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The Daily

Statistics Canada

Monday, July 11, 2005
Released at 8:30 a.m. Eastern time

Releases

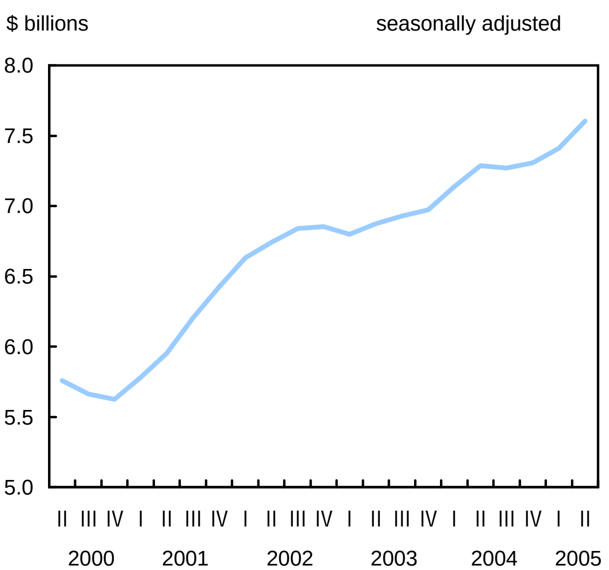
Releases

Investment in non-residential building construction

Second quarter 2005

Investment in non-residential building construction hit a record high between April and June in the wake of healthy economic conditions in British Columbia and Alberta.

Record levels of investment continue during the second quarter



Total investment for all three sectors (commercial, institutional and industrial) hit an all-time high of $7.6 billion, up 2.6% from the first quarter. The biggest contributor was record spending in the two westernmost provinces.

Nationally, all three sectors registered second-quarter gains. Investment in the commercial sector led the way with a 3.4% increase to $4.3 billion, while the institutional (+1.9% to $2.0 billion) and the industrial (+1.1% to $1.3 billion) sectors also advanced.

British Columbia posted the largest increase in total investment, with a 19.1% jump to a record $932 million. This was followed closely by Alberta where investments increased 13.4% and surpassed $1 billion for the first time. In both provinces, investment rose in all three sectors.

Western Canada continues to enjoy the best economic conditions in the country. British Columbia is benefiting from a rebound in the forestry industry and from its commercial ties with China's growing economy.

In Alberta, development in the resource sector follows higher energy prices in the past year.

It was a different story in central Canada. The biggest declines occurred in Quebec, where investment fell 2.9% to $1.3 billion and Ontario, where it was down 1.1% to $3.3 billion. The decrease in both provinces was fuelled by lower spending in the industrial sector.

Overall, investment in non-residential building construction was down in 15 of 28 census metropolitan areas. Vancouver experienced the largest growth, surging 19.3% to $569 million, followed by Calgary. Fuelled by decreases in all three sectors, Hamilton ended the second quarter with the most significant decline.

On a year-to-date basis, overall investment is up 4.1% compared with the first six months of 2004. There is every indication that 2005 will see solid performance in non-residential building construction investment, given high construction intentions reported so far by the Building Permits Survey.

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 are benchmarked to Statistics Canada's System of National Accounts of non-residential building investment series.

Investment in non-residential building construction by census metropolitan area[1]

	Second quarter 2004	First quarter 2005	Second quarter 2005	First quarter to second quarter 2005
	seasonally adjusted			
	$ millions			% change
St. John's	44	53	53	-0.1
Halifax	78	108	126	17.2
Saint John	23	17	16	-5.4
Saguenay	23	15	13	-14.4
Québec	127	134	134	0.6
Sherbrooke	31	24	26	7.1
Trois–Rivières	32	33	23	-29.7
Montréal	726	713	698	-2.2
Ottawa–Gatineau, Ontario/Quebec	340	311	307	-1.4
Ottawa–Gatineau (Que. part)	46	57	58	1.0
Ottawa–Gatineau (Ont. part)	294	254	249	-2.0
Kingston	38	37	38	0.5
Oshawa	116	117	113	-3.5
Toronto	1,558	1,595	1,649	3.3
Hamilton	234	178	138	-22.2
St. Catharines–Niagara	85	91	74	-18.3
Kitchener	125	178	176	-1.1
London	143	148	147	-0.7
Windsor	87	73	67	-9.1
Greater Sudbury/Grand Sudbury	15	35	32	-8.1
Thunder Bay	28	21	23	6.4
Winnipeg	164	161	144	-10.7
Regina	62	52	60	14.8
Saskatoon	65	40	54	35.3
Calgary	343	366	441	20.4
Edmonton	246	283	272	-3.8
Abbotsford	21	19	33	78.3
Vancouver	405	477	569	19.3
Victoria	107	44	61	37.3

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

Commercial sector reaches new high

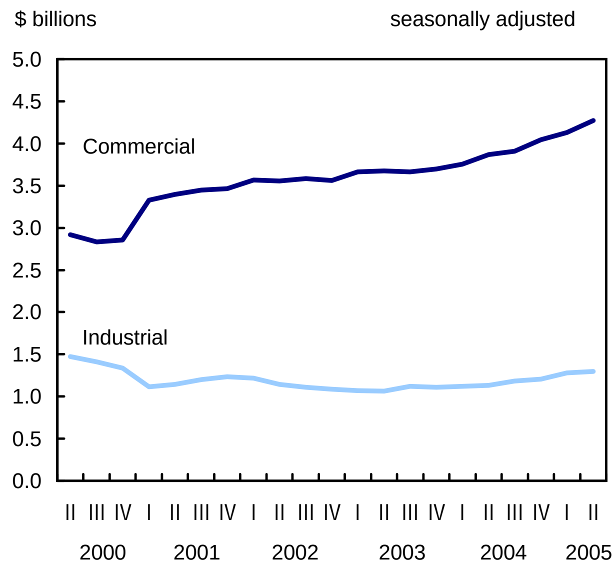
Investment in commercial building construction increased for the seventh straight quarter. Most of this increase in the commercial sector was due to amazing growth in office building construction.

Provincially, Alberta (+11.7%) and British Columbia (+13.9%) contributed the most to this rise in the commercial sector. Growth in both provinces was due to increased investment in office buildings and shopping centres. On the other hand, Manitoba, New Brunswick and Newfoundland and Labrador recorded decreased investment.

Among census metropolitan areas, Calgary and Vancouver recorded the largest growth. Investment in Calgary rose 22.7% to $314 million, while spending in Vancouver rose 13.2% to $371 million. Conversely, Hamilton experienced the largest decline in commercial investment, with spending falling 20.3% to $64 million.

A decline in office vacancy rates in recent quarters appears to have renewed investor interest in certain local markets. In particular, the Vancouver and Calgary areas have benefited from these conditions. Office buildings are the main component of the commercial sector and represent on average one-third of investments in this component.

The construction of commercial buildings reaches a new peak



Sixth straight increase in investment in industrial construction

Investment in industrial building construction rose for a sixth straight quarter to $1.3 billion, up 1.1% compared with the first quarter.

The largest increases occurred in British Columbia, where investment rose 38.2% to $157 million and Alberta (+30.3% to $207 million). Ontario and Quebec, however, recorded the largest declines.

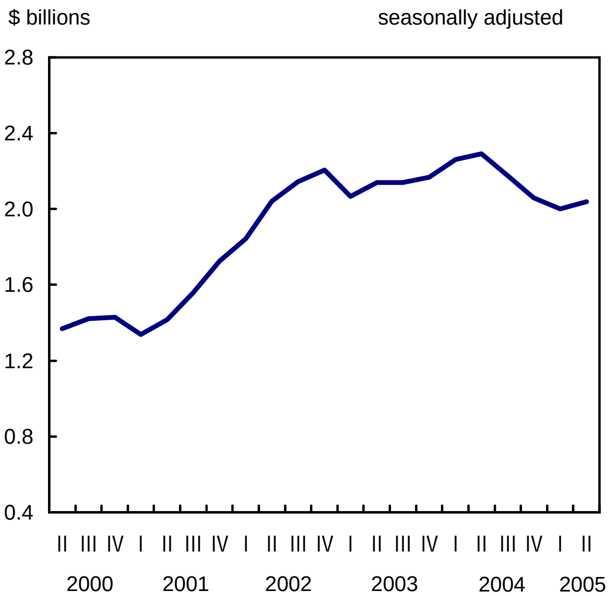
Vancouver recorded the largest increase in industrial construction spending, reaching $89 million. In total, 13 of the 28 census metropolitan areas recorded increased investments. On the other hand, Montréal experienced the largest reductions in investment.

In April, manufacturers continued to face increased production costs, stronger global competition and the appreciation of the Canadian dollar, according to the Monthly Survey of Manufacturing. However, these challenges were offset by a rise in industrial capacity utilization in 2004 and the growing backlog in orders.

Rebound of investment in institutional building construction

Investment in institutional building construction rebounded in the second quarter, recording the first increase after three consecutive quarterly decreases. Stronger investment in health care facilities accounted for the largest part of this increase. However, investment in the first six months remained down 11.3% over the same period in 2004.

Rebound of investment in institutional buildings



Increased investment in almost all components of institutional construction, and especially in hospitals, enabled British Columbia to record the strongest growth in the second quarter (+21.8% to $201 million). Investment in Manitoba fell 13.4% to $69 million between April and June, the fourth straight quarterly decline and the lowest investment level since the second quarter of 2003.

Investment was up in 15 of 28 census metropolitan areas. Vancouver led the way in growth for a second straight quarter (+30.7% to $109 million) as a result of investments in health care facilities. The largest drop was observed in the Hamilton area where investment in all categories of institutional construction, except for schools, declined.

Investment in non-residential building construction

	Second quarter 2004	First quarter 2005	Second quarter 2005	First quarter to second quarter 2005
	seasonally adjusted			
	$ millions			% change
Canada	**7,287**	**7,411**	**7,606**	**2.6**
Newfoundland and Labrador	82	84	74	-12.2
Prince Edward Island	23	24	27	10.6
Nova Scotia	183	220	218	-0.8
New Brunswick	117	128	138	7.8
Quebec	1,364	1,358	1,318	-2.9
Ontario	3,301	3,318	3,282	-1.1
Manitoba	255	241	236	-2.2
Saskatchewan	195	160	165	2.9
Alberta	916	999	1,134	13.4
British Columbia	773	782	932	19.1
Yukon	9	23	19	-15.6
Northwest Territories	30	50	43	-14.2
Nunavut	40	23	20	-11.7

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 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, Michel Labonté (613-951-9690), Investment and Capital Stock Division. ■

Commercial Software Price Index
May 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 May was 78.8, an increase of 0.6% from April.

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
May 2005

Data on cement are now available for May.

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

Definitions, data sources and methods: survey number 2140.

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

Inter-corporate Ownership, Second quarter 2005
Catalogue number 61-517-XCB ($375/$1,065).

Industry Price Indexes, May 2005, Vol. 31, no. 5
Catalogue number 62-011-XIE ($19/$175).

Industry Price Indexes, May 2005, Vol. 31, no. 5
Catalogue number 62-011-XPE ($24/$233).

Cancer Statistics
Catalogue number 84-601-XIE
(free).

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

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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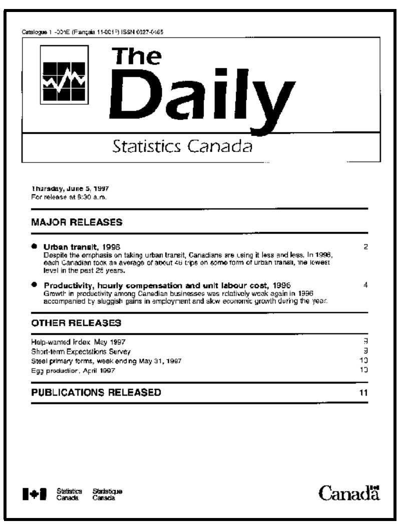

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The Daily

Statistics Canada

Thursday, June 5, 1997
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MAJOR RELEASES

- **Urban transit, 1996** 2
  Despite the emphasis on taking urban transit, Canadians are using it less and less. In 1996, each Canadian took an average of about 46 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.

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PUBLICATIONS RELEASED 11

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