Construction intentions pull back in value in Q3 2021

November 8, 2021

Seasonally adjusted building permit values for both residential and non-residential structures in the Edmonton census metropolitan area (CMA) pulled back in Q3 2021 to a value of $1.1 billion, from $1.2 billion in Q2. Building permits in Q3 across all segments, residential and non-residential, recorded quarter-over-quarter reductions in value compared to Q2, with institutional and governmental building permits experiencing the most pronounced relative decrease.

![Edmonton CMA Building Permit Values ($000s)](image)

Source: Statistics Canada, Table 34-10-0066-01; seasonally adjusted; series ending Q3 2021

On a year-over-year basis, unadjusted residential permit values were about 14 per cent higher in Q3, with strong growth in single dwelling permit values more than offsetting a decline in multi dwelling permit values. Multi dwellings include semi-detached, row and apartment structures. On the non-residential side, unadjusted permit values were 33 per cent lower year-over-year in Q3, with permit values for all structures except for commercial posting reduced values. Permit values for all non-residential structure types were lower in Q3 2021 compared to Q3 2019.

Significance

Edmonton CMA building permits (unadjusted for seasonal factors) taken out in 2021 so far totalled $3.4 billion in value, which represents an increase of 12.3 per cent compared to the first three quarters of 2020, with the largest relative increase in values for single dwelling construction. The residential sector has been a large support to construction activity in the...
region since the pandemic set in. Between January and September 2020, there was a greater intention to construct apartment units compared to the same period in 2019, based on the count of new dwelling units created as provided through permit data. Based on year-to-date September 2021 building permit data, it appears as though residential construction intentions have been dominated by single dwellings with a 50 per cent year-over-year increase in new dwelling units created. Looking ahead, the residential construction sector, led by single dwellings, will likely continue to perform strongly compared to the non-residential sector. The performance of the non-residential construction sector, based on permit data, has been uneven, likely due to continued uncertainty in the economic environment.

**Limitations**
The value of building permits provides a glimpse into the performance of the building construction sectors. Building permits indicate an intent to build but do not always result in immediate construction. The value of building permits issued by municipalities also tends to spike periodically. The significance of these trends should be interpreted in the context of other economic indicators.

**Contact**
Felicia Mutheardy, Corporate Economist
780-496-6144
felicia.mutheardy@edmonton.ca

For media inquiries:
Matt Pretty, Communications Advisor
780-442-0970
matt.pretty @edmonton.ca