The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of March 2024

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New Condominium Apartment Dashboard

March 2024			YTD March 2024	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
601	16,318	$1,054,906	1,253	$1,051,546
-38% ▼	+26% ▲	-6% ▼	-41% ▼	-4% ▼
Lowest March since 2009	*Highest March since 2016*	*Lowest March since 2020*	*Lowest YTD March since 2009*	*Lowest YTD March since 2020*

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

Highlights

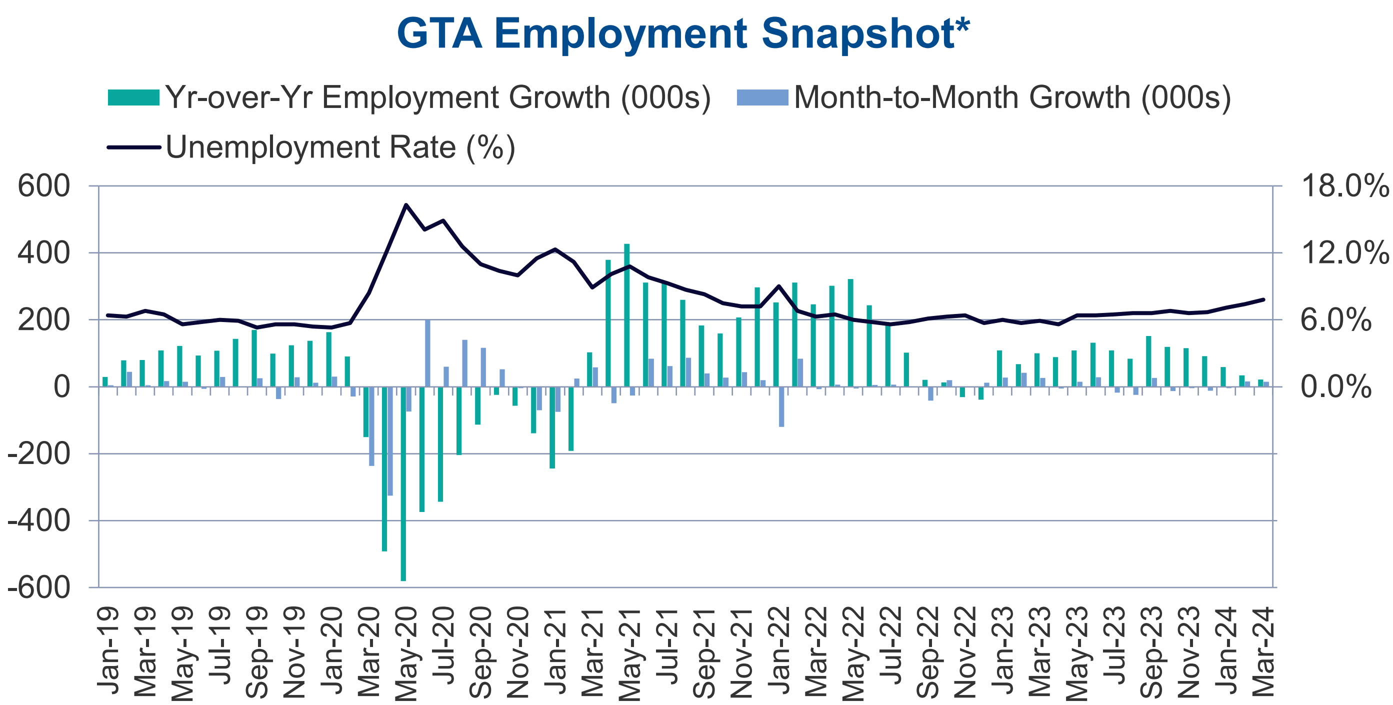
- **Total new condominium apartment sales in the GTA were the 2nd lowest March in the last 15 years**.
- **The inventory of available new condo apartments dipped in March and remained well above the 10-year average.**
- **The benchmark price of a new condominium apartment inched higher in March but recorded a 16th consecutive year-over-year decline.**
- The start of 2024 has seen new condominium apartment sales slow dramatically. Buyers continue to remain very hesitant to moved ahead with purchases as they await indications that interest rates will be cut by the Bank of Canada. Builders have responded with fewer project launches putting the entire industry in a wait-and-see period.

GTA Condominium Apartment Key Performance Indicators

	Mar-23	Feb-24	Mar-24	*Yr-Over-Yr % Change*	YTD Mar 2023	YTD Mar 2024	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	354	350	352	*-1%*	351	353	*0%*
New projects opened	4	2	3	*-25%*	13	5	*-62%*
Units in new projects opened	920	436	225	*-76%*	3,918	661	*-83%*
Total sales (units)	962	408	601	*-38%*	2,134	1,253	*-41%*
Sales as % of total new & resale	*31%*	*20%*	*25%*		*32%*	*21%*	
Inventory (units)	13,000	16,742	16,318	*26%*	12,691	16,564	*31%*
Sales-to-inventory ratio	7%	2%	4%	*-50%*	6%	3%	*-54%*
Months of inventory	10.9	15.5	15.6	*42%*	9.3	15.4	*65%*
Benchmark price	$1,117,867	$1,047,258	$1,054,906	*-6%*	$1,119,407	$1,051,546	*-6%*
Price PSF Benchmark	$1,379	$1,346	$1,355	*-2%*	$1,372	$1,352	*-1%*
Unit size Benchmark (sq. ft)	811	778	779	*-4%*	816	778	*-5%*
Units completed	2,550	1,331	2,149	*n.a.*	3,406	4,237	*24%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,121	1,586	1,842	*-13%*	4,526	4,763	*5%*
New listings (units)	3,600	3,793	4,292	*19%*	9,154	11,311	*24%*
Inventory ("active listings", units)	3,930	5,172	5,834	*48%*	3,840	5,233	*36%*
Sales-to-inventory ratio	54%	31%	32%	*-41%*	39%	30%	*-23%*
Months of inventory	2.6	3.1	3.6	*37%*	2.4	3.2	*32%*
Average price of units sold	$703,566	$695,345	$700,046	*-1%*	$700,848	$693,417	*-1%*
HPI constant quality price index (Jan 2005=100)	361.6	353.0	355.9	*-2%*	358.7	354.6	*-1%*

** see end of report for Definitions*

- **Year-over-year employment growth in March recorded a 15th consecutive month of positive growth, and month-to-month growth turned positive for a 2nd month in succession.** The GTA unemployment rate continued to rise and sat at 7.8%, its highest level in over two years.
- **The Bank of Canada held the target for the overnight rate steady at its latest rate announcement on April 10**, stating that **"***In Canada, economic growth stalled in the second half of last year and the economy moved into excess supply . . . Employment has been growing more slowly than the working-age population and the unemployment rate has risen gradually . . . There are some recent signs that wage pressures are moderating. Overall, the data point to an economy in modest excess supply.. . The Bank expects CPI inflation to be close to 3% during the first half of this year, move below 2½% in the second half, and reach the 2% inflation target in 2025.. . . While inflation is still too high and risks remain, CPI and core inflation have eased further in recent months. The Council will be looking for evidence that this downward momentum is sustained. Governing Council is particularly watching the evolution of 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 June 5.**
- **Variable rate mortgage interest rates remained above the average 5-year fixed special rate with the spread climbing to almost 190 basis points.** The 5-year "special rate" mortgage has fallen by 1 full percentage point since the end of November *(chart next page, bottom).*



Source: Altus Group based on Statistics Canada data

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

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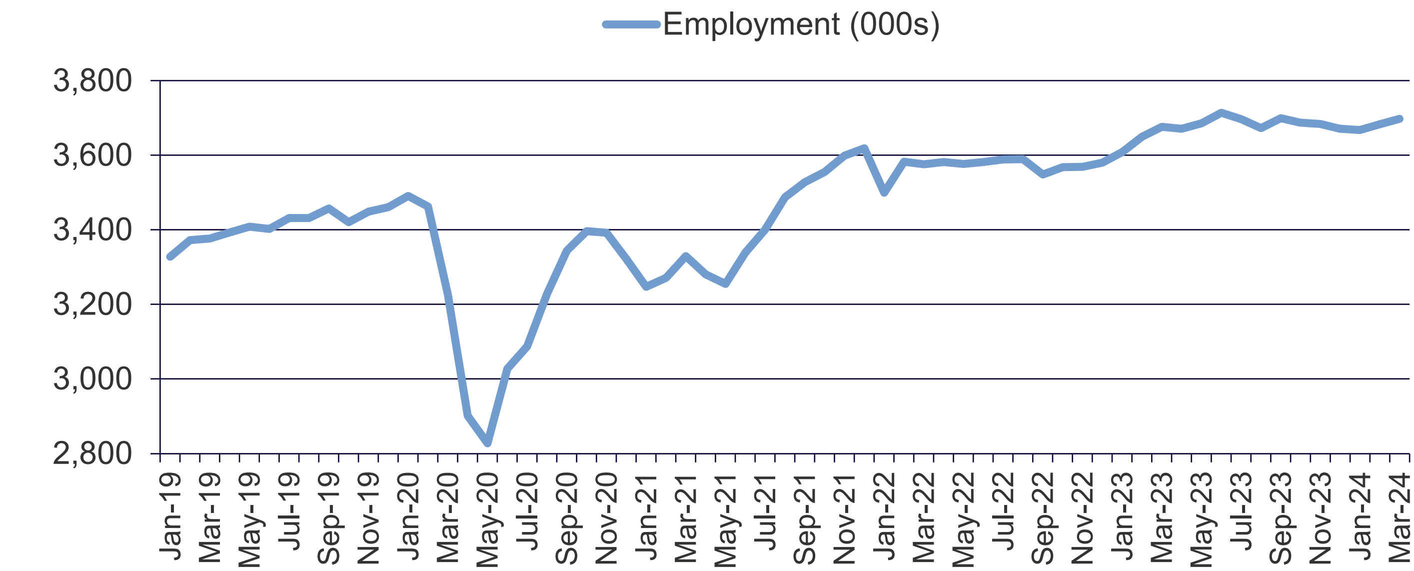
GTA Total Employment*



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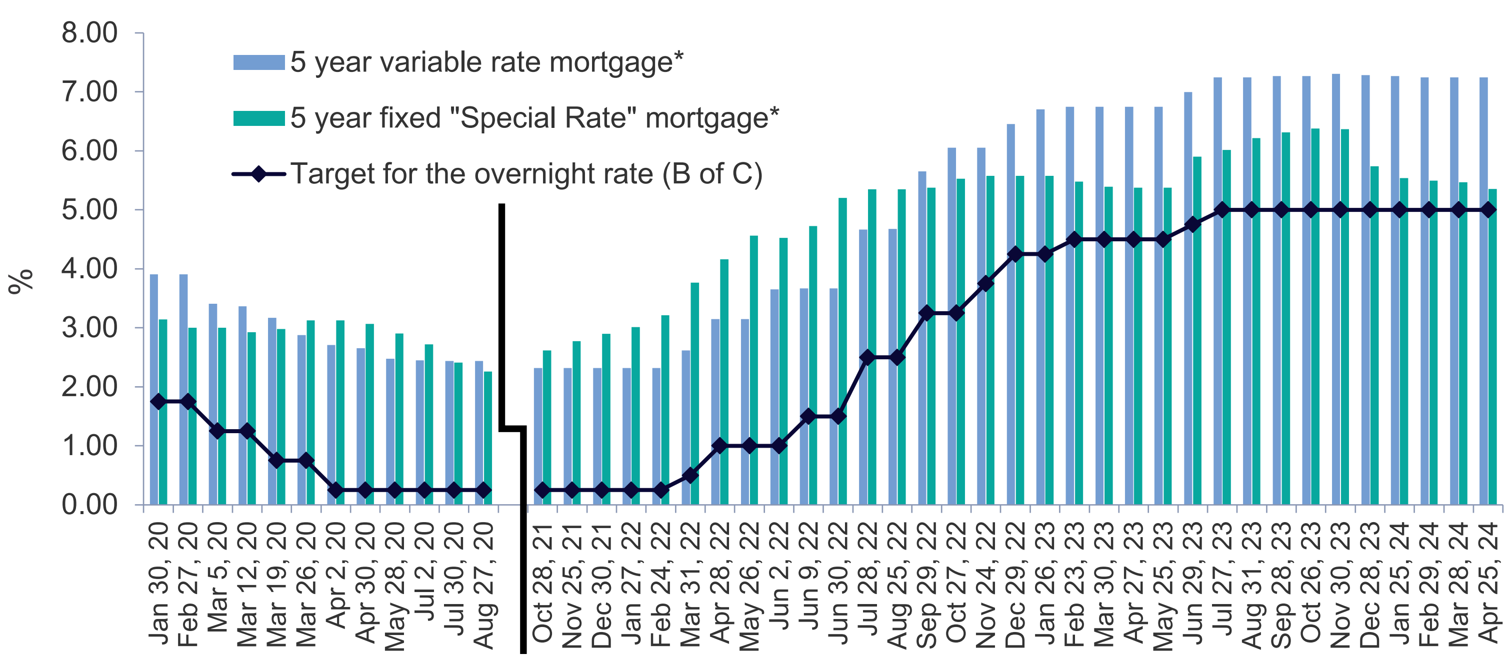
Source: Altus Group based on Statistics Canada data

Selected Interest Rates

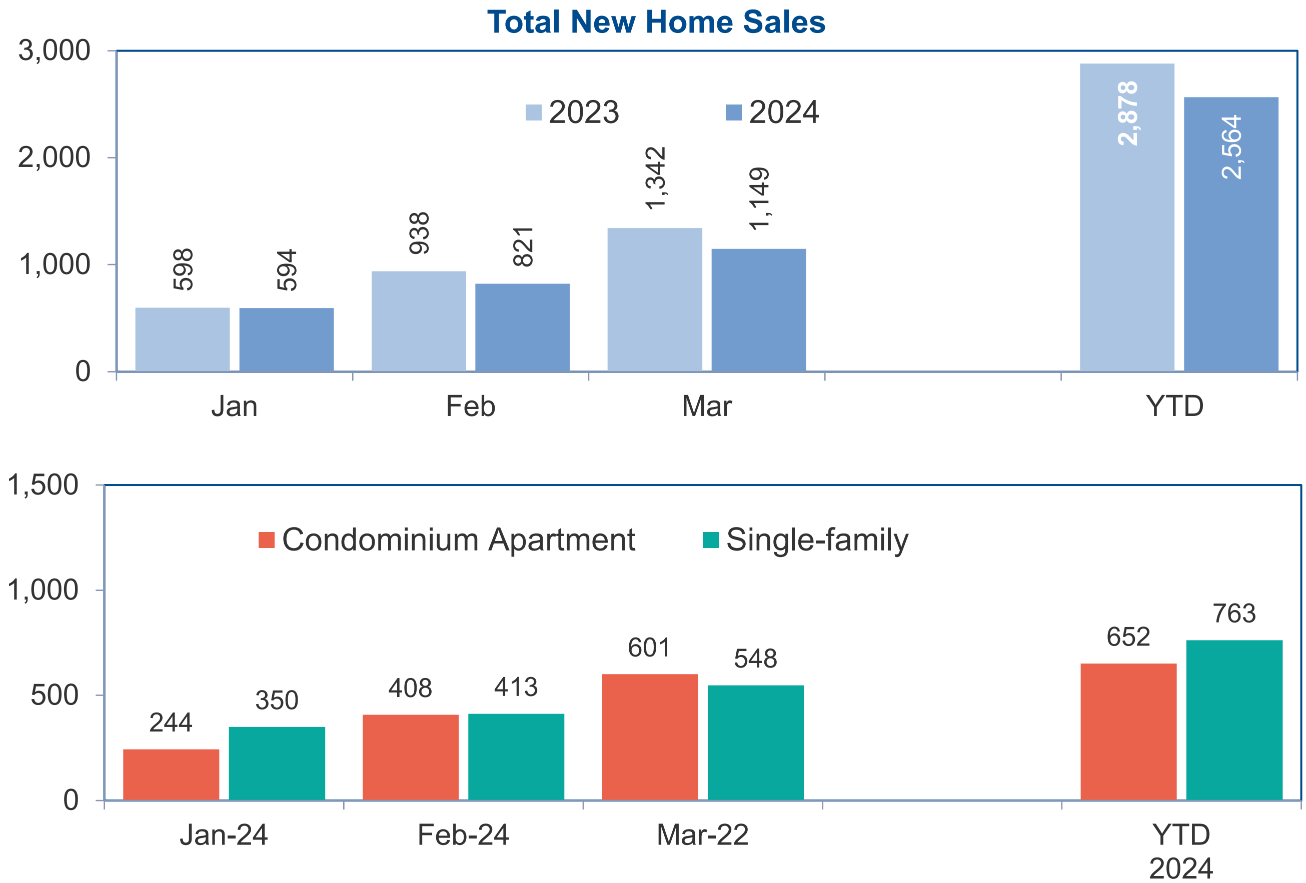


** Average for the major banks*

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

- **For a third consecutive month, GTA new home sales recorded their lowest monthly level on record.** March sales of new condominium apartments hit a 15-year low while new single-family home sales registered an increase from the low level of 2023.
- **The weakness in new home sales was focused in the condominium sector in Toronto** (*charts next page*).
- Results were mixed at the local municipality level with gainers led by Milton, Oakville and Richmond Hill while the old City of Toronto and Etobicoke recorded the largest declines *(chart after next page*).

GTA New Home Sales



Source: Altus Group

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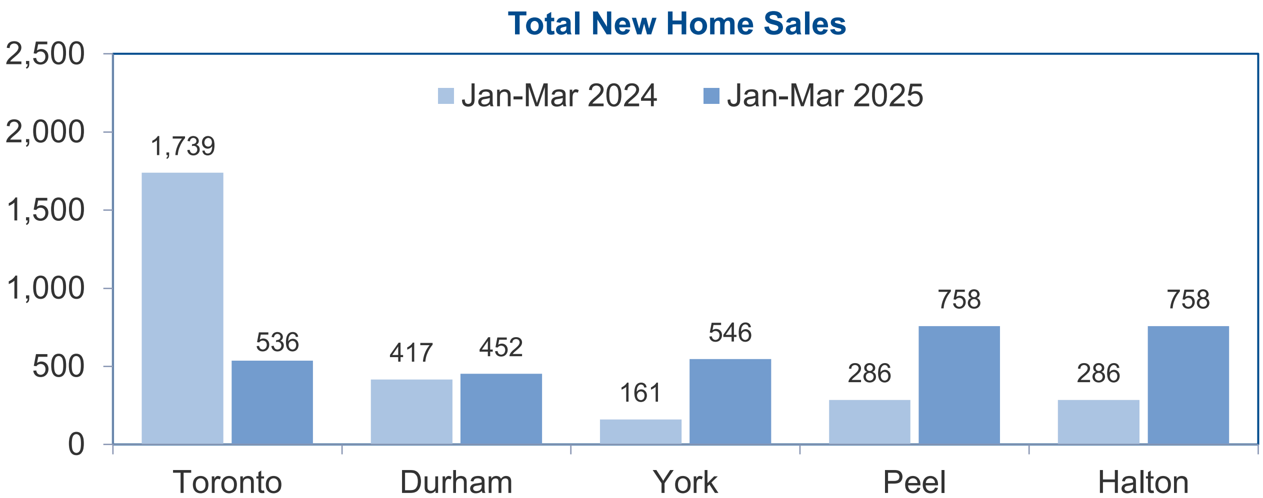
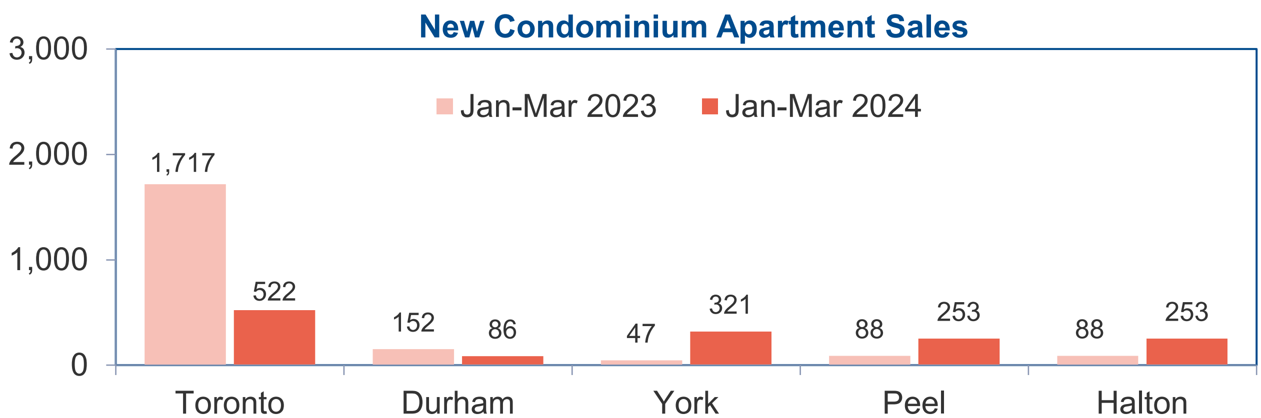
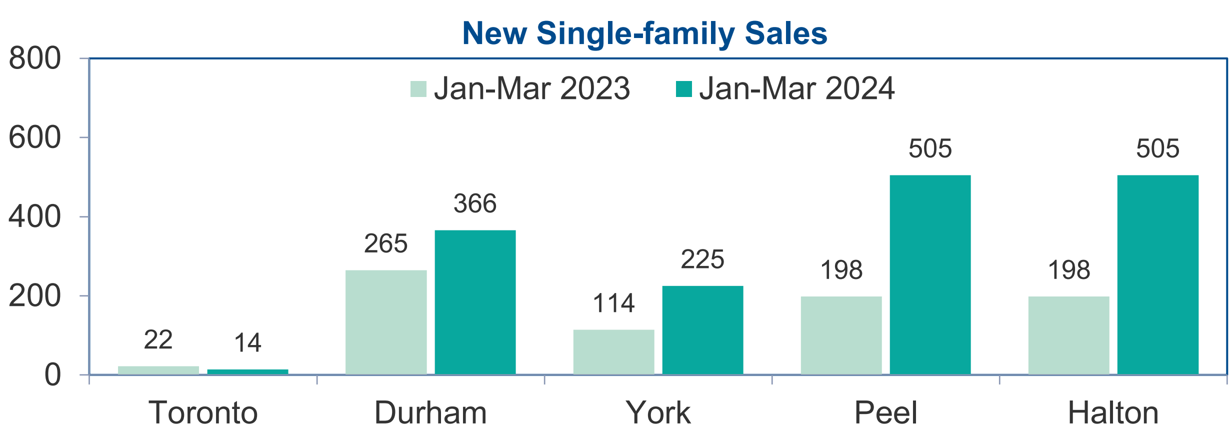
GTA New Home Sales by Region







Source: Altus Group

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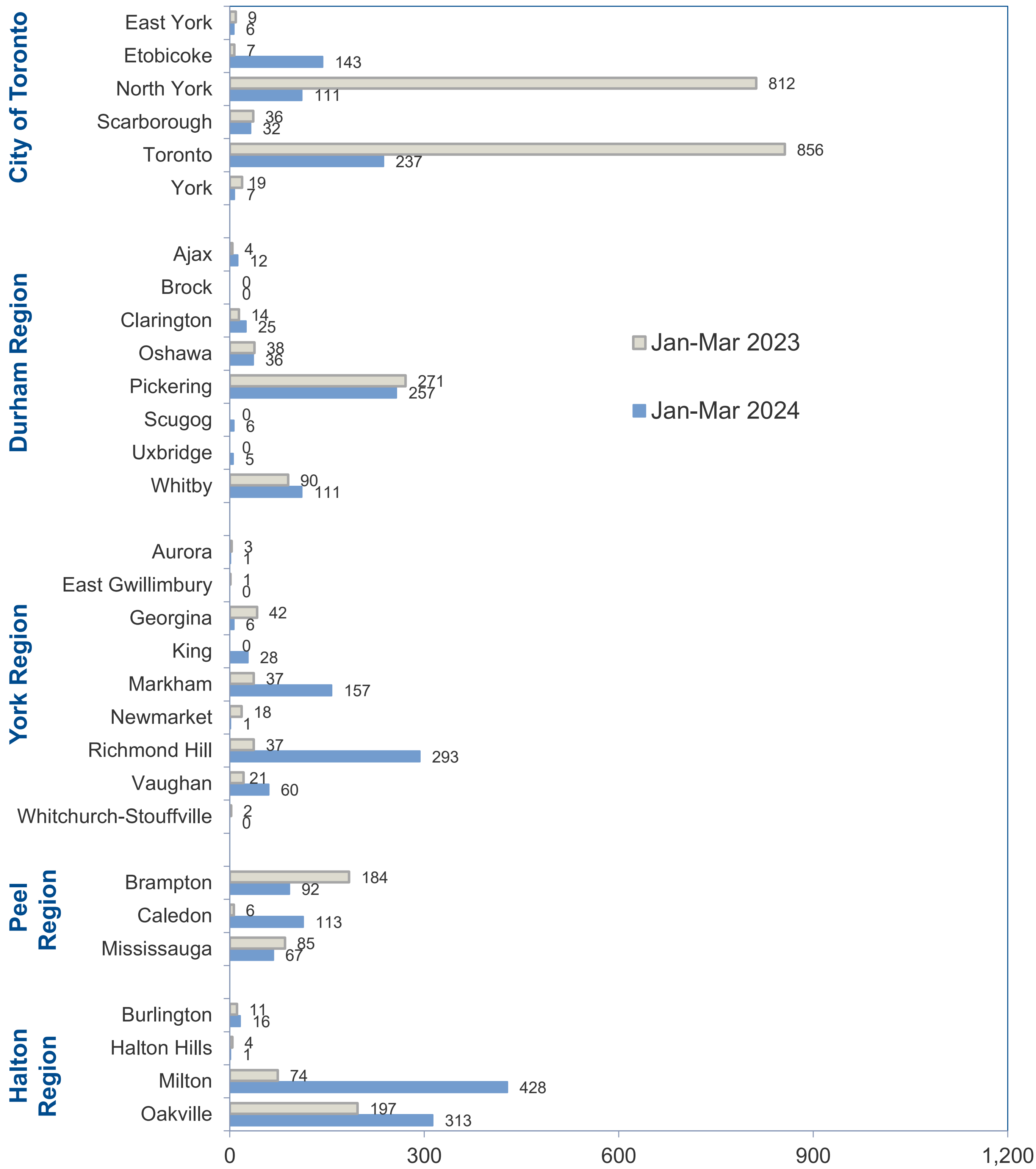
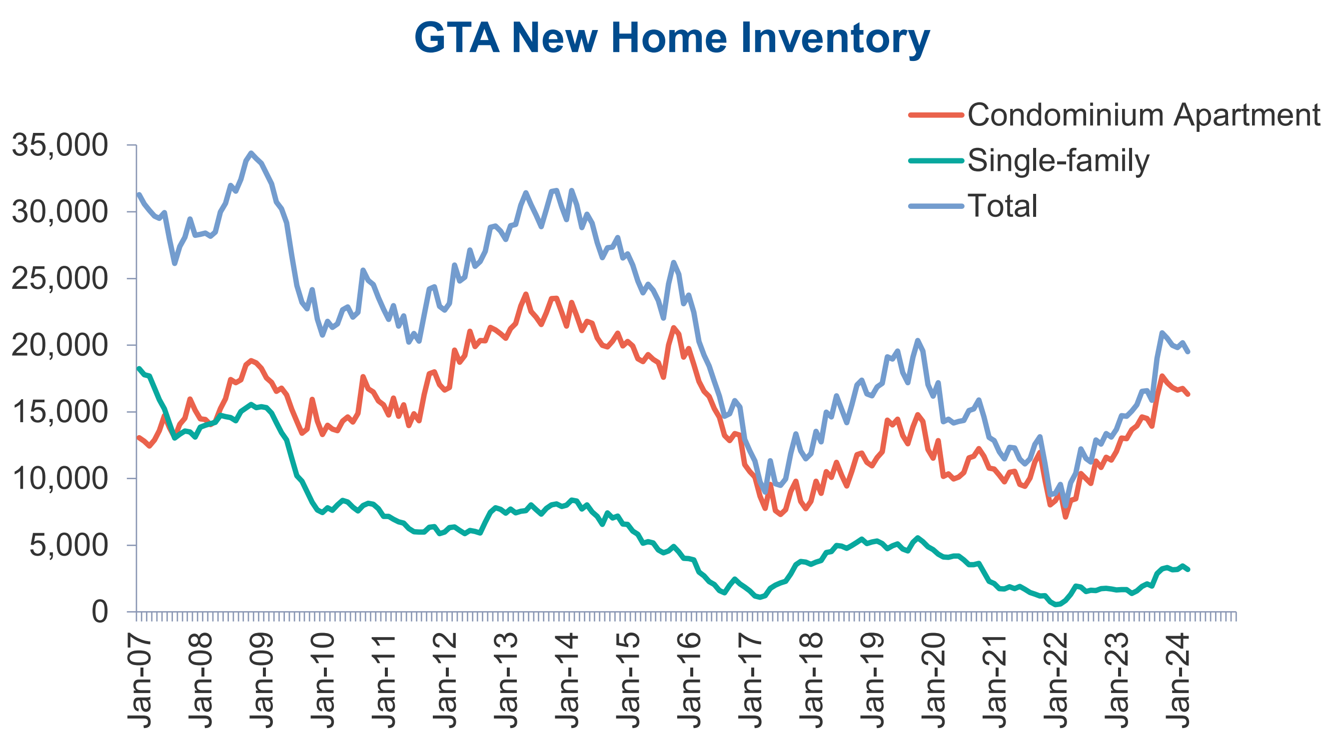
GTA Total New Home Sales by Municipality



Source: Altus Group

New Home Market - Inventory

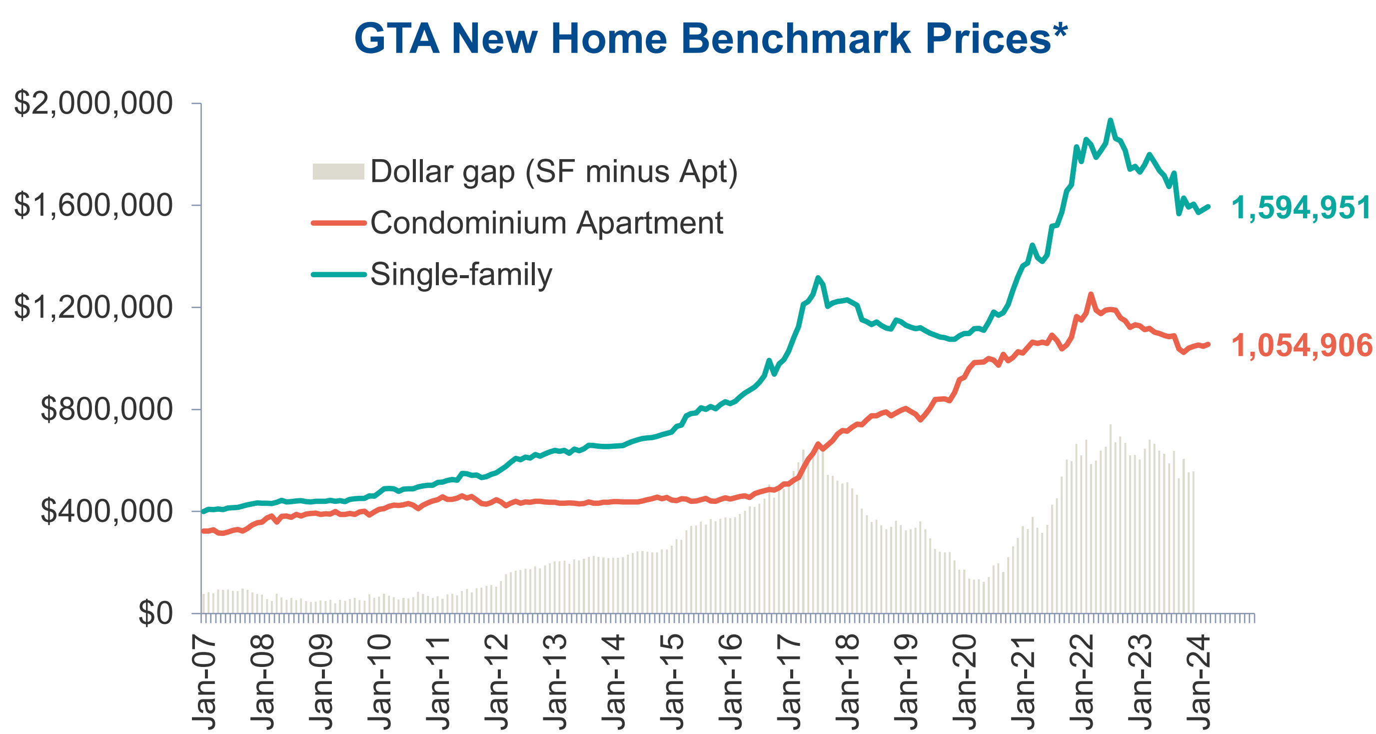
- **The total inventory of new homes across the GTA dipped in March 2024 but remained above the 10-year average.** Total inventory was up by one-third compared to a year earlier.
- **Both condominium apartment and single-family inventory was down from the previous month.**
- Based on average monthly total new home sales over the past 12 months, there were about 13.5 months of available supply of total new homes at the end of March 2024, well above the long-term average for March of about 7 months.



Source: Altus Group

New Home Market - Prices

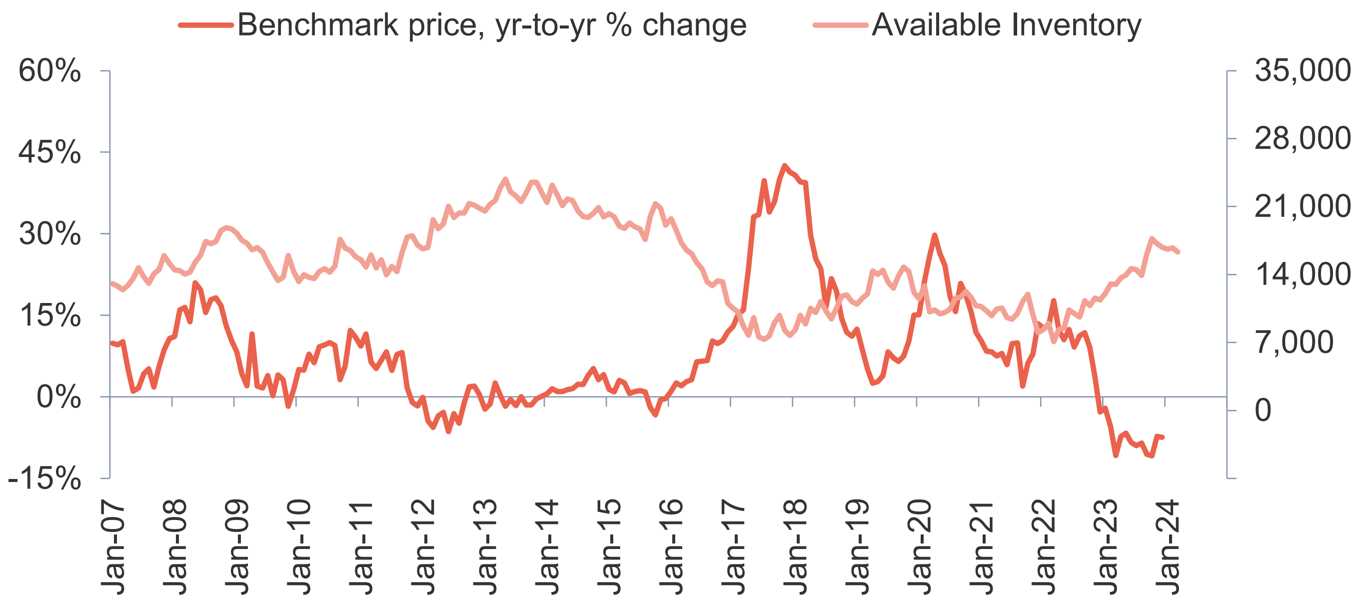
- **The benchmark price for a new condominium apartment slipped by six percent in March 2024 compared to the previous year.** Single-family benchmark pricing also moved lower in March, down 11 percent.
- **The price advantage of available new condominium apartments compared to new single-family homes widen slightly again in March.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for a 16th 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*

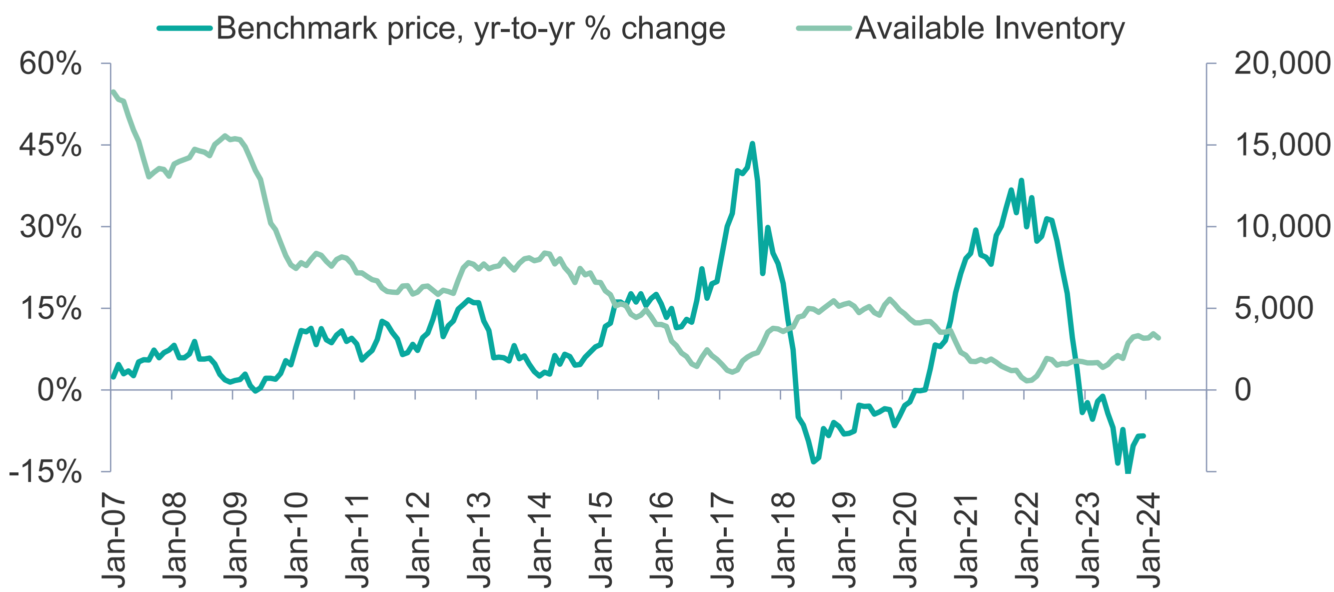
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

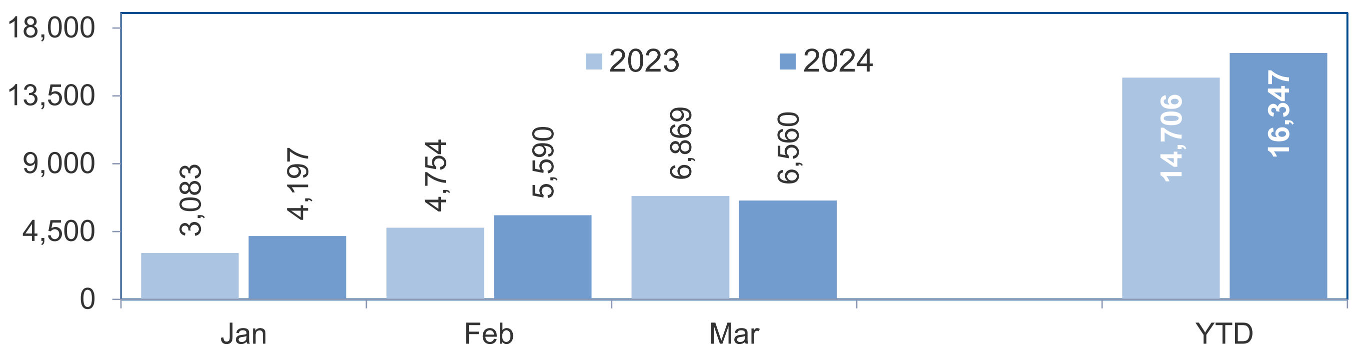
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

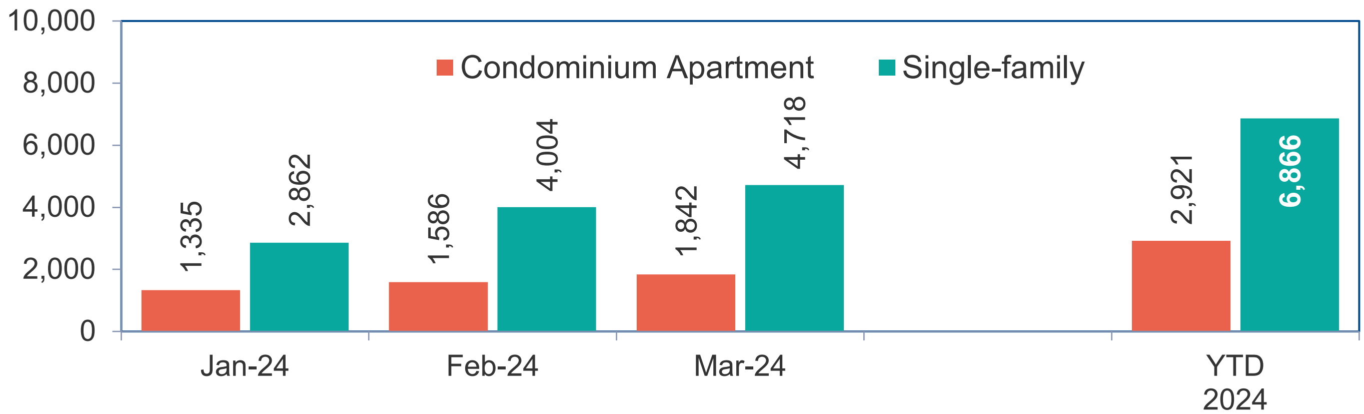


Source: Altus Group

- **Sales of existing homes in March 2024 came in lower than the previous year after three consecutive year-over-year increases,** and remain well below the 10-year average.
- **Total inventory continued to rise posting a 9th consecutive year-over-year increase** with resale condominium apartment inventory up nearly 50 percent from the previous year while resale single-family inventory increased by 7 percent from March 2023 *(chart next page, top).*
- The average sales price for existing condominium apartment and single-family homes in March 2024 were little changed from a year earlier *(chart next page, bottom).*

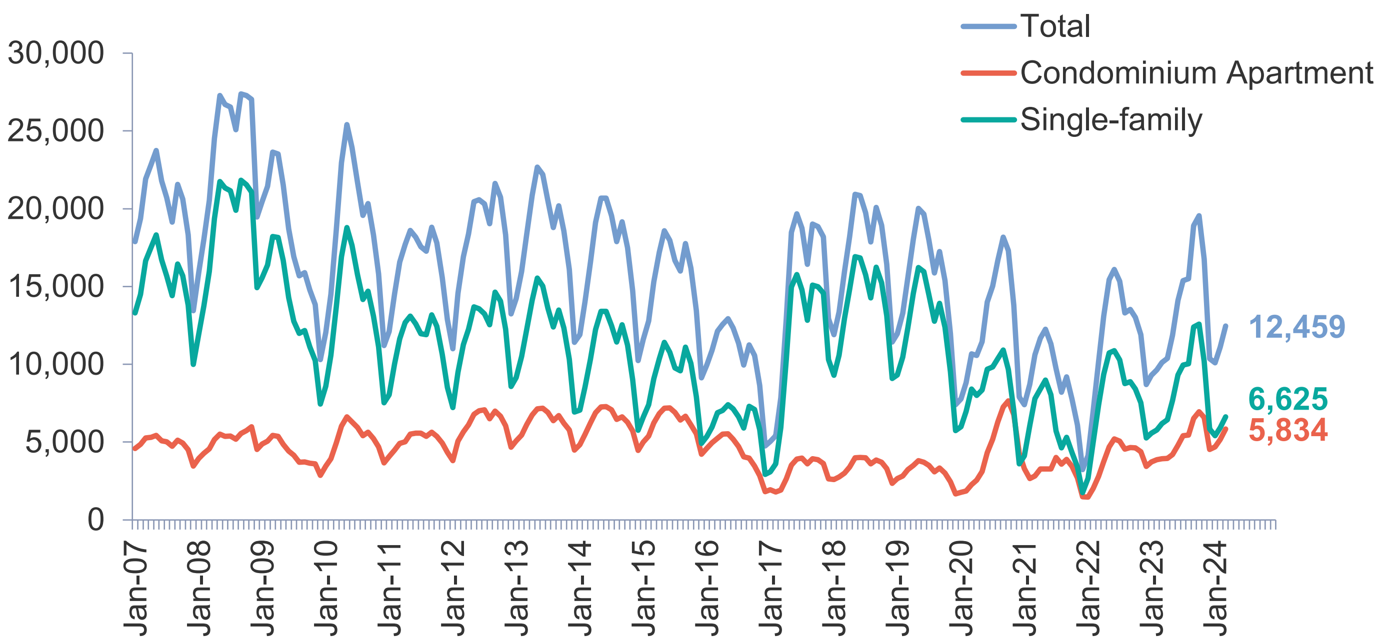
GTA Resale Home Sales





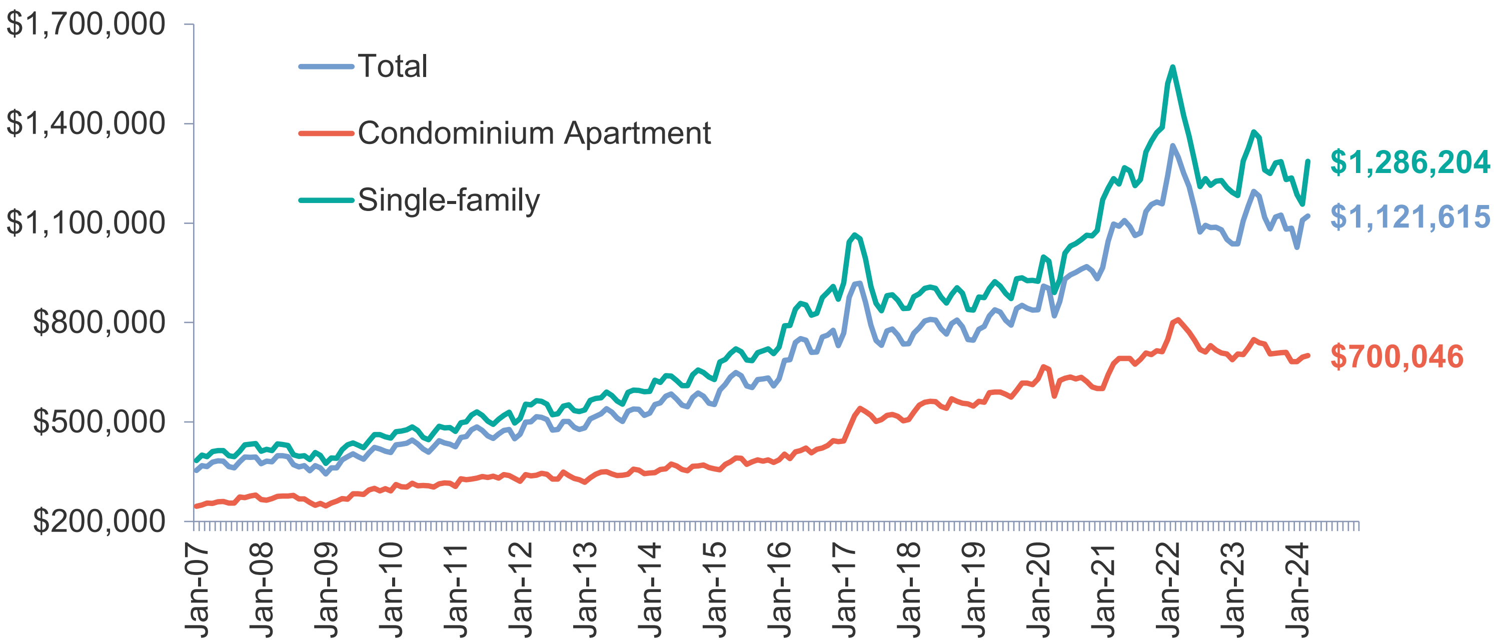
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

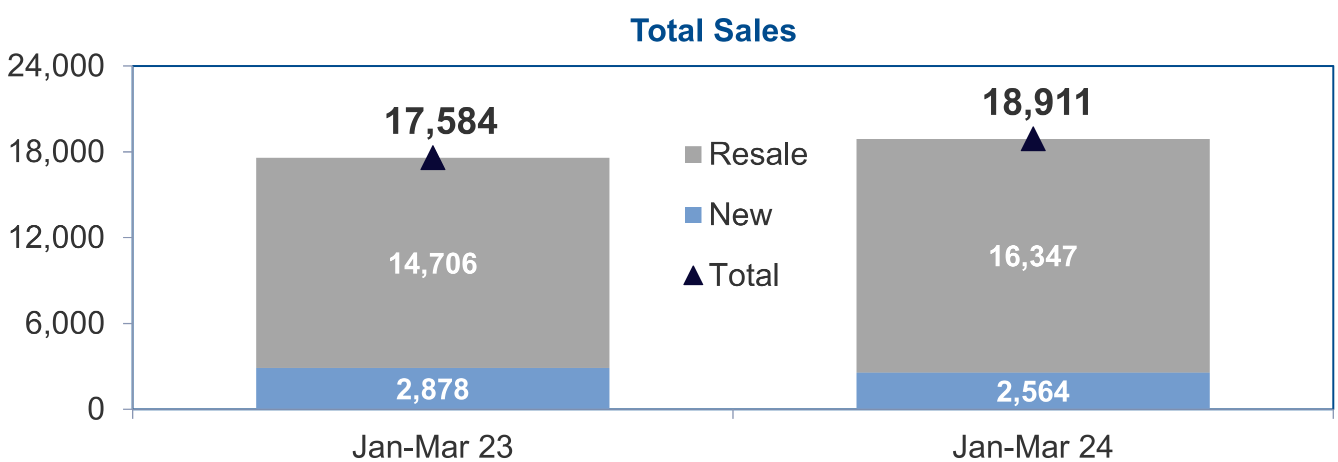


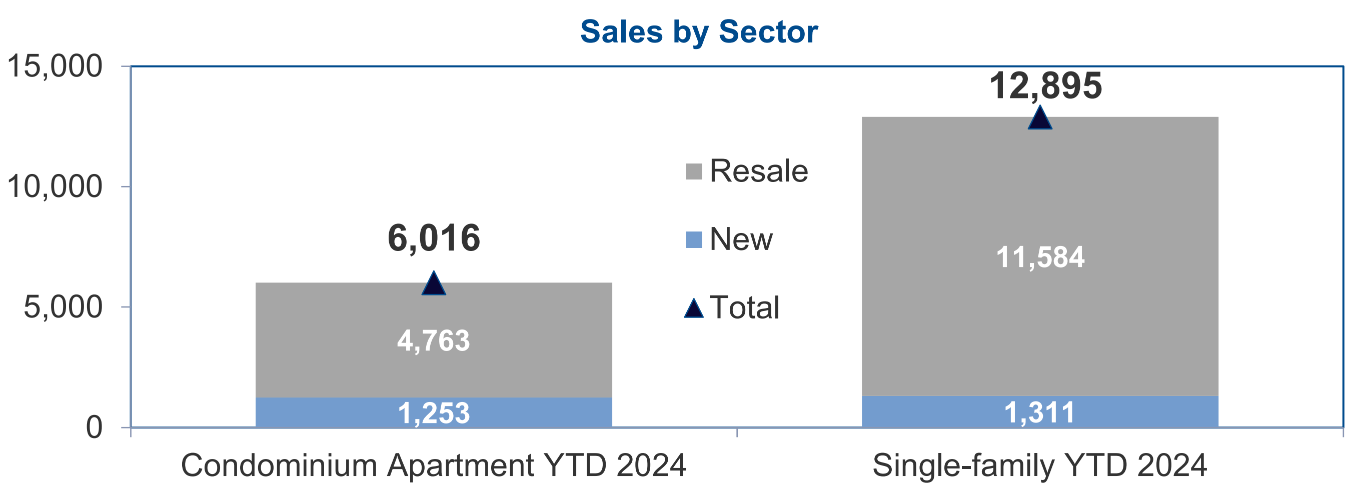
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Year-to-date total home sales in the GTA through the first quarter of 2024 were up 8 percent from a year earlier.** The increase was focused in the resale sector (+11%) with sales falling in the home sector (-11%).
- **The new home sector accounted for about 1 out of every 7 home for the first three 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 5 condominium apartment homes sold were new homes.

GTA Combined New & Resale Home Sales



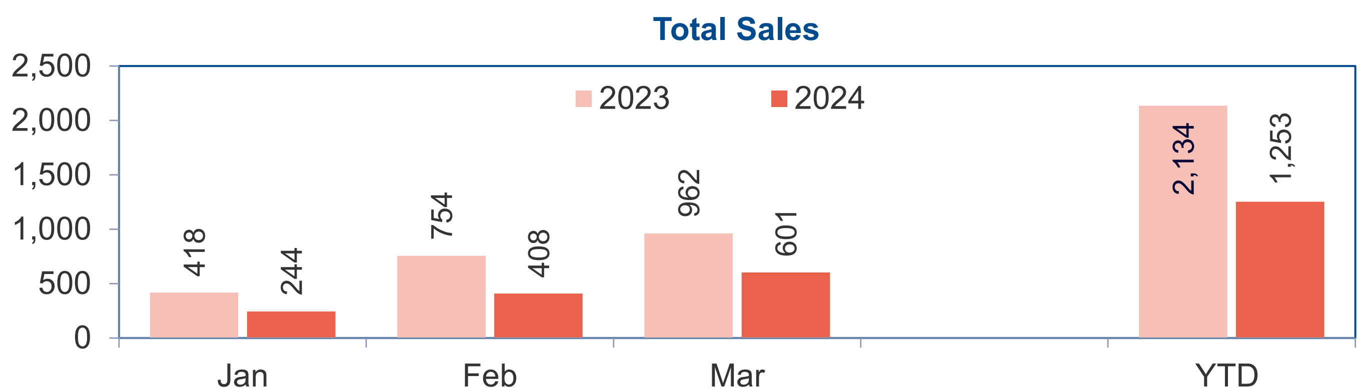


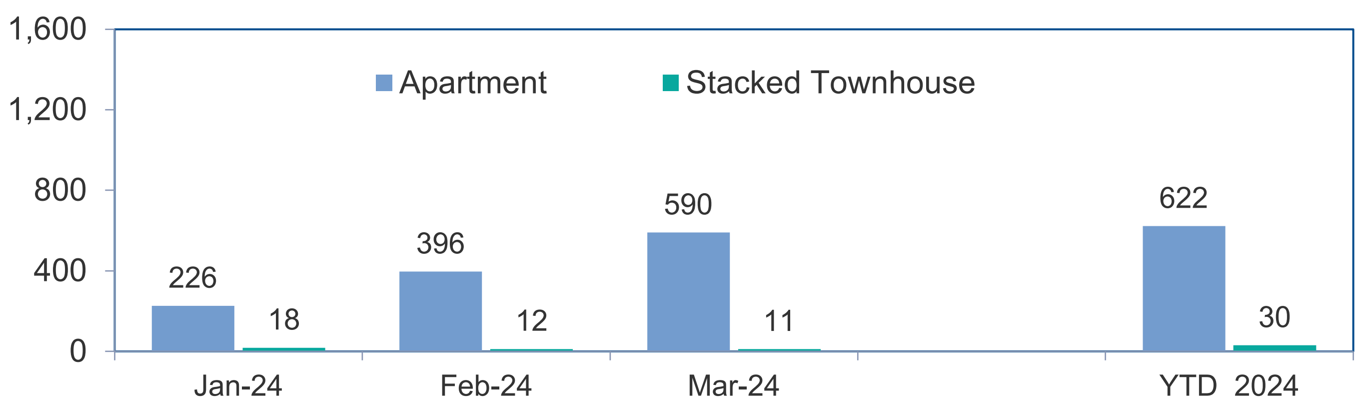
Source: Altus Group and Toronto Regional Real Estate Board data

New Condominium Apartments - Sales

- **Total new condominium apartment sales in the GTA were the 2nd lowest March (after 2009) on record**.
- **Lower new condominium sales in Toronto continue to drag down overall GTA numbers** *(chart top of next page)*. On a year-to-date basis, the sharp reduction in sales in Toronto offset 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*).
- At the local municipality level, the divergence in regional sales is evident with Etobicoke and Toronto levels well below last year while areas such as Richmond Hill and Milton have recorded a jump in sales in the first quarter of 2024 *(chart after next page)*.

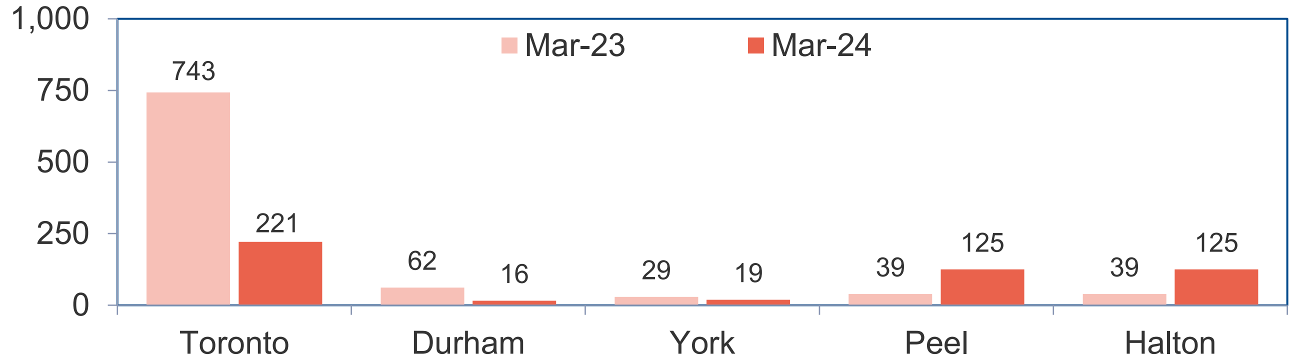
GTA New Condominium Apartment Sales

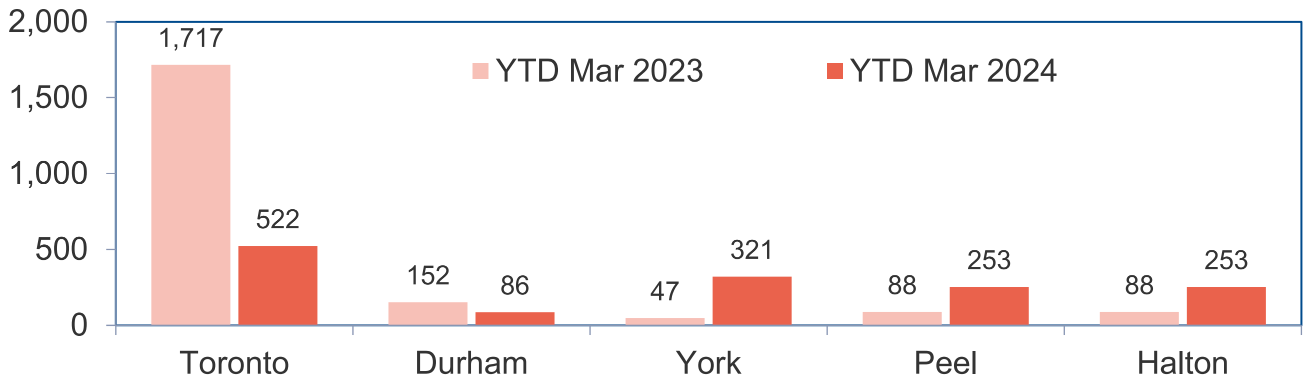


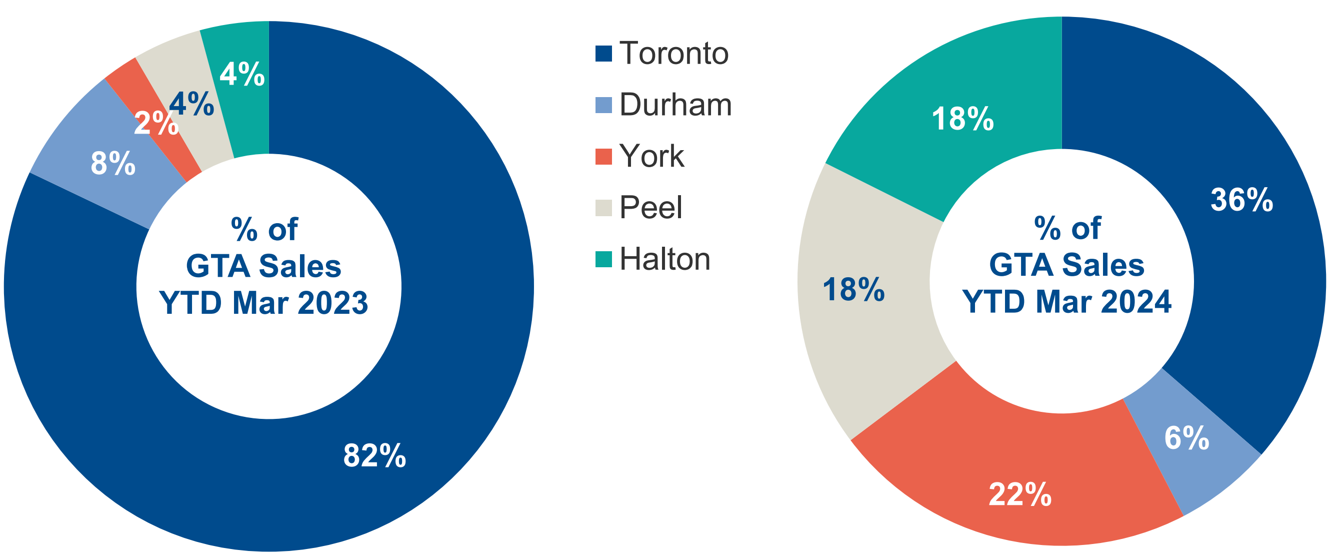


Source: Altus Group

GTA New Condominium Apartment Sales by Region

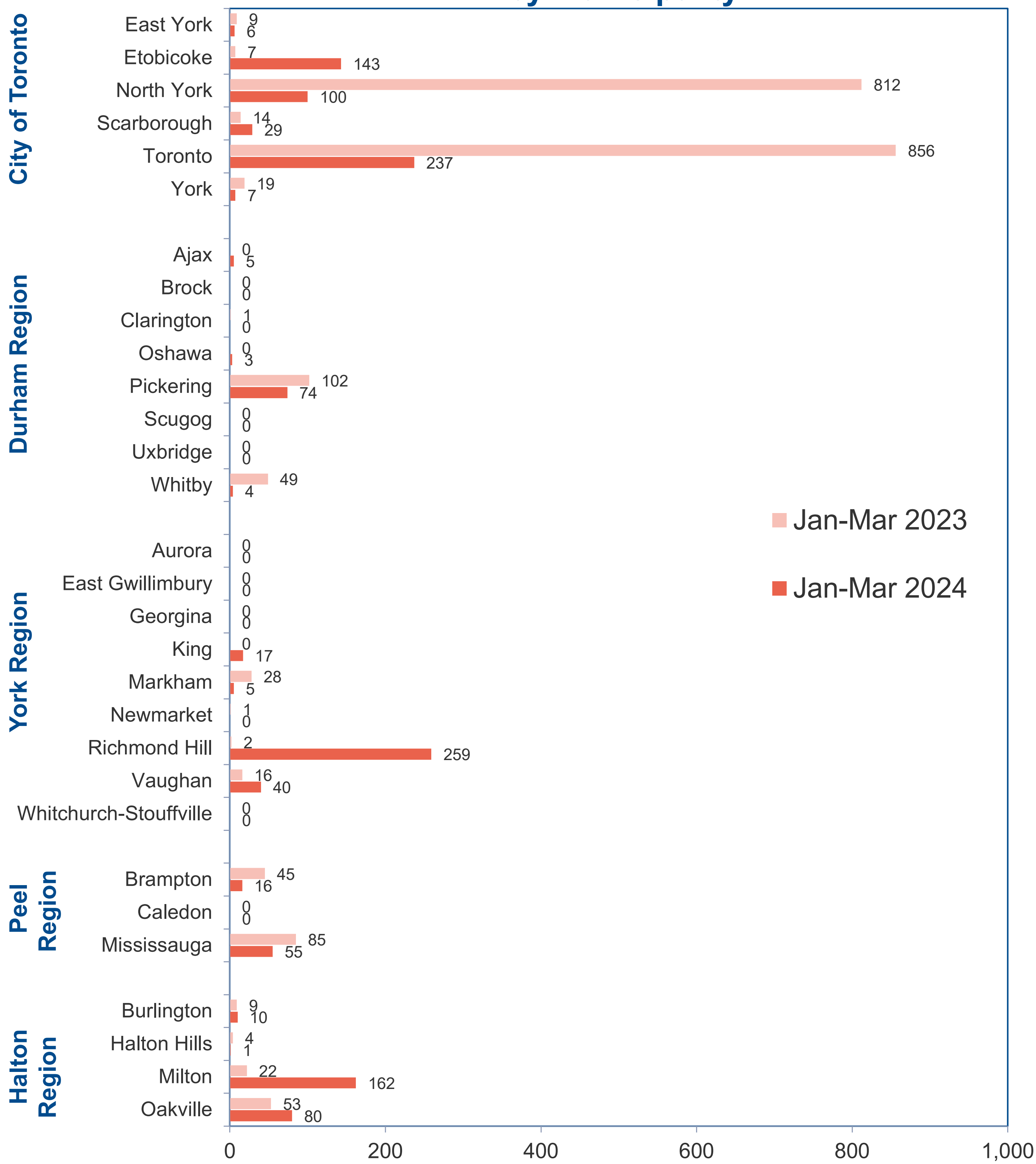






Source: Altus Group

GTA New Condominium Apartment Sales by Municipality

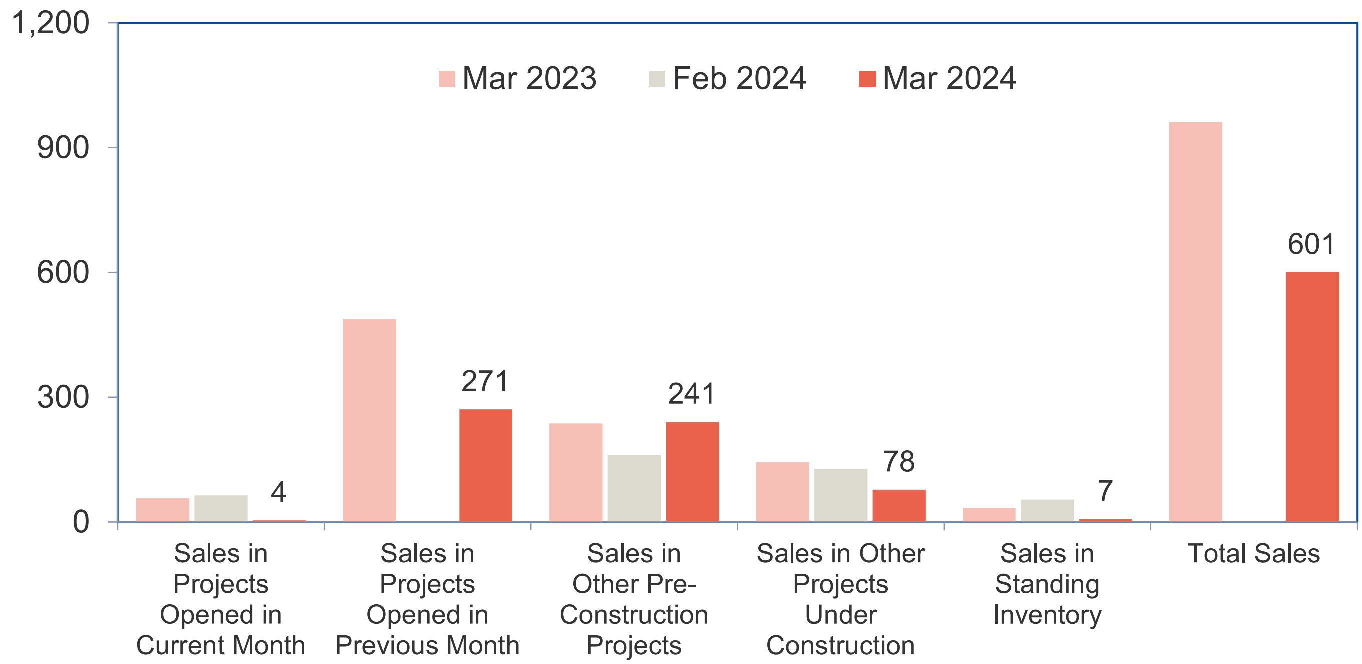


Source: Altus Group

New Condominium Apartments - Sales

- **Despite three new condominium apartment projects opening in March 2024, almost none of the new condominium sales occurred in these projects**. The bulk of sales in March occurred in projects opened the previous month (45%) and pre-construction projects opened two months or more ago (40%).
- **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.

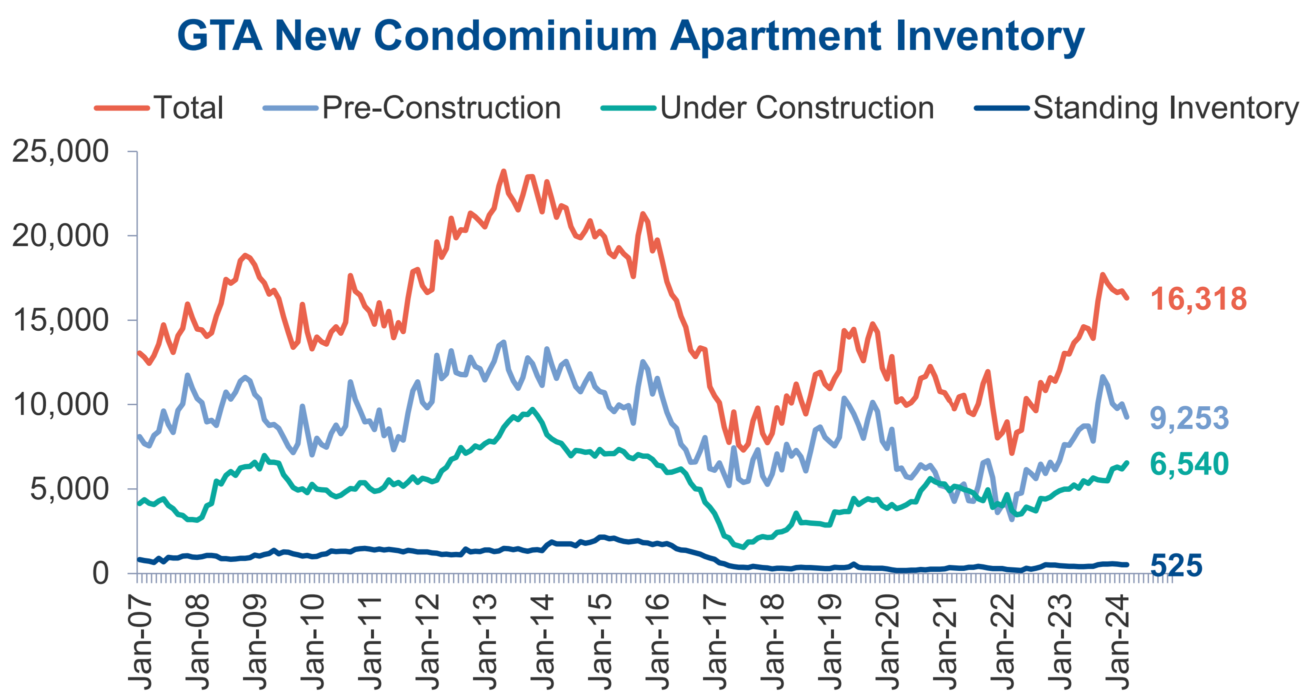
GTA New Condominium Apartment Sales by Construction Status



Source: Altus Group

New Condominium Apartments - Inventory

- **The inventory of available new condo apartments dipped in March and remained 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 March of 9.5 months.
- **Over three-quarters 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 7.5 months in York to a high of just over 20 months in Toronto.

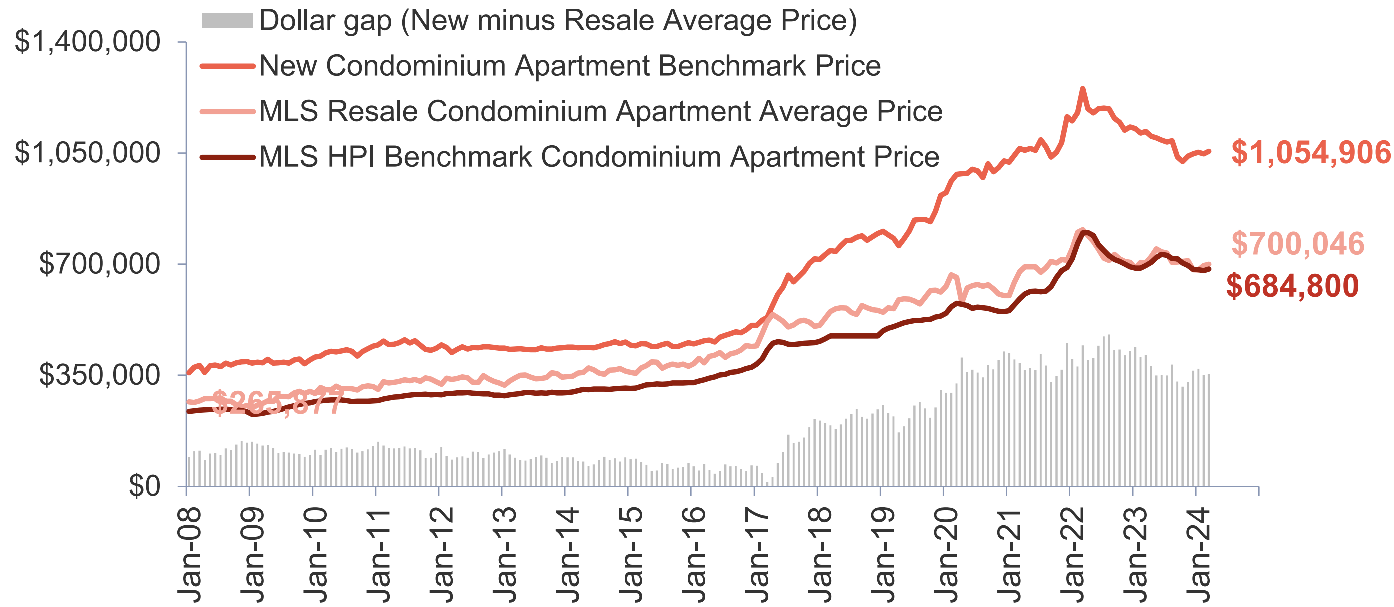


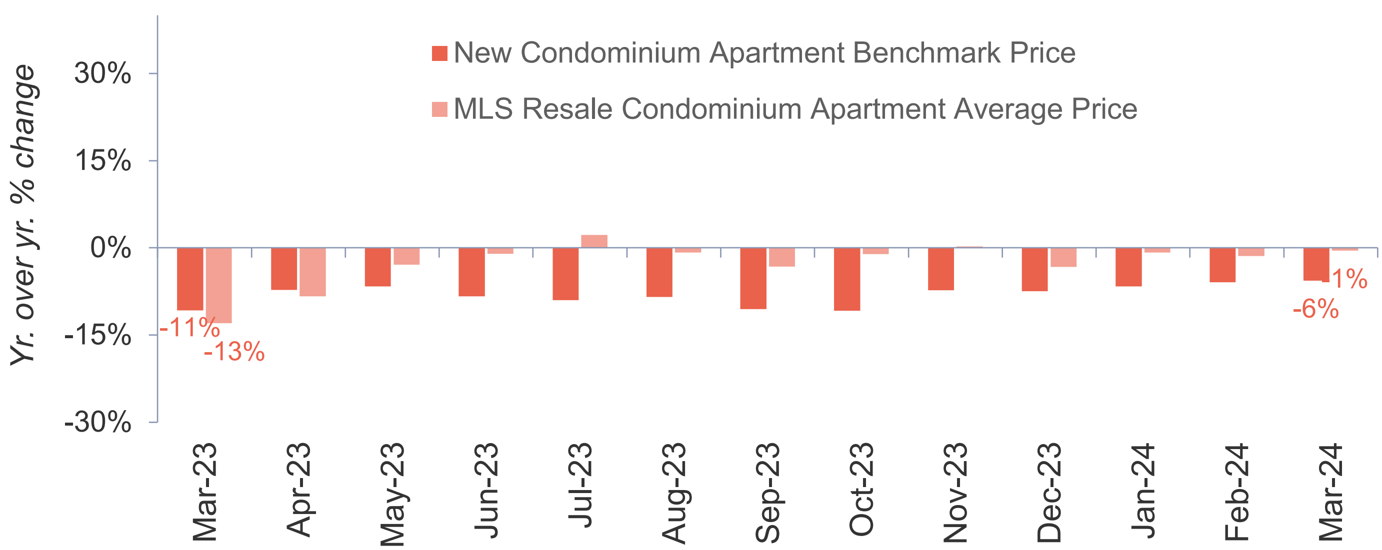
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment nudged high in March 2024 but recorded a 16th 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 further in March.**

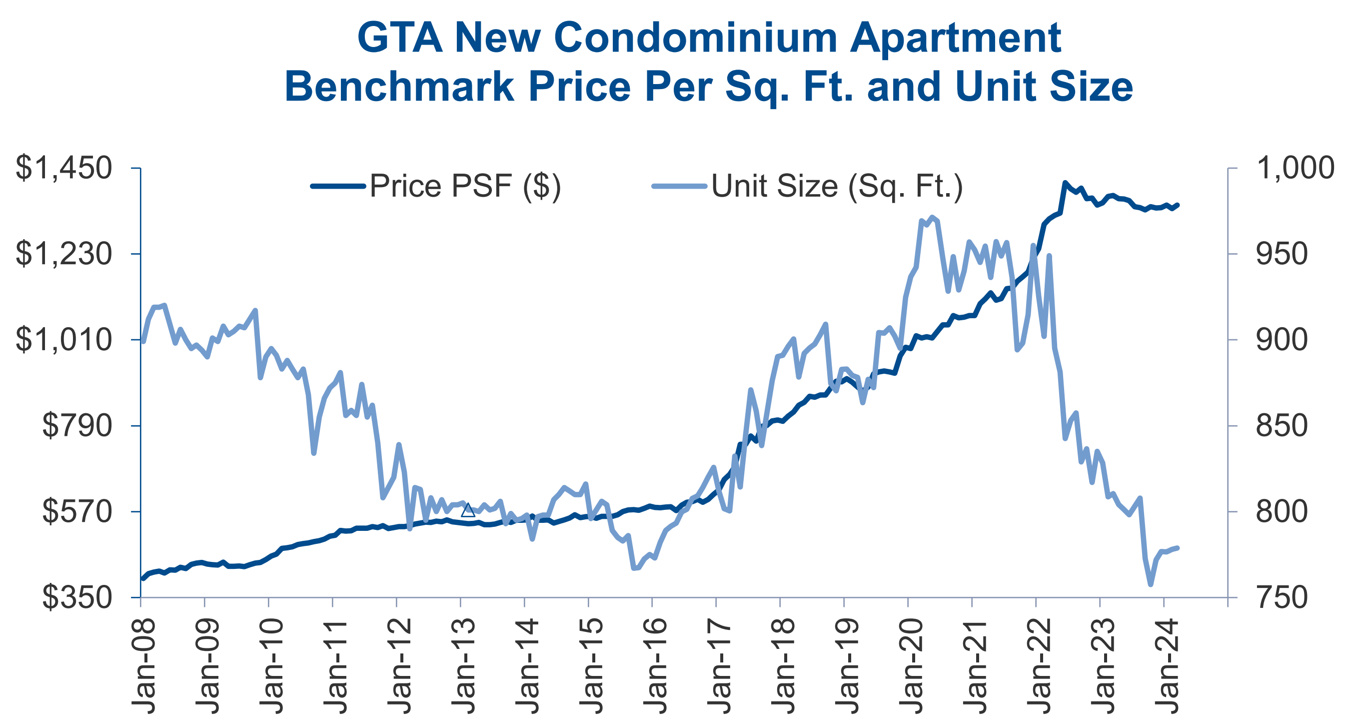
GTA New and Resale Condominium Apartment Prices





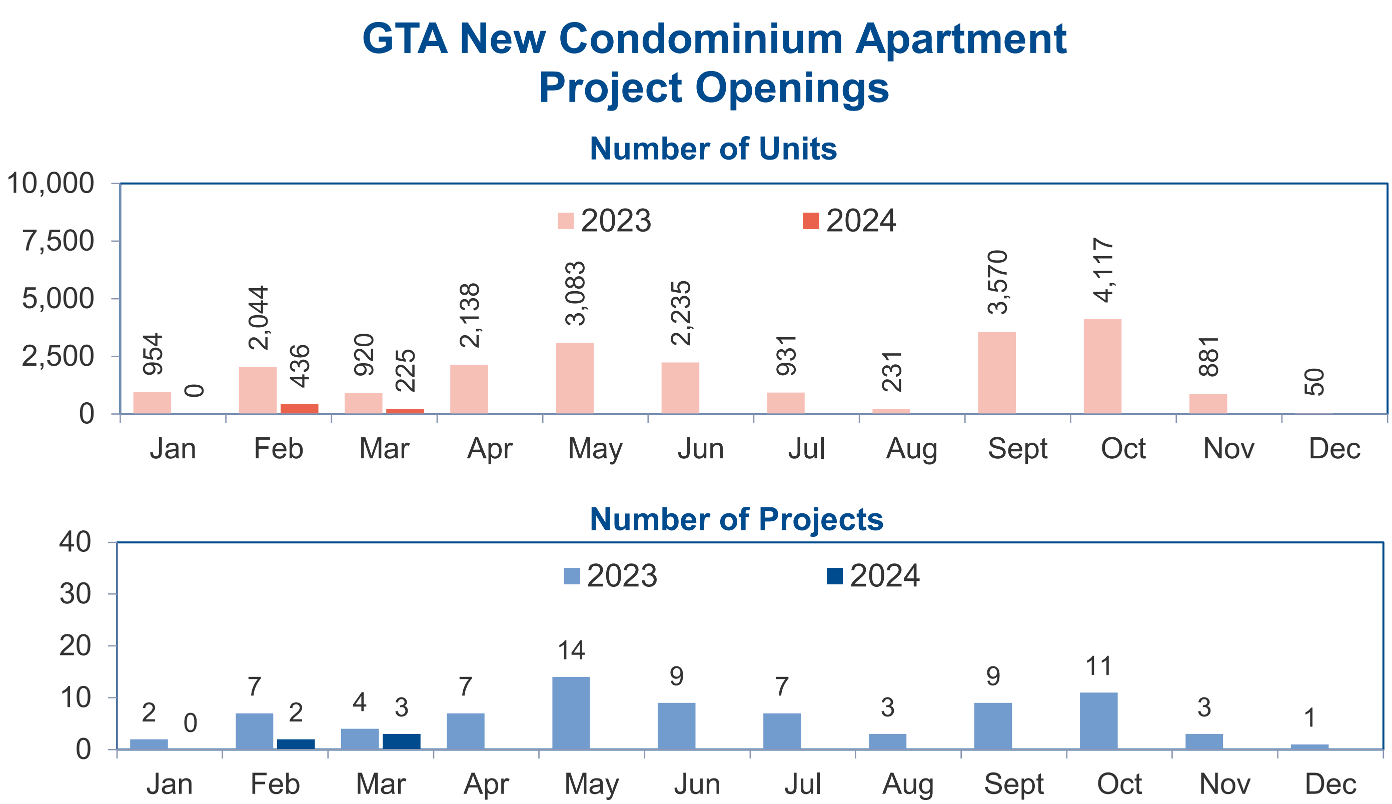
Source: Altus Group and Toronto Real Estate Board data

- **The price per square foot for a new condominium apartments moved higher in March 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).



Source: Altus Group

- **Three new condominium apartment were launched in March 2024**.
- **New launches in 2024 were located in Halton, Peel and York** *(chart next page, top).* The old City of Toronto has accounted for very few units through the first quarter of 2024 *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in February and March 2024 accompanied by summary tables with additional details on each project.



Source: Altus Group

New Condominium Apartments - Openings

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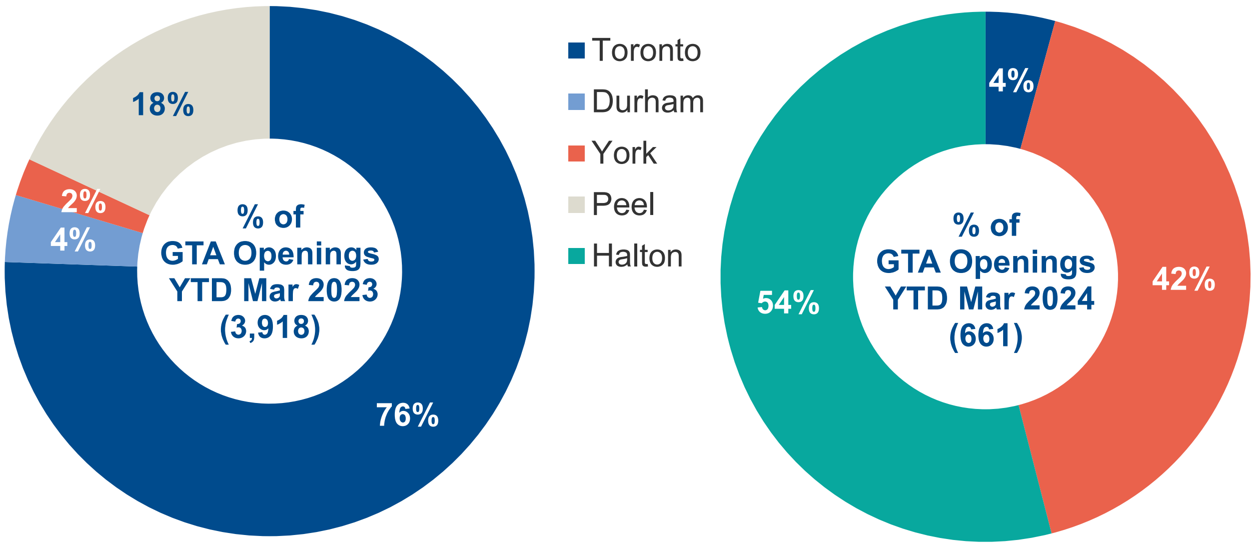
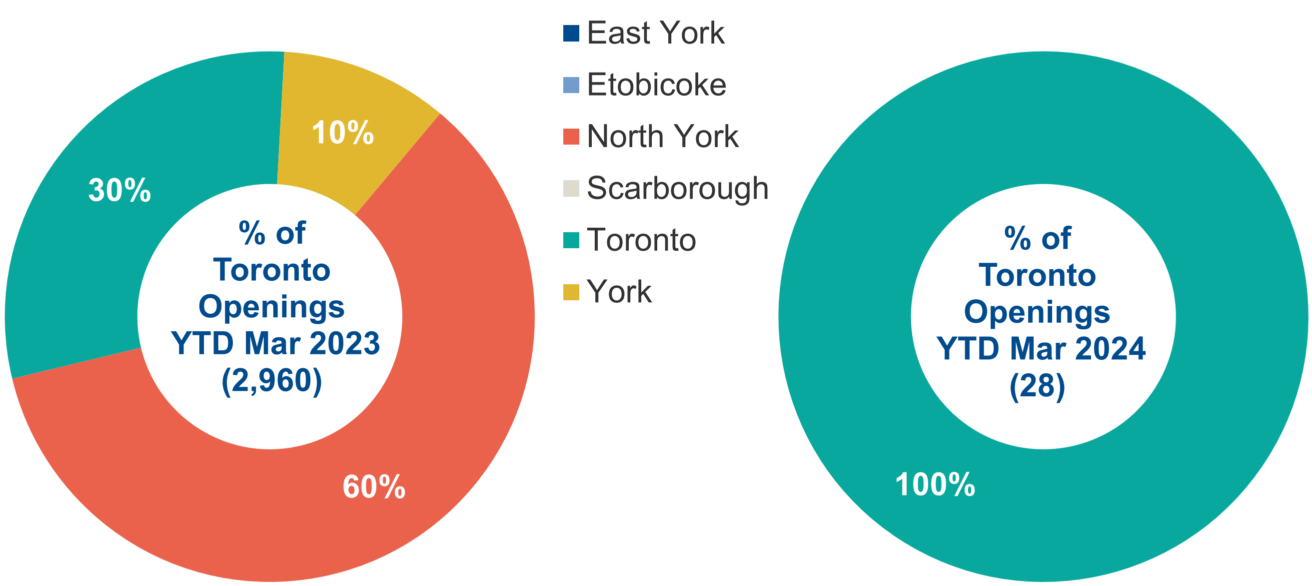
GTA Condominium Apartment Units in New Openings by Region



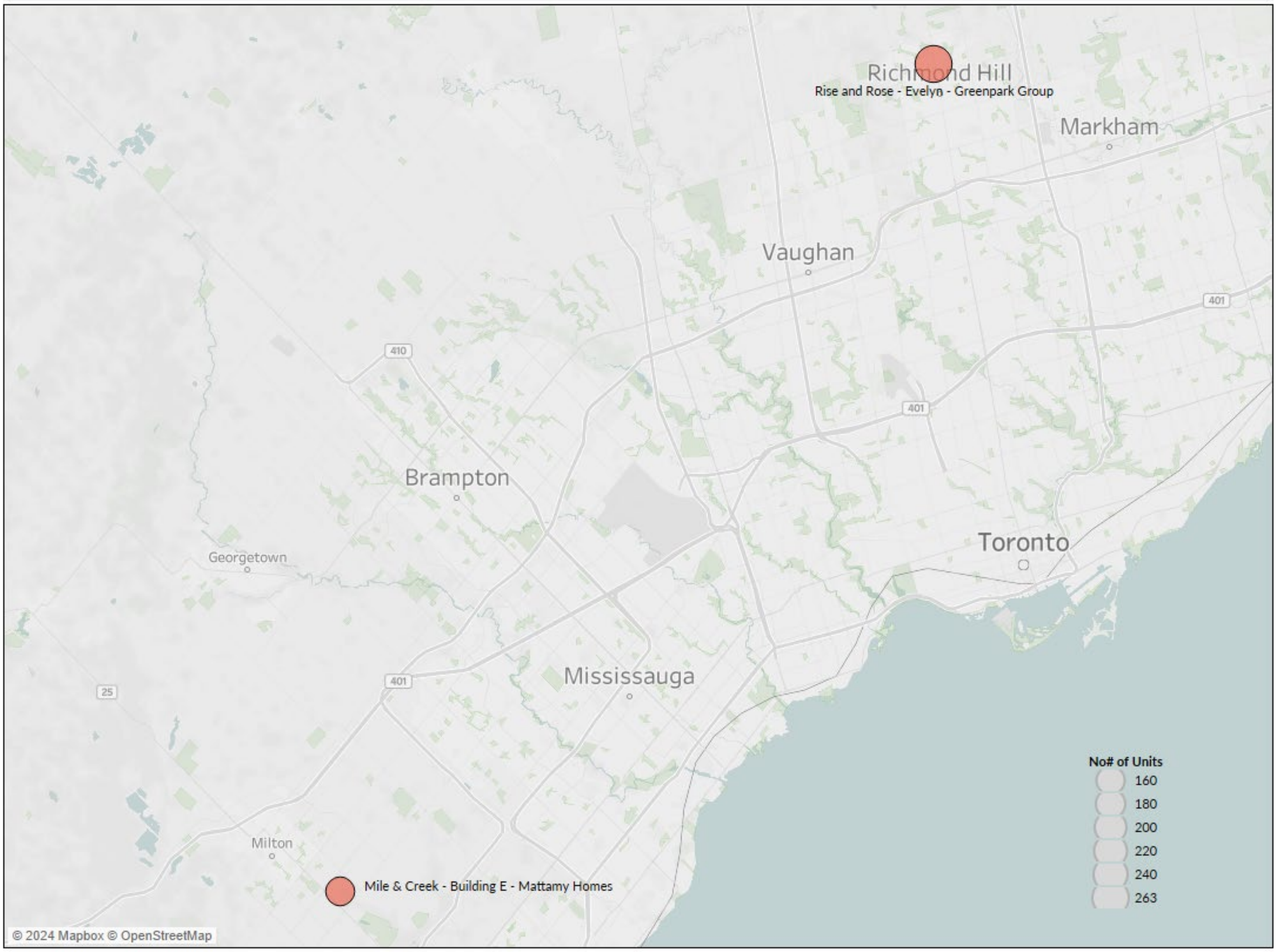
Source: Altus Group

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

Altus Group

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 - Openings

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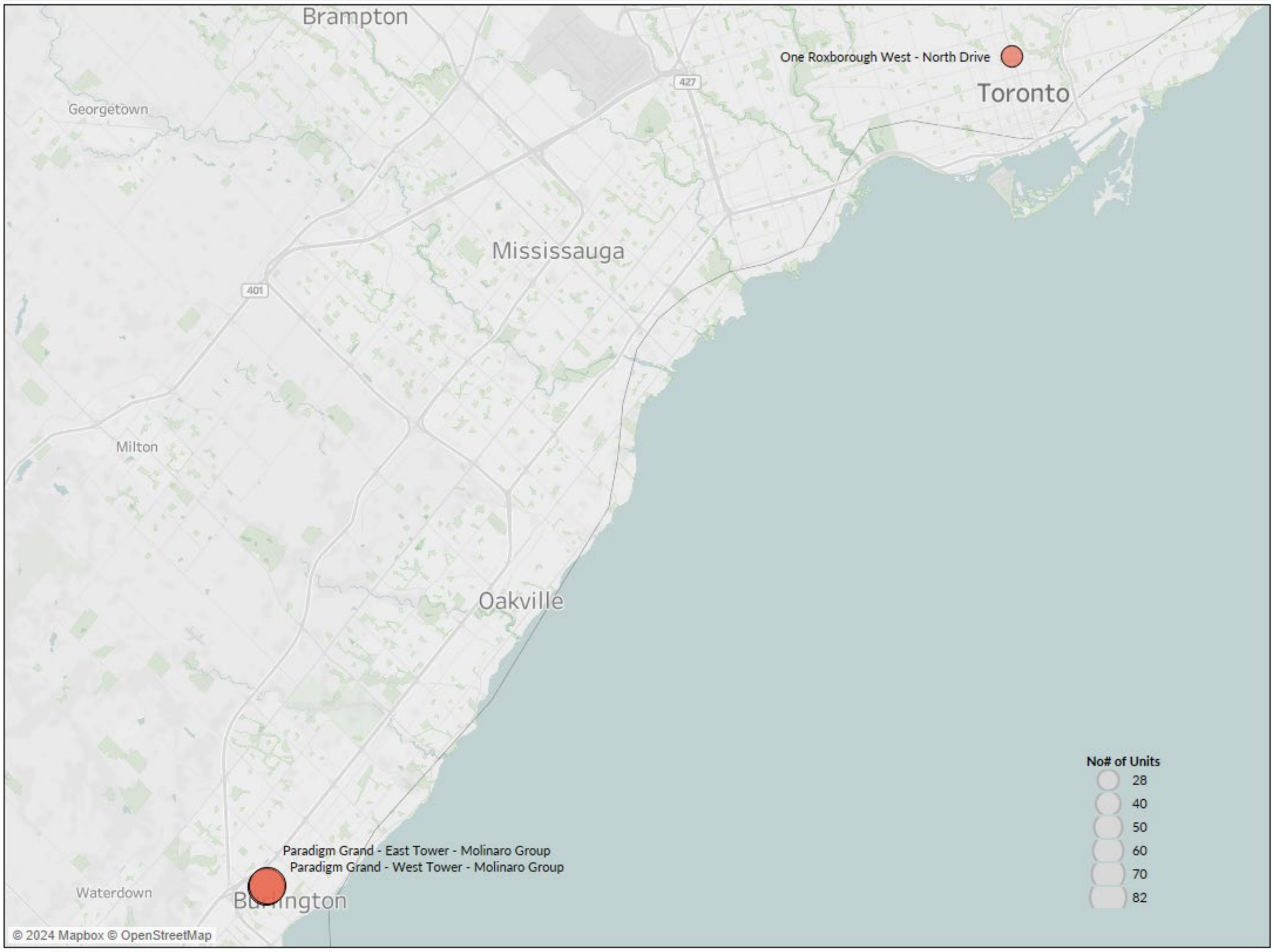
March 2024 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartments - Openings

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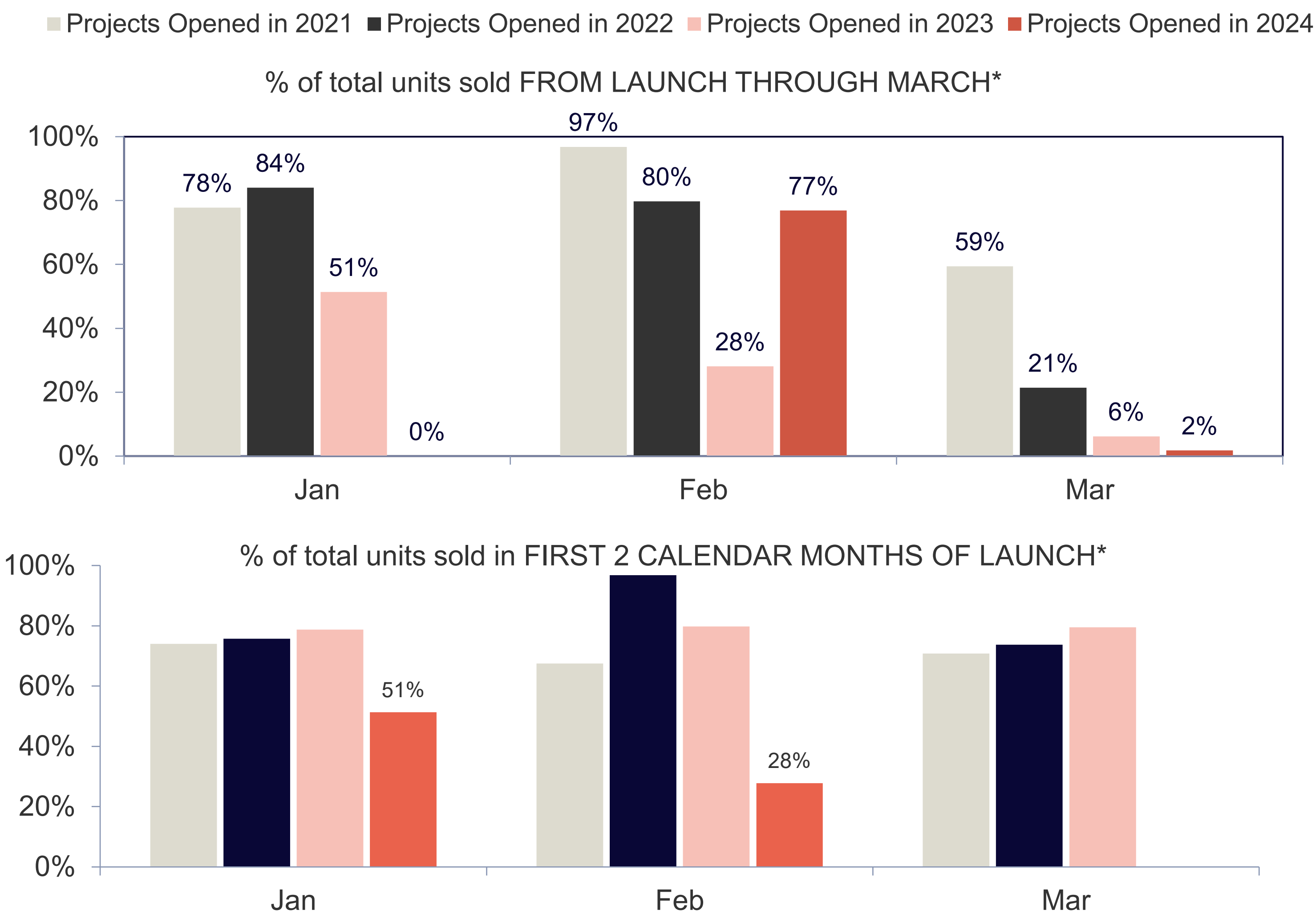
Townhouse	-	-
Other	-	-
Opening Month Sales	**64**	**0**
Next Month Sales		
% Sold (of released units)	40%	0%
Remaining Available Inventory	96	263
Original $PSF	$1,026	$1,007
Minimum Size (sq. ft.)	504	492
Maximum Size (sq. ft.)	955	1,125
Minimum Price	$561,990	$531,900
Maximum Price	$892,990	$982,900
Notes		

Source: Altus Group

- **Just two percent of units launched in in March have sold.**
- After 2 months of sales, projects opened in January and February lag the pace of the previous three years.
- 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 March)*

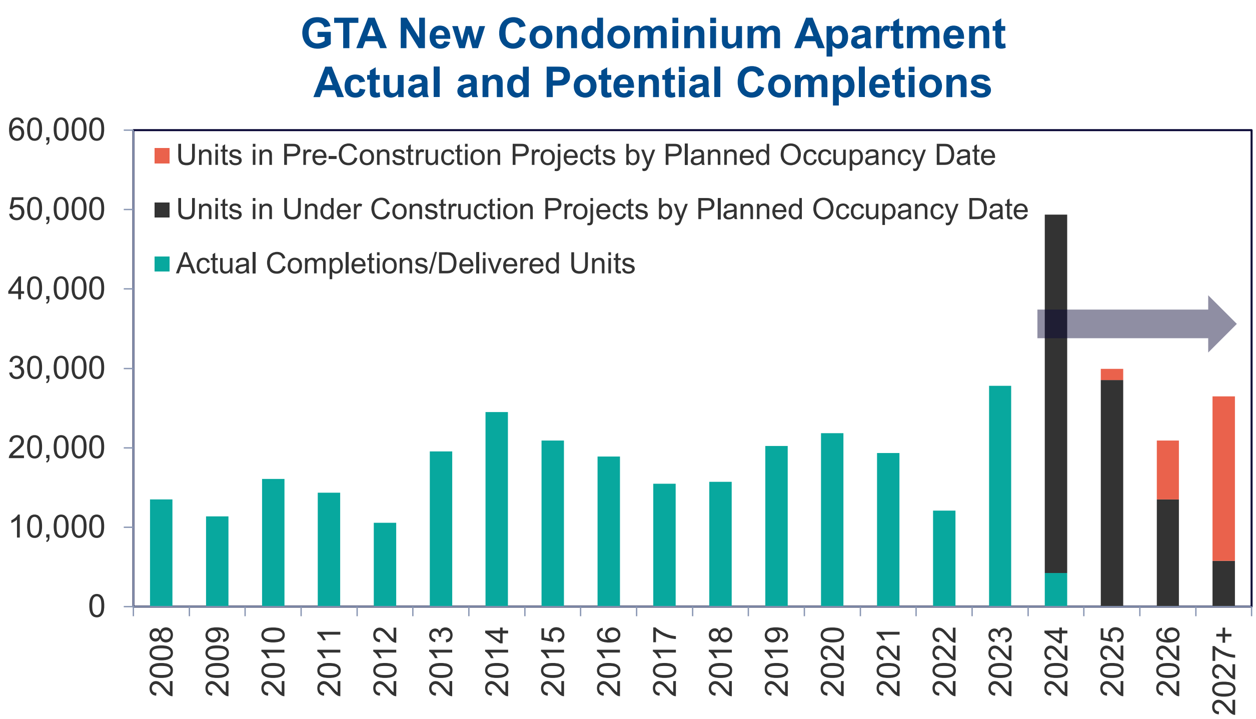


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

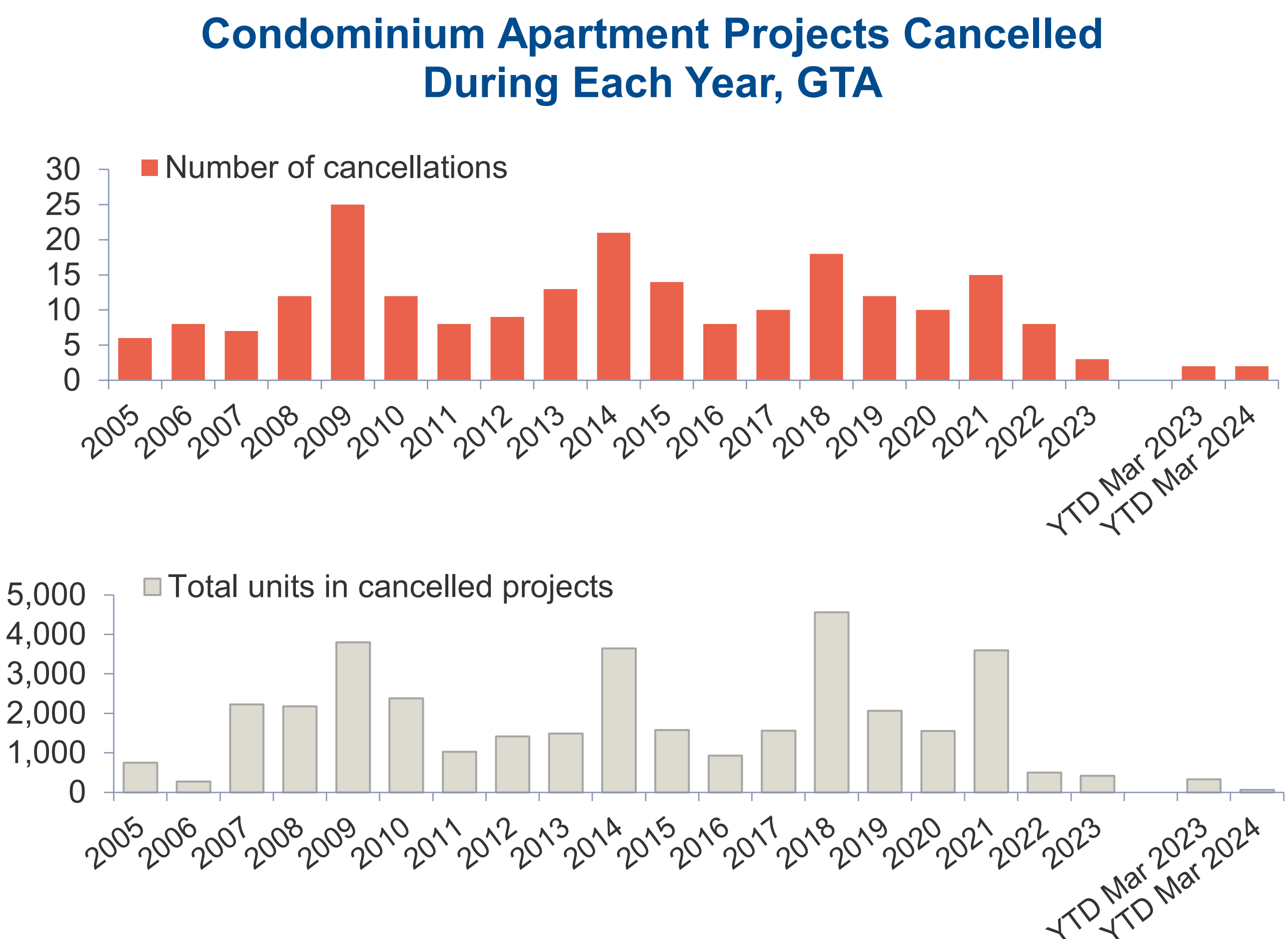
- As of the end of March 2024, there were about 122,500 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were 2,149 units delivered in March 2024.** Year-to-date completions through the first quarter of 2024 are ahead of the pace set last year – annual completions in 2023 were a record high.
- 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

Focus on Cancelled Condominium Projects

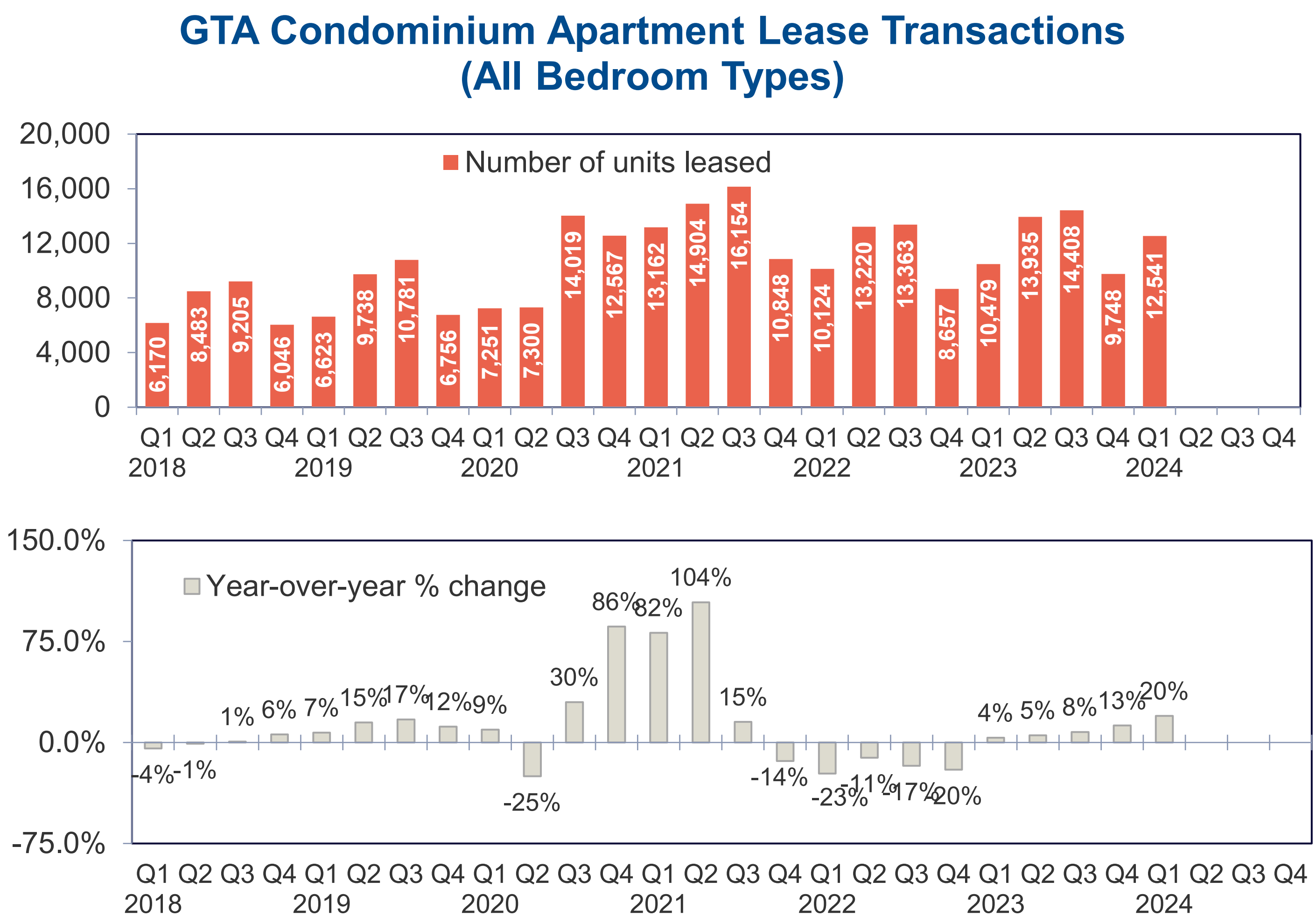
- In 2023, fewer new condominium apartment projects, and fewer units, were cancelled than in last several years. **So far in 2024, there have only been 2 cancelled projects**: Insignia in Oakville (a 29 unit, 9 storey project) and View Beach Residences in the former City of Toronto (a 30 unit, 8 storey project).
- **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).



Source: Altus Group

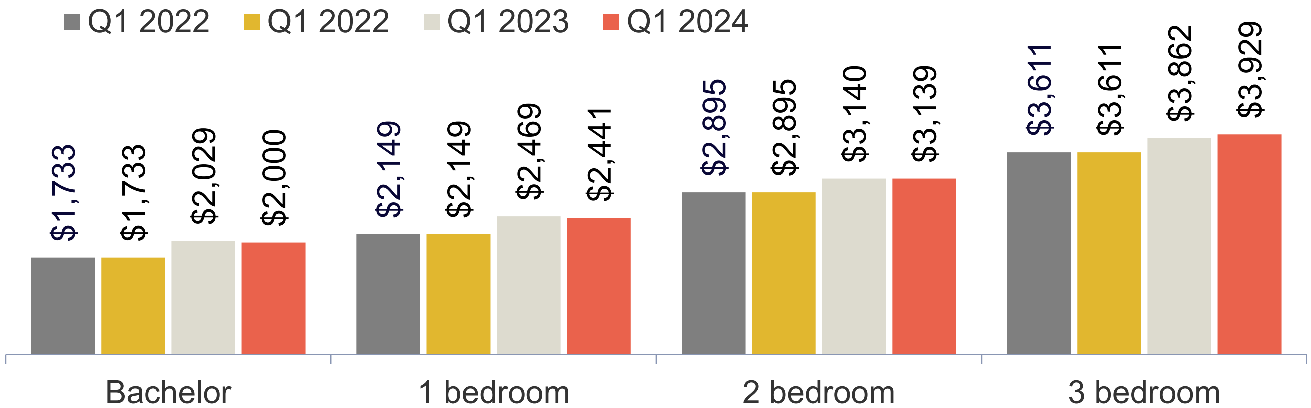
Condominium Apartment Rentals

- **The number of GTA condo apartment lease transactions rose in Q1 2023** (according to data from the Toronto Regional Real Estate Board) – notably compared to Q4 2022 (which is not the typical seasonal pattern), but also compared to Q1 in 2022.
- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA have more than recovered from the losses that occurred at the early stages of the pandemic and year-over-year increases had been in double digit territory for multiple quarters though have now slowed and turned negative for the first time since Q2 2021 *(charts next page)*. The recovery in rents, coupled with a chronic shortage of purpose-built rental supply, extended construction timelines for new condominium apartments and record levels of immigration, have been supportive of increases in supply.



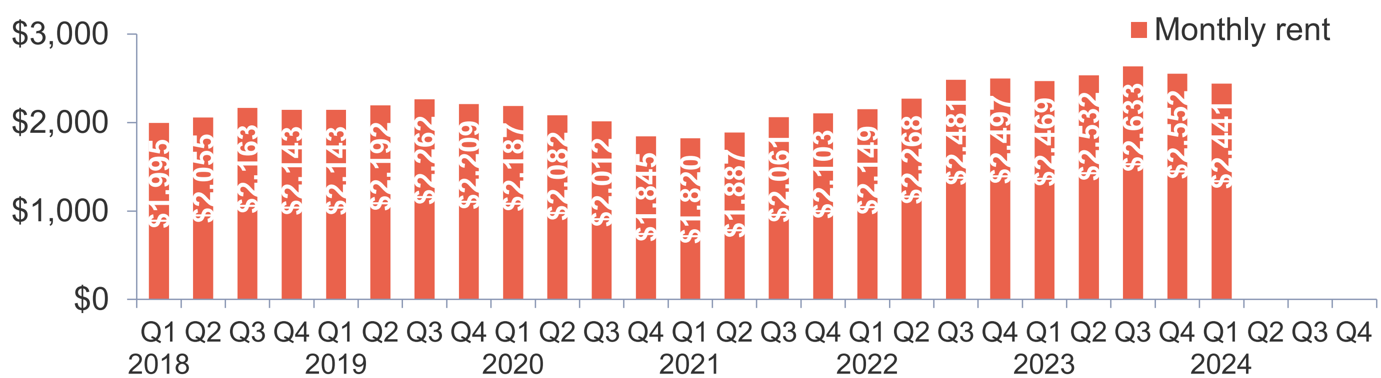
Source: Altus Group based on Toronto Regional Real Estate Board data

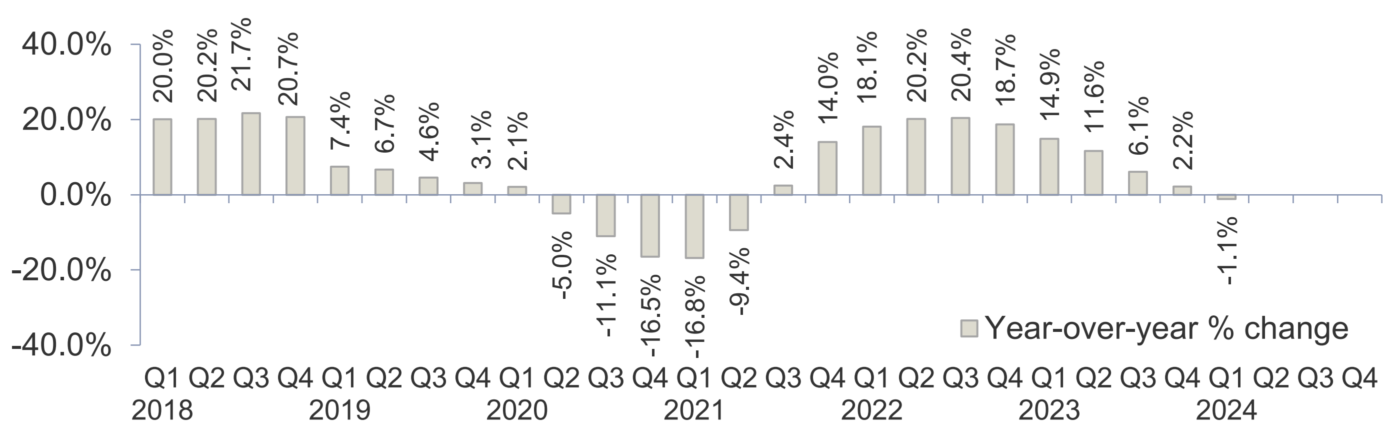
GTA Condominium Apartment Lease Transactions Average Rents



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

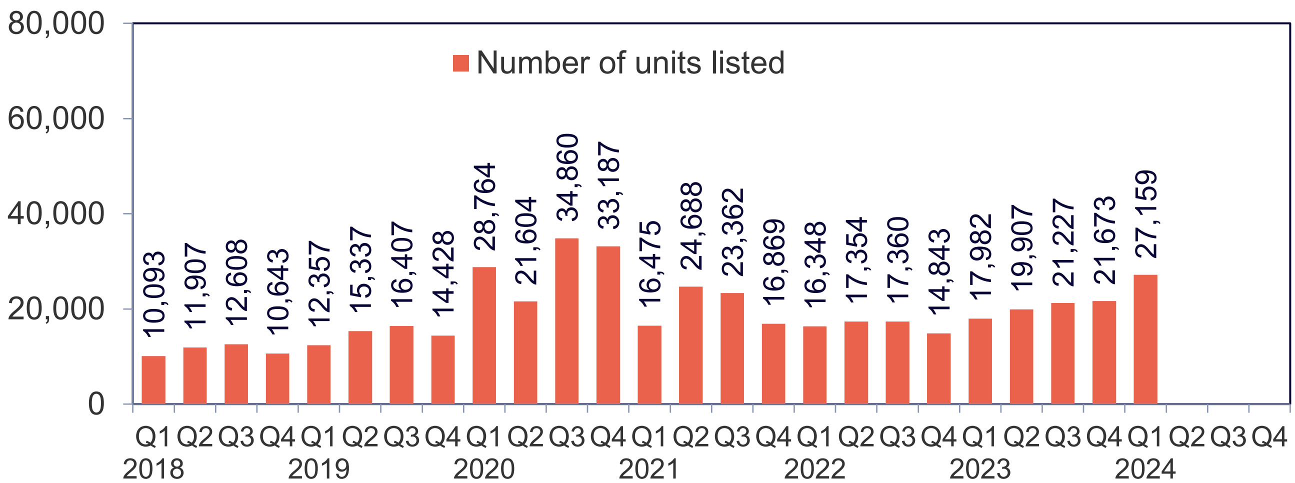
GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units



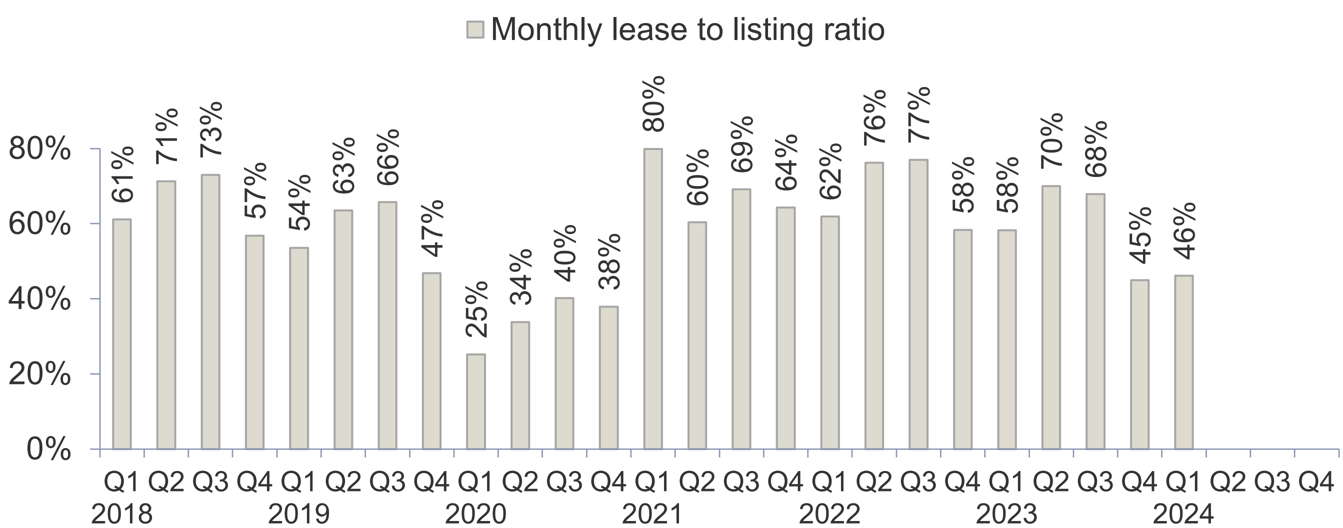


Source: Altus Group based on Toronto Regional Real Estate Board data

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

Altus Group GTA New Home Data Definitions

AltusGroup

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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