



Highlights

- Home sales in Ontario increased by 8.9 per cent; prices moved higher by 2.1 per cent
- Ontario manufacturing sales flattened in September
- Canadian permits up by 11.5 per cent in September
- Ontario led national gains across all categories

Ontario housing market recorded substantial gains in October

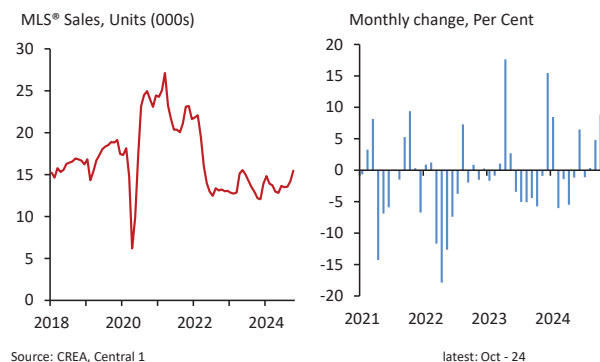
Eloho Ennah, Economic Analyst

Housing market activity picked up pace in Ontario in October as the province recorded the highest gains in home sales in 2024 so far. On a seasonally adjusted basis, MLS® home sales reached 15,469 transactions, an 8.9 per cent rise from the prior month. Year over year, sales jumped by 29.2 per cent. This acceleration in momentum over the last three months was likely as a result of consecutive Bank of Canada rate cuts and the prospect of more to come.

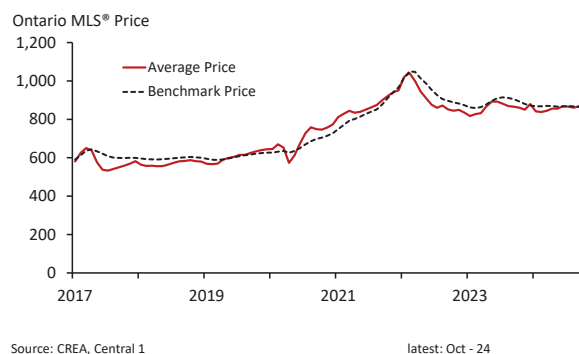
Within the province, almost all economic regions reported higher home purchases during the month. Windsor-Sarnia was the only region to see sales dip in October, down three per cent monthly. In contrast, the lifted provincial sales figure was due to higher home sales in Toronto economic region, which increased by 14.1 per cent and the largest uptick amongst the Ontario economic regions. Stratford Bruce Peninsula and Ottawa saw similar gains with home sales rising in both areas by near 12.0 per cent. Other noteworthy increases were seen in Muskoka-Kawarths (9.3 per cent), London (6.0 per cent), Hamilton Niagara Peninsula (5.5 per cent) and Kitchener-Waterloo Barrie (4.1 per cent). The Northeast saw no change in home sales during the month while they rose by 2.9 per cent in the Northwest. Kingston-Pembroke also reported a 0.6 per cent increase.

On the price front, home values in Ontario increased by 2.1 per cent, the third consecutive rise as they reached \$887,259. This sat below peak in 2023 by 0.7 per cent while down from historical peak in February 2022 by

Ontario home sales leap in October



Home values increase in Ontario



14.7 per cent. The monthly price gain was due to higher prices in the Toronto economic region, which saw prices rise by one per cent in October to \$1.2 million. Prices also rose in Stratford Bruce Peninsula and the Northwest, up by 2.4 per cent and six per cent, respectively. All other economic regions recorded lower home prices during the month. That said, the three-month trend was largely positive amongst the regions.

Average prices can mask compositional sales effects. Considering home attributes and product composition, the benchmark price index showed no change in October. Within Ontario, results varied. Benchmark prices edged higher in Toronto (0.1 per cent), Grey Bruce Owen Sound (0.6 per cent), Oakville Milton (0.8 per cent), Ottawa (0.3 per cent) and Oakville-Milton (0.8 per cent). They went down in London & St. Thomas (-0.1 per cent), Barrie & District (-0.5 per cent), Kingston (-0.6 per cent), and Brantford (-1.5 per cent).

Residential new listings in Ontario decreased by 5.8 per cent, erasing some of the gains from the prior month. Market conditions are still balanced with the sales-to-new listings ratio moving up from 42.0 per cent to 48.6 per cent. October's improved home sales figures are a sign of renewed momentum in the housing market as many prospective buyers, incentivized by back-to-back rate cuts, re-entered the market. We expect sales to continue rising given the substantial 50-point rate cut which occurred in late October and more rate cuts on the horizon, improving financing conditions for prospective home buyers..

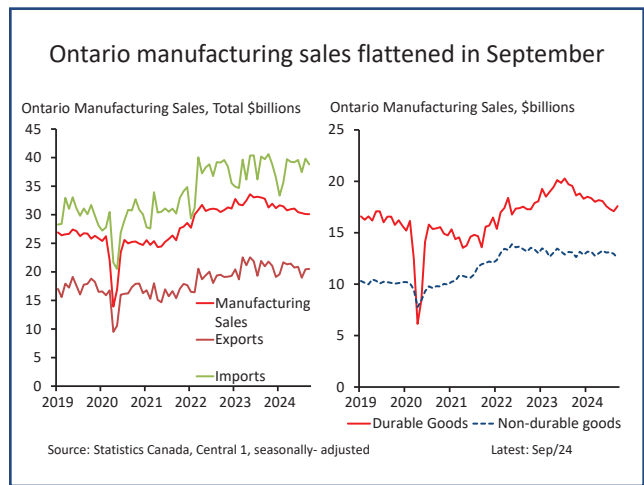
Transportation equipment sales continued to lead the September decrease in manufacturing sales

Ivy Ruan, Economic Analyst

Ontario manufacturing sales unchanged in September, following the three consecutive monthly declines. On a seasonally adjusted basis, sales remained at \$30.1 billion. The increase in manufacturing of durable goods industries (2.2 per cent) offset the decrease in non-durable goods industry sales (-3.0 per cent). On a year-over-year basis, Ontario manufacturing sales were 8.2 per cent lower than last September.

Within the durable goods industries, the monthly growth in manufacturing sales was led by the 3.1 per cent increase seen in transportation equipment manufacturing, the largest manufacturing segment in the province. September marked the first gain in transportation equipment manufacturing after four consecutive monthly declines. Notable increase in sales (2.6 per cent) were also seen in machinery manufacturing, following last month's increase. Fabricated metal product manufacturing had a 1.5 per cent growth in manufacturing sales in September, while furniture and related product manufacturing recorded a 4.4 per cent decline. On a yearly basis, durable goods (-10.0 per cent) industries in Ontario posted lower manufacturing sales this September while non-durable goods recorded a 5.6 per cent yearly decrease.

Within the metro areas, results in manufacturing sales were mostly positive across regions. Hamilton recorded a large increase of 9.1 per cent in manufacturing sales in September. Windsor also experienced a 12.5 per cent growth following last month's decrease in sales. Manufacturing sales in Toronto rose with an increase of one per cent following last month's decrease. With the monthly changes, Toronto's sales level was down 11.3 per cent compared with last September.



Ontario building permits jumped in September

Eloho Ennah, Economic Analyst

Canadian building permits bounced back in September with an uptick in permit issuances which reached \$13 billion in September, up by 11.5 per cent from the prior month, making September's reading the second highest on record. This was due to significant gains in both the residential and non-residential sectors.

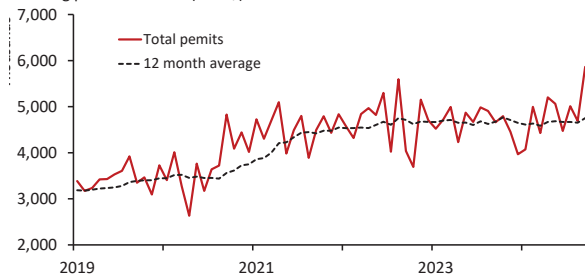
Ontario was the main province contributing to the monthly increase in permit issuances in the country. Total building permits in the province rose by 25.0 per cent to amount to \$5.9 billion, the highest reading so far in 2024. Year to date, permits are up by 4.9 per cent. It should be noted that monthly permit numbers tend to vary widely, but the 12-month moving average has not seen significant increases in over two years, due to the impacts on contractionary monetary policy and weak housing market conditions. Further rate cuts should draw more activity into the sector by 2025 and into 2026.

The residential sector contributed to the overall gains in permit issuances in Ontario, with residential permits up by 32.2 per cent in September to reach \$3.3 billion. In the multi-family sub-category, permits leaped by 57.3 per cent, but the single-family sub-category saw a decline of 1.4 per cent.

The non-residential sector recorded a 16.9 per cent increase in permits during the month as institutional and governmental subcategory permits almost tripled. Commercial permits increased by one per cent. In contrast, industrial permits decreased by 15.2 per cent.

Building permits in Ontario jump in September

Building permit volumes (MM \$) – Ontario



Source: Statistics Canada, Central 1

latest: Sep/24

The majority of Ontario's census metropolitan areas saw higher permits on a monthly basis. In Toronto, permit values increased by 26.8 per cent from August and increased by 33.7 per cent on a year-over-year basis. The most significant monthly gains were seen in Oshawa (up by more than four times from August) and Barrie (up by more than six times from August). They also increased in St. Catharines-Niagara (52.9 per cent), Kitchener-Cambridge-Waterloo (60.0 per cent) and Guelph (68.3 per cent), amongst others. In contrast, Ottawa permits decreased by 38.9 per cent while they fell in Windsor and Brantford by 52.5 per cent and 59.8 per cent, respectively.

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