

## Highlights:

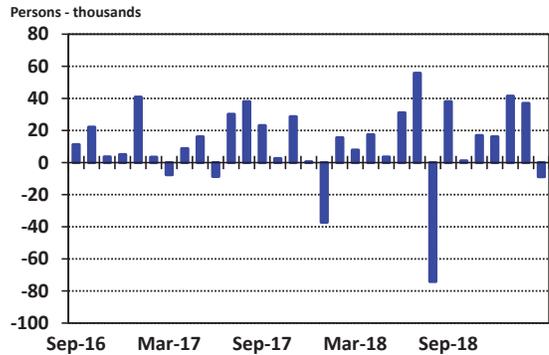
- Ontario's unemployment rate moved up to 5.9 per cent in March
- Toronto housing market tightened in March but price growth remained sluggish

### Full-time employment growth recoiled significantly in March lifting unemployment rate

Ontario's labour market recoiled in March reporting employment growth losses of 0.1 per cent or 8,800 net new jobs. A large drop of 11,600 net new jobs in full-time employment growth could not be offset by gains of 2,800 net new jobs in part-time employment. With more people actively looking for work and the recoil in employment growth, the unemployment rate increased from 5.7 per cent in February to 5.9 per cent in March. March's drop to employment growth halted an extended period of employment growth of six consecutive months with mostly full-time employment growth outstripping part-time employment growth. Among the large three metro centres in Canada, Toronto's 6.8 unemployment rate in March (0.2 points increase from February) was higher than Montreal's 5.6 per cent unemployment rate (0.1 points increase from February) and Vancouver's 4.5 per cent unemployment rate (0.2 points decline from February).

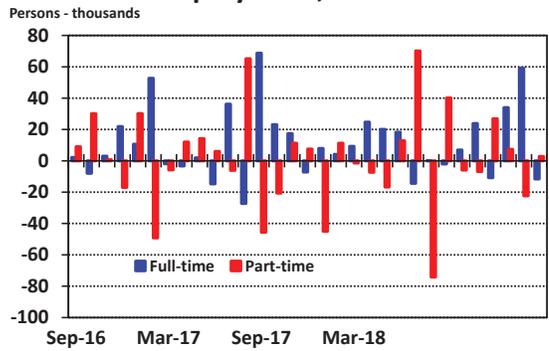
The unemployment rate increased from 4.9 per cent in February to 5.1 per cent in March in all areas in Ontario, except for Toronto. A strong influx of people into the labour force (almost ten to one) compared to employment opportunities lifted Toronto's unemployment rate. In all other areas of Ontario, a strong recoil in employment opportunities to willing labour force participants (also almost ten to one) lifted the unemployment rate. Toronto continues to attract new migrants looking for opportunity as the province's largest centre. Areas outside of Toronto continue to face headwinds in key goods and services-sectors, thus unemployment increased.

### Change in Employment, Ontario



Source: Statistics Canada, Central 1 Credit Union. Latest: Mar-19. Changes shown here are month to month

### Change in Full-time and Part-time Employment, Ontario



Source: Statistics Canada, Central 1 Credit Union. Latest: Mar-19. Changes shown here are month to month

March's recoil in employment was broad-based as the goods-sector contracted while the services-sector reported no net growth. Key industries in the goods-sector—such as manufacturing, construction and agriculture—pulled down employment. In the services-sector, job shedding in areas like business building, accommodation and food services, and health and social assistance erased growth in other areas such as finance, insurance, real estate, transportation and warehousing and trade.

### Toronto's home sales increased by 3.1 per cent in March

The Toronto Real Estate Board (TREB) released its March numbers this week. Sales rebounded in March, increasing by 3.1 per cent to 6,142 units (all variables are seasonally-adjusted unless otherwise stated). This is a marked improvement in activity from the 14.9 per cent drop in sales in February. While sales

turned around in March, supply continues to decline. March marked the second consecutive month that new listings fell. New listings fell by 3.9 per cent in March and by 4.6 per cent in February. With potential sellers not listing their home for sale given lower sales prices compared to a few years back, sales are slowly creeping back after February. While competition for units increased, growth declined and prices fell an additional 0.6 per cent to \$760,509 in March. This marks the fifth consecutive month of price declines. With February's harsh weather in the rear-view mirror, a larger number of potential buyers came back to look for housing. Federal mortgage 'stress tests' continue to affect the type of home buyers look for. Higher-density options or 'fixer-upper' low-rise homes such as a townhome in more affordable pockets of the region, remain popular

Over the first quarter of 2019, sales and new listings are both down by 1.0 per cent and 0.4 per cent respectively from last year's pace. Even with the month-over-month average price declines, this year's average prices are 1.2 per cent above last year's pace. For 2019, we expect a 5.0 per cent drop in year-over-year sales as potential home buyers refrain from purchasing due to increased economic uncertainty.

Benchmark home prices—a measure of quality-adjusted prices—decreased by 0.6 per cent in March over February. The decrease came from a general decline among all housing types: single-detached, townhomes and condo apartments.

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