

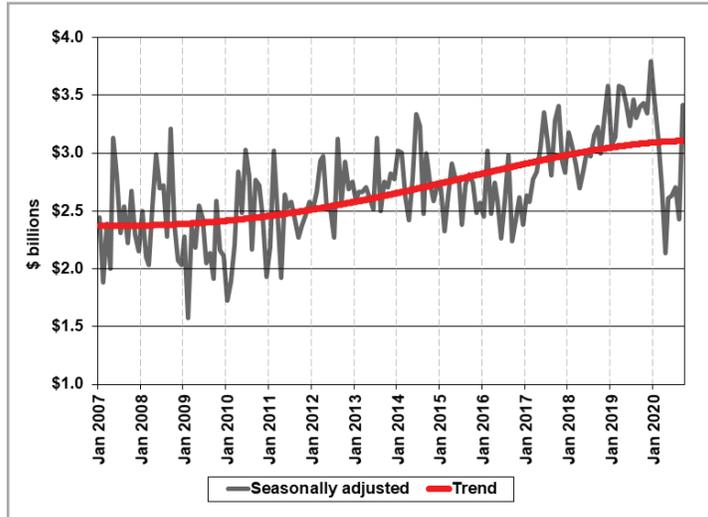
Commercial Snapshot

Third Quarter - 2020

CREA's quarterly publication of key economic indicators for commercial real estate

Non-Residential Building Permits*

Canada, \$ billions, seasonally adjusted



Source: Statistics Canada

Unemployment Rate*

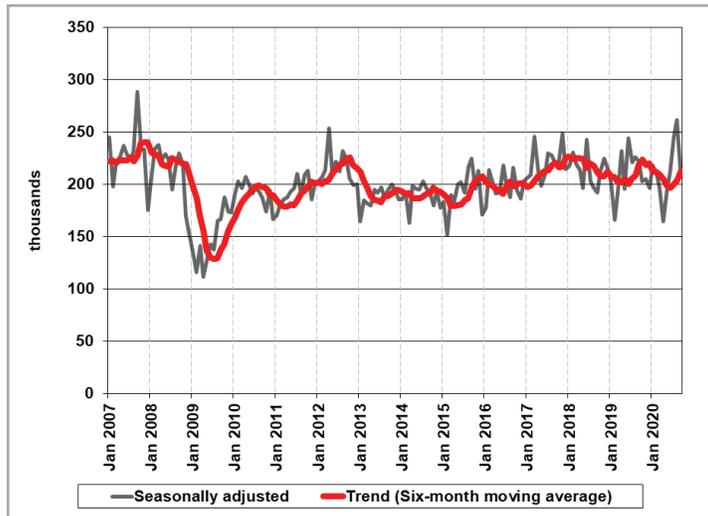
Canada, seasonally adjusted



Source: Statistics Canada

Housing Starts*

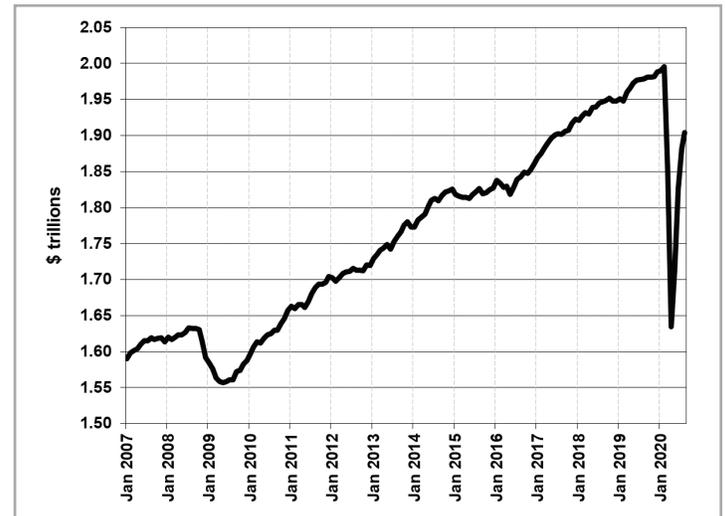
Canada, seasonally adjusted at annualized rates



Source: CMHC

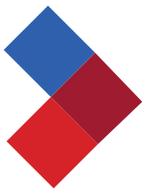
Gross Domestic Product*

Canada, seasonally adjusted at annualized rates



Source: Statistics Canada

* Data used is most up to date as of publication.



Commercial Snapshot

Third Quarter - 2020

Non-Residential Building Permits:

- Non-residential building permits worth close to \$8.55 billion were issued in the three-month period ending September 2020, up close to 16% from the previous three-months but still 16% below the same period in 2019.
- Despite being lower than this time last year, the value of non-residential permits has quickly bounced back from the lows seen earlier this year, possibly reflecting the backlog of permits that were delayed as a result of the emergency lockdowns earlier this year.
- Permits for larger commercial projects in Ontario and for industrial buildings throughout much of the country contributed to the bounce back.

Unemployment Rate:

- The national unemployment rate has fallen nearly 5% from the highs seen earlier this year and is now sitting at 8.9% in October 2020.
- Despite the employment situation getting better throughout most of the nation, restrictions are being re-imposed in several jurisdictions across the country as governments and health officials attempt to contain a second wave of the coronavirus.
- This has led to slower employment growth and challenges for employees and employers as they attempt to navigate the new restrictions.

Housing Starts:

- Housing starts came in at just under 209,000 units in September, a slower pace from the robust levels seen during the summer months.
- The decrease was driven by a slowdown in multi-family starts primarily centred around major urban cores in Ontario and British Columbia.
- In contrast, urban single-family starts increased on a month-over-month basis in September, potentially reflecting a shift in demand from multi-family to single-family properties.
- Average starts from January to September came in stronger than the same period in both 2018 and 2019, showing the overall trend remains strong despite the pandemic.
- Pent-up demand for housing in most regions across the country may continue to keep builders optimistic despite the economic conditions the country may be facing.

Gross Domestic Product (GDP) Growth:

- The Canadian economy grew for the fourth straight month in August as the economy continued to rebound from the sharpest drops seen on record in March and April.
- Despite the bounce back in GDP, overall economic activity is still around 4.5% below levels seen pre-pandemic.
- GDP growth may cool as we head into the fourth quarter as fears of a second wave and further restrictions on business and social activities dampen business investment and consumer spending.
- The Bank of Canada is expecting the recovery to be drawn out over the next several quarters and has provided forward guidance stating interest rates will probably stay low until 2023.



www.realtorlink.ca

For information contact:

Marc Lafrance

Director, Member Experience

mLafrance@crea.ca

