AltusGroup

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of October 2022

Table of Contents

New Condominium Apartment Dashboard

October 2022			YTD October 2022	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
1,601	**10,773**	**$1,147,318**	**19,520**	**$1,182,422**
-50% ▼	**-10%** ▼	**9%** ▲	**-26%** ▼	**12%** ▲
Lowest October since 2008	***Lowest October since 2017***	***Lowest benchmark price of 2022***	***On par with 10-year average***	***Highest YTD October 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 October since 2008.** Single-family sales picked-up this month, after hitting a record low in September. As a result, total sales dropped by over 50% when looking at the month of October.
- Year-to-date sales, which were on pace with 2021 through the first seven months of 2022, are now 26% below the previous year. Inventory levels experienced a slight downturn, sitting at the lowest October in five years.
- **The benchmark new condominium apartment price rose by 9% year-over-year for October 2022.**
- **Both buyers and builders in the GTA remain hesitant given the uncertain economic conditions over the coming months.** Buyers have adopted a wait-and-see approach with sales for the last three months well behind 2021 levels. Meanwhile, builders have slowed new releases in response to declining demand and rising costs. Both groups appear to be searching for some clarity on the shorter-term outlook before jumping back into the market.

GTA Condominium Apartment Key Performance Indicators

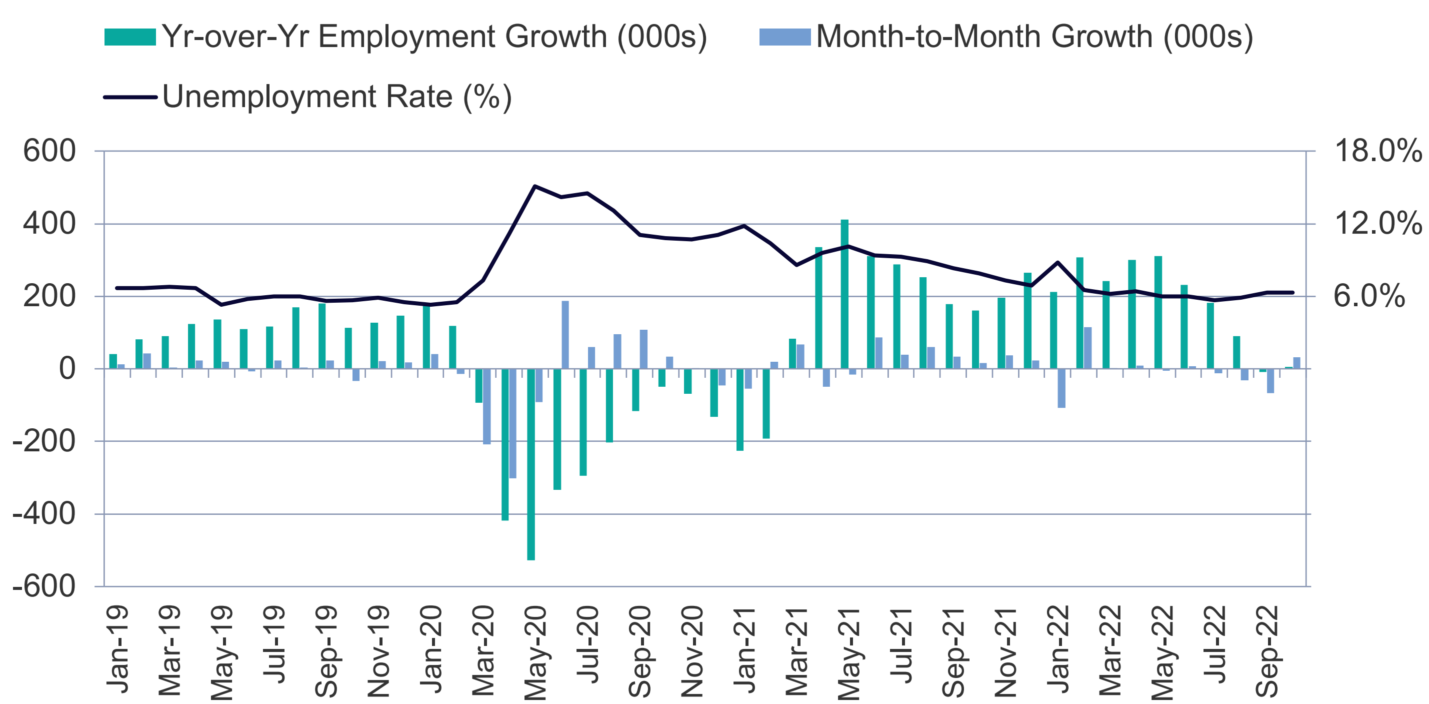
	Oct-21	Sep-22	Oct-22	*Yr-Over-Yr % Change*	YTD Oct 2021	YTD Oct 2022	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	348	333	334	*-4%*	330	326	*-1%*
New projects opened	17	6	7	*-59%*	108	83	*-23%*
Units in new projects opened	4,423	2,538	1,235	*-72%*	26,045	22,363	*-14%*
Total sales (units)	3,202	319	1,601	*-50%*	26,261	19,520	*-26%*
Sales as % of total new & resale	*52%*	*19%*	*54%*		*47%*	*50%*	
Inventory (units)	11,968	10,914	10,773	*-10%*	10,438	9,053	*-13%*
Sales-to-inventory ratio	27%	3%	15%	*-44%*	25%	23%	*-9%*
Months of inventory	5.0	4.7	5.0	*0%*	5.1	3.4	*-33%*
Benchmark price	$1,052,208	$1,159,455	$1,147,318	*9%*	$1,055,856	$1,182,422	*12%*
Price PSF Benchmark	$1,172	$1,398	$1,372	*17%*	$1,126	$1,350	*20%*
Unit size Benchmark (sq. ft)	898	829	837	*-7%*	938	877	*-6%*
Units completed	326	2,191	1,377	*322%*	15,951	10,570	*-34%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,899	1,317	1,338	*-54%*	29,999	19,168	*-36%*
New listings (units)	3,868	3,455	3,241	*-16%*	42,363	39,238	*-7%*
Inventory ("active listings", units)	3,440	4,654	4,623	*34%*	3,347	3,880	*16%*
Sales-to-inventory ratio	84%	28%	29%	*-66%*	92%	63%	*-31%*
Months of inventory	1.2	2.2	2.3	*91%*	1.3	1.6	*21%*
Average price of units sold	$703,698	$730,818	$716,515	*2%*	$678,014	$764,118	*13%*
HPI constant quality price index (Jan 2005=100)	336.7	365.3	361.9	*7%*	311.0	384.7	*24%*

** 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

- **Month-to-month employment growth turned positive in October following three consecutive months of decline.** The GTA unemployment rate was unchanged in October after rising in both August and September.
- **The Bank of Canada increased the target for the overnight rate by 0.5 percent at its latest rate announcement on October 26**, stating that **"***In Canada, the economy continues to operate in excess demand and labour markets remain tight. The demand for goods and services is still running ahead of the economy's ability to supply them, putting upward pressure on domestic inflation . . . Given elevated inflation and inflation expectations, as well as ongoing demand pressures in the economy, the Governing Council expects that the policy interest rate will need to rise further.*" **The next rate announcement date is December 7.**
- **Variable rate mortgage interest rates remain above 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).*

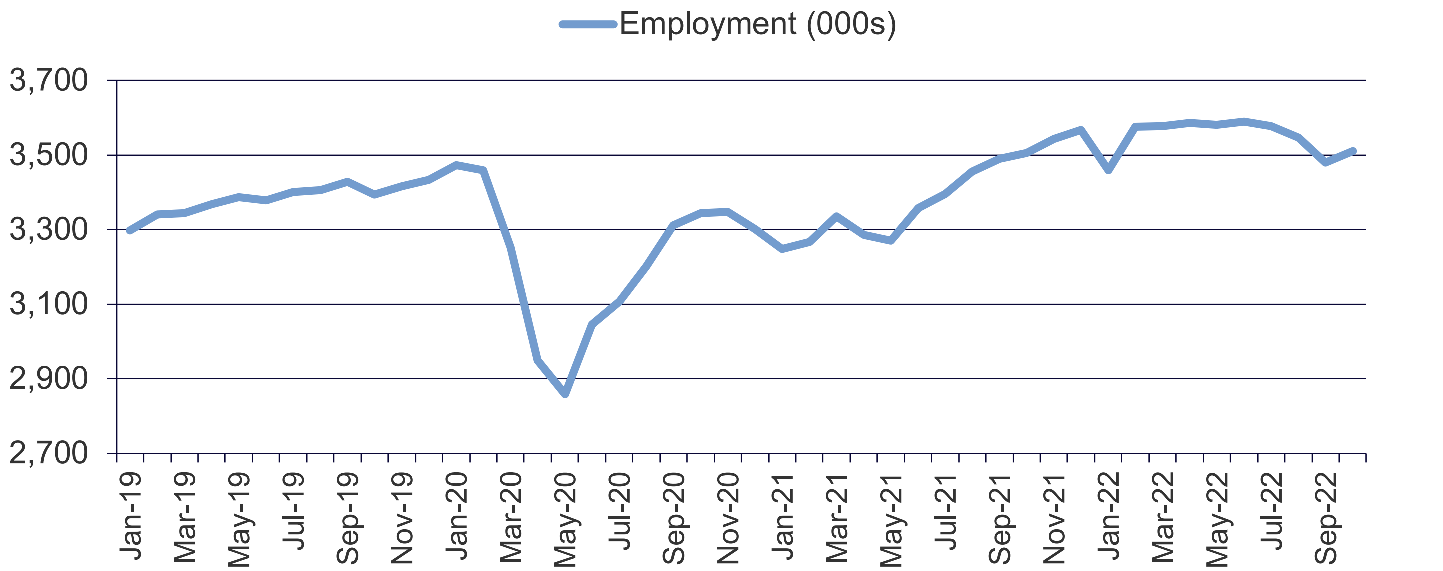
GTA Employment Snapshot*



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

Source: Altus Group based on Statistics Canada data

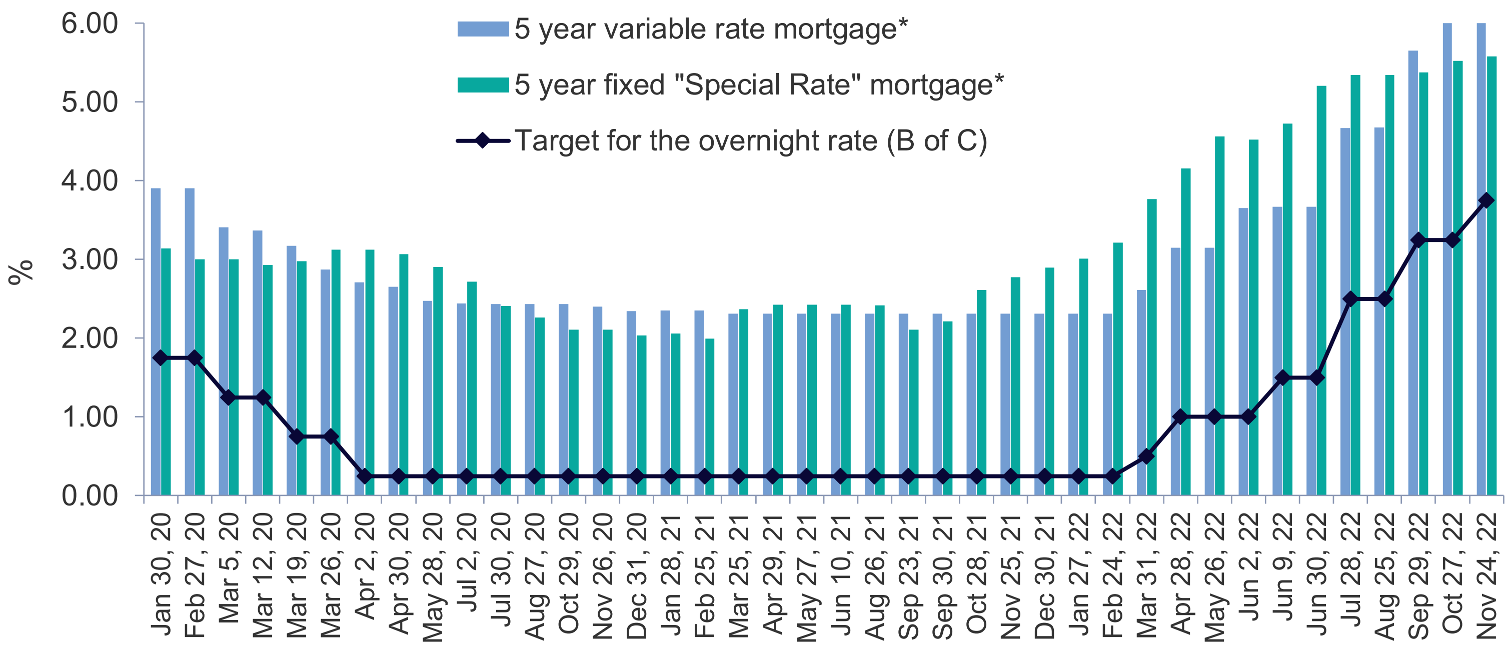
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

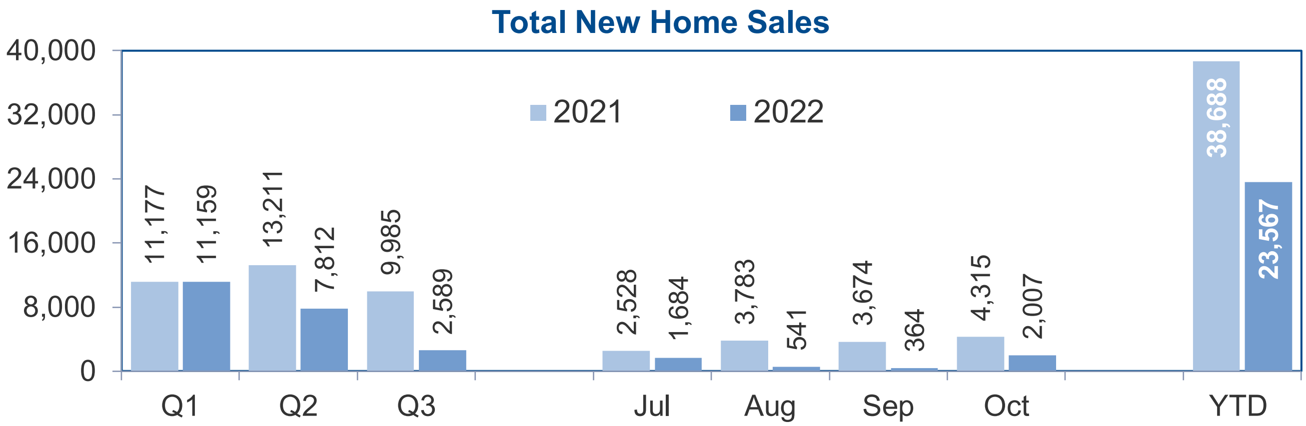


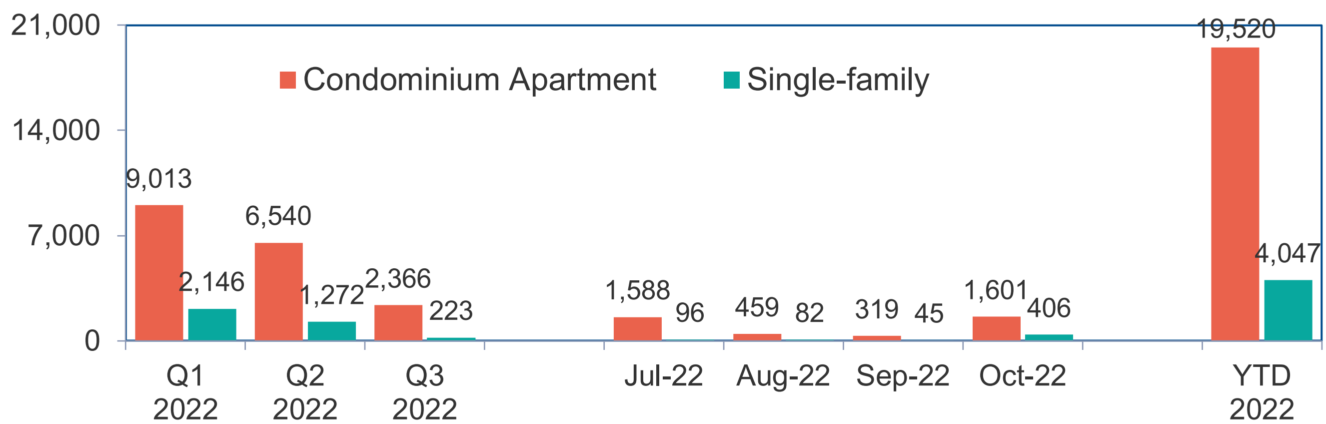
** Average for the major banks*

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

- **Single-family new home sales were down over 60 percent from last year, though have picked-up following two extremely low months.** New condo apartment sales followed a similar pattern with sales off 50 percent from 2021. As a result, total new home sales were significantly lower than last year and lag year ago levels by about 40 percent.
- **All regions have shared in the year-over-year decline in total new home sales.** Higher condominium apartment sales had been pushing a year-to-date increase in total sales in the City of Toronto (*charts next page*). However, condo sales have now slipped lower year-over-year and no longer driving an increase.

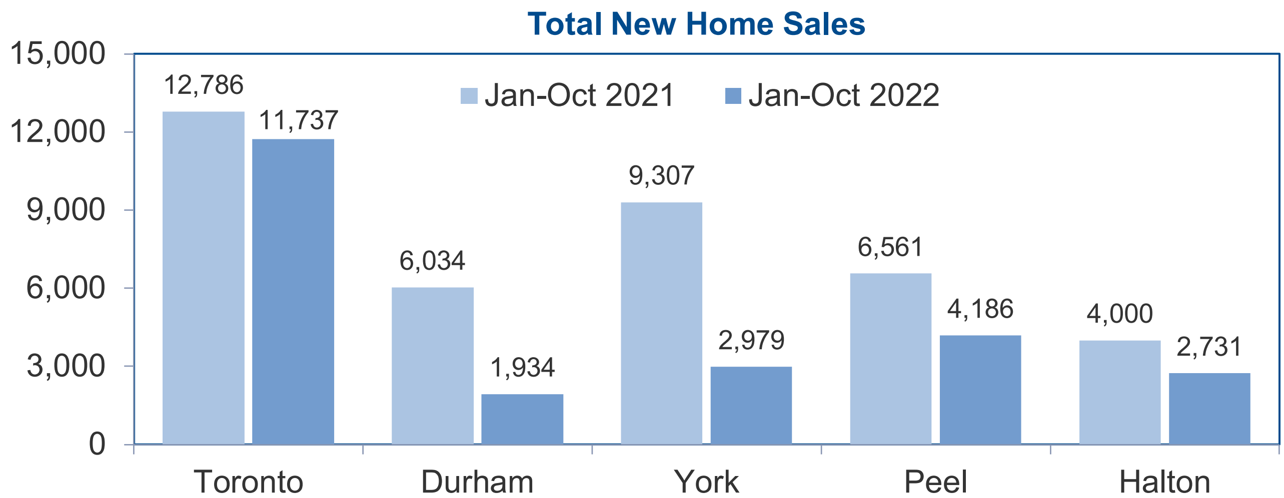
GTA New Home Sales

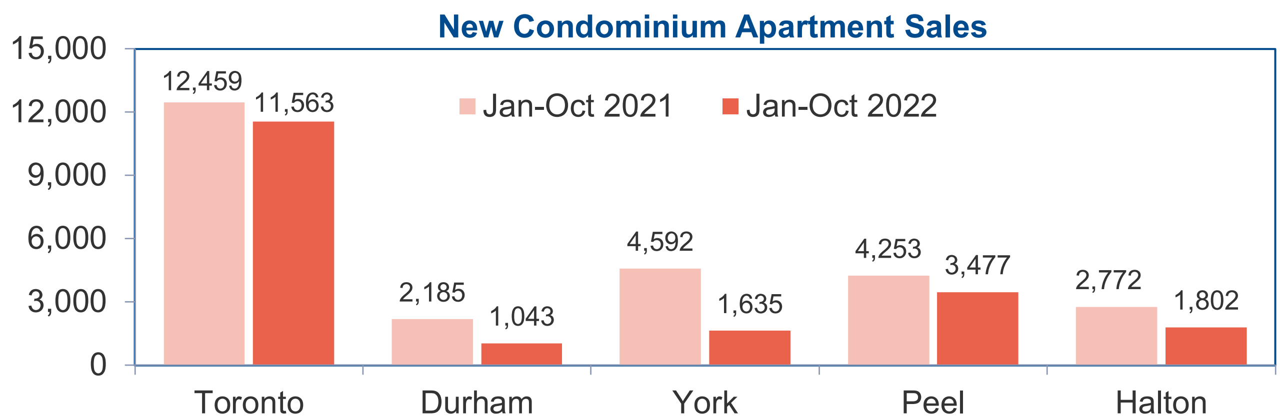


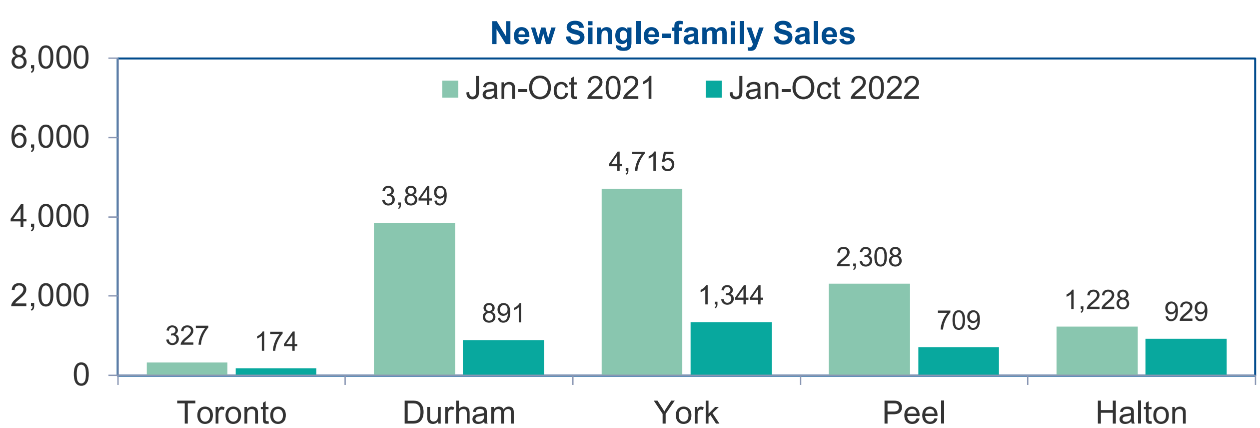


Source: Altus Group

GTA New Home Sales by Region

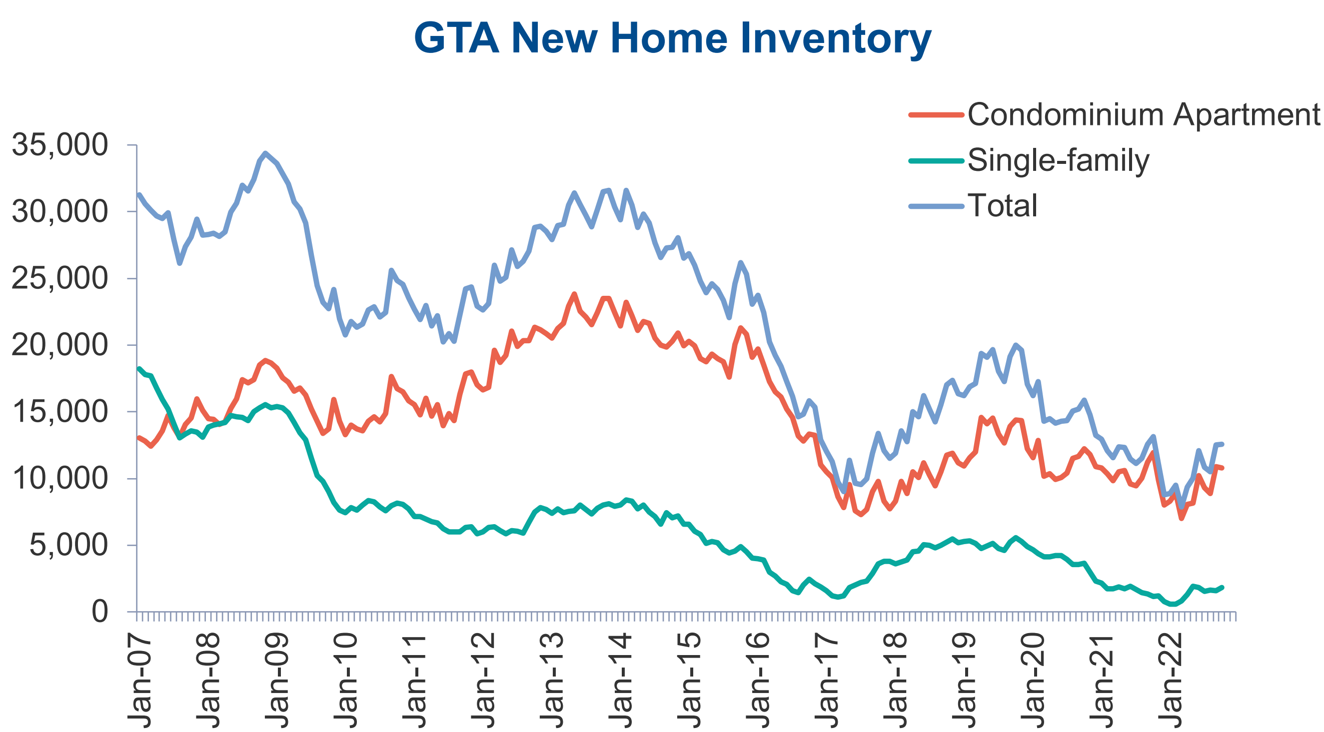






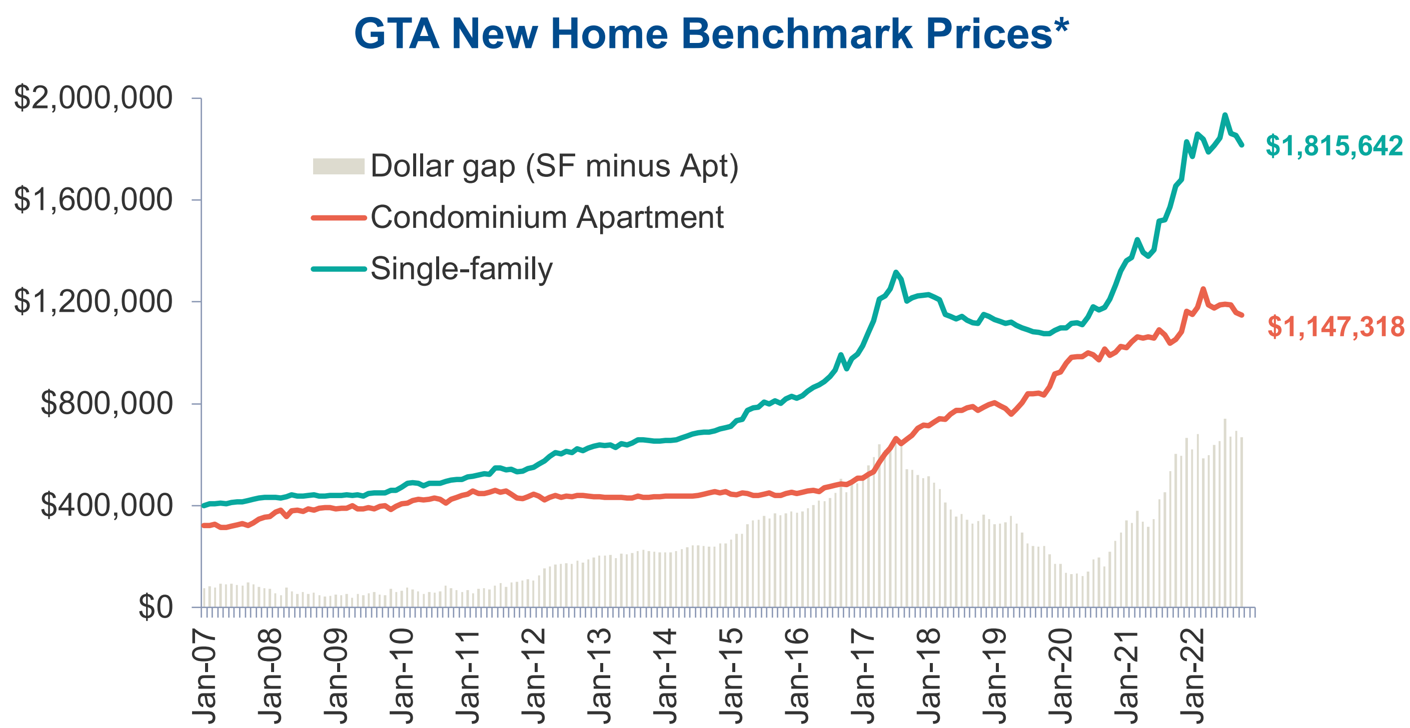
Source: Altus Group

- **The total inventory of new homes across the GTA was little changed in October 2022 and remain below year ago levels.** Total inventory was slightly more than 12,500, rising from March's historic low. Single-family inventory rose in October when compared with September 2022 though it still sits at a fraction of the 10-year average.
- **Condominium apartment inventory reported a slight decline in October** as more new units were launched.
- Based on average monthly total new home sales over the past 12 months, there was about 3½ months of available supply of total new homes at the end of October 2022, well below the long-term average for October of almost eight months.



Source: Altus Group

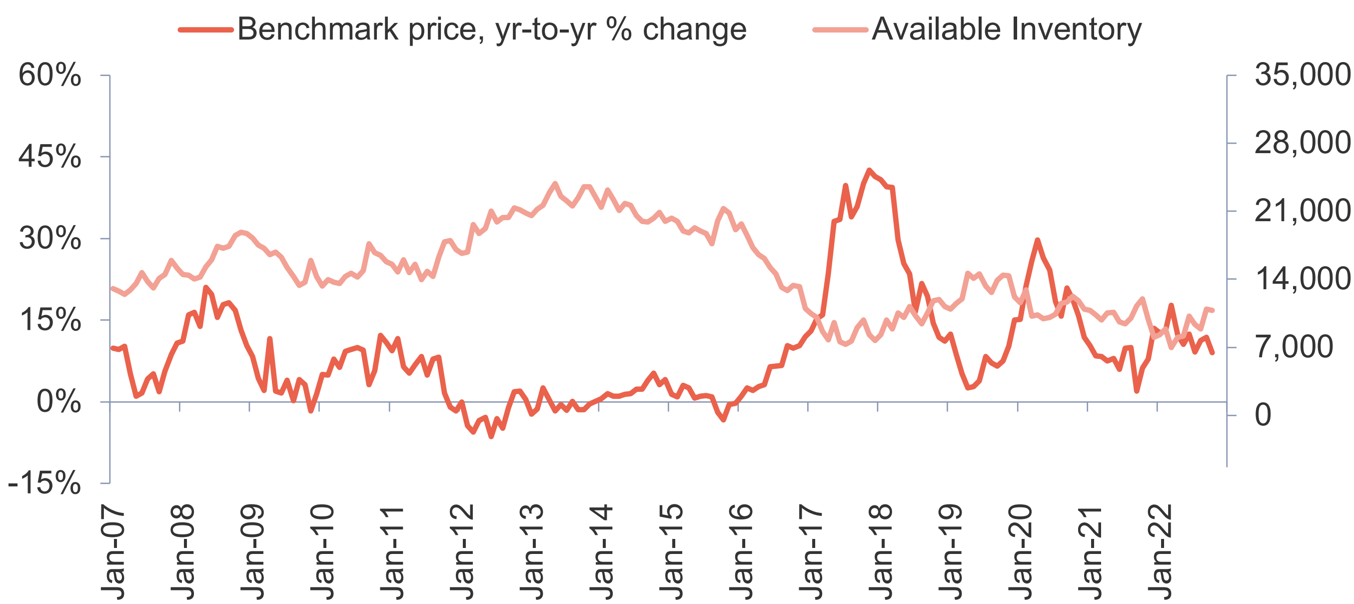
- **The benchmark price for a new condominium product fell for a third consecutive month** with the single-family benchmark pricing also easing after reaching a record high in July, as higher–priced inventory remains unsold in projects.
- **The price advantage of available new condominium apartments compared to new single-family homes fell in October.** The condominium apartment benchmark price increased 9 percent year-over-year and sits 8 percent of its peak from March of this year(*charts next page*). The single-family benchmark price increased is down to 10 percent, well down from the average of 30 percent during the first half of 2022
- 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*

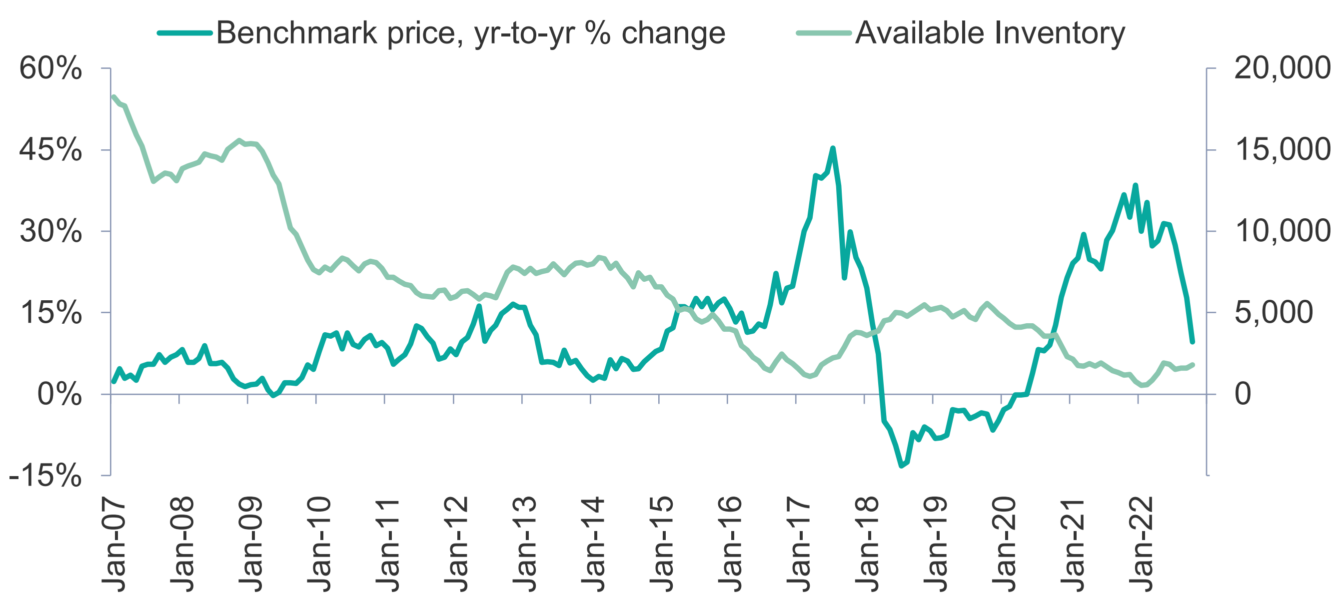
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

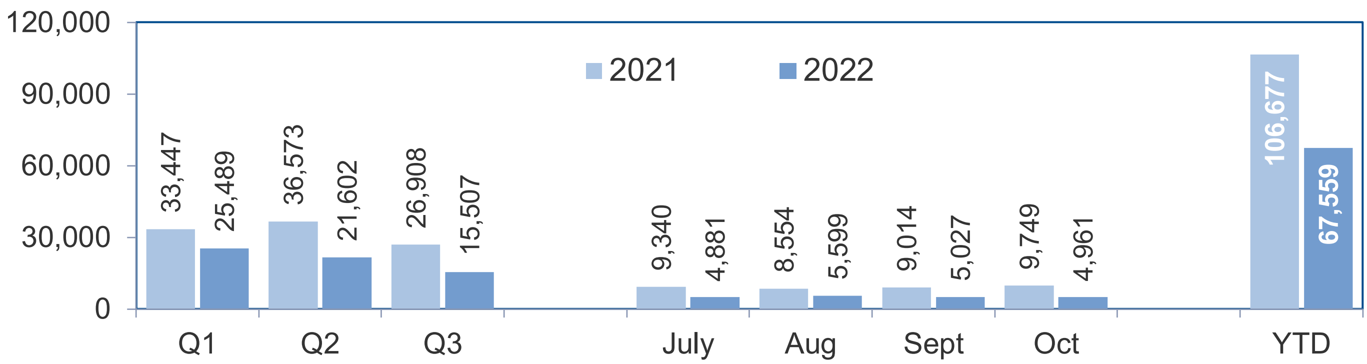


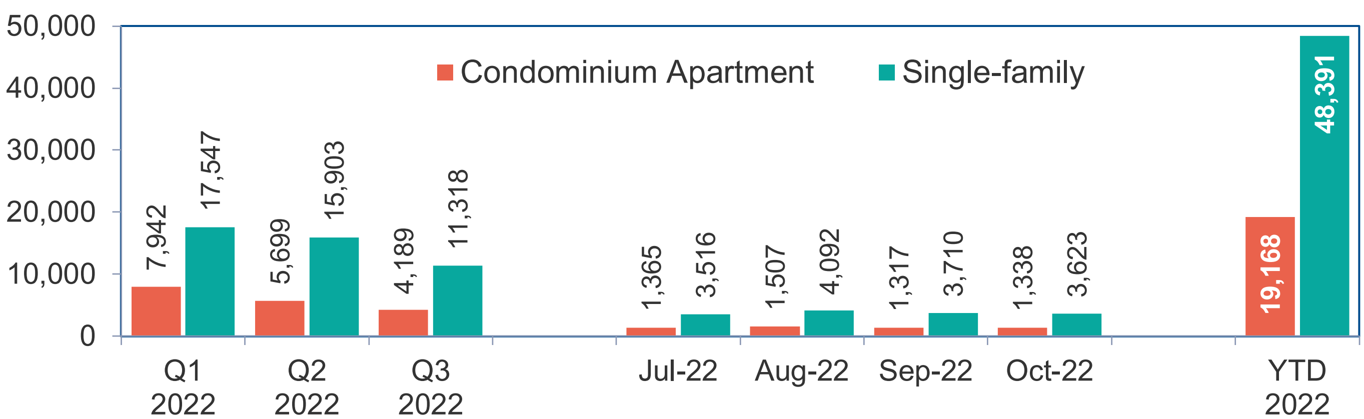
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes fell below previous year's level for the 11th month in a row in October 2022, and now sits 63% below sales recorded year-to-date in 2021.** Both the single-family and condo apartment segments of the resale market shared in the year-over-year decline in sales activity in October.
- **Lower single-family resale inventory dragged total inventory numbers down in October 202s but remain below their 10-year averages.** Total resale inventories are 68% higher than they were in October 2021**.** Average prices slid year-over-year in the single-family sector with condominium apartment price changes remaining in positive territory *(charts next page).*

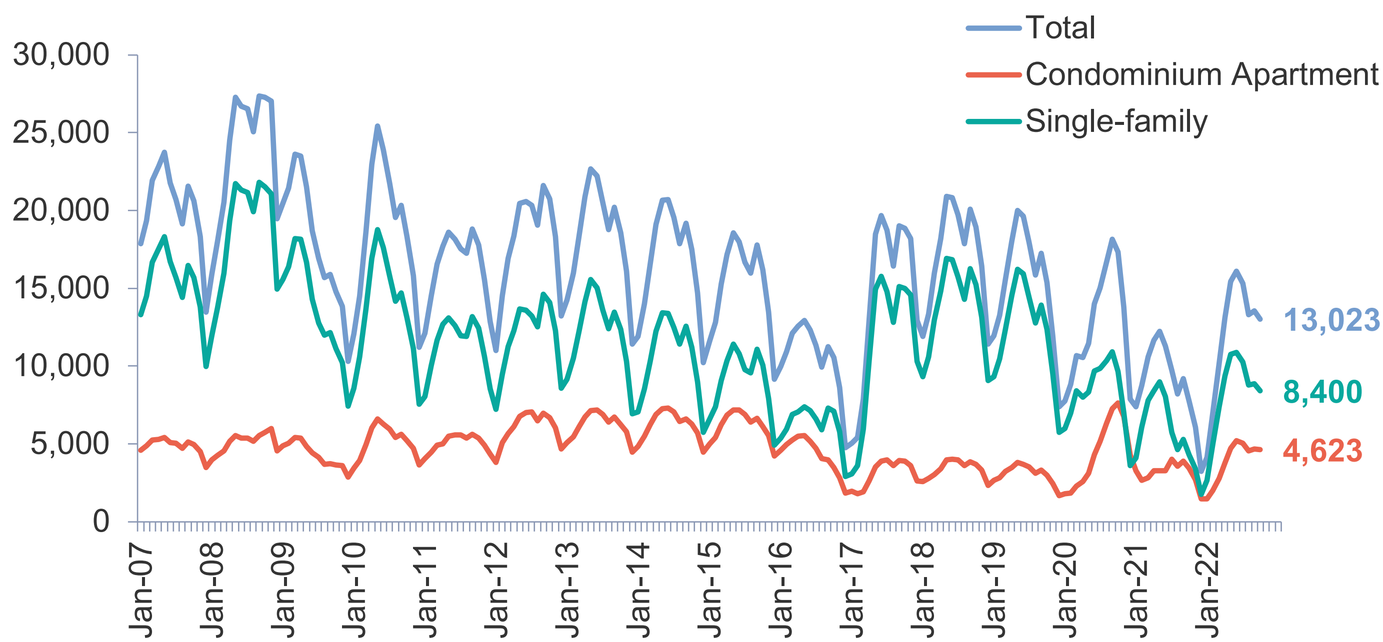
GTA Resale Home Sales





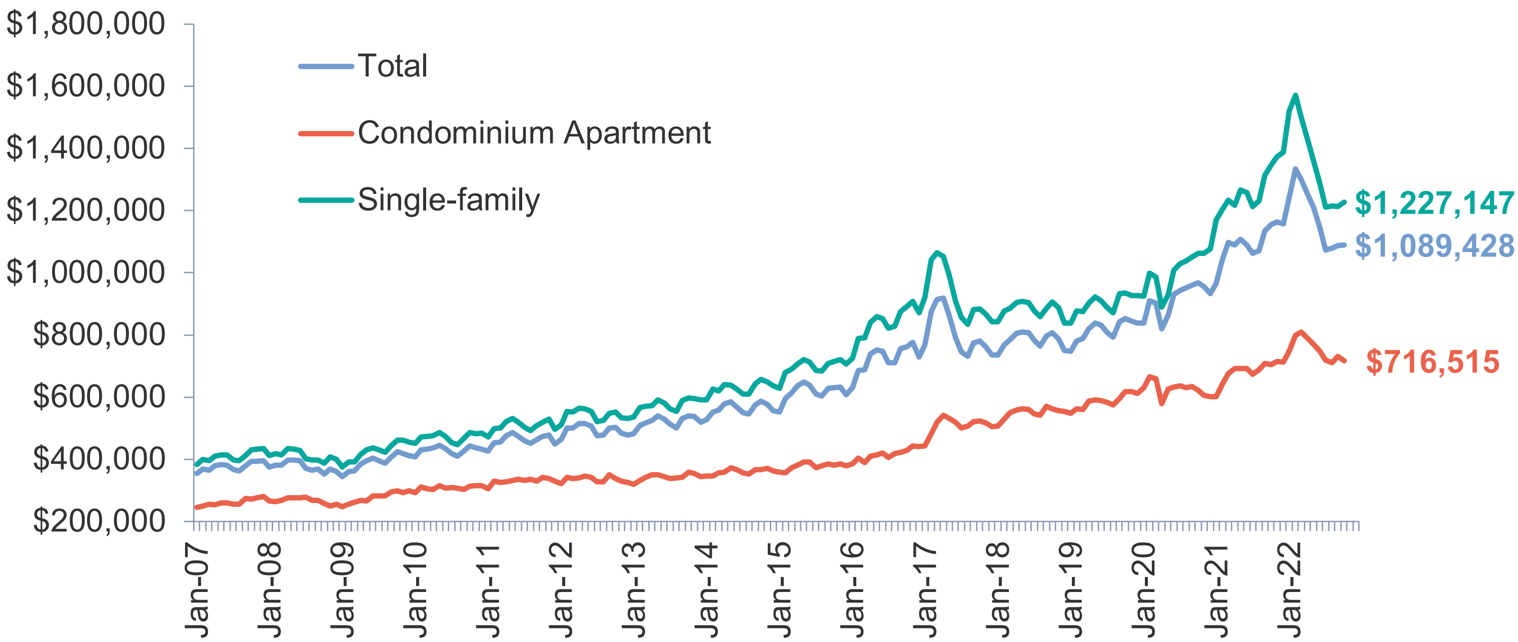
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

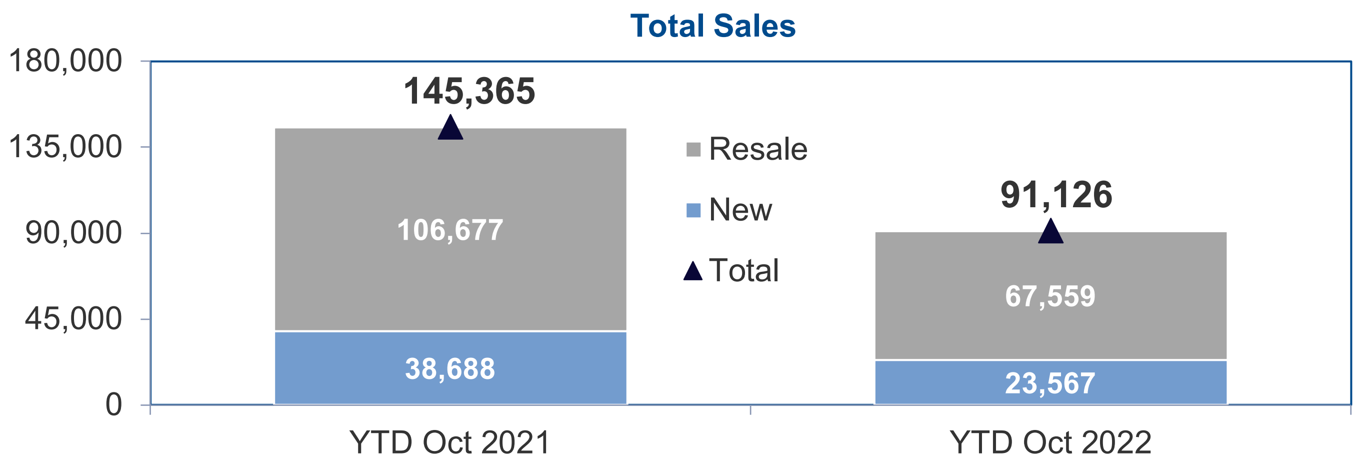


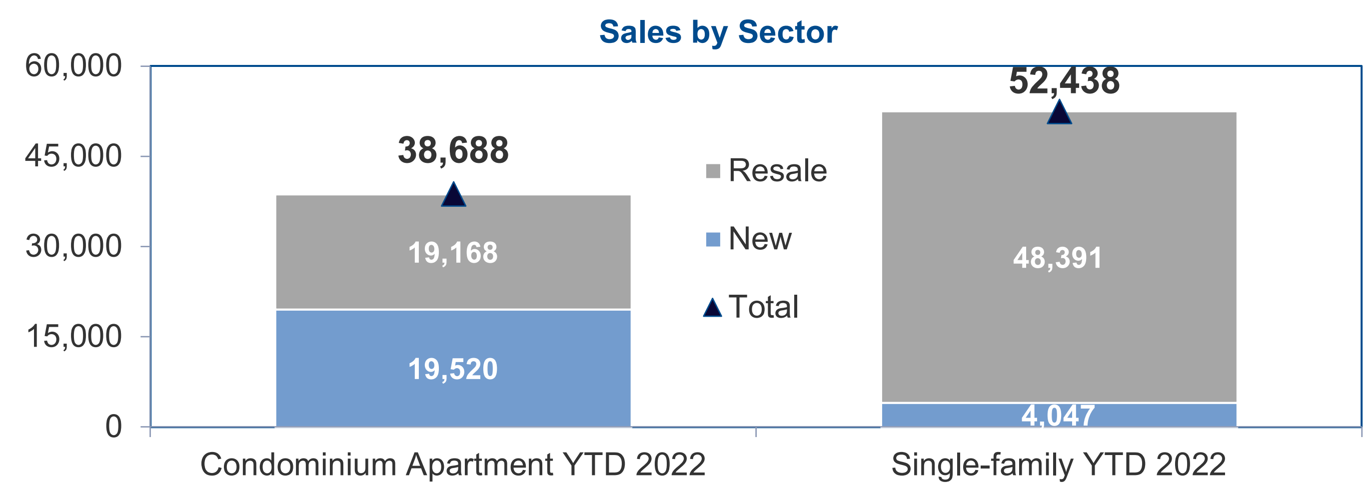
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Combined new and resale home sales in the GTA in the ten months ending October 2022 were down almost 40 percent from a year earlier.**
- **The new home sector accounted for about 1 in 4 home sales year-to-date in 2022** – similar to the same period in 2021. Over 1 in 13 single-family homes sold were new homes (down from about 1 in 7 a year ago) while new condo apartments continue to account for half of the total apartment sales.

GTA Combined New & Resale Home Sales

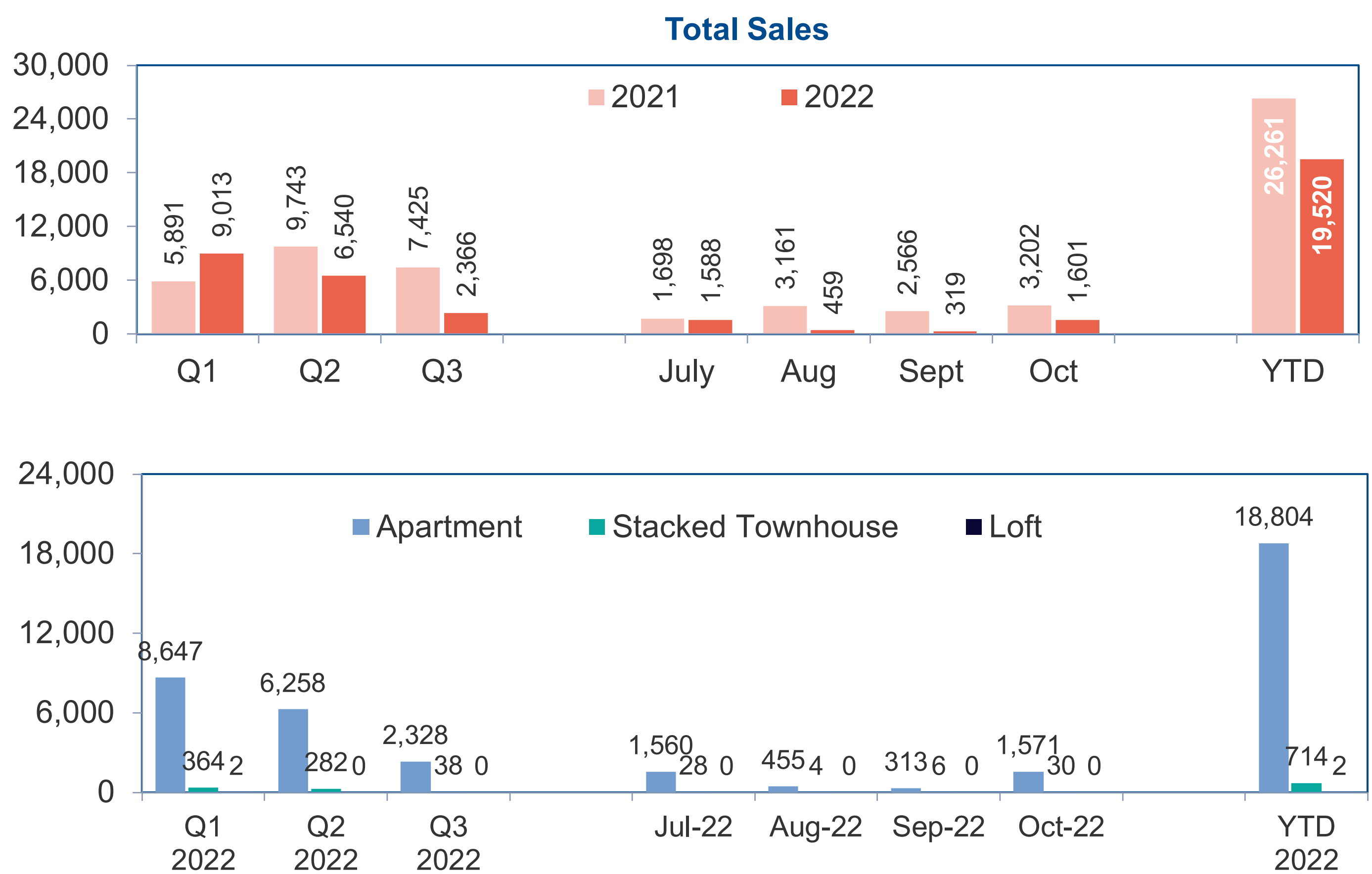




Source: Altus Group and Toronto Regional Real Estate Board data

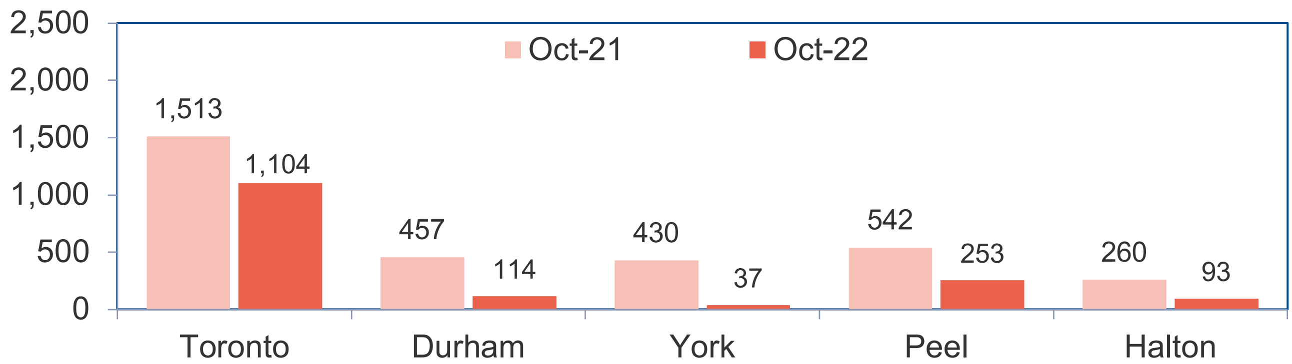
- **GTA new condominium apartment sales in October fell to half of last year's level despite climbing well clear of the extreme lows of the last two months.** After a record Q1 to start the year, year-to-date sales now lag last year levels by about 25 percent.
- **Stacked townhouse sales are well behind the year-to-date levels of the previous three years**.
- **All regions recorded lower condominium apartment sales on both a year-to-date and year-over-year basis.** Toronto expanded their share of new sales, largely at the expense of York Region (*charts next page*).

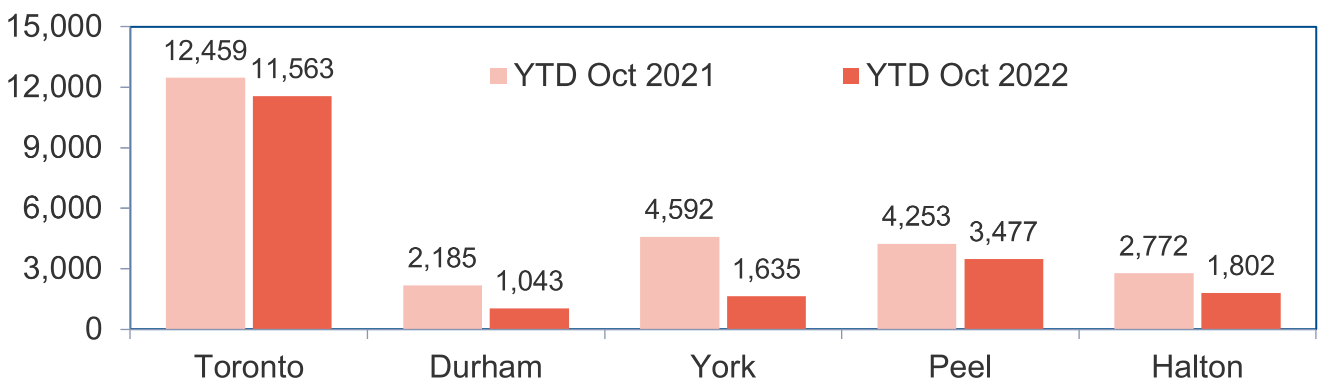
GTA New Condominium Apartment Sales

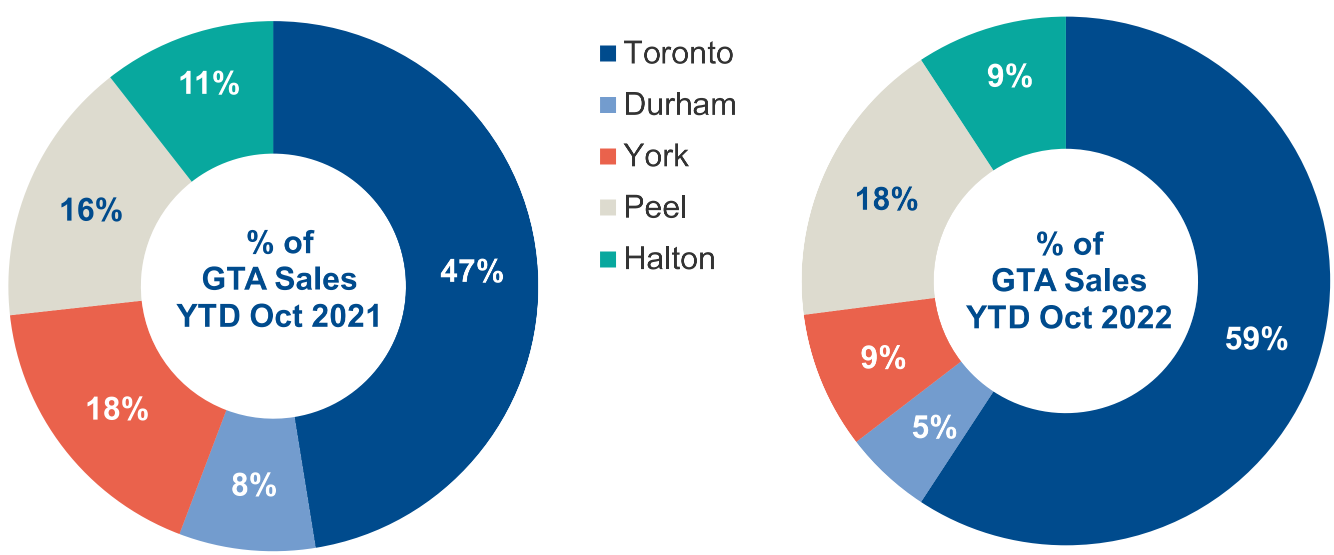


Source: Altus Group

GTA New Condominium Apartment Sales by Region





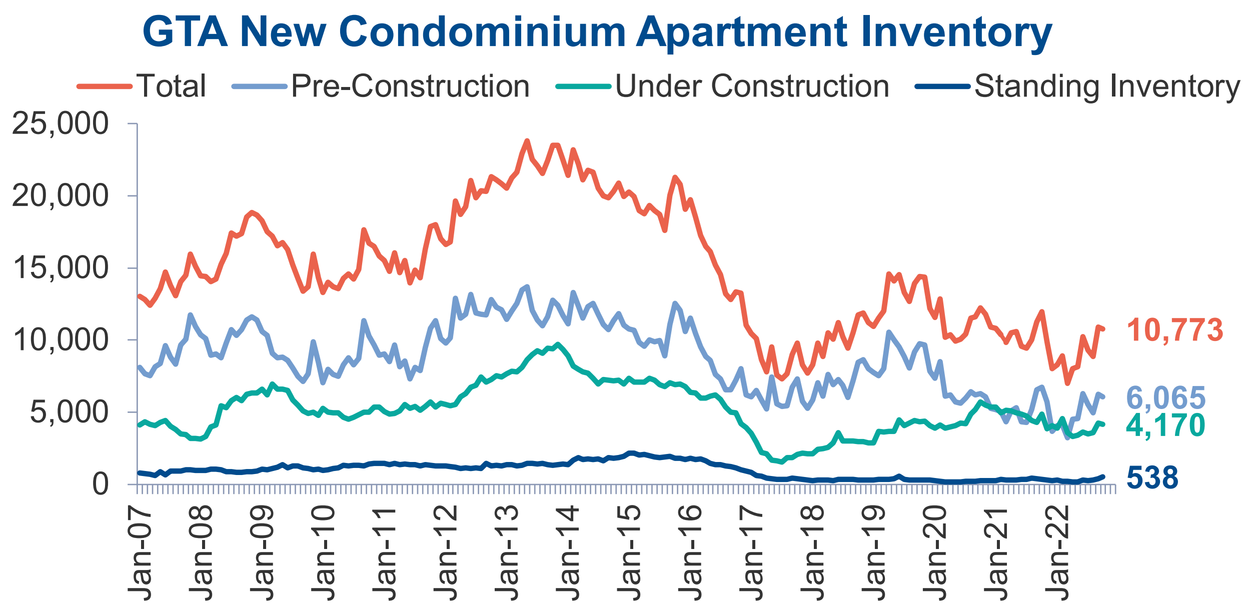


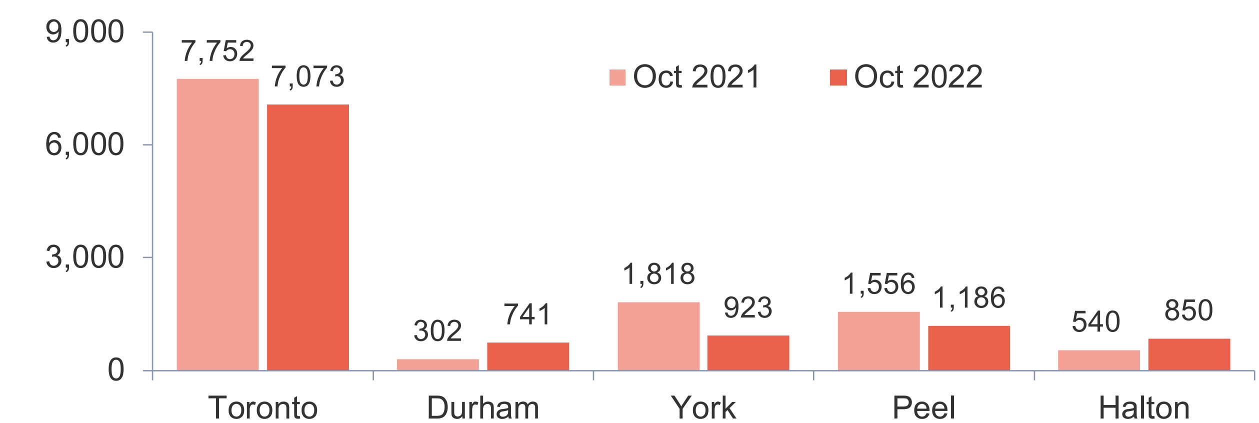
Source: Altus Group

- **There were 149 new condominium apartment sales in projects opened in October.** The vast majority of October's sales occurred in projects opened in September, as five of the six projects opened in September could not record firm sales until October (i.e. projects opened in the last 10 days of the month).
- **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

- **The inventory of available new condo apartments dipped in October as compared to September and continued to remain well below the 10-year average.** Pre-construction and under construction inventory both dropped slightly when compared with September and remain below October 2021 levels.
- **The current unsold inventory at new condominium apartment projects represents just 5 months of supply** at the average monthly pace of sales seen over the past 12 months, half the longer-term average for October of 10 months.
- **Two-thirds of available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, each of the Regions can be characterized as "tight", with months of inventory ranging from about 3.7 months in Halton to 6.8 months in the Durham.

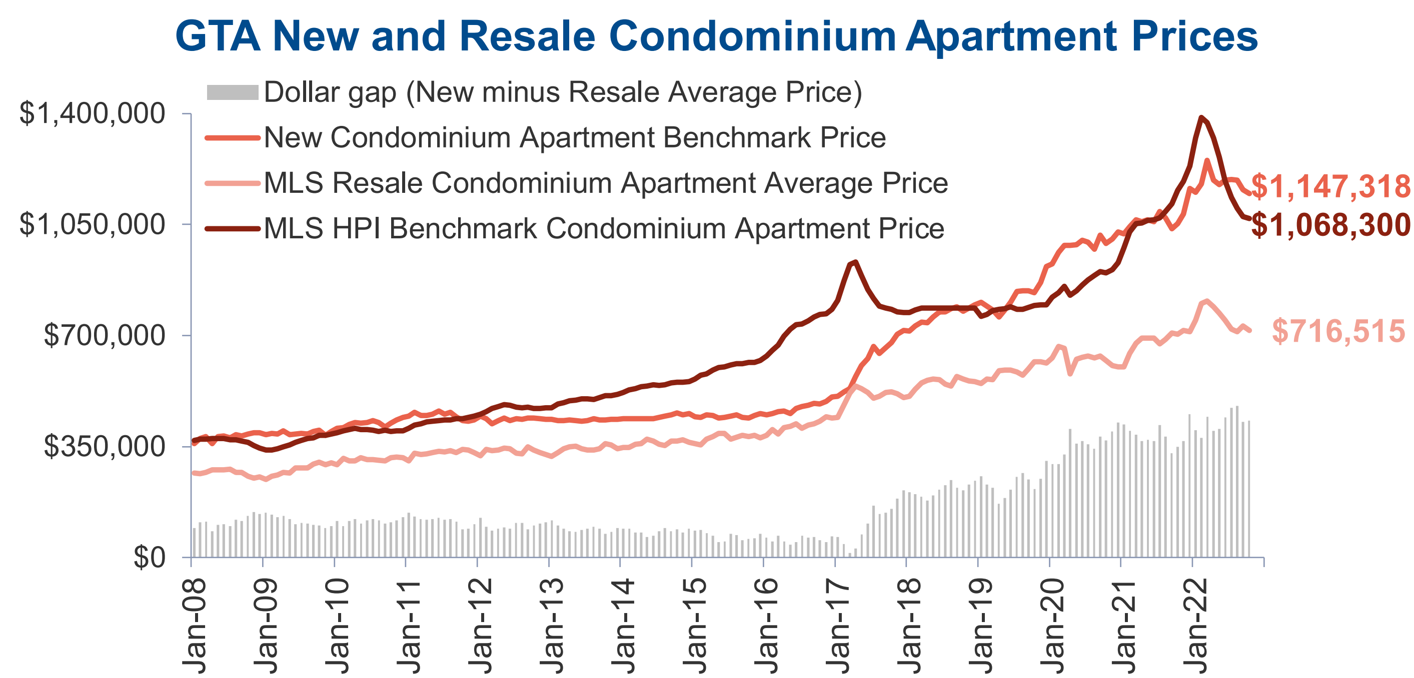


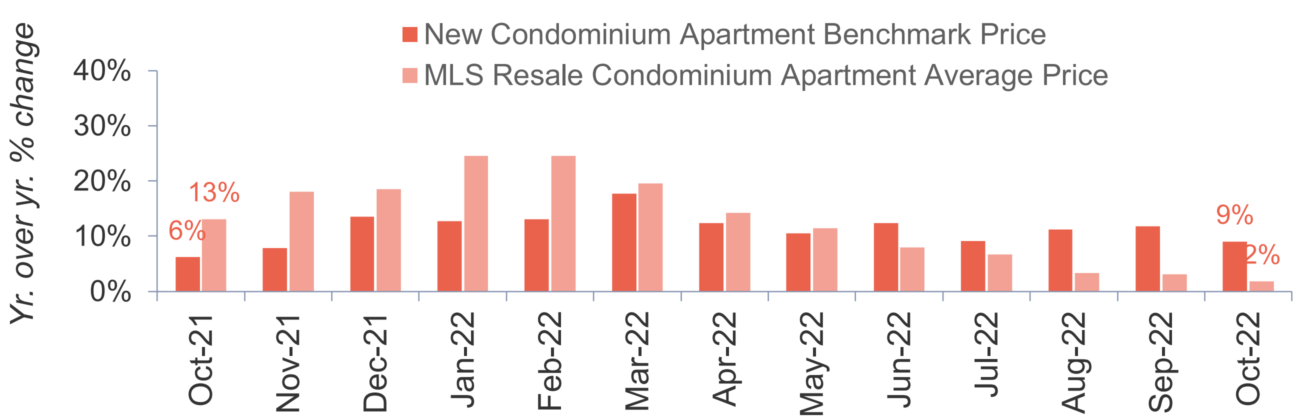


Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment reported a slight downturn in October 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 in October,** propelled by a greater increase in new condo prices compared to resale condo unit prices.

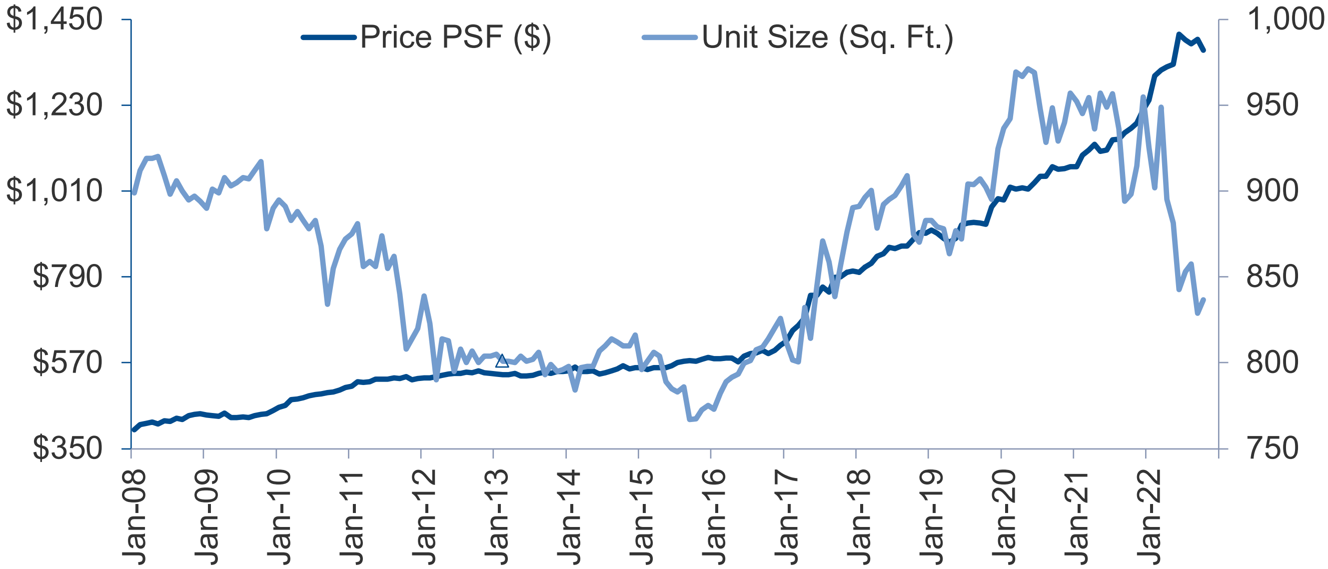




Source: Altus Group and Toronto Real Estate Board data

- **Price per square foot in new condominium apartments fell in October 2022 as compared to September, with unit sizes getting bigger.** This occurs as there is more inventory in the market and units are priced competitively.
- 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).

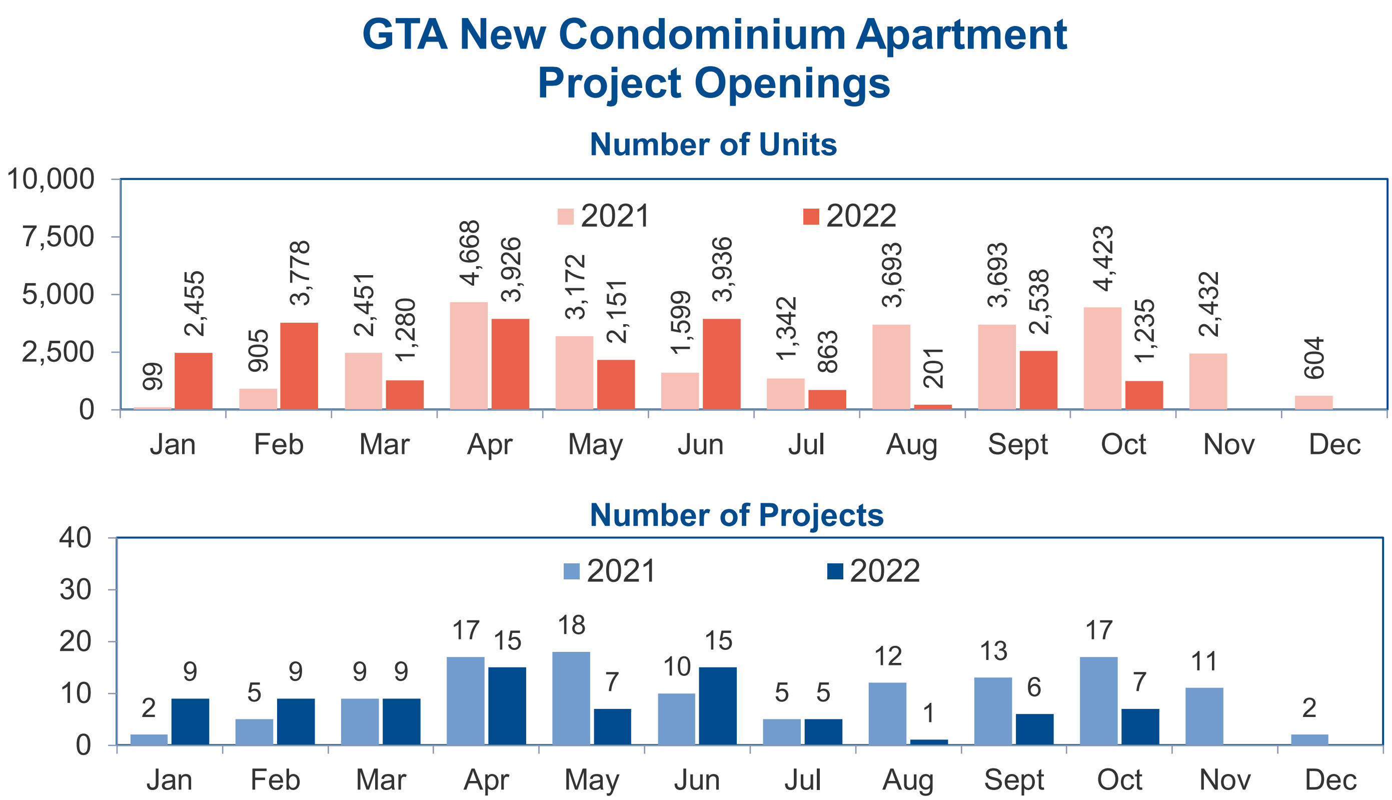
GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



Source: Altus Group

New Condominium Apartments - Openings

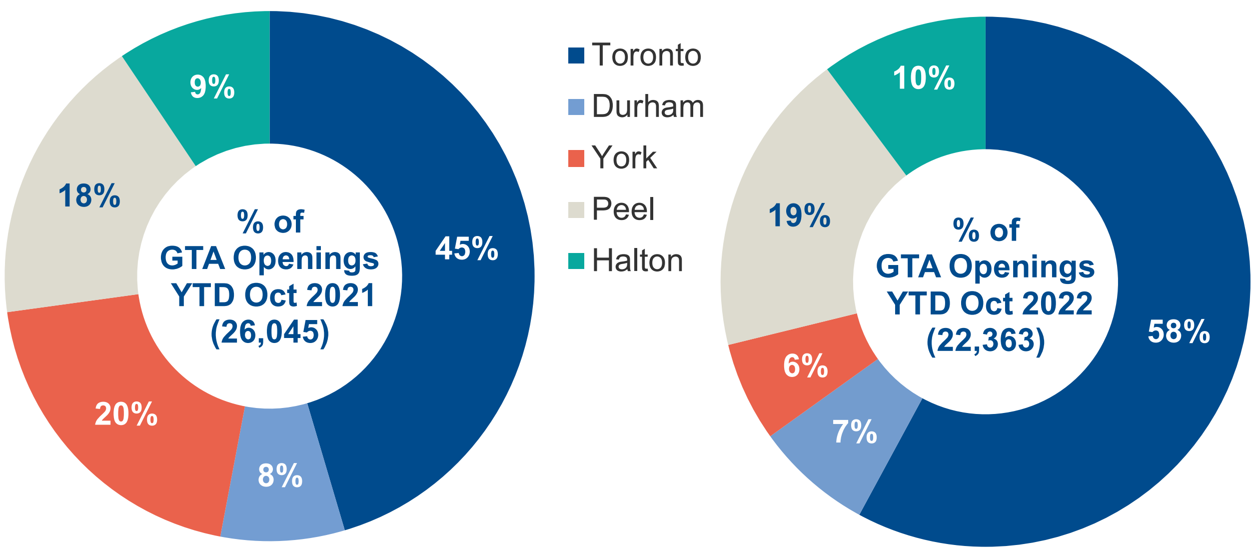
- **October 2022 had seven new project openings containing more than 1,200 units.** New project openings sit at less than half the level recorded in October 2021 indicating that developers have tightened their development pipelines, or paused new launches.
- **Toronto increased its share of new opening units, largely at the expense of York Region which sits at less than one–third of its share from last year** *(chart next page, top).* Within the City of Toronto, the former municipality of Toronto has increased its share of new condominium apartment openings since last year while Etobicoke's share declined *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in September and October 2022 accompanied by summary tables with additional details on each project. *Note that due to the large number of openings, there are 2 maps and 2 tables for the October openings.*



Source: Altus Group

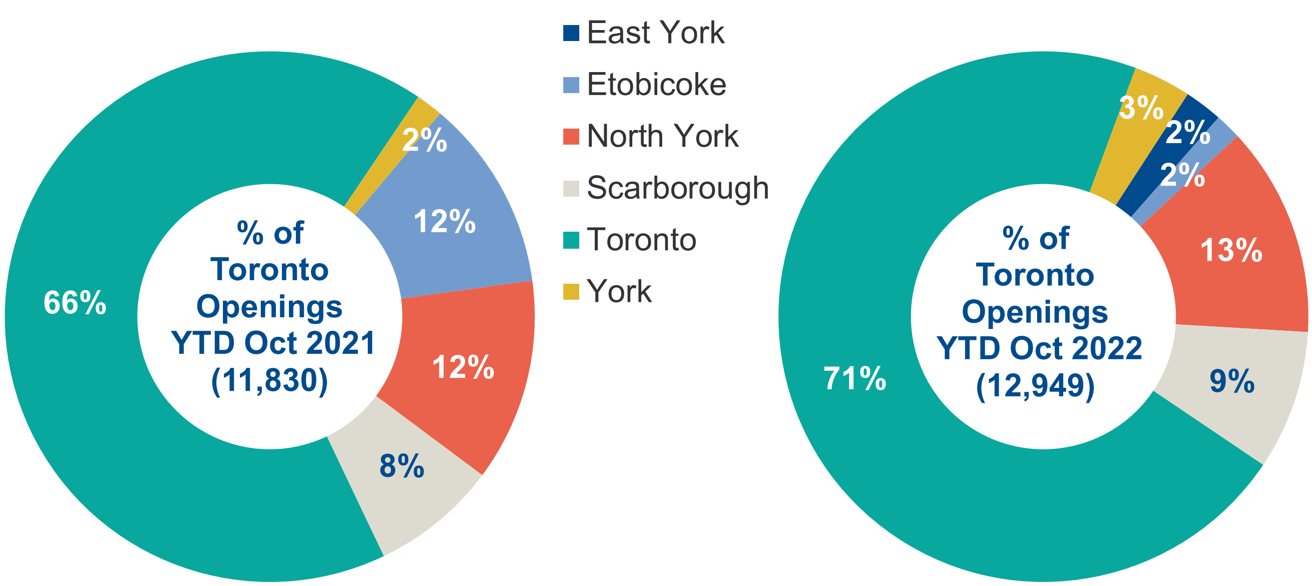
New Condominium Apartments - Openings

GTA Condominium Apartment Units in New Openings by Region



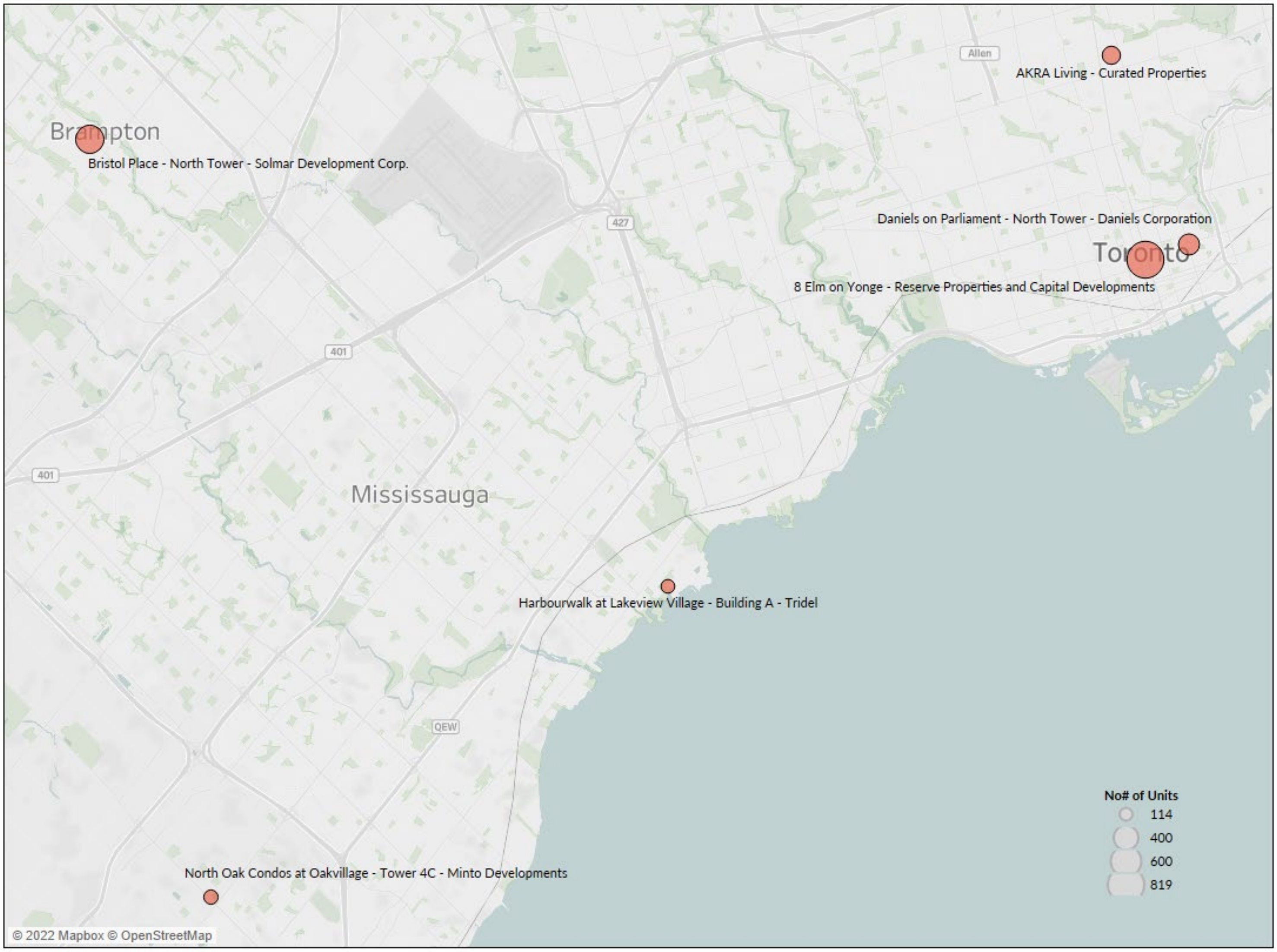
Source: Altus Group

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



Source: Altus Group

September 2022 New Project Launches by Number of Units



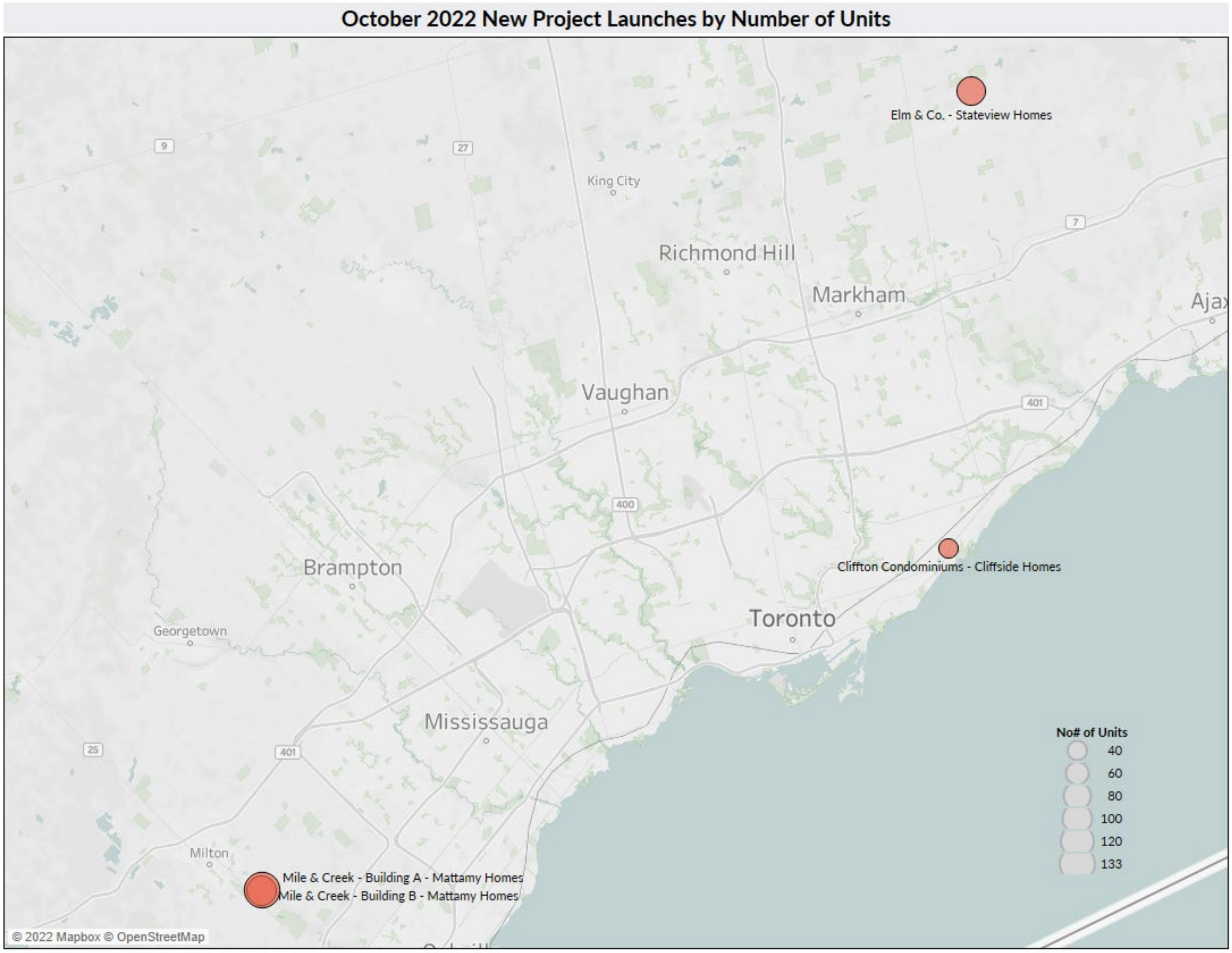
Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

New Condominium Apartment Project Openings - September 2022						
Project Name	**8 Elm on Yonge**	**AKRA Living**	**Bristol Place - North Tower**	**Daniels on Parliament - North Tower**	**Harbourwalk at Lakeview Village - Building A**	**North Oak Condos at Oakvillage - Tower 4C**
Developer	Reserve Properties and Capital	Curated Properties	Solmar Development Corp.	Daniels Corporation	Tridel	Minto Developments
Date Opened	September 28, 2022	September 24, 2022	September 14, 2022	September 22, 2022	September 23, 2022	September 24, 2022
Municipality	Old Toronto	Old Toronto	Brampton	Old Toronto	Mississauga	Oakville
Region	Toronto	Toronto	Peel	Toronto	Peel	Halton
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	69	22	48	10	19	20
Project Total Units	**819**	**200**	**560**	**293**	**433**	**231**
Total Units Released	**819**	**200**	**560**	**268**	**380**	**124**
Studio	54	32	2	86	-	-
1 Bedroom	433	52	200	26	-	49
1 Bedroom + den	-	52	90	-	112	49
2 Bedroom	249	28	264	120	98	20
2 Bedroom + den	-	10	-	-	133	6
3 Bedroom & up	83	26	-	22	37	-
Penthouse	-	-	4	-	-	-
Townhouse	-	-	-	14	-	-
Other	-	-	-	-	-	-
Opening Month Sales	**0**	**0**	**48**	**0**	**0**	**0**
Next Month Sales	**498**	**100**	**25**	**215**	**215**	**58**
% Sold (of released units)	61%	50%	13%	80%	57%	47%
Remaining Available Inventory	321	100	487	53	165	66
Original $PSF	$1,627	$1,520	$1,227	$1,261	$1,382	$1,195
Minimum Size (sq. ft.)	300	407	447	368	603	517
Maximum Size (sq. ft.)	998	1,168	665	1,455	1,621	980
Minimum Price	$683,900	$672,900	$552,900	$506,900	$772,000	$659,900
Maximum Price	$1,661,900	$1,469,900	$813,900	$1,706,900	$2,284,000	$1,089,900
Notes						

Source: Altus Group



Source: Altus Group

Map 1 of 2

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

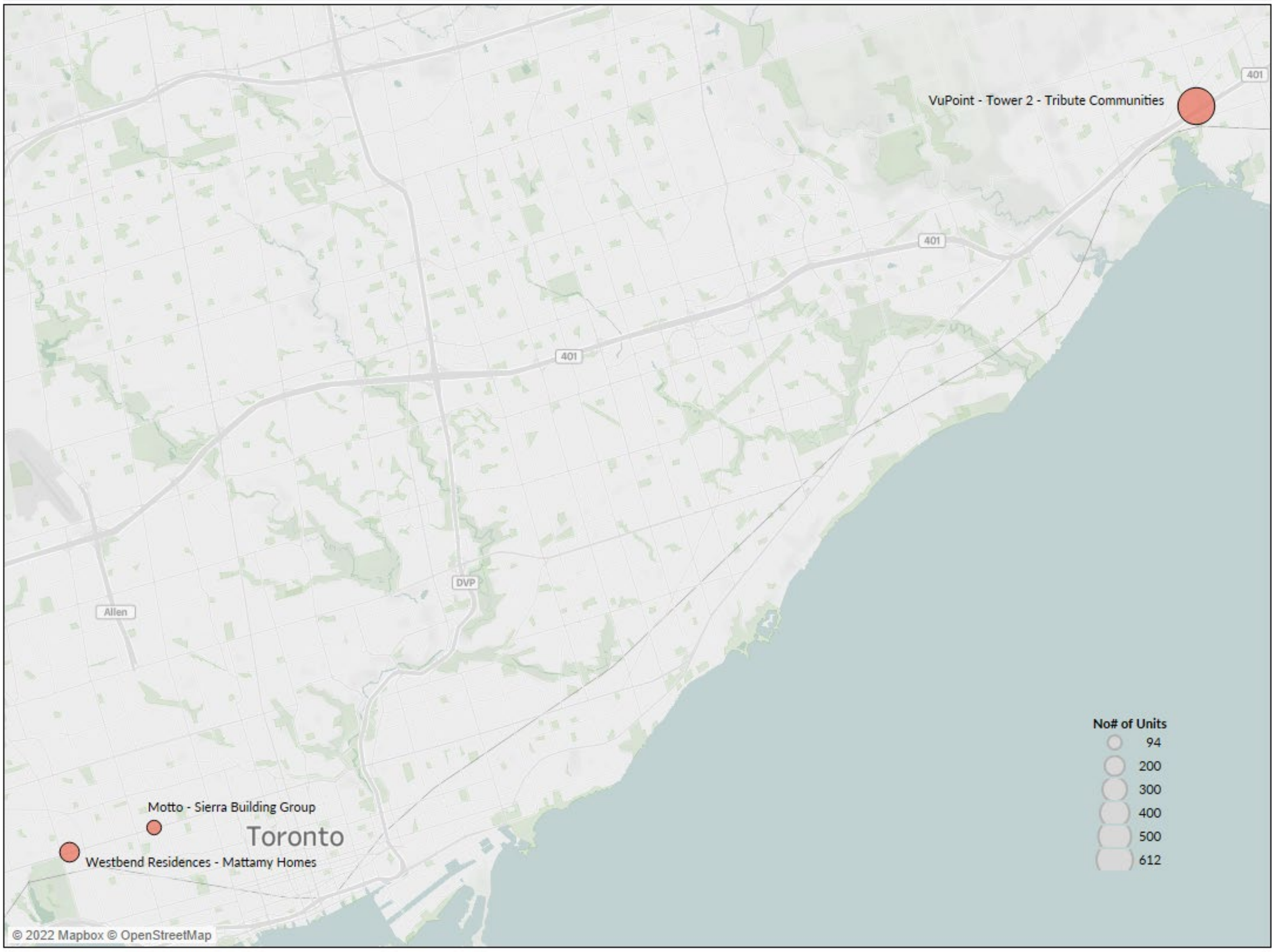
AltusGroup

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

Project Name	Cliffton Condominiums	Elm & Co.	Mile & Creek - Building A	Mile & Creek - Building B
Developer	Cliffside Homes	Stateview Homes	Mattamy Homes	Mattamy Homes
Date Opened	October 11, 2022	October 20, 2022	October 24, 2022	October 24, 2022
Municipality	Scarborough	Whitchurch-Stouffville	Milton	Milton
Region	Toronto	York	Halton	Halton
Structural Type	Apartment	Stacked	Apartment	Apartment
Floors	8	3	8	8
Project Total Units	**40**	**86**	**133**	**93**
Total Units Released	**40**	**86**	**133**	**93**
Studio	1	-	-	-
1 Bedroom	7	-	23	2
1 Bedroom + den	9	-	69	59
2 Bedroom	12	-	23	-
2 Bedroom + den	11	-	9	23
3 Bedroom & up	-	86	9	9
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**5**	**15**	**0**	**0**
% Sold (of released units)	13%	17%	0%	0%
Remaining Available Inventory	35	71	133	93
Original $PSF	$1,202	$522	$994	$953
Minimum Size (sq. ft.)	461	1,920	504	n.a.
Maximum Size (sq. ft.)	1,100	1,950	976	1,039
Minimum Price	$609,900	$999,990	$519,990	n.a.
Maximum Price	$1,319,900	$1,019,990	$899,990	$914,990
Notes			No firm sales as all deals were subject to the 10-day conditional period	No firm sales as all deals were subject to the 10-day conditional period

Source: Altus Group

October 2022 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

New Condominium Apartment Project Openings - October 2022 (2 of 2)			
Project Name	**Motto**	**VuPoint - Tower 2**	**Westbend Residences**
Developer	Sierra Building Group	Tribute Communities	Mattamy Homes
Date Opened	October 7, 2022	October 14, 2022	October 29, 2022
Municipality	Old Toronto	Pickering	Old Toronto
Region	Toronto	Durham	Toronto
Structural Type	Apartment	Apartment	Apartment
Floors	12	53	12
Project Total Units	**97**	**612**	**174**
Total Units Released	**94**	**612**	**174**
Studio	-	-	3
1 Bedroom	50	320	41
1 Bedroom + den	4	92	75
2 Bedroom	15	161	27
2 Bedroom + den	12	-	9
3 Bedroom & up	13	39	19
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening Month Sales	**29**	**100**	**0**
% Sold (of released units)	31%	16%	0%
Remaining Available Inventory	65	512	174
Original $PSF	$1,408	$1,158	$1,268
Minimum Size (sq. ft.)	431	498	427
Maximum Size (sq. ft.)	1,361	861	1,122
Minimum Price	$597,900	$587,000	$601,990
Maximum Price	$1,912,900	$1,011,000	$1,356,990
Notes			No firm sales as all deals were subject to the 10-day conditional period

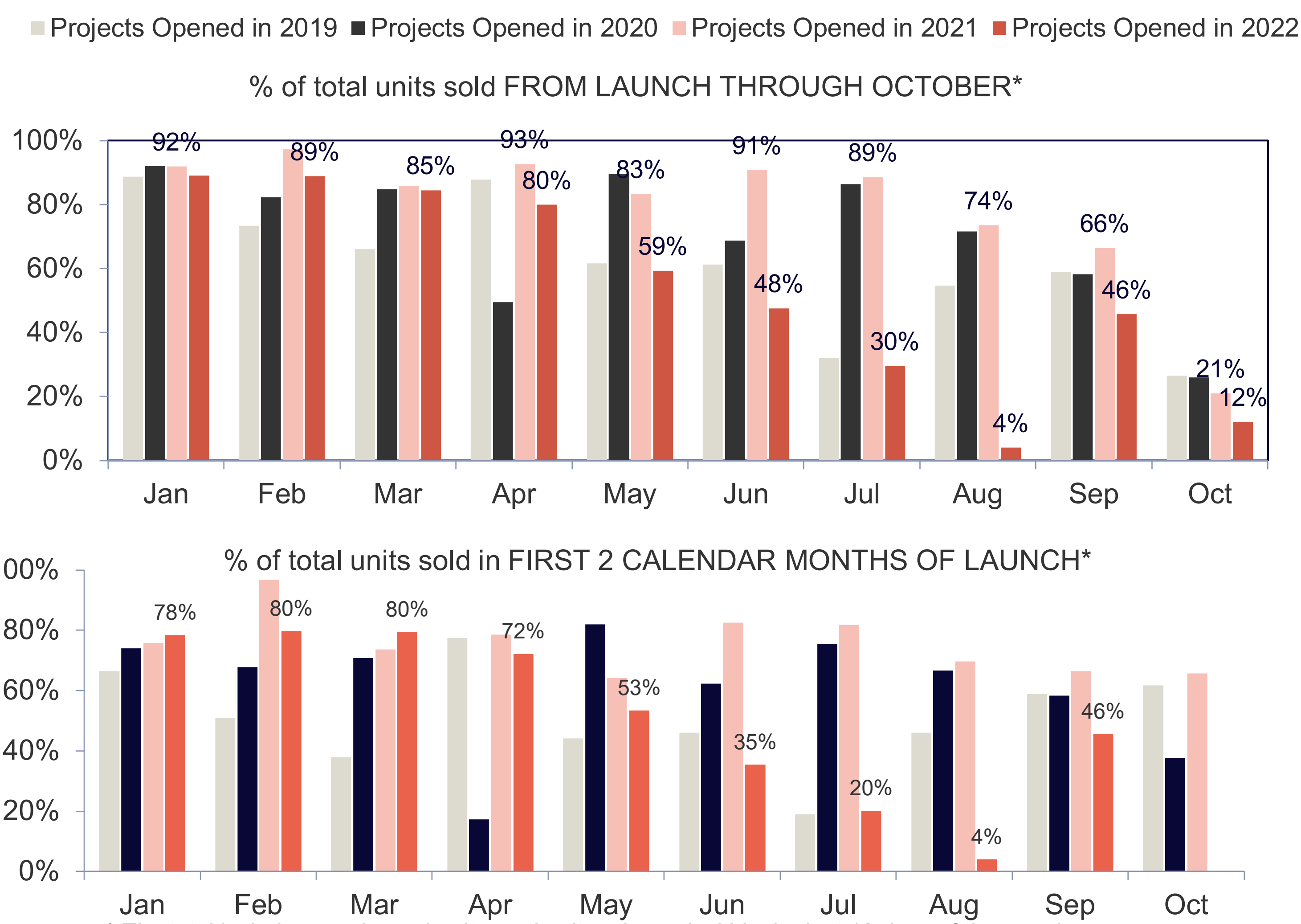
Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

- **Focusing on the seven projects opened in October, 12% of units launched were sold during the month,** below the level of the past three Octobers. Overall, the sales of projects launched over the past five months have greatly lagged previous years as the impact of the rising cost of borrowing, along with the housing affordability crisis, becoming more prominent.
- 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 October)*

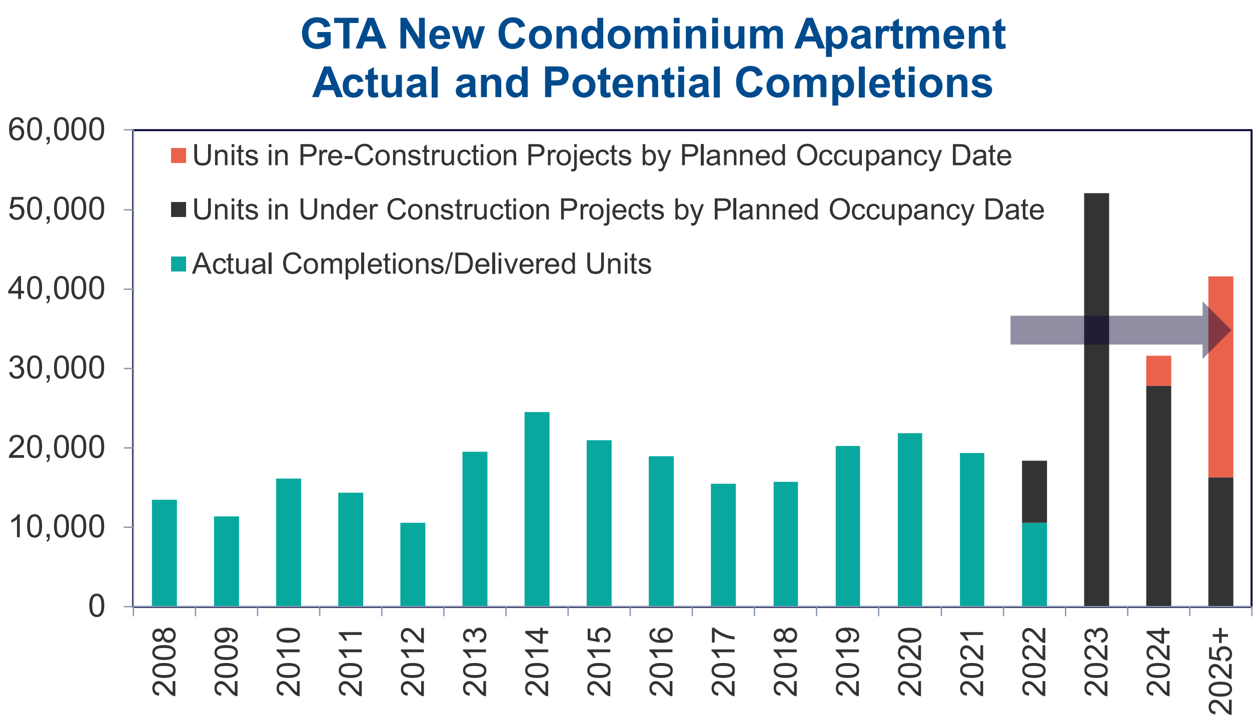


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of October 2022, there were almost 133,100 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There have only been 10,570 units delivered in the first ten months of 2022.** This is about one-third below the level of completions year-to-date in 2021 and about half the level of 2020. October year-to-date completions were the lowest year-to-date October 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**, especially as the winter "flu" season is on the horizon. Rising construction costs and interest rate hikes are also top of mind for both consumers and developers, further contributing to delays.

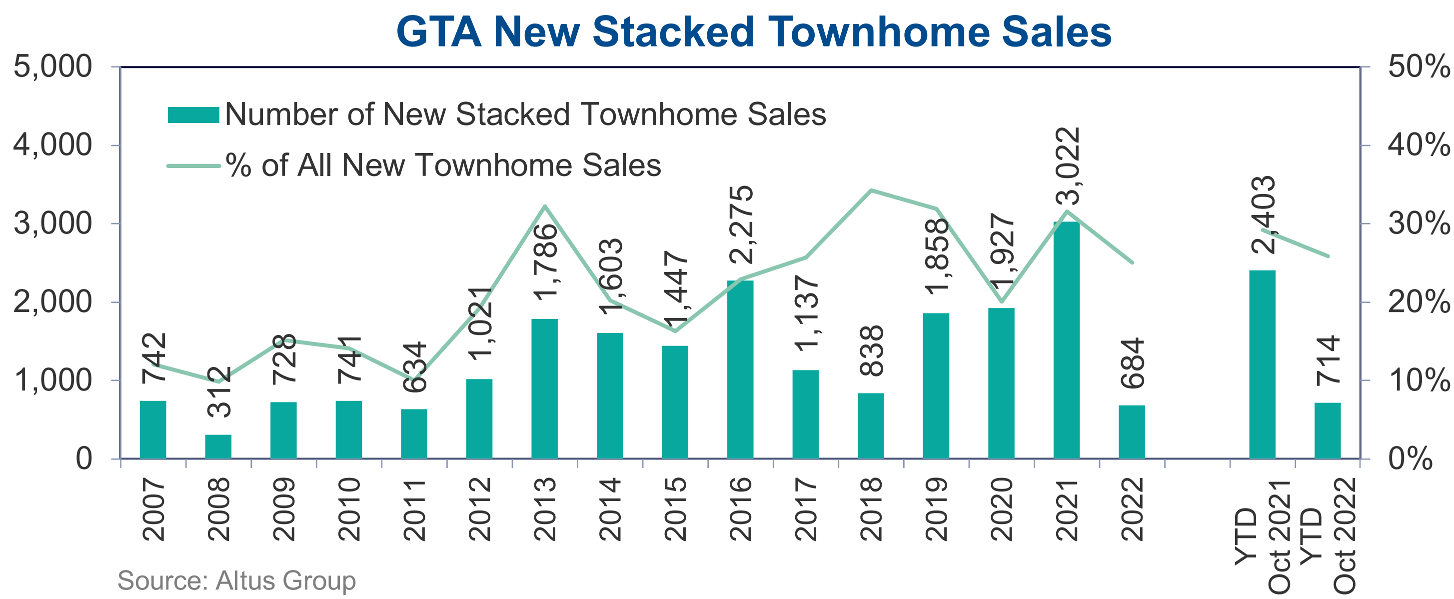


Source: Altus Group

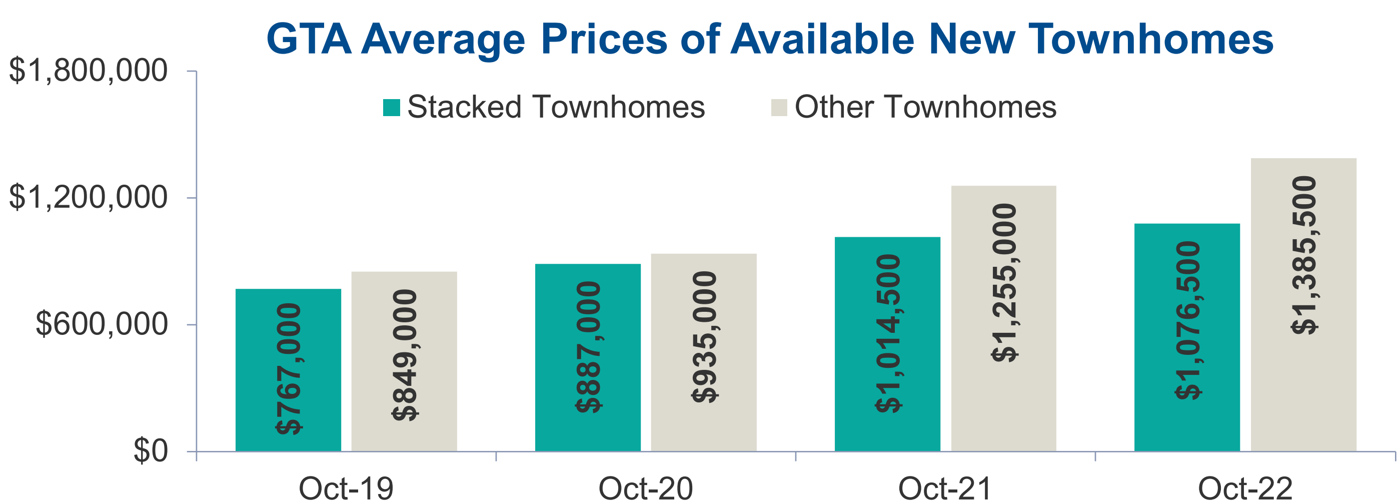
New Stacked Townhomes

AltusGroup

- 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.
- **New stacked townhomes set a record high in 2021 with over 3,000 units sold but 2022 year-to-date sales were 70 percent off the 2021 pace.** Sales of traditional townhomes declined below their 2021 pace, sitting at 65% below last year's levels. Traditional townhomes account for about three-quarters of total townhouse sales year-to-date.
- The lower average price-point of new stacked townhomes vs. traditional townhome provides an attractive alternative for many buyers seeking more affordable options for obtaining more space. **However, the surge in average prices to over $1 million may be curtailing sales levels.**

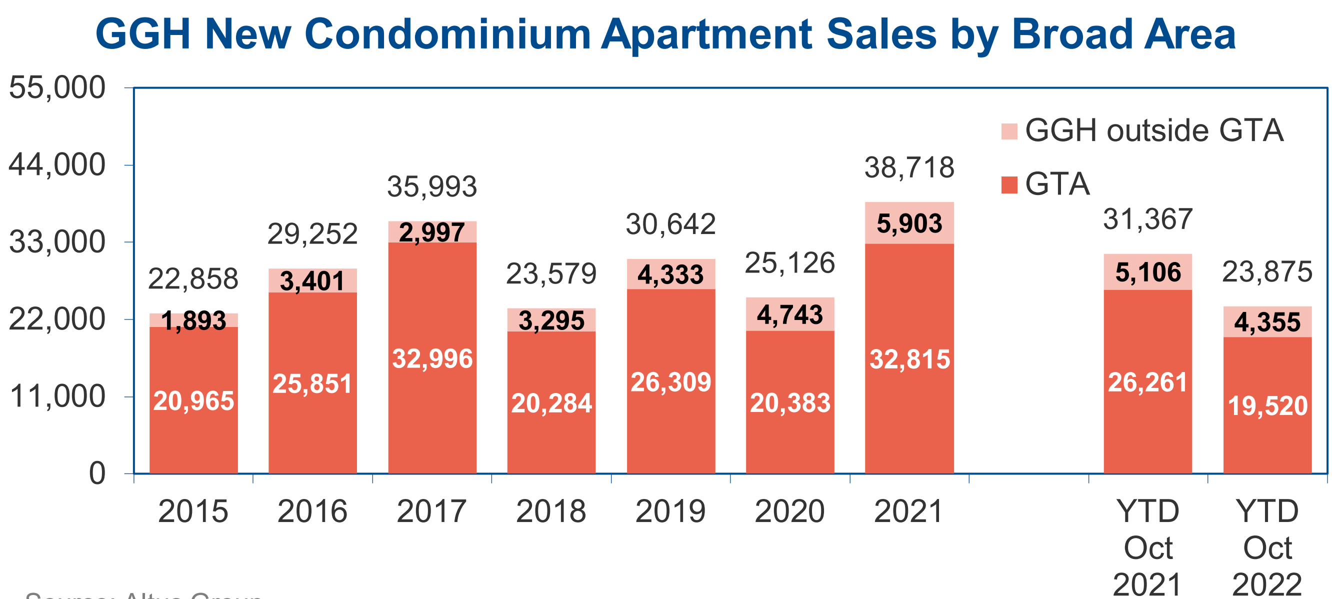


Source: Altus Group

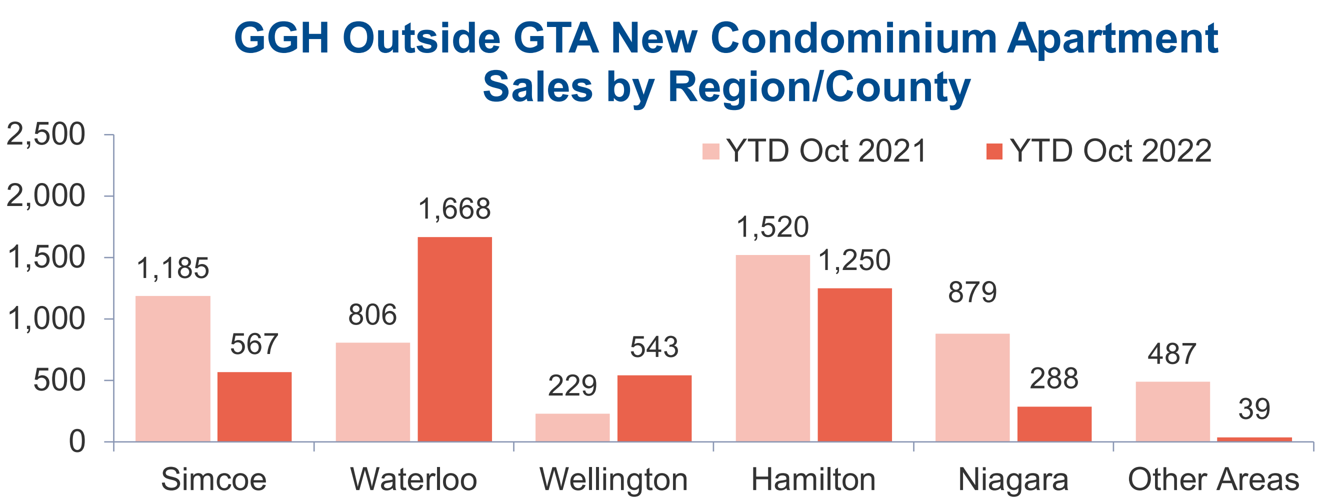


Source: Altus Group

- 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 in the other GGH areas were down year-to-date as of October 2022 when compared with 2021.** Year-to-date 2022 sales in Waterloo Region and Wellington County are ahead of last year.
- Some industry observers have speculated that COVID-19 is pushing buyers to lower-density areas. **Pre COVID-19, there had already been some shift emerging of the GGH areas outside the GTA capturing a larger share of total new condo apartment sales** (*chart bottom of next page*). That shift reversed in 2021, but affordability concerns have pushed up the other GGH areas' share again in 2022 to date.

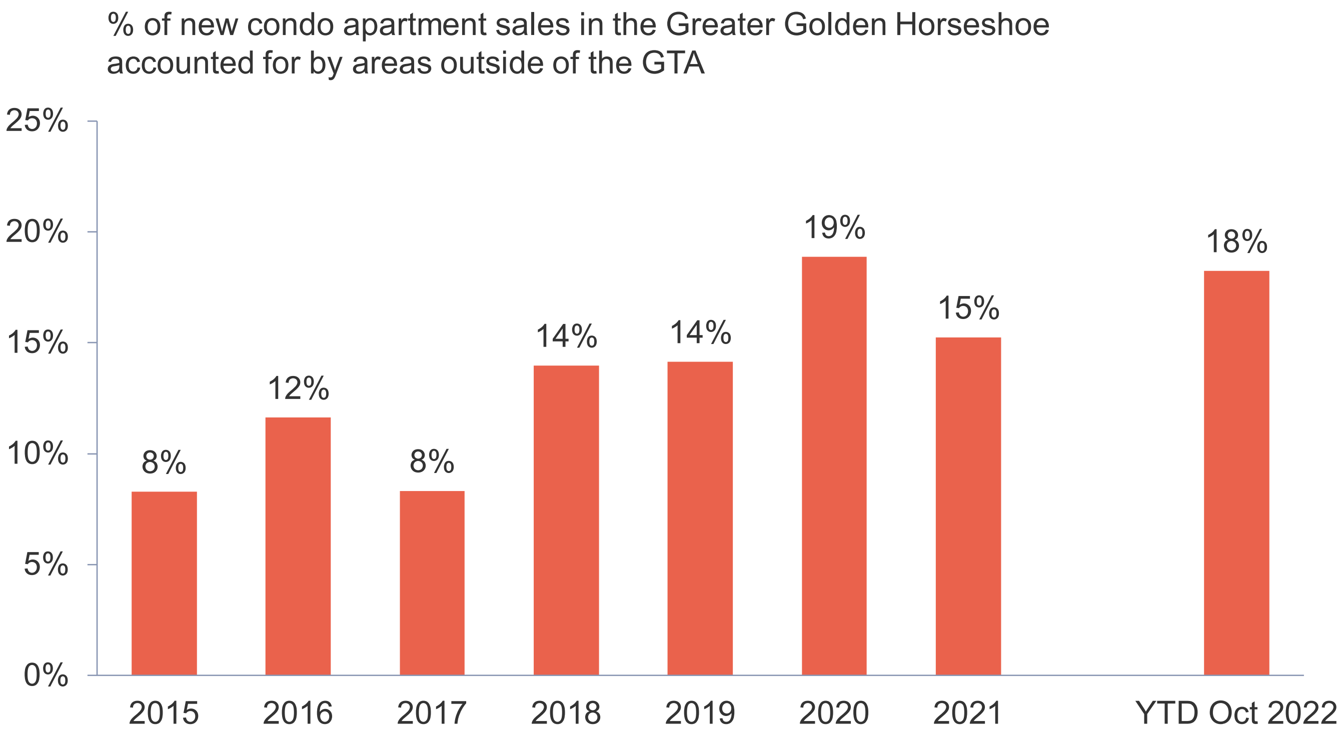


Source: Altus Group



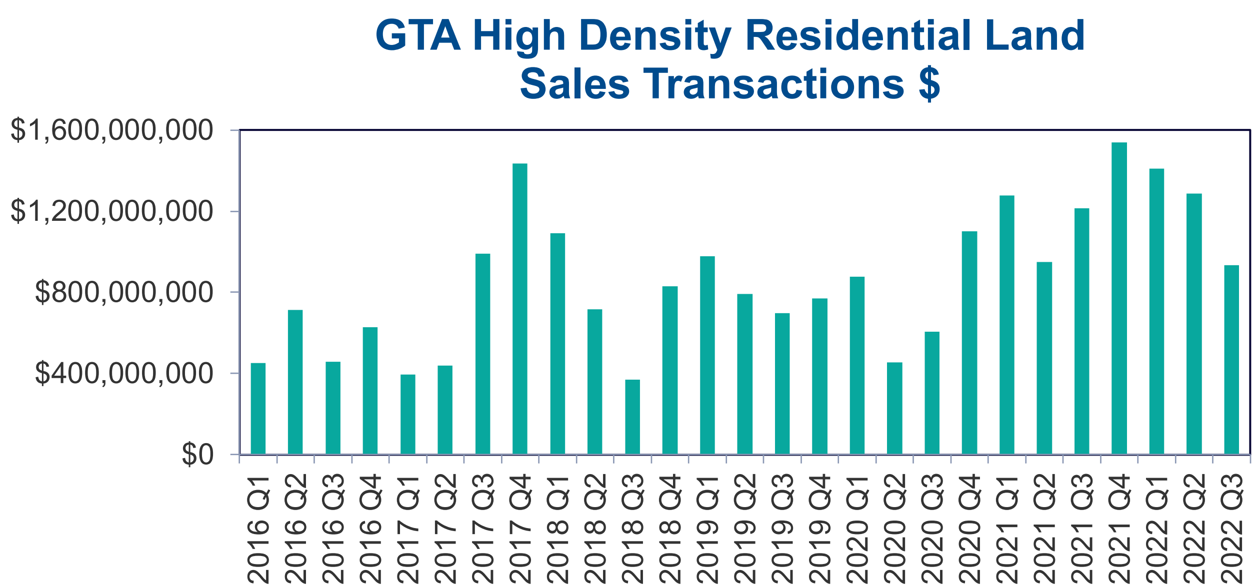
Source: Altus Group

GGH New Condominium Apartment Sales Outside the GTA

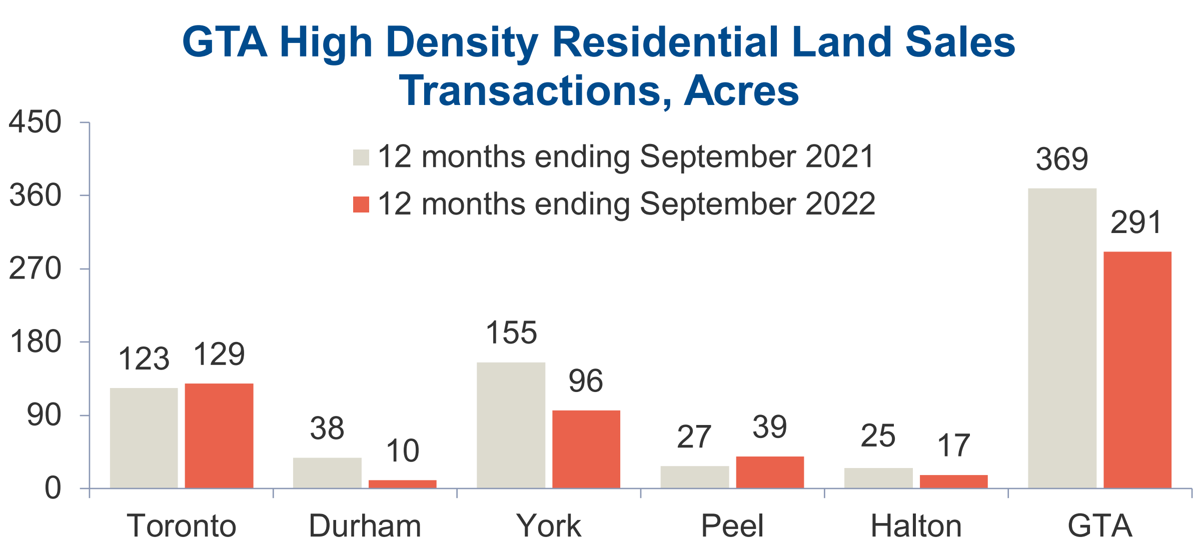


Source: Altus Group

- **High density residential land sales have continued to rebound from lows during the initial stages of the pandemic.** The dollar volume of sales of high-density residential land in the GTA reached a record high Q1 level in 2022 and was just down from the all-time record achieved in the previous quarter, according to Altus Group transactions data.
- For the 12 months ending September 2022 as a whole, the value of high density residential land traded was up 14% from the preceding year. However, there was an overall decrease in the number of acres of high-density residential land traded - down by 21% as all areas save for Toronto trended downward.



Source: Altus Group



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