

## Edmonton building permit value totals jump in Q1 2020

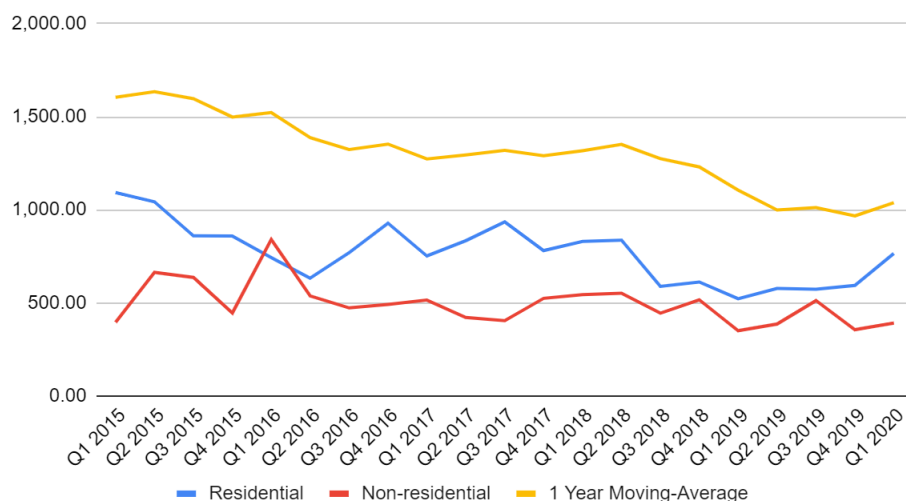
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Construction intentions in the **Edmonton** census metropolitan area (CMA) for both residential and non-residential structures spiked in value in Q1 2020, compared to both Q4 2019 and Q1 2019. Residential and non-residential builders in the Edmonton CMA took out permits valued at about \$1.2 billion in Q1 2020, representing a gain of almost 22 per cent quarter-over-quarter and 33 per cent year-over-year.

Residential building permit values jumped almost 29 per cent higher in Q1 2020 compared to Q4 2019. The quarter-over-quarter gain was driven by higher multiple dwelling building permit values as single-dwelling permit values held steady in Q1 2020. Multiple dwelling building permit values were 63.4 per cent higher quarter-over-quarter in Q1 2020. Non-residential building permit values were 10.1 per cent higher quarter-over-quarter in Q1 2020 with double-digit gains in industrial and commercial building permit values more than offsetting a 39 per cent decline in institutional and governmental building permit values.

On a year-over-year basis, residential building permit values in the Edmonton CMA were almost 47 per cent higher in Q1 2020. Both single and multiple dwelling permit values were higher, though the gain in multiple dwelling values was more pronounced with an 80 per cent increase year-over-year. Non-residential building permit values were almost 12 per cent higher year-over-year due to higher permit values for industrial and commercial structures. Building permit values for institutional and governmental structures were 13.1 per cent lower year-over-year in Q1 2020.

### Value of Building Permits - Edmonton CMA (\$millions)



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

In **Alberta**, total building permit values in Q1 2020 were marginally higher quarter-over-quarter and gained almost 11 per cent year-over-year. Residential building permit values gained in Q1 2020 relative to both Q4 2019 and Q1 2020. Non-residential building permit values in Q1 2020, however, were almost three per cent lower compared to Q4 2019 as permit values for commercial, institutional and governmental structures declined. Compared to Q1 2019, however, non-residential permit values gained 7.3 per cent in Q1 2020.

The total value of residential and non-residential building permits issued by municipalities across **Canada** in Q1 2020 declined by one per cent compared to Q4 2019 but was 2.1 per cent higher year-over-year. Residential construction intentions in Q1 2020 were higher on both a quarter-over-quarter and year-over-year basis. Non-residential building permit values in Q1 2020, however, declined by almost 11 per cent compared to Q4 2019 and by 3.6 per cent year-over-year. Building permit values for all three non-residential segments in Q1 2020 were lower quarter-over-quarter, as well as year-over-year.

### Value of Building Permits - Edmonton CMA, Alberta and Canada

	Seasonally Adjusted Value (\$ millions)					% Change	
	Q1 2019 (Jan-Mar)	Q2 2019 (Apr-Jun)	Q3 2019 (Jul-Sep)	Q4 2019r (Oct-Dec)	Q1 2020p (Jan-Mar)	Quarter-over-Quarter	Year-over-Year
<b>Edmonton CMA</b>	871.4	962.4	1,084.0	948.3	1,155.7	21.9	32.6
Residential	521.6	577.1	572.3	593.1	764.7	28.9	46.6
Non-Residential	349.8	385.3	511.6	355.2	391.0	10.1	11.8
<b>Alberta</b>	2,725.3	2,944.5	2,981.7	2,995.8	3,020.4	0.8	10.8
Residential	1,676.6	1,697.4	1,788.1	1,836.8	1,895.7	3.2	13.1
Non-Residential	1,048.7	1,247.2	1,193.5	1,159.0	1,124.7	-3.0	7.3
<b>Canada</b>	24,717.9	26,417.9	26,236.0	25,491.8	25,232.2	-1.0	2.1
Residential	14,929.1	16,194.6	16,062.6	14,926.4	15,793.1	5.8	5.8
Non-Residential	9,788.8	10,223.4	10,173.4	10,565.3	9,439.1	-10.7	-3.6
	Source: Statistics Canada, Table 34-10-0066-01 p – preliminary; r - revised						



## **Significance**

Construction intentions in the Edmonton CMA saw a significant improvement in Q1 2020. On the residential side, Q1 2020 marked the second consecutive quarter of gains in building permit values, which supported housing starts activity in Q1 2020. Looking ahead, the outlook for construction activity in the Edmonton CMA will likely be weaker than previously expected considering the COVID-19 pandemic. Though the full impact of the pandemic is still unknown, available economic data suggest signs of a significant negative economic impact which is expected to hold back construction activity over the near to medium term.

## **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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