

7.5.2 Building permits issued

The estimated value of proposed construction is indicated by the value of building permits issued. Figures of building permits are collected by Statistics Canada from approximately 2,000 municipalities across the country and are available for individual municipalities, metropolitan areas, provinces, economic areas and census divisions.

The total value of permits issued for building construction in 1982 was about \$12.8 billion, down from about \$18.7 billion in 1981 and almost \$15.5 billion in 1980. Residential construction value was around \$6.1 billion in 1982, down from \$9.8 billion in 1981 and \$7.5 billion in 1980.

7.6 Capital expenditures

Total capital expenditures during 1983 in the Canadian economy were expected to reach about \$73.8 billion, a decrease of 1.7% from the 1982 level of about \$75.1 billion. These estimates were in current dollars without any adjustment for price increase and reflected the intended outlays by respondents in a Statistics Canada capital and repair expenditures survey carried out between May and June 1983. The survey covered about 25,000 business establishments, educational and other institutions and governments at all levels.

Intended capital outlays for new construction during 1983 were expected to reach \$46.6 billion, 0.9% above the 1982 amount of \$46.2 billion. Estimates included \$12.0 billion for residential construction (\$9.9 billion in 1982) and \$34.7 billion (\$36.3 billion in 1982) for non-residential construction. The 1983 total for machinery and equipment was estimated at \$27.2 billion, 5.9% below the \$28.9 billion in 1982.

Capital expenditures in one region may have income-giving effects in others. For example, spending millions of dollars on plant and equipment in Western Canada may generate considerable activity in machinery industries in Ontario and Quebec as well as construction activity in the western provinces.

7.7 Price indexes

Statistics Canada compiles price indexes relating to outputs of industries specializing in construction work, selected categories of capital expenditure and other related indexes. These data are available in summary in a monthly publication, *Construction price statistics*, and in detail from the Canadian socio-economic information management system (CANSIM), a Statistics Canada computer data bank.

New housing price indexes measure changes in selling prices of new houses constructed by large and medium-volume builders in metropolitan areas. Prices used are the selling prices agreed upon

between builder and buyer at the time a contract is signed. The composite index includes the house and the serviced lot on which it stands (except for a few areas, principally in Quebec, where the servicing costs are paid, not to the builder as part of the purchase price, but to the local municipality in property taxes). They exclude legal fees, provincial land transfer taxes and similar costs to the buyer in acquiring the property. Price movements cover single unit houses, semi-detached and row condominiums (Table 7.3).

Construction wage rate indexes measure wage rates for 16 main trades in 22 metropolitan areas. The index includes the basic rate for hourly wages and supplements. The supplements include such elements as vacation pay, statutory holiday pay, pension contribution, employer contribution to private plans, health and welfare, industry promotion and training fund. Weights are based on estimates of gross earnings of each trade in each metropolitan area, derived from census data (Table 7.12).

Building construction input price indexes. The wage rate series is combined with selected materials price indexes to yield input price indexes for construction. Residential building construction input price indexes measure changes for labour and materials used in building single detached residences. They do not adjust for productivity changes involved in design or in putting the work in place. Neither do they cover such elements as site preparation, overhead and profit. Similarly, non-residential building construction price indexes measure price changes for labour and material. They do not allow for freight charges or local taxes (Table 7.11).

Output price indexes of non-residential construction measure the change in estimated contract amounts for the construction of selected non-residential buildings as shown for Montréal, Ottawa, Toronto and Vancouver in Table 7.13. Office buildings, schools and light industrial buildings were selected to be representative of types of commercial, institutional and industrial construction. Included as measures of output were prices for materials, labour, use of equipment, sales taxes, job overhead and profit. They reflect conditions of the local market and also the results of productivity in putting the work in place (Table 7.13).

Highway construction price indexes. These base-weighted indexes relate to prices paid by provincial governments in contracts awarded for highway construction. The indexes measure the effect of price change on the cost of specified new highway construction projects represented by contracts of approximately \$50,000 or more awarded by provincial governments. Prices contained in the index are for units of construction work put in place by contractors. Also included are prices of materials usually supplied by the highways department such as culverts and asphalt (Table 7.14).