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MAJOR RELEASES

- **Investment in non-residential building construction, third quarter 2004** 2
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OTHER RELEASES

New Housing Price Index, August 2004 5

NEW PRODUCTS 6



MAJOR RELEASES

Investment in non-residential building construction

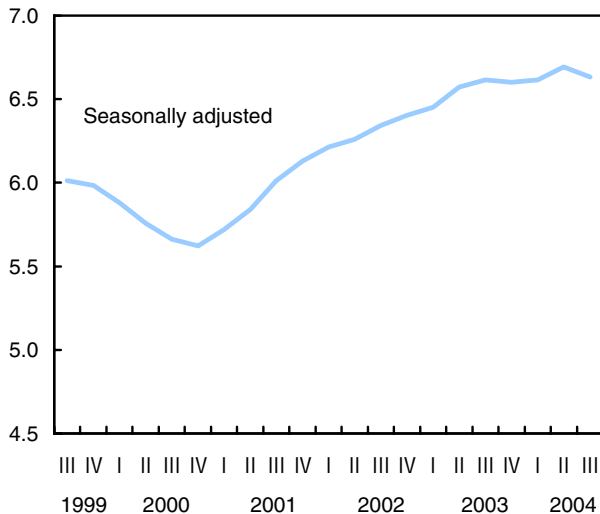
Third quarter 2004

After rising to high levels during the last two quarters, investment in non-residential building construction fell in the third quarter.

Lower expenditures in the commercial and government sectors pushed investment down 0.9% to \$6.6 billion.

Investment in non-residential building construction decreases

\$ billions



Businesses continued to invest in non-residential building construction in the third quarter (+0.8%), for a total value of \$4.4 billion. Meanwhile, governments reduced their spending by 4.0% to \$2.2 billion. Business investment in industrial buildings advanced 4.2% to \$1.1 billion in the third quarter, while investment in commercial buildings edged down 0.3% to \$3.3 billion.

Investment in non-residential building construction fell in seven provinces and territories in the third quarter. Ontario experienced the strongest decrease in dollars, falling 2.7% to \$2.9 billion. Conversely, Nova Scotia

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data, 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 a few 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 Statistics Canada's System of National Accounts of non-residential building investment series.

showed the highest level of growth, surging 33.8% to \$240 million.

Investments in non-residential buildings were down in 15 of the 28 census metropolitan areas. Declines in the institutional and industrial components were responsible for Toronto posting the largest quarterly drop—down 3.5% to \$1.4 billion. Advances in all three components helped Vancouver post the largest increase (+9.1% to \$383 million).

The value of investment in non-residential building construction has advanced 1.5% during the first three quarters of 2004 to just under \$20 billion—despite the decrease this quarter. The stagnation in commercial investment was counterbalanced by the small advances of the other two components. Investment in commercial buildings was stable (+0.1% to \$9.9 billion), while industrial investment advanced 2.3% to \$3.2 billion. Institutional investment increased 3.3% to \$6.9 billion.

Despite little change in construction employment in September, the Labour Force Survey reported that employment in this sector has been robust, with gains of 42,000 (+4.3%) over the first nine months of 2004.

Since January, 10 provinces and territories have posted gains over 2003. Alberta recorded the largest increase, while Quebec experienced the most substantial decline.

Investment in non-residential building construction, by census metropolitan area¹

	Third quarter 2003	Second quarter 2004	Third quarter 2004	Second quarter to third quarter 2004
seasonally adjusted				
	\$ millions		% change	
St. John's	66	45	34	-23.0
Halifax	84	78	87	11.3
Saint John	24	29	28	-3.3
Saguenay	31	20	24	20.7
Québec	116	102	108	5.8
Sherbrooke	30	27	27	0.3
Trois-Rivières	39	28	28	-0.4
Montréal	635	643	612	-4.8
Ottawa-Gatineau, Ontario/Quebec	363	303	287	-5.3
Ottawa-Gatineau (Que. part)	54	42	44	3.6
Ottawa-Gatineau (Ont. part)	309	260	243	-6.8
Kingston	40	35	27	-21.3
Oshawa	101	118	118	0.2
Toronto	1,218	1,423	1,373	-3.5
Hamilton	175	196	180	-7.9
St. Catharines-Niagara	88	81	91	11.9
Kitchener	134	115	121	5.5
London	157	131	131	0.0
Windsor	94	73	63	-13.5
Greater Sudbury	30	16	16	-1.0
Thunder Bay	30	24	28	15.6
Winnipeg	169	176	158	-10.1
Regina	54	52	43	-18.6
Saskatoon	47	67	49	-27.5
Calgary	327	353	355	0.6
Edmonton	218	262	274	4.6
Abbotsford	25	19	18	-5.6
Vancouver	365	351	383	9.1
Victoria	69	97	87	-9.9

1. Go online to view the census subdivisions that comprise the census metropolitan areas.

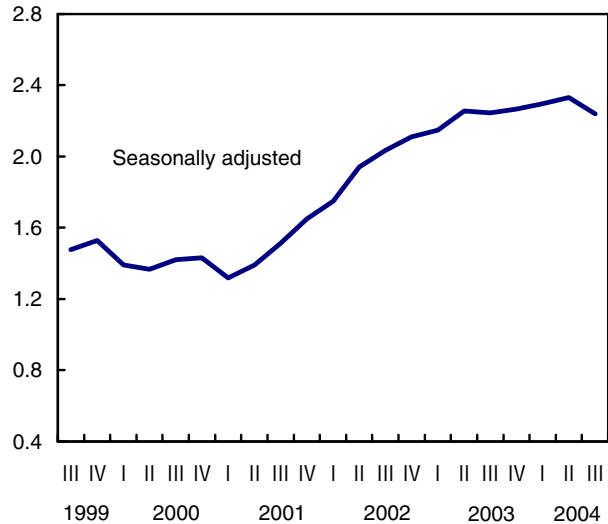
Investment in institutional buildings down for the first time in four quarters

Lower expenditures in hospitals as well as nursing homes and day care centres led to a 4.0% decline in institutional construction investment in the third quarter.

Ontario posted the most significant decrease in institutional construction, falling 7.0% to \$1.0 billion in the third quarter, while British Columbia (+11.5% to \$189 million) and Nova Scotia recorded the largest gains.

Value of institutional investment declines from last quarter's peak

\$ billions



Investment declined in 20 of the 28 census metropolitan areas, with Toronto posting the largest decline (-7.0% to \$445 million). Vancouver led the growth with a 25.6% advance to \$95 million.

Investment in industrial construction rebounds

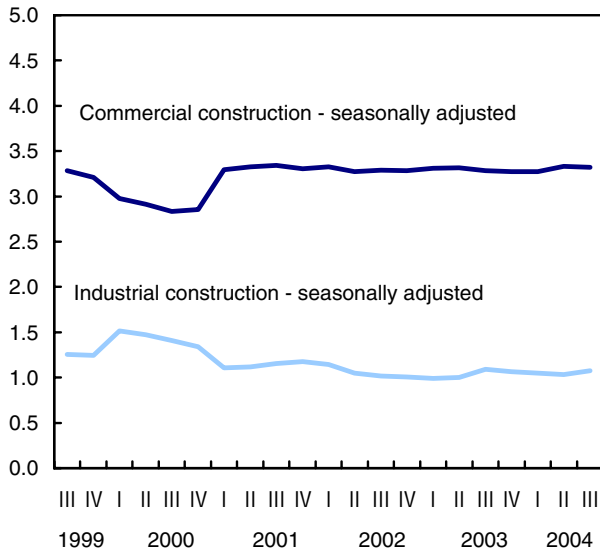
The downturn that had affected investment in industrial construction for the previous three quarters was finally reversed with a 4.2% gain this quarter. Investment in buildings relating to maintenance and those relating to the primary industry sector accounted for this increase.

Industrial investment increased by \$42 million in Nova Scotia to \$58 million. Conversely, industrial investment in Saskatchewan fell 25.8% to \$34 million.

Montréal posted the strongest increase in expenditures on industrial construction (+35.6% to \$86 million) among census metropolitan areas. In Toronto, investment in industrial construction fell 12.7% to \$207 million.

Sustained investment in the business sector

\$ billions



Montréal saw its level of investment fall by 7.7% to \$330 million.

Investment in non-residential building construction

	Third quarter 2003	Second quarter 2004	Third quarter 2004	Second quarter to third quarter 2004
seasonally adjusted				
	\$ millions		% change	
Canada	6,616	6,692	6,634	-0.9
Newfoundland and Labrador	117	75	65	-13.9
Prince Edward Island	40	17	19	12.0
Nova Scotia	191	179	240	33.8
New Brunswick	123	115	115	0.5
Quebec	1,196	1,175	1,150	-2.2
Ontario	2,951	3,004	2,922	-2.7
Manitoba	263	253	219	-13.5
Saskatchewan	163	183	161	-11.9
Alberta	905	938	936	-0.2
British Columbia	633	698	727	4.2
Yukon	7	5	8	59.4
Northwest Territories	17	25	51	104.8
Nunavut	9	24	21	-16.1

Expenditures in commercial buildings remain stable

Although investment in commercial buildings fell 0.3% to \$3.3 billion in the third quarter, it was still the second highest level since the first quarter of 2002. Increased investment in the shopping malls category was offset by declines in the office building and laboratory categories. Commercial investment in Ontario and the Northwest Territories showed the largest increases, albeit very modest at less than \$10 million each.

Quebec recorded the largest decline, with commercial investment falling 2.9% to \$577 million—the second lowest level since the fourth quarter of 2000.

Toronto posted the largest increase (+1.9% to \$720 million) among census metropolitan areas.

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 online. From the *Canadian statistics* page, choose *Latest indicators*, then *Construction*.

To order data, contact Brad Sernoskie (613-951-4646; bdp_information@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, Valérie Gaudreault (613-951-1165), Investment and Capital Stock Division. ■

OTHER RELEASES

New Housing Price Index August 2004

Prices for new homes remained strong in August, as Canada's housing market continued to respond to robust demand from home-buyers.

The price of new homes increased 6.0% in August compared with the same month last year, according to the New Housing Price Index which measures the change in contractors' selling prices. This was the same rate of change as exhibited last month. The annual increases for July and August were down only slightly from the 6.2% annual increase in June, which was the biggest 12-month gain since February 1990.

New housing price indexes (1997=100)

	August 2004	August 2003 to August 2004 % change	July to August 2004
Canada total	124.3	6.0	0.5
House only	132.4	6.9	0.5
Land only	108.9	3.5	0.6
St. John's	120.3	6.8	0.6
Halifax	121.8	1.8	0.0
Charlottetown	109.7	4.4	0.5
Saint John, Fredericton and Moncton	105.8	2.0	1.2
Québec	130.1	5.9	0.5
Montréal	135.8	6.5	0.9
Ottawa-Gatineau	149.5	8.6	0.7
Toronto and Oshawa	128.2	6.4	0.5
Hamilton	128.1	4.5	0.0
St. Catharines-Nia- gara	130.4	7.1	0.2
Kitchener	125.2	4.1	0.3
London	120.8	4.8	0.1
Windsor	102.8	0.7	0.7
Greater Sudbury and Thunder Bay	98.7	2.4	0.3
Winnipeg	123.9	8.5	0.0
Regina	135.0	7.1	0.5
Saskatoon	119.6	4.5	0.0
Calgary	139.1	6.2	0.4
Edmonton	129.6	5.1	0.1
Vancouver	101.8	5.5	0.7
Victoria	107.0	9.1	1.1

Note: View the census subdivisions that comprise the metropolitan areas online.

The New Housing Price Index (1997=100) reached 124.3.

An active housing market, along with higher prices for building materials and labour, continued to push prices up across the country. Land prices also increased in 13 of the 21 metropolitan areas surveyed.

Victoria (+9.1%) continues to post the largest 12-month increase for new homes, followed by Ottawa-Gatineau (+8.6%) and Winnipeg (+8.5%).

On a month-over-month basis, housing prices were up 0.5% as 17 of the 21 metropolitan areas registered monthly increases. Of the centres with the strongest growth, Saint John, Fredericton and Moncton led the way with a monthly increase of 1.2%, followed by Victoria (+1.1%) and Montréal (+0.9%).

Significant gains were observed in Ottawa-Gatineau (+0.7%), Windsor (+0.7%), Vancouver (+0.7%) and St. John's (+0.6%).

New home prices also rose in Charlottetown, Québec, Toronto and Oshawa, Regina, Calgary, Kitchener, Greater Sudbury and Thunder Bay, St. Catharines-Niagara, London and Edmonton.

Four metropolitan areas registered no monthly change and no monthly decreases were registered.

Available on CANSIM: table 327-0005.

Definitions, data sources and methods: survey number 2310.

The third quarter 2004 issue of *Capital expenditure price statistics* (62-007-XPB, \$26/\$85) will be available in January 2005.

The New Housing Price Index for September 2004 will be released on November 10.

For more information, or to enquire about the concepts, methods or data quality of this release, contact our Client Services Section (613-951-9606, fax: 613-951-1539; infounit@statcan.ca) or Susan Morris (613-951-2035; susan.morris@statcan.ca), Prices Division. ■

NEW PRODUCTS

Infomat, A Weekly Review, October 12, 2004
 Catalogue number 11-002-XWE (\$100).

Production of Eggs, August 2004
 Catalogue number 23-003-XIB
 (free).

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

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