



# The Daily

Statistics Canada

**Monday, January 17, 2005**

Released at 8:30 a.m. Eastern time

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## Major releases

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- **Investment in non-residential building construction, fourth quarter 2004 and year 2004** 2  
 Investment in non-residential building construction remained unchanged at \$6.6 billion in the fourth quarter compared with the previous quarter. In terms of annual cumulative value, however, the construction industry benefited from good levels of non-residential investment that continued throughout the year, enabling the year to close 1.4% higher than in 2003.
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## Other releases

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## New products

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## Major releases

### Investment in non-residential building construction

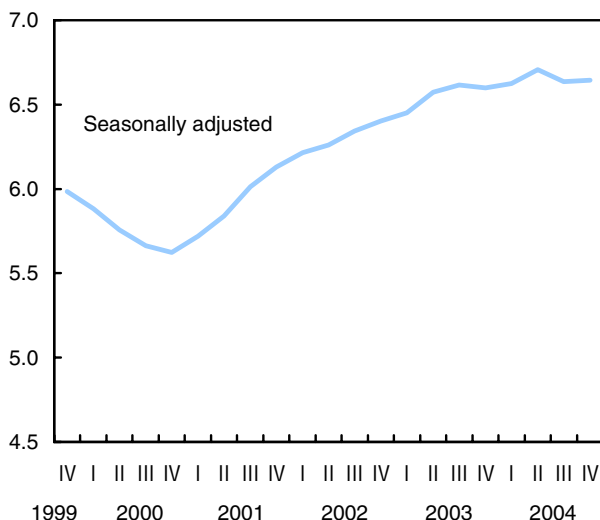
Fourth quarter 2004 and year 2004

Investment in non-residential building construction remained unchanged at \$6.6 billion in the fourth quarter compared with the previous quarter. In terms of annual cumulative value, however, the construction industry benefited from good levels of non-residential investment that continued throughout 2004, enabling the year to close 1.4% higher than in 2003.

A 3.6% rebound in commercial investment, combined with a 1.1% increase in industrial investment, helped businesses post a third straight increase in 2004 to reach \$4.6 billion. Conversely, governments reduced spending for a second straight quarter (-5.6% to \$2.1 billion).

#### Investment in non-residential building construction remains stable

\$ billions



Investment in non-residential building rose in seven provinces and territories over the last three months of 2004. Gains in commercial investment helped Ontario post the greatest increase in dollars invested (+1.1% to \$3.0 billion). Saskatchewan posted the most substantial decrease in investment (-14.7% to \$137 million) due to a drop in the industrial component.

#### 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.

Investment in non-residential building construction was down in 18 of the 28 census metropolitan areas. This drop was most pronounced in Victoria (-26.5% to \$65 million) owing to a decrease in the commercial and industrial components. Toronto posted the highest increase (+2.0% to \$1.4 billion) in the wake of a recovery on the commercial side.

#### Investment peaked in 2004

Investment in non-residential construction advanced 1.4% in 2004 to a record \$26.6 billion. However, this was the lowest increase in the past four years. From 2001 to 2003, the respective annual increases were 3.4%, 6.4% and 4.0%.

Government spending showed signs of running out of steam, with the amount spent stalled at \$8.9 billion since 2003. Conversely, investment by businesses was up for the first time in three years (+2.1% to \$17.7 billion).

Commercial investment increased 2.3% to a record \$13.5 billion, while industrial investment was up for the first time in three years, rising 1.5% to \$4.2 billion.

The past 12 months witnessed a number of conditions conducive to increased investment in non-residential building construction. First, historically low interest rates appeared to maintain their stimulating effect throughout the year. However, investors had to contend with higher construction costs, which added upward pressure on the amounts invested. The overflow

in demand from the residential sector associated with higher material costs played a role in the surge in construction costs. Increased retail sales also could have encouraged retailers to expand their business premises.

Activity levels in non-residential construction were consistent with data from the December Labour Force Survey, which showed that employment in the construction sector jumped 6.3% in 2004 compared with a year earlier.

### Investment in non-residential building construction, by census metropolitan area<sup>1</sup>

	Fourth quarter 2003	Third quarter 2004	Fourth quarter 2004	Third quarter to fourth quarter 2004
Seasonally adjusted				
	\$ millions			% change
St. John's	61	35	43	24.6
Halifax	80	87	92	5.0
Saint John	20	29	20	-28.6
Saguenay	26	24	19	-19.0
Québec	103	109	120	9.3
Sherbrooke	32	27	25	-9.2
Trois-Rivières	42	28	31	11.4
Montréal	643	620	604	-2.5
Ottawa-Gatineau (Ontario/Quebec)	331	292	276	-5.4
Ottawa-Gatineau (Que. part)	48	44	45	2.3
Ottawa-Gatineau (Ont. part)	283	247	231	-6.7
Kingston	38	26	29	12.8
Oshawa	114	119	118	-0.9
Toronto	1,300	1,387	1,416	2.0
Hamilton	168	181	163	-9.8
St. Catharines-Niagara	80	92	91	-0.9
Kitchener	112	122	136	10.9
London	147	132	126	-4.4
Windsor	90	64	64	-0.6
Greater Sudbury	31	18	31	75.3
Thunder Bay	24	28	26	-5.4
Winnipeg	178	157	156	-0.6
Regina	60	43	37	-13.2
Saskatoon	55	47	25	-47.5
Calgary	316	356	343	-3.8
Edmonton	235	267	265	-0.9
Abbotsford	19	18	18	-3.1
Vancouver	347	369	381	3.2
Victoria	83	89	65	-26.5

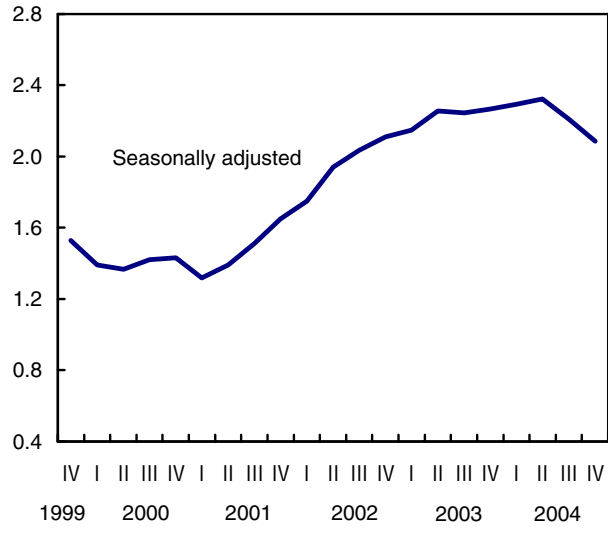
1. Go online to view the census subdivisions that comprise the census metropolitan areas.

### Institutional investment down for second straight quarter

Investment in institutional building construction declined (-5.6%) in the fourth quarter for the second consecutive quarter. These back-to-back decreases ended a period of almost uninterrupted growth since the second quarter of 2001, bringing investment levels closer to those observed at the end of 2002.

### Institutional investment down for a second consecutive quarter

\$ billions



The most substantial decrease in investment occurred in Ontario for the third straight quarter, falling 6.3% in the fourth quarter to \$994 million. Investment in Ontario was less than \$1 billion for the first time since the fourth quarter of 2002. New Brunswick posted the largest increase in investment in institutional construction (+30.8% to \$38 million) followed closely by Newfoundland and Labrador.

Among metropolitan census areas, 22 of the 28 areas posted declines. Investment in Toronto fell 4.5% to \$428 million, while St. John's posted the largest gain (+83.9% to \$19 million) due to investment in educational institutions.

Governments continued to make massive investments in their facilities in 2004 but were unable to sustain the growth of recent years. Changing needs as a result of demographic factors such as an ageing population and longer life expectancy brought the construction and renovation of health care and social assistance facilities to the forefront.

### Commercial investment closes the year on a high note

Investment in commercial buildings increased 3.6% in the fourth quarter to a record \$3.5 billion. The increase in the fourth quarter, combined with the rise in the second quarter, contributed to an annual record of \$13.5 billion.

Ontario posted the largest increase in the last quarter (+6.8% to \$1.5 billion) as a result of higher

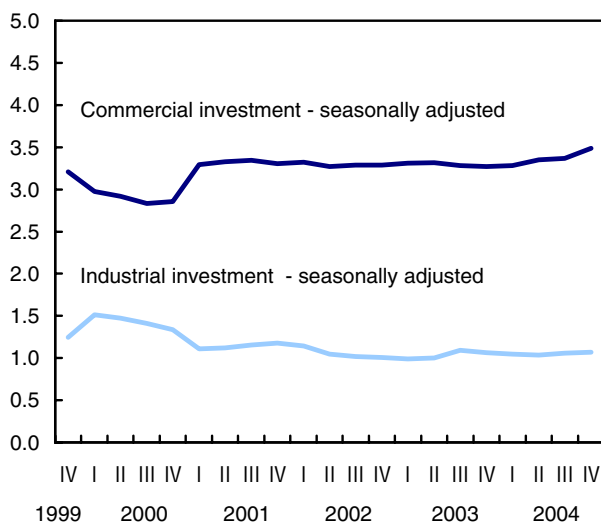
investment in warehouses and laboratories. British Columbia posted the most pronounced drop (-3.6% to \$428 million), marking the first decrease for that province in 2004.

Among census metropolitan areas, Toronto recorded the highest increase (+6.3% to \$775 million), rising for the sixth straight quarter. Victoria saw its level of investment decrease by 33.3% to \$34 million.

In the commercial sector, 2004 was marked by strong activity in the construction of stores, shopping malls and warehouses. The increase in retail sales stimulated the commercial sector, where the expansion of Powercentres and shopping mall renovations continued. Despite lower office building vacancy rates at year-end in some metropolitan areas, the level of investment in this category of buildings did not return to 1999 levels.

### Businesses increased their spending at the end of the year

\$ billions



### Investment in industrial construction moves forward

In the wake of a strong increase in the third quarter, investments in industrial construction increased 1.1% to \$1.1 billion in the fourth quarter. The gains in the last half of 2004 ended a three-year downturn in investment in industrial construction.

Nova Scotia (+98.7 to \$45 million) posted the strongest increase in industrial investment, while

Saskatchewan experienced the most significant decline (-52.4 to \$16 million) for a second straight quarter.

Montréal posted the strongest increase in spending on industrial construction by census metropolitan area (+16.0% to \$101 million) whereas the amounts invested in Hamilton fell 41.3% to \$21 million.

In the industrial construction sector, 2004 was marked by the construction of buildings associated with the maintenance of equipment, workshops, garages and equipment warehouses. Moreover, the high level of industrial capacity utilization throughout 2004 could create a favourable investment climate for the coming year.

### Investment in non-residential building construction

	Fourth quarter 2003	Third quarter 2004	Fourth quarter 2004	Third quarter to fourth quarter 2004
Seasonally adjusted				
	\$ millions		% change	
<b>Canada</b>	<b>6,600</b>	<b>6,636</b>	<b>6,643</b>	<b>0.1</b>
Newfoundland and Labrador	109	65	73	11.2
Prince Edward Island	26	19	17	-8.0
Nova Scotia	182	202	224	10.8
New Brunswick	120	105	111	5.8
Quebec	1,183	1,168	1,161	-0.6
Ontario	2,938	2,961	2,993	1.1
Manitoba	262	220	221	0.1
Saskatchewan	187	161	137	-14.7
Alberta	917	936	917	-2.1
British Columbia	634	718	695	-3.2
Yukon	7	9	12	37.9
Northwest Territories	14	52	68	31.5
Nunavut	21	21	16	-24.3

Available on CANSIM: table 026-0016.

**Definitions, data sources and methods: survey number 5014.**

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

To order data, contact Patrick Lemire (613-951-6321; [bdp\\_information@statcan.ca](mailto: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. ■

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## Other releases

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### Historical national input-output tables

1961 to 1996

The national historical input-output tables for 1961 to 1996 NAICS-based time-series are now available in the Canadian System of National Accounts and on CANSIM. The national tables were previously released but contained breaks in the time series due to the implementation of the North American Industry Classification System (NAICS).

With this release, time-series continuity is preserved for both commodities and industries for the years 1961 to 1996 and for 1997 onwards.

For more information about the methodology followed, read the document *Implementing a NAICS-based Time Series into the Canadian System of National Accounts* (in PDF format) by following the link below to the description of the survey.

**Available on CANSIM: tables 381-0019 to 381-0021.**

**Definitions, data sources and methods: survey number 1401.**

For more information, or to enquire about the concepts, methods or data quality of this release, contact Ronald Rioux (613-951-3697; [riouxr@statcan.ca](mailto:riouxr@statcan.ca)) or Andreas Trau (613-951-2794; fax: 613-951-0489; [andreas.trau@statcan.ca](mailto:andreas.trau@statcan.ca)), Input-output Division. ■

### Steel wire and specified wire products

November 2004

Data on steel wire and specified wire products production are now available for November.

**Available on CANSIM: table 303-0047.**

**Definitions, data sources and methods: survey number 2106.**

The November 2004 issue of *Steel Wire and Specified Wire Products*, Vol. 59, no. 11 (41-006-XIB, \$6/\$51) is now available. See *How to order products*.

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; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

### Industrial chemicals and synthetic resins

November 2004

Data on industrial chemicals and synthetic resins for November are now available.

**Available on CANSIM: table 303-0014.**

**Definitions, data sources and methods: survey number 2183.**

The November 2004 issue of *Industrial Chemicals and Synthetic Resins*, Vol. 47, no. 11 (46-002-XIE, \$6/\$51) is now available. See *How to order products*.

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; [manufact@statcan.ca](mailto:manufact@statcan.ca)), Manufacturing, Construction and Energy Division. ■

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## New products

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**Steel Wire and Specified Wire Products**,  
November 2004, Vol. 59, no. 11  
**Catalogue number 41-006-XIB** (\$6/\$51).

**Industrial Chemicals and Synthetic Resins**,  
November 2004, Vol. 47, no. 11  
**Catalogue number 46-002-XIE** (\$6/\$51).

**Industry Price Indexes**, November 2004, Vol. 30,  
no. 11  
**Catalogue number 62-011-XIE** (\$19/\$175).

**Industry Price Indexes**, November 2004, Vol. 30,  
no. 11  
**Catalogue number 62-011-XPE** (\$24/\$233).

**New Motor Vehicle Sales**, November 2004, Vol. 76,  
no. 11  
**Catalogue number 63-007-XIE** (\$14/\$133).

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

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## How to order products

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Catalogue 11-001-XIE (F) English 11-001-XIE/001-XIE/001-XIE	
 <b>The Daily</b>	
Statistics Canada	
Thursday, June 5, 1997 For release at 9:30 a.m.	
<b>MAJOR RELEASES</b>	
• <b>Urban transit, 1995</b> Despite the emphasis on taking urban transit, Canadians are using 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.	2
• <b>Productivity, hourly compensation and unit labour cost, 1995</b> Growth in productivity among Canadian businesses also noticeably weak again in 1996, accompanied by sluggish gains in employment and slow economic growth during the year.	4
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## Statistics Canada's official release bulletin

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