



Highlights

- Greater Toronto MLS® sales slacked in January
- Canadian permits rose in December by 11.0 per cent as residential permits surged
- Ontario reported growth in both non-residential and residential sector in December
- Ontario manufacturing sales declined in December, largely due to lower transportation equipment sales in the durable goods industry
- Transportation equipment sales down in 2024 as auto industry impacted by weaker demand and lower production

Toronto MLS® housing market remains weak

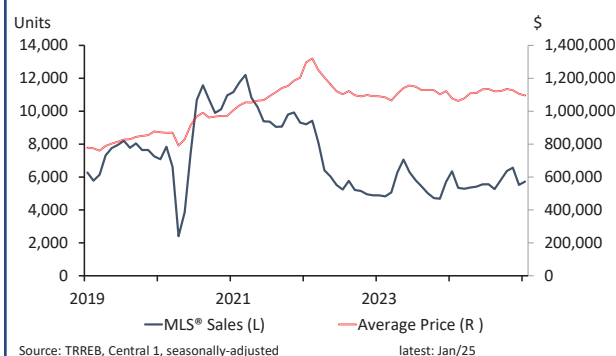
Bryan Yu, Chief Economist

The Toronto housing market continued to struggle at the start of 2025, as weak buyer sentiment, rising supply and new economic uncertainty due to U.S. tariff threats – which could have a larger impact on Ontario – kept buyers on the sideline. This uncertainty overshadowed supportive demand drivers including declining interest rates and measures to boost housing demand through higher price caps for mortgage insurance eligibility, and availability of 30-year amortization for all first-time buyers.

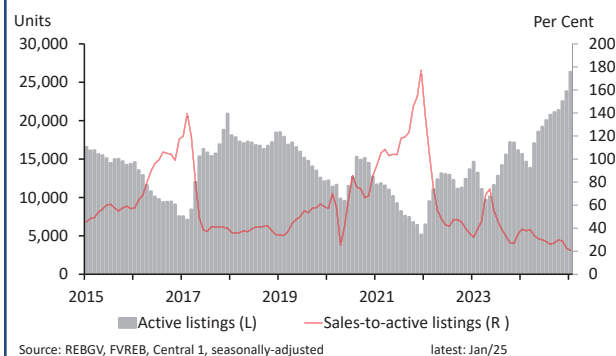
Total MLS® sales in the Greater Toronto region fell to 3,847 units in January, down nine per cent year-over-year, from an already weak performance the previous year. The 10-year January average was closer to 4,600 units. On a seasonally adjusted basis, sales rose 3.6 per cent but remained low and a quarter below pre-pandemic levels.

Toronto's market has become saturated. New listings rose 50 per cent, year-over-year, while active listings rose 70 per cent. At least some of this was due to a spike in completed but unsold units in new developments, which may be making their way to the MLS® listings market – primarily in the condominium market. On a seasonally adjusted basis, active listings are the highest

Toronto area sales remain a quarter below pre-pandemic levels, prices trending lower



Housing inventory soars to more than 15 year high, buyers' market prevails



since late 2008 during the financial crisis. Similarly, the sales-to-active listings ratio has similarly plunged to a more than 15-year low, indicative of an oversupplied and weak market conducive to price declines.

Price declines are indeed occurring. The average price was 15 per cent below the 2022 peak and, while range-bound over the past year, has fallen since October. At \$1.04 million, the average price was up marginally on a year-over-year basis but down 8 per cent since October and one per cent in the latest month. The housing price index held steady with a 0.4 per cent year-over-year gain but has recently been nudging lower. Apartment prices have fallen more sharply with a 0.7 per cent monthly drop in January, and a 3.4 per cent decline over the past year.

Toronto MLS® Activity, TRREB

	Actual			m/m % ch		s.a. m/m % ch		y/y % ch	
	2024M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01
Unit Sales	4,223	3,359	3,847	-42.8	14.5	-15.9	3.6	-2.5	-8.9
Average Price	1,026,703	1,067,186	1,040,994	-3.5	-2.5	-1.9	-0.9	-1.6	1.4
New Listings	8,312	4,681	12,392	-59.6	164.7	-5.3	20.7	20.5	49.1
Active Listings	10,093	15,393	17,157	-29.4	11.5	5.7	10.6	48.4	70.0
Sales-to-Active Listings	41.8	21.8	22.4	n/a	n/a	n/a	n/a	n/a	n/a
Benchmark Price									
	Actual			m/m % ch		s.a. m/m % ch		y/y % ch	
	2024M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01	2024M12	2025M01
Total	340.7	339.6	342.199	0.0	0.8	0.1	-0.1	0.1	0.4
Singles	354.3	355.7	358.871	0.0	0.9	0.1	-0.1	1.1	1.3
Townhome	380.2	376.7	379.402	-0.2	0.7	-0.3	-0.1	-1.3	-0.2
Apartment	355.5	345.9	343.306	-0.3	-0.7	0.3	-0.7	-3.7	-3.4

Toronto MLS® Activity, TRREB , Year-to-Date					
	Actual			y/y % ch	
	2024M01	2024M12	2025M01	2024M12	2025M01
Unit Sales	4,223	67,984	3,847	2.5	-8.9
Average Price	1,026,703	1,118,126	1,040,994	-0.8	1.4
New Listings	8,312	164,878	12,392	17.1	49.1
Active Listings	10,093	19,246	17,157	42.7	70.0
Sales-to-Active Listings	41.8	31.9	22.4	na	na

Ontario construction sector rebounded in December

Ivy Ruan, Economic Analyst

Canadian building permits rebounded in December after two consecutive monthly declines. The total value of permits issued rose by 11.0 per cent to \$13.1 billion, driven by a surge in residential permits (+21.2 per cent), which offset a 5.9 per cent decline in the non-residential sector. Total building permit values in the fourth quarter edged up by \$430.8 million (+1.2 per cent) to \$37.5 billion, marking the fourth consecutive but slowest quarterly gain in 2024. Growth in the residential sector drove this increase, while the non-residential sector declined after reaching a record high in the third quarter.

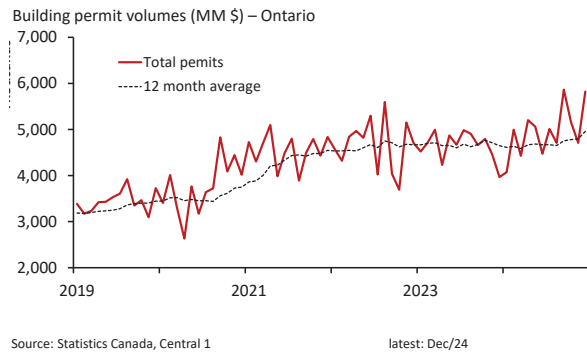
On an annual basis, the total value of Canadian building permits increased by \$10.5 billion (+7.8 per cent) to \$145.3 billion in 2024, the highest level since the data series began in 2017. However, in constant dollar terms (2017=100), the total value of permits grew by 3.7 per cent in 2024 but remained the second-lowest annual level since 2017. This trend reflects a decline in the real value of single-family building permits, which tempered gains in the multi-family and non-residential sectors.

Ontario's non-residential sector grew by \$98.4 million (5.4 per cent) in December, driven by a \$315.8 million surge in industrial permits. However, this growth was tempered by declines in the institutional (-\$181.9 million or -25.5 per cent) and commercial (-\$35.5 million or -4.2 per cent) components. Despite this monthly uptick, Ontario's non-residential sector led the national decline in the fourth quarter, falling by \$1.1 billion after reaching a record high in Q3. The downturn was primarily due to declines in the industrial (-\$824.0 million) and commercial (-\$336.0 million) components.

In 2024, as in 2023, industrial construction growth was primarily driven by investments in manufacturing, processing and assembly plants. Notably, permits for projects related to battery plant developments and the electric vehicle supply chain saw continued expansion. This trend may persist into 2025; however, uncertainty looms over U.S. tariffs on Canadian manufacturing products, particularly in the motor vehicle sector.

In December, Ontario's residential sector saw a significant surge in multi-family dwelling permits, which increased by 54.1 per cent (+\$985.5 million). This growth was accompanied by a more modest 2.7 per cent (+\$28.5 million) rise in single-dwelling permit issuances. The spike in multi-unit permits marked the highest issuance level for this category in Ontario in 2024.

Building permits in Ontario surged in December



Ontario led national growth in multi-family construction intentions in the fourth quarter, adding \$1.0 billion, largely driven by major projects in the Toronto census metropolitan area (+\$997.8 million). In Toronto, total permit values jumped by 41.3 per cent in December, rebounding from the previous month's decline, and registered a 74.8 per cent year-over-year increase.

Manufacturing sales dipped in Ontario in December as durable goods sales fell

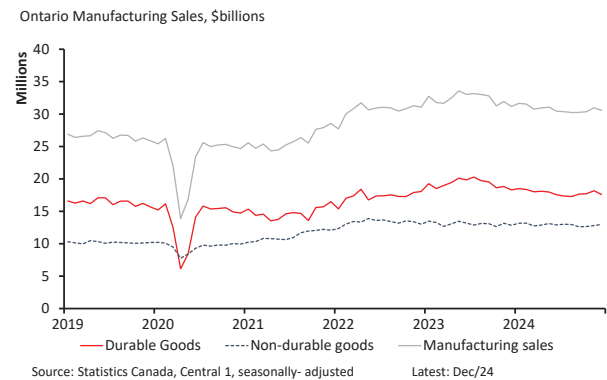
Eloho Ennah, Economic Analyst

Ontario manufacturing sales fell in December. On a seasonally adjusted basis, sales declined 1.3 per cent to \$30.6 billion, which was the largest decline among provinces. A decrease of 3.2 per cent in durable goods industries sales contributed to the monthly decline but non-durable goods industry sales rose by 1.4 during the same period.

Within the durable goods industries, the monthly downtick in manufacturing sales was led by the 5.4 per cent decrease in transportation equipment sales. Seasonally adjusted output for the industry was also below this year's monthly average. Scheduled closures at some auto assembly plants contributed to this decline. Within the industry, motor vehicle sales decreased by 7.5 per cent, marking the highest monthly decline since March 2024, while sales of motor vehicle parts were down 1.8 per cent. Fabricated metal product sales also fell by 2.9 per cent while primary metal sales fell by 2.0 per cent from the prior month.

Non-durable goods industries growth was led by petroleum and coal product manufacturing, up 7.1 per cent, although December's output was below this year's monthly average. This increase was suppressed by a 2.7 per cent decrease in chemical sales and a 4.1 per cent decline in plastics and rubber products sales.

Ontario manufacturing sales down in December



Within the metro areas, manufacturing sales were mostly down. Ottawa-Gatineau recorded a large decrease of 16.1 per cent in manufacturing sales, while they also lessened by 2.5 per cent in Kitchener-Cambridge-Waterloo in December. In Toronto, manufacturing sales decreased by 0.9 per cent. In contrast, sales in Hamilton and Windsor increased by 6.7 per cent and 7.5 per cent, respectively.

On a full year basis, Ontario unadjusted manufacturing sales were down 5.1 per cent in 2024 compared to 2023, as sales trended lower for consecutive months during the year. Durable goods sales declined the most, falling by 7.4 per cent. Within the industry, transportation equipment sales pulled back 10.6 per cent, as motor vehicle sales and motor part sales fell significantly due to weakened global demand, while modernization and retooling of auto plants impacted production. In contrast, aerospace product and parts sales grew significantly in 2024 due to higher demand. Primary metal sales also decreased by 7.1 per cent. Non-durable goods sales fell by 1.5 per cent in 2024, mostly due to lower petroleum and coal product sales (-9.4 per cent).

Most Canadian manufacturing sales were destined for the United States in 2024, with the transportation equipment and food industries being the top exporters. In 2025, sales in Ontario's prominent manufacturing sector will likely be significantly weighed down if tariffs from the US are reinstated.

For more information, contact economics@central1.com.