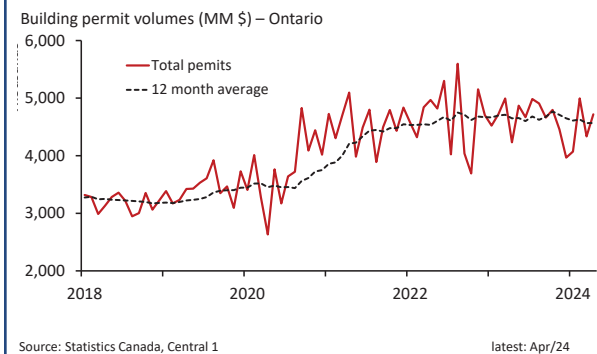




## Highlights

- Residential sector showed gain in April, while the non-residential sector posted second consecutive decline
- Ontario manufacturing sales rebounded in April, yet still falling below last year level

## Building permits in Ontario increase in April



## Ontario building permits rise in April

*Eloho Ennah, Economic Analyst*

Ontario building permits resumed growth in April following a prior month decline. Seasonally adjusted total building permits in the province increased by 8.8 per cent to reach \$4.7 billion, driven by residential construction sector building intentions. On the other hand, the number of non-residential permits declined. Unadjusted for seasonality, year-to-date total permits were nearly unchanged.

While the twelve-month moving average has been on a steady decline since late 2023, it is worth noting that monthly permit numbers tend to vary widely, due to the prevalence of higher interest rates and construction costs. The first of many Bank of Canada interest rate cuts at the start of June will likely provide more support for construction; however, it will take several rate cuts to see a substantial and sustained boost in activity.

In the residential sector, the total permit values amounted to \$2.9 billion during the month, marking a 19.9 per cent increase which reversed the 14.1 per cent decline in the prior month. The multi-family sub-category experienced a 31.9 per cent gain in permit values during the month as permits were issued for projects in Toronto. Single-family units increased by 3.5 per cent.

\$1.8 billion in permits were issued in the non-residential sector, down by 4.9 per cent from March, making the second consecutive monthly decrease. This was due to lower permits seen in the commercial sector, which

posted a drop of 19.6 per cent. In contrast, higher permits were issued in both the industrial and institutional sub-categories, up by 26.9 per cent and 1.6 per cent, respectively.

Most of Ontario's census metropolitan areas saw declines in permit values. The total value of Toronto's building permits increased by 34.3 per cent in April, countering the dip from the prior month. Total permit values in the region were also up by 8.0 per cent year-over-year. Permit values in Brantford were up by more than five times the value from March. Permits were also up in Guelph by 6.7 per cent. On the other hand, permits declined in several other regions, with notable reductions in Hamilton (-63.2 per cent), Oshawa (-53.1 per cent), Kingston (-22.7 per cent), Barrie (-10.4 per cent) and London (-13.9 per cent).

## Both durable goods and non-durable goods industries rose in April

*Ivy Ruan, Economic Analyst*

Ontario manufacturing sales reported an increase of 0.9 per cent in April, following a notable decrease in March. This matches the slight increase in exports seen during the same period. On a seasonally adjusted basis, sales increased to \$31.0 billion. Non-durable goods industries experienced a modest increase in sales, up 0.4 per cent, while durable goods industry sales gained 1.2 per cent. On a year-over-year basis, Ontario manufacturing sales were 4.0 per cent lower than last April.

## Ontario manufacturing sales grew in April



Within the durable goods industries, the monthly gain in manufacturing sales was led by the largest manufacturing sector in the province – the transportation equipment manufacturing, up 5.2 per cent,, , which reversed the sales loss seen the previous month. Higher sales of motor vehicle parts (8.0 per cent) and motor vehicles (4.6 per cent) led the gains in sales. Machinery manufacturing continued the growing momentum into 2024, with 2.4 per cent monthly increase recorded in April. However, decline in sales (-5.9 per cent) were seen in fabricated metal product manufacturing sector, which drove the sales level below \$2.0 billion for the first time since September last year. On a yearly basis, both durable goods (-5.5 per cent) and non-durable goods (-1.8 per cent) industries in Ontario posted lower manufacturing sales this April.

Within the metro areas, the most positive results in manufacturing sales were seen across regions. Following the consecutive monthly growths, Hamilton saw the first decline in sales in 2024, with a monthly decrease of 5.0 per cent in April. Windsor experienced a large rebound following last month's decline, reporting 25.0 per cent growth. Manufacturing sales in Toronto jumped from March, with a notable increase of 7.0 per cent. With the monthly gain in Windsor, its manufacturing sales level in April was 7.0 per cent higher than the same month in 2023. Toronto's sales level was still down 4.4 per cent compared with last April.

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