

Construction Permit Data Summary

Prepared for the
Northern Labour Market Information Clearinghouse

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Introduction

Construction activity is a strong indicator of the level of overall economic activity in any given region. In addition, changes in construction activity levels can indicate trends in the demand for skilled tradespeople in an area. This report looks at the level of construction activity in the Clearinghouse region and in several communities within that region to gauge the strength of the area's economy.

Methodology

This report uses data collected by Statistics Canada to track the dollar value of projects for which construction permits have been issued in communities within the area served by the Clearinghouse partners. Cities and towns with populations over 5,000 have been examined in closer detail. For these communities we have broken down the construction permits into the types of construction; residential, industrial, commercial and institutional (including governmental).

One limitation to this data should be noted. The data that Statistics Canada collects from the respective municipal authorities is not uniform. Most communities provide data on Building Permits, which are issued just prior to actual construction. Some communities however, provide data on Development Permits which are issued at an earlier point in the development process.

Bonnyville in 1996, Development Permits (as report by Statistics Canada) totaled \$9.269 million, while the Building Permits, according to town sources, totaled \$8.5 million.

Data from both types of permits will provide a good picture of construction activity in any given community from year-to-year but the mixture of data from Statistics Canada means that comparisons between communities and regions must be taken as approximate.

Data

Table 1: Construction Permit Values (\$000)

Geography	Year	Residential	Industrial	Commercial	Institutional	Total
Alberta	1992	1 88 137	244 176	507 288	472 981	3 105 582
	1994	1 747 014	290 533	550 720	152 269	2 740 536
	1996	1 782 707	282 932	604 459	213 013	2 883 111
Clearinghouse	1992	99 091	88 185	39 423	67 789	294 488
	1994	134 741	130 774	63 116	11529	339 067
	1996	151 308	74 188	98 958	28 035	347 592

Table 2: Northern Totals as a Percentage of Alberta Totals

Year	Residential	Industrial	Commercial	Institutional	Total
1992	5.2%	36.1%	7.8%	14.3%	9.5%
1994	7.7%	45%	11.5%	7.6%	12.4%
1996	8.5%	26.2%	16.2%	13.2%	12.1%

Table 3: Permit Data Broken Down for Towns/Cities Over 5 000 People

Municipality	Year	Residential	Industrial	Commercial	Institutional	Total
Wood Buffalo	1992	2 549	1 329	2 909	5 495	12 282
	1994	1 175	184	6 710	330	8 399
	1996	13 733	5 568	12 281	5 602	37 184
	Outlook 1997	increase	increase	stable	increase	increase
Cold Lake	1992	7 132	150	1 473	250	9 185
	1994	8 556	0	1 548	0	10 104
	1996	4 352	20	3 747	28	6 045
	Outlook 1997	increase	increase	increase	stable	increase
Lloydminster	1992	4 128	416	3 515	8 186	16 245
	1994	8 870	1 036	3 048	522	13 476
	1996	11 706	270	6 223	459	18 658
	Outlook 1997	increase	increase	decrease	decrease	increase
Bonnyville (Development Permits)	1992	614	48	504	4 409	5 575
	1994	2 121	0	494	80	2 695
	1996	3 676	30	4 986	577	9 269
	Outlook 1997	increase	increases	increase	decrease	increase
Slave Lake (Development Permits)	1992	2 861	305	1 710	19	4 895
	1994	9 713	411	861	57	11 042
	1996	2 794	361	5 662	12 739	21 556
	Outlook 1997	increase	increase	decrease	decrease	increase
Peace River	1992	1 745	0	3 333	329	5 407
	1994	1 448	0	1 206	350	3 004
	1996	1 301	0	904	17	2 222
	Outlook 1997	increase	n/a	increase	n/a	increase
Grande Prairie	1992	11 262	379	2 156	5 094	18 891
	1994	30 746	3 099	17 130	5 339	56 314
	1996	31 759	1 625	14 551	477	48 412
	Outlook 1997	increase	increase	increase	increase	increase
Whitcourt	1992	4 547	156	1 307	258	6 286
	1994	6 904	507	2 904	305	10 620
	1996	4 352	448	3 611	3 818	12 229
	Outlook 1997	stable	stable	stable	stable	stable

Community Outlooks

Regional Municipality of Wood Buffalo

Overall construction activity will continue to increase this year, led by a strong demand for new housing, supported by a strong industrial sector. The recent high level of commercial development appears to be leveling off after the recent construction of several “big box” stores.

Cold Lake

After dropping in value from 1994 to 1996, residential construction is expected to increase in 1997, along with every other form of building. Energy sector growth is the driver behind growth that is expected to continue for the next few years.

Lloydminster

While industrial construction has been minimal within the city in recent years, nearby oil field activity has led to strong residential and commercial growth in Lloydminster. This growth is expected to continue. Figures for the first quarter of 1997 show particular strength in residential and new industrial construction.

Bonnyville

Once again, the oil industry is proving to be the driver behind the growth of construction since 1994. Town officials see continued residential and commercial growth as some businesses move to town and others expand.

Slave Lake

The 1996 figures for institutional construction in Slave Lake were dominated by a \$12 million hospital project. Aside from that, development numbers should increase for 1997 thanks to an expansion at the Weyerhaeuser OSB mill and nearby oil activity.

Peace River

This year's figures will be inflated significantly by repair work following the recent flood, which has added up to \$1.2 million worth of building permits as of mid May.

Grande Prairie

Led by housing and major commercial developments Grande Prairie is experiencing tremendous growth and leads the region in the value of development permits being issued. This growth will continue in 1997 with developments such as \$4.2 million Wal-Mart store.

Whitecourt

Highway and commercial construction are expected to keep construction activity in Whitecourt at a level similar to previous years in 1997.

Summary

The pattern of recent growth seen in most communities along with the general positive outlook reflects the growth seen in the September 1996 *Major Industrial Projects Update*. This suggests that the economy of northern Alberta is strong and growing.

Housing construction leads all building sectors in most communities. This suggests a growing northern population. The construction in the Grande Prairie area certainly corresponds to strong population growth there (see report #32, "Census 1996 Population and Dwellings Data Summary").

Construction has also been strong in rural areas. Housing is particularly strong in Grande Prairie County No. 1; and industrial building boosted Improvement District (now Municipal District) 15's total permit value to \$45.6 million in 1994. Such developments often fuel the housing markets in nearby centres.

Implications for Training

Indirectly, the increasing levels of construction activity suggest that both the potential student population and the business demand for trained personnel throughout northern Alberta are likely to grow over the next few years.

More directly, activity levels suggest that the construction industry, like many other industries in the region, is likely to face a shortage of skilled tradespeople in the next few years.

Sources

Statistics Canada, Estimated Value of Construction, Alberta, 1992, 1994, 1996.

Clearinghouse report: "Major Industrial Projects Update", September, 1996.

Contacts

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Development Permit Values (in \$000)

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