

# Investment in non-residential building construction, third quarter 2016

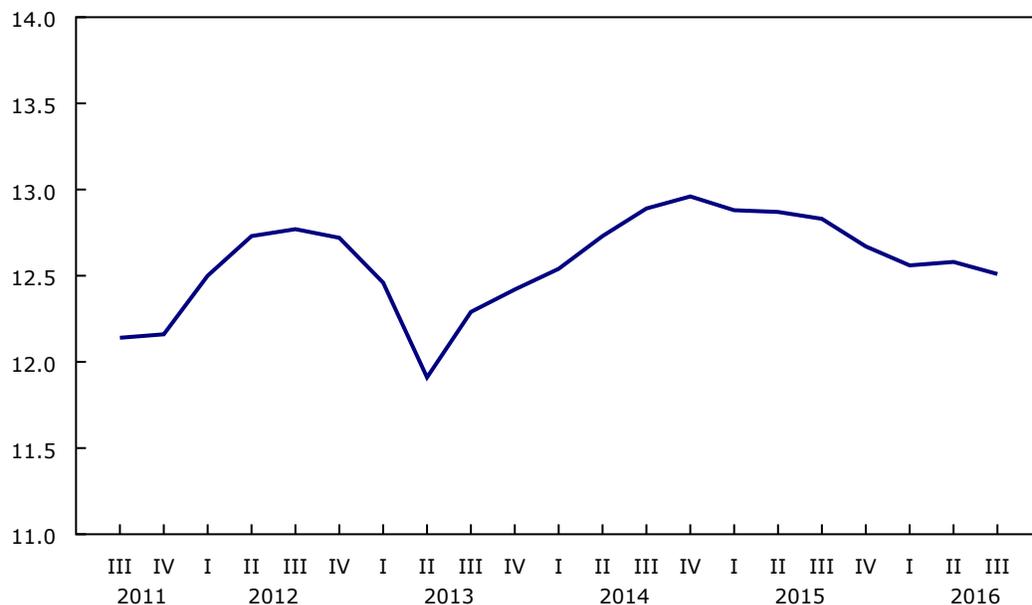
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Investment in non-residential building construction totalled \$12.5 billion in the third quarter, down 0.5% from the previous quarter. This was the sixth decrease in seven quarters dating back to the first quarter of 2015. The decline in the third quarter reflected lower spending on commercial and industrial building construction, which more than offset higher investment in institutional buildings.

Investment fell in five provinces, with Alberta and British Columbia posting the largest declines.

**Chart 1**  
**Investment in non-residential building construction**

billions of dollars



**Note(s):** Data are seasonally adjusted.

**Source(s):** CANSIM table [026-0016](#).

In Alberta, investment declined for the sixth consecutive quarter. The decrease in the third quarter resulted from lower investment in commercial and industrial buildings. Conversely, construction spending on institutional buildings has increased since the third quarter of 2014.

Investment in British Columbia fell in the third quarter, following nine consecutive quarterly gains. The decrease was attributable to lower investment in all three components, with commercial buildings posting the largest decline.

In contrast, the largest advance occurred in Quebec, followed by Manitoba.

In Quebec, spending on non-residential building construction rose for the first time in nine quarters, as a result of higher investment in the industrial and commercial components.

In Manitoba, investment rose as a result of higher spending in all three components, with commercial projects accounting for most of the gain. This was the second consecutive quarterly increase for the province.



## Census metropolitan areas

Spending on non-residential building construction was down in 13 of the 34 census metropolitan areas in the third quarter. Toronto, Calgary and Vancouver recorded the largest declines.

After edging up for two consecutive quarters, investment fell 2.9% in Toronto. The decrease was mainly attributable to lower spending on commercial buildings and, to a lesser extent, industrial buildings. In Calgary, construction spending was down for the third consecutive quarter. The decrease in the third quarter was largely the result of lower investment in commercial projects. In Vancouver, all three components contributed to the decline, with commercial buildings accounting for most of the drop.

The largest gain occurred in Winnipeg, where investment was up mainly as a result of higher spending on the construction of commercial buildings. This was the second consecutive quarterly rise for Winnipeg. London posted the second largest increase, with all three components contributing to the advance.

## Commercial component

Spending on commercial building construction fell 1.6% to \$7.2 billion in the third quarter, following a 0.8% increase the previous quarter. The decline at the national level was primarily attributable to lower spending on office buildings, warehouses and hotels.

Declines were recorded in six provinces, with Alberta posting the largest drop, followed distantly by Saskatchewan and British Columbia.

In Alberta, investment was down 5.6% from the previous quarter to \$1.6 billion in the third quarter. The decline reflected the near completion of some large commercial projects, mainly warehouses and office buildings.

Commercial investment decreased 10.5% to \$229 million in Saskatchewan, as a result of lower spending in several categories of commercial buildings.

In British Columbia, investment fell 2.6% to \$949 million in the third quarter, following five consecutive quarterly advances. The decline was attributable to lower investment in a variety of commercial buildings, including hotels, office buildings and warehouses.

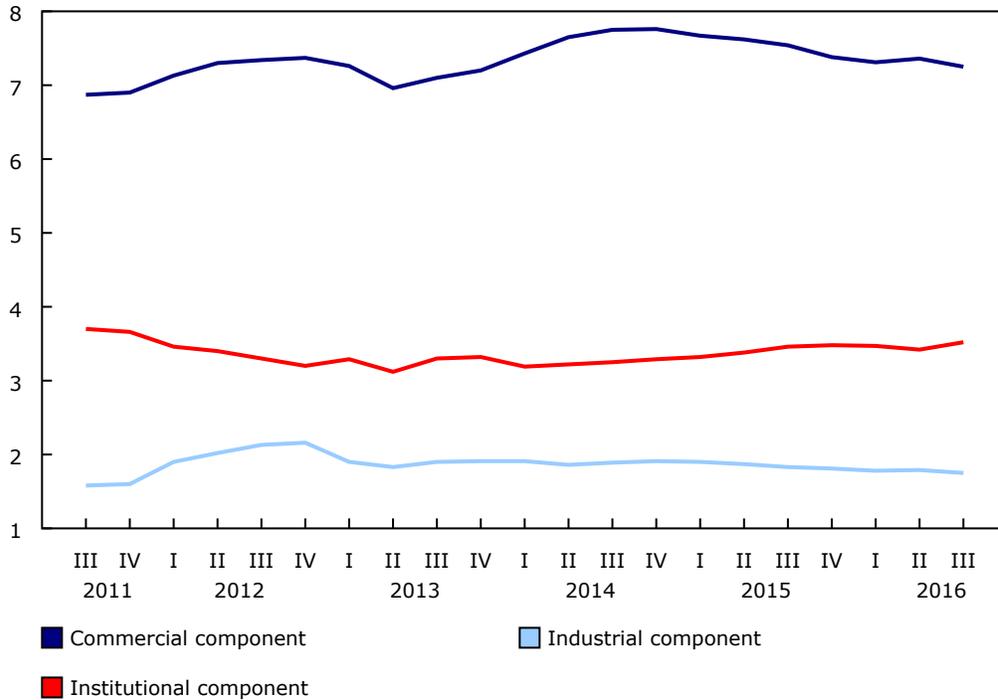
Conversely, Quebec and Manitoba recorded the largest gains in commercial investment.

In Quebec, commercial building construction rose for the second consecutive quarter, up 2.5% to \$1.2 billion in the third quarter. The advance came mainly from increased spending on office buildings and, to a lesser extent, restaurants and automotive dealerships.

Investment grew 8.2% to \$247 million in Manitoba, mostly as a result of higher construction spending on office buildings, and retail and wholesale stores.

**Chart 2**  
**Commercial, institutional and industrial components**

billions of dollars



**Note(s):** Data are seasonally adjusted.  
**Source(s):** CANSIM table [026-0016](#).

### Industrial component

Investment in industrial projects was down 2.5% from the second quarter to \$1.7 billion in the third quarter. The decline was attributable to lower investment in the construction of manufacturing plants and utilities buildings, which was moderated by a 7.8% gain in the construction of primary industry buildings.

Investment in industrial projects fell in five provinces in the third quarter, with Ontario and Alberta contributing the most to the overall decline in the component.

In Ontario, investment fell 4.1% to \$793 million, as lower spending on manufacturing plants and utilities buildings more than offset higher investment in primary industry and maintenance buildings.

Spending on industrial projects decreased 11.8% to \$248 million in Alberta, because of declines in all industrial building categories, except primary industry buildings.

Conversely, Quebec posted the largest advance, up 9.6% to \$376 million in the third quarter, largely as a result of higher investment in manufacturing plants and primary industry buildings. This was the third consecutive quarterly gain for the province.

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## Institutional component

Investment in institutional building construction rose 2.9% from the previous quarter to \$3.5 billion in the third quarter, following two consecutive quarterly declines. Higher spending on the construction of educational institutions was largely responsible for the advance at the national level.

Investment in institutional projects rose in five provinces, with Ontario and Alberta posting the largest advances.

In Ontario, construction spending increased 3.0% to \$1.3 billion in the third quarter, following three consecutive quarterly declines. The increase was due to educational buildings and, to a lesser extent, nursing homes and retirement residences.

In Alberta, investment in institutional projects rose 5.1% to \$708 million in the third quarter, the ninth consecutive quarterly increase. The advance in the third quarter came primarily from higher investment in educational buildings, and nursing homes and retirement residences.

In contrast, British Columbia and Quebec posted the largest declines in spending on institutional buildings. In British Columbia, investment fell 4.2% to \$356 million, mainly as a result of lower investment in medical facilities.

In Quebec, spending totalled \$629 million in the third quarter, down 1.9% from the previous quarter. This was the eighth consecutive quarterly decline. Lower investment in the construction of health care facilities, and nursing homes and retirement residences more than offset higher investment in educational institutions.

### Note to readers

*Unless otherwise stated, this release presents seasonally adjusted data expressed in current dollars, which facilitate comparisons by removing the effects of seasonal variations. For more information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).*

*Investments in non-residential building construction exclude engineering construction (such as for highways, sewers, bridges, and oil and gas pipelines). These data are from 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 worth a few hundred thousand dollars.*

*Additional data from the Capital and Repair Expenditures Survey are used to create this investment series. Investments in non-residential building data are also benchmarked to Statistics Canada's System of National Accounts' non-residential building investment series.*

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

*Unless otherwise specified, the highlights refer to current dollars and are ranked in terms of dollar change rather than percentage change.*

**Table 1**  
**Investment in non-residential building construction, by building type, by province and territory –**  
**Seasonally adjusted**

|                           | Third quarter 2015  | Second quarter 2016 | Third quarter 2016 | Second quarter to third quarter 2016 | Third quarter 2015 to third quarter 2016 |
|---------------------------|---------------------|---------------------|--------------------|--------------------------------------|------------------------------------------|
|                           | millions of dollars |                     |                    | % change                             |                                          |
| <b>Canada</b>             | <b>12,825</b>       | <b>12,576</b>       | <b>12,514</b>      | <b>-0.5</b>                          | <b>-2.4</b>                              |
| <b>Industrial</b>         | <b>1,832</b>        | <b>1,791</b>        | <b>1,745</b>       | <b>-2.5</b>                          | <b>-4.7</b>                              |
| <b>Commercial</b>         | <b>7,536</b>        | <b>7,363</b>        | <b>7,247</b>       | <b>-1.6</b>                          | <b>-3.8</b>                              |
| <b>Institutional</b>      | <b>3,457</b>        | <b>3,422</b>        | <b>3,522</b>       | <b>2.9</b>                           | <b>1.9</b>                               |
| Newfoundland and Labrador | 138                 | 87                  | 78                 | -10.0                                | -43.3                                    |
| Industrial                | 20                  | 11                  | 11                 | 7.5                                  | -43.1                                    |
| Commercial                | 94                  | 59                  | 49                 | -15.8                                | -47.8                                    |
| Institutional             | 24                  | 18                  | 18                 | -1.7                                 | -25.8                                    |
| Prince Edward Island      | 26                  | 26                  | 29                 | 9.0                                  | 12.1                                     |
| Industrial                | 4                   | 7                   | 9                  | 27.0                                 | 98.9                                     |
| Commercial                | 14                  | 12                  | 13                 | 7.8                                  | -5.4                                     |
| Institutional             | 7                   | 8                   | 7                  | -5.2                                 | -5.1                                     |
| Nova Scotia               | 179                 | 154                 | 129                | -15.7                                | -27.5                                    |
| Industrial                | 30                  | 24                  | 21                 | -10.3                                | -30.2                                    |
| Commercial                | 128                 | 110                 | 88                 | -19.5                                | -30.7                                    |
| Institutional             | 21                  | 20                  | 20                 | -1.4                                 | -4.1                                     |
| New Brunswick             | 153                 | 156                 | 179                | 14.5                                 | 16.5                                     |
| Industrial                | 23                  | 15                  | 20                 | 29.0                                 | -13.7                                    |
| Commercial                | 74                  | 80                  | 93                 | 15.0                                 | 25.5                                     |
| Institutional             | 56                  | 60                  | 66                 | 10.1                                 | 17.2                                     |
| Quebec                    | 2,254               | 2,123               | 2,171              | 2.3                                  | -3.7                                     |
| Industrial                | 310                 | 343                 | 376                | 9.6                                  | 21.3                                     |
| Commercial                | 1,181               | 1,137               | 1,166              | 2.5                                  | -1.3                                     |
| Institutional             | 763                 | 642                 | 629                | -1.9                                 | -17.5                                    |
| Ontario                   | 4,907               | 4,901               | 4,904              | 0.1                                  | -0.1                                     |
| Industrial                | 794                 | 826                 | 793                | -4.1                                 | -0.2                                     |
| Commercial                | 2,750               | 2,798               | 2,797              | -0.0                                 | 1.7                                      |
| Institutional             | 1,363               | 1,276               | 1,314              | 3.0                                  | -3.6                                     |
| Manitoba                  | 436                 | 399                 | 425                | 6.7                                  | -2.4                                     |
| Industrial                | 46                  | 57                  | 63                 | 10.6                                 | 36.7                                     |
| Commercial                | 231                 | 228                 | 247                | 8.2                                  | 6.8                                      |
| Institutional             | 159                 | 114                 | 116                | 1.6                                  | -27.1                                    |
| Saskatchewan              | 434                 | 494                 | 482                | -2.5                                 | 11.0                                     |
| Industrial                | 61                  | 51                  | 44                 | -14.0                                | -27.7                                    |
| Commercial                | 279                 | 256                 | 229                | -10.5                                | -17.9                                    |
| Institutional             | 94                  | 187                 | 209                | 11.5                                 | 122.1                                    |
| Alberta                   | 2,837               | 2,643               | 2,550              | -3.5                                 | -10.1                                    |
| Industrial                | 397                 | 282                 | 248                | -11.8                                | -37.5                                    |
| Commercial                | 1,910               | 1,688               | 1,594              | -5.6                                 | -16.6                                    |
| Institutional             | 530                 | 673                 | 708                | 5.1                                  | 33.6                                     |
| British Columbia          | 1,412               | 1,518               | 1,464              | -3.6                                 | 3.7                                      |
| Industrial                | 140                 | 173                 | 159                | -7.8                                 | 13.8                                     |
| Commercial                | 852                 | 974                 | 949                | -2.6                                 | 11.4                                     |
| Institutional             | 420                 | 371                 | 356                | -4.2                                 | -15.3                                    |
| Yukon                     | 22                  | 28                  | 32                 | 14.2                                 | 47.1                                     |
| Industrial                | 3                   | 1                   | 0                  | -74.9                                | -90.7                                    |
| Commercial                | 7                   | 10                  | 9                  | -7.9                                 | 39.8                                     |
| Institutional             | 12                  | 16                  | 22                 | 34.0                                 | 87.0                                     |
| Northwest Territories     | 14                  | 43                  | 65                 | 51.6                                 | 351.4                                    |
| Industrial                | 2                   | 1                   | 0                  | -72.6                                | -90.5                                    |
| Commercial                | 6                   | 6                   | 7                  | 24.9                                 | 11.5                                     |
| Institutional             | 6                   | 36                  | 58                 | 58.7                                 | 926.5                                    |
| Nunavut                   | 13                  | 4                   | 6                  | 40.2                                 | -52.4                                    |
| Industrial                | 0                   | 0                   | 0                  | ...                                  | 303.9                                    |
| Commercial                | 11                  | 4                   | 6                  | 34.7                                 | -45.2                                    |
| Institutional             | 2                   | 0                   | 0                  | -100.0                               | -100.0                                   |

... not applicable

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

**Source(s):** CANSIM table [026-0016](#).

**Table 2**  
**Investment in non-residential building construction, by census metropolitan area<sup>1</sup> – Seasonally adjusted**

|                                         | Third quarter<br>2015 | Second quarter<br>2016 | Third quarter<br>2016 | Second quarter to<br>third quarter 2016 | Third quarter<br>2015 to third<br>quarter 2016 |
|-----------------------------------------|-----------------------|------------------------|-----------------------|-----------------------------------------|------------------------------------------------|
|                                         | millions of dollars   |                        |                       | % change                                |                                                |
| <b>Total, census metropolitan areas</b> | <b>10,034</b>         | <b>9,837</b>           | <b>9,732</b>          | <b>-1.1</b>                             | <b>-3.0</b>                                    |
| St. John's                              | 124                   | 69                     | 59                    | -15.2                                   | -52.6                                          |
| Halifax                                 | 122                   | 91                     | 70                    | -22.9                                   | -42.4                                          |
| Moncton                                 | 47                    | 57                     | 75                    | 30.1                                    | 57.3                                           |
| Saint John                              | 21                    | 19                     | 24                    | 24.8                                    | 11.9                                           |
| Saguenay                                | 56                    | 34                     | 41                    | 21.2                                    | -25.5                                          |
| Québec                                  | 205                   | 171                    | 178                   | 3.9                                     | -13.1                                          |
| Sherbrooke                              | 58                    | 50                     | 54                    | 8.2                                     | -6.7                                           |
| Trois-Rivières                          | 34                    | 42                     | 48                    | 16.0                                    | 43.2                                           |
| Montréal                                | 1,297                 | 1,201                  | 1,201                 | -0.0                                    | -7.4                                           |
| Ottawa–Gatineau, Ontario/Quebec         | 486                   | 530                    | 541                   | 2.1                                     | 11.3                                           |
| Gatineau part                           | 76                    | 79                     | 72                    | -8.8                                    | -5.2                                           |
| Ottawa part                             | 410                   | 451                    | 469                   | 3.9                                     | 14.4                                           |
| Kingston                                | 104                   | 56                     | 53                    | -5.7                                    | -49.5                                          |
| Peterborough                            | 26                    | 14                     | 16                    | 15.4                                    | -38.3                                          |
| Oshawa                                  | 106                   | 92                     | 99                    | 7.9                                     | -7.2                                           |
| Toronto                                 | 2,618                 | 2,579                  | 2,504                 | -2.9                                    | -4.4                                           |
| Hamilton                                | 250                   | 252                    | 237                   | -5.8                                    | -5.0                                           |
| St. Catharines–Niagara                  | 79                    | 75                     | 85                    | 13.2                                    | 7.1                                            |
| Kitchener–Cambridge–Waterloo            | 243                   | 226                    | 240                   | 6.0                                     | -1.3                                           |
| Brantford                               | 22                    | 25                     | 27                    | 4.6                                     | 18.5                                           |
| Guelph                                  | 61                    | 60                     | 66                    | 9.9                                     | 8.9                                            |
| London                                  | 118                   | 163                    | 186                   | 14.4                                    | 57.8                                           |
| Windsor                                 | 74                    | 56                     | 56                    | 1.6                                     | -23.7                                          |
| Barrie                                  | 89                    | 100                    | 84                    | -15.9                                   | -5.4                                           |
| Greater Sudbury                         | 74                    | 62                     | 58                    | -6.7                                    | -21.6                                          |
| Thunder Bay                             | 27                    | 35                     | 39                    | 12.3                                    | 48.7                                           |
| Winnipeg                                | 292                   | 277                    | 317                   | 14.5                                    | 8.4                                            |
| Regina                                  | 166                   | 149                    | 134                   | -9.8                                    | -19.4                                          |
| Saskatoon                               | 134                   | 189                    | 193                   | 2.3                                     | 43.8                                           |
| Calgary                                 | 1,133                 | 1,082                  | 1,012                 | -6.5                                    | -10.7                                          |
| Edmonton                                | 886                   | 871                    | 873                   | 0.3                                     | -1.5                                           |
| Kelowna                                 | 62                    | 93                     | 95                    | 2.3                                     | 52.8                                           |
| Abbotsford–Mission                      | 24                    | 34                     | 32                    | -6.1                                    | 30.8                                           |
| Vancouver                               | 914                   | 994                    | 943                   | -5.1                                    | 3.2                                            |
| Victoria                                | 79                    | 88                     | 91                    | 3.3                                     | 15.1                                           |

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.

**Source(s):** CANSIM table [026-0016](#).

**Available in CANSIM: table [026-0016](#).**

**Definitions, data sources and methods: survey number [5014](#).**

For more information, contact us (toll-free 1-800-263-1136; 514-283-8300;  
[STATCAN.infostats-infostats.STATCAN@canada.ca](mailto:STATCAN.infostats-infostats.STATCAN@canada.ca)).

To enquire about the concepts, methods or data quality of this release, contact Mariane Bien-Aimé  
([mariane.bien-aime@canada.ca](mailto:mariane.bien-aime@canada.ca); 613-951-7520), Investment, Science and Technology Division.