

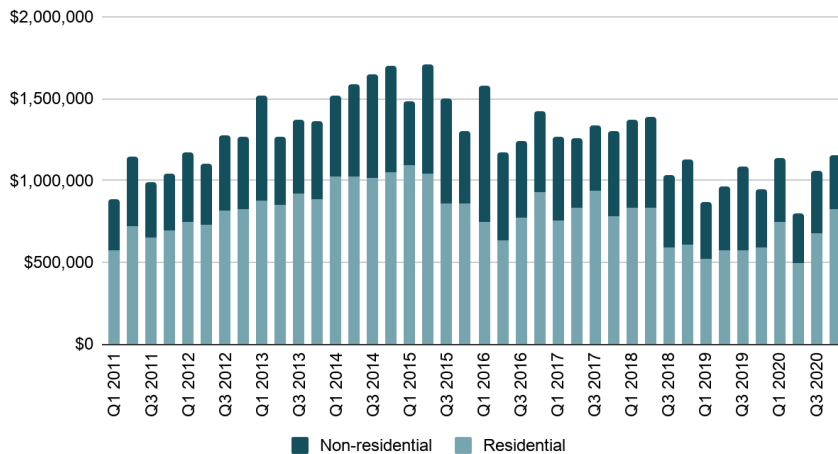
Edmonton residential building permits continue to climb in Q4 2020

February 1, 2021

Seasonally adjusted building permit values in the **Edmonton** census metropolitan area (CMA) (including residential and non-residential structures) continued to rise in Q4 2020 compared to Q3. Residential and non-residential builders in the Edmonton CMA took out permits valued at \$1.2 billion in Q4 2020, gaining 9.2 per cent quarter-over-quarter. Residential building permit values gained 20.7 per cent quarter-over-quarter in Q4, with sizeable increases in building permit values for both single and multiple dwellings. Non-residential building permit values were almost 12 per cent lower quarter-over-quarter in Q4.

Total building permit values in the Edmonton CMA were 21.5 per cent higher in Q4 year-over-year, with gains concentrated in residential structures. Residential permit values rose 38.4 per cent year-over-year in Q4 2020, with a particularly strong gain in multiple dwelling values (up 63.4 per cent). Non-residential building permit values, however, were 6.7 per cent lower in Q4 year-over-year, with declines across all segments, excluding institutional and governmental structures.

Edmonton CMA Building Permit Values (\$000s)



Source: Statistics Canada, Table 34-10-0066-01; seasonally adjusted

In **Alberta**, total building permit values in Q4 2020 were 7.8 per cent higher quarter-over-quarter but were 4.3 per cent lower compared to Q4 2019. All residential structure types saw gains in Q4 both on a quarter-over-quarter and year-over-year basis, with a more pronounced increase in single dwelling permit values. Excluding institutional and governmental structures, all other non-residential structures saw reductions to building permit values in Q4 compared to both Q3 2020 and Q4 2019.

The total value of residential and non-residential building permits issued by municipalities across **Canada** in Q4 2020 gained 5.4 per cent compared to Q3, and almost six per cent compared to Q4 2019. Similar to the Edmonton CMA and Alberta, the gains were concentrated in residential structures.

Value of Building Permits - Edmonton CMA, Alberta and Canada

	Seasonally Adjusted Value (\$ millions)			% Change	
	Q4 2019	Q3 2020r	Q4 2020p	Q/Q	Y/Y
	(Oct-Dec)	(Jul-Sep)	(Oct-Dec)		
Edmonton CMA	948.3	1,055.3	1,151.9	9.2	21.5
Residential	593.1	680.2	820.7	20.7	38.4
Non-Residential	355.2	375.1	331.3	-11.7	-6.7
Alberta	2,995.8	2,659.5	2,867.7	7.8	-4.3
Residential	1,836.8	1,659.3	1,935.7	16.7	5.4
Non-Residential	1,159.0	1,000.2	932.1	-6.8	-19.6
Canada	25,491.8	25,589.7	26,969.8	5.4	5.8
Residential	14,926.4	17,003.8	18,625.8	9.5	24.8
Non-Residential	10,565.3	8,585.9	8,344.0	-2.8	-21.0
	Source: Statistics Canada, Table 34-10-0066-01 p – preliminary; r - revised				

Significance

Quarterly building permit values in the fourth quarter continued to rise with gains concentrated in residential structures. Consistent gains in permit values over the second half of 2020 for residential structures help to explain the pick-up in housing starts activity towards the end of the year and indicate some support to residential construction activity coming into 2021. Non-residential building permit values continued to struggle, though performances have been uneven across structure types. Looking ahead, the outlook for building activity in the Edmonton CMA remains somewhat uneven with non-residential construction activity likely continuing to see some headwinds in 2021. On the residential side, expectations are highly uncertain given the relatively strong performance for construction in 2020 (via intentions and starts production) despite weakening fundamentals that would typically support residential housing demand, such as employment growth and in-migration flows.

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.

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