# Ontario Economic Briefing

Volume 31 • Issue 32 • Week of August 4 2025 - August 8 2025 | ISSN: 1981-355

central 1 Economics

## Highlights

- July home sales jumped yet still below historical average
- Ontario full-time employment growth offset decline in part-time employment
- The unemployment rate edged up to 7.9 per cent
- Ontario merchandise exports and imports were down in June

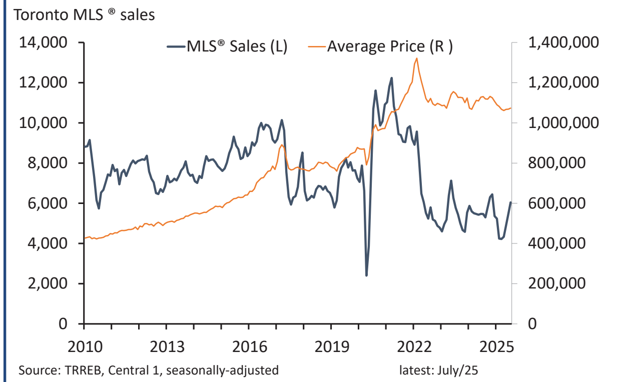
## Toronto home sales pop higher in July

*Bryan Yu, Chief Economist*

Toronto area home sales climbed in July, extending June's momentum as tariff uncertainty faded, at least for now. Activity, however, continued to trend at a modest pace while price momentum remained soft. According to Toronto Regional Real Estate Board data, GTA home sales reached 6,100 units in July, marking a 13 per cent year-over-year increase and stronger than the 0.5 per cent increase in June. After an uncertainty driven fall off early this year, this was the strongest July performance since 2021, and seasonally adjusted sales rose to a two-year high.

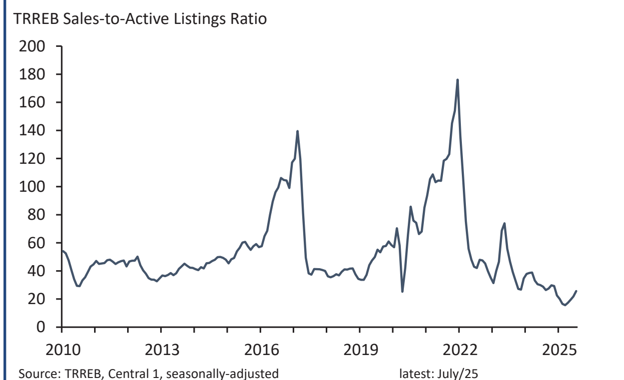
That said, the Toronto market has been in a sales lull for several years and the latest sales performance was about 20 per cent below the 10 and 15 year average of July sales. Buyers are still hesitant amidst a challenging economic environment, low affordability conditions and further risks of price declines, even as lower prices drew more buyers back in. The latest pick up in home sales helped to improve market conditions as new and active listings slipped during the month. The sales-to-active listings ratio rose to 20 per cent, which remains a buyers' market for the region but has moved higher, pointing to potential price stability. For context, the ratio ranged from 50 to 150 per cent from 2019 through 2022. Buyers will continue to lowball sellers given a supply overhang.

Home sales pop higher in July, but remain modest while price momentum weak




Source: TRREB, Central 1, seasonally-adjusted latest: July/25

Buyers' market continues




Source: TRREB, Central 1, seasonally-adjusted latest: July/25

Average prices slipped 4.5 per cent month-over-month to $1.05 million but remained steady on a seasonally adjusted basis. Year-over-year, the average price was down 5.0 per cent, which was consistent with June. The latest values suggest Toronto home prices may be finding a bottom, albeit 19 per cent below the early 2022 peak. The constant quality price index held steady from June after adjusting for seasonal factors and was down 5.4 per cent year-over-year but there is clear divergence by product type. Townhomes and apartments are particularly weak with prices down 8 per cent year-over-year as demand from entry level buyers remains lower due to weak labour markets and federal migration caps. Pricing conditions are likely to remain subdued amidst low sales, excess supply, and ongoing economic uncertainty.

## Toronto MLS® Activity, TRREB

| | Actual | | | m/m % ch | | s.a. m/m % ch | | y/y % ch | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 |
| Unit Sales | 5,391 | 6,243 | 6,100 | -0.0 | -2.3 | 11.8 | 10.7 | 0.5 | 13.2 |
| Average Price | 1,106,617 | 1,101,691 | 1,051,719 | -1.7 | -4.5 | 0.1 | 0.5 | -5.2 | -5.0 |
| New Listings | 16,296 | 19,839 | 17,613 | -9.1 | -11.2 | -2.8 | -2.2 | 10.4 | 8.1 |
| Active Listings | 23,877 | 31,603 | 30,215 | 2.1 | -4.4 | -3.2 | -3.3 | 33.8 | 26.5 |
| Sales-to-Active Listings | 22.6 | 19.8 | 20.2 | 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 | |
|---|---|---|---|---|---|---|---|---|---|
| | 2024M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 |
| Total | 328.9 | 315.5 | 311.008 | -1.7 | -1.4 | -0.8 | -0.1 | -5.5 | -5.4 |
| Singles | 351.9 | 336.5 | 331.842 | -2.0 | -1.4 | -0.9 | 0.0 | -5.9 | -5.7 |
| Townhome | 372.7 | 351.6 | 343.406 | -2.1 | -2.3 | -1.8 | -1.0 | -7.1 | -7.9 |
| Apartment | 317 | 295.1 | 291.291 | -1.3 | -1.3 | -0.9 | -0.4 | -8.0 | -8.1 |

## Toronto MLS® Activity, TRREB , Year-to-Date

| | Actual | | | y/y % ch | |
|---|---|---|---|---|---|
| | 2024M07 | 2025M06 | 2025M07 | 2025M06 | 2025M07 |
| Unit Sales | 42,121 | 30,983 | 37,083 | -15.6 | -12.0 |
| Average Price | 1,127,619 | 1,095,467 | 1,088,270 | -3.1 | -3.5 |
| New Listings | 102,641 | 102,215 | 119,828 | 18.4 | 16.7 |
| Active Listings | 17,285 | 25,018 | 25,760 | 54.6 | 49.0 |
| Sales-to-Active Listings | 37.9 | 20.8 | 20.7 | na | na |

## Ontario labour market reported no change in July

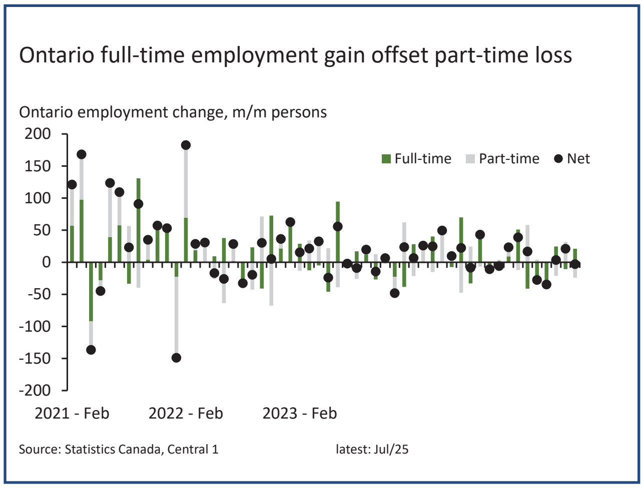
*Ivy Ruan, Senior Analyst*

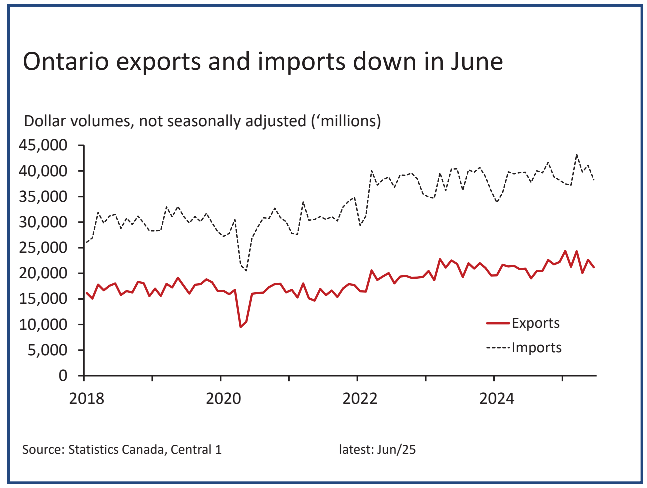
Ontario's labour market reported flat performance in July, with employment edging down by 2800 persons following a modest growth in June. The unemployment rate ticked up to 7.9 per cent from 7.8 per cent, a full point above the national average. July's national labour market performance was largely led by youth employment decline. The national youth employment rate has fallen to the lowest level since November 1998 outside the pandemic period.

Ontario's year-over-year employment growth remained subdued (0.6 per cent) and was well below the national performance at 1.5 per cent. The working age population edged up from June in Ontario (0.1 per cent), while the provincial labour participation rate in July remained the same at 65.0 per cent. Full-time hiring increased following the decline in June, up by 0.3 per cent or 21,200 persons, offsetting the decrease in part-time employment (-1.6 per cent or 24,000 persons).

Among the Census Metropolitan Area (CMA), labour market results were mixed in July. Hamilton experienced a monthly growth in employment, based on three-month average data, rising by 1.2 per cent (5,500 persons). Kitchener-Cambridge-Waterloo reported a 1.4 per cent (5,500 persons) decline in employment during the same period. In Toronto CMA, three-month-average employment reported a notable decline at 0.4 per cent (14,400 persons) in July, while the unemployment rate rose from 8.7 per cent to 9.0 per cent.

In Ontario's goods-producing sectors, the overall employment level was flat from the previous month. The employment gains in manufacturing (0.8 per cent or 6,100 persons) and natural resources (4.5 per cent or 1,900 persons) sectors were offset by the declines in utilities (-5.8 per cent or 4,000 persons) and agriculture (-5.1 per cent or 3,200 persons) sectors. The services-producing sectors also saw little change in employment level. The manufacturing sector saw the largest decline (-0.4 per cent or -3,000 persons) in employment extending a downturn. Four out of the eleven industry classification saw employment losses




with the decline led by business, building and other support services, where employment falling 21,100 people (-7.6 per cent). Notable decline was also seen in information, culture and recreation (-2.8 per cent or 9,700 persons), offsetting the growth from the previous month. The wholesale and retail trade sector (-0.8 per cent or 9,800 persons) also reversed the gain in employment from June. On the other hand, employment grew significantly in transportation and warehousing (4.0 per cent or 16,000 persons) and other services (except public administration) (2.9 per cent or 8,100 persons).

## Ontario merchandise exports to U.S. remain weak, strong for the U.K.

*Alan Chow, Business Economist*

Canada's merchandise exports rose by 0.9 per cent in June to a seasonally-adjusted $61.7 billion. This is the second month they have increased after a decline of 11.3 per cent in April. Imports also rose by 1.4 per cent to a seasonally-adjusted $67.6 billion during the month. Consequently, the trade deficit grew to $5.8 billion, up 6.7 per cent from the previous month to $5.5 billion .

Exports to the U.S grew again in June (+3.1 per cent) after May figures were revised and resulted in a 0.7 per cent rise compared to April. Imports from the U.S. also rose by 2.6 per cent in June. While exports and imports to the United States are still low over the recent three months after tariffs were introduced, the average from the last eight months (Nov 2024 – Jun 2025) is still comparable to the average of the previous 12 months (Nov 23 – Oct 24). As more goods traded with the U.S. become CUSMA compliant, volumes should gradually improve and thus, limit the damage new tariffs will cause on the economy.

Although provincial data is unadjusted for seasonality, Ontario noted lower merchandise exports in June, down 6.4 per cent ($1.4 billion) to $21.1 billion, largely due to a drop in metal and non-metallic minerals (down 19.8 per cent or $1.3 billion). Imports were also down 6.9 per cent ($2.8 billion) to $38.2 billion dragged down by a 36.5 per cent ($1.5 billion) decline in metal and non-metallic minerals and a 12.8 per cent ($1.2 billion) decline in motor vehicle and parts. Year-to-date, exports are up 6.4 per cent ($8 billion) with metal and non-metallic minerals up 28.1 per cent ($7.6 billion). Imports are up 3.8 per cent ($8.8 billion) with consumer goods up $6.6 per cent ($3.1 billion) and metal ore and non-metallic minerals up 42.3 per cent ($2.5 billion).

Exports to the U.S from Ontario decreased by 2.3 per cent, while imports rose by 3.7 per cent on a monthly basis. Although the average for Apr – Jun 2025 have seen exports to the U.S. down 14 per cent compared to the average from the year before the Trump Administration was elected (Nov 2023 – Oct 2024). The average monthly volume from Nov 2024 – Jun 2025 is comparable. Exports to the UK are seeing a bump over the last four months, averaging $3.7 billion vs $1.9 billion from Mar 2024 – Feb 2025.

*For more information, contact economics@central1.com.*