

Construction numbers *better than expected*

2009 sees building boom

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Black Press

Construction in the City of Surrey in 2009 was much more robust than civic planners forecasted, with November numbers almost doubling those of the same month the year prior.

Surrey has tabulated its building permit values up to the end of November, and the figures are much higher than expected.

The value of Surrey's building permits was \$808 million, with the majority (\$462 million) occurring in the residential-housing sector, \$156 million in commercial projects and another \$142 million in institutional permits. A small portion (\$42 million) was industrial.

November saw a huge boom in the residential sector, with \$70 million worth of permits in that month alone. The amount far eclipsed the \$25 million in residential construction in November 2008.

The big year for building came during one of the most significant economic meltdowns in half a century. In fact, figures indicate construction value in Surrey was at about \$850 million by Dec. 23.

That beat even the more optimistic January 2009 projections, which forecast about \$600 million for the year. The number of permits for single-family resi-


Evan Seal photo

Construction numbers in Surrey were bigger than expected in 2009.

dential units exceeded 2008 by almost 100, while commercial construction exceeded 2008 commercial construction by 50 per cent.

"Usually, residential construction is quite strong, because it's an affordable market for purchasers," said Jean LaMontagne, Surrey's general manager of planning and development.

Some large projects accounted for much of the institutional values and included Surrey's new outpatient hospital in Green Timbers, the new Surrey School District offices on 140 Street in Newton and several other civic projects.

However, industrial building permit values were down by 50 per cent. LaMontagne said there was some vacant industrial inventory that was available, meaning new construction was unnecessary. Lending institutions were also reluctant to give mortgages last year for risky projects.

The outlook for 2010 is "cautiously optimistic," LaMontagne said.

The effects of the Harmonized Sales Tax, the potential for increased mortgage rates, and talk of tighter lending restrictions could all contribute to slowing the recovery from the economic downturn, he said.