



Economic Update and GTA Housing Outlook

Rishi Sondhi

Economist

TD Bank Group

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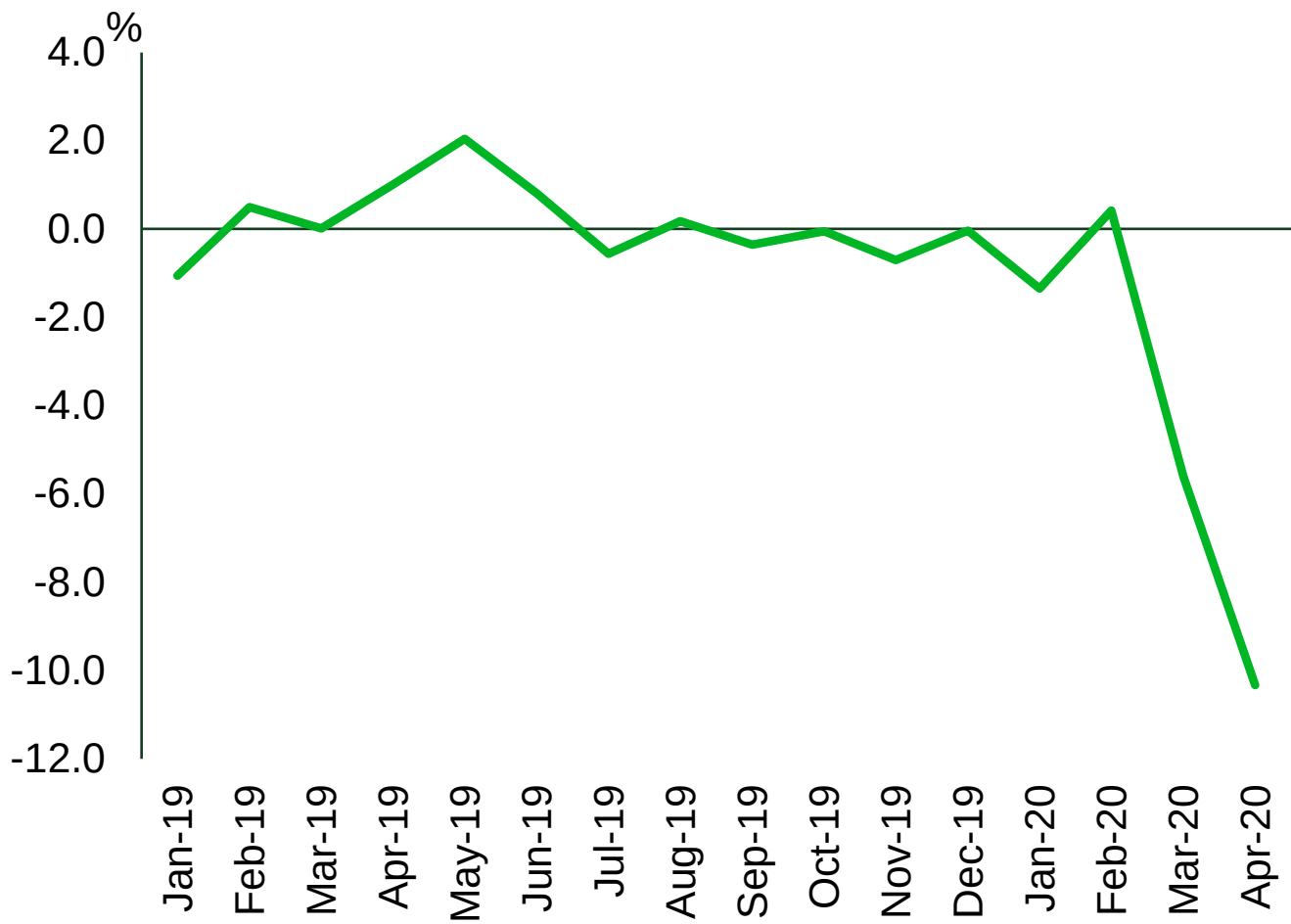


Economy – State of Play and Outlook

COVID-19 An Unprecedented Blow to Ontario's Economy

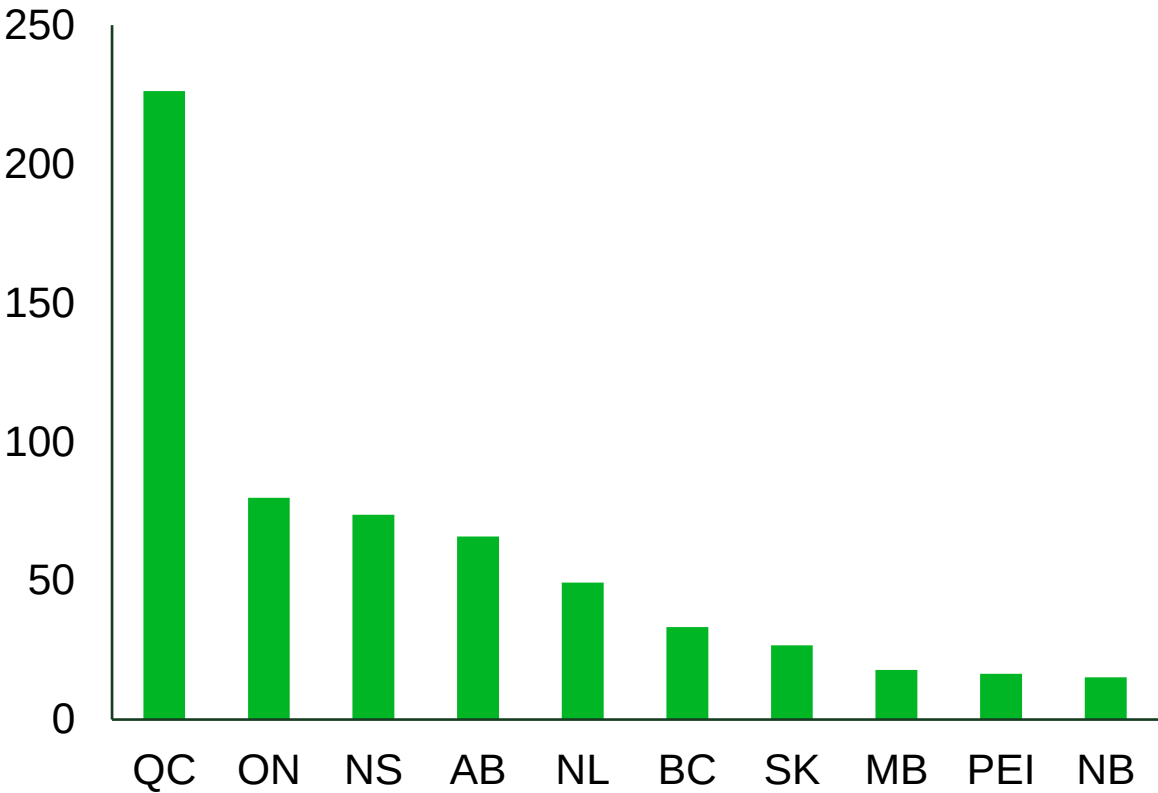


Employment in Ontario, Month/Month % Change



Source: Statistics Canada, TD Economics

Confirmed Cases per 100k People



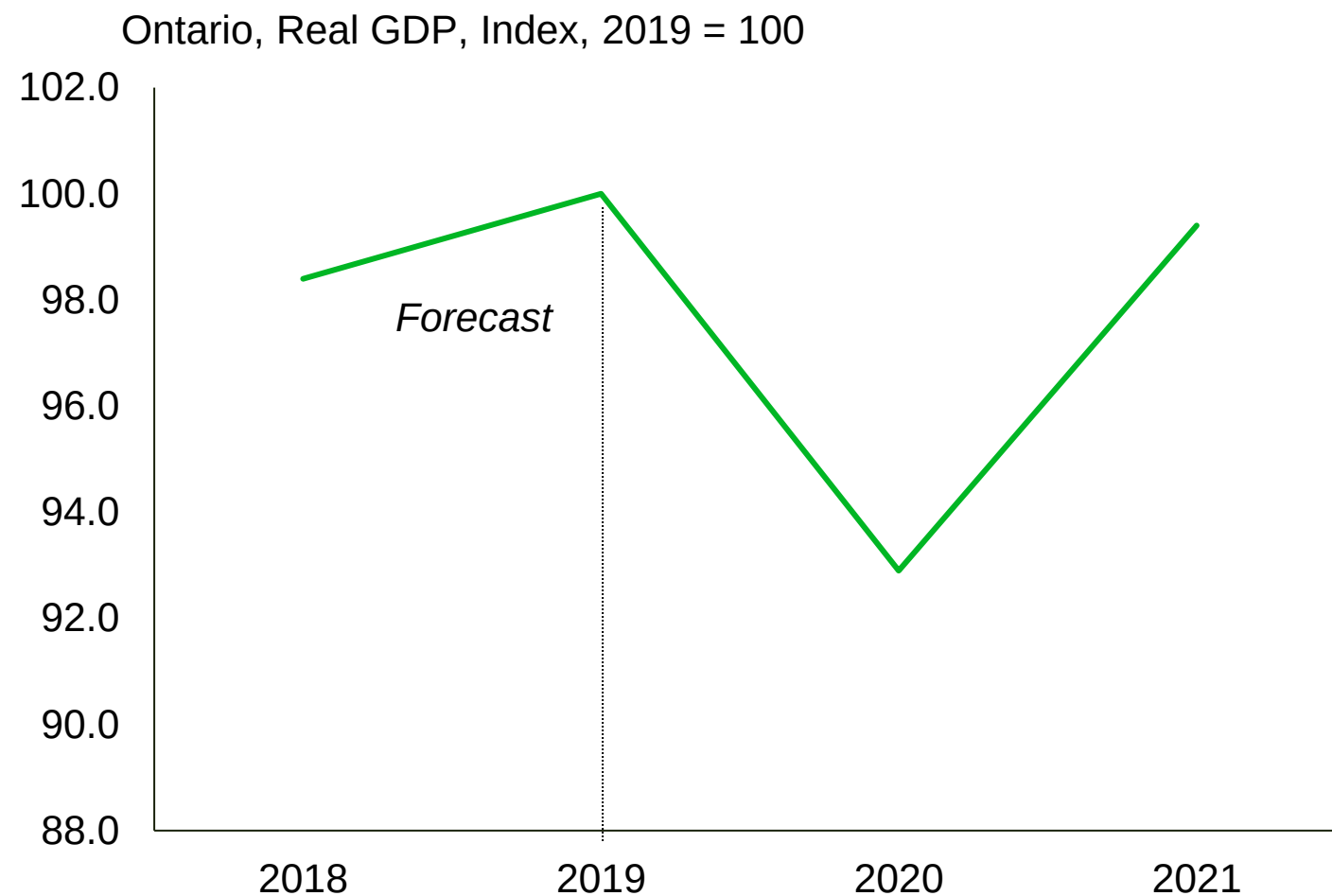
Source: Statistics Canada, TD Economics

However, Second Half Should Prove Better Than First



➤ Phase 1 Opening:

- ☐ Retail stores with their own-street front entrances, vehicle dealerships, vehicle testing facilities, media operations
- ☐ Dog parks, outdoor multi-use fields, water sports, tennis courts, horse racing, gun clubs
- ☐ Scheduled surgeries, clinics, private practices (under guidelines), other medical services, veterinarians
- ☐ Household services (cleaning, maintenance), science labs, pet grooming, libraries (pickup or deliveries), religious services (drive-in only)



Source: Ontario Government, TD Economics

Many Recovery Paths, But Some Similarities



The 'Ls' (10% of GDP)

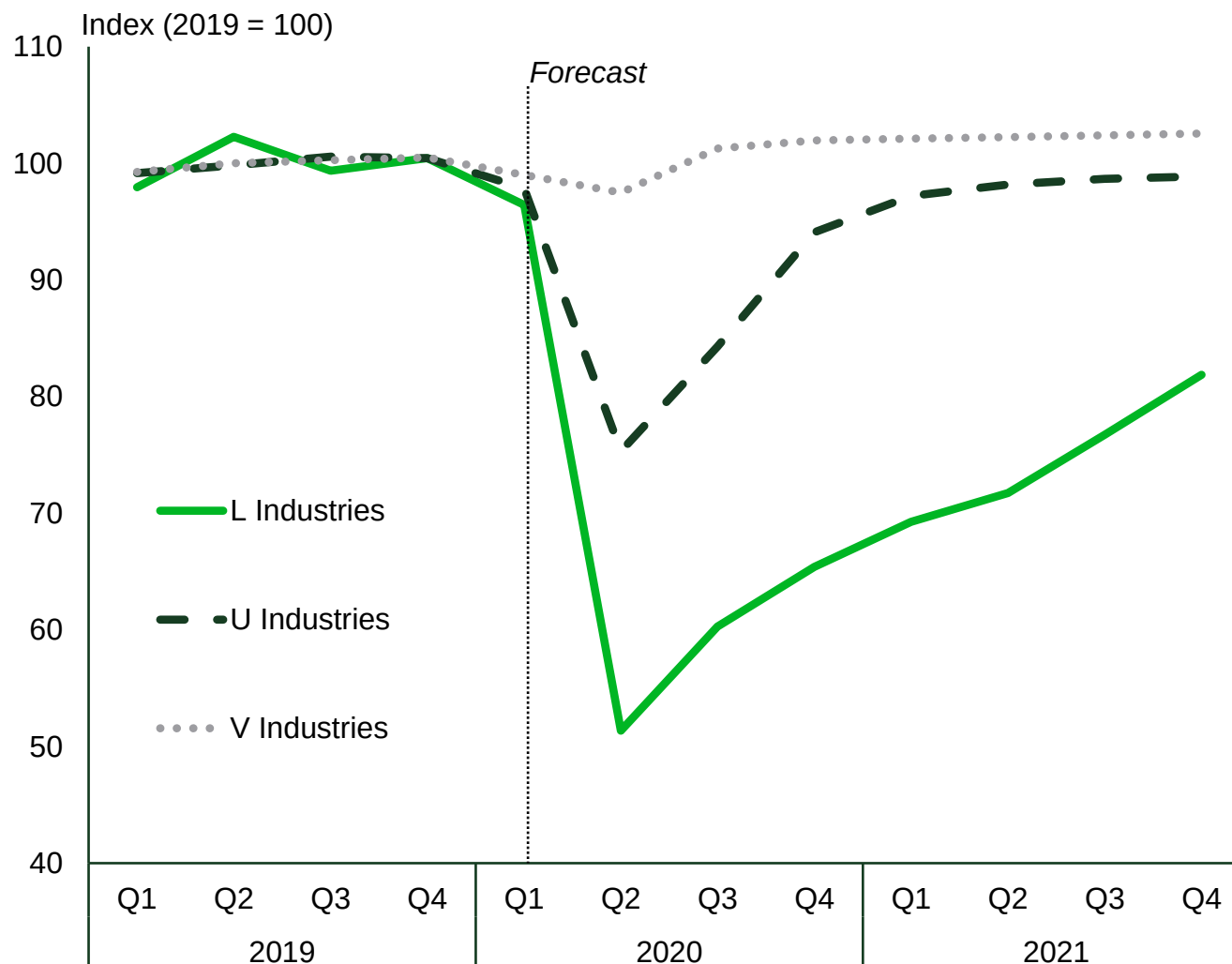
- Oil/Gas
- Air Travel
- Ground Transit/Tourism
- Art/Entertainment
- Recreation (Sports)
- Accommodation and Food Services

The 'Us' (62% of GDP)

- Mining/Quarrying
- Utilities
- Most Manufacturing
- Non-Food Retail
- Pub/Broadcasting
- FIRE
- Prof. Services
- Waste Management

The 'Vs' (28% of GDP)

- Food + Chem. Mfg.
- Food Stores
- Non-Store Retail
- Transportation + Warehousing
- Telecom/Internet
- Health + Social Assistance
- Public Admin.
- Education



Source: Statistics Canada, TD Economics

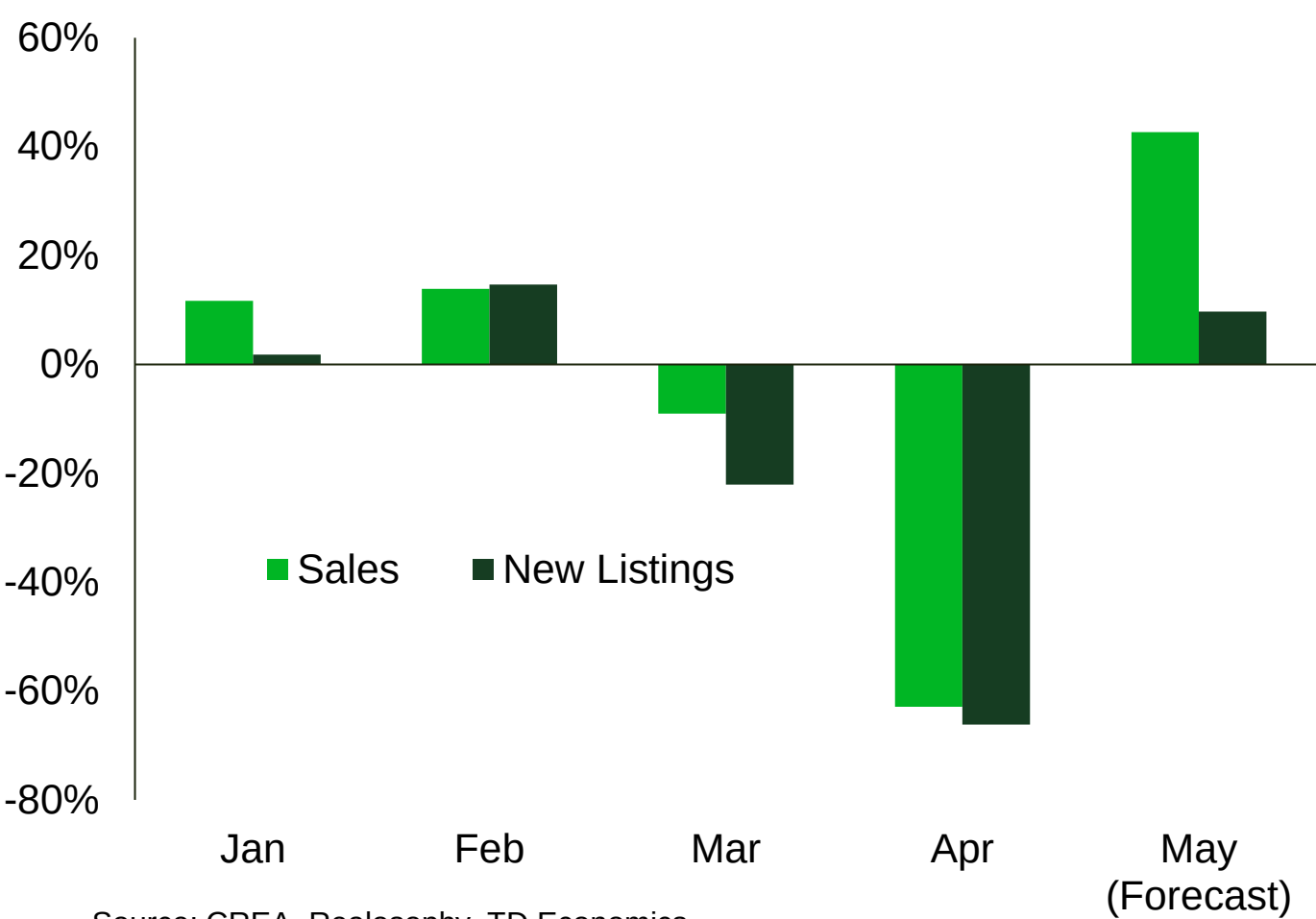


GTA Housing – State of Play

Pandemic Put Markets in a Deep Freeze

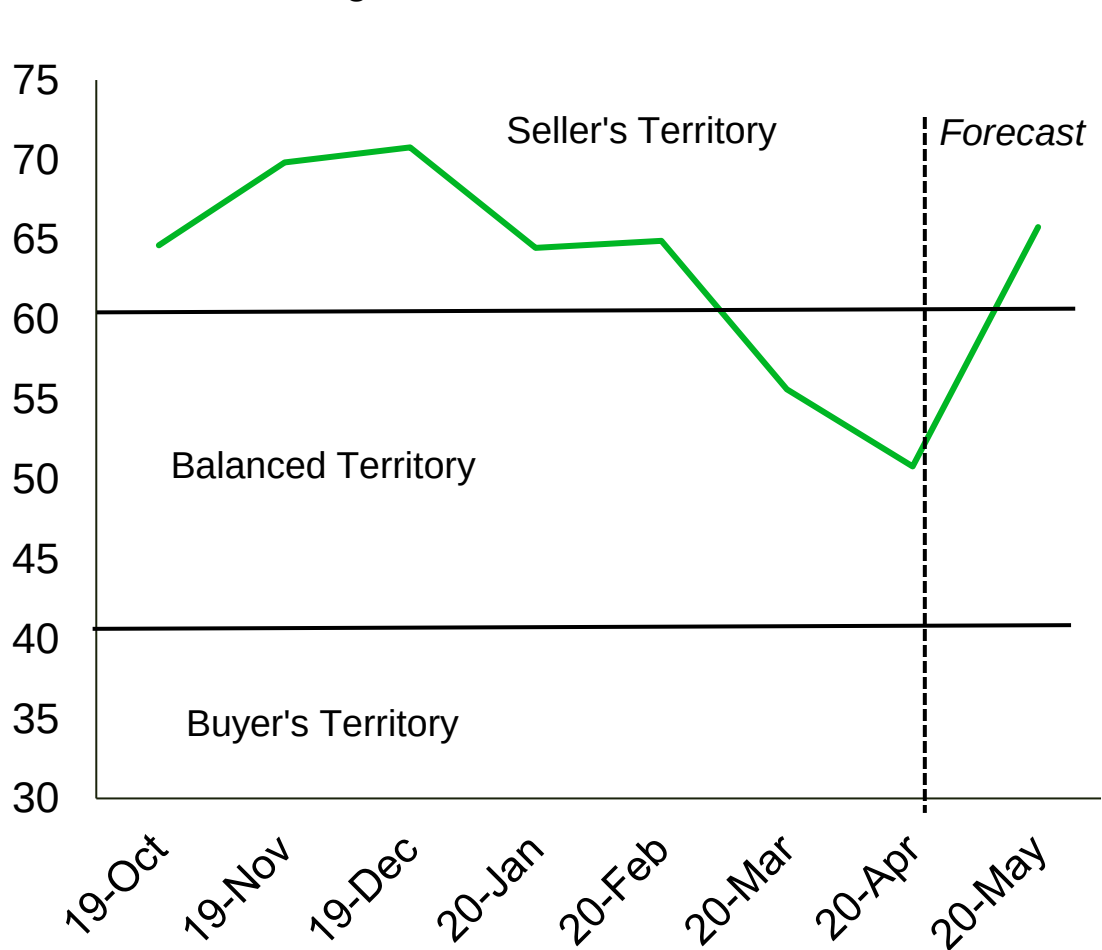


Housing Market Indicators, GTA, Month/Month %



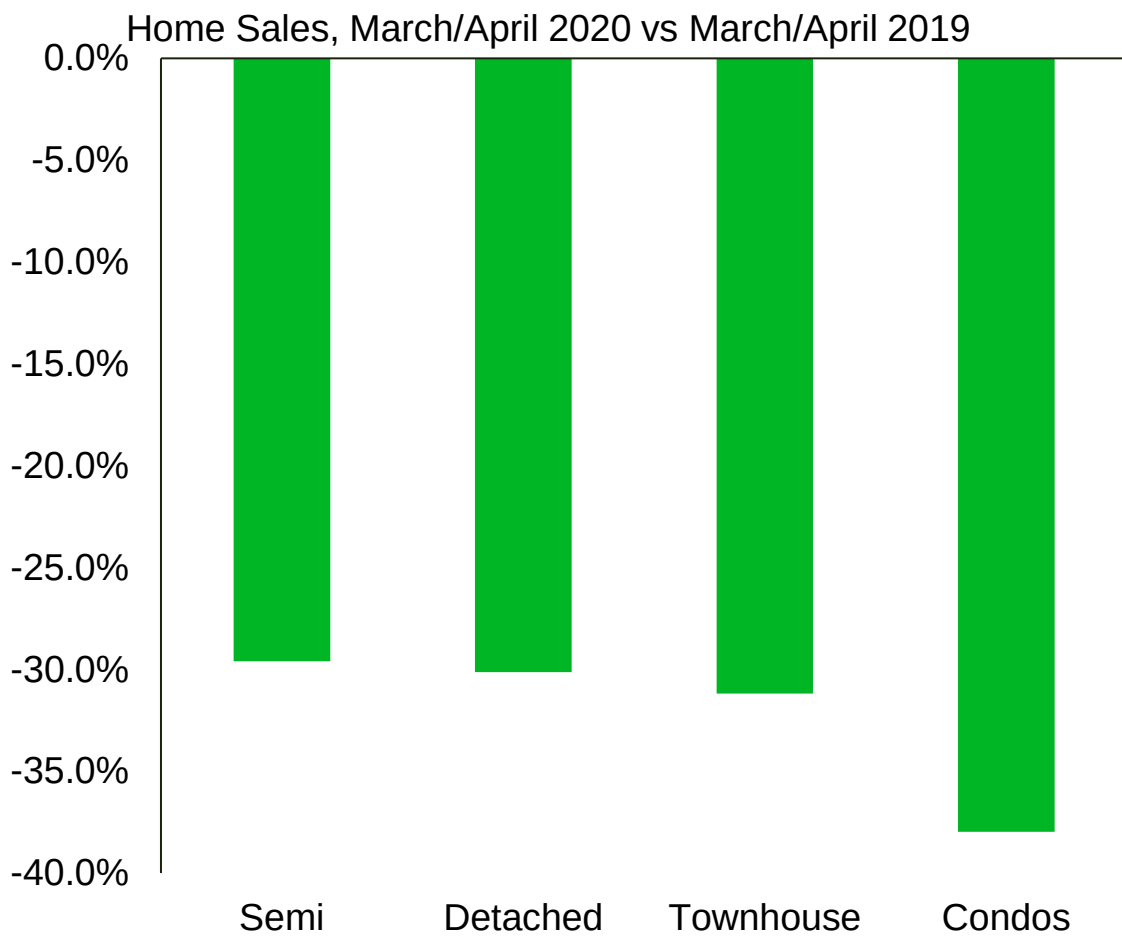
Source: CREA, Realosophy, TD Economics

Sales to Listings Ratio, GTA, %

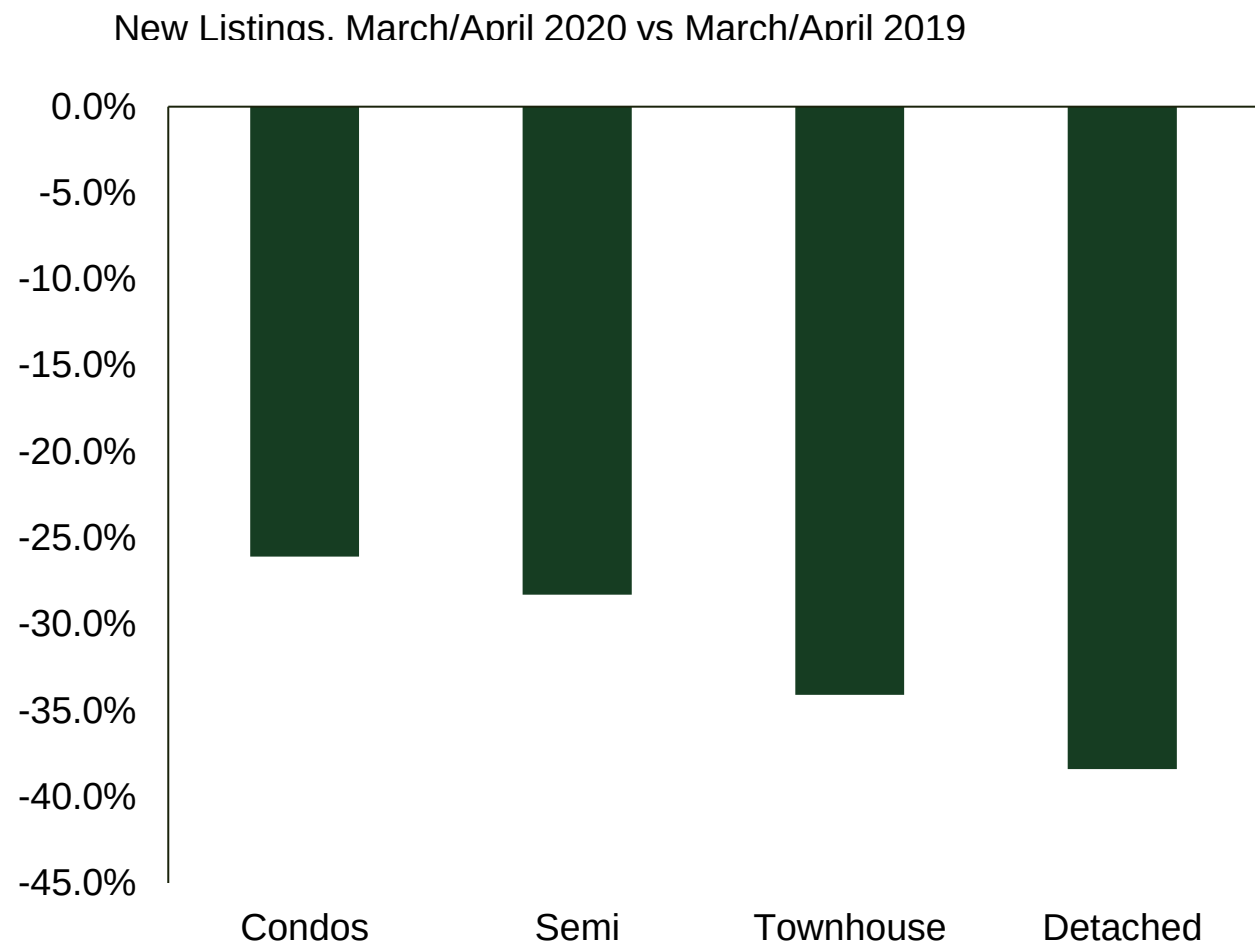


Source: CREA, Realosophy, TD Economics

Pain Spread Across Structure Types

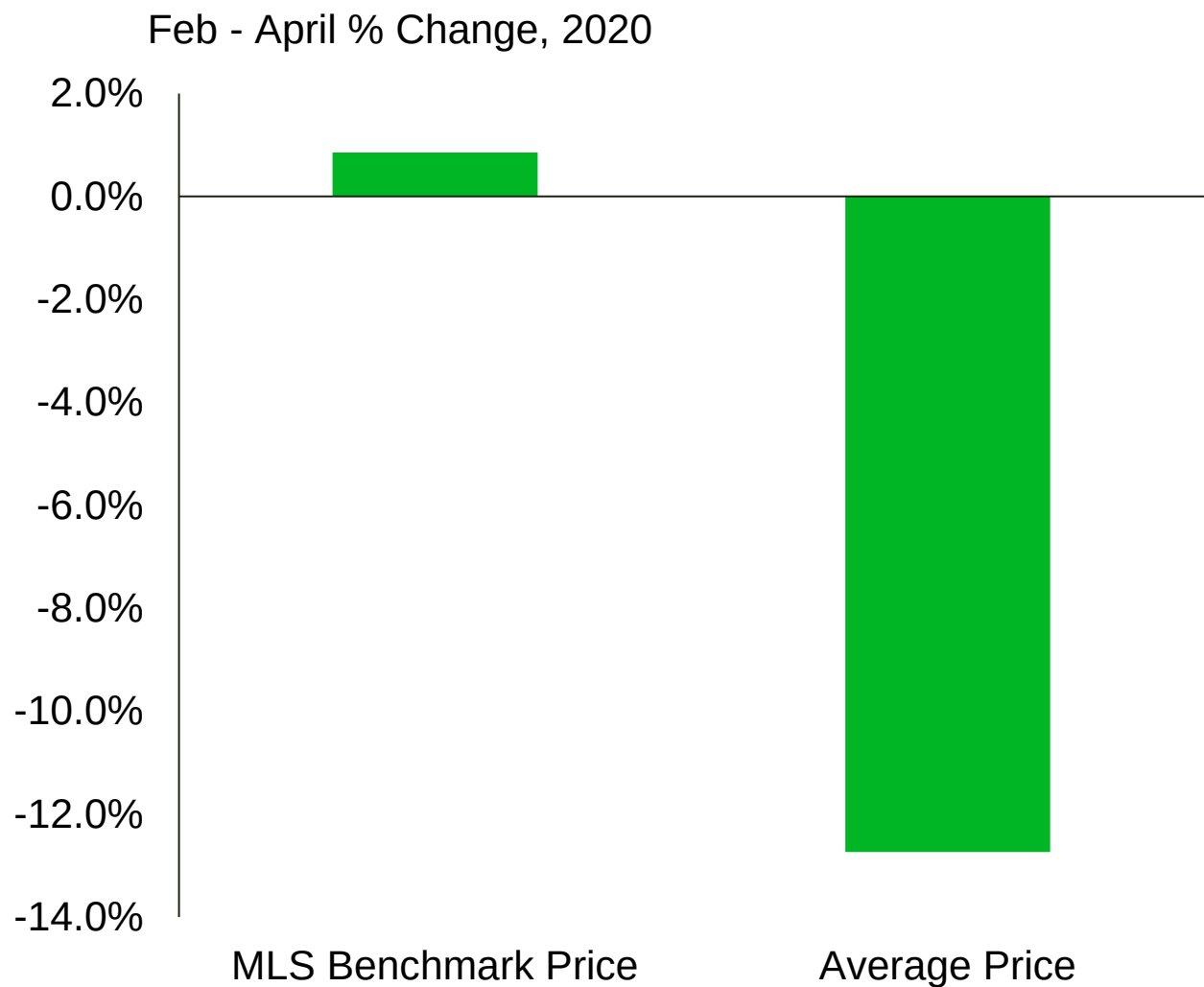


Source: TREB, TD Economics

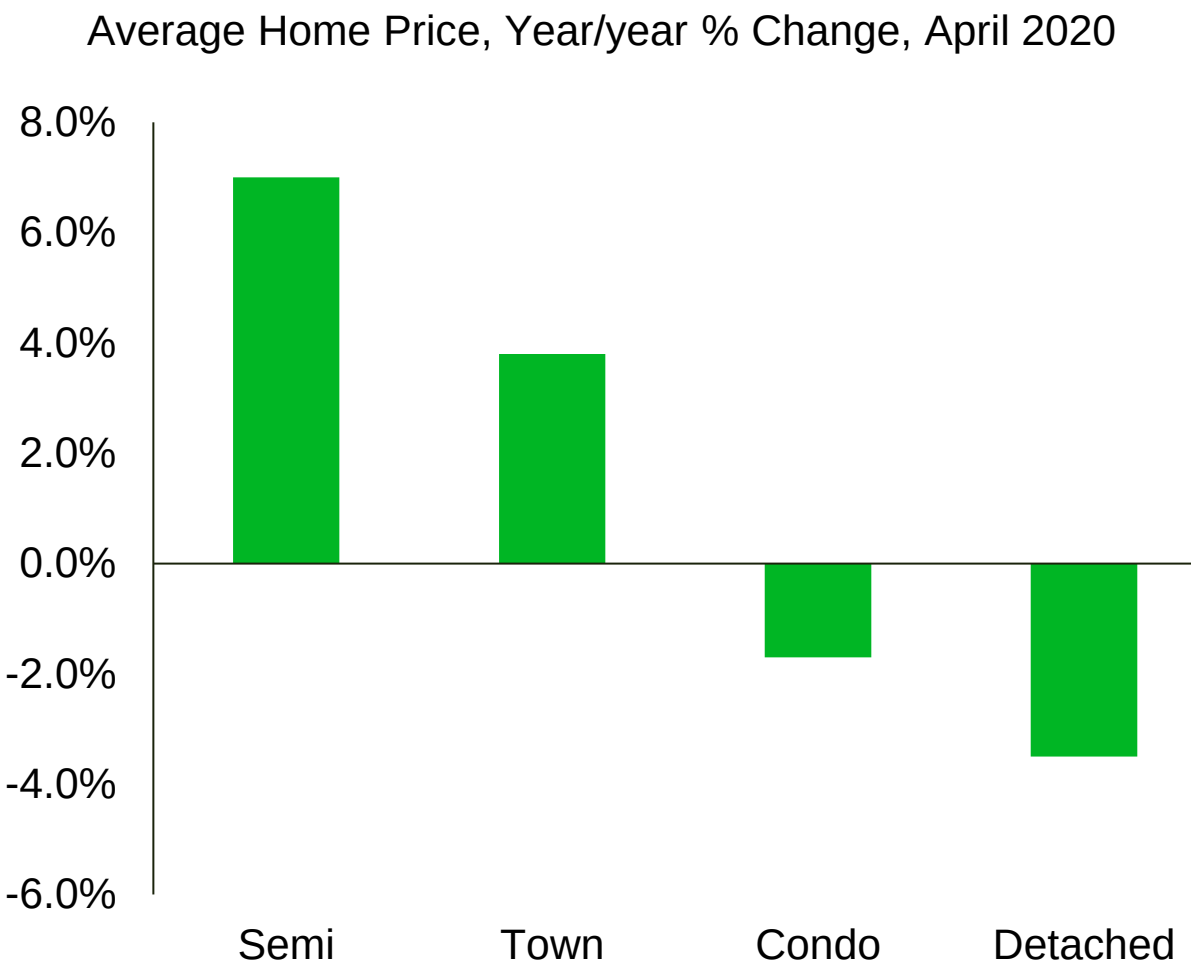


Source: TREB, TD Economics

Average Prices Tumble, But Caveats Apply



Source: CREA, TD Economics



Source: TREB, TD Economics

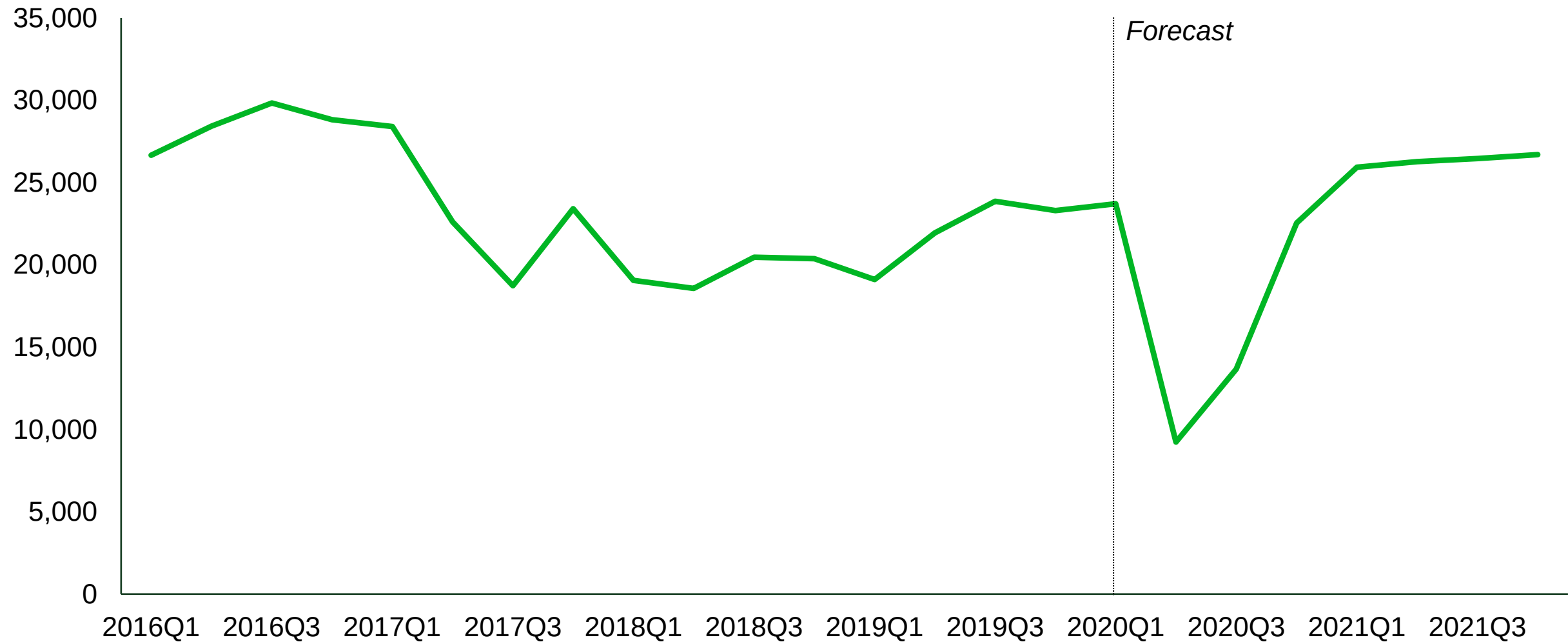


GTA Housing Outlook - Sales

Gradual Sales Recovery Anticipated

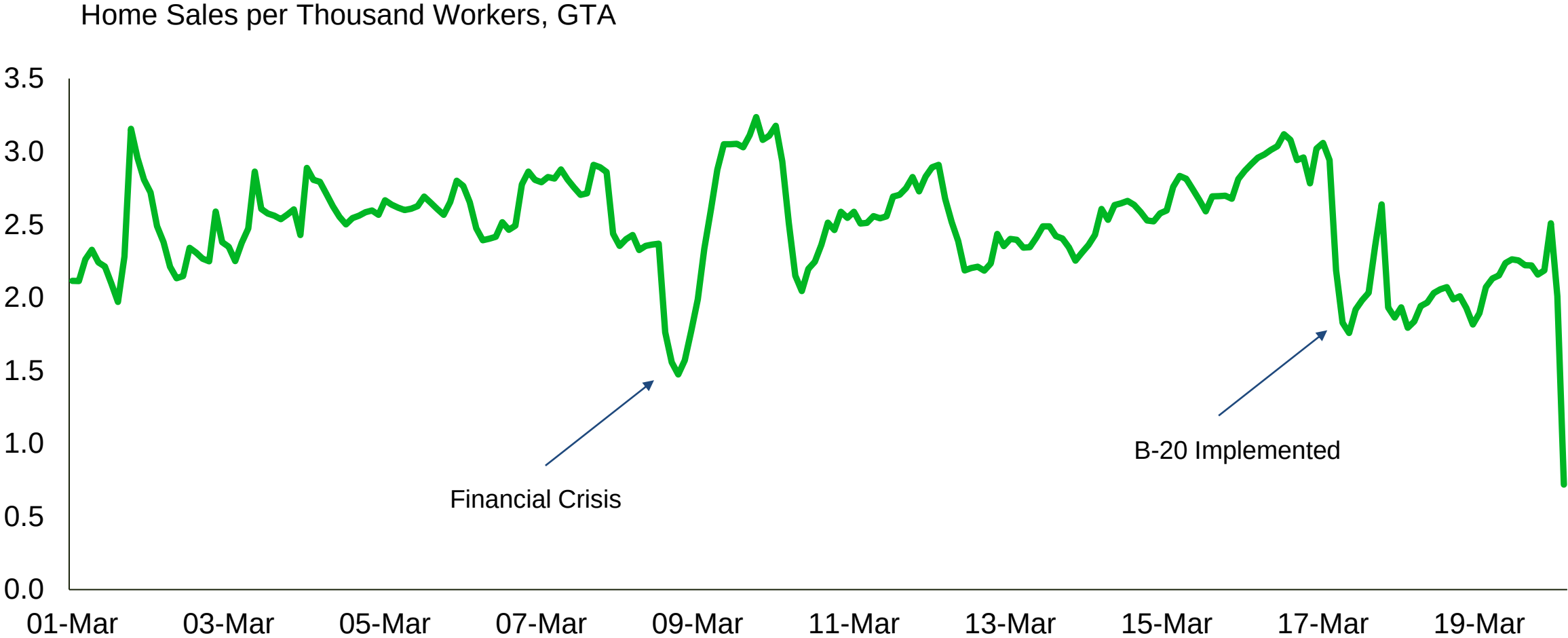


GTA, Home Sales, Units



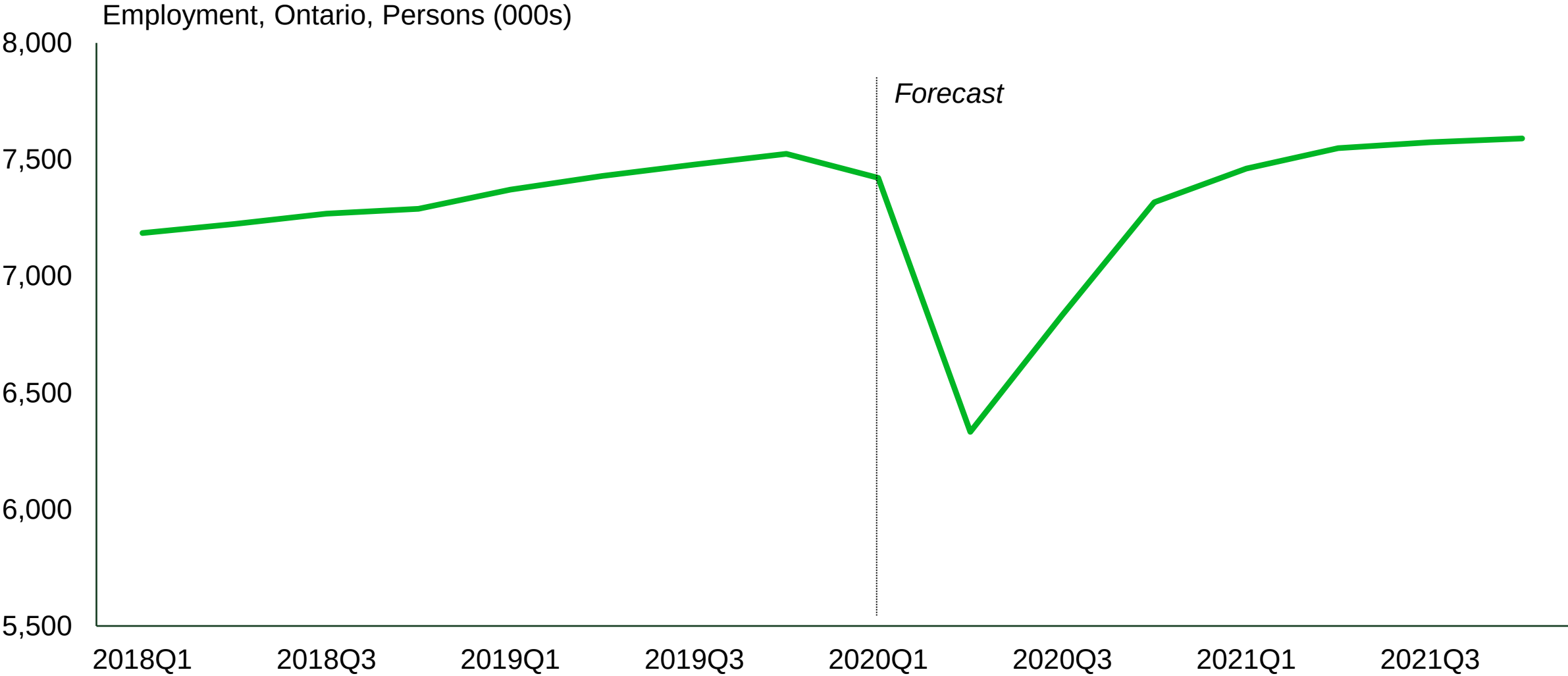
Source: CREA, TD Economics. Forecast as of April 2020.

Massive Pent-Up Demand Exists



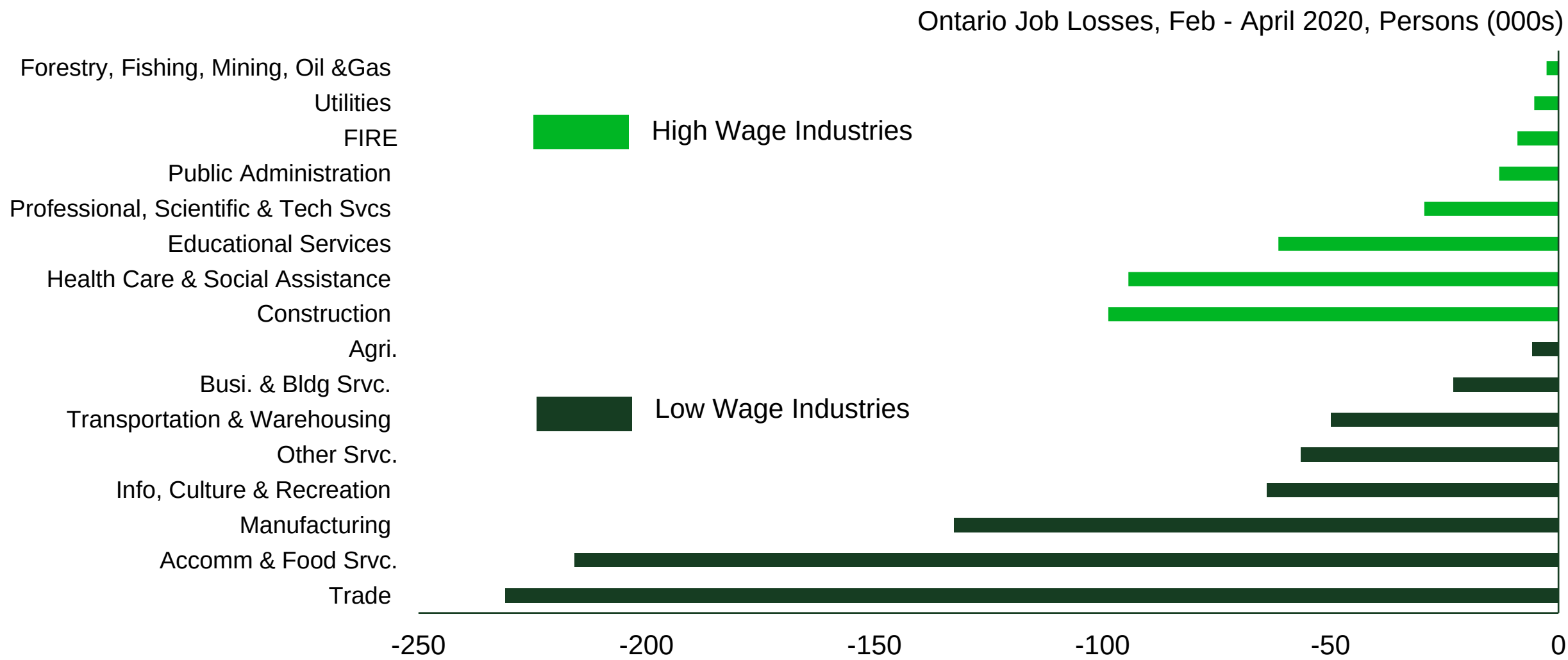
Source: CREA, TD Economics

Healing Jobs Market to Provide Support



Source: Statistics Canada, TD Economics. Forecast as of April 2020.

Job Losses Concentrated in Lower-Wage Industries

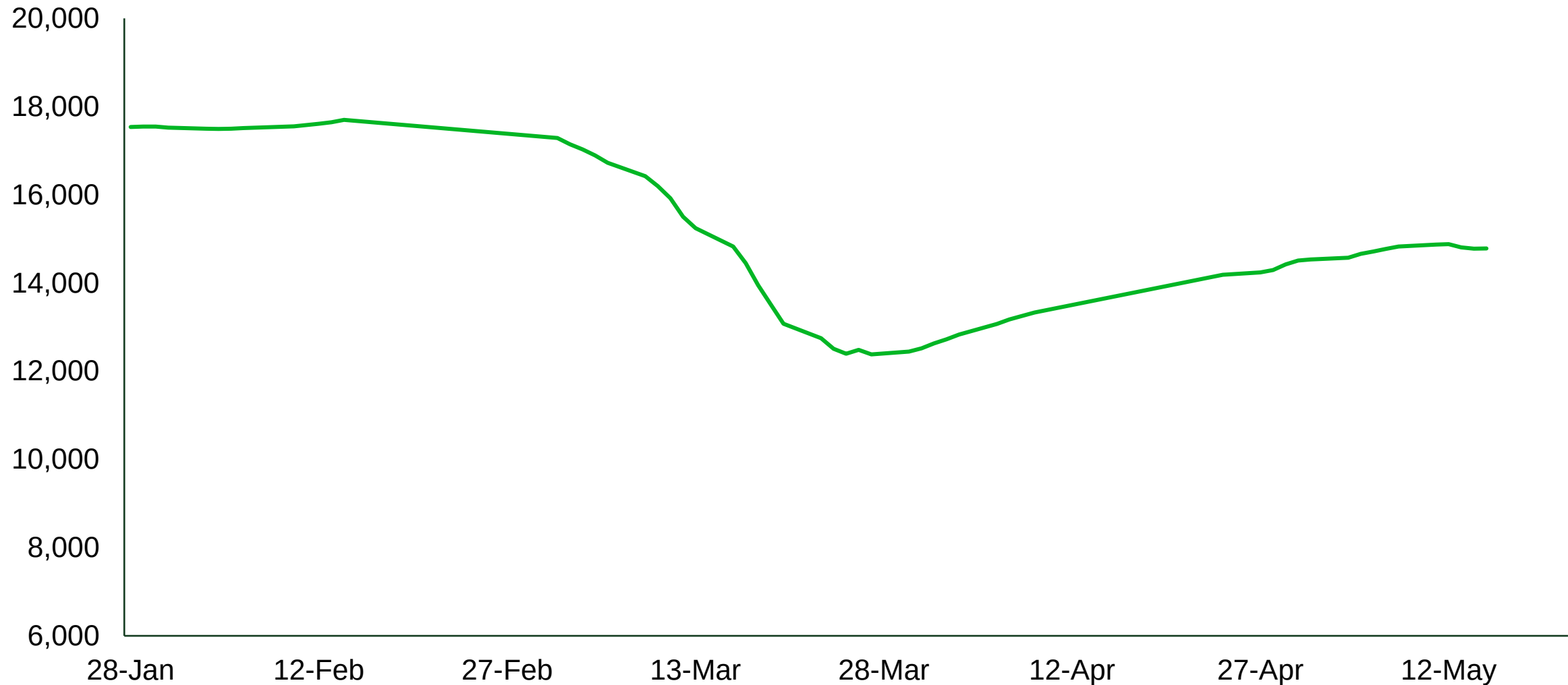


Source: Statistics Canada, TD Economics. Note: High wage jobs are those that pay above-average wages, and vice-versa for low wage jobs

Recovering Equity Markets of Some Support to Household Wealth

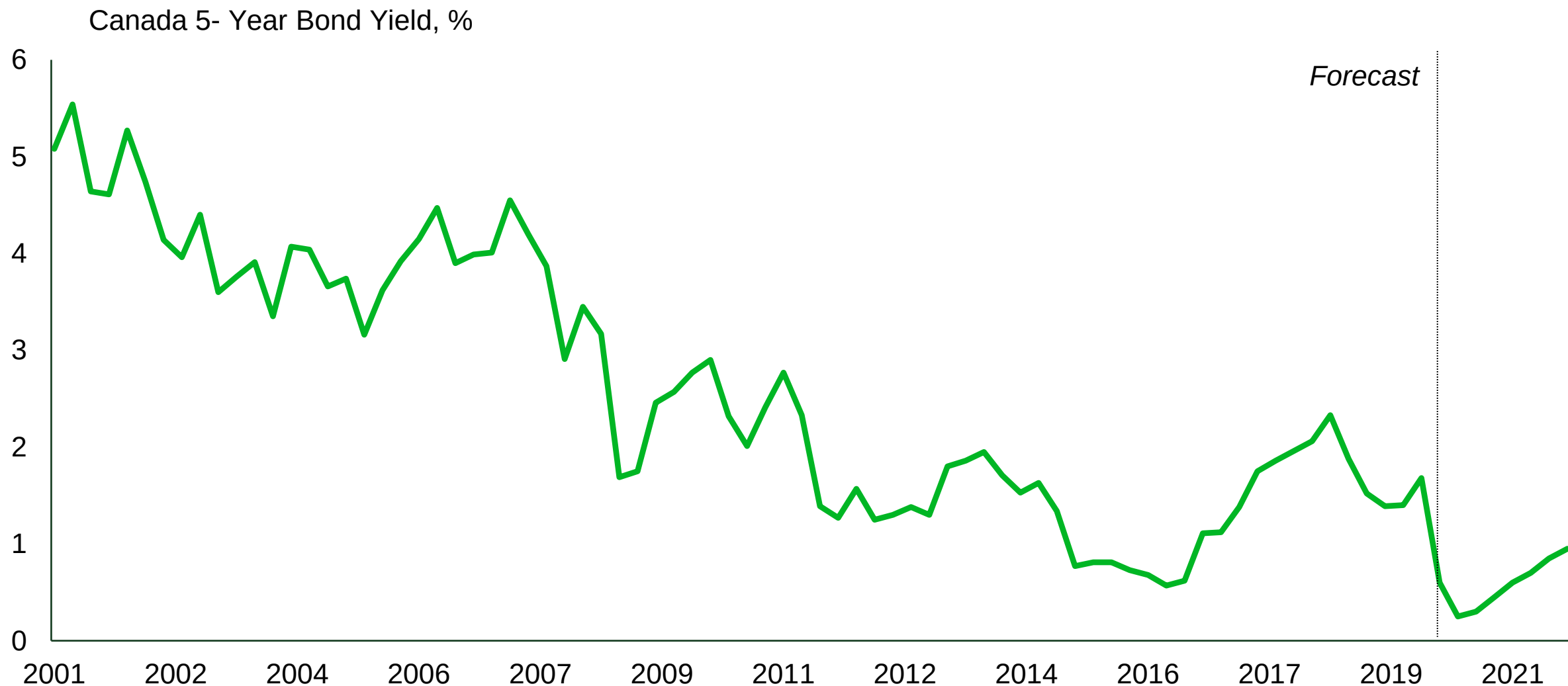


TSX Composite Index, 10-day moving average



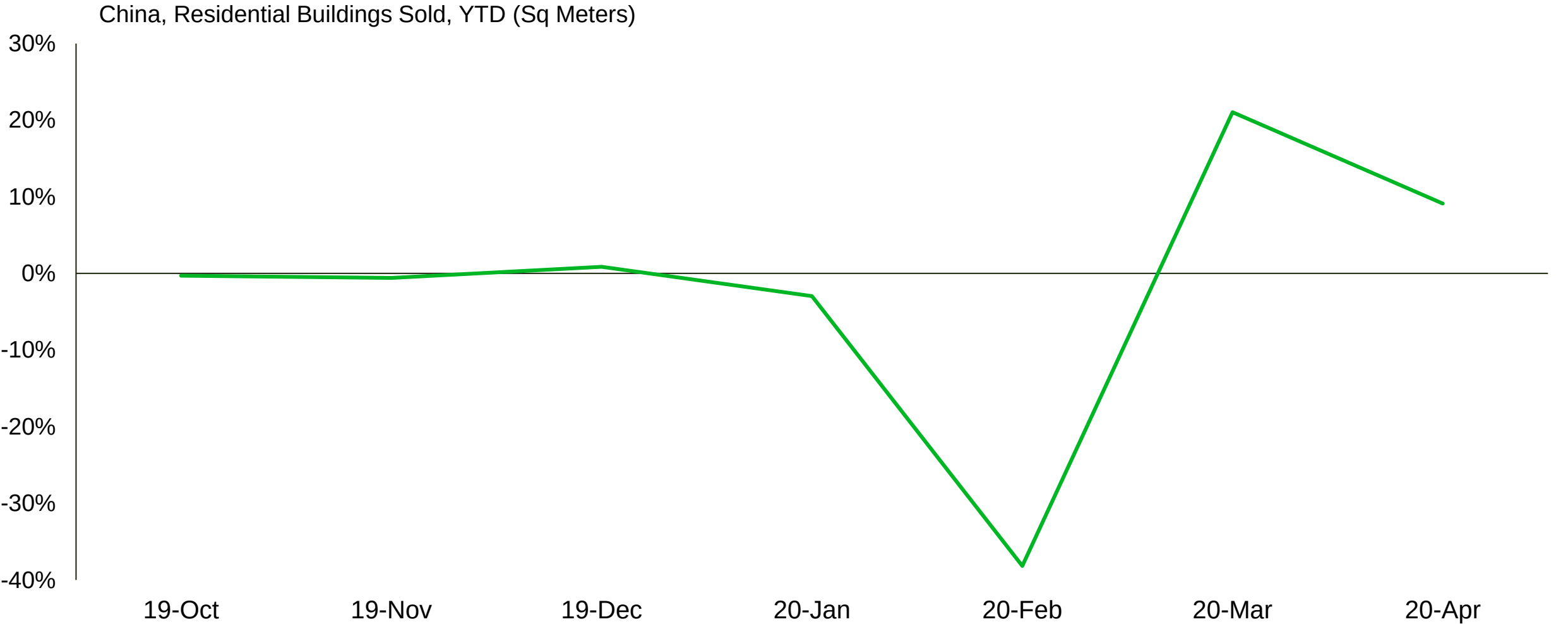
Source: TD Economics

Lets Not Forget About the Support from Low Rates



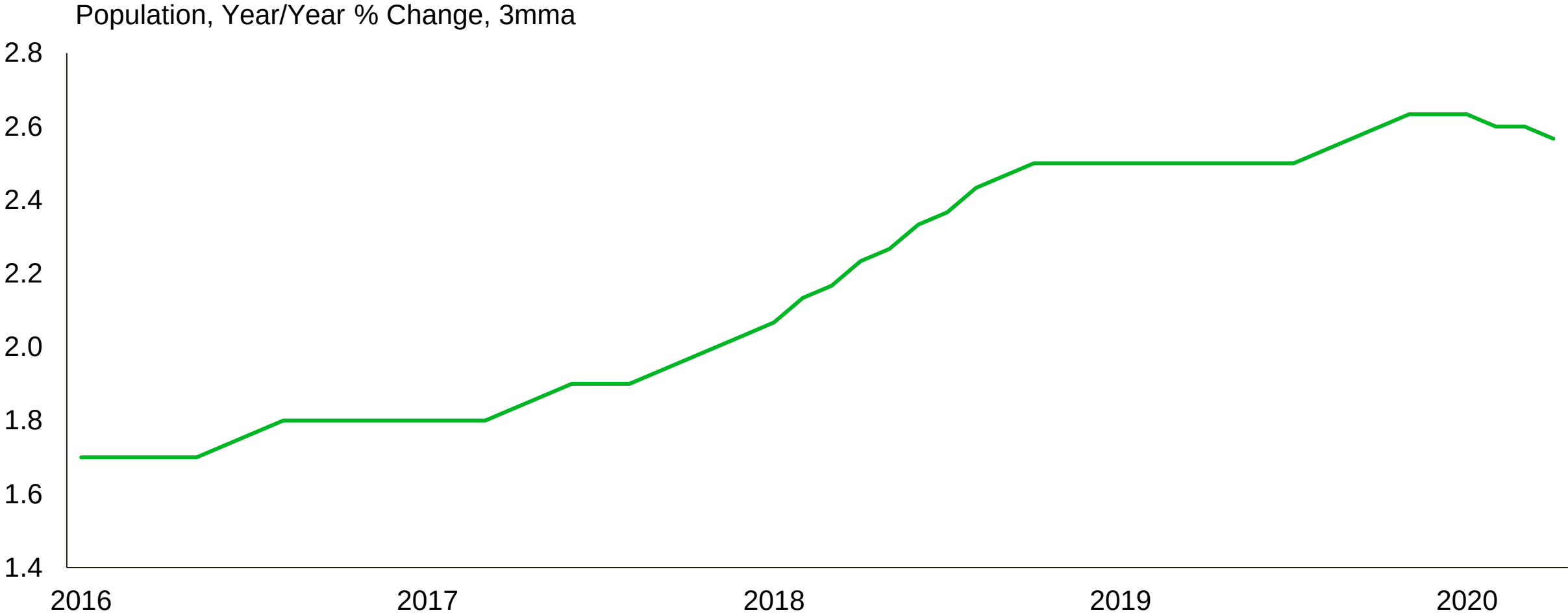
Source: Bank of Canada, TD Economics. Forecast by TD Economics as of May 2020

International Comparators Have Seen Activity Levels Improve



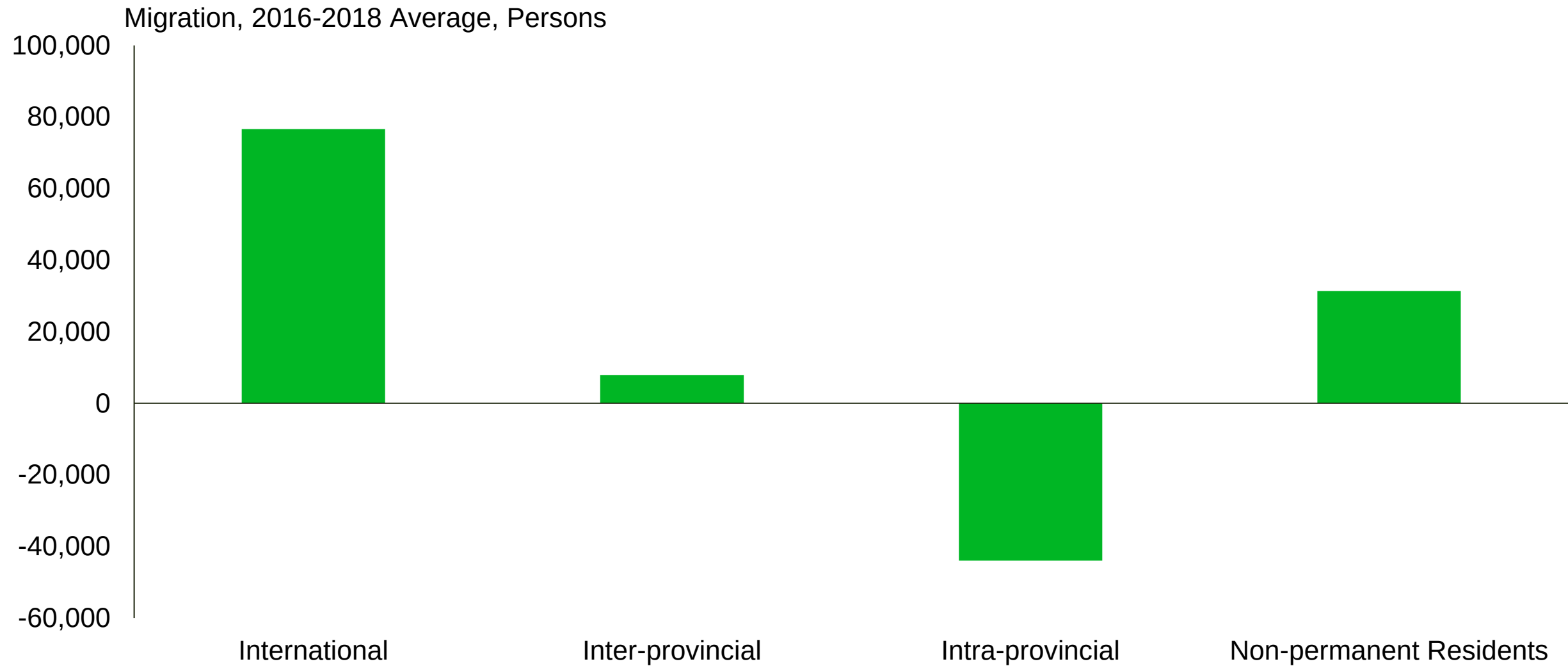
Source: China Real Estate Index System, TD Economics

Population Growth Slowing, Weighing Against Stronger Sales Gain



Source: ,Statistics Canada, TD Economics

Slower Population Growth to Hit Rental and Condo Markets

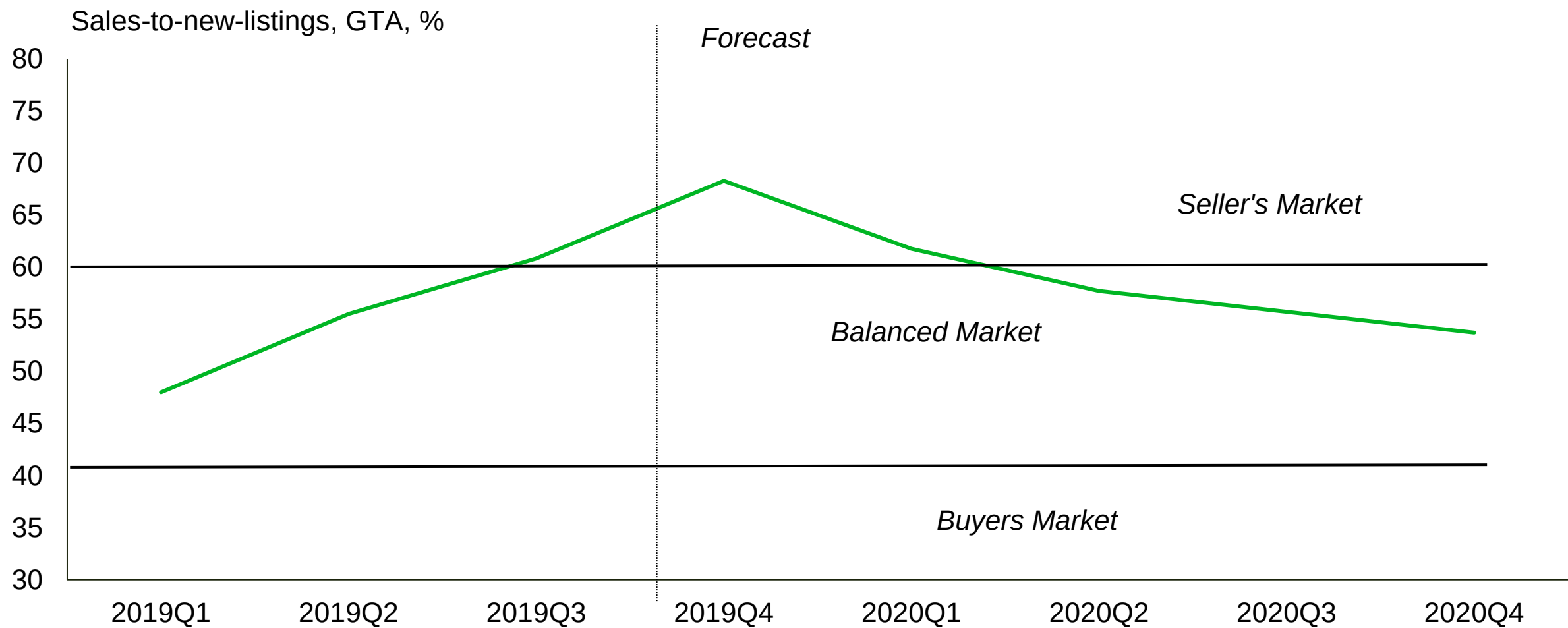


Source: Statistics Canada, TD Economics



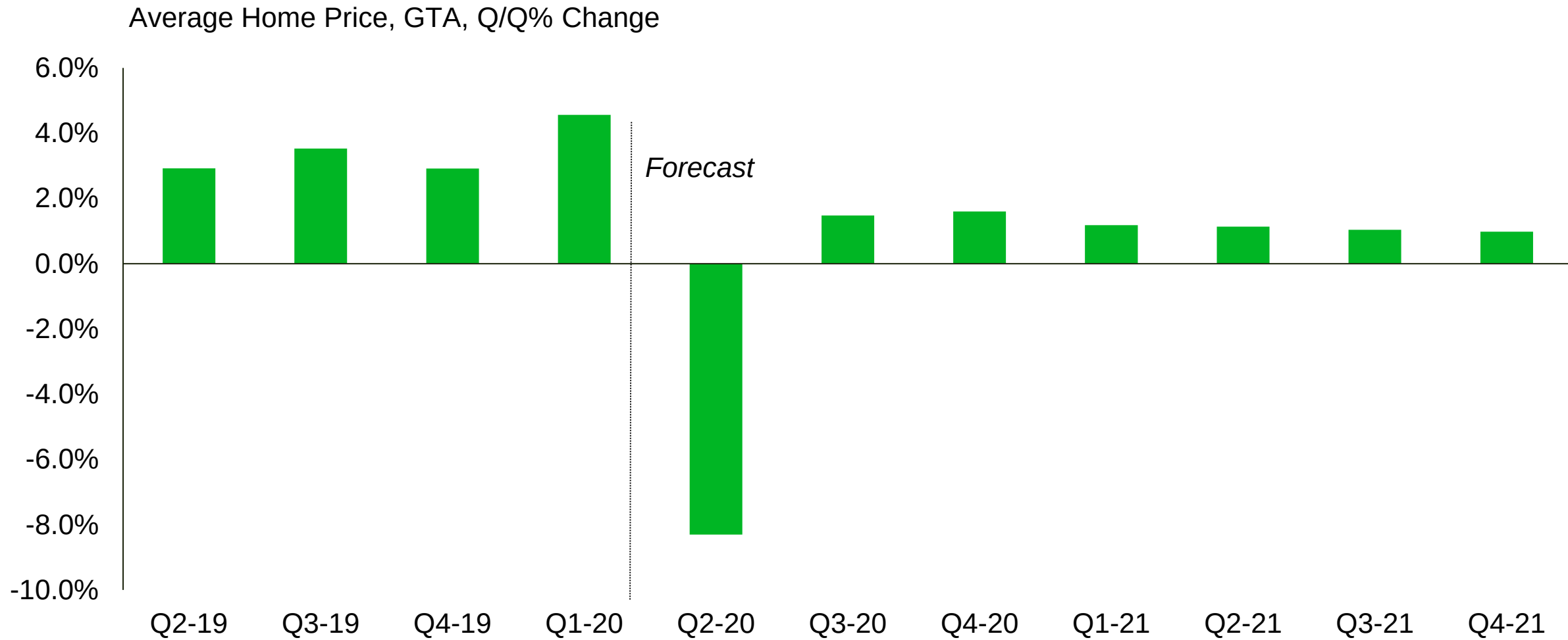
GTA Housing Outlook - Prices

Markets to Remain Roughly Balanced



Source: CREA, TD Economics

Gradual Sales Gains to Support Modestly Rising Prices



Source: CREA, TD Economics



Risks and Other Considerations

COVID-19 Cases on the Rise



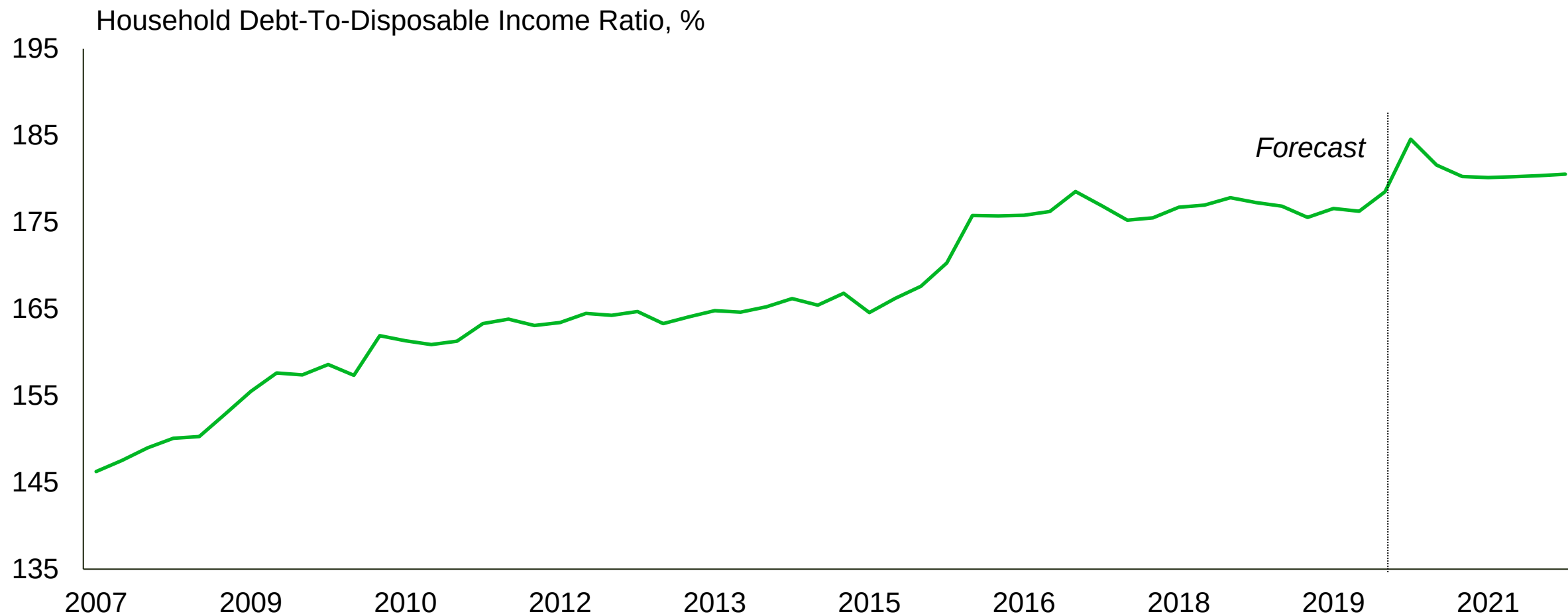
Ontario: New daily cases of COVID-19

The blue line is the five-day rolling average of new cases per day, which smooths daily spikes. Ontario's average daily number of new cases has been trending upward since May 11.



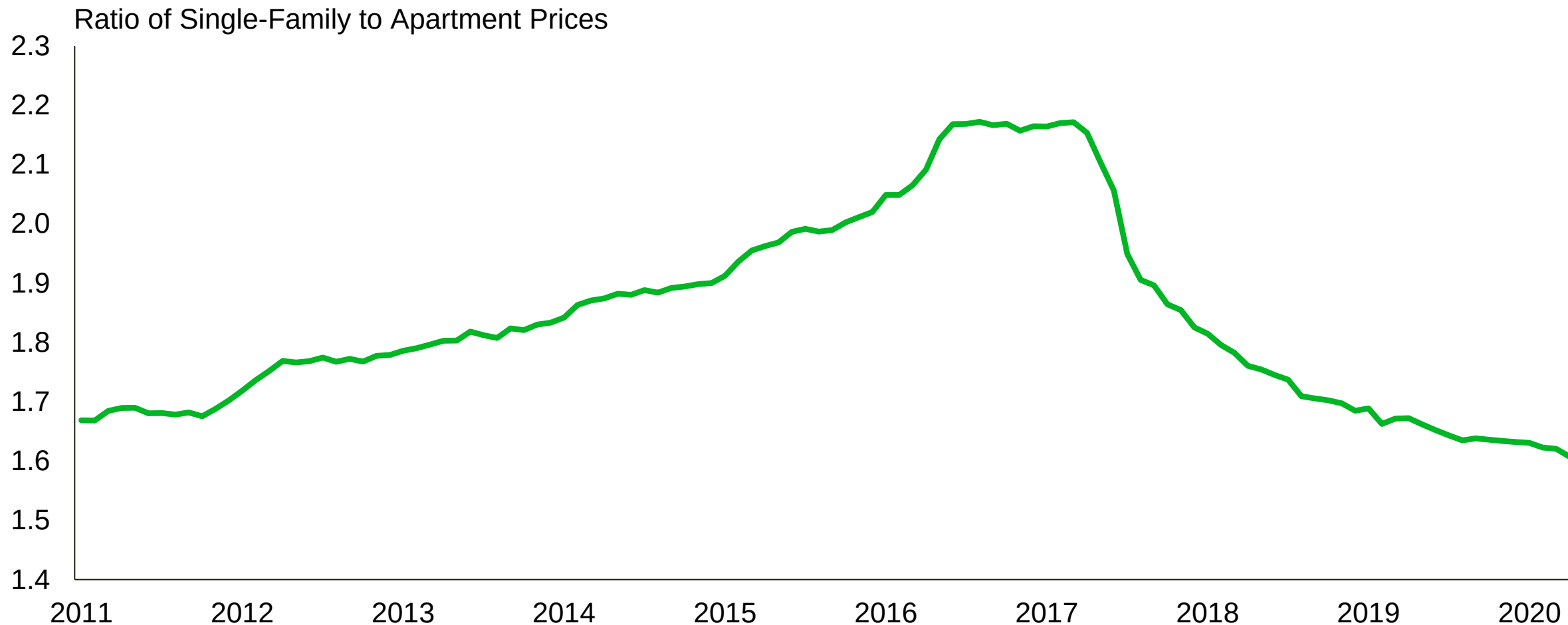
Source: [Ontario Ministry of Health](#)

Household Debt-to-Income to Climb, Placing Households at Financial Risk



Source: Statistics Canada, TD Economics

Years of Rapid Condo Price Growth Has Increased Its Vulnerability



Source: CREA, TD Economics. Last data point: April 2019.

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