Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of February 2023

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New Condominium Apartment Dashboard

February 2023			YTD February 2023	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
697	**13,031**	**$1,113,164**	**1,142**	**$1,120,178**
-78%	**+46%**	**-5.5%**	**-80%**	**-4%**
2nd lowest February since 2009	***Highest February since 2017***	***2nd highest February on record***	***2nd lowest YTD February on record***	***2nd Highest YTD February on record***

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

Highlights

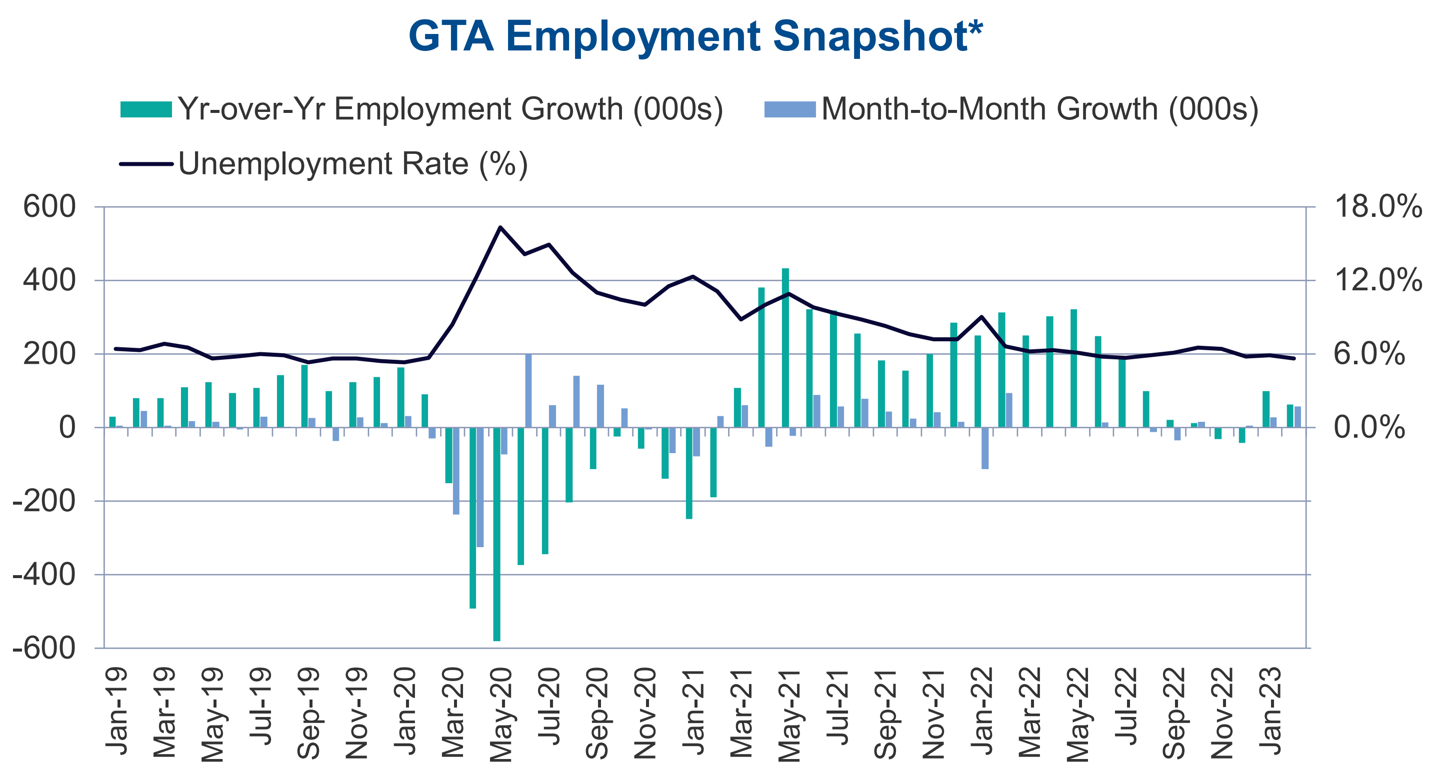
- **Total new home sales continued to be muted in February 2023.** GTA new condominium apartment sales remained weak falling to a four-year low. Meanwhile, single-family sales slumped to an all-time low for February. As a result, total sales dropped by about 75% from last year in February.
- **The benchmark price of a new condominium apartment fell further in February 2023 and recorded a 3rd consecutive year-over-year decline.**
- Looking ahead, builders have been ramping up inventory in the new condominium apartment sector in anticipation of a stronger spring market. Moving into spring it appears that we may be seeing the floor in the market which may overcome the recent hesitancy of buyers brought about by the runup of interest rates and other economic concerns.

GTA Condominium Apartment Key Performance Indicators

	Feb-22	Jan-23	Feb-23	*Yr-Over-Yr % Change*	YTD Feb 2022	YTD Feb 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	146	173	174	*19%*	145	174	*20%*
New projects opened	9	2	7	*-22%*	17	9	*-47%*
Units in new projects opened	3,778	944	2,061	*-45%*	6,205	3,005	*-52%*
Total sales (units)	3,213	445	697	*-78%*	5,576	1,142	*-80%*
Sales as % of total new & resale	*54%*	*32%*	*32%*		*54%*	*32%*	
Inventory (units)	8,912	11,969	13,031	*46%*	8,601	12,500	*45%*
Sales-to-inventory ratio	36%	4%	5%	*-85%*	32%	5%	*-86%*
Months of inventory	3.0	7.4	9.3	*212%*	2.9	8.4	*185%*
Benchmark price	$1,177,739	$1,127,192	$1,113,164	*-5%*	$1,164,212	$1,120,178	*-4%*
Price PSF Benchmark	$1,306	$1,361	$1,377	*5%*	$1,275	$1,369	*7%*
Unit size Benchmark (sq. ft)	902	828	809	*-10%*	914	819	*-10%*
Units completed	430	856	0	*-100%*	1,632	856	*-48%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,772	950	1,455	*-48%*	4,788	2,405	*-50%*
New listings (units)	3,819	2,757	2,797	*-27%*	6,387	5,554	*-13%*
Inventory ("active listings", units)	2,009	3,725	3,864	*92%*	1,741	3,795	*118%*
Sales-to-inventory ratio	138%	26%	38%	*-73%*	137%	32%	*-77%*
Months of inventory	0.7	2.2	2.4	*245%*	0.6	2.3	*280%*
Average price of units sold	$799,966	$687,696	$705,472	*-12%*	$778,324	$698,450	*-10%*
HPI constant quality price index (Jan 2005=100)	391.3	351.7	349.2	*-11%*	379.1	350.5	*-8%*

** see end of report for Definitions*

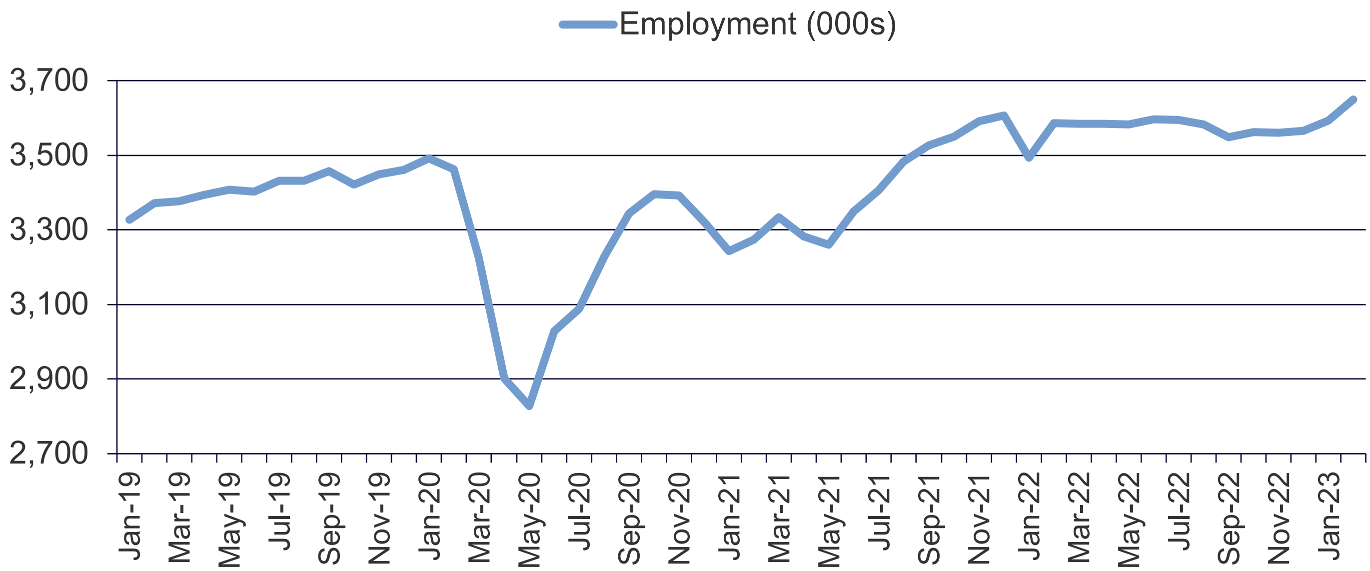
- **Both year-over-year and month-to-month employment growth in February were positive.** The GTA unemployment rate for February 2023 was 5.6% - its lowest level since the start of the pandemic.
- **The Bank of Canada left the target for the overnight rate unchanged at 4.5 percent at its latest rate announcement on March 8**, stating that **"***In Canada, economic growth came in flat in the fourth quarter of 2022, lower than the Bank projected. With consumption, government spending and net exports all increasing, the weaker-than-expected GDP was largely because of a sizeable slowdown in inventory investment. Restrictive monetary policy continues to weigh on household spending, and business investment has weakened alongside slowing domestic and foreign demand.. . . Quantitative tightening is complementing this restrictive stance. Governing Council will continue to assess economic developments and the impact of past interest rate increases, and is prepared to increase the policy rate further if needed to return inflation to the 2% target..*" **The next rate announcement date is April 12.**
- **Variable rate mortgage interest rates remain above the average 5-year fixed special rate with the spread widening to 136 basis points.** The 5-year fixed special rate is now over 325 basis points higher than its recent low in early Fall 2021 *(chart next page, bottom).*



Source: Altus Group based on Statistics Canada data

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

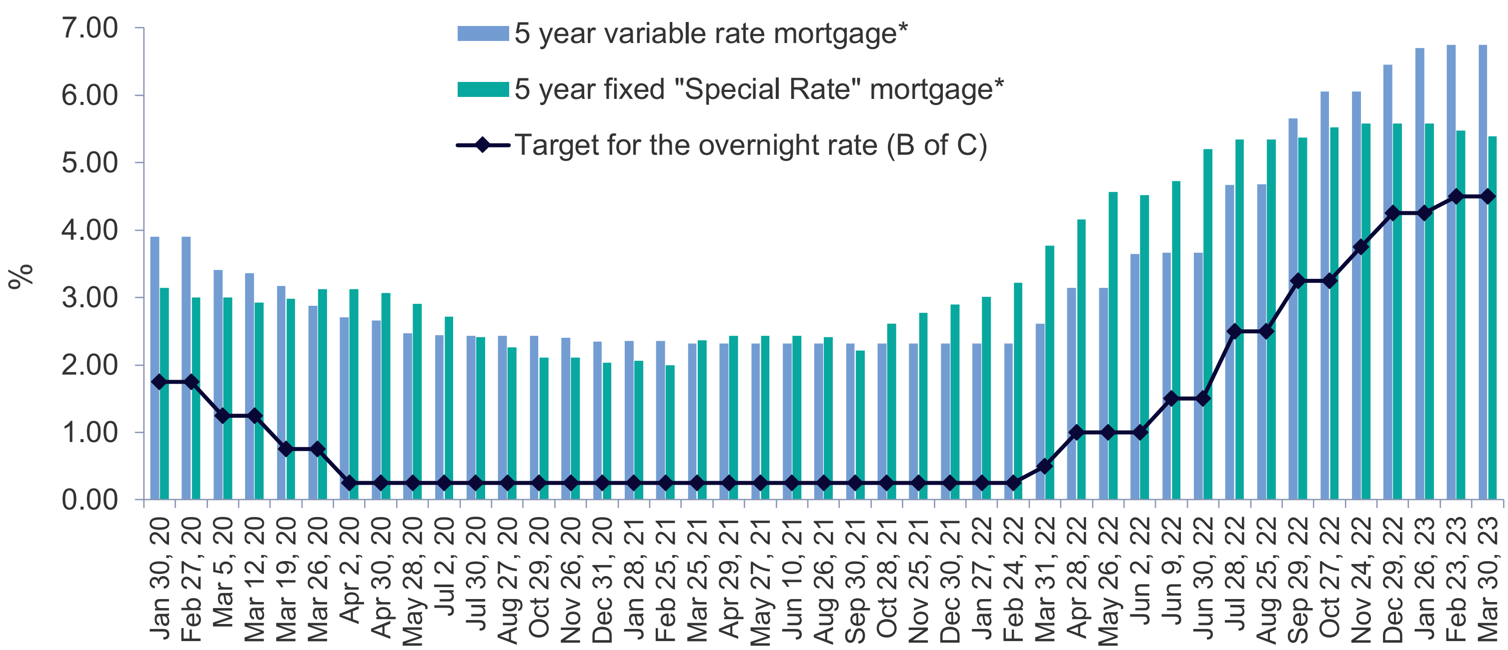
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

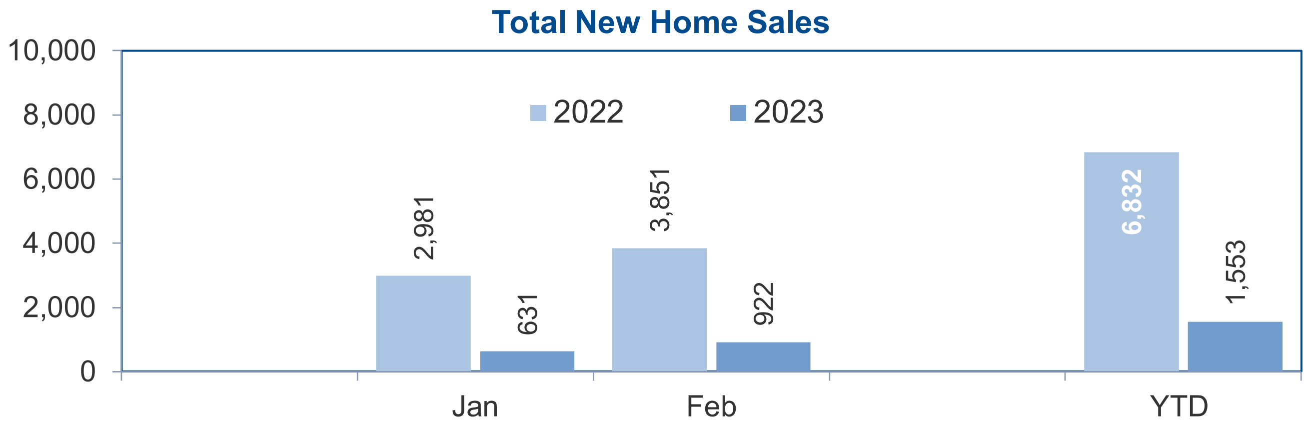


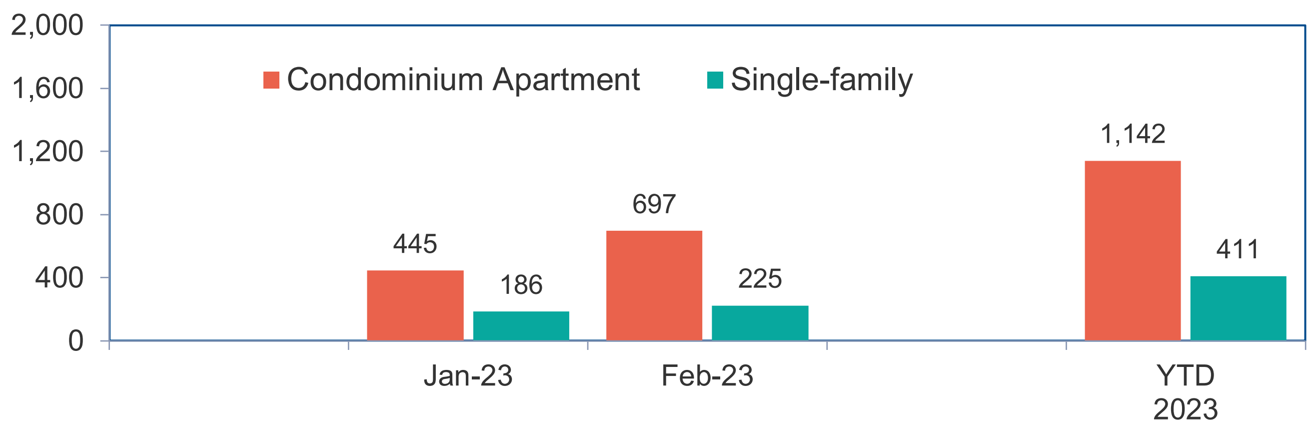
** Average for the major banks*

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

- **Total new home sales in February recorded their second lowest level for the month –** down 76 percent from January 2022. **New single-family hit an all-time low for February,** while new condominium apartment sales were also muted.
- **All regions have shared in the year-over-year decline in total new home sales.** Each region recorded lower sales than the previous year for both new condominium apartment and new single-family sales (*charts next page*).

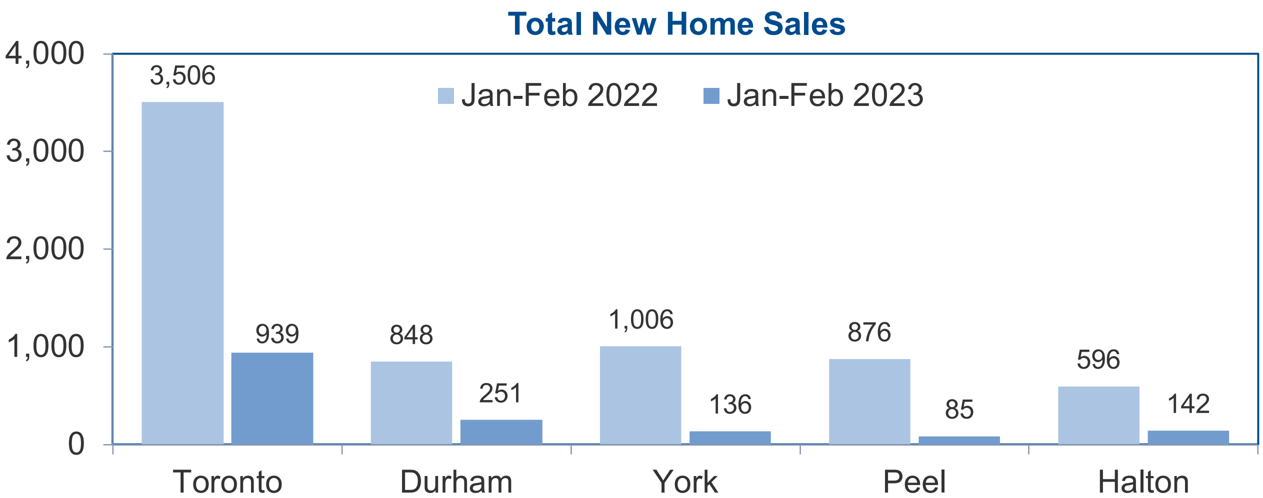
GTA New Home Sales

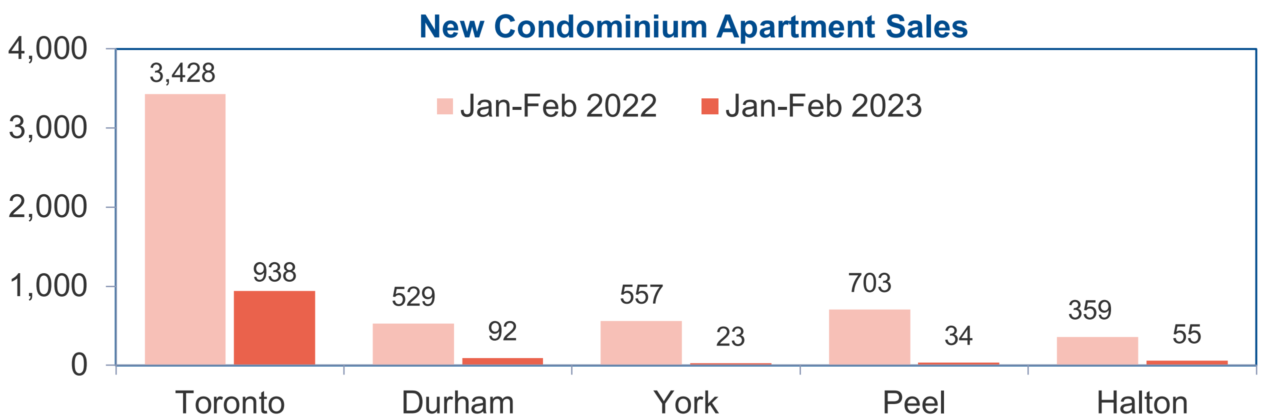


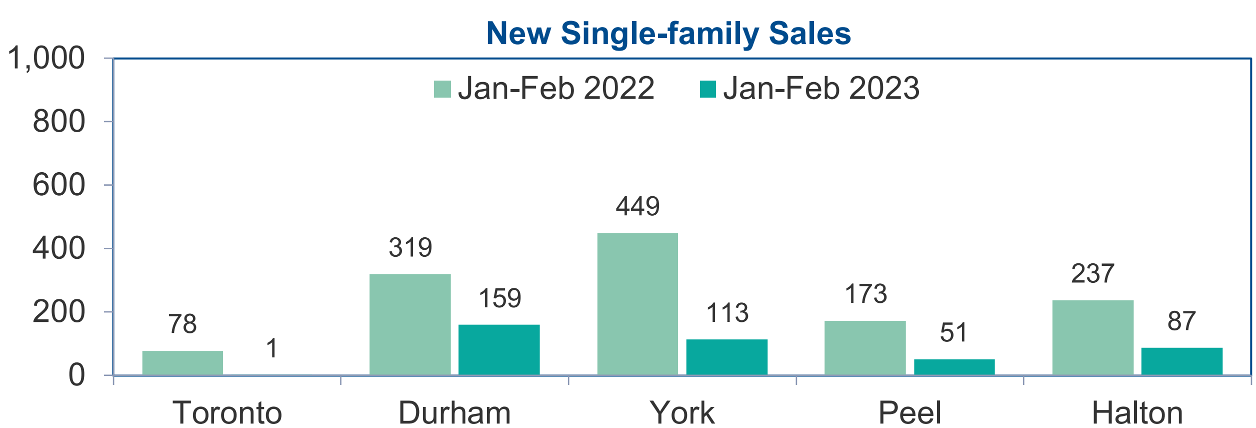


Source: Altus Group

GTA New Home Sales by Region



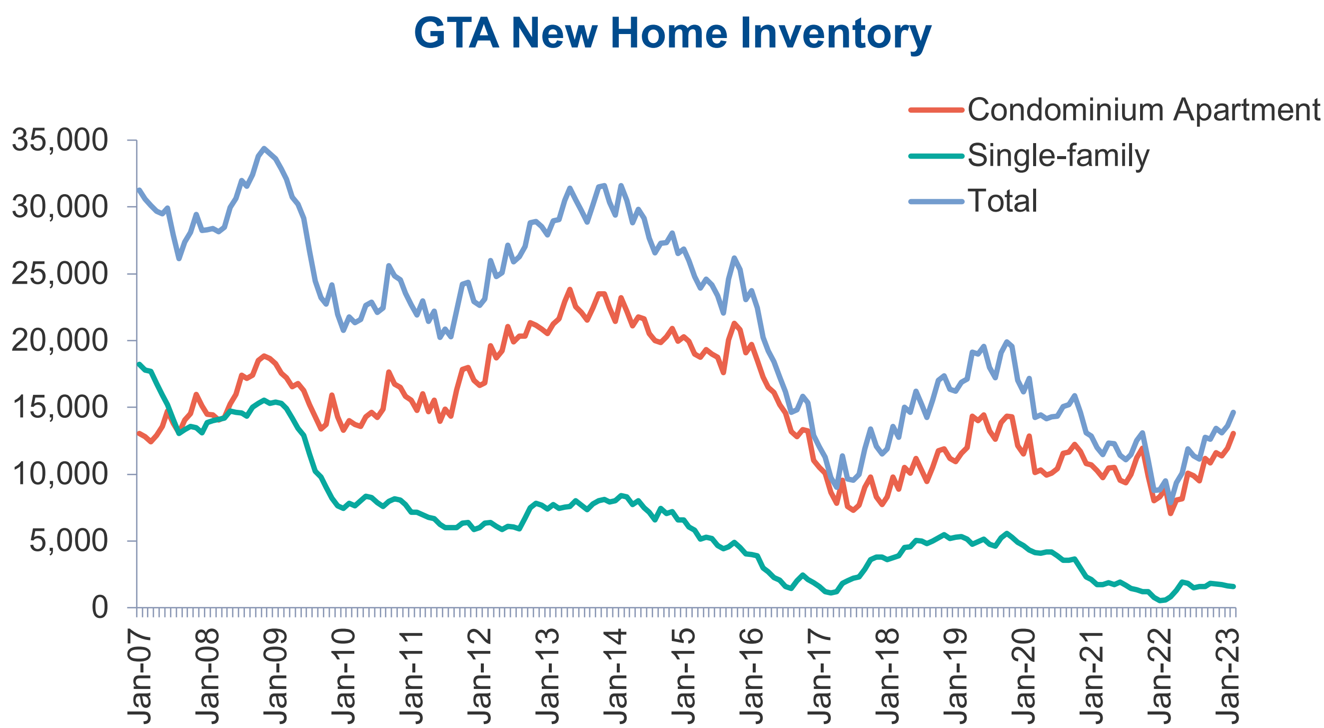




Source: Altus Group

New Home Market - Inventory

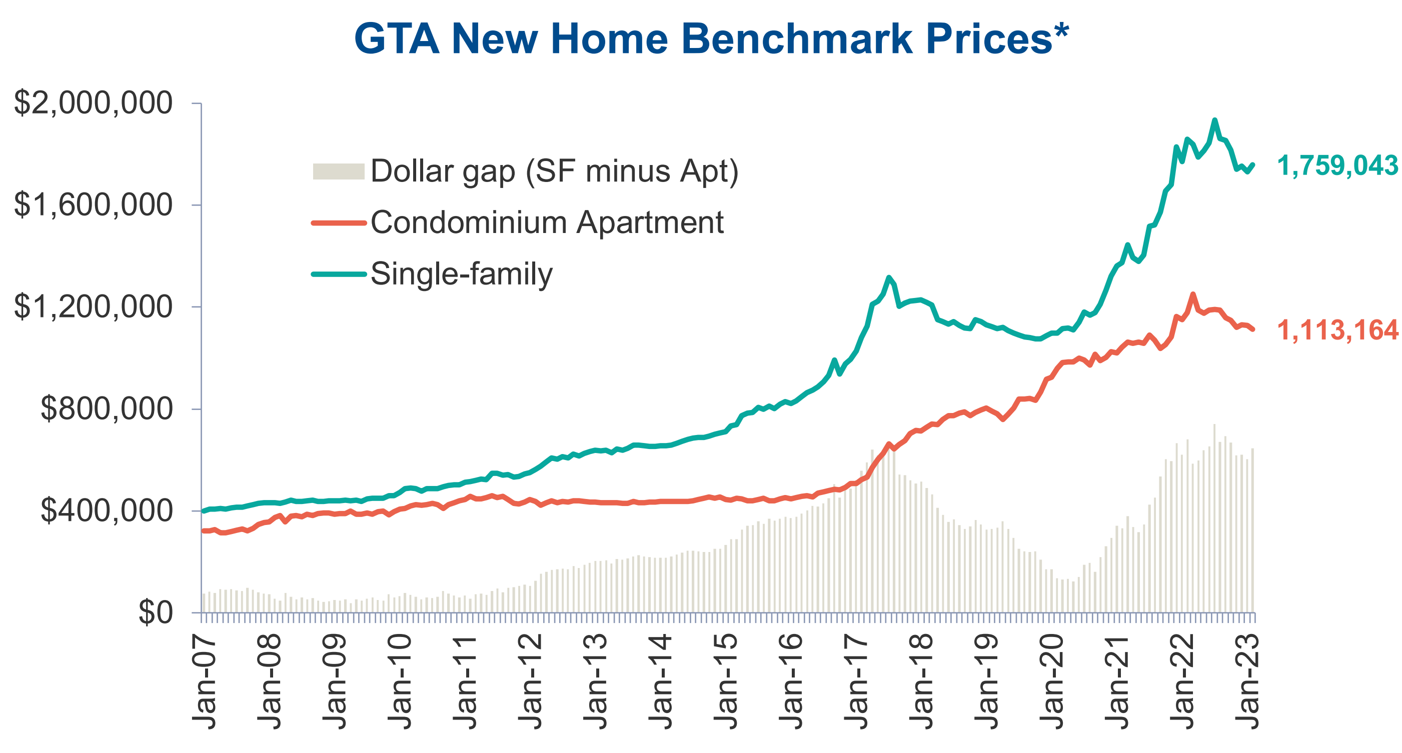
- **The total inventory of new homes across the GTA moved higher again in February 2023.** Total inventory was up by over 50 percent compared to a year earlier but still remains below the 10-year average.
- **Condominium apartment inventory remains the driver behind higher overall inventory in February** due to the combination of slow sales and a further increase in new units launching.
- Based on average monthly total new home sales over the past 12 months, there were 3.7 months of available supply of total new homes at the end of February 2023, well below the long-term average for February of 7½ months.



Source: Altus Group

New Home Market - Prices

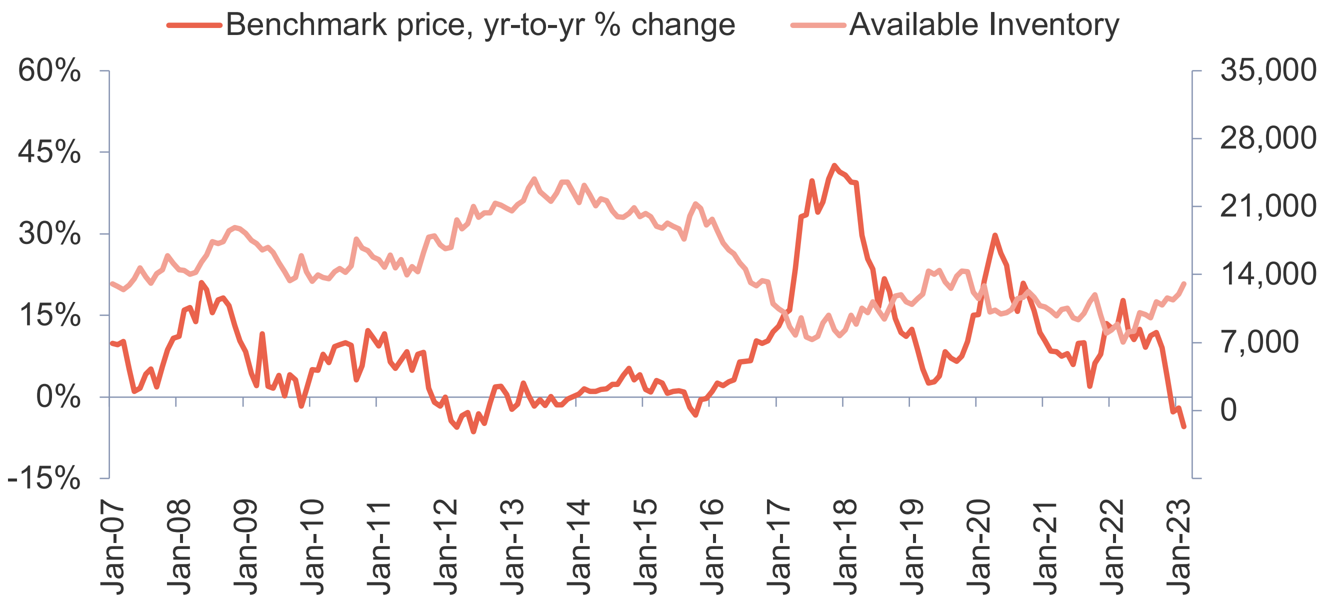
- **The benchmark price for a new condominium apartment was down by over five percent in February 2023 compared to last year.** Single-family benchmark pricing also moved lower in February compared to 2022 but was higher than the previous month.
- **The price advantage of available new condominium apartments compared to new single-family homes widened in February.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for a 3rd consecutive month (*charts next page*).
- It should be kept in mind that the benchmark prices represent units available to purchase at month end. For new projects opened during the month, lower-priced product may sell out more quickly, and therefore not be represented in these data.



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

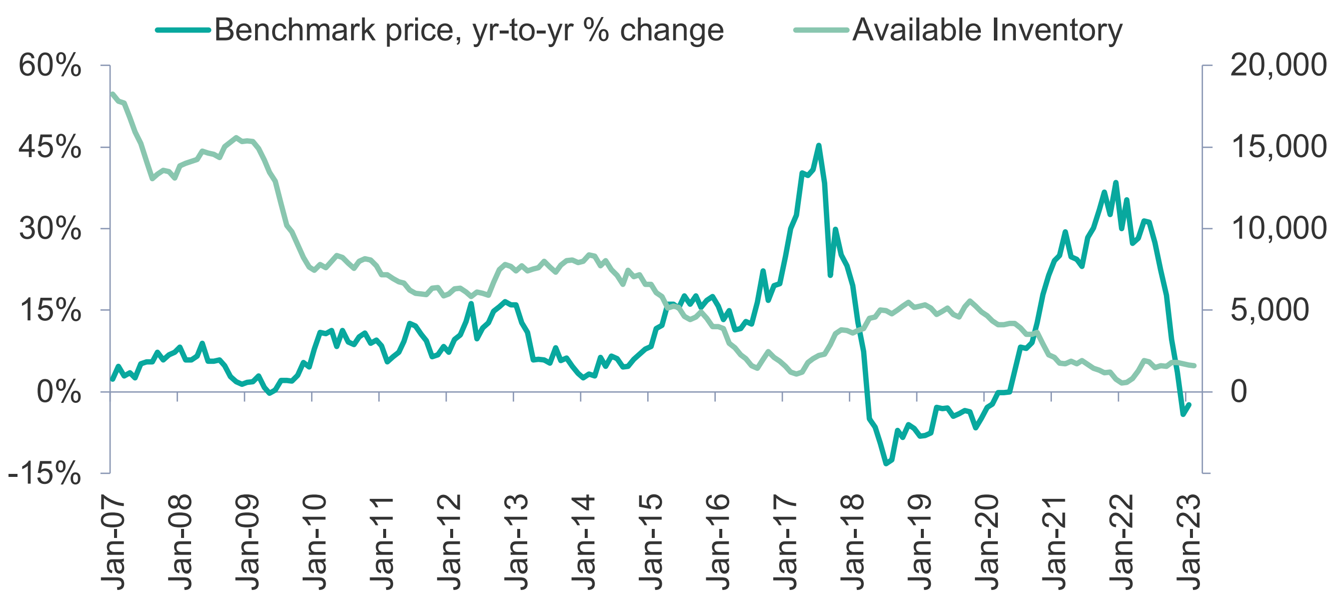
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

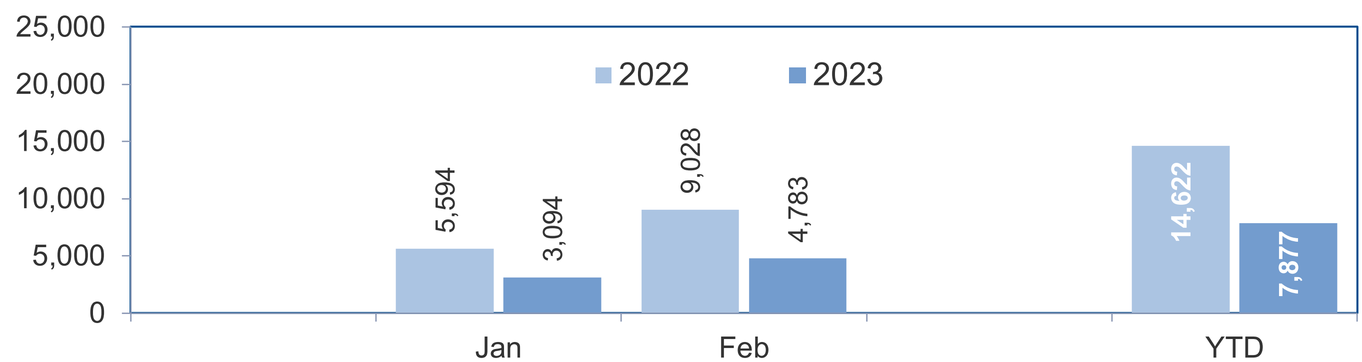


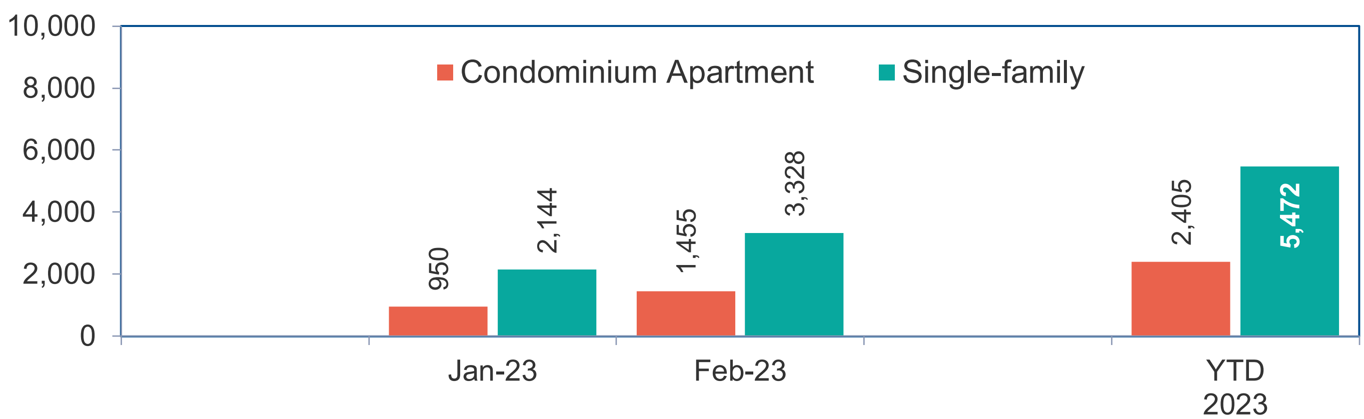
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes remained tepid in February 2023 falling to almost half the level of last year.** Year-to-date total resales are near an all-time low after two successive weak months. Both the single-family and condo apartment segments of the resale market contributed to both the year-over-year decline in sales activity in February as well as the year-to-date falloff.
- **Total resale inventory is up from last year but still lags the longer-term average.** Conditions remain very tight with only about 2.5 months of inventory in the resale condominium apartment sector and about 1.5 months of inventory in the resale single-family sector**.**
- Average prices slid year-over-year in both the single-family (-25 percent) and condominium apartment (-12 percent) sectors *(charts next page).*

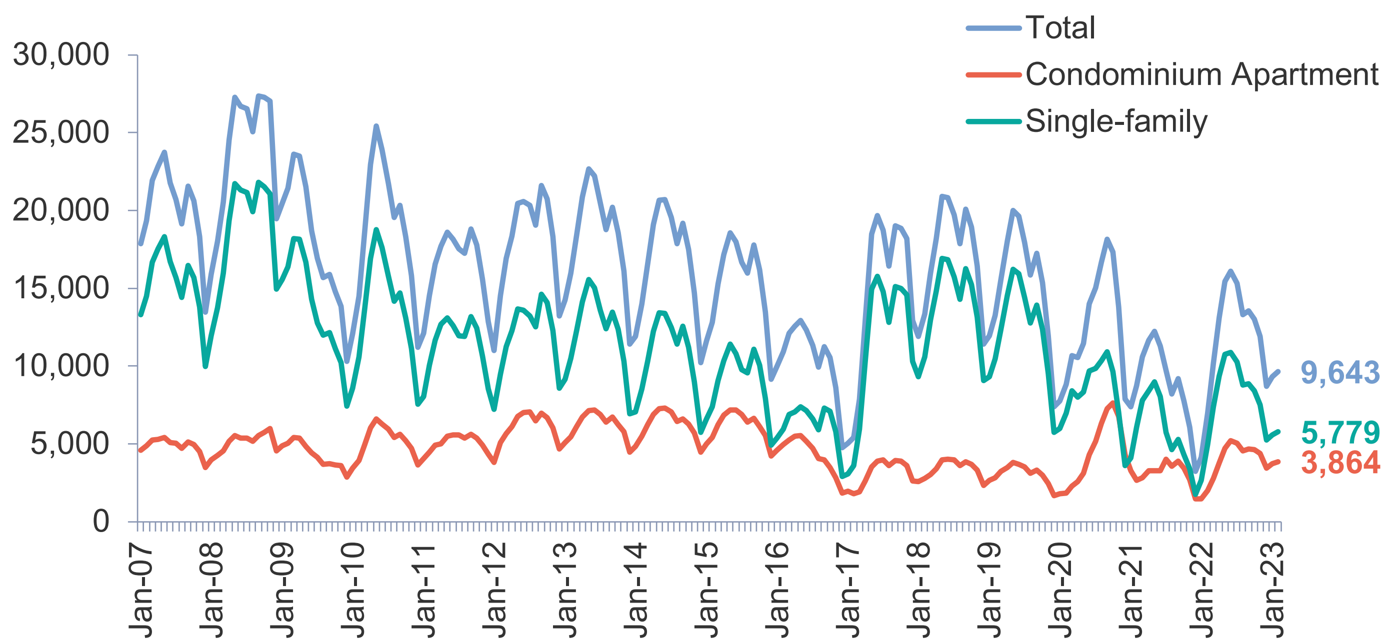
GTA Resale Home Sales





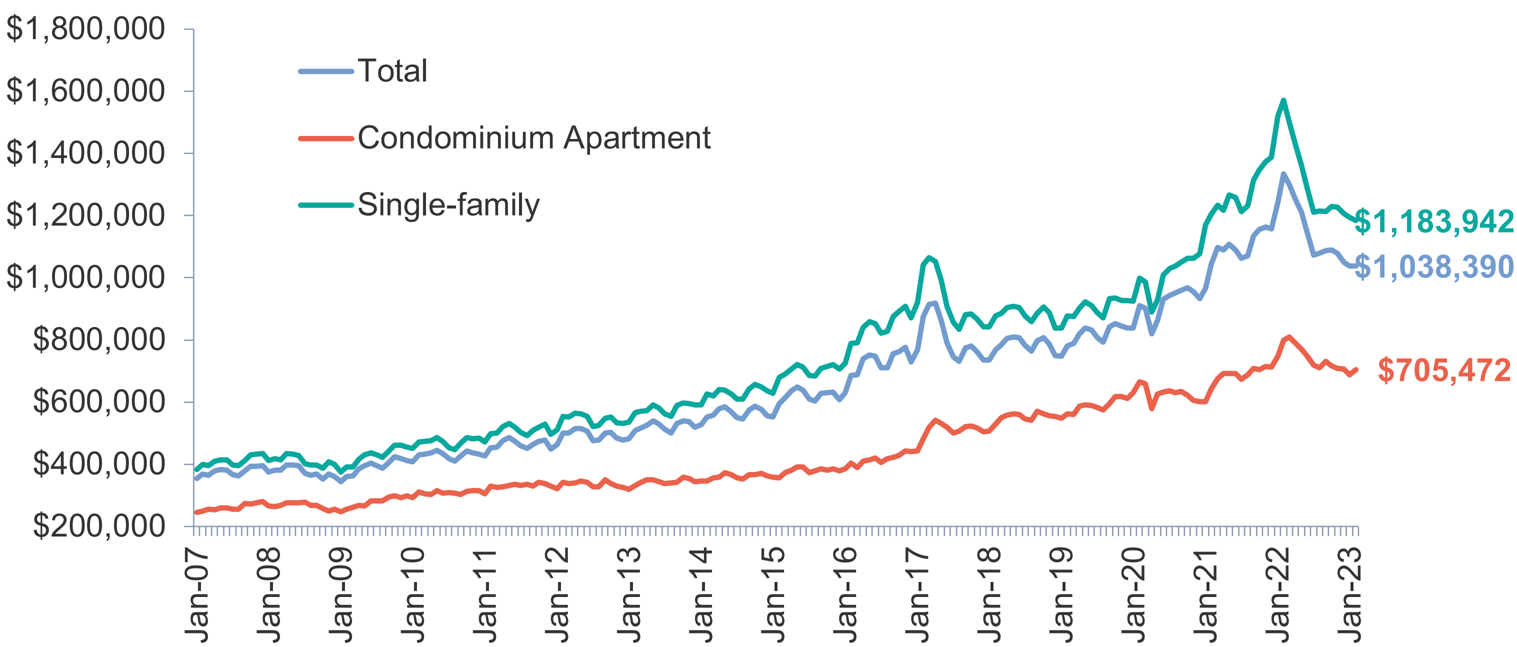
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

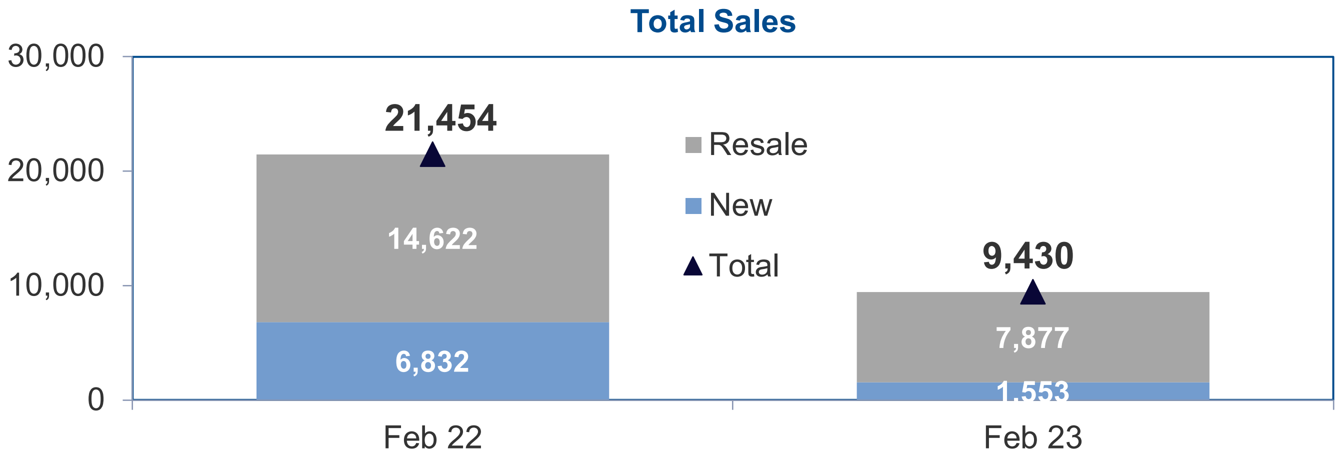


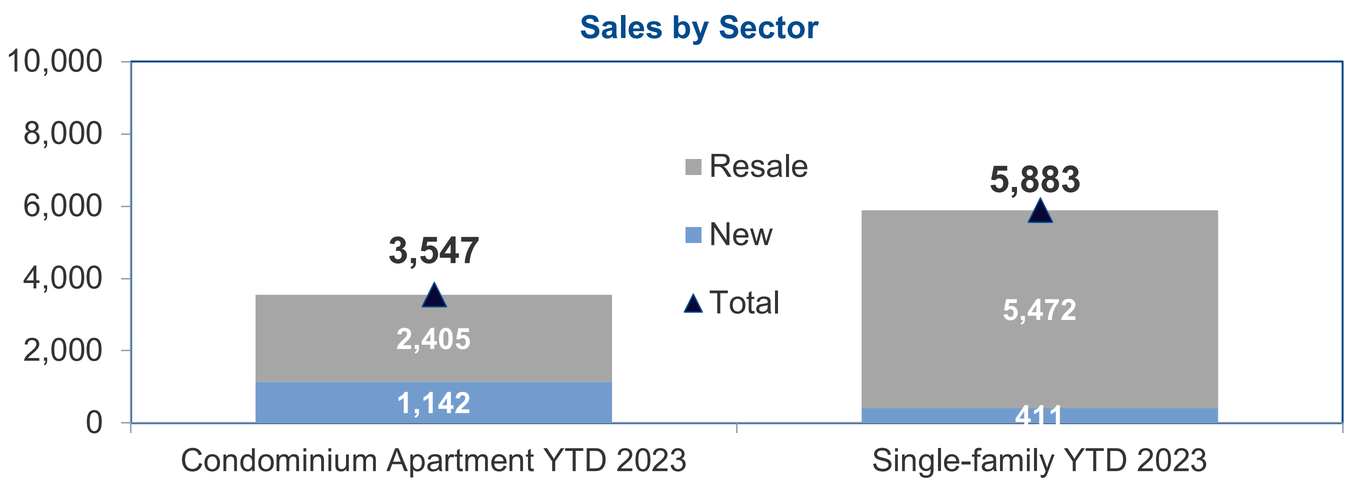
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in February 2023 were down 56% from a year earlier**. The decline was evident in both the single-family (-48%) and apartment (-70%) sectors.
- **The new home sector accounted for almost 1 out of every 7 home sales through February 2023** – this compares to about 1 in 3 for 2022. About 1 in 14 single-family and 1 in 3 condo apartment homes sold were new homes.

GTA Combined New & Resale Home Sales

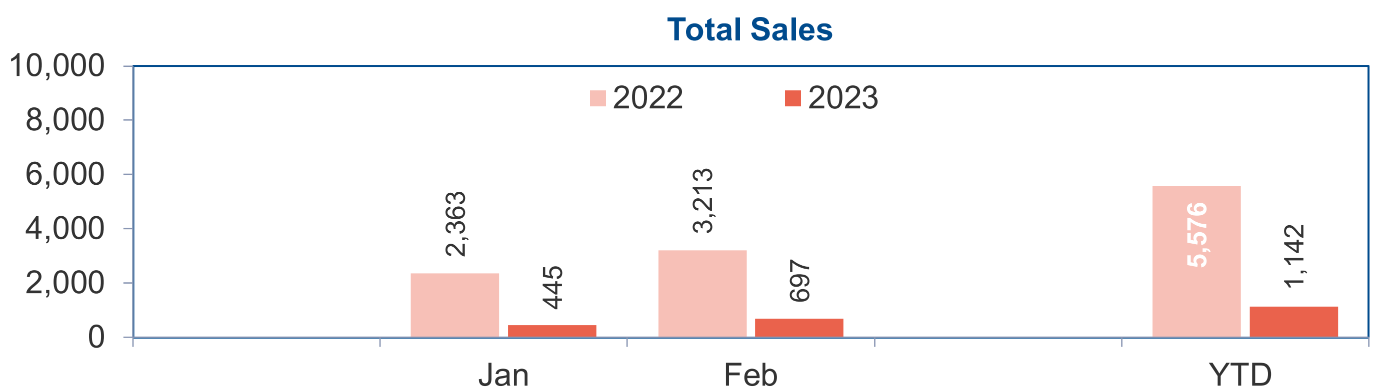


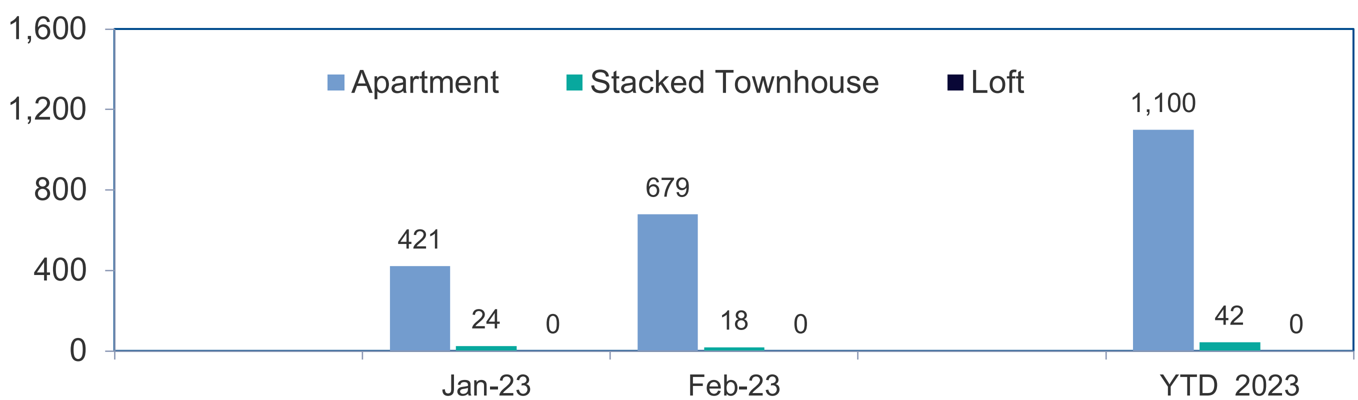


Source: Altus Group and Toronto Regional Real Estate Board data

- **GTA new condominium apartment sales remained weak in February 2023 falling to a four-year low.** With two consecutive months of slow sales to start 2023, year-to-date sales are at their 2nd lowest level on record, 80 percent behind last year's pace.
- **Stacked townhouse sales for the first two months of 2023 sit at an 11-year low**.
- **The slowdown in new condo apartment sales has been felt across all of the regions**, **both on a year-over-year basis as well as for the year-to-date** (*chart next page*).

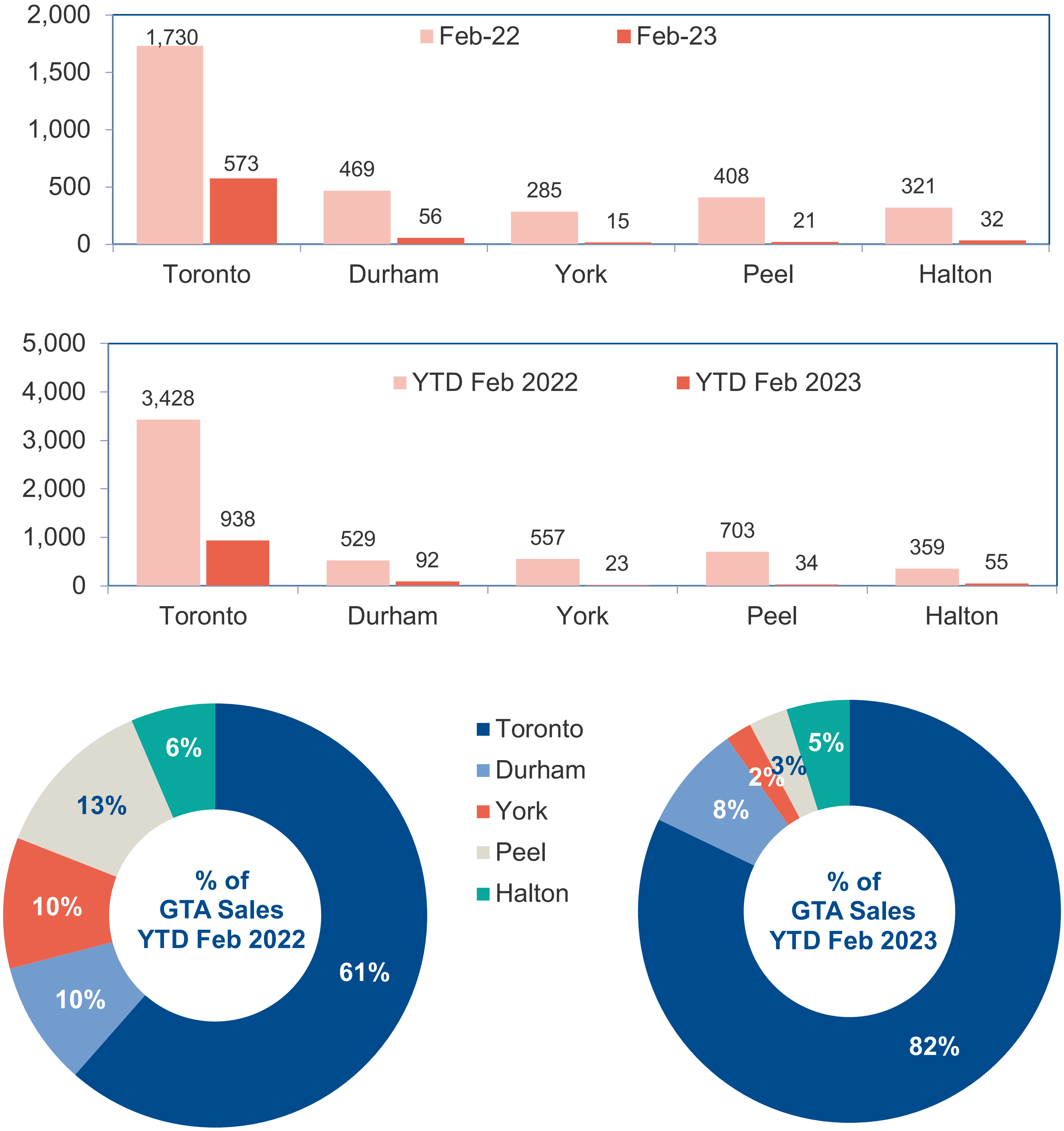
GTA New Condominium Apartment Sales





Source: Altus Group

GTA New Condominium Apartment Sales by Region



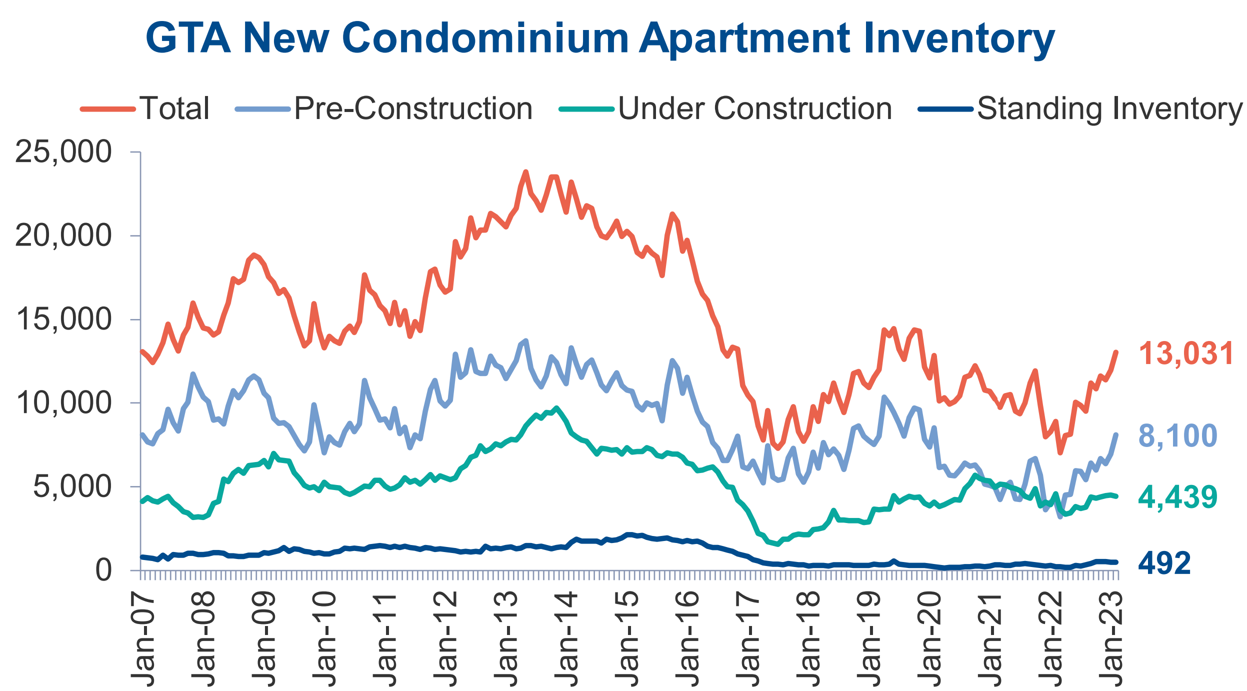
Source: Altus Group

- **Only about 1 in 8 new condominium apartment sales in February 2023 occurred in newly opened projects.** Sales in projects opened in January 2023 or earlier and not yet under construction accounted for 7 of 10 sales in February 2023.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page*) and therefore very few sales in the "standing inventory" category.

Source: Altus Group

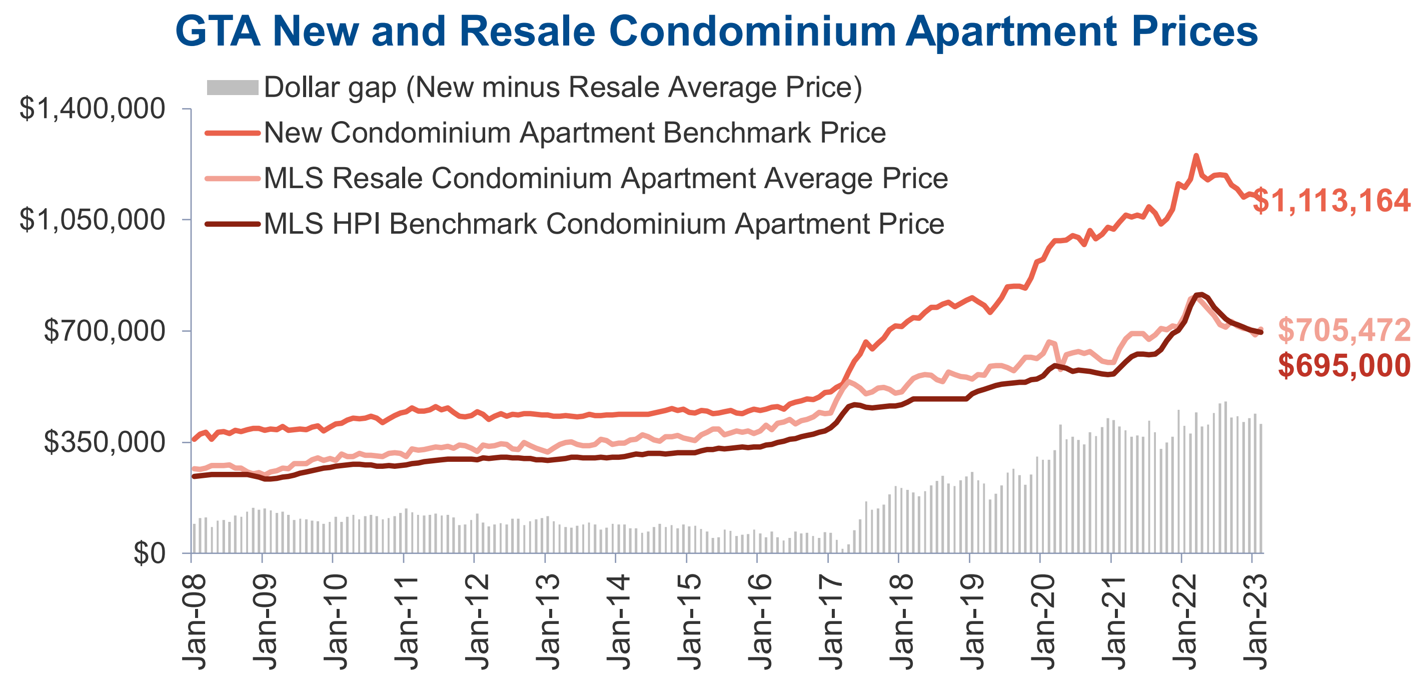
New Condominium Apartments - Inventory

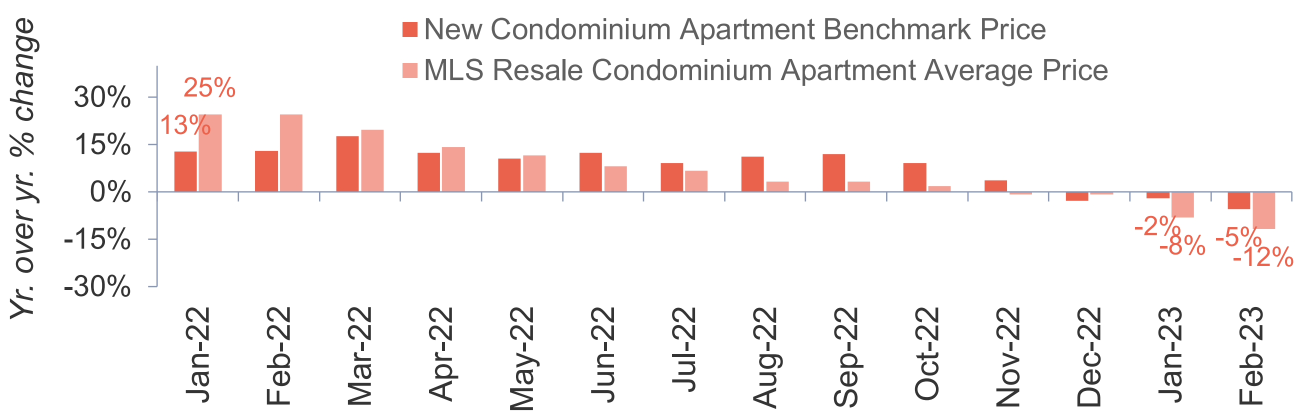
- **The inventory of available new condo apartments climbed further in February but is still below the 10-year average.** New openings in February well outpaced sales leading to the rise in inventory.
- **The current unsold inventory at new condominium apartment projects represents over 9 months of supply** at the average monthly pace of sales seen over the past 12 months, **the first time the sector has returned to a "balanced" market in almost 8 years**
- **Two-thirds of the available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, Toronto, York and Durham are now ”tight” markets, with months of inventory ranging from about 9.5 months in York to about 13.5 months in Durham.



Source: Altus Group

- **The benchmark price of a new condominium apartment recorded a 3rd consecutive year-over-year decline in February 2023** *(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 narrowed in February,** propelled by a month-to-month increase in resale condo unit prices.

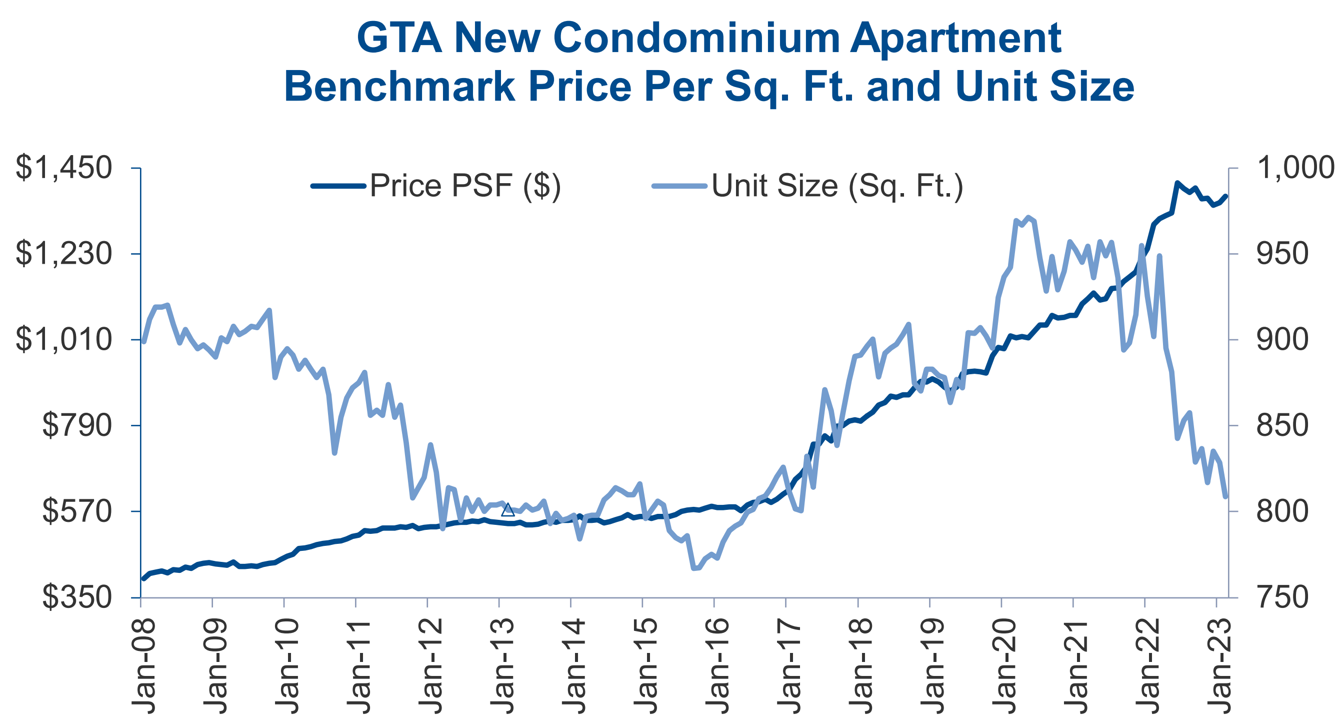




Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

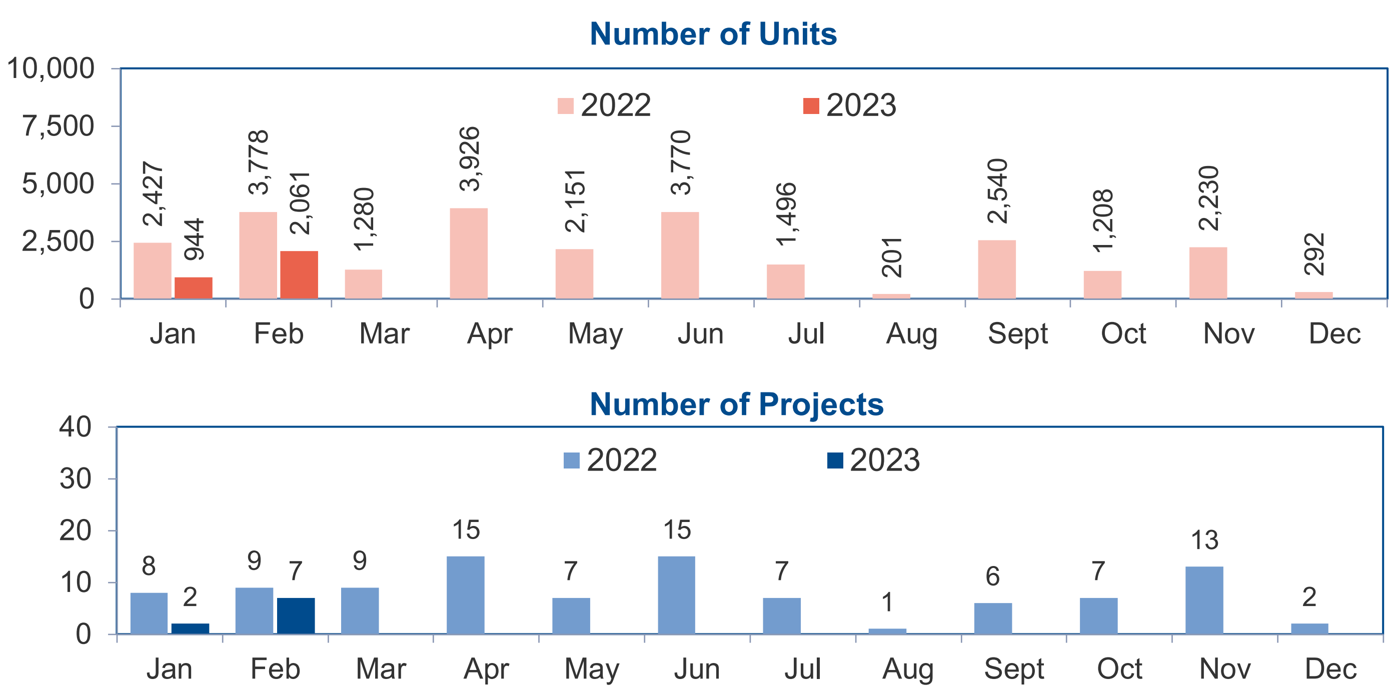
- **The price per square foot for a new condominium apartments crept higher in February 2023 while average unit sizes came in at a six-year low.** This occurs as there is more inventory in the market and units are priced competitively.
- Caution needs to be used in interpreting the data for any specific 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).



Source: Altus Group

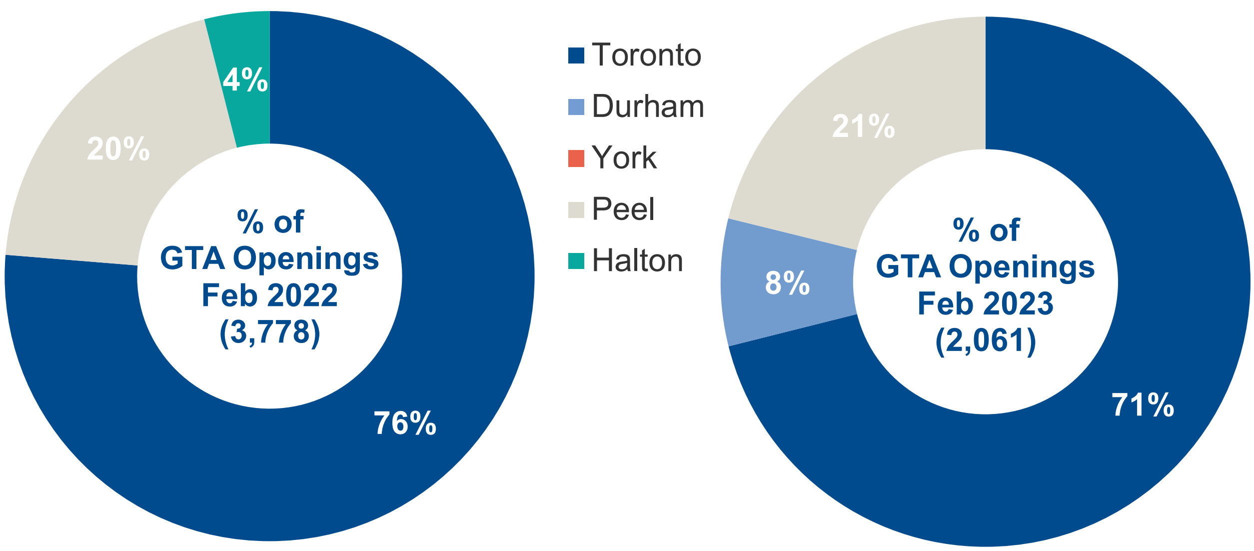
- **Seven new condominium apartment projects launched in February 2023 adding over 2,050 units.** The average size of new projects was down below 300 units after a one-month jump to about 470 units.
- **About 7 in 10 newly opened units were in the City of Toronto** *(chart next page, top).* Within the City of Toronto, North York's share jumped drastically compared to a year ago, with the remaining units opening in the old City of Toronto *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in January and February 2023 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 February openings.*

GTA New Condominium Apartment Project Openings



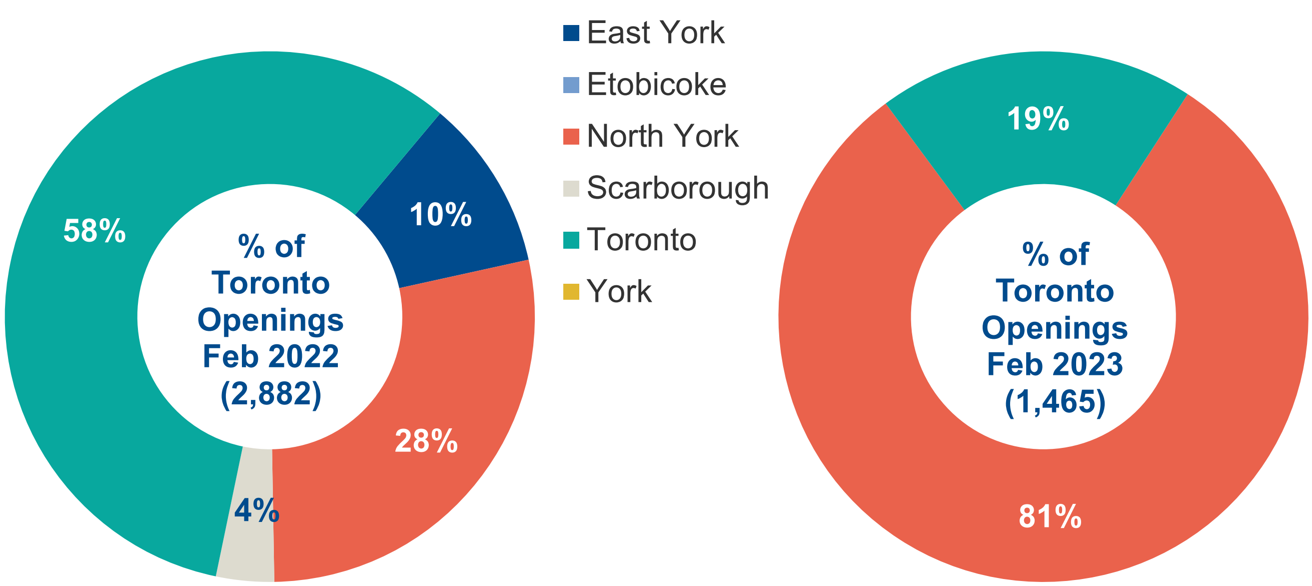
Source: Altus Group

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

New Condominium Apartments - Openings

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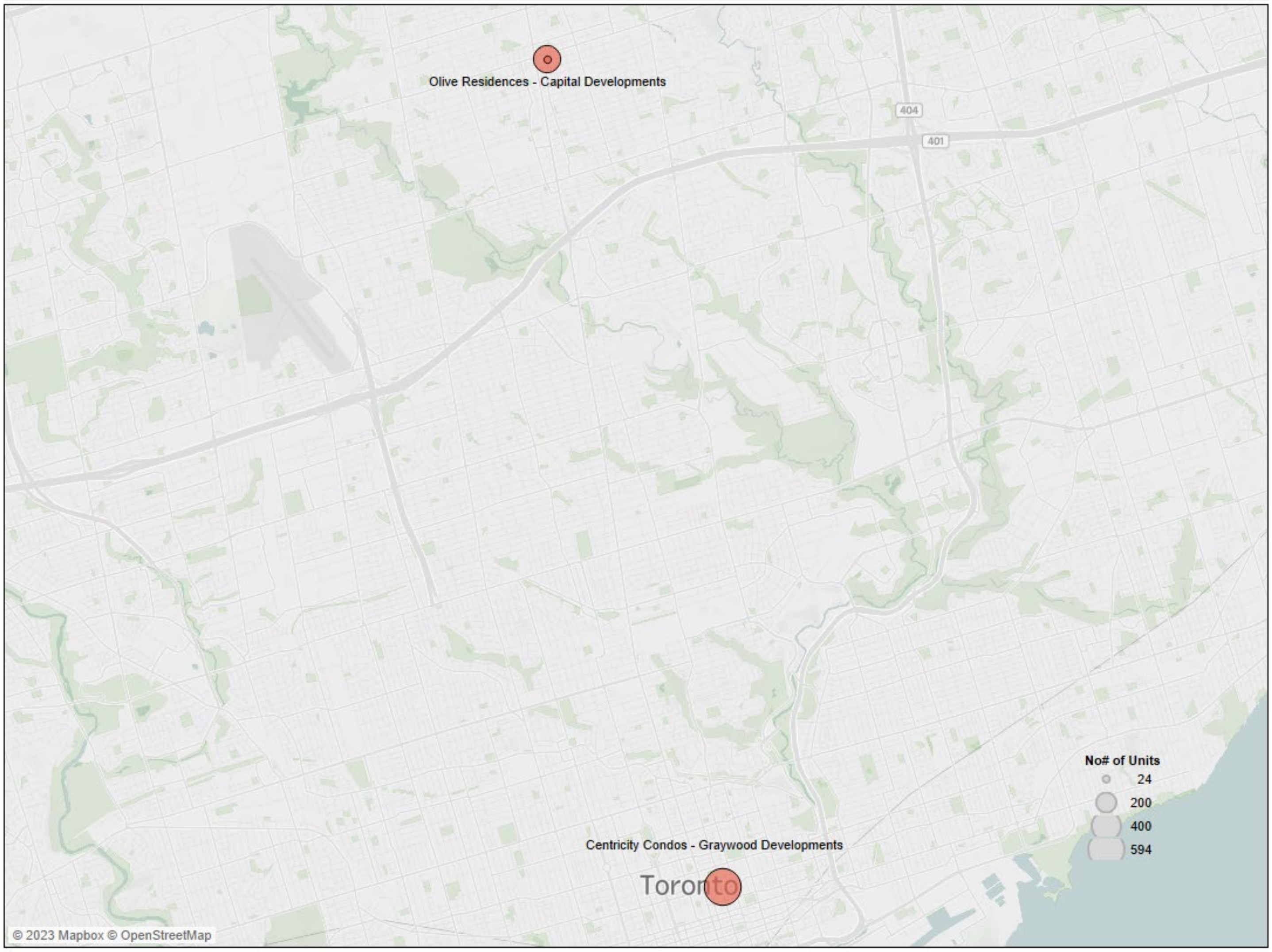
January 2023 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

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New Condominium Apartment Project Openings - January 2023		
Project Name	**Centricity Condos**	**Olive Residences**
Developer	Graywood Developments	Capital Developments
Date Opened	January 11, 2023	1 26, 2023
Municipality	Old Toronto	North York
Region	Toronto	Toronto
Structural Type	Apartment	Apartment
Floors	53	29
Project Total Units	**594**	**350**
Total Units Released	**594**	**326**
Studio	4	23
1 Bedroom	189	75
1 Bedroom + den	171	109
2 Bedroom	145	88
2 Bedroom + den	27	-
3 Bedroom & up	58	31
Penthouse	-	-
Townhouse	-	-
Other	-	-
Opening Month Sales	**214**	**0**
Next Month Sales	**24**	**246**
% Sold (of released units)	40%	75%
Remaining Available Inventory	356	80
Original $PSF	$1,535	n.a.
Minimum Size (sq. ft.)	380	447
Maximum Size (sq. ft.)	1,215	1,045
Minimum Price	$595,990	$550,900
Maximum Price	$1,610,990	$1,199,900
Notes		

Source: Altus Group

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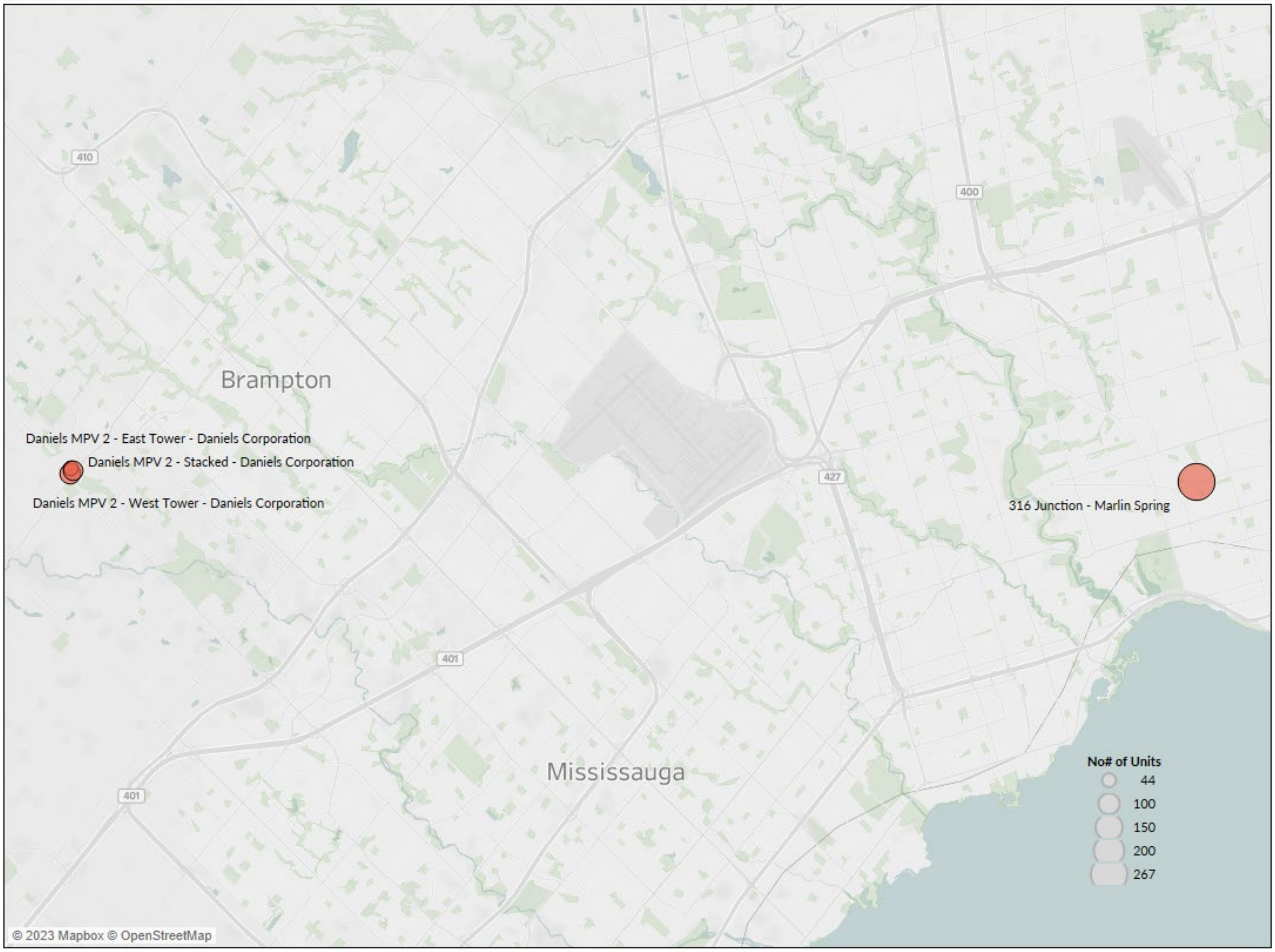
February 2023 New Project Launches by Number of Units



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 Apartments - Openings

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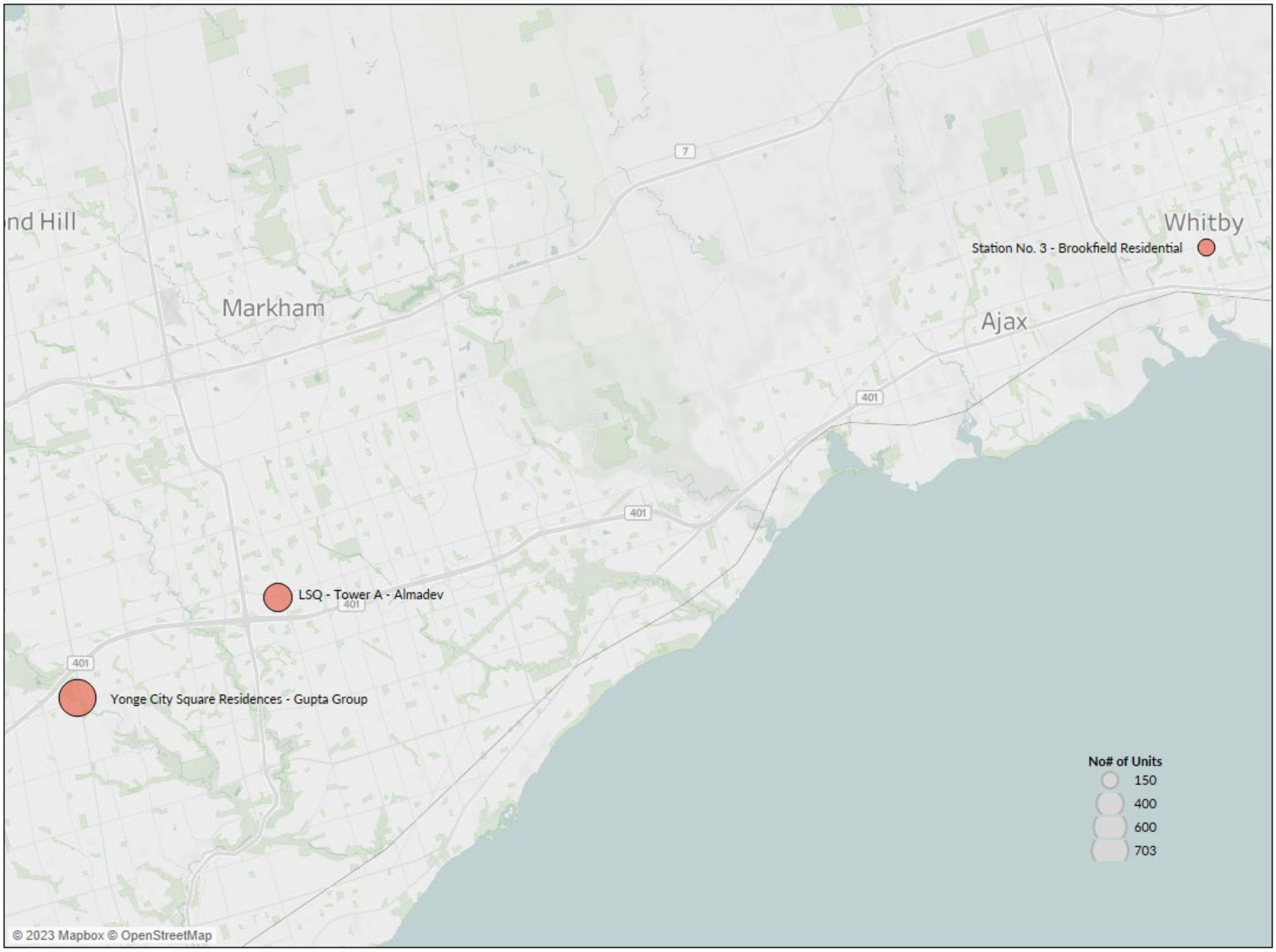
New Condominium Apartment Project Openings - February 2023 (1 of 2)				
Project Name	**316 Junction**	**Daniels MPV 2 - East Tower**	**Daniels MPV 2 - Stacked**	**Daniels MPV 2 - West Tower**
Developer	Marlin Spring	Daniels Corporation	Daniels Corporation	Daniels Corporation
Date Opened	February 2, 2023	February 27, 2023	February 27, 2023	February 27, 2023
Municipality	Old Toronto	Brampton	Brampton	Brampton
Region	Toronto	Peel	Peel	Peel
Structural Type	Apartment	Apartment	Stacked	Apartment
Floors	26	14	3	11
Project Total Units	**283**	**141**	**120**	**175**
Total Units Released	**267**	**76**	**44**	**85**
Studio	-	-	-	-
1 Bedroom	95	13	-	13
1 Bedroom + den	58	7	-	20
2 Bedroom	85	51	24	50
2 Bedroom + den	-	5	-	2
3 Bedroom & up	29	-	20	-
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**71**	**0**	**0**	**0**
% Sold (of released units)	27%	0%	0%	0%
Remaining Available Inventory	196	76	44	85
Original $PSF	$1,268	$1,006	$836	$1,005
Minimum Size (sq. ft.)	457	576	635	542
Maximum Size (sq. ft.)	1,086	877	1,346	840
Minimum Price	$614,990	$603,900	$699,900	$568,900
Maximum Price	$1,290,990	$823,900	$946,900	$803,900
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	No firm sales as all deals were subject to the 10-day conditional period

Source: Altus Group

February 2023 New Project Launches by Number of Units



Source: Altus Group

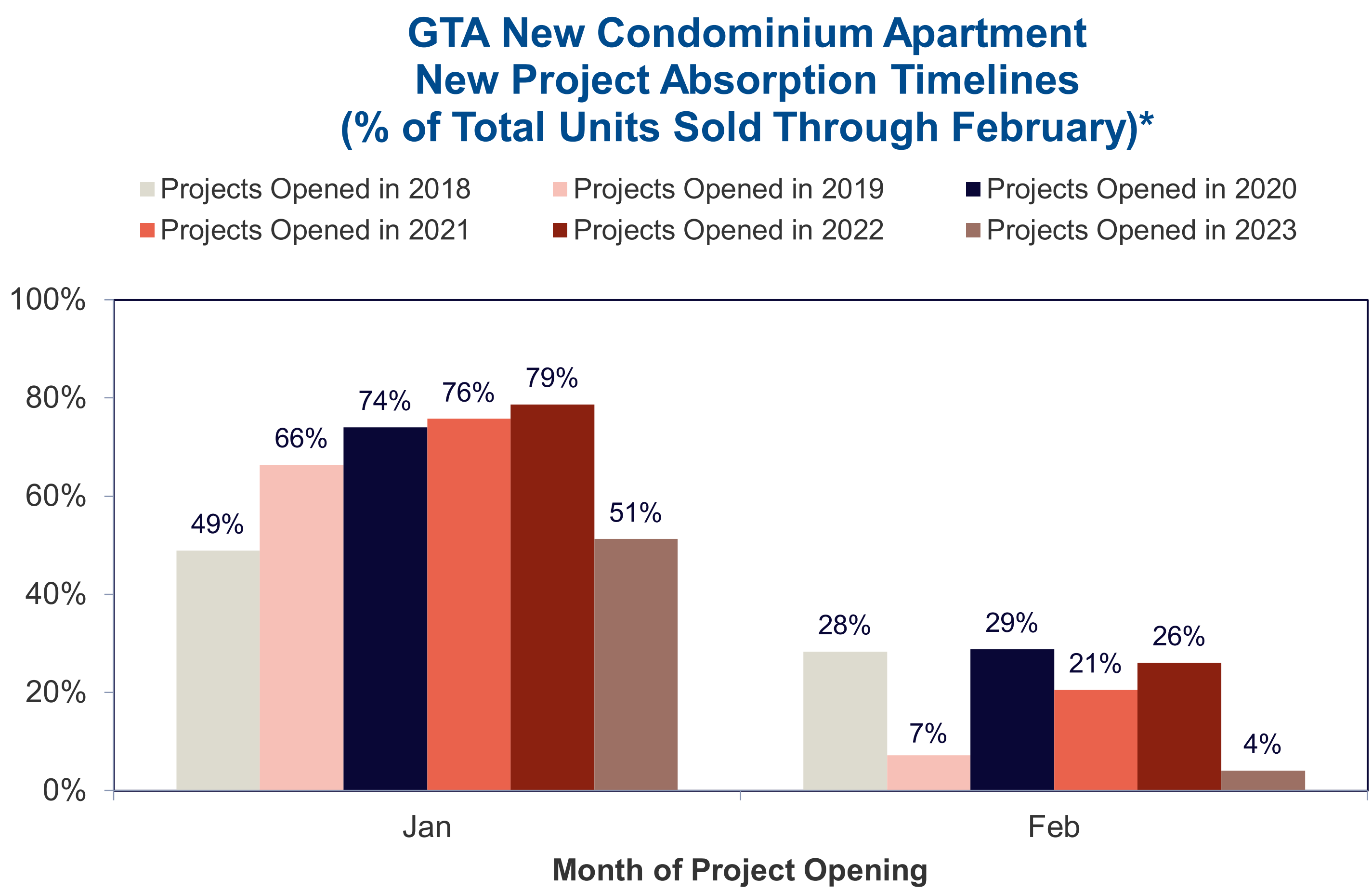
Map 2 of 2

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

Project Name	**LSQ - Tower A**	**Station No. 3**	**Yonge City Square Residences**
Developer	Almadev	Brookfield Residential	Gupta Group
Date Opened	February 28, 2023	February 9, 2023	February 22, 2023
Municipality	North York	Whitby	North York
Region	Toronto	Durham	Toronto
Structural Type	Apartment	Apartment	Apartment
Floors	43	6	28
Project Total Units	**479**	**160**	**703**
Total Units Released	**413**	**150**	**703**
Studio	-	-	123
1 Bedroom	108	26	138
1 Bedroom + den	152	70	191
2 Bedroom	71	40	166
2 Bedroom + den	39	9	-
3 Bedroom & up	43	5	85
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening Month Sales	**26**	**14**	**0**
% Sold (of released units)	6%	9%	0%
Remaining Available Inventory	387	136	703
Original $PSF	n.a.	$972	n.a.
Minimum Size (sq. ft.)	434	453	331
Maximum Size (sq. ft.)	1,235	862	1,024
Minimum Price	$559,900	$609,000	$619,990
Maximum Price	$1,732,900	$996,000	$1,870,990
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

- **Sales to date in the new condominium projects opened in the first 2 months of the year have underperformed in comparison to recent years.** About 50% of units in the 2 projects opened in January and less than five percent in the 7 projects opened in February were sold by the end of February.
- **Focusing just on the 2 projects opened in February before the last 10 days of the month, only one in five released units were sold by month end.**
- 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.

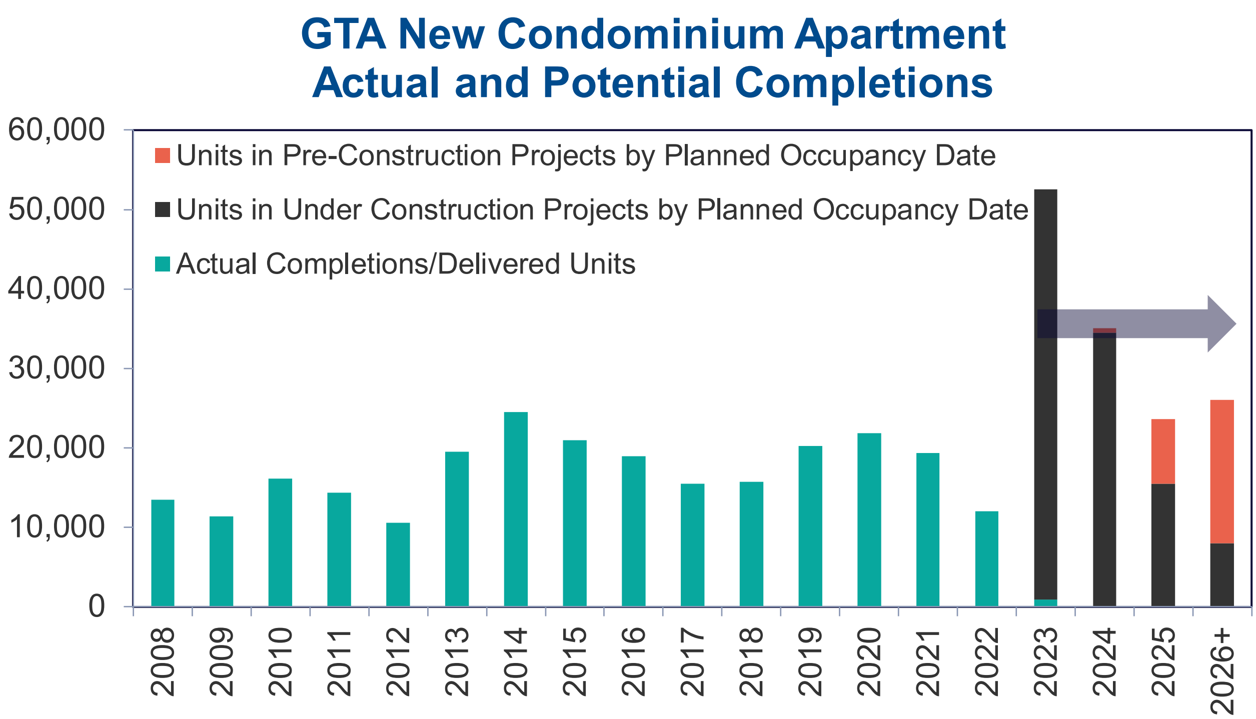


** The total includes unreleased units, and projects opened in the last 10 days of the month.*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of February 2023, there were about 133,700 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were no condominium apartment units delivered in February 2023** – the first time since November 2004.
- 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 2023. However, as in recent years, industry capacity thresholds are likely to push the delivery timeline for some of these units out further than originally planned dates. Rising construction and borrowing costs are also top of mind for developers, with the potential to further add to delays.

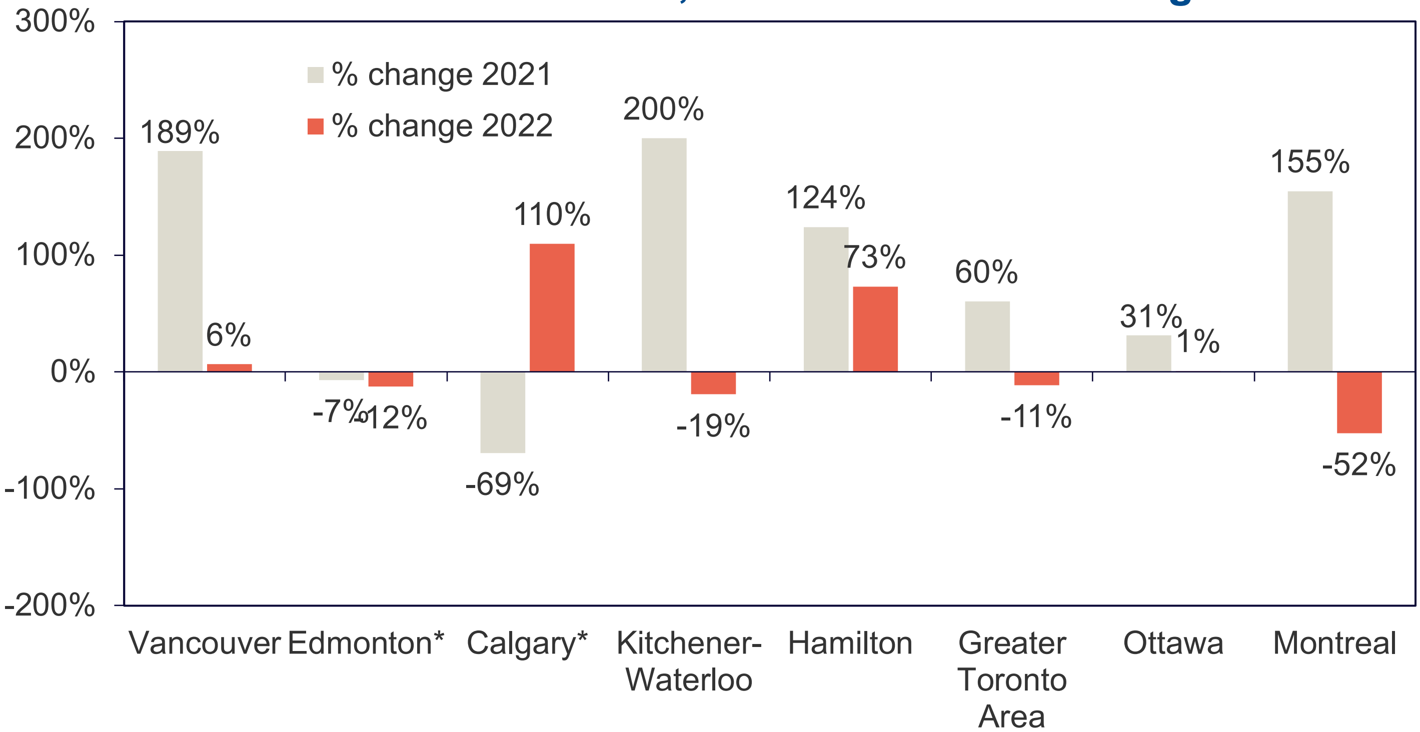


Source: Altus Group

High-Density Residential Land Sales

- **Investors have generally pulled back from acquiring land for high-density development** (i.e. land for condominium apartment and purpose-built rental projects)
- **Sales of high-density residential land eased off in the GTA in 2022**, after a solid gain in 2021.
- **Most other markets tracked by Altus Group also saw a decline in high-density land sales in 2022 after a pandemic bounce back in 2021**, with only Calgary and Hamilton posting higher 2022 sales volumes.

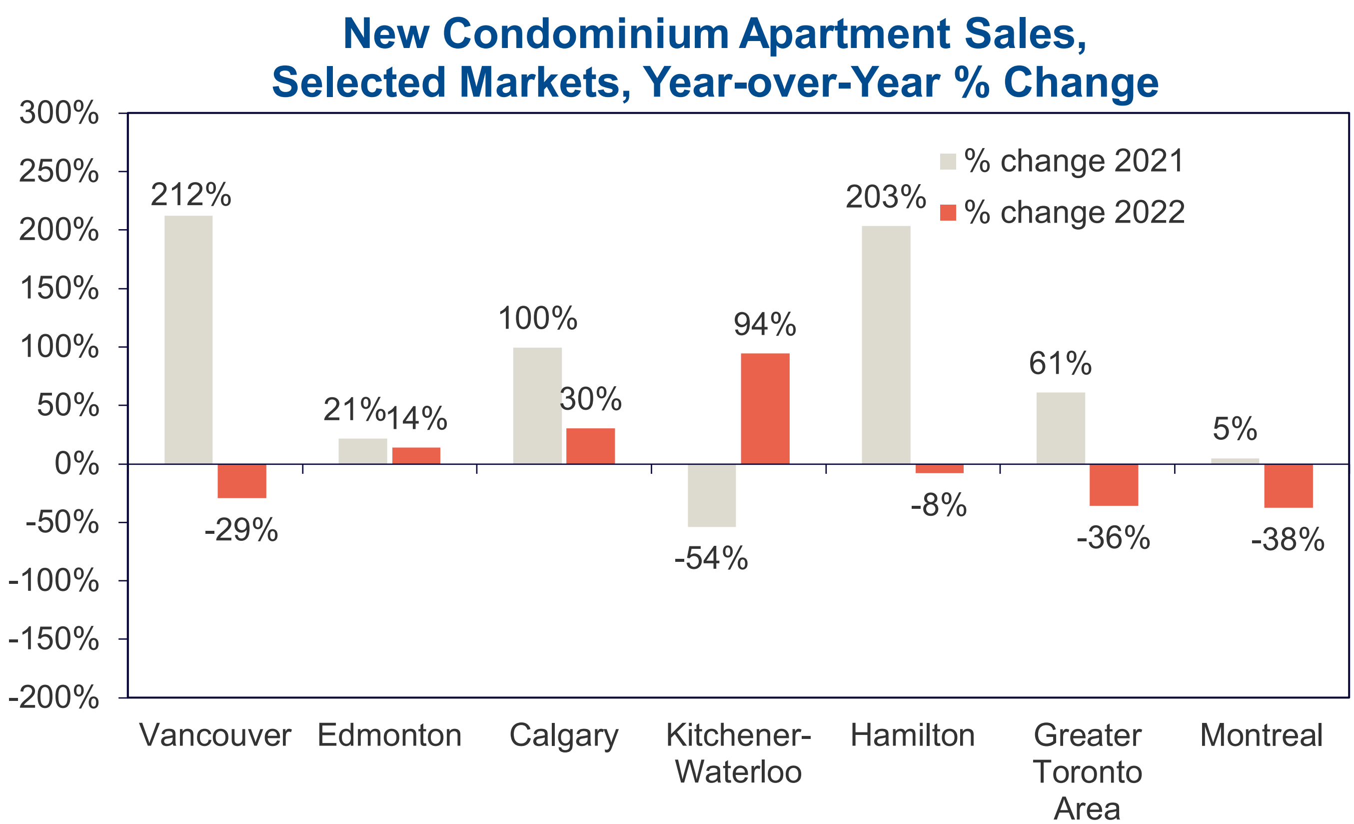
High-Density Residential Land Sales Transactions ($)
Selected Markets, Year-over-Year % Change



* Calgary and Edmonton 2022 change based on YTD August
Source: Altus Group

New Condo Apartment Sales Across Canada

- **The GTA is not the only market to see stronger weaker condominium apartment sales in 2022.**
- **Most of the markets regularly tracked by Altus Group saw a decline in new condo sales last year, as buyers were faced with rising interest rates and growing affordability concerns.** Only the Calgary, Edmonton and Kitchener-Waterloo markets posted higher sales 2022.



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