Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of February 2022

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New Condominium Apartment Dashboard

Altus Group

February 2022			YTD February 2022	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
3,048	8,619	$1,177,739	5,369	$1,164,212
78% ▲	-17% ▼	13% ▲	124% ▲	13% ▲
Highest February on record	*Lowest February since 2002*	*Record high*	*Highest YTD February on record*	*Highest YTD February on record*

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

Highlights

- **No let up yet in GTA new condominium apartment sales.** It was a record February (following a record January), and the first February where sales broke through the 3,000 unit threshold.
- **Inventory remains constrained, which is pushing the benchmark new condo price to new records.** While builders brought a record amount of new product to the market in the first 2 months of the year, the number of units in newly launched projects only kept up with the current pace of sales.
- Looking ahead, with record house prices and interest rates moving higher (and unlikely to reverse given that inflationary pressures are still pervasive), affordability of homeownership is extremely challenging at present in the GTA. This suggests we will see some slowing in the underlying pace of home sales as the year progresses. With the good start to the year, **expect annual sales of new condominium apartments to be solid in 2022 but below 2021 levels, with somewhat longer absorption timelines than in 2021.**

Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

	Feb-21	Jan-22	Feb-22	*Yr-Over-Yr % Change*	YTD Feb 2021	YTD Feb 2022	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	337	340	328	*-3%*	339	334	*-1%*
New projects opened	6	9	9	*50%*	8	18	*125%*
Units in new projects opened	957	2,383	3,287	*243%*	1,056	5,670	*437%*
Total sales (units)	1,711	2,321	3,048	*78%*	2,393	5,369	*124%*
Sales as % of total new & resale	*35%*	*54%*	*52%*		*30%*	*53%*	
Inventory (units)	10,357	8,317	8,619	*-17%*	10,575	8,468	*-20%*
Sales-to-inventory ratio	17%	28%	35%	*114%*	11%	32%	*177%*
Months of inventory	6.5	2.9	2.9	*-56%*	6.5	2.9	*-55%*
Benchmark price	$1,042,064	$1,150,685	$1,177,739	*13%*	$1,031,540	$1,164,212	*13%*
Price PSF Benchmark	$1,103	$1,243	$1,306	*18%*	$1,088	$1,275	*17%*
Unit size Benchmark (sq. ft)	945	926	902	*-5%*	949	914	*-4%*
Units completed	2,239	1,202	592	*-74%*	3,672	1,794	*-51%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	3,116	2,016	2,772	*-11%*	5,587	4,788	*-14%*
New listings (units)	3,410	2,568	3,819	*12%*	6,476	6,387	*-1%*
Inventory ("active listings", units)	2,663	1,472	2,009	*-25%*	2,977	1,741	*-42%*
Sales-to-inventory ratio	117%	137%	138%	*18%*	96%	137%	*43%*
Months of inventory	1.3	0.5	0.7	*-46%*	1.5	0.6	*-59%*
Average price of units sold	$642,346	$748,566	$799,966	*25%*	$623,984	$778,324	*25%*
HPI constant quality price index (Jan 2005=100)	297.9	367.6	388.6	*30%*	294.7	378.1	*28%*

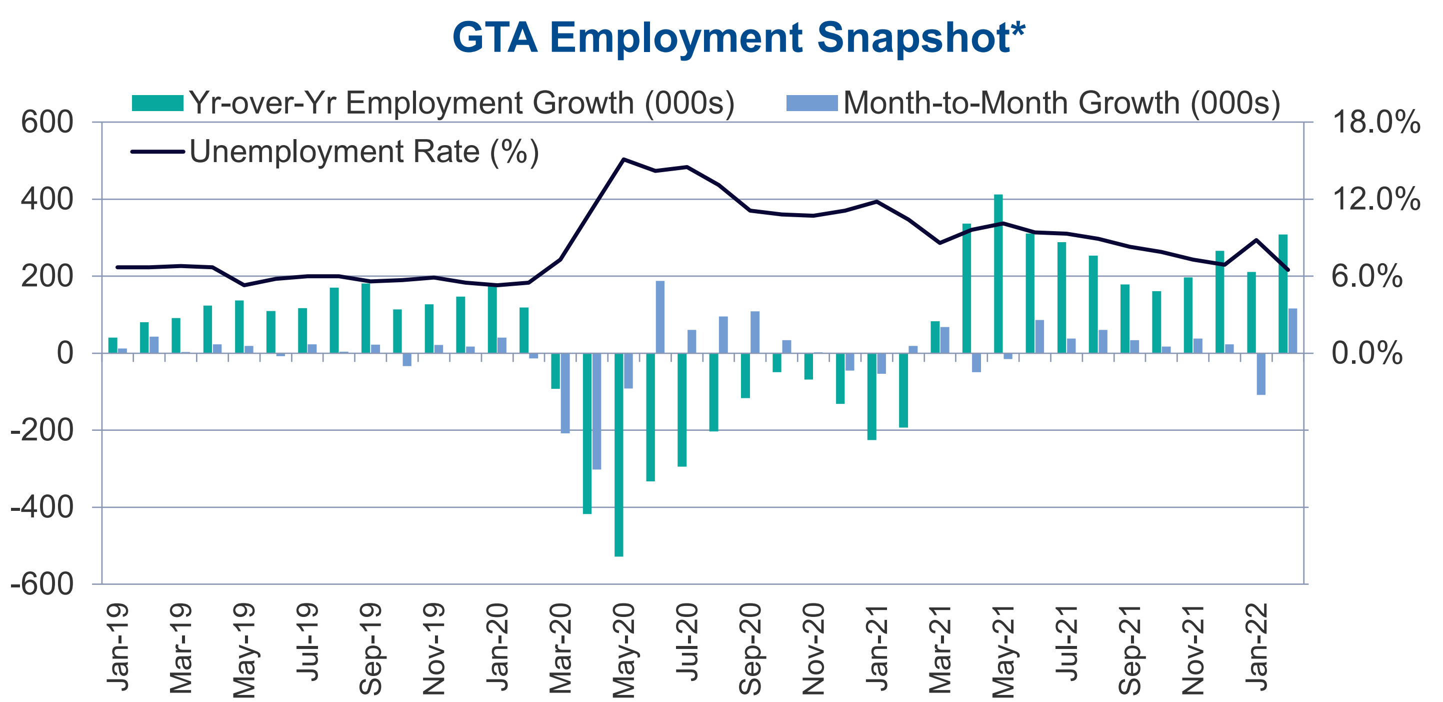
** see end of report for Definitions*

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

- **GTA employment rebounded in February, gaining back the COVID-related temporary job losses suffered in January.** The unemployment rate fell back below 7%, to its lowest level since the start of the pandemic. Total employment is now about 115,000 above the level of February 2020, just before the effects of the COVID-19 pandemic struck the labour market.

- **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.**

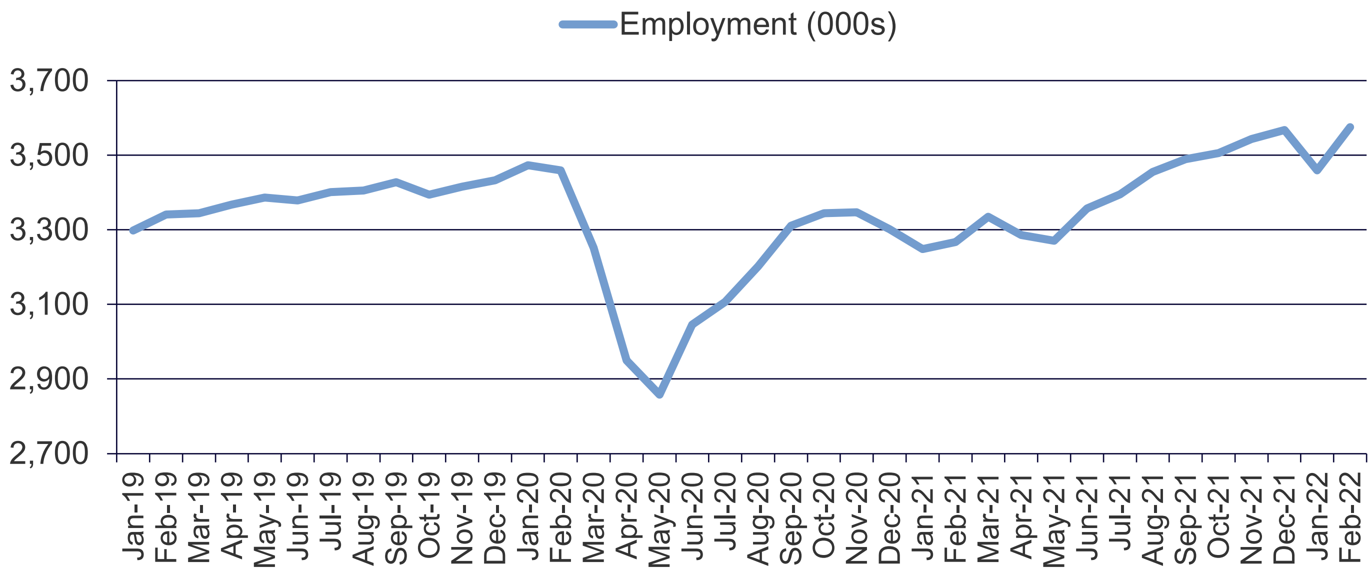
- **Effective 5 year fixed rate mortgage interest rates continue to rise** *(chart next page, bottom).* The average special rate of over 3.6% is now about 150 basis points higher than its recent low in early Fall 2021, and at its highest level since March 2019. While variable rate mortgage interest rates are now also moving up, the large premium for fixed rate over variable rate is still significant.



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

Source: Altus Group based on Statistics Canada data

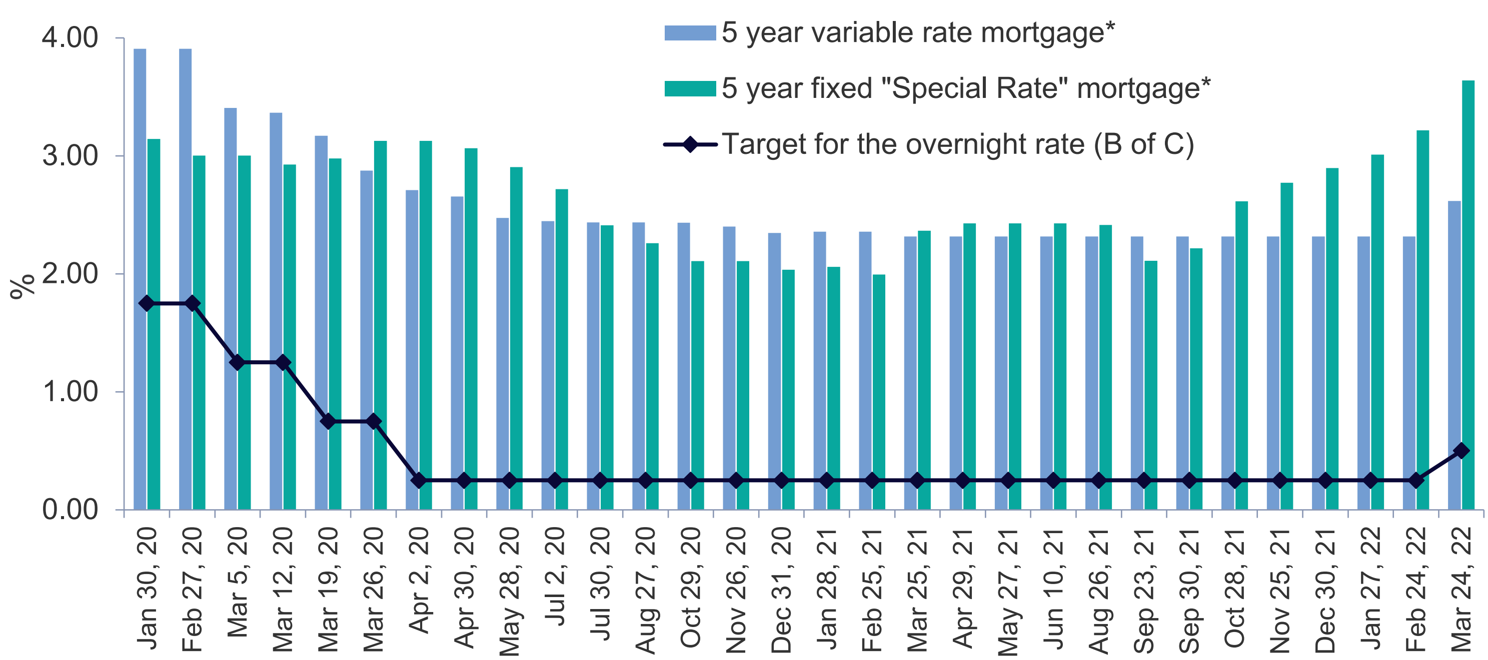
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

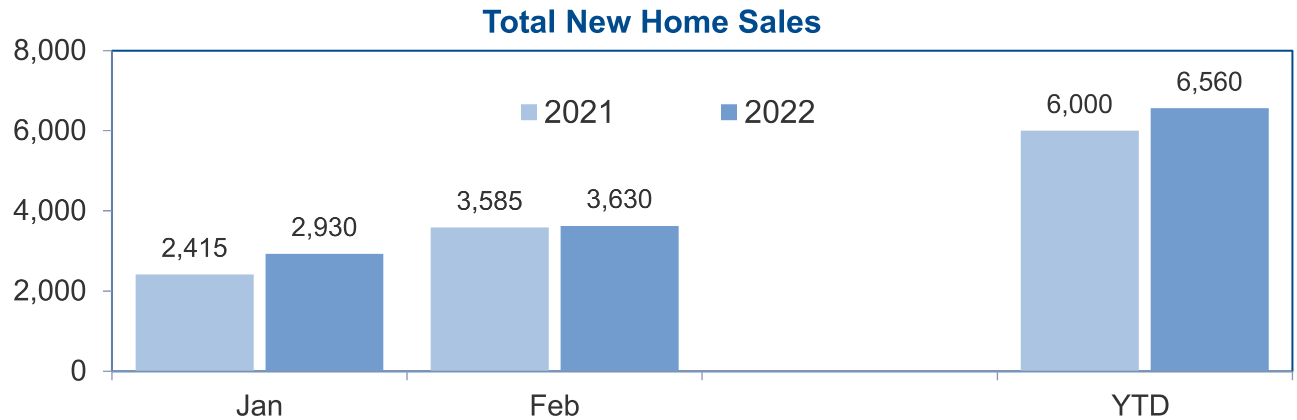


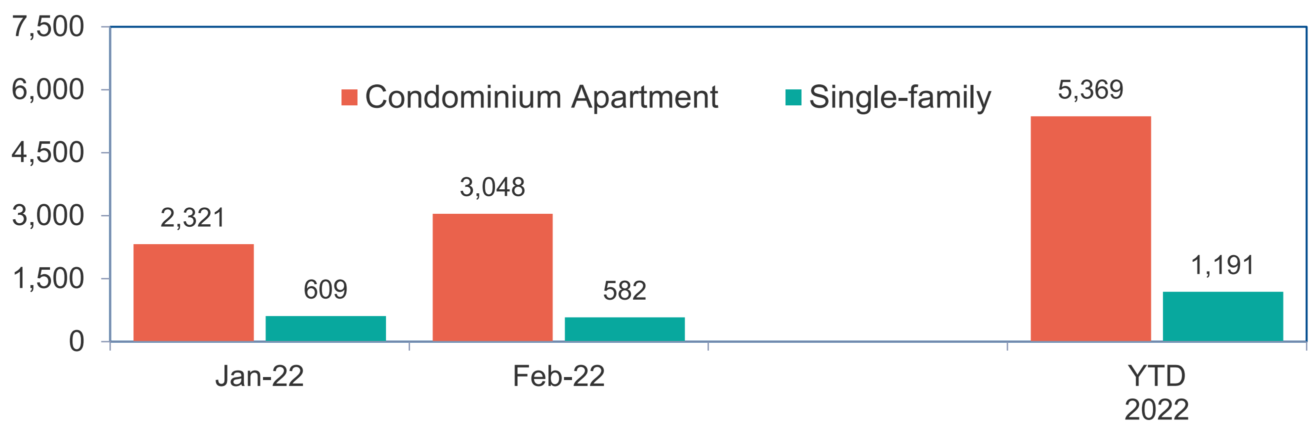
** Average for the major banks*

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

- **Total new home sales in the GTA remained robust in February.** While sales just matched a year ago levels, they were about 22% higher than the average for the previous 10 years. The buoyancy was entirely due to record February sales in the new condo apartment segment of the market. Single-family new home sales dropped to their lowest level since the early days of the pandemic.
- **The regional performance however is mixed.** The year-to-date increase in total new home sales has been primarily due to the burst in new condo sales in the City of Toronto (*charts next page*). The plunge in single-family new home sales in the 905 regions in most cases overshadowed stronger new condo apartment sales.

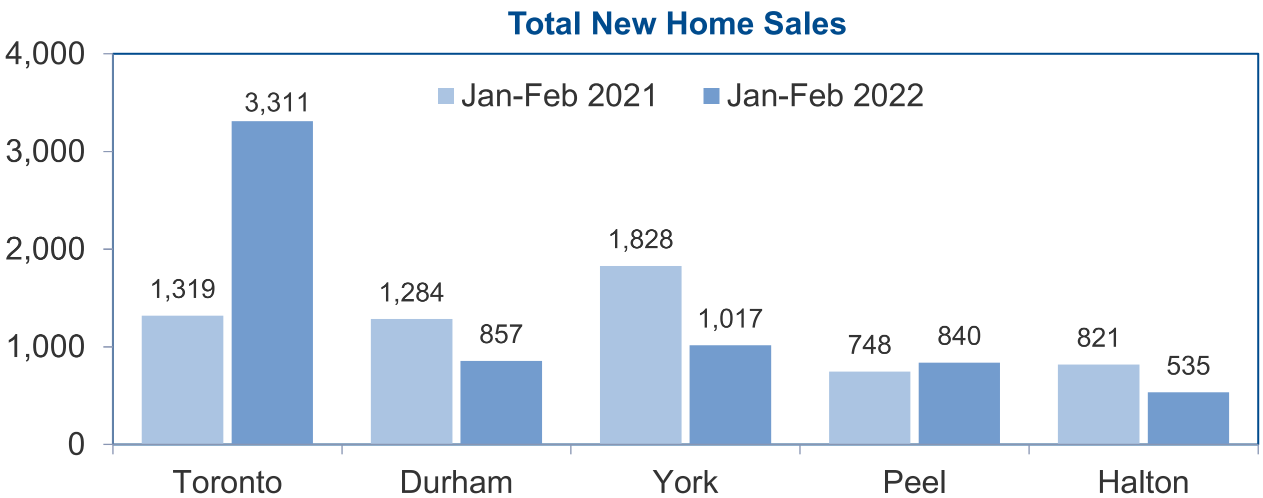
GTA New Home Sales

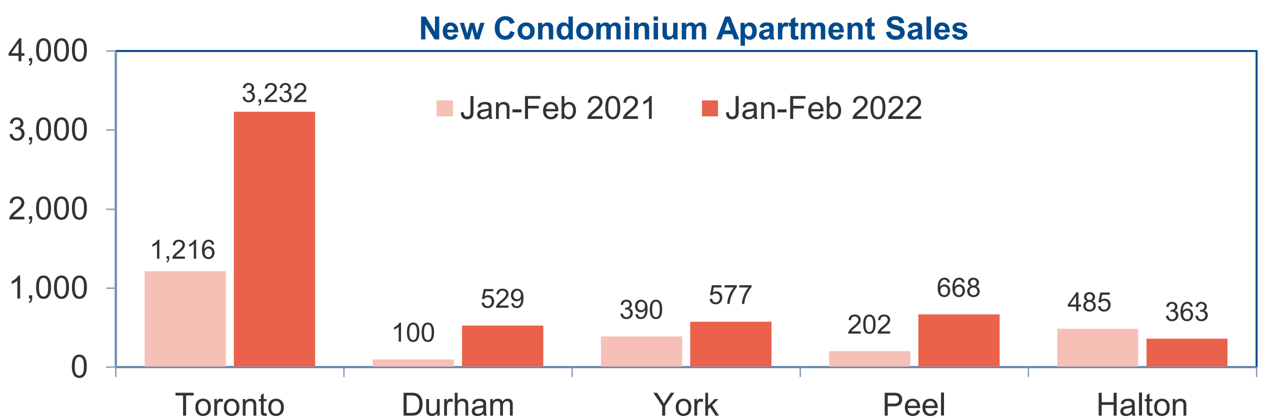


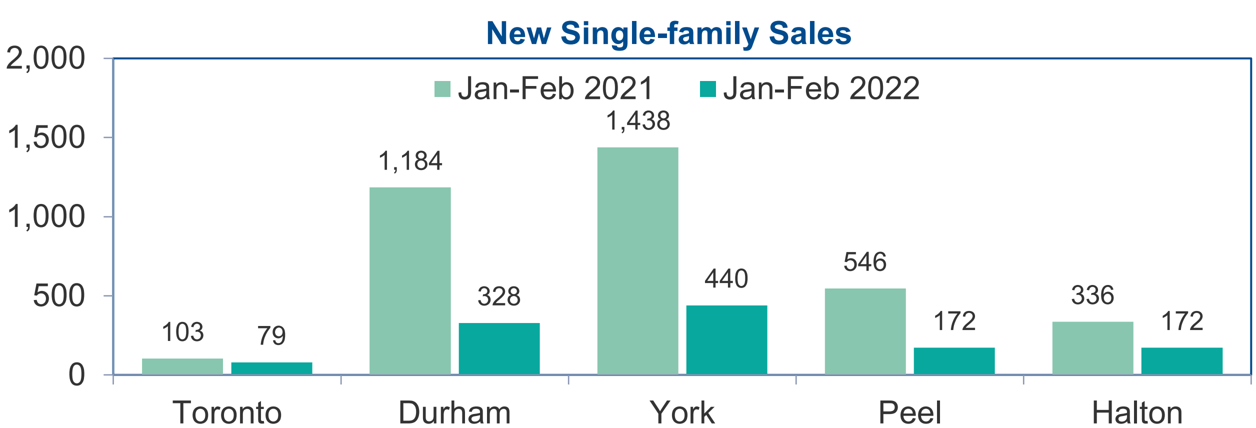


Source: Altus Group

GTA New Home Sales by Region



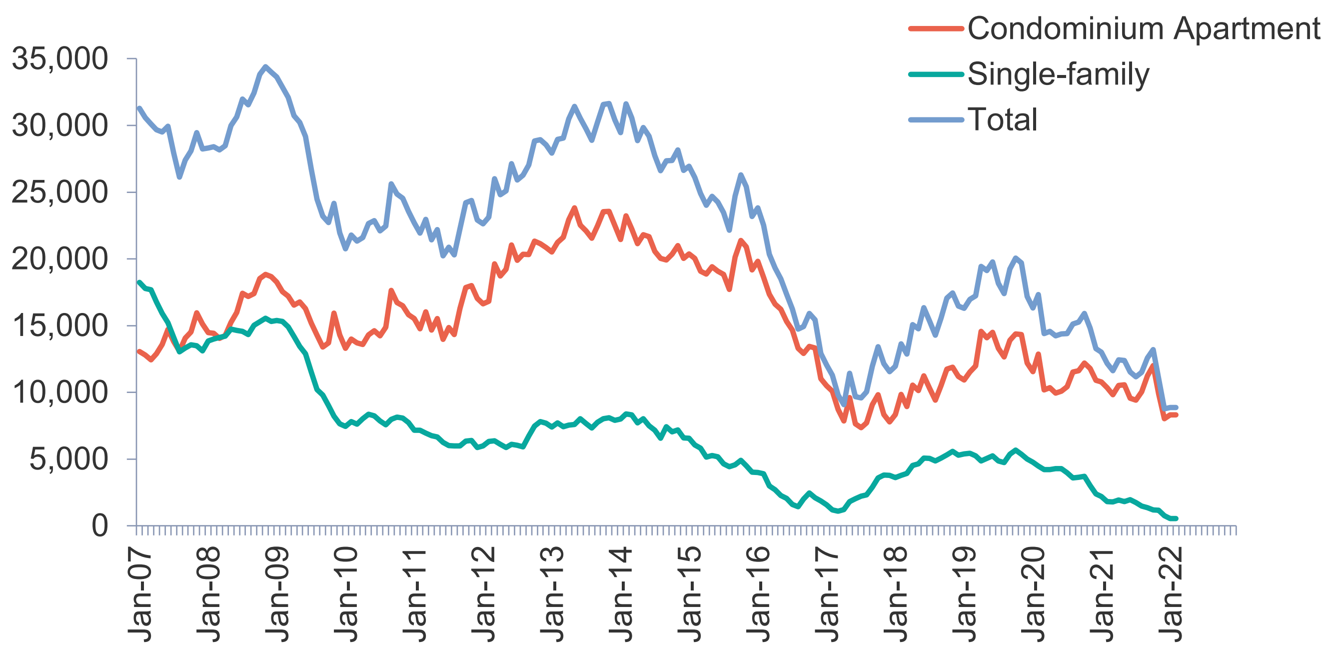




Source: Altus Group

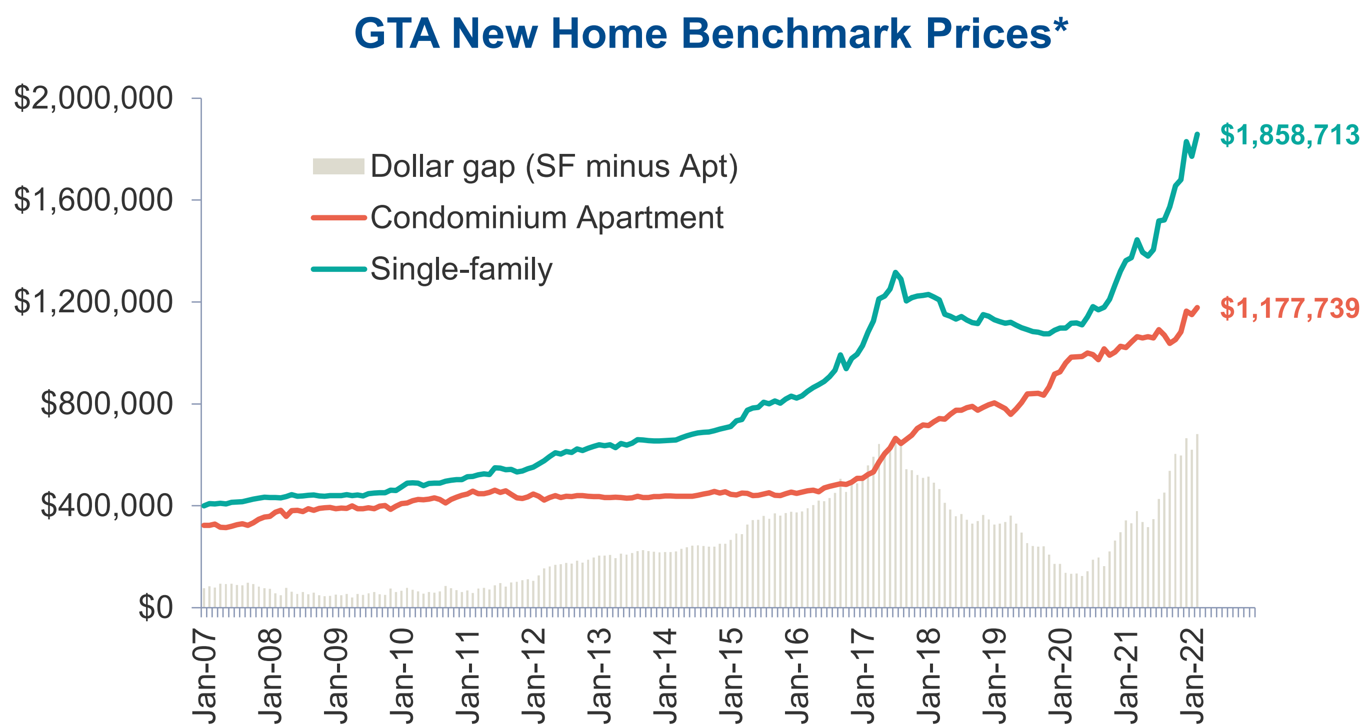
- **The total inventory of available new homes is still very low in historical terms.** Very little new single-family product is making its way to the market. And while there have been significant additions of new condo apartment units, it has only more or less been keeping pace with the level of sales.
- Based on average monthly total new home sales over the past 12 months, there was only about 3 months of available supply of new homes at the end of February 2022 – this is a record low for February and compares to the long-term average for February of about 8 months.

GTA New Home Inventory



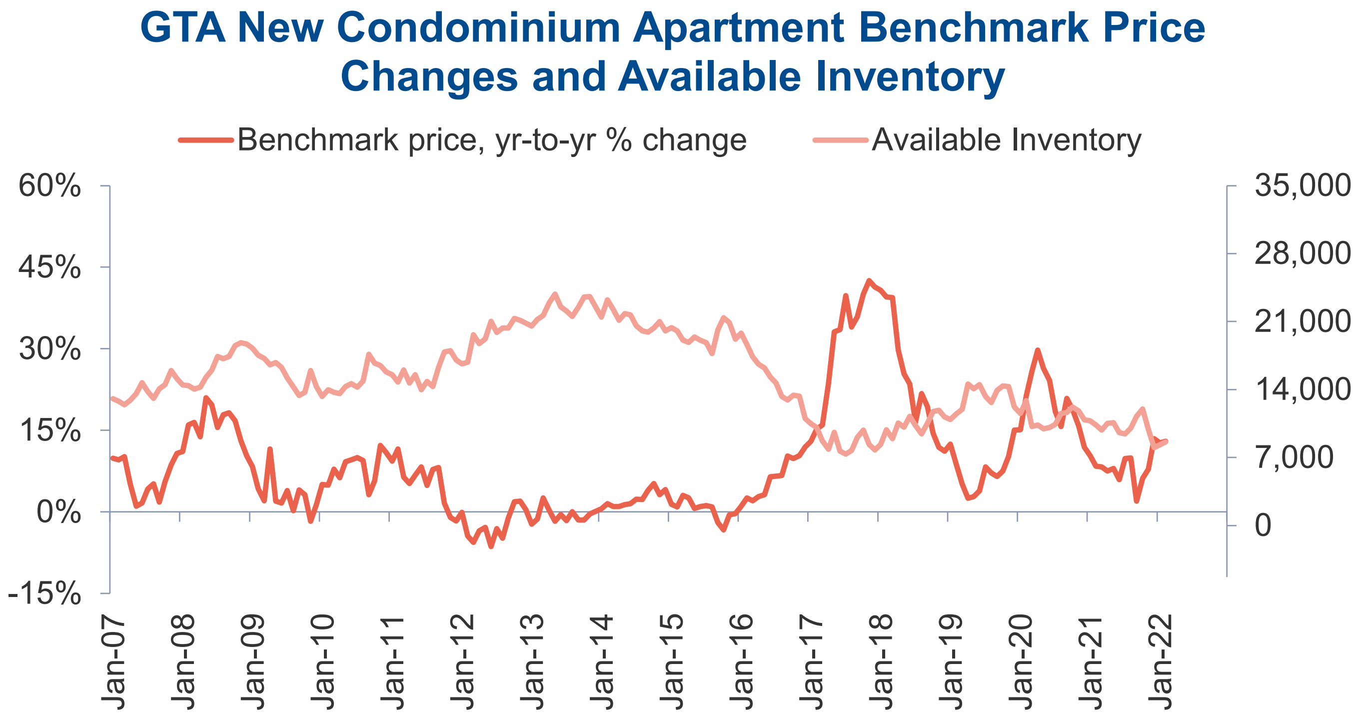
Source: Altus Group

- **The benchmark price for a new single-family home reversed up again in February to a new record.**
- While both single-family and condo apartment prices have been rising since the start of the pandemic, the increases have been less pronounced for condo apartments. **As a result, the price advantage of available new condominium apartments compared to new single-family homes has grown again during the pandemic.** Over the past year alone, the benchmark price for a new single-family home has increased by 35% (a response to declining, and low, inventory, see charts next page), more than 2.5 times the 13% 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.

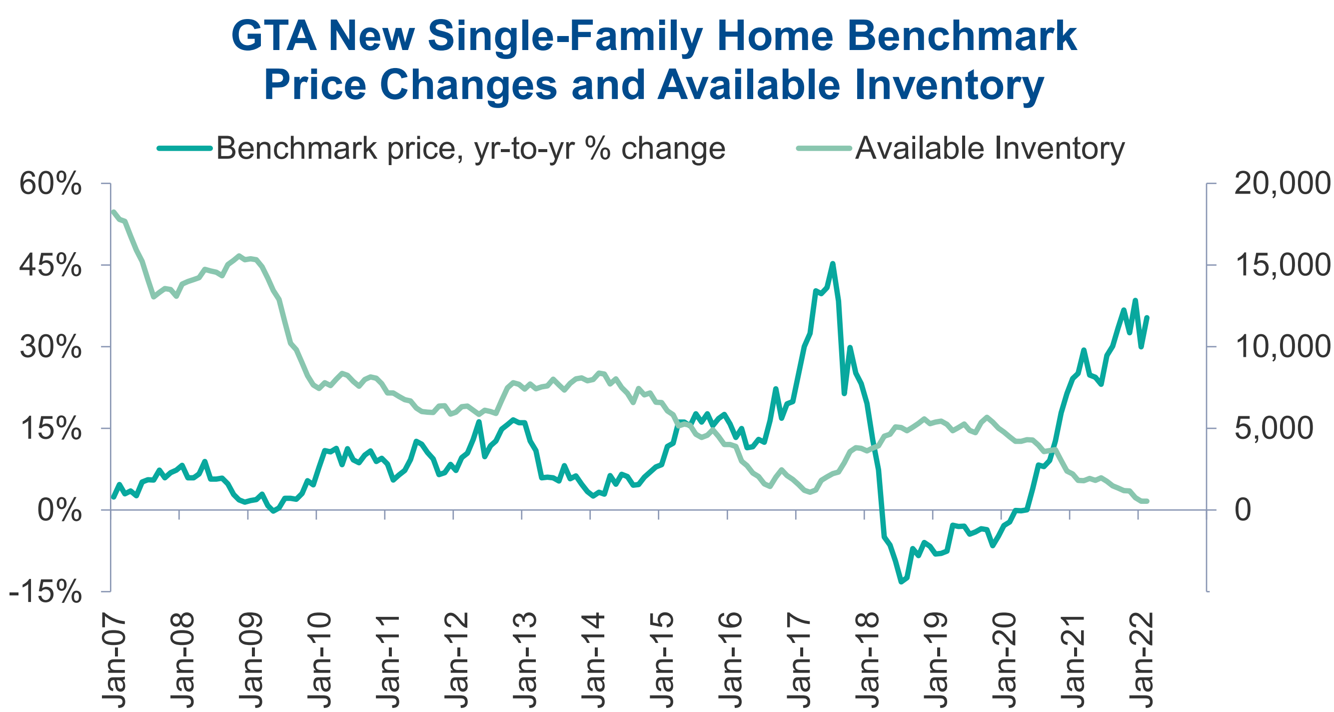


** Average asking price of available new home inventory at end of period with outliers removed*

Source: Altus Group



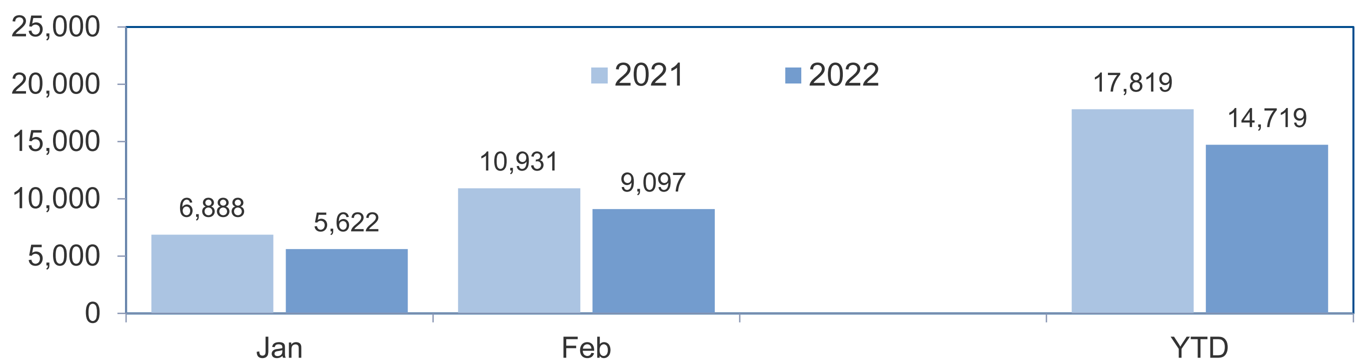
Source: Altus Group

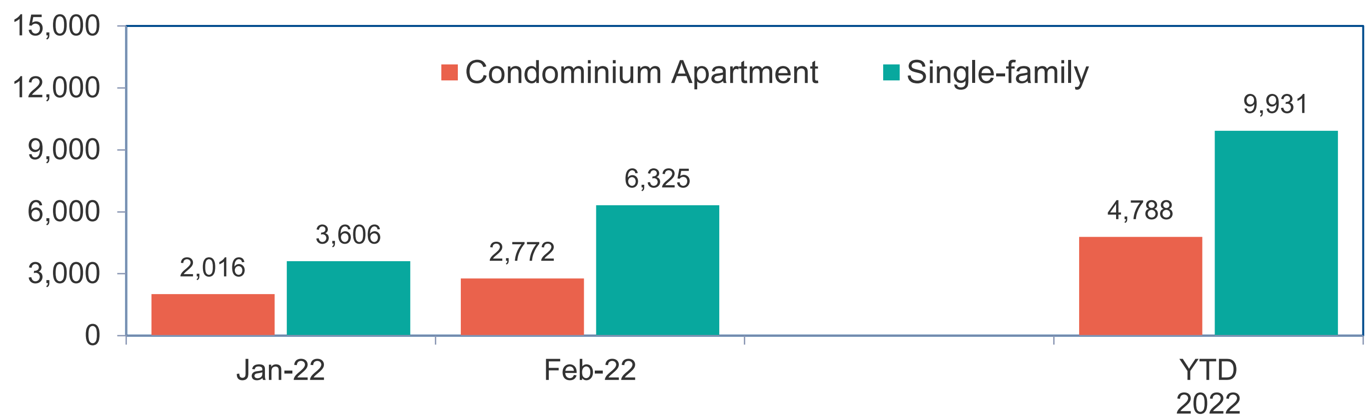


Source: Altus Group

- **The resale market continues to come down from its recent highs,** with sales of existing homes lower year-over-year for the 3rd month in a row in February. Year-to-date sales sit about 17% below the first two months of 2021, but are still well above the levels of the recent pre-pandemic years. The moderating trend is evident in both the single-family and condo apartment segments of the market.
- **At least part of the slower pace of sales is due to the supply side. Similar to the new home market, lack of available resale product is a factor – not just in fewer sales, but also in driving prices generally higher** *(charts next page).* The average sales price for an existing single-family home in February 2022 was 30% higher than a year earlier, compared to a 25% increase for condo apartments.

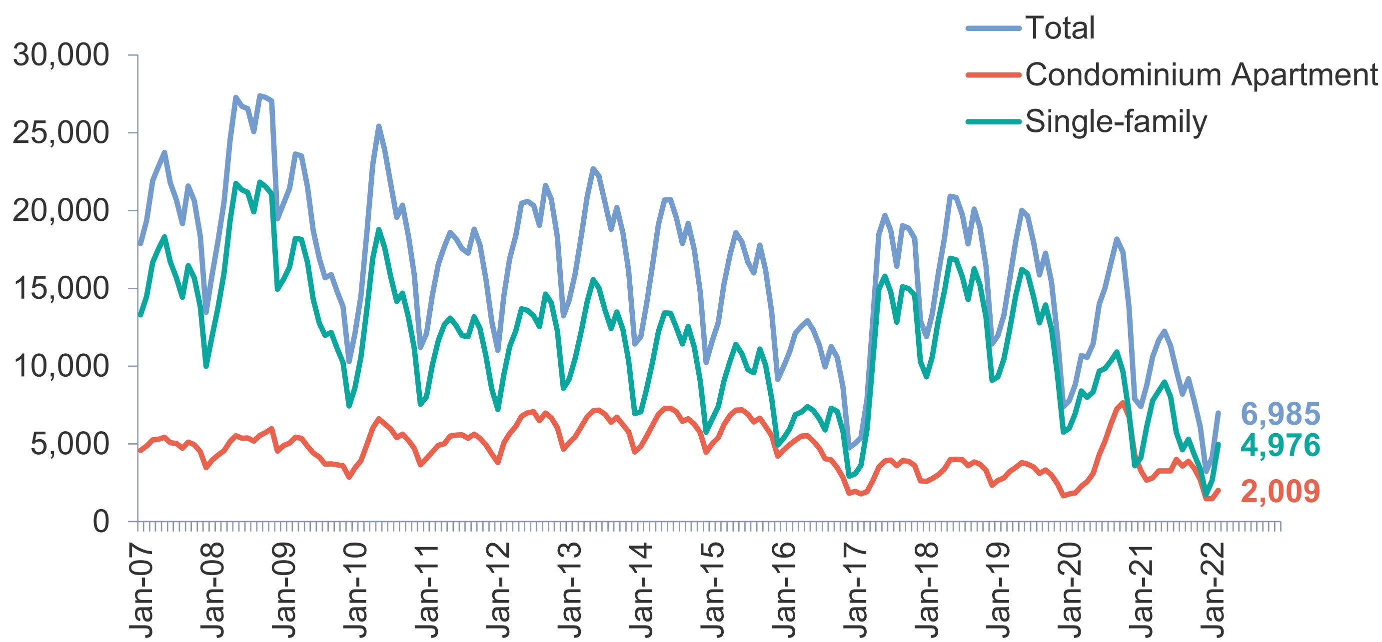
GTA Resale Home Sales





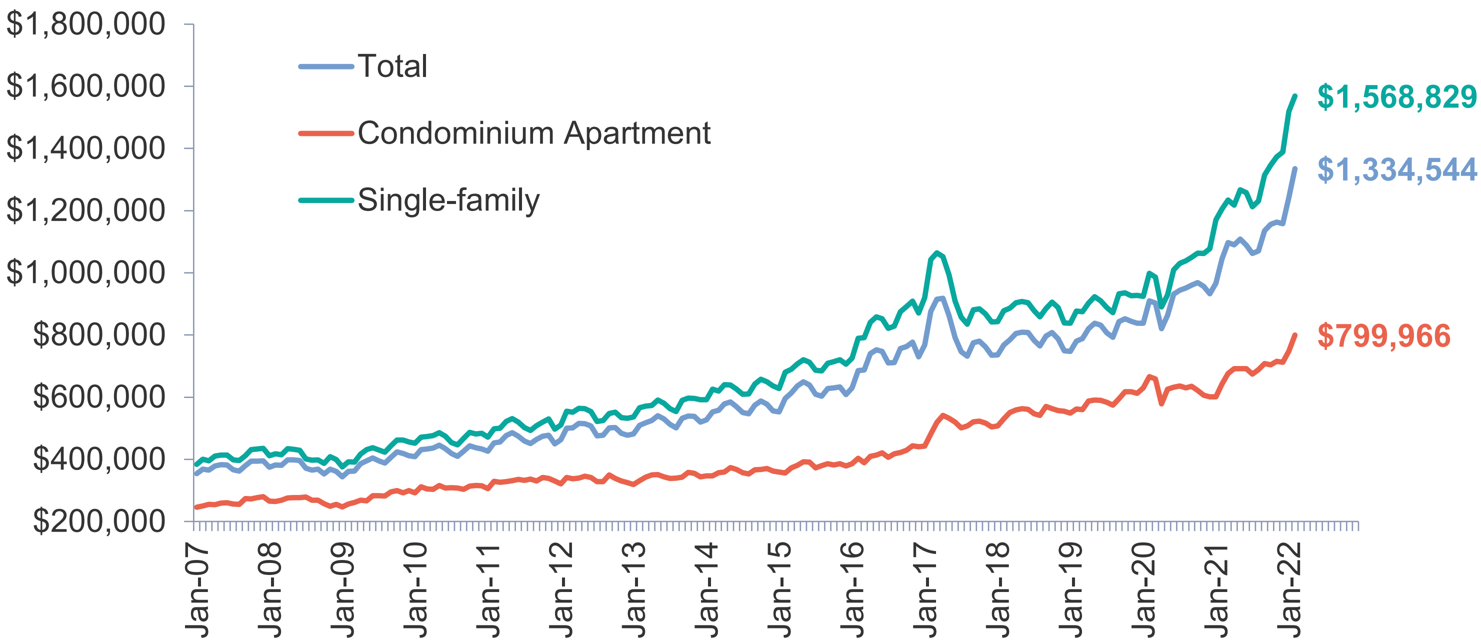
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

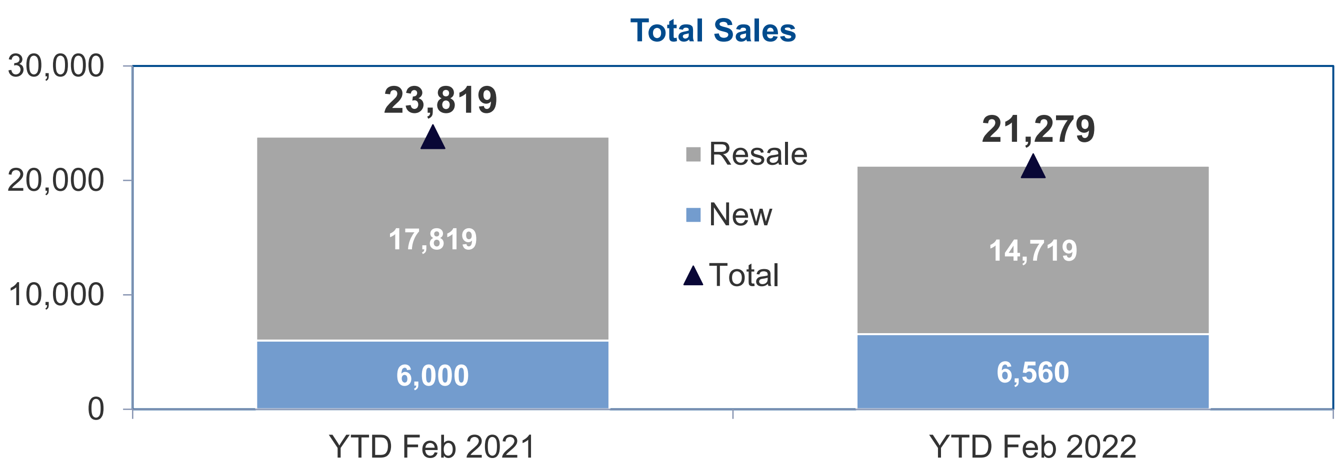


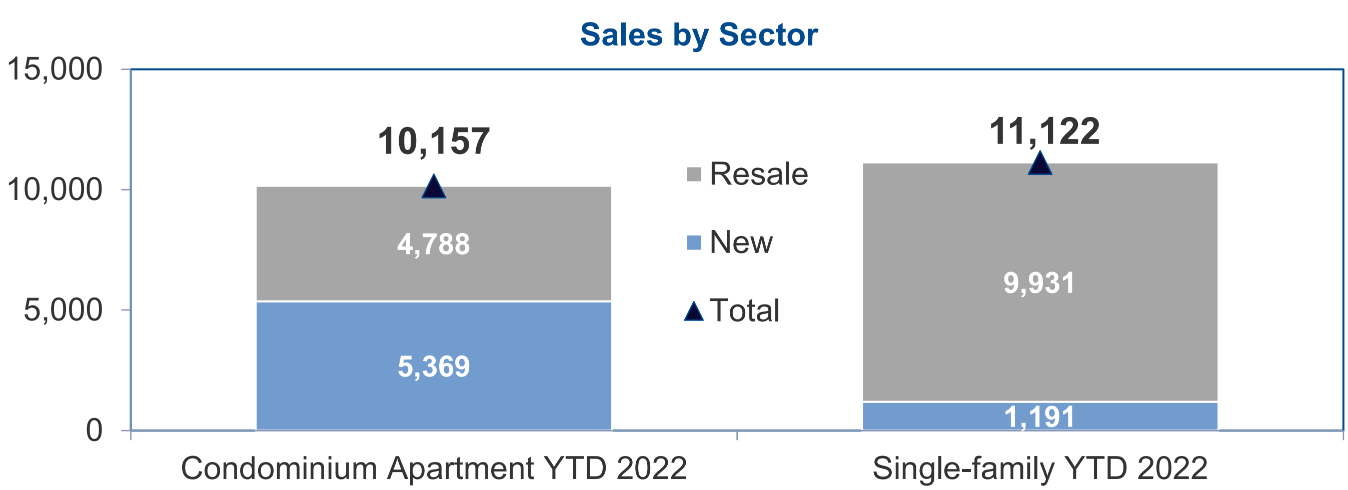
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in the first 2 months of 2022 were down 11% from a year earlier**. The decline was entirely among resale homes, where the 17% drop in sales more than offset the 9% increase for new home sales.
- **The new home sector accounted for almost 1 out of every 3 home sales in the first 2 months of 2022** – this compares to about 1 in 4 for the same period in 2021. About 1 in 9 single-family homes sold were new homes (down from almost 1 in 4 a year ago). New condo apartments increased their share of the total apartment market to about half, from about one-third a year ago).

GTA Combined New & Resale Home Sales

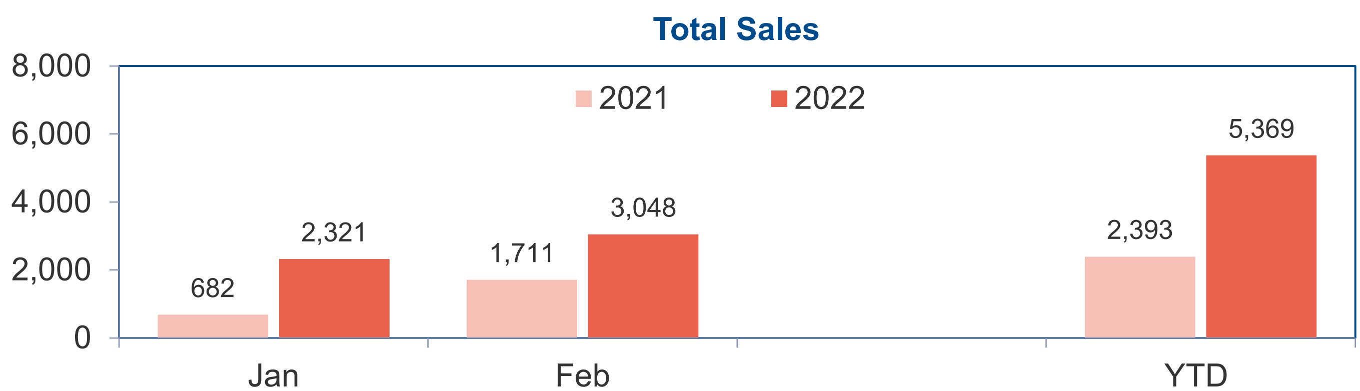


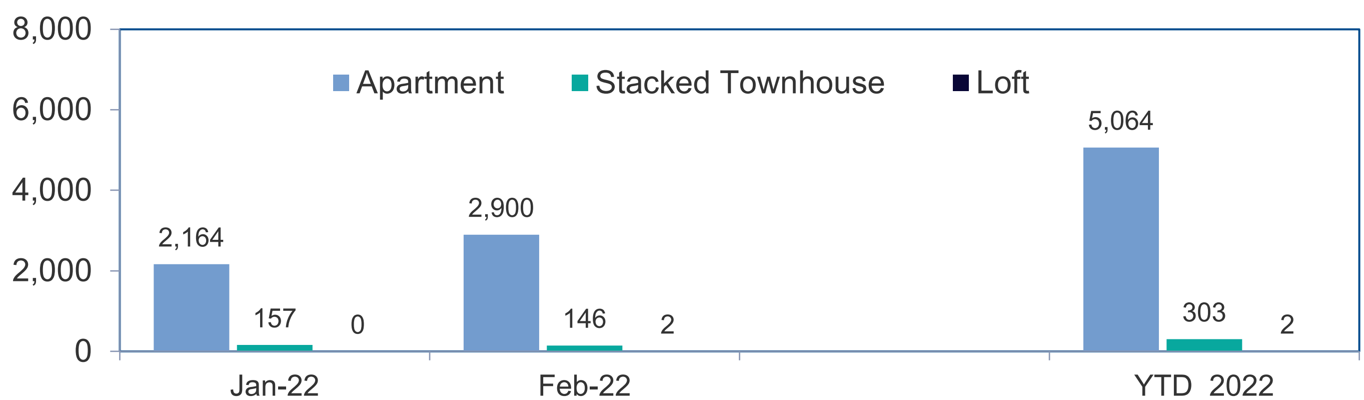


Source: Altus Group and Toronto Regional Real Estate Board data

- **No let up yet in GTA new condominium apartment sales.** New condo sales set a new record for February in 2022, surpassing the 3,000 unit threshold for the first time. In fact, new records have been set in 3 of the past 4 months – December 2021 was the outlier, although it came very close to the record set in 2016. New condo sales in the first 2 months of the year have surpassed the same period in 2021 by a whopping 124%.
- The year-over-year strength was largely due to **buoyant activity in the City of Toronto** *(charts next page*), although Durham, York and Peel are also running ahead of last year.
- **Stacked townhouses**, which set a new annual record for sales in 2021, **had a quiet month in February**.

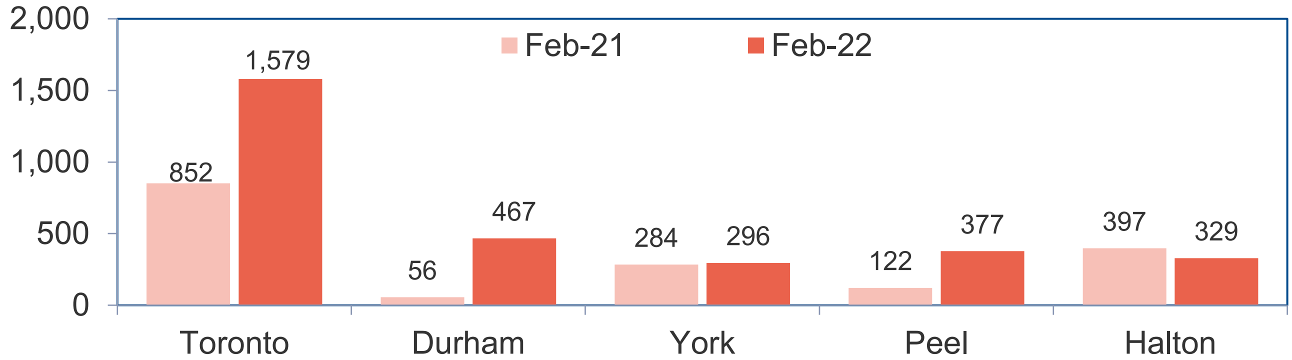
GTA New Condominium Apartment Sales

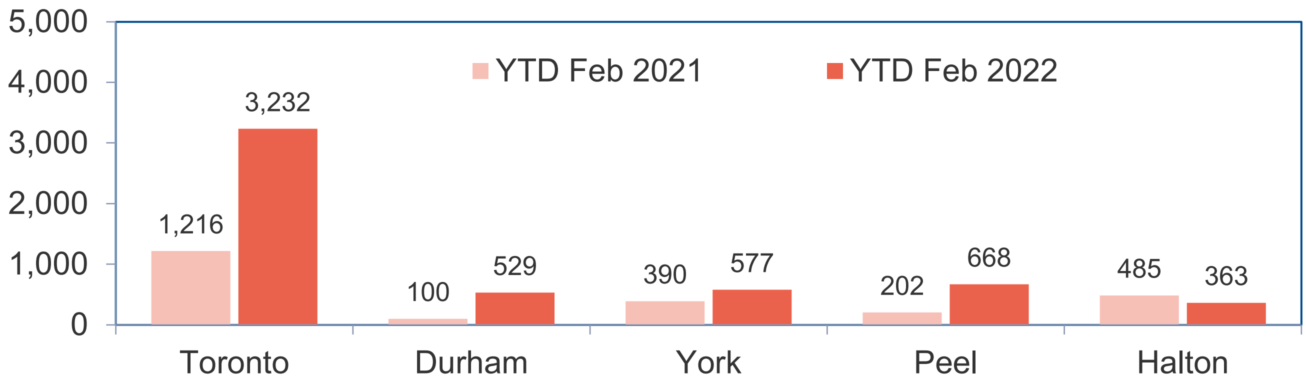


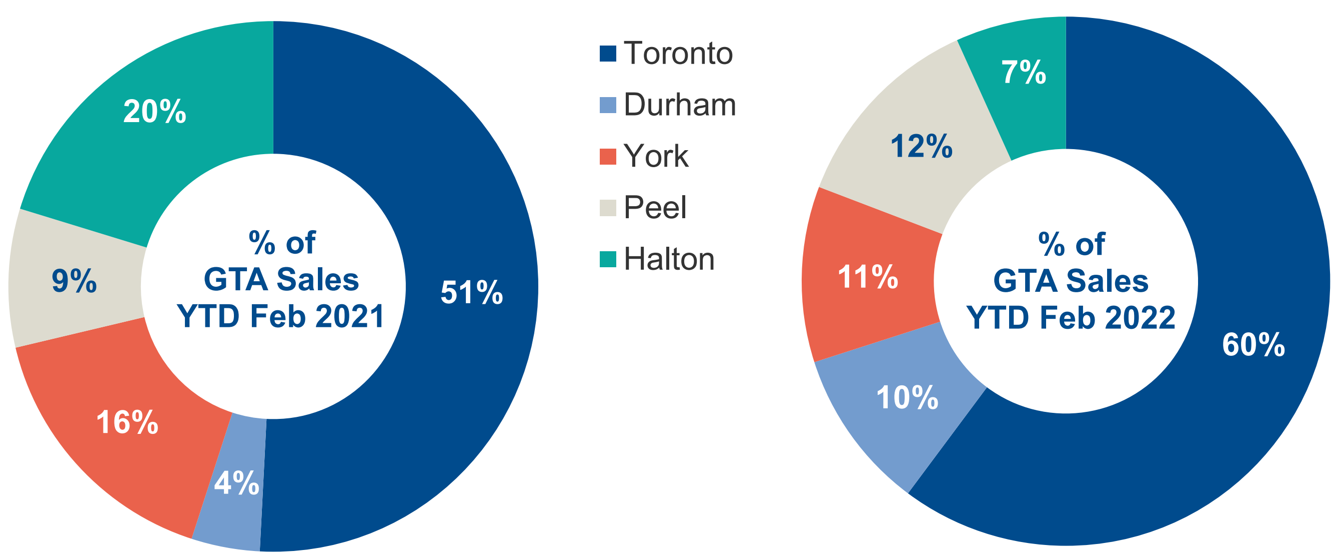


Source: Altus Group

GTA New Condominium Apartment Sales by Region



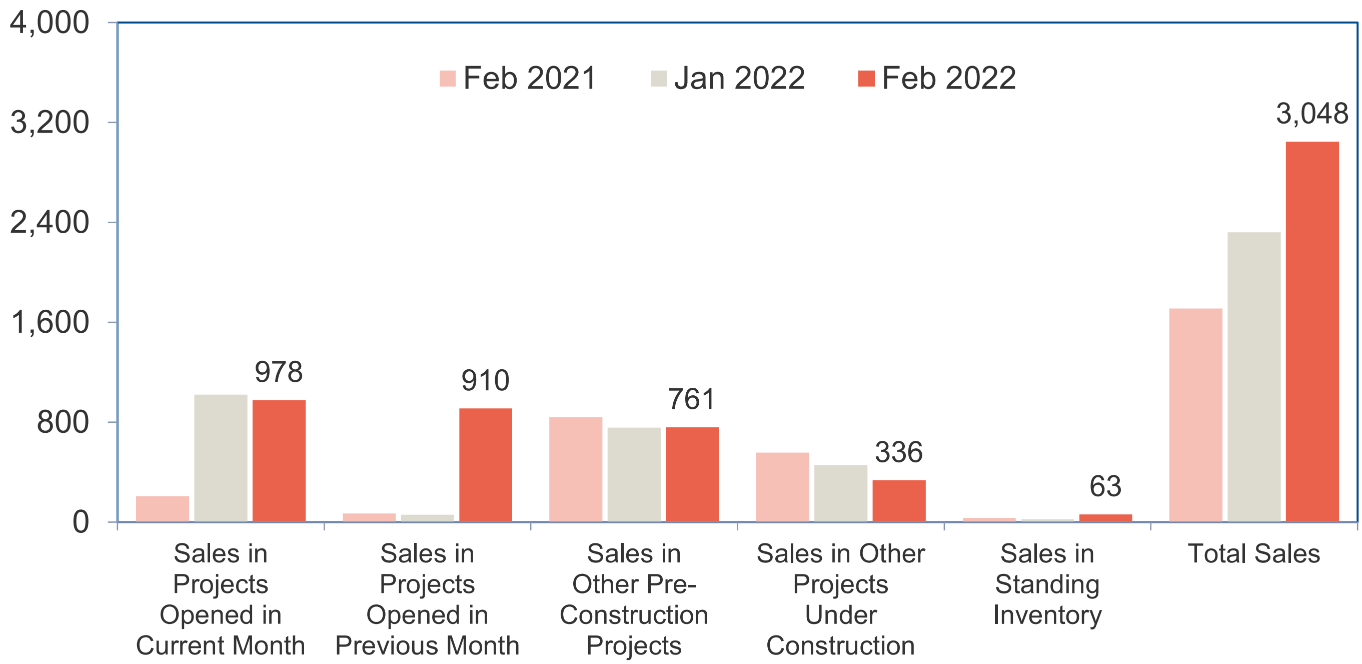




Source: Altus Group

- **Newly launched projects are boosting overall new condo sales.** About one-third of new condo apartment sales in February 2022 were in new projects opened during the month – this is impressive given that 4 of the 9 new projects launched during the last 10 days of the month, and therefore had no firm sales recorded.
- **Projects launched in January also played a key role in sales during the month** – 5 of the 9 January launches were within the last 10 days of the month, so firm sales were not recorded until February.
- Just over one-third of February sales were in other pre-construction projects and projects under construction. **There is typically little inventory still available to purchase when projects are completed** (*see chart next page*) and therefore relatively few sales in the "standing inventory" category.

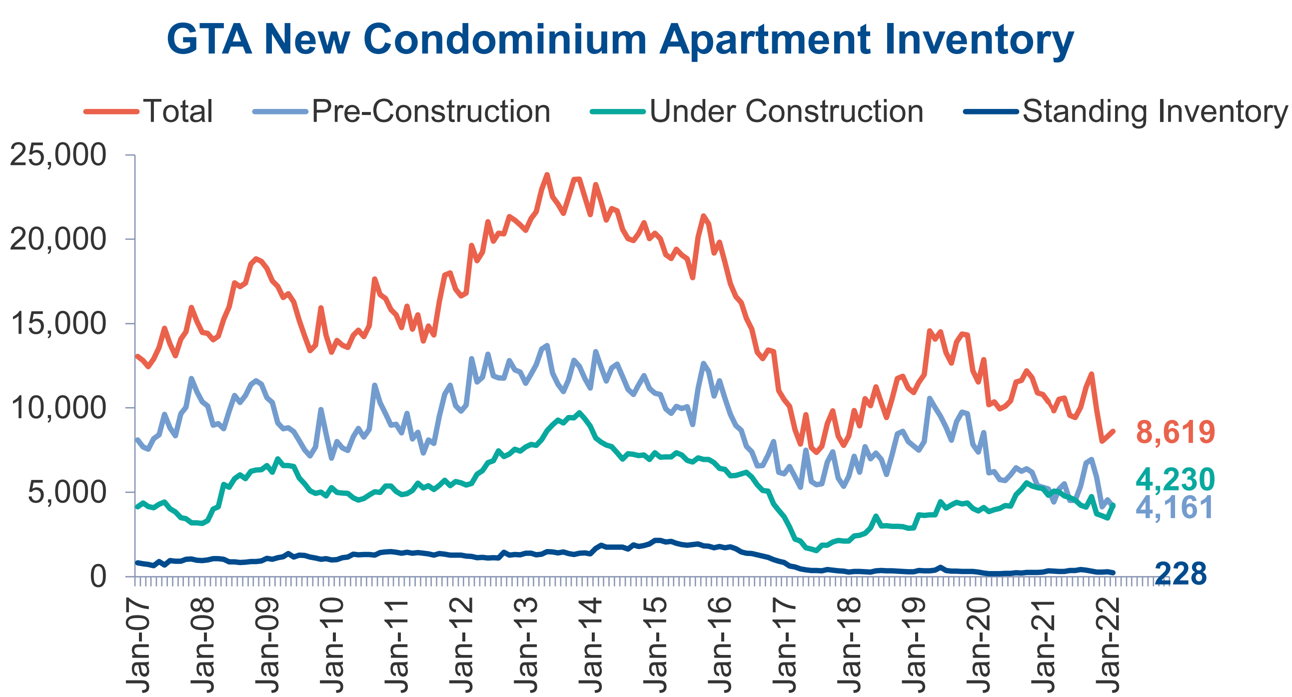
GTA New Condominium Apartment Sales by Construction Status



Source: Altus Group

New Condominium Apartments - Inventory

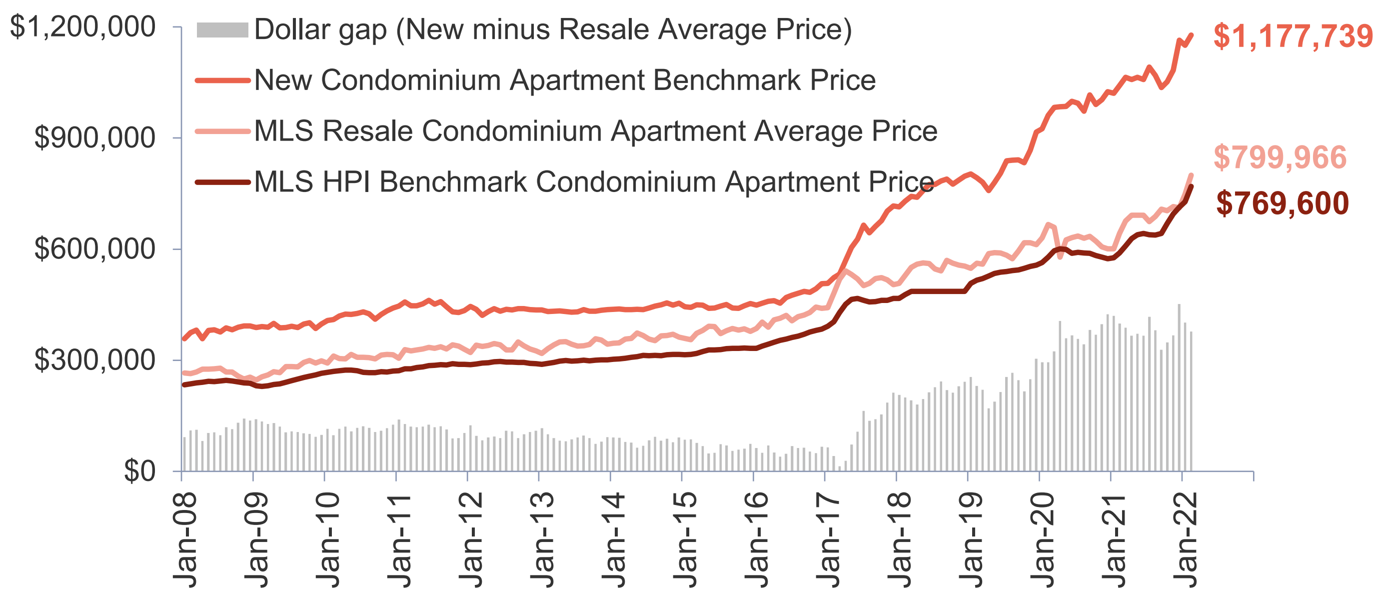
- **The inventory of available new condo apartments continues to be low both in absolute levels and relative to recent demand patterns.** The inventory is split roughly equally between units in the pre-construction and under construction phases. There is very little standing inventory (i.e. units available for immediate occupancy).
- **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 February of about 9-10 months.

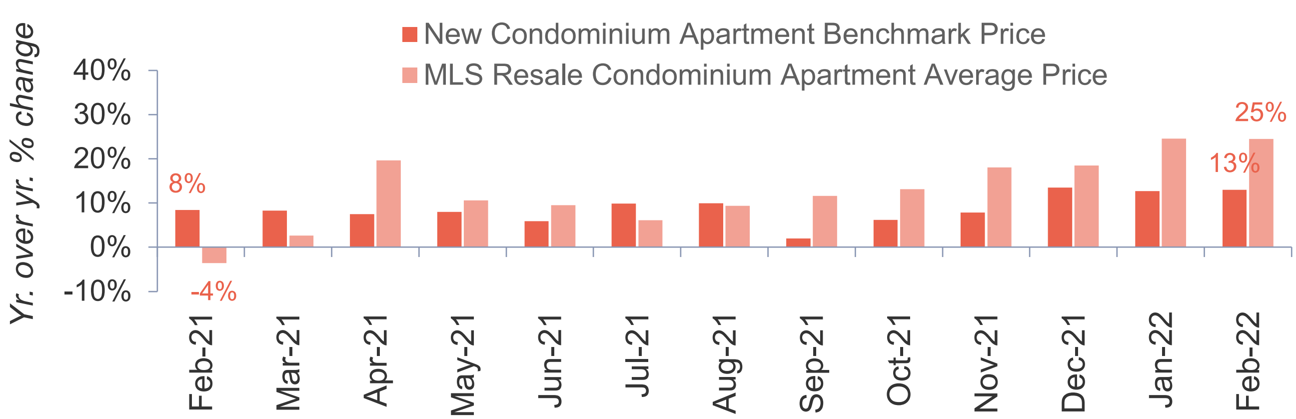


Source: Altus Group

- **The benchmark price of a new condominium apartment pushed to a new record in February** *(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. However, resale condo prices have been shooting up more rapidly than new condo apartments in recent months, with lack of available resale supply playing a role. **These supply shortages/rising prices in the resale market are beneficial for new products' competitive position.**

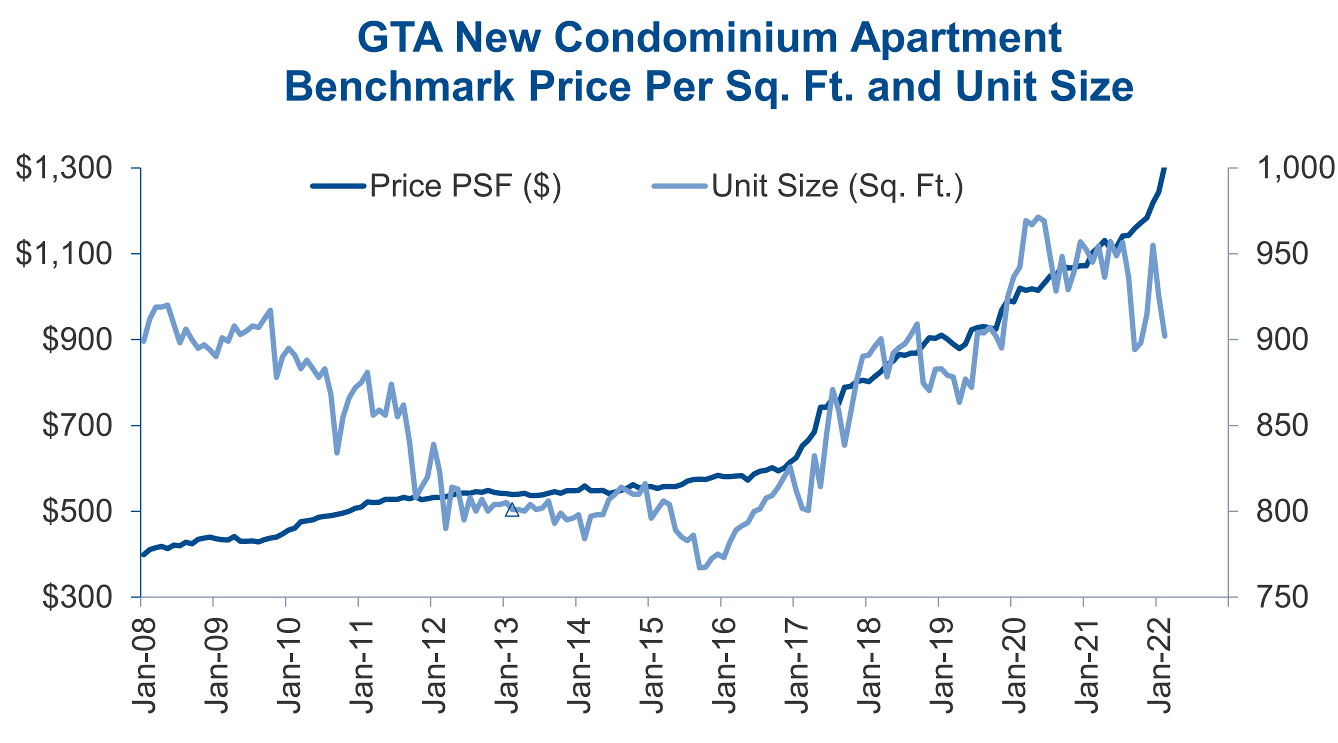
GTA New and Resale Condominium Apartment Prices





Source: Altus Group and Toronto Real Estate Board data

- **The increase in February 2022 in the overall benchmark price of a new condo apartment was due to both smaller average sizes among available inventory and an increase in the price per sq. ft.** A shift in the available inventory towards the City of Toronto helps to explain these trends.
- 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).

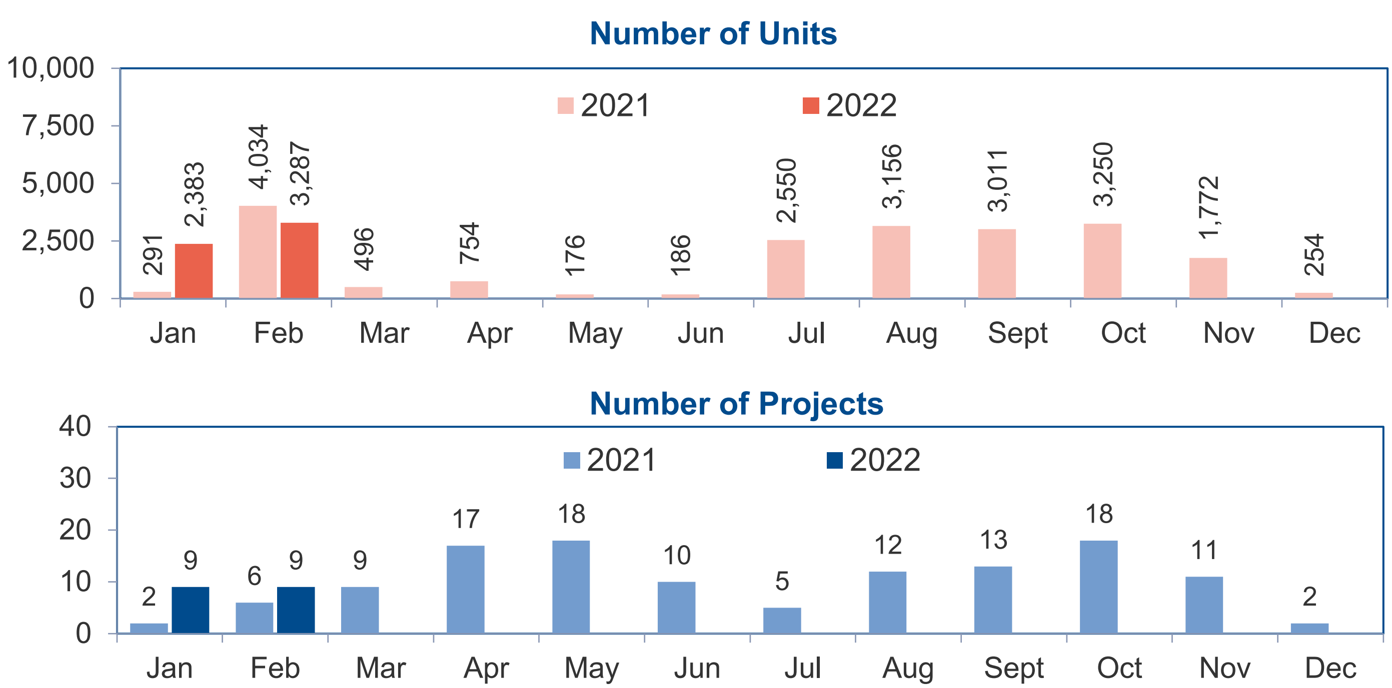


Source: Altus Group

New Condominium Apartments - Openings

- **There were 9 new project openings in February 2022, containing almost 3,300 units.**
- **Five of the 9 projects launched in February were in the City of Toronto.** For the first 2 months of the year, the City of Toronto has accounted for two-thirds of the GTA total units launched *(charts next page)*. Over half 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 January and February 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 both the January and February openings*.

GTA New Condominium Apartment Project Openings



Source: Altus Group

New Condominium Apartments - Openings

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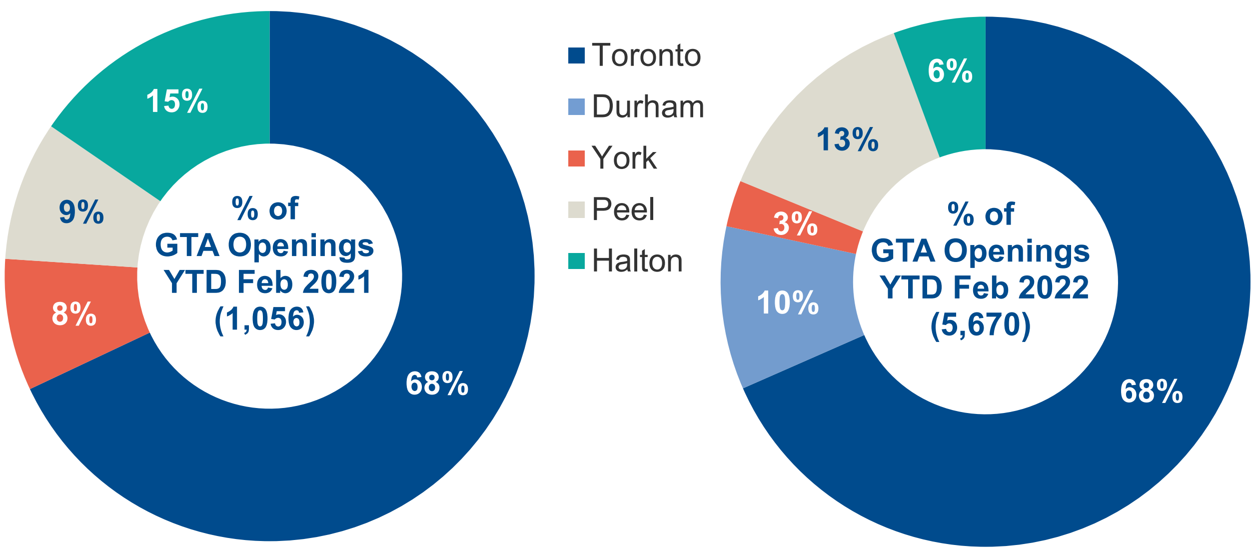
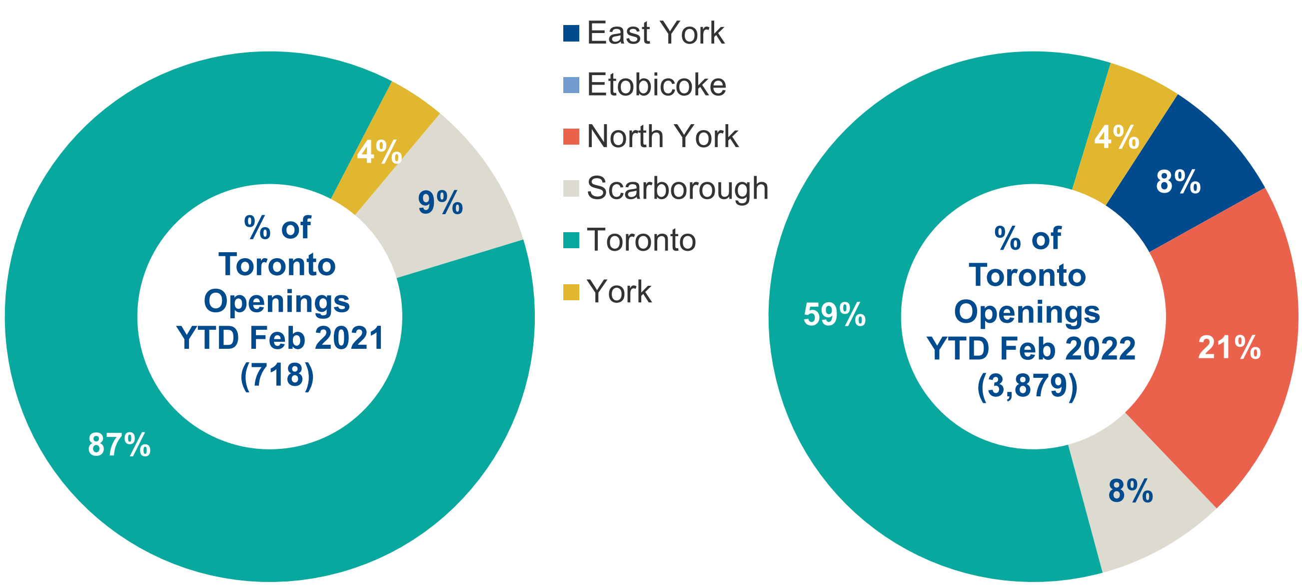
GTA Condominium Apartment Units in New Openings by Region



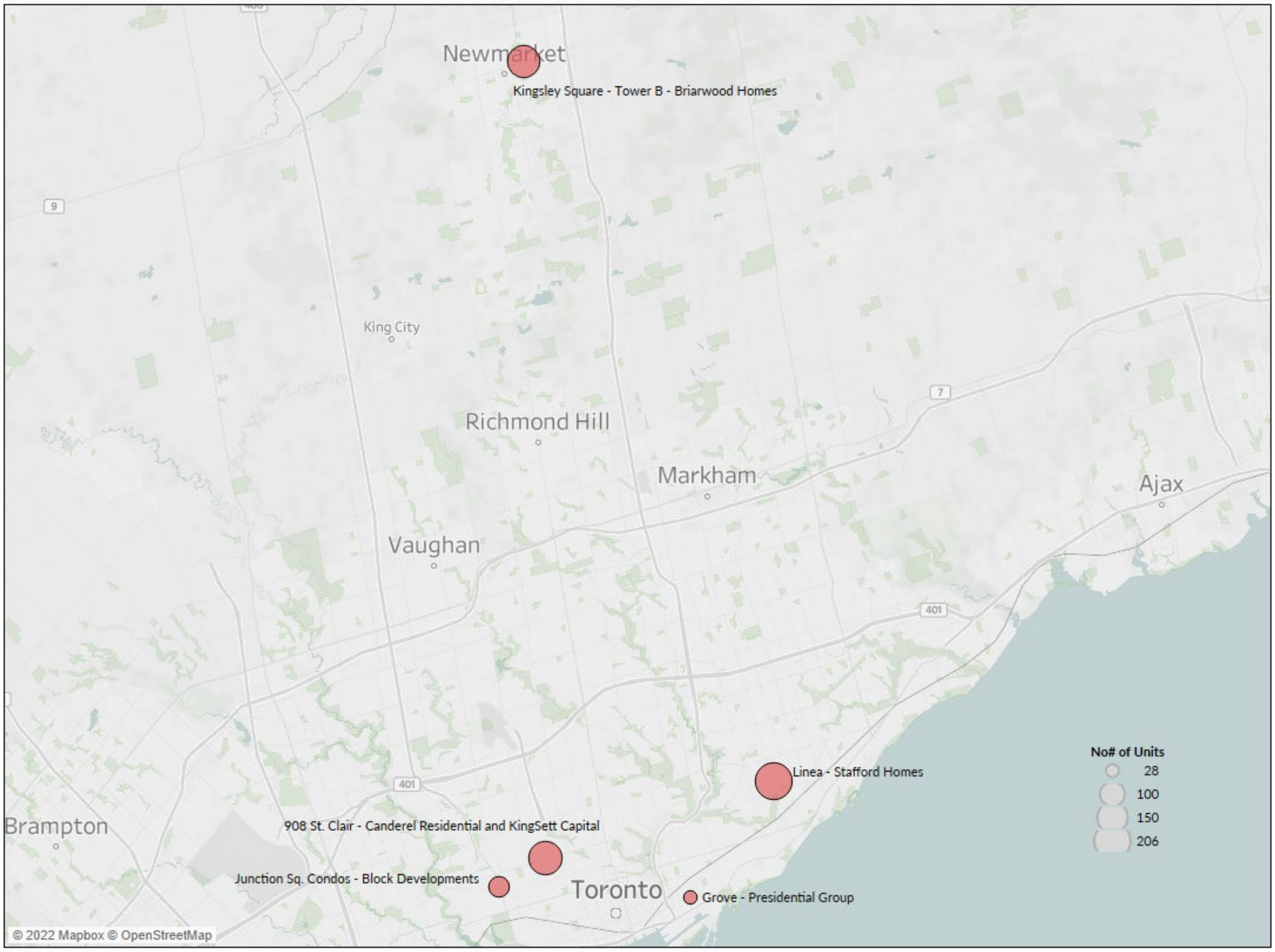
Source: Altus Group

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



Source: Altus Group

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

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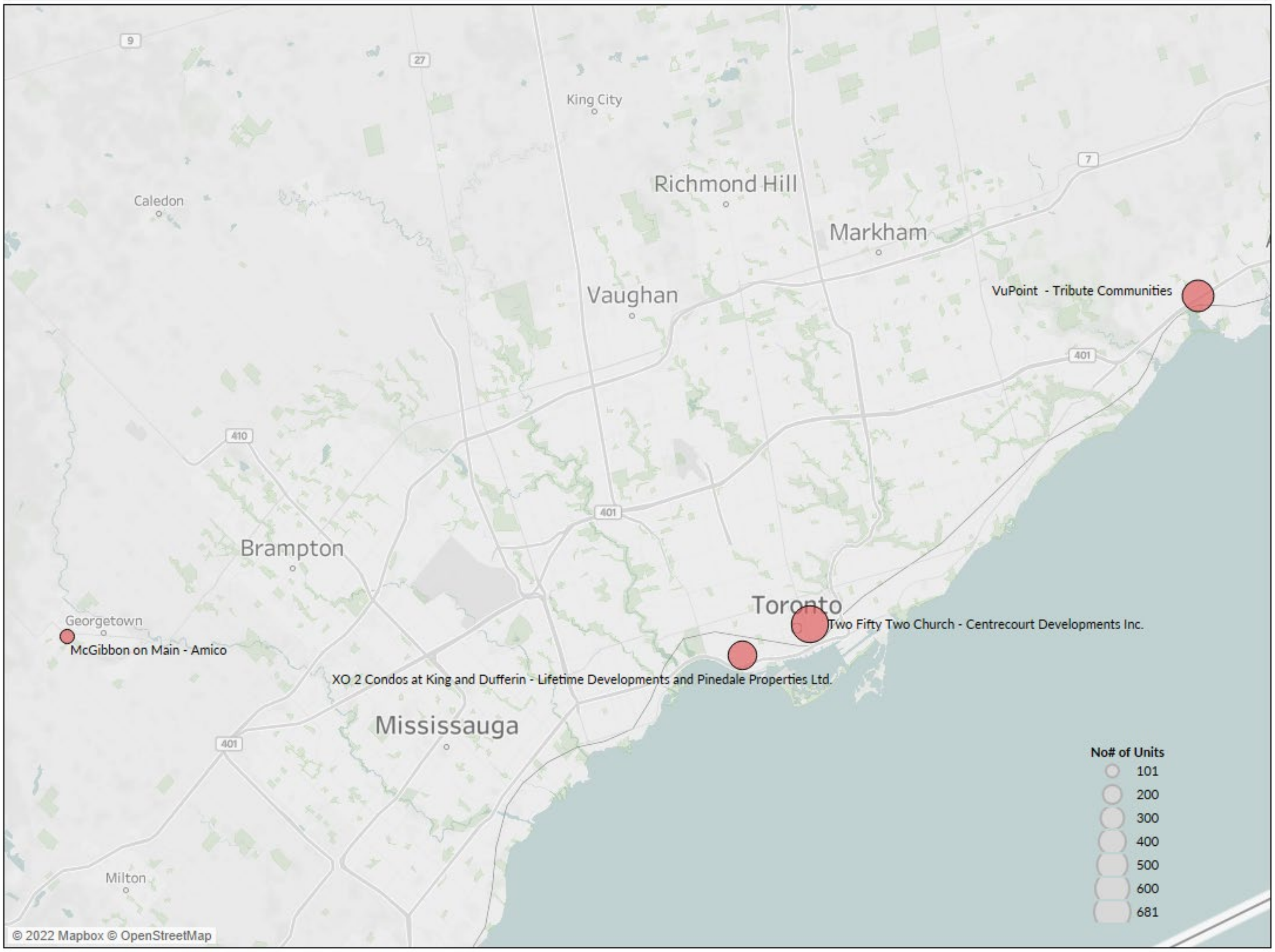
New Condominium Apartment Project Openings - January 2022 (1 of 2)

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	**173**	**28**	**65**	**161**	**206**
Total Units Released	**173**	**28**	**65**	**154**	**206**
Studio	3	-	7	-	11
1 Bedroom	31	4	33	80	39
1 Bedroom + den	44	12	-	38	104
2 Bedroom	63	6	18	26	31
2 Bedroom + den	11	6	-	10	-
3 Bedroom & up	21	-	7	-	17
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	4
Other	-	-	-	-	-
Opening Month Sales	**0**	**16**	**0**	**0**	**119**
Next Month Sales	**104**	**0**	**65**	**78**	**40**
% Sold (of released units)	60%	57%	100%	51%	77%
Remaining Available Inventory	69	12	0	76	47
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	$2,104,800	$1,200,000	$919,500	$1,299,990
Notes					

Source: Altus Group

January-2022 New Project Launches by Number of Units



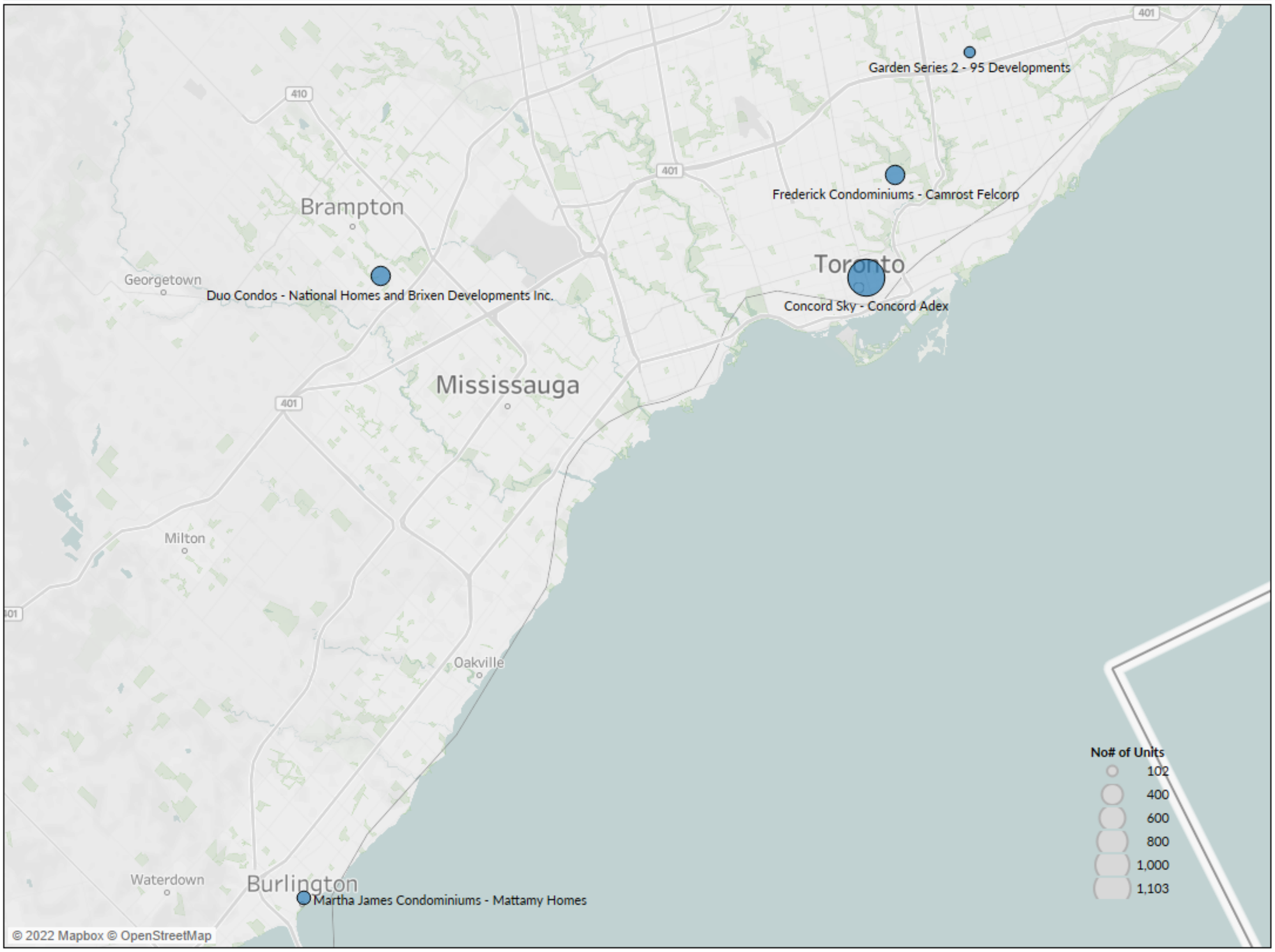
Source: Altus Group

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**	**564**	**408**
Total Units Released	**169**	**681**	**450**	**408**
Studio	-	100	-	12
1 Bedroom	28	178	225	78
1 Bedroom + den	18	295	66	116
2 Bedroom	50	97	117	70
2 Bedroom + den	50	11	14	69
3 Bedroom & up	6	-	28	63
Penthouse	17	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**0**	**635**	**0**	**251**
Next Month Sales	**120**	**46**	**420**	**37**
% Sold (of released units)	71%	100%	93%	71%
Remaining Available Inventory	49	0	30	120
Original $PSF	$1,049	$1,524	$991	$1,332
Minimum Size (sq. ft.)	466	293	457	442
Maximum Size (sq. ft.)	1,860	721	859	1,045
Minimum Price	$531,990	$542,000	$495,000	$599,900
Maximum Price	$1,787,990	$997,000	$849,000	$1,334,900
Notes				

Source: Altus Group

February-2022 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

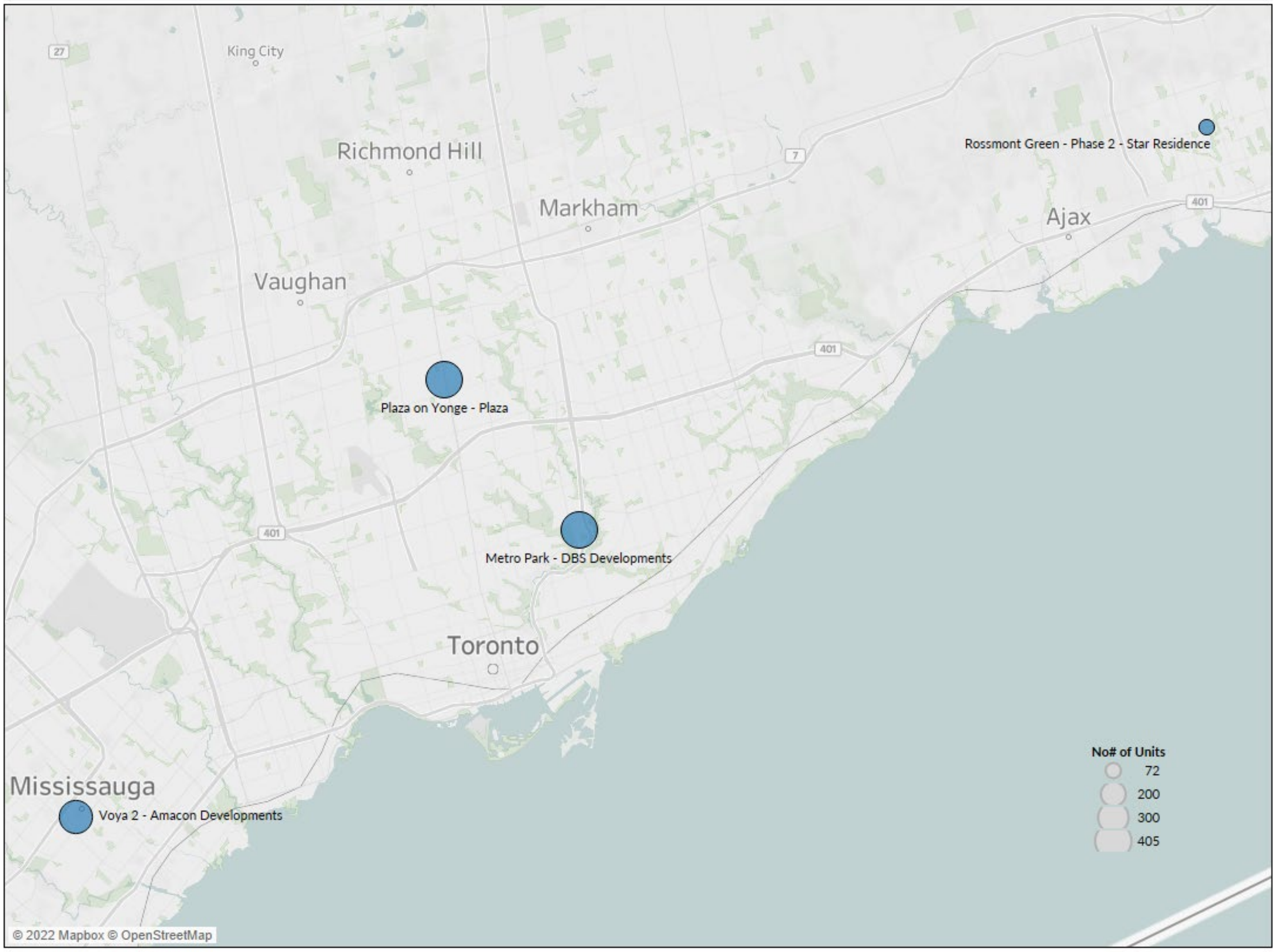
Note: due to the large number of openings in February, project maps and details each have 2 pages.

New Condominium Apartment Project Openings - February 2022 (1 of 2)

Project Name	Concord Sky	Duo Condos	Frederick Condominiums	Garden Series 2	Martha James Condominiums
Developer	Concord Adex	National Homes and Brixen Developments Inc.	Camrost Felcorp	95 Developments	Mattamy Homes
Date Opened	February 26, 2022	February 10, 2022	February 7, 2022	February 22, 2022	February 17, 2022
Municipality	Old Toronto	Brampton	East York	Scarborough	Burlington
Region	Toronto	Peel	Toronto	Toronto	Halton
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	95	25	29	10	13
Project Total Units	**1,103**	**350**	**301**	**102**	**150**
Total Units Released	**1,103**	**318**	**301**	**102**	**150**
Studio	263	10	4	-	-
1 Bedroom	451	107	53	3	45
1 Bedroom + den	-	119	107	44	51
2 Bedroom	385	67	137	5	36
2 Bedroom + den	-	15	-	-	18
3 Bedroom & up	4	-	-	50	-
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	-
Other	-	-	-	-	-
Opening Month Sales	**0**	**158**	**240**	**0**	**72**
% Sold (of released units)	0%	50%	80%	0%	48%
Remaining Available Inventory	1,103	160	61	102	78
Original $PSF	$1,406	$946	$1,417	$1,158	$1,044
Minimum Size (sq. ft.)	423	428	385	471	529
Maximum Size (sq. ft.)	1,213	844	924	1,226	987
Minimum Price	$700,000	$451,900	$649,900	$729,990	$610,000
Maximum Price	$1,602,000	$818,900	$1,259,900	$1,419,990	$990,000
Notes	No firm sales as all deals subject to the 10-day conditional period.			No firm sales as all deals subject to the 10-day conditional period.	

Source: Altus Group

February-2022 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

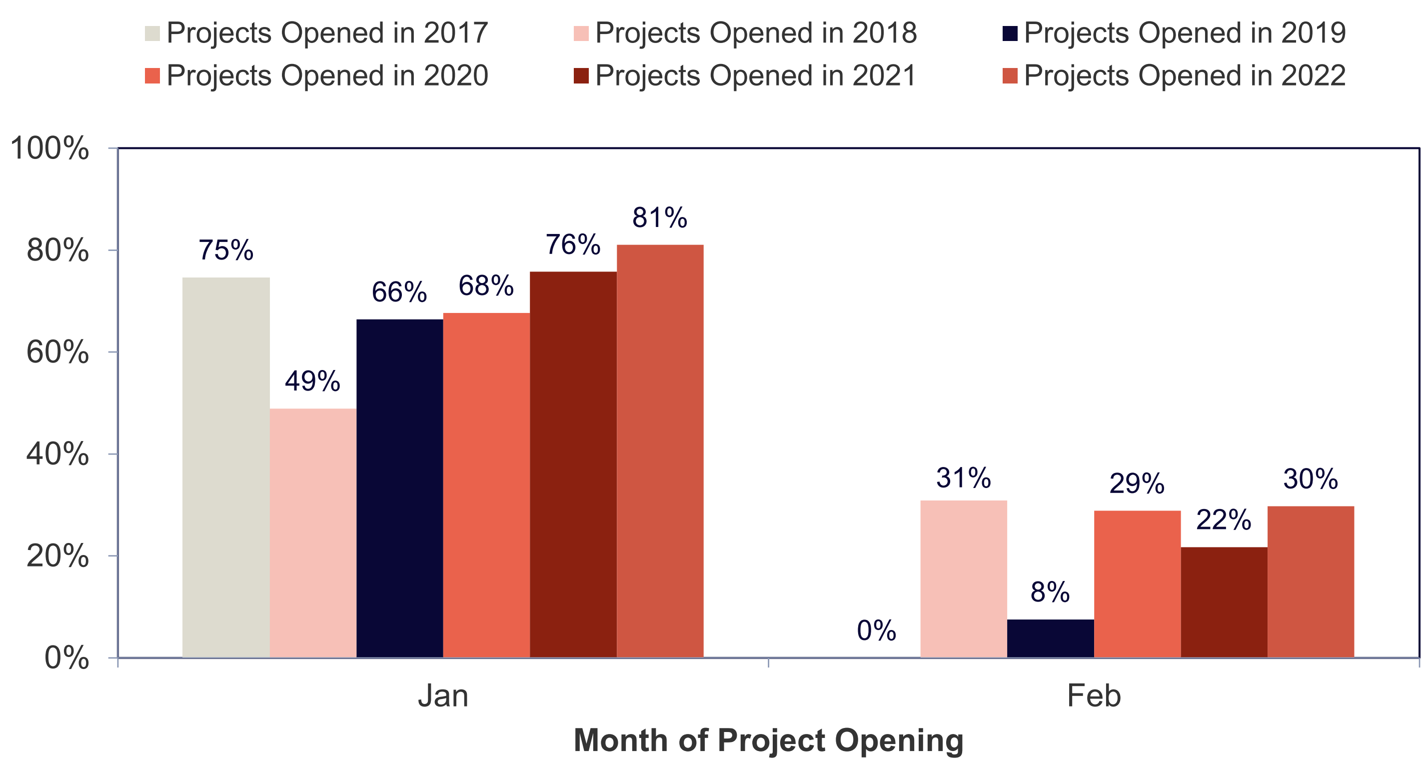
New Condominium Apartment Project Openings - February 2022 (2 of 2)

Project Name	Metro Park	Plaza on Yonge	Rossmont Green - Phase 2	Voya 2
Developer	DBS Developments	Plaza	Star Residence	Amacon Developments
Date Opened	February 12, 2022	February 1, 2022	February 24, 2022	February 26, 2022
Municipality	North York	North York	Whitby	Mississauga
Region	Toronto	Toronto	Durham	Peel
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	37	32	5	36
Project Total Units	**405**	**407**	**72**	**397**
Total Units Released	**405**	**395**	**72**	**327**
Studio	-	-	-	-
1 Bedroom	4	90	12	139
1 Bedroom + den	217	64	36	56
2 Bedroom	142	195	24	125
2 Bedroom + den	4	6	-	7
3 Bedroom & up	31	28	-	-
Penthouse	-	-	-	-
Townhouse	7	12	-	-
Other	-	-	-	-
Opening Month Sales	**154**	**354**	**0**	**0**
% Sold (of released units)	38%	90%	0%	0%
Remaining Available Inventory	251	41	72	327
Original $PSF	$1,079	$1,361	$930	$1,308
Minimum Size (sq. ft.)	478	434	551	483
Maximum Size (sq. ft.)	1,521	1,450	919	952
Minimum Price	$531,990	$619,000	$560,900	$633,900
Maximum Price	$1,787,990	$1,700,000	$870,900	$1,158,900
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

- **Sales to date in the new condominium projects opened in the first 2 months of the year have performed well in comparison to recent years.** Just over 80% of units in the 9 projects opened in January and about one-third of units in the 9 projects opened in February were sold by the end of February.
- **Focusing just on the 5 projects opened in February before the last 10 days of the month, almost two-thirds of released units were sold by month end.**
- There were no newly opened projects that sold out during the month, although 2 projects achieved more than 80%+ sales. Of the 9 projects opened in the previous month (January), 2 were sold out by the end of February, and another 4 were 70%+ sold.
- 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 (% of Total Units Sold Through February)*

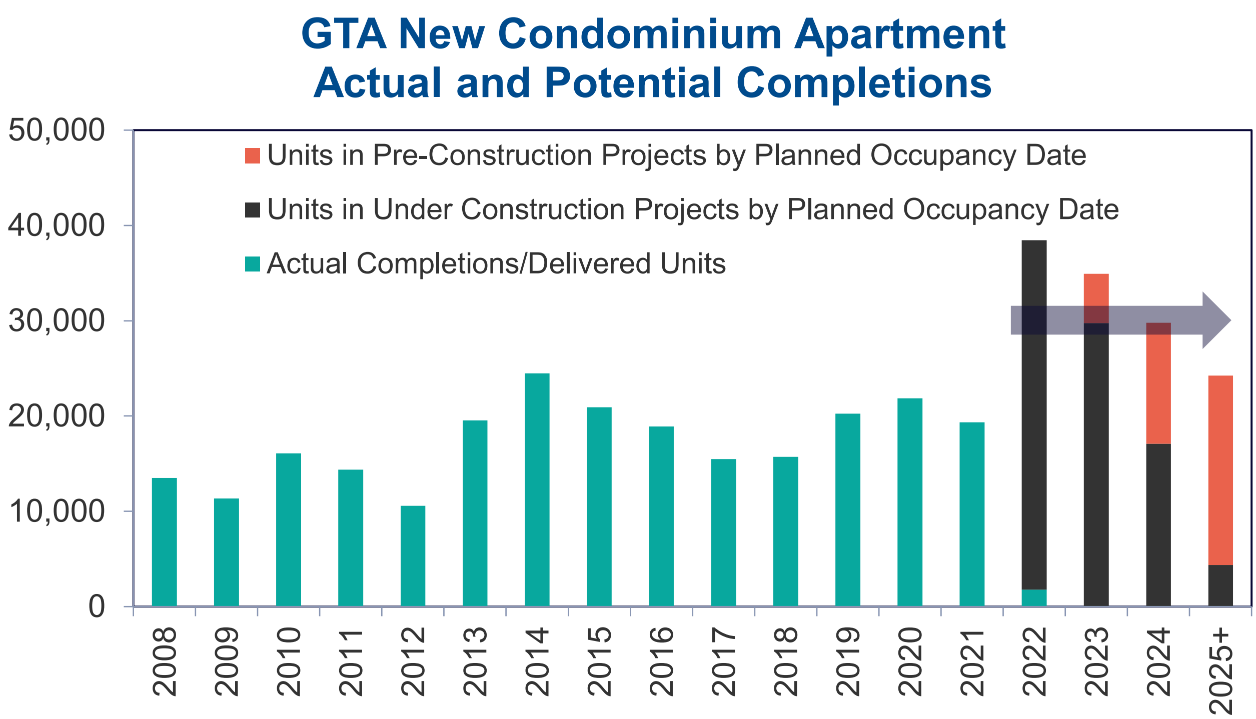


** The total includes unreleased units, and projects opened in the last 10 days of the month.*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of February 2022, there were about 125,600 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were only about 1,800 units delivered in the first 2 months of 2022** – this is about half the levels delivered in the same period in each of the previous 3 years.
- 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, pandemic related disruptions 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).

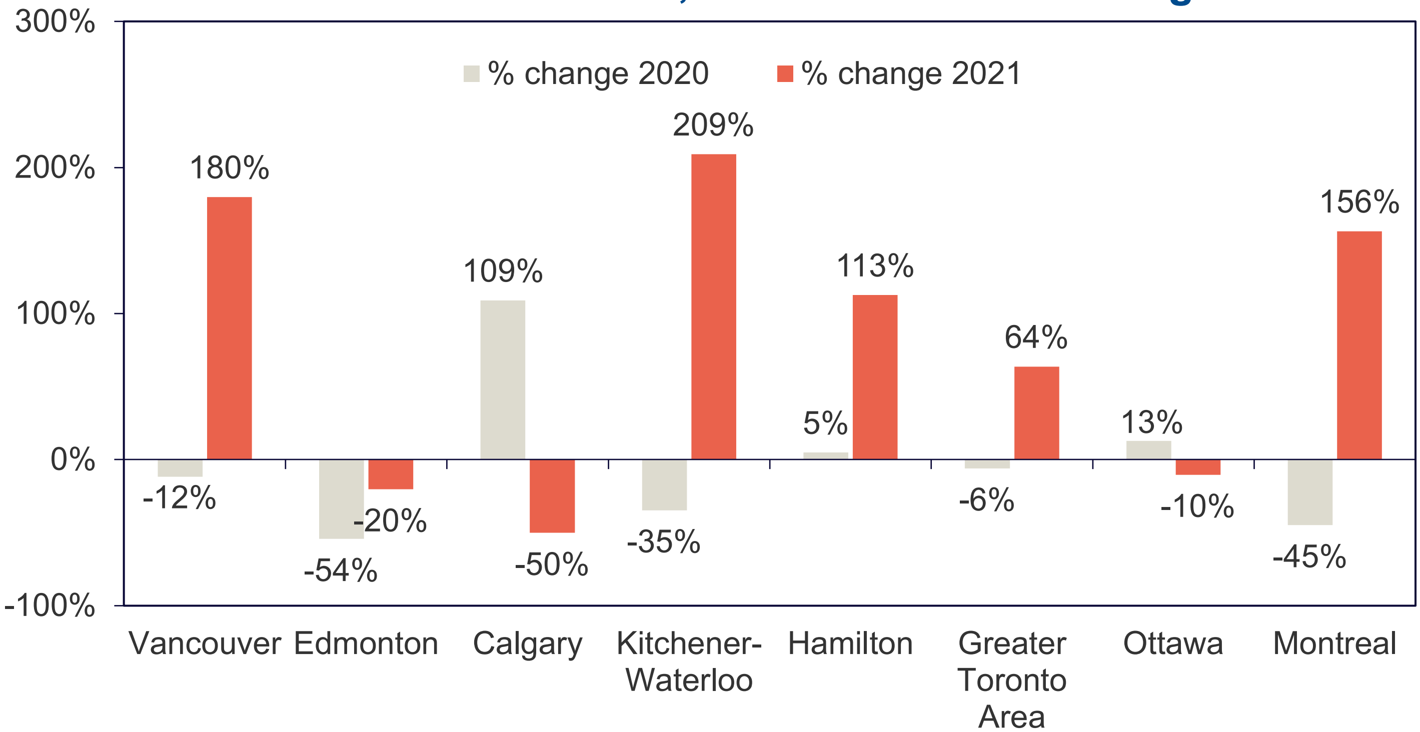


Source: Altus Group

High-Density Residential Land Sales

- **Investors are still keen on acquiring land for high-density development** (i.e. land for condominium apartment and purpose-built rental projects)
- **Sales of high-density residential land picked up sharply in the GTA in 2021**, after a modest decline in 2020.
- **Other markets tracked by Altus Group also saw rebounds in high-density land sales in 2021 after weathering a pandemic impacted 2020**, most notably Kitchener-Waterloo, Vancouver and Montreal.

High-Density Residential Land Sales Transactions ($)
Selected Markets, Year-over-Year % Change

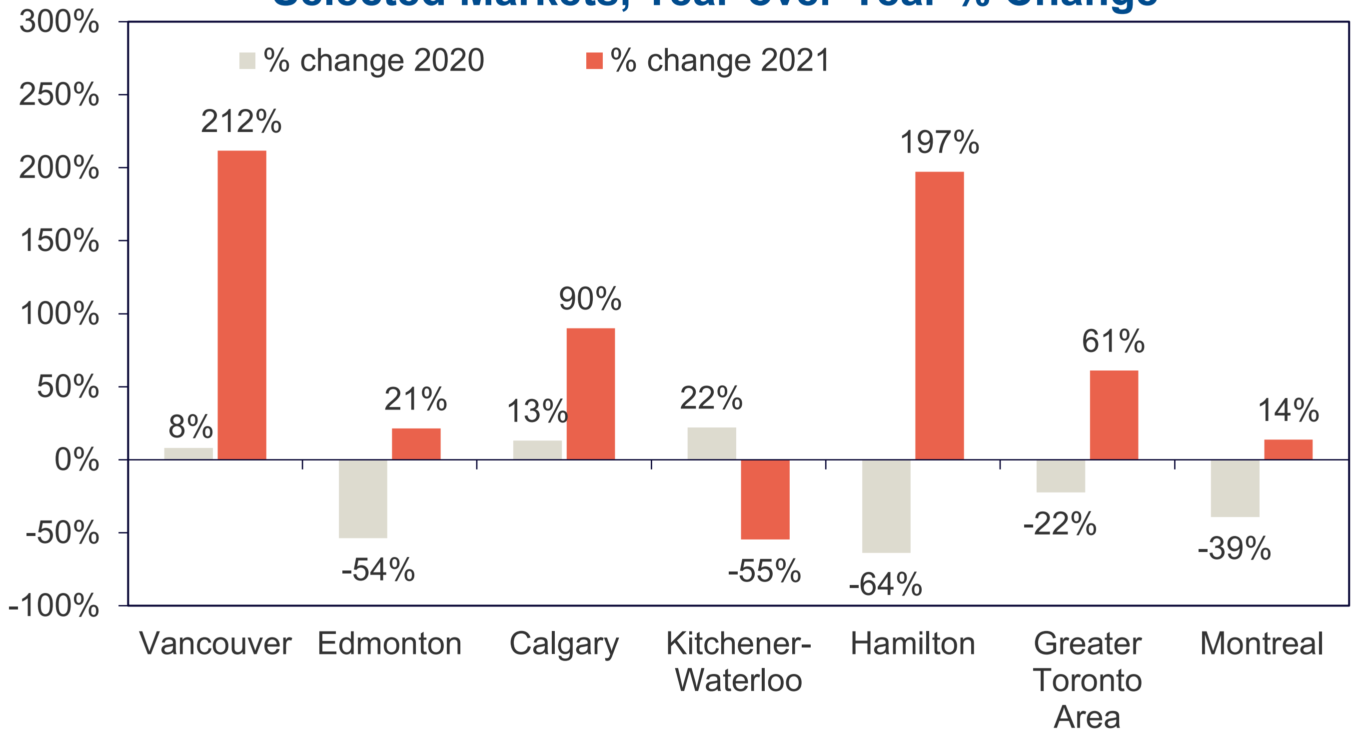


Source: Altus Group

New Condo Apartment Sales Across Canada

- **The GTA is not the only market to see stronger new condominium apartment sales in 2021.**
- **Most of the markets regularly tracked by Altus Group saw a rebound in new condo sales last year, as buyers looked for relatively more affordable options.** The smaller increase for the GTA compared to markets such as Vancouver, Calgary and Hamilton in part reflects the stronger showing that the GTA had in Q1 2020.

New Condominium Apartment Sales, Selected Markets, Year-over-Year % Change



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