

Construction intentions down in Saskatoon, reflecting further retreat in condo and institutional permits

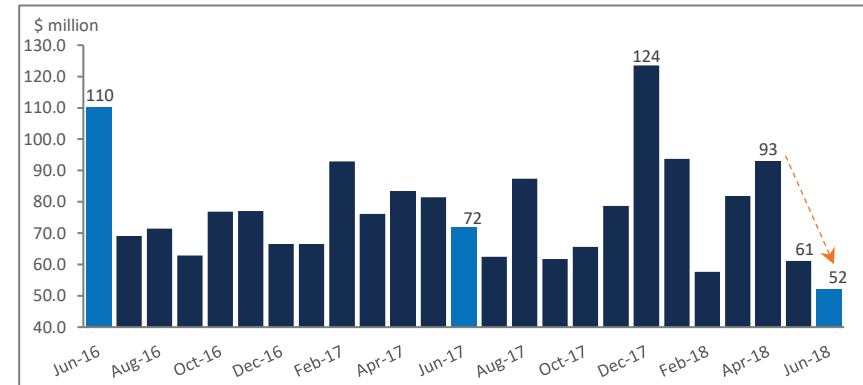
- **A seven-year low.** The total value of building permits issued by Saskatoon and surrounding municipalities¹ dropped 14.8% m/m to \$52.0 million in June, following a 39.2% decrease the prior month. Compared to June 2017, the value of building permits was down 27.7%.
- **Massive drop in multi-family and institutional permits.** The total value of multi-family permits fell 89.0% to \$1.2 million, offsetting the 27.4% gain in single-family permits. On the non-residential side of the equation, no permits were issued for institutional or governmental projects. Industrial (+43.2%) and commercial (+1.4%) permits were up in June.
- **Halfway through the year, permits are 7.0% down relative to last year.** The year-to-date decline reflects 28.5% gain in non-residential permits, eclipsed by a 30.0% drop in residential permits.

“The first half results paints a mixed picture of an economy in which commercial and industrial construction intentions are gradually improving while residential construction is declining due to oversupply, stricter mortgage rules and rising interest rates. Since construction accounts for about 11% of the Region’s GDP, it will be interest to watch whether the sectors outlook improves in the next quarter.”

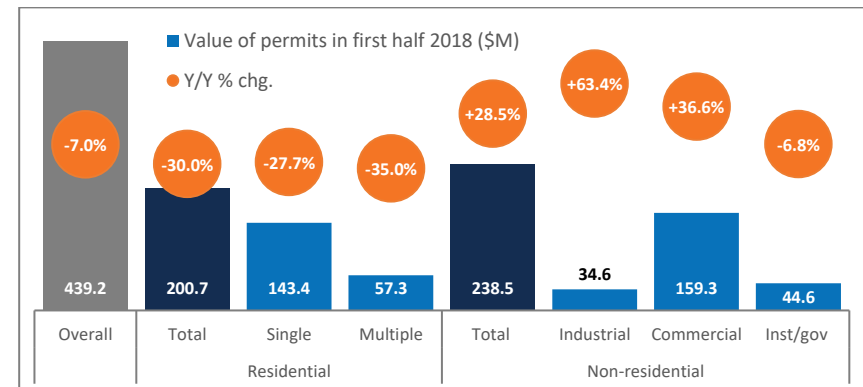
Gabriel Dzathor, Manager – Economic Forecasting and Analysis

¹ Building permits are for the Saskatoon CMA, which includes the City of Saskatoon, Rural Municipality of Corman Park No. 344, the cities of Martensville and Warman, and other smaller communities within the region.

The value of building permits in Saskatoon CMA fell further in June...



...currently tracking 7.0% below the first half of 2017



Value of building permits – Saskatoon CMA

	2017	YTD-2018	Apr-2018	May-2018	Jun-2018
Building permits (\$m)	951.6	439.2	92.8	61.1	52.0
Y/Y % change	9.7%	-7.0%	11.6%	-25.0%	-27.7%
Residential (\$m)	587.7	200.7	30.7	31.7	27.7
Y/Y % change	27.0%	-30.0%	-35.9%	-39.5%	-42.8%
Non-residential (\$m)	363.9	238.5	62.1	29.4	24.3
Y/Y % change	-10.1%	28.5%	75.9%	+0.9%	3.5%

Source: Statistics Canada Table 34-10-0066-01 (seasonally adjusted)