Altus Group

The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of September 2023

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New Condominium Apartment Dashboard

September 2023			YTD September 2023	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
1,290	**19,141**	**$1,037,538**	**10,159**	**$1,095,632**
+207% ▲	**+47%** ▲	**-11%** ▼	**-43%** ▼	**-8%** ▼
2nd lowest September since 2015	***Highest September since 2015***	***2nd highest September on record***	***Lowest YTD September since 2009***	***2nd highest YTD September on record***

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

Highlights

- **GTA total new home sales showed renewed life in September**, though still lag the 10-year average by one-third. New condominium apartment sales had a resurgent month, but were still behind the longer-term average.
- **The inventory of both new condominium apartments and new single-family inventory moved higher in September.**
- With much of the new inventory more moderately priced, **the benchmark price of a new condominium apartment moved lower in September 2023 and recorded a 10th consecutive year-over-year decline.**
- **September sales surged as pent-up demand pulled buyers from the sidelines, lured by lower prices, rising inventory and easing concerns around future interest rate hikes.** The elevated immigration targets continued to add to the underlying demand for new homes. However, economic headwinds persist and buyers continue to be hampered by ongoing affordability concerns.

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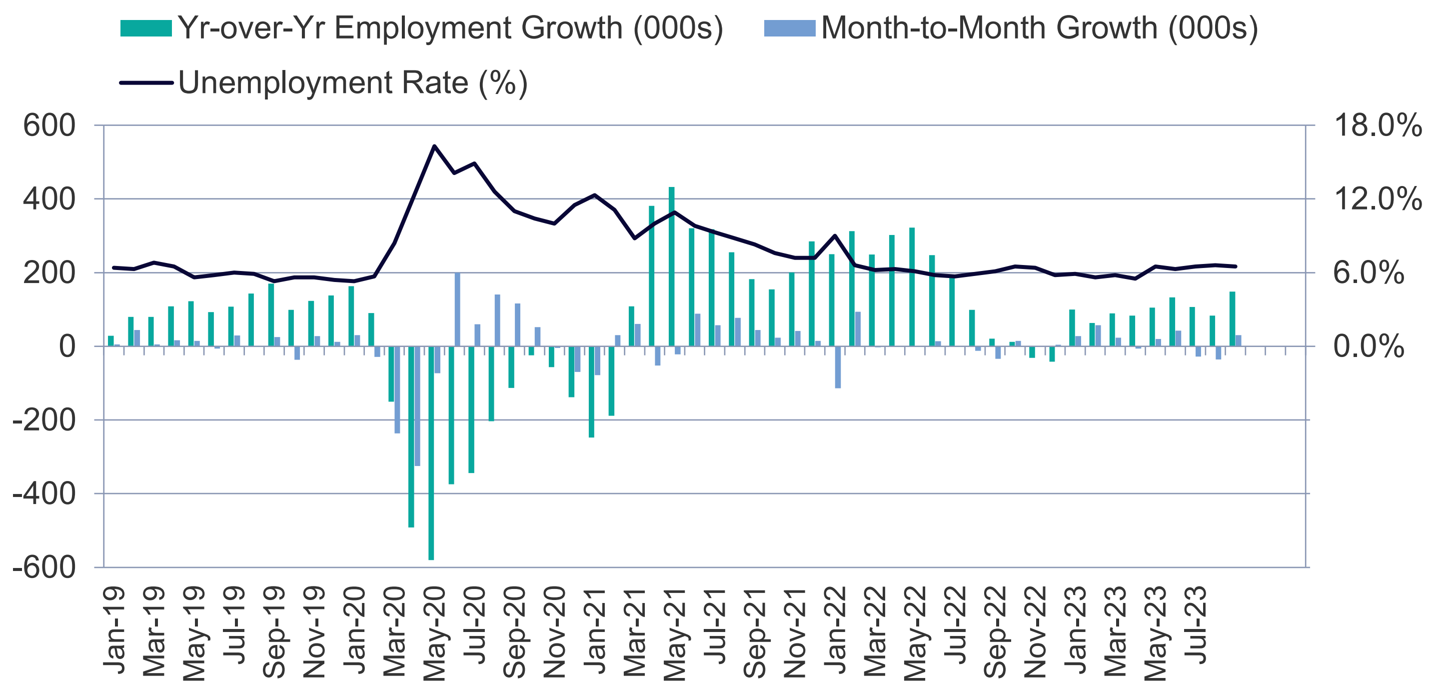
GTA Condominium Apartment Key Performance Indicators

	Sep-22	Aug-23	Sep-23	*Yr-Over-Yr % Change*	YTD Sep 2022	YTD Sep 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	336	385	390	*16%*	326	369	*13%*
New projects opened	6	3	9	*50%*	77	61	*-21%*
Units in new projects opened	2,562	231	3,493	*36%*	21,458	15,962	*-26%*
Total sales (units)	420	488	1,290	*207%*	17,803	10,159	*-43%*
Sales as % of total new & resale	*24%*	*23%*	*50%*		*50%*	*39%*	
Inventory (units)	11,410	14,194	16,362	*43%*	9,173	14,033	*53%*
Sales-to-inventory ratio	4%	3%	8%	*114%*	23%	8%	*-66%*
Months of inventory	5.0	13.5	14.6	*194%*	3.4	12.2	*261%*
Benchmark price	$1,159,455	$1,089,012	$1,037,538	*-11%*	$1,186,322	$1,095,632	*-8%*
Price PSF Benchmark	$1,398	$1,348	$1,343	*-4%*	$1,347	$1,363	*1%*
Unit size Benchmark (sq. ft)	829	808	773	*-7%*	882	804	*-9%*
Units completed	2,191	1,161	3,659	*67%*	9,055	15,950	*76%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,317	1,609	1,307	*-1%*	17,830	15,797	*-11%*
New listings (units)	3,455	3,893	4,994	*45%*	35,997	34,746	*-3%*
Inventory ("active listings", units)	4,654	5,455	6,509	*40%*	3,798	4,648	*22%*
Sales-to-inventory ratio	28%	29%	20%	*-29%*	67%	39%	*-41%*
Months of inventory	2.2	3.4	4.0	*85%*	1.5	2.9	*89%*
Average price of units sold	$730,818	$705,572	$707,065	*-3%*	$767,690	$721,217	*-6%*
HPI constant quality price index (Jan 2005=100)	371.5	373.0	372.5	*0%*	393.5	369.0	*-6%*

- **The Toronto CMA extended its run of year-over-year employment growth to nine consecutive months** in September 2023, and also recorded its 1st month of month-to-month employment growth in three months**.** The unemployment rate came in at 6.5% where it has hovered around for the past five months.
- **The Bank of Canada target for the overnight rate remained at 5%, unchanged at its latest rate announcement on October 25**, stating that **"***In Canada, there is growing evidence that past interest rate increases are dampening economic activity and relieving price pressures. . . With clearer signs that monetary policy is moderating spending and relieving price pressures, Governing Council decided to hold the policy rate at 5% and to continue to normalize the Bank's balance sheet. However, Governing Council is concerned that progress towards price stability is slow and inflationary risks have increased, and is prepared to raise the policy rate further if needed. Governing Council wants to see downward momentum in core inflation, and continues to be focused on the balance between demand and supply in the economy, inflation expectations, wage growth and corporate pricing behaviour.*" **The next rate announcement date is December 6.**
- **The 5-year fixed "special" mortgage interest rates continued to creep higher,** having risen by about 40 basis points since the most recent interest rate hikes in June and July 2023 *(chart next page, bottom).*

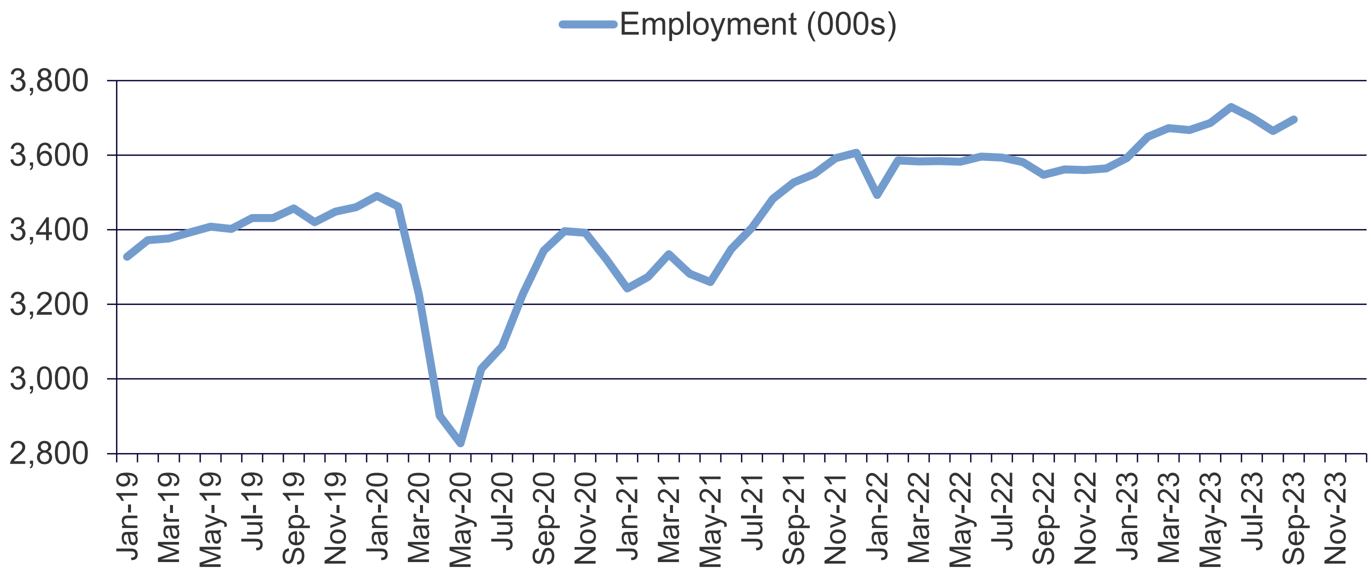
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

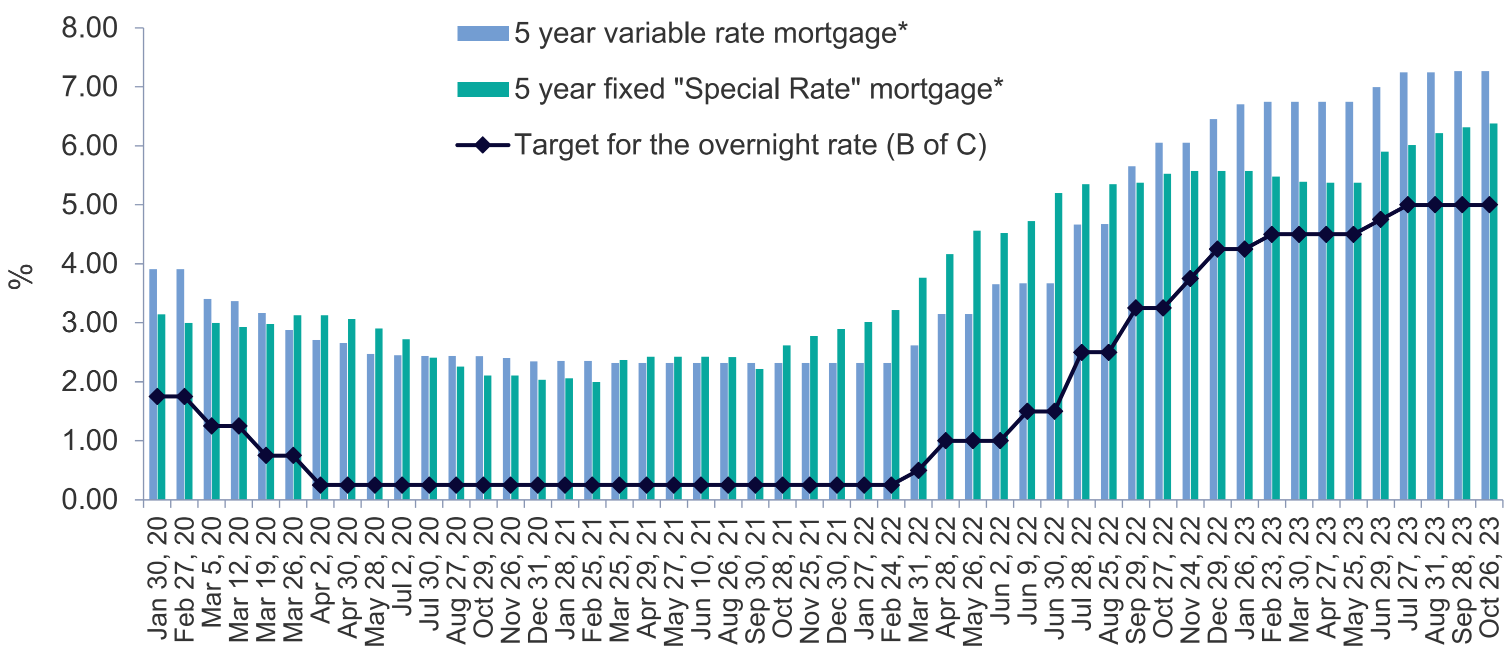
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates



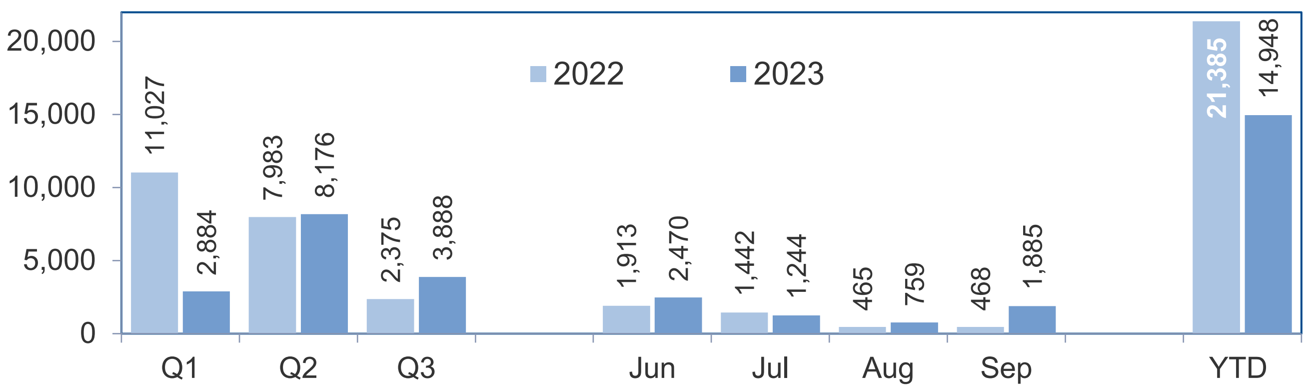
** Average for the major banks*

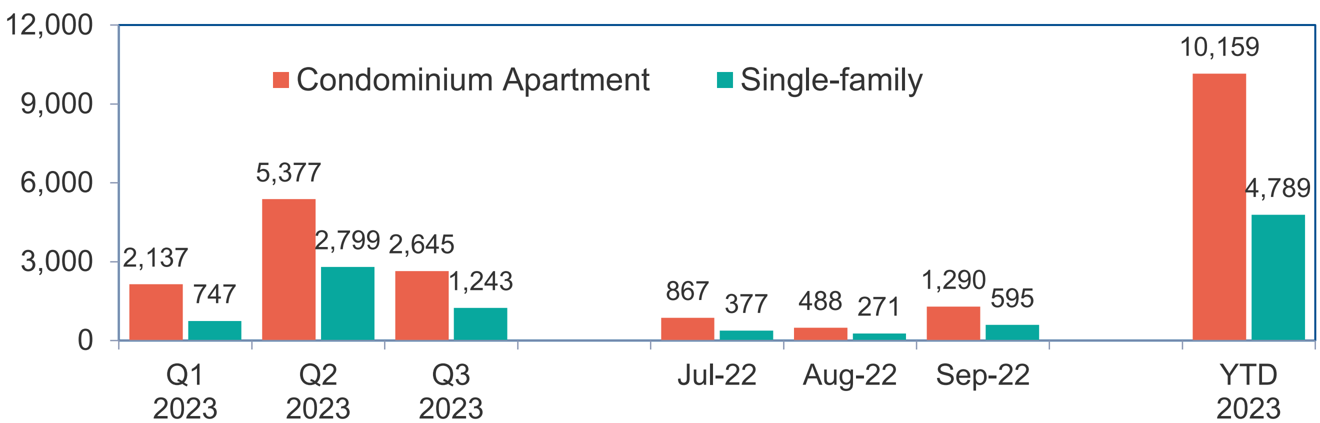
Source: Altus Group based on data from Bank of Canada and major bank web sites

- **Total new home sales across the GTA surged in September.** Sales were well above last year's extremely low levels but remain about one-third below the 10-year average.
- **Both new condominium apartment and single-family sales shared in the large year-over-year increase,** keeping in mind that last year's sales were near an all-time low due to the rapid rise in interest rates in 2022. Despite this marked increase, both sectors still lag the 10-year averages.
- **Durham and York recorded year-to-date increases for both total and condominium apartment new home sales.** In the single-family sector, year-to-date gains were recorded in Durham, Peel and Halton (*charts next page*).
- At the local municipality level, Markham and Pickering recorded the largest absolute rise is total sales through the first nine months of 2023 while Toronto, Mississauga and Brampton registered the largest falloff (*charts after next page*).

GTA New Home Sales

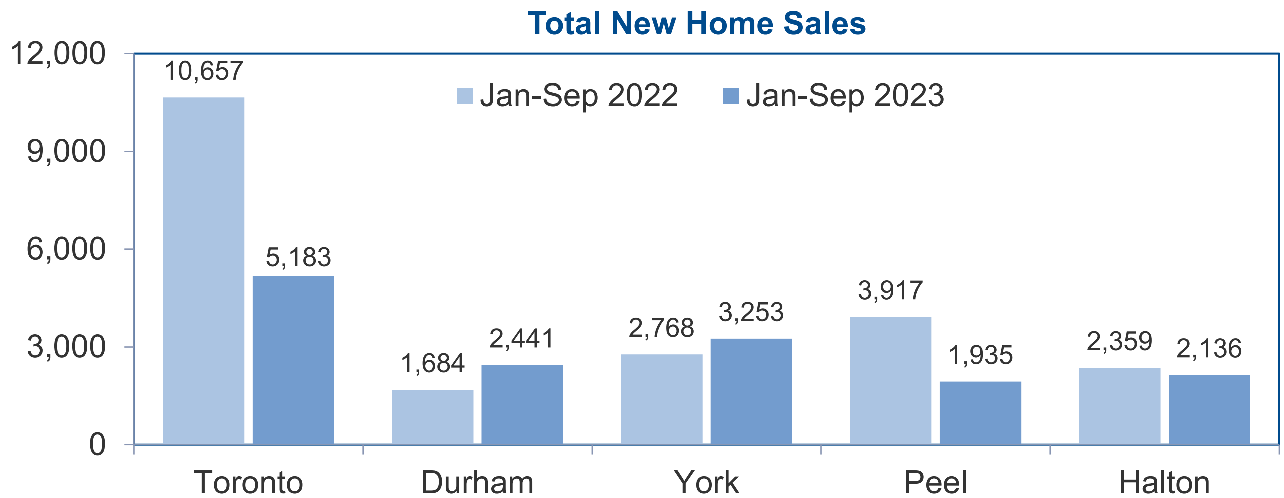
Total New Home Sales

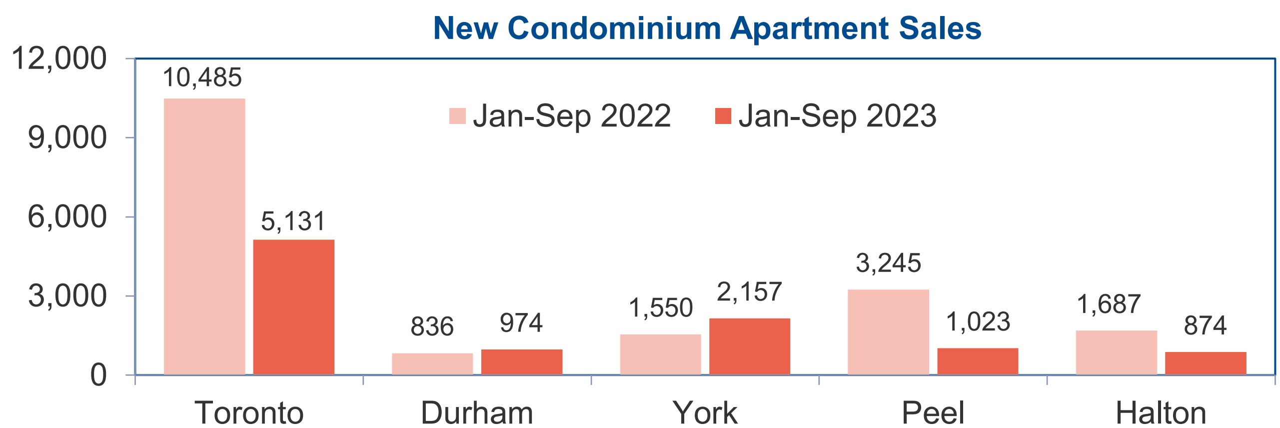


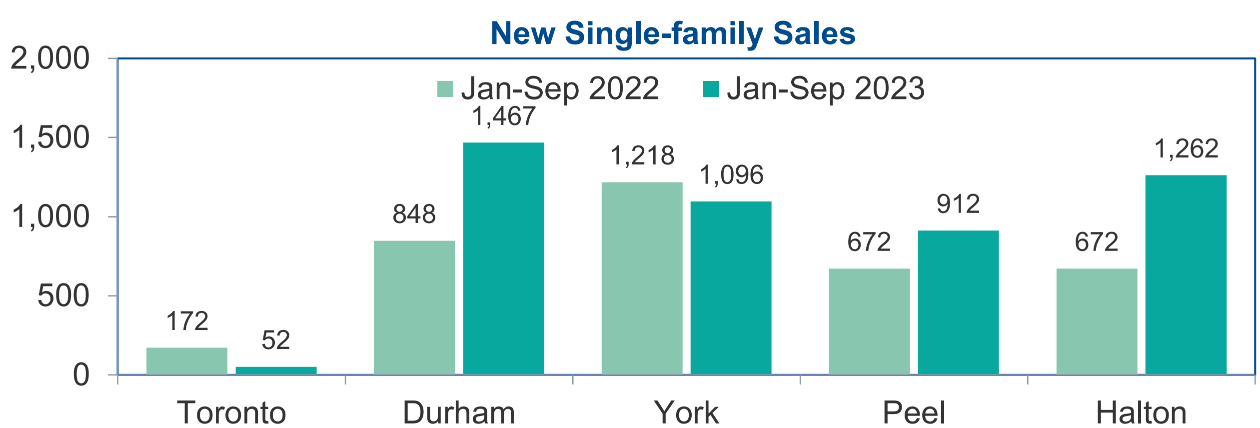


Source: Altus Group

GTA New Home Sales by Region







Source: Altus Group

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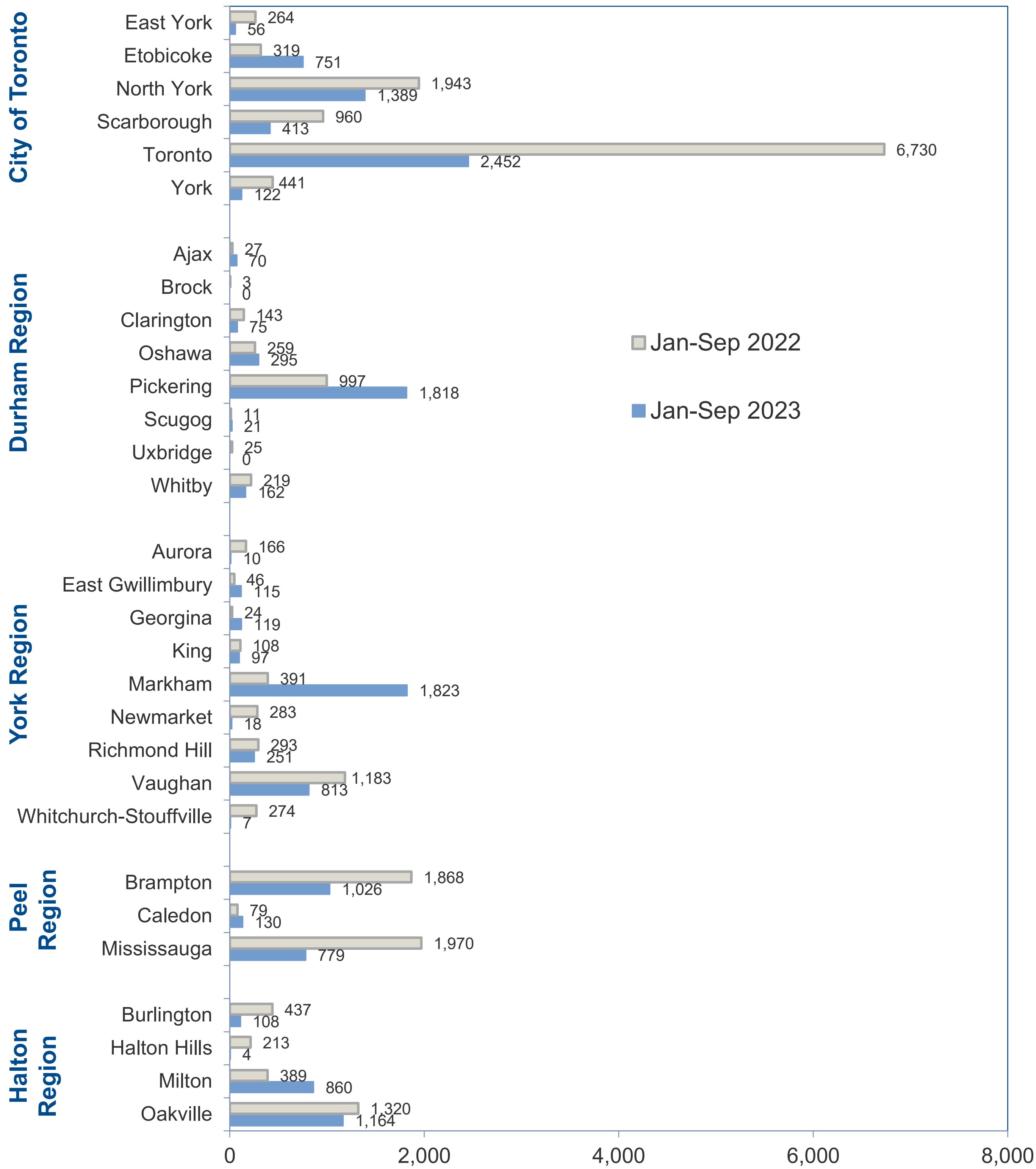
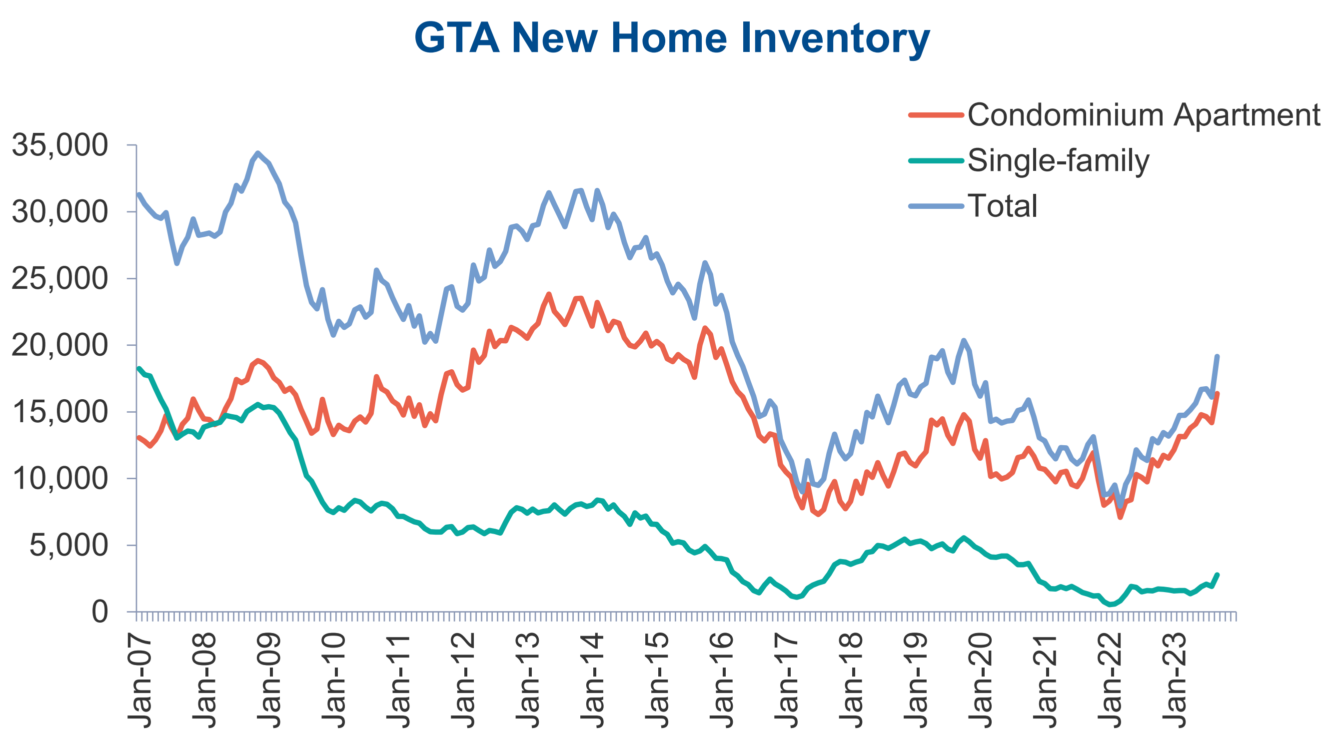
GTA Total New Home Sales by Municipality



Source: Altus Group

New Home Market - Inventory

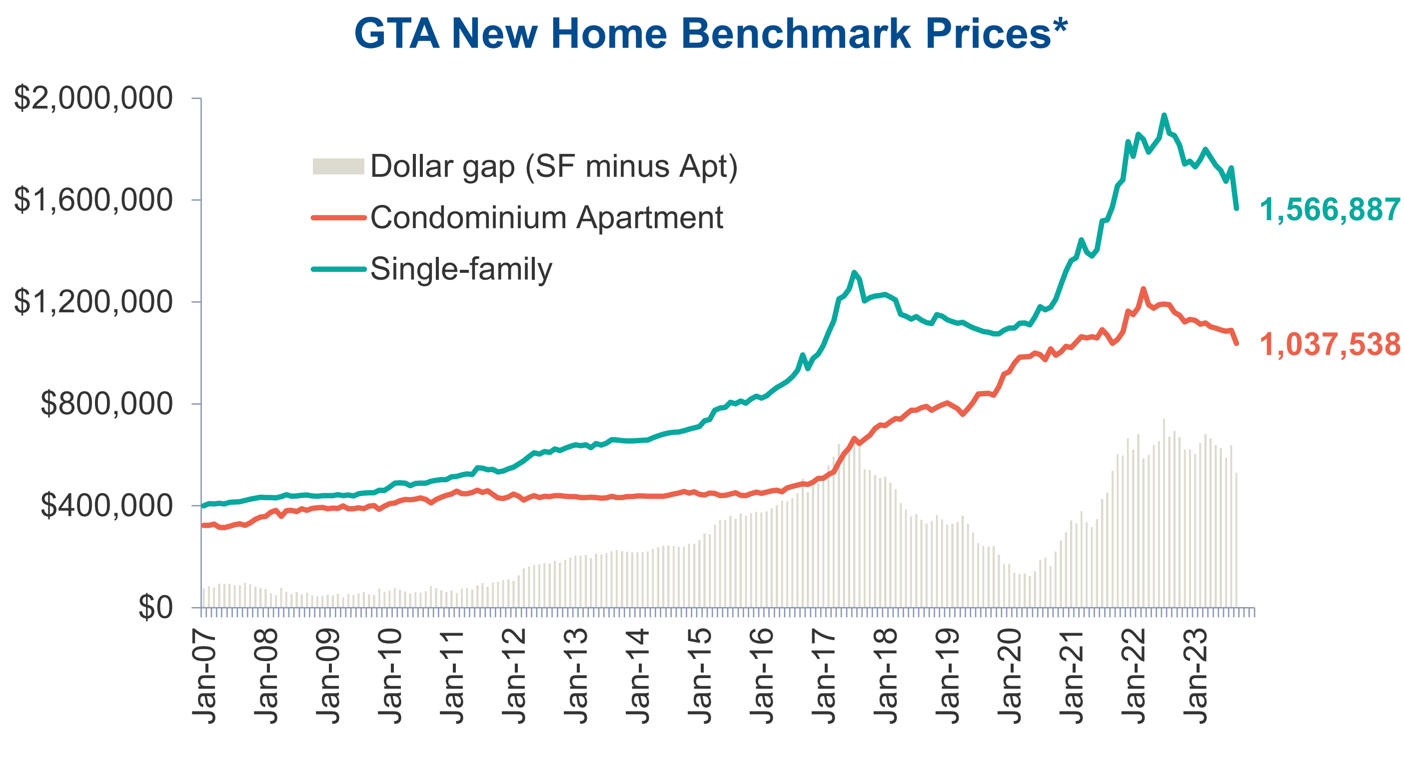
- **Total new home inventory jumped to a nearly four-year high in September** to sit above the 10-year average. The growth was due to a flood of new openings that far surpassed the resurgent sales for the month.
- Based on average monthly total new home sales over the past 12 months, there were nearly 7 months of available supply of total new homes at the end of September 2023, just slightly below the 10-year average for September of over 7 months.
- **Condominium apartment inventory soared to an over seven-year high in September 2023 and surpassed the 10-year average by 15 percent.** Single-family inventory also rose in September but remained well below its 10-year average.



Source: Altus Group

New Home Market - Prices

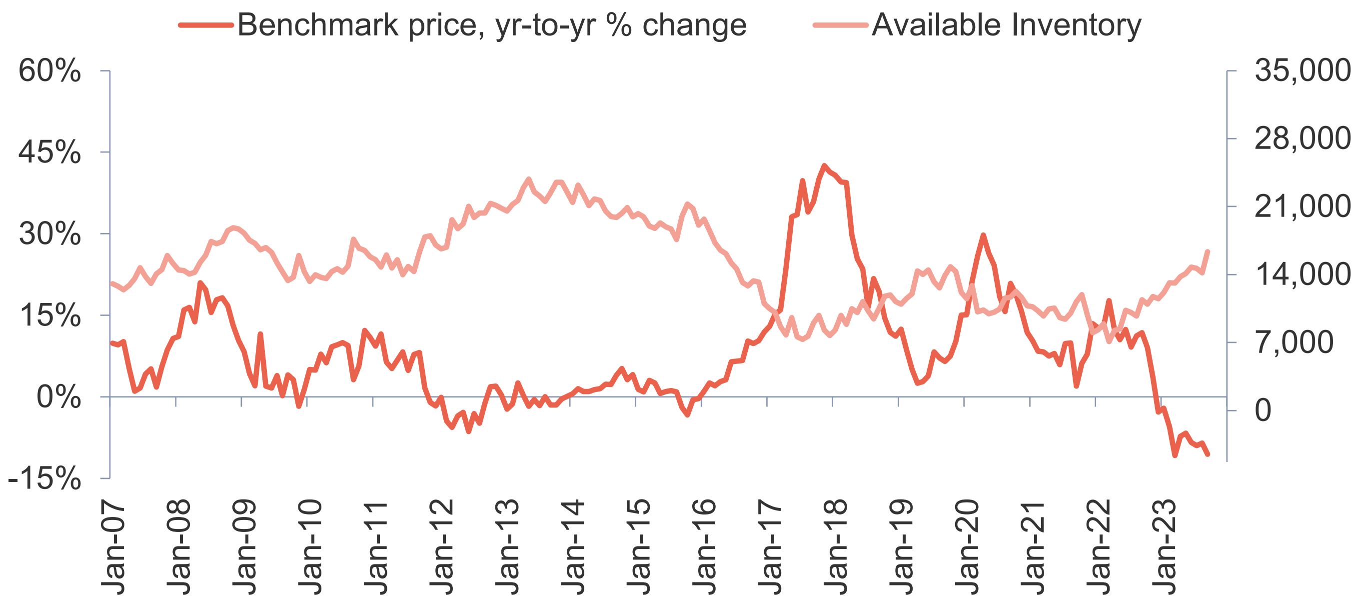
- **The benchmark price for a new condominium apartment moved fell in September 2023 to a two-year low,** down 11 percent year-over-year. Single-family benchmark pricing also moved lower in September compared to last month and was off by 15 percent year-over-year.
- **The price advantage of available new condominium apartments compared to new single-family homes narrowed in September** to its lowest spread in two years. With both the condominium apartment and the single-family benchmark prices registering another year-over-year decline, prices have lagged the previous year's level for a 10th 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*

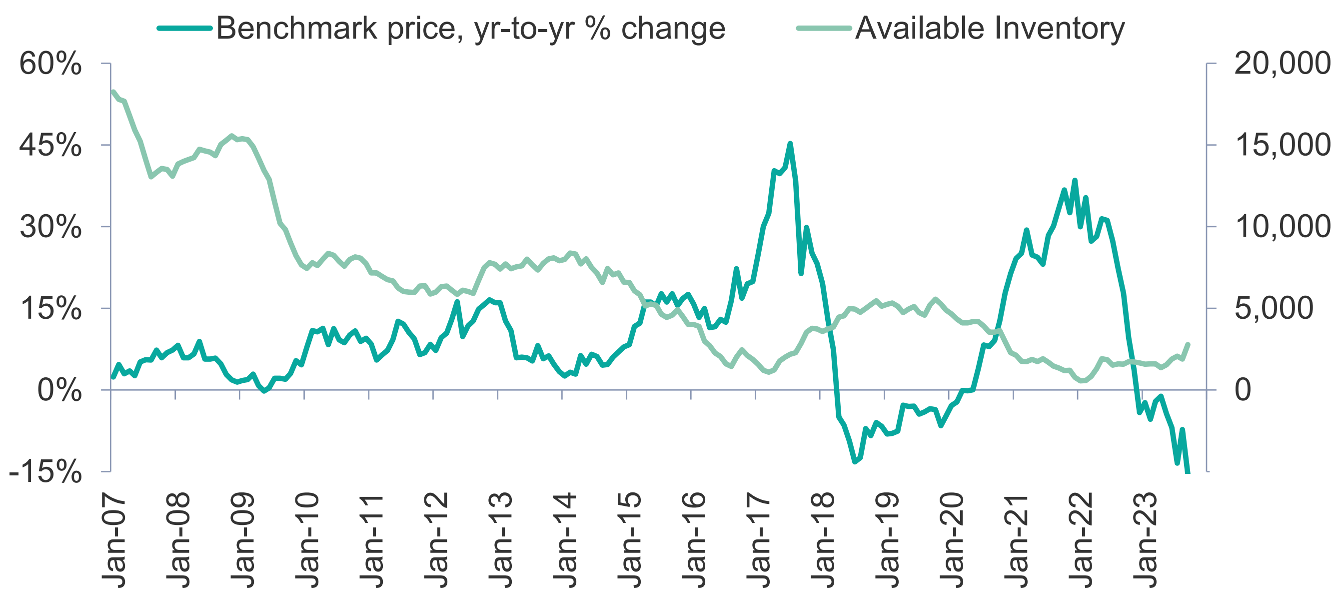
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

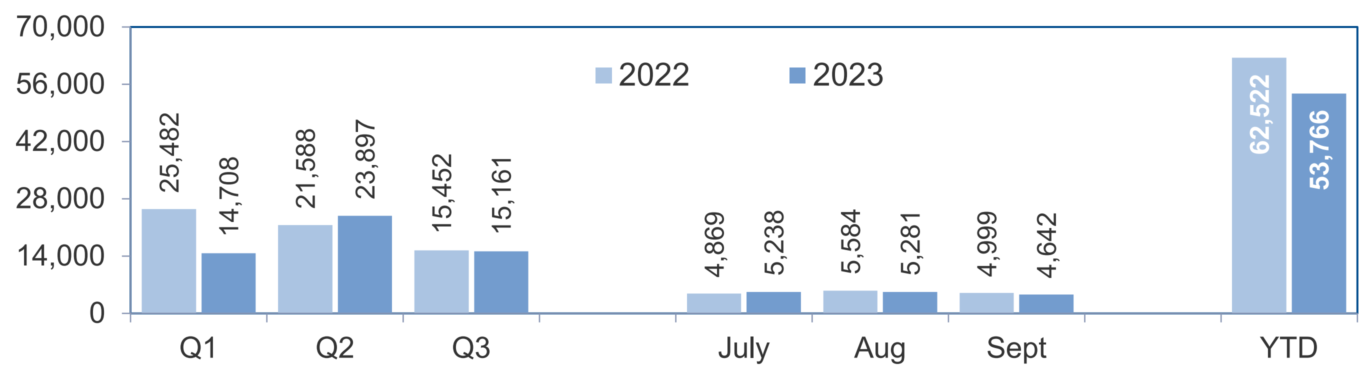
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

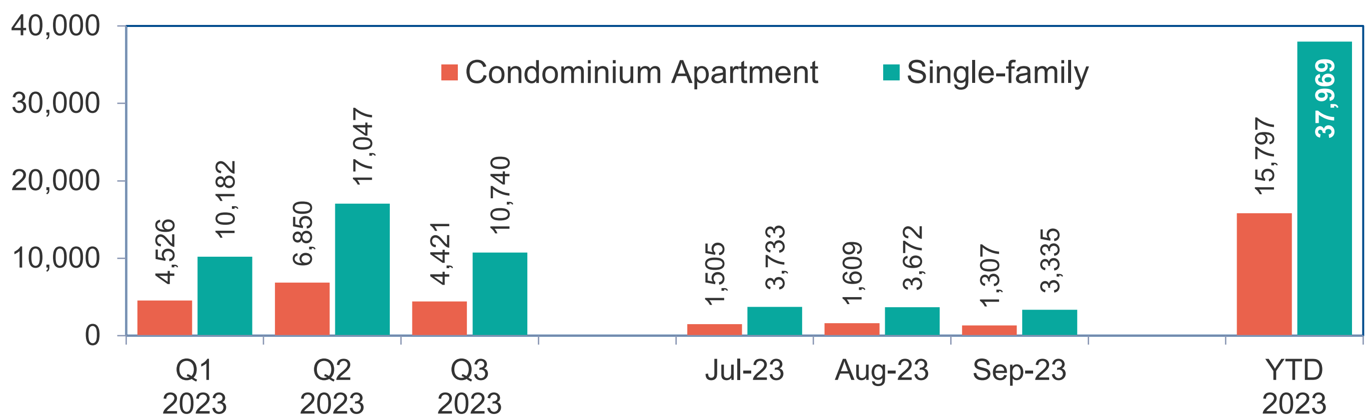


Source: Altus Group

- **Sales of existing homes came in lower in September 2023 on a year-over-year basis** and also fell month-to-month (seasonally adjusted) compared to the August 2023 level. Through the first nine months of 2023, year-to-date total resales were down 14 percent from last year and registered the lowest nine-month total since 2001.
- Resale condo apartment sales were little changed from last year while the single-family sector continued to drag overall sales lower, falling nine percent from the previous year.
- **Total resale inventory levels jumped in September 2023 compared to both year-over year and month-to-month levels, and surpassed the 10-year average.** Conditions were very tight with about 4 months of inventory in the resale condominium apartment sector and just over 3 months of inventory in the resale single-family sector**.**
- Average resale prices for September 2023 moved higher from August in both the single-family and apartment sectors, however only single-family resale prices managed to surpass last year's level *(charts next page).*

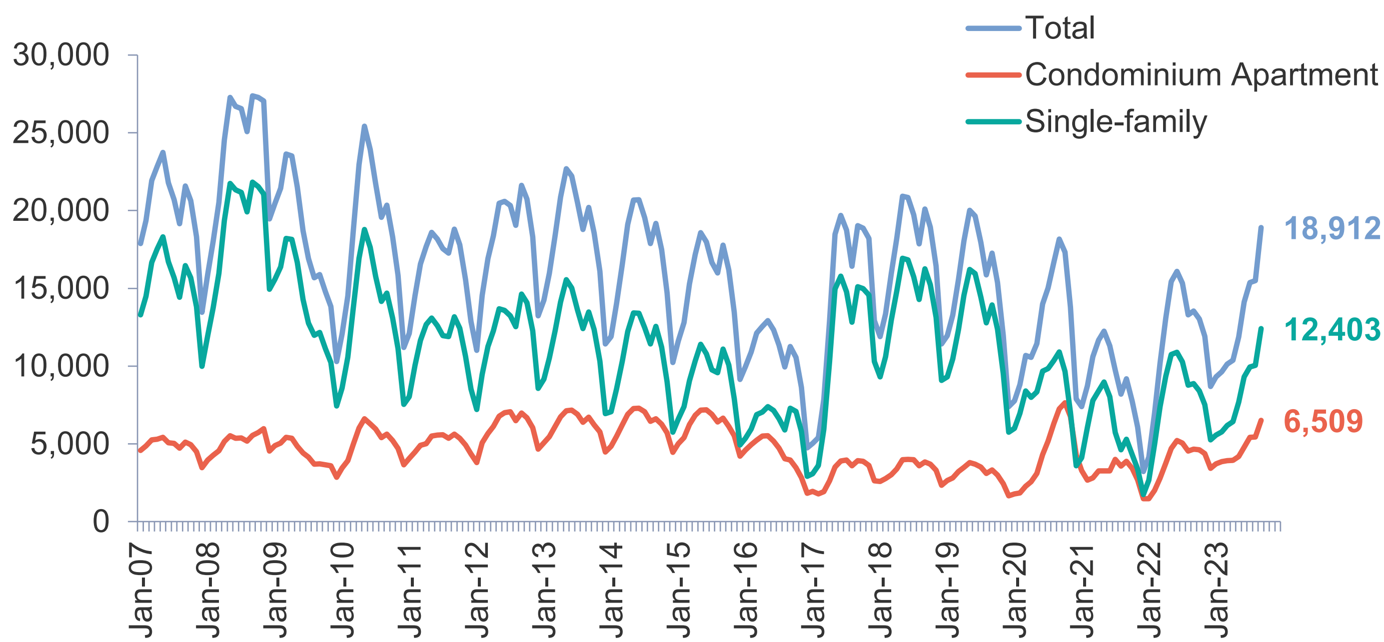
GTA Resale Home Sales





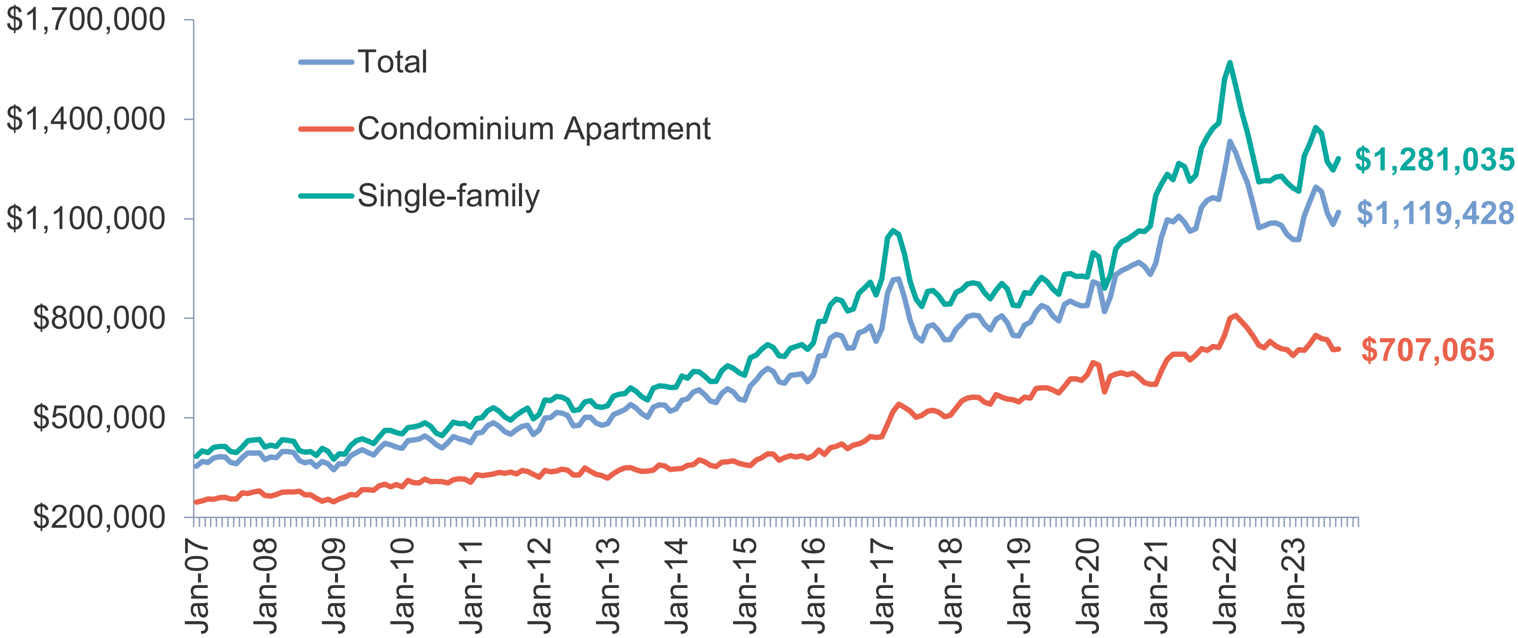
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

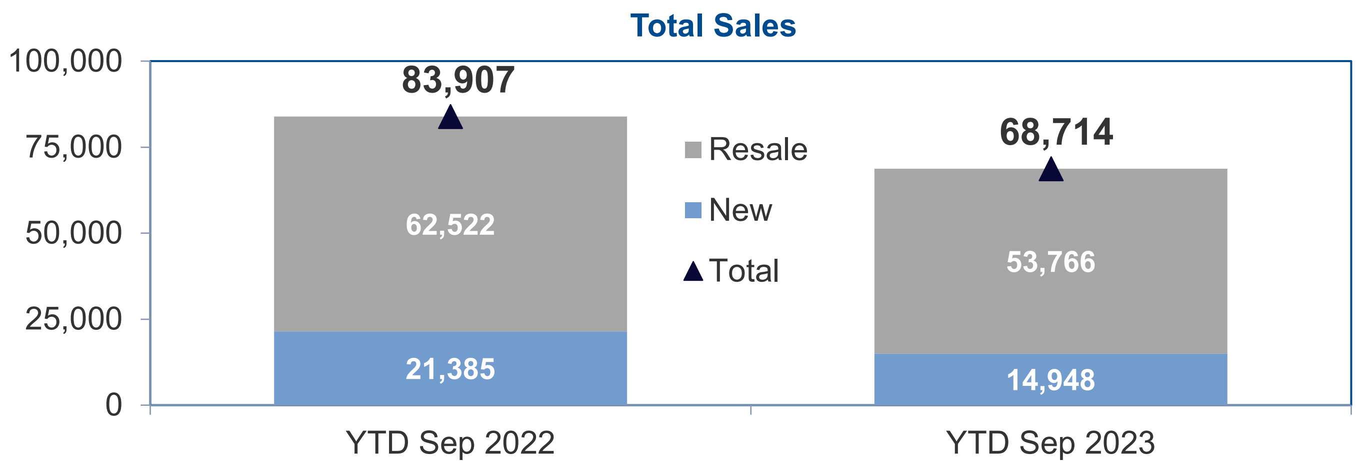
GTA Resale Home Prices

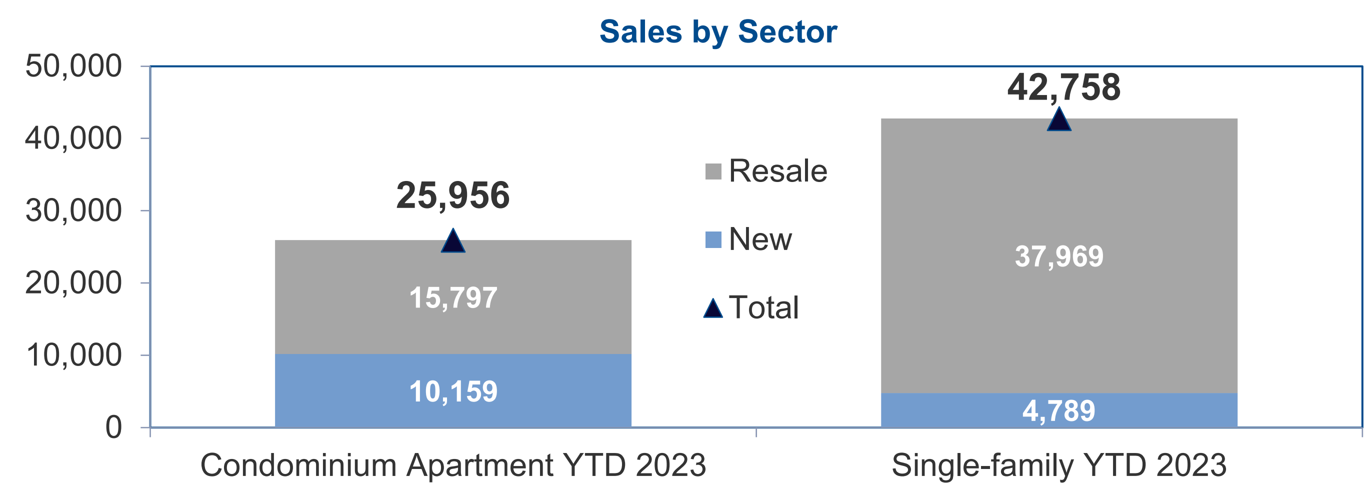


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Total home sales in the GTA in the first nine months of 2023 were down 18 percent from a year earlier**. The decline in the apartment sector (-27%) outpaced the falloff in the single-family sector (-11%).
- **The new home sector accounted for about 1 out of every 5 home sales through September 2023** – this compared to about 1 in 4 for 2022. Roughly 1 in 9 single-family and 4 in 10 condo apartment homes sold were new homes.

GTA Combined New & Resale Home Sales

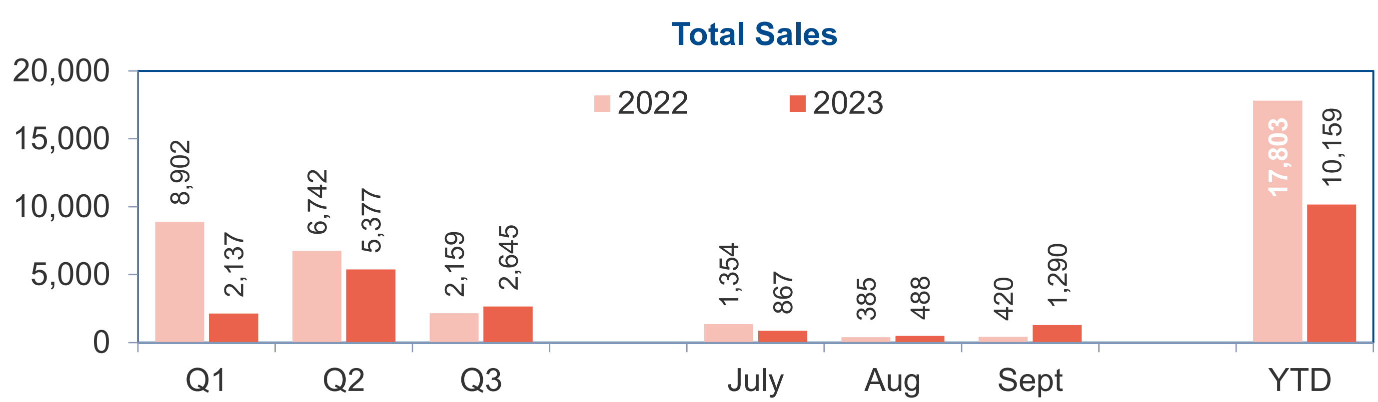


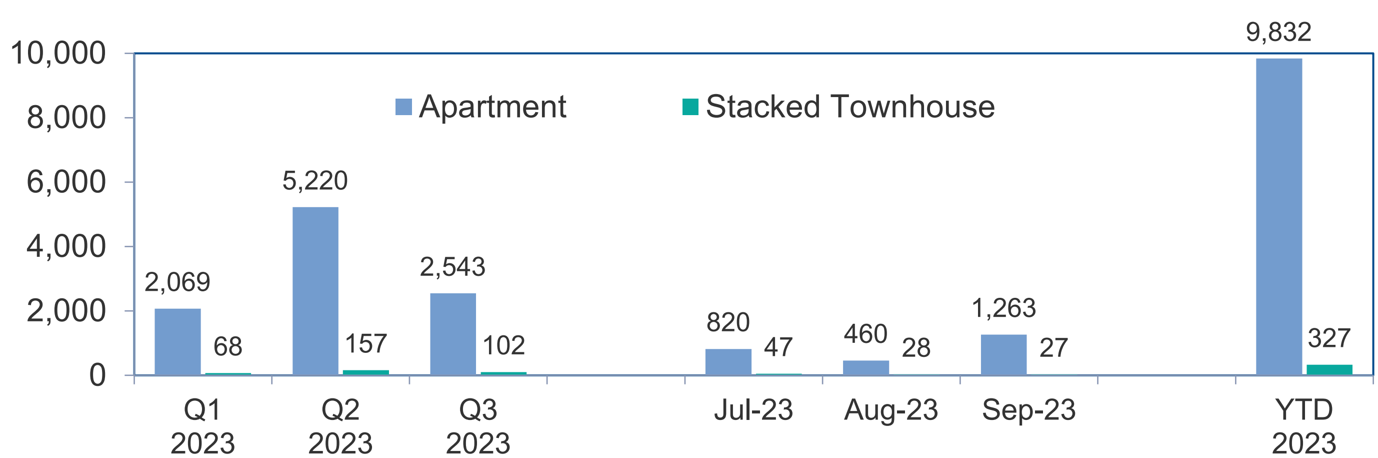


Source: Altus Group and Toronto Regional Real Estate Board data

- **New condominium apartment sales jumped higher in September 2023 as an influx of more moderately priced product brought buyers back from the sidelines.** September sales were more than three times last year's extreme low for September which had been impacted by the repeated increases in interest rates. Year-to-date sales through September are down over 40 percent due in large part to the slow first quarter in 2023.
- **Durham, York and Peel recorded higher new condominium sales in September 2023** *(chart top of next page)***.** However, year-to-date sales were stronger in only York and Durham (*chart middle of next page*). York and Durham accounted for a larger share of new condominium apartment sales through September 2023, larger at the expense of Toronto and Peel (*chart bottom of next page*).
- At the local municipality level, most municipalities recorded lower sales in the first nine months of 2023 with Markham, Etobicoke and Pickering being notable exceptions *(charts after next page)*.

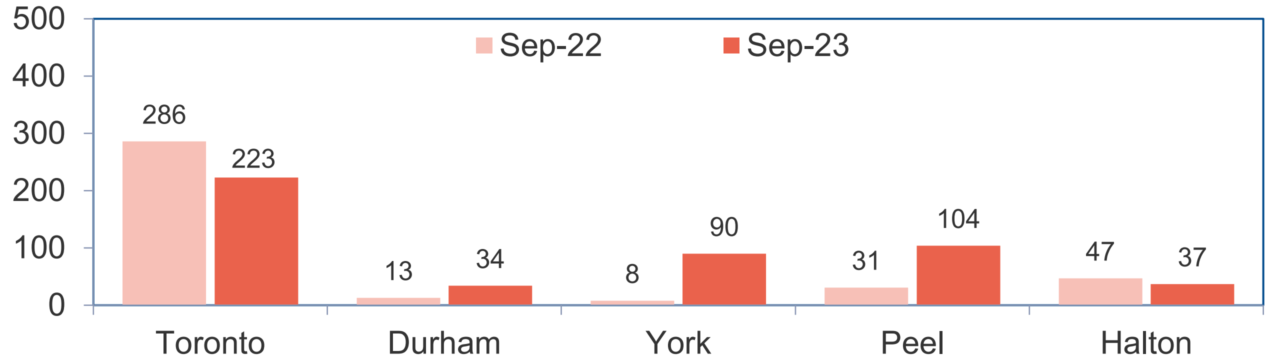
GTA New Condominium Apartment Sales

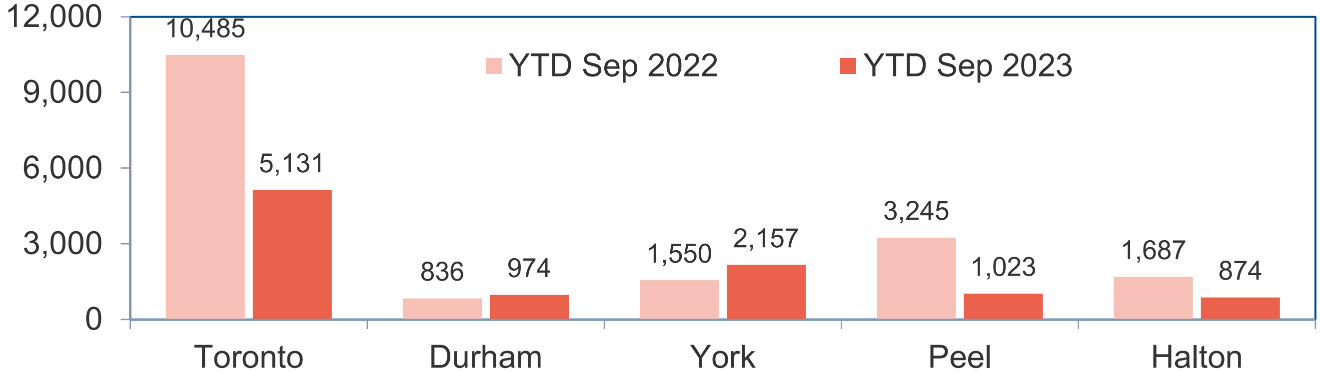


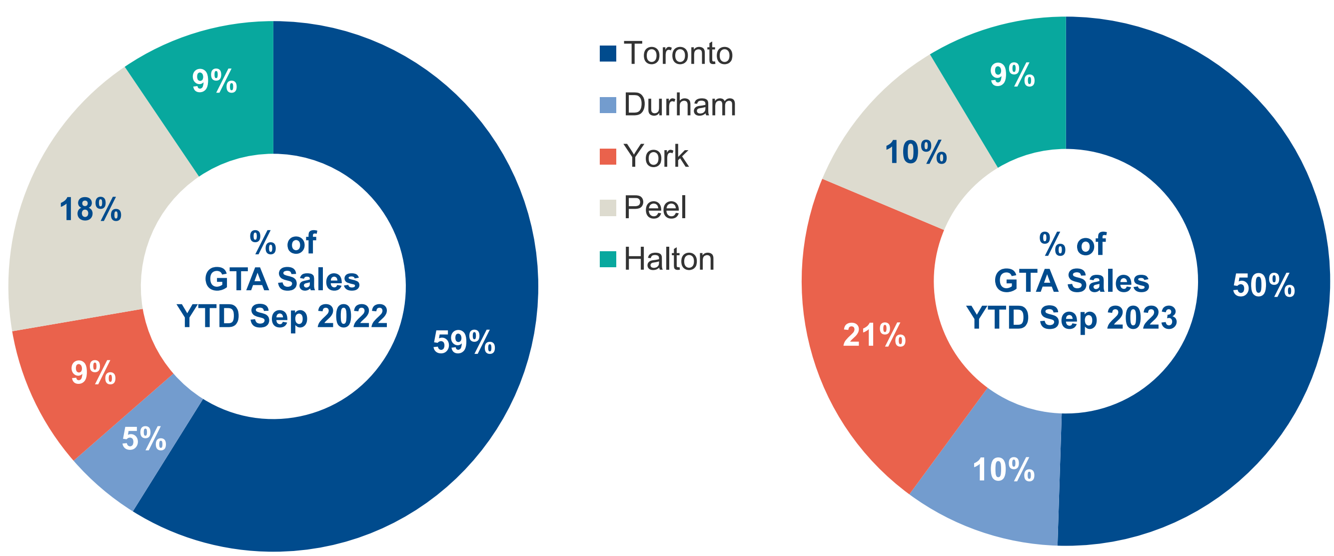


Source: Altus Group

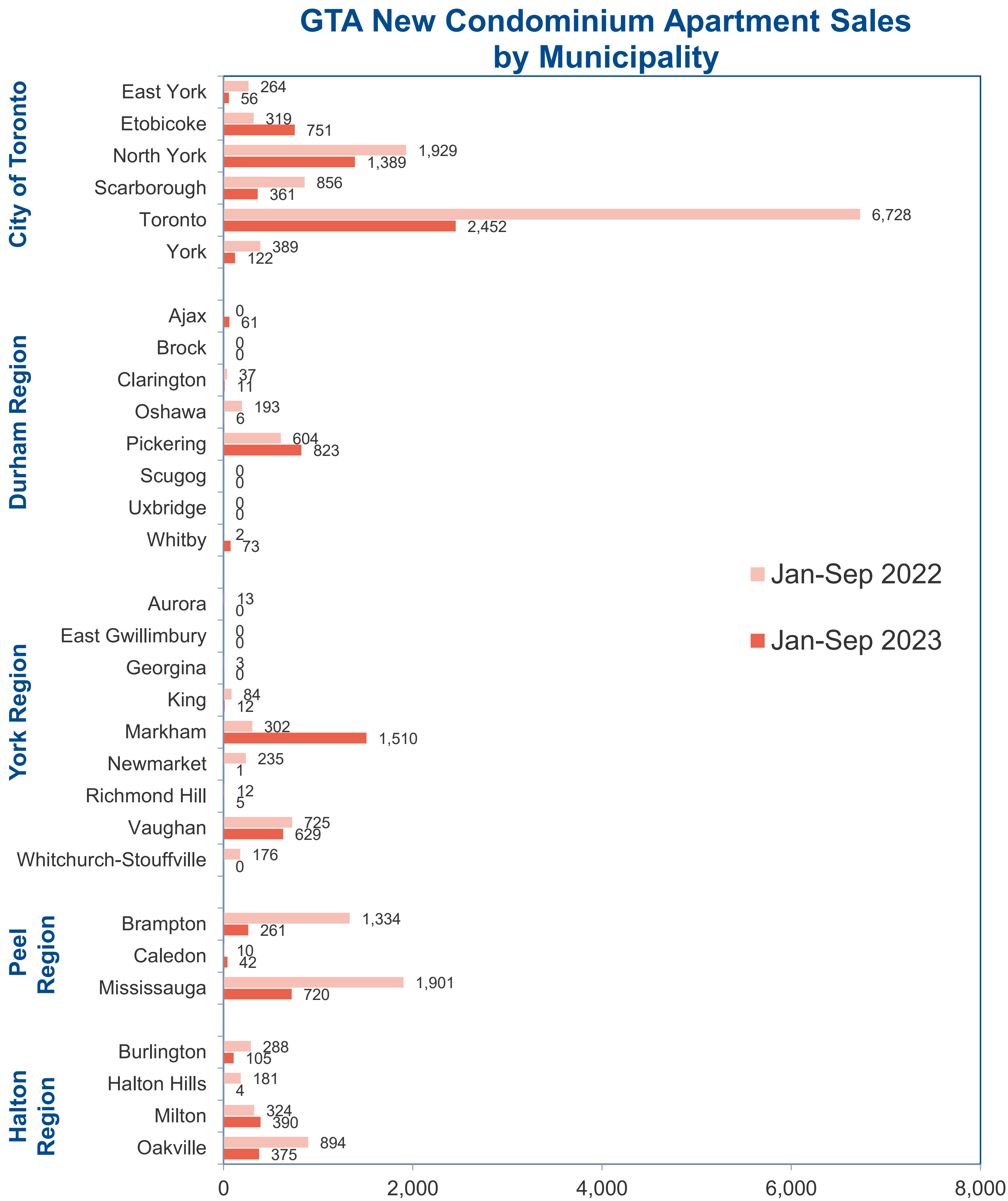
GTA New Condominium Apartment Sales by Region







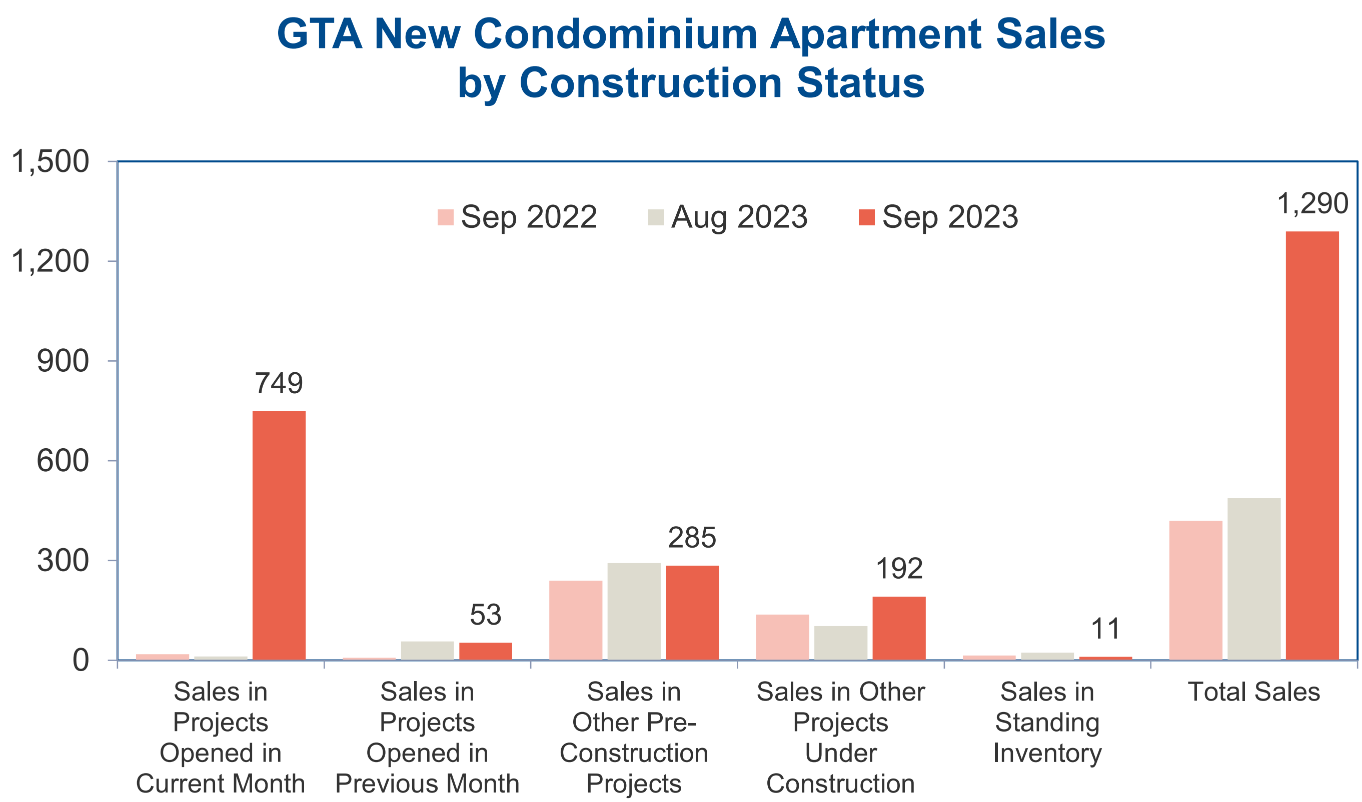
Source: Altus Group



Source: Altus Group

New Condominium Apartments - Sales

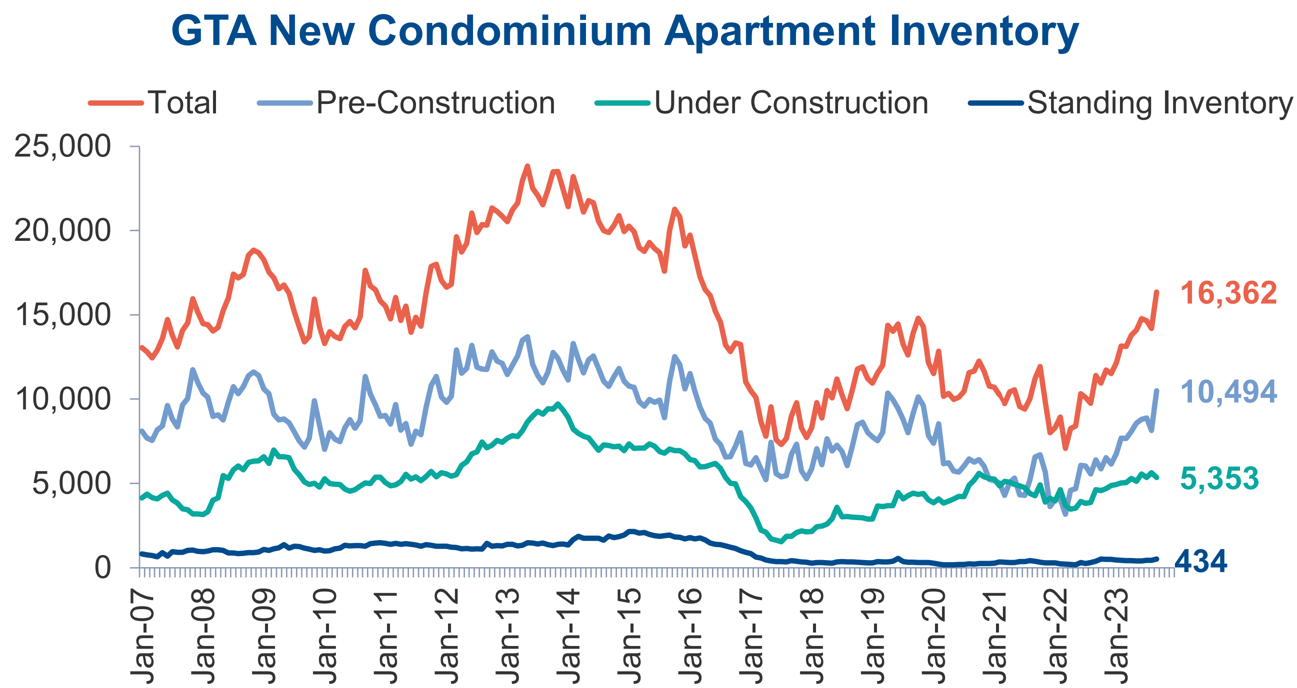
- **The surge in more moderately priced new condominium apartment launches saw sales in these projects account for almost 60 percent of sales in September 2023.** Sales in projects opened last month were minimal.
- Sales in other pre-construction projects (opened more than two months) accounted for about 1 in 5 sales in September 2023.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page*) and therefore very few sales in the "standing inventory" category.

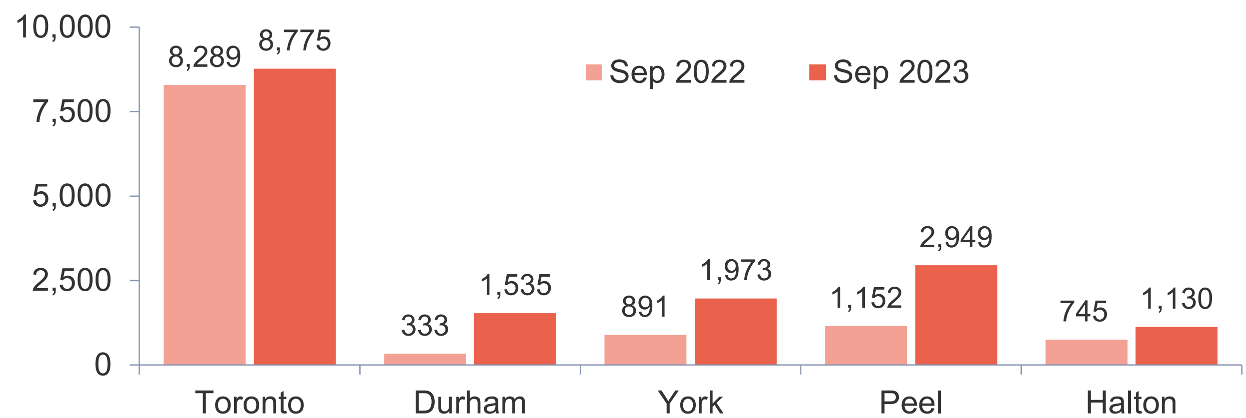


Source: Altus Group

New Condominium Apartments - Inventory

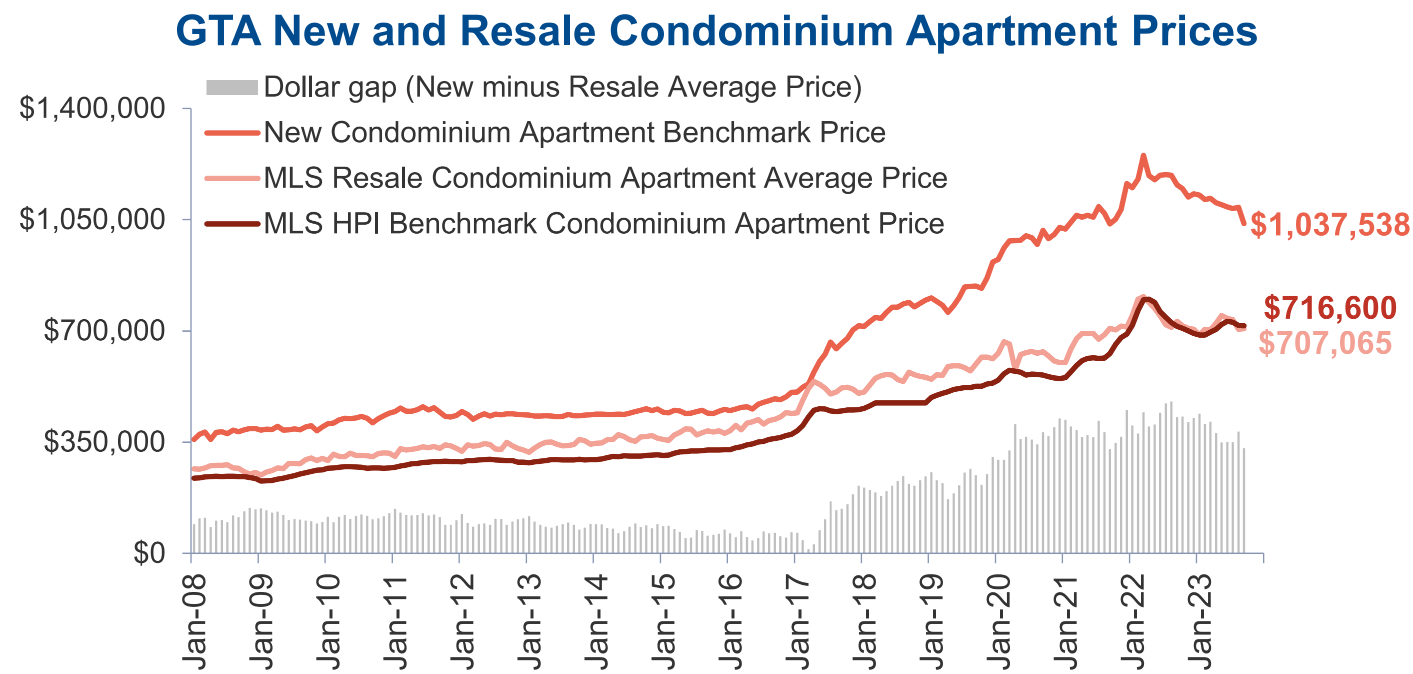
- **The inventory of available new condominium apartments jumped in September 2023 and remained above the 10-year average.** Pre-construction inventory comprised the bulk of the increase as numerous new projects came to the market.
- **The current unsold inventory at new condominium apartment projects represented about 14.5 months of supply** at the average monthly pace of sales seen over the past 12 months, well above the longer-term average for September of roughly 9.5 months.
- **Just over half of the available new condominium apartment 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 and York to a high of roughly 23.5 in Peel.

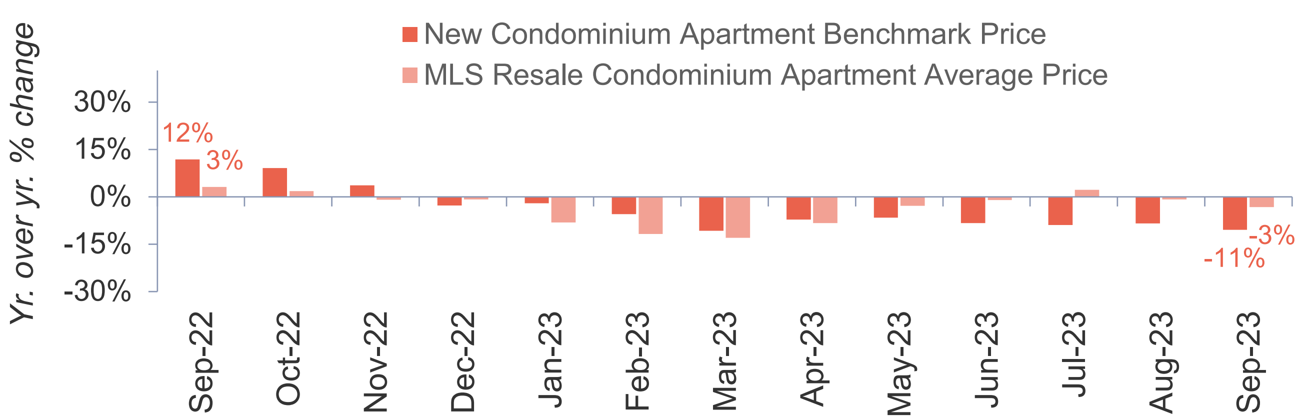




Source: Altus Group

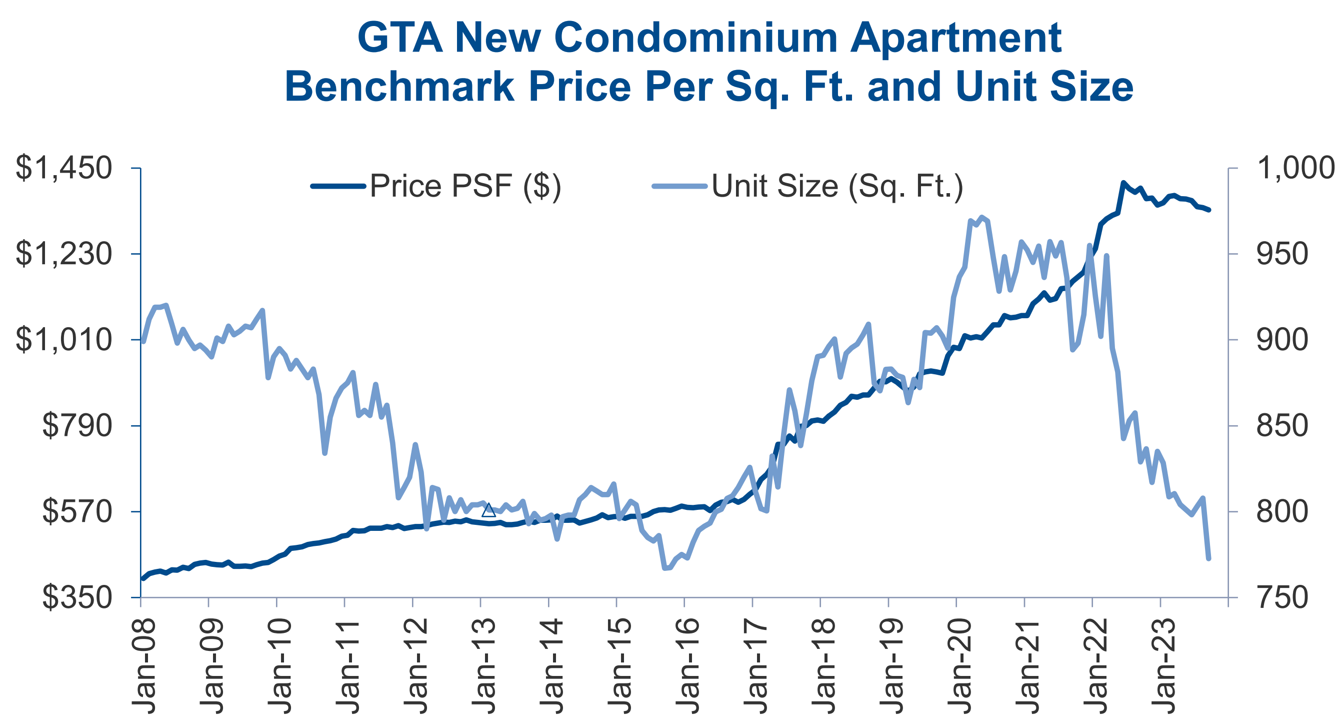
- **The benchmark price of a new condominium apartment in September 2023 fell by five percent relative to the previous month and was down 11 percent year-over-year.** September's decline was the 10th consecutive year-over-year decline *(this benchmark measures prices of available units at the end of 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 narrowed in September to a two-year low,** as resale condominium apartment prices declined less than the new condominium apartment benchmark price.





Source: Altus Group and Toronto Real Estate Board data

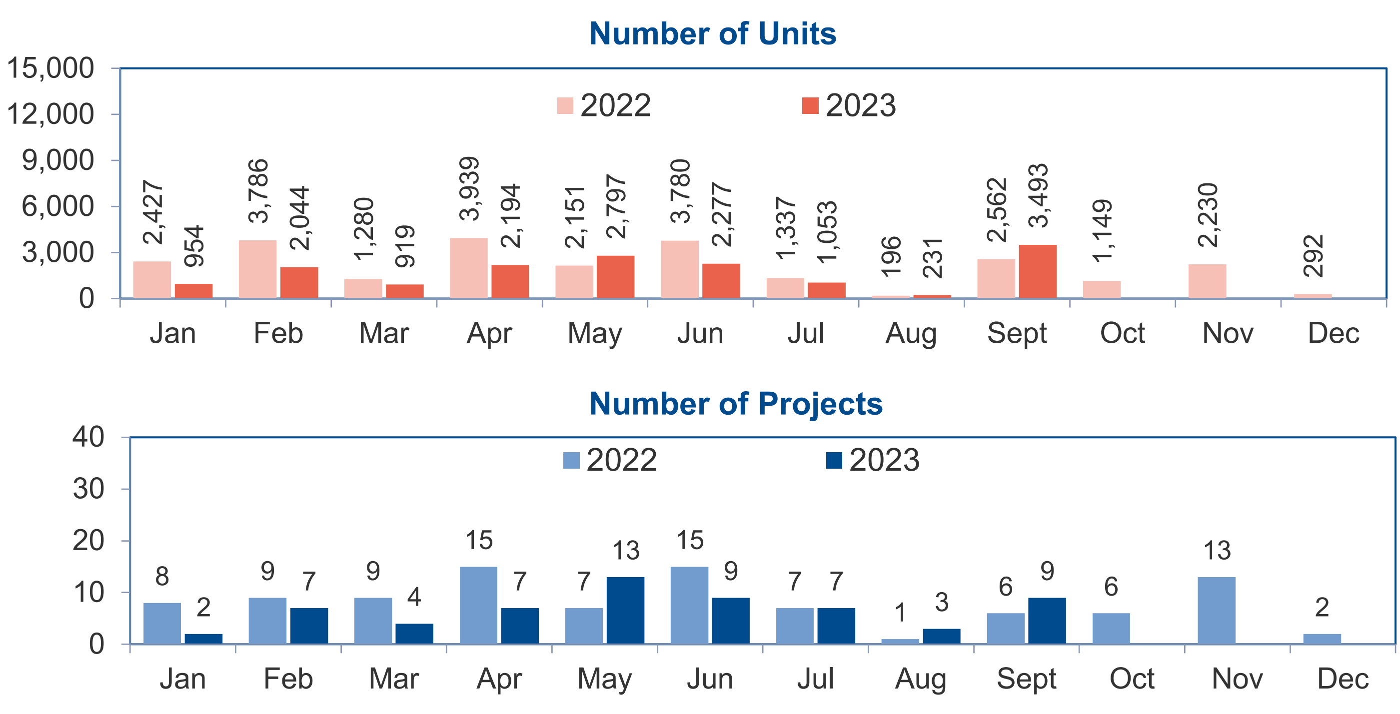
- **The average unit size for a new condominium apartment was down in September 2023 and the cause of the drop in the new benchmark price.** The average price per square foot was little changed from last month.
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller 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

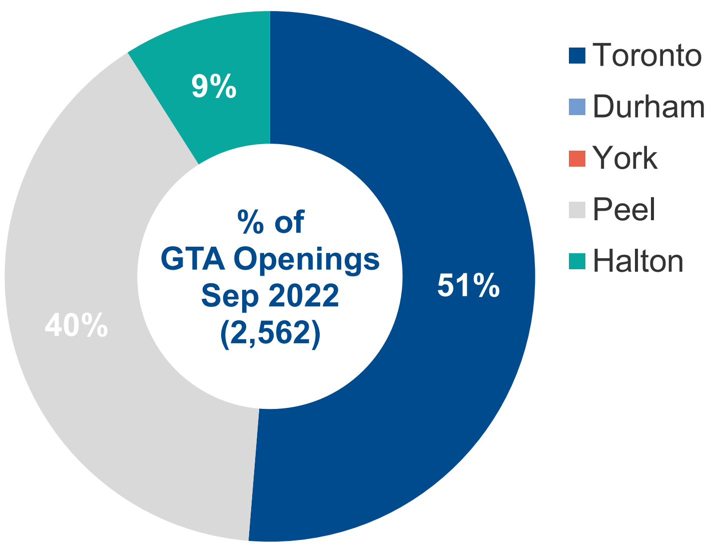
- **Nine new condominium apartment projects launched during September 2023 adding nearly 3.500 units.** The average size of new projects fell below 100 units for the first time in just over 2½ years.
- **Durham accounted for much larger portion of units opened** *(chart next page, top)*, largely at the expense of Toronto**.** Within the City of Toronto, Etobicoke contributed roughly 1 in 5 new units in September *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in August and September 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 September openings.*

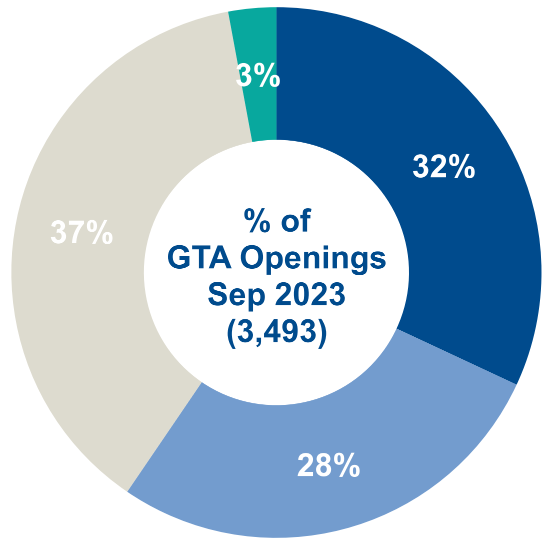
GTA New Condominium Apartment Project Openings



Source: Altus Group

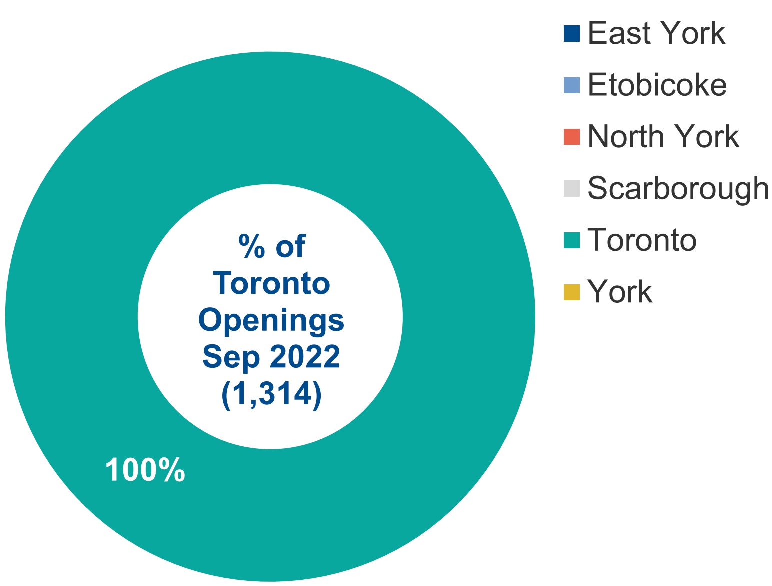
GTA Condominium Apartment Units in New Openings by Region

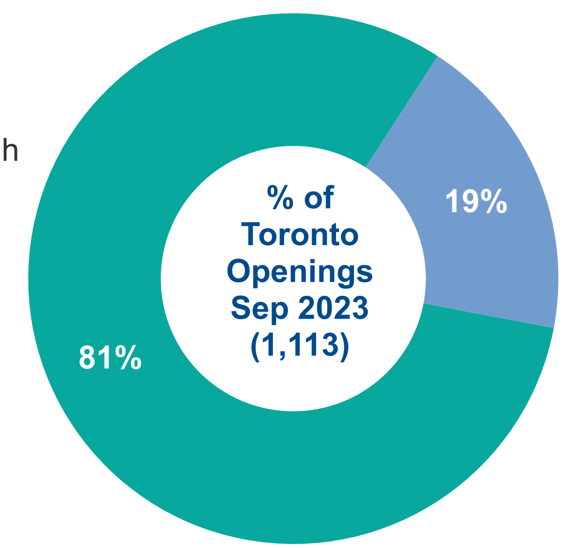




Source: Altus Group

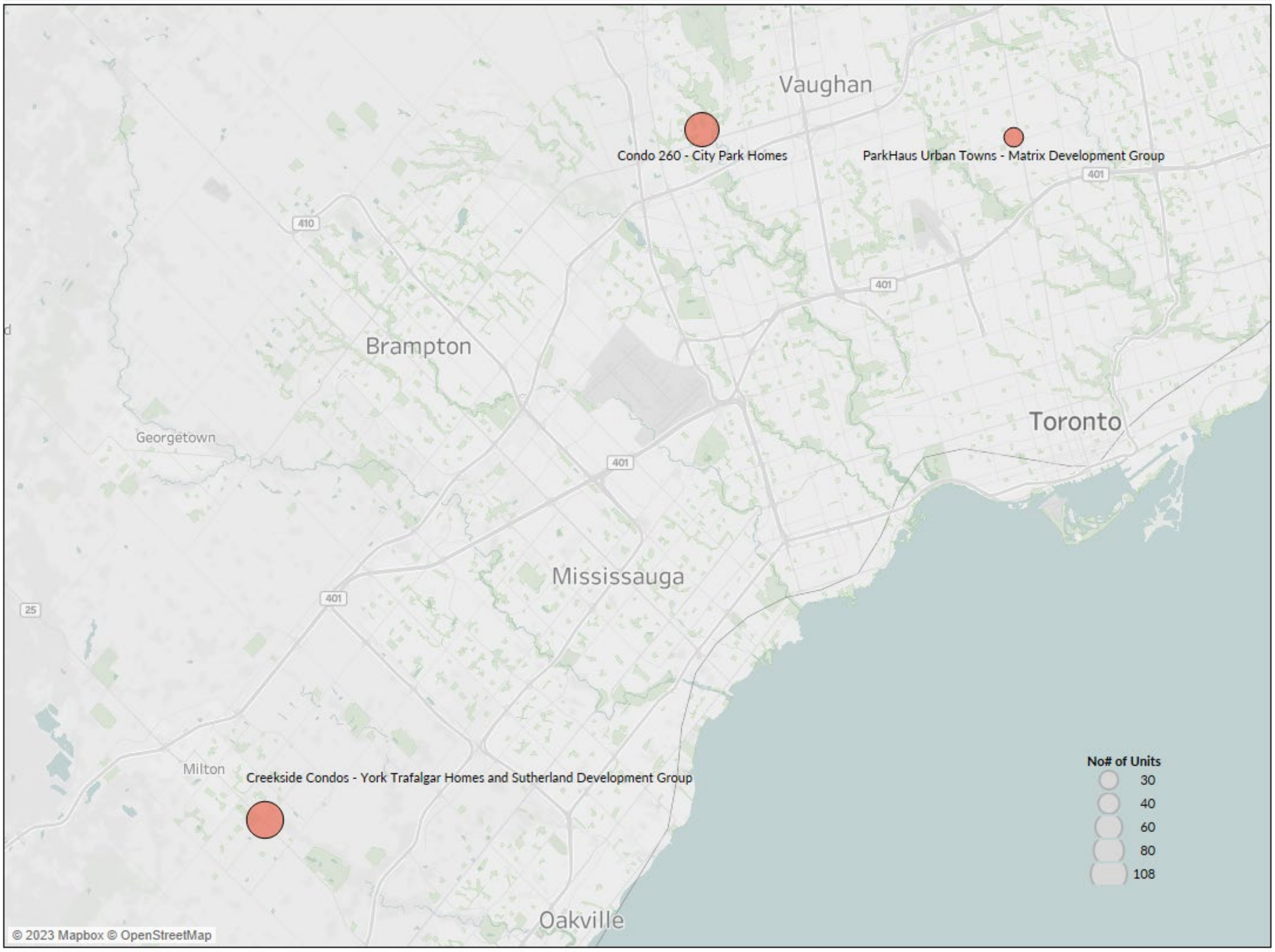
City of Toronto Condominium Apartment Units in New Openings by Former Municipality





Source: Altus Group

August 2023 New Project Launches by Number of Units



Source: Altus Group

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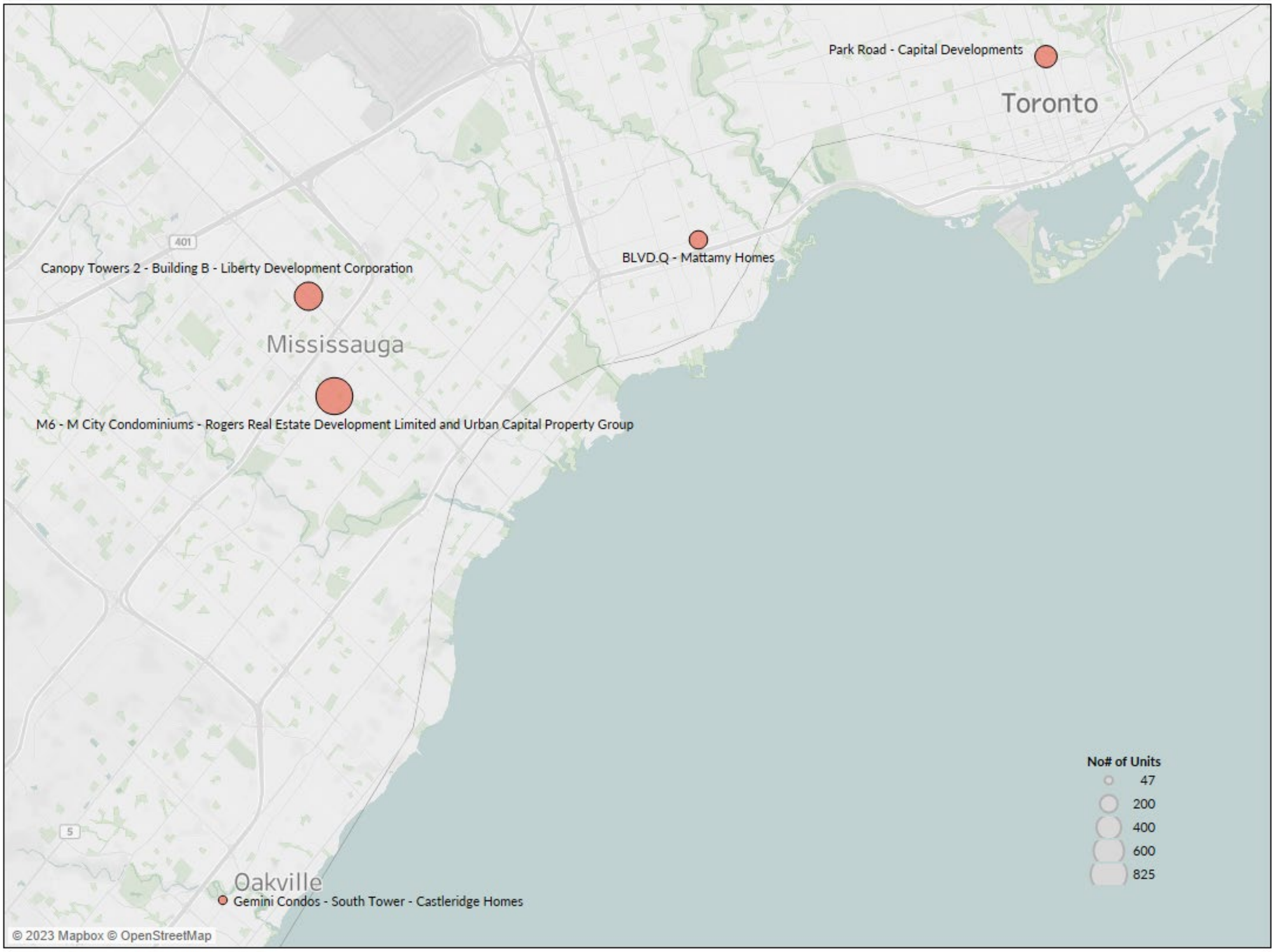
New Condominium Apartment Project Openings - August 2023

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**
Next Month Sales	**20**	**27**	**6**
% Sold (of released units)	22%	25%	60%
Remaining Available Inventory	72	81	12
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	$1,244,900
Maximum Price	$1,093,790	$995,800	$1,619,900
Notes			

Source: Altus Group

AltusGroup

September 2023 New Project Launches by Number of Units



Source: Altus Group

Map 1 of 2

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

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New Condominium Apartment Project Openings - September 2023 (1 of 2)

Project Name	**BLVD.Q**	**Canopy Towers 2 - Building B**	**Gemini Condos - South Tower**	**M6 - M City Condominiums**	**Park Road**
Developer	Mattamy Homes	Liberty Development Corporation	Castleridge Homes	Rogers Real Estate Development Limited and Urban Capital Property Group	Capital Developments
Date Opened	September 19, 2023	September 21, 2023	September 23, 2023	September 26, 2023	September 16, 2023
Municipality	Etobicoke	Mississauga	Oakville	Mississauga	Old Toronto
Region	Toronto	Peel	Halton	Peel	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment	Apartment
Floors	11	39	10	57	27
Project Total Units	**210**	**487**	**102**	**825**	**302**
Total Units Released	**205**	**481**	**47**	**825**	**302**
Studio	19	-	-	110	72
1 Bedroom	43	105	-	110	50
1 Bedroom + den	80	151	-	298	86
2 Bedroom	28	221	15	181	64
2 Bedroom + den	10	4	30	126	-
3 Bedroom & up	23	-	-	-	30
Penthouse	-	-	-	-	-
Townhouse	2	-	-	-	-
Other	-	-	2	-	-
Opening Month Sales	**12**	**0**	**0**	**0**	**121**
% Sold (of released units)	6%	0%	0%	0%	40%
Remaining Available Inventory	193	481	47	825	181
Original $PSF	$1,203	$1,205	$1,124	$1,243	$1,621
Minimum Size (sq. ft.)	359	410	672	271	313
Maximum Size (sq. ft.)	1,212	775	937	741	841
Minimum Price	$475,000	$541,900	$750,990	$389,900	$556,900
Maximum Price	$1,249,900	$889,900	$1,109,990	$880,900	$1,238,900
Notes		No firm sales as all deals were subject to the 10-day conditional period	No firm sales as all deals were subject to the 10-day conditional period	No firm sales as all deals were subject to the 10-day conditional period	

Source: Altus Group

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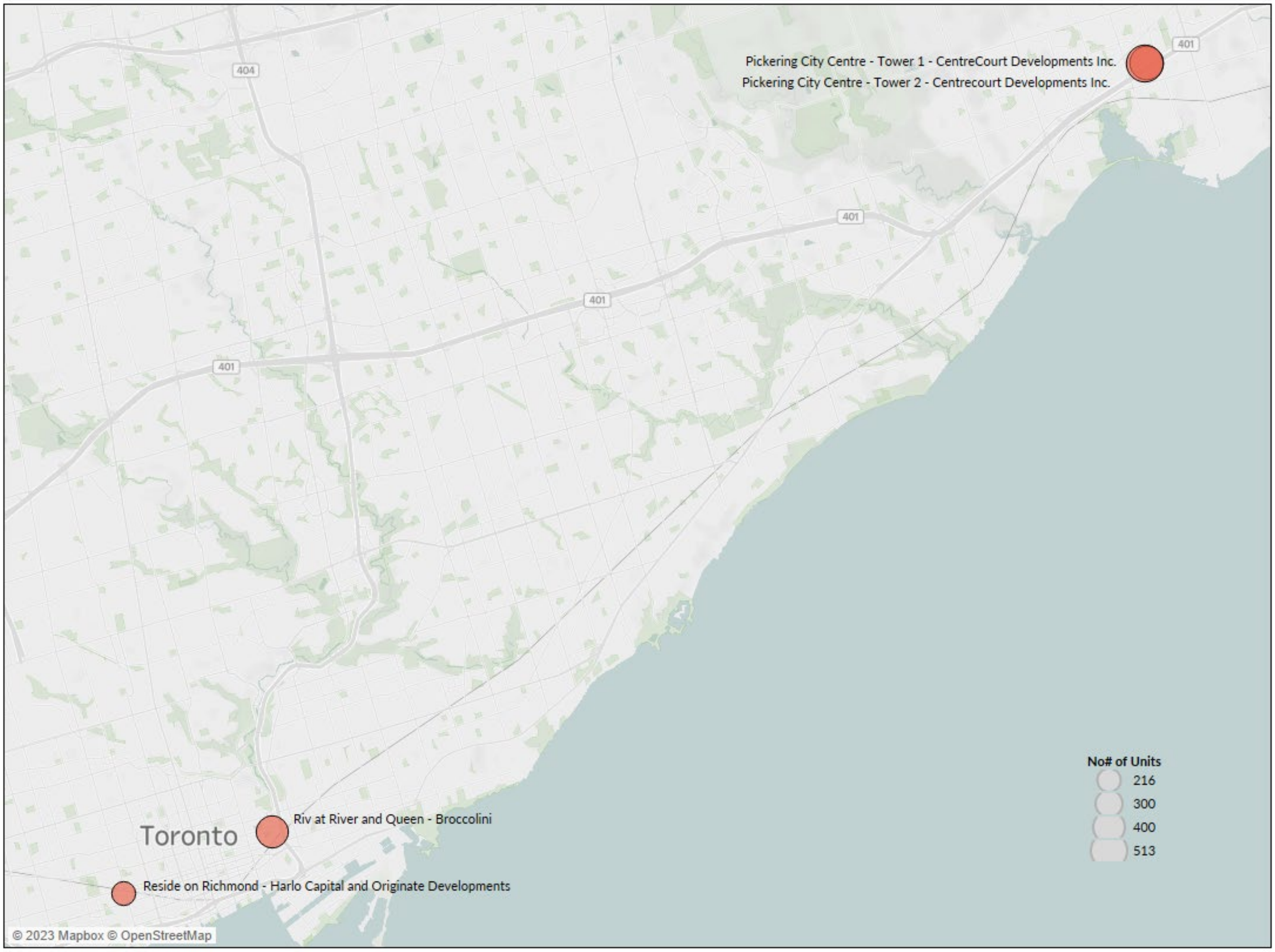


Source: Altus Group

Map 2 of 2

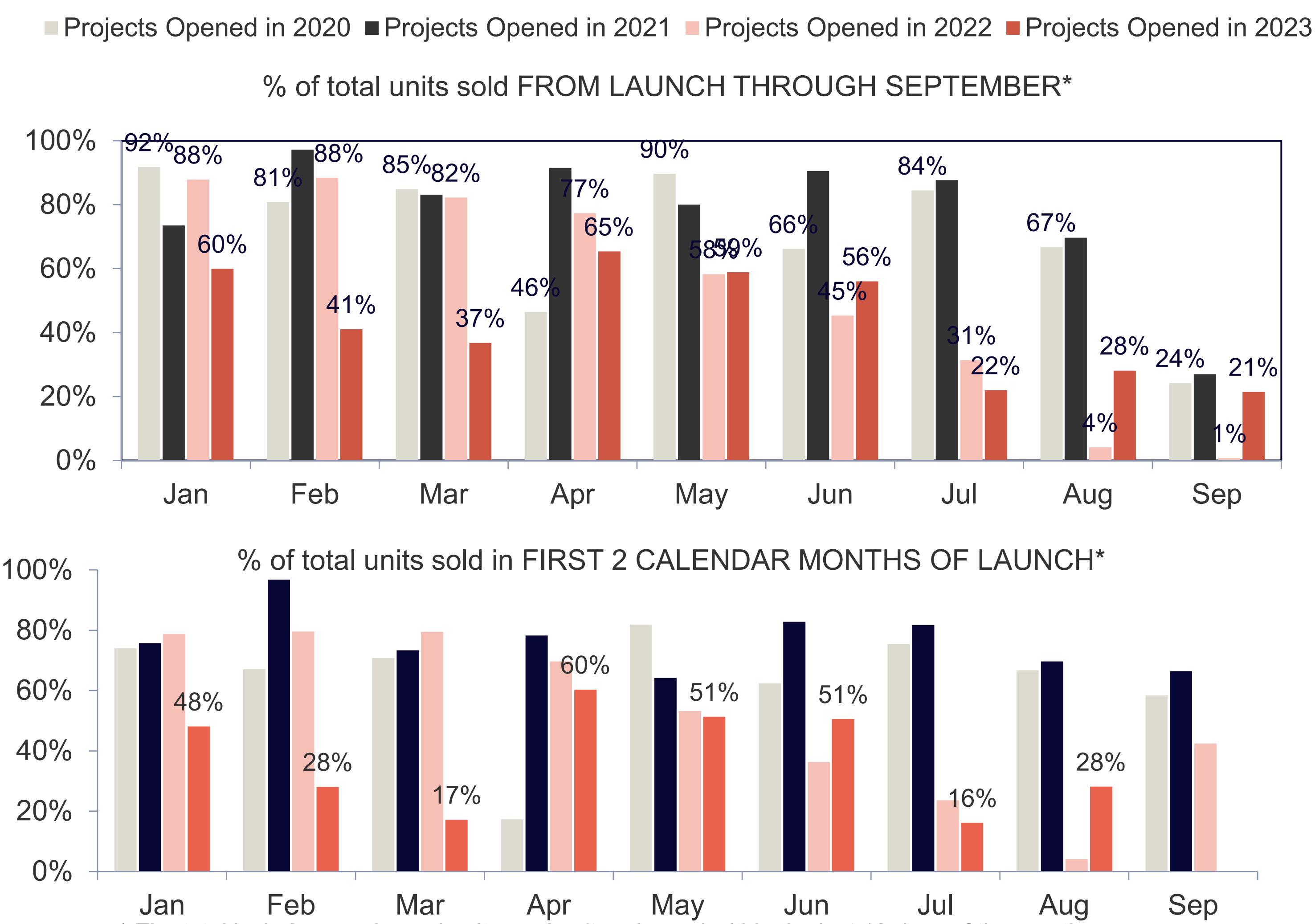
New Condominium Apartment Project Openings - September 2023 (2 of 2)

Project Name	Pickering City Centre - Tower 1	Pickering City Centre - Tower 2	Reside on Richmond	Riv at River and Queen
Developer	CentreCourt Developments Inc.	Centrecourt Developments Inc.	Harlo Capital and Originate Developments	Broccolini
Date Opened	September 13, 2023	September 29, 2023	September 5, 2023	September 23, 2023
Municipality	Pickering	Pickering	Old Toronto	Old Toronto
Region	Durham	Durham	Toronto	Toronto
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	45	40	18	34
Project Total Units	**513**	**450**	**216**	**388**
Total Units Released	**513**	**426**	**216**	**388**
Studio	-	-	8	57
1 Bedroom	163	84	82	135
1 Bedroom + den	171	206	19	28
2 Bedroom	163	136	74	140
2 Bedroom + den	16	-	10	-
3 Bedroom & up	-	-	23	28
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	-	-	-
Opening Month Sales	**487**	**0**	**129**	**0**
% Sold (of released units)	95%	0%	60%	0%
R e	26	426	87	388
Original $PSF	$1,035	$1,041	$1,611	$1,383
Minimum Size (sq. ft.)	486	474	355	328
Maximum Size (sq. ft.)	1,002	689	1,091	1,125
Minimum Price	$515,000	$520,000	$599,990	$529,990
Maximum Price	$774,000	$691,000	$1,999,990	$1,439,990
Notes		No firm sales as all deals were subject to the 10-day conditional period		No firm sales as all deals were subject to the 10-day conditional period

Source: Altus Group

- **About 1 in 5 units opened during September 2023 sold**, on pace with the Septembers of 2020 and 2021.
- After 2 months of sales, projects opened in August 2023 were well behind with the pace of the levels in 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 September)*

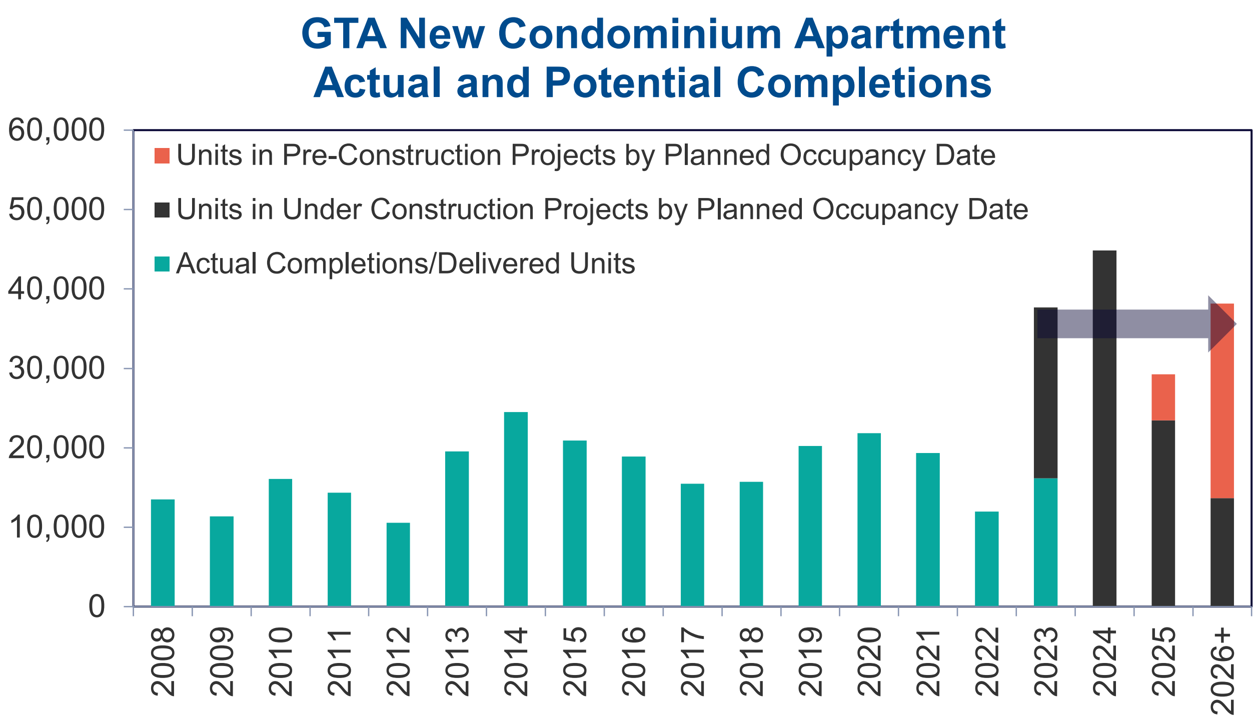


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

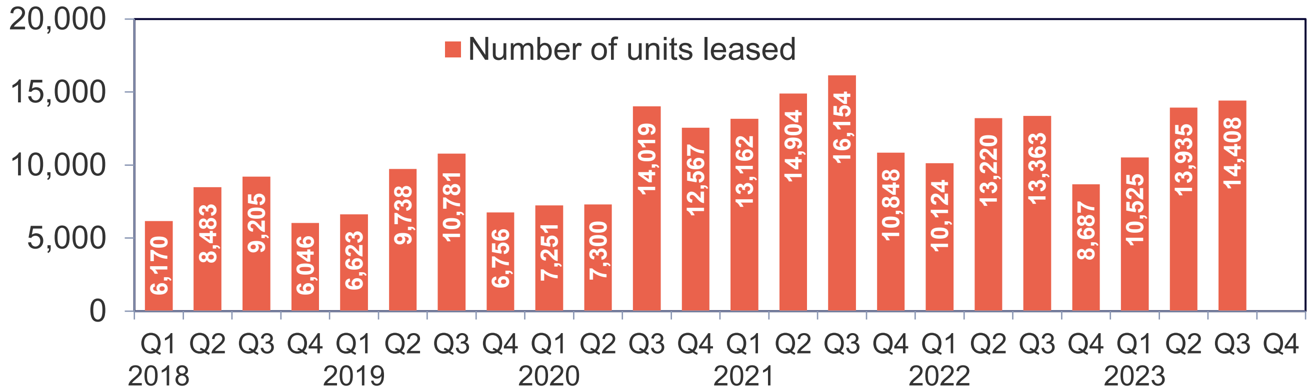
- As of the end of September 2023, there were about 133,750 new condominium apartment units in projects either under construction or in pre-construction stages.
- **A total of 3,659 new condominium apartment units were completed in September 2023**, an all-time record high for the month. Year-to-date completions for 2023 have already surpassed last year's annual, total and could reach the 20,000 units plateau with a robust 4th quarter.
- 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.

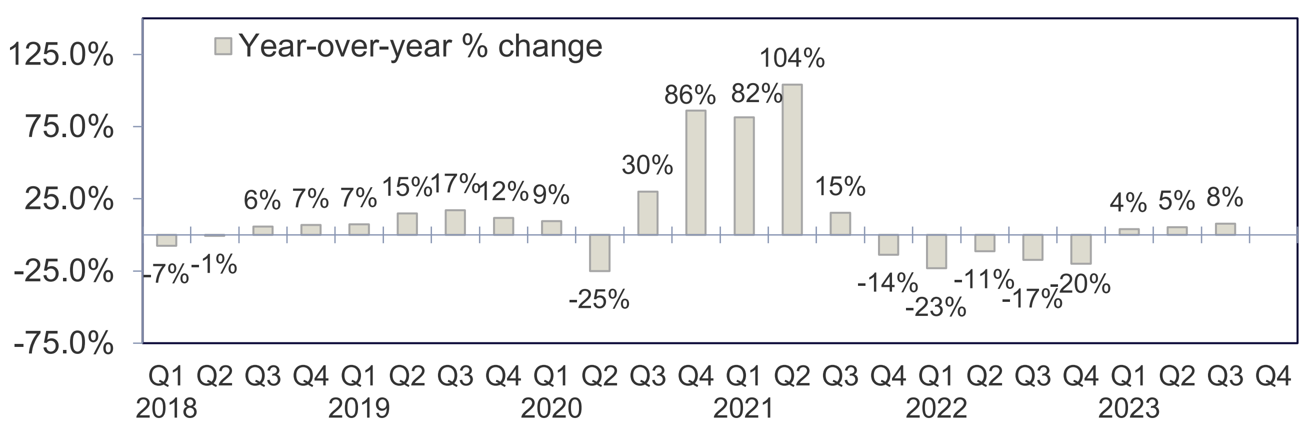


Source: Altus Group

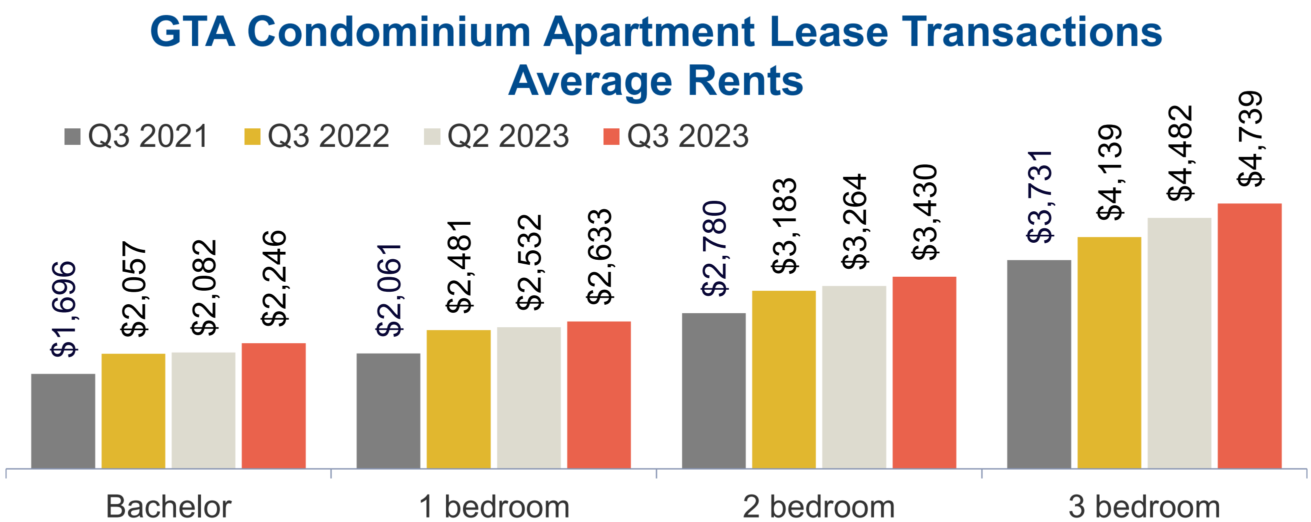
- **The number of GTA condo apartment lease transactions edged higher in Q3 2023** (according to data from the Toronto Regional Real Estate Board) compared to Q3 2022.
- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA for all bedroom types have risen over the past three years *(charts next page)*. **Tight conditions continued in Q3 2023**, as both listings and units leased were little changed from the previous quarter (*charts after next page*), which could contribute to additional rent increases in the near term.

GTA Condominium Apartment Lease Transactions (All Bedroom Types)





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



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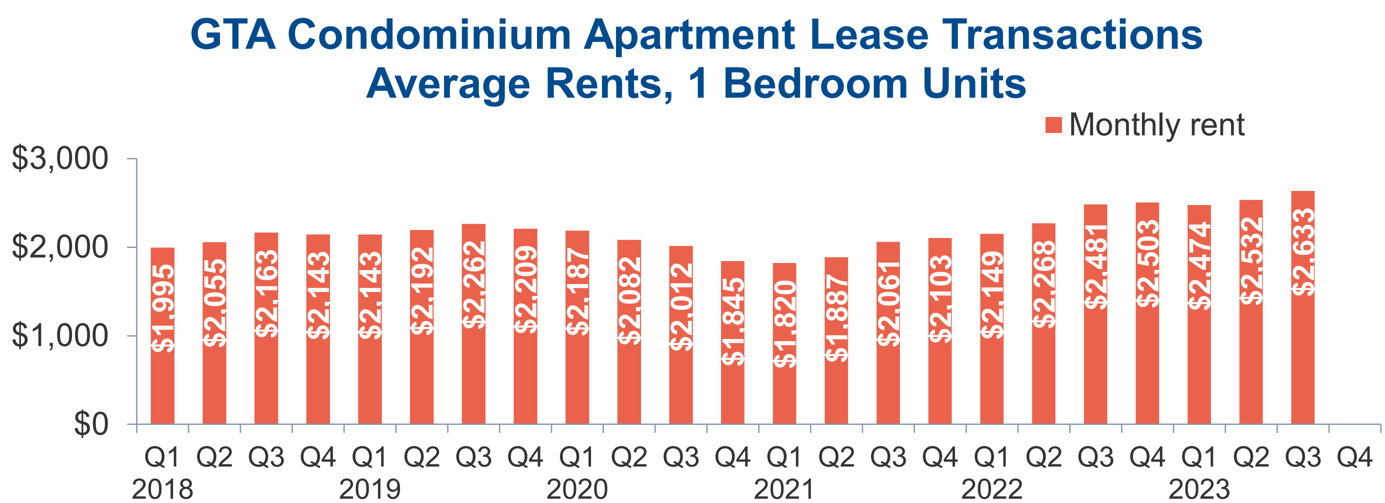

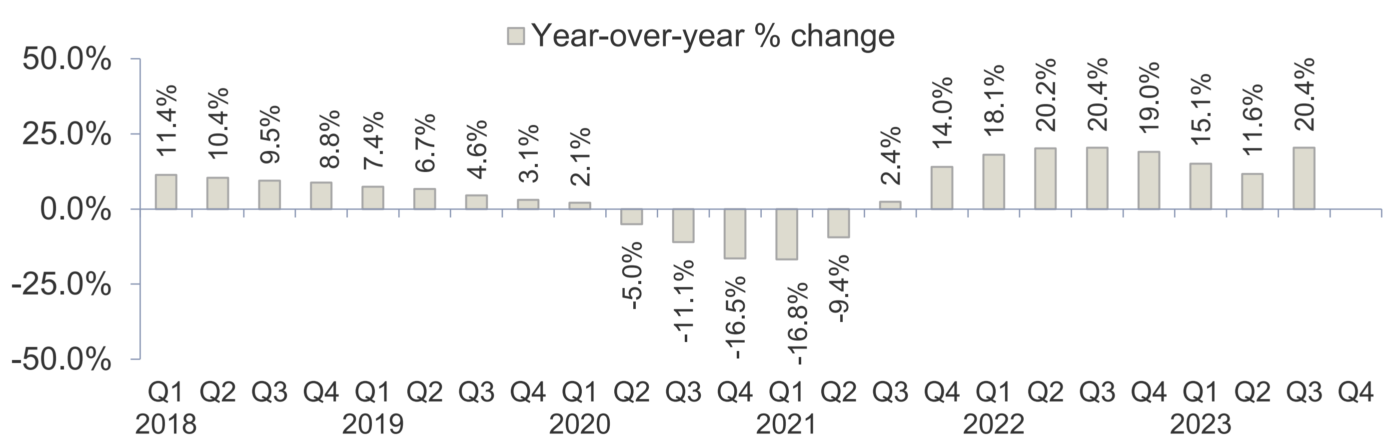

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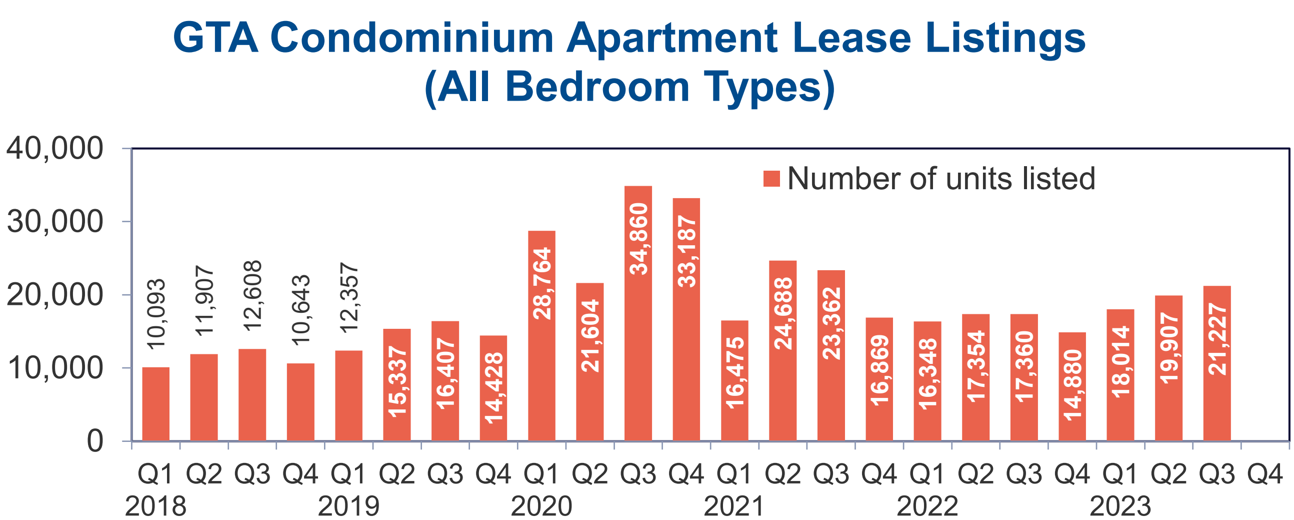
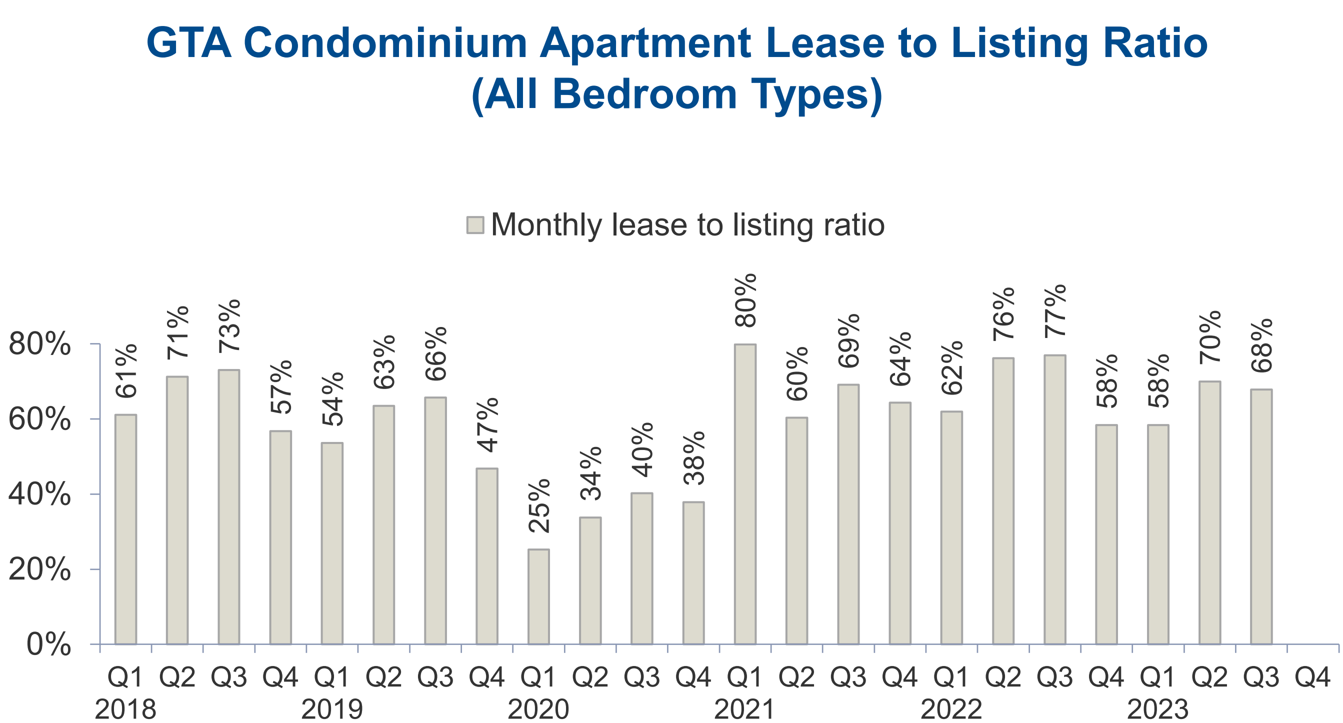


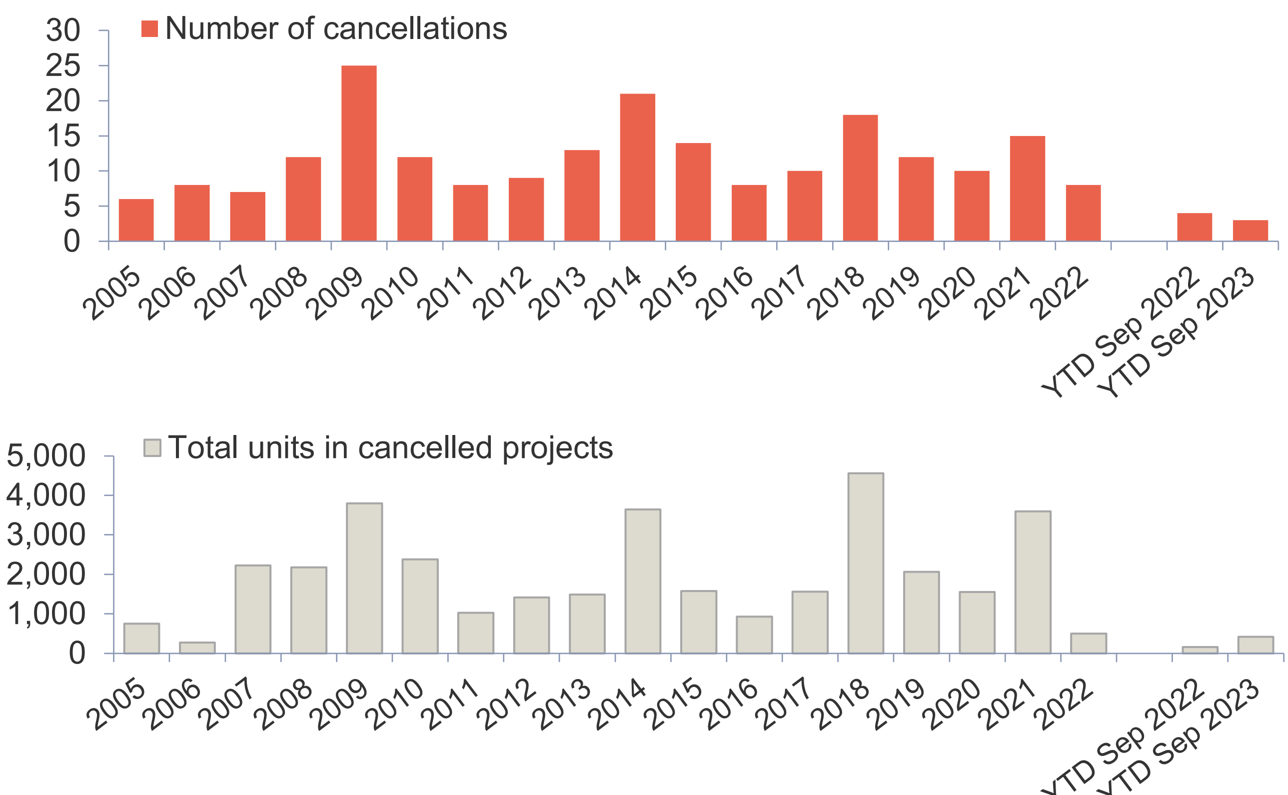


Source: Altus Group based on Toronto Regional Real Estate Board data

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 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 nine months of 2023 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

Altus Group

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