

### Highlights:

- Strong full-time job hiring helped pull down the unemployment rate from 5.6 per cent in August to 5.3 per cent in September
- Strong growth in industrial building intentions in August offset commercial and institutional declines
- New housing starts moved up an additional 1.4 per cent in September

### Strong hiring surge in the services sector helped push overall net hiring up by 41,100 net new jobs in September

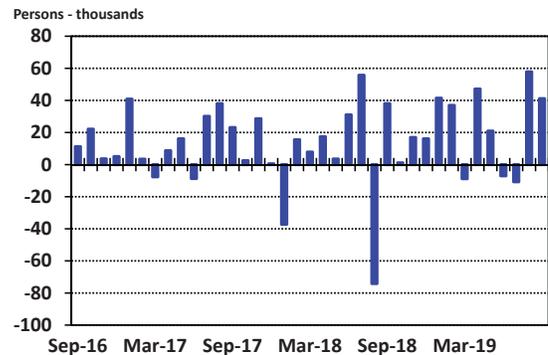
Ontario's unemployment rate fell from 5.6 per cent in August to 5.3 per cent in September due to much stronger growth to employment (41,100 net new jobs) which offset the gains to the labour force comfortably (18,000 net new entrants). The fall in the unemployment rate in August halted a few consecutive months of increase to the unemployment rate since May 2019. Moreover, of the 41,100 net new jobs created in September 88 per cent of those jobs were full-time jobs.

Year-over-year, the labour force has increased by 2.9 per cent (227,200 net new entrants) while employment increased by 3.5 per cent (252,800 net new jobs) with over 77 per cent of those new jobs created occurring in full-time positions. Despite some fluctuating periods of increases and declines in full-time work this part of Ontario's labour market has posted impressive numbers, even during a year filled with so much economic uncertainty particularly through trade channels.

In September, nearly all the gains in employment came from the public sector which grew by 3.8 per cent. Hiring in the private sector fell by 0.2 per cent while self-employed workers inched up 0.1 per cent.

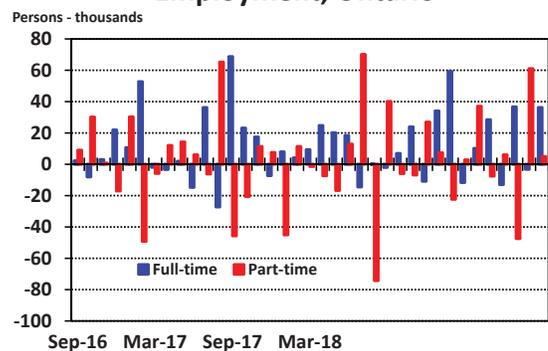
Ontario's employment continued to grow on the back of the services sector in September. In the month

### Change in Employment, Ontario



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

service-sector jobs increased by 30,900 net new jobs while jobs in the goods-sector increased but by nearly a third only or 10,200 net new jobs. Key sub-sectors with robust increases or decreases in employment included:

- Construction (up 12,000 net new workers)
- Manufacturing (up 1,500 net new workers)
- Professional, scientific, and technical services (up 4,100 net new workers)
- Finance, insurance, and real estate (down 4,600 net workers)
- Transportation and warehousing (down 6,300 net workers)
- Healthcare and social assistance (up 14,000 net new workers)
- Accommodation and food services (up 7,200 net new workers)

## Strong non-residential building intentions in Toronto in August helped lifted Ontario's tally significantly

Non-residential permit volumes continued to climb in August moving up an additional 2.7 per cent to \$1.3 billion adding to the 3.9 per cent growth in the previous month. Volume has now risen for three months of growth following mixed gains to start the year. Industrial permits which grew by 50.6 per cent propelled all the growth in August; almost entirely due to a high-value permit for a bio-pharmaceutical company in Toronto. Commercial and institutional permits both declined by 11.1 per cent and 3.0 per cent respectively.

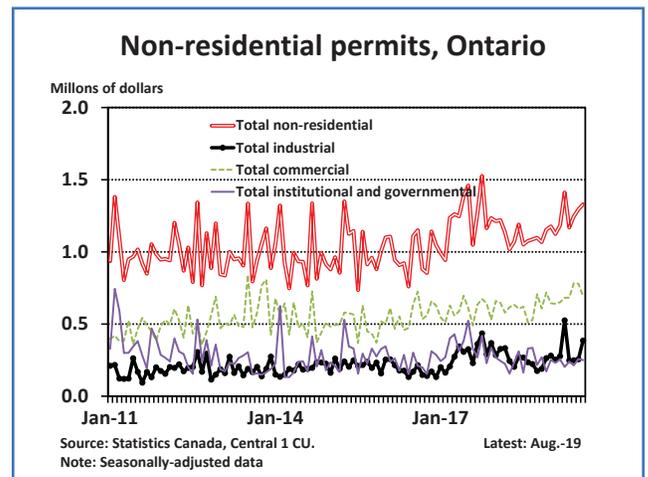
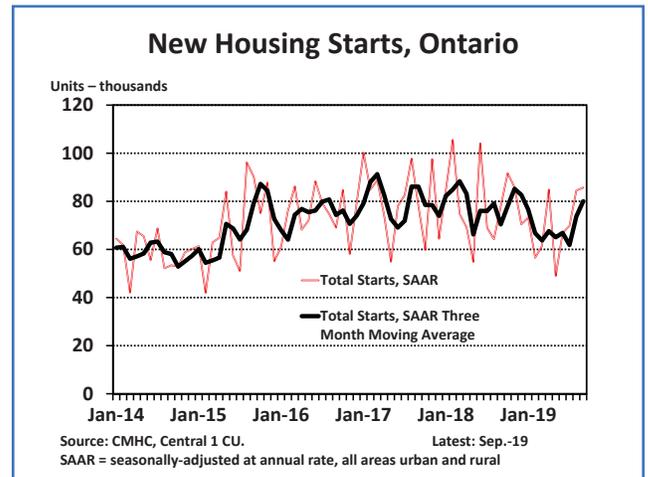
Non-residential permit volumes in 2019 have been mostly higher compared to the same period in 2018 which has allowed the first nine months of 2019 non-residential permit volumes in Ontario to remain 10.7 per cent above last year's pace. Strong growth in industrial and commercial building intentions, each moving up by 14.1 per cent and 14.0 per cent have more than offset the 1.5 per cent decline to institutional building intentions so far this year.

Non-residential building permits in all metro markets in Ontario accounted for nearly 92 per cent of all the activity in the province in August. A strong pick-up of building intentions in metro markets, up 11.6 per cent to \$1.2 billion, helped lift the province's tally up. Building intentions in Toronto, which accounted for 65.4 per cent of all non-residential building permits in metro markets, went up strongly in August over July moving up 27.6 per cent. Other metro markets with strong movements up in activity in August included:

- Hamilton (up 24.1 per cent)
- Kingston (up 1298.5 per cent)
- Greater Sudbury (up 11.3 per cent)
- Barrie (up 5.6 per cent)
- Peterborough (up 215.6 per cent)

## Strong growth in construction of condo apartments lifted total starts in Ontario by 1.4 per cent

Ontario's new home construction remained elevated in September moving up an additional 1.4 per cent in September over August to 85690 units at seasonal adjusted annual rate (SAAR). Year-over-year, total housing starts are 9.9 per cent up. Year-over-year



total starts are up now for three consecutive months.

Over the first nine months of 2019 total starts remained 10.3 per cent down despite the surge in construction activity year-over-year in the last three months from July to September. In 2019, starts are trending at an annual pace of 70,204 units compared to the 78,268 units over the same period in 2018.

In urban centers, areas with 10,000 people or more, remained elevated moving up an additional 1.5 per cent to 84,933 units SAAR due to very strong growth in condo apartment construction that offset declines in activity to all other housing types.

Over the first nine months of 2019 total starts in urban centers remained 8.7 per cent off last year's pace due to strong declines in activity in all housing types except townhomes. Townhomes are the only housing type that is above last year's pace (32.4 per cent up).

The strong pick-up in activity in Toronto was not sustained in September. In September total housing starts declined 10.8 per cent and due to the relative size of activity in this market, ranging between 38 to 40 per

cent of monthly activity. This decline in Toronto went a long way towards moderating growth in September over August. Apart from Toronto, other large markets with significant activity either up or down included:

- Kingston (up 52.6 per cent)
- Kitchener-Cambridge-Waterloo (down 21.1 per cent)
- London (down 47.7 per cent)
- Ottawa-Gatineau (up 114.6 per cent)
- St. Catharines-Niagara (62.1 per cent)
- Windsor (up 13.4 per cent)

The average and median contract prices for a new single-detached home in Ontario both declined further in September by 1.3 per cent and 2.7 per cent respectively. Year-over-year, the rate of growth has slowed for both metrics as well with the average price up 5.3 per cent in September slower than the 5.6 per cent in August and the median price up 4.5 per cent in September slower than the 10.6 per cent in August.

Year-over-year, the backlog of units under construction has been trending up in the third quarter moving up 9.8 per cent up from the 4.3 per cent growth in the second quarter. The share of condo apartment units under construction in Ontario increased their share in the third quarter (73.6 per cent) up from the third quarter in 2018 (70.0 per cent). Condo apartments take longer to complete than other units and may be a factor for the slower pace of construction month-over-month in September. Builders are likely looking to decline the stock of units under construction before breaking ground on another large number of projects which happened in August.

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