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## Non-Residential Construction Pulling Back

News about the construction sector in Alberta tends to focus on residential home building, and that has started to turn more positive in recent months. But non-residential construction is still pulling back from the rapid pace set last year.

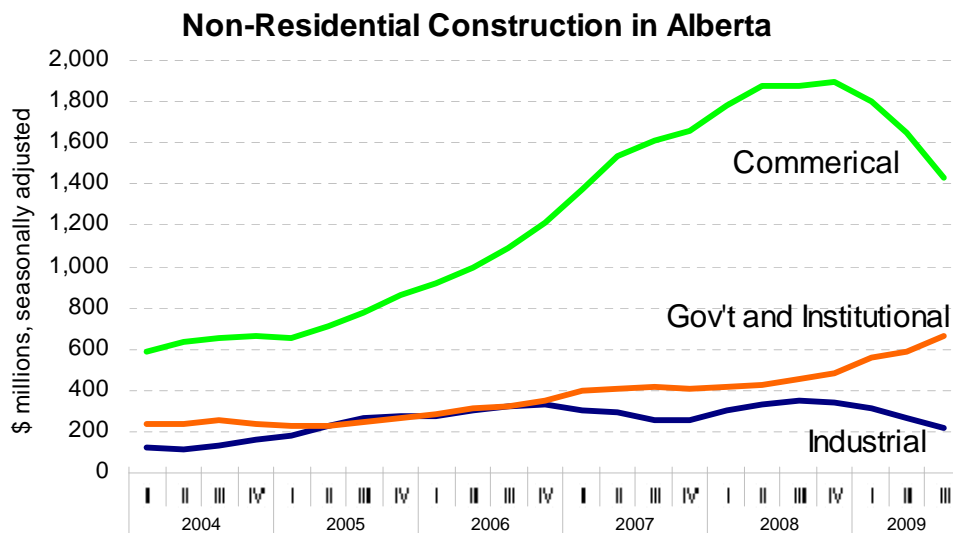
The total value of Alberta's non-residential construction in the third quarter of 2009 dropped to \$2.3 billion (seasonally adjusted). That's down 8% from the second quarter, and down 14.2% from the same quarter in 2008.

Commercial construction – things like shopping malls, office buildings, and warehouse space – makes up by far the largest component of non-residential construction. But that component has been contracting the fastest.

The white-hot pace of office building activity in Calgary has calmed down. As well, the major shopping complex in Balzac wound down in late summer. This has helped contribute to the much slower pace of commercial construction activity in the third quarter (see graph).

Industrial construction, which makes up less than a tenth of overall non-residential construction, also fell in the third quarter.

Partially offsetting the drop in commercial and industrial was a gain in government and institutional construction activity, which would include projects on infrastructure, schools, hospitals, colleges, and universities across the province.



Source: Statistics Canada, The Daily, Oct. 16, 2009

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Where there's a way