



Highlights

- B.C. durable and non-durable manufacturing sales both gained traction in October
- Canadian permits fell in October by 3.1 per cent as non-residential permits decline
- B.C. led residential permit increase in October; overall permits issued jump during the month

B.C. manufacturing sales rose in October

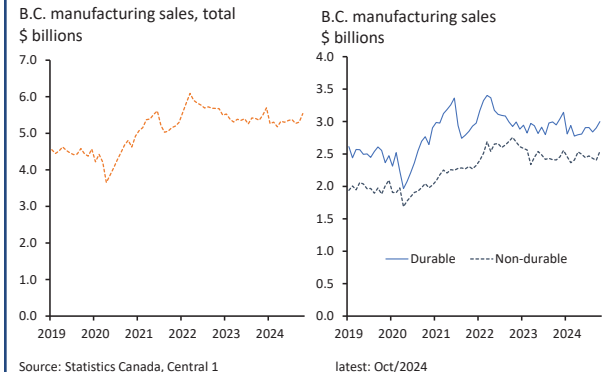
Ivy Ruan, *Economic Analyst*

Manufacturing sales in B.C. rose by 4.4 per cent to \$5.5 billion in October. Non-durable goods industries experienced a large increase of 5.7 per cent in monthly sales, following the prior monthly decline. In addition, there was a 3.4 per cent growth in durable goods shipments, continuing the growing momentum from the previous month. On a year-over-year basis, B.C. manufacturing sales were 3.4 per cent higher than last October, while being still down by 1.8 per cent on a year-to-date basis.

Within durable goods industries, most categories showed positive results. Notably, transportation equipment manufacturing saw a substantial 15.7 per cent increase in October, surpassing the previous record set in May for transportation equipment manufacturing sales in B.C., achieving the highest sales level on record. Wood product manufacturing continued to grow, recording a 2.6 per cent increase and reaching its highest sales level so far this year. However, overall sales remained below 2023 levels and ongoing pressure is expected due to a series of recent mill closure announcements. Machinery manufacturing saw an increase of 10.6 per cent, while primary metal manufacturing experienced a 2.9 per cent decrease. On a yearly basis, durable goods reported 1.7 per cent more sales, and non-durable goods industries in B.C. posted 5.5 per cent higher manufacturing sales.

Within the Vancouver metro area, manufacturing sales rose 5.6 per cent in the month of October, with durable goods industries growing 4.0 per cent and non-durable goods industries also up 7.1 per cent.

Manufacturing sales rose in October



B.C. construction sector notes elevated permit issuances in October

Eloho Ennah, *Economic Analyst*

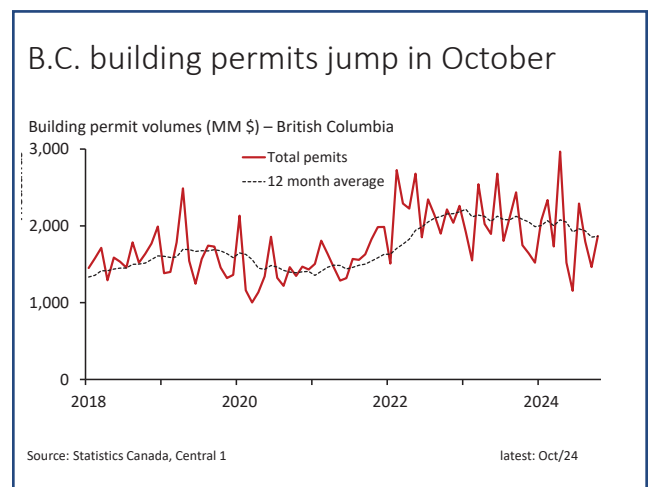
Canadian building permits declined in October following the increase in the prior month, driven by lower non-residential permits issued in Ontario and Manitoba. Total permits issued fell by 3.1 per cent (\$399.1 million). However, the \$12.6 billion in permits issued is the fourth highest on record. Unadjusted for seasonality, year-to-date permit issuances are up by 5.9 per cent, mostly driven by greater permits issued in the residential construction sector (7.0 per cent), and particularly multi-family housing construction intentions. The multi-family housing sector continues to see higher investment as seen in record-high levels of permits and housing starts in 2024 so far, partly due to government policies and incentives to alleviate housing supply issues in Canada. Non-residential permits are higher as well, up by 4.2 per cent year-to-date.

While the overall country-wide results in 2024 have been positive, with the 12-month moving average trending higher, the construction sector is still recovering from two years reduced activity due to significantly higher borrowing and input costs. A more significant pick-up in activity may occur if there are more rate cuts in 2025. That said, the effects of the recent cuts are still propagating through the economy.

B.C. was one of the provinces to record an increase in building permit issuances during the month, rising by 27.7 per cent to \$1.9 billion. This was a result of higher residential and non-residential permits which grew by 26.3 per cent and 31.8 per cent, respectively. While B.C. permit issuances swung higher in several prior months in 2024, similar to national trends, overall construction activity in the province is still impacted from the contractionary monetary policy, as reflected in a continued downward trend in the 12-month moving average since 2022. Year-to-date permit issuances are also down by 7.4 per cent in B.C.

Residential building permits in B.C. rose to \$1.3 billion due to substantially higher multi-family dwelling permits issued in October, up by 31.8 per cent, while single dwelling permits increased by 6.3 per cent.

Non-residential permit values grew to \$544 million due to higher industrial permits, which more than doubled while commercial permits increased by 36.0 per cent. Institutional/governmental permits issued rose by 7.9 per cent.



The higher permits recorded in B.C. was also as a result of a large multi-family project in Burnaby. Total permits in Vancouver also increased by 35.1 per cent during the month and by 13.7 per cent on a year-over-year basis. The only census metropolitan area to record lower permits during the month was Victoria (-1.3 per cent).

For more information, contact economics@central1.com.