Economic Impacts of the BC Property Development Industry in 2016 (Report Date: February 2018)
ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY

MNP LLP (“MNP”) was engaged by the Urban Development Institute, with support from the British Columbia Real Estate Association and the Greater Vancouver Home Builders’ Association, to conduct a study of the economic impacts of British Columbia’s property development industry. The study examines the economic impacts created by the industry in 2016, as that was the most recent year for which complete data were available. The study represents an update to MNP’s previous study of the economic impacts of the BC property development industry in 2012.1

INDUSTRY PROFILE

The property development industry is a component of the BC real estate and construction sector, which includes real estate agents and brokers, lessors of real estate, and businesses involved with residential building construction, non-residential building construction, engineering construction, repair construction, and other activities of the construction industry. Taken together, the components of the real estate and construction sector account for roughly 15 percent of the BC provincial GDP.2

The property development industry encompasses businesses that are primarily engaged in the construction of new buildings and the alteration of existing structures. Typical businesses in the industry include residential, commercial, institutional and industrial building general contractors, construction management firms, and design-build firms. The property development industry also supports and interacts with many related industries, which include material suppliers, engineering firms, financial services firms, law firms, marketing agencies, real estate and mortgage brokers, and local governments.

The property development industry has seen significant growth in recent years, which is reflected in the value of building permits issued and total investments in building construction:

- The value of building permits reached a record $13.3 billion in 2016, which represented an annual growth rate of 5.4 percent between 2012 and 2016. Much of this growth was driven by an increase in value of building permits for the residential subsector, which grew at an annual growth rate of 10.1 percent.

- Total investment in building construction also reached a record $27.3 billion in 2016, which represented an annual growth rate of 7.3 percent between 2012 and 2016. Investment growth was strongest in the residential and commercial subsectors, increasing at annual growth rates of 8.9 percent and 4.1 percent, respectively.

ECONOMIC IMPACTS IN 2016

To estimate the economic impacts of the property development industry, MNP relied on data for total investment in building construction, along with economic multipliers published by Statistics Canada. Direct impacts are those related to ‘front-end’ businesses that would receive operating revenue as a direct result of building construction (such as general contractors and engineering services firms), while indirect impacts arise from the activity of the suppliers to the ‘front-end’ businesses (such as building material suppliers, and accounting, legal, and other professional services firms). Induced impacts arise from shifts in spending by the employees of the directly and indirectly affected businesses (including spending on day-to-day household purchases). Please note that the approach used to estimate economic impacts is conservative, as it includes only impacts that are directly attributable to the property development industry, and does not include impacts that would be generated by the final buyer or purchaser of the newly constructed buildings.

The economic impacts of the property development industry in 2016 are estimated as:

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2 Statistics Canada CANSIM table 379-0030. Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual. Chained (2007) dollars. The estimate includes the following subsectors: residential building construction; non-residential building construction; engineering construction; repair construction; other activities of the construction industry; lessors of real estate; and offices of real estate agents and brokers and activities.
• **Total output of $46.4 billion.** Direct output generated by the industry is estimated at $27.3 billion, with a further $19.1 billion in indirect and induced impacts.

• **Total gross domestic product (GDP) of $22.9 billion.** GDP directly generated by the industry is estimated at $12.2 billion, with a further $10.7 billion in indirect and induced impacts.

• **The employment of 233,600 full-time equivalent positions (FTEs).** This includes 123,200 FTEs in direct employment and 110,400 FTEs in indirect and induced employment.

• **Total tax revenues of $6.6 billion.** This includes $3.0 billion in federal tax revenues, $2.2 billion in provincial tax revenues, and $1.4 billion in municipal tax revenues.³

The following graphs show the change in output, GDP, and employment impacts of the property development industry from 2012 to 2016.

The following graph shows the tax revenue impact of the property development industry in 2016.

From 2012 to 2016, the share of BC provincial GDP for which the property development industry accounted increased. In 2012, the direct GDP of the property development industry accounted for approximately 4.4 percent of total provincial GDP, while in 2016 it accounted for 5.4 percent.⁴

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The economic impacts generated by the property development industry can be placed in context through comparisons with other large industries in BC:

- The total GDP generated by the property development industry in 2016 ($22.9 billion) was almost twice that reported for the BC forest industry.⁵

- In one year, it would take the filming of approximately 250 major television productions in BC to generate the same amount of total employment (233,600 FTEs) that was generated by the property development industry in 2016.⁶ In 2016, total spending on television production in BC was equivalent to that of 20 major television series.⁷

- It would take the spending by approximately 54 million domestic and international overnight visitors to equate the total investment generated by the property development industry in 2016 ($27.3 billion). This is over two and a half times more than the total number of overnight visitors to BC in 2015.⁸

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⁵ PricewaterhouseCoopers (PwC), British Columbia’s Forest Industry and the B.C. Economy in 2016.
1. BACKGROUND AND STUDY PURPOSE

The Urban Development Institute (“UDI”), with support from its partners the British Columbia Real Estate Association and the Greater Vancouver Home Builders’ Association, commissioned MNP LLP (“MNP”) to conduct an economic impact study of the property development industry in British Columbia in 2016. This report builds upon MNP’s economic impact study of the BC property development industry in 2012\(^9\) that was carried out previously for the UDI.

The scope of the study included:

- A high-level definition of the BC property development industry and key industry statistics.
- Estimates of the economic impacts generated by the BC property development industry in 2016, based on industry investments.
- Comparisons of economic impacts of the BC property development industry with several other industries.

1.1 OUR APPROACH

In preparing this report, MNP carried out the following activities:

- Conducted research through publicly available statistics, articles, and reports including Statistics Canada, Industry Canada, and BC Stats.
- Developed an economic impact model using published economic multipliers.
- Assessed the economic impacts arising through construction investments in the residential, commercial, institutional (including governmental), and industrial sectors of the property development industry in BC.

1.2 REPORT LIMITATIONS

We have relied upon the completeness, accuracy, and fair presentation of all information and data obtained from the UDI and public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy, and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed for business or investment purposes and disclaim any liability to any party that relies upon them as such.

Additionally, the findings and opinions expressed in the presentation constitute judgments as of the date of the presentation, and are subject to change without notice. MNP is under no obligation to advise of any change brought to its attention which would alter those findings or opinions.

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2. INDUSTRY PROFILE

2.1 DEFINITION OF THE PROPERTY DEVELOPMENT INDUSTRY

The property development industry is a component of the BC real estate and construction sector, which includes real estate agents and brokers, lessors of real estate, and businesses involved with residential building construction, non-residential building construction, engineering construction, repair construction, and other activities of the construction industry. Taken together, the components of the real estate and construction sector account for roughly 15 percent of the BC provincial GDP.\(^\text{10}\)

The property development industry encompasses businesses that are primarily engaged in the construction of new buildings and the alteration of existing structures.\(^\text{11}\) By definition, this includes the on-site assembly of prefabricated buildings and the construction of temporary buildings. Typical businesses in the industry include residential, commercial, institutional and industrial building general contractors, construction management firms, and design-build firms.

For the purposes of this study, the property development industry has been divided into four subsectors: residential building construction, commercial building construction, institutional (including governmental) building construction, and industrial building construction. Definitions of each subsector are provided in Table 2-1.

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Building Construction</td>
<td>Includes establishments primarily engaged in the construction or remodelling and renovation of single-family and multi-family residential buildings.</td>
</tr>
<tr>
<td>Commercial Building Construction</td>
<td>Includes establishments primarily engaged in the construction (including new work, additions, and major alterations) of commercial buildings and related structures such as office buildings, hotels, restaurants, shopping centres, and other recreational buildings.</td>
</tr>
<tr>
<td>Institutional (including Governmental) Building Construction</td>
<td>Includes establishments primarily engaged in the construction (including new work, additions, and major alterations) of institutional buildings and related structures such as educational buildings, hospitals, and libraries.</td>
</tr>
<tr>
<td>Industrial Building Construction</td>
<td>Includes establishments primarily engaged in the construction (including new work, additions, and major alterations) of industrial buildings (except warehouses). The construction of selected additional structures, whose production processes are similar to those for industrial buildings (e.g. incinerators, cement plants, blast furnaces, and similar non-building structures), is included in this industry.</td>
</tr>
</tbody>
</table>

Source: Industry Canada, North American Industry Classification (NAICS) Definitions

The property development industry also interacts with and supports related subsectors, as illustrated in the value chain graphic contained in Appendix A. This includes material suppliers, engineering firms, financial services firms, law firms, marketing agencies, real estate and mortgage brokers, and local governments.

\(^\text{10}\) Statistics Canada CANSIM table 379-0030. Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual. Chained (2007) dollars. The estimate includes the following subsectors: residential building construction; non-residential building construction; engineering construction; repair construction; other activities of the construction industry; lessors of real estate; and offices of real estate agents and brokers and activities.

\(^\text{11}\) Using the North American Industry Classification System (NAICS), the property development industry is defined within NAICS subsector 236.
2.2 KEY INDUSTRY STATISTICS

This section presents information related to the size and growth of the property development industry. Key industry statistics include the value of building permits over time, and the value of investments in building construction activity by subsector (the data are provided in Appendix B).

Value of Building Permits

A strong indicator of the growth of the property development industry is the value of building permits issued in the province. As indicated in Figure 2-1, the value of residential building permits has seen a strong upward trend since 2009, increasing at an annual growth rate between 2012 and 2016 of 10.1 percent. While the value of building permits for the commercial and institutional subsectors has been more stable, the industrial subsector experienced a decrease in the value of building permits between 2012 and 2016. High growth in the residential subsector, however, has resulted in an overall annual growth rate in the value of building permits of 8.2 percent between 2012 and 2016.

In total, the value of building permits reached $13.3 billion in 2016.

Figure 2-1: Value of Building Permits in BC by Subsector (2000 to 2016)

Investments in Building Construction

As illustrated in Figure 2-2, investments in building construction have increased steadily since the 2009 economic downturn. Investment growth has been the strongest in the residential and commercial subsectors, increasing at annual growth rates of 8.9 percent and 4.1 percent, respectively between 2012 and 2016. Across all subsectors, total investment in building construction reached $27.3 billion in 2016, which represented an annual growth rate of 7.3 percent over this period.
Figure 2-2: Building Construction Investment in BC by Subsector (2000 to 2016)

Source: Statistics Canada, CANSIM Tables 026-0013 and 026-0016
3. ECONOMIC IMPACTS

MNP’s estimates of economic impacts have been developed using Statistics Canada’s input-output model for BC. An input-output model is based on statistical information about the flow of goods and services among various industries, and is used “to simulate the economic impact on the business sector of an expenditure on a given basket of goods and services or the output of one of several industries.” Input-output modeling is a widely-used and widely-accepted approach, making it recognizable by many different stakeholders and audiences. The structure of the approach also facilitates easy comparisons between reported results for different industries and initiatives.

In general, economic impacts are viewed as being restricted to quantitative, well-established measures of economic activity. The most commonly used of these measures are output, gross domestic product (GDP), employment, and government tax revenue.

- **Output** is the total gross value of goods and services produced by a given company or industry, measured by the price paid to the producer. This is the broadest measure of economic activity.

- **GDP**, or value added, refers to the additional value of a good or service over the cost of inputs used to produce it from the previous stage of production. Thus, GDP is equal to net output, or the difference between revenues and expenses on intermediate inputs. GDP is a more meaningful measure of economic impact, as it avoids double counting during each round of impacts.

- **Employment** is the number of additional jobs created. Employment is measured in terms of full-time equivalents (FTEs).

- **Government Tax Revenues** arise from personal income taxes, corporate income taxes, taxes on products (e.g. PST and GST), and taxes on production (e.g. property tax, land transfer tax). Direct municipal tax revenue includes all Development Cost Charges, Development Cost Levies, and Community Amenity Contributions, as well as all other developer contributions and donations.

Economic impacts may be estimated at the direct, indirect, and induced levels.

- **Direct impacts** are due to changes to “front end” businesses that receive operating revenue as a direct consequence of an industry, group, or organization. Direct impacts are related to original purchases or “direct sales” from primary suppliers.

- **Indirect impacts** are due to changes in the activity of suppliers. Indirect impacts include the spending that suppliers make when purchasing goods and services from their own suppliers (i.e. secondary suppliers) in order to meet the demand generated by property development establishments.

- **Induced impacts** arise from shifts in spending on goods and services as a consequence of changes to the payroll of the directly and indirectly affected businesses. In the case of the property development industry, induced impacts reflect the additional spending by the employees of suppliers (primary suppliers) and their suppliers’ suppliers (secondary suppliers).

Output, GDP, and Employment Impacts

The output, GDP, and employment impacts of the BC property development industry in 2012 and 2016 are summarized in Table 3-1 and Table 3-2, respectively. The estimated economic impacts by subsector are contained in Appendix C.

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13 Email correspondence with the Ministry of Municipal Affairs and Housing.
Table 3-1: BC Property Development Industry Total Impacts – 2012\textsuperscript{14}

<table>
<thead>
<tr>
<th></th>
<th>Output ($ millions)</th>
<th>GDP ($ millions)</th>
<th>Employment (FTEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>20,400</td>
<td>8,166</td>
<td>106,876</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>14,664</td>
<td>8,812</td>
<td>114,668</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,064</strong></td>
<td><strong>16,978</strong></td>
<td><strong>221,544</strong></td>
</tr>
</tbody>
</table>

Table 3-2: BC Property Development Industry Total Impacts – 2016

<table>
<thead>
<tr>
<th></th>
<th>Output ($ millions)</th>
<th>GDP ($ millions)</th>
<th>Employment (FTEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>27,305</td>
<td>12,172</td>
<td>123,247</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>19,135</td>
<td>10,680</td>
<td>110,366</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46,440</strong></td>
<td><strong>22,852</strong></td>
<td><strong>233,613</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage Change from 2012</th>
<th>Output (%)</th>
<th>GDP (%)</th>
<th>Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>32.4%</td>
<td>34.6%</td>
<td>5.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Percentage Change</th>
<th>Output (%)</th>
<th>GDP (%)</th>
<th>Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.3%</td>
<td>7.7%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Total direct, indirect and induced output generated by the property development industry for the BC economy was approximately $46.4 billion in 2016. Output directly generated by the sector represents approximately $27.3 billion, which supports a further $12.0 billion in indirect and $7.1 billion in induced impacts. This represents an increase of 32 percent in total output generated from 2012.

Total direct, indirect and induced GDP generated by the property development industry for the BC economy is estimated at $22.9 billion in 2016. GDP directly generated by the sector is estimated at $12.2 billion, which supports a further $6.1 billion in indirect and $4.6 billion in induced impacts. The total GDP generated in 2016 is estimated to be 35 percent higher than in 2012.

Approximately 233,600 direct, indirect, and induced FTEs are estimated to be generated by the property development industry in the BC economy in 2016. This includes approximately 123,200 direct, 67,700 indirect, and 42,700 induced FTEs. Direct employment increased by 15 percent from 2012, while overall employment increased by about five percent. At each of the direct, indirect, and induced levels, the employment estimates are associated with higher average earnings (labour income) per FTE.

**Taxation Impacts**

The taxation impacts of the BC property development industry in 2016 are summarized in Table 3-3.

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Economic Impacts of the BC Property Development Industry in 2016
Urban Development Institute

Table 3-3: BC Property Development Industry Taxation Impacts – 2016

<table>
<thead>
<tr>
<th></th>
<th>Federal Tax ($ millions)</th>
<th>Provincial Tax ($ millions)</th>
<th>Municipal Tax ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>1,628</td>
<td>1,215</td>
<td>1,088</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>1,344</td>
<td>978</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td>2,972</td>
<td>2,193</td>
<td>1,388</td>
</tr>
</tbody>
</table>

Direct, indirect, and induced taxes generated by the property development industry in 2016 are estimated at $6.6 billion. This is about 87 percent higher than the total tax revenue estimated to be generated in 2012. It is important to note, however, that taxes on products and taxes on production were not included in the 2012 estimates. Taxes on products and taxes on production are included in this report and provide a better estimate of federal and provincial tax revenue. Additionally, as tax revenues can regularly change due to modifications in tax policy, the tax revenue impacts in this report are estimates only and subject to change. They should be viewed as approximate in nature.

The property development industry is estimated to support:

- Direct federal tax revenue of $1.6 billion in 2016, with an additional $1.3 billion estimated in indirect and induced impacts.
- Direct provincial tax revenue of $1.2 billion in 2016, with an additional $978 million estimated in indirect and induced impacts.
- Direct municipal tax revenue of $1.1 billion in 2016, with an additional $300 million in indirect and induced impacts.

Unique to the property development industry is the payment of developer fees and levies, which provides a significant source of revenue to local communities and regional districts throughout the province. In 2016, direct contributions to municipal governments and regional districts totalled $1.1 billion, with $231 million in value accruing to the City of Vancouver alone. This includes all Development Cost Charges, Development Cost Levies, and Community Amenity Contributions, as well as all other developer contributions and donations.

Please note that the tax revenues estimated to be generated by the property development industry do not include the property transfer tax or GST, which are paid by the final purchasers of property. In most cases, newly built homes in BC are subject to GST of five percent and property transfer tax of between two and three percent of the fair market value.

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15 Taxes on products are taxes payable per unit of some good or service. Examples include sales tax (such as GST and PST) and gas or excise tax.
16 Taxes on production are taxes payable on goods or services produced as outputs, such as those payable on the labour, machinery, buildings, or other assets used in production (but do not include income taxes). Examples include property tax and land transfer tax.
17 Please note that direct municipal taxes are equivalent to total “developer contributions” obtained from the Ministry of Community, Sport and Cultural Development. This is consistent with the previous study.
19 Email correspondence with the Ministry of Municipal Affairs and Housing.
21 Please note that foreign entities or taxable trustees may be subject to an additional property transfer tax. For more information, see: https://www2.gov.bc.ca/gov/content/taxes/property-taxes/property-transfer-tax/understand/additional-property-transfer-tax.
4. ECONOMY AND INDUSTRY COMPARISONS

To provide perspective on the size of the economic impacts of the property development industry, it is useful to compare the impacts with those created by the BC economy, and with those created by other large industries.

BC Economy

From 2012 to 2016, the share of BC provincial GDP for which the property development industry accounted increased. In 2012, the direct GDP of the property development industry accounted for approximately 4.4 percent of total provincial GDP, while in 2016 it accounted for 5.4 percent.22

Forestry

The total GDP generated by the property development industry in 2016 ($22.9 billion) was almost twice that reported for the BC forest industry.23

Television Production

In one year, it would take the filming of approximately 250 major television productions in BC to generate the same amount of total employment (233,600 FTEs) that was generated by the property development industry in 2016.24 In 2016, total spending on television production in BC was equivalent to that of 20 major television series.25

Tourism

It would take the spending by approximately 54 million domestic and international overnight visitors to equate the total investment generated by the property development industry in 2016 ($27.3 billion). This is over two and a half times more than the total number of overnight visitors to BC in 2015.26

23 PricewaterhouseCoopers (PwC), British Columbia’s Forest Industry and the B.C. Economy in 2016.
APPENDIX A – INDUSTRY VALUE CHAIN

A value chain is a high-level model of how businesses receive raw materials as input, add value to the raw materials through various processes, and distribute finished products to customers.

The value chain graphic in Figure A-1 illustrates the linkages that exist between the property development sector and other related sectors, as well as the breadth of individuals and organizations with which it interacts.
Figure A.1: Property Development Value Chain

- Consultants, including:
  - Surveyors
  - Site Planners
  - Architects
  - Structural Engineers
  - Mechanical Engineers
  - Fire Code Consultants
  - Geotechnical Engineers
  - Acoustical Engineering
  - Energy Conservation Specialists
  - Certified Building Professionals
  - Civil Engineers
  - Landscape Architects
  - Traffic Consultants
  - Elevator Consultants
  - Telecommunications
  - Utilities
  - Municipal and Provincial Government Agencies
  - Interior Designers
  - Environmental Services

- Title Companies
- Leasing
- Land Assessment
- Financial Services, including:
  - Accounting
  - Insurance
  - Financing
- Legal and Professional Services

- Pre-Construction
  - Land Purchase
  - Property Marketing
  - Design
  - Building Program Development
  - Permits
  - Sales
  - Leasing

- Construction
  - Project Management
  - Building and Assembly
  - Maintenance
  - Trades, including:
    - Carpenters
    - Masons
    - Electricians
    - Welders
    - Painters
    - Plumbers
    - Heating, Ventilation and Air Conditioning Technicians
    - Elevator Mechanics
    - Construction Managers
    - General Contractors
- Tooling
- Supplies, including:
  - Metal
  - Wood
  - Glass
  - Brick
  - Cement
  - Paint/Finishing
  - Hardware
  - Glass
  - Foam and Plastic
- Material Transportation
- Equipment and Machinery
- Financial Services, including:
  - Accounting
  - Insurance
  - Financing
- Legal and Professional Services

- Sales and Marketing
  - Marketing
  - Sales
  - Leasing
  - Customer Service
- Financial Services, including:
  - Accounting
  - Insurance
  - Financing
  - Legal and Professional Services
  - Real Estate Agents
  - Mortgage Brokers
  - Advertising
  - Media
  - Marketing Support
  - Communications
  - Inspection Services

- Interior Space and Design
  - Interior Design
  - Retail
  - Wholesale
- Interior Designers
- Retail, including:
  - Furniture
  - Shelving, Storage and Organization
  - Lighting
  - Window Treatments
  - Appliances
- Home Decors
- Electronics
- Computers, Software and Hardware
- Glasses
- Accessories
- Wholesale, including:
  - Supplies
  - Equipment
  - Machinery
  - Furniture
  - Shelving, Storage and Organization
  - Lighting
  - Window Treatments
  - Appliances

- Operations and Maintenance
  - Utilities
  - Services
- Utilities, including:
  - Gas and Electricity
  - Telephone and Internet
- Cable
- Services, including:
  - Recycling and Waste Disposal
  - Cleaning Services
  - Gardening and Landscaping Services
  - Repairs and Maintenance
  - Property and Building Management
  - Security Services
  - Building Inspections
### APPENDIX B – INDUSTRY DATA

**Table B-1: Value of Building Permits and Building Construction Investment in BC – by Subsector (2012 to 2016)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value of building permits ($ millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>6,712</td>
<td>6,868</td>
<td>7,348</td>
<td>9,445</td>
<td>9,863</td>
</tr>
<tr>
<td>Commercial</td>
<td>2,295</td>
<td>1,897</td>
<td>2,213</td>
<td>2,301</td>
<td>2,161</td>
</tr>
<tr>
<td>Institutional (including Governmental)</td>
<td>870</td>
<td>786</td>
<td>1,161</td>
<td>813</td>
<td>781</td>
</tr>
<tr>
<td>Industrial</td>
<td>883</td>
<td>426</td>
<td>355</td>
<td>566</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,760</td>
<td>9,977</td>
<td>11,077</td>
<td>13,125</td>
<td>13,255</td>
</tr>
<tr>
<td><strong>Investment ($ millions)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>15,037</td>
<td>15,193</td>
<td>15,976</td>
<td>17,617</td>
<td>21,112</td>
</tr>
<tr>
<td>Commercial</td>
<td>3,374</td>
<td>3,336</td>
<td>3,318</td>
<td>3,577</td>
<td>3,968</td>
</tr>
<tr>
<td>Institutional (including Governmental)</td>
<td>1,555</td>
<td>1,425</td>
<td>1,419</td>
<td>1,693</td>
<td>1,543</td>
</tr>
<tr>
<td>Industrial</td>
<td>659</td>
<td>816</td>
<td>574</td>
<td>570</td>
<td>683</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,625</td>
<td>20,770</td>
<td>21,287</td>
<td>23,457</td>
<td>27,306</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CANSIM Tables 026-0006, 026-0013 and 026-0016
APPENDIX C – ECONOMIC IMPACTS BY SUBSECTOR

The economic impacts for each of the property development subsectors are presented below. The largest subsector in terms of economic impacts is residential housing development, followed by commercial property development. Together, the residential and commercial property development subsectors account for almost 92 percent of total industry output, GDP, and employment.

Table C-1: BC Property Development Industry – Economic Impacts by Subsector (2016)

<table>
<thead>
<tr>
<th>Subsector</th>
<th>Output Millions of Dollars</th>
<th>Percentage Change from 2012</th>
<th>GDP Millions of Dollars</th>
<th>Percentage Change from 2012</th>
<th>Employment FTEs</th>
<th>Percentage Change from 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>21,111</td>
<td>40.2%</td>
<td>9,333</td>
<td>53.2%</td>
<td>98,223</td>
<td>20.8%</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>14,812</td>
<td>38.7%</td>
<td>8,162</td>
<td>28.6%</td>
<td>84,041</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>35,923</td>
<td>39.6%</td>
<td>17,495</td>
<td>40.6%</td>
<td>182,264</td>
<td>11.1%</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>3,968</td>
<td>22.9%</td>
<td>1,819</td>
<td>45.1%</td>
<td>16,030</td>
<td>3.8%</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>2,769</td>
<td>14.9%</td>
<td>1,613</td>
<td>8.2%</td>
<td>16,863</td>
<td>-12.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,737</td>
<td>19.5%</td>
<td>3,432</td>
<td>25.1%</td>
<td>32,893</td>
<td>-5.3%</td>
</tr>
<tr>
<td><strong>Institutional (including Governmental)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>1,543</td>
<td>2.0%</td>
<td>707</td>
<td>20.5%</td>
<td>6,234</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>1,077</td>
<td>-4.7%</td>
<td>627</td>
<td>-10.2%</td>
<td>6,558</td>
<td>-27.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,620</td>
<td>-0.8%</td>
<td>1,334</td>
<td>3.8%</td>
<td>12,792</td>
<td>-21.4%</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct</td>
<td>683</td>
<td>13.9%</td>
<td>313</td>
<td>34.5%</td>
<td>2,760</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Indirect and Induced</td>
<td>477</td>
<td>6.5%</td>
<td>278</td>
<td>0.3%</td>
<td>2,904</td>
<td>-19.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,160</td>
<td>10.8%</td>
<td>591</td>
<td>15.9%</td>
<td>5,664</td>
<td>-12.2%</td>
</tr>
</tbody>
</table>
APPENDIX D – ABOUT MNP

Since our first office opened in 1958, MNP has grown to more than 70 offices and 4,000 team members across Canada. The firm is committed to providing insightful business advice from a local perspective. In BC, MNP has more than 800 staff located in 20 offices throughout the province.

About MNP’s Economics and Research Team

Economic and industry studies are carried out by MNP’s Economics and Research practice. The Economics and Research practice consists of a team of dedicated professionals that have a successful track record of assisting clients with a variety of financial and economic studies. The practice’s work has encompassed a wide range of programs, industries, company operations and policy initiatives, and has helped clients with decision-making, communication of economic and financial contributions, documentation of the value of initiatives and activities, and development of public policy.

MNP’s Services to Real Estate and Construction Businesses

MNP’s Real Estate and Construction Services team provides insight and solutions related to the challenges that real estate and construction businesses face, including audit, taxation, compliance and international transactions, property tax recovery, common area and maintenance audits, and enterprise risk management.