SREDA INSIGHTS

▶ NON-RES CONSTRUCTION REMAINS BUOYANT IN CITY

When the private sector economy slows down, one of the best things governments can do to counteract this is to simply build stuff. And that appears to be exactly what's happened in Saskatoon in 2016.

LATEST FIGURES
According to figures released by Statistics Canada on Friday July 15, investment in Saskatoon non-residential construction climbed to $189 million in Q2 2016, up from $180 million in Q1 and $154M in Q4 2015. Note: all numbers are adjusted for seasonality.

CONTEXT
All of the increase observed over the past two quarters has been thanks to higher spending in the government and institutional category, which surged to $77M in Q2 2016 from $40M in Q4 2015 (see graph). Investment
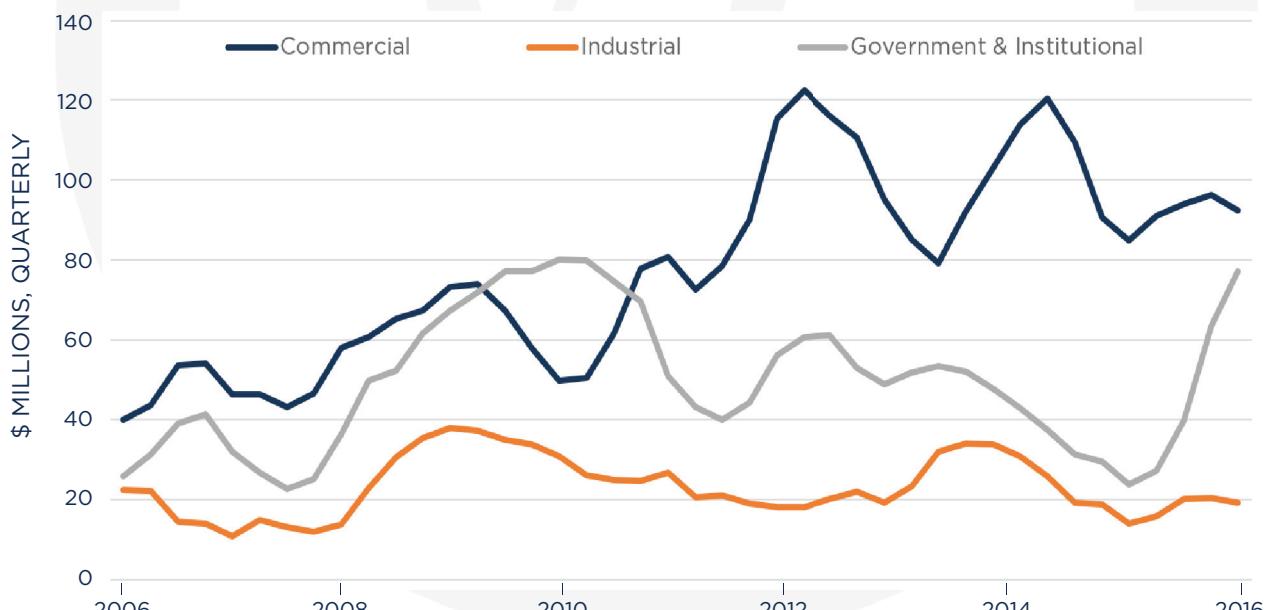
in the other two categories, industrial and commercial structures, has been flat over the past three quarters.

Ongoing government and institutional projects within the Saskatoon Region include the North Commuter Parkway & Traffic Bridge, the Children's Hospital, 12 new elementary schools and a number of road projects.

WHAT IT MEANS
As many non-residential projects have multiyear construction time-frames and the fact that the Federal Government has earmarked funds for infrastructure, non-residential construction is expected to remain a bright spot for Saskatoon. This will help cushion the drop in residential construction activity that has hit construction employment in Saskatoon over the past year.

INVESTMENT IN NON-RESIDENTIAL CONSTRUCTION SASKATOON

Source: Statistics Canada
Note: All data is seasonally adjusted

SREDA Insights provides commentary and analysis on key economic issues influencing Saskatoon Region businesses and industry. By providing timely, digestible and relevant economic analysis, SREDA helps local businesses adapt to changing market conditions. SREDA provides SREDA Insights to its members in conjunction with other ongoing initiatives through its Economic Forecasting & Analysis division.