The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of January 2024

Table of Contents

New Condominium Apartment Dashboard

January 2024			YTD December 2023	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
233	16,677	$1,052,474	13,403	$1,080,947
-44% ▼	+38% ▲	-7% ▼	-43% ▼	-8% ▼
2nd lowest January on record	*Highest January since 2016*	*Lowest January since 2021*	*Lowest annual 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

- **Total new condominium apartment sales in the GTA were the 2nd lowest January in the last 15 years**.
- **The inventory of available new condo apartments moved lower in January and moved well above the 10-year average.**
- **The benchmark price of a new condominium apartment fell in January 2024 and recorded a 14th consecutive year-over-year decline.**
- Pent up demand continued to accumulate with buyers taking a wait-and-see attitude. Affordability gains from future interest rate declines will be threatened by price jumps the longer the pool of buyers builds on the sidelines.

Condominium Apartment KPIs

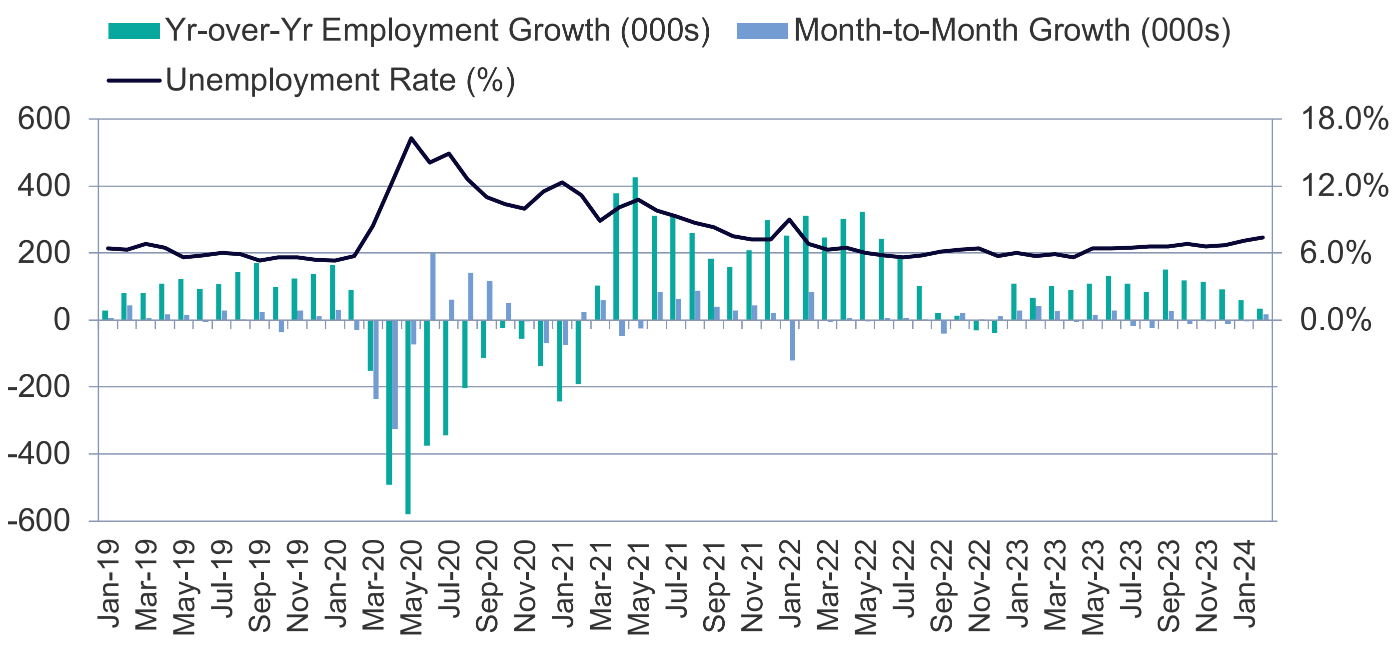
GTA Condominium Apartment Key Performance Indicators

	Jan-23	Dec-23	Jan-24	*Yr-Over-Yr % Change*	YTD Jan 2023	YTD Jan 2024	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	348	395	#REF!	*#REF!*	348	#REF!	*#REF!*
New projects opened	2	1	0	*-100%*	2	0	*-100%*
Units in new projects opened	954	50	0	*-100%*	954	0	*-100%*
Total sales (units)	418	401	233	*-44%*	418	233	*-44%*
Sales as % of total new & resale	*31%*	*30%*	*15%*		*31%*	*15%*	
Inventory (units)	12,086	16,886	16,677	*38%*	12,086	16,677	*38%*
Sales-to-inventory ratio	3%	2%	1%	*-60%*	3%	1%	*-60%*
Months of inventory	7.6	15.1	15.1	*99%*	7.6	15.1	*99%*
Benchmark price	$1,127,192	$1,047,288	$1,052,474	*-7%*	$1,127,192	$1,052,474	*-7%*
Price PSF Benchmark	$1,361	$1,348	$1,355	*0%*	$1,361	$1,355	*0%*
Unit size Benchmark (sq. ft)	828	777	777	*-6%*	828	777	*-6%*
Units completed	856	6,382	757	*-12%*	856	757	*-12%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	950	944	1,335	*41%*	950	1,335	*41%*
New listings (units)	2,757	1,418	3,226	*17%*	2,757	3,226	*17%*
Inventory ("active listings", units)	3,725	4,521	4,693	*26%*	3,725	4,693	*26%*
Sales-to-inventory ratio	26%	21%	28%	*12%*	26%	28%	*12%*
Months of inventory	2.2	2.8	2.9	*31%*	2.2	2.9	*31%*
Average price of units sold	$687,696	$682,525	$681,979	*-1%*	$687,696	$681,979	*-1%*
HPI constant quality price index (Jan 2005=100)	357.2	355.1	354.8	*-1%*	357.2	354.8	*-1%*

** see end of report for Definitions*

- **Year-over-year employment growth in January recorded a 13th consecutive month of positive growth, but month-to-month growth was negative for a 4th consecutive month.** The GTA unemployment rate rose above 7% for the first time in two years.
- **The Bank of Canada held the target for the overnight rate steady at its latest rate announcement on March 6**, stating that **"***In Canada, the economy grew in the fourth quarter by more than expected, although the pace remained weak and below potential. . . Overall, the data point to an economy in modest excess supply.. . CPI inflation eased to 2.9% in January, as goods price inflation moderated further. . . The Bank continues to expect inflation to remain close to 3% during the first half of this year before gradually easing. . . 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 April 10.**
- **Variable rate mortgage interest rates remain above the average 5-year fixed special rate with the spread climbing to over 170 basis points.** The 5-year "special rate" mortgage has fallen by over 80 basis points since the end of November *(chart next page, bottom).*

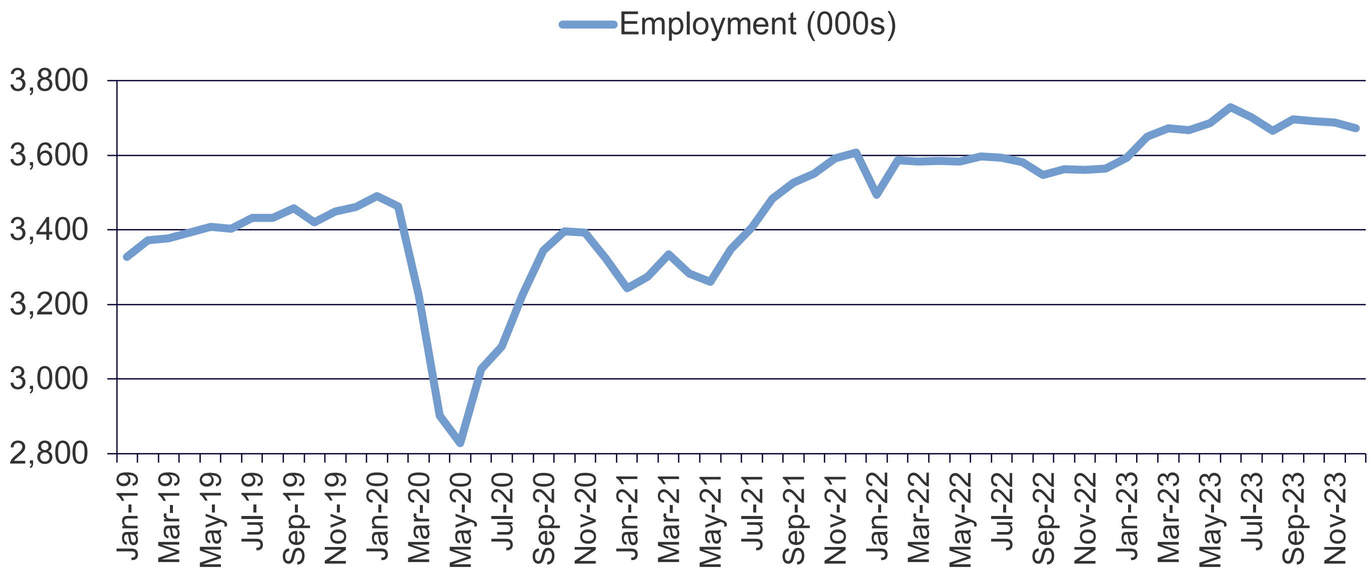
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

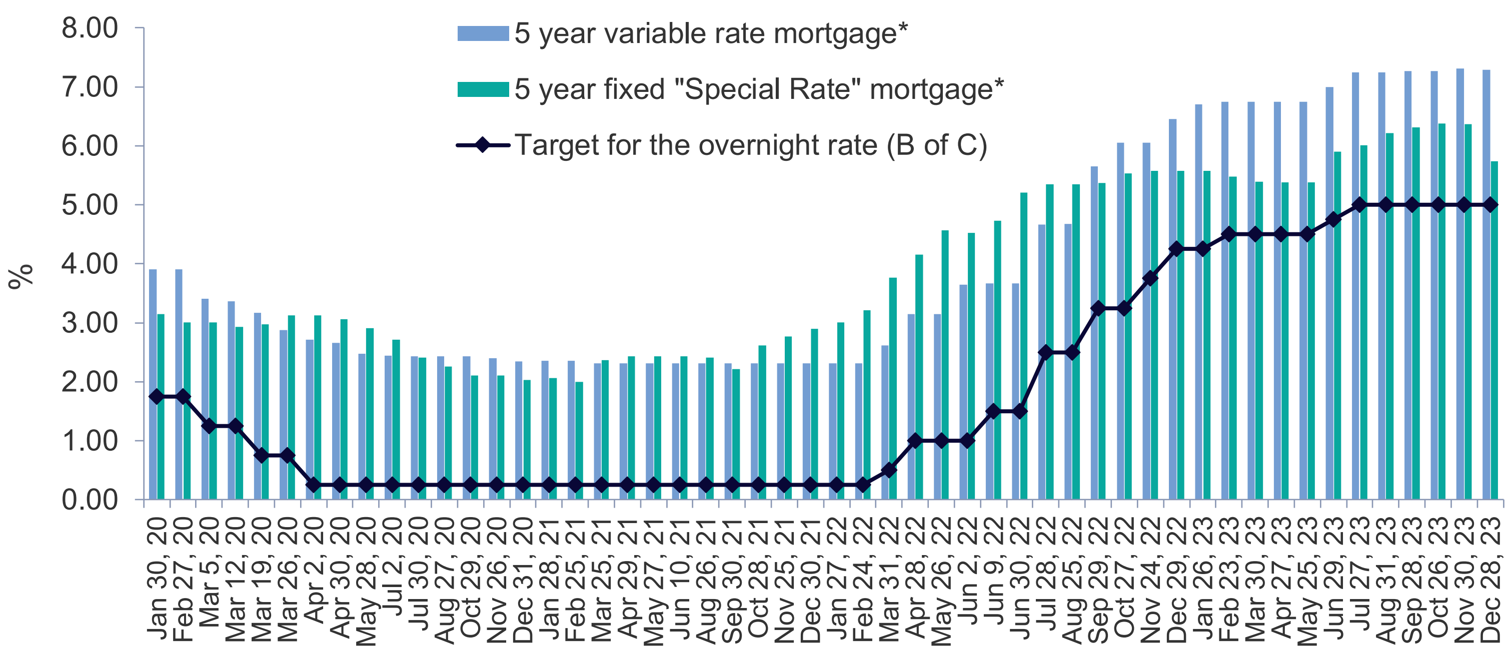
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

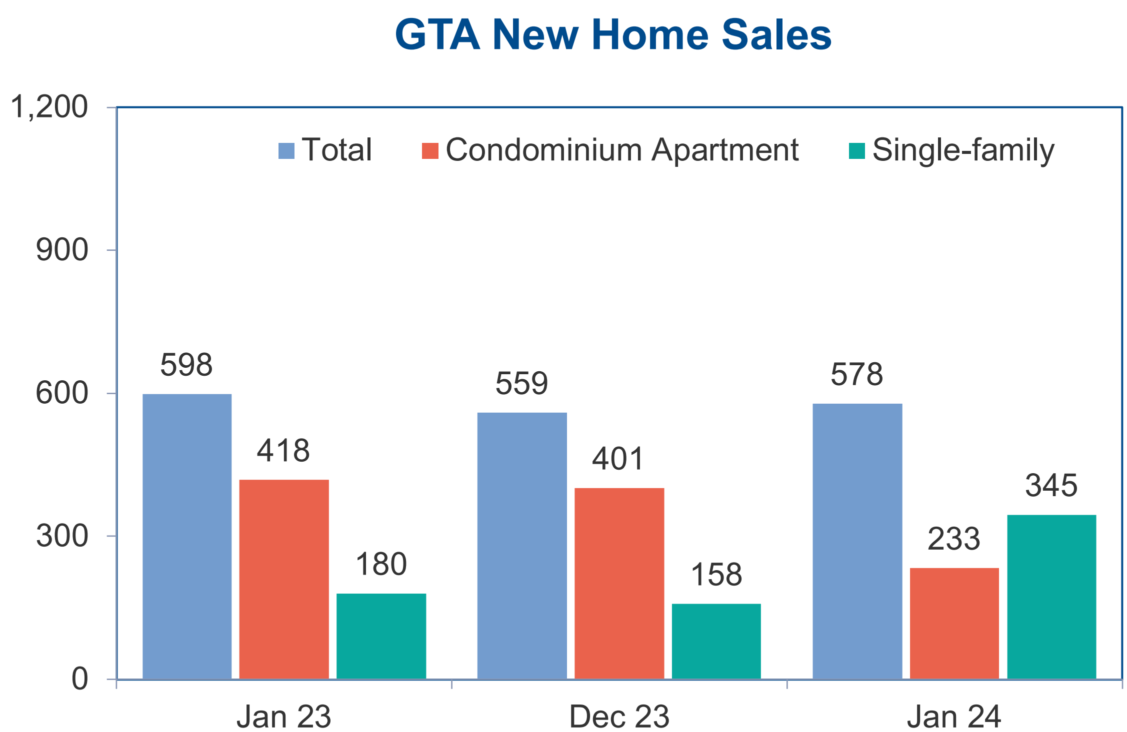


** Average for the major banks*

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

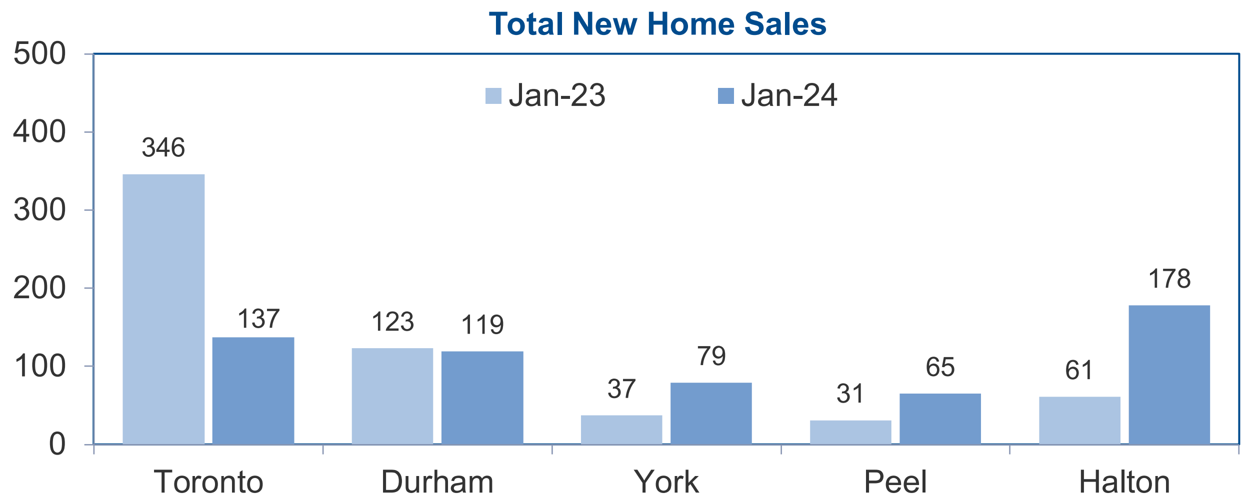
New Home Market - Sales

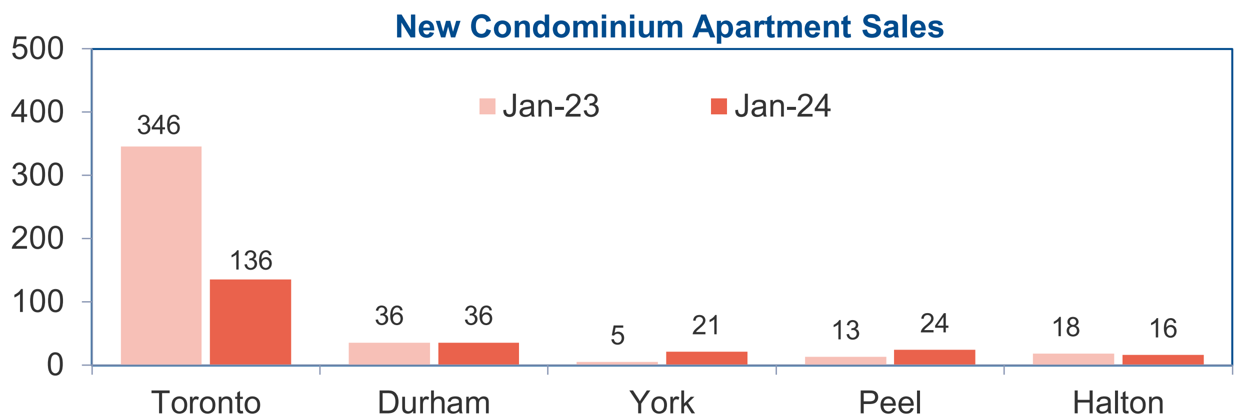
- **The GTA saw the slowest January for total new home sales on record.** January sales of new condominium apartments hit a 15-year low while new single-family home sales registered an increase from the low of 2023.
- **The weakness in new home sales was focus in Toronto** (*charts next page*), and in particular, Toronto new condominium sales.

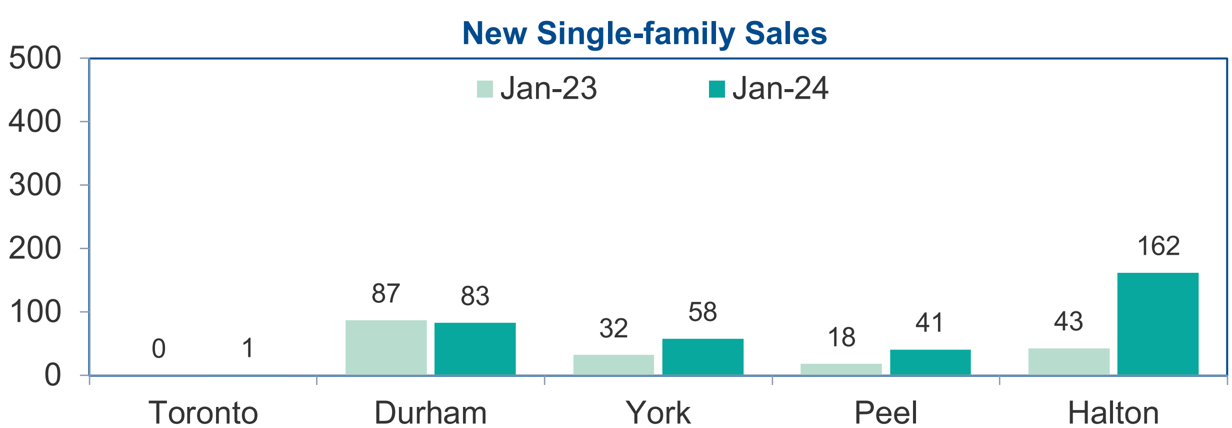


Source: Altus Group

GTA New Home Sales by Region

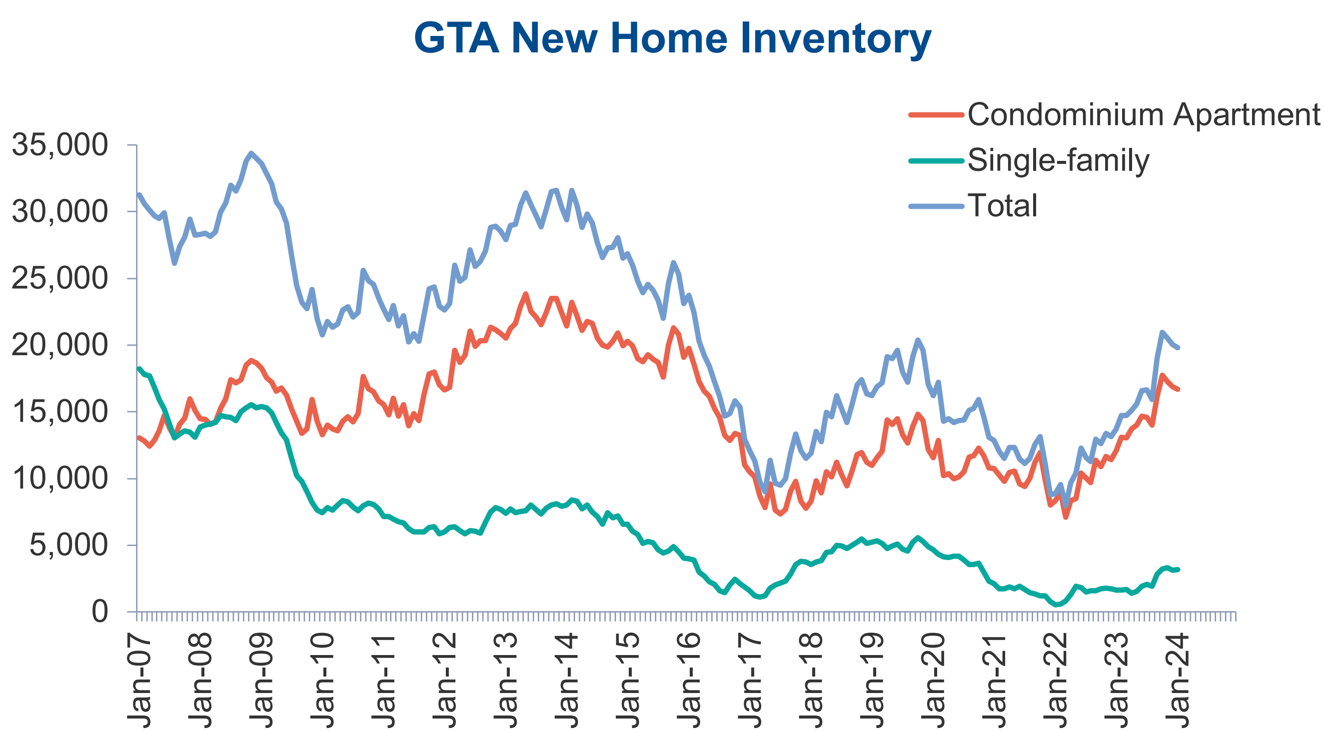






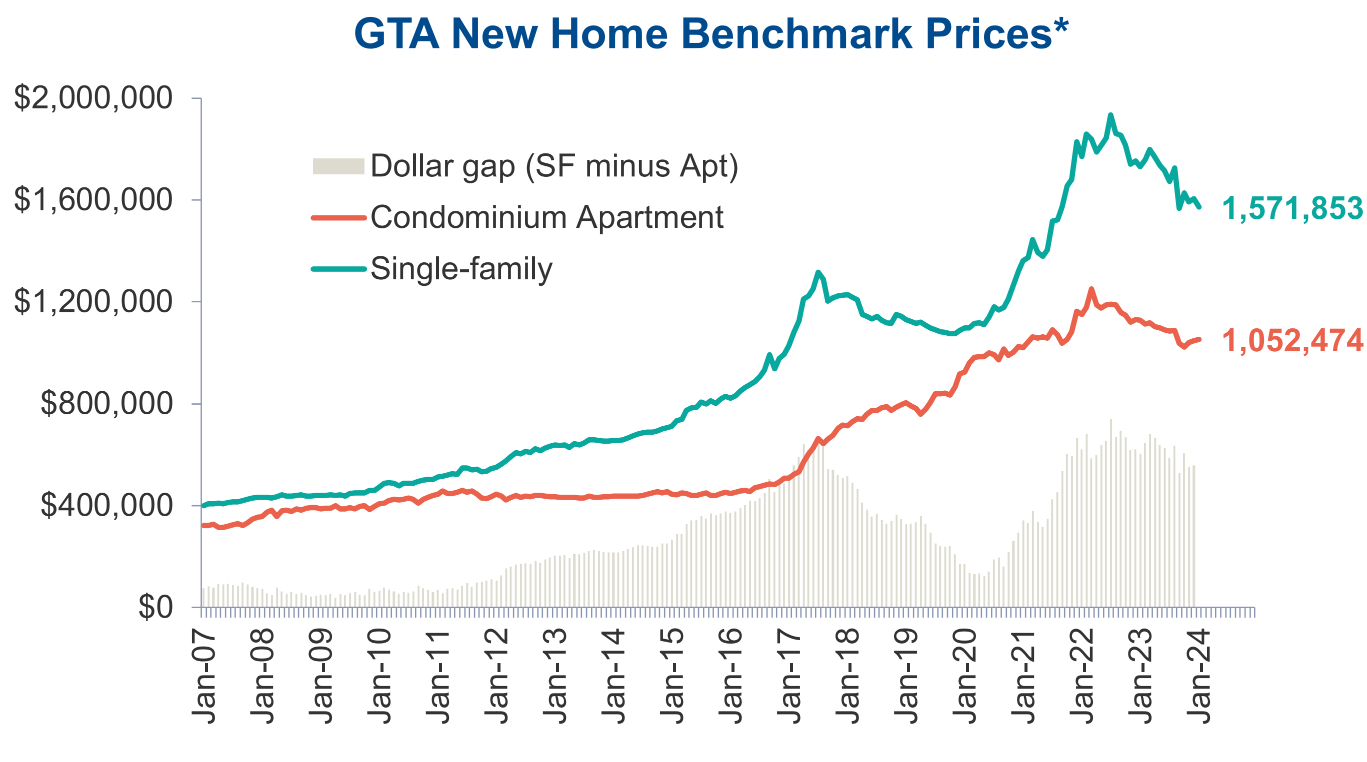
Source: Altus Group

- **The total inventory of new homes across the GTA eased in January 2024 but remains below the 10-year average.** Total inventory was up by over 50 percent compared to a year earlier.
- **Condominium apartment inventory was the driver behind lower overall inventory in January** due to the combination of lower sales and a lack of new units launching.
- Based on average monthly total new home sales over the past 12 months, there were just over 10 months of available supply of total new homes at the end of January 2024, well above the long-term average for January of about 7 months.



Source: Altus Group

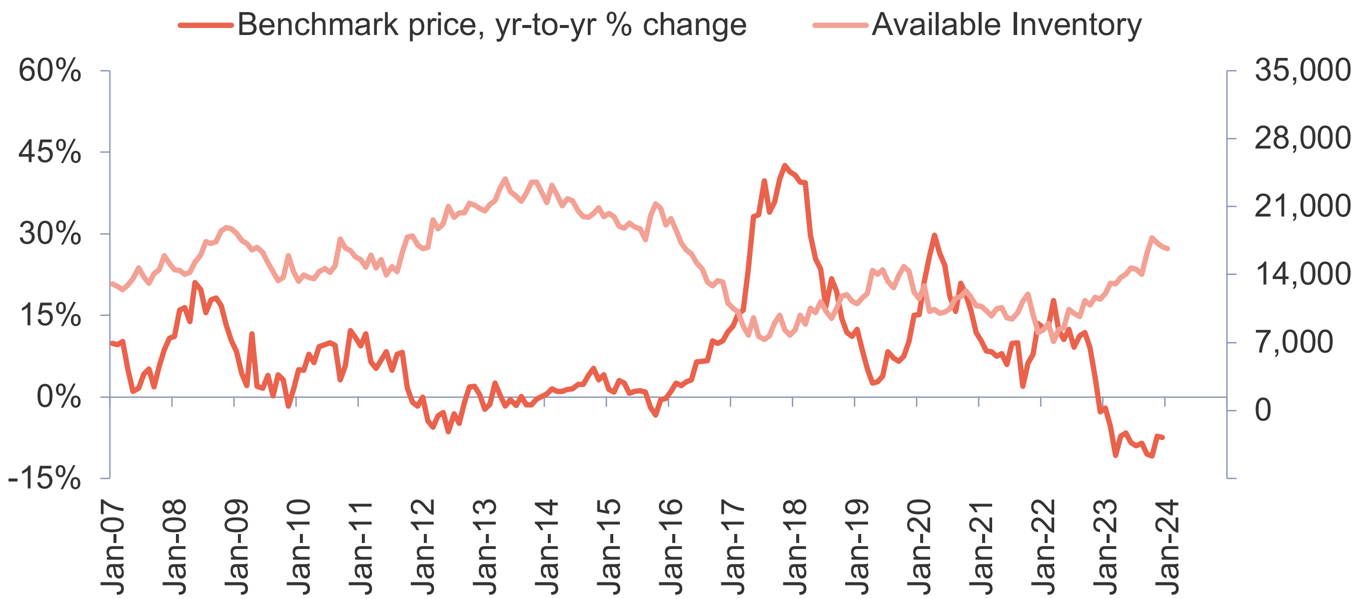
- **The benchmark price for a new condominium apartment slipped by seven percent in January 2024 compared to the previous year.** Single-family benchmark pricing also moved lower in January.
- **The price advantage of available new condominium apartments compared to new single-family homes narrowed slightly in January.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for a 14th 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*

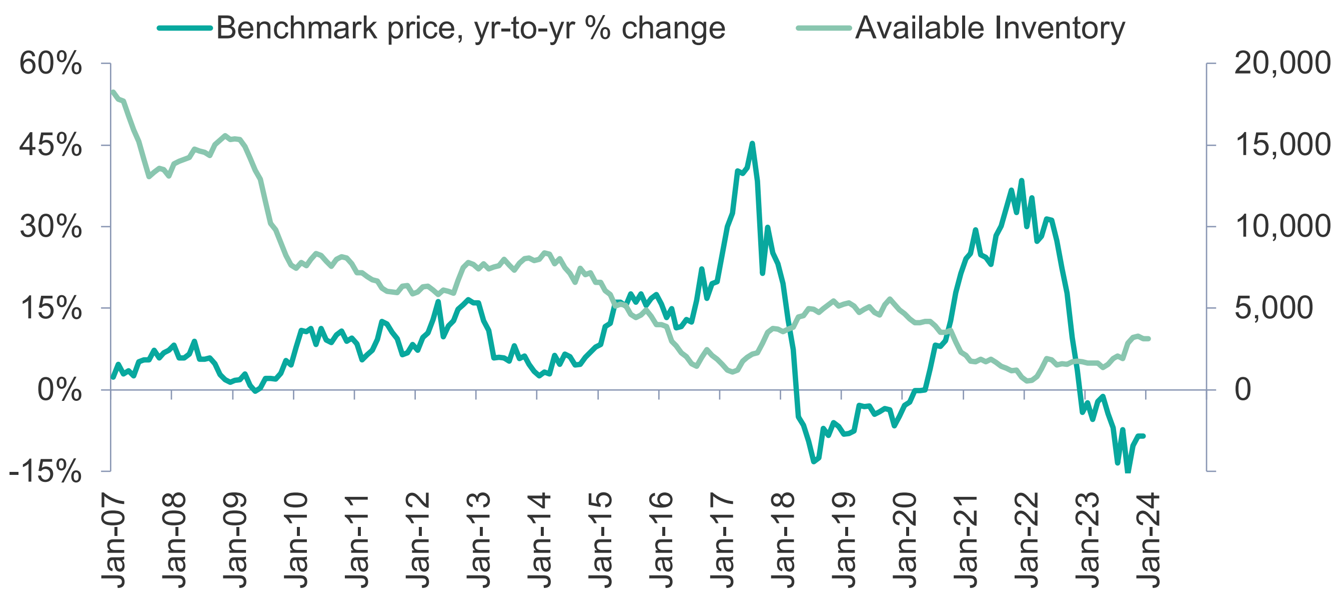
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

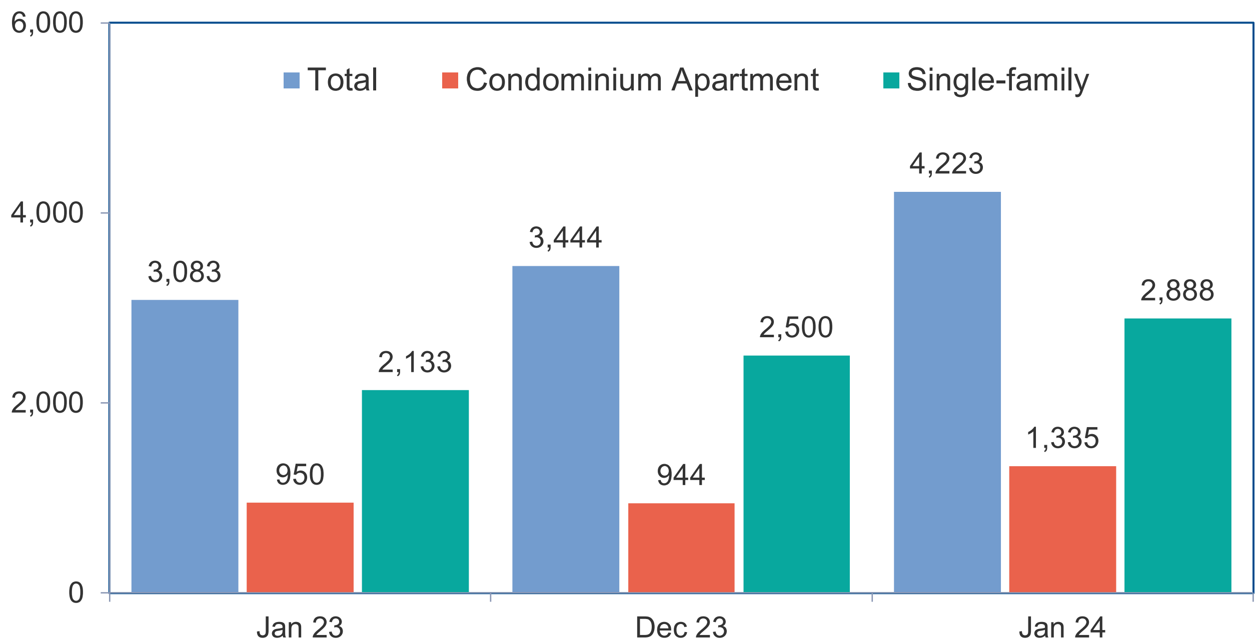


Source: Altus Group

Resale Home Market - Sales

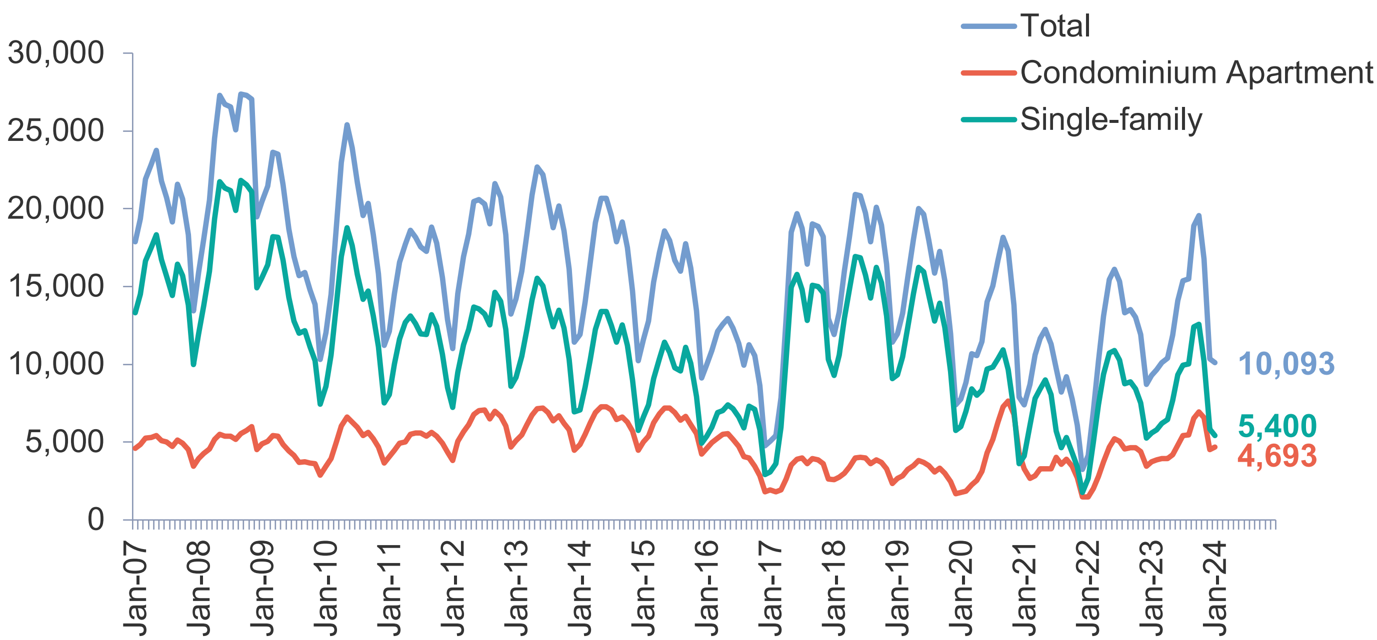
- **Sales of existing homes in January 2024 moved higher than the previous year's 14-year low,** but remain below the 10-year average.
- **Total inventory levels have now surpassed with the 10-year average –** with resale condominium apartment inventory about 26% from the previous year and resale single-family inventory down just 3% from January 2023 *(chart next page, top).*
- The average sales price for an existing single-family home in January 2024 was only 1% lower than a year earlier with resale condo apartment prices down a similar amount *(chart next page, bottom).*

GTA Resale Home Sales



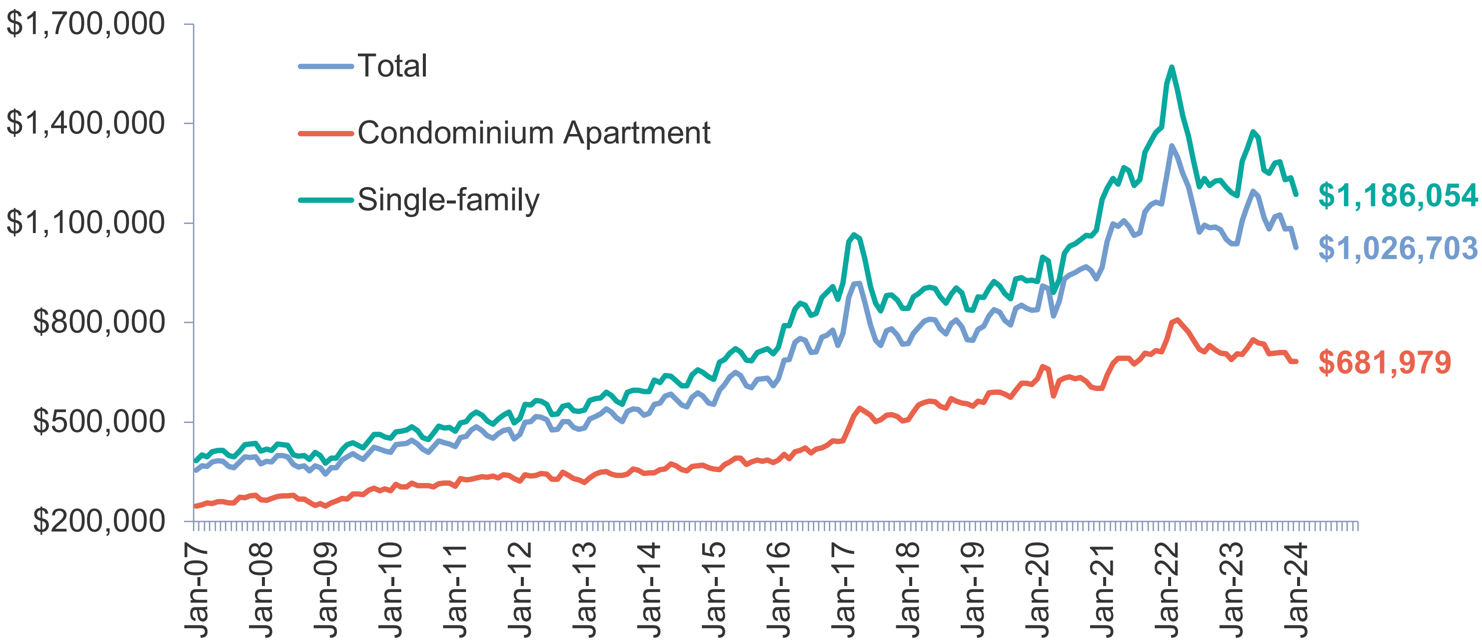
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

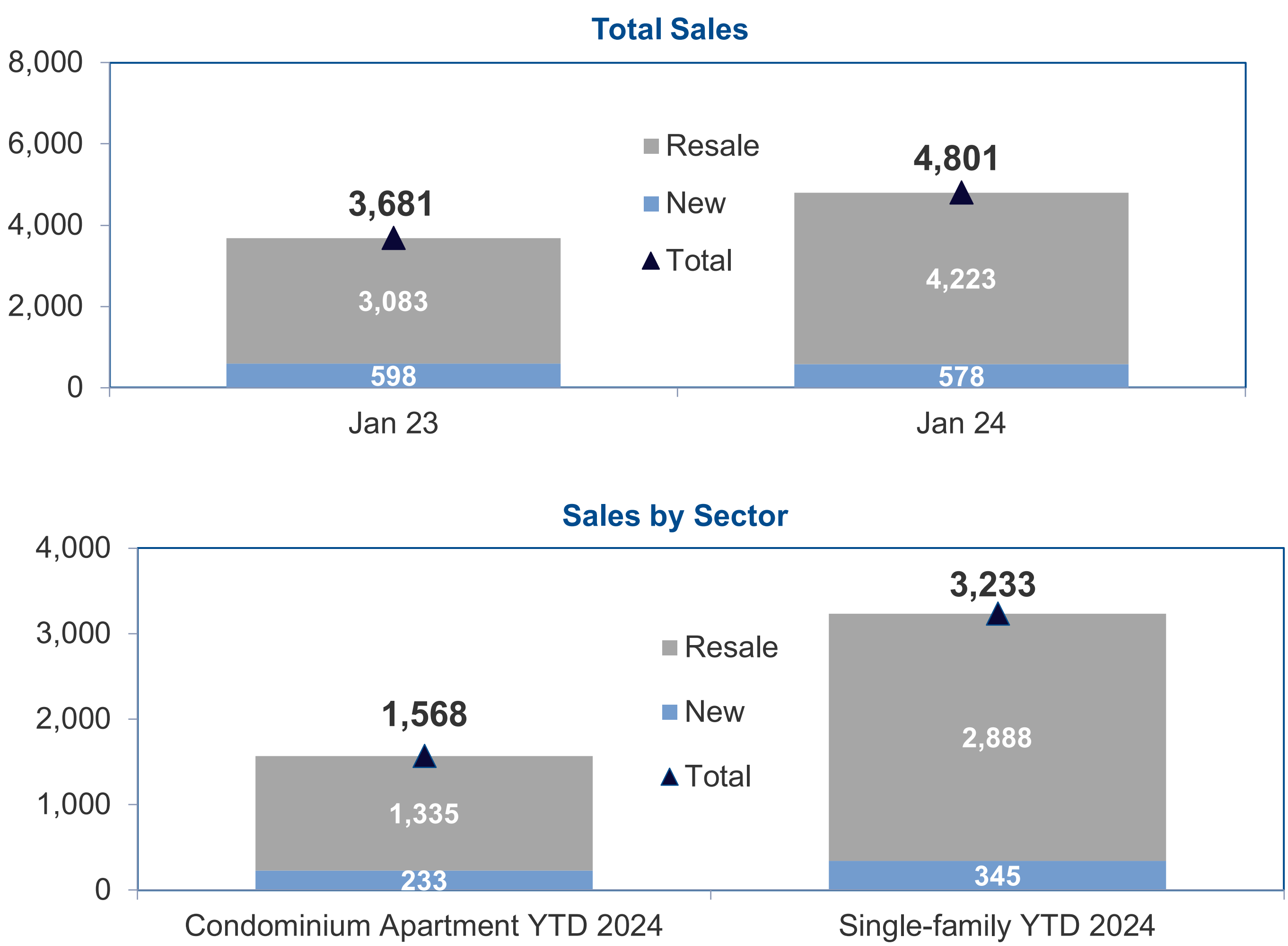


Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Total home sales in the GTA in January 2024 were up 30% from a year earlier**. The increase was focused in the resale sector (+37%) with the home sector down slightly (-3%).
- **The new home sector accounted for about 1 out of every 8 home sales in January 2024** – this is down from 1 in 4 in January 2023. About 1 in 9 single-family and 1 in 7 condo apartment homes sold were new homes.

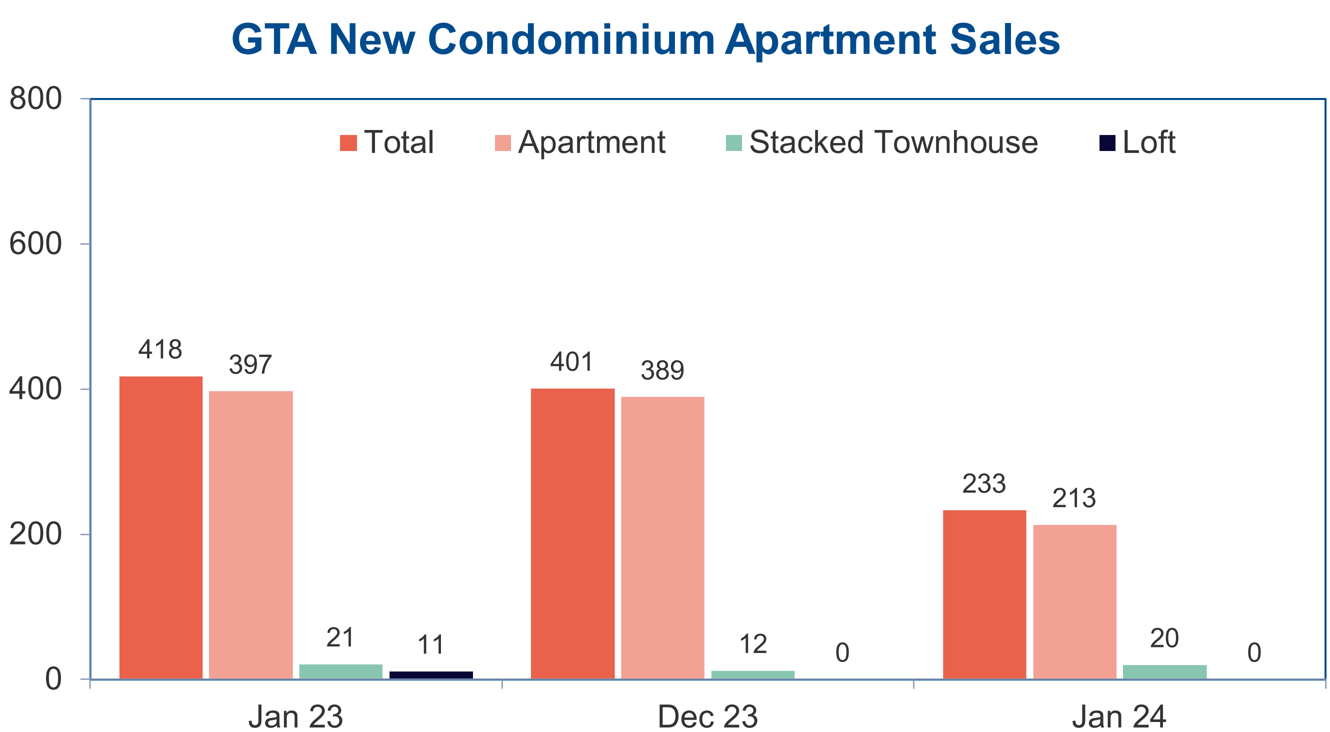
GTA Combined New & Resale Home Sales



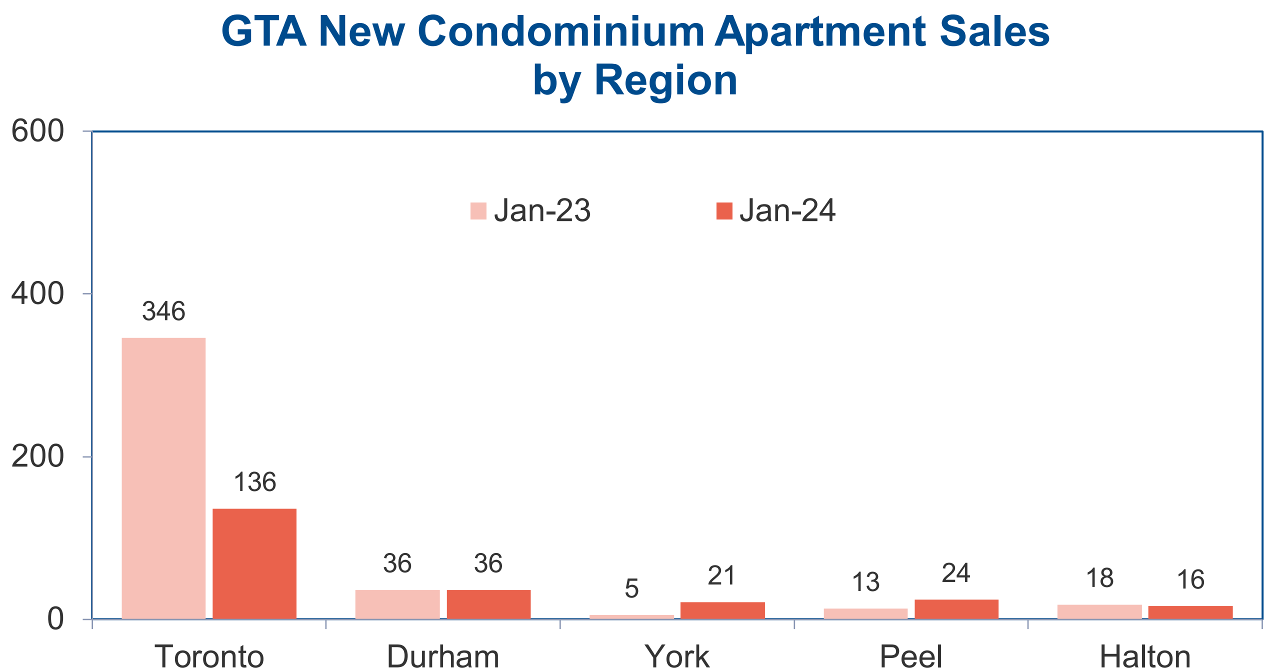
Source: Altus Group and Toronto Regional Real Estate Board data

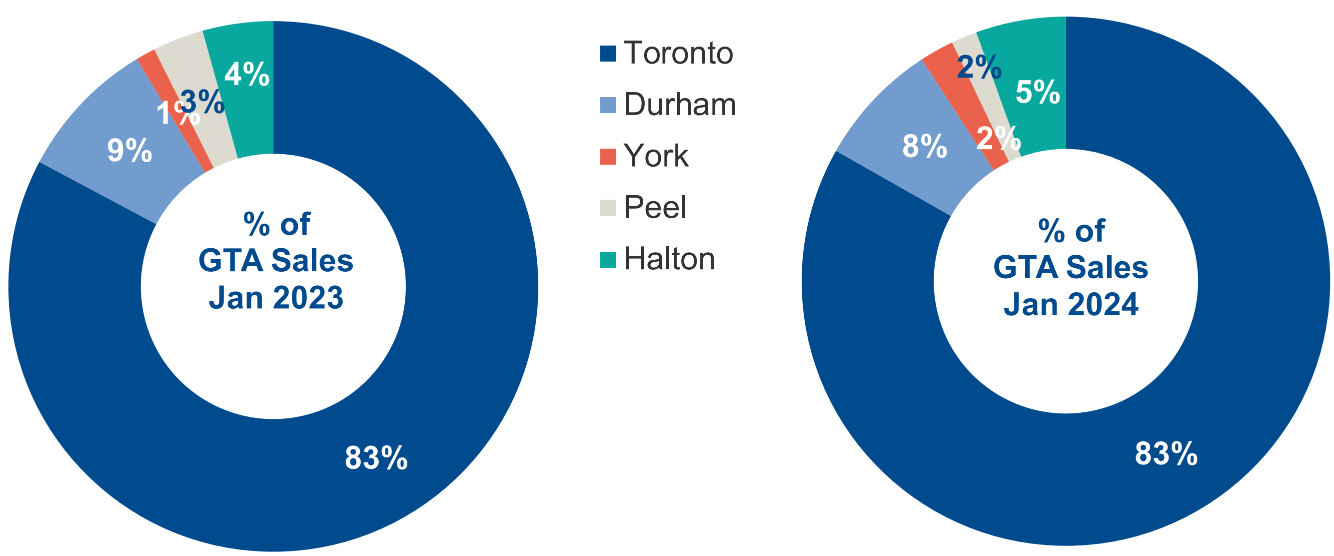
New Condominium Apartments - Sales

- **Total new condominium apartment sales in the GTA were the 2nd lowest January in the last 15 years**. The weakness was predominately due to lower sales in Toronto *(charts next page*).
- **Stacked townhouses**, which had set a new annual record for sales in 2021 before falling by about 75% in 2022, fell a further 49% in 2023. January 2024 sales were on par with the previous year (*see additional analysis on new stacked townhouses later in the report)*.



Source: Altus Group



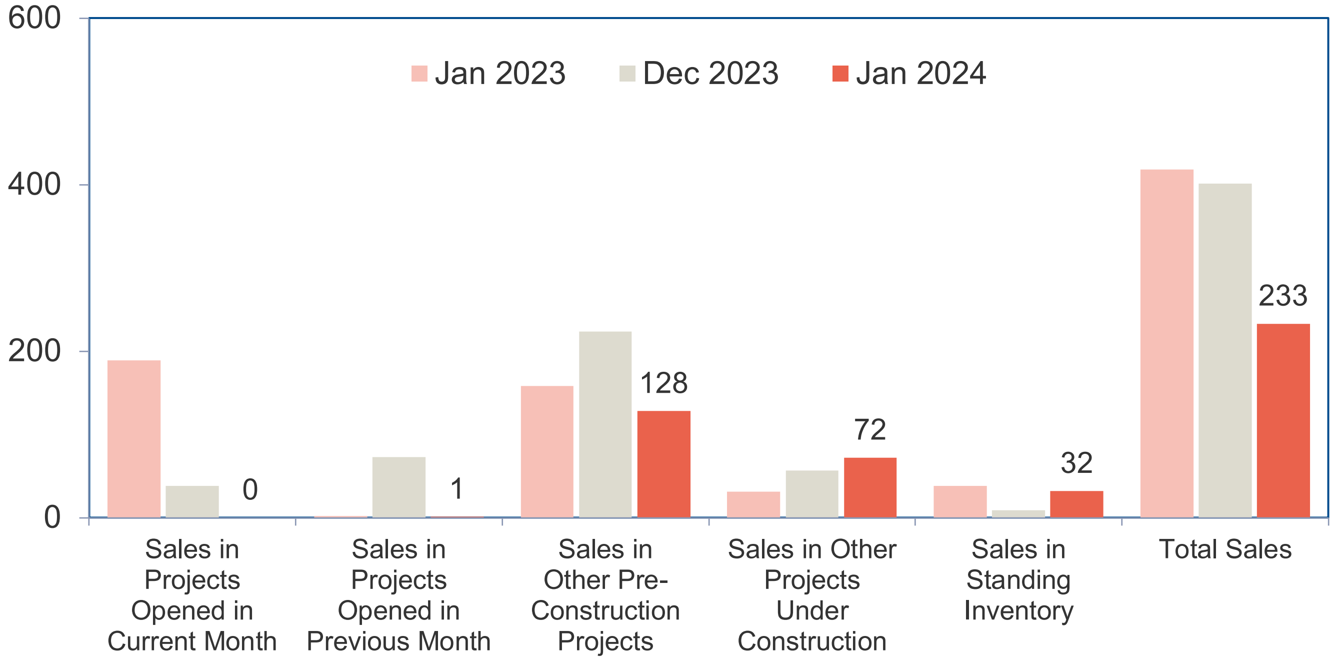


Source: Altus Group

New Condominium Apartments - Sales

- **No new condominium apartment projects were launched in January 2024**. Nearly all of the sales in January occurred in projects opened two months or more ago.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page, top*) and therefore very few sales in the "standing inventory" category.

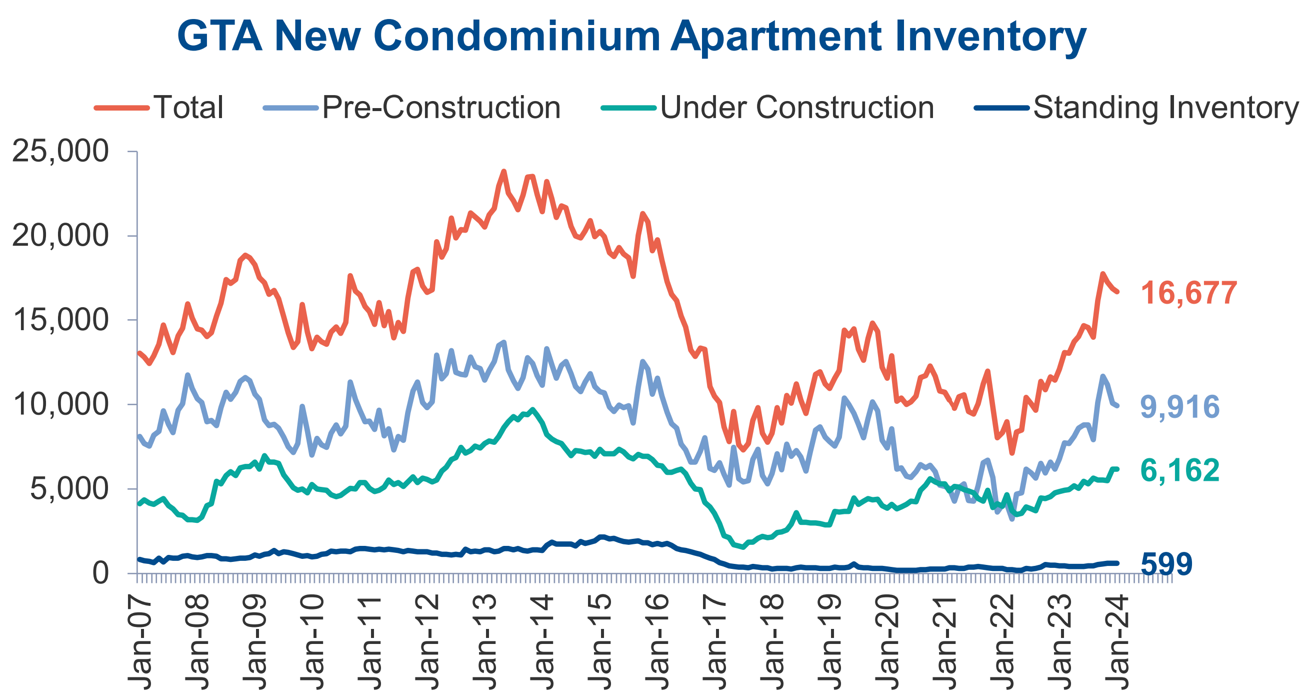
GTA New Condominium Apartment Sales by Construction Status



Source: Altus Group

New Condominium Apartments - Inventory

- **The inventory of available new condo apartments moved lower in January and moved well above the 10-year average.** The lack of new openings meant that despite slow sales in January, inventory declined.
- **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 January of 9.5 months.
- **About 85% of the available inventory is concentrated in the City of Toronto.** Based on sales in the past 12 months, months of inventory ranged from a low of 8.5 months in York to a high of 19.5 months in Peel.

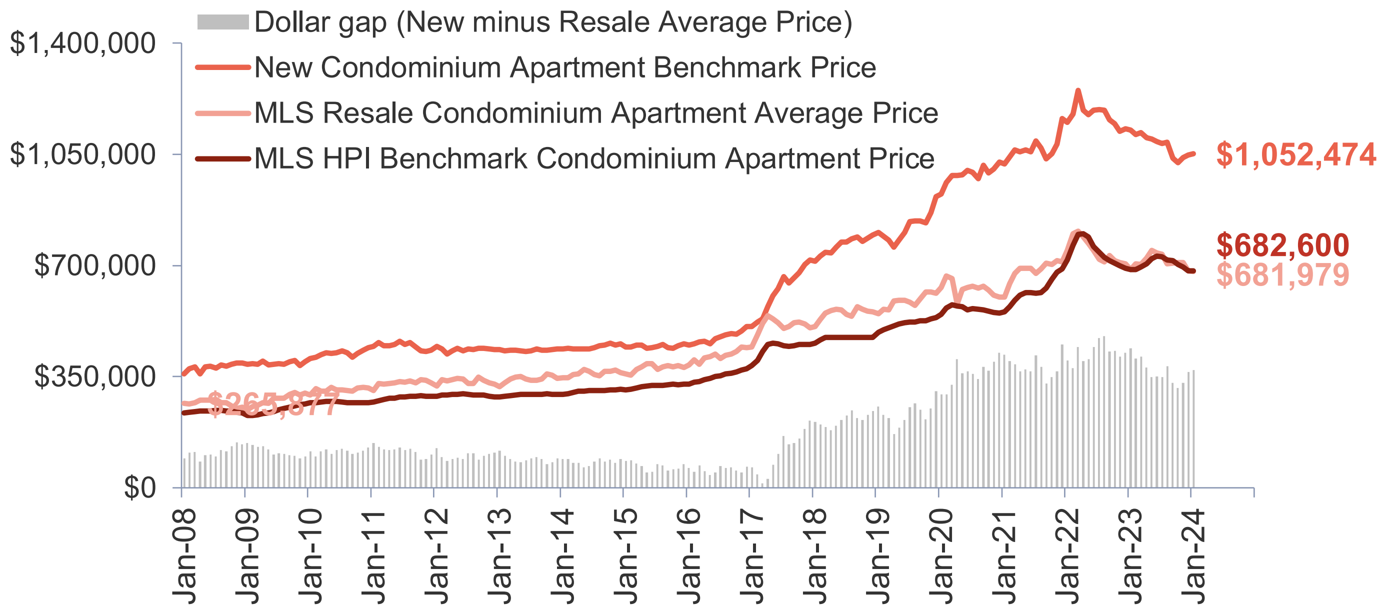


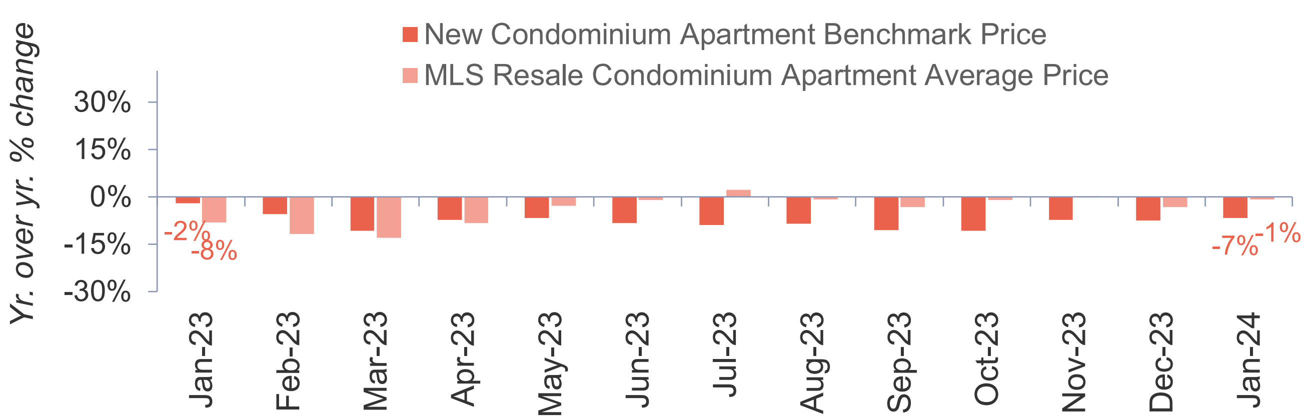
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment fell in January 2024 and recorded a 14th consecutive year-over-year decline** *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).*
- In absolute terms, **the price difference between a new and resale condominium apartment unit was little changed in January.**

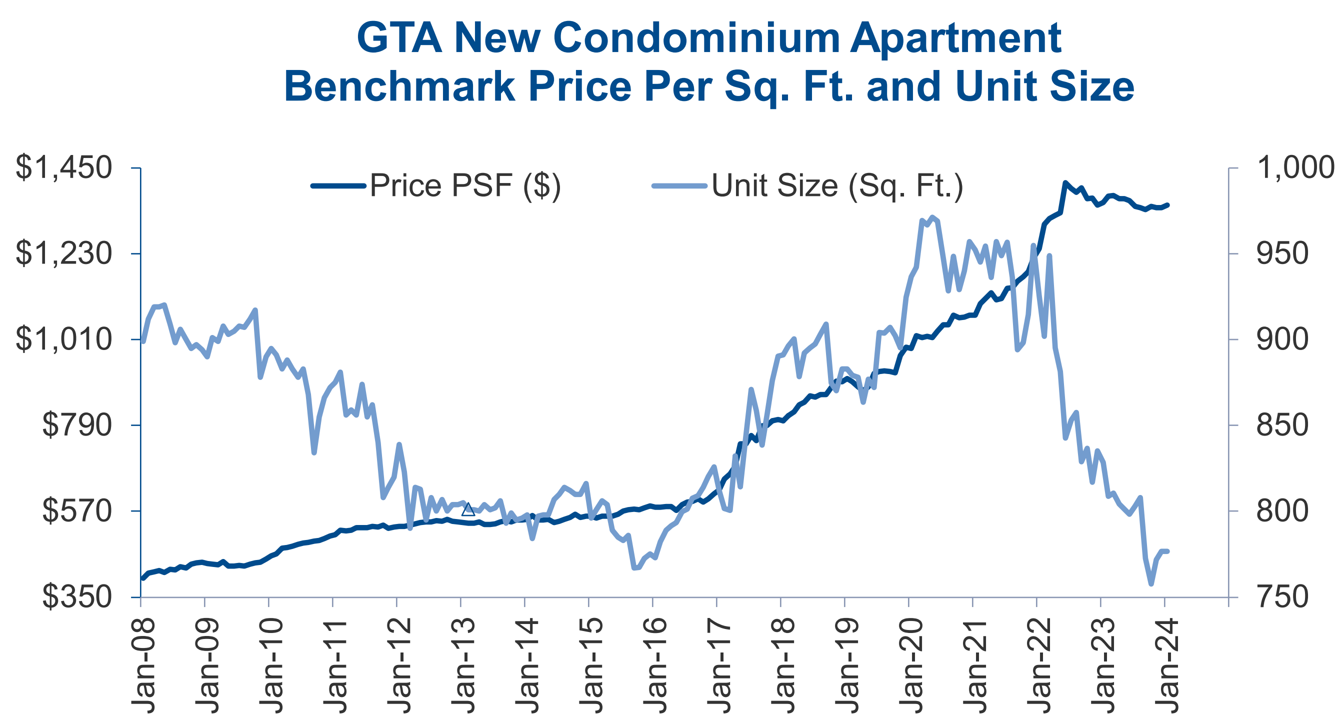
GTA New and Resale Condominium Apartment Prices





Source: Altus Group and Toronto Real Estate Board data

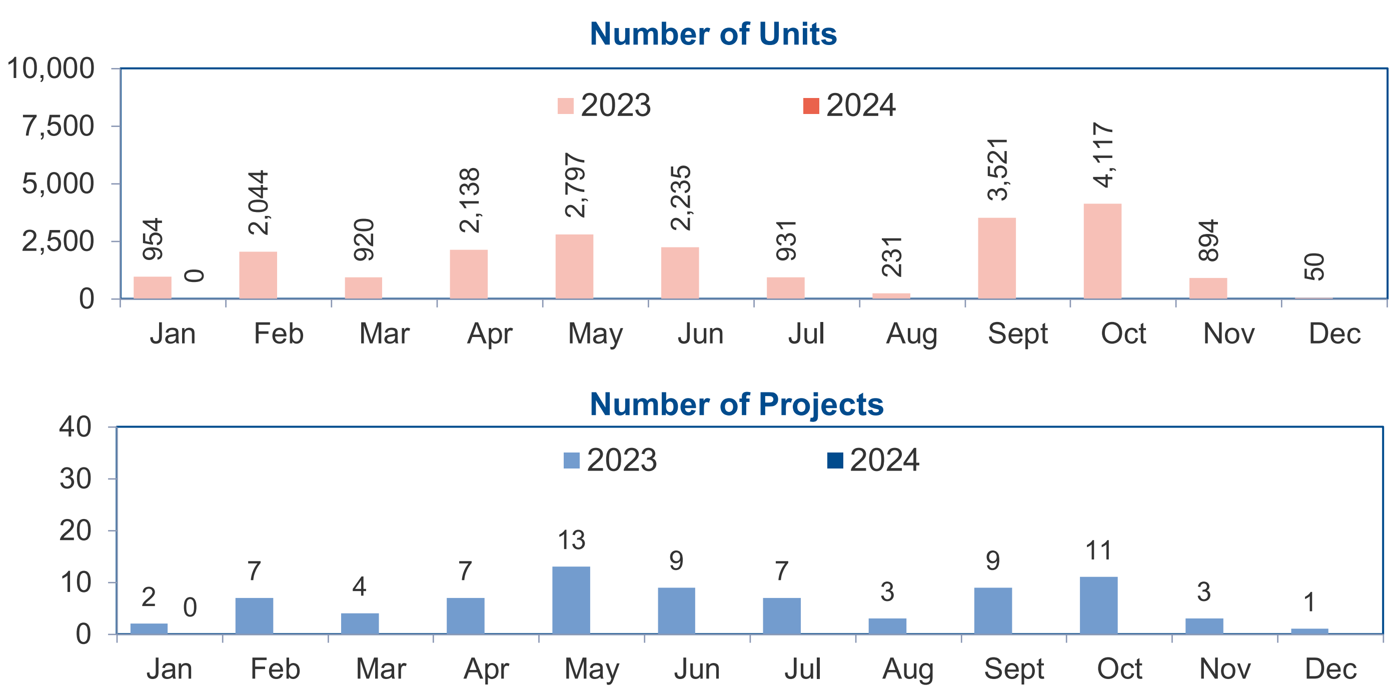
- **The price per square foot for a new condominium apartments climbed slightly in January 2024 while unit sizes were unchanged.**
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per square foot. For example, an increase 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

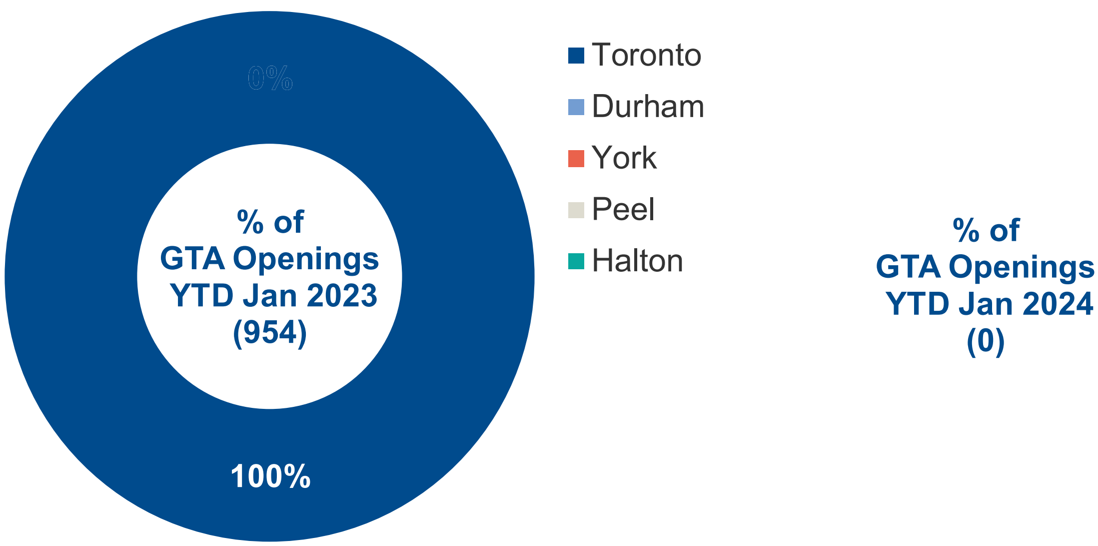
- **No new condominium apartment were launched in January 2024**.
- On the pages following the next page are maps showing the location of new projects launched in December 2023 (January 2024 did not record any new openings) accompanied by summary tables with additional details on each project.

GTA New Condominium Apartment Project Openings



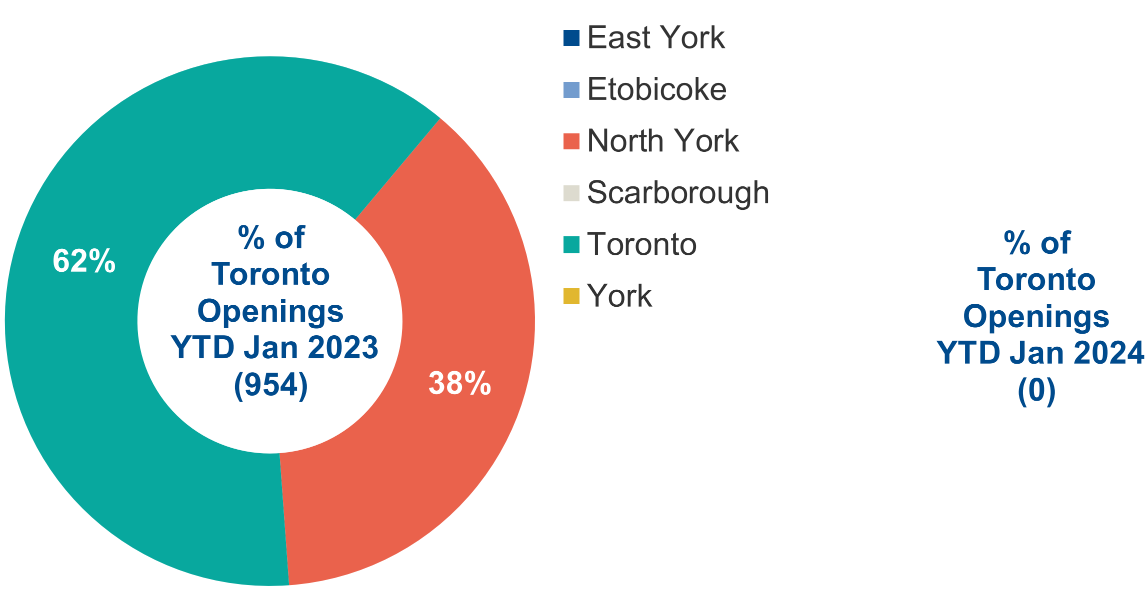
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



Source: Altus Group

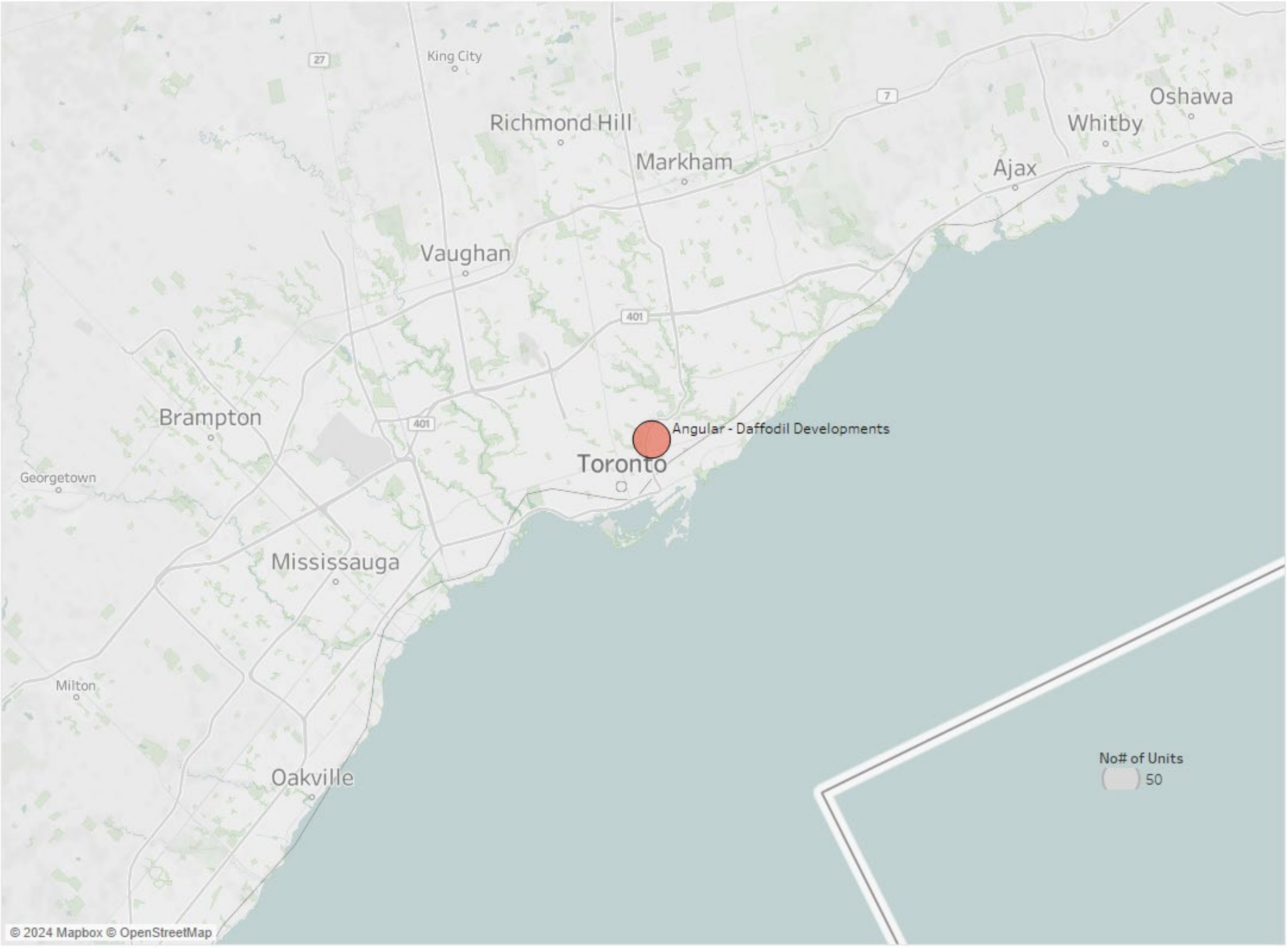
City of Toronto Condominium Apartment Units in New Openings by Former Municipality



Source: Altus Group

New Condominium Apartments - Openings

December 2023 New Project Launches by Number of Units



Source: Altus Group

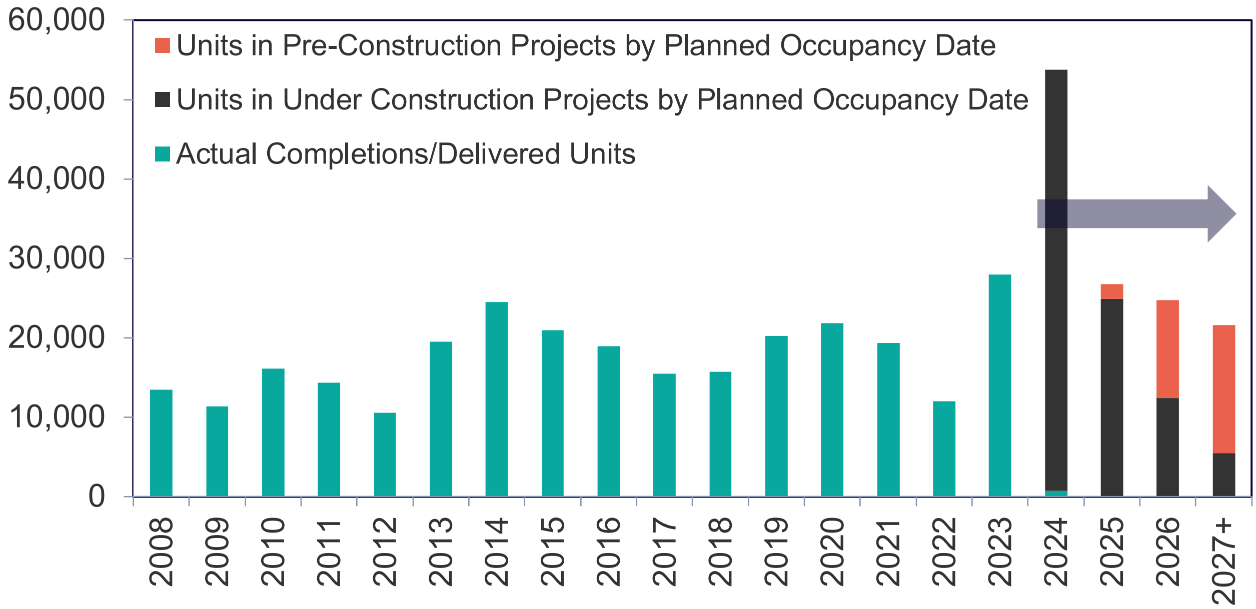
New Condominium Apartment Project Openings - December 2023	
Project Name	**Angular**
Developer	Daffodil Developments
Date Opened	December 4, 2023
Municipality	East York
Region	Toronto
Structural Type	Apartment
Floors	7
Project Total Units	**50**
Total Units Released	**50**
Studio	-
1 Bedroom	5
1 Bedroom + den	20
2 Bedroom	11
2 Bedroom + den	5
3 Bedroom & up	9
Penthouse	-
Townhouse	-
Other	-
Opening Month Sales	**38**
Next Month Sales	**1**
% Sold (of released units)	78%
Remaining Available Inventory	11
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 - Completions

- As of the end of January 2024, there were about 126,100 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were only 757 units delivered in January 2024** – the lowest January since 2013.
- Based on planned occupancy dates, and only considering units currently under construction, one might expect that annual completions of condominium apartment units will be 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.

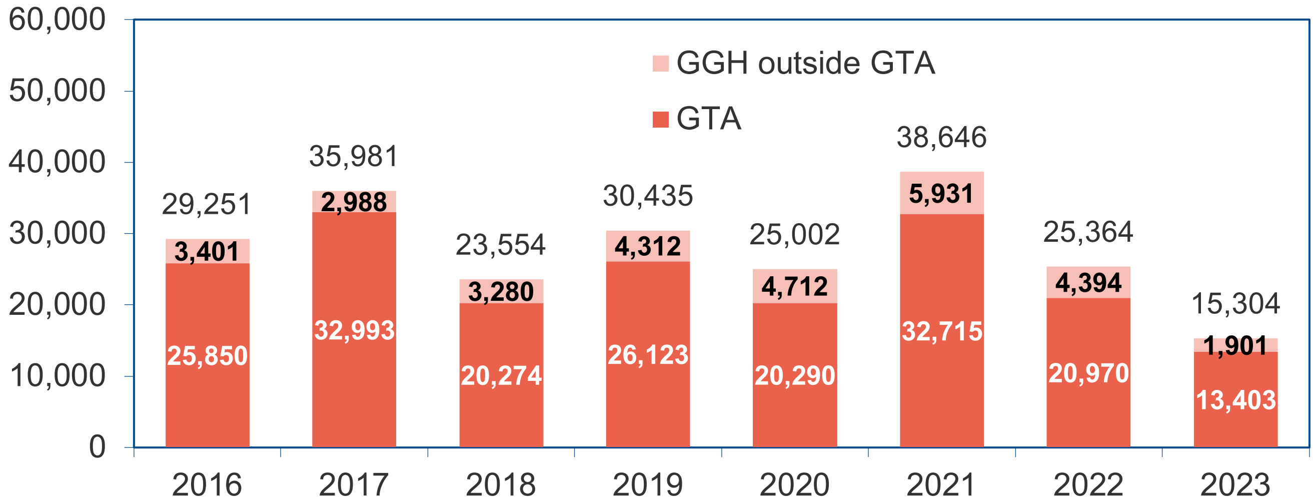
GTA New Condominium Apartment Actual and Potential Completions



Source: Altus Group

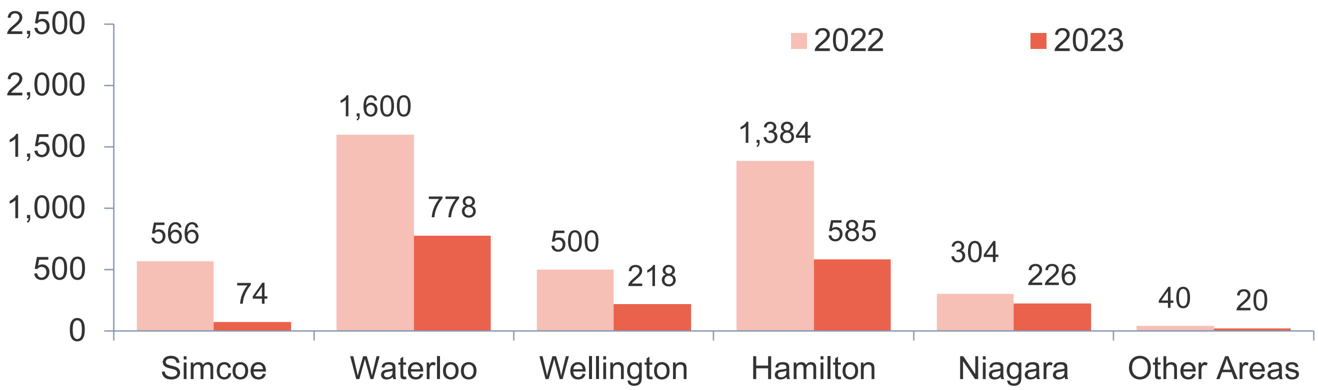
- Altus Group also tracks new condominium apartment sales (as well as new single-family sales) in most areas of the Greater Golden Horseshoe (GGH) outside of the GTA.
- Similar to the GTA, **new condominium apartment sales were down in 2023 in the other areas of the GGH** covered by Altus Group, by a combined 57% compared to the GTA decrease of 36%.
- **None of the individual regions or counties across the other areas of the GGH recorded an increase in new condominium apartment sales in 2023**.

GGH New Condominium Apartment Sales by Broad Area



Source: Altus Group

GGH Outside GTA New Condominium Apartment Sales by Region/County

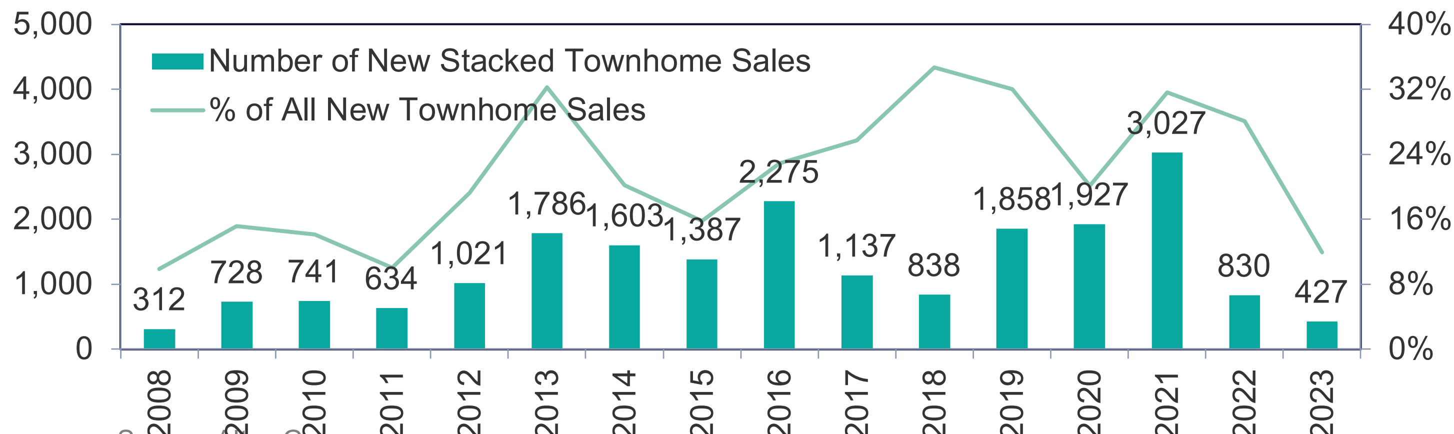


Source: Altus Group

New Stacked Townhomes

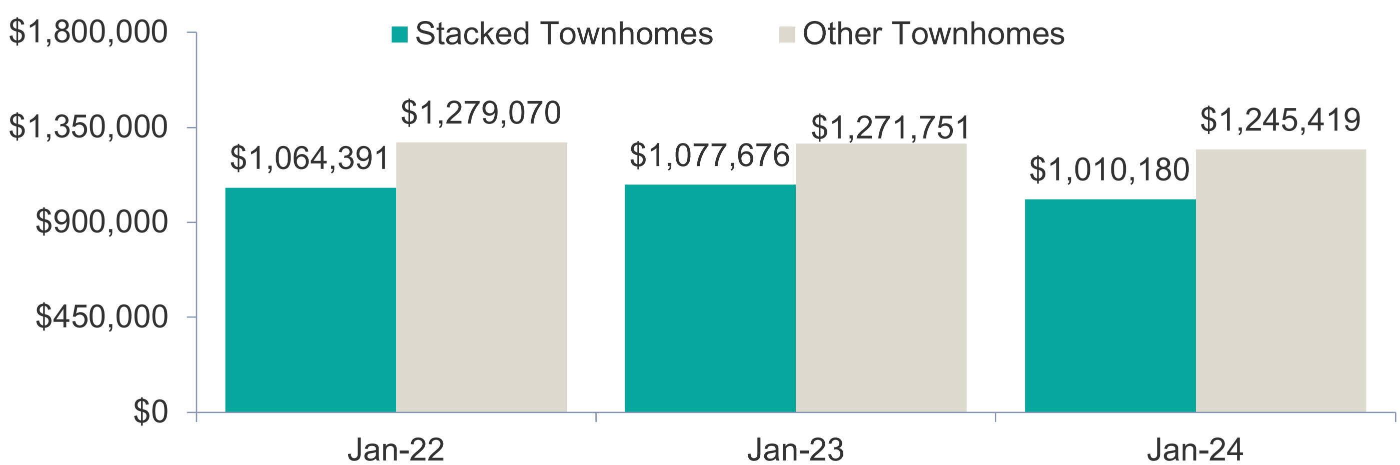
- Stacked townhomes are included in the previous data on condominium apartments. Here we break this product type out separately to look at recent trends in this segment, and to also combine it with traditional townhome information to cover townhomes as a group.
- **Sales of new stacked townhomes in 2023 registered their lowest annual total in 15 years,** after setting a new record high in 2021. At the same time, sales of new traditional townhomes moved higher in 2023, such **that the share of total townhome sales accounted for by stacked townhomes was down** to about 1 in 8 (from 1 in 4 in 2022).
- **The lower average price point of new stacked townhomes vs. traditional townhomes provides an attractive alternative for many buyers seeking more space than a typical new condo apartment.** In the last year, the current price of stacked townhomes has fallen by a larger margin than traditional townhomes, further enhancing the relative attractiveness of the stacked product.

GTA New Stacked Townhome Sales



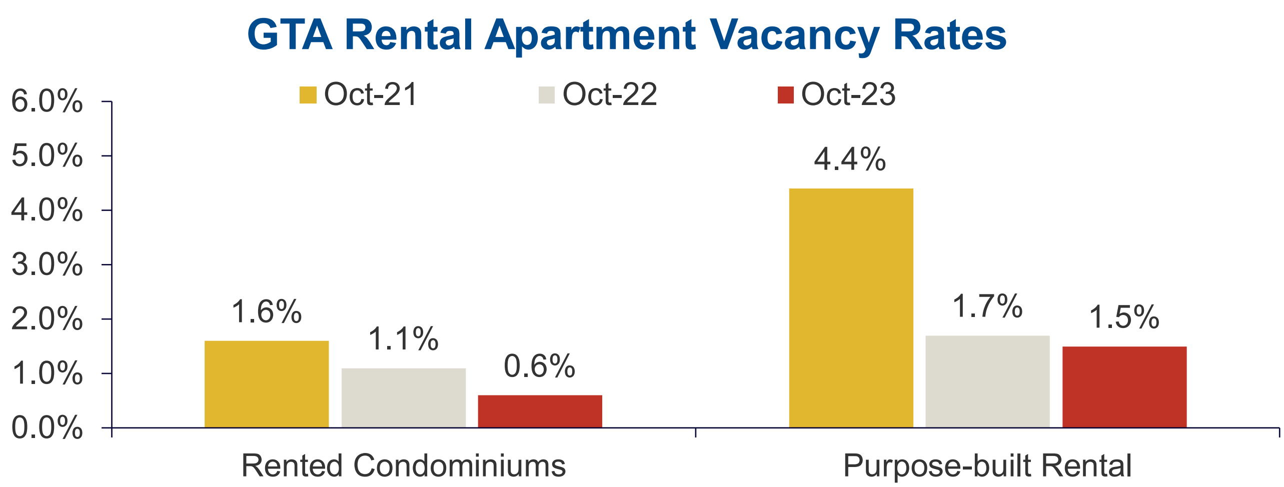
Source: Altus Group

GTA Average Prices of Available New Townhomes

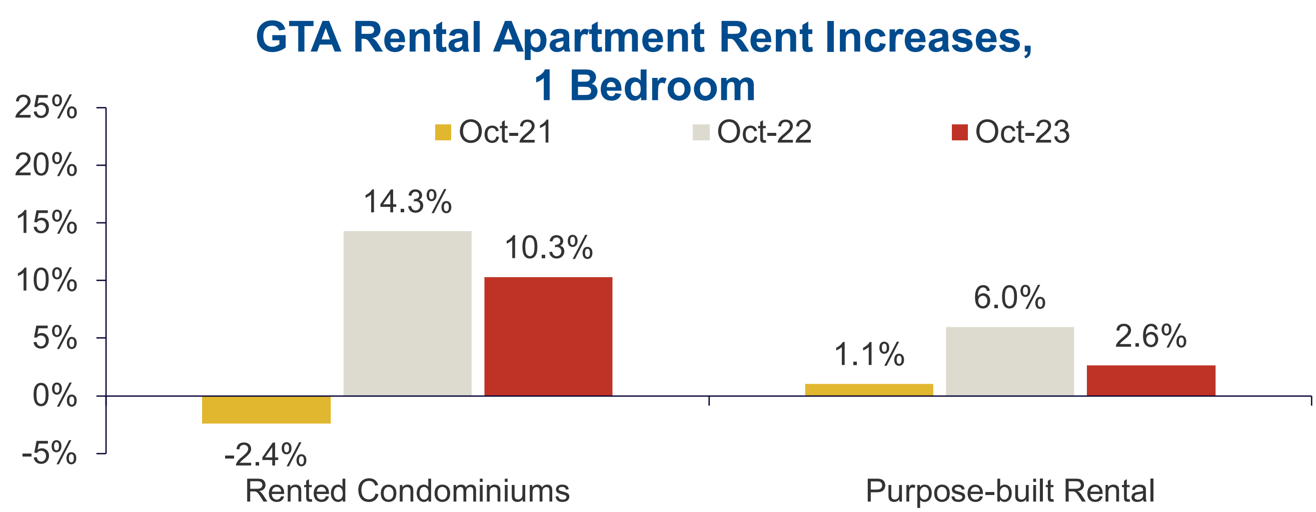


Source: Altus Group

- **CMHC data provide insight into the tightness of the rental market in the GTA.** The 2023 CMHC Rental Market Report results show that **the overall vacancy rate for rented condominium units in the GTA market declined to 0.6% in October 2023**. The overall vacancy rate for purpose-built rental units slipped further to 1.5%.
- **Condo investors have been able to boost rents substantially in the past year.** The CMHC results show a jump of about 10% for rents for 1 bedroom condo units, while rents for purpose-built 1 bedroom posted a more modest increase of roughly 2.5%.
- The CMHC data also show that **37% of the total condominium apartment stock in the GTA was in the rental pool as of October 2023**. Rented condos, however, accounted for a much higher share of growth in the total condominium stock in 2022, at over two-thirds.



Source: Altus Group based on CMHC data



Source: Altus Group based on CMHC data

Altus Group GTA New Home Data Definitions

Condominium apartment	Includes condominium apartment structures of all heights (low, medium and high-rise), stacked townhouses, and loft units. Replaces the former RealNet term “high-rise”.
Single-family	Includes detached, link, semi-detached and townhouse units (excluding stacked townhouse). Replaces the former RealNet term “low-rise”.
Inventory	New units available to purchase/unsold at end of the period. Includes available units in pre-construction, under construction, and completed projects.
Months of inventory	Unsold available inventory at period end divided by average monthly sales for a defined previous period (e.g. previous 12 months). Indicates how long current inventory would last assuming same pace of sales (and no additional product added).
Average price	Average asking price of all available new home inventory at end of period.
Benchmark price	Average asking price of available new home inventory at end of period with outliers removed. Replaces the former RealNet term “Price Index”
$PSF Benchmark	Average asking price per square foot for units in remaining inventory at the end of the period with outliers removed.
Unit size Benchmark	Average size (sq. ft.) of units in remaining inventory at the end of the period, with outliers removed.
Completions	Units in projects that have reached occupancy status during the period.
“Record” performance	All “record highs” and “record lows” are based on the time period over which Altus Group has been tracking the variable.

Note: all historical data is subject to revision

Altus Group (TSX: AIF) is a leading provider of asset and fund intelligence for commercial real estate. We deliver our intelligence as a service to our global client base through a connected platform of industry-leading technology, advanced analytics and advisory services.

Our capabilities help commercial real estate investors, developers, proprietors, lenders and advisors manage risks and improve returns throughout the asset and fund lifecycle.

Altus Group is a global company headquartered in Toronto with approximately 2,700 employees across North America, EMEA and Asia Pacific.

altusgroup.com