

Canada: New record for nonresidential building construction in Q3?

By Marc Pinsonneault

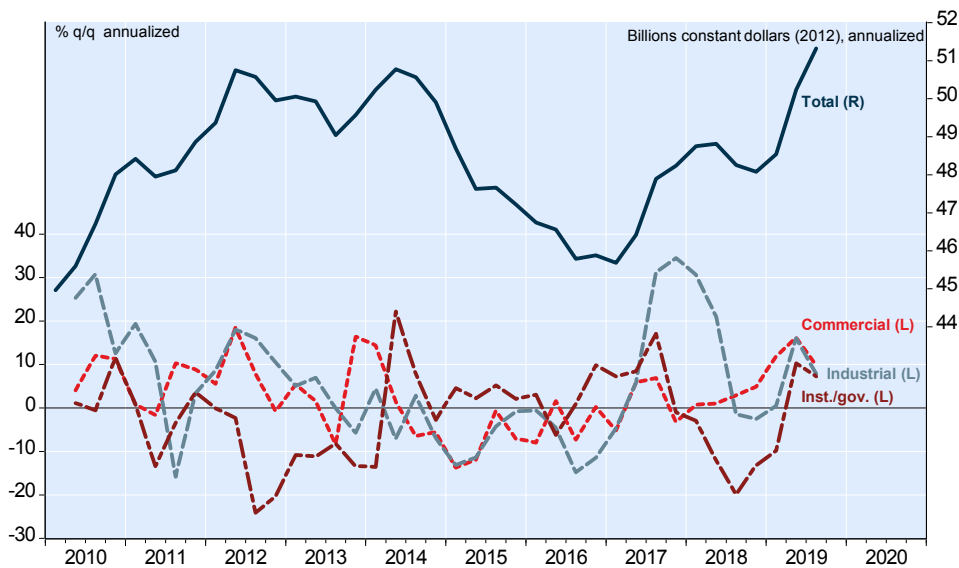
After one month into Q3, real investment in nonresidential building construction is set to reach a new record in Canada (right chart), with a 8.9% increase annualized and gains in each of the three major categories (industrial, commercial and institutional/governmental). Among the four largest provinces, these investments are set to increase in B.C., Ontario and Quebec. In Alberta, investments in the institutional/governmental sector are set to decline for an eighth quarter in a row. At the opposite, this sector is an area of strength in Quebec. In Ontario, growth in Q3 has been fed so far by commercial and industrial investments, while it has been generalized in B.C. (left chart). On a quarterly basis, real investment in residential construction is set to increase at an annual rate of 2.4% overall in Canada. Among the four largest provinces, Ontario bucked that trend, with a 22% surge (30% for single dwellings, 15% for multiple dwellings), but this is partly offset by a 29% fall in B.C. (from a record level in Q2) mostly due to multiple dwellings.

HIGHLIGHTS:

- Real investment in residential building construction in Canada (comprising new construction and renovation) was up 0.8% in July, partly recovering from a 1.6% drop in June. The increase was concentrated in single dwellings (+3.0%), as investment in multiple dwellings dropped (-1.2%). Among the four major provinces, increases in Ontario (+5.9%) and Alberta (+4.3%) were partly offset by declines in B.C. (-7.2%) and Quebec (-0.8%).
- Real investment in nonresidential building construction also rose 0.8%. There were gains in the three major categories (commercial +0.9%, industrial +0.8%, institutional/governmental 0.6%). Among the four largest provinces, B.-C. (+1.2%), Quebec (+1.0%) and Ontario (+0.9%) contributed the most, while these investments were flat in Alberta.

Canada: Nonresidential building construction set to reach a record

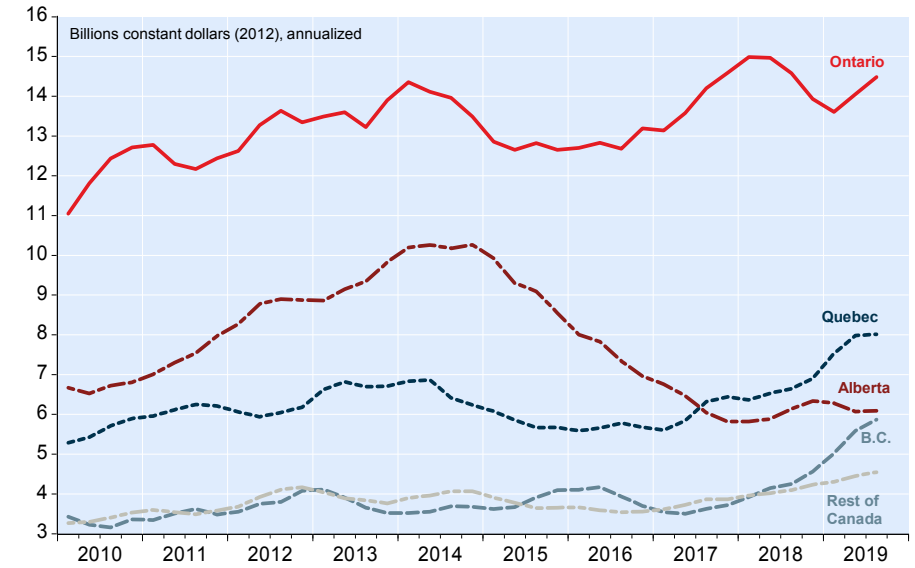
Commercial and industrial investments in real terms. Last observation: Q3 2019 as of July



NBF Economics and Strategy (data via Statistics Canada, table 34-10-0175-01)

Business nonresidential investment strongly up in Ontario and B.C.

Commercial and industrial investments. Last observation: Q3 2019 as of July



NBF Economics and Strategy (data via Statistics Canada, table 34-10-0175-01)

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