

► Saskatoon building permits took a big leap in August

After two consecutive months of decline, construction intentions have picked up the pace. The total value of building permits issued in the Saskatoon CMA jumped 70% from \$53.2 million in July to \$90.5 million in August. The monthly gain was led by non-residential permits, which increased nearly threefold to a 14-month high (Chart 1). Residential permits also increased, but to a lesser extent (+16.9%, m/m) as decline in single-family dwelling permits offset some of the gains in multi-family dwelling permits.

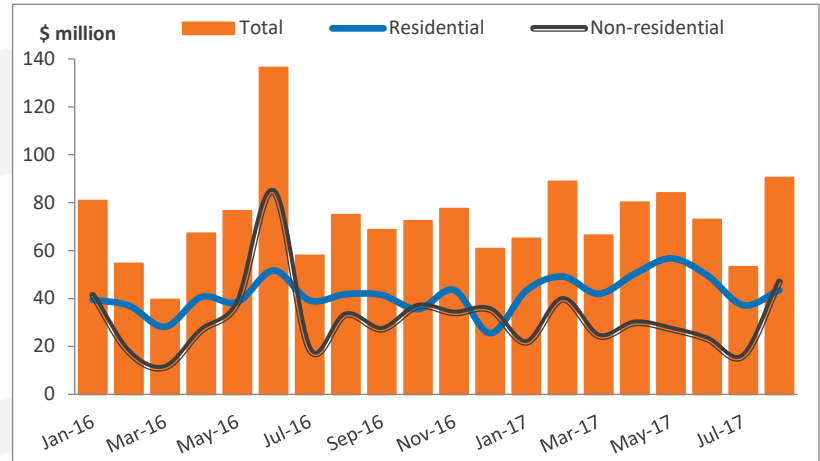
Compared to August 2016, the total value of building permits issued in the CMA was up 20.6%, reflecting a 4.1% increase in residential permits and 41.4% jump in non-residential permits. In spite of strong rebound in construction intentions, the year-to-date (January through August) total for non-residential permits is 15.7% below same period last year, reflecting dramatic decline in institutional and government permits. Year-to-date, the value of residential permits rose +17.5% and is on track to exceed last year's total.

Insight

The value of building permits is a leading indicator for construction activity over the next six to twelve months. Given that construction accounts for about 11% of the Region's GDP, the strong showing in August is another sign the Saskatoon's economy is showing signs of modest growth.

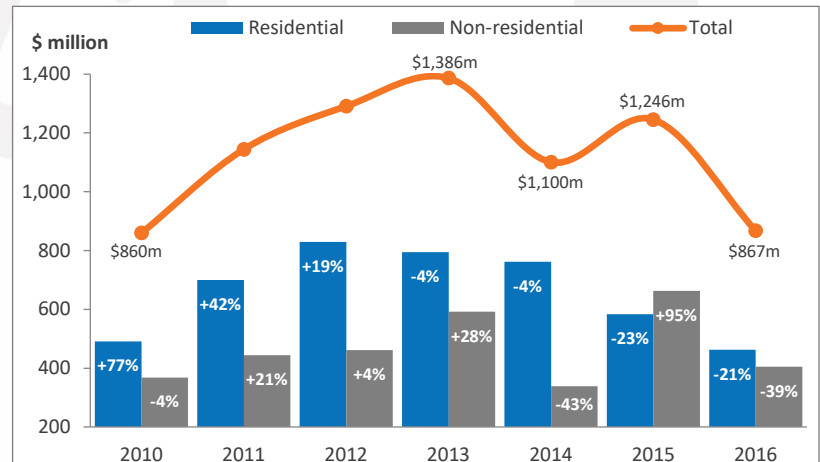
Residential and non-residential permits rebounded in August

Value of building permits in Saskatoon CMA (seasonally adjusted)



Building permits fell sharply in 2016 due to significant drops in multi-family, industrial, commercial & institutional applications

Value of building permits in Saskatoon CMA



Value of building permits, Saskatoon CMA (seasonally adjusted)

	2016	YTD 2017	Jul 2017	Aug 2017
Building permits (\$m)	867.5	603.0	53.2	90.5
Y/Y % change	-30.4%	2.2%	-8.3%	20.6%
Residential (\$m)	462.7	373.1	37.2	43.5
Y/Y % change	-20.7%	17.5%	-5.1%	4.1%
Non-residential (\$m)	404.8	229.9	16.0	47.0
Y/Y % change	-38.9%	-15.7%	-14.9%	41.4%

Source: Statistics Canada, Table 282-0135