The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of January 2022

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New Condominium Apartment Dashboard

January 2022			YTD December 2021	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
2,274	**8,333**	**$1,150,685**	**32,932**	**$1,067,099**
232% ▲	**-23%** ▼	**13%** ▲	**61%** ▲	**8%** ▲
Highest January on record	***Lowest January since 2000***	***Highest January on record***	***Just shy of 2017 record***	***Highest YTD December on record***

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

Highlights

- **New condominium apartment sales in the GTA continue to impress.** It was a record January, and the first January where sales broke through the 2,000 unit threshold. Almost half of the sales were in new projects launched during the month.
- **Builders continue to show confidence in the market.** January saw 9 new projects launched, with a record for the month of 2,400+ units.
- Looking ahead, while pandemic-related disruptions have eased, the current global situation related to the Russia-Ukraine conflict has added a new layer of uncertainty to the economic recovery. However the latest Bank of Canada rate announcement made it clear that inflationary pressures are still a key concern, and that rates will rise as needed to keep inflation in check. The double whammy of rising prices and higher interest rates are expected to have some dampening impact on home sales in the GTA. **Expect 2022 new condominium apartment sales to be solid, but below 2021 levels, with somewhat longer absorption timelines than in 2021.**

Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

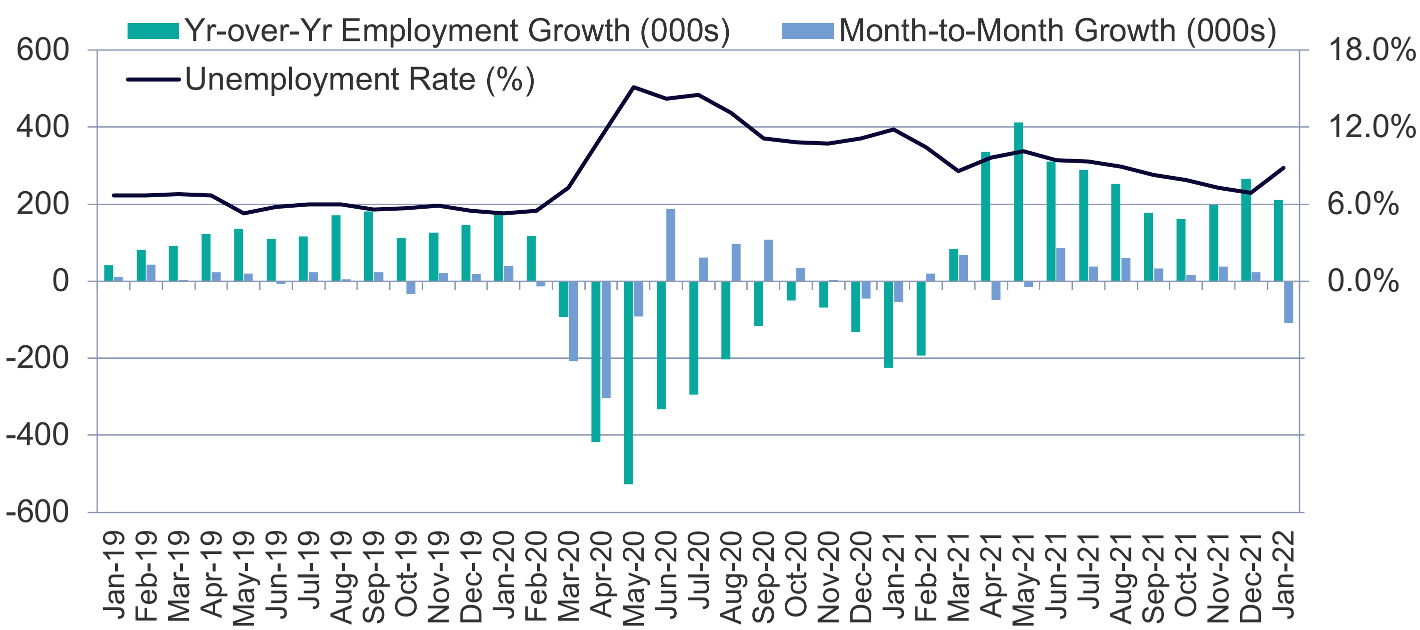
	Jan-21	Dec-21	Jan-22	*Yr-Over-Yr % Change*	YTD Dec 2020	YTD Dec 2021	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	340	342	341	*0%*	331	337	*2%*
New projects opened	2	2	9	*350%*	84	123	*46%*
Units in new projects opened	99	604	2,427	*2352%*	20,008	29,148	*46%*
Total sales (units)	685	2,177	2,274	*232%*	20,465	32,932	*61%*
Sales as % of total new & resale	*22%*	*51%*	*53%*		*48%*	*49%*	
Inventory (units)	10,780	8,125	8,333	*-23%*	11,112	10,186	*-8%*
Sales-to-inventory ratio	6%	27%	27%	*329%*	15%	27%	*79%*
Months of inventory	6.4	3.0	2.9	*-55%*	5.5	4.8	*-12%*
Benchmark price	$1,021,017	$1,163,924	$1,150,685	*13%*	$986,849	$1,067,099	*8%*
Price PSF Benchmark	$1,072	$1,219	$1,243	*16%*	$1,038	$1,139	*10%*
Unit size Benchmark (sq. ft)	952	955	926	*-3%*	950	937	*-1%*
Units completed	1,433	2,264	1,202	*-16%*	21,867	19,343	*-12%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,471	2,058	2,016	*-18%*	22,278	34,925	*57%*
New listings (units)	3,066	1,638	2,568	*-16%*	46,365	47,246	*2%*
Inventory ("active listings", units)	3,291	1,488	1,472	*-55%*	4,444	3,137	*-29%*
Sales-to-inventory ratio	75%	138%	137%	*82%*	49%	97%	*96%*
Months of inventory	1.7	0.5	0.5	*-70%*	2.5	1.2	*-50%*
Average price of units sold	$600,830	$711,933	$748,566	*25%*	$629,326	$683,058	*9%*
HPI constant quality price index (Jan 2005=100)	291.5	360.4	367.6	*26%*	296.0	323.3	*9%*

** 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 suffered in January with the latest round of COVID-related closures** causing total employment to drop month-to-month for the first time in 8 months. The unemployment rate temporarily popped back up near the 9% mark.
- New data from the 2021 Census of Canada suggests that population growth was more muted in the GTA during the 2016-2021 period than shown by Statistics Canada annual estimates. **Both population and household growth slowed further in 2016-2021 (***chart top of next page*), **with COVID-19 playing a dampening role.** As the pandemic eases, population growth is expected to pick up again.
- **The Bank of Canada increased the target for the overnight rate to ½ percent at its latest rate announcement on March 2**, stating that **"***Price increases have become more pervasive, and measures of core inflation have all risen. Poor harvests and higher transportation costs have pushed up food prices. The invasion of Ukraine is putting further upward pressure on prices for both energy and food-related commodities. . . The Bank will use its monetary policy tools to return inflation to the 2% target and keep inflation expectations well-anchored*". **The next rate announcement date is April 13.**
- **Effective 5 year fixed rate mortgage interest rates continue to rise** *(chart next page, bottom).* The average special rate is now about 120 basis points higher than its recent low in early Fall 2021. While the growing premium for fixed rate over variable rate continued to shift preferences towards variable product, this gap is likely to diminish as short-term rates rise.

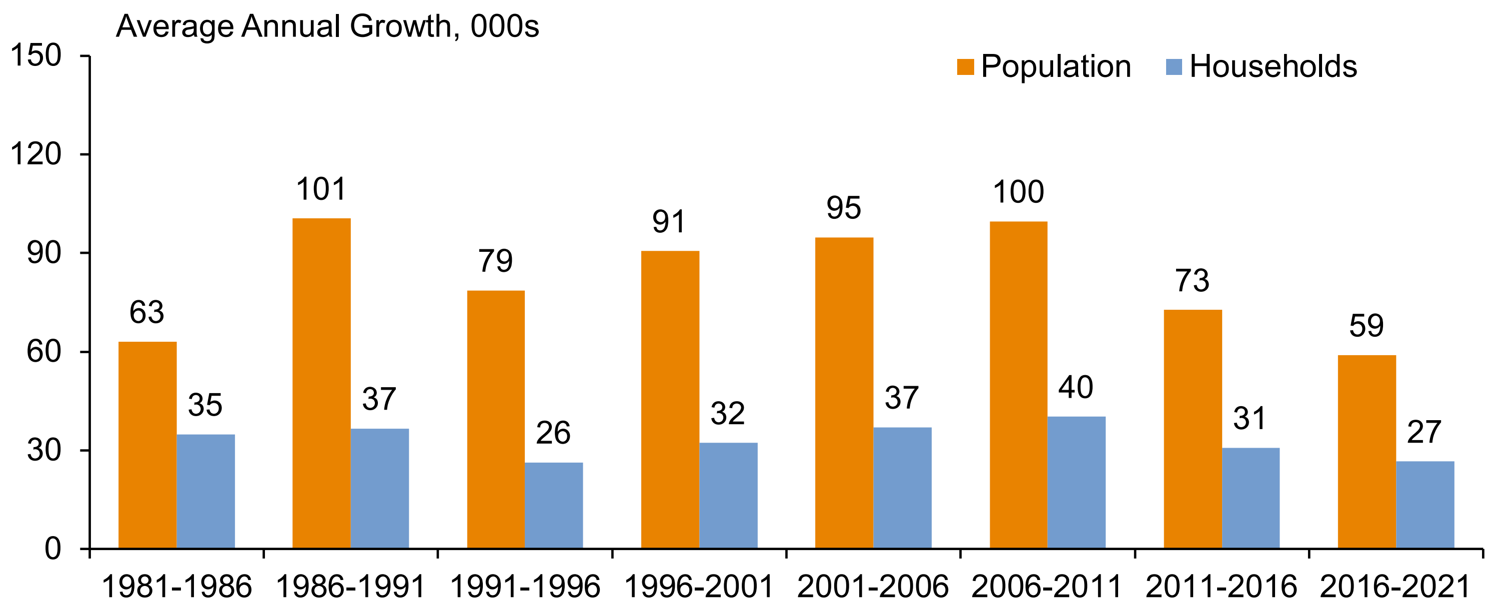
GTA Employment Snapshot*



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

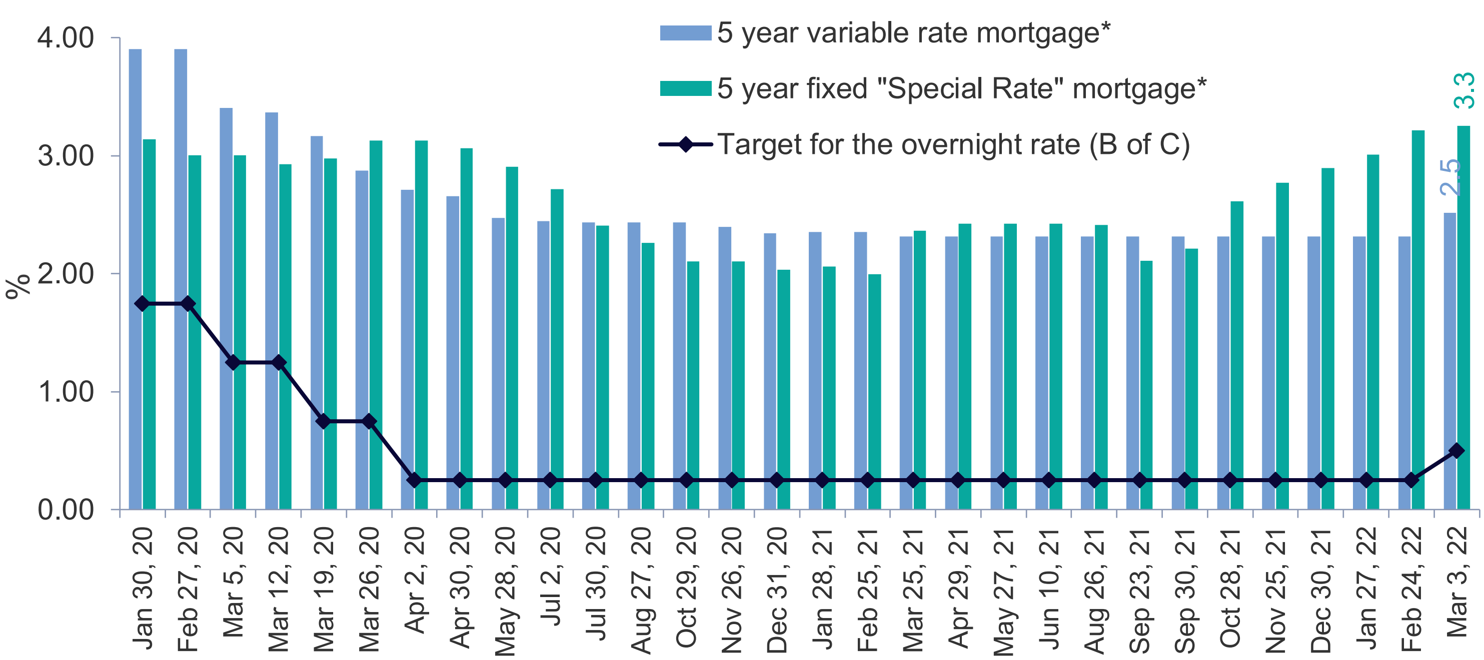
Source: Altus Group based on Statistics Canada data

GTA Population and Household Growth



Source: Altus Group based on Census of Canada data

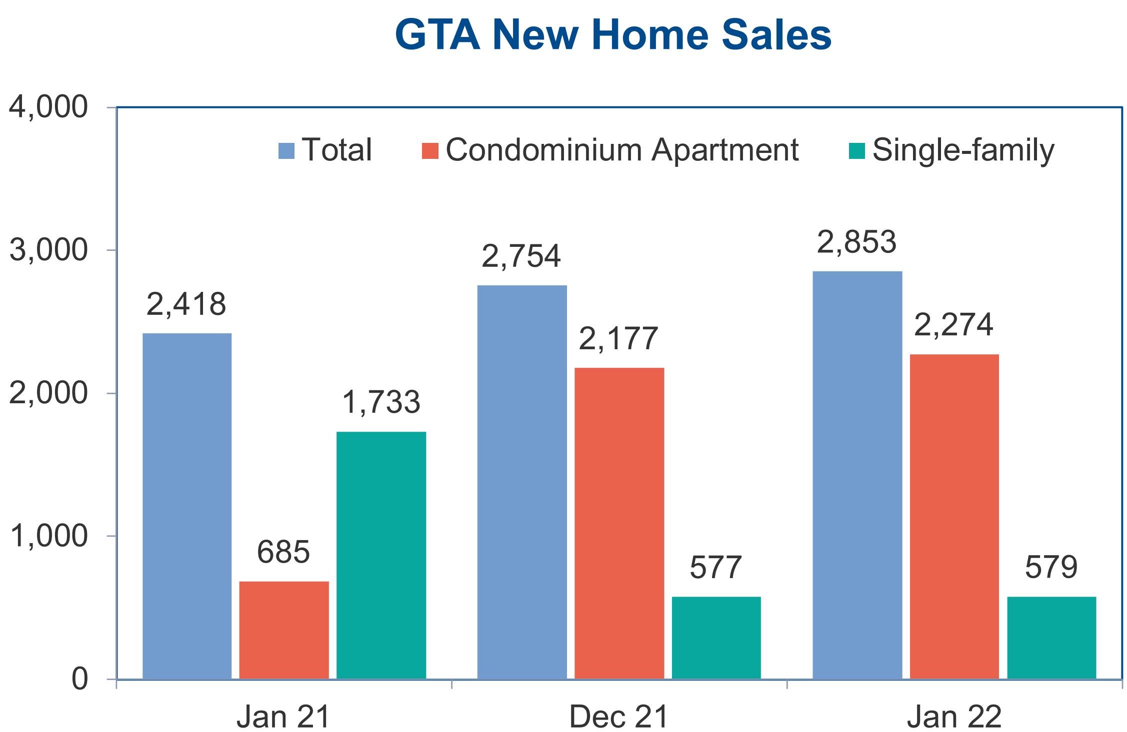
Selected Interest Rates



** Average for the major banks*

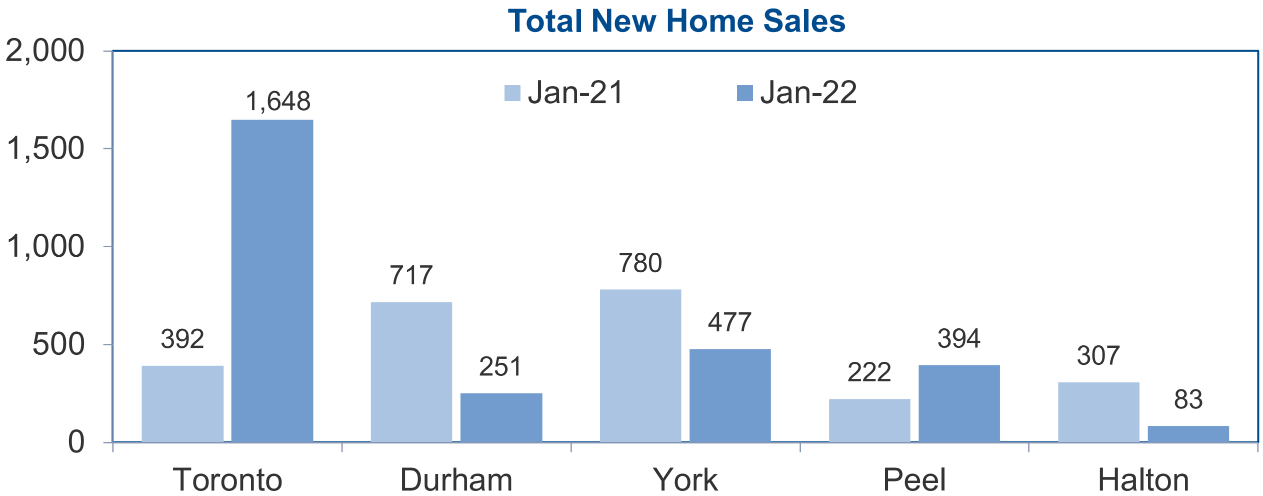
Source: Altus Group based on data from Bank of Canada and major bank web sites

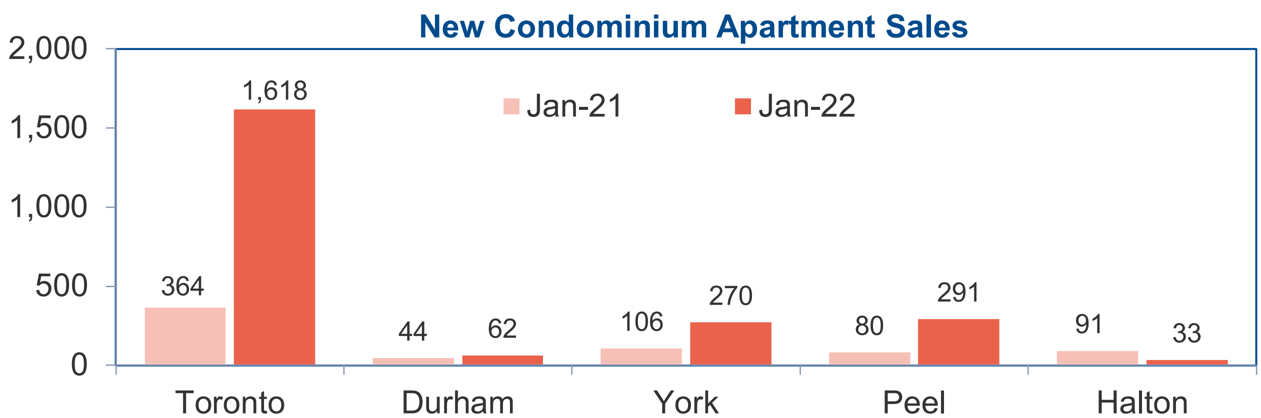
- **The GTA saw the strongest January for total new home sales in almost 20 years.** The buoyancy was entirely due to **record January sales of new condominium apartments**, as new single-family home sales remained lacklustre.
- **The strength in new home sales was driven by the City of Toronto** (*charts next page*), where new condominium apartment launches in recent months have been above the norm for this time of year.

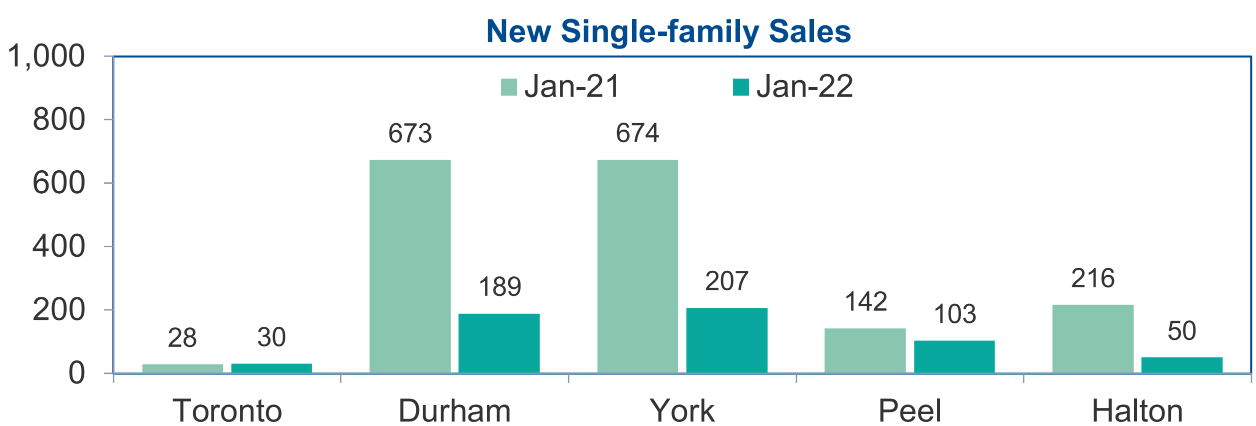


Source: Altus Group

GTA New Home Sales by Region



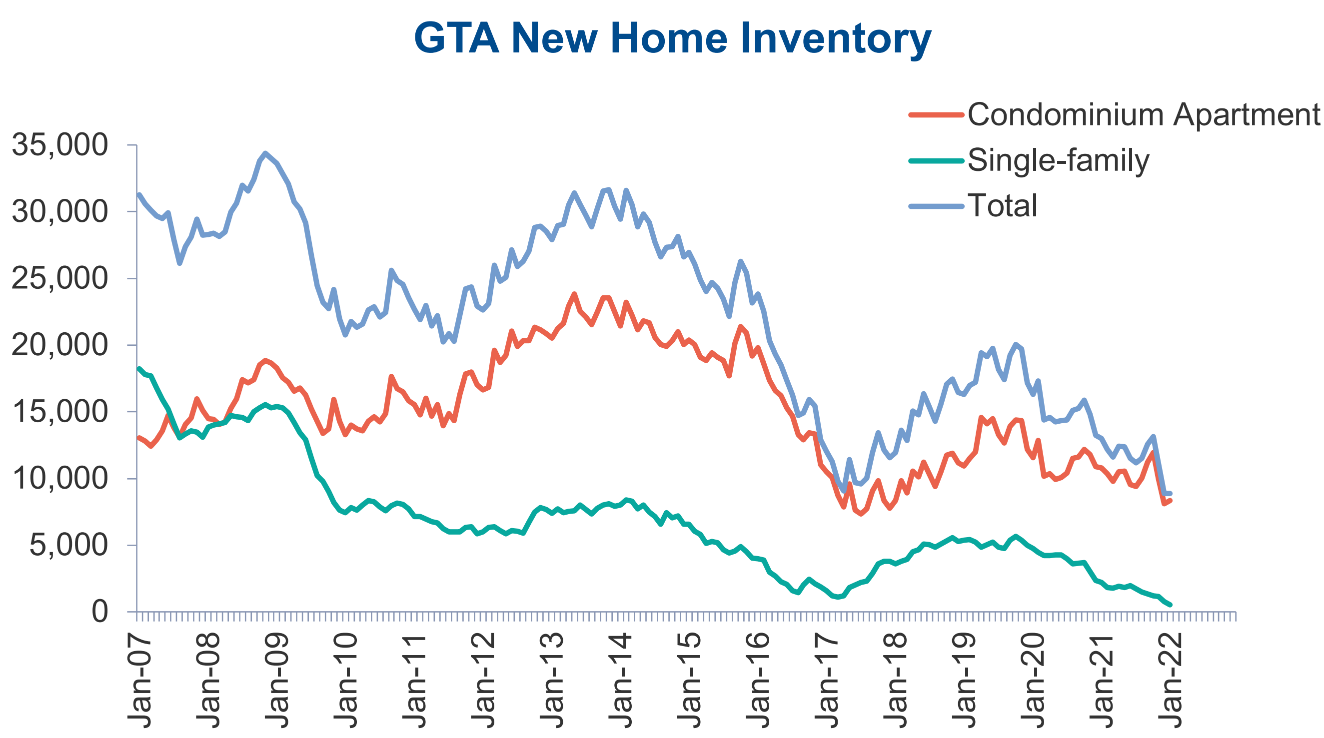




Source: Altus Group

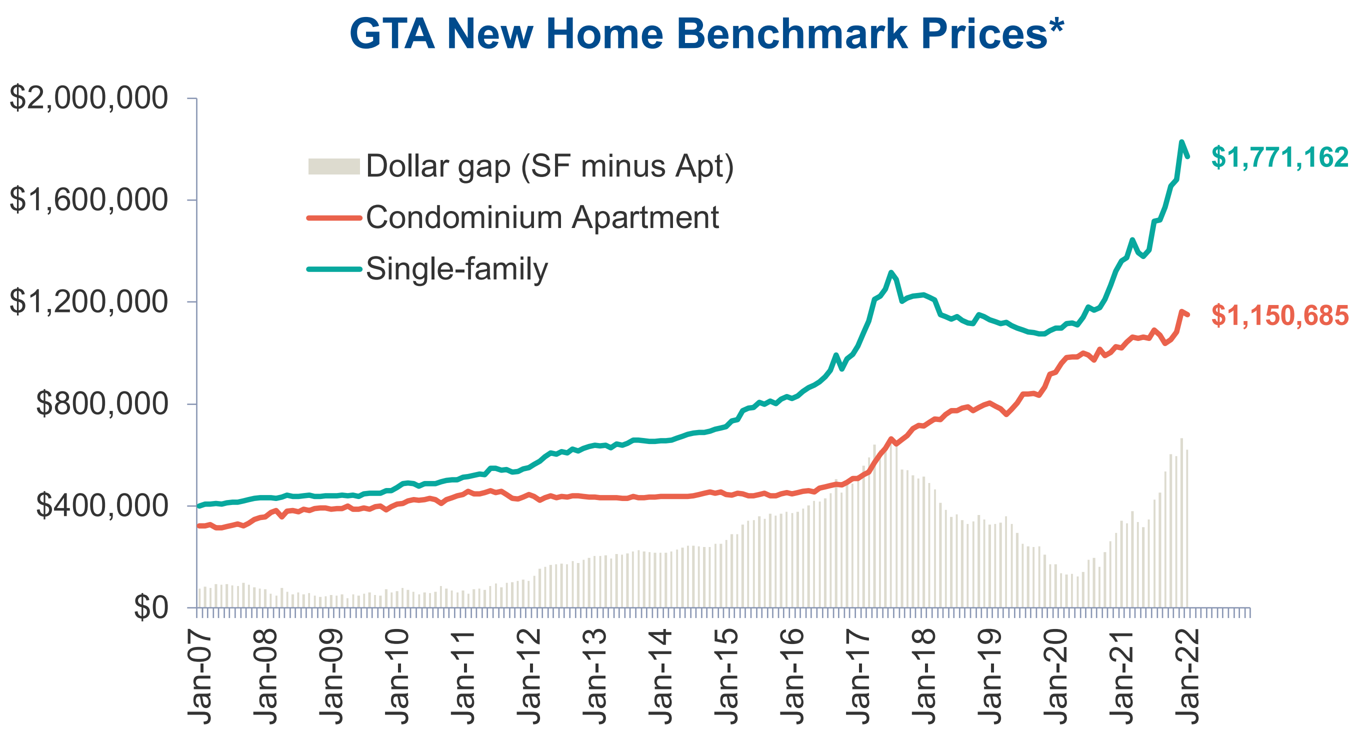
New Home Market - Inventory

- Total new home inventory in January stayed close to the record low set in in December 2021. **Both single-family and condo apartment inventory are much lower than during the beginning of the pandemic.**
- **Inventory also remains low in relative terms.** Based on average monthly total sales over the past 12 months, there was just over 2 months of available new supply of new homes at the end of January 2022 – this is a record low for January and compares to the long-term average for January of about 8 months.



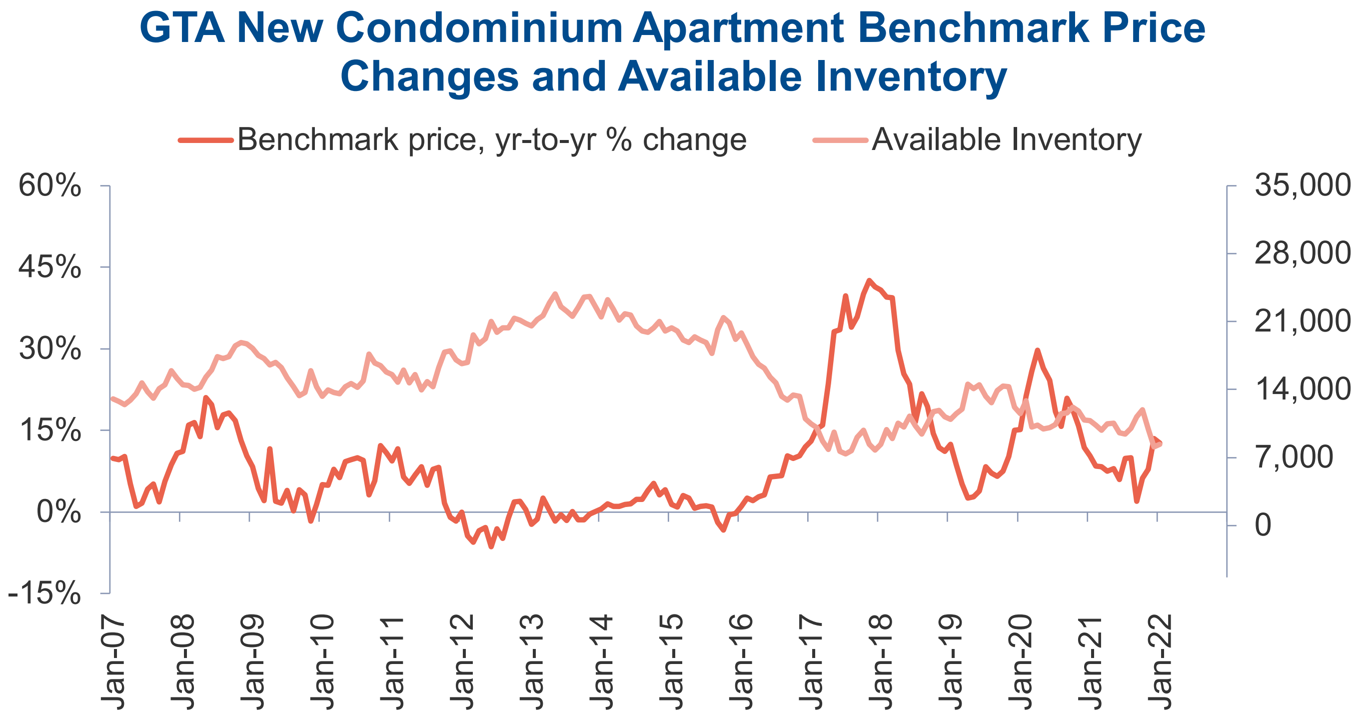
Source: Altus Group

- **The benchmark price for a new single-family home declined in January** for the first time since last May 2021. **The benchmark price for a new condo apartment slipped just below the record peak** set in December 2021.
- **The price advantage of available new condominium apartments compared to new single-family homes has grown again during the pandemic.** The benchmark price for a new single-family home has increased by 59% since March 2020 (a response to declining, and low, inventory, see charts next page), about 3.5 times the 17% increase for a new condo apartment.
- 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.

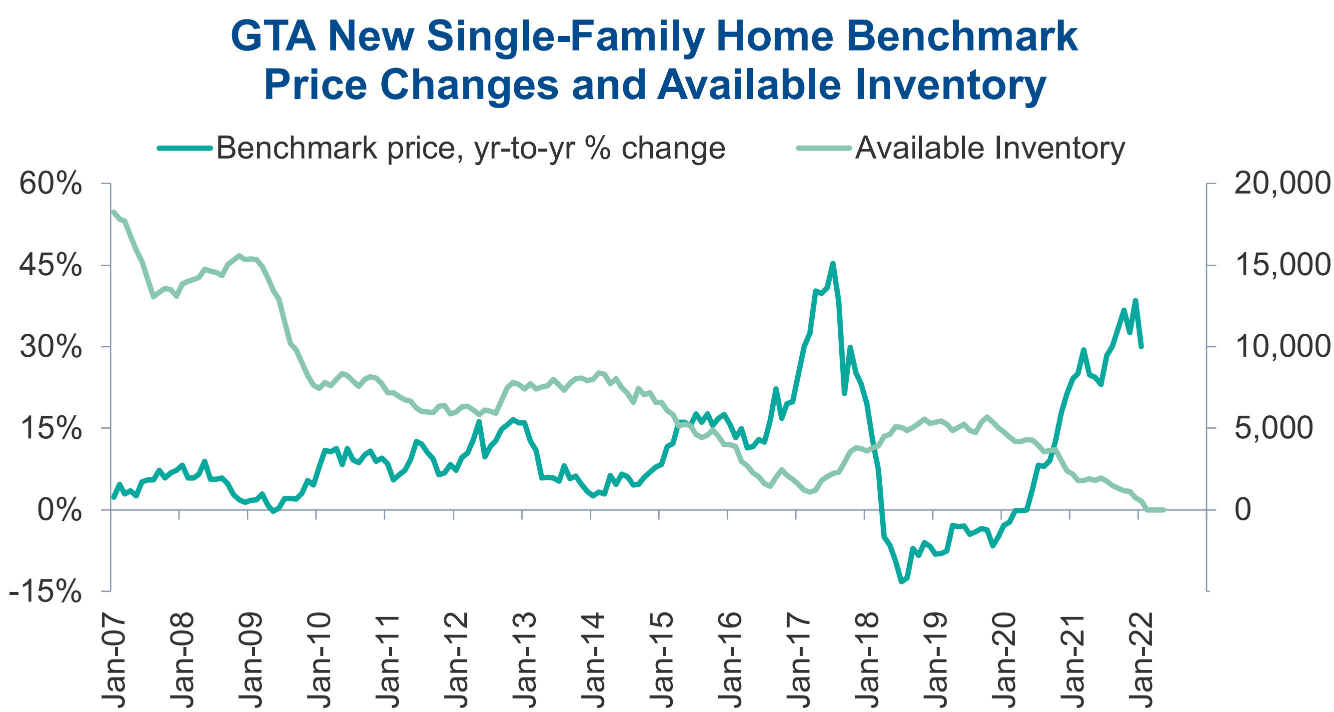


** Average asking price of available new home inventory at end of period with outliers removed*

Source: Altus Group

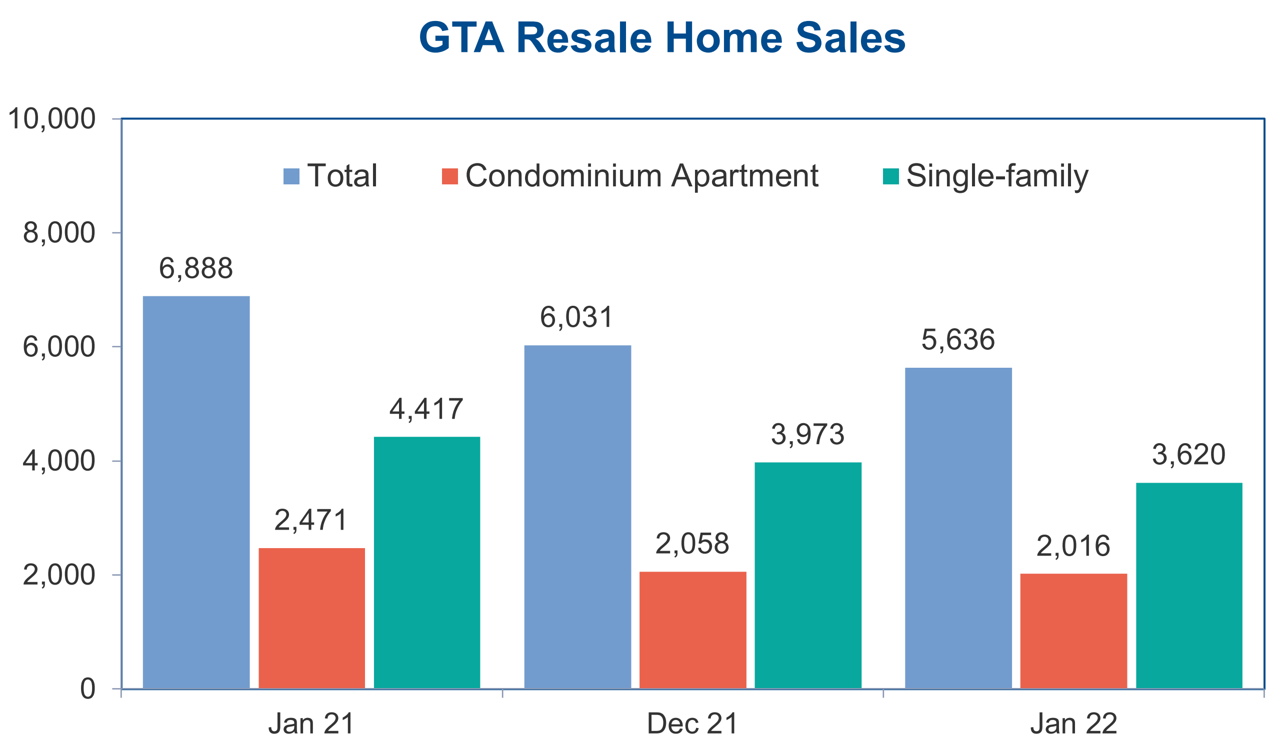


Source: Altus Group



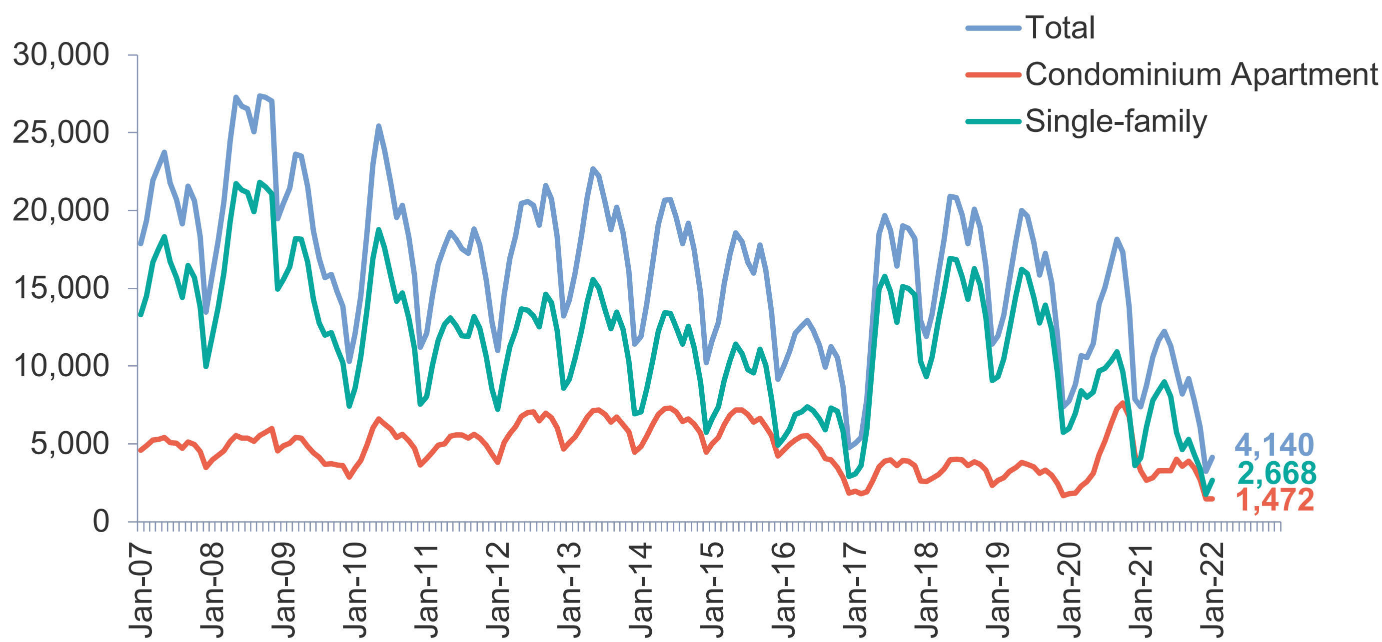
Source: Altus Group

- **Sales of existing homes** continued to ease in January, compared to December and January 2021 – and sit at their lowest level since the early days of the onset of the pandemic.
- **Similar to the new home market, lack of available resale product is driving prices generally higher** *(charts next page). T*he average sales price for an existing single-family home in January 2022 was 30% higher than a year earlier, compared to a 25% increase for condo apartments.



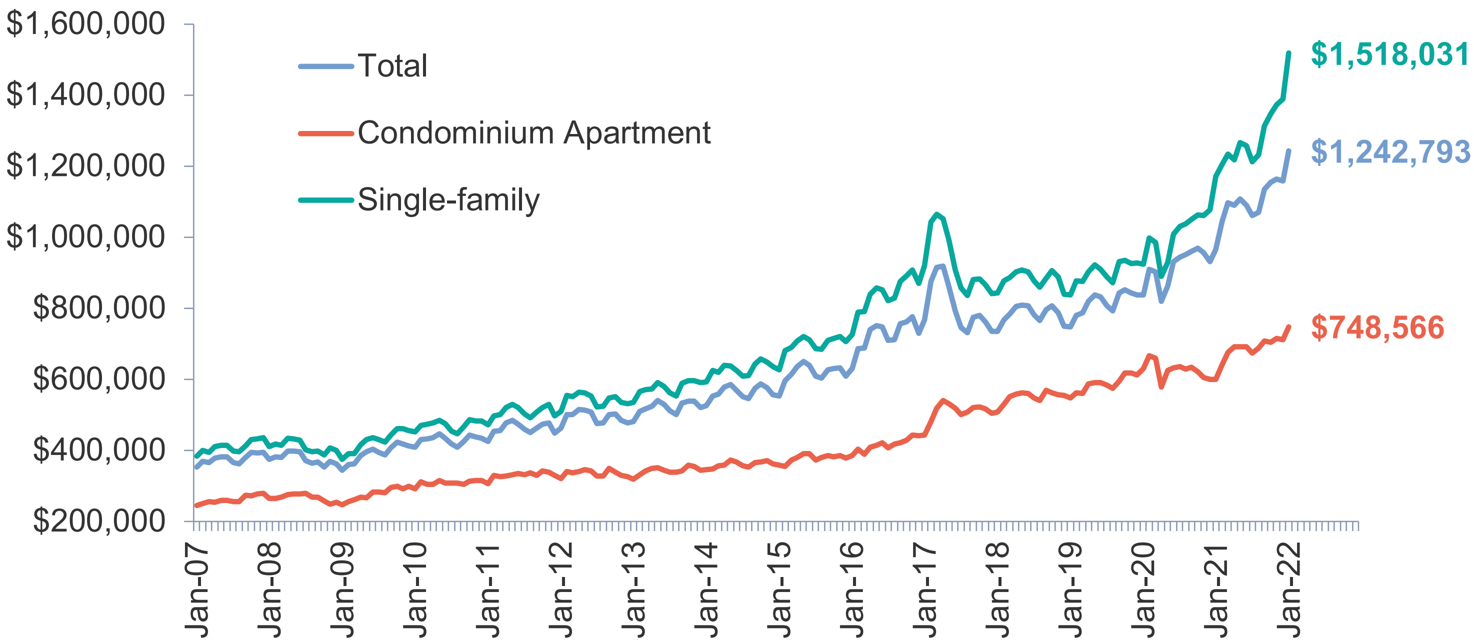
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

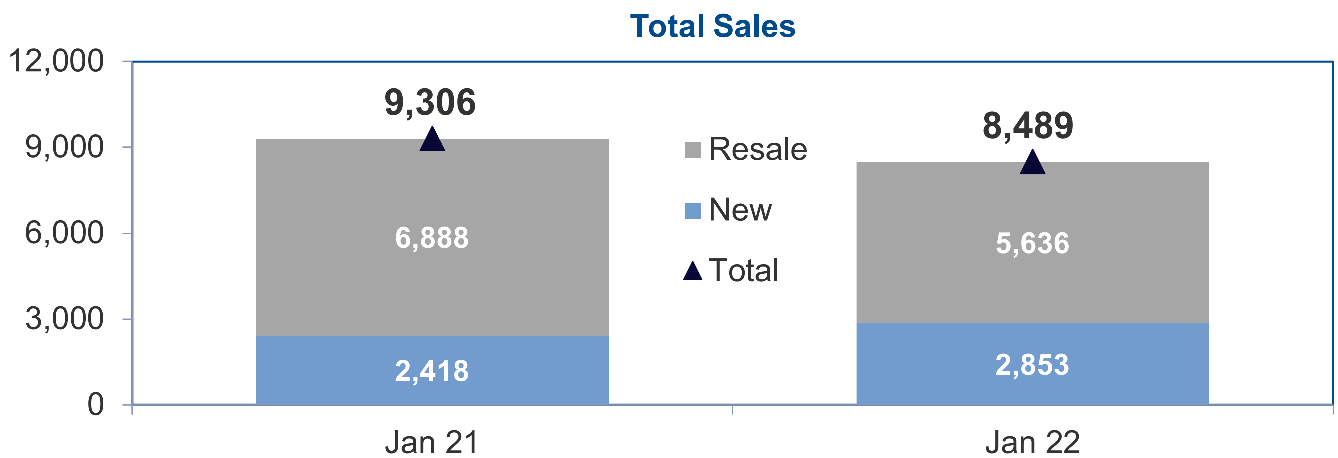
GTA Resale Home Prices

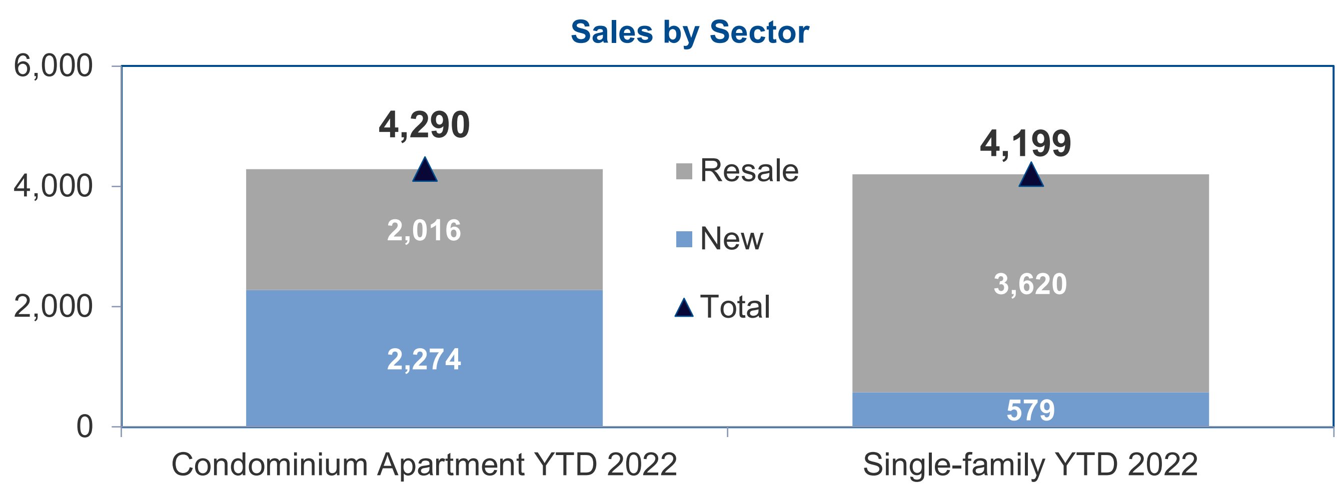


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Total home sales in the GTA in January 2022 were down 9% from a year earlier**. The decline was entirely among resale homes (both single-family and apartment were lower), as stronger new condo apartments boosted total new home sales above a year ago.
- **The new home sector accounted for just over 1 out of every 3 home sales in January 2022** – this compares to about 1 in 4 for 2021 as a whole. About 1 in 7 single-family and 1 in 2 condo apartment homes sold were new homes.

GTA Combined New & Resale Home Sales

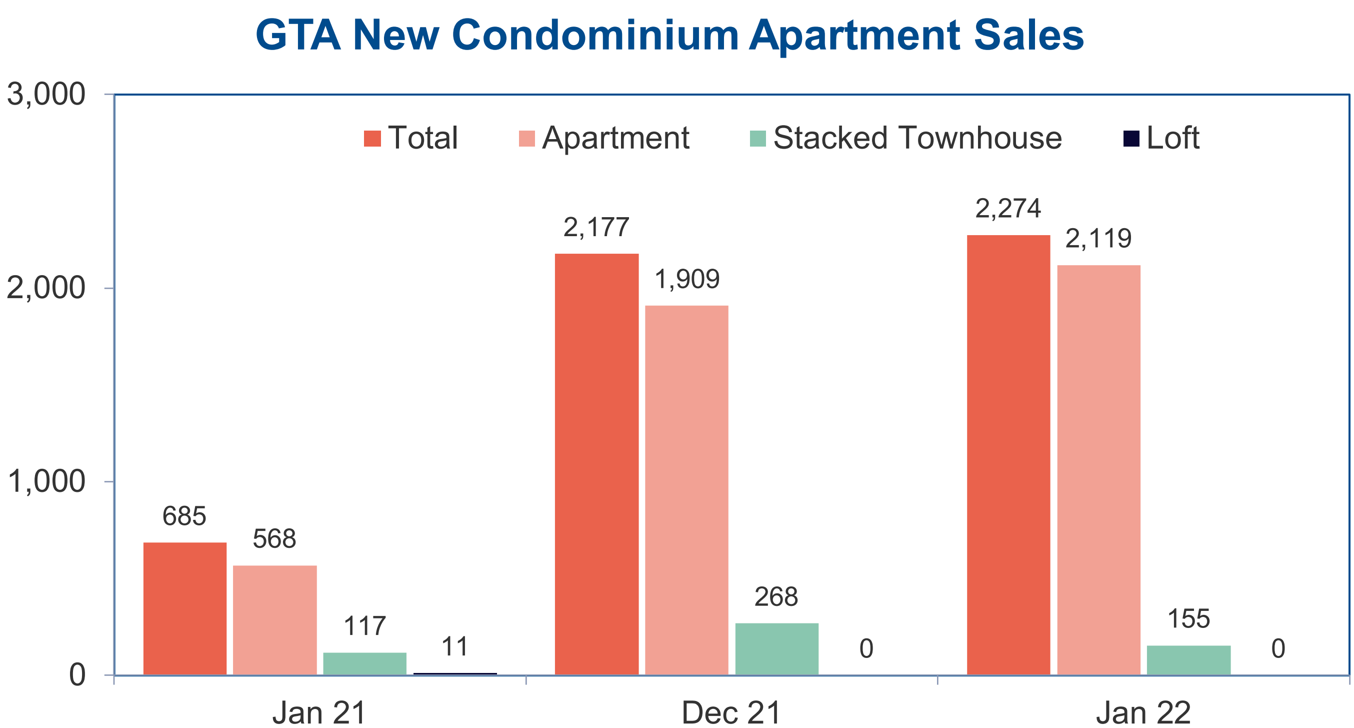




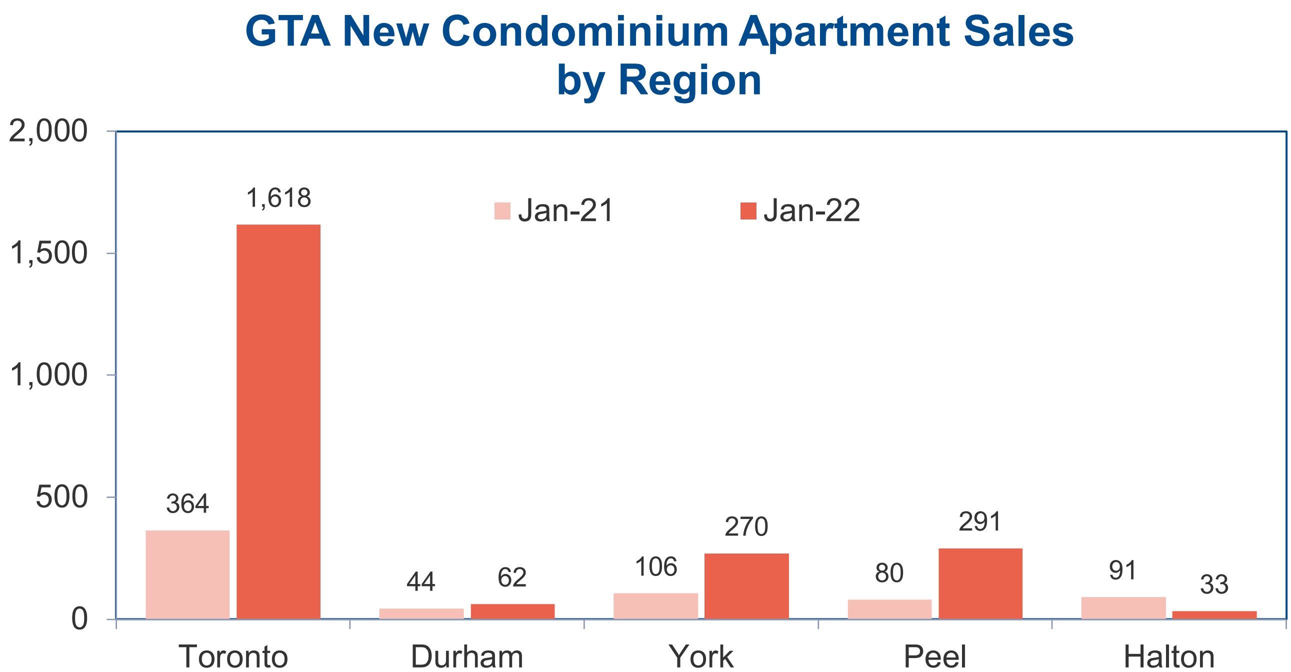
Source: Altus Group and Toronto Regional Real Estate Board data

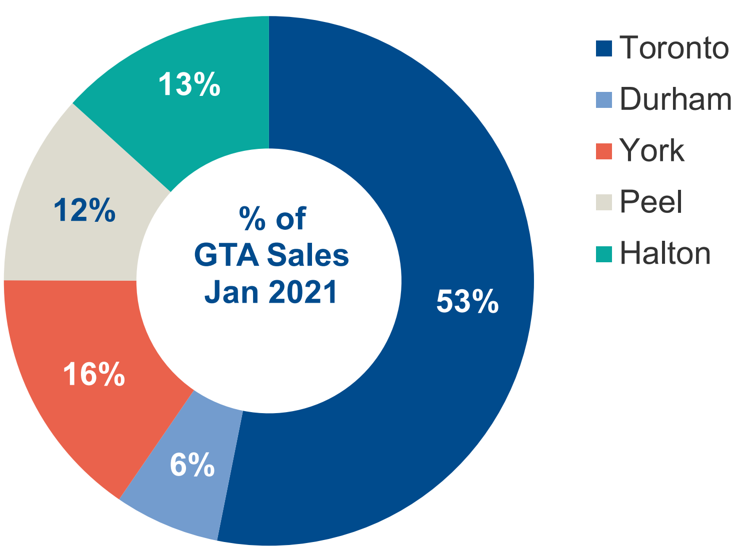
New Condominium Apartments - Sales

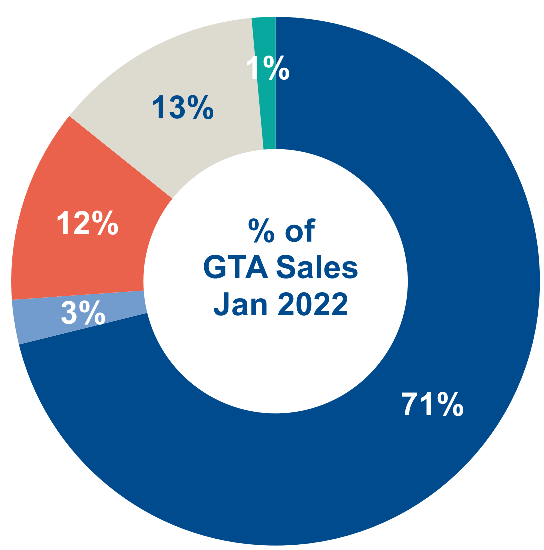
- **Total new condominium apartment sales in the GTA were the highest January on record**. The strength was largely due to buoyant activity in the City of Toronto *(charts next page*),
although York and Peel also had solid performances.
- **Stacked townhouses**, which set a new annual record for sales in 2021, had their strongest January yet.



Source: Altus Group



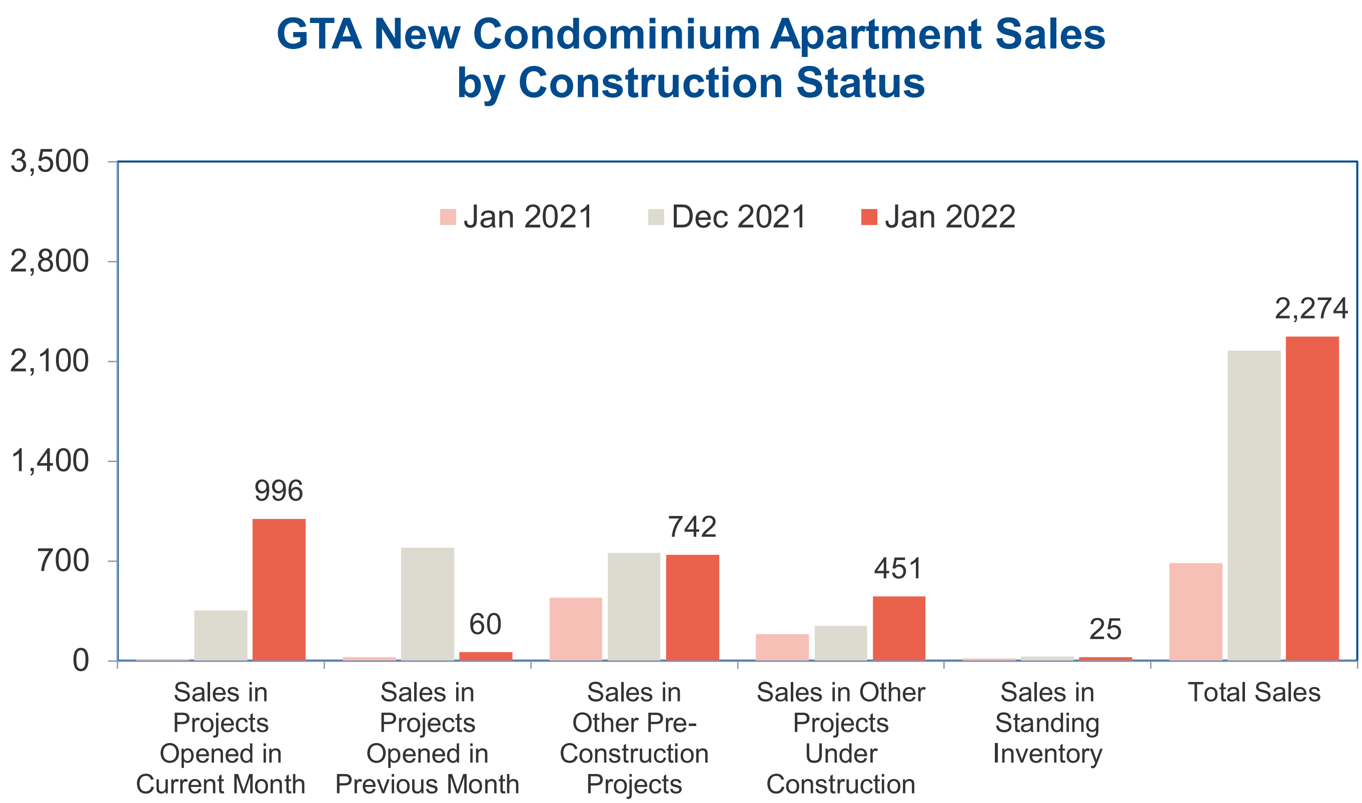




Source: Altus Group

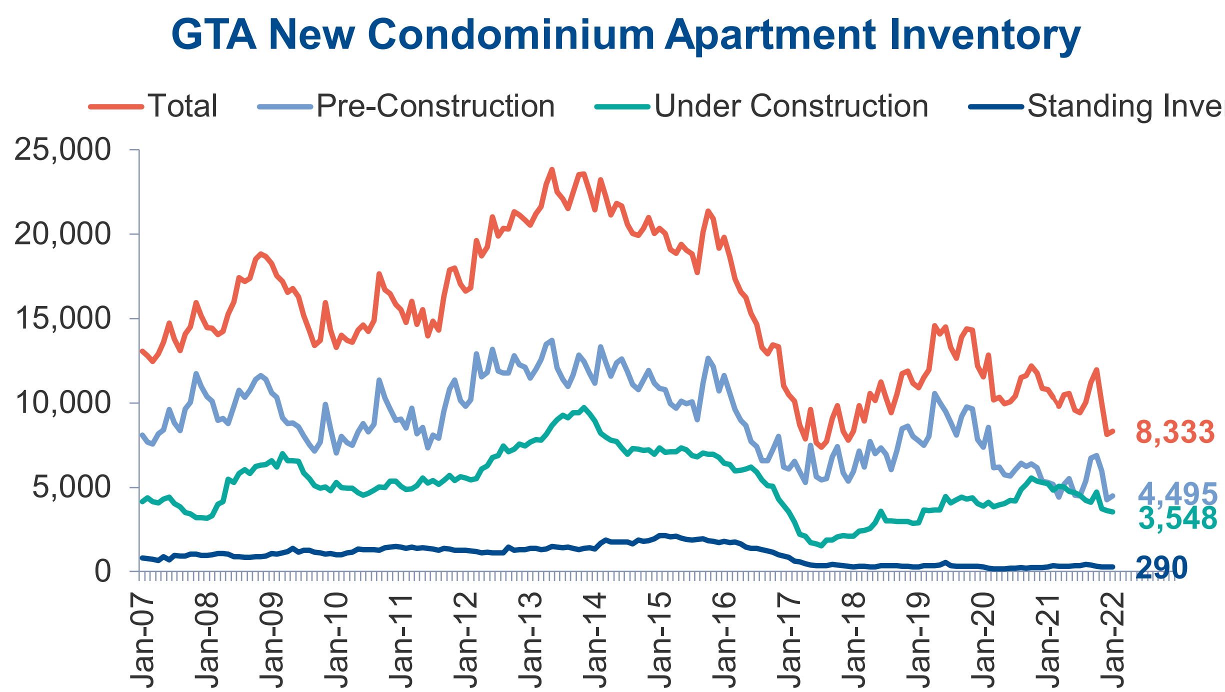
New Condominium Apartments - Sales

- **New projects continue to boost sales levels.** Just under half of new condo apartment sales in January 2022 were in new projects opened during the month – this is despite the fact that 5 of the 9 new projects launched during the last 10 days of the month, and therefore had no firm sales recorded.
- There were only 2 projects launched in the previous month (December 2021) and had recorded good sales on opening, so there was little inventory left to contribute to January sales. **Over half of sales were in other pre-construction projects and projects under construction.**
- **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

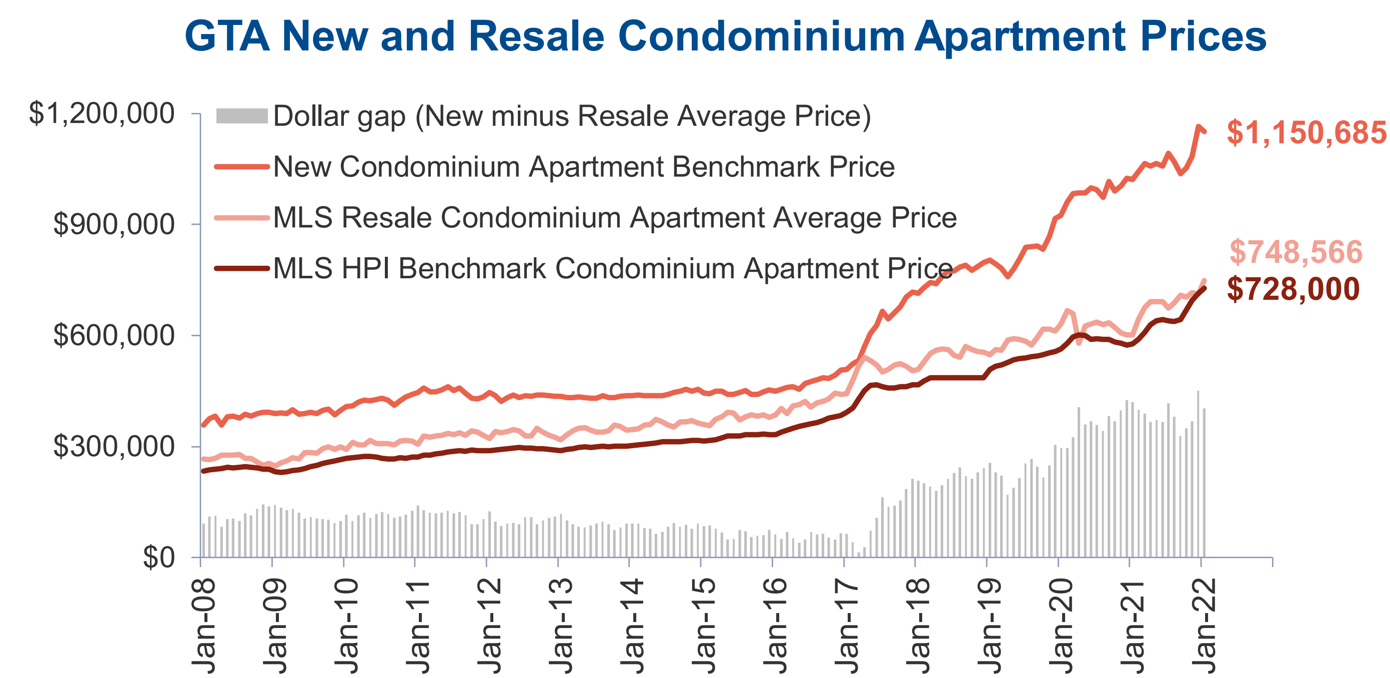
- **The inventory of available new condo apartments remained tight in January.** About half of the available units are in pre-construction projects with most of the remainder in under construction projects. There is very little standing inventory (i.e. units available for immediate occupancy).
- **Inventory is low not only in absolute terms, but also relative to recent demand patterns.** The current unsold inventory at new condominium apartment projects represents only about 3 months of supply at the average monthly pace of sales seen over the past 12 months, well below the longer-term average for January of about 9-10 months.

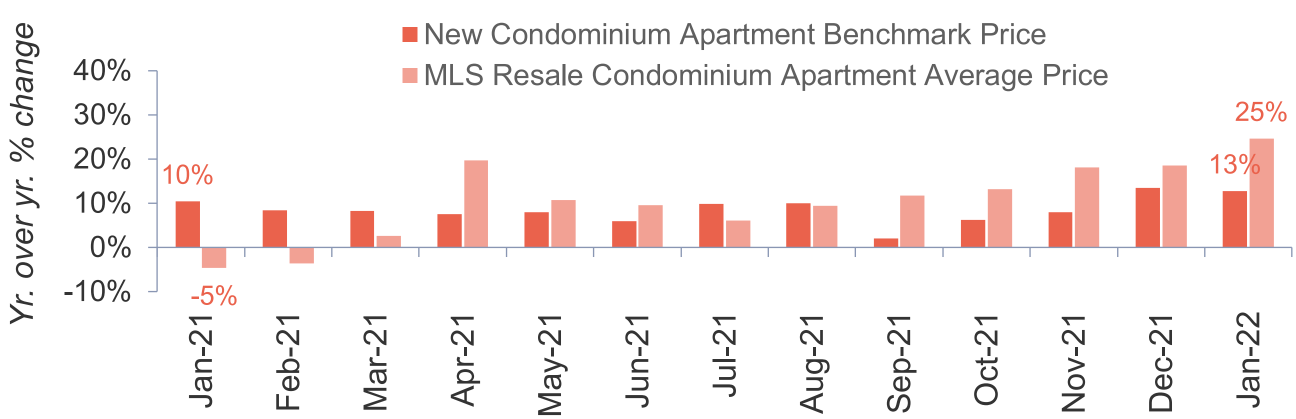


Source: Altus Group

New Condominium Apartments - Prices

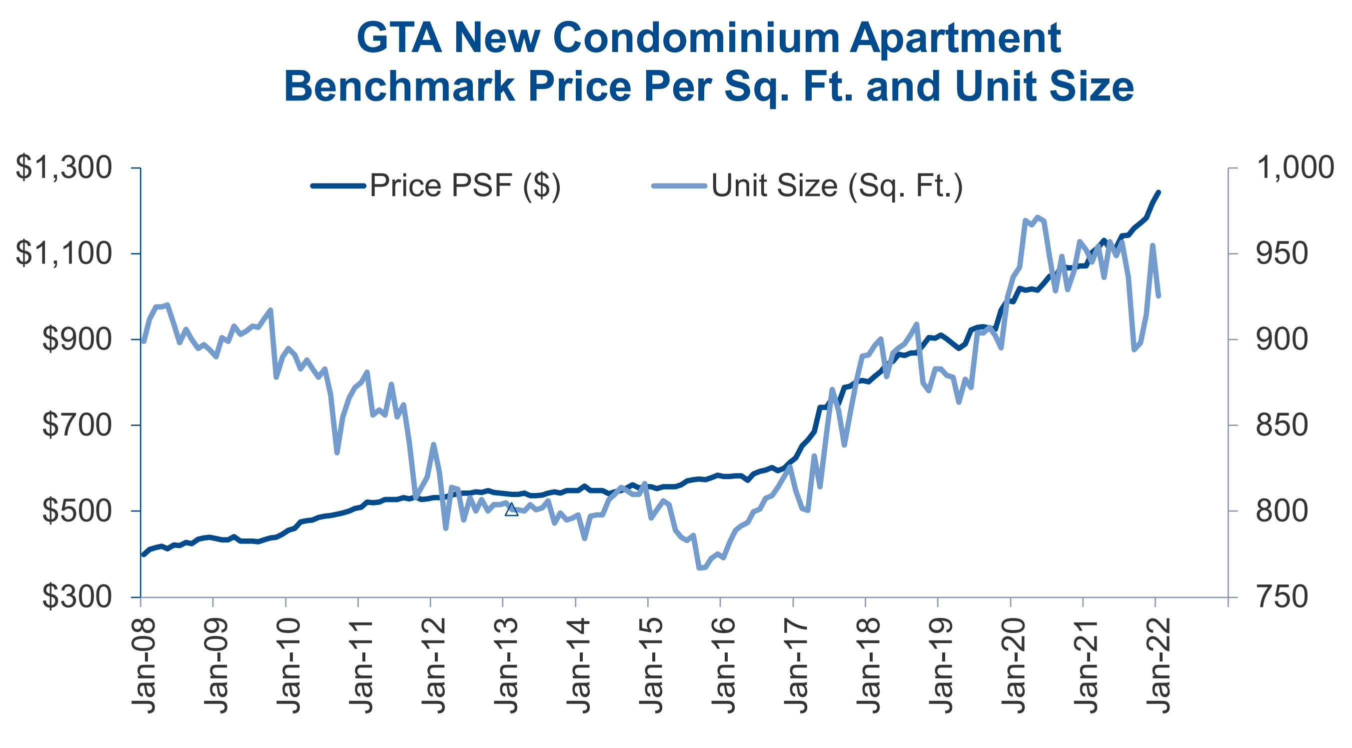
- **The benchmark price of a new condominium apartment** slipped slightly in January 2022 *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).*
- On a year-over-year basis, resale condo prices are up more than new condo prices. **Since the beginning of the pandemic, however, new condo apartment benchmark prices and average resale home prices have increased to a similar degree** (about 17% for new vs. 14% for resale).





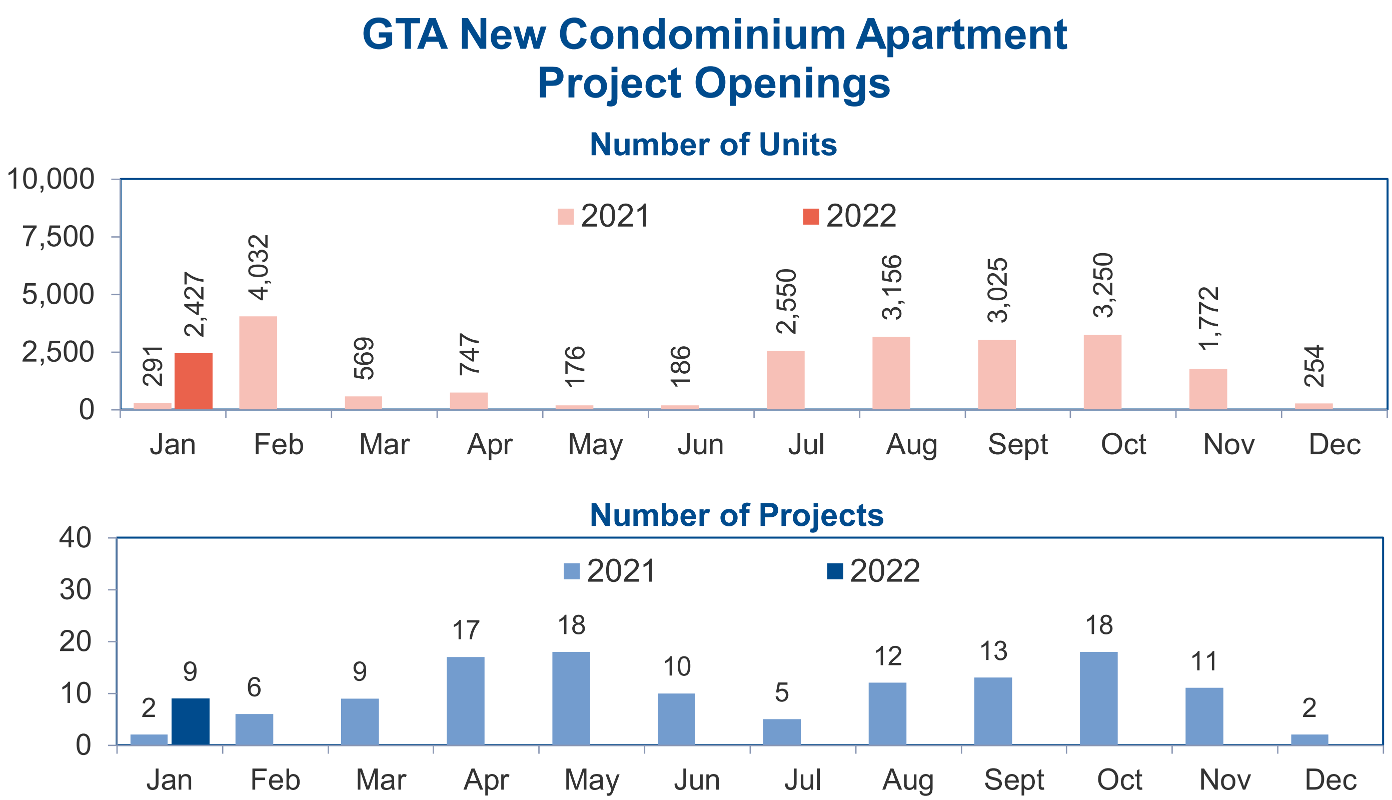
Source: Altus Group and Toronto Real Estate Board data

- **The dip in January 2022 in the overall benchmark price of a new condo apartment was due to a smaller average sizes among available inventory**, which more than offset some increase in the price per sq. ft.
- 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).



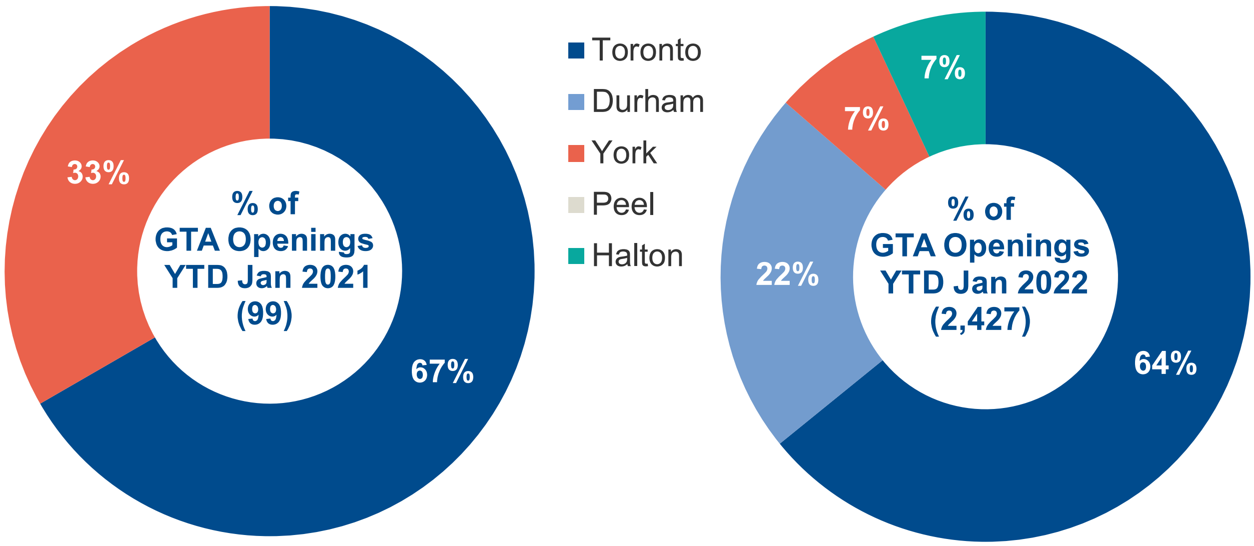
Source: Altus Group

- **There were 9 new project openings in January 2022, a record for the month.** The 2,400+ units in the newly launched projects was also a record.
- **New openings continued to do well.** For the 4 new projects that had firm sales about three-quarters of the units were sold by month end.
- **Six of the 9 projects launched were in the City of Toronto, accounting for two-thirds of the GTA total units** *(charts next page)*. Most of these were in the old City of Toronto.
- On the pages following the next page are maps showing the location of new projects launched in December 2021 and January 2022, 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 January openings*.



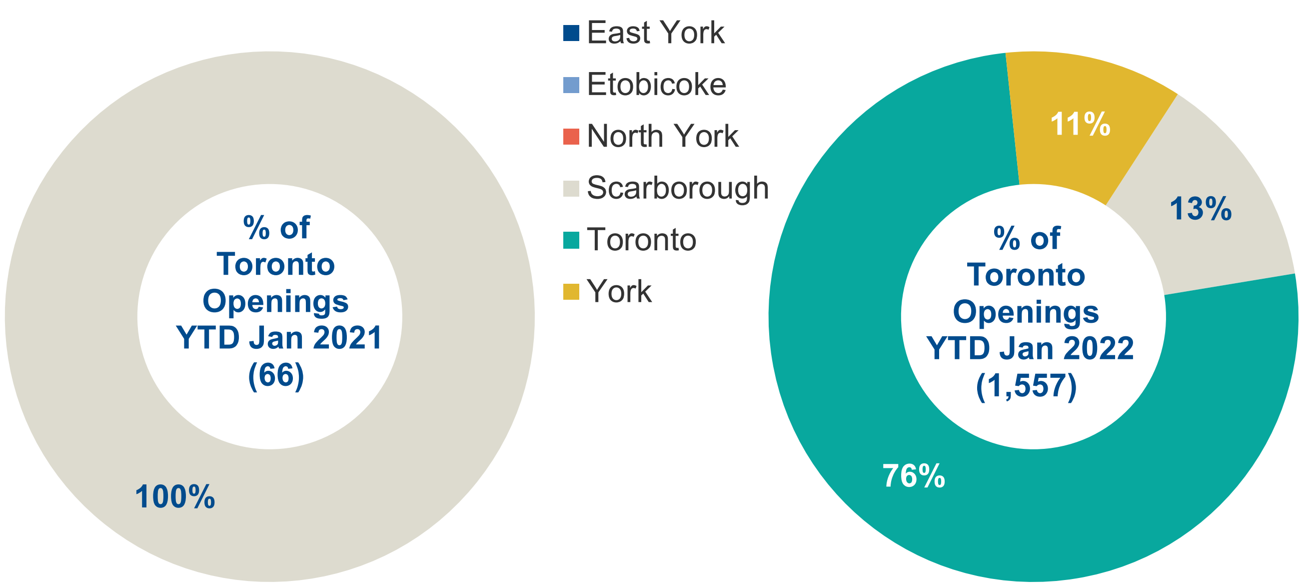
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



Source: Altus Group

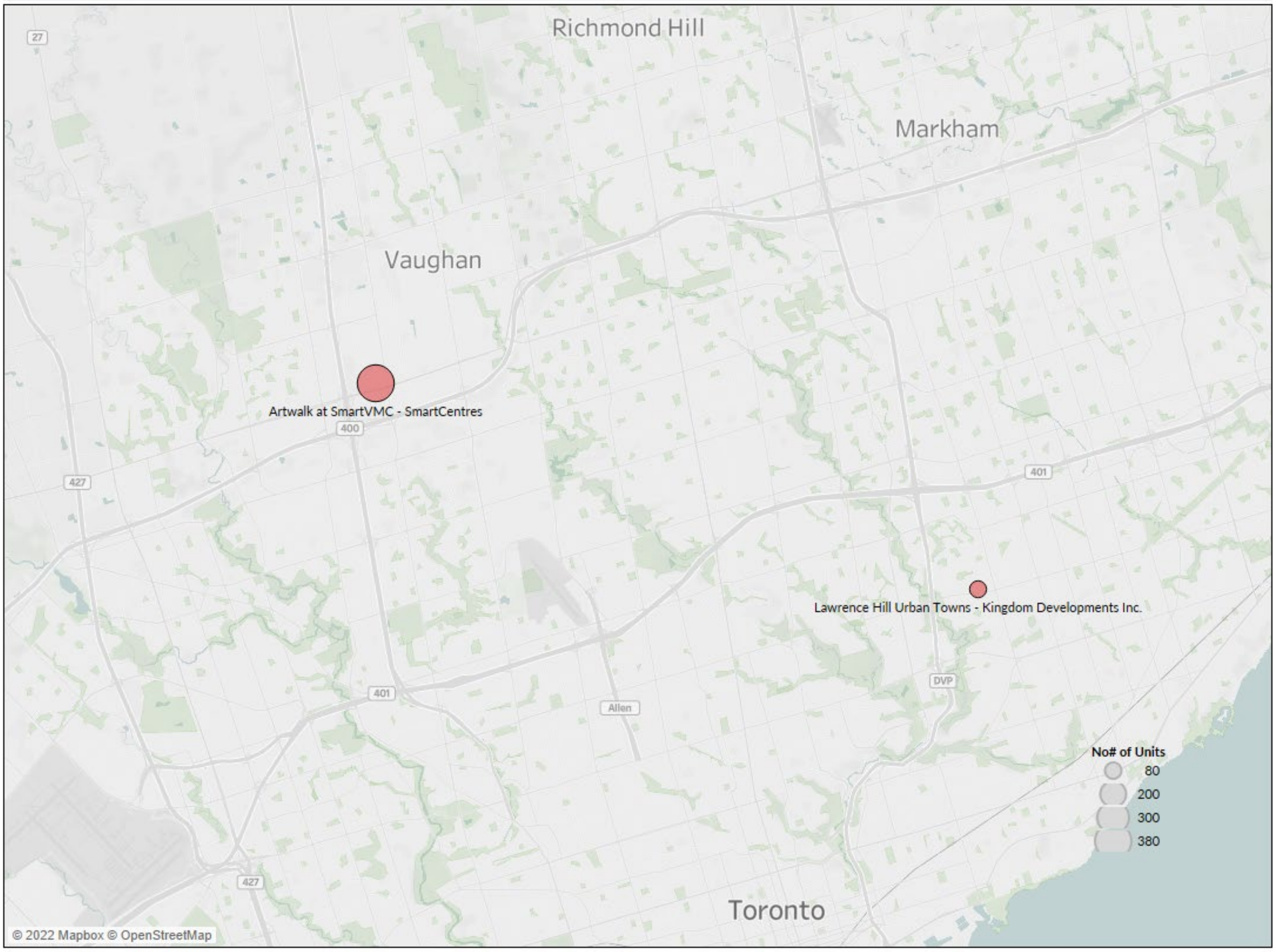
City of Toronto Condominium Apartment Units in New Openings by Former Municipality



Source: Altus Group

New Condominium Apartments - Openings

December-2021 New Project Launches by Number of Units



Source: Altus Group

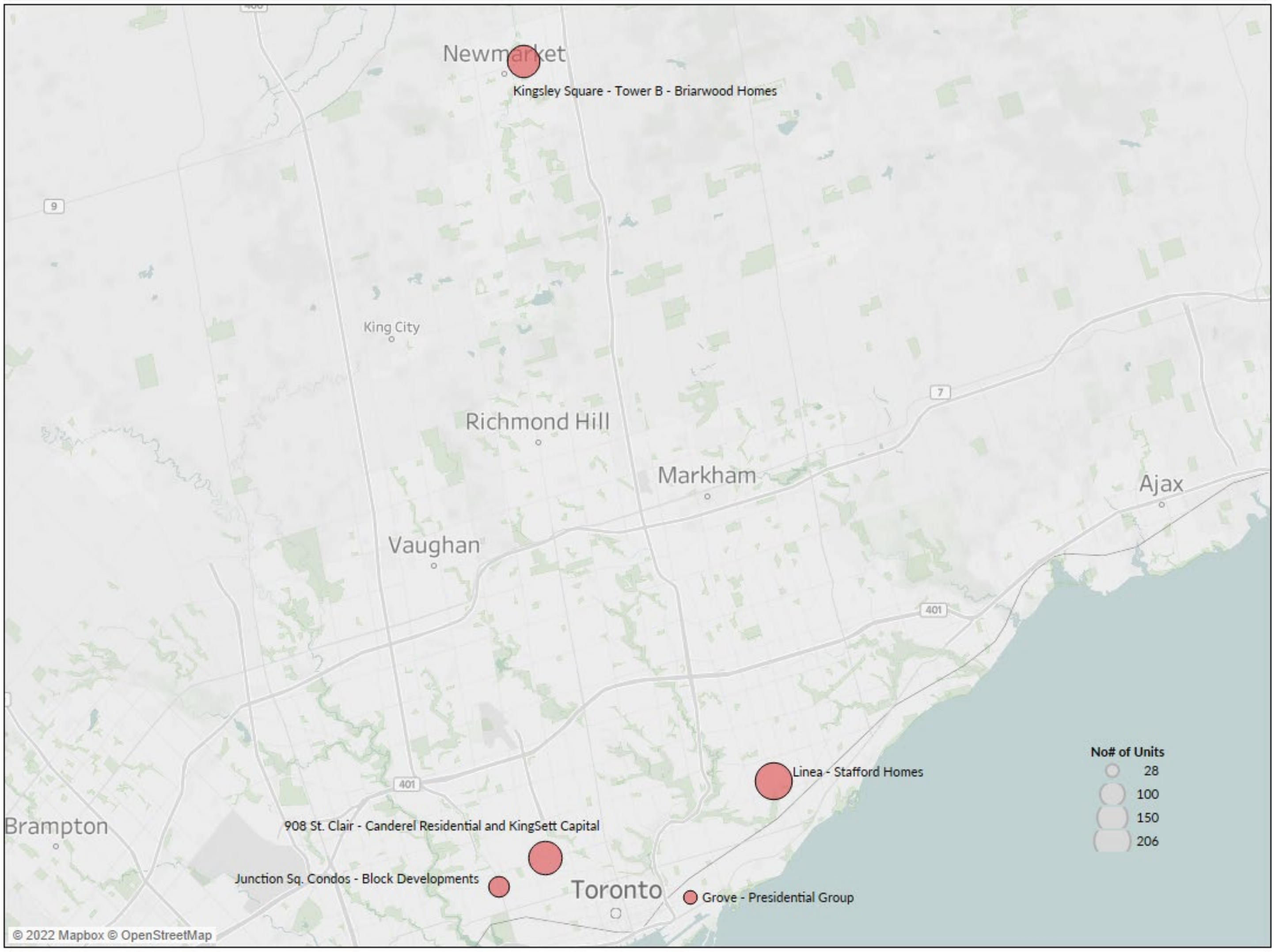
New Condominium Apartments - Openings

AltusGroup

New Condominium Apartment Project Openings - December 2021		
Project Name	**Artwalk at SmartVMC**	**Lawrence Hill Urban Towns**
Developer	SmartCentres	Kingdom Developments Inc.
Date Opened	December 3, 2021	December 10, 2021
Municipality	Vaughan	North York
Region	York	Toronto
Structural Type	3	10
Floors	38	4
Project Total Units	**380**	**224**
Total Units Released	**380**	**80**
Studio	-	-
1 Bedroom	114	-
1 Bedroom + den	38	-
2 Bedroom	76	40
2 Bedroom + den	152	-
3 Bedroom & up	-	40
Penthouse	-	-
Townhouse	-	-
Other	-	-
Opening Month Sales	**303**	**48**
Next Month Sales	**38**	**22**
% Sold (of released units)	90%	88%
Remaining Available Inventory	39	10
Original $PSF	$1,150	$1,112
Minimum Size (sq. ft.)	508	781
Maximum Size (sq. ft.)	892	1,141
Minimum Price	$620,000	$929,900
Maximum Price	$980,000	$1,203,900
Notes		

Source: Altus Group

January-2022 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

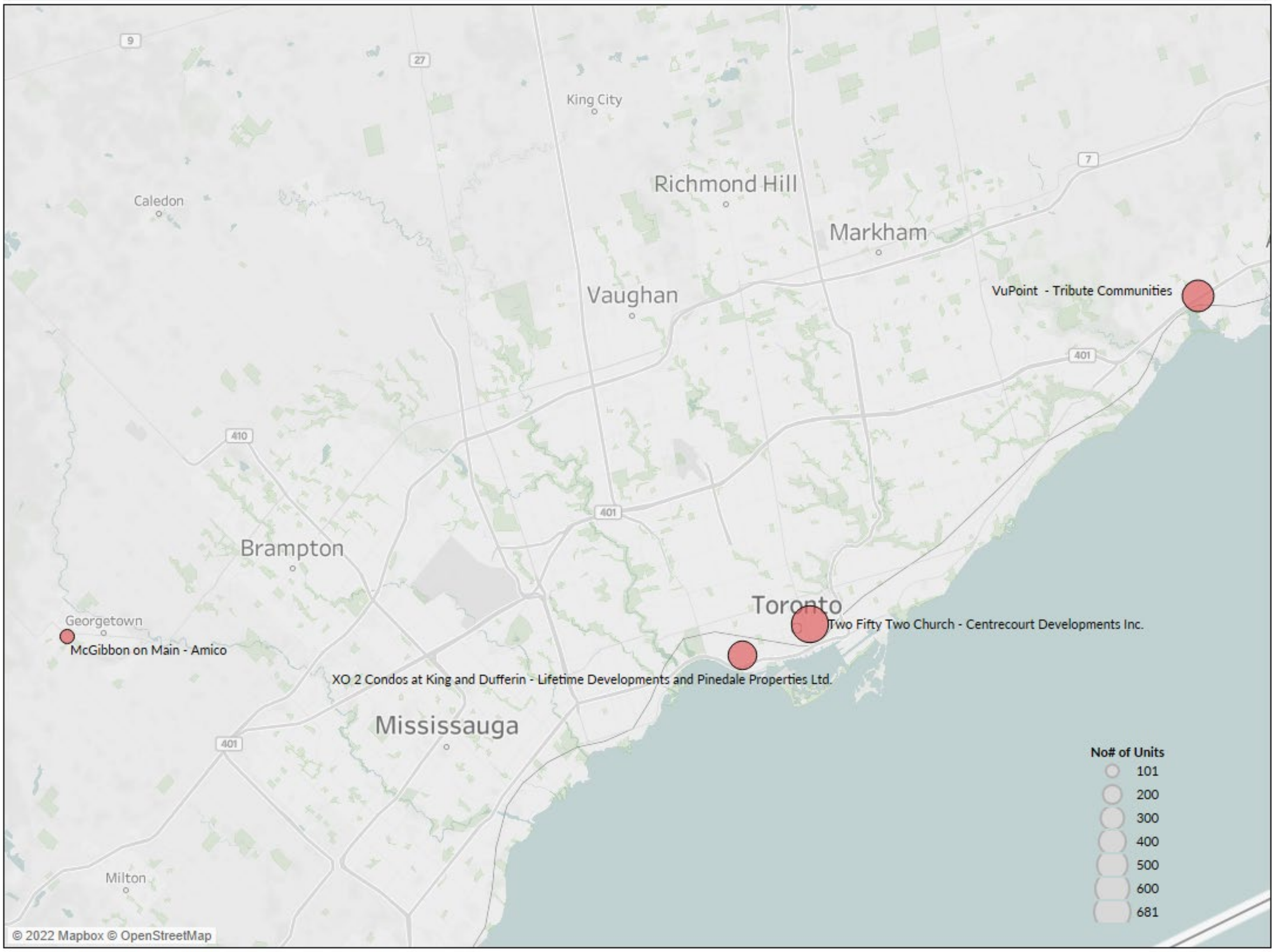
Note: due to the large number of openings in January, project maps and details each have 2 pages.

New Condominium Apartments - Openings

New Condominium Apartment Project Openings - January 2022 (1 of 2)					
Project Name	**908 St. Clair**	**Grove**	**Junction Sq. Condos**	**Kingsley Square - Tower B**	**Linea**
Developer	Canderel Residential and KingSett Capital	Presidential Group	Block Developments	Briarwood Homes	Stafford Homes
Date Opened	January 29, 2022	January 15, 2022	January 31, 2022	January 29, 2022	January 15, 2022
Municipality	York	Old Toronto	Old Toronto	Newmarket	Scarborough
Region	Toronto	Toronto	Toronto	York	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	12	6	5	15	9
Project Total Units	**169**	**28**	**65**	**161**	**206**
Total Units Released	**169**	**28**	**65**	**158**	**206**
Studio	3	-	7	-	11
1 Bedroom	31	4	33	80	39
1 Bedroom + den	44	12	-	38	104
2 Bedroom	63	6	18	30	31
2 Bedroom + den	11	6	-	10	-
3 Bedroom & up	17	-	7	-	17
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	4
Other	-	-	-	-	-
Opening Month Sales	**0**	**16**	**0**	**0**	**119**
% Sold (of released units)	0%	57%	0%	0%	58%
Remaining Available Inventory	169	12	65	158	87
Original $PSF	$1,396	$1,292	$1,110	$1,041	$1,076
Minimum Size (sq. ft.)	390	601	402	480	401
Maximum Size (sq. ft.)	1,064	1,477	1,292	923	1,196
Minimum Price	$602,900	$765,000	$650,000	$555,760	$479,990
Maximum Price	$1,624,900	$1,993,800	$1,200,000	$919,500	$1,299,990
Notes	No firm sales as all deals subject to the 10-day conditional period.		No firm sales as all deals subject to the 10-day conditional period.	No firm sales as all deals subject to the 10-day conditional period.	

Source: Altus Group

January-2022 New Project Launches by Number of Units



Source: Altus Group

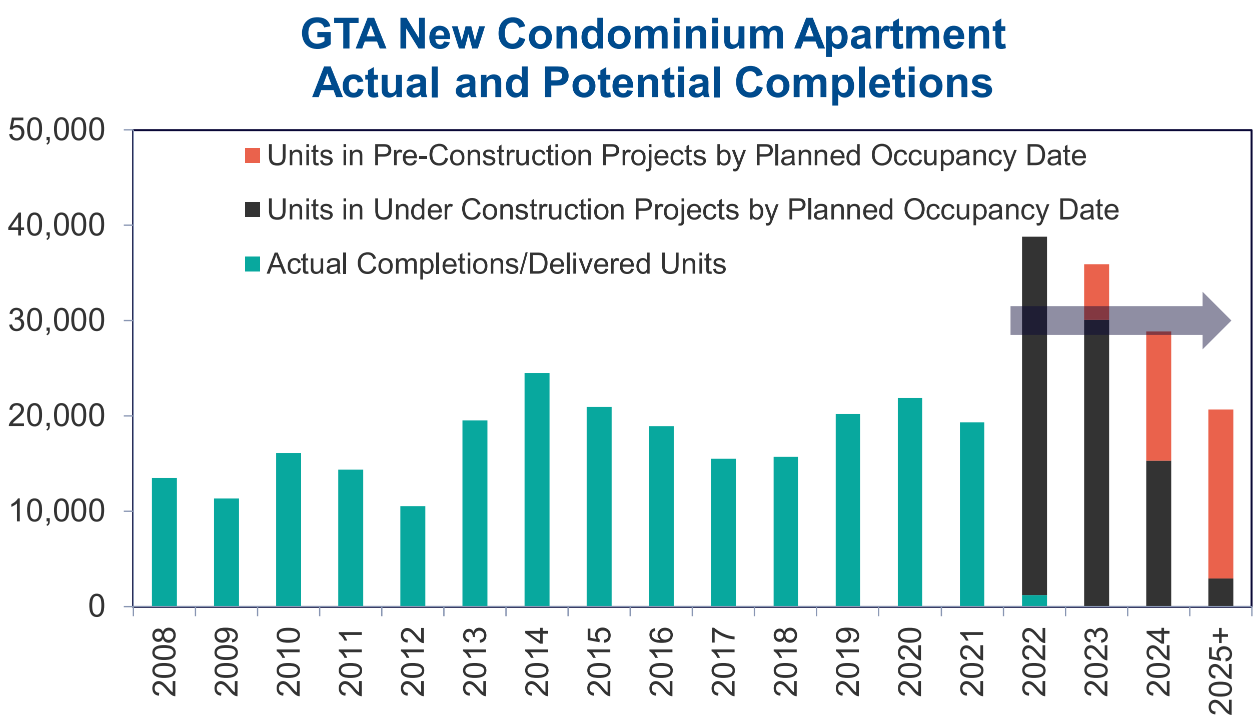
Map 2 of 2

New Condominium Apartment Project Openings - January 2022 (2 of 2)

Project Name	**McGibbon on Main**	**Two Fifty Two Church**	**VuPoint**	**XO 2 Condos at King and Dufferin**
Developer	Amico	Developments Inc.	Tribute Communities	Developments and Pinedale
Date Opened	January 26, 2022	January 20, 2022	January 22, 2022	January 20, 2022
Municipality	Halton Hills	Old Toronto	Pickering	Old Toronto
Region	Halton	Toronto	Durham	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	11	52	46	19
Project Total Units	**169**	**681**	**540**	**408**
Total Units Released	**101**	**681**	**498**	**408**
Studio	-	100	-	12
1 Bedroom	24	178	243	78
1 Bedroom + den	8	295	71	116
2 Bedroom	25	97	132	70
2 Bedroom + den	29	11	14	69
3 Bedroom & up	4	-	38	63
Penthouse	11	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**0**	**610**	**0**	**251**
% Sold (of released units)	0%	90%	0%	62%
Remaining Available Inventory	101	71	498	157
Original $PSF	$1,049	$1,524	$991	$1,332
Minimum Size (sq. ft.)	466	293	457	406
Maximum Size (sq. ft.)	1,860	721	859	1,045
Minimum Price	$531,990	$542,000	$495,000	$573,900
Maximum Price	$1,787,990	$997,000	$845,000	$1,334,900
Notes	No firm sales as all deals subject to the 10-day conditional period.		No firm sales as all deals subject to the 10-day conditional period.	

Source: Altus Group

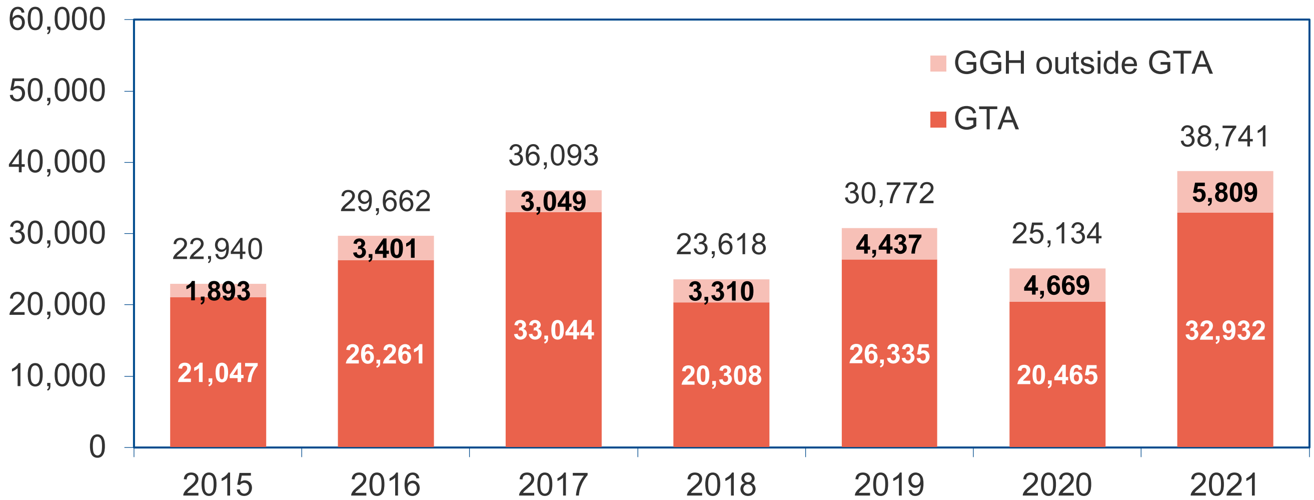
- As of the end of January 2022, there were about 123,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were 1,200 units delivered in January 2022** – the lowest January since 2018.
- Based on planned occupancy dates, and only considering units currently under construction, one might expect that annual completions of condominium apartment units will be higher 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**, although this should reverse somewhat as the year progresses/measures are eased (provided no new serious variants emerge).



Source: Altus Group

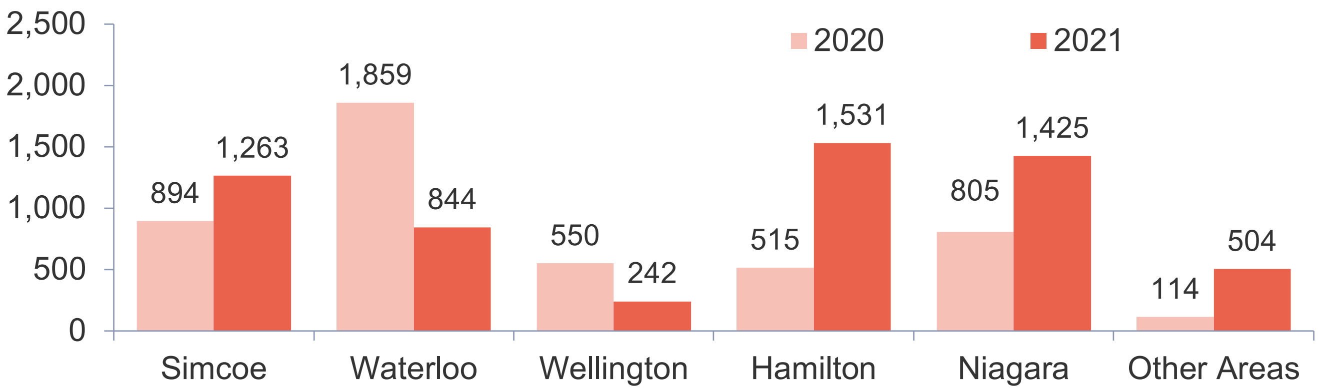
- Altus Group also tracks new condominium apartment sales (as well as new single-family sales) in most areas of the Greater Golden Horseshoe (GGH) outside of the GTA.
- Like the GTA, **new condominium apartment sales were up in 2021 in other areas of the GGH** covered by Altus Group, by a combined 24% (compared to the GTA increase of 61%).
- **Increases south and north of the GTA (**in Hamilton, Niagara and Simcoe) **more than offset some decline west of the GTA** (in Waterloo and Wellington).

GGH New Condominium Apartment Sales by Broad Area



Source: Altus Group

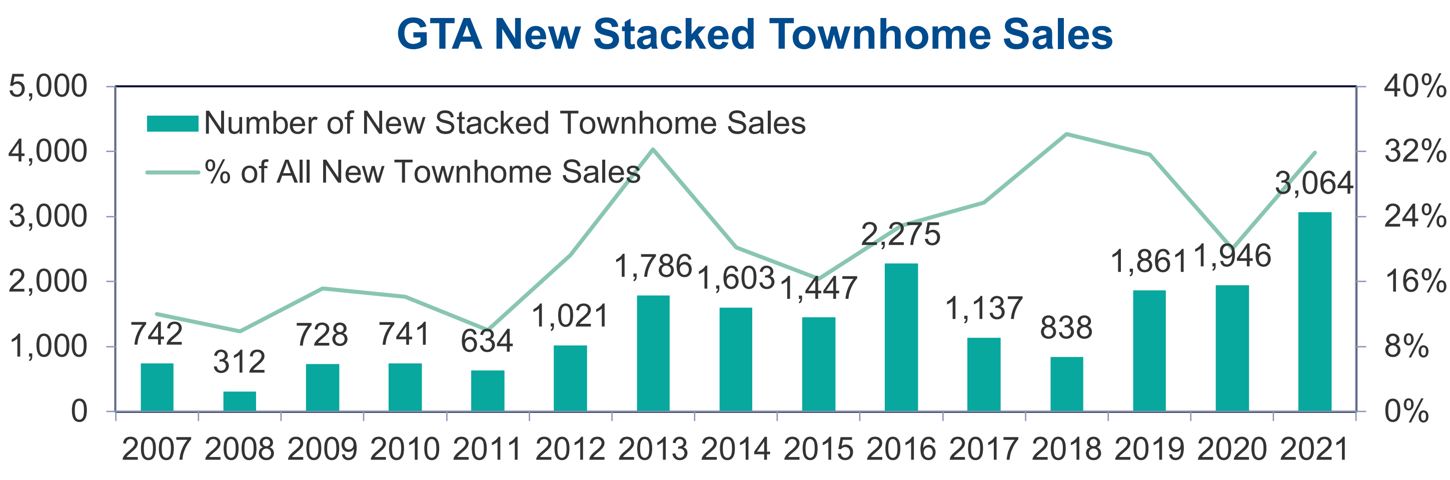
GGH Outside GTA New Condominium Apartment Sales by Region/County



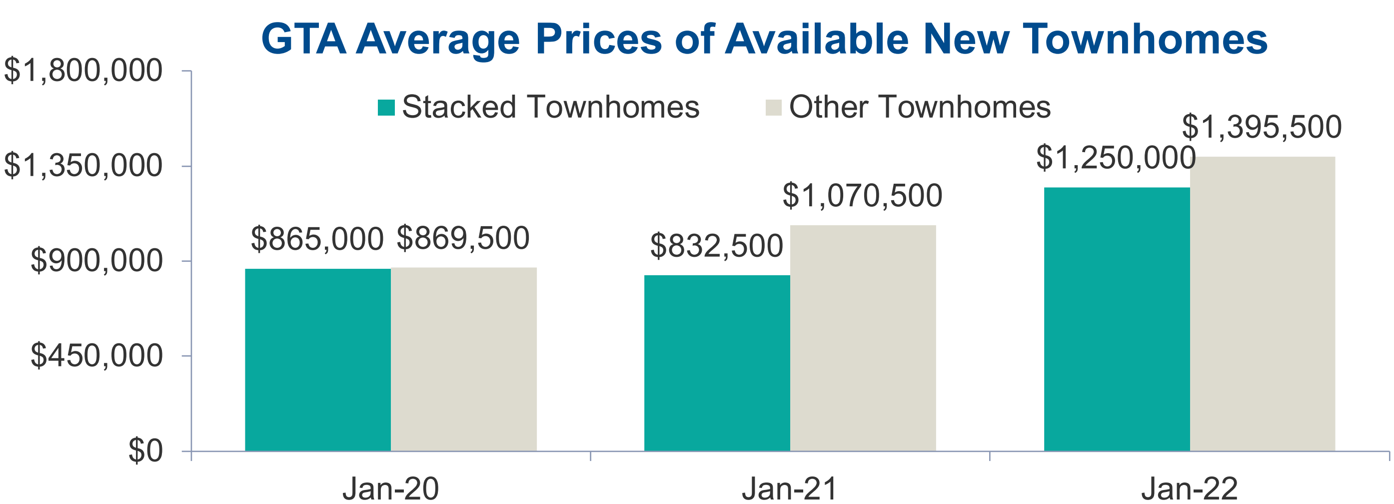
Source: Altus Group

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 set a new record in 2021**. At the same time, sales of new traditional townhomes were down from 2020, such **that the share of total townhome sales accounted for by stacked townhomes picked up** to about 1 in 3 (from 1 in 5 in 2020).
- **The lower average price point of new stacked townhomes vs. traditional townhomes is providing an attractive alternative for many buyers seeking more space than a typical new condo apartment.**

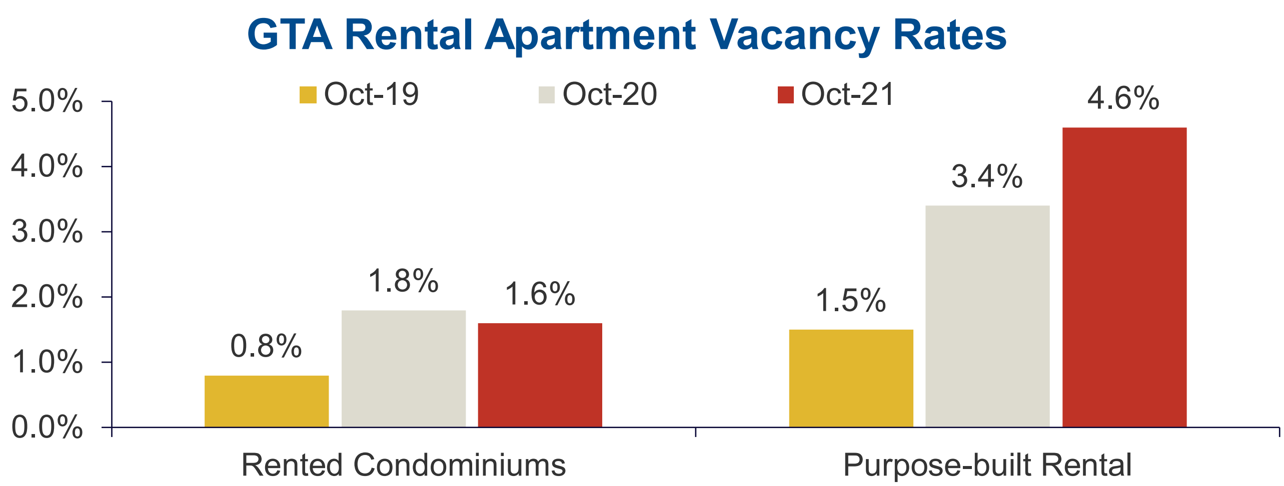


Source: Altus Group

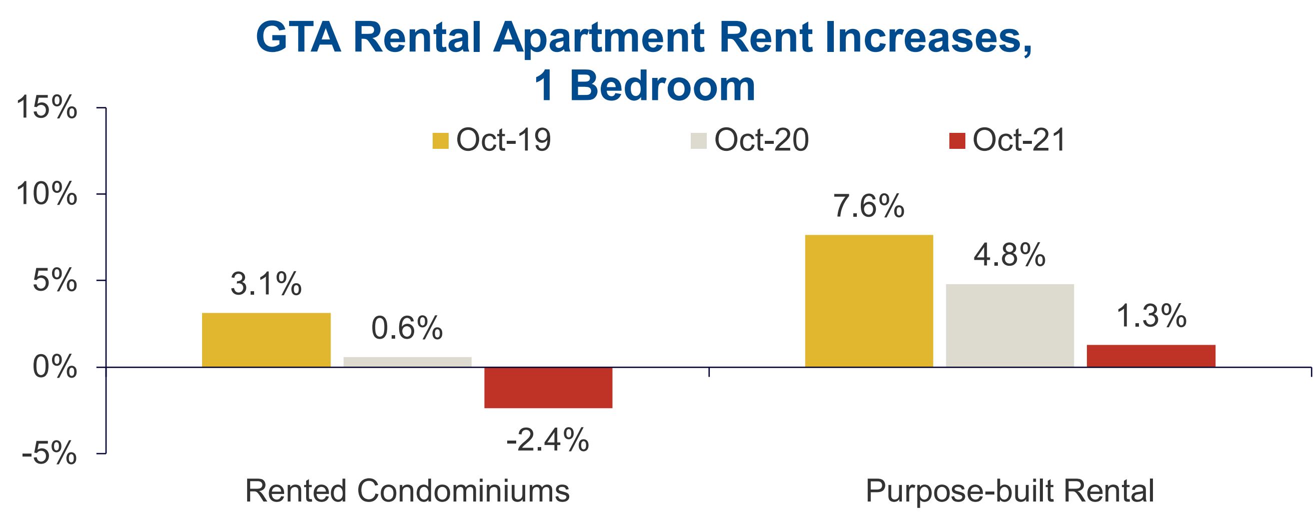


Source: Altus Group

- **CMHC data confirms that the rental market in the GTA took a large pandemic-induced hit in 2021.** The 2021 CMHC Rental Market Report results, released in January 2022, show that **the overall vacancy rate for rented condominium units in the GTA market nudged down to 1.6% in October 2021**. The overall vacancy rate continued to rise for purpose-built rental.
- **Condo investors may have been willing to take lower rents to lease up their units.** The CMHC results shows a decline in rents for 1 bedroom condo units, while rents for purpose-built 1 bedroom posted a modest increase on average.
- The CMHC data also show that **just over one-third of the total condominium apartment stock in the GTA was in the rental pool as of October 2021**. Rented condos, however, accounted for a much higher share of growth in the total condominium stock in 2021, at about half.



Source: Altus Group based on CMHC data



Source: Altus Group based on CMHC data

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