



# Hanscomb

## Escalation Watch - First Quarter 2008

The mid-February 2008 Non-residential Construction Price Indices were released by Statistics Canada on May 14th. Indices for the second quarter of 2008 will be available mid August.

Nationally, the composite continues to rise, increasing to 165.7, up 2.6% over the previous quarter, and 8.7% over the same period in 2007.

Expressed on a year over year basis, the yearly rates of change for Halifax (5.2%), Montreal (6.2%), Ottawa (6.6%) and Toronto (7.2%) in the East continue to be below that of the national composite. In the West, each of the three cities included in the study continue to post annual increases above the national composite with Vancouver (10%), Edmonton (13.4%), and Calgary (10.9%), showing quarterly changes in the range of 2% to 3.5% from the previous quarter.

It bears remembering that the indices prepared for Statistics Canada are intended only to track cost changes in a given city. The index *cannot* be used to compare costs between cities.

The source data used to prepare the charts in this newsletter is drawn from Statistics Canada's Capital Expenditures Price Statistics publication – catalogue 62-007-XIE (previously catalogue 62-007-XPB). Specifically, we used the Non-residential Building Construction Price Indexes for the national composite and each surveyed city indicated on tables 7.2 through 7.9.

More information about this and other construction related indices published by Statistics Canada are available on line at [www.statcan.ca](http://www.statcan.ca).

- Paul Westbrook

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Statistics Canada  
Non-Residential  
Construction Cost  
Indices for 7 Cities,  
First Quarter 2008

## Services

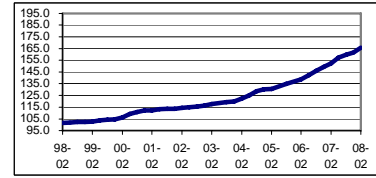
|                                    |                                |                            |                                |
|------------------------------------|--------------------------------|----------------------------|--------------------------------|
| <b>Cost Planning &amp; Control</b> | <b>Litigation Support</b>      | <b>Feasibility Studies</b> | <b>Project Loan Monitoring</b> |
| <b>Value Management</b>            | <b>Construction Monitoring</b> | <b>Time Management</b>     | <b>Applied Research</b>        |

## World Wide Office and Services Contacts

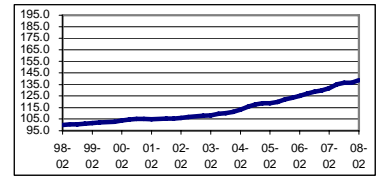
|           |                |                |                  |                    |                |
|-----------|----------------|----------------|------------------|--------------------|----------------|
| Vancouver | Peter Moore    | (604) 685-1241 | Halifax          | Ray Murray         | (902) 422-3620 |
| Edmonton  | Mike Swick     | (780) 426-7980 | St. John's       | Wayne Fitzpatrick  | (709) 722-0505 |
| Calgary   | David Crane    | (403) 234-9490 | Abu Dhabi        | Paul Bishop        | 971-26262461   |
| Winnipeg  | David Crane    | (204) 775-3389 | Dubai            | S. Keigwin/S. Bale | 9714-3244557   |
|           | Isaasc Gwendo  |                |                  | John Hudson        |                |
| Hamilton  | Susan Neil     | (905) 525-5777 | Muscat           | Martin Redman      | 968-24481664   |
|           | Craig Bye      |                | Doha             | David Hodgskin     | 974-4673808    |
| Ottawa    | Art Maw        | (613) 234-8089 | Value Management | Paul Westbrook     | (416) 487-3811 |
|           | Grant Mercer   |                | Loan Monitoring  | Ray Murray         | (902) 422-3620 |
| Toronto   | Paul Westbrook | (416) 487-3811 |                  | Dale Panday        | (416) 487-3811 |
|           | Dale Panday    |                | Applied Research | Jason Gallant      | (416) 487-3811 |

# STATISTICS CANADA NON-RESIDENTIAL CONSTRUCTION COST INDICES, IN EACH CITY 1997 = 100 (Cat. No. 62-007-XIE)

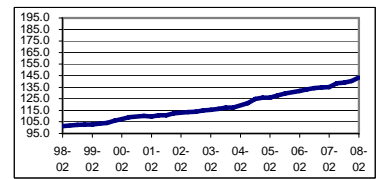
| COMPOSITE<br>7 CITY | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                     | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index               | 134.9   | 136.7   | 138.6   | 142.3   | 145.9   | 149.4   | 152.4   | 157.4   | 159.9   | 161.5   | 165.7   |
| Year / Year         |         |         |         |         | 8.2%    | 9.3%    | 10.0%   | 10.6%   | 9.6%    | 8.1%    | 8.7%    |
| Quarterly           |         | 1.3%    | 1.4%    | 2.7%    | 2.5%    | 2.4%    | 2.0%    | 3.3%    | 1.6%    | 1.0%    | 2.6%    |
| Q. Cumulative       | 0.0%    | 1.3%    | 2.7%    | 5.5%    | 8.2%    | 10.7%   | 13.0%   | 16.7%   | 18.5%   | 19.7%   | 22.8%   |



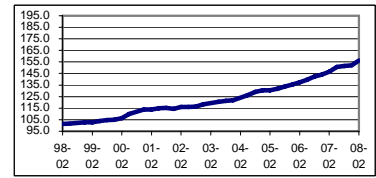
| HALIFAX       | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 122.1   | 123.6   | 125.1   | 126.9   | 128.7   | 129.7   | 131.7   | 135.2   | 136.3   | 136.7   | 138.5   |
| Year / Year   |         |         |         |         | 5.4%    | 4.9%    | 5.3%    | 6.5%    | 5.9%    | 5.4%    | 5.2%    |
| Quarterly     |         | 1.2%    | 1.2%    | 1.4%    | 1.4%    | 0.8%    | 1.5%    | 2.7%    | 0.8%    | 0.3%    | 1.3%    |
| Q. Cumulative | 0.0%    | 1.2%    | 2.5%    | 3.9%    | 5.4%    | 6.2%    | 7.9%    | 10.7%   | 11.6%   | 12.0%   | 13.4%   |



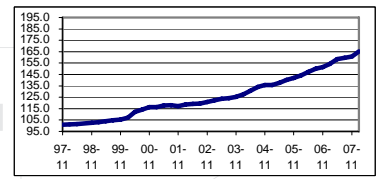
| MONTREAL      | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 129.8   | 130.7   | 131.8   | 133.1   | 134.4   | 134.9   | 135.2   | 138.7   | 139.0   | 140.3   | 143.6   |
| Year / Year   |         |         |         |         | 3.5%    | 3.2%    | 2.6%    | 4.2%    | 3.4%    | 4.0%    | 6.2%    |
| Quarterly     |         | 0.7%    | 0.8%    | 1.0%    | 1.0%    | 0.4%    | 0.2%    | 2.6%    | 0.2%    | 0.9%    | 2.4%    |
| Q. Cumulative | 0.0%    | 0.7%    | 1.5%    | 2.5%    | 3.5%    | 3.9%    | 4.2%    | 6.9%    | 7.1%    | 8.1%    | 10.6%   |



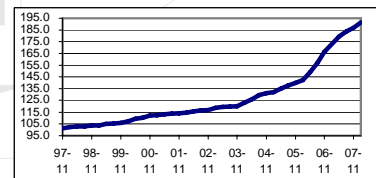
| OTTAWA        | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 133.8   | 135.4   | 137.3   | 139.7   | 142.2   | 144.0   | 146.6   | 150.6   | 151.4   | 152.1   | 156.3   |
| Year / Year   |         |         |         |         | 6.3%    | 6.4%    | 6.8%    | 7.8%    | 6.5%    | 5.6%    | 6.6%    |
| Quarterly     |         | 1.2%    | 1.4%    | 1.7%    | 1.8%    | 1.3%    | 1.8%    | 2.7%    | 0.5%    | 0.5%    | 2.8%    |
| Q. Cumulative | 0.0%    | 1.2%    | 2.6%    | 4.4%    | 6.3%    | 7.6%    | 9.6%    | 12.6%   | 13.2%   | 13.7%   | 16.8%   |



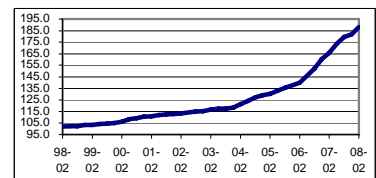
| TORONTO       | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 140.3   | 142.0   | 144.2   | 147.3   | 150.0   | 151.6   | 154.2   | 158.5   | 159.6   | 160.8   | 165.3   |
| Year / Year   |         |         |         |         | 6.9%    | 6.8%    | 6.9%    | 7.6%    | 6.4%    | 6.1%    | 7.2%    |
| Quarterly     |         | 1.2%    | 1.5%    | 2.1%    | 1.8%    | 1.1%    | 1.7%    | 2.8%    | 0.7%    | 0.8%    | 2.8%    |
| Q. Cumulative | 0.0%    | 1.2%    | 2.8%    | 5.0%    | 6.9%    | 8.1%    | 9.9%    | 13.0%   | 13.8%   | 14.6%   | 17.8%   |



| CALGARY       | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 137.6   | 140.0   | 142.4   | 148.9   | 157.0   | 166.3   | 172.8   | 179.5   | 183.9   | 186.8   | 191.7   |
| Year / Year   |         |         |         |         | 14.1%   | 18.8%   | 21.3%   | 20.6%   | 17.1%   | 12.3%   | 10.9%   |
| Quarterly     |         | 1.7%    | 1.7%    | 4.6%    | 5.4%    | 5.9%    | 3.9%    | 3.9%    | 2.5%    | 1.6%    | 2.6%    |
| Q. Cumulative | 0.0%    | 1.7%    | 3.5%    | 8.2%    | 14.1%   | 20.9%   | 25.6%   | 30.5%   | 33.6%   | 35.8%   | 39.3%   |



| EDMONTON      | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 135.4   | 137.6   | 139.9   | 146.1   | 152.1   | 160.5   | 165.8   | 173.7   | 179.4   | 181.8   | 188.1   |
| Year / Year   |         |         |         |         | 12.3%   | 16.6%   | 18.5%   | 18.9%   | 17.9%   | 13.3%   | 13.4%   |
| Quarterly     |         | 1.6%    | 1.7%    | 4.4%    | 4.1%    | 5.5%    | 3.3%    | 4.8%    | 3.3%    | 1.3%    | 3.5%    |
| Q. Cumulative | 0.0%    | 1.6%    | 3.3%    | 7.9%    | 12.3%   | 18.5%   | 22.5%   | 28.3%   | 32.5%   | 34.3%   | 38.9%   |



| VANCOUVER     | 2005    |         | 2006    |         |         |         | 2007    |         |         |         | 2008    |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|               | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb | Mid-May | Mid-Aug | Mid-Nov | Mid-Feb |
| Index         | 127.9   | 130.6   | 132.5   | 137.7   | 141.8   | 147.5   | 150.8   | 156.5   | 160.7   | 162.6   | 165.9   |
| Year / Year   |         |         |         |         | 10.9%   | 12.9%   | 13.8%   | 13.7%   | 13.3%   | 10.2%   | 10.0%   |
| Quarterly     |         | 2.1%    | 1.5%    | 3.9%    | 3.0%    | 4.0%    | 2.2%    | 3.8%    | 2.7%    | 1.2%    | 2.0%    |
| Q. Cumulative | 0.0%    | 2.1%    | 3.6%    | 7.7%    | 10.9%   | 15.3%   | 17.9%   | 22.4%   | 25.6%   | 27.1%   | 29.7%   |

