Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of June 2023

Table of Contents

New Condominium Apartment Dashboard

June 2023			YTD June 2023	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
1,957	**14,523**	**$1,090,494**	**7,589**	**$1,108,228**
+11%	**+43%**	**-8.4%**	**-52%**	**-7%**
2nd Lowest June since 2013	***Highest June since 2016***	***2nd highest June on record***	***Lowest YTD June since 2013***	***2nd highest YTD June on record***

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

Highlights

- **GTA new home sales took a step back in June.** Following two months of stronger activity, the combined interest rate hikes in June and July has seen a return in buyer hesitancy.
- New condominium apartment sales in June were down from the previous month. Though June 2023 sales outpaced last year, June 2022 activity was in the midst of a steep drop from Q1 2022 as steadily rising rates put the brakes on housing activity, similar to the current situation.
- New single-family sales fell to a larger extent as affordability and financing concerns heightened.
- **The inventory of new condominium apartments climbed,** easing pressure on prices**.**
- **The benchmark price of a new condominium apartment eased again in June 2023, recording a 7th consecutive year-over-year decline.**
- As envisioned last month, the rise in interest rates has stalled the recovery in new home sales in its early stages. When combined with the typically slower summer months and continued noise of a possible recession, **any recovery in the new home market is being pushed further down the timeline**.

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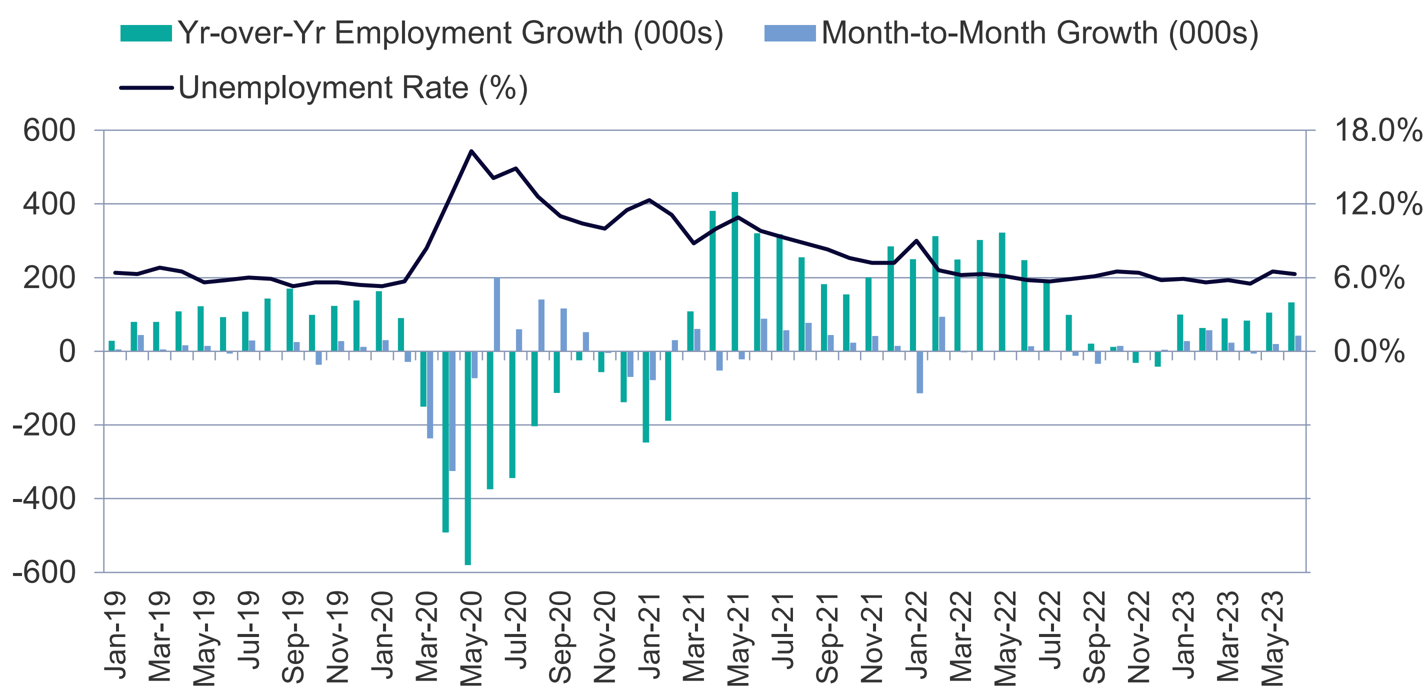
GTA Condominium Apartment Key Performance Indicators

	Jun-22	May-23	Jun-23	*Yr-Over-Yr % Change*	YTD Jun 2022	YTD Jun 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	330	372	378	*15%*	323	361	*12%*
New projects opened	15	13	9	*-40%*	63	42	*-33%*
Units in new projects opened	3,837	2,856	2,268	*-41%*	17,320	11,227	*-35%*
Total sales (units)	1,758	2,091	1,957	*11%*	15,743	7,589	*-52%*
Sales as % of total new & resale	*51%*	*45%*	*48%*		*54%*	*40%*	
Inventory (units)	10,141	13,897	14,523	*43%*	8,464	13,286	*57%*
Sales-to-inventory ratio	17%	15%	13%	*-22%*	32%	9%	*-71%*
Months of inventory	3.7	13.0	13.4	*261%*	2.9	11.1	*276%*
Benchmark price	$1,189,894	$1,097,747	$1,090,494	*-8%*	$1,189,341	$1,108,228	*-7%*
Price PSF Benchmark	$1,412	$1,370	$1,366	*-3%*	$1,324	$1,371	*4%*
Unit size Benchmark (sq. ft)	843	801	798	*-5%*	899	809	*-10%*
Units completed	1,692	2,491	1,447	*-14%*	5,135	8,434	*64%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,678	2,568	2,122	*26%*	13,641	11,376	*-17%*
New listings (units)	4,641	4,360	4,572	*-1%*	25,746	21,525	*-16%*
Inventory ("active listings", units)	5,210	4,190	4,796	*-8%*	3,322	4,075	*23%*
Sales-to-inventory ratio	32%	61%	44%	*37%*	86%	46%	*-46%*
Months of inventory	2.1	2.7	3.0	*41%*	1.3	2.6	*106%*
Average price of units sold	$747,216	$748,483	$739,395	*-1%*	$782,322	$723,210	*-8%*
HPI constant quality price index (Jan 2005=100)	395.5	374.6	379.6	*-4%*	401.1	366.1	*-9%*

- **The GTA labour market has recorded a year-over-year increase in employment in each of the first six months of 2023.** June 2023 also saw positive growth in month-to-month employment for a 2nd consecutive month. The GTA unemployment rate for June 2023 eased to 6.3% after a jump of a full percentage point in May.
- **The Bank of Canada raised the target for the overnight rate by 0.25 percent, for a 2nd consecutive month, to now sit at 5.00 percent at its latest rate announcement on July 12**, stating that **"***Canada's economy has been stronger than expected, with more momentum in demand. . . In addition, the housing market has seen some pickup. New construction and real estate listings are lagging demand, which is adding pressure to prices. . . .CPI inflation is forecast to hover around 3% for the next year before gradually declining to 2% in the middle of 2025. This is a slower return to target than was forecast in the January and April projections. Governing Council remains concerned that progress towards the 2% target could stall, jeopardizing the return to price stability.. . . . Governing Council will continue to assess the dynamics of core inflation and the outlook for CPI inflation.* " **The next rate announcement date is September 6.**
- **Both the 5-year variable rate and 5-year fixed "special" mortgage interest rates have risen since last month.** The 5-year variable rate rose by the full 25 basis points following the Bank of Canada's increase in the overnight rate while the 5-year fixed special rate advanced by 52 basis points *(chart next page, bottom).*

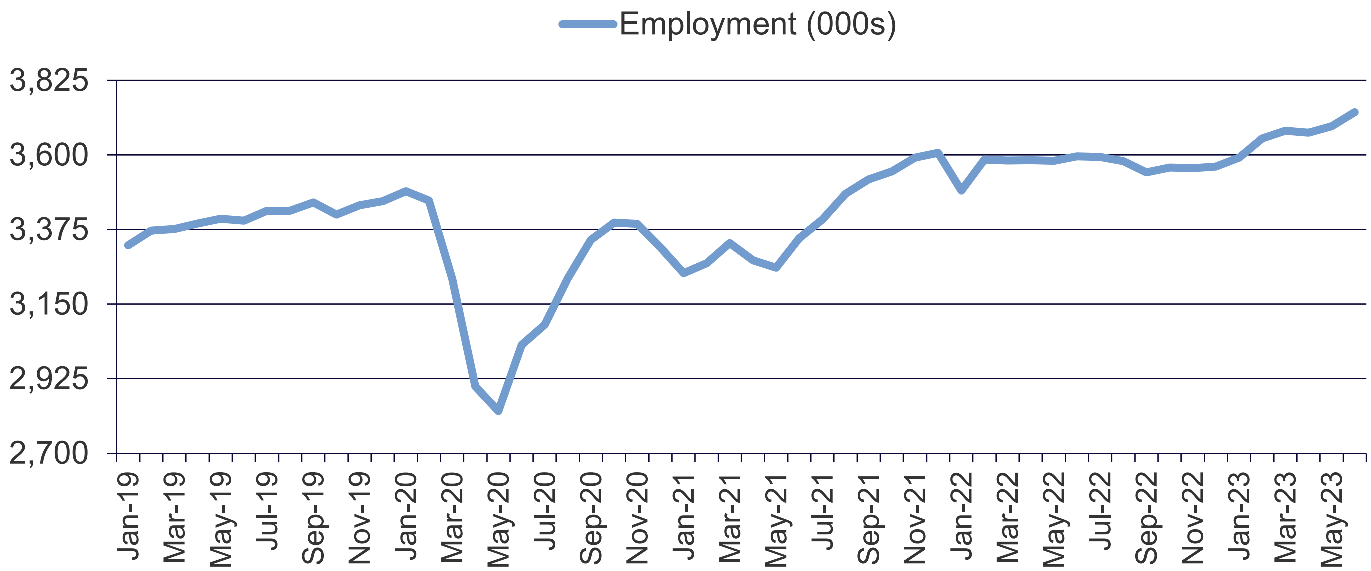
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

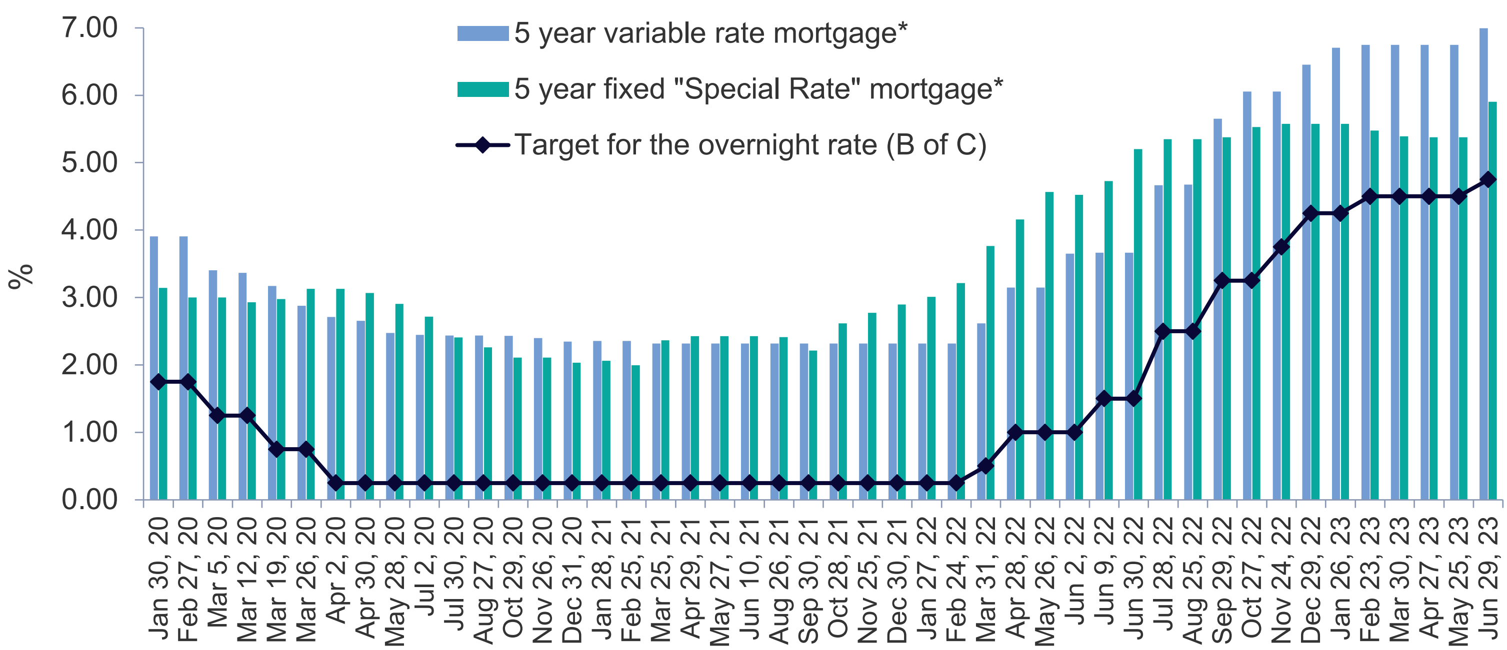
GTA Total Employment*



** 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

New Home Market - Sales

- **Total new home sales eased in June 2023.** Although total new homes sales surpassed their previous year level, sales were on the decline in 2022 due mainly to the rapid rise in interest rates. The rise in rates rising again in the past two months is a major cause of the slowdown in June sales.

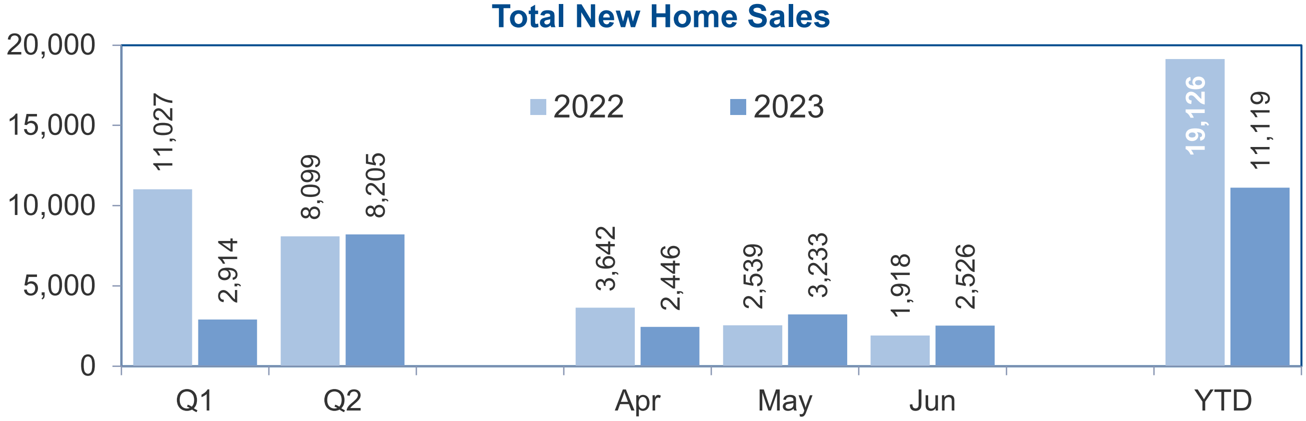
- **New condominium apartment sales improved compared to last year** and were little changed from last month, buoyed by sales from eight new openings in late May. **New single-family sales dropped substantially** compared to both last year and last month**.**

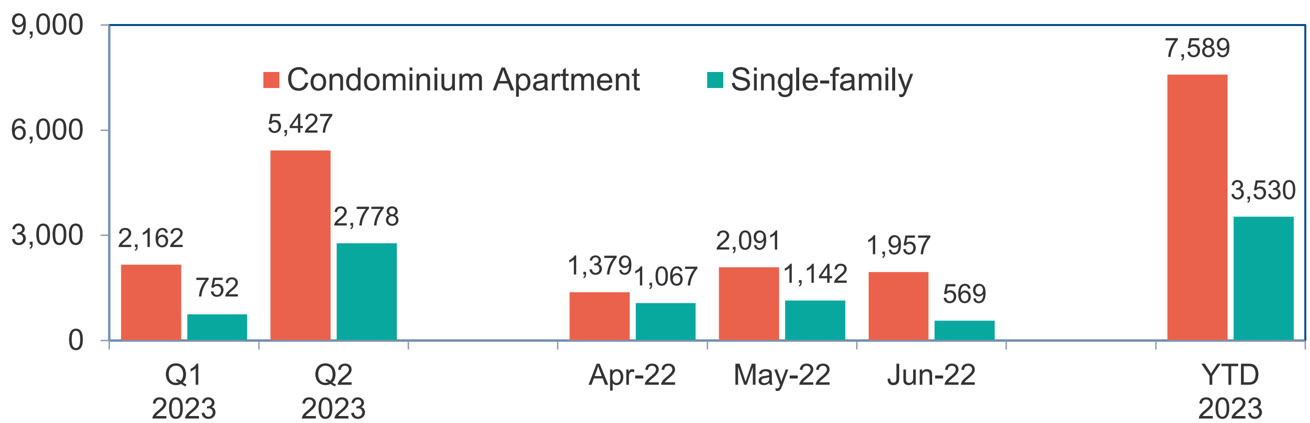
- **All regions recorded lower total new home sales through the first six months of 2023.** York Region reported an increase in new condominium apartment sales year-to-date while Durham, Halton and, to a smaller extent, Peel, surpassed year-to-date sales levels of new single-family homes from last year (*charts next page*).

- At the local municipality level, Markham, Etobicoke and Pickering recorded the largest year-over-year increase in total sales in the first half of 2023 while Toronto, Mississauga and Brampton registered the largest falloff (*charts after next page*).

GTA New Home Sales

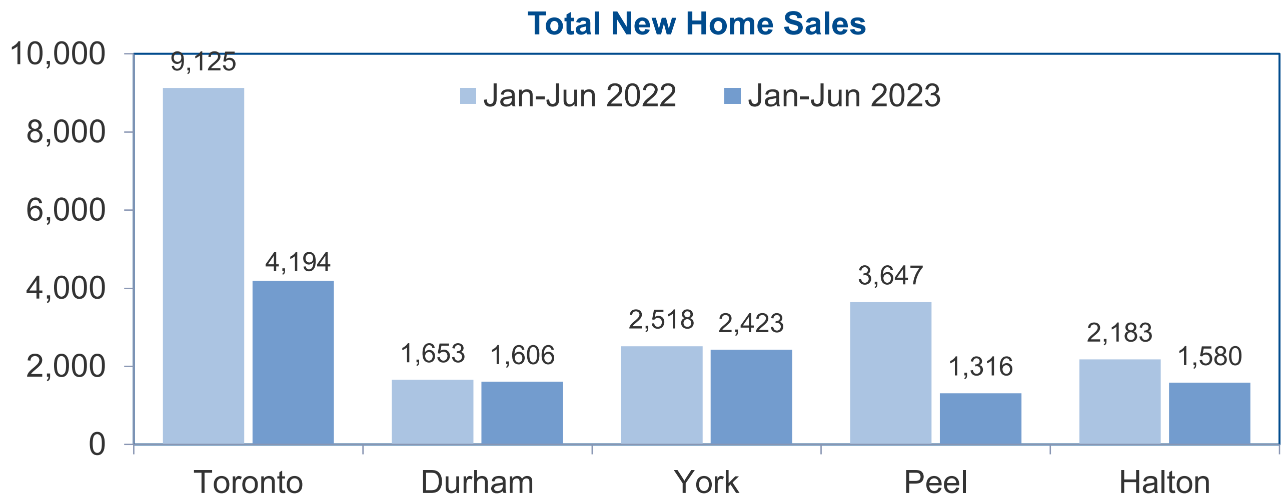
Total New Home Sales

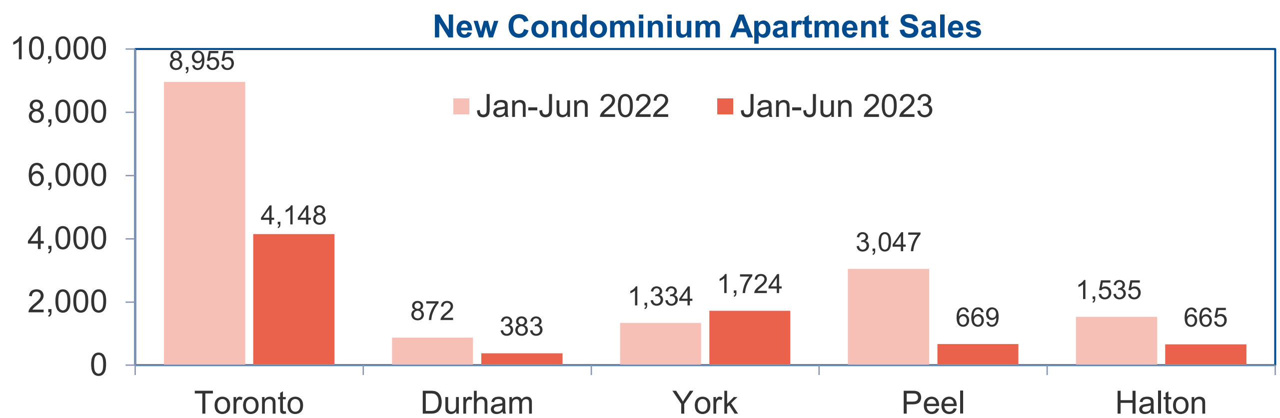


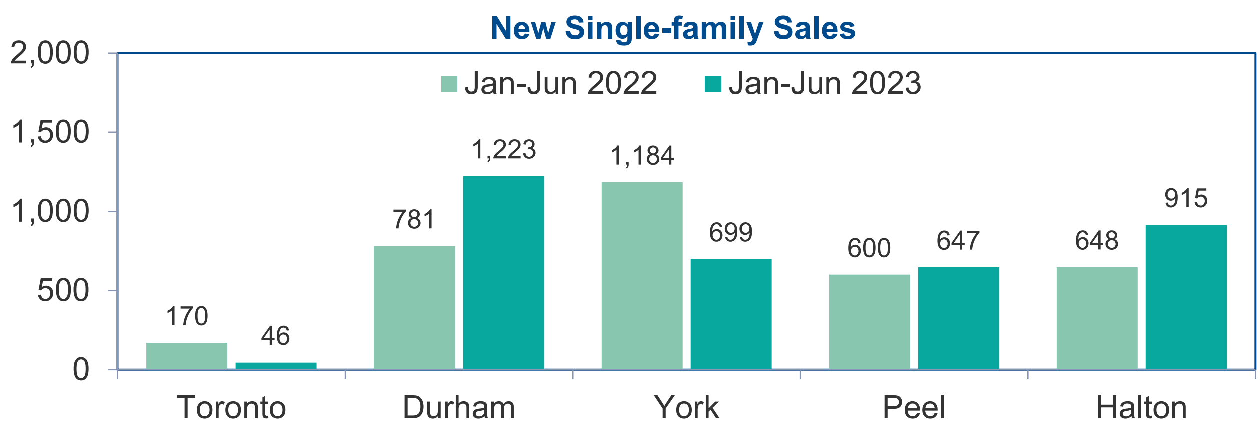


Source: Altus Group

GTA New Home Sales by Region

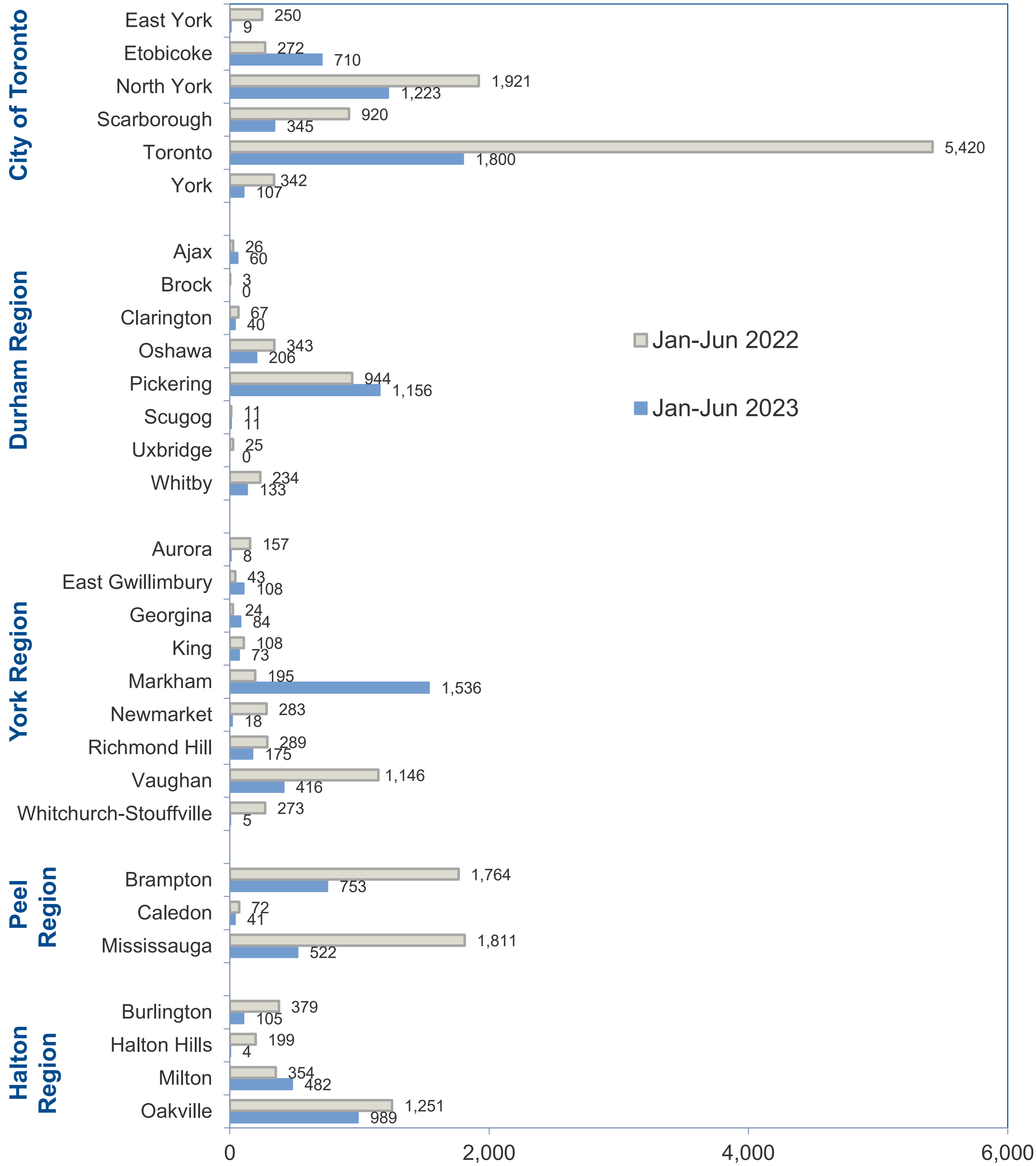






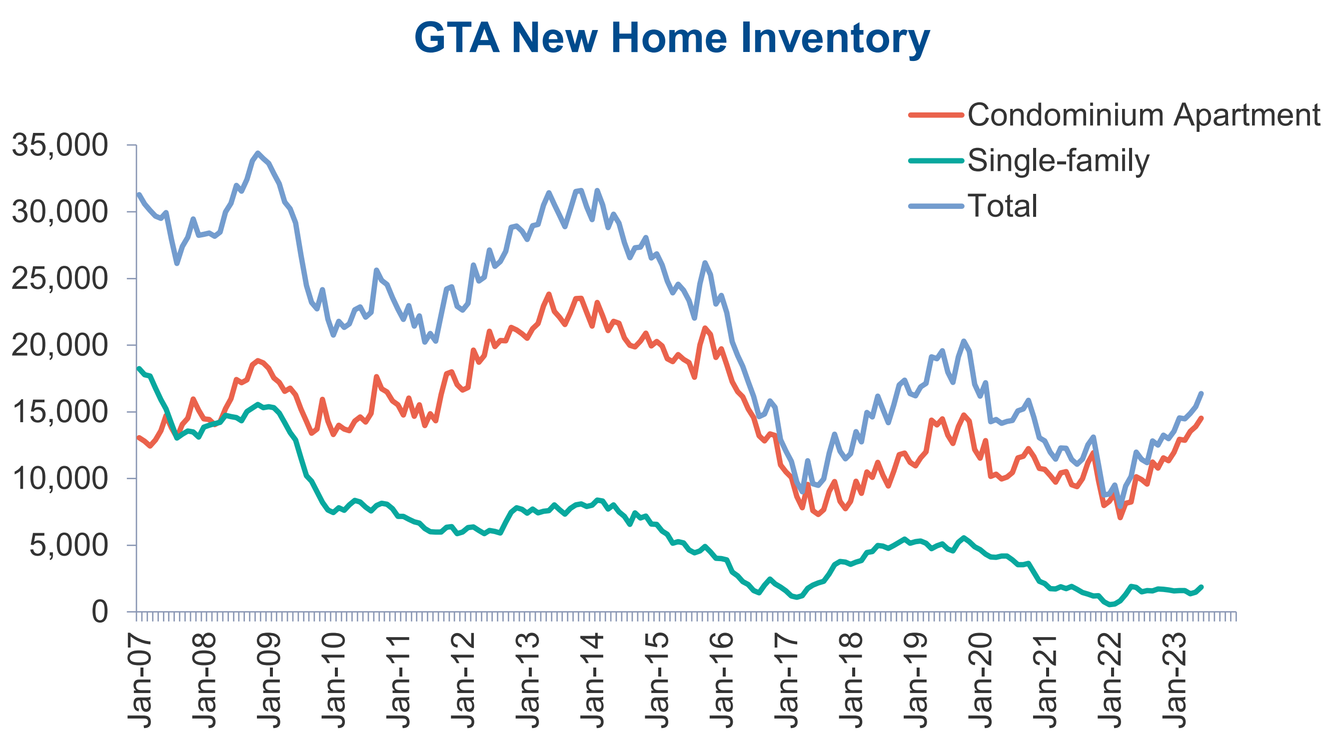
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

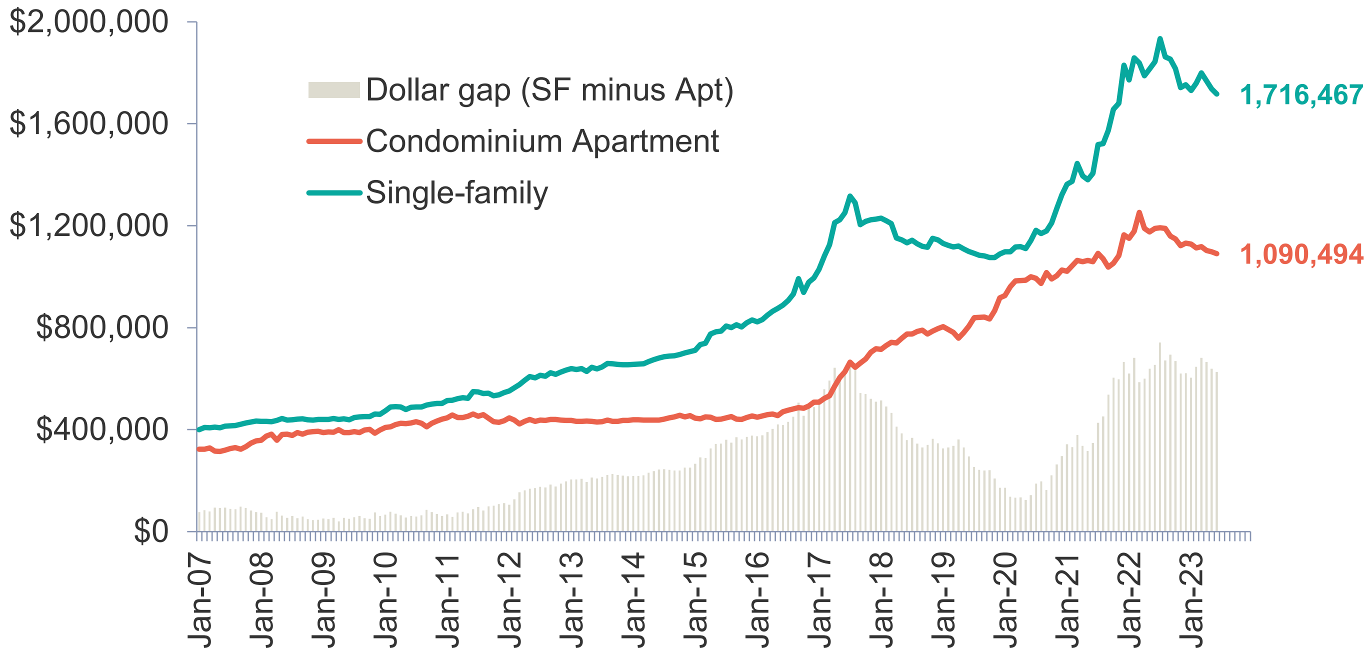
- **Total new home inventory increased again in June to reach an over 3-year high in June 2023.** Total inventory rose by about one-third compared to a year earlier but remains well below the 10-year average.
- Based on average monthly total new home sales over the past 12 months, there were about 4½ months of available supply of total new homes at the end of June 2023, well below the 10-year average for June of almost 8 months.
- **Condominium apartment inventory inched higher in June 2023 and is now above the 10-year average for June.** Single-family inventory reached a 13-month high in June but remained less than half of the 10-year average.



Source: Altus Group

- **The benchmark price for a new condominium apartment eased in June 2023 relative to both last year and last month**, down 8 percent year-over-year. Single-family benchmark pricing also moved lower in June compared to last month, off by 7 percent year-over-year.
- **The price advantage of available new condominium apartments compared to new single-family homes narrowed for a 3rd straight month in June.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for the 7th 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.

GTA New Home Benchmark Prices*



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

Source: Altus Group

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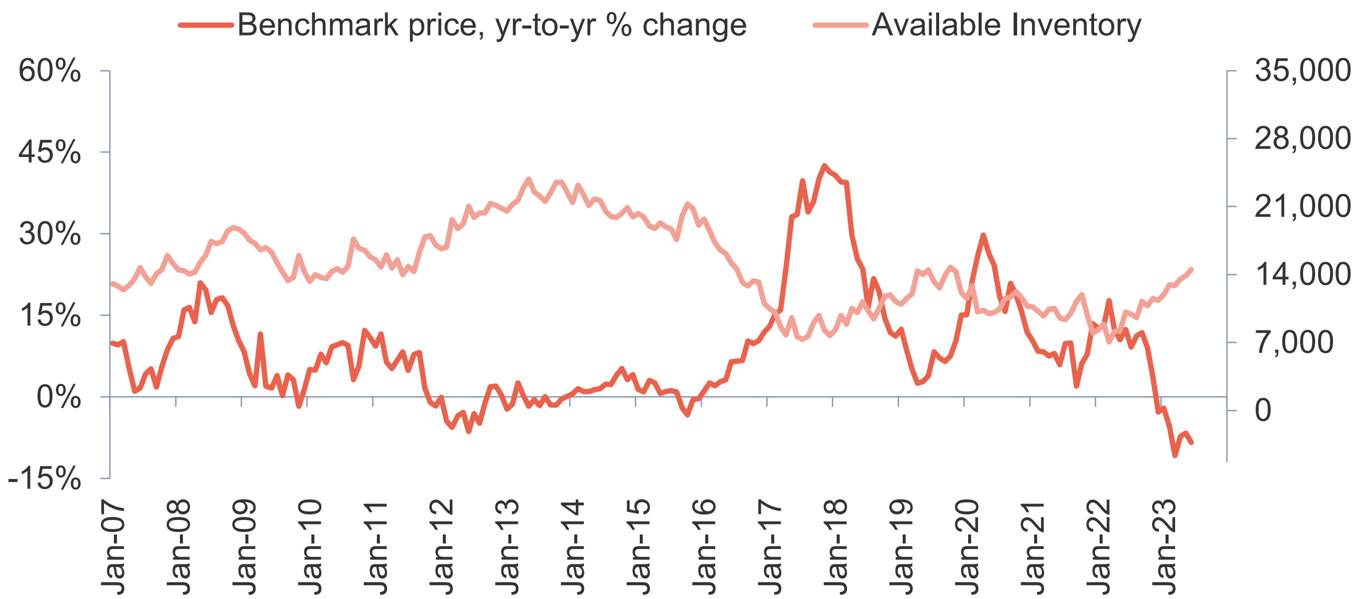
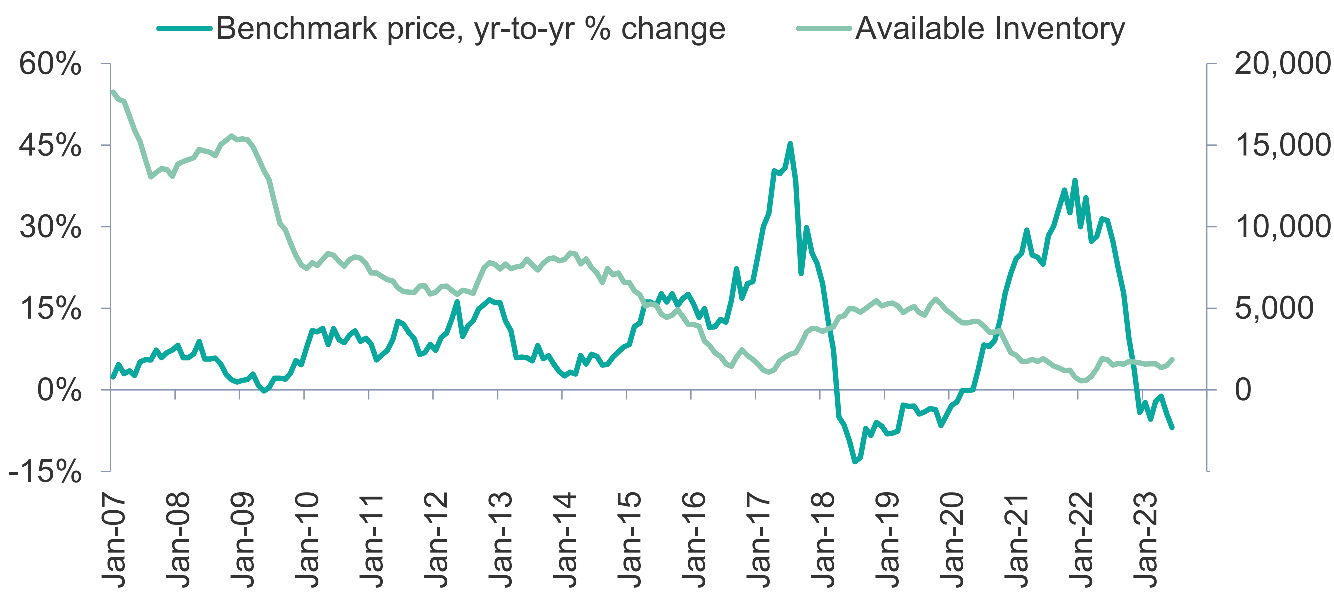
GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

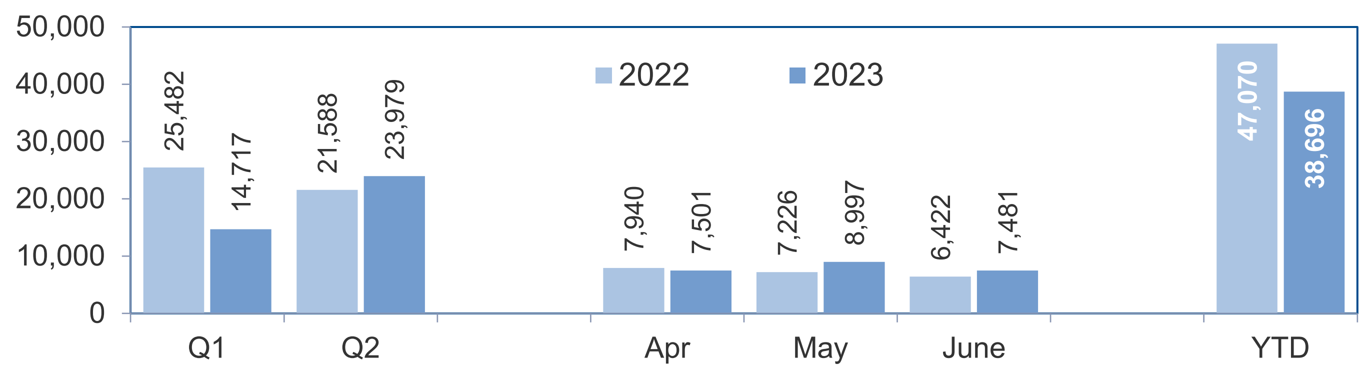
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

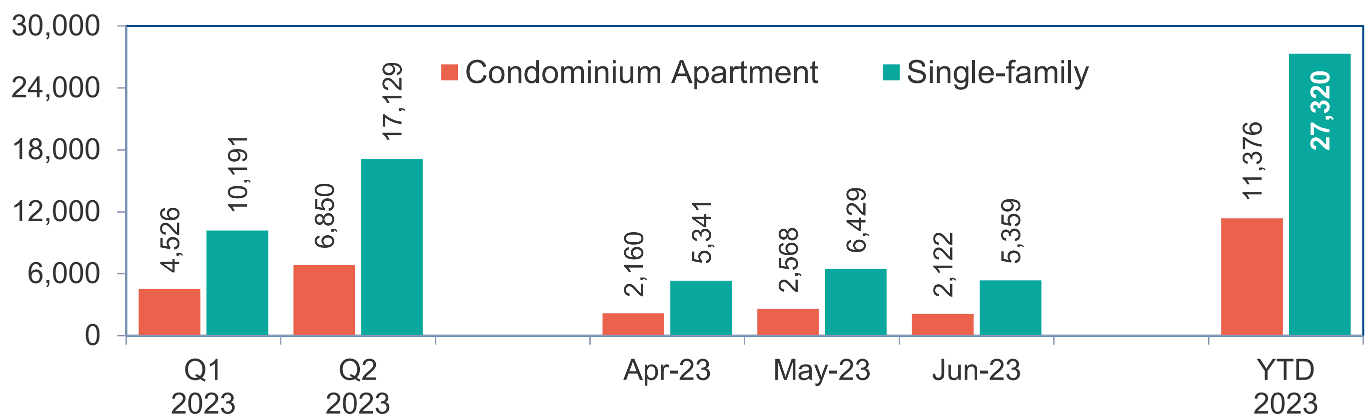


Source: Altus Group

- **Sales of existing homes were lower in June 2023** but were higher than the previous year. Year-to-date total resales for the first half of 2023 were down by about one-fifth compared to the same period in 2022 as the very low levels for the first quarter of 2023 continue to weigh on the year-to-date sales total.
- Both single-family and condo apartment resales outpaced the level from last year.
- **Total resale inventory levels in June 2023 surged by almost 20 percent from May, but are still well below the longer-term average.** Conditions were very tight with about 3 months of inventory in the resale condominium apartment sector and 2.5 months of inventory in the resale single-family sector**.**
- Average single-family resale prices in June 2023 slipped from May but were 5 percent higher than June of last year. For resale condominium apartments, average prices were down from May but lag previous year prices by just 1 percent *(charts next page).*

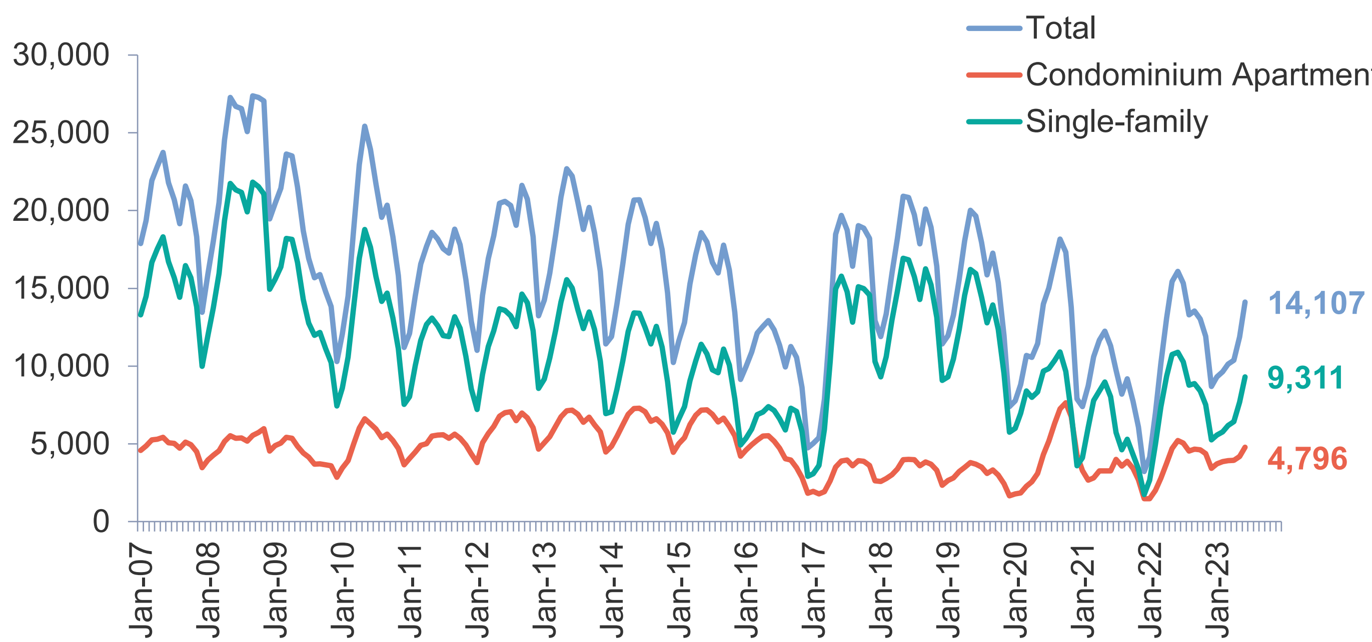
GTA Resale Home Sales





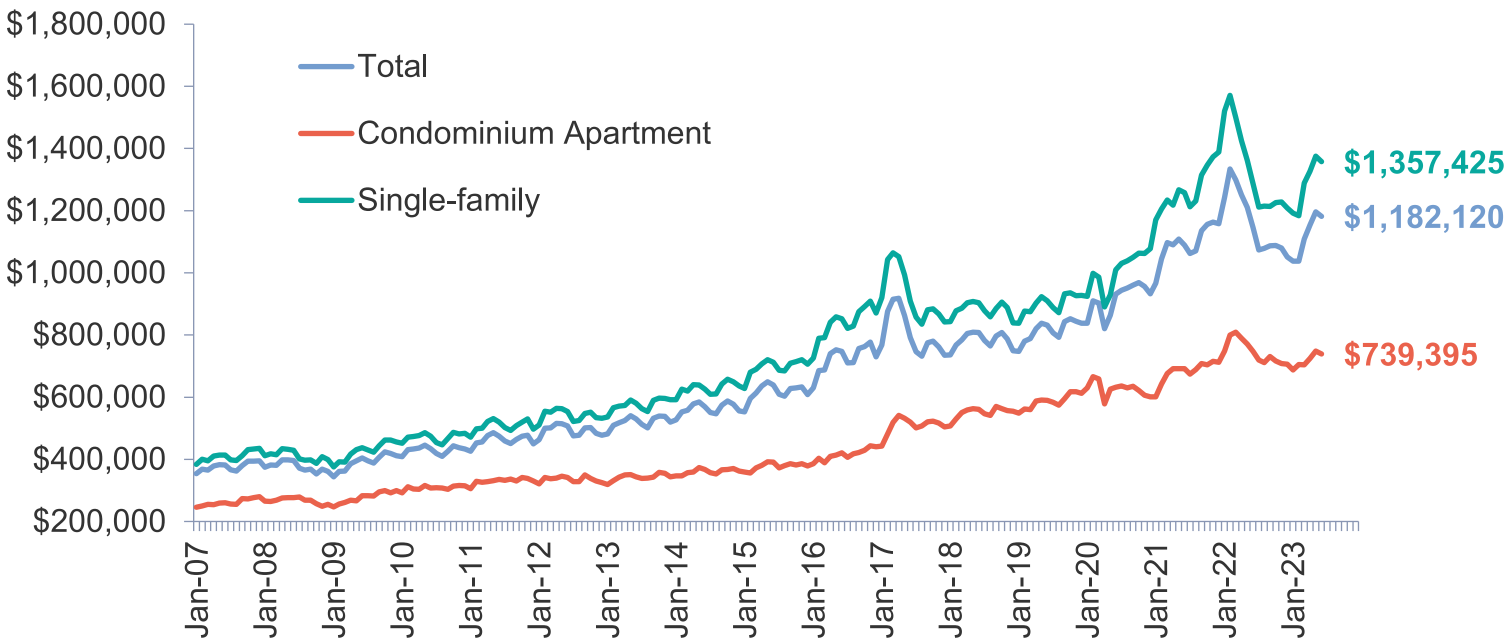
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory (“Active Listings”)



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

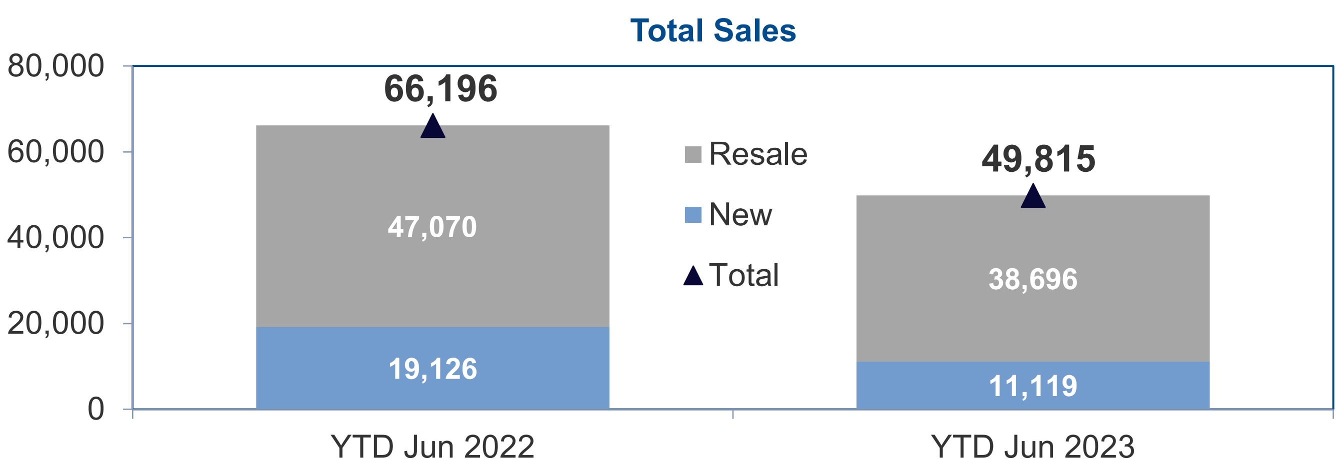
GTA Resale Home Prices

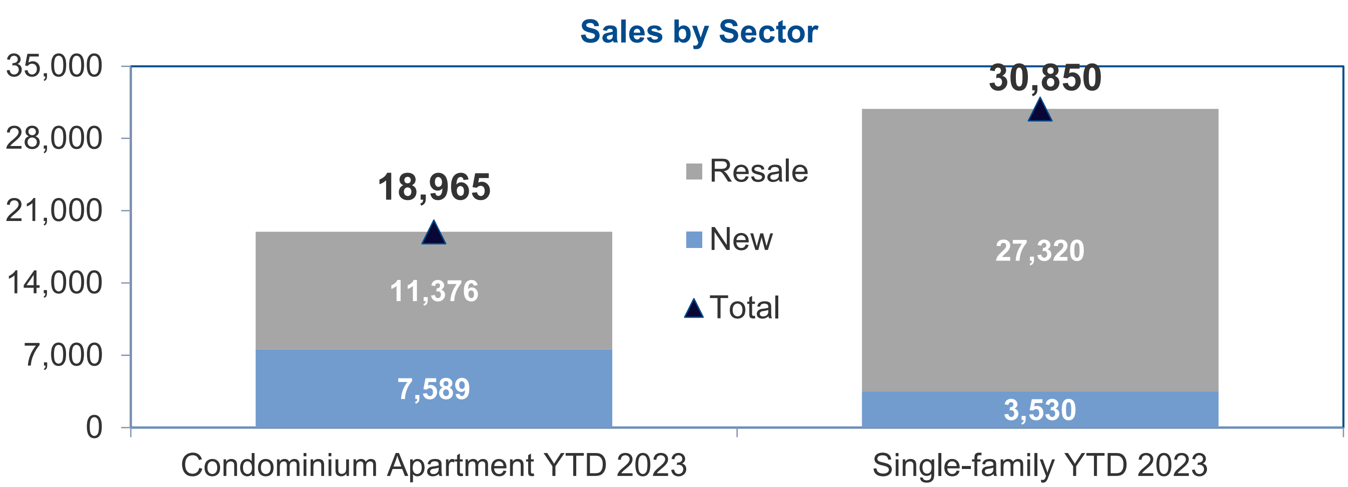


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Total home sales in the GTA in the first half of 2023 were down about 25 percent from a year earlier**. The decline was most evident in the apartment sector (-35%) though single-family sales also fell (-16%).
- **The new home sector accounted for roughly 1 out of every 5 home sales through June 2023** – this compares to 3 in 10 for 2022. About 1 in 9 single-family and 1 in 3 condo apartment homes sold were new homes.

GTA Combined New & Resale Home Sales

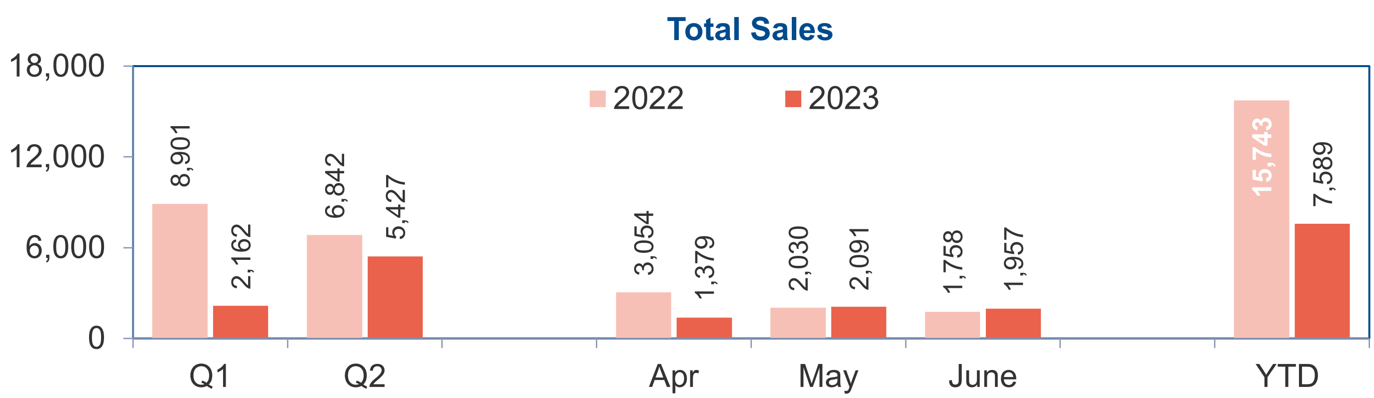


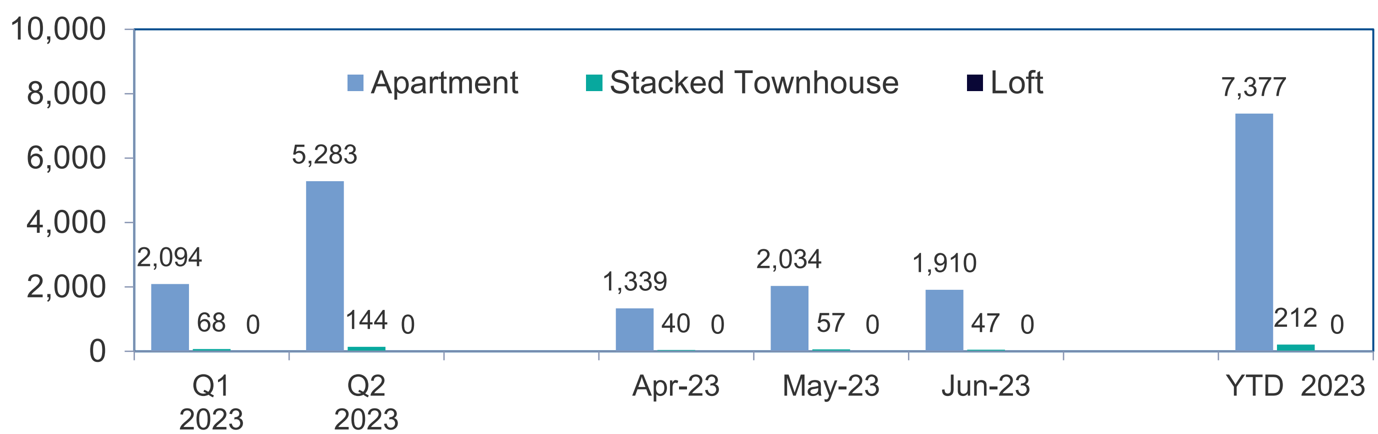


Source: Altus Group and Toronto Regional Real Estate Board data

- **New condominium apartment sales in June 2023 eased from last month.** June sales surpassed last year but sales were on the decline in 2022 as interest rate hikes were dragging on the market. Year-to-date sales through June are down 50 percent as a result of a very slow first quarter in 2023.
- **Only Toronto and Peel registered lower new condominium sales in June 2023** *(chart top of next page)*. However, year-to-date sales are down in each of the GTA regions except for York (*chart middle of next page*). York Region accounted for a larger share of new condominium apartment sales through the first half of 2023, larger at the expense of Peel Region (*chart bottom of next page*).
- At the local municipality level, most municipalities recorded lower sales in the first half of 2023 with Markham being a notable exception *(charts after next page)*.

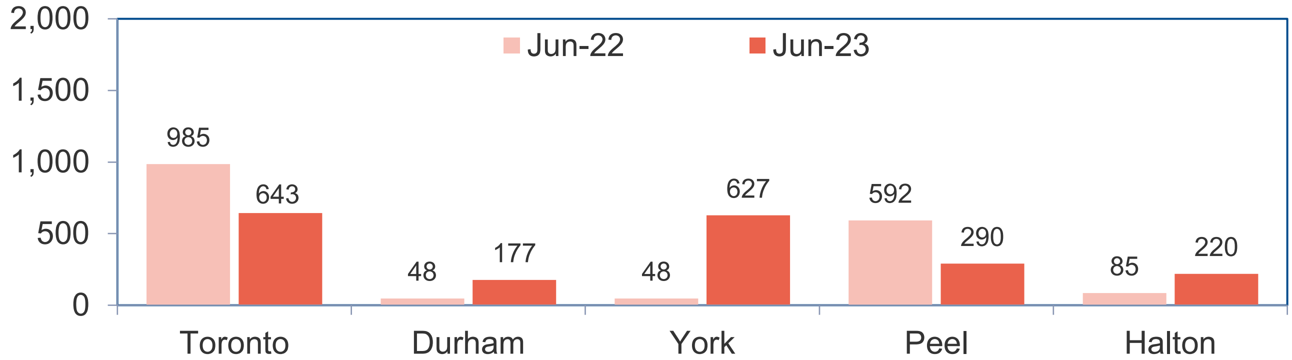
GTA New Condominium Apartment Sales

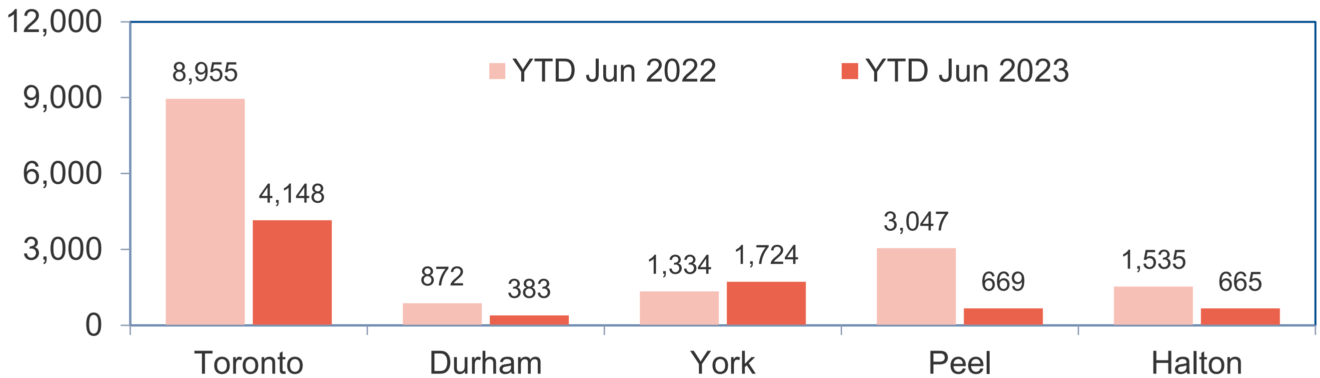


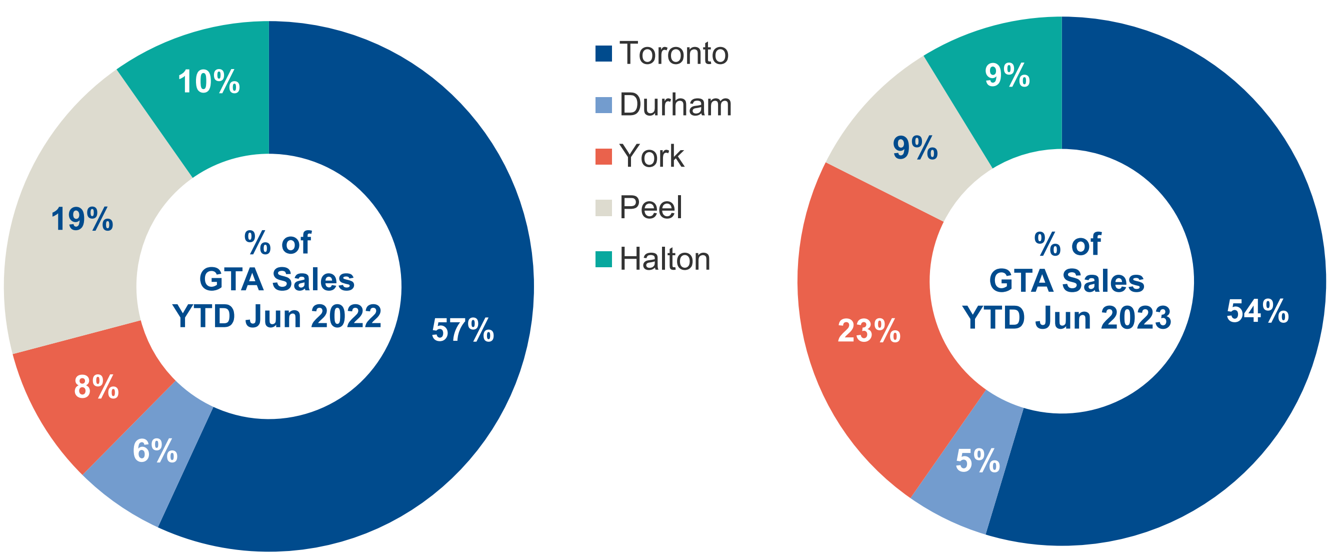


Source: Altus Group

GTA New Condominium Apartment Sales by Region

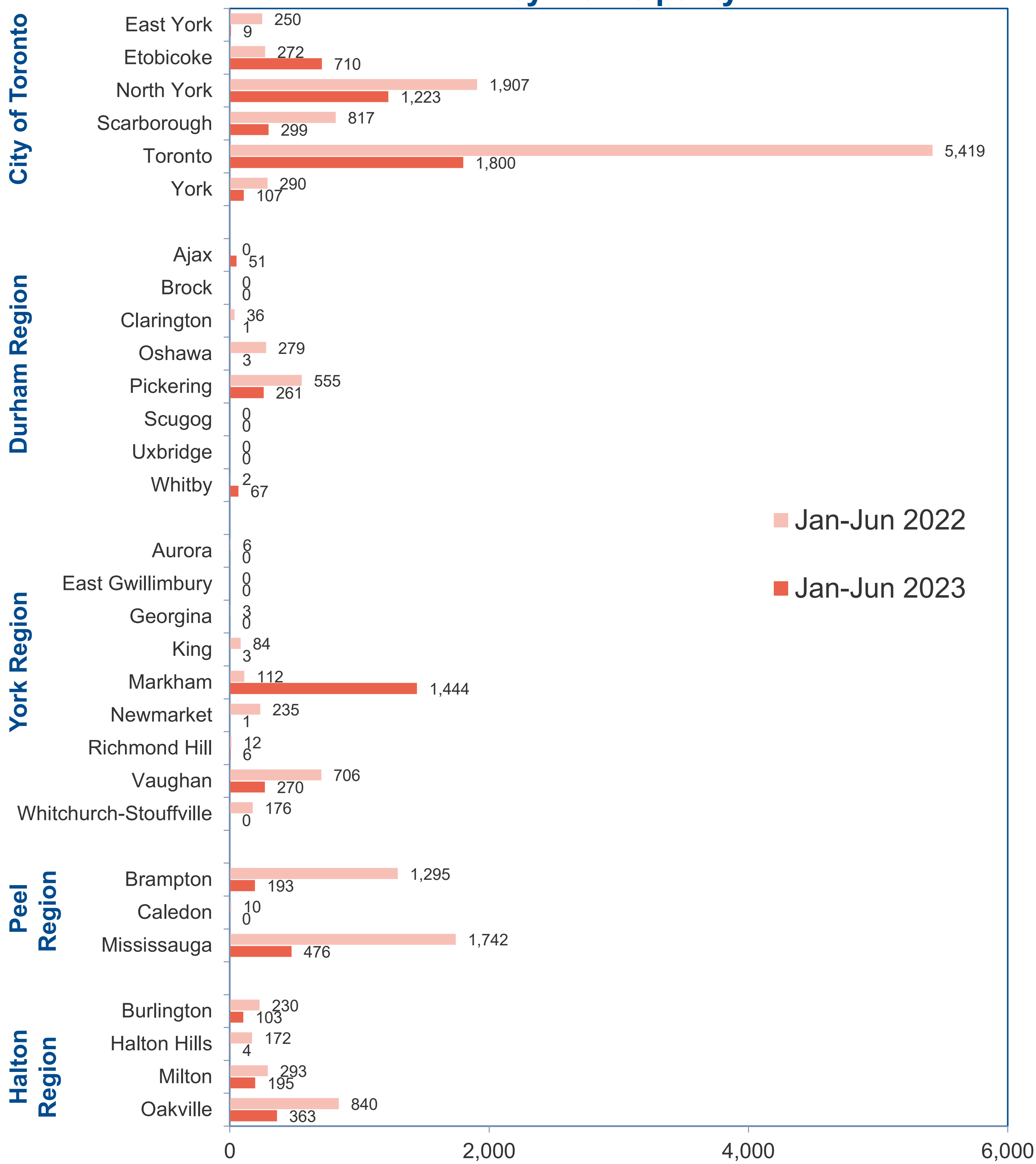






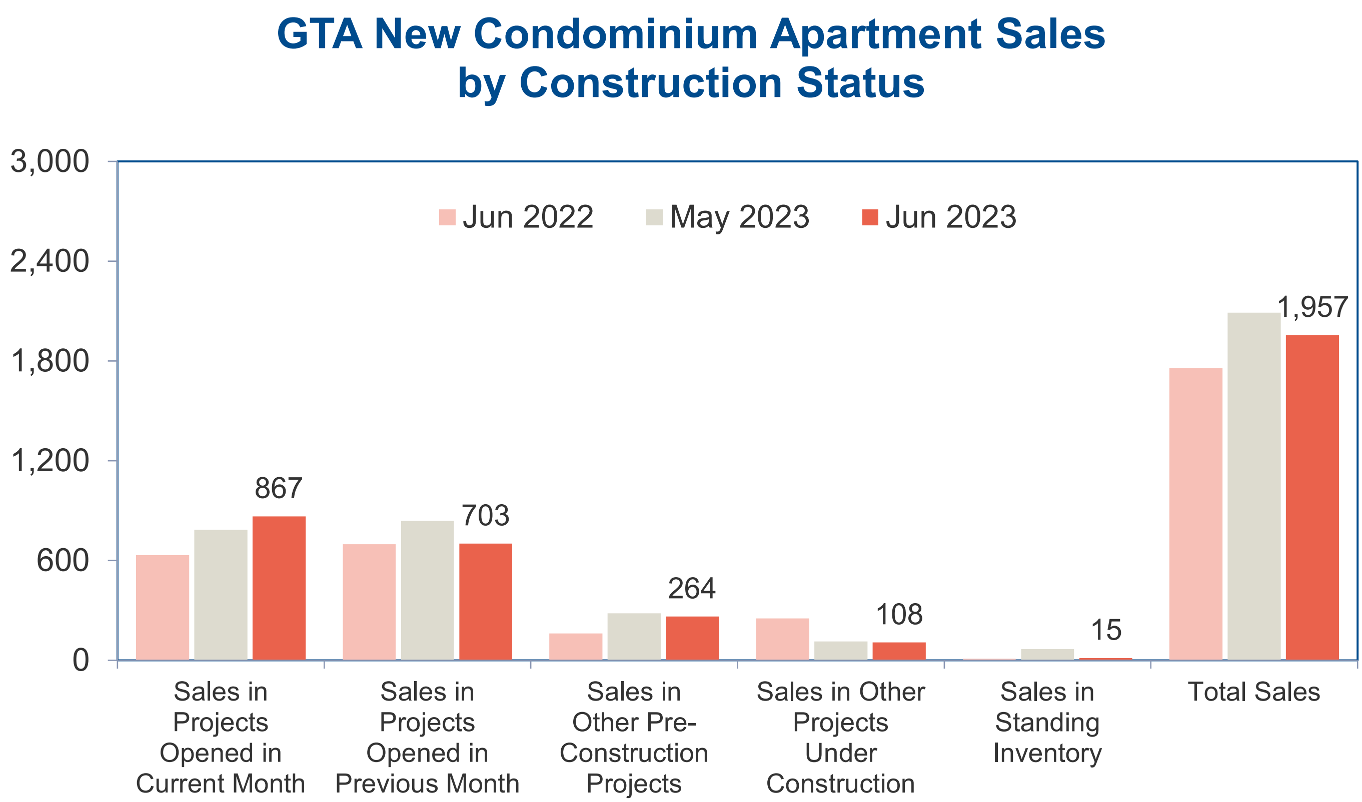
Source: Altus Group

GTA New Condominium Apartment Sales by Municipality



Source: Altus Group

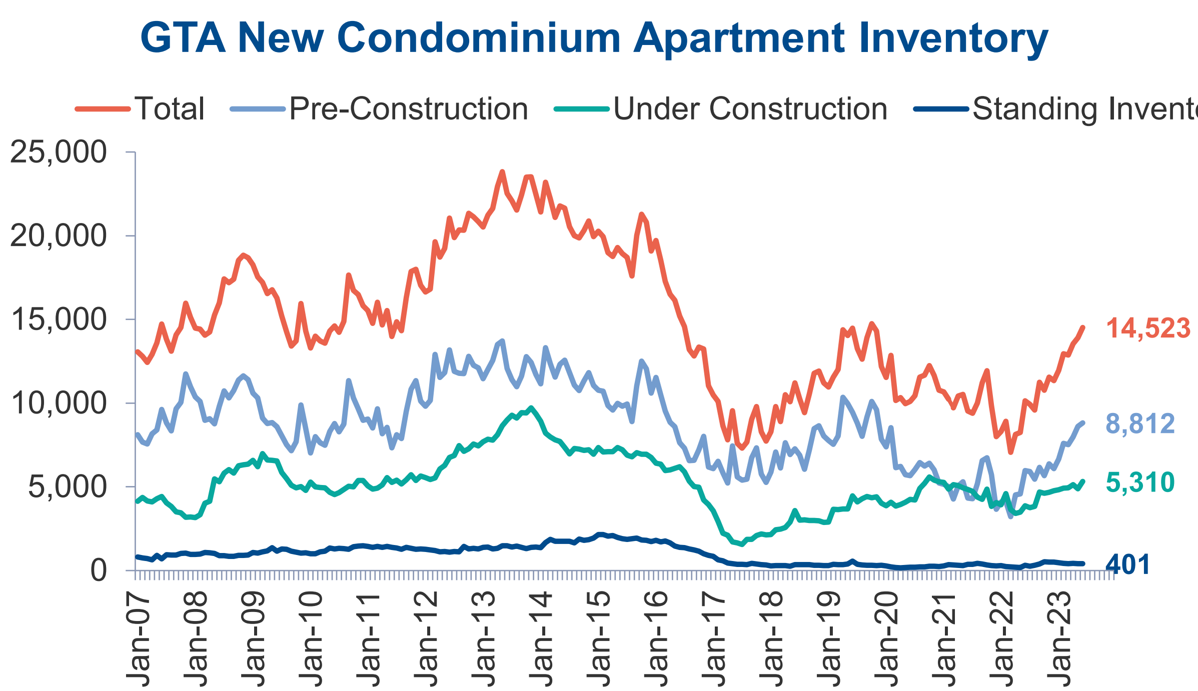
- **More than 40 percent of new condominium apartment sales in June 2023 occurred in newly opened projects.** Considering only the 7 of 9 projects that were finalizing sales in June, half of the units were sold.
- Sales in projects opened last month, buoyed by sales in 9 of the 13 projects that opened in the last 10 days of the month, accounted for over one in three of June 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 moved higher to reach a 4-year high** and moved above the 10-year average. The increase continued to be driven by higher pre-construction inventory arising from recent launches.
- **The current unsold inventory at new condominium apartment projects represents over 13 months of supply** at the average monthly pace of sales seen over the past 12 months, **reaching a 9-year high and remaining in an "oversupply" situation.**
- **The City of Toronto had more than 6 of 10 available units in June**. Based on sales in the past 12 months, York became the last region to enter an "oversupply" position with about 9.5 months of inventory.

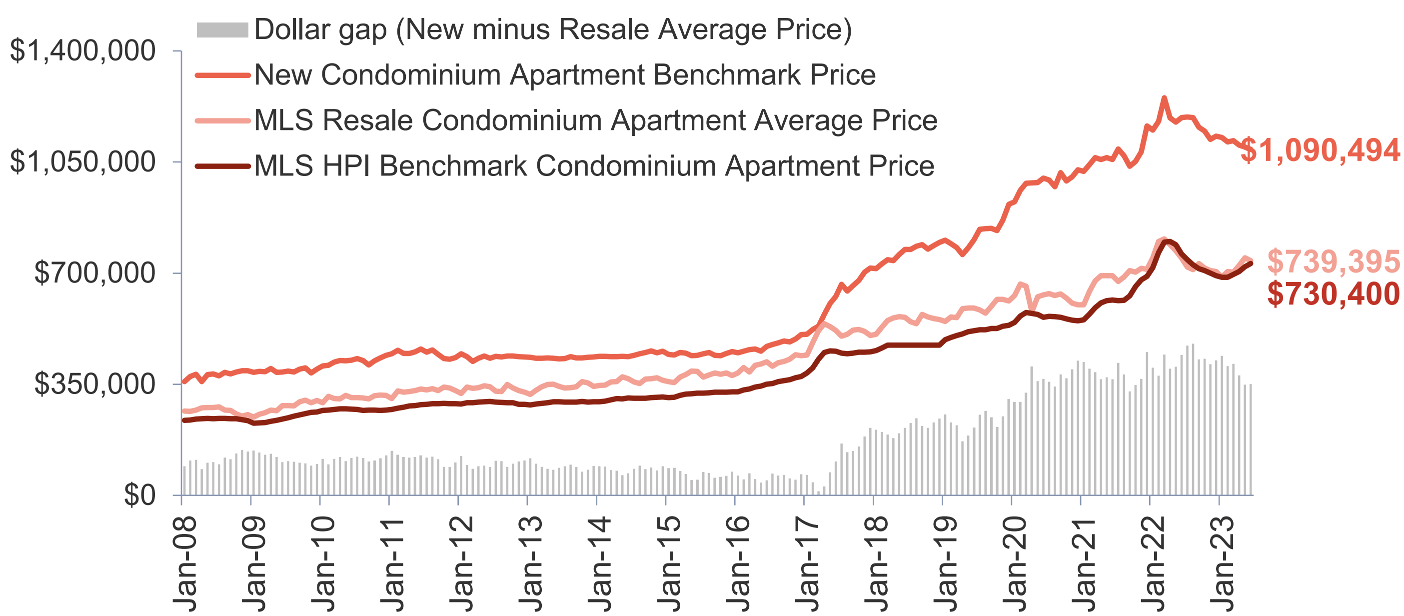


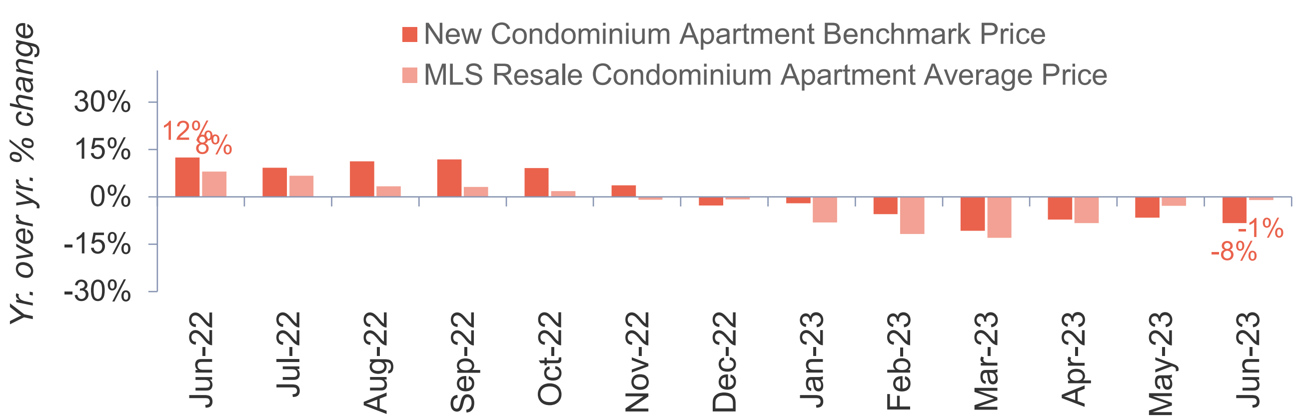
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment dipped for a 3rd consecutive month in June 2023** compared to the previous month and recorded a 7th consecutive year-over-year decline *(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 was virtually unchanged in June,** as resale condominium apartment prices also declined from last month.

GTA New and Resale Condominium Apartment Prices



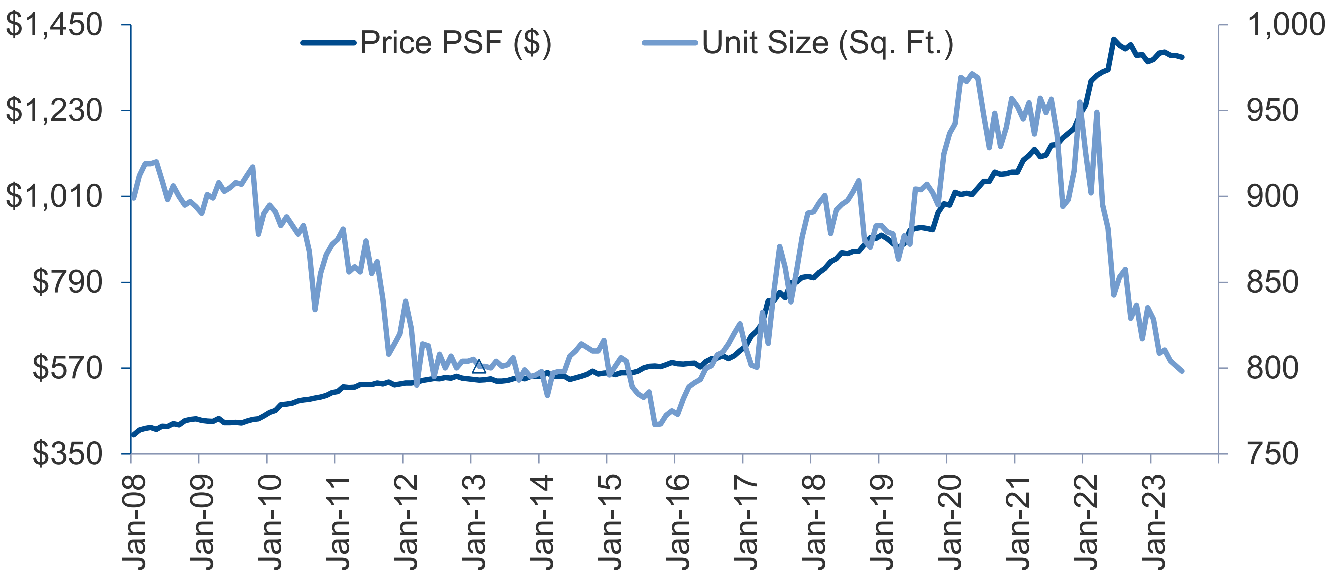


Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

- **Both the price per square foot for a new condominium apartments and the average unit size dipped in June 2023,** contributing to the drop in the new condominium apartment 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).

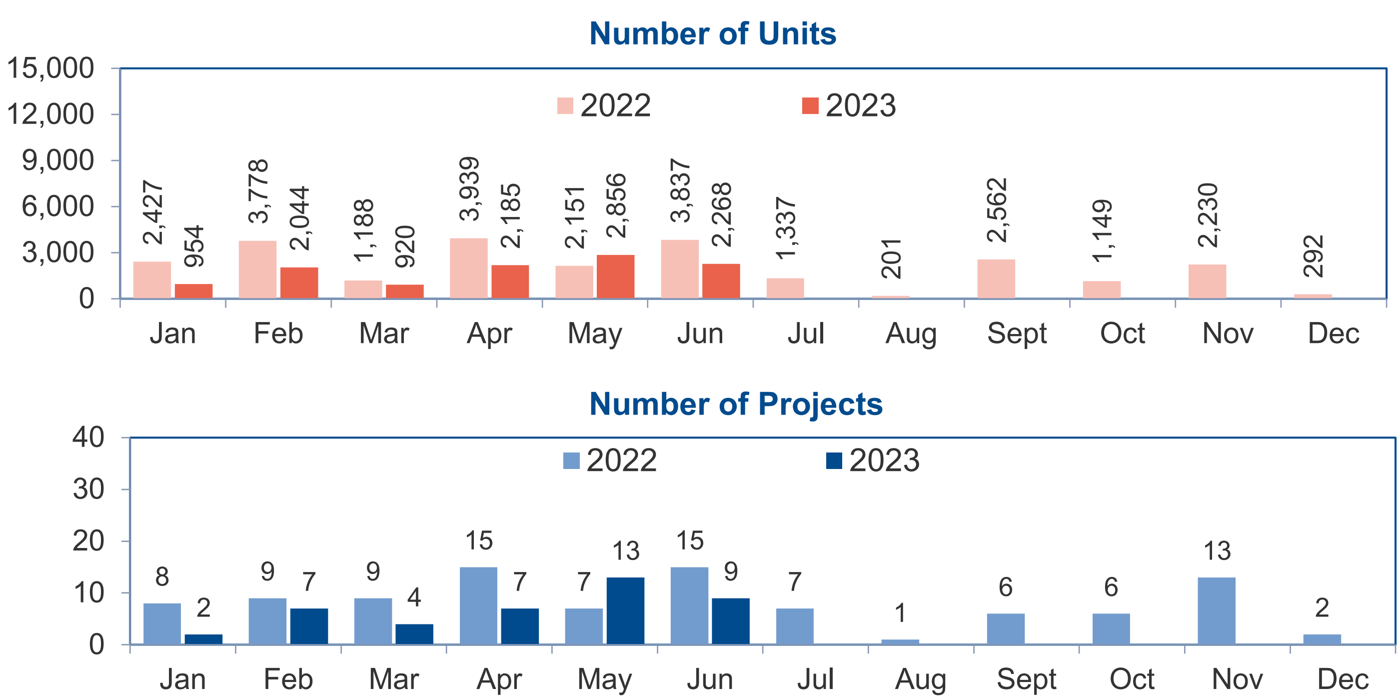
GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



Source: Altus Group

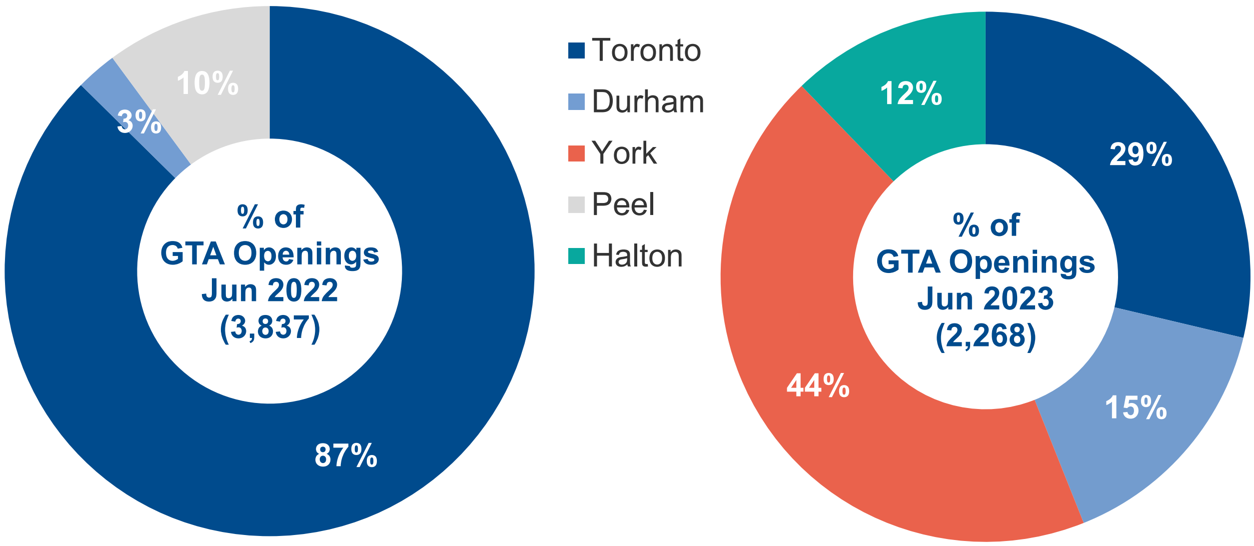
- **June 2023 saw the launch of 9 new condominium apartment projects adding over 2,250 units.** The average size of new projects was just over 250 units.
- **Over 4 in 10 units in newly opened projects were in York Region**, with Halton and Durham also taking market share away from the City of Toronto *(chart next page, top)***.** Within the City of Toronto, all of the openings occurred in Etobicoke, Scarborough and East York, who combined last year for fewer than 1 in 10 new openings in the City of Toronto *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in May and June 2023 accompanied by summary tables with additional details on each project. *Note that due to the large number of openings, there are 3 maps and 3 tables for the May openings and 2 maps and 2 tables for the June openings.*

GTA New Condominium Apartment Project Openings



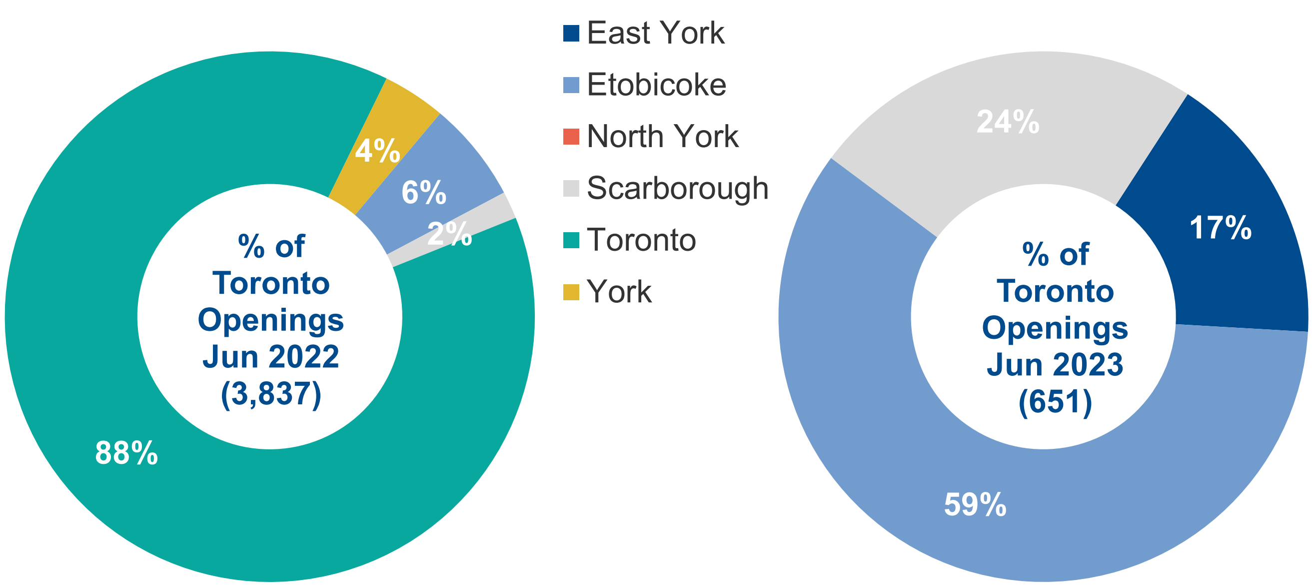
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region

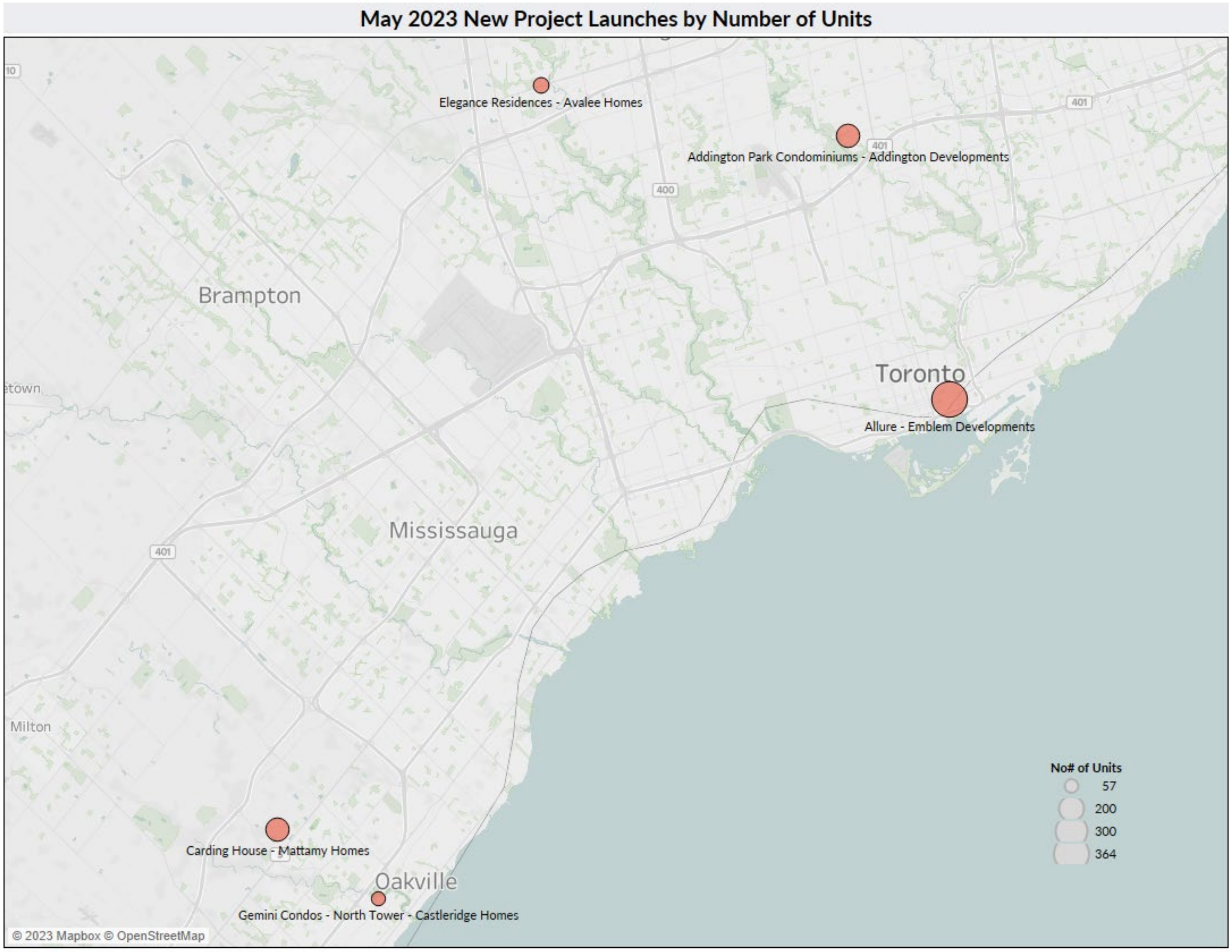


Source: Altus Group

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



Source: Altus Group



Source: Altus Group

Map 1 of 3

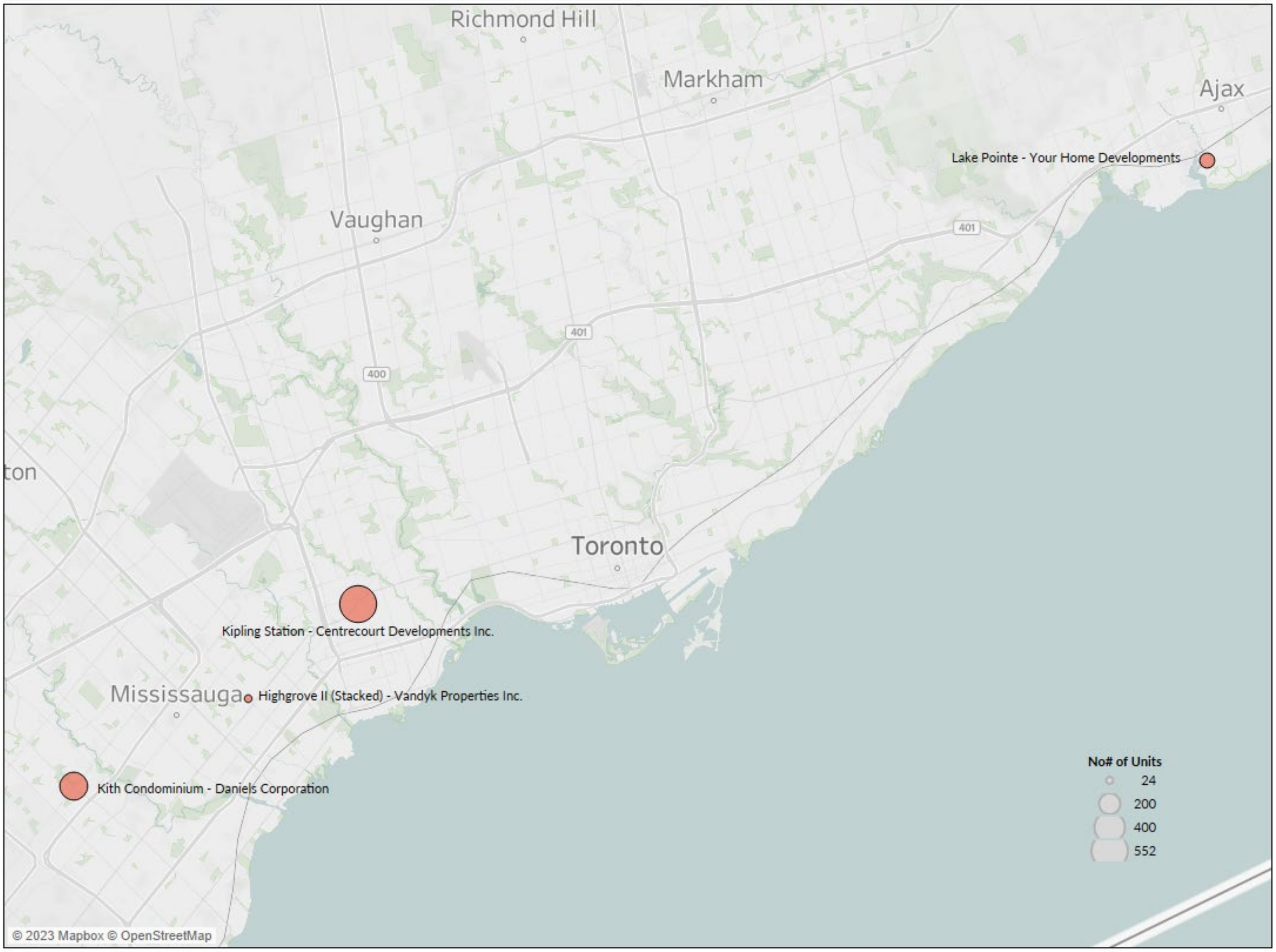
Note: due to the large number of openings in May, project maps and details each have 3 pages.

New Condominium Apartment Project Openings - May 2023 (1 of 3)

Project Name	**Addington Park Condominiums**	**Allure**	**Carding House**	**Elegance Residences**	**Gemini Condos - North Tower**
Developer	Addington Developments	Emblem Developments	Mattamy Homes	Avalee Homes	Castleridge Homes
Date Opened	May 27, 2023	May 5, 2023	May 3, 2023	May 10, 2023	May 23, 2023
Municipality	North York	Old Toronto	Oakville	Vaughan	Oakville
Region	Toronto	Toronto	Halton	York	Halton
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	9	43	5	12	10
Project Total Units	**173**	**509**	**157**	**72**	**103**
Total Units Released	**153**	**364**	**157**	**71**	**57**
Studio	24	46	-	-	-
1 Bedroom	7	78	31	-	-
1 Bedroom + den	16	49	60	17	-
2 Bedroom	31	141	59	10	31
2 Bedroom + den	68	-	7	31	24
3 Bedroom & up	7	50	-	13	-
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	-
Other	-	-	-	-	2
Opening Month Sales	**0**	**120**	**146**	**4**	**0**
% Sold (of released units)	0%	33%	93%	6%	0%
Remaining Available Inventory	153	244	11	67	57
Original $PSF	$1,381	$1,609	$1,057	$1,381	$1,067
Minimum Size (sq. ft.)	372	434	477	909	672
Maximum Size (sq. ft.)	988	846	820	3,817	1,053
Minimum Price	$548,900	$729,990	$529,990	$1,194,900	$727,990
Maximum Price	$1,344,900	$1,362,990	$836,990	$5,889,900	$1,732,900
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

May 2023 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 3

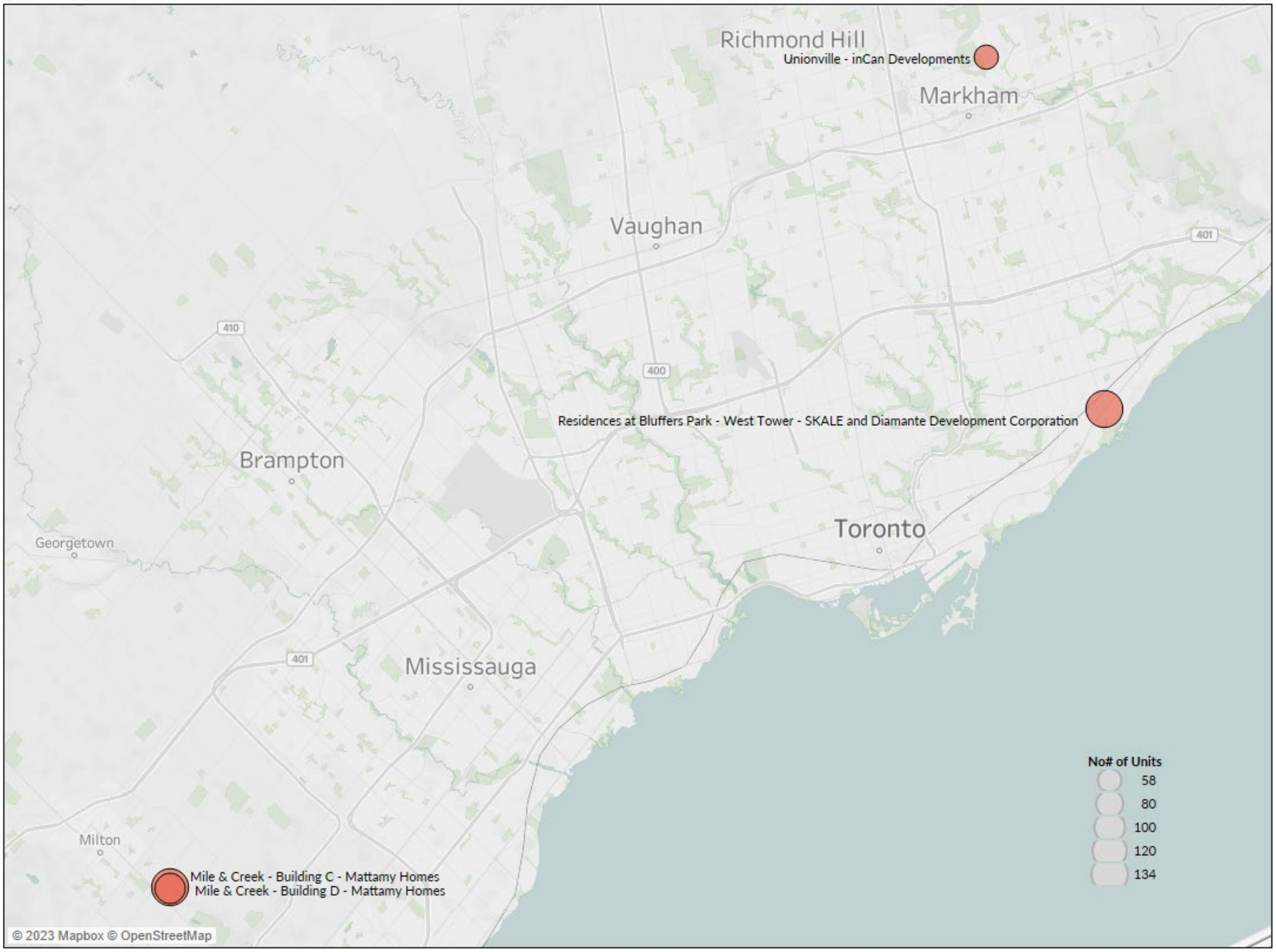
AltusGroup

New Condominium Apartment Project Openings - May (2 of 3)				
Project Name	**Highgrove II (Stacked)**	**Kipling Station**	**Kith Condominium**	**Lake Pointe**
Developer	Vandyk Properties Inc.	Centrecourt Developments Inc.	Daniels Corporation	Your Home Developments
Date Opened	May 6, 2023	May 8, 2023	May 27, 2023	May 25, 2023
Municipality	Mississauga	Etobicoke	Mississauga	Ajax
Region	Peel	Toronto	Peel	Durham
Structural Type	Stacked	Apartment	Apartment	Apartment
Floors	4	50	15	8
Project Total Units	**24**	**552**	**316**	**172**
Total Units Released	**24**	**552**	**314**	**93**
Studio	-	56	22	-
1 Bedroom	-	87	116	30
1 Bedroom + den	-	225	23	17
2 Bedroom	8	128	152	35
2 Bedroom + den	-	-	-	10
3 Bedroom & up	16	56	1	1
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**23**	**422**	**0**	**0**
Next Month Sales	**1**	**29**	**193**	**51**
% Sold (of released units)	100%	82%	61%	55%
Remaining Available Inventory	0	101	121	42
Original $PSF	$794	$1,218	$1,103	$1,152
Minimum Size (sq. ft.)	993	343	417	480
Maximum Size (sq. ft.)	1,167	935	1,074	1,179
Minimum Price	$839,990	$499,000	$539,900	$598,900
Maximum Price	$899,990	$971,000	$1,073,900	$1,179,900
Notes				

Source: Altus Group

AltusGroup

May 2023 New Project Launches by Number of Units



Source: Altus Group

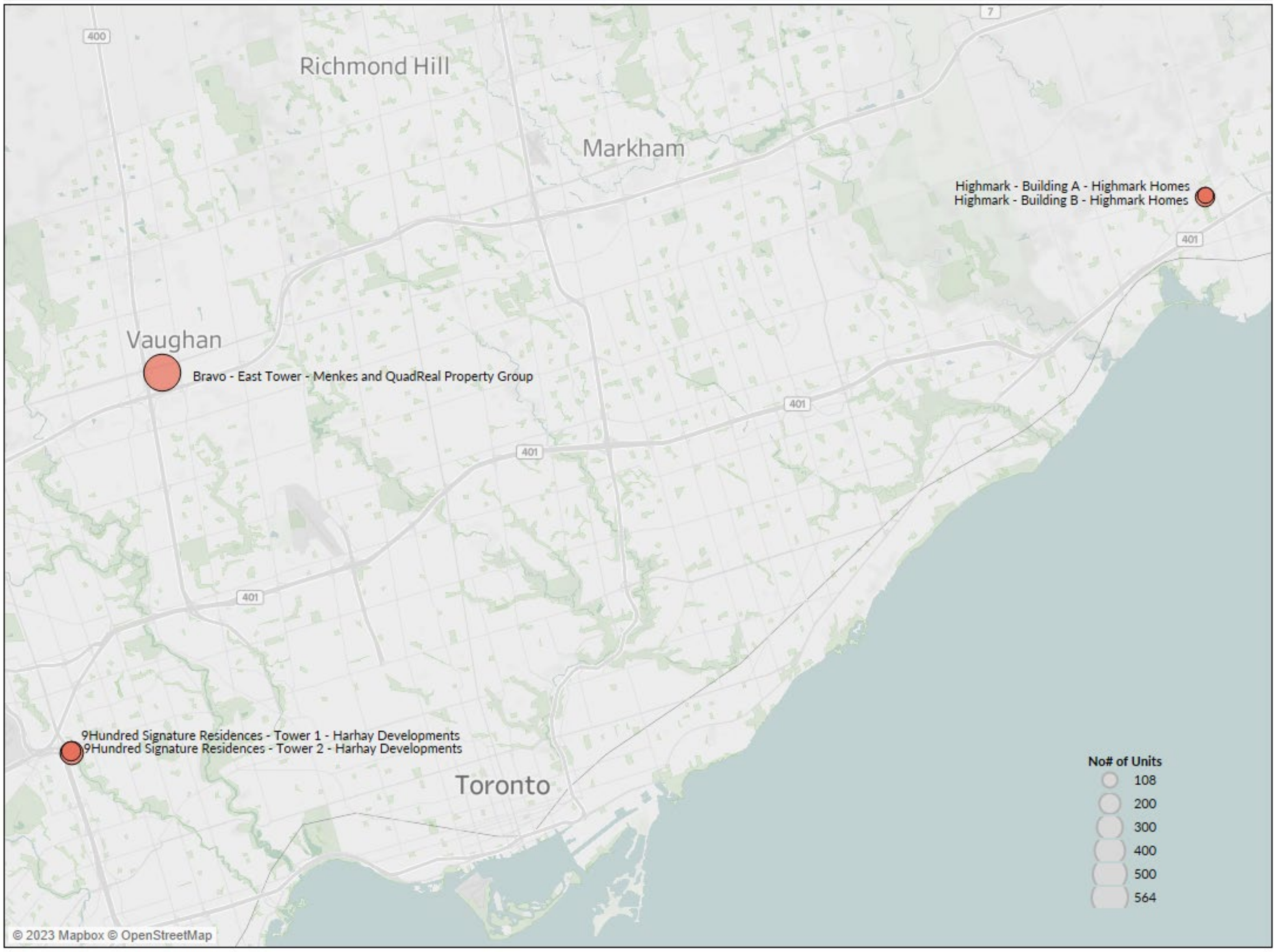
Map 3 of 3

AltusGroup

New Condominium Apartment Project Openings - May 2022 (3 of 3)				
Project Name	**Mile & Creek - Building C**	**Mile & Creek - Building D**	**Residences at Bluffers Park - West Tower**	**Unionville**
Developer	Mattamy Homes	Mattamy Homes	SKALE and Diamante Development Corporation	inCan Developments
Date Opened	May 24, 2023	May 24, 2023	May 24, 2023	May 27, 2023
Municipality	Milton	Milton	Scarborough	Markham
Region	Halton	Halton	Toronto	York
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	8	8	13	10
Project Total Units	**93**	**133**	**224**	**269**
Total Units Released	**93**	**133**	**134**	**269**
Studio	-	-	-	-
1 Bedroom	2	23	64	72
1 Bedroom + den	59	69	39	84
2 Bedroom	-	23	5	60
2 Bedroom + den	23	9	5	53
3 Bedroom & up	9	9	21	-
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**0**	**0**	**0**	**71**
Next Month Sales	**52**	**88**	**67**	**39**
% Sold (of released units)	56%	66%	50%	41%
Remaining Available Inventory	41	45	67	159
Original $PSF	$1,004	$1,042	$1,128	$1,363
Minimum Size (sq. ft.)	503	504	440	403
Maximum Size (sq. ft.)	1,039	981	1,084	915
Minimum Price	$558,990	$549,990	$489,000	$593,990
Maximum Price	$938,990	$923,990	$1,125,000	$1,193,990
Notes				

Source: Altus Group

June 2023 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

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

New Condominium Apartments - Openings

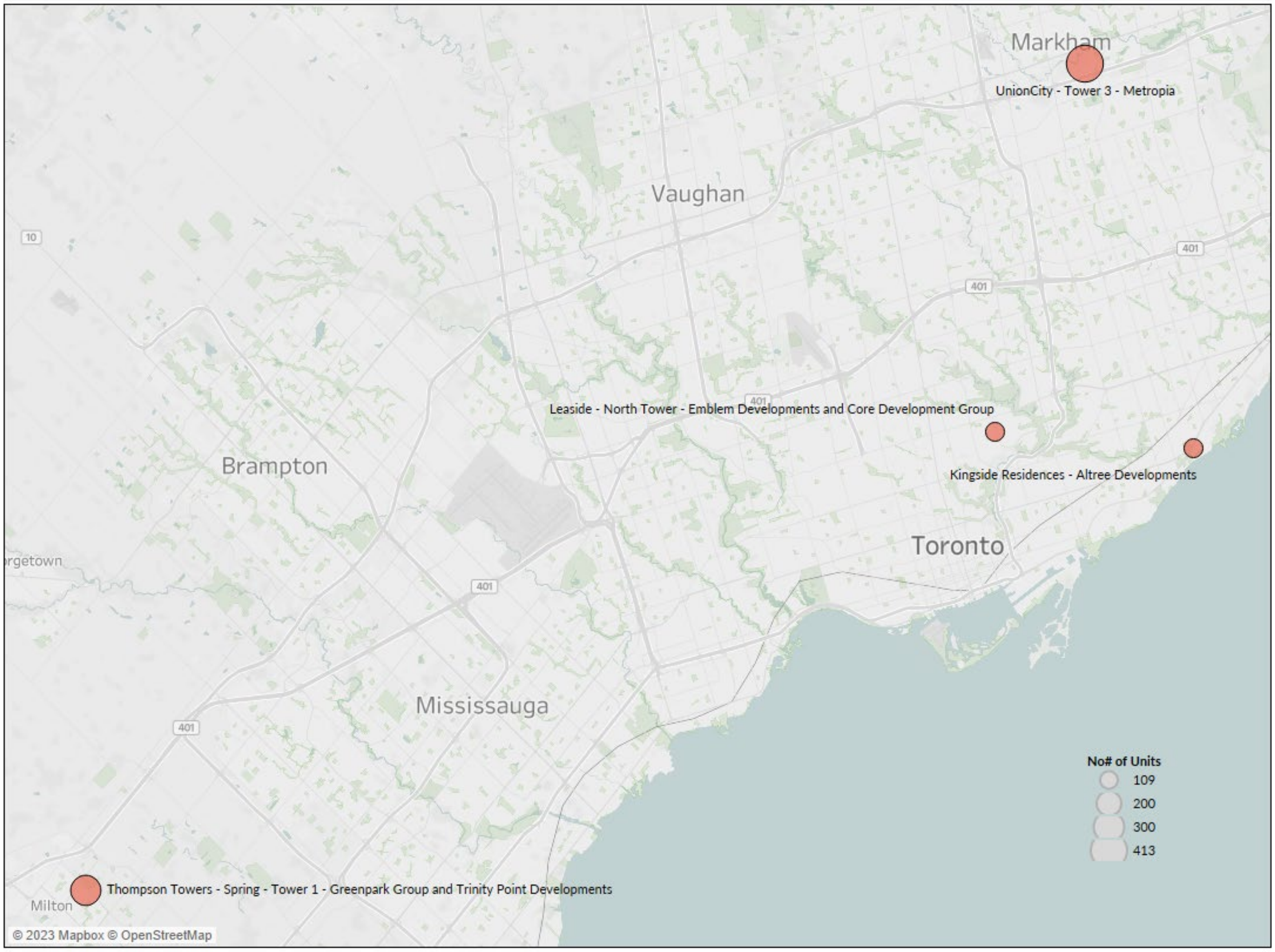
AltusGroup

New Condominium Apartment Project Openings - June 2023 (1 of 2)					
Project Name	**9Hundred Signature Residences - Tower 1**	**9Hundred Signature Residences - Tower 2**	**Bravo - East Tower**	**Highmark - Building A**	**Highmark - Building B**
Developer	Harhay Developments	Harhay Developments	Menkes and QuadReal Property Group	Highmark Homes	Highmark Homes
Date Opened	June 1, 2023	June 1, 2023	June 6, 2023	June 17, 2023	June 17, 2023
Municipality	Etobicoke	Etobicoke	Vaughan	Pickering	Pickering
Region	Toronto	Toronto	York	Durham	Durham
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	21	21	47	12	16
Project Total Units	**161**	**225**	**564**	**150**	**196**
Total Units Released	**161**	**225**	**564**	**108**	**155**
Studio	-	-	47	4	-
1 Bedroom	53	71	188	15	13
1 Bedroom + den	13	67	47	65	81
2 Bedroom	57	47	282	24	47
2 Bedroom + den	19	21	-	-	-
3 Bedroom & up	19	19	-	-	14
Penthouse	-	-	-	-	-
Townhouse	-	-	-	-	-
Other	-	-	-	-	-
Opening Month Sales	**76**	**112**	**185**	**45**	**65**
% Sold (of released units)	47%	50%	33%	42%	42%
Remaining Available Inventory	85	113	379	63	90
Original $PSF	$922	$982	$1,205	$1,116	$1,099
Minimum Size (sq. ft.)	438	428	362	386	446
Maximum Size (sq. ft.)	1,371	1,344	699	817	1,055
Minimum Price	$539,900	$499,900	$450,990	$504,990	$572,990
Maximum Price	$970,900	$1,091,900	$820,990	$838,990	$1,732,900
Notes					

Source: Altus Group

AltusGroup

June 2023 New Project Launches by Number of Units



Source: Altus Group

Map 2 of 2

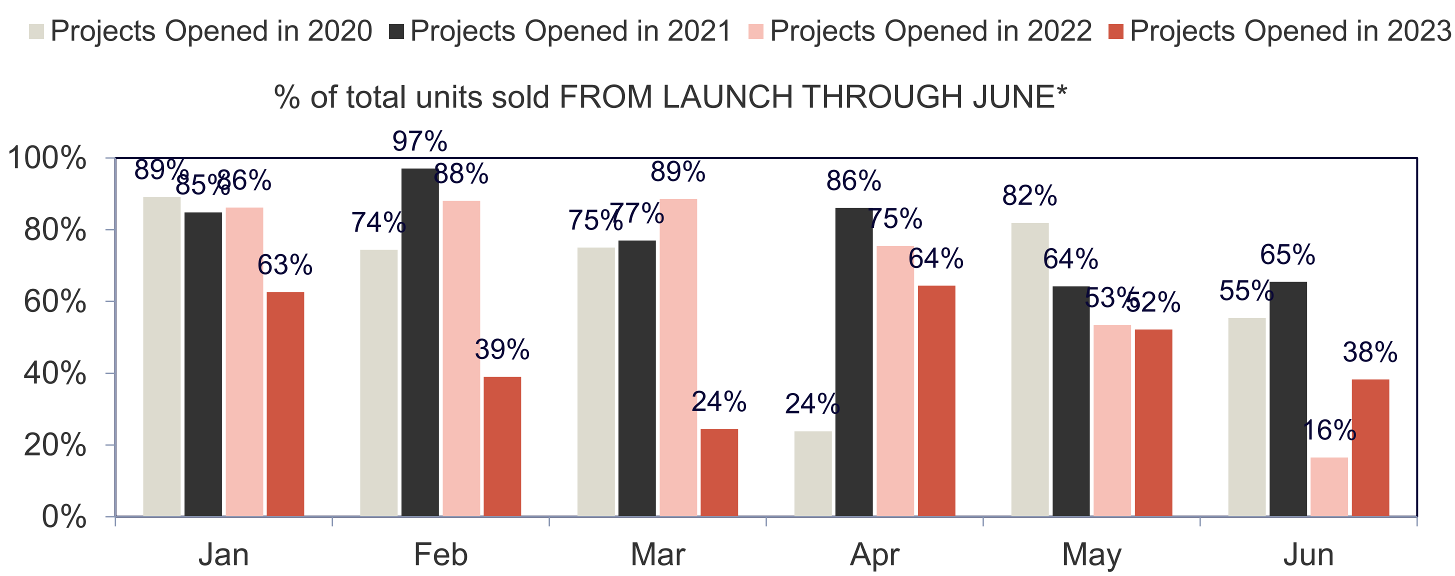
New Condominium Apartment Project Openings - June 2023 (2 of 2)				
Project Name	**Kingside Residences**	**Leaside - North Tower**	**Thompson Towers - Spring - Tower 1**	**UnionCity - Tower 3**
Developer	Altree Developments	Emblem Developments and Core Development	Greenpark Group and Trinity Point Developments	Metropia
Date Opened	June 8, 2023	June 21, 2023	June 21, 2023	June 14, 2023
Municipality	Scarborough	East York	Milton	Markham
Region	Toronto	Toronto	Halton	York
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	10	8	28	35
Project Total Units	**156**	**109**	**277**	**430**
Total Units Released	**117**	**109**	**277**	**413**
Studio	21	17	-	22
1 Bedroom	22	16	50	34
1 Bedroom + den	26	26	106	221
2 Bedroom	23	26	54	132
2 Bedroom + den	17	12	56	-
3 Bedroom & up	7	8	2	-
Penthouse	-	-	-	4
Townhouse	-	4	9	-
Other	1	-	-	-
Opening Month Sales	**44**	**0**	**0**	**340**
% Sold (of released units)	38%	0%	0%	82%
Remaining Available Inventory	73	109	277	73
Original $PSF	$1,312	$1,573	$1,044	$1,277
Minimum Size (sq. ft.)	339	400	514	452
Maximum Size (sq. ft.)	1,098	1,056	1,733	742
Minimum Price	$464,990	$639,990	$558,990	$599,900
Maximum Price	$1,539,990	$1,549,990	$1,343,900	$912,900
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	

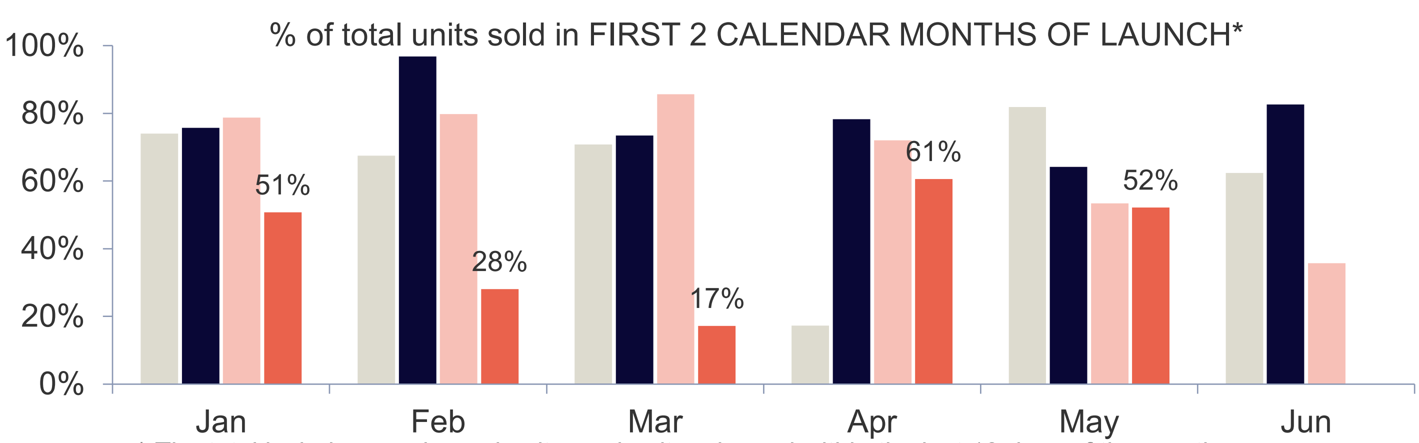
Source: Altus Group

New Condominium Apartments - Openings

- **About 4 in 10 units in projects opened in June were sold by month end.** Excluding the 2 projects that opened during the last 10 days of June, half of available units had been sold.
- After 2 months of sales, projects opened in each of the first three months of 2023 lag the pace of the previous three years. For both April and May openings, sales have been very near to the level of the previous year.
- 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 June)*



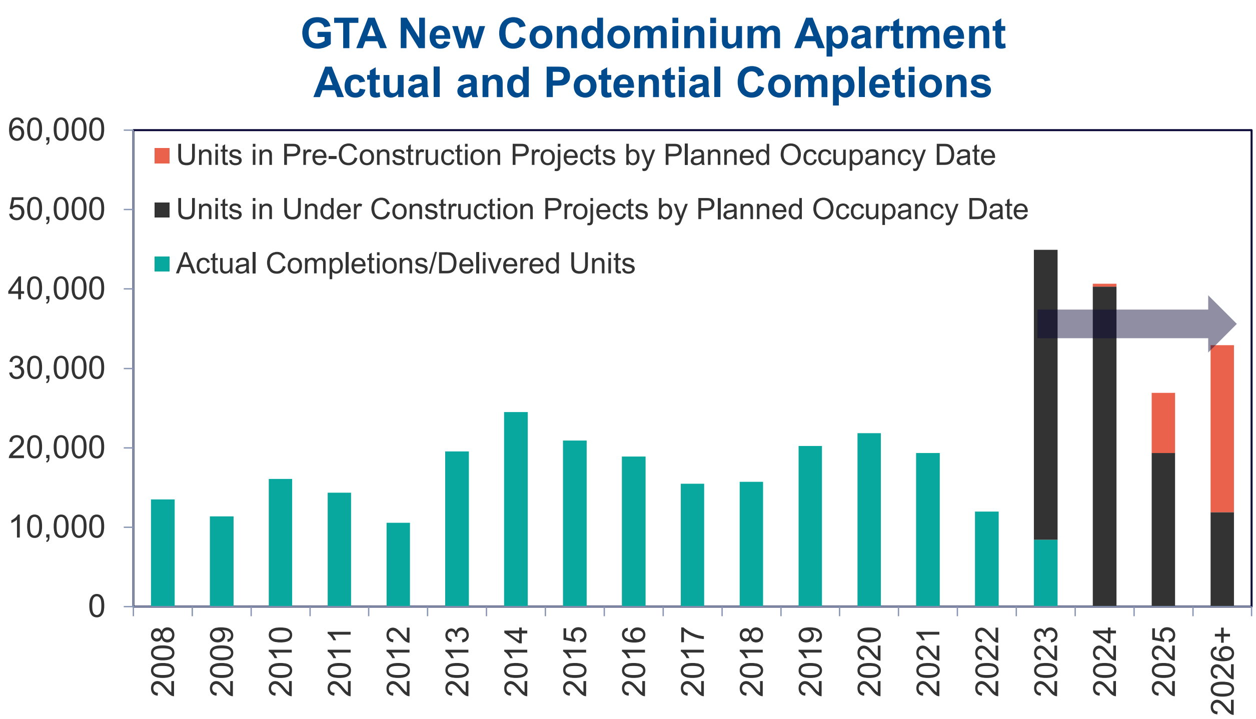


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

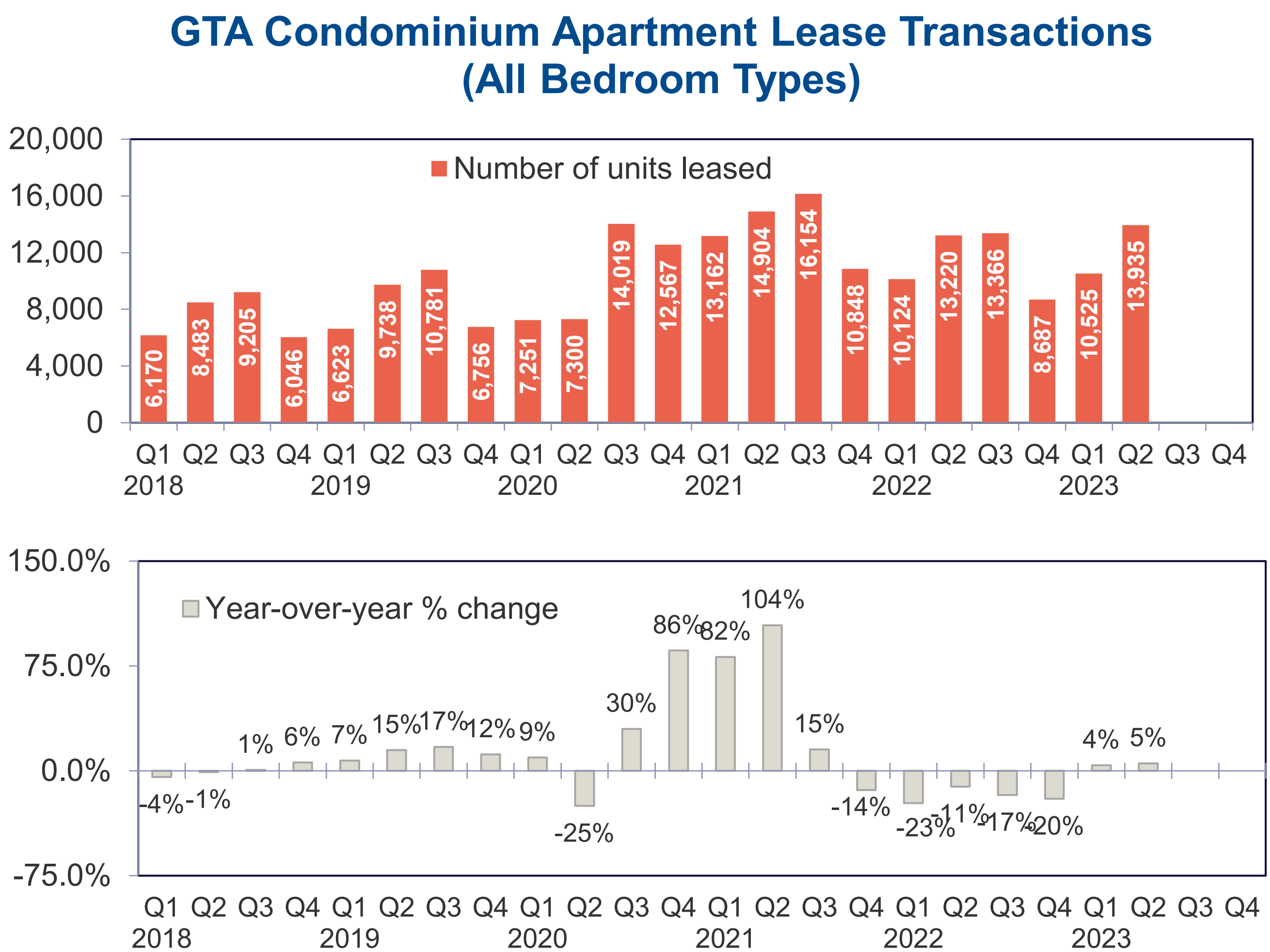
New Condominium Apartments - Completions

- As of the end of June 2023, there were about 137,000 new condominium apartment units in projects either under construction or in pre-construction stages.
- **About 1,450 new condominium apartment units were completed in June 2023**, about 20 percent below the 10-year average for June**.** Year-to-date completions for the first half of 2023 are about two-thirds ahead of the pace set last year and are now just about 14 percent 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.



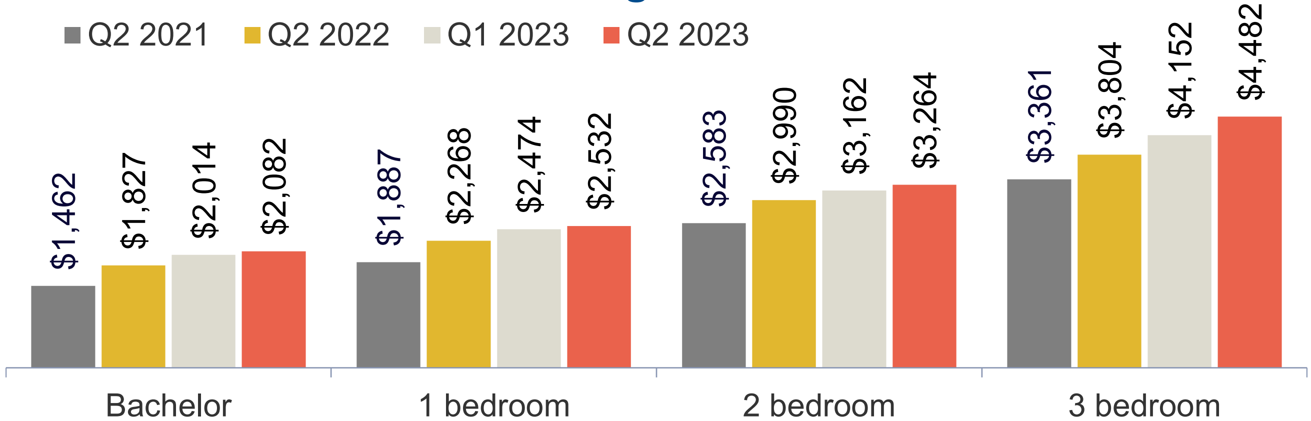
Source: Altus Group

- **The number of GTA condo apartment lease transactions rose in Q2 2023** (according to data from the Toronto Regional Real Estate Board) – notably compared to Q1 2023 (which follows the typical seasonal pattern), and also nudged higher compared to Q2 in 2022.
- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA have enjoyed a strong rebound following the losses that occurred at the early stages of the pandemic and year-over-year increases have been in double digit territory for the last seven 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.



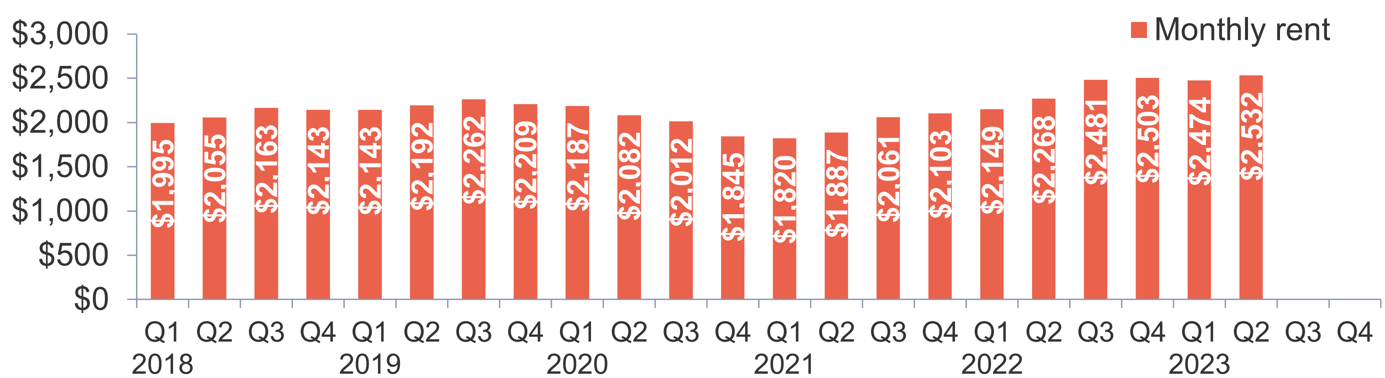
Source: Altus Group based on Toronto Regional Real Estate Board data

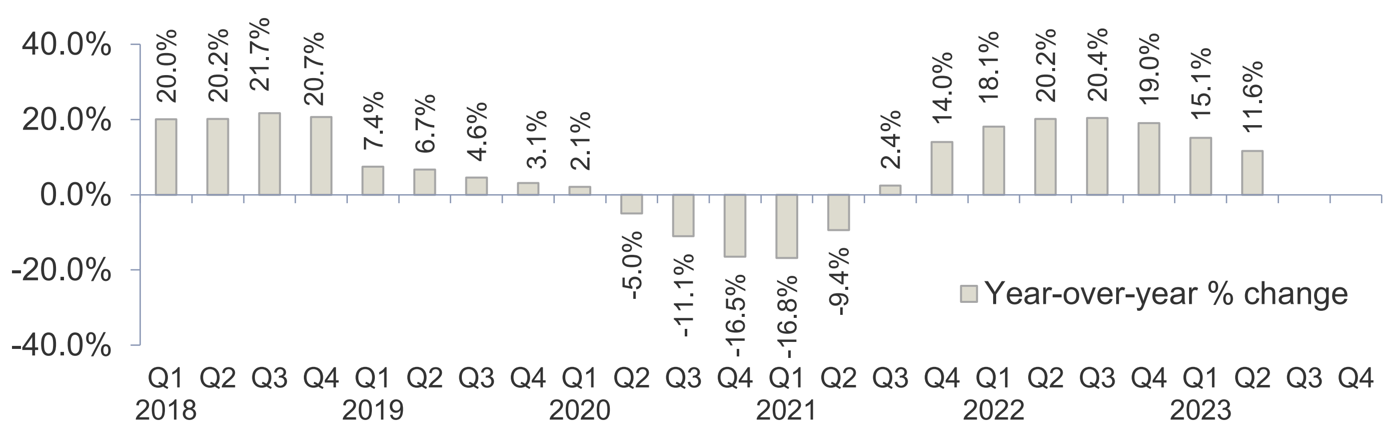
GTA Condominium Apartment Lease Transactions Average Rents



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

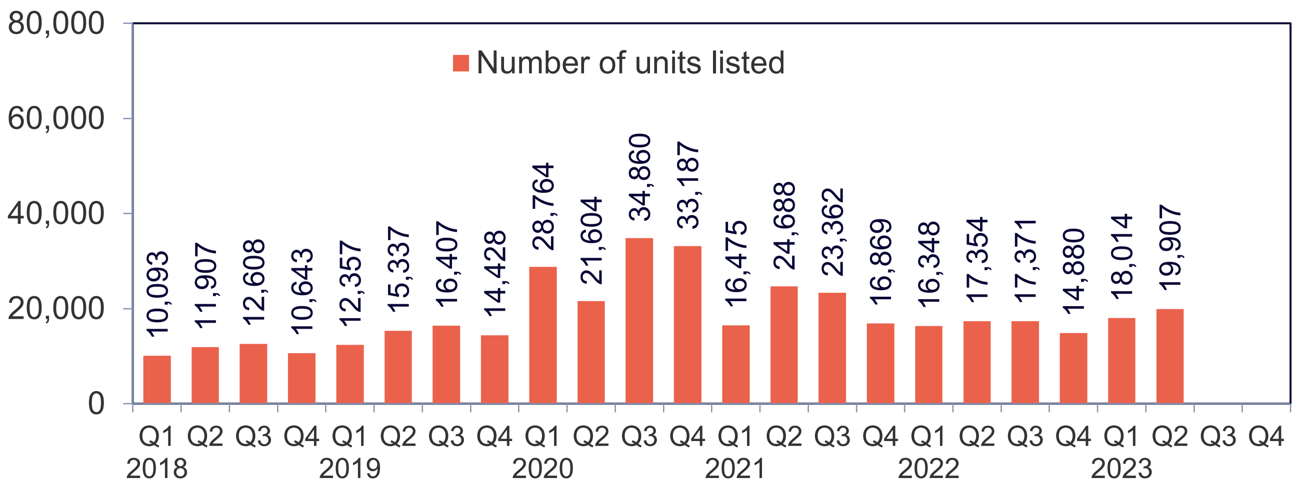
GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units



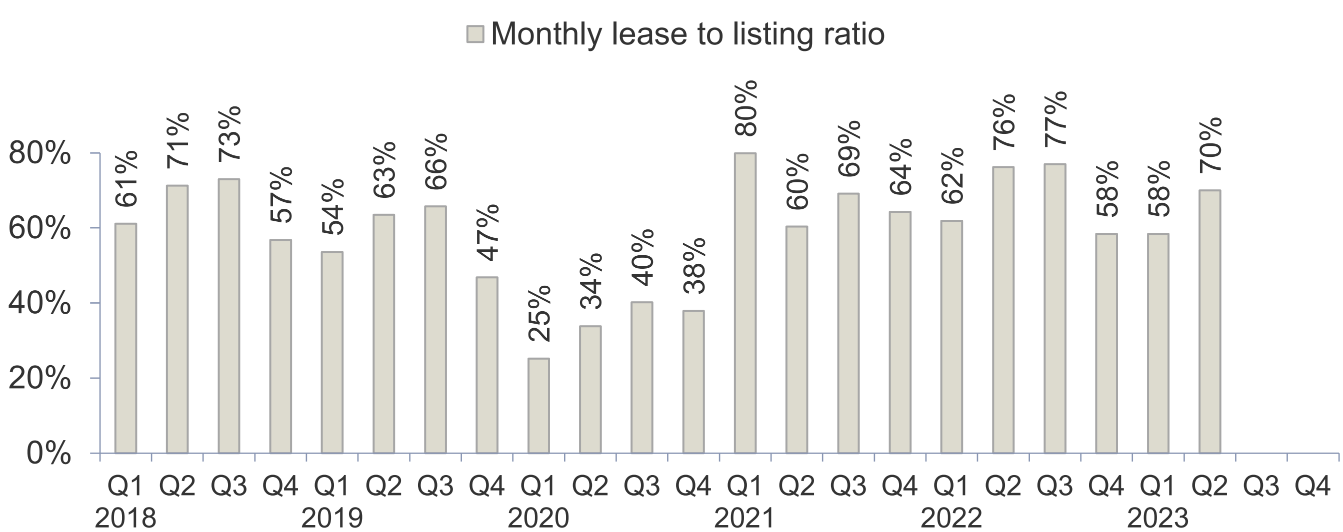


Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Condominium Apartment Lease Listings (All Bedroom Types)



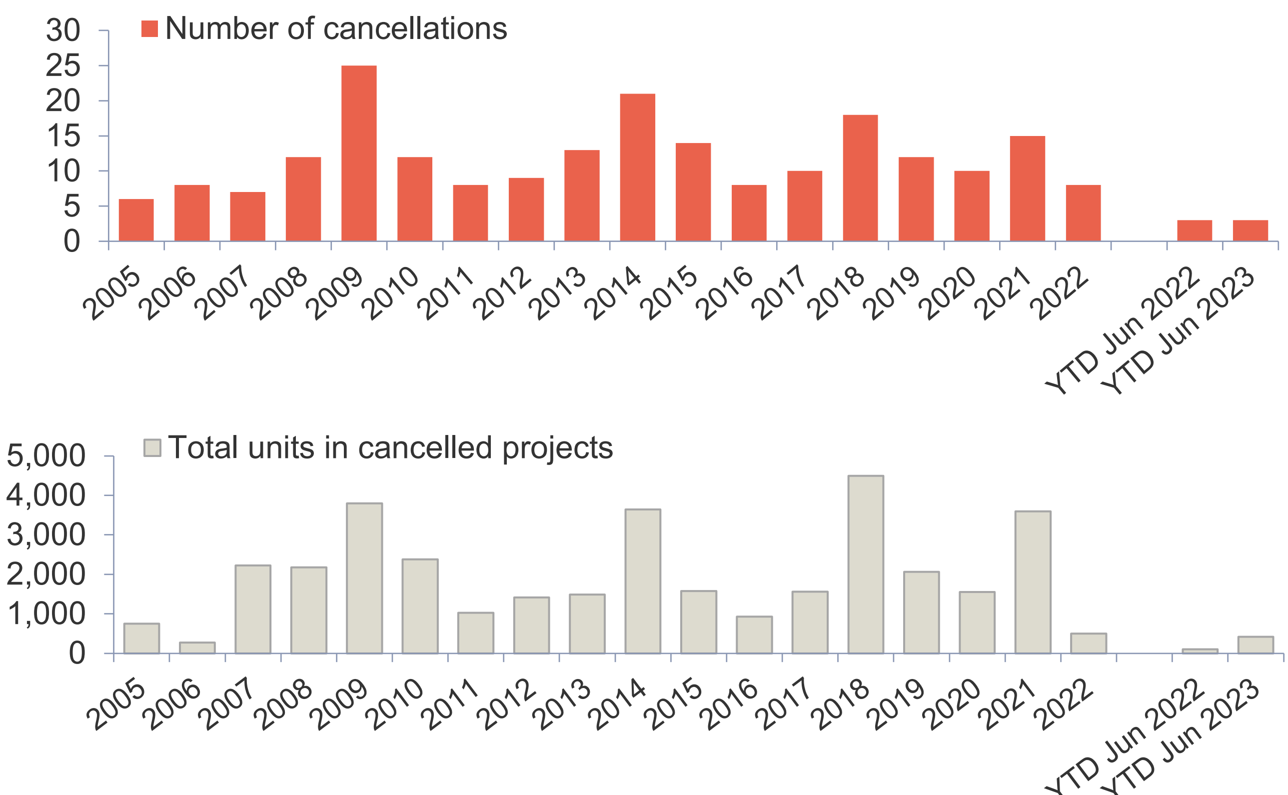
GTA Condominium Apartment Lease to Listing Ratio (All Bedroom Types)



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

- In 2022, fewer new condominium apartment projects, and fewer units, were cancelled than in last several years. **So far in 2023, there have been 3 cancelled projects**: Union Margo in Markham (a 243 unit, 20 storey project), Rose Hill in Vaughan (an 85 unit 6 storey project) and Elm & Co. in Whitchurch-Stouffville (an 86 unit stacked townhouse project). The Elm & Co. project was being developed by Stateview Homes which has agreed to placed many of their projects into receivership.
- The over 400 units cancelled through the first half of 20223 is roughly four times the number from the same period in 2022.
- **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

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

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