The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of February 2024

Table of Contents

New Condominium Apartment Dashboard 3

Condominium Apartment KPIs 4

Macroeconomic Environment 5

New Home Market – Sales 7

New Home Market – Inventory 9

New Home Market – Prices 10

Resale Home Market – Sales 12

Resale Home Market – Inventory & Prices 13

Overall Home Market – Sales 14

New Condominium Apartments – Sales 15

New Condominium Apartments – Inventory 18

New Condominium Apartments – Prices 19

New Condominium Apartments – Openings 21

New Condominium Apartments – Completions 26

High-Density Residential Land Sales 27

New Condo Apartment Sales Across Canada 28

Definitions 29

New Condominium Apartment Dashboard

February 2024			YTD February 2024	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
379	16,747	$1,047,2584	622	$1,049,866
-50%	+28%	-6%	-47%	-8%
Lowest February since 2009	*Highest February since 2016*	*Lowest February since 2021*	*Lowest YTD February since 2009*	*Lowest YTD February since 2021*

% 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 February in the last 15 years**.
- **The inventory of available new condo apartments was little changed in February and moved well above the 10-year average.**
- **The benchmark price of a new condominium apartment fell in February 2024 and recorded a 15th consecutive year-over-year decline.**.
- Despite February new homes sales remained soft, builders have been adding inventory in anticipation of the return of buyers into the market. Once the timing of interest rate cuts by Bank of Canada becomes clearly, buyers are expected to jump back into the new home market.

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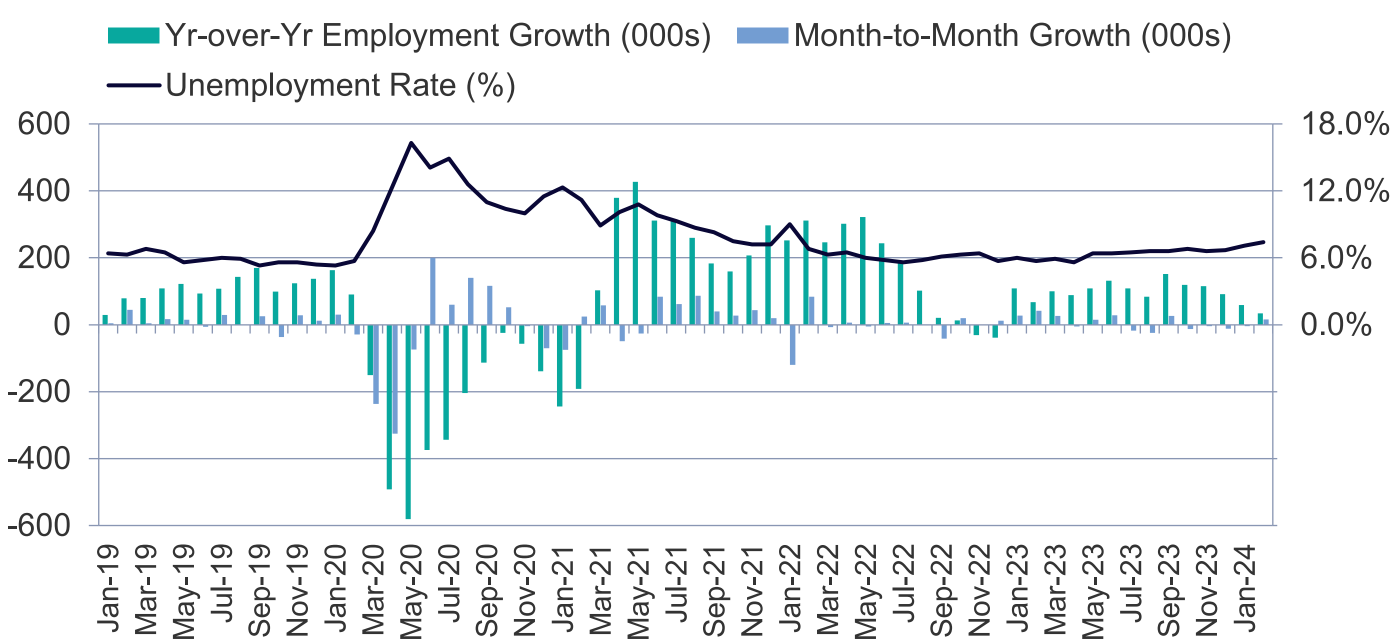
GTA Condominium Apartment Key Performance Indicators

	Feb-23	Jan-24	Feb-24	*Yr-Over-Yr % Change*	YTD Feb 2023	YTD Feb 2024	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	351	385	380	*8%*	350	383	*9%*
New projects opened	7	0	2	*-71%*	9	2	*-78%*
Units in new projects opened	2,044	0	433	*-79%*	2,998	433	*-86%*
Total sales (units)	754	243	379	*-50%*	1,172	622	*-47%*
Sales as % of total new & resale	*34%*	*15%*	*19%*		*33%*	*18%*	
Inventory (units)	13,091	16,702	16,747	*28%*	12,588	16,725	*33%*
Sales-to-inventory ratio	6%	1%	2%	*-61%*	5%	2%	*-60%*
Months of inventory	9.5	15.2	15.6	*65%*	8.5	15.4	*80%*
Benchmark price	$1,113,164	$1,052,474	$1,047,258	*-6%*	$1,120,178	$1,049,866	*-6%*
Price PSF Benchmark	$1,377	$1,355	$1,346	*-2%*	$1,369	$1,351	*-1%*
Unit size Benchmark (sq. ft)	809	777	778	*-4%*	819	778	*-5%*
Units completed	0	757	428	*n.a.*	856	1,185	*38%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,455	1,335	1,586	*9%*	2,405	2,921	*21%*
New listings (units)	2,797	3,226	3,793	*36%*	5,554	7,019	*26%*
Inventory ("active listings", units)	3,864	4,693	5,172	*34%*	3,795	4,933	*30%*
Sales-to-inventory ratio	38%	28%	31%	*-19%*	32%	30%	*-6%*
Months of inventory	2.4	2.9	3.1	*29%*	2.3	3.0	*30%*
Average price of units sold	$705,472	$681,979	$695,345	*-1%*	$698,450	$689,236	*-1%*
HPI constant quality price index (Jan 2005=100)	357.2	354.8	353.0	*-1%*	357.2	353.9	*-1%*

** see end of report for Definitions*

- **Year-over-year employment growth in February recorded a 14th consecutive month of positive growth, and month-to-month growth turned positive after four consecutive declines.** The GTA unemployment rate rose to almost 7.5%, its highest level 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 at nearly 180 basis points.** The 5-year "special rate" mortgage has fallen by 90 basis points since the end of November *(chart next page, bottom).*

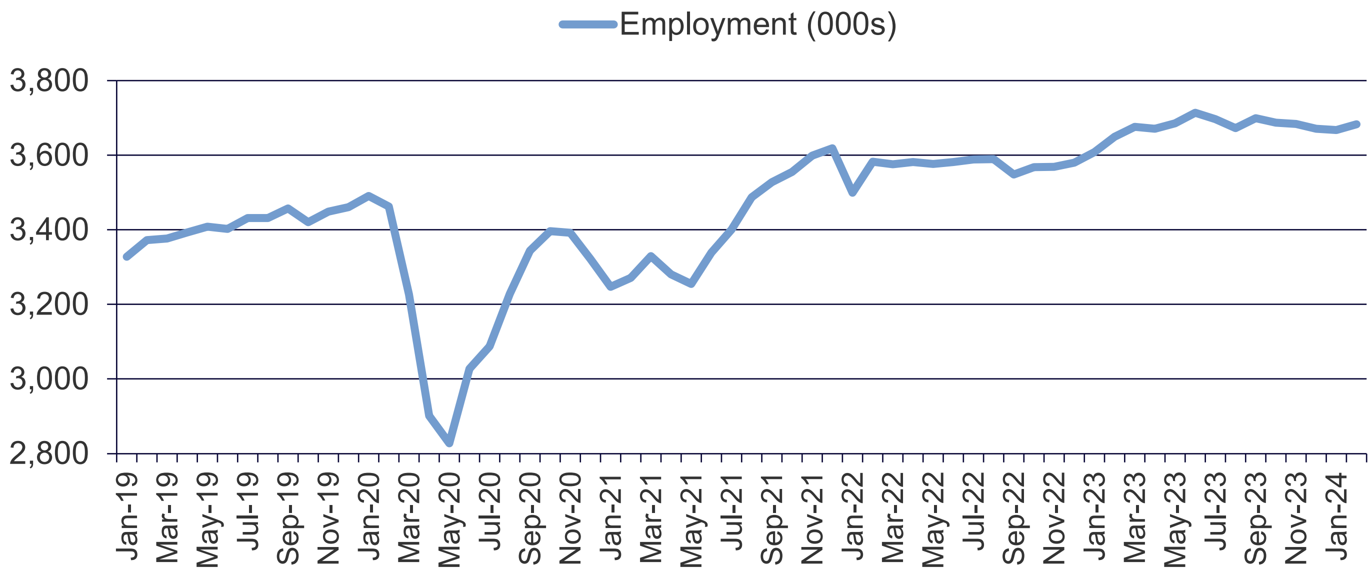
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

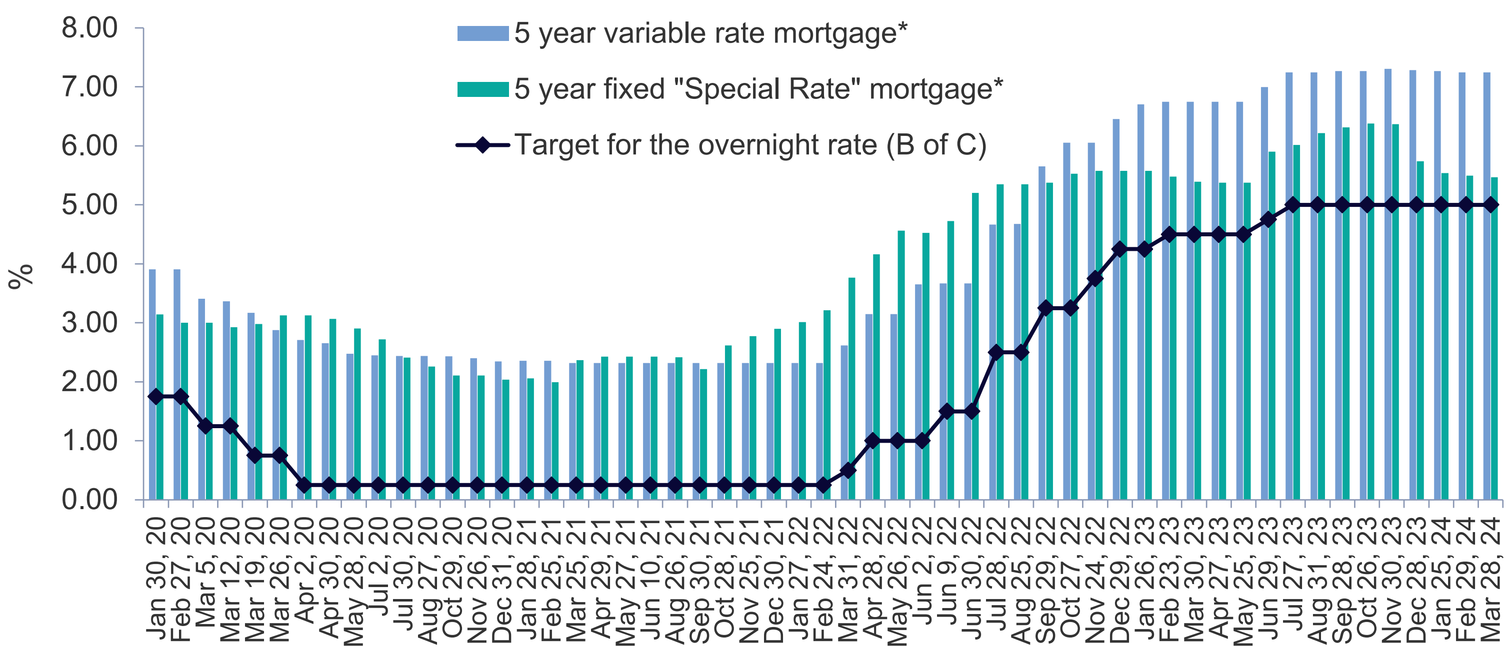
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

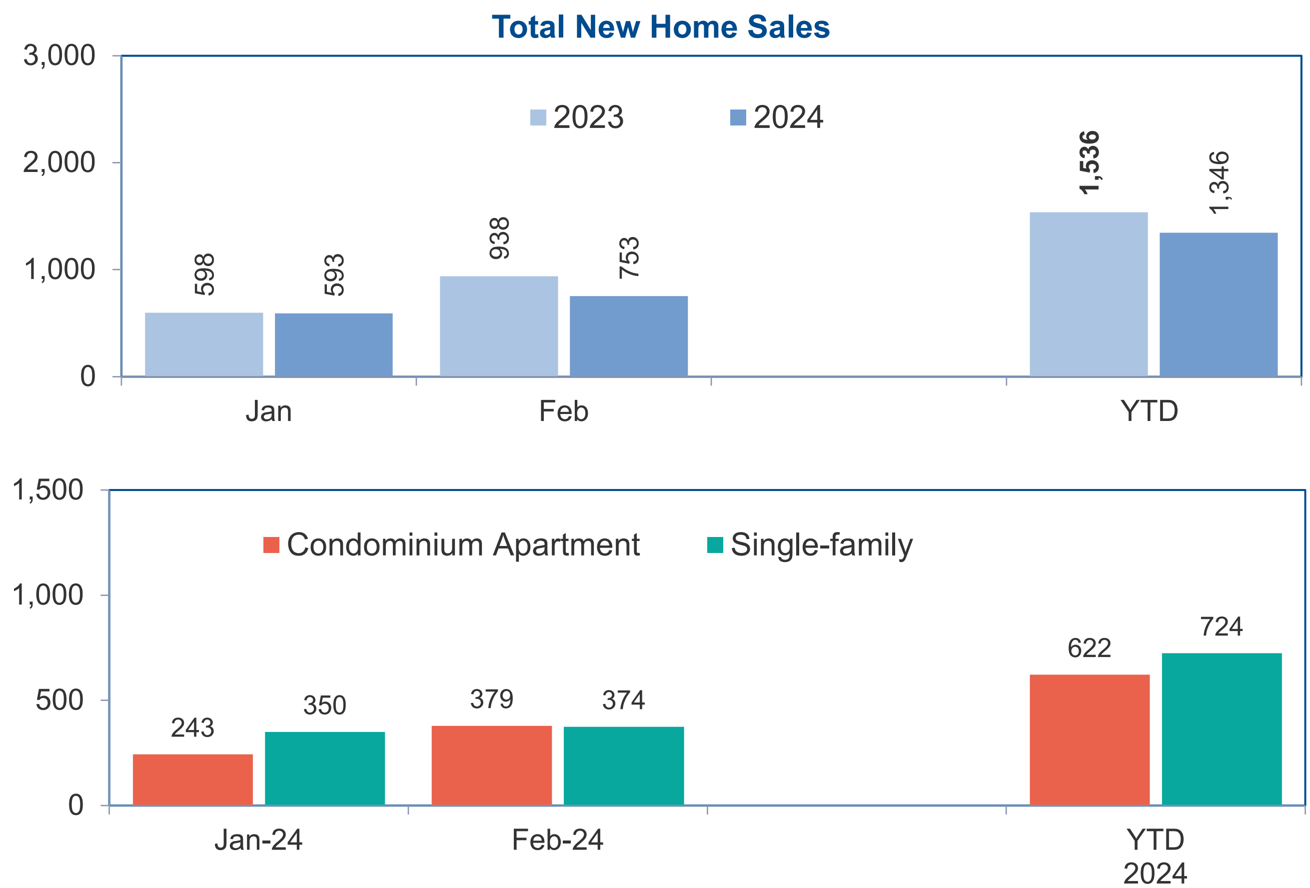


** Average for the major banks*

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

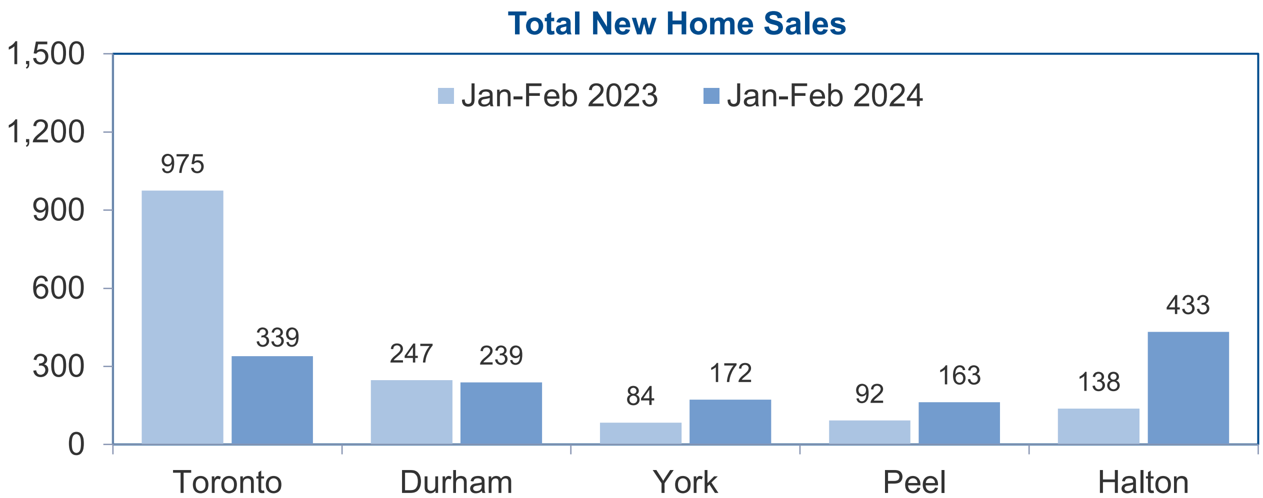
- **GTA new home sales for February 2024 recorded their lowest level on record.** February sales of new condominium apartments hit a 15-year low while new single-family home sales registered an increase from the very low level of 2023.
- **The weakness in new home sales was focused primarily in Toronto** (*charts next page*), and in particular, new condominium sales.

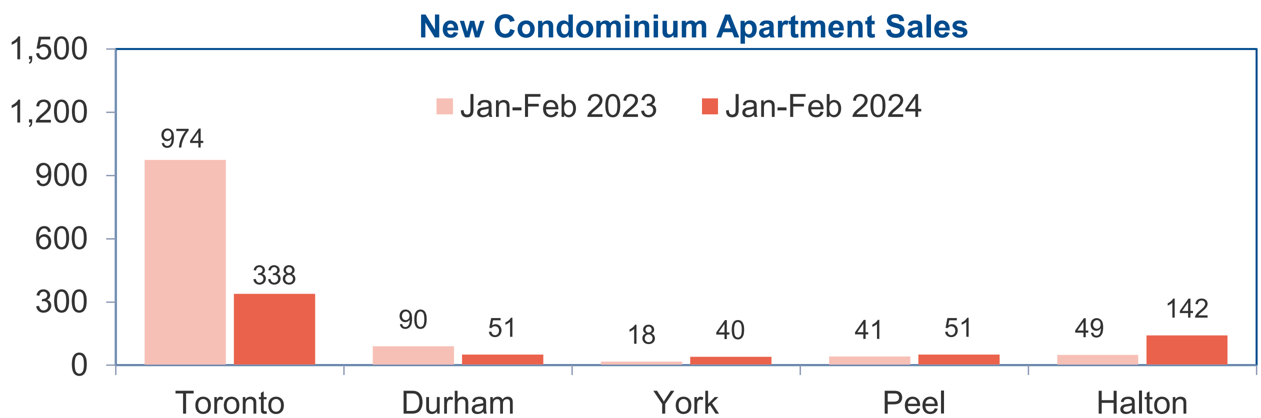
GTA New Home Sales

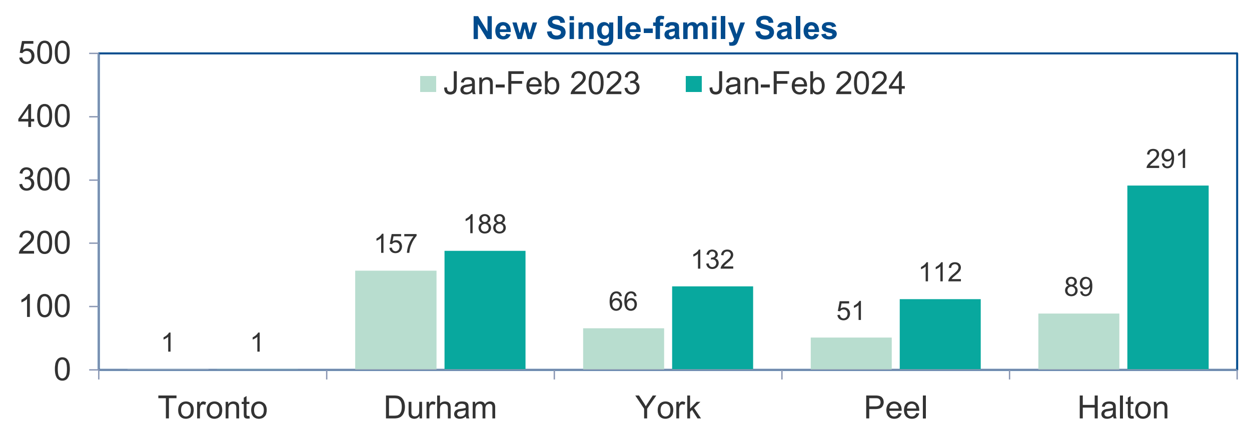


Source: Altus Group

GTA New Home Sales by Region

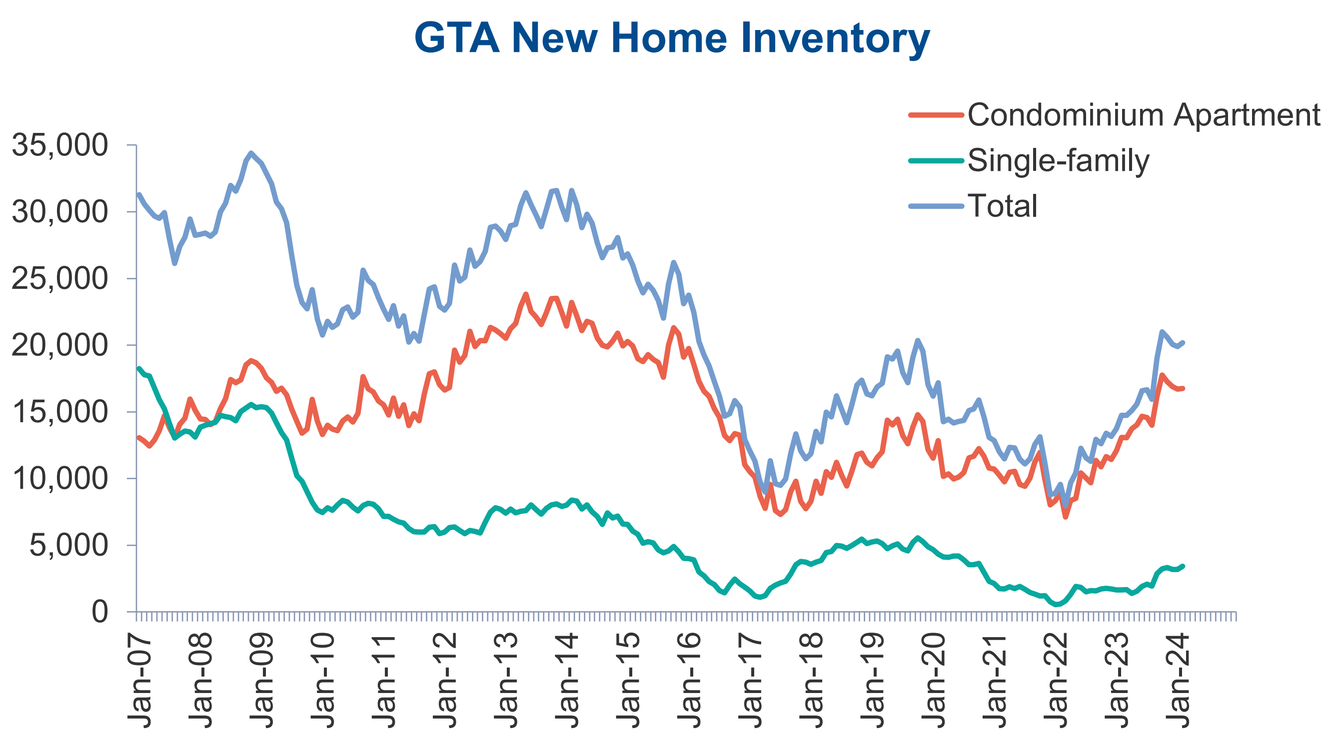






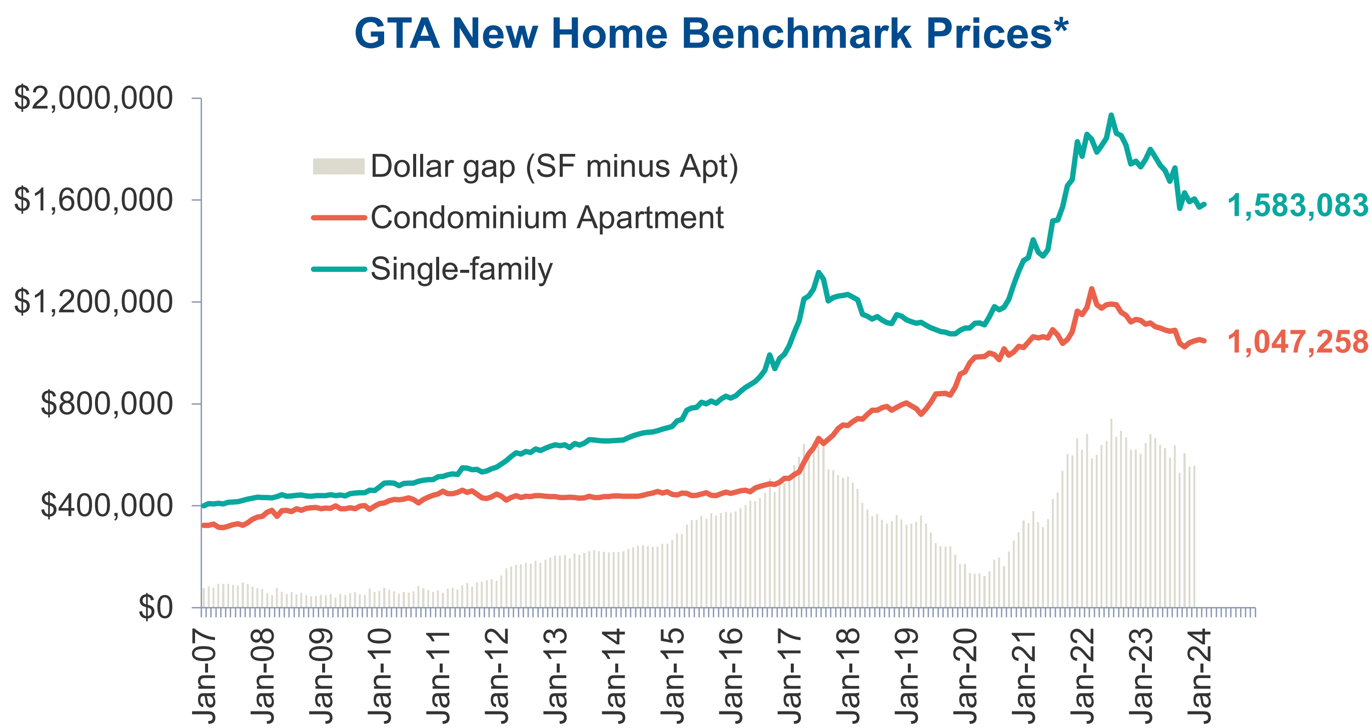
Source: Altus Group

- **The total inventory of new homes across the GTA rose in February 2024 and is above the 10-year average.** Total inventory was up by over one-third compared to a year earlier.
- **Condominium apartment inventory was virtually unchanged with single-family inventory rising.**
- Based on average monthly total new home sales over the past 12 months, there were just over 12 months of available supply of total new homes at the end of February 2024, well above the long-term average for February of about 7 months.



Source: Altus Group

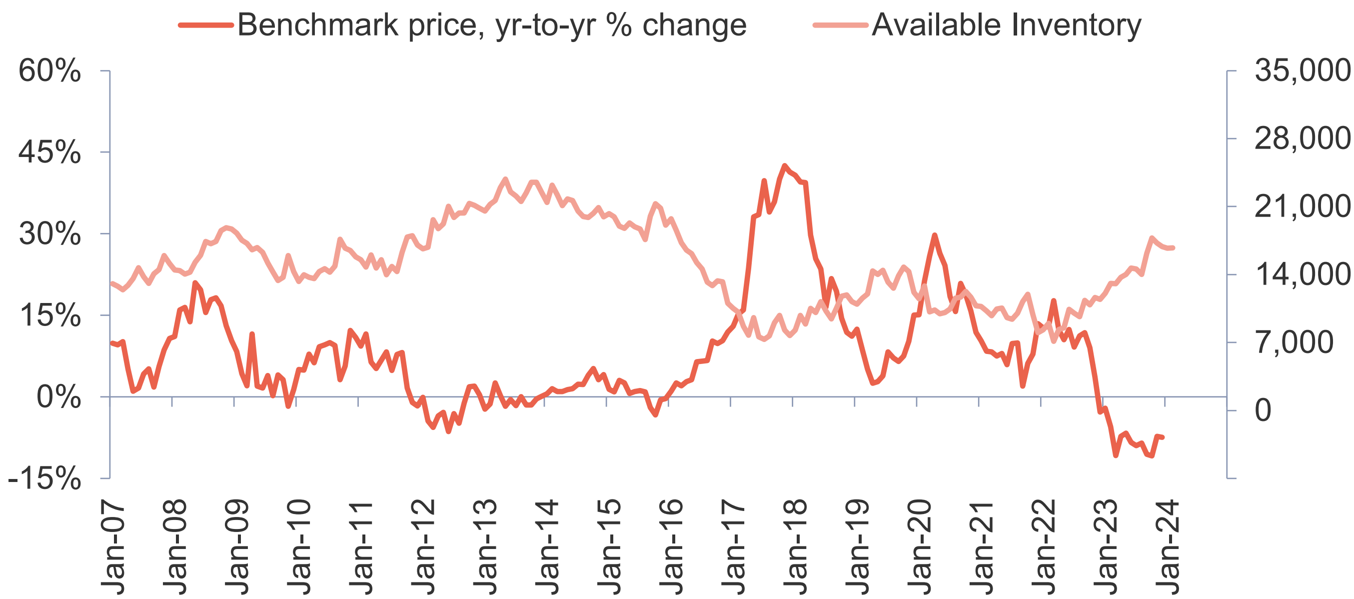
- **The benchmark price for a new condominium apartment slipped by six percent in February 2024 compared to the previous year.** Single-family benchmark pricing also moved lower in February, down 10 percent.
- **The price advantage of available new condominium apartments compared to new single-family homes widen slightly in February.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for a 15th 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*

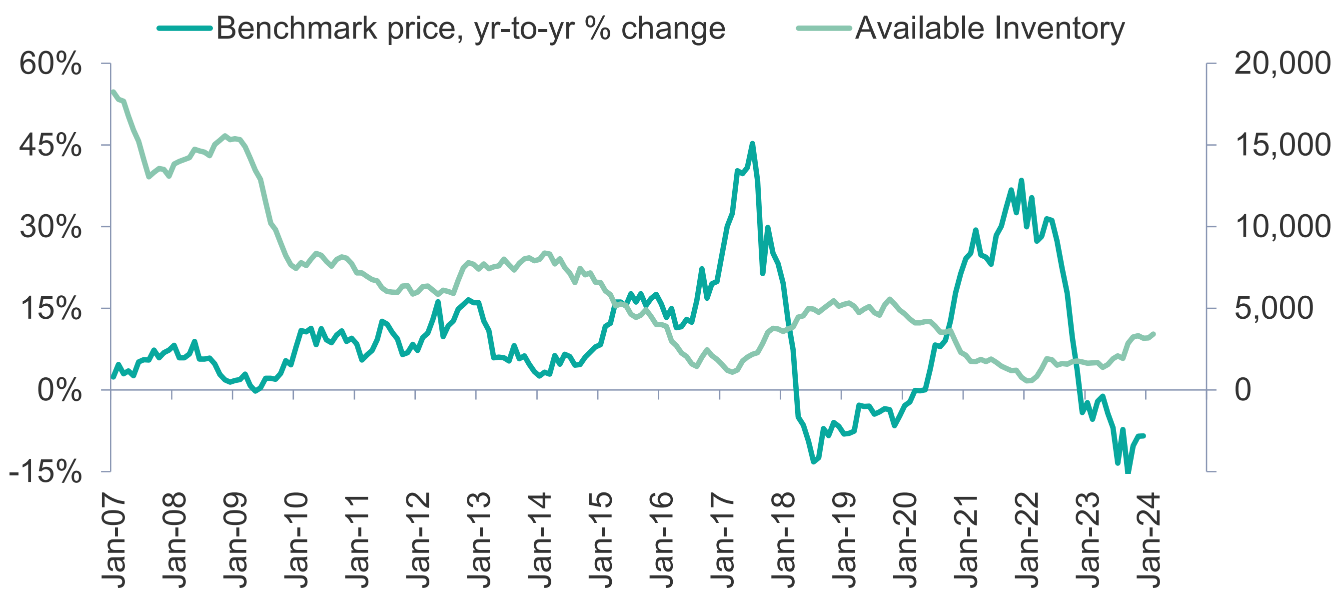
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

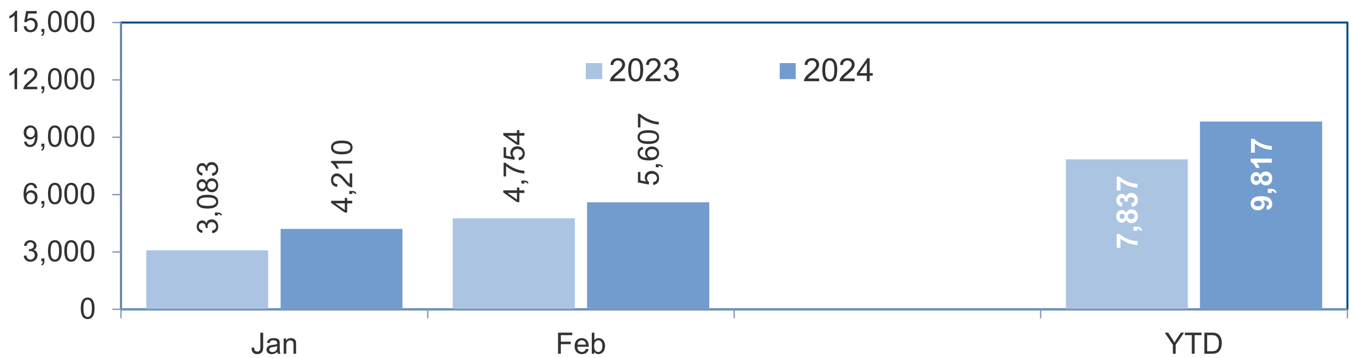
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

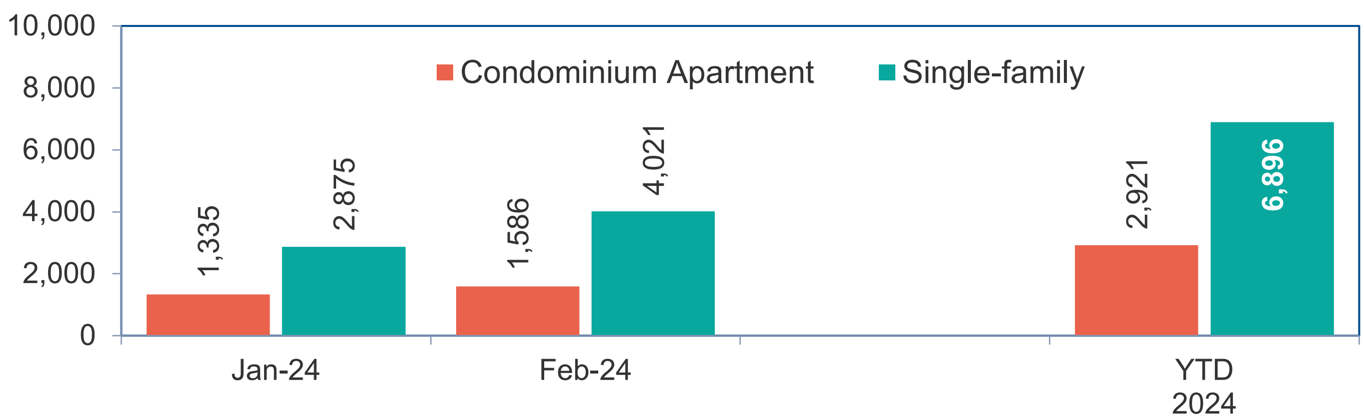


Source: Altus Group

- **Sales of existing homes in February 2024 moved higher than the previous year for a 3rd consecutive month,** but remain below the 10-year average.
- **Total inventory was 15 percent above last year** with resale condominium apartment inventory up 34 percent from the previous year while resale single-family inventory nudged higher by 3 percent from February 2023 *(chart next page, top).*
- The average sales price for an existing condominium apartment and single-family home in February 2024 were off just marginally from a year earlier *(chart next page, bottom).*

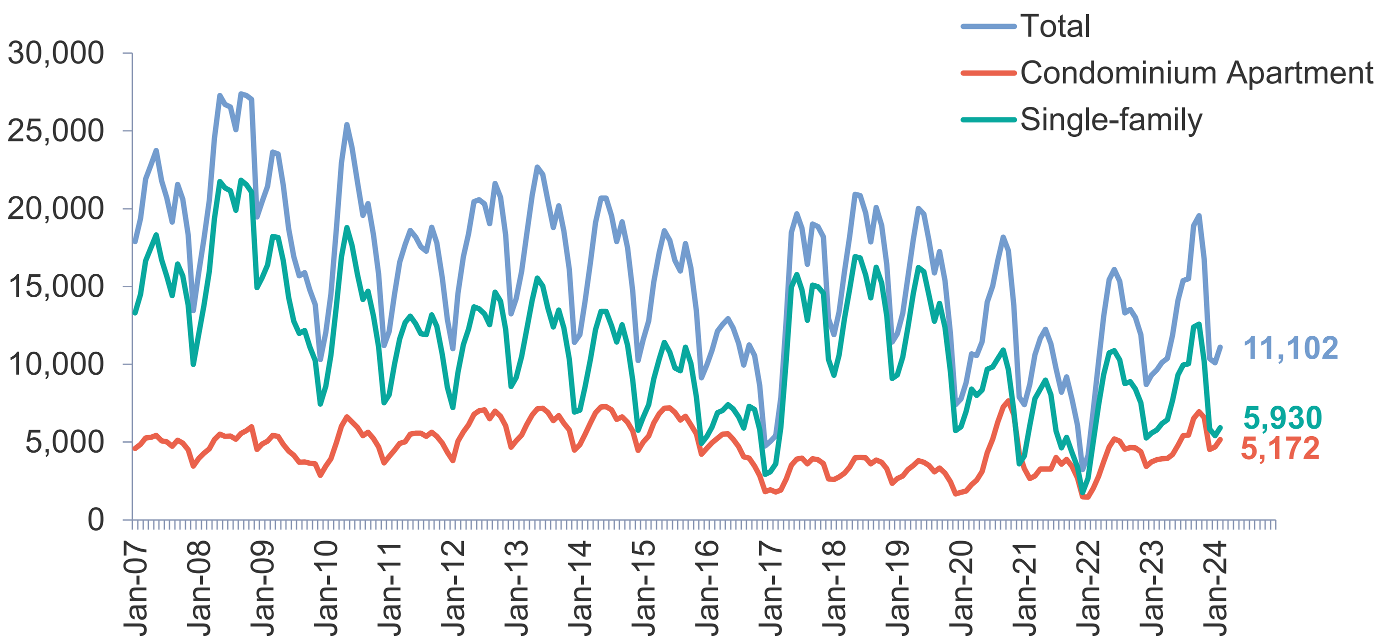
GTA Resale Home Sales





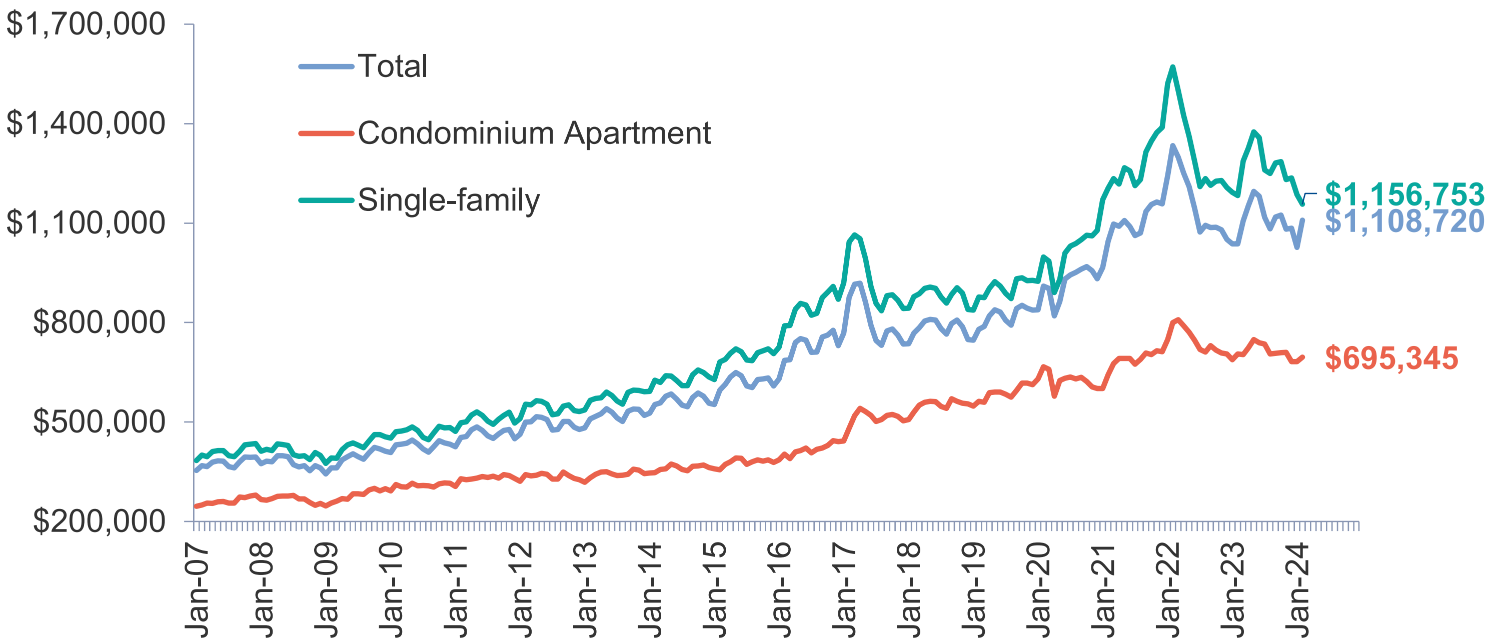
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



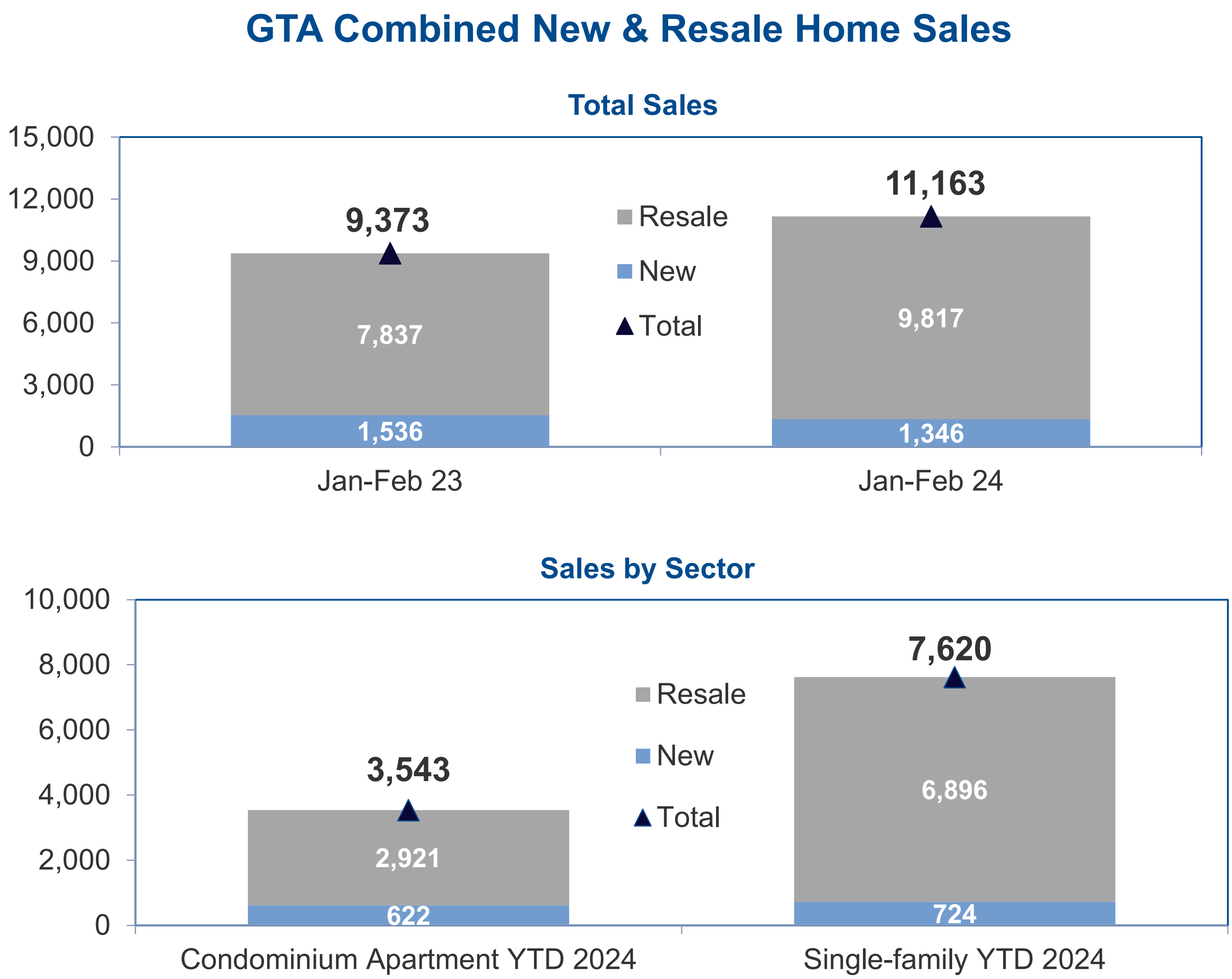
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Prices



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

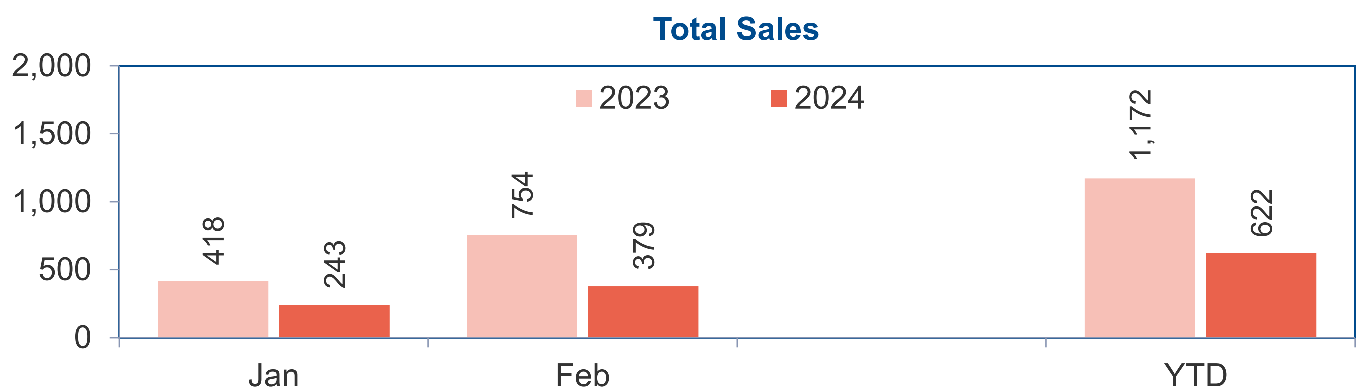
- **Year-to-date total home sales in the GTA through February 2024 were up over 10 percent from a year earlier**. The increase was focused in the resale sector (+25%) with sales falling in the home sector (-12%).
- **The new home sector accounted for about 1 out of every 8 home for the first two months of 2024** – this is down from 1 in 6 for the same period in 2023. About 1 in 10 single-family and 1 in 6 condominium apartment homes sold were new homes.

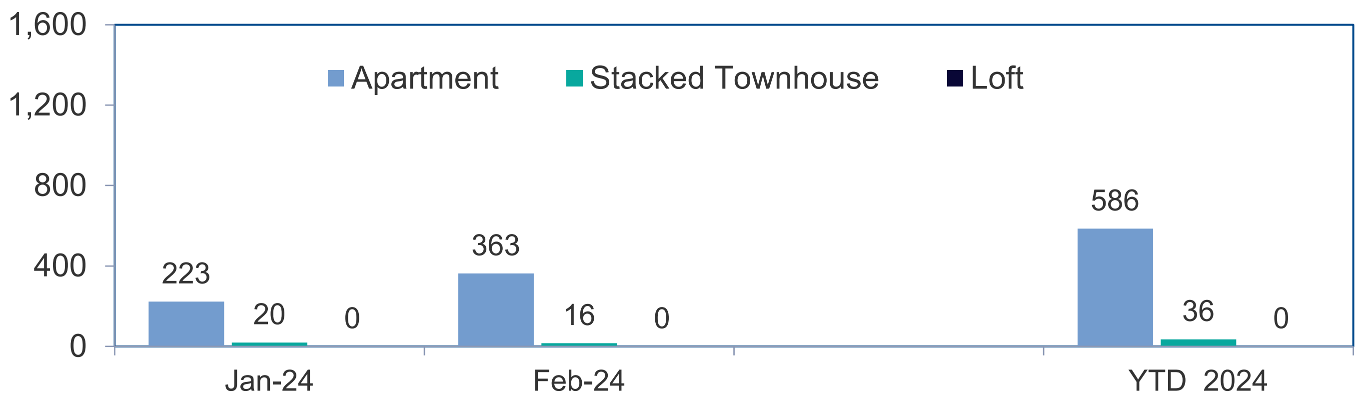


Source: Altus Group and Toronto Regional Real Estate Board data

- **Total new condominium apartment sales in the GTA were the 2nd lowest February in the last 15 years**.
- **Lower new condominium sales in Toronto were responsible for the year-over-year falloff in February** *(chart top of next page)*. On a year-to-date basis, a sharp reduction in sales in Toronto offset modest gains in Peel, York and Halton (*chart middle of next page*). Halton accounted for a larger share of new condominium apartment sales through February 2024 at the expense of Toronto (*chart bottom of next page*).

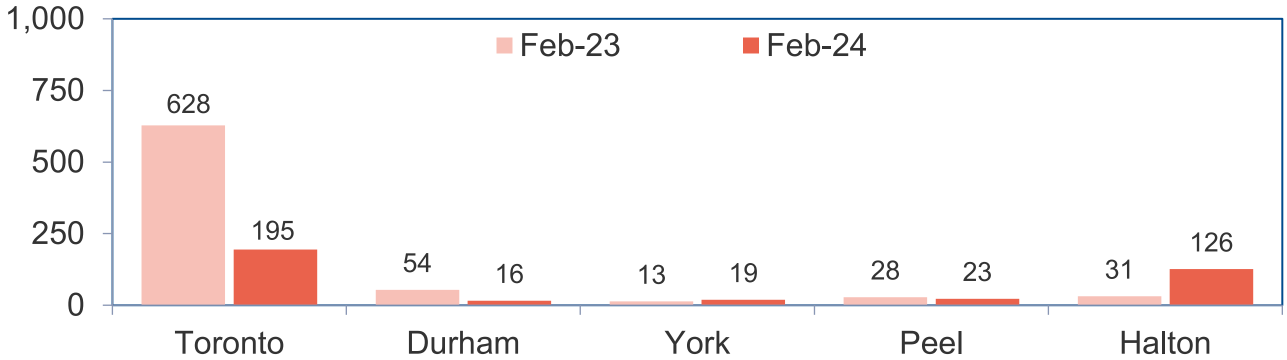
GTA New Condominium Apartment Sales

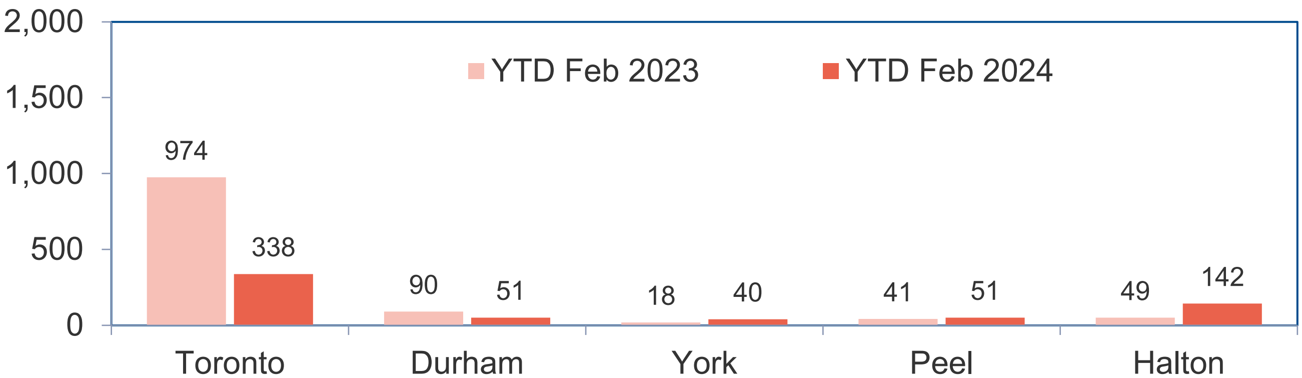


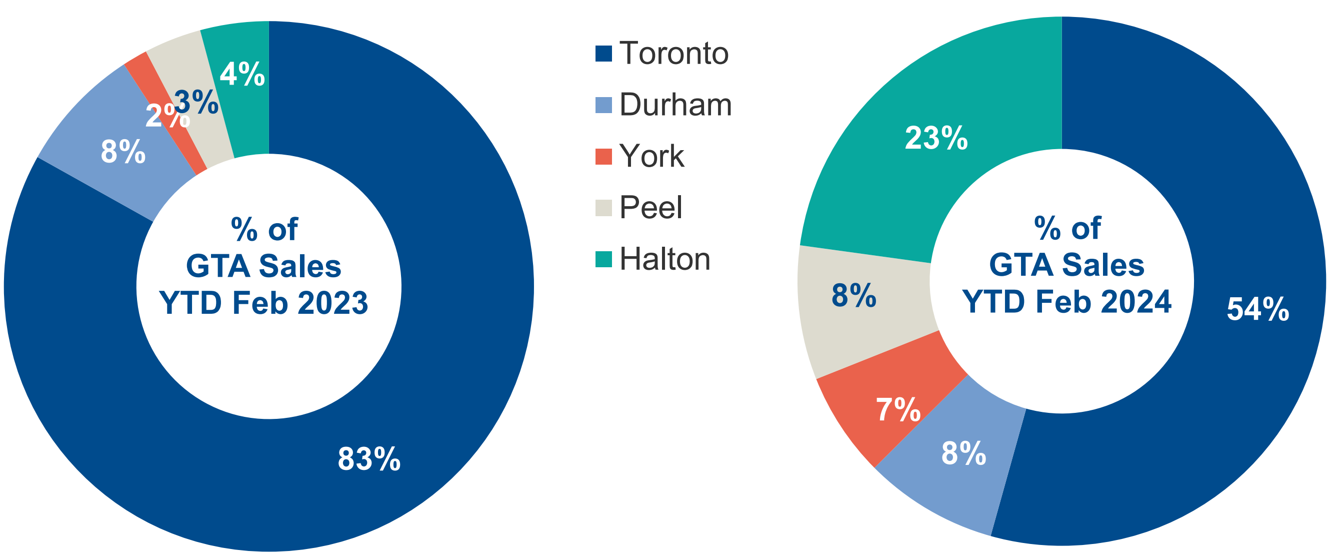


Source: Altus Group

GTA New Condominium Apartment Sales by Region





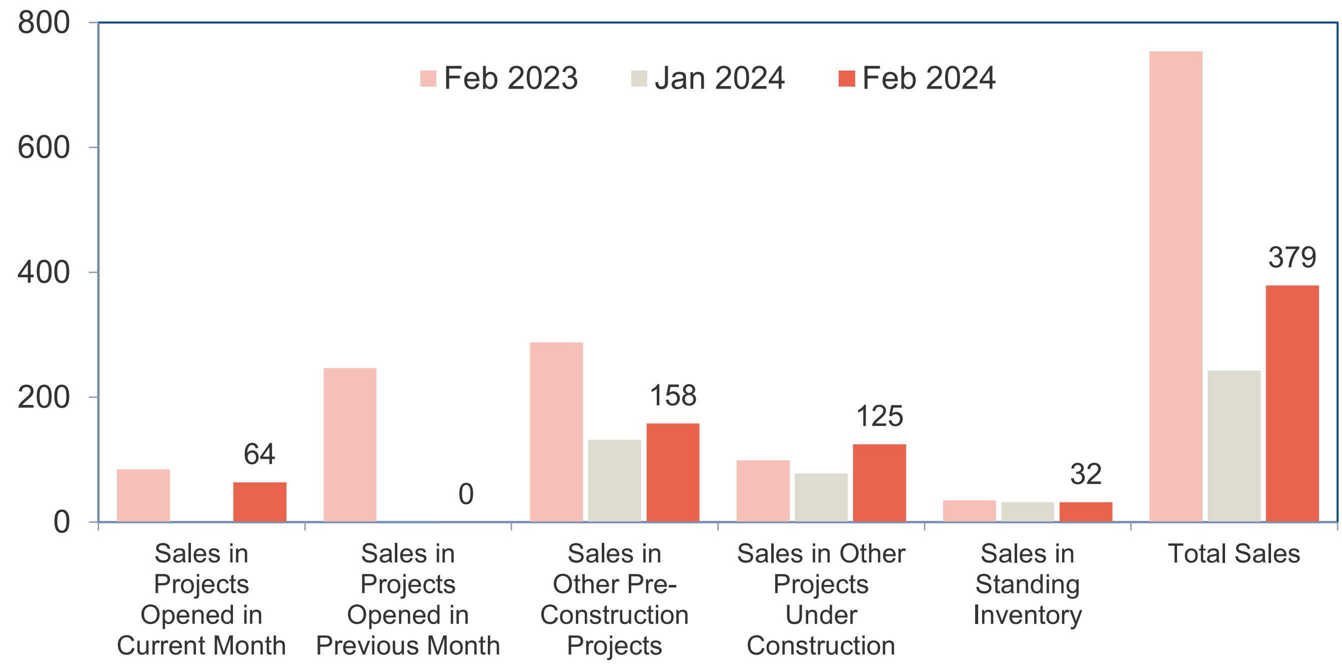


Source: Altus Group

New Condominium Apartments - Sales

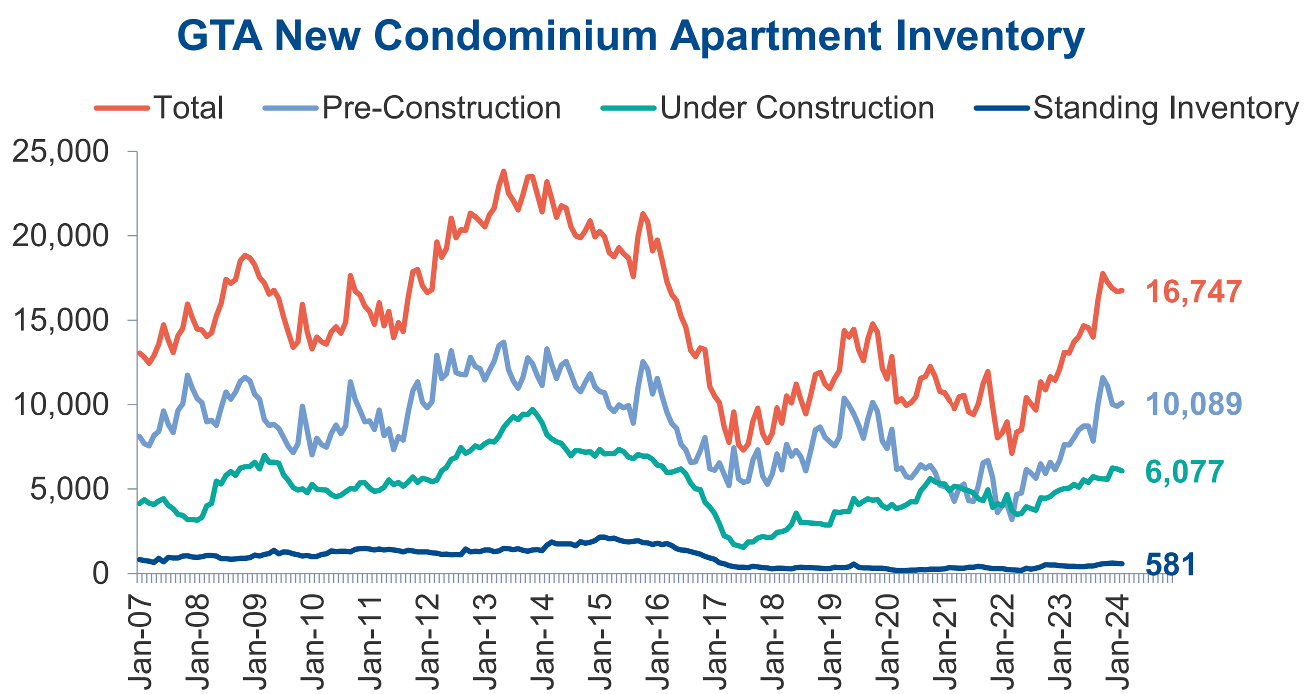
- **Only one new condominium apartment projects was able to record sales in February 2024** (the other project opened during the last 10 days of the month when any sales are still conditional). Coupled with no openings in January 2024, the bulk of sales in February occurred in projects opened two months 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

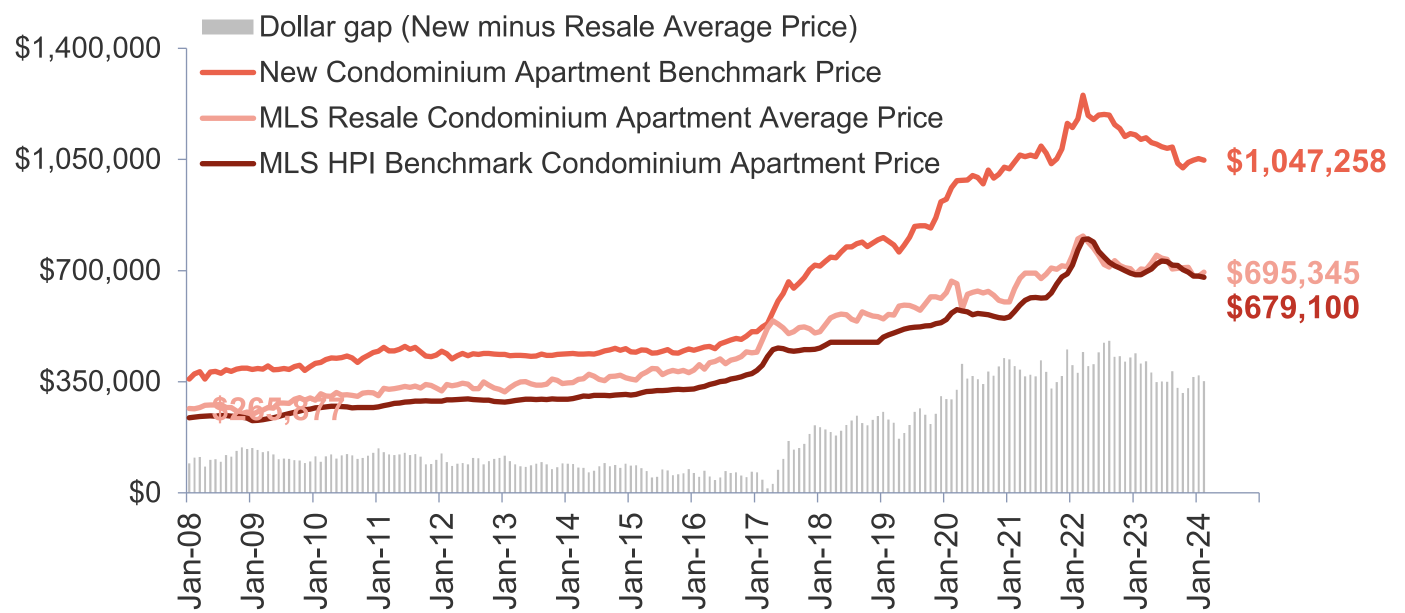
- **The inventory of available new condo apartments was little changed in February and moved well above the 10-year average.**
- **The current unsold inventory at new condominium apartment projects represents about 15.5 months of supply** at the average monthly pace of sales seen over the past 12 months, well above the longer-term average for February of 9.5 months.
- **About 80% 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 roughly 9.5 months in York to a high of 19 months in Peel.

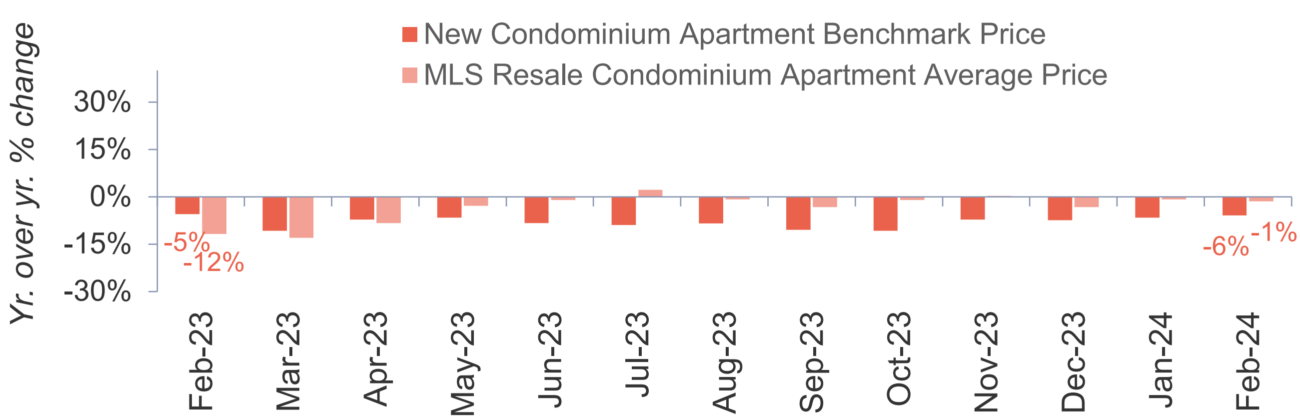


Source: Altus Group

- **The benchmark price of a new condominium apartment fell in February 2024 and recorded a 15th 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 nudged higher in February.**

GTA New and Resale Condominium Apartment Prices



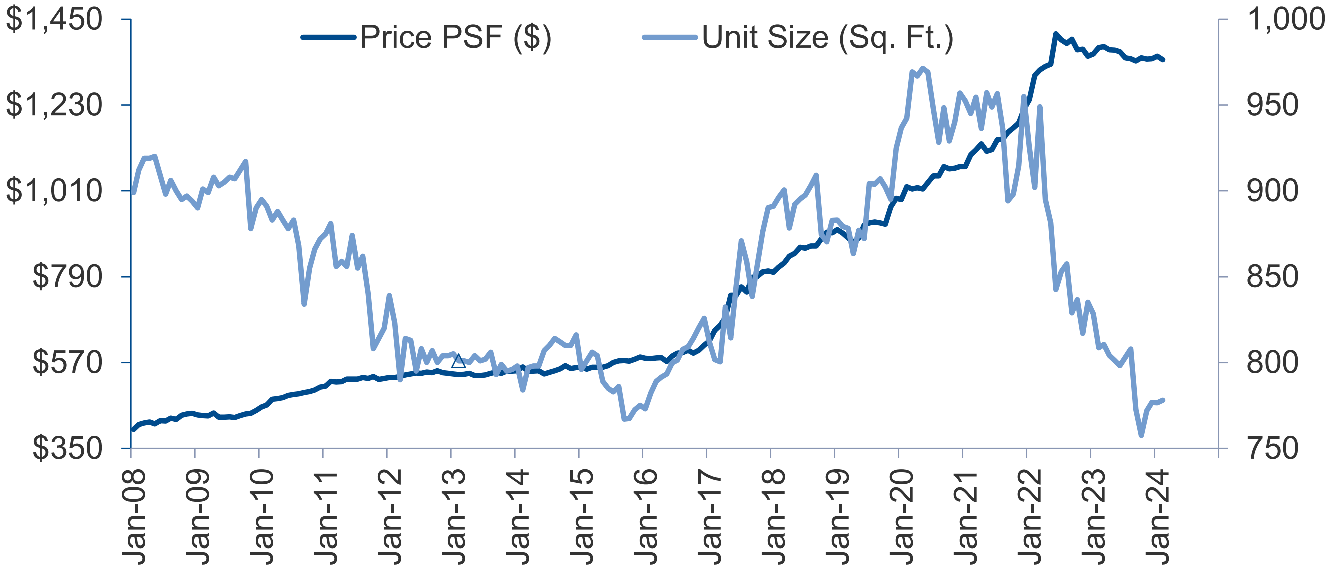


Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

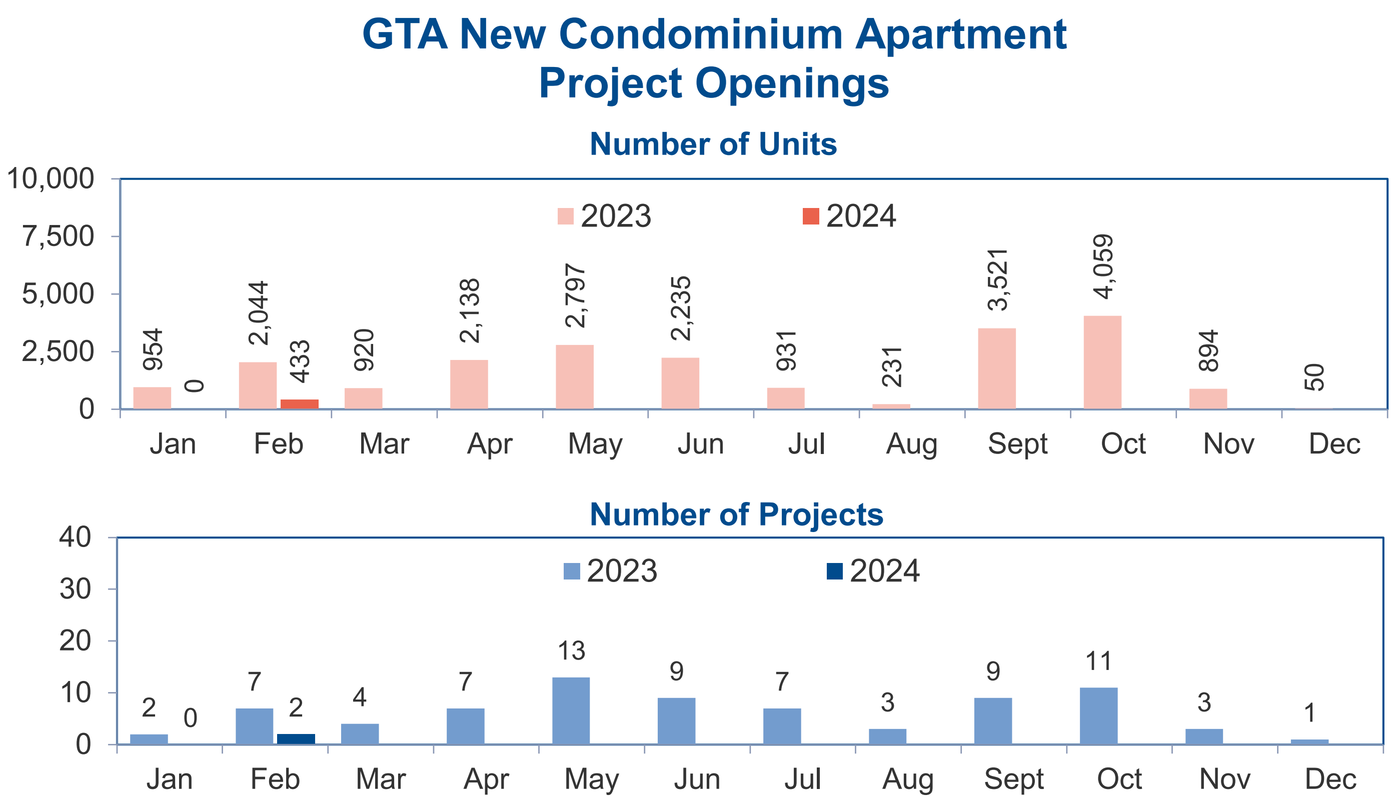
- **The price per square foot for a new condominium apartments slipped in February 2024 while unit sizes were little changed.**
- Caution needs to be used in interpreting the data for any specific timeframe, as smaller unit sizes on average have higher prices per square foot. For example, an increase in the price per square foot could reflect both a "pure" price increase, as well as a decline in average size of available units (and, of course, location shifts).

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



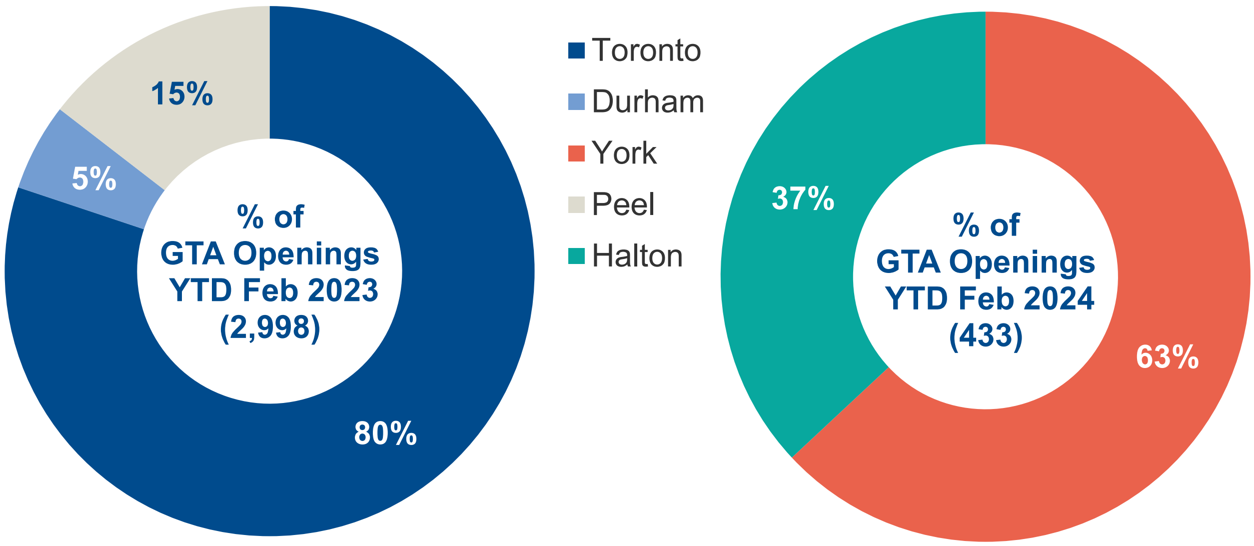
Source: Altus Group

- **Two new condominium apartment were launched in February 2024**.
- **New launches in 2024 were located in Peel and York** *(chart next page, top).* Through the first two months of 2024, there have not been any new openings in the City of Toronto *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in February 2023 (January 2024 did not record any new openings) accompanied by summary tables with additional details on each project.



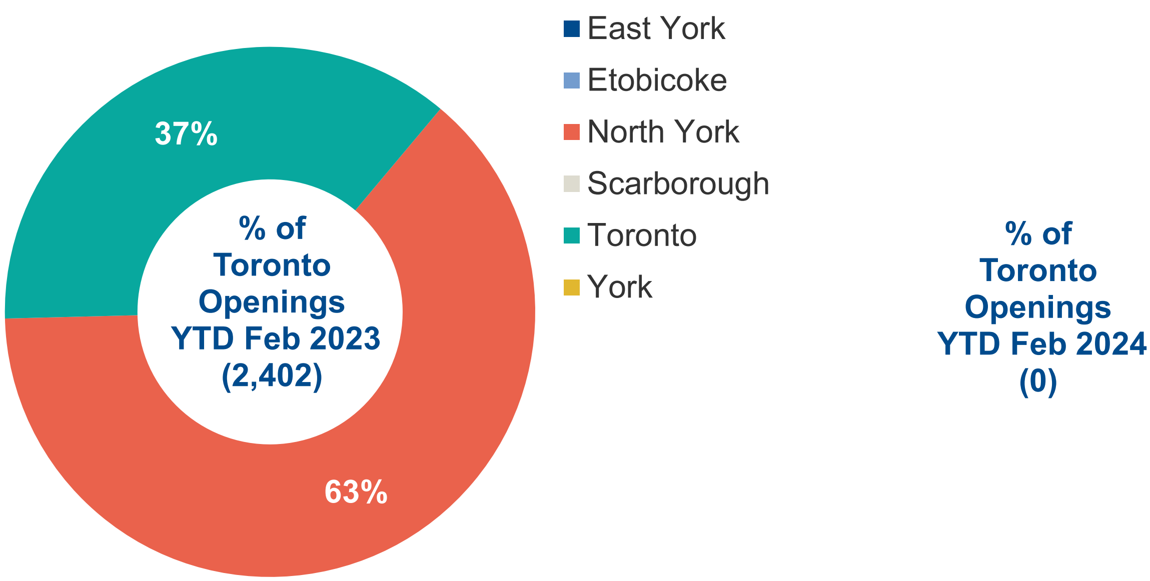
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



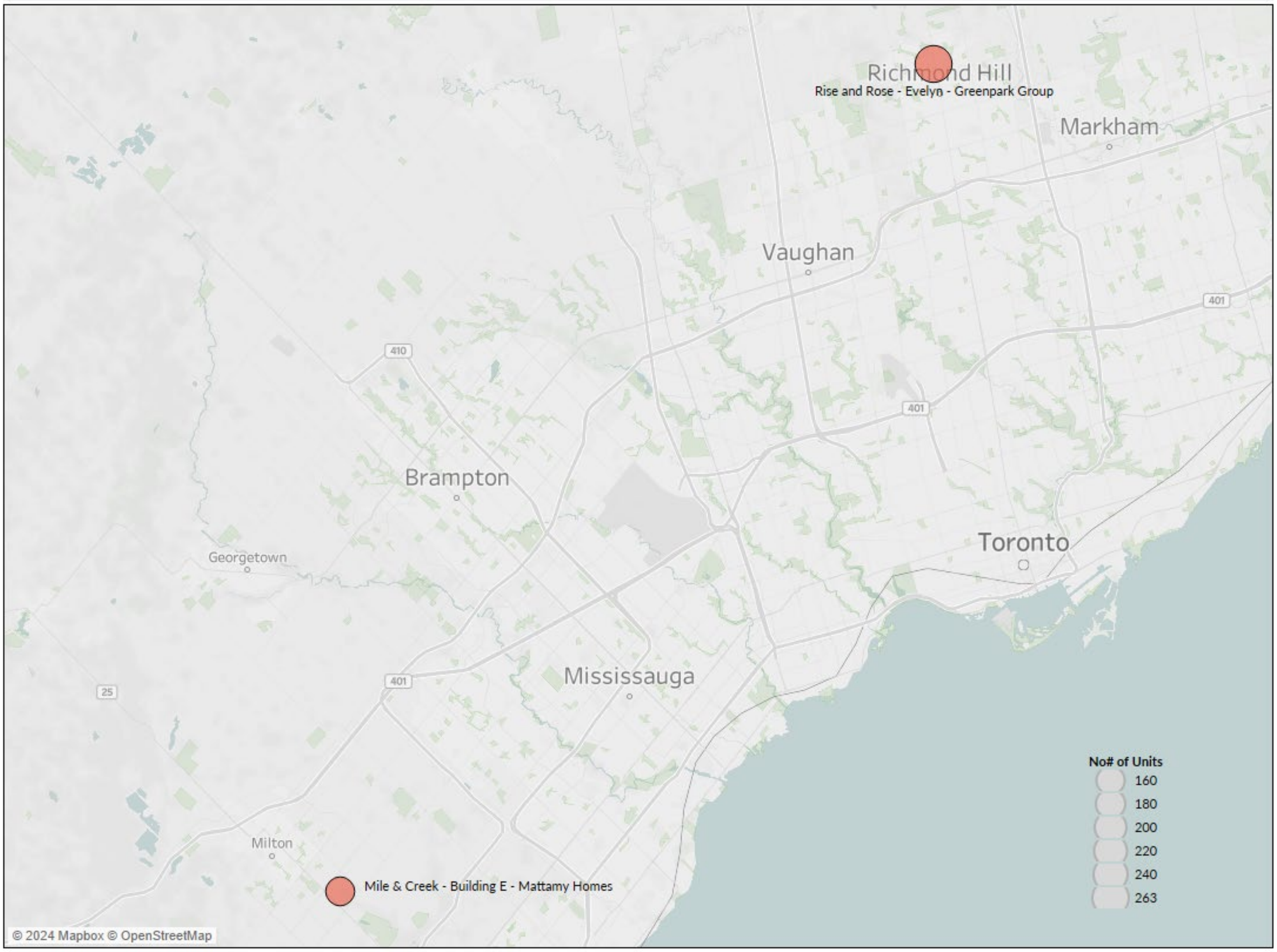
Source: Altus Group

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



Source: Altus Group

February 2024 New Project Launches by Number of Units



Source: Altus Group

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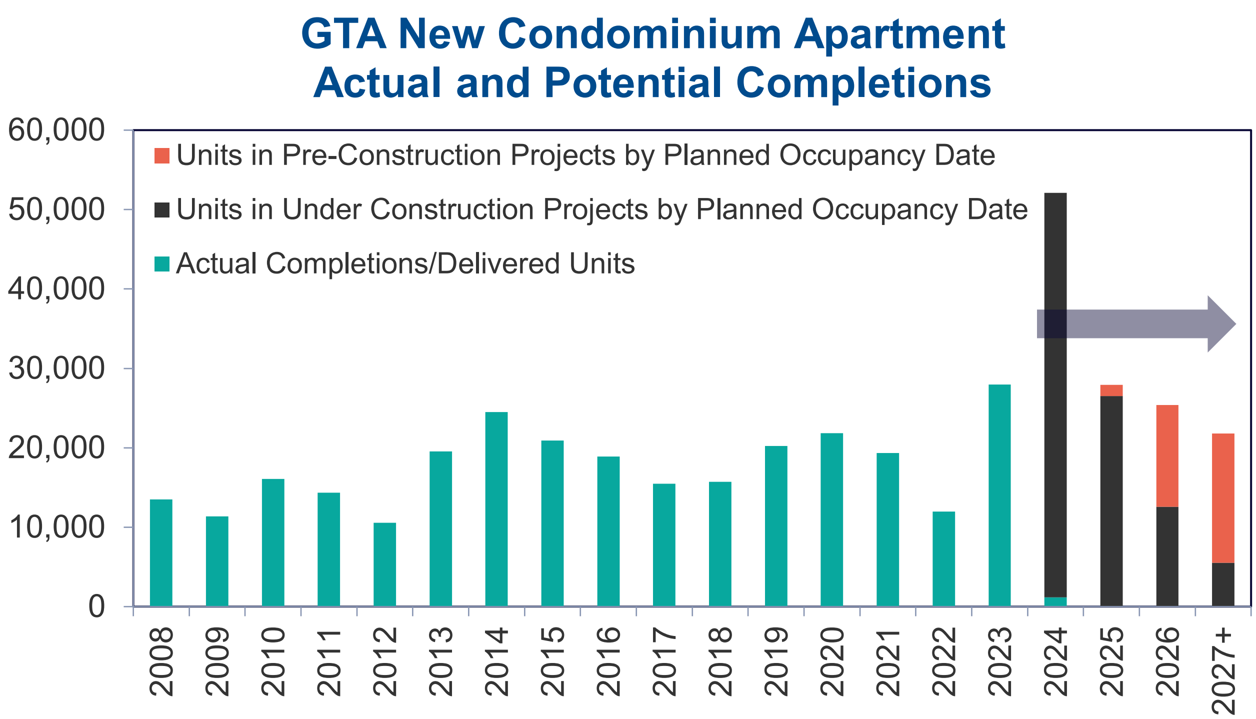
New Condominium Apartment Project Openings - February 2024		
Project Name	**Mile & Creek - Building E**	**Rise and Rose - Evelyn**
Developer	Mattamy Homes	Greenpark Group
Date Opened	February 1, 2024	February 23, 2024
Municipality	Milton	Richmond Hill
Region	Halton	York
Structural Type	Apartment	Apartment
Floors	8	25
Project Total Units	**160**	**273**
Total Units Released	**160**	**263**
Studio	-	-
1 Bedroom	32	51
1 Bedroom + den	77	129
2 Bedroom	23	76
2 Bedroom + den	19	6
3 Bedroom & up	9	1
Penthouse	-	-
Townhouse	-	-
Other	-	-
Opening Month Sales	**64**	**0**
% Sold (of released units)	40%	0%
Remaining Available Inventory	96	263
Original $PSF	$1,026	$1,007
Minimum Size (sq. ft.)	504	492
Maximum Size (sq. ft.)	955	1,125
Minimum Price	$561,990	$531,900
Maximum Price	$892,990	$982,900
Notes		No firm sales as all deals were subject to the 10-day conditional period

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of February 2024, there were about 126,100 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were only 428 units delivered in February 2024** – less than one-quarter of the 10-year average.
- Based on planned occupancy dates, and only considering units currently under construction, one might expect that annual completions of condominium apartment units will be 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

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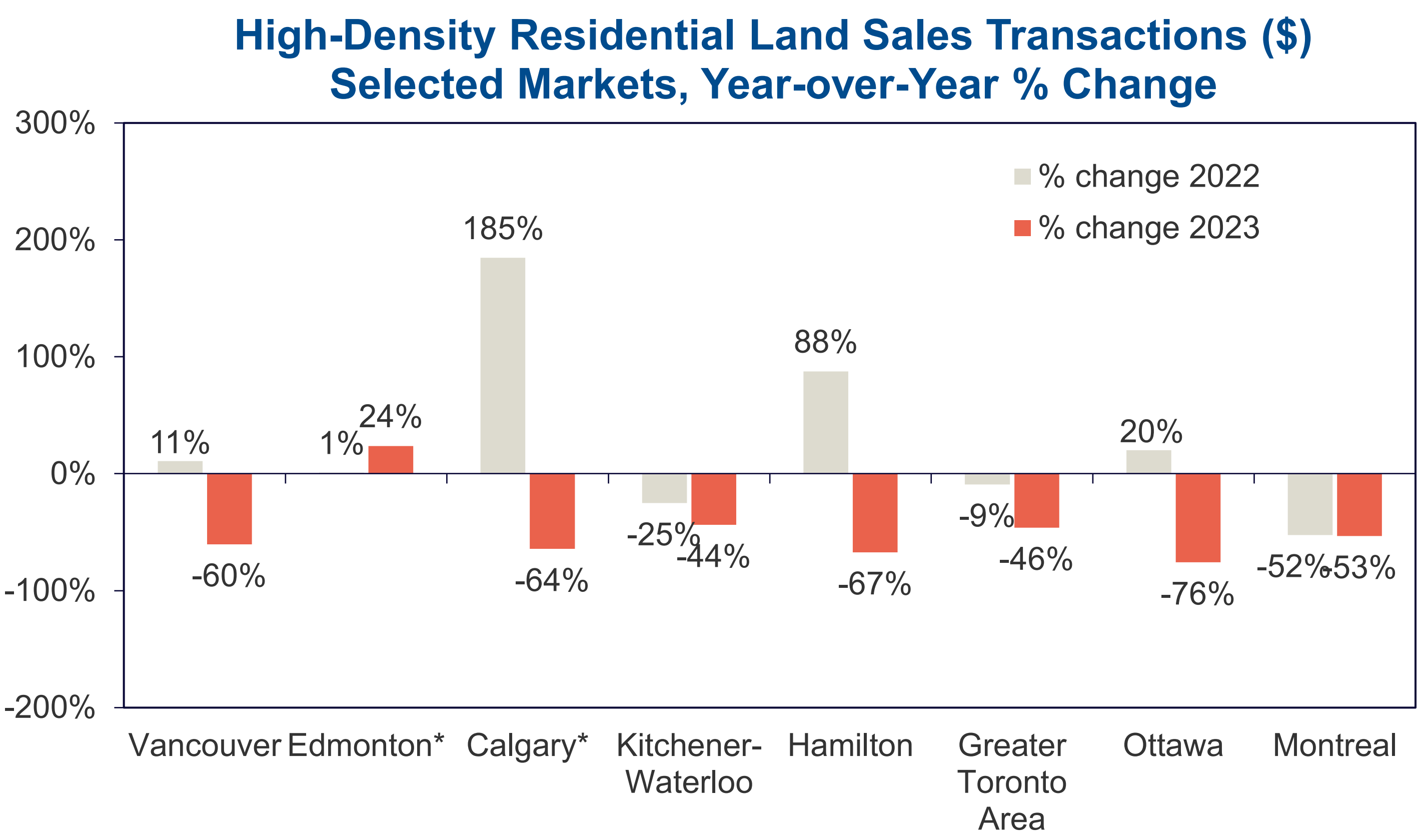
High-Density Residential Land Sales

- **Investors continued to pull back from acquiring land for high-density development** (i.e. land for condominium apartment and purpose-built rental projects)
- **Sales of high-density residential land fell by close to half in the GTA in 2023**, after remaining flat in 2022.
- **Most other markets tracked by Altus Group also saw a decline in high-density land sales in 2023**.



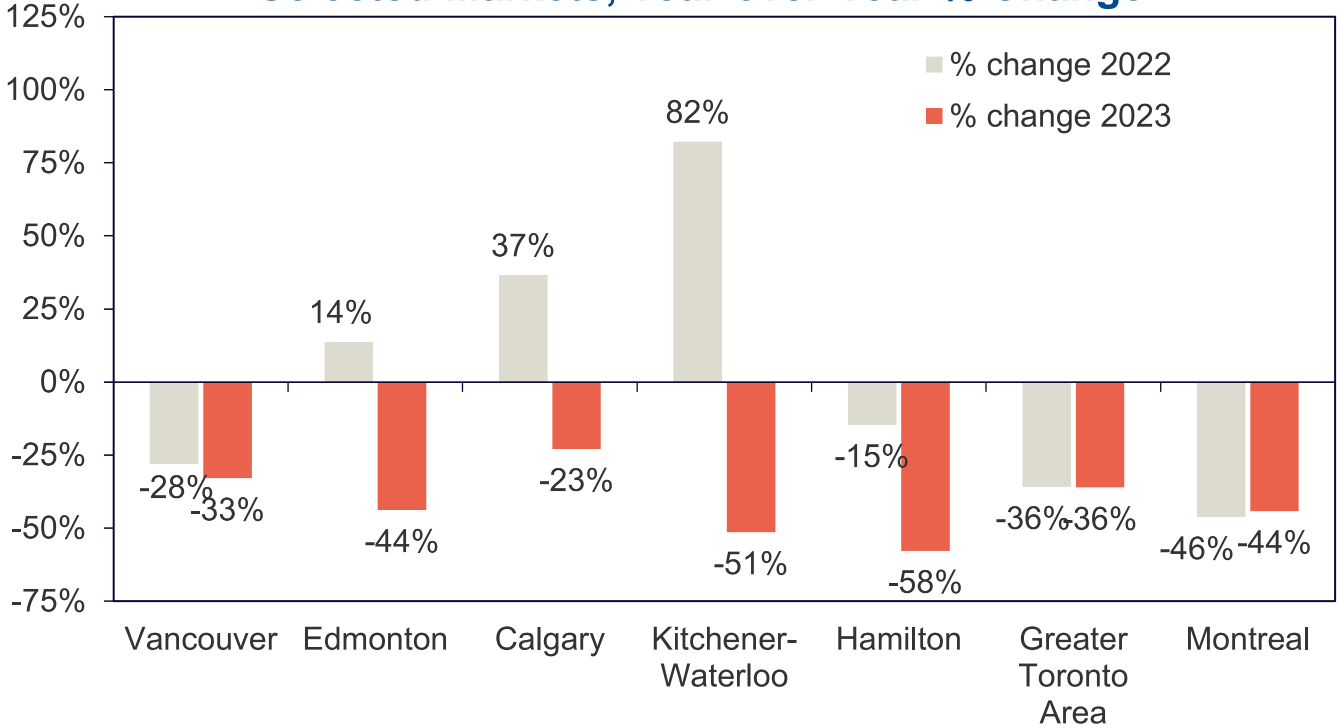
* Calgary and Edmonton are YTD Q3

Source: Altus Group

New Condo Apartment Sales Across Canada

- **The GTA is not the only market to see weaker condominium apartment sales in 2023.**
- **All of the markets regularly tracked by Altus Group saw a decline in new condo sales last year, as buyers were faced with rising interest rates and growing affordability concerns.** Only the Calgary, Edmonton and Kitchener-Waterloo markets had posted higher sales 2022.

New Condominium Apartment Sales, Selected Markets, Year-over-Year % Change



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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