



Highlights

- Ontario inflation rises in October to 2.0 per cent
- Retail spending up in Canada, down marginally in Ontario
- Housing starts up in September and in the third quarter in Ontario
- Non-residents arrivals rose in September

Ontario inflation rises in October

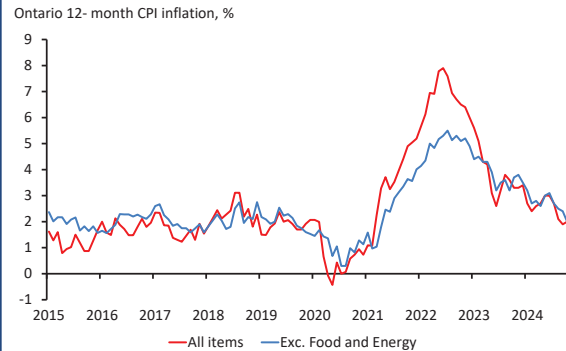
Eloho Ennah, Economic Analyst

Inflation in Ontario increased in October following three months of declines. The headline inflation rate rose to 2.0 per cent, slightly higher than 1.9 per cent reported in the prior month. Core inflation, which excludes food and energy, slowed from 2.4 per cent to 2.0 per cent in October

This month's uptick was due mainly to higher food prices amongst other increased costs during the month. Food prices grew on a year-over-year basis to 3.5 per cent after the 3.1 per cent increase in September. Shelter prices are still elevated, growing by 4.4 per cent, but slowed from 5.0 per cent in the previous month. Prices for health and personal care items increased by 3.7 per cent, while services prices increased by 3.3 per cent.

Gasoline prices also continued to fall in October, declining by 1.1 percent yearly. This also came after two months of falling gasoline prices. Energy prices were reduced by 1.4 per cent while transportation costs rose by 1.4 per cent. Goods prices only increased by 0.2 per cent while prices of items related to recreation, education and reading fell by 1.2 per cent. Alcoholic beverages, tobacco products and recreational cannabis prices also increased by 2.3 per cent.

Ontario inflation rises in October



Source: Statistics Canada, Central 1 Latest: Oct - 24

Ontario retail sales down, still up year to date

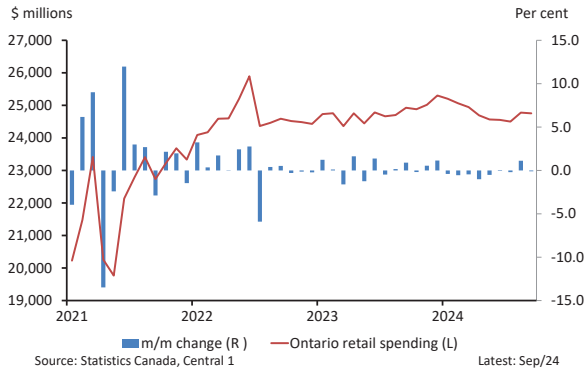
Alan Chow, Business Economist

Retail sales increased in Canada for the month of September. Seasonally adjusted sales rose 0.4 per cent in September from August to \$66.6 billion to represent the highest monthly sales this year. Year to date, unadjusted sales are up 1.0 per cent and advanced estimates for October suggest monthly sales growth of 0.7 per cent. However, this figure is likely to be revised.

In September, six out of the nine subsectors saw higher sales compared to the previous month. The growth was highest in food and beverage retailers, up 3.0 per cent, followed by building material and garden equipment and supplies dealers, also up 3.0 per cent. Both categories were recovering from their lowest monthly sales this year. The two subsectors that saw the largest decline in seasonally adjusted sales were motor vehicle and parts dealers, down 0.8 per cent, and gasoline stations and fuel vendors, down 2.3 per cent.

Ontario saw a marginal decline. Seasonally adjusted retail sales fell 0.1 per cent in September from August. Year to date unadjusted retail sales in Ontario were up 0.2 per cent over the same period last year. Year-over-year sales for September are down 3.6 per cent.

Ontario retail sales fall marginally in September



Seven out of the nine subsectors in Ontario reported lower year-over-year unadjusted sales in August. Gasoline stations and fuel vendors reported a year-over-year decline of 19.3 per cent to \$1.9 billion. Building material and garden equipment and supplies dealers also saw sales fall 10.5 per cent to \$1.4 billion. Food and beverage retailers saw sales fall 2.6 per cent to \$4.5 billion. The two subsectors that saw a year-over-year monthly sale increase were general merchandise retailers, up 1.8 per cent to \$3.4 billion, health and personal care retailers, down 2.2 per cent to \$1.9 billion. Year to date, sales are down in five out of the nine subsectors.

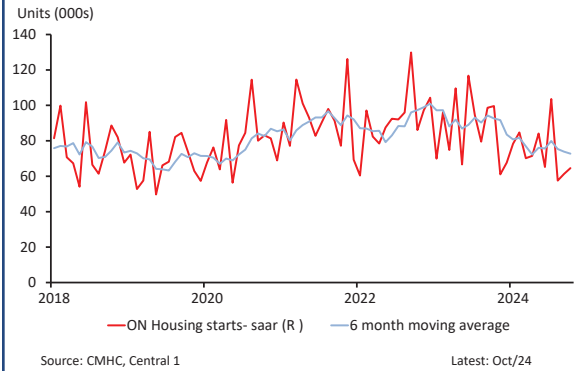
Regionally, the Toronto metro area saw seasonally adjusted retail sales decline of 1.9 per cent on a month-over-month basis in September 2024 but saw a year-over-year unadjusted monthly sales decrease of 4.2 per cent. Year to date unadjusted sales were down 1.0 per cent to \$98.4 billion. Ottawa saw unadjusted monthly sales fall 9.3 per cent year over year, with year-to-date sales now down 0.3 per cent to \$18.3 billion.

Both multifamily units and single-family units starts rise

Alan Chow, Business Economist

Ontario saw an increase in housing starts in October. On a seasonally adjusted annualized basis, Ontario saw 64,605 housing starts, a 5.4 per cent rise from the previous month. However, this figure was still far below the monthly average for the year of 74,114, making it as the third lowest monthly rate this year. Multifamily dwelling starts were up 7.6 per cent to 49,257 units while single detached homes were down 1.1 per cent to 15,348 units. Nationally, housing starts rose 6.1 per cent from the previous month with multifamily homes up 7.5 per cent and single-family homes up 1.4 per cent.

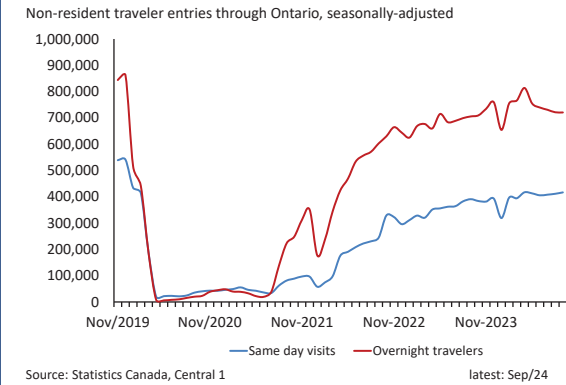
Ontario housing starts up in October, but rate is still low



Of Ontario's 16 metro areas, seven saw an increase in housing starts for October. Toronto's rate of housing starts increased to 29,547 units. This was still the second slowest rate of monthly housing starts this year. Ottawa recorded 7,219 unit starts, slightly lower than this year's monthly average of 7,817. Hamilton saw 1,480 housing starts while London saw housing starts move up to 6,103. Kingston saw its highest number of housing starts this year with 2,253. Kitchener-Cambridge-Waterloo saw 3,722 housing starts while Barrie saw 748 housing starts this month. Oshawa saw its second lowest monthly housing starts this year with only 556.

Year to date actual housing starts (unadjusted) as of October 2024 was 61,605 units, down 17.5 per cent from the 74,717 units seen over the same period last year. The number of multifamily units starts was 50,669 units, down 18.3 per cent from the 61,987 units seen last year. The number of single detached homes starts was down with 10,936 housing units compared to 12,730 housing units starts a year earlier, representing a 14.1 per cent decline. Only five out of the 16 metro areas are showing more housing starts this year over last year. Those are London, Oshawa, Peterborough, Thunder Bay and Windsor. Nationally, housing starts are up 2.0 per cent year to date. Ontario is one of the two provinces seeing fewer housing starts year to date compared to the previous year. The other is B.C. Nationally, housing starts are up 0.5 per cent year to date with single family homes up 1.7 per cent and multifamily homes marginally up 0.1 per cent.

Higher same day travelers to Ontario

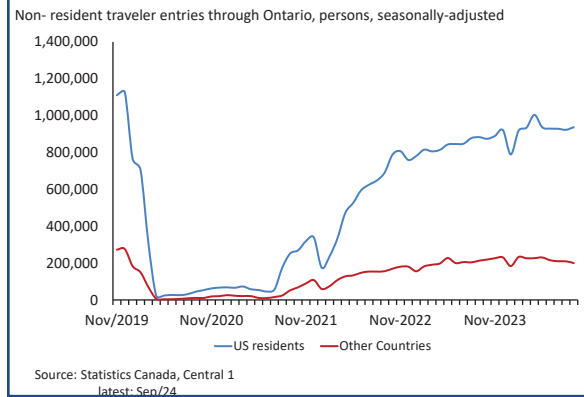


U.S. visitors rise while other countries fall

Alan Chow, Business Economist

The number of non-resident visitors entering Canada through Ontario grew in August. On a seasonally adjusted basis, there were 0.4 per cent more non-resident visitors in September than in August, rising to 1.13 million. The number of overnight tourists fell for the fifth month in a row and is down by 0.1 per cent to 720,605. However the number of same day excursions went up for the third month in a row at 1.3 per cent or 416,636. Year to date, the total number of non-resident visitors entering Canada via Ontario is up 10.2 per cent over the previous year with same-day excursions up 13.1 per cent and overnight tourist up by 8.7 per cent.

More US travelers entering Canada through Ontario



The number of U.S. residents visiting Canada through Ontario rose for the first time in four months, up 1.5 per cent from August to September to 937,231 persons. Amongst the U.S. residents, there was a rise in overnight tourist of around 1.9 per cent to 534,361 along with 1.0 per cent increase in same day excursions to 402,869. Air travel from U.S. residents to Ontario fell by 0.9 per cent. On the other hand, U.S. residents who came by automobile rose by 1.5 per cent while other modes rose by 12.6 per cent. Residents from countries other than the U.S. saw a 4.5 per cent fall to around 200,000 persons with overnight excursions falling by 5.5 per cent balanced by same day excursions rising 9.6 per cent. There was a fall of 6.7 per cent in the number of non-residents from other countries other than the U.S. that came via air during the month and an increase of 3.3 per cent in those who came via land and sea.

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