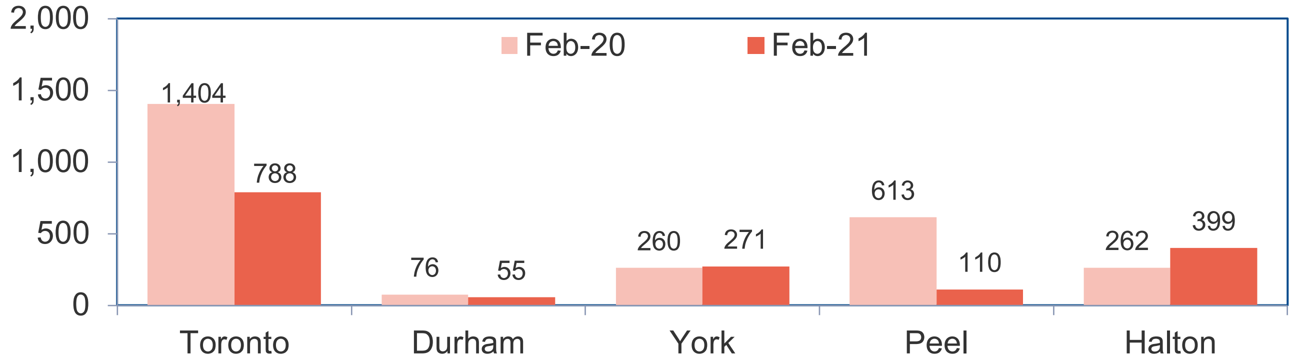
GTA New Condominium Apartment Sales

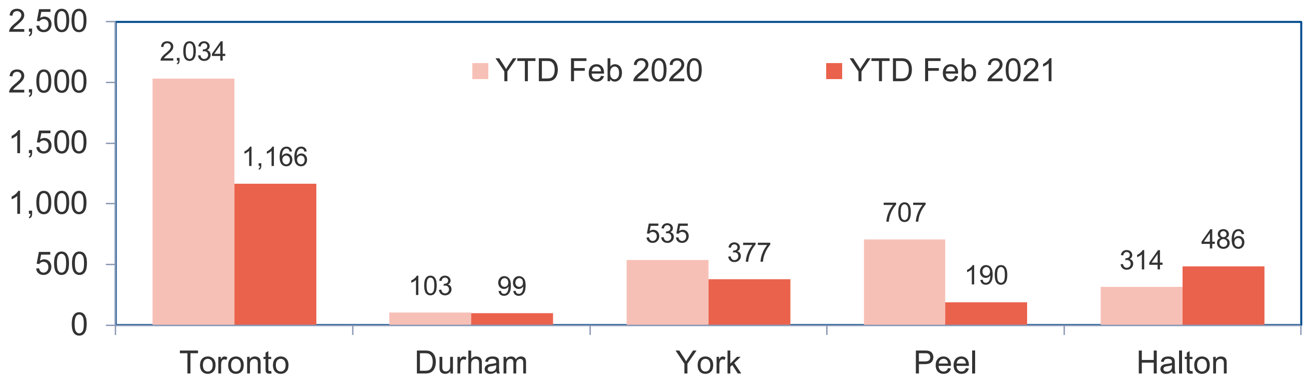


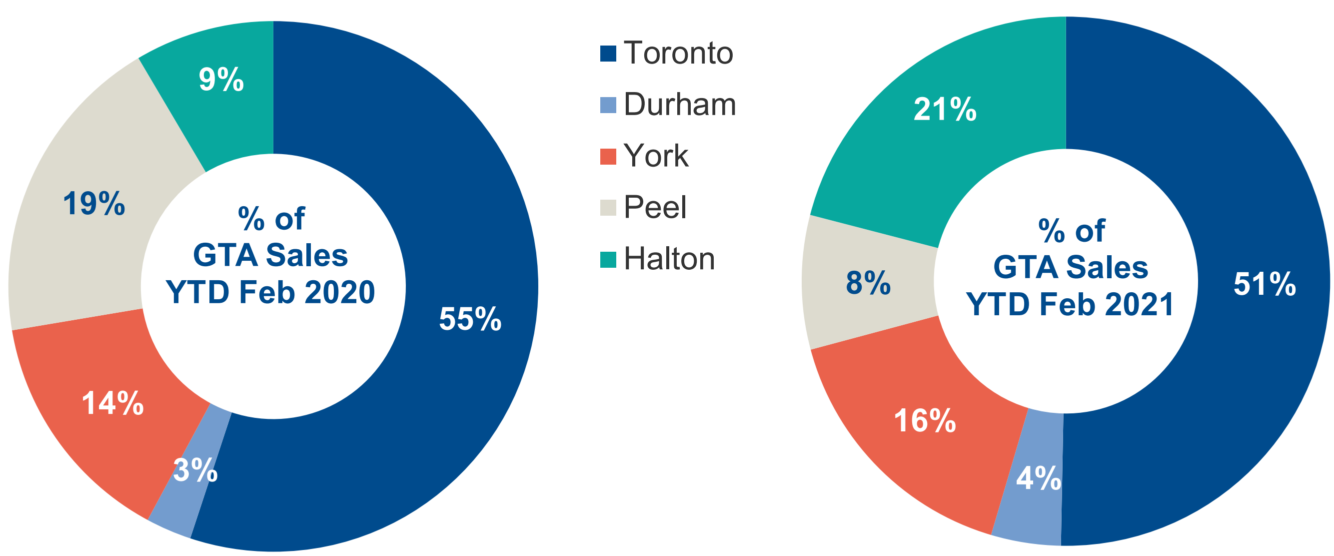


Source: Altus Group

GTA New Condominium Apartment Sales by Region



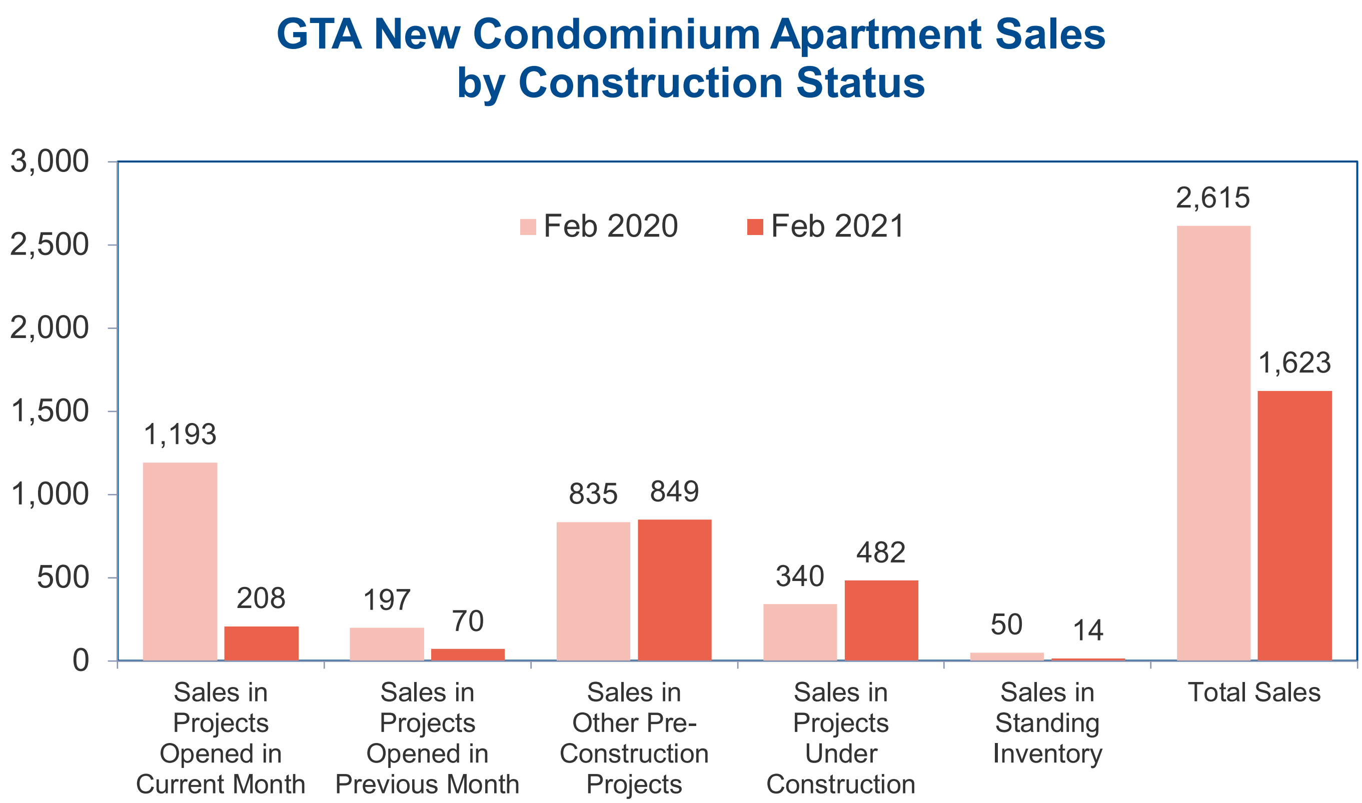




Source: Altus Group

New Condominium Apartments - Sales

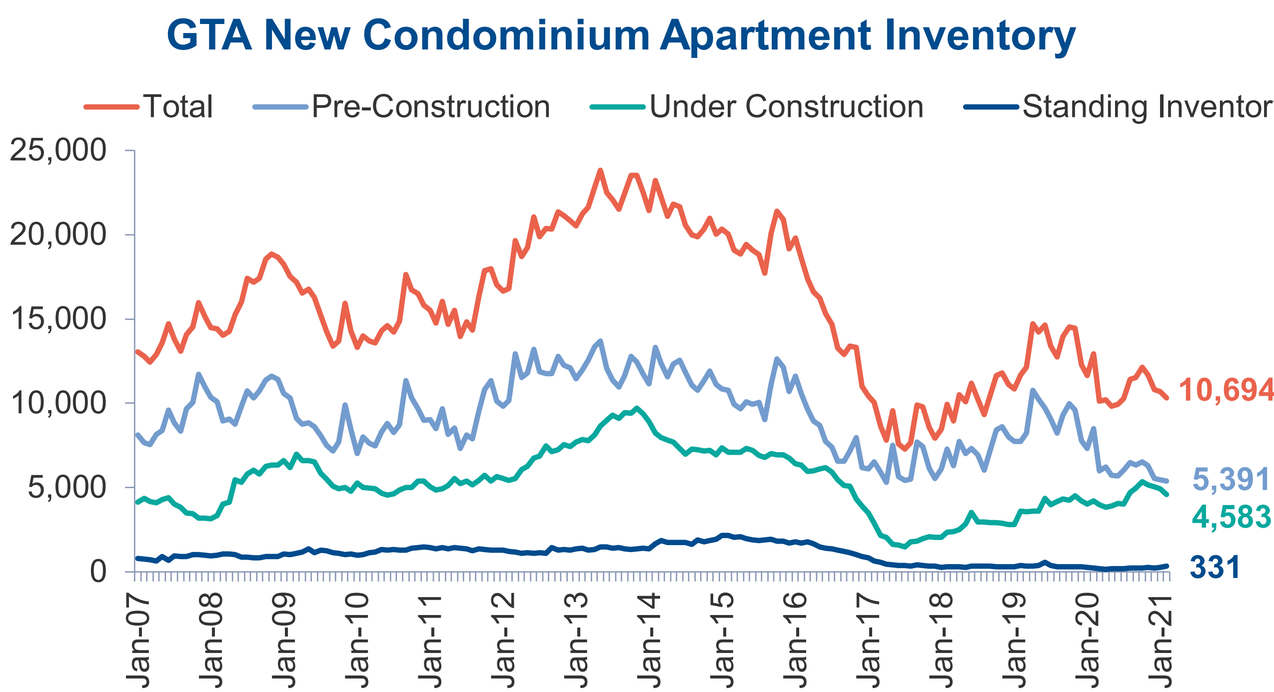
- **There were 6 new projects opened in February 2021**, of which 4 were opened before the last 10 days of the month. The new openings accounted for just 13% of the month's total sales.
- The bulk of the sales in February came at other pre-construction projects, opened prior to January 2021. Sales at projects already under construction were relatively strong as under construction inventory has been elevated of late *(as shown on the chart on the next page).*

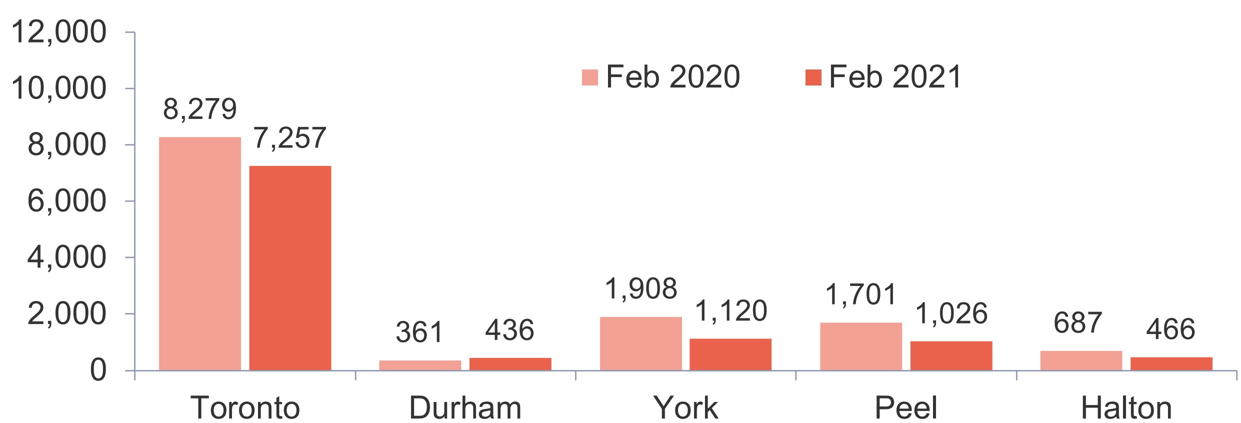


Source: Altus Group

New Condominium Apartments - Inventory

- **New condominium apartment inventory levels declined slightly in February 2021,** as sales outpaced the number of units in new openings.
- **Units under construction dipped, however remain above the 4,000 unit level for a 9th consecutive 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, below the longer-term average of 10 months.



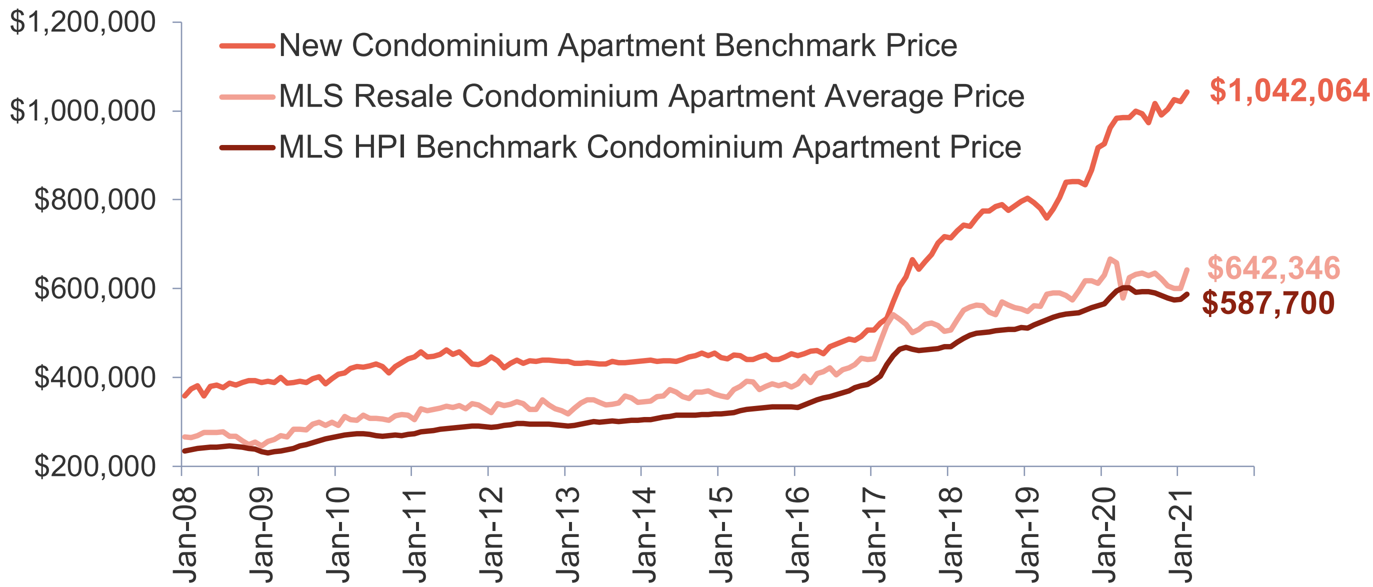


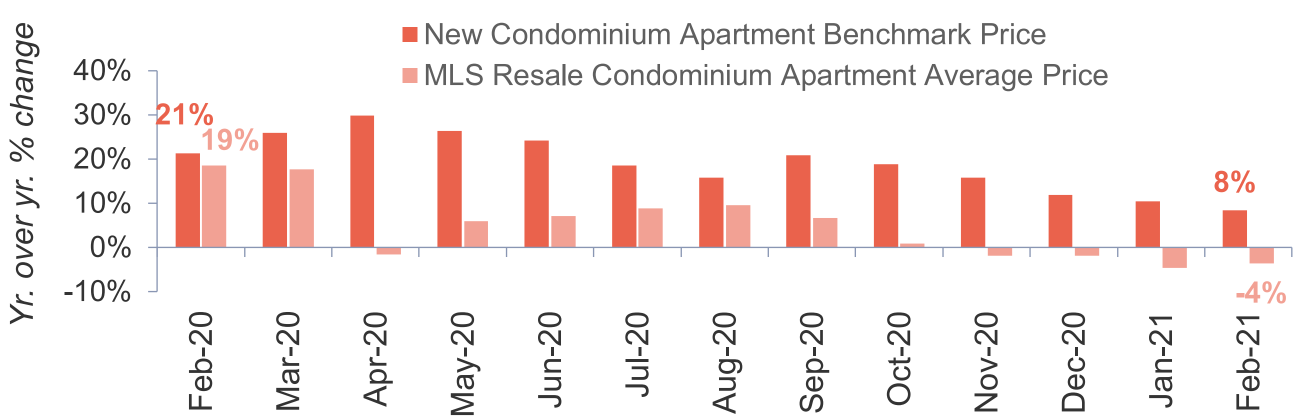
Source: Altus Group

New Condominium Apartments - Prices

- **The Benchmark price of the available inventory came in at a new record high.** One factor in the increase in the benchmark price is location, as many of the new units brought to market were in relatively higher-priced areas within the GTA.
- The average price of a resale condominium apartment increased after 4 months of declines, however, recorded a year-over-year decline for the 4th consecutive month, as inventory levels continue to be elevated. **The widening gap in pricing between new and resale condominium apartments is improving the relative attractiveness of the resale side of the market.**

GTA New and Resale Condominium Apartment Prices

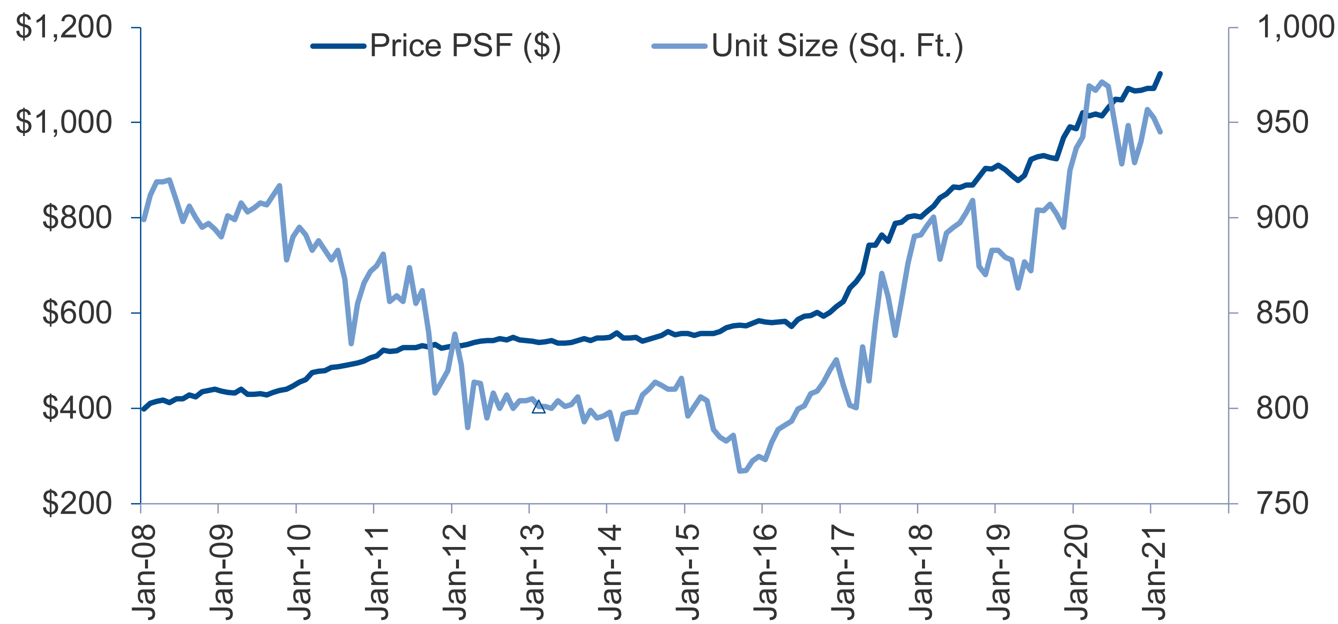




Source: Altus Group and Toronto Real Estate Board data

- **The benchmark price per square foot indictor for February increased and surpassed its all-time high,** a main contributor to the elevated condominium apartment benchmark price.
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per sq. ft. For example, an increase in the price per sq. ft. could reflect both a "pure" price increase, as well as a decline in average size of available units (and, of course, location shifts).

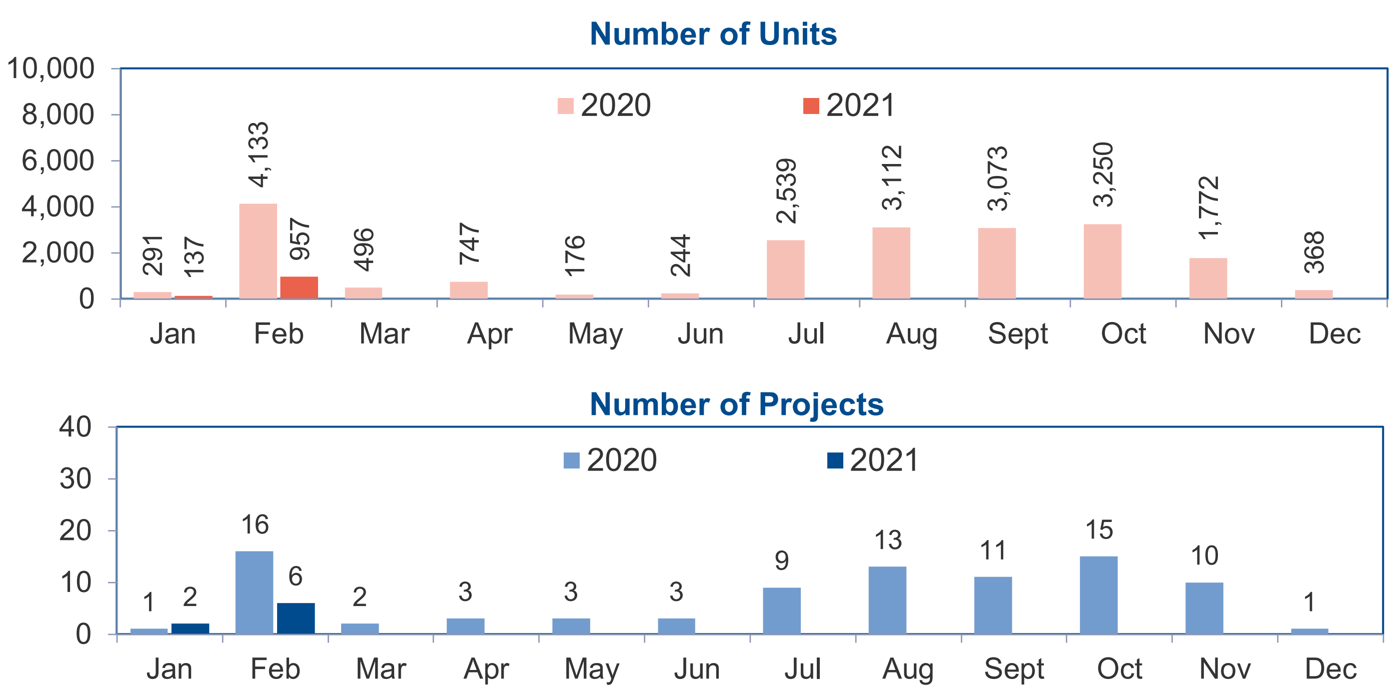
GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



Source: Altus Group

- Many builders are still taking a wait-and-see approach to new project openings. **There were six new condominium apartment projects launched in February 2021.** The 957 units in new openings is 77% fewer units than February 2020 and less than half the 10 year average, with the average project size much smaller compared to a year ago.
- However, many projects appear to be ready to commence sales which suggests the potential for a more active Spring market.
- Following this page are maps showing the location of new projects launched in January and February 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.*

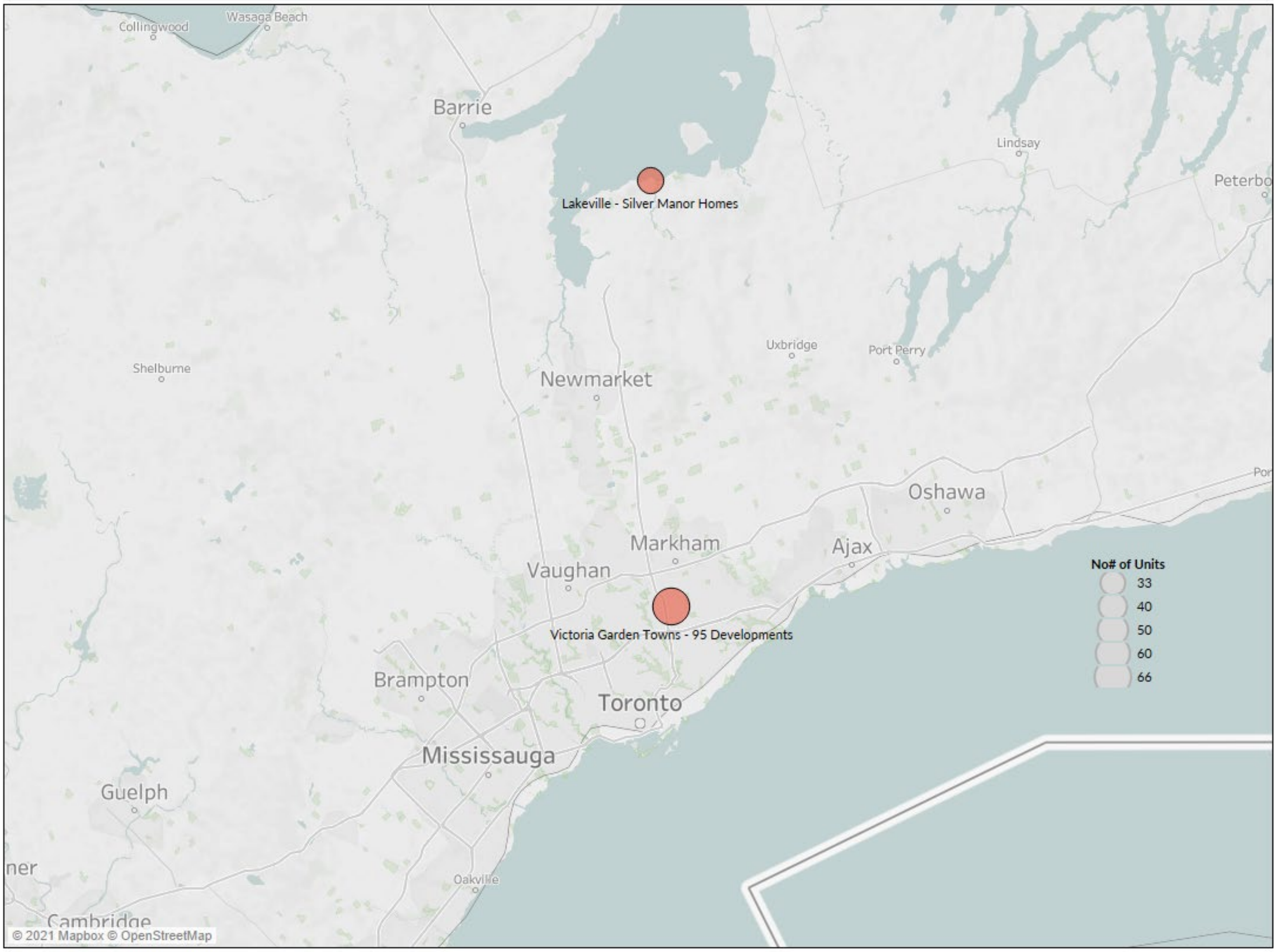
GTA New Condominium Apartment Project Openings



Source: Altus Group

AltusGroup

January 2021 New Project Launches by Number of Units



Source: Altus Group

Project Record | Lakeville | Victoria Garden Towns

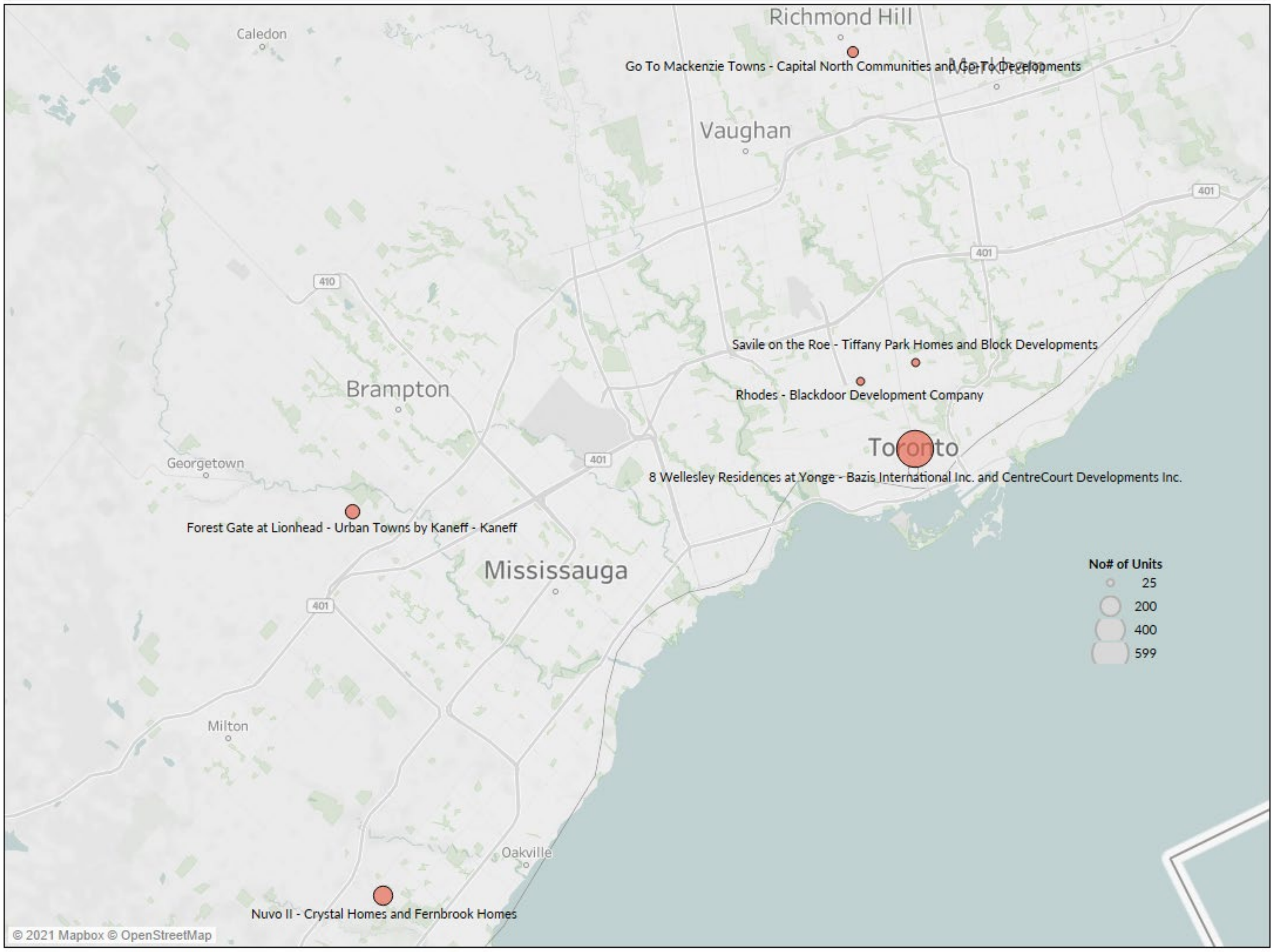
New Condominium Apartment Project Openings - January 2021

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**	**66**
Studio	--	--
1 bedroom	12	--
1 bedroom + den	--	16
2 bedroom	18	8
2 bedroom + den	3	35
3 bedroom & up	--	7
Penthouse	--	--
Other	--	--
Opening month sales	**6**	**0**
Next month sales	**6**	**64**
% Sold (of released units)	*36%*	*97%*
Remaining available inventory	21	2
Original $PSF	$561	$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	$899,900
Notes		

Source: Altus Group

New Condominium Apartments - Openings

February 2021 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

Project Record	8 Wellesley Residences at Yonge	Forest Gate at Lionhead	Go To Mackenzie Towns	Nuvo II	Rhodes	Savile on the Roe

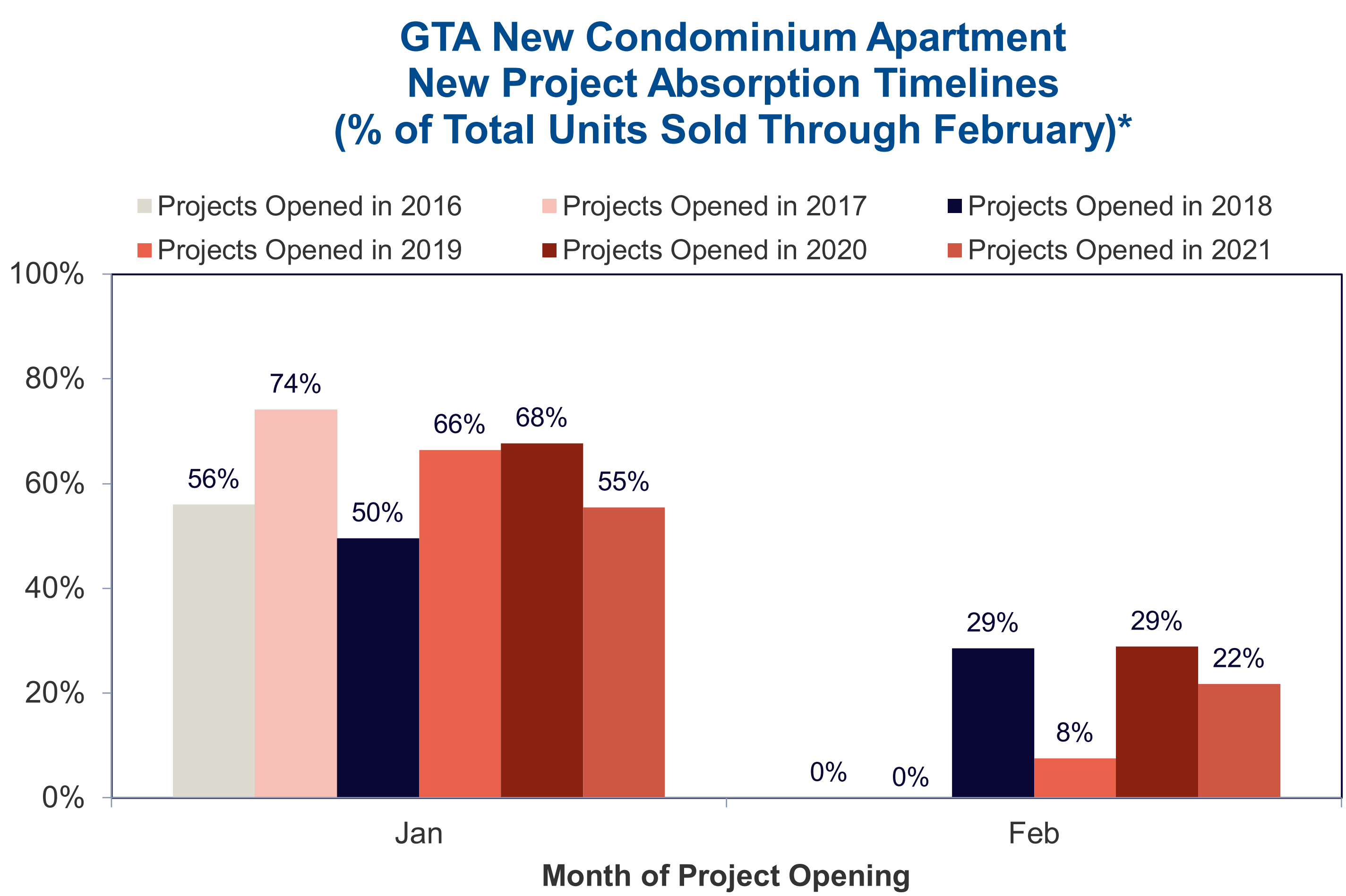
New Condominium Apartment Project Openings - February 2021

Project Name	8 Wellesley Residences at Yonge	Forest Gate at Lionhead - Urban Towns by Kaneff	Go To Mackenzie Towns	Nuvo II	Rhodes	Savile on the Roe
Developer	Bazis International Inc. and CentreCourt Developments Inc.	Kaneff	Capital North Communities and Go-To Developments	Crystal Homes and Fernbrook Homes	Blackdoor Development Company	Tiffany Park Homes and Block Developments
Date Opened	2021-02-22	2021-02-17	2021-02-01	2021-02-10	2021-02-02	2021-02-27
Municipality	Old Toronto	Brampton	Richmond Hill	Oakville	York	Old Toronto
Region	Toronto	Peel	York	Halton	Toronto	Toronto
Structural Type	Apartment	Stacked	Stacked	Apartment	Apartment	Stacked
Floors	55	3	3	8	8	4
Project Total Units	**599**	**90**	**52**	**163**	**25**	**28**
Total Units Released	**599**	**27**	**52**	**163**	**25**	**28**
Studio	76	--	--	--	--	--
1 bedroom	216	--	20	27	1	--
1 bedroom + den	90	--	6	92	9	--
2 bedroom	145	13	26	36	3	6
2 bedroom + den	11	--	--	8	6	4
3 bedroom & up	61	14	--	--	4	18
Penthouse	--	--	--	--	--	--
Other	--	--	--	--	2	--
Opening month sales	**0**	**27**	**22**	**147**	**12**	**0**
% Sold (of released units)	*0%*	*100%*	*42%*	*90%*	*48%*	*0%*
Remaining available inventory	599	0	30	16	13	28
Original $PSF	$1,417	$506	$812	$967	$1,466	$1,260
Minimum Size (sq. ft.)	323	1,127	698	488	1,086	920
Maximum Size (sq. ft.)	828	1,338	1,055	948	2,777	2,405
Minimum Price	$524,990	$598,990	$590,000	$479,900	$1,299,780	$1,175,000
Maximum Price	$1,124,990	$665,990	$804,000	$929,900	$4,349,780	$3,100,000
Notes	No firm sales as all deals subject to 10-day conditional period				Live/work units included in Other.	No firm sales as all deals subject to 10-day conditional period

Source: Altus Group

New Condominium Apartments - Openings

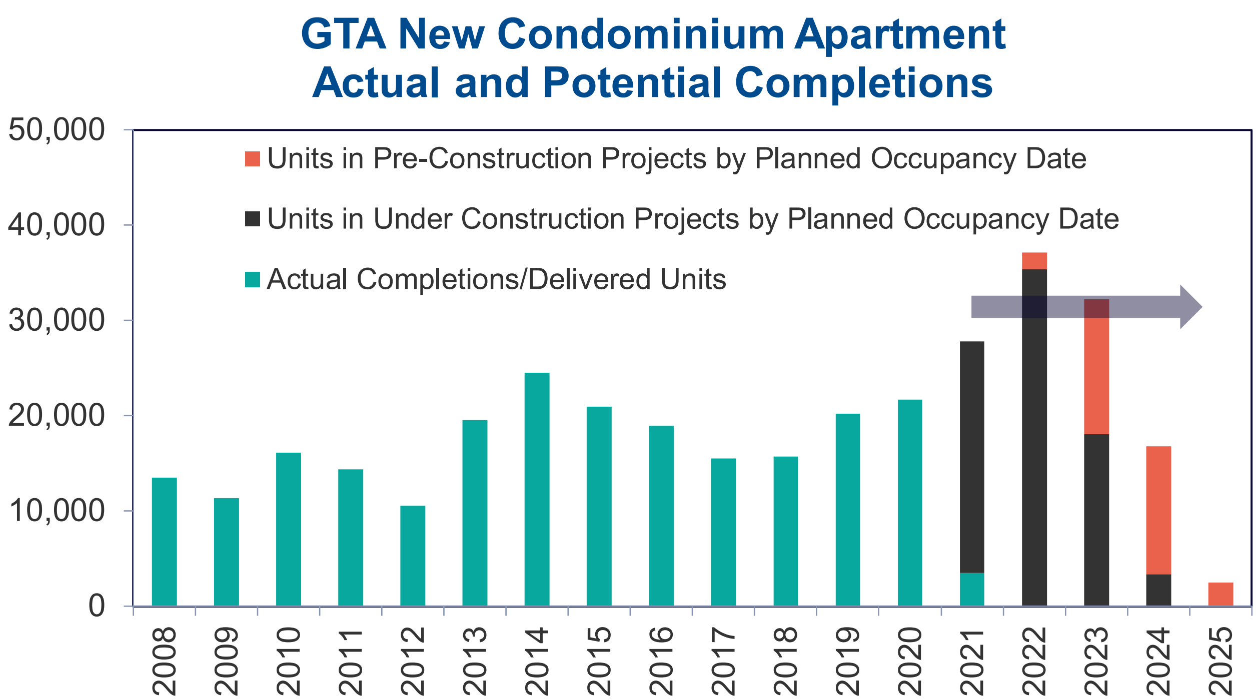
- **Sales to date in the new condominium projects opened in the first 2 months of the year have performed reasonably well in comparison to previous years.**
- Of the 6 projects opened in February 2021, 2 were within the last 10 days of the month. **For projects launched in February before the last 10 days of the month, over half of units had been sold by the end of the month.**
- 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.



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

Source: Altus Group

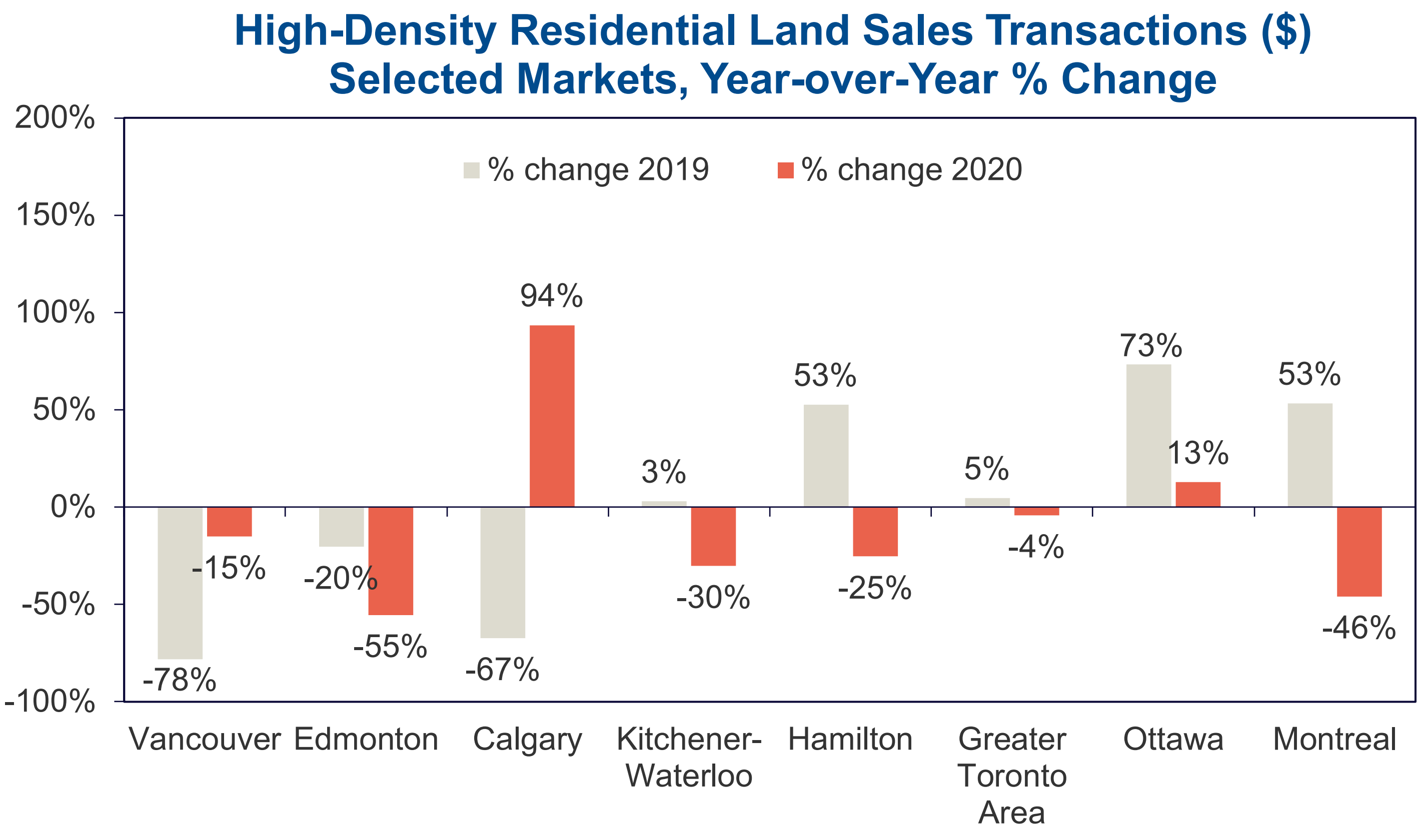
- As of the end of February 2021, there were about 113,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **Over 2,200 units were delivered/ready for occupancy in February 2021**, based on Altus Group data; this is up nearly 40% from the previous 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, COVID-19 pandemic protocols, including additional safety/distancing and sick/isolating crew, may be adding to the "typical" construction delays experienced in recent years.**



Source: Altus Group

High-Density Residential Land Sales

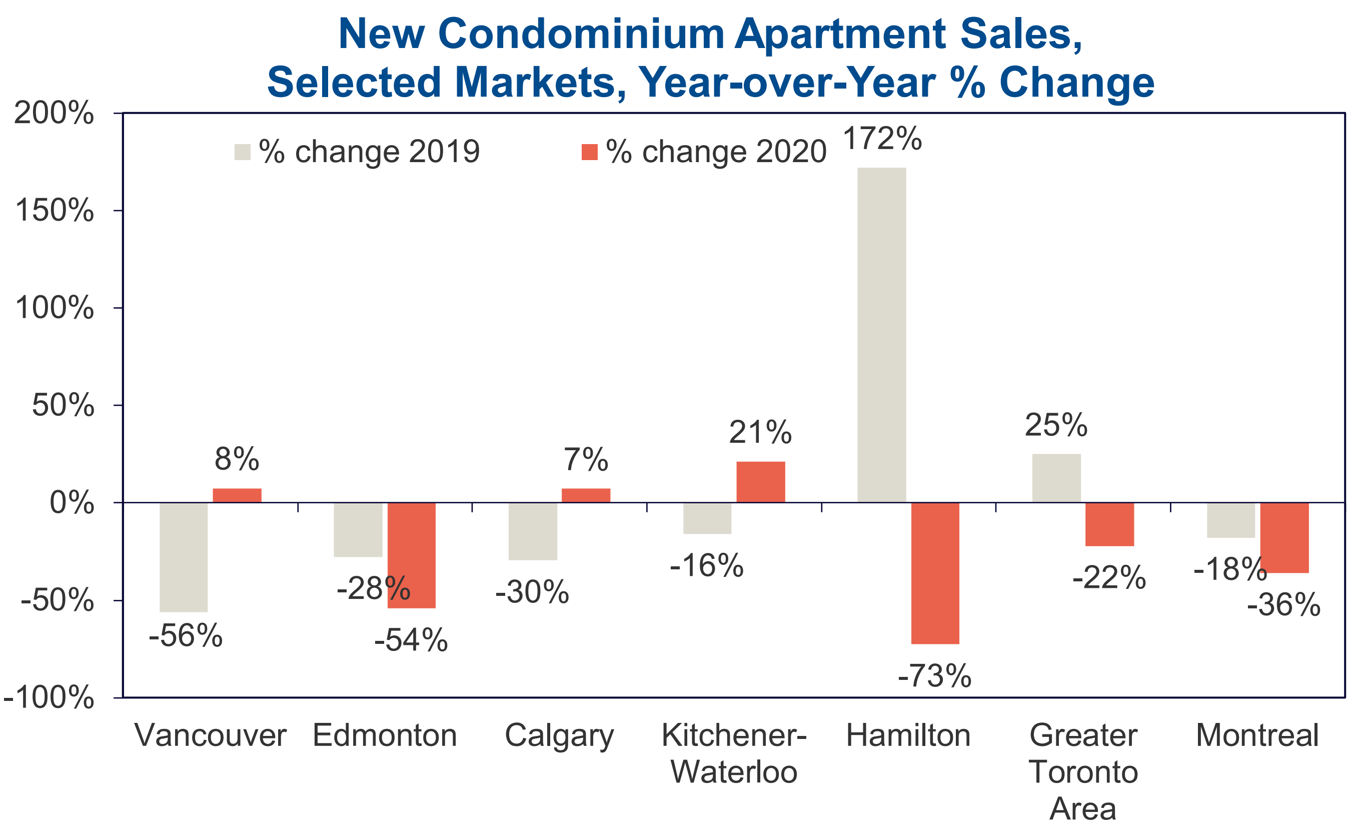
- After a marginal increase in 2019, **high-density residential land sales** (land for condominium apartment and purpose-built rental projects) **in the GTA were little changed in 2020**.
- **High-density land sales patterns were mostly down in 2020 in other markets** tracked by Altus Group as the pandemic impacted investments in residential land across the country. The sole outlier was the Calgary market, which saw a large increase over a particularly slow 2019.



Source: Altus Group

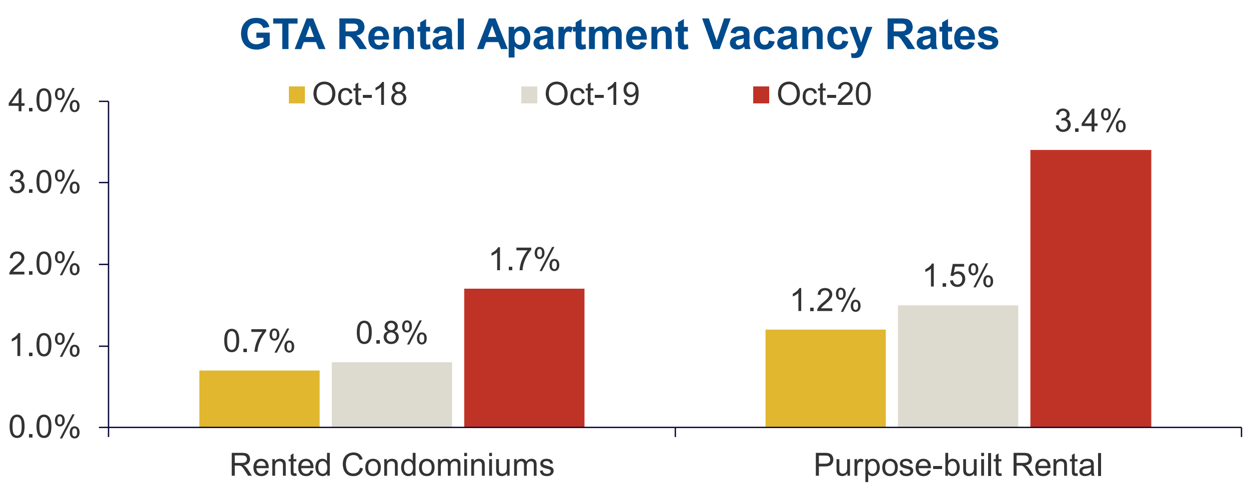
New Condo Apartment Sales Across Canada

- Of the major markets tracked by Altus Group, **only Vancouver, Calgary, and Kitchener-Waterloo saw stronger new condominium apartment sales in 2020**, all of which were coming off slow performances in 2019.
- **Hamilton was the major market with the largest decrease** in new condominium apartment sales in 2020, while Edmonton and Montreal also posted consecutive year-over-year drops.

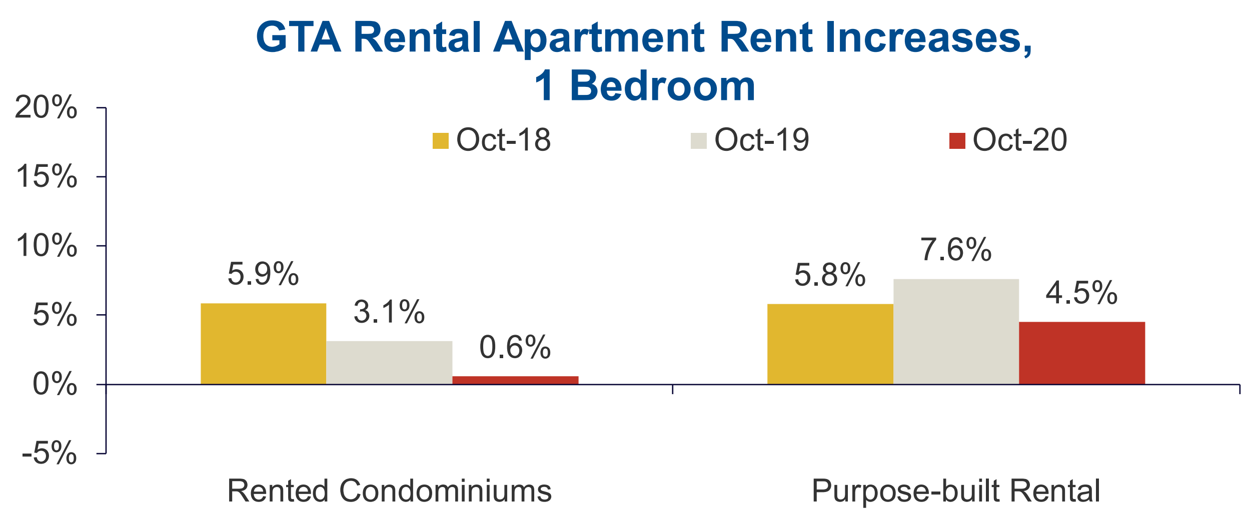


Source: Altus Group

- **CMHC data confirms that the rental market in the GTA took a large pandemic-induced hit in 2020.** The 2020 CMHC Rental Market Report results, released in January 2021, show that **the overall vacancy rate for rented condominium units in the GTA market doubled** at 1.7% in October 2020. The overall vacancy rate was up more substantially for purpose-built rental.
- **It was no surprise therefore that average rent increases softened**. Average rents increased by less than 1% for rented condominiums, which was substantially less than the rent increase in the previous year, and also lower than the increase for purpose-built rental.
- The CMHC data also show that **about one-third of the total condominium apartment stock was in the rental pool as of October 2020,** a ratio virtually unchanged in the last four years. Rented condos accounted for a slightly lower proportion of the growth in the stock in the year at 30%, unchanged from 2019.



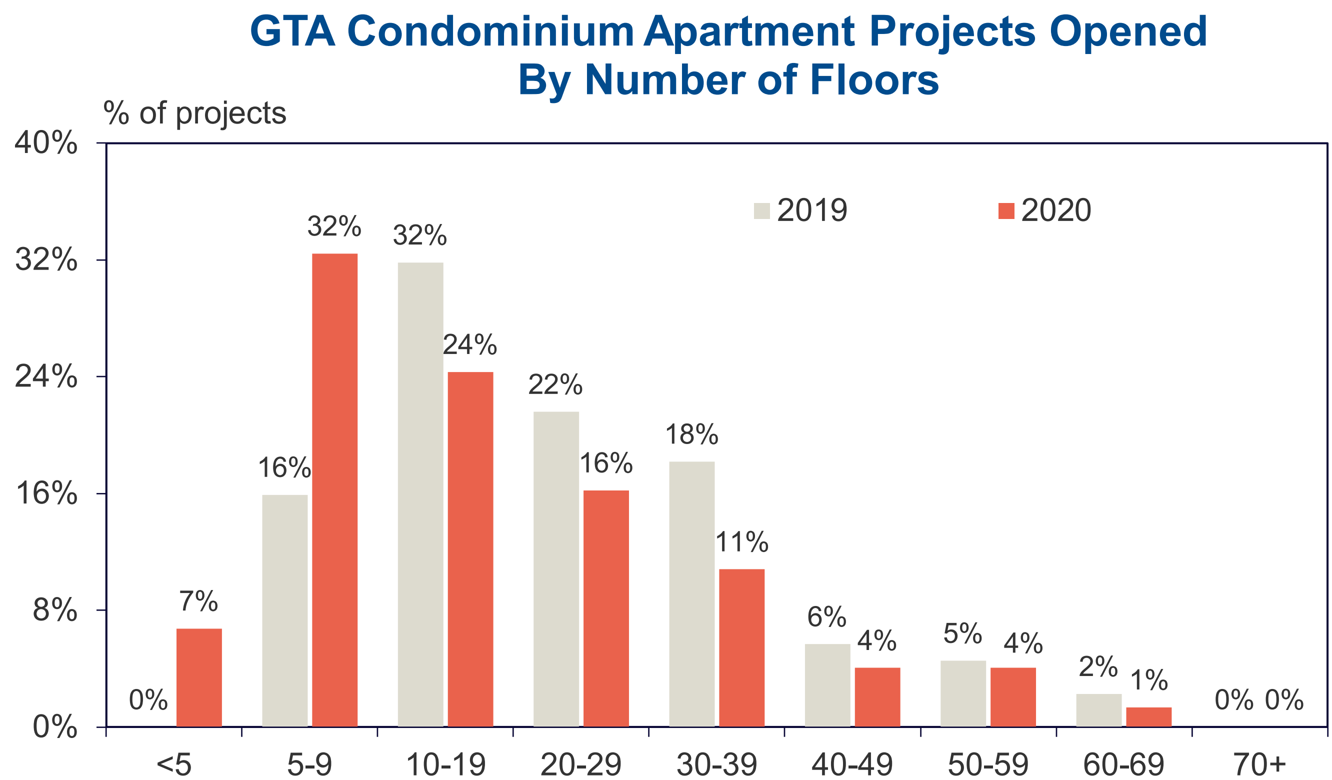
Source: Altus Group based on CMHC data



Source: Altus Group based on CMHC data

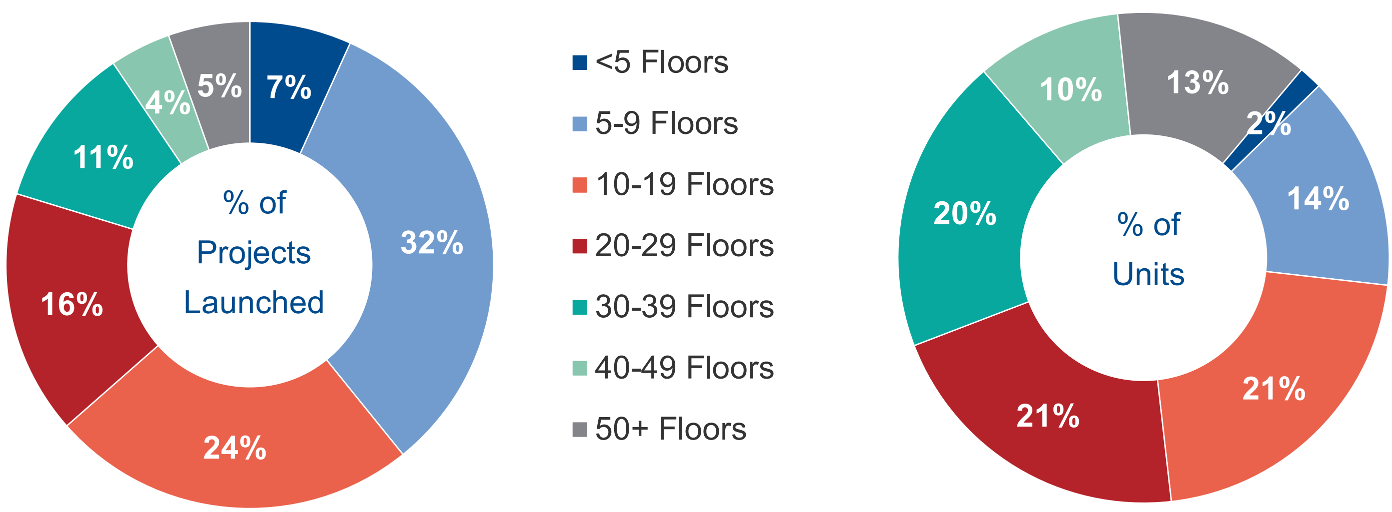
Openings by Number of Floors

- For new condominium project openings, **there was a shift in 2020 away from buildings with 10-39 floors, towards shorter (under 10 floors) buildings.** More than one-third of new condominium apartment buildings opened in the GTA in 2020 (both the City of Toronto and the combined 905 regions) had less than 10 floors, compared to only about 16% in 2019. COVID-19 related concerns, such as exposure in elevators, may have played a role in the shift to shorter buildings.
- On a unit basis, however, given their smaller size, projects of less than 10 floors accounted for less than 1 in 5 units in new projects launched (*chart top right of next page*). **Buildings of 50 or more floors accounted for 13% of the total number of units in new launches**.



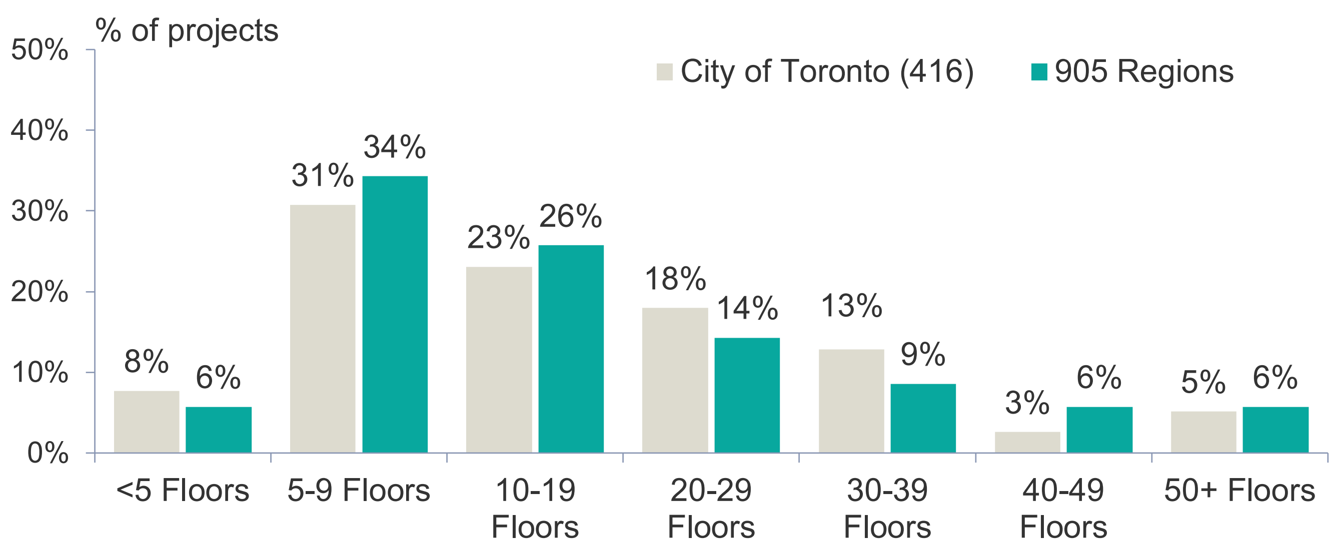
Source: Altus Group

GTA Condominium Apartment Projects Opened 2020 by Number of Floors



Source: Altus Group

GTA Condominium Apartment Projects Opened 2020 by Number of Floors, 416 vs. 905



Source: Altus Group

Altus Group GTA New Home Data Definitions

Altus Group

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