

The Daily

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Contractors took out \$6.0 billion worth of building permits in March, down 3.0% from February. The March decline followed an 11.3% decrease the previous month. Lower construction intentions in the non-residential sector in six provinces, led by Ontario, more than offset a gain in the residential sector.	
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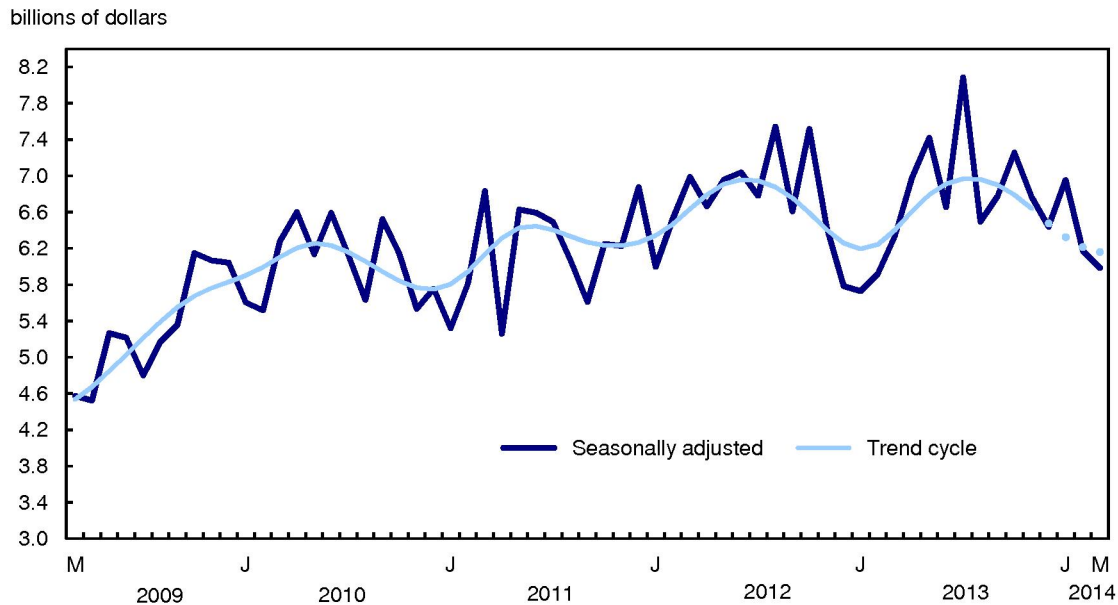


Releases

Building permits, March 2014

Contractors took out \$6.0 billion worth of building permits in March, down 3.0% from February. The March decline followed an 11.3% decrease the previous month. Lower construction intentions in the non-residential sector in six provinces, led by Ontario, more than offset a gain in the residential sector.

Chart 1 Total value of permits



Note(s): The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart for the current reference month and the three previous months. See Note to readers.

Construction intentions in the non-residential sector fell 8.8% to \$2.3 billion in March, the lowest level since January 2013. This follows a 7.4% increase the previous month. Declines were recorded in six provinces, with Ontario accounting for most of the decrease. Gains were registered in four provinces, led by Alberta, followed by Nova Scotia and British Columbia.

In the residential sector, the value of permits rose 1.0% to \$3.7 billion, following a 20.8% decrease in February. Higher residential construction intentions were registered in five provinces, led by British Columbia and Saskatchewan. Quebec and New Brunswick posted the largest decreases.

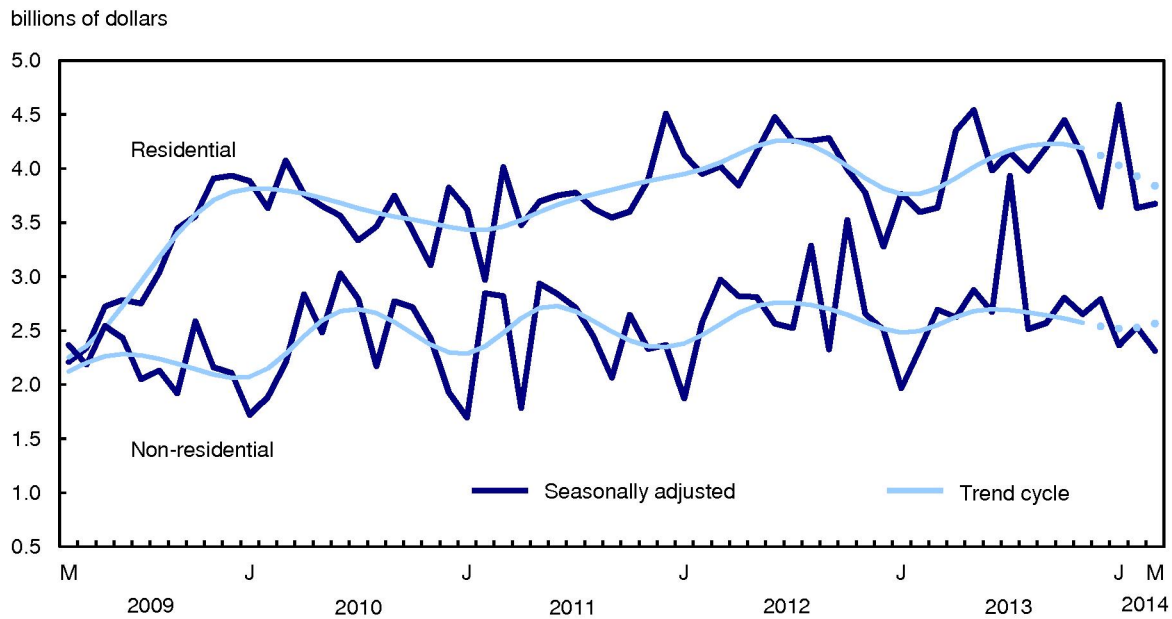
Non-residential sector: Institutional and industrial components down

Canadian municipalities issued \$467 million worth of institutional building permits in March, down 31.3% from February. The value of institutional building permits was down in five provinces. Ontario accounted for most of the decrease, the result of lower construction intentions for medical facilities. British Columbia and Alberta posted the largest gains in March, as a result of educational institutions.

After posting a 29.7% increase in February, the value of permits in the industrial component fell 7.7% in March to \$329 million. Declines in four provinces, led by Quebec and Ontario, offset increases in the other provinces. The decline in March was largely the result of lower construction intentions for mining facilities and agricultural buildings in Quebec, as well as manufacturing plants in Ontario and Quebec. British Columbia recorded the largest gain, followed by New Brunswick and Nova Scotia.

In the commercial component, the value of permits rose 1.2% to \$1.5 billion. Alberta accounted for most of the increase as a result of higher construction intentions for retail complexes and hotels and restaurants. British Columbia and Saskatchewan posted the largest declines, mostly the result of lower construction intentions for office buildings.

Chart 2
Residential and non-residential sectors



Note(s): The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart for the current reference month and the three previous months. See Note to readers.

Residential sector: Higher construction intentions for multi-family dwellings

The value of permits for multi-family dwellings rose 7.9% to \$1.6 billion in March, following a 30.7% decrease the previous month. Increases were reported in most provinces, led by Ontario and British Columbia.

Construction intentions for single-family dwellings fell 3.6% to \$2.1 billion. This was the fourth decrease in five months and marked the lowest level for the component since February 2011. Declines were registered in seven provinces, with Ontario and New Brunswick posting the largest decreases.

Canadian municipalities approved the construction of 15,833 new dwellings, 12.2% more than in February. The rise was attributable to multi-family dwellings, which increased 21.2% to 10,191 units. In contrast, single-family dwellings fell 1.2% to 5,642 units.

Provinces: Significant decline in Ontario

The total value of permits was down in five provinces in March, with Ontario posting the largest decline, followed by Quebec and New Brunswick.

The large decrease in Ontario was mainly the result of lower construction intentions for institutional buildings and, to a lesser extent, single-family dwellings and industrial buildings. In Quebec, the monthly decrease was attributable to industrial buildings and multi-family dwellings, while lower construction intentions for single-family dwellings and commercial buildings were the reason for the decline in New Brunswick.

The largest increase occurred in Alberta, where commercial building intentions were mainly responsible for the growth. British Columbia was a distant second, followed by Nova Scotia. Institutional buildings and multi-family dwellings contributed the most to the advance in British Columbia, while commercial buildings and multi-family dwellings were responsible for the gain in Nova Scotia.

Lower construction intentions in Kingston, Kitchener–Cambridge–Waterloo and London

The total value of permits was down in 16 of the 34 census metropolitan areas.

The largest decrease was in Kingston, followed by Kitchener–Cambridge–Waterloo and London. In Kingston, the decrease was largely attributable to drops in institutional buildings. Lower intentions for multi-family dwellings explained the decline in Kitchener–Cambridge–Waterloo, while in London, non-residential building and single-family dwelling construction intentions were behind the decrease.

Edmonton posted the largest increase in March, followed by Oshawa and Québec. The value of permits issued in Edmonton grew largely as a result of higher construction intentions for multi-family dwellings, institutional buildings and commercial structures. In Oshawa, commercial buildings were responsible for the advance, while in Québec, multi-family dwellings and all components of the non-residential sector accounted for the increase.

Note to readers

Unless otherwise stated, this release presents seasonally adjusted data, which facilitates comparisons by removing the effects of seasonal variations. For more information on seasonal adjustment, see "Seasonal adjustment and identifying economic trends."

The Building Permits Survey covers 2,400 municipalities representing 95% of the population. The communities representing the other 5% of the population are very small, and their levels of building activity have little impact on the total for the entire population.

Building permits data are used as a leading indicator of activity in the construction industry.

The value of planned construction activities shown in this release excludes engineering projects (for example, waterworks, sewers or culverts) and land.

For the purpose of this release, the census metropolitan area of Ottawa–Gatineau (Ontario/Quebec) is divided into two areas: Gatineau part and Ottawa part.

Revision

Data for the current reference month are subject to revision based on late responses. Data have been revised for the previous month.

The trend-cycle estimates have been added to the charts as a complement to the seasonally adjusted series. Both the seasonally adjusted and the trend-cycle estimates are subject to revision as additional observations become available. These revisions could be large and even lead to a reversal of movement, especially at the end of the series. The higher variability associated with the trend-cycle estimates is indicated with a dotted line on the chart.

Table 1
Dwelling units, value of residential and non-residential building permits, Canada – Seasonally adjusted

	March 2013	January 2014	February 2014 ^r	March 2014 ^P	February to March 2014	March 2013 to March 2014
	millions of dollars				% change	
Total	6,334.8	6,955.4	6,172.3	5,987.3	-3.0	-5.5
Residential	3,639.1	4,593.1	3,636.0	3,674.0	1.0	1.0
Single ¹	2,219.5	2,475.7	2,169.7	2,092.0	-3.6	-5.7
Multiple	1,419.6	2,117.4	1,466.3	1,582.0	7.9	11.4
Non-residential	2,695.7	2,362.3	2,536.3	2,313.3	-8.8	-14.2
Industrial	455.9	274.8	356.3	328.9	-7.7	-27.9
Commercial	1,253.8	1,501.7	1,499.5	1,517.0	1.2	21.0
Institutional	986.0	585.8	680.4	467.4	-31.3	-52.6
	number of units				% change	
Total dwellings	14,678	18,398	14,117	15,833	12.2	7.9
Single ¹	6,293	6,674	5,712	5,642	-1.2	-10.3
Multiple	8,385	11,724	8,405	10,191	21.2	21.5

^r revised

^P preliminary

1. Included in this category are the following types of dwellings: single-detached, mobile home and cottage.

Note(s): Data may not add up to totals as a result of rounding.

Table 2
Value of building permits, by province and territory – Seasonally adjusted

	March 2013	January 2014	February 2014 ^r	March 2014 ^P	February to March 2014	March 2013 to March 2014
	millions of dollars				% change	
Canada	6,334.8	6,955.4	6,172.3	5,987.3	-3.0	-5.5
Residential	3,639.1	4,593.1	3,636.0	3,674.0	1.0	1.0
Non-residential	2,695.7	2,362.3	2,536.3	2,313.3	-8.8	-14.2
Newfoundland and Labrador	57.7	99.4	42.2	41.2	-2.5	-28.6
Residential	50.1	48.5	29.2	28.7	-1.5	-42.7
Non-residential	7.6	50.9	13.1	12.5	-4.7	64.7
Prince Edward Island	29.9	15.1	23.0	14.5	-37.1	-51.5
Residential	9.4	7.5	10.2	4.8	-52.9	-48.7
Non-residential	20.5	7.6	12.8	9.7	-24.4	-52.8
Nova Scotia	118.8	75.5	58.1	93.0	60.0	-21.7
Residential	85.3	53.4	46.7	54.3	16.3	-36.4
Non-residential	33.5	22.0	11.5	38.8	238.0	15.7
New Brunswick	44.9	73.8	76.9	60.8	-20.8	35.4
Residential	30.6	61.2	43.9	24.9	-43.2	-18.6
Non-residential	14.3	12.6	33.0	35.9	9.0	150.8
Quebec	1,042.0	1,363.9	1,199.1	1,140.6	-4.9	9.5
Residential	643.6	937.9	730.3	699.3	-4.2	8.7
Non-residential	398.5	426.0	468.7	441.2	-5.9	10.7
Ontario	2,178.7	2,393.7	2,485.7	2,144.7	-13.7	-1.6
Residential	1,223.6	1,492.1	1,322.1	1,323.3	0.1	8.1
Non-residential	955.1	901.7	1,163.7	821.3	-29.4	-14.0
Manitoba	150.2	193.8	141.0	143.3	1.7	-4.6
Residential	110.2	117.7	98.6	101.6	3.0	-7.9
Non-residential	40.0	76.0	42.4	41.8	-1.5	4.6
Saskatchewan	275.6	212.0	185.6	194.2	4.6	-29.5
Residential	144.1	136.3	103.6	131.3	26.8	-8.9
Non-residential	131.5	75.7	82.0	62.9	-23.3	-52.2
Alberta	1,711.5	1,610.6	1,190.5	1,312.0	10.2	-23.3
Residential	836.0	1,061.3	761.4	757.8	-0.5	-9.4
Non-residential	875.5	549.4	429.1	554.2	29.2	-36.7
British Columbia	713.1	907.3	759.4	830.6	9.4	16.5
Residential	499.8	669.6	485.6	544.4	12.1	8.9
Non-residential	213.3	237.7	273.8	286.2	4.5	34.2
Yukon	6.6	5.7	3.8	7.1	83.7	7.0
Residential	3.2	4.1	1.8	2.3	24.8	-29.6
Non-residential	3.4	1.5	2.0	4.8	136.4	41.8
Northwest Territories	3.5	1.3	2.0	1.1	-44.7	-68.8
Residential	1.9	0.0	0.2	1.0	396.2	-45.0
Non-residential	1.6	1.2	1.8	0.1	-96.7	-96.4
Nunavut	2.3	3.4	4.9	4.2	-14.3	86.7
Residential	1.3	3.4	2.5	0.2	-92.0	-84.0
Non-residential	1.0	0.0	2.4	4.0	66.7	300.0

^r revised

^P preliminary

Note(s): Data may not add up to totals as a result of rounding.

Table 3
Value of building permits, by census metropolitan area – Seasonally adjusted¹

	March 2013	January 2014	February 2014 ^r	March 2014 ^p	February to March 2014	March 2013 to March 2014
	millions of dollars				% change	
Total, census metropolitan areas	4,955.7	5,332.6	4,588.0	4,646.5	1.3	-6.2
St. John's	32.3	84.2	27.7	23.7	-14.2	-26.5
Halifax	81.1	39.6	25.9	49.4	90.5	-39.1
Moncton	15.1	17.7	12.5	9.7	-22.7	-36.0
Saint John	8.0	15.6	26.3	28.1	6.7	252.8
Saguenay	25.2	15.4	28.0	28.2	0.8	12.1
Québec	116.2	146.9	102.7	179.5	74.7	54.5
Sherbrooke	42.2	35.3	32.4	25.9	-20.0	-38.6
Trois-Rivières	30.5	18.0	27.2	29.5	8.5	-3.1
Montréal	473.4	714.6	561.7	522.3	-7.0	10.3
Ottawa–Gatineau, Ontario/Quebec	209.3	262.3	296.8	284.7	-4.1	36.0
Gatineau part	34.0	118.5	55.5	65.3	17.7	91.7
Ottawa part	175.2	143.7	241.3	219.4	-9.1	25.2
Kingston	11.2	55.5	261.1	16.7	-93.6	48.9
Peterborough	4.9	5.0	5.1	4.9	-5.2	0.0
Oshawa	33.2	77.2	65.3	169.1	159.0	409.2
Toronto	1,198.1	1,358.2	1,064.0	1,030.4	-3.2	-14.0
Hamilton	121.0	101.1	103.4	144.1	39.4	19.1
St. Catharines–Niagara	49.5	49.7	47.2	41.3	-12.5	-16.7
Kitchener–Cambridge–Waterloo	84.5	59.7	110.4	64.9	-41.3	-23.2
Brantford	7.4	6.4	7.5	7.4	-2.1	-0.2
Guelph	15.6	27.3	22.3	17.5	-21.3	12.1
London	56.0	37.2	86.8	46.1	-46.9	-17.6
Windsor	21.9	33.5	16.4	27.3	66.4	24.5
Barrie	21.1	16.7	34.7	18.2	-47.4	-13.4
Greater Sudbury	7.2	12.5	7.3	33.6	360.9	364.4
Thunder Bay	7.6	15.1	4.3	5.2	20.3	-31.2
Winnipeg	109.1	145.4	90.4	99.7	10.3	-8.7
Regina	79.6	45.2	76.0	40.0	-47.4	-49.8
Saskatoon	151.5	97.0	66.6	100.0	50.1	-34.0
Calgary	551.9	577.5	427.7	448.8	4.9	-18.7
Edmonton	847.8	522.5	361.0	519.7	44.0	-38.7
Kelowna	37.0	30.3	31.5	34.2	8.4	-7.6
Abbotsford–Mission	10.9	21.2	9.7	20.9	115.0	91.8
Vancouver	437.0	622.2	516.0	500.0	-3.1	14.4
Victoria	58.3	66.8	32.0	75.4	135.7	29.3

^r revised

^p preliminary

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

Note(s): Data may not add up to totals as a result of rounding.

Available in CANSIM: tables 026-0001 to 026-0008 and 026-0010.

Definitions, data sources and methods: survey number 2802.

The March 2014 issue of *Building Permits* (64-001-X) will soon be available.

The April building permits data will be released on June 5.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

To enquire about the concepts, methods or data quality of this release, contact Mariane Bien-Aimé (613-951-7520), Investment, Science and Technology Division.

Study: Testing for provincial industrial restructuring during the 2000s, 2000 to 2010

The Canadian economy underwent considerable structural change from 2000 to 2010, shifting away from the manufacturing sector and towards resource-based industries and other sectors.

This study examines how these broad-based structural changes were distributed across the provincial economies and develops the first set of rigorous tests to examine whether the changes were statistically significant.

Regardless of whether structural change is measured in terms of real output or hours worked, the sector that lost the most across provinces was manufacturing. These losses were concentrated in Ontario and Quebec. The output share of manufacturing in Ontario fell by 9.5 percentage points and in Quebec by 8.3 percentage points. Meanwhile, the share of hours worked fell by 6.2 percentage points in Ontario and by 7.1 percentage points in Quebec.

While the manufacturing sectors in other provinces also experienced decreases in the share of output and hours worked in manufacturing, the magnitude of the decline did not match that of Central Canada.

Outside of manufacturing, the sector whose share declined the most across provinces was agriculture, forestry, fishing and hunting. These losses were larger for hours worked than for output, reflecting significant productivity gains in this sector relative to others.

The most broad-based gains in terms of the share of output were in retail trade, with nine provinces posting significant gains in output share.

Restructuring in other industries varied by province. Large output gains in mining and oil and gas extraction were seen in Newfoundland and Labrador. Alberta experienced large output gains in finance and professional services. Both Saskatchewan and Alberta saw large gains in hours worked in construction compared with other provinces.

Ontario had the largest gain in finance, insurance, real estate, and rental and leasing. In 2000, output in the finance industry was just over half that of manufacturing, but by 2010 each accounted for about one-fifth of business sector output.

Note to readers

Using a new Statistics Canada provincial database, this study examines changes in industrial output using real gross domestic product (GDP) and labour inputs using hours worked. Real GDP captures the extent to which the provincial output of goods and services is changing, exclusive of the effect of output prices. Hours worked measures the changing relative demand for labour services across industries. Hours worked may not move in the same direction as output, as relative changes in industry productivity may decouple the two measures. The study tests whether changes in output and hours worked over the 10-year period are random or are the result of persistent movements through time, which is indicative of structural change.

The research paper "Testing for Provincial Industrial Structural Change through the 2000s", part of the *Economic Analysis Research Paper Series* (11F0027M), is now available from the *Browse by key resource* module of our website under *Publications*.

Similar studies are available in the [Update on Economic Analysis](#) module of our website.

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca).

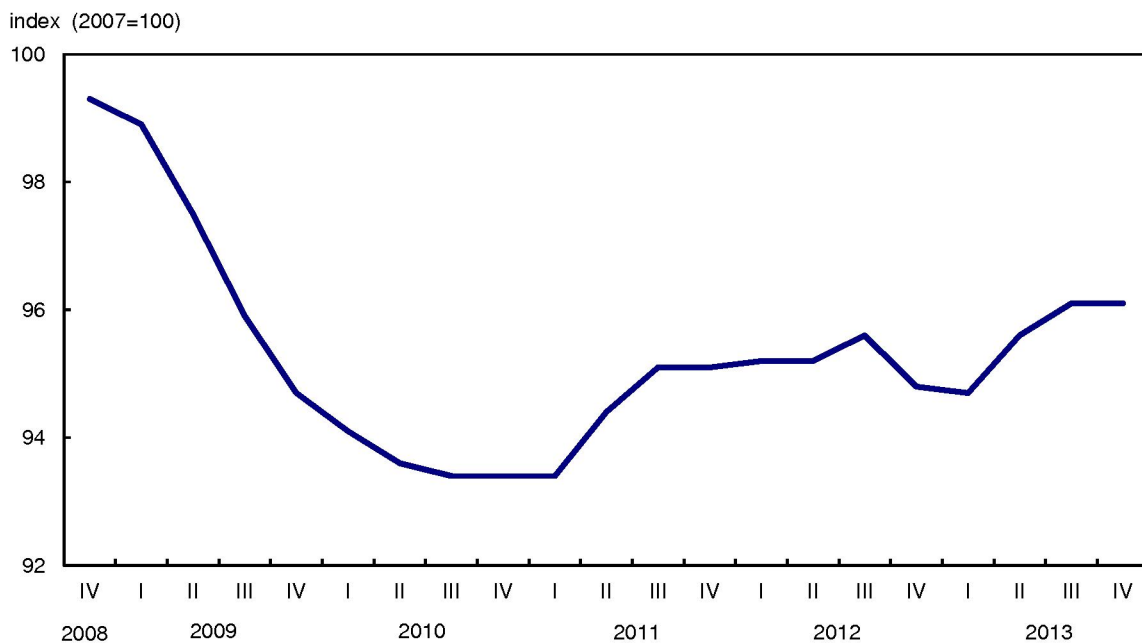
To enquire about the concepts, methods or data quality of this release, contact Mark Brown (613-951-7292), Economic Analysis Division.

Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index, fourth quarter 2013

The Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index was unchanged in the fourth quarter of 2013 following a 0.5% increase in the third quarter. This was the third time in four years that the fourth quarter was unchanged.

Rental and leasing prices of heavy machinery and equipment (construction, transportation, mining and forestry) edged up 0.1% as did office and other machinery and equipment (+0.1%).

Chart 1
Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index



The index was up 1.4% in the fourth quarter compared with the same quarter of 2012, reflecting price increases in the second quarter of 2013.

Note to readers

This price index measures price changes of rental and leasing activities for the commercial and industrial machinery and equipment industry.

With each release, data for the previous quarter may have been revised. Data are also subject to an annual revision with the release of second quarter data of the following reference year. The index is not seasonally adjusted.

The Office and Other Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index combines the North American Industry Classification System codes 53242 and 53249.

Table 1
Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index –
Not seasonally adjusted

	Relative importance ¹	Fourth quarter 2012	Third quarter 2013 ^r	Fourth quarter 2013 ^p	Third quarter to fourth quarter 2013	Fourth quarter 2012 to fourth quarter 2013
	%	(2007=100)			% change	
Commercial and industrial machinery and equipment rental and leasing services	100.00	94.8	96.1	96.1	0.0	1.4
Construction, transportation, mining, and forestry machinery and equipment rental and leasing	68.21	96.1	98.1	98.2	0.1	2.2
Office and other commercial and industrial machinery and equipment rental and leasing ²	31.79	91.8	91.6	91.7	0.1	-0.1

^r revised

^p preliminary

1. The relative importance is based on the weight that each five-digit North American Industry Classification System contributes to the overall Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index.

2. Data for office machinery and equipment rental and leasing services and for other commercial and industrial machinery and equipment rental and leasing services were collected separately. The indexes were then combined at aggregation.

Available in CANSIM: tables 332-0005 and 332-0010.

Definitions, data sources and methods: survey number 5137.

The Commercial and Industrial Machinery and Equipment Rental and Leasing Services Price Index for the first quarter will be released in July.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

Mineral wool including fibrous glass insulation, March 2014

Data on mineral wool, including fibrous glass insulation, are now available for March.

Definitions, data sources and methods: survey number 2110.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).

New products and studies

New studies

Economic Analysis (EA) Research Paper Series: "Testing for Provincial Industrial Structural Change through the 2000s", No. 92
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