



## Highlights

- Ontario part-time employment growth offset decline in full-time employment
- The unemployment rate edged down to 7.8 per cent
- Canadian permits rose in May on higher non-residential building permits
- Ontario reported lower residential but higher non-residential building permits

## Ontario labour market reported modest growth in June

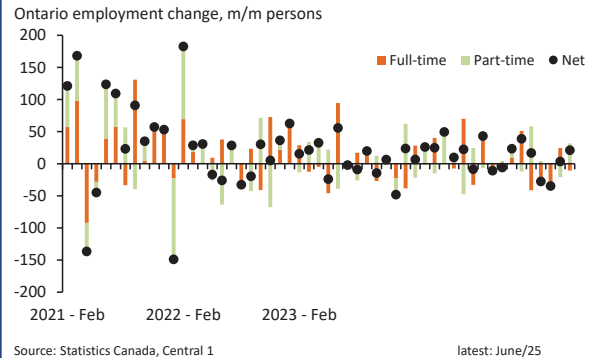
Ivy Ruan, Senior Analyst

Ontario's labour market showed improvement in June, with employment up 0.3 per cent or 21,200 persons, after declines in two of the last three months, while the unemployment rate fell to 7.8 per cent from 7.9 per cent in May— still nearly a full point above the national average. June's national labour market performance was largely lifted by a rebound in wholesale and retail trade which steadied following the spike in early year uncertainty.

Ontario's year-over-year employment growth remained subdued (0.8 per cent) and was well below the national performance at 1.7 per cent. The working-age population edged up from May in Ontario (0.1 per cent), while the provincial labour participation rate in June remained the same at 65.0 per cent. Full-time hiring decreased following the gain in May, down by 0.2 per cent or 10,600 persons, offsetting the growth in part-time employment (2.1 per cent or 31,700 persons).

The Ottawa Census Metropolitan Area (CMA) experienced the largest monthly decline in employment (based on three-month average data), falling by 1.4 per cent (10,200 persons). Ottawa's unemployment rate rose to 6.2 per cent. In Toronto's CMA, three-month-average employment edged up by 0.1 per cent in June, while the unemployment rate edged down from 8.8 per cent to 8.7 per cent.

Ontario part-time employment gain offset full-time loss



In Ontario's goods-producing sectors, employment rose 0.5 per cent (7,800 persons), driven entirely by the rebound in construction (2.5 per cent or 14,400 persons) while the services-producing sectors saw 0.2 per cent growth (13,400 persons) in employment. Broad declines were reported among the rest of goods-producing sectors. The manufacturing sector saw the largest decrease (-0.4 per cent or -3,000 persons) in employment, extending a downturn. In the services-producing sector, eight out of the 11 industry classifications saw employment gains with the increase led by professional, scientific and technical services, with employment growing 10,400 people (1.1 per cent). Notable growth was also seen in information, culture and recreation (2.5 per cent or 8,400 persons) and wholesale and retail trade (0.9 per cent or 9,900 persons). On the other hand, employment decreased significantly in business, building and other support services (-3.9 per cent or 11,200 persons) as well as finance, insurance, real estate, rental and leasing (-1.3 per cent or 9,400 persons).

While June recorded a net hiring gain, labour market conditions in Ontario remained soft. The unemployment rate in Ontario is among the highest across provinces. Ontario's labour market continued to face headwinds, as ever-changing U.S. tariff policies weighed on its manufacturing business and consumer confidence.

## Ontario construction sector permit grew

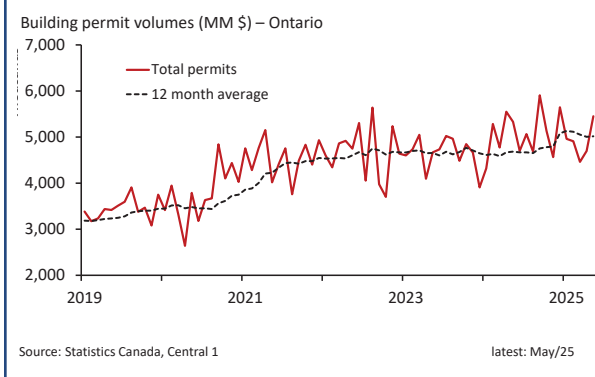
Alan Chow, Business Economist

Canadian building permits rose 12.0 per cent in May to a seasonally adjusted \$13.1 billion, pausing two consecutive months of declines. Driving May's gain was a 28.4 per cent surge in non-residential permits to \$5.6 billion, with all of that growth in the institutional and government sector. This was the highest monthly level over the past four years. Residential permits also rose by 2.3 per cent to \$7.5 billion.

Ontario led the national increase with building permit issuances up by 16.1 per cent in May to a seasonally adjusted \$5.6 billion. Non-residential construction intentions in Ontario soared 59.6 per cent. Despite the monthly gain, year-to-date permit volumes in Ontario were 3.1 per cent lower. Non-residential sector permit growth was entirely driven by the institutional and governmental sector, which more than doubled from \$524 million to \$1.8 billion. Industrial and commercial building permits declined by 4.9 per cent and 7.5 per cent, respectively. Despite the monthly growth in May, year-to-date permits in Ontario's non-residential sector were still 1.1 per cent lower than the same period last year.

Ontario's residential sector saw a third consecutive monthly decline reflecting challenging industry conditions and lack of new project construction. Permits fell 17.3 per cent in total residential permits issued, led by a decline in multiple dwelling permits (22.3 per cent or -\$382.7 million). Single dwelling buildings permits also declined 8.2 per cent. The trend continues toward lower permit volumes in both types of dwellings over the past several months. Year to date, residential permit volumes are down 4.5 per cent with single dwelling building permits down 7.0 per cent and multiple dwelling building permits down 3.0 per cent.

### Building permits in Ontario rose in May



In Ontario's metro areas, 11 out of the 16 areas saw higher permit volumes compared to April. Toronto on the other hand, saw a decline of 19.1 per cent on permits issued, offsetting the notable growth in areas such as St. Catharines-Niagara (98.1 per cent or \$249 million) and Barrie (367.3 per cent or \$199.8 million).

For more information, contact [economics@central1.com](mailto:economics@central1.com).