The Altus Group Condominium Apartment Monitor

GTA Edition

Data as of September 2024

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New Condominium Apartment Dashboard

AltusGroup

September 2024			YTD September 2024	
Sales	Inventory	Benchmark Price	Sales	Benchmark Price
247	17,427	$1,025,111	3,823	$1,039,480
-11% ▼	+7% ▲	-1% ▼	-63% ▼	-8% ▼
Lowest September on record	*Highest September since 2015*	*Lowest September since 2021*	*Lowest YTD September on record*	*Lowest YTD September since 2020*

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

Highlights

- **Total new condominium apartment sales remained weak in September 2024 across the GTA recorded a 4th consecutive all-time low for the month.**
- **The inventory of available new condo apartments in September 2024 crept higher from the previous month and was seven percent above year ago levels and remained well above the 10-year average with a record high 30.5 months of inventory available** at the average monthly pace of sales seen over the past 12 months
- **The benchmark price of a new condominium apartment fell in September 2024 year-over-year for the 22nd consecutive month and also was down from the previous month.**
- GTA new home sales had another slow month in September 2024 despite three successive Bank of Canada rate cuts. We now have a market that is highly primed with elevated inventories, falling prices and a further 50 basis point rate cut. All that is needed is for buyers to jump off the sidelines.

Condominium Apartment KPIs

GTA Condominium Apartment Key Performance Indicators

	Sep-23	Aug-24	Sep-24	*Yr-Over-Yr % Change*	YTD Sep 2023	YTD Sep 2024	*Yr-Over-Yr % Change*
New Condominium Apartments (Altus Group data)*							
Total active sites	389	344	343	*-12%*	369	347	*-6%*
New projects opened	9	0	2	*-78%*	61	19	*-69%*
Units in new projects opened	3,521	0	604	*-83%*	15,892	5,483	*-65%*
Total sales (units)	1,311	240	247	*-81%*	10,228	3,823	*-63%*
Sales as % of total new & resale	*50%*	*14%*	*16%*		*39%*	*21%*	
Inventory (units)	16,347	17,179	17,427	*7%*	14,001	17,033	*22%*
Sales-to-inventory ratio	8%	1%	1%	*-82%*	8%	3%	*-69%*
Months of inventory	14.6	26.0	30.4	*109%*	12.3	21.1	*72%*
Benchmark price	$1,037,538	$1,031,356	$1,025,111	*-1%*	$1,095,632	$1,039,480	*-5%*
Price PSF Benchmark	$1,343	$1,341	$1,339	*0%*	$1,363	$1,345	*-1%*
Unit size Benchmark (sq. ft)	773	769	766	*-1%*	804	773	*-4%*
Units completed	3,465	1,388	2,162	*-38%*	15,755	16,711	*6%*
Resale Condominium Apartments (Toronto Real Estate Board data)							
Total sales (units)	1,307	1,417	1,312	*0%*	15,797	14,449	*-9%*
New listings (units)	4,994	3,959	5,417	*8%*	34,746	42,924	*24%*
Inventory ("active listings", units)	6,509	8,336	8,981	*38%*	4,648	7,322	*58%*
Sales-to-inventory ratio	20%	17%	15%	*-27%*	39%	23%	*-41%*
Months of inventory	4.0	5.6	6.0	*49%*	2.9	4.7	*61%*
Average price of units sold	$707,065	$678,785	$682,543	*-3%*	$721,217	$707,065	*-2%*
HPI constant quality price index (Jan 2005=100)	317.5	311.0	315.4	*-1%*	310.5	314.3	*1%*

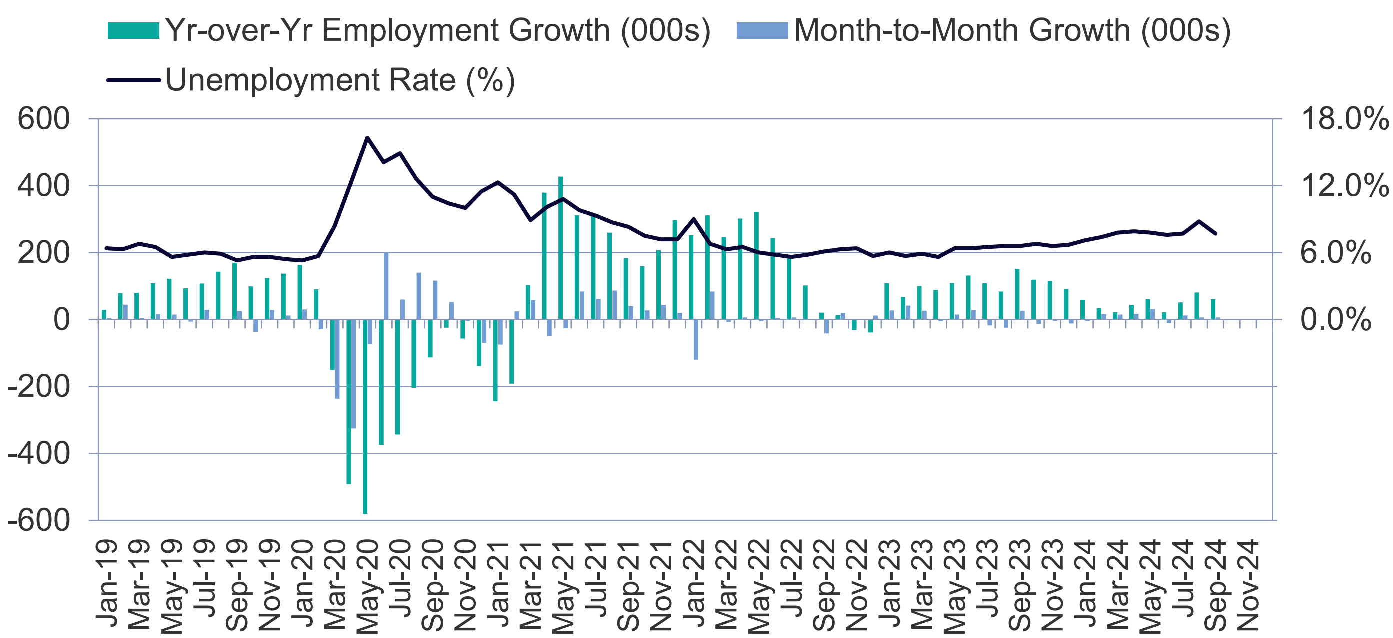
** see end of report for Definitions*

- **Year-over-year employment growth remained positive in September for a 21st consecutive month Month-to-month growth also remained in positive territory for a 3rd month.** The GTA unemployment rate dipped in September but remained above 7.5% for a seventh month.

- **The Bank of Canada reduced the target for the overnight rate for a 4th consecutive time at its latest rate announcement on October 23, dropping the rate by 50 basis points** stating that **"***In Canada, the economy grew at around 2% in the first half of the year and we expect growth of 1¾% in the second half. Consumption has continued to grow but is declining on a per person basis. Exports have been boosted by the opening of the Trans Mountain Expansion pipeline. The labour market remains soft—the unemployment rate was at 6.5% in September. Population growth has continued to expand the labour force while hiring has been modest.. . . The Bank expects inflation to remain close to the target over the projection horizon, with the upward and downward pressures on inflation roughly balancing out. . . With inflation now back around the 2% target, Governing Council decided to reduce the policy rate by 50 basis points . . . If the economy evolves broadly in line with our latest forecast, we expect to reduce the policy rate further. However, the timing and pace of further reductions in the policy rate will be guided by incoming information and our assessment of its implications for the inflation outlook.*" **The next rate announcement date is December 10.**

- **The average 5-year fixed special rate has fallen to 4.64 percent, down about 175 basis points from the October 2023 peak and in line with the level of July 2022** *(chart next page, bottom).*

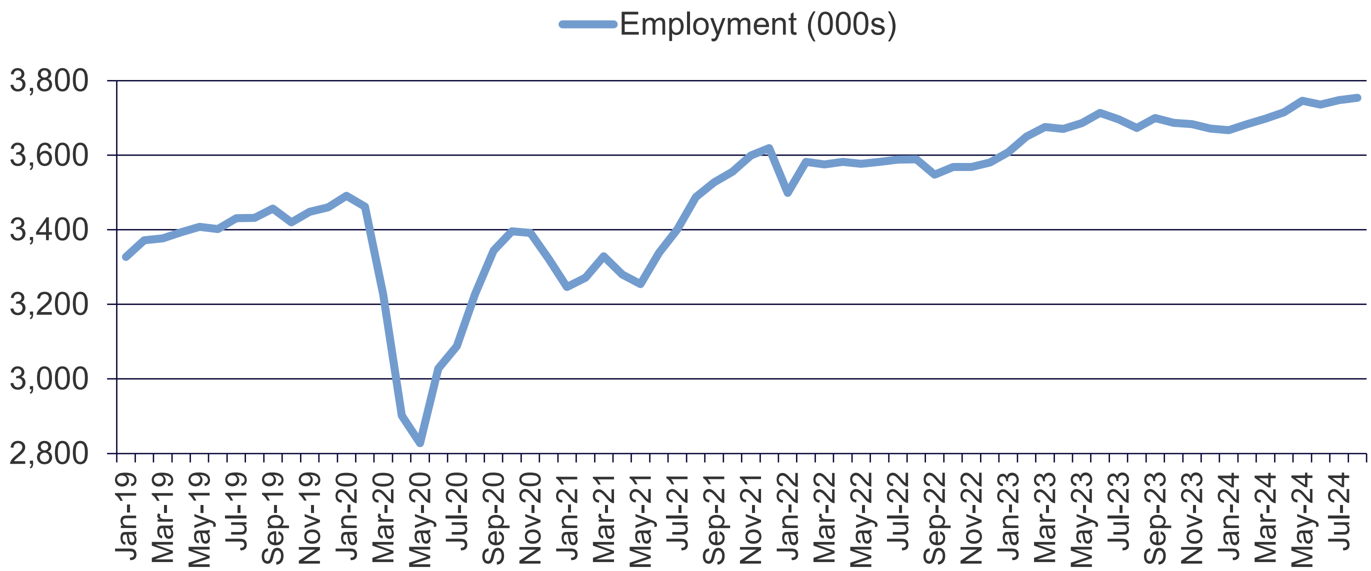
GTA Employment Snapshot*



Source: Altus Group based on Statistics Canada data

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

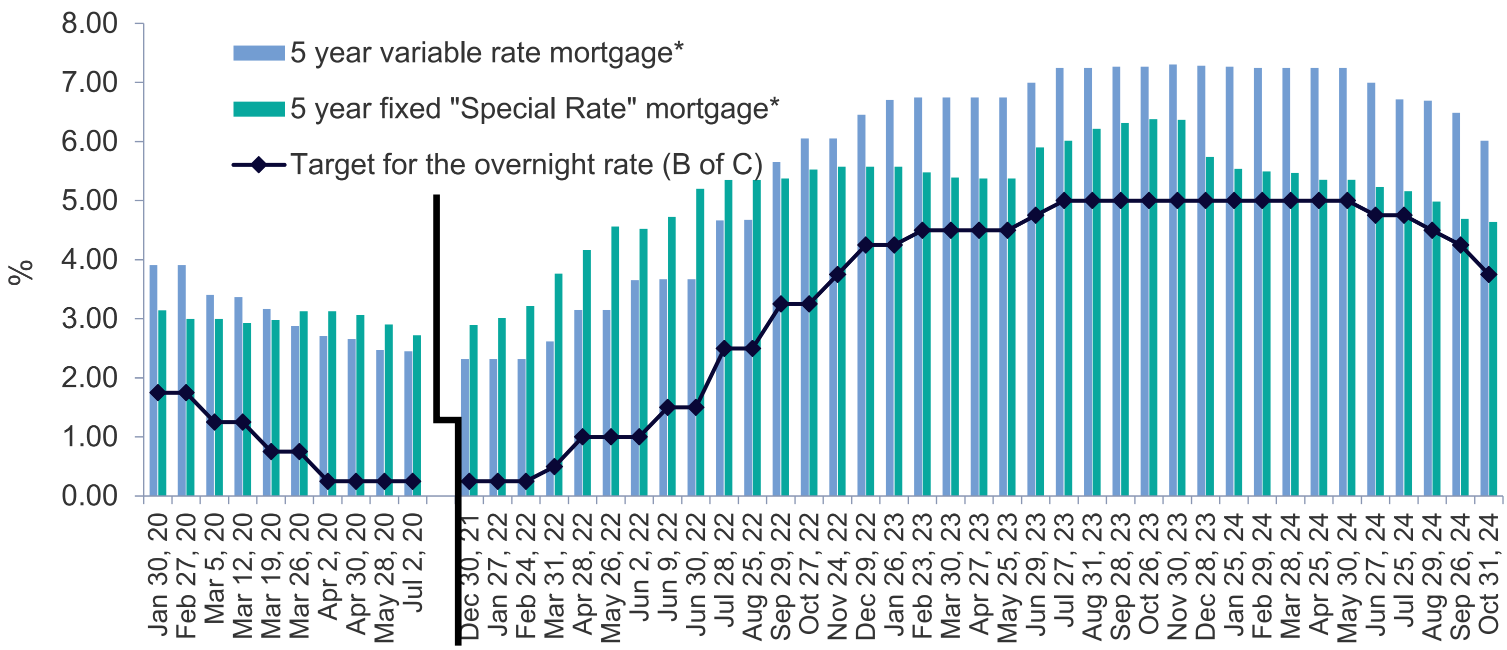
GTA Total Employment*



** 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

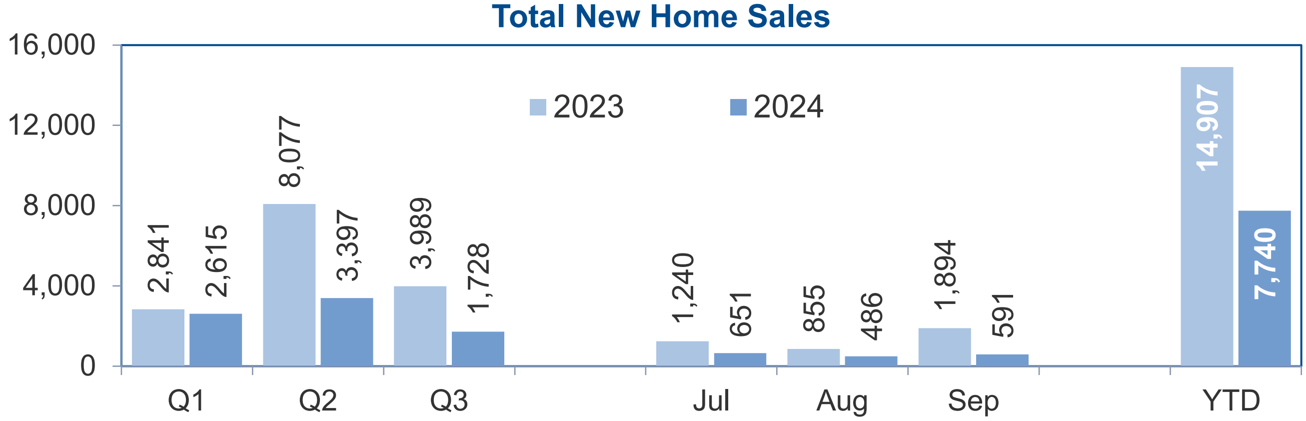
▪ **GTA new home sales in September 2024 remained weak recording its 2nd lowest level.** New condominium apartments fell 81 percent compared to the previous year in September to its lowest level for that month while new single-family home sales were off 41 percent from last year's level.

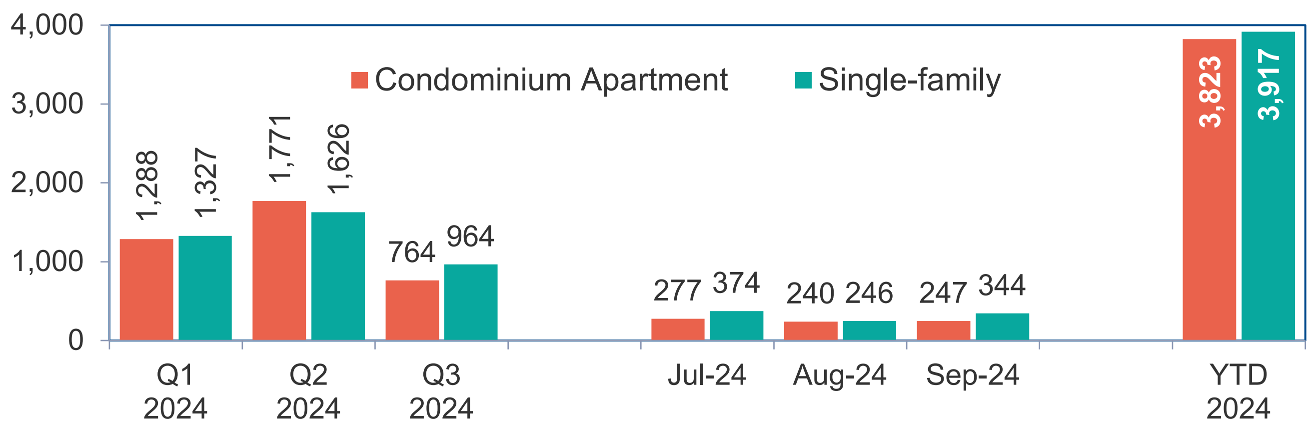
▪ **All regions recorded lower total new home sales through the first three quarters of 2024.** All regions also recorded lower sales year-to-date for both new condominium apartments and new single-family sales except for a minimal increases in the single-family sector in Toronto (*charts next page*).

▪ **Richmond Hill was the sole municipality to record substantially higher total new home sales through September with most other areas reporting a sharp falloff (***chart on page following next***).**

GTA New Home Sales

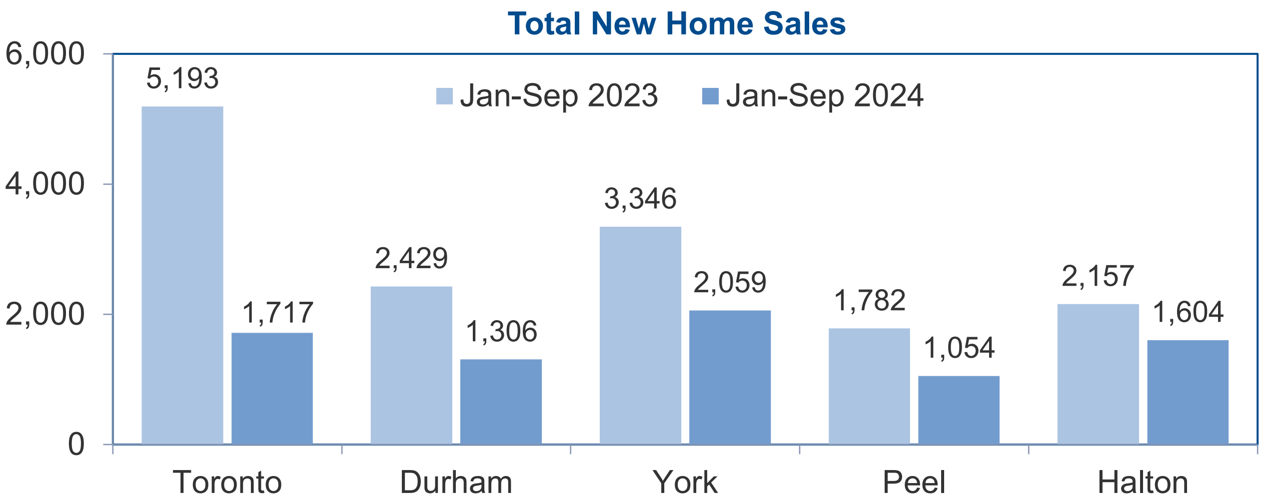
Total New Home Sales

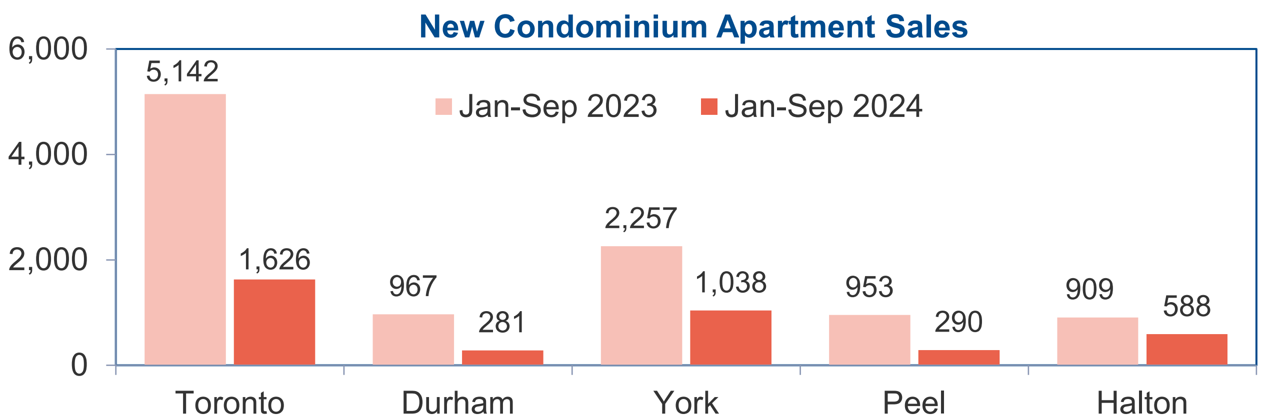


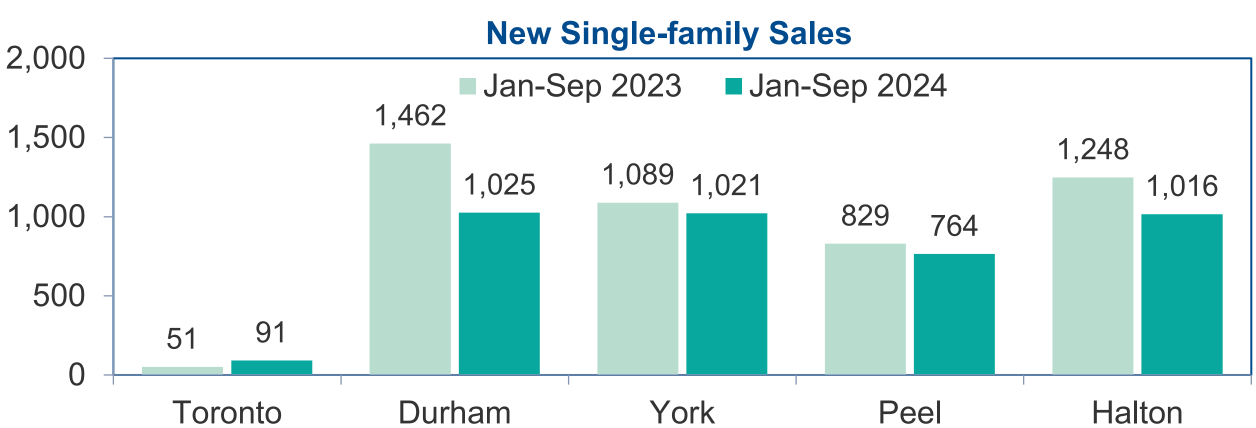


Source: Altus Group

GTA New Home Sales by Region

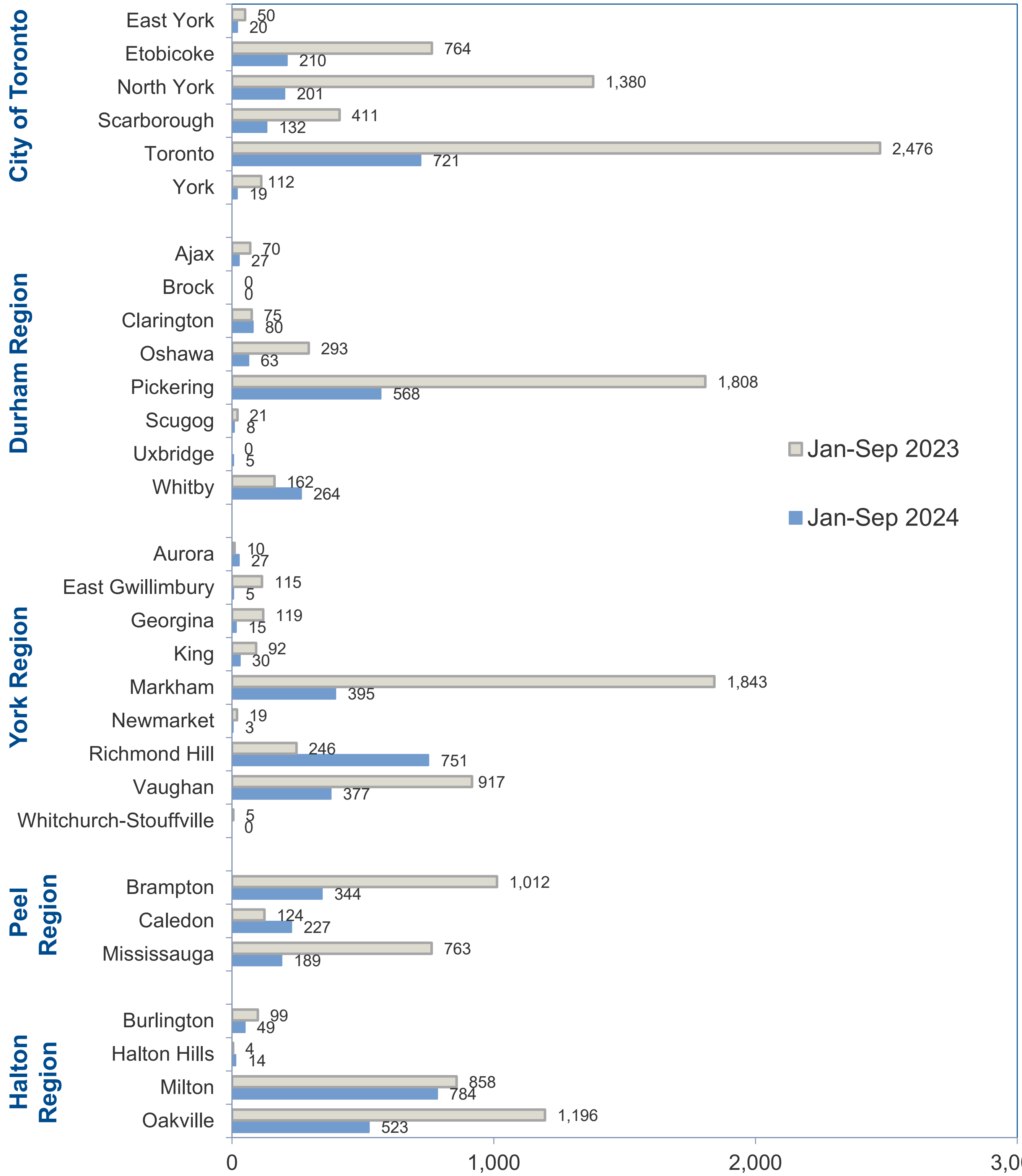






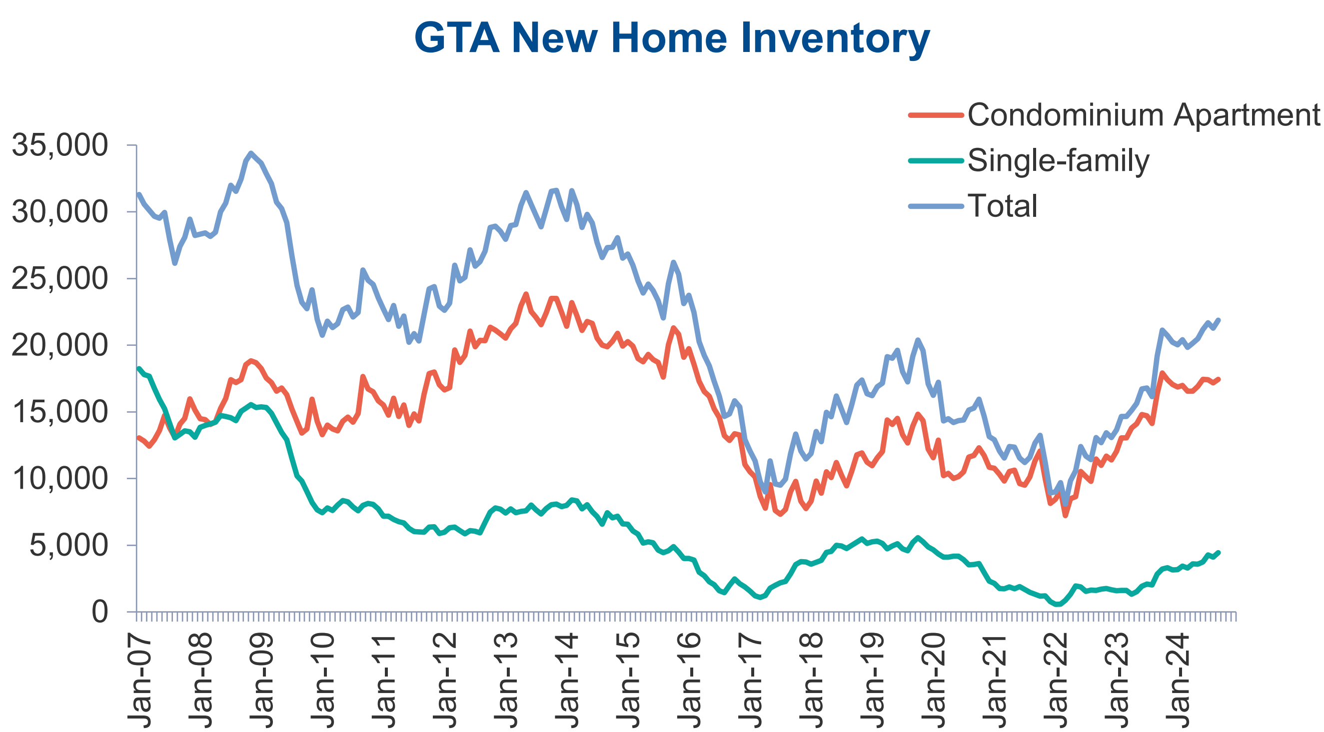
Source: Altus Group

GTA Total New Home Sales by Municipality



Source: Altus Group

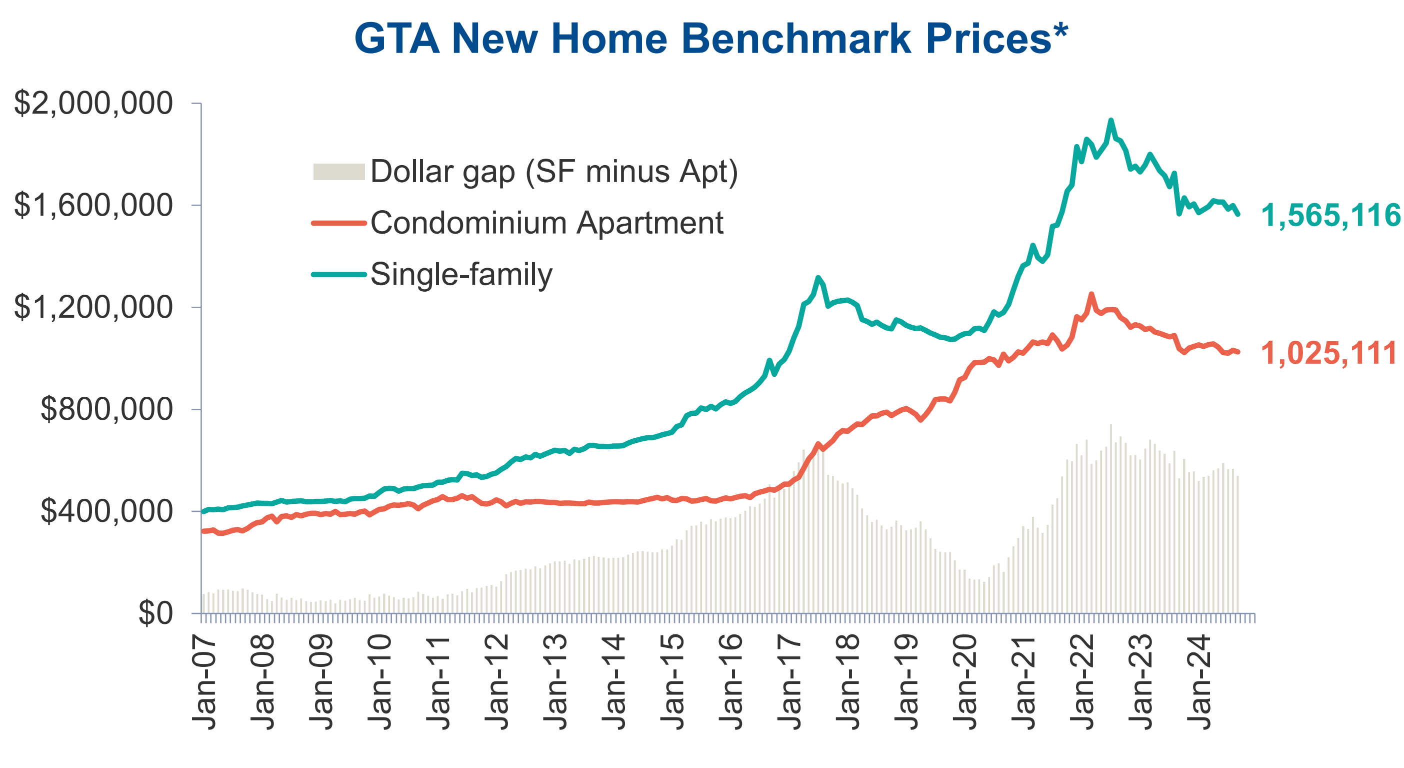
- **The total inventory of new homes across the GTA moved to an 8½-year high in September 2024 exceeding last year by about 15 percent.**
- Based on average monthly total new home sales over the past 12 months, there were just under 14 months of available supply of total new homes at the end of September 2024.



Source: Altus Group

New Home Market - Prices

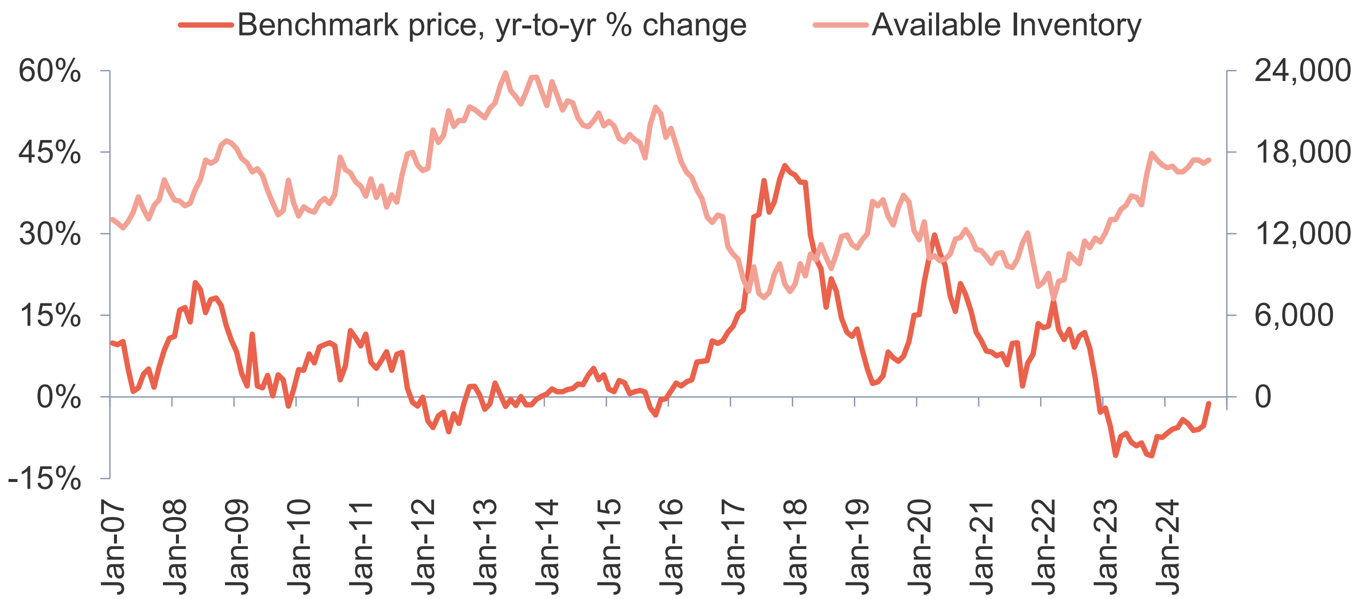
- **The benchmark price for a new condominium apartment dipped by just one percent in September 2024 compared to the previous year,** while the single-family benchmark price was virtually unchanged.
- **The price advantage of available new condominium apartments compared to new single-family homes narrowed in September.** Both the condominium apartment benchmark price and the single-family benchmark price registered year-over-year declines for the 22nd 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*

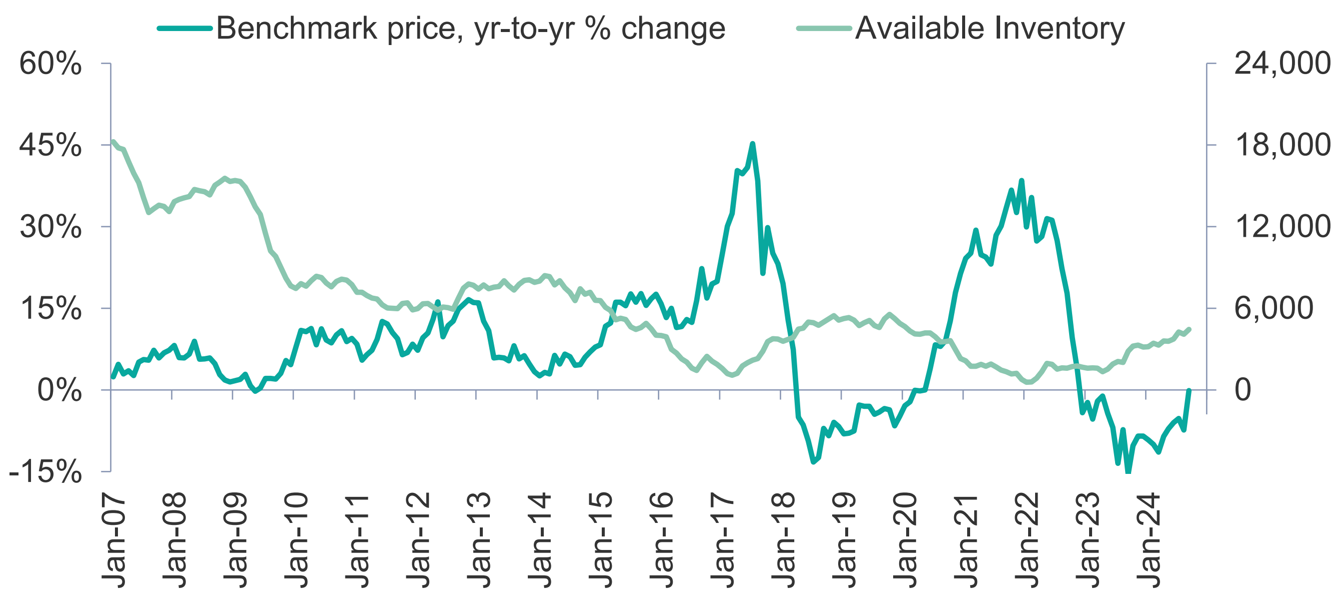
Source: Altus Group

GTA New Condominium Apartment Benchmark Price Changes and Available Inventory



Source: Altus Group

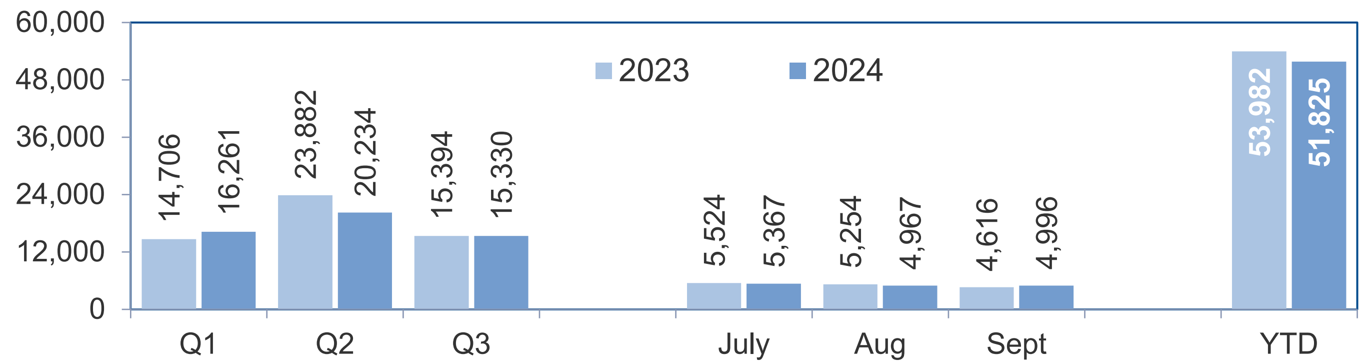
GTA New Single-Family Home Benchmark Price Changes and Available Inventory

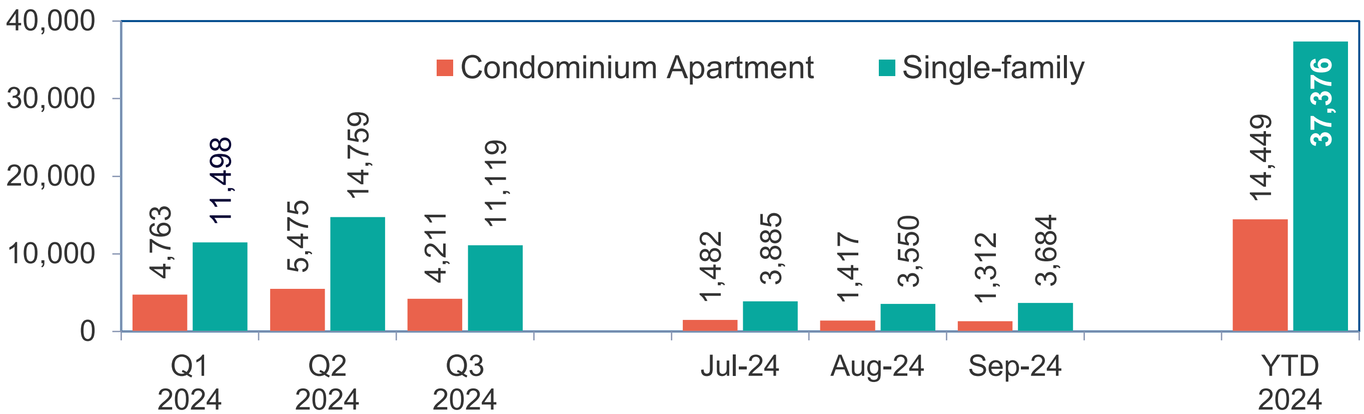


Source: Altus Group

- **Sales of existing homes in September 2024 rose 8 percent from the previous year; however, September 2023 was the all-time low for September**.
- **Total inventory was up 35 percent year-over-year** as both resale single-family and condominium apartment shared in the increase from September 2023 *(chart next page, top).*
- The average sales price for existing condominium apartment and single-family homes in September 2024 dipped lower from a year earlier *(chart next page, bottom).*

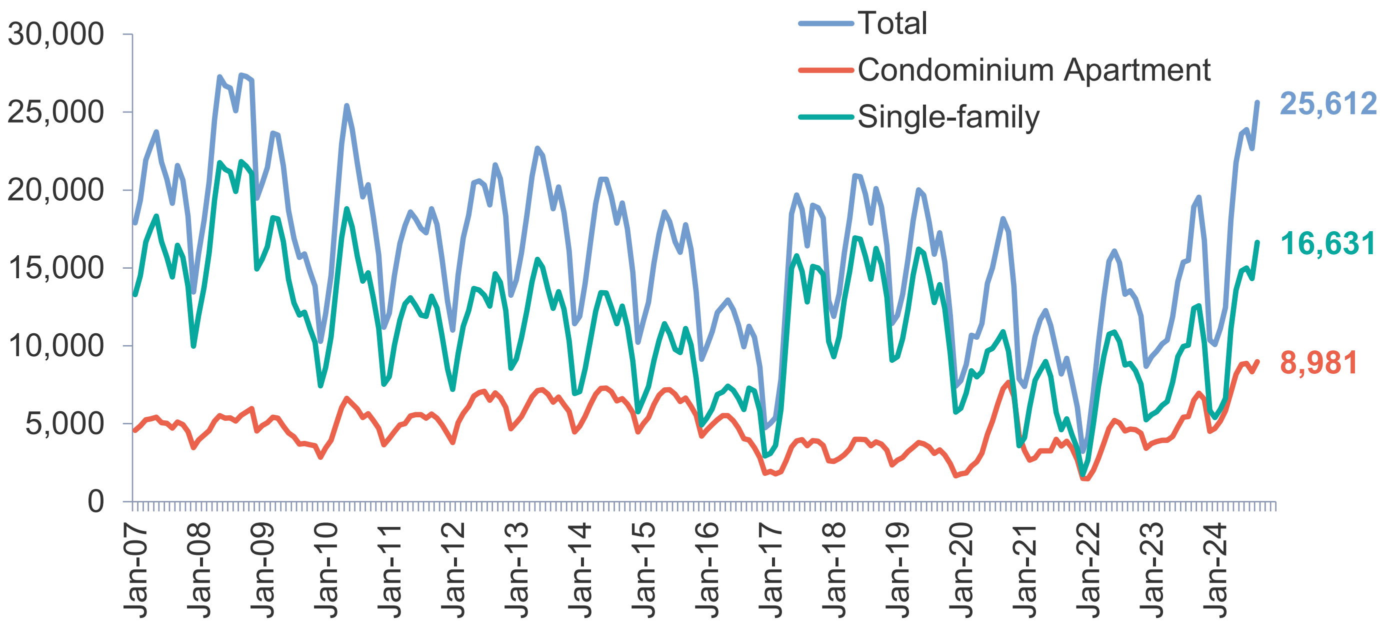
GTA Resale Home Sales





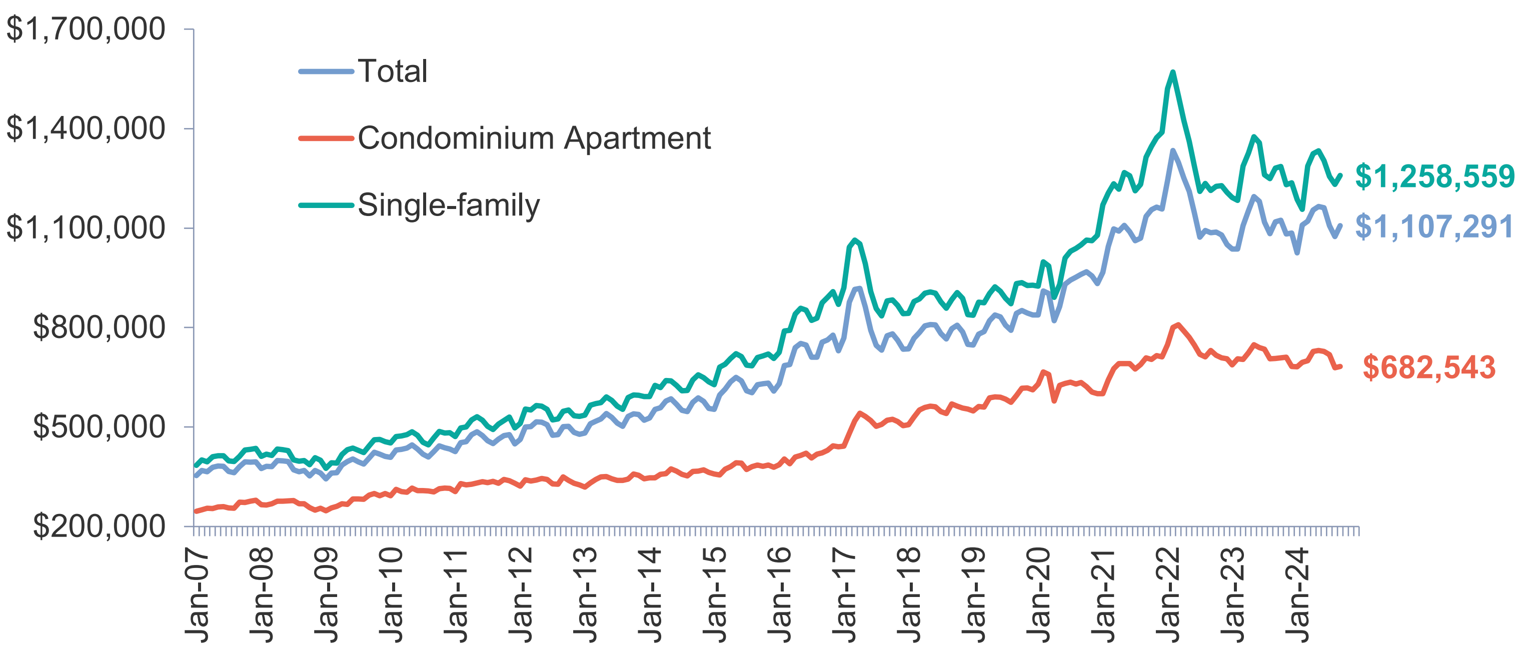
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Resale Home Inventory ("Active Listings")



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

GTA Resale Home Prices

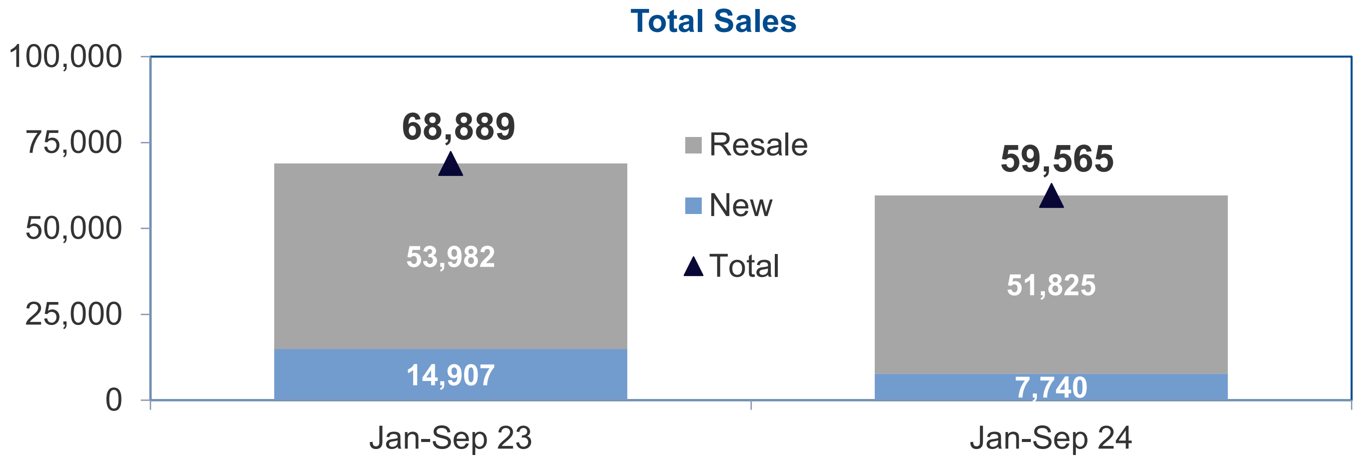


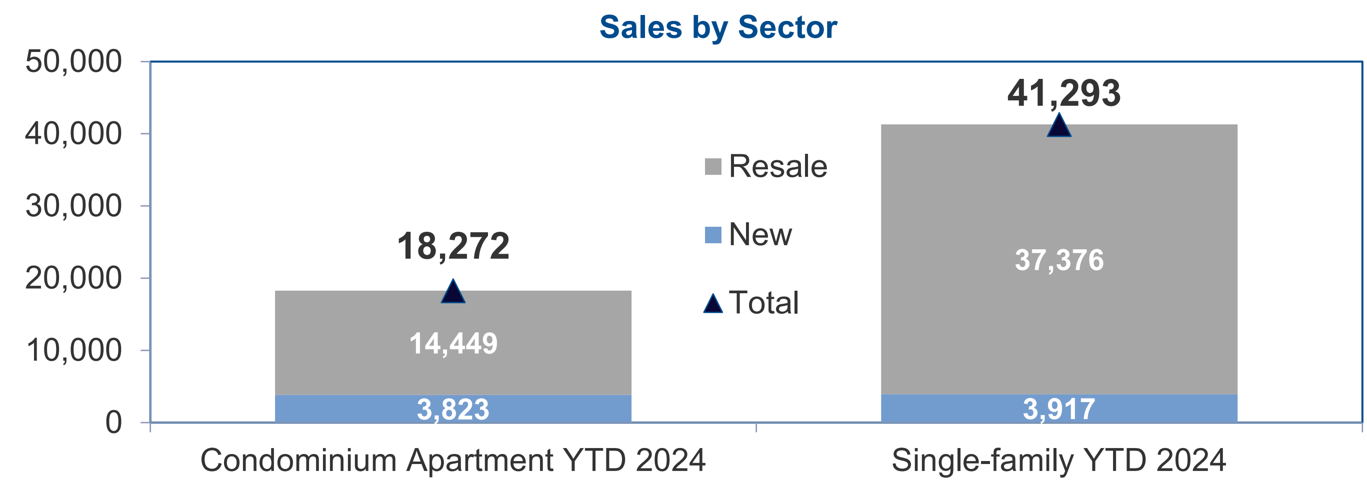
Source: Altus Group based on Toronto Regional Real Estate Board data

Overall Home Market - Sales

- **Year-to-date total home sales in the GTA through September 2024 were down 13 percent from a year earlier**. The new home sector was down 48 percent, while the resale sector was down just 4 percent.
- **The new home sector accounted for over 1 out of every 8 homes so far in 2024** – this is down from nearly 1 in 5 for the same period in 2023. 1 in 10 single-family and about 1 in 5 condominium apartment homes sold were new homes.

GTA Combined New & Resale Home Sales



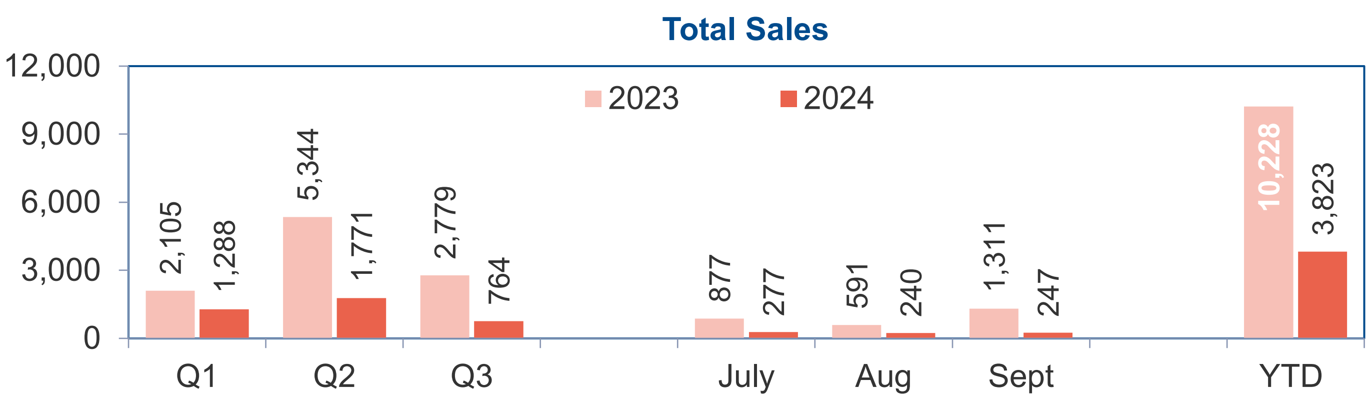


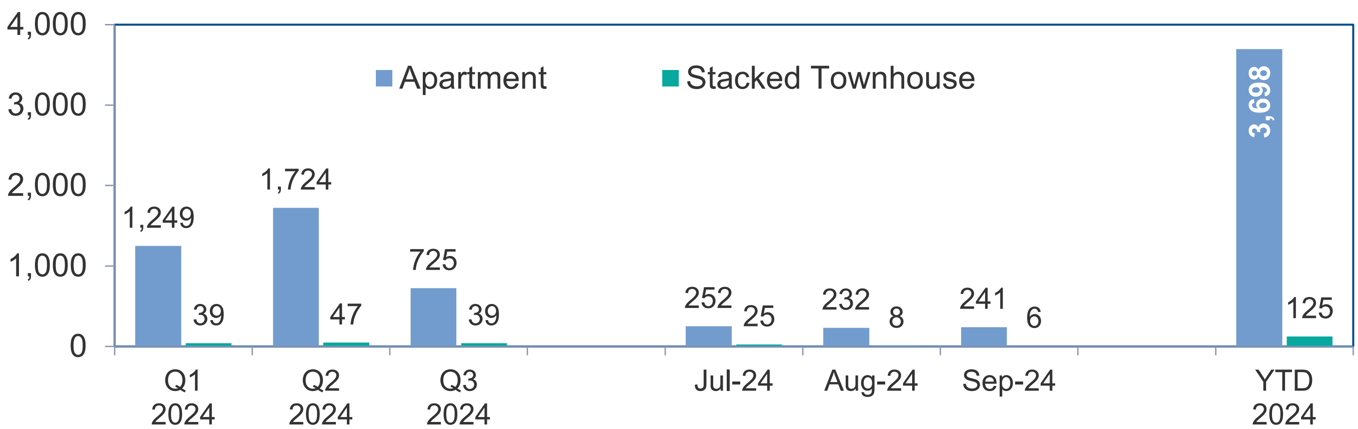
Source: Altus Group and Toronto Regional Real Estate Board data

New Condominium Apartments - Sales

- **Total new condominium apartment sales remained weak in September 2024 across the GTA recorded a 4th consecutive all-time low for the month.**
- **All regions shared in the slow new condominium sales in September 2024 compared to the previous year** *(chart top of next page)*.
- **Lower new condominium sales were recorded year-to-date across all regions with the significant decline in Toronto continuing to drag down the 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*).
- At the local municipality level, the falloff in sales in the first three quarters of 2024 is evident with most municipalities recording declines from the previous year with the main exception of Richmond Hill *(chart after next page)*.

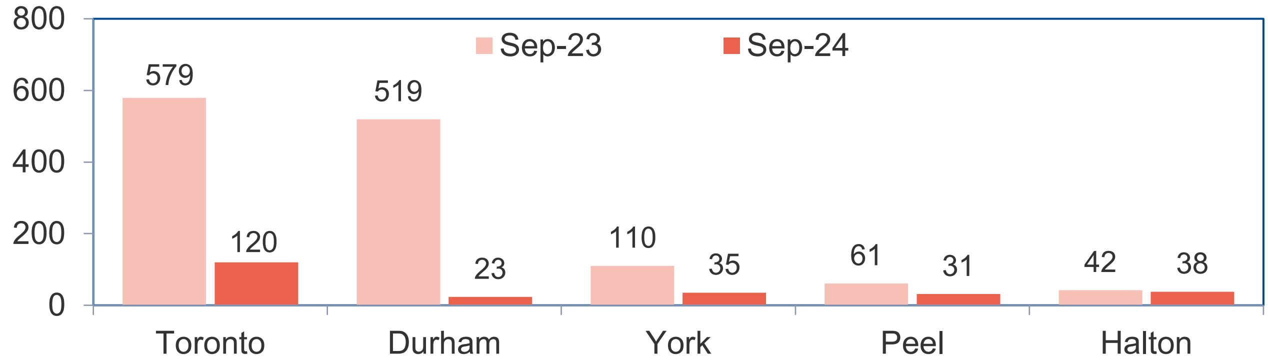
GTA New Condominium Apartment Sales

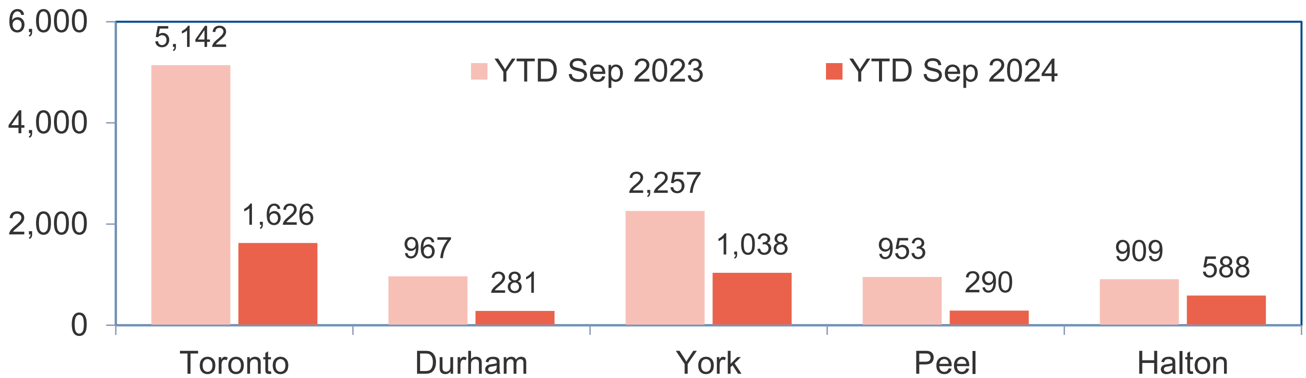


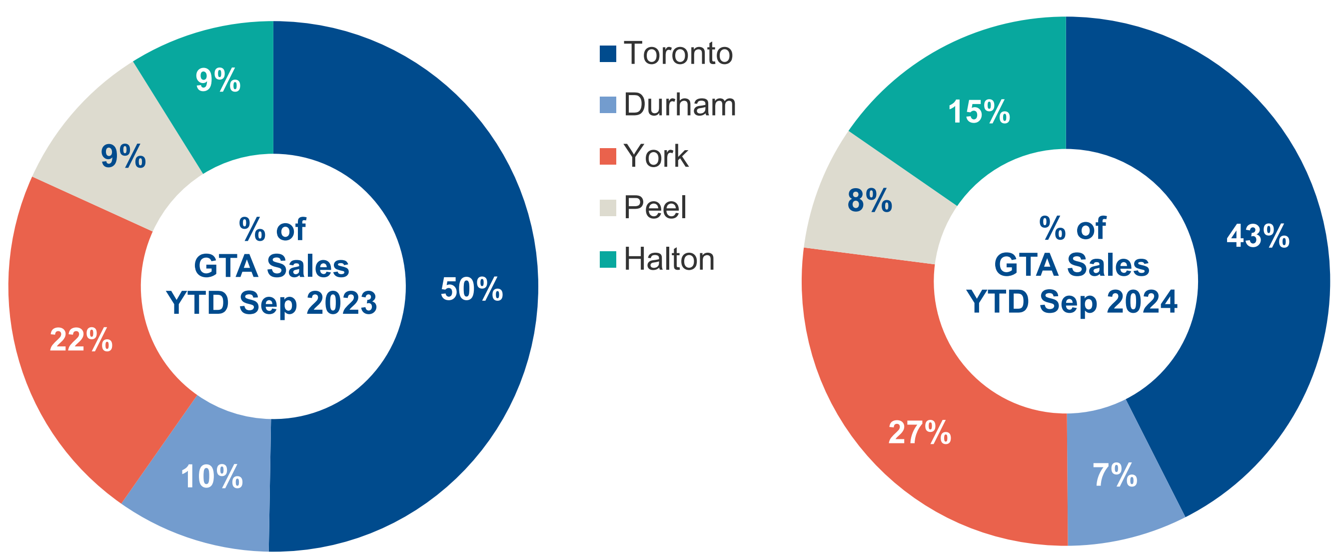


Source: Altus Group

GTA New Condominium Apartment Sales by Region

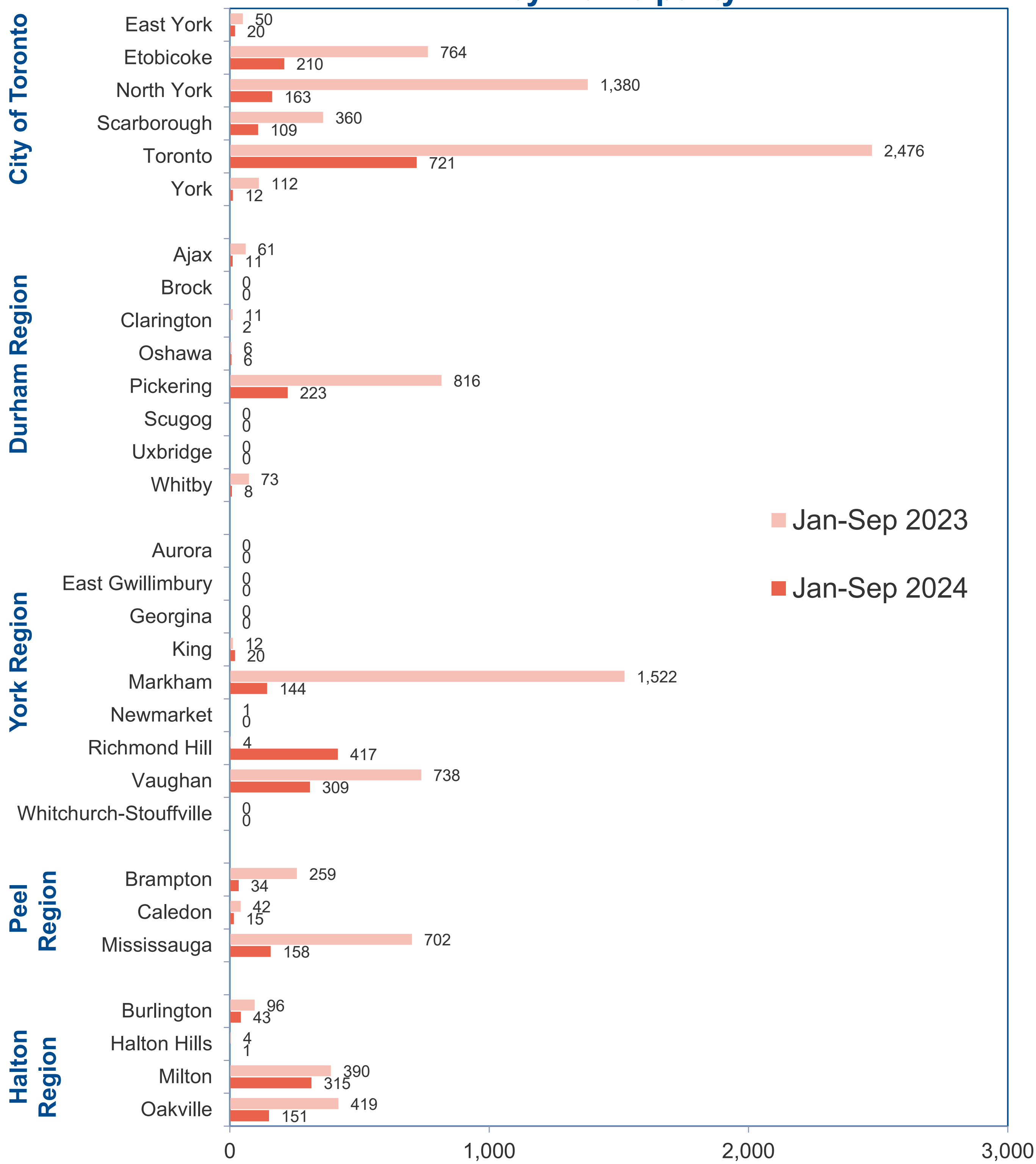






Source: Altus Group

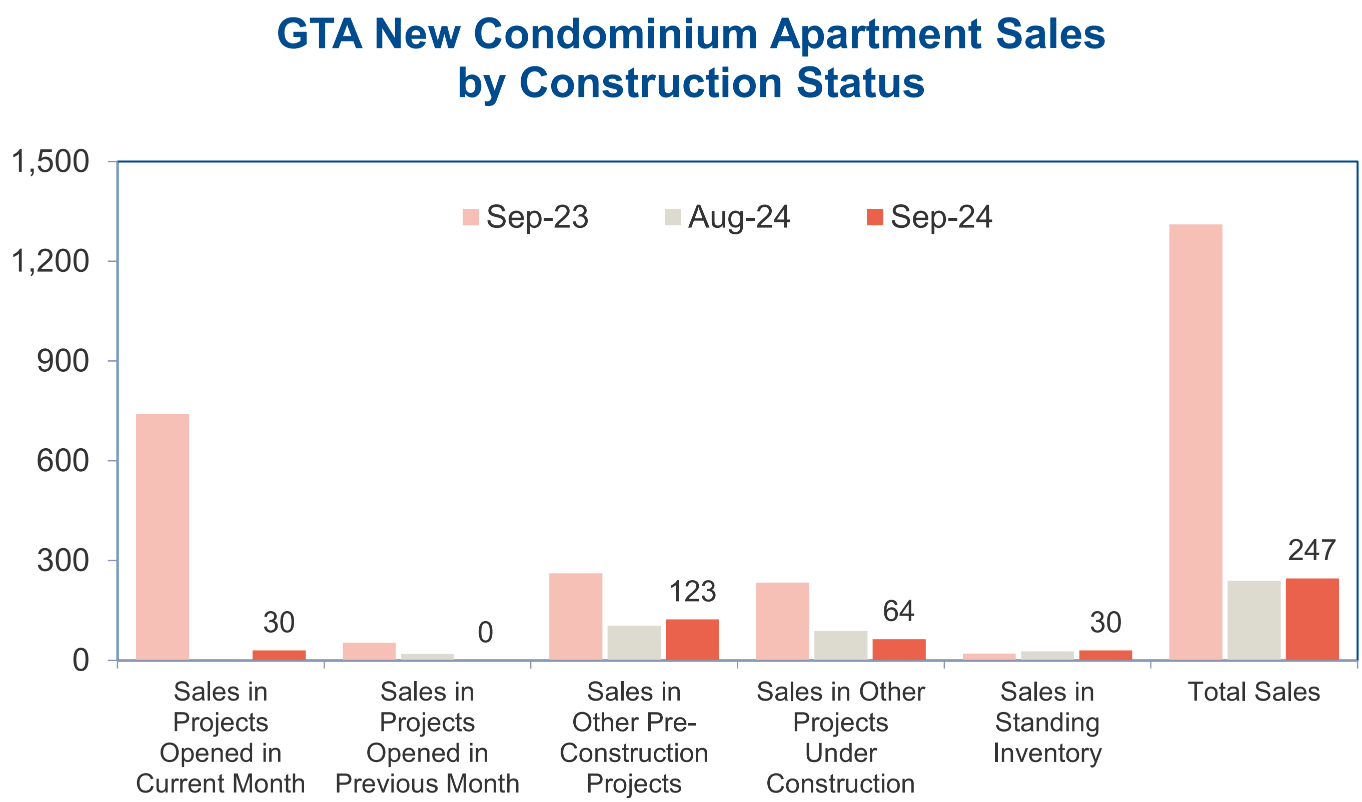
GTA New Condominium Apartment Sales by Municipality



Source: Altus Group

New Condominium Apartments - Sales

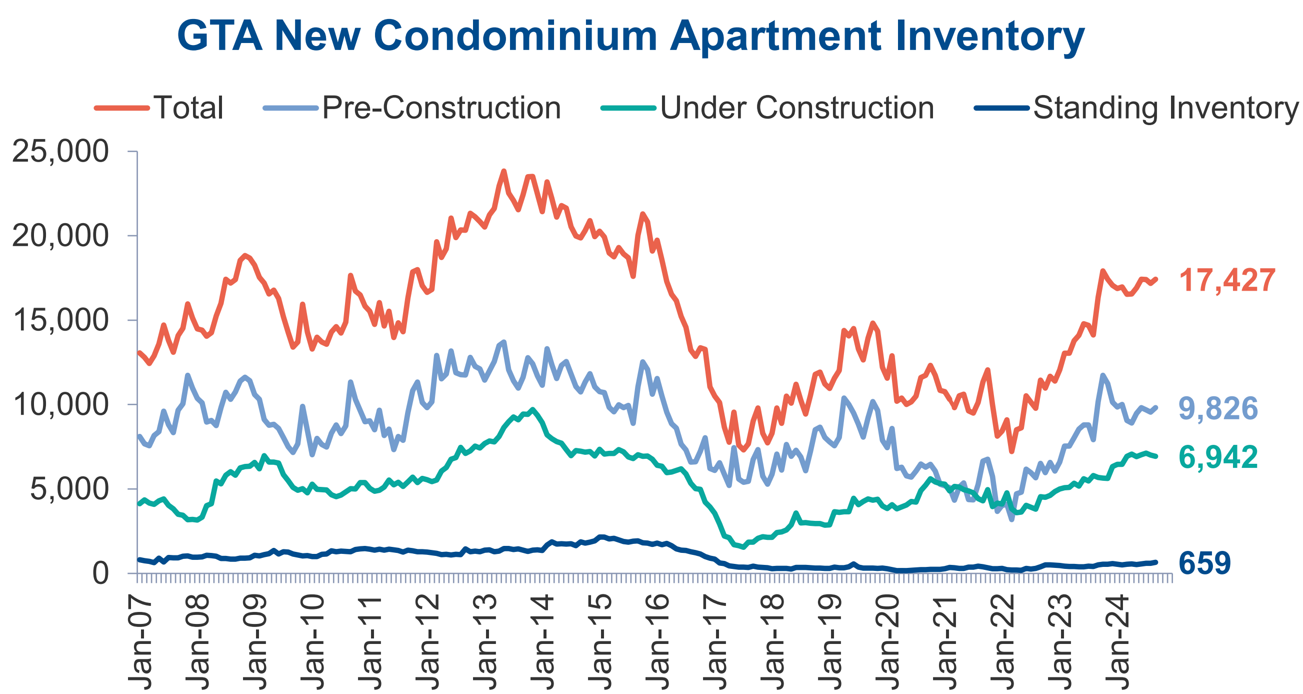
- **Only about one in eight new condominium apartment sales in September occurred in the 2 newly launched projects during the month.** Roughly half of September 2024 sales were in projects were in pre-construction projects opened more than two months ago.
- **There is typically little inventory still available to purchase when projects are completed** (*see chart next page, top*) and therefore very few sales in the “standing inventory” category.



Source: Altus Group

New Condominium Apartments - Inventory

- **The inventory of available new condo apartments in September 2024 crept higher from the previous month and was seven percent above year ago levels and remained well above the 10-year average.**
- **The current unsold inventory at new condominium apartment projects represents a record high supply about 30.5 months** at the average monthly pace of sales seen over the past 12 months.
- **About 60 percent 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 19 months in York to a high of over 43 months in Peel.

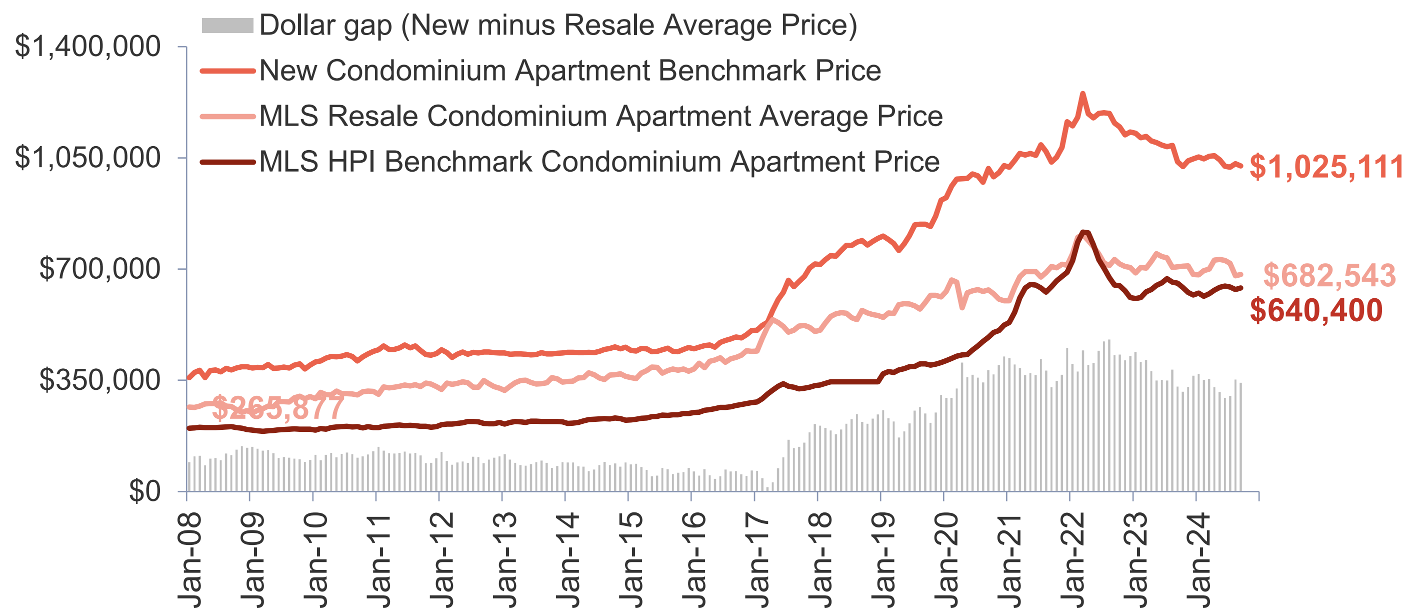


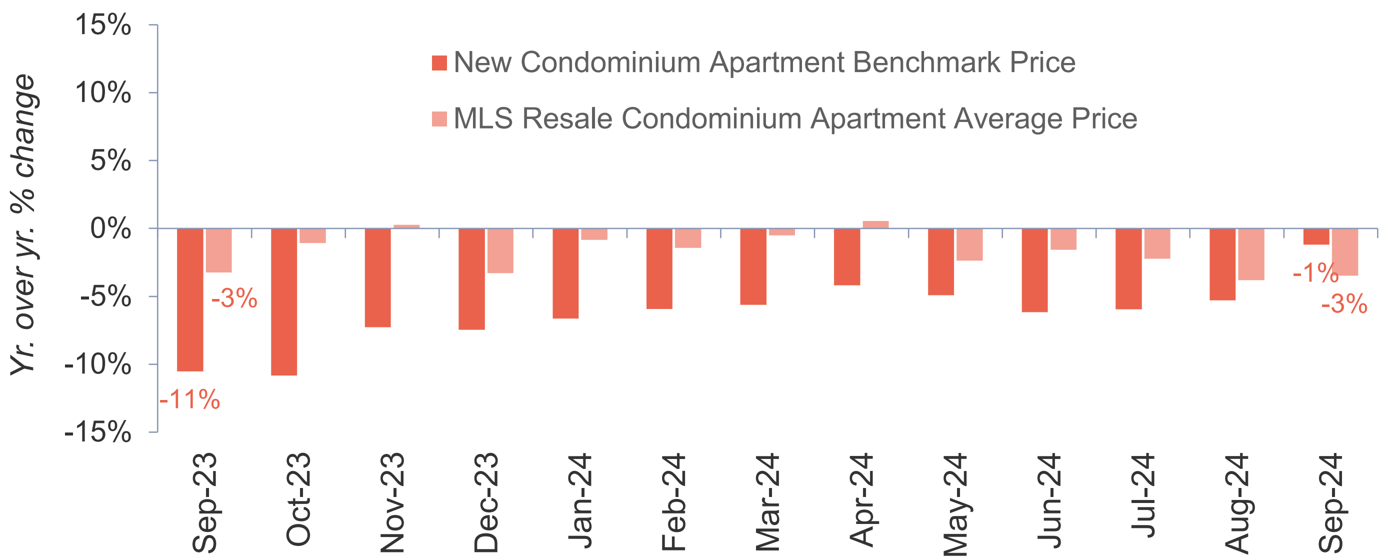
Source: Altus Group

New Condominium Apartments - Prices

- **The benchmark price of a new condominium apartment fell in September 2024 year-over-year for the 22nd consecutive month and also was down from the previous month** *(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 September.**

GTA New and Resale Condominium Apartment Prices



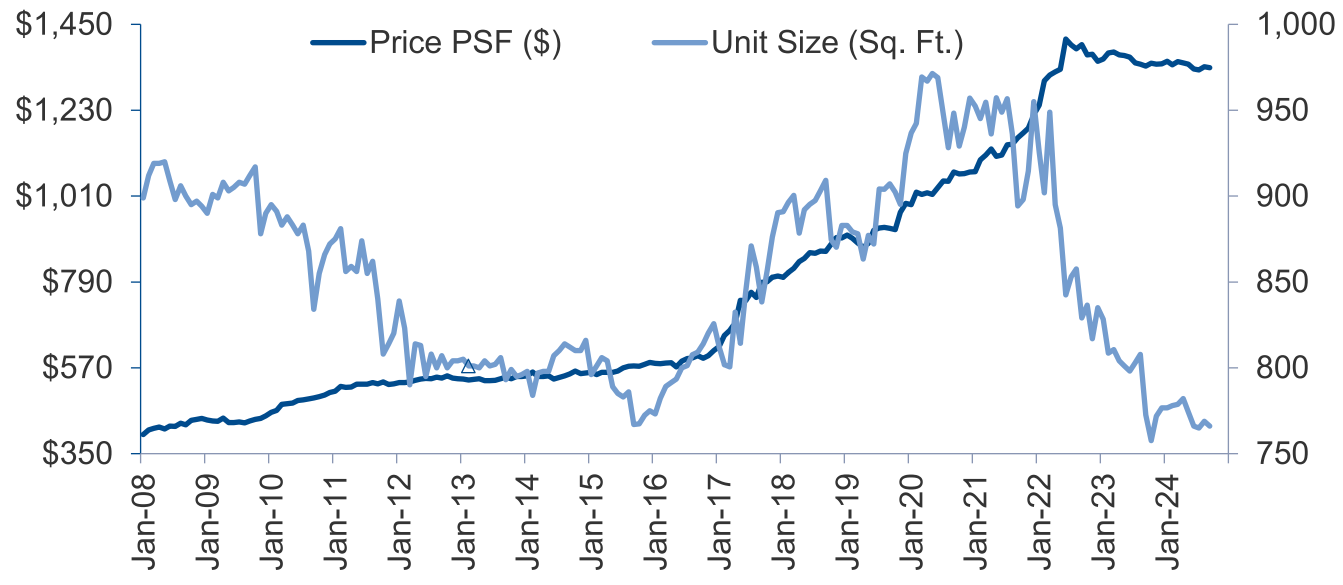


Source: Altus Group and Toronto Real Estate Board data

New Condominium Apartments - Prices

- **Both the price per square foot and unit size for a new condominium apartments moved down slightly in September 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).

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

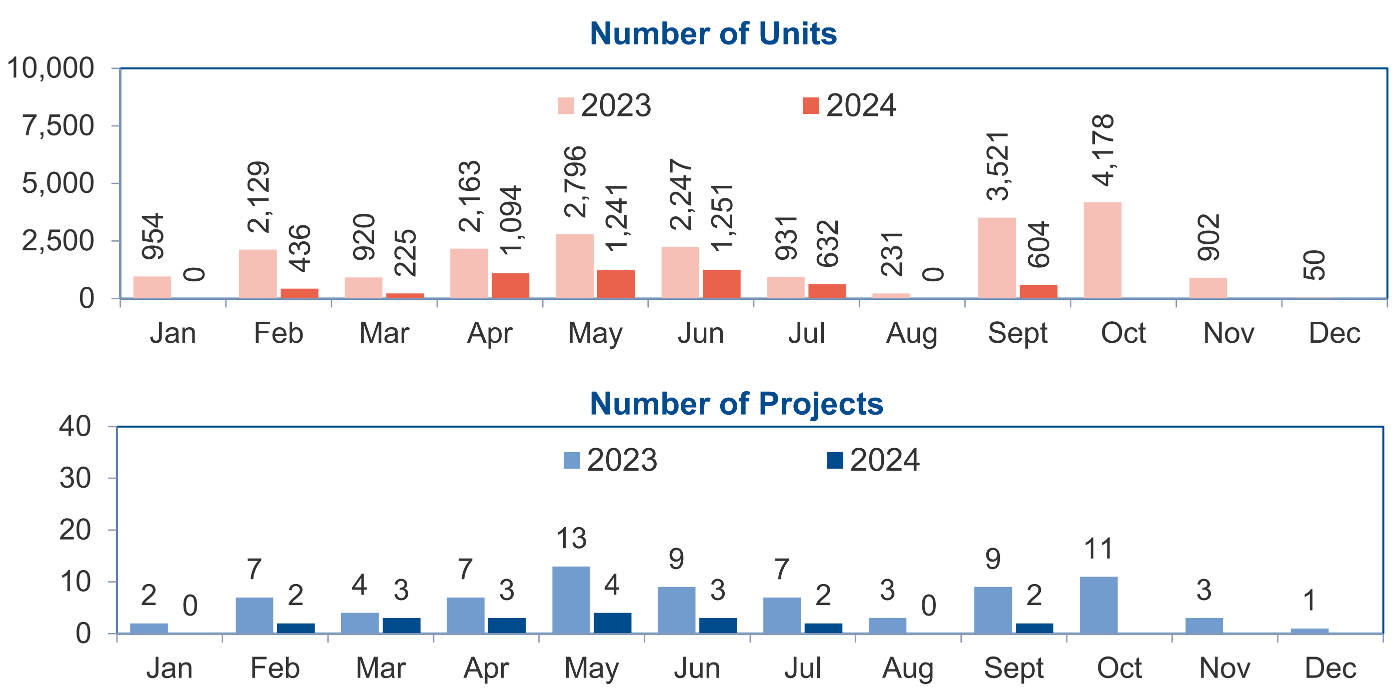


Source: Altus Group

New Condominium Apartments - Openings

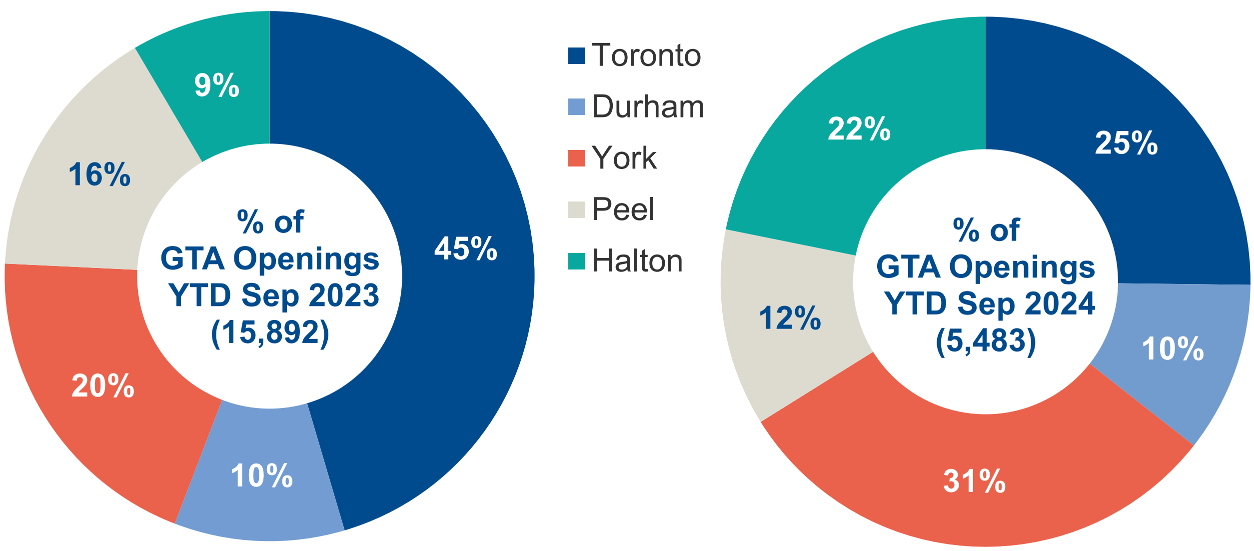
- **Just two new condominium apartment were launched in September 2024**.
- **New launches through the first nine months of 2024 shifted away from Toronto to York and Halton compared to last year** *(chart next page, top).* The old City of Toronto, Scarborough and Etobicoke have accounted for all of the new launches in Toronto through the first nine months of 2024 *(chart next page, bottom)*.
- On the pages following the next page are maps showing the location of new projects launched in September 2024 (there were no new project openings in August 2024) accompanied by a summary table with additional details on each project.

GTA New Condominium Apartment Project Openings



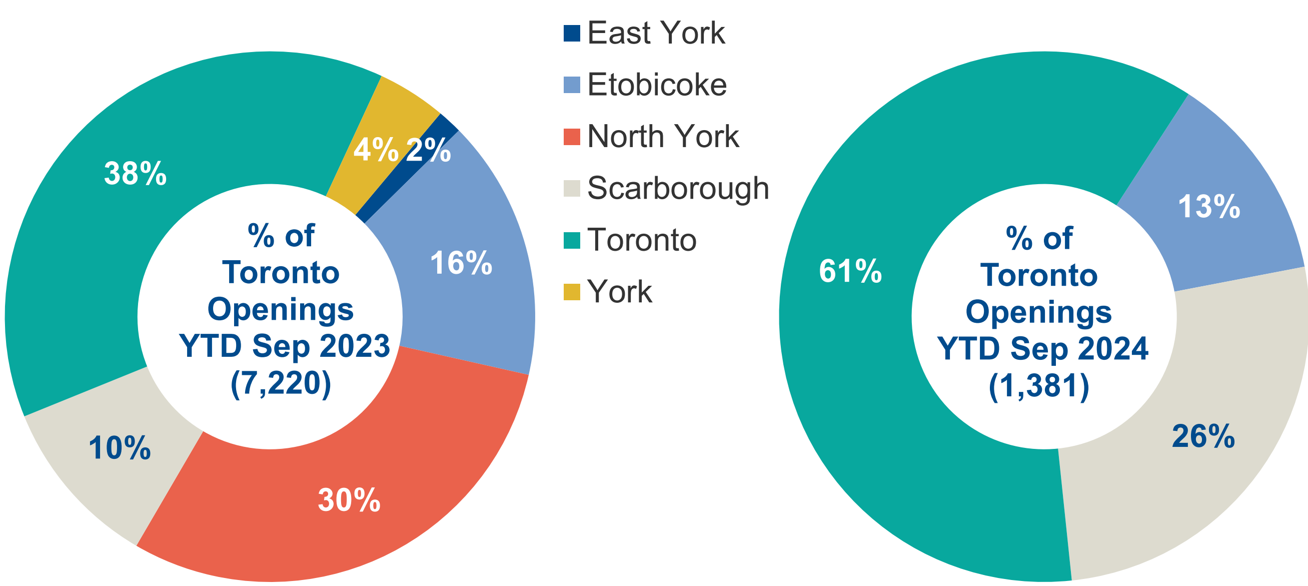
Source: Altus Group

GTA Condominium Apartment Units in New Openings by Region



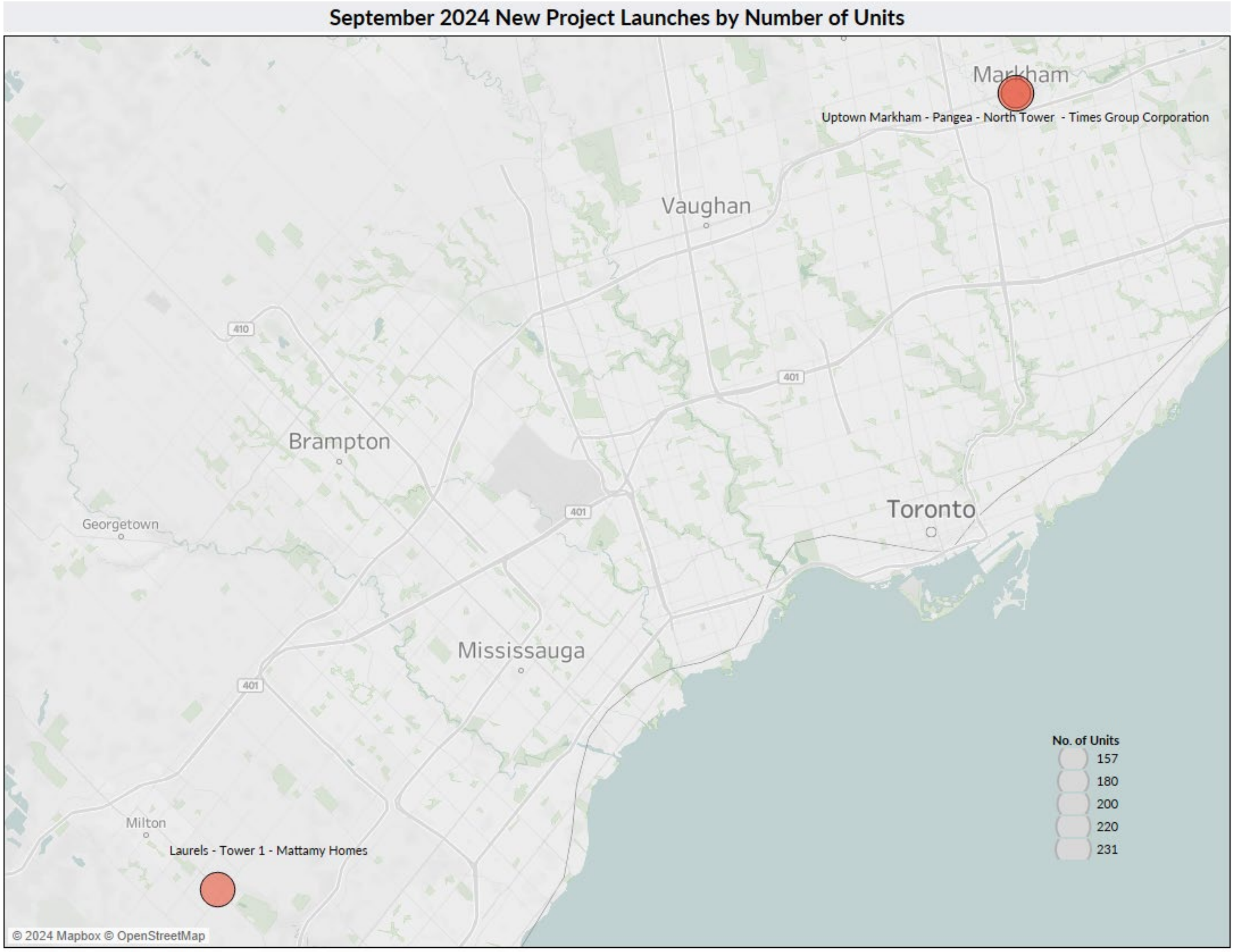
Source: Altus Group

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



Source: Altus Group

New Condominium Apartments - Openings



Source: Altus Group

AltusGroup

New Condominium Apartment Project Openings - September 2024

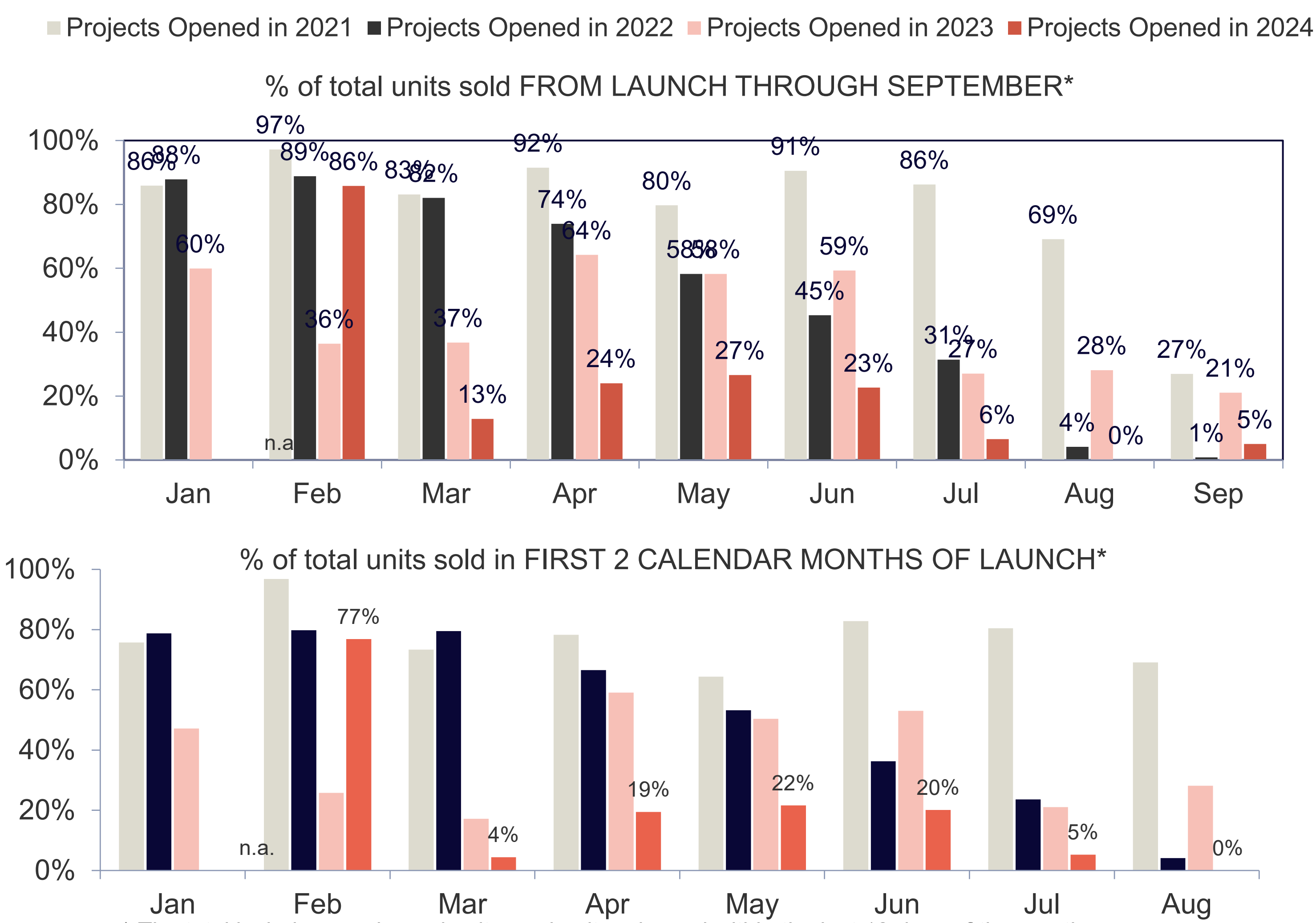
Project Name	**Laurels - Tower 1**	**Uptown Markham - Pangea - North Tower**
Developer	Mattamy Homes	Times Group Corporation
Date Opened	September 18, 2024	September 19, 2024
Municipality	Milton	Markham
Region	Halton	York
Structural Type	Apartment	Apartment
Floors	14	40
Project Total Units	**216**	**388**
Total Units Released	**216**	**157**
Studio	-	-
1 Bedroom	26	25
1 Bedroom + den	130	63
2 Bedroom	40	41
2 Bedroom + den	20	14
3 Bedroom & up	-	14
Penthouse	-	-
Townhouse	-	-
Other	-	-
Opening Month Sales	**20**	**10**
Next Month Sales		
% Sold (of released units)	9%	6%
Remaining Available Inventory	196	147
Original $PSF	$984	$1,142
Minimum Size (sq. ft.)	503	530
Maximum Size (sq. ft.)	803	1,099
Minimum Price	$506,990	$629,000
Maximum Price	$795,990	$1,225,800
Notes		

Source: Altus Group

New Condominium Apartments - Openings

- **Just 5 percent of units launched in September 2024 have sold.** This is behind the pace in 2023 and 2021.
- After 2 months of sales, projects opened since March 2024 have lagged well behind the pace of previous 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 September*

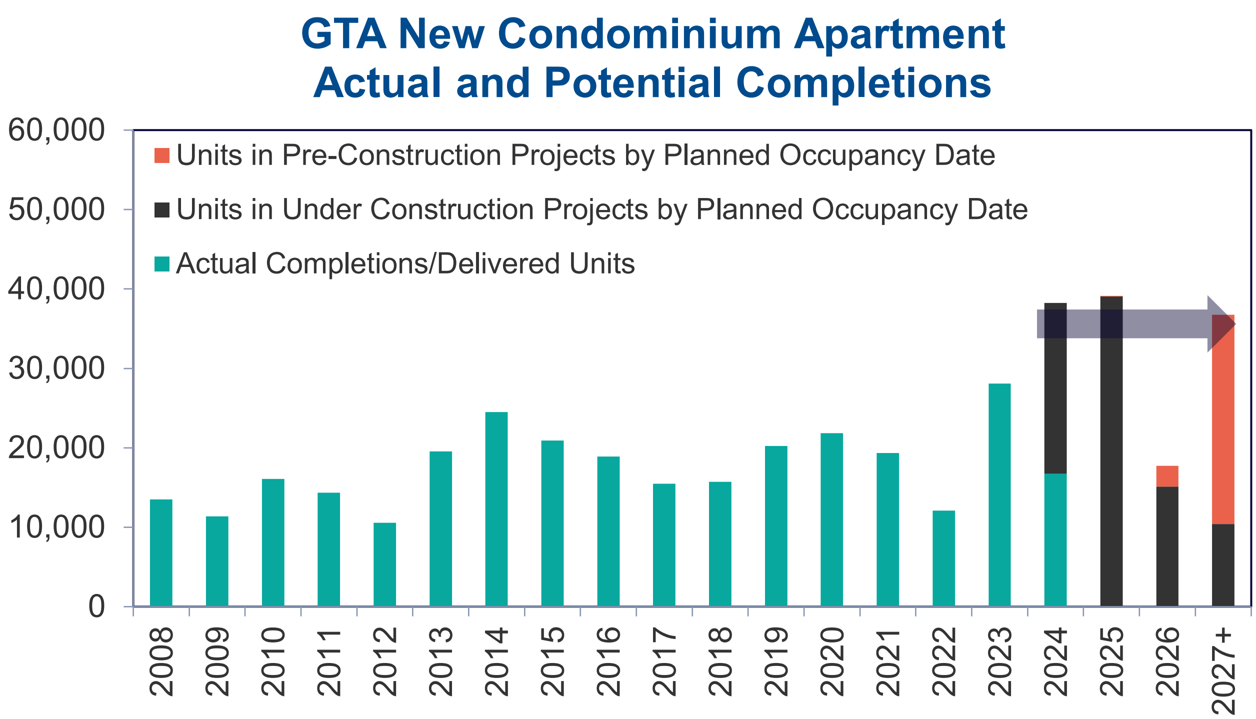


** The total includes unreleased units, and units released within the last 10 days of the month*

Source: Altus Group

New Condominium Apartments - Completions

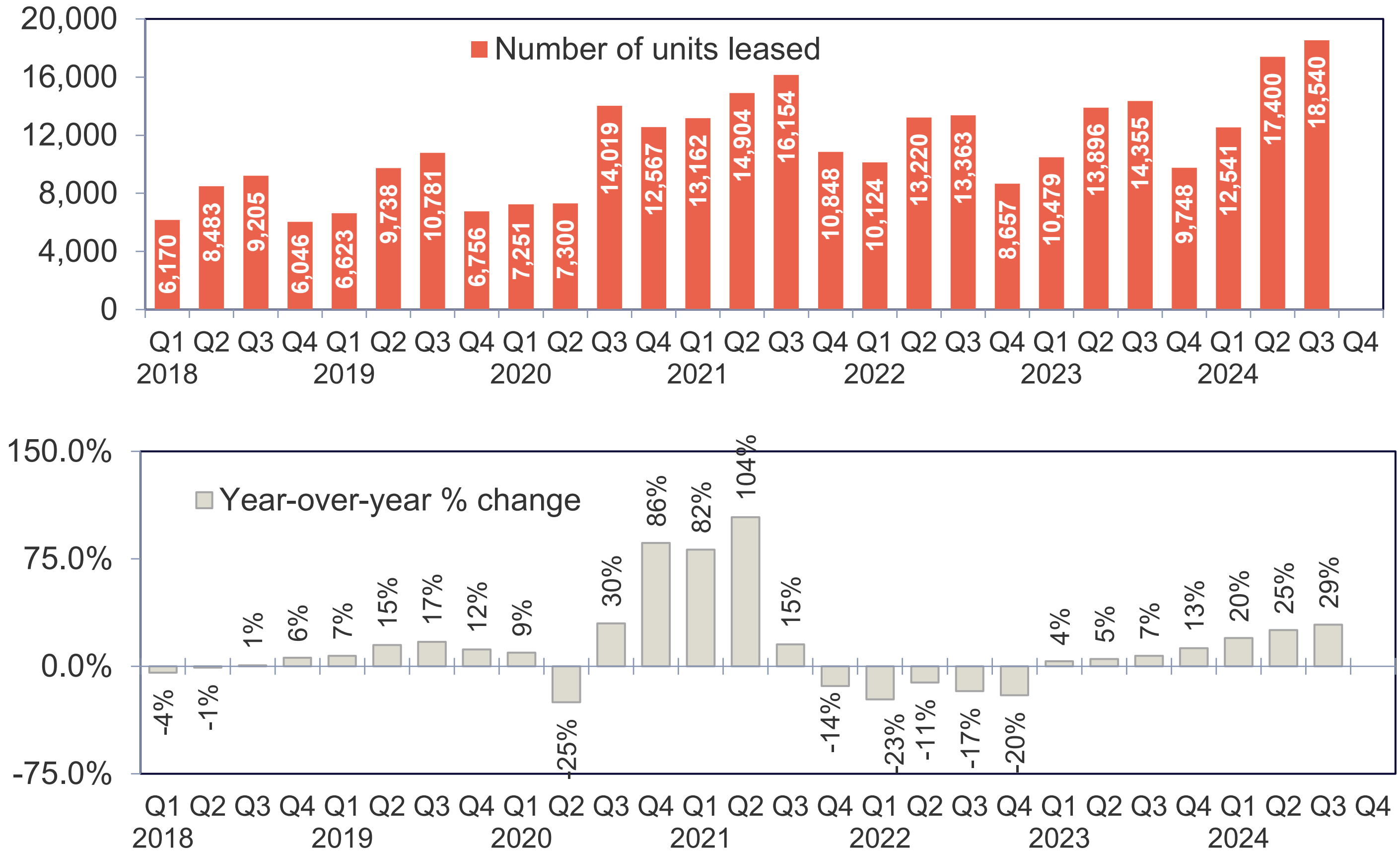
- As of the end of September 2024, there were over 115,100 new condominium apartment units in projects either under construction or in pre-construction stages.
- **There were roughly 2,160 units delivered in September 2024.** Year-to-date completions through the first nine months of 2024 are 6 percent 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

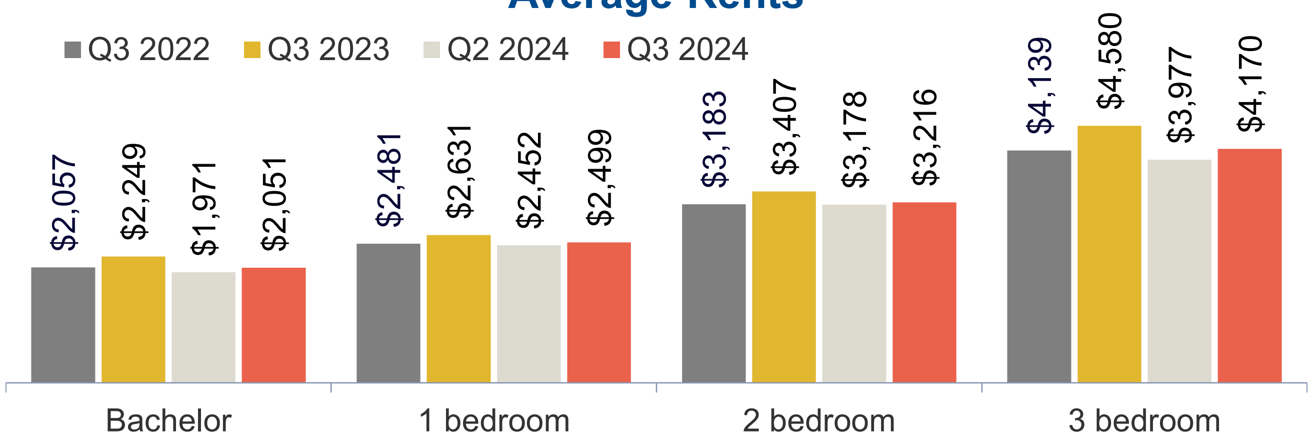
- **The number of GTA condo apartment lease transactions surged to another record high in Q3 2024** (according to data from the Toronto Regional Real Estate Board).
- **Rising rents are important for investor interest in the sector.** Apartment rents in the GTA have decreased year-over-year for a second quarter in Q3 2024 across all unit sizes *(charts next page)*. The slowdown in rents may impact future purpose-built rental supply.

GTA Condominium Apartment Lease Transactions (All Bedroom Types)



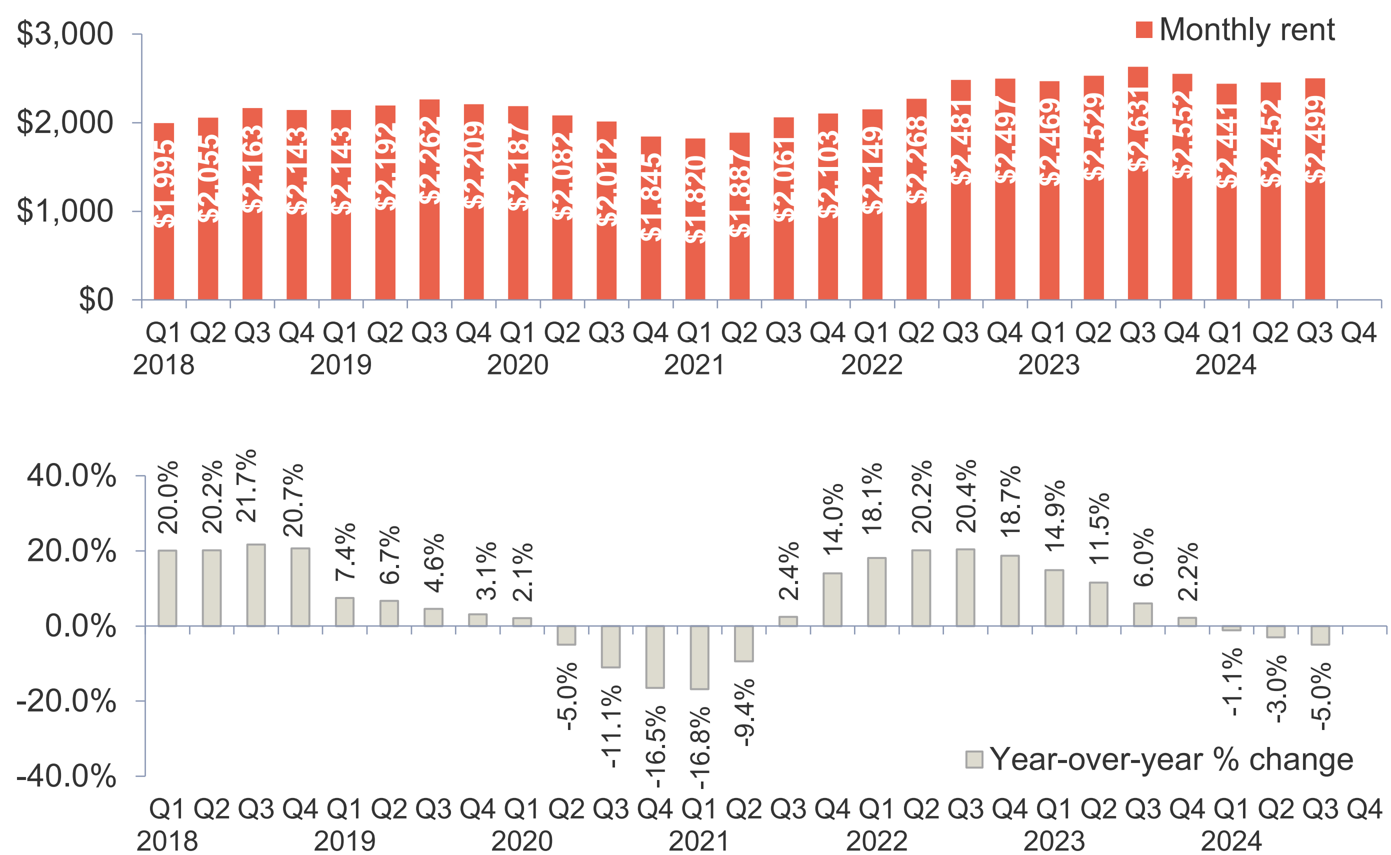
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Condominium Apartment Lease Transactions Average Rents



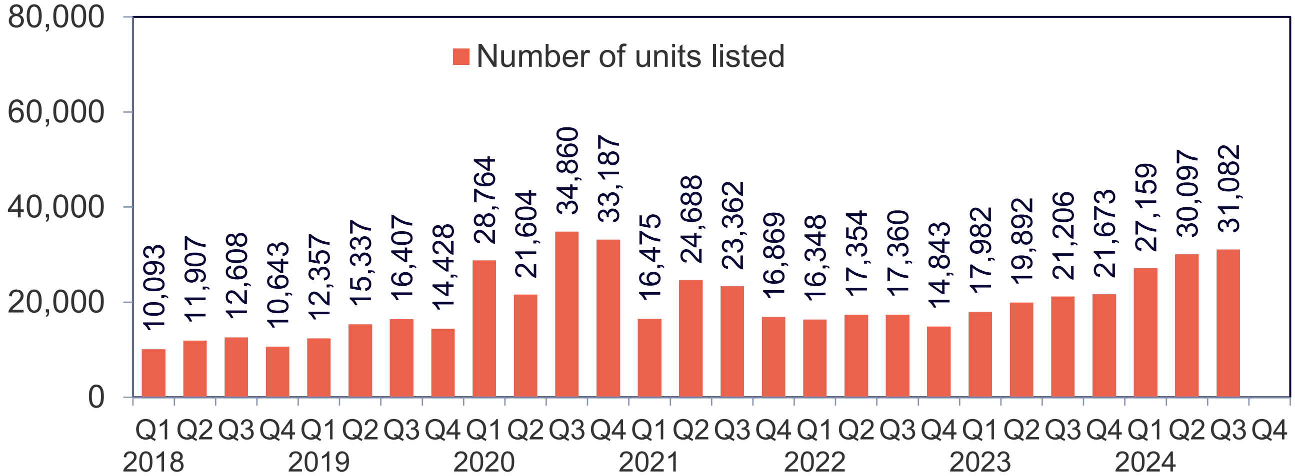
Source: Altus Group based on Toronto Regional Real Estate Board data

GTA Condominium Apartment Lease Transactions Average Rents, 1 Bedroom Units

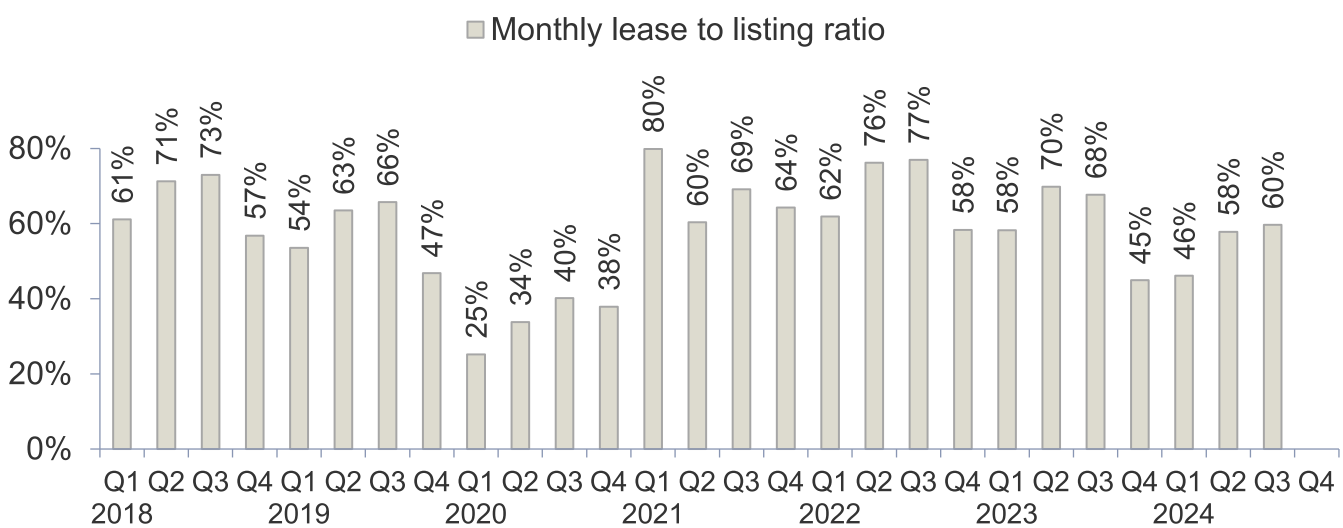


Source: Altus Group based on Toronto Regional Real Estate Board data

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

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.

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