The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of May 2024

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New Condominium Apartment Dashboard

AltusGroup

May 2024			YTD May 2024	
Sales	**Inventory**	**Benchmark Price**	**Sales**	**Benchmark Price**
539	**16,845**	**$1,043,861**	**2,346**	**$1,051,057**
-75%	**+20%**	**-5%**	**-59%**	**-7%**
2nd lowest May on record	***Highest May since 2015***	***Lowest May since 2020***	***Lowest YTD May on record***	***Lowest YTD May 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 May across the GTA were the 2nd lowest May** (after 2020 pandemic onset) **on record**.
- **The inventory of available new condo apartments in May 2024 was little changed from the previous month and remained well above the 10-year average.**
- **The benchmark price of a new condominium apartment declined in May 2024 and recorded an 18th consecutive year-over-year decline.**
- New home sales across the GTA continued to languish under the weight of elevated prices and high interest rates. Despite the rate drop, additional relief will be required to coax prospective buyers back into the market"

GTA Condominium Apartment Key Performance Indicators

	May-23	Apr-24	May-24	*Yr-Over-Yr % Change*	YTD May 2023	YTD May 2024	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	371	352	354	*-5%*	357	352	*-1%*
New projects opened	13	3	4	*-69%*	33	12	*-64%*
Units in new projects opened	2,796	1,094	1,234	*-56%*	8,881	2,989	*-66%*
Total sales (units)	2,135	529	539	*-75%*	5,699	2,346	*-59%*
Sales as % of total new & resale	*45%*	*21%*	*22%*		*38%*	*21%*	
Inventory (units)	14,084	16,487	16,845	*20%*	13,249	16,696	*26%*
Sales-to-inventory ratio	15%	3%	3%	*-79%*	8%	3%	*-67%*
Months of inventory	13.1	16.9	20.0	*53%*	10.9	16.7	*54%*
Benchmark price	$1,097,747	$1,056,786	$1,043,861	*-5%*	$1,111,775	$1,051,057	*-5%*
Price PSF Benchmark	$1,370	$1,351	$1,348	*-2%*	$1,372	$1,351	*-2%*
Unit size Benchmark (sq. ft)	801	782	774	*-3%*	811	778	*-4%*
Units completed	2,490	2,946	616	*-75%*	6,994	8,987	*28%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	2,568	2,013	1,942	*-24%*	9,254	8,718	*-6%*
New listings (units)	4,360	5,542	5,844	*34%*	16,953	22,697	*34%*
Inventory ("active listings", units)	4,190	7,015	8,183	*95%*	3,931	6,179	*57%*
Sales-to-inventory ratio	61%	29%	24%	*-61%*	47%	29%	*-39%*
Months of inventory	2.7	4.4	5.2	*95%*	2.5	3.8	*53%*
Average price of units sold	$748,483	$728,067	$730,815	*-2%*	$719,498	$709,748	*-1%*
HPI constant quality price index (Jan 2005=100)	378.5	367.1	366.3	*-3%*	367.1	361.8	*-1%*

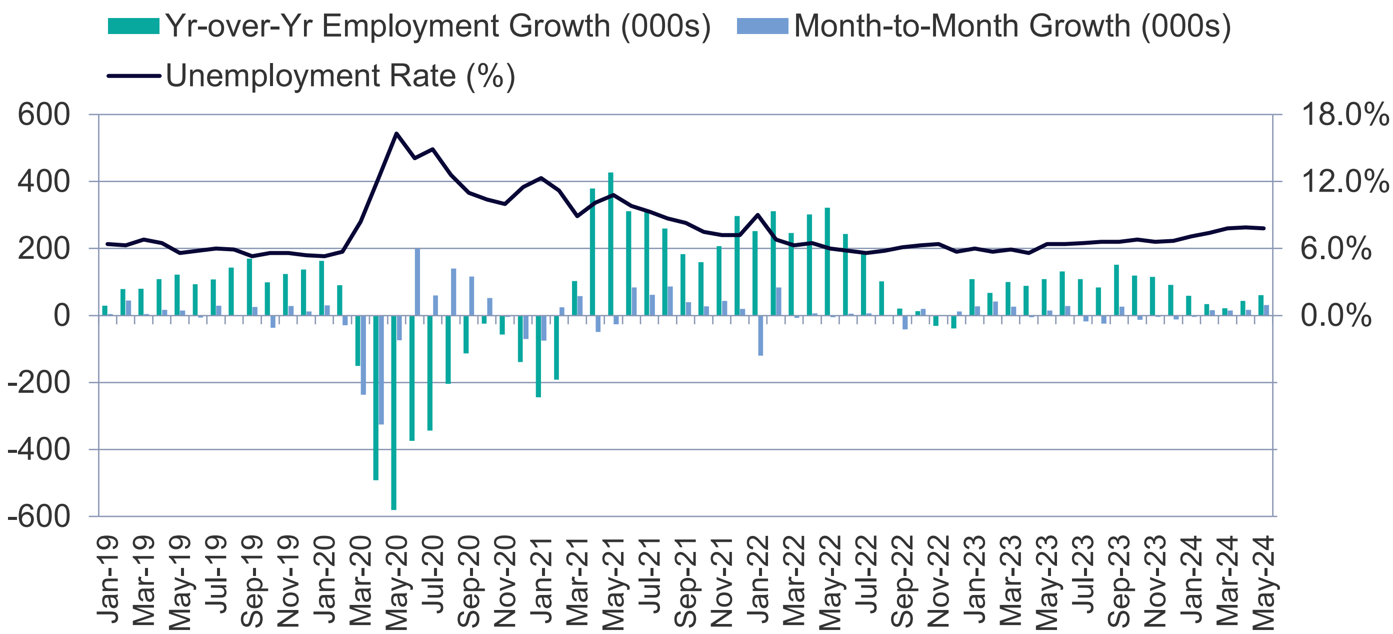
** see end of report for Definitions*

- **Year-over-year employment growth continued on a positive note in April having recorded a 16th consecutive month of positive growth, and month-to-month growth also remained positive for a 3rd month in succession.** However, The GTA unemployment rate rose further to sit at just under 8%, its highest level in over two years.

- **The Bank of Canada lowered the target for the overnight rate by 25 basis points at its latest rate announcement on June 5, the first decline since the onset of the pandemic**, stating that **"***In Canada, economic growth resumed in the first quarter of 2024 after stalling in the second half of last year. . . Labour market data show businesses continue to hire, although employment has been growing at a slower pace than the working-age population. Wage pressures remain but look to be moderating gradually. Overall, recent data suggest the economy is still operating in excess supply . . . Indicators of the breadth of price increases across components of the CPI have moved down further and are near their historical average. However, shelter price inflation remains high. . . Nonetheless, risks to the inflation outlook remain. Governing Council is closely watching the evolution of core inflation and remains particularly focused on the balance between demand and supply in the economy, inflation expectations, wage growth, and corporate pricing behaviour. The Bank remains resolute in its commitment to restoring price stability for Canadians.*" **The next rate announcement date is July 24.**

- **Variable rate mortgage interest rates remained above the average 5-year fixed special rate with the spread maintaining an almost 190 basis points margin.** With the most recent policy interest rate decline, mortgage interest rates will begin to ease *(chart next page, bottom).*

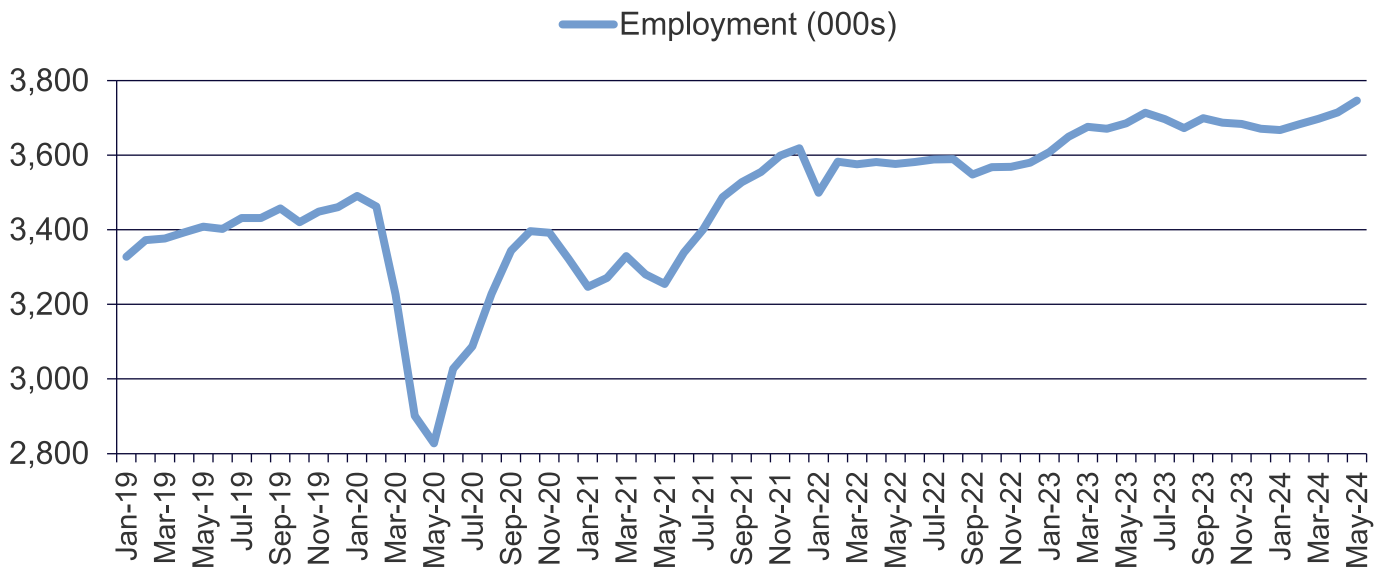
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

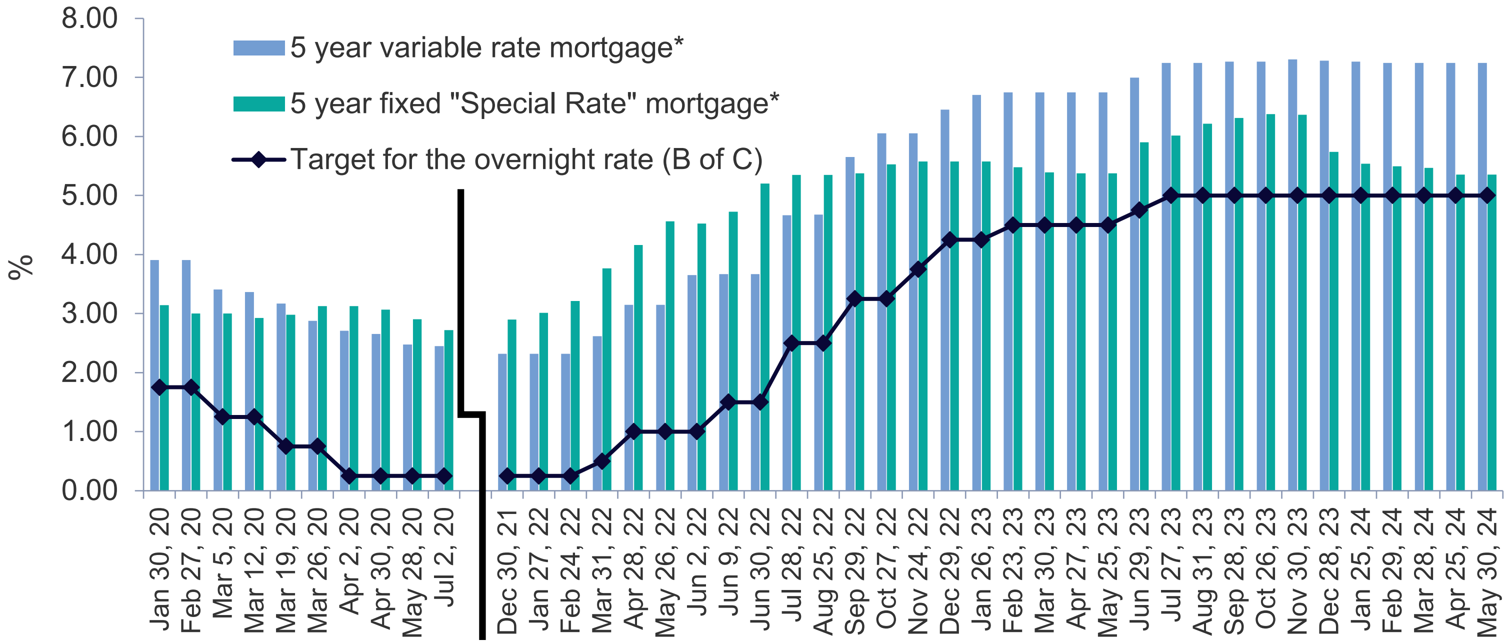
GTA Total Employment*



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

Source: Altus Group based on Statistics Canada data

Selected Interest Rates

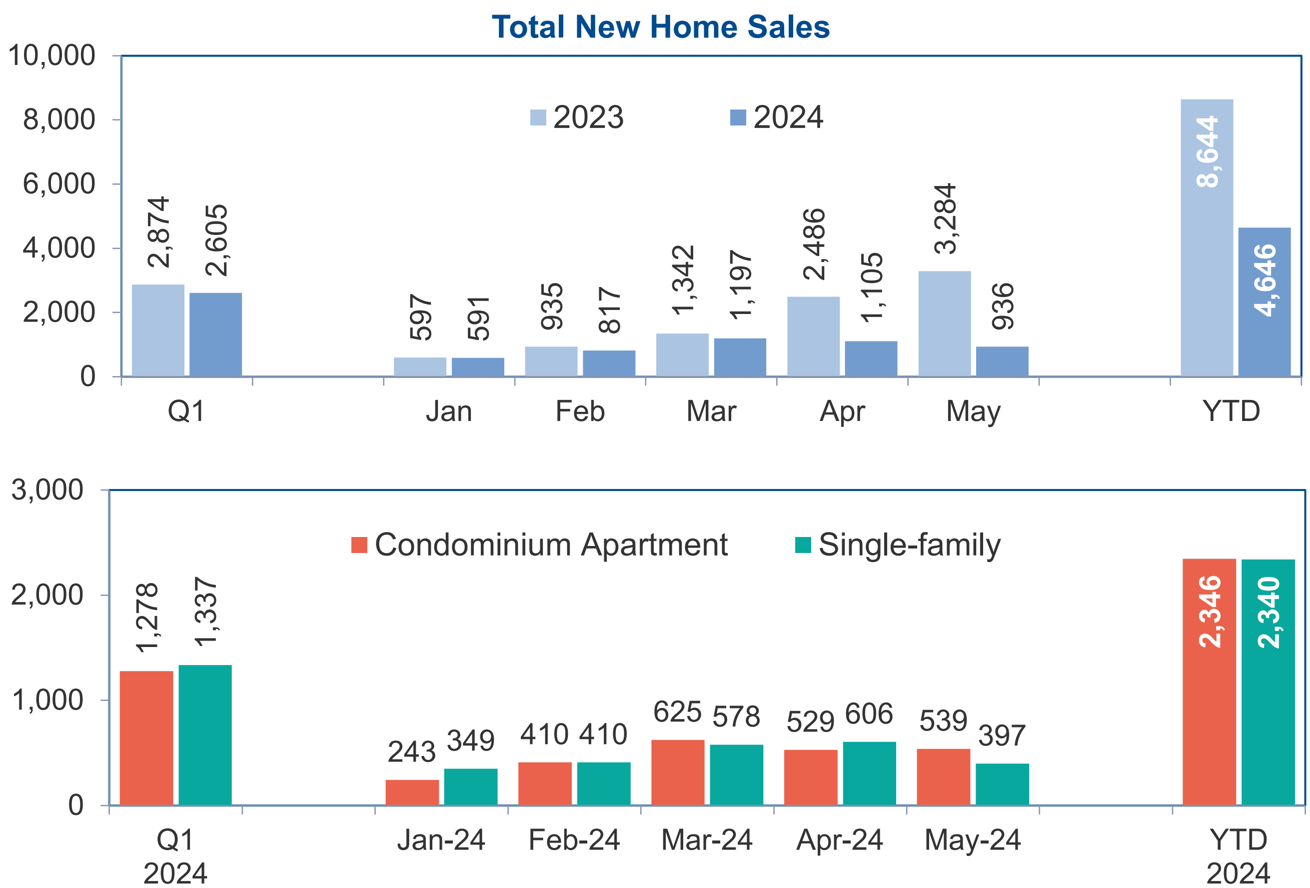


** Average for the major banks*

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

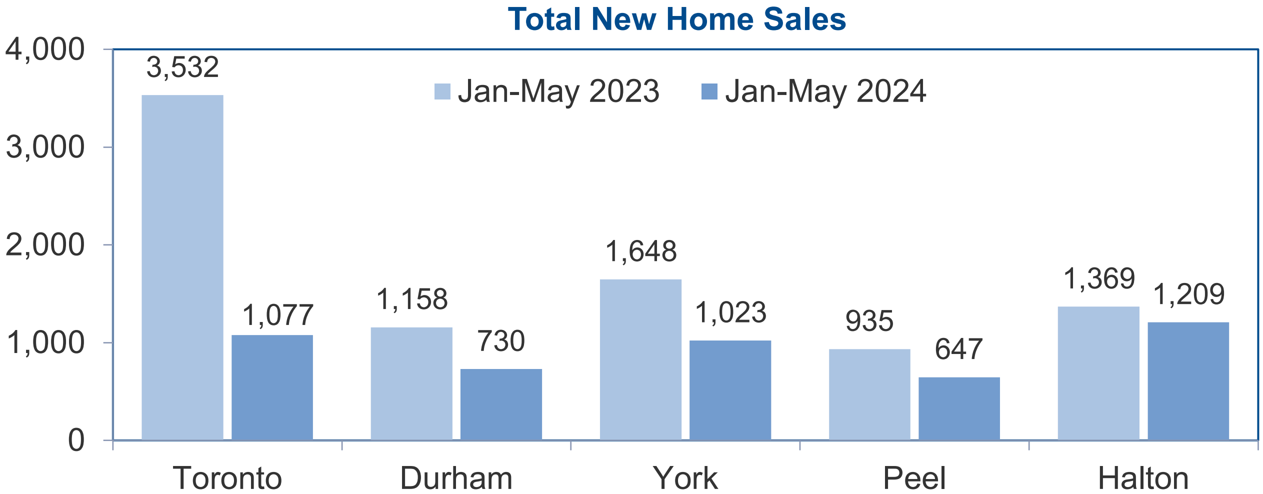
- **GTA new home sales declined in May 2024, recording their lowest May level except for the start of the pandemic.** May sales of new condominium apartments plummeted compared to the previous year (-75%) while new single-family home sales registered a 65 percent drop year-over-year.
- **The weakness in the condominium apartment sector was focused in Toronto**, though all regions recorded lower sales (*charts next page*).
- **All regions recorded lower total new home sales through the first five months of 2024.** All regions also recorded lower sales year-to-date for both new condominium apartments and new single-family sales except for a miniscule increase in the single-family sector in Toronto (*charts next page*).

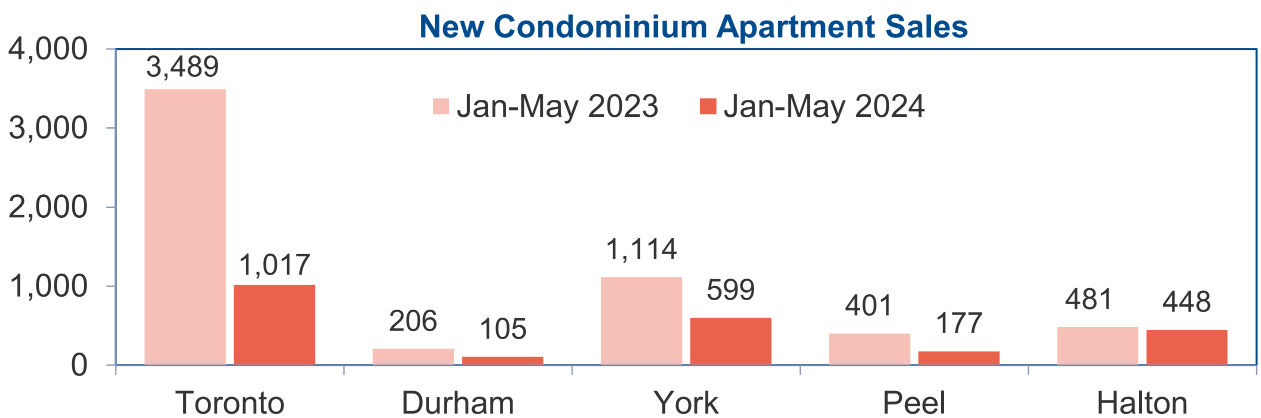
GTA New Home Sales

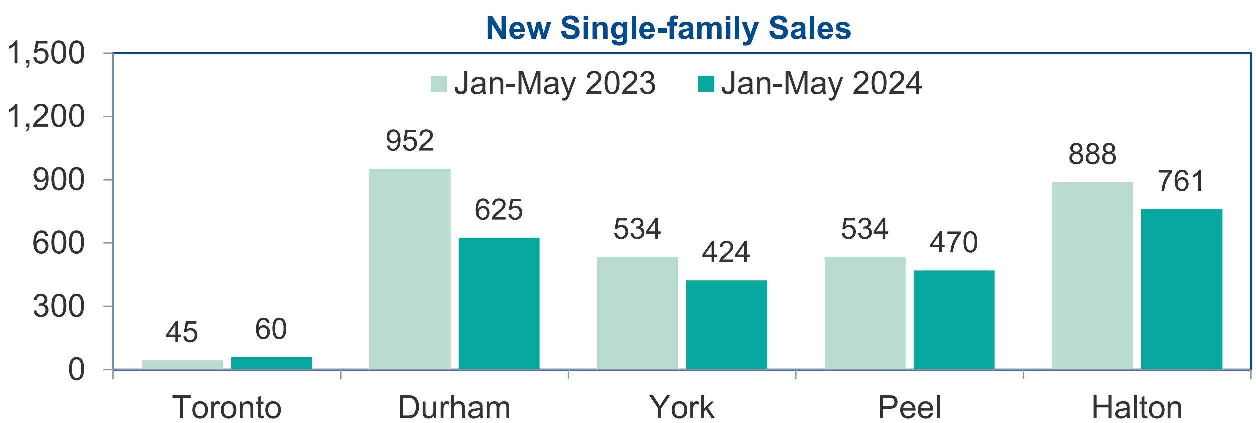


Source: Altus Group

GTA New Home Sales by Region

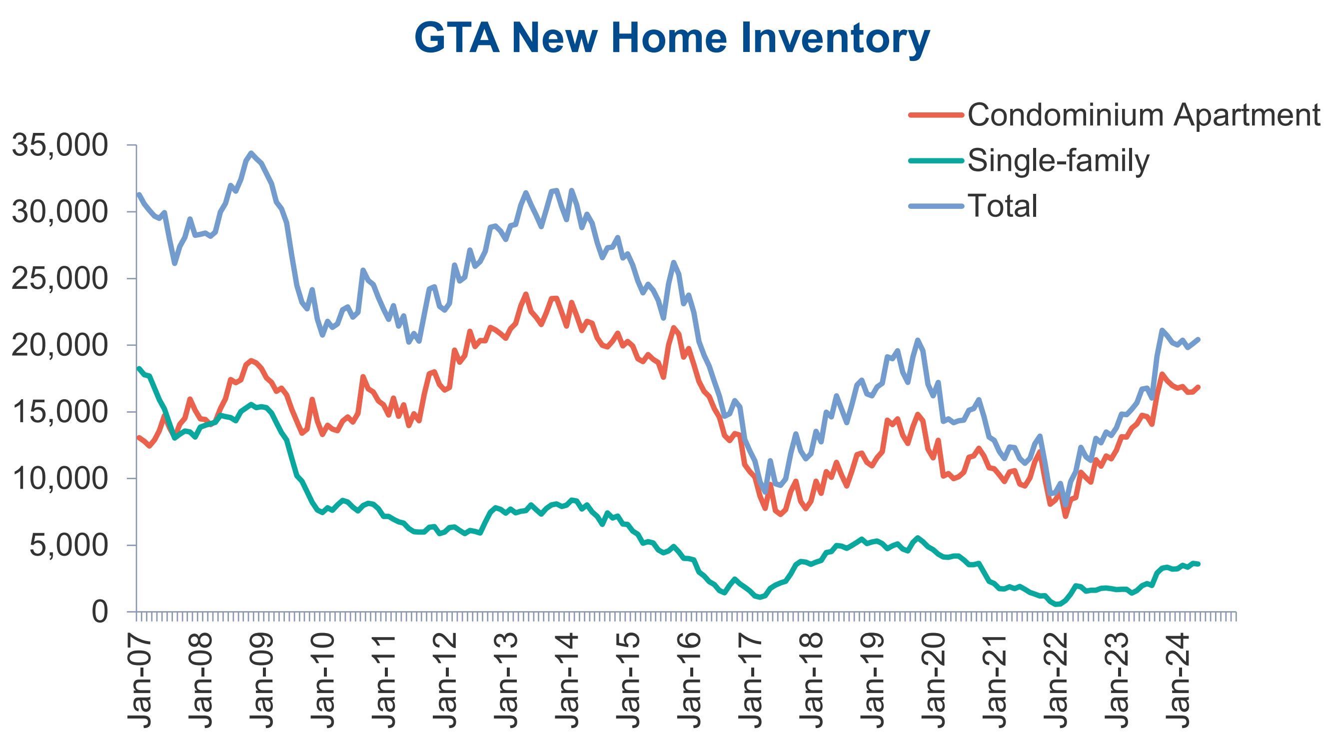






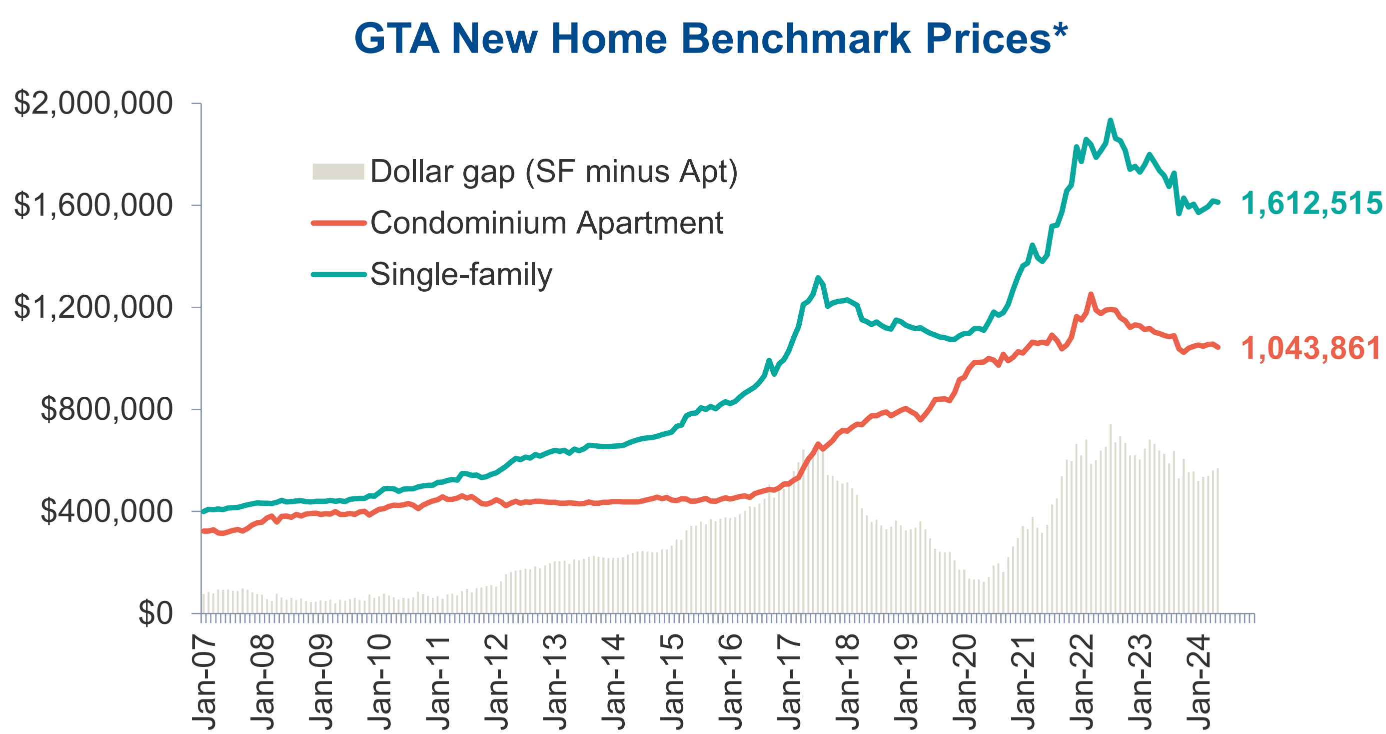
Source: Altus Group

- **The total inventory of new homes across the GTA rose in May 2024 and sat about one-third above the 10-year average.** Total inventory also exceeded last year by about one-third.
- Based on average monthly total new home sales over the past 12 months, there were almost 14.5 months of available supply of total new homes at the end of May 2024, well above the long-term average for May of about 7 months.



Source: Altus Group

- **The benchmark price for a new condominium apartment eased by five percent in May 2024 compared to the previous year.** Single-family benchmark pricing also moved lower in May, down seven percent year-over-year.
- **The price advantage of available new condominium apartments compared to new single-family homes widened further in May.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for the 18th consecutive month (*charts next page*).
- It should be kept in mind that the benchmark prices represent units available to purchase at month's end. For new projects opened during the month, lower-priced products 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

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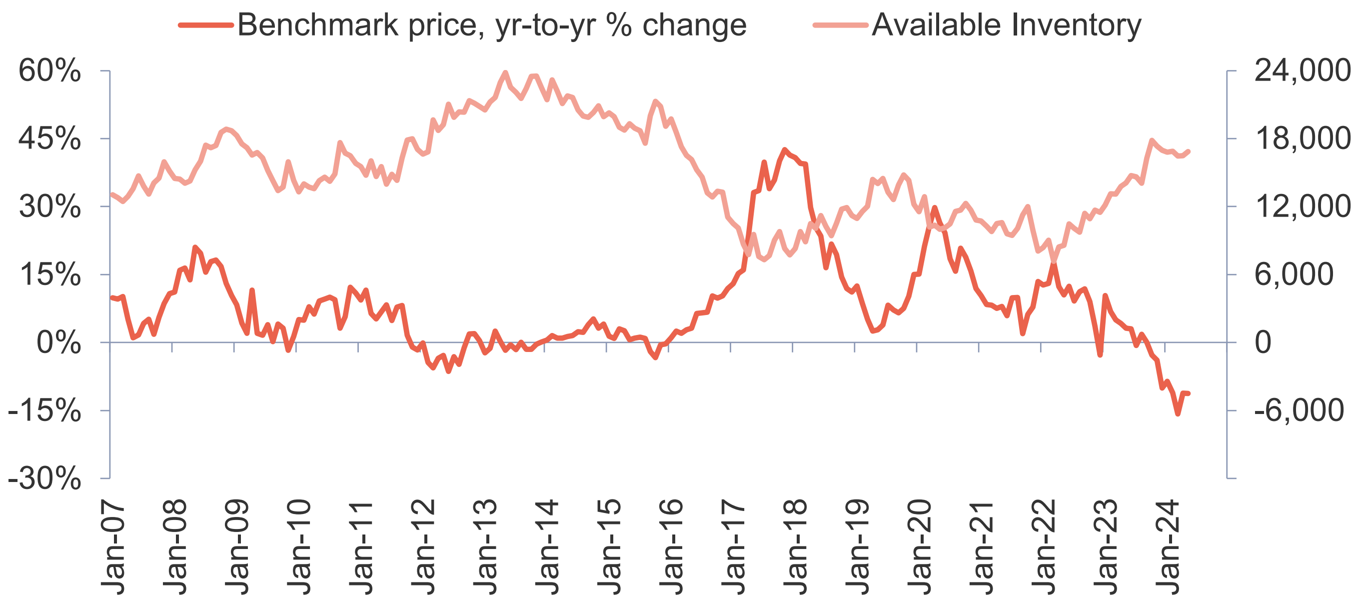
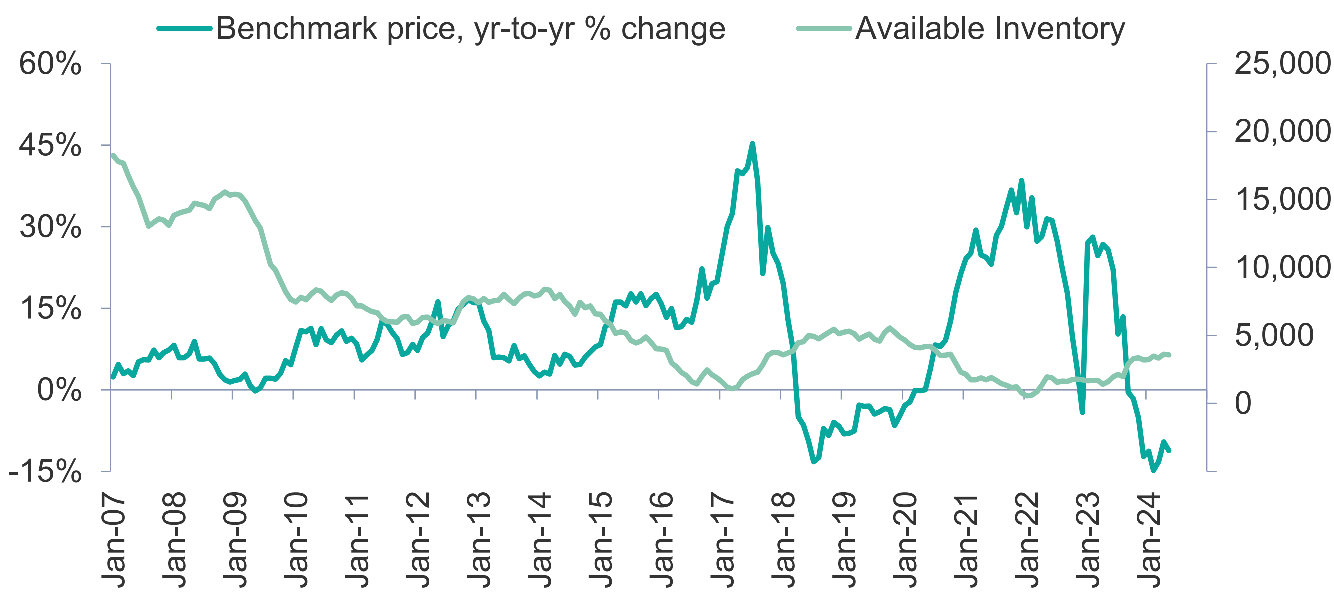
GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

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

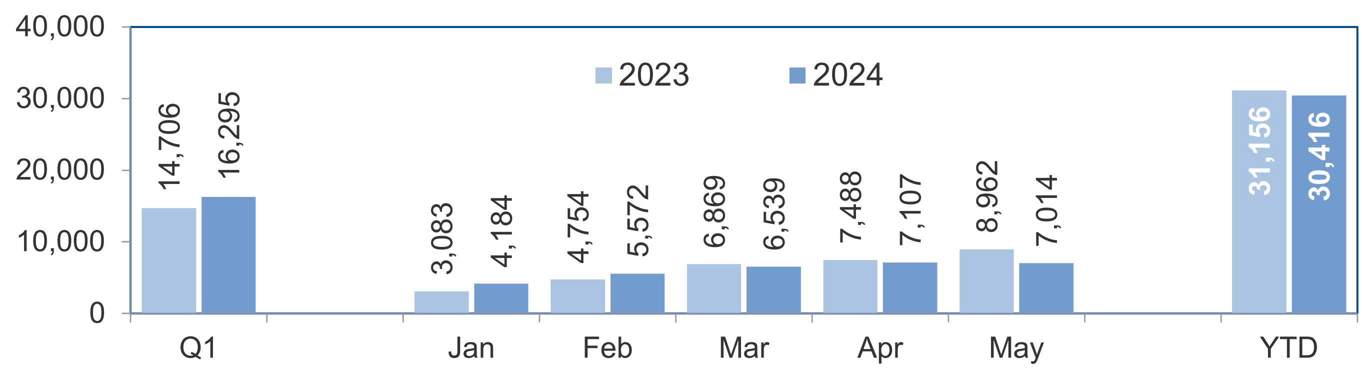


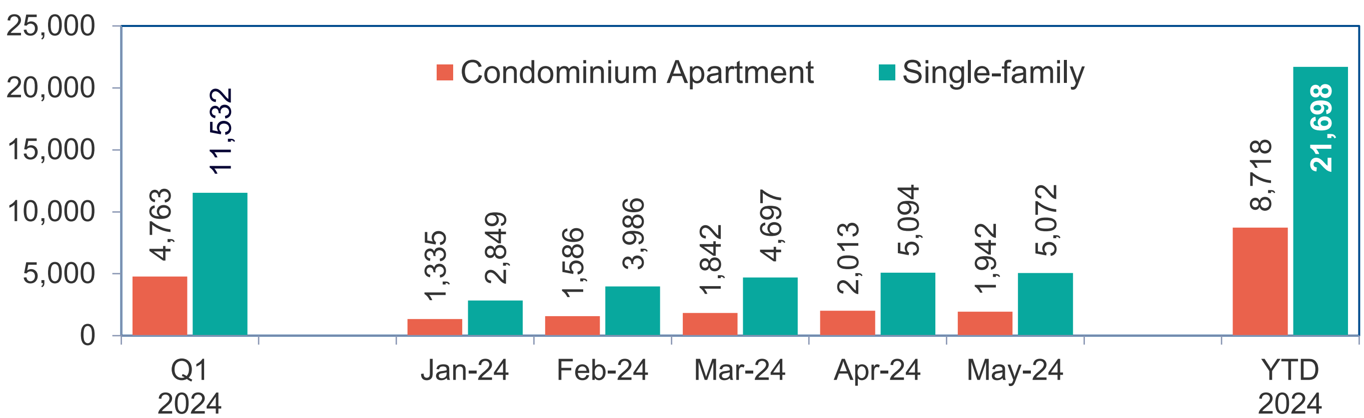
Source: Altus Group

Resale Home Market - Sales

- **Sales of existing homes in May 2024 decreased by 22 percent year-over-year** and remain well below the 10-year average.
- **Total inventory rose 83 percent year-over-year** as both resale condominium apartment and single-family inventory posted similar increases from May 2023 *(chart next page, top).*
- The average sales price for existing condominium apartment and single-family homes in May 2024 were little changed from a year earlier *(chart next page, bottom).*

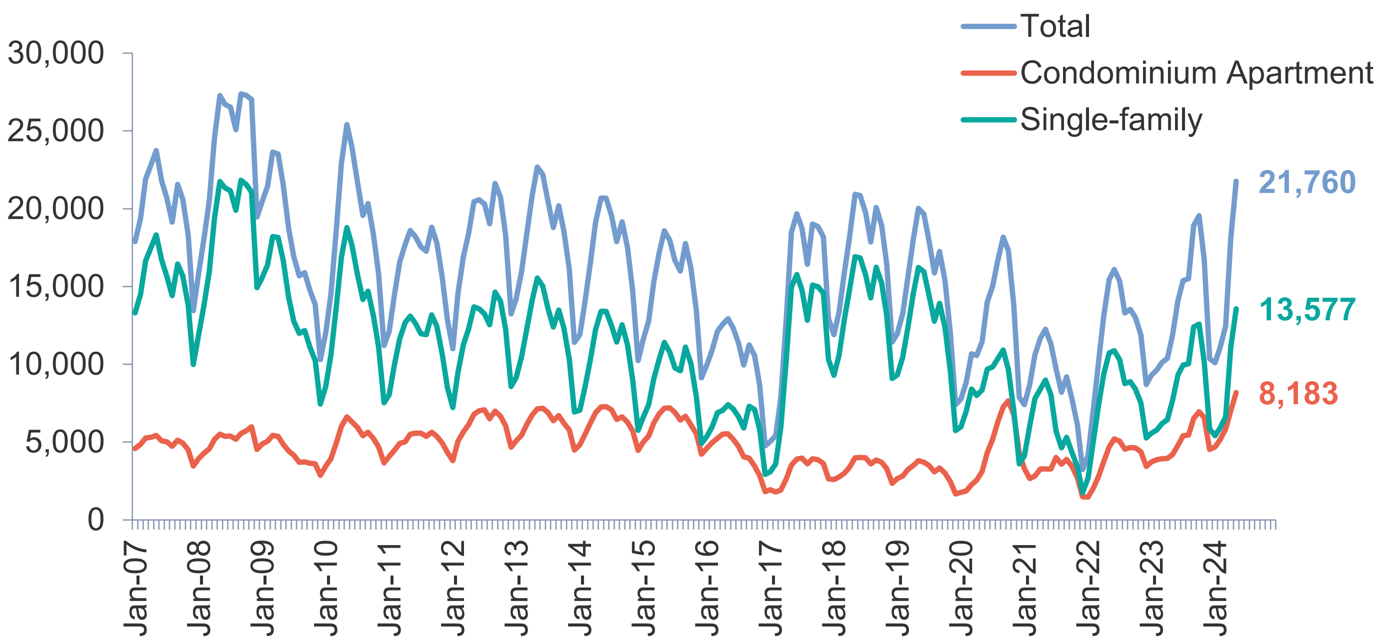
GTA Resale Home Sales





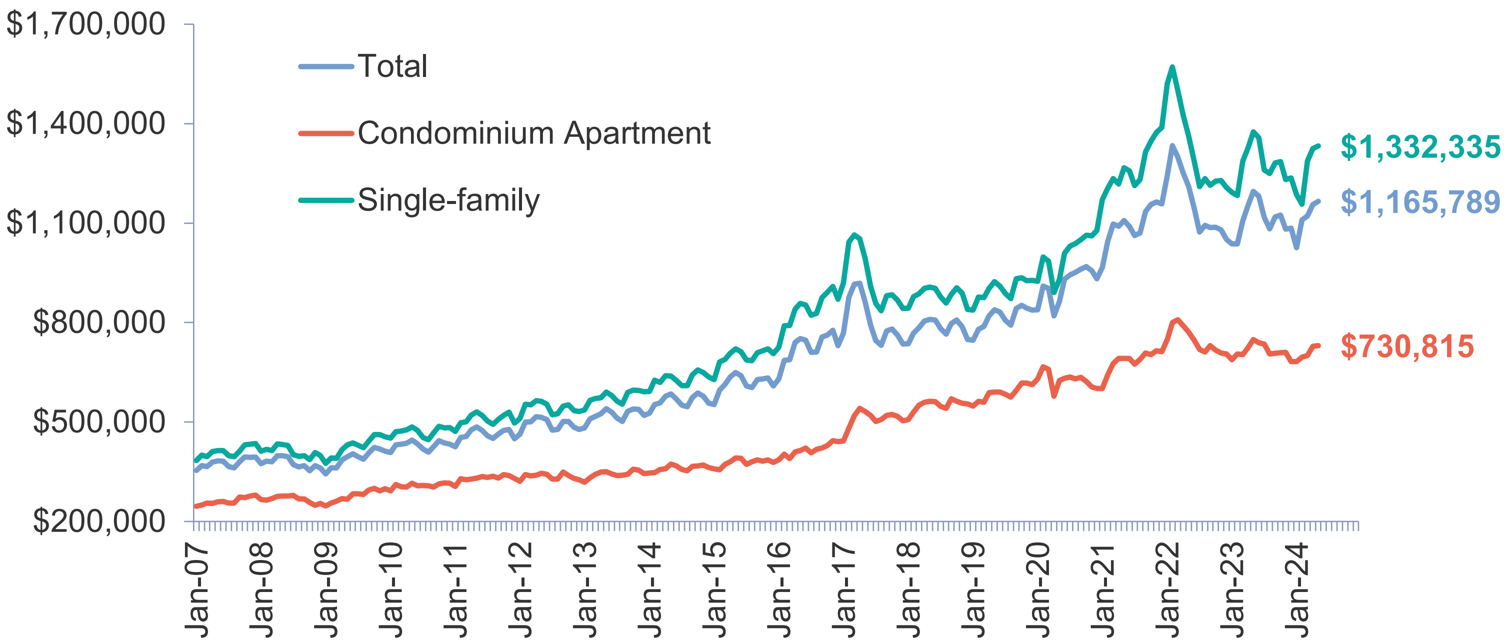
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

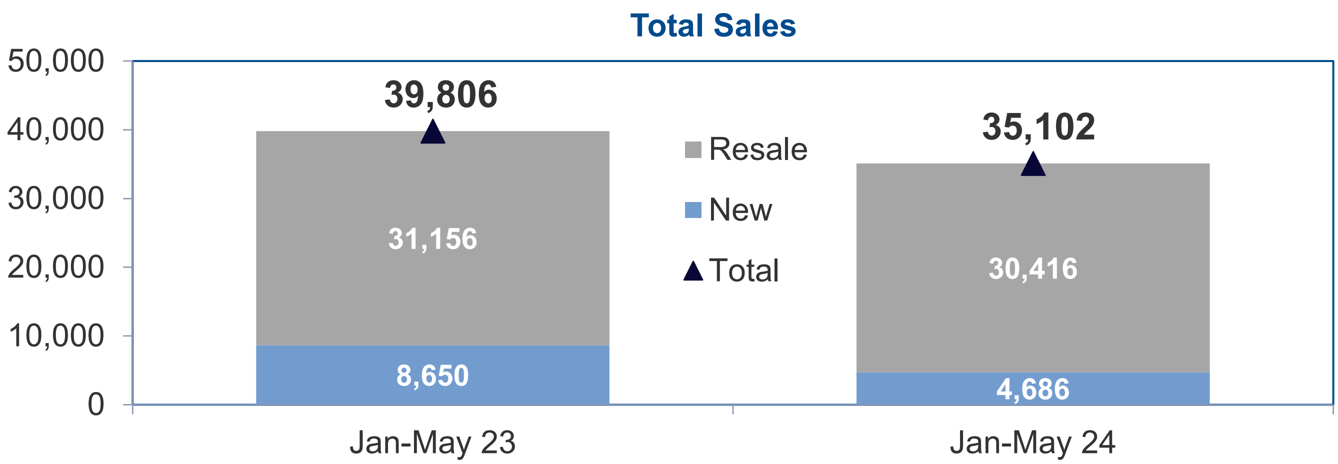
GTA Resale Home Prices

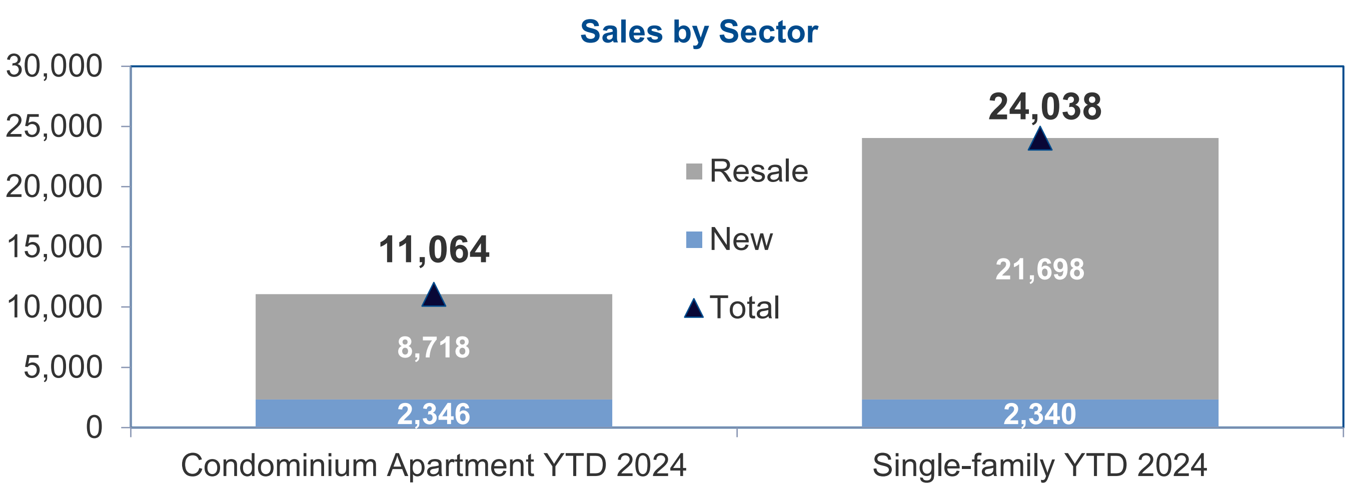


Source: Altus Group based on Toronto Regional Real Estate Board data

- **Year-to-date total home sales in the GTA through the first five months of 2024 were 12 percent short of the level from a year earlier**. The new home sector was down 46 percent, while the resale sector was down just 3 percent.
- **The new home sector accounted for about 1 out of every 7 home for the first five months of 2024** – this is down from 1 in 5 for the same period in 2023. Over 1 in 10 single-family and nearly 1 in 5 condominium apartment homes sold were new homes.

GTA Combined New & Resale Home Sales



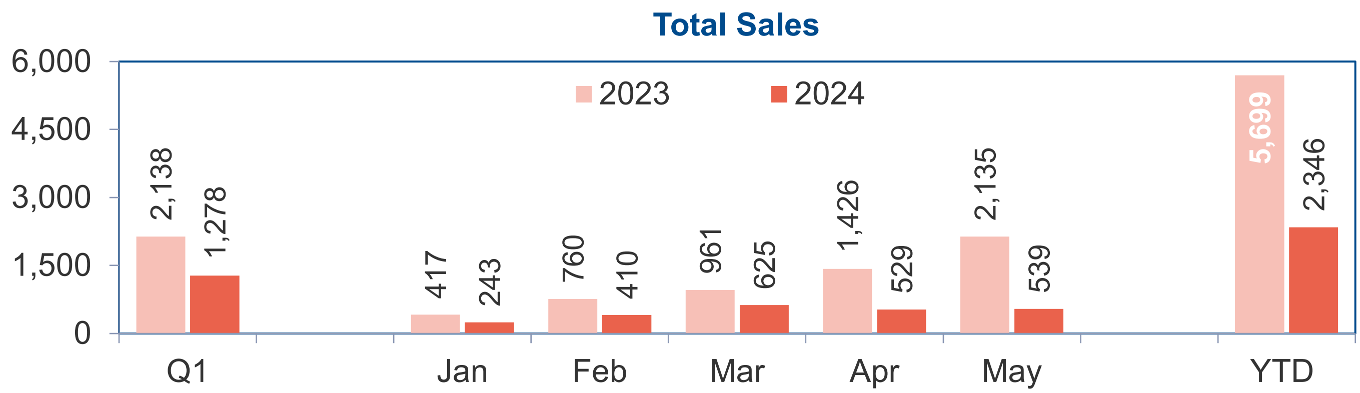


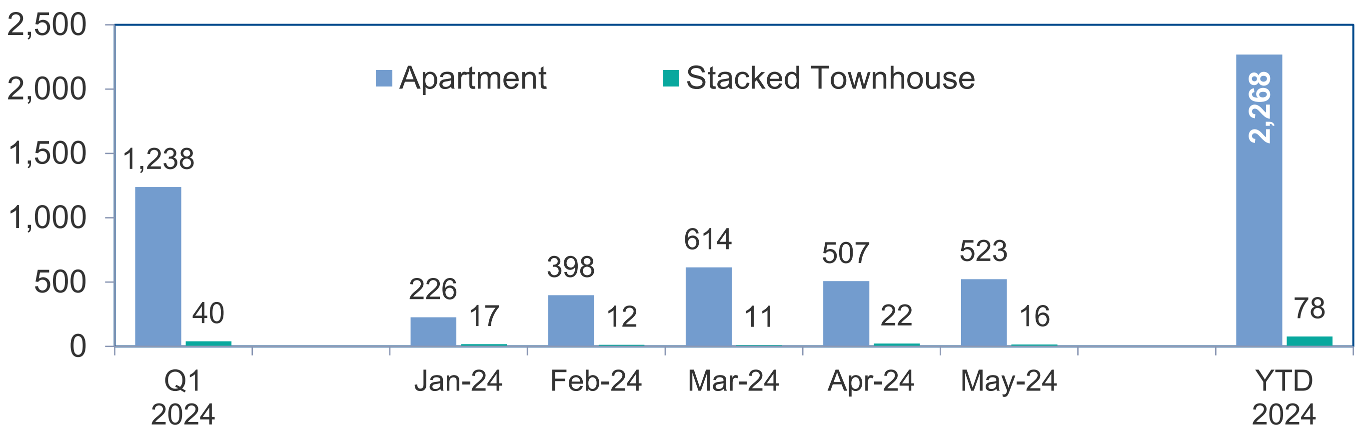
Source: Altus Group and Toronto Regional Real Estate Board data

New Condominium Apartments - Sales

- **Total new condominium apartment sales in May across the GTA were the 2nd lowest May** (after 2020 pandemic onset) **on record**.
- **New condominium sales in May 2024 were down across all regions compared to the previous year** *(chart top of next page)*.
- **Lower new condominium sales were recorded year-to-date across all regions except Halton and York, with the falloff in Toronto continuing to drag down overall GTA numbers** (*chart middle of next page*). Toronto has lost market share of new condominium apartment sales to Halton and York (*chart bottom of next page*).

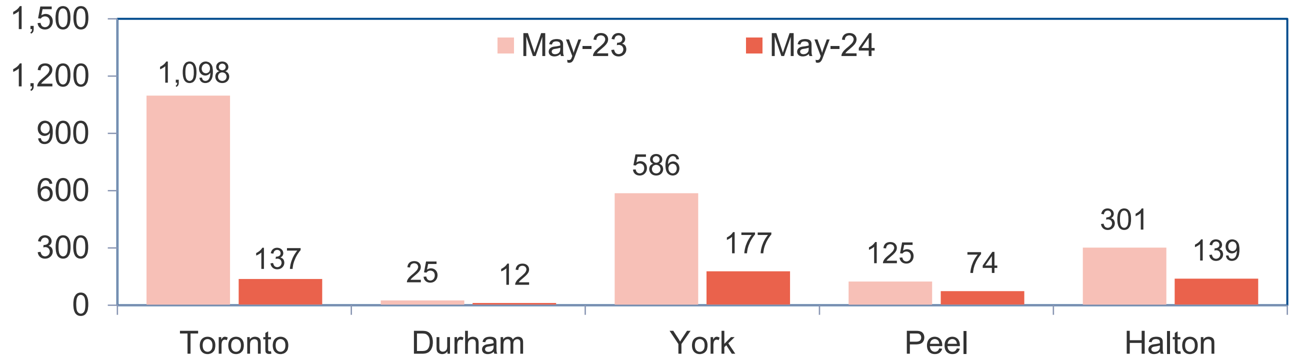
GTA New Condominium Apartment Sales

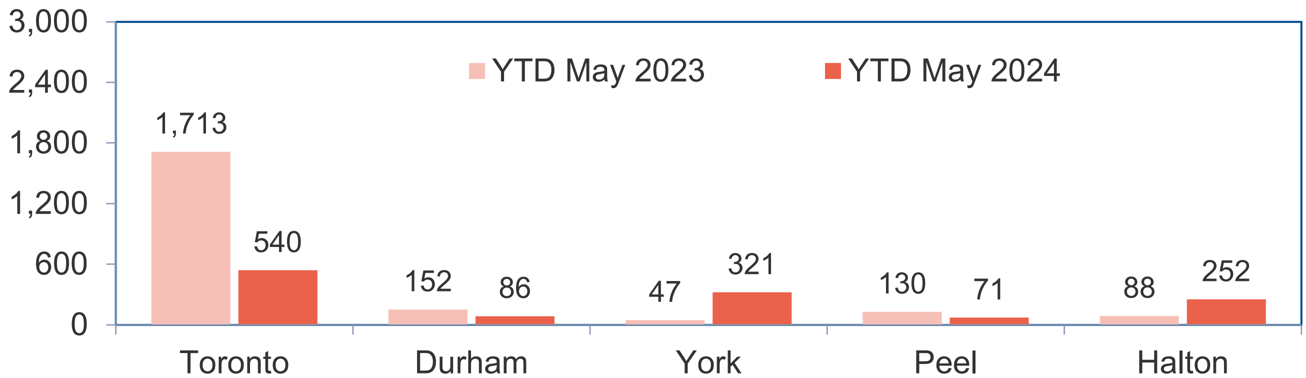


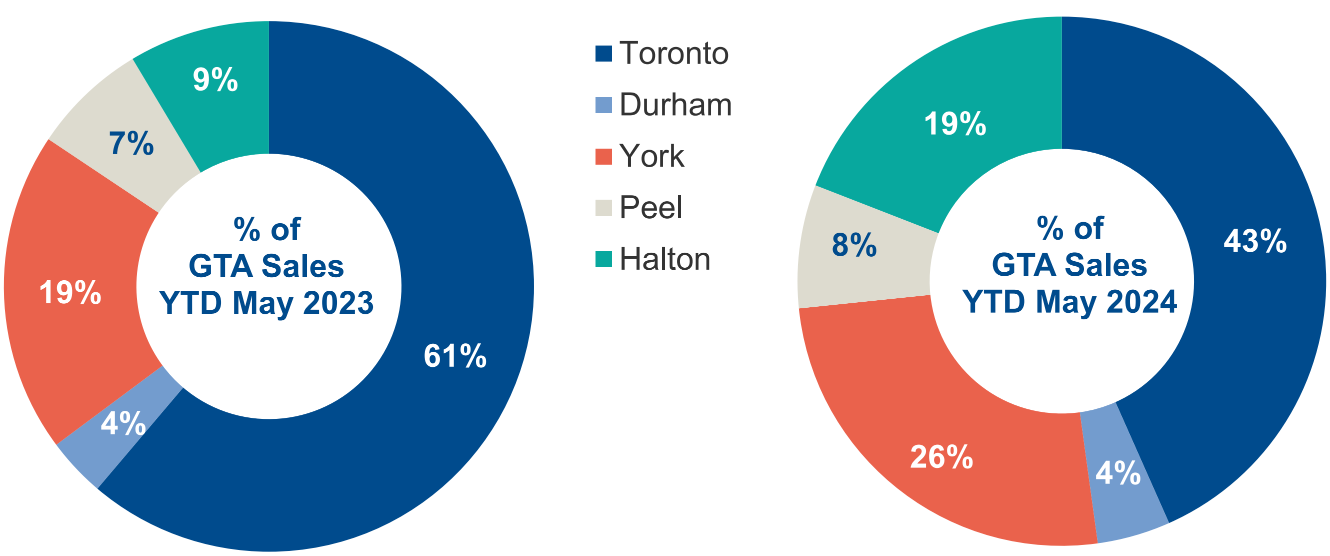


Source: Altus Group

GTA New Condominium Apartment Sales by Region





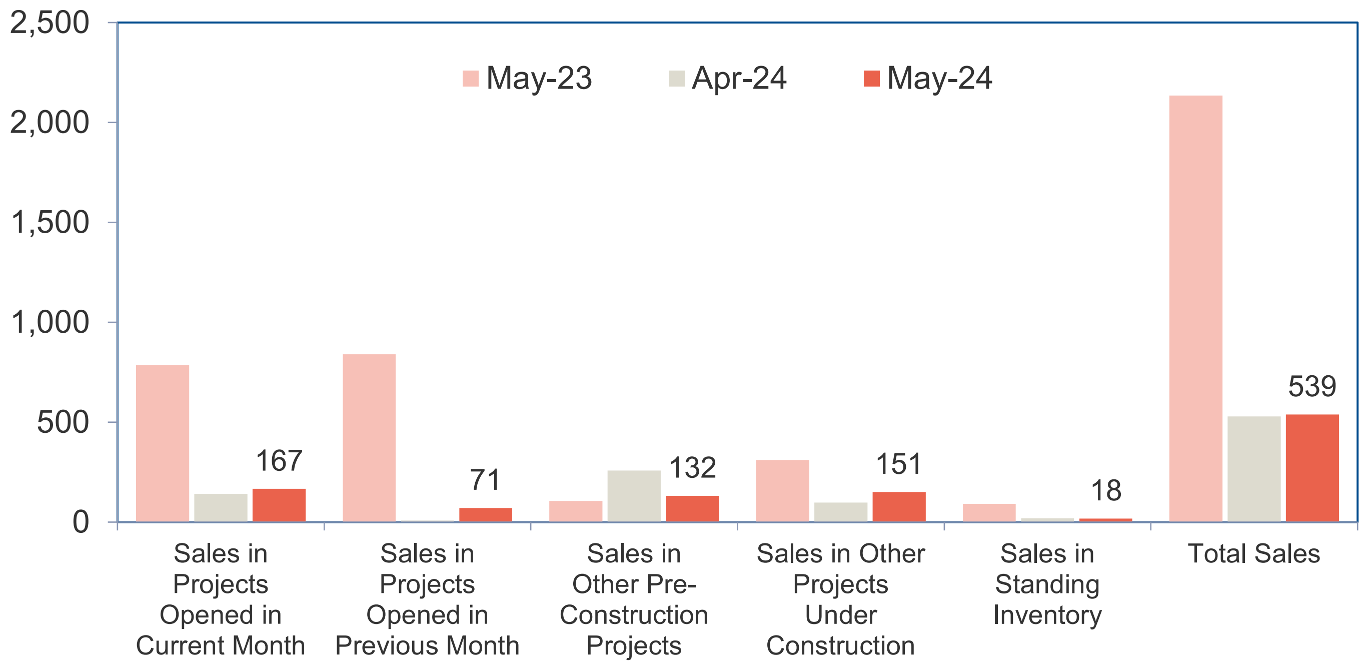


Source: Altus Group

New Condominium Apartments - Sales

- **About one in four new condominium apartment sales occurred in the 3 newly launched projects registering sales in May**. Most of the remaining sales in May were split between in pre-construction 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.

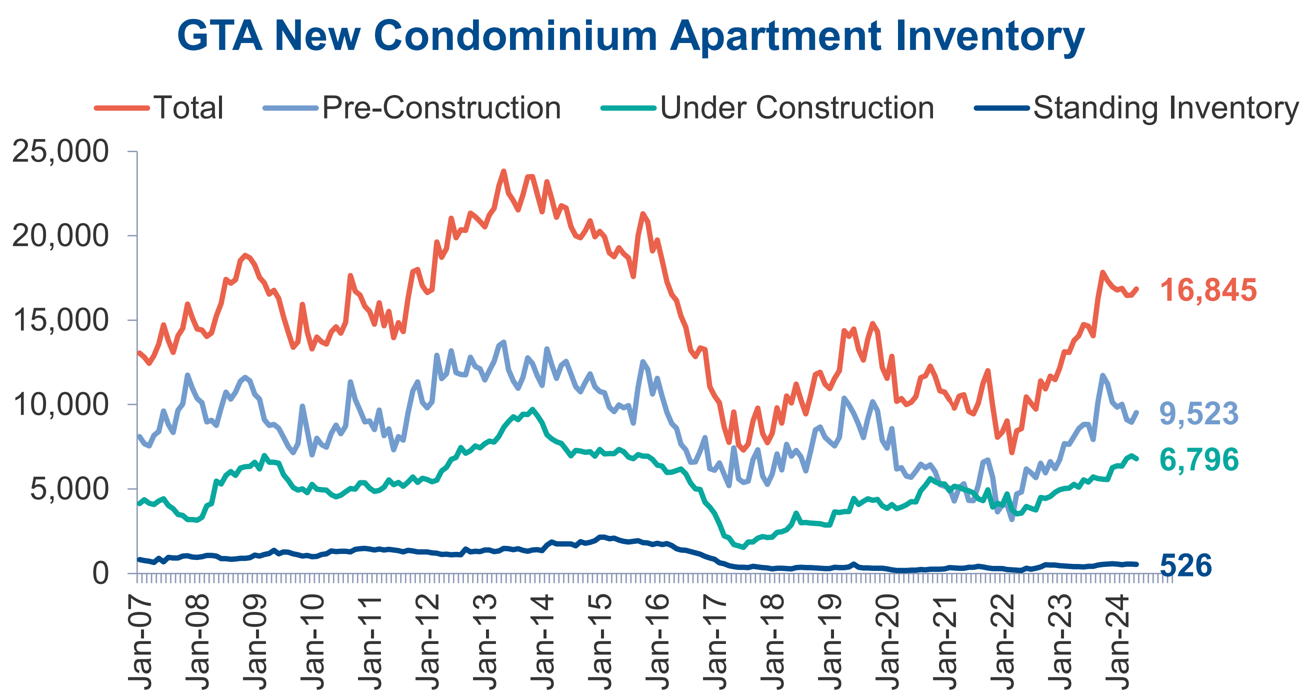
GTA New Condominium Apartment Sales by Construction Status



Source: Altus Group

New Condominium Apartments - Inventory

- **The inventory of available new condo apartments in May 2024 was little changed from the previous month and remained well above the 10-year average.**
- **The current unsold inventory at new condominium apartment projects represents about 20 months of supply** at the average monthly pace of sales seen over the past 12 months, well above the longer-term average for May of about 9.5 months.
- **Almost three-quarters of the available new condominium apartment 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 10 months in Durham to a high of about 26 months in Toronto.

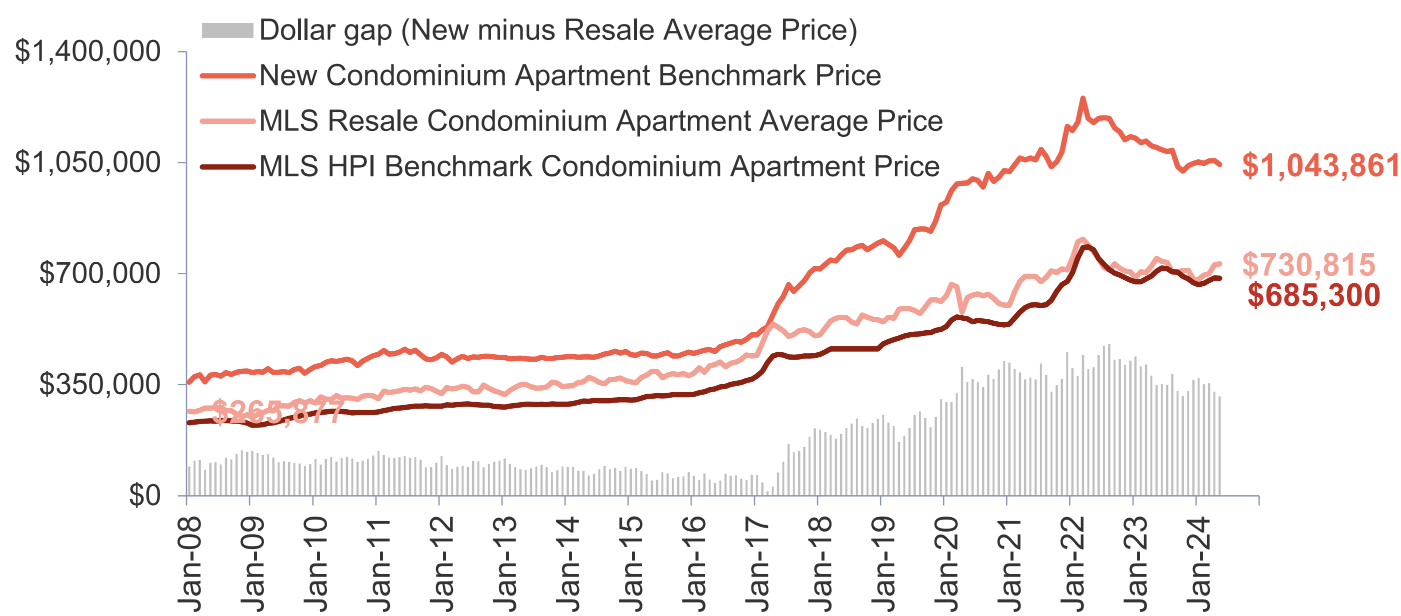


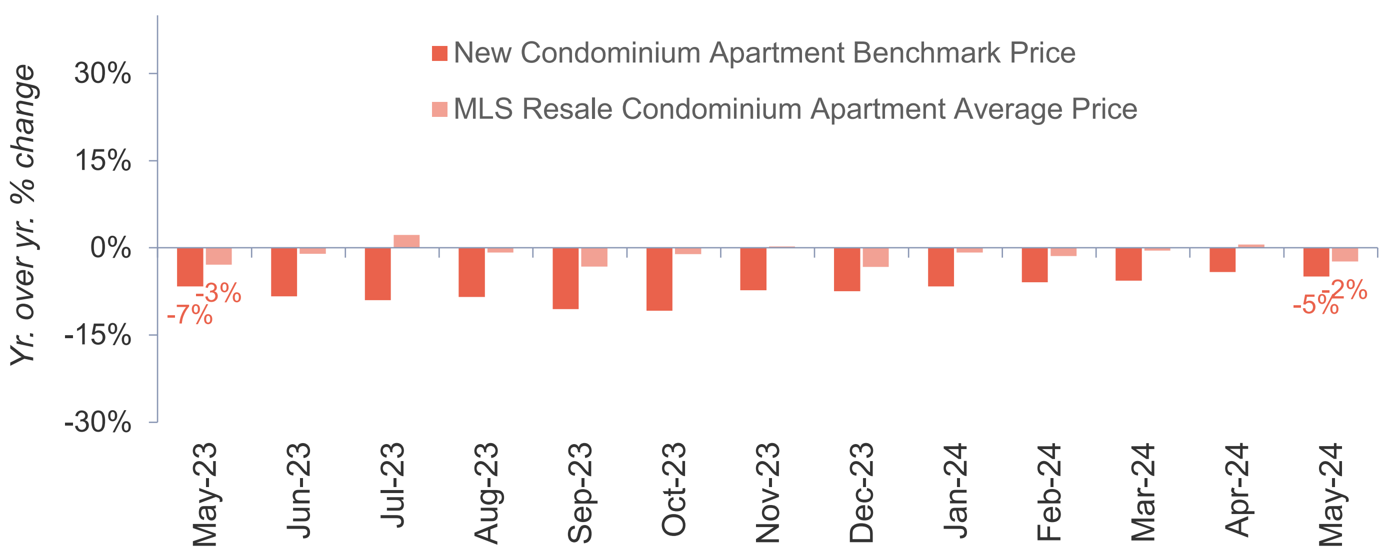
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment declined in May 2024 and recorded an 18th consecutive year-over-year decline** *(this benchmark measures prices of available units at the end of the month - see benchmark price definition at the end of this report).*
- In absolute terms, **the price difference between a new and resale condominium apartment unit narrowed in May.**

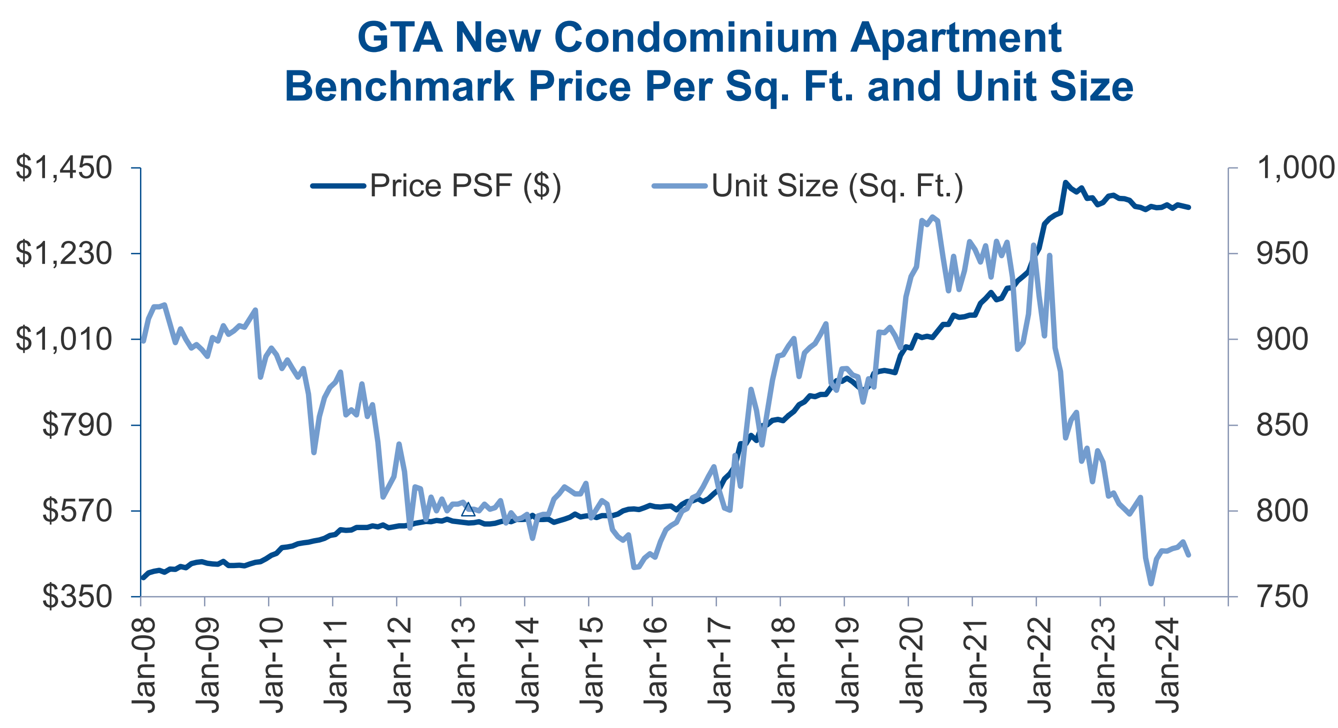
GTA New and Resale Condominium Apartment Prices





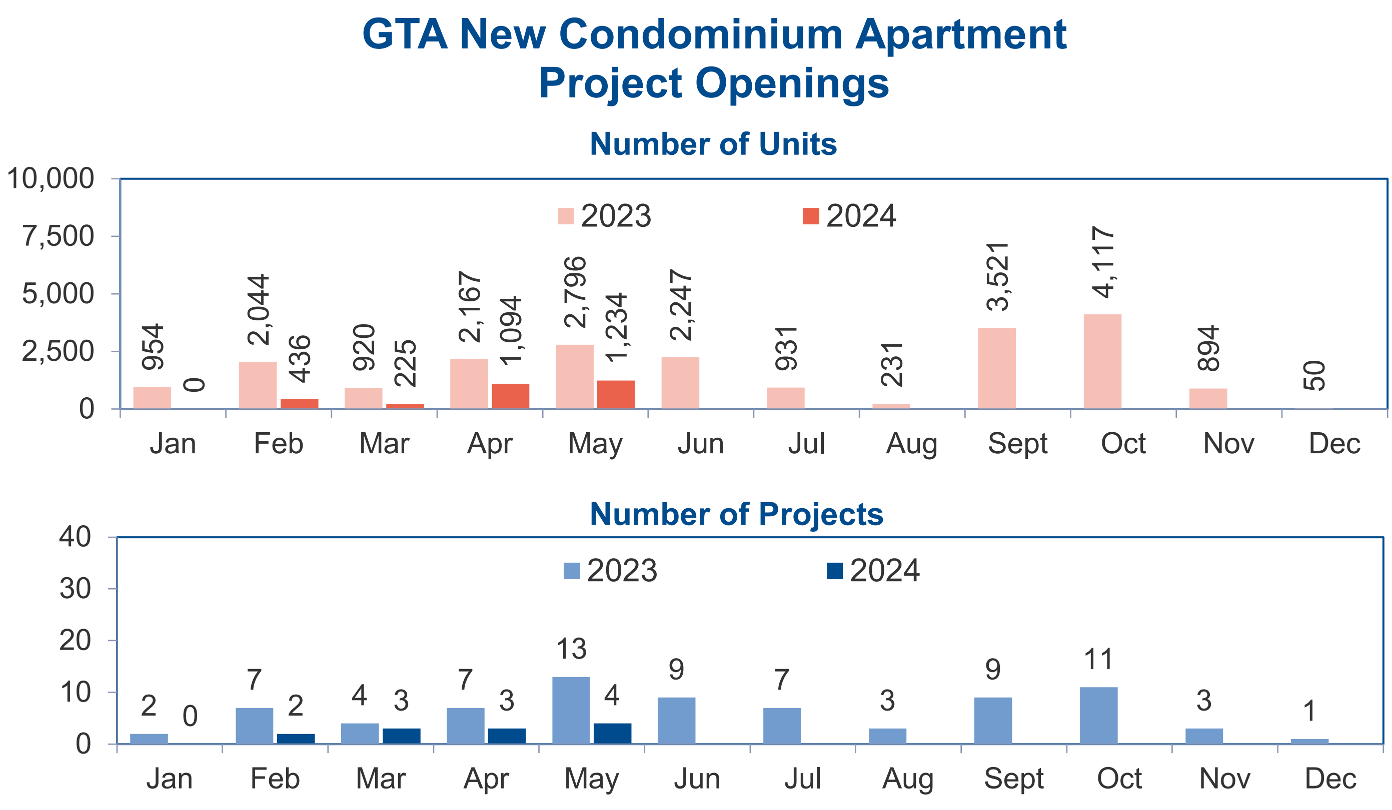
Source: Altus Group and Toronto Real Estate Board data

- **The price per square foot and unit size for a new condominium apartments decreased in May 2024.**
- 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 the average size of available units (and, of course, location shifts).



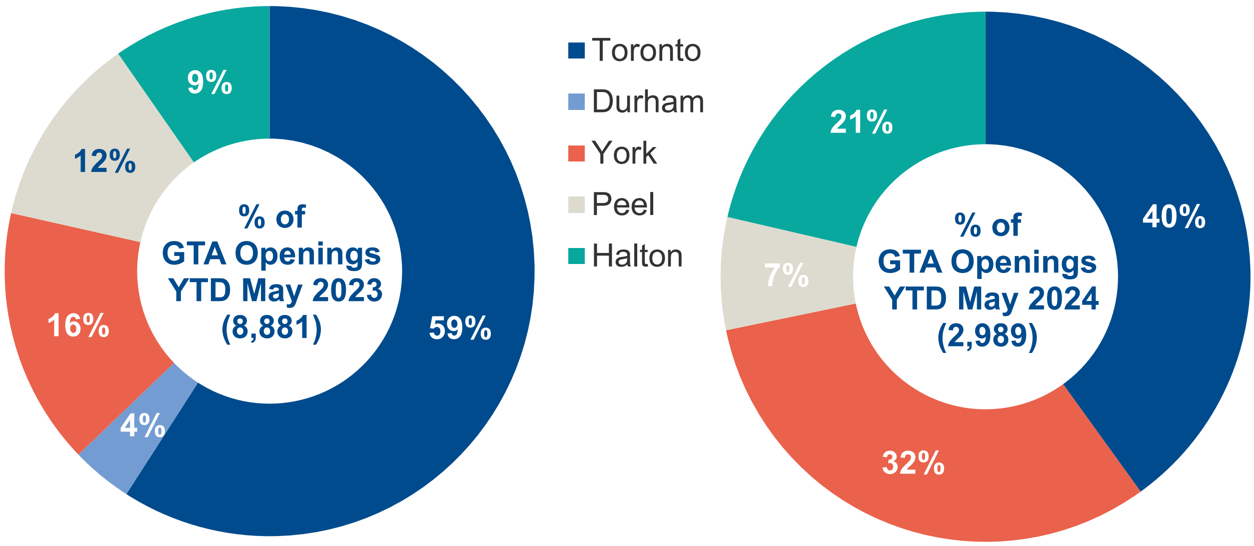
Source: Altus Group

- **Four new condominium apartment were launched in May 2024**.
- **New launches in 2024 were located in Halton, Peel, York and Toronto with Toronto's share plummeting compared to last year** *(chart next page, top).* The old City of Toronto and Scarborough have accounted for all of the new launches in Toronto through the first five months of 2024 *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in April and May 2024 accompanied by summary tables with additional details on each project.



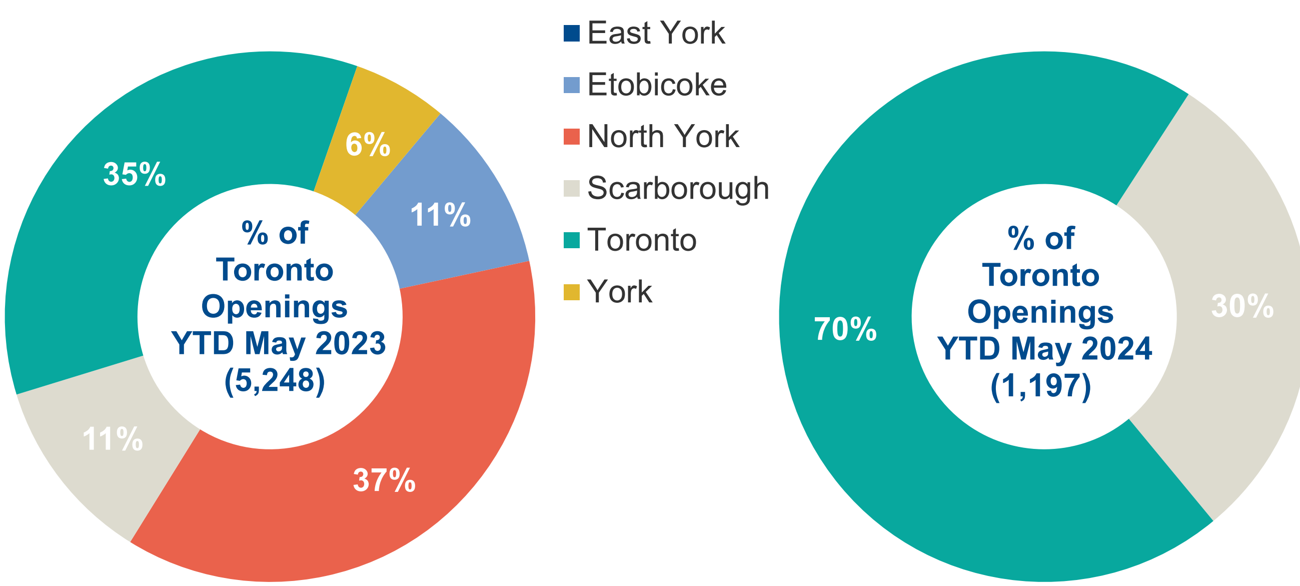
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



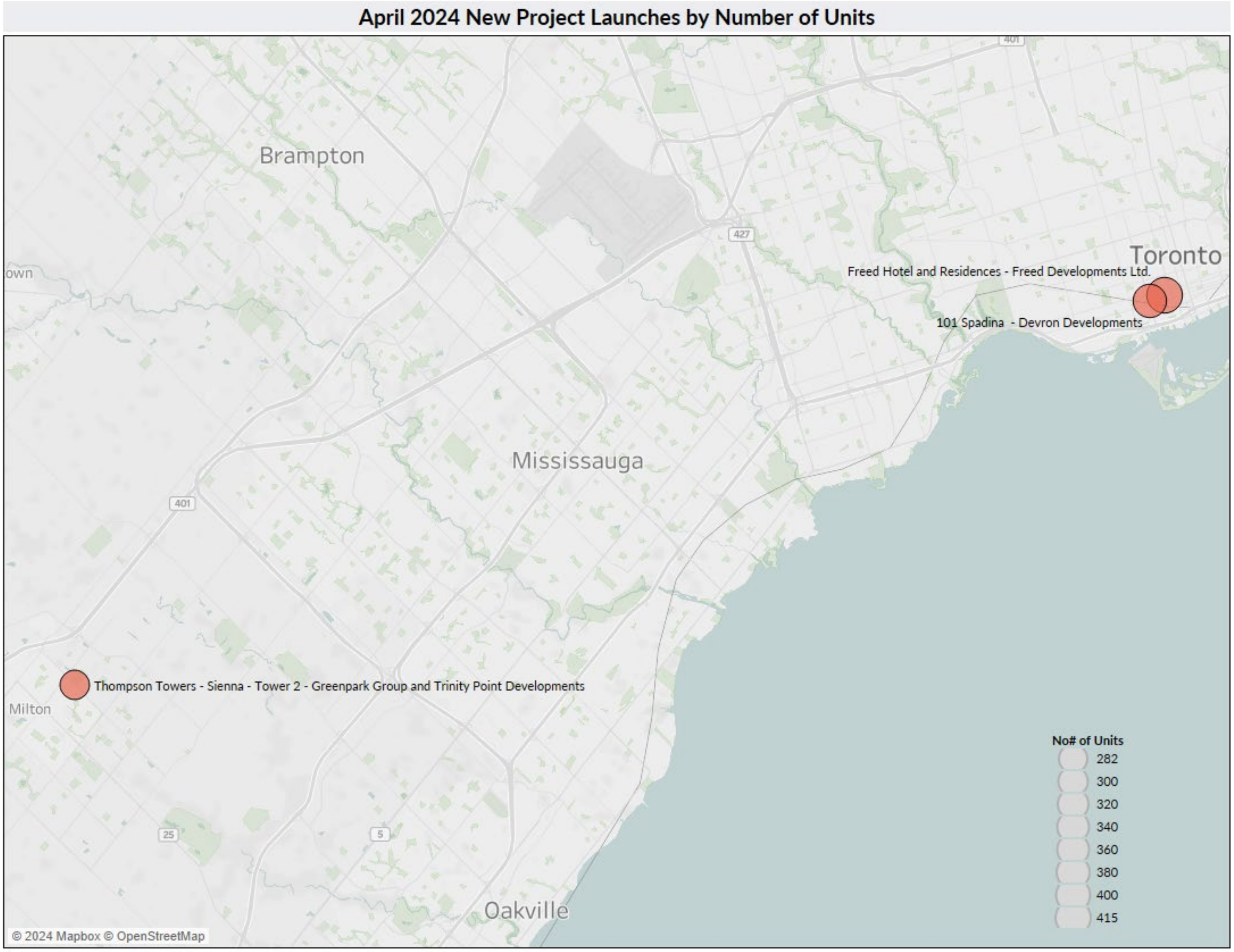
Source: Altus Group

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



Source: Altus Group

New Condominium Apartments - Openings



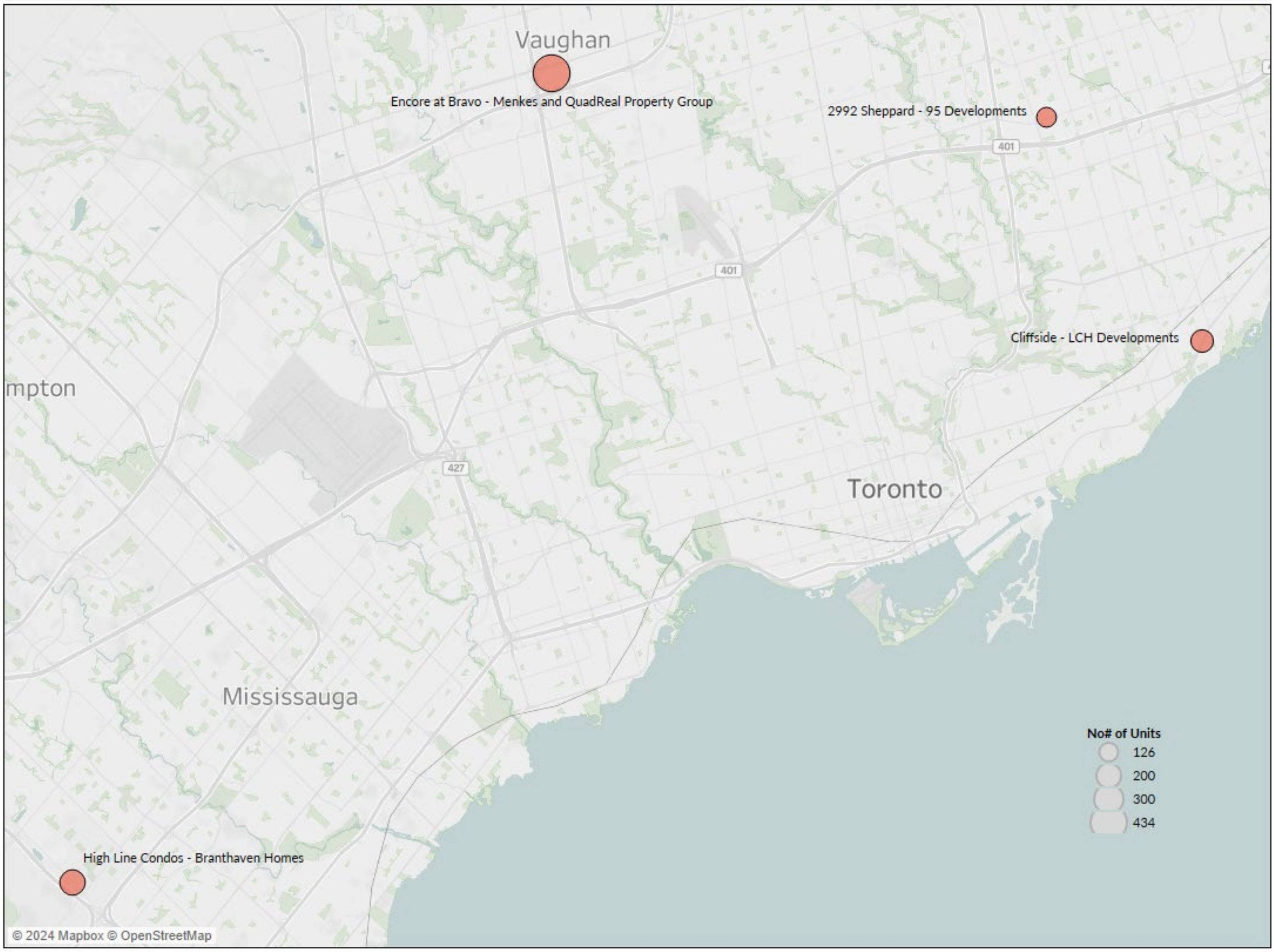
Source: Altus Group

New Condominium Apartments - Openings

New Condominium Apartment Project Openings - April 2024			
Project Name	**101 Spadina**	**Freed Hotel and Residences**	**Thompson Towers - Sienna - Tower 2**
Developer	Devron Developments	Freed Developments Ltd.	Greenpark Group and Trinity Point Developments
Date Opened	April 10, 2024	April 2, 2024	April 21, 2024
Municipality	Old Toronto	Old Toronto	Milton
Region	Toronto	Toronto	Halton
Structural Type	Apartment	Apartment	Apartment
Floors	39	63	30
Project Total Units	**397**	**415**	**282**
Total Units Released	**363**	**415**	**282**
Studio	9	190	1
1 Bedroom	91	54	50
1 Bedroom + den	38	-	154
2 Bedroom	188	130	76
2 Bedroom + den	1	-	1
3 Bedroom & up	36	41	-
Penthouse	-	-	-
Townhouse	-	-	-
Other	-	-	-
Opening Month Sales	**61**	**81**	**0**
Next Month Sales	**23**	**10**	**38**
% Sold (of released units)	23%	22%	13%
Remaining Available Inventory	279	324	244
Original $PSF	$1,787	$2,216	$1,035
Minimum Size (sq. ft.)	441	275	462
Maximum Size (sq. ft.)	1,466	2,010	999
Minimum Price	$675,000	$569,900	$464,900
Maximum Price	$3,049,000	$6,449,900	$924,900
Notes			

Source: Altus Group

May 2024 New Project Launches by Number of Units



Source: Altus Group

New Condominium Apartment Project Openings - May 2024

Project Name	2992 Sheppard	Cliffside	Encore at Bravo	High Line Condos
Developer	95 Developments	LCH Developments	QuadReal Property Group	Branthaven Homes
Date Opened	May 30, 2024	May 11, 2024	May 11, 2024	May 4, 2024
Municipality	Scarborough	Scarborough	Vaughan	Mississauga
Region	Toronto	Toronto	York	Peel
Structural Type	Apartment	Apartment	Apartment	Apartment
Floors	15	10	58	6
Project Total Units	**158**	**199**	**672**	**205**
Total Units Released	**126**	**164**	**434**	**205**
Studio	-	28	3	-
1 Bedroom	25	73	102	31
1 Bedroom + den	57	25	69	121
2 Bedroom	18	19	260	29
2 Bedroom + den	-	3	-	24
3 Bedroom & up	26	10	-	-
Penthouse	-	-	-	-
Townhouse	-	-	-	-
Other	-	6	-	-
Opening Month Sales	**0**	**20**	**95**	**52**
% Sold (of released units)	0%	12%	22%	25%
Remaining Available Inventory	126	144	339	153
Original $PSF	$1,217	$1,113	$1,211	$1,125
Minimum Size (sq. ft.)	476	321	390	480
Maximum Size (sq. ft.)	861	1,189	698	950
Minimum Price	$629,900	$399,990	$483,990	$595,900
Maximum Price	$929,900	$999,990	$742,390	$927,900
Notes	No firm sales as all deals were subject to the 10-day conditional period			

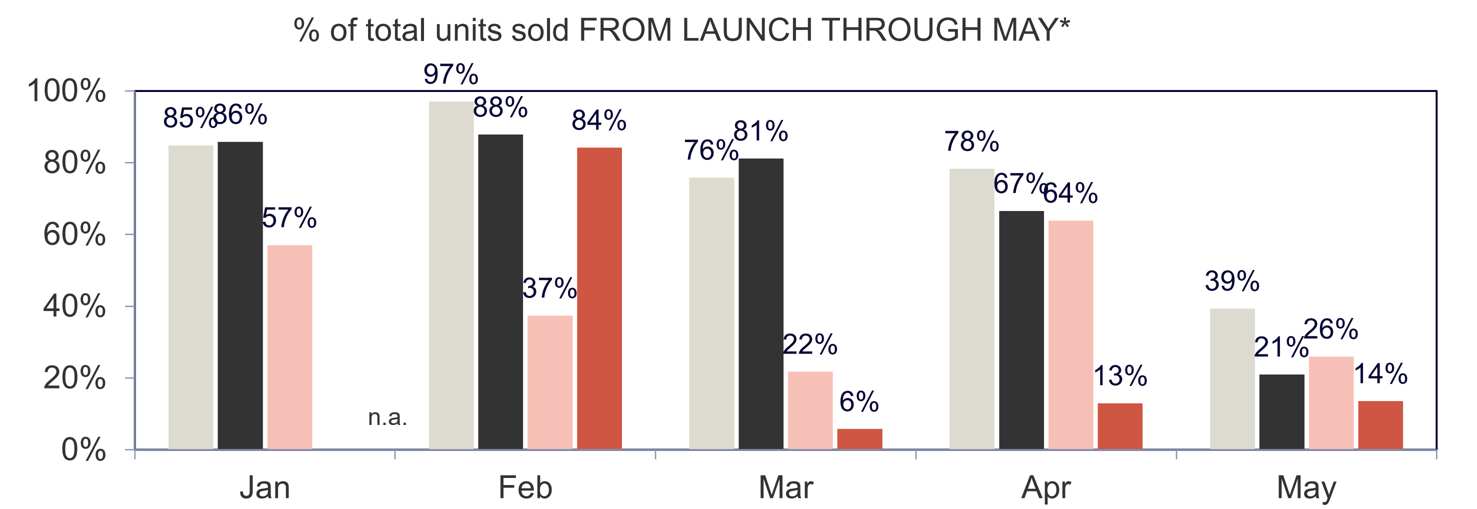
Source: Altus Group

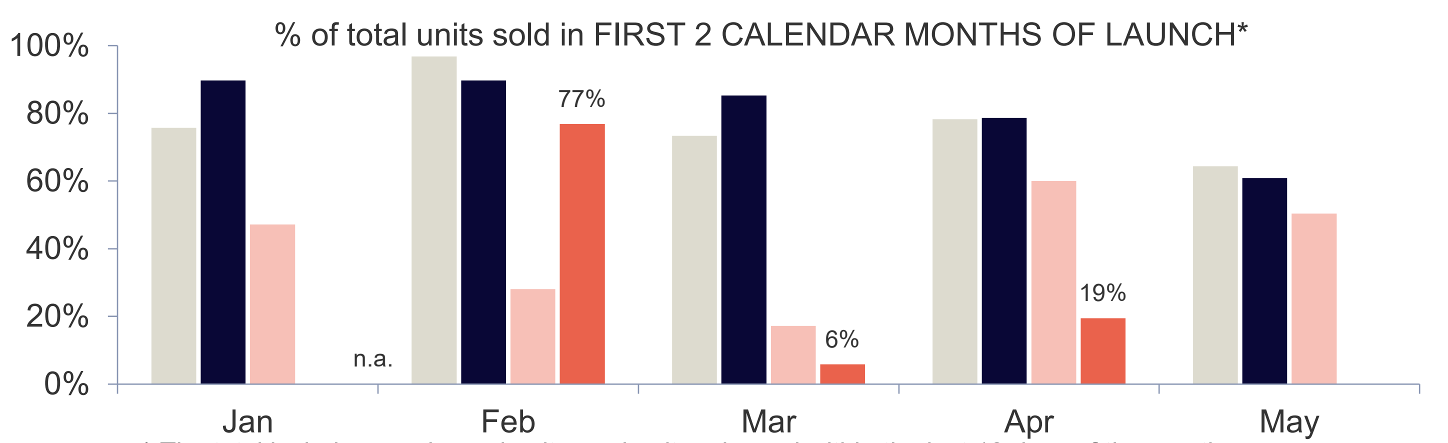
New Condominium Apartments - Openings

- **Just 14 percent of units launched in May have sold.** This is behind the pace of the previous three years.
- After 2 months of sales, projects opened in March lagged the pace of last year which was down compared to the pace of 2021 and 2022.
- 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 May*

Projects Opened in 2021 | Projects Opened in 2022 | Projects Opened in 2023 | Projects Opened in 2024



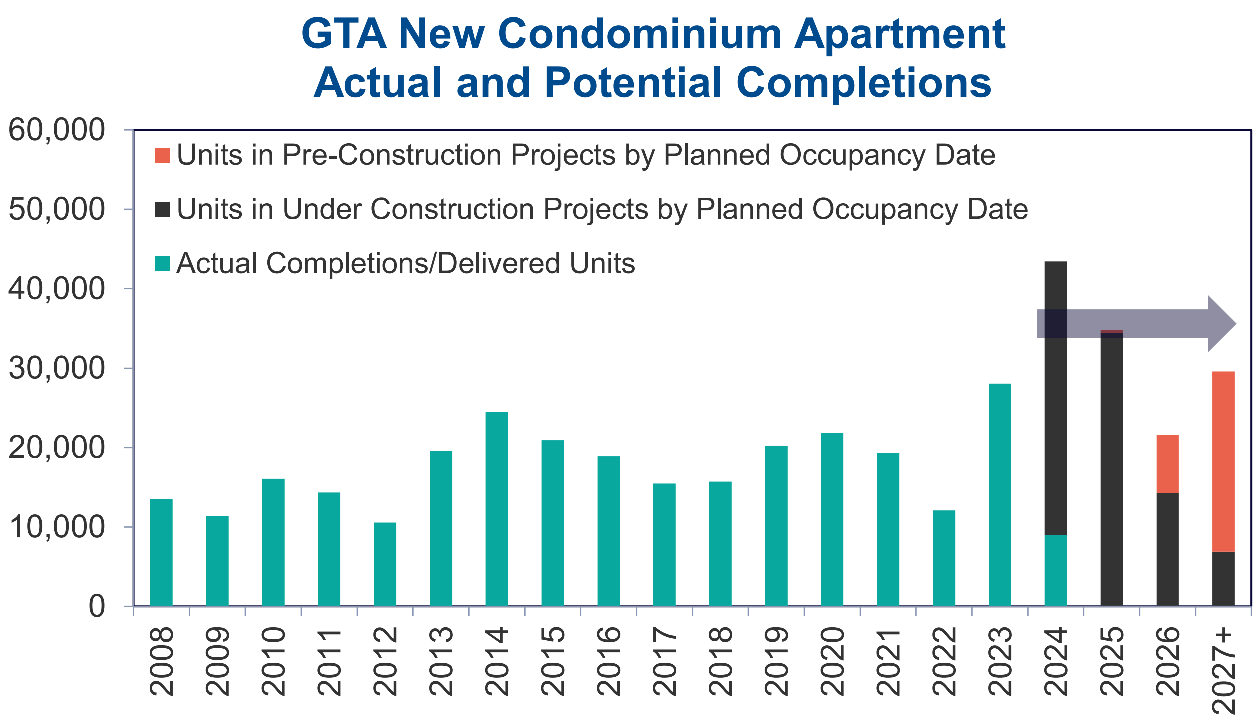


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

- As of the end of May 2024, there were about 120,500 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were just 616 units delivered in May 2024.** Year-to-date completions through the first five months of 2024 are ahead of the pace set last year by over 28 percent – 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.



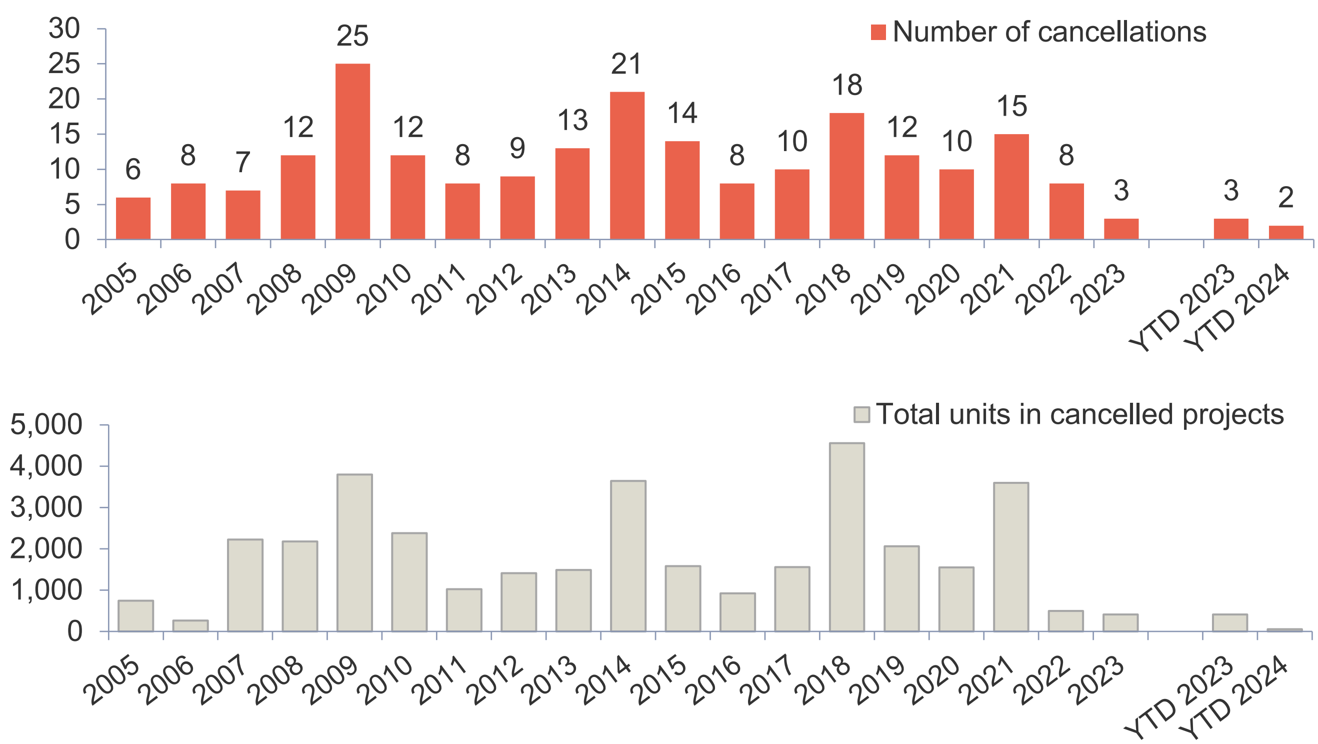
Source: Altus Group

New Condominium Apartments - Cancellations

AltusGroup

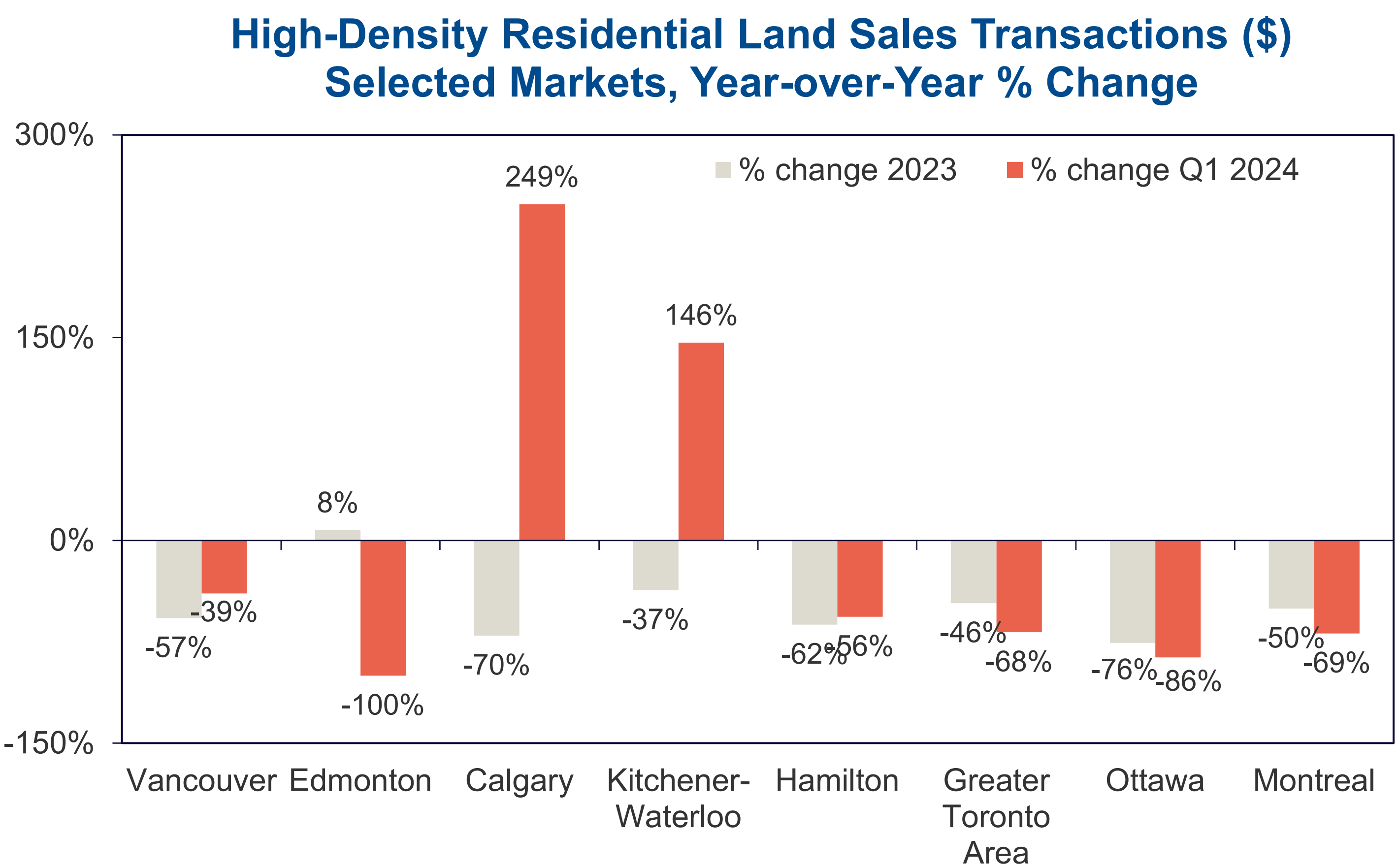
- In 2023, there were fewer new condominium apartment projects cancelled, and fewer units, than any of the previous five years. To date through the first five months of 2024, only 2 projects with 59 units have been cancelled – **Insignia**, a 29 unit apartment project in Oakville and **View Beach Residences**, a 30 unit apartment project in Toronto.
- **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).
- The risk of additional cancellations has increased due to the growing gap in revenues (selling prices from previous years) and ever escalating construction costs and increased borrowing costs to be faced when projects are actually started.

Condominium Apartment Projects Cancelled During Each Year, GTA



Source: Altus Group

- **Investors have pulled back on their acquisition of land for high-density development** (i.e. land for condominium apartment and purpose-built rental projects).
- **Sales of high-density residential land slowed in the GTA in the first quarter of 2024**, extending the slowdown that began during 2022.
- **Other markets tracked by Altus Group, excluding Calgary and Kitchener, also saw large declines in high-density land sales during Q1 2024.**



Source: Altus Group

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