



Building permits fall in May

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The number of building permits issued by Canadian municipalities fell by 10.8 per cent in May to \$6-billion, after two straight months of gains.

Analysts had expected a 2-per-cent drop, but Statistics Canada said sharp declines in both residential and non-residential building pulled the numbers lower.

"Lower construction intentions were spread across a wide variety of buildings, such as office buildings, recreational, hotels and warehouses," the agency stated in a release.

The value of residential permits fell 5.3 per cent to \$3.7-billion as the number of permits for single-family homes fell.

"This is a very volatile series, and I think the drop in residential permits was a bit of a surprise," said Robert Kavcic, an economist at Bank of Montreal.

Institutional permits fell 21.6 per cent to \$690-million, after three months of gains. Lower construction intentions in educational, medical buildings and welfare homes contributed to this decline.

The value of commercial permits fell 35.2 per cent to \$988-million in May following a 30.7 per cent increase in April.

Permits rose in the industrial sector, however, up 47.1 per cent to \$644-million, the fifth monthly increase in a row mostly because of utility buildings in Ontario and manufacturing buildings in Quebec. Industrial construction intentions rose in eight provinces.