Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of March 2023

Table of Contents

New Condominium Apartment Dashboard

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March 2023			YTD March 2023	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
893	12,887	$1,117,867	2,079	$1,119,407
-73% ▼	+83% ▲	-11% ▼	-77% ▼	-6% ▼
2nd lowest March since 2003	*Highest March since 2016*	*2nd highest March on record*	*2nd lowest YTD March on record*	*2nd Highest YTD March on record*

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

Highlights

- **Total new home sales remained sluggish in March 2023.** GTA new condominium apartment sales were slow again in March 2023, though appear to have found a floor. New single-family sales did not fare much better.
- **The inventory of new condominium apartments continued to be elevated by recent levels.**
- **The benchmark price of a new condominium apartment moved higher in March 2023 relative to last month but recorded a 4th consecutive year-over-year decline.**
- Looking ahead, the build-up of inventory by builders will keep the spring market well supplied. With interest rates holding steady and the resale market strengthening, the re-emergence of buyers from the sidelines can be expected to spill over into the new housing market.

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GTA Condominium Apartment Key Performance Indicators

	Mar-22	Feb-23	Mar-23	*Yr-Over-Yr % Change*	YTD Mar 2022	YTD Mar 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	319	350	353	*11%*	323	350	*8%*
New projects opened	9	7	4	*-56%*	26	13	*-50%*
Units in new projects opened	1,280	2,061	920	*-28%*	7,485	3,925	*-48%*
Total sales (units)	3,341	725	893	*-73%*	8,915	2,079	*-77%*
Sales as % of total new & resale	*51%*	*33%*	*30%*		*53%*	*31%*	
Inventory (units)	7,027	12,961	12,887	*83%*	8,064	12,592	*56%*
Sales-to-inventory ratio	48%	6%	7%	*-85%*	37%	5%	*-85%*
Months of inventory	2.4	9.2	10.7	*355%*	2.7	9.1	*233%*
Benchmark price	$1,252,515	$1,113,164	$1,117,867	*-11%*	$1,193,646	$1,119,407	*-6%*
Price PSF Benchmark	$1,320	$1,377	$1,379	*4%*	$1,290	$1,372	*6%*
Unit size Benchmark (sq. ft)	949	809	811	*-15%*	926	816	*-12%*
Units completed	677	0	2,047	*202%*	2,309	2,903	*26%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	3,154	1,455	2,121	*-33%*	7,942	4,526	*-43%*
New listings (units)	5,040	2,797	3,600	*-29%*	11,427	9,154	*-20%*
Inventory ("active listings", units)	2,790	3,864	3,930	*41%*	2,090	3,840	*84%*
Sales-to-inventory ratio	113%	38%	54%	*-52%*	129%	39%	*-70%*
Months of inventory	1.0	2.4	2.6	*162%*	0.7	2.4	*227%*
Average price of units sold	$808,566	$705,472	$703,566	*-13%*	$790,334	$700,848	*-11%*
HPI constant quality price index (Jan 2005=100)	408.2	349.2	353.6	*-13%*	388.8	351.5	*-10%*

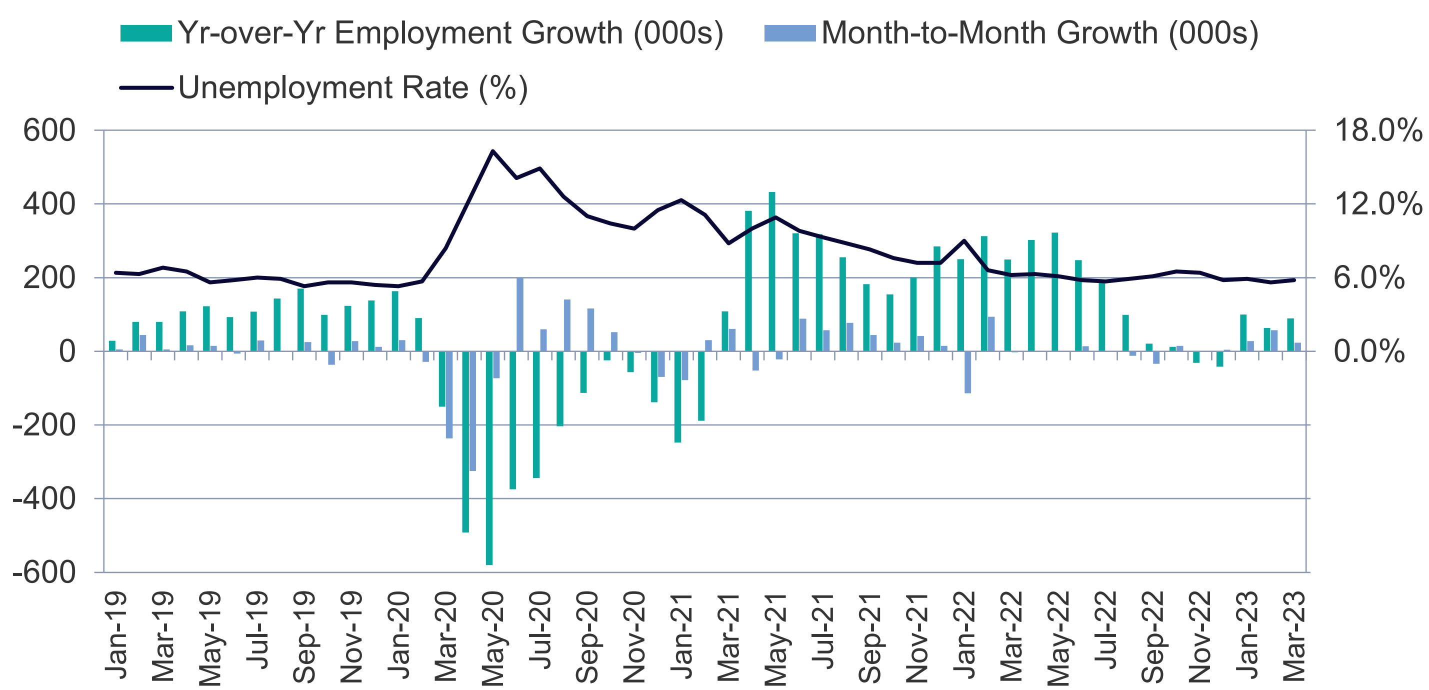
** see end of report for Definitions*

- **The tightness in the Canadian labour market continues.** Both year-over-year and month-to-month employment growth in March 2023 were positive. The GTA unemployment rate for March 2023 nudged higher to 5.8%.

- **The Bank of Canada left the target for the overnight rate unchanged at 4.5 percent at its latest rate announcement on April 12**, stating that **"***In Canada, demand is still exceeding supply and the labour market remains tight... As more households renew their mortgages at higher rates and restrictive monetary policy works its way through the economy more broadly, consumption is expected to moderate this year. Softening foreign demand is expected to restrain exports and business investment . . . Quantitative tightening continues to complement this restrictive stance. Governing Council continues to assess whether monetary policy is sufficiently restrictive to relieve price pressures and remains prepared to raise the policy rate further if needed to return inflation to the 2% target.*" **The next rate announcement date is June 7.**

- **Variable rate mortgage interest rates remain above the average 5-year fixed special rate with the spread widening to nearly 140 basis points.** The 5-year fixed special rate has fallen by 20 basis points since the end of January following an over 325 basis point increase from the recent low in early Fall 2021 *(chart next page, bottom).*

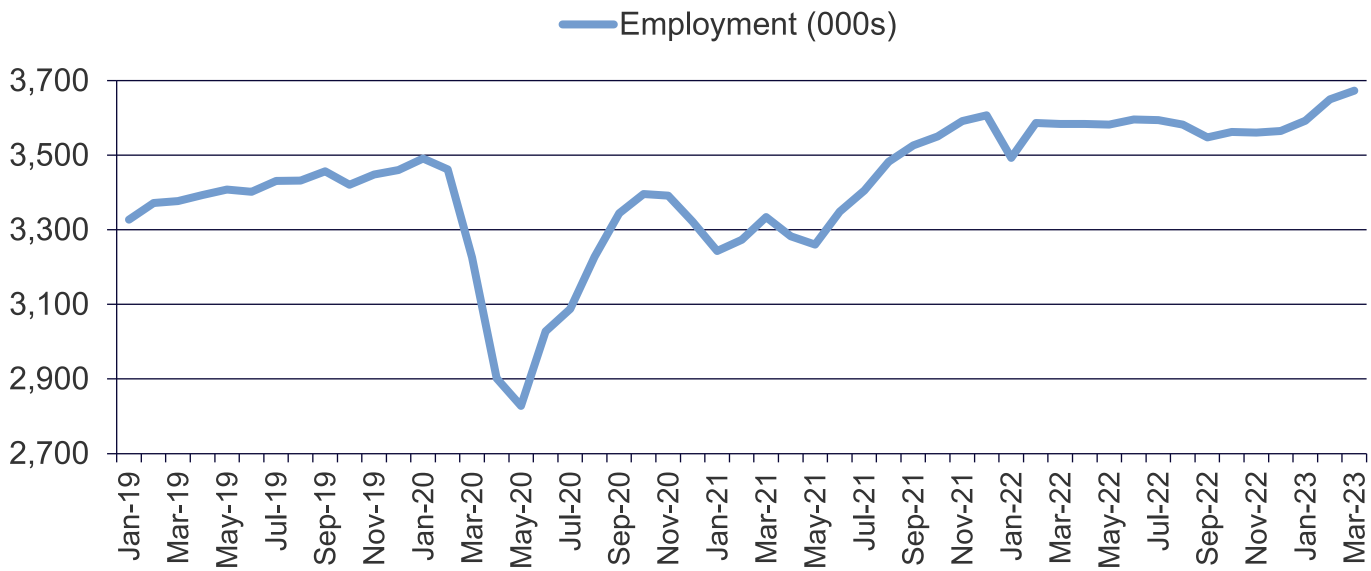
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

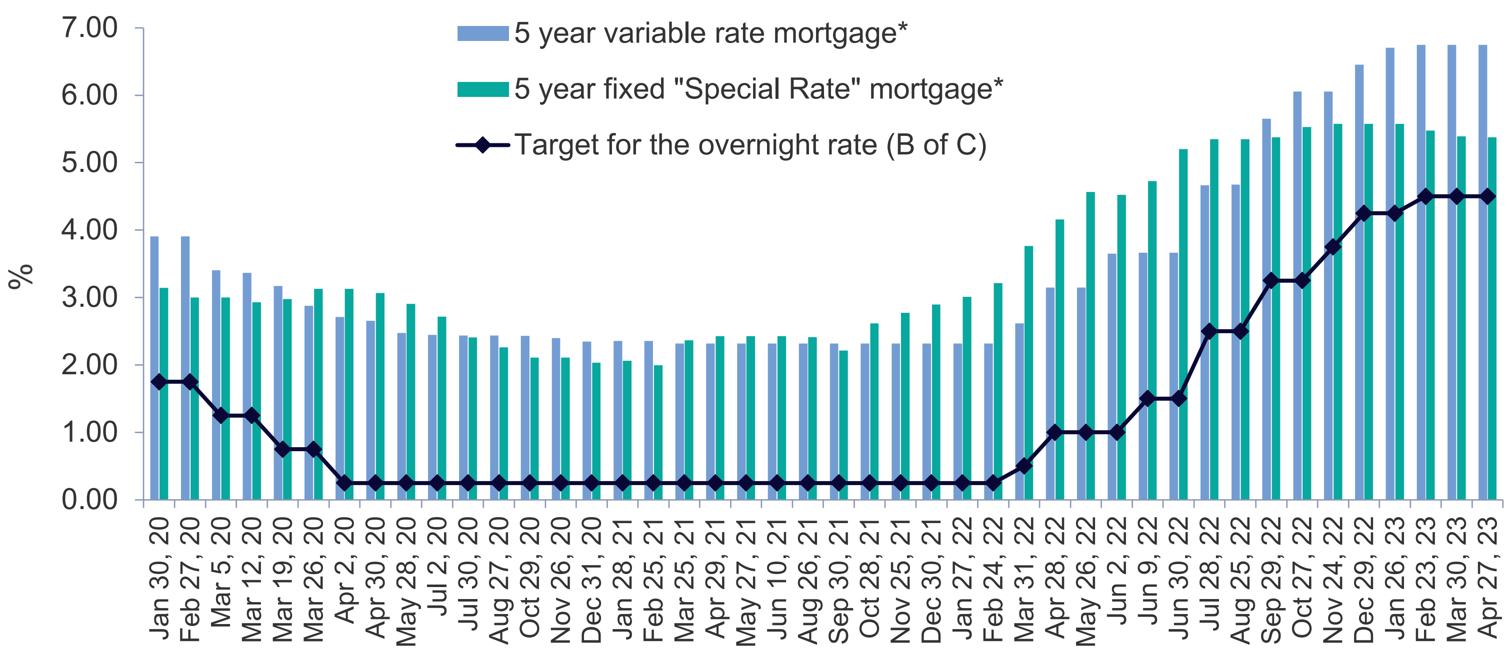
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

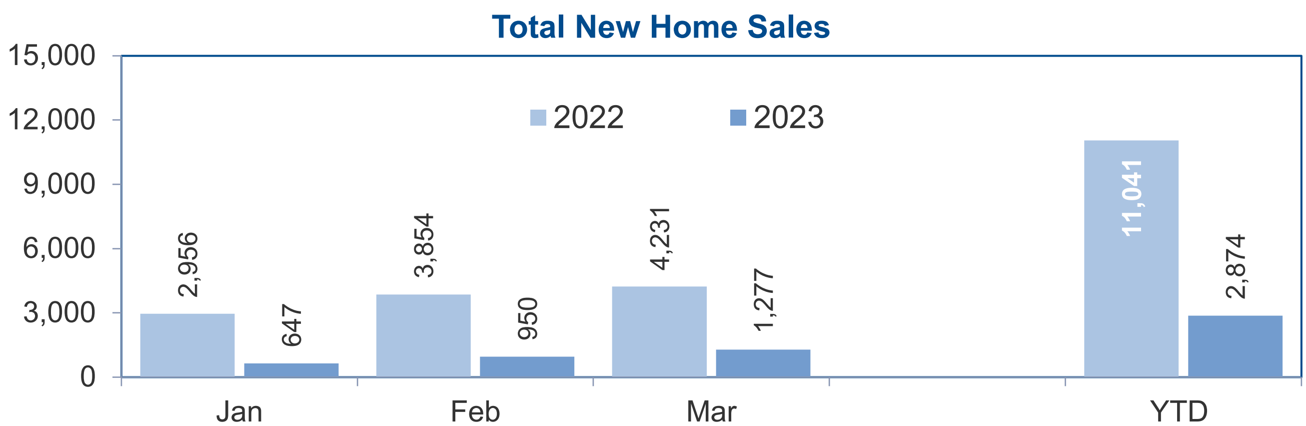


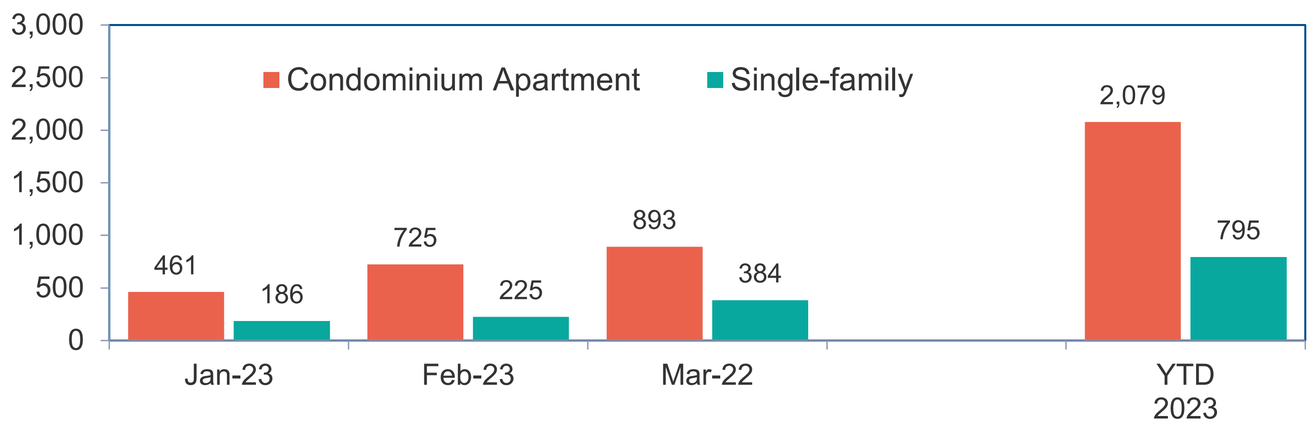
** Average for the major banks*

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

- **Total new home sales in March 2023 remained sluggish –** down 70 percent from March 2022.
- **Both the new single-family and condominium apartment sectors have seen sales languish to start 2023**.
- **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*).
- At the local municipality level, all municipalities recorded a year-over-year decrease in total sales in the first quarter of 2023 except for a small bump in Georgina. The old City of Toronto, Brampton, Mississauga and Vaughan registered the largest absolute fall-offs *(chart after next page*).

GTA New Home Sales





Source: Altus Group

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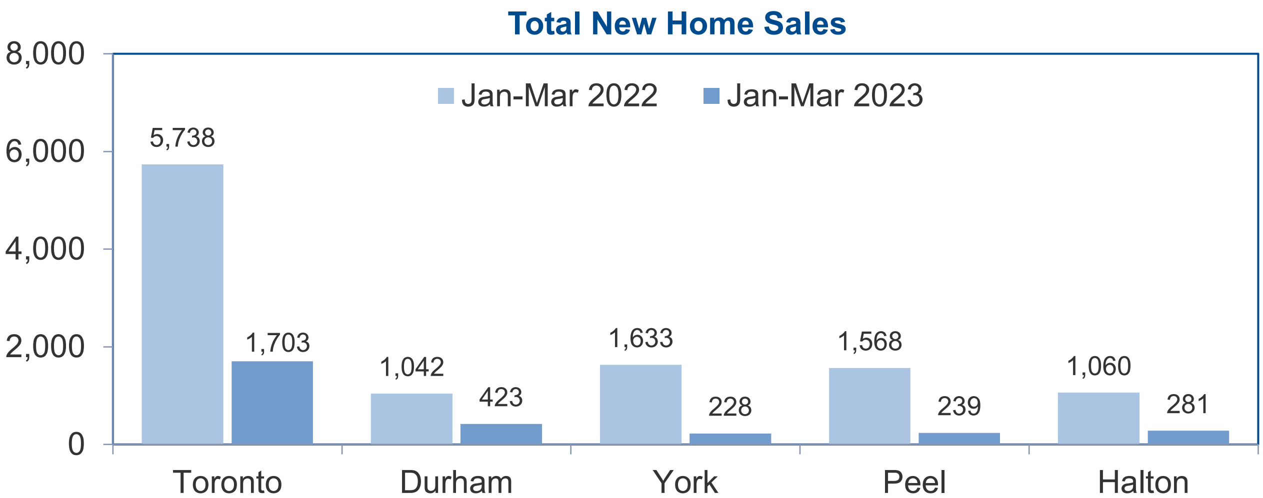
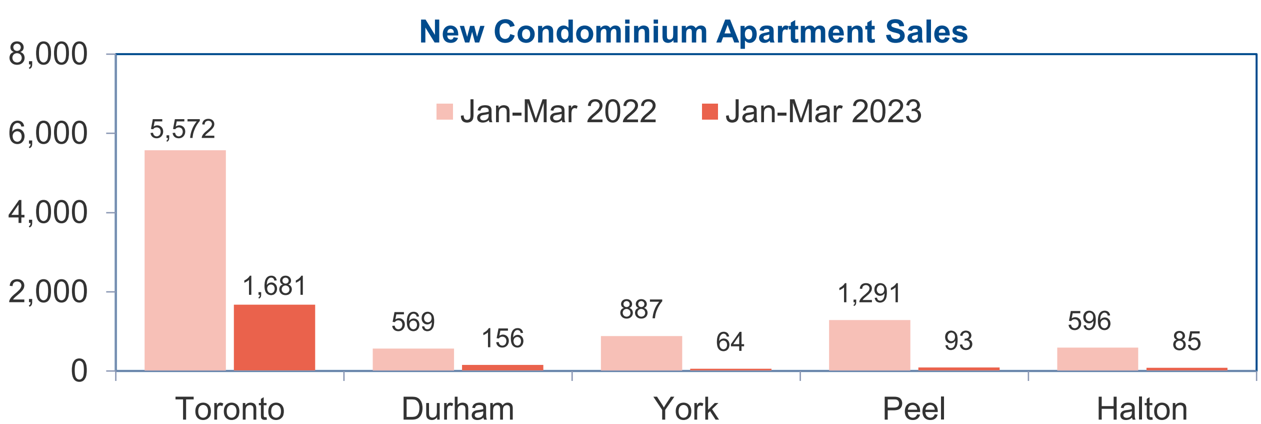
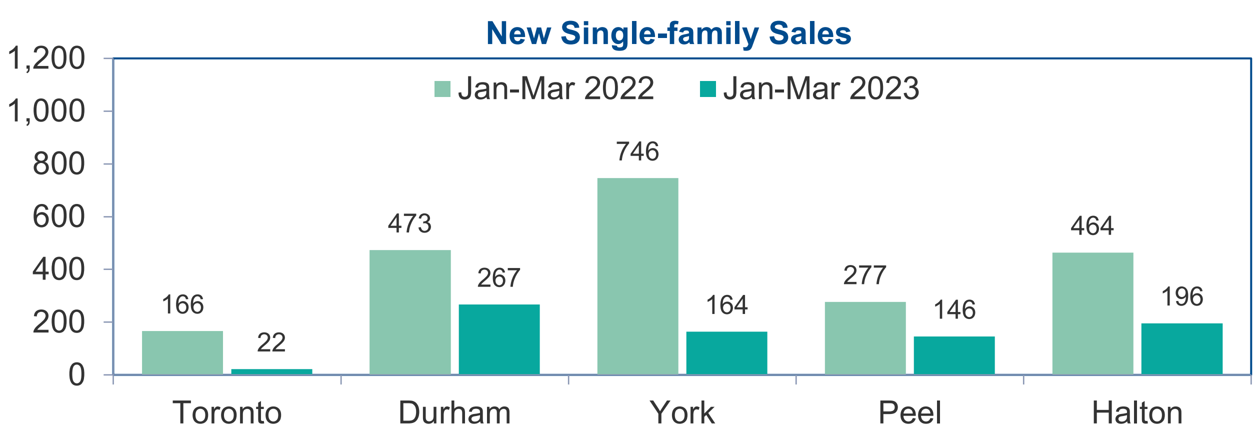
GTA New Home Sales by Region

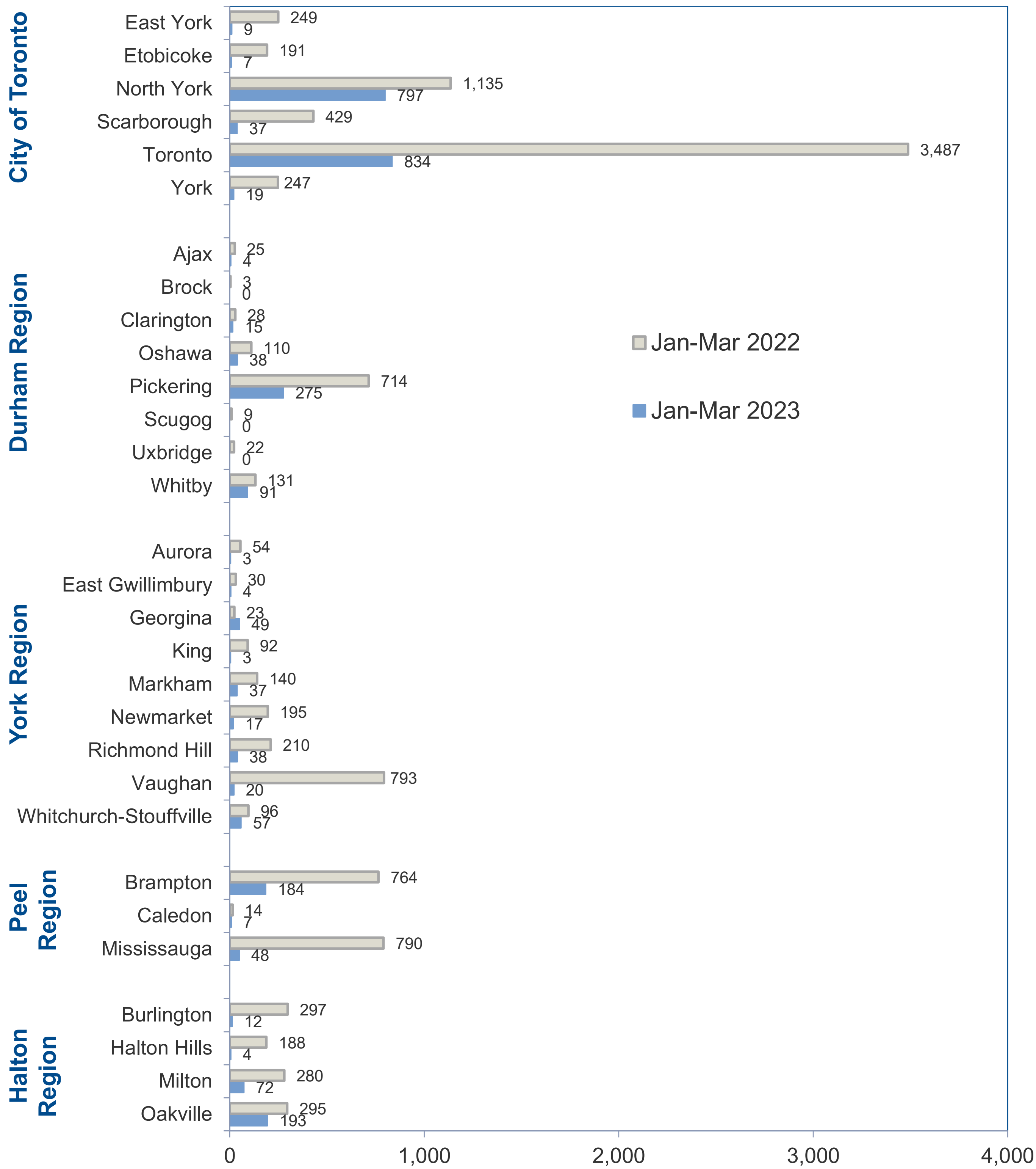






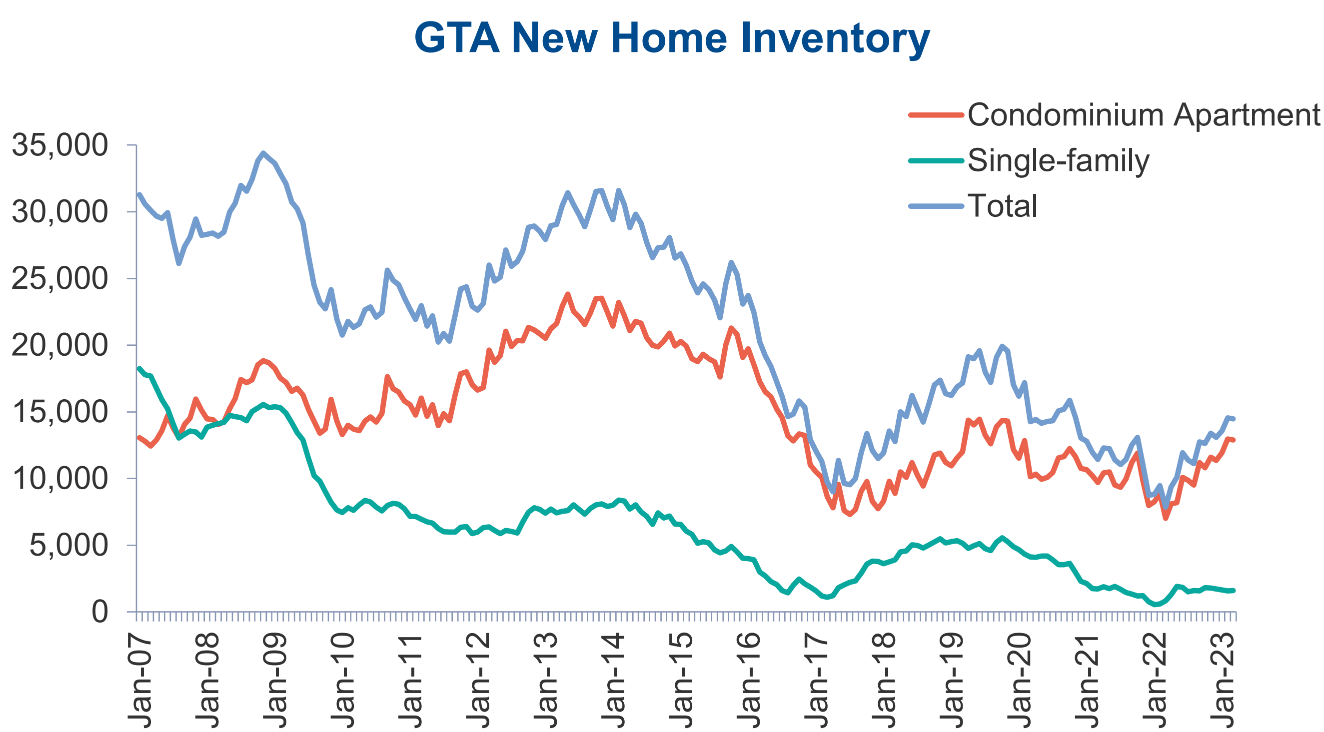
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

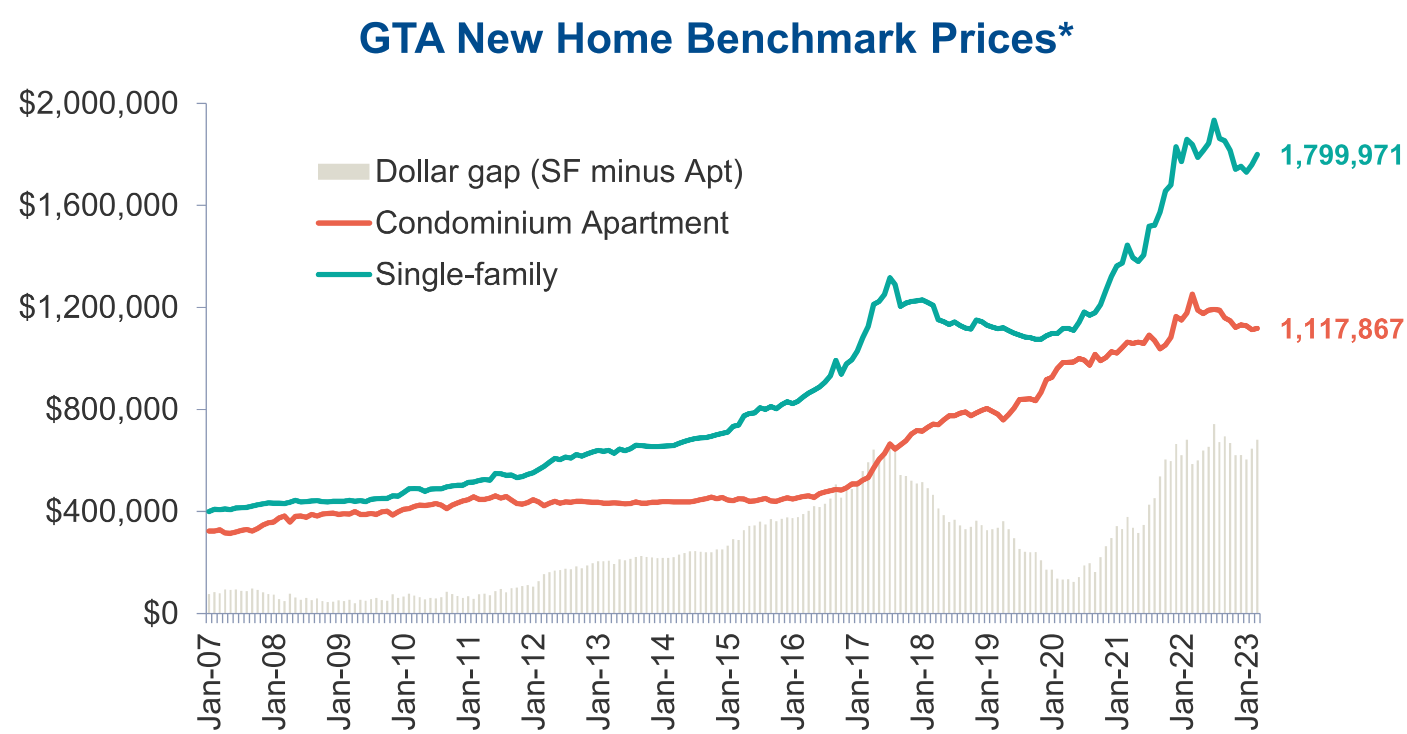
- **The total inventory of new homes across the GTA was little changed in March 2023.** Total inventory was up by over 80 percent compared to a year earlier though still remains below the 10-year average.
- Based on average monthly total new home sales over the past 12 months, there were 3.7 months of available supply of total new homes at the end of March 2023, well below the long-term average for March of 7½ months.
- **Condominium apartment inventory neared its 10-year average in March** while single-family inventory, though almost double last year's level, is still less than half of the 10-year average.



Source: Altus Group

New Home Market - Prices

- **The benchmark price for a new condominium apartment was down about 11 percent in March 2023 compared to last year.** Single-family benchmark pricing also moved lower in March compared to 2022. Both the new condominium and single-family benchmark prices rose in March compared to the previous month.
- **The price advantage of available new condominium apartments compared to new single-family homes widened in March.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for the 4th 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

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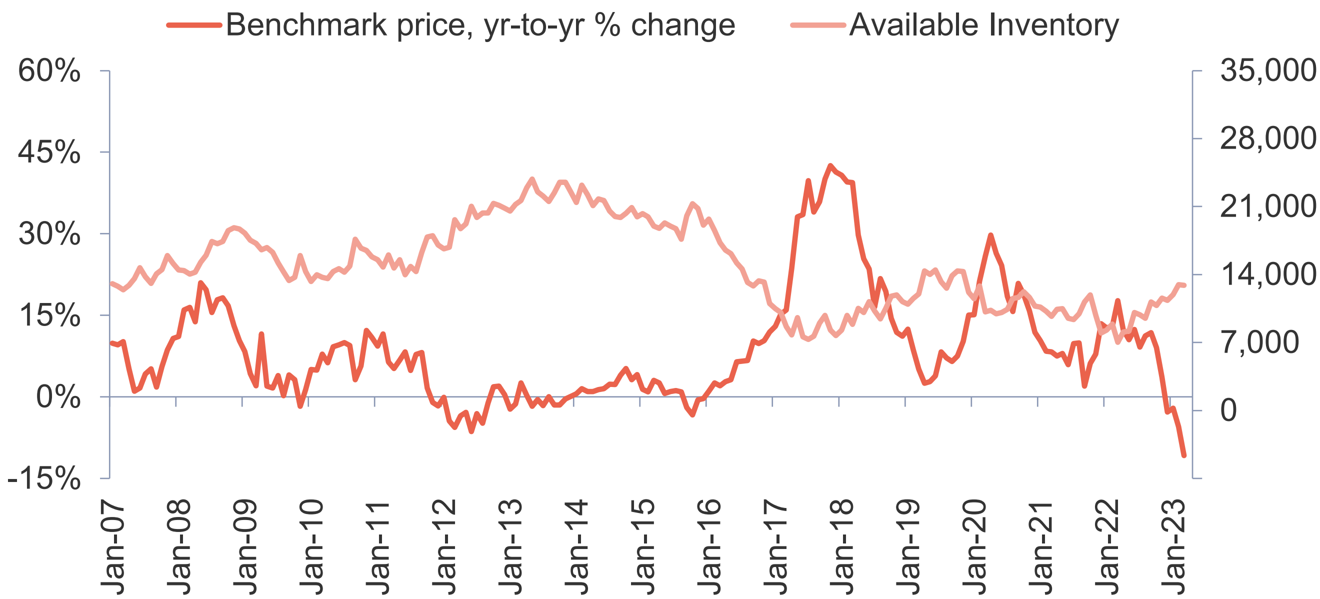
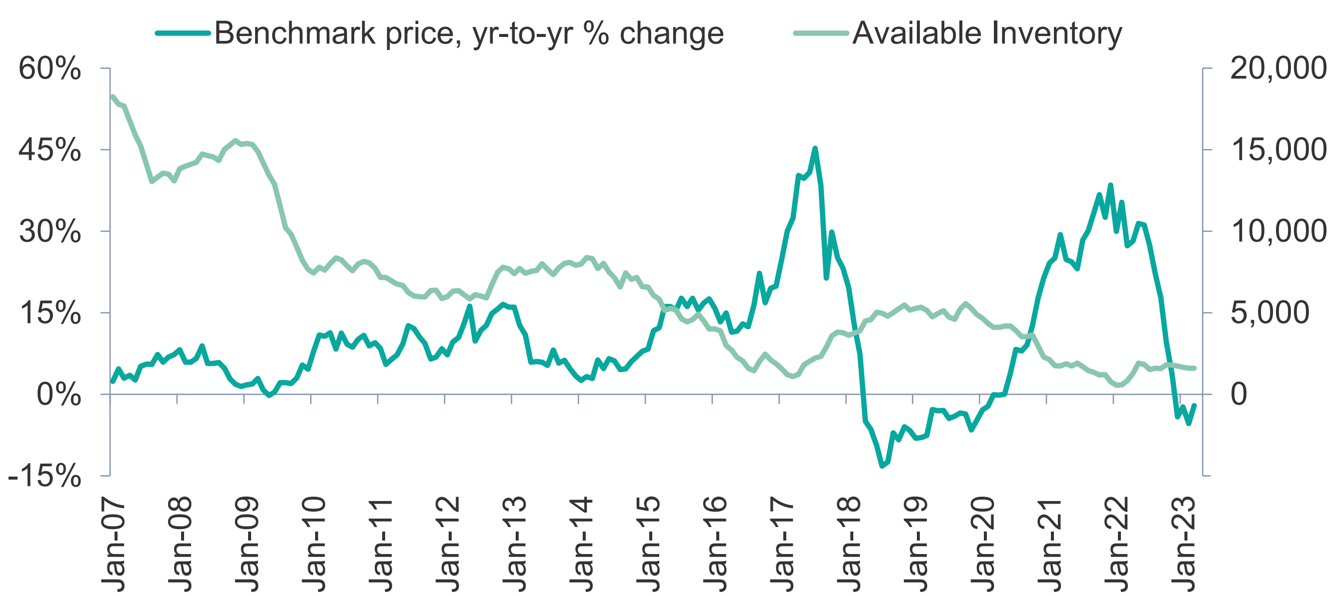
GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

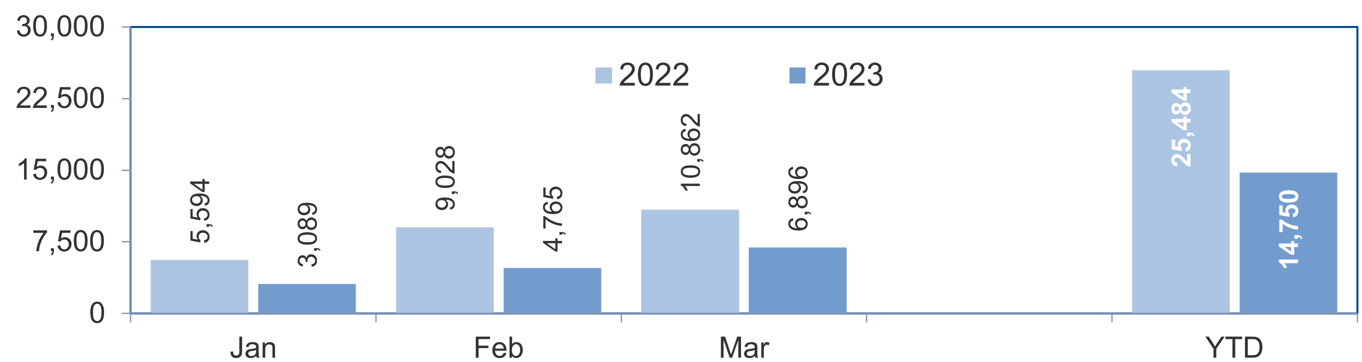


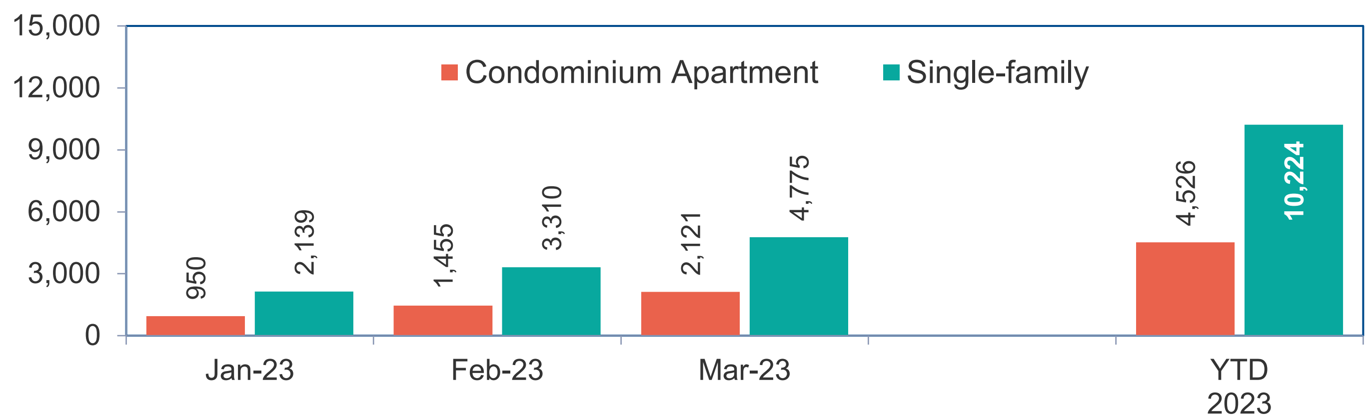
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes climbed in March 2023 compared to last month.** Year-to-date total resales still lag year ago levels by just over 40 percent.
- Both the single-family and condo apartment segments of the resale market contributed to the monthly increase in sales.
- **Total resale inventory is unchanged 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 resale prices slid year-over-year in both the condominium apartment (-13%) and single-family (-14%) sectors with the single-family price surpassing last month's *(charts next page).*

GTA Resale Home Sales





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

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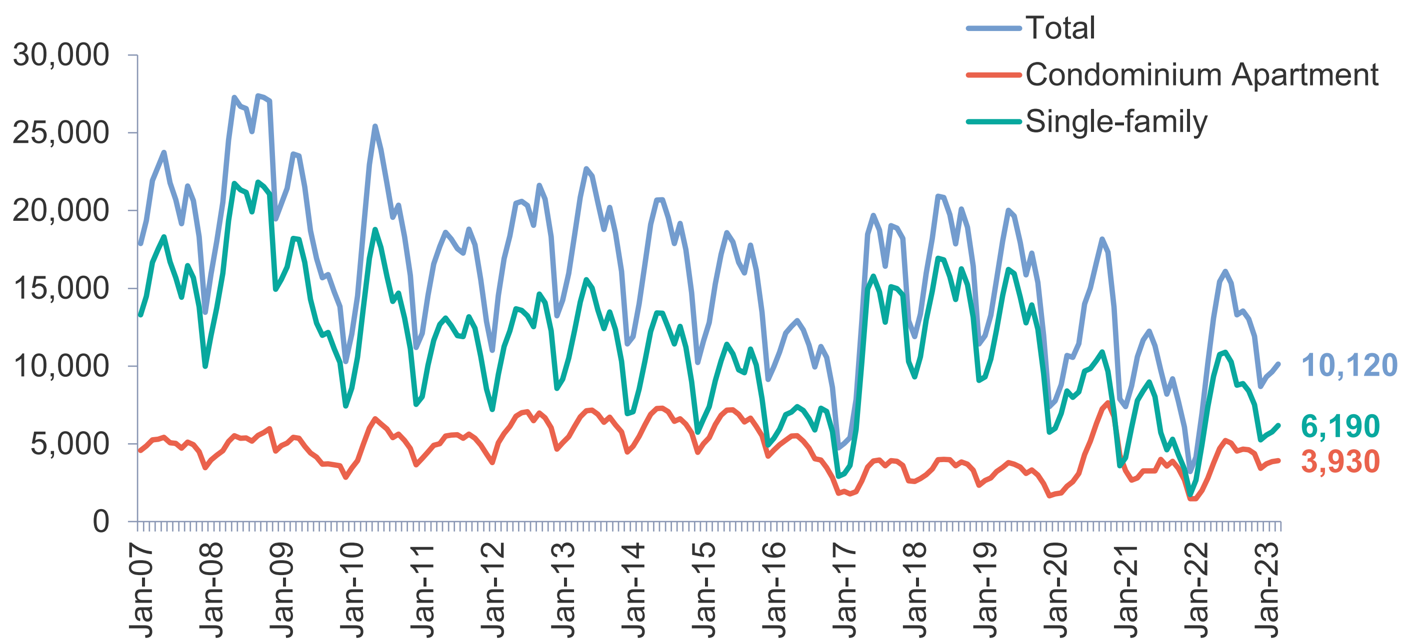
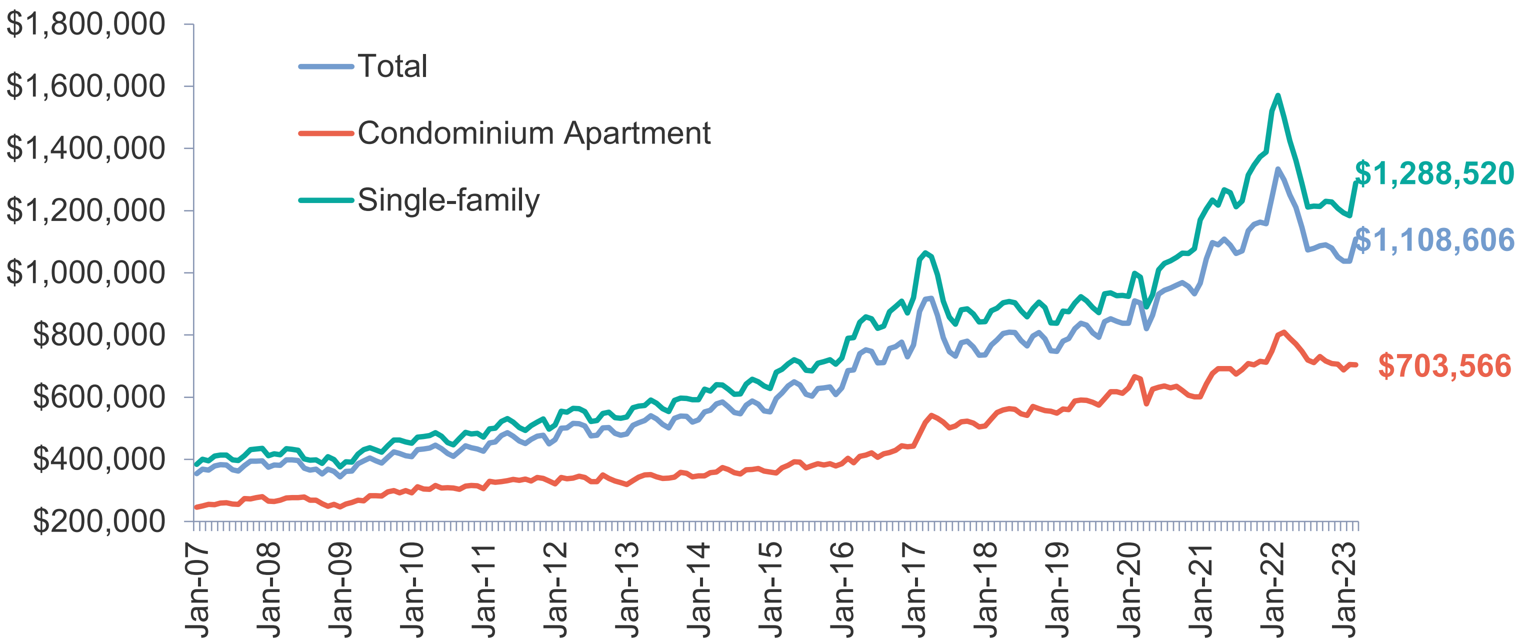
GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

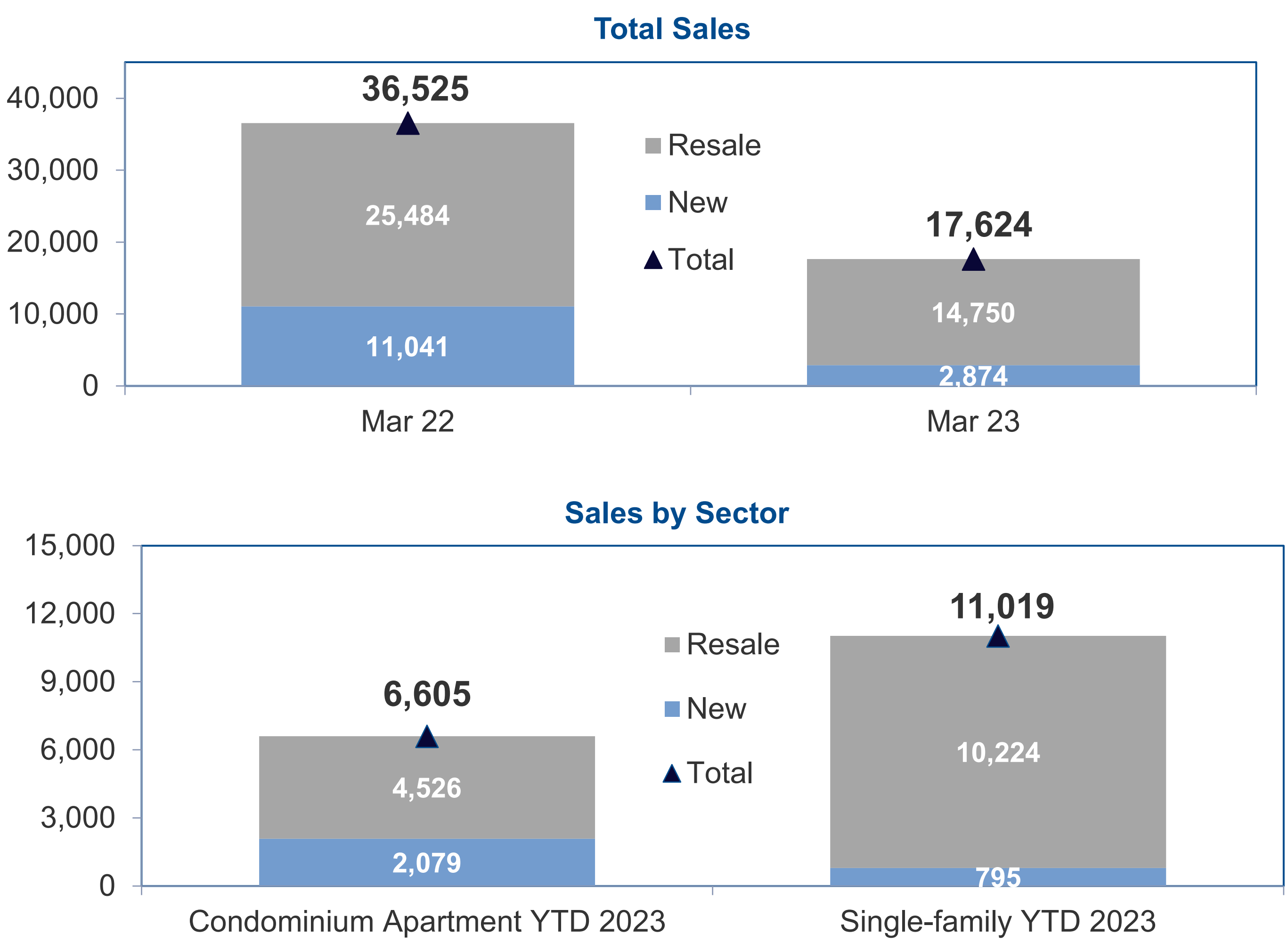


Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in March 2023 were down about 50% from a year earlier**. The decline was evident in both the single-family (-44%) and apartment (-61%) sectors.
- **The new home sector accounted for almost 1 out of every 6 home sales through March 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.

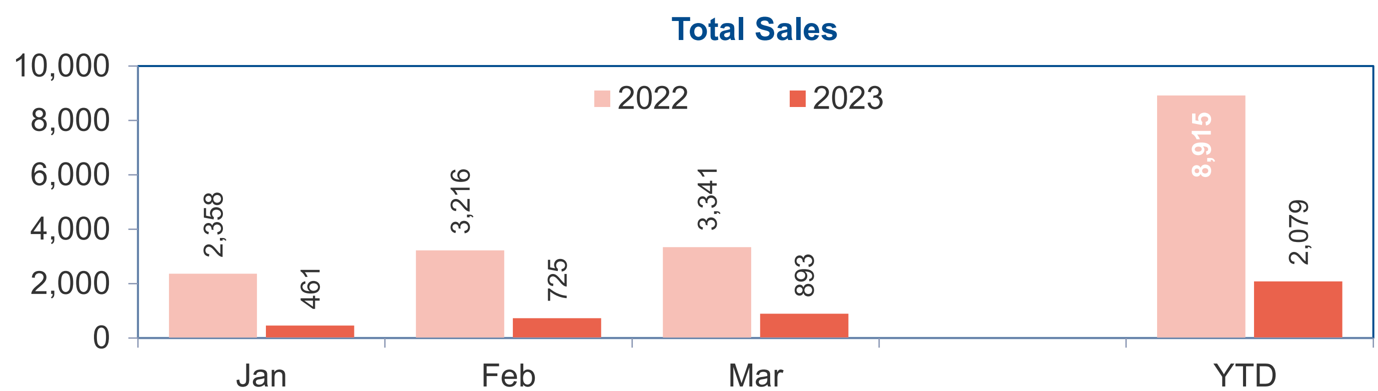
GTA Combined New & Resale Home Sales

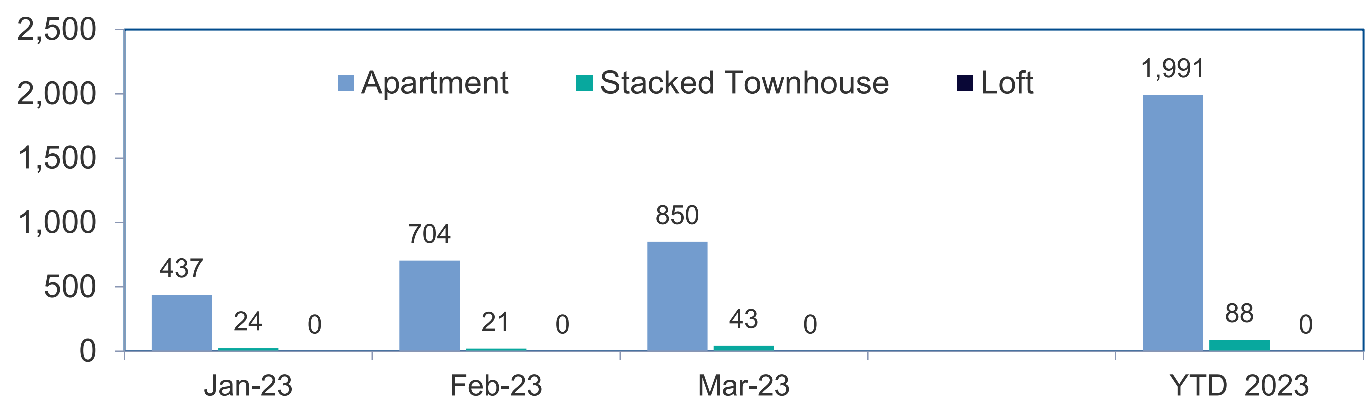


Source: Altus Group and Toronto Regional Real Estate Board data

- **GTA new condominium apartment sales were slow again in March 2023, though appear to have found a floor.** The sluggish start to 2023 has left year-to-date sales at their 2nd lowest Q1 level on record, almost 80 percent behind last year's pace.
- **Stacked townhouse sales for the first quarter of 2023 are about 40 percent behind last year's pace.**
- **The slowdown in new condo apartment sales has been felt across all of the regions**, both on a year-over-year basis (save for Durham) as well as for year-to-date (*charts next page*).
- Almost every municipality recorded lower new condominium apartment sales in the first quarter of 2023 led by losses in the old City of Toronto, Mississauga, Brampton and Vaughan (*chart after next page*).

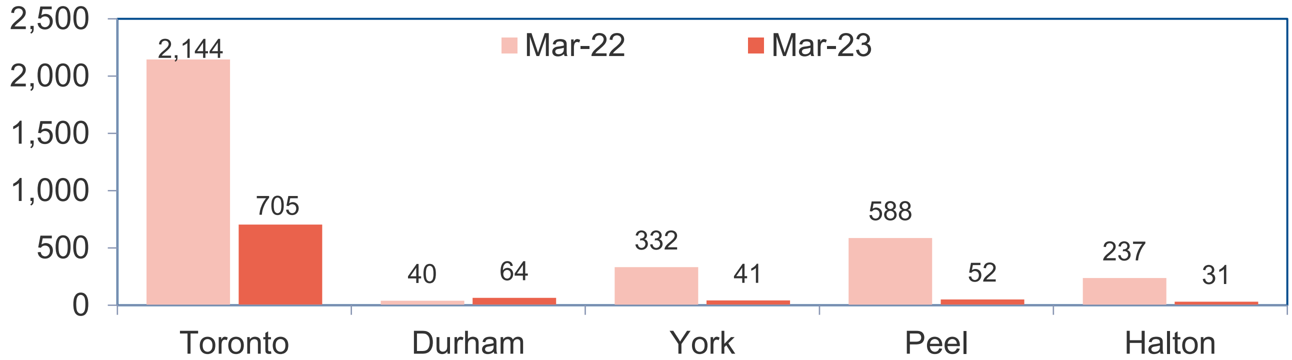
GTA New Condominium Apartment Sales

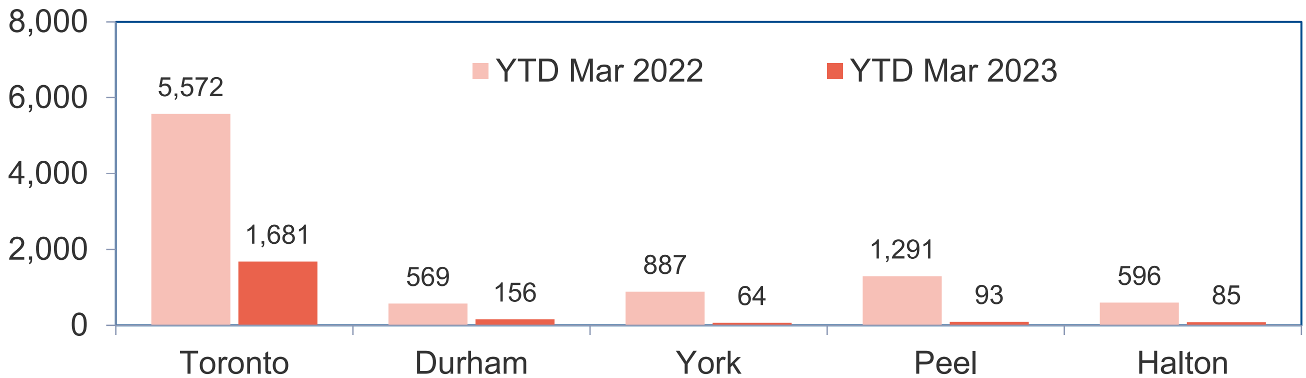


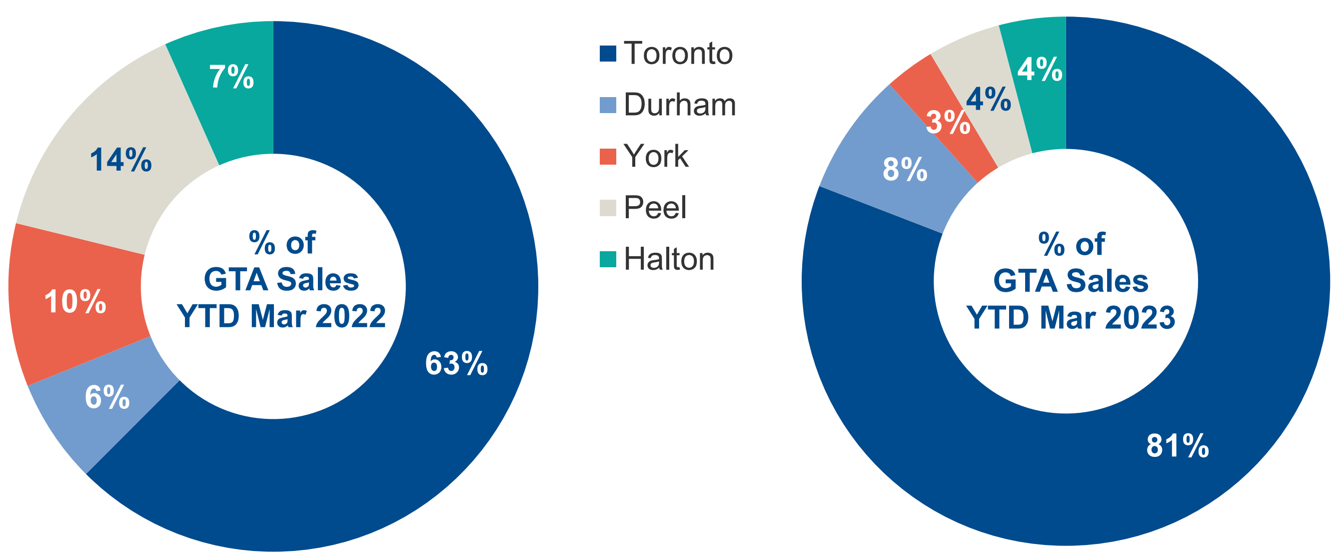


Source: Altus Group

GTA New Condominium Apartment Sales by Region

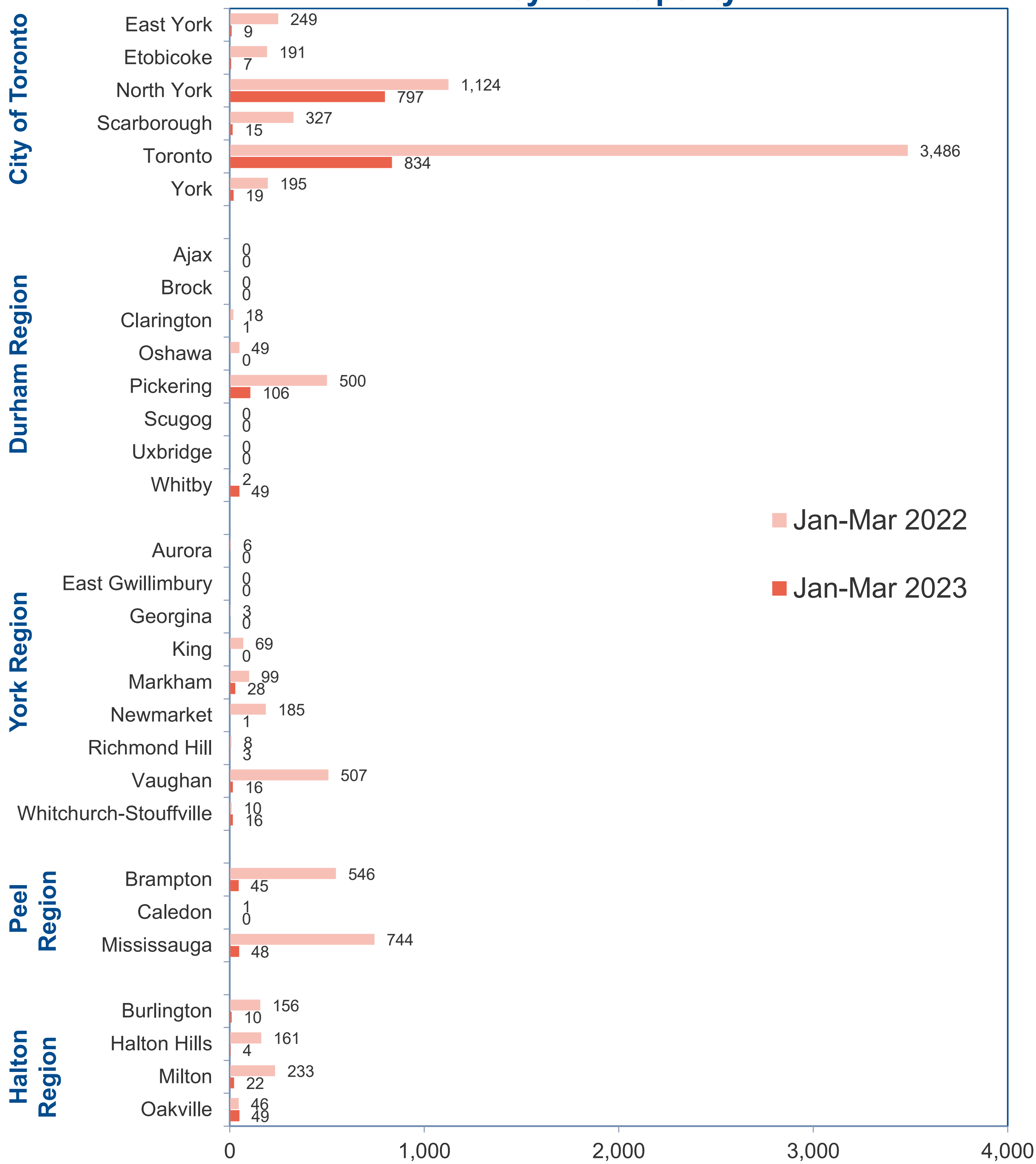






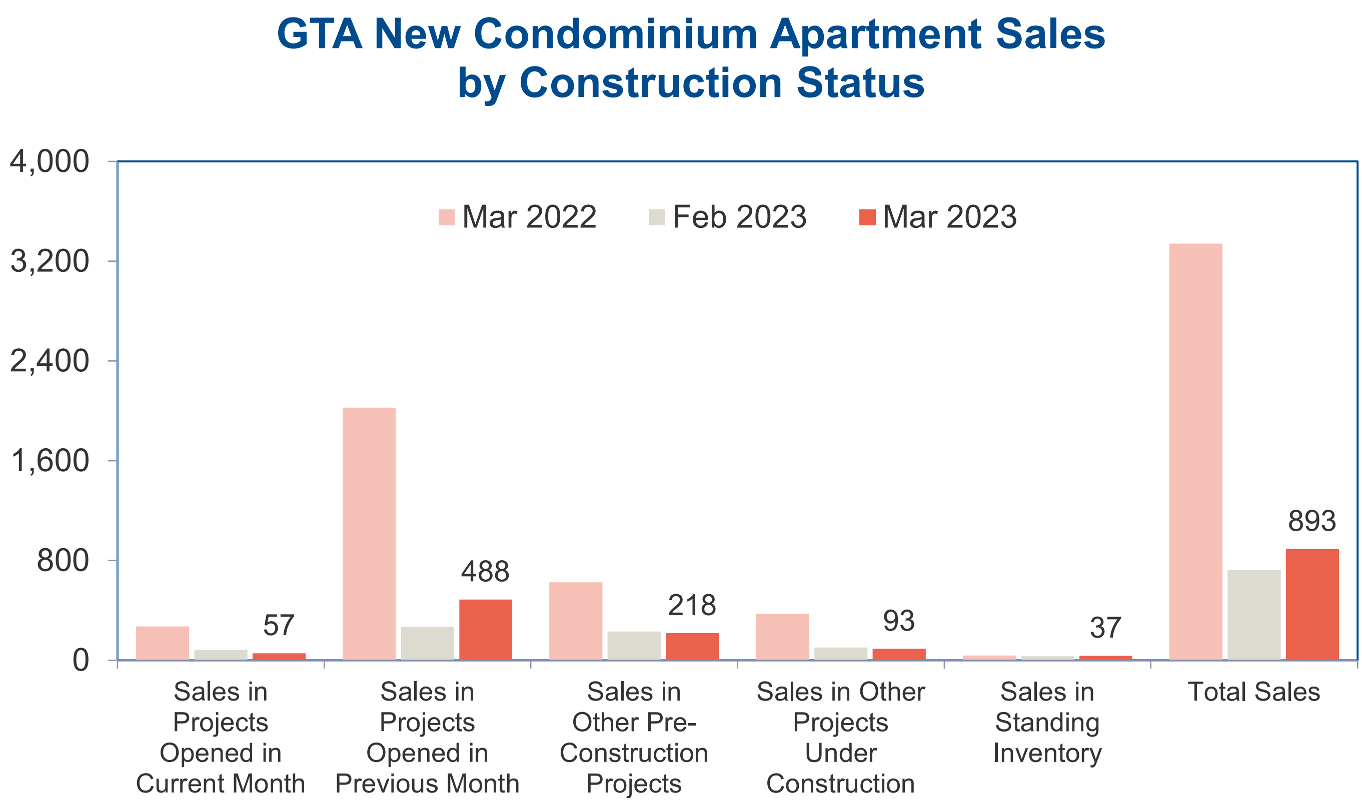
Source: Altus Group

GTA New Condominium Apartment Sales by Municipality



Source: Altus Group

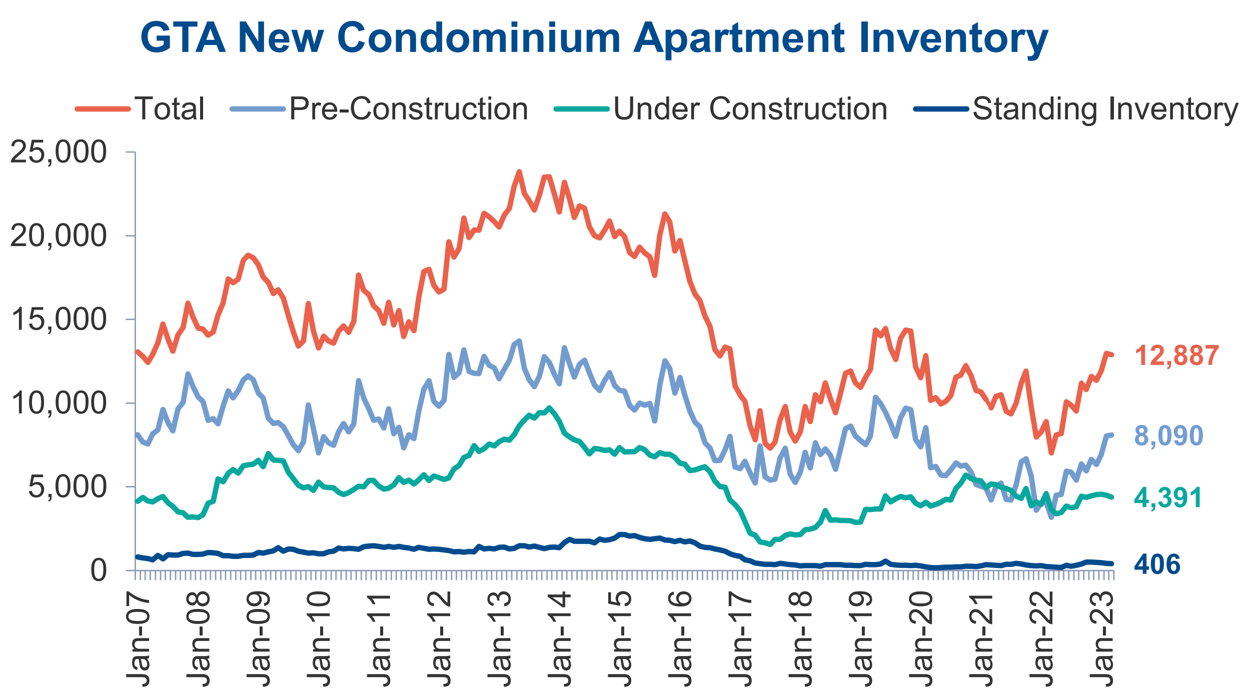
- **Only about 1 in 17 new condominium apartment sales in March 2023 occurred in newly opened projects.** Sales in projects opened in February 2023 made up more than half of the total sales in March 2023 while previously opened projects in pre-construction accounted for about one-quarter of sales..
- **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

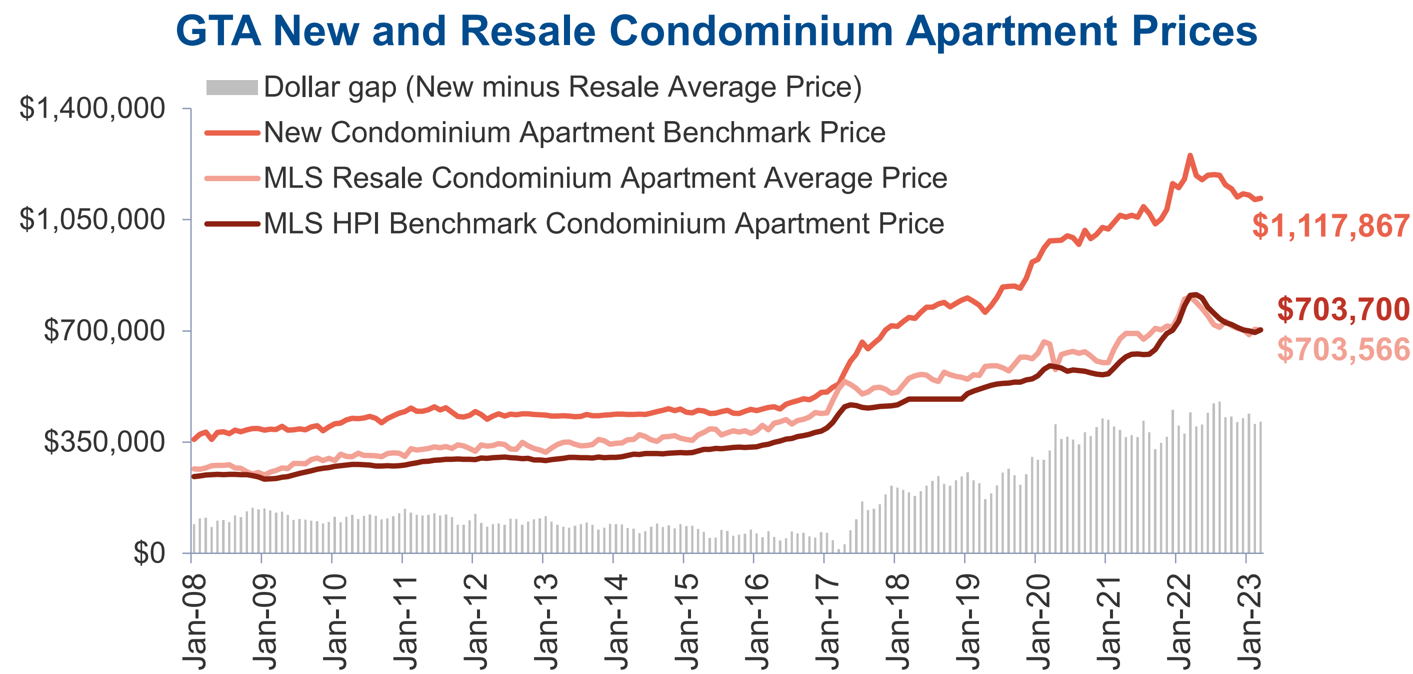
- **New condo apartment inventory was little changed in March 2023 and is now nearing the 10-year average.** New openings in March roughly matched sales for the month leading to the lack of change in inventory.
- **The current unsold inventory at new condominium apartment projects represents about 10.5 months of supply** at the average monthly pace of sales seen over the past 12 months, **now well into "balanced" territory.**
- **Close to two-thirds of the available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, Toronto and Durham are now ”tight” markets, with months of inventory of about 11.5 months and 12.5 months respectively. York Region, at over 14 months of inventory, has moved into an “oversupply” position.

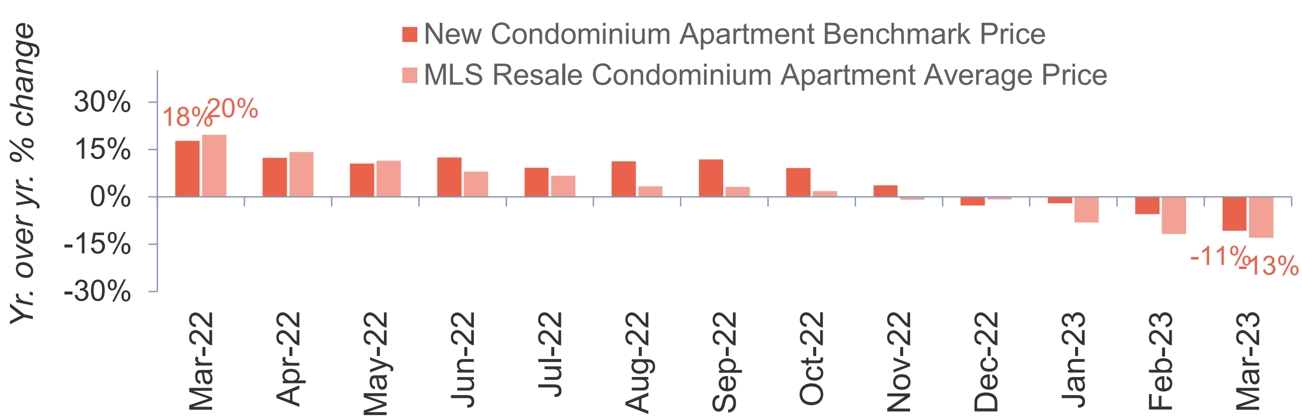


Source: Altus Group

New Condominium Apartments - Prices

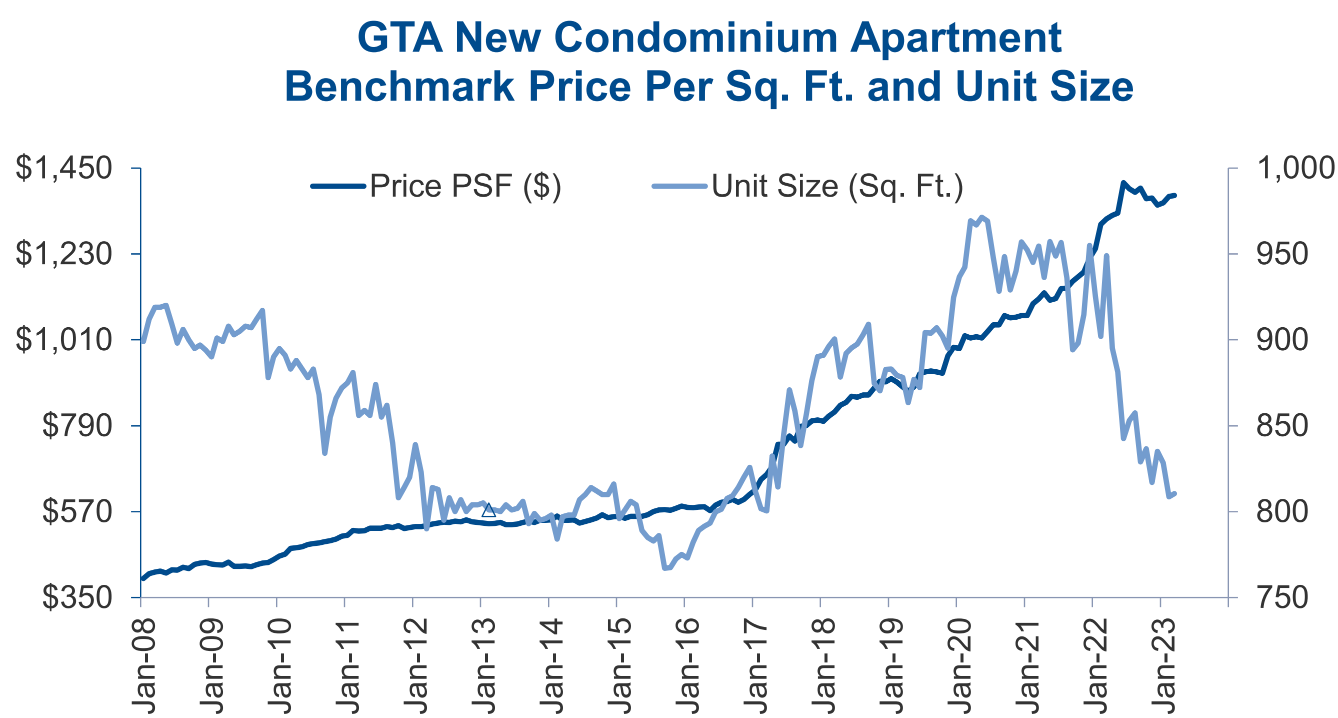
- **The benchmark price of a new condominium apartment recorded a 4th consecutive year-over-year decline in March 2023,** but moved higher than last month *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).*
- In absolute terms, **the price difference between a new and resale condominium apartment unit narrowly widened in March,** as new condominium apartment benchmark prices ticked higher and resale prices inched lower.





Source: Altus Group and Toronto Real Estate Board data

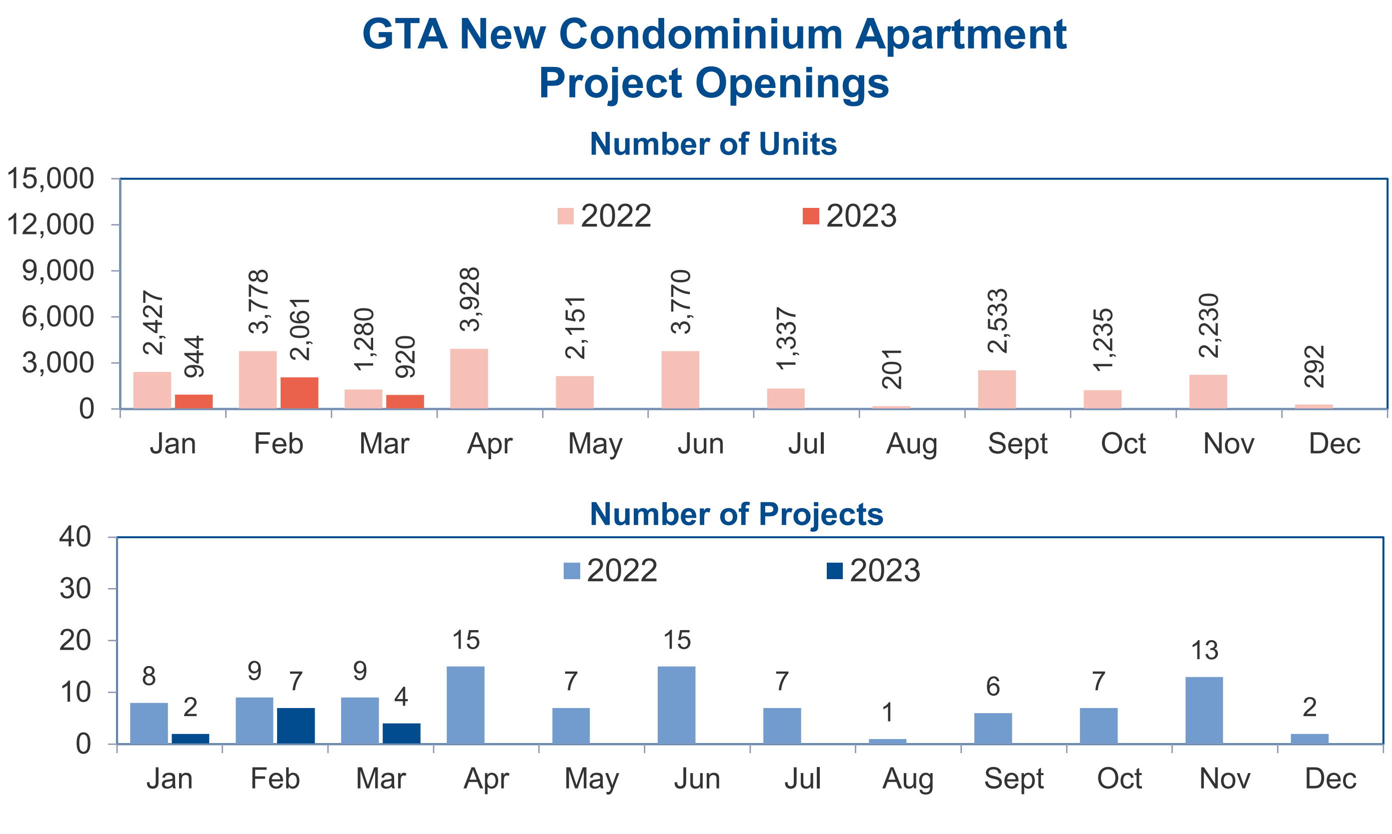
- **Both the price per square foot for a new condominium apartments and the average unit size moved slightly higher in March 2023,** leading to the rise in the benchmark price.
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher 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

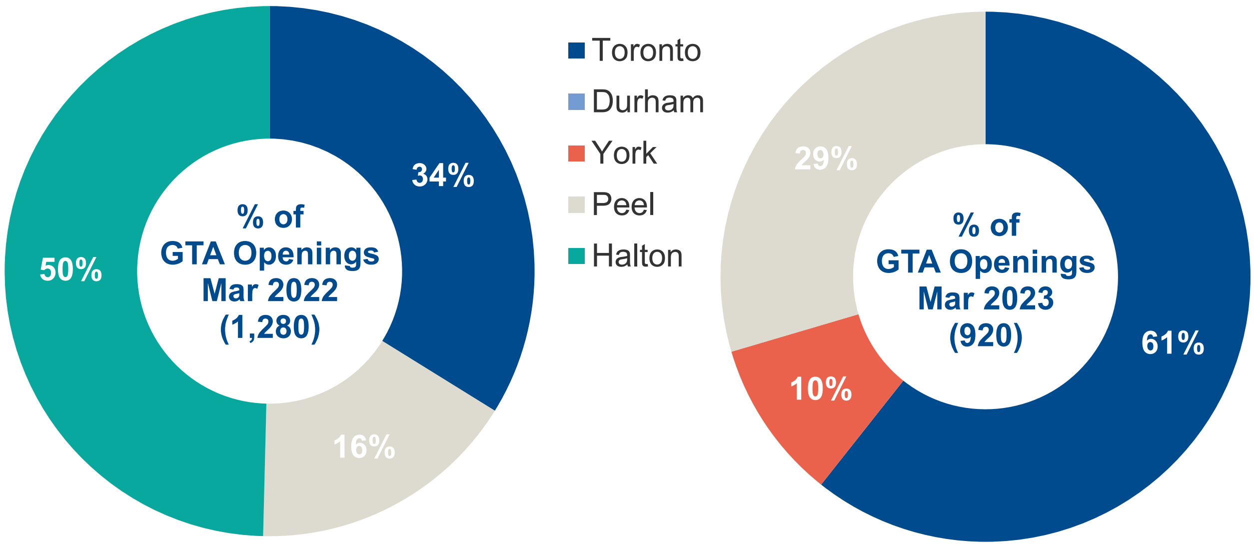
New Condominium Apartments - Openings

- **Only four new condominium apartment projects launched in March 2023 adding over 900 units.** The average size of new projects was down to 230 units, a 2nd consecutive monthly fall-off.
- **About 6 in 10 newly opened units in March 2023 were in the City of Toronto** *(chart next page, top).* Within the City of Toronto, the old city of York saw their share jump markedly while the old City of Toronto was shut out *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in February and March 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.*



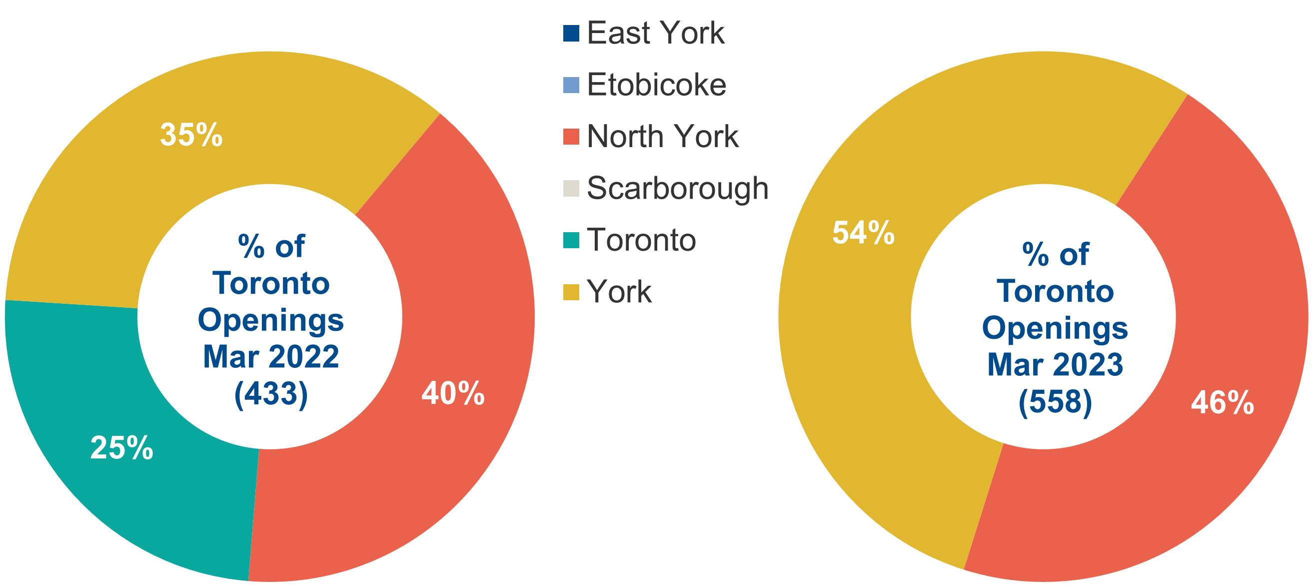
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



Source: Altus Group

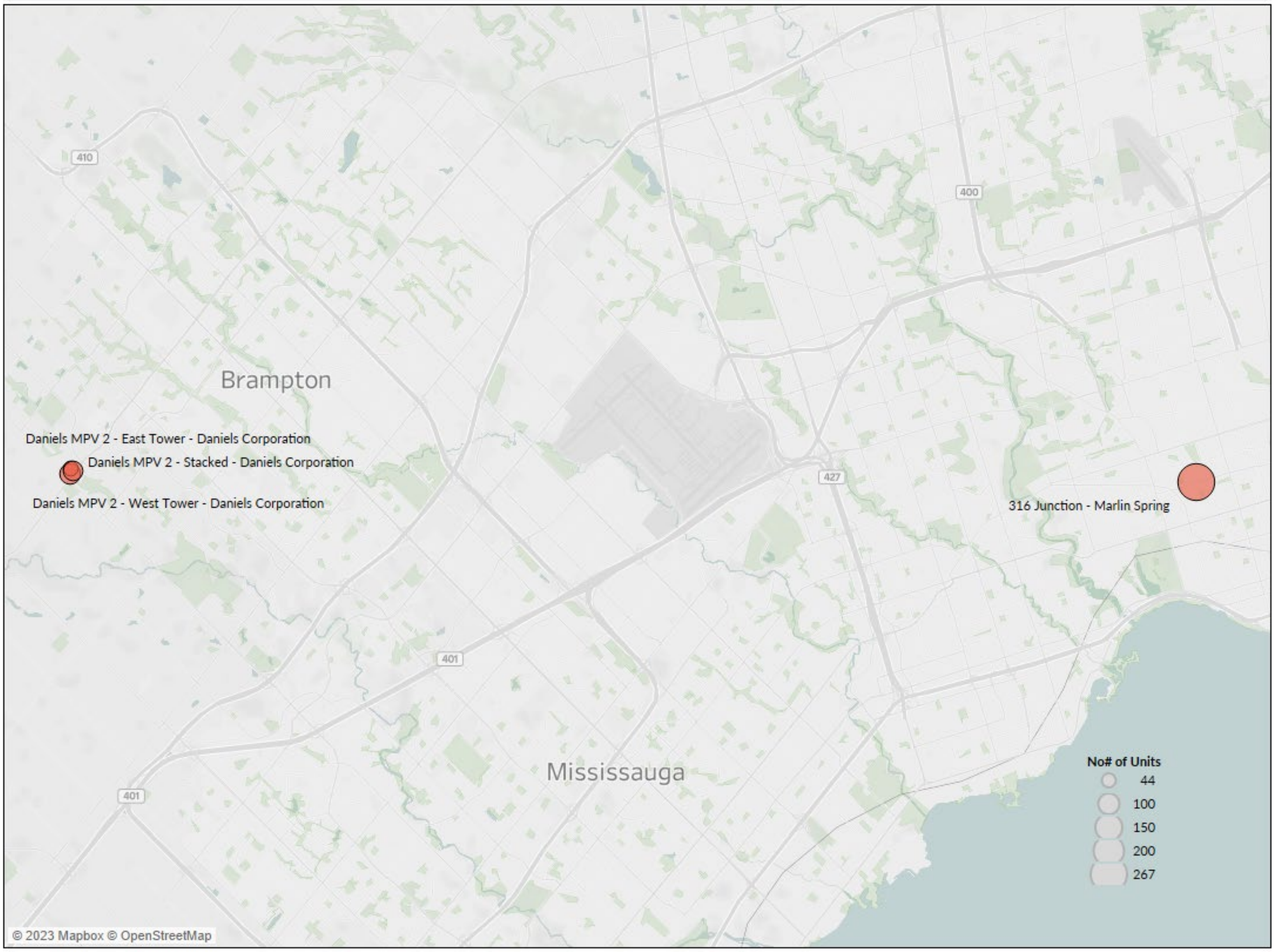
City of Toronto Condominium Apartment Units in New Openings by Former Municipality



Source: Altus Group

New Condominium Apartments - Openings

February 2023 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

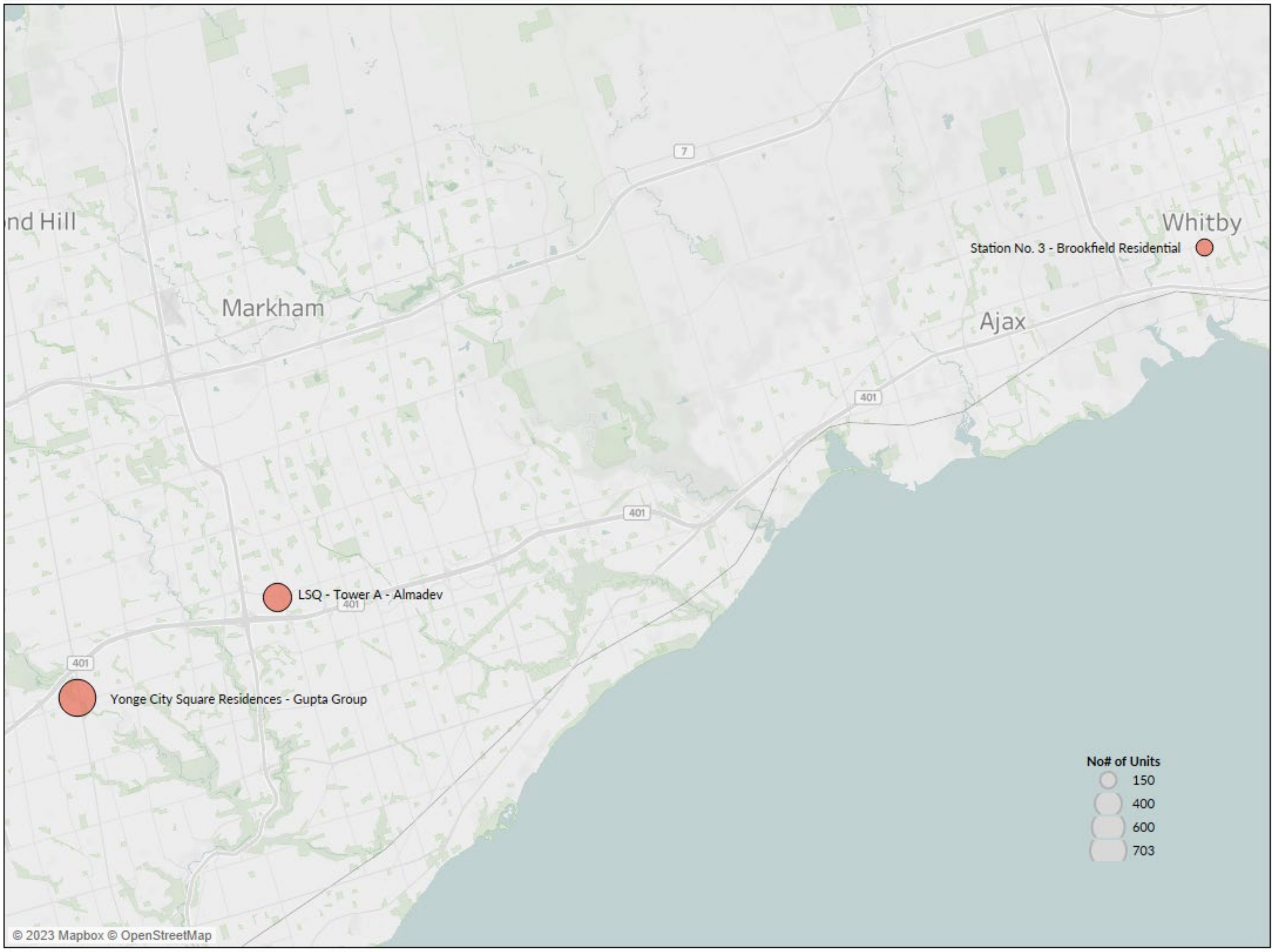
Note: due to the large number of openings in February, project maps and details each have 2 pages.

New Condominium 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**
Next Month Sales	**9**	**9**	**7**	**8**
% Sold (of released units)	30%	12%	16%	9%
Remaining Available Inventory	187	67	37	77
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	$619,990	$603,900	$699,900	$568,900
Maximum Price	$1,295,990	$823,900	$946,900	$803,900
Notes				

Source: Altus Group

February 2023 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

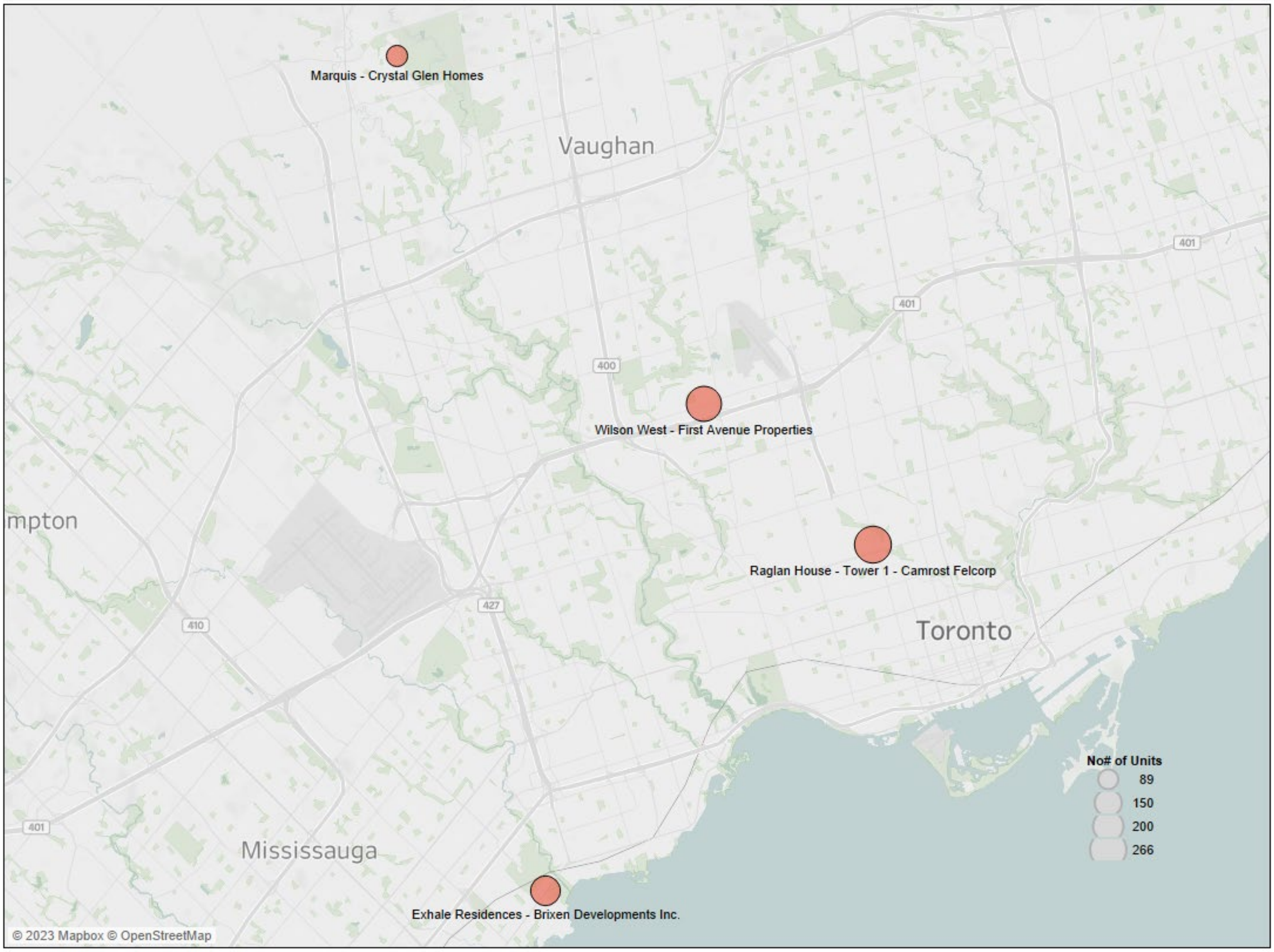
New Condominium Apartment Project Openings - February (2 of 2)

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	**458**	**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	**0**	**14**	**0**
Next Month Sales	**320**	**35**	**100**
% Sold (of released units)	77%	33%	14%
Remaining Available Inventory	93	101	603
Original $PSF	n.a.	$972	n.a.
Minimum Size (sq. ft.)	459	585	338
Maximum Size (sq. ft.)	1,077	1,029	935
Minimum Price	$559,900	$596,900	$519,990
Maximum Price	$1,732,900	$1,040,900	$1,539,990
Notes			

Source: Altus Group

AltusGroup

March 2023 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

AltusGroup

New Condominium Apartment Project Openings - March 2023

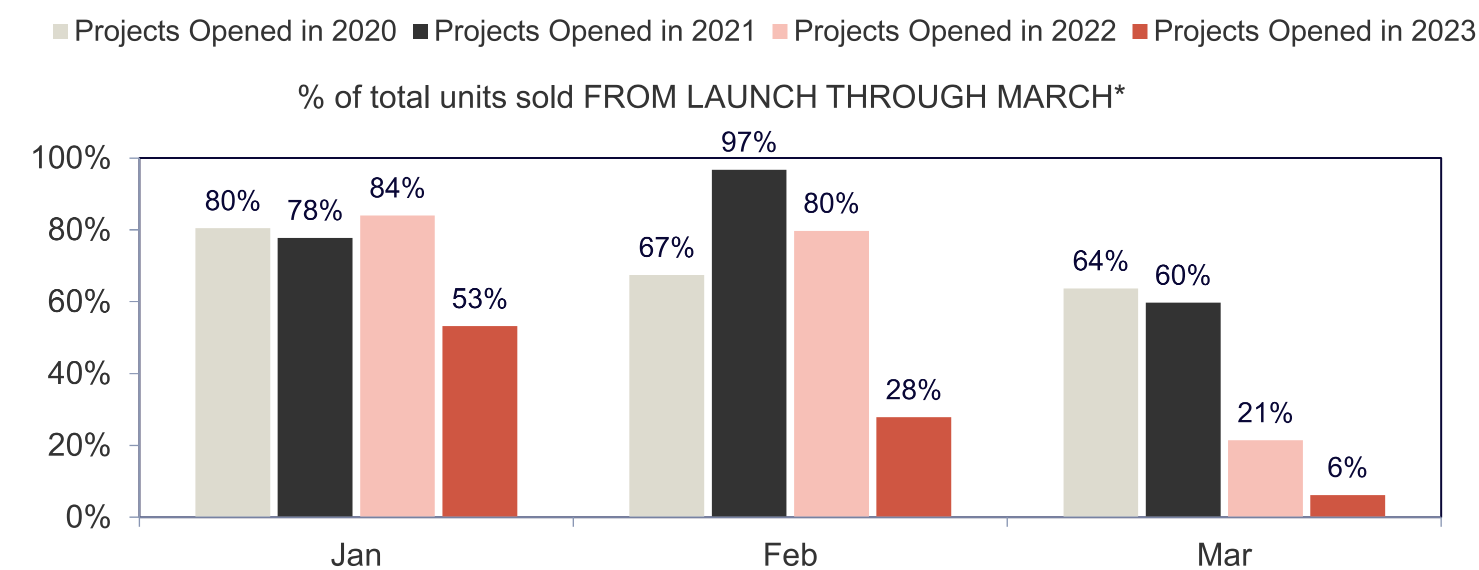
Project Name	**Raglan House - Tower 1**	**Wilson West**	**Marquis**	**Exhale Residences**
Developer	Camrost Felcorp	First Avenue Properties	Crystal Glen Homes	Brixen Developments Inc.
Date Opened	March 21, 2023	March 4, 2023	March 4, 2023	March 23, 2023
Municipality	York	North York	Vaughan	Mississauga
Region	Toronto	Toronto	York	Peel
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	28	12	5	11
Project Total Units	**303**	**255**	**90**	**272**
Total Units Released	**266**	**241**	**89**	**172**
Studio	-	1	-	9
1 Bedroom	65	49	4	51
1 Bedroom + den	63	89	47	58
2 Bedroom	105	84	29	47
2 Bedroom + den	33	-	9	4
3 Bedroom & up	-	18	-	3
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**0**	**50**	**7**	**0**
% Sold (of released units)	0%	21%	8%	0%
Remaining Available Inventory	266	191	82	172
Original $PSF	$1,758	n.a.	$1,270	$1,259
Minimum Size (sq. ft.)	454	457	514	307
Maximum Size (sq. ft.)	2,482	1,129	839	985
Minimum Price	$829,900	$580,900	$744,990	$510,900
Maximum Price	$4,964,900	$1,190,900	$1,012,990	$1,127,900
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

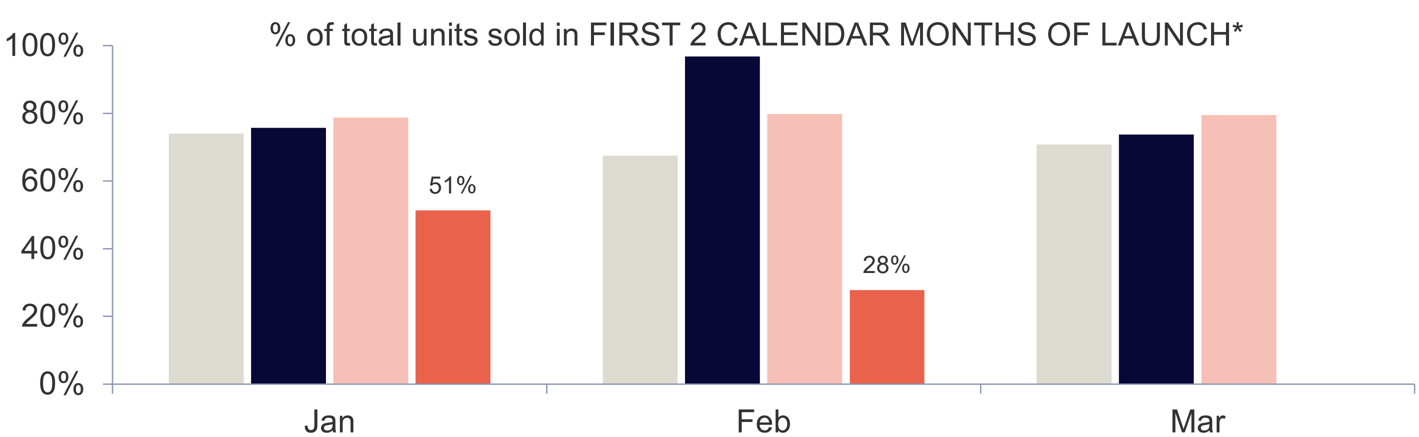
Source: Altus Group

New Condominium Apartments - Openings

- Fewer than 1 in 10 units opened in March have sold. **Focusing just on the 2 projects opened in March before the last 10 days of the month, less than 1 in five of released units were sold by month end.**
- After 2 months of sales, projects opened in January and February lag the pace of the previous three years.
- 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 March)*





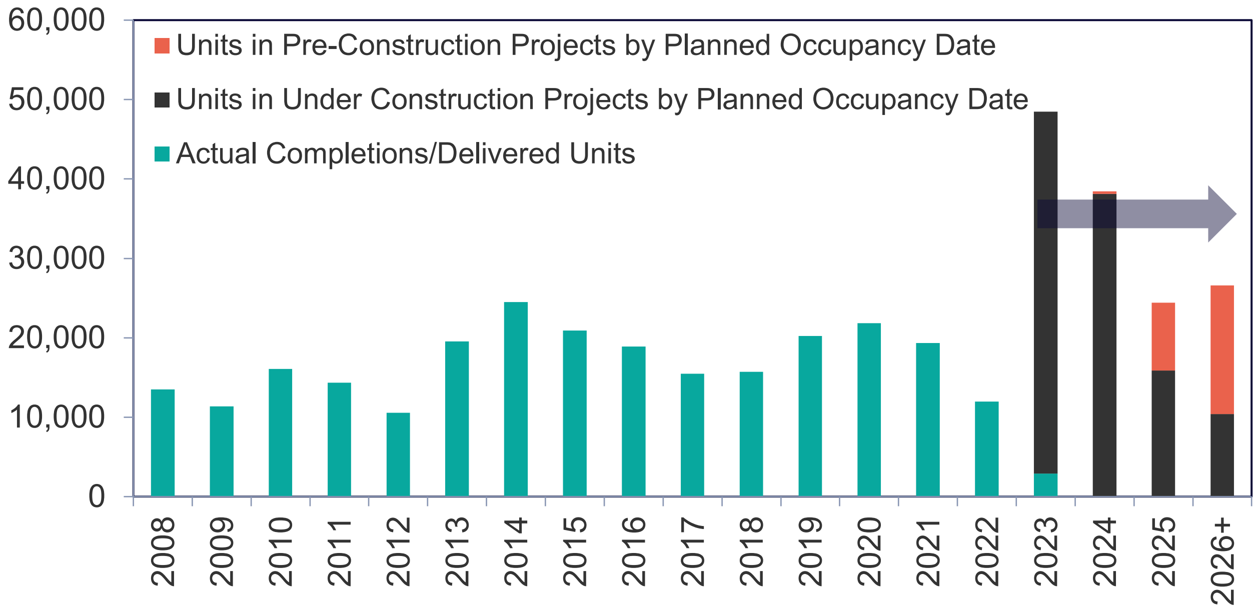
** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of March 2023, there were about 135,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **After recording no new completions in last month, completions of new condominium apartment units jumped in March 2023.** Year-to-date completions for 2023 are ahead of the pace set last year for the first quarter but are still well below the 10-year average.
- Based on planned occupancy dates, and only considering units currently under construction, one might expect that annual completions of condominium apartment units will be much 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.

GTA New Condominium Apartment Actual and Potential Completions

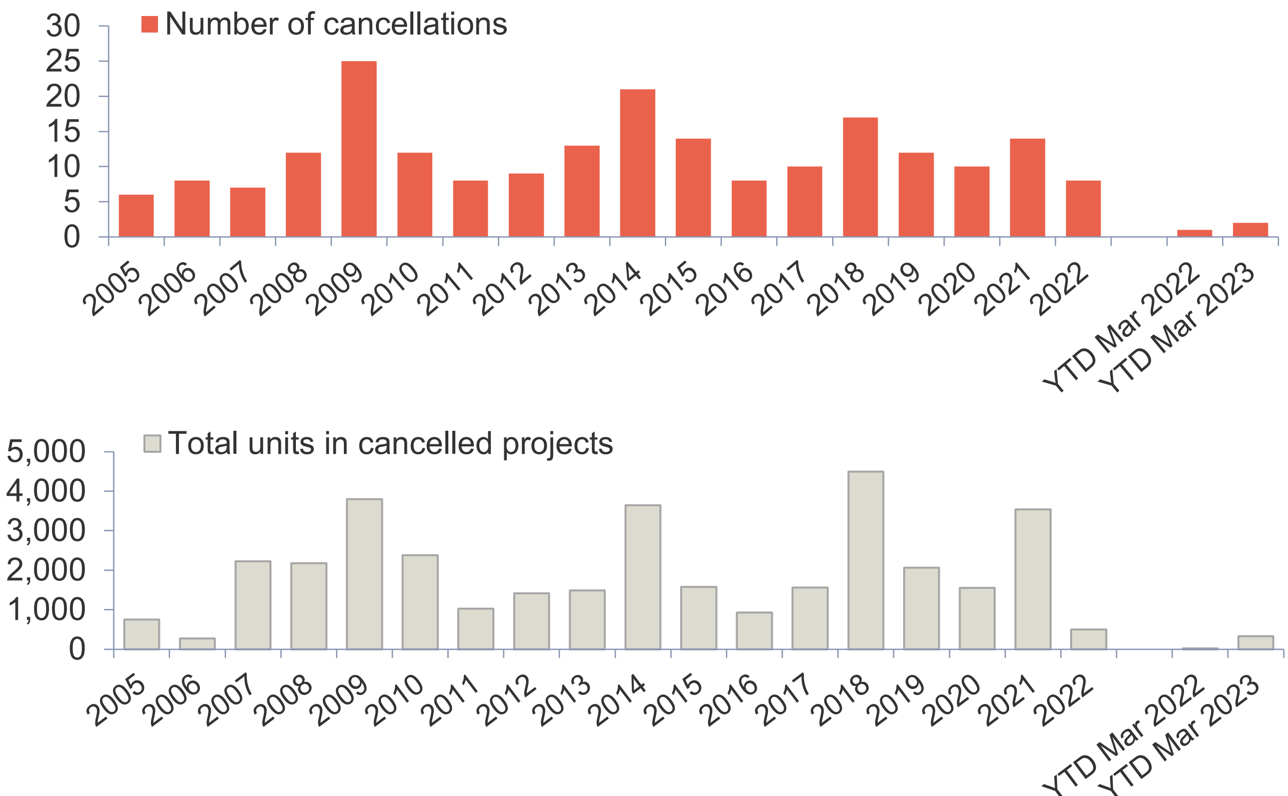


Source: Altus Group

Focus on Cancelled Condominium Projects

- In 2022, fewer new condominium apartment projects, and fewer units, were cancelled than in last several years. **So far in 2023, there have only been 2 cancelled projects**: Union Margo in Markham (a 243 unit, 20 storey project) and Rose Hill in Vaughan (an 85 unit 6 storey project).
- **Projects are cancelled for a number of reasons**, including poor sales (some of these projects are redesigned and relaunched), financing challenges and possibly operational challenges (for less experienced builders).

Condominium Apartment Projects Cancelled During Each Year, GTA

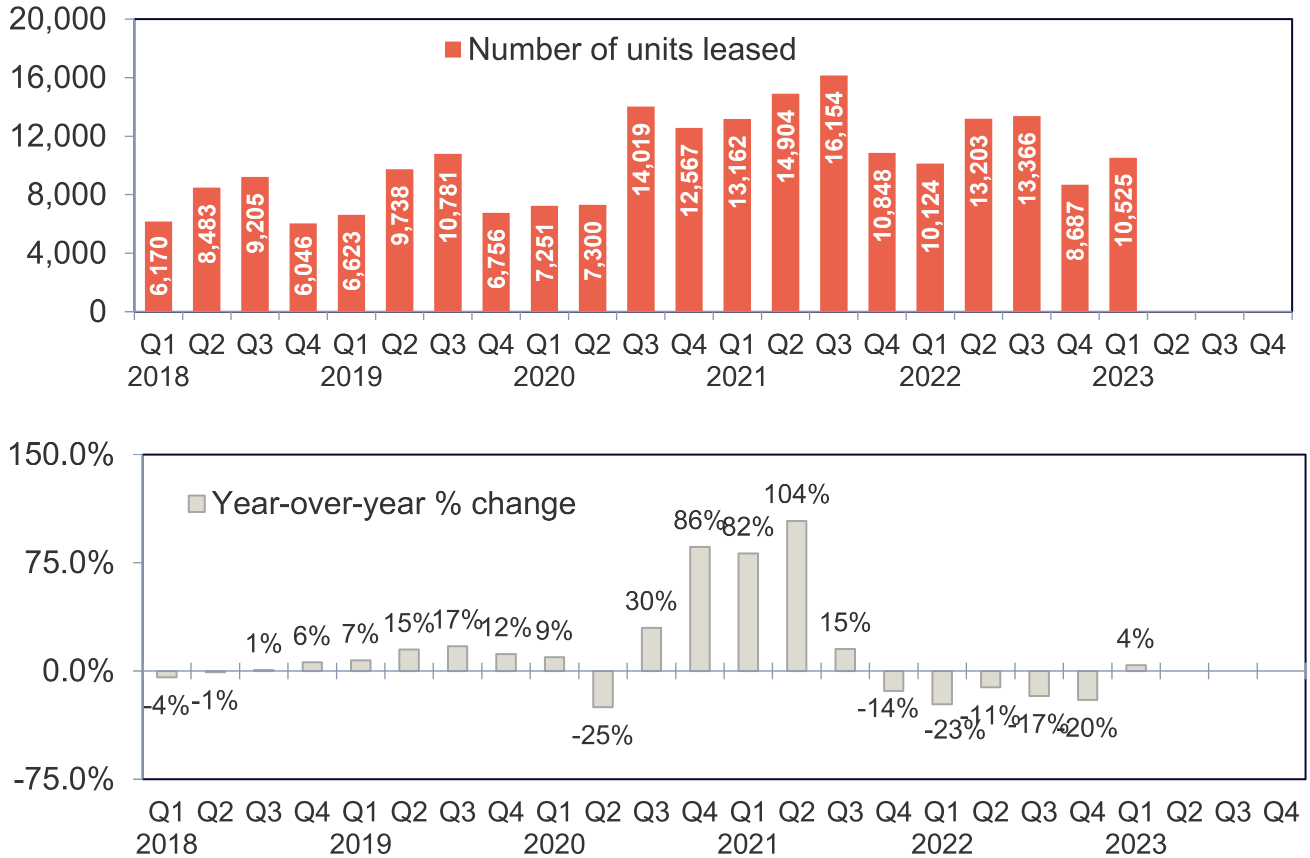


Source: Altus Group

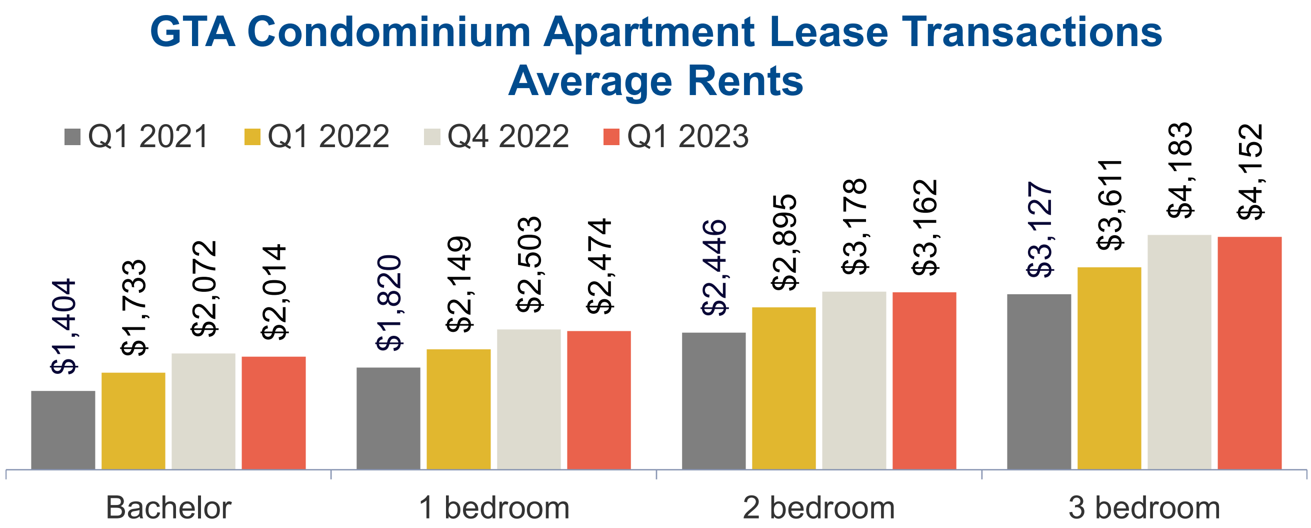
- **The number of GTA condo apartment lease transactions rose in Q1 2023** (according to data from the Toronto Regional Real Estate Board) – notably compared to Q4 2022 (which is not the typical seasonal pattern), but also compared to Q1 in 2022.

- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA have more than recovered from the losses that occurred at the early stages of the pandemic and year-over-year increases have been in double digit territory for multiple quarters *(charts next page)*. The strong rent increases, coupled with a chronic shortage of purpose-built rental supply, extended construction timelines for new condominium apartments and record levels of immigration, are expected to be supportive of additional rent increases.

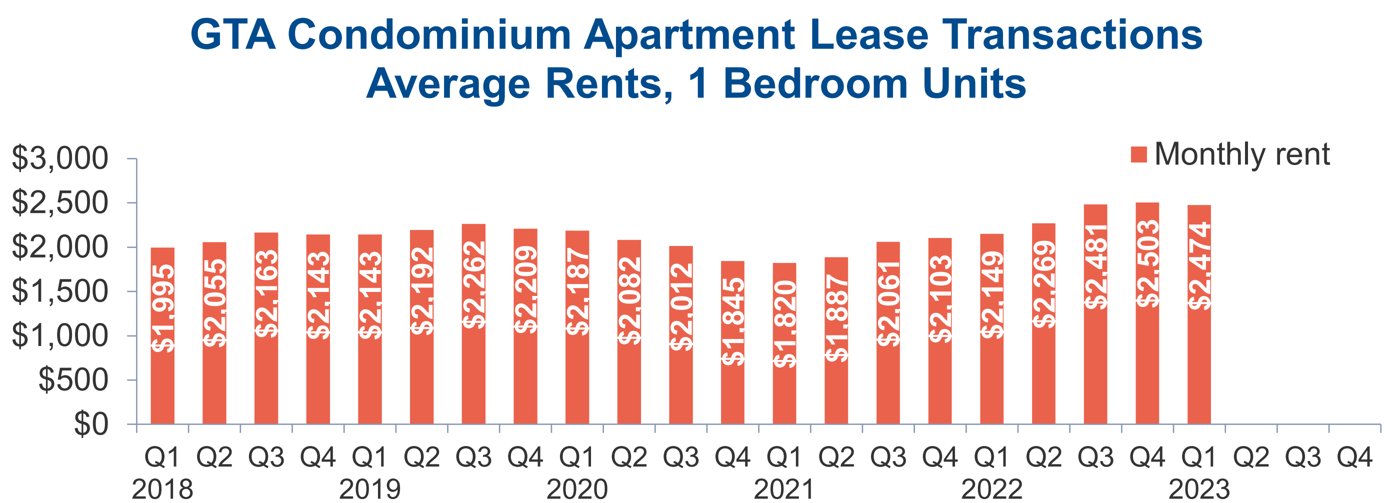
GTA Condominium Apartment Lease Transactions (All Bedroom Types)

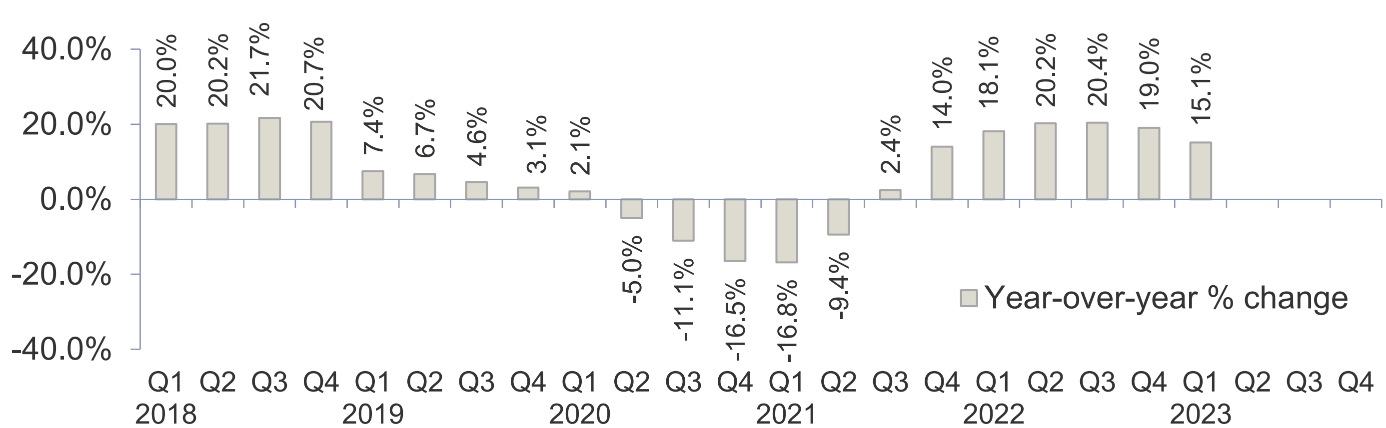


Source: Altus Group based on Toronto Regional Real Estate Board data



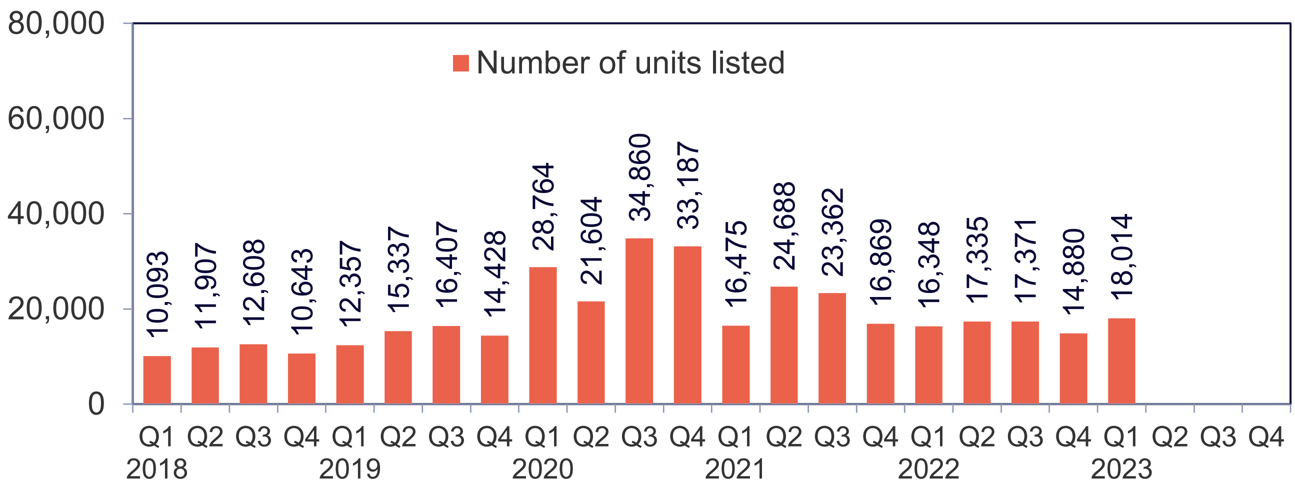
Source: Altus Group based on Toronto Regional Real Estate Board data



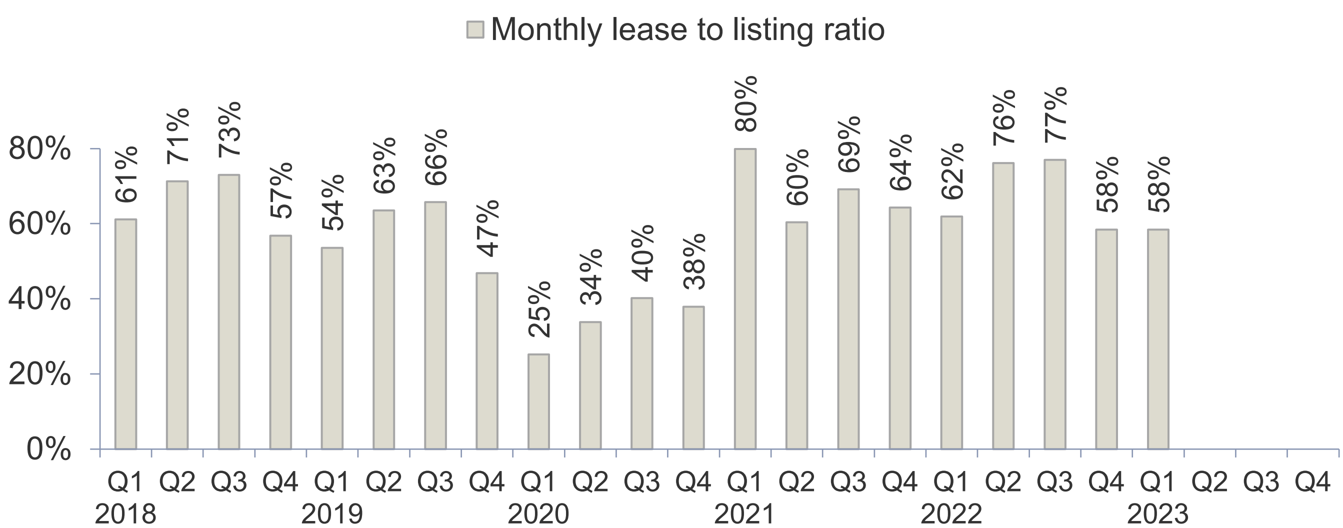


Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Condominium Apartment Lease Listings (All Bedroom Types)



GTA Condominium Apartment Lease to Listing Ratio (All Bedroom Types)



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

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