The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of December 2023

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New Condominium Apartment Dashboard

December 2023		
Sales	Inventory	Benchmark Price
400	16,850	$1,047,288
-2% ▼	48% ▲	-8% ▼
3rd Lowest December on record	*Highest December in 8 years*	*3rd highest December on record*

YTD December 2023	
Sales	Benchmark Price
13,383	$1,084,947
-36% ▼	-8% ▼
Lowest YTD December since 2004	*2nd highest YTD December on record*

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

Highlights

- **New condominium apartment sales slowed in December 2023 with annual sales down by over one third.**
- **The inventory of available new condominium apartments eased in December 2023 from the previous month and remained above the 10-year average.**
- **The benchmark price of a new condominium apartment in December 2023 rose relative to the previous month but was down year-over-year for a 13th consecutive month.**
- 2023 closed the books on a year where interest rate hikes and affordability woes pushed many buyers to the sidelines resulting in a sharp falloff in new home sales. The first half of 2024 is not expected to see much improvement as buyers await movement by the central bank to ease interest rates.

GTA Condominium Apartment Key Performance Indicators

	Dec-22	Nov-23	Dec-23	*Yr-Over-Yr % Change*	YTD Dec 2022	YTD Dec 2023	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	347	396	395	*14%*	330	375	*14%*
New projects opened	3	4	1	*-67%*	110	86	*-22%*
Units in new projects opened	292	879	50	*-83%*	25,115	20,939	*-17%*
Total sales (units)	407	1,325	400	*-2%*	21,026	13,383	*-36%*
Sales as % of total new & resale	*30%*	*52%*	*30%*		*50%*	*41%*	
Inventory (units)	11,391	17,209	16,850	*48%*	9,699	14,741	*52%*
Sales-to-inventory ratio	4%	8%	2%	*-34%*	20%	8%	*-62%*
Months of inventory	6.5	15.4	15.1	*132%*	4.0	13.0	*223%*
Benchmark price	$1,131,614	$1,040,295	$1,047,288	*-7%*	$1,173,145	$1,080,947	*-8%*
Price PSF Benchmark	$1,355	$1,348	$1,348	*-1%*	$1,352	$1,359	*1%*
Unit size Benchmark (sq. ft)	835	772	777	*-7%*	869	795	*-8%*
Units completed	705	2,749	6,382	*805%*	11,976	27,938	*133%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	966	1,212	944	*-2%*	21,423	19,249	*-10%*
New listings (units)	1,392	3,666	1,418	*2%*	43,501	44,418	*2%*
Inventory ("active listings", units)	3,430	6,579	4,521	*32%*	3,885	4,991	*28%*
Sales-to-inventory ratio	28%	18%	21%	*-26%*	58%	34%	*-40%*
Months of inventory	1.9	4.1	2.8	*47%*	1.7	3.1	*83%*
Average price of units sold	$705,659	$710,501	$682,525	*-3%*	$758,144	$717,807	*-5%*
HPI constant quality price index (Jan 2005=100)	359.6	361.4	355.1	*-1%*	386.1	366.9	*-5%*

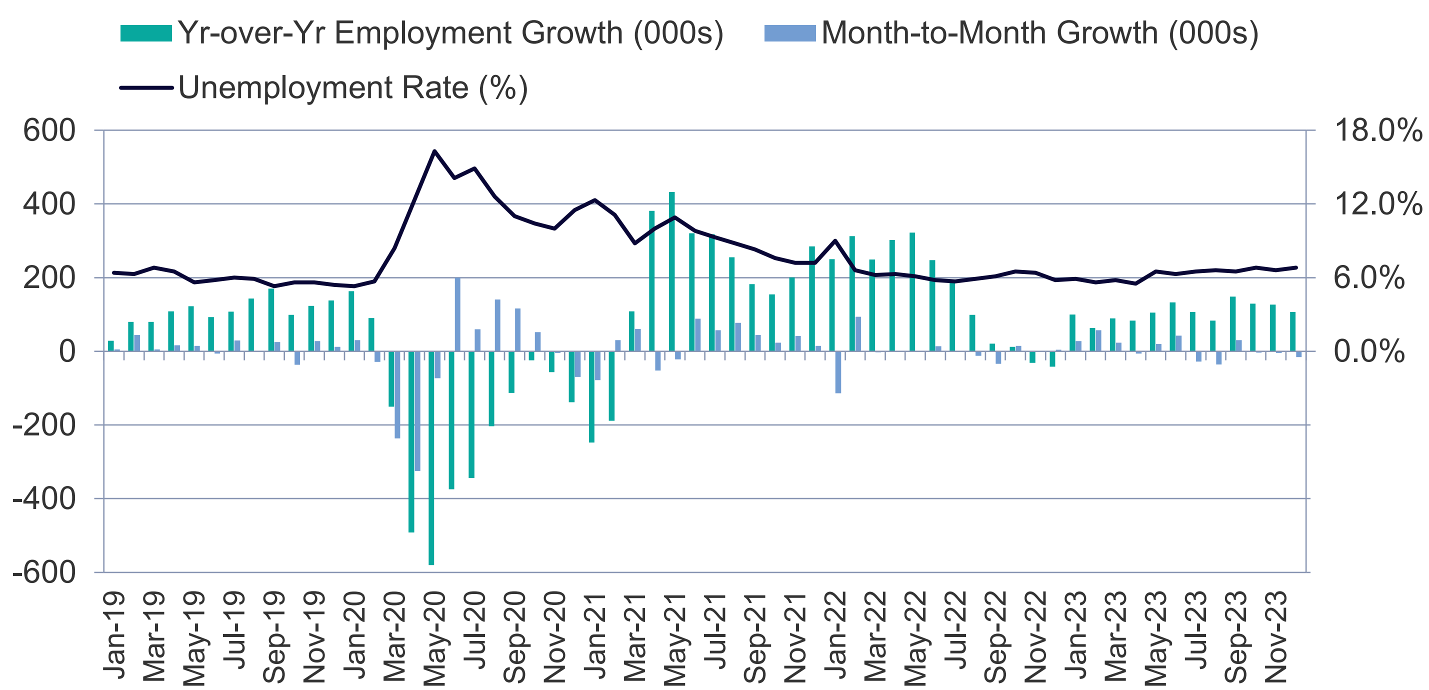
** see end of report for Definitions*

- **The Toronto CMA recorded twelfth consecutive month of year-over-year employment growth in December 2023.** However, month-to-month employment growth was negative for the third month in a row**.** The unemployment rate moved increased to 6.8%.

- **The Bank of Canada target for the overnight rate remained at 5%, unchanged at its latest rate announcement on December 6**, stating that **"**In Canada, the economy has stalled since the middle of 2023 and growth will likely remain close to zero through the first quarter of 2024. Consumers have pulled back their spending in response to higher prices and interest rates, and business investment has contracted*. . . CPI inflation ended the year at 3.4%. Shelter costs remain the biggest contributor to above-target inflation. The Bank expects inflation to remain close to 3% during the first half of this year before gradually easing, returning to the 2% target in 2025. .. . . Given the outlook, Governing Council decided to hold the policy rate at 5% and to continue to normalize the Bank's balance sheet. The Council is still concerned about risks to the outlook for inflation, particularly the persistence in underlying inflation. Governing Council wants to see further and sustained easing in core inflation and continues to focus on the balance between demand and supply in the economy, inflation expectations, wage growth, and corporate pricing behaviour.*" **The next rate announcement date is March 6, 2024.**

- **The 5-year fixed "special rate" mortgage interest rate has now fallen to its lowest level since the most recent policy rate increases in June and July 2023** *(chart next page, bottom).*

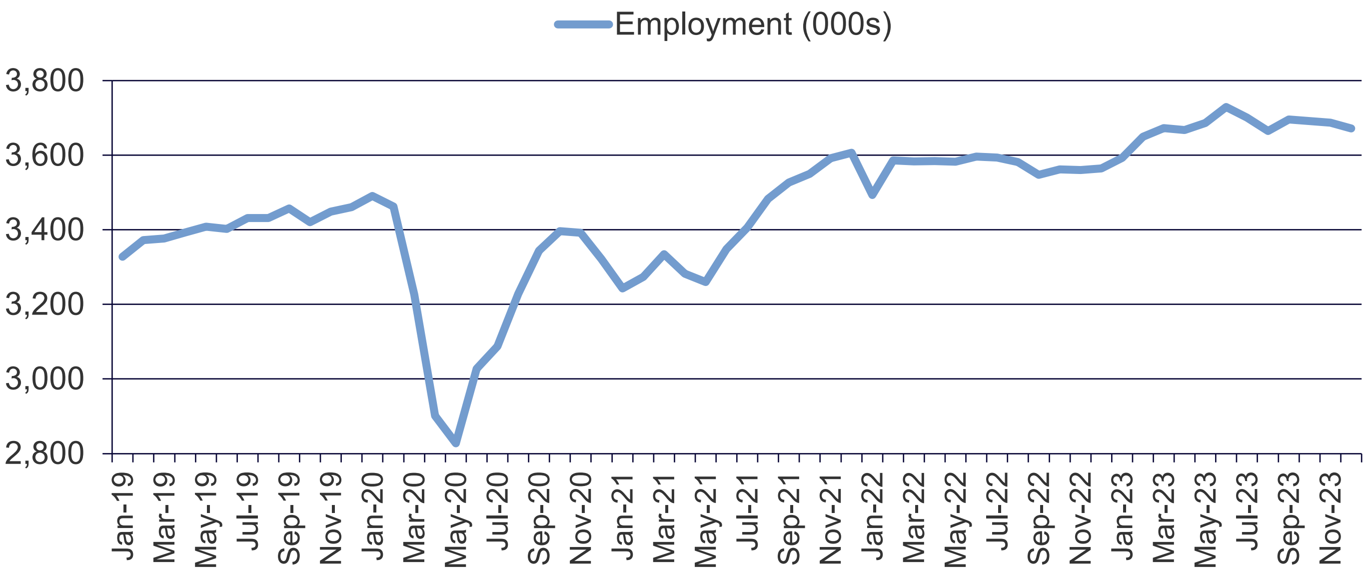
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

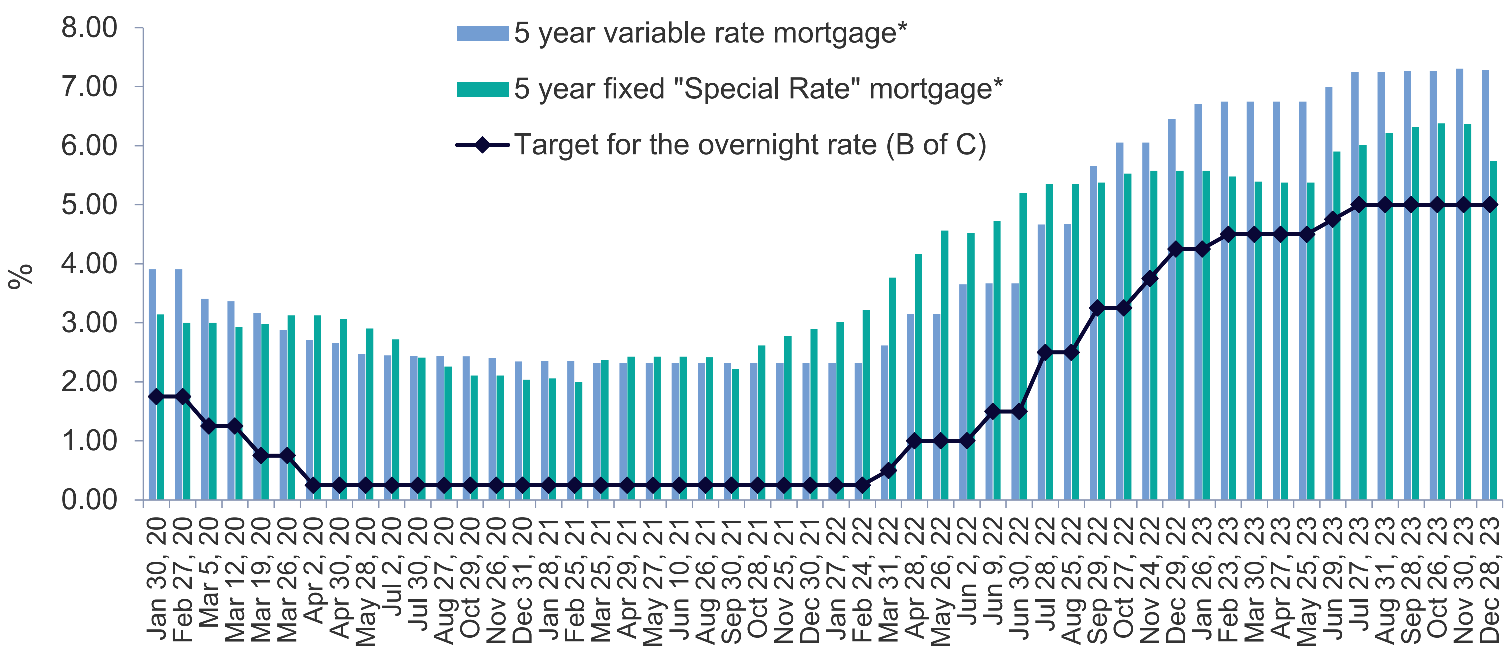
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates



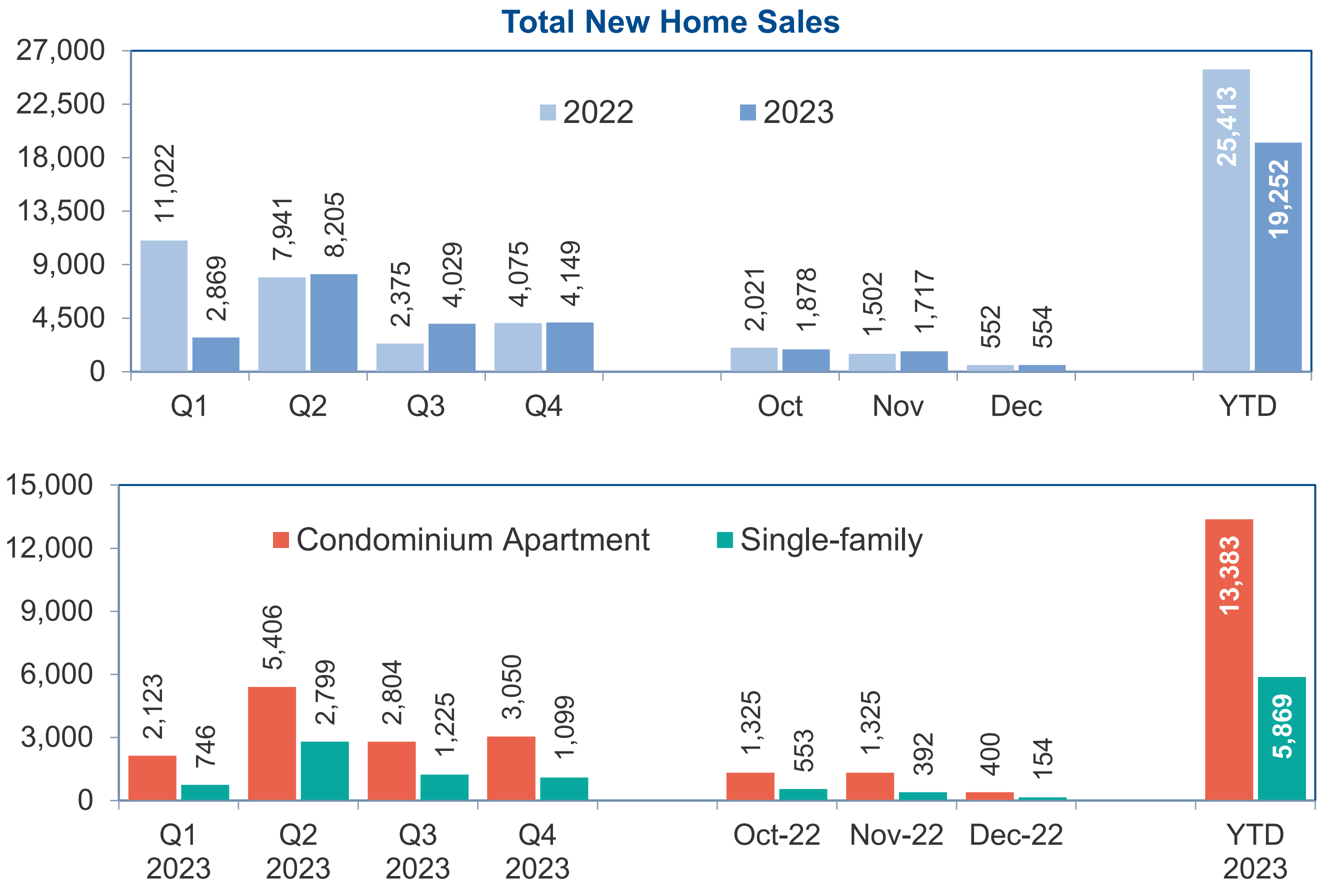
** Average for the major banks*

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

New Home Market - Sales

- **Total new home sales in December recorded one of its lowest level for the month –** and virtually unchanged from December 2022. **New condominium apartment sales hit a 15-year low for December,** while new single-family sales, though muted, improved somewhat from the previous year.
- **Annual sales for both new condominium apartment and single-family units in 2023 were below the 10-year average** *(charts next page).*
- **The year-over-year decline in total new home sales was concentrated in Toronto and Peel Region with Durham and York recording modest increases.** Both Durham and York Regions recorded higher low sales than the previous year for both new condominium apartment and new single-family sales (*charts following next page*).
- Most municipalities had lower total sales in 2023 compared to 2022 with the main exceptions being Markham, Etobicoke and Pickering *(charts following next 2 pages).*

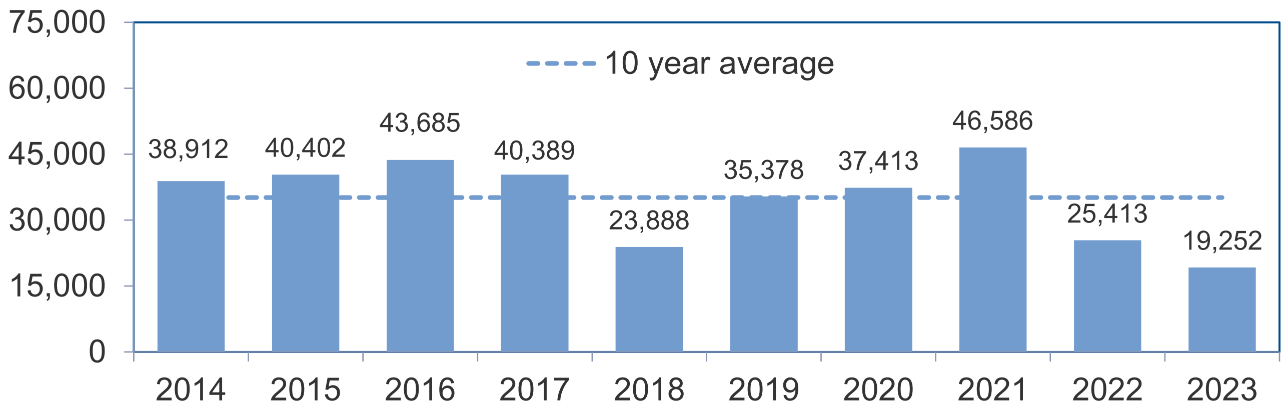
GTA New Home Sales



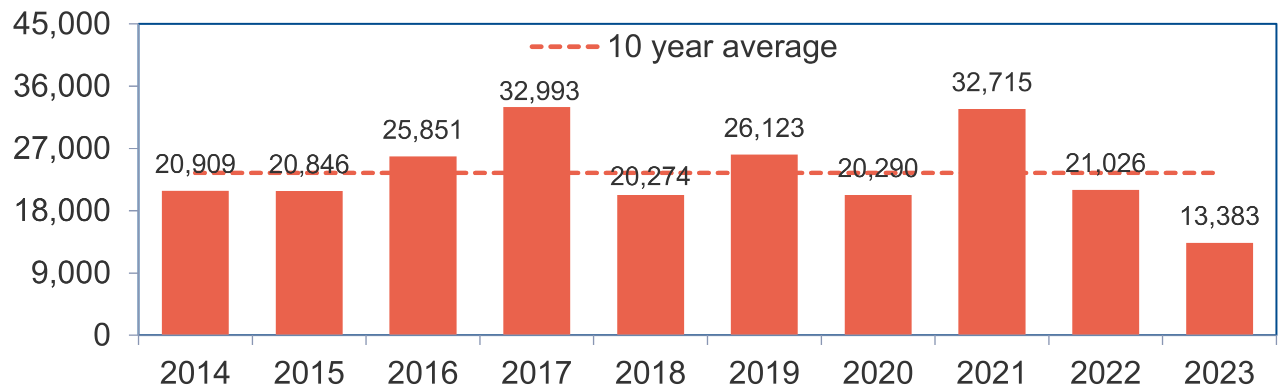
Source: Altus Group

GTA Annual New Home Sales

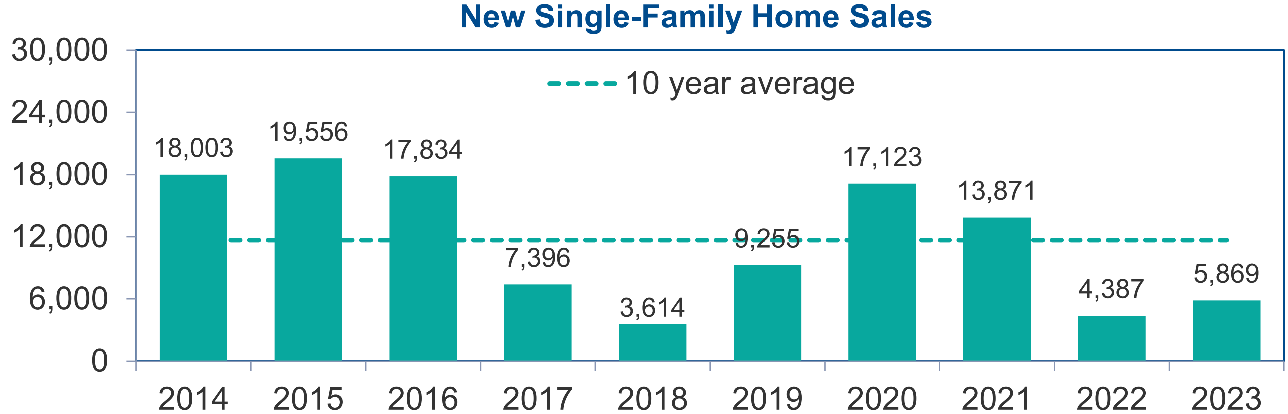
Total New Home Sales



New Condominium Apartment Sales

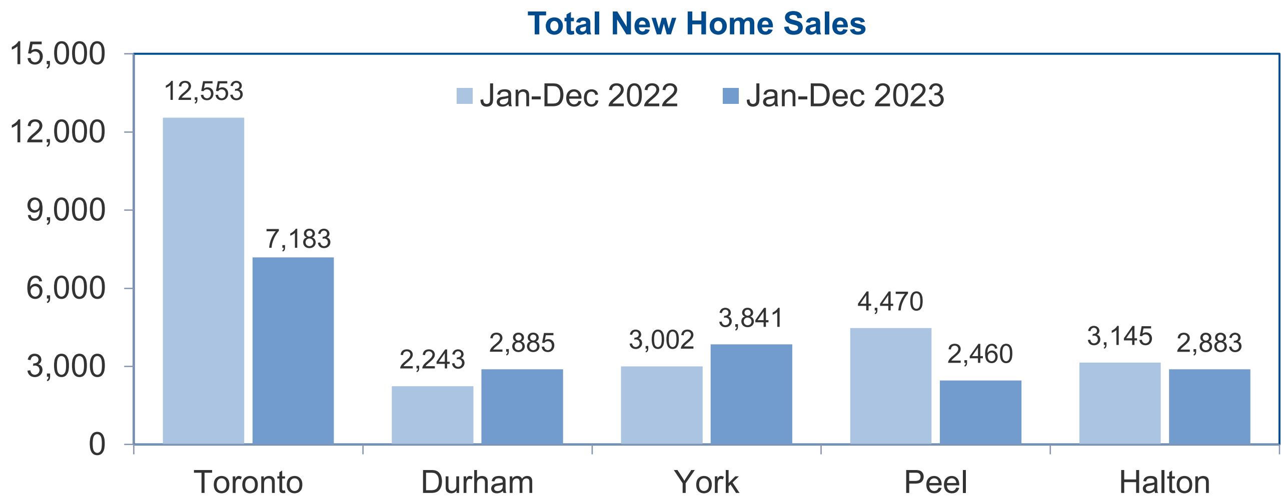


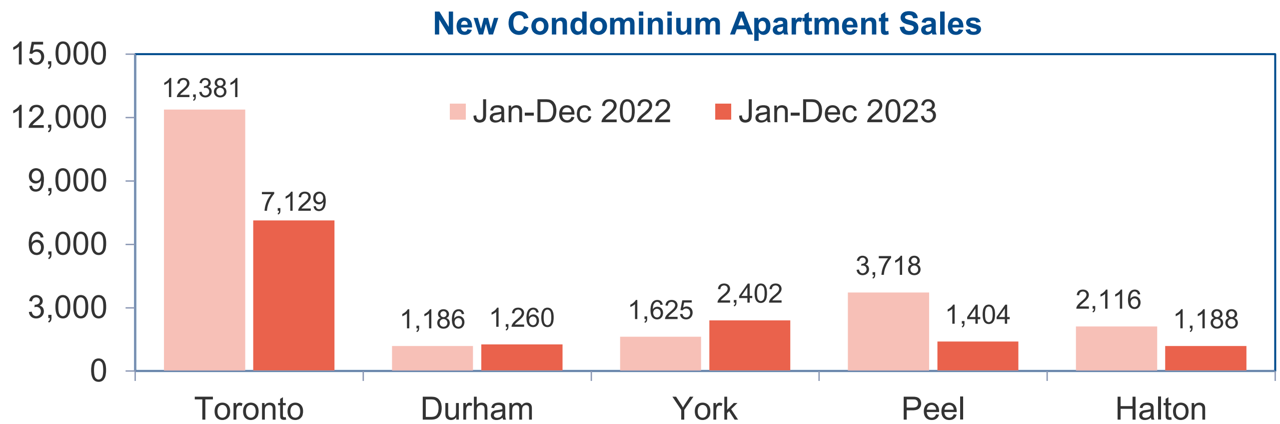
New Single-Family Home Sales

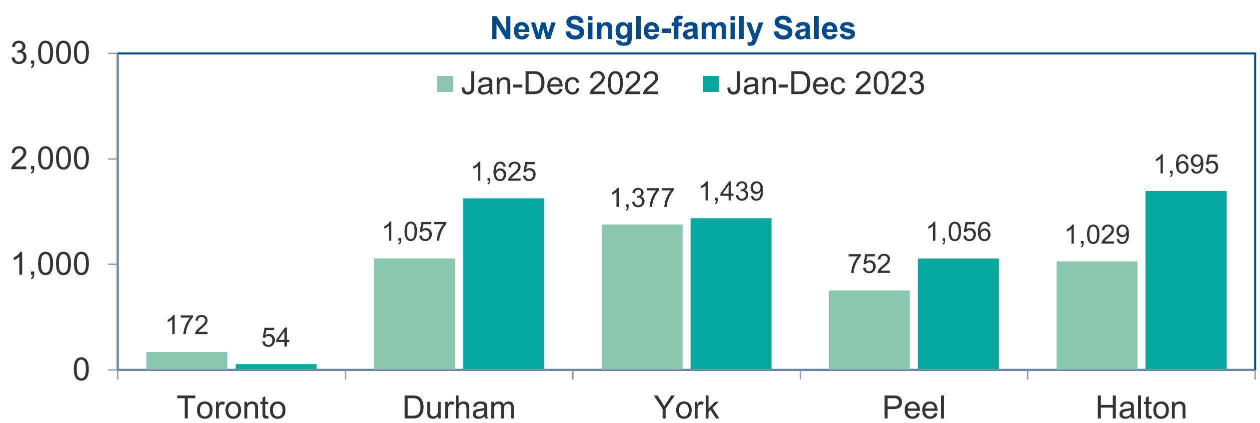


Source: Altus Group

GTA New Home Sales by Region

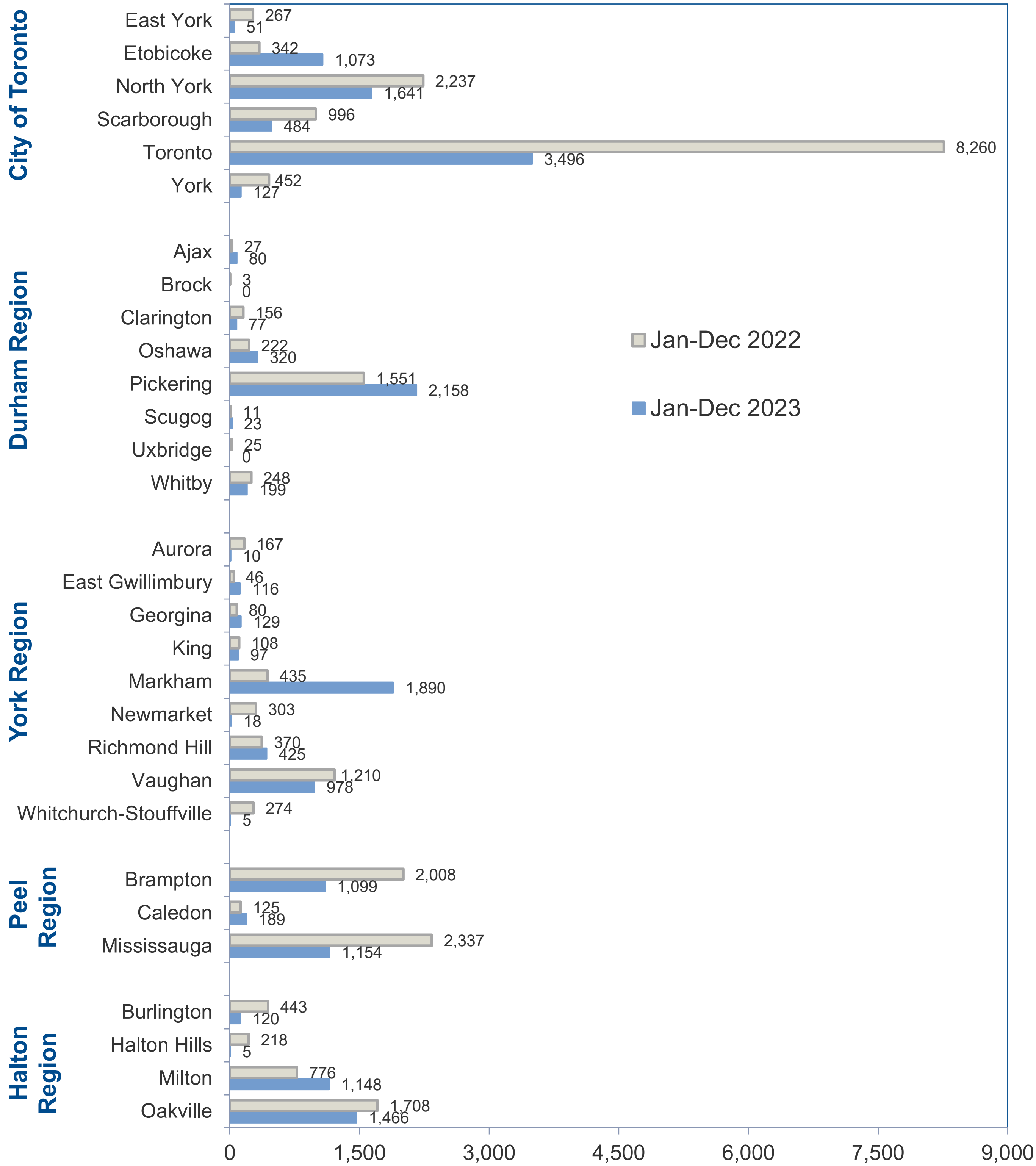






Source: Altus Group

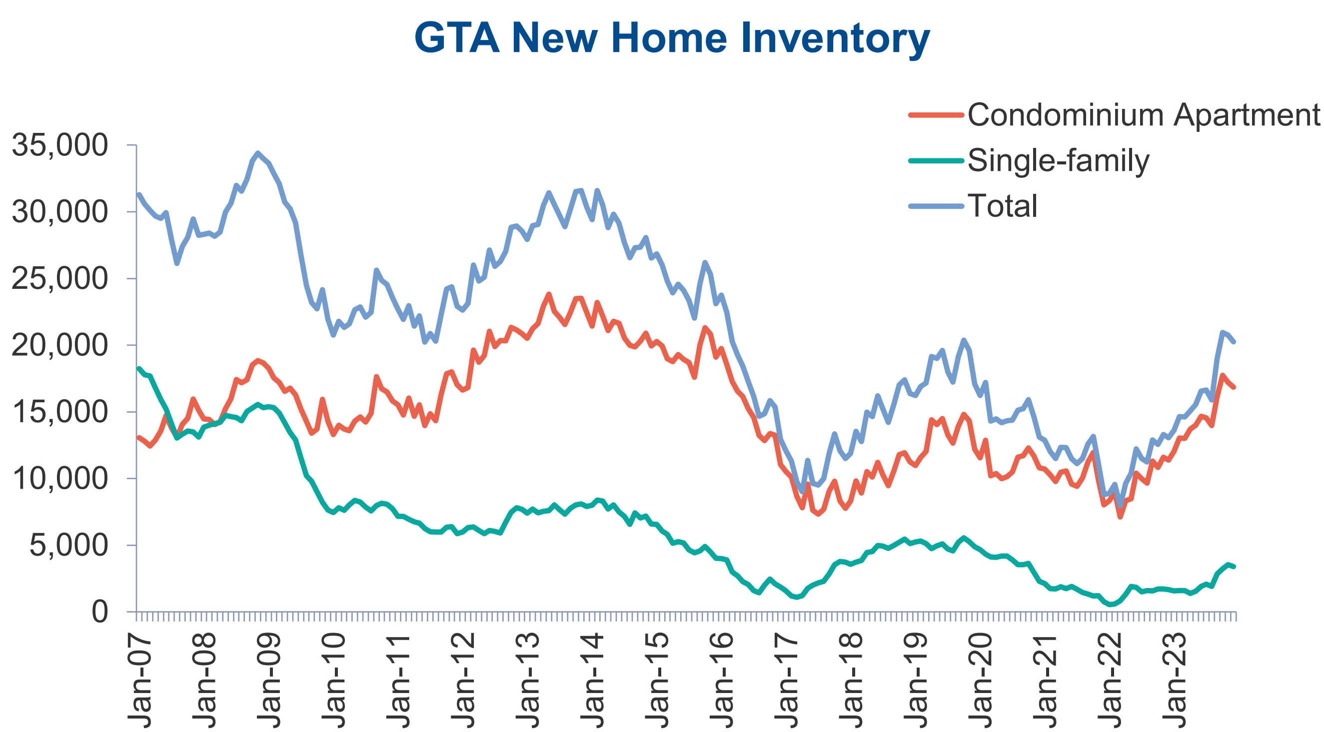
GTA Total New Home Sales by Municipality



Source: Altus Group

New Home Market - Inventory

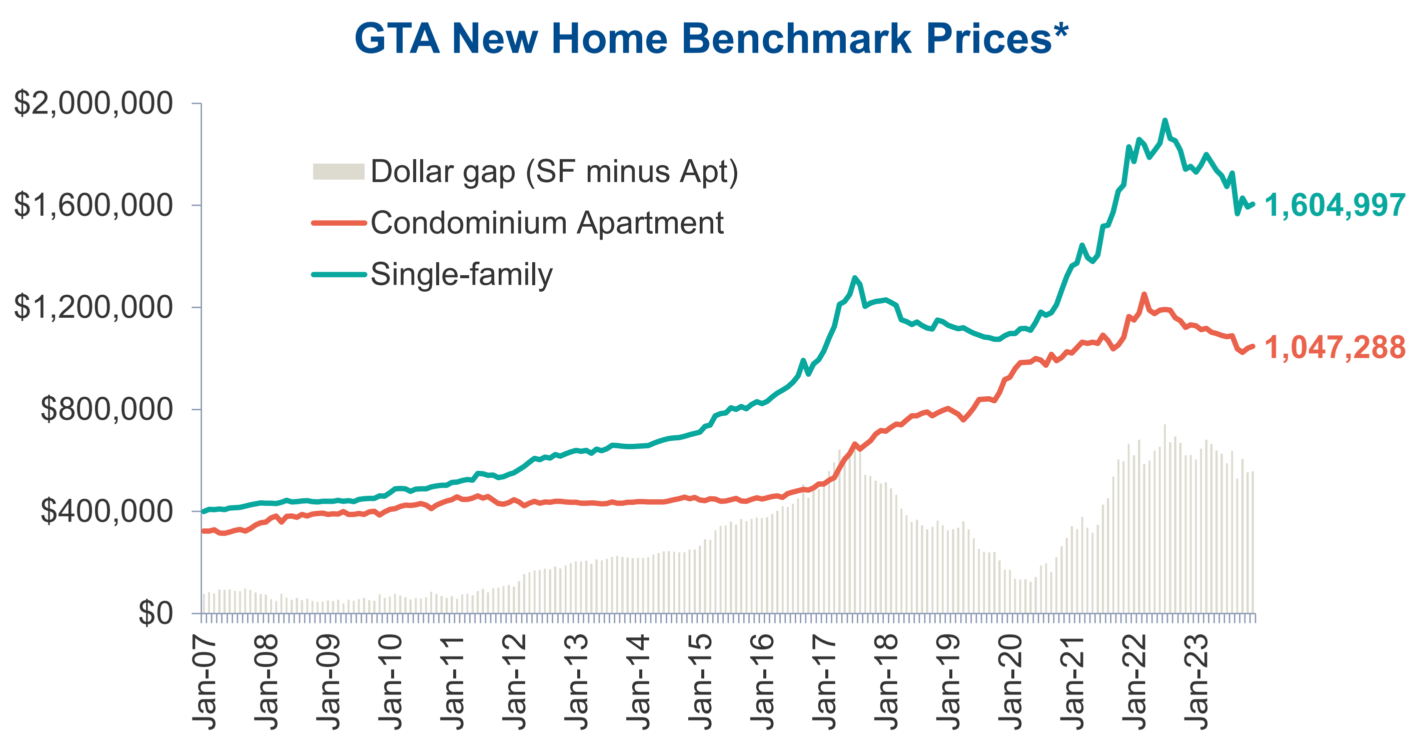
- **Total new home inventory eased further in December** to sit over 50 percent higher than the previous year. With the lower sales noted previously, inventory levels were down due to new launches virtually drying up in December 2023.
- Based on average monthly total new home sales over the past 12 months, there were roughly 9.5 months of available supply of total new homes at the end of December 2023, the highest December level since 2015.
- **Condominium apartment inventory eased slightly but remained elevated in December 2023, up about 50 percent from a year earlier.** Single-family inventory also eased in December but sat at more than double the previous year's level.



Source: Altus Group

New Home Market - Prices

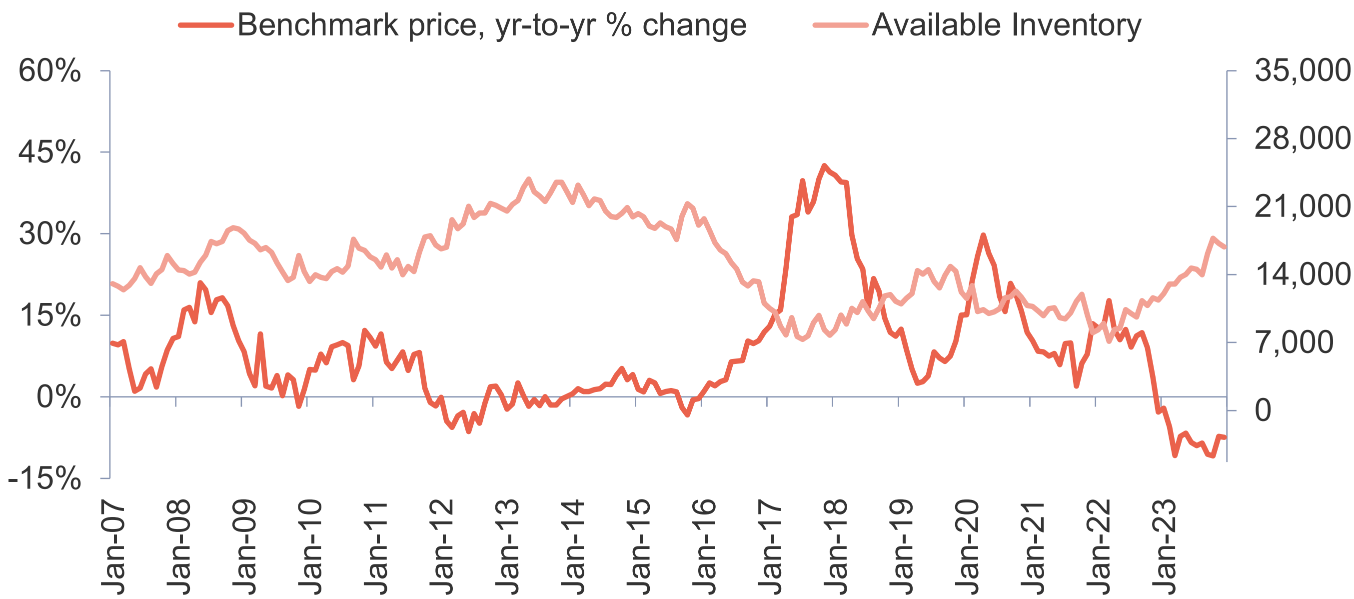
- **The benchmark price for a new condominium apartment crept higher for a 2nd consecutive month in December 2023** though was still down seven percent year-over-year. Single-family benchmark pricing eased higher in December compared to the previous month, off by eight percent year-over-year.
- **The price advantage of available new condominium apartments compared to new single-family homes widened marginally in December.** New condominium apartment and single-family benchmark prices have registered a year-over-year decline for 13 consecutive months (*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*

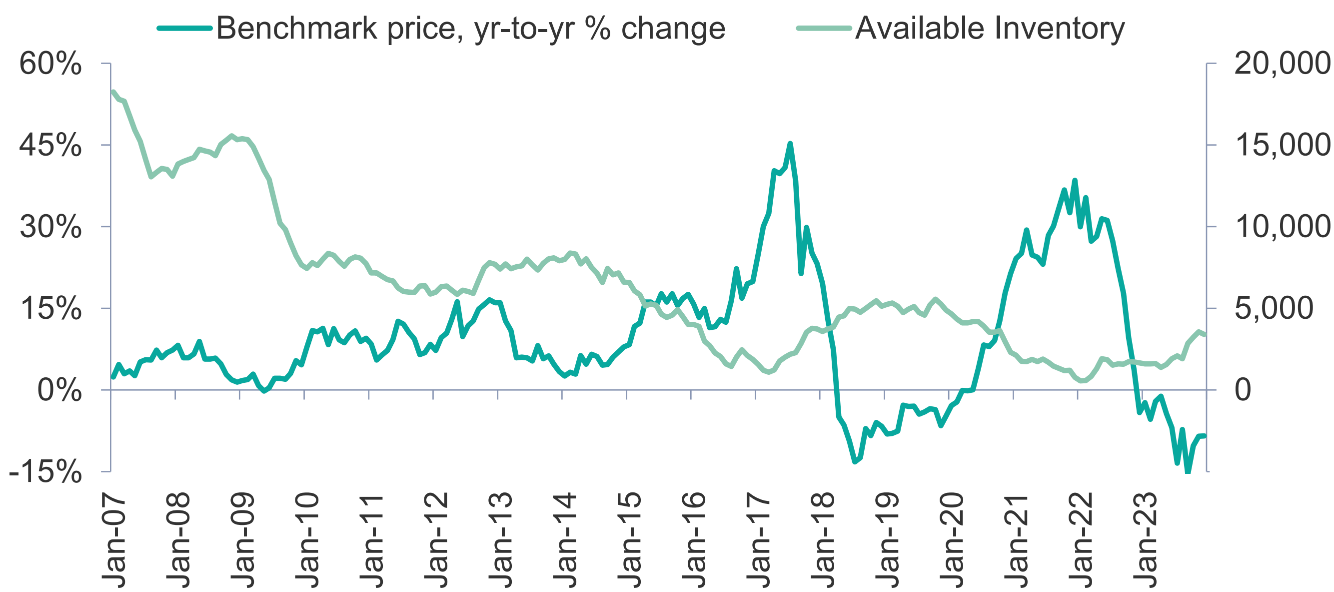
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

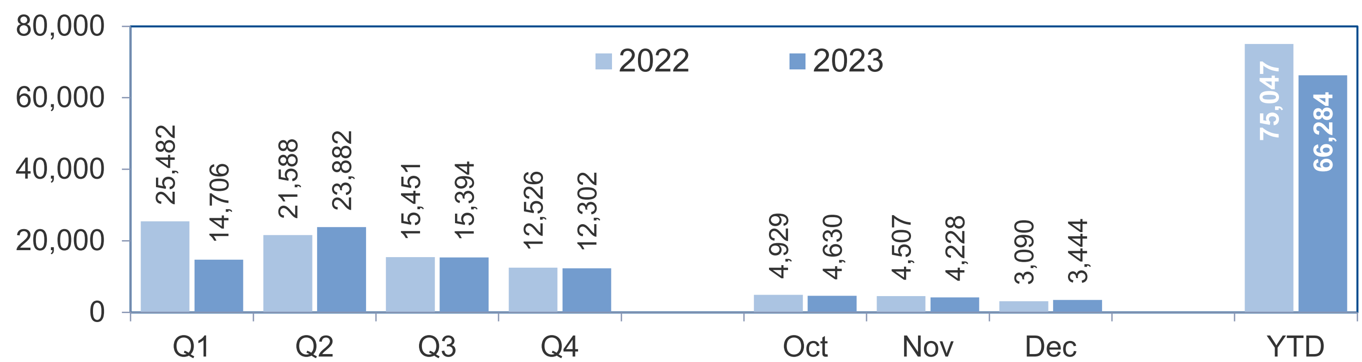


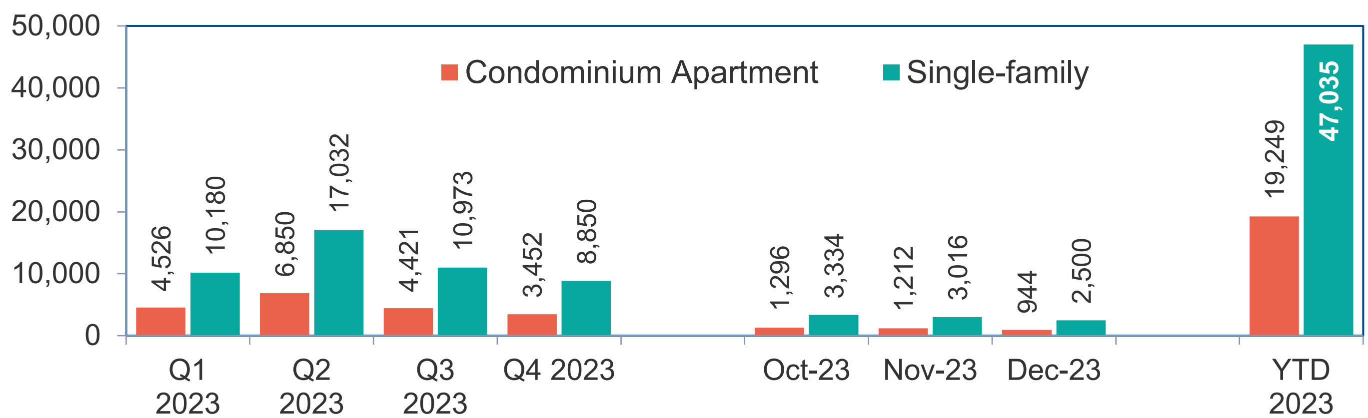
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes in December 2023 rose by 11 percent compared to the previous year's level**. Year-to-date sales for 2023, however, were down by 12 percent and were the lowest annual total since 2000.
- The December gain was due to higher singe-family resales while condominium apartment resales dipped year-over-year.
- **Total resale inventory levels plunged in December 2023 from the previous month but gained on a year-over-year basis.** Conditions remain very tight with about 3 months of inventory in the resale condominium apartment sector and roughly 1.5 months of inventory in the resale single-family sector, but have risen considerably over levels from recent years.
- Average resale prices for December 2023 increased from the previous month in the apartment sector but slipped slightly in the single-family sector *(charts next page).*

GTA Resale Home Sales





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

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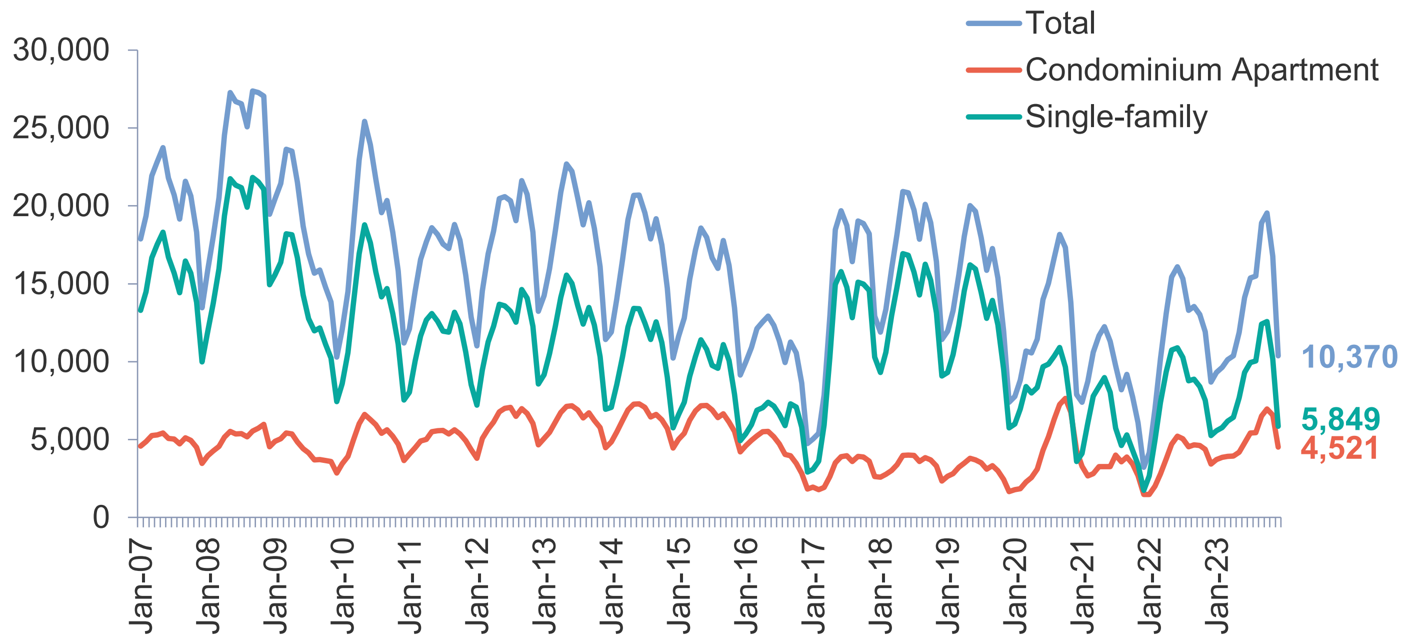
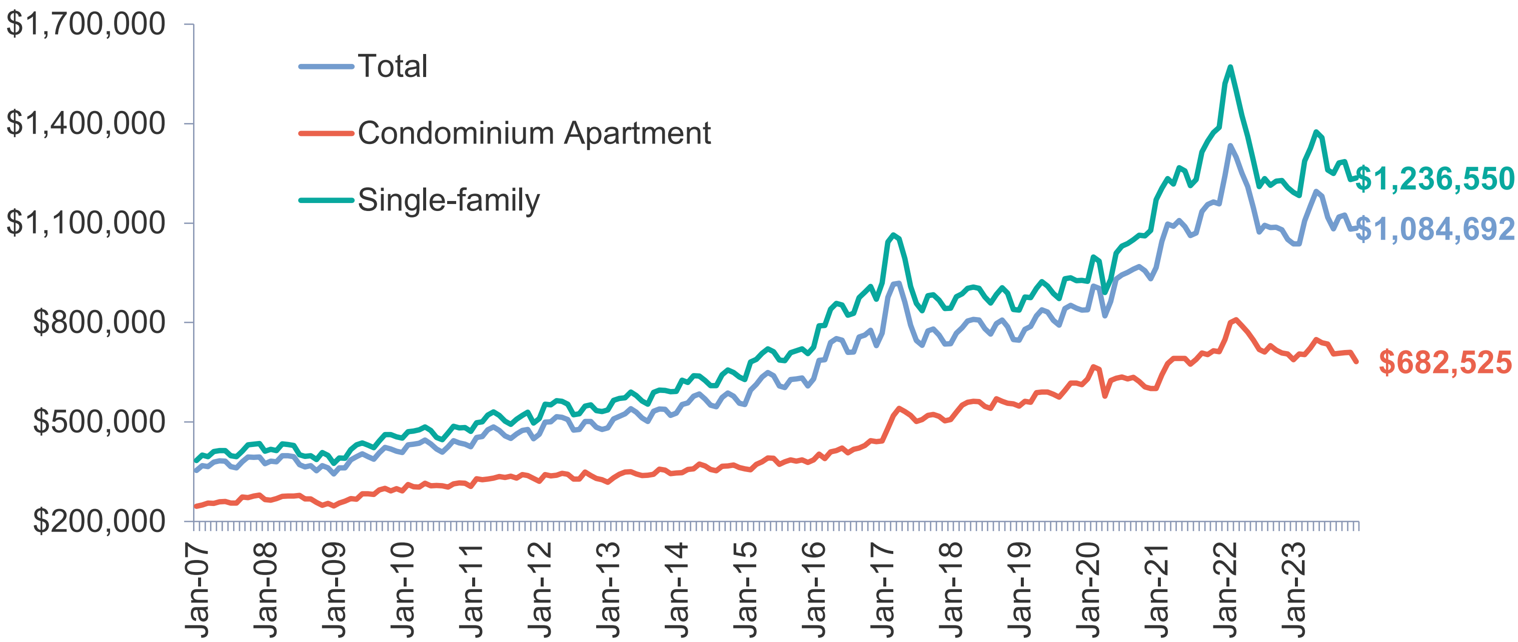
GTA Resale Home Inventory ("Active Listings")



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

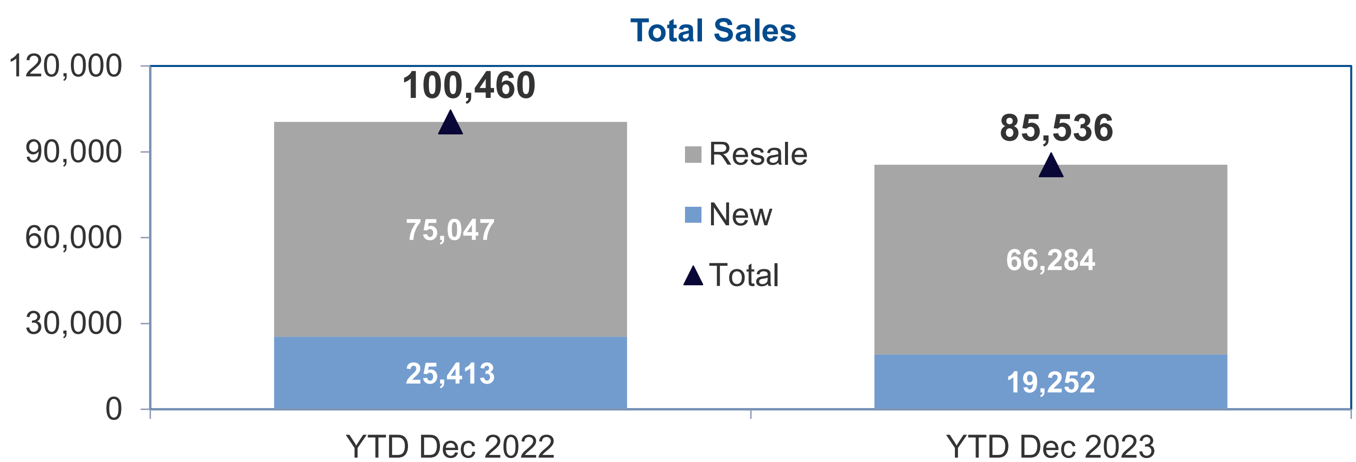
GTA Resale Home Prices

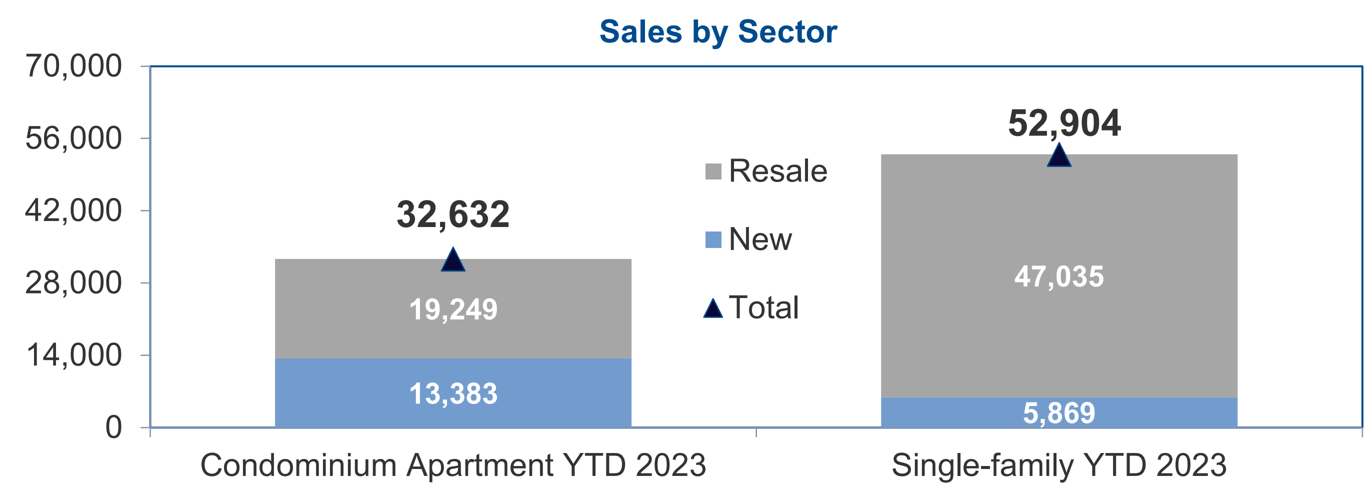


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Total home sales in the GTA in 2023 were down 15 percent from a year earlier**. The decline in the apartment sector (-23%) outpaced the falloff in the single-family sector (-9%).
- **The new home sector accounted for about 1 out of every 4.5 home sales through December 2023** – this compared to 1 in 4 for 2022. Roughly 1 in 9 single-family and 1 in 2.5 condo apartment homes sold were new homes.

GTA Combined New & Resale Home Sales



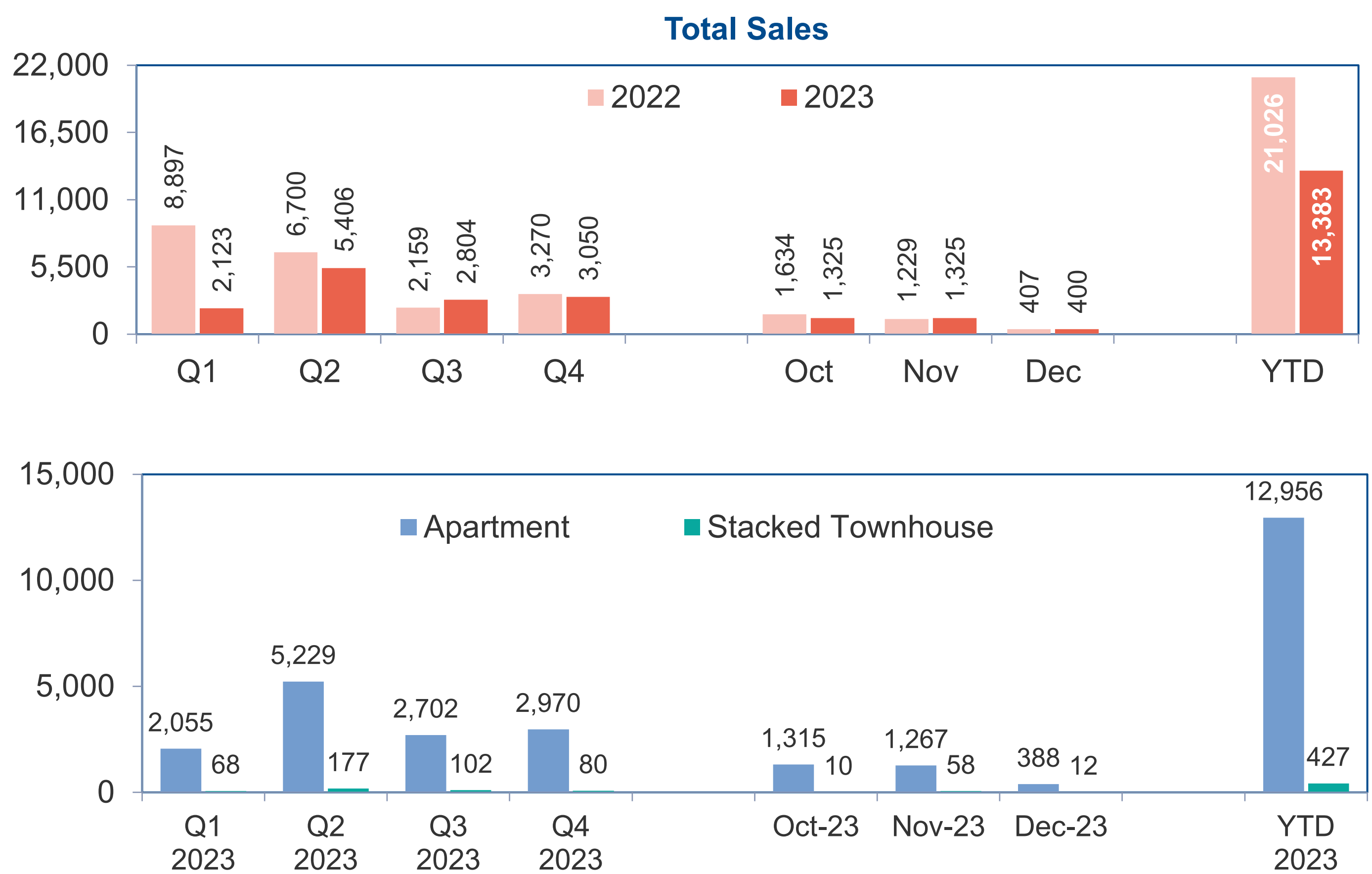


Source: Altus Group and Toronto Regional Real Estate Board data

New Condominium Apartments - Sales

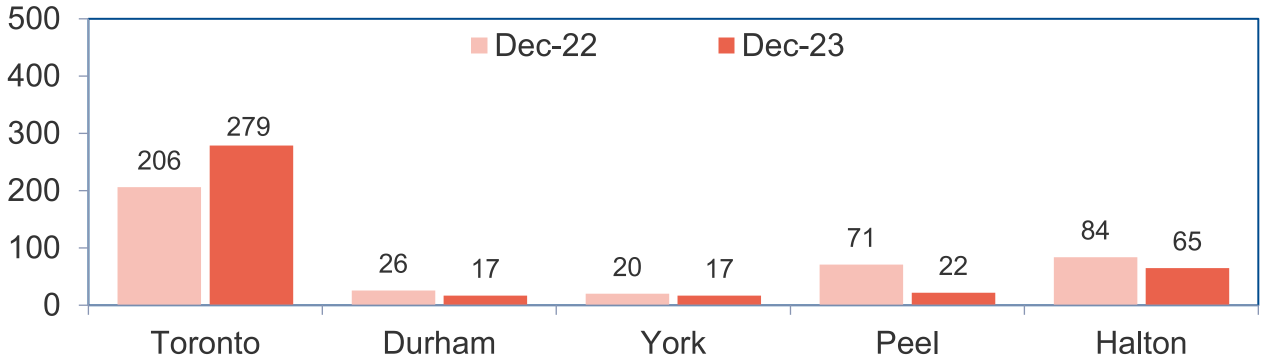
- **GTA new condominium apartment sales slumped in December 2023 to the lowest December level since 2008.** For 2023, new condominium apartment sales fell by over one-third.
- **Stacked townhouse sales in 2023 tumbled for a 2nd consecutive year and are down 86 percent from 2021's record high.**
- **The slowdown in new condo apartment sales has been widespread, both on a year-over-year basis as well as compared to the first part of 2022** (*chart next page*).
- Nearly all municipalities recorded lower condominium apartment sales in 2023, the main exceptions being Markham and, to a smaller extent, Pickering *(chart following next 2 pages)*.

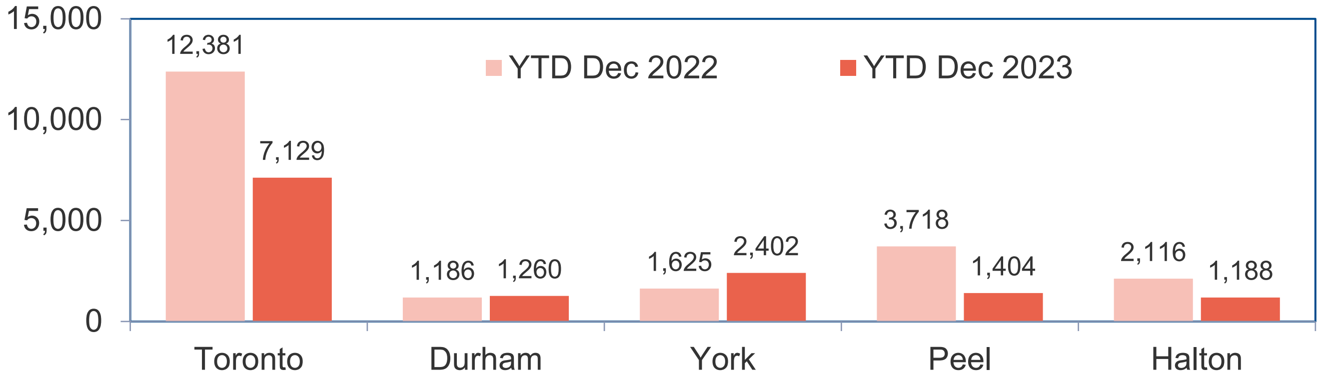
GTA New Condominium Apartment Sales

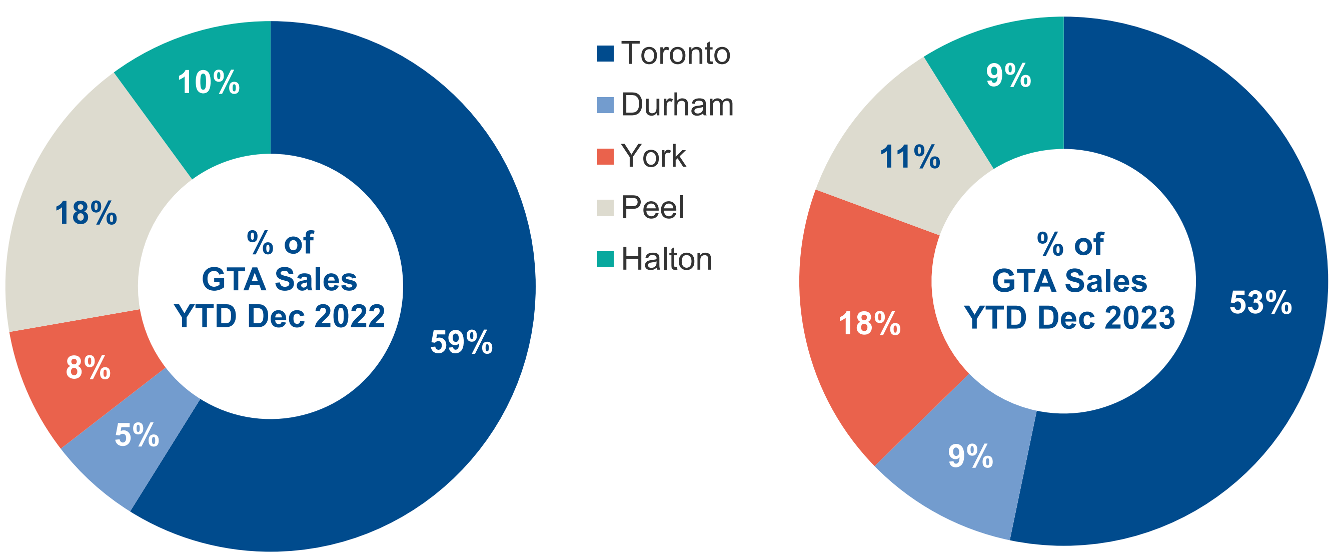


Source: Altus Group

GTA New Condominium Apartment Sales by Region







Source: Altus Group

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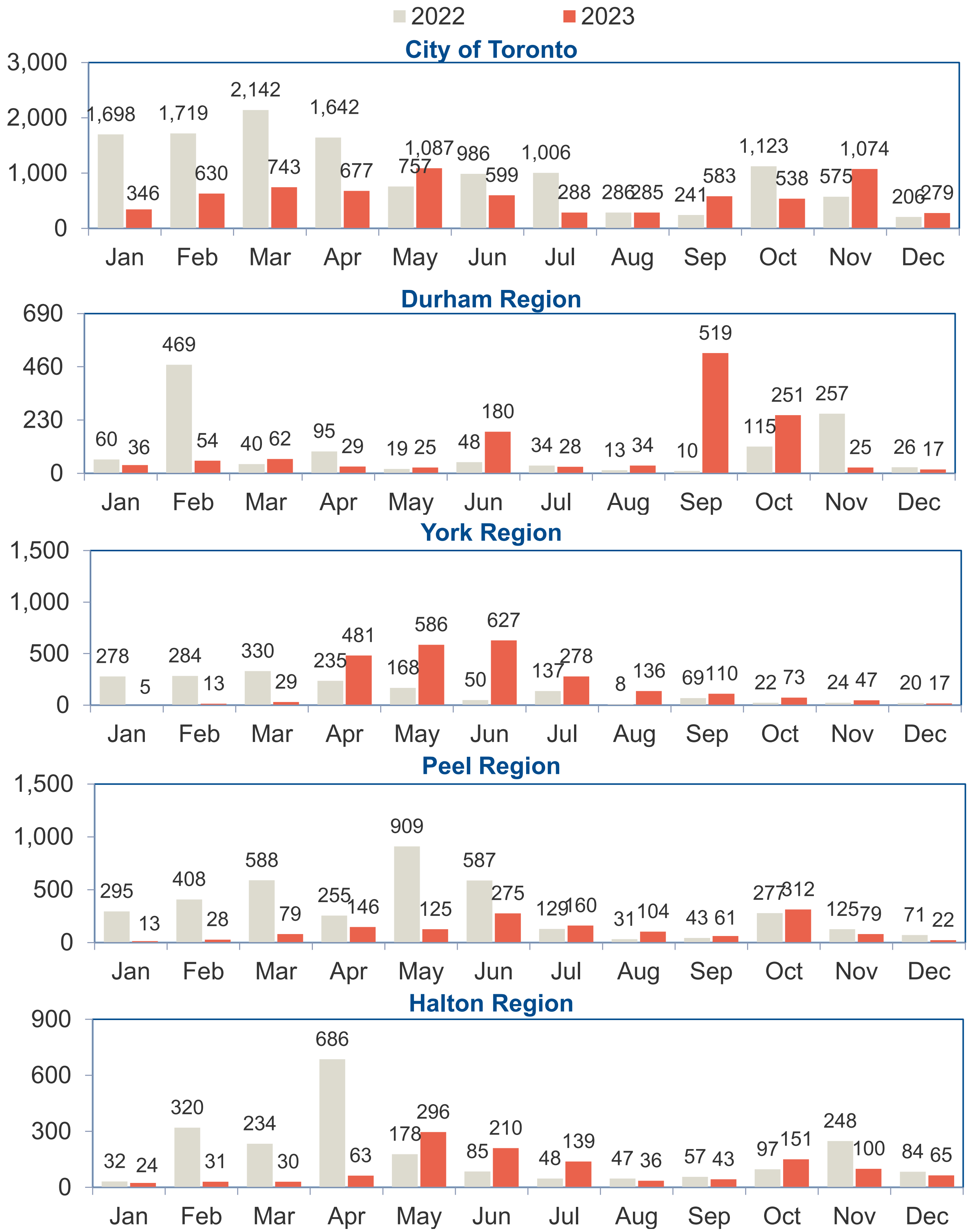
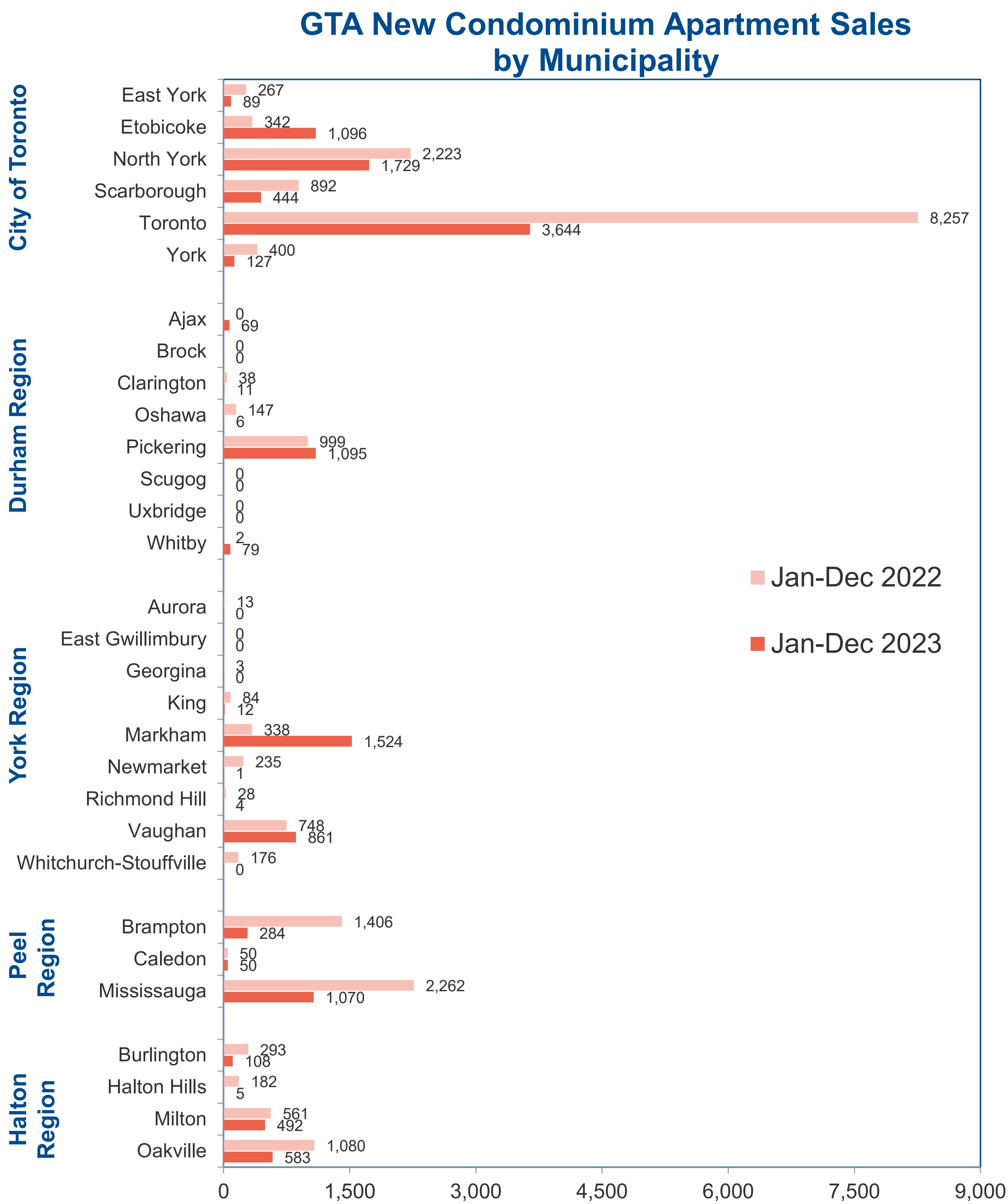
New Condo Apartment Sales by Region and Month



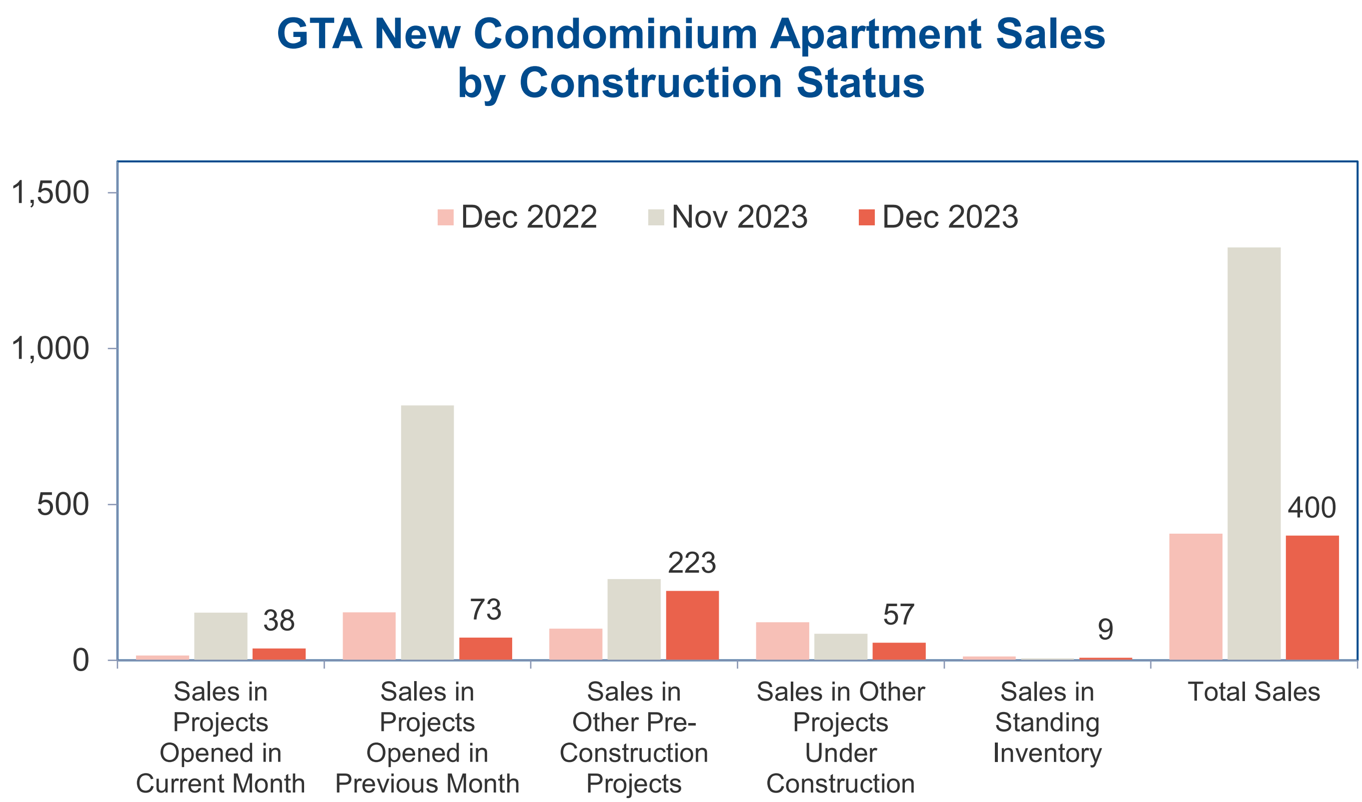
Source: Altus Group



Source: Altus Group

New Condominium Apartments - Sales

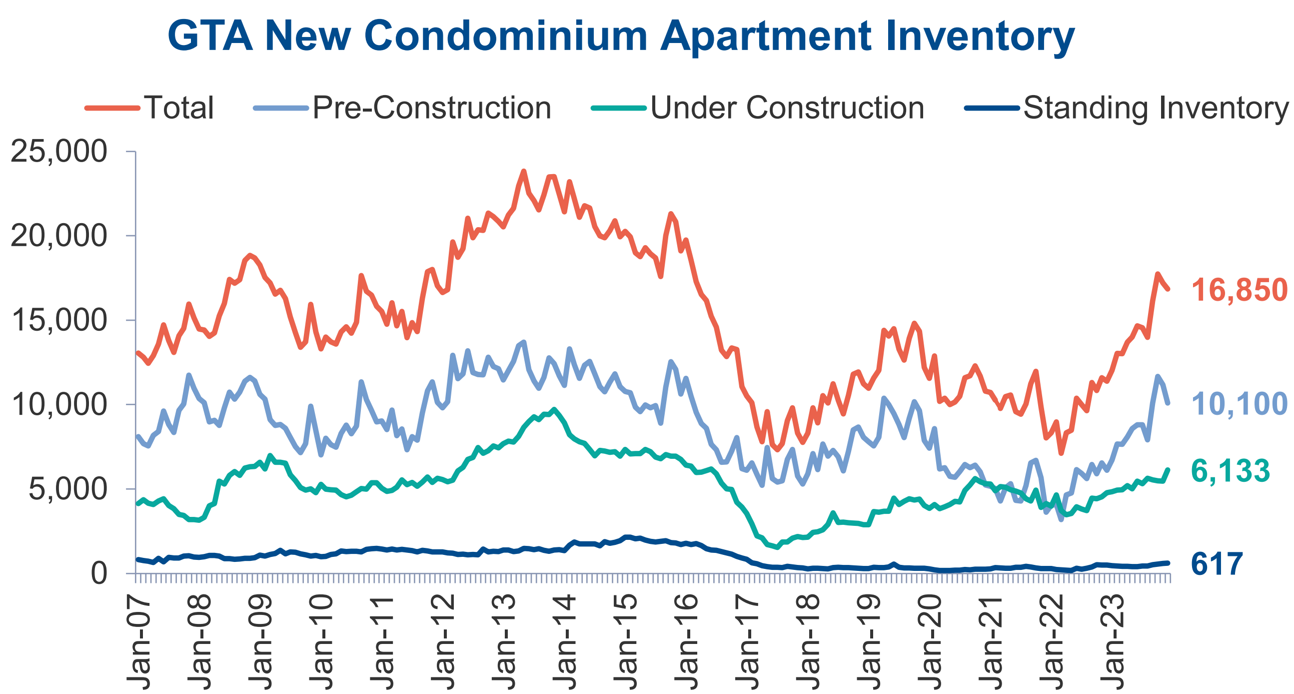
- **Sales in newly launched condominium apartment projects in December 2023 accounted for just about 1 in 10 sales for the month.**
- Sales in projects opened more than two months comprised the bulk of sales in December 2023.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page*) and therefore very few sales in the “standing inventory” category.



Source: Altus Group

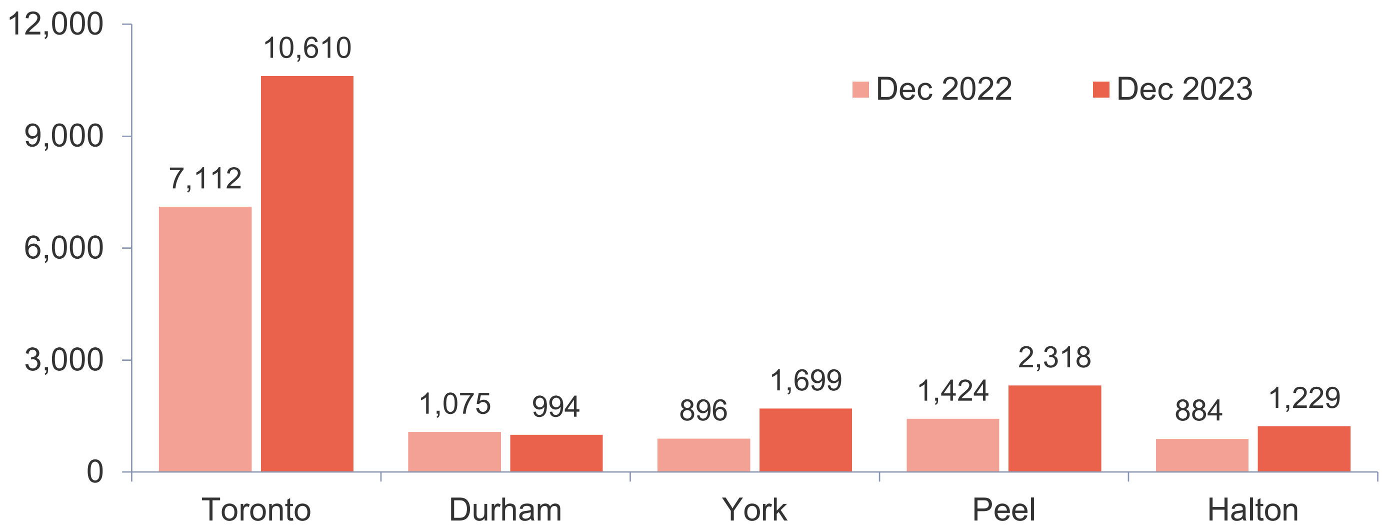
New Condominium Apartments - Inventory

- **The inventory of available new condo apartments dipped in December and remained well below the 10-year average.** The combination of very low sales and fewer openings led to the small decline.
- **The current unsold inventory at new condominium apartment projects represents about 15 months of supply** at the average monthly pace of sales seen over the past 12 months, well above the longer-term average for December of roughly 9.5 months.
- **Over 60 percent of the available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, most of the Regions can be characterized as ”tight”, with months of inventory ranging from about 8.5 months in York to about 20 months in Peel.
- **Most regions of the GTA has seen an increase in new condo apartment inventory in the past year except Durham Region** (*chart top of next page*).
- The increase in inventory over the previous year was concentrated in 2-bedroom and smaller units – a response by builders as affordable concerns continued to worsen (*chart bottom of next page*).

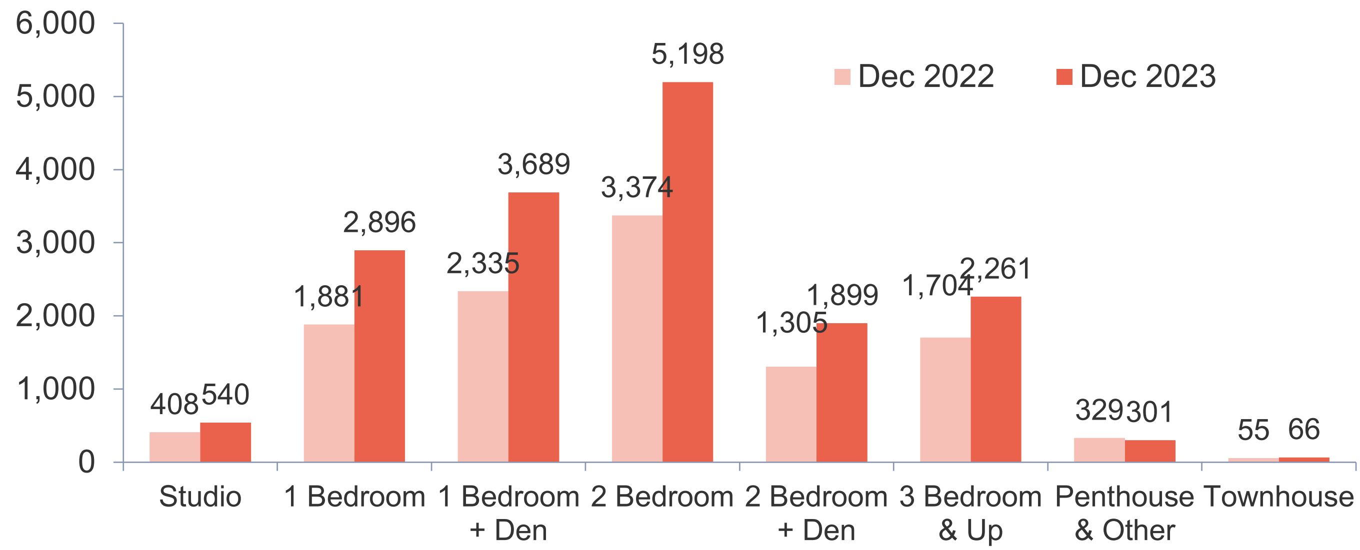


Source: Altus Group

GTA New Condominium Apartment Inventory By Region

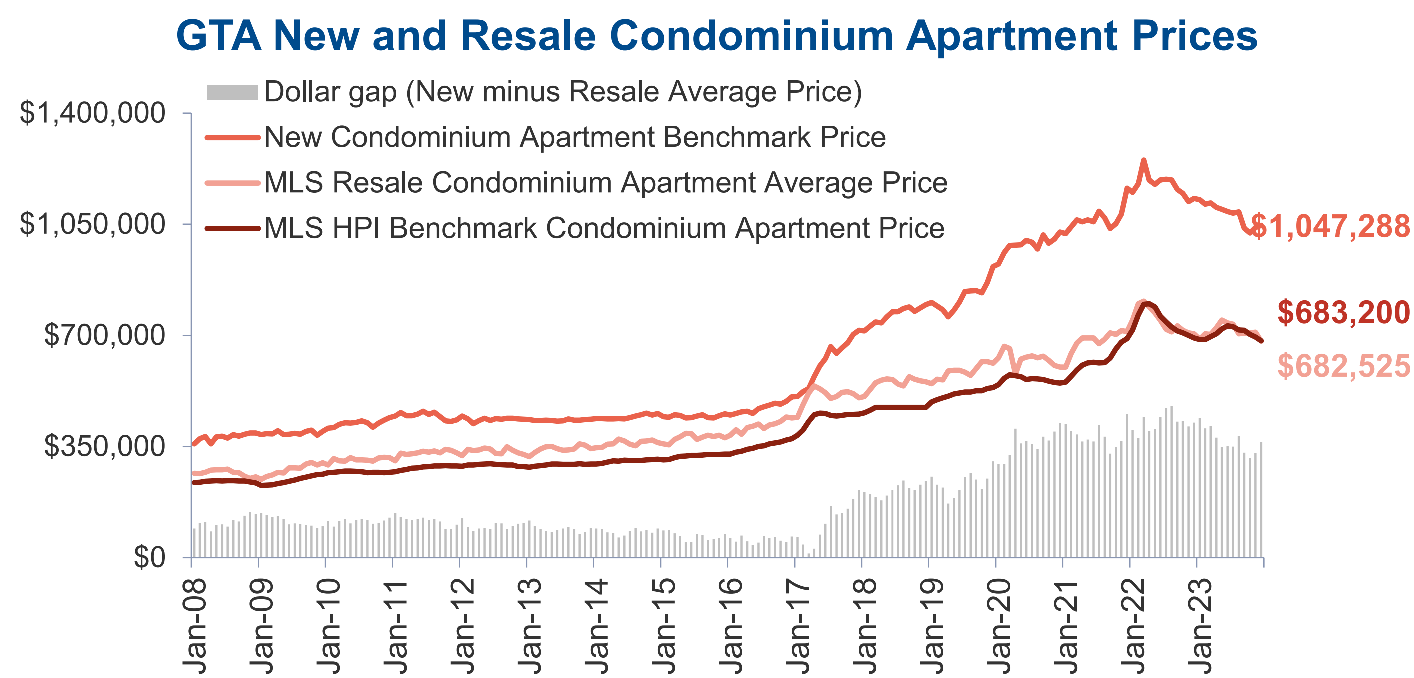


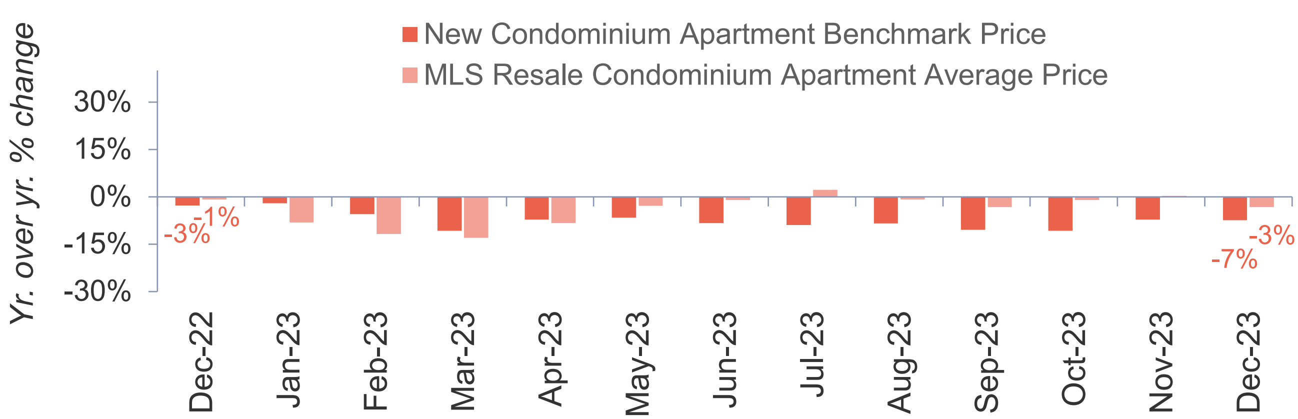
GTA New Condominium Apartment Inventory By Unit Type



Source: Altus Group

- **The benchmark price of a new condominium apartment in December 2023 rose relative to the previous month and was down seven percent year-over-year.** December's decline was the 13th 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 December low,** as resale condominium apartment price declines were less than in the new condominium apartment sector year-over-year.

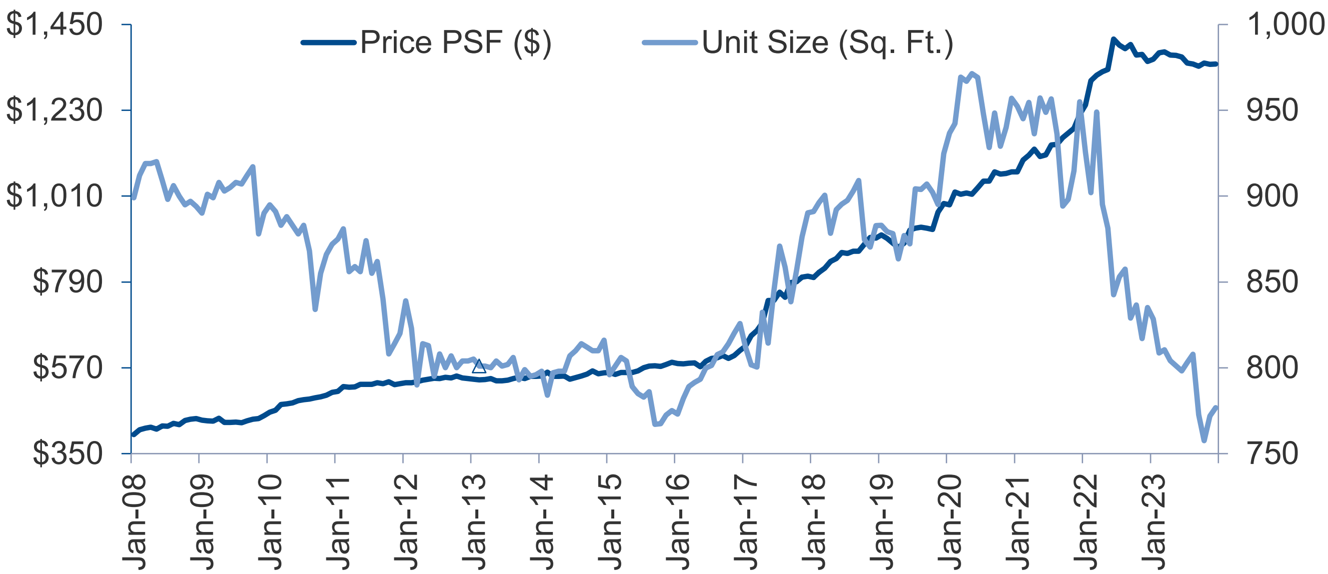




Source: Altus Group and Toronto Real Estate Board data

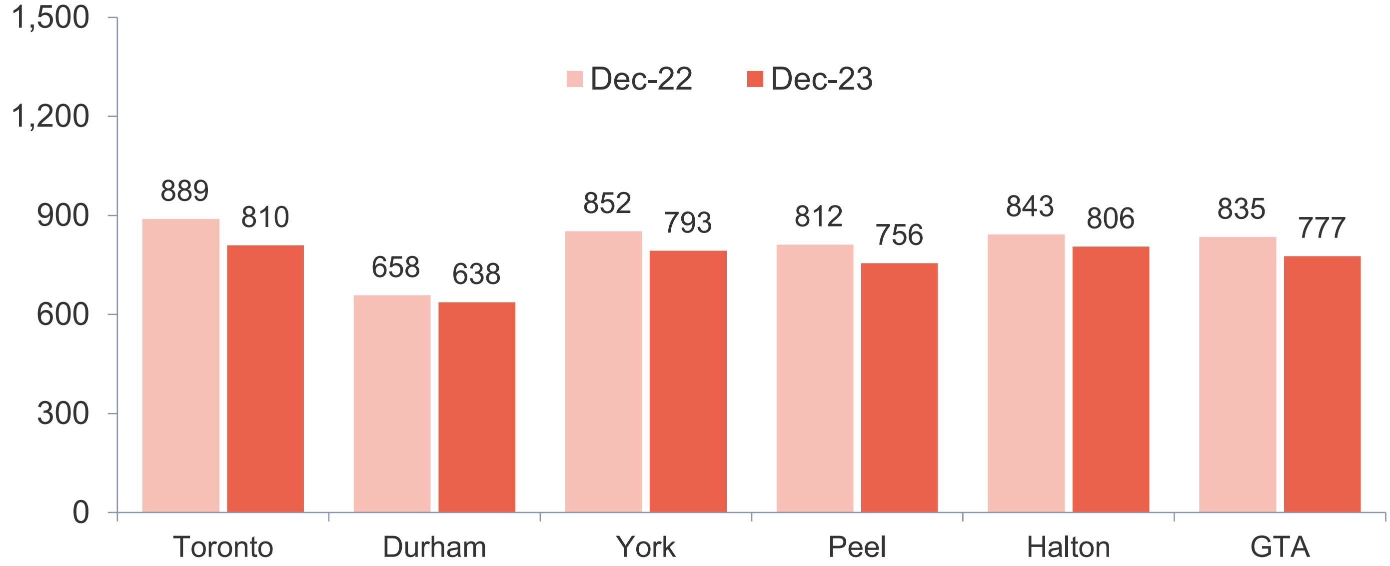
- **The average unit size for a new condominium apartment was up slightly in December 2023 and the cause of the rise in the new benchmark price.** The average price per square foot was changed from last month.
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller 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).
- All of the regions recorded smaller overall unit sizes for available inventory at the end of December 2023 as affordability concerns continued to deepen (*chart top of next page*).
- The average size of remaining inventory at the end of December 2023 was down across all unit types (*chart bottom of next page*).

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

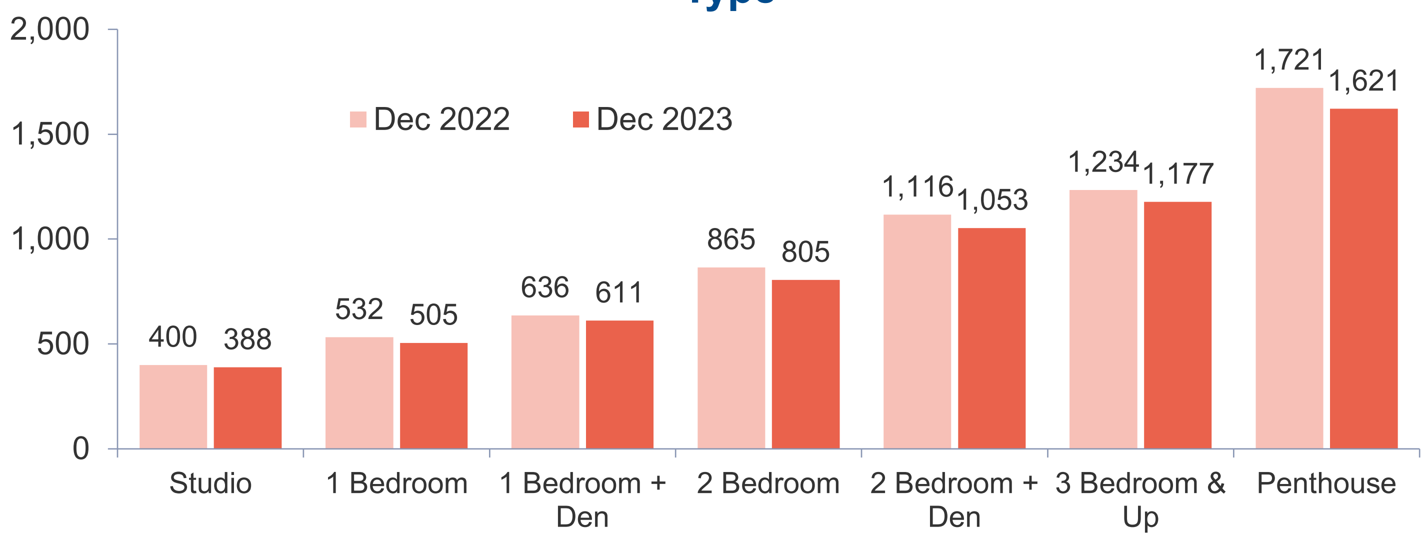


Source: Altus Group

GTA New Condominium Apartment Average Size (Sq. Ft.) of Available Inventory by Region



GTA New Condominium Apartment Average Size (Sq. Ft.) of Remaining Inventory by Unit Type

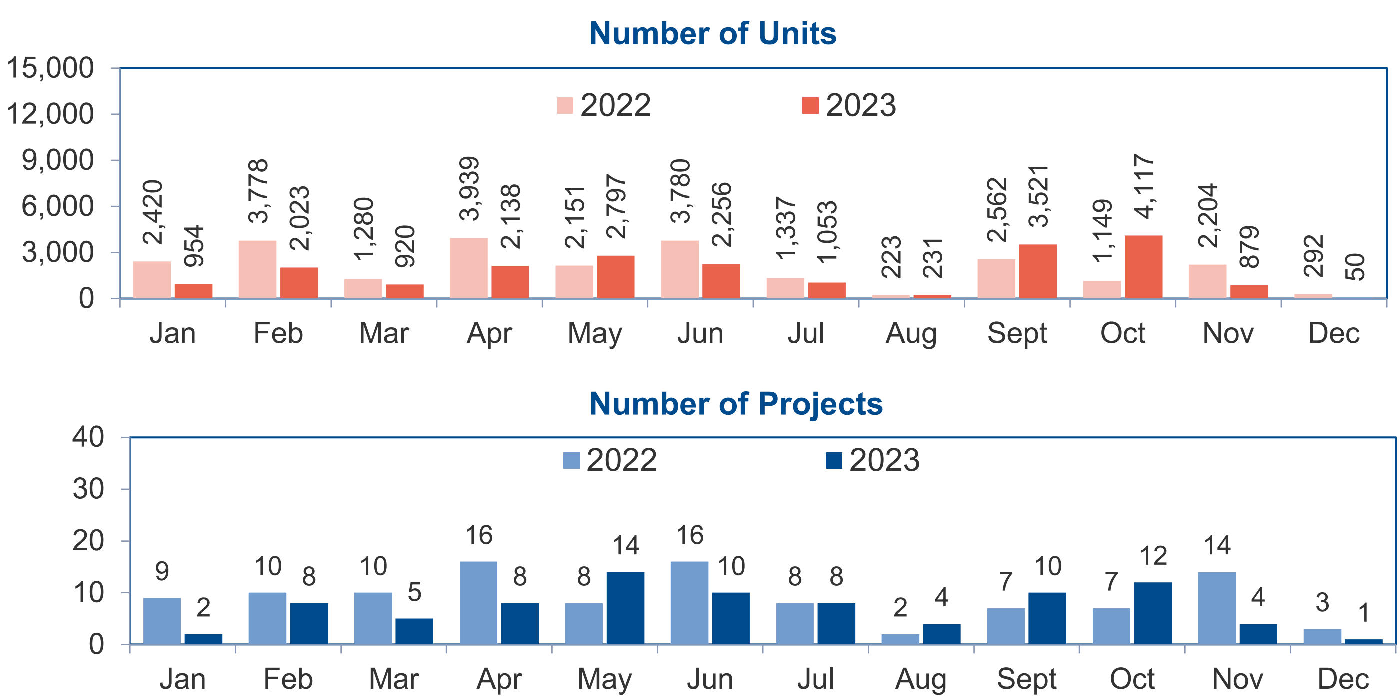


Source: Altus Group

New Condominium Apartments - Openings

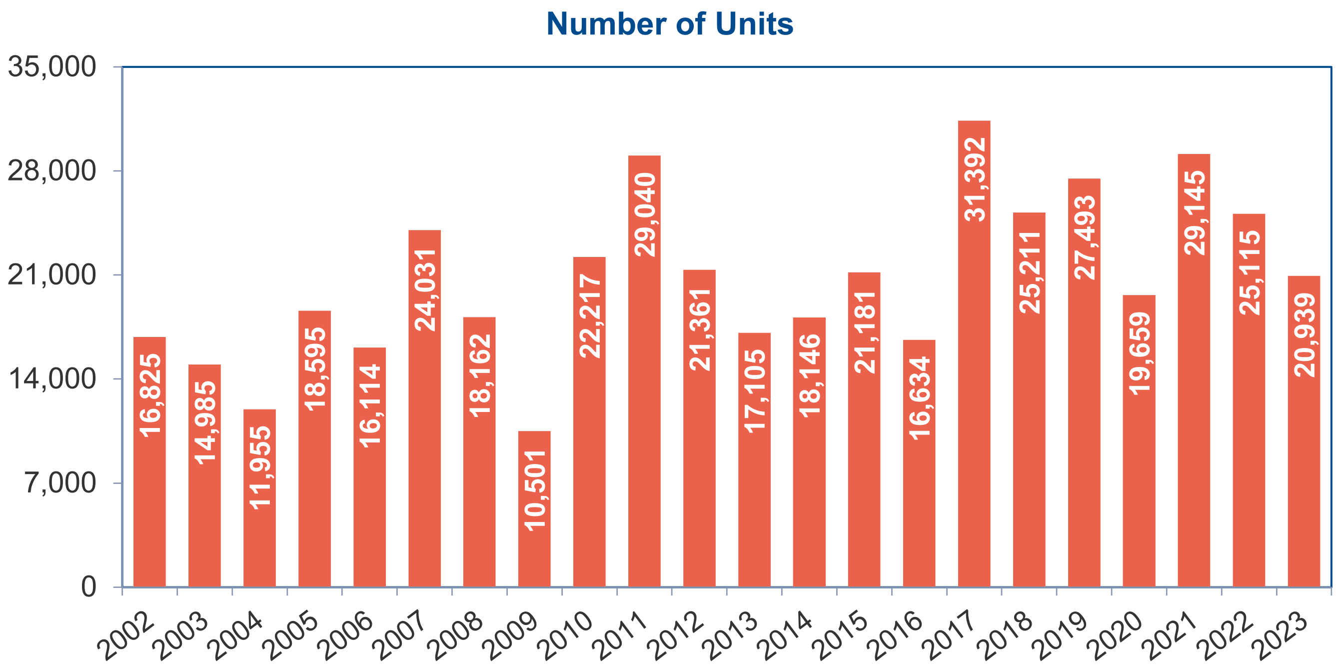
- **December 2023 saw the launch of just 1 new project containing 50 units.**
- For the year as a whole, there were 86 new project openings, with almost 21,000 new units (*charts next page*), down 17 percent from 2022.
- **York Region increased their share of new opening units, largely at the expense of Peel Region** *(chart next page, top).* Within the City of Toronto, North York and Etobicoke increased their share of new condominium apartment openings from the previous year while the share for the former municipality of Toronto declined *(chart next page, bottom)*.
- The composition of new projects launched in 2023 was similar to 2022 which was a shift away from 2 bedroom units to more 1 bedroom and 1 bedroom plus den units compared to 2021 (*chart top of page after next 2 pages*). Durham Region had a higher share to 2-bedroom units compared to the GTA as a whole while Toronto had a larger share of 1-bedroom units (*chart bottom of page after next 2 pages*).
- On the pages following the next 3 pages are maps showing the location of new projects launched in November and December 2023 accompanied by summary tables with additional details on each project.

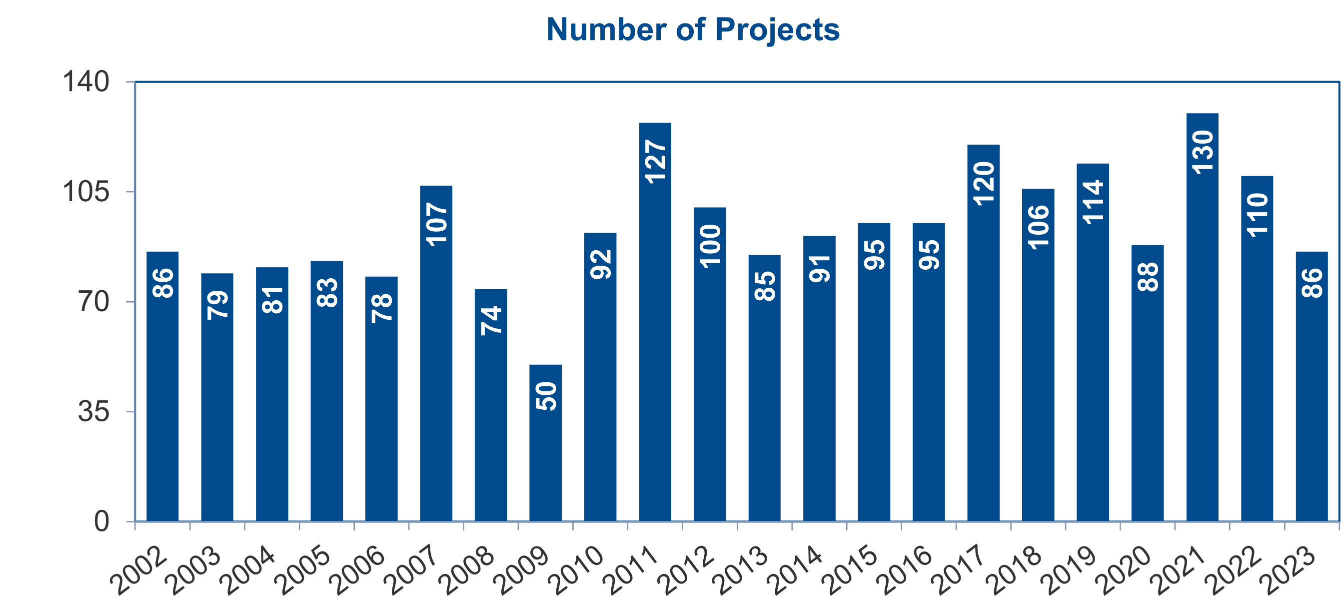
GTA New Condominium Apartment Project Openings



Source: Altus Group

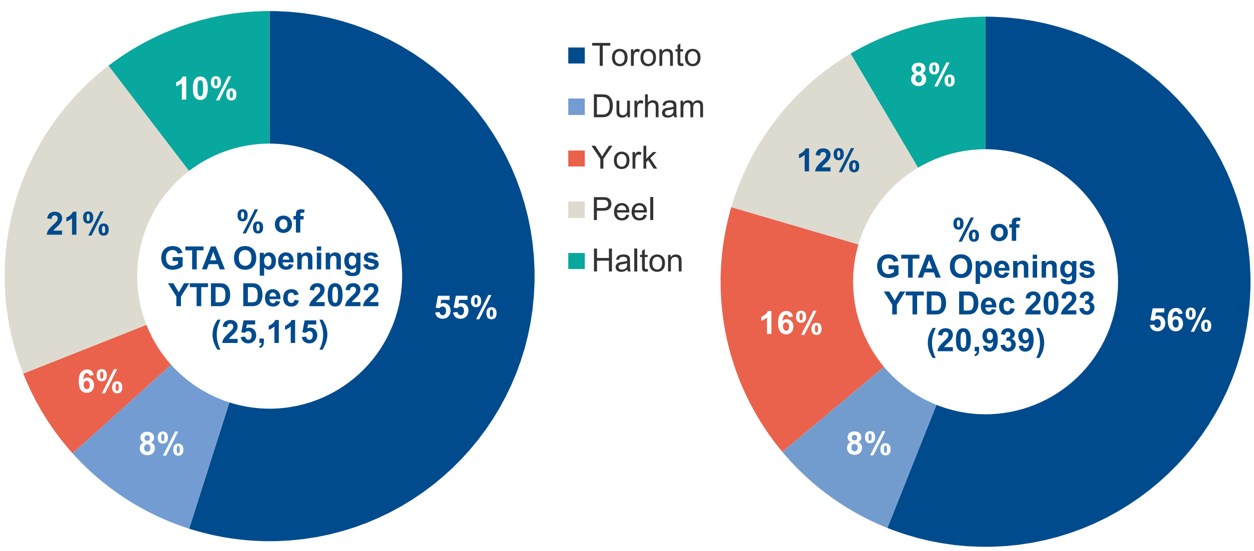
GTA New Condominium Apartment Project Openings





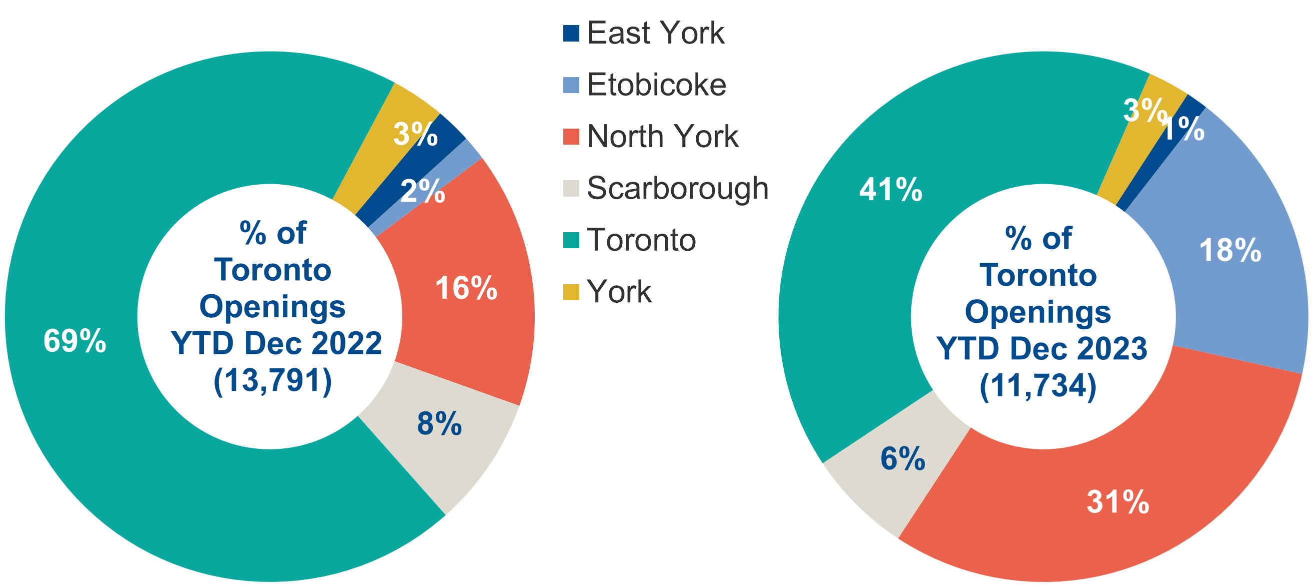
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



Source: Altus Group

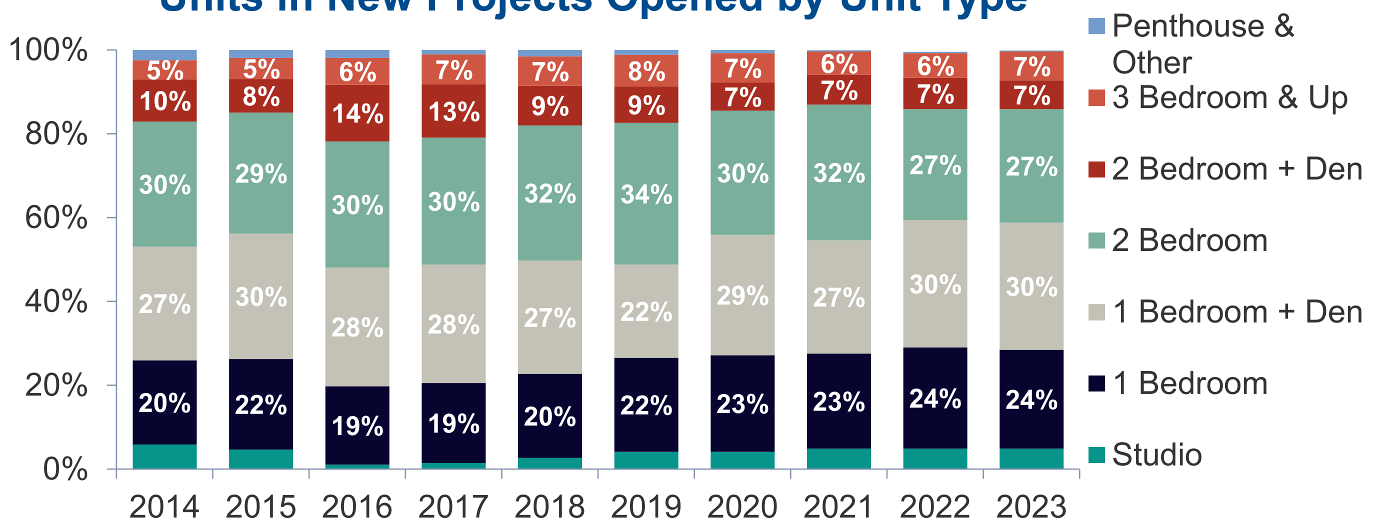
City of Toronto Condominium Apartment Units in New Openings by Former Municipality



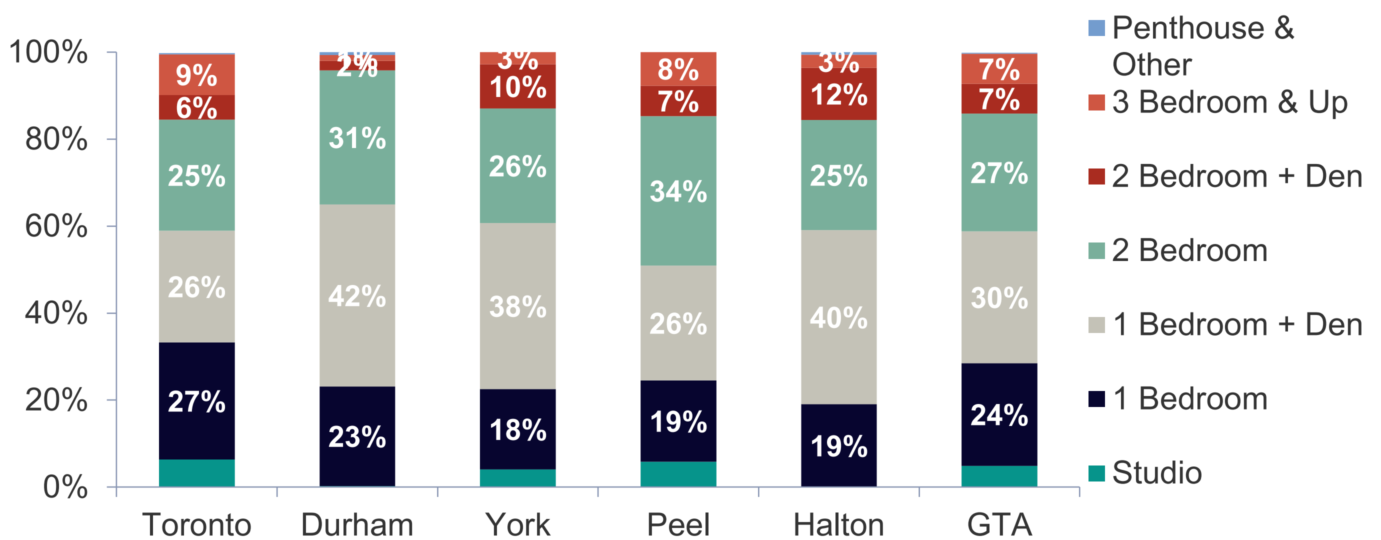
Source: Altus Group

GTA New Condominium Apartments

Units in New Projects Opened by Unit Type



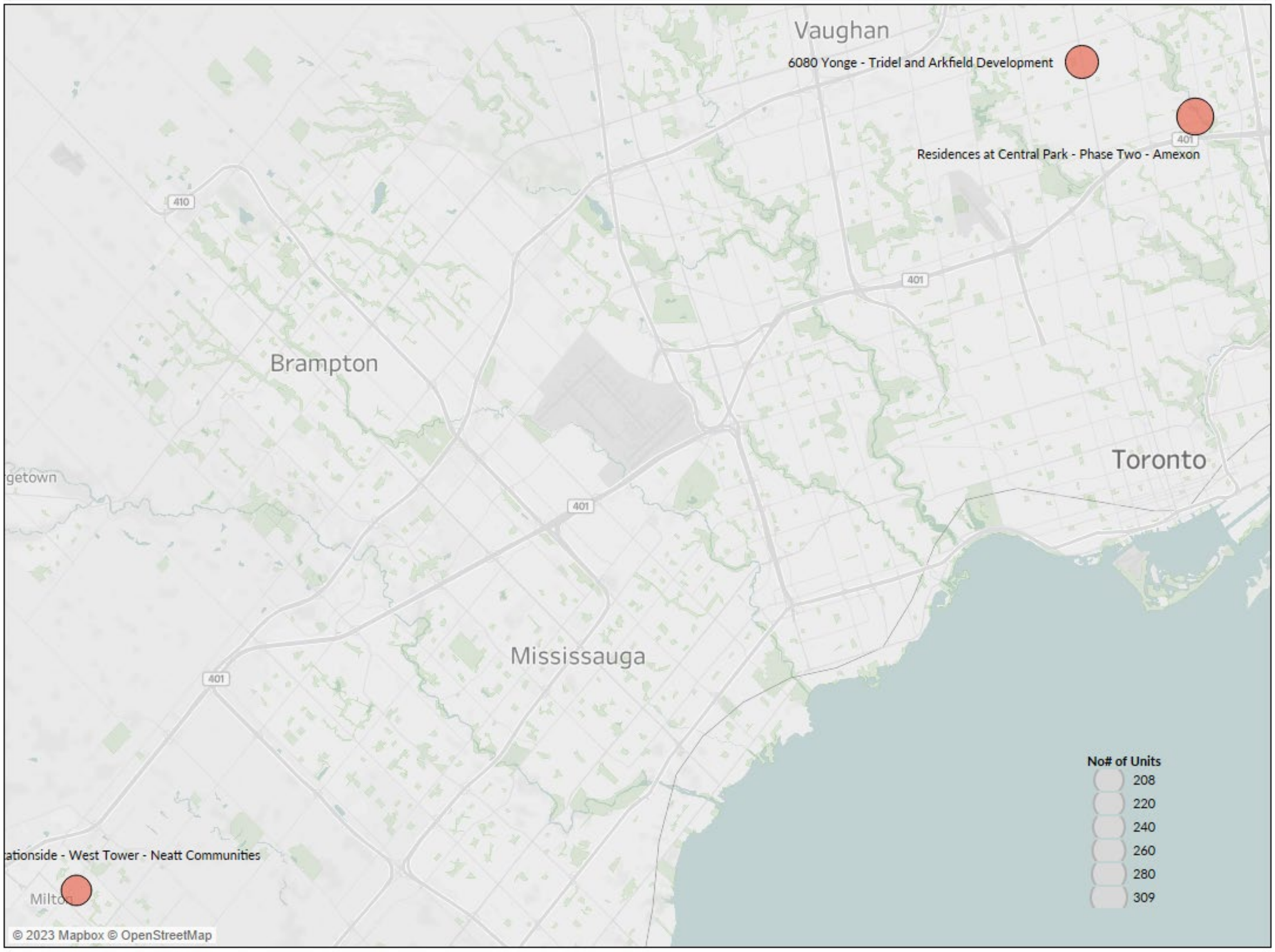
GTA New Condominium Apartment Units in New Projects Opened by Unit Type, 2023



Source: Altus Group

New Condominium Apartments - Openings

November 2023 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

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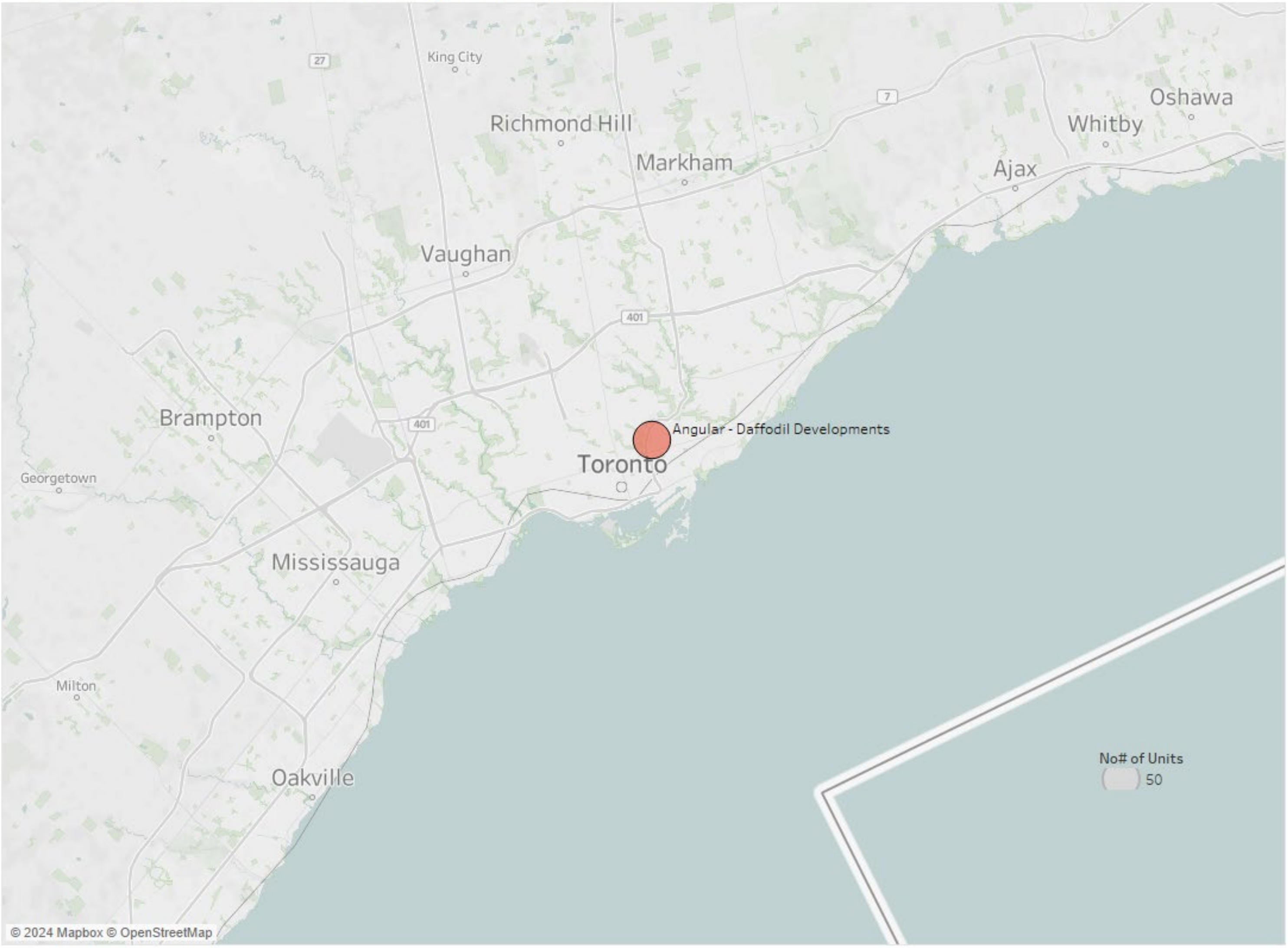
New Condominium Apartment Project Openings - November 2023			
Project Name	**6080 Yonge**	**Residences at Central Park - Phase Two**	**Stationside - West Tower**
Developer	Tridel and Arkfield Development	Amexon	Neatt Communities
Date Opened	November 1, 2023	November 2, 2023	November 2, 2023
Municipality	North York	North York	Milton
Region	Toronto	Toronto	Halton
Structural Type	Apartment	Apartment	Apartment
Floors	14	31	23
Project Total Units	**247**	**364**	**268**
Total Units Released	**247**	**364**	**208**
Studio	18	-	-
1 Bedroom	15	74	70
1 Bedroom + den	90	82	91
2 Bedroom	69	79	47
2 Bedroom + den	19	122	-
3 Bedroom & up	30	7	-
Penthouse	-	-	-
Townhouse	-	-	-
Other	6	-	-
Opening Month Sales	**59**	**47**	**47**
Next Month Sales	**10**	**61**	**2**
% Sold (of released units)	28%	30%	24%
Remaining Available Inventory	178	256	159
Original $PSF	$1,503	$1,396	$1,050
Minimum Size (sq. ft.)	459	425	447
Maximum Size (sq. ft.)	1,614	1,281	782
Minimum Price	$679,000	$608,800	$490,490
Maximum Price	$2,600,000	$1,718,800	$805,990
Notes			

Source: Altus Group

AltusGroup

December 2023 New Project Launches by Number of Units



Source: Altus Group

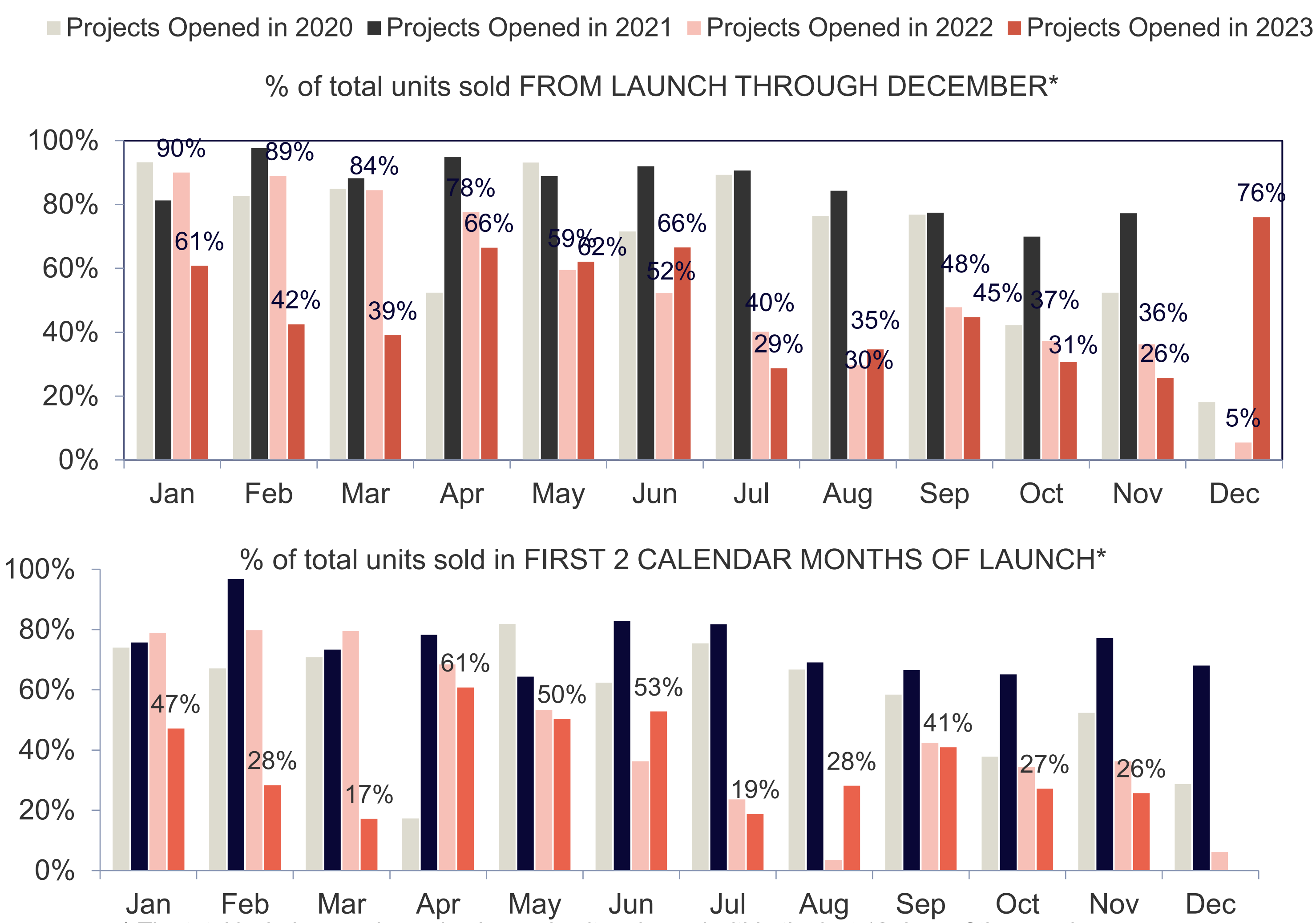
New Condominium Apartment Project Openings - December 2023	
Project Name	**Angular**
Developer	Daffodil Developments
Date Opened	December 4, 2023
Municipality	East York
Region	Toronto
Structural Type	Apartment
Floors	7
Project Total Units	**50**
Total Units Released	**50**
Studio	-
1 Bedroom	5
1 Bedroom + den	20
2 Bedroom	11
2 Bedroom + den	5
3 Bedroom & up	9
Penthouse	-
Townhouse	-
Other	-
Opening Month Sales	**38**
Next Month Sales	
% Sold (of released units)	76%
Remaining Available Inventory	12
Original $PSF	$1,273
Minimum Size (sq. ft.)	543
Maximum Size (sq. ft.)	1,494
Minimum Price	$849,000
Maximum Price	$1,783,000
Notes	

Source: Altus Group

New Condominium Apartments - Openings

- **Although 3 in 4 units opened during December 2023 sold, only 1 project had been launched**.
- After 2 months of sales, the pace of sales opened in November 2023 has lagged the pace of 2022 and was well behind the pace for November 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 day 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 December)*



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

Source: Altus Group

New Condominium Apartments - Completions

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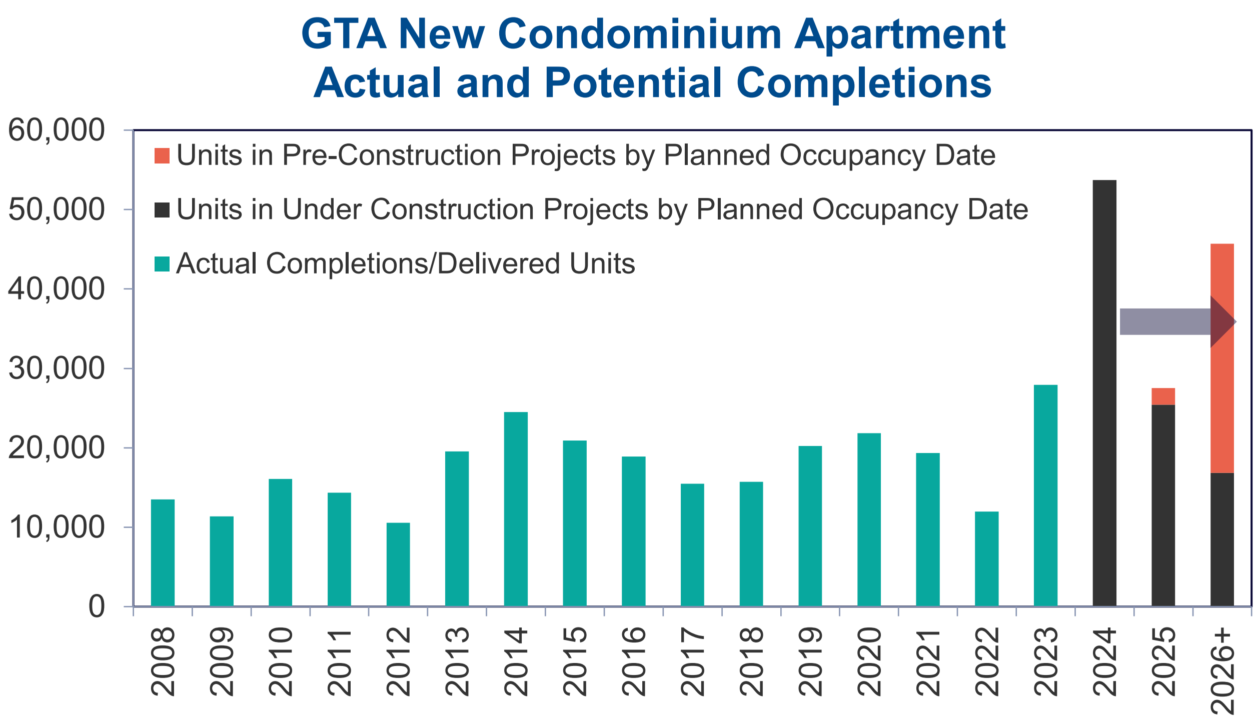
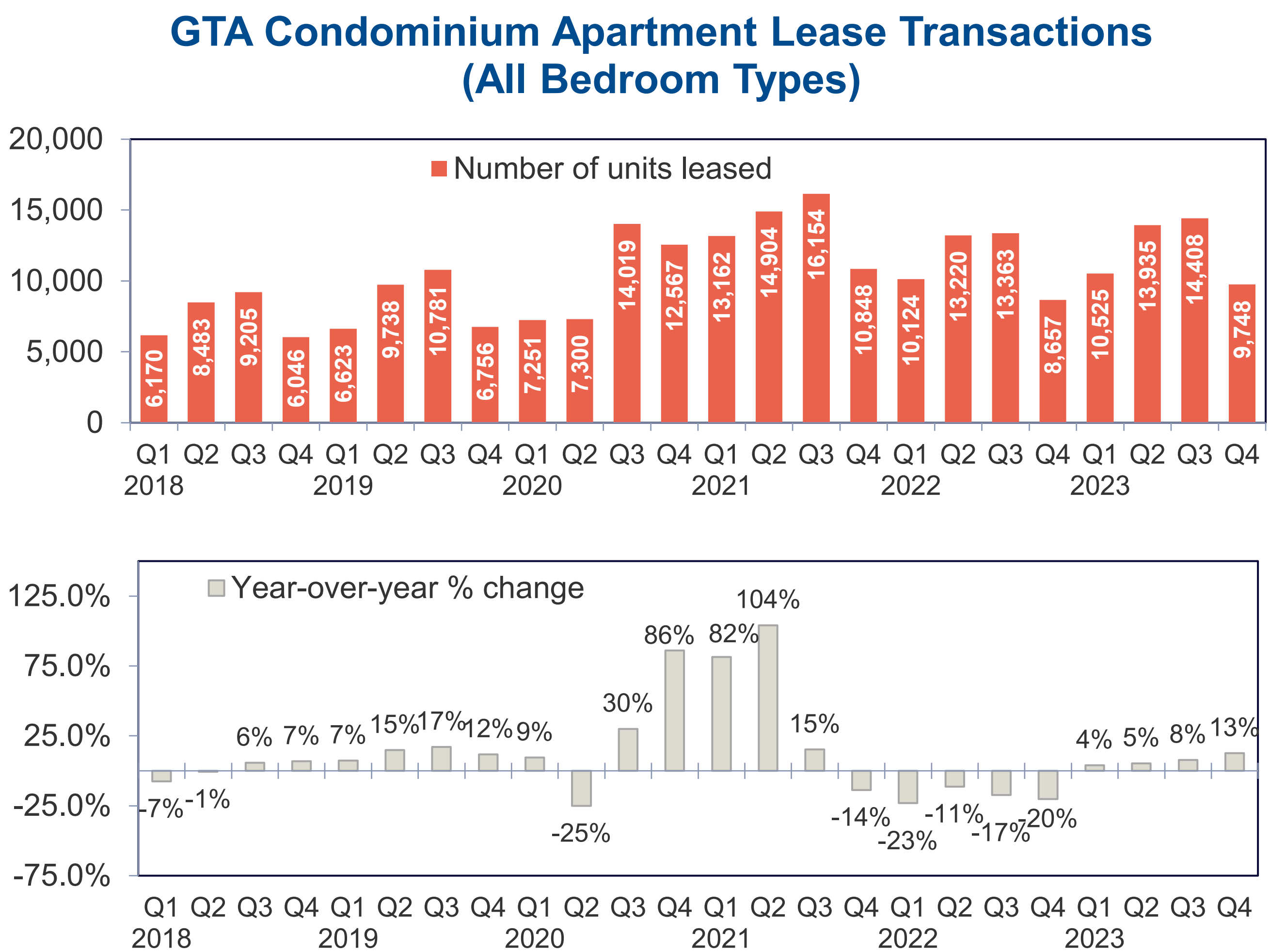
- As of the end of December 2023, there were about 126,900 new condominium apartment units in projects either under construction or in pre-construction stages.
- **A record number of new condominium apartment units were completed in December 2023 – 6,382.** Thus, annual completions for 2023 set a new record at just under 28,000 units.
- 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 2024. 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.



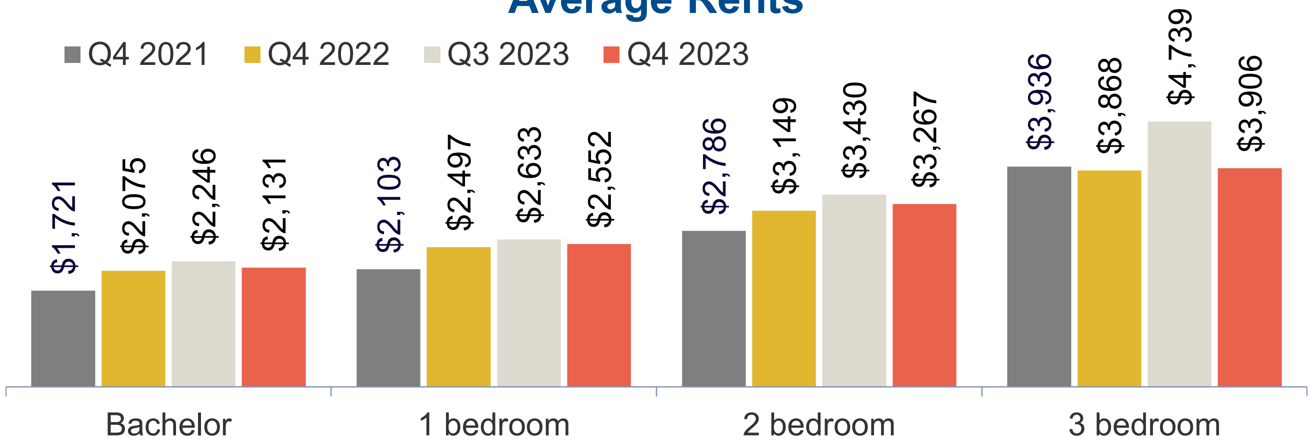
Source: Altus Group

- **The number of GTA condo apartment lease transactions rose in Q4 2023** (according to data from the Toronto Regional Real Estate Board) compared to Q4 2022.
- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA for all bedroom types slowed in Q4 2023 after successive years double digit increases *(charts next page)*. **Tight conditions continued in Q4 2023** as listings were little changed from the previous quarter (*charts after next page*), which could contribute to additional rent increases in the near term.



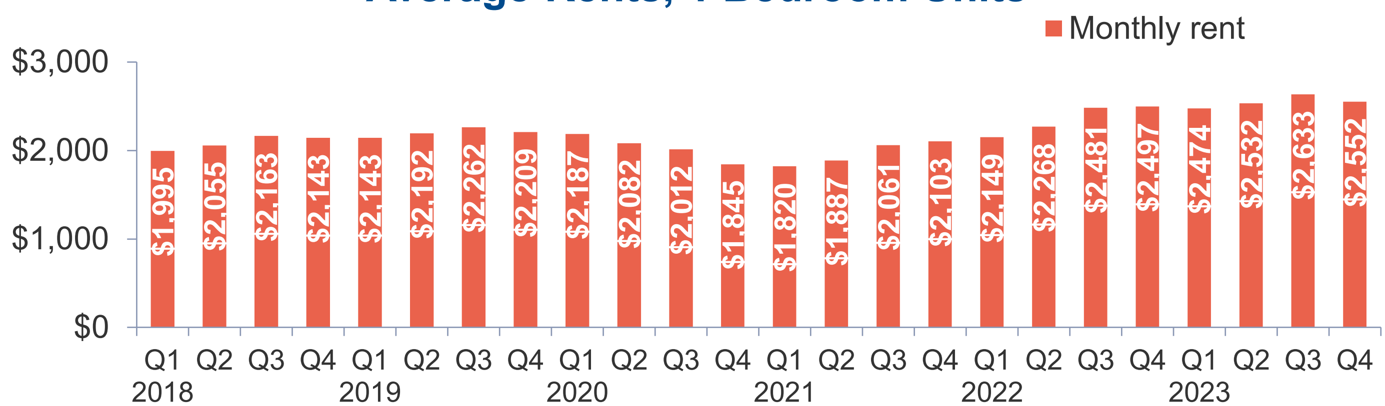
Source: Altus Group based on Toronto Regional Real Estate Board data

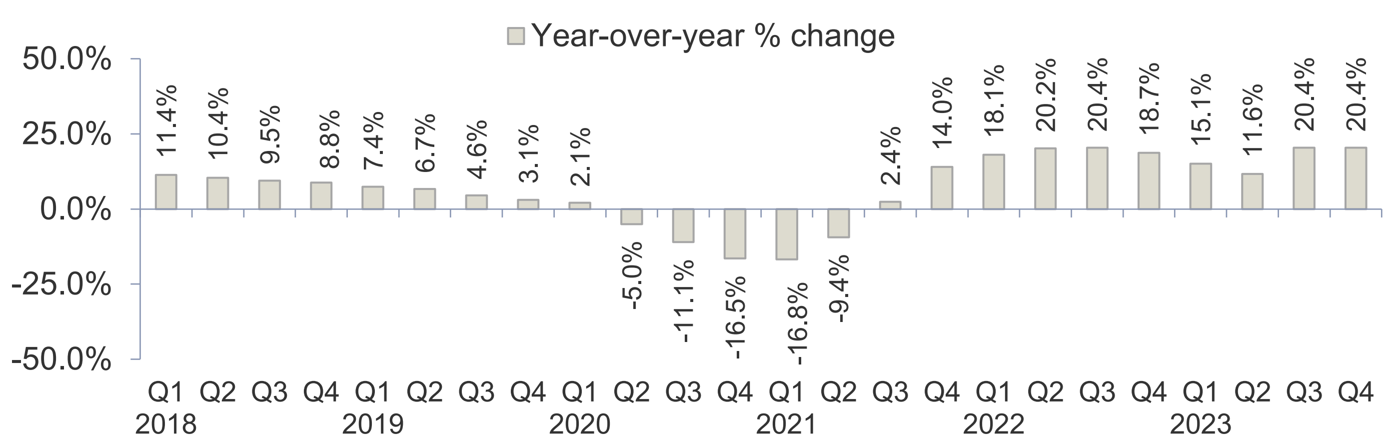
GTA Condominium Apartment Lease Transactions Average Rents



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

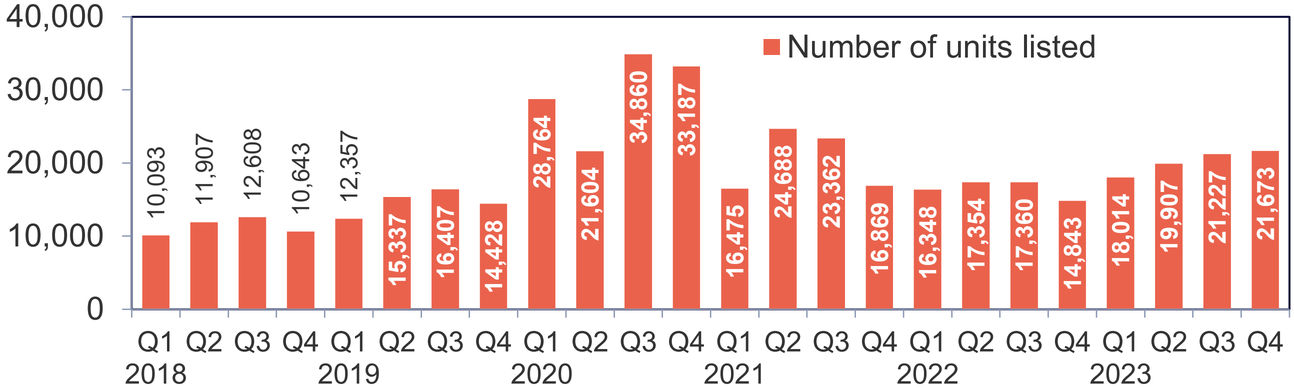
GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units



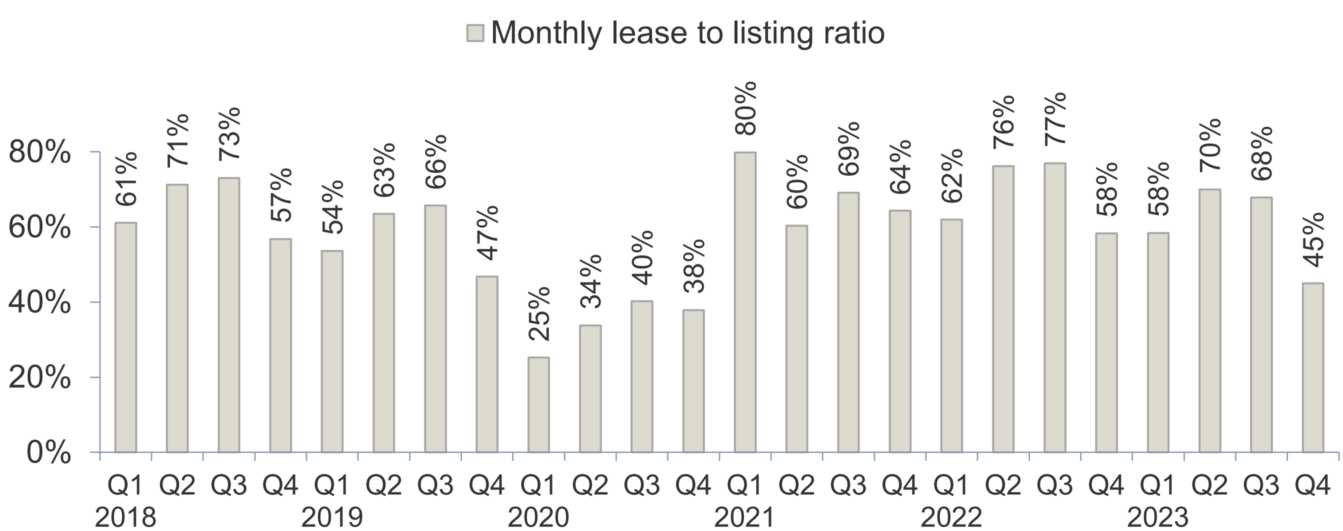


Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Condominium Apartment Lease Listings (All Bedroom Types)



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

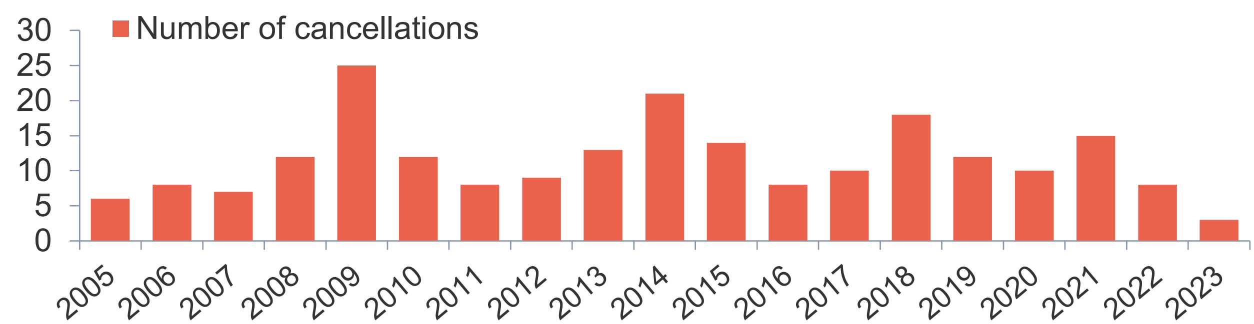


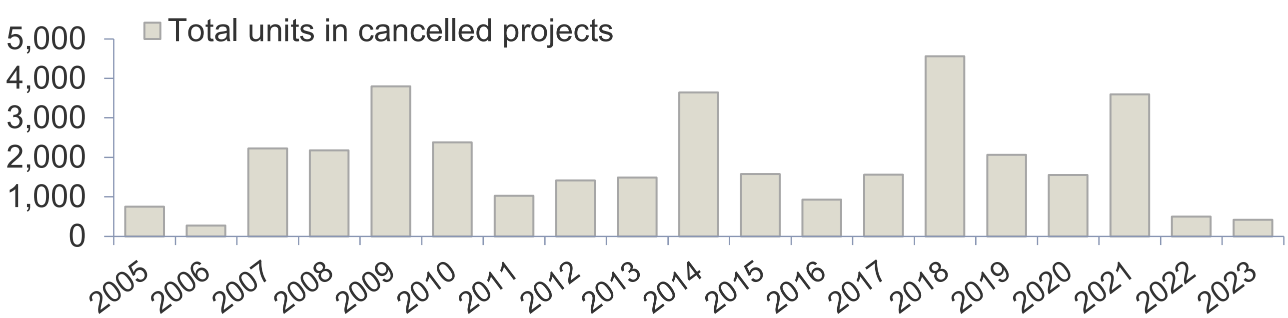
Source: Altus Group based on Toronto Regional Real Estate Board data

Focus on Cancelled Condominium Projects

- In 2023, fewer new condominium apartment projects, and fewer units, were cancelled than in many of the previous. **In 2023 there were 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 place many of their projects into receivership.
- The over 400 units cancelled in 2023 is roughly equal to 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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