



The Daily

Statistics Canada

Monday, April 11, 2005

Released at 8:30 a.m. Eastern time

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Major releases

Investment in non-residential building construction

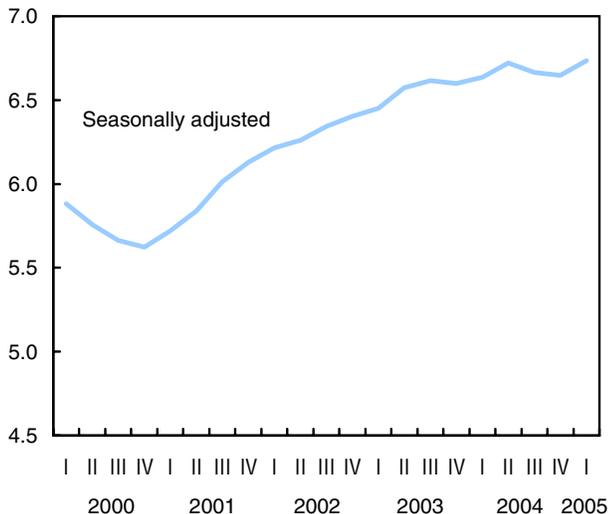
First quarter 2005

Investment in non-residential construction jumped 1.3% in the first quarter as a result of higher business investment and surpassed the \$6.7 billion mark for only the second time.

Business investment rose for a fourth consecutive quarter, up 3.6% in the first three months of 2005 to \$4.7 billion. This increase offset government investment which fell 3.5% to \$2.0 billion during the first quarter. Increased investment in the commercial sector (+3.1% to \$3.6 billion), combined with investment in the industrial sector (+5.2% to \$1.1 billion) enabled non-residential construction to exceed the previous peak set in the second quarter of 2004.

Investment in non-residential building construction starts off strong

\$ billions



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.

Driven by economic conditions conducive to investment, Alberta stood out in the first quarter (+5.9% to \$968 million) and posted the largest increases in both the commercial and industrial sectors. Conversely, Nova Scotia and the Northwest Territories closed the first quarter with the largest declines. In total, 9 of the 13 provinces and territories experienced increases.

Investment in non-residential buildings was up in 17 of the 28 census metropolitan areas (CMAs). Vancouver showed the largest increase, rising 7.5% to \$409 million. Victoria experienced the strongest decline for a second consecutive quarter (-33.0% to \$44 million) due to the combined drop in the three components.

First quarter results were consistent with private and public investment survey projections, which had forecast a 6.0% increase in construction investment (including engineering construction) for 2005.

Investment in non-residential building construction by census metropolitan area¹

| | First quarter 2004 | Fourth quarter 2004 | First quarter 2005 | Fourth quarter 2004 to first quarter 2005 |
|---------------------------------|--------------------|---------------------|--------------------|---|
| Seasonally adjusted | | | | |
| | \$ millions | | % change | |
| St. John's | 57 | 43 | 49 | 13.9 |
| Halifax | 65 | 92 | 94 | 2.7 |
| Saint John | 20 | 20 | 13 | -36.4 |
| Saguenay | 21 | 18 | 12 | -36.4 |
| Québec | 100 | 119 | 116 | -2.6 |
| Sherbrooke | 32 | 21 | 19 | -8.4 |
| Trois-Rivières | 36 | 31 | 29 | -8.8 |
| Montréal | 637 | 601 | 620 | 3.3 |
| Ottawa-Gatineau, Ontario/Quebec | 311 | 275 | 283 | 3.0 |
| Ottawa-Gatineau (Que. part) | 40 | 45 | 54 | 21.6 |
| Ottawa-Gatineau (Ont. part) | 271 | 230 | 229 | -0.7 |
| Kingston | 36 | 29 | 35 | 22.3 |
| Oshawa | 122 | 118 | 115 | -2.4 |
| Toronto | 1,422 | 1,425 | 1,437 | 0.8 |
| Hamilton | 180 | 163 | 150 | -8.2 |
| St. Catharines-Niagara | 78 | 88 | 80 | -9.5 |
| Kitchener | 112 | 135 | 147 | 8.5 |
| London | 133 | 126 | 126 | 0.1 |
| Windsor | 87 | 63 | 64 | 0.6 |
| Greater Sudbury/Grand Sudbury | 24 | 31 | 32 | 6.0 |
| Thunder Bay | 24 | 26 | 20 | -25.7 |
| Winnipeg | 175 | 156 | 162 | 4.3 |
| Regina | 59 | 37 | 46 | 25.7 |
| Saskatoon | 72 | 25 | 32 | 30.0 |
| Calgary | 312 | 335 | 353 | 5.3 |
| Edmonton | 234 | 259 | 280 | 7.9 |
| Abbotsford | 18 | 18 | 18 | 0.7 |
| Vancouver | 356 | 385 | 414 | 7.5 |
| Victoria | 96 | 65 | 44 | -33.0 |

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

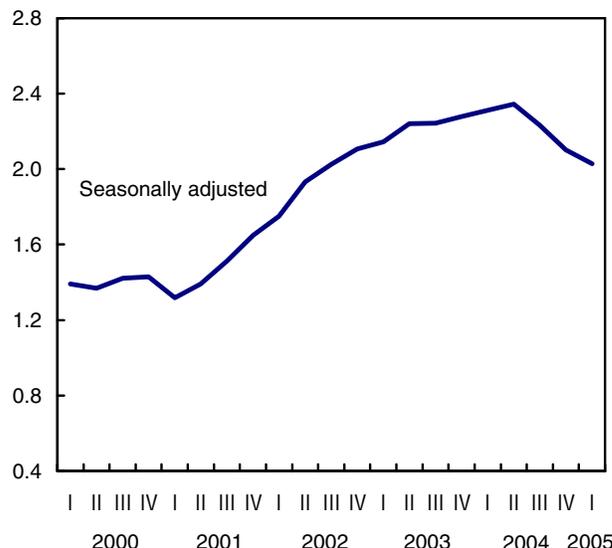
Slowdown of investment in institutional construction

After rising steadily for just over three years, investment in institutional construction posted a third consecutive slowdown in the first quarter, falling 3.5% to \$2.0 billion. On a year-over-year basis, investment in institutional construction is down 12.3% compared with the first quarter of 2004.

Provincially, Ontario was most affected by the cutback in institutional investment, falling 4.2% in the first quarter to \$958 million. Ontario, which generated more than half of all investment in 2004, posted the largest reductions in the last four quarters. British Columbia stood out with the strongest investment growth (+5.2% to \$186 million) in the first quarter as a result of investment in health care facilities.

Investment in institutional buildings slows down

\$ billions



Among CMAs, 18 of the 28 areas posted declines. The largest decrease was in the Hamilton area (-15.4% to \$58 million), with reductions in every category of institutional construction. Vancouver led in terms of growth (+12.8% to \$97 million) thanks to investment in health care facilities.

After strong growth over the last few years, investment in institutional construction declined. In fact, the increased investment in health care facilities, along with libraries and museums, did not manage to dampen the reduction in investment in the other institutional components.

Record start of year for commercial construction

Investment in commercial construction advanced 3.1% to a record \$3.6 billion. After several slow quarters, investment in office buildings began to rebound.

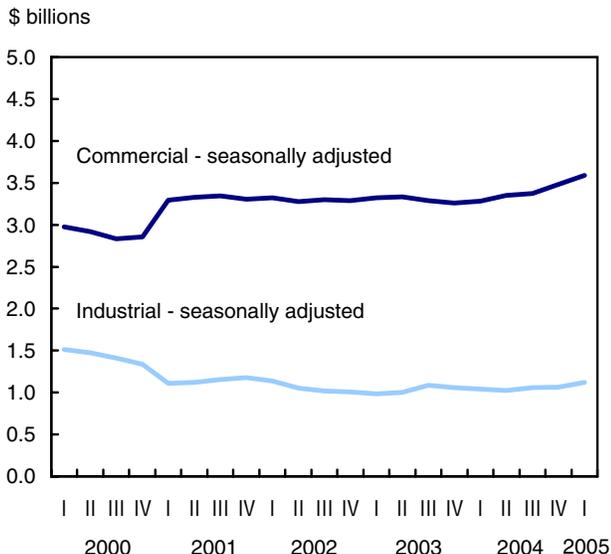
Increases in almost every component of commercial construction, especially in investment in office buildings, enabled Alberta to post the strongest increase in the last quarter (+6.8% to \$535 million). Among the provinces, only British Columbia and Prince Edward Island experienced a slight slowdown.

The Calgary CMA ranked first in terms of investment growth, climbing 7.6% to \$219 million. For a second consecutive quarter, Victoria experienced the strongest decline in commercial investment, plunging 38.7% to \$20 million.

Investment in office construction was the strongest in the industrial sector in the first quarter. This

component was particularly hard hit after the technology bubble burst. The rebound in office building investment was driven in some CMAAs by "built-to-suit" construction projects. In Alberta, commercial investment rose as a result of the positive impact of energy resource development and the resulting diversification in commercial construction.

Investment in the construction of commercial buildings hits new peak



Investment in industrial construction continues to rise

Investment in industrial construction rose by 5.2% in the first quarter to \$1.1 billion.

Alberta (+21.6% to \$151 million) and Ontario (+4.7% to \$505 million) posted the strongest increases while New Brunswick and the Northwest Territories had the largest declines.

Among CMAAs, Edmonton had the strongest increase in industrial construction expenditures, surging 72.2% to \$39 million. Of the 28 CMAAs, 18 showed increases while Victoria and St. Catharines–Niagara had the largest declines.

After a lacklustre end to 2004, manufacturers rebounded in January, posting strong gains in deliveries

and orders. Industrial sector investment grew in part because of the resurgence of energy resource development in Alberta. Despite growth focused on non-traditional development methods requiring more equipment, a portion of this investment was directed into buildings linked to equipment operation and maintenance.

Investment in non-residential building construction by province

| | First quarter 2004 | Fourth quarter 2004 | First quarter 2005 | Fourth quarter 2004 to first quarter 2005 |
|---------------------------|--------------------|---------------------|--------------------|---|
| Seasonally adjusted | | | | |
| | \$ millions | | % change | |
| Canada | 6,636 | 6,647 | 6,736 | 1.3 |
| Newfoundland and Labrador | 100 | 73 | 77 | 6.0 |
| Prince Edward Island | 19 | 17 | 18 | 4.8 |
| Nova Scotia | 144 | 227 | 220 | -3.2 |
| New Brunswick | 107 | 113 | 116 | 2.4 |
| Quebec | 1,169 | 1,152 | 1,174 | 2.0 |
| Ontario | 3,042 | 2,994 | 3,006 | 0.4 |
| Manitoba | 260 | 221 | 231 | 4.2 |
| Saskatchewan | 194 | 137 | 137 | -0.1 |
| Alberta | 882 | 914 | 968 | 5.9 |
| British Columbia | 671 | 700 | 711 | 1.6 |
| Yukon | 5 | 12 | 14 | 17.1 |
| Northwest Territories | 18 | 70 | 50 | -28.9 |
| Nunavut | 24 | 16 | 14 | -16.8 |

Available on CANSIM: table 026-0016.

Definitions, data sources and methods: survey number 5014.

Estimates for 2002 to 2004 have been revised.

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

To order data, contact Patrick Lemire (613-951-4646; bdp_information@statcan.ca). For more information, or to enquire about the concepts, methods or data quality of this release, Michel Labonté (613-951-9690), Investment and Capital Stock Division. ■

Other releases

Commercial Software Price Index

February 2005

The Commercial Software Price Index (CSPI) is a monthly series measuring the change in the purchase price of pre-packaged software typically bought by businesses and governments. The CSPI (2001=100) for February was 77.8, unchanged from January.

This index is available at the Canada level only.

Available on CANSIM: table 331-0003.

Definitions, data sources and methods: survey number 5068.

For more information on these indexes, contact Client Services (1-866-230-2248; 613-951-9606; infounit@statcan.ca). To enquire about the concepts, methods or data quality of this release, contact Fred Barzyk (613-951-2493; fred.barzyk@statcan.ca), Prices Division. ■

Cement

February 2005

Data on cement are now available for February. January 2005 data have been revised.

Available on CANSIM: tables 303-0060 and 303-0061.

Definitions, data sources and methods: survey number 2140.

The publication of *Cement* (44-001-XIB) has been discontinued.

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), Manufacturing, Construction and Energy Division. ■

New products

Industry Price Indexes, February 2005, Vol. 31, no. 2
Catalogue number 62-011-XIE (\$19/\$175).

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

Industry Price Indexes, February 2005, Vol. 31, no. 2
Catalogue number 62-011-XPE (\$24/\$233).

Catalogue numbers with an -XWE, -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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The Daily
 Statistics Canada

Thursday, June 5, 1997
 For release at 9:30 a.m.

MAJOR RELEASES

- **Urban transit, 1995** 2
 Despite the emphasis on taking urban transit, Canadians are using 8 less automobiles in 1996. Most Canadians 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 relatively weak again in 1996 accompanied by sluggish gains in employment and slow economic growth during the year.

OTHER RELEASES

- **Map-based Index, May 1997** 3
- **Short-term Expectations Survey** 3
- **Steel primary forms, week ending May 31, 1997** 12
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