



This week, Statistics Canada began releasing data that will give us the first indications of how the coronavirus pandemic has impacted Ontario's economy and construction industry. In this data we've observed that in March, the economic disruption brought by the pandemic had not yet had a major impact on construction employment, but did have a dramatic impact on building permit activity.

StatsCan Estimates ICI Permit Values Down By 44% In March

Yesterday, Statistics Canada provided preliminary flash estimates of building permit values for March 2020 alongside the full February data that was scheduled for release.* As these are only estimates, this data should be taken with caution. Full building permit data for March will be published by Statistics Canada on May 8th.

Based on Statistics Canada's projections, Ontario's total ICI permit values fell by 44% in March compared to March last year. Residential permit values are estimated to have fallen by 55%. The good news is that ICI permit values were strong in the months preceding the coronavirus pandemic disruption. Ontario's

combined ICI permit values for January and February were up by 28% compared to the same period in 2019. Residential permit values for these months were up by 4%.



To put this into context, ICI permit values are projected to be down 7% nationally in March, with residential permits down by 35%. Ontario, Quebec and BC have seen the most significant declines in the country, which is to be expected as these provinces felt the impact of coronavirus disruptions earlier than the rest of the country. In Quebec, which is the most comparable province to Ontario in terms of economic structure and in the timeline of coronavirus disruption, ICI permit values are estimated to have declined by 60% in March, with residential permit values down by 28%. ICI permit values in BC are down by 8% in March, and residential permits are estimated to have had a 42% decline.

Ontario Lost More Than 400,000 Jobs in March, Losses in Construction Yet to Be Seen

Statistics Canada released its monthly Labour Force Survey data today,

showing an increase in Ontario's unemployment rate from 5.5% in February to 7.6% in March. Ontario lost over 400,000 jobs in March, a 5% decline, which is similar to losses observed in the other large provinces. Not surprisingly, the biggest job losses came in the accommodation and food services industry, which lost 27% of its workers.



The impact of pandemic-related shutdowns on employment in Ontario's construction industry is not yet visible in Statistics Canada's data. It shows a loss of about 5,000 jobs (about 1%), with 558,200 employed in the construction industry in March. Quebec also only had a 1% loss in construction jobs visible in the data. It should be noted that Statistics Canada's reference period for this data is the week of March 15-21, before Ontario and Quebec closed non-essential businesses.

It may be helpful to follow data related to Quebec's economy and construction industry in the coming weeks. Quebec began shutting down large sections of its construction industry about ten days before Ontario. Because of this, Quebec's data could serve as an indicator of what will happen in Ontario, particularly

when next month's employment numbers are published.

*The March estimates are based on open-source building permit reports available from some municipalities, as well as building permit reports submitted by municipalities as of April 2nd. Nationally, the municipalities included in the data represents 29% of the total value of 2019 permits. Statistics Canada has not provided this percentage for Ontario, or revealed the municipalities that are included in Ontario's estimates. More details about Statistics Canada's methodology and analysis for the rest of the county can be found [here](#).

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