



The Daily

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MAJOR RELEASES

- **Investment in non-residential building construction, third quarter 2003** 2
In the third quarter, investment in non-residential building construction by governments and businesses showed a fifth straight quarterly gain and reached a record \$6.6 billion. The growth of 2.0% from the second quarter was mostly the result of an all-time high in institutional investment and strong growth in the industrial sector.

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NEW PRODUCTS



MAJOR RELEASES

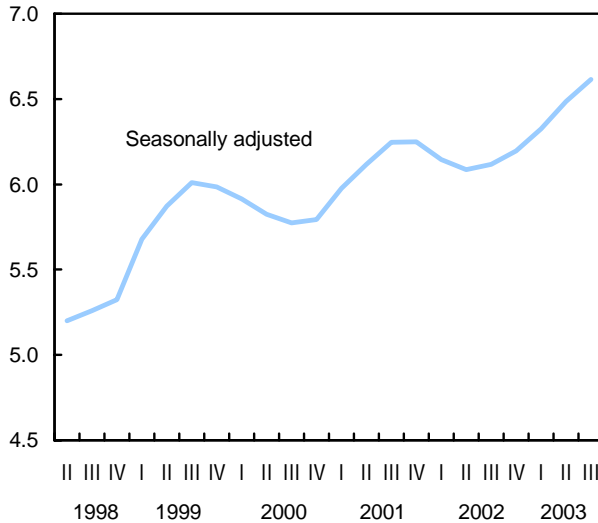
Investment in non-residential building construction

Third quarter 2003

In the third quarter, investment in non-residential building construction by governments and businesses showed a fifth straight quarterly gain and reached a record \$6.6 billion. The growth of 2.0% from the second quarter was mostly the result of an all-time high in institutional investment and strong growth in the industrial sector.

Spending for non-residential building set a new record

\$ billions



Spending on institutional construction increased 1.7%, reaching a record \$2.3 billion. Investment in industrial construction ended the third quarter with a hefty increase of 9.0% to \$1.3 billion. Investment in commercial construction fell a slight 0.5% to \$3.0 billion.

Since the beginning of the year, the construction industry has undergone significant growth in its activities, as cumulative investment increased 5.9% for the first three quarters; this should lead to a record annual investment. In fact, contractors stepped up their efforts to meet demand. The August Labour Force Survey indicated that the number of jobs and hours worked in the construction sector had been increasing since the beginning of the year. This boom

Note to readers

This release presents seasonally adjusted data (unless otherwise stated), which ease comparisons by removing the effects of seasonal variations.

Investments in non-residential building construction exclude engineering construction. This series is based on the Building Permits Survey of municipalities, which collects information on construction intentions.

Work put in place patterns are assigned to each type of structure (industrial, commercial and institutional). These work patterns are used to distribute the value of building permits according to project length. Work put in place patterns differ according to the value of the construction project; a project worth several million dollars will usually take longer to complete than will a project of some hundred thousand dollars.

Additional data from the Survey of Private and Public Investment are used to create this investment series. Investment in non-residential building data is benchmarked to the system of national accounts of non-residential building investment series.

put pressure on contractors' selling prices, as reported by the non-residential building construction price index in the major metropolitan areas.

Investment in non-residential buildings increased in 11 provinces and territories in the third quarter. Newfoundland and Labrador led in dollar terms (+33.2% to \$139 million), followed by Ontario and Nova Scotia. British Columbia had the strongest decline (-3.6% to \$557 million).

Among the 28 census metropolitan areas, 18 posted increases. Toronto posted the strongest increase in dollar terms (+7.2% to \$1.2 billion), while Vancouver had the strongest decline (-7.1% to \$328 million).

Three years of growth in institutional construction investment

The institutional sector was the main driving force behind non-residential construction in the last three years. Governments and their partners set a new record of \$2.3 billion in investment in institutional construction in the third quarter.

The increased investment in institutional construction was shared among six of the provinces and territories. Overall, educational or health care facilities received the most investment. Quebec had the strongest decline, with a reduction in institutional investment of 4.0% to \$349 million, the first decline in the last ten quarters.

Among the census metropolitan areas, 16 showed increases. The Toronto agglomeration posted the

strongest increase (+8.8% to \$485 million). In contrast, the Sudbury area saw a 37.2% decline in investments to \$21 million. This decline resulted mainly from the work progress on a major regional hospital.

Investment in non-residential building construction

	Third quarter 2002	Second quarter 2003	Third quarter 2003	Second quarter to third quarter 2003
seasonally adjusted				
	\$ millions		% change	
Total	4,225	4,581	4,714	2.9
Abbotsford	31	18	18	2.6
Calgary	242	228	271	19.0
Edmonton	182	177	157	-11.2
Gatineau	49	78	69	-11.3
Halifax	32	40	67	68.9
Hamilton	148	177	185	4.3
Kingston	37	45	42	-6.6
Kitchener	176	143	136	-5.3
London	149	166	175	5.2
Montréal	915	773	773	0.0
Oshawa	59	96	109	14.0
Ottawa	302	288	290	0.5
Québec	148	139	146	4.8
Regina	35	53	63	17.6
Saguenay	28	31	31	0.3
Saint John	13	16	18	11.4
Saskatoon	68	67	58	-13.5
Sherbrooke	35	25	28	9.6
St. Catharines-Niagara	111	106	94	-12.0
St. John's	44	40	60	51.5
Sudbury	55	47	32	-30.7
Thunder Bay	60	46	35	-23.8
Toronto	703	1,112	1,193	7.2
Trois-Rivières	30	29	38	31.4
Vancouver	355	353	328	-7.1
Victoria	51	54	55	3.1
Windsor	92	104	106	1.3
Winnipeg	76	129	139	7.5

Industrial building construction investment boom

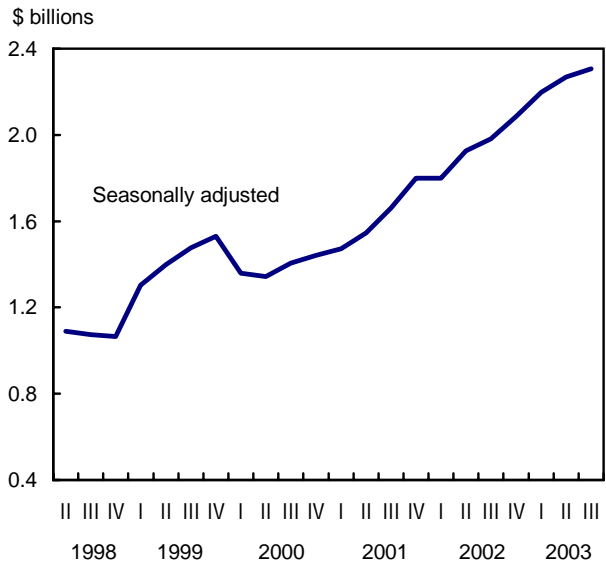
Fuelled by investments in agricultural and maintenance buildings, the industrial construction component jumped 9.0% to \$1.3 billion in the third quarter. In dollar terms, such a large increase had not been seen since the first quarter of 2000.

Ontario (+7.9% to \$580 million) and Newfoundland and Labrador posted the strongest increases in industrial construction investment. The largest decline occurred in British Columbia, where investment in industrial construction fell 10.8% to \$56 million. Nonetheless, on a cumulative basis, this represents an increase of 17.4% from the same period of 2002.

Among the census metropolitan areas, 18 of the 28 saw an increase. Toronto led in terms of growth

(+19.2% to \$212 million) for a third consecutive quarter. The Saskatoon area saw its quarterly investment decline 47.3% to \$6 million as a result of the completion of a power plant at the beginning of the year.

New peak of investment in institutional building construction



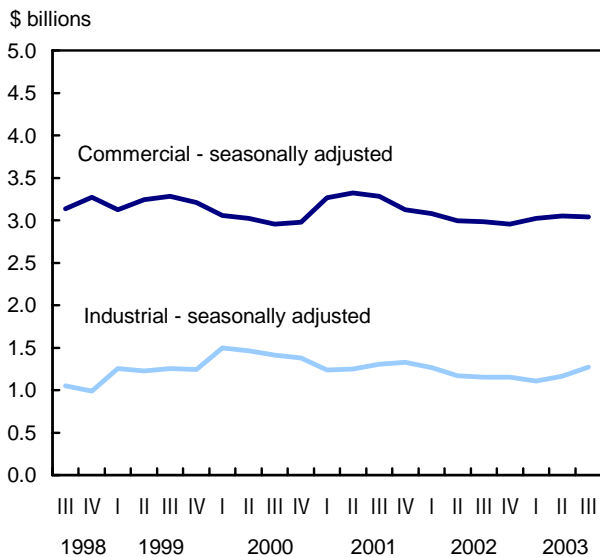
Office buildings, hotels and motels slowed down commercial construction investment growth

Investment in commercial construction experienced a slight slowdown (-0.5%) in the third quarter. This slight decline interrupted the encouraging signs from the increases in the first half of the year, which ended six consecutive declining quarters.

Despite the signs of improvement in the third quarter, office vacancy rates remained high and probably held up some investments. Moreover, the slowdown in demand for housing reported by the National Tourism Indicators could explain part of the slowdown in investment in hotel construction in the third quarter.

Investment in commercial construction increased 3.7% in Alberta to \$383 million, the strongest dollar growth. Specifically, the Calgary metropolitan area posted the strongest increase in expenditures (+12.3% to \$182 million). The area benefited from the positive effects of the oil industry and the increase in investment that occurred mainly in hotels, laboratories and research centres.

Industrial and commercial building investment moved in opposite directions



In contrast, Ontario (-2.3% to 1.1 billion), British Columbia and in particular the Vancouver metropolitan area (-8.8% to \$230 million) posted the most significant declines of the third quarter. However, it is likely that winning the contract for the Olympic Games will help the host region to return to positive growth in the next few quarters.

Investment in non-residential building construction

	Third quarter 2002	Second quarter 2003	Third quarter 2003	Second quarter to third quarter 2003
seasonally adjusted				
	\$ millions		% change	
Canada	6,116	6,486	6,616	2.0
Newfoundland and Labrador	81	104	139	33.2
Prince Edward Island	49	26	35	32.0
Nova Scotia	112	117	139	19.1
New Brunswick	115	111	110	-1.2
Quebec	1,525	1,430	1,440	0.7
Ontario	2,480	2,969	2,995	0.9
Manitoba	190	244	250	2.7
Saskatchewan	177	177	191	7.8
Alberta	731	686	707	2.9
British Columbia	615	578	557	-3.6
Yukon	8	14	17	15.9
Northwest Territories	25	16	18	13.7
Nunavut	9	14	19	38.5

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

More detailed data on investment in non-residential building construction are also available in free tables on Statistics Canada's website. From the *Canadian statistics* page, choose *Latest indicators*, then *Construction*.

Fourth quarter 2003 data on investment in non-residential building construction will be released January 15, 2004.

To order data, contact Patrick Lemire (613-951-6321; bdp_information@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, contact Michel Labonté (613-951-9690), Investment and Capital Stock Division. ■

OTHER RELEASES

New Housing Price Index

August 2003

The New Housing Price Index (1997=100) advanced 0.5% in August, after two consecutive 0.3% increases in June and July. On a 12-month basis, this index of contractors' selling prices rose 4.7%, unchanged from July's annual increase.

New Housing Price Indexes (1997=100)

	August 2003	August 2002 to August 2003 % change	July to August 2003
Canada total	117.3	4.7	0.5
House only	123.8	6.1	0.7
Land only	105.2	1.4	0.3
St. John's	112.6	3.8	0.4
Halifax	119.7	4.3	0.0
Charlottetown	105.1	0.3	0.0
Saint John–Moncton–Fredericton	103.7	3.0	0.6
Québec	122.8	9.3	1.7
Montréal	127.5	7.1	1.4
Ottawa–Gatineau	137.7	2.2	0.0
Toronto	120.5	5.1	0.7
Hamilton	122.6	7.0	0.9
St. Catharines–Niagara	121.8	5.4	0.7
Kitchener–Waterloo	120.3	2.4	0.3
London	115.3	5.1	0.0
Windsor	102.1	0.0	0.0
Sudbury–Thunder Bay	96.4	0.7	0.3
Winnipeg	114.2	3.6	0.0
Regina	126.0	5.5	0.8
Saskatoon	114.4	3.3	0.9
Calgary	131.0	4.4	0.2
Edmonton	123.3	3.9	0.1
Vancouver	96.5	3.5	-0.2
Victoria	98.1	8.4	1.3

Monthly rises occurred in 14 of the 21 urban centres surveyed. Of the centres with the strongest growth, Québec led the way with an increase of 1.7%, followed by Montréal (+1.4%) and Victoria (+1.3%). Home builders in these areas cited higher prices for building materials, labour and land. Significant increases were observed in Hamilton (+0.9%), Saskatoon (+0.9%), Regina (+0.8%), Toronto (+0.7%), St. Catharines–Niagara (+0.7%) and Saint John–Moncton–Fredericton (+0.6%), mostly the result of increased material and labour costs. Higher land values were noted in Hamilton and Regina.

Elsewhere, new house prices rose in St. John's (+0.4%), Kitchener–Waterloo (+0.3%), Sudbury–Thunder Bay (+0.3%) and Calgary (+0.2%). The index was up slightly in Edmonton (+0.1%).

Six of the surveyed centres registered no change and the only decrease was registered in Vancouver (-0.2%) where some builders quoted lower house prices as a result of competitive factors.

For the sixth consecutive month, Québec (+9.3%) posted the largest 12-month increase for new homes. Victoria was next with an increase of 8.4%, followed by Montréal (+7.1%). There were no annual decreases.

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2003 issue of *Capital expenditure price statistics* (62-007-XPB, \$26/\$85) will be available in January. See *How to order products*.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Perry Kirkpatrick (613-951-9606, fax: 613-951-1539; infounit@statcan.ca) or Susan Morris (613-951-2035; [morrus@statcan.ca](mailto:morrisus@statcan.ca)), Prices Division. ■

Refined petroleum products

May 2003

Data on the supply, disposition and domestic sales of refined petroleum products are now available for May.

Available on CANSIM: tables 134-0001 to 134-0004.

Definitions, data sources and methods: survey number 2150.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the dissemination officer (1-866-873-8789; 613-951-9497; energ@statcan.ca), Manufacturing, Construction and Energy Division. ■

NEW PRODUCTS

National income and expenditure accounts, quarterly estimates, Second quarter 2003, Vol. 51, no. 2
Catalogue number 13-001-XIB (\$36/\$117).

National income and expenditure accounts, quarterly estimates, Second quarter 2003, Vol. 51, no. 2
Catalogue number 13-001-XPB (\$48/\$156).

Production of eggs, August 2003
Catalogue number 23-003-XIB
(free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

Catalogue numbers with an -XIB or an -XIE extension are Internet versions; those with -XMB or -XME are microfiche; -XPB or -XPE are paper versions; -XDB or -XDE are electronic versions on diskette and -XCB or -XCE are electronic versions on compact disc.

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MAJOR RELEASES

- **Urban transit, 1995** 2
Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, about Canadian took an average of about 45 trips on some form of urban transit, the lowest level in the past 25 years.
- **Productivity, hourly compensation and unit labour cost, 1995** 4
Growth in productivity among Canadian businesses was relatively weak, despite their accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Manufactured Index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
- **Egg production, April 1997** 12

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