



## Highlights

- Metro areas lead Ontario population growth with immigration recovery
- Regions including Wasaga Beach and North Bay post strong growth
- Building permit volumes bounce back in November

### Ontario population growth aligns with national gain in 2022 as international immigration drives Toronto rebound

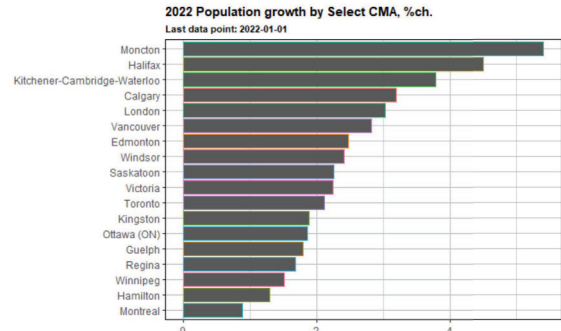
*Bryan Yu, Chief Economist*

After faltering through the early stages of the pandemic with reduced global mobility and global travel restrictions, population growth in Canada's large urban markets regained their mojo as immigration returned with a vengeance. On a July-to-July basis on which annual counts are based, Canada's population grew 1.8 per cent or 703,000 persons. Ontario's population grew at a slightly quicker pace of 2.0 per cent or more than 300,000 persons over the period. Data for the third quarter points to a more recent acceleration.

Headline national and provincial statistics are not new, having been published in September, but this week's release of annual sub-provincial data highlights the regional and compositional drivers of growth. Across the country, large metro markets drove gains with Census Metropolitan Areas (100k persons) as a whole expanding 2.1 per cent compared to a meagre 0.5 per cent in 2021 and 1.3 per cent increase in 2020. National highlights included a massive increase in Moncton (5.4 per cent) and Halifax (4.5 per cent).

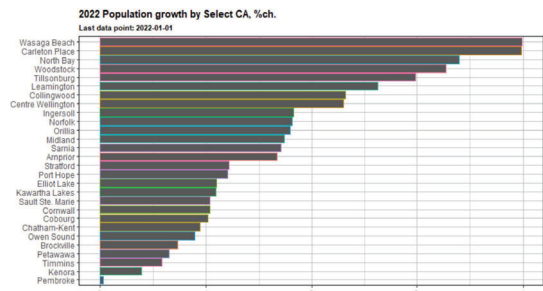
Ontario's census metropolitan areas (CMAs) generally lagged broader metro area patterns, which may reflect a combination of the province's more heavy-handed public health restrictions that tempered some international inflows, while soaring home prices may have contributed to an outflow from the largest and priciest regions. In the Toronto CMA, population growth ratcheted higher after stalling out completely in 2021. The region expanded by 2.1 per cent or 138,240 persons during the year and a slightly stronger pace than 2019. High growth metro areas in 2022 included

### Mixed population growth among Ontario metros, Toronto grows 2.1 per cent



Source: Statistics Canada, Central 1

### Positive growth in smaller urban markets with significant deviation



Source: Statistics Canada, Central 1

Kitchener-Cambridge-Waterloo (3.8 per cent), London (3.0 per cent) and Barrie (3.2 per cent) likely owing, in part, to a surge in students to college towns, although housing affordability has also pushed buyers into these more affordable markets. Most metro areas grew at a modest pace, with the only notable laggard being Thunder Bay which grew by 0.2 per cent.

Of Ontario's 28 smaller urban areas or census agglomerations, population growth was mixed with many markets showing acceleration from 2021 growth, but others slowing. Earlier in the pandemic, population growth in smaller regions was resilient as more households and individuals took leave from larger cities due to desire for space, greater affordability and remote work options. Leading the pack in growth were areas like Wasaga Beach (4.0 per cent), North Bay (3.4 per cent), Woodstock (3.3 per cent), and Tillsonburg (3.0 per cent). Relocation to these areas due to lifestyle demand contributed to sharp increases in home values. Slow or negative growth areas included

Pembroke which recorded no growth, Kenora (0.4 per cent), as well as Brockville and Petawawa, both expanding by 0.7 per cent.

Broadly, communities across Ontario continue to grow, although the return of international immigrants has concentrated gain into the largest urban areas. This trend extended into the second half of 2022. Strong population growth will continue to support demand for consumer goods and services as well as housing in coming years while also providing some relief for the tight labour market as these individuals look for jobs.

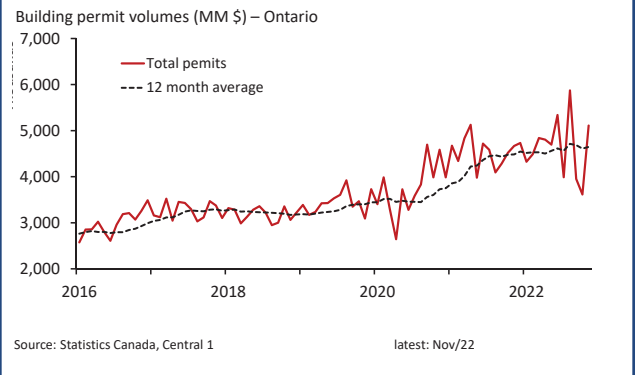
## Building permit volumes up across the board

*Alan Chow, Business Economist*

Total permit volumes in Ontario increased sharply in the month of November. On a seasonally-adjusted basis, the level increased 41.2 per cent to \$5.1 billion, ending two months of declines and bringing it 10.8 per cent above the trailing 12-month average. Residential permits rose 35.2 per cent to \$3.0 billion, erasing the declines seen in the previous month but holding 6.0 per cent below the trailing 12-month average. Non-residential permits were up 50.4 per cent to \$2.1 billion to reach a new high.

Higher residential permit volumes were led by an increase in multi-family homes, up 58.7 per cent to \$1.6 billion. Single-family homes were up 15.1 per cent to \$1.6 billion. Both ended two months of declining permit volumes, but single-family permit volumes remain 13.7 per cent below the trailing 12-month average while multi-family permits sit 1.7 per cent above. While the increase is encouraging, this is unlikely to be a trend as multi-family projects are planned well in advance and sharp monthly swings are common.

## Ontario building permit volume rebounds in November



Non-residential permits were also up across the board, led by an increase of commercial permit volumes, up 33.4 per cent to \$1.0 billion and the highest level seen since September 2020. Industrial permit volumes were also up 50.8 per cent to \$682 million owing to the approval of a \$425 million manufacturing plant and exceeding the most recent high of \$567 million seen in April 2022. Institutional and government permit volumes were up 108.1 per cent to \$459 million, reversing two months of declines, as a new courthouse planned for development in Toronto was approved.

In Ontario's metropolitan areas, total permit volumes are up 49.8 per cent over the previous month. Of the 17 metro areas listed, only 11 showed increases. Toronto saw permit volumes more than double at 112.6 per cent. Hamilton saw a 66.3 per cent increase while Ottawa area permits dropped by 15.0 per cent.

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