

# TRENDS ANALYSIS: BUILDING PERMITS

FALL 2014



## *What does this measure & why is it important?*

This indicator measures the value of building permits issued annually, by regional district and select municipalities. Data for this indicator were compiled by Statistics Canada and processed by [BC Stats](#).

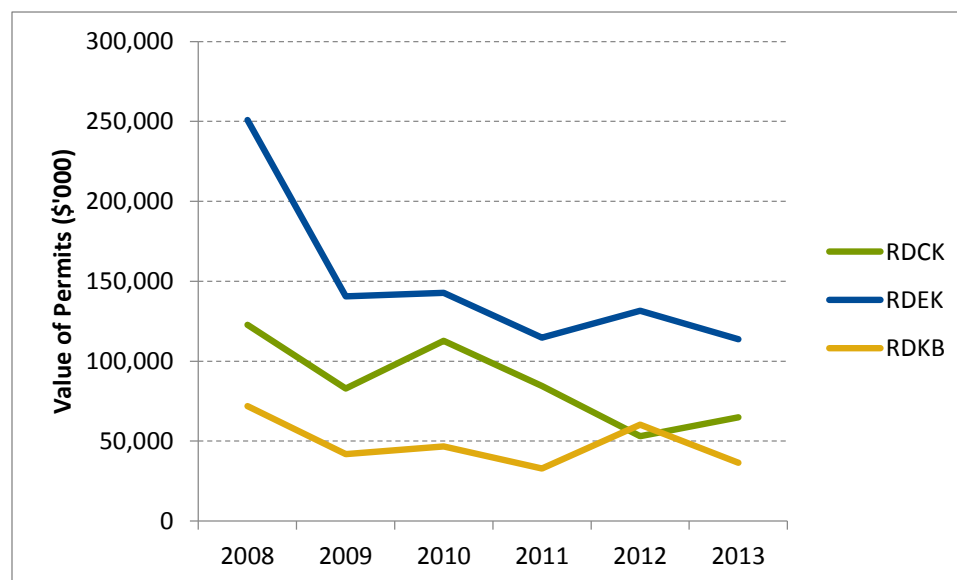
Housing starts and building permits are well accepted indicators of economic performance (Stock & Watson, 1989; Gaudreault, Lamy & Yiu, 2003). Housing starts tend to pick up at the beginning of a business cycle, and taper at the initial signs of economic slowdown. This is reflective of changing consumer expectations, coupled with interest rates (typically low during the emergence from a recession, and increasing in response to economic growth).

## *What are the trends & current conditions?*

### **Kootenay Regional Districts**

Figure 1 demonstrates a sharp reduction in building projects beginning with the 2008/2009 recession, followed by a brief increase in activity in 2010, then a slow decline in the Regional District of East Kootenay (RDEK) and Regional District of Central Kootenay (RDCK). Clear trends are less obvious in the Regional District of Kootenay Boundary (RDKB).

These patterns are indicative of a population that is cautious about economic conditions and their prospects in the near future. This is generally consistent with observed patterns across North America, where a slow recovery from the Great Recession has been experienced.



**Figure 1: Total value of building permits issued in Kootenay regional districts, 2008-2013**

Source: BC Stats, 2014

### Columbia-Shuswap Regional District

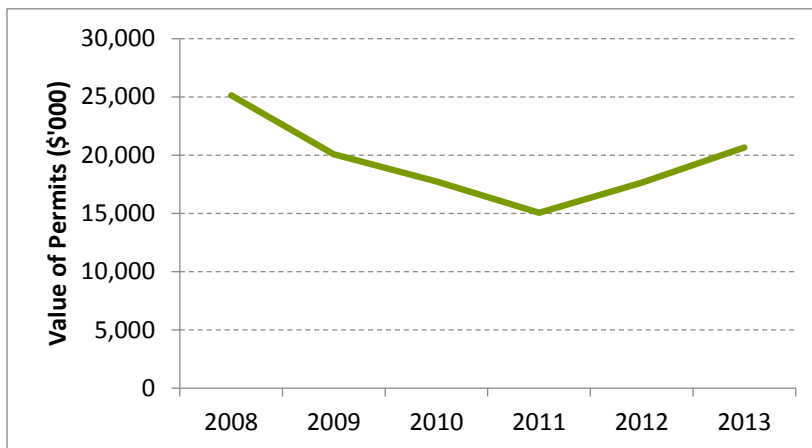
Figure 2 shows the changes in Revelstoke building permits. The movements in Revelstoke follow the general patterns established in the Kootenays, but are more dramatic.



**Figure 2: Total value of building permits issues in Revelstoke, 2008-2013**  
Source: BC Stats, 2014

### Regional District of Fraser-Fort George

There is no available information for Valemount. However, the data in Figure 3 represents the Regional District of Fraser-Fort George (RDFFG), which encompasses the Village of Valemount. The pattern in RDFFG varies from the southern portions of the Basin-Boundary region, in that a more sustained and slower decline in activity was experienced following the Great Recession. RDFFG also experienced more sustained and positive recovery.



**Figure 3: Total value of building permits issued in RDFFG, 2008-2013**  
Source: BC Stats, 2014



The Columbia Basin Rural Development Institute, at Selkirk College, is a regional research centre with a mandate to support informed decision-making by Columbia Basin-Boundary communities through the provision of information, applied research and related outreach and extension support. Visit [www.cbrdi.ca](http://www.cbrdi.ca) for more information.

## References

BC Stats (2014). *Building Permits, Housing Starts and Sales*. Retrieved on August 12, 2014 from:

<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/BuildingPermitsHousingStartsandSales.aspx>

Gaudreault, R., R. Lamy, Y Liu (2003). *Working Paper 2003-12: New Coincident, Leading and Recession Indexes for the Canadian Economy: An Application of the Stock and Watson Methodology*, Department of Finance (Available online: <http://www.fin.gc.ca/pub/pdfs/wp2003-12e.pdf>)

Stock J., Watson, M. (1989). *NBER Macroeconomics Annual 1989, Volume 4, New Indexes of Coincident and Leading Economic Indicators*, (p. 351 - 409). MIT Press (Available online: <http://www.nber.org/chapters/c10968>)