

Investment in building construction, September 2020

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, November 9, 2020

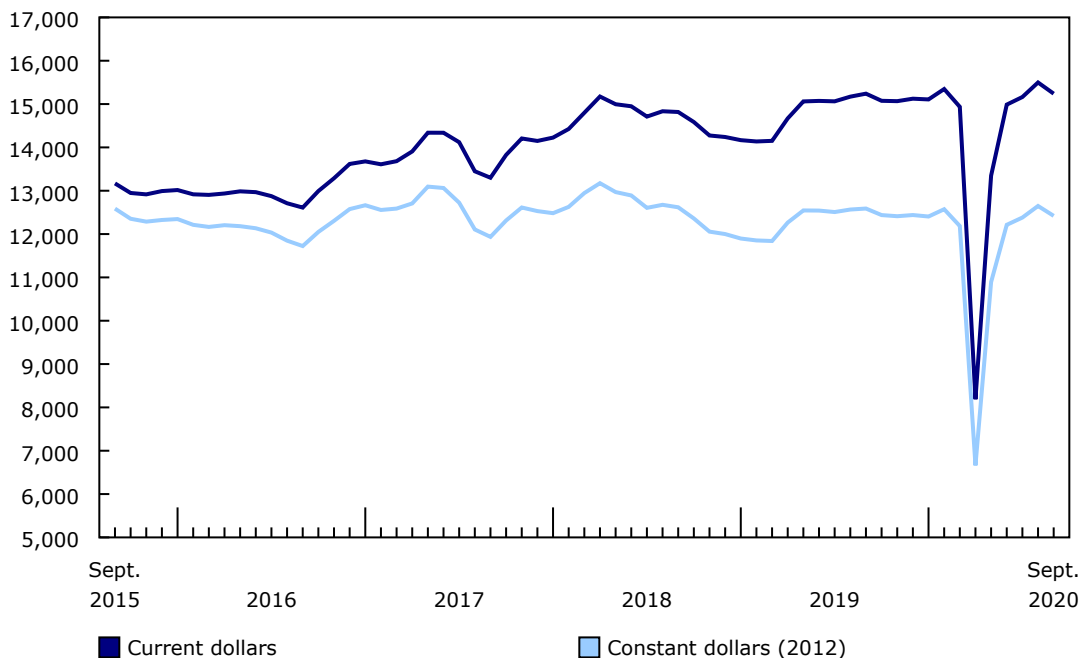
Total investment in building construction decreased 1.7% to \$15.2 billion in September, after reaching a record high in August. This can be attributed to decreases in the non-residential sector (-8.5% to \$4.5 billion) which were partially offset by increases in the residential sector investment (+1.6% to \$10.7 billion). Six provinces reported declines in September, with the largest in Quebec and Ontario.

On a constant dollar basis (2012=100), investment in building construction decreased 1.8% to \$12.4 billion in September.

For more information on housing, please visit the [Housing Statistics Portal](#).

Chart 1
Investment in building construction, seasonally adjusted

millions of dollars



Source(s): Table 34-10-0175-01.

Non-residential investment slips lower

Non-residential investment dropped by 8.5% to \$4.5 billion, the third consecutive monthly decline after peaking in June 2020. The commercial, industrial and institutional components of non-residential building construction all fell to the lowest levels seen since April 2020. Ontario (-9.5% to \$1.8 billion) and Quebec (-15.2% to \$1.0 billion) accounted for the majority of the provincial declines in all three non-residential components.

Investment in commercial building construction was down 11.3% to \$2.6 billion in September. Newfoundland and Labrador (+0.4%) was the only province to report an increase.



Statistics Canada
Statistique Canada

Canada

Investment in industrial building construction fell 5.6%, with every province reporting decreases. Quebec reported the largest decline, but remained above pre-COVID-19 levels in this component.

Nationally, the institutional component declined 3.7%, despite gains in five provinces.

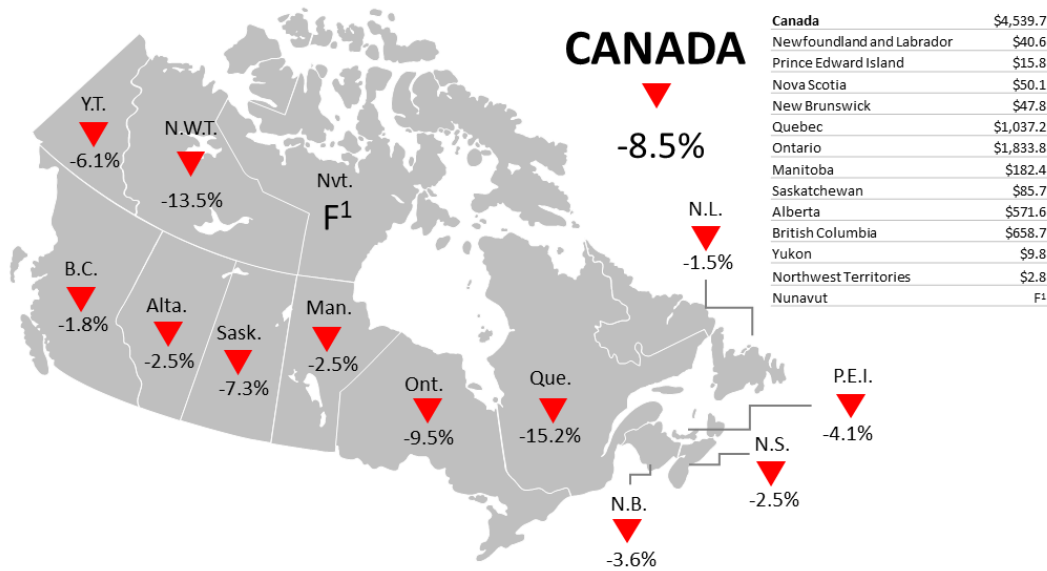
Infographic 1 – Investment in non-residential building construction, September 2020

September 2020

Investment in non-residential building construction

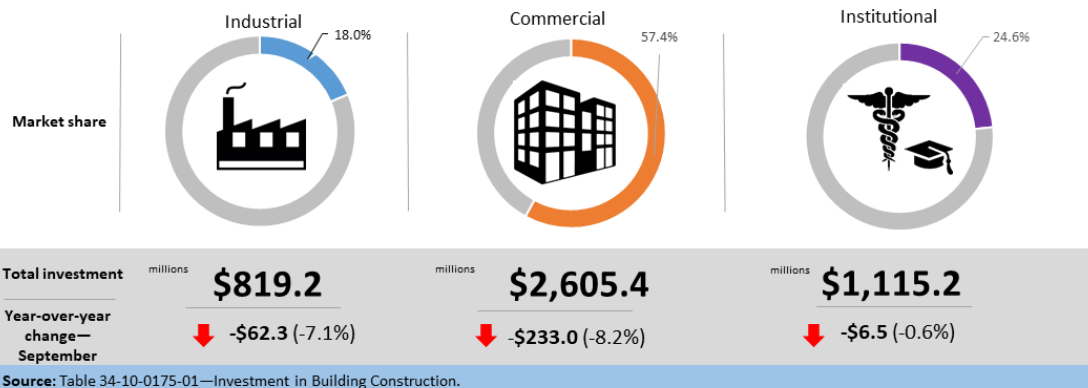
Figure 1 Month-to-month change in non-residential construction investment (seasonally adjusted)

Table 1 Total investment, millions of dollars (seasonally adjusted)



Canada	\$4,539.7
Newfoundland and Labrador	\$40.6
Prince Edward Island	\$15.8
Nova Scotia	\$50.1
New Brunswick	\$47.8
Quebec	\$1,037.2
Ontario	\$1,833.8
Manitoba	\$182.4
Saskatchewan	\$85.7
Alberta	\$571.6
British Columbia	\$658.7
Yukon	\$9.8
Northwest Territories	\$2.8
Nunavut	F1

Figure 2 Investment in non-residential construction, market share and year-over-year change (seasonally adjusted)



1.F = too unreliable to be published

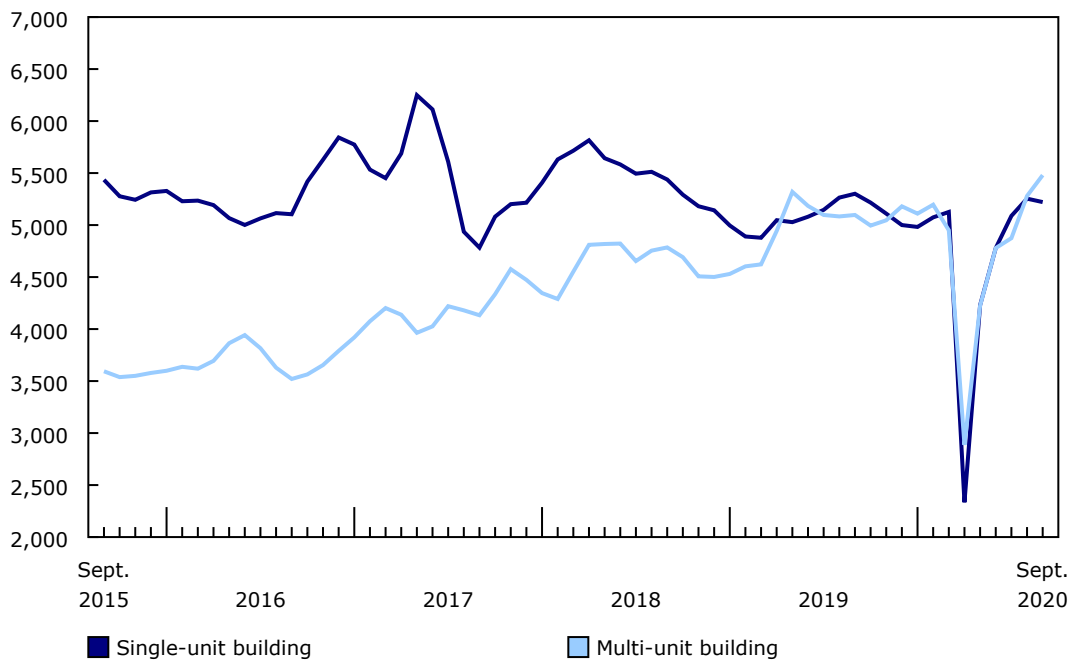
Slight increase in residential construction investment

Overall, investment in residential construction was up 1.6%, led by multi-unit investments. Multi-unit construction rose for the fifth consecutive month with gains in seven provinces. Manitoba and Quebec led the advance with both new construction and renovation projects on apartment buildings. The largest declines were reported in British Columbia (-4.1%), continuing a downward trend following the peak reached in May 2019.

Single unit investment in building construction was largely unchanged in September (-0.6%) after four consecutive monthly increases from May through August. Declines reported in five provinces were mostly offset by gains in Newfoundland and Labrador (+8.5%), New Brunswick (+5.8%), British Columbia (+1.8%) and Ontario (+0.2%).

Chart 2
Investment in residential building construction, seasonally adjusted

millions of dollars



Source(s): Table 34-10-0175-01.

Infographic 2 – Investment in residential building construction, September 2020

September 2020

Investment in residential building construction

Figure 1 Month-to-month change in residential construction investment (seasonally adjusted)

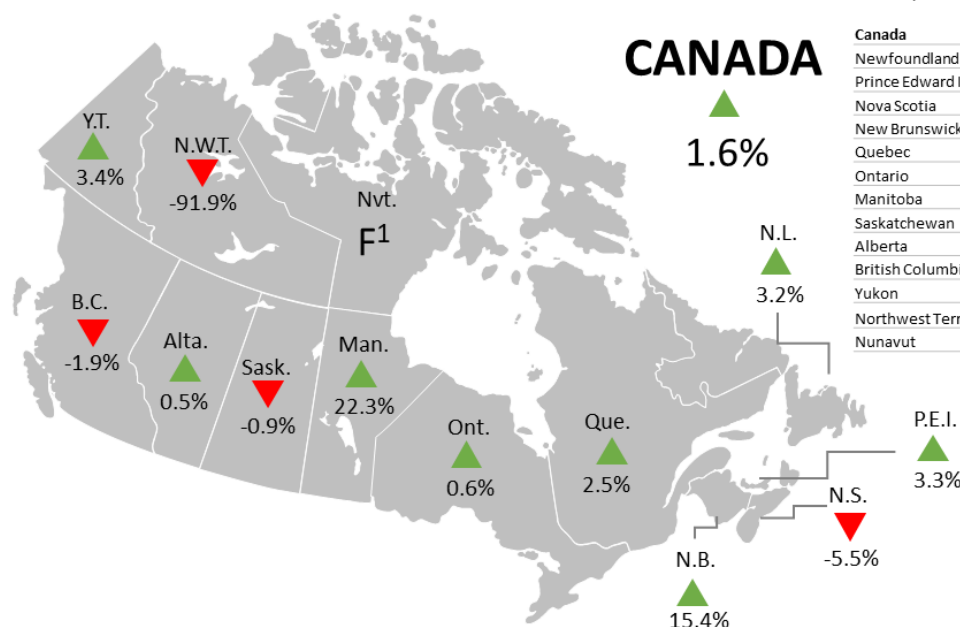
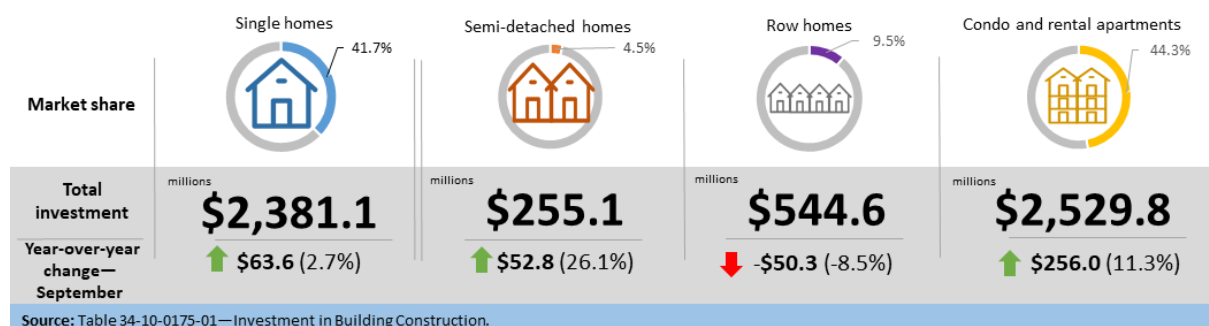


Table 1 Total investment, millions of dollars (seasonally adjusted)

Canada	\$10,700.5
Newfoundland and Labrador	\$125.5
Prince Edward Island	\$60.5
Nova Scotia	\$221.4
New Brunswick	\$208.9
Quebec	\$2,284.1
Ontario	\$4,152.9
Manitoba	\$504.1
Saskatchewan	\$155.7
Alberta	\$1,307.1
British Columbia	\$1,653.0
Yukon	\$26.1
Northwest Territories	\$0.1
Nunavut	F1

Figure 2 Investment in new residential construction, market share and year-over-year change (not seasonally adjusted)



Quarterly investment bounces back

Investment in building construction saw strong growth of 25.7% in the third quarter, bouncing back from a substantial decline (-19.5%) in the second quarter of 2020, impacted by COVID-19-related shutdowns. All components in the residential and non-residential sectors showed growth compared with the previous quarter. While investment in both single and multi-unit construction has rebounded from the second quarter to \$15.6 billion, multi-unit investment, which reached a record high on a quarterly basis, has been surpassing single-unit investments since the first quarter of 2020.

The commercial (+13.8% to \$8.7 billion) and industrial (+5.1% to \$2.6 billion) components of non-residential investment have not yet returned to pre-COVID-19 levels on a quarterly basis. However, the institutional component (+7.5% to \$3.5 billion) has surpassed pre-COVID-19 levels.

Provincially, Ontario and Quebec, which accounted for more than three-quarters of the gain, led the quarterly growth.

Note to readers

Based on the extraordinary events and business disruptions around COVID-19, Statistics Canada continues to make adjustments to the models used to estimate investment in building construction. As a result of these adjustments, there may be larger-than-normal revisions to the data.

Unadjusted data for the current reference month are subject to revision based on late responses. Data for the previous month have been revised. Deflated data and seasonally adjusted data are revised for the previous two months.

Data presented in this release are seasonally adjusted unless otherwise stated. Using seasonally adjusted data allows month-to-month comparisons by removing the effects of seasonal variations. For information on seasonal adjustment, see [Seasonally adjusted data – Frequently asked questions](#).

Monthly estimates for constant dollars are calculated using quarterly deflators from the Building Construction Price Index (18-10-0135-01). Typically, the first two months of a quarter use the previous quarters' price level and are revised when the new quarterly price index becomes available.

Detailed data on investment activity by type of building and type of work are now available in the unadjusted current dollar series.

Prior to January 2018, building permits for cottages with a value greater than \$60,000 were automatically reclassified to structure type Single. Beginning in January 2018, regardless of value, building permits received from municipalities coded as cottages remain classified as a cottage.

Effective November 23, 2018, table 34-10-0175-01 contains data on both the residential and non-residential sectors. It replaced tables 34-10-0010-01, 34-10-0011-01 and 34-10-0012-01.

Products

A new study titled "[Price trends and outlook in key Canadian housing markets](#)" looks at where the housing market was at the onset of the COVID-19 pandemic, sheds light on what has happened since then, and explores the challenges facing the Canadian market going forward.

Statistics Canada has a "[Housing Market Indicators](#)" dashboard. This web application provides access to key housing market indicators for Canada, by province and by census metropolitan area. These indicators are updated automatically with new information from monthly releases, giving users access to the latest data.

Available tables: table [34-10-0175-01](#).

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

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).