



Vancouver leads Western Canada surge in building permits

Office construction here and in Calgary help hot market

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OTTAWA -- Construction sites in Western Canada will hum this summer as the value of building permits, a leading indicator for construction activity, surged to its highest monthly level in May, Statistics Canada said Thursday.

Municipalities issued \$6.8 billion worth of permits, up 21.4 per cent from April and 8.5 per cent higher than the previous peak reached in October 2006, far outstripping analysts' expectations of about six per cent for May. But more than 15 per cent of the total value in May came from only 15 large projects, the agency added.

The Calgary and Vancouver metropolitan areas were responsible for nearly 75 per cent of the overall gain (in dollars) in May. Excluding these two areas, the total value of permits would have increased by only seven per cent instead of 21.4 per cent, the report said.

Gains in these two metropolitan areas pushed the total value of permits in Alberta and British Columbia to record highs, Statistics Canada said, noting that there was also strong growth in Manitoba, Saskatchewan and New Brunswick, thanks largely to construction intentions in the non-residential sector.

Non-residential permits surpassed the \$3-billion mark for the first time due to a big increase in commercial projects. Contractors took out a record \$3.1 billion in permits for proposed construction projects, up 55.7 per cent from April. This level was 18.5-per-cent higher than the previous record of \$2.6 billion set in January, the report showed.

On the residential side, municipalities issued \$3.7 billion in permits, a 2.4 per cent increase from April. The value of single-family permits increased, while multi-family permits slipped marginally.

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