



The Daily

Statistics Canada

Thursday, February 4, 1999

For release at 8:30 a.m.

MAJOR RELEASES

- **Building permits, December 1998 and annual 1998** 2
Municipalities issued \$33.5 billion in building permits in 1998, a 7.2% increase from 1997 and the highest total since 1989, when construction intentions hit a record \$40 billion. In December, building permits reached \$2.8 billion, a slight 0.4% decline from the previous month.

OTHER RELEASES

Non-residential building construction price indexes, fourth quarter 1998	5
Estimates of labour income, November 1998	5
Steel primary forms, week ending January 30, 1999	6

PUBLICATIONS RELEASED

7



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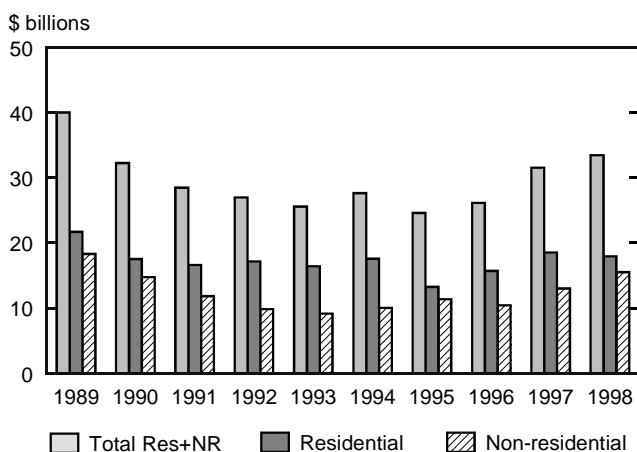
MAJOR RELEASES

Building permits

December 1998 and annual 1998 (preliminary)

Municipalities issued \$33.5 billion in building permits in 1998, a 7.2% increase from 1997 and the highest total since 1989, when construction intentions hit a record \$40 billion. In December, building permits reached \$2.8 billion, a slight 0.4% decline from the previous month.

Building permits at highest value since 1989



Housing construction intentions declined 2.2% to \$1.6 billion in December, following a 13.7 % increase in November. On the other hand, non-residential building permits rose 2.0% to \$1.2 billion in December, the second straight monthly increase.

Both housing components declined in December

Both single and multi-family dwelling components declined in December. The value of permits for single-family intentions dropped 1.5% to \$1.1 billion, while multi-family intentions declined 3.7% to \$459 million. This decline in multi-family permits occurred after a jump of almost 43% in November.

On a provincial basis, the most significant declines in December were in British Columbia (-34.3% to \$167 million), Ontario (-1.3% to \$740 million) and Nova Scotia (-10.2% to \$36 million). In British Columbia, there was a sharp decrease in multi-family dwellings after a large increase in November, while in Nova Scotia both components contributed equally. In Ontario, the slowdown was the result of lower single dwelling intentions.

Note to reader

Unless otherwise stated, this release presents seasonally adjusted data, which ease comparisons by removing the effects of seasonal variations.

The Building and Demolitions Permits Monthly Survey covers 2,600 municipalities representing 94% of the population. It provides an early indication of building activity. The communities representing the other 6% of the population are very small, and their levels of building activity have little impact on the total.

The value of planned construction activities shown in this release excludes engineering projects (e.g. waterworks, sewers, culverts, etc.) and land. The annual rate is a monthly figure that has been seasonally adjusted and multiplied by 12 to reflect annual levels.

In December, the largest gains occurred in Quebec (+17.5% to \$280 million), Alberta (+10.4 % to \$255 million) and Newfoundland (+ 20.8% to \$11 million). In Quebec and Alberta, the increase came mainly from multi-dwelling intentions whereas in Newfoundland the single-family component led the way.

Other sources of information on the housing market, however, reported increases. The Canada Mortgage and Housing Corporation (CHMC) reported a 9.6% increase in housing starts in December. Also, according to the Canadian Real Estate Association, existing home sales increased a slight 1.0% in December. Low mortgage rates and gains in employment appear to be keeping housing resales on a strong footing.

Housing down slightly in 1998

Looking at 1998 as a whole, the rise in permits for multi-family dwellings was not enough to offset a slowdown of construction intentions for single-family dwellings. The value of building permits for the housing sector decreased a slight 2.0% to \$17.9 billion in 1998, following double-digit increases in the previous two years.

Despite historically low mortgage rates, relatively stable housing prices and gains in employment, building intention results were lower than what was expected at the beginning of the year. Housing intentions increased 5.4% in the fourth quarter of 1998, which may point to an improvement in 1999.

The decrease in value of permits issued in 1998 was reflected in Canada Mortgage and Housing Corporation's latest survey that reported a 6.6% reduction in housing starts to 137,360 units in 1998.

Similarly, after a record-level year in 1997, activity in the resale market decreased 4.6% in 1998.

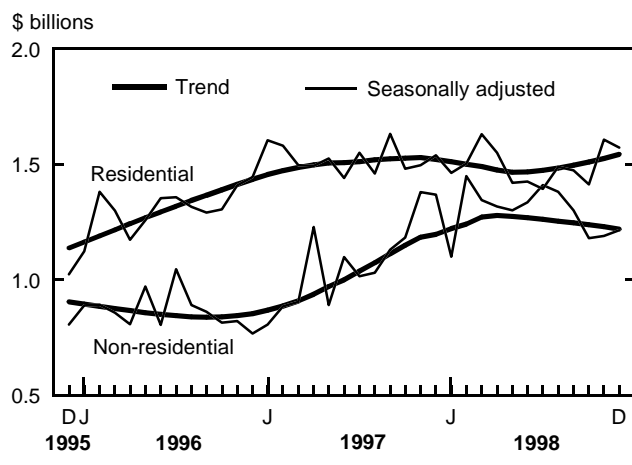
The biggest decline in 1998 was registered in British Columbia where the value of residential permits fell 22.7% to \$2.8 billion. Nova Scotia also registered a significant decline (-19.5% to \$346 million).

The most significant increases in 1998 occurred in Alberta (+13.1% to \$2.9 billion) and in Ontario (+1.5% to \$8.0 billion).

Non-residential intentions up for second straight month

In December, the non-residential sector continued to climb, up 2.0% from November to \$1.2 billion. These last two consecutive monthly increases followed three monthly decreases.

Non-residential permits up for a second month



The commercial component was the only one to record an increase in the building permits. Commercial intentions reached \$734 million, up 13.0% over the previous month. Increases for trade, warehouse and recreation buildings led the way.

The largest decline came from institutional construction plans which fell 13.1% to \$197 million in December, their lowest level since February 1997. The drop came mainly from the welfare and nursing homes category. The industrial component recorded a 9.7% decline to \$284 million.

Provincially, the largest contributor to December's increase in non-residential permits was Alberta,

which rose 17.4% to \$213 million, led mainly by the commercial component. Gains were also significant in Quebec (+8.0% to \$270 million) and in Newfoundland (+152.4% to \$25 million) where the institutional component was pushed by the government building category.

By contrast, the most significant decreases were recorded in Manitoba (-64.7% to \$17 million), Ontario (-3.7% to \$439 million) and British Columbia (-9.1% to \$150 million).

Highest annual value in non-residential intentions since 1989

In 1998, the construction intentions in the non-residential sector rose 20.1% to \$15.5 billion following a 23.9% gain in 1997. All three components - commercial, industrial and institutional - contributed to the advance.

The largest contribution came from the commercial component (+25.8% to \$8.2 billion) followed by industrial (+16.1% to \$4.0 billion) and institutional (+12.3% to \$3.3 billion).

Despite the overall significant gain in 1998, the fourth quarter showed a 12.4% decline. Lower operating profits, low commodity prices and expectation of lower growth in most major economies might point particularly to a slowdown in industrial construction investment intentions.

The value of non-residential permits increased in all provinces and territories in 1998, except for the Yukon. The largest change came from Alberta (+43.1% to \$2.7 billion) on the strength of a gain of \$688 million (+82.3%) in its commercial component. Other major contributions to the overall increase were Ontario (+14.5% to \$6.2 billion) and Quebec (+18.5% to \$2.8 billion).

Available on CANSIM: matrices 80 (levels 3-7, 33-48), 129, 137, 443, 989-992, 994, 995 and 4073.

The December 1998 issue of *Building permits* (64-001-XIB, \$19/\$186) will be available shortly on the Internet. See *How to order publications*. The January 1999 building permits estimate will be released on March 9, 1999.

For more information, contact Joanne Bureau (613-951-9689; Burejoa@statcan.ca). For analytical information, or to enquire about the concepts, methods, and data quality of this release, contact Ginette Gervais (613-951-2025; gervgin@statcan.ca), Investment and Capital Stock Division. □

Value of building permits

	Nov. 1998 ^r	Dec. 1998 ^p	Nov. to Dec. 1998	1997	1998 ^p	1997 to 1998
	seasonally adjusted					
	\$ millions		% change	\$ millions		% change
Canada	2,797.8	2,787.4	-0.4	31,234.0	33,477.7	7.2
Residential	1,606.9	1,572.2	-2.2	18,303.5	17,946.1	-2.0
Non-residential	1,190.9	1,215.2	2.0	12,930.5	15,531.5	20.1
Newfoundland	19.2	36.5	90.1	213.6	245.7	15.1
Residential	9.1	11.0	20.8	142.2	138.3	-2.7
Non-residential	10.1	25.5	152.4	71.4	107.4	50.4
Prince Edward Island	9.1	9.3	2.5	110.0	117.3	6.6
Residential	4.5	5.3	17.1	60.1	58.3	-3.1
Non-residential	4.6	4.1	-11.7	49.9	59.1	18.4
Nova Scotia	62.1	67.2	8.1	630.7	620.3	-1.7
Residential	39.9	35.8	-10.2	429.7	346.0	-19.5
Non-residential	22.2	31.3	40.9	200.9	274.2	36.5
New Brunswick	34.2	42.5	24.2	459.0	482.9	5.2
Residential	19.6	19.5	-0.5	241.8	237.8	-1.7
Non-residential	14.6	23.0	57.3	217.2	245.1	12.8
Quebec	488.4	550.1	12.6	5,130.3	5,585.7	8.9
Residential	238.4	280.0	17.5	2,728.8	2,740.2	0.4
Non-residential	250.0	270.0	8.0	2,401.5	2,845.6	18.5
Ontario	1,206.3	1,179.7	-2.2	13,294.1	14,189.6	6.7
Residential	750.0	740.2	-1.3	7,911.1	8,026.9	1.5
Non-residential	456.4	439.5	-3.7	5,382.9	6,162.7	14.5
Manitoba	81.9	52.4	-36.0	689.6	1,052.5	52.6
Residential	34.8	35.8	2.8	326.4	377.4	15.6
Non-residential	47.0	16.6	-64.7	363.2	675.1	85.9
Saskatchewan	59.0	60.6	2.8	626.8	674.5	7.6
Residential	22.4	19.5	-12.6	256.7	264.7	3.1
Non-residential	36.6	41.1	12.2	370.1	409.8	10.7
Alberta	411.7	467.3	13.5	4,446.3	5,586.5	25.6
Residential	230.8	254.7	10.4	2,588.9	2,929.2	13.1
Non-residential	181.0	212.6	17.4	1,857.5	2,657.4	43.1
British Columbia	419.5	317.2	-24.4	5,537.2	4,804.5	-13.2
Residential	254.6	167.2	-34.3	3,578.6	2,767.1	-22.7
Non-residential	164.9	150.0	-9.1	1,958.6	2,037.3	4.0
Yukon	3.8	3.5	-7.3	49.6	37.9	-23.6
Residential	1.6	2.4	47.5	29.7	19.1	-35.6
Non-residential	2.2	1.1	-48.6	20.0	18.8	-5.8
Northwest Territories	2.5	1.2	-50.8	46.9	80.2	71.2
Residential	1.3	0.7	-44.2	9.5	41.2	331.4
Non-residential	1.2	0.5	-57.8	37.3	39.1	4.6

^r Revised Data

^p Preliminary Data

Note: Data may not add to totals due to rounding.

OTHER RELEASES

Non-residential building construction price indexes

Fourth quarter 1998

The composite price index for non-residential building construction for the fourth quarter of 1998 stands at 113.0 (1992=100), an increase of 0.4% over the previous quarter and up 1.9% from the same quarter one year ago.

Compared with the third quarter of 1998, the index for Halifax, Edmonton and Calgary increased by 0.7%, followed by Ottawa and Toronto (+0.5%), Montreal (+0.4%) and Vancouver (+0.2%).

Non-residential building construction price indexes

Fourth quarter 1998
(1992=100)

	Fourth quarter 1998	Fourth quarter 1997 to fourth quarter 1998	Third quarter 1998 to fourth quarter 1998
		% change	
Composite	113.0	1.9	0.4
Halifax	105.2	1.8	0.7
Montreal	110.6	1.8	0.4
Ottawa	111.7	1.6	0.5
Toronto	113.8	2.0	0.5
Calgary	113.7	2.3	0.7
Edmonton	113.5	2.5	0.7
Vancouver	115.2	1.7	0.2

Note: Non-residential building construction price indexes provide an indication of changes in construction costs in seven major urban areas across Canada (Halifax, Montreal, Ottawa, Toronto, Calgary, Edmonton and Vancouver). Three construction categories - industrial, commercial and institutional buildings - are represented by selected models (a light factory building, an office building, a warehouse, a shopping centre and a school). Besides the city indexes and seven city composites, a further breakdown of the changes in costs is available by trade group - structural, architectural, mechanical and electrical - within the building types. These price indexes are derived from surveys of general and special trade group contractors. They report data on various categories of costs (material, labour, equipment,

taxes, overhead and profit) relevant to the detailed construction specifications included in the surveys.

Available on CANSIM: matrices 9930 and 9931.

The fourth quarter 1998 issue of *Construction price statistics* (62-007-XPB, \$24/\$79) will be available in March 1999. See *How to order publications*.

For more information, or to enquire about the concepts, methods, and data quality of this release, contact Louise Châiné (613-951-3350; fax: 613-951-1539; chailou@statcan.ca), Client Services Unit, Prices Division. ■

Estimates of labour income

November 1998 (preliminary)

Labour income, and wages and salaries were little changed in November (+0.1%), following a strong gain of 0.7% in October. Labour income advanced by 3.7% during the first 11 months of 1998 compared with the same period in 1997.

The most notable gains occurred in commercial and personal services, which registered a sixth consecutive monthly increase, and in construction. Growth in employment and average weekly earnings contributed to the gains in both industries. Transportation, storage and communications also increased - the sector's third consecutive monthly gain. The growth in these industries was partially offset by declines in finance, insurance and real estate; education and related services; and trade.

Newfoundland, Ontario, Manitoba and the Northwest Territories continued to record gains in wages and salaries in November. Prince Edward Island, Quebec and the Yukon registered declines, while the remaining provinces were little changed.

Note: Labour income consists of wages and salaries (88%) plus supplementary labour income (12%). Wages and salaries include items such as bonuses, gratuities, taxable allowances and retroactive wage payments. Supplementary labour income consists of employers' contributions to employee welfare, pension, workers' compensation and employment insurance plans. Labour income accounts for about 52% of gross domestic product. The seasonally adjusted data are revised back to January 1998.

Wages and salaries and supplementary labour income

	Oct. 1998 ^r	Nov. 1998 ^p	Oct. to Nov. 1998
seasonally adjusted			
	\$ millions		% change
Agriculture, fishing and trapping	297.1	291.2	-2.0
Logging and forestry	256.2	258.5	0.9
Mining, quarrying and oil wells	772.7	768.2	-0.6
Manufacturing	6,502.5	6,502.9	0.0
Construction	1,877.0	1,896.7	1.0
Other utilities	581.9	575.7	-1.1
Transportation, storage, communications	2,572.2	2,599.0	1.0
Trade	4,930.7	4,919.3	-0.2
Finance, insurance and real estate	3,046.1	3,028.4	-0.6
Commercial and personal services	5,563.0	5,599.3	0.7
Educational and related services	2,729.7	2,717.3	-0.5
Health and social services	2,759.8	2,765.8	0.2
Federal administration and other government services	839.5	840.5	0.1
Provincial administration	694.2	697.0	0.4
Local administration	662.2	656.8	-0.8
Military	237.1	237.1	0.0
Total wages and salaries	34,321.6	34,353.8	0.1
Supplementary labour income	4,835.5	4,841.4	0.1
Labour income	39,157.1	39,195.2	0.1

^r Revised figures.

^p Preliminary figures.

Available on CANSIM: matrices 6597-6624.

The October 1998 issue of the Tables and Analytical Document: *Estimates of labour income, monthly estimates* (13F0016XPB, \$20/\$200) is now available.

For more information, or to enquire about the methods, concepts, and data quality of this release, contact Katherine Fraser (613-951-4049, fax: 613-951-3618), Income and Expenditure Accounts Division.

At 8:30 a.m. on release day, datasets are available for purchase on microcomputer diskette (13F0016XDB). Seven days after the official release date, these diskettes become available at a lower cost. To purchase either of these products, contact the client services officer (613-951-3640; iea-crd@statcan.ca), Income and Expenditure Accounts Division. ■

Steel primary forms

Week ending January 30, 1999 (preliminary)

Steel primary forms production for the week ending January 30, 1999 totalled 299 857 tonnes, up 13.4% from the week-earlier 264 500 tonnes and down 3.9% from the year-earlier 312 012 tonnes. The cumulative total at the end of the week was 1 174 904 tonnes, a 6.2% decrease compared with 1 252 723 tonnes for the same period in 1998.

For more information, or to enquire about the methods, concepts, and data quality of this release, contact Greg Milsom (613-951-7093; milsomg@statcan.ca), Manufacturing, Construction and Energy Division. ■

PUBLICATIONS RELEASED

Coal and coke statistics, November 1998
Catalogue number 45-002-XPB
(Canada: \$12/\$114; outside Canada: US\$12/US\$114).

Electric power statistics, November 1998
Catalogue number 57-001-XPB
(Canada: \$12/\$114; outside Canada: US\$12/US\$114).

Quarterly financial statistics for enterprises, Third quarter 1998
Catalogue number 61-008-XPB
(Canada: \$35/\$114; outside Canada: US\$35/US\$114).

Labour force information, week ending Jan. 16
Catalogue number 71-001-PPB
(Canada: \$11/\$103; outside Canada: US\$11/US\$103).
Available at 7:00 a.m. on Friday February 5.
Release also available on the Internet at
www.statcan.ca at 7:00 a.m.

All prices exclude sales tax.

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Datalogue 11-001E (If single 11-001E) ISBN 0-695-0445



The Daily

Statistics Canada

Thursday, June 3, 1997
For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are riding it less and less. In 1996, each Canadian took an average of about six trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1996** 4
Growth in productivity among Canadian businesses was noticeably weak again in 1996. Accompanied by sluggish gains in employment and slow increases in growth during the year.

OTHER RELEASES

- **Help-wanted index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 10
- **Egg production, April 1997** 12

PUBLICATIONS RELEASED

- 11

Statistics Canada

Canada

Statistics Canada's official release bulletin

Catalogue 11-001E.

Published each working day by the Communications Division, Statistics Canada, 10-H, R.H. Coats Bldg., Tunney's Pasture, Ottawa, Ontario K1A 0T6.

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Editor: Dan Smythe (613-951-1103, smytdan@statcan.ca)

Head of Official Release: Chantal Prévost (613-951-1088, prevcha@statcan.ca)

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