Architectural services, 2022

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Growth in architectural services eased as housing starts slowed in 2022

The combined total operating revenue of the architectural services and the landscape architectural services industries increased 8.7% from 2021 to $6.8 billion in 2022. Businesses in the two industries either plan and design residential, industrial, commercial, institutional and government buildings, or develop land. From 2020 to 2021, operating revenue had grown by 16.0% to $6.3 billion.

In 2022, housing starts declined as financing costs rose. However, non-residential investment grew strongly in 2022, led by developments in the industrial and commercial sectors. Public investment was still growing, though at a more moderate pace than private non-residential investment.

Total operating expenses for the architectural services and the landscape architectural services industries increased 11.1% from 2021 to $5.7 billion in 2022. The operating profit margin dropped to 16.8% in 2022, down from 18.6% in 2021.

Architectural services for non-residential building projects, such as office buildings, educational institutions, health care institutions, and retail stores and restaurants, accounted for 50.6% of total sales in 2022. Sales for residential building projects accounted for 22.2%, while the remaining sales (27.0%) were generated by landscape architectural services, urban planning and other related services.

In 2022, Ontario companies generated 44.2% of the industries' combined total operating revenue in Canada. Quebec was the second-largest contributor (20.7%), followed by British Columbia (18.5%) and Alberta (9.6%).

The industries' sales to businesses represented over half (53.3%) of total sales in 2022, followed by sales to governments, non-profit organizations, and public institutions (31.7%); individuals and households (12.3%); and customers outside Canada (2.7%).

A look at 2023

Following double-digit annual growth in private and public non-residential capital expenditures in 2021 and 2022, investment did not grow in the first three quarters of 2023. Rising mortgage rates in 2023 have dampened business investment in new housing construction and in renovations.

Demand for architectural services has therefore not experienced the same pressures in 2023 as in the previous few years. Detailed financial statistics on the impacts of the slowdown in investment on the architectural services and landscape architectural services industries for 2023 will be provided after survey data are collected in 2024.

Note to readers

Data for 2021 have been revised.

Data may not equal 100% because of rounding.

Information on building construction was obtained from "Investment in Building Construction, monthly," table 34-10-0175-01.

Information on capital investment was obtained from "Gross fixed capital formation, quarterly, Canada," table 36-10-0108-01.

These and other data related to business and consumer services can be found at the Business and consumer services and culture statistics portal.

Available tables: 21-10-0036-01 to 21-10-0038-01 and 21-10-0198-01.

Definitions, data sources and methods: survey number 2420.

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 (**statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca**).