

14.4 Construction

14.4.1 Value of construction work

The data on the construction industry represent the estimated total value of all new and repair construction performed by contractors and by the labour forces of utility, manufacturing, mining and logging firms, government departments, home-owner builders and other persons or firms not primarily engaged in the construction industry. Table 14.12 shows the value of new and repair construction work and Table 14.13 the value of such work performed by contractors and others during the period 1969-71, preliminary expenditures for 1972 and intentions for 1973. Table 14.14 gives estimates of total expenditures in Canada on each type of construction for which information is available.

Principal statistics of the construction industry are shown by province and for contractors, utilities, governments and others in Table 14.15. The statistics given for Canada as a whole may be considered as relatively accurate but those for individual provinces and by class of builder are approximations only. All estimates given for cost of materials used are based on ratios of this item to total value of work performed, derived from annual surveys of construction work performed by contractors and others and applied to the total value-of-work figures. Estimates of labour content are similarly based but, in addition, are adjusted to include working owners and partners and their withdrawals. Although the ratios were calculated in some detail by type of industry, still further refinements are required. There are also some difficulties in obtaining the precise location of projects undertaken or to be undertaken by large companies operating in a number of provinces. However, if used with these qualifications in mind, the Table provides useful estimates.

Chapter 21 includes detailed price index numbers of construction and capital goods, which measure price changes in residential and non-residential building materials and changes in construction wage rates; price indexes of highway construction which show annual costs to provincial governments in contracts awarded for highway construction as a percentage of prices paid in 1961; and price indexes of electrical utility construction (distribution systems, transmission lines, transformer stations) which provide an estimate of the impact of price change on the cost of materials, labour and equipment used in constructing and equipping such utilities.

14.4.2 Building permits issued

The estimated value of proposed construction is indicated by the value of building permits issued. Figures of building permits are collected from approximately 1,500 municipalities across the country and are available for individual municipalities, for metropolitan areas, for provinces and for economic areas in Quebec, Ontario and Manitoba.

The total value of permits issued for building construction in 1973 was \$8,558.9 million, a figure 32.4% higher than in 1972. Residential construction value and over-all non-residential construction value increased by 30.9% and 34.4%, respectively, reflecting an increase of 64.0% in the industrial, 39.6% in the commercial, and 8.8% in the institutional and government construction sectors.

Permit values rose in all provinces except Manitoba which showed a slight decrease. The value of building permits issued in each province in the years 1972 and 1973 is given in Table 14.16, in each of 50 municipalities in Table 14.17 and in each of the 22 metropolitan areas in Table 14.18. These metropolitan areas made up 70.0% of the 1973 total for Canada.

14.5 Capital expenditures

A survey carried out early in 1974 of capital spending intentions of all sectors of the Canadian economy indicated that capital outlays amounting to \$30.3 billion were planned for 1974. The survey covered business establishments, educational and other institutions and governments at all levels. An estimate of outlays on new dwellings is also included in the total. The estimates for 1974 predict a pronounced acceleration of spending to one of the highest levels on record, following the rapid expansion of capital investment in 1973. Within the total, expenditures on new construction are expected to advance over 1973 levels by nearly 16% and those for the planned acquisition of machinery and equipment by 17%.

The planned 16% increase in capital expenditures in 1974 follows an expansion in 1973 of 19%. These rates of increase are substantially above comparable five- and 10-year averages of