The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of August 2022

Table of Contents

New Condominium Apartment Dashboard

August 2022			YTD August 2022	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
533	**8,787**	**$1,189,682**	**17,981**	**$1,189,681**
-83% ▼	**-12%** ▼	**11%** ▲	**-12%** ▼	**12%** ▲
Lowest month since early in pandemic	***Lowest August in 5 years***	***4th highest month on record***	***3rd highest YTD August on record***	***Highest YTD August on record***

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

Highlights

- **Condominium sales dropped to their lowest August on record and their lowest level since the first two months of the pandemic.** Single-family sales were lower again, recording their lowest month ever. As a result, total sales dropped to a 13½ year low and 84% below last year's level.
- **The benchmark new condominium apartment price rose 11% year-over-year, making August 2022 the fourth highest month on record, and the highest August ever recorded.** Year-to-date sales were 12% below the previous year. Inventory levels experienced a slight downturn, recording the lowest August in five years.
- **Consumers have been faced with rising mortgage rates and growing economic concerns, with a further interest rate hike anticipated in October. Meanwhile, developers continue to deal with rising construction costs and deciding whether they should tighten their development pipeline with increasing uncertainty on when to launch new projects.** Concerns are rising about whether sales may now be pushed out not just into the Fall but potentially into next year, as **new home sales are expected to lag 2021 levels throughout the remainder of the year.**

GTA Condominium Apartment Key Performance Indicators

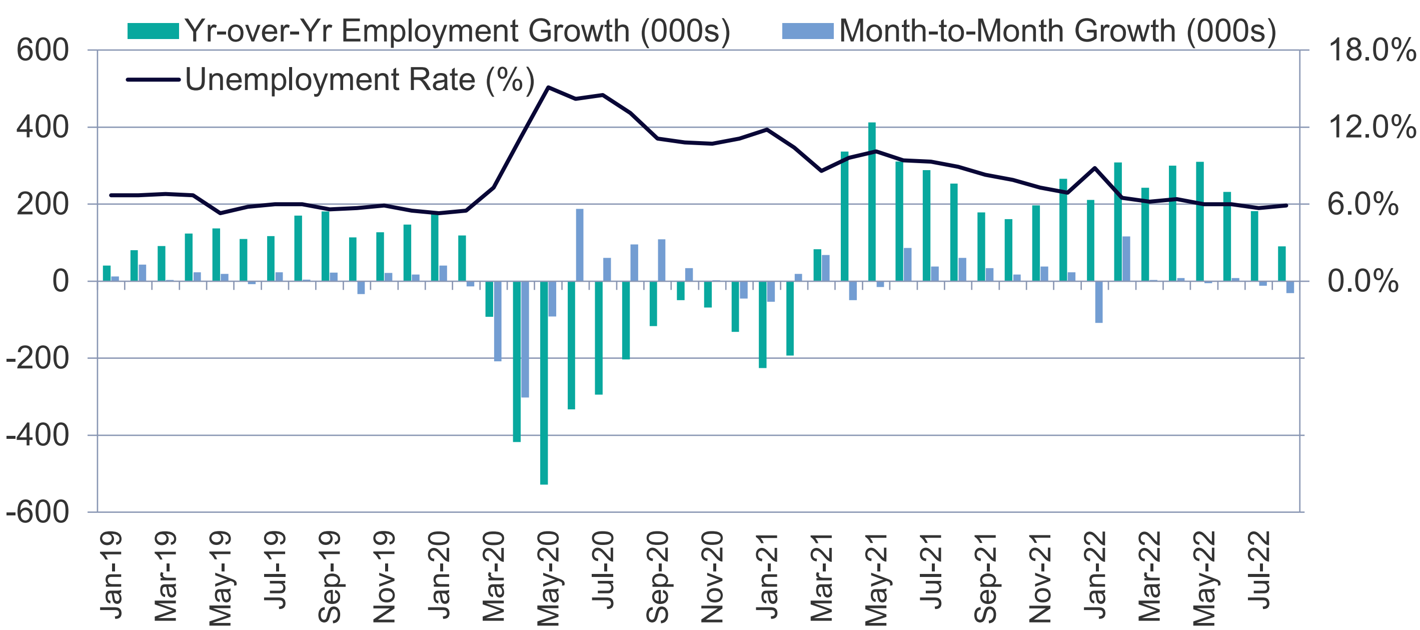
	Aug-21	Jul-22	Aug-22	*Yr-Over-Yr % Change*	YTD Aug 2021	YTD Aug 2022	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	331	330	328	*-1%*	328	325	*-1%*
New projects opened	12	5	1	*-92%*	77	71	*-8%*
Units in new projects opened	3,693	834	201	*-95%*	17,637	18,445	*5%*
Total sales (units)	3,161	1,781	533	*-83%*	20,494	17,981	*-12%*
Sales as % of total new & resale	*55%*	*57%*	*26%*		*46%*	*52%*	
Inventory (units)	10,040	9,295	8,787	*-12%*	10,144	8,644	*-15%*
Sales-to-inventory ratio	31%	19%	6%	*-81%*	25%	27%	*6%*
Months of inventory	4.2	3.4	3.5	*-18%*	5.2	3.1	*-41%*
Benchmark price	$1,069,700	$1,191,716	$1,189,682	*11%*	$1,058,690	$1,189,681	*12%*
Price PSF Benchmark	$1,143	$1,397	$1,387	*21%*	$1,116	$1,341	*20%*
Unit size Benchmark (sq. ft)	936	853	857	*-8%*	948	888	*-6%*
Units completed	1,626	612	1,165	*-28%*	12,091	6,931	*-43%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,544	1,365	1,507	*-41%*	24,436	16,513	*-32%*
New listings (units)	3,568	3,652	3,144	*-12%*	34,075	32,542	*-4%*
Inventory ("active listings", units)	3,577	5,056	4,539	*27%*	3,269	3,691	*13%*
Sales-to-inventory ratio	71%	27%	33%	*-53%*	96%	72%	*-25%*
Months of inventory	1.3	2.2	2.0	*56%*	1.3	1.5	*9%*
Average price of units sold	$688,568	$719,273	$711,321	*3%*	$671,641	$770,631	*15%*
HPI constant quality price index (Jan 2005=100)	315.1	379.6	371.4	*18%*	306.4	389.9	*27%*

** 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

- **Year-over-year employment growth slowed for a 4th consecutive month.** The GTA unemployment rate rose slightly in August to 5.9% after a slight decline in the previous month.
- **The Bank of Canada increased the target for the overnight rate by 0.75 percent at its latest rate announcement on September 7**, stating that **“***Global inflation remains high and measures of core inflation are moving up in most countries. . . The Canadian economy continues to operate in excess demand and labour markets remain tight . . .Governing Council still judges that the policy interest rate will need to rise further.*” **The next rate announcement date is October 26.**
- **Variable rate mortgage interest rates have now jumped ahead of the average 5-year fixed special rate** with the 5-year fixed special rate now over 350 basis points higher than its recent low in early Fall 2021 *(chart next page, bottom).*

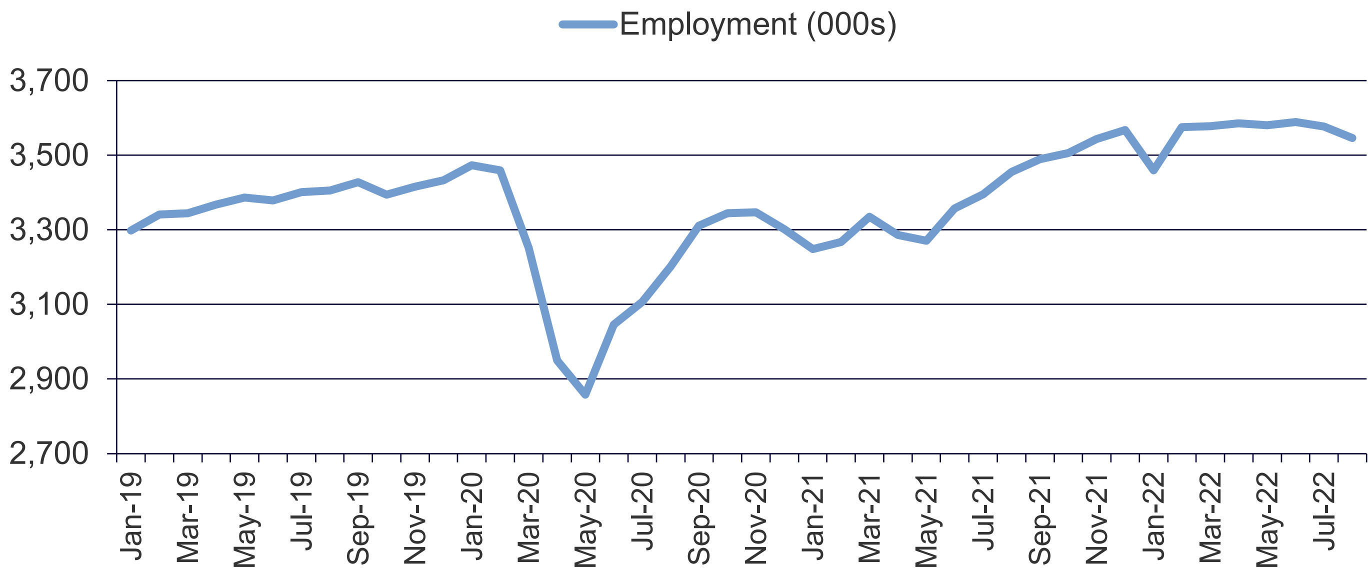
GTA Employment Snapshot*



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

Source: Altus Group based on Statistics Canada data

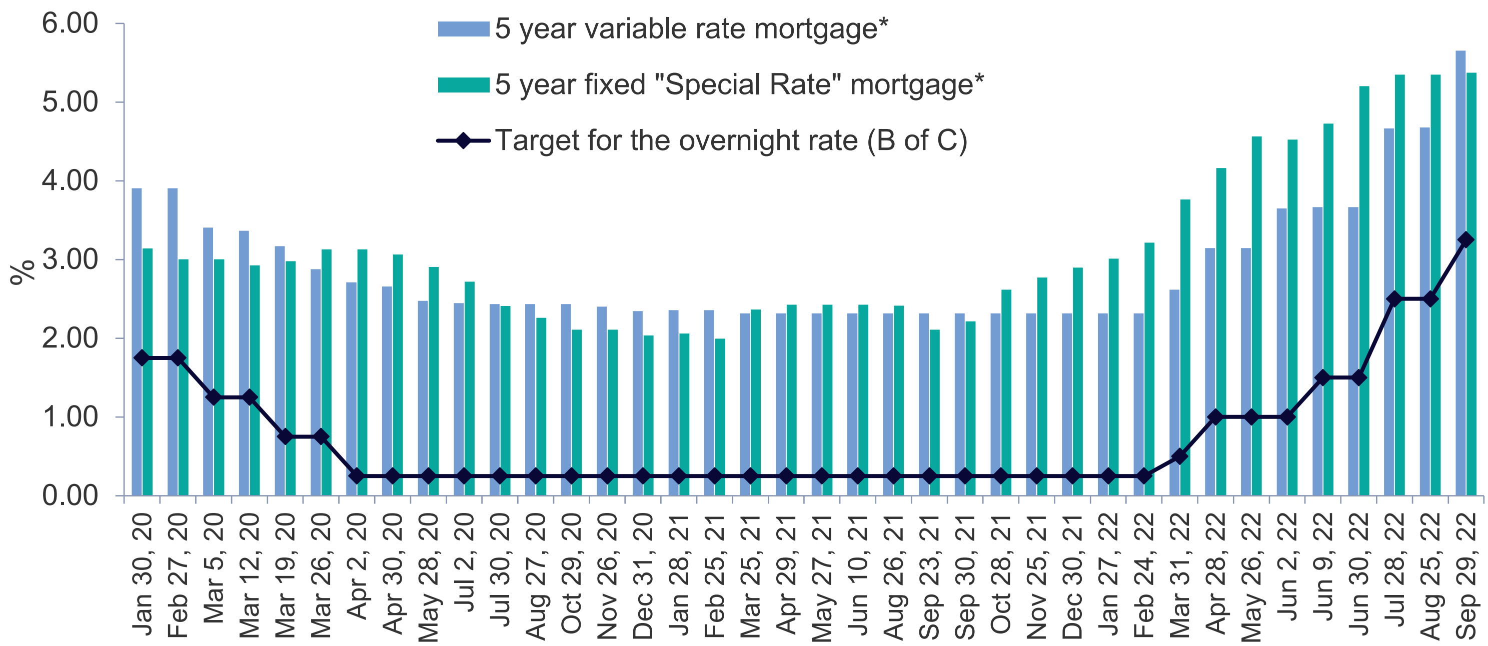
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

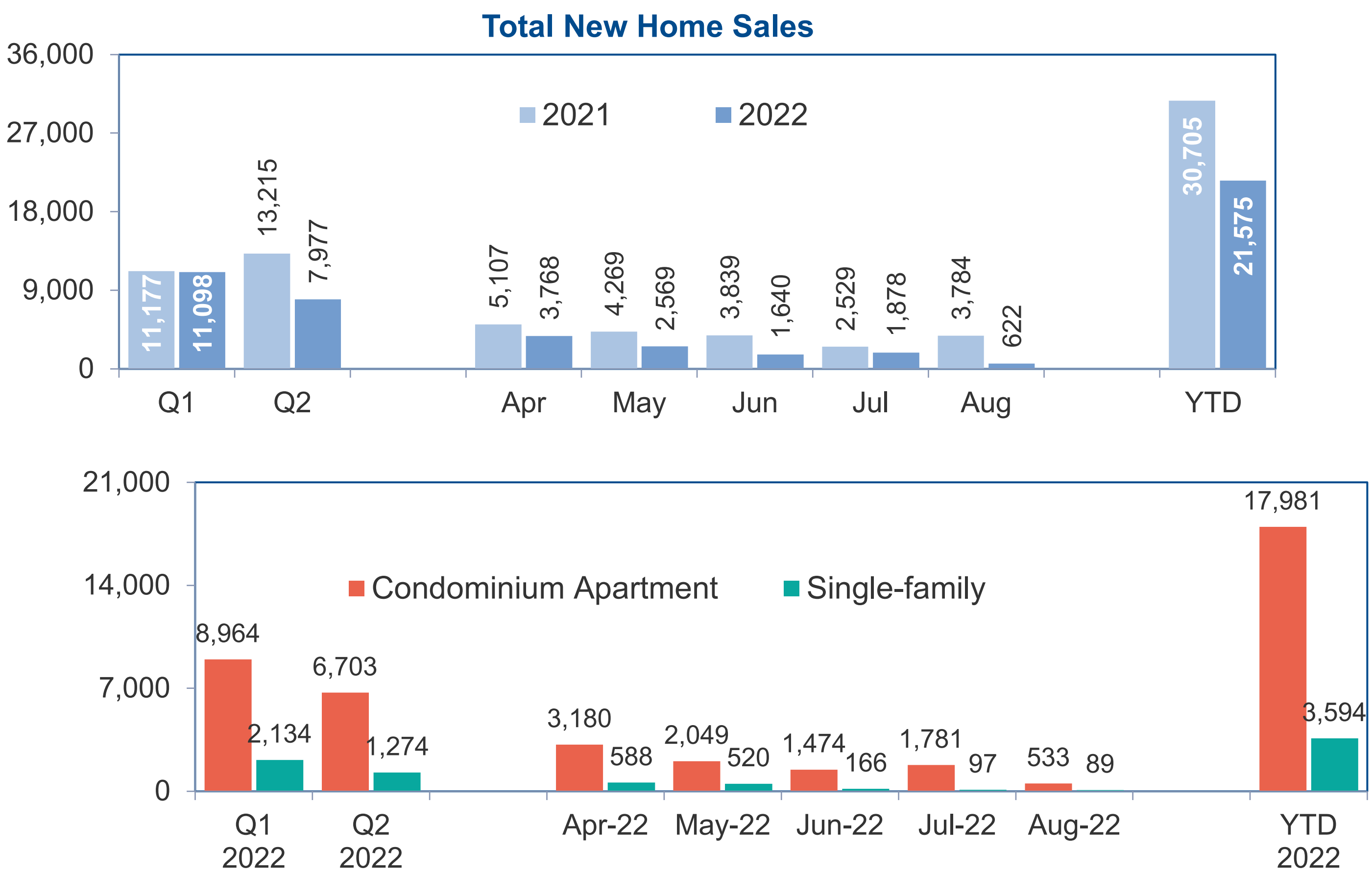


** Average for the major banks*

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

- **Single-family new home sales recorded the lowest monthly sales level on record.** New condo apartment sales are also lagging, recording the lowest month since the early months of the pandemic. As a result, total new home sales were significantly lower than last. Total new home sales lagged year ago levels for a 6th month in a row, sitting slightly above the historic lows recorded in December 2008.
- **Regionally, Toronto continues to record year-over-year increases in total new home sales while the remaining regions have seen sales decline.** Higher condominium apartment sales are pushing the year-to-date increase in total sales in the City of Toronto (*charts next page*). In the 905 regions, falling single-family new home sales are driving the plummeting sales, with lower sales recorded in all of the 905 regions.

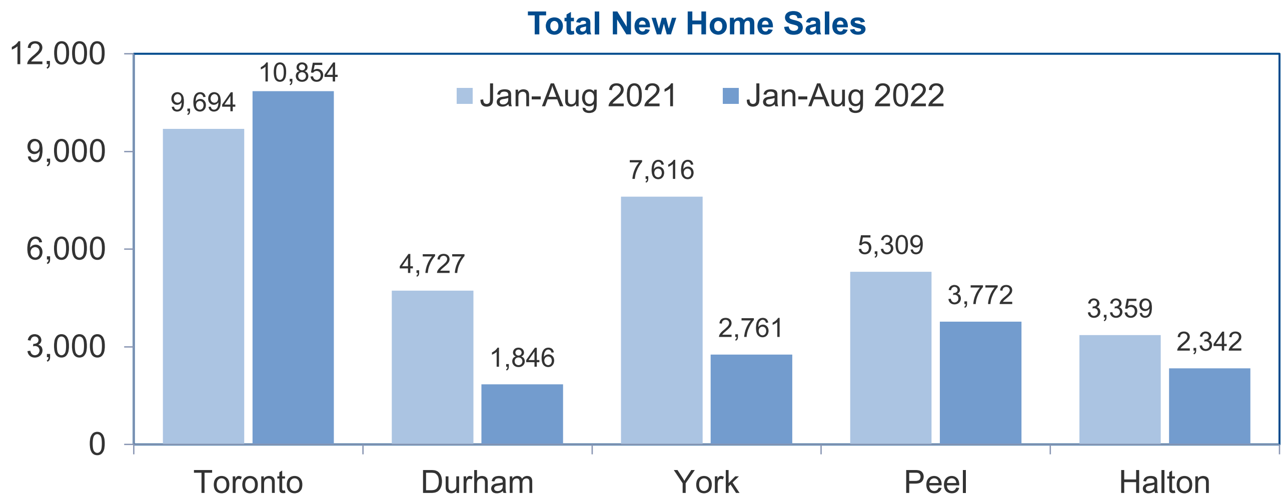
GTA New Home Sales

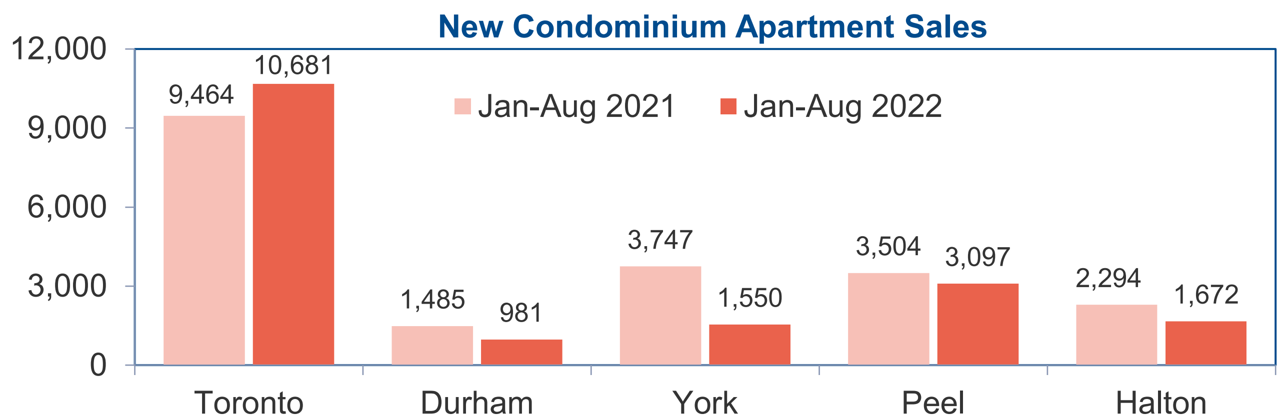


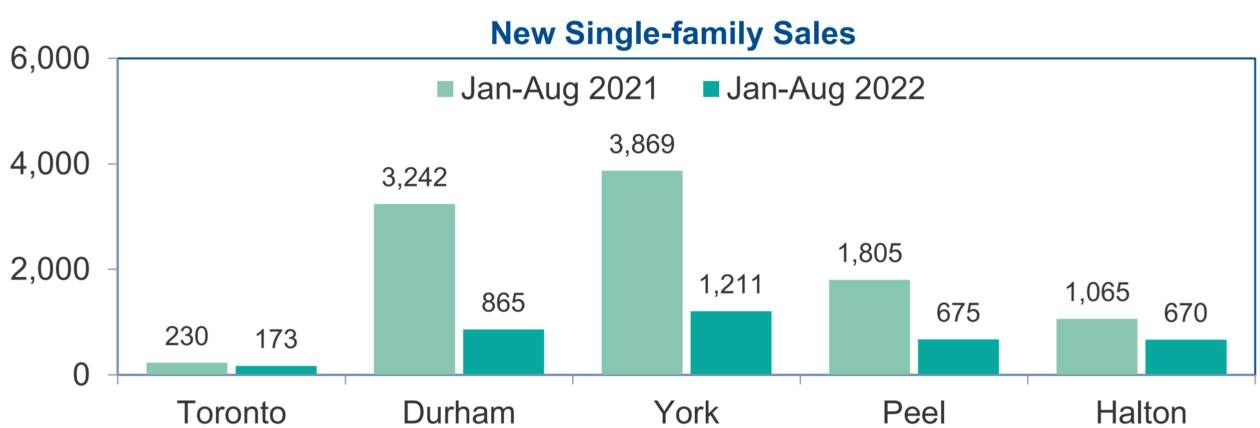
Source: Altus Group

AltusGroup

GTA New Home Sales by Region

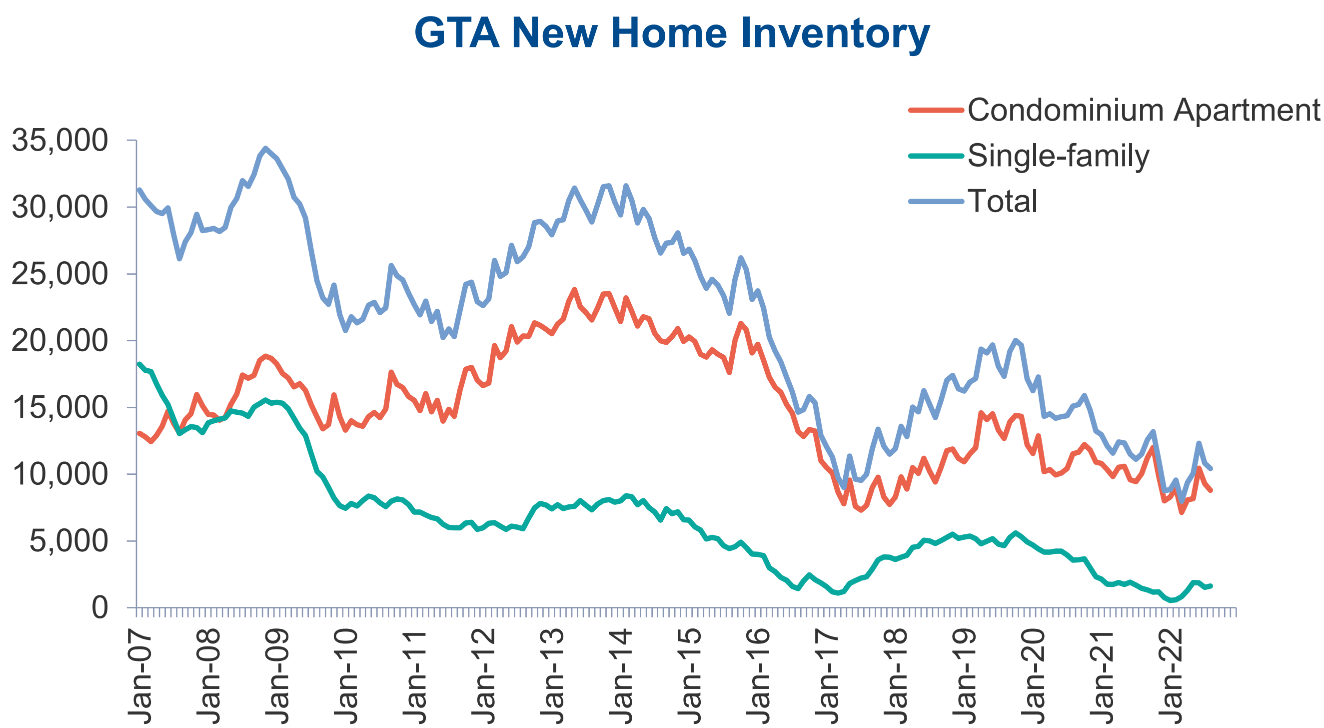






Source: Altus Group

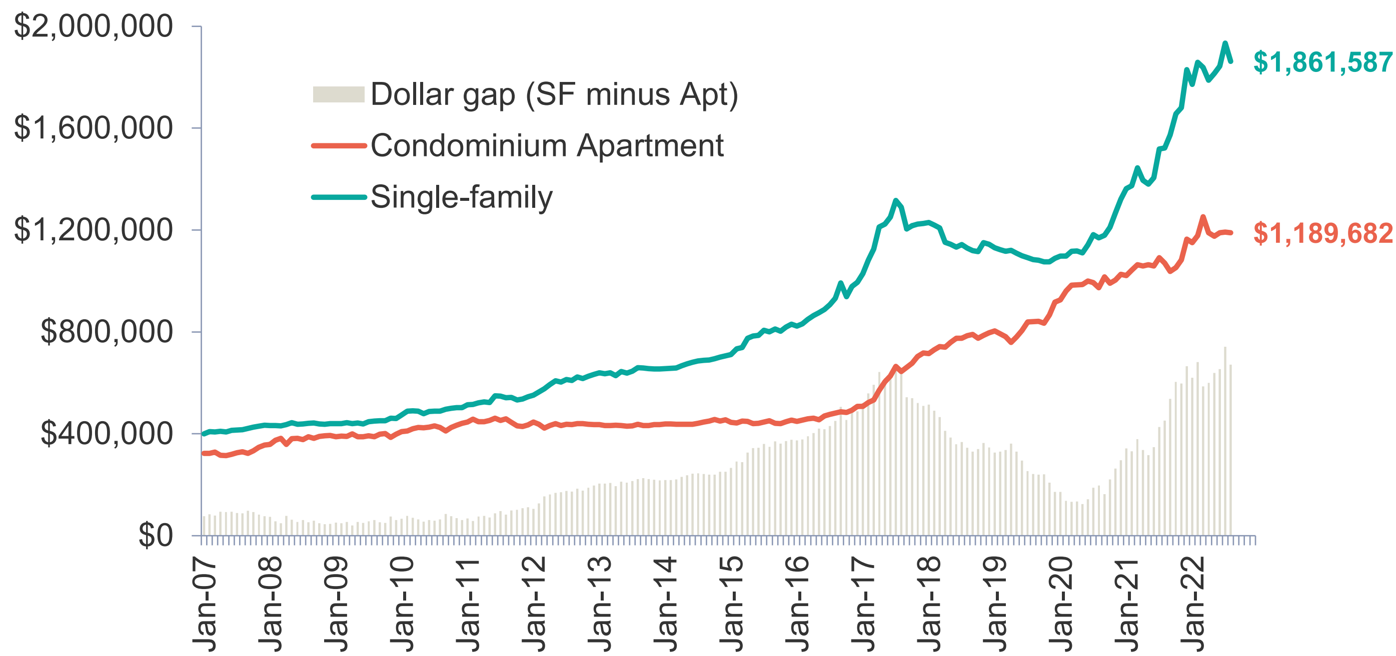
- **The total inventory of new homes across the GTA recorded a slight downturn in August 2022, falling from the previous month and year prior.** Total inventory touched slightly more than 10,400 units having risen from March's historic low. Single-family inventory rose slightly in August when compared with July 2022 and August 2021, though it still sits at a fraction of the 10-year average.
- **Condominium apartment inventory fell for the second month in a row**, with the lower unit counts in new project openings failing to make up for the slower sales in August.
- Based on average monthly total new home sales over the past 12 months, there was shy of three months of available supply of new homes at the end of August 2022, well below the long-term average for August of about seven months.



Source: Altus Group

- **The benchmark price for a new condominium fell slightly in August** with single-family benchmark pricing also easing after reaching a record high in July, as higher–priced inventory remains unsold in projects.
- **The price advantage of available new condominium apartments compared to new single-family homes eased slightly, slipping from its new record in July.** The condominium apartment benchmark price increased 11 percent year-over-year, sitting at half of the 22% increase in the single-family benchmark price (*charts next page*), as the historic low inventory levels of single-family homes continues to be a large contributor to the larger price increases over the past year.
- 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.

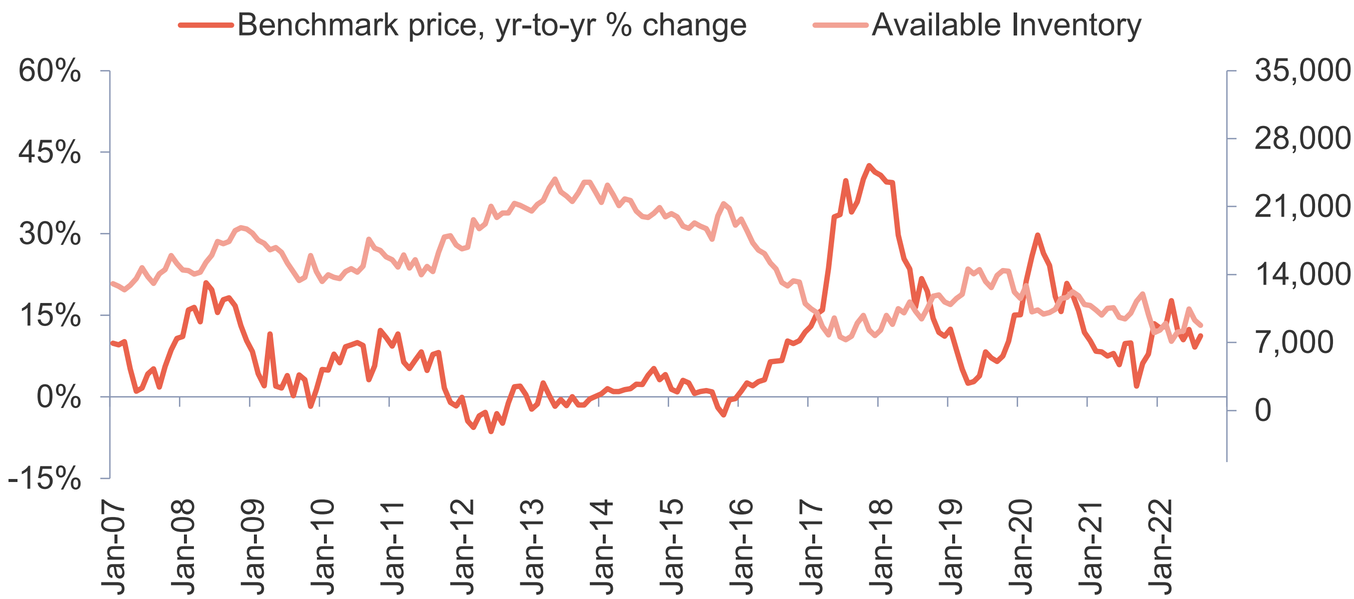
GTA New Home Benchmark Prices*



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

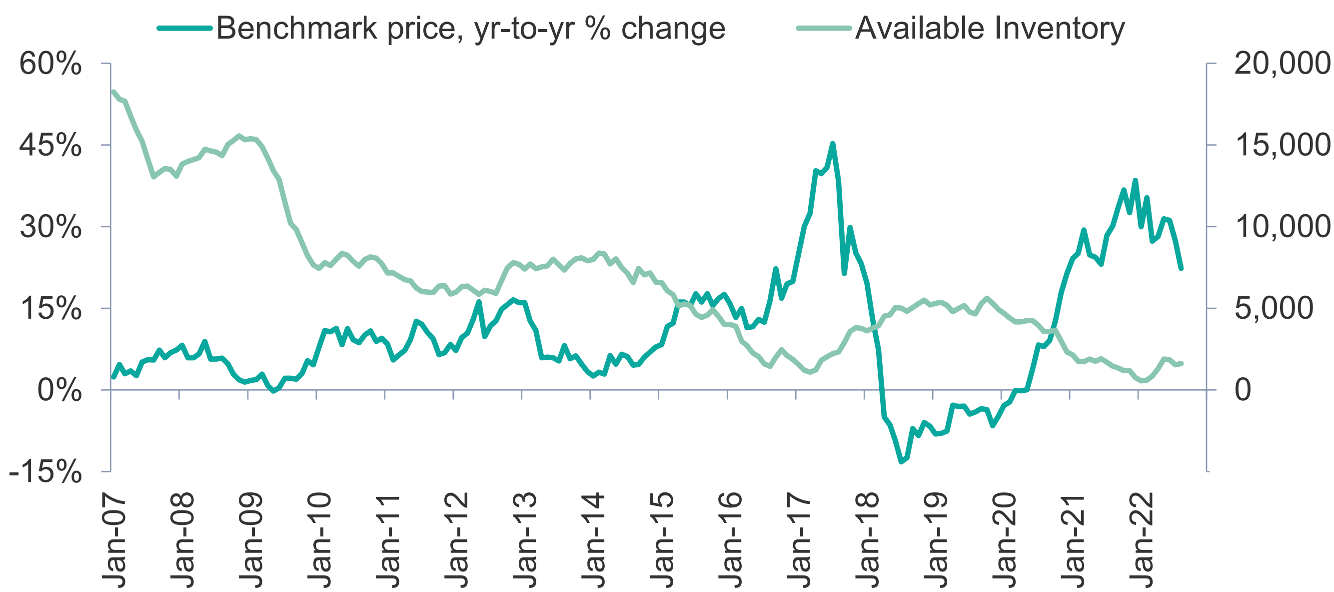
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

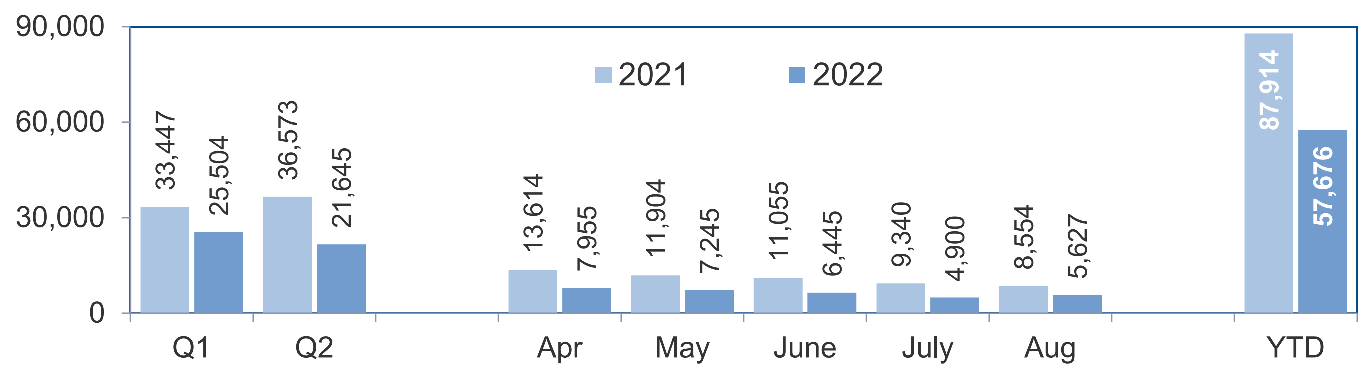


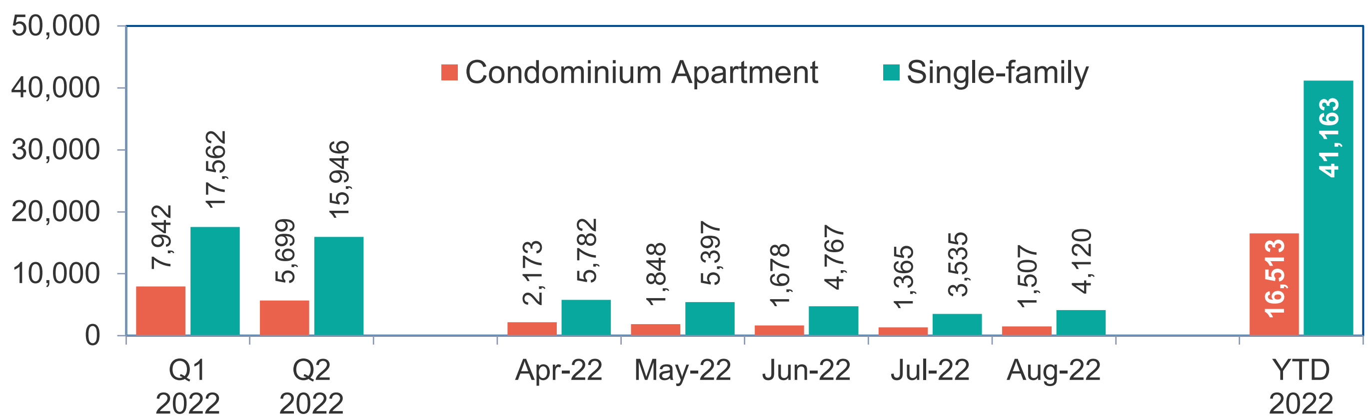
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes fell below previous years' levels for the 9th month in a row as of August, and now sits 34% below sales recorded year-to-date in 2021.** Both the single-family and condo apartment segments of the market shared in the year-over-year decline in sales activity in August.
- **Resale inventories increased in both sectors compared to August 2021 but remain below their 10-year averages.** Single-family resale inventories are nearly double the level recorded in August 2021**.** Meanwhile, average prices continued to slide in both the condominium apartment and single-family sectors from the record highs of earlier in the year *(charts next page).*

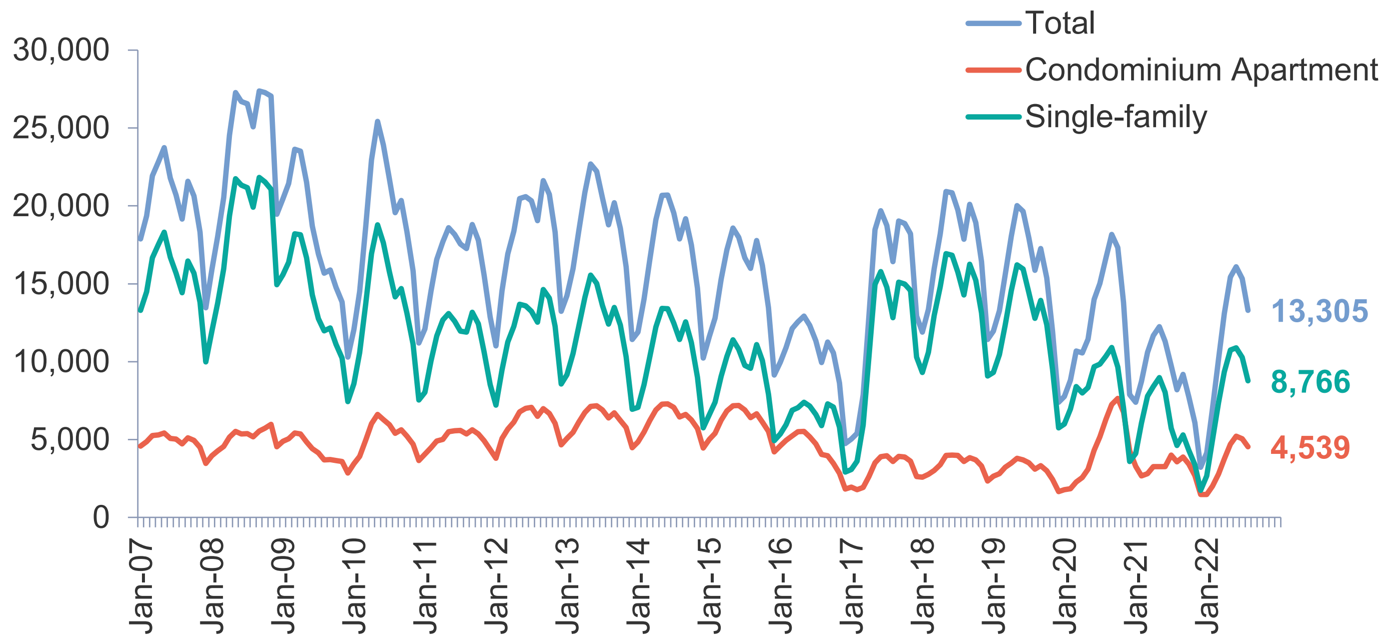
GTA Resale Home Sales





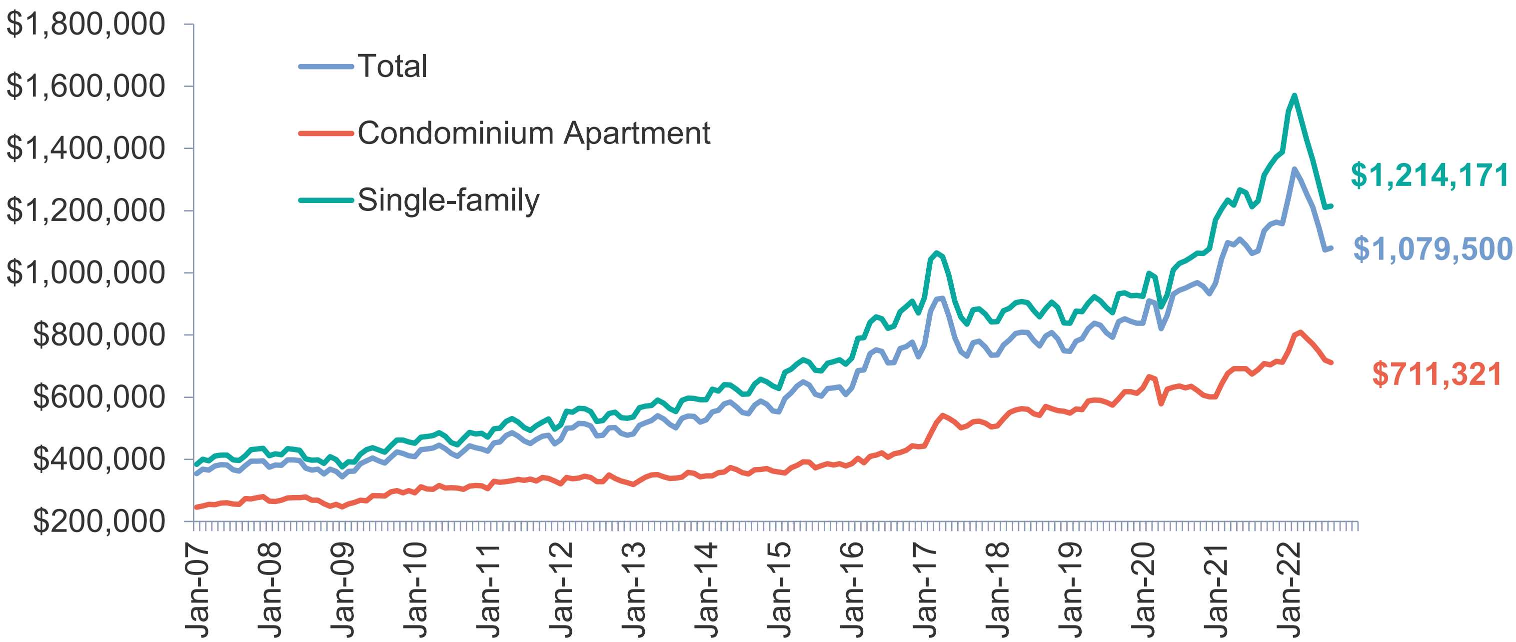
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory (“Active Listings”)



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

GTA Resale Home Prices

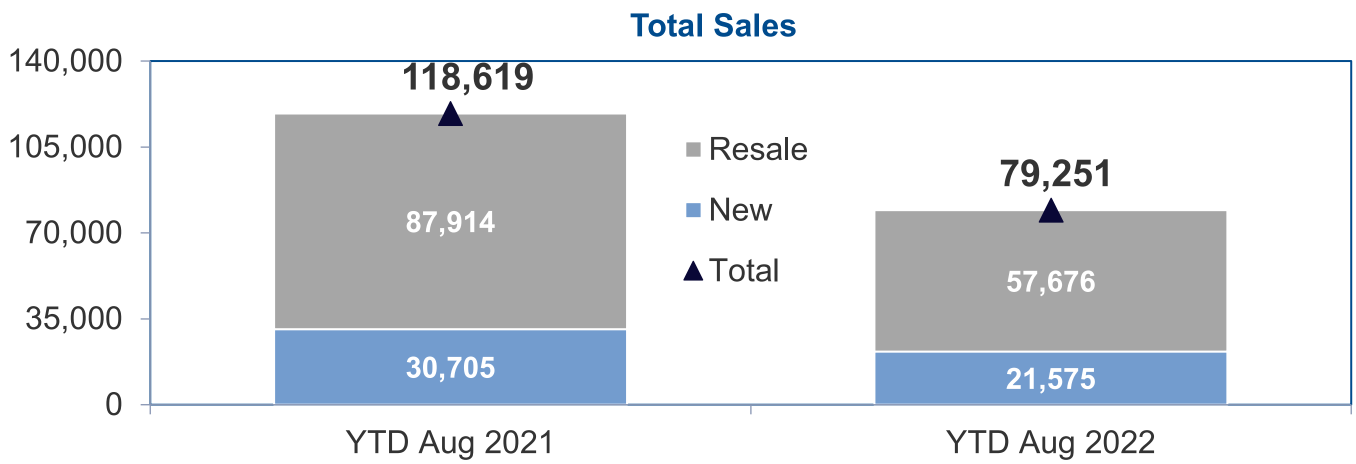


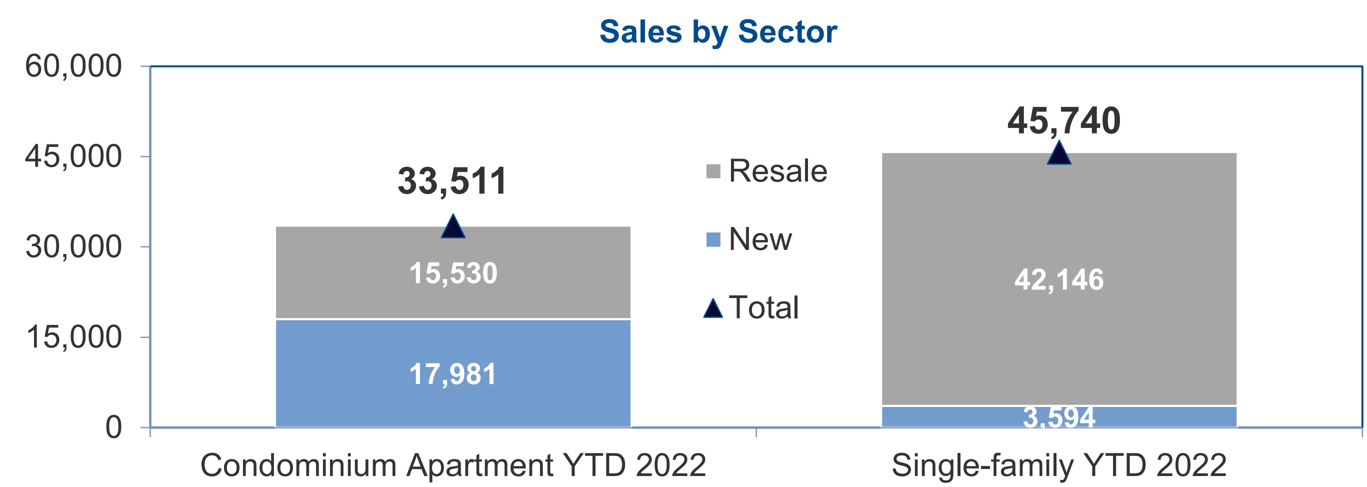
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in the first eight months of 2022 were down by one-third from a year earlier**.
- **The new home sector accounted for more than 1 in 4 home sales year-to-date in 2022** – similar to the same period in 2021. Over 1 in 12 single-family homes sold were new homes (down from about 1 in 7 a year ago) while new condo apartments increased their share of the total apartment sales to over half.

GTA Combined New & Resale Home Sales

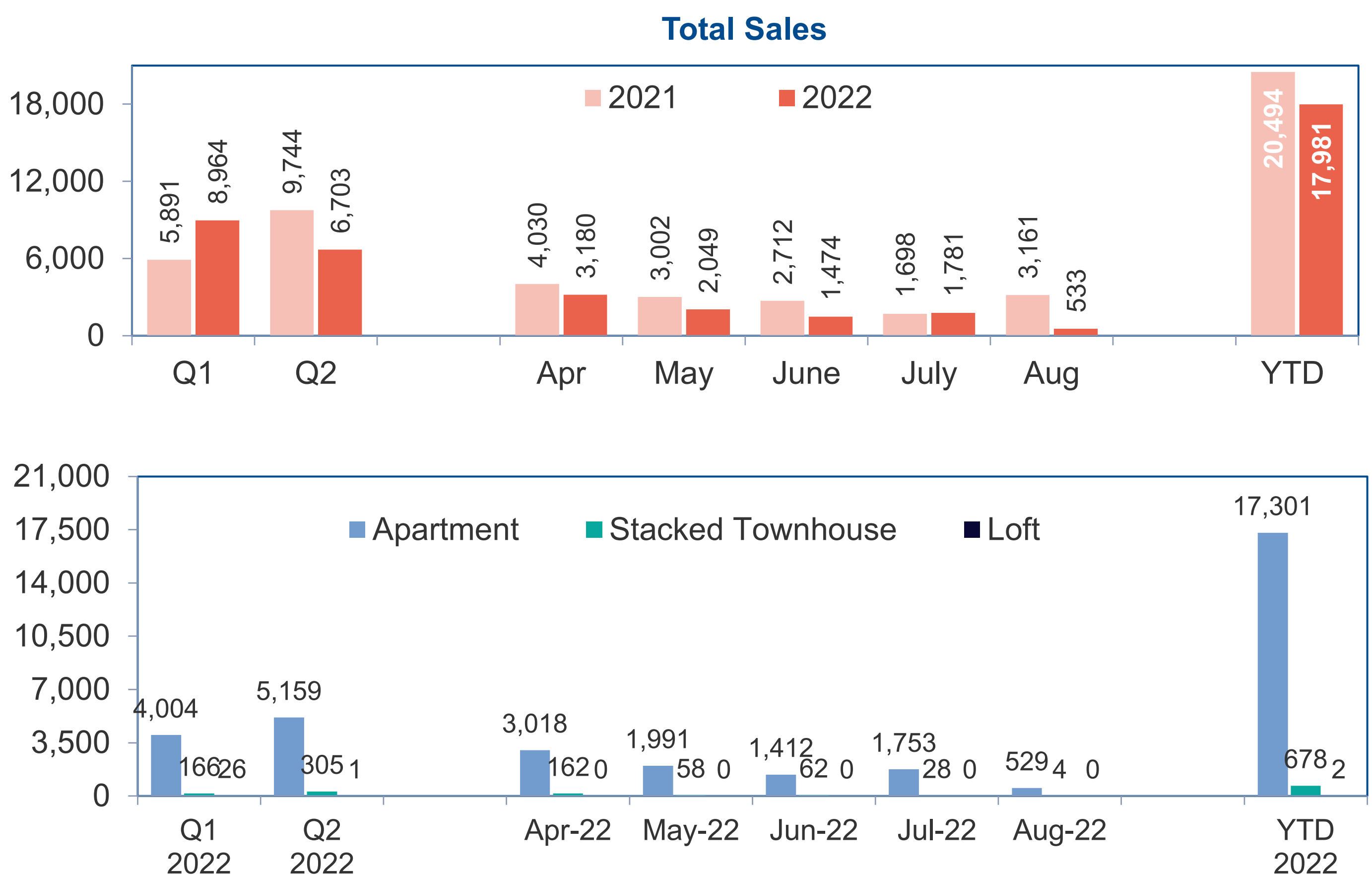




Source: Altus Group and Toronto Regional Real Estate Board data

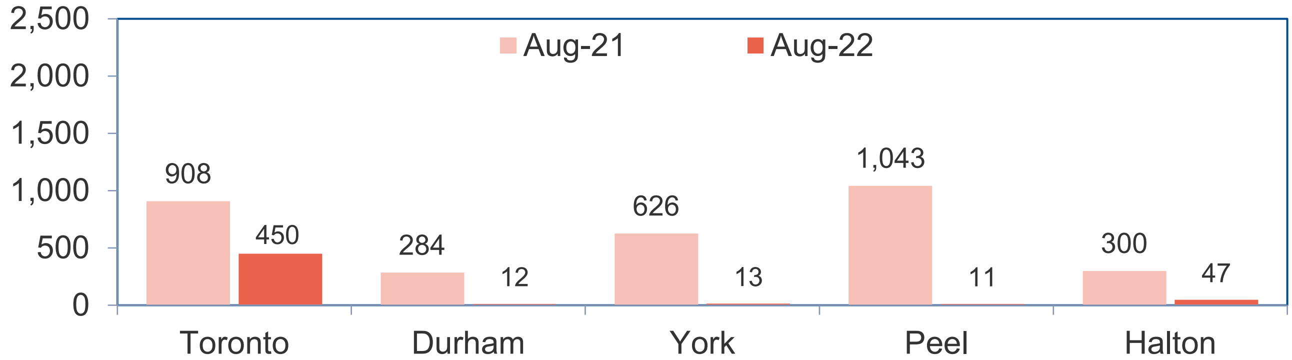
- **GTA new condominium apartment sales plummeted in August after having risen slightly in July.** Despite the record Q1 to start the year, year-to-date sales are off from their historic pace and now lag last year levels.
- **Stacked townhouse sales continue to drop, recording one of the lowest months on record.**
- **Toronto continues to outpace last year levels year-to-date,** and have expanded their market share in the face of lower sales in the 905 regions (*charts next page*).

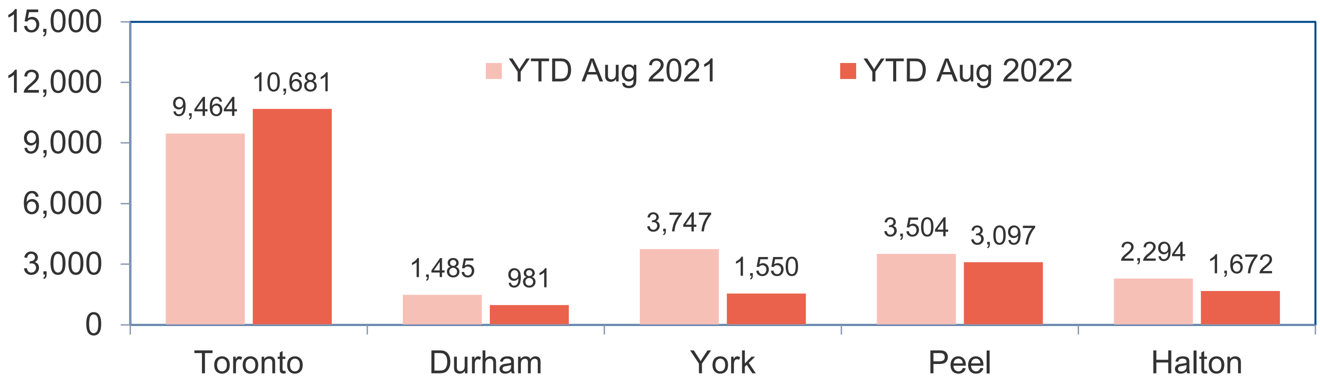
GTA New Condominium Apartment Sales

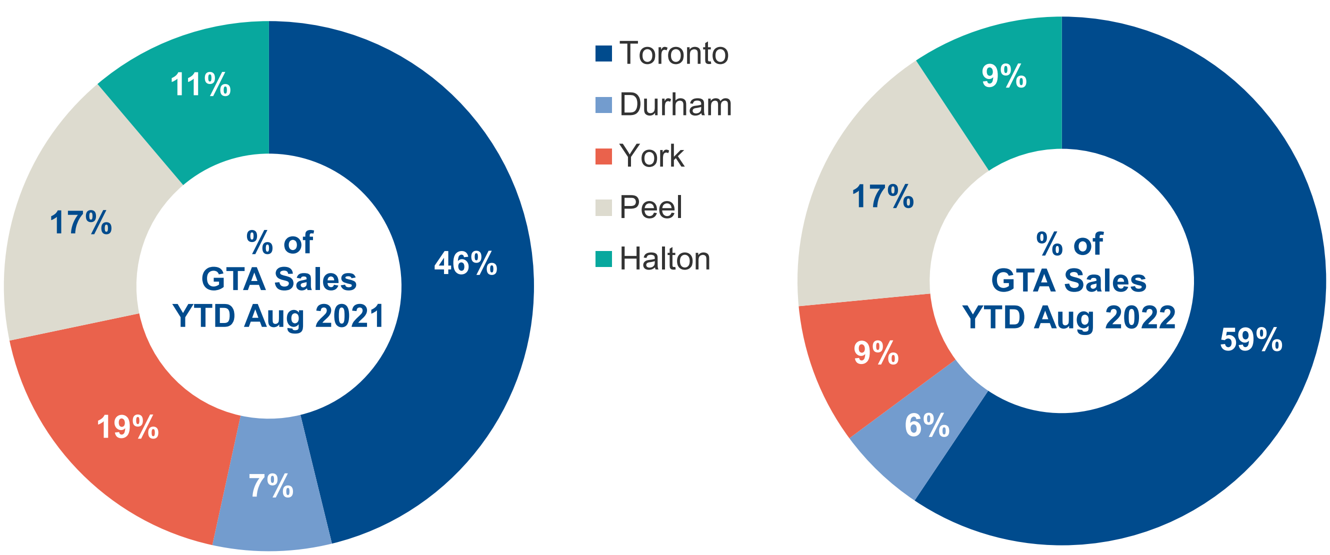


Source: Altus Group

GTA New Condominium Apartment Sales by Region



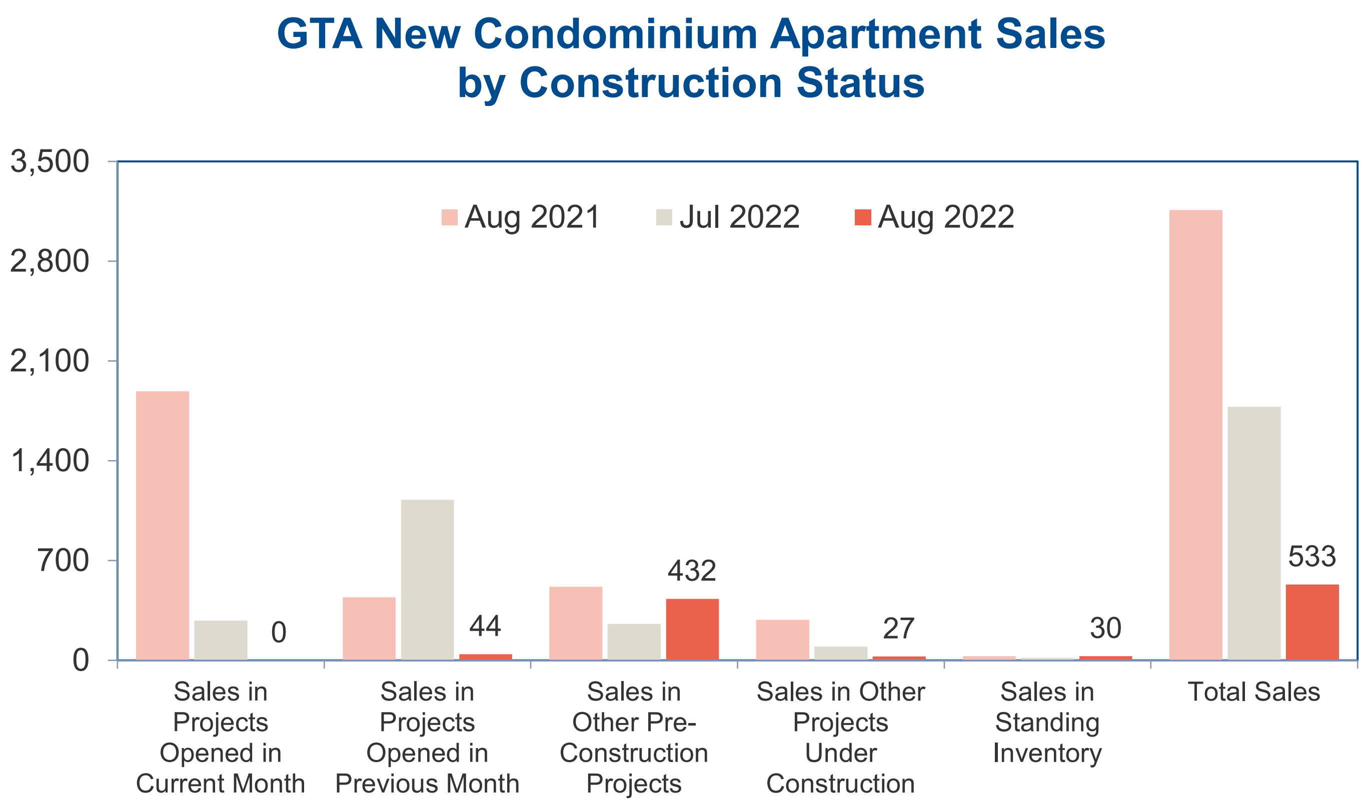




Source: Altus Group

New Condominium Apartments - Sales

- **There were no condominium apartment sales in projects opened in the current month,** and only about 8% of the sales were from the projects opened in the previous month. Sales in pre-construction projects made up the bulk of the sales in August.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page, top*) and therefore very few sales in the “standing inventory” category.

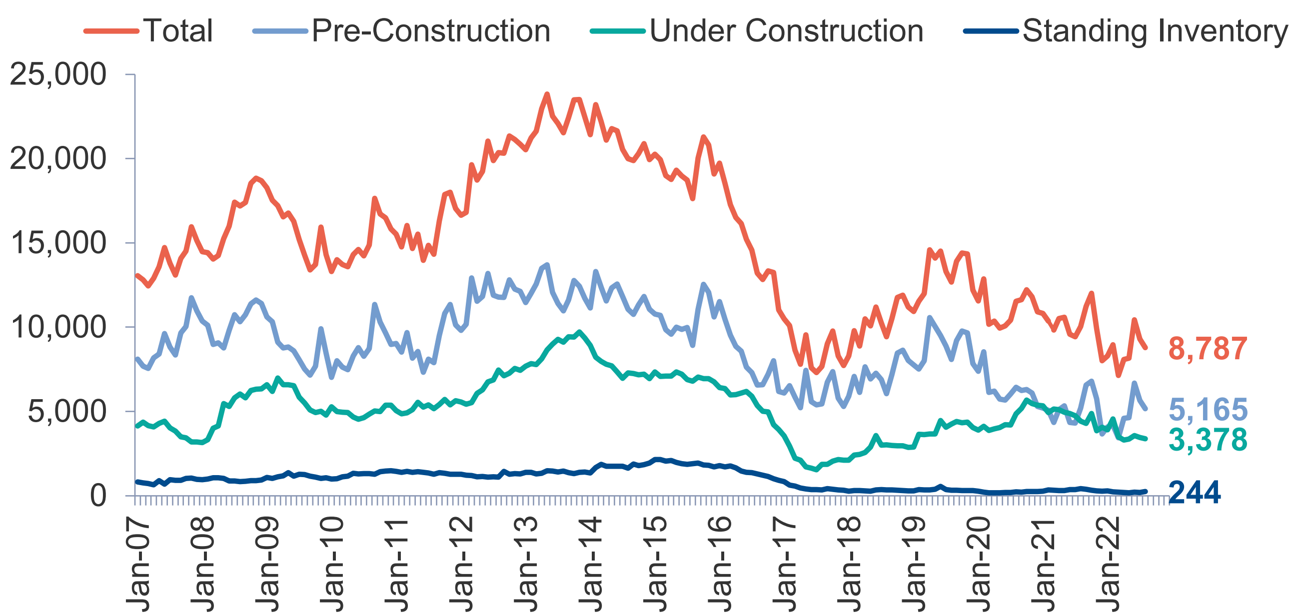


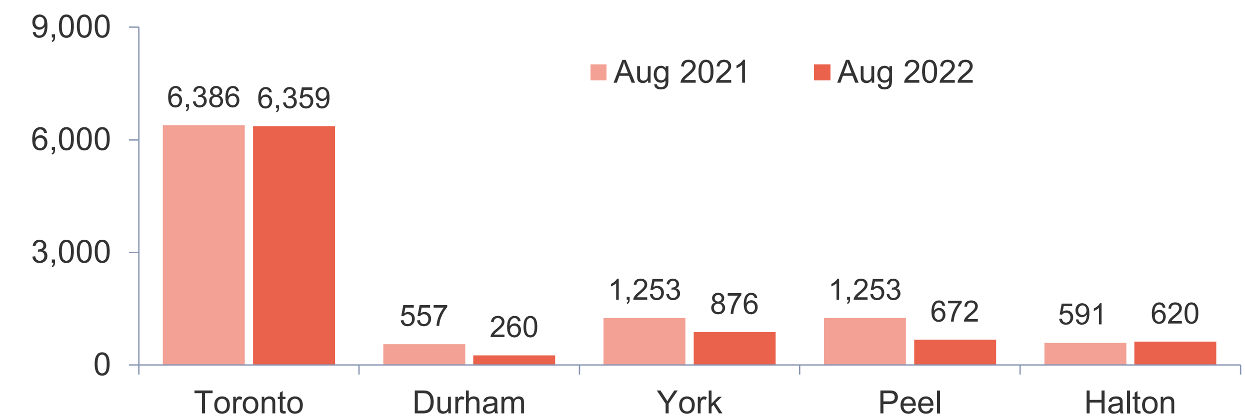
Source: Altus Group

New Condominium Apartments - Inventory

- **The inventory of available new condo apartments continued to drop in August and remained well below the 10-year average.** Pre-construction inventory has dropped below the previous month and year with a lack of new project openings. Under construction inventory declined slightly as compared to the previous month and dropped when compared to year ago levels.
- **The current unsold inventory at new condominium apartment projects represents only about 3.5 months of supply** at the average monthly pace of sales seen over the past 12 months, well below the longer-term average for August of about 9 months.
- **Over 70 percent of available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, each of the Region's can be characterized as "tight", with months of inventory ranging from about 1.5 months in Durham to almost 4.5 months in the City of Toronto.

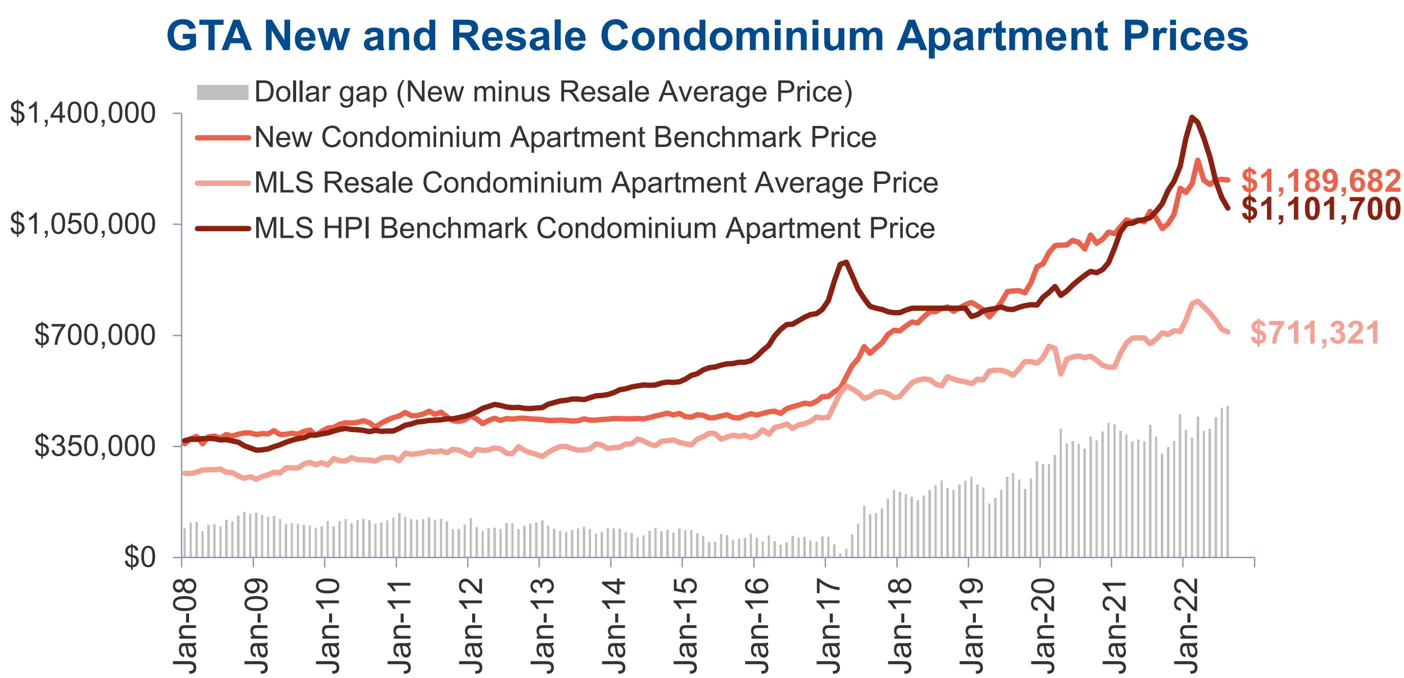
GTA New Condominium Apartment Inventory

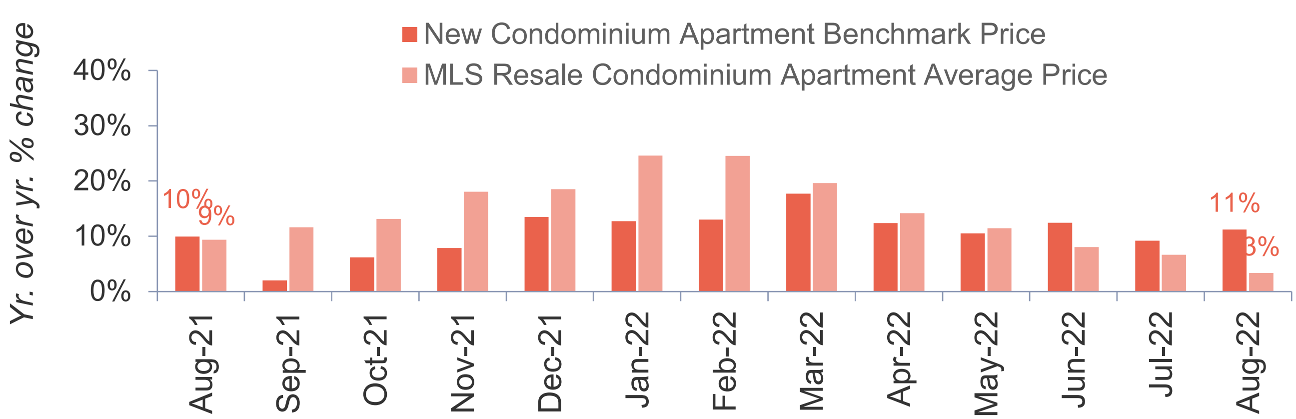




Source: Altus Group

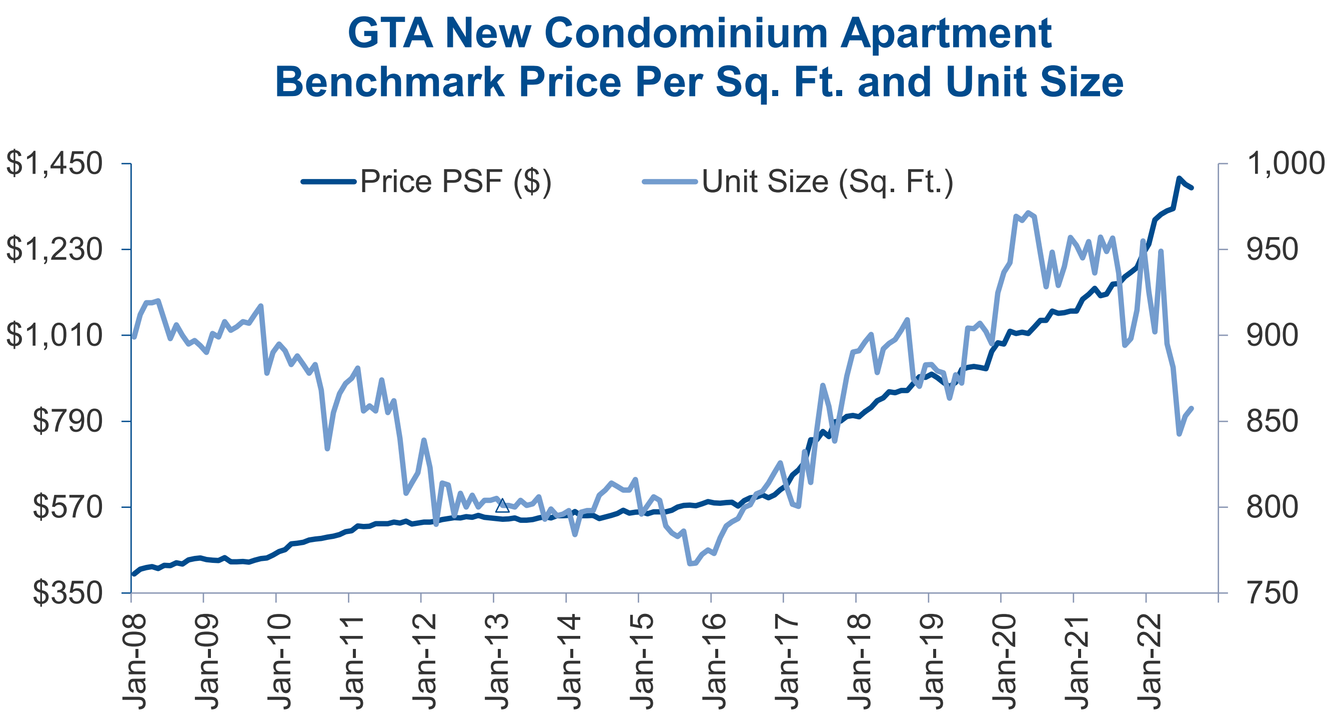
- **The benchmark price of a new condominium apartment fell slightly in August and remains below the record high reached in March** *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).*
- In absolute terms, **the price difference between a new and resale condominium apartment unit widened slightly in August,** propelled by a drop in resale prices.





Source: Altus Group and Toronto Real Estate Board data

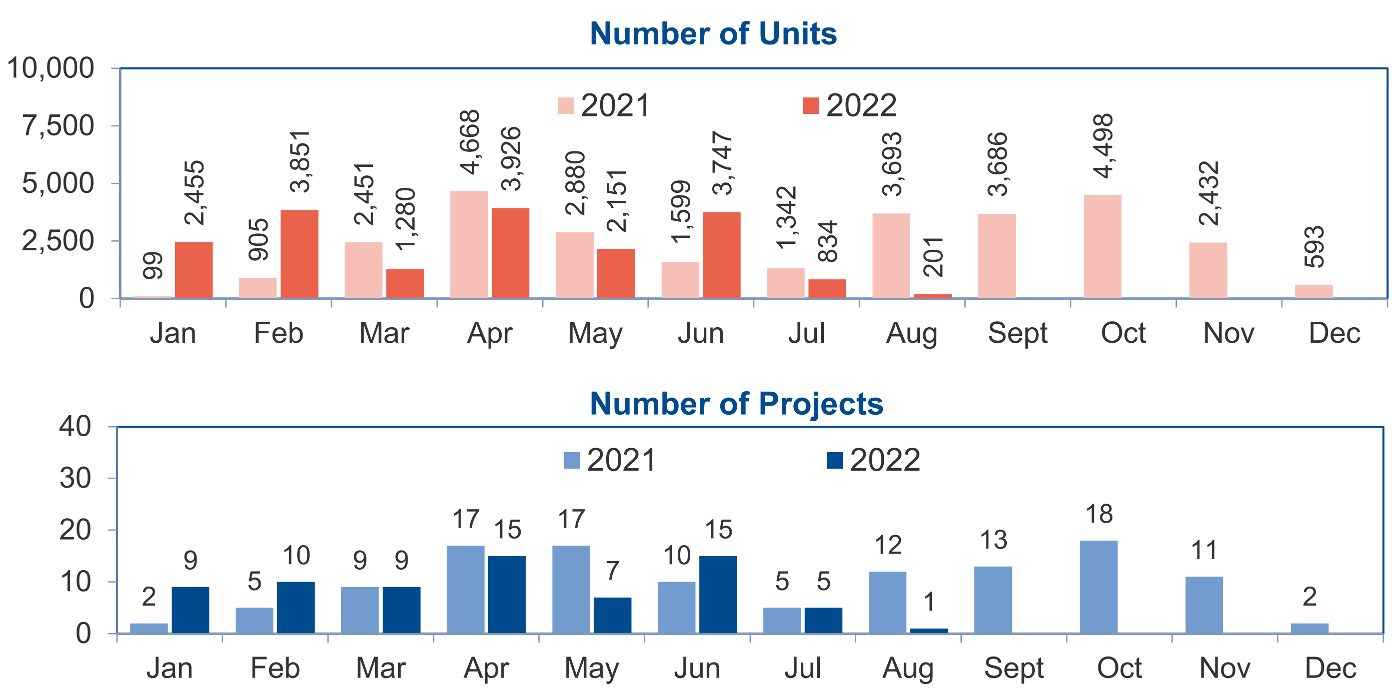
- **Price per square foot in new condominium apartments fell slightly in August 2022 compared to July, with unit sizes getting bigger.**
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per square foot. For example, an 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

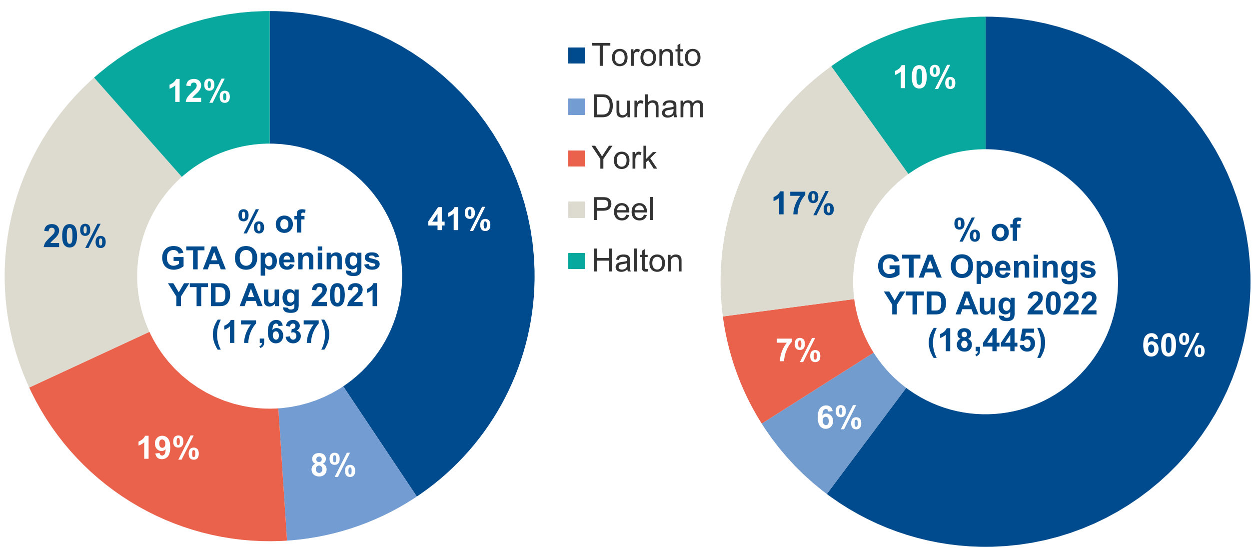
- **August 2022 recorded just one new project opening containing 201 units.** New project opening units sit at around 5% the levels recorded in August 2021.
- **Toronto increased its share of new opening units, largely at the expense of York Region** *(chart next page, top)***.** Within the City of Toronto, North York has more than doubled its share of new condominium apartment openings since last year with Etobicoke's share dwindling *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in July and August2022 accompanied by summary tables with additional detail on each project.

GTA New Condominium Apartment Project Openings



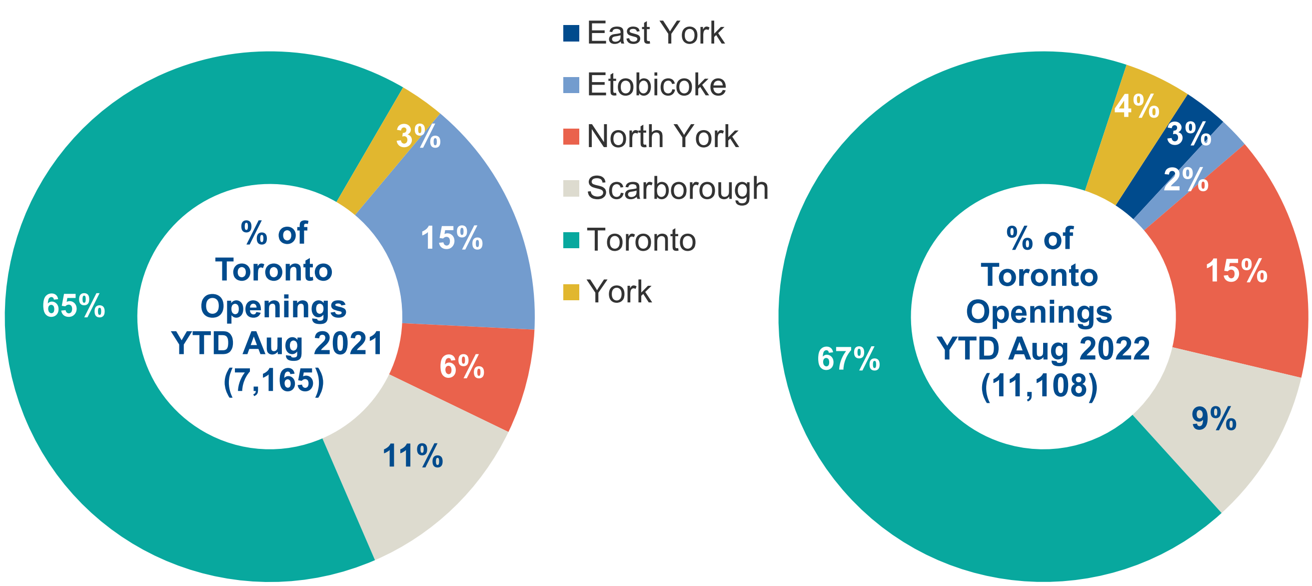
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



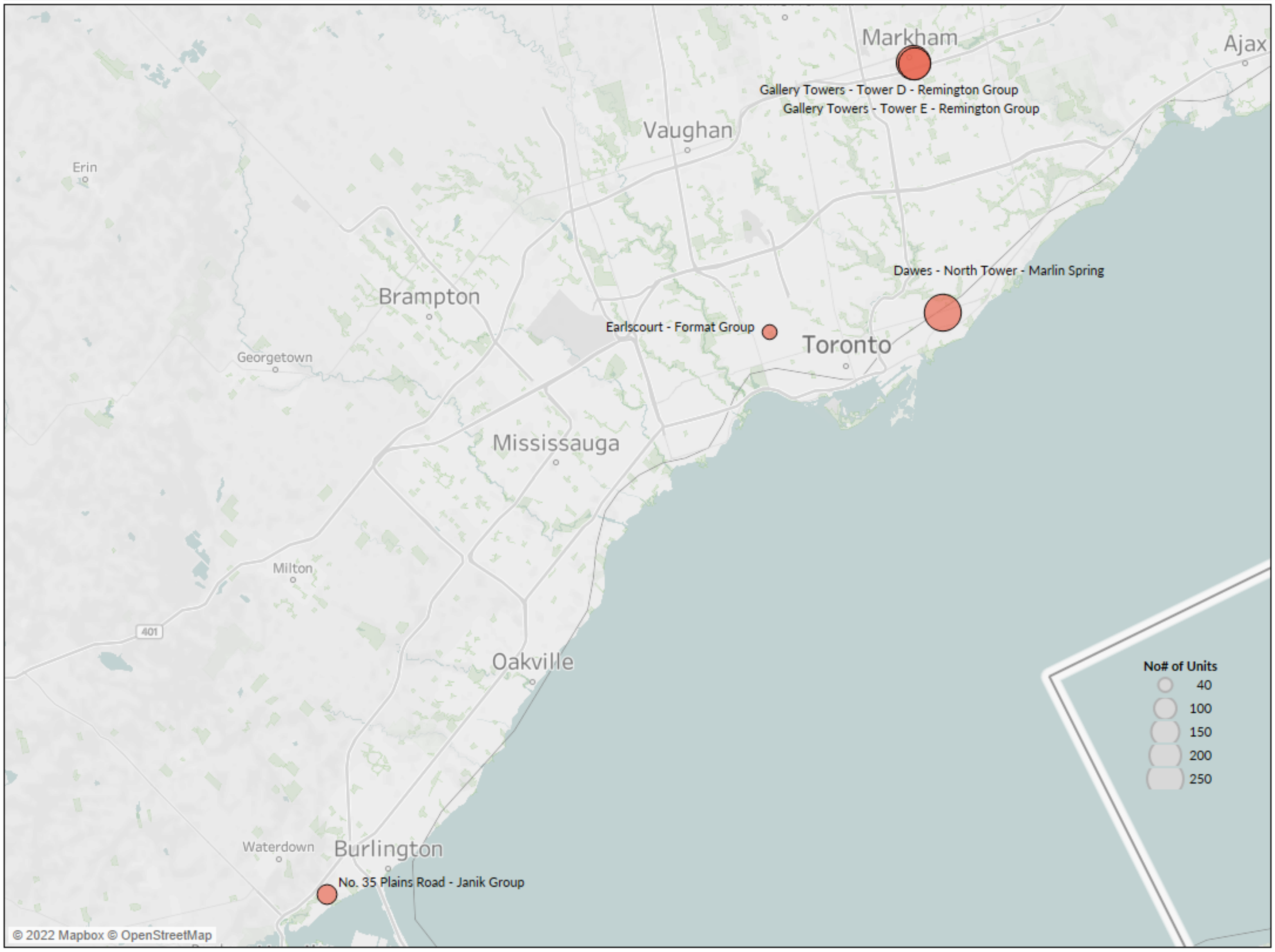
Source: Altus Group

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



Source: Altus Group

July 2022 New Project Launches by Number of Units



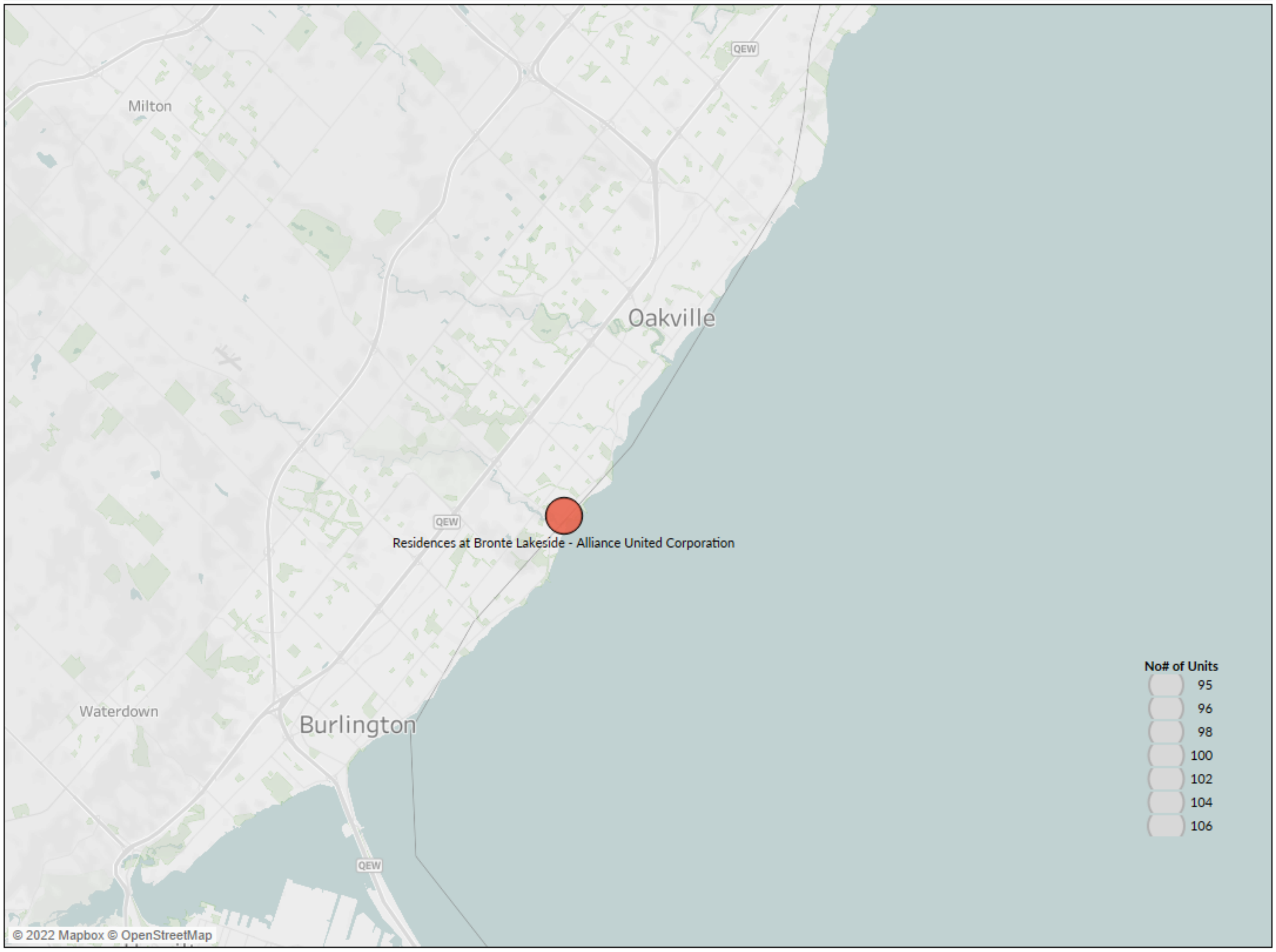
Source: Altus Group

New Condominium Apartments - Openings

New Condominium Apartment Project Openings - July 2022					
Project Name	**Dawes - North Tower**	**Earlscourt**	**Gallery Towers - Tower D**	**Gallery Towers - Tower E**	**No. 35 Plains Road**
Developer	Marlin Spring	Format Group	Group	Group	Janik Group
Date Opened	July 8, 2022	July 5, 2022	July 2, 2022	July 2, 2022	July 23, 2022
Municipality	Old Toronto	Old Toronto	Markham	Markham	Burlington
Region	Toronto	Toronto	York	York	Halton
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	24	9	25	28	8
Project Total Units	**253**	**55**	**222**	**261**	**72**
Total Units Released	**250**	**11**	**190**	**215**	**72**
Studio	1	-	-	-	-
1 Bedroom	76	6	22	22	-
1 Bedroom + den	86	1	91	154	6
2 Bedroom	66	4	77	22	12
2 Bedroom + den	-	-	-	-	24
3 Bedroom & up	21	-	-	3	30
Penthouse	-	-	-	-	-
Townhouse	-	-	-	14	-
Other	-	-	-	-	-
Opening Month Sales	**127**	**11**	**67**	**75**	**0**
Next Month Sales	**10**	**0**	**8**	**5**	**21**
% Sold (of released units)	55%	100%	39%	37%	29%
Remaining Available Inventory	113	0	115	135	51
Original $PSF	$1,243	$1,332	$1,177	$1,167	$956
Minimum Size (sq. ft.)	411	512	552	588	670
Maximum Size (sq. ft.)	1,055	923	848	1,642	1,335
Minimum Price	$522,990	$749,990	$682,990	$707,990	$757,000
Maximum Price	$1,263,990	$1,199,990	$929,990	$1,527,990	$1,240,000
Notes					

Source: Altus Group

August 2022 New Project Launches by Number of Units



Source: Altus Group

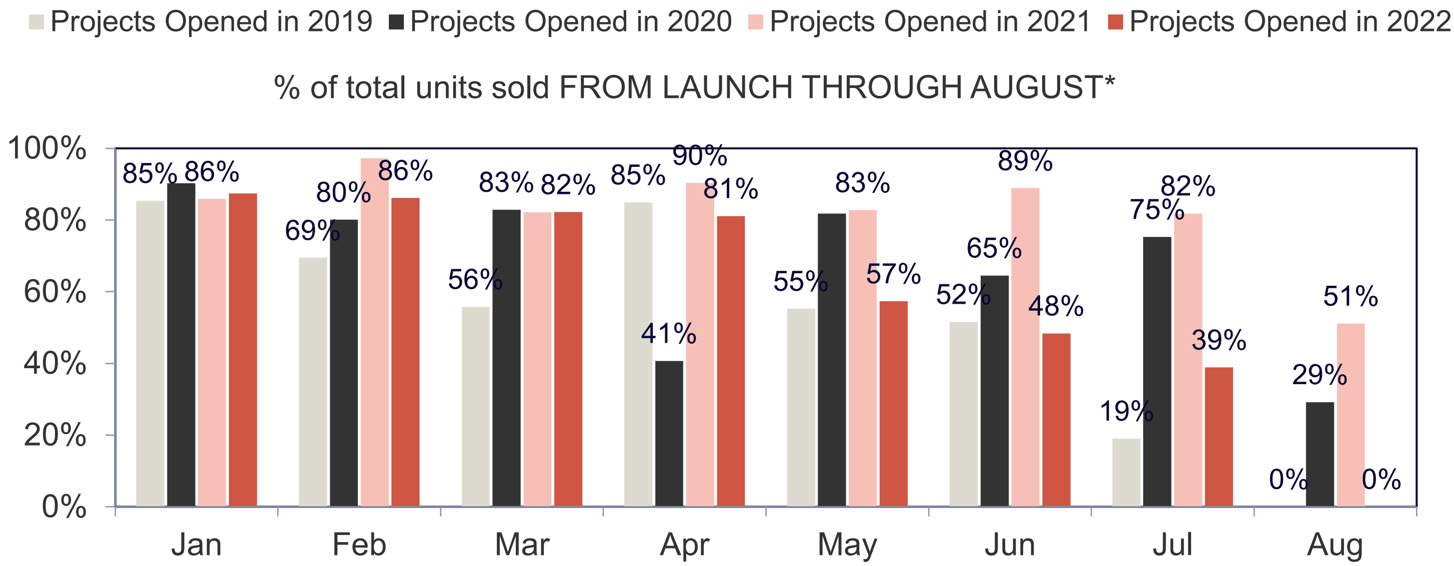
AltusGroup

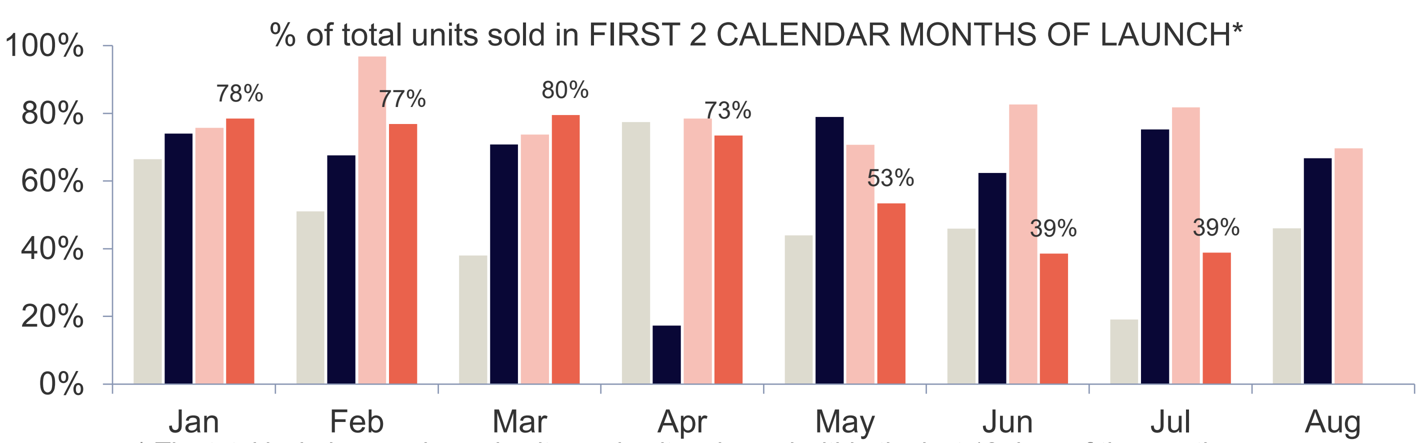
New Condominium Apartment Project Openings - August 2022	
Project Name	**Residences at Bronte Lakeside**
Developer	Alliance United Corporation
Date Opened	August 30, 2022
Municipality	Oakville
Region	Halton
Structural Type	Apartment
Floors	6
Project Total Units	**201**
Total Units Released	**95**
Studio	-
1 Bedroom	5
1 Bedroom + den	28
2 Bedroom	24
2 Bedroom + den	23
3 Bedroom & up	-
Penthouse	-
Townhouse	-
Other	15
Opening Month Sales	**0**
Next Month Sales	
% Sold (of released units)	0%
Remaining Available Inventory	95
Original $PSF	$1,440
Minimum Size (sq. ft.)	520
Maximum Size (sq. ft.)	1,832
Minimum Price	$689,900
Maximum Price	$4,099,900
Notes	No firm sales as all deals were subject to the 10-day conditional period

Source: Altus Group

- **Focusing on one project opened in August, none of the units launched were sold during the month.**
- Overall, the sales of projects launched over the past four months have lagged previous years in terms of sales with a slower summer market and the impact of the rising cost of borrowing becoming more apparent.
- 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 August)*



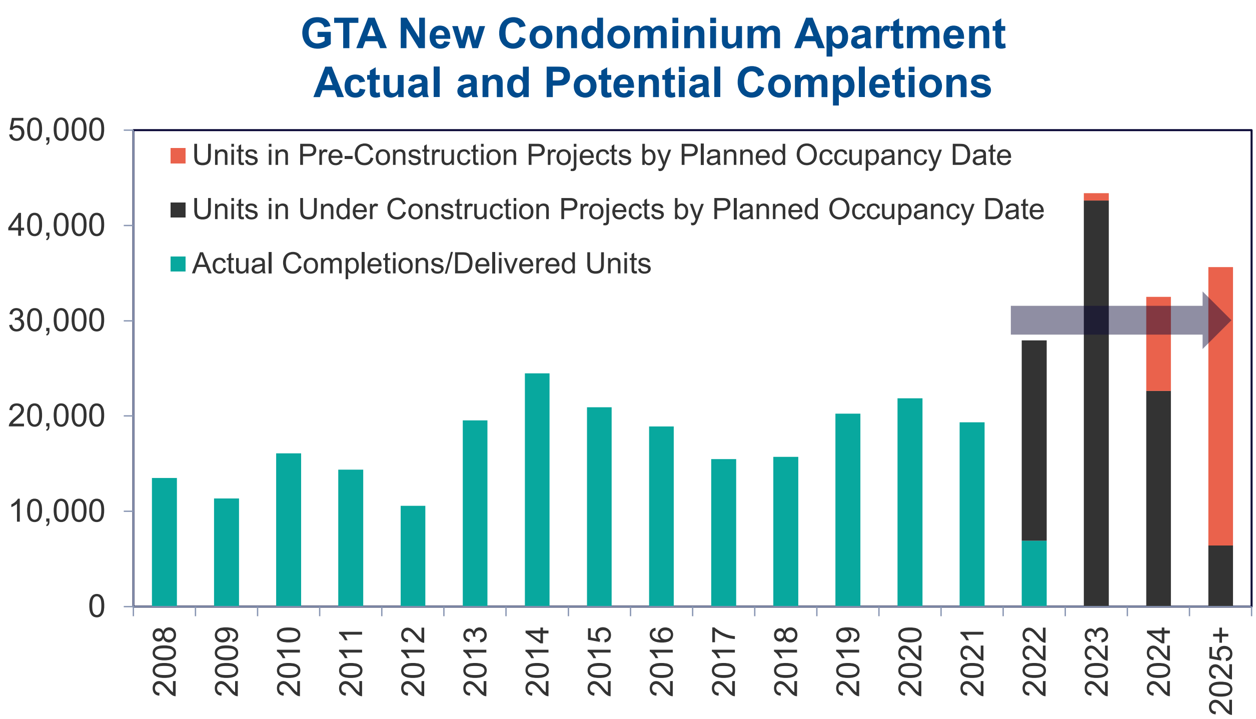


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of August 2022, there were about 132,500 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There have only been 6,931 units delivered in the first eight months of 2022.** This is lowest year-to-date August level since 2012.
- 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, the strikes earlier this year among a number of trades has likely pushed out completion dates,** particularly for projects that would have been completed this year**.** In addition, **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 (provided no new serious variants emerge). Rising construction costs and interest rate hikes are also top of mind for both consumers and developers, further contributing to delays.



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