

Ontario Building the Most Homes Since... Forever

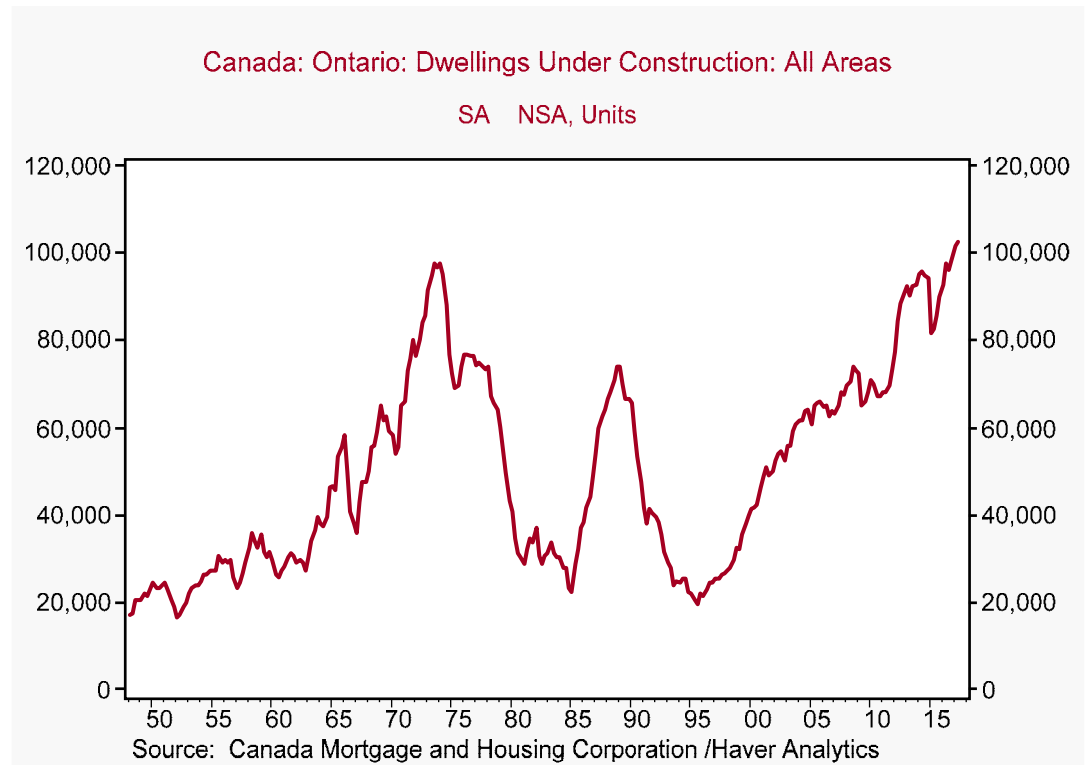


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Ontario housing starts slipped to 69.5k in Q2, but because of the wave of new projects breaking ground through 2015/2016, there is plenty of supply coming to market. (Activity in Toronto, in particular, now tends to come in waves with an increased share of major condo projects probably accounting for this).

In fact, there were more than 100,000 units under construction in Ontario in Q2, the highest on record after seasonal adjustment. True, adjusting for population size would yield a smaller total than in the 1970s, and we can argue for a higher level “under construction” at any given time because of the higher condo share. But, this is still a solid amount of building that should fully meet demographic demand.

Another thing that we are very sympathetic to is that ‘composition of supply’ is still a big issue, especially in the GTA, for anyone looking for a traditional single-detached home—but that isn’t going to change.



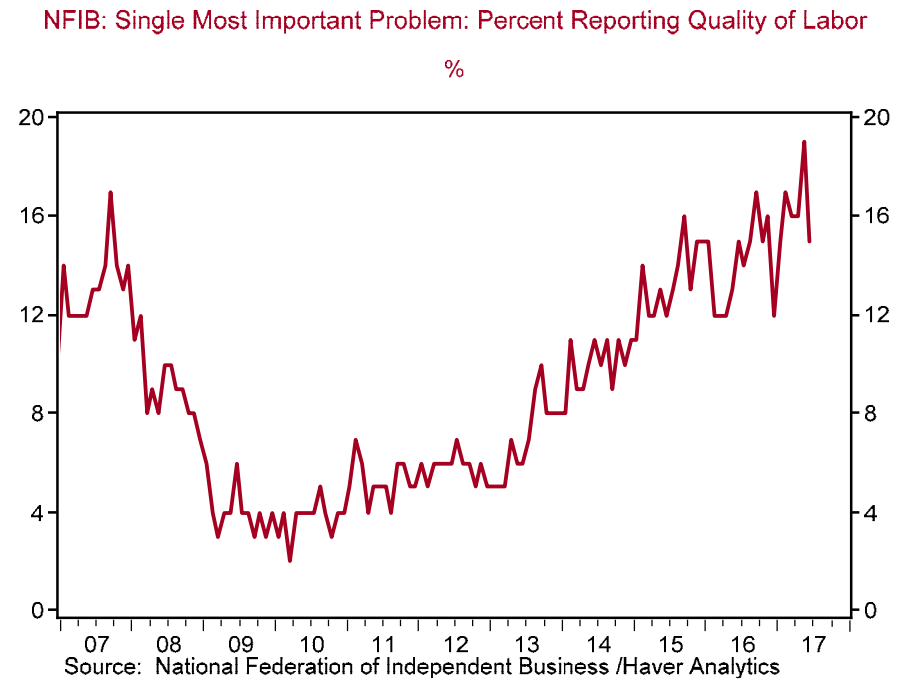
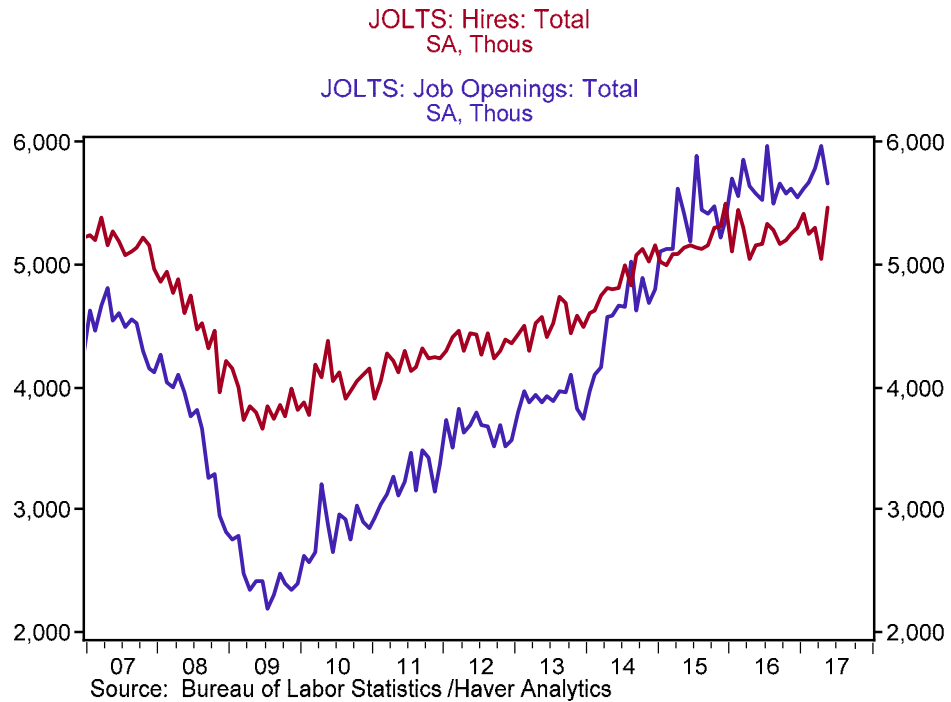
I Like Your CV. You're Hired!



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Let's see... there was a drop in the number of U.S. job openings, a pickup in hiring, and a decline in the share of small businesses reporting that 'Quality of Labor' was their biggest problem. Could it be that employers are finally beginning to find people who possess the skills and qualifications needed for these available jobs?

This could be the start.



Capex Still Rising

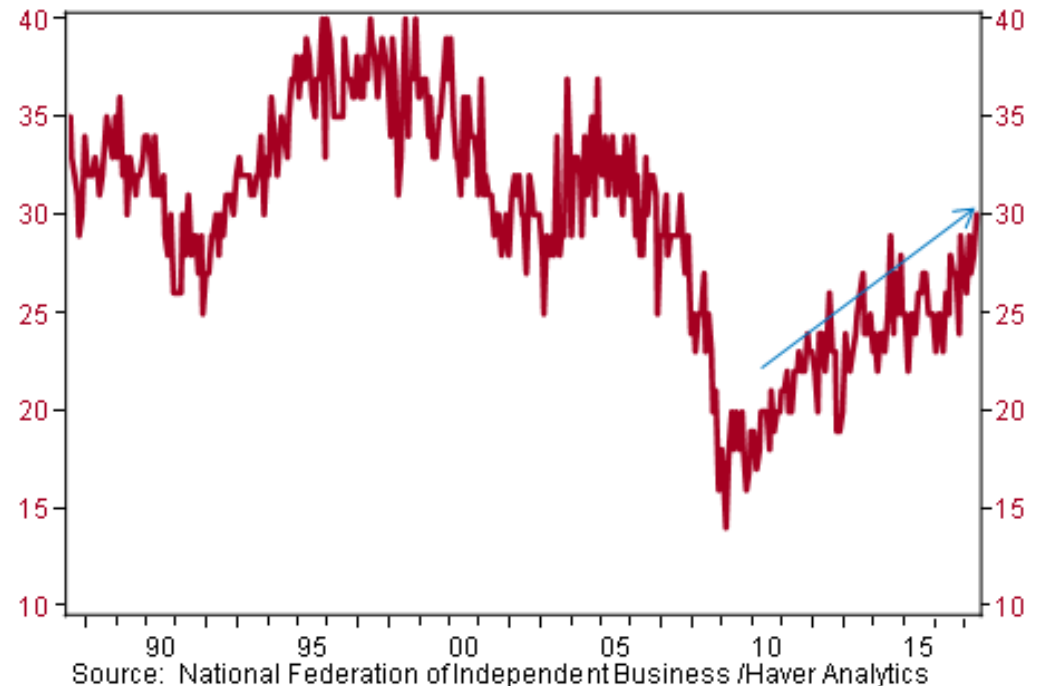
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Although confidence among U.S. small businesses has faded somewhat from recent lofty levels (amid concerns about the economic outlook), plans to increase capital expenditures have forged new post-recession highs. This points to further gains in business equipment spending after Q1's near-8% annualized spike.



Net % of Small Firms Planning to Raise Capex in 3 to 6 Months

SA, %



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