

Weekly economic review

Construction intentions surge back to elevated levels

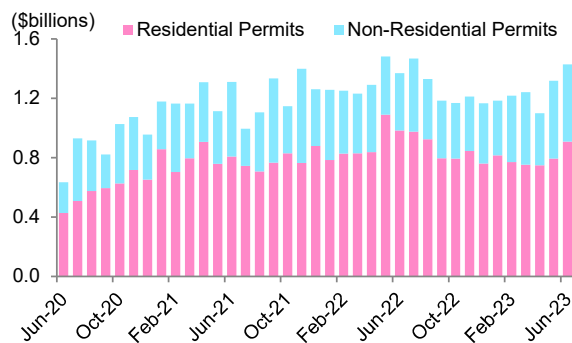
Building Permits

Renewed strength in residential permits

Alberta's construction intentions advanced for the second consecutive month in June as residential permits gained ground (Chart 1). The seasonally adjusted value of building permits increased 8.2% month-over-month (m/m) to \$1.4 billion, the highest since July 2022. Residential permits (+14% m/m) jumped in the month, led by multiple-dwellings which surged 30% to a 13-month high. Single-dwelling permits also advanced (+1.8% m/m) for the second month in a row. Meanwhile, non-residential permits eased (-0.9% m/m) as a large jump in industrial permits was offset by lower commercial and institutional & governmental permits. On a regional basis, gains in Edmonton, Lethbridge, and Alberta's non-CMA regions overwhelmed a pullback in Calgary. With the strong monthly gain, permit values were up 4.3% year-over-year (y/y), propped up by higher non-residential permits (+35% y/y) while residential permits remain lower (-7.6% y/y).

CHART 1: CONSTRUCTION INTENTIONS PICKING UP

Alberta building permits, by type



Sources: Statistics Canada, Haver Analytics

Consumer insolvencies

Insolvencies remain high

Alberta's consumer insolvencies were largely unchanged in June but remained at elevated levels. The number of Albertans filing for insolvency inched up to 1,540 as an increase in proposals (+59) overwhelmed a decline in bankruptcies (-56). Despite remaining relatively flat in the month, insolvencies were up 17% y/y and above pre-COVID levels for the third time in the last four months. The increase in the number of insolvencies reflects the growing pressures on Alberta's consumers from higher interest rates and rising prices.

Rigs Drilling

Activity picking up

Alberta saw a healthy seasonal gain in drilling activity in July. The number of rigs drilling averaged 135 in July, 17 more than in June. Despite the wildfires and floods, activity has been resilient throughout the spring and into the summer. With the seasonal pick-up, the number of rigs drilling remained close to the high end of its five-year range, up 1.0% year-to-date (YTD).

Merchandise Exports

Broad-based declines led by energy

Alberta's goods exports tumbled in June as the value of both energy and non-energy exports plunged. The value of merchandise exports declined 14% m/m to \$12.7 billion, the lowest since October 2021. The value of energy exports declined 15%, primarily due to lower heavy oil export volumes. Meanwhile, non-energy exports also fell (-10% m/m), as the value of farm, fishing & intermediate food products (-21% m/m) and basic and industrial chemicals (-15%) continued to pull back from recent highs. With the monthly drop, total exports were down year-over-year for the fourth consecutive month. The declines largely reflect lower prices and were concentrated in energy products, forestry products, and chemicals.

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