

2020 AT A GLANCE: MARKET PERFORMANCE



How did the market perform during COVID-19?

37,669

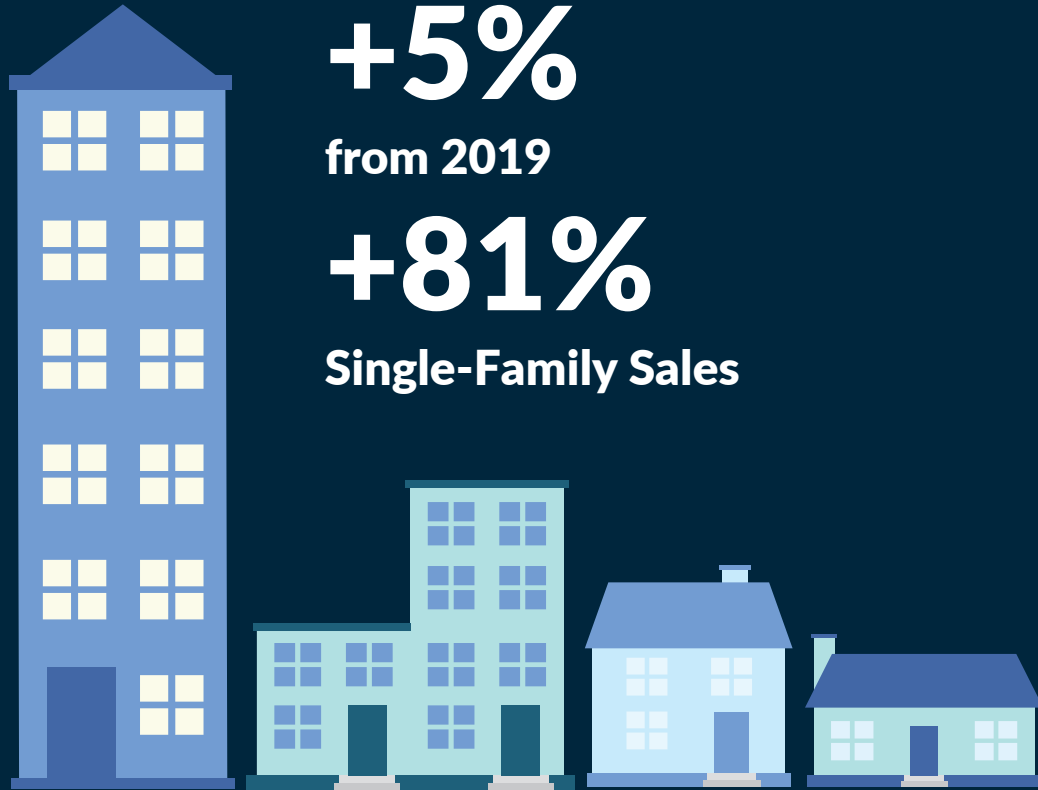
Total new home sales

+5%

from 2019

+81%

Single-Family Sales



\$17.5 billion

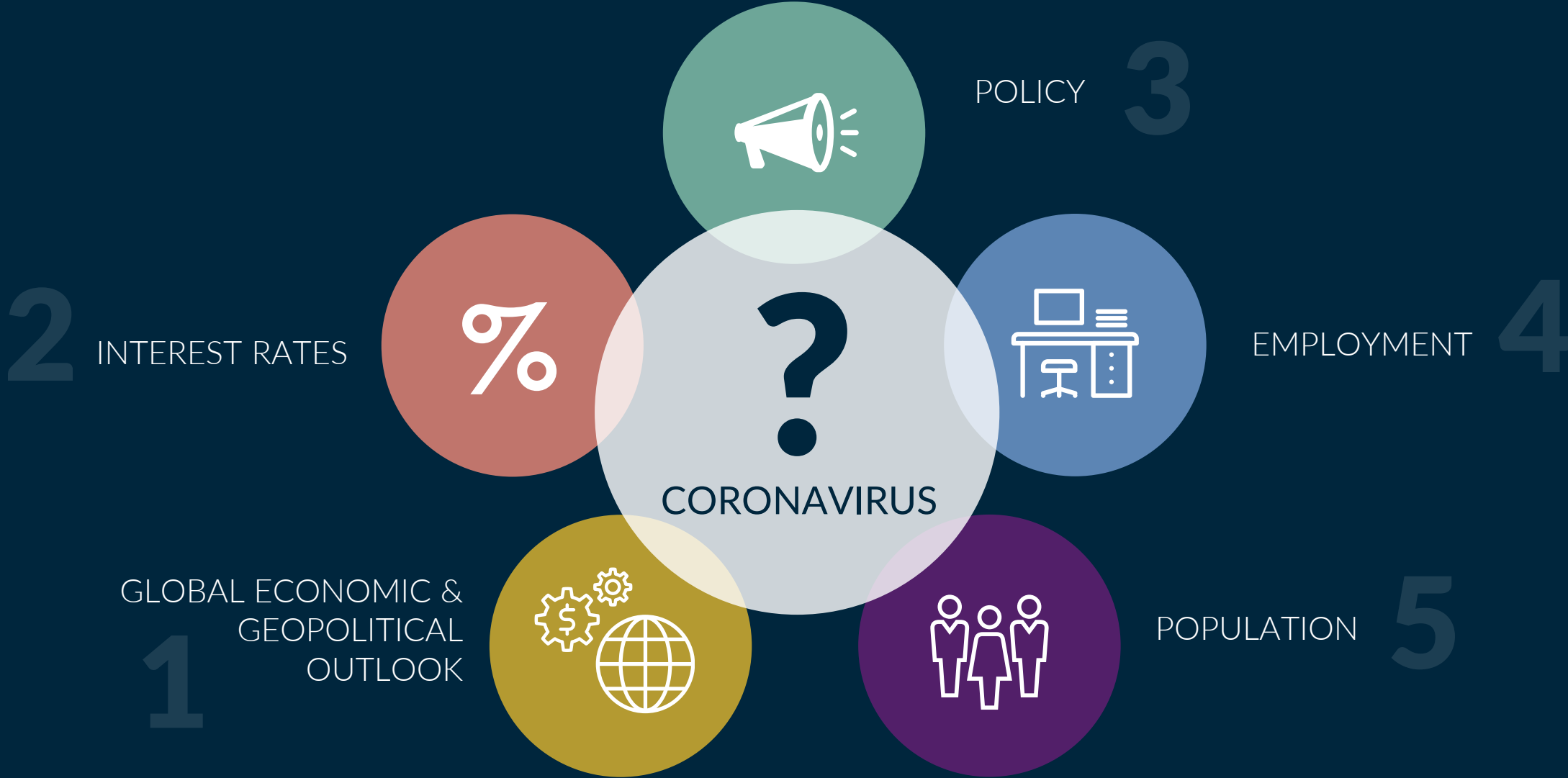
Total investment property transactions

-22%

from 2019



Factor Anticipated to the 2020 Market

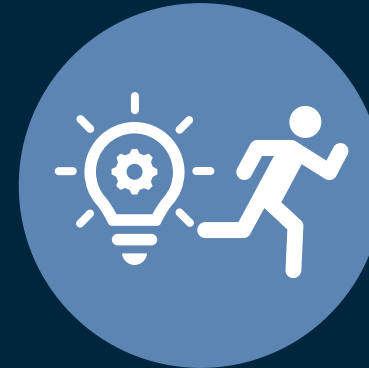
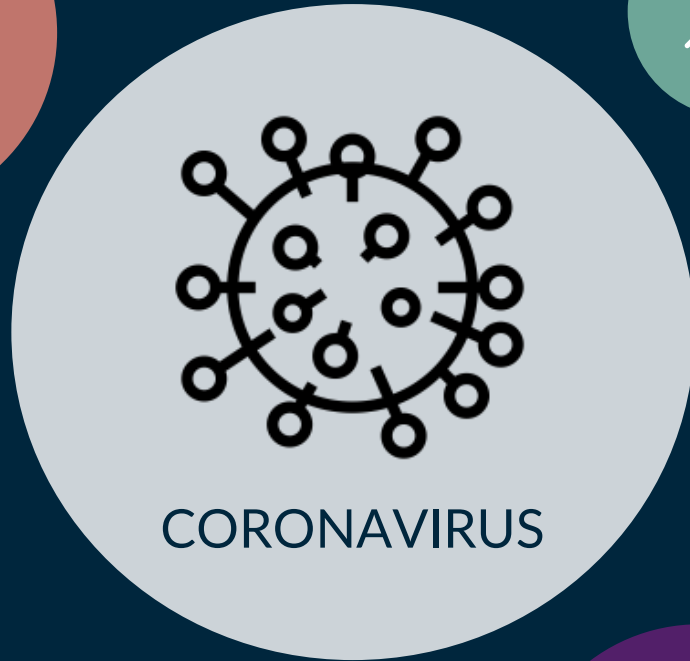


Factors that Actually Impacted the 2020 Market

INTEREST RATES



VACCINES
PROVIDE HOPE



ACCELERATING
CHANGE AND
INNOVATION

ECONOMIC
STAGNATION



CORONAVIRUS

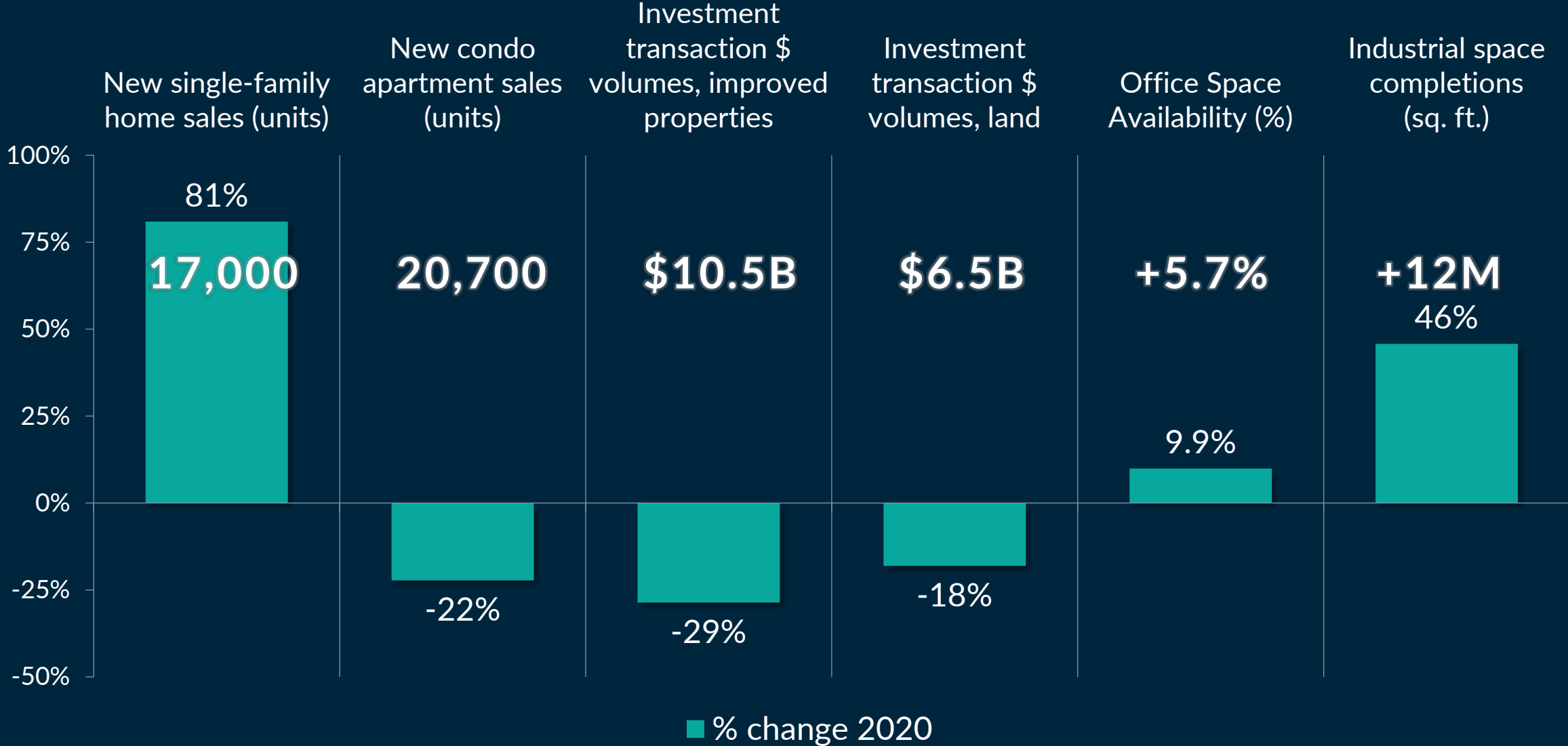
WORK FROM HOME
DISRUPTING STATUS QUO



UNEMPLOYMENT

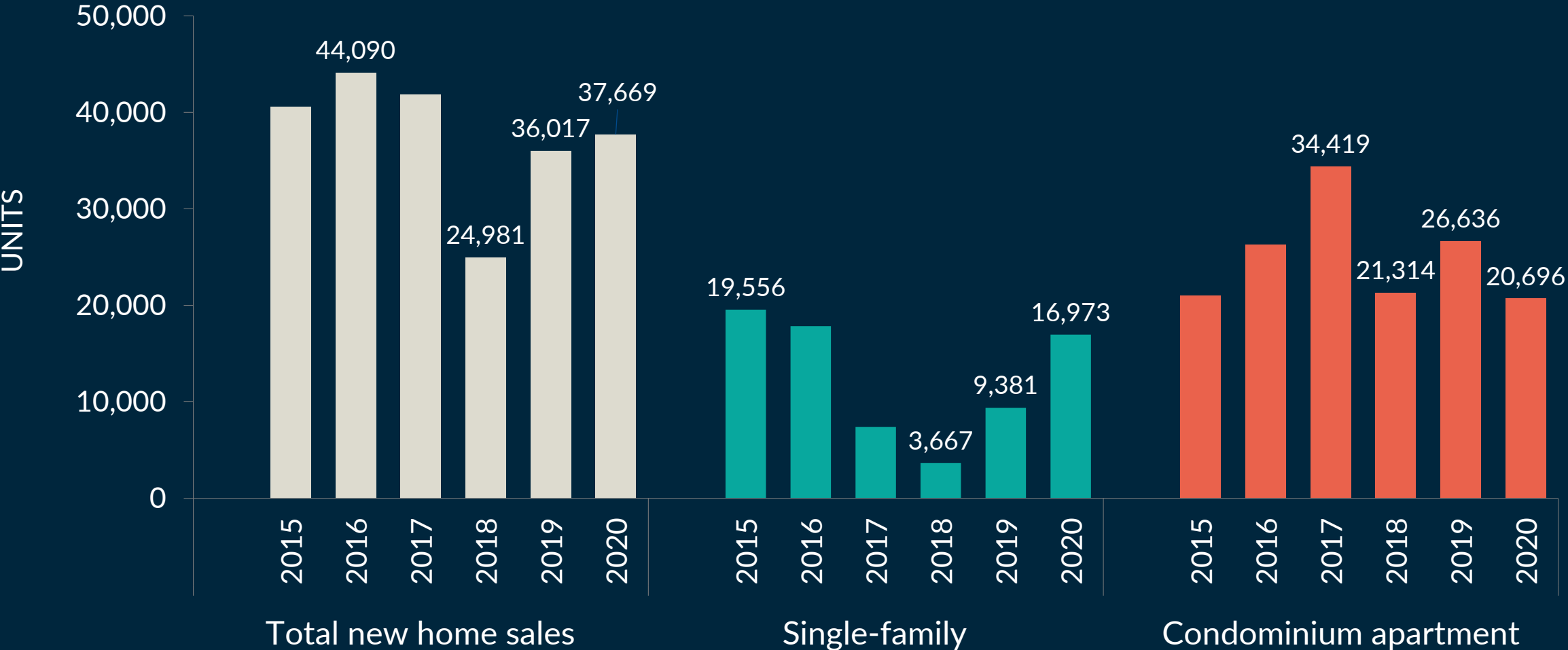


2020 GTA property performance dashboard



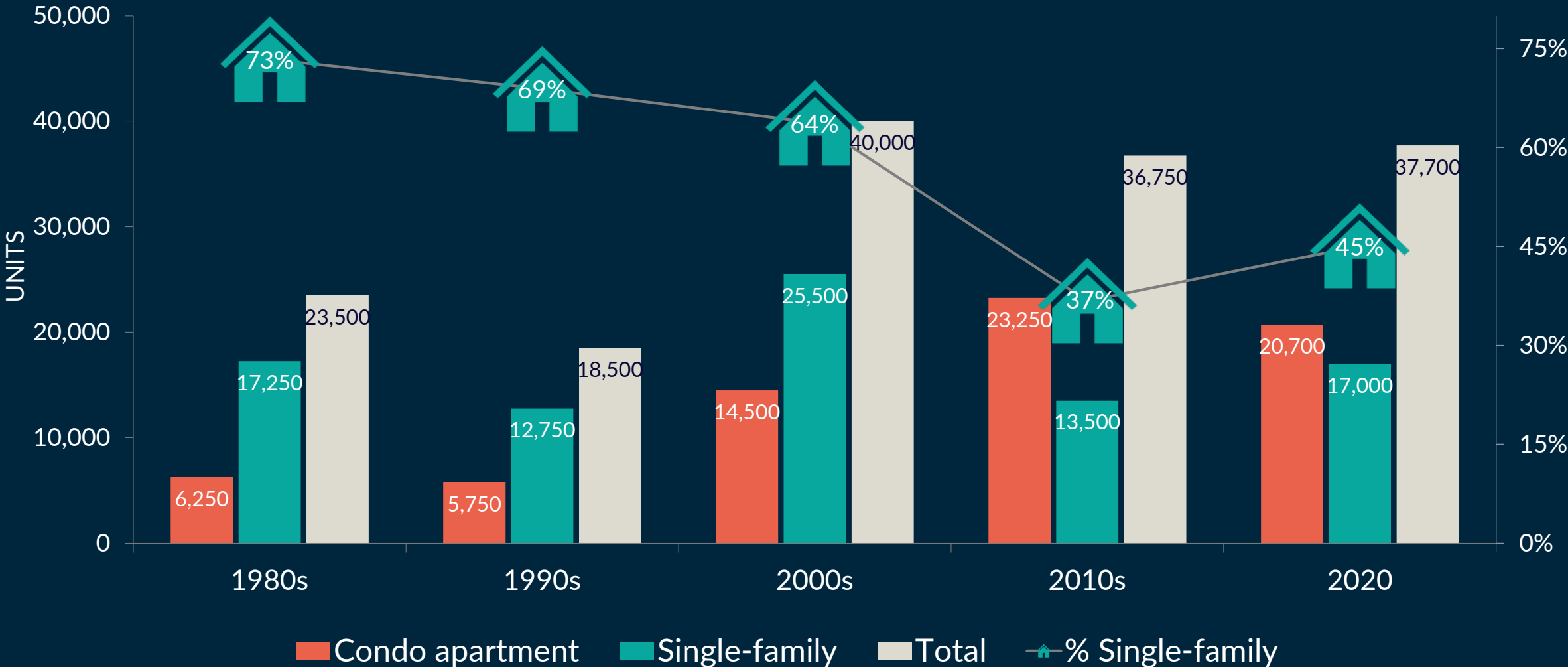
Source: Altus Group

Market demand shifted to single-family despite a strong start for apartment activity



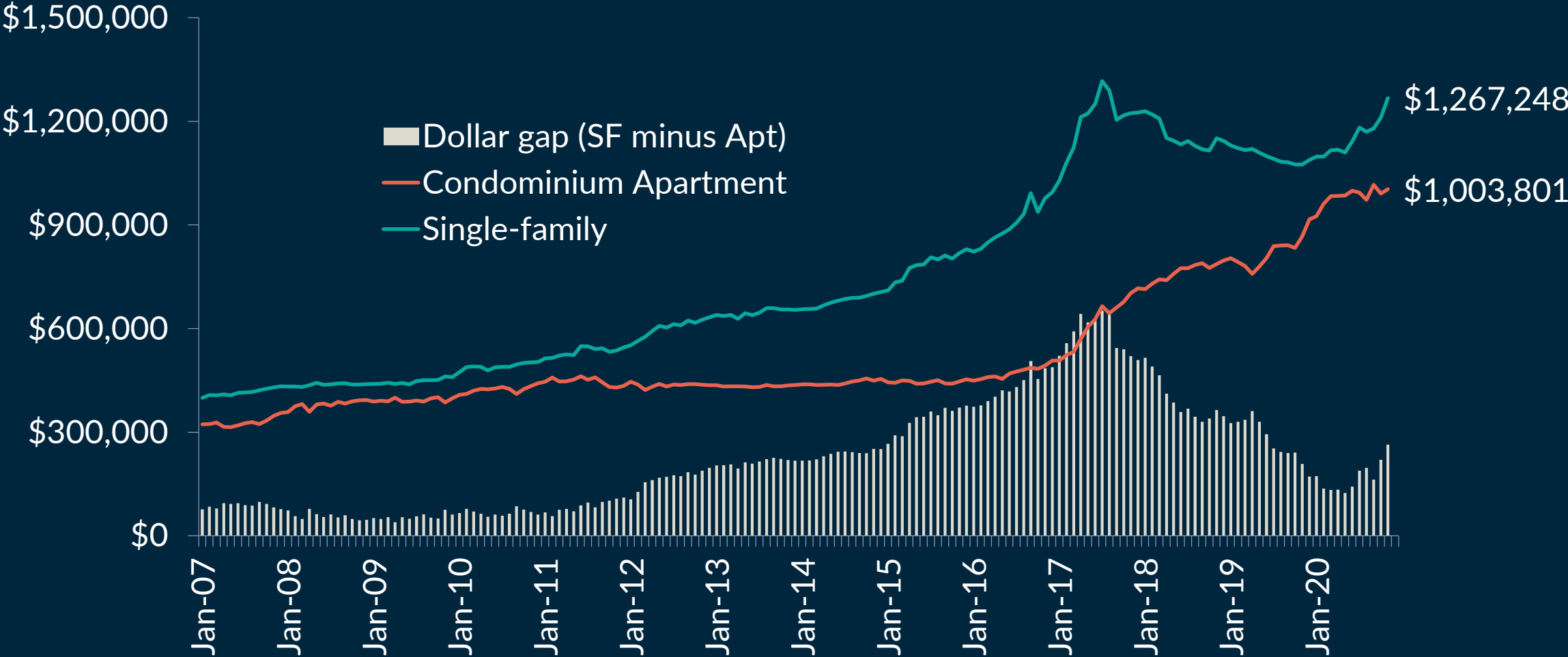
Source: Altus Group

Lower interest rates and suburban interest reversed shift to Apartment Condominium



Source: Altus Group and PMA Brethour/BILD (prior to 2000)

Affordability improvements provided by lower interest rates eroded as inventory declined

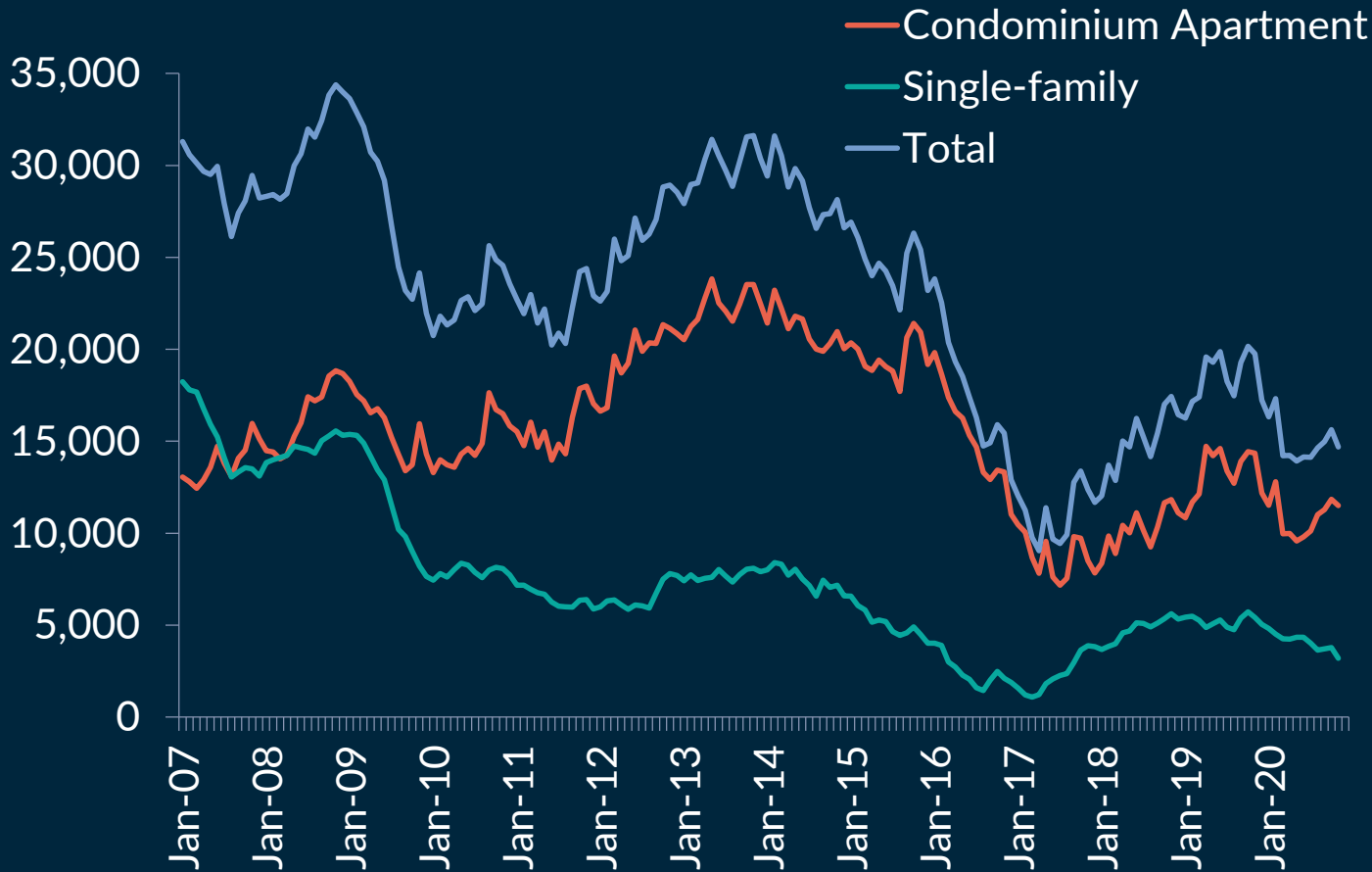


Source: Altus Group

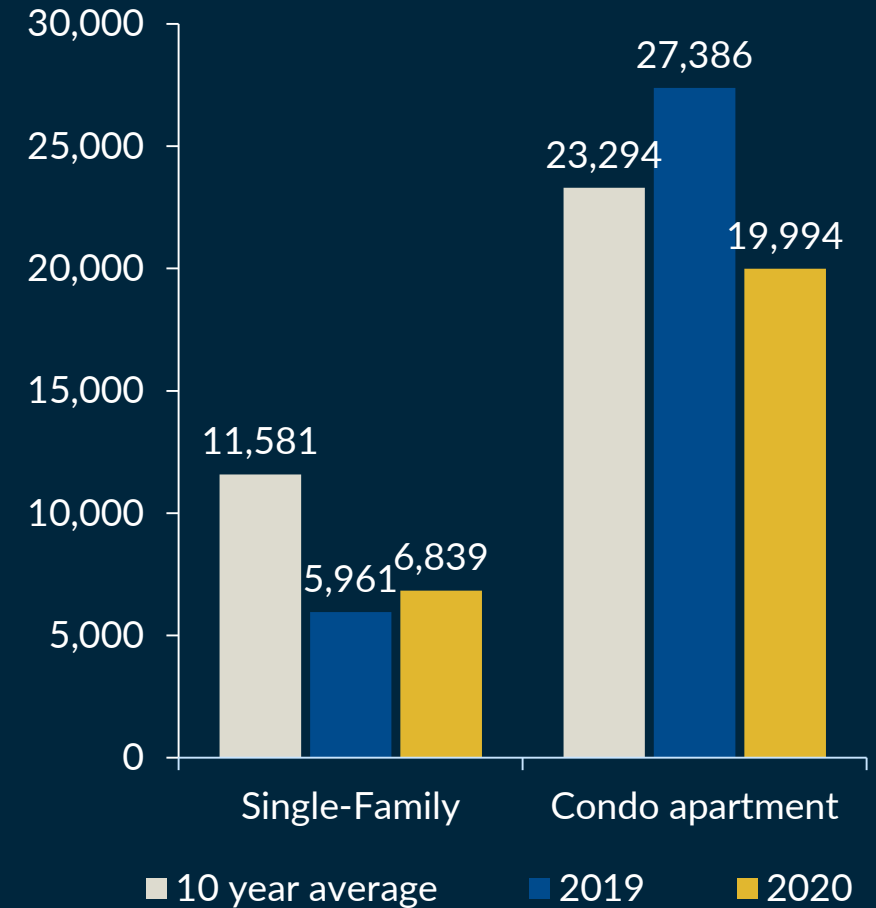
*The benchmark price is the average asking price for available inventory with outliers removed

Inventory declined with pandemic impacts on new openings

GTA New Home Inventory

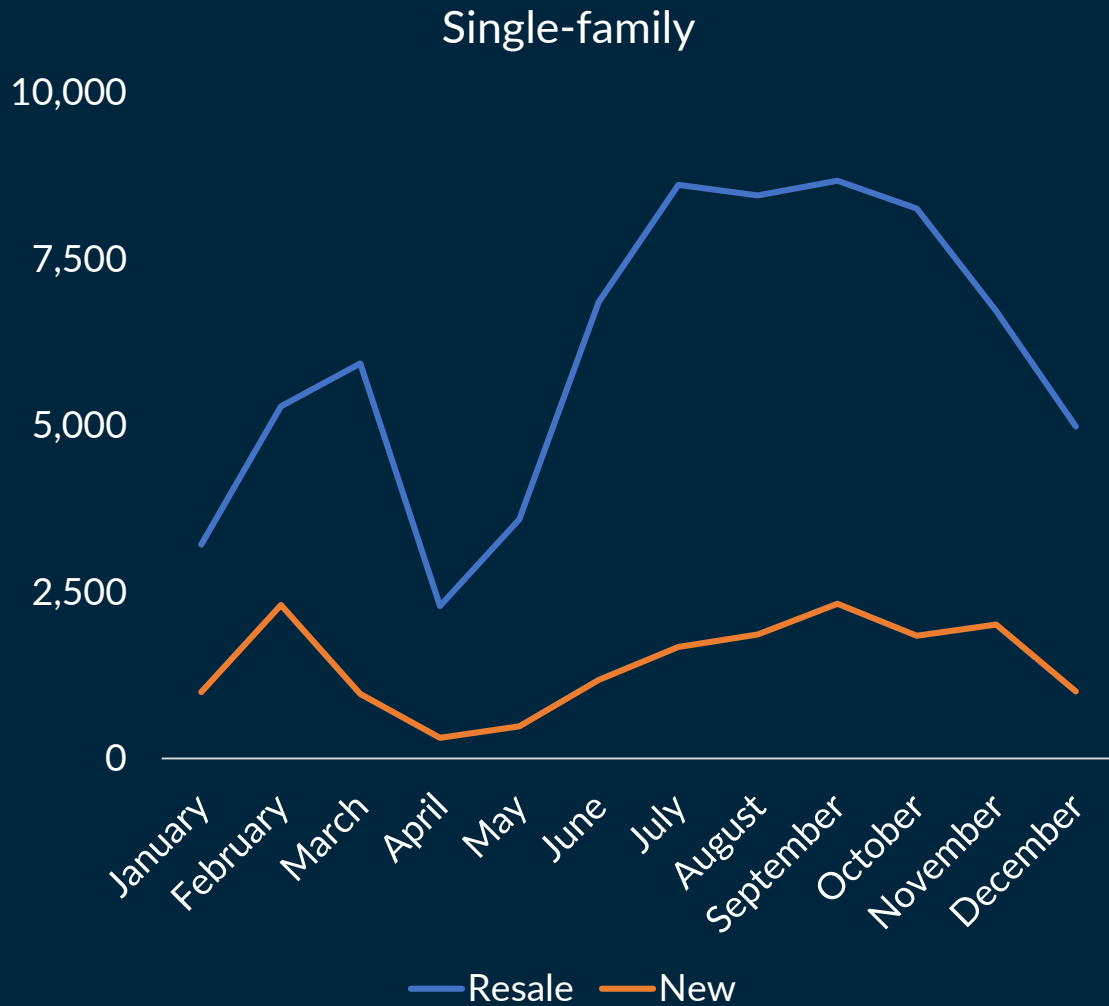


New Supply at Openings



*At pace of sales in previous 12 months

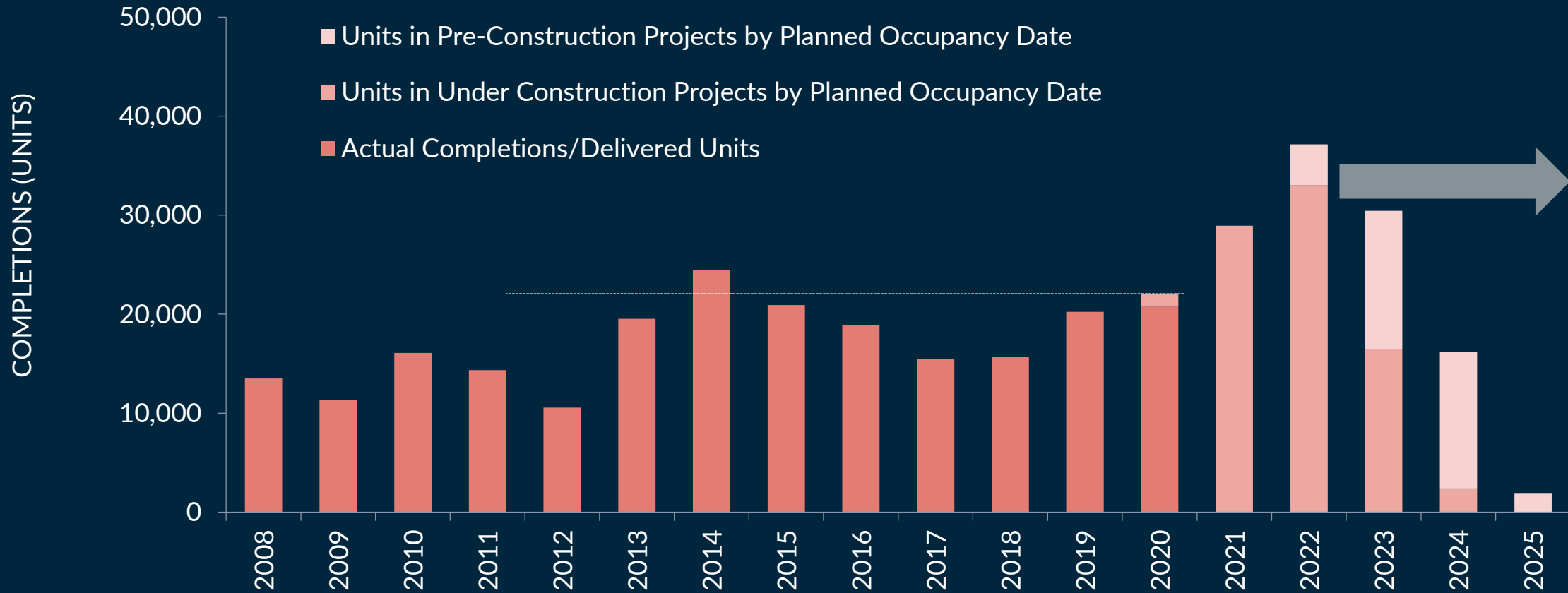
New homes activity lagged resale activity after the phase 1 recovery



Source: Altus Group and the Toronto Regional Real Estate Board

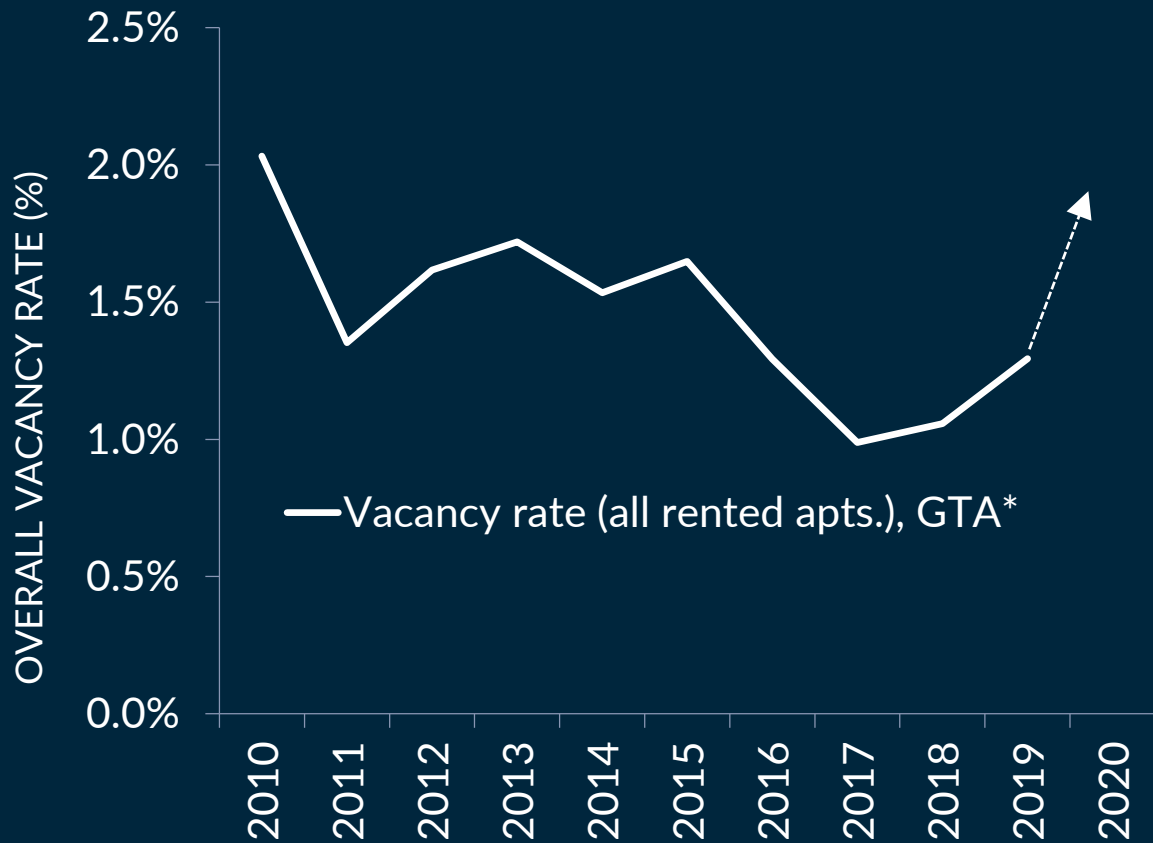
Higher completions contributed to the rental supply – and resale listings

GTA New Condominium Apartment Actual and Potential Completions



Source: Altus Group and CMHC

With impact on vacancies and potential rent increases

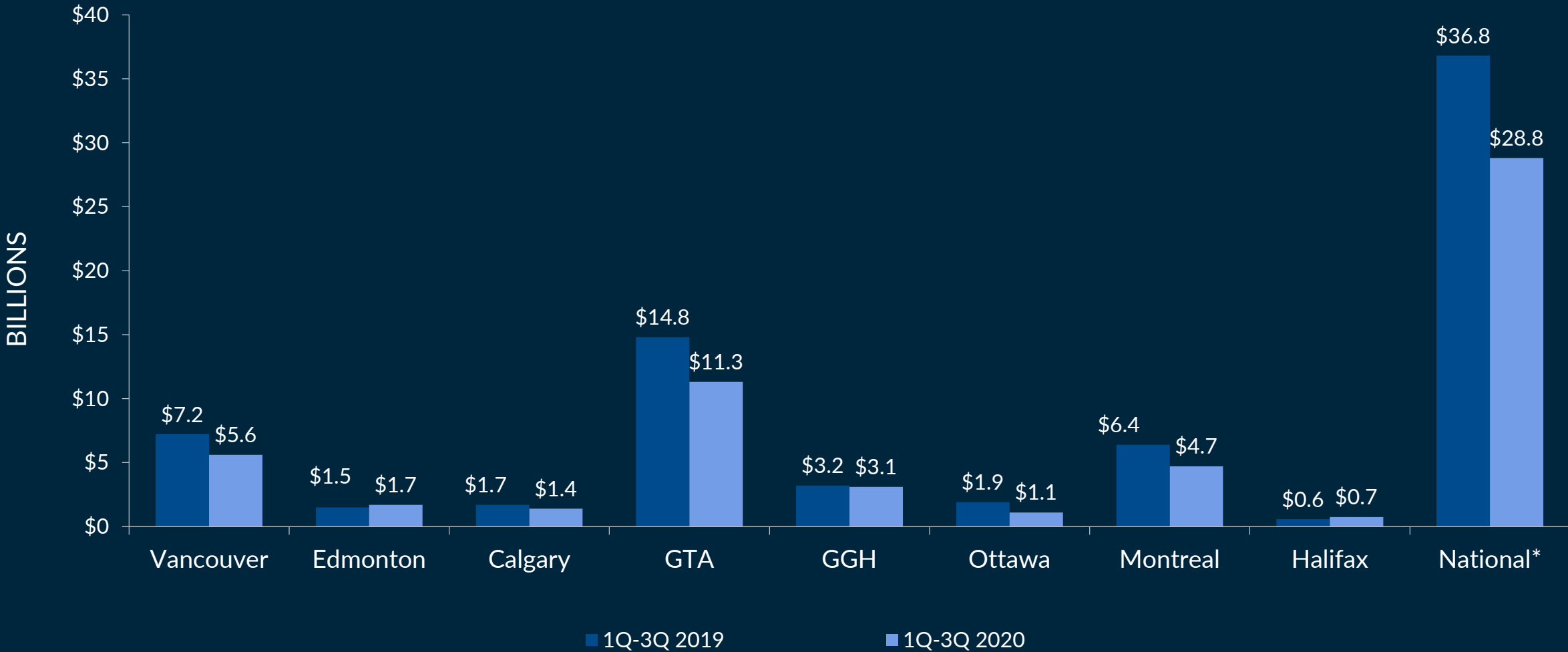


* Overall vacancy rate for rented condo and purpose-built apartments

Source: Altus Group and CMHC

Source: Altus Group and Toronto Regional Real Estate Board

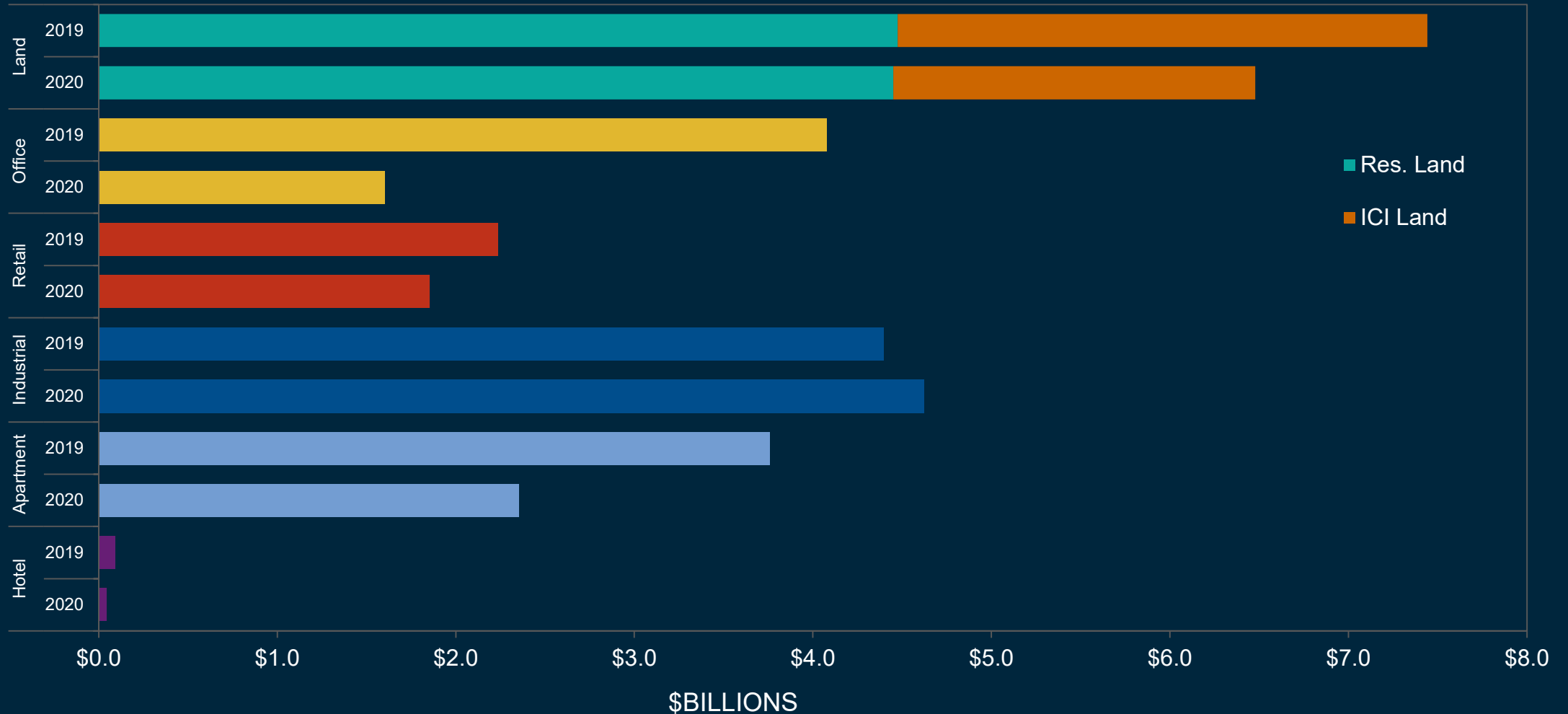
Nationally, investment activity slowed in 2020, but overall its not that bad!



Source: Altus Group

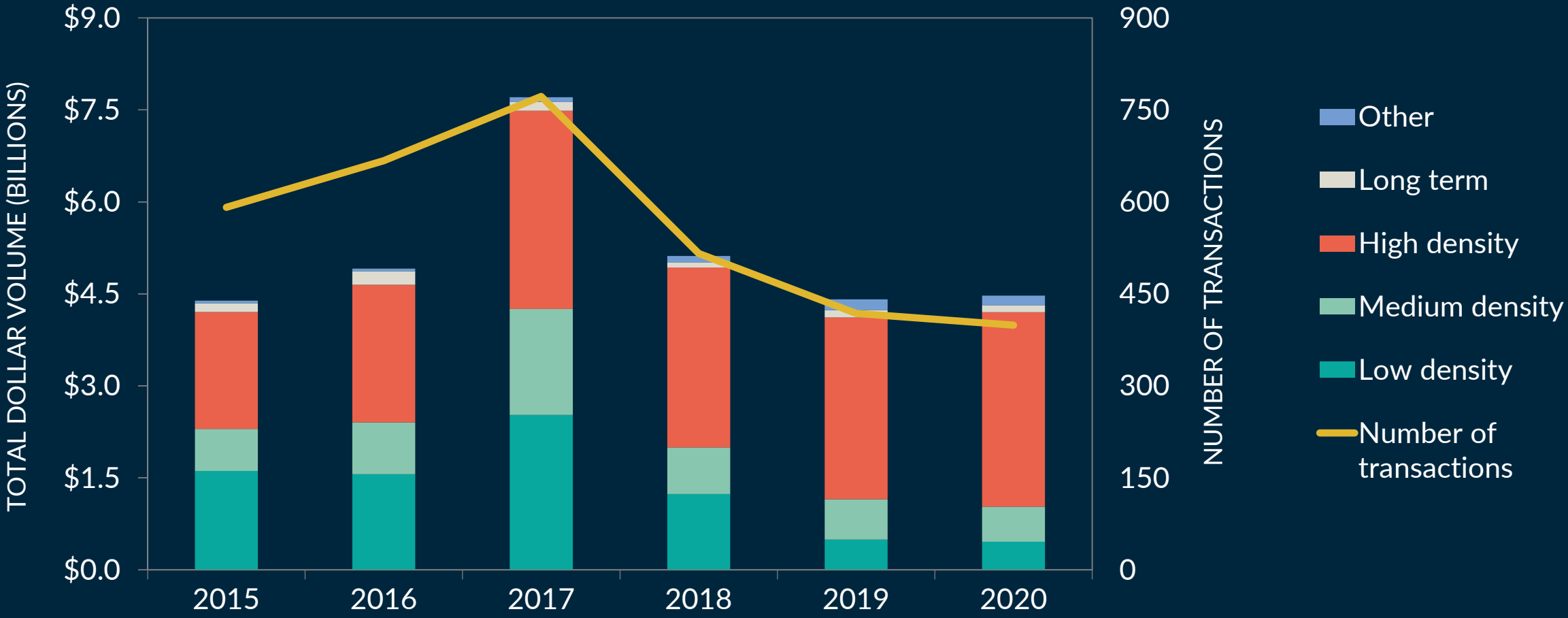
GTA Markets | Property transactions by asset class

Q1 - Q4 2020 vs. Q1 - Q4 2019



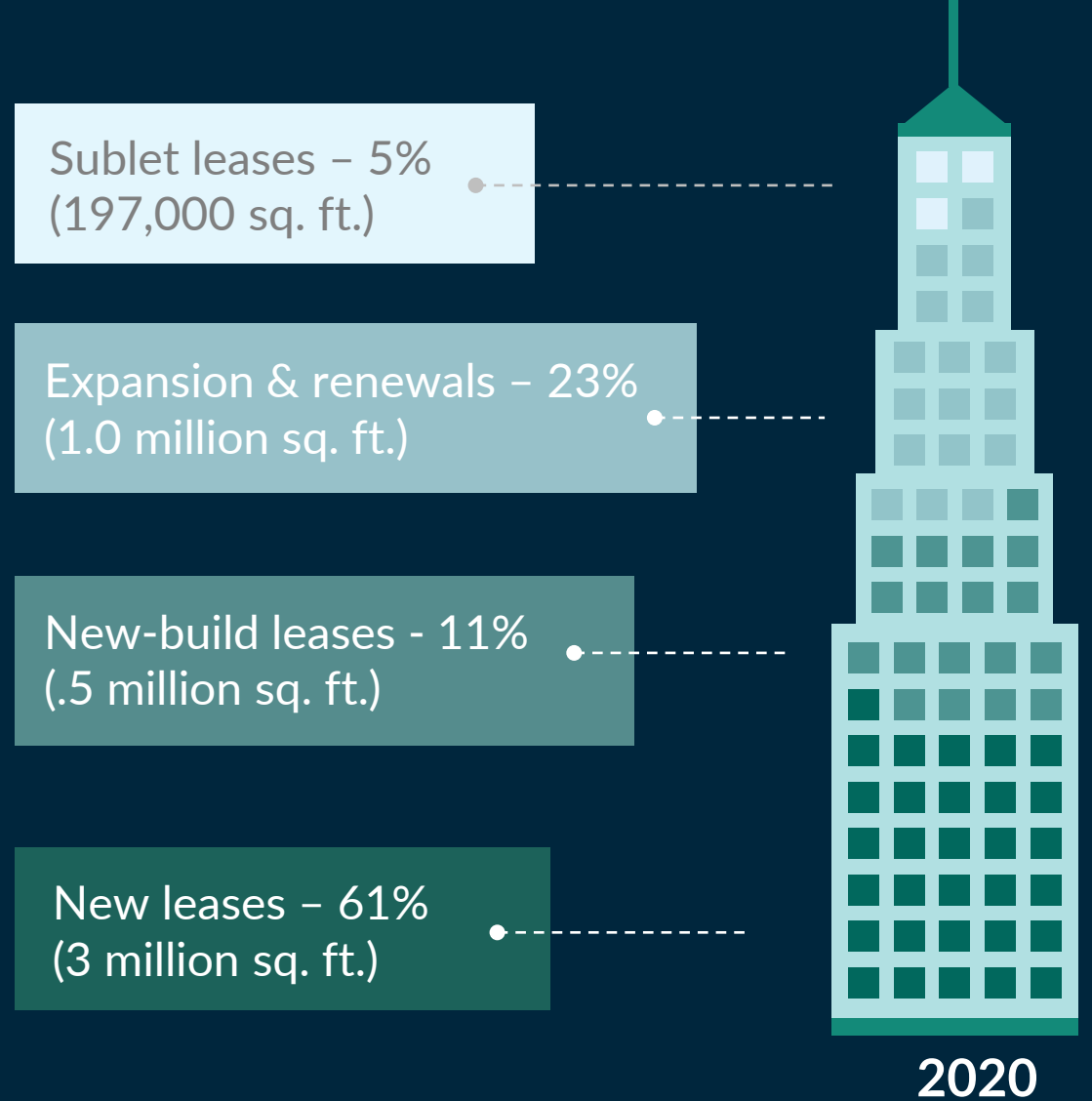
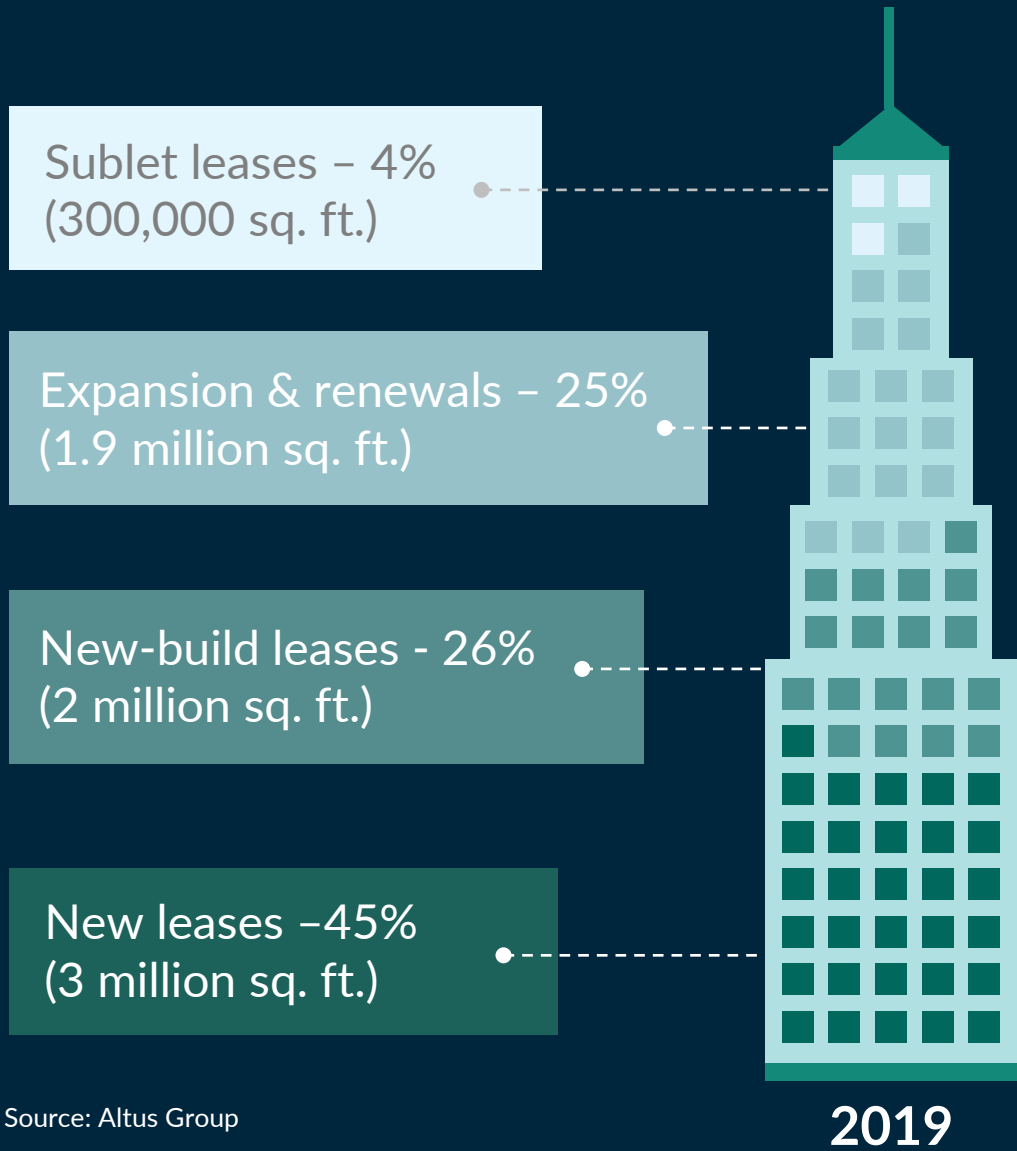
Source: Altus Group

Land activity bucked the trend, with volumes and activity relatively flat with 2019 activity



Source: Altus Group

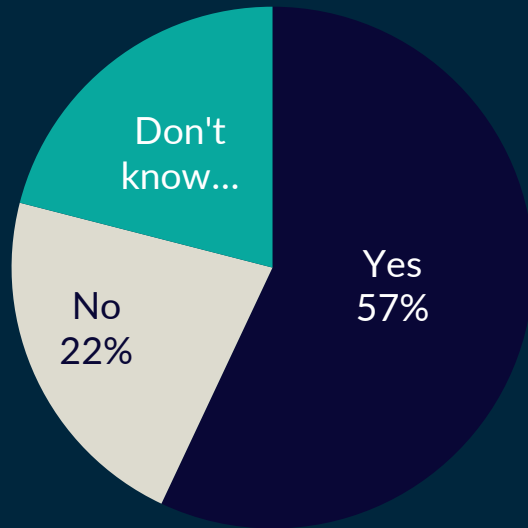
GTA office leasing activity



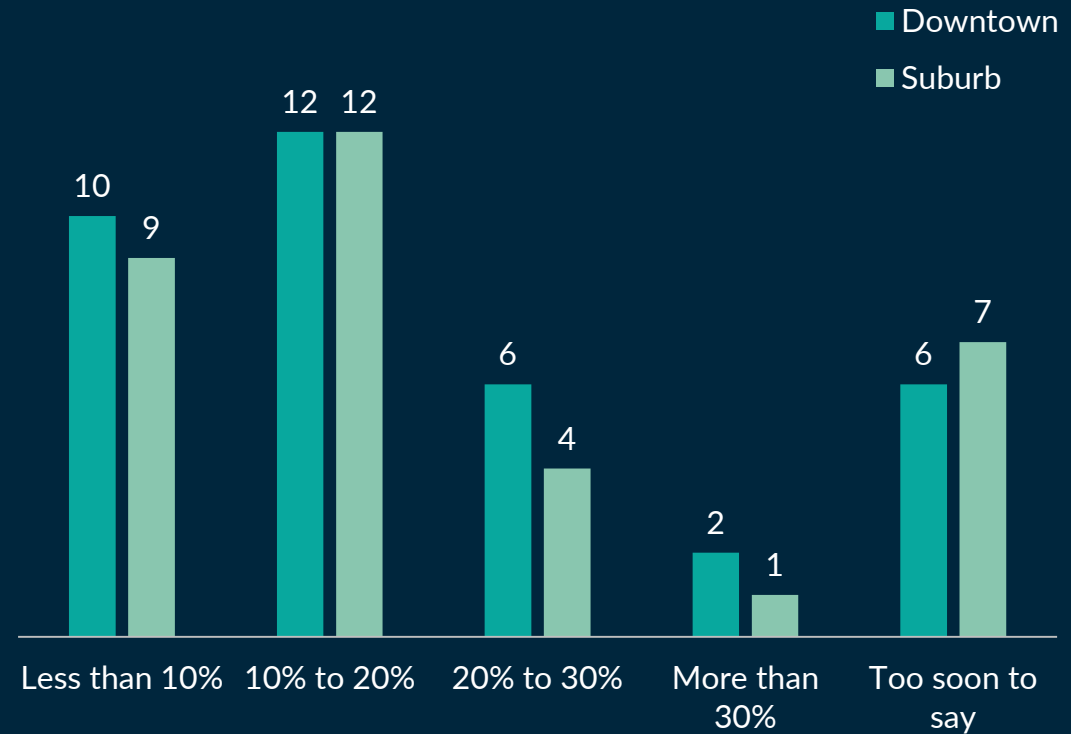
Source: Altus Group

Expectations around downsizing of office spaces may be overexaggerated

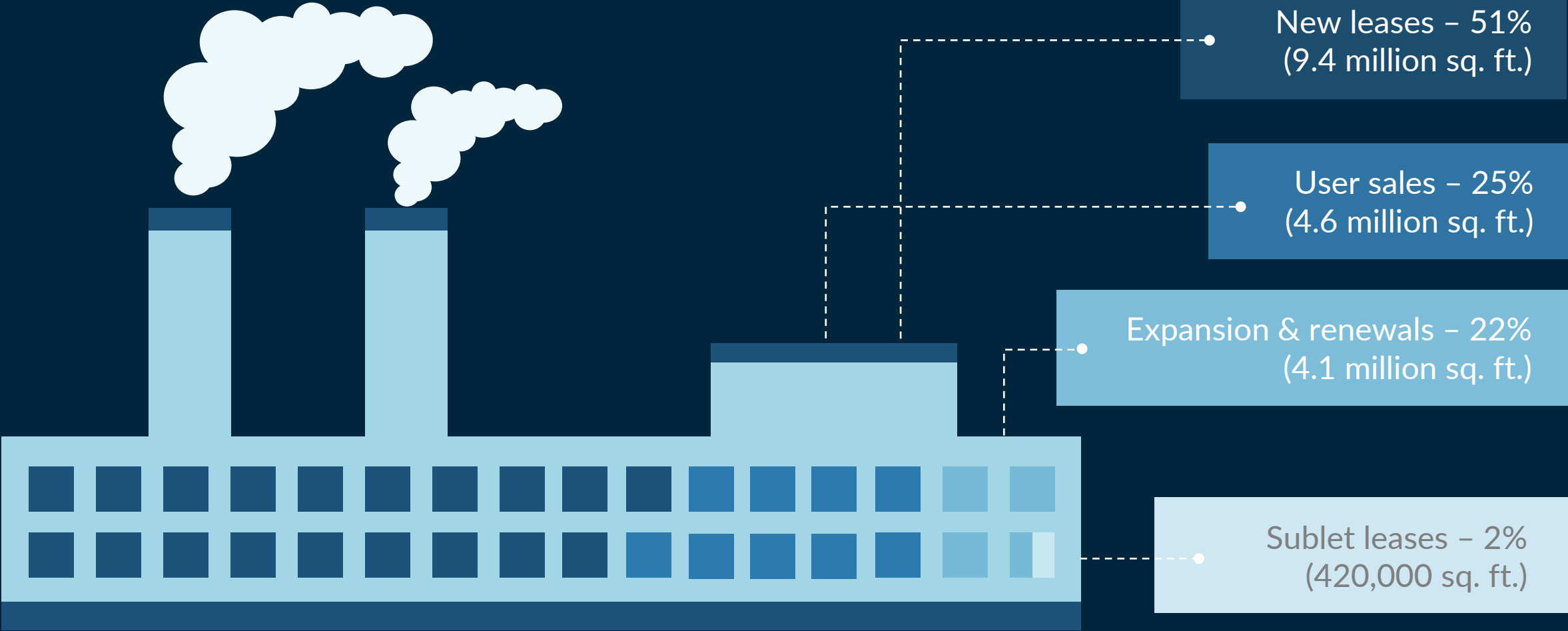
Do you expect office tenants to downsize their space requirements in the future, as a result of the increase in WFH brought on by this pandemic?



Number of responses



2020 GTA industrial sales and leasing activity



Source: Altus Group

Commercial market summary and outlook



While the traditional work environment was disrupted, **the need for collaboration, teamwork, and social encounters remain.** A new hybrid work model will shape office demand and layout in 2021.



Industrial demand remained strong, especially with the growth in e-commerce. Demand will continue to outstrip new supply going forward.

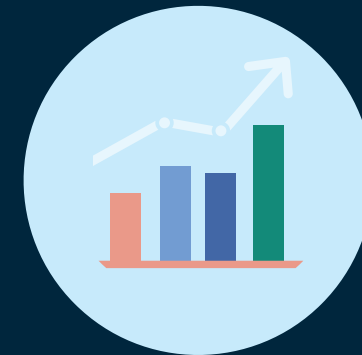


Albeit a little delayed, deal activity returned in the 2nd half of the year. Expect demand for investment to continue into 2021.

Residential market summary and outlook



Investment in future residential development land continued to be strong, indicating confidence in the future of the housing market in the GTA.



Single-family demand was boosted by low interest rates. Apartment condominium demand was generally strong, but will face more competition in 2021.

Single-family demand will remain strong, but low supply and rising prices will constrain activity. New Apartment condominium product will **face more competition from resale, and declining rents in the rental market.**