



Highlights

- Home sales pick up in Ontario, up by 4.3 per cent in April
- Housing starts grew by 58.7 per cent in April but trend remains weak
- Manufacturing sales in Ontario rose in March

Ontario home sales continued to rise in April

Eloho Ennah, Economic Analyst

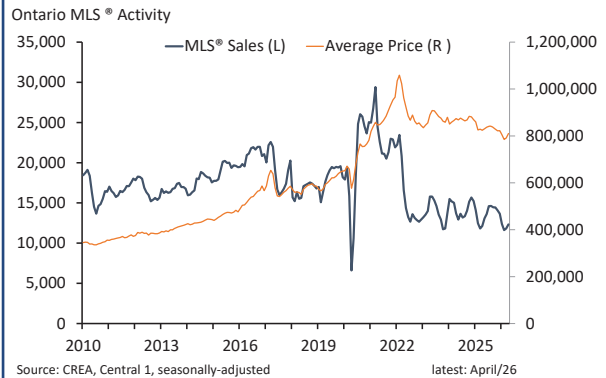
Ontario's housing market noted substantial gains in April as home sales accelerated during the month. Month-over-month (m/m), seasonally-adjusted MLS® sales increased by 4.3 per cent to 12,331 units, following the 1.7 per cent gain in March. These consecutive gains came after several months of weak activity, with April marking the strongest sales level since July 2025. On a year-over-year (y/y) basis, sales were up 1.6%, though year-to-date activity remains down 4.7 per cent.

At the regional level, the improvement in market activity was widespread. Driving April's gains was a 6.5 per cent increase in sales in the Toronto economic region (ER). Home sales also increased by 7.8 per cent in neighbouring Kitchener-Waterloo-Barrie alongside 5.2 per cent growth in Hamilton-Niagara Peninsula. Kingston-Pembroke noted an increase of 10.7 per cent. That said, sales declined in Ottawa ER (-2.1 per cent), Muskoka-Kawarthas (-0.8 per cent), and the Northeast (-1.4 per cent).

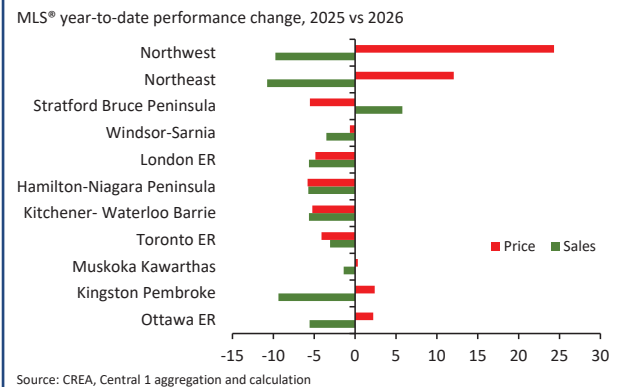
The uptick in sales during the month was accompanied by sustained growth in home prices. The average home price increased by 2.4 per cent to \$810k, after the increase of 0.8 per cent in the prior month. That said, the average price was also down from peak in February 2022 by 23.5 per cent and down from a year ago by 1.7 per cent. The monthly increase owed to higher prices in Toronto ER (+1.2 per cent) to \$1.05 million. That said, they decreased in Hamilton-Niagara Peninsula ER (-1.6 per cent) and London ER (-5.4 per cent).

Benchmark prices, adjusted for composition effects and

Ontario home sales gain pace in April



Most markets noted lower sales year-to-date in April



which show a clearer picture of the trend, declined by a 0.1 per cent extending the downtrend since early 2025. They were also down 5.5 per cent compared to same month in 2025 and 25.4 per cent below the all-time high. Market conditions are in favour of buyers with the sales-to-new listings ratio at 36.4 per cent, while new listings increased by 5.0 per cent, adding even more listings to already elevated inventory.

While rising sales and prices suggest that modest improvements in affordability may be drawing some buyers back into the market, overall conditions remain soft. It remains uncertain whether the recent rebound in sales will be sustained. Market activity continues to be constrained by affordability pressures, a softening labour market and sluggish economic growth.

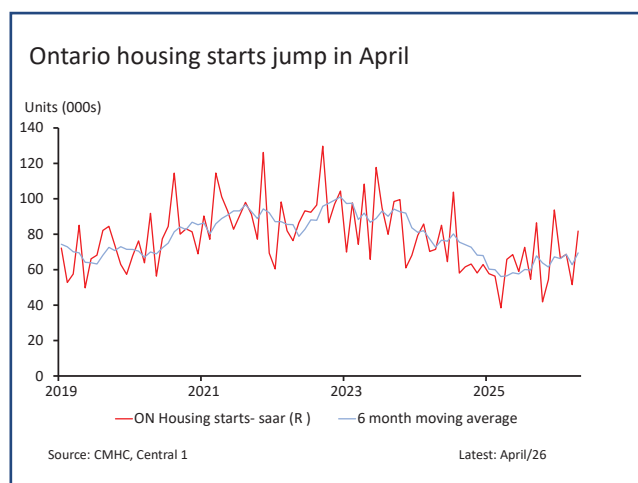
Housing starts in Ontario rose substantially in April

Eloho Ennah, Economic Analyst

Urban housing starts in Ontario rebounded in April following a decline in March. The latest figures published by the Canada Mortgage and Housing Corporation (CMHC) showed monthly starts rose 58.7 per cent to a seasonally-adjusted annualized rate (SAAR) of 81,823 units, marking the highest level since December 2025. The increase was largely driven by a surge in multi-family construction, which jumped 70.1 per cent during the month, while single-detached construction edged down slightly by 0.1 per cent.

On a y/y basis, April housing starts in Ontario were up 25.2 per cent. However, monthly figures can be volatile, and the six-month moving average, while trending upward, still points to modest momentum in construction activity. Homebuilding continues to be constrained by weak presales, elevated development costs, slowing population growth and soft economic conditions. This slowdown is further reflected in subdued residential building permit activity, as builder confidence remains low. We expect housing starts in Ontario to remain muted in the near term until market conditions improve.

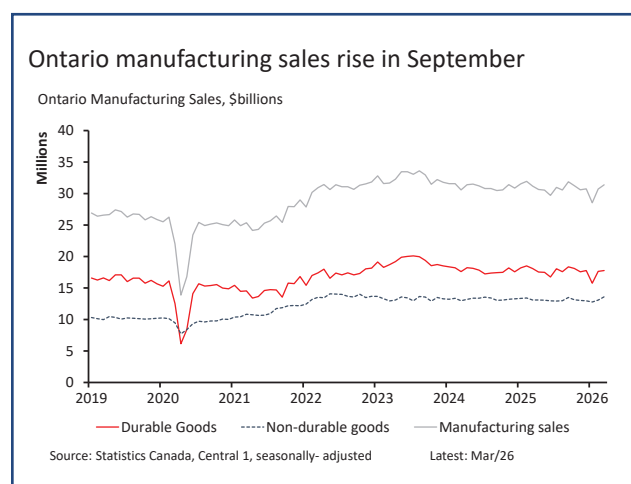
Across Ontario's 16 metropolitan areas, nine recorded monthly increases in housing starts. Kitchener-Cambridge-Waterloo saw a particularly sharp rise, with starts increasing fifteenfold compared to the previous month, while Windsor housing starts were six times the previous month's value. Starts in Toronto more than doubled while Ottawa recorded a modest 15.2 per cent increase. That said, despite these gains, underlying trend activity remains subdued across most regions in the province.



Both durable and non-durable goods sales in Ontario rose in March

Alan Chow, Business Economist

Ontario manufacturing sales rose for the second consecutive month, increasing by 2.1 per cent in March to a seasonally-adjusted \$31.4 billion, the highest level since September 2025. Non-durable goods sales led the way, rising 4.0 per cent to \$13.6 billion, the highest monthly level since August 2023. Durable goods industry sales rose 0.8 per cent to \$17.8 billion, the highest level since October 2025. On an unadjusted year-to-date basis, total sales remain down 4.0 per cent, with durable and non-durable goods sales down 6.3 and 0.8 per cent, respectively.



Within the durable goods sector, the increase was concentrated in transportation equipment manufacturing, which reported an 8.1 per cent rise in March to \$7.5 billion, following a 24.2 per cent increase in February. March sales volumes represent a return to typical levels, as 2025 monthly averages were similarly around \$7.5 billion. Primary metals manufacturing sales also rose 1.3 per cent to \$2.4 billion, the highest monthly level since January 2023. Offsetting these gains was a 24.4 per cent decline in miscellaneous manufacturing sales, which fell to \$650 million. Machinery manufacturing sales also declined 5.0 per cent to \$2.1 billion, while fabricated metal products manufacturing sales were down 5.3 per cent to \$1.9 billion.

In the non-durable goods category, sales growth was largely driven by petroleum and coal product manufacturing, which increased 21.9 per cent to a seasonally-adjusted \$2.4 billion. The growth was driven primarily by higher prices following the onset of conflict involving Israel, the U.S., and Iran. Food manufacturing sales dipped 0.3 per cent to \$5.1 billion.

Across metro areas, manufacturing sales results were mixed. Windsor recorded an increase of 7.9 per cent in manufacturing sales. Kitchener-Cambridge-Waterloo also saw sales rise 8.9 per cent, while Toronto experienced a 1.4 per cent increase. In contrast, Hamilton saw seasonally-adjusted sales decline by 0.2 per cent, while Ottawa-Gatineau recorded a 7.9 per cent decrease.

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