The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of September 2021

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New Condominium Apartment Dashboard

September 2021			YTD September 2021	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
2,488	11,107	$1,036,831	23,077	$1,056,261
-10% ▼	-5% ▼	2% ▲	63% ▲	9% ▲
Above the 10-year average	*Well below the 10-year average*	*Below the July 2021 peak*	*2nd highest YTD September on record*	*Highest YTD September on record*

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

Highlights

- **New condominium apartment sales slowed somewhat in September from August's heated pace but remained impressive.** With 3 months still to go, **new condo sales in 2021 have already surpassed the annual totals for all but 4 of the past 40 years.**
- **Available inventory turned up in September, however this is likely to be a short-term situation,** as many of the newly launched projects opened late in the month. The almost 3,700 units in new projects was the strongest September since 2011.
- Looking ahead, **while higher interest rates are negative for affordability, rising rates often provide a short-term boost to sales**, as buyers try to stay ahead of additional rate increases. With limited supply of resale condos and new single-family homes and continued strong new condo project launches expected this fall, **expect strong sales to continue in Q4.**

Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

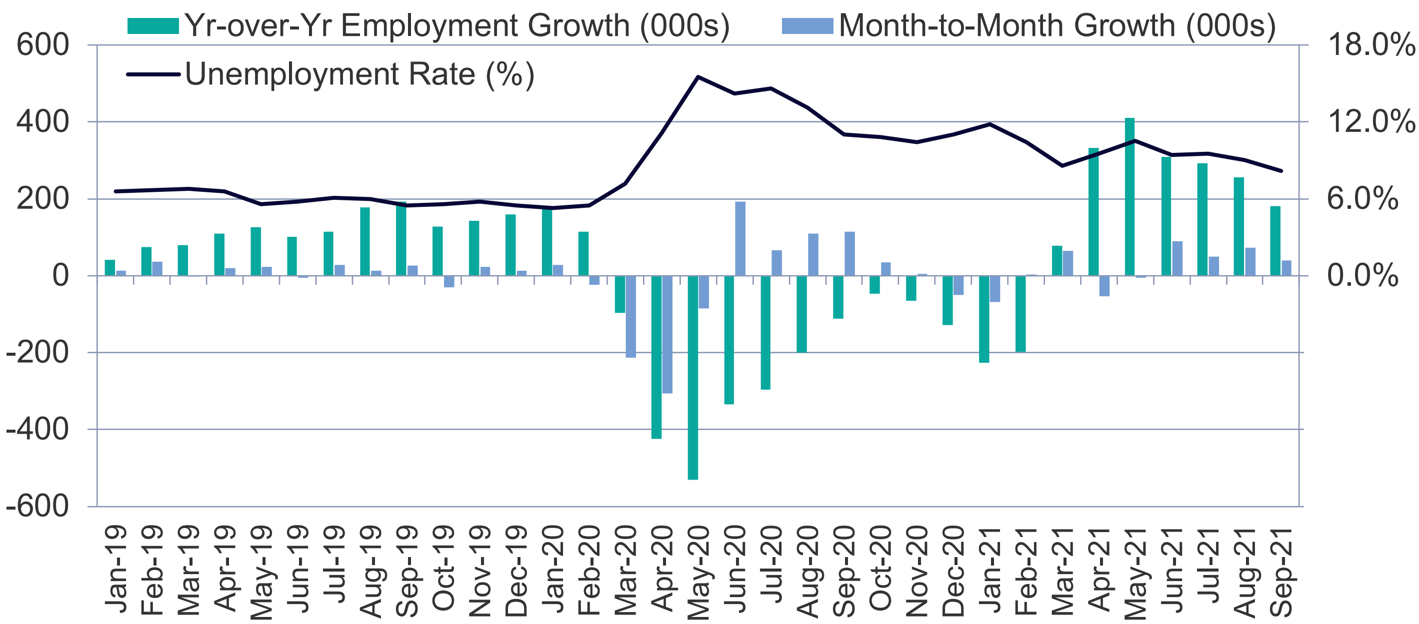
	Sep-20	Aug-21	Sep-21	*Yr-Over-Yr % Change*	YTD Sep 2020	YTD Sep 2021	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	335	338	345	*3%*	331	337	*2%*
New projects opened	11	12	13	*18%*	59	92	*56%*
Units in new projects opened	3,025	3,747	3,669	*21%*	14,717	21,698	*47%*
Total sales (units)	2,754	3,216	2,488	*-10%*	15,347	23,077	*50%*
Sales as % of total new & resale	*54%*	*56%*	*48%*		*49%*	*47%*	
Inventory (units)	11,631	9,928	11,107	*-5%*	10,896	10,234	*-6%*
Sales-to-inventory ratio	24%	32%	22%	*-5%*	15%	25%	*64%*
Months of inventory	5.8	4.2	4.7	*-19%*	5.2	5.1	*-1%*
Benchmark price	$1,016,550	$1,069,700	$1,036,831	*2%*	$980,207	$1,056,261	*8%*
Price PSF Benchmark	$1,072	$1,143	$1,160	*8%*	$1,028	$1,121	*9%*
Unit size Benchmark (sq. ft)	948	936	894	*-6%*	953	942	*-1%*
Units completed	3,644	1,626	3,533	*-3%*	17,906	15,610	*-13%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,367	2,544	2,664	*13%*	15,793	26,030	*65%*
New listings (units)	6,480	3,568	4,420	*-32%*	34,092	37,978	*11%*
Inventory ("active listings", units)	7,253	3,577	3,882	*-46%*	3,847	3,491	*-9%*
Sales-to-inventory ratio	33%	71%	69%	*110%*	54%	86%	*60%*
Months of inventory	4.1	1.3	1.4	*-65%*	2.2	1.4	*-33%*
Average price of units sold	$634,756	$688,568	$708,521	*12%*	$637,331	$672,702	*6%*
HPI constant quality price index (Jan 2005=100)	296.7	383.0	394.8	*33%*	267.2	377.4	*41%*

** see end of report for Definitions*

Caution should be used in interpreting all year-over-year comparisons, given the impacts of the COVID-19 pandemic

- **GTA employment continues its recovery**, with jobs in September up for the 4th month in a row. While the total number of persons employed is now just slightly above the pre-pandemic situation in February 2020 (*chart top of next page*), **potential employment growth has likely been constrained by many available positions going unfilled** due to either lack of suitable talent to fill the positions or lack of desire to return to low-paying positions.
- **The Bank of Canada maintained the target for the overnight rate at ¼ percent at its latest rate announcement on October 27** but announced that it is ending quantitative easing *"…the main forces pushing up prices – higher energy prices and pandemic-related supply bottlenecks – now appear to be stronger and more persistent than expected ... [However], in view of ongoing excess capacity, the economy continues to require considerable monetary policy support. 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 projection, this happens sometime in the middle quarters of 2022".* **The next rate announcement date is December 8, 2021.**
- **As foreshadowed last month, effective 5 year fixed rate mortgage interest rates moved up in the past month** *(chart next page, bottom*), in response to rising bond rates. The average special rate is now about 50 basis points higher than its recent low – and has moved once again above the 5 year variable rate. This is causing some shift into variable product, however, in line with the Bank of Canada position, short term rates could start to rise in mid 2022, or earlier if inflation is not contained.

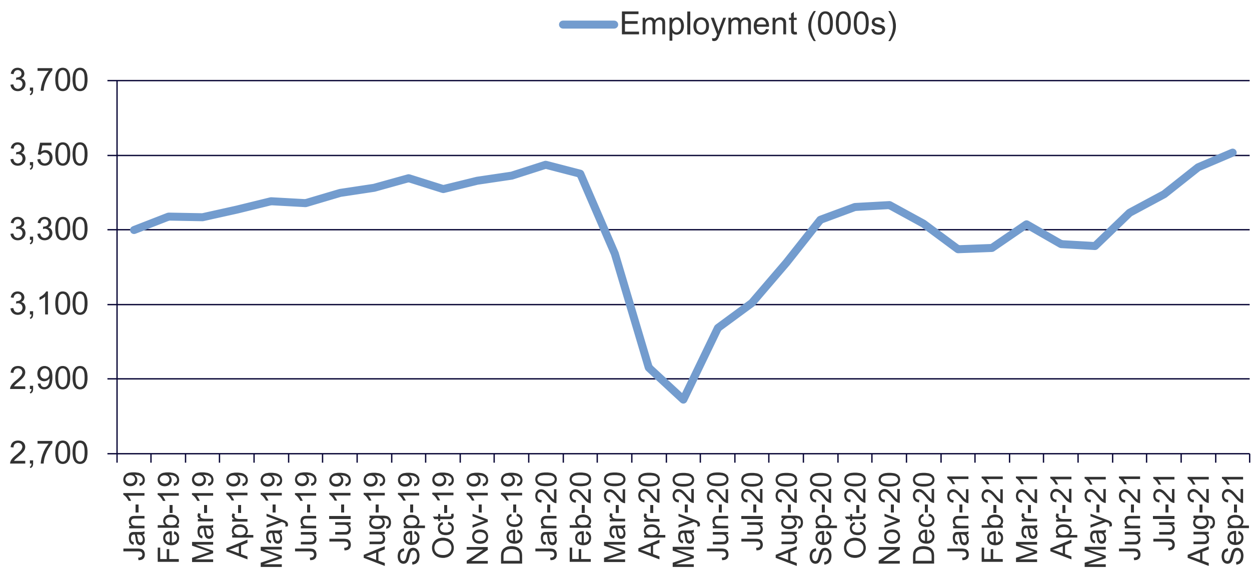
GTA Employment Snapshot*



** Data are monthly, seasonally adjusted for the Toronto CMA*

Source: Altus Group based on Statistics Canada data

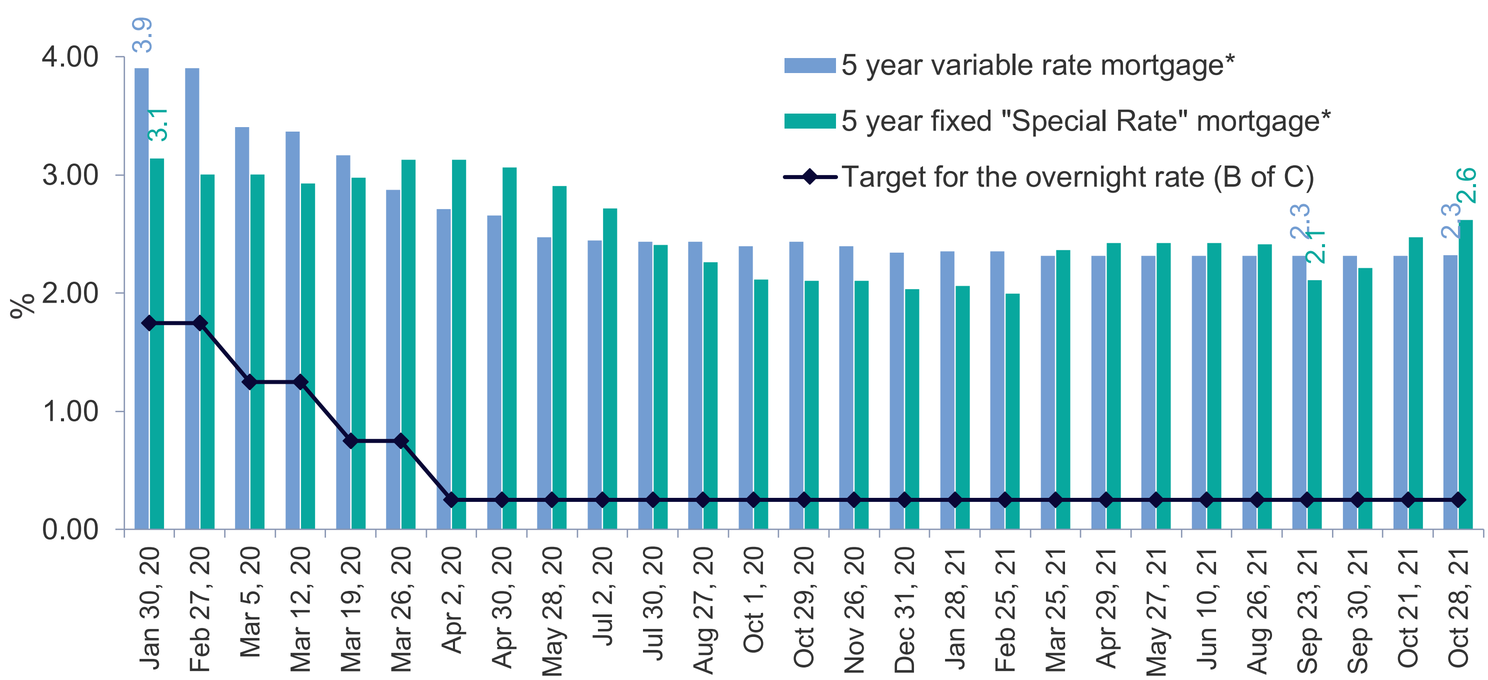
GTA Total Employment*



** Data are monthly, seasonally adjusted for the Toronto CMA*

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

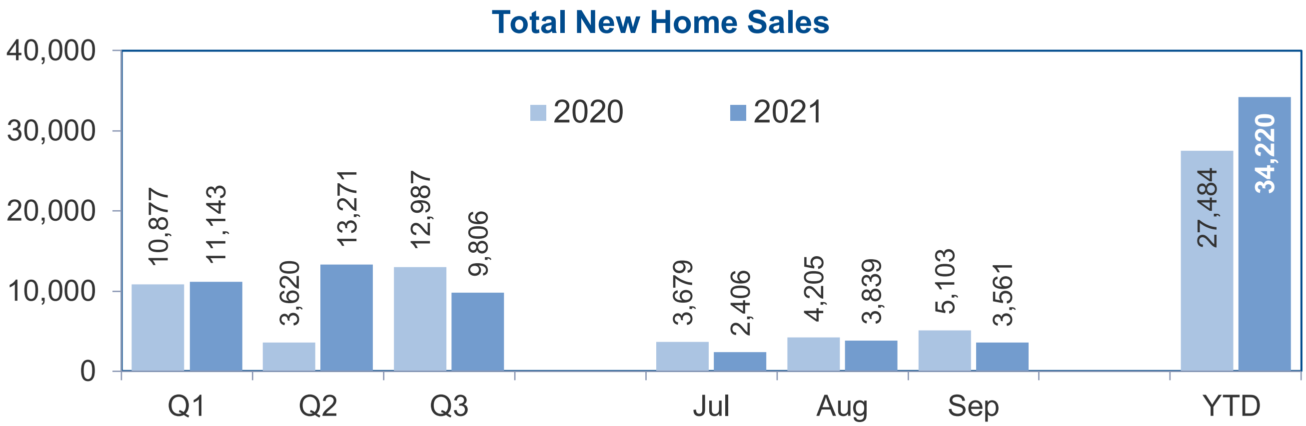


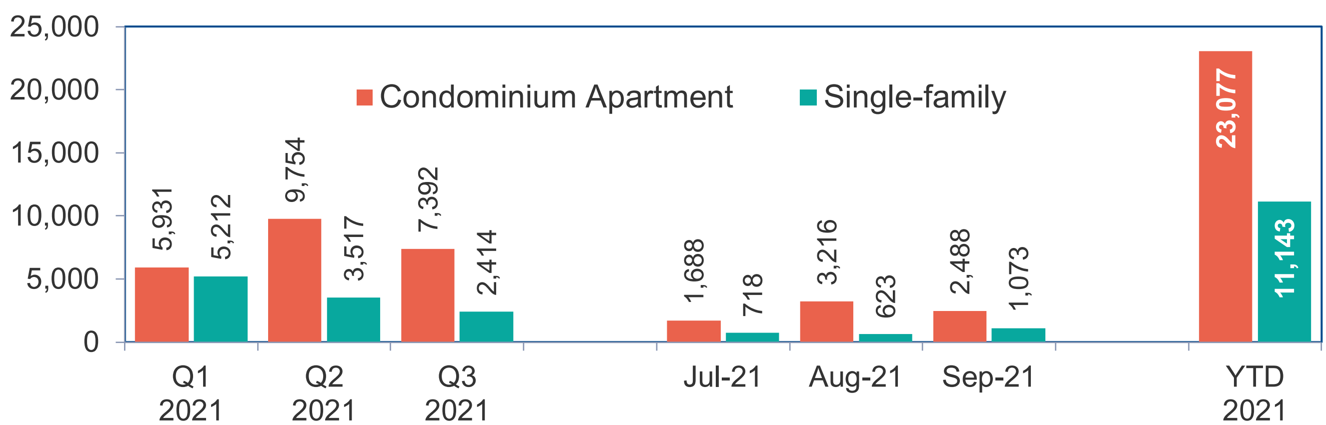
** Average for the major banks*

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

- **Total new home sales in the GTA slowed in September, but remained robust.** The atypical slowdown from August was due entirely to the condominium apartment sector, where sales dipped from the new record that had been set for August. New single-family sales picked up after a summer lull, almost matching the 10 year average for September.
- Through September, total new home sales this year are up by about one-quarter. **All of the increase year-to-date is due to the condo sector, with single-family sales now running about 1,000 units below their 2020 performance.**
- **All regions in the GTA have shared in the year-to-date improvement in total new home sales** *(charts next page)*, although at the local municipality level, this has not been the case *(charts after next page)*, with Brampton and Oakville posting some of the more notable declines.

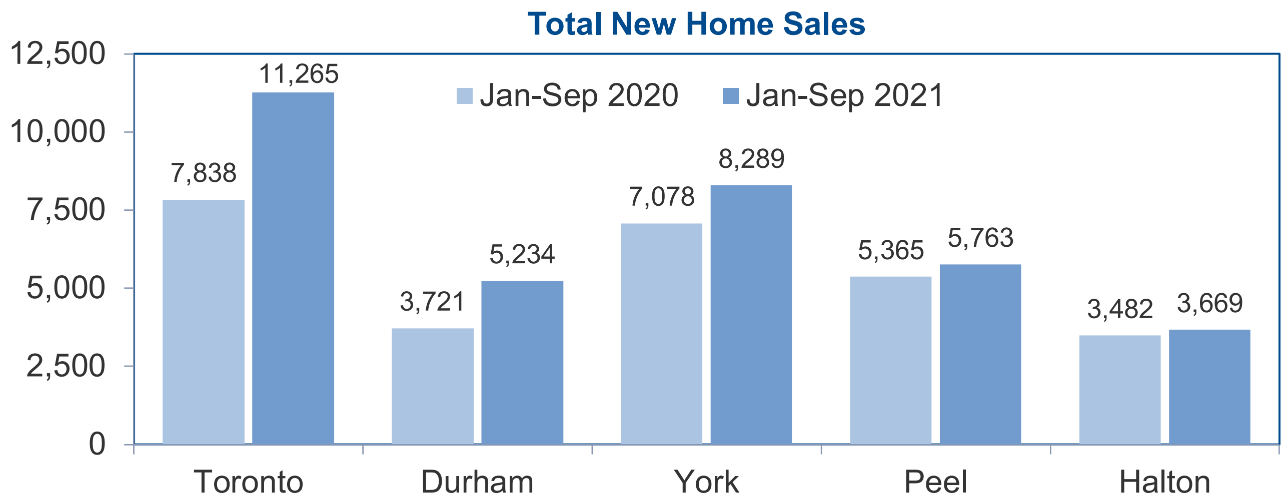
GTA New Home Sales

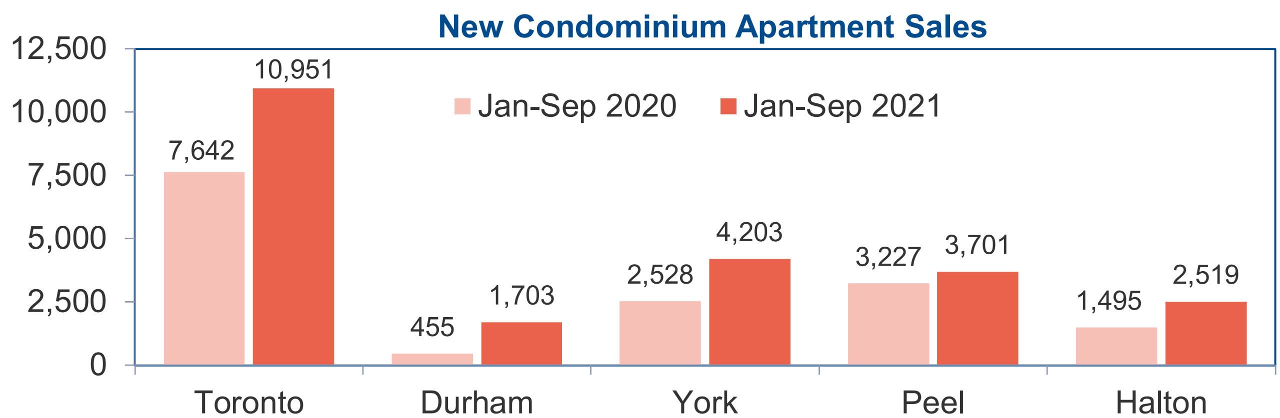


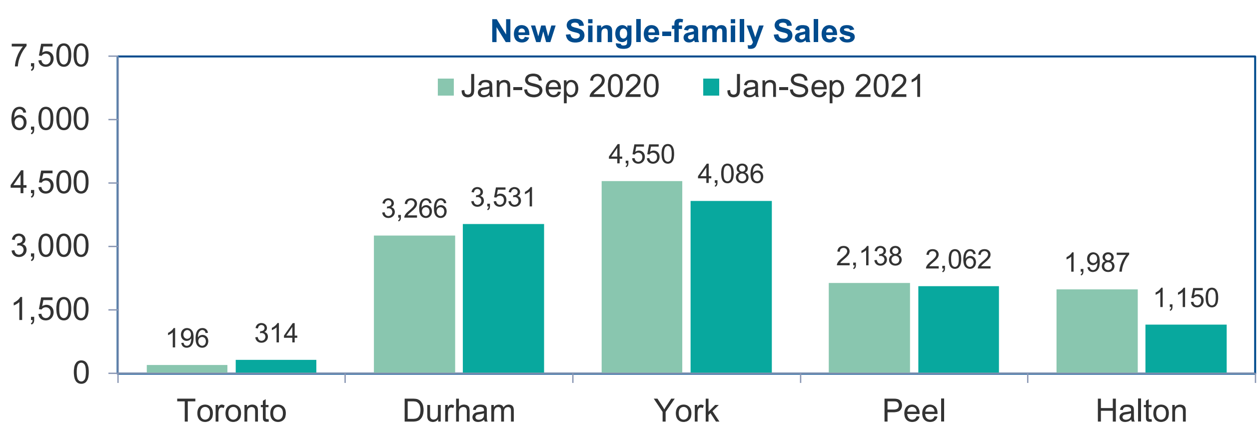


Source: Altus Group

GTA New Home Sales by Region

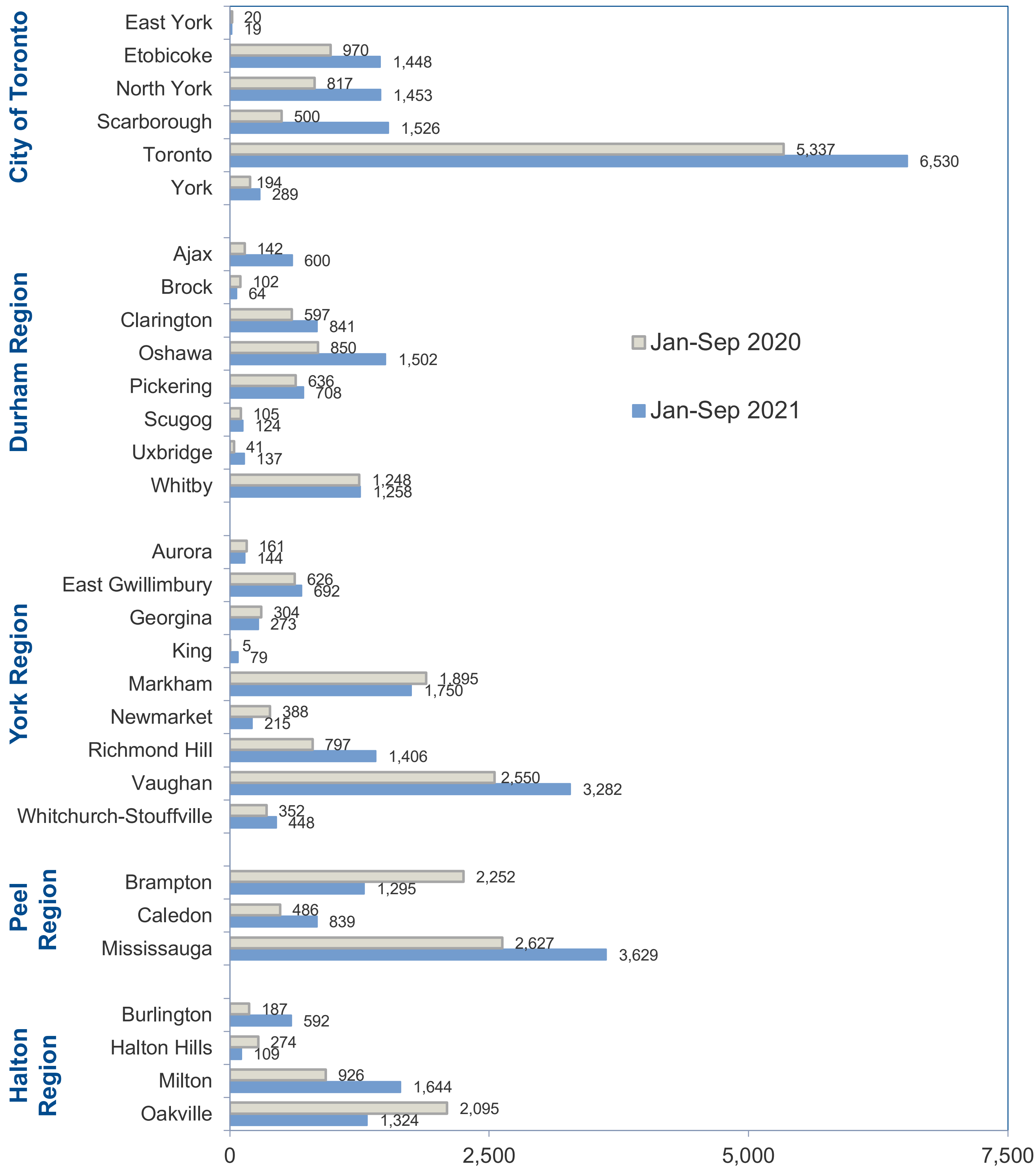






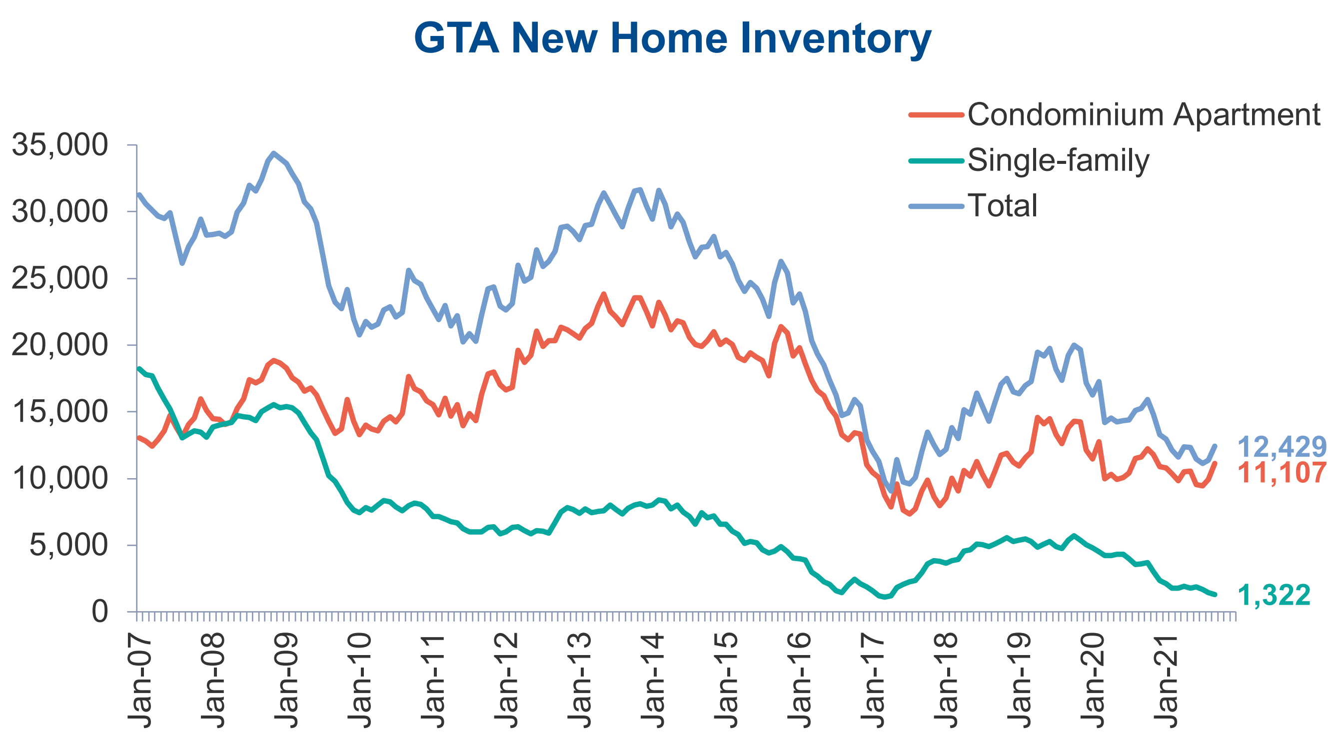
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

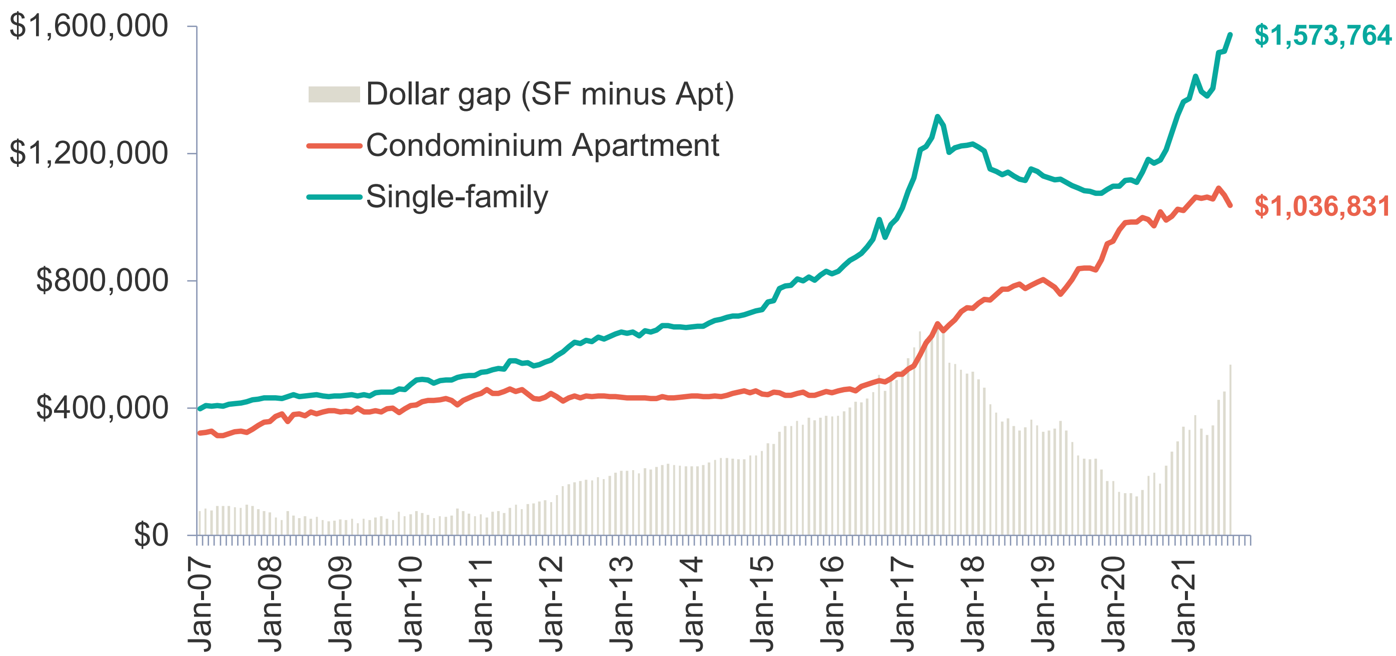
- **New home inventory increased for the 2nd month in a row – but remains very low in historical terms.** Based on average monthly sales over the past 12 months, there was just over 3 months of available supply – this compares to the long-term average for September of about 7-8 months.
- **The uptick in new condo apartment inventory was due to another large influx of new condo project openings.** While units in new single-family project openings increased, it was not enough to keep pace with sales; as a result, the inventory of new single-family homes slipped further to the lowest September level recorded since Altus Group started its tracking in 2000.



Source: Altus Group

- **It's the same refrain - low inventory levels continue to spur price increases for new single-family homes**, with the benchmark price setting a new record again in September. The benchmark price for a new condo apartment slipped for the 2nd month in a row, due to smaller units in the mix of available inventory.
- **The price advantage of new condominium apartments compared to new single-family homes continues to grow.** Year-over-year price increases for new condo apartments have been generally moderating in the past 2 years, in contrast to generally accelerating annual price increases for single-family homes (*charts next page*).
- It should be kept in mind that the benchmark prices represent units available to purchase at month end. For new projects opened during the month, lower-priced product may sell out more quickly, and therefore not be represented in these data.

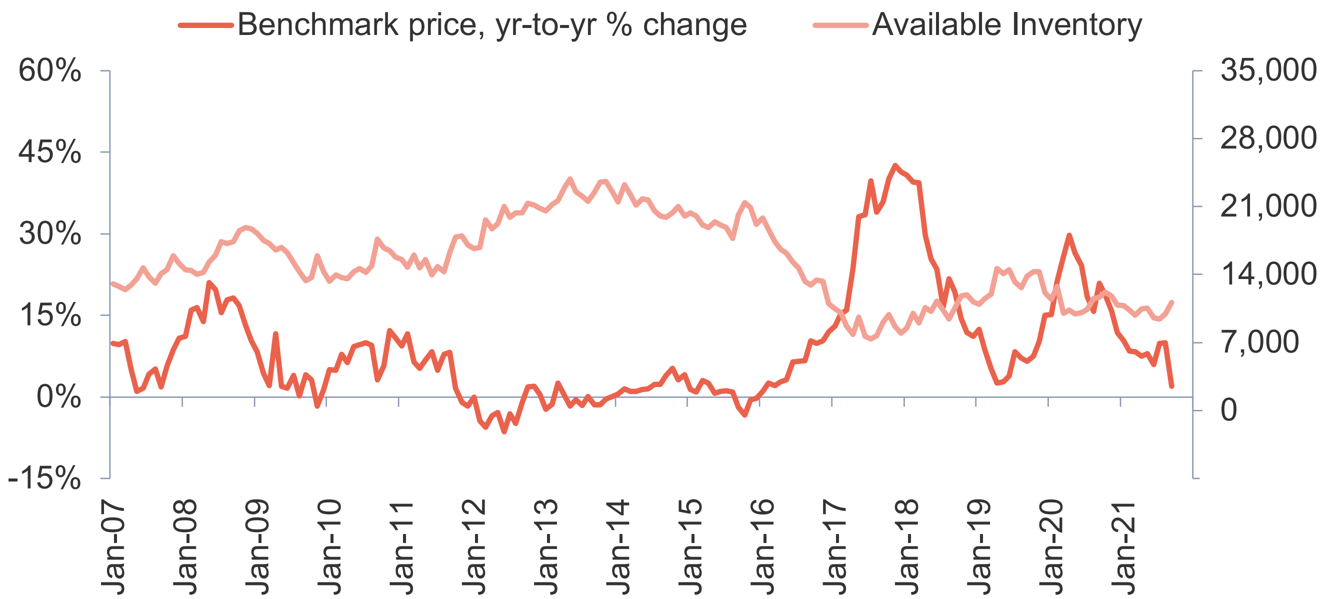
GTA New Home Benchmark Prices*



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

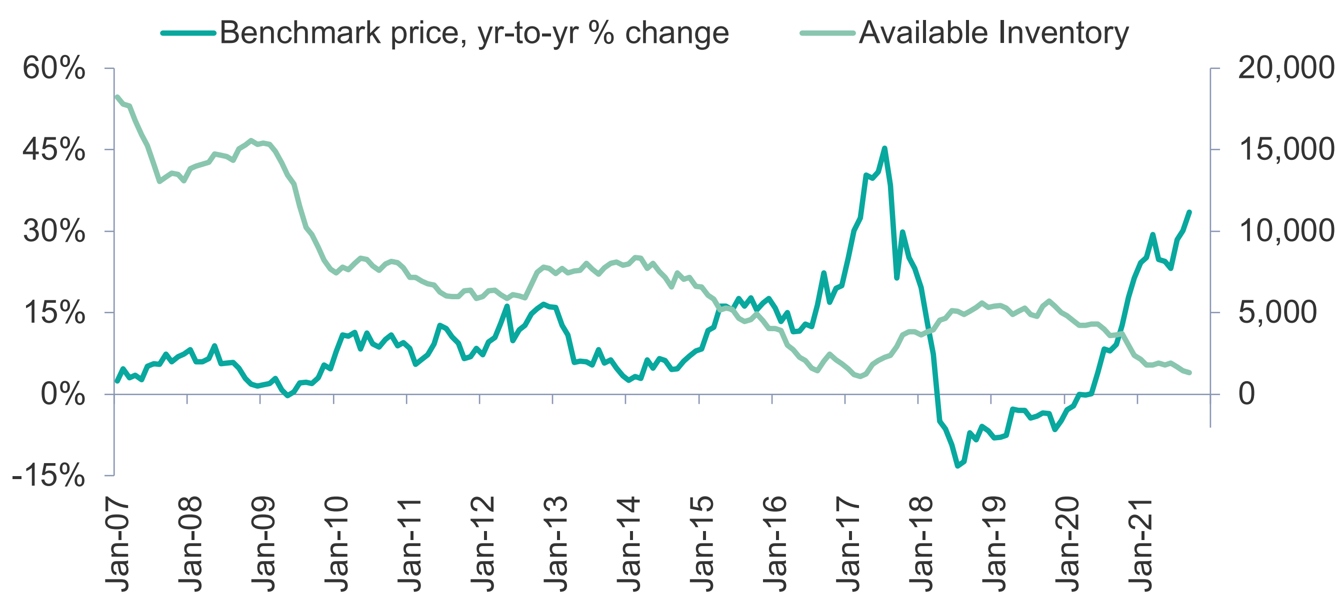
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

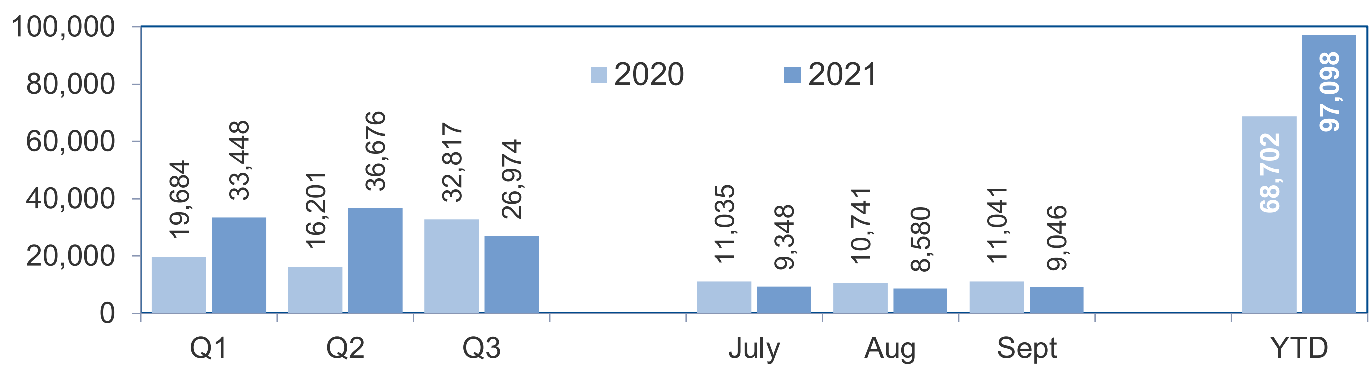


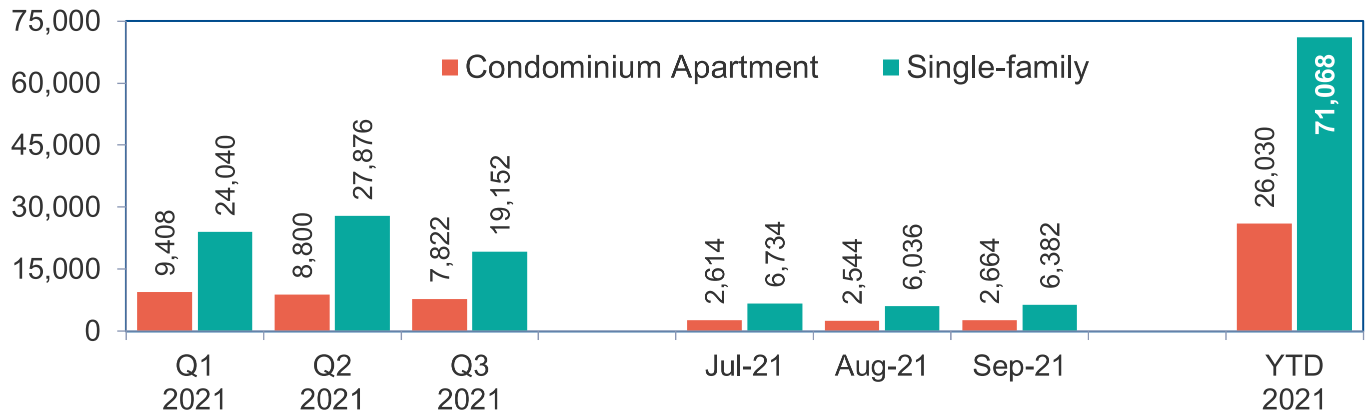
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes remained subdued in September.** While there was a slight improvement in total resales from August, September sales were well below the levels of the mid 2020 to mid 2021 period.
- Contributing to lower sales compared to last year is reduced choice in the marketplace. **Limited resale inventory** *(chart top of next page)* **appears to be starting prices on an upward path again** (*chart bottom of next page*), with both the single-family and condo segments of the market reaching new record prices. This could encourage more properties to be listed, as well as spur some potential buyers who may have been expecting price reductions to emerge.
- **Most of the more moderate levels of sales of existing homes in recent months has been due to the single-family sector, where inventory is more constrained in relative terms** *(charts next page).*

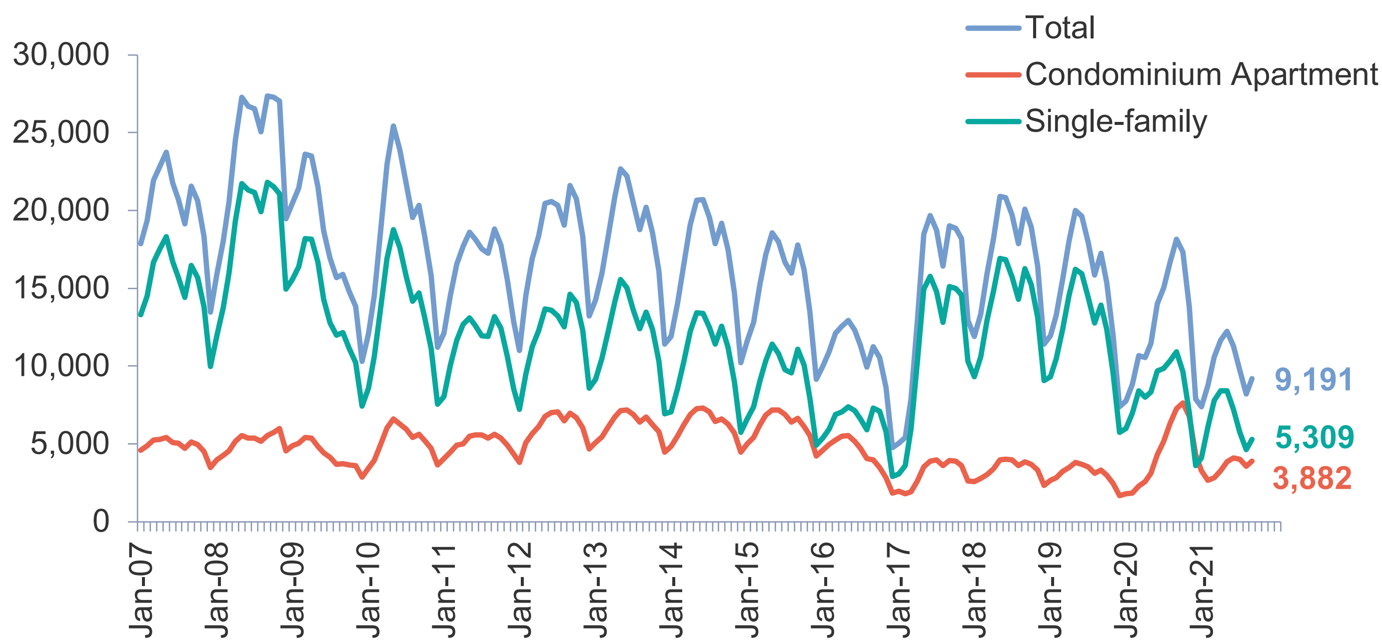
GTA Resale Home Sales





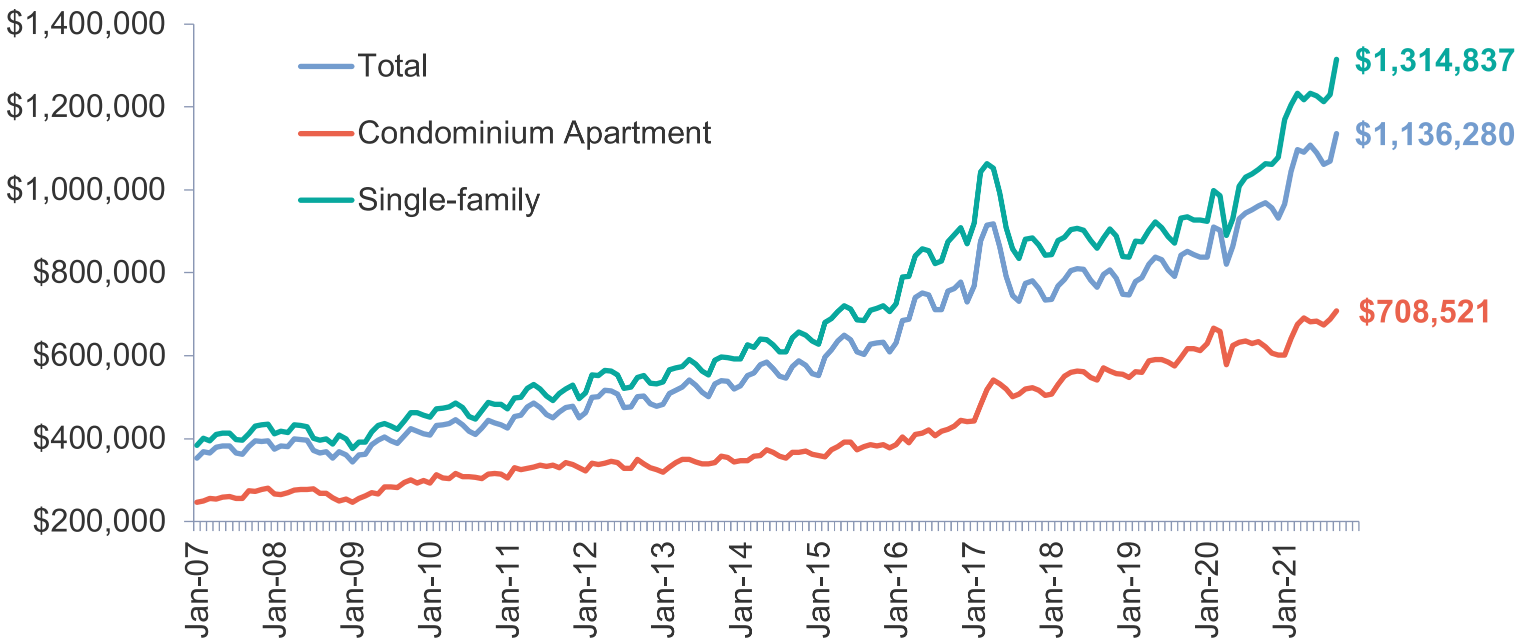
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

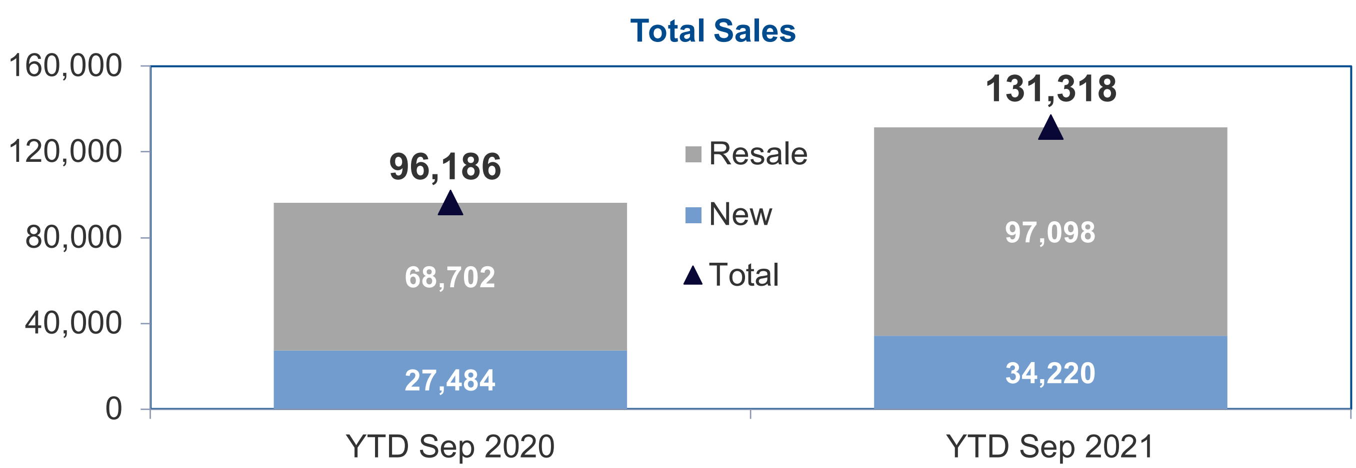
GTA Resale Home Prices

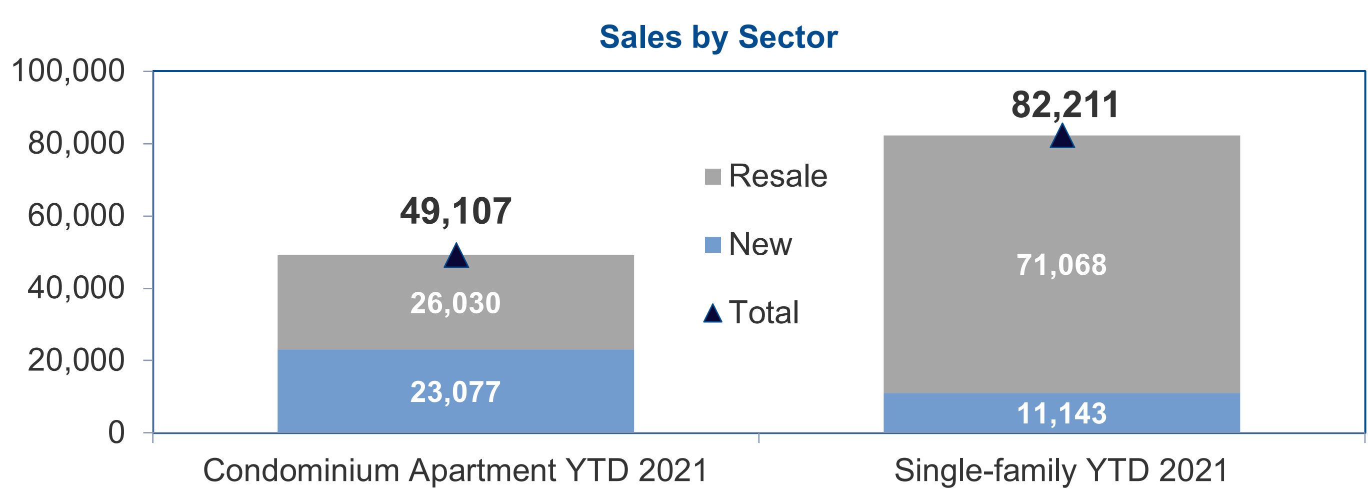


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Overall, home sales in the GTA are up by about one-third so far in 2021.** The combined total of new and resale home sales, as measured by TRREB and Altus Group, set a record for the first 9 months of the year, despite total sales being below 2020 levels in the third quarter.
- **The new home sector has accounted for about 1 out of every 4 home sales this year.** For single-family sales, new homes' share was about 14% while for condo apartments it was just under half.

GTA Combined New & Resale Home Sales

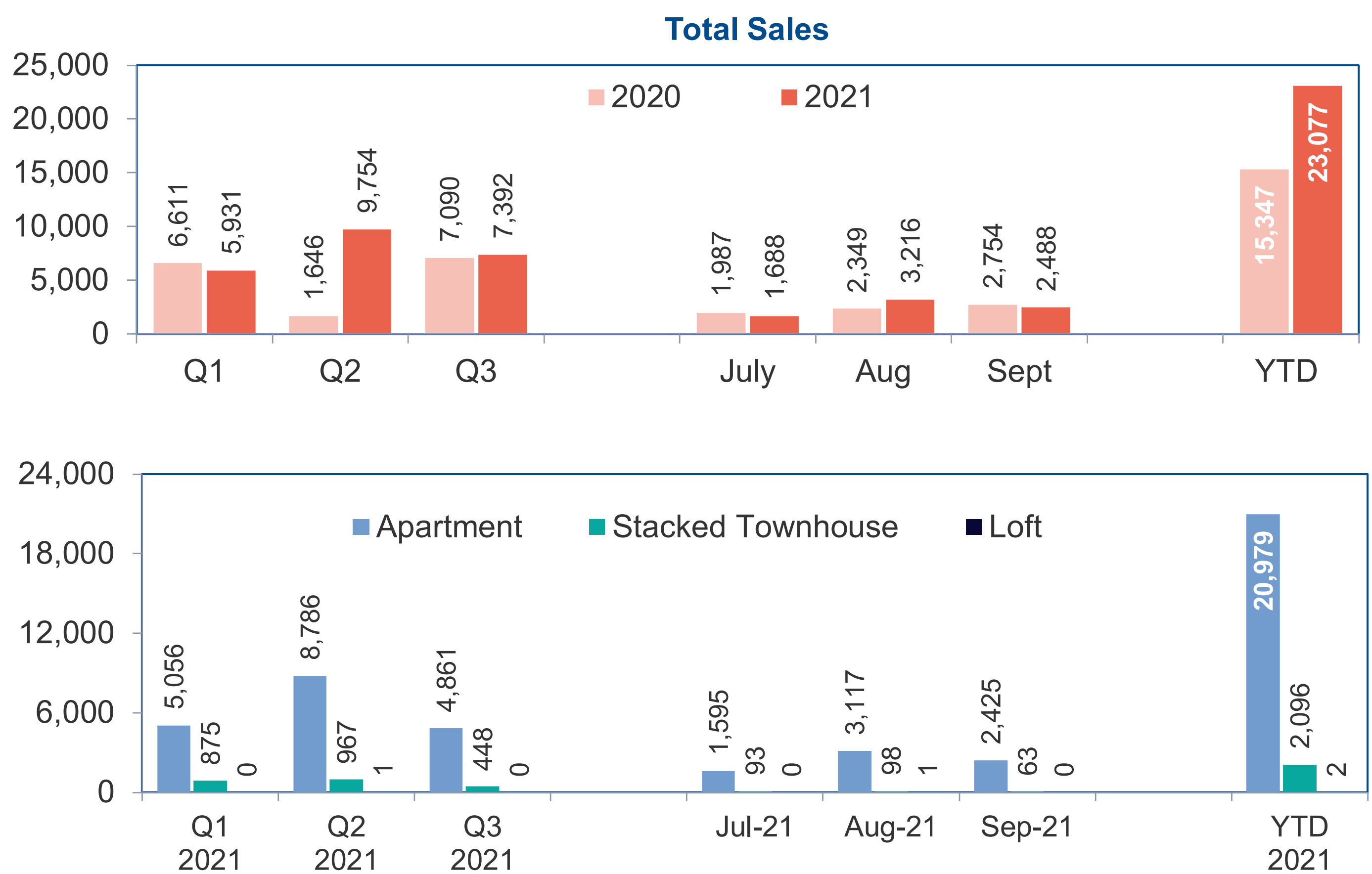




Source: Altus Group and Toronto Regional Real Estate Board data

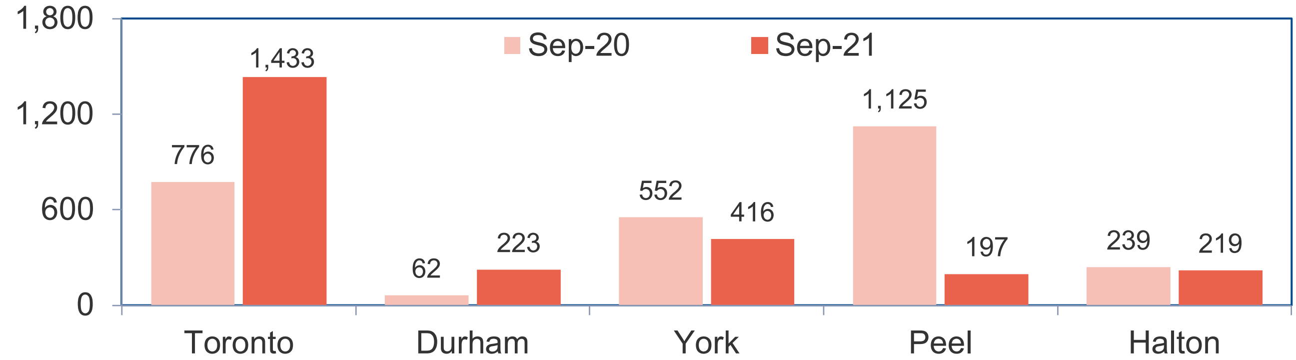
- **New condominium apartment sales slowed somewhat in September.** But the numbers were still impressive (about 25% higher than the 10 year average) and, combined with the record setting August performance, **buoyed Q3 to a new record**.
- Year-to-date - and with 3 months still to go - **new condo sales in 2021 have already surpassed the annual totals for all but 4 of the past 40 years**.
- **The year-over-year recovery in new condo apartment sales has been widespread**, with all regions (*chart next page*) and most local municipalities (*chart after next page*) recording higher sales year-to-date.
- While still a relatively small sector of the overall condominium market, **stacked townhouses are on track to set a new annual record in 2021.**

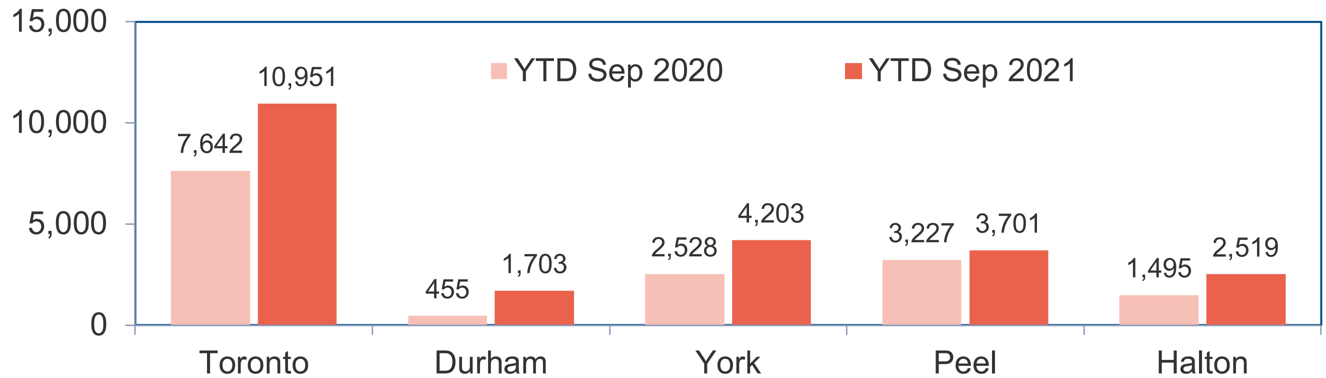
GTA New Condominium Apartment Sales

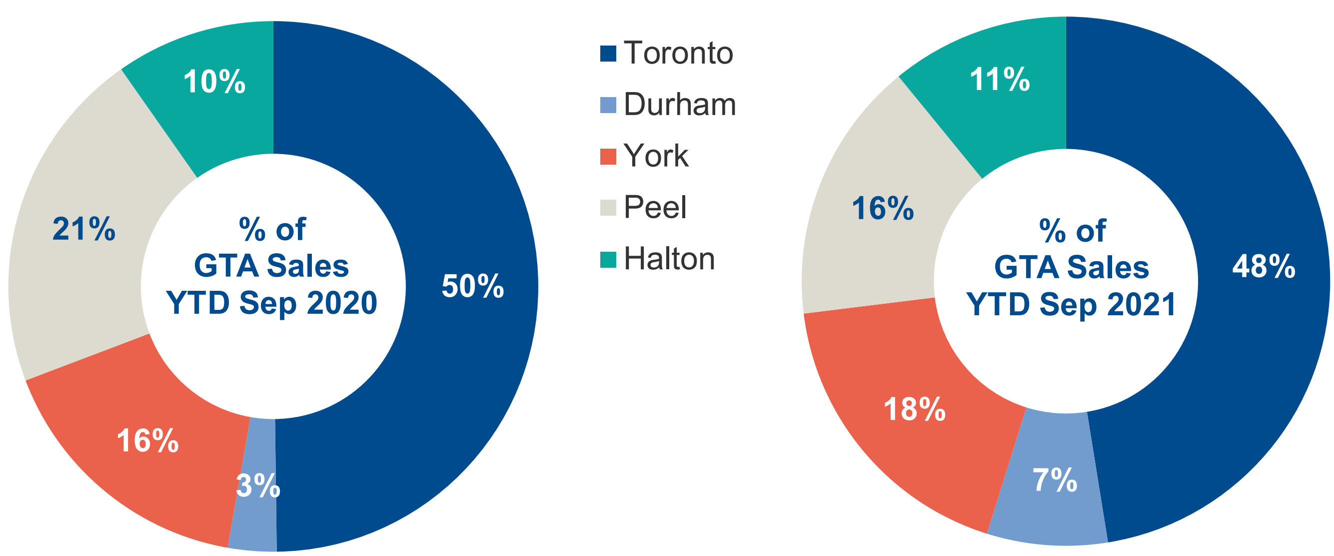


Source: Altus Group

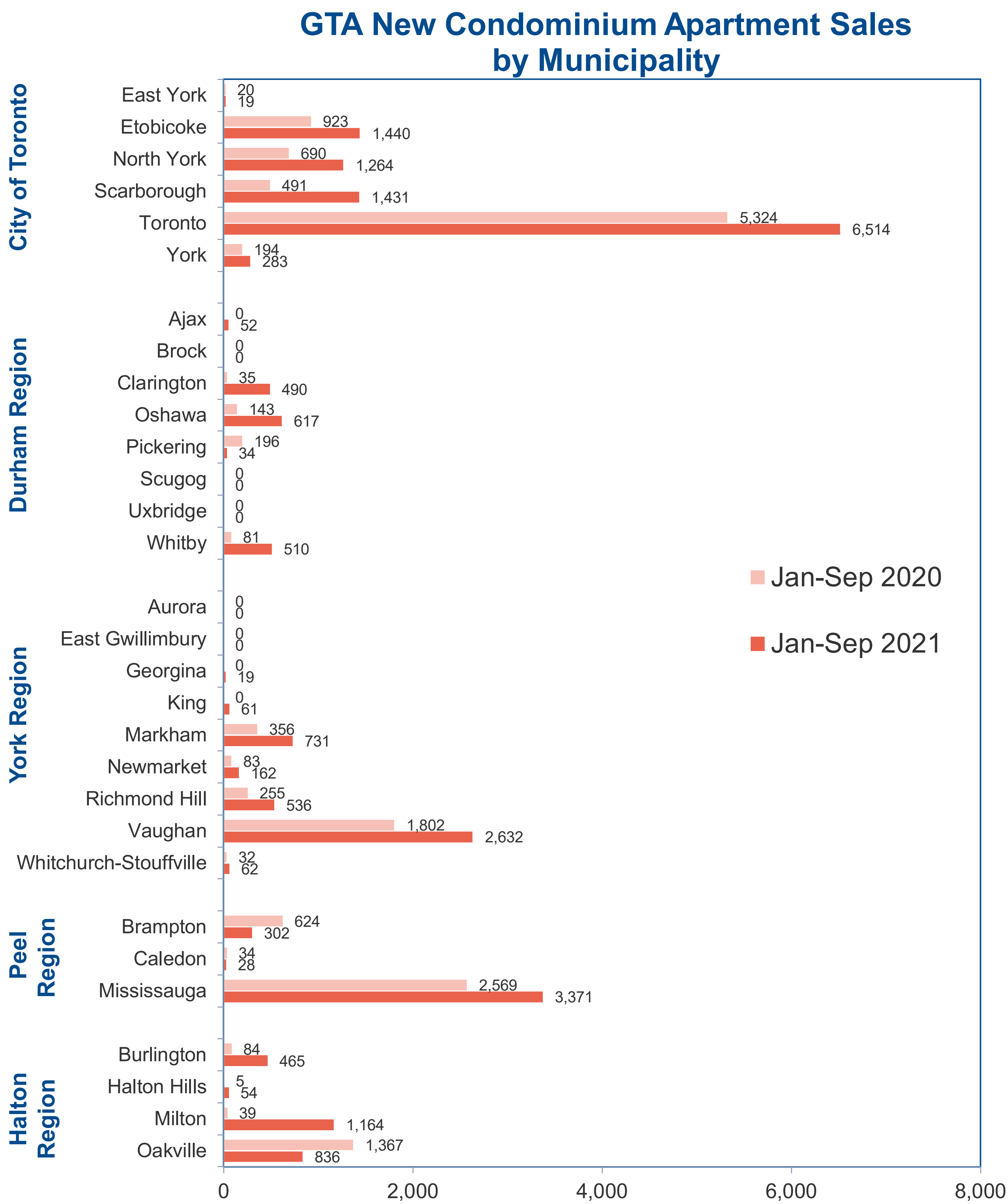
GTA New Condominium Apartment Sales by Region





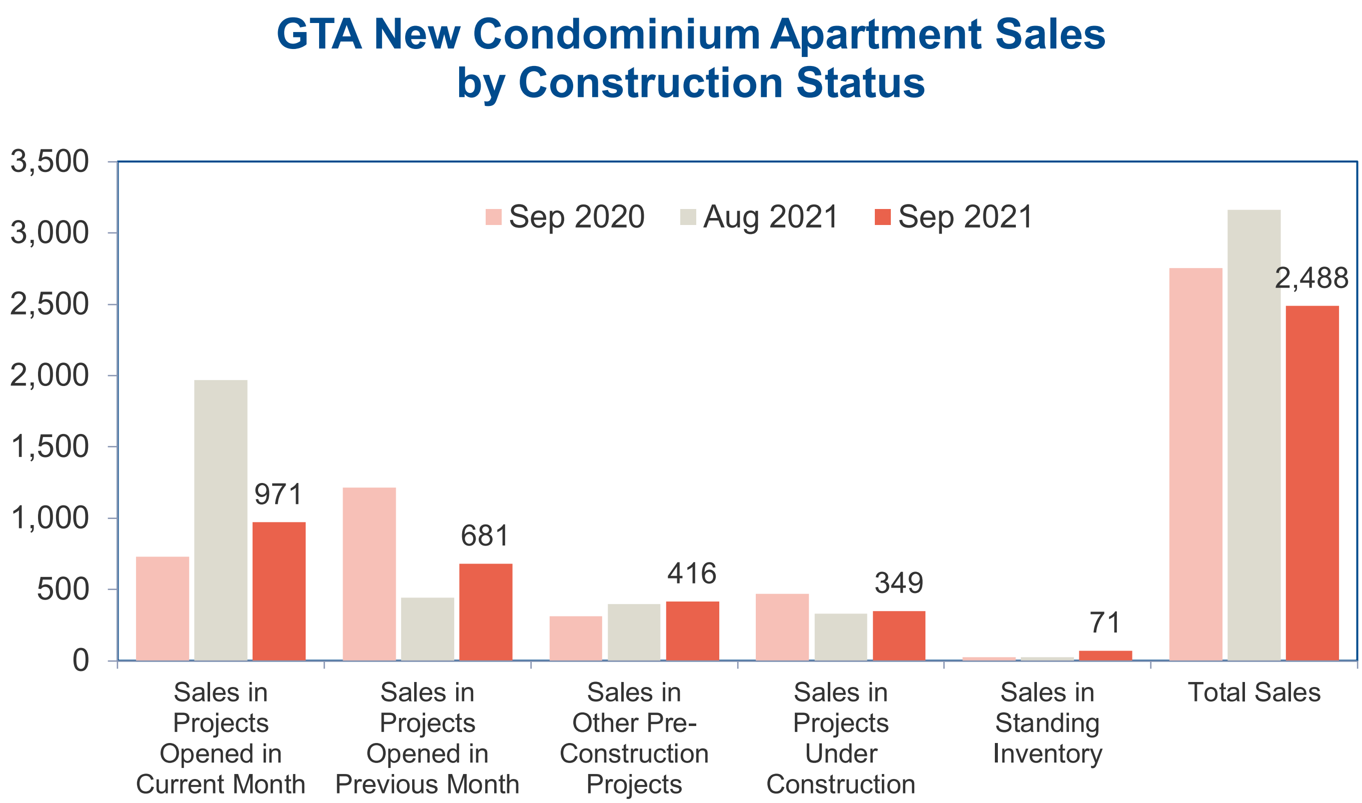


Source: Altus Group



Source: Altus Group

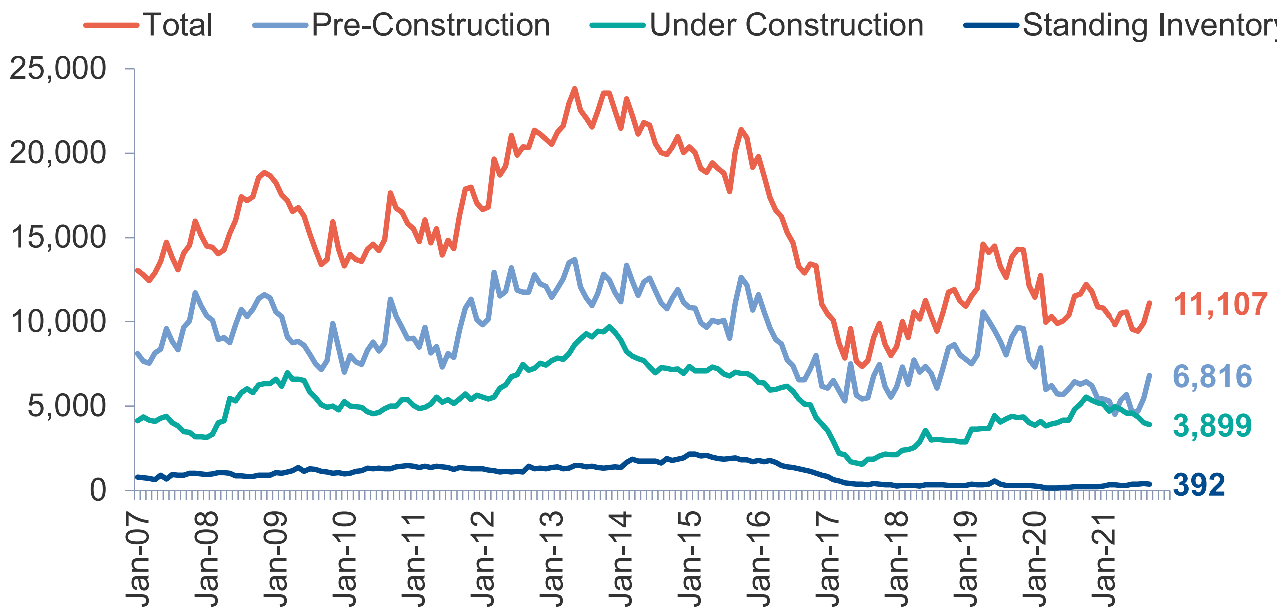
- **Almost 1,000 new condominium apartment sales in September were in newly launched projects**, accounting for about 4 in 10 sales. Of the 13 new projects launched in September, 5 opened in the last 10 days of the month, and therefore had no firm sales recorded. **The lower initial month absorption rate in September openings vs. August openings in large part reflects the larger proportion of projects in September that launched late in the month.**
- August openings, which did well in their opening month, contributed to almost 700 sales in September, aided by strong sales at the 2 projects that opened near the end of August (and therefore did not record firm sales until August).
- Sales in under construction projects continue to be robust, and **there is typically little inventory still available to purchase when projects are completed** (and therefore few sales in the "standing inventory" category).

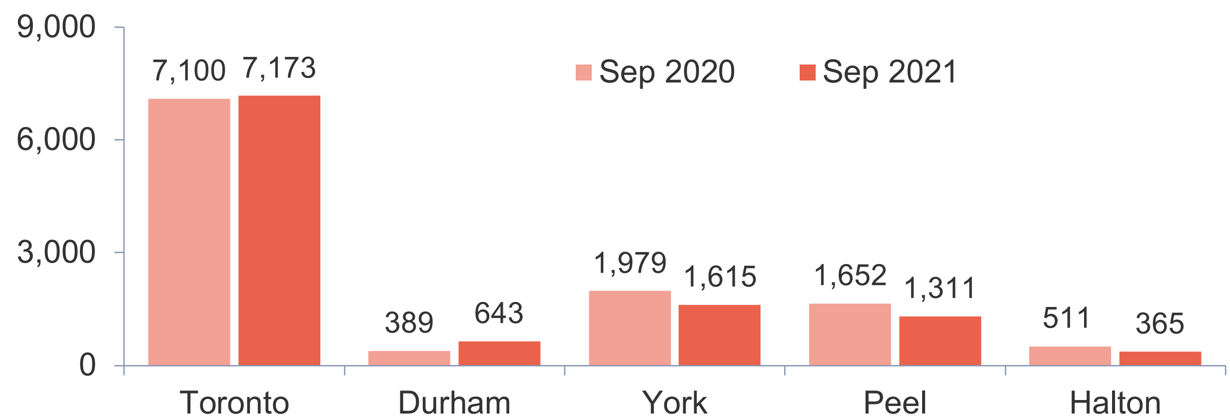


Source: Altus Group

- **Available inventory turned up in September, however this is likely to be a short-term situation,** as many projects opened late in the month (and therefore did not record firm sales). About 60% of available units are in pre-construction projects with most of the remainder in under construction projects. There is very little standing inventory (i.e. units available for immediate occupancy).
- **The current unsold inventory at new condominium apartment projects represents just under 5 months of supply** at the pace of sales seen over the past 12 months, well below the longer-term average for September of about 9-10 months.
- **About two-thirds of available new condominium apartment units are in the City of Toronto.** Based on sales in the past 12 months, the 905 Regions are currently "tighter" than the City of Toronto, in particular Halton Region (with just over 1 month of available supply).

GTA New Condominium Apartment Inventory



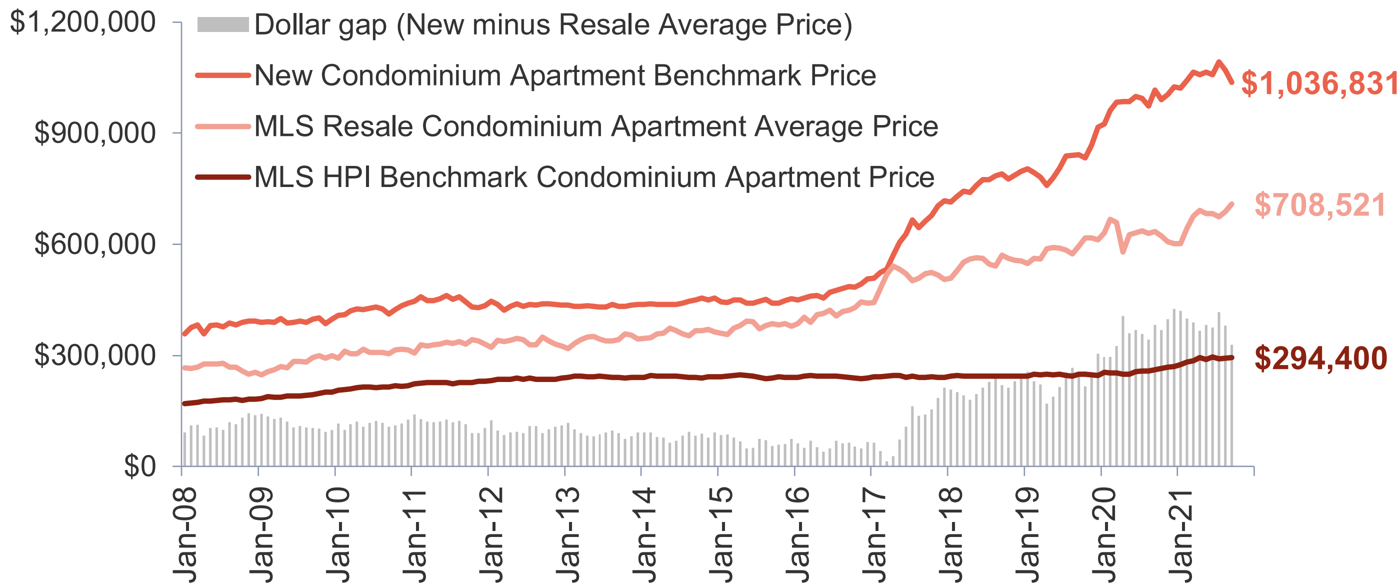


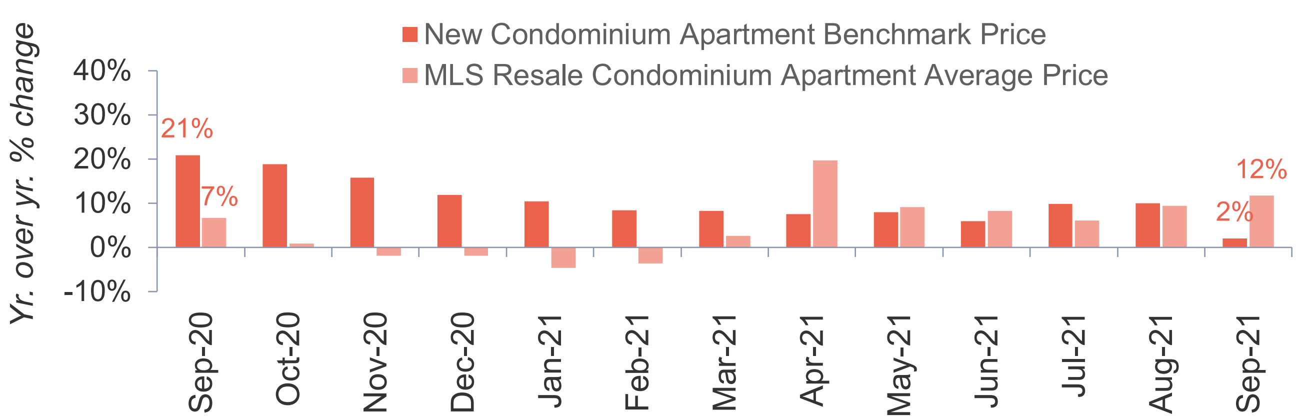
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment dipped for the 2nd month in a row in September,** after reaching a new record in July *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).* As discussed on the next page, the decline was due to smaller units on average in the available inventory.
- **Their diverging patterns meant that the price gap between new and resale condos narrowed further in September**, which is starting to reverse some of the relative advantage that the resale sector has been enjoying of late.

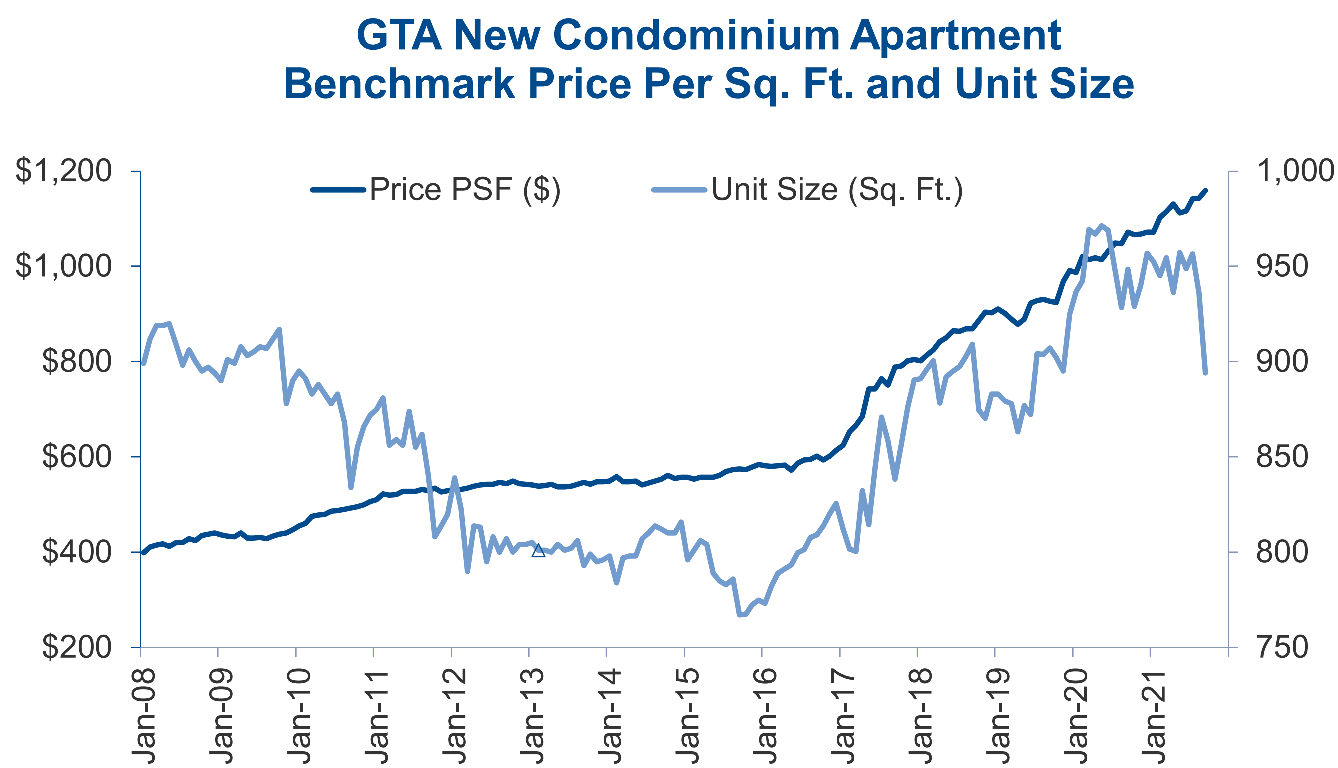
GTA New and Resale Condominium Apartment Prices





Source: Altus Group and Toronto Real Estate Board data

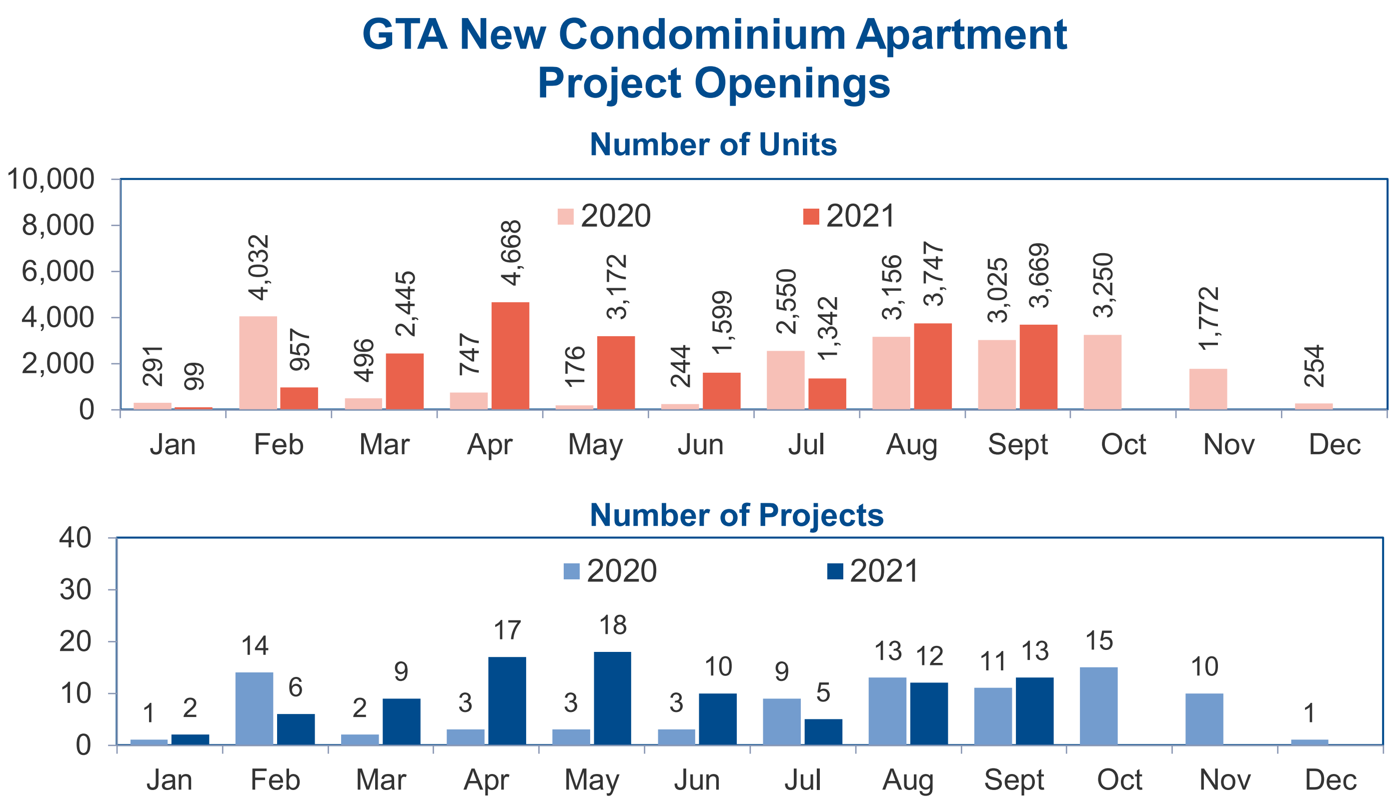
- **The decline in the overall benchmark price in September was entirely due to smaller unit sizes** in the mix of available inventory**.** The benchmark price per square foot indictor remained relatively stable.
- The smaller unit size average was a function of somewhat smaller average sizes in new project openings, as well as the lower absorption rate for new projects (largely due to more being opened near month end). Typically, smaller units sell out more quickly in new projects, so fewer make it into available inventory at the end of a month.
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per square foot. For example, an increase in the price per square foot could reflect both a “pure” price increase, as well as a decline in average size of available units (and, of course, location shifts).



Source: Altus Group

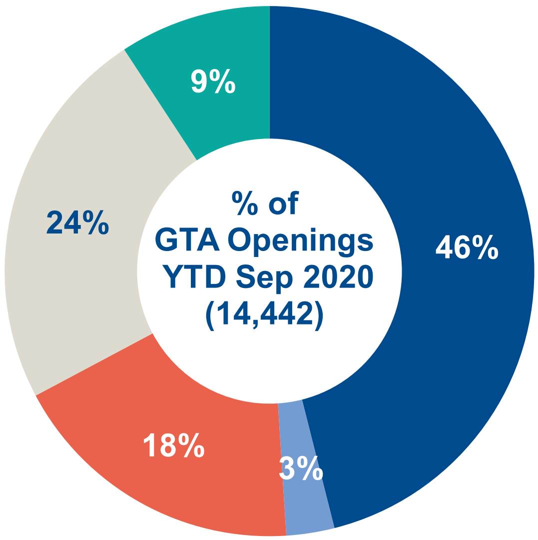
New Condominium Apartments - Openings

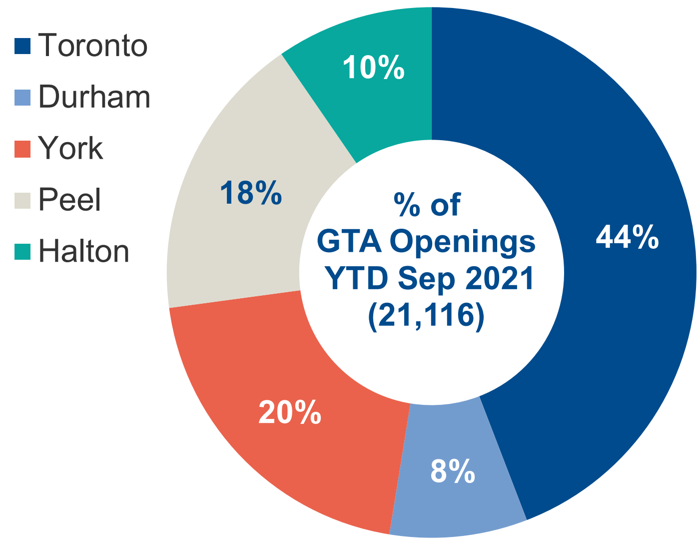
- **New openings in September were in the 3,700 unit range for the 2nd month in a row.** The 13 projects launched in September were in line with the long-term average number of launches for September.
- **Builders showed faith in the post-COVID attractiveness of the 416 area for prospective buyers.** About two-thirds of units in newly launched projects are located in the City of Toronto, well above the year-to-date proportion of just under half (*chart next page*). With the City of Toronto, the units in new openings in September were split roughly equally between the former City of Toronto and North York, with 1 project in Scarborough.
- On the pages following the next page are maps showing the location of new projects launched in August and September 2021, accompanied by summary tables with additional detail on each project. *Note that due to the large number of openings, there are 2 maps and 2 tables for the August and the September openings*.
- *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

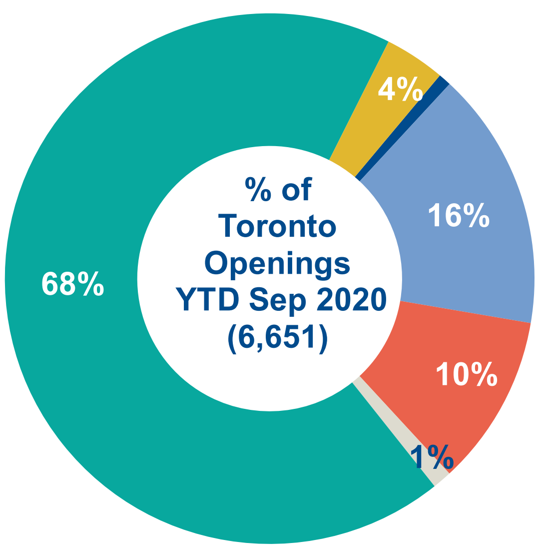
GTA Condominium Apartment Units in New Openings by Region

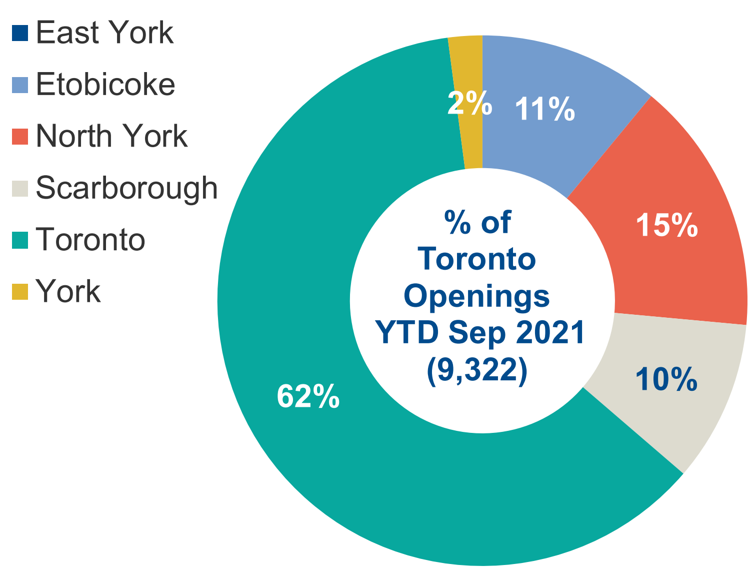




Source: Altus Group

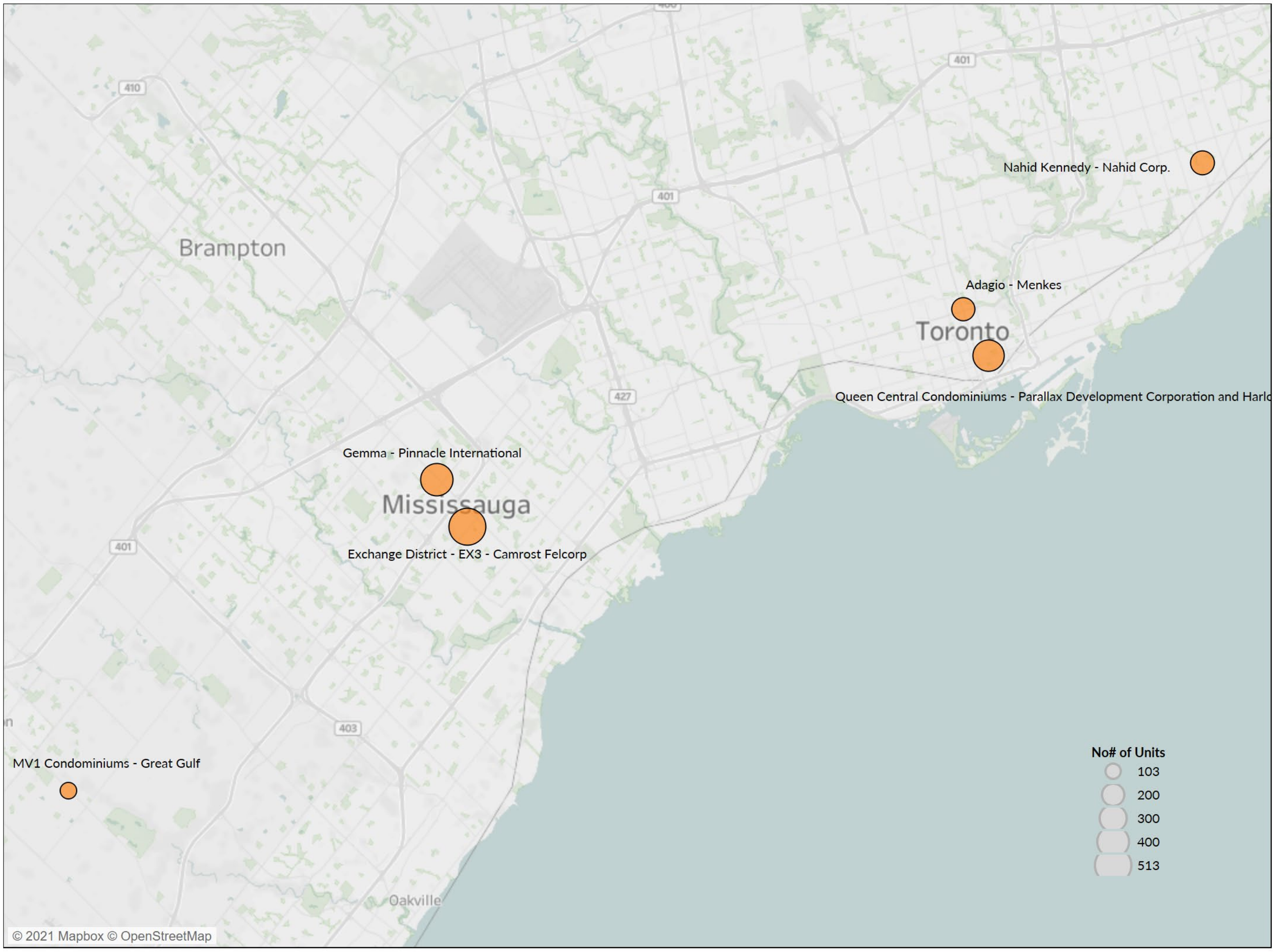
City of Toronto Condominium Apartment Units in New Openings by Former Municipality





Source: Altus Group

August-2021 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

Note: due to the large number of openings in August, project maps and details each have 2 pages.

New Condominium Apartments - Openings

Altus Group

Project Record	Adagio	Exchange District - EX3	Gemma	MV1 Condominiums	Nahid Kennedy	Queen Central Condominiums

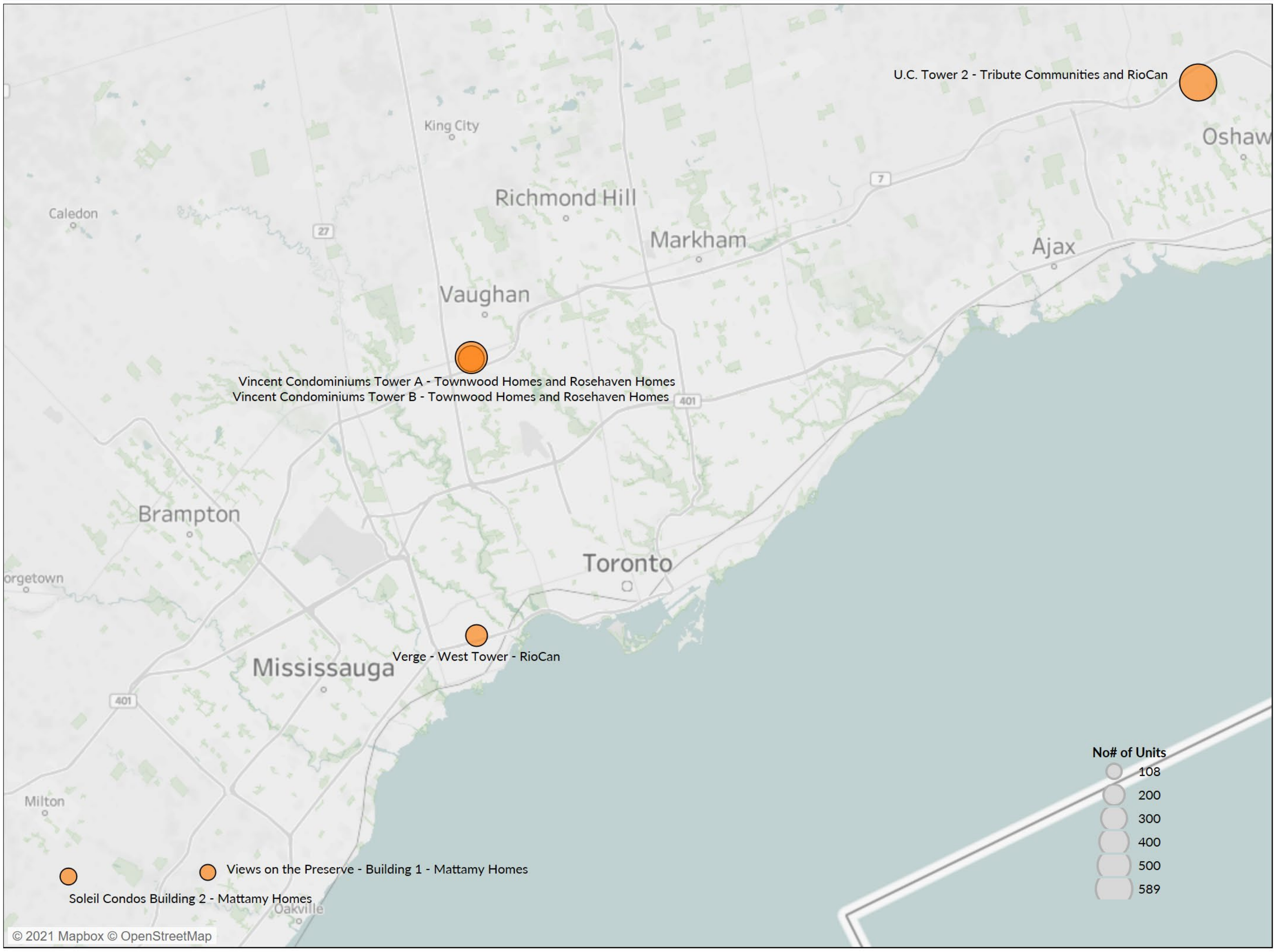
New Condominium Apartment Project Openings - August 2021 (1 of 2)

Project Name	**Adagio**	**Exchange District - EX3**	**Gemma**	**MV1 Condominiums**	**Nahid Kennedy**	**Queen Central Condominiums**
Developer	Menkes	Camrost Felcorp	Pinnacle International	Great Gulf	Nahid Corp.	Parallax Development Corporation and Harlo Capital
Date Opened	August 14, 2021	August 11, 2021	August 3, 2021	August 18, 2021	August 22, 2021	August 14, 2021
Municipality	Old Toronto	Mississauga	Mississauga	Milton	Scarborough	Old Toronto
Region	Toronto	Peel	Peel	Halton	Toronto	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	29	66	35	6	10	34
Project Total Units	**202**	**600**	**406**	**103**	**215**	**369**
Total Units Released	**202**	**513**	**394**	**103**	**215**	**369**
Studio	64	-	-	-	-	65
1 Bedroom	55	118	37	11	28	199
1 Bedroom + den	-	66	214	29	111	-
2 Bedroom	62	305	33	28	24	68
2 Bedroom + den	-	24	109	24	29	-
3 Bedroom & up	21	-	1	11	23	37
Penthouse	-	-	-	-	-	-
Townhouse	-	-	-	-	-	-
Other	-	-	-	-	-	-
Opening Month Sales	**121**	**475**	**51**	**37**	**0**	**249**
Next Month Sales	**4**	**38**	**12**	**40**	**159**	**82**
% Sold (of released units)	62%	100%	16%	75%	74%	90%
Remaining Available Inventory	77	0	331	26	56	38
Original $PSF	$1,852	$1,179	$982	$826	$898	$1,366
Minimum Size (sq. ft.)	372	420	550	569	490	319
Maximum Size (sq. ft.)	973	885	1,259	1,096	1,116	866
Minimum Price	$688,990	$598,900	$550,000	$520,990	$469,900	$525,000
Maximum Price	$1,810,990	$980,900	$1,259,000	$838,990	$953,900	$1,115,000

Source: Altus Group

AltusGroup

August-2021 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

Project Record | [Soleil Condos Building 2] | [U.C. Tower 2] | [Verge - West Tower] | [Views on the Preserve - Building 1] | [Vincent Tower A] | [Vincent Tower B]

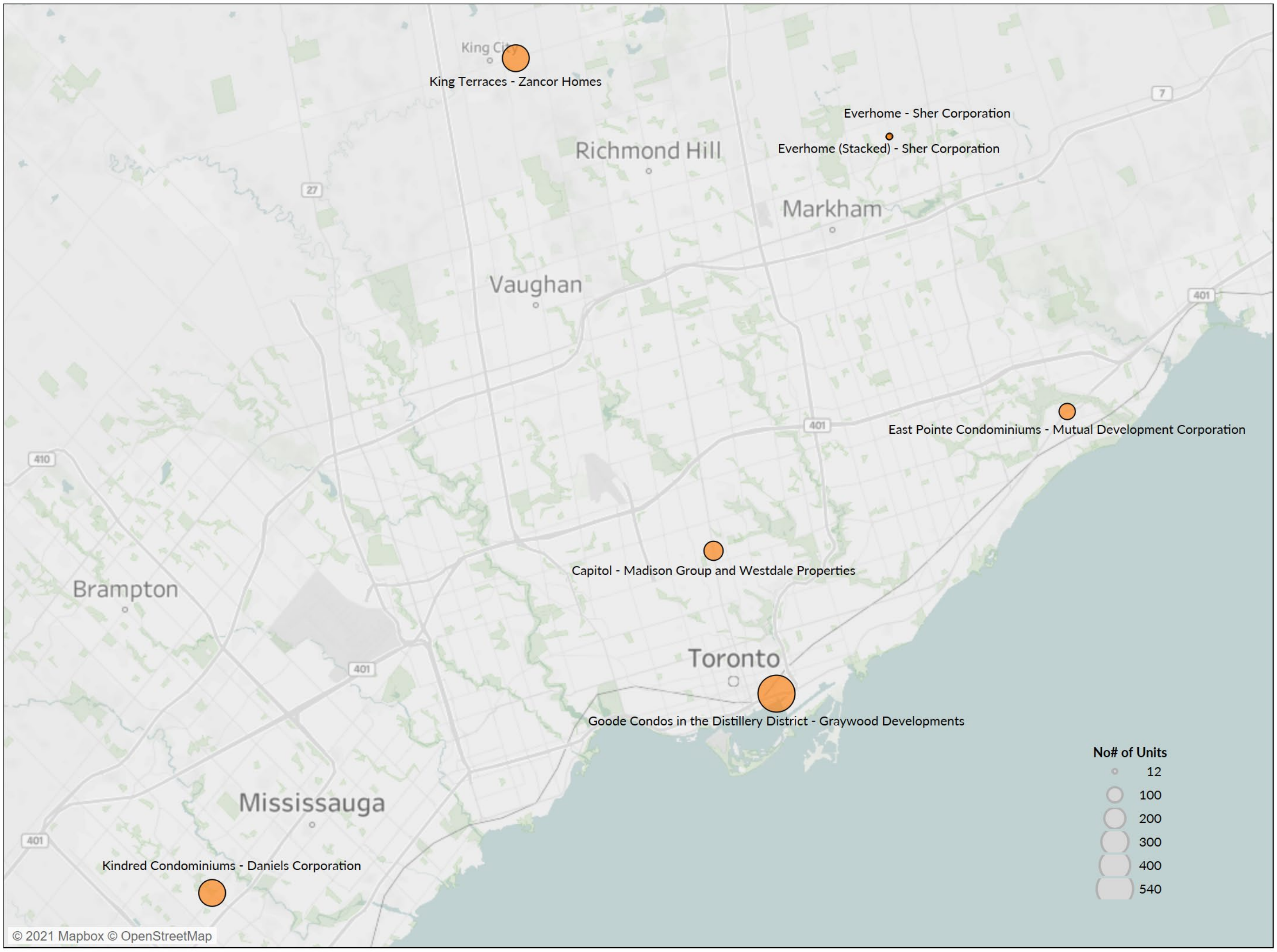
New Condominium Apartment Project Openings - August 2021 (2 of 2)

Project Name	Soleil Condos Building 2	U.C. Tower 2	Verge - West Tower	Views on the Preserve - Building 1	Vincent Condominiums Tower A	Vincent Condominiums Tower B
Developer	Mattamy Homes	Tribute Communities and RioCan	RioCan	Mattamy Homes	Townwood Homes and Rosehaven Homes	Townwood Homes and Rosehaven Homes
Date Opened	August 14, 2021	August 5, 2021	August 6, 2021	August 24, 2021	August 5, 2021	August 14, 2021
Municipality	Milton	Oshawa	Etobicoke	Oakville	Vaughan	Vaughan
Region	Halton	Durham	Toronto	Halton	York	York
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	6	27	10	5	35	27
Project Total Units	**121**	**594**	**203**	**108**	**447**	**319**
Total Units Released	**121**	**589**	**203**	**108**	**447**	**319**
Studio	-	56	-	-	37	14
1 Bedroom	24	143	68	29	87	40
1 Bedroom + den	54	180	75	49	148	130
2 Bedroom	43	179	43	24	172	135
2 Bedroom + den	-	-	-	6	-	-
3 Bedroom & up	-	31	17	-	3	-
Penthouse	-	-	-	-	-	-
Townhouse	-	-	-	-	-	-
Other	-	-	-	-	-	-
Opening Month Sales	**110**	**236**	**203**	**0**	**347**	**119**
Next Month Sales	**2**	**205**	**-**	**100**	**16**	**23**
% Sold (of released units)	93%	75%	100%	93%	81%	45%
Remaining Available Inventory	9	148	0	8	84	177
Original $PSF	$833	$842	$1,143	$953	$1,130	$1,127
Minimum Size (sq. ft.)	551	407	478	549	377	343
Maximum Size (sq. ft.)	946	939	1,069	1,083	855	879
Minimum Price	$509,990	$398,490	$562,900	$552,990	$491,990	$468,990
Maximum Price	$712,990	$716,990	$1,069,900	$947,990	$937,990	$948,990

Source: Altus Group

AltusGroup

September-2021 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

Note: due to the large number of openings in September, project maps and details each have 2 pages.

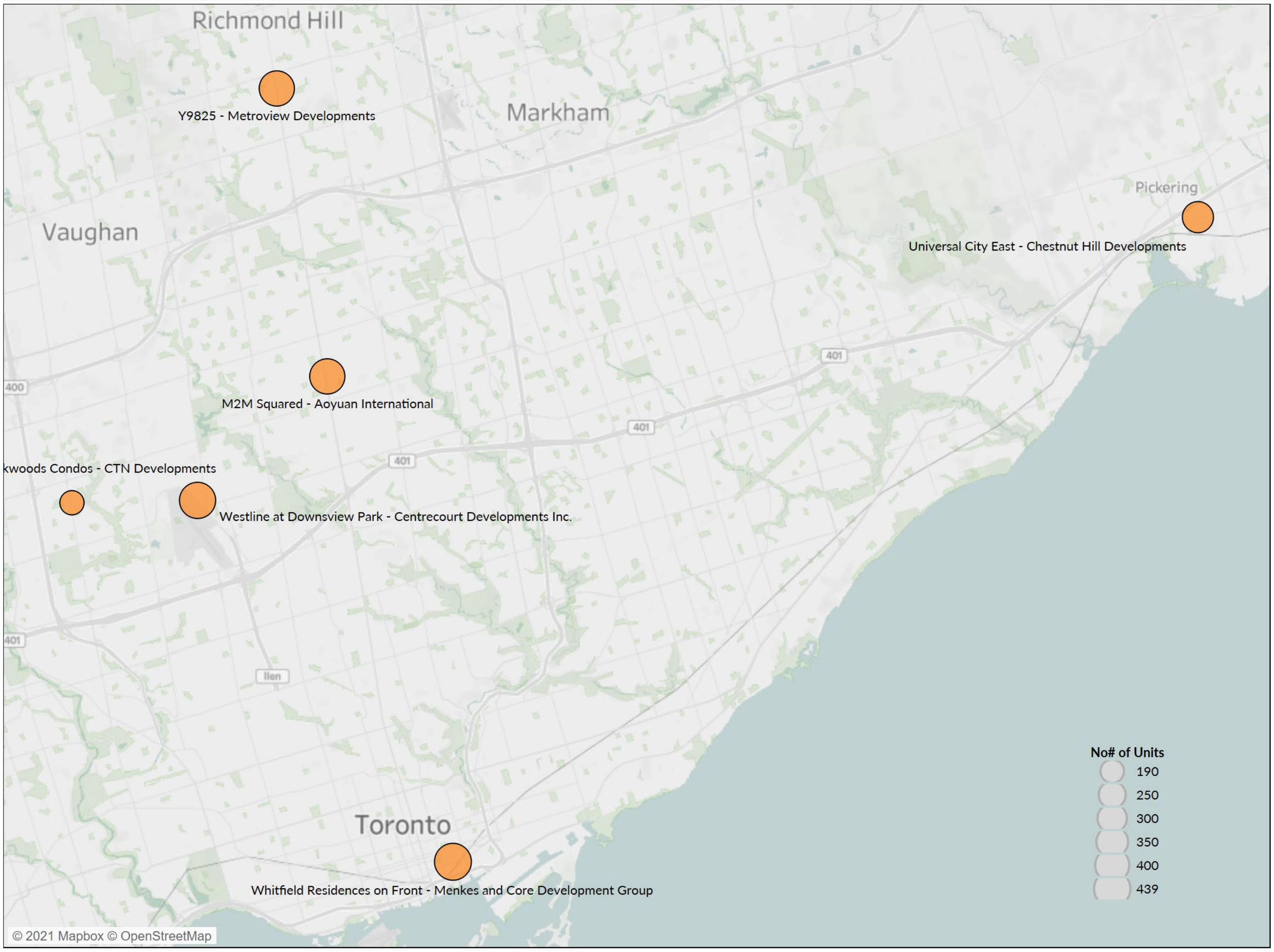
Project Record	Capitol	East Pointe	Everhome	Everhome (Stacked)	Goode Condos	Kindred	King Terraces

New Condominium Apartment Project Openings - September 2021 (1 of 2)

Project Name	**Capitol**	**East Pointe Condominiums**	**Everhome**	**Everhome (Stacked)**	**Goode Condos in the Distillery District**	**Kindred Condominiums**	**King Terraces**
Developer	Madison Group and Westdale Properties	Mutual Development Corporation	Sher Corporation	Sher Corporation	Graywood Developments	Daniels Corporation	Zancor Homes
Date Opened	September 21, 2021	September 28, 2021	September 1, 2021	September 1, 2021	September 15, 2021	September 25, 2021	September 18, 2021
Municipality	Old Toronto	Scarborough	Markham	Markham	Old Toronto	Mississauga	King
Region	Toronto	Toronto	York	York	Toronto	Peel	York
Structural Type	Apartment	Apartment	Apartment	Stacked	Apartment	Apartment	Apartment
Floors	14	11	8	5	32	25	6
Project Total Units	**146**	**104**	**see note**	**see note**	**540**	**358**	**284**
Total Units Released	**146**	**104**	**17**	**12**	**540**	**269**	**284**
Studio	-	-	-	-	104	3	1
1 Bedroom	7	1	0	-	115	65	171
1 Bedroom + den	7	47	0	4	132	78	59
2 Bedroom	38	36	0	6	125	122	35
2 Bedroom + den	56	9	5	2	10	1	7
3 Bedroom & up	29	11	5	-	54	-	11
Penthouse	5	-	7	-	-	-	-
Townhouse	4	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Opening Month Sales	**0**	**0**	**0**	**0**	**365**	**0**	**61**
% Sold (of released units)	0%	0%	0%	0%	68%	0%	21%
Remaining Available Inventory	146	104	17	12	175	269	223
Original $PSF	$1,395	$920	$1,006	$960	$1,337	$985	$1,176
Minimum Size (sq. ft.)	535	545	427	776	366	433	451
Maximum Size (sq. ft.)	1,935	964	975	1,159	1,179	955	963
Minimum Price	$879,900	$489,900	$418,800	$828,800	$545,900	$485,900	$639,990
Maximum Price	$2,699,900	$970,900	$968,800	$1,178,800	$1,299,900	$889,900	$1,139,990
Notes	No firm sales as all deals subject to 10-day conditional period	No firm sales as all deals subject to 10-day conditional period	Opening date reflects the date Altus Group® began tracking the project. Total units released excludes 60 previous sales.	Opening date reflects the date Altus Group® began tracking the project. Total units released excludes 42 previous sales.		No firm sales as all deals subject to 10-day conditional period	

Source: Altus Group

September-2021 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

New Condominium Apartments - Openings

AltusGroup

Project Record	[M2M Squared]	[Universal City East]	[Westline at Downsview Park]	[Whitfield Residences on Front]	[Y9825]	[Yorkwoods Condos]

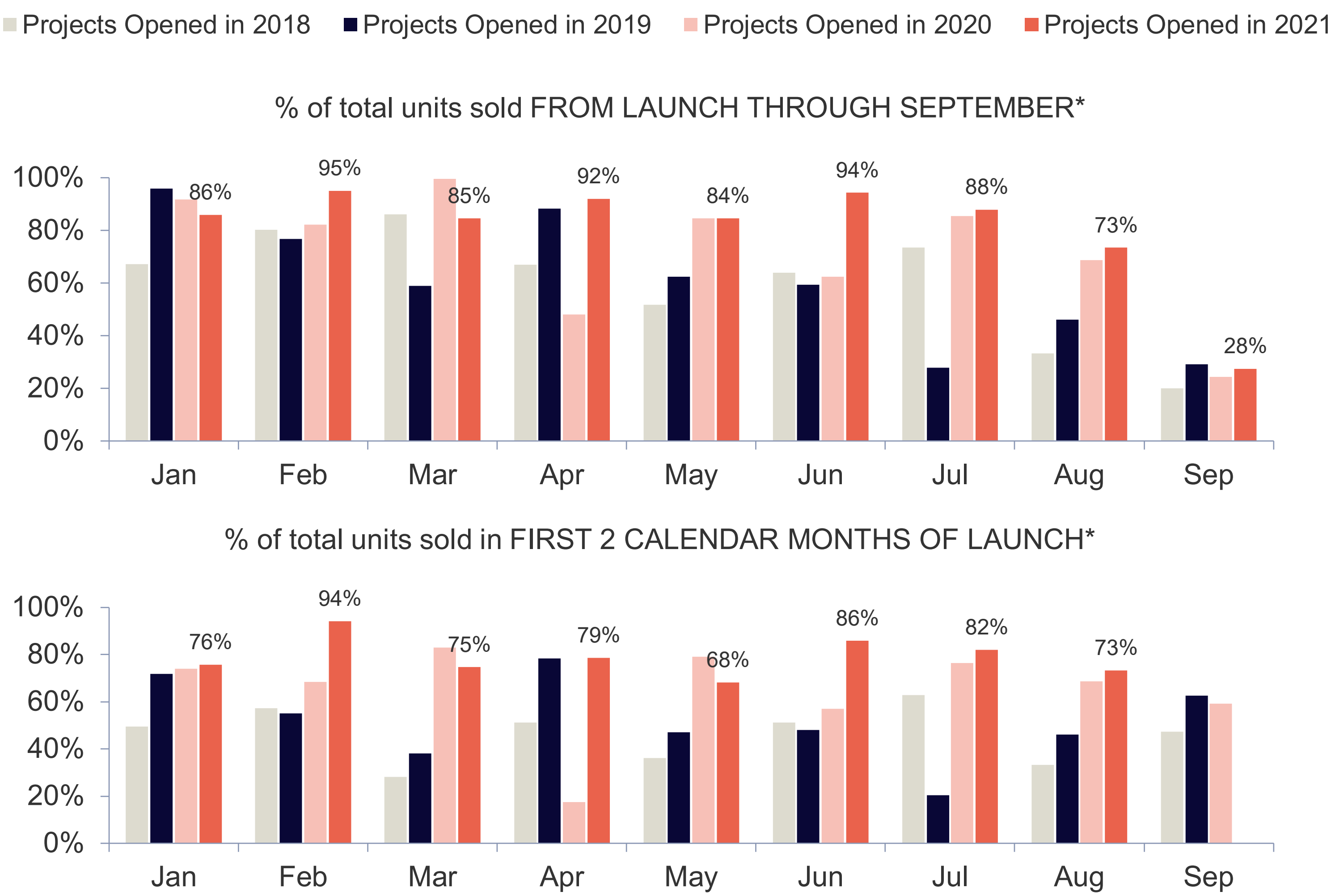
New Condominium Apartment Project Openings - September 2021 (2 of 2)

Project Name	**M2M Squared**	**Universal City East**	**Westline at Downsview Park**	**Whitfield Residences on Front**	**Y9825**	**Yorkwoods Condos**
Developer	Aoyuan International	Chestnut Hill Developments	Centrecourt Developments Inc.	Menkes and Core Development Group	Metroview Developments	CTN Developments
Date Opened	September 16, 2021	September 25, 2021	September 7, 2021	September 22, 2021	September 16, 2021	September 9, 2021
Municipality	North York	Pickering	North York	Old Toronto	Richmond Hill	North York
Region	Toronto	Durham	Toronto	Toronto	York	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	45	27	15	38	22	13
Project Total Units	**394**	**312**	**422**	**439**	**451**	**190**
Total Units Released	**394**	**312**	**422**	**439**	**400**	**190**
Studio	12	-	-	43	-	2
1 Bedroom	68	108	44	282	175	18
1 Bedroom + den	85	50	234	-	125	105
2 Bedroom	143	102	92	69	100	39
2 Bedroom + den	61	18	27	-	-	7
3 Bedroom & up	25	28	25	45	-	19
Penthouse	-	-	-	-	-	-
Townhouse	-	6	-	-	-	-
Other	-	-	-	-	-	-
Opening Month Sales	**109**	**0**	**204**	**0**	**169**	**63**
% Sold (of released units)	28%	0%	48%	0%	42%	33%
Remaining Available Inventory	285	312	218	439	231	127
Original $PSF	$1,417	$898	$1,156	$1,348	$1,092	$947
Minimum Size (sq. ft.)	443	496	459	392	440	464
Maximum Size (sq. ft.)	1,015	1,158	899	841	682	1,032
Minimum Price	$575,000	$471,900	$614,990	$550,000	$427,900	$516,990
Maximum Price	$1,432,990	$989,900	$949,990	$1,101,000	$897,900	$861,990
Notes		No firm sales as all deals subject to 10-day conditional period		No firm sales as all deals subject to 10-day conditional period		

Source: Altus Group

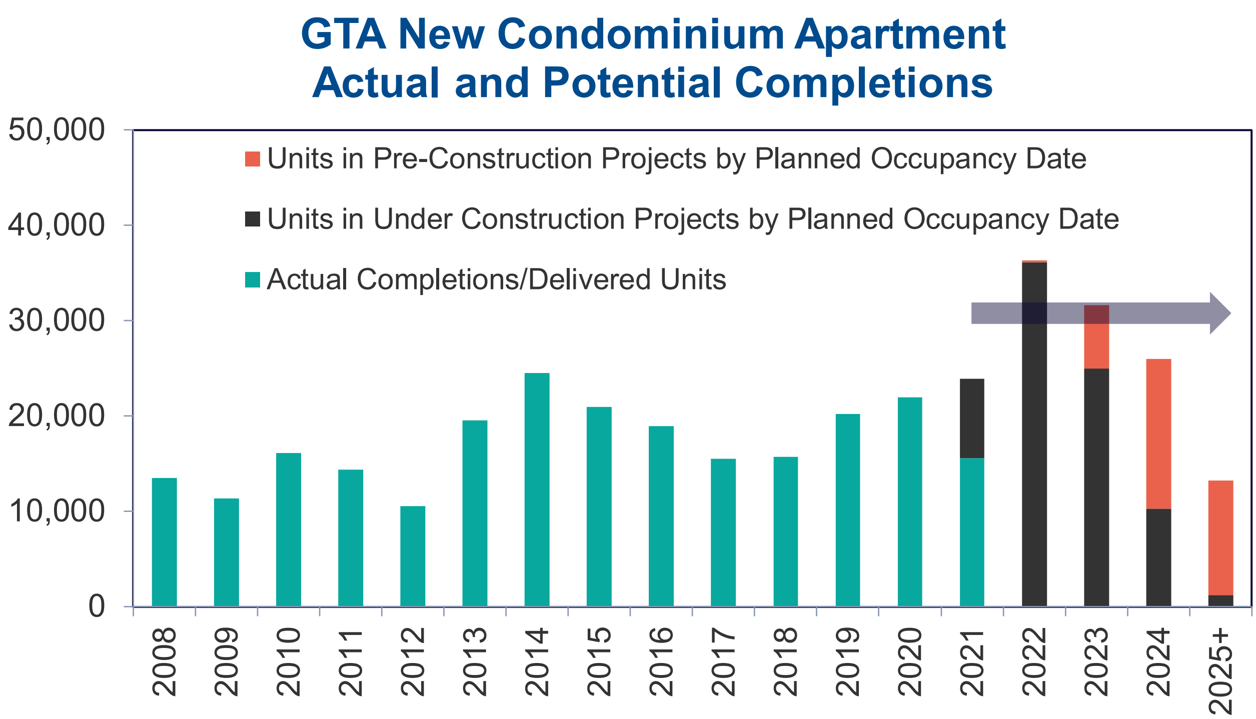
- **As is typical for September, the initial absorption rate for newly launched projects was relatively low.** In part, this reflects few projects opening early in the month plus many launching within the last 10 days of the month (when firm sales are not recorded). Overall, for the 13 projects opened in September 2021, just over one-quarter of all units were sold by month end. **Excluding the 5 projects that opened within the last 10 days of the month, and unreleased units in other projects, about 43% of units had been sold by the end of the month.** None of the projects opened in September sold out during the month.
- Caution needs to be used in comparing sales rates in projects opened in one month/year versus another, 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.

GTA New Condominium Apartment New Project Absorption Timelines by Month of Project Opening



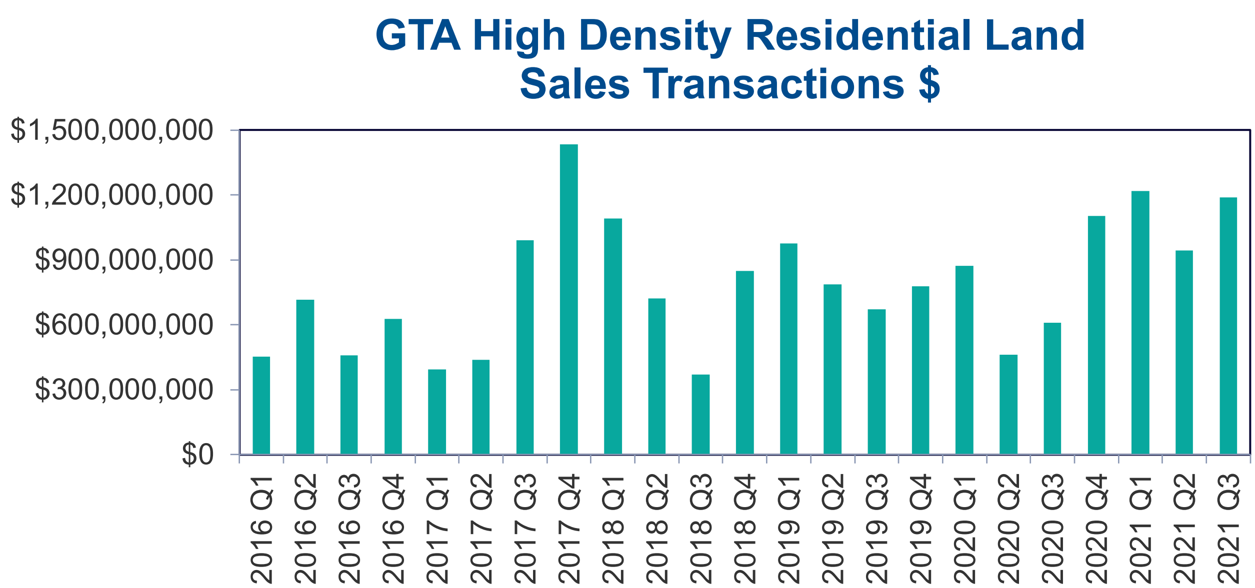
** The total includes unreleased units, and units released within the last 10 days of the month*
Source: Altus Group

- As of the end of September 2021, there were about 115,500 new condominium apartment units in projects either under construction or in pre-construction stages.
- **The number of units being delivered/ready for occupancy reached its highest level in a year in September.** The 3,500+ units added in September brings the total for the first 9 months of 2021 to just over 15,600 units – about 2,300 units less than for same period in 2020.
- Based on planned occupancy dates, and only considering units currently under construction, one might expect that annual completions of condominium apartment units could be slightly higher in 2021 than 2020, and higher still in 2022. **However, COVID-19 pandemic protocols, including additional safety/distancing and sick/isolating crew, may continue to add to the "typical" construction delays experienced in recent pre-pandemic years.**

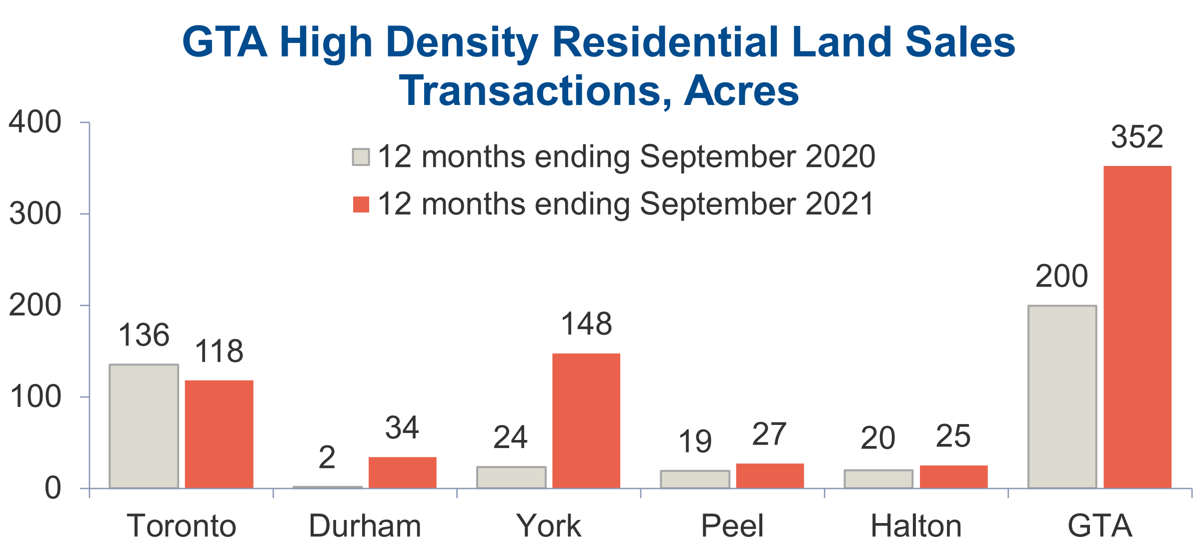


Source: Altus Group

- **High density residential land sales continue to be buoyant, confirming confidence in the long-term prospects for the multi-family sector.** The dollar volume of sales of high density residential land in the GTA in Q3 2021 was the 3rd highest quarter on record, according to Altus Group transactions data.
- For the 12 months ending September 2021 as a whole, almost $4.5 billion of high density residential land traded – almost two-thirds more than the previous 12 months. The increase in the number of acres of high density residential land traded was up by 75% led by the increase in York Region.



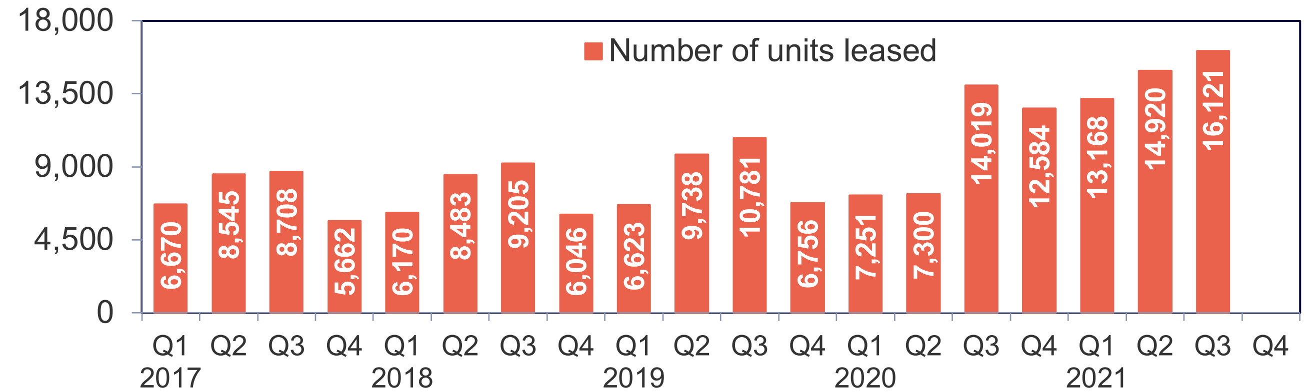
Source: Altus Group

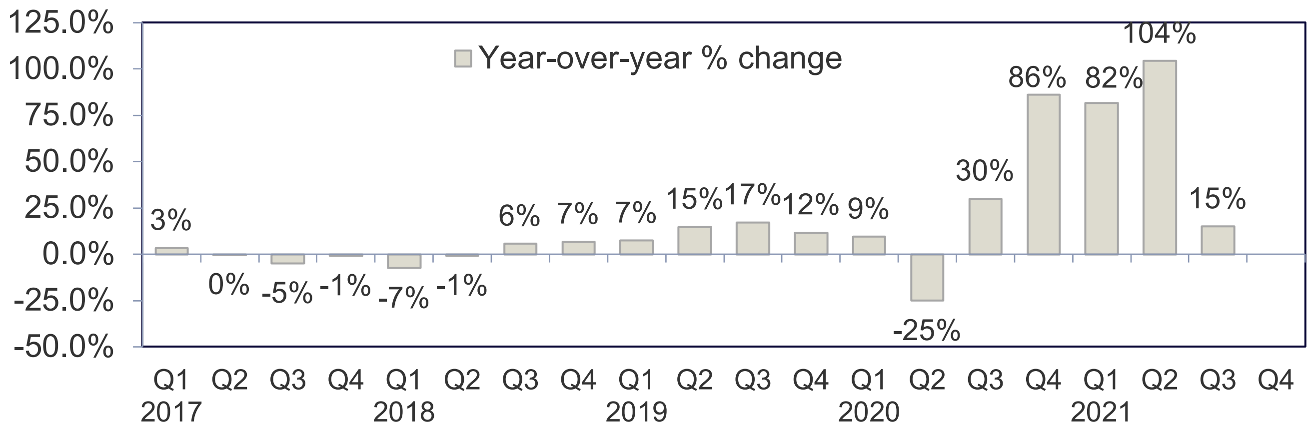


Source: Altus Group

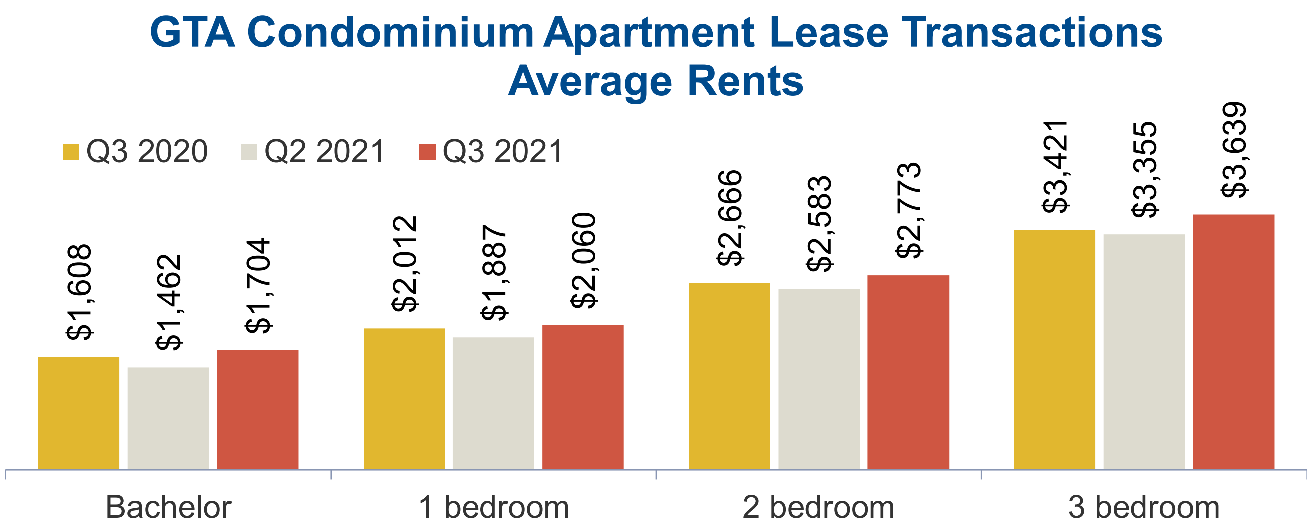
- **The GTA condominium apartment rental sector continues to improve**. The number of lease transactions are well above the pre-pandemic period, **buoyed by improving economic conditions as well as some tenants taking advantage of declining rents to move to lower cost accommodation.**
- **Rents continue to recover.** Average lease rates increased for the 2nd quarter in a row in Q3 2021 but remain significantly below the recent peaks in Q3 2019 (*charts next page*). **Stronger rents – and expectations of additional increases – is key to renewed investor interest in the new condo market.**

GTA Condominium Apartment Lease Transactions (All Bedroom Types)

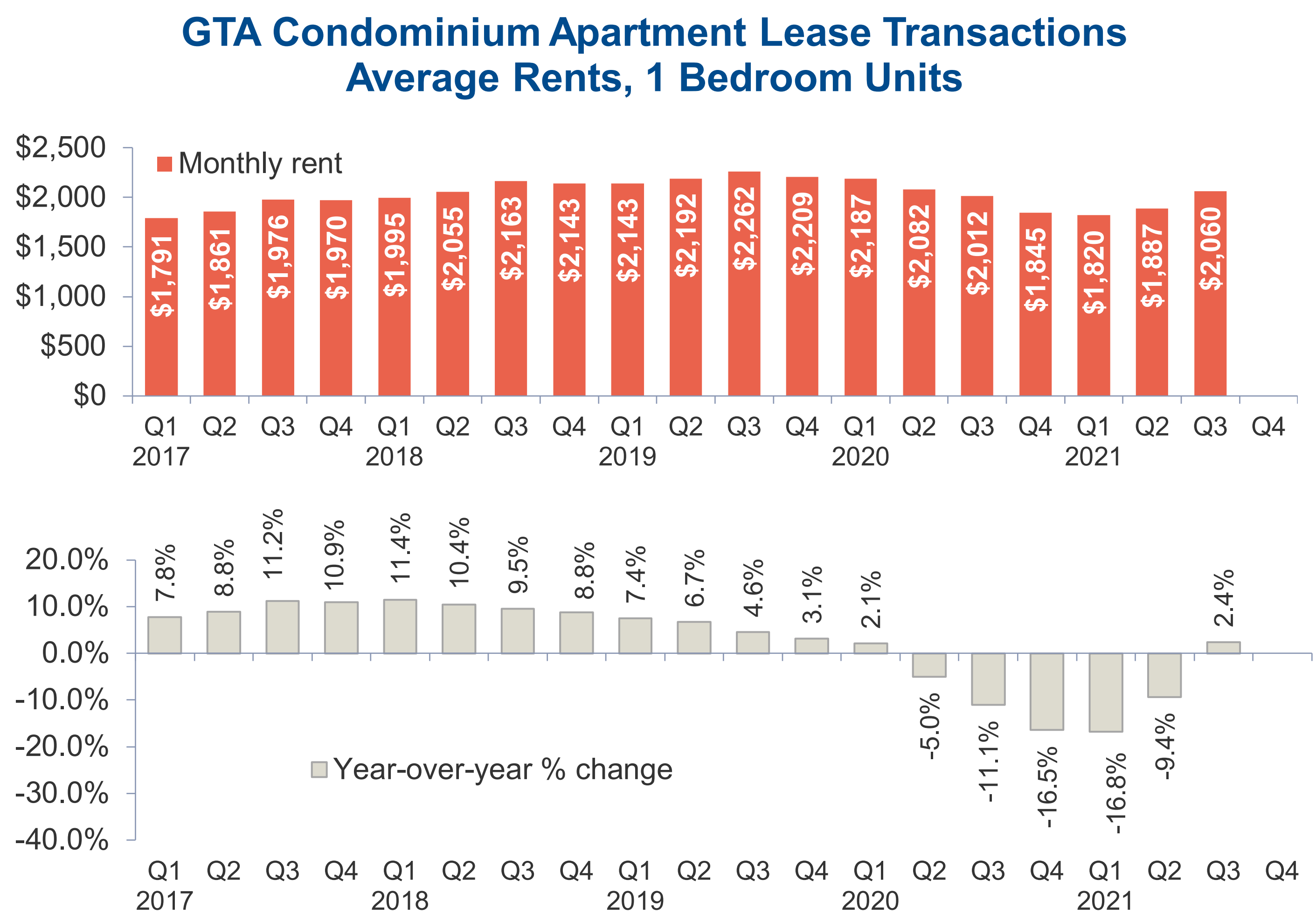




Source: Altus Group based on Toronto Regional Real Estate Board data



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

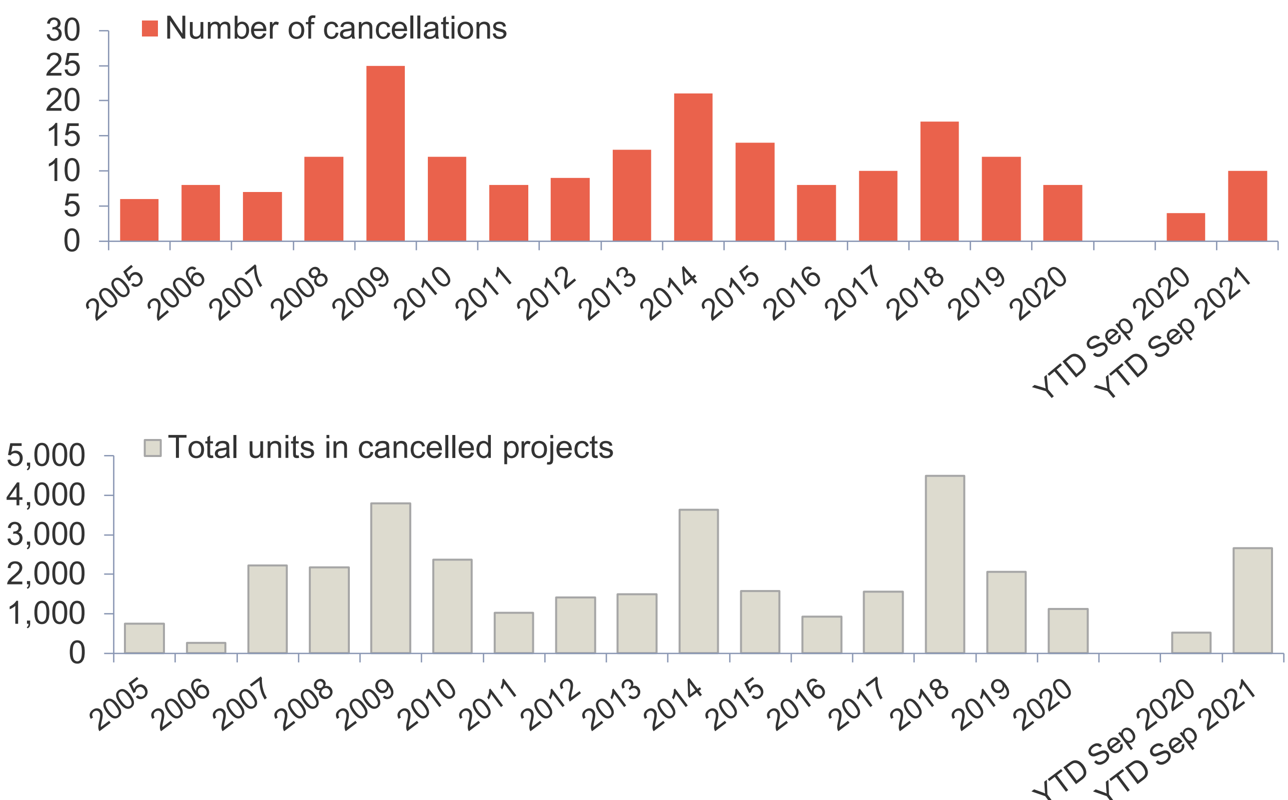


Source: Altus Group based on Toronto Regional Real Estate Board data

Cancelled Condominium Projects

- **The number of cancelled new condo apartment units is up this year.** However, this is primarily due to the cancellation of three Cresford projects – the Residences of 33 Yorkville in August (1,174 units in 2 towers - the site will now be developed by Pemberton) and YSL Residences in September (1,106 units; the site will now be developed by Concord Adex).
- **Projects are cancelled for a number of reasons**, including poor sales (some of these projects are redesigned and relaunched), financing challenges and possibly operational challenges (in particular for less experienced builders).

Condominium Apartment Projects Cancelled During Each Year, GTA



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