Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of August 2023

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New Condominium Apartment Dashboard

August 2023			YTD August 2023	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
443	14,242	$1,089,012	8,779	$1,102,893
+15%	+47%	-8%	-50%	-7%
2nd lowest August on record	*Highest August since 2015*	*2nd highest August on record*	*Lowest YTD August since 2009*	*2nd highest YTD August on record*

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

Highlights

- **GTA new home sales eased further in August.** New condominium apartment sales fell to their second lowest August level ever also slipped lower.
- **On a seasonally adjusted basis, both condominium apartment and single-family new home sales were roughly one-third the level of the most recent peak in May 2023.**
- **The inventory of both new condominium apartments and new single-family inventory retreated slightly in August.**
- **The benchmark price of a new condominium apartment moved higher In August 2023 yet still recorded a 9th consecutive year-over-year decline.**
- **The combination of the typically slow summer season was compounded by the recent interest rate hikes to push buyers back to the sidelines.** With economic headwinds strengthening and builders delaying launches, sales of new homes will continue to struggle through the last months of 2023.

Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

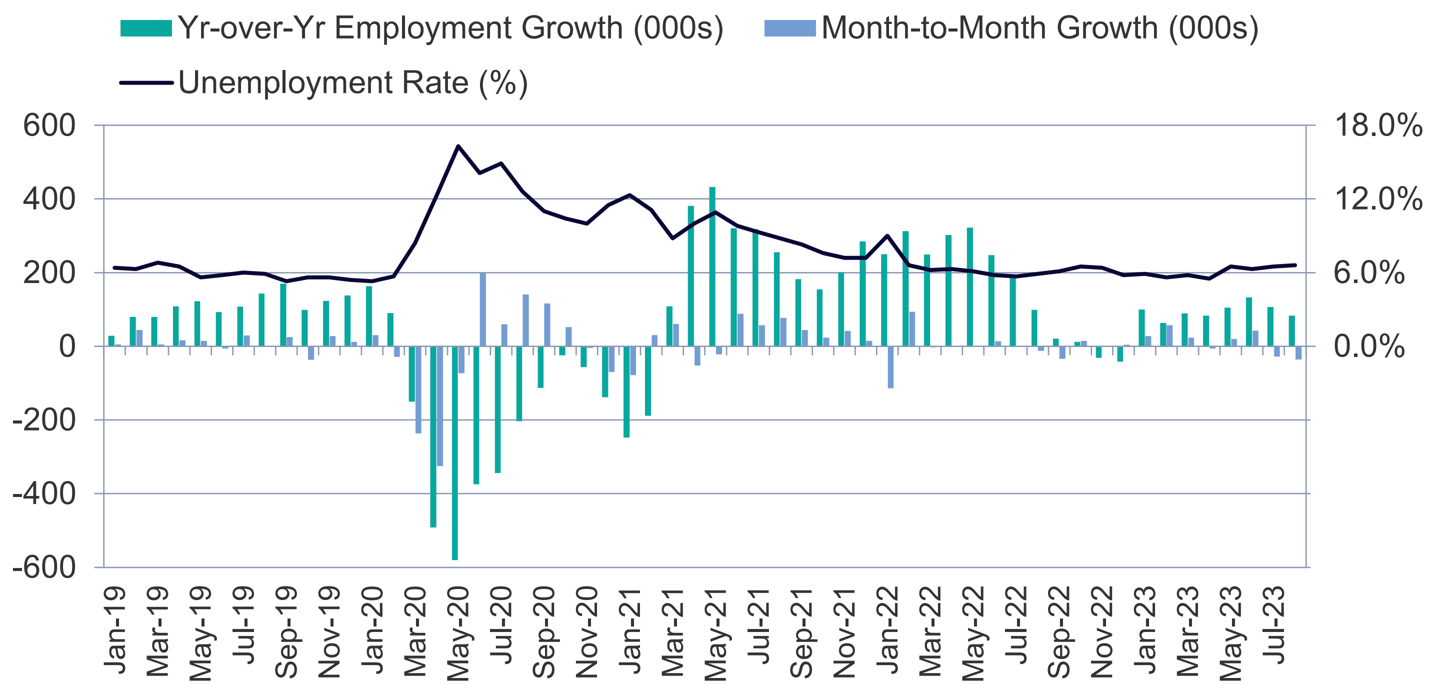
	Aug-22	Jul-23	Aug-23	*Yr-Over-Yr % Change*	YTD Aug 2022	YTD Aug 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	330	382	385	*17%*	325	366	*13%*
New projects opened	1	7	3	*200%*	71	52	*-27%*
Units in new projects opened	196	1,053	231	*18%*	18,896	12,469	*-34%*
Total sales (units)	385	867	488	*27%*	17,383	8,869	*-49%*
Sales as % of total new & resale	*20%*	*37%*	*23%*		*51%*	*38%*	
Inventory (units)	9,745	14,653	14,194	*46%*	8,893	13,742	*55%*
Sales-to-inventory ratio	4%	6%	3%	*-13%*	26%	8%	*-69%*
Months of inventory	3.9	14.1	13.5	*244%*	3.2	11.9	*274%*
Benchmark price	$1,189,682	$1,084,768	$1,089,012	*-8%*	$1,189,681	$1,102,893	*-7%*
Price PSF Benchmark	$1,387	$1,351	$1,348	*-3%*	$1,341	$1,366	*2%*
Unit size Benchmark (sq. ft)	857	803	808	*-6%*	888	808	*-9%*
Units completed	1,165	883	1,161	*0%*	6,864	12,291	*79%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,507	1,505	1,609	*7%*	16,513	14,490	*-12%*
New listings (units)	3,144	4,334	3,893	*24%*	32,542	29,752	*-9%*
Inventory ("active listings", units)	4,539	5,416	5,455	*20%*	3,691	4,415	*20%*
Sales-to-inventory ratio	33%	28%	29%	*-11%*	72%	42%	*-42%*
Months of inventory	2.0	3.4	3.4	*67%*	1.5	2.8	*90%*
Average price of units sold	$711,321	$735,171	$705,572	*-1%*	$770,631	$722,494	*-6%*
HPI constant quality price index (Jan 2005=100)	377.5	378.4	373.0	*-1%*	396.3	368.5	*-7%*

- Despite an 8th consecutive month of year-over-year employment growth in August 2023, **the GTA labour market experienced a 2nd consecutive decline in employment on a month-to-month basis.** The unemployment rate remained in the 6.4% range, a full percentage point above its post-pandemic low in April 2023.

- **The Bank of Canada target for the overnight rate remained at 5%, unchanged at its latest rate announcement on September 6**, stating that **"***The Canadian economy has entered a period of weaker growth, which is needed to relieve price pressures.. . . With recent evidence that excess demand in the economy is easing, and given the lagged effects of monetary policy, Governing Council decided to hold the policy interest rate at 5% and continue to normalize the Bank's balance sheet. However, Governing Council remains concerned about the persistence of underlying inflationary pressures, and is prepared to increase the policy interest rate further if needed. Governing Council will continue to assess the dynamics of core inflation and the outlook for CPI inflation.*" **The next rate announcement date is October 25.**

- **The 5-year fixed "special" mortgage interest rates rose further in September,** and is now 95 basis points below the 5-year fixed rate, its narrowest gap since the end of 2022 *(chart next page, bottom).*

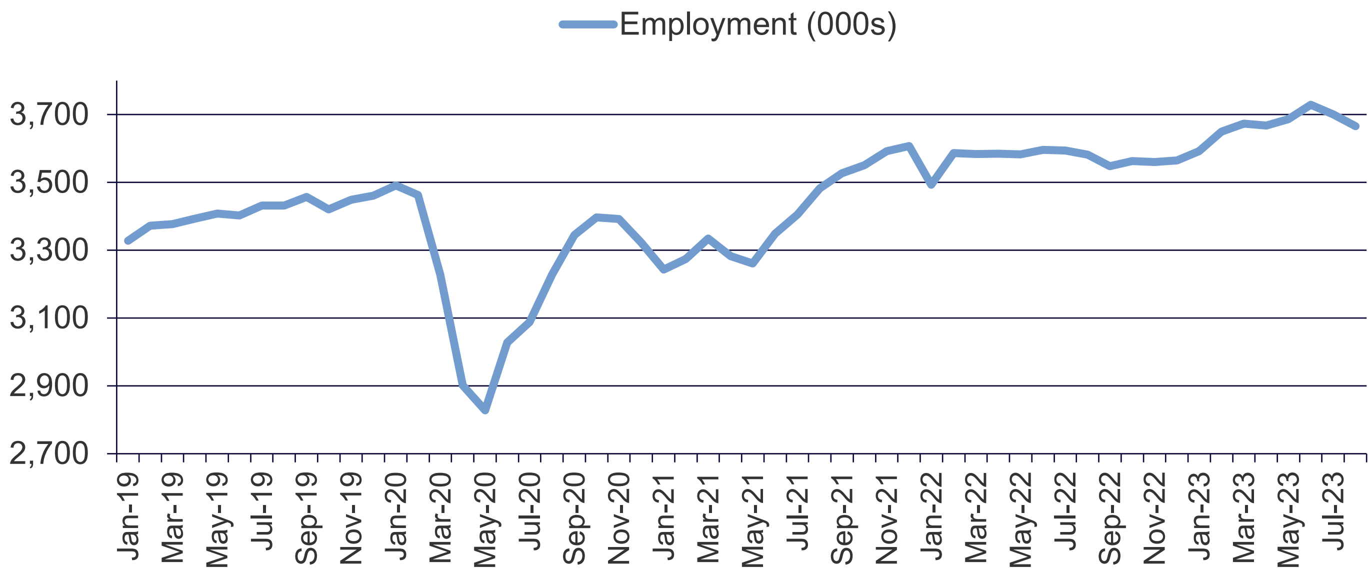
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

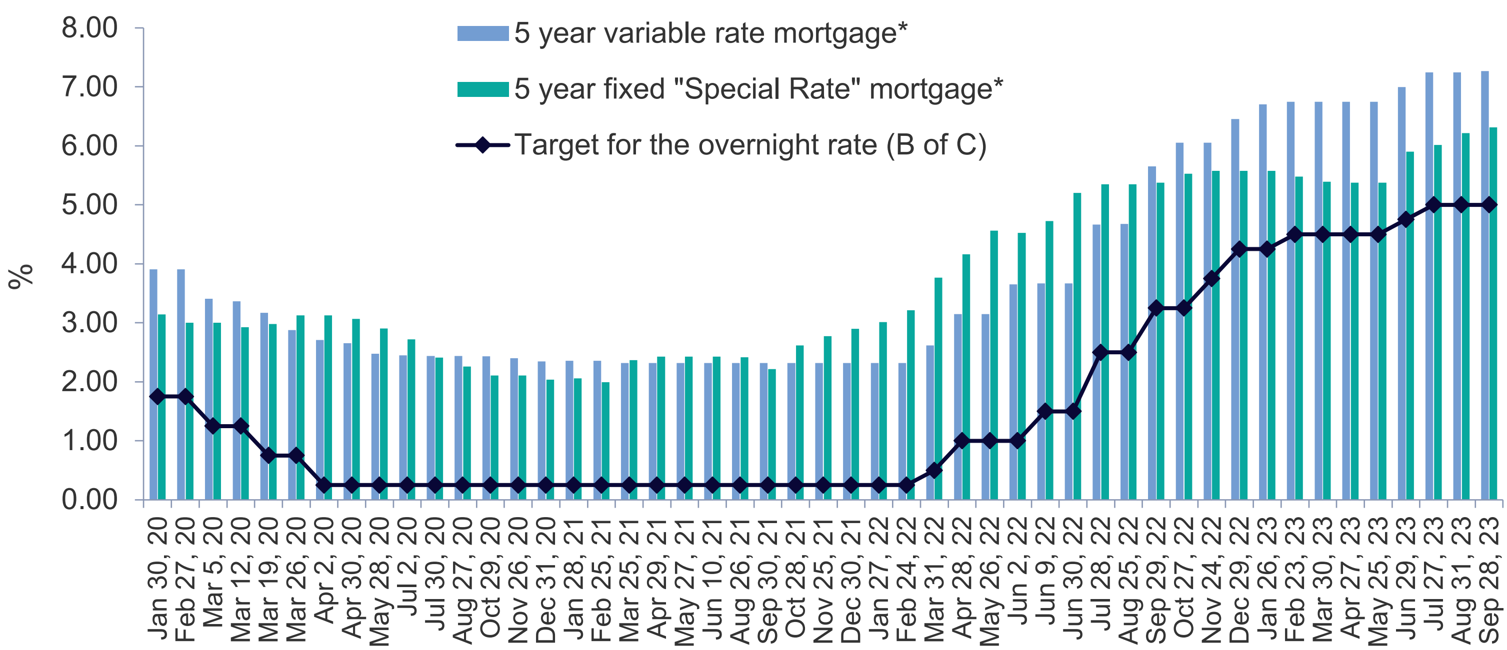
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

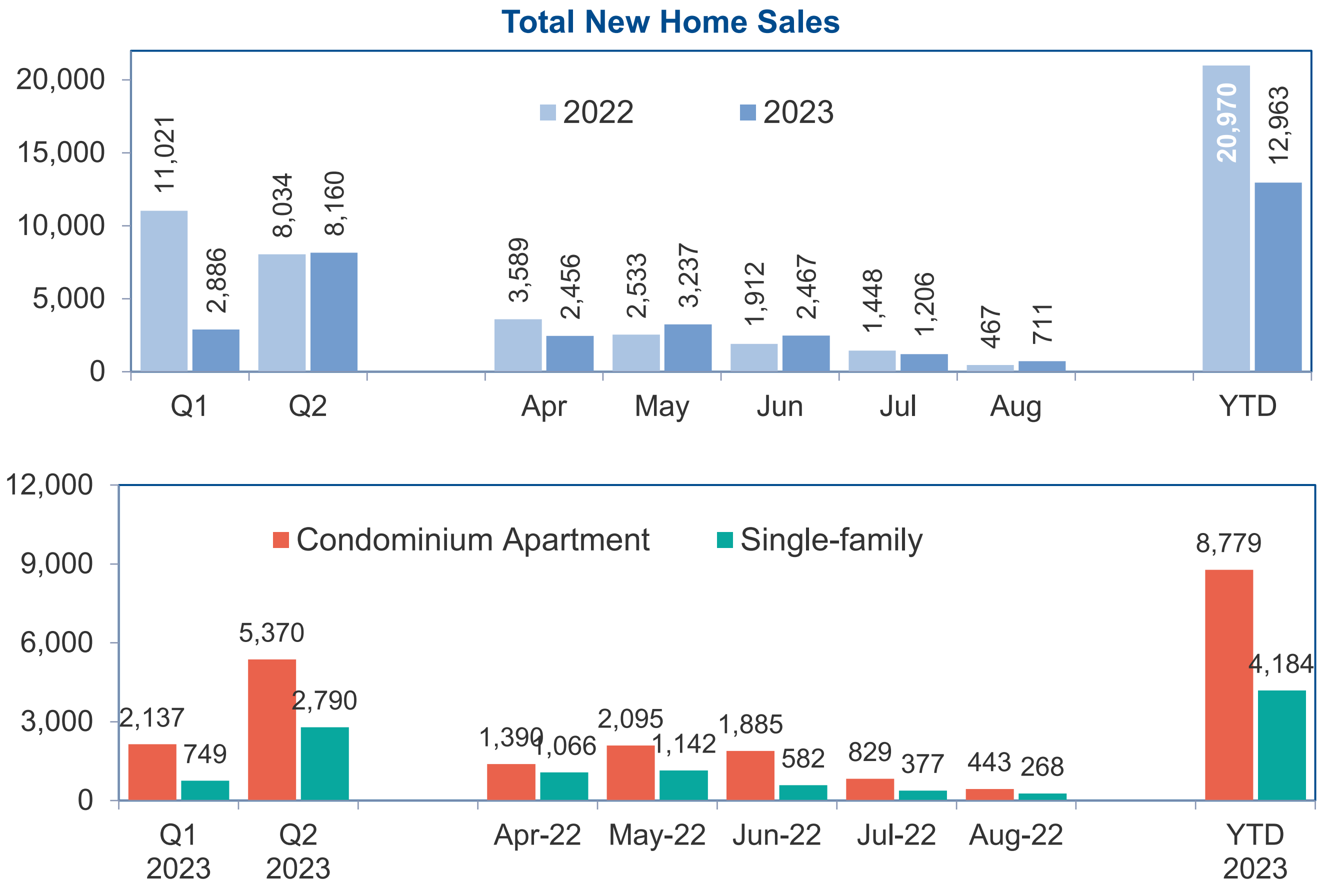


** Average for the major banks*

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

- **Total new home sales declined for a 4th straight month (on a seasonally adjusted basis) in August 2023.** Minimal consolation should be derived from surpassing last year's August level as that represented the all-time low for total new home sales.
- **New condominium apartment sales also recorded another monthly decline,** falling by one-third (seasonally adjusted) from last month. Once again, sales surpassed last year but Summer 2022 was similarly impacted by rising interest rates. **New single-family sales tracked a similar pattern,** down month-to-month (seasonally adjusted) but above the lows of 2022.
- **The slowdown in total new home sales was most acute in Toronto and Peel** with Durham and York eking out minimal gains. Only York Region reported higher new condominium apartment sales year-to-date while Durham and Halton recorded sizeable year-to-date sales increases from last year (*charts next page*).

GTA New Home Sales



Source: Altus Group

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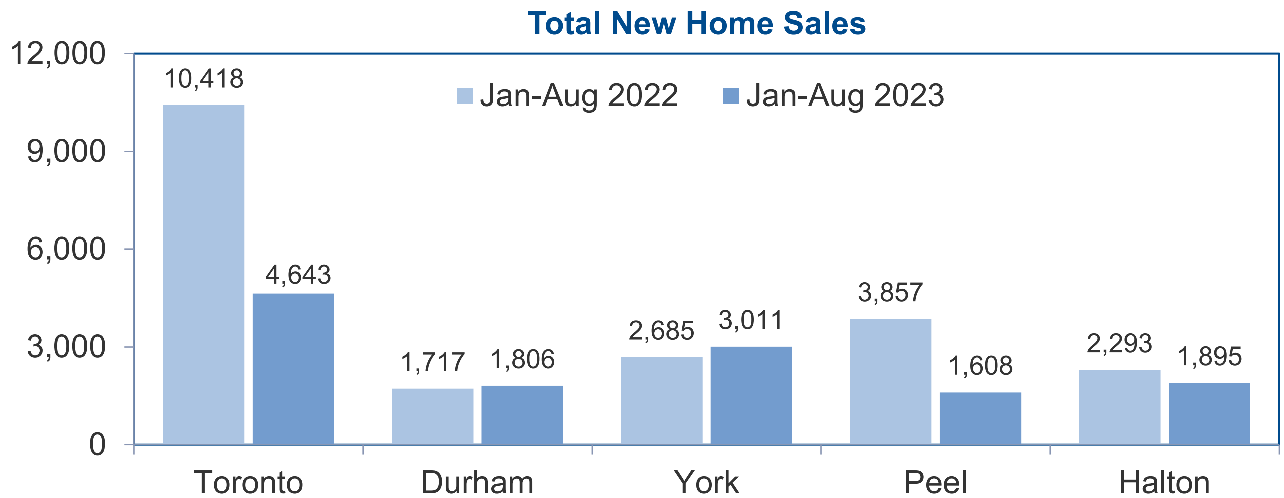
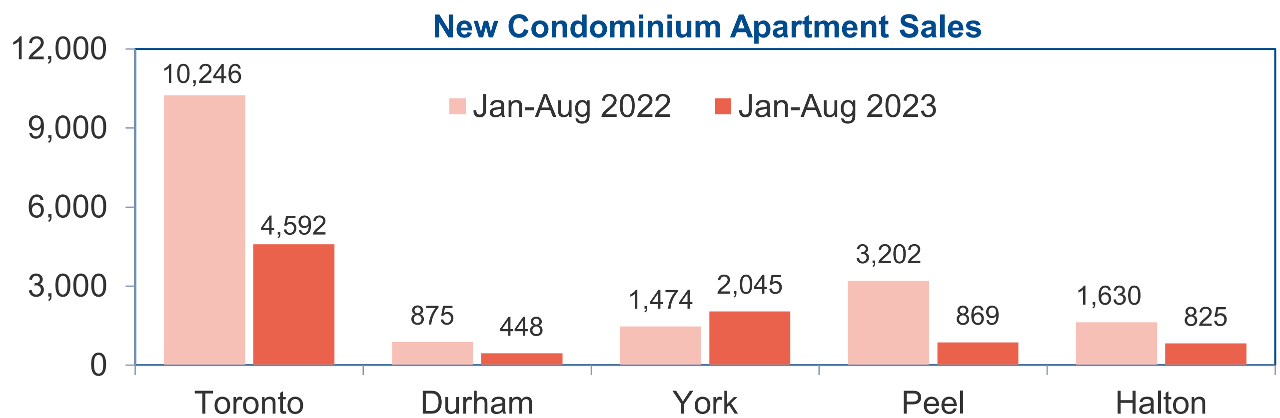
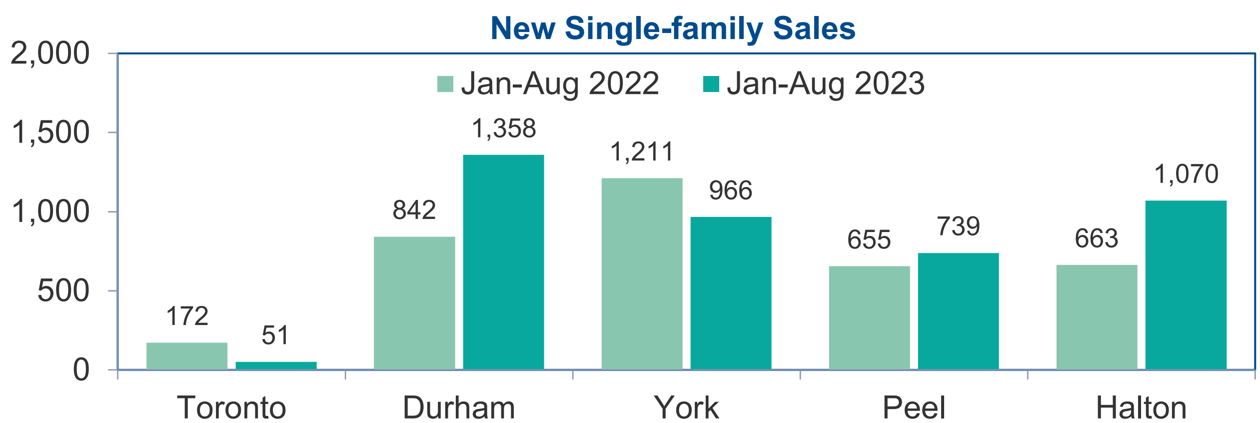
GTA New Home Sales by Region

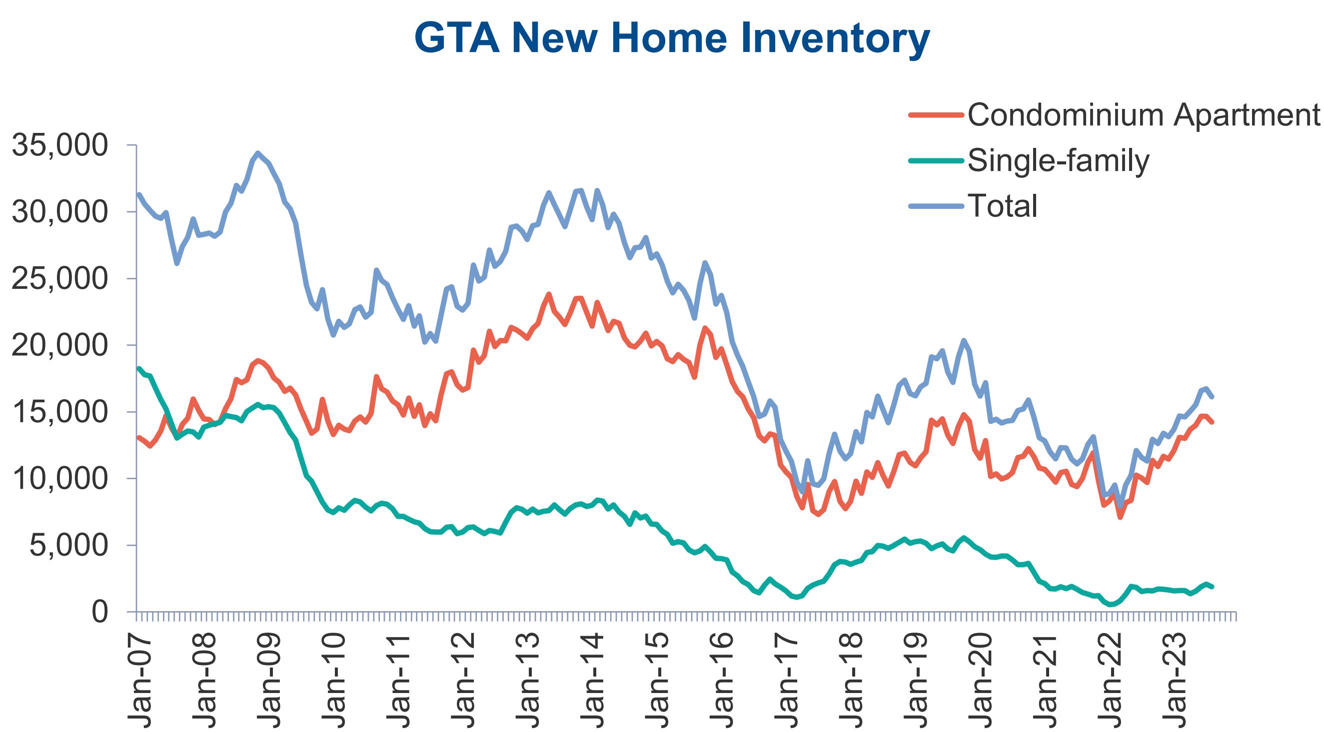






Source: Altus Group

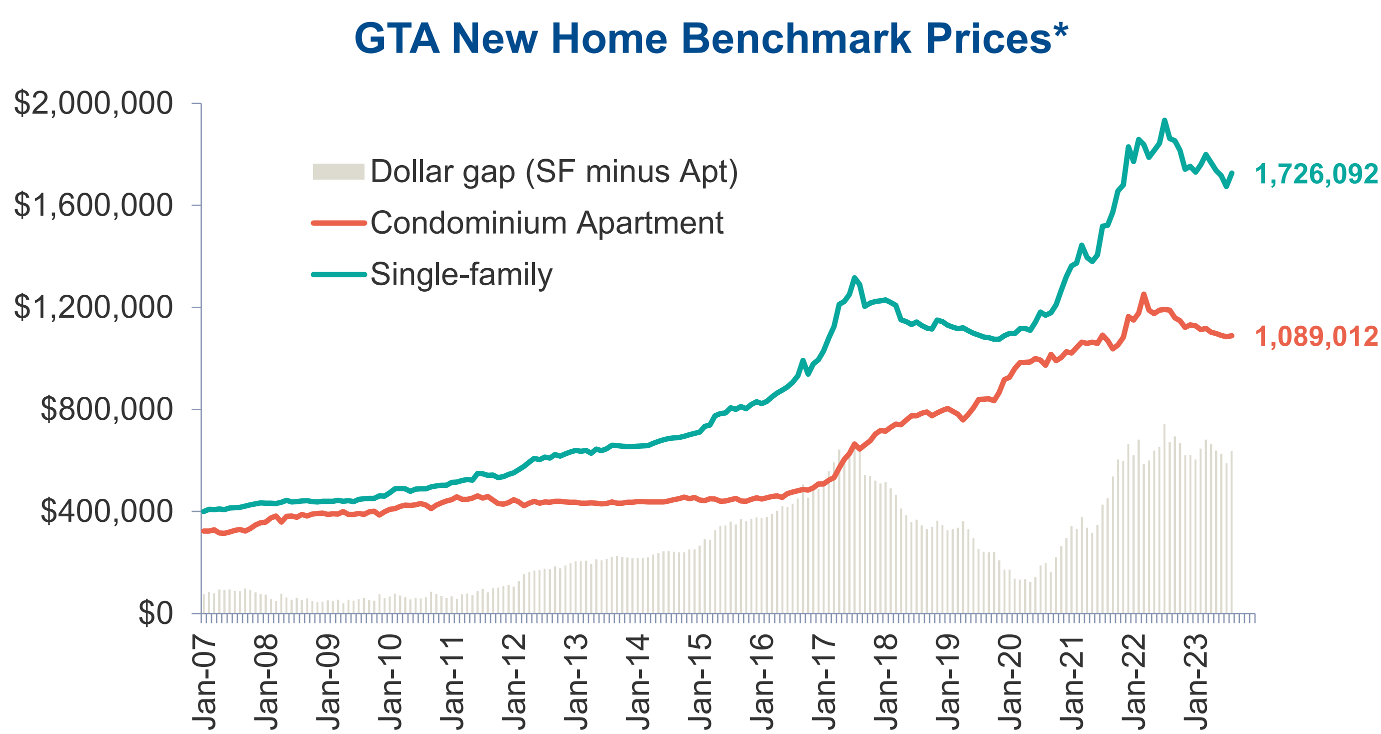
- **Total new home inventory turned lower in August** but was at its highest August level since 2019. Total inventory was 43 percent higher compared to a year earlier but remained below the 10-year average.
- Based on average monthly total new home sales over the past 12 months, there were just over 5 months of available supply of total new homes at the end of August 2023, well below the 10-year average for August of 7 months.
- **Condominium apartment inventory dipped in August 2023 and remained above the 10-year average for a 3rd consecutive month.** Single-family inventory also eased in August and remained well below its 10-year average.



Source: Altus Group

New Home Market - Prices

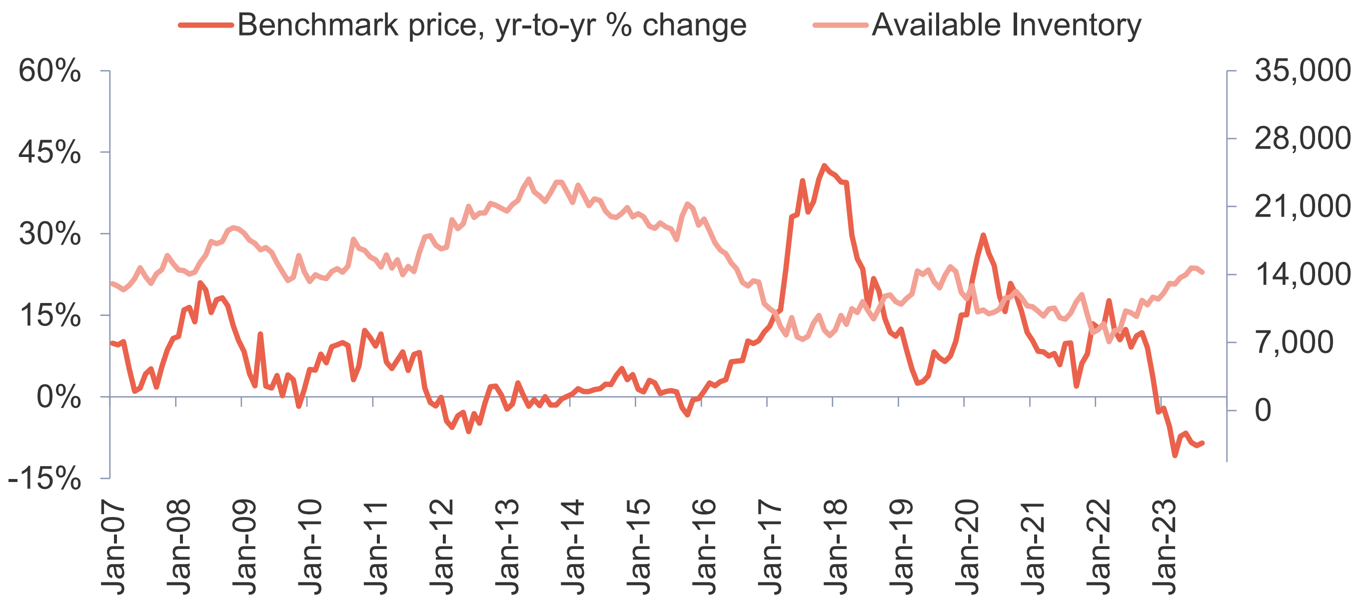
- **The benchmark price for a new condominium apartment crawled higher in August 2023, but was down by eight percent year-over-year.** Single-family benchmark pricing also moved higher in August compared to last month, but was off by seven percent year-over-year.
- **The price advantage of available new condominium apartments compared to new single-family homes widened in August**, after narrowing for four consecutive months. Both the condominium apartment and the single-family benchmark prices registered another year-over-year decline, extending their streaks to a 9th 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*

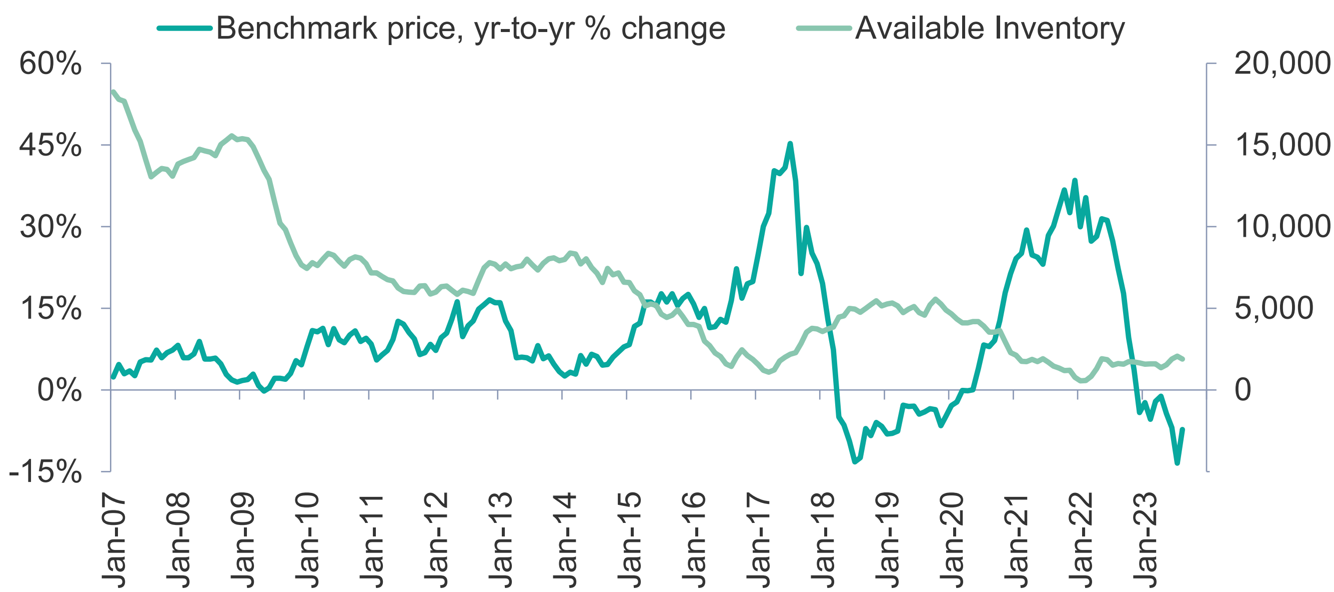
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

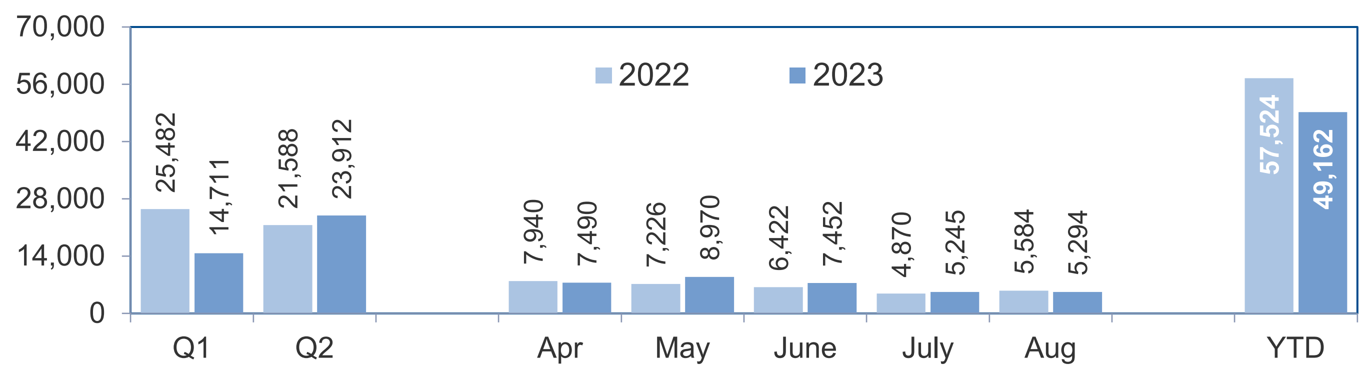


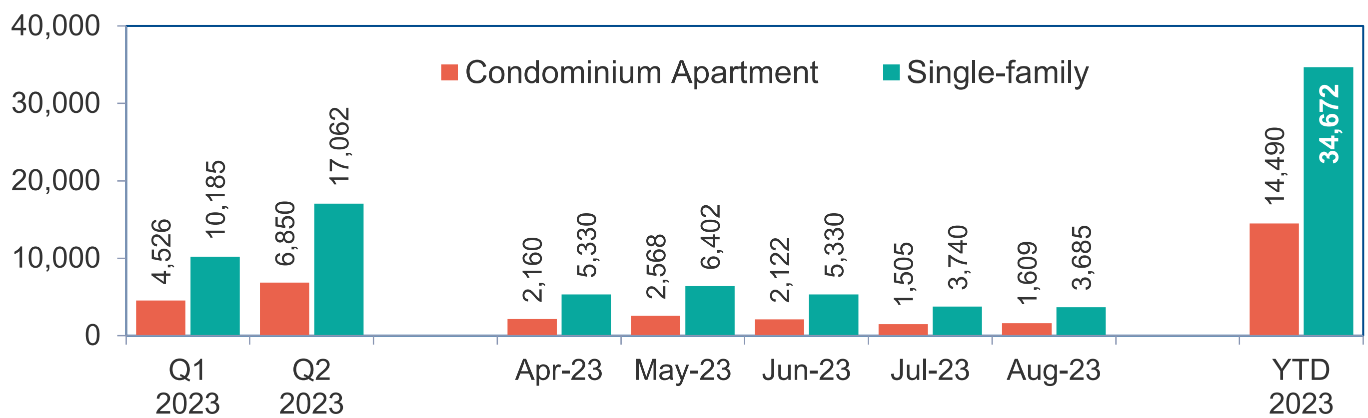
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes in August 2023 were down compared to a year earlier** and on a month-to-month basis (seasonally adjusted) were behind the July 2023 level. Year-to-date total resales through August 2023 were at their lowest level since 2001, largely as a result of the very low levels for the first three months of 2023.
- Resale condo apartment resales outpaced last year by seven percent while the single-family sector was the drag on overall sales, down 10 percent from the previous year.
- **Total resale inventory levels climbed in August 2023 year-over year but showed little change month-to-month, and managed to just surpass the 10-year average.** Conditions were very tight with about 3.5 months of inventory in the resale condominium apartment sector and 2.5 months of inventory in the resale single-family sector**.**
- Average resale prices for August 2023 slipped lower from July in both the single-family and apartment sectors, however single-family resale prices managed to surpass last year's level *(charts next page).*

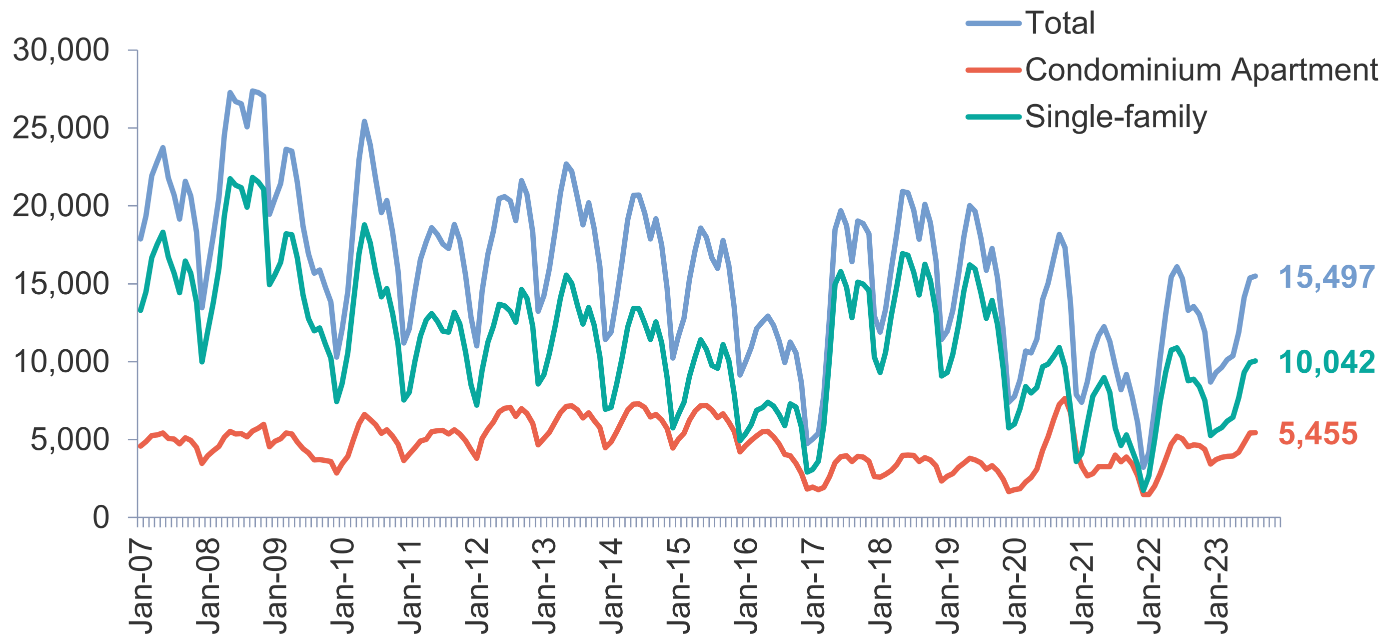
GTA Resale Home Sales





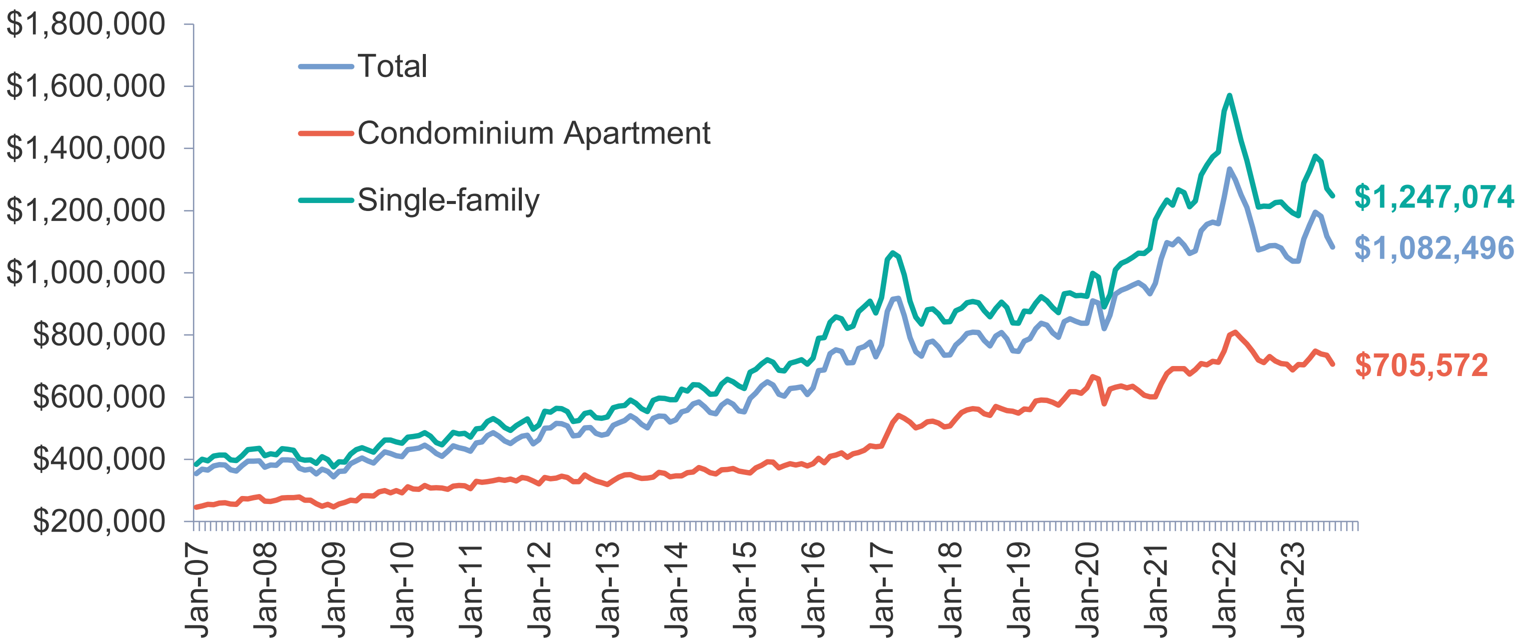
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

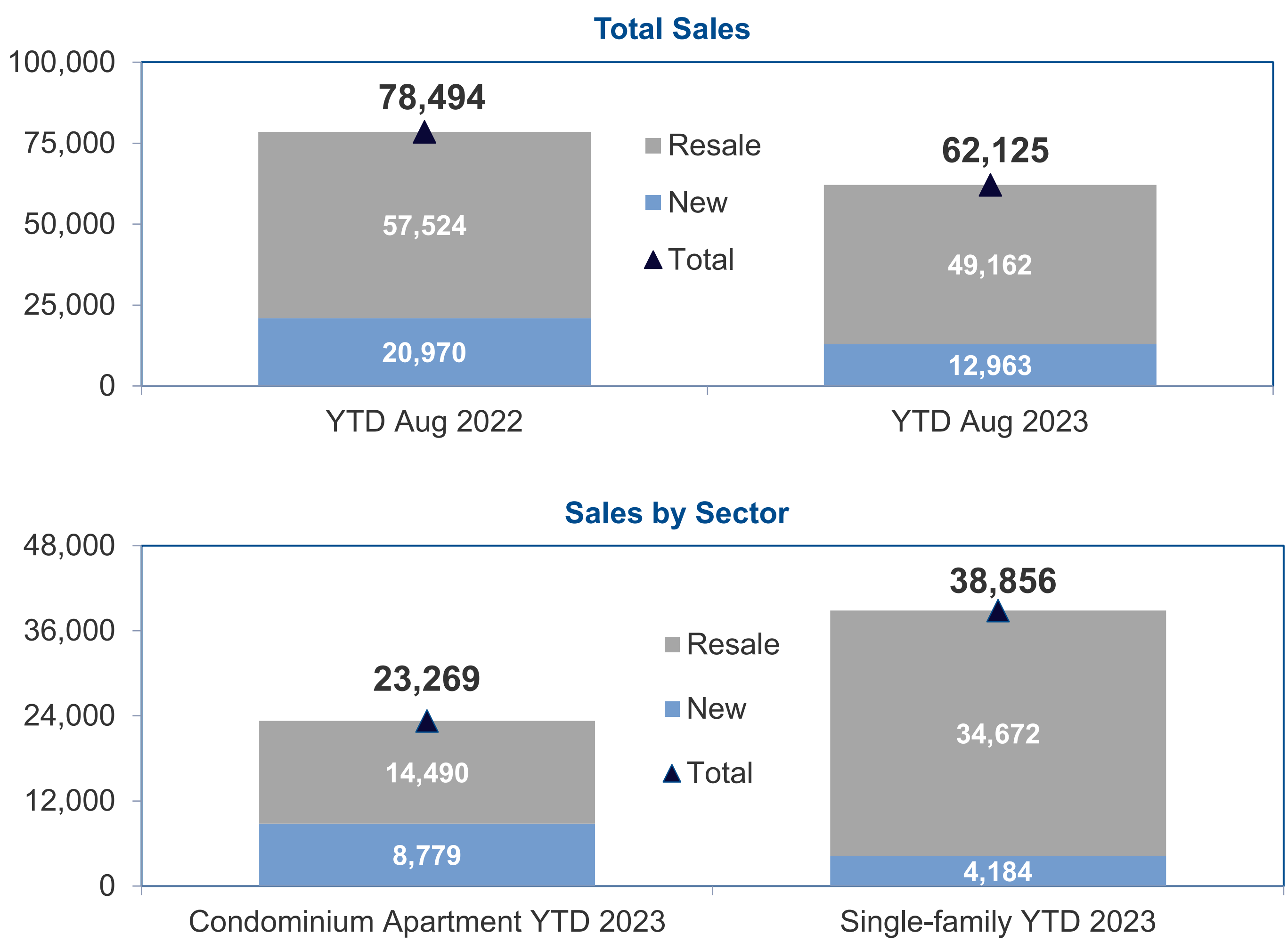


Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in the first eight months of 2023 were down almost 40 percent from a year earlier.** The decline was attributable to the apartment sector (-50%) while the single-family sector saw an increase in sales activity (+18%).
- **The new home sector accounted for roughly 1 out of every 5 home sales through August 2023** – this compared to about 3.5 in 10 for 2022. Roughly 1 in 9 single-family and almost 1 in 3 condo apartment homes sold were new homes.

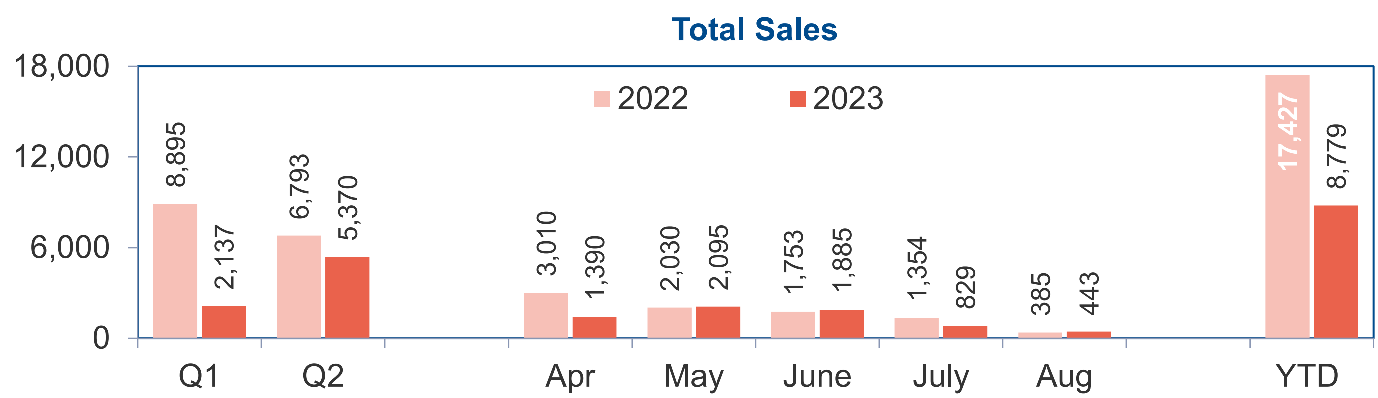
GTA Combined New & Resale Home Sales

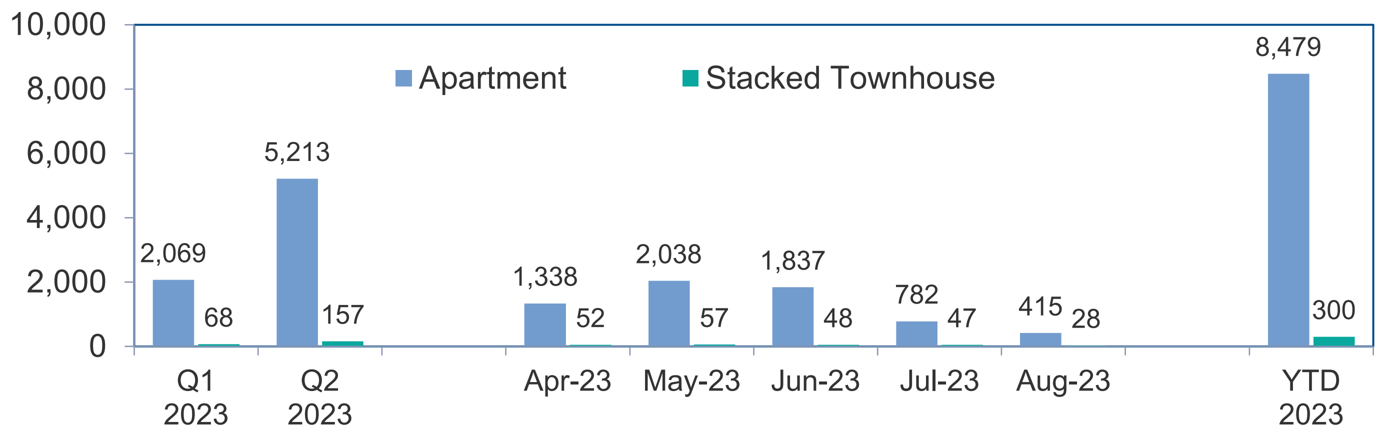


Source: Altus Group and Toronto Regional Real Estate Board data

- **New condominium apartment sales in August 2023 eased further, largely in response to most recent round of interest rate hikes.** August sales surpassed last year's all-time low for August which was similarly impacted by the repeated increases in interest rates. Year-to-date sales through August are down 50 percent due mainly to the slow first quarter in 2023.
- **York, Peel and, to a lesser extent, Durham Regions recorded higher new condominium sales in August 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 has accounted for a larger share of new condominium apartment sales through August 2023, larger at the expense of Peel Region and Toronto (*chart bottom of next page*).

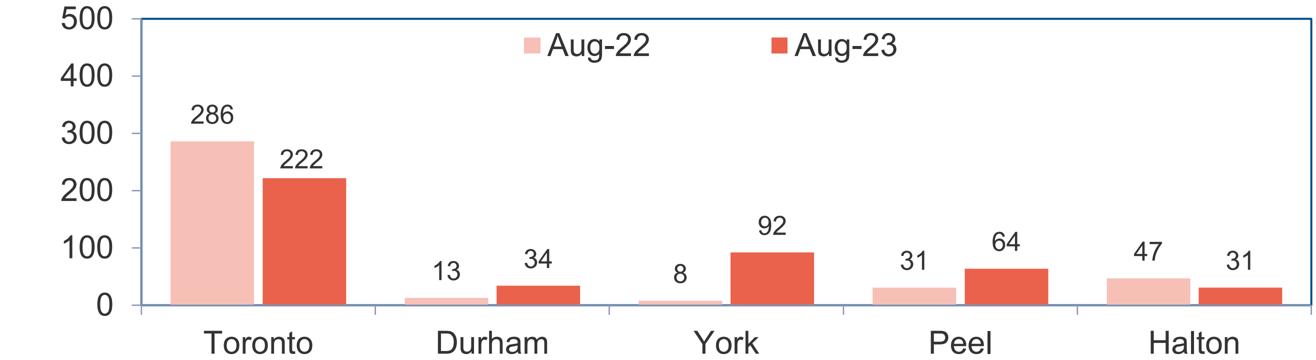
GTA New Condominium Apartment Sales

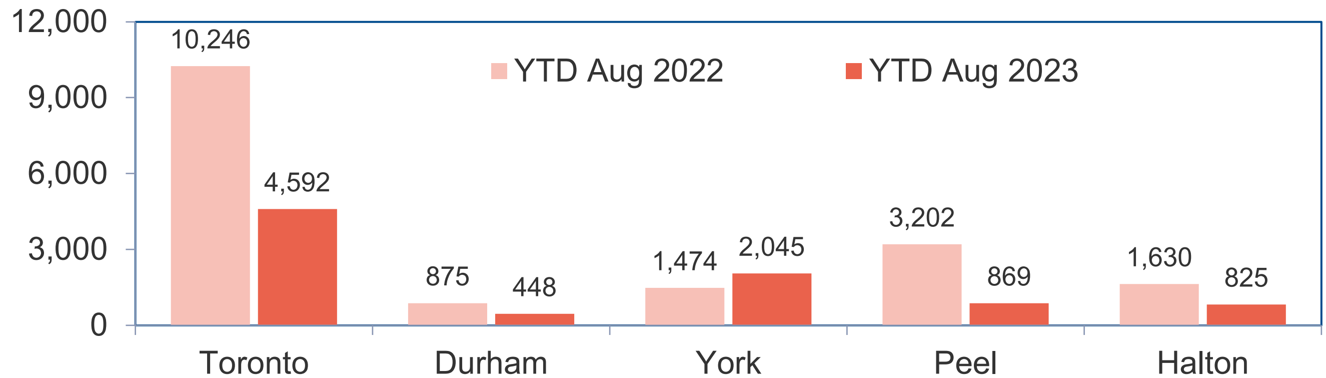


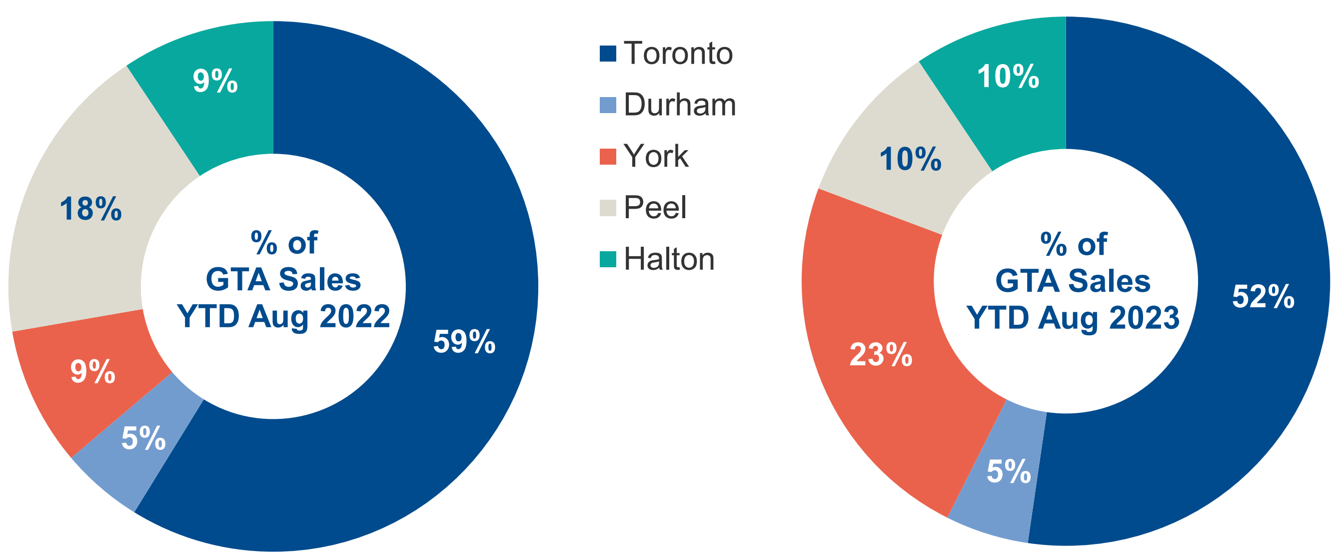


Source: Altus Group

GTA New Condominium Apartment Sales by Region



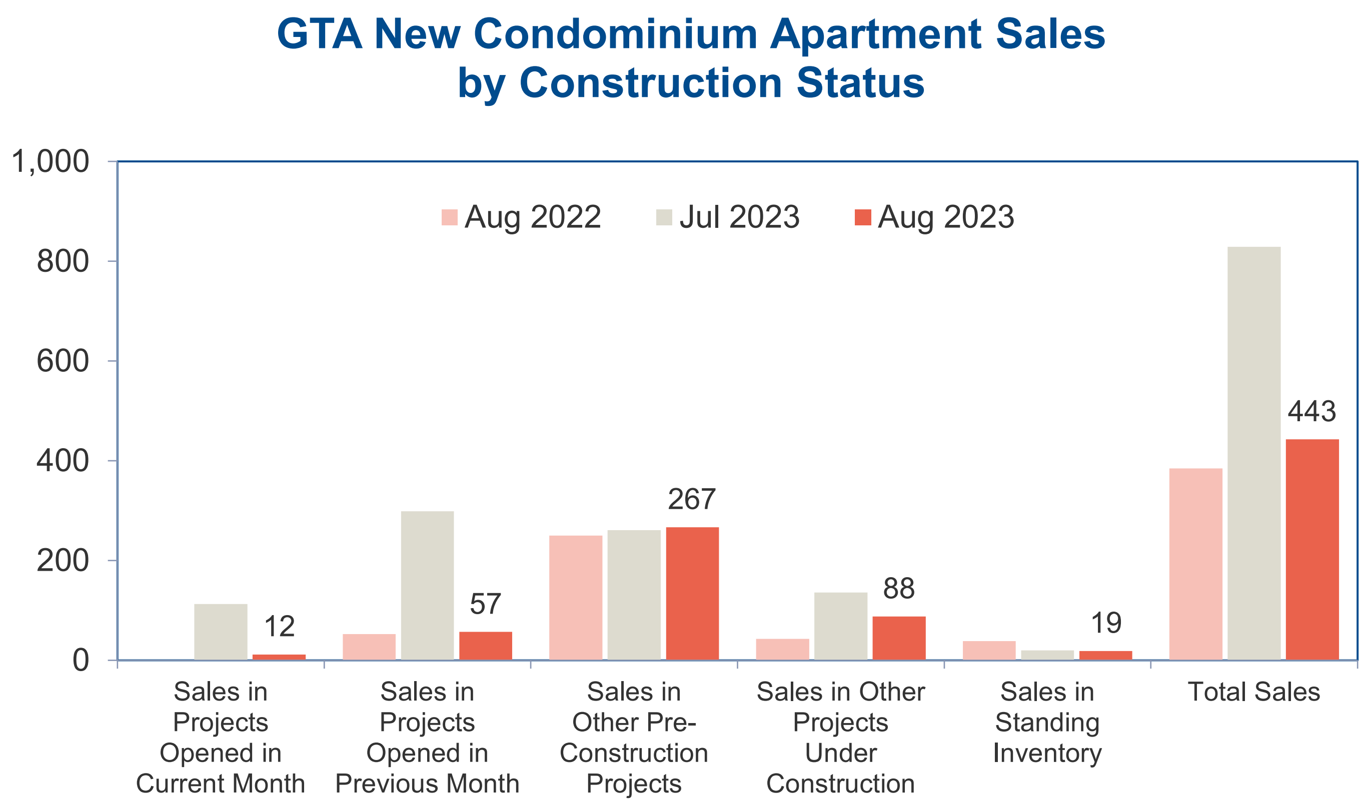




Source: Altus Group

New Condominium Apartments - Sales

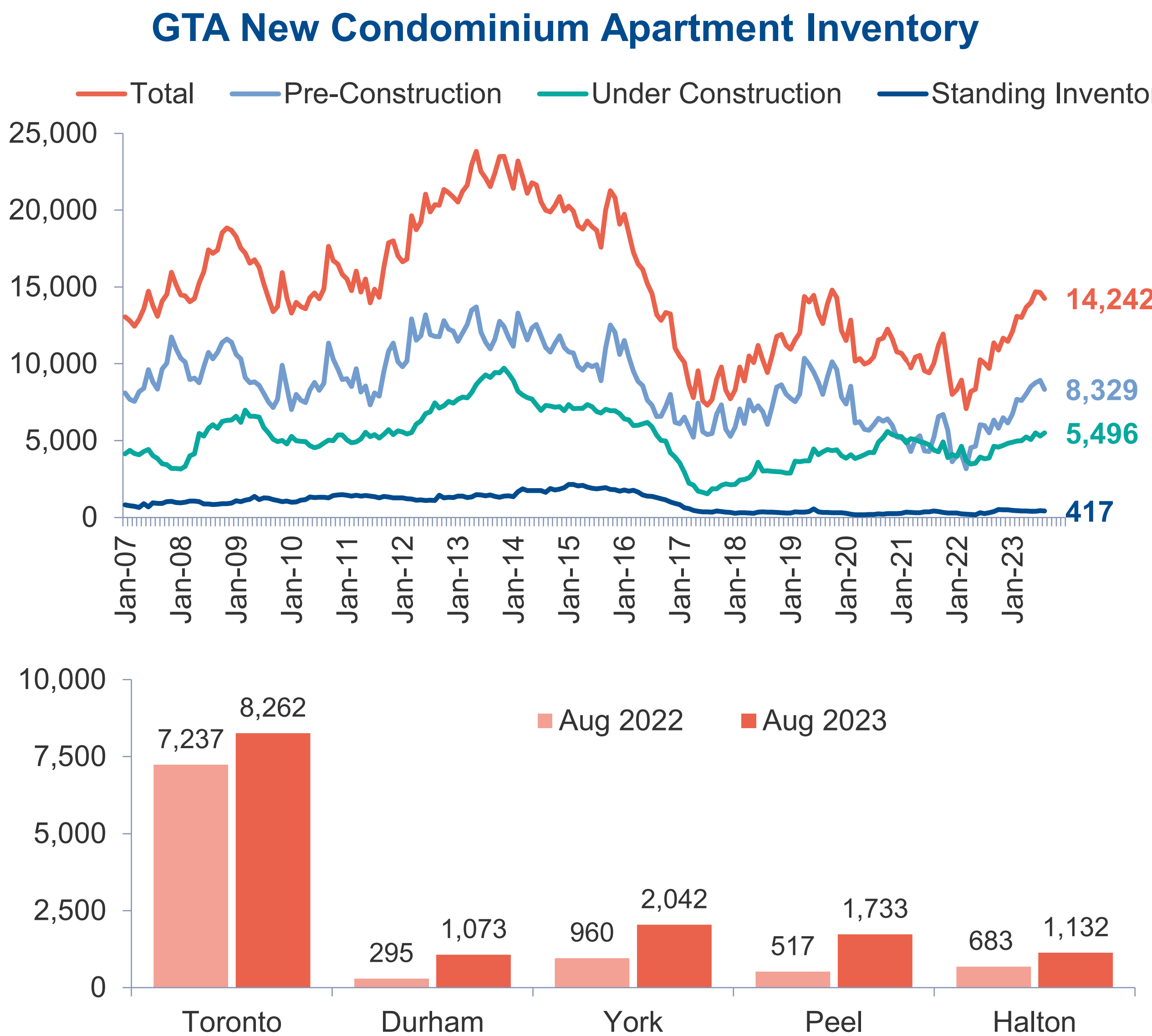
- **Very few new condominium apartment sales in August 2023 occurred in newly opened projects (less than 3%).** Sales in projects under construction once again managed to record more sales than newly opened projects.
- Sales in other pre-construction projects accounted for about 60 percent of all August 2023 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

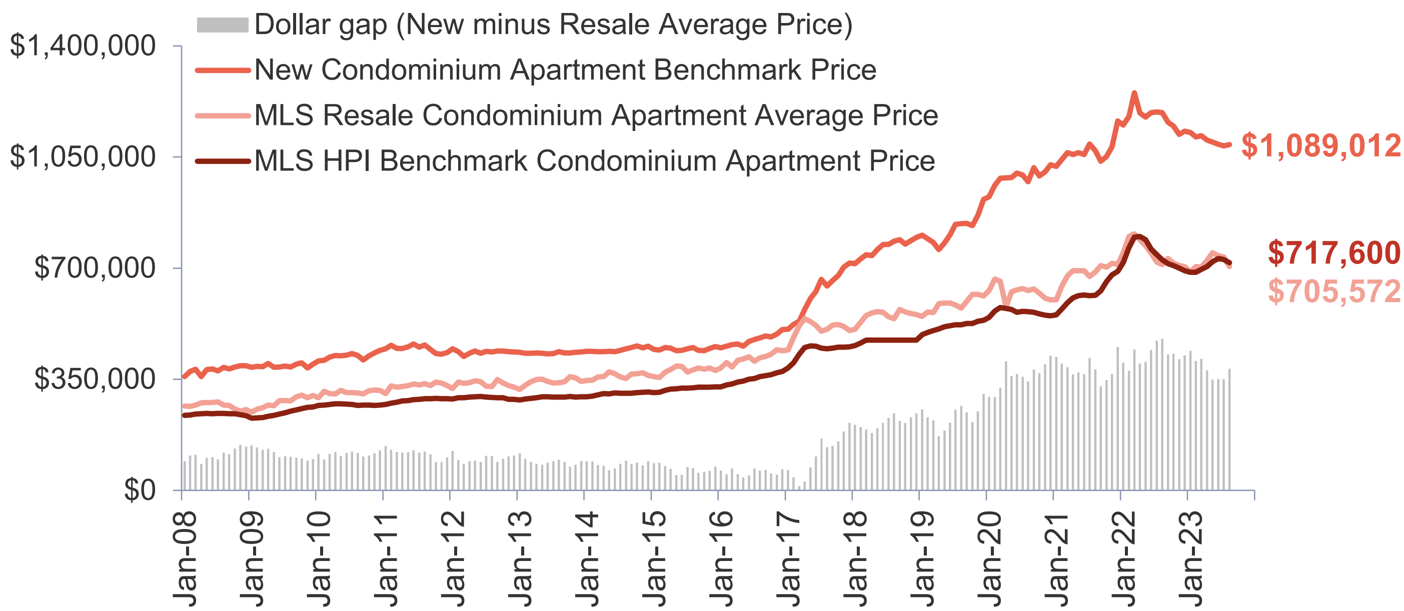
- **The inventory of available new condominium apartments drifted lower in August but remained above the 10-year average.** Pre-construction inventory eased off its recent high of last month while the inventory of units under construction bounced upward.
- **The current unsold inventory at new condominium apartment projects represented just over 13.5 months of supply** at the average monthly pace of sales seen over the past 12 months, well above the longer-term average for August of roughly 9 months.
- **Almost 6 in 10 available units were in the City of Toronto.** Based on sales in the past 12 months, available inventory levels ranged from a low of about 10.5 in Halton to a high of 15 in Durham.

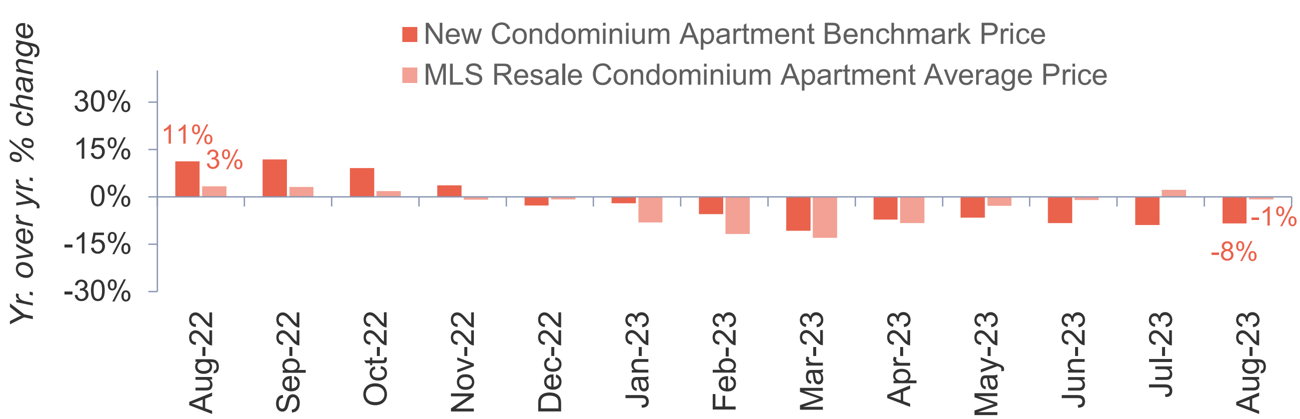


Source: Altus Group

- **The benchmark price of a new condominium apartment nudged higher in August 2023 following 4th consecutive monthly declines** and recorded a 9th 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 widened in August,** as resale condominium apartment prices declined less than new condominium apartment benchmark price.

GTA New and Resale Condominium Apartment Prices

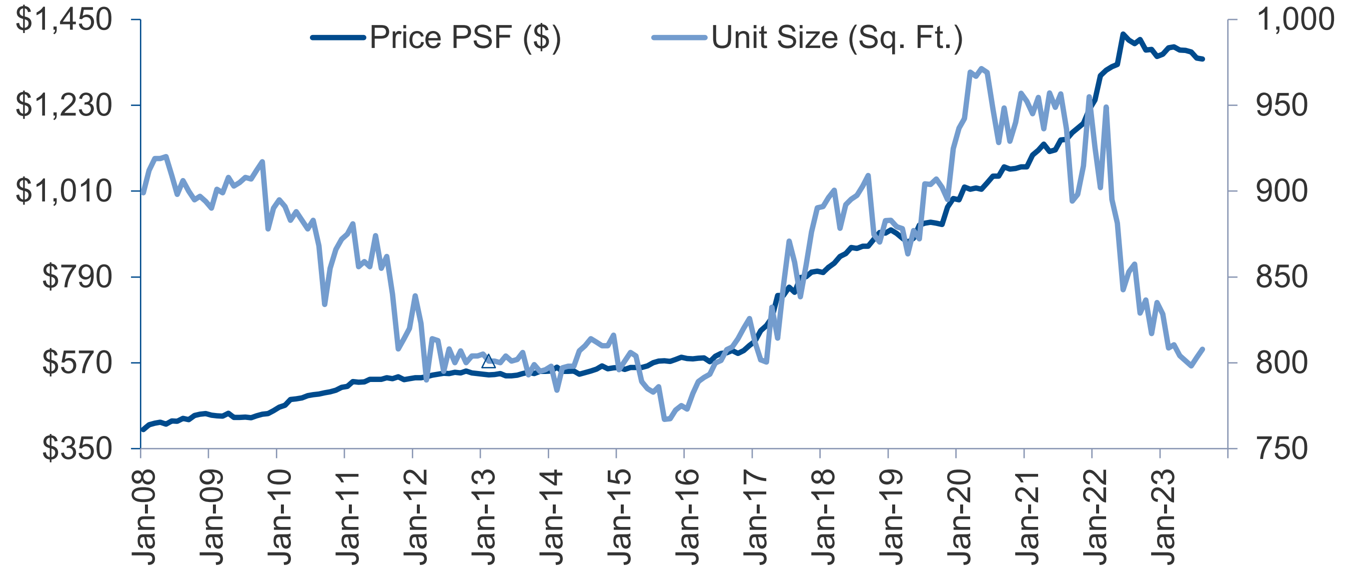




Source: Altus Group and Toronto Real Estate Board data

- **The price per square foot for a new condominium apartment eased slightly in August 2023.** However, the average unit size jumped higher and was the cause of the increase 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).

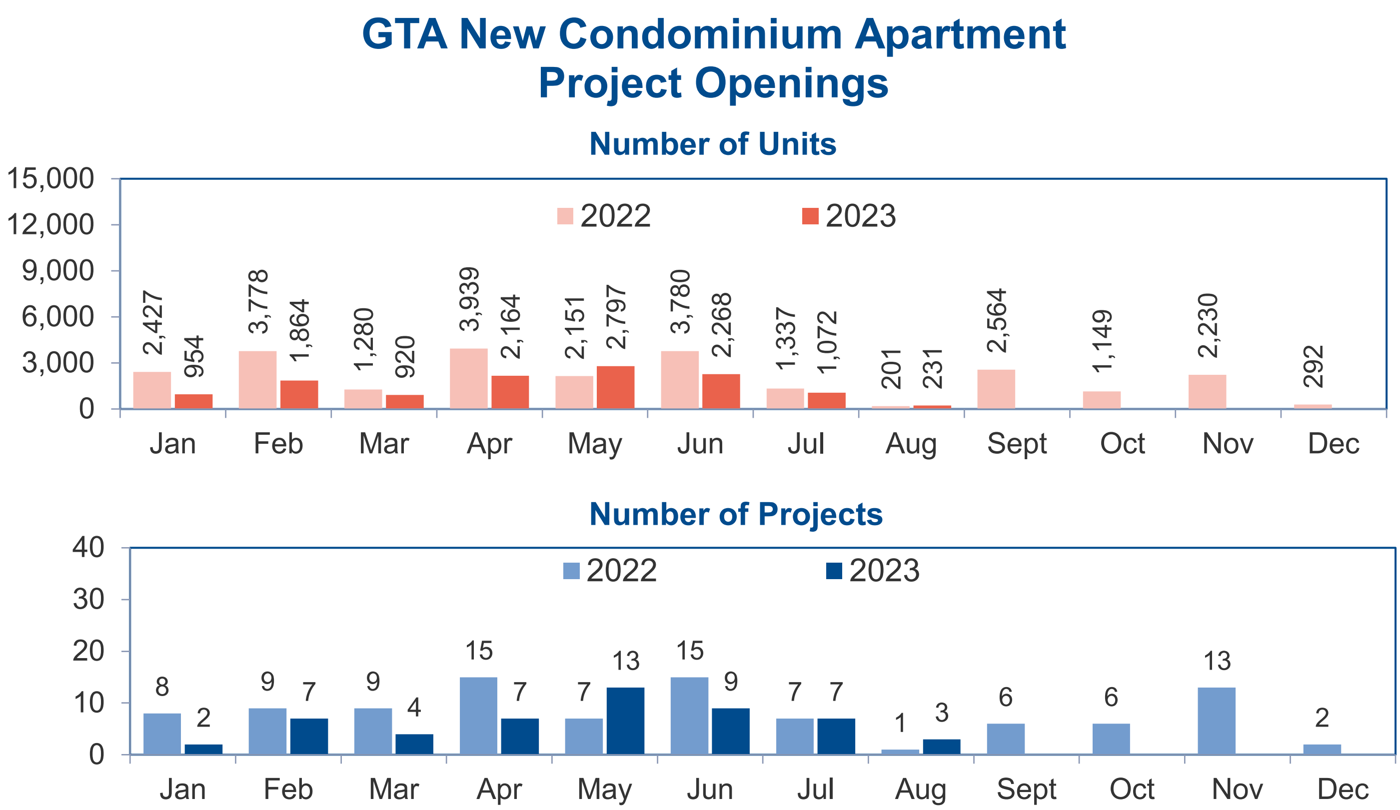
GTA New Condominium Apartment Benchmark Price Per Sq. Ft. and Unit Size



Source: Altus Group

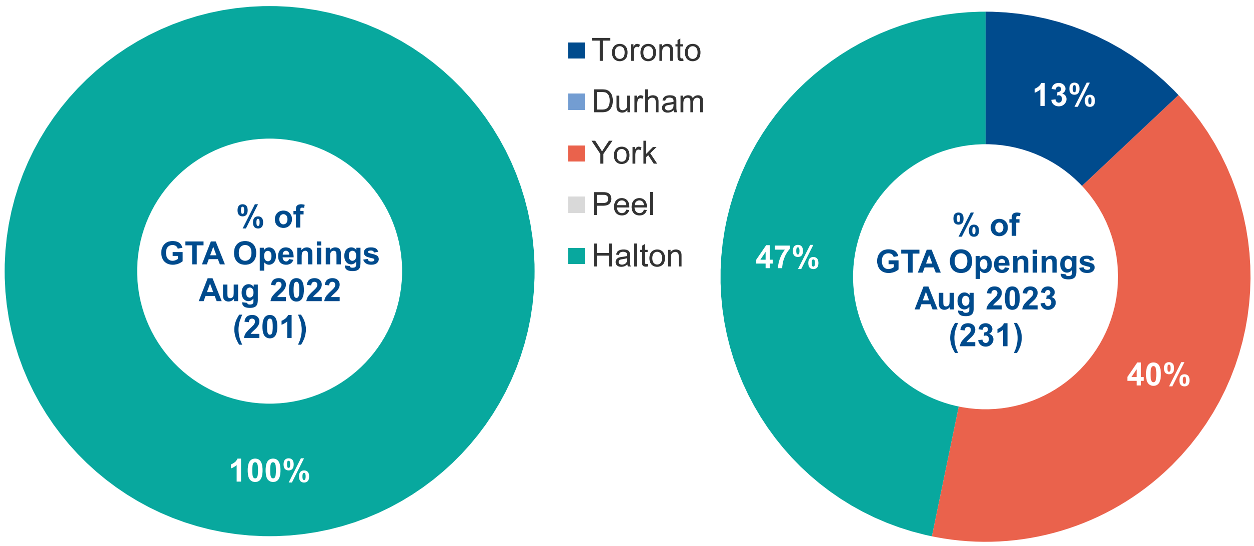
New Condominium Apartments - Openings

- **August 2023 saw just 3 new condominium apartment projects launched and the addition of about 1,070 units.** The average size of new projects fell below 100 units for the first time in just over 2½ years.
- **The openings in each of Halton and York Region accounted for almost 90 percent of all units opened** *(chart next page, top).* The remainder where in the City of Toronto, and specifically in North York *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in July and August 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 July openings.*



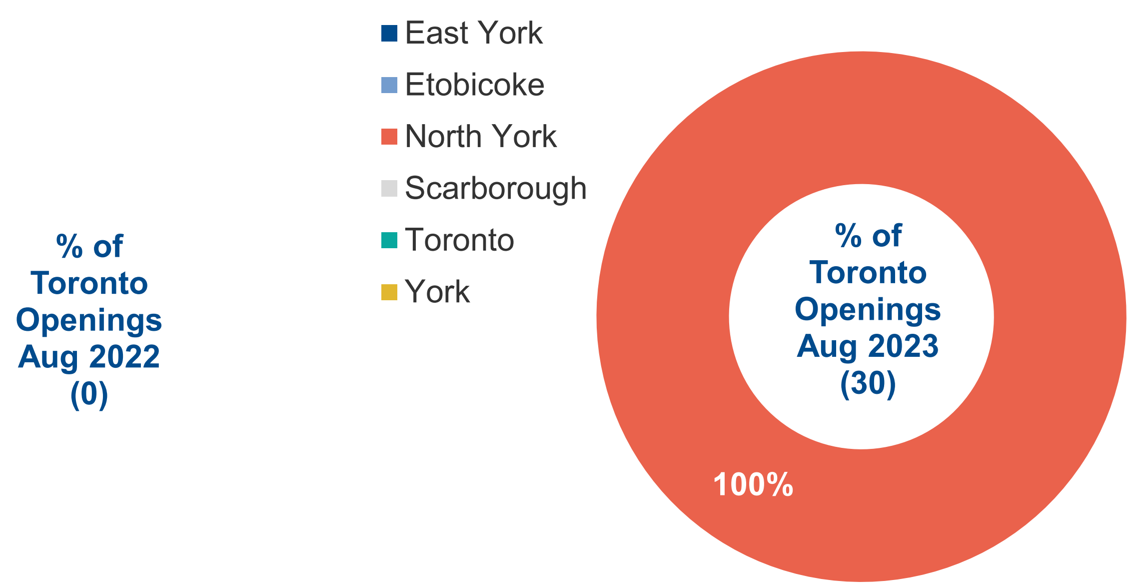
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



Source: Altus Group

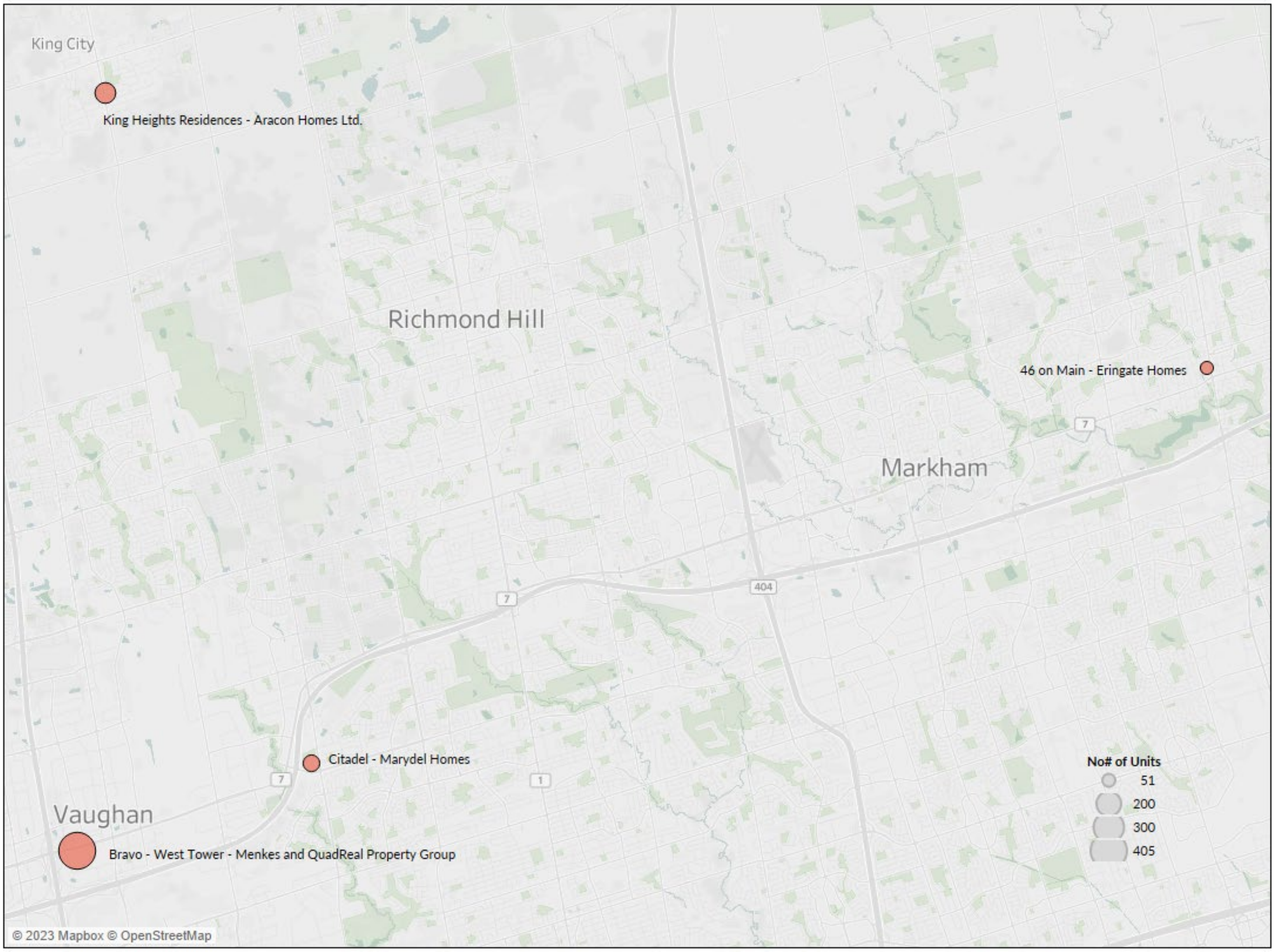
City of Toronto Condominium Apartment Units in New Openings by Former Municipality



Source: Altus Group

New Condominium Apartments - Openings

July 2023 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

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

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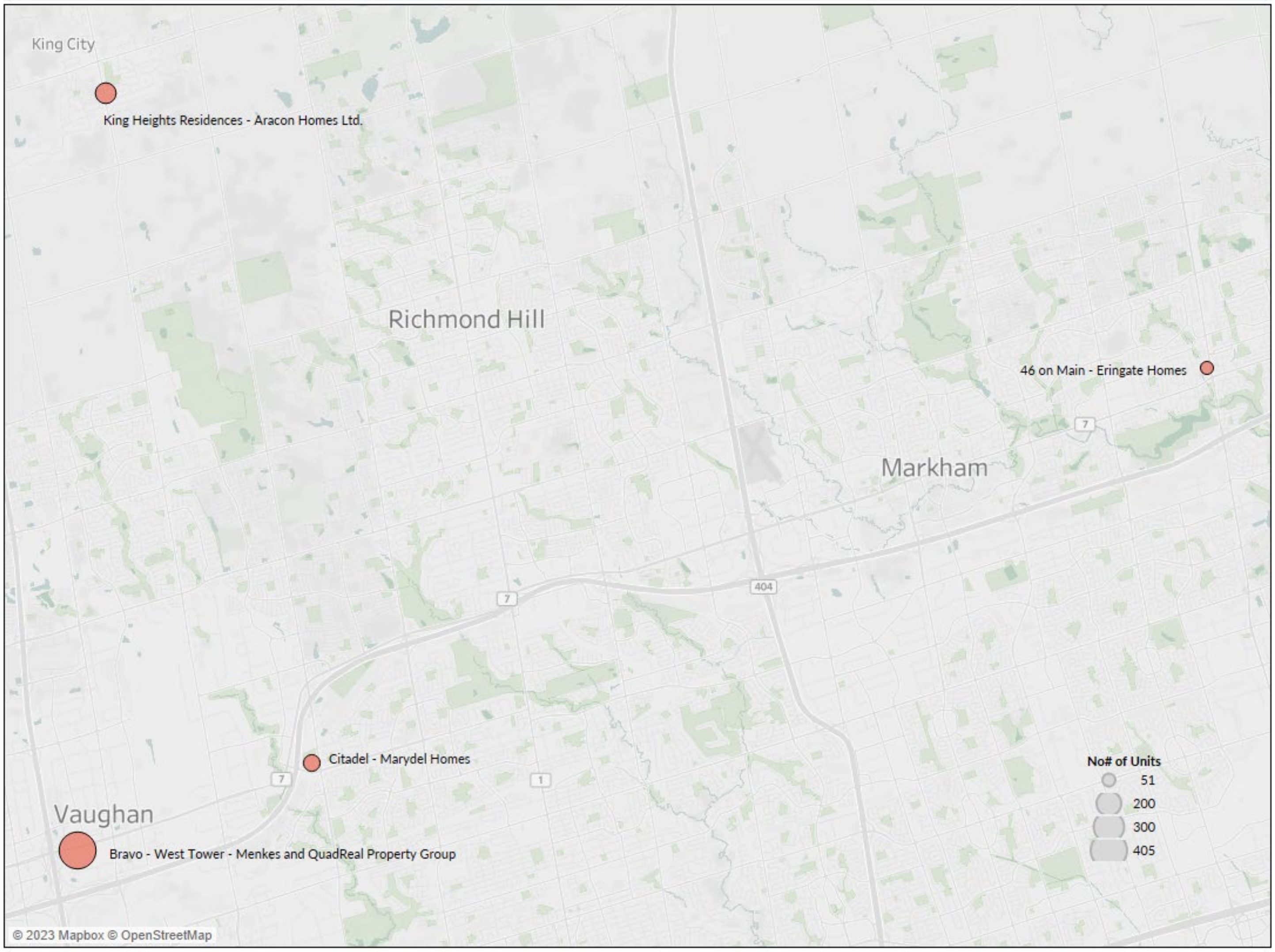
New Condominium Apartment Project Openings - July 2023 (1 of 2)				
Project Name	**46 on Main**	**Bravo - West Tower**	**Citadel**	**King Heights Residences**
Developer	Eringate Homes	Menkes and QuadReal Property Group	Marydel Homes	Aracon Homes Ltd.
Date Opened	July 1, 2023	July 4, 2023	July 15, 2023	July 13, 2023
Municipality	Markham	Vaughan	Vaughan	King
Region	York	York	York	York
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	5	45	5	5
Project Total Units	**61**	**561**	**83**	**129**
Total Units Released	**7**	**405**	**83**	**129**
Studio	-	-	8	-
1 Bedroom	3	135	18	30
1 Bedroom + den	4	180	38	41
2 Bedroom	-	90	19	33
2 Bedroom + den	-	-	-	22
3 Bedroom & up	-	-	-	3
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**7**	**58**	**14**	**8**
Next Month Sales	**0**	**32**	**5**	**2**
% Sold (of released units)	100%	22%	23%	8%
Remaining Available Inventory	0	315	64	119
Original $PSF	$1,076	$1,214	$1,108	$1,426
Minimum Size (sq. ft.)	326	472	315	467
Maximum Size (sq. ft.)	1,187	690	683	1,539
Minimum Price	$452,900	$565,990	$419,900	$735,990
Maximum Price	$1,281,900	$820,990	$769,900	$2,157,990
Notes				

Source: Altus Group

July 2023 New Project Launches by Number of Units



Source: Altus Group

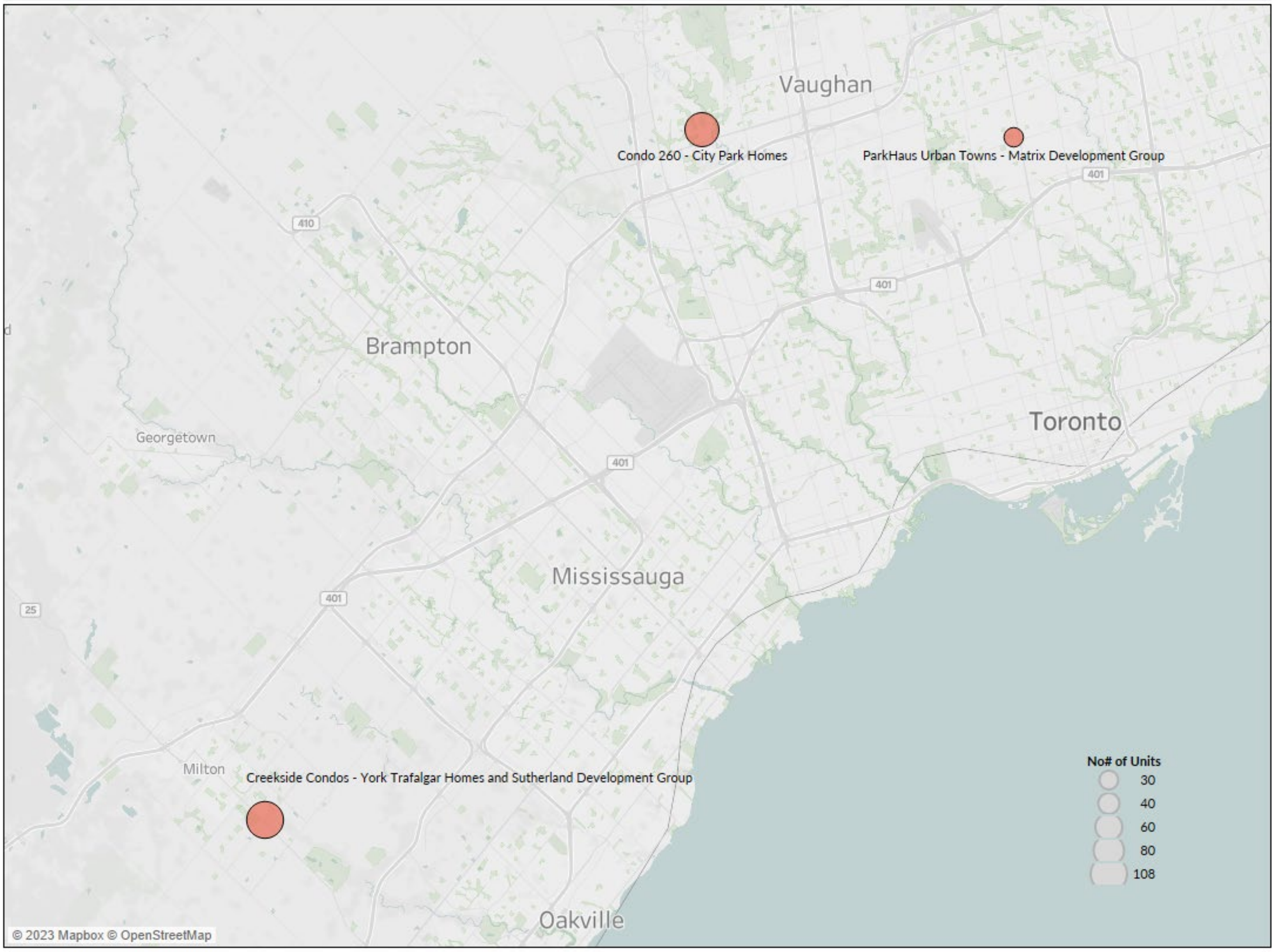
Map 2 of 2

New Condominium Apartment Project Openings - July 2023 (2 of 2)			
Project Name	**Privilla**	**Social Urban Towns**	**Social Urban Towns**
Developer	719 Sheppard Avenue West Ltd.	Fernbrook Homes	Zancor Homes
Date Opened	July 21, 2023	July 12, 2023	July 12, 2023
Municipality	North York	Caledon	Caledon
Region	Toronto	Peel	Peel
Structural Type	Apartment	Stacked	Stacked
Floors	9	3	3
Project Total Units	**90**	**72**	**57**
Total Units Released	**90**	**72**	**57**
Studio	3	-	-
1 Bedroom	31	-	-
1 Bedroom + den	40	-	-
2 Bedroom	12	-	-
2 Bedroom + den	1	-	-
3 Bedroom & up	3	72	57
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening Month Sales	**0**	**12**	**14**
Next Month Sales	**13**	**3**	**2**
% Sold (of released units)	14%	21%	28%
Remaining Available Inventory	77	57	41
Original $PSF	$1,262	$578	$578
Minimum Size (sq. ft.)	340	1,315	1,315
Maximum Size (sq. ft.)	1,720	1,705	1,705
Minimum Price	$560,000	$829,990	$829,990
Maximum Price	$1,709,000	$915,990	$915,990
Notes			

Source: Altus Group

New Condominium Apartments - Openings

August 2023 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

Altus Group

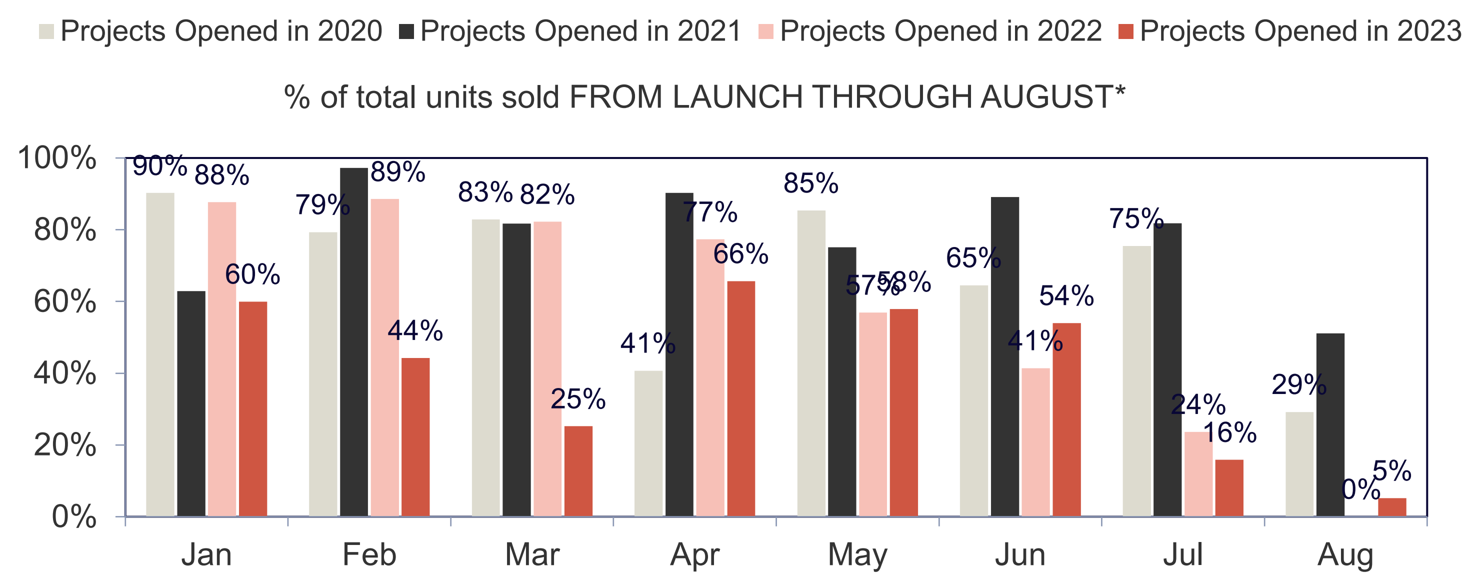
New Condominium Apartment Project Openings - August 2023

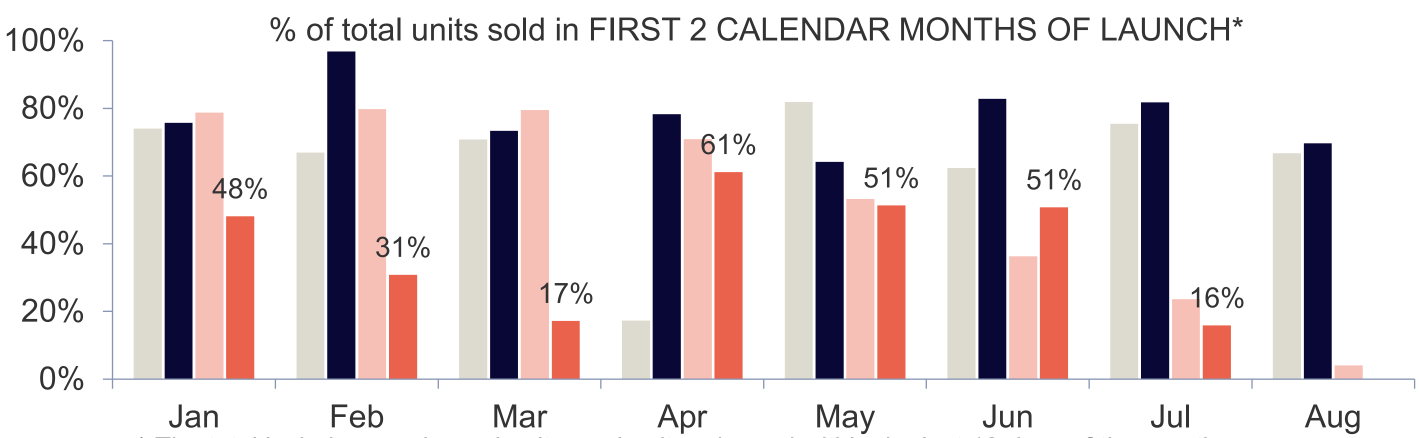
Project Name	**Condo 260**	**Creekside Condos**	**ParkHaus Urban Towns**
Developer	City Park Homes	York Trafalgar Homes and Sutherland Development Group	Matrix Development Group
Date Opened	August 26, 2023	August 26, 2023	August 12, 2023
Municipality	Vaughan	Milton	North York
Region	York	Halton	Toronto
Structural Type	Apartment	Apartment	Stacked
Floors	7	6	4
Project Total Units	**93**	**108**	**30**
Total Units Released	**92**	**108**	**30**
Studio	-	-	-
1 Bedroom	7	9	-
1 Bedroom + den	36	48	-
2 Bedroom	48	45	14
2 Bedroom + den	1	-	-
3 Bedroom & up	-	6	16
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening Month Sales	**0**	**0**	**12**
% Sold (of released units)	0%	0%	40%
Remaining Available Inventory	92	108	18
Original $PSF	$1,236	$818	$998
Minimum Size (sq. ft.)	535	655	1,175
Maximum Size (sq. ft.)	940	1,468	1,600
Minimum Price	$660,200	$580,800	$1,219,900
Maximum Price	$1,093,790	$995,800	$1,599,900
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

- **Only 1 in 20 units opened in August sold**, well below the pace of August 2020 and 2021.
- After 2 months of sales, projects opened in July 2023 were on pace with the previous year, but well behind the level to 2020 and 2021.
- Caution needs to be used in comparing sales rates in projects opened in one month/year versus another, as the proportion of projects opened in the last 10 days of the month (when firm sales are not recorded) can vary from one year, or one month, to another.

GTA New Condominium Apartment New Project Absorption Timelines (% of Total Units Sold Through August)*



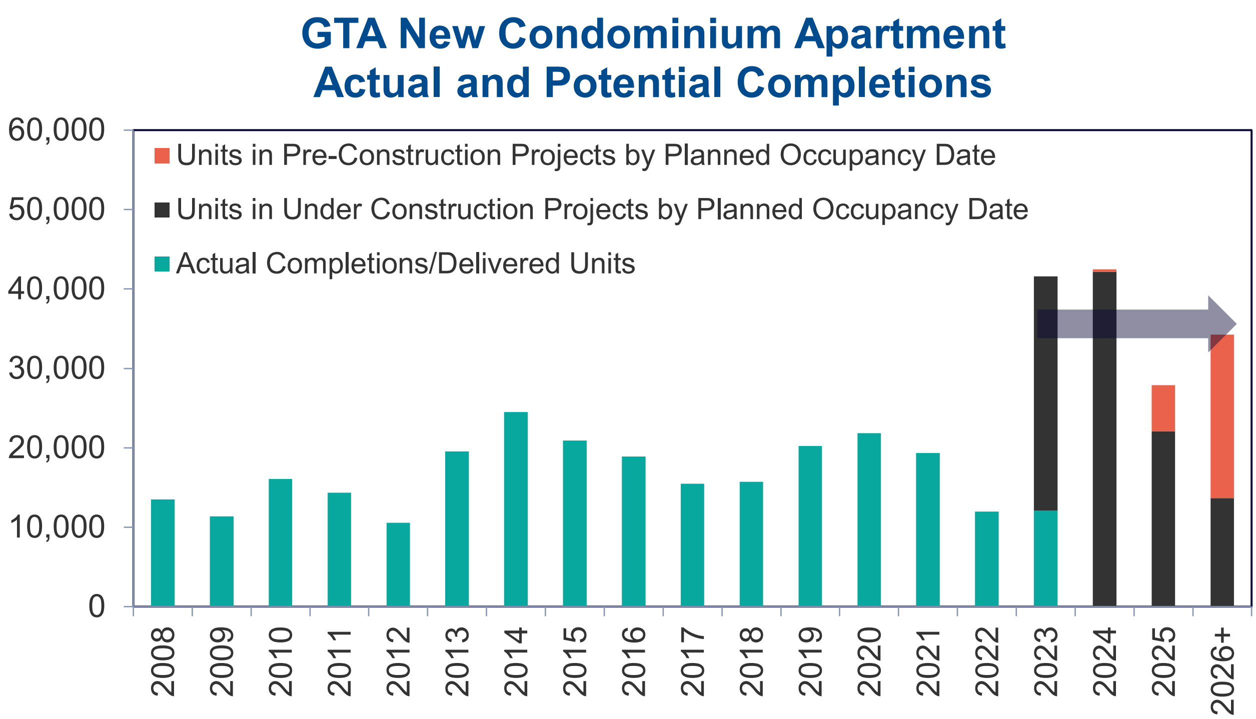


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

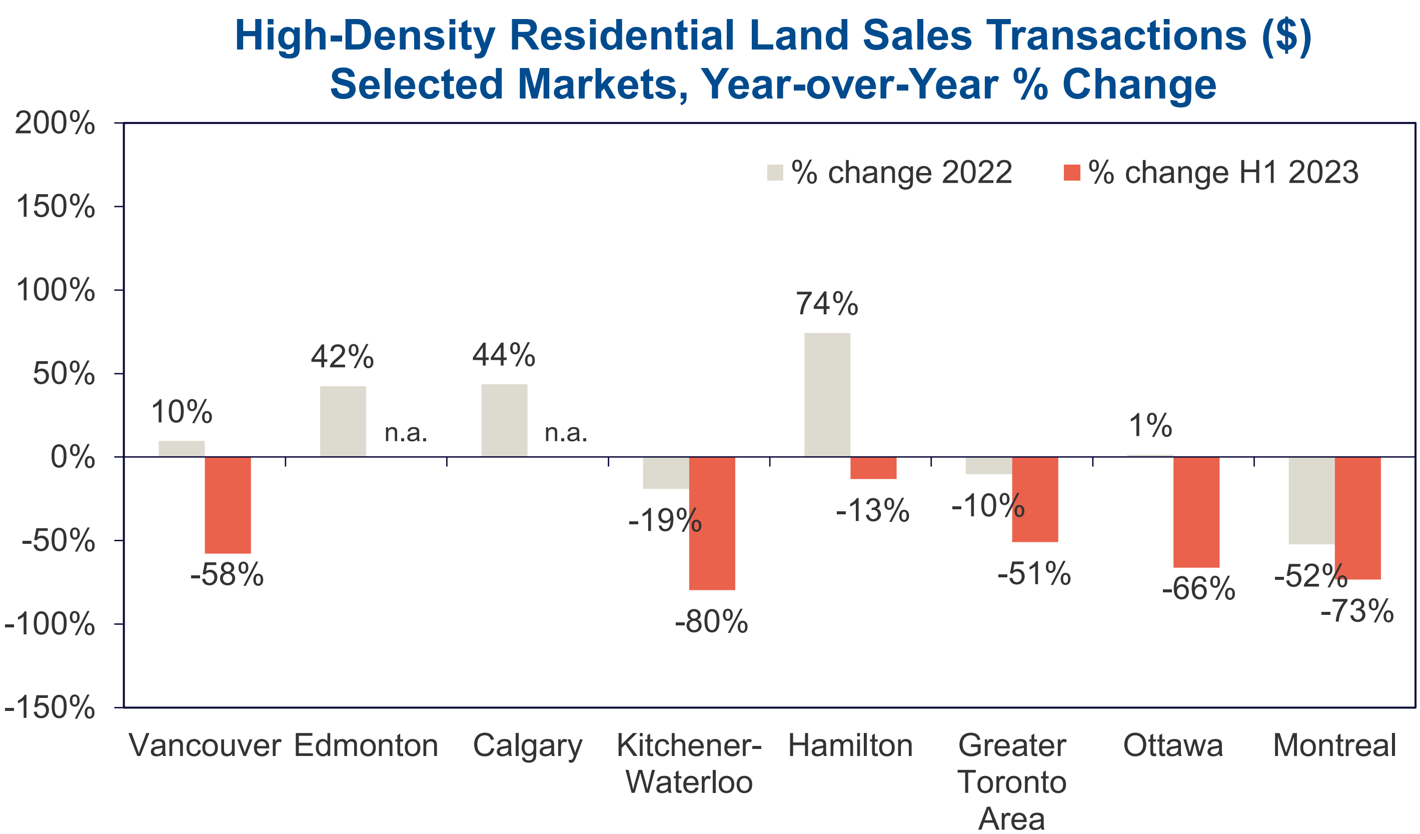
- As of the end of August 2023, there were over 134,100 new condominium apartment units in projects either under construction or in pre-construction stages.
- **A total of 961 new condominium apartment units were completed in August 2023**, an 18 percent decline over August 2022. Even with the falloff in August completions, year-to-date completions for 2023 are well ahead of the pace set last year and are just behind 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

High-Density Residential Land Sales

- **High-density residential land sales** (land for condominium apartment and purpose-built rental projects) **in the GTA are off by about 50% in the first half of 2023**.
- **The slowdown in transaction activity in the first half of 2023 was even more severe in most of the other markets** tracked by Altus Group.



*Note: Due to processing lags at *Alberta Land Titles*, Edmonton and Calgary data for H1 2023 are not available.
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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